

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE WATER SANDS LOCATION INSPECTED SUB. REPORT/abd.

910201 Open from Raymond Duncan to Duncan Energy eff. 6-21-90.

DATE FILED **11-7-90**
 LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. **U-47876** INDIAN

DRILLING APPROVED: **11-14-90**

SPUDDED IN:
 COMPLETED: **12-31-91 LA** PUT TO PRODUCING:

INITIAL PRODUCTION:
 GRAVITY A.P.I.

GOR:
 PRODUCING ZONES:

Confidential

TOTAL DEPTH:
 WELL ELEVATION:

DATE ABANDONED: **LA'D PER BLM EFF 12-31-91**

FIELD: **CAVE CANYON**
 UNIT: **CAVE CANYON**

COUNTY: **SAN JUAN**

WELL NO. **CAVE CANYON FEDERAL 13-3** API NO. **43-037-31570**
 LOCATION FT. FROM (N) (S) LINE. FT. FROM (E) (W) LINE. 1/4 - 1/4 SEC.

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				38S	24E	3	<i>Duncan Energy Co.</i> RAYMOND T. DUNCAN

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 303/759-3303 1777 S. Harrison St., PH 1
 Raymond T. Duncan Denver, CO 80210

3. ADDRESS OF OPERATOR 303/452-8888 13585 Jackson Drive
 Permitco Inc. - Agent Denver, CO 80241

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 2220' FSL and 930' FWL
 At proposed prod. zone NW SW Sec. 3

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 32 miles southeast of Monticello, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 390'*

16. NO. OF ACRES IN LEASE 1289.44'

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. approx. 800'

19. PROPOSED DEPTH 5980'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5331' GR

22. APPROX. DATE WORK WILL START* Upon approval of this application.

5. LEASE DESIGNATION AND SERIAL NO.
U-47876

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

7. UNIT AGREEMENT NAME
Cave Canyon Unit

8. FARM OR LEASE NAME
Cave Canyon Federal

9. WELL NO.
#13-3

10. FIELD AND POOL, OR WILDCAT
Cave Canyon Field

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 3, T38S - R24E

12. COUNTY OR PARISH 13. STATE
San Juan Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	120'	To surface.
12-1/4"	8-5/8"	24#	2000'	1100 sx or suffic to circ to surf.
7-7/8"	5-1/2"	15.5#	5980'	400 sx or suffic to cover zones of interest.

Raymond T. Duncan proposes to drill a well to 5980' to test the Ismay formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Order No. 1 attached.

I hereby certify that Raymond T. Duncan is authorized by proper lease interest owners to conduct lease operations associated with this application. Bond coverage for lease activities is provided by the Operator, Raymond T. Duncan.

*Location has been staked at non-standard spacing due to severe topography.

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 [Signature] TITLE Consultant for Raymond T. Duncan DATE 11/5/90

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

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

1. The surface formation and estimated formation tops to be encountered are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Morrison	Surface	
Entrada	800'	+4545'
Navajo	1000'	+4345'
Windgate	1430'	+3915'
Chinle	1880'	+3465'
Shinarump	2570'	+2775'
Cutler	2735'	+2610'
Hermosa	4440'	+ 905'
Upper Ismay	5715'	- 370'
Massive Anhydrite	5745'	- 400'
Mound Carbonate	5760'	- 415'
Carbonate Porosity	5765'	- 515'
Hovenweep Shale	5875'	- 530'
Lower Ismay	5915'	- 570'
Gothic Shale	5960'	- 615'
T.D.	5980'	- 635'

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

<u>Substance</u>	<u>Formation</u>	<u>Anticipated Depth</u>
Oil	Ismay	5715'



DRILLING PROGRAM

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All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth cased and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Pressure control equipment will consist of a 10", 3000# BOP. (See BOP Diagram attached.)

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

4. a. Casing

If unconsolidated rock is encountered, conductor shall be set ten (10) feet into underlying bedrock with cement circulated to surface.

The proposed casing program is as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Wt.</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Conductor	0-120'	17-1/2"	13-3/8"	48#	----	-----	New
Surface*	0-2000'	12-1/4"	8-5/8"	24#	K-55	ST&C	New
Produc.	0-5980'	7-7/8"	5-1/2"	15.5#	K-55	LT&C	New

*Surface casing shall be set at least 50 feet into the Chinle Formation regardless of the depth of the Chinle.

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b. Cement

The cementing program will be as follows:

<u>Conductor</u> 0-120'	<u>Type and Amount</u> Sufficient to circulate to surface
<u>Surface</u> 0-2000'	<u>Type and Amount</u> 1100 sx or sufficient to circulate to surface.
<u>Production</u>	<u>Type and Amount</u> 400 sx or - sufficient to cover zones of interest.

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

c. Auxiliary Equipment will be as follows:

1. Kelly cock.
2. Float above the bit
3. A sub with a full opening valve will be on the floor when the kelly is not in use.

5. Drilling fluid will be as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-4000'	Natural	9.0-9.2	35	10-20	---
4000-T.D.	Chem. Gel	9.2-9.5	45	10 thru pays	

Operations will be conducted in accordance with ONSHORE OIL & GAS ORDER NO. 2; DRILLING OPERATIONS, except where advance approval for a variance has been obtained.

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6. Coring, logging and testing programs are as follows:
 - a. No cores are anticipated.
 - b. The logging program will consist of the following: A DIL-SP-GR will be from from base of surface casing to T.D. A BHC-CAL-GR and CNL-LDT-CAL-GR will be run from 4200' to T.D. A GR will be run inside of surface casing.
 - c. No drill stem tests are anticipated.

Whether the well is completed as a dry hole or as a producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1(b). Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

7. Abnormal conditions, bottom hole pressures and potential hazards.
 - a. The maximum bottom hole pressure to be expected is 950 psi.
8. Anticipated Starting Dates and Notifications of Operations
 - a. Raymond T. Duncan plans to spud the Cave Canyon Federal #13-3 upon approval of this application and intends to complete the well within approximately one month after the well has reached T.D.
 - b. Required verbal notifications are summarized in Table I, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.



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- c. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with Minerals Management Service.
- d. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.
- e. If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved through the District Office.
- f. Should the well be successfully completed for production, the District Manager will be notified when the well is placed in producing status. Such notification will be sent by telegram or other written communication, not later than five (5) business days following the date on which the well is placed on production.
- g. A first production conference may be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.
- h. A Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

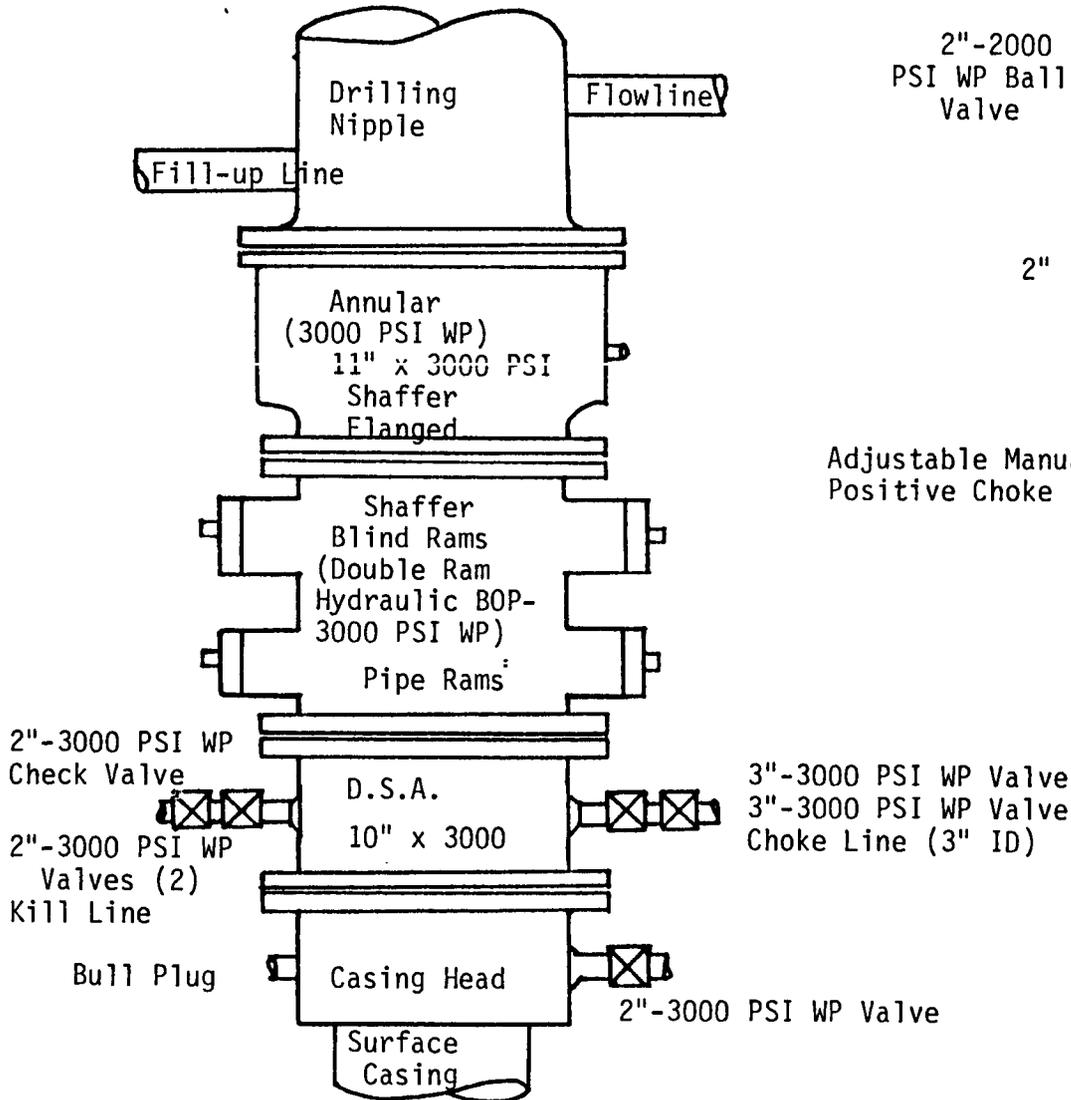
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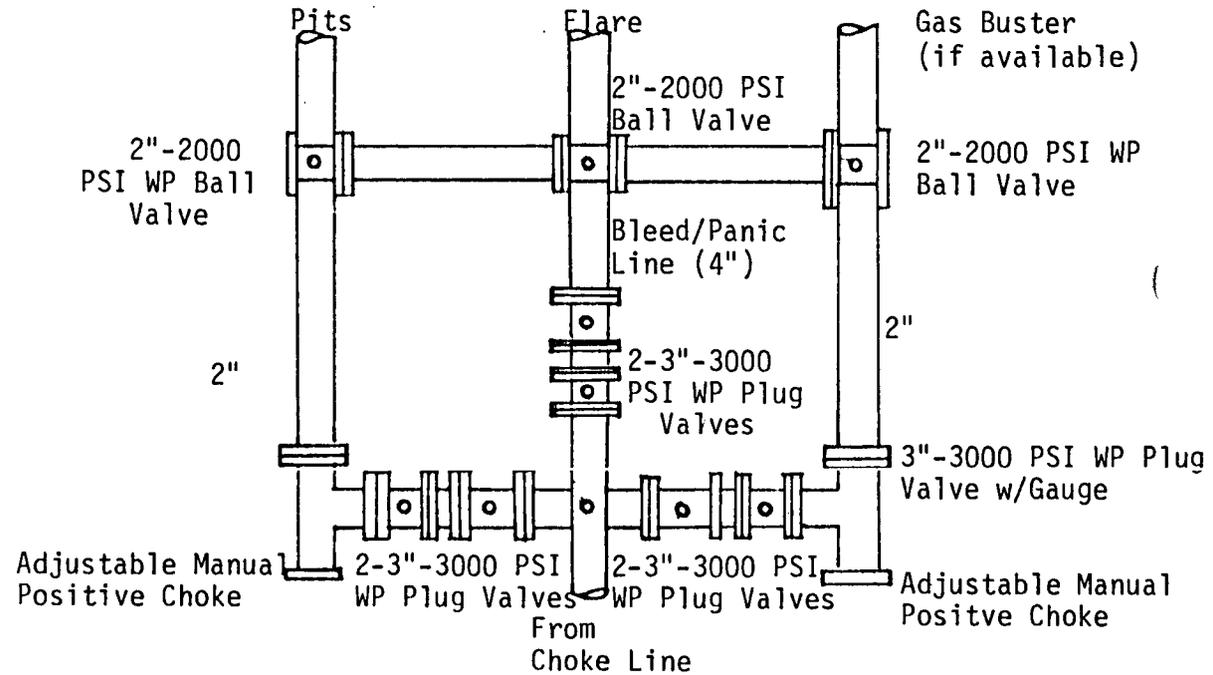
- i. Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office Approval pursuant to guidelines in NTL-4A.
- j. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6(d) and Onshore Oil and Gas Order No. 2.
- k. The following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:

Well name and number, location by 1/4 1/4 section, township and range, Lease number and operator.

BOP SCHEMATIC
3000 PSI WORKING PRESSURE



PLAN VIEW CHOKE MANIFOLD



The hydraulic closing unit will be located more than 30' from the wellhead. Choke & bleed/panic lines will go to the pit and flare. All connections in choke line and manifold will be flanged or welded. All flanges should be ring joint gasket type. All turns in lines shall be constructed using targeting 90° tees or block ells. All lines shall be anchored.

6 station 275 gallon Shaffer Closing Unit.

SURFACE USE PLAN

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Thirteen Point Surface Use Plan

1. Existing Roads

- a. The proposed well site is located 32 miles southeast of Monticello, Utah.
- b. Directions to the location from Monticello are as follows:

From the south edge of town go South on Highway 191 for 11.6 mile. Turn left (east) Alkali #204 (County Road) and proceed east and south for 3.1 miles to a fork in the road. Turn left and continue on Alkali #204 in a southeasterly direction for an additional 15 miles. Turn left (east) onto Perkins Road #206 and proceed 1.9 miles. Turn left onto new access road (flagged) and proceed northwest for approximately 600 feet to the location.
- c. The roads in the area are primarily county roads. See Map #1.
- d. Improvement to the existing access will not be necessary.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. An encroachment permit will be obtained from the San Juan County Road Department, 801/587-2231, ext. 43.
- g. Warning signs (Caution: Trucks entering road) will be installed on the Perkins Road #206 if required by the County Road Department. Such signs will be installed prior to beginning construction activities and will remain in place during all drilling and completion operations.

2. Planned Access Roads

- a. There will be approximately 600 feet new access. This access was flagged at the time of staking. The road will be approximately 16 feet wide and will be flatbladed.



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- b. The maximum total disturbed width will be 30 feet.
 - c. The maximum grade will be 6%.
 - d. No turnouts will be necessary.
 - e. No culverts will be necessary.
 - f. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance by the surface owner.
 - g. The access road (including any existing non-county) road will be brought to Resource (Class III) Road Standards by meeting the minimum design requirements within sixty (60) days of completion of drilling operations.
3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location. (See Map #1).
- a. Water Wells - one
 - b. Injection or disposal wells - one
 - c. Producing Wells - six
 - d. Drilling Wells - none
4. Location of Tank Batteries and Production Facilities.
- a. All permanent structures (onsite for six months or longer) will be painted a neutral, nonreflective, (Juniper Green) color to blend into the surrounding area, except for those required to comply with the Occupational Safety and Health Act (OSHA) or written company safety manual or documents.

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- b. If a tank battery is constructed on this location, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank; all load lines and valves will be placed inside the dike surrounding the tank battery.
- c. All site security guidelines identified in 43 CFR 3162.7-5 and ONSHORE OIL & GAS ORDER NO. 3; SITE SECURITY will be adhered to.
- d. Gas measurement will be conducted in accordance with the ONSHORE OIL & GAS ORDER NO. 5; GAS MEASUREMENT and 43 CFR 3162.7-3.
- e. Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.
- f. Oil measurement will be conducted in accordance with ONSHORE OIL & GAS ORDER NO. 4; OIL MEASUREMENT as of the effective date of August 23, 1989 and 43 CFR 3162.7-2.
- g. If the well is productive, the production facilities will be located at a central tank battery located at the Cave Canyon #3-2 in the NE SW Section 3, T38S - R24E, San Juan County, Utah.
- h. Any necessary pits will be properly fenced to prevent any wildlife entry. The production pit will be flagged overhead.

5. Location and Type of Water Supply

- a. All water needed for drilling purposes will be obtained from the Cave Canyon Water Source well located approximately 80 feet SW of the Cave Canyon #3-2 producing well. Other water may be obtained from the Richard Gore Artesian wells.
- b. Water will be trucked to location over the county roads in the area.



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- c. No water well is to be drilled on this lease.
- d. Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer, in Price, Utah, 801/637-1303.
- e. Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material

- a. Road surfacing material will be obtained from on-site and in place materials.
- b. The use of materials under BIM jurisdiction will conform to 43 CFR 3610.

7. Methods for Handling Waste Disposal

- a. The reserve pit will be constructed with at least 1/2 of the capacity in cut material and will be lined with 24 tons of bentonite.
- b. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four (4) strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four (4) feet. The fence will be kept in good repair while the pit is drying.
- c. No liquid hydrocarbons (i.e. fuels, lubricants, formation) will be discharged to the reserve pit.
- d. No chrome compounds will be on location.
- e. All trash will be placed in a trash basket and hauled to a county refuge facility as necessary. No burning will be allowed.

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- f. Produced waste water will be confined to the reserve pit for a period not to exceed ninety (90) days after initial production. During the 90-day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to NTL-2B.

8. Ancillary Facilities

- a. There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. See Diagram #1 for rig layout. See Diagram #2 for cross section of drill pad. See Diagram #3 for cuts and fills.
- b. The location of mud tanks; reserve, trash cage; pipe racks; living facilities and soil stockpiles will be shown on Diagrams #1 and #3. The location will be laid out and constructed as discussed during the predrill conference.
- c. The reserve pit will be "stepped down" to accommodate the terrain.
- d. Due to the absence of topsoil along the access road and on the wellpad because of the rocky nature of the soil, no topsoil will be reserved.
- e. Access to the well pad will be as shown on Map #1.

10. Reclamation

- a. Within 24 hours of completion of drilling, the location and surrounding area will be cleared of all remaining debris, materials, and junk not required for production.

SURFACE USE PLAN

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- b. As soon as the reserve pit has dried or within eighteen (18) months whichever is least, all areas not needed for production (including access road) will be filled in, recontoured to approximate natural contours. If the well is a dry hole, the location and access road will be rehabilitated in total.
 - c. The area will be seeded between October 1 and February 28 with:
 - 12 lbs/acre Fourwing saltbush
 - 1 lbs/acre Yellow Sweetclover
 - 2 lbs/acre Forage KochiaSeed will be broadcast followed by a light harrowing.
 - d. Ripping and water control measures may be required by the Authorized Officer at the time of rehabilitation.
 - e. The reserve pit and that portion of the location and access road not needed for production and production facilities will be reclaimed.
11. a. Surface Ownership
Bureau of Land Management
- b. Mineral Ownership
Bureau of Land Management
12. Other Information
- a. There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling producing, suspended, or abandoned and/or separate facilities, will be identified in accordance with 43 CFR 3162.6.

SURFACE USE PLAN

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- b. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.6.
- c. The dirt contractor will be provided with an approved copy of the surface use plan.
- d. An archeological study was conducted by LaPlata Archeological Consultants. A small sight was identified at the southeast end of the wellpad. The site will be fenced with one strand or barbed wire prior to beginning construction activity to avoid any disturbance of the site. A copy of this report will be submitted directly by LaPlata Archeological Consultants.
- e. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places:
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
 - a timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.
- f. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of



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mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- g. This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.
- h. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.
- i. Be advised that Raymond T. Duncan is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.
- j. Bond coverage for this well is provided by BLM Bond UT0271 (Principal - Raymond T. Duncan) via surety consent as provided for in CFR 3104.3.

13. Lessee's or Operator's Representative and Certification

Permit Matters
PERMITCO INC.
Lisa L. Smith
13585 Jackson Drive
Denver, CO 80241
303/452-8888

Drilling & Completion Matters
RAYMOND T. DUNCAN
1777 S. Harrison St.
Penthouse One
Denver, CO 80210
303/759-3303 (W) -
303/733-3604 (H) - John Bettridge

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the



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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 Raymond T. Duncan and its contractors and subcontractors in conformity with the plan and the term and conditions under which it is approved.

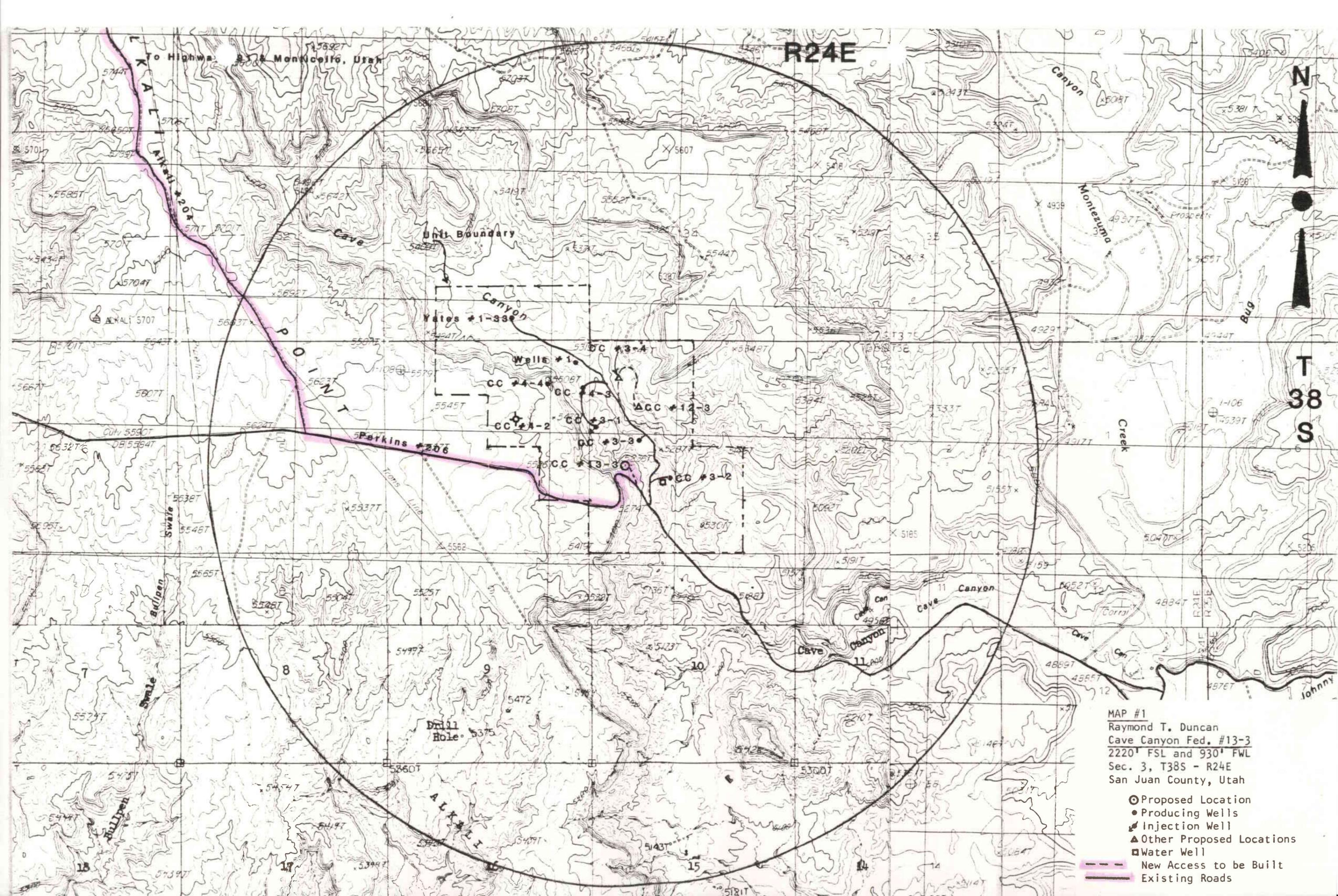
This statement is subject to the provision of 18 U.S.C. 1001 for the filing of a false statement.

November 5, 1990
Date:



Lisa L. Smith - PERMITCO INC.
Authorized Agent for:
RAYMOND T. DUNCAN





R24E

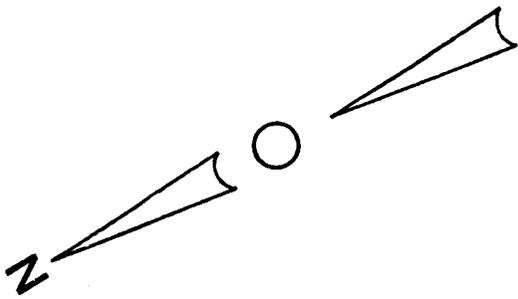
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MAP #1
 Raymond T. Duncan
 Cave Canyon Fed. #13-3
 2220' FSL and 930' FWL
 Sec. 3, T38S - R24E
 San Juan County, Utah

- ⊙ Proposed Location
- Producing Wells
- ▲ Injection Well
- ▲ Other Proposed Locations
- Water Well
- New Access to be Built
- Existing Roads

Scale 1" = 50'



Access

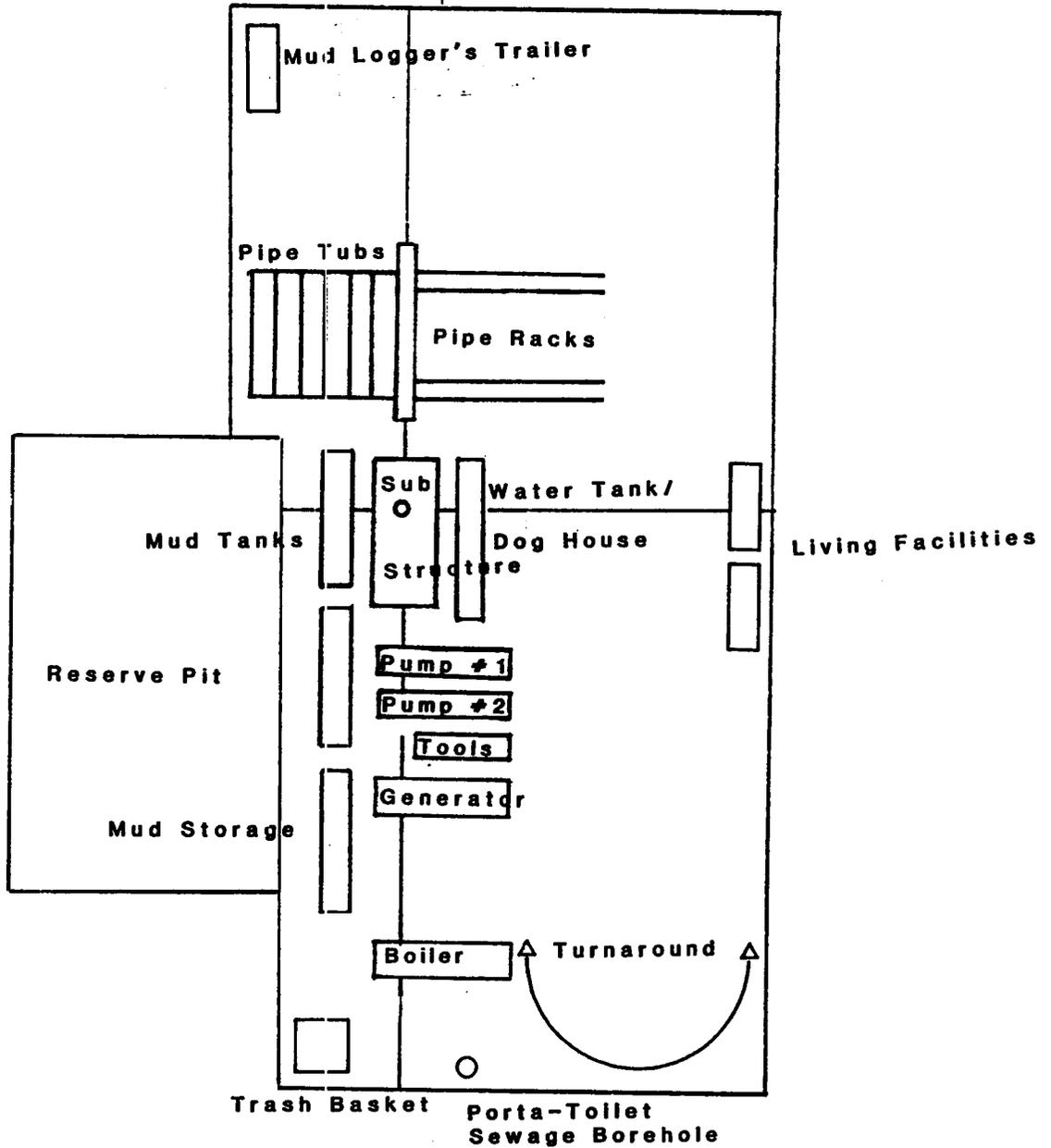
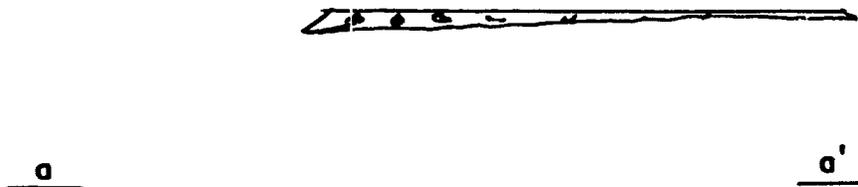
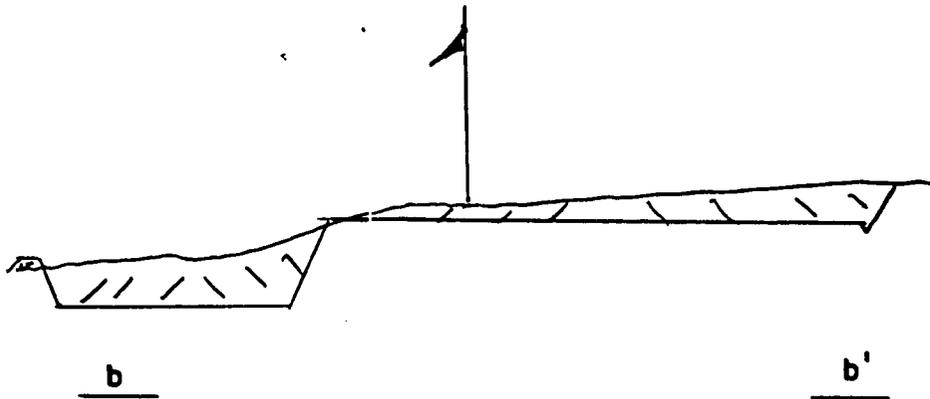
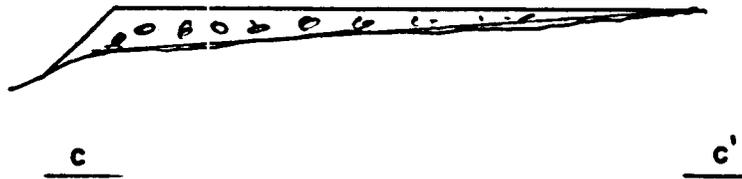


DIAGRAM #1
Raymond T. Duncan
Cave Canyon #13-3
2220' FSL and 930' FWL
Sec. 3, T38S - R24E
San Juan County, Utah

Cross Section

1" = 50' Horz. & Vert.

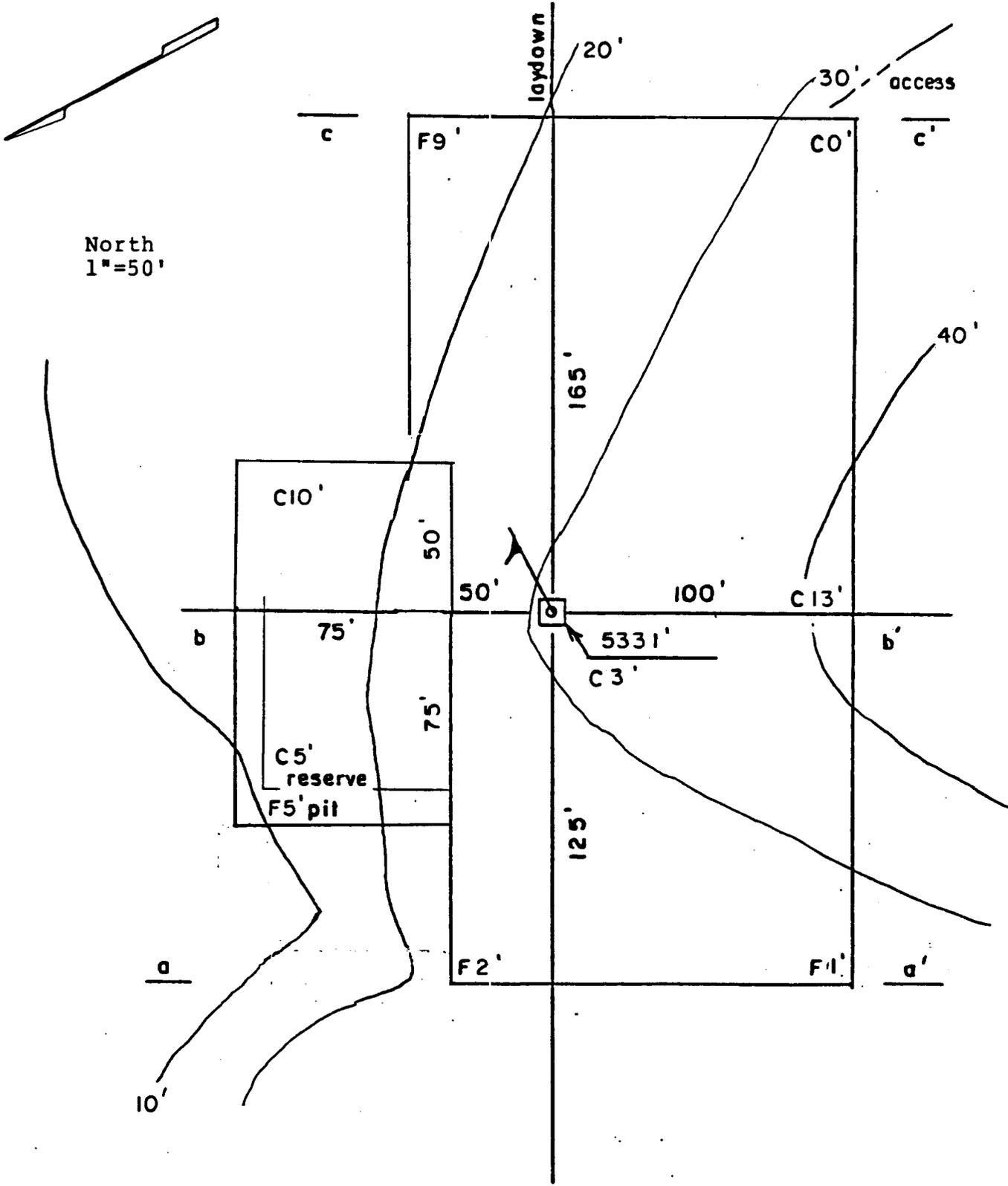
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Plan View Sketch

DIAGRAM #3

Cave Canyon 13 - 3



**ARCHAEOLOGICAL SURVEY OF
RAYMOND T. DUNCAN'S
CAVE CANYON FEDERAL 13-3 WELL PAD AND ACCESS ROAD
SAN JUAN COUNTY, UTAH**

LAC REPORT 90143b

By
Steven L. Fuller

LA PLATA ARCHAEOLOGICAL CONSULTANTS
P.O. BOX 783
DOLORES, COLORADO 81323
(303) 882-4933

October 26, 1990

FEDERAL ANTIQUITIES PERMIT
89UT57626
UTAH STATE PERMIT
U90-LA-515b

Prepared for:

Raymond T. Duncan
1777 South Harrison, Penthouse 1
Denver, Colorado 80210

ABSTRACT

The archaeological survey of Raymond T. Duncan's Cave Canyon Federal 13-3 well pad and access road was conducted by personnel of La Plata Archaeological Consultants on October 20 and 23, 1990. The project is located in San Juan County, Utah on lands administered by the Bureau of Land Management, San Juan Resource Area. A 100 foot wide corridor was surveyed along the 300 foot access road and a 650 by 650 foot area (10 acres) was surveyed surrounding the well center stake. One archaeological site was encountered and recorded on the east edge of the well pad and can be protected during construction; archaeological clearance is recommended for the project.

INTRODUCTION

On October 20 and 23, 1990 the archaeological survey of Raymond T. Duncan's Cave Canyon Federal 13-3 well pad and access road was conducted by Steven L. Fuller of La Plata Archaeological Consultants. The survey was requested by Ms. Lisa Smith of Permitco, who was acting as a permit agent for Raymond T. Duncan. The well pad and access road are on lands administered by the Bureau of Land Management, San Juan Resource Area and are in San Juan County, Utah.

The project is located in T38S, R24E, Section 3, NW 1/4 SW 1/4. The project is included on the USGS Bradford Canyon, Utah (1985 provisional) 7.5' series topographic map (Figure 1). The project will involve construction of a well pad which will measure about 300 by 230 feet, and about 300 feet of access road which will extend from Perkins Ranch Road to the southeast. A total of 10.9 acres were examined for this project. A single site, 42SA21482, was encountered and recorded to the east of the proposed well location. Through fencing, the site can be protected during construction.

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located on a bench to the southwest of Cave Canyon and just to the east of the rim of Alkali Point. Sandstone outcrops rise to the west and the topography drops off very steeply to the north and east into Cave Canyon. Soils are very shallow and are formed on residual shale and sandstone deposits. Vegetation consists of pinyon, juniper, grasses, and snakeweed.

The present land use pattern includes livestock grazing and oil and gas development. The closest water sources are probably springs and seeps in Cave Canyon.

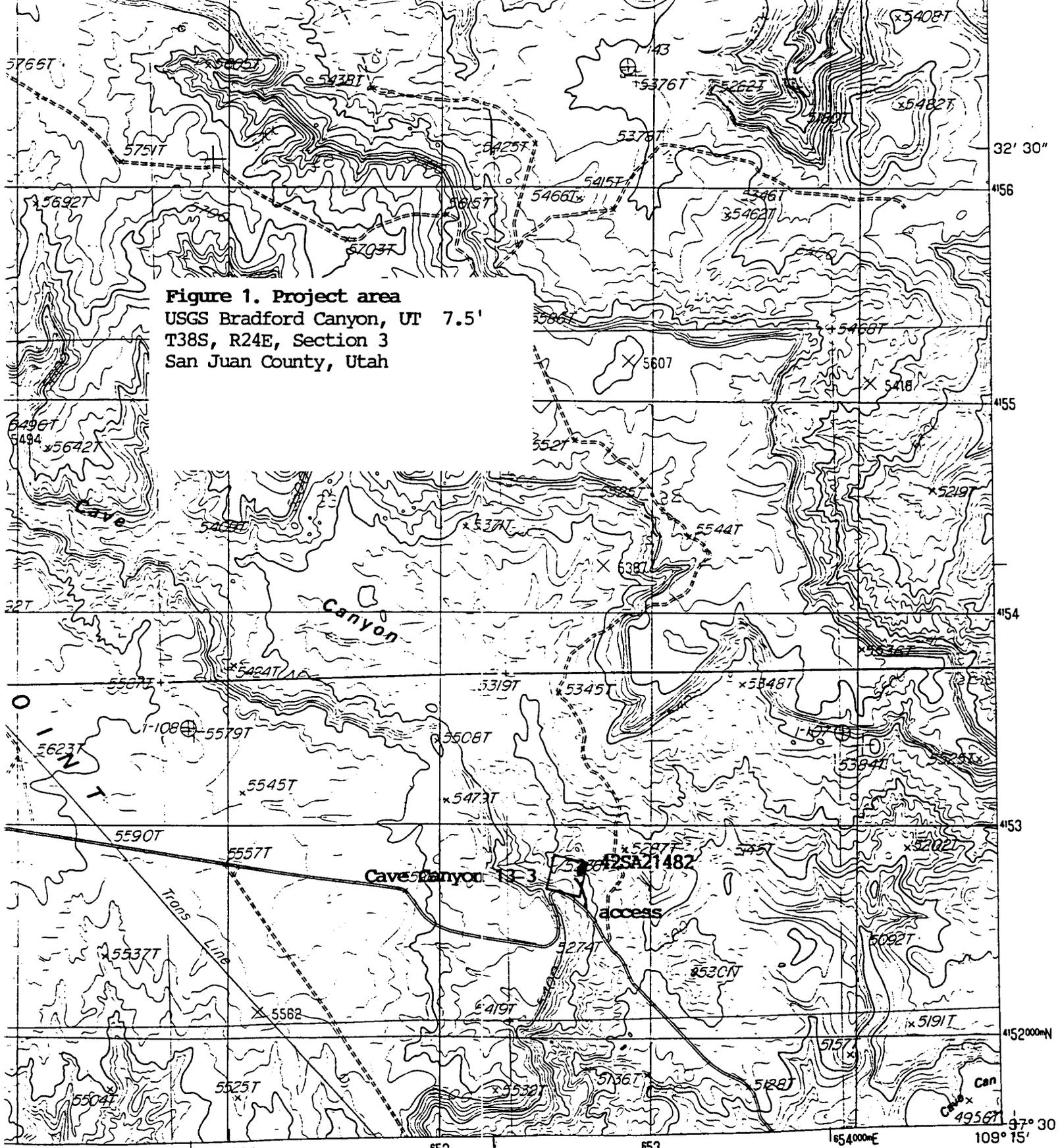
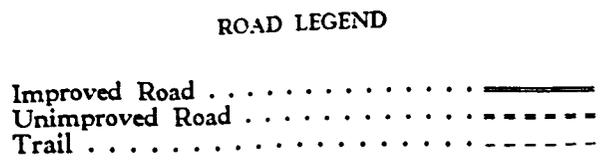
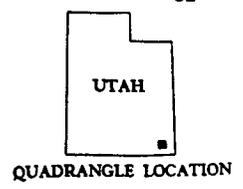
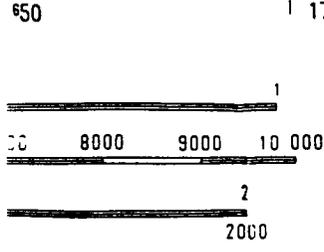


Figure 1. Project area
 USGS Bradford Canyon, UT 7.5'
 T38S, R24E, Section 3
 San Juan County, Utah



1	2	3	1 Blanding North
			2 Devil Mesa
			3 Horshead Point
4		5	4 Blanding South
			5 Bug Canyon

BRADFORD CANYON, UTAH

SURVEY PROCEDURES

The official file search was conducted with the BLM files located in the San Juan Resource Area Office on May 29, 1990, prior to surveying a series of three Cave Canyon wells for Raymond T. Duncan. This search indicated that numerous archaeological surveys have been conducted in the vicinity of the project area, primarily several well pad surveys conducted by La Plata for Raymond T. Duncan and several seismic line surveys conducted by AERC, DCA, and La Plata during the early and mid-1980s. The nearest previously recorded site, 42SA16648, appears to have been recorded about 400 feet north of the location.

The on-the-ground survey consisted of walking a zigzag transect down one side of the access road centerline and returning down the opposite side. A total width of 100 feet was covered with transect spacing averaging 50 feet or about 15 m. The proposed alignment was flagged during the final archaeological survey. Parallel pedestrian transects spaced about 15 m apart were used to cover the 650 by 650 foot (10 acre) area surrounding the well center stake.

The access road and well pad together contain a total of 10.9 acres which were inventoried for cultural resources for this project. All acreage is administered by the Bureau of Land Management, San Juan Resource Area.

SURVEY RESULTS

One archaeological site was encountered and recorded on the east edge of the well pad and consists of a lithic scatter with two possible features. The site may contain additional information on the prehistory of this area and is considered potentially eligible for nomination to the National Register of Historic Places. The site is described as:

Site Number: 42SA21482

Description: The site is a lithic scatter with two or more possible features. The lithic assemblage extends within a 40 by 25 m site area and about 25 items were observed (Figure 2). All but one of the lithic items represent secondary and tertiary flakes of quartzite (dominant), chert and siltstone. The one lithic tool included a crude quartzite biface. No other artifacts were observed. The two features are manifest as scatters of oxidized sandstone spalls. Each measures about 2-3 m in diameter and are directly associated with flakes. The two features may represent hearths or other food processing features. No ceramics were observed and the site is of an unknown temporal or cultural affiliation.

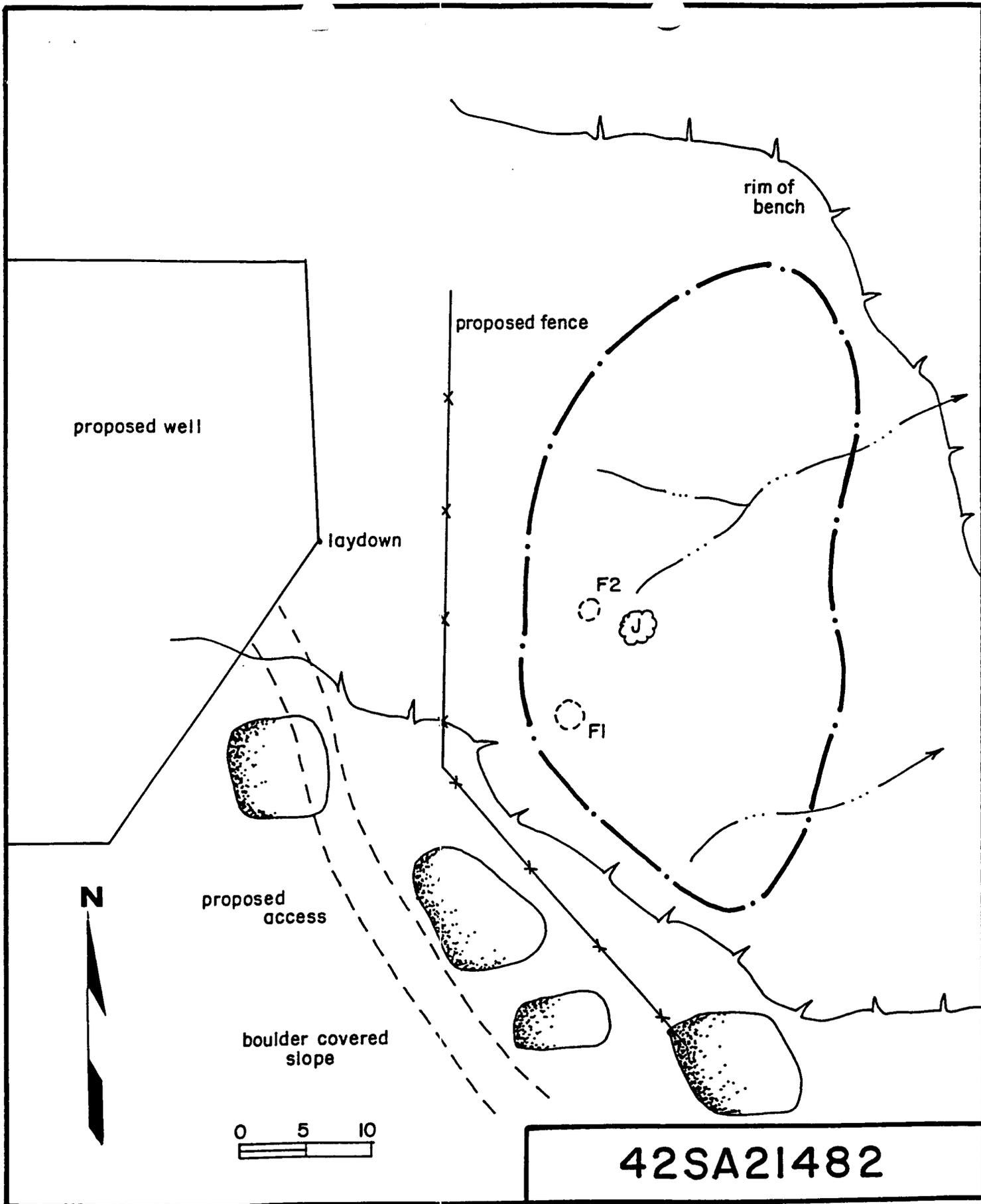


Figure 2

CONCLUSIONS AND RECOMMENDATIONS

The archaeological survey for Raymond T. Duncan's Cave Canyon Federal 13-3 well pad was conducted on October 20 and 23, 1990 by personnel of La Plata Archaeological Consultants. The project is located on lands administered by the Bureau of Land Management, San Juan Resource Area. One archaeological site was encountered and recorded to the east of the relocated well pad. The site (Figure 2) is situated about 35 feet east of the laydown stake of the location. In order to protect the site during construction and reclamation, a fence should be placed along the site boundary as indicated on Figure 2, with no fill dirt allowed to extend beyond the fence to the north. Given these recommendations for site protection and avoidance, archaeological clearance is recommended for the Cave Canyon 13-3 well location.

SAN JUAN COUNTY ROAD DEPARTMENT

Application for Right-of-Way Encroachment Permit

DATE: October 28, 1990

TO: **Road Supervisor**
San Juan County Road Department

Application is hereby made by: (1) Raymond T. Duncan c/o PERMITCO INC.

Address (2) 13585 Jackson Drive Denver, CO 80241

Telephone Number: 303/452-8888 for permission to do the following:

(3) Utilize existing County Road - primarily Alkali #204 and Perkins #206.

In addition, we request permission to construct an access approach in
Section 3, T38S - R24E, off of Perkins #206 as shown on the attached map.

(4) Location: Sec. 3, T38S - R24E

City _____ County San Juan State Utah

or U. S. Highway No. N/A Milepost No. N/A

in accordance with the attached plan. (5)

(6) Construction will begin on or about November 25 19 90

and will be completed on or before November 25 19 91

If the proposed installation requires breaking of the pavement, give the following information:

a. Type of pavement: N/A

b. The opening to be made will be N/A feet long
by _____ feet wide and _____ feet deep.

c. A bond in the amount of \$ N/A has been posted with
_____ Telephone No. _____

to run of a term of three (3) years after completion of work to guarantee satisfactory performance.

(7) If this permit is granted, we agree to comply with all conditions, restriction, and regulations as contained in the "Regulations for the Control and Protection of State Highway Rights-of-Way", approved by the Utah State Road Commission on October 8, 1962, and all revisions thereto or Regulations adopted by the San Juan County Commission.

(8) In approving this application and locations of utilities, and effort will be made to approve only locations that will not be effected in the event that San Juan County changes the roadway. But, in situations in which the utility has to be moved, this moving shall be done by the utility company or paid for by the company.

(9) For any and all applications requesting authority to Vibroseise, applicants shall:

- a. Provide map showing where vibroseising will take place.
- b. Agree to repair any damages or replace any property damaged.
- c. Take full responsibility or proper flagging and traffic control.

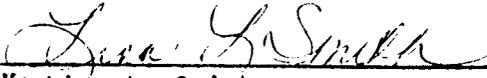
d. Agree that Vibroseising done in the area of dirt roads shall done on the dirt road rather than in the bar ditch to minimize damage.

e. Provide a schedule of the planned work and estimated dates of completion.

f. Attach written permission form all adjacent fee-title owners.

g. The San Juan County Commission has authorized the San Juan County Road Superintendent (or his Assignees) to issue permits.

(10) San Juan County can only grant permission to the extent that the County has the authority to do so and the permission granted hereunder is limited to the interest of authority actually owned by San Juan County and no warranties of ownership or authority to grant permission is expressed or implied by the granting of this permit.


BY: Lisa L. Smith

Consultant for RAYMOND T. DUNCAN
TITLE

To be filled in by Road Supervisor.

(1) Permit should be granted _____

Permit should not be granted _____

(2) Additional requirements which should be imposed.

ROAD SUPERVISOR

INSTRUCTIONS

(1) *Application for this permit should be made in duplicate by whoever will actually do the work whether it be the owner or a contractor.

(2) Mailing address of applicant.

(3) State fully and completely the type or installaion, type of construction, width, thickness, drainage data, etc., where applicable. If pole line, give the following information: number of poles, total length of line, type of wire, character of service, vertical clearance over roadway, and voltage of power line.

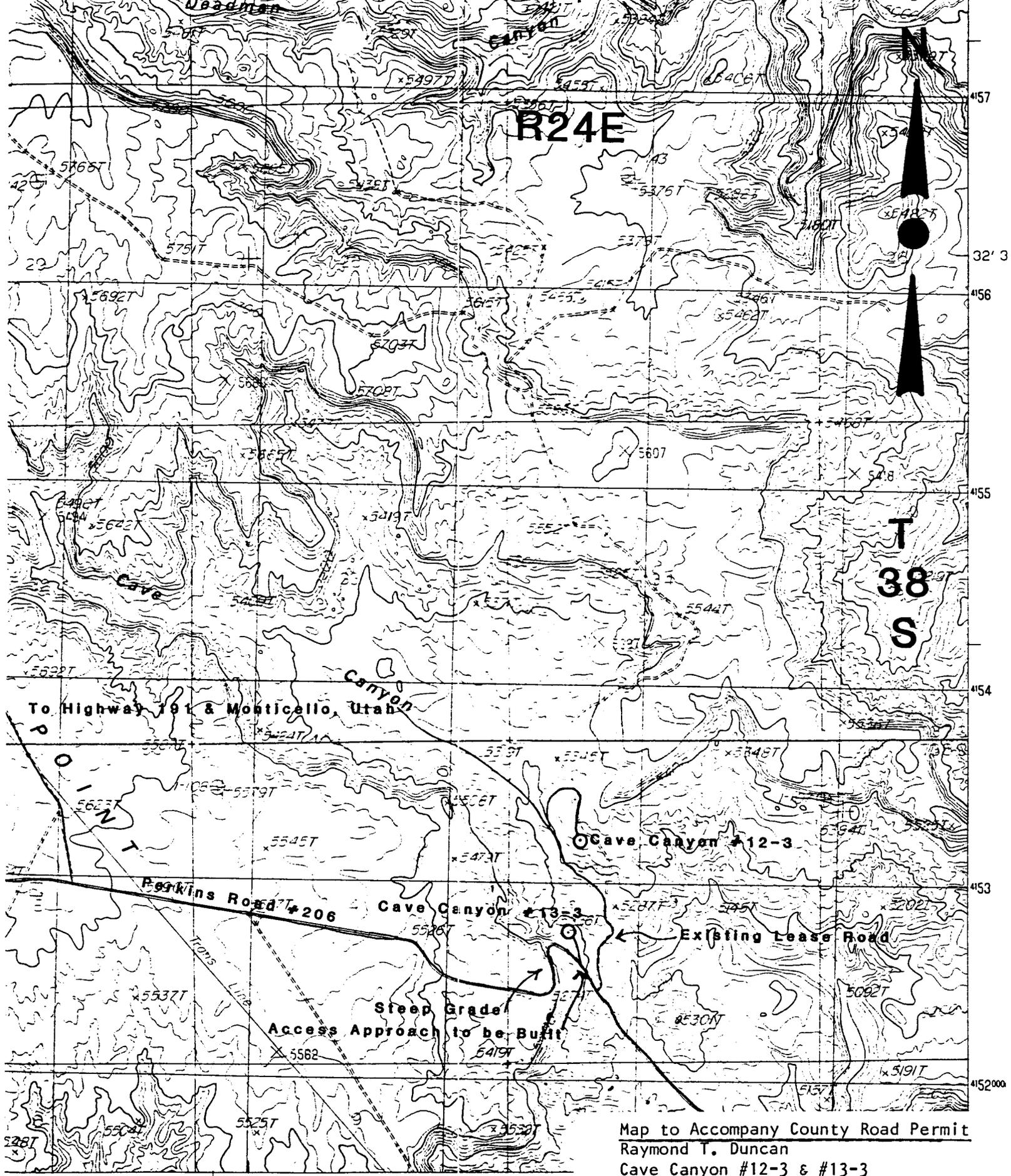
(4) If pipe line or buried cable, give the following information: Type of service, size and length of line, depth of trench, kind of pipe, (sewer, gas, oil, water supply, etc.) or conduit, and if pipe is to be driven or if pavement will be broken. All fluid lines requires encasement with suitable material. The size and length of encasement shall be satisfactory to the State Department of Transportation, San Juan County Road Supervisor or his agent.

(5) Give distance from some geographical point such as intersecting highways, city, or coporate limits. Give city, county, and state or U. S. route number.

(6) Attach two (2) copies of a plan showing proposed location of structures with reference ot pavement and right-of-way lines. If installation crosses the highway, show cross section of present roadway and proposed installation.

(7) Give anticipated dates for beginning and for completion of proposed installation.

Note: A fee of five (5) dollars will be charged for all Right-of-Way Encroachments Permits, except those obtained for pole lines, and buried cable lines. This Permit fee, where applicable, should be submitted with the application. The costs of inspection are included in the Right-of-Way Encroachment Permit fee, except for pole lines, pipe lines, and buried cable lines which shall be billed for the inspection.



To Highway 191 & Monticello, Utah

Cave Canyon #12-3

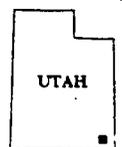
Cave Canyon #13-3

Existing Lease Road

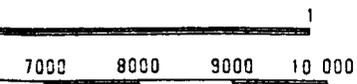
Steep Grade Access Approach to be Built

Map to Accompany County Road Permit
 Raymond T. Duncan
 Cave Canyon #12-3 & #13-3
 Sec. 3, T38S - R24E
 San Juan County, Utah

- Proposed Wellsites
- Proposed Access Roads



QUADRANGLE LOCATION



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

(Other instructions on reverse side)

CONFIDENTIAL
RECEIVED
NOV 07 1980

5. Lease Designation and Serial No. U-47876

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

7. Unit Agreement Name Cave Canyon Unit

8. Farm or Lease Name Cave Canyon Federal

9. Well No. #13-3

10. Field and Pool, or Wildcat Cave Canyon Field

11. Sec., T., R., M., or Blk. and Survey or Area Sec. 3, T38S - R24E

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 Multiple Zone

2. Name of Operator 303/759-3303 1777 S. Harrison St., PH 1 Denver, CO 80210

3. Address of Operator Raymond T. Duncan 1953 Jackson Drive Denver, CO 80241

4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 2220' FSL and 930' FWL

At proposed prod. zone NW SW Sec. 3

14. Distance in miles and direction from nearest town or post office* 32 miles southeast of Monticello, Utah

12. County or Parrish San Juan 13. State Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any) 390'*

16. No. of acres in lease 1289.44

17. No. of acres assigned to this well 40

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft. approx. 800'

19. Proposed depth 5980' *Ismy*

20. Rotary or cable tools Rotary

21. Elevations (Show whether DF, RT, GR, etc.) 5331' GR

22. Approx. date work will start* Upon approval of this application.

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
17-1/2"	13-3/8"	48#	120'	To Surface
12-1/4"	8-5/8"	24#	2000'	1100 sx or suffic to circ.
7-7/8"	5-1/2"	15.5#	5980'	400 sx or suffic to cover zones of interest.

Raymond T. Duncan proposes to drill a well to 5980' to test the Ismay formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Order No. 1 attached.

I hereby certify that Raymond T. Duncan is the Unit Operation and has been authorized by proper lease interest owners to conduct lease operations associated with this application. Bond coverage for lease activities is provided by the Operator, Raymond T. Duncan.

*Location has been staked at non-standard spacing due to severe topography.

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. Consultant for Raymond T. Duncan Date 11/5/90

Signature: *Greg G. Smell*

(This space for Federal or State office use)

Permit No. 43-037-31570 Approval Date

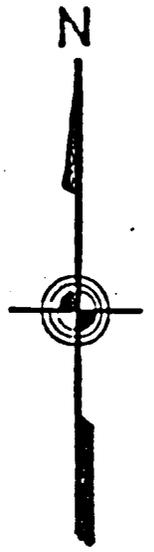
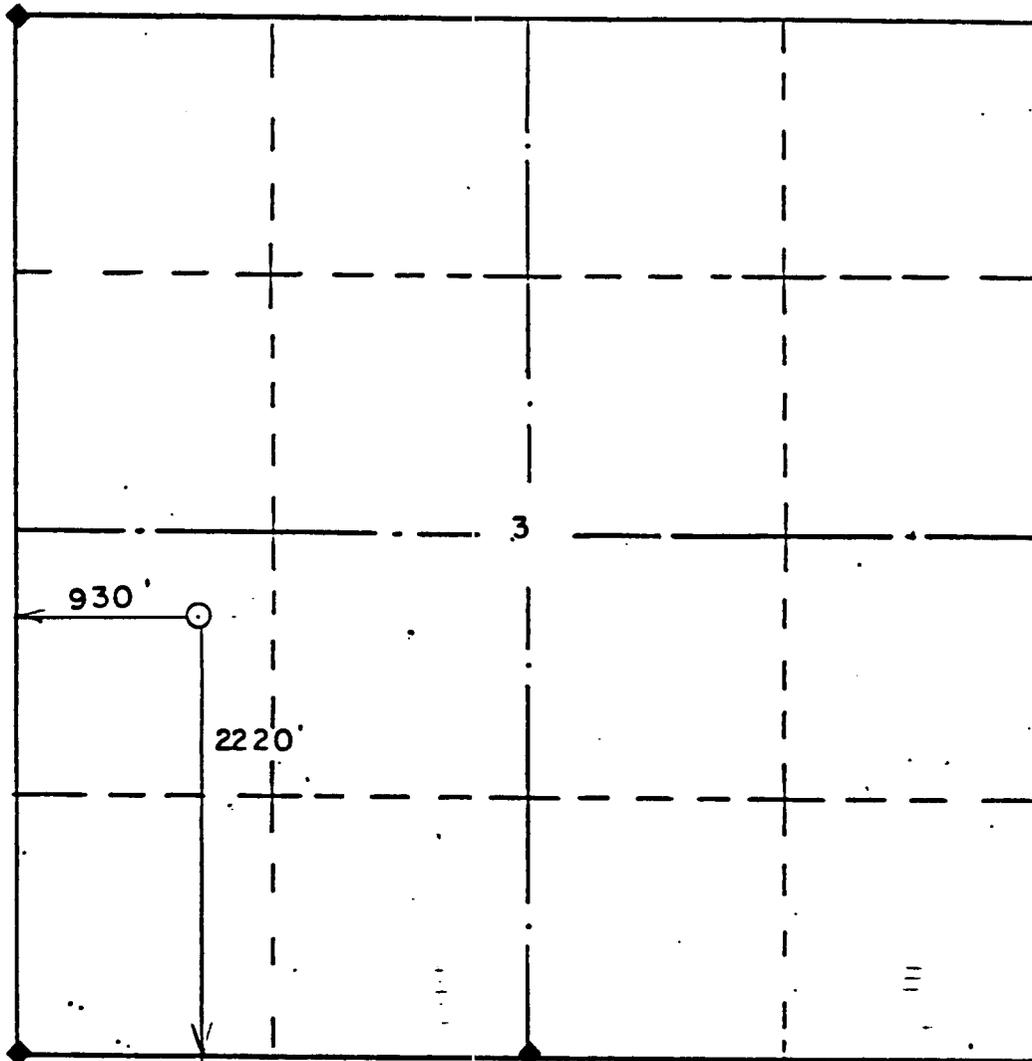
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

Approved by: _____ Title: _____ Date: 11/19/90

Conditions of approval, if any:

DATE: 11/19/90
BY: *[Signature]*
WELL SPACING: RW15-0.3

WELL LOCATION AND ACREAGE DEDICATION PLAT



1"=1000'

WELL LOCATION DESCRIPTION:

R. T. DUNCAN, Cave Canyon 13 - 3
 2220' FSL & 930' FWL
 Section 3, T.38 S., R.24 E., SLM
 San Juan, UT.
 5331' ground elevation

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

21 October 1990

Gerald G. Huddleston
 Gerald G. Huddleston, LS

A circular professional seal for Gerald G. Huddleston, Registered Land Surveyor, No. 6705, State of Utah. The seal contains the text 'REGISTERED LAND SURVEYOR', 'No. 6705', 'GERALD G. HUDDLESTON', and 'STATE OF UTAH'.

CONFIDENTIAL - TIGHT HOLE

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

CAVE CANYON FEDERAL #13-3
2220' FSL and 930' FWL
Section 3, T38S - R24E
San Juan County, Utah

Prepared For:

RAYMOND T. DUNCAN

By:

PERMITCO INC.
13585 Jackson Drive
Denver, Colorado 80241
303/452-8888

Copies Sent To:

- 4 - BLM - Moab, Utah
- 1 - BLM - Monticello, Utah
- 1 - Div. of Oil, Gas & Mining - SIC, Utah
- 3 - Raymond T. Duncan - Denver, CO



DUNCAN ENERGY COMPANY

PENTHOUSE ONE

1777 SOUTH HARRISON STREET

DENVER, COLORADO 80210-3925

TELEPHONE (303) 759-3303

FAX: (303) 757-0252

October 26, 1990

U. S. Department of the Interior
Bureau of Land Management
P.O. Box 970
Moab, Utah 84532

RE: Cave Canyon #13-3
2220' FWL 930' FNL
Section 3-T38S-R24E
San Juan County, Utah

Gentlemen:

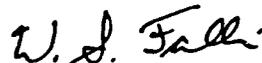
This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Duncan Energy Company when necessary for filing County, State, and Federal permits including Onshore Order No. 1, Right-of-Way applications, etc. for the above captioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Duncan Energy Company agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above captioned well.

Sincerely,

DUNCAN ENERGY COMPANY



W. S. Fallin
Production Manager

WSF/bw

CONFIDENTIAL

OPERATOR Raymond J. Duncan DATE 11-14-90

WELL NAME Cole Canyon actual 13-3

SEC N45W 3 T 38S R 04E COUNTY San Juan

43-037-31570
API NUMBER

actual (1)
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD
SLBM

POTASH OR OIL SHALE

PROCESSING COMMENTS:

P.O.D. approved eff 01-20-90

Water Permit submitted

APPROVAL LETTER:

SPACING:

R615-2-3

Cole Canyon
UNIT

R615-3-2

N/A
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert
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 14, 1990

Raymond T. Duncan
1777 S. Harrison St., PH 1
Denver, Colorado 80210

Gentlemen:

Re: Cave Canyon Fed. 13-3 - NW SW Sec. 3, T. 38S, R. 24E - San Juan County, Utah
- 2220' FSL, 930' FWL

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules.

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
Raymond T. Duncan
Cave Canyon Federal 13-3
November 14, 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 43-037-31570.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
we14/1-8

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.	U-47876
6. IF INDIAN, ALLOTTED OR TRIBE NAME	N/A
7. UNIT AGREEMENT NAME	Cave Canyon Unit
8. FARM OR LEASE NAME	Cave Canyon Federal
9. WELL NO.	#13-3
10. FIELD AND POOL, OR WILDCAT	Cave Canyon Field
11. SEC., T. R., M., OR BLK. AND SURVEY OR AREA	Sec. 3, T38S - R24E
12. COUNTY OR PARISH	San Juan
13. STATE	Utah

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 303/759-3303 1777 S. Harrison St., PH 1
Raymond T. Duncan Denver, CO 80210

3. ADDRESS OF OPERATOR 303/452-8888 13585 Jackson Drive
Permitco Inc. - Agent Denver, CO 80241

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 2220' FSL and 930' FWL
At proposed prod. zone NW SW Sec. 3 *43-037-31570 DRC*

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
32 miles southeast of Monticello, Utah

13. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
390'*

16. NO. OF ACRES IN LEASE
1289.44'

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
approx. 800'

19. PROPOSED DEPTH
5980'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, BT, GR, etc.)
5331' GR

22. APPROX. DATE WORK WILL START*
Upon approval of this application.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
--------------	----------------	-----------------	---------------	--------------------

RECEIVED
DEC 03 1990

CONFIDENTIAL

DIVISION OF
OIL, GAS & MINING

*Location has been staked at non-standard spacing due to severe topography.

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 *Raymond T. Duncan* TITLE Consultant for Raymond T. Duncan DATE 11/5/90

(This space for Federal or State office use)

PERMIT NO. /S/ WILLIAM C. STRINGER APPROVAL DATE NOV 28 1990
APPROVED BY for Minerals TITLE Assistant District Manager DATE NOV 28 1990

CONDITIONS OF APPROVAL, IF ANY:

FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A CONDITIONS OF APPROVAL ATTACHED

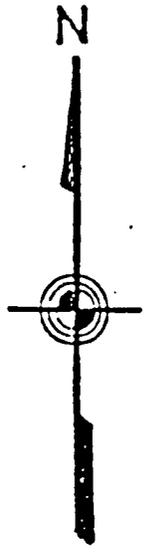
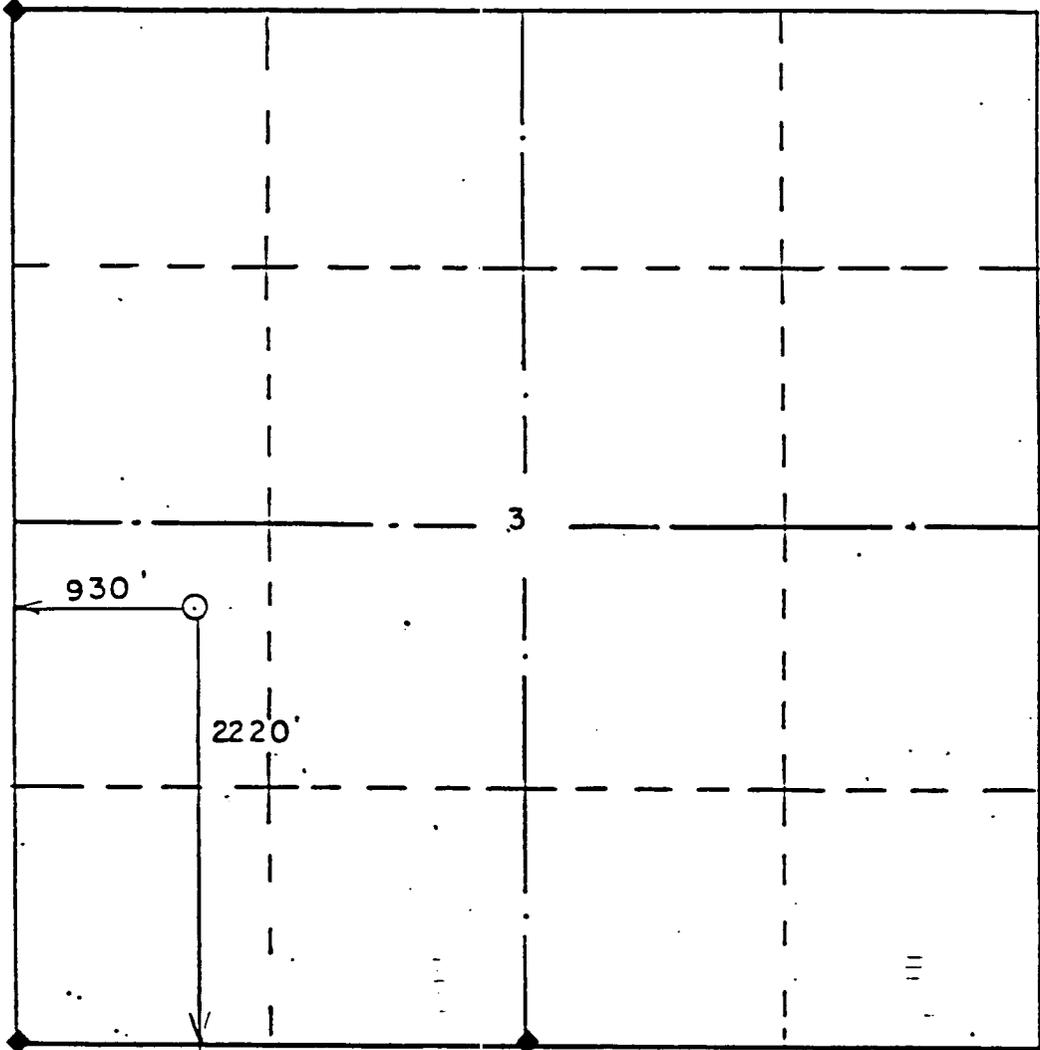
Dated 1/1/80

*See Instructions On Reverse Side

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

Dogm

WELL LOCATION AND ACREAGE DEDICATION PLAT



1"=1000'

WELL LOCATION DESCRIPTION:
 R. T. DUNCAN, Cave Canyon 13 - 3
 2220' FSL & 930' FWL
 Section 3, T.38 S., R.24 E., SLM
 San Juan, UT.
 5331' ground elevation

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

21 October 1990

REGISTERED LAND SURVEYOR
 No. 5705
 GERALD G. HUDDLESTON
 Gerald G. Huddleston, LS
 STATE OF UTAH

Raymond T. Duncan
Well No. Federal 13-3
NWSW Sec. 3, T. 38 S., R. 24 E.
San Juan County, Utah
Lease U-47876

CONDITIONS OF APPROVAL

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

Be advised that Raymond T. Duncan is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by WY0271 (Principal - Raymond T. Duncan) via surety consent as provided for in 43 CFR 3104.3.

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

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order 1, Onshore Oil and Gas Order No. 2 and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

Surface casing shall have a centralizer on each of the bottom three joints. (This approval condition is required until Onshore Oil and Gas Order No. 2 is revised/corrected.)

B. Stipulations

1. Human waste will be disposed of in 20 foot deep ratholes under camper trailers, or chemical toilets. Ratholes will be immediately filled when the trailers are removed.
2. In order to protect important deer winter range, exploration, drilling, and other development activity will be allowed only during the period from April 1 to November 30. This limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation in any year may be specifically authorized in writing to the District Engineer, Geological Survey, with the concurrence of the District Manager, Bureau of Land Management.

The following stipulations were proposed by Raymond T Duncan in the APD.

1. All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100, Onshore Oil and Gas Orders, and the approved plan of operations (Application for Permit to Drill)).
2. Approximately 600 feet of new road, 16 feet of flat bladed width will be constructed. The topsoil from the access road will be reserved in place. The access road will be rehabilitated or brought to BLM Resource (Class III) Road Standards within sixty (60) days of completion of drilling operations.
3. Warning signs (Caution: Trucks Entering Road) will be installed on the Perkins Road #206 if required by the County Road Department. Such signs will be installed prior to beginning construction activities and will remain in place during all drilling and completion operations.
4. The reserve pit will be constructed with at least 1/2 of the capacity in cut material. The pit will be lined with 24 tons of bentonite. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four (4) strand of barbed wire, or woven wire topped with barbed wire to a height of not less than four (4) feet. Produced water will be confined to the reserve pit for a period not to exceed 90 days after initial production. During the 90 day period an NTL-2B application will be submitted for BLM's approval of a permanent disposal method and site.

5. All above ground structures and equipment will be painted with a neutral Juniper green color.
6. If a tank battery is constructed on this location, it will be surrounded by a dike of sufficient capacity to contain 150 percent of the storage capacity of the largest tank in the battery. All load lines will be placed inside the dike.
7. Gas meter run will be within 500 feet of the wellhead. Gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meters will be housed or fenced.
8. No liquid hydrocarbons (i.e., fuels, lubricants, formation) will be discharged to the reserve pit.
9. No chrome compounds will be on location.
10. All trash will be placed in a trash basket and hauled to a county refuse facility as necessary. There will be no burning of trash on the location.
11. Plans for restoration of the surface:
 - A. Within 24 hours of completion of drilling, the location and surrounding area will be cleared of all equipment, debris, materials, and junk not required for production.
 - B. As soon as the reserve pit has dried all areas not needed for production (including access road) will be filled in, recontoured to approximate natural contours and as much top soil as was removed replaced leaving enough for future restoration if needed.
 - C. The area will be seeded between October 1 and February 28 with the indicated species and amounts as below:

12 lbs/acre	fourwing saltbush
2 lbs/acre	forage kochia
1 lb/acre	yellow sweetclover
 - D. Seed will be broadcast followed by a light harrowing.
 - E. Water control measures (i.e. contour furrowing, waterbars, etc.) may be required at the time of reclamation if required by the authorized officer.
12. There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned and/or separate facilities, will be identified in accordance with 43 CFR 3162.6.
13. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.6.
14. The dirt contractor will be provided with an approved copy of the surface use plan.
15. An archeological study was conducted by LaPlata Archaeological Consultants. A small site was identified at the southeast end of the wellpad. The site will be fenced with one strand of barbed wire prior to beginning construction activity to avoid any disturbance of the site.

16. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
 - a timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

17. This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.
19. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the AO.

NOTIFICATIONS

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

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

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

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

Dale Manchester, Petroleum Engineer	Office Phone: (801) 259-6111
	Home Phone: (801) 259-6239
Eric Jones, Petroleum Engineer	Office Phone: (801) 259-6111
	Home Phone: (801) 259-2214

If unable to reach the above individuals including weekends, holidays, or after hours please call the following:

Lynn Jackson, Chief, Branch of Fluid Minerals	Office Phone: (801) 259-6111
	Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS

FILING FOR WATER IN THE STATE OF UTAH

Rec. by _____

Fee Rec. _____

Receipt # _____

Microfilmed _____

Roll # _____

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

* WATER RIGHT NO. _____

* APPLICATION NO. A

1. *PRIORITY OF RIGHT: _____ * FILING DATE: _____

2. OWNER INFORMATION

Name(s): Raymond T. Duncan * Interest: 100 %

Address: 1777 S. Harrison Street, Suite PH 1

City: Denver, State: CO Zip Code: 80210

Is the land owned by the applicant? Yes _____ No XX

(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: _____ ~~cfs and/or~~ 5 ac-ft

4. SOURCE: Cave Canyon Water Source Well DRAINAGE: _____

which is tributary to _____ No. 1

which is tributary to _____

POINT(S) OF DIVERSION: _____ COUNTY: San Juan

North 1870 feet and East 1870 feet from the Southwest corner of Section 3, T38S - R24E, SLB&M

Description of Diverting Works: 7" casing 3120 deep

* COMMON DESCRIPTION: _____

5. POINT(S) OF REDIVERSION

The water will be rediverted from _____ at a point:

Description of Rediverting Works: _____

6. POINT(S) OF RETURN

The amount of water consumed will be _____ cfs or _____ ac-ft

The amount of water returned will be _____ cfs or _____ ac-ft

The water will be returned to the natural stream/source at a point(s): _____

7. STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____

Capacity: _____ ac-ft. Inundated Area: _____ acres

Height of dam: _____ feet

Legal description of inundated area by 40 acre tract(s): _____

* These items are to be completed by the Division of Water Rights

Appropriate

8. List any other water rig which will supplement this application _____

9. NATURE AND PERIOD OF USE

Irrigation: From _____ to _____
Stockwatering: From _____ to _____
Domestic: From _____ to _____
Municipal: From _____ to _____
Mining: From _____ to _____
Power: From _____ to _____
Other: Oil Well Drilling From Nov. 30, 1990 to November 30, 1991

10. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons
Municipal (name): _____
Mining: _____ Mining District in the _____ Mine
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): Raymond T. Duncan plans to drill two oil wells in the Cave Canyon Lease Waterflood Project

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s): _____
Cave Canyon #12-3 SW NW (1610' FNL and 1300' FWL) Sec. 3, T38S - R24E
Cave Canyon #13-3 NW SW (2220' FSL and 930' FWL) Sec. 3, T38S - R24E

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary): Duncan proposes to drill two development oil wells as part of the Cave Canyon Lease Waterflood project. Water use to drill each well will be approximately 10,000 BW. Water will be trucked to each drillsite by enclosed pump truck with a capacity of 80-100 bbls. The surface at each drillsite is owned by the Bureau of Land Management, the minerals are owned by the Federal Government and the extration rights to the Federal leases are owned by Raymond T. Duncan

.....
The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

[Handwritten Signature]
Signature of Applicant(s)
Lisa L. Smith
Agent for:
Raymond T. Duncan

FILING FOR WATER IN THE STATE OF UTAH

Rec. by _____

Fee Rec. _____

Receipt # _____

Microfilmed _____

Roll # _____

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

* WATER RIGHT NO. _____

* APPLICATION NO. A

1. *PRIORITY OF RIGHT: _____ * FILING DATE: _____

2. OWNER INFORMATION

Name(s): Raymond T. Duncan * Interest: _____ %

Address: 1777 S. Harrison St., Penthouse 1

City: Denver, State: CO Zip Code: 80210

Is the land owned by the applicant? Yes _____ No XX

(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: XX cfs and/or 5 ac-ft

4. SOURCE: Artesian Well * DRAINAGE: _____

which is tributary to _____

which is tributary to _____

POINT(S) OF DIVERSION: _____ COUNTY: San Juan

N 531' and E 1810' from West 1/4 1/4 of Section 1, T38S - R24E

(Permit No. 09-156) - Richard Gore

Description of Diverting Works: Enclosed pump truck w/the capacity of 80-100 bbls.

* COMMON DESCRIPTION: _____

5. POINT(S) OF REDIVERSION

The water will be rediverted from N/A at a point:

Description of Rediverting Works: N/A

6. POINT(S) OF RETURN

The amount of water consumed will be _____ cfs or 5 ac-ft

The amount of water returned will be _____ cfs or 0 ac-ft

The water will be returned to the natural stream/source at a point(s): N/A

7. STORAGE

Reservoir Name: N/A Storage Period: from _____ to _____

Capacity: N/A ac-ft. Inundated Area: _____ acres

Height of dam: N/A feet

Legal description of inundated area by 40 acre tract(s): _____

* These items are to be completed by the Division of Water Rights

Appropriate

8. List any other water rig which will supplement this application. None will be used by Raymond T. Duncan

9. NATURE AND PERIOD OF USE

Irrigation: From _____ to _____
Stockwatering: From _____ to _____
Domestic: From _____ to _____
Municipal: From _____ to _____
Mining: From _____ to _____
Power: From _____ to _____
Other: Oil well drilling From 11/30/90 to 11/30/91

10. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons
Municipal (name): _____
Mining: _____ Mining District in the _____ Mine
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): Oil & Gas Well Drilling

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s):
Cave Canyon Fed. #12-3 SW NW (1610' FNL and 1300' FWL) Sec. 3, T38S - R24E
Cave Canyon Fed. #13-3 NW SW (2220' FSL and 930' FWL) Sec. 3, T38S - R24E

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary):

The surface at the drillsite is owned by the Bureau of Land Management, the minerals are owned by the Federal Government and the extration rights to Federal Lease No. U-47876 are owned by Raymond T. Duncan

The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

Lisa L. Smith
Signature of Applicant(s)
Lisa L. Smith
Agent for Raymond T. Duncan

DUNCAN ENERGY COMPANY

ENTHOUSE ONE

1777 SOUTH HARRISON STREET

DENVER, COLORADO 80210-3925

TELEPHONE (303) 759-3303

FAX (303) 757-0252

RECEIVED
JAN 23 1991

January 21, 1991

Bureau of Land Management
P.O. Box 970
Moab, Utah 84532

DIVISION OF
OIL, GAS & MINING

Gentlemen:

Enclosed please find sundry notice for the change of operatorship from Raymond T. Duncan to Duncan Energy Company for the Cave Canyon Lease Waterflood.

If you require further data please contact Marie O'Keefe of this office.

Sincerely,

Marie O'Keefe

Marie O'Keefe
Engineering Technician

/mo

cc: State of Utah
3 Triad Center #350
Salt Lake City, UT 84180-1203

Effective 6-21-90
per Marie O'Keefe *for*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

RECEIVED
JAN 23 1991

5. Lease Designation and Serial No.

UTU40751

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

Cave Canyon Lease
Waterflood

8. Well Name and No.

Cave Canyon Fed. 1-33

9. API Well No.

43-037-31276

10. Field and Pool, or Exploratory Area

Cave Canyon Ismay

11. County or Parish, State

San Juan, UT

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Raymond T. Duncan

3. Address and Telephone No.

1777 S. Harrison St. P-1 Denver, CO 80210 303-759-3303

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

T37S R24E Sec 33 SWSE

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

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

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

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

Raymond T. Duncan was the previous operator of the referenced well. Duncan Energy Company is now the operator of record. Offices, personnel and all operations will continue to be the same for Duncan Energy Company as they were for Raymond T. Duncan. Duncan Energy Company is responsible under the terms and conditions of the lease for operations conducted on the leased lands. This referenced well is in the Cave Canyon Lease Waterflood.

cc: State of Utah

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

Signed W. S. Falls

Title Production Manager

Date January 21, 1991

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No.
U-47876

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
Cave Canyon Lease
Waterflood

8. Well Name and No.
See Below

9. API Well No.
See Below

10. Field and Pool, or Exploratory Area
Cave Canyon Ismay

11. County or Parish, State
San Juan, Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

RECEIVED
JAN 23 1991

1. Type of Well
 Oil Well Gas Well Other See Below

2. Name of Operator
Raymond T. Duncan

3. Address and Telephone No.
1777 S. Harrison St. P-1 Denver, CO. 80210 303-759-3303

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

DIVISION OF
OIL, GAS & MINING

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> 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 <u>Change of Operator</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

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

Raymond T. Duncan was the previous operator of the Cave Canyon Lease Waterflood. Duncan Energy Company is now the operator of record for the Cave Canyon Lease Waterflood. Offices, personnel and all operations will continue to be the same for Duncan Energy Company as they were for Raymond T. Duncan. Duncan Energy Co. is responsible under the terms and conditions of the lease for operations conducted on the leased lands.

WELL NAME	LOCATION	WELL STATUS	API #
Cave Canyon 3-2	T38S R24E Sec 3 NESW	Producing Oil Well	43-037-31120
Cave Canyon 4-3	" " " 4 NENE	" " "	43-037-31414
Cave Canyon 3-3	" " " 3 SENW	Shut in Oil Well	43-037-31413
Wells Federal 1-4	" " " 4 NENE	Producing Oil Well	43-037-31028
Cave Canyon 3-1	" " " 3 SWNW	Water Injection Well	43-037-31095
1-Cave Canyon-WSW	" " " 3 NESW	Water Supply Well	43-037-99998
Cave Canyon 4-4	" " " 4 NENE	Producing Oil Well	43-037-31539
Cave Canyon 12-3	" " " 3 SWNW	Completing Oil Well	43-037-31567
Cave Canyon 13-3	" " " 3 NWSW	Approved Drlg Location	43-037-31570
Cave Canyon 3-4	" " " 3 NWNW	" " "	43-037-31542
Cave Canyon 3-5	" " " 3 NWSE	" " "	43-037-31541

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

Signed J. Galli Title Production Manager Date January 21, 1991

(This space for Federal or State office use)

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

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



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

January 30, 1991

Duncan Energy Company
PH 1, 1777 S. Harrison St.
Denver, Colorado 80210

Gentlemen:

RE: Transfer of Authority to Inject - Cave Canyon #3-1 Well, Sec. 3, T. 38S,
R. 24E - San Juan County, Utah

The Division has received a request of operator change for the Cave Canyon #3-1 Well, from Raymond T. Duncan to Duncan Energy Company.

Please complete and return to our office the enclosed UIC Form 5, as required by R615-8-21 of the Oil and Gas Conservation General Rules.

If I can be of assistance, please contact me at (801)538-5340.

Sincerely,

Gil Hunt
UIC Manager

lr
Enclosure

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File _____
(Location) Sec _____ Twp _____ Rng _____
(API No.) _____

Suspense
(Return Date) _____
(To - Initials) _____

Other
OPERATOR CHANGE
FILE. _____

1. Date of Phone Call: 1-28-91 Time: 10:00

2. DOGM Employee (name) L. ROMERO (Initiated Call
Talked to:
Name MARIE O'KEEFE (Initiated Call - Phone No. (303) 759-3303
of (Company/Organization) DUNCAN ENERGY COMPANY/N3370

3. Topic of Conversation: EFFECTIVE DATE OF OPERATOR CHANGE

4. Highlights of Conversation: EFFECTIVE DATE 6-21-90, ALSO NO DOCUMENTATION
REQUIRED FROM RAYMOND T. DUNCAN (DUNCAN ENERGY COMPANY & RAYMOND T. DUNCAN ARE
ONE IN THE SAME COMPANY).

Routing:	
1- LCR	✓
2- DTS	DTS
3- VLC	✓
4- RJF	✓
5- RWM	✓
6- LCR	✓

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: 6-21-90)

TO (new operator) <u>DUNCAN ENERGY COMPANY</u>	FROM (former operator) <u>DUNCAN, RAYMOND T.</u>
(address) <u>PH 1, 1777 S. HARRISON ST.</u>	(address) <u>1777 S. HARRISON ST., PH 1</u>
<u>DENVER, CO 80210</u>	<u>DENVER, CO 80210</u>
phone (303) <u>759-3303</u>	phone (303) <u>759-3303</u>
account no. <u>N 3370</u>	account no. <u>N 0360</u>

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

Name: <u>CAVE CANYON #3-2/ISMY</u>	API: <u>4303731120</u>	Entity: <u>9775</u>	Sec <u>3</u> Twp <u>38SRng24E</u>	Lease Type: <u>U-47876</u>
Name: <u>CAVE CYN FED 4-3/ISMY</u>	API: <u>4303731414</u>	Entity: <u>9775</u>	Sec <u>4</u> Twp <u>38SRng24E</u>	Lease Type: <u>U-47876</u>
Name: <u>CAVE CYN FED 3-3/ISMY</u>	API: <u>4303731413</u>	Entity: <u>9775</u>	Sec <u>3</u> Twp <u>38SRng24E</u>	Lease Type: <u>U-47876</u>
Name: <u>WELLS FED #1/ISMY</u>	API: <u>4303731028</u>	Entity: <u>9775</u>	Sec <u>4</u> Twp <u>38SRng24E</u>	Lease Type: <u>U-47876</u>
Name: <u>CAVE CANYON #3-1/ISMY</u>	API: <u>4303731095</u>	Entity: <u>9775/wlw</u>	Sec <u>3</u> Twp <u>38SRng24E</u>	Lease Type: <u>U-47876</u>
Name: <u>CAVE CANYON FED 4-4/ISMY</u>	API: <u>4303731539</u>	Entity: <u>9775</u>	Sec <u>4</u> Twp <u>38SRng24E</u>	Lease Type: <u>U-47876</u>
Name: <u>CAVE CANYON FED 12-3/DR</u>	API: <u>4303731567</u>	Entity: <u>9775</u>	Sec <u>3</u> Twp <u>38SRng24E</u>	Lease Type: <u>U-47876</u>

OPERATOR CHANGE DOCUMENTATION

- See 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). (Rec. 1-23-91)
- See 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). (Rec. 1-23-91)
- See 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) yes If yes, show company file number: # 110244. (1-28-91)
- See 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.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (1-31-91)
- See 6. Cardex file has been updated for each well listed above.
- See 7. Well file labels have been updated for each well listed above.
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- See 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 5, Entity Action Form). *Cave Cyn. Unit / Ismy PA.*
- 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.

RECORDING

- 1. All attachments to this form have been microfilmed. Date: February 5 1991.

INDEXING

- 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.

REMARKS

910128 Btm/meab Have received documentation, bonding looks ok. Is not approved as of yet. will call when approved.

910129 Btm Approved all wells eff. 6-21-90. (Unit Oper. Duncan Energy Company)

1-
2-
3-
4-
5-
6-

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 Operator
- Designation of Agent
- Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: _____)

TO (new operator) DUNCAN ENERGY COMPANY FROM (former operator) DUNCAN, RAYMOND T.
 (address) _____ (address) _____

 phone () _____ phone () _____
 account no. N 3370 account no. N 0360

Conf.

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

Name: <u>CAVE CANYON FED 13-3/DRL</u>	API: <u>4303731570</u>	Entity: <u>99999</u>	Sec <u>3</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U-47876</u>
Name: <u>CAVE CYN FED 3-4/DRL</u>	API: <u>4303731542</u>	Entity: <u>99999</u>	Sec <u>3</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U-47876</u>
Name: <u>CAVE CYN FED 3-5/DRL</u>	API: <u>4303731541</u>	Entity: <u>99999</u>	Sec <u>3</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U-47876</u>
Name: <u>CAVE CANYON #1-33/ISMY</u>	API: <u>4303731276</u>	Entity: <u>9775</u>	Sec <u>33</u> Twp <u>37S</u> Rng <u>24E</u>	Lease Type: <u>U-40751</u>
Name: <u>CAVE CANYON 1 (WSW)</u>	API: <u>(NOT ON SYS)</u>	Entity: _____	Sec <u>3</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U-47876</u>
Name: <u>(Water Rights)</u>	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

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MICROFILMING

1. All attachments to this form have been microfilmed. Date: _____ 19____.

INDEXING

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2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

3162 (U-065)
(U-47876)

Moab District
P. O. Box 970
Moab, Utah 84532

DEC 17 1991

Duncan Energy Company
1777 S. Harrison Street, PH 1
Denver, Colorado 80241

Re: Application for Permit to Drill
Well No. Cave Canyon Federal 13-3 43-037-31570
NWSW Sec. 3, T. 38 S., R. 24 E.
San Juan County, Utah
Lease U-47876

Gentlemen:

The Application for Permit to Drill the referenced well was approved on November 28, 1990. Since that date, no known activity has transpired at the approved location.

Applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application.

Should you intend to drill at this location at a future date, a new application for permit to drill must be submitted.

If you have any questions, please contact the Branch of Fluid Minerals at (801) 259-6111.

Sincerely yours,

/S/ WILLIAM C. STRINGER

Assistant District Manager
Mineral Resources

Enclosure:
Application for Permit to Drill

cc: San Juan Resource Area (w/o encl.)
State of Utah, Division of Oil, Gas and Mining (w/o encl.)

VButts:vb:12/16/91



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
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

December 31, 1991

Duncan Energy Company
1777 South Harrison Street, PH 1
Denver, Colorado 80210

Gentlemen:

Re: Well No. Cave Canyon Federal 13-3, Sec. 3, T. 38S, R. 24E, San Juan County, Utah, API No. 43-037-31570

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

A handwritten signature in black ink that reads "Don Staley".

Don Staley
Administrative Supervisor
Oil and Gas

DME/lde
cc: R.J. Firth
Bureau of Land Management - Moab
Well file
WOI196