

RECEIVED  
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  
**Sterling Energy Corporation**

3. ADDRESS OF OPERATOR  
**P.O. Box 2074, Farmington, N.M. 87499**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface: **1550' FNL, 1320' FEL, NE S/W**  
 At proposed prod. zone: **SAME**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
**15 mi. South & West from Bluff, UTAH**

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 18. NO. OF ACRES IN LEASE  
 19. PROPOSED DEPTH  
**1000' 5650' DSCR**

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
**4710' GL**

5. LEASE DESIGNATION AND SERIAL NO.  
**14-20-603-229**  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
**NAVAJO**  
 7. UNIT AGREEMENT NAME  
 8. FARM OR LEASE NAME  
**Tohonadla**  
 9. WELL NO.  
**#2-35 Tohonadla**  
 10. FIELD AND POOL, OR WILDCAT  
**Desert Creek 470**  
 11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA  
**Sec. 35, T41S, R21E S.L.M.**  
 12. COUNTY OR PARISH  
**SAN JUAN UTAH**  
 13. STATE  
 17. NO. OF ACRES ASSIGNED TO THIS WELL  
**80**  
 20. ROTARY OR CABLE TOOLS  
**Rotary**  
 22. APPROX. DATE WORK WILL START\*  
**November 25, 1990**

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT   |
|--------------|----------------|-----------------|---------------|----------------------|
| 12 1/4"      | 8 5/8"         | 24#             | 600'          | 354 FT <sup>3</sup>  |
| 7 3/8"       | 5 1/2"         | 15 1/2#         | 5650'         | 1038 FT <sup>3</sup> |

**\*\* SEE ATTACHED PLAN \*\***

RECEIVED  
 OCT 26 1990  
 Ans'd.....

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

24. SIGNED Chris S. Russell TITLE Petroleum Engineer DATE 10-14-90

(This space for Federal or State office use)  
 PERMIT NO. 43-037-315108 APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_  
 BY: [Signature] DATE 11/5/90  
 WELL SITE: R 605-3-3, Exception

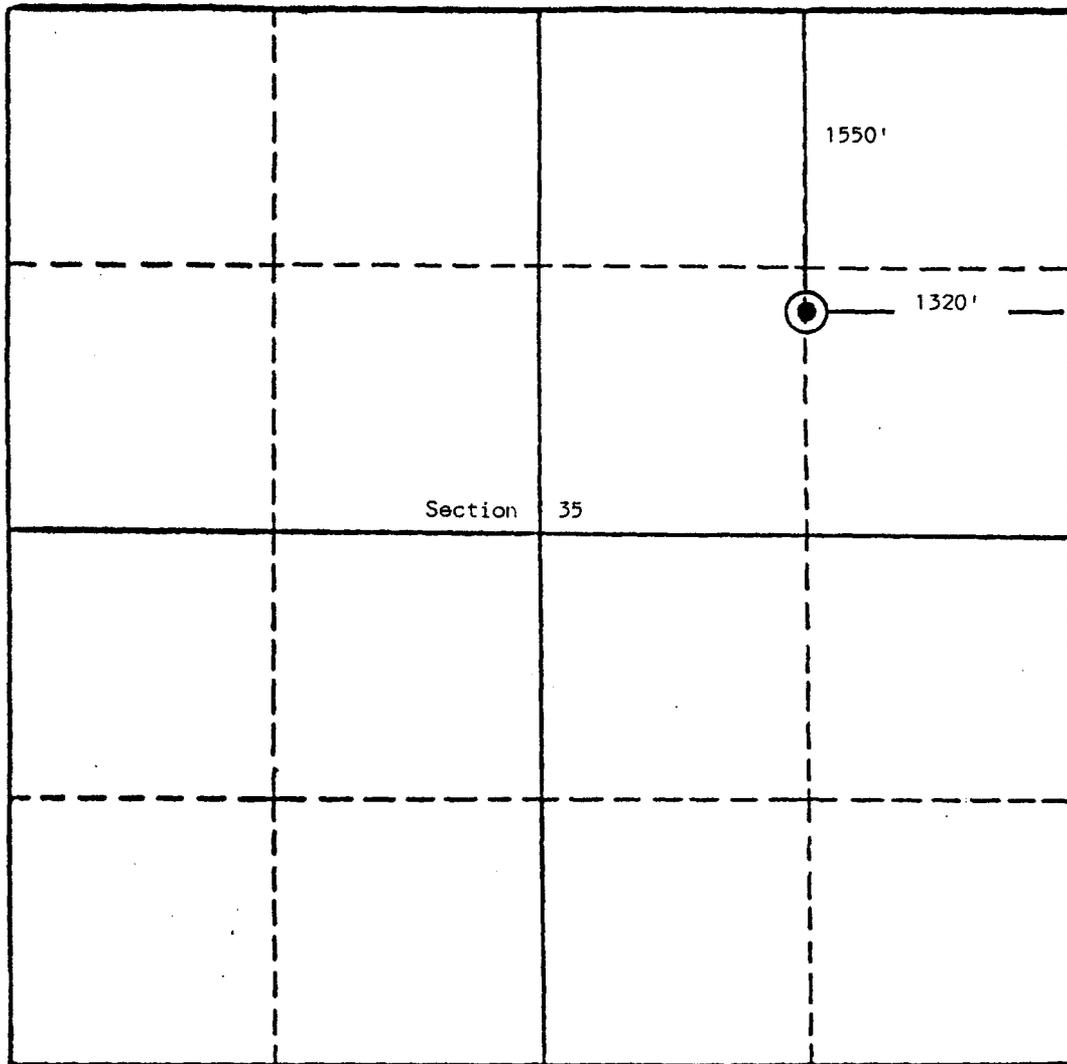
Company Sterling Energy Corporation

Well Name & No. Tohonadla #2-35 RECEIVED

Location 1550' F/NL 1320' F/EL 9-12-90

Sec. 35, T. 41 S., R. 21 E., S. L. M., County San Juan, Utah  
WASHINGTON, NEW MEXICO

Ground Elevation 4710



Scale, 1 inch = 1,000 feet

Surveyed September 12, 1990

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:



Edgar L. Risenhoover  
Edgar L. Risenhoover  
Registered Land Surveyor  
New Mexico Reg. No. 5979

Non-resident certification as authorized by Utah State Law

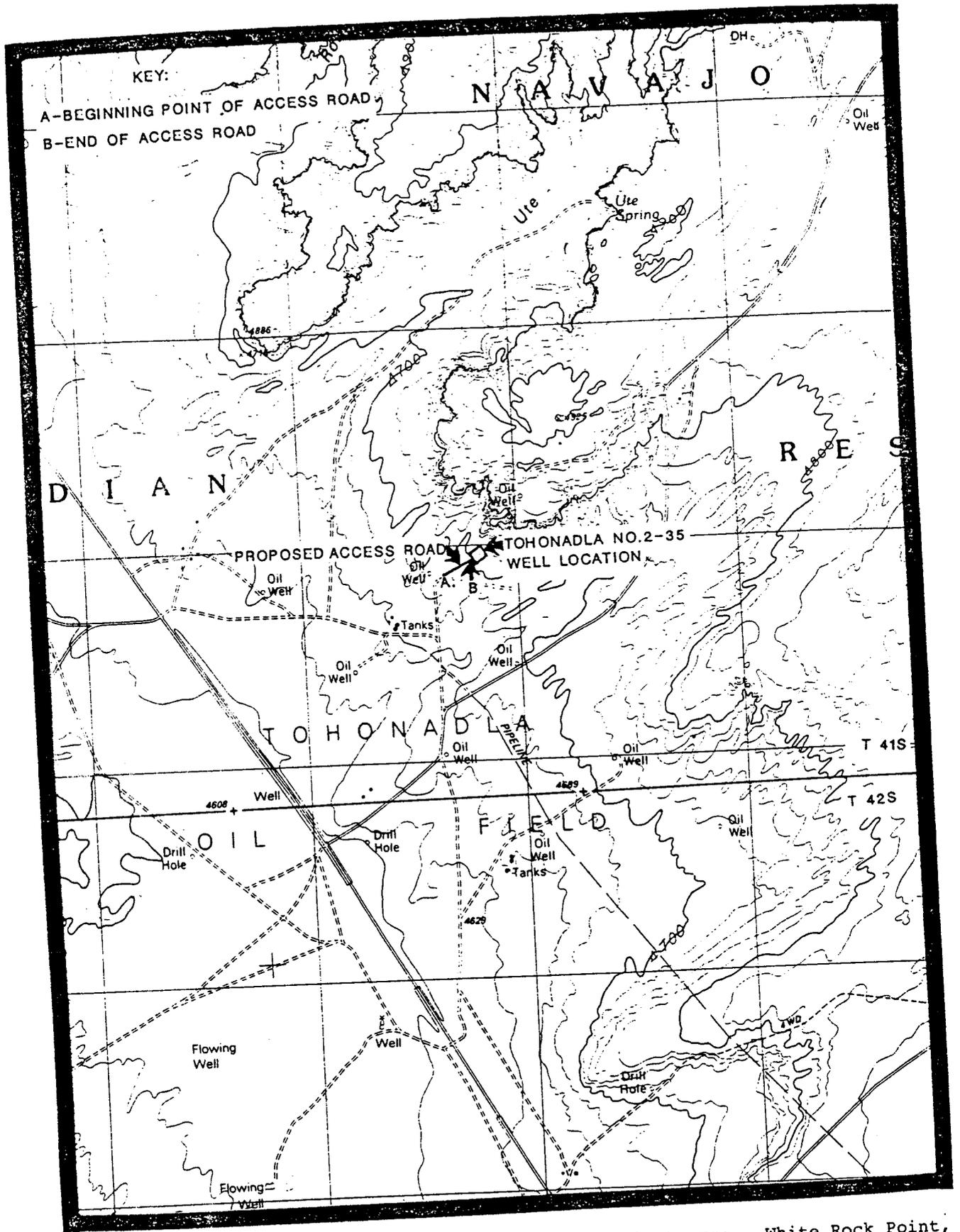


Figure 1. Vicinity map showing location of the project area. White Rock Point, Utah, 1989 (Provisional), 7.5' series; T.41S, R.21E (NNAD 90-371).

Exact Engineering  
2105 W. Main St.  
P.O. Box 2074  
Farmington, N.M. 87499  
(505) 325 - 8786

RECEIVED  
OCT 26 1990  
Ans'd.....

Oct. 22, 1990

Sterling Energy  
Attn: Jerry Smotherman  
1801 Broadway, Ste. 600  
Denver, Co. 80202

Dear Jerry,

Please find enclosed the Tohonaladla #2-35 APD. This APD was submitted to the BLM, Farmington Resource Area Office, on October 15. The APD contains the Archaeological report and Surveying documents which were completed for Sterling through Dale Richardson.

I will wait until November 1 and at that time contact the BIA in Window Rock. We will attempt to expedite the process at that point. If you have further questions concerning this well, please do not hesitate to call me at the number found above.

Sincerely,



Chris Russell  
Petroleum Engineer

STERLING ENERGY CORPORATION  
TOHONADLA #2 - 35  
1550'FNL, 1320'FEL  
Sec.35, T41S, R21E - S.L.M.  
San Juan Co., Utah  
Drilling Program - Page 1

EIGHT POINT DRILLING PROGRAM

1. Estimated Formation Tops:  
-----

| FORMATION    | DEPTH (GL) |
|--------------|------------|
| Bluff        | Surface    |
| Kayenta      | 667'       |
| Chinle       | 1139'      |
| Moenkopi     | 2106'      |
| Cutler       | 2369       |
| Hermosa      | 4600'      |
| Ismay        | 5008'      |
| Lower Ismay  | 5098'      |
| Gothic Shale | 5162'      |
| Desert Creek | 5186'      |
| "C" Shale    | 5370'      |
| Total Depth  | 5650'      |

2. Estimated Depth of Anticipated Minerals:  
-----

\*Expected Oil/Gas Zones

| FORMATION    | DEPTH (GL) |
|--------------|------------|
| Lower Ismay  | 5098'      |
| Desert Creek | 5186'      |

\*Expected Water Zones

|        |       |
|--------|-------|
| Chinle | 1139' |
|--------|-------|

3. Minimum Specifications for Pressure Control BOP's  
and Related Equipment:

---

Casing Head: 8 5/8" \* 11" - 2000 psi W.P.

BOP equipment and accessories will meet or exceed requirements as outlined in Onshore Order #2 (43 CFR Part 3160) for a 2M system. (See attachment #1 for details)

All regulations (including testing) as outlined in Onshore Order #2 (43 CFR Part 4360) will be adhered to during drilling operations.

The drilling contractor will be knowledgeable of all Federal regulations as related to in Onshore Order #2 (43 CFR Part 3160).

4. Proposed Casing Program:

---

| Bit Diameter | Interval  | Csg Diameter | Wt.Gr.Jt.      | Condition |
|--------------|-----------|--------------|----------------|-----------|
| 12 1/4"      | 0 - 600'  | 8 5/8"       | 24#,K-55,STC   | NEW       |
| 7 7/8"       | 0 - 5650' | 5 1/2"       | 15.5#,K-55,STC | NEW       |

A 13 3/8" conductor may be set at a depth of 40' secured with concrete.

MINIMUM SAFTEY FACTORS

---

Collapse: 1.0  
Tension : 1.8  
Burst : 1.0

Cementing Program:

Surface Casing - Cement with 300 sx (354 ft3) Cl "B" + 2% CaCl2 + 1/4#/sk Celloseal mixed at 15.6 ppg. Cement is calculated to be circulated to surface. WOC at 12 hrs.

Production Casing - Cement with 500 sx (920 ft3) Cl "B" 65/35 poz + 6% gel + 1/4#/sk Celloseal mixed at 12.4 ppg, tail with 100 sx (118 ft3) Cl "B" neet. Cement is calculated to be circulated to surface.

Cement Equipment:

Surface Casing - Texas pattern guide shoe with baffle plate at top of first joint. 4 centralizers will be installed on string. A top plug will be used.

Production Casing - Cement filled guide shoe with autofill float collar at top of first joint. Centralizers will be placed on shoe joint and on every other joint throughout production interval. A top plug will be used. A two stage cement job may be performed if warranted by hole conditions.

5. Drilling Fluid Program

-----

| DEPTH         | TYPE     | WT. (ppg) | VIS. (sec/qt) | W.L. (cc/30min) |
|---------------|----------|-----------|---------------|-----------------|
| 0 - 600'      | Spud Mud | 8.4 - 9.5 | 40 - 80       | 15 - 30         |
| 600' - 5000'  | LSND     | 8.4 - 9.0 | 29 - 42       | 15 - 30         |
| 5000' - 5650' | POLY     | 8.4 - 9.0 | 34 - 60       | 6 - 10          |

Adequate amounts of lost circulation as well as weighting materials will be on location in the event of abnormal formation pressures. Adequate sorbtive agents will be on location in the event of spillage of fuel/lubricants on the surface.

6. Anticipated Testing and Coring Program:

-----

Logging - FDC/CNL/GR, SP, DIL.

Testing - A DST may be ran in Desert Creek.

Coring - No cores will be run, albeit samples may be taken at the descretion of the geologist.

Completion - The production interval will be selectively perforated, stimulated, and tested. If found productive the production zone may be hydraulically fractured.

Whether the well is completed as a dry hole or producer, a " Well Completion or Recompletion Report and Log " (Form 3160 - 4) will be submitted in within 30 days after completion of well, as per 43 CFR 3164.

At least two copies of all logs, geologic summaries, sample descriptions, and all other data obtained during the drilling and completion operations will be filed with Form 3160 - 4.

7. Anticipated Pressures and Temperatures.  
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No abnormal pressures or temperatures are expected.

No H2S is expected.

8. Operations:  
-----

Anticipated spud date is November 25, 1990 or as soon as a permit is received. Estimated drilling time is 7 days with an additional 5 days for completion.

As required, your office will be given sufficient notice of spudding and cementing operations. Immediate notice will be given in the event of blowouts, fires, spills, and accidents involving life threatening injuries or loss of life. Prior approval will be obtained before significantly changing drilling procedures or commencing plugging operations, plug back work, casing repair work, or corrective cementing operations.

In case of emergency the following personnel may be notified:

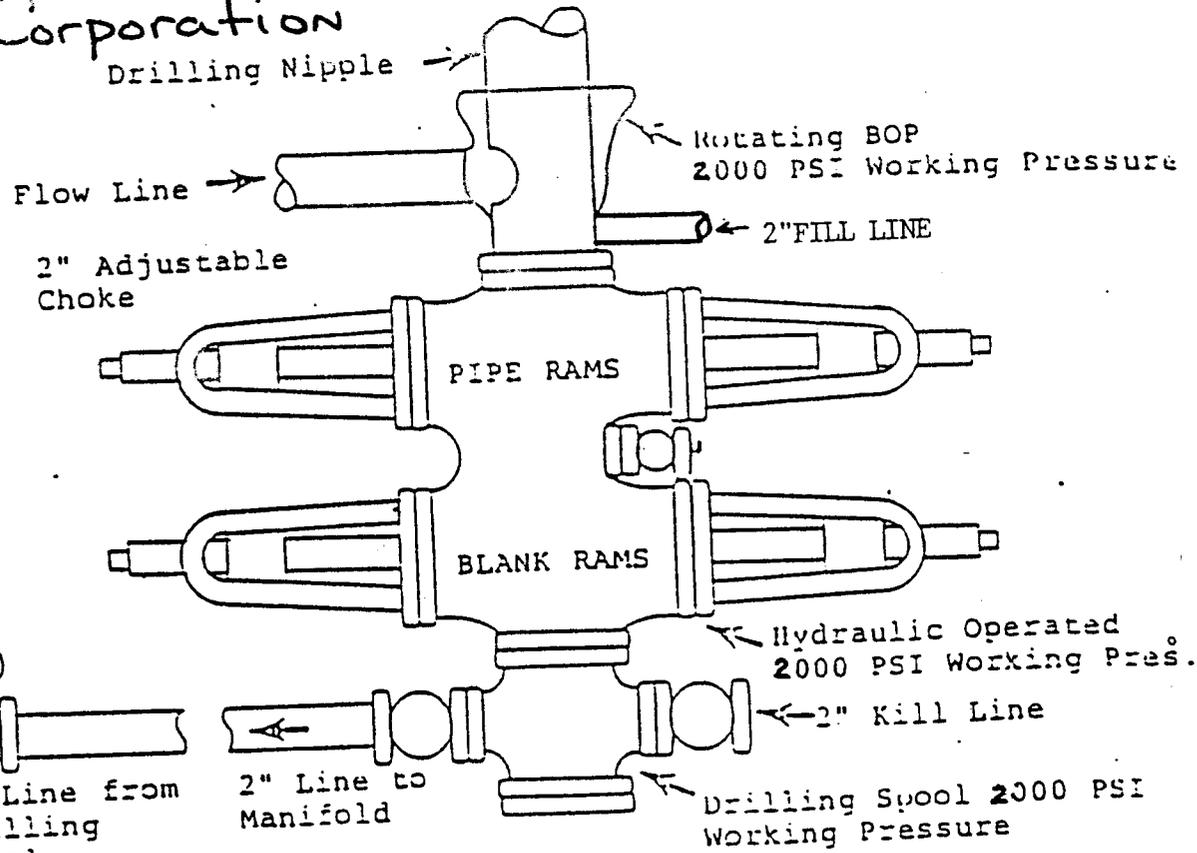
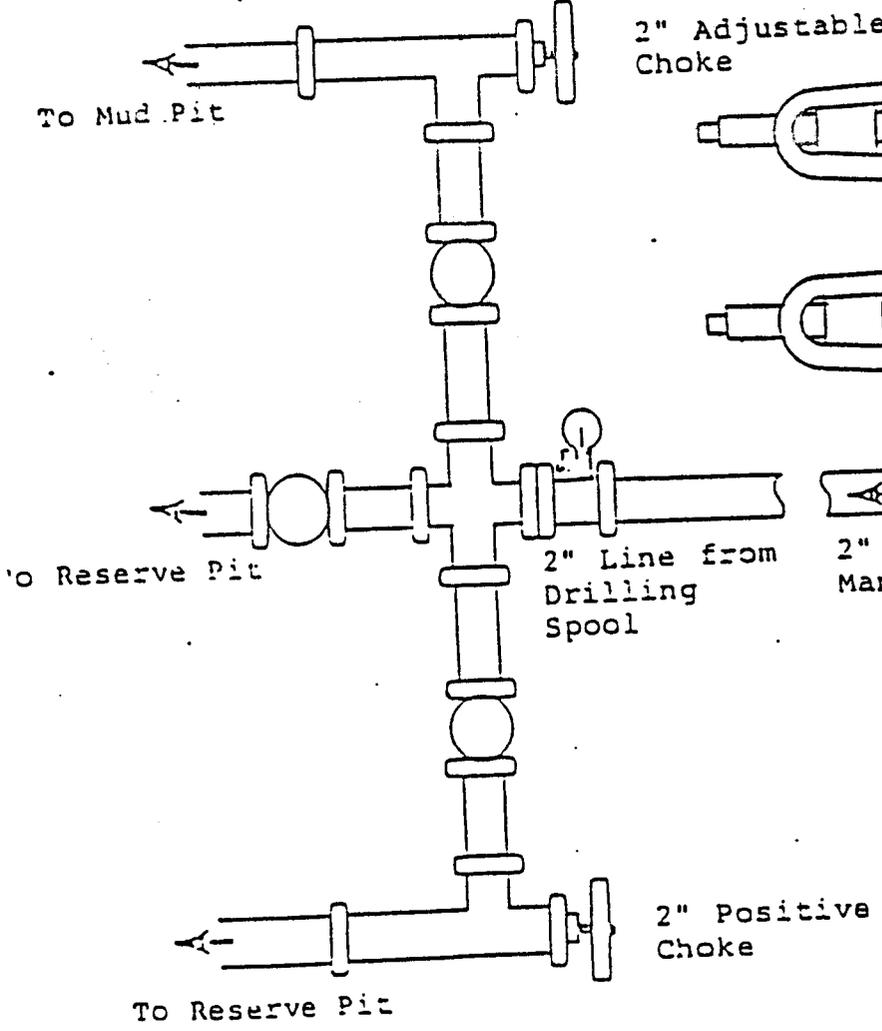
Jerry Smotherman            Work    (303) 296 - 1908  
                                 Home    (303) 771 - 4755

Chris Russell                Work    (505) 325 - 8786  
                                 Home    (505) 325 - 0678  
                                 Mobil   (505) 325 - 0548

# Sterling Energy Corporation

## BOP Schematic

### 2m System



Preventers and Spools are to have Through Bore of 6" - 2000 PSI or larger.

WELL NAME: Tohonadla #2-35  
 LOCATION: 1550' FNL, 1320' FEL  
 Sec. 35, T41S, R21E -  
 COUNTY: San Juan Co.  
 STATE: UTAH

S.L.M.

Attachment #1  
 BOP & Manifold

12/6

STERLING ENERGY CORPORATION  
TOHONADLA #2 - 35  
1550' FNL, 1320' FEL  
Sec. 35, T41S, R21E - S.L.M.  
San Juan Co., Utah  
Surface Use Program - Page 1

13 POINT SURFACE USE PLAN

1. Directions and Existing Roads:  
-----

- A) The proposed well lies approximately 15 miles South and West of Bluff, Utah. The wellsite is staked as shown on the surveyors plat.
- B) Proposed route to location see map (Fig.1/Archaeology Report).
- C) 550' of new road is required.
- D) Existing roads are shown on maps.
- E) Existing roads will be maintained at a standard equal or better than the conditions of the roads prior to the start of operations, weather conditions permitting. At the conclusion of drilling and completion operations, the roads will be restored to a standard equal to or exceeding the conditions at the beginning of operations.

2. Planned Access Roads:  
-----

- A) Width: 16' running top width and 30' bottom width.
- B) Maximum Grade: < 10%
- C) Turnouts: no turnouts are required.
- D) Drainage design: the access road will not cross any major drainages. Drainage design will be incorporated into the road to facilitate the run-off of water due to rain or snow.
- F) Location and size of culverts: No culverts will be required.

3. Location of existing wells:  
-----

Map #'s 2 & 3 shows producing wells, water wells, abandoned wells, ect., within a one mile radius of the proposed well.

4. Location of Existing or Proposed Facilities:  
-----

See attached production layout diagram.  
There are presently no existing facilities.

The proposed production facilities (if productive) will consist of a tank battery flow line and pump jack. A temporary tank battery may be set up during pipeline construction.

5. Location of Water Supply  
-----

Water will be hauled from the San Juan River located 5 miles North of the wellsite.

6. Construction Materials  
-----

No construction materials are required to build the proposed location.

7. Methods of Handling Waste Material:  
-----

All garbage and trash material will be put into a trash container. The container will be periodically emptied at an approved disposal site. A portable latrine will be provided for human wastes.

Cuttings will be placed into the reserve pit. Drilling fluids will be kept in the reserve pit. Fluids will be allowed to dry and then will be buried with drill cuttings in the reserve pit.

The wellsite cleanup will be done upon the removal of the rig. Trash will be collected in the trash container. The reserve pit will be fenced on three sides upon commencement of drilling operations and will have the remaining fourth side fenced upon removal of the rig. The pit will remain fenced until the pit has dried sufficiently to be backfilled.

Water produced during testing will be drained into the reserve pit. Produced gas will be flared during testing.

8. Ancillary Facilities:  
-----

None.

9. Wellsite Layout:  
-----

Refer to survey plat, cut and fill diagram, and rig layout diagram.

10. Plans for Restoration of the Surface:  
-----

Following completion of the project, the location will be cleaned and leveled. Backfilling of the pit will be done when dry. Contouring will be done in conjunction with the backfilling. Waste disposal will commence as soon as the rig leaves location. Topsoil will be stripped and stockpiled, to be spread over the recontoured area prior to revegetation. Revegetation will be done during the appropriate season. This will be done using specified seed mixtures and planting times. All areas not needed for production operations will be reseeded.

11. Surface Ownership:  
-----

THE NAVAJO NATION - Lease No. 14-20-603-229

12. Other Information:  
-----

A Cultural Resource Survey was conducted by the Navajo Nation Archaeology Department, a copy of which is attached. It also has been forwarded to Navajo Nation Historic Preservation Department on behalf of the BIA-NAO.

Sterling Energy Corporation has filed for Designation of Operator of Lease No. 14-20-603-229 prior to the submittal of this APD.

Sterling Energy Corporation is bonded nationwide: BLM Bond No. CO-0944.

Columbus Energy Corporation was the previous operator, under whose auspices all of the survey work (land and cultural) was completed for this well - see attached Cultural Resource Survey.

STERLING ENERGY CORPORATION  
TOHONADLA #2 - 35  
Surface Use Program - Page 4

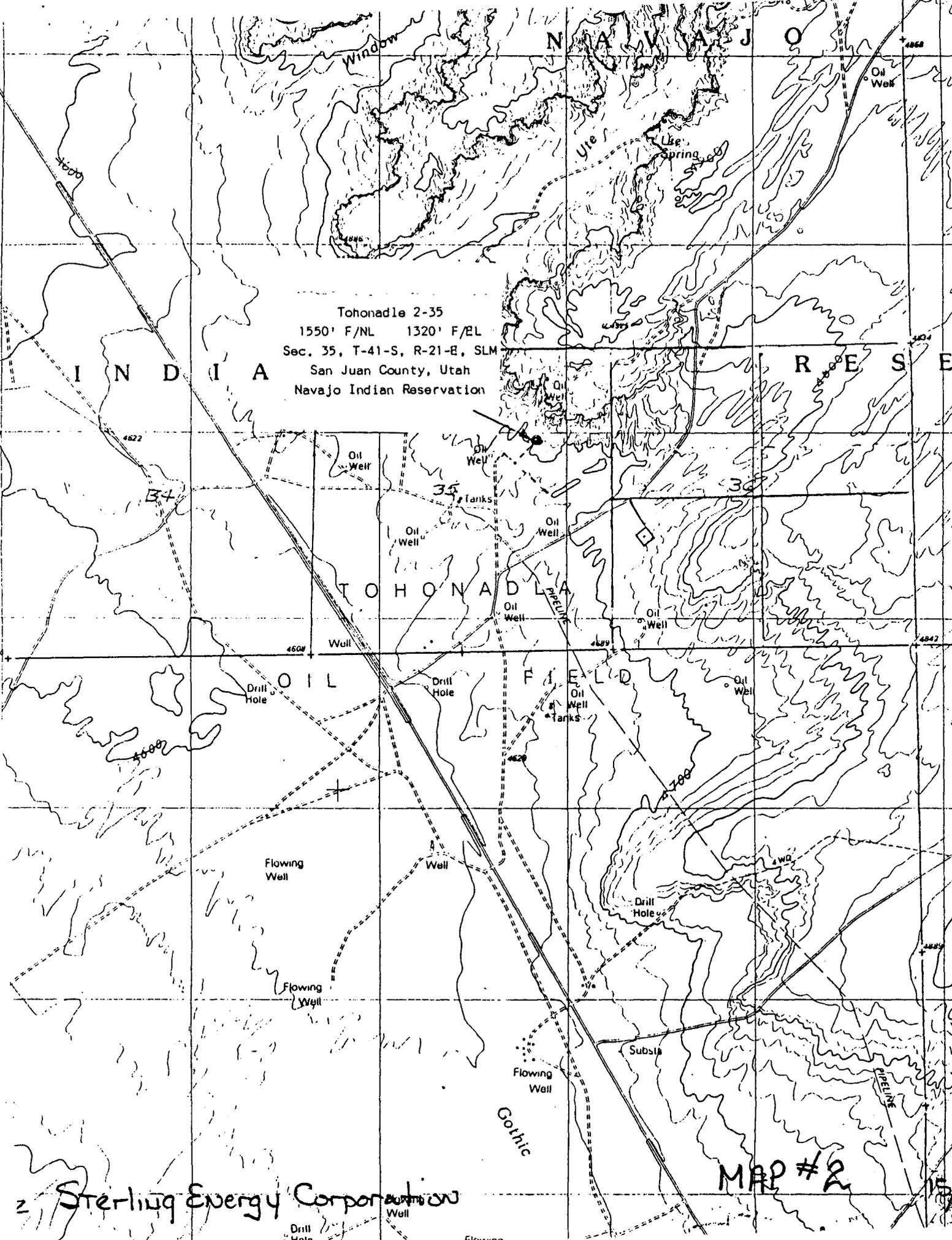
13. I hereby certify that I, or persons directly under my supervision have inspected the proposed drillsie and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Sterling Energy Corporation 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 th filing of a false statement.

Date 10-14-90

  
Chris S. Russell  
Petroleum Engineer



Tohonadle 2-35  
1550' F/NL 1320' F/EL  
Sec. 35, T-41-S, R-21-E, SLM  
San Juan County, Utah  
Navajo Indian Reservation



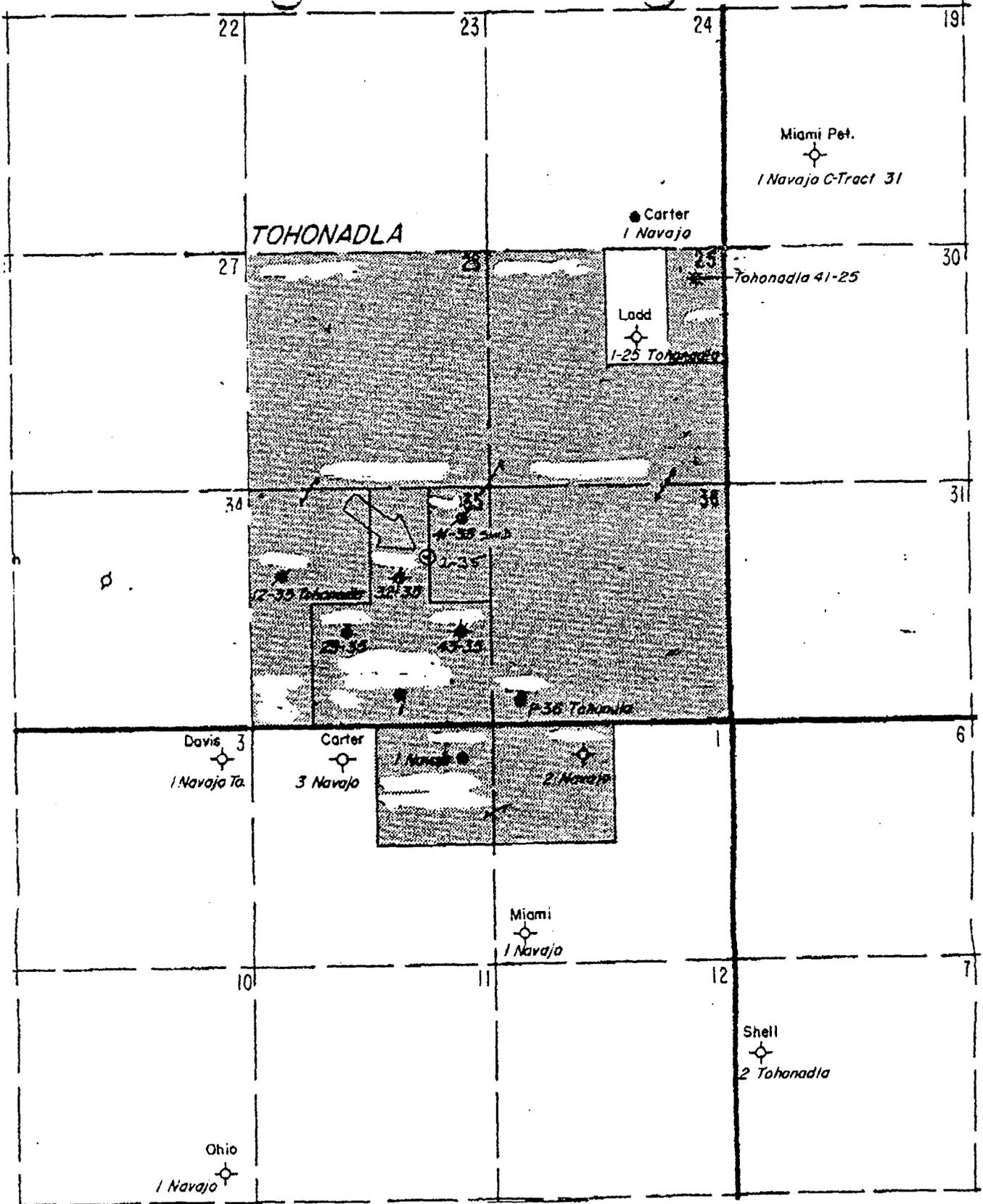
2 Sterling Energy Corporation

MAP #2

151  
1921

R 21 E

R 22 E



TOHONADLA

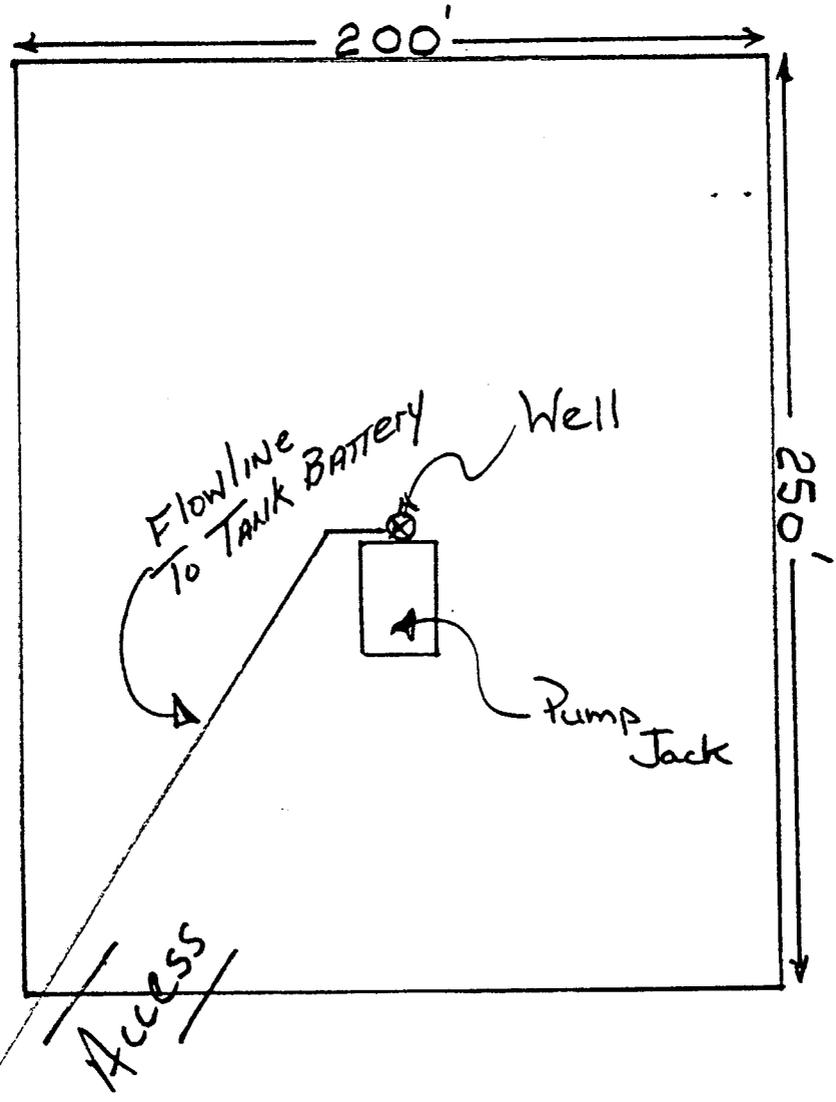
TOHONADLA  
SAN JUAN COUNTY, UTAH

SCALE: 1" = 3000'

MND # 2

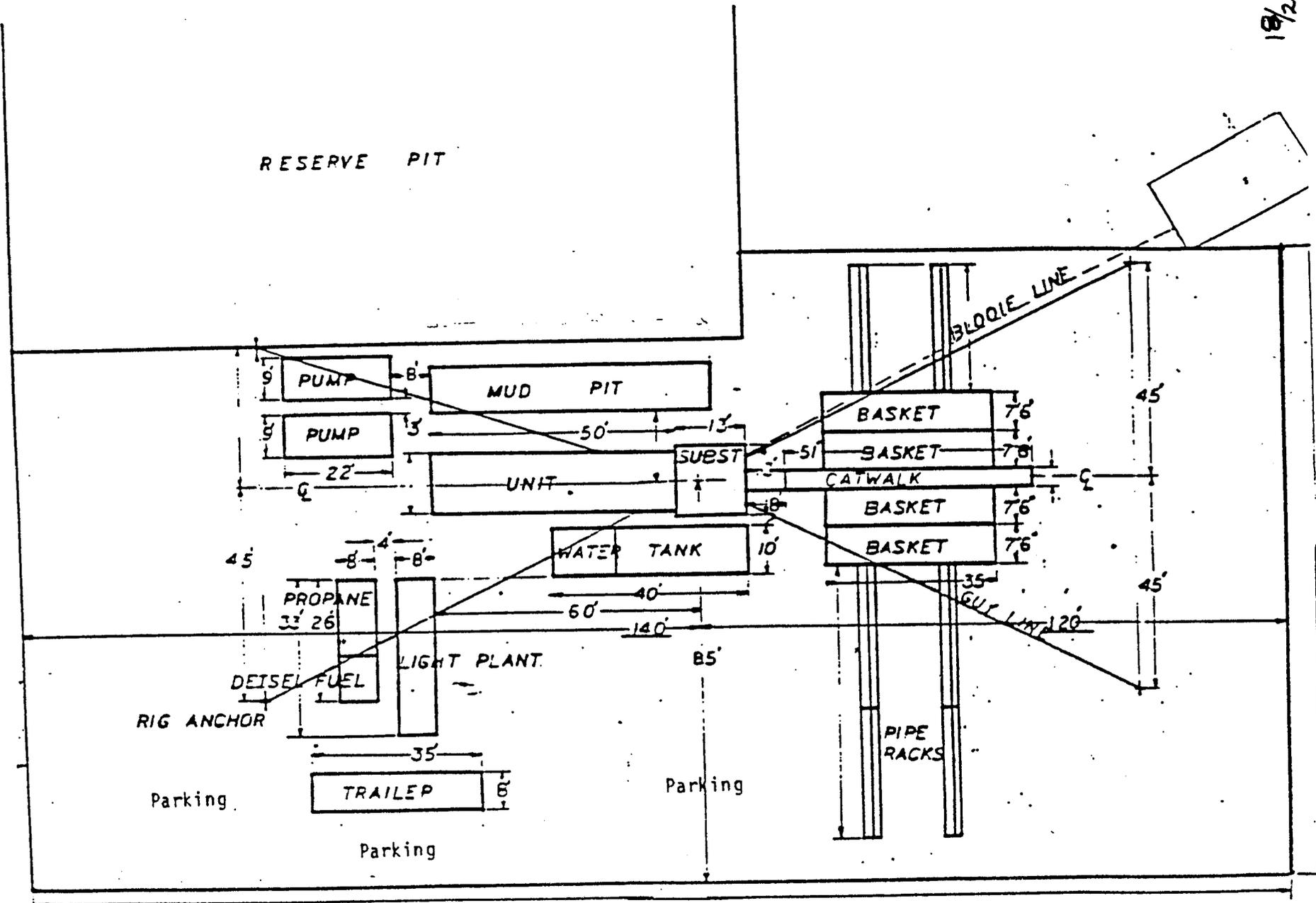
16/28

42 SHEETS 20 SHEETS 3 SQUARE  
42 SHEETS 200 SHEETS 3 SQUARE  
NATIONAL



Production  
Facilities

STERLING ENERGY CORP. - TOHONADLA #2-35



Proposed Rig Layout

STERLING ENERGY Corporation - TOHONADLA #2-35



15. LOCATION:

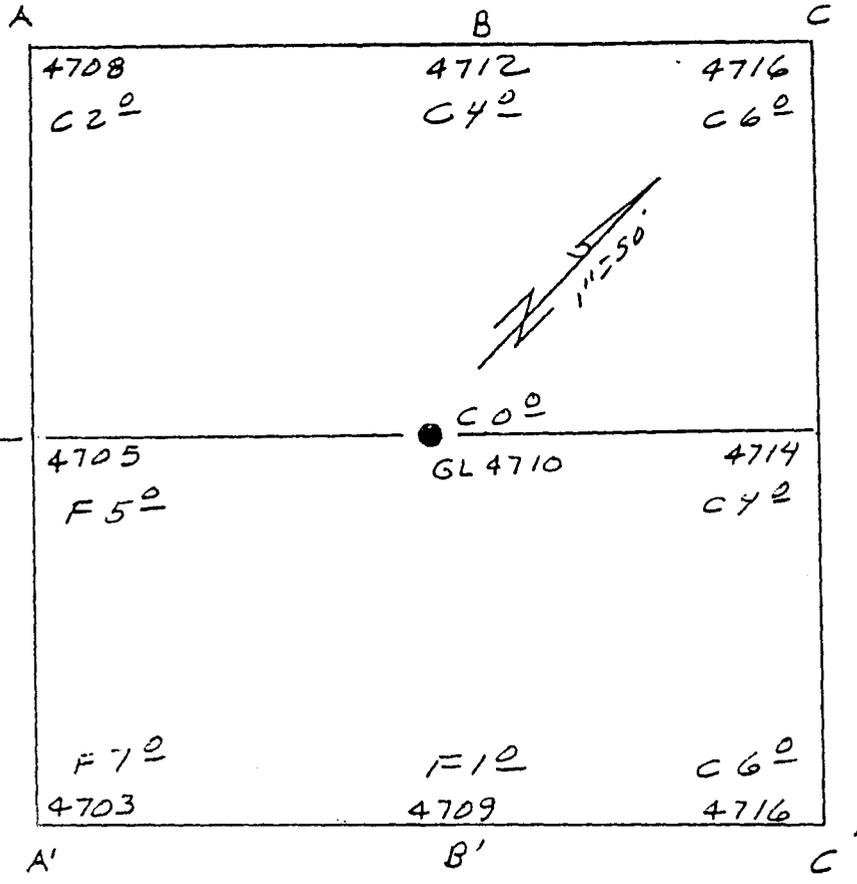
- e. UTM Center: Zone 12; Northing Easting
- g. Area: T.41S, R.21E; 1/4 1/4 1/4, Sec. 35 (projected from SE corner T.41S, R.21E)
- |                        |         |        |    |    |    |
|------------------------|---------|--------|----|----|----|
| Well Location (center) | 4115960 | 626830 | NE | SW | NE |
| Access Road: A (start) | 4115940 | 626800 | NE | SW | NE |
| B (end)                | 4115860 | 626650 | NE | SW | NE |

16. REPORT:

- A. Description of Undertaking: Columbus Energy Corporation proposes to drill an oil well and construct an access road. The Tohonadla No. 2-35 well location will consist of a finished pad measuring 195 feet (59 m) by 206 feet (63 m) with an area of effect of 0.92 acres (0.37 ha). Construction of the well will involve leveling the location, excavation of the reserve pits, and drilling of the well. Substantial surface and subsurface disturbance will occur in the area of effect. The proposed access road will extend northeast from an existing road to the proposed well location. Access construction will require blading and leveling. The access road measures 550 feet (168 m) in length and 30 feet (9 m) in width, with an area of effect of 0.38 acres (0.15 ha). The total area of effect for the project is 1.30 acres (0.52 ha).
- B. Existing Data Review: A records check was conducted at the NNAD Farmington office for previously recorded archaeological sites within a 1-kilometer radius of the project area. During the records search, only one site (UT-C-52-14) was identified within the 1-km radius. Site UT-C-52-14 is an undated lithic scatter of unknown cultural affiliation. Site UT-C-52-14 was recorded by the NNAD during a seismic program survey (Dykeman and others 1989). Since no overview exists for the area, this report can serve to provide basic information. A review of Van Valkenburgh (1974) shows that the closest Navajo sacred place is Bears Ears, located more than 20 miles north of the project area.
- Dykeman, Douglas D., Paul F. Reed, Jeffery T. Wharton, and Loretta Werito  
1989 An archaeological survey of Chuska Energy Company's Program 6 seismic lines in San Juan County, Utah. Navajo Nation Archaeology Department Report 88-432.
- Van Valkenburgh, Richard F.  
1974 Navajo sacred places. In Navajo Indians III, edited by Clyde Kluckhohn, p. 9-199. Garland Publishing, New York, York.
- C. Area Environmental & Cultural Setting: The survey area is located in the Tohonadla Oil Field which is characterized by grasslands near the base of Casa del Eco Mesa. The elevation is approximately 4700 feet (1432 m). Unnamed drainages flowing off the mesa top join tributaries of Gothic Creek. Vegetation consists of Russian thistle, rabbitbrush, prickly pear, narrowleaf yucca, bunch grass, and snakeweed. Aeolian sand is the dominant soil in the project area. The general area is disturbed by oil field activities, livestock grazing, roads, wind and water erosion, and power lines.
- D. Field Methods: The project area was examined by LaVerne Seeley and Maxine Yazzie, NNAD archaeologists. The archaeological survey of the proposed well pad and access road was conducted on September 21, 1990. The well pad was surveyed with parallel transects spaced 8 to 10 m apart. The proposed location was staked in advance and included a 195-foot (59 m) by 206-foot (63 m) pad area. A 50-foot-wide (15-m) buffer zone was inventoried on each side of the staked pad, which yielded a survey area measuring 295 feet (90 m) by 306 feet (93 m). The survey area totaled 2.07 acres (0.84 ha). The centerline of the proposed access road was staked in advance and surveyed by two archaeologists walking parallel transects 8 m apart along a 100-foot (30 m) survey corridor. The area was surveyed with two sets of two transects running along either side of the centerline. The access road right-of-way measures 30 feet (9 m) in width with a buffer zone of 35 feet (11 m) located on either side of the right-of-way. The access road is 550 feet (168 m) in length. The area surveyed for the access was 1.26 acres (0.51 ha).

20/21

E OVERHEAD ELECTRIC E E



**Steering Energy Corp.**  
OPERATOR

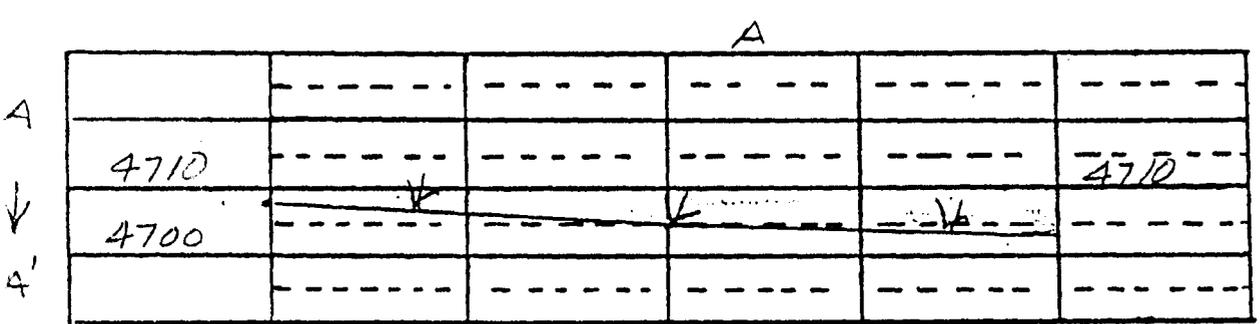
Tohonadla 2-35  
WELL NAME and NUMBER

1550' F/NL 1320' F/EL  
FOOTAGES

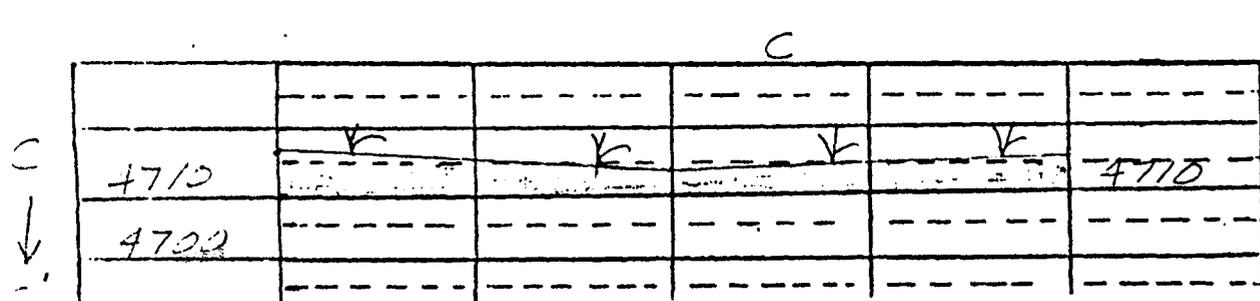
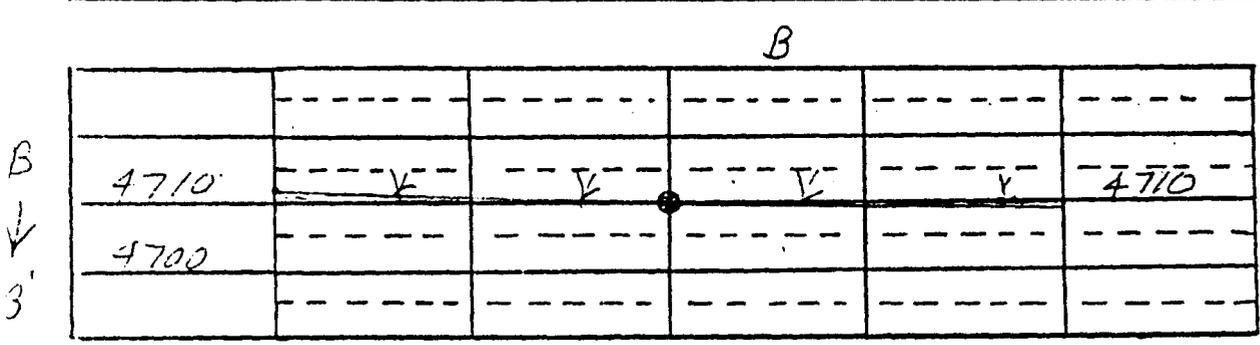
|      |      |      |
|------|------|------|
| 35   | 41S  | 21E  |
| SEC. | TWP. | RGE. |

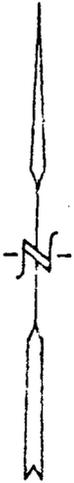
San Juan, Utah  
COUNTY STATE

September 12, 1990  
DATE

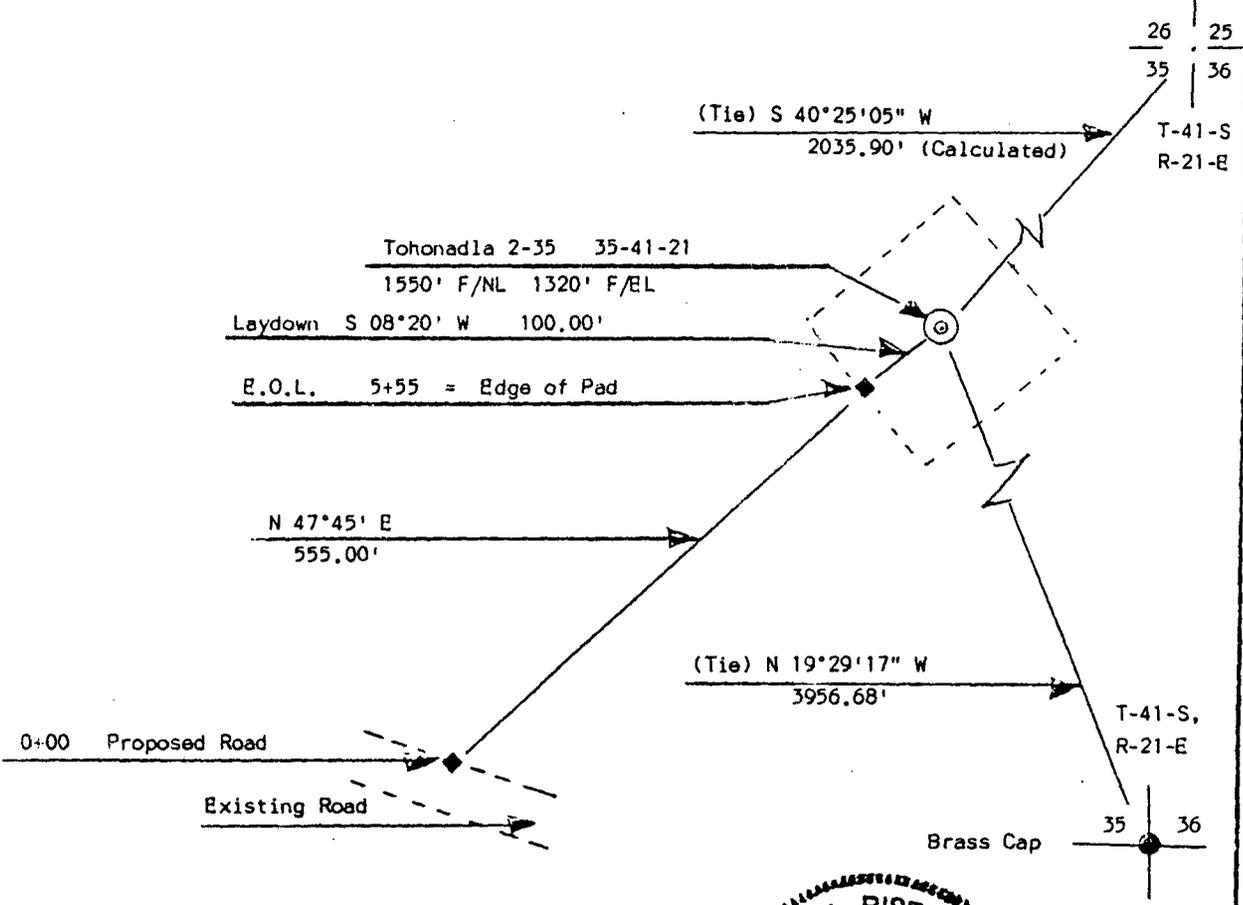


SCALE  
Horiz. 1" = 50'  
Vert. 1" = 30'





100' 100'  
1" = 200'



EDGAR L. RISENHOOVER  
Edgar L. Risenhooover  
Professional Surveyor  
New Mexico Reg. No. 5979  
REGISTERED LAND SURVEYOR  
NEW MEXICO

| SEC. | TWP. | RGE. | 1/4 SEC. | WIDTH | LENGTH |       |       | ACRES |
|------|------|------|----------|-------|--------|-------|-------|-------|
|      |      |      |          |       | FEET   | RODS  | MILES |       |
| 35   | 41S  | 21E  | NE 1/4   | 30'   | 555.00 | 33.64 | 0.11  | 0.38  |
|      |      |      |          |       |        |       |       |       |
|      |      |      |          |       |        |       |       |       |
|      |      |      |          |       |        |       |       |       |
|      |      |      |          |       |        |       |       |       |

PROPOSED ACCESS ROAD  
Tohonadla 2-35  
1550' F/NL 1320' F/EL  
Sec. 35, T-41-S, R-21-E, S.L.M.  
San Juan County, Utah  
Navajo Indian Reservation

SCALE: 1"=200'      DATE: 9/12/90

OPERATOR Stirling Energy Corp N5945 DATE 10-31-90

WELL NAME Colorado W-35

SEC NE 35 T 41S R 01E COUNTY San Juan

S/2

43-037-31568  
API NUMBER

Indian (0)  
TYPE OF LEASE

CHECK OFF:

PLAT.

BOND

NEAREST WELL

LEASE

FIELD SLBM

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Water Permit  
Exception Location N<sup>1</sup>/<sub>2</sub> S<sup>1</sup>/<sub>2</sub> of NE

APPROVAL LETTER:

SPACING:

R615-2-3

N/A  
UNIT

R515-3-2

N/A  
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

1- Needs water permit

TRINITY PETROLEUM EXPLORATION, INC.

1801 Broadway, Suite 480  
Denver, Colorado 80202  
(303) 296-1908

RECEIVED

NOV 1 1990

DIVISION OF  
OIL, GAS & MINING

Memorandum

TO: Jerry Smothermon

FROM: Reggie Lee *RL*

DATE: October 29, 1990

SUBJECT: Tohonadla #2-35 (1550' FNL, 1320' FEL, Section 35,  
Township 41 South - Range 21 East, San Juan County,  
Utah)

As you are aware, the Ismay/Desert Creek production at Tohonadla is from an areally small algal mound. These "mounds" are typically 60-80 acres in extent. After reviewing all of the pertinent sub-surface data and integrating seismic data into the geologic interpretation it is concluded that the exception location for the Tohonadla #2-35 needs to be drilled in order to optimally evaluate and exploit this particular mound.



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter  
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

November 5, 1990

Sterling Energy Corporation  
P. O. Box 2074  
Farmington, New Mexico 87499

Gentlemen:

Re: Tohonadla 2-35 - S1/2 NE Sec. 35, T. 41S, R. 21E - San Juan County, Utah  
1550' FNL, 1320' FEL

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-3, Oil and Gas Conservation General Rules, subject to the following stipulation:

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 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2  
Sterling Energy Corporation  
Tohonadla 2-35  
November 5, 1990

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.

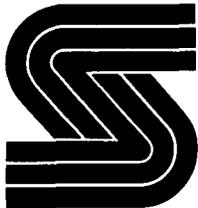
The API number assigned to this well is 43-037-31568.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

tas  
Enclosures  
cc: Bureau of Land Management  
Bureau of Indian Affairs  
J. L. Thompson  
we14/1-6



**STERLING ENERGY CORPORATION**

1801 Broadway, Suite 600, Denver, Colorado 80202  
(303) 296-1908

May 20, 1991

RECEIVED

MAY 23 1991

DIVISION OF  
OIL GAS & MINING

Mr. Ron Firth  
Associate Director, Oil and Gas  
Division of Oil, Gas and Mining  
Department of Natural Resources  
State of Utah  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

RE: Tohondla #2-35  
1550' FNL, 1330' FEL  
SEC 35, T41S, R21E  
San Juan County, Utah  
API# 43-037-31568

Gentlemen:

LCR  
As a follow up to your letter of November 5, 1990, be advised the letterhead address is the correct address for verification and compliance for Sterling Energy Corporation.

AS  
Hay Hot Oil Service, Montezoma Creek, Utah will provide the source water for this well. The source well is registered as Water Right #09-1419.

" We plan to spud this well on Thursday, May 23, 1991. We are estimating a drilling time of 12 to 14 days. We will use Exeter rig #68 for the drilling contract.

Sincerely,

Jerry Smothermon  
Vice President - Operations

STERLING ENERGY CORPORATION  
Managed By:  
Trinity Petroleum Management

DIVISION OF OIL, GAS AND MINING

API NO. 43-037-31568

SPUDDING INFORMATION

NAME OF COMPANY: STERLING ENERGY CORPORATION

WELL NAME: TOHONADLA #2-35

SECTION S-NE 35 TOWNSHIP 41S RANGE 21E COUNTY SAN JUAN

DRILLING CONTRACTOR EXETER

RIG # 68

SPUDDED: DATE 5-23-91

TIME 12:00 noon

HOW ROTARY

DRILLING WILL COMMENCE \_\_\_\_\_

REPORTED BY GLENN GOODWIN

TELEPHONE # \_\_\_\_\_

DATE 5-24-91

SIGNED \_\_\_\_\_

TAS

TAKEN BY: FRM

OPERATOR STERLING ENERGY CORPORATION  
 ADDRESS 1801 BROADWAY, STE 600  
DENVER, CO. 80202

OPERATOR ACCT. NO. N 5945

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER   | WELL NAME      | WELL LOCATION |    |     |     |          | SPUD DATE | EFFECTIVE DATE |
|-------------|--------------------|----------------|--------------|----------------|---------------|----|-----|-----|----------|-----------|----------------|
|             |                    |                |              |                | QQ            | SC | TP  | RG  | COUNTY   |           |                |
| B           | 11202              | →              | 43-037-31568 | TOHONADLA 2-35 | S/2 NE        | 35 | 41S | 21E | SAN JUAN | 5-23-91   |                |

WELL 1 COMMENTS: Indian - Lease  
 Field - Tohonadla  
 Unit - N/A  
 Proposed Zone - DSCR  
 (Common Tank, entity 11202 added 5-29-91) *pr*

*Lishe,*  
 Sorry, I was mistaken, this well will go into a common tank battery.  
*Judy C.*

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n) (single well only)  
 (group or unit well)  
 (entity to another existing entity)  
 (entity to a new entity)

**RECEIVED**

MAY 24 1991

DIVISION OF OIL GAS & MINING

*Judy Coley*  
 Signature  
 OPERATIONS ASSISTANT  
 Title  
 Date 5/21/91  
 Phone No. (303) 296-1908

COMMENT section to explain why each Action Code was selected.

OPERATOR STERLING ENERGY CORPORATION  
 ADDRESS 1801 BROADWAY, STE 600  
DENVER, CO. 80202

OPERATOR ACCT. NO. N 5945

| ACTION CODE  | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER   | WELL NAME      | WELL LOCATION |    |     |     |          | SPUD DATE | EFFECTIVE DATE |
|--|--------------------|----------------|--------------|----------------|---------------|----|-----|-----|----------|-----------|----------------|
|  |                    |                |              |                | QQ            | SC | TP  | RG  | COUNTY   |           |                |
| B  | 11202              | →              | 43-037-31568 | TOHONADLA 2-35 | S/2 NE        | 35 | 41S | 21E | SAN JUAN | 5-23-91   |                |
| WELL 1 COMMENTS: Indian - Lease Proposed Zone - DSCR<br>Field - Tohonadla (Common Tank, entity 11202 added 5-29-91) PR<br>Unit - N/A |                    |                |              |                |               |    |     |     |          |           |                |
| WELL 2 COMMENTS:   |                    |                |              |                |               |    |     |     |          |           |                |
| WELL 3 COMMENTS:   |                    |                |              |                |               |    |     |     |          |           |                |
| WELL 4 COMMENTS:   |                    |                |              |                |               |    |     |     |          |           |                |
| WELL 5 COMMENTS:   |                    |                |              |                |               |    |     |     |          |           |                |

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

COMMENT section to explain why each Action Code was selected.

**RECEIVED**

MAY 24 1991

DIVISION OF  
 OIL GAS & MINING

Judy Coley  
 Signature  
OPERATIONS ASSISTANT  
 Title  
5/21/91  
 Date  
 Phone No. (303) 296-1908



**STERLING ENERGY CORPORATION**

1801 Broadway, Suite 600, Denver, Colorado 80202  
(303) 296-1908

May 23, 1991

Mr. Ron Firth  
Associate Director, Oil and Gas  
Division of Oil, Gas and Mining  
Department of Natural Resources  
State of Utah  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

RE: Tohondla #2-35  
1550' FNL, 1330' FEL  
SEC 35, T41S, R21E  
San Juan County, Utah  
API# 43-037-31568

Gentlemen:

Please be advised that subject well was spudded at 10:00 p.m.  
on 5/22/91.

Sincerely,

Jerry Smothermon  
Vice President - Operations

STERLING ENERGY CORPORATION  
Managed By:  
Trinity Petroleum Management

RECEIVED

MAY 28 1991

DIVISION OF  
OIL GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0-3  
Expires August 31, 1985  
5. LEASE DESIGNATION AND SERIAL NO.  
14-20-603-229  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

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

|   |  |   |
|---|--|---|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>  |  | 7. UNIT AGREEMENT NAME<br>Navajo  |
| 2. NAME OF OPERATOR<br>Sterling Energy Corporation  |  | 8. FARM OR LEASE NAME<br>Tohonadla  |
| 3. ADDRESS OF OPERATOR<br>1801 Broadway, Ste 600, Denver, CO 80202  |  | 9. WELL NO.<br>#2-35  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.<br>See also space 17 below.)<br>At surface<br>1550' FNL & 1330' FEL Sec. 35 Approx NESWNE |  | 10. FIELD AND POOL, OR WILDCAT<br>Tohonadla                                   |
| 14. PERMIT NO.<br>(API) 43-037-31568  |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>Sec 35, T41S, R21E S.L.M. |
| 15. ELEVATIONS (Show whether DF, RT, GR, etc.)<br>4713' KB (GL to KB = 13')   |  | 12. COUNTY OR PARISH<br>San Juan  |
|   |  | 13. STATE<br>Utah   |

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

| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:   |  |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>   | REPAIRING WELL <input type="checkbox"/>  |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETION <input type="checkbox"/>  | FRACTURE TREATMENT <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             | SHOOTING OR ACIDIZING <input type="checkbox"/>  | ABANDONMENT* <input type="checkbox"/>    |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANE <input type="checkbox"/>         | (Other) Spud well and set surface csg <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.)\*

5/23/91  
Spud well @ 10 PM, set 13-3/8" conductor pipe @ 37' KB, cmt w/3 yds Readymix. WOC 12 hrs. Drill 12-1/4" hole to 620' KB, ran 14 jts 8-5/8" 24# csg, set @ 616.46' KB. Cmt w/350 sx Class "B" w/2% CaCl2 + 1/4# per sx Flowcele, cmt did not circ. Ran 45' 1" tbg down backside, cmt w/75 sx Class "B", good returns, circ 2 bbls slurry, after 45 min cmt dropped 10', recemented top 10' w/35 sx Class "B", filled to surf. WOC 12 hrs. Cmt firm and at surface. NU BOPs, TIH C.O. to 540'. RU Double Jack testers. (BLM previously notified of test.) Test BOP & control equipment to 2000 psi for 15 min. Tested hydrill to 1000 psi and choke lines to 2000 psi. (Test charts in dog house.) Drilled out from under surface casing on 5/27/91.

5/29/91  
Drlg @ 3266'.

**RECEIVED**  
MAY 31 1991  
DIVISION OF  
OIL GAS & MINING

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

SIGNED Judith K. Coley TITLE Operations Assistant DATE 5/29/91

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE  
(Other instructions  
reverse 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.)

|   |  |   |
|---|--|---|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>  |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>14-20-603-229                          |
| 2. NAME OF OPERATOR<br>Sterling Energy Corporation  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br>Navajo                                |
| 3. ADDRESS OF OPERATOR<br>1801 Broadway, Ste 600, Denver, CO 80202  |  | 7. UNIT AGREEMENT NAME<br>Tohonadla   |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*<br>See also space 17 below.)<br>At surface<br>1550' FNL & 1330' FEL Sec. 35 Approx NESWE |  | 8. FARM OR LEASE NAME<br>Tohonadla  |
| 14. PERMIT NO.<br>(API) 43-037-31568  |  | 9. WELL NO.<br>#2-35  |
| 15. ELEVATIONS (Show whether DF, RT, CR, etc.)<br>4713' KB (GL to KB = 13')   |  | 10. FIELD AND POOL, OR WILDCAT<br>Tohonadla                                   |
|   |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>Sec 35, T41S, R21E S.L.M. |
|   |  | 12. COUNTY OR PARISH<br>San Juan  |
|   |  | 13. STATE<br>Utah   |

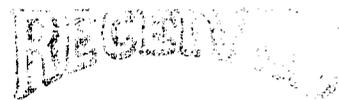
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

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

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

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

5/30/91 Drilling @ 3500'  
 5/31/91 Trip in hole. PTD 3,902'  
 6/1/91 Drilling @ 4268' in Cutler fm.  
 6/2/91 Drilling @ 4610' in Cutler fm.  
 6/3/91 Drilling @ 4875' in Hermosa fm.  
 6/4/91 Drilling @ 5180' in Desert Creek fm.



JUN 06 1991

DIVISION OF  
OIL GAS & MINING

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

SIGNED Judy K. Colley TITLE Operations Assistant DATE 6-4-91

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

PERMIT IN TRIPlicate  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0138  
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.  
14-20-603-229  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|   |   |  |
|---|---|--|
| <p>1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/></p> <p>2. NAME OF OPERATOR<br/><u>Sterling Energy Corporation</u></p> <p>3. ADDRESS OF OPERATOR<br/><u>1801 Broadway, Ste 600, Denver, CO 80202</u></p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*<br/>See also space 17 below.)<br/>At surface<br/><u>1550' FNL &amp; 1330' FEL Sec. 35 Approx NESWNE</u></p> | <p>7. UNIT AGREEMENT NAME<br/><u>Navajo</u></p> <p>8. FARM OR LEASE NAME<br/><u>Tohonadla</u></p> <p>9. WELL NO.<br/><u>#2-35</u></p> <p>10. FIELD AND POOL, OR WILDCAT<br/><u>Tohonadla</u></p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br/><u>Sec 35, T41S, R21E S.L.M.</u></p> |  |
| <p>14. PERMIT NO.<br/><u>(API) 43-037-31568</u></p>   | <p>15. ELEVATIONS (Show whether DF, RT, GR, etc.)<br/><u>4713' KB (GL to KB = 13')</u></p>  | <p>12. COUNTY OR PARISH<br/><u>San Juan</u></p> <p>13. STATE<br/><u>Utah</u></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) <u>Drilling Update</u>                 | <input checked="" type="checkbox"/>      |

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

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

6/5/91 Drilling @ 5380'  
 6/6/91 TFB @ 5693'  
 6/7/91 Drilling @ 5818'  
 6/8/91 Logging @ TD of 5850'  
 6/9/91 Ran 5 1/2", 15.5# LT&C sg, set @ 5848.73', 1st stage cemented w/436  
 6/10/91 sx C1 "G" w/6% gel, 1/4#/sx flowcele, 8/10 of 1% Halad 322. Tail in  
 w/ 250 sx C1 "G" w/additives. Displ w/139 BFW. Cmt'd 2nd stage  
 (DV collar @ 3489.34') w/1075 sx C1 "G" Lite w/additives, tail in  
 w/50 sx C1 "G" plus additives. Bump plug, held ok. Circ 20 bbl cmt  
 returns to surface. Set slips, cut off 5 1/2" csg. Rig released  
 @ 2:00 PM 6/10/91.

**RECEIVED**

JUN 13 1991

DIVISION OF  
OIL GAS & MINING

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

|  |                                   |                     |
|--|-----------------------------------|---------------------|
| SIGNED <u>Judy K Coley</u>                   | TITLE <u>Operations Assistant</u> | DATE <u>6/11/91</u> |
| (This space for Federal or State office use) |                                   |                     |
| APPROVED BY _____                            | TITLE _____                       | DATE _____          |

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

OPERATOR COLUMBIA GAS DEVELOPMENT CORP. OPERATOR ACCT. NO. N 5035  
 ADDRESS P.O.Box 1350 Hou., TX. 77251-1350  
713/871-3400

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER   | WELL NAME              | WELL LOCATION |    |     |     |        | SPUD DATE | EFFECTIVE DATE |
|-------------|--------------------|----------------|--------------|------------------------|---------------|----|-----|-----|--------|-----------|----------------|
|             |                    |                |              |                        | QQ            | SC | TP  | RG  | COUNTY |           |                |
| A           | 99999              | 11236          | 43-019-31319 | Kane Springs Fed.#19-1 | SW/SE         | 19 | 26S | 20E | Grand  | 6/14/91   | 6/14/91        |

WELL 1 COMMENTS: Establish entity no. for new, single well. *Federal-Lease Proposed Zone- PDSX*  
*Field-Wildcat (New entity added 6-21-91/PR)*  
*Unit-N/A*

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WELL 2 COMMENTS:

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WELL 3 COMMENTS:

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WELL 4 COMMENTS:

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WELL 5 COMMENTS:

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

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

**RECEIVED**

JUN 20 1991

DIVISION OF  
 OIL GAS & MINING

*A.A. Reese* A.A. Reese  
 Signature

Regulatory Clerk 6/18/91  
 Title Date

Phone No. (713) 871-3400

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-1-3  
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.)

|   |  |   |
|---|--|---|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>  |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>14-20-603-229                          |
| 2. NAME OF OPERATOR<br>Sterling Energy Corporation  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br>Navajo                                |
| 3. ADDRESS OF OPERATOR<br>1801 Broadway, Ste 600, Denver, CO 80202  |  | 7. UNIT AGREEMENT NAME<br>Tohonadla   |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.<br>See also space 17 below.)<br>At surface<br>1550' FNL & 1330' FEL Sec. 35 Approx NESWNE |  | 8. FARM OR LEASE NAME<br>Tohonadla  |
| 14. PERMIT NO.<br>(API) 43-037-31568  |  | 9. WELL NO.<br>#2-35  |
| 15. ELEVATIONS (Show whether DF, RT, OK, etc.)<br>4713' KB (GL to KB = 13')   |  | 10. FIELD AND POOL, OR WILDCAT<br>Tohonadla                                   |
|   |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>Sec 35, T41S, R21E S.L.M. |
|   |  | 12. COUNTY OR PARISH   13. STATE<br>San Juan   Utah                           |

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

| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:   |  |
|--|---|---|--|
| TEST WATER SHUT-OFF <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 PLANE <input type="checkbox"/>         | (Other) <u>Spud well and set surface csg</u> <input checked="" type="checkbox"/>                      |  |
| (Other) <input type="checkbox"/>             |   | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |  |

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

5/23/91

Spud well @ 10 PM, set 13-3/8" conductor pipe @ 37' KB, cmt w/3 yds Readymix. WOC 12 hrs. Drill 12-1/4" hole to 620' KB, ran 14 jts 8-5/8" 24# csg, set @ 616.46' KB. Cmt w/350 sx Class "B" w/2% CaCl2 + 1/4# per sx Flowcele, cmt did not circ. Ran 45' 1" tbg down backside, cmt w/75 sx Class "B", good returns, circ 2 bbls slurry, after 45 min cmt dropped 10', recemented top 10' w/35' sx Class "B", filled to surf. WOC 12 hrs. Cmt firm and at surface. NU/BOPs, TIH C.O. to 540'. RU Double Jack testers. (BLM previously notified of test.) Test BOP & control equipment to 2000 psi for 15 min. Tested hydrill to 1000 psi and choke lines to 2000 psi. (Test charts in dog house.) Drilled out from under surface casing on 5/27/91.

5/29/91

Drlg @ 3266'.

RECEIVED  
AUG 20 1991  
DIVISION OF  
OIL GAS & MINING

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

|  |                                   |                     |
|--|-----------------------------------|---------------------|
| SIGNED <u>Judith K. Coley</u>                | TITLE <u>Operations Assistant</u> | DATE <u>5/29/91</u> |
| (This space for Federal or State office use) |                                   |                     |
| APPROVED BY _____                            | TITLE _____                       | DATE _____          |
| CONDITIONS OF APPROVAL, IF ANY:              |                                   |                     |

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985  
5. LEASE DESIGNATION AND SERIAL NO.  
14-20-603-229  
6 IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
Sterling Energy Corporation

3. ADDRESS OF OPERATOR  
1801 Broadway, Ste 600, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface  
1550' FNL & 1330' FEL Sec. 35 Approx NESWNE

14. PERMIT NO.  
(API) 43-037-31568

15. ELEVATIONS (Show whether OF, RT, CR, etc.)  
4713' KB (GL to KB = 13')

7. UNIT AGREEMENT NAME  
Navajo

8. FARM OR LEASE NAME  
Tohonadla

9. WELL NO.  
#2-35

10. FIELD AND POOL, OR WILDCAT  
Tohonadla

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec 35, T41S, R21E S.L.M.

12. COUNTY OR PARISH  
San Juan

13. STATE  
Utah

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

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

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

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

5/30/91 Drilling @ 3500'

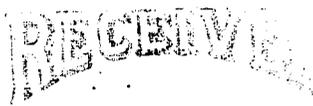
5/31/91 Trip in hole. PTD 3,902'

6/1/91 Drilling @ 4268' in Cutler fm.

6/2/91 Drilling @ 4610' in Cutler fm.

6/3/91 Drilling @ 4875' in Hermosa fm.

6/4/91 Drilling @ 5180' in Desert Creek fm.



AUG 20 1991

DIVISION OF OIL GAS & MINING

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

SIGNED Judy K. Colby TITLE Operations Assistant DATE 6-4-91

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO.

14-20-603-229

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Tohonadla

9. WELL NO.

#2-35

10. FIELD AND POOL, OR WILDCAT

Tohonadla

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

Sec 35, T41S, R21E S.L.M.

14. PERMIT NO.

(API) 43-037-31568

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

4713' KB (GL to KB = 13')

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

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

NOTICE OF INTENTION TO:

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)

REPAIRING WELL

ALTERING CASING

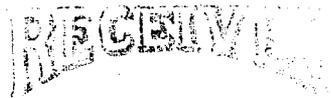
ABANDONMENT\*

Drilling Update

(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.)

6/5/91 Drilling @ 5380'  
6/6/91 TFB @ 5693'  
6/7/91 Drilling @ 5818'  
6/8/91 Logging @ TD of 5850'  
6/9/91 Ran 5 1/2", 15.5# LT&C sg, set @ 5848.73', 1st stage cemented w/436  
6/10/91 sx CI "G" w/6% gel, 1/4#/sx flowcele, 8/10 of 1% Halad 322. Tail in  
w/ 250 sx CI "G" w/additives. Displ w/139 BFW. Cmt'd 2nd stage  
(DV collar @ 3489.34') w/1075 sx CI "G" Lite w/additives, tail in  
w/50 sx CI "G" plus additives. Bump plug, held ok. Circ 20 bbl cmt  
returns to surface. Set slips, cut off 5 1/2" csg. Rig released  
@ 2:00 PM 6/10/91.



AUG 20 1991

DIVISION OF  
OIL GAS & MINING

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

SIGNED

*Judy K. Colley*

TITLE

Operations Assistant

DATE

6/11/91

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

Budget Bureau No. 1004-1135  
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.)

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
Sterling Energy Corporation

3. ADDRESS OF OPERATOR  
1801 Broadway, Ste 600, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)  
At surface  
1550' FNL & 1330' FEL Sec. 35 Approx NESWNE

14. PERMIT NO.  
(API) 43-037-31568

15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
4713' KB (GL to KB = 13')

5. LEASE DESIGNATION AND SERIAL NO.  
14-20-603-229

7. UNIT AGREEMENT NAME  
Navajo

8. FARM OR LEASE NAME  
Totonanadla

9. WELL NO.  
35

10. FIELD AND POOL OR WILDCAT  
Totonanadla

11. SEC., T., R., M., OR BLM, AND SURVEY OR AREA  
Sec 35, T4S, R21E S. 10M.

12. COUNTY OR PARISH  
San Juan

13. STATE  
New Mexico

RECEIVED  
BLM MAIL ROOM  
91 JUL 15 AM 11:26

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AUG 2 1991

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

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

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

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

- 6/21-6/24 PU 2.7/8" tbg, tagged DV collar (plug) @ 3484' KB. Tested csg to 1000 psi, no leak off in 15 min. Tagged PBDT @ 5805' KB, tested csg, wellhead and blind rams to 2000 psig for 15 min (no leak off).
- 6/25-6/27 Ran GR/Neu; VDL/CBL. Perf intervals 5738-40', 5754-60', 5766-80', inclusive with 4" gun, 4 JSPF. Acidized all perfs with 2500 gals 28% HCL.
- 6/28-7/2/91 Swab test all perfs; rate 6-20 BTF/hr, oil cut 0-3%, gas trace.
- 7/3-7/8 Shut down for Holiday.
- 7/9/91 Set pumping unit and tank battery.

RECEIVED  
AUG 2 0 1991  
DIVISION OF  
OIL GAS & MINING

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

SIGNED [Signature] TITLE Operations Assistant DATE 7/11/91

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED FOR RECORD

AUG 0 1 1991

\*See Instructions on Reverse Side  
OPERATOR

FARMINGTON RESOURCE AREA  
BY [Signature]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE  
(Other instructions on  
reverse side)

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.)

|  |  |   |
|--|--|---|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>   |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>14-20-603-229                          |
| 2. NAME OF OPERATOR<br>Sterling Energy Corporation   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br>Navajo                                |
| 3. ADDRESS OF OPERATOR<br>1801 Broadway, Ste 600, Denver, CO 80202   |  | 7. UNIT AGREEMENT NAME  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*<br>See also space 17 below.)<br>At surface<br>1550' FNL & 1330' FEL Sec. 35 Approx NESWNE |  | 8. FARM OR LEASE NAME<br>Tohonadla  |
| 14. PERMIT NO.<br>(API) 43-037-31568   |  | 9. WELL NO.<br>#2-35  |
| 15. ELEVATIONS (Show whether DF, RT, CR, etc.)<br>4713' KB (GL to KB = 13')  |  | 10. FIELD AND POOL, OR WILDCAT<br>Tohonadla                                   |
|  |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>Sec 35, T41S, R21E S.L.M. |
|  |  | 12. COUNTY OR PARISH<br>San Juan  |
|  |  | 13. STATE<br>Utah   |

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

| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:   |  |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>   | REPAIRING WELL <input type="checkbox"/>  |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETE <input type="checkbox"/>    | FRACTURE TREATMENT <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             | SHOOTING OR ACIDIZING <input type="checkbox"/>  | ABANDONMENT* <input type="checkbox"/>    |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANS <input type="checkbox"/>         | (Other) <u>Completion update</u> <input checked="" type="checkbox"/>                                  |  |
| (Other) <input type="checkbox"/>             |   | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |  |

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

6/21-6/24 PU 2 7/8" tbg, tagged DV collar (plug) @ 3484' KB. Tested csg to 1000 psi, no leak off in 15 min. Tagged PBSD @ 5805' KB, tested csg, wellhead and blind rams to 2000 psig for 15 min (no leak off).

6/25-6/27 Ran GR/Neu; VDL/CBL. Perf intervals 5738-40', 5754-60', inclusive with 4" gun, 4 JSPF. Acidized all perfs with 2500 gal's 28% HCL.

6/28-7/2/91 Swab test all perfs, rate 6-20 BTF/hr, oil cut 0-3%, gas trace.

7/3-7/8 Shut down for Holiday.

7/9/91 Set pumping unit and tank battery.

7/10-7/27 Pump test; avg 6.7 BOPD & 78 BWPD & est 7 MCF/D. 11 SPM, 65" stroke, 1 1/4" pump.

AUG 20 1991

DIVISION OF  
OIL GAS & MINING

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

SIGNED Judy K. Coley TITLE Operations Assistant DATE 7/29/91

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)

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.)

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
Sterling Energy Corporation

3. ADDRESS OF OPERATOR  
1801 Broadway, Ste 600, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface  
1550' FNL & 1330' FEL Sec. 35 Approx NESWNE

5. LEASE DESIGNATION AND SERIAL NO.  
14-20-603-229

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
Navajo

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Tohonadla

9. WELL NO.  
#2-35

10. FIELD AND POOL, OR WILDCAT  
Tohonadla

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec 35, T41S, R21E S.L.M.

14. PERMIT NO.  
(API) 43-037-31568

15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
4713' KB (GL to KB = 13')

12. COUNTY OR PARISH  
San Juan

13. STATE  
Utah

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

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

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

7/28 to 8/14 ✓ Averaged 1 BOPD & 55 BWPD.  
8/14 SI pending additional completion.

RECEIVED

AUG 20 1991

DIVISION OF  
OIL GAS & MINING

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

SIGNED Judy K. Coley TITLE Operations Assistant DATE 8/15/91

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other In-  
structions 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. SERV.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
Sterling Energy Corporation

3. ADDRESS OF OPERATOR  
1801 Broadway, Suite 600, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface  
1550' FNL & 1330' FEL Sec. 35 Approx NESWNE  
At top prod. interval reported below  
At total depth

RECEIVED  
AUG 20 1991  
DIVISION OF OIL GAS & MINING

14. PERMIT NO. 43-037-31568 | DATE ISSUED 11/5/90

5. LEASE DESIGNATION AND SERIAL NO.  
14-20-603-229  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
Navajo  
7. UNIT AGREEMENT NAME  
---  
8. FARM OR LEASE NAME  
Tohonadla  
9. WELL NO.  
#2-35  
10. FIELD AND POOL, OR WILDCAT  
Tohonadla  
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
Sec. 35, T41S, R21E SLM  
12. COUNTY OR PARISH  
San Juan  
13. STATE  
Utah

15. DATE SPUNDED 5/22/91 | 16. DATE T.D. REACHED 6/7/91 | 17. DATE COMPL. (Ready to prod.) | 18. ELEVATIONS (DF, RKB, RT, OR, ETC.)\* 4700' GL 4713' KB | 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 5,850' | 21. PLUG, BACK T.D., MD & TVD 5,805' | 22. IF MULTIPLE COMPL., HOW MANY\* | 23. INTERVALS DRILLED BY | ROTARY TOOLS X | CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
5738-40 Akah 5766-80 Lower Paradox  
5754-60 Barker Creek  
25. WAS DIRECTIONAL SURVEY MADE  
No

26. TYPE ELECTRIC AND OTHER LOGS RUN  
G-DLL, SFL Lith Den/Neu & RFT  
27. WAS WELL CORED  
No

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

| CASINO SIZE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | CEMENTING RECORD        | AMOUNT PULLED |
|-------------|-----------------|----------------|-----------|-------------------------|---------------|
| 13 3/8"     | 48#             | 37' KB         | 17"       | 2 cu yd Ready Mix w/add | None          |
| 8 5/8"      | 24#             | 616.46' KB     | 12 1/4"   | 483 sx Class "B" w/add  | None          |
| 5 1/2"      | 15.5#           | 5848.73' KB    | 7 7/8"    | 1791 sx Class "G" w/add | None          |

29. LINER RECORD | 30. TUBING RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE   | DEPTH SET (MD) | PACKER SET (MD) |
|------|----------|-------------|---------------|-------------|--------|----------------|-----------------|
|      |          |             |               |             | 2 7/8" | 5774.57' KB    | None            |

31. PERFORATION RECORD (Interval, size and number)  
5738-40, 3/8", 4 JSPF  
5754-60, 3/8", 4 JSPF  
5766-80, 3/8", 4 JSPF

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

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|----------------------------------|
| 5738-80             | 1200 gal 28% HCL                 |

33.\* PRODUCTION

DATE FIRST PRODUCTION | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) | WELL STATUS (Producing or shut-in)  
SI (prep to recomplete)

| DATE OF TEST        | HOURS TESTED    | CHOKE SIZE              | PROD'N. FOR TEST PERIOD | OIL—BBL. | GAS—MCF.   | WATER—BBL.              | GAS-OIL RATIO |
|---------------------|-----------------|-------------------------|-------------------------|----------|------------|-------------------------|---------------|
| 7/28/91             | 24              | None                    | →                       | 78       | TSTM       | 78                      | N/A           |
| FLOW, TUBING PRESS. | CASINO PRESSURE | CALCULATED 24-HOUR RATE | OIL—BBL.                | GAS—MCF. | WATER—BBL. | OIL GRAVITY-API (CORE.) |               |
| 25                  | 25              | →                       | 78                      | TSTM     | 78         | 37.9                    |               |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)  
Fuel | TEST WITNESSED BY  
Ed Carlson

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 Judy K. Coley TITLE Operations Assistant DATE 8/16/91

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_  
 b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. REVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
Sterling Energy Corporation

3. ADDRESS OF OPERATOR  
1801 Broadway, Suite 600, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State laws)  
At surface: 1550' FNL & 1380' FEL Sec. 35 Approx NESWNE  
At top prod. interval reported below  
At total depth

14. PERMIT NO. 43-037-31568  
DATE ISSUED 11/5/90

5. LEASE DESIGNATION AND SERIAL NO.  
14-20-603-229  
6. IF INDIAN, ALLOTTEE, OR TRIBE NAME  
Navajo Tribal  
7. TRACT AGREEMENT NAME

8. LAND OR LEASE NAME  
Tohonadla

9. WELL NO.  
#2-35

10. FIELD AND POOL, OR WILDCAT  
Tohonadla

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
Sec. 35, T41S, R21E SLM

12. COUNTY OR PARISH  
San Juan  
13. STATE  
Utah

\* Per Judy Coley 8-18-92

15. DATE SPUNDED 5/22/91  
16. DATE T.D. REACHED 6/7/91  
17. DATE COMPL. (Ready to prod.) 9-2-91  
18. ELEVATIONS (DF, RKB, RT, OR, ETC.)\* 4700' GL 4713' KB  
19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 5,850'  
21. PLUG BACK T.D., MD & TVD 5,805'  
22. IF MULTIPLE COMPL., HOW MANY\*  
23. INTERVALS DRILLED BY  
ROTARY TOOLS X  
CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
5738-40 Akah 5766-80 Lower Paradox  
5754-60 Barker Creek  
25. WAS DIRECTIONAL SURVEY MADE  
No

26. TYPE ELECTRIC AND OTHER LOGS RUN  
G-DLL, SFL Lith Den/Neu & RFT  
27. WAS WELL CORED  
No

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

| CASING SIZE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | CEMENTING RECORD        | AMOUNT PULLED |
|-------------|-----------------|----------------|-----------|-------------------------|---------------|
| 13 3/8"     | 48#             | 37' KB         | 17"       | 2 cu yd Ready Mix w/add | None          |
| 8 5/8"      | 24#             | 616.46' KB     | 12 1/4"   | 483 sx Class "B" w/add  | None          |
| 5 1/2"      | 15.5#           | 5848.73' KB    | 7 7/8"    | 1791 sx Class "G" w/add | None          |

29. LINER RECORD

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

30. TUBING RECORD

| SIZE   | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|
| 2 7/8" | 5774.57' KB    | None            |

31. PERFORATION RECORD (Interval, size and number)

|                       |
|-----------------------|
| 5738-40, 3/8", 4 JSPF |
| 5754-60, 3/8", 4 JSPF |
| 5766-80, 3/8", 4 JSPF |

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

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|----------------------------------|
| 5738-80             | 1200 gal 28% HCL                 |

33. PRODUCTION

DATE FIRST PRODUCTION 9-1-91  
 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)  
 WELL STATUS (Producing or shut-in)  
 SI (prep to recomplete)

| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD'N. FOR TEST PERIOD | OIL—BBL. | GAS—MCF. | WATER—BBL. | GAS-OIL RATIO |
|--------------|--------------|------------|-------------------------|----------|----------|------------|---------------|
| 7/28/91      | 24           | None       |                         | .78      | 70.43    | TSTM       | 78/30.5       |
|              |              |            |                         | .78      | TSTM     | 78         | N/A FOLD      |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)  
Fuel  
TEST WITNESSED BY  
Ed Carlson

35. LIST OF ATTACHMENTS

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

SIGNED Judy Coley TITLE Operations Dept DATE 8/16/91

\*(See Instructions and Spaces for Additional Data on FARMINGTON RESOURCE AREA

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):

38.

GEOLOGIC MARKERS

| FORMATION   | TOP  | BOTTOM | DESCRIPTION, CONTENTS, ETC.   | NAME       | TOP         |                  |
|-------------|------|--------|---|------------|-------------|------------------|
|             |      |        |   |            | MEAS. DEPTH | TRUE VERT. DEPTH |
| Desert Crk  | 5300 | 5305   | Dolomite, Limestone, swb dry  |            |             |                  |
| Desert Crk  | 5328 | 5330   | Anhydrite, Limestone, Dolomite, swb dry   |            |             |                  |
| Akah        | 5444 | 5448   | Mostly Limestone, swb dry   | Hermosa    | 4076        | 4076             |
| Barker Crk  | 5463 | 5468   | Shaley Limestone, swb dry   | Ismay      | 4948        | 4948             |
| Barker Crk  | 5594 | 5598   | Shale, Anhydrite, Limestone, swb dry  | L. Ismay   | 5028        | 5028             |
|             |      |        |   | Gothic Sh. | 5090        | 5090             |
|             |      |        |   | Desert Crk | 5112        | 5112             |
|             |      |        |   | "C" Shale  | 5306        | 5306             |
| No Cores    |      |        | Acid Tre  | Akah       | 5314        | 5314             |
| No DST's    |      |        | 5597-98 88 15% (HCL)FE Pad Acid   | Barker Crk | 5451        | 5451             |
|             |      |        | 5595-96 88 15% (HCL)FE Pad Acid   | L. Paradox | 5763        | 5763             |
|             |      |        | 5594 88 15% (HCL)FE Pad Acid  |            |             |                  |
|             |      |        | 5467-68 88 " " "  |            |             |                  |
|             |      |        | 5465-66 88 " " "  |            |             |                  |
|             |      |        | 5463-64 88 " " "  |            |             |                  |
|             |      |        | 5447-48 88 " " "  |            |             |                  |
|             |      |        | 5445-46 88 " " "  |            |             |                  |
|             |      |        | 5444 44 " " "   |            |             |                  |
|             |      |        | 5329-30 88 " " "  |            |             |                  |
|             |      |        | 5328 44 " " "   |            |             |                  |
|             |      |        | 5304-05 88 " " "  |            |             |                  |
|             |      |        | 5302-03 88 " " "  |            |             |                  |
|             |      |        | 5301 44 " " "   |            |             |                  |
|             |      |        | Total: 1100 Gal   |            |             |                  |
| Lower Ismay | 5044 | 5049   | Dolomite, fn to md gr   |            |             |                  |
| Lower Ismay | 5062 | 5064   | " "   |            |             |                  |
| Desert Crk  | 5138 | 5140   | Dolomite, fn to md gr w/Lms inclusions  |            |             |                  |
| Desert Crk  | 5174 | 5177   | Dolomite, fn to md gr   |            |             |                  |
| Desert Crk  | 5197 | 5200   | Dolomite, fn to md gr w/Lmy shale inclusions  |            |             |                  |
|             |      |        | All zones above collectively swbd 12 BTF/hr for 4 hrs oil cut varied between 62-100%. |            |             |                  |

RECEIVED

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

OCT 26 1992

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

DIVISION OF OIL, GAS & MINING

|   |   |   |                   |
|---|---|---|-------------------|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>  |   | 5. LEASE DESIGNATION & SERIAL NO.<br>14-20-603-229                            |                   |
| 2. NAME OF OPERATOR<br>Sterling Energy Corporation  |   | 6. IF INDIAN ALLOTTEE OR TRIBE NAME<br>Navajo Tribal                          |                   |
| 3. ADDRESS OF OPERATOR<br>1801 Broadway, Ste 600, Denver, CO 80202  |   | 7. UNIT AGREEMENT NAME<br>Tohonadla   |                   |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)<br>At surface: 1550' FNL & 1320' FEL Sec. 35 Approx NESWNE<br>At proposed prod. zone: |   | 8. FARM OR LEASE NAME<br>Tohonadla  |                   |
|   |   | 9. WELL NO.<br>#2-35  |                   |
|   |   | 10. FIELD AND POOL, OR WILDCAT<br>Tohonadla                                   |                   |
|   |   | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>Sec 35, T41S, R21E S.L.M. |                   |
| 14. API NO.<br>43-037-31568   | 15. ELEVATIONS (Show whether DF, RT, GR, etc.)<br>4713' KB (GL to KB = 13') | 12. COUNTY<br>San Juan  | 13. STATE<br>Utah |

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

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

This well should be reported under Operator name and address as follows:

c/o Trinity Petro Mgt Inc  
Sterling Energy Corporation  
1801 Broadway, Ste 600  
Denver, CO 80202

Please change your records to reflect same. This is a development well and should be covered under the Designation of Operator for the above referenced lease.

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

SIGNED *John R. Colby* TITLE Op. Assistant DATE 10/22/92

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side

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

|          |        |
|----------|--------|
| Routing: |        |
| 1- LCR   | 7- VLC |
| 2- DPTS  |        |
| 3- VLC   | ✓      |
| 4- RJF   | ✓      |
| 5- RWM   | ✓      |
| 6- ADA   | ✓      |

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

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

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 10-22-92)

|  |  |
|--|--|
| TO (new operator) <u>C/O TRINITY PETRO MGT INC</u> | FROM (former operator) <u>STERLING ENERGY CORP</u> |
| (address) <u>STERLING ENERGY CORP</u>              | (address) <u>1801 BROADWAY STE 600</u>             |
| <u>1801 BROADWAY STE 600</u>                       | <u>DENVER CO 80202</u>                             |
| <u>DENVER CO 80202</u>                             | <u>JUDY COLEY</u>                                  |
| phone <u>(303) 296-1908</u>                        | phone <u>(303) 296-1908</u>                        |
| account no. <u>N 5945 (A)</u>                      | account no. <u>N5945</u>                           |

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

|                                  |                          |                      |                |                 |                 |                           |
|----------------------------------|--------------------------|----------------------|----------------|-----------------|-----------------|---------------------------|
| Name: <u>TOHONADLA 2-35/ISMY</u> | API: <u>43-037-31568</u> | Entity: <u>11202</u> | Sec: <u>35</u> | Twp: <u>41S</u> | Rng: <u>21E</u> | Lease Type: <u>INDIAN</u> |
| Name: _____                      | API: _____               | Entity: _____        | Sec: _____     | Twp: _____      | Rng: _____      | Lease Type: _____         |
| Name: _____                      | API: _____               | Entity: _____        | Sec: _____     | Twp: _____      | Rng: _____      | Lease Type: _____         |
| Name: _____                      | API: _____               | Entity: _____        | Sec: _____     | Twp: _____      | Rng: _____      | Lease Type: _____         |
| Name: _____                      | API: _____               | Entity: _____        | Sec: _____     | Twp: _____      | Rng: _____      | Lease Type: _____         |
| Name: _____                      | API: _____               | Entity: _____        | Sec: _____     | Twp: _____      | Rng: _____      | Lease Type: _____         |
| Name: _____                      | API: _____               | Entity: _____        | Sec: _____     | Twp: _____      | Rng: _____      | Lease Type: _____         |

**OPERATOR CHANGE DOCUMENTATION**

- 1 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Reg. 10-20-92) (Rec'd 10-26-92)*
- N/A 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *"Designation of Agent Only"*
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) \_\_\_\_ If yes, show company file number: \_\_\_\_\_.
- 1 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- 1 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(10-28-92)*
- 1 6. Cardex file has been updated for each well listed above. *(10-28-92)*
- 1 7. Well file labels have been updated for each well listed above. *(10-28-92)*
- 1 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(10-28-92)*
- 1 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

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

BOND VERIFICATION (Fee wells only)

- 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operators' bond files.
- 3. The former operator has requested a release of liability from their bond (yes/no) \_\_\_\_\_. Today's date \_\_\_\_\_ 19\_\_\_\_. If yes, division response was made by letter dated \_\_\_\_\_ 19\_\_\_\_.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated \_\_\_\_\_ 19\_\_\_\_, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 2. Copies of documents have been sent to State Lands for changes involving State leases.

FILMING

- 1. All attachments to this form have been microfilmed. Date: Nov 3 1992.

FILING

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

COMMENTS

921021 Sterling Energy Corp. is the recognized operator "Trinity Petro. is Agent only!"



**STERLING ENERGY CORPORATION**

1801 Broadway, Suite 600, Denver, Colorado 80202  
(303) 296-1908

October 12, 1993

To Whom It May Concern

**Re: Notification of Underground Injection Permit Application  
Per 40 CFR 147.3002  
2-35 Tohonadla 43-037-31568  
Tohonadla Field  
SW NE, Section 35, T41S, R21E  
San Juan County, Utah**

**RECEIVED**

OCT 15 1993

**DIVISION OF  
OIL, GAS & MINING**

Gentlemen:

This is formal notice of a permit application to convert an existing oil well in the Tohonadla Field into a water injection well. The injection well will be used to dispose of water from the other oil producing wells. In addition to disposal of produced water, an additional volume of non-potable water from the DeChelly formation will be injected in an effort to maintain reservoir pressure for the producing wells.

The following information is required to be supplied to you under the reference Federal Regulation:

- 1. Name and address of applicant.**  
Sterling Energy Corporation  
1801 Broadway, Suite 600  
Denver, CO 80202
- 2. Brief description of the planned injection activities.**  
Described in introductory paragraph.

**Well Location and name.**  
2-35 Tohonadla  
Tohonadla Field  
SW NE, Section 35, T41S, R21E  
San Juan County, Utah

**Name and Depth of injection zone.**  
Lower Ismay 5044' to 5064'  
Upper Desert Creek 5120' to 5200'

**Maximum Injection Pressure and Volume**

2200 PSI - 500 Barrels Water Per Day

**Source and Description of the fluid to be injected.**

The source of the injected fluid is water produced from the current producing oil wells. This volume will be thirty barrels per day. The remainder of the injection water will be from the DeChelly interval 2280' to 2370' out of a shut-in well that is to be converted to water supply. This well is the 36-1 Tohonadla Located in SW SW, Section 36, T41S, R21E, San Juan County, Utah

The produced oil field water is quite saline, with a total dissolved solid content of 60,000 PPM. The DeChelly water is estimated to be saline in the range of 4,000 to 10,000 PPM and be required to be pumped from a depth of 1000' to 2000'.

**Name, address and phone number of EPA contact person.**

Navajo EPA (505) 368-4125  
Jim Walker  
P.O. Box 3605  
Shiprock, New Mexico 87420

**Public comment Period**

A 30 day comment period will start when the EPA prepares the draft permit. Any party can comment to the EPA concerning the permit.

The following agencies are being notified by receiving a copy of this letter via certified return-receipt requested U.S. Postal mail:

Navajo EPA  
P.O. Box 3605  
Shiprock, New Mexico 87420  
Attn: Jim Walker

EPA - Region IX  
75 Hawthorne Street  
San Francisco, California 94105-3901  
Attn: Jose L. Gutierrez

Bureau of Indian Affairs 602 871-5151  
Navajo-Farmington Indian Minerals Office  
1400 La Plata Highway  
Window Rock, Arizona 86515  
Attn: James Miles - Lease Compliance Specialist

Navajo Tribal Minerals Department  
P.O Box 146  
Window Rock, Arizona 86515  
Attn: Akthar Zaman

Bureau of Land Management  
1235 La Plata Highway  
Farmington, New Mexico 87401  
Attn: Stephen Mason

Division of Oil, Gas, and Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
Attn: Frank Matthews

Navajo Tribal Nation  
P.O. Box N  
Window Rock, Arizona  
Attn: Petersen Zah

If any questions concerning this notice arise, please contact this office at your earliest convenience.

Sincerely,



Richard A. Ferris  
Chief Operations Engineer

**STERLING ENERGY CORPORATION**  
**Managed By:**  
**Trinity Petroleum Management**

RAF/kae

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

## MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

C/O TRINITY PETRO MGT INC  
 STERLING ENERGY CORP  
 1801 BROADWAY STE 600  
 DENVER CO 80202

UTAH ACCOUNT NUMBER: N5945

REPORT PERIOD (MONTH/YEAR): 10 / 94

AMENDED REPORT  (Highlight Changes)

| Well Name           |        |            | Producing Zone | Well Status | Days Oper | Production Volumes |                 |                       |
|---------------------|--------|------------|----------------|-------------|-----------|--------------------|-----------------|-----------------------|
| API Number          | Entity | Location   |                |             |           | OIL(BBL)           | GAS(MCF)        | WATER(BBL)            |
| NAVAJO TR #23-1     |        |            | ISMV           |             |           | 142603270          |                 |                       |
| 4303715540          | 06230  | 42S 21E 2  |                |             |           |                    |                 |                       |
| ✓RECAPTURE CREEK 2  |        |            | IS-DC          |             |           | 607890             | "Non Unit Well" | 5/19/95 to Basin Exp. |
| 4303730727          | 06255  | 40S 23E 21 |                |             |           |                    |                 |                       |
| TOHONADLA 36-1      |        |            | PRDX           |             |           | 142603229          |                 |                       |
| 4303730854          | 06260  | 41S 21E 36 |                |             |           |                    |                 |                       |
| DESERT CREEK 2      |        |            | PRDX           |             |           | 142603248          |                 |                       |
| 4303715868          | 06270  | 41S 23E 35 |                |             |           |                    |                 |                       |
| ✓RECAPTURE CREEK #3 |        |            | DSCR           |             |           | 607890             | "Non Unit Well" | 5/19/95 to Basin Exp. |
| 4303730926          | 08450  | 40S 23E 21 |                |             |           |                    |                 |                       |
| TOHONADLA #1        |        |            | PRDX           |             |           | 142603229          |                 |                       |
| 3715872             | 11202  | 41S 21E 35 |                |             |           |                    |                 |                       |
| TOHONADLA #23-35    |        |            | PRDX           |             |           | "                  |                 |                       |
| 4303715874          | 11202  | 41S 21E 35 |                |             |           |                    |                 |                       |
| TOHONADLA #41-25    |        |            | PRDX           |             |           | "                  |                 |                       |
| 4303715876          | 11202  | 41S 21E 25 |                |             |           |                    |                 |                       |
| TOHONADLA 2-35      |        |            | ISMV           |             |           | "                  |                 |                       |
| 4303731568          | 11202  | 41S 21E 35 |                |             |           |                    |                 |                       |
| <b>TOTALS</b>       |        |            |                |             |           |                    |                 |                       |

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

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

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

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

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

**Basin Operating Company**

370 17th Street, Suite 1800

Denver, CO 80202

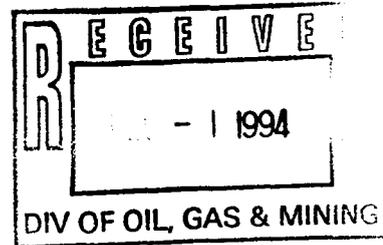
Office 303-685-8000

Fax 303-685-8010



November 30, 1994

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



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

Dear Ms. Cordova:

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

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

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

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

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

Yours very truly,

**BASIN OPERATING COMPANY**

  
Judi Roys  
Production

Enclosure

Office of the Secretary of State

---

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

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

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



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

Edward J. Freel, Secretary of State

2289801 8330

944226741

AUTHENTICATION:

7312955

DATE:

11-23-94

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. If Indian, Allottee or Tribe Name:

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

7. Unit Agreement Name:

1. Type of Well: OIL  GAS  OTHER:

8. Well Name and Number:

2. Name of Operator: **BASIN OPERATING COMPANY**

9. API Well Number:

3. Address and Telephone Number: **370 17TH STREET, SUITE 1800, DENVER, CO 80202  
(303) 685-8500**

10. Field and Pool, or Wildcat:

4. Location of Well

Footages: **SEE ATTACHED**

County: **SAN JUAN**

OO, Sec., T., R., M.:

State: **UTAH**

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

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

Approximate date work will start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- |   |   |
|---|---|
| <input type="checkbox"/> Abandon *  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing  | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans  | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection   | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize  | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Change name of operator due to corporate merger.</u> |   |

Date of work completion December 1, 1994  
(effective date)

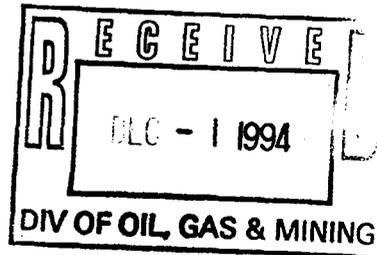
Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

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

**FORMER NAME OF OPERATOR:**

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



13.

Name & Signature:

*[Handwritten Signature]*

Title: **V.P. CHIEF OPERATING OFFICER** Date: **11/30/94**

(This space for State use only)

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

(entity#)

|       |               |                   |                               |          |    |     |     |      |            |
|-------|---------------|-------------------|-------------------------------|----------|----|-----|-----|------|------------|
| BLUFF | BLUFF 13- 4   | 430373072600      | SAN JUAN                      | UT       | 4  | 40S | 23E | NWSW | 11146      |
| BLUFF | BLUFF 24-5    | 430371586500      | SAN JUAN                      | UT       | 5  | 40S | 23E | SESW |            |
| BLUFF | BLUFF 3       | 430371586400      | SAN JUAN                      | UT       | 4  | 40S | 23E | NWNW |            |
| BLUFF | BLUFF 42- 5   | 430373086600      | SAN JUAN                      | UT       | 5  | 40S | 23E | SENE |            |
| BLUFF | BLUFF 44-5    | 430371586700      | SAN JUAN                      | UT       | 5  | 40S | 23E | SESE |            |
| ✓     | DESERT CREEK  | DESERT CREEK 2    | 430371586800                  | SAN JUAN | UT | 35  | 41S | 23E  | SESE 06270 |
|       | RECAP . CREEK | RECAPTURE CREEK 1 | 430371587100                  | SAN JUAN | UT | 21  | 40S | 23E  | SESW 06265 |
|       | RECAP . CREEK | RECAPTURE CREEK 2 | 430373072700                  | SAN JUAN | UT | 21  | 40S | 23E  | NWSW 06255 |
|       | RECAP . CREEK | RECAPTURE CREEK 3 | 430373092600                  | SAN JUAN | UT | 21  | 40S | 23E  | NWSE 08450 |
| ✓     | TOHONADLA     | NAVAJO TR #23-1   | <del>155/0 430374056500</del> | SAN JUAN | UT | 2   | 42S | 21E  | NENE 06230 |
| ✓     | TOHONADLA     | TOHONADLA 1       | 430371587200                  | SAN JUAN | UT | 35  | 41S | 21E  | SWSE 11202 |
| ✓     | TOHONADLA     | TOHONADLA * 36-1  | <del>30854 430371587200</del> | SAN JUAN | UT | 35  | 41S | 21E  | SWSE       |
| ✓     | TOHONADLA     | TOHONADLA * 23-35 | <del>15874 430371587200</del> | SAN JUAN | UT | 35  | 41S | 21E  | SWSE       |
| ✓     | TOHONADLA     | TOHONADLA * 41-25 | <del>15876 430371587200</del> | SAN JUAN | UT | 35  | 41S | 21E  | SWSE       |
| ✓     | TOHONADLA     | TOHONADLA * 2-35  | <del>31568 430371587200</del> | SAN JUAN | UT | 35  | 41S | 21E  | SWSE       |

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

RECEIVED  
1994 NOV 22 PM 3:37  
SECRETARY OF STATE  
STATE OF COLORADO

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

Article I

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

Article II

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

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

Article III

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

Article IV

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

Article V

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

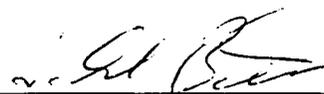
Such service of process, if any, shall be sent by registered or certified mail to its principal office at:

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

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

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

STERLING ENERGY CORPORATION,  
a Colorado corporation

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

BASIN ENERGY, INC.,  
a Colorado corporation

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

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

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

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

Article I

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

Article II

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

ARTICLE III

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

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

Article IV

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

Article V

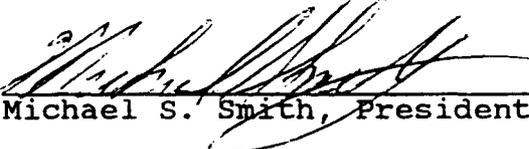
Basin agrees that it may be served with process in any proceeding for the enforcement of any obligation of BSI.

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

Basin Exploration, Inc.  
Suite 1800  
370 17th Street  
Denver, Colorado 80202  
Attention: Howard L. Boigon, Vice President -  
General Counsel and Secretary

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

Basin Exploration, Inc.,  
a Delaware corporation

By   
Michael S. Smith, President

## Exhibit A

### PLAN OF MERGER

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

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

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

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

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

NOW, THEREFORE, it is resolved as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ATTEST:

BASIN EXPLORATION, INC., a  
Delaware corporation

By Howard L. Boigon  
Howard L. Boigon, Secretary

By Michael S. Smith  
Michael S. Smith, President

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

RECEIVED

5. Lease Designation and Serial No.  
**1420603229**

6. If Indian, Allottee or Tribe Name  
**NAVAJO**

7. If Unit or CA, Agreement Designation

8. Well Name and No.

9. API Well No. **43-037-31568**

10. Field and Pool, or Exploratory Area  
**TOHONADLA**

11. County or Parish, State  
**SAN JUAN, UTAH**

**SUBMIT IN TRIPLICATE** 070 FARMINGTON, NM

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**BASIN OPERATING COMPANY**

3. Address and Telephone No.  
**370 17TH STREET, SUITE 1800, DENVER, CO 80202 (303) 685-8000**

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)  
**SEE ATTACHED EXHIBIT** 415 21E Sec 35

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

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

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

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

FORMER NAME OF OPERATOR: **STERLING ENERGY CORPORATION**

2-35 Tohonadla  
32108

RECEIVED  
HQB DISTRICT OFFICE  
94 DEC -5 PM 1:04  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
OCT 06 1995

14. I hereby certify that the foregoing is true and correct.  
Signed *[Signature]*

Title **V.P. CHIEF OPERATING OFFICER**

DIV. OF OIL, GAS & MINING  
ACCEPTED FOR RECORD

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

Title \_\_\_\_\_

Date **AUG 24 1995**  
JWK  
8-25-95  
mg

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

\*See Instruction on Reverse Side

FARMINGTON DISTRICT OFFICE  
BY *[Signature]*

FARMINGTON COPY

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

Routing:

|              |
|--------------|
| 1 LEP 7-PL   |
| 2 LWP 8-SJ   |
| 3 DTS 9-FILE |
| 4 VLD        |
| 5 RJF        |
| 6 LWP        |

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

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

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 11-22-94)

|                   |                              |                        |                                  |
|-------------------|------------------------------|------------------------|----------------------------------|
| TO (new operator) | <b>BASIN EXPLORATION INC</b> | FROM (former operator) | <b>STERLING ENERGY CORP</b>      |
| (address)         | <b>370 17TH ST STE 1800</b>  | (address)              | <b>C/O BASIN EXPLORATION INC</b> |
|                   | <b>DENVER CO 80202</b>       |                        | <b>370 17TH ST STE 1800</b>      |
|                   | <b>JUDI ROYS</b>             |                        | <b>DENVER CO 80202</b>           |
|                   | phone (303) <b>685-8000</b>  |                        | phone (303) <b>685-8000</b>      |
|                   | account no. <b>N5070</b>     |                        | account no. <b>N5945(A)</b>      |

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

|                               |                       |               |           |            |           |                   |
|-------------------------------|-----------------------|---------------|-----------|------------|-----------|-------------------|
| Name: <b>**SEE ATTACHED**</b> | API: <u>037-31568</u> | Entity: _____ | Sec _____ | Twsp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec _____ | Twsp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec _____ | Twsp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec _____ | Twsp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec _____ | Twsp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec _____ | Twsp _____ | Rng _____ | Lease Type: _____ |
| Name: _____                   | API: _____            | Entity: _____ | Sec _____ | Twsp _____ | Rng _____ | Lease Type: _____ |

**OPERATOR CHANGE DOCUMENTATION**

- lec 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(checked 12-1-94 / Articles of merger)*
- lec 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(checked 12-1-94)*
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) \_\_\_\_\_ If yes, show company file number: \_\_\_\_\_.
- lec 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
- lec 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(10-18-95)*
- lec 6. Cardex file has been updated for each well listed above. *10-19-95*
- lec 7. Well file labels have been updated for each well listed above. *10-19-95*
- lec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(10-18-95)*
- lec 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

**ENTITY REVIEW**

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

**BOND VERIFICATION (Fee wells only)**

- N/A fee 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operators' bond files.
- 3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date                      19    . If yes, division response was made by letter dated                      19    .

**LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY**

- N/A OT's 1/20/95 1. (Rule R615-2-10) The former operator/lessee of any **fee lease** well listed above has been notified by letter dated                      19    , of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- N/A 2. Copies of documents have been sent to State Lands for changes involving **State leases**.

**FILMING**

- 1. All attachments to this form have been microfilmed. Date: October 25 1995.

**FILING**

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

**COMMENTS**

950519 Basin Expl. Inc. / Gudi Rags - Oper. of wells Basin Expl. Inc. Not Basin Oper. Co.  
 (Corrects letter dated 11-30-94)

\* other wells "Reception Creek Unit & Bluff Unit & 2/Fed. lease wells" separate change (5/22)

950522 Sterling address updated to Sterling Co Basin Expl. Inc. from Sterling Co Trinity Petro.  
 until final "merger appr. from BIA"

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|  |               |   |
|--|---------------|---|
|  |               | 5. LEASE DESIGNATION AND SERIAL NUMBER: |
|  |               | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:   |
|  |               | 7. UNIT or CA AGREEMENT NAME:           |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ |               | 8. WELL NAME and NUMBER:                |
| 2. NAME OF OPERATOR:   |               | 9. API NUMBER:                          |
| 3. ADDRESS OF OPERATOR:<br>CITY _____ STATE _____ ZIP _____  | PHONE NUMBER: | 10. FIELD AND POOL, OR WILDCAT:         |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE:<br><br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:    |               | COUNTY:<br><br>STATE: <b>UTAH</b>       |

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

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br><br>Approximate date work will start:<br>_____          | <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 checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br><br>Date of work completion:<br>_____ | <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.

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

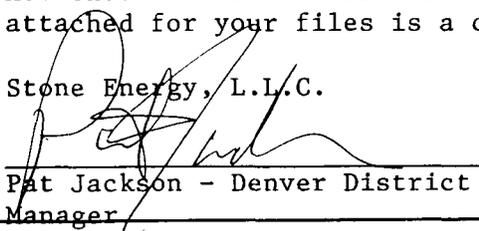
Stone Energy, L.L.C.  
1670 Broadway, Suite 2800  
Denver, CO 80202

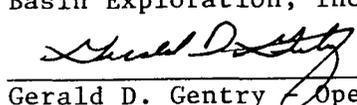
Blanket Bond #RLB0002054

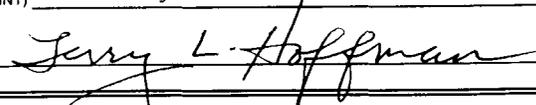
Attached is the list of wells that will be effected in the State of Utah. Also attached for your files is a copy of the merger documentation.

Stone Energy, L.L.C.

Basin Exploration, Inc.

  
Pat Jackson - Denver District  
Manager

  
Gerald D. Gentry Operations Manager

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

(This space for State use only)

**RECEIVED**

MAR 05 2001

DIVISION OF  
OIL, GAS AND MINING

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

|            |                                      |                   |     |                |                |     |     |    |      |
|------------|--------------------------------------|-------------------|-----|----------------|----------------|-----|-----|----|------|
| 4303730989 | BASIN<br>EXPLORATION<br>INCORPORATED | 16 BLUFF ✓        | POW | UTSL067701*DUG | UTSL067701*DUG | 39S | 23E | 29 | SWSE |
| 4303731568 | BASIN<br>EXPLORATION<br>INC          | 2-35<br>TOHANADLA | POW | 1420603229*BEI | 1420603229*BEI | 41S | 21E | 35 | SENE |

*DISCLAIMER for online data: No warranty is made by the BLM for use of the data for purposes not intended by the BLM.*



5. If **NO**, the operator was contacted contacted on: \_\_\_\_\_

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 03/23/2001

8. **Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 03/23/2001

9. **Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inj** 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: \_\_\_\_\_ 06/27/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: \_\_\_\_\_ 06/27/2003

3. Bond information entered in RBDMS on: N/A

4. Fee wells attached to bond in RBDMS on: N/A

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

1. State well(s) covered by Bond Number: N/A

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

1. Federal well(s) covered by Bond Number: RLB0002054

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

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

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

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

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

14-20-603-229

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Navajo Tribe

7. UNIT or CA AGREEMENT NAME:

N/A

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:

Tohonadla 2-35

2. NAME OF OPERATOR:

Stone Energy, L.L.C.

*N1555*

9. API NUMBER:

4303731568

3. ADDRESS OF OPERATOR:

1801 Broadway, St. 700

CITY

Denver

STATE

CO

ZIP

80202

PHONE NUMBER:

(303) 685-8000

10. FIELD AND POOL, OR WILDCAT:

Tohonadla

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1550 FNL and 1320 FEL

COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 35 41S 21E

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

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

Effective June 1, 2004, Stone Energy, L.L.C. is transferring title interest and operations of this well to Matrix Production Company, whose address is 5725 Commonwealth Blvd., Sugar Land, Texas 77479, Tele: 281-265-1212. The Matrix bonding is as follows: (1) BIA lands U.S. Specialty Insurance Company Bond No. 6001183 for \$1,30,000.00 (2) State of Utah Trust lands, U.S. Specialty Insurance Company Bond No. 6001043 for \$10,000.00 and (3) BLM lands U.S. Specialty Insurance Company Bond No. 6001041 for \$25,000.00.

MATRIX PRODUCTION COMPANY

*N2660*

By: \_\_\_\_\_

(Signature)

Name: Larry W. Lathrop

Title: Vice President

Date: 6/30/2004

NAME (PLEASE PRINT) Michael E. Cuba

TITLE Denver District Manager

SIGNATURE \_\_\_\_\_

DATE 6/30/2004

(This space for State use only)

APPROVED 10127104

(5/2000)

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

OCT 04 2004

DIV. OF OIL, GAS & MINING

**OPERATOR CHANGE WORKSHEET**

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

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

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **6/1/2004**

|  |   |
|--|---|
| <b>FROM: (Old Operator):</b><br>N1555-Stone Energy, LLC<br>1801 Broadway, Suite 700<br>Denver, CO 80202<br>Phone: 1-(303) 685-8000 | <b>TO: ( New Operator):</b><br>N2660-Matrix Production Company<br>5725 Commonwealth Blvd<br>Sugar Land, TX 77479<br>Phone: 1-(281) 265-1212 |
|--|---|

CA No.

Unit:

**WELL(S)**

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

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

8. **Federal and Indian Units:**

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

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

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

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

**DATA ENTRY:**

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

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

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

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

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

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

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

2. The **FORMER** operator has requested a release of liability from their bond on: held at TLA  
The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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**THE  
NAVAJO  
NATION****MINERALS DEPARTMENT  
Post Office Box 1910  
Window Rock, Arizona 86515  
Telephone: (928) 871-6587/6588  
Telefax: (928) 871-7095***Joe Shirley, Jr.  
President**Frank Dayish, Jr.  
Vice President*

November 16, 2004

Mr. Larry W. Lathrop  
Vice President  
Matrix Production Company  
5725 Commonwealth Blvd.  
Sugar Land, TX 77479

NOV 22 2004

**SUBJECT: Application for Navajo Nation Oil & Gas Lease Assignments**

Dear Mr. Lathrop:

As we discussed on the telephone on November 15, 2004, we have completed review of the following Navajo Nation oil and gas leases:

|                  |                 |
|------------------|-----------------|
| <u>Lease No.</u> | 14-20-603-229   |
|                  | 14-20-603-236 * |
|                  | 14-20-603-248   |
|                  | 14-20-603-270   |

We have determined that we will recommend the leases, except Lease #14-20-603-236, for the Navajo Nation's consideration to exercise its first right of refusal as provided in the Navajo Nation Code, Title 18, Section 605. We will appreciate it if you would provide a copy of this letter to Stone Energy.

Please call me at (928) 871-6587 if you have any questions.

Sincerely,

*Akhtar Zaman*  
Akhtar Zaman, Director  
Minerals Department

RECEIVED  
JAN 06 2005  
DIV. OF OIL, GAS & MINING

AZ/cab

Dec-17-04 14:13 From:Minerals Department

9288717085

T-707 P.02/02 F-743



COPY

MINERALS DEPARTMENT  
Post Office Box 1910  
Window Rock, Arizona 86515  
Telephone: (928) 871-6587/6588  
Telefax: (928) 871-7095

Joe Shirley, Jr.  
President

Frank Dayish, Jr.  
Vice President

December 17, 2004

VIA FACSIMILE: (281) 265-1778

Mr. Larry W. Lathrop  
Vice President  
Matrix Production Company  
5725 Commonwealth Blvd.  
Sugar Land, TX 77479

SUBJECT: Application for Navajo Nation Oil & Gas Lease Assignments

Dear Mr. Lathrop:

This is to follow up on my previous letter to you dated November 16, 2004 and subsequent telephone conversation with you and Mr. Michael Cuba with Stone Energy, L.L.C. At this time, we are ready to proceed with the acquisition of three (3) leases (14-20-604-229, -228 and -270) subject to the review of the Assets Sale Agreement (Agreement) between Stone Energy, L.L.C. and Matrix Production Company. On December 16, 2004, I requested Mr. Cuba, to provide us a copy of the Agreement. Upon receipt of the Agreement, we will hopefully arrange a meeting with you and Mr. Cuba in January, 2005 in Phoenix, Arizona. I will be accompanied by Mr. Wilson Groen, General Manager, Navajo Nation Oil & Gas Company, Inc.

Please do not hesitate to contact me at (928) 871-6587 if you have any questions.

Sincerely,

*Akhtar Zaman*  
Akhtar Zaman, Director  
Minerals Department

RECEIVED  
JAN 06 2005  
DIV. OF OIL, GAS & MINING

AZ:cab

- c: Mr. Michael Cuba, Stone Energy, L.L.C. (303) 685-8000
- Mr. Arvin S. Trujillo, Executive Director, Division of Natural Resources
- Mr. Wilson Groen, General Manager, Navajo Nation Oil & Gas Company, Inc.

Lease 14-20-603-229 includes the following wells:  
Tohonadla #1, Tohonadla #2-35 & Tohonadla #23-35.  
Lease 14-20-603-248 includes well: Desert Creek #2  
Lease 14-20-603-270 includes well: Navajo Tribal 23-1





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

FORM 5

DESIGNATION OF AGENT OR OPERATOR

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

LEASE NAME: Navajo Tract 23-1; Tohonadla; Desert Creek

LEASE NUMBER: 14-20-603-270; 14-20-603-229; 14-20-603-248

and hereby designates

NAME: ST Oil (operator #: 2190)

ADDRESS: 1801 Broadway, Suite 600

city Denver

state CO

zip 80202

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

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

| Oil Well           | API Number |       |       |        | ENTITY |
|--------------------|------------|-------|-------|--------|--------|
| Navajo Tribal 23-1 | 4303715540 | T 42S | R 21E | Sec 02 |        |
| Desert Creek No. 2 | 4303715868 | T 41S | R 23E | Sec 35 |        |
| Tohonadla 1        | 4303715872 | T 41S | R 21E | Sec 35 |        |
| Tohonadla 23-35    | 4303715874 | T 41S | R 21E | Sec 35 |        |
| Tohonadla 2-35     | 4303731568 | T 41S | R 21E | Sec 35 | 11202  |

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

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

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

Effective Date of Designation: 10/1/2005

BY: (Name) Wilson Groen  
(Signature) [Signature]  
(Title) Chief Executive Officer  
(Phone) (928) 871-4880

OF: (Company) Navajo Nation Oil & Gas, Inc. N2550  
(Address) P.O. Box 4439  
city Window Rock  
state AZ zip 86515

(5/2000)

RECEIVED

JAN 24 2006

DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|   |  |   |
|---|--|---|
|   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>Various</b> |
|   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                     |
|   |  | 7. UNIT or CA AGREEMENT NAME:                             |
| 1. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ |  | 8. WELL NAME and NUMBER:<br><b>See Attached List</b>      |
| 2. NAME OF OPERATOR:<br><b>Stone Energy, L.L.C. N1555</b>   |  | 9. API NUMBER:<br><b>Various</b>                          |
| 3. ADDRESS OF OPERATOR:<br><b>1801 Broadway, ste. 700</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b> |  | 10. FIELD AND POOL, OR WLD/CAT:<br><b>Various</b>         |
|   |  |   |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>See attached list</b>  |  | COUNTY: <b>San Juan</b>                                   |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  |  | STATE: <b>UTAH</b>  |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   |   |   |  |
|---|---|---|--|
| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
| <input checked="" type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br><br>Approximate date work will start:<br>_____ | <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<br>(Submit Original Form Only)<br><br>Date of work completion:<br>_____              | <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.

Please be advised that Stone Energy, L.L.C. has resigned as operator of the wells referenced on the attached Exhibit "A" & "B." Effective date of the change is June 1, 2004.

Navajo Nation Oil and Gas Company, Inc. will be the new operator and will be responsible under the terms and conditions of the lease for the operations conducted on the leased lands or portions thereof. Navajo Nation Oil and Gas Company, Inc. operations will be covered by Bond # R1B 0006712.

Navajo Nation Oil and Gas Company, Inc. N2550  
 By: Wilson Groen  
 Signature: [Signature]  
 Date: 24 June 2005  
 Navajo Nation Oil and Gas Company, Inc.  
 Hwy 264 & Crest Road  
 St. Michaels, AZ 86511

|                                      |                                    |
|--------------------------------------|------------------------------------|
| NAME (PLEASE PRINT) <u>Tracy Opp</u> | TITLE <u>Regulatory Specialist</u> |
| SIGNATURE <u>[Signature]</u>         | DATE <u>6/20/2005</u>              |

(This space for State use only)

**APPROVED** 7/29/05  
Earlene Russell  
 (5/2000) Division of Oil, Gas and Mining  
 Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

**RECEIVED**  
**JUL 08 2005**  
 DIV. OF OIL, GAS & MINING

**EXHIBIT "B"**  
**LEASES**

Attached to and made a part of that certain Purchase and Sale Agreement dated effective at 7:00 a.m. MT, June 1, 2004,  
by and between Stone Energy, L.L.C., Seller, and Navajo Nation Oil & Gas Company, Inc., Purchaser

**PARADOX BASIN PROSPECTS / SAN JUAN COUNTY, UTAH**

| Prospect     | Type Lease | Excalibur Lease No. | Lessor            | Lessee             | Lease Date | TWP | RGE | Sec.                 | Description              | Recordation |      |
|--------------|------------|---------------------|-------------------|--------------------|------------|-----|-----|----------------------|--------------------------|-------------|------|
|              |            |                     |                   |                    |            |     |     |                      |                          | Book        | Page |
| DESERT CREEK | INDIAN     | 14040-00            | BIA 14-20-603-248 | SHELL OIL COMPANY  | 08/05/53   | 41S | 23E | 25<br>26<br>35<br>36 | ALL<br>ALL<br>ALL<br>ALL | T-7         | 759  |
| TOHONADLA    | INDIAN     | 14041-00            | BIA 14-20-603-229 | SHELL OIL COMPANY  | 08/05/53   | 41S | 21E | 25<br>26<br>35<br>36 | ALL<br>ALL<br>ALL<br>ALL | 12          | 372  |
| TOHONADLA    | INDIAN     | 14042-00            | BIA 14-20-603-270 | CARTER OIL COMPANY | 09/02/53   | 42S | 21E | 1<br>2               | NW/4<br>NE/4             | NA          | NA   |

IT IS THE INTENT OF SELLER / ASSIGNOR TO CONVEY TO PURCHASER / ASSIGNEE ONE HUNDRED PERCENT (100%) OF SELLER'S / ASSIGNOR'S RIGHT, TITLE AND INTEREST INSOFAR AS IT COVERS THE WELLS AND LEASEHOLD INTERESTS AND ALL ACREAGE ATTRIBUTABLE TO THE BIA LEASES ASSIGNED HEREIN.

**EXHIBIT "A"  
WELLS**

Attached to and made a part of that certain Purchase and Sale Agreement dated effective 7:00 a.m. MT, June 1, 2004,  
by and between Stone Energy, L.L.C., Seller, and Navajo Nation Oil & Gas Company, Inc., Purchaser

| APL NO.      | Well Name             | Stone Field Name | State | County   | Stone Well No. | Operator Name        | Horizon                       | Well Location |      |             | Spacing Unit              | BEFORE PAYOUT |             |             | AFTER PAYOUT     |       |
|--------------|-----------------------|------------------|-------|----------|----------------|----------------------|-------------------------------|---------------|------|-------------|---------------------------|---------------|-------------|-------------|------------------|-------|
|              |                       |                  |       |          |                |                      |                               | TWP. RGE      | SEC. | Description |                           | TVI BPD       | OIL NRI BPD | GAS NRI BPD | IF MARRI DRANGES | W/ARO |
| 43-037-15868 | 13 DESERT CREEK 2     | DESERT CREEK     | UT    | SAN JUAN | UT4597.01      | STONE ENERGY, L.L.C. | PARADOX                       | 41S-23E       | 35   | SE SE       | T41S R23E SEC 35: E/2SE/4 | 0.900000      | 0.787500    | 0.787500    |                  |       |
| 43-037-15540 | 22 NAVAJO TRIBAL 23-1 | TOHONADLA        | UT    | SAN JUAN | UT4672.01      | STONE ENERGY, L.L.C. | PARADOX                       | 42S - 21E     | 2    | NE NE       | T42S R21E SEC 2: E/2NE/4  | 1.000000      | 0.873446    | 0.873446    |                  |       |
| 43-037-15872 | 23 TOHONADLA 1        | TOHONADLA        | UT    | SAN JUAN | UT4533.01      | STONE ENERGY, L.L.C. | PARADOX                       | 41S - 21E     | 35   | SW SE       | T41S R21E SEC 35: SE/4    | 1.000000      | 0.875000    | 0.875000    |                  |       |
| 43-037-31568 | 24 TOHONADLA 2-35     | TOHONADLA        | UT    | SAN JUAN | UT4534.01      | STONE ENERGY, L.L.C. | ISMAY / BARKER / DESERT CREEK | 41S - 21E     | 35   | SW NE       | T41S R21E SEC 35: NE/4    | 1.000000      | 0.875000    | 0.875000    |                  |       |
| 43-037-15874 | 25 TOHONADLA 23-35    | TOHONADLA        | UT    | SAN JUAN | UT4535.01      | STONE ENERGY, L.L.C. | PARADOX                       | 41S - 21E     | 35   | NE SW       | T41S R21E SEC 35: SW/4    | 1.000000      | 0.875000    | 0.875000    |                  |       |

IT IS THE INTENT OF SELLER / ASSIGNOR TO CONVEY TO PURCHASER / ASSIGNEE ONE HUNDRED PERCENT (100%) OF SELLER'S / ASSIGNOR'S RIGHT, TITLE AND INTEREST INsofar AS IT COVERS THE WELLS AND LEASEHOLD INTEREST AND ALL ACREAGE ATTRIBUTABLE TO THE BIA LEASES ASSIGNED HEREIN.



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

8. **Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

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

**DATA ENTRY:**

- 1. Changes entered in the Oil and Gas Database on: 7/29/2005
- 2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 7/29/2005
- 3. Bond information entered in RBDMS on: n/a
- 4. Fee/State wells attached to bond in RBDMS on: n/a
- 5. Injection Projects to new operator in RBDMS on: n/a
- 6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

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

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

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

1. Indian well(s) covered by Bond Number: RLB0006712

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

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**ROUTING**

- |        |
|--------|
| 1. DJJ |
| 2. CDW |

Change of Operator (Well Sold)

**X - Operator Name Change/Merger**

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

**9/2/2008**

|  |  |
|--|--|
| <b>FROM: (Old Operator):</b><br>N2190-A ST Oil Company<br>1660 Lincoln St, Suite 2100<br>Denver, CO 80264<br>Phone: 1 (303) 296-1908 | <b>TO: ( New Operator):</b><br>N3600-A Genesis ST Operating, LLC<br>1660 Lincoln St, Suite 2100<br>Denver, CO 80264<br>Phone: 1 (303) 296-1908 |
|--|--|

**CA No. Unit:**

| WELL NAME       | SEC | TWN  | RNG  | API NO     | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-----------------|-----|------|------|------------|-----------|------------|-----------|-------------|
| NAVAJO TR 23-1  | 02  | 420S | 210E | 4303715540 | 6230      | Indian     | OW        | P           |
| DESERT CREEK 2  | 35  | 410S | 230E | 4303715868 | 6270      | Indian     | OW        | P           |
| TOHONADLA 1     | 35  | 410S | 210E | 4303715872 | 11202     | Indian     | OW        | P           |
| TOHONADLA 23-35 | 35  | 410S | 210E | 4303715874 | 11202     | Indian     | OW        | P           |
| TOHONADLA 2-35  | 35  | 410S | 210E | 4303731568 | 11202     | Indian     | OW        | P           |

**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: 7/8/2009
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/8/2009
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/27/2009
- 4a. Is the new operator registered in the State of Utah: \_\_\_\_\_ Business Number: 7073743-0161
- 5a. (R649-9-2)Waste Management Plan has been received on: \_\_\_\_\_ Requested 7/16/09
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. 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 BIA Not Yet
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- 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: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 7/16/2009
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/16/2009
- 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: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: n/a
- Indian well(s) covered by Bond Number: RLB0006712
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
- 3b. The **FORMER** operator has requested a release of liability from their bond on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|   |  |   |
|---|--|---|
| 1. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>VARIOUS</b> |
| 2. NAME OF OPERATOR:<br><b>GENESIS ST OPERATING LLC</b> <i>N3600</i>  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:<br><b>NAVAJO</b>    |
| 3. ADDRESS OF OPERATOR:<br><b>1660 LINCOLN, STE. 2100</b> CITY <b>DENVER</b> STATE <b>CO</b> ZIP <b>80264</b> |  | 7. UNIT or CA AGREEMENT NAME:                             |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>SEE ATTACHED LIST</b>  |  | 8. WELL NAME and NUMBER:<br><b>SEE ATTACHED LIST</b>      |
| PHONE NUMBER: <b>(303) 296-1908</b>   |  | 9. API NUMBER:<br><b>VARIOUS</b>                          |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>VARIOUS</b>         |
| COUNTY: <b>SAN JUAN</b>   |  |   |
| STATE: <b>UTAH</b>  |  |   |

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

| TYPE OF SUBMISSION   | TYPE OF ACTION  |   |  |
|--|---|---|--|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____ | <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"/> <b>SUBSEQUENT REPORT</b><br>(Submit Original Form Only)<br>Date of work completion:<br>_____              | <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.

**DUE TO CORPORATE MERGER, GENESIS ST OPERATING LLC WILL TAKE OVER AS AGENT OPERATOR FROM ST OIL COMPANY EFFECTIVE 9-02-08.**

*Bond No RLB0006712*

*ST OIL COMPANY N2190*

|   |                               |
|---|-------------------------------|
| NAME (PLEASE PRINT) <b>SALLIE S. TIPPIE</b> | TITLE <b>MANAGING PARTNER</b> |
| SIGNATURE <i>Sallie S. Tippie</i>           | DATE <b>7/6/09</b>            |

(This space for State use only)

**APPROVED** 7/16/2009  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

**RECEIVED**  
**JUL 08 2009**

**DIV. OF OIL, GAS & MINING**

EXHIBIT ATTACHED TO SUNDRY NOTICE AND REPORT ON WELLS FOR  
GENESIS ST OPERATING LLC

| LEASE DESIGNATION AND SERIAL NO. | TRIBE NAME | WELL NAME AND NO.  | API WELL NO. | FIELD        | COUNTY   | STATE | LOCATION OF WELL                                  |
|----------------------------------|------------|--------------------|--------------|--------------|----------|-------|---|
| BIA 14-20-603-270                | NAVAJO     | NAVAJO TRIBAL 23-1 | 4303715540   | TOHONADLA    | SAN JUAN | UT    | 660' FNL & 660' FEL (NE/4NE/4) SEC. 2-T42S-R21E   |
| BIA 14-20-603-229                | NAVAJO     | TOHONADLA 1        | 4303715872   | TOHONADLA    | SAN JUAN | UT    | 660' FSL & 1980' FEL (SW/4SE/4) SEC. 35-T41S-R21E |
| BIA 14-20-603-229                | NAVAJO     | TOHONADLA 23-35    | 4303715874   | TOHONADLA    | SAN JUAN | UT    | 1981' FSL & 1978' FWL (NE/4SW/4 SEC. 35-T41S-R21E |
| BIA 14-20-603-229                | NAVAJO     | TOHONADLA 2-35     | 4303731588   | TOHONADLA    | SAN JUAN | UT    | 1550' FNL & 1320' FEL (S-NE) SEC. 35-T41S-R21E    |
| BIA 14-20-603-248                | NAVAJO     | DESERT CREEK NO. 2 | 4303715868   | DESERT CREEK | SAN JUAN | UT    | 600' FSL & 660' FEL (SE/4SE/4) SEC. 35-T41S-R23E  |

RECEIVED

JUL 08 2009

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**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.*

**SUBMIT IN TRIPLICATE - Other Instructions on reverse side**

|  |  |  |
|--|--|--|
| 1. Type of Well<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |  | 5. Lease Serial No.<br>14-20-603-229                 |
| 2. Name of Operator<br>Navajo Nation Oil & Gas Co., Inc  |  | 6. If Indian, Allottee, or Tribe Name<br>Navajo      |
| 3a. Address<br>P.O. Box 4439, Window Rock, AZ 86515  |  | 7. If Unit or CA. Agreement Designation              |
| 3b. Phone No. (include area code)<br>(928) 871-4880  |  | 8. Well Name and No.<br>Tohonadla 2-35               |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>SHL:NE/4 1550' fml x 1320' fel, Sec 35 T41S, R21E      |  | 9. API Well No.<br>43-037-31568                      |
|  |  | 10. Field and Pool, or Exploratory Area<br>Tohonadla |
|  |  | 11. County or Parish, State<br>San Juan Co., Utah    |

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

| TYPE OF SUBMISSION                                   | TYPE OF ACTION   |
|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input checked="" type="checkbox"/> 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"/> Altering 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 checked="" type="checkbox"/> Recomplete <input type="checkbox"/> Other           |
|  | <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 or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports shall 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 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Jet Drill 300' laterals and stimulate Lower Ismay and Desert Creek intervals.

1. Pull pumping equipment and run a bit and scraper to PBTB 5290'
2. Drill 4 - 1" holes in casing and use a high pressure jetting tool to create 300' horizontal laterals oriented at 20, 170, 200 & 350 degrees. The depth of each set of laterals will be at the following depths: 5046' (Lower Ismay), 5122' (Desert Creek), & 5176' (Desert Creek).
3. After the 3 sets of laterals (total of 12 holes) each set will be acidized with 1500 gallons 15% HCL.
4. Swab testing will be done to evaluate productivity.
5. Pumping production equipment will be used to produce after swab testing is complete.

COPY SENT TO OPERATOR

Date: 12.31.2009  
Initials: KS

RECEIVED

NOV 24 2009

DIV. OF OIL, GAS & MINING

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

|   |  |
|---|--|
| Name (Printed/ Typed)<br>Richard A Ferris | Title<br>Chief Operations Engineer - Trinity Petroleum Management, LLC |
| Signature<br><i>Richard A Ferris</i>      | Date<br>November 19, 2009  |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

|  |                    |   |
|--|--------------------|---|
| Approved by<br><i>[Signature]</i>  | Title<br>Pet. Eng. | Date<br>11/24/09                                |
| 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<br>DCCM     | Federal Approval Of This<br>Action Is Necessary |

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 any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

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

**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.*

**SUBMIT IN TRIPLICATE - Other Instructions on reverse side**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
 Navajo Nation Oil & Gas Co., Inc

3a. Address  
 P.O. Box 4439, Window Rock, AZ 86515

3b. Phone No. (include area code)  
 (928) 871-4880

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 SHL:NE/4 1550' fml x 1320' fel, Sec 35 T41S, R21E

5. Lease Serial No.  
 14-20-603-229

6. If Indian, Allottee, or Tribe Name  
 Navajo

7. If Unit or CA. Agreement Designation

8. Well Name and No.  
 Tohonadla 2-35

9. API Well No.  
 43-037-31568

10. Field and Pool, or Exploratory Area  
 Tohonadla

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

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

| TYPE OF SUBMISSION                                    | TYPE OF ACTION   |
|---|--|
| <input type="checkbox"/> Notice of Intent             | <input checked="" type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Altering 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 checked="" type="checkbox"/> Recomplete <input type="checkbox"/> Other         |
|   | <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 or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports shall 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 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.)

Jet Drilled 300' laterals and stimulated Lower Ismay and Desert Creek intervals.(11-8-2009 to 12-16-2009)

1. Pulled pumping equipment and ran a bit and scraper to PBTD 5290'
2. Drilled 4 - 1" holes in casing and used a high pressure jetting tool to create 300' horizontal laterals  
 The depth of each set of laterals will be at the following depths:  
 5046' (Lower Ismay), @21, 200, 168, & 348 deg; 5122' (Desert Creek), 20, 200, 170, & 350 deg.  
 5176' (Desert Creek), 19, 199, 169, & 349 deg.

3. After drilling the 3 sets of laterals (total of 12 holes) each set was acidized with 1500 gallons 15% HCL.

Using a packer and bridge plug for isolation.

4. Swabbed back spent acid.
5. Pumping production equipment was run in the well and well was placed on rod pump.
6. Prior to laterals and acid the well was producing 3 bbl oil per day and 0 bbls water.  
 After the work the initial rate was 28 bbls oil per day and 0 bbls water per day.

**RECEIVED**

**FEB 29 2012**

Bureau of Oil, Gas & Mining

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

Name (Printed/ Typed)

Richard A Ferris

Signature

*Richard A Ferris*

Title

Chief Operations Engineer - Trinity Petroleum Management, LLC

Date

February 28, 2012

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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

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 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 reverse)

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET (for state use only)**

ROUTING

CDW

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

Operator Name Change/Merger

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

1/1/2012

|   |   |
|---|---|
| <b>FROM:</b> (Old Operator):<br>N3600A-Genesis ST Operating LLC<br>1660 Lincoln Street Ste 2100<br>Denver CO 80264<br>Phone: 1 (303) 296-1908 | <b>TO:</b> ( New Operator):<br>N2550-Navajo Nation Oil & Gas CO Inc<br>1675 Broadway Ste 1100<br>Denver CO 80202<br>Phone: 1 (928) 871-4880 |
|---|---|

| WELL NAME                   |  |  | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-----------------------------|--|--|-----|-----|-----|--------|-----------|------------|-----------|-------------|
| See Attached List (8 wells) |  |  |     |     |     |        |           |            |           |             |

**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: 2/22/2012
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/22/2012
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/29/2012
- Is the new operator registered in the State of Utah: Business Number: 7407010-0147
- (R649-9-2)Waste Management Plan has been received on: Requested
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: 2/29/2012
- 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 BIA Not Yet
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- 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")** 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:**

- Changes entered in the **Oil and Gas Database** on: 2/29/2012
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/29/2012
- 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: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: N/A
- Indian well(s) covered by Bond Number: RLB0006712
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number N/A
- The **FORMER** operator has requested a release of liability from their bond on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:** Designation of Agent return operations back to owner.

**DESIGNATION OF AGENT OR OPERATOR**

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

**RECEIVED**

**FEB 22 2012**

**DIV. OF OIL, GAS & MINING**

**LEASE NAME:** Tohonadla

**LEASE NUMBER:** Tribal No. 14-20-603-229

and hereby designates

**NAME:** Navajo Nation Oil & Gas CO., Inc

**ADDRESS:** 1675 Broadway, Suite 1100

city Denver state CO zip 80202

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

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

| Oil Well        | API Number   | Entity Number |
|-----------------|--------------|---------------|
| Tohonadla 1     | 43-037-15872 | 11202         |
| Tohonadla 2-35  | 43-037-31568 | 11202         |
| Tohonadla 23-35 | 43-035-15874 | 11202         |
| Tohonadla 35-P  | 43-035-50005 | 11202         |

*Bond = RL30006712*

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

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

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

**Effective Date of Designation:** 01/01/2012

**BY:** (Name) Sallie S. Tippet

(Signature) *Sallie S. Tippet*

(Title) Managing Partner

(Phone) (303) 296-1908

**OF:** (Company) Genesis ST Operating LLC

(Address) 1660 Lincoln Street, Suite 2100

city Denver

state CO zip 80264

**APPROVED** 2/29/12

*Earlene Russell*

Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET (for state use only)**

**ROUTING**  
 CDW

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

Operator Name Change/Merger

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

**8/1/2010**

|   |  |
|---|--|
| <b>FROM:</b> (Old Operator):<br>N2550- Navajo Oil & Gas Cp.<br>1625 Broadway, Suite 1100<br>Denver, CO 80202<br><br>Phone: 1 (303) 534-8300 | <b>TO:</b> ( New Operator):<br>N3930- NNOGC Exploration & Production, LLC<br>1625 Broadway, Suite 1000<br>Denver, CO 80202<br><br>Phone: 1 (303)534-8300 |
|---|--|

**CA No.**                      **Unit:**                      **N/A**

| WELL NAME         | SEC TWN<br>RNG | API NO | ENTITY<br>NO | LEASE<br>TYPE | WELL<br>TYPE | WELL<br>STATUS |
|-------------------|----------------|--------|--------------|---------------|--------------|----------------|
| See Attached List |                |        |              |               |              |                |

**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: 9/19/2012
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/19/2012
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 12/31/2012
- Is the new operator registered in the State of Utah: \_\_\_\_\_ Business Number: 8399948-0165
- (R649-9-2)Waste Management Plan has been received on: Not Yet
- Inspections of LA PA state/fee well sites complete on: 12/31/2102
- Reports current for Production/Disposition & Sundries on: 12/31/2012
- 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                      BIA                      8/1/2012
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 8/1/2010
- 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")** 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:**

- Changes entered in the **Oil and Gas Database** on: 12/31/2102
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/31/2012
- Bond information entered in RBDMS on: 12/31/2012
- Fee/State wells attached to bond in RBDMS on: 12/31/2012
- Injection Projects to new operator in RBDMS on: 12/31/2012
- Receipt of Acceptance of Drilling Procedures for APD/New on: 12/31/2012

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: N/A
- Indian well(s) covered by Bond Number: RLB0006712
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number N/A
- The **FORMER** operator has requested a release of liability from their bond on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

Navajo Nations Oil Gas Co. (N2550) to NNOGC Exploration Production, LLC (N3930)  
Effective 8/1/2012

| Well Name                 | Sec | TWP  | RNG  | API        | Entity | Lease  | Well Type | Well Status |
|---------------------------|-----|------|------|------------|--------|--------|-----------|-------------|
| TOHONADLA 26-OSCAR        | 26  | 410S | 210E | 4303750022 |        | Indian | OW        | APD         |
| TOHONADLA 35-F            | 35  | 410S | 210E | 4303750024 |        | Indian | OW        | APD         |
| TOHONADLA 2-G             | 02  | 420S | 210E | 4303750027 |        | Indian | OW        | APD         |
| TOHONADLA 2-B             | 02  | 420S | 210E | 4303750028 |        | Indian | OW        | APD         |
| TOHONADLA 1-C             | 01  | 420S | 210E | 4303750029 |        | Indian | OW        | APD         |
| TOHONADLA 2-BRAVO         | 02  | 420S | 210E | 4303750030 |        | Indian | OW        | APD         |
| TOHONADLA 1-F             | 01  | 420S | 210E | 4303750031 |        | Indian | OW        | APD         |
| TOHONADLA 2-H             | 02  | 420S | 210E | 4303750032 |        | Indian | OW        | APD         |
| TOHONADLA 1-Delta         | 01  | 420S | 210E | 4303750033 |        | Indian | OW        | APD         |
| TOHONADLA 35-INDIGO       | 35  | 410S | 210E | 4303750034 |        | Indian | OW        | APD         |
| TOHONADLA 35-J            | 35  | 410S | 210E | 4303750035 |        | Indian | OW        | APD         |
| UTE CANYON 25G-O          | 25  | 410S | 210E | 4303731913 | 18823  | Indian | OW        | DRL         |
| TOHONADLA 35-B            | 35  | 410S | 210E | 4303750023 | 18824  | Indian | OW        | DRL         |
| UTE CYN 23-INDIGO         | 23  | 410S | 210E | 4303731880 |        | Indian | OW        | LA          |
| TOHONADLA 35-P            | 35  | 410S | 210E | 4303731886 |        | Indian | OW        | LA          |
| TOHONADLA 1-E             | 01  | 420S | 210E | 4303731887 |        | Indian | OW        | LA          |
| TOHONADLA 1-D             | 01  | 420S | 210E | 4303731888 |        | Indian | OW        | LA          |
| TOHONADLA 26-O            | 26  | 410S | 210E | 4303731896 |        | Indian | OW        | LA          |
| UTE CYN 23-INDIGO         | 23  | 410S | 210E | 4303731911 |        | Indian | OW        | LA          |
| NAVAJO TR 23-1            | 02  | 420S | 210E | 4303715540 | 6230   | Indian | OW        | P           |
| DESERT CREEK 2            | 35  | 410S | 230E | 4303715868 | 6270   | Indian | OW        | P           |
| TOHONADLA 1               | 35  | 410S | 210E | 4303715872 | 11202  | Indian | OW        | P           |
| TOHONADLA 23-35           | 35  | 410S | 210E | 4303715874 | 11202  | Indian | OW        | P           |
| NAVAJO TRIBAL 23-13       | 13  | 400S | 240E | 4303730971 | 9420   | Indian | OW        | P           |
| NAVAJO TRIBAL 14-10       | 10  | 400S | 240E | 4303730977 | 10130  | Indian | OW        | P           |
| SAHGZIE 1                 | 05  | 420S | 240E | 4303731472 | 11032  | Indian | OW        | P           |
| ANASAZI 1                 | 05  | 420S | 240E | 4303731478 | 11042  | Indian | OW        | P           |
| CAJON MESA 8D-1           | 08  | 400S | 250E | 4303731497 | 11074  | Indian | OW        | P           |
| MONUMENT 8N-2             | 08  | 400S | 250E | 4303731509 | 11087  | Indian | OW        | P           |
| RUNWAY 10G-1              | 10  | 400S | 250E | 4303731515 | 11105  | Indian | OW        | P           |
| LONE MOUNTAIN CREEK 12F-1 | 12  | 420S | 240E | 4303731545 | 11148  | Indian | OW        | P           |
| RUNWAY 10E-2              | 10  | 400S | 250E | 4303731550 | 11128  | Indian | GW        | P           |
| BLUE HOGAN 1J-1           | 01  | 420S | 230E | 4303731562 | 11161  | Indian | OW        | P           |
| TOHONADLA 2-35            | 35  | 410S | 210E | 4303731568 | 11202  | Indian | OW        | P           |
| ANASAZI 5L-3              | 05  | 420S | 240E | 4303731572 | 11207  | Indian | OW        | P           |
| BROWN HOGAN 1A-2          | 01  | 420S | 230E | 4303731573 | 11215  | Indian | OW        | P           |
| MULE 31K (N)              | 31  | 410S | 240E | 4303731617 | 11326  | Indian | OW        | P           |
| BURRO 31I                 | 31  | 410S | 240E | 4303731708 | 11496  | Indian | OW        | P           |
| MULE 31M                  | 31  | 410S | 240E | 4303731710 | 11498  | Indian | OW        | P           |
| ANASAZI 6H-1              | 06  | 420S | 240E | 4303731744 | 11773  | Indian | OW        | P           |
| TOHONADLA 35-P            | 35  | 410S | 210E | 4303750005 | 11202  | Indian | OW        | P           |
| TOHONADLA 1-E             | 01  | 420S | 210E | 4303750006 | 6230   | Indian | OW        | P           |
| NAVAJO TRIBAL 41-2        | 02  | 420S | 240E | 4303731041 | 9437   | Indian | OW        | PA          |
| MONUMENT 17E-2            | 17  | 400S | 250E | 4303731547 | 11139  | Indian | OW        | S           |
| RUNWAY 10C-5A             | 10  | 400S | 250E | 4303731597 | 11152  | Indian | OW        | S           |
| UTE CYN 23-P              | 23  | 410S | 210E | 4303731881 | 17282  | Indian | OW        | S           |

**NAVAJO NATION OIL & GAS COMPANY**

**EXPLORATION & PRODUCTION LLC**

1675 Broadway, Suite 1100 • Denver, Colorado • 80202

Telephone (303) 534-8300 • FAX (303) 534-1405



September 18, 2012

Utah Division of Oil, Gas and Mining  
c/o Rachel Medina  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

RE: Change of Operator Name and Address for Wells

Dear Rachel,

I am including with this letter several original FORM 9 to change the operator on wells. This probably will be done in two steps.

1. (16 wells) Change of Operator from RIM Southwest Corporation to Navajo Nation Oil & Gas Co.
2. (Same 16 wells) Change of Operator from Navajo Nation Oil & Gas Co. to NNOGC Exploration and Production, LLC.

We have recently registered our LLC with the State of Utah. The Utah Entity Number for NNOGC Exploration and Production, LLC is: 8399948-0165. Also, a new DOGM No. has been applied for for the LLC.

The name and address change is as follows:

OLD: Navajo Nation Oil & Gas Co.  
1675 Broadway, Suite 1100  
Denver, CO 80202  
(DOGM Operator No. N2550)

NEW: NNOGC Exploration and Production, LLC  
1625 Broadway, Suite 1000  
Denver, CO 80202

Should you require any additional information please contact me at 303-534-8300.

Sincerely,

A handwritten signature in black ink that reads "Katie Hynes". The signature is written in a cursive, flowing style.

Katie Hynes  
Associate Landman

RECEIVED  
SEP 19 2012  
DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|   |  |  |
|---|--|--|
|   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br><b>See Attached</b> |
|   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:<br><b>Navajo Nation</b>  |
|   |  | 7. UNIT or CA AGREEMENT NAME:                                  |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____              |  | 8. WELL NAME and NUMBER:<br><b>See Attached</b>                |
| 2. NAME OF OPERATOR:<br><b>Navajo Nation Oil &amp; Gas Co.</b>  |  | 9. API NUMBER:<br><b>Various</b>                               |
| 3. ADDRESS OF OPERATOR:<br><b>1675 Broadway, Suite 1100</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b> |  | 10. FIELD AND POOL, OR WILDCAT:<br><b>Various</b>              |
| PHONE NUMBER:<br><b>(303) 534-8300</b>  |  |  |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: <b>See Attached List</b>  |  | COUNTY: <b>San Juan</b>  |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  |  | STATE: <b>UTAH</b>   |

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

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

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

The Navajo Nation Oil and Gas Co. has registered its new entity with the State of Utah. The Operator Name and Address change applies to all wells currently operated by DOGM No. N2550 (see attachment).

The Utah Entity Number for the LLC is: 8399948-0165.

The new Entity is:

NNOGC Exploration and Production, LLC  
1625 Broadway, Suite 1000  
Denver, CO 80202

NEW DOGM No. : 3930

Bond No. RLB0006712

Effective: July 10, 2010

NAME (PLEASE PRINT) Lauren Germinario TITLE Land Manager  
SIGNATURE *Lauren Germinario* DATE 9/14/12  
**APPROVED**

(This space for State use only)

DEC 3 1 2012

RECEIVED

DIV. OIL GAS & MINING  
BY: Rachel Medina

SEP 17 2012

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|  |  |  |
|--|--|--|
| <b>1. TYPE OF WELL</b><br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____                               |  | <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>See Attached |
| <b>2. NAME OF OPERATOR:</b><br>Navajo Nation Oil & Gas Co  |  | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>Navajo Nation  |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 5069                      CITY Window Rock                      STATE AZ                      ZIP 86515 |  | <b>7. UNIT or CA AGREEMENT NAME:</b>                           |
| <b>4. LOCATION OF WELL</b><br>FOOTAGES AT SURFACE: _____   |  | <b>8. WELL NAME and NUMBER:</b><br>See Attached                |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____   |  | <b>9. API NUMBER:</b><br>Various                               |
| COUNTY: San Juan   |  | <b>10. FIELD AND POOL, OR WILDCAT:</b><br>Various              |
| 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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____          | <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 checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON           |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input checked="" type="checkbox"/> OPERATOR CHANGE       | <input type="checkbox"/> TUBING REPAIR                 |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                 |
|   | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input type="checkbox"/> OTHER: _____                  |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

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

The Navajo Nation Oil & Gas Co. has registered its new entity with the State of Utah. The name and address change applies to all the wells that have recently changed from RIM Southwest Corporation to Navajo Nation Oil & Gas Co. (DOGM No. N2550)

The Utah Entity Number for the LLC is: 8399948-0165

Note: A new DOGM No. has been applied for NNOGC Exploration and Production, LLC

Please see the attached list of wells that will now be operated by:

NNOGC Exploration and Production, LLC  
1625 Broadway, Suite 1000  
Denver, CO 80202

All of these work wells are covered by Bond No. RLB0006712

Effective: Aug 1, 2012

|  |                           |
|--|---------------------------|
| NAME (PLEASE PRINT) <u>Lauren Germinario</u> | TITLE <u>Land Manager</u> |
| SIGNATURE <u><i>Lauren Germinario</i></u>    | DATE <u>9/18/2012</u>     |

**APPROVED**

**DEC 31 2012**

DIV. OIL GAS & MINING  
BY: Rachel Medina

(See Instructions on Reverse Side)

RECEIVED  
SEP 19 2012  
DIV. OF OIL, GAS & MINING

|  |  |
|--|--|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b><br><br><b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>14-20-603-229                             |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>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. | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>NAVAJO<br><br><b>7. UNIT or CA AGREEMENT NAME:</b>               |
| <b>1. TYPE OF WELL</b><br>Oil Well   | <b>8. WELL NAME and NUMBER:</b><br>TOHONADLA 2-35  |
| <b>2. NAME OF OPERATOR:</b><br>NNOGC EXPLORATION & PRODUCTION, LLC   | <b>9. API NUMBER:</b><br>43037315680000  |
| <b>3. ADDRESS OF OPERATOR:</b><br>1625 Broadway, Suite 1000 , Denver , CO, 80202   | <b>PHONE NUMBER:</b><br>303 910-9525 Ext   |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>1550 FNL 1320 FEL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: S-NE Section: 35 Township: 41.0S Range: 21.0E Meridian: S  | <b>9. FIELD and POOL or WILDCAT:</b><br>TOHONADLA<br><br><b>COUNTY:</b><br>SAN JUAN<br><br><b>STATE:</b><br>UTAH |

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

| TYPE OF SUBMISSION   | TYPE OF ACTION   |   |   |
|--|--|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br><b>3/11/2014</b> | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:  | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:   | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:  | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                 | <input type="checkbox"/> NEW CONSTRUCTION               |
|  | <input type="checkbox"/> OPERATOR CHANGE               | <input type="checkbox"/> PLUG AND ABANDON               | <input type="checkbox"/> PLUG BACK                      |
|  | <input type="checkbox"/> PRODUCTION START OR RESUME    | <input type="checkbox"/> RECLAMATION OF WELL SITE       | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|  | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL       | <input type="checkbox"/> TEMPORARY ABANDON              |
|  | <input type="checkbox"/> TUBING REPAIR                 | <input type="checkbox"/> VENT OR FLARE                  | <input type="checkbox"/> WATER DISPOSAL                 |
|  | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION         | <input type="checkbox"/> APD EXTENSION                  |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input checked="" type="checkbox"/> OTHER               | OTHER: <input type="text" value="Venting"/>             |

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

Requesting to continue venting the produced gas from the Tohonadla 2-35 well due to lack of sales infrastructure. This oil well has been venting since first production. Venting is expected to continue until a Right of Way is approved and appropriate infrastructure is in place for gathering. \*BLM approved sundry notice on 04/29/2014.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining**

Date: \_\_\_\_\_  
 By: *Derek D. [Signature]*  
 January 29, 2015

**Please Review Attached Conditions of Approval**

|  |                                     |                                    |
|--|-------------------------------------|------------------------------------|
| <b>NAME (PLEASE PRINT)</b><br>Racheal Dahozy | <b>PHONE NUMBER</b><br>928-871-4880 | <b>TITLE</b><br>Regulatory Analyst |
| <b>SIGNATURE</b><br>N/A                      | <b>DATE</b><br>1/15/2015            |                                    |



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43037315680000**

**Amount is under the amount allowed by rule without approval (1800 mcf/month - R649-3-20.1.1). Any amount above this amount cannot be flared without further approval.**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

MAR 14 2014

**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.*

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

|  |   |   |
|--|---|---|
| 1. Type of Well<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>14-20-603-229                  |
| 2. Name of Operator<br>NNOGC EXPLORATION AND PRODUCTION, LLC   |   | 6. If Indian, Allottee or Tribe Name<br>NAVAJO        |
| 3a. Address<br>P.O. BOX 4439<br>WINDOW ROCK, AZ 86511  | 3b. Phone No. (include area code)<br>928-871-4880 | 7. If Unit of CA/Agreement, Name and/or No.           |
| 4. Location of Well (Footage, Sec., T., R., A., or Survey Description)<br>SECTION 35 TOWNSHIP 41 SOUTH, RANGE 21 EAST            |   | 8. Well Name and No.<br>VARIOUS                       |
|  |   | 9. API Well No.<br>VARIOUS                            |
|  |   | 10. Field and Pool or Exploratory Area<br>TOHONADLA   |
|  |   | 11. Country or Parish, State<br>SAN JUAN COUNTY, UTAH |

12. CHECK THE 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 VENT |
|  | <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 recompleate 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 recompleation 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.)

WE WOULD LIKE TO REQUEST TO CONTINUE VENTING THE PRODUCED GAS FROM THE TOHONADLA TANK BATTERY DUE TO LACK OF SALES INFRASTRUCTURE. THESE OIL WELLS HAVE BEEN VENTING SINCE FIRST PRODUCTION. VENTING IS EXPECTED TO CONTINUE UNTIL A RIGHT OF WAY IS APPROVED AND APPROPRIATE INFRASTRUCTURE IS IN PLACE FOR GATHERING.

THE WELLS CONNECTED TO THE TANK BATTERY AND/OR ON THE 14-20-603-229 LEASE ARE:

|                 |              |                          |
|-----------------|--------------|--------------------------|
| TOHONADLA 35-P  | 43-037-50005 | FIRST PRODUCTION 12/2010 |
| TOHONADLA 2-35  | 43-037-31564 | FIRST PRODUCTION 7/1991  |
| TOHONADLA 23-35 | 43-037-15874 | FIRST PRODUCTION 11/1958 |
| TOHONADLA #1    | 43-037-15872 | FIRST PRODUCTION 7/1958  |
| TOHONADLA 35-B  | 43-037-50023 | FIRST PRODUCTION 3/2013  |

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
RICHARD A. FERRIS

Title CHIEF OPERATIONS ENGINEER

Signature *Richard A. Ferris* Date 03/11/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by *[Signature]* Title *Petr. Eng* Date *4/29/14*

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.

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.

*N...* *5-13-14* *214*