

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
 MERIDIAN OIL INC.

3. ADDRESS OF OPERATOR
 P. O. Box 1855, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface SWNW (1840' FNL - 410' FWL)
 At proposed prod. zone Same

5. LEASE DESIGNATION AND SERIAL NO.
 U-56186

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

7. UNIT AGREEMENT NAME
 Kachina

8. FARM OR LEASE NAME
 Havasu-Federal

9. WELL NO.
 12-19

10. FIELD AND POOL, OR WILDCAT
 Kachina

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA
 Section 19, T38S, R24E

12. COUNTY OR PARISH 13. STATE
 San Juan Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 5 miles northwest of Hatch Trading Post

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 410'

16. NO. OF ACRES IN LEASE 3427.68

17. NO. OF ACRES ASSIGNED TO THIS WELL N/A

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 820'

19. PROPOSED DEPTH 5960' *Ismay*

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5080' GL (graded)

22. APPROX. DATE WORK WILL START*
 November 5, 1988

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	54.5	80'	Redi-Mix to surface
11	8-5/8	24	1900'	Cement to sfc w/480 sx
7-7/8	5-1/2	15.5	5960'	Single stage. TOC @ 1800'. Caliper log + 25% excess

Oil and Gas Order No. 1

Attachments:

- EXHIBIT "A" - Survey Plat
- EXHIBIT "B" - Eight Point Drilling Program
- EXHIBIT "C" - BOP Diagram
- EXHIBIT "D" - Thirteen Point Surface Use Plan
- EXHIBIT "E" - Vicinity Map
- EXHIBIT "G" - Cross-Sections
- EXHIBIT "H" - Rig Layout

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

24. *DAS 9/29/88*
 SIGNED *D.R. Harris* TITLE Regional Drilling Engineer DATE 9/29/88

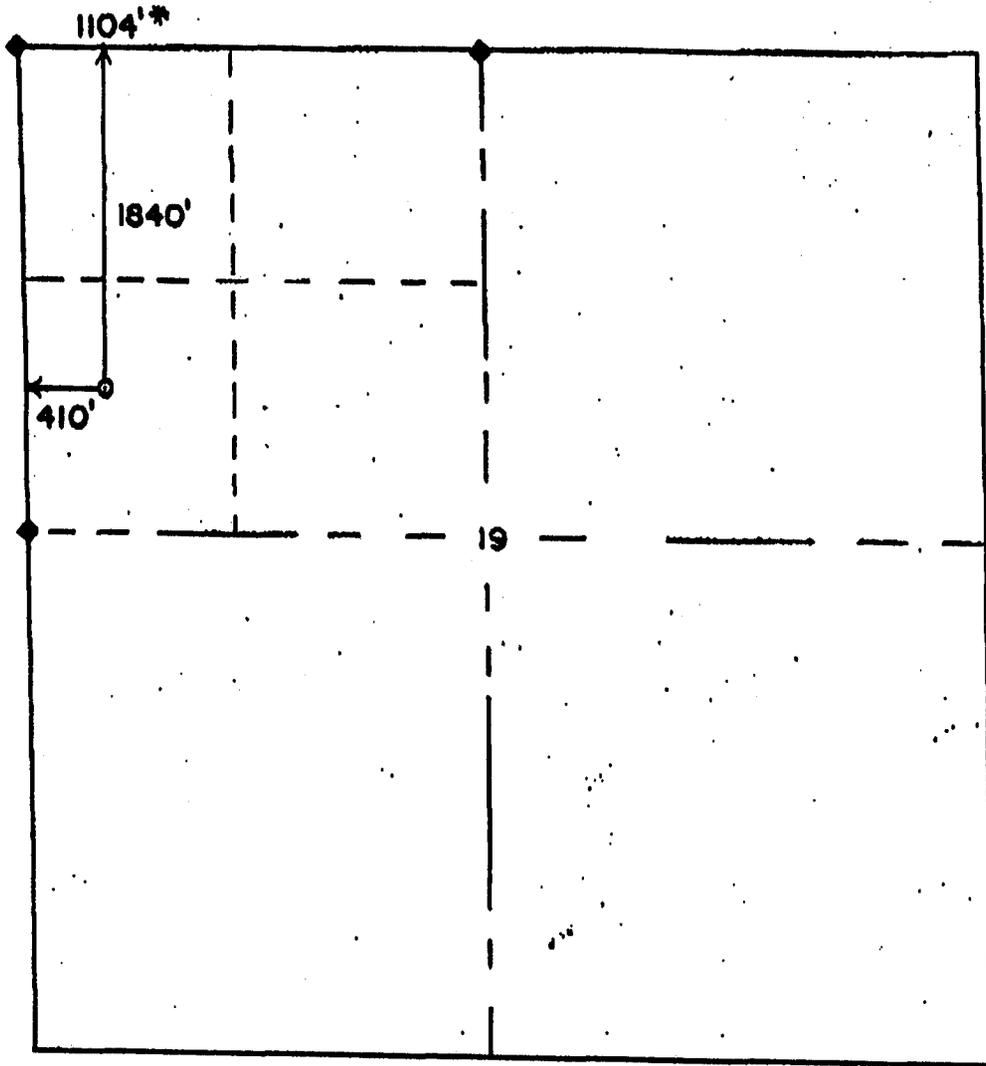
(This space for Federal or State office use)

PERMIT NO. 43-037-31457 APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
 APPROVED BY _____ DATE: 10-11-88
 CONDITIONS OF APPROVAL, IF ANY: _____ BY: *John R. Bar*

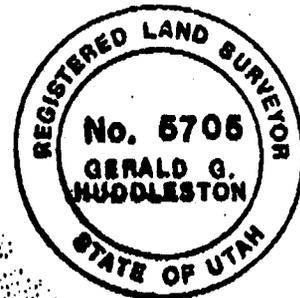
WELL SPACING: R615-2-3

*See Instructions On Reverse Side

Well Location Plat



WELL LOCATION DESCRIPTION:
Meridian Oil, #12-19 Havasu Federal
1840' FNL & 410' FWL
Section 19, T.38 S., R.24 E., SLM
San Juan County, Utah
5080' ground elevation
Alternate: 2180' FN & 460' FW, 5090' grd.



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

5 September 1988

Gerald G. Huddleston
Gerald G. Huddleston, LS

EXHIBIT "B"

OIL AND GAS ORDER NO. 1

MERIDIAN OIL INC.

LEASE NAME: 12-19 Havasu-Federal
 LEASE NO. U-56186
 LOCATION: SWNW Section 19-38S-24E
 1840' FNL - 410' FWL
 San Juan County, Utah
 Kachina Field

All lease/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to ensure compliance.

A. EIGHT POINT DRILLING PROGRAM1. & 2. Estimated Tops:

Morrison	Surface	
Entrada	737	
Navajo	922	fresh water
Chinle	1862	
Shinarump	2822	
Cutler	2957	
Hermosa	4722	
Upper Ismay	5672	oil
TD	5960	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth, cased, and cemented.

3. Pressure Control Equipment:

- a. A 3000 psi WP wellhead will be installed on the surface casing. A 3000 psi WP Annular preventer and 3000 psi WP double gate preventer equipped with blind and pipe rams will be nipped up on wellhead. Annular preventer will be tested to 1500 psi against casing. Pipe and blind rams, choke line and manifold will be tested at 500 psi and 2000 psi (low pressure/high pressure) against casing. Casing will be tested to 1500 psi prior to drilling float shoe.
- b. BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

4. Casing program:

Anticipated cement tops will be reported as to depth, not the expected number of sacks.

Hole Size	Casing Size	Depth	Casing				Cementing Program
			Weight	Grade	Thrd	Cond	
17-1/2	13-3/8	80'	54.5#	H-40	ST&C	New	Redi-Mix to Surface
11	8-5/8	1,900'	24#	K-55	ST&C	New	Cement to sfc w/480 sx.
7-7/8	5-1/2	5,960'	15.5#	K-55	LT&C	New	Single stage. TOC @ 1800'. Caliper log + 25% excess.

5. Proposed drilling mud program:

A water base mud system from surface to TD. Maximum anticipated mud weight is 9.0#/gallon.

6. Coring, Logging and Testing Program:

Coring

None

Logging

GR/DLL/MSL	Base surface casing to TD (GR to surface)
GR/FDC/CNL	Base surface casing to TD

Testing

None

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 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

7. Anticipated abnormal BHP or BHT:

No abnormal BHP or BHT are expected in this well.

Potentially hazardous conditions anticipated:

No H₂S has been found, reported or is known to exist at these depths in this area.

8. Anticipated Starting Dates and Notifications of Operations

Required verbal notifications are summarized in Table I, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (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 Oil and Gas 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 continuing each month until the well is physically plugged and abandoned. This report will be filed directly with the BLM, Moab 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 Resource Area in accordance with requirements of NTL-3A.

Should the well be successfully completed for production, the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 business days following the date on which the well is placed on production.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5), will be filed with the District Manager, 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 Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

O&G Order No. 1
12-19 Havasu-Federal
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Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The marker will be constructed as follows:

Above ground pipe, information beaded-on with a welding torch. The top of the marker will be closed or capped.

The following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: "Fed" or "Ind", as applicable. "Well number, location by 1/4 1/4 section, township and range". " Lease number".

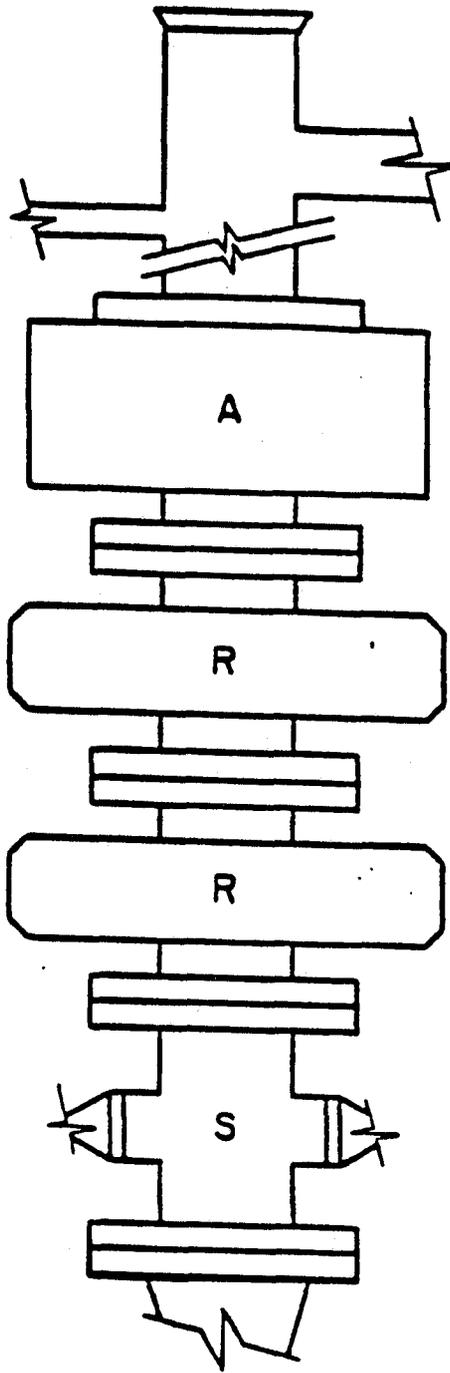


FIG. 2.C.5

ARRANGEMENT SRRA
Double Ram Type Preventers, R_d, Optional.

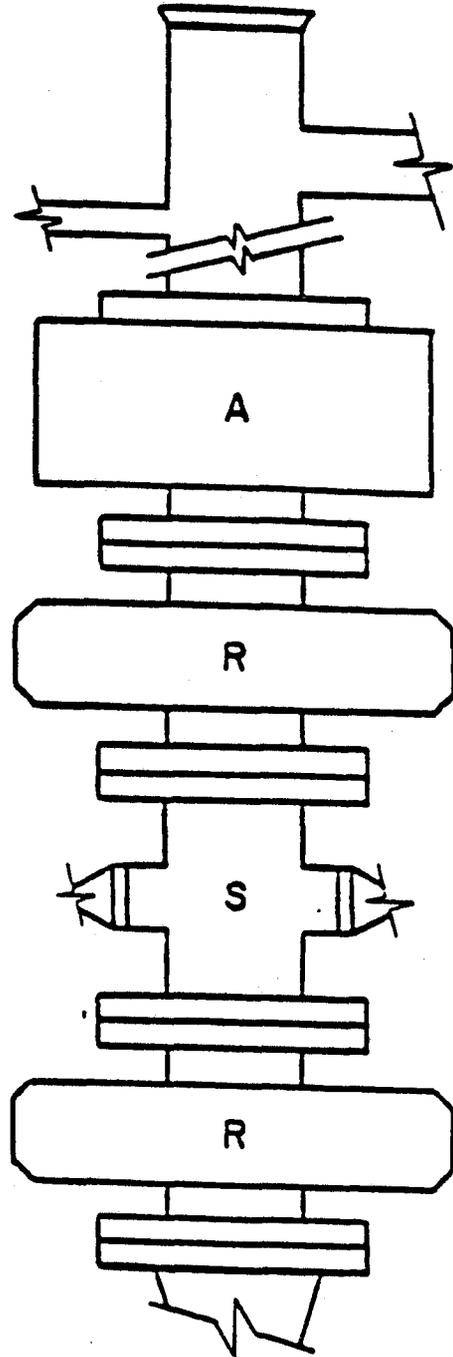


FIG. 2.C.6

ARRANGEMENT RSRA

TYPICAL BLOWOUT PREVENTER
ARRANGEMENTS FOR 3M AND 5M RATED
WORKING PRESSURE SERVICE—
SURFACE INSTALLATION

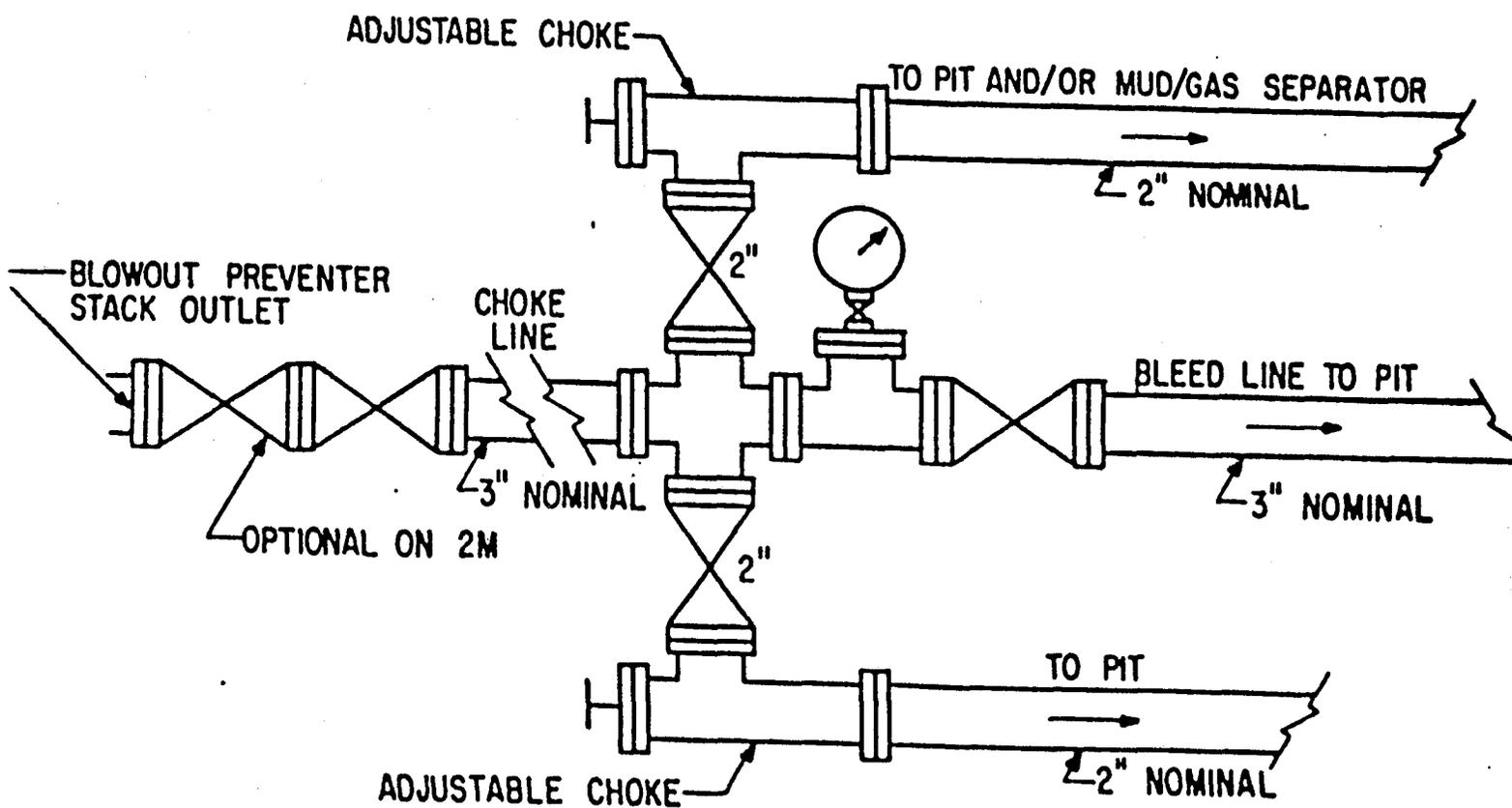


FIG. 3.A.1

TYPICAL CHOKES MANIFOLD ASSEMBLY
FOR 2M AND 3M RATED WORKING
PRESSURE SERVICE - SURFACE INSTALLATION

EXHIBIT "D"

B. THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads (Yellow)

- a. Location of proposed well in relation to town or other reference point:
5 miles northwest of Hatch Trading Post.
- b. Proposed route to location. (See attached Exhibit "E").
- c. Maintenance of existing lease roads.

2. Planned Access Roads (Blue)

- a. The maximum total width will be 30 feet (18' running surface).
- b. Maximum grade is N/A.
- c. Turnouts will be constructed as needed.
- d. Road is centerline flagged from existing lease roads in pink ribbon (avoid blue ribbons).
- e. Drainage will be as follows: 18" x 30' culvert in drainage NW of location, 36" x 40' culvert in drainage SE of 41-24 well.
- f. Road will be rocked when upgraded.
- g. Road Right-of-Way will be required from BLM to access through the NE1/4 NE1/4 Section 24, T38S, R23E (Oil & Gas Lease U-20895).
- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access road. Any additional area needed will be approved in advance by the Area Manager.
- i. The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling of the drilling rig. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells (1 mile radius)

- a. Existing wells in the area are shown on attached Exhibit "E".

4. Location of Existing and/or Proposed Facilities if Well is Productive

All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5-State Interagency Committee.

All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. The color will be Desert Tan with Brown trim.

The tank battery at the 22-19 Havasu-Federal will be used for production. A separator at the 22-19 battery will estimate individual well production during the on lease commingling.

The flowline to the 22-19 battery will be buried at least thirty (30) inches deep and six (6) feet deep under Alkali Wash. The flowline will go south paralleling the road to the 12-19A well and then parallel the 12-19A flowline to the east and then NE to the battery (see attached Exhibit "H").

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank in the battery.

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

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

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

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

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. Location and Type of Water Supply

All water needed for drilling purposes will be hauled by Hay Hot Oil Service, a commercial water hauler, from a private source.

A temporary water use permit for this operation will be obtained from the Utah State Engineer, Mark Page, Price, Utah (801-657-1303).

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Materials

Native soil materials from drilling location and access trail, which is available, will be used. Any additional materials needed will be hauled in from authorized commercial sources.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.1-3.

7. Methods for Handling Waste Disposal

The reserve pit will not be lined.

Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

All trash must be contained and disposed of by a trash basket on location.

If burning is required, a permit will be obtained from the Sheriff's Office, George Kensley (801-587-2237) of San Juan County. (Permit required May 1 - October 31).

Produced waste water will be confined to a (unlined) pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

8. Ancillary Facilities

Camp facilities will not be required.

9. Well Site Layout

Rig layout is shown on attached Exhibit "H".

Cuts and fills are shown on attached Exhibit "G".

The reserve pit will be located on the southwest side of location.

No soil material will be stockpiled during construction.

Topsoil along the access will be reserved in place adjacent to the road.

Access to the well pad will be from the north end of the location.

10. Plans for Restoration of Surface:

Immediately on completion of drilling, the location and surrounding area will be cleared of all remaining debris, materials, trash and junk not required for production.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All disturbed areas will be recontoured to to the approximate natural contours.

The stockpiled topsoil will be spread evenly over the disturbed contours.

Prior to reseeding, all disturbed area, including the access roads, will be scarified and left with a rough surface. Rip six (6) inches deep with rips eighteen (18) inches apart.

Seed will be broadcast at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage. (October 1 - February 28).

The following seed mixture will be used on the buried flowlines and location during reclamation:

<u>1/2</u>	lbs/acre Sand dropseed
<u>1/2</u>	lbs/acre Alkali Sakaton
<u>3</u>	lbs/acre Fourwing saltbush
<u>6</u>	lbs/acre Domestic Wheat

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

11. Surface Ownership: Federal
Mineral Ownership: Federal

12. Other Information

The archaeological site (flagged in blue) along access, will be fenced with one strand wire to prevent disturbance during construction activities.

Surface disturbance during flowline construction will be thirty (30) feet wide or less. *Flowlines also mentioned under Item #4.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.3-2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

The dirt contractor will be provided with an approved copy of the Surface Use Plan.

All persons in the area who are associated with the project will be informed by the Operator that they will be subject to prosecution for disturbing archaeological sites or paleontological sites, or collecting artifacts or fossils.

Any cultural and/or paleontological resource discovered by the operator, or any person working on his behalf, on public or federal land shall be immediately reported to the authorized office (BLM-San Juan Resource Area Office (801) 587-2141). The operator shall immediately suspend all operations in the area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator will be responsible for the cost of evaluation of the discovery and of any required mitigation measures. Any decision as to proper mitigation measures will be made by the authorized officer after consulting with the operator and other affected parties.

This permit will be valid for a period of one (1) year from the date of approval. After permit termination a new application will be filed for approval for any future operations.

If at any time the facilities located on public land authorized by the terms of the lease are not longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

13. Lessee or Operator's Field Representative and Certification

Meridian Oil Inc.
P. O. Box 1855
Billings, Montana 59103

1.	Johnny L. Wright, Drilling Manager	406-256-4175	406-252-2889
2.	Dan Sodersten, Drilling Engineer	406-256-4073	406-947-5035
3.	Douglas R. Harris, Reg. Drilling Eng.	406-256-4025	406-652-2381
4.	John Pulley, Completion Supt.	406-256-4124	406-259-6156

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and, that the work associated with the operations proposed herein will be performed by MERIDIAN OIL INC. and its contractors and subcontractors 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 the filing of a false statement.

DAS 9/29/88

D. R. Harris
Douglas R. Harris
Regional Drilling Engineer

9/29/88
Date

/ssn

TABLE 1

NOTIFICATIONS

Notify the San Juan Resource Area, at (801) 587-2141 for the following:

- 2 days prior to commencement of dirt work, construction or reclamation;
- 1 day prior to spudding;
- 1 day prior to running and cementing surface casing;
- 1 day prior to pressure testing of BOPE and/or surface casing.

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

Paul Brown, I&E Coordinator

Office Phone: (801) 259-6111

Home Phone: (801) 259-7018

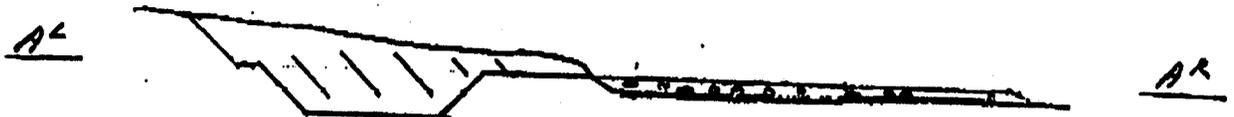
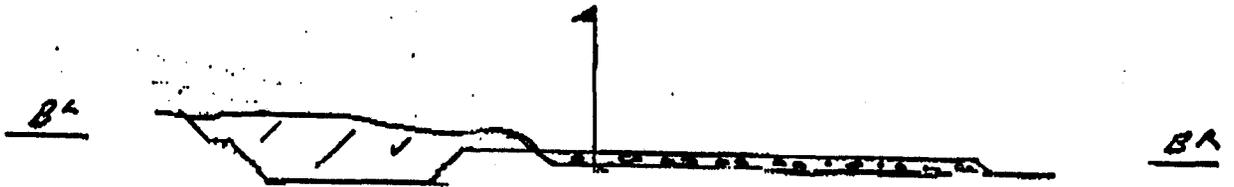
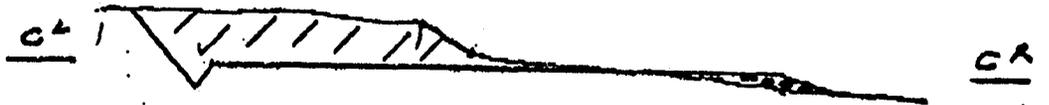
24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.

Cross Section

12-19 Havasu Federal

Cut ////
Fill ||||

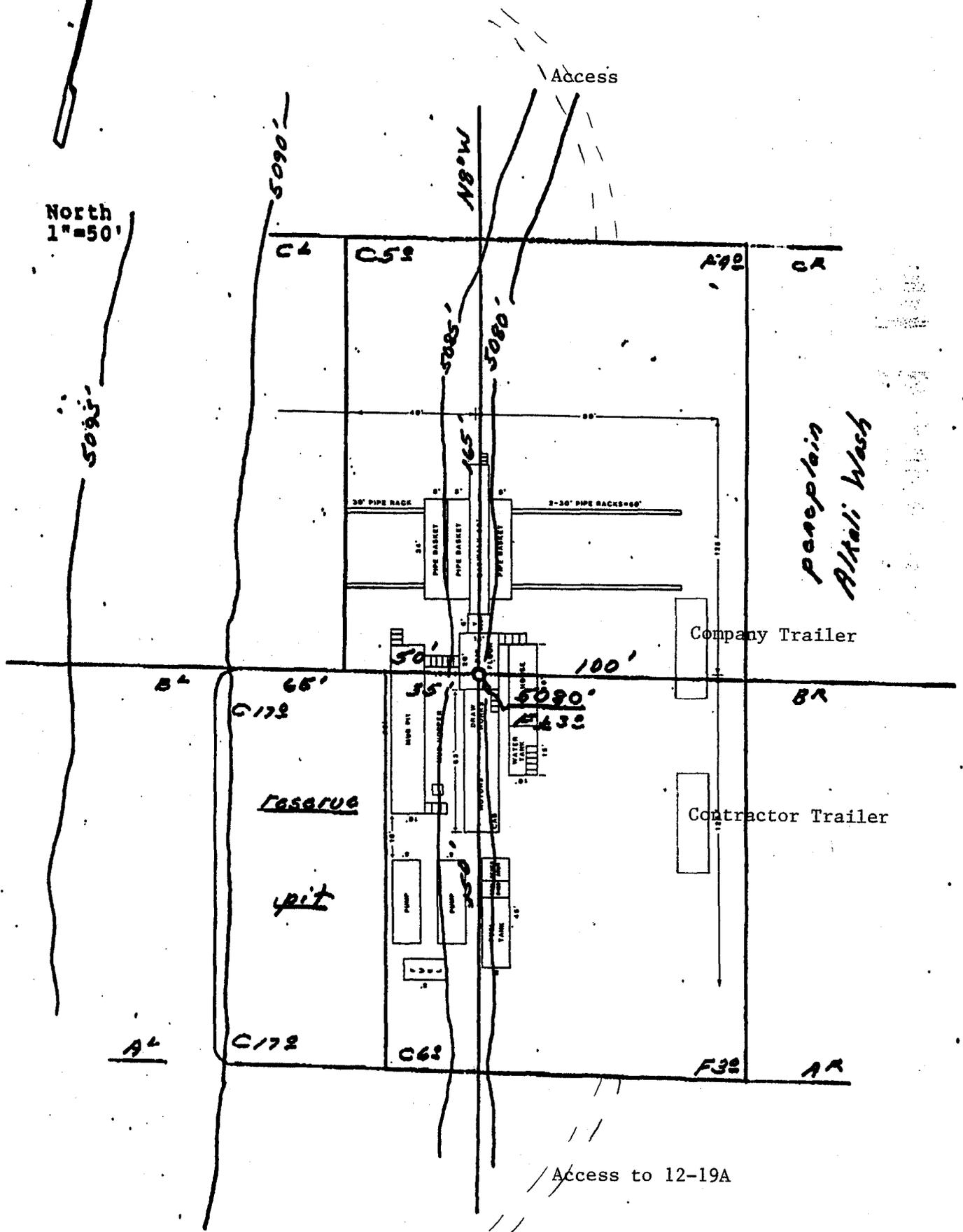
1"=50' Horz. & Vert.



Plan view sketch

12-19 Havasu Federal

North
1"=50'



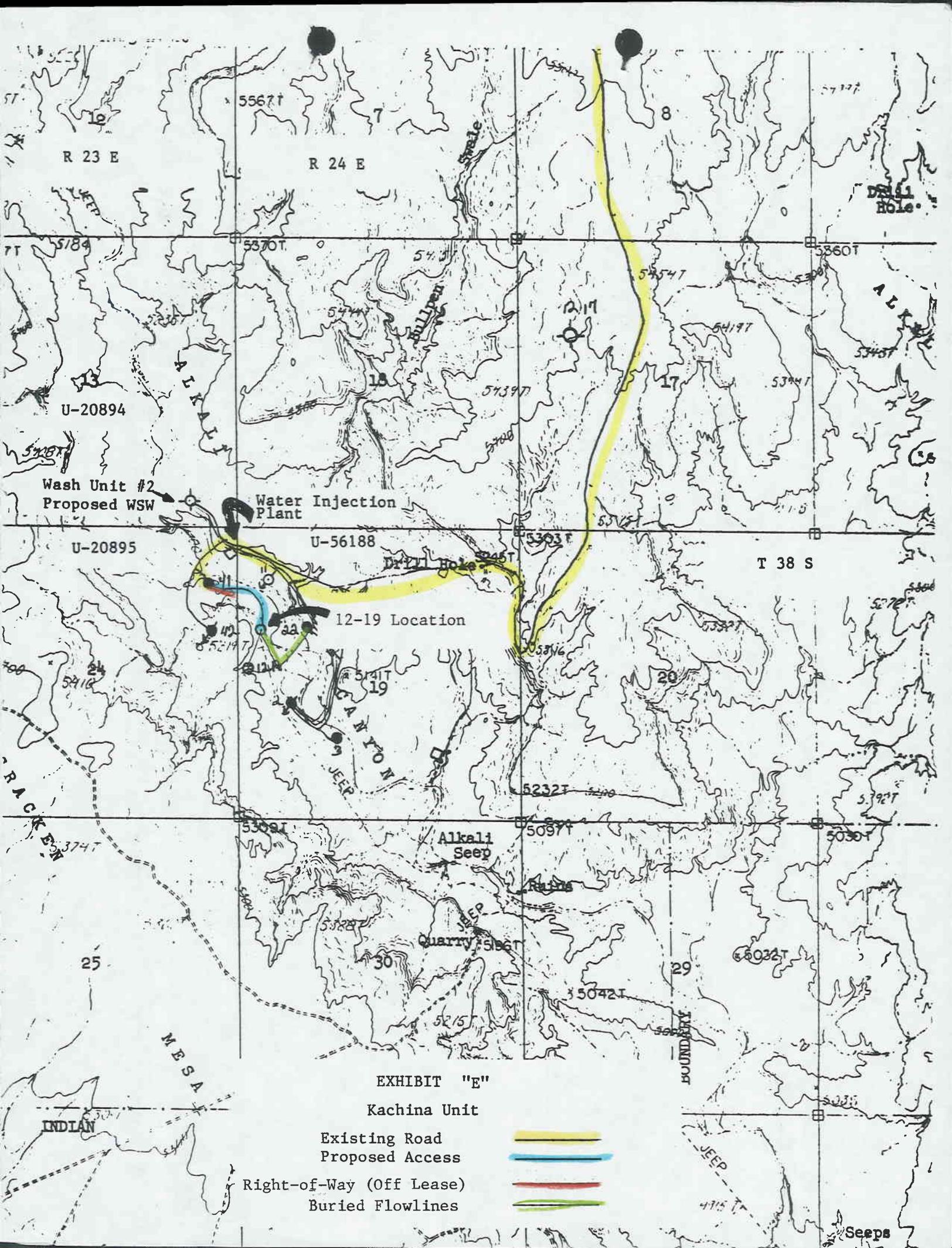


EXHIBIT "E"

Kachina Unit

- Existing Road
- Proposed Access
- Right-of-Way (Off Lease)
- Buried Flowlines

Seeps

CONFIDENTIAL

OPERATOR Meridian Oil Inc. DATE 10-3-88

WELL NAME Havasu Federal 12-19

SEC SWN₄ 19 T 38S R 24E COUNTY San Juan

43-037-31457
API NUMBER

Fed.
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Nearest well ok under Unit Agreement

Need water permit

Kachina - Secondary Recovery Unit - Lease basis per Bfm (Moab)

P.O.D. received 1988. (Date Manchester)

CONFIDENTIAL
PERIOD
EXPIRED
ON 07-01-90

APPROVAL LETTER:

SPACING: R615-2-3

Kachina - Sec. Rec.
UNIT

R615-3-2

CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

1- Water Permit



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

October 11, 1988

Meridian Oil Incorporated
P. O. Box 1855
Billings, Montana 59103

Gentlemen:

Re: Havasu Federal 12-19 - SW NW Sec. 19, T. 38S, R. 24E - San Juan County, Utah
1840' FNL, 410' FWL

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules, 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 within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule ~~R615-3-22~~, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2
Meridian Oil Incorporated
Havasu Federal 12-19
October 11, 1988

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. 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 43-037-31457.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

lr
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson
8159T

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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 DRILL DEEPEN PLUG BACK

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 SINGLE ZONE MULTIPLE ZONE

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DIVISION
 OIL, GAS & MINING

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 5 miles northwest of Hatch Trading Post

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22. APPROX. DATE WORK WILL START*

November 5, 1988

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	54.5	80'	Redi-Mix to surface
11	8-5/8	24	1900'	Cement to sfc w/480 sx
7-7/8	5-1/2	15.5	5960'	Single stage. TOC @ 1800'.

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. DAS 9/29/88
 SIGNED J.P. Hamlin TITLE Regional Drilling Engineer DATE 9/29/88

(This space for Federal or State office use)

PERMIT NO. 43-037-31457 APPROVAL DATE _____

APPROVED BY /s/ GENE NODINE TITLE REGIONAL ENGINEER DATE OCT 17 1988

CONDITIONS OF APPROVAL, IF ANY:

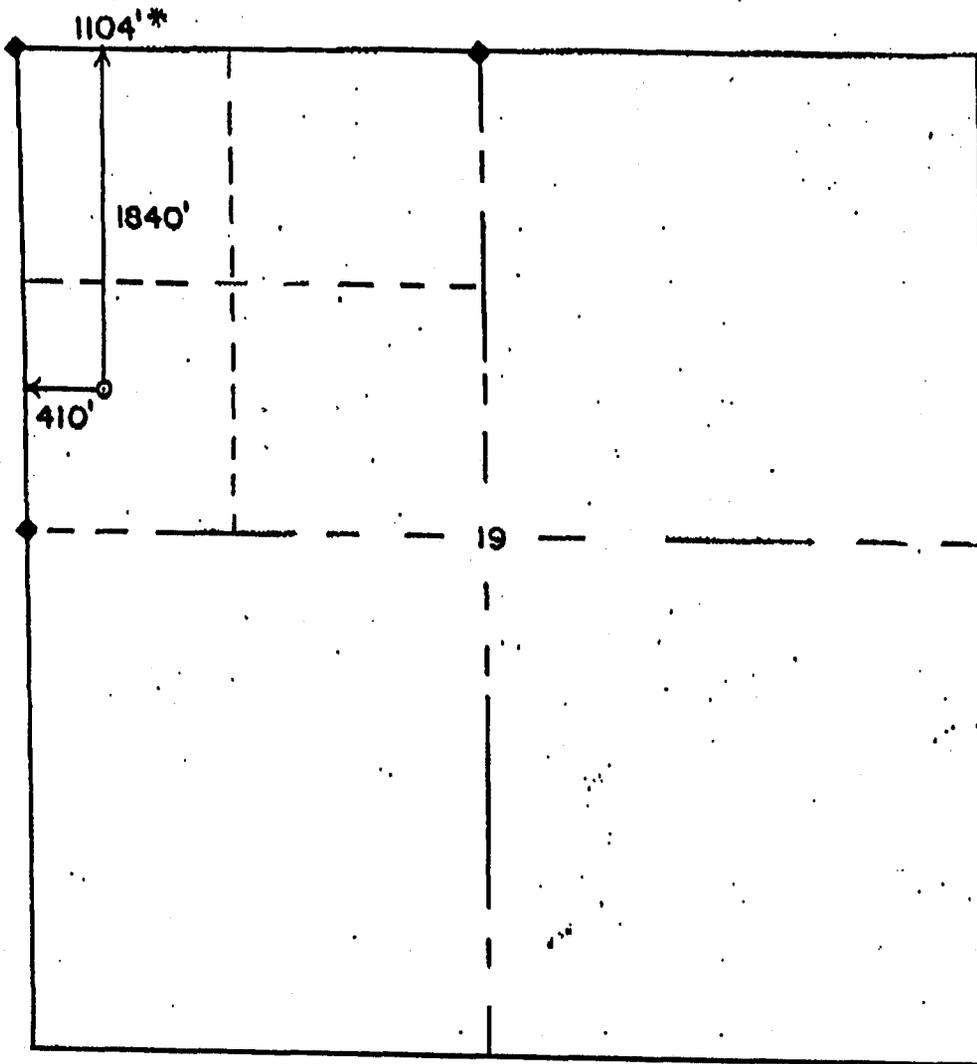
CONDITIONS OF APPROVAL ATTACHED

SUBJECT TO RIGHT OF WAY APPROVAL

*See Instructions On Reverse Side

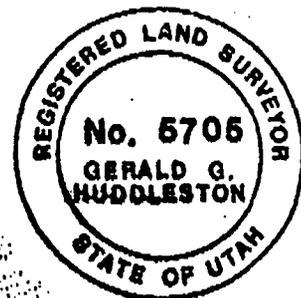
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Well Location Plat



1" = 1000'
◆ brass cap
* measured

WELL LOCATION DESCRIPTION:
Meridian Oil, #12-19 Havasu Federal
1840'FNL & 410'FWL
Section 19, T.38 S., R.24 E., SLM
San Juan County, Utah
5080' ground elevation
Alternate: 2180'FN & 460'FW, 5090' grd.



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

5 September 1988

Gerald G. Huddleston
Gerald G. Huddleston, LS

Meridian Oil Inc.
Well No. Havasu-Federal 12-19
SWNW Sec. 19, T. 38 S., R. 24 E., SLB&M
San Juan County, Utah
Lease U-56186

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Meridian Oil, Inc., is considered to be the operator of the above well, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Bond No. 184986F1871/0-31780 (Principal - Meridian Oil Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

NOTIFICATIONS

Notify the San Juan Resource Area, at (801) 587-2144 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

1 day prior to running and cementing surface casing;

1 day prior to pressure testing of BOPE and/or surface casing.

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

Paul Brown, I&E Coordinator

Office Phone: (801) 259-6111

Home Phone: (801) 259-7018

24 hours advance notice is required for all abandonments.

MERIDIAN OIL

RECEIVED
OCT 26 1988

DIVISION OF
OIL, GAS & MINING

October 24, 1988

State of Utah Natural Resources
Oil, Gas and Mining
355 W. North Temple
3 Triad center, Ste 350
Salt Lake City, Utah 84180-1203

Attention: Arlene Sollis

Re: Applications for Permit to Drill
11-19 Havasu-Federal 43-037-31458
12-19 Havasu-Federal 43-037-31457
12-19A Havasu-Federal 43-037-31459
Section 19-38S-24E
San Juan County, Utah
Federal Lease No. U-56186

Gentlemen:

The above referenced Application for Permits to Drill have been approved by your office. "Confidential Status" was inadvertently left off the permits, therefore, we are requesting "CONFIDENTIAL STATUS" for these wells at this time.

If you have any questions, please do not hesitate to call me at 406-256-4122.

Sincerely,



Suzann S. Nelson
Sr. Operations Technician

/ssn/1771N

Encl

cc: Bill Mitchell

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API NO. 43-037-31457

NAME OF COMPANY: MERIDIAN OIL, INC.

WELL NAME: HAVASU-FEDERAL 12-19

SECTION SWNW 19 TOWNSHIP 38S RANGE 24E COUNTY SAN JUAN

DRILLING CONTRACTOR AZTEC

RIG # 124

SPUDDED: DATE 11/2/88

TIME 7:00 p.m.

How ROTARY

DRILLING WILL COMMENCE _____

REPORTED BY SUZANN NELSON

TELEPHONE # 406-256-4122

DATE 11/15/88 SIGNED TAS

RECEIVED
NOV 07 1988

OPERATOR MERIDIAN OIL INC.

OPERATOR CODE N 7230

ENTITY ACTION FORM - DOGM

ADDRESS P.O. Box 1855

PHONE NO. 406, 256-4122

Billings, MT 59103-1855

CONFIDENTIAL

DIVISION OF
OIL, GAS & MIN. 3

OPERATORS MUST COMPLETE FORM UPON SPUDDING NEW WELL OR WHEN CHANGE IN OPERATIONS OR INTERESTS NECESSITATES CHANGE IN EXISTING ENTITY NUMBER ASSIGNMENT.

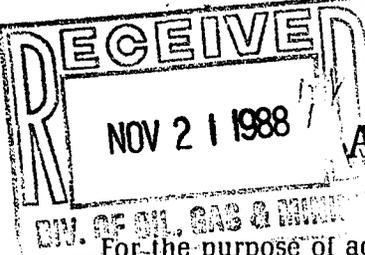
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	10654		4303731457	12-19 Havasu-Federal	SWNW	19	38S	24E	San Juan	11/02/88	
COMMENTS: Federal Lease Proposed Zone - Ismay Field - Kachina Unit - Kachina-Secondary Rec.											
B	10654		4303731459	12-19A Havasu-Federal	SWNW	19	38S	24E	San Juan	11/04/88	
COMMENTS: Federal Lease Proposed Zone - Ismay Field - Kachina (Assign entity 10654, also changed other wells in Unit to same entity) Unit - Kachina Secondary Rec. 11-17-88 for											
COMMENTS:											
COMMENTS:											
COMMENTS:											

- ACTION CODES:
- A - ESTABLISH NEW ENTITY FOR NEW WELL
 - B - ADD NEW WELL TO EXISTING ENTITY
 - C - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO ANOTHER EXISTING ENTITY
 - D - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO A NEW ENTITY
 - E - OTHER (EXPLAIN IN COMMENTS SECTION)
- (SEE INSTRUCTIONS)

Suzanne S. Nelson
SIGNATURE

Sr. Operations Technician 11/4/88
TITLE DATE

FILING FOR WATER IN THE STATE OF UTAH



NOV 02 1988

OCT 17 1988

Rec. by L.K.
Fee Rec. 3000
Receipt # 25109
Microfilmed _____
Roll # _____

APPLICATION TO APPROPRIATE WATER RIGHTS SALT LAKE TEMPORARY PRICE

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 CLAIM NO. 09 — 1604 * APPLICATION NO. A T63641

1. PRIORITY OF RIGHT: October 17, 1988 * FILING DATE: October 17, 1988

2. OWNER INFORMATION

Name(s): MERIDIAN OIL INC. * Interest: 100 %
Address: P.O. Box 1855, Billings, MT 59103
Is the land owned by the applicant? Yes _____ No X
(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: _____ cfs and/or 2.5 AF ac-ft

4. SOURCE: Wash Unit #2 * DRAINAGE: _____

which is tributary to _____
which is tributary to _____
POINT(S) OF DIVERSION: _____ COUNTY: San Juan
Location: SESE (470' FSL - 850' FEL) Section 13, T38S, R23E
N. 470 ft. & W. 850 ft. from SE Cor. Sec. 13, T38S, R23E, SLB&M

Description of Diverting Works: 9-5/8" casing set @ 1913'
* COMMON DESCRIPTION: 9 miles NW of Hatch Trading Post Montezuma Creek Quad

5. POINT(S) OF REDIVERSION
The water will be rediverted from N/A at a point: _____

Description of Rediverting Works: _____

6. POINT(S) OF RETURN
The amount of water consumed is _____ cfs or 350 ac-ft
The amount of water returned is _____ cfs or 0 ac-ft
The water will be returned to the natural stream/source at a point(s): N/A

7. STORAGE
Reservoir Name: N/A Storage Period: from _____ to _____
Capacity: _____ ac-ft. Inundated Area: _____ acres
Height of dam: _____ feet
Legal description of inundated area by 40 acre tract: _____

* These items are to be complete by Division of Water Rights

8. List any other water rights which are or will supplement this application _____

9. NATURE AND PERIOD OF USE

Stockwatering: From _____ to _____
Domestic: From _____ to _____
Municipal: From _____ to _____
Mining: From _____ to _____
Power: From _____ to _____
Other: Drilling and completing From October 15, 1988 to October 15, 1989
Irrigation: From _____ to _____

10. PURPOSE AND EXTENT OF USE

Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons
Municipal (name): _____
Mining: _____ Mining District in the _____ Mine
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): Drill and complete one injection well and 2 oil wells
Irrigation: _____ acres. Sole supply of _____ acres
Legal description of irrigated area by 40 acre tract: _____

11. PLACE OF USE

Legal description of areas of use other than irrigation, if not the same as irrigated area above, by 40 acre tract:
11-19 Havasu-Federal, NWNW (940' FNL-590' FWL) Section 19, T38S, R25E
12-19 Havasu-Federal, SWNW (1840' FNL-410' FWL) Section 19, T38S, R25E
12-19A Havasu-Federal, SWNW (2520' FNL-200' FWL) Section 19, T38S, R25E
See NOTE below.

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary): Landowner - Federal Lease U-20894. The Wash Unit #2 well will be converted to a water source well prior to the drilling of the three wells. Proposed water formations will be Cutler and Wingate.

The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/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 herein, at the time of filing, rests with the applicant(s).

[Signature]
Signature of Applicant(s)
D. R. Harris
Regional Drilling Engineer

(11-19) 43-037-31458
(12-19) 43-037-31457
(12-19A) 43-037-31459
NOTE: #11

- 1) 11-19 Havasu Federal: S. 940 ft. & E. 590 ft. from NW Cor. Sec.19,T38S,R25E,SLB&M (NW1/4NW1/4)
2) 12-19 Havasu Federal: S. 1840 ft. & E. 410 ft. from NW Cor. Sec.19,T38S,R25E,SLB&M (SW1/4NW1/4)
3) 12-19A Havasu Federal: S.2520 ft. & E. 200 ft. from NW Cor. Sec.19,T38S,R25E,SLB&M (SW1/4NW1/4)

TEMPORARY

STATE ENGINEER'S ENDORSEMENT

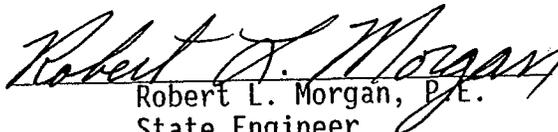
WATER RIGHT NUMBER: 09 - 1604

APPLICATION NO. T63641

1. October 17, 1988 Application received by MP.
 2. November 1, 1988 Application designated for APPROVAL by MP and KLJ.
 3. Comments:
-
-

Conditions:

This application is hereby APPROVED, dated November 18, 1988, subject to prior rights and this application will expire on November 18, 1989.


Robert L. Morgan, P.E.
State Engineer

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

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

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

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

<p>1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/></p> <p>2. NAME OF OPERATOR MERIDIAN OIL INC.</p> <p>3. ADDRESS OF OPERATOR P. O. Box 1855, Billings, MT 59103</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface SWNW (1840' FNL - 410' FWL)</p> <p>14. PERMIT NO. 43-037-31457</p>	<p>5. LEASE DESIGNATION AND SERIAL NO. U-56186</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A</p> <p>7. UNIT AGREEMENT NAME Kachina</p> <p>8. FARM OR LEASE NAME Havasu-Federal</p> <p>9. WELL NO. 12-19</p> <p>10. FIELD AND POOL, OR WILDCAT Kachina</p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 19, T38S, R24E</p> <p>12. COUNTY OR PARISH San Juan</p> <p>13. STATE Utah</p>
<p>15. ELEVATIONS (Show whether OP, ST, OR, etc.) 5093' KB</p>	

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

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

Aztec, Rig #124, spudded well @ 7:00 PM November 2, 1988.
First oil production November 21, 1988.

CONFIDENTIAL

RECEIVED
DEC 15 1988
DIVISION OF
OIL, GAS & MINING

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

SIGNED [Signature] TITLE Production Superintendent DATE 12/13/88

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:
BLM (3), UOG&M (3), WGB, RES, File

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

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

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

2. NAME OF OPERATOR
Meridian Oil Inc.

3. ADDRESS OF OPERATOR
P.O. Box 1855, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface SWNW (1840' FNL - 410' FWL)

At top prod. interval reported below Same

At total depth Same

RECEIVED
JAN 13 1989

DIVISION OF
OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL NO.

U-56186

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

Kachina

8. FARM OR LEASE NAME

Havasu-Federal

9. WELL NO.

12-19

10. FIELD AND POOL OR WILDCAT

Kachina

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

Section 19-T38S-R24E

12. COUNTY OR PARISH

San Juan

13. STATE

MT

14. PERMIT NO. 43-037-31457 DATE ISSUED 10-11-88

15. DATE SPUDDED 11-2-88 16. DATE T.D. REACHED 11-11-88 17. DATE COMPL. (Ready to prod.) 11-21-88 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5093' KB 19. ELEV. CASINGHEAD 5080'

20. TOTAL DEPTH, MD & TVD 5975' 21. PLUG, BACK T.D., MD & TVD 5877' 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS _____ CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 5709' - 5764' Upper Ismay

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN DLL, CDCN, CBL/VDL/GR

27. WAS WELL CORED

No

CONFIDENTIAL

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	1890'	12-1/4"	777 sxs Class "B"	None
5-1/2"	15.5#	5975'	7-7/8"	735 sxs Class "B"	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	5689'	5689'

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)
5709' - 5764', 4", 4 JSPF

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
<u>5709' - 5764'</u>	<u>8000 gals 15% HCL</u>

33.* PRODUCTION

DATE FIRST PRODUCTION 11-21-88 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing WELL STATUS (Producing or shut-in) Shut In

DATE OF TEST 12-18-88 HOURS TESTED 24 CHOKE SIZE 20/64" PROD'N. FOR TEST PERIOD → OIL—BBL. 211 GAS—MCF. 333 WATER—BBL. -0- GAS-OIL RATIO 1578

FLOW. TUBING PRESS. 125 CASING PRESSURE -0- CALCULATED 24-HOUR RATE → OIL—BBL. 211 GAS—MCF. 333 WATER—BBL. -0- OIL GRAVITY-API (CORR.) 44

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold TEST WITNESSED BY Dave Overgaard

35. LIST OF ATTACHMENTS

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

SIGNED D.R. Harris TITLE Regional Drilling Engineer DATE 1-11-89

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

38. GEOLOGIC MARKERS

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
NONE	---	---		Shinarump Cutler Hermosa Upper Ismay Lower Ismay Gothic Desert Creek	2846' 2970' 4755' 5682' 5824' 5878' 5916'	

OIL AND GAS	
DRN	RJF
JRB	GLH
DTS	SLS
1-TAS	✓
2- MICROFILM	
3- FILE	

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File 43-037-31459 Suspense Other
43-037-31457 (Return Date) 1-31-89
(Location) Sec 38 Twp 38S Rng 04E (To - Initials) TAS
(API No.) 19 12-19, 12-19A

1. Date of Phone Call: 1-17-89 Time: 0:01

2. DOGM Employee (name) Lami Shuang (Initiated Call)
Talked to:

Name Nancy (Initiated Call) - Phone No. (406) 256-4123
of (Company/Organization) Mundian Oil

3. Topic of Conversation: CBL/UDL/GR/CCL Logs
All other logs for both wells are in

4. Highlights of Conversation: she will end out today

CONFIDENTIAL

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

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.)

5. LEASE DESIGNATION & SERIAL NO.
U 56186

6. IF INDIAN ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
Kachina

8. FARM OR LEASE NAME
Havasu Federal

9. WELL NO. 12-19, 12-19A
and 22-19

10. FIELD AND POOL, OR WILDCAT
Kachina

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 19-38S-24E

12. COUNTY San Juan 13. STATE UT

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Meridian Oil Inc.

3. ADDRESS OF OPERATOR
1601 Lewis, Ste. 208, Billings, MT 59102

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface Section 19-38S-24E
At proposed prod. zone

14. API NO.
43-037-31457

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

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

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other) Notice of Flaring
REPAIRING WELL
ALTERING CASING
ABANDONMENT*
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

APPROX. DATE WORK WILL START _____

DATE OF COMPLETION _____

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

* Must be accompanied by a cement verification report.

El Paso Plant was down for mechanical problems, causing Western Gas Processors' Kachina plant to go down. 484 MCF was flared by wells in Section 19 of Kachina Field.

Verbal approval to flare was obtained from both the State of Utah and the BLM on Monday, September 25th.

Western's Gas Plant was back in operation at 0800 on 9/28/89.

CONFIDENTIAL

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

SIGNED W. Brauer TITLE Prod. Super. DATE 9/29/89

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

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

MARALENE SPAWN
 MERIDIAN OIL INC
 PO BOX 3209
 ENGLEWOOD CO 80155-3209

UTAH ACCOUNT NUMBER: N7230

REPORT PERIOD (MONTH/YEAR): 7 / 96

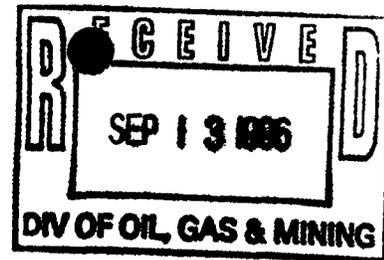
AMENDED REPORT (Highlight Changes)

Well Name API Number	Entity	Location	Producing Zone	Well Status	Days Oper	Production Volumes		
						OIL(BBL)	GAS(MCF)	WATER(BBL)
✓ ARABIAN FEDERAL #3 4303731287	10654	38S 24E 19	NESW IS-DC ✓			456186	Kachina Unit	
→ HAVASU FEDERAL 12-19 4303731457	10654	38S 24E 19	SWNW ISMY ✓			456186	Kachina Unit	
✓ HAVASU FEDERAL 12-19A 4303731459	10654	38S 24E 19	SWNW ISMY ✓			456186	Kachina Unit	
✓ NAVAJO FEDERAL 42-5 4303731261	10655	39S 25E 5	SENE ISMY ✓			458728	Kiva (Upper Mesa) Unit	
✓ NAVAJO FEDERAL 41-5 4303731358	10810	39S 25E 5	NENE DSCR ✓			457895	Kiva / Non P.A.	
✓ INDIAN CREEK 14176 #1 4301530091	10907	17S 06E 14	FRSD ✓			415202	E.mtn. II Unit	(9-16-94 Invalidated)
✓ NOCK-FEDERAL 21-33 4303731425	10923	38S 24E 33	ISMY ✓			440361	Bannock Unit	
TOTALS								

COMMENTS: _____

I hereby certify that this report is true and complete to the best of my knowledge.
 Date: _____
 Name and Signature: _____ Telephone Number: _____

MERIDIAN OIL



September 10, 1996

State of Utah
Division of Oil, Gas and Mining
355 ~~1594~~ West North Temple
Salt Lake City, UT 84180

Re: Name Change from Meridian Oil Inc. to
Burlington Resources Oil & Gas Co.

Gentlemen:

Please be advised effective July 11, 1996 Meridian Oil Inc. changed their name and address to:

Burlington Resources Oil & Gas Co.
3300 North "A" St., Bldg. 6
Midland, TX 79710-1810

Please see the attached list of wells that Burlington Resources operates in the State of Utah. If you should have any questions, please contact me at (303) 930-9393 or after September 30th at (915) 688-6800.

Sincerely,

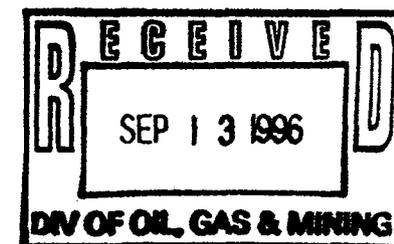
BURLINGTON RESOURCES OIL & GAS CO.

A handwritten signature in cursive script that reads "Eileen Danni Dey".

Eileen Danni Dey
Senior Regulatory Compliance Representative

Enclosure

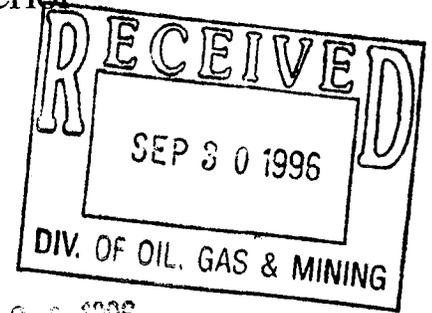
FIELD	WELL NAME	WELL NO	FORMATION/POOL	COUNTY	OCATIO	SEC	TWN	RGE	API NUMBER	FEDERAL LEASE NUMBER	STATE CONTROL NO.
BANNOCK	BANNOCK FEDERAL	21-33	ISMAY	SAN JUAN	NENW	33	038S	024E	43-037-3142500	UTU60786A	10923
CEDAR MOUNTAIN	EAST CANYON UNIT	33-18	CEDAR MOUNTAIN	GRAND	NWSE	18	016S	025E	43-019-1620300	UTU05059	9515
EAST MOUNTAIN	EAST MOUNTAIN FEDERAL	13-35	FERRON	EMERY	NWSW	35	016S	006E	43-015-3023000	57287U6920	10789
EAST MOUNTAIN	EAST MOUNTAIN FEDERAL	32-23	FERRON	EMERY	SWNE	23	016S	006E	43-015-3023100	57287U6920	11075
FERRON	INDIAN CREEK UNIT	1	FERRON	EMERY	SWNW	02	017S	006E	43-015-3008200	57287U6920	02585
FERRON	INDIAN CREEK UNIT	3	FERRON	EMERY	SWSW	02	017S	006E	43-015-3107500	57287U6920	02585
FERRON	INDIAN CREEK UNIT 10176	5	FERRON	EMERY	SENE	10	017S	006E	43-015-3011700	57287U6920	02585
FERRON	INDIAN CREEK UNIT 14176	2	FERRON	EMERY	SWNE	14	017S	006E	43-015-3009100	UTU15202	10907
KACHINA	ARABIAN FEDERAL (wiw)	2	ISMAY	SAN JUAN	NWSW	19	038S	024E	43-037-3128200	UTU56186	10654
KACHINA	ARABIAN FEDERAL	3	ISMAY	SAN JUAN	NESW	19	038S	024E	43-037-3128700	UTU56186	10654
KACHINA	HAVASU FEDERAL (wiw)	11-19	UPPER ISMAY	SAN JUAN	NWNW	19	038S	024E	43-037-3145800	UTU56186	10654
KACHINA	HAVASU FEDERAL	12-19	UPPER ISMAY	SAN JUAN	SWNW	19	038S	024E	43-037-3145700	UTU56186	10654
KACHINA	HAVASU FEDERAL	12-19A	ISMAY	SAN JUAN	SWNW	19	038S	024E	43-037-3145900	UTU56186	10654
KACHINA	HAVASU FEDERAL	22-19	UPPER ISMAY	SAN JUAN	SENE	19	038S	024E	43-037-3127800	UTU56186	10654
KACHINA	HAVASU FEDERAL	41-24	UPPER ISMAY	SAN JUAN	NENE	24	038S	023E	43-037-3127900	UTU20895	10654
KACHINA	HAVASU FEDERAL (wiw)	42-24	UPPER ISMAY	SAN JUAN	SENE	24	038S	023E	43-037-3129800	UTU20895	10654
KACHINA	WASH UNIT (wsw)	2	CUTLER	SAN JUAN	SESE	13	038S	023E	43-037-3132400	UTU20894	10654
KIVA (DESERT CREEK)	NAVAJO FEDERAL	41-5	DESERT CREEK	SAN JUAN	NENE	05	039S	025E	43-037-3542100	UTU57895	10810
KIVA (UPPER ISMAY)	KIVA FEDERAL	24-4	ISMAY	SAN JUAN	SESW	04	039S	025E	43-037-3174500	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL (wiw)	12-4	ISMAY	SAN JUAN	SWNW	04	039S	025E	43-037-3139500	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL (wiw)	14-4	ISMAY	SAN JUAN	SWSW	04	039S	025E	43-037-3132100	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL (wiw)	21-9	ISMAY	SAN JUAN	NENW	09	039S	025E	43-037-3126700	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL (wiw)	23-4	UPPER ISMAY	SAN JUAN	NESW	04	039S	025E	43-037-3125900	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL	4-2	ISMAY	SAN JUAN	SWSE	04	039S	025E	43-037-3116100	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL	4-4	ISMAY	SAN JUAN	NWSW	04	039S	025E	43-037-3117900	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL	42-5	UPPER ISMAY	SAN JUAN	SENE	05	039S	025E	43-037-3126100	83687U6890	10655
KIVA (UPPER ISMAY)	NAVAJO FEDERAL (wsw)	42-9	WINGATE/CUTLER	SAN JUAN	SENE	09	039S	025E	43-037-3126300	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL	9-1	UPPER ISMAY	SAN JUAN	NWNE	09	039S	025E	43-037-3100100	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL (wiw)	4-1	ISMAY	SAN JUAN	SESW	04	039S	025E	43-037-3111200	83687U6890	09975
KIVA (UPPER ISMAY)	NAVAJO FEDERAL (wiw)	43-5	ISMAY	SAN JUAN	NWSW	05	039S	025E	43-037-3131700	83687U6890	09975
MON MESA	HATCH POINT FEDERAL	27-1A	CANE CREEK	SAN JUAN	NESW	27	027S	021E	43-037-3051800	8910184250	02815





United States Department of the Interior

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



In Reply Refer To
3100
SL-071010C
(UT-932)

SEP 28 1996

NOTICE

Burlington Resources Oil & Gas Company	:	Oil and Gas
801 Cherry Street, Suite 900	:	SL-071010C
Fort Worth, Texas 76102	:	

Corporate Name Change Recognized

Acceptable evidence has been filed in this office concerning the corporate name change from Meridian Oil Inc. to Burlington Resources Oil & Gas Company.

For our purposes, the name change is recognized effective July 12, 1996, the date the Secretary of State of Delaware certified the name change.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. We are notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our field offices, you will be contacted by them.

A rider to Bond No. 400IA9059 (BLM Bond No. MT0719) has been accepted by the Montana State office as of September 16, 1996, its date of receipt. The rider changed the name on the bond from Meridian Oil Inc. to Burlington Resources Oil & Gas Company.

ROBERT LOPEZ

Robert Lopez
Group Leader,
Minerals Adjudication Group

Enclosure

Exhibit (1 p)

cc: MMS, Data Management Division, P.O. Box 5860, MS 3113, Denver, Colorado 80217
Moab District Office
Vernal District Office

bc: State of Utah, ATTN: Lisha Cordova, Division of Oil, Gas and Mining, P.O. Box 145801,
Salt Lake City, Utah 84114-5801
Teresa Thompson (UT-931)
Irene Anderson (UT-932)

Exhibit of Leases Affected

SL-071010C	U-8894A	U-40751	U-61752
SL-071595	U-8895A	U-45051	U-62143
U-0681	U-8897A	U-45929	U-62190
U-0683	U-15202	U-46825	U-63181
U-0684	U-15203	U-51045	UTU-64930
U-0685	U-15204	U-51046	UTU-64931
U-0719	U-16962A	U-51047	UTU-65329
U-0725	U-17024	U-52333	UTU-65607
U-0737	U-17623	U-56186	UTU-65750
U-0741	U-19281	U-56932	UTU-65751
U-0744	U-20016	U-56933	UTU-65868 (ROW)
U-03333	U-20895	U-56934	UTU-65940
U-04049	U-24606	U-57895	UTU-65943
U-04049A	U-39832	U-58728	UTU-66025
U-05059	U-40361	U-60428	UTU-66487
U-08107	U-40440	U-60520	UTU-66584
U-062420	U-40544 (ROW)	U-61556	UTU-66708
UTU-66830	UTU-66831	UTU-67565	UTU-67568
UTU-67569	UTU-67570	UTU-68232	UTU-68664
UTU-68676	UTU-69434	UTU-70115 (ROW)	UTU-70196
UTU-72660	U-60786X (Bannock Unit)	U-63089X (East Mountain Unit)	

OPERATOR CHANGE WORKSHEET

1-LEC ✓	6-LDC ✓
2-GLL ✓	7-KDR ✓
3-DTS ✓	8-SJ ✓
4-VLD ✓	9-FILE
5-RJF ✓	

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

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

The operator of the well(s) listed below has changed, effective: 7-11-96

TO: (new operator) <u>BURLINGTON RESOURCES O&G CO.</u>	FROM: (old operator) <u>MERIDIAN OIL INC</u>
(address) <u>3300 N "A" ST BLDG 6</u>	(address) <u>PO BOX 3209</u>
<u>MIDLAND TX 79710-1810</u>	<u>ENGLEWOOD CO 80155-3209</u>
<u>EILEEN DANNI DEY</u>	<u>EILEEN DANNI DEY</u>
Phone: <u>(915) 688-6800</u>	Phone: <u>(303) 930-9393</u>
Account no. <u>N7670</u>	Account no. <u>N7230</u>

WELL(S) attach additional page if needed: ***KACHINA, KIVA, EAST MOUNTAIN, BANNOCK UNIT'S**

Name: **SEE ATTACHED**	API: _____	Entity: _____	S	T	R	Lease: _____
Name: _____	API: _____	Entity: _____	S	T	R	Lease: _____
Name: _____	API: _____	Entity: _____	S	T	R	Lease: _____
Name: _____	API: _____	Entity: _____	S	T	R	Lease: _____
Name: _____	API: _____	Entity: _____	S	T	R	Lease: _____
Name: _____	API: _____	Entity: _____	S	T	R	Lease: _____
Name: _____	API: _____	Entity: _____	S	T	R	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- Sec 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(Rec'd 9-13-96)*
- Sec 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(Rec'd 9-13-96)*
- Sec 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) _____ If yes, show company file number: #096593. *(E.H. 1-29-82)*
- Sec 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- Sec 5. Changes have been entered in the Oil and Gas Information System (3270) for each well listed above. *(i. WIC Program)*
- Sec 6. Cardex file has been updated for each well listed above. *(10-3-96)*
- Sec 7. Well file labels have been updated for each well listed above. *(10-3-96)*
- Sec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(10-3-96)*
- Sec 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY) *961002 "Rider" 80,000 to Burlington held by Trust Lands Admin.

- Yes 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- N/A 2. A copy of this form has been placed in the new and former operator's bond files.
- N/A 3. The FORMER operator has requested a release of liability from their bond (yes/no) _____, as of today's date _____. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on _____ to _____ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
OTS 11/16/96

FILMING

- Yes 1. All attachments to this form have been microfilmed. Today's date: 12-27-96.

FILING

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

COMMENTS

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

MARALENE SPAWN
 BURLINGTON RESOURCES O&G
 3300 N A ST BLDG 6
 MIDLAND TX 79710-1810

UTAH ACCOUNT NUMBER: N7670

REPORT PERIOD (MONTH/YEAR): 2 / 97

AMENDED REPORT (Highlight Changes)

Well Name API Number Entity Location	Producing Zone	Well Status	Days Oper	Production Volumes		
				OIL(BBL)	GAS(MCF)	WATER(BBL)
HAVASU FEDERAL 12-19 4303731457 10654 38S 24E 19	ISMY			U-56186	Kechina Unit	Sec. Recovery
HAVASU FEDERAL 12-19A 4303731459 10654 38S 24E 19	ISMY			U-56186	"	
NAVAJO FEDERAL 42-5 4303731261 10655 39S 25E 5	ISMY			U-58728		
NAVAJO FEDERAL 41-5 4303731358 10810 39S 25E 5	DSCR			U-57895		
INDIAN CREEK 14176 #1 4301530091 10907 17S 06E 14	FRSD			U-15202		
BANNOCK-FEDERAL 21-33 4303731425 10923 38S 24E 33	ISMY			U-40361		
NAVAJO FEDERAL 2 4303731324 99990 38S 23E 13	SPMP / WSW			U-20894	* Blm aprv. 4-23-97.	
HAVASU FEDERAL 11-19 4303731282 10654 38S 24E 19	ISMY / W/W			U-56186	Kechina Unit	Sec. Recovery
HAVASU FEDERAL 42-24 4303731458 10654 38S 24E 19	ISMY / W/W			U-56186	"	
HAVASU FEDERAL 42-24 4303731298 10654 38S 23E 24	ISMY / W/W			U-20895	"	
TOTALS						

REMARKS:

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

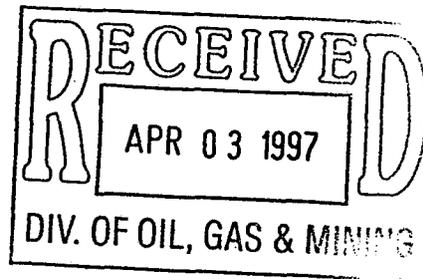
Date: _____

Name and Signature: _____

Telephone Number: _____

MERIT ENERGY COMPANY

12222 MERIT DRIVE, SUITE 1500
DALLAS, TEXAS 75251
(972) 701-8377
(972) 960-1252 Fax



April 2, 1997

**Utah Division of Oil, Gas and Mining
Attn: Ms. Lisha Cordova
1594 West North Temple
Suite 1210
Salt Lake City, Utah 84114**

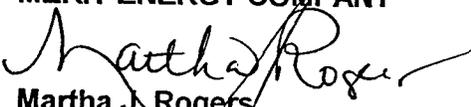
**RE: Change of Operator to Merit Energy Company
Emery and San Juan County**

Dear Ms. Cordova:

Enclosed please find a copy of Form 3160 executed by both parties, Merit Energy and Burlington Resources.

If additional information or forms are required to process this transaction, please contact me at 972-701-8377.

**Yours very truly,
MERIT ENERGY COMPANY**


**Martha J. Rogers
Manager, Regulatory Affairs**

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 re-entry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals.

5. Lease Designation and Serial No.
UTU56186

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

BURLINGTON RESOURCES OIL & GAS COMPANY

3. Address and Telephone No (915)688-6800

P. O. BOX 51810, MIDLAND, TX 79710-1810

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SWNW
19 038S 024E, SLM

8. Well Name and No.

HAVASU FEDERAL 12-19

9. API Well No.

43,037,3145700

10. Field and Pool, or Exploratory Area

KACHINA, ISMAY

11. County or Parish, State

SAN JUAN, UT

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Abandonment

Change of Plans

Subsequent Report

Recompletion

New Construction

Final Abandonment Notice

Plugging Back

Non-Routine Fracturing

Casing Repair

Water Shut-Off

Altering Casing

Conversion to Injection

Other CHANGE OF OPERATOR

Dispose Water

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

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

EFFECTIVE JANUARY 1, 1997, BURLINGTON RESOURCES OIL & GAS COMPANY, THE OPERATOR OF RECORD OF THE HAVASU FEDERAL 12-19 WELL, TRANSFERRED ALL OF ITS RIGHT, TITLE AND INTEREST IN SAID WELL TO MERIT PARTNERS, L.P. (AS TO 92.4%) AND MERIT ENERGY PARTNERS III, L.P. (AS TO 7.6%), C/O MERIT ENERGY COMPANY, 12222 MERIT DRIVE, DALLAS, TX 75251.

ON APRIL 1, 1997, MERIT ENERGY COMPANY, GENERAL PARTNER FOR MERIT PARTNERS, L.P. AND MERIT ENERGY PARTNERS III, L.P., WILL TAKE OVER PHYSICAL OPERATIONS OF SAID WELL ON BEHALF OF SAID LIMITED PARTNERSHIPS.

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

Signed [Signature] Title Attorney-in-Fact

Date March 31, 1997

Kent Beers

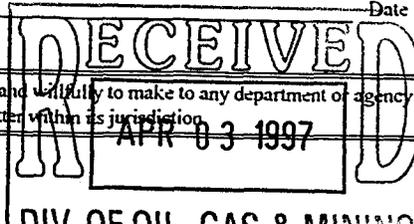
(This space for Federal or State office use)

Approved By _____ Title _____

Date _____

Condition 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 statement or representations as to any matter within its jurisdiction.



CHANGE OF OPERATOR STATE OF - UT

COUNTY	FIELD NAME	WELL NAME	STR	LSE#	WELLTYPE	APIWELL	COMM NO.	FED CNTRL	ST CNTRL
EMERY	EAST MOUNTAIN ,FERRON	EAST MOUNTAIN FEDERAL 13-35	35 016S 008E	1 ML-27626	GAS WELL	43,015,3023000	UT060P49-87U69	57287U6920	025 <i>u56933</i>
EMERY	EAST MOUNTAIN ,FERRON	EAST MOUNTAIN FEDERAL 32-23	23 016S 006E		GAS WELL	43,015,3023100	UT060P49-87U69	57287U6920	025 <i>u17624</i>
EMERY	FERRON ,FERRON	INDIAN CREEK 021762 3	02 017S 006E	1 ML-27626	GAS WELL	43,015,3017500		57287U6920	025 <i>u15204</i>
EMERY	FERRON ,FERRON	INDIAN CREEK 1	02 017S 006E	ML-27626	GAS WELL	43,015,3008200		57287U6920	025 <i>u2-27626</i>
EMERY	FERRON ,FERRON	INDIAN CREEK 10176 5	10 017S 006E	1 ML-27626	GAS WELL	43,015,3011700		57287U6920	025 <i>u15203</i>
EMERY	FERRON ,FERRON	INDIAN CREEK 14176 1	14 017S 006E	UTU15202	GAS WELL	43,015,3009100		UTU15202	109 <i>u15202</i>
SAN JUAN	BANNOCK ,ISMAY	BANNOCK FEDERAL 21-33	33 038S 024E	1 UTU60786	OIL WELL	43,037,3142500	60786A	UTU60786A	109 <i>u46361</i>
SAN JUAN	KACHINA ,CUTLER	WASH UNIT 2	13 038S 023E	UTU20894	WATER SOURCE	43,037,3132400		UTU20894	106 <i>u20894 (To Water Rights 4-7-97)</i>
SAN JUAN	KACHINA ,ISMAY	ARABIAN FEDERAL 2	19 038S 024E	UTU56186	WATER INJECTED	43,037,3128200		UTU56186	106 <i>u56186</i>
SAN JUAN	KACHINA ,ISMAY	HAVASU FEDERAL 11-19	19 038S 024E	UTU56186	WATER INJECTED	43,037,3145800		UTU56186	106 <i>u56186</i>
SAN JUAN	KACHINA ,ISMAY	HAVASU FEDERAL 12-19	19 038S 024E	UTU56186	OIL WELL	43,037,3145700		UTU56186	106 <i>u56186</i>
SAN JUAN	KACHINA ,ISMAY	HAVASU FEDERAL 12-19A	19 038S 024E	UTU56186	OIL WELL	43,037,3145900		UTU56186	106 <i>u56186</i>
SAN JUAN	KACHINA ,ISMAY	HAVASU FEDERAL 22-19	19 038S 024E	UTU56186	OIL WELL	43,037,3127800		UTU56186	106 <i>u56186</i>
SAN JUAN	KACHINA ,ISMAY	HAVASU FEDERAL 41-24	24 038S 023E	UTU20895	OIL WELL	43,037,3127900		UTU20895	106 <i>u20895</i>
SAN JUAN	KACHINA ,ISMAY	HAVASU FEDERAL 42-24	24 038S 023E	UTU20895	WATER INJECTED	43,037,3129800		UTU20895	106 <i>u20895</i>

CHANGE OF OPERATOR STATE OF - UT

COUNTY	FIELD NAME	WELL NAME	STR	LSE#	WELLTYPE	APIWELL	COMM NO.	FED CNTRL	ST CNTRL
SAN JUAN	KACHINA ,ISMAY-DESERT CREEK	ARABIAN FEDERAL 3	19 038S 024E	UTU58188	OIL WELL	43,037,3128700		UTU58188	106 <i>U56188</i>
SAN JUAN	KIVA (UPPER ISMAY) ,CUTLER	NAVAJO FEDERAL 42-9	09 039S 025E	U-52333	WATER SOURCE	43,037,3126300			<i>U52333 to water Rights 4797</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	KIVA FEDERAL 24-4	04 039S 025E		OIL WELL	43,037,3174500		83687U6890	099 <i>USA-U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL (WIW) 4-1	04 039S 025E		WATER INJECTED	43,037,3111200		83687U6890	099 <i>U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL (WIW) 43-5	04 039S 025E		WATER INJECTED	43,037,3131700		83687U6890	099 <i>U58728</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 12-4	04 039S 025E		WATER INJECTED	43,037,3139500		83687U6890	099 <i>U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 14-4	04 039S 025E		WATER INJECTED	43,037,3132100		83687U6890	099 <i>U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 21-9	09 039S 025E		WATER INJECTED	43,037,3126700		83687U6890	099 <i>U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 23-4	04 039S 025E		WATER INJECTED	43,037,3125900		83687U6890	099 <i>U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 4-1	04 039S 025E		OIL WELL	43,037,3111200		83687U6890	099 <i>U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 4-2	04 039S 025E		OIL WELL	43,037,3116100		83687U6890	099 <i>U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 4-4	04 039S 025E		OIL WELL	43,037,3117900		83687U6890	099 <i>U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 42-5	05 039S 025E		OIL WELL	43,037,3128100		83687U6890	106 <i>U58728</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 43-5	04 039S 025E		OIL WELL	43,037,3131700		83687U6890	099 <i>U58728</i>
SAN JUAN	KIVA (UPPER ISMAY) ,ISMAY	NAVAJO FEDERAL 9-1	09 039S 025E		OIL WELL	43,037,3100100		83687U6890	099 <i>U52333</i>
SAN JUAN	KIVA (UPPER ISMAY) ,WINGATE	NAVAJO FEDERAL 42-9	09 039S 025E		WATER SOURCE	43,037,3126300		83687U6890	099 <i>U52333 to water Rights 4797</i>

CHANGE OF OPERATOR STATE OF - UT

COUNTY	FIELD NAME	WELL NAME	STR	LSE#	WELLTYPE	APIWELL	COMM NO.	FED CNTRL	ST CNTRL
SAN JUAN	KIVA ,DESERT CREEK	NAVAJO FEDERAL 41-5	05 039S 025E	UTU57895	OIL WELL	43,037,3135800		UTU57895	108 <i>U57895</i>
SAN JUAN	LION MESA ,CANE CREEK	HATCH POINT FEDERAL 27-1A	27 027S 021E	UTU20016	OIL WELL	43,037,3051800		UTU20016	028 <i>U20016</i>

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 re-entry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals.

5. Lease Designation and Serial No.
UTU56186

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

MERIT ENERGY COMPANY

3. Address and Telephone No (972) 701-8377

12222 MERIT DRIVE, DALLAS, TX 75251

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SWNW

19 038S 024E, SLM

8. Well Name and No.

HAVASU FEDERAL 12-19

9. API Well No.

43,037,3145700

10. Field and Pool, or Exploratory Area

KACHINA ,ISMAY

11. County or Parish, State

SAN JUAN, UT

RECEIVED
APR 28 1997
DIV. OF OIL, GAS & MIN.

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Abandonment

Change of Plans

Subsequent Report

Recompletion

New Construction

Final Abandonment Notice

Plugging Back

Non-Routine Fracturing

Casing Repair

Water Shut-Off

Altering Casing

Conversion to Injection

Other CHANGE OF OPERATOR

Dispose Water

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

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

EFFECTIVE AS OF JANUARY 1, 1997, BURLINGTON RESOURCES OIL & GAS COMPANY, THE PRIOR OPERATOR OF RECORD, TRANSFERRED ALL RIGHT, TITLE AND INTEREST IN THE HAVASU FEDERAL 12-19 WELL TO MERIT PARTNERS, L.P. (AS TO 92.4%) AND MERIT ENERGY PARTNERS III, L.P. (AS TO 7.6%), C/O MERIT ENERGY COMPANY, 12222 MERIT DRIVE, DALLAS, TX 75251. ON APRIL 1, 1997, MERIT ENERGY COMPANY, THE GENERAL PARTNER FOR MERIT PARTNERS, L.P. AND MERIT ENERGY PARTNERS III, L.P., WILL TAKE OVER PHYSICAL OPERATIONS OF SAID WELL ON BEHALF OF SAID LIMITED PARTNERSHIPS AND IS CONSIDERED TO BE THE OPERATOR OF SAID WELL AS OF THAT DATE.

MERIT ENERGY COMPANY IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED UPON THE LEASED LANDS. BOND COVERAGE IN THE AMOUNT OF \$150,000 FOR MERIT ENERGY COMPANY IS PROVIDED UNDER BLM BOND NO. WY3011, IN FAVOR OF THE BUREAU OF LAND MANAGEMENT, U. S. DEPARTMENT OF THE INTERIOR.

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

Signed Martha Rogers Title Manager, Regulatory Affairs Date March 31, 1997

(This space for Federal or State office use)

Approved By /s/ Brad D. Palmer Title Assistant Field Manager, Resource Management Date _____

Condition of Approval, If any:

CONDITIONS OF APPROVAL ATTACHED

Merit Energy Company
Well No. Havasu Federal 12-19
SWNW Sec. 19, T. 38 S., R. 24 E.
San Juan County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Merit Energy Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased land.

Bond coverage for this well is provided by BLM Bond WY3011 (Principle - Merit Energy Company) as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

OPERATOR CHANGE WORKSHEET

Routing	
1-LEC ✓	6-ACE ✓
2-GLM ✓	7-KAS ✓
3-DPS ✓	8-SI ✓
4-VLD ✓	9-FILE ✓
5-IRB ✓	

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

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

The operator of the well(s) listed below has changed, effective: 4-1-97

TO: (new operator)	<u>MERIT ENERGY COMPANY</u>	FROM: (old operator)	<u>BURLINGTON RESOURCES O&G</u>
(address)	<u>12222 MERIT DR STE 1500</u>	(address)	<u>3300 N A ST BLDG 6</u>
	<u>DALLAS TX 75251</u>		<u>MIDLAND TX 79710-1810</u>
	<u>MARTHA ROGERS</u>		<u>MARALENE SPAWN</u>
	Phone: <u>(972) 701-8377</u>		Phone: <u>(915) 688-6800</u>
	Account no. <u>N4900 (4-30-97)</u>		Account no. <u>N7670</u>

WELL(S) attach additional page if needed: *KACHINA UNIT (SECONDARY RECOVERY)

Name: **SEE ATTACHED**	API: <u>43-637-31457</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(Rec'd 4-3-97)*
2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(Rec'd 4-3-97)*
3. The **Department of Commerce** has been contacted if the **new** operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) ____ If yes, show company file number: #C0198545. *(# 3-12-97)*
4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of **steps 5 through 9** below.
5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. *(4-30-97)*
6. **Cardex** file has been updated for each well listed above. *(5-30-97)*
7. **Well file labels** have been updated for each well listed above. *(5-30-97)*
8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(4-30-97)*
9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operator's bond files.
- 3. The FORMER operator has requested a release of liability from their bond (yes/no) , as of today's date . If yes, division response was made to this request by letter dated .

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on to at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated 19 , of their responsibility to notify all interest owners of this change.

FILMING

- VS 1. All attachments to this form have been microfilmed. Today's date: 6.20.97.

FILING

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

COMMENTS

970430 BLM / Apr. 4-23-97

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: See attached
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: See attached
2. NAME OF OPERATOR: Merit Energy Company		8. WELL NAME and NUMBER: See attached
3. ADDRESS OF OPERATOR: 12222 Merit Dr., Suite _____ CITY Dallas STATE TX ZIP 75251		9. API NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached		10. FIELD AND POOL, OR WILDCAT: See attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN _____		COUNTY: San Juan
		STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Merit Energy Company advises, effective SEPT. 30, 2000, Journey Operating, L.L.C. will become the operator of the wells on the attached list.

Journey Operating, L.L.C.
1201 Louisiana, Suite 1040
Houston, TX. 77002
(713) 655-0595

By: Brian A. Baer
Brian A. Baer, President

RECEIVED
OCT 20 2000
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Arlene Valliquette</u>	TITLE <u>Manager - Regulatory Affairs</u>
SIGNATURE <u>Arlene Valliquette</u>	DATE <u>9/29/00</u>

(This space for State use only)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget Bureau No.: 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or reentry to an
abandoned well. Use Form 3160-3 (APD) for such proposals*

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of well
 Oil Well Gas Well Other Water Source Well

2. Name of Operator
 Journey Operating, L.L.C.

3a. Address and Telephone No.
 1201 Louisiana, Suite 1040, Houston, Tx 77002

3b. Phone No. (include area code)
 713-655-0595

4. Location of Well (Footage, Sec, T,R, or Survey Description)
 1050' FNL & 500' FEL (NE NE)
 Sec 24, T 38S, R 23E

5. Lease Designation and Serial No.
 UTU-20895

7. If Unit or CA, Agreement Designation

8. Well Name and No.
 Havasu Federal #41-24

9. API Number
 43-037-31279

10. Field and Pool or Exploratory Area
 Kachina; Ismay

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

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

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated starting date of starting any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface location and measured and true vertical depths of all pertinent markers and zone. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operations result in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Journey Operating, L.L.C. hereby accepts the operatorship of this well effective October 1, 2000. Journey Operating, L.L.C. will be responsible under the terms and conditions of the lease(s) for the operations conducted on the leased lands or portions thereof. Journey Operating, L.L.C. bond coverage is provided under Bond No. RLB0002487. BLM Bond # WY 3354 - Nationwide

14 I hereby certify that the foregoing is true and correct

Signed: [Signature] Title: Sr. Regulatory Analyst Date: 1/17/01

(This space for Federal or State office use)

Approved by: [Signature] Title: Assistant Field Manager, Division of Resources Date: 1/22/01

CONDITIONS OF APPROVAL ATTACHED

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

cc: BOGAM 1/22/01

*See Instructions on Reverse Side

RECEIVED
 JAN 25 2001
 DIVISION OF
 OIL, GAS AND MINING

Journey Operating, LLC
Well No. Havasu Federal 41-24
NENE Sec. 24, T. 38 S., R. 23 E.
Lease UTU20895
San Juan County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Journey Operating, LLC is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by WY3354 (Principal - Journey Operating, LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

RECEIVED

JAN 25 2001

DIVISION OF
OIL, GAS AND MINING

CHANGE OF OPERATOR
from Merit Energy Company to Journey Operating, L.L.C.
Federal Lease No. UTU-56186
Kachina Field
San Juan County, Utah

Attachement to BLM Form 3160-5

Well Type	Well Name/Number	API Number	Location of Well
Injection Well	Arabian Federal #2	43-037-31282	NW SW (2180' FSL & 950' FWL) Sec. 19-38S-24E
Oil Well	Arabian Federal #3	43-037-31287	NE SW (1470' FSL & 1750' FWL) Sec. 19-38S-24E
Injection Well	Havasus Federal #11-19	43-037-31458	NW NW (940' FNL & 590' FWL) Sec. 19-38S-24E
Oil Well	Havasus Federal #12-19	43-037-31457	SW NW (1840' FNL & 410' FWL) Sec. 19-38S-24E
Oil Well	Havasus Federal #12-19A	43-037-31459	SW NW (2520' FNL & 200' FWL) Sec. 19-38S-24E
Oil Well	Havasus Federal #22-19	43-037-31278	SW NW (1850' FNL & 1255' FWL) Sec. 19-38S-24E

RECEIVED

JAN 25 2001

DIVISION OF
OIL, GAS AND MINING

Journey Operating, LLC
Well Nos. 2, 3, 11-19, 12-19, 12-19A and 22-19
Sec. 19, T. 38 S., R. 24 E.
Lease UTU56186
San Juan County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Journey Operating, LLC is considered to be the operator of the above wells and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells is provided by WY3354 (Principal - Journey Operating, LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

RECEIVED

JAN 25 2001

DIVISION OF
OIL, GAS AND MINING

CHANGE OF OPERATOR
from Merit Energy Company to Journey Operating, L.L.C.
San Juan County, Utah

Attachment to Utah Form 19

Well Type	Lease Serial No.	Field Name	Well Name/Number	API Number	Location of Well
Oil Well	UTU-40361	Bannock	Bannock Federal #21-33	43-037-31425	NE NW (685' FNL & 1520' FWL) Sec. 33-T38S-R24E
Injection Well	I-149-IND-9123	Ismay	Ismay Flodine Park R-124	43-037-16169	NE NE (660' FNL & 660' FEL) Sec. 24-T40S-R25E
Oil Well	14-20-603-2055-A	Ismay	Ismay Flodine Park S-216	43-037-15546	SW NW (1820' FNL & 500' FWL) Sec. 16-T40S-R26E
Injection Well	14-20-603-2055-A	Ismay	Ismay Flodine Park T-316	43-037-16462	NE SW (1980' FSL & 1980' FWL) Sec. 16-T40S-R26E
Oil Well	14-20-603-2055-A	Ismay	Ismay Flodine Park S-416	43-037-15544	SW SW (1820' FNL & 500' FWL) Sec. 16-T40S-R26E
Oil Well	14-20-603-2055-A	Ismay	Ismay Flodine Park U-416	43-037-15545	SW SE (660' FSL & 1980' FEL) Sec. 16-T40S-R26E
Injection Well	I-149-IND-9124	Ismay	Ismay Flodine Park T-117	43-037-16456	NE NW (775' FNL & 1995' FWL) Sec. 17-T40S-R26E
Oil Well	I-149-IND-9124	Ismay	Ismay Flodine Park S-217	43-037-16170	SW NW (1980' FNL & 660' FWL) Sec. 17-T40S-R26E
Injection Well	I-149-IND-9124	Ismay	Ismay Flodine Park V-117	43-037-16188	NE NE (660' FNL & 660' FEL) Sec. 17-T40S-R26E
Oil Well	I-149-IND-9124	Ismay	Ismay Flodine Park U-217	43-037-16180	SW NE (1980' FNL & 1820' FEL) Sec. 17-T40S-R26E
Injection Well	I-149-IND-9124	Ismay	Ismay Flodine Park T-317	43-037-16463	NE SW (1980' FSL & 1980' FWL) Sec. 17-T40S-R26E
Oil Well	I-149-IND-9124	Ismay	Ismay Flodine Park U-417	43-037-16185	SW SE (500' FSL & 1820' FEL) Sec. 17-T40S-R26E
Injection Well	I-149-IND-9123	Ismay	Ismay Flodine Park T-118	43-037-16457	NE NW (660' FNL & 1980' FWL) Sec. 18-T40S-R26E
Oil Well	I-149-IND-9123	Ismay	Ismay Flodine Park S-218	43-037-16171	SW NW (1820' FNL & 660' FWL) Sec. 18-T40S-R26E
Oil Well	I-149-IND-9123	Ismay	Ismay Flodine Park T-318	43-037-16464	NE SE (1980' FSL & 1980' FWL) Sec. 18-T40S-R26E
Oil Well	I-149-IND-9123	Ismay	Ismay Flodine Park V-318	43-037-16467	NE SE (1980' FSL & 660' FEL) Sec. 18-T40S-R26E
Oil Well	I-149-IND-9123	Ismay	Ismay Flodine Park U-418	43-037-16186	SW SE (660' FSL & 1980' FEL) Sec. 18-T40S-R26E
Injection Well	I-149-IND-9123	Ismay	Ismay Flodine Park T-119	43-037-16458	NE NW (660' FNL & 1980' FWL) Sec. 19-T40S-R26E
Water Source Well	I-149-IND-9123	Ismay	Ismay Flodine Park V-219	43-037-16519	SE NE (1980' FNL & 560' FEL) Sec. 19-T40S-R26E
Oil Well	I-149-IND-9124	Ismay	Ismay Flodine Park V-120	43-037-16190	NE NE (660' FNL & 660' FEL) Sec. 20-T40S-R26E
Water Source Well	I-149-IND-9124	Ismay	Ismay Flodine Park V-220	43-037-20055	SE NE (1950' FNL & 1120' FEL) Sec. 20-T40S-R26E
Oil Well	I-149-IND-9124	Ismay	Ismay Flodine Park S-121	43-037-31629	NW NW (500' FNL & 660' FWL) Sec. 21-T40S-R26E
Injection Well	I-149-IND-9124	Ismay	Ismay Flodine Park T-121	43-037-16460	NE NW (610' FNL & 2050' FWL) Sec. 21-T40S-R26E
Water Source Well	I-149-IND-9124	Ismay	Ismay Flodine Park U-121	43-037-20056	NW NE (540' FNL & 1980' FEL) Sec. 21-T40S-R26E
Injection Well	I-149-IND-9124	Ismay	Ismay Flodine Park V-121	43-037-16191	NE NE (660' FNL & 660' FEL) Sec. 21-T40S-R26E
Injection Well	I-149-IND-9124	Ismay	Ismay Flodine Park U-421	43-037-11267	SW SE (660' FSL & 1980' FEL) Sec. 21-T40S-R26E
Injection Well	I-149-IND-9124	Ismay	Ismay Flodine Park V-321	43-037-16194	NE SE (1980' FSL & 670' FEL) Sec. 21-T40S-R26E

CHANGE OF OPERATOR
from Merit Energy Company to Journey Operating, L.L.C.
San Juan County, Utah

Attachment to Utah Form 19

Well Type	Lease Serial No.	Field Name	Well Name/Number	API Number	Location of Well
Oil Well	I-149-IND-9124	Ismay	Ismay Flodine Park S-222	43-037-16173	SW NW (2030' FNL & 820' FWL) Sec. 22-T40S-R26E
Injection Well	I-149-IND-9124	Ismay	Ismay Flodine Park T-322	43-037-16179	NE SW (1820' FSL & 1935' FWL) Sec. 22-T40S-26E
Oil Well	I-149-IND-9124	Ismay	Ismay Flodine Park U-422	43-037-16187	SW SE (820' FSL & 2140' FEL) Sec. 22-T40S-R26E
Oil Well	NOG-9904-1324	Ismay	Ismay Flodine Park S-227	43-037-16231	SW NW (2140' FNL & 820' FWL) Sec. 27-T40S-R26E
Oil Well	NOG-9904-1324	Ismay	Ismay Flodine Park U-127	43-037-31648	NE NE (745' FNL & 595' FEL) Sec. 27-T40S-R26E
Oil Well	NOG-9904-1324	Ismay	Ismay Flodine Park U-227	43-037-16234	SW NE (2120' FNL & 1950' FEL) Sec. 27-T40S-R26E
Oil Well	14-20-603-2058-A	Ismay	Ismay Flodine Park U-234	43-037-16184	SW NE (1980' FNL & 2080' FEL) Sec. 34-T40S-R26E
Water Source Well	UTU-20894	Kachina	Wash Unit #2	43-037-31324	SE SE (470' FSL & 850' FEL) Sec. 13-T38S-R23E
Oil Well	UTU-20895	Kachina	Havasu Federal #41-24	43-037-31279	NE NE (1050' FNL & 500' FEL) Sec. 24-T38S-R23E
Injection Well	UTU-20895	Kachina	Havasu Federal #42-24	43-037-31298	SE NE (1970' FNL & 461' FEL) Sec. 24-T38S-R23E
Injection Well	UTU-56186	Kachina	Arabian Federal #2	43-037-31282	NW SW (2180' FSL & 950' FWL) Sec. 19-T38S-R24E
Oil Well	UTU-56186	Kachina	Arabian Federal #3	43-037-31287	NE SW (1470' FSL & 1750' FWL) Sec. 19-T38S-R24E
Injection Well	UTU-56186	Kachina	Havasu Federal #11-19	43-037-31458	NW NW (940' FNL & 590' FWL) Sec. 19-T38S-R24E
Oil Well	UTU-56186	Kachina	Havasu Federal #12-19	43-037-31457	SW NW (1840' FNL & 410' FWL) Sec. 19-T38S-R24E
Oil Well	UTU-56186	Kachina	Havasu Federal #12-19A	43-037-31459	SW NW (2520' FNL & 200' FWL) Sec. 19-T38S-R24E
Oil Well	UTU-56186	Kachina	Havasu Federal #22-19	43-037-31278	SW NW (1850' FNL & 1255' FWL) Sec. 19-T38S-R24E
Injection Well	UTU-52333	Kiva	Navajo Federal #12-4	43-037-31395	SW NW (2260' FNL & 440' FWL) Sec. 4-T39S-R25E
Injection Well	UTU-52333	Kiva	Navajo Federal #14-4	43-037-31321	SW SW (1150' FSL & 1110' FWL) Sec. 4-T39S-R25E
Injection Well	UTU-52333	Kiva	Navajo Federal #23-4	43-037-31259	NE SW (1500' FSL & 2500' FWL) Sec. 4-T39S-R25E
Oil Well	UTU-52333	Kiva	Kiva Federal #24-4	43-037-31745	SE SW (1057' FSL & 1997' FWL) Sec. 4-T39S-R25E
Injection Well	UTU-52333	Kiva	Navajo Federal #4-1	43-037-31112	SE SW (370' FSL & 1940' FWL) Sec. 4-T39S-R25E
Oil Well	UTU-52333	Kiva	Navajo Federal #4-2	43-037-31161	SW SE (300' FSL & 2225' FEL) Sec. 4-T39S-R25E
Oil Well	UTU-52333	Kiva	Navajo Federal #4-4	43-037-31179	NW SW (1980' FSL & 660' FWL) Sec. 4-T39S-R25E
Oil Well	UTU-57895	Kiva	Navajo Federal #42-5	43-037-31261	SE NE (2130' FNL & 320' FEL) Sec. 5-T39S-R25E
Injection Well	UTU-58728	Kiva	Navajo Federal #43-5	43-037-31317	NE SE (1954' FSL & 627' FEL) Sec. 5-T39S-R25E
Oil Well	UTU-52333	Kiva	Navajo Federal #9-1	43-037-31001	NW NE (770' FNL & 2010' FEL) Sec. 9-T39S-R25E

CHANGE OF OPERATOR
from Merit Energy Company to Journey Operating, L.L.C.
San Juan County, Utah

Attachment to Utah Form 19

Well Type	Lease Serial No.	Field Name	Well Name/Number	API Number	Location of Well
Injection Well	UTU-52333	Kiva	Navajo Federal #21-9	43-037-31267	NE NW (330' FNL & 2510' FWL) Sec. 9-T39S-R25E
Water Source Well	UTU-52333	Kiva	Navajo Federal #42-9	43-037-31263	SE NE (1850' FNL & 1140' FEL) Sec. 9-T39S-R25E

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH	<input checked="" type="checkbox"/>	4-KAS	<input checked="" type="checkbox"/>
2. CDW	<input checked="" type="checkbox"/>	5- STP	<input checked="" type="checkbox"/>
3. JLT	<input type="checkbox"/>	6-FILE	<input type="checkbox"/>

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **10/01/2000**

FROM: (Old Operator):
MERIT ENERGY COMPANY
Address: 12222 MERIT DR. STE 1500
DALLAS, TX 75251
Phone: 1-(972)-701-8377
Account No. N4900

TO: (New Operator):
JOURNEY OPERATING LLC
Address: 1201 LOUISIANA STE 1040
HOUSTON, TX 77002
Phone: 1-(713)-655-0595
Account No. N1435

CA No.

Unit: KACHINA

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
HAVASU FEDERAL 41-24	43-037-31279	10654	24-38S-23E	FEDERAL	OW	P
ARABIAN FEDERAL # 3	43-037-31287	10654	19-38S-24E	FEDERAL	OW	P
HAVASU FEDERAL 12-19	43-037-31457	10654	19-38S-24E	FEDERAL	OW	P
HAVASU FEDERAL 12-19A	43-037-31459	10654	19-38S-24E	FEDERAL	OW	P
HAVASU FEDERAL 22-19	43-037-31278	10654	19-38S-24E	FEDERAL	OW	P

OPERATOR CHANGES DOCUMENTATION

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/23/2000
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 01/25/2001
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 02/06/2001
4. Is the new operator registered in the State of Utah: YES Business Number: 4822566-0161
5. If **NO**, the operator was contacted on: N/A
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 01/22/2001

7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC") Prog:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 02/06/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 02/06/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: N/A

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond No: _____
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

FILMING:

1. All attachments to this form have been **MICROFILMED** on: 2-21-01

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: _____

COMMENTS:

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

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

6/9/2006

FROM: (Old Operator): N1435-Journey Operating, LLC 201 Louisiana, Suite 1040 Houston, TX 77002 Phone: 1 (713) 655-0595	TO: (New Operator): N0265-Citation Oil & Gas Corp 8223 Willow Place South Houston, TX 77070 Phone: 1 (281) 517-7800
---	---

WELL NAME	CA No.			Unit:		KACHINA		
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
HAVASU-FEDERAL 22-19	19	380S	240E	4303731278	10654	Federal	OW	P
HAVASU-FEDERAL 41-24	24	380S	230E	4303731279	10654	Federal	OW	P
ARABIAN FED 2	19	380S	240E	4303731282	10654	Federal	WI	A
ARABIAN FEDERAL 3	19	380S	240E	4303731287	10654	Federal	OW	P
HAVASU FED 42-24	24	380S	230E	4303731298	10654	Federal	WI	A
WASH UNIT 2	13	380S	230E	4303731324	10654	Federal	WS	A
HAVASU FEDERAL 12-19	19	380S	240E	4303731457	10654	Federal	OW	S
HAVASU FED 11-19	19	380S	240E	4303731458	10654	Federal	WI	A
HAVASU FEDERAL 12-19A	19	380S	240E	4303731459	10654	Federal	OW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/23/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/23/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: _____
- Is the new operator registered in the State of Utah: YES Business Number: 793304-0143
- If **NO**, the operator was contacted on: _____
- (R649-9-2)Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 7/6/2006 BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 7/6/2006
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 6/30/2006

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 7/31/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/31/2006
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: 7/31/2006

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 104061650
- Indian well(s) covered by Bond Number: 104061656

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

See Attached List

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

See Attached List

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:

See Attached List

2. NAME OF OPERATOR:
Journey Operating, L.L.C.

N 1435

9. API NUMBER:

See Attach

3. ADDRESS OF OPERATOR:
1201 Louisiana, Suite 1040 Houston TX 77002

PHONE NUMBER:
(713) 655-0595

10. FIELD AND POOL, OR WILDCAT:
See Attached List

4. LOCATION OF WELL
FOOTAGES AT SURFACE: See Attached List

COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

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

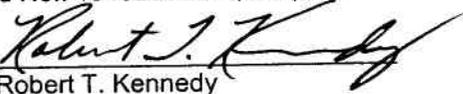
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER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

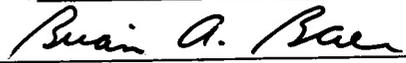
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

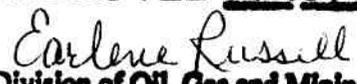
Journey Operating, L.L.C. advises, effective June 9, 2006, Citation Oil & Gas Corp. will become the operator of the wells on the attached list.

Citation Oil & Gas Corp. (N0265)
8223 Willow Place South
Houston, TX 77070
(281) 517-7800
Bond No.: 104325628 - \$120,000

BLM BOND = 104061650
BIA BOND = 104061656

By: 
Robert T. Kennedy
Sr. Vice President Land

NAME (PLEASE PRINT) Brian A. Baer TITLE President
SIGNATURE  DATE 6/9/2006

(This space for State use only) APPROVED 7/13/1 2006

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician (Instructions on Reverse Side)

RECEIVED
JUN 23 2006
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
UTU-56186

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No
See Attached List

9. API Well No.
See Attached List

10. Field and Pool, or Exploratory Area
Kachina; Ismay

11. County or Parish, State
San Juan Co., UT

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Citation Oil & Gas Corp.

3a. Address
8223 Willow Place South, Houston, TX 77070

3b. Phone No. (include area code)
281-517-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
See Attached List

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Effective June 9, 2006, Citation Oil & Gas Corp. will take over as operator of the above captioned lease(s) from Journey Operating, L.L.C.

Citation Oil & Gas Corp. hereby accepts the operatorship of the above captioned lease(s). Citation Oil & Gas Corp. will be responsible under the terms and conditions of the lease(s) for the operations conducted on the leased lands or portion thereof. Citation Oil & Gas Corp. bond coverage is provided under Bond No. 104061650 MTB000053.

RECEIVED
2006 JUN 10 2006
BLM - UT - 950
AH 9:15

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

Name (Printed/Typed) **Robert T. Kennedy** Title **Sr. Vice President Land**

Signature *Robert T. Kennedy* Date **06/09/2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **ACCEPTED** Title **Division of Resources** Date **7/10/06**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office **Moab Field Office**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

cc: UDDem 7/10/06

CONDITIONS OF APPROVAL ATTACHED

CHANGE OF OPERATOR
From Journey Operating, L.L.C. To Citation Oil & Gas Corp.
Federal Lease No.: UTU-56186
Kachina Unit
San Juan County, UT

Well Type	Lease Serial No.	Field Name	Well Name/Number	API Number	Location of Well
Injection Well	UTU-56186	Kachina	Arabian Federal #2	43-037-31282	NW SW (2180' FSL & 950' FWL) Sec 19-T38S-R24E
Oil Well	UTU-56186	Kachina	Arabian Federal #3	43-037-31287	NE SW (1470' FSL & 1750' FWL) Sec 19-T38S-R24E
Injection Well	UTU-56186	Kachina	Havasus Federal #11-19	43-037-31458	NW NW (940' FNL & 590' FWL) Sec 19-T38S-R24E
Oil Well	UTU-56186	Kachina	Havasus Federal #12-19	43-037-31457	SW NW (1840' FNL & 410' FWL) Sec 19-T38S-R24E
Oil Well	UTU-56186	Kachina	Havasus Federal #12-19A	43-037-31459	SW NW (2520' FNL & 200' FWL) Sec 19-T38S-R24E
Oil Well	UTU-56186	Kachina	Havasus Federal #22-19	43-037-31278	SE NW (1850' FNL & 1255' FWL) Sec 19-T38S-R24E

Citation Oil and Gas Corporation
All Wells on Lease
Section 19, T38S, R24E
Lease UTU56186
Grand County, Utah

CONDITIONS OF ACCEPTANCE

Acceptance of these applications does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Citation Oil and Gas Corporation is considered to be the operator of the above wells effective June 9, 2006, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells is provided by MTB000053 (Principal – Citation Oil and Gas Corporation) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43CFR 3106.7-2 continuing responsibility are met.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-56186
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Havasu Federal 12-19	
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		9. API NUMBER: 4303731457
3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 772691	PHONE NUMBER: (281) 891-1565	10. FIELD AND POOL, OR WILDCAT: Kachina
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1840' FNL & 410' FWL		COUNTY: San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 19 38S 24E		STATE: UTAH

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Citation Oil & Gas Corp. requests permission to plug and abandon the referenced well with the attached procedure.

COPY SENT TO OPERATOR

Date: 4.6.2011
Initials: KS

NAME (PLEASE PRINT) Bridget Lisenbe	TITLE Permitting Analyst
SIGNATURE <u>Bridget Lisenbe</u>	DATE 3/28/2011

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Federal Approval Of This
Action Is Necessary

RECEIVED
MAR 29 2011
DIV. OF OIL, GAS & MINING

(5/2000)

By: D. [Signature] 4/4/2011 (See Instructions on Reverse Side)

PLUG AND ABANDON PROCEDURE

PROJECT: Plug and Abandon the Havasu Federal 12-19 in Kachina Field

PRESENT FORMATION AND COMPLETION: Ismay Formation

TUBING: 2-7/8" J-55 EUE 6.5# 8rd

MISC.: _____

PROCEDURE

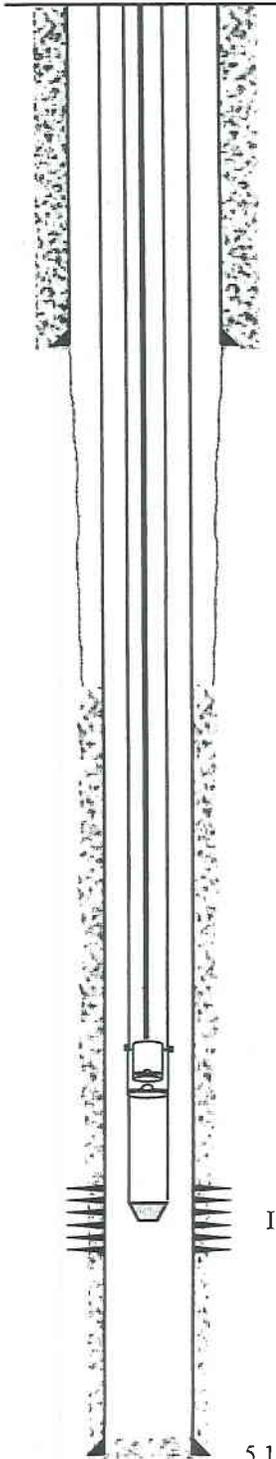
1. MI RU PU. ND WH and NU BOP.
2. POOH and lay down rods.
3. TOOH w/tubing, PU bit and scraper, TIH to 5,700'.
4. POOH and PU CIBP, set at 5,669'.
5. Drop 100' of cement on plug (24 sxs).
6. Pressure test csg . to 1,000 psi.
7. RIH w/3-1/8" HSC, perf 3 holes at 1,940', establish pmp in rate.
8. TIH w/5-1/2" CIBP, set at 1,900', mix and pump 100 sxs, cls B cmt from 1,940' – 1,740', leaving 17 sxs (150') on top of CR.
9. Perf @ 100'.
10. RU cementers, squeeze 10 sx cement for surface plug to completely plug the hole.
11. Cap casing string with steel plate. Clean off location. Reclaim location and install P&A marker.

CITATION OIL AND GAS CORPORATION WELLBORE DIAGRAM AND INFORMATION

Well Name: Havasu Federal 12-19 Field: Kachina Unit
 Updated: 9/25/06 CSS Location: (SW/NW) Sec. 19-T38S-R24E
 County: San Juan State: Utah
 Current Stat: SI DHP

Surface: 1840' FNL, 410' FWL (SW/NW)
 Sec. 19-T38S-R24E
 San Juan County, Utah
 Completed: 11/88
 Elevation: 5080' GL
 KB: 5093'
 API #: 43-037-31457

PROPOSED



M640D-365-144

8-5/8" 24# K-55 @ 1890' w/ 567 sx "B" Tailed w/210 sx "B"

Tubing:

- 181 jts 2 7/8" J-55 EUE 6.5# 8rd
- TA: 5634'
- 4 jts 2 7/8" J-55 EUE 6.5# 8rd
- 1 4' sub
- Pump Barrel
- SN @ 5784.91'
- Perforated Sub
- 2 jts
- Bull Plug

Rods:

- 83 1" - 2075'
- 97 7/8" - 2425'
- 48 1" - 1200'
- 5' X 2.25" Pump

Ismay: 5709 - 5764' 8,000 gal acid in 7 stages

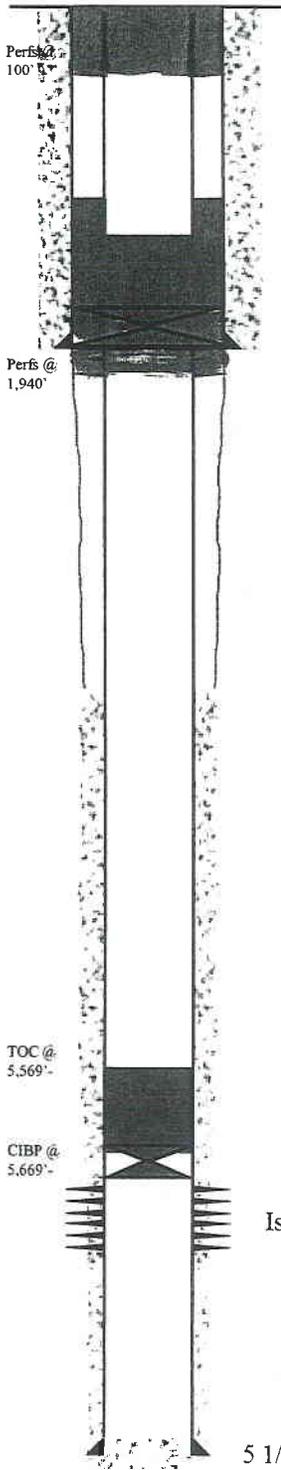
5 1/2" 15.5# K-55 @ 5975' w/ 625 sx "B" tailed with 110 sx "B"

PBTD: 5877'
 TD: 5975'

CITATION OIL AND GAS CORPORATION WELLBORE DIAGRAM AND INFORMATION

Well Name: Havasus Federal 12-19 Field: Kachina Unit
 Updated: 3/24/11 SKV Location: (SW/NW) Sec. 19-T38S-R24E
 County: San Juan State: Utah
 Current Stat: P & A

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

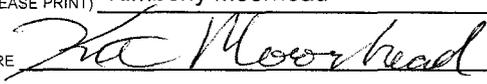
FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-56186
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		8. WELL NAME and NUMBER: Havasu Federal 12-19
3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269I		9. API NUMBER: 4303731457
		10. FIELD AND POOL, OR WILDCAT: Kachina
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1840' FNL & 410' FWL		COUNTY: San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 19 38S 24E		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/6/2011	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Citation Oil & Gas Corp MIRU on 10/27/2011. TIH tbg w/ CR to 5669' & set CR, load tbg w/ 18 bbl & press test tbg to 1200#, held ok. Plug #1 - mix & pmp 24 sxs, Class B cmt f/ 5669' - 5312'. Pmp mud f/ 5312' - 1952'. RIH w/ 3 1/8" HSC gun & shoot 3 holes @ 1940', Jeff Brown w/ BLM on loc. TIH tbg w/ CR to 1894' & set CR, press test tbg to 1200#, held ok. Rel & sting out CR @ 1894', press test csg to 850#, held ok 10 min. Sting in CR & establish rate thru perms of 2 bpm @ 600#. Plug #2 - mix & pmp 77 sxs, Mix 16 sxs SW gel w/ 50 bbl brine wtr = 9.7 ppg, 30 visc mud. J. Brown w/ BLM requests perf above CR @ 1894' & attempt inside/outside plug @ 8 5/8" csg shoe. RIH w/ 5 1/8" HSC gun - tag @ 1884', PUH to 1883' & shoot 3 perms. TIH tbg w/ CR to 1860' & set CR, press test tbg to 1500#, held ok. OK by F Jones & J Brown w/ BLM to load tbg w/cmt before sting in CR to attempt sqz cmt. Plug #2A - mix & pmp 50 sxs, Class B cmt. leave 45 sxs above CR 1860' - 1463' TOC. tag plug #2A TOC @ 1480'. Circ mud out csg. RIH w/ 3 1/8" HSC gun & shoot 3 perms @ 100'. Pmpd 27 sxs below CR @ 90' to circ good cmt out BH valve, shut out csg valve, 35 sxs tot, 100' surf TOC. Mix & pmp 10 sxs on top. Jeff Brown w/ BLM on loc. RDMO on 11/6/2011. P&A'd on 11/6/2011.

NAME (PLEASE PRINT) <u>Kimberly Moorhead</u>	TITLE <u>Completion Analyst</u>
SIGNATURE 	DATE <u>1/18/2011</u>

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FEB 03 2012
DIV. OF OIL, GAS & MINING

CITATION OIL AND GAS CORPORATION WELLBORE DIAGRAM AND INFORMATION

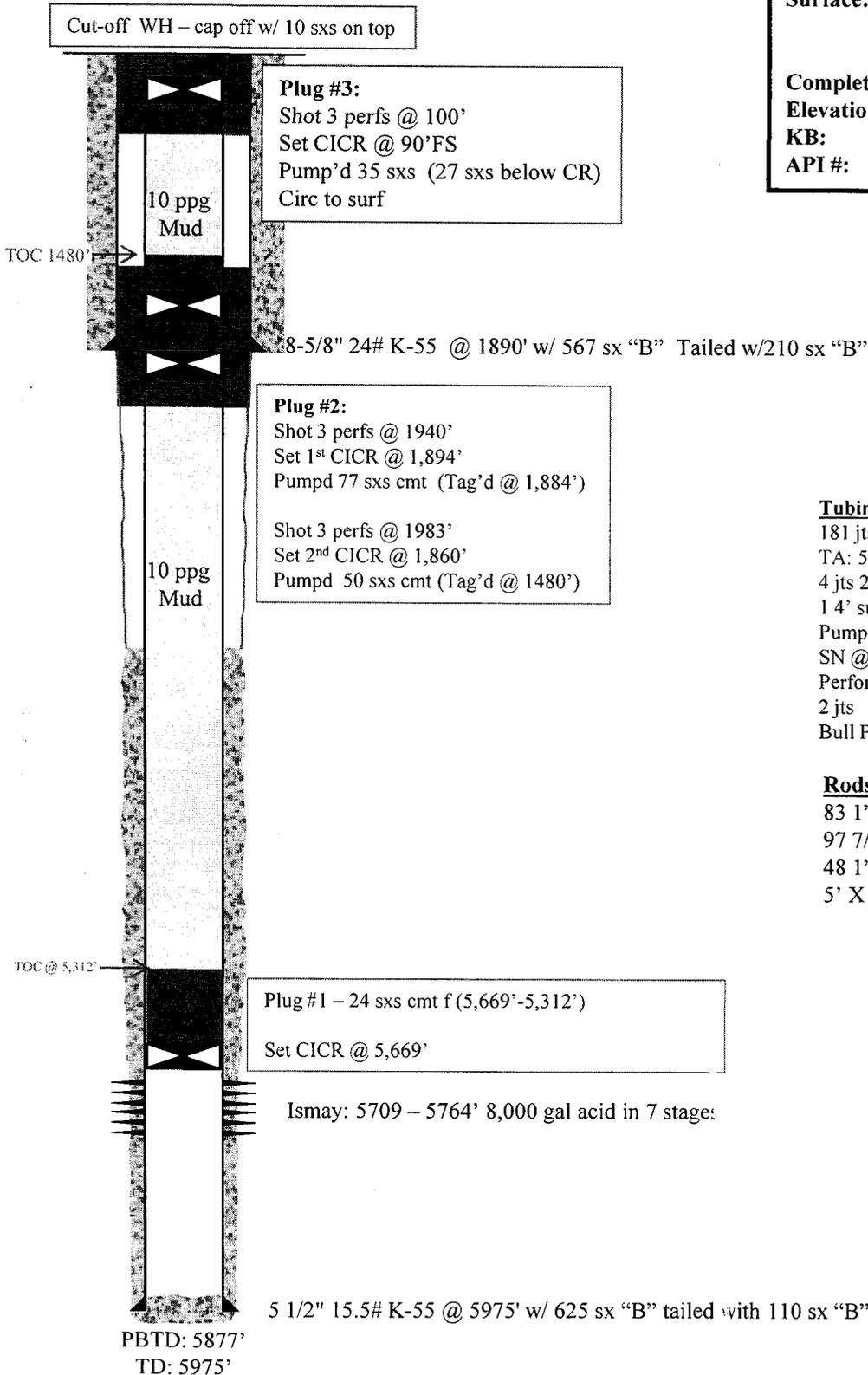
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