

william w. whitley  
1705 colorado state bank building  
1600 broadway  
denver · colorado · 80202  
phone (303) 861-2469

September 19, 1985

RECEIVED

SEP 23 1985

DIVISION OF  
GAS & MINES

Geological & Mineral Survey  
Oil, Gas & Mining Division  
3 Triad Center, Suite #350  
Salt Lake City, UT 84180-1203  
Attention: Mr. Ronald J. Firth

RE: Proposed Well  
Turner Bluff Area  
San Juan County, UT

Dear Ron:

As mentioned to you on the telephone previously, P&M Petroleum Management plans to drill a well at the following location:

NE/4SW/4 of Section 25, T40S, R22E

This would be a directionally drilled hole from a surface location 1600' FNL, 2150' FWL of Sec. 25.

As indicated on the attached plat, it is our intention to form an irregularly-shaped drilling unit covering approximately 60 acres. The drilling unit will consist of parts of two federal leases (North of the San Juan River) in the N/2SW/4 of Section 25.

If you are in agreement with this plan, will you please write us a letter stating your approval so that we can proceed to communitize the two leases under the drilling unit.

If you have any questions, please let me know.

Very truly yours,

*William W. Whitley*  
William W. Whitley

WWW:lt  
Enclosure

LADD PET.  
23-22

PET. INC.

12-70

R 22 E

U-16766

U 42474 (HBP)

U-18433 (HBP)

23

W.W. WHITLEY, et al  
7-17-88

W.W. WHITLEY, et al 60%  
KIRKWOOD 40%

24

W.W. WHITLEY, et al

WHITLEY  
2 Kirkwood-Fed.

WHITL  
2-24  
5-C

WHITLEY  
1-23 ST.

WHITLEY, et al  
3-31-90 STANO. IND

6-57

STANOLIND

4-57

WHITLEY  
1-24 Fed.  
10-79

U-42474

5% ORR

120 ac.

5% ORR

U-37651

ML-35887

3

1-26D

WHITL  
1-25 Kirkwood-  
2-80 Fed.

W.W. WHITLEY, et al

WH.  
1-2  
6-

U-18433 (HBP)

U-41696 (HBP)

Whitley et al

W.W. WHITLEY, et al

Surf. Loc.

WHITLEY  
1-25A-KGS  
10-83

WHITLEY  
2-25-3E  
3-82

PROPOSED DRILLING UNIT  
# 3-25-3E FEDERAL

T  
40  
S

U-52026 (HBP)

CHUSKA

Beard.  
Oil Co.

6

M.S.R.

MSR

10-83

Median Line of San Juan River

CHUSKA

US

W.W. WHITLEY, et al

TURNER BLUFF FIELD

SAN JUAN COUNTY, UT.

1" = 1000'



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 27, 1985

Mr. William W. Whitley  
1705 Colorado State Bank Building  
1600 Broadway  
Denver, Colorado 80202

Dear Mr. Whitley:

RE: Proposed Well, NE/4 SW/4, Section 25, Township 40 South  
Range 22 East, San Juan County, Utah

In response to your letter of September 19, 1985, and our previous telephone conversation relating to the proposed well, drilling and spacing unit and your desire to effect a communitization agreement, the following is presented:

The N/2 SW/4 of Section 25 was established as an 80-acre drilling unit by the Board of Oil, Gas and Mining on January 23, 1980, in Cause No. 185-2 and designated the well location in the NE/4 SW/4. On February 23, 1984, the Board Order in Cause No. 185-5 amended the Order in Cause No. 185-2 to delete therefrom any lands within the Navajo Reservation; and the Board made no finding and reached no conclusion as to the location of the north boundary of the Navajo Reservation.

Elimination of the Navajo Reservation acreage within the N/2 SW/4, Section 25, reduced the former 80-acre drilling unit to approximately 60 acres. Thus, the drilling unit is now comprised of that part of federal lease U-18433 in the N/2 SW/4, Section 25 (Lots 2 and 3), and that part of federal lease U-23797 in the N/2 SW/4, Section 25, located north of the median line of the San Juan River, which is the north boundary of the Navajo Reservation.

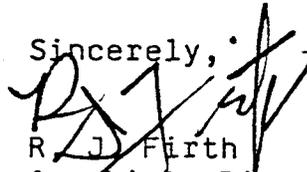
Your proposal to directionally drill a well in the NE/4 SW/4 of Section 25 from a surface location 1,600 feet from the north line and 2,150 feet from the west line of Section 25 is in compliance with the Board Orders in Cause No. 185-2 and 185-5; and your proposal to communitize the two federal leases within the drilling unit comprising the N/2 SW/4, Section 25, would be appropriate predicated upon the existing drilling unit.

Page 2

Mr. William W. Whitley  
September 27, 1985

If you have any further questions or desire further discussion of the matter, please let me know.

Sincerely,



R. J. Firth

Associate Director, Oil and Gas

jbl

cc: Dianne Nielson, Director  
Marjie Anderson, Secretary to the Board



# P & M

# PETROLEUM MANAGEMENT

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

November 1, 1985

EXPRESS MAIL

BUREAU OF LAND MANAGEMENT  
DISTRICT OFFICE  
Box 970  
Moab, UT 84532

RE: P & M PETROLEUM MANAGEMENT, OPERATOR  
#3-25-3E Federal  
SE $\frac{1}{4}$  NW $\frac{1}{4}$  Sec. 25, T40S-R22E (surface)  
NE $\frac{1}{4}$  SW $\frac{1}{4}$  Sec. 25, T40S-R22E (bottom hole)  
San Juan County, Utah

## RECEIVED

NOV 06 1985

Surface Federal Lease No. U-52026 Comm.  
UT-000232

DIVISION OF OIL  
GAS & MINING

Bottom Hole Federal Lease No. U-18433-  
(Pending communitization of N $\frac{1}{2}$  SW $\frac{1}{4}$ )

Gentlemen:

Enclosed in quadruplicate please find an A.P.D. & NTL-6 Surface Use Plan on the above referenced proposed deviated hole. The well will be spudded on the same pad as the #1-25A KGS Federal producing well and will deviate to a bottom hole location in the NE $\frac{1}{4}$  SW $\frac{1}{4}$  of Sec. 25, T40S-R22E. Due to the San Juan River bed location, it is necessary to communitize the Beard acreage in the NW $\frac{1}{4}$  SW $\frac{1}{4}$  of Sec. 25 - this communitization is pending.

P & M Petroleum would like to spud this well on or about November 15, 1985. As the surface location has been previously given archeological clearance and the location of the proposed well will be on the same pad as the #1-25A KGS Federal, we feel that perhaps this approval can be acquired within that time frame. Please advise as to any questions or further information we may provide. Thank you for your cooperation in this matter.

Yours very truly,

Margo J. Medina

MM:s  
Enclosures

cc: BLM  
P.O. Box 7  
Monticello, UT 84535  
Att: Brian Wood

BLM  
2303-324 S. State, #301  
Salt Lake City, UT 84111

State Of Utah  
Division of Oil, Gas & Mining  
3 Traid Center, #350  
Salt Lake City, UT 84180-1203

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK

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

2. NAME OF OPERATOR  
 P & M PETROLEUM MANAGEMENT *303-861-2469*

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 At surface (SE 1/4 NW 1/4) 1560' FNL & 2220' FWL

RECEIVED  
NOV 06 1985

At proposed prod. zone (NE 1/4 SW 1/4) 3000' FNL & 1820' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 10.2 miles SE of Bluff, UT

DIVISION OF OIL

15. DISTANCE FROM PROPOSED\* surface - 240' LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. Desert Creek- 360' (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE MINING NO. OF ACRES ASSIGNED TO THIS WELL  
 Communitized N 1/2 SW 1/4 80 acres

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

19. PROPOSED DEPTH 5650 (TVD) *Desert Creek*

20. ROTARY OR CABLE TOOLS rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 4360' GR.

22. APPROX. DATE WORK WILL START\*  
 November 15, 1985

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13-3/8"	48	80'	150 sx. - circ.
12 1/4"	8-5/8"	24	1100'	550 sx. - circ.
7-7/8"	5 1/2"	15.5	5650'	150 sx.

- The well will be spudded in the Morrison Formation (*surface*)
- The estimated tops of important geological formations are as follows: (TVD)
 

Entrada	170'	Moenkopi	2052'
Carmel	220'	Cutler	2297'
Navajo	278'	Hermosa	4267'
Kayenta	768'	Ismay	5173'
Wingate	845'	Lower Ismay	5295'
Chinle	1245'	"C" Shale	5355'
Shinarump	2002'	Desert Creek	5400'

3. This well will be directionally drilled. The surface location will be at <sup>1560'</sup> ~~1615'~~ FNL & <sup>2220'</sup> ~~2187'~~ FWL and the Desert Creek formation will be targeted. The kick off point will be at approximately 1500' depth.

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. P & M PETROLEUM MANAGEMENT  
 SIGNED *Robert J. Peterson* TITLE Partner DATE 11-1-85

(This space for Federal or State office use)

PERMIT NO. 43-037-31233

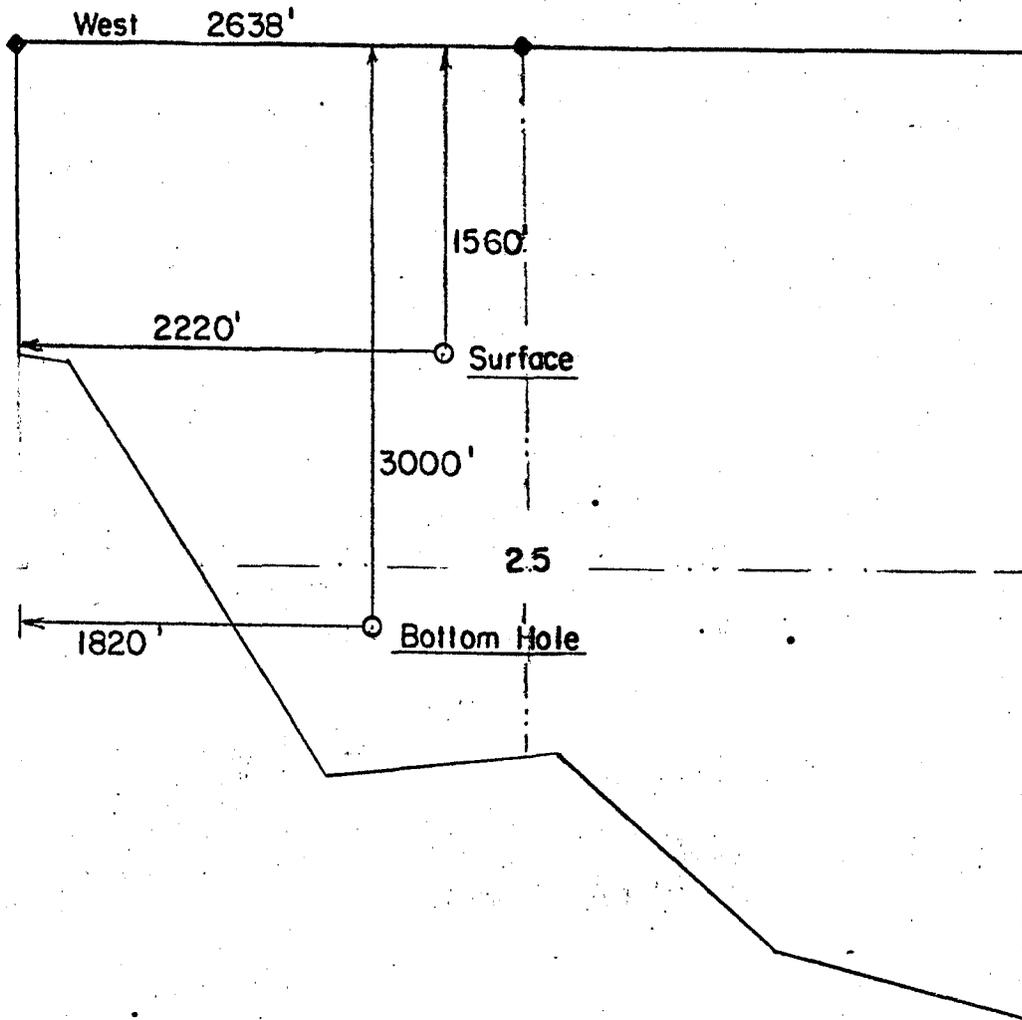
APPROVED BY THE STATE  
 OF UTAH DIVISION OF  
 OIL, GAS, AND MINING

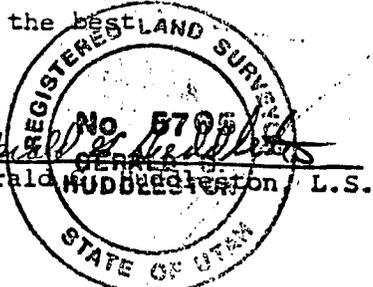
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

DATE 12/13/85  
 BY: John R. Dana  
 WELL SPACING: Case 185-2  
423/80

WELL LOCATION AND ACREAGE DEDICATION PLAT

EXHIBIT "B"



Operator <b>P E M Petroleum Management</b>		Well name <b>3-25-3E Federal</b>	
Section <b>25</b>	Township <b>40 South</b>	Range <b>22 East</b>	Meridian <b>SLM</b>
Footages <b>3000'FN E, 1820'FW</b>		County/State <b>San Juan UT</b>	Elevation <b>4360' surface</b>
Formation	Dedicated Acreage	Requested by <b>Stan Thompson</b>	
<p>The above plat is true and correct to the best of my knowledge and belief.</p> <p style="text-align: center;">  </p>			
<p>10-27-85</p>			

RECEIVED

NOV 06 1985

DIVISION OF OIL  
GAS & MINING

P & M PETROLEUM MANAGEMENT, OPERATOR

#3-25-3E Federal

SE $\frac{1}{4}$  NW $\frac{1}{4}$  Sec. 25, T40S-R22E (surface)

(1560' FNL & 2220' FWL)

San Juan County, UT

Federal Lease No. U-52026 (surface) Communitized UT-000232

Bottom Hole: U-18433-Pending communitization of the N $\frac{1}{2}$  SW $\frac{1}{4}$  Sec. 25

A.P.D. - Page 2

4. Proposed Casing Program:

Conductor Pipe: 80', 13-3/8", 48#, K-55, 8rd th., ST&C, new casing.

Surface Casing: Approximately 1100' of 8-5/8", 24#, K-55, ST&C, 8rd th., new casing would be run and cemented to surface if Navajo flowing water is encountered.

Production Casing: 5650', 5 $\frac{1}{2}$ ", 15.5#, K-55, ST&C, 8rd th., used casing.

5. Estimated depth of anticipated water, oil or gas zones: (TVD)

Navajo Sand 278' Fresh water

Lower Ismay 5295' Oil

Desert Creek 5400' Oil

6. The casinghead will be a flanged 8-5/8" X 10", 900 Series, 3000 psi working pressure type. The BOP will be a 10", 900 Series, 3000 psi working pressure type with 4 $\frac{1}{2}$ " pipe rams and blind rams with a remote hydraulic closing unit. The BOP arrangement will include a kill line and choke manifold as shown in Exhibit "F". The BOP will be tested to 1000 psi prior to drilling out the cement plug in the surface casing and once during each 24 hour period.

7. Clear water with drilling detergent will be used for a circulation medium to approximately 2000' depth. From 2000' to 5000' the well will be lightly mudded up; the well will then be mudded up properly before drilling the Ismay formation. The mud will be a fresh water gel chemical type mud. The mud weight will be maintained at about 9.3 lbs/gal, viscosity 35 to 45 sec/qt, and water loss 8 to 10 cc.

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

- A. Kelly Cock.
- B. Float valve above bit.
- C. A 3000 psi working pressure full opening valve will be screwed into a 4 $\frac{1}{2}$ " drillpipe sub to be used as a stabbing valve.
- D. No mud monitoring equipment will be used.

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

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

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

12. It is planned to spud this well on November 15, 1985.

13. This form will also serve as an application for right of way.

P & M PETROLEUM MANAGEMENT, OPERATOR

#3-25-3E Federal  
SE $\frac{1}{4}$  NW $\frac{1}{4}$  Sec. 25, T40S-R22E  
San Juan County, Utah

NTL-6 SURFACE USE PLAN

A. EXISTING ROADS

1. The location plat is attached as Exhibit "B", which shows the surface location as staked. The well will be drilled as a directional hole and the surface location is staked in the SE $\frac{1}{4}$  NW $\frac{1}{4}$  (1615' FNL & 2187' FWL) of Section 25, Township 40 South, Range 22 East, San Juan County, Utah.
2. The location is 10.4 miles west of Utah State Highway 262, which is paved. You turn off Utah State Highway 262 on the road to Montezuma Creek Trading Post and drive west between the airstrip and the Mountain Creek School. The first miles is paved to Montezuma Creek and you must ford the creek. It is 6.3 miles from the Montezuma Creek Trading Post to the Turner Bluff Field road on the newly paved Bluff Bench road. You turn left (SW) off the paved Bluff Bench road and go southwest 1.3 miles to the #1-25 Kirkwood Federal well. You turn south 0.6 miles beyond the #1-25 Kirkwood Federal location down a hill to the San Juan River flood plain. You turn right at the base of the hill (Bluff sandstone outcrop) and go about 0.1 of a mile to the #1-25A KGS Federal wellsite.
3. Exhibit "A" shows the route from Montezuma Creek to the well location.

B. EXISTING ROADS TO BE CONSTRUCTED & RECONSTRUCTED

No new access road will be necessary. The present road goes to the #1-25A KGS Federal producing well location and the proposed well will be located on the same wellsite pad and the production facilities will be located on the same pad.

1. No new access roads will be necessary.
2. The surface is level.
3. No cuts or fills will be necessary.
4. No turnouts will be necessary.
5. Present drainage is adequate.
6. No new culverts will be necessary.
7. No additional cattleguards will be necessary.
8. No existing facilities will be altered or modified.

C. LOCATION OF EXISTING WELLS

1. Exhibit "C" shows all wells within a one-mile radius of the proposed well.
  - a. There is one water well within a one-mile radius of the proposed well located in the SW $\frac{1}{4}$  NE $\frac{1}{4}$  (approx. 1900' FNL & 2150' FEL) of Section 25.
  - b. There are no injection wells within a one-mile radius of the proposed well.
  - c. There are seven plugged and abandoned wells within a one-mile radius of the proposed well.
  - d. There are no disposal wells within a one mile radius of the proposed well.
  - e. There are no monitoring wells within a one-mile radius of the proposed well.
  - f. There are no drilling wells within a one-mile radius of the proposed well.
  - g. There are eleven producing wells within a one-mile radius of the proposed well.

P & M PETROLEUM MANAGEMENT, OPERATOR  
#3-25-3E Federal  
SE $\frac{1}{4}$  NW $\frac{1}{4}$  Sec. 25, T40S-R22E (surface)  
(1560' FNL & 2220' FWL)  
San Juan County, UT

NTL-6 Surface Use Plan - Page 2

D. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES IF WELL IS PRODUCTIVE

The proposed well will be directionally drilled from the well location pad of the #1-25A KGS Federal, which also is a directionally drilled well. The production surface facilities will be located as shown on Exhibit "E". The production facilities for both wells will be on the same wellsite, but will be entirely separated from each other with separate flow lines and piping.

E. LOCATION AND TYPE OF WATER SUPPLY

The water used for drilling will be hauled by truck from an existing water hole located approximately 1.2 miles east of the proposed location. An existing road goes directly to this water source. A temporary water use permit will be obtained from the Utah State Engineer's office (801-637-1303) before using this water.

F. CONSTRUCTION MATERIALS

No construction materials should be necessary to drill this proposed well. If construction materials are needed to drill or complete this proposed well, they will be purchased from private contractors. Gravel will be necessary to prepare a pad for the tank battery and pumping unit if the well is completed as a producer.

G. METHOD OF HANDLING WASTE DISPOSAL

1. Waste Material will be handled as follows:

- a. Cuttings - Drill cuttings will be contained in the reserve pit.
- b. Drilling Fluids - Drilling fluids will be contained in steel mud tanks and the reserve pit. The reserve pit will be fenced on three sides during the drilling operations and the fourth side once the drilling rig is moved off. The reserve pit will be backfilled when it is dry enough to backfill efficiently.
- c. Garbage and Waste Materials - Garbage and waste materials will be contained in the trash pit to be dug by a backhoe. The trash pit will be fenced on all four sides and three-quarters covered with a mesh fence, and buried at least 4' deep after the well is completed.
- d. Any Produced Water - Any produced water will be contained in steel swab or test tanks. Produced water, if any, will be contained in the production pit after the well is completed and the battery installed per NTL-2B regulations.
- e. Chemicals - The only chemicals used will be in the drilling mud and these will be handled the same as the drilling fluids in paragraph (b) above.
- f. Sewage - Sewage will be disposed of in sanitary holes and buried to a depth of 6' when drilling is completed.

H. ANCILLARY FACILITIES

No ancillary facilities will be required for the drilling of this well.

I. WELLSITE LAYOUT

1. The wellsite layout is as follows:

- a. The boundary of the proposed drill pad and the cuts and fills are shown on Exhibits "D" & "E". The drill pad will not require any dirt work because it will be located on the #1-25A KGS Federal production pad.

P & M PETROLEUM MANAGEMENT, OPERATOR  
#3-25-3E Federal  
SE $\frac{1}{4}$  NW $\frac{1}{4}$  Sec. 25, T40S-R22E (surface)  
(1560' FNL & 2220' FWL)  
San Juan County, UT

NTL-6 Surface Use Plan - Page 3

- b. The reserve pit, trash and burn pit are shown on Exhibit "E".
- c. The location of the entrance of the access road to the drillsite is shown on Exhibit "E".
- d. The turn-around area is shown on Exhibit "F".
- e. The only living facility is the tool pusher's trailer. It is shown on Exhibit "F".
- f. The topsoil is shown stacked on Exhibit "E".
- g. Orientation of the drilling rig is shown on Exhibit "F"

J. PLANS FOR RESTORATION OF THE SURFACE

- 1. The location will be reclaimed as follows:
  - a. The reserve pit will be re-contoured to the original shape and contour as much as practical. The location will not require much restoration work because it will be located on the #1-25A KGS Federal production pad.
  - b. For this drill site and access road there will be no drainage system to reclaim.
  - c. Segregation of Spoil Materials - The sub-soil material will be placed into position first and the top-soil will be placed on top of the sub-soil.
  - d. Surface Manipulations - No water bars will be necessary. The dirt and soil will be replaced by using a dozer, scraper and/or blade.
  - e. Waste Disposal - All the waste disposal will be buried in the trash pit, and/or sewage pit.
  - f. Revegetation - The location, reserve pit and the road (where necessary) will be re-seeded with seed prescribed by the BLM after the surface has been harrowed.
  - g. Soil Treatment - If necessary, the surface will be fertilized when it is re-seeded.
- 2. The surface will be reclaimed when the reserve pit has dried up enough so the area will remain stable. The surface will be re-seeded in the early spring when there is adequate moisture to germinate the seed and the weather is warm enough so the grass will grow.

K. SURFACE OWNERSHIP

- 1. The ownership of the wellsite surface and the access road is the Bureau of Land Management.

L. OTHER INFORMATION

None

P & M PETROLEUM MANAGEMENT, OPERATOR  
#3-25-3E Federal  
SE $\frac{1}{4}$  NW $\frac{1}{4}$  Sec. 25, T40S-R22E (surface)  
(1560' FNL & 2220' FWL)  
San Juan County, UT

NTL-6 Surface Use Plan - Page 4

M. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

1. The lessee's and operator's field representative is as follows:

Mr. Stan Thompson  
560 Riverview Drive  
Green River, WY 82935

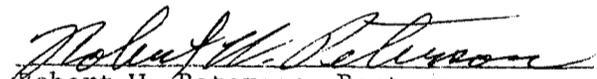
Home Phone: 307-875-4649  
Office Phone: 303-861-2470

2. The lessee/operator certifies the following:

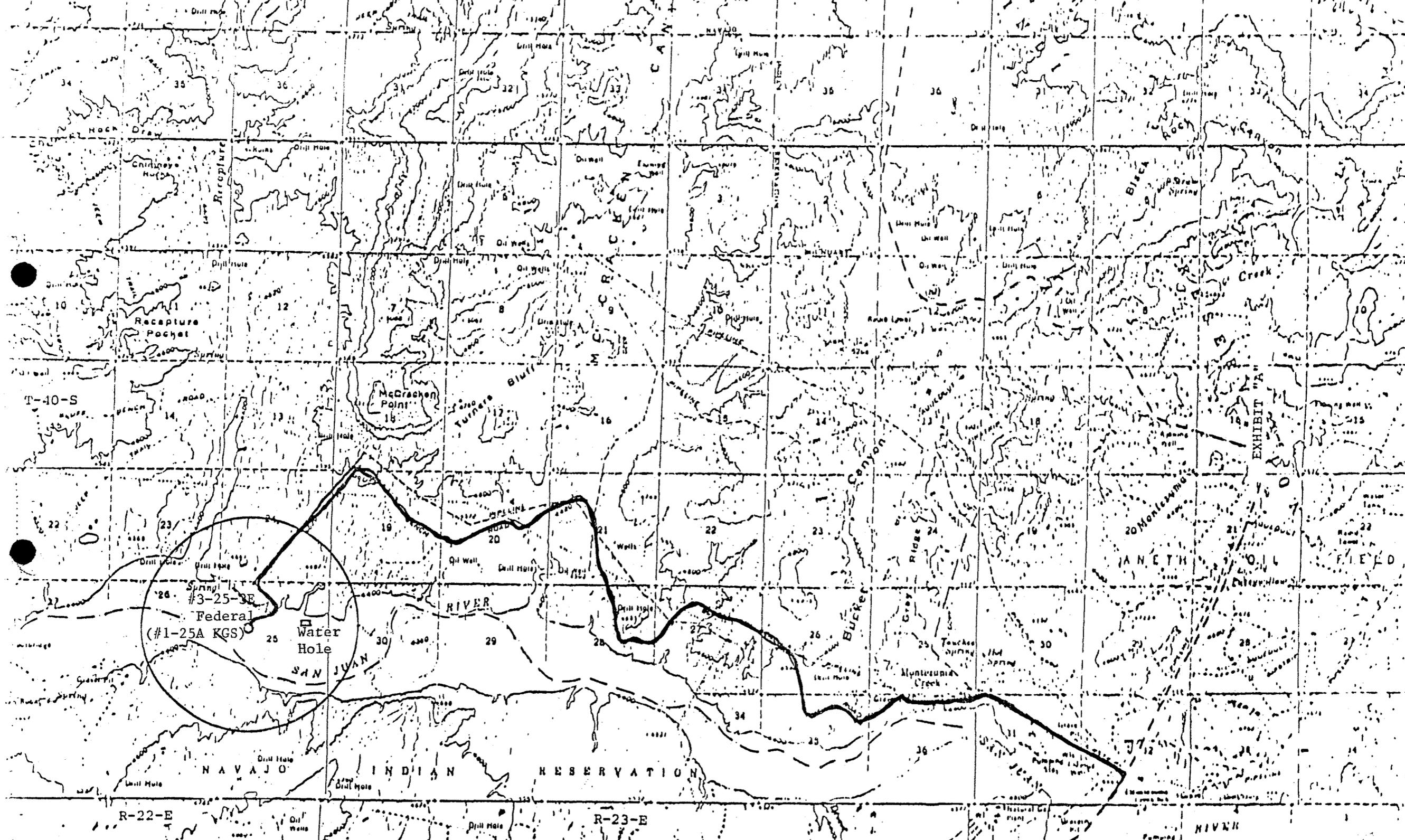
I hereby certify that I or persons under my direct supervision have inspected the proposed drill site and the access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge true and correct; and that the work associated with operations proposed herein will be performed by P & M Petroleum Management and our contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for filing of false statements.

DATED: 10-1-85

P & M PETROLEUM MANAGEMENT, OPERATOR

  
Robert W. Peterson, Partner

RWP:m  
Attachments: Exhibits



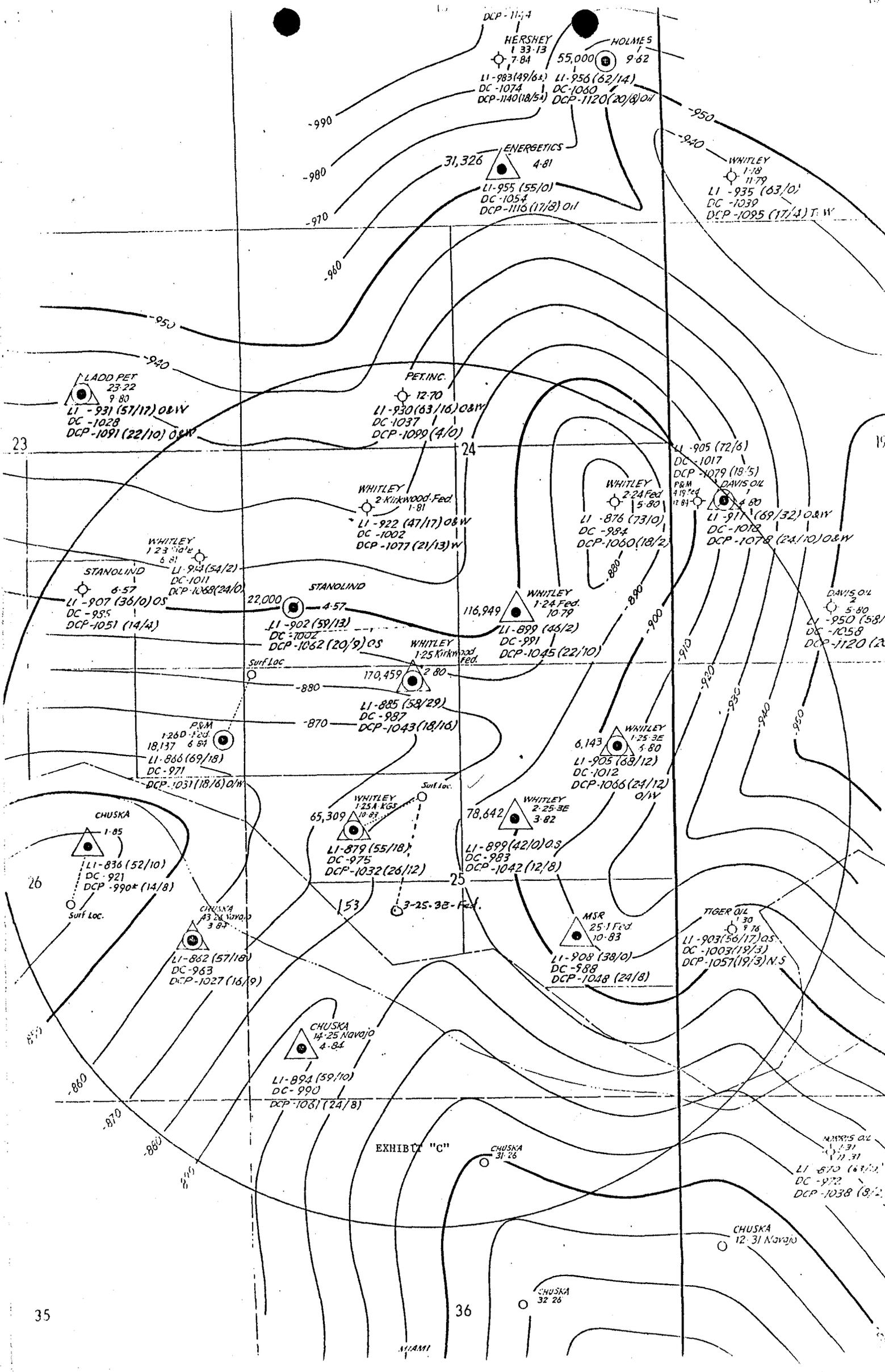
Federal  
(#1-25A KGS) Water Hole

NAVAJO INDIAN RESERVATION

R-22-E

R-23-E

NIVAK



DCP-1144  
 HERSHEY 1 33-13  
 7-84  
 LI-983(49/62)  
 DC-1074  
 DCP-1140(18/52)

HOLMES  
 55,000  
 9-82  
 LI-956(62/14)  
 DC-1060  
 DCP-1120(20/8)O/W

31,326  
 ENERGETICS  
 4-81  
 LI-955(55/0)  
 DC-1054  
 DCP-1116(17/8)O/W

WHITLEY  
 1-18  
 11-79  
 LI-935(63/0)  
 DC-1039  
 DCP-1095(17/4)T.W.

LADD PET  
 23-22  
 9-80  
 LI-931(57/17)O&W  
 DC-1028  
 DCP-1091(22/10)O&W

PET. INC.  
 12-70  
 LI-930(63/16)O&W  
 DC-1037  
 DCP-1099(4/0)

LI-905(72/6)  
 DC-1017  
 DCP-1079(18/5)  
 P&M  
 9-19-84  
 11-81  
 DAVIS OIL  
 4-80  
 LI-911(69/32)O&W  
 DC-1018  
 DCP-1078(24/10)O&W

WHITLEY  
 2 Kirkwood Fed.  
 1-81  
 LI-922(47/17)O&W  
 DC-1002  
 DCP-1077(21/13)W

WHITLEY  
 2-24 Fed.  
 5-80  
 LI-876(73/0)  
 DC-984  
 DCP-1060(18/2)

WHITLEY  
 1-23 Fed.  
 6-81  
 STANOLIND  
 6-57  
 LI-907(36/0)OS  
 DC-955  
 DCP-1051(14/4)

STANOLIND  
 4-57  
 LI-902(59/13)  
 DC-1002  
 DCP-1062(20/9)OS

WHITLEY  
 1-24 Fed.  
 10-79  
 116,949  
 LI-899(46/2)  
 DC-991  
 DCP-1045(22/10)

DAVIS OIL  
 5-80  
 LI-950(58/1)  
 DC-1058  
 DCP-1120(2)

P&M  
 1260-120  
 18,137  
 6-81  
 LI-866(69/18)  
 DC-971  
 DCP-1031(18/6)O/W

WHITLEY  
 1-25 Kirkwood Fed.  
 2-80  
 170,459  
 LI-885(58/29)  
 DC-987  
 DCP-1043(18/16)

WHITLEY  
 1-25-3E  
 5-80  
 6,143  
 LI-905(68/12)  
 DC-1012  
 DCP-1066(24/12)O/W

CHUSKA  
 1-85  
 LI-836(52/10)  
 DC-921  
 DCP-990\*(14/8)  
 Surf. Loc.

WHITLEY  
 1-25A KGS  
 10-82  
 65,309  
 LI-879(55/18)  
 DC-975  
 DCP-1032(26/12)

WHITLEY  
 2-25-3E  
 3-82  
 78,642  
 LI-899(42/10)O.S.  
 DC-983  
 DCP-1042(12/8)

TIGER OIL  
 1-30  
 1-76  
 LI-903(56/17)OS  
 DC-1003(19/3)  
 DCP-1057(19/3)N.S

CHUSKA  
 43-28 Navajo  
 3-84  
 LI-862(57/18)  
 DC-963  
 DCP-1027(16/9)

MSR  
 25-1 Fed.  
 10-83  
 LI-908(38/0)  
 DC-988  
 DCP-1048(24/8)

CHUSKA  
 14-25 Navajo  
 4-84  
 LI-894(59/10)  
 DC-990  
 DCP-1031(24/8)

MSR  
 1-31  
 1-31  
 LI-870(61/1)  
 DC-972  
 DCP-1038(8/2)

CHUSKA  
 12-31 Navajo

CHUSKA  
 32-26

EXHIBIT "C"

MIAMI

23

24

25

26

35

36

WELL PAD CROSS-SECTION

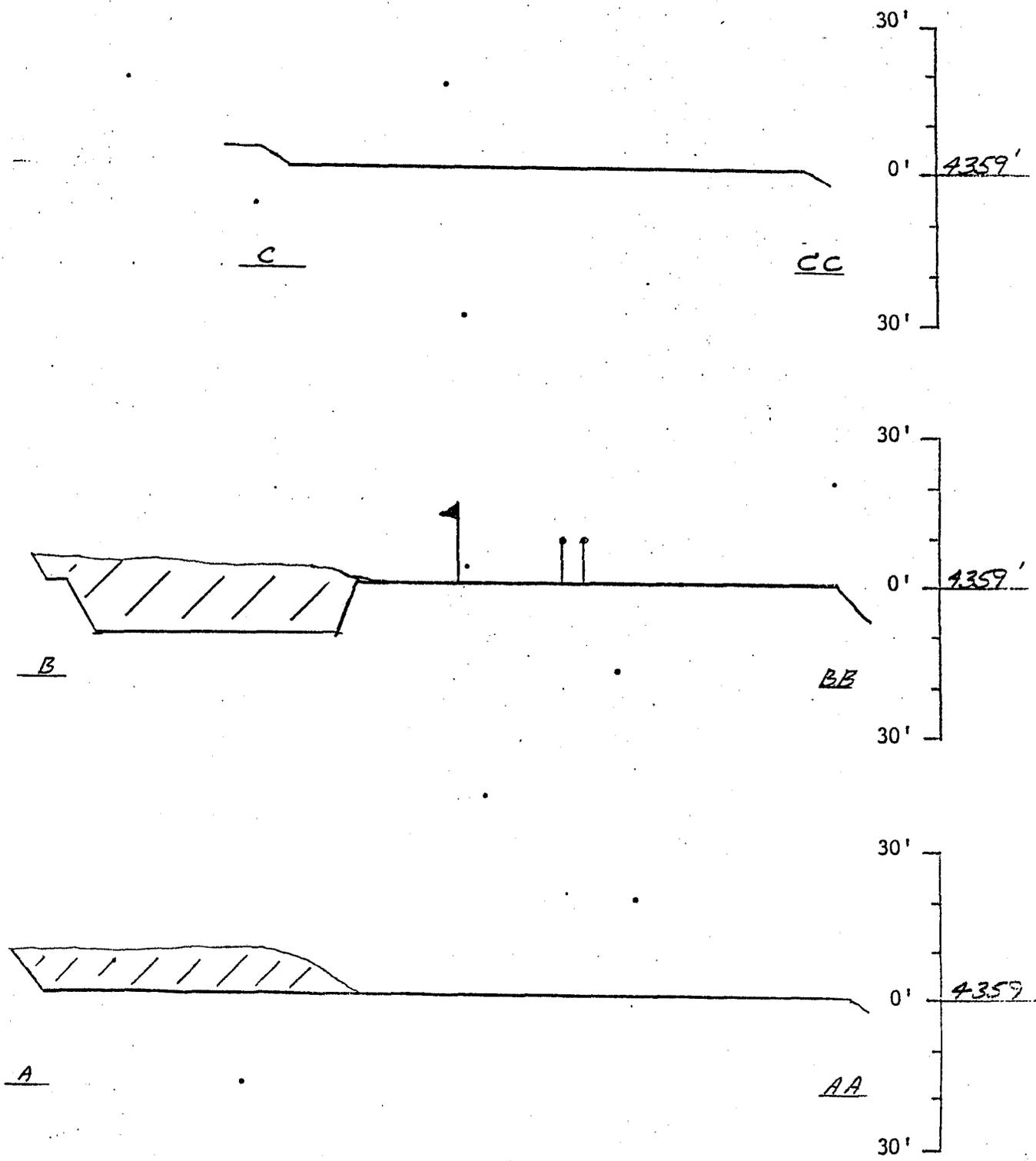
EXHIBIT "D"

Well 3-25-3E Federal

Cut */////*  
Fill

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

1.7 Vertical Exaggeration



WELL PAD PLAN VIEW

EXHIBIT "E"

Well 3-25-3E Federal

N

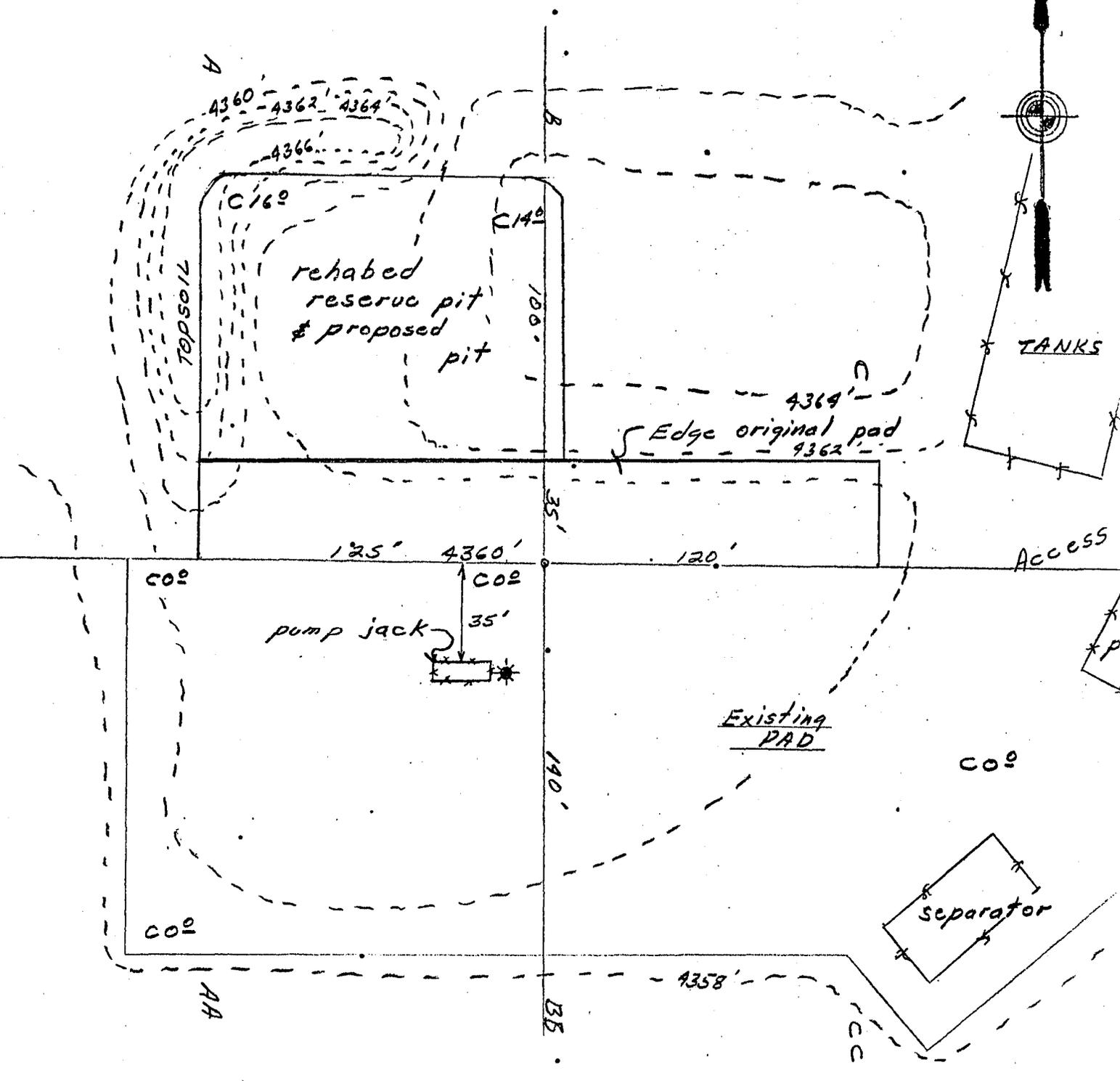
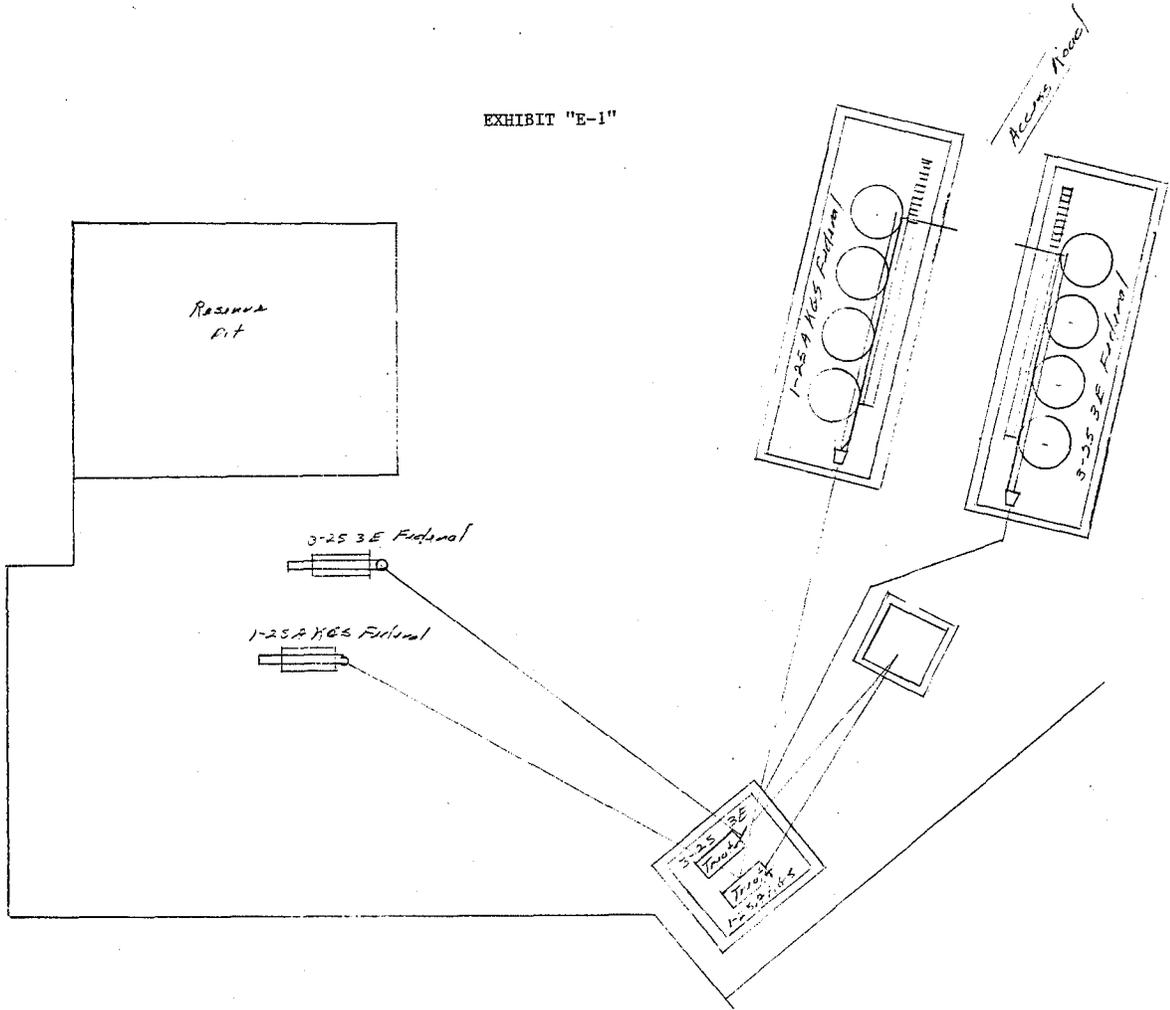


EXHIBIT "E-1"



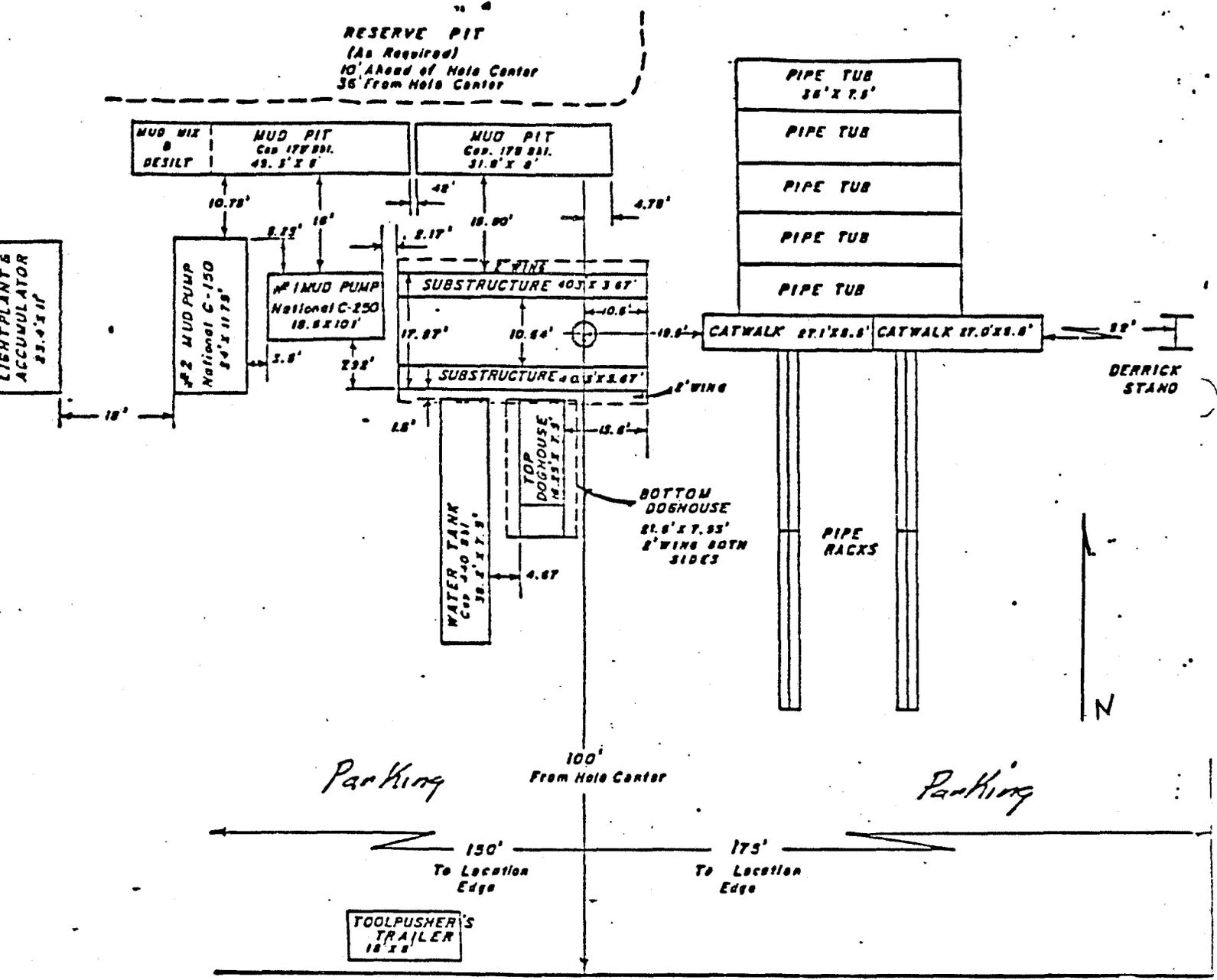


EXHIBIT "F"



OPERATOR P & M Petroleum Mgmt

DATE 11-18-85

WELL NAME Federal #3-25-3E

SEC (Bld) NESW 25 T 40S R 22E COUNTY San Juan

43,037-31233  
API NUMBER

Fed.  
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

80 new spacing - NE 1/4 cont SW 1/4  
need water permit  
C.A. approved 12/12/85 BLM

APPROVAL LETTER:

SPACING:  A-3 \_\_\_\_\_ UNIT

c-3-a 185-2 1/23/80  
CAUSE NO. & DATE

c-3-b

c-3-c

STIPULATIONS:

1- Water



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 13, 1985

P & M Petroleum Management  
1600 Broadway, #1700  
Denver, Colorado 80202

Gentlemen:

Re: Well No. Federal 3-25-3E - (Surf.) SE NW, (BHL) NE SW Sec. 25, T. 40S,  
R. 22, - (Surf.) 1560' FNL, 2220' FWL, (BHL) 3000' FNL, 1820' FWL  
San Juan County, Utah

Approval to drill the above-referenced oil well is hereby granted in accordance with the Order of Cause No. 185-2 dated January 23, 1980 subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

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

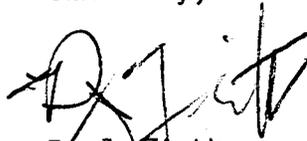
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. 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 311.3, Associated Gas Flaring, General Rules.

Page 2  
P & M Petroleum Management  
Well No. Federal 3-25-3E  
December 13, 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 43-037-31233.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

as  
Enclosures  
cc: Branch of Fluid Minerals

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

REC'D MDO

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  
P & M PETROLEUM MANAGEMENT

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface (SE 1/4 NW 1/4) 1560' FNL & 2220' FWL  
23.03' 33.63'  
At proposed prod. zone (NE 1/4 SW 1/4) 3000' FNL & 1820' FWL  
45.45' 27.57'

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
10.2 miles SE of Bluff, UT

15. DISTANCE FROM PROPOSED\* surface - 240'  
LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. Desert Creek - 360'  
(Also to nearest drlg. unit line, if any)

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

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
4360' GR.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13-3/8"	48	80'	150 sx. - circ.
12 1/4"	8-5/8"	24	1100'	550 sx. - circ.
7-7/8"	5 1/2"	15.5	5650'	150 sx.

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. P & M PETROLEUM MANAGEMENT  
SIGNED *Robert M. Peterson* TITLE Partner DATE 11-1-85

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY /S/ GENE NODINE TITLE DISTRICT MANAGER DATE 12 DEC 1985

CONDITIONS OF APPROVAL, IF ANY:

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

CONDITIONS OF APPROVAL ATTACHED

State of Utah - DGM

RECEIVED  
DEC 16 1985  
DIVISION OF OIL  
GAS & MINING

5. LEASE DESIGNATION AND SERIAL NO.  
Surf. U-52026 comm. UT-000232  
BH - (pending comm.)  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
7. UNIT AGREEMENT NAME  
8. FARM OR LEASE NAME  
Federal  
9. WELL NO.  
#3-25-3E  
10. FIELD AND POOL, OR WILDCAT  
Turner Bluff  
11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA  
Sec. 25, T40S-R22E  
12. COUNTY OR PARISH  
San Juan  
13. STATE  
UT

16. NO. OF ACRES IN LEASE  
Communitized N 1/2 SW 1/4  
80 acres  
17. NO. OF ACRES ASSIGNED TO THIS WELL  
80  
19. PROPOSED DEPTH  
5650 (TVD)  
20. ROTARY OR CABLE TOOLS  
rotary  
22. APPROX. DATE WORK WILL START\*  
November 15, 1985

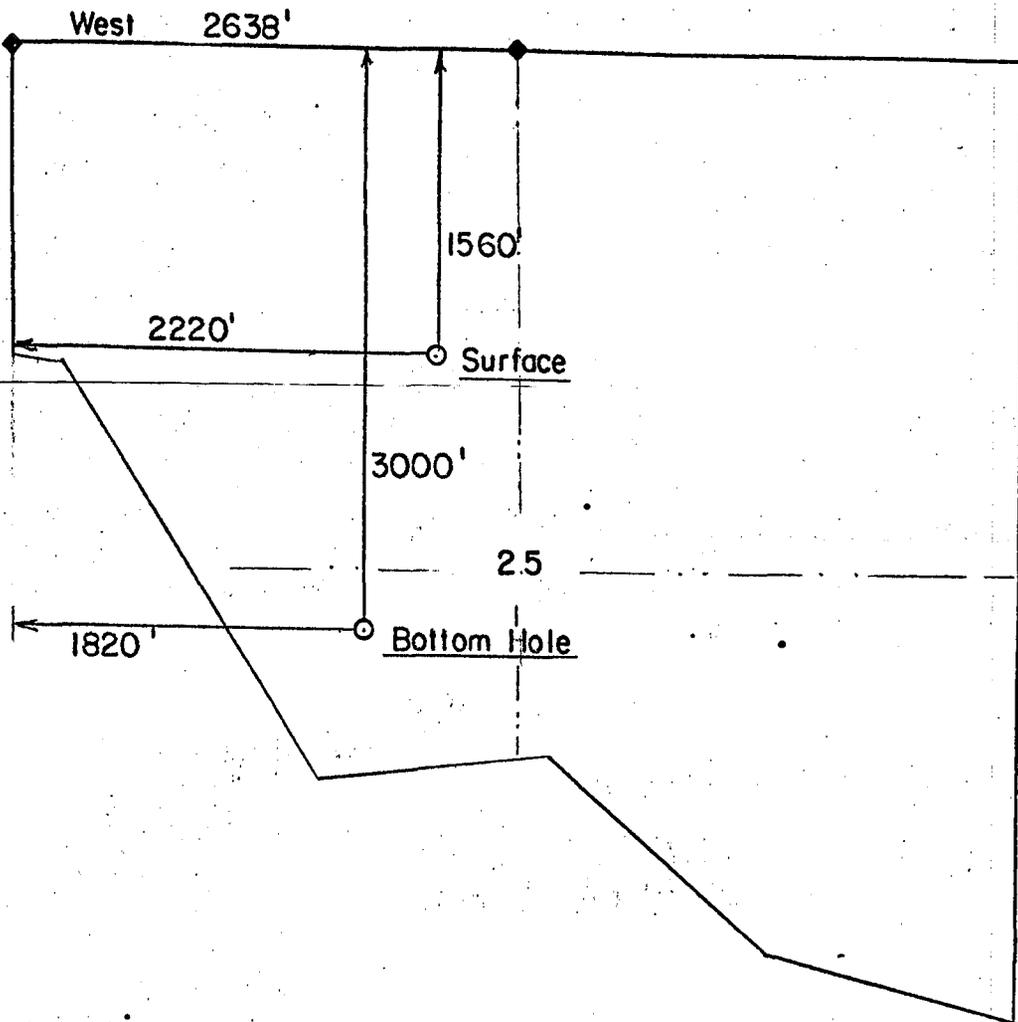
WELL LOCATION AND ACREAGE DEDICATION PLAT

RECORDED NOV 6 1985

6 1985

7:45 A.M.

EXHIBIT "B"



Operator <b>P E M Petroleum Management</b>		Well name <b>3-25-3E Federal</b>	
Section <b>25</b>	Township <b>40 South</b>	Range <b>22 East</b>	Meridian <b>SLM</b>
Footages <b>3000'FN E 1820'FW</b>		County/State <b>San Juan UT</b>	Elevation <b>4360' surface</b>
Formation	Dedicated Acreage	Requested by <b>Ston Thompson</b>	
<p>The above plat is true and correct to the best of my knowledge and belief.</p> <p style="text-align: center;"> </p> <p><b>10-27-85</b></p>			

P & M Petroleum Management  
Well No. Federal 3-25-3E  
Sec. 25, T. 40 S., R. 22 E.  
San Juan County, Utah  
Lease U-52026 (Surface)  
Lease U-18433 (BH)

CONDITIONS OF APPROVAL

A. DRILLING PROGRAM

Operator will take a directional survey at least every 150' from the kickoff point to T.D. and will submit the results of the surveys with the completion report.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Office. If operations are to be suspended, prior approval of the District Office will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the Area Office within a minimum of 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

In accordance with Onshore Order No. 1 this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continued each month until the well is plugged and abandoned. This report will be sent to the District Office, P.O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Area Office in accordance with requirements of NTL-3A.

If a replacement rig is needed for completion operations, A Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations verbal approval to bring on a replacement rig will be approved through the District Office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

If the well is to be completed for production the Area Office is to be contacted in order to set up a pre-production conference. When the well is placed in a producing status the District Office is to be notified by telegram or other written communication within five working days.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

No well abandonment operations will be commenced without the prior approval of the District Office. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Office. A Subsequent Report of Abandonment (Form 3160-5) will be sent to the District Office within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Office, or the appropriate surface managing agency. Upon completion of approved plugging, a dry hole marker will be erected in accordance with 43 CFR 3162.6. The top of the marker will be closed or capped. The following minimum information will be permanently placed on the marker; "Fed" or "Ind", as applicable, "Lease number", "Well number", location of well by 1/41/4 section, township, and range.

B. THIRTEEN POINT SURFACE USE PLAN

Methods of Handling Waste Disposal:

The reserve pit will be lined with commercial bentonite sufficient to prevent seepage (per APD approved 8/9/83 for 1-25A-KGS Well).

Reclamation:

The seed prescription and reclamation procedures specified in the APD for the 1-25A-KGS Well will be utilized for the 3-25-3E Well.

---

Your contact with the District Office is:

Greg Noble , Petroleum Engineer Office Phone: 801-259-6111 Ext 229

Home Phone: 801-259-8811

District Address:

82 East Dogwood, P.O. Box 970  
Moab, Utah 84532

Your contact with the San Juan Resource Area Office is:

Rich McClure, Natural Resource Spec. Office Phone: 801-587-2201

Home Phone: 801-587-2874

Area Office Address:

480 South First West, P. O. Box 7  
Monticello, Utah 84535

STATE OF UTAH  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF OIL, GAS AND MINING  
 4241 State Office Building  
 Salt Lake City, UT 84114

\*REPORT OF WATER ENCOUNTERED DURING DRILLING\*

Well Name & Number #3-25-3E Federal (DEVIATED HOLE)

Operator P & M PETROLEUM MANAGEMENT Address 1600 Broadway, #1700, Denver, CO 80202

Contractor Energy Search Drilling Rig #2 Address P.O. Box 190, Farmington, New Mexico 87499

Surface Location SE 1/4 SW 1/4 Sec. 25 T. 40S R. 22E County San Juan

Water Sands

	<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
	From	To	Flow Rate or Head	Fresh or Salty
1.		85'	4" Flow	Fresh
2.		190'	6" Flow	Fresh
3.				
4.				
5.				

(Continue on reverse side if necessary)

Formation Tops

Remarks

- NOTE: (a) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

Received  
Dec 8, 1983

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

IN THE MATTER OF THE APPLICATION OF	*	NOTICE OF HEARING
CHUSKA ENERGY COMPANY FOR AN ORDER	*	
MODIFYING AND AMENDING THE ORDER	*	CAUSE NO. 185-5
ENTERED IN CAUSE NO. 185-2 WHICH	*	
ESTABLISHED DRILLING AND SPACING	*	
UNITS FOR CERTAIN LANDS SITUATED	*	
IN SAN JUAN COUNTY, UTAH	*	

THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION, MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS INTERESTED IN TOWNSHIP 40 SOUTH, RANGE 22 EAST, S.L.M., SAN JUAN COUNTY, UTAH.

Notice is hereby given that the Board of Oil, Gas and Mining, State of Utah, will conduct a hearing on Thursday, December 15, 1983, at 10:00 AM, in the Auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah, to consider the Application of Chuska Energy Company.

Notice is further given that the purpose of said hearing will be to determine whether or not the Board should enter an Order modifying and amending its Order made and entered into in Cause No. 185-2 to the extent of deleting therefrom all lands within Sections 25 and 26 of Twnship 40 South, Range 22 East, S.L.M., lying south of the boundary of the Navajo Indian Reservation as established by Executive Order of May 17, 1884.

Any interested firms, persons or corporations shall be entitled to appear at the time and place aforesaid to be heard by the Board. The Application may be inspected in the office of the undersigned, 4241 State Office Building, Salt Lake City, Utah.

If there are any protests in this matter, please make such known to the undersigned at least three (3) working days before the hearing.

DATED this 30th day of November, 1983.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

*Marjorie L. Larson*  
MARJORIE L. LARSON  
Administrative Assistant

Hugh C. Garner  
HUGH C. GARNER & ASSOCIATES  
310 South Main Street  
Suite 1400  
Salt Lake City, Utah 84101  
Telephone: 532-5560

*William W. Whitley  
1705 Colorado State Bank  
1600 Broadway  
June, W. 80202*

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

IN THE MATTER OF THE \*  
MOTION OF CHUSKA ENERGY COMPANY \*  
FOR AN ORDER MODIFYING AND AMENDING \*  
THAT CERTAIN ORDER ENTERED IN \*  
CAUSE NO. 185-2 WHICH ESTABLISHED \*  
DRILLING AND SPACING UNITS FOR \*  
CERTAIN LANDS SITUATE IN SAN JUAN \*  
COUNTY, UTAH \*

Cause No. 185-5

MOTION

COMES NOW, Chuska Energy Company, by and through its attorney Hugh C. Garner of Hugh C. Garner & Associates, and does hereby move this Board to modify and amend its Order made and entered into in Cause No. 185-2 to the extent of deleting therefrom all lands within Sections 25 and 26 of Township 40 South, Range 22 East S.L.M. lying south of the boundary of the Navajo Indian Reservation as established by Executive Order of May 17, 1884. In support of this Motion, Chuska Energy Company represents and alleges as follows:

1. Chuska Energy Company (CECO) is a wholly-owned Navajo company and is a party to an operating agreement of July 28, 1983

entered into with the Navajo Tribe of Indians, as "owner" and CECO as "operator" relating to certain lands within the Navajo Indian Reservation including those portions of Sections 25 and 26, Township and Range as aforesaid, inside said reservation.

2. The purpose of said agreement is to provide "for the exploration for and development and production of oil, gas, helium, hydrocarbon and other gas resources of the land on which the operator is hereinafter authorized to conduct its activities and to authorize the conduct of activities incidental and necessary to the exploration for, development and production of said resources."

3. Said Executive Order of May 17, 1884 orders that certain lands in the territories of Arizona and Utah be, and the same were, thereby "withheld from sale and settlement and set apart as a reservation for Indian purposes,\*\*\*". A copy of said Order compiled in Volume I, Laws & Treaties, page 876, compiled to December 1, 1902, Charles J. Kappler, marked Exhibit "A" is attached hereto and by reference made a part hereof.

4. On application of William W. Whitley, Cause No. 185-2 was heard January 23, 1980 and resulted in an Order which, among other things, established 80-acre drilling and spacing units, each comprising the north half and south half, respectively, of each quarter section for certain lands including the following:

Township 40 South Range 22 East S.L.M.

Section 25: All  
Section 26: N1/2

A copy of said Order, marked Exhibit B, is attached hereto and by reference made a part hereof.

5. The establishment of said drilling and spacing units was not, as to tribal lands, consented to by the Navajo Indian Tribe nor was it concurred in by the Secretary of Interior or his authorized representative.

6. CECO respectfully submits that the Board, in establishing such drilling and spacing units, affecting Navajo Tribal lands, exceeded its authority.

NOW THEREFORE, CECO respectfully asks that this matter be set for hearing, that due notice be given as required by law, and upon hearing, that this Board modify and amend its Order to the extent of deleting therefrom all reference to Navajo Tribal lands lying within said Sections 25 and 26, Township and Range as aforesaid.

RESPECTFULLY SUBMITTED this 2nd day of November, 1983.

CHUSKA ENERGY COMPANY

By

*Hugh C. Garner*  
\_\_\_\_\_  
Hugh C. Garner  
Attorney for Movant

*Diane Nielsen*

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

In the Matter of the Appli- )  
cation of William W. Whitley )  
for an Order Establishing )  
80-Acre Drilling and Spacing )  
Units for Certain Lands )  
Situated in San Juan County, )  
Utah. )

Cause No. 185-2

ORDER

Pursuant to the application of William W. Whitley,  
this cause came on for hearing before the Board of Oil, Gas  
& Mining, Utah Department of Natural Resources, at 10:00 a.m.,  
on Wednesday, January 23, 1980, in Room 232 of the Holiday  
Inn, 1659 West North Temple, Salt Lake City, Utah. The  
following Board members were present:

Charles R. Henderson, Chairman (presiding)

Edward T. Beck

John L. Bell

E. Steele McIntyre

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

IN THE MATTER OF THE APPLICATION  
OF CHUSKA ENERGY COMPANY FOR AN  
ORDER MODIFYING AND AMENDING THE  
ORDER ENTERED IN CAUSE NO. 185-2  
WHICH ESTABLISHED DRILLING AND  
SPACING UNITS FOR CERTAIN LANDS  
SITUATED IN SAN JUAN COUNTY, UTAH

--oo0oo--

:

ORDER

:

DOCKET NO. 84-005  
CAUSE NO. 185-5

:

:

--oo0oo--

This matter came on for hearing before the Board of Oil, Gas and Mining on Thursday, January 26, 1984, in the Auditorium of the Division of Wildlife Resources, 1596 West North Temple, Salt Lake City, Utah.

The following Board members were present and participated at the hearing:

Gregory P. Williams, Chairman  
James W. Carter  
Charles R. Henderson  
Richard B. Larsen  
Constance K. Lundberg  
E. Steele McIntyre  
John M Garr

NOW THEREFORE, the Board having considered the testimony and evidence adduced at the hearing, makes and enters the following:

FINDINGS

1. Due and regular notice of the date, place, and purpose for the hearing was given to all interested parties as required by law and the rules and regulations.
2. The Board has jurisdiction over the matter covered by said notice and over all parties interested therein, and has jurisdiction to make and promulgate the Order hereinafter set forth.
3. The Board makes no finding and reaches no conclusion as to location of the North boundary of the Reservation.

ORDER

It is hereby ordered that the prior order in Cause No. 185-2 be amended to delete therefrom any lands from within the Reservation.

DATED this 23rd day of February, 1984.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

Gregory P. Williams, Chairman

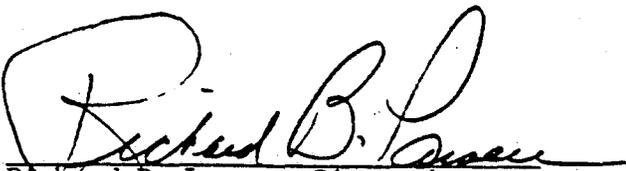
recused  
James W. Carter

  
John M. Garr

  
Charles R. Henderson

Constance K. Lundberg

E. Steele McIntyre

  
Richard B. Larsen, Dissenting

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

RECEIVED

DEC 16 1985

December 12, 1985 DIVISION OF OIL  
GAS & MINING

P & M Petroleum Management  
c/o Edmundson & Associates, Inc.  
P.O. Box 1707  
Denver, Colorado 80201

Re: Communitization Agreement  
Number UT060P49-86C684

Gentlemen:

Enclosed is one approved copy of Communitization Agreement No. UT060P49-86C684. This agreement communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Lower Ismay and Desert Creek Formations underlying the N/2SW/4 of Section 25, Township 40 South, Range 22 East, SLB&M, San Juan County, Utah. This agreement conforms with the spacing set forth in Order No. 185-2, modified by Order No. 185-5, which was issued by the State of Utah, Board of Oil, Gas and Mining.

This agreement is effective as of October 1, 1985. The communitized area covers 53.42 acres and includes portions of Federal Leases U-18433 and U-23797.

Report Form 3160-6, "Monthly Report of Operations", must be submitted for this agreement beginning with the month in which drilling operations commence. Form 3160-6 is to be mailed to the Bureau of Land Management, Branch of Fluid Minerals, P.O. Box 970, Moab, Utah 84532.

Please furnish all interested principals with necessary evidence of this approval.

Sincerely,

(Orig. Sgd.) R. A. Henricks

R. A. Henricks  
for Chief, Branch of Fluid Minerals

Enclosure

bcc: Branch of Lands and Minerals Operations w/enclosure  
District Manager - Moab w/enclosure  
File - UT060P49-86C684 w/enclosure  
Accounts - Denver w/allocation schedule  
Agr, Sec. Chron.

922:TAThompson:tt:12-9-85:x3025

APPROVAL-CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under Section 17(j) of the Mineral Leasing Act of 1920, as amended, (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the Authorized Officer of the Bureau of Land Management, by Executive Order of the Secretary of the Interior, I do hereby:

- A. Approve the attached communitization agreement covering the N $\frac{1}{2}$ SW $\frac{1}{4}$  Section 25, Township 40 South, Range 22 East, SLB&M, San Juan County, Utah, as to crude oil and associated natural gas producible from the Lower Ismay and Desert Creek Formation.
- B. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

APPROVED: December 12, 1985

EFFECTIVE: October 1, 1985

  
for Chief, Branch of Fluid Minerals

COMMUNITIZATION AGREEMENT CONTRACT NO: UT060P49-86C684

COMMUNITIZATION AGREEMENT

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of October, 1985, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 40 South, Range 22 East, S.L.M.  
Section 25: N $\frac{1}{2}$ SW $\frac{1}{4}$

San Juan County, Utah.

Containing 53.42 acres, more or less, and this agreement shall include only the Lower Ismay and Desert Creek formations underlying said lands and the crude oil and associated natural gas hereinafter referred to as "communitized substances", producible from such formation.

2/1/77

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer, Bureau of Land Management.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued.

It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement

to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. This agreement is effective October 1, 1985  
(Month) (Day) Year  
upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for so long as communitized substances are, or can be, produced from the communitized area in paying quantities: provided,

that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United State of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR

P & M PETROLEUM MANAGEMENT

By Robert J. W. Peterson

Execution Date: 10-25-85

WORKING INTEREST OWNERS

SHANLEY-MONTARA PETROLEUM COMPANY

By \_\_\_\_\_

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

WHITLEY & COMPANY

By \_\_\_\_\_

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

PETROL PROPERTIES FUND III, INC.

By \_\_\_\_\_

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

Donald P. McCourt

Donald P. McCourt

Execution Date: 10/25/85

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

1985

On the 25th day of October, 1985, personally appeared before me Robert W. Peterson - Partner, P & M Petroleum Management, the signer(s) of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires: 3/5/89

Maury J. Medina  
Notary Public

Place of Residence: Arvada, Colorado

Corporate

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

My Commission Expires:

\_\_\_\_\_  
Notary Public

Place of Residence:

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

1985

On the 25th day of October, 1985, personally appeared before me Donald P. McCourt, the signer(s) of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires: 3/5/89

Mary J. Medina  
Notary Public

Place of Residence: Arvada, Colorado

Corporate

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

My Commission Expires:

\_\_\_\_\_  
Notary Public

Place of Residence:

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR

P & M PETROLEUM MANAGEMENT

By \_\_\_\_\_

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

WORKING INTEREST OWNERS

SHANLEY-MONTARA PETROLEUM COMPANY

By Frank A. Lokash

Frank A. Lokash V.P. of Land

Execution Date: NOV. 18, 1985

WHITLEY & COMPANY

By \_\_\_\_\_

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

PETROL PROPERTIES FUND III, INC.

By \_\_\_\_\_

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

\_\_\_\_\_  
Donald P. McCourt

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



Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR

P & M PETROLEUM MANAGEMENT

By \_\_\_\_\_

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

WORKING INTEREST OWNERS

SHANLEY-MONTARA PETROLEUM COMPANY

By \_\_\_\_\_

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

WHITLEY & COMPANY

By William W Whitley, General Partner

Execution Date: 10/25/85

PETROL PROPERTIES FUND III, INC.

By \_\_\_\_\_

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

\_\_\_\_\_  
Donald P. McCourt

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



Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR

P & M PETROLEUM MANAGEMENT

By \_\_\_\_\_

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

WORKING INTEREST OWNERS

SHANLEY-MONTARA PETROLEUM COMPANY

By \_\_\_\_\_

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

WHITLEY & COMPANY

By \_\_\_\_\_

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

PETROL PROPERTIES FUND III, INC.

By J.D. McCleary

**J.D. McCleary, Vice-President**  
Execution Date: 11/01/85

Donald P. McCourt

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



Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Robert W. Peterson  
Robert W. Peterson  
Execution Date: 10-25-85

\_\_\_\_\_  
M. Peyton Bucy  
Execution Date: \_\_\_\_\_

WEDCO RESOURCES CORPORATION

BY \_\_\_\_\_  
Execution Date: \_\_\_\_\_

CALAND PETROLEUM CORP.

By \_\_\_\_\_  
Execution Date: \_\_\_\_\_

GENESSEE PRODUCTION LIMITED PARTNERSHIP

By \_\_\_\_\_  
Execution Date: \_\_\_\_\_

KELVIN RESOURCES, INC.

By \_\_\_\_\_  
Execution Date: \_\_\_\_\_

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF COLORADO )  
 )  
COUNTY OF DENVER )

ss.

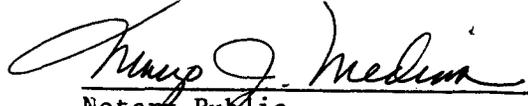
1985

On the 25th day of October, ~~1983~~, personally appeared before me Robert W. Peterson, the signer(s) of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires: 3/5/89

\_\_\_\_\_

  
Notary Public

Place of Residence: Arvada, Colorado

\_\_\_\_\_

Corporate

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

Place of Residence:

\_\_\_\_\_

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

\_\_\_\_\_  
Robert W. Peterson

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

  
\_\_\_\_\_  
M. Peyton B...

Execution Date: 10-30-85

WEDCO RESOURCES CORPORATION

BY \_\_\_\_\_

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

CALAND PETROLEUM CORP.

By \_\_\_\_\_

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

GENESSEE PRODUCTION LIMITED PARTNERSHIP

By \_\_\_\_\_

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

KELVIN RESOURCES, INC.

By \_\_\_\_\_

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

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{2}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF Colorado )  
 )  
COUNTY OF Denver ) ss.

On the 30th day of October, 1985, personally appeared before me M. Peyton Bucy, the signer(s) of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires:

1-14-88

[Signature]  
Notary Public Lyn Evans

Place of Residence:  
1160 So. Dover  
Lakewood CO 80226

Corporate

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

Place of Residence:  
\_\_\_\_\_

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

\_\_\_\_\_  
Robert W. Peterson

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

\_\_\_\_\_  
M. Peyton Bucy

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

WEDCO RESOURCES CORPORATION

BY

Walter C. Rapp

Execution Date: 11/5/85

CALAND PETROLEUM CORP.

By \_\_\_\_\_

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

GENESSEE PRODUCTION LIMITED PARTNERSHIP

By \_\_\_\_\_

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

KELVIN RESOURCES, INC.

By \_\_\_\_\_

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



Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{2}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

\_\_\_\_\_  
Robert W. Peterson  
Execution Date: \_\_\_\_\_

\_\_\_\_\_  
M. Peyton Bucy  
Execution Date: \_\_\_\_\_

WEDCO RESOURCES CORPORATION

BY \_\_\_\_\_

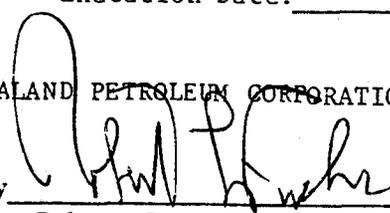
Execution Date: \_\_\_\_\_

ATTEST:

  
\_\_\_\_\_  
Mark O. Tidwell  
Assistant Secretary

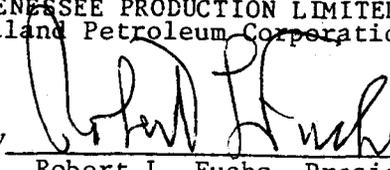
CALAND PETROLEUM CORPORATION

By \_\_\_\_\_

  
\_\_\_\_\_  
Robert L. Fuchs, President  
Execution Date: 11/14/85

GENESSEE PRODUCTION LIMITED PARTNERSHIP, By  
Caland Petroleum Corporation, its General Partner

By \_\_\_\_\_

  
\_\_\_\_\_  
Robert L. Fuchs, President  
Execution Date: 11/14/85

  
\_\_\_\_\_  
Mark O. Tidwell  
Assistant Secretary

KELVIN RESOURCES, INC.

By \_\_\_\_\_

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

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

ATTEST:

Mark O. Tidwell  
Mark O. Tidwell  
Assistant Secretary

BYRCHWOOD ENERGY LIMITED PARTNERSHIP, By  
Caland Petroleum Corporation, its General Partner

Robert L. Fuchs  
By Robert L. Fuchs, President  
Execution Date: 11/14/85

\_\_\_\_\_  
John Steele  
Execution Date: \_\_\_\_\_

\_\_\_\_\_  
Achille Vitali, Jr.  
Execution Date: \_\_\_\_\_

BEARD OIL COMPANY  
By \_\_\_\_\_  
Execution Date: \_\_\_\_\_

OVERRIDING ROYALTY INTEREST OWNERS

\_\_\_\_\_  
Harold M. Brown  
Execution Date: \_\_\_\_\_

\_\_\_\_\_  
David E. Reed  
Execution Date: \_\_\_\_\_



Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

\_\_\_\_\_  
Robert W. Peterson  
Execution Date: \_\_\_\_\_

\_\_\_\_\_  
M. Peyton Bucy  
Execution Date: \_\_\_\_\_

WEDCO RESOURCES CORPORATION

BY \_\_\_\_\_  
Execution Date: \_\_\_\_\_

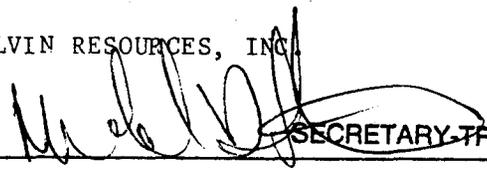
CALAND PETROLEUM CORP.

By \_\_\_\_\_  
Execution Date: \_\_\_\_\_

GENESSEE PRODUCTION LIMITED PARTNERSHIP

By \_\_\_\_\_  
Execution Date: \_\_\_\_\_

KELVIN RESOURCES, INC.

By  \_\_\_\_\_ SECRETARY-TREASURER  
Execution Date: \_\_\_\_\_



Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

BIRCHWOOD ENERGY LIMITED PARTNERSHIP

By \_\_\_\_\_

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

*John A. Steele*

John Steele

Execution Date: 11-18-85

\_\_\_\_\_  
Achille Vitali, Jr.

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

BEARD OIL COMPANY

By \_\_\_\_\_

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

OVERRIDING ROYALTY INTEREST OWNERS

\_\_\_\_\_  
Harold M. Brown

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

\_\_\_\_\_  
David E. Reed

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

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF COLORADO )  
 )  
COUNTY OF DENVER ) ss.

On the 18th day of November, ~~1983~~ <sup>1985</sup>, personally appeared before me John Steele, the signer(s) of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires:

3/5/89

Wayne J. Medina  
Notary Public

Place of Residence:

Arvada, CO

Corporate

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

Place of Residence:

\_\_\_\_\_

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

BIRCHWOOD ENERGY LIMITED PARTNERSHIP

By \_\_\_\_\_

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

John Steele

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

*Achille Vitali, Jr.*

Achille Vitali, Jr.

Execution Date: 11/6/89

BEARD OIL COMPANY

By \_\_\_\_\_

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

OVERRIDING ROYALTY INTEREST OWNERS

Harold M. Brown

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

David E. Reed

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

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF COLORADO )  
 )  
COUNTY OF JEFFERSON ) ss.

On the 6<sup>th</sup> day of NOVEMBER, 1985, personally appeared before me ACHILLE VITALI, JR, the signer(s) of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires:  
4/10/89

Julie A. Postman  
Notary Public

Place of Residence:  
\_\_\_\_\_

MY COMMISSION EXPIRES APR. 10, 1987  
5845 W. 25TH EDGEWATER, CO.

Corporate

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

My Commission Expires:  
\_\_\_\_\_

\_\_\_\_\_  
Notary Public

Place of Residence:  
\_\_\_\_\_

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

BIRCHWOOD ENERGY LIMITED PARTNERSHIP

By \_\_\_\_\_

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

John Steele

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

Achille Vitali, Jr.

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

ATTEST:

Madge E. Hall  
Assistant Secretary

BEARD OIL COMPANY

By John R. Brown  
John R. Brown, Ass't Vice President  
Execution Date: October 31, 1985

OVERRIDING ROYALTY INTEREST OWNERS

Harold M. Brown  
Execution Date: \_\_\_\_\_

David E. Reed  
Execution Date: \_\_\_\_\_



Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

BIRCHWOOD ENERGY LIMITED PARTNERSHIP

By \_\_\_\_\_

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

\_\_\_\_\_  
John Steele

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

\_\_\_\_\_  
Achille Vitali, Jr.

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

BEARD OIL COMPANY

By \_\_\_\_\_

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

OVERRIDING ROYALTY INTEREST OWNERS

*Harold H. Brown*

\_\_\_\_\_  
Harold M. Brown

Execution Date: 11/5/85

\_\_\_\_\_  
David E. Reed

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

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF New Mexico )  
 )  
COUNTY OF San Juan ) ss.

1985

On the 5th day of NOVember, ~~1983~~, personally appeared before me Harold H. Brown, the signer(~~s~~) of the above instrument, who duly acknowledged to me that he (~~she or they~~) executed the same.

WITNESS my hand and official seal.

My Commission Expires:

7-21-87

Mary L. Gould  
Notary Public

Place of Residence:

Farmington, N. Mexico

Corporate

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

Place of Residence:

\_\_\_\_\_

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

BIRCHWOOD ENERGY LIMITED PARTNERSHIP

By \_\_\_\_\_

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

\_\_\_\_\_  
John Steele

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

\_\_\_\_\_  
Achille Vitali, Jr.

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

BEARD OIL COMPANY

By \_\_\_\_\_

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

OVERRIDING ROYALTY INTEREST OWNERS

\_\_\_\_\_  
Harold M. Brown

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

  
\_\_\_\_\_  
David E. Reed

Execution Date: 10-29-85



Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

3-E COMPANY, INC.

By *James Earl Myers*

Execution Date: 11-20-85

\_\_\_\_\_  
Arthur E. Meinhart

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

\_\_\_\_\_  
Irwin Rubenstein

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

\_\_\_\_\_  
Kathleen A. Rubenstein

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



Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

3-E COMPANY, INC.

By \_\_\_\_\_

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

*Arthur E. Meinhart*

Arthur E. Meinhart

Execution Date: 10/25/85

\_\_\_\_\_  
Irwin Rubenstein

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

\_\_\_\_\_  
Kathleen A. Rubenstein

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

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF COLORADO )  
 ) ss.  
COUNTY OF ARAPAHOE )

On the 25th day of October, 198<sup>5</sup>, personally appeared before me Arthur E. Meinhart, the signer(s) of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires:

Oct. 20, 1986.

*Arthur E. Meinhart*  
Notary Public

Place of Residence:

\_\_\_\_\_

Corporate

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

Place of Residence:

\_\_\_\_\_

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{2}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

3-E COMPANY, INC.

By \_\_\_\_\_

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

\_\_\_\_\_  
Arthur E. Meinhart

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



\_\_\_\_\_  
Irwin Rubenstein

Execution Date: Oct 28, 1985

\_\_\_\_\_  
Kathleen A. Rubenstein

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

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF COLORADO )  
 ) ss.  
COUNTY OF ARAPAHOE )

On the 28th day of October, 198~~5~~<sup>5</sup>, personally appeared before me Irwin Rubenstein, the signer(s) of the above instrument, who duly acknowledged to me that he (~~she~~ ~~it~~ ~~they~~) executed the same.

WITNESS my hand and official seal.

My Commission Expires:

October 20, 1986.

*D. J. Hauer*  
Notary Public

Place of Residence:

Brighton, Colorado

Corporate

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

Place of Residence:

\_\_\_\_\_

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{2}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

3-E COMPANY, INC.

By \_\_\_\_\_

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

\_\_\_\_\_  
Arthur E. Meinhart

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

\_\_\_\_\_  
Irwin Rubenstein

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

*Kathleen A. Rubenstein*  
\_\_\_\_\_  
Kathleen A. Rubenstein

Execution Date: 11/6/85

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF COLORADO )  
 )  
COUNTY OF ARAPAHOE ) ss.

On the 6th day of November, 198~~5~~<sup>5</sup>, personally appeared before me Kathleen A. Rubenstein, the signer(s) of the above instrument, who duly acknowledged to me that ~~he~~ (she or ~~it~~ they) executed the same.

WITNESS my hand and official seal.

My Commission Expires:

October 20, 1986

*Dette Jauer*  
Notary Public

Place of Residence:

Brighton, Colorado

Corporate

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1983, by \_\_\_\_\_, President, and by \_\_\_\_\_, Secretary of \_\_\_\_\_, a corporation.

WITNESS my hand and official seal.

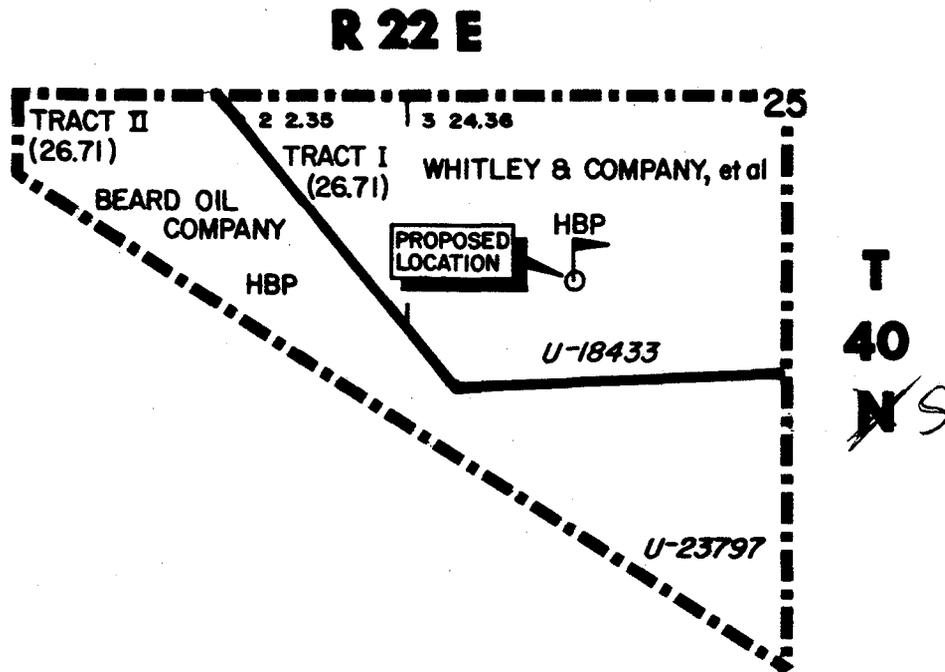
My Commission Expires:

\_\_\_\_\_  
Notary Public

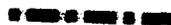
Place of Residence:

# EXHIBIT "A"

PLAT OF COMMUNITIZED AREA COVERING THE N1/2 SW1/4 OF SECTION 25, TOWNSHIP 40 SOUTH,  
RANGE 22 EAST, S.L.M., SAN JUAN COUNTY, UTAH



DESERT CREEK FORMATION  
TURNER BLUFF FIELD



BOUNDARY OF COMMUNITIZED AREA

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

EXHIBIT "B"

OPERATOR OF COMMUNITIZED AREA:

P & M PETROLEUM MANAGEMENT

DESCRIPTION OF LEASES COMMITTED

OWNERSHIP AS TO THE DESERT CREEK FORMATION

TRACT I

Lessor(s)/Royalty Interest Owners: United States of America

Lessee(s)/Assignee(s) of Record:

Shanley-Montara Petroleum Company	25%
Whitley & Company	22.836%
Petrol Properties Fund III, Inc.	22.5%
Donald P. McCourt	9.457%
Robert W. Peterson	9.457%
M. Peyton Bucy	6.25%
*WEDCO Resources, Inc.	2.5%
John Steele	1%
Achille Vitali, Jr.	1%

Serial Number of Lease: U-18433

Date of Lease: April 1, 1972

Primary Term of Lease: Ten (10) Years (HBP)

Basic Royalty Rate: 12.5%

Description of Land Committed: Lots 2,3, Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

TRACT I (Cont'd)

Number of Acres: 26.71 Acres

Name and Percentage of Each Working Interest Owner:	Shanley-Montara Petroleum Company	25%
	Whitley & Company	22.836%
	Petrol Properties Fund III, Inc.	22.5%
	Donald P. McCourt	9.457%
	Robert W. Peterson	9.457%
	M. Peyton Bucy	6.25%
	*WEDCO Resources Corporation	2.5%
	John Steele	1%
	Achille Vitali, Jr.	1%

Name and Percentage of Each Overriding Royalty Interest Owner:	Harold M. Brown	4.25%
	David E. Reed	3%
	3-E Company, Inc.	3%
	(After Payout 6.25%)	

TRACT II

Lessor(s)/Royalty Interest Owners:	United States of America
Lessee(s)/Assignee(s) of Record:	Beard Oil Company 100%
Serial Number of Lease:	U-23797
Date of Lease:	September 1, 1973
Primary Term of Lease:	Ten (10) Years (HBP)
Basic Royalty Rate:	12.5%
Description of Land Committed:	Unsurveyed Section 25, Tract B, Per Protraction Diagram #50 which is also described as: Section 25: That part of the San Juan River lying North of the Median Line, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

TRACT II (Cont'd.)

Number of Acres:	26.71 Acres	
Name and Percentage of Each Working Interest Owner:	Beard Oil Company	100%
Name and Percentage of Each Overriding Royalty Interest Owner:	Arthur E. Meinhart	1%
	Irwin Rubenstein	.5%
	Kathleen A. Rubenstein	.5%

Attached to and made a part of that certain Communitization Agreement dated October 1, 1985, embracing the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

<u>RECAPITULATION</u>		
<u>TRACT NO.</u>	<u>NUMBER OF ACRES COMMITTED</u>	<u>PERCENTAGE OF INTEREST</u>
I	26.71	50.00%
II	26.71	50.00%
	<u>53.42</u>	<u>100.00%</u>

AUTHORIZATION  
COMMUNITIZATION OR POOLING

Department of Natural Resources, Division of Oil, Gas and Mining in and for the State of Utah by Cause No. 185-2, dated February 23, 1984, established 80.00 acre drilling and spacing unit for the production of oil and associated natural gas from the Desert Creek Formation underlying that portion of the Turner Bluff Field Area, comprising the lands subject to this Communitization Agreement. A copy of this order is attached. Also attached is a copy of Cause No. 185-5, which deletes lands within the Navajo Nation which were previously included within the spaced area (Cause No. 185-2).

\*Assignment Pending to Caland Petroleum Corp. (.546875%), Genesee Production Limited Partnership (.3125%), Kelvin Resources, Inc. (.3125%) and Birchwood Energy Limited Partnership (.078125%)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-037-31233

NAME OF COMPANY: P & M PETROLEUM

WELL NAME: Federal 3-25-3E

SECTION (BHL) 25 <sup>NE SW</sup> TOWNSHIP 40S RANGE 22E COUNTY San Juan

DRILLING CONTRACTOR \_\_\_\_\_

RIG # \_\_\_\_\_

SPUDED: DATE 1-1-86

TIME \_\_\_\_\_

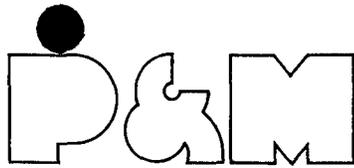
HOW Dry Hole Digger

DRILLING WILL COMMENCE 1-10-86 - Coleman Rig #4

REPORTED BY Margo Medina

TELEPHONE # (303) 861-2470

DATE 1-6-86 SIGNED JRB



PETROLEUM  
MANAGEMENT

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

December 30, 1985

**RECEIVED**

**JAN 02 1986**

**DIVISION OF OIL  
GAS & MINING**

STATE OF UTAH  
NATURAL RESOURCES, OIL GAS & MINING  
355 W. North Temple  
3 Triad Center, #350  
Salt Lake City, UT 84180-1203

RE: STATE PERMIT TO DRILL #43-037-31233  
P & M PETROLEUM MANAGEMENT  
#3-25-3E Federal  
SE $\frac{1}{4}$  NW $\frac{1}{4}$  Sec. 25, T40S-R22E  
San Juan County, UT

Gentlemen:

Pursuant to your approval to drill the above referenced location, please find enclosed a copy of our State Application to Appropriate Water approval. Please advise as to any questions or further information required.

Yours very truly,

Margo J. Medina

MM:s

Enclosure



STATE OF UTAH  
NATURAL RESOURCES  
Water Rights

RECEIVED NOV 25 1985

Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Robert L. Morgan, State Engineer

1636 West North Temple • Suite 220 • Salt Lake City, UT 84116-3156 • 801-533-6071

November 22, 1985

RECEIVED

JAN 02 1986

P&M Petroleum Management  
1600 Broadway, Suite 1700  
Denver, CO 80202

DIVISION OF OIL  
GAS & MINING

Dear Applicant:

RE: TEMPORARY APPLICATION  
NUMBER 09-1446 (T61373)

Enclosed is a copy of approved Temporary Application Number 09-1446 (T61373). This is your authority to construct your works and to divert the water for the uses described.

While this approved application does give you our permission to divert and use water, it does not grant easements through public or private lands in order to gain access to the source nor to convey the water to the place of use, nor does this approval eliminate the need for such other permits as may be required by this Division or any other agency in implementing your diversion.

This application will expire February 22, 1986, and it is expected that no diversion or use of the water will be done after that date unless another proposal has been made and approved.

Your contact with this office, should you need it is with the Area Engineer, Mark Page. The telephone number is (801)637-1303.

Sincerely,

Robert L. Morgan, P.E.  
State Engineer

RLM:laz

Encl.: Copy of approved Temporary Application

# TEMPORARY FILING FOR WATER IN THE STATE OF UTAH

Rec. by \_\_\_\_\_  
 Fee Rec. \_\_\_\_\_  
 Platted \_\_\_\_\_  
 Microfilmed \_\_\_\_\_  
 Roll No. \_\_\_\_\_

## APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, 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 USER'S CLAIM NO. 09 - 1446

APPLICATION NO. T61373

1. PRIORITY OF RIGHT: November 7, 1985 FILING DATE: November 7, 1985

2. OWNER INFORMATION

Name: P&M Petroleum Management  
 Address: 1600 Broadway, Suite 1700, Denver, CO 80202

3. QUANTITY OF WATER 2.84 acre feet (Ac. Ft.)

4. SOURCE: Seep north of San Juan River DRAINAGE: San Juan River  
POINT(S) OF DIVERSION: COUNTY: San Juan  
 (1) S. 3200 feet, E. 150 feet, from the NW Corner of Section 30,  
 Township 40 S, Range 23 E, SLB&M  
 Description of Diverting Works: Trucks  
COMMON DESCRIPTION: 6 mi. West of Montezuma Creek

5. NATURE AND PERIOD OF USE  
 Oil Exploration From November 15 to December 30.

6. PURPOSE AND EXTENT OF USE  
 Oil Exploration : Drilling of an oil well.

7. PLACE OF USE  
 The water is used in all or parts of each of the following legal subdivisions.

TOWN RANGE SEC	North East Quarter				North West Quarter				South West Quarter				South East Quarter				
	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
40 S 22 E 25							X										

All locations in Salt Lake Base and Meridian

### EXPLANATORY

This project involves the drilling of a 5650 ft. well for the purpose of developing oil and gas production in the Turner Bluff Field, San Juan County, Utah. The name and location of the well is as follows: S. 1560 ft. & E. 2220 ft. from the NW Cor. Sec. 25, T40S, R22E, SLB&M (SE4NW4).  
 Estimated Commencement Date: 11-15-85.  
 Estimated Completion Date: 12-30-85.  
 In order to secure water for the drilling fluids used in drilling the well, it would be our intention to haul water by truck from a point S. 3200 ft. & E150 ft. from NW Cor. Sec. 30, T40S, R23E, SLB&M. This is approximately 3600 ft. southeast of the above described well location. Water from this source was previously obtained under Temporary Use Permit No. 09-1305 in

1983 to drill the #1-25A KGS Federal. The pickup site consists of a water seep in a depression in the San Juan River flood plain. The surface area is under the jurisdiction of the BLM. Estimated volume of water required for the drilling operation is 2.84 acre feet, or 924,000 gallons.

\*\*\*\*\*

The applicant hereby acknowledges he/they are a citizen(s) of the United States or intends to become such a citizen.

\*\*\*\*\*

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

\*\*\*\*\*

The undersigned hereby acknowledges that even though he/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained therein, at the time of filing, rests with the applicant(s).

*Robert Sh. Peterson, Inc. - Partner*

Signature of Applicant

*P&M PETROLEUM MANAGEMENT*

STATE ENGINEER'S ENDORSEMENT

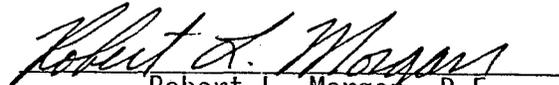
WATER USER'S CLAIM NO. 09 - 1446

APPLICATION NO. T61373

1. November 7, 1985      Application received by MP.
2. November 7, 1985      Application designated for APPROVAL by MP and SG.

Conditions:

This application is hereby APPROVED, dated November 22, 1985,  
subject to prior rights and this application will expire on February 22, 1986.

  
Robert L. Morgan, P.E.  
State Engineer



**P&M**

**PETROLEUM  
MANAGEMENT**

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

**RECEIVED**

January 20, 1986

**JAN 22 1986**

BUREAU OF LAND MANAGEMENT  
DISTRICT OFFICE  
Box 970  
Moab, UT 84532

RE: #3-25-3E Federal  
San Juan County, UT

**DIVISION OF OIL  
GAS & MINING**

SUNDRY NOTICE OF DRILLING & CASING REPORT

Gentlemen:

Enclosed in quadruplicate please find a Subsequent Notice of Drilling Report and Casing Report on the subject well for your files.

Please advise as to any questions or further information I may provide.

Yours very truly,

Margo J. Medina

MM:s  
Enclosures

cc: BLM  
P.O. Box 7  
Monticello, UT 84535  
Att: Brian Wood

BLM  
2303-324 S. State, #301  
Salt Lake City, UT 84111

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

NAME	ACTION CODE(S)	INTL
NORM		<i>N</i>
TAMI		<i>T</i>
VICKY		<i>V</i>
CLAUDIA	<i>1, ENTITY &amp; TAD</i>	<i>C</i>
STEPHANE		<i>S</i>
CHARLES		<i>C</i>
RULA		<i>R</i>
MARY ALICE		
CONNIE		
MILLIE		
PAM	<i>FILE</i>	

Required Action Code

1. Data Entry
2. Filming
3. Posting
  - a. Card Index
  - b. File Label
  - c. Lists
4. Bonding Verification
5. Other (See Norm)

*WATCH FOR C.R.*

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

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

Form approved  
Budget Bureau No. 42-R1424.

6. LEASE DESIGNATION AND SERIAL NO.  
Surf-U-52026 comm UT-000232  
RH - comm UT-060P49-86C684

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**RECEIVED**

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR P & M PETROLEUM MANAGEMENT		8. FARM OR LEASE NAME Federal	
3. ADDRESS OF OPERATOR 1600 Broadway, #1700, Denver, CO 80202		9. WELL NO. #3-25-3E	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface SE 1/4 NW 1/4 (1560' FNL & 2220' FWL) At Prod. Zone: NE 1/4 SW 1/4 (3000' FNL & 1820' FWL)		10. FIELD AND POOL, OR WILDCAT Turner Bluff	
14. PERMIT NO. 43-037-31233		15. ELEVATIONS (Show whether DF, RT, CR, etc.) 4360' GR	
		12. COUNTY OR PARISH San Juan	
		13. STATE UT	

JAN 22 1986

DIVISION OF OIL  
GAS & MINING

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 COMPLETION <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>Drilling &amp; Casing Report</u> <input checked="" type="checkbox"/>	

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

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

- 1-1-86 MI & RU L.C. Jones dry hole digger, drilled to 30' & set 20" conductor pipe @ 30' w/50 sx. Reg. w/2% CACL2.
- 1-2-86 Drilled 17 1/2" hole to 112'. 2" water flow @ 85'.
- 1-3-86 Ran 112' of 13-3/8" 54.5# J-55 and set @ 112' w/250 sx. Reg. w/2% CACL2. Good returns. PD @ 11 AM 1-3-86.
- 1-4-86 Waiting on drilling rig.  
to  
1-9-86
- 1-10-86 MI & RU Energy Search Drilling Rig.
- 1-11-86 Drilled to 470'. Water flow @ 190' depth.
- 1-12-86 Drilled to 1197'.
- 1-13-86 Ran 28 jts. 1202.31' of 9-5/8" 36# J-55 surface casing, cem. @ 1197' K.B. w/635 sx. Class B cem. w/2% CACL2 & 0.5% FIAC (water loss additive). No returns. Pumped 100 sx. Class B w/3% CACL2 down annulus on vacuum. WOC. Opened annulus and had 2" water flow. Pumped 50 sx. Class B cem. w/3% CACL2 down annulus. WOC. Opened annulus & had 3/4" water flow. Pumped 50 sx. Class B cement w/3% CACL2. WOC. Opened annulus - no water flow.
- 1-14-86 Depth @ 1525'. Top of cement 1157' K.B.

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

SIGNED Robert H. Peterson /m TITLE Partner DATE 1-16-86

(This space for Federal or State office use)

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

RECEIVED  
FEB 10 1986

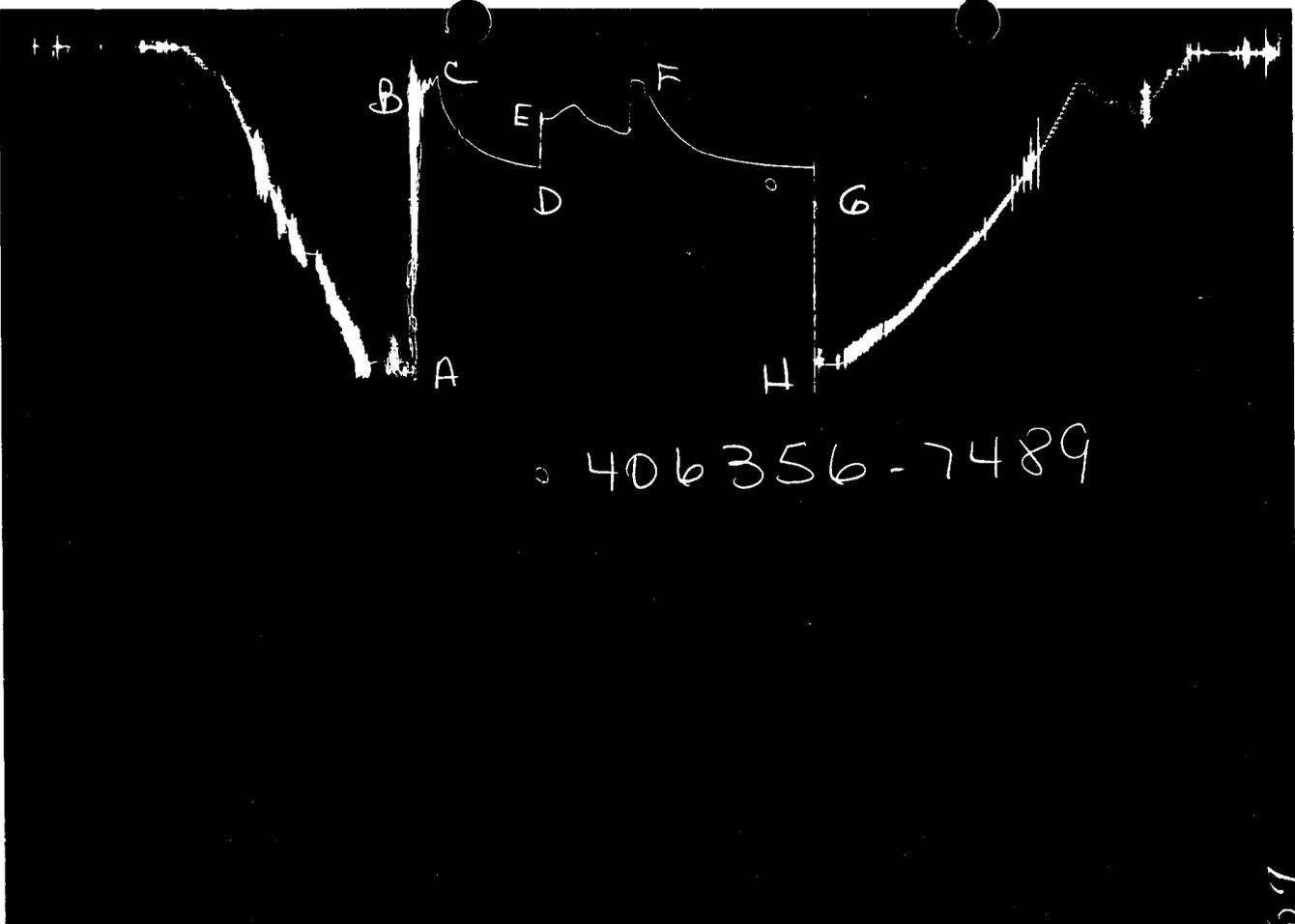
DIVISION OF  
OIL, GAS & MINING



TICKET NO. 40635600  
04-FEB-86  
FARMINGTON

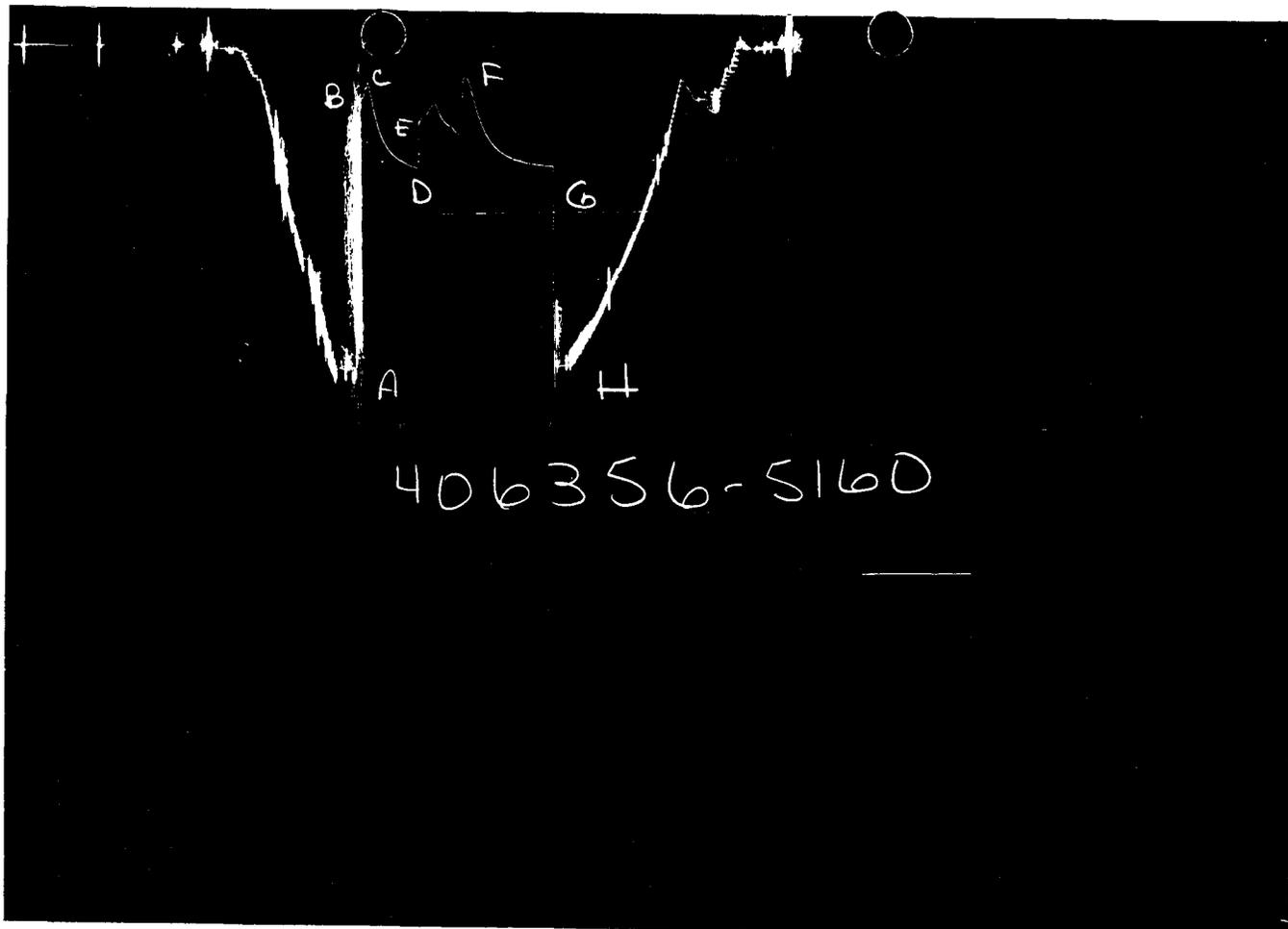
LEGAL LOCATION	3-25-3E	TEST NO.	2	TESTED INTERVAL	5671.0 - 5763.0	LEASE OWNER/COMPANY NAME	P & M PETROLEUM MANAGEMENT
SEC. - TWP. - RANG.	25 - 40 SOUTH - 22 EAST	WELL NO.		FIELD AREA	TURNER BLUFF	COUNTY	SAN JUAN
						STATE	UTAH
							PW

FORMATION TESTING SERVICE REPORT



GAUGE NO: 7489 DEPTH: 5650.0 BLANKED OFF: NO HOUR OF CLOCK: 12

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	2639	2632.7			
B	INITIAL FIRST FLOW	349	287.7			
C	FINAL FIRST FLOW	240	235.7	15.0	15.3	F
C	INITIAL FIRST CLOSED-IN	240	235.7			
D	FINAL FIRST CLOSED-IN	1002	1003.8	60.0	58.3	C
E	INITIAL SECOND FLOW	588	542.7			
F	FINAL SECOND FLOW	262	287.7	60.0	57.9	F
F	INITIAL SECOND CLOSED-IN	262	287.7			
G	FINAL SECOND CLOSED-IN	1002	997.1	98.0	101.6	C
H	FINAL HYDROSTATIC	2639	2632.7			



406356-5160

GAUGE NO: 5160 DEPTH: 5760.0 BLANKED OFF: YES HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	2657	2667.8			
B	INITIAL FIRST FLOW	470	535.5			
C	FINAL FIRST FLOW	321	324.2	15.0	15.3	F
C	INITIAL FIRST CLOSED-IN	321	324.2			
D	FINAL FIRST CLOSED-IN	1026	1034.7	60.0	58.3	C
E	INITIAL SECOND FLOW	641	642.5			
F	FINAL SECOND FLOW	299	283.8	60.0	57.9	F
F	INITIAL SECOND CLOSED-IN	299	283.8			
G	FINAL SECOND CLOSED-IN	1026	1027.0	98.0	101.6	C
H	FINAL HYDROSTATIC	2657	2667.8			

### EQUIPMENT & HOLE DATA

FORMATION TESTED: DESERT CREEK  
 NET PAY (ft): 12.0  
 GROSS TESTED FOOTAGE: 92.0  
 ALL DEPTHS MEASURED FROM: KB  
 CASING PERFS. (ft): \_\_\_\_\_  
 HOLE OR CASING SIZE (in): 8.750  
 ELEVATION (ft): 4374.0 KELLY BUSHING  
 TOTAL DEPTH (ft): 5763.0  
 PACKER DEPTH(S) (ft): 5665, 5671  
 FINAL SURFACE CHOKE (in): 0.25000  
 BOTTOM HOLE CHOKE (in): 0.750  
 MUD WEIGHT (lb/gal): 9.60  
 MUD VISCOSITY (sec): 47  
 ESTIMATED HOLE TEMP. (°F): \_\_\_\_\_  
 ACTUAL HOLE TEMP. (°F): 129 @ 5759.0 ft

TICKET NUMBER: 40635600

DATE: 1-30-86 TEST NO: 2

TYPE DST: OPEN HOLE

HALLIBURTON CAMP:  
FARMINGTON

TESTER: D. AULD

WITNESS: MR. THOMPSON

DRILLING CONTRACTOR:  
ENERGY SEARCH #2

### FLUID PROPERTIES FOR RECOVERED MUD & WATER

SOURCE	RESISTIVITY	CHLORIDES
_____	_____ @ _____ °F	_____ ppm
_____	_____ @ _____ °F	_____ ppm
_____	_____ @ _____ °F	_____ ppm
_____	_____ @ _____ °F	_____ ppm
_____	_____ @ _____ °F	_____ ppm
_____	_____ @ _____ °F	_____ ppm

### SAMPLER DATA

P<sub>sig</sub> AT SURFACE: 240.0  
 cu.ft. OF GAS: 0.758  
 cc OF OIL: 1650.0  
 cc OF WATER: \_\_\_\_\_  
 cc OF MUD: \_\_\_\_\_  
 TOTAL LIQUID cc: 1650.0

### HYDROCARBON PROPERTIES

OIL GRAVITY (°API): 42.8 @ 60°F  
 GAS/OIL RATIO (cu.ft. per bbl): 73  
 GAS GRAVITY: \_\_\_\_\_

### CUSHION DATA

TYPE	AMOUNT	WEIGHT
_____	_____	_____
_____	_____	_____

### RECOVERED:

850 FEET OF OIL & GAS CUT MUD

MEASURED FROM  
TESTER VALVE

### REMARKS:

REPORTED 20' OF FILL ON BOTTOM

CHARTS INDICATE POSSIBLE SLUGGING OF GAS THROUGH FLUID AND/OR POSSIBLE SLIGHT PLUGGING DURING THE FLOW PERIODS.

THE REQUESTED CALCULATION SERVICE COULD NOT BE PERFORMED DUE TO INSUFFICIENT DEVELOPMENT OF THE BUILD-UP PRESSURE DURING THE CLOSED-IN PERIODS. LOG-LOG & HORNER PLOTS ARE INCLUDED FOR YOUR INSPECTION.

TYPE & SIZE MEASURING DEVICE: _____					TICKET NO: 40635600
TIME	CHOKE SIZE	SURFACE PRESSURE PSI	GAS RATE MCF	LIQUID RATE BPD	REMARKS
1-30-86					
0656					ON LOCATION
0723					PICKED-UP TOOL
0847					TOOL ON TRIP IN
1104	BH	2 OZ.			OPENED TOOL
1105		3 OZ			
1106		5 OZ			
1107		6 OZ			
1108		6 OZ			
1109		8 OZ			
1110		8.5 OZ			
1111		10 OZ			
1112		11 OZ			
1113		11.5 OZ			
1114		13 OZ			
1115		16 OZ			
1116		26 OZ			
1117		2.5#			
1118		5#			
1119		8#			CLOSED TOOL
1219		3 OZ			REOPENED TOOL
1220		7 OZ			
1221		10 OZ			GAS TO SURFACE
1222		16 OZ			
1223		22 OZ			
1224		30 OZ			
1229		6.25#			
1234		12.5#			
1239	.25"	18#			OPENED .25" CHOKE
1244		13.25#			
1249		8.5#			
1259		18 OZ			
1309		4 OZ			
1319		15#			CLOSED TOOL
1457					OPENED BYPASS - TRIPPED OUT
1745					REVERSED OUT
2100					JOB COMPLETED

TICKET NO: 40635600  
 CLOCK NO: 10444 HOUR: 12



GAUGE NO: 7489  
 DEPTH: 5650.0

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
FIRST FLOW					
B 1	0.0	287.7			
C 2	15.3	235.7	-52.0		
FIRST CLOSED-IN					
C 1	0.0	235.7			
2	1.0	340.1	104.4	1.0	1.205
3	2.0	426.0	190.3	1.8	0.939
4	3.0	477.9	242.2	2.5	0.784
5	4.0	519.5	283.8	3.2	0.681
6	5.0	547.4	311.7	3.8	0.609
7	6.0	580.3	344.6	4.3	0.549
8	7.0	606.7	371.0	4.8	0.501
9	8.0	634.2	398.5	5.3	0.463
10	9.0	655.5	419.8	5.6	0.432
11	10.0	679.5	443.8	6.0	0.402
12	12.0	686.5	450.8	6.7	0.356
13	14.0	754.7	519.0	7.3	0.320
14	16.0	770.4	534.7	7.8	0.291
15	18.0	792.6	557.0	8.3	0.267
16	20.0	819.9	584.2	8.7	0.246
17	22.0	842.1	606.4	9.0	0.229
18	24.0	861.3	625.6	9.3	0.214
19	26.0	879.0	643.3	9.6	0.201
20	28.0	894.9	659.2	9.9	0.189
21	30.0	907.7	672.1	10.1	0.178
22	35.0	933.2	697.6	10.6	0.157
23	40.0	955.3	719.6	11.0	0.140
24	45.0	973.8	738.1	11.4	0.127
25	50.0	989.5	753.8	11.7	0.116
26	55.0	999.7	764.0	11.9	0.106
D 27	58.3	1003.8	768.1	12.1	0.101
SECOND FLOW					
E 1	0.0	542.7			
2	10.0	546.0	3.3		
3	20.0	471.9	-74.1		
4	30.0	618.3	146.4		
5	40.0	678.9	60.6		
6	50.0	716.2	37.3		
F 7	57.9	287.7	-428.5		
SECOND CLOSED-IN					
F 1	0.0	287.7			
2	3.2	397.8	110.1	3.1	1.374
3	4.0	415.9	128.2	3.8	1.280

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
SECOND CLOSED-IN - CONTINUED					
4	5.0	441.6	153.9	4.7	1.192
5	6.0	466.9	179.2	5.5	1.123
6	7.0	493.7	206.0	6.4	1.058
7	8.0	516.2	228.5	7.2	1.006
8	9.0	537.8	250.1	8.0	0.961
9	10.0	556.7	269.0	8.8	0.921
10	12.0	596.6	308.9	10.3	0.851
11	14.0	634.8	347.1	11.7	0.795
12	16.0	670.5	382.8	13.1	0.745
13	18.0	701.3	413.6	14.5	0.704
14	20.0	729.0	441.3	15.7	0.667
15	22.0	756.6	469.0	16.9	0.636
16	24.0	779.8	492.1	18.1	0.607
17	26.0	800.5	512.8	19.2	0.581
18	28.0	819.0	531.3	20.3	0.558
19	30.0	841.5	553.8	21.3	0.536
20	35.0	873.1	585.4	23.7	0.490
21	40.0	892.2	604.6	25.8	0.452
22	45.0	914.7	627.0	27.8	0.419
23	50.0	929.1	641.4	29.7	0.391
24	55.0	942.4	654.7	31.4	0.367
25	60.0	953.9	666.3	32.9	0.346
26	70.0	969.9	682.2	35.8	0.311
27	80.0	981.4	693.7	38.2	0.282
28	90.0	991.0	703.3	40.3	0.258
G 29	101.6	997.1	709.4	42.5	0.236

LEGEND:  STAIR-STEP  CHOKE CHANGE

REMARKS: STAIR-STEPPING DURING CLOSED-IN PERIODS....

TICKET NO: 40635600  
 CLOCK NO: 13741 HOUR: 24



GAUGE NO: 5160  
 DEPTH: 5760.0

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
<b>FIRST FLOW</b>					
B 1	0.0	535.5			
2	3.1	444.6	-90.9		
3	3.0	444.6	0.0		
4	6.0	547.9	103.3		
5	9.0	453.2	-94.8		
6	12.0	375.0	-78.1		
C 7	15.3	324.2	-50.8		
<b>FIRST CLOSED-IN</b>					
C 1	0.0	324.2			
2	1.0	366.8	42.6	0.9	1.209
3	2.0	399.1	74.8	1.8	0.940
4	3.0	433.5	109.3	2.5	0.783
5	4.0	467.9	143.7	3.2	0.681
6	5.0	502.3	178.1	3.8	0.608
7	6.0	539.6	215.3	4.3	0.549
8	7.0	576.6	252.3	4.8	0.502
9	8.0	603.9	279.7	5.3	0.463
10	9.0	634.5	310.3	5.6	0.432
11	10.0	664.2	340.0	6.1	0.401
12	12.0	714.9	390.7	6.7	0.356
13	14.0	756.2	432.0	7.3	0.320
14	16.0	791.7	467.5	7.8	0.291
15	18.0	822.0	497.8	8.3	0.266
16	20.0	848.1	523.9	8.7	0.246
17	22.0	872.7	548.5	9.0	0.228
18	24.0	893.3	569.0	9.3	0.214
19	26.0	912.5	588.3	9.6	0.200
20	28.0	926.2	602.0	9.9	0.189
21	30.0	940.7	616.5	10.1	0.178
22	35.0	968.1	643.9	10.6	0.157
23	40.0	989.1	664.8	11.0	0.140
24	45.0	1007.2	682.9	11.4	0.127
25	50.0	1020.3	696.1	11.7	0.116
26	55.0	1030.5	706.3	11.9	0.106
D 27	58.3	1034.7	710.5	12.1	0.101
<b>SECOND FLOW</b>					
E 1	0.0	642.5			
2	10.0	593.2	-49.4		
1 3	20.0	501.5	-91.7		
4	30.0	632.0	130.5		
5	40.0	688.7	56.7		
6	50.0	751.4	62.7		
F 7	57.9	283.8	-467.5		

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
<b>SECOND CLOSED-IN</b>					
F 1	0.0	283.8			
2	1.0	290.0	6.2	1.0	1.855
3	2.0	297.7	13.9	1.9	1.579
4	3.0	308.6	24.8	2.9	1.402
5	4.0	325.3	41.5	3.8	1.286
6	5.0	348.4	64.6	4.7	1.192
7	6.0	373.6	89.8	5.5	1.120
8	7.0	417.7	133.9	6.4	1.060
9	8.0	448.7	164.9	7.2	1.004
10	9.0	471.8	188.0	8.0	0.961
11	10.0	498.9	215.1	8.8	0.921
12	12.0	551.5	267.7	10.3	0.850
13	14.0	597.5	313.7	11.8	0.794
14	16.0	638.6	354.7	13.1	0.746
15	18.0	674.0	390.2	14.4	0.704
16	20.0	709.3	425.5	15.7	0.668
17	22.0	740.1	456.3	16.9	0.636
18	24.0	767.5	483.7	18.1	0.607
19	26.0	792.5	508.7	19.2	0.581
20	28.0	814.3	530.5	20.3	0.557
21	30.0	835.5	551.7	21.3	0.536
22	35.0	875.9	592.1	23.7	0.490
23	40.0	906.3	622.4	25.8	0.452
24	45.0	930.6	646.8	27.9	0.419
25	50.0	950.1	666.3	29.7	0.391
26	55.0	966.6	682.7	31.4	0.367
27	60.0	978.7	694.9	32.9	0.346
28	70.0	998.0	714.2	35.8	0.310
29	80.0	1012.6	728.8	38.2	0.282
30	90.0	1021.1	737.3	40.3	0.258
G 31	101.6	1027.0	743.2	42.5	0.236

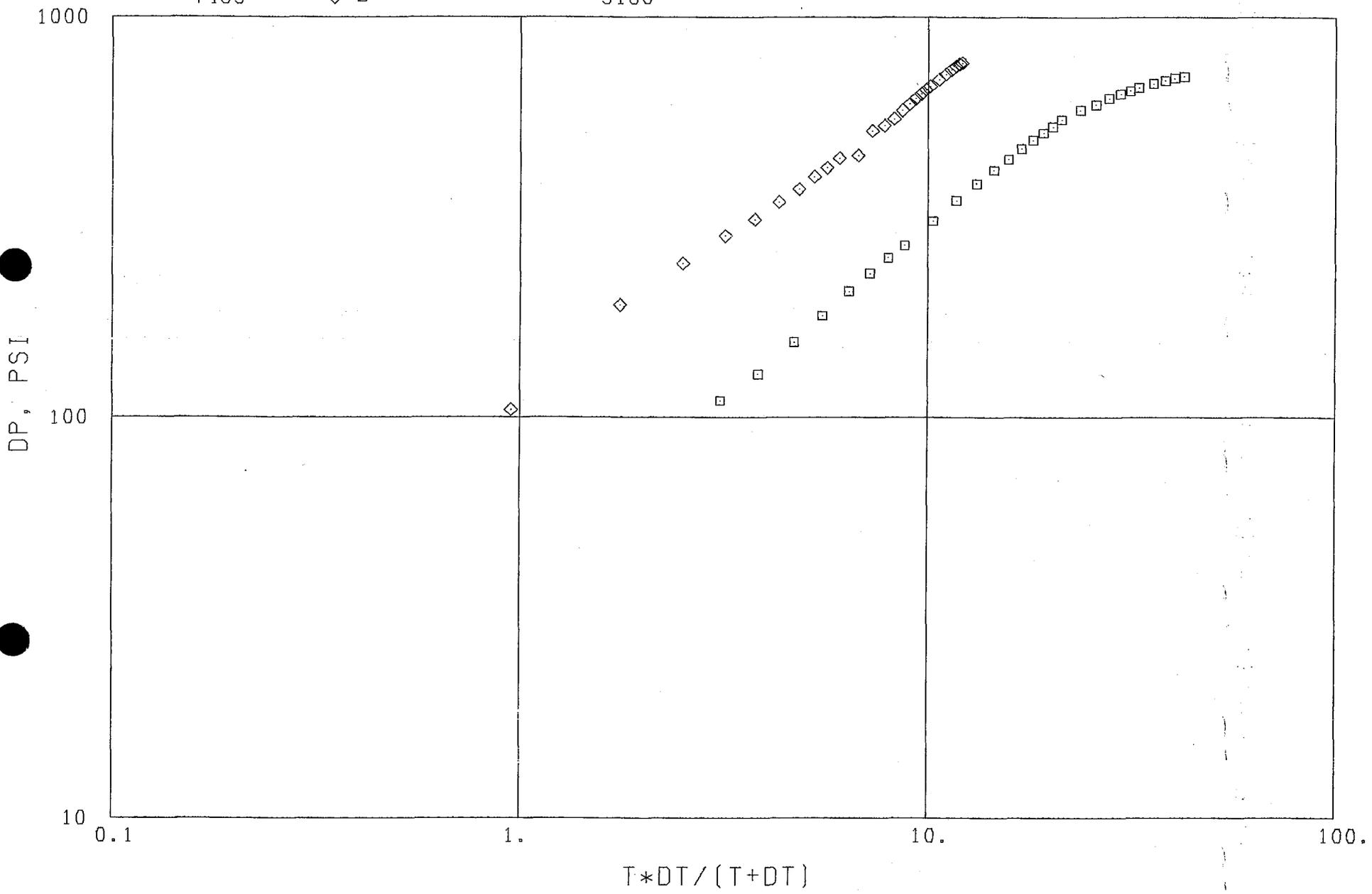
LEGEND:  
 CHOKER CHANGE  
 REMARKS:

		O.D.	I.D.	LENGTH	DEPTH	
1		DRILL PIPE.....	4.500	3.826	5188.0	
3		DRILL COLLARS.....	6.125	2.500	387.0	
50		IMPACT REVERSING SUB.....	6.000	3.000	1.0	5576.0
3		DRILL COLLARS.....	6.125	2.500	60.0	
5		CROSSOVER.....	6.000	3.000	1.0	
13		DUAL CIP SAMPLER.....	5.000	0.870	7.0	
60		HYDROSPRING TESTER.....	5.000	0.750	5.0	5648.0
80		AP RUNNING CASE.....	5.000	2.250	4.0	5650.0
15		JAR.....	5.000	1.750	5.0	
16		VR SAFETY JOINT.....	5.000	1.000	3.0	
70		OPEN HOLE PACKER.....	7.750	1.530	6.0	5665.0
70		OPEN HOLE PACKER.....	7.750	1.530	6.0	5671.0
5		CROSSOVER.....	6.000	3.000	1.0	
3		DRILL COLLARS.....	6.125	2.500	59.0	
5		CROSSOVER.....	6.000	3.000	1.0	
20		FLUSH JOINT ANCHOR.....	5.750	2.500	25.0	
81		BLANKED-OFF RUNNING CASE.....	5.750		4.0	5760.0
TOTAL DEPTH						5763.0

EQUIPMENT DATA

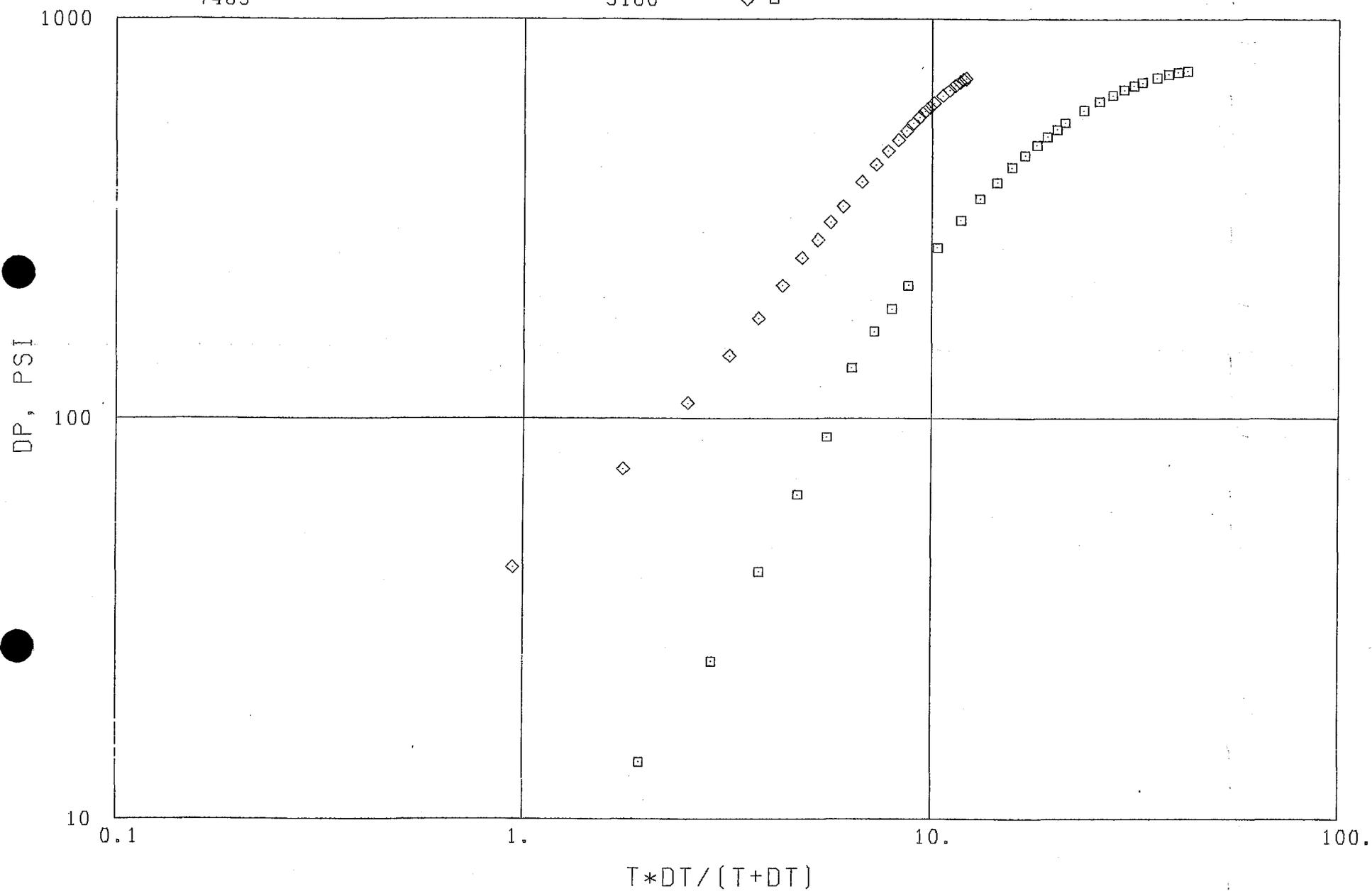
GAUGE NO CIP 1 2  
7489     ◇ □

GAUGE NO CIP 1 2  
5160



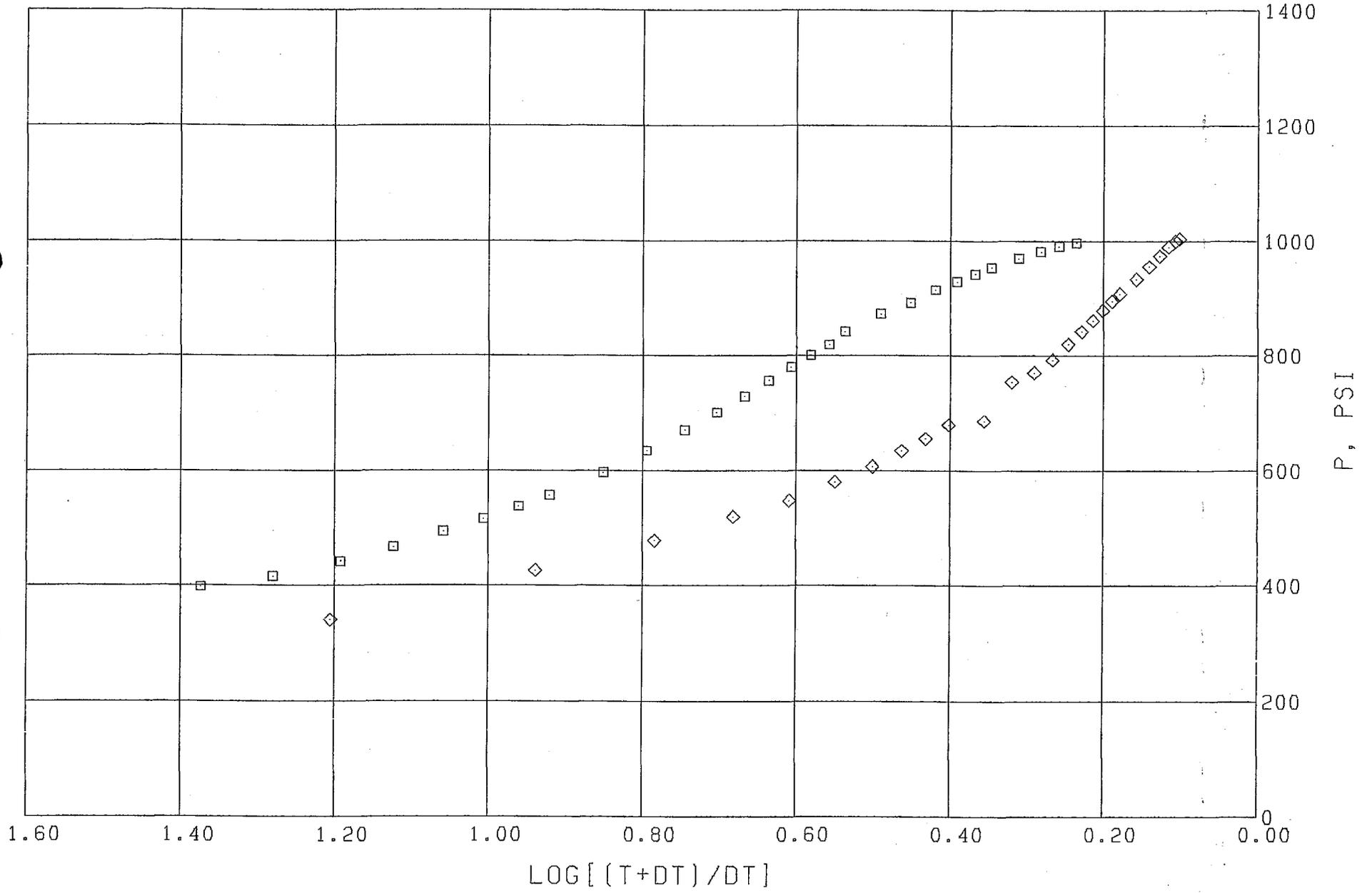
GAUGE NO CIP 1 2  
7489

GAUGE NO CIP 1 2  
5160  $\diamond$   $\square$



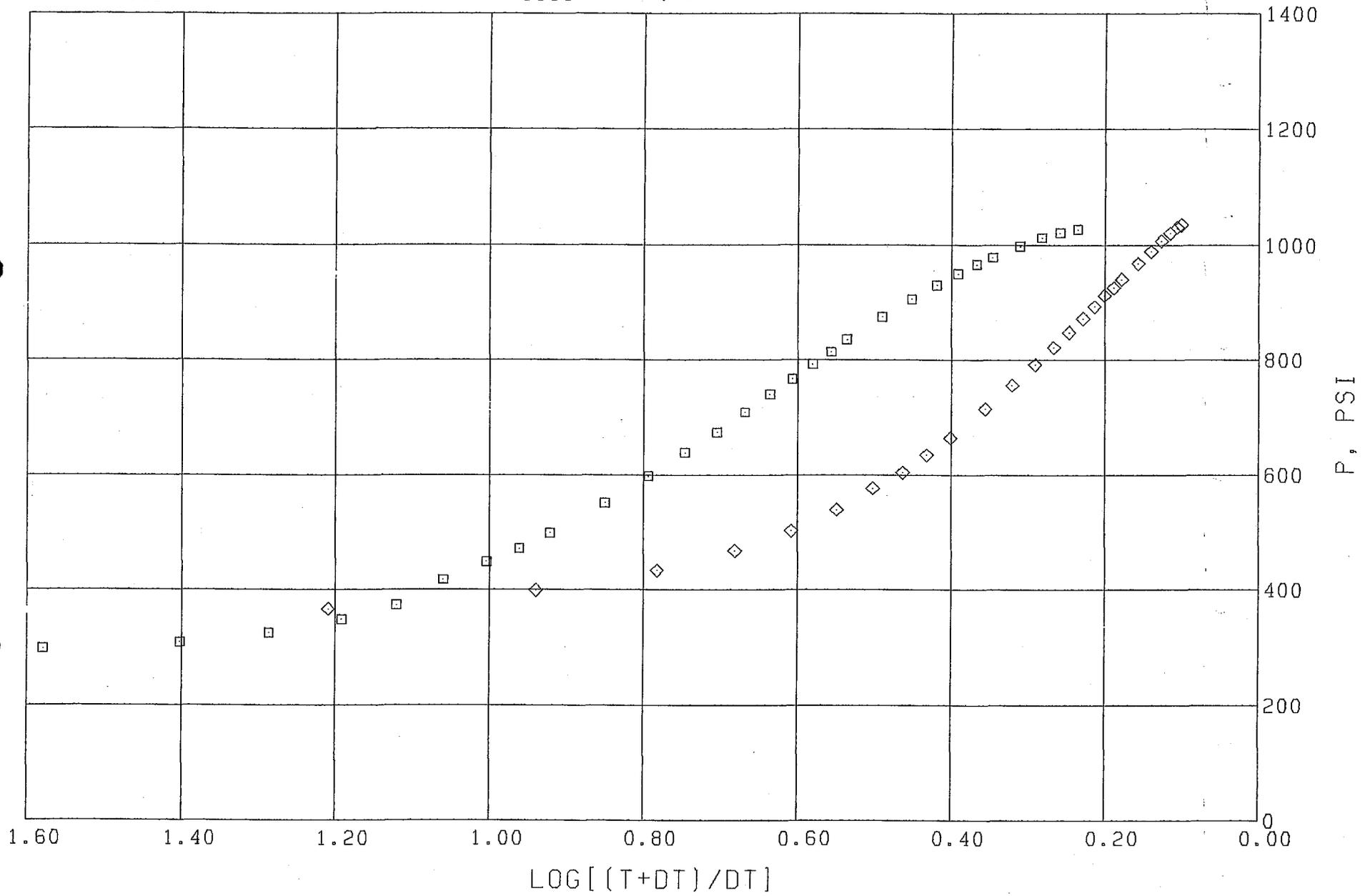
GAUGE NO CIP 1 2  
7489     ◇ □

GAUGE NO CIP 1 2  
5160



GAUGE NO CIP 1 2  
7489

GAUGE NO CIP 1 2  
5160  $\diamond$   $\square$



RECEIVED  
FEB 10 1986

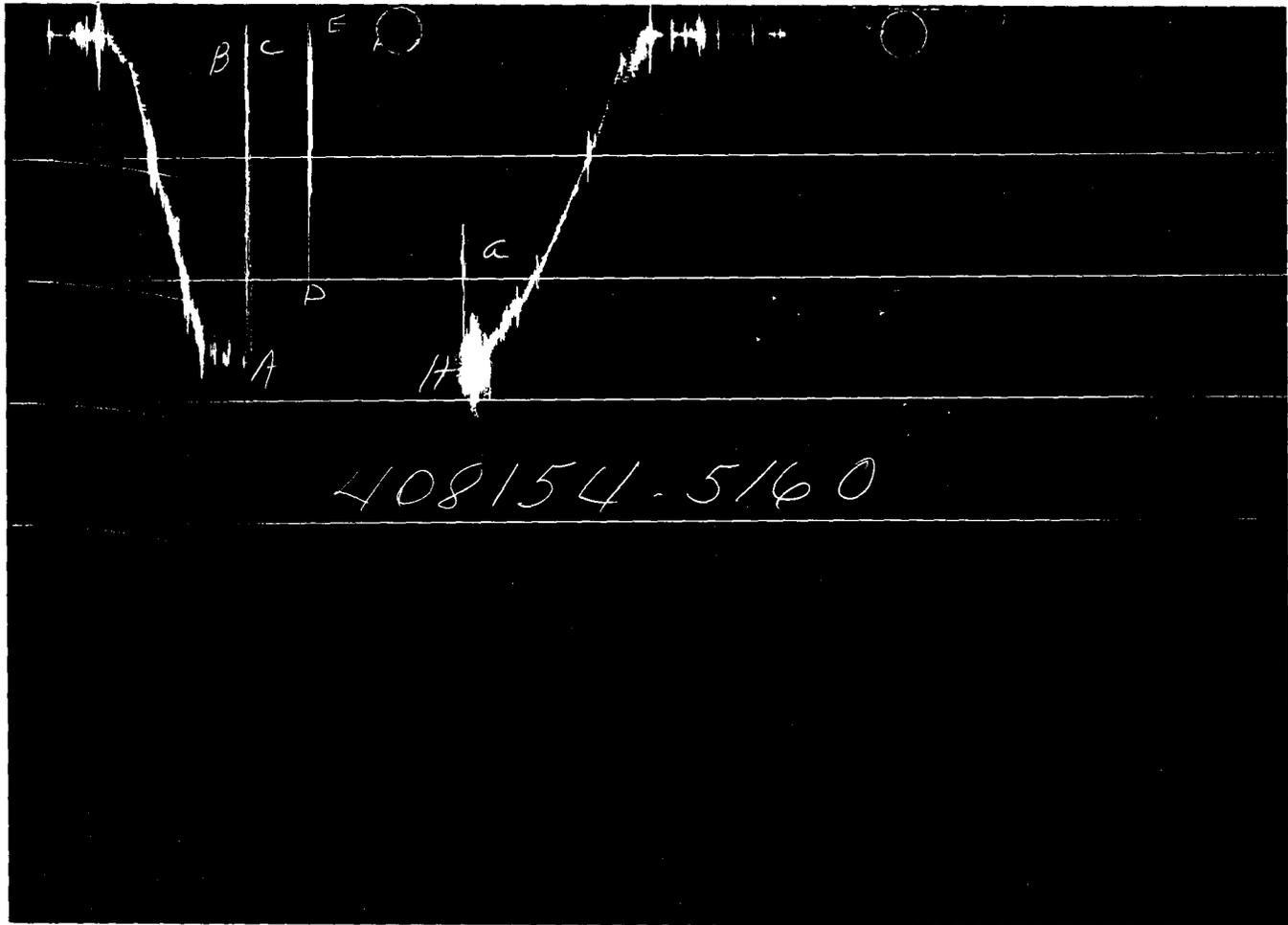
DIVISION OF  
OIL, GAS & MINING



TICKET NO. 40815400  
04-FEB-86  
FARMINGTON

FEDERAL	3-25-3E	1	5521.0 - 5584.0	P & M PETROLEUM MANAGEMENT
LEASE NAME	WELL NO.	TEST NO.	TESTED INTERVAL	LEASE OWNER/COMPANY NAME
LEGAL LOCATION SEC. - TWP. - RNG.	25 40S 22E	FIELD AREA	TURNER BLUFF	COUNTY
				SAN JUAN
				STATE
				UTAH SM

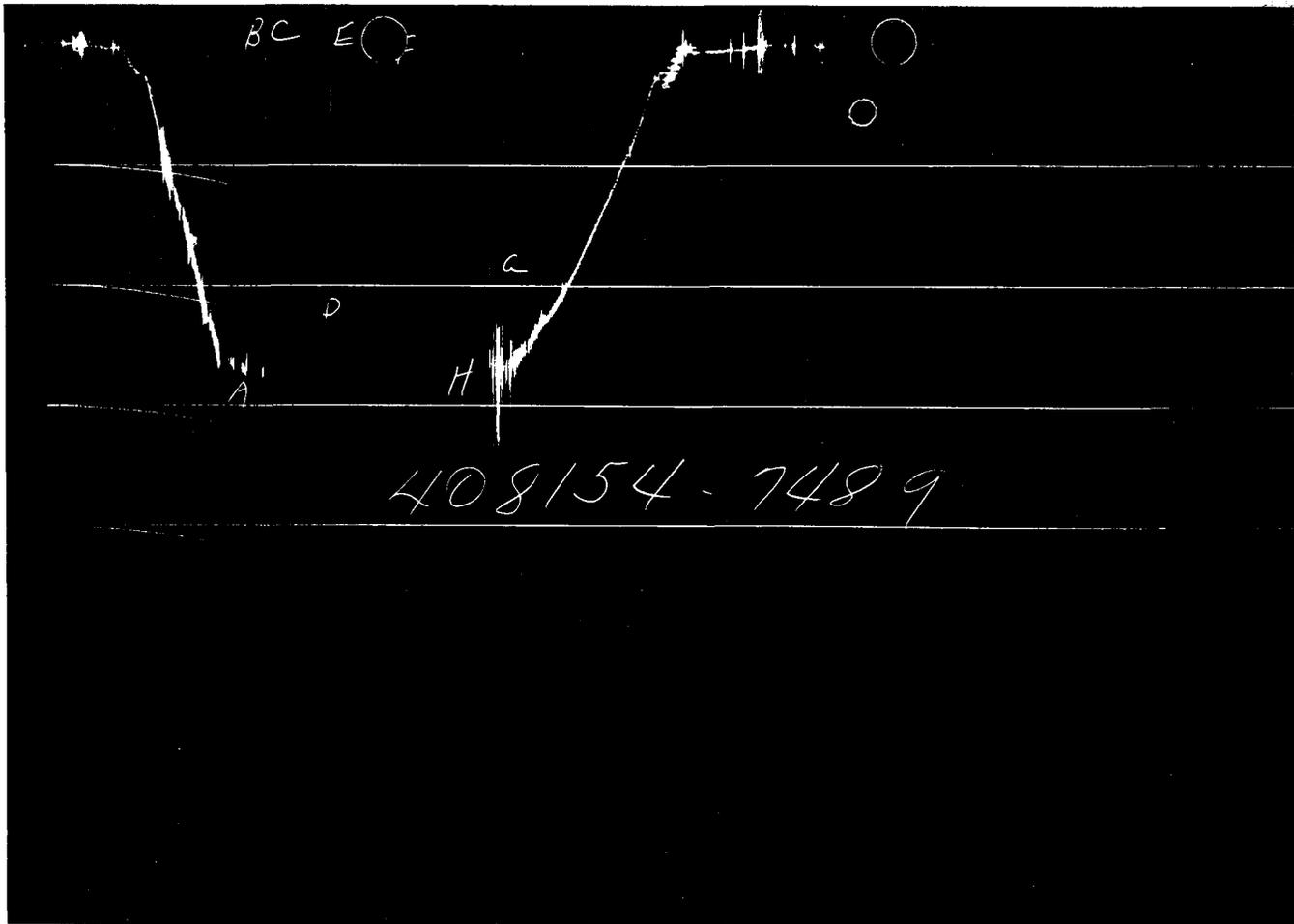
# FORMATION TESTING SERVICE REPORT



408154-5160

GAUGE NO: 5160 DEPTH: 5500.0 BLANKED OFF: NO HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	2720	2628.8			
B	INITIAL FIRST FLOW	64	75.2			
C	FINAL FIRST FLOW	86	88.4	15.0	14.7	F
C	INITIAL FIRST CLOSED-IN	86	88.4			
D	FINAL FIRST CLOSED-IN	2021	2017.5	61.0	60.4	C
E	INITIAL SECOND FLOW	107	110.3			
F	FINAL SECOND FLOW	171	162.6	60.0	60.9	F
F	INITIAL SECOND CLOSED-IN	171	162.6			
G	FINAL SECOND CLOSED-IN	1873	1884.2	129.0	120.7	C
H	FINAL HYDROSTATIC	2742	2627.3			



GAUGE NO: 7489 DEPTH: 5581.0 BLANKED OFF: YES HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	2811	2672.9			
B	INITIAL FIRST FLOW	109	110.2			
C	FINAL FIRST FLOW	131	122.0	15.0	14.7	F
C	INITIAL FIRST CLOSED-IN	131	122.0			
D	FINAL FIRST CLOSED-IN	2037	2052.7	61.0	60.4	C
E	INITIAL SECOND FLOW	131	146.4			
F	FINAL SECOND FLOW	196	195.9	60.0	60.9	F
F	INITIAL SECOND CLOSED-IN	196	195.9			
G	FINAL SECOND CLOSED-IN	1907	1917.5	129.0	120.7	C
H	FINAL HYDROSTATIC	2811	2670.8			

### EQUIPMENT & HOLE DATA

FORMATION TESTED: LOWER ISMAY  
 NET PAY (ft): 60.0  
 GROSS TESTED FOOTAGE: 63.0  
 ALL DEPTHS MEASURED FROM: KELLY BUSHING  
 CASING PERFS. (ft): \_\_\_\_\_  
 HOLE OR CASING SIZE (in): 8.750  
 ELEVATION (ft): 4360.0 GROUND LEVEL  
 TOTAL DEPTH (ft): 5584.0  
 PACKER DEPTH(S) (ft): 5515. 5521  
 FINAL SURFACE CHOKE (in): \_\_\_\_\_  
 BOTTOM HOLE CHOKE (in): 3/4"  
 MUD WEIGHT (lb/gal): 9.50  
 MUD VISCOSITY (sec): 48  
 ESTIMATED HOLE TEMP. (°F): 130  
 ACTUAL HOLE TEMP. (°F): 122 @ 5584.0 ft

TICKET NUMBER: 40815400

DATE: 1-28-86 TEST NO: 1

TYPE DST: OPEN HOLE

HALLIBURTON CAMP:  
FARMINGTON

TESTER: GENE ROBERTS

WITNESS: A. VITALI JR.

DRILLING CONTRACTOR:  
ENERGY SEARCH DRILLING #2

### FLUID PROPERTIES FOR RECOVERED MUD & WATER

SOURCE	RESISTIVITY	CHLORIDES
<u>PIT SAMPLE</u>	<u>1.780 @ 74 °F</u>	<u>1818 ppm</u>
<u>TOP SAMPLE</u>	<u>1.290 @ 64 °F</u>	<u>2728 ppm</u>
<u>SAMPLER</u>	<u>1.290 @ 64 °F</u>	<u>2728 ppm</u>
_____	_____ @ _____ °F	_____ ppm
_____	_____ @ _____ °F	_____ ppm
_____	_____ @ _____ °F	_____ ppm

### SAMPLER DATA

Pstg AT SURFACE: 10.0  
 cu.ft. OF GAS: \_\_\_\_\_  
 cc OF OIL: \_\_\_\_\_  
 cc OF WATER: \_\_\_\_\_  
 cc OF MUD: 2300.0  
 TOTAL LIQUID cc: 2300.0

### HYDROCARBON PROPERTIES

OIL GRAVITY (°API): \_\_\_\_\_ @ \_\_\_\_\_ °F  
 GAS/OIL RATIO (cu.ft. per bbl): \_\_\_\_\_  
 GAS GRAVITY: \_\_\_\_\_

### CUSHION DATA

TYPE	AMOUNT	WEIGHT
_____	_____	_____
_____	_____	_____

### RECOVERED:

210 FEET OF DRILLING MUD

MEASURED FROM  
TESTER VALVE

### REMARKS:

GAUGE # 5160 STAIR STEPPING DURING TEST; READINGS ARE QUESTIONABLE.

CALCULATION SERVICE COULD NOT BE PERFORMED DUE TO INSUFFICIENT HYDROCARBON RECOVERY. PLOTS OF THE CIP PERIODS FROM THE BOTTOM GAUGE ARE INCLUDED.



TICKET NO: 40815400  
 CLOCK NO: 12118 HOUR: 24



GAUGE NO: 5160  
 DEPTH: 5500.0

REF	MINUTES	PRESSURE	AP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
<b>FIRST FLOW</b>					
B 1	0.0	75.2			
2	3.0	76.5	1.3		
3	6.0	79.9	3.4		
4	9.0	84.6	4.7		
5	12.0	87.1	2.6		
C 6	14.7	88.4	1.3		
<b>FIRST CLOSED-IN</b>					
C 1	0.0	88.4			
2	1.0	266.0	177.6	1.0	1.186
3	2.0	415.4	327.0	1.8	0.913
4	3.0	557.1	468.7	2.5	0.766
5	4.0	749.4	661.0	3.2	0.664
6	5.0	949.5	861.1	3.7	0.592
7	6.0	1131.1	1042.7	4.3	0.537
8	7.0	1266.5	1178.1	4.8	0.488
9	8.0	1358.5	1270.0	5.2	0.453
10	9.0	1432.6	1344.2	5.6	0.421
11	10.0	1520.8	1432.3	5.9	0.391
12	12.0	1627.4	1538.9	6.6	0.347
13	14.0	1703.6	1615.2	7.2	0.311
14	16.0	1766.6	1678.2	7.7	0.282
15	18.0	1803.5	1715.0	8.1	0.258
16	20.0	1839.5	1751.0	8.5	0.239
17	22.0	1866.6	1778.2	8.8	0.222
18	24.0	1891.6	1803.2	9.1	0.207
19	26.0	1910.5	1822.0	9.4	0.194
20	28.0	1928.1	1839.6	9.6	0.183
21	30.0	1940.3	1851.9	9.8	0.173
1 22	34.4	1963.9	1875.4	10.3	0.154
23	40.0	1991.0	1902.6	10.7	0.136
24	45.0	1996.3	1907.9	11.1	0.122
25	50.0	2005.8	1917.4	11.3	0.112
26	55.0	2012.0	1923.5	11.6	0.103
D 27	60.4	2017.5	1929.0	11.8	0.094
<b>SECOND FLOW</b>					
E 1	0.0	110.3			
2	10.0	114.3	4.1		
3	20.0	124.2	9.8		
4	30.0	133.2	9.0		
5	40.0	143.8	10.7		
6	50.0	155.0	11.1		
F 7	60.9	162.6	7.7		

REF	MINUTES	PRESSURE	AP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
<b>SECOND CLOSED-IN</b>					
F 1	0.0	162.6			
1 2	4.6	215.2	52.6	4.3	1.242
1 3	9.1	254.1	91.5	8.1	0.967
1 4	13.4	302.9	140.2	11.4	0.821
1 5	17.8	362.9	200.3	14.4	0.721
1 6	21.6	433.7	271.0	16.8	0.654
1 7	23.6	480.9	318.2	18.0	0.623
1 8	27.1	571.9	409.3	20.0	0.578
1 9	30.2	664.1	501.4	21.6	0.544
1 10	33.6	789.3	626.7	23.3	0.512
1 11	34.9	843.2	680.5	23.9	0.501
1 12	38.5	991.3	828.6	25.5	0.472
1 13	39.6	1042.9	880.2	26.0	0.463
1 14	43.3	1189.1	1026.4	27.5	0.439
1 15	47.0	1328.7	1166.1	29.0	0.417
1 16	50.7	1450.0	1287.3	30.3	0.396
1 17	54.1	1539.2	1376.5	31.5	0.380
1 18	57.9	1605.5	1442.9	32.8	0.363
1 19	62.1	1663.6	1500.9	34.1	0.346
1 20	67.3	1712.1	1549.5	35.6	0.327
1 21	71.6	1752.8	1590.1	36.8	0.313
1 22	76.4	1777.4	1614.7	38.0	0.299
1 23	86.5	1820.2	1657.5	40.3	0.273
1 24	91.1	1836.1	1673.4	41.3	0.262
25	100.0	1857.7	1695.0	43.1	0.244
26	110.0	1876.8	1714.1	44.8	0.227
G 27	120.7	1884.2	1721.5	46.5	0.211

**LEGEND:**  
 1 STAIR-STEP

**REMARKS:**

TICKET NO: 40815400  
 CLOCK NO: 13711 HOUR: 24



GAUGE NO: 7489  
 DEPTH: 5581.0

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
<b>FIRST FLOW</b>					
B 1	0.0	110.2			
2	3.0	110.2	0.0		
3	6.0	110.4	0.2		
4	9.0	117.8	7.4		
5	12.0	119.6	1.7		
C 6	14.7	122.0	2.4		
<b>FIRST CLOSED-IN</b>					
C 1	0.0	122.0			
2	1.0	138.5	16.6	1.0	1.181
3	2.0	162.1	40.1	1.8	0.919
4	3.0	192.1	70.2	2.5	0.765
5	4.0	228.3	106.3	3.1	0.672
6	5.0	282.8	160.8	3.7	0.593
7	6.0	351.9	229.9	4.3	0.535
8	7.0	448.9	326.9	4.7	0.490
9	8.0	574.8	452.8	5.2	0.451
10	9.0	697.5	575.5	5.6	0.420
11	10.0	857.7	735.7	6.0	0.391
12	12.0	1090.5	968.6	6.6	0.347
13	14.0	1330.2	1208.3	7.2	0.311
14	16.0	1499.9	1377.9	7.6	0.283
15	18.0	1623.0	1501.0	8.1	0.258
16	20.0	1708.1	1586.2	8.5	0.239
17	22.0	1772.2	1650.2	8.8	0.222
18	24.0	1827.8	1705.8	9.1	0.207
19	26.0	1865.5	1743.5	9.4	0.194
20	28.0	1899.1	1777.2	9.6	0.183
21	30.0	1922.9	1800.9	9.8	0.173
22	35.0	1969.9	1847.9	10.3	0.152
23	40.0	2000.2	1878.3	10.7	0.135
24	45.0	2020.3	1898.3	11.1	0.122
25	50.0	2034.9	1912.9	11.3	0.112
26	55.0	2045.9	1923.9	11.6	0.103
D 27	60.4	2052.7	1930.8	11.8	0.094
<b>SECOND FLOW</b>					
E 1	0.0	146.4			
2	10.0	148.0	1.5		
3	20.0	158.2	10.2		
4	30.0	167.1	8.9		
5	40.0	177.4	10.2		
6	50.0	190.2	12.9		
F 7	60.9	195.9	5.7		

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
<b>SECOND CLOSED-IN</b>					
F 1	0.0	195.9			
2	1.0	203.7	7.8	1.0	1.895
3	2.0	212.0	16.1	2.0	1.581
4	3.0	217.9	22.0	2.8	1.425
5	4.0	226.4	30.5	3.8	1.297
6	5.0	234.9	39.0	4.7	1.208
7	6.0	244.5	48.6	5.6	1.134
8	7.0	253.0	57.1	6.4	1.073
9	8.0	262.4	66.5	7.3	1.017
10	9.0	270.2	74.3	8.0	0.975
11	10.0	281.1	85.2	8.8	0.932
12	12.0	301.0	105.0	10.4	0.863
13	14.0	323.8	127.9	11.8	0.805
14	16.0	350.0	154.1	13.2	0.757
15	18.0	377.0	181.1	14.6	0.716
16	20.0	408.8	212.9	15.8	0.679
17	22.0	442.0	246.1	17.0	0.647
18	24.0	479.4	283.5	18.2	0.618
19	26.0	525.0	329.1	19.3	0.592
20	28.0	571.4	375.5	20.4	0.568
21	30.0	627.6	431.7	21.5	0.546
22	35.0	788.7	592.8	23.9	0.499
23	40.0	984.0	788.1	26.2	0.461
24	45.0	1188.5	992.6	28.2	0.428
25	50.0	1376.5	1180.6	30.1	0.400
26	55.0	1522.9	1327.0	31.8	0.376
27	60.0	1628.8	1432.9	33.5	0.354
28	70.0	1750.8	1554.9	36.4	0.318
29	80.0	1817.6	1621.7	38.9	0.289
30	90.0	1856.4	1660.5	41.1	0.265
31	100.0	1883.0	1687.1	43.1	0.244
32	110.0	1902.8	1706.9	44.8	0.227
G 33	120.7	1917.5	1721.6	46.5	0.211

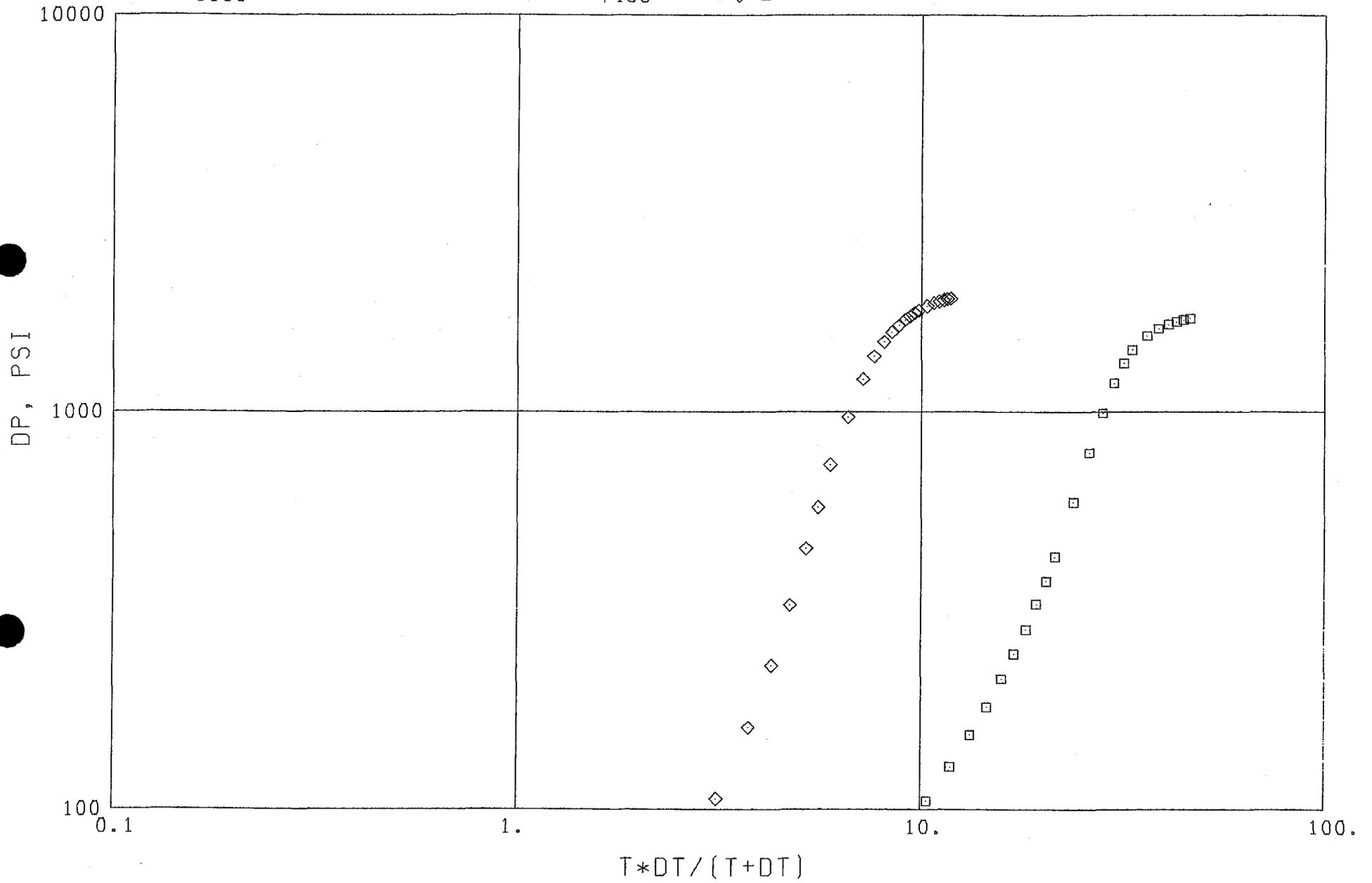
REMARKS:

		O.D.	I.D.	LENGTH	DEPTH	
1		DRILL PIPE.....	4.500	3.826	5037.0	
3		DRILL COLLARS.....	6.250	2.750	418.0	
50		IMPACT REVERSING SUB.....	6.000	3.000	1.0	5455.0
3		DRILL COLLARS.....	6.250	2.750	30.0	
5		CROSSOVER.....	6.000	3.000	1.0	
13		DUAL CIP SAMPLER.....	5.030	0.750	7.0	
60		HYDROSPRING TESTER.....	5.000	0.750	5.0	5498.0
80		AP RUNNING CASE.....	5.000	2.250	4.0	5500.0
15		JAR.....	5.030	1.750	5.0	
16		VR SAFETY JOINT.....	5.000	1.000	3.0	
70		OPEN HOLE PACKER.....	7.750	1.530	6.0	5515.0
70		OPEN HOLE PACKER.....	7.750	1.530	6.0	5521.0
5		CROSSOVER.....	6.000	3.000	1.0	
3		DRILL COLLARS.....	6.250	2.750	30.0	
5		CROSSOVER.....	6.000	3.000	1.0	
20		FLUSH JOINT ANCHOR.....	5.750	3.000	25.0	
81		BLANKED-OFF RUNNING CASE.....	5.750		4.0	5581.0
TOTAL DEPTH						5584.0

EQUIPMENT DATA

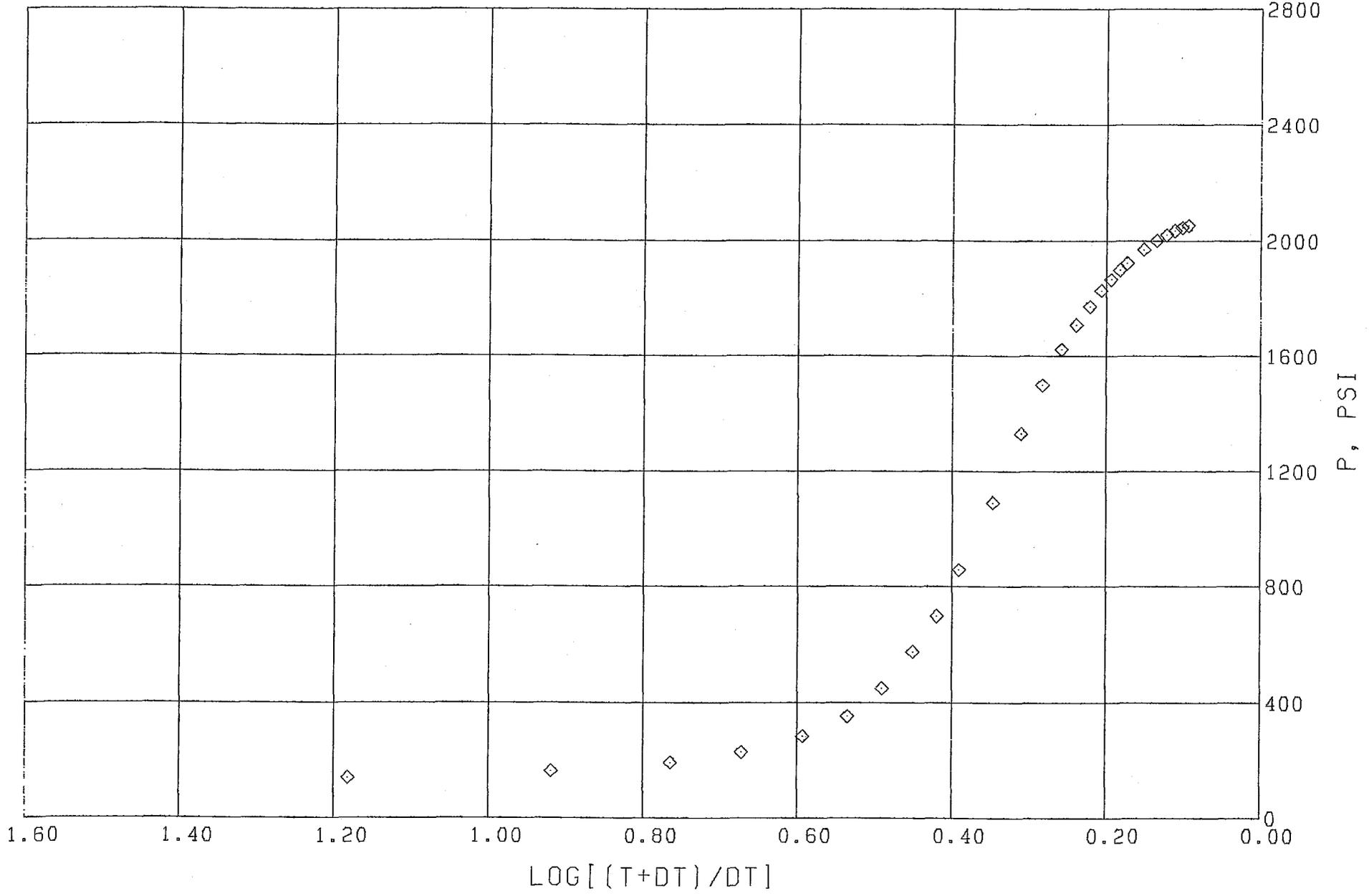
GAUGE NO CIP 1 2  
5160

GAUGE NO CIP 1 2  
7489  $\diamond$   $\square$



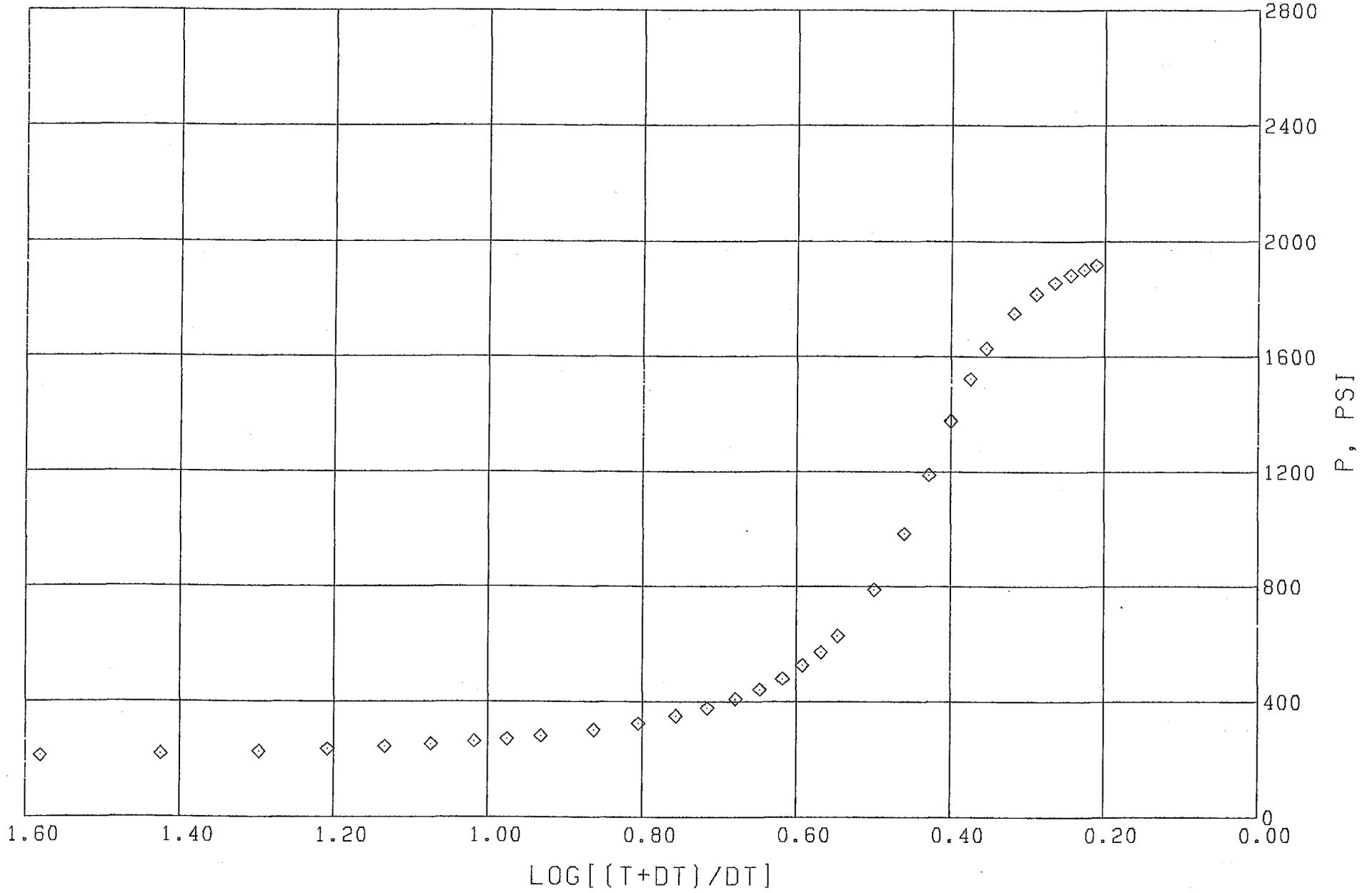
GAUGE NO CIP 1 2  
5160

GAUGE NO CIP 1 2  
7489  $\diamond$



GAUGE NO CIP 1 2  
5160

GAUGE NO CIP 1 2  
7489  $\diamond$





# P&M

# PETROLEUM MANAGEMENT

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

*DL*

EXPRESS MAIL

February 24, 1986

**RECEIVED**  
FEB 26 1986

BUREAU OF LAND MANAGEMENT  
DISTRICT OFFICE  
BOX 970  
Moab, UT 84532

Att: Greg Noble

RE: #3-25-3E Federal  
San Juan County, UT

**DIVISION OF  
OIL, GAS & MINING**

SUNDRY NOTICE OF FIRST PRODUCTION

Dear Greg:

Pursuant to my phone conversation this date with Joe Stevens, I have enclosed a Sundry Notice of First Production on the above referenced well. Please advise if there is additional information you need.

Yours very truly,

Margo J. Medina

MM:s  
Enclosures

cc: BLM  
P.O. Box 7  
Monticello, UT 84535  
Att: Rich McClure

BLM  
2303-324 S. State, #301  
Salt Lake City, UT 84111

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

NAME	ACTION CODE(S)	INTL
NORM		
TAMI		
VICKY		
CLAUDIA	1, (TAD) ENTRY	
STEPHANE		
CHARLES		
RULA		
MARY ALICE		
CONNIE		
MILLIE		
PAM	FILE	

Required Action Code

1. Data Entry
2. Filming
3. Posting
  - a. Card Index
  - b. File Label
  - c. Lists
4. Bonding Verification
5. Other (See Norm)

WATCH FOR C.A.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

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

Form approved  
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.  
Surf-U-52026 comm UT-000232  
BH-comm UT-060P49-86C684  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		UNIT AGREEMENT NAME	
2. NAME OF OPERATOR P & M PETROLEUM MANAGEMENT		FARM OR LEASE NAME Federal	
3. ADDRESS OF OPERATOR 1600 Broadway, #1700, Denver, CO 80202		9. WELL NO. #3-25-3E	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface SE 1/4 NW 1/4 (1560' FNL 2220' FWL)  At Prod. Zone: NE 1/4 SW 1/4 (3000' FNL & 1820' FWL)		10. FIELD AND POOL, OR WILDCAT Turner Bluff	
14. PERMIT NO. 43-037-31233		15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4360' GR	
		12. COUNTY OR PARISH San Juan	
		13. STATE UT	

RECEIVED

FEB 26 1986

DIVISION OF  
OIL, GAS & MINING

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 Production</u> <input checked="" type="checkbox"/>	

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

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

Subject well was placed on pump 2/15/86. Pursuant to 43 CFR 3160.0 this Sundry Notice is to serve as written notification. The well is currently being pump tested, producing from the Desert Creek Formation (5682-5700'). PBD 5742' K.B.

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

SIGNED Robert W. Peterson TITLE Petroleum Engineer/Partner DATE 2/24/86

(This space for Federal or State office use)

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



# P&M

# PETROLEUM MANAGEMENT

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

February 28, 1986

**RECEIVED**  
MAR 03 1986

BUREAU OF LAND MANAGEMENT  
DISTRICT OFFICE  
BOX 970  
Moab, UT 84532

RE: #3-25-3E Federal  
San Juan County, UT

**DIVISION OF  
OIL, GAS & MINING**

Att: Greg Noble

Dear Greg:

At the request of Mike Wade of your office, we have prepared and enclosed in quadruplicate (2) Sundry Notices of Subsequent Report: OF OFF LEASE PRODUCTION, MOVING DRILLING MUD. These notices should be self explanatory. Let me know if you will need more information.

Thanks for your continued cooperation.

Yours very truly,

Margo J. Medina

MM:s  
Enclosures

cc: BLM  
P.O. Box 7  
Monticello, UT 84535  
Att: Rich McClure

BLM  
2303-324 S. State, #301  
Salt Lake City, UT 84111

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

Bush Chancey

Production Accounting

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

SUBMIT IN TRIPLICATE\*  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 42-R1424.

6. LEASE DESIGNATION AND SERIAL NO.  
surf - U-52026 comm UT-0002  
BH -comm UT-060P49-86C684

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<p>1. <input checked="" type="checkbox"/> OIL WELL    <input type="checkbox"/> GAS WELL    <input type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR P &amp; M PETROLEUM MANAGEMENT</p> <p>3. ADDRESS OF OPERATOR 1600 Broadway, #1700, Denver, CO 80202</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface SE<math>\frac{1}{2}</math> NW<math>\frac{1}{4}</math> (1560' FNL &amp; 2220' FWL)  At Prod. Zone: NE<math>\frac{1}{2}</math> SW<math>\frac{1}{4}</math> (3000' FNL &amp; 1820' FWL)</p> <p>14. PERMIT NO.                      15. ELEVATIONS (Show whether OF, RT, GR, etc.) 43-037-31233                      4360' GR</p>	<p>7. UNIT AGREEMENT NAME</p> <p>8. FARM OR LEASE NAME Federal</p> <p>9. WELL NO. 3-25-3E</p> <p>10. FIELD AND POOL, OR WILDCAT</p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 25, T40S-R22E</p> <p>12. COUNTY OR PARISH    13. STATE San Juan                      UT</p>
---	--

RECEIVED  
MAR 03 1986

DIVISION OF  
OIL, GAS & MINING

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) Moving Drilling Mud <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.)\*

This Sundry Notice is to provide information to the BLM, regarding the drilling mud removal from the #3-25-3E well location, located as referenced above. The drilling mud was moved to a drilling pit, located NW of the Battery of the #2-25-3E Federal located in the SW $\frac{1}{4}$  NE $\frac{1}{4}$  Sec. 25, due to the insufficient capacity of the pit at the #3-25-3E Federal.

NOTE: The bottom hole location of the #3-25-3E Federal is under the Base Lease U-18433, which was communitized with U-23797 (now designated UT-060P49-86C684). The pit located SW $\frac{1}{4}$  NE $\frac{1}{4}$  Sec. 25, is located on U-18433. The drilling mud from the #3-25-3E Federal has remained on U-18433.

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

SIGNED Robert W. Peterson TITLE Partner DATE 2/27/86

(This space for Federal or State office use)

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

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

Form approved  
Budget Bureau No. 42-R1424

5. LEASE DESIGNATION AND SERIAL NO.  
surf - U-52026 comm UT-00023  
BH - comm UT-060P49-86C684  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL  GAS WELL  OTHER

7. UNIT AGREEMENT NAME

2. NAME OF OPERATOR  
P & M PETROLEUM MANAGEMENT

8. FARM OR LEASE NAME

Federal

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

9. WELL NO.

3-25-3E

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

10. FIELD AND POOL, OR WILDCAT

SE 1/4 NW 1/4 (1560' FNL & 2220' FWL)

DIVISION OF  
OIL, GAS & MINING

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

Sec. 25, T40S-R22E

At Prod. Zone: NE 1/4 SW 1/4 (3000' FNL & 1820' FWL)

14. PERMIT NO.

43-037-31233

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

4360' GR

12. COUNTY OR PARISH 13. STATE

Salt Juan

UT

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON\*

SHOOTING OR ACIDIZING

ABANDONMENT\*

REPAIR WELL

CHANGE PLANS

(Other) OFF LEASE PRODUCTION STORAGE

(Other)

(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.)\*

As indicated on the above Item #5, the #3-25-3E Federal surface location is on Communitized Lease UT-000232 and production equipment and storage is located as indicated on the enclosed Exhibit "E", which was approved as an inclusion in the APD/NTL-6 approval to drill.

The well is a deviated hole and the bottom hole location is in the NE 1/4 SW 1/4 of Sec. 25. Production has been established in the Desert Creek formation.

This Sundry Notice is to serve as clarification as to the "Off Lease Storage" of the production established in the NE 1/4 SW 1/4 of Section 25 (Comm. UT-060P49-86C684), and production storage in the SE 1/4 NW 1/4 of Section 25 (Comm. UT-000232).

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

SIGNED

*Robert W. Peterson*

TITLE Partner

DATE 2/27/86

(This space for Federal or State office use)

APPROVED BY

TITLE

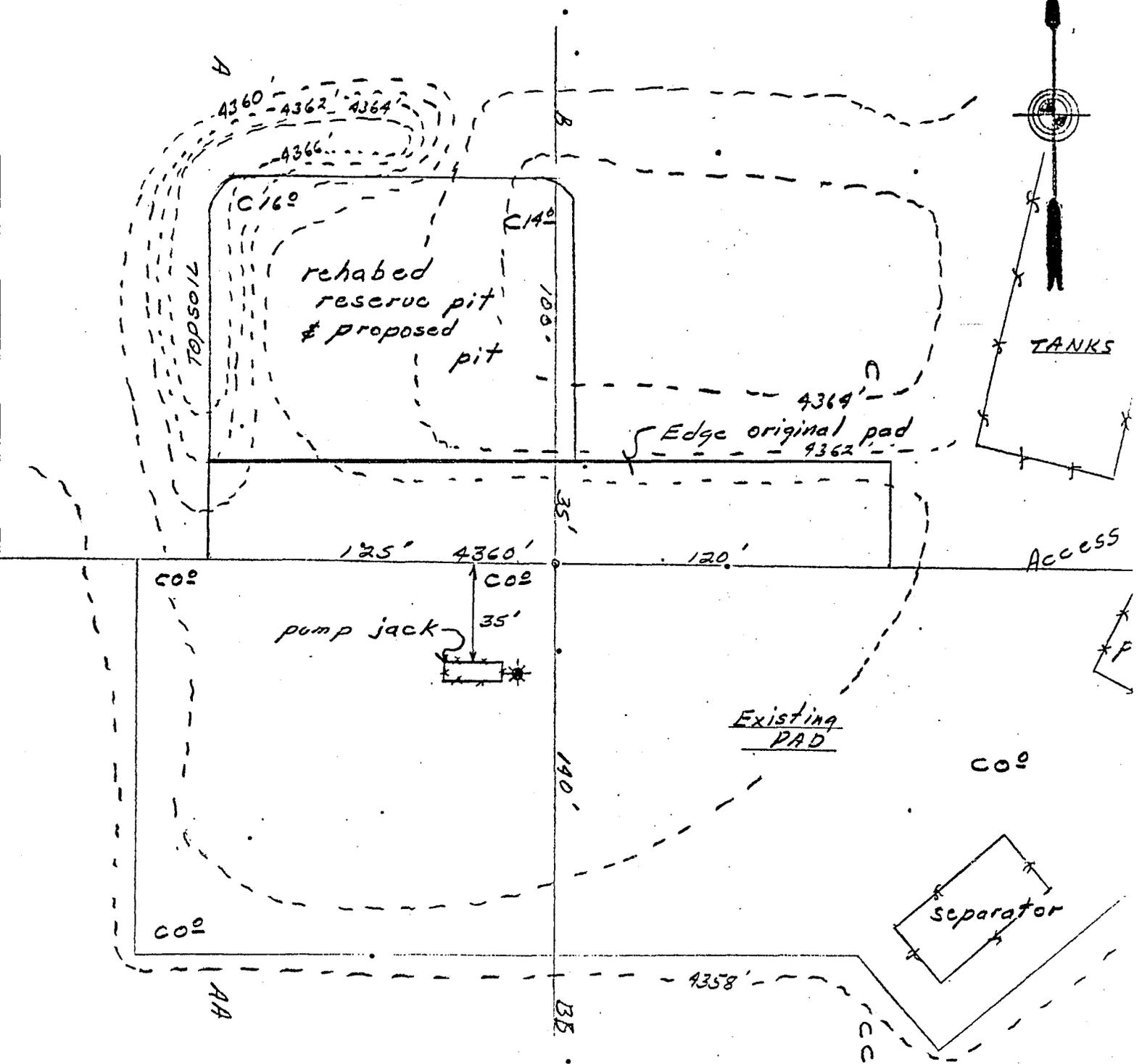
DATE

CONDITIONS OF APPROVAL, IF ANY:

WELL PAD PLAN VIEW  
EXHIBIT "E"

Well 3-25-3E Federal

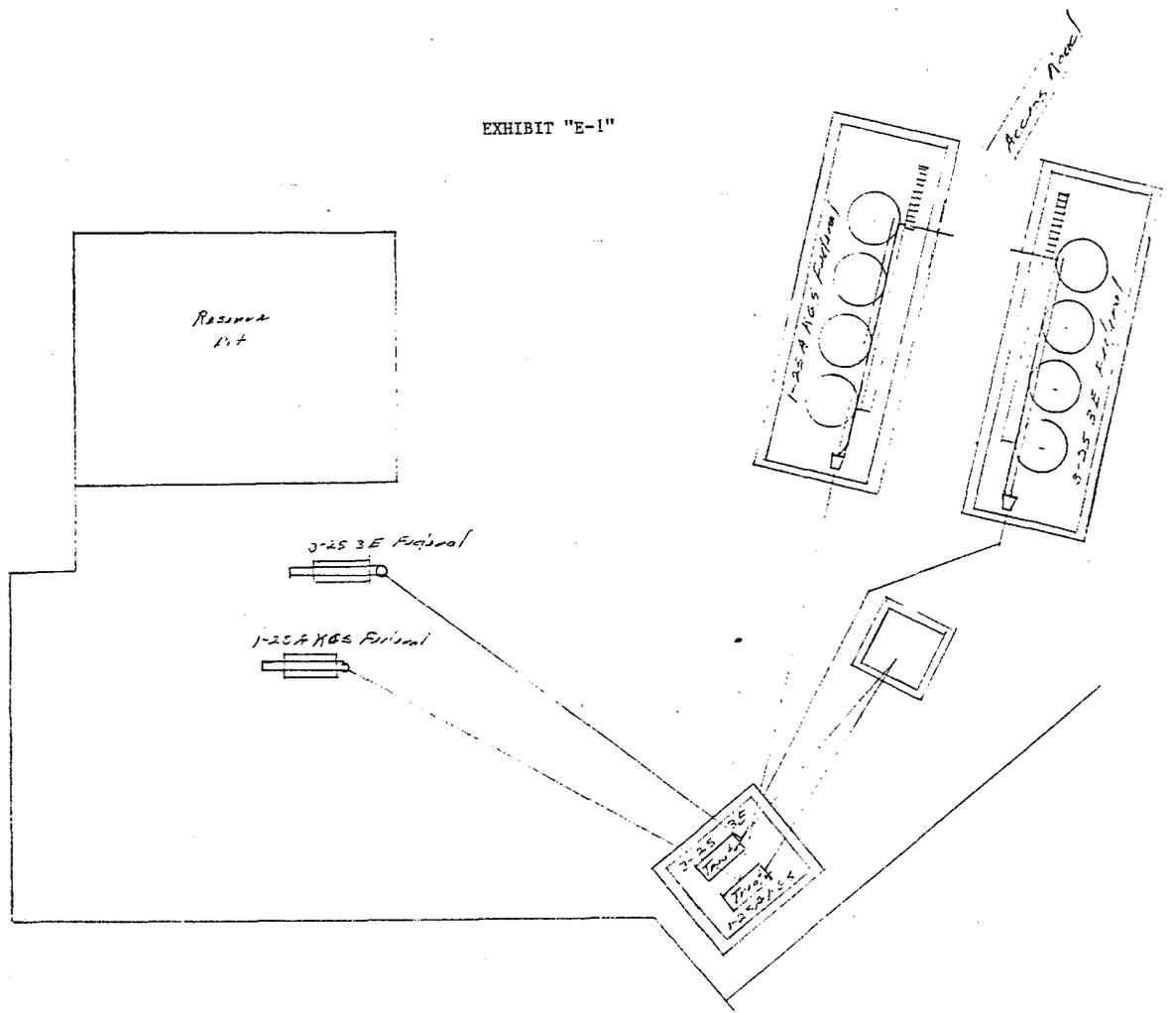
N



RECEIVED  
MAR 03 1986

DIVISION OF  
OIL, GAS & MINING

EXHIBIT "E-1"



**RECEIVED**  
MAR 03 1986

DIVISION OF  
OIL, GAS & MINING



# PETROLEUM MANAGEMENT

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

May 11, 1986

**RECEIVED**  
MAR 13 1986

BUREAU OF LAND MANAGEMENT  
DISTRICT OFFICE  
Box 970  
Moab, UT 84542

Att: Greg Noble

RE: COMPLETION REPORT -  
#3-25-3E Federal  
Sec. 25, T40S-R22E  
San Juan County, UT

DIVISION OF  
OIL, GAS & MINING

Dear Greg:

Enclosed in quadruplicate please find the Completion Report on the above referenced well, along with the associated Geological Report. All logs, DST #1 & DST #2 and the directional survey have been previously submitted to your office directly from the suppliers.

Please advise as to any questions or further information required.

Yours very truly,

Margo J. Medina

cc: BLM  
P.O. Box 7  
Monticello, UT 84535  
Att: Rich McClure

BLM  
2303-324 S. State, #301  
Salt Lake City, UT 84111

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

All Participants

NAME	ACTION CODE(	INTL
NORM		<i>u</i>
TAMI	<i>3A ETC</i>	
VICKY		
CLAUDIA	<i>1 TAD ETC</i>	
STEPHANE		
CHARLES	<i>1</i>	<i>CP</i>
RULA	<i>2 - LOGS</i>	
MARY ALICE		
CONNIE		
MILLIE		
PAM	<i>FILE</i>	

Required Action Code

1. Data Entry
2. Filming
3. Posting
  - a. Card Index
  - b. File Label
  - c. Lists
4. Bonding Verification
5. Other (See Norm)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

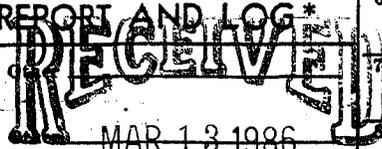
SUBMIT IN DUPLICATE\*

(See other instructions on reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO.  
Surf. U-52026 Comm UT-000282  
BH Comm UT-060P49-86C684  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*



1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY   
 b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESVR.

2. NAME OF OPERATOR: P & M PETROLEUM MANAGEMENT  
 7. UNIT AGREEMENT NAME: Federal  
 8. FARM OR LEASE NAME: Federal

3. ADDRESS OF OPERATOR: 1600 Broadway, #1700, Denver, CO 80202  
 DIVISION OF OIL, GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
 At surface SE 1/4 NW 1/4 (1560' FNL & 2220' FWL)  
 At top prod. interval reported below NE 1/4 SW 1/4 (2922' FNL & 1812' FWL)  
 At total depth NE 1/4 SW 1/4 (2954' FNL & 1803' FWL)

14. PERMIT NO. 43-037-31233 DATE ISSUED 12-13-85  
 12. COUNTY OR PARISH: San Juan 13. STATE: UT

15. DATE SPUDDED 1-10-86 16. DATE T.D. REACHED 1-30-86 17. DATE COMPL. (Ready to prod.) 2-15-86  
 18. ELEVATIONS (DF, REB, RT, GR, ETC.)\* 4360' GR 19. ELEV. CASINGHEAD 4361'

20. TOTAL DEPTH, MD & TVD 5763' - MD 5485' - TVD 21. PLUG, BACK T.D., MD & TVD 5742' K.B.  
 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY 23. ROTARY TOOLS 0-5763' 23. CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 5688-5700' K.B. Desert Creek Formation  
 25. WAS DIRECTIONAL SURVEY MADE YES

26. TYPE ELECTRIC AND OTHER LOGS RUN 310 FDC-Neutron, Microlog, DI-SFL, CBL-GR-CCL, perf sample  
 27. WAS WELL CORED No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
20"	94#	30'	28"	50 sx. Reg. w/2% CACL2	None
13-3/8"	48#	112'	18"	250 sx. Reg w/2% CACL2	None
9-5/8"	36#	1197'	12 1/2"	635 sx. Cl B + 200 sx. Cl B	None
5 1/2"	15.5#	5769'	7-7/8"	250 sx. 50-50 Pozmix	None

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	5734' K.B.	None

31. PERFORATION RECORD (Interval, size and number)

5682-88'	2 holes/ft. Hyperjets 0.38"
5692-94'	2 holes/ft. Hyperjets 0.38"
5697-5700'	2 holes/ft. Hyperjets 0.38"

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5692-88'	2500 gals. 28% MSR Acid
5690-94'	
5697-5700'	

33.\* PRODUCTION

DATE FIRST PRODUCTION 2-15-86 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping 2 1/2" X 1 1/2" X 18' RHBC 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
2-17-86	24	2"		78	TSTM	30	TSTM

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
N/A	25		78	TSTM	30	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Used on lease TEST WITNESSED BY Bush Chancey

35. LIST OF ATTACHMENTS: Geological Report NOTE: All logs, directional survey, DST #1 & DST #2 have been transmitted previously from suppliers.

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

SIGNED: Robert H. Peterson / m TITLE: Partner DATE: 3/11/86

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

860319  
CP

# INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report 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 as 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 (driftless, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

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

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

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool. Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for Items 22 and 24 above.)

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

38. GEOLOGIC MARKERS

FORMATION	DESCRIPTION, CONTENTS, ETC.	TOP
TOP	BOTTOM	MEAS. DEPTH
		TRUE FEET DEPTH
SEE ATTACHED GEOLOGICAL REPORT		

P & M PETROLEUM MANAGEMENT

3-25-3E Federal  
Section 25, T40S - R22E  
San Juan County, Utah

CONTENTS

SUMMARY	1
FORMATION TOPS	3
DRILL STEM TESTS	4
BIT RECORD	6
DEVIATION RECORD	7
CHRONOLOGICAL SUMMARY	8
REMARKS	9
SAMPLE DESCRIPTION	10

SUMMARY

WELL NAME: P & M PETROLEUM MANAGEMENT

WELL LOCATION: Section 25, T40S - R22E  
(Surface Location: NE $\frac{1}{4}$  of S $\frac{1}{2}$  of NW $\frac{1}{4}$  -  
1560' F.N.L. & 2220' F.W.L.)  
(Subsurface Location: NE $\frac{1}{4}$  of N $\frac{1}{2}$  of SW $\frac{1}{4}$   
2955' F.N.L. & 1804' F.W.L.)

TYPE: Field Extension

ELEVATION: 4360 feet - Ground  
4374 feet - Kelly Bushing

TOTAL DEPTH: 5763 feet - Driller  
5752 feet - Schlumberger  
5485 feet - True Vertical Depth

GEOLOGIST: Achille Vitali, Jr.  
6670 West 28th Avenue  
Denver, Colorado

CONTRACTOR: Energy Search Drilling Company  
Farmington, New Mexico  
Rig #2 - Ingersol Rand-900  
Pump #1 - Omega - D-750  
Pump #2 - Omega - D-750  
Pusher - Bill Wily

DIRECTIONAL HOLE MANAGEMENT: A.M.F. - Scientific Drilling International  
Casper, Wyoming  
Technician - Lynn Hogan

MUD COMPANY: H-W Drilling Fluids, Inc.  
Denver, Colorado  
Mud Man - David Grimwood

COMMENCED: Spudded - 9:00 P.M., January 10, 1986

COMPLETED: Finished Drilling - 11:00 A.M., January 29, 1986  
Logged with Schlumberger - January 29 & 30, 1986  
Ran and cemented Production Casing -  
January 31, 1986

CASING RECORD:

Surface Casing

Landed 28 joints of 9 5/8 inch, J-55, 36# casing at 1197 feet. Cemented with 535 sacks Class 'B' cement containing 2% Calcium Chloride and 0.5% FIAC. Had no returns of cement to surface. Pumped 200 sacks Class 'B' cement containing 3% Calcium Chloride down annulus (backside) under pressure to stop water flow.

Production Casing

Landed 141 joints of 5 1/2 inch, 15.5#, K-55 casing at 5769 feet kb. Cemented casing with 250 sacks of 50/50 Pozmix cement containing 2% Gel and 10% Salt.

LOGGING RECORD:

Samples

Caught	4330' - 5763'
Described	4330' - 5763'

Drilling Time

Geolograph	83' - 5763'
------------	-------------

<u>Mud Log</u>	4320' - 5763'
----------------	---------------

Rocky Mountain Geo. -  
Engineering Co.  
Grand Junction, Colorado  
Logger - William Nagel

Mechanical Logs

Schlumberger	
Dual Induction - SFL Log	100' - 5743'
Compensated Neutron Formation	
Density Log	4000' - 5749'
Microlog	4000' - 5720'

FORMATION TOPS

<u>FORMATION AND AGE</u>	<u>SAMPLE TOPS</u>	<u>LOG TOPS</u>	<u>DATUM</u>
<u>Jurassic</u>			
Morrison Formation	- - -	Surface	4360'
Entrada Formation	- - -	- - -	- - -
Carmel Formation	- - -	- - -	- - -
<u>Triassic</u>			
Navajo Formation	- - -	- - -	- - -
Keyenta Formation	- - -	- - -	- - -
Wingate Formation	- - -	- - -	- - -
Chinle Formation	- - -	1219'	- - -
Shinarump Member	- - -	1990'	- - -
Moenkopi Formation	- - -	2088'	- - -
<u>Permian</u>			
Cutler Formation	- - -	2286'	- - -
<u>Pennsylvanian</u>			
Hermosa Formation	4375'	4378'	(corrected to T.V.D.) 173'
Paradox Formation	5150'	5145'	-562'
Ismay Member	- - -	5382'	-769'
Desert Creek Member	5618'	5614'	-983'

DRILL STEM TESTS

Drill Stem Test #1 Lower Ismay 5525' to 5585' (60')

Halliburton Tester. Bottom Anchor.

Tool opened with a very weak blow (1/2" water) and remained steady to end. Reopened tool with a faint blow (1/4" water) and remained steady to end.

Recovered: 210' drilling mud. No Gas or Oil.

<u>Pressures</u>		<u>Time</u>
IHP	2810#	
IFP	109/130#	15 minutes
ISIP	2036#	60 minutes
IFP	130/196#	60 minutes
FSIP	1907#	120 minutes
FHP	2810#	
Temperature	122°F.	

Sample Chamber Recovery: Pressure 10#

2300 cc drilling mud

Drill Stem Test #2    Desert Creek    5671' to 5763' (92')

Halliburton Tester. Bottom Anchor.

Tool opened with a weak blow that increased to strong in 6 minutes (bottom of bucket). Blow increased steadily to 8 lbs. (1/8" choke). Reopened tool with a weak blow that increased to strong in 2 minutes. Gas to surface in 3 minutes. Blow increased steadily to 12 lbs. in next 15 minutes on 1/8 inch choke. Increased choke size to 1/4 inch. Pressure decreased to 4 ounces in next 30 minutes. Pressure then surged and built to 15 lbs. in next 10 minutes. Estimated maximum gas volume of 30 to 40 MCF/D during flow period.

Recovered: 850' heavily Oil and Gas cut mud.

<u>Pressure</u>		<u>Time</u>
IHP	2657#	
IIFP	470/321#	15 minutes
ISIP	1026#	60 minutes
IIFP	641/299#	60 minutes
ISIP	1026#	98 minutes
FHP	2657#	
Temperature	129°F.	

Sample Chamber Recovery:    Pressure    240#  
1650 cc Oil  
Gravity = 43.5° @ 68°F.

BIT RECORD

<u>NO</u>	<u>SIZE</u>	<u>MAKE</u>	<u>TYPE</u>	<u>DEPTH OUT</u>	<u>FEET</u>	<u>HOURS</u>	<u>PRESSURE</u>
1	12 1/4	HTC	J22(RR)	1197'	1085'	26 1/4	200#
2	8 3/4	Reed	S21G	1504'	307'	10 3/4	1900#
3	8 3/4	Sec.	S44G	1764'	206'	10 1/4	800#
4	8 3/4	Smith	SDGH	2253'	489'	17	2000#
5	8 3/4	Sec.	S82CF	3140'	887'	29 1/4	2100#
6	8 3/4	Smith	F27	3864'	728'	33	2000#
7	8 3/4	Smith	S.V.H.	4301'	122'	11 3/4	1050#
8	8 3/4	Sec.	M44H	4390'	89'	5 3/4	1050#
9	8 3/4	Smith	F27(RR)	4720'	330'	22 1/4	2000#
10	8 3/4	Varel	537	5585'	865'	64 3/4	2050#
11	8 3/4	Sec.	S82CF(RR)	5763'	178'	8 3/4	2050#

DEVIATION RECORD

DRILL DEPTH	DRIFT ANGLE	DIRECTION	TRUE VERTICAL	SUBSEA T.V.D.	SECTION	COORDINATES	
						SOUTH	WEST
3307'	22 1/4°	S23°W	3199.5'	+1174'	578.4'	556.8'	156.4'
3465'	10 1/4°	S25°W	3346.7'	+1026'	635.0'	609.2'	179.7'
3527'	19 1/2°	S25°W	3405.0'	+ 968'	655.8'	628.3'	188.6'
3649'	18°	S28°W	3520.5'	+ 853'	694.3'	663.4'	206.1'
3805'	16 1/2°	S28°W	3669.5'	+ 704'	739.5'	704.2'	227.8'
3837'	16 1/4°	S30°W	3700.7'	+ 672'	748.3'	712.1'	232.1'
3967'	16°	S31°W	3825.1'	+ 548'	783.1'	743.2'	250.2'
4091'	17 1/4°	S25°W	3943.9'	+ 429'	816.9'	772.9'	269.8'
4172'	18°	S33°W	4021.1'	+ 352'	840.2'	793.3'	283.5'
4204'	18°	S31°W	4051.6'	+ 322'	849.7'	801.7'	288.8'
4235'	18°	S25°W	4081.1'	+ 292'	859.0'	810.1'	293.3'
4266'	18°	S21°W	4110.5'	+ 263'	868.5'	818.9'	296.9'
4297'	18 1/4°	S17°W	4140.0'	+ 233'	878.8'	828.0'	300.1'
4328'	18 1/4°	S11°W	4169.5'	+ 204'	887.5'	837.4'	302.5'
4359'	18 1/4°	S 7°W	4198.9'	+ 174'	897.5'	847.0'	303.9'
4494'	19 3/4°	S 8°W	4326.5'	+ 47'	940.9'	890.6'	309.7'
4619'	20 3/4°	S 8°W	4443.8'	- 70'	983.9'	933.4'	315.8'
4758'	21 3/4°	S 9°W	4573.4'	- 199'	1033.9'	983.3'	323.2'
4872'	22 3/4°	S 9°W	4678.9'	- 305'	1076.8'	1025.9'	329.9'
4997'	23 3/4°	S11°W	4793.7'	- 420'	1125.9'	1074.5'	338.6'
5154'	24 3/4°	S13°W	4936.9'	- 563.9'	1190.2'	1137.5'	351.9'
5312'	25 1/2°	S12°W	5079.9'	- 706.3'	1257.2'	1203.0'	366.5'
5467'	26°	S15°W	5219.5'	- 845.9'	1324.5'	1268.5'	382.2'
5621'	26 1/4°	S15°W	5357.8'	- 984.2'	1392.3'	1333.9'	399.8'
5745'	26 1/4°	S17°W	5469.0'	-1095.4'	1447.1'	1386.7'	414.9'
5763'	26 1/4°	S17°W	5485.0'	-1111.6'	1455.4'	1395.0'	416.0'

CHRONOLOGICAL SUMMARY

(1986)

January 10                    Moved in and rigged up. Spudded at  
9:00 P.M. Drilling surface hole.

January 11                    Drilling 12 1/4 inch hole.

January 12                    Finished drilling surface hole at 3:15 A.M.  
Ran and cemented 9 5/8 inch surface casing.  
Wait on cement.

January 13                    Nipped up. Drilled out at 11:00 A.M.  
Drilling ahead.

January 14 - 27                Drilling ahead to 5585 feet. Conditioned  
hole for Drill Stem Test #1.

January 28                    Ran Drill Stem Test #1. Lower Ismay Zone.

January 29                    Drilled ahead. Reached T.D. of 5763 feet  
at 11:00 A.M. Conditioned hole.  
Logged with Schlumberger.

January 30                    Finished Logging. Ran Drill Stem Test #2.  
Desert Creek Pay.

January 31                    Ran and cemented 5 1/2 inch production casing.

REMARKS

Hydrocarbon Evaluation

Lower Ismay Zone (5522-67 feet)

Drill Stem Test #1 (5525-85 feet) results confirm the poor visual porosity and permeability noted in the samples from this zone. 'E' Log analysis confirm the above data.

Desert Creek Zone (5680-5708 feet)

Drilling time, sample, mud log and 'E' log analysis, all indicate the presences of effective porosity and permeability. Density Log porosity of \*8% over the intervals 5681-87 feet (6'), 5691-93 feet (\*2'), and 5696-98 feet (\*2') for a total of 10 feet is the minimum amount of pay interval that can be ascribed to this zone. Drill Stem Test #2 (5671-5763 feet) covering this porosity recovered 850 feet of heavily oil and gas cut mud with no water. Fluid entry and recovery was hampered by the tool being plugged to a considerable degree during most of the main flow period. Shut in pressures definitely indicate a reservoir under depletion by surrounding wells.

It is believed this zone will make an adequate pumping producer after the usual acid stimulation.

All other sands and carbonates penetrated are believed to be tight and/or water bearing.

Operations

Daily operations were conducted efficiently and in good spirits.

*A. Vitali, Jr.*

Achille Vitali, Jr.  
Geologist

P & M PETROLEUM MANAGEMENT

3-25-3E Federal  
NE $\frac{1}{4}$  of SW $\frac{1}{4}$  Section 25, T40S - R22E  
San Juan County, Utah

(Surface: 1560' F.N.L. & 2220' F.W.L.)  
(Subsurface: 2955' F.N.L. & 1804' F.W.L.)

SAMPLE DESCRIPTION

Note: Samples not lagged unless otherwise noted.

<u>FROM</u>	<u>TO</u>	
4330'	4340'	Shale, brown and red brown, silty in part, occasionally very finely sandy in part, firm, slightly calcareous to calcareous, some very finely micaceous.
4340'	4350'	Shale, as above, plus some chocolate clay type, soft to firm, slightly calcareous, plus 40% Sandstone, white to very light gray, very fine grain to silt size, very firm to hard, calcareous to very calcareous, tight.
4350'	4360'	70% Shales as above, plus 30% Sandstone as above, with some to medium gray.
4360'	4380'	Shale, as above, plus light to heavy traces Limestone, pink to light brown, dense, plus occasional trace medium to dark gray with brown stain, dense, chunky.
		<u>Top of HERMOSA 4375'</u>
4380'	4390'	Limestone, white, soft, chalky, to faint and light buff to tan, dense, firm, rare trace Chert, clear with mottling of bright orange.
4390'	4400'	Shale, medium sage green, soft, subwaxy to waxy, (caving), plus trace Limestone, white to faint buff, faint gray, flaky.
4400'	4450'	90 to 95% Shale, as above, (caving), plus traces Limestone, as above, plus 5 to 10% Limestone, tan to faint brown, very finely sandy, firm, grading to limy Sandstone, tan to very light brown, very fine grain, firm to hard, occasionally very finely micaceous, tabular to slightly blocky.
4450'	4480'	Shale, as above, (caving), plus 25 to 40% Limestone, some white to cream, mostly buff to tan and occasional light brown, predominately dense, some occasionally crystalline, some chalky, predominately tabular to flaky, trace Chert, amber.

Sample Description  
3-25-3E Federal

<u>FROM</u>	<u>TO</u>	
4480'	4490'	60% Limestone, light to medium brown, dense to microcrystalline, in part very finely sandy, occasionally very finely micaceous, chunky to thinly tabular, plus 40% Shale, green as above.
4490'	4500'	70% Shale, sage green, as above, plus 5% Limestone, brown as above, plus 20% Sandstone, white, very fine to fine grain, calcareous to very calcareous, firm to slightly hard, some limy, plus traces Limestone, white to very light gray, chalky, soft to dense, firm.
4500'	4510'	30% Sandstone, as above, grading in small part to Limestone, white, finely sandy, plus 30% Siltstone and silty Shale, medium brown, calcareous, plus rest Shales, green, red and red brown.
4510'	4520'	40% Sandstone, white as above, 40% Limestone, white to light gray, occasional buff, in part sandy, plus rest Shales, as above.
4520'	4540'	Limestone, light to medium gray with occasionally some dark gray, dense, occasionally some cryptocrystalline to microcrystalline, occasionally some very finely sandy, firm to hard.
4540'	4550'	Limestone, predominately tan to medium brown, dense to crypto-crystalline, in part slightly and very finely sandy, occasionally very finely micaceous, some off-white to faint gray, as above.
4550'	4560'	Limestone, tan to medium brown, silty and occasionally shaly, firm to hard, chunky, some light gray with brown cast.
4560'	4570'	70% Limestone, white to cream, predominately dense, firm, some slightly and finely sandy, plus 15% Limestone, brown, as above, plus heavy trace Chert, tan to amber, occasionally bright orange mottling, occasionally smoky tan.
4570'	4590'	Limestone, medium to dark gray, slightly silty, some crypto-crystalline, firm to hard, trace Chert, as above, and tan to gray.
4590'	4600'	Shale, medium to dark brown, limy, firm to hard, in part silty, grading in part silty and shaly Limestone, brown, tabular to blocky to chunky.
4600'	4610'	Shale, as above, grading to Siltstone, brown, shaly, limy, grading to Limestone, brown, shaly, silty, firm to hard, plus heavy trace Shale, brown, very calcareous to limy, soft to firm clay type, slightly silty.
4610'	4650'	Predominately Siltstone, very finely sandy, as above, grading to Limestone, as above, grading to Shale, as above.

Sample Description  
3-25-3E Federal

<u>FROM</u>	<u>TO</u>	
4650'	4660'	Limestone, white, firm to very firm, dense, in part finely sandy, grading to Sandstone, white, very fine to fine grain, angular, friable to very firm, limy, occasionally very finely micaceous.
4660'	4690'	50% Limestone, medium pink to tan, firm, blocky, silty, grading to/and interlaminated with Shale, medium brown, silty and very calcareous to limy, some finely micaceous, blocky, very firm to slightly hard.
4690'	4700'	Sample as above, plus 30% Limestone, light to medium gray, in part finely sandy.
4700'	4710'	Limestone, white, all sandy, very fine to fine grain, very firm to hard, plus heavy traces Chert, milky, translucent.
4710'	4720'	Flood Shale, sage green, waxy type, plus traces Limestone, as above.
4720'	4730'	Flood Shale, as above, and red type, plus 50% Dolomite, medium to dark gray, tabular to chunky, hard, dense, shaly?
4730'	4740'	30% Dolomite, as above, plus 50% Limestone, off-white to light gray to buff and tan, dense to crystalline, some chalky, questionable trace Fossil debris.
4740'	4750'	Limestone, cream to buff with tan to light gray brown mottling, tabular and dense to chunky and occasionally crystalline, some soft and chalky, occasional trace Fossil debris, traces Chert, clear to slightly milky to faintly amber.
4750'	4760'	Limestone, light to medium gray with brown cast, some to dark gray brown, some mottling of tan and buff, dense with scattering crystal structure, greasy to earthy looking, scattered Fossil debris.
4760'	4770'	Missed.
4770'	4800'	Limestone, predominately medium gray with some very light to dark gray, firm to slightly hard, predominately silty, commonly very finely sandy, occasionally very finely micaceous, thickly tabular to chunky.
4800'	4810'	Limestone, as above, plus 40% Shale, very limy, red brown, slightly firm to firm, silty in part, grading to Limestone, red brown, shaly and silty.

Sample Description  
3-25-3E Federal

<u>FROM</u>	<u>TO</u>	
4810'	4830'	Limestone, medium gray with slight green cast in part, some gray buff, dense, some sublithographic, tabular to blocky, earthy looking in part.
4830'	4840'	Limestone, slightly dolomitic in part, cream to faint buff, dense, thinly tabular to poorly blocky, trace Chert, milky, occasional mottled orange.
4840'	4850'	Limestone, buff and buff with gray cast, some cream as above, rest as above, plus flood (15 to 20% Chert), predominately amber, some slightly milky, occasional spots of orange.
4850'	4870'	Limestone, medium dark gray, very pelletoidal, very grainy looking, firm, chunky and roughly blocky.
4870'	4880'	60% Limestone, medium dark gray type, as above, plus 40% Limestone, white to cream, slightly grainy, slightly pelletoidal to dense.
4880'	4890'	Limestone, white to cream to light buff, predominately dense and sublithographic, predominately tabular, occasional trace Fossil debris.
4890'	4930'	Limestone, dark to very dark gray, firm to slightly hard, slightly shaly to shaly in part, chunky to irregularly tabular.
4930'	4950'	Limestone, predominately medium gray, ranges from light to dark gray, soft to firm to slightly hard, rest as above, some slightly pelletoidal.
4950'	4970'	Limestone, some off-white to very light gray with faint buff cast, predominately light to medium gray, dense to sublithographic, occasional trace Chert, clear to slightly milky.
4970'	4980'	Limestone, medium gray grading occasionally to dark gray, as above, plus heavy trace Chert, clear to faint gray.
4980'	4990'	Limestone, very dark gray to black, very shaly in large part, chunky to firm to slightly hard.
4990'	5020'	Limestone, medium gray, ranges from light to medium dark gray, firm, in part dolomitic, in fair part finely pelletoidal.
5020'	5030'	Limestone, off-white with faint gray to buff cast, tabular to slightly blocky, lithographic.
5030'	5050'	Limestone, medium gray with light brown olive cast, greasy looking, dense, sublithographic to irregular chunky, some slightly shaly.

Sample Description  
3-25-3E Federal

<u>FROM</u>	<u>TO</u>	
5050'	5070'	Limestone, very dark gray to gray black, firm to hard, very finely carbonaceous(?), very tight, No fluorescence.
5070'	5080'	Limestone, off-white to cream, predominately soft and chalky, grading to some Limestone, buff tan, dense, hard, tabular, lithographic, plus 5% Shale, black, soft to slightly firm, grainy, very carbonaceous, stains black.
5080'	5100'	Limestone, faint gray to light gray, very finely pelletoidal, soft to firm, plus heavy traces Limestone, light tan, dense, lithographic, tabular.
5100'	5110'	Limestone, faint to light buff with slight gray cast, dense sublithographic, tabular, brittle.
5110'	5140'	Limestone, light to medium gray, soft to fairly firm, shaly in part, earthy, tabular to flaky, some very shaly grading in small fraction limy Shale, medium gray, soft, flaky.
5140'	5150'	Limestone, off-white to light to medium gray, in part very finely pelletoidal, chunky, soft to firm.
5150'	5160'	Limestone, cream to faint gray buff, some dense, tabular and lithographic, sandy, grainy and pelletoidal.
<u>PARADOX FORMATION (Lags back to at least 5150 feet)</u>		
5160'	5180'	Shale, predominately medium to dark gray, some very dark gray to blocky, flaky, very calcareous, soft to slightly firm and brittle.
5180'	5190'	70% Shale, as above, plus 30% Limestone, white to very light gray, predominately soft and chalky, plus heavy trace Limestone, buff, hard, tabular, lithographic, trace Fossil shell fragments, amber.
5190'	5210'	Shale, dark to very dark gray with occasionally some dark gray black, soft, flaky, limy and trace Limestone, as above.
5210'	5230'	Limestone, very light to medium gray, tattle tale gray, in part occasional faint buff cast, predominately dense, some chalky, some pelletoidal, plus 10 to 15% Shale, medium to dark gray, as above.
5230'	5260'	Limestone, cream to buff to light gray with buff cast, some chalky, predominately dense to sublithographic, slightly earthy looking in part, largely tabular, trace Chert, orange, in 5250-60 foot sample.

Sample Description  
3-25-3E Federal

<u>FROM</u>	<u>TO</u>	
5260'	5270'	Limestone, as above with 30% medium to dark gray with slight brown cast in part.
5270'	5290'	Limestone, slightly to very dolomitic, medium to dark gray with brown cast, also medium to dark brown, with gray cast, hard, brittle, chunky to irregular tabular, plus 15 to 25% Chert, medium to dark smoky brown and gray brown.
5290'	5300'	Limestone, cream, some with light gray cast, chalky to firm, slightly earthy looking, irregular tabular to irregular blocky, dense.
5300'	5320'	Limestone, off-white to cream to light gray, dense, chalky, some grainy and pelletoidal, some lithographic, tabular.
5320'	5340'	Limestone, cream to buff, some with faint gray cast, some chalky, predominately dense, brittle, tabular to irregular blocky, sublithographic in part.
5340'	5360'	Limestone, cream to faint gray buff, some soft and chalky, predominately dense, hard, brittle, tabular and irregular blocky, in part greasy looking, plus 5 to 10% Chert, slightly milky to amber.
5360'	5370'	Limestone, as above.
<u>ISMAY MEMBER (?)</u>		
5370'	5400'	Limestone, light to medium to dark gray, firm to slightly hard, slightly to medium shaly, earthy looking, dense, irregular tabular to chunky, traces Chert, smoky gray plus 10% heavy Shale, black, flaky to chunky, soft to firm, carbonaceous(?).
5400'	5410'	Limestone, slightly dolomitic in part, light to medium gray with buff cast, some fossiliferous, some chalky, rest dense, plus 10 to 15% limy Shale grading to very shaly Limestone, black, as above, carbonaceous(?).
5410'	5430'	Limestone, abundant off-white to cream, chalky and soft, with some off-white to faint buff, tabular, brittle, lithographic.
5430'	5440'	Limestone, predominately faint buff to faint gray buff, brittle, tabular, lithographic type, plus 20% Limestone, chalky type as above, plus 5% Chert, light milky, faint gray and light amber, rarely finely pyritic.
5440'	5470'	Limestone, buff to buff with faint gray cast, dense lithographic, tabular to irregular blocky, brittle, occasional traces Chert, faint amber.

Sample Description  
3-25-3E Federal

<u>FROM</u>	<u>TO</u>	
5470'	5480'	50% Limestone, buff to light tan, rest as above, plus 45% Limestone, cream to buff, but mottled and speckled with light to dark brown and brown black with impregnated Bitumen (hydrocarbon residue), chalky to hard and dense, No fluorescence, plus 5% Chert, dark brown black.
5480'	5500'	Limestone, tan to light brown, mottled and speckled with medium to dark brown and occasional dark brown to black, Bitumen impregnation, some chalky, mostly dense, some cryptocrystalline, slightly to very fossiliferous, fusulinid, algae, crinoid, bryozoa(?) and other species, plus heavy trace to 5% Chert, medium smoky brown to dark brown black.
5500'	5530'	Limestone, predominately dark brown with abundant brown black, due to Bitumen impregnation, firm to hard, predominately dense, some slightly chalky, light to abundantly fossiliferous, as above, tabular to blocky, plus 5 to 15% Chert, medium smoky brown to dark brown black.
5530'	5540'	80% Limestone, light to medium brown, some brown black, as above, plus 15% Limestone, buff to tan, largely chalky, plus 5% Chert, as above.

LOWER ISMAY ZONE (Lags back to 5525-30 feet)

5540'	5560'	Limestone, buff to tan, some with slight gray cast, some chalky, predominately dense to sublithographic, brittle, tabular to irregularly blocky, occasional fossiliferous, plus heavy traces Chert, light to medium smoky gray or amber, rare trace vugs, occasional traces free Calcite, occasional speck light yellow fluorescence, predominately in chalky flakes.
-------	-------	---

Slight Drilling Break 5543' to 5567' (24')

Drilled predominately 3 to 3½ inches per foot - ranges from occasional 2½ to occasional 4 minutes per foot. Previously was drilling at 5-6 minutes per foot rate.

Logger had 90 Units of Gas increase in upper part, decreasing to 50 Units in middle part and increased to 100 Units in basal part.

Chromatographic break out of Gas showed a range of methane through pentane type gases.

Sample Description  
3-25-3E Federal

FROM      TO

1st Extra Lagged Sample from 90 Unit Gas increase portion

Limestone, dolomitic in part, cream to buff, some light to medium gray, abundant chalky and soft, rest dense, brittle, occasionally some cryptocrystalline, traces vugs or vuggy edge (microsize), trace free Calcite, slightly fossiliferous in part, rare styolite, 5 to 10% faint yellow fluorescence, very faint cut on best pieces, looks tight, trace Chert, smoky gray.

2nd Extra Lagged Sample from 50 Unit Gas increase portion

30% Limestone, as above, buff to tan type as above, plus 70% Limestone, light buff with yellow cast, cryptocrystalline, earthy looking, occasional pinpoint porosity, occasional microvugs, 15 to 20% faint dull yellow gold (largely mineral) fluorescence, looks tight.

3rd Extra Lagged Sample from 100 Unit Gas increase portion

Limestone, buff with yellow cast, cryptocrystalline, earthy looking, some tan, dense, occasional microvugs, pinpoint porosity fairly common in both types, occasional Calcite crystallization, free and attached to pieces, 25 to 30% yellow gold fluorescence, mineral type, scattering of light bright yellow fluorescence in chalky flakes, faint to light yellow cut, also looks tight.

5560'      5580'      Limestone, as above in 2nd and 3rd Extra Samples.

Drill Stem Test #1      -      Depth 5585 feet

'C' SHALE at 5567'

30 Minute and 60 Minute Circulation Samples

Shale, some dark brown black to predominately black, very firm to slightly hard, brittle, very calcareous, carbonaceous, stains black, irregularly blocky to chunky.

5585'      5590'      Caving.

5590'      5610'      Caving.

5610'      5630'      Shale, black, slightly calcareous to calcareous, dolomitic in part(?), some soft, predominately firm to hard, brittle, flaky to tabular to chunky, grainy looking, rough faces.

Sample Description  
3-25-3E Federal

<u>FROM</u>	<u>TO</u>	<u>DESERT CREEK at 5618'</u>
5630'	5640'	Shale, as above, plus 20% Dolomite to dolomitic Limestone, medium to dark gray, grainy, earthy, firm to slightly hard, some slightly shaly.
5640'	5650'	Limestone, in part dolomitic, medium to dark dirty gray, some medium gray brown, slightly shaly, as above, some tan to light brown, dense, blocky, plus abundant Shale, black, as above.
5650'	5660'	Limestone, as above, grading to dolomitic Limestone, as above, plus 10 to 15% Anhydrite, light to medium gray, very finely grainy in part, some white, soft and mushy, some white to very light gray, massive in part, also some very finely crystalline.
5660'	5670'	Anhydrite, 30 to 40% white and massive, white and mushy, very light to light gray, grainy looking, firm, occasionally mottled with white as above, plus 60 to 70% Limestone, medium to dark gray with some slightly brown cast, very finely pelletoidal, and very finely shaly, firm to slightly hard, irregular tabular to chunky.
5670'	5700'	Limestone to dolomitic Limestone, dark to very dark gray, firm to hard, abundant pelletoidal, light to heavily shaly, chunky, occasional trace Fossil debris, small fraction dolomitic Limestone, medium to dark brown, dense, sublithographic, brittle, trace Chert, medium to dark brown.

DESERT CREEK Porosity Pay Zone

Had 100 Units of Gas increase

Drilling Break at 5687' to 5694' - 7 feet drilled in 17 minutes =

2½ minutes per foot

Extra Lagged Sample

Limestone, some off-white to cream, predominately light to medium gray, chalky to dense, some Fossil debris, evidence of vugginess fairly common, Calcite crystals encrusting faces and edge of cutting, free Calcite crystals, some in fine grain clusters, fair porosity and permeability, 15 to 20% bright yellow fluorescence, mostly in chalky pieces, light to fairly bright yellow white delayed cut.

(5694-97 feet drilled 4\* minutes per foot)

Sample Description  
3-25-3E Federal

FROM      TO

Additional Drilling Break at 5697' to 5708' - 11 feet drilled in

28 minutes = 2½ minutes per foot

Had 50 to 60 Units of Gas increase

Extra Lagged Sample

Limestone, predominately cream to buff, some with slight gray cast, some tan, chalky to dense, soft to slightly hard, some Fossil debris, vugs and evidence of vugs as above are common to fairly abundant, 25 to 30% fluorescence as above, cut as above, some fair porosity and permeability.

5700'      5710'      70% Limestone as in 5687-94 foot sample.

5710'      5730'      Limestone as in 5697-5708 foot sample.

Also, 30 and 60 Minute Circulation Samples. Limestone, as above.

5730'      5750'      Dolomite to dolomitic Limestone, some cream, predominately buff with yellow cast, micropelletoidal, some cryptocrystalline in part, tight looking, 40% faint to light yellow mineral fluorescence, No cut, tight looking.

5750'      5760'      Limestone with some dolomitic Limestone, cream to buff to tan, some with yellow cast, predominately dense, some micropelletoidal and cryptocrystalline.

T.D. 5763'

30 Minute and 60 Minute Circulation Samples

Shale, black, flaky to irregularly tabular, occasionally chunky, slightly calcareous to calcareous in part, soft to firm, stains black, very finely carbonaceous.

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
UT-922

November 17, 1994

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

Re: Communitization Agreement  
UT060P49-86C684  
San Juan County, Utah

*40S 22E Sec. 25 N25W  
43-037-31233/3-25-3E*

Gentlemen:

On December 12, 1985, Communitization Agreement UT060P49-86C684 was approved, effective October 1, 1985 and effective for a period of two years and for so long as communitized substances are, or can be produced from the communitized area in paying quantities. Communitization Agreement UT060P49-86C684 involves portions of Federal Leases U-18433 and U-23797. The above mentioned communitization agreement terminated, effective as of September 24, 1993, due to the lack of production from the communitized area.

Sincerely,

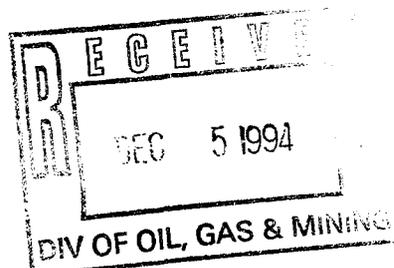
/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

bcc: Branch of Lands and Minerals Operations  
District Manager - Moab  
MMS - Data Management Division  
CA UT060P49-86C684  
Agr. Sec. Chron  
Fluid Chron

922:TAThompson:tt:11-17-94

CC: *DCM  
SJK*



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
LOAD DISTRICT OFFICE  
95 FEB 21 AM 10:32

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. Surface U-52026 CA CA UT-000232
2. Name of Operator P & M Petroleum Management	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 1600 Broadway, Suite 1700, Denver, Colorado 80202 (303) 861-2470	7. If Unit or CA, Agreement Designation Surface CA UT-000232 BH CA UT-060P49-86C684
4. Location of Well (Easement, Sec., T., R., M., or Survey Description) Surface NE1/4NW1/4 (1,560' FNL and 2,220' FWL) Top Prod Interval - NW1/4SW1/4 (2,954' FNL and 803' FWL) Section 25, T40S-R22E	8. Well Name and No. Federal #3-25-3E
	9. API Well No. 43-037-31233
	10. Field and Pool, or Exploratory Area Turner Bluff
	11. County or Parish, State San Juan County, Utah

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

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

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

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

Request permission to plug and abandon well as follows:

1. Load casing with produced water.
2. Set 20 sx cement plug 5710-5540' K.B.
3. Cut off 5 1/2" casing at free point with wireline truck with jet charge.
4. Set 50 sx cement plug at top of 5 1/2" casing stub.
5. Set 50 sx cement plug 1240-1110' at base of 9 5/8" surface casing at 1197' K.B.
6. Set 15 sx cement plug at surface.
7. Install 4 1/2" dry hole marker properly marked.
8. Restore surface at wellsite.

The above cement plugs will be set by displacement thru tubing with cement truck.

RECEIVED  
JUN 02 1997  
DIV. OF OIL, GAS & MINING

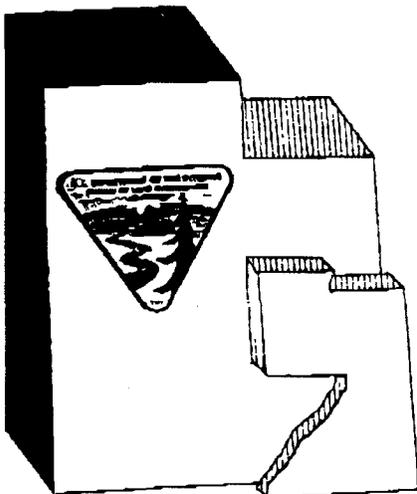
14. I hereby certify that the foregoing is true and correct

Signed Robert W. Peterson Title Engineer 2-17-94

(This space for Federal or State office use)

Approved by William A. Title Associate District Manager Date 3/1/95

Conditions of approval, if any: CONDITIONS OF APPROVAL ATTACHED



**FAX TRANSMITTAL  
MOAB DISTRICT OFFICE**

**TO:** KRISTIN

**FROM:** ERIC JONES

**SUBJECT:** # 3-25-3E P&M

**NUMBER OF PAGES:** 5  
(Including Cover Sheet)

**DATE:** 6/9/97

**TIME:** 1340

**FAX MACHINE NO.:** \_\_\_\_\_

**COMMENTS:**

U-18433

Form 3160-5  
(December 1989)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
MOAB DISTRICT OFFICE

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.  
Surface U-52026 CA  
CA UT-000232

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Designation  
Surface CA UT-000232  
BH CA UT-060P49-86C684

8. Well Name and No.  
Federal #3-25-3E

9. API Well No.  
43-037-31233

10. Field and Pool, or Exploratory Area  
Turner Bluff

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

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
P & M Petroleum Management

3. Address and Telephone No.  
1600 Broadway, Suite 1700, Denver, Colorado 80202 (303) 861-2470

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Surface NE $\frac{1}{4}$ NW $\frac{1}{4}$  (1,560' FNL and 2,220' FWL)  
Top Prod Interval - NW $\frac{1}{4}$ SW $\frac{1}{4}$  (2,954' FNL and 803' FWL)  
Section 25, T40S-R22E

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

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

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

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

Request permission to plug and abandon well as follows:

1. Load casing with produced water.
2. Set 20 sx cement plug 5710-5540' K.B.
3. Cut off 5 $\frac{1}{2}$ " casing at free point with wireline truck with jet charge.
4. Set 50 sx cement plug at top of 5 $\frac{1}{2}$ " casing stub.
5. Set 50 sx cement plug 1240-1110' at base of 9 5/8" surface casing at 1197' K.B.
6. Set 15 sx cement plug at surface.
7. Install 4 $\frac{1}{2}$ " dry hole marker properly marked.
8. Restore surface at wellsite.

The above cement plugs will be set by displacement thru tubing with cement truck.

PA date: 8.22.95 per Eric Jones (Blm)

14. I hereby certify that the foregoing is true and correct  
Signed Robert W. Peterson Title Engineer Date 2-17-94

(This space for Federal or State office use)  
Approved by William King Title Associate District Manager Date 3/1/95

CONDITIONS OF APPROVAL ATTACHED

Title: 5 C Section 1011, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instruction on Reverse Side

P & M Petroleum Management  
Well No.: Federal #3-25-3E  
Surface: SENW Sec. 25 T. 40 S., R. 22 E.  
Bottom: NESW Sec. 25 T. 40 S., R. 22 E.  
Surface Lease: U-52026  
Bottom Lease: U-18433  
API No.: 43-037-31233  
CA No.: UT-060-P49-86C684  
San Juan County, Utah

CONDITIONS OF APPROVAL

1. Notify Jeff Brown, Bureau of Land Management, San Juan Resource Area Office in Monticello, Utah at (801)-587-2141 at least 48 hours before starting plugging procedures.
2. Each interval between plugs shall be filled with mud of sufficient density to exert hydrostatic pressure exceeding the greatest formation pressure encountered while drilling. In the absence of better information, a minimum of 9 ppg mud shall be used. The mud shall have adequate viscosity to stabilize the hole.
3. Within 30 days of completing these plugging procedures a Subsequent Report of Abandonment (SRA) shall be filed (Form 3160-5, Sundry Notices and Reports) detailing the work that was done and where plugs were placed. This documents the downhole plugging portion of abandonment.
4. A Final Abandonment Notice (FAN) shall be submitted (Form 3160-5, Sundry Notices and Reports) when the surface reclamation is completed and the surface is ready for inspection.
5. Any questions regarding the surface restoration may be directed to Jeff Brown of the San Juan Resource Area in Monticello, Utah at (801)-587-2141.



SITE SECURITY (per 43 CFR 3162.7-5, Order No. 3)		INSPECTED	VIOLATION
10. Facility Diagram (Onsite Verification)		(M)	(M)
A. Diagram Accurate		✓	
B. Facilities Adequately Sealed: <input type="checkbox"/> Sales Phase <input checked="" type="checkbox"/> Production Phase		✓	
11. LACT		NA	
A. Components Complete		✓	
B. Sealed to Minimum Standards		✓	
12. Seal Record	Facility <input checked="" type="checkbox"/> LACT		
A. Maintained by Operator			
B. Current			
C. Seal Record			
SAFETY (per 43 CFR 3162.5-3, Order No. 6)			
13. HZS	none present	NA	
A. Hazard			
1. PPM	Ambient STV		
B. Operating Requirements Met			
C. Public Protection Plan	<input type="checkbox"/> Required <input type="checkbox"/> Available		
RECORDS REVIEW		REVIEW PERIOD DATES	
14. Production/Measurement Records (per Order No. 4 & 5)		From / /	To / /
A. Internal Records (attach any independent calculations)			
1. MMS 3160 (MRO)			✓
2. LACT Meter Proving Report			
3. Gas Meter Calibration Report			
B. External Records (attach any independent calculations)			
1. Run Tickets/LACT print-outs			
2. Pipeline Run Statements			
3. Pumpers Log			
4. Seal Records			
a. LACT			
b. Facility			
5. Purchasers Gas Volume Sales Reports			
6. Chart Integration Reports			
7. Methods Used to Estimate Volumes of Gas Flared/Vented			
8. Methods Used to Estimate Volumes of Gas or Oil Lost/Used on Lease			
OTHER			
15. Royalty Rate Determination (per 43 CFR 3162.7-4)	Effective Royalty Rate		
16. Transporter Manifest Review (per 43 CFR 3162.7-1)			

REMARKS

TA values closed at wellhead  
 on same loc as 1-25A KGS  
 misc engine parts missing (fuel supply)  
 well ABD 8-15-95 begin P/A operations

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**SUBMIT IN TRIPLICATE**

RECEIVED  
SEP 23 1997  
DIV. OF OIL, GAS & MINING

5. Lease Designation and Serial No.  
Surface U-52026 CA  
CA: UT-000232

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation  
Surface CA UT-000232  
BH UT-060P49-86C684

8. Well Name and No.

Federal 3-25-3E

9. API Well No.

43-037-31233

10. Field and Pool, or Exploratory Area

Turner Bluff

11. County or Parish, State

San Juan County, Utah

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
P & M Petroleum Management, LLC

3. Address and Telephone No.  
1600 Broadway, Suite 625, Denver, CO 80202 (303) 861-2470

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Surface NENW (1,560' FNL & 2220' FWL)  
Top Producing Interval-NW SW (2954' FNL & 803' FWL)  
Sec. 25, T.40S, R.22E

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

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

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

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

P & A well as follows:

- 8/15/95 - Moved Big 'A' Well Service workover rig on location. Pull and lay down rods.
- 8/16/95 - Release anchor and pull tubing.
- 8/17/95 - Load hole. Ran 2 7/8" EUE tubing. Set 20 sx cement plug 5710-5540' KB. Cement went on vacuum. Trip out w/tubing. Ran wire line to tag up on cement. No cement. Set cast iron bridge plug @ 5646' w/wireline. Trip in w/tubing and set weight on bridge plug @ 5646' K.B. Set 10 sx cement plug on top of CIBP.
- 8/18/95 - Pull 5 1/2" casing slips. Pulled 100,000 lbs tension. Cut 5 1/2" casing @ 4015' KB w/jet shot. Could not work casing loose. Cut off casing at 2504' and worked 5 1/2" loose.
- 8/19/95 - Layed casing down.
- 8/20/95 - Ran 2 7/8" EUE tubing to 2560' K.B. Set cement plug #2 50 sx cement plug 2560-2400'. Set 100 sx cement plug #3 1280-1100' K.B.
- 8/22/95 - Tag cement plug @ 1130', K.B. Circulate cement plug #4 from 40' to surface. Cut off wellhead. Installed dryhole marker. Levelled location.

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

Signed Robert W. Peterson Title Petroleum Engineer Date 9/22/97

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

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

\*See Instruction on Reverse Side