



October 9, 1992

RECEIVED

OCT 13 1992

DIVISION OF
OIL GAS & MINING

Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203
Attn: Tammi Searing

Re: **Duncan Energy Company**
Cave Canyon Federal #4-5
50' FNL and 1800' FEL
NE NW Sec. 4, T38S - R24E
San Juan County, Utah

Dear Tammi,

Enclosed please find three copies of the A.P.D. on the above mentioned well along with one copy of the Onshore Order No. 1 which was filed with the Bureau of Land Management.

As of this date, I have filed a temporary change application with the Division of Water Rights, Price, Utah for use of the proposed water source. A copy of this application is attached to the back of the Onshore Order No. 1.

Please forward approved copies of the A.P.D. to Mr. John Bettridge at Duncan Energy Company at the following address:

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

If you should need additional information, please feel free to contact me.

Sincerely,

PERMITCO INC.

A handwritten signature in cursive script that reads "Lisa L. Smith".

Lisa L. Smith

Consultant for:

Duncan Energy Company

Enc.

cc: **Duncan Energy Company - Denver, CO**

Permitco Incorporated
A Petroleum Permitting Company

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

(Other instructions on reverse side)

5. Lease Designation and Serial No.

U-47876 (Federal)

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.

#4-5

10. Field and Pool, or Wildcat

Cave Canyon Field

1. Sec., T., R., M., or Blk. and Survey or Area

Sec. 4, T38S - R24E

12. County or Parrish 13. State

San Juan 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

Duncan Energy Company

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

50' FNL and 1800' FEL

At proposed prod. zone

NW NE Sec. 4

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14. Distance in miles and direction from nearest town or post office*

32 miles southeast of Monticello, UT

15. Distance from proposed*

location to nearest property or lease line, ft.

50'

(Also to nearest drlg. line, if any)

16. No. of acres in lease

1289.44

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.)

5359' GE

22. Approx. date work will start*

Immediately upon approval of this application.

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'	150 sx or suffic to circ to surf.
12-1/4"	8-5/8"	24#	1950'	800 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.

Duncan Energy Company 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.

We realize that the above mentioned location has been staked at non-standard footages in accordance with the spacing rules of the State of Utah, Division of Oil, Gas & Mining. This location was based on topography and seismic considerations and we request that you grant approval of this exception to spacing. Duncan Energy Company is the lessee of all of Sections 3 and 4 and is also the Unit Operator for the Cave Canyon Unit which also includes the S/2 SE/4 Sec. 33, T39S - R24E. See Map #1 attached for unit boundaries.

Secondary Recovery Unit

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 Duncan Energy Company Date: 10/9/92

(This space for Federal or State office use)

Permit No. 13-037-31695

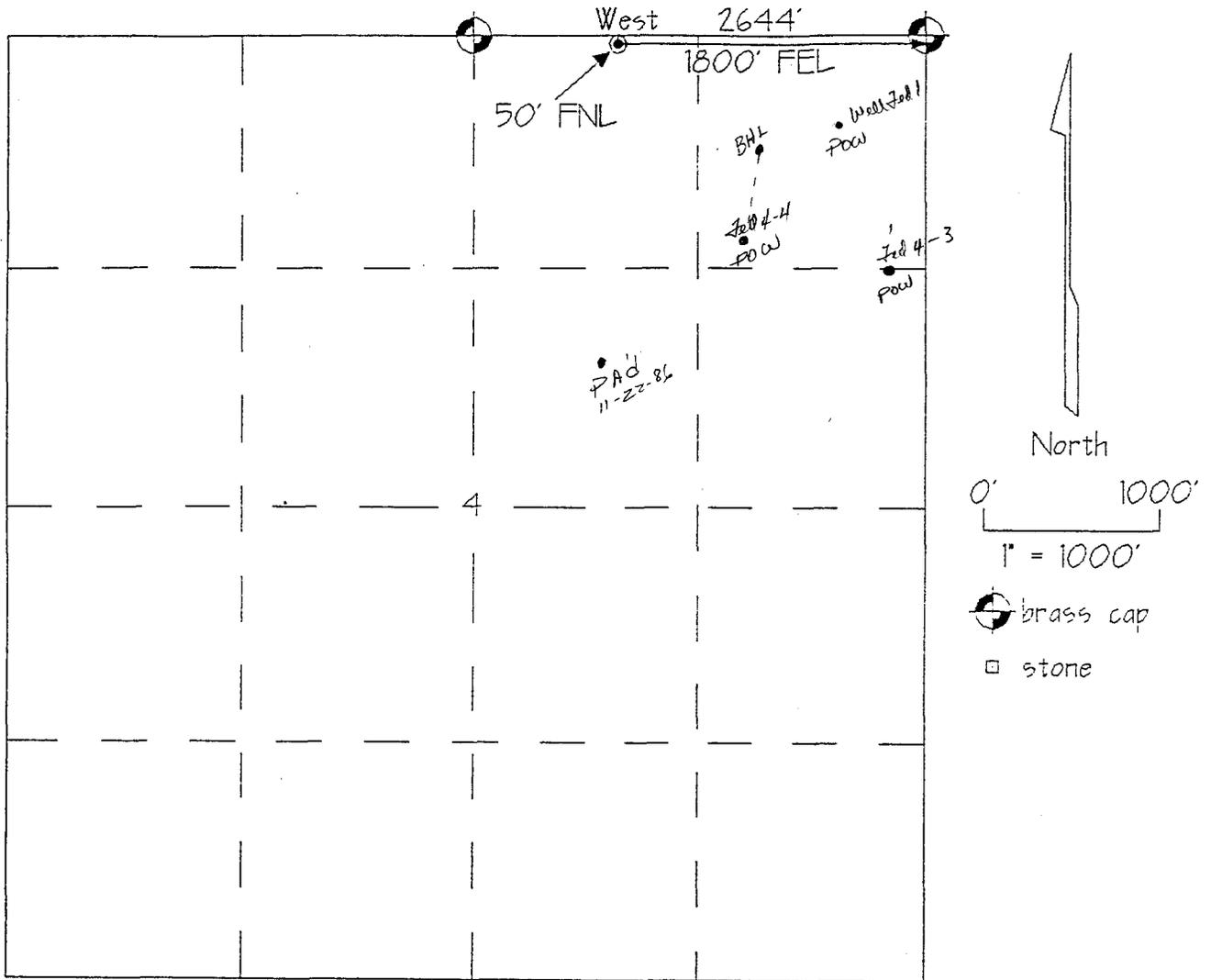
Approval Date

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

DATE: 10/19/92 BY: *[Signature]* WELL SPACING: 649-3-3

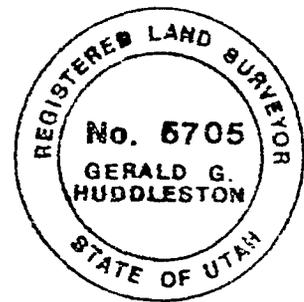
Approved by: Conditions of approval, if any:

Well Location Plat



Well Location Description

R. T. DUNCAN
 Cave Canyon Federal 4-5
 50' FNL & 1800' FEL
 Section 4, T.38 S., R.24 E., SLM
 San Juan County, Utah
 5359' ground elevation



21 September 1992

Gerald G. Huddleston
 Gerald G. Huddleston, LS

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

CONFIDENTIAL - TIGHT HOLE

ONSHORE OIL & GAS ORDER NO. 1

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

CAVE CANYON FEDERAL #4-5

**50' FNL and 1800' FEL
NW NE Section 4, T38S - R24E
San Juan County, Utah**

Prepared For:

DUNCAN ENERGY COMPANY

By:

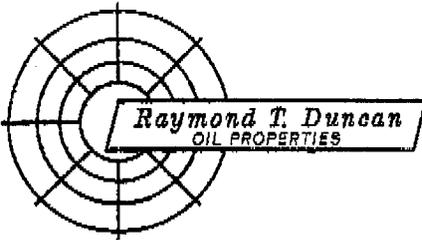
**PERMITCO INC.
13585 Jackson Drive
Denver, Colorado 80241
303/452-8888**

Copies Sent To:

- 4 - BLM - Moab, Utah**
- 1 - BLM - Monticello, Utah**
- 1 - Div. of Oil, Gas & Mining - SLC, Utah**
- 3 - Duncan Energy Company - Denver, CO**



Permitco Incorporated
A Petroleum Permitting Company



1777 SOUTH HARRISON STREET, PENTHOUSE ONE
TELEPHONE (303) 759-3303 • DENVER, COLORADO 80210

September 29, 1992

Bureau of Land Management
Monticello Office
P.O. Box 7
Monticello, UT 84535

Re: CAVE CANYON #4-5
NW NE Sec. 4-T38S-R24E
San Juan County, Utah

Gentlemen:

This letter is to inform you that Permitco 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 mentioned well.

It is 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-mentioned well.

Sincerely,



T. J. Gardner
Senior Reservoir Engineer

TJG/JAB/pm
cc: Lisa Smith - Permitco

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

18. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

D. 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
 Duncan Energy Company 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 50' FNL and 1800' FEL
 At proposed prod. zone NW NE Sec. 4

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 drig. unit line, if any) 50

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.)
 5359' GR

22. APPROX. DATE WORK WILL START*
 Immediately 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.
#4-5

10. FIELD AND POOL, OR WILDCAT
Cave Canyon Field

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 4, T38S - R24E

12. COUNTY OR PARISH 13. STATE
San Juan Utah

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'	150 sx or suffic to circ to surf.
12-1/4"	8-5/8"	24#	1950'	800 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.

Duncan Energy Company proposes to drill a well to 5098' 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.

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

Bond coverage for this well is provided by BLM Bond CO-0959 (Principal - Duncan Energy Company) via surety consent as provided for in 43 CFR 3104.3. It is understood that the BLM will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

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 *Duncan Energy* TITLE Consultant for Duncan Energy Company DATE 10/9/92

(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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Cave Canyon #4-5

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Duncan Energy Company
 Cave Canyon Federal #4-5
 50' FNL and 1800' FEL
 NW NE Sec. 4, T38S - R24E
 San Juan County, Utah

Drilling Program
 Page 1

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 insure 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	770'	+4615'
Navajo	975'	+4410'
Windgate	1545'	+3840'
Chinle	1855'	+3810'
Shinarump	2540'	+2845'
Cutler	2690'	+2695'
Hermosa Lime	4715'	+ 670'
Upper Ismay	5700'	- 315'
Massive Anhydrite	5735'	- 350'
Mound Carbonate	5755'	- 370'
Carbonate Porosity	5760'	- 375'
Hovenweep Shale	5895'	- 510'
Lower Ismay	5925'	- 540'
Anhydrite	5945'	- 560'
Basal Carbonate	5965'	- 580'
Gothic Shale	5975'	- 590'
T.D.	5980'	- 595'

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



Duncan Energy Company
Cave Canyon Federal #4-5
 50' FNL and 1800' FEL
 NW NE Sec. 4, T38S - R24E
 San Juan County, Utah

Drilling Program
 Page 2

<u>Substance</u>	<u>Formation</u>	<u>Anticipated Depth</u>
Oil	Ismay	5700'

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

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	0-1950'	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

- b. If unconsolidated rock is encountered, conductor shall be set ten (10) feet into underlying bedrock with cement circulated to surface.
- c. Surface casing shall be set at least 50 feet into the Chinle Formation, regardless of the depth the Chinle is encountered.



d. Cement

The cementing program will be as follows:

<u>Conductor</u> 0-120'	<u>Type and Amount</u> 150 sx or sufficient to circulate to surface
<u>Surface</u> 0-1950'	<u>Type and Amount</u> 800 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.



Duncan Energy Company
Cave Canyon Federal #4-5
50' FNL and 1800' FEL
NW NE Sec. 4, T38S - R24E
San Juan County, Utah

Drilling Program
Page 4

6. Coring, logging and testing programs are as follow
 - a. No cores are anticipated.
 - b. The logging program will consist of the following: A DIL/SP/GR will be run from T.D. to base of surface casing. A BHC/CAL/GR and CNL/LDT/CAL/GR will be run from 4500' to T.D.
 - 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 2000 psi.
8. Anticipated Starting Dates and Notifications of Operations
 - a. Duncan Energy Company plans to spud the Cave Canyon Federal #4-5 immediately upon approval of this application and intends to complete the well within approximately one month after the well has reached T.D.
 - b. 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.

Duncan Energy Company

Cave Canyon Federal #4-5

50' FNL and 1800' FEL

NW NE Sec. 4, T38S - R24E

San Juan County, Utah

Drilling Program

Page 5

- c. 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.
- d. 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.
- e. 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.
- 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.



Duncan Energy Company

Cave Canyon Federal #4-5

50' FNL and 1800' FEL

NW NE Sec. 4, T38S - R24E

San Juan County, Utah

Drilling Program

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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.



ONSHORE OIL & GAS ORDER NO. 1
Duncan Energy Company
Cave Canyon Federal 4-5
50' FNL and 1800' FEL
NW NE Section 4, T38S - R24E
San Juan County, Utah

CONFIDENTIAL - TIGHT HOLE

Surface Use Plan
Page 1

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 miles. 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 2.0 miles. Turn north onto an existing oilfield road and proceed northerly for approximately 1.1 miles. Turn left onto the new access route and proceed approximately 800 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.

2. Planned Access Roads

- a. There will be approximately 400 feet new access. This access route will be flagged prior to construction, within the cleared archeological area.



Permitco Incorporated
A Petroleum Permitting Company

ONSHORE OIL & GAS ORDER NO. 1

Duncan Energy Company

Cave Canyon Federal 4-5

50' FNL and 1800' FEL

NW NE Section 4, T38S - R24E

San Juan County, Utah

CONFIDENTIAL - TIGHT HOLE

Surface Use Plan

Page 2

- b. The access will be constructed with a driving surface of approximately 20 feet with a maximum total disturbed width of 40 feet.
 - c. The maximum grade will be 7%.
 - d. No turnouts will be necessary.
 - e. One 36" culvert will be installed as shown on Map #1. Additional culverts will be installed as deemed necessary by the dirt contractor.
 - 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.
 - h. All topsoil from the access road will be reserved in place.
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 - four
 - d. Drilling Wells - none



Permitco Incorporated
A Petroleum Permitting Company

Duncan Energy Company

Cave Canyon Federal 4-5

50' FNL and 1800' FEL

NW NE Section 4, T38S - R24E

San Juan County, Utah

Surface Use Plan

Page 3

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.
- 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.



ONSHORE OIL & GAS ORDER NO. 1
Duncan Energy Company
Cave Canyon Federal 4-5
50' FNL and 1800' FEL
NW NE Section 4, T38S - R24E
San Juan County, Utah

CONFIDENTIAL - TIGHT HOLE

Surface Use Plan
Page 4

- 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 hauled to location over the county roads and oilfield roads in the area.**
- c. No water well is to be drilled on this lease.**
- d. Use of water for this operation will 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 BLM jurisdiction will conform t 43 CFR 3610.**



Permitco Incorporated
A Petroleum Permitting Company

Duncan Energy Company

Cave Canyon Federal 4-5

50' FNL and 1800' FEL

NW NE Section 4, T38S - R24E

San Juan County, Utah

Surface Use Plan

Page 5

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. The sides of the pit shall be slope no greater than 3:1. If bentonite is used as lining material it shall be worked into the soil.
- 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.
- 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.



Duncan Energy Company

Cave Canyon Federal 4-5

50' FNL and 1800' FEL

NW NE Section 4, T38S - R24E

San Juan County, Utah

Surface Use Plan

Page 6

9. Well Site Layout

- a. See Diagram #1 for rig layout. See Diagram #2 for cross section of drill pad and 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 #2. The location will be laid out and constructed as discussed during the predrill conference.
- c. Twelve inches of topsoil material will be removed and stockpiled on the uphill side of the location as shown on Diagrams #1 & #2.
- d. 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.
- 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 approximately natural contours and 12 inches of topsoil replaced leaving enough for future restoration (unless the well is a dry hole). The remaining topsoil (if any) will be stabilized and seeded in place.
- c. The area will be seeded between October 1 and February 28 with pure live seed as follows:

5 lbs/acre Crested wheatgrass

4 lbs/acre Fourwing saltbush

2 lbs/acre Desert bitterbrush



Permitco Incorporated
A Petroleum Permitting Company

Duncan Energy Company

Cave Canyon Federal 4-5

50' FNL and 1800' FEL

NW NE Section 4, T38S - R24E

San Juan County, Utah

Surface Use Plan

Page 7

.5 lbs/acre Yellow sweetclover

.5 lbs/acre Wild sunflower

Seed will be broadcast followed by a light harrowing. If the seed is drilled, the seeding rate can be reduced by 25% and harrowing can be eliminated.

- h. 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.
- 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.



Duncan Energy Company

Cave Canyon Federal 4-5

50' FNL and 1800' FEL

NW NE Section 4, T38S - R24E

San Juan County, Utah

Surface Use Plan

Page 8

- d. An archeological study was conducted by 4-Corners Archeological Services. No significant cultural resources were found and clearance is recommended. A copy of this report has been submitted directly by 4-Corners Archeological Services.
- 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 mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.



ONSHORE OIL & GAS ORDER NO. 1
Duncan Energy Company
Cave Canyon Federal 4-5
50' FNL and 1800' FEL
NW NE Section 4, T38S - R24E
San Juan County, Utah

CONFIDENTIAL - TIGHT HOLE

Surface Use Plan
Page 9

- 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. In order to protect important deer winter range; exploration, drilling, and other development activity will be allowed only during the period from April 30 to December 15. Exceptions to this limitation in any year may be specifically authorized in writing by the District Engineer, Geological Survey, with the concurrence of the District Manager, Bureau of Land Management.**

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
DUNCAN ENERGY COMPANY
1777 S. Harrison St.
Penthouse One
Denver, CO 80210
303/759-3303 (W) -
303/733-3604 (H) - John Bettridge



Permitco Incorporated
A Petroleum Permitting Company

ONSHORE OIL & GAS ORDER NO. 1

Duncan Energy Company

Cave Canyon Federal 4-5

50' FNL and 1800' FEL

NW NE Section 4, T38S - R24E

San Juan County, Utah

CONFIDENTIAL - TIGHT HOLE

Surface Use Plan

Page 10

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Duncan Energy Company 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.

October 9, 1992

Date:



Lisa L. Smith - PERMITCO INC.

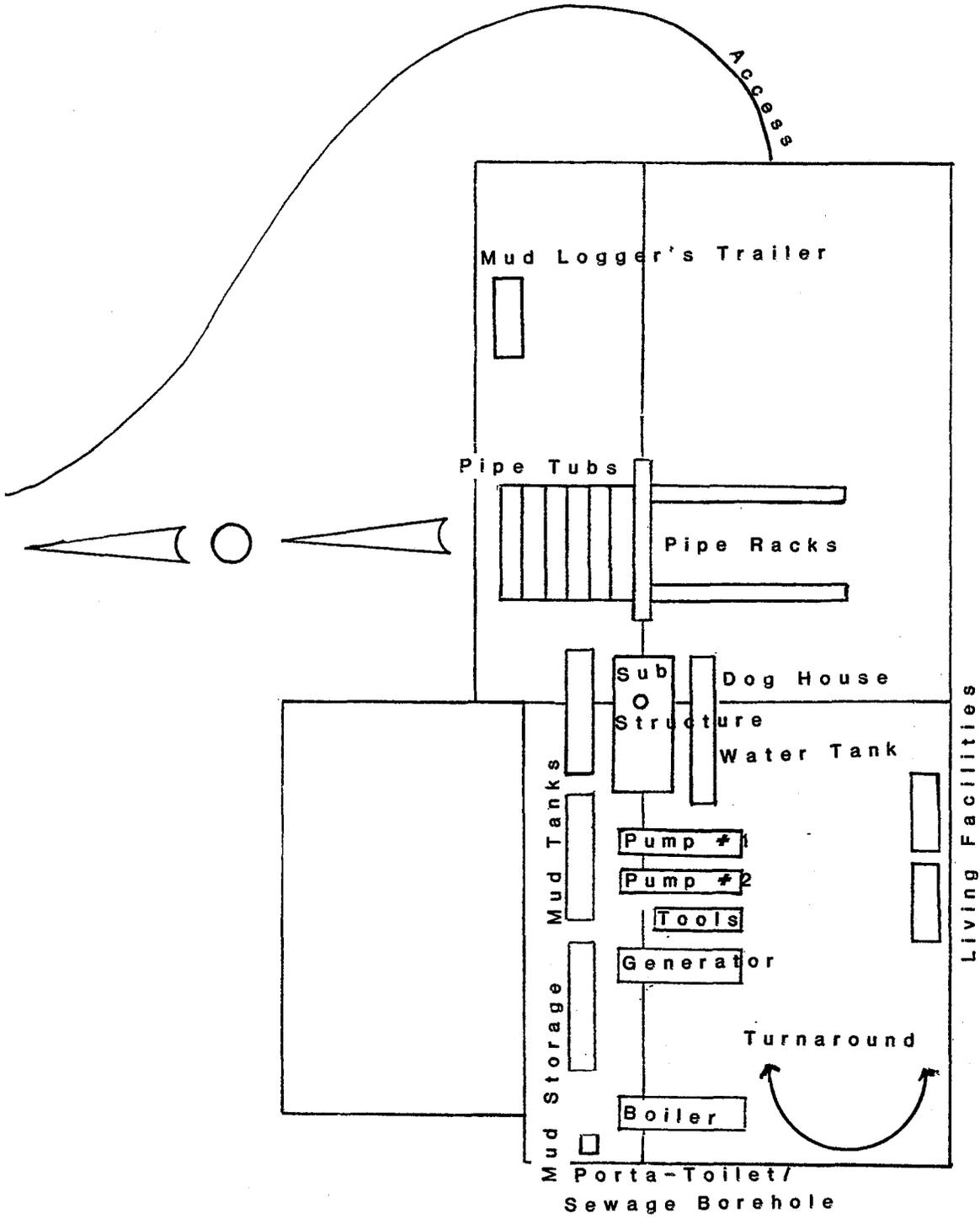
Authorized Agent for:

DUNCAN ENERGY COMPANY



Permitco Incorporated
A Petroleum Permitting Company

DIAGRAM #1 - Rig Layout
Duncan Energy Company
Cave Canyon Federal #4-5
50' FNL and 1800' FEL
NW NE Sec. 4, T38S - R24E
San Juan County, Utah

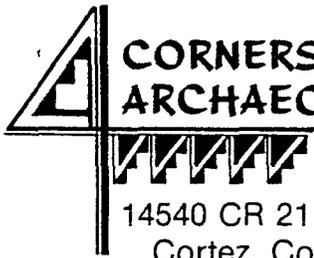


There are no federal stipulations at this time.



An ammended archeological report will be submitted to the appropriate agencies by 4-Corners Archeological Services.





**CORNERS
ARCHAEOLOGICAL SERVICES**

14540 CR 21

Cortez, Colorado 81321

(303) 565-7450

Ms. Lisa G. Smith
Permitco
13585 Jackson Drive
Denver, Colorado 80241

September 24, 1992

Ms. Smith:

Enclosed please find a copy of our archaeological report for Duncan Energy Company's Cave Canyon Federal #4 - 5 well pad and access, San Juan County, Utah. The survey was conducted on lands administered by the Bureau of Land Management -San Juan Resource Area. No archaeological sites were encountered during the survey. Archaeological clearance has been recommended for the project.

Thank you for the opportunity of working with you!

Sincerely,

Carol S. DeFrancia
Principal Investigator

CSD

distribution:

Mr. James L. Dykman, Utah State Office, Salt Lake.

Mr. Dale Davidson, BLM Office, Monticello.

Mr. John Bettridge, Duncan Energy, Denver.



**CORNERS
ARCHAEOLOGICAL SERVICES**

14540 CR 21

Cortez, Colorado 81321

(303) 565-7450

Mr. Dale Davidson-Area Archaeologist
BUREAU OF LAND MANAGEMENT
San Juan Resource Area
P.O. Box 7
Monticello, Utah 84535

September 24, 1992

Dear Mr. Davidson:

Enclosed please find our archaeological report for Duncan Energy Company's Cave Canyon Federal #4 - 5 well pad and access, San Juan County, Utah. The survey was conducted on lands administered by the Bureau of Land Management -San Juan Resource Area.

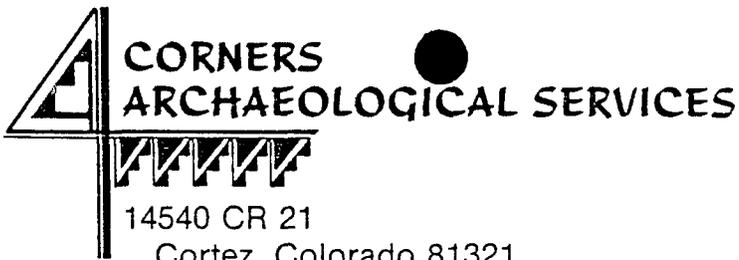
No archaeological sites were encountered during the survey and archaeological clearance is recommended.

Sincerely,

Carol S. DeFrancia
Principal Investigator

CSD
distribution:

Mr. James L. Dykman, Utah State Office, Salt Lake.
Mr. John Bettridge, Duncan Energy Company, Denver.
Ms. Lisa G. Smith, Permitco, Denver.



**CORNERS
ARCHAEOLOGICAL SERVICES**

14540 CR 21

Cortez, Colorado 81321

(303) 565-7450

Mr. James L. Dykman-
Regulation Assistance Coordinator
Division of State History
300 Rio Grande
Salt Lake City, Utah 84101-1182

September 24, 1992

Dear Mr. Dykman:

Enclosed please find our archaeological report for Duncan Energy Company's Cave Canyon Federal #4 - 5 well pad and access, San Juan County, Utah. The survey was conducted on lands administered by the Bureau of Land Management -San Juan Resource Area.

No archaeological sites were encountered during the survey and archaeological clearance is recommended.

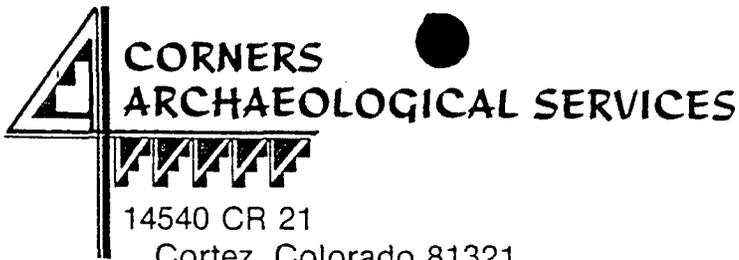
Sincerely,

Carol S. DeFrancia
Principal Investigator

CSD

distribution:

Mr. Dale Davidson, BLM Office, Monticello.
Mr. John Bettridge, Duncan Energy Company, Denver.
Ms. Lisa G. Smith, Permitco, Denver.



14540 CR 21
Cortez, Colorado 81321
(303) 565-7450

Mr. John Bettridge
Duncan Energy Company
1777S. Harrison St., PH1
Denver, Colorado 80210

September 24, 1992

Mr. Bettridge:

Enclosed please find our archaeological report for Duncan Energy Company's Cave Canyon Federal #4 - 5 well pad and access, San Juan County, Utah. The survey was conducted on lands administered by the Bureau of Land Management -San Juan Resource Area. No archaeological sites were encountered during the survey. Archaeological clearance has been recommended for the project.

Also please find enclosed an invoice for the archaeological clearance survey.

Sincerely,

Carol S. DeFrancia
Principal Investigator

CSD
distribution:

Mr. James L. Dykman, Utah State Office, Salt Lake.
Mr. Dale Davidson, BLM Office, Monticello.

ARCHAEOLOGICAL SURVEY OF
DUNCAN ENERGY COMPANY'S
CAVE CANYON FEDERAL #4-5 WELL PAD
SAN JUAN COUNTY, UTAH

4-CAS REPORT 9229

by
Carol S. DeFrancia

4-CORNERS ARCHAEOLOGICAL SERVICES
14540 CR 21
Cortez, Colorado 81321
(303) 565-7450

September 24, 1992

FEDERAL ANTIQUITIES PERMIT 92UT62712
Utah State Permit No. U-92-FE-519b

Prepared For:
Duncan Energy Company
1777 S. Harrison St., PH1
Denver, Colorado 80210

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Introduction	1
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Project Map	2
Physiography and Environment	3
Previous Research	4
Examination Procedures	4
Survey Results	4
Conclusion	4
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ABSTRACT

The archaeological survey of Duncan Energy Company's Cave Canyon Federal #4-5 well pad, and 900' of access was conducted by personnel of 4-Corners Archaeological Services between September 21, and September 24, 1992. The project is located in Cave Canyon in San Juan County, Utah, approximately thirteen to fifteen miles southeast of the town of Blanding. A total of 13 acres were inventoried for cultural resources.

No cultural resources were found in the project area. Archaeological clearance is recommended.

INTRODUCTION

The archaeological survey of Duncan Energy Company's Cave Canyon Federal #4-5 well pad and 900' of access, was conducted by Carol DeFrancia of 4-Corners Archaeological Services between September 21, and September 24, 1992. The project is located on lands administered by the Bureau of Land Management. The survey was requested by Ms. Lisa Smith of Permitco. Huddleston Surveying personnel staked and flagged the well pad and access prior to the survey. The access road extends north of the proposed well pad to an existing tank battery (Cave Canyon #2-33). A total of 13 acres were inventoried for cultural resources.

Federal and state governments have enacted legislation that is designed to conserve and protect cultural resources. The principal federal legislation includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665), the National Environmental Policy Act of 1969 (PL 91-190), the 1971 Executive Order No. 11593, the Archaeological and Historical Conservation Act of 1974 (PL 93-291), and the Archaeological Resource Protection Act (ARPA) of 1978 (PL 95-96).

No cultural resources were found during the survey. Archaeological clearance for the project is recommended.

PROJECT AREA

Map Reference: Bradford Canyon, Utah 1985 (7.5' series)

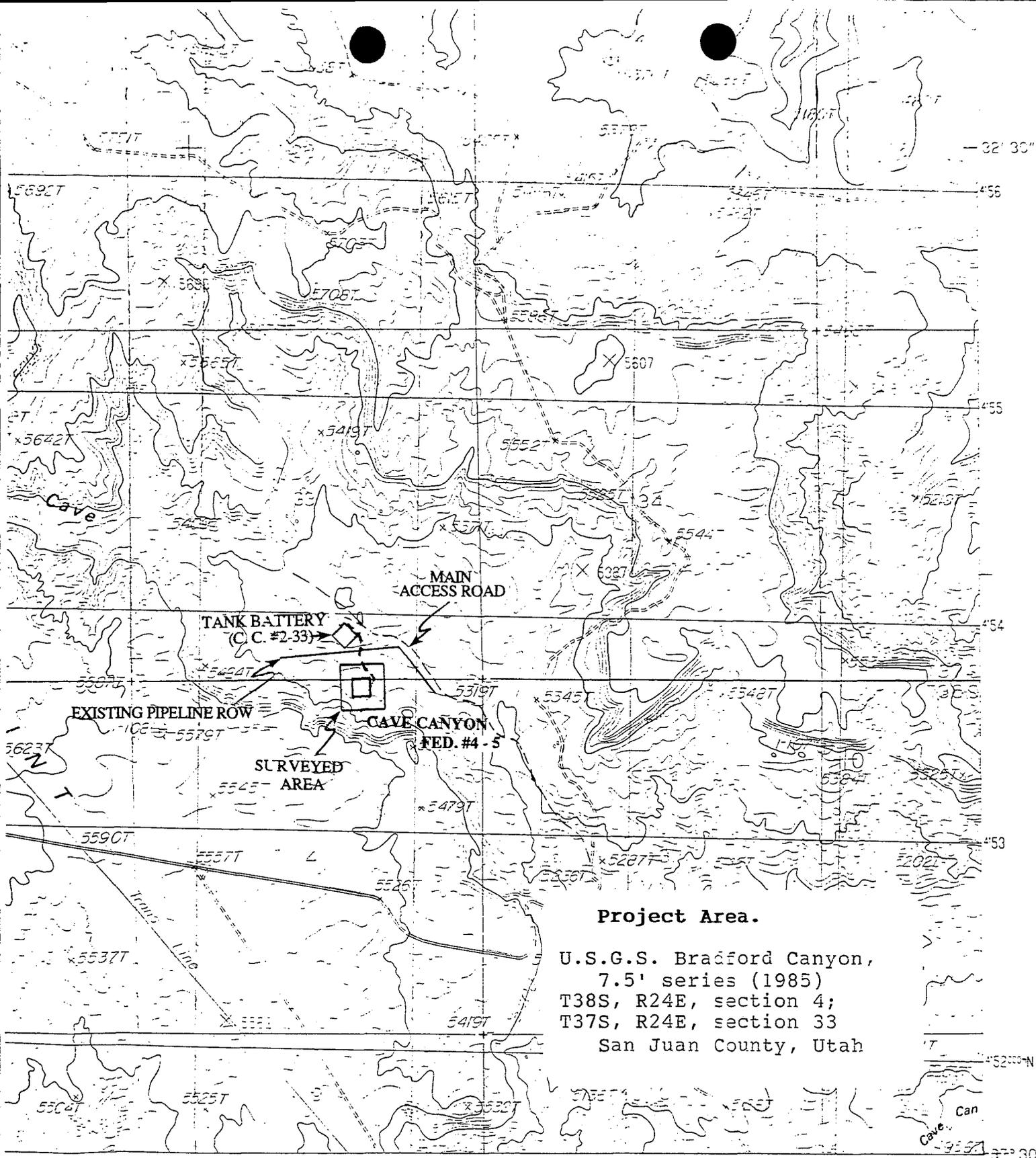
Total Project Area: 2.6 acres; area surveyed 13.0 acres

Cave Canyon Federal #4-5

Legal Description: T38S, R24E: NE, NW, NE Section 4;
T37S, R24E: SE, SW, SW Section 33

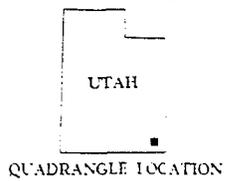
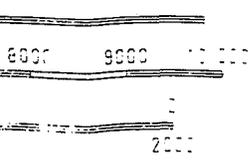
Center Stake: 50' FNL, 1800' FEL; T38S, R24E, Section 4

UTM Coordinates: (Surveyed Area)		Easting	Northing
	NW Corner	651640	4153780
	NE Corner	651845	4153780
	SE Corner	651845	4153560
	SW Corner	651640	4153560



Project Area.

U.S.G.S. Bradford Canyon,
 7.5' series (1985)
 T38S, R24E, section 4;
 T37S, R24E, section 33
 San Juan County, Utah



- | | | | |
|---|---|---|-------------------|
| 1 | 2 | 3 | 1 Blanding North |
| | | | 2 Devil Mesa |
| | | | 3 Horseshoe Point |
| | | | 4 Blanding South |
| | | 5 | 5 Box Canyon |
| | | | 6 Big Bench |
| | | | 7 Mexican Spring |

ROAD LEGEND

- Improved Road
- Unimproved Road
- Trail
- Interstate Route
- U.S. Route
- State Route

Project Area: Well Pad 210 x 305'; (1.4 acres)

Surveyed Area: 660 x 660' (10 acres)

Results: No cultural resources found.

Well Pad Access

Legal Description: Section 4, T38S, R24E: NW, NE, NE
Section 33, T37S, R24E: SW, SE, SE; NW, SE, SE

UTM Coordinates:	Easting	Northing
South End	651800	4153660
Bend	651740	4153780
North End	651700	4153940

Project Area: 900' long, maximum 60' wide (1.2 acres)

Surveyed Area: 900' x 150' (3.0 acres)

Results: No cultural resources found.

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located in San Juan County, Utah approximately thirteen to fifteen miles southeast of the town of Blanding, in the bottom of Cave Canyon. The area lies in the Colorado Plateau physiographic province and is a structural element of the Blanding Basin (Stokes 1977). The proposed well pad occupies a northeast-facing slope along a floodplain terrace in Cave Canyon. The pad is bisected on the east and west sides by small ephemeral drainages. Terrain in the area is moderately rugged and heavily dissected with aeolian and colluvial sands found along canyon benches, as well as cobble to boulder-sized colluvial deposits along canyon slopes, and sandy alluvium along the floodplain.

Throughout the Blanding Basin are numerous sources of lithic materials for tool manufacture, outcrops of clay and iron minerals for ceramic construction and decoration, and an abundance of sandstone for construction materials important to the areas prehistory.

Vegetation on the canyon benches and slopes is predominately a pinyon-juniper woodland community with wide patches of open sagebrush and an understory of snakeweed, cedarweed, rabbitbrush, and grasses. Permanent water sources are available in numerous springs and seeps in the heads of Cave Canyon. Montezuma Creek, which lies approximately two miles east, holds water for several months throughout the late winter/spring season.

Reptilian, avian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

Currently, most of the area is used for cattle grazing and limited oil and gas development.

PREVIOUS RESEARCH

A file search was conducted on September 19, 1992, at the BLM San Juan Resource Area Office in Monticello. The results of the review indicated that a large number of oil and gas related surveys have been conducted in the vicinity between the late 1970's and 1980's and that several archaeological sites (10+) are documented in close proximity to the project area, predominately on Alkali Point. No new sites and no previously recorded sites were encountered in the project area.

EXAMINATION PROCEDURES

Prior to the field investigations the well pad and access were staked and flagged. A 660 x 660' area surrounding the well center stake (10 acres) was inventoried by walking a series of parallel transects spaced 10m apart. Two parallel zig-zag transects were walked along the access route, covering a 150' wide corridor. This effectively gives a minimal 60' buffer on either side of the access road.

SURVEY RESULTS

No archaeological sites were found in the project area.

CONCLUSION AND RECOMMENDATIONS

The archaeological survey of Duncan Energy Company's Cave Canyon Federal #4-5 well pad, and 900' of access was conducted by personnel of 4-Corners Archaeological Services between September 21, and September 24, 1992. The project is located in San Juan County, Utah, on lands administered by the Bureau of Land Management, San Juan Resource Area, approximately thirteen to fifteen miles southeast of the town of Blanding. A total of 13 acres were inventoried for cultural resources.

No archaeological sites were encountered during the project, archaeological clearance is recommended.

REFERENCES

- Stokes, William Lee
1987 Geology of Utah. Occasional Paper Number 6. Utah
Museum of Natural History, University of Utah, Salt Lake City.

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 to 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): Duncan Energy Company *Interest: 100 %

Address: 1777 S. Harrison Street, 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 Wtr. Source Well #1 *DRAINAGE: _____

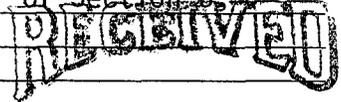
which is tributary to _____

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: _____

OCT 13 1992

5. POINT(S) OF REDIVERSION

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

DIVISION OF OIL GAS & MINING

Description of Diverting Works: _____

6. POINT(S) OF RETURN

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

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

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

7. STORAGE

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

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

Height of dam: _____ feet

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

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

8. List any other water rights 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 Oct. 25, 1992	to December 15, 1992

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): Duncan Energy Company 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 #3-5 NW SE (2510' FSL and 2550' FEL) Sec. 3, T38S - R24E
Cave Canyon #4-5 NW NE (50' FNL and 1800' FEL) Sec. 4, T38S - R24E

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of the same size if necessary): Duncan Energy Company 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 or pumped to each drillsite. The pump truck will have a capacity of 80-100 Bbls. and will be enclosed. The surface at each drillsite is managed by the Bureau of Land Management, the minerals are owned by the Federal Government and the extraction rights to the Federal leases are woned by Duncan Energy Company

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

Signature of Applicant(s)*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its authorized agent, or in the name of the partnership by one of the partners.

Lisa L. Smith - Permitco Inc.
 Authorized Agent (please print)

Authorized Agent (signature)

Application for Right-of-Way Encroachment Permit

RECEIVED

OCT 13 1992

DATE: 10/1/92

TO: Road Supervisor
San Juan County Road Department

DIVISION OF
OIL GAS & MINING

Application is hereby made by: (1) Duncan Energy Company (303/759-3303)

Address (2) 1777 S. Harrison St., PH-1 Denver, CO 80210

Telephone Number: 303/759-3303 for permission to do the following:

(3) To use existing County Roads to obtain access to a proposed drillsite

located as follows:

Cave Canyon Federal #4-5, 50' FNL and 1800' FEL, Sec. 4, T38S - R24E

(4) Location: Approximately 32 miles southeast of Monticello, UT

Roads to be used will be Alkali #204 and Perkins #206. Proposed spud date

is October 20, 1992.

City N/A County San Juan State UT

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

in accordance with the attached plan. (5)

(6) Construction will begin on or about N/A 19

and will be completed on or before N/A 19

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.

\$5.00 filing fee attached.

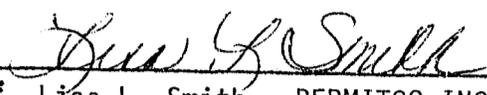
d. Agree that Vibroseising done in the area of dirt roads shall done on the dirt road rather than in the bar ditch to minimize damage.

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

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

g. Tha 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 aurhority 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 - PERMITCO INC. - Agent

TITLE _____
for Duncan Energy Company

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 follwing 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.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

DATE RECEIVED: 10/13/92

OPERATOR: DUNCAN ENERGY COMPANY
WELL NAME: CAVE CANYON FEDERAL 4-5

OPERATOR ACCT NO: N-3370

API NO. ASSIGNED: 43-037-31695

LEASE TYPE: FED LEASE NO: U-47876
LOCATION: NWNE 04 - T38S - R24E SAN JUAN COUNTY
FIELD: CAVE CANYON FIELD CODE: 303

RECEIVED AND/OR REVIEWED:

- Plat
- Bond
(Number federal)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit
(Number no permit #)
- RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

- R649-2-3. Unit: _____
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
- Board Cause no: _____
- Date: _____

COMMENTS:

have add producing wells within Sec 4.
Exception location request
Not in unit per Evelyn Mook-RPM 10-20-90.

STIPULATIONS:

1. Water Permit

CONFIDENTIAL
PERIOD

EXPIRED
ON 5-6-94



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

October 19, 1992

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

Gentlemen:

Re: Cave Canyon Federal #4-5 Well, 50 feet from the north line, 1800 feet from the east line, NW 1/4 NE 1/4, Section 4, Township 38 South, Range 24 East, San Juan County, Utah

Pursuant to Utah Admin. R. 649-3-3, Exception to Location and Siting of Wells and Utah Admin. R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

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

1. Submittal to the division of evidence providing assurance of an adequate and approved supply of water as required by Utah Code Ann. § 73-3, Appropriations, prior to commencing drilling operations.
2. Compliance with the requirements of Utah Admin. R. 649-1 et seq., Oil and Gas Conservation General Rules.
3. Notification within 24 hours after drilling operations commence.
4. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
5. Submittal of the Report of Water Encountered During Drilling, Form 7.

Page 2
Duncan Energy Company
Cave Canyon Federal #4-5 Well
October 19, 1992

6. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or R.J. Firth, Associate Director, (Home) (801)571-6068.
7. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.

Trash and sanitary waste should be properly contained and transported to approved disposal locations, not retained in or disposed of in pits on location or downhole. Prior to the commencement of drilling operations, the operator should consult the local/county sanitarian and/or the Department of Environmental Quality, Division of Drinking Water/Sanitation, regarding appropriate disposal of sanitary waste.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-037-31695.

Sincerely,



R.J. Firth
Associate Director, Oil and Gas

ldc
Enclosures
cc: Bureau of Land Management
J.L. Thompson
WO11

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN DUPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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
Duncan Energy Company 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 50' FNL and 1800' FEL
At proposed prod. zone NW NE Sec. 4
43-037-31695

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 drlg. unit line, if any) 50

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.) 5359' GR

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. #4-5
10. FIELD AND POOL, OR WILDCAT Cave Canyon Field
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 4, T38S - R24E
12. COUNTY OR PARISH San Juan
13. STATE Utah

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

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'	150 sx or suffic to circ to sur
12-1/4"	8-5/8"	24#	1950'	800 sx or suffic to circ to sur
7-7/8"	5-1/2"	15.5#	5980'	400 sx or suffic to cover zones

RECEIVED

NOV 13 1992

DIVISION OF
OIL, GAS & MINING

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 Duncan Energy Company DATE 10/9/92

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE Assistant District Manager

APPROVED BY /S/ WILLIAM C. STRINGER TITLE Minerals DATE NOV 3 1992

CONDITIONS OF APPROVAL, IF ANY:

FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A
Date: 1/1/80

CONDITIONS OF APPROVAL ATTACHED

*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.

Doq m

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

(Other instructions on reverse side)

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. Lease Designation and Serial No. U-47876 (Federal)

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. #4-5

10. Field and Pool, or Wildcat Cave Canyon Field

11. Sec., T., R., M., or Bk. and Survey or Area Sec. 4, T38S - R24E

12. County or Parrish San Juan 13. State Utah

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

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drilg. line, if any) 50'

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.) 5359' GE

22. Approx. date work will start* Immediately 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'	150 sx or suffic to circ to surf.
12-1/4"	8-5/8"	24#	1950'	800 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.

Duncan Energy Company 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.

We realize that the above mentioned location has been staked at non-standard footages in accordance with the spacing rules of the State of Utah, Division of Oil, Gas & Mining. This location was based on topography and seismic considerations and we request that you grant approval of this exception to spacing. Duncan Energy Company is the lessee of all of Sections 3 and 4 and is also the Unit Operator for the Cave Canyon Unit which also includes the S/2 SE/4 Sec. 33, T39S - R24E. See Map #1 attached for unit boundaries.

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 Duncan Energy Company Date: 10/9/92

(This space for Federal or State office use)

Permit No. Approval Date

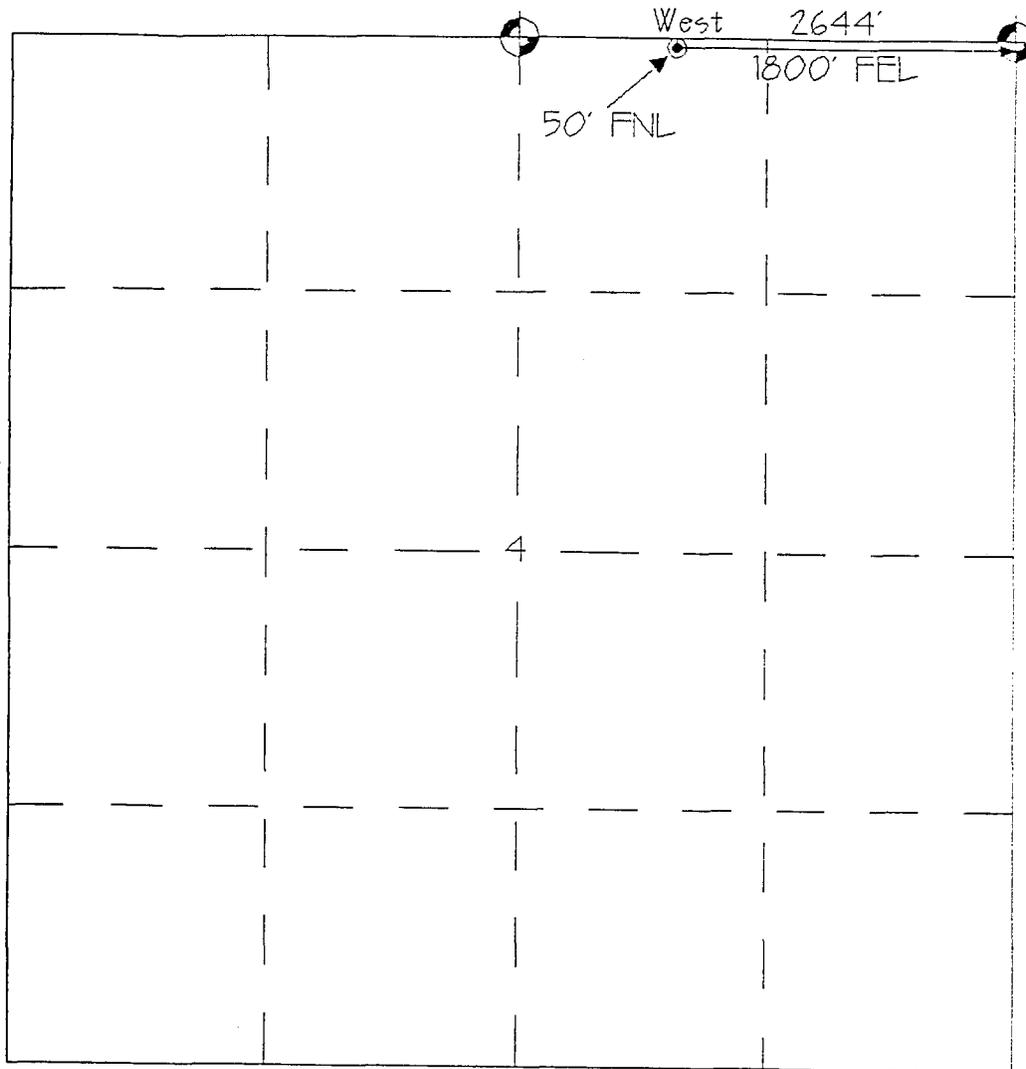
Approved by Title Date

Conditions of approval, if any:



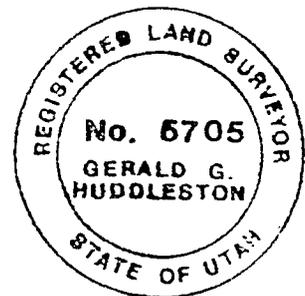
NOV 13 1992

Well Location Plat



Well Location Description

R. T. DUNCAN
Cave Canyon Federal 4-5
50' FNL & 1800' FEL
Section 4, T.38 S., R.24 E., SLM
San Juan County, Utah
5359' ground elevation



21 September 1992

Gerald G. Huddleston
Gerald G. Huddleston, LS

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

Duncan Energy Company
Cave Canyon Federal No. 4-5
NWNE Sec. 4, T.38S., R.24E.
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 Duncan Energy Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by CO 0959 (Principal -Duncan Energy Company) via surety consent as provided for in 43 CFR 3104.2.

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

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, 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 field representatives to insure compliance.

A. DRILLING PROGRAM

1. Daily drilling and completion progress reports shall be submitted to the District Office on a weekly basis.

^{B.}
C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting 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 MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed on production.

A first production conference will be scheduled as soon as production testing begins and hydrocarbons reach the surface. This conference should be coordinated through the Resource Area Office.

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

Venting/Flaring of Gas- NTL-4A allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 MMcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 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 to the Assistant District Manager for approval pursuant to NTL-2B.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Assistant District Manager for off-lease measurement, off-lease storage or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Division 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. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. 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.

NOTIFICATIONS

Notify Jeff Brown, Robert Larsen or 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;

50 feet prior to reaching surface casing setting depth;

3 hours prior to testing BOPE;

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: (801) 259-6111

Home: (801) 259-2214

If unable to reach the above individuals, please call the following:

Lynn Jackson,
Chief, Branch of Fluid Minerals

Office: (801) 259-6111

Home: (801) 259-7990

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: DUNCAN ENERGY 43-037-31695

WELL NAME: CAVE CANYON FEDERAL 4-5

Section 4 Township 38S Range 24E County SAN JUAN

Drilling Contractor ARAPHOE

Rig # 4

SPUDDED: Date 11/22/92

Time _____

How ROTARY

CONFIDENTIAL

Drilling will commence _____

Reported by GLENN GOODWIN-DOGM

Telephone # _____

Date 12/2/92 SIGNED JLT

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	09775	43-037-31695	Cave Canyon Federal 4-5	NWNE	4	38S	24E	San Juan	11-22-92	11-22-92

WELL 1 COMMENTS:

Entity added 12-7-92. For

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)

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

RECEIVED

DEC 03 1992

DIVISION OF
 OIL & GAS MINING

Marie O'Keefe

Signature 12-1-92

Sr. Engineering Technician

Title Date

Phone No. (303) 759-3303

CONFIDENTIAL: TIGHT HOLE

Form OGCC-1 b

STATE OF UTAH

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

OIL & GAS CONSERVATION COMMISSION

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 Duncan Energy Company</p> <p>3. ADDRESS OF OPERATOR 1777 S. Harrison St. P-1 Denver, CO 80210</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 50' FNL & 1800' FEL NWNE 4-38S-24E</p>		<p>5. LEASE DESIGNATION AND SERIAL NO. U-47876</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A</p> <p>7. UNIT AGREEMENT NAME Cave Canyon Waterflood Lease</p> <p>8. FARM OR LEASE NAME Cave Canyon Federal</p> <p>9. WELL NO. 4-5</p> <p>10. FIELD AND POOL, OR WILDCAT Cave Canyon, Ismay</p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 4-38S-24E</p> <p>12. COUNTY OR PARISH San Juan</p> <p>13. STATE UT</p>
<p>14. PERMIT NO. 43-037-31695</p>	<p>15. ELEVATIONS (Show whether DF, RT, OR, etc.) 5385 KB</p>	

RECEIVED
DEC 04 1992
DIVISION OF
OIL & GAS ADMINISTRATION

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) Spudding date <input type="checkbox"/>	
(Other) <input type="checkbox"/>			

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

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

Duncan Energy spud subject well at 8:30 PM 11-22-92 with Arapahoe Drilling Rig #4.

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

SIGNED *Marie O'Keefe* TITLE Sr. Engineering Technician DATE 12-1-92

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
OIL AND GAS INSPECTION RECORD

OPERATOR: DUNCAN ENERGY COMPANY LEASE: U-47876
WELL NAME: CAVE CANYON FEDERAL 4-5 API: 43-037-31695
SEC/TWP/RNG: 04 38.0 S 24.0 E CONTRACTOR:
COUNTY: SAN JUAN FIELD NAME: CAVE CANYON

DRILLING/COMPLETION/WORKOVER:

Y	APD	Y	WELL SIGN	Y	HOUSEKEEPING	Y	BOPE
Y	SAFETY	Y	POLLUTION CNTL	Y	SURFACE USE	Y	PITS
Y	OPERATIONS	-	OTHER				

SHUT-IN	/ TA	:					
-	WELL SIGN	-	HOUSEKEEPING	-	EQUIPMENT *	-	SAFETY
-	OTHER						

ABANDONED:

-	MARKER	-	HOUSEKEEPING	-	REHAB	-	OTHER
---	--------	---	--------------	---	-------	---	-------

PRODUCTION:

-	WELL SIGN	-	HOUSEKEEPING	-	EQUIPMENT *	-	FACILITIES *
-	METERING *	-	POLLUTION CNTL	-	PITS	-	DISPOSAL
-	SECURITY	-	SAFETY	-	OTHER		

GAS DISPOSITION:

-	VENTED/FLARED	-	SOLD	-	LEASE USE
---	---------------	---	------	---	-----------

LEGEND: Y = YES/SATISFACTORY N = NO/UNSATISFACTORY A = NOT APPLICABLE

*FACILITIES INSPECTED:

NEW WELL

REMARKS:

TD. RAN PIPE AND MOVED OFF.

ACTION:

INSPECTOR: MICHAEL HEBERTSON

DATE: 12/08/92

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

SUBMIT IN TRIPLICATE

RECEIVED

APR 23 1993

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Duncan Energy Company

3. Address and Telephone No.

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

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

**50' FNL & 800' FEL NWNE
4-38S-24E**

5. Lease Designation and Serial No.
U-47876

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

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

8. Well Name and No.
Cave Canyon 4-5

9. API Well No.
43-037-31695

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

11. County or Parish, State
San Juan, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" 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>Date of first production</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.)*

Date of first production for subject well is April 7, 1993.

cc: Salt Lake City
Division of Oil & Gas & Mining

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

Signed Marie O'Keefe Title Sr. Engineering Technician Date 04/21/93

(This space for Federal or State office use)

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

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

***See Instruction on Reverse Side**

CONFIDENTIAL
UNITED STATES

SUBMIT IN DUPLICATE

Form approved JUN 7 - 1991
Budget Bureau No. 1004-0137
Expires August 31, 1985

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(See other instructions on reverse side)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

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

RECEIVED

APR 23 1993

2. NAME OF OPERATOR
Duncan Energy Company

3. ADDRESS OF OPERATOR
1777 S. Harrison St. P-1 Denver, CO 80210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 50' FNL & 1800' FEL NWNE
At top prod. interval reported below same
At total depth same

14. PERMIT NO. 43-037-31695
DATE ISSUED 10-19-93

5. LEASE DESIGNATION AND SERIAL NO.
U-47876
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A
7. UNIT AGREEMENT NAME
Cave Canyon Lease Waterflood
8. FARM OR LEASE NAME
Cave Canyon
9. WELL NO.
4-5
10. FIELD AND POOL, OR WILDCAT
Cave Canyon - Ismy
11. SEC., T. R. N., OR BLOCK AND SURVEY OR AREA
4-38S-24E

12. COUNTY OR PARISH San Juan
13. STATE UT

15. DATE SPUDDED 11-22-92
16. DATE T.D. REACHED 12-3-92
17. DATE COMPL. (Ready to prod.) 4-6-93
18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5385KB 5370 GL
19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 5980'
21. PLUG, BACK T.D., MD & TVD 5936'
22. IF MULTIPLE COMPL., HOW MANY* N/A
23. INTERVALS DRILLED BY
ROTARY TOOLS X
CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
5800-5810, 5816-5836, 5836-5843, 5850-5853, 5770-5786 (Ismy)
25. WAS DIRECTIONAL SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN
DIL. CNL/LDT, BHC CYBERLOOK 12-10-92
27. WAS WELL CORED
NO

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

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	1957'	12-1/4"	450 sx Lite w/add 225 sx Stnd B	None
5-1/2"	15.5#	5980'	7-7/8"	430 sx prem w/add	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	30. TUBING RECORD
N/A					SIZE 2-7/8" DEPTH SET (MD) 5866' PACKER SET (MD) 5706' (TA)

31. PERFORATION RECORD (Interval, size and number)

5800-5810	4 jspf	41 shots
5816-5836	4 jspf	80 shots
5836-5843	4 jspf	29 shots
5850-5853	4 jspf	13 shots
5770-5786	4 jspf	65 shots

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5853-5770	3200 bbl 28% DGA, YF130, SXE acid, WF-130

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
4-7-93	LTV 2" BHD pump	producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
4-10-93	24	N/A		125	(est) 88	25	700

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
N/A	N/A		125	(est) 88	25	43

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Koch Hydrocarbon Company
TEST WITNESSED BY
Max Simms

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 Marie O'Keefe TITLE Sr. Engineering Technician DATE April 19, 1993

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

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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP	TRUE VERT. DEPTH
				Ismay	5707'		
				Mass. Anhyd	5746'		
				Carbonate Mound	5768'		
				Hovenweep Sh	5859'		
				Lower Ismay	5899'		

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

5. Lease Designation and Serial No.
U-47876

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

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well
 Gas Well
 Other

RECEIVED

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

2. Name of Operator
Duncan Energy Company

MAY 10 1993

8. Well Name and No.
Cave Canyon 4-5

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

DIVISION OF GAS & MINING

9. API Well No.
43-037-31695

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
**50' FNL & 800' FEL NWNE
4-38S-24E**

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

11. County or Parish, State
San Juan, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION
<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 Off lease storage & measurement
	<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.)*

Duncan Energy requests your approval for off lease storage and measurement from the Cave Canyon 4-5 (lease U-47876) to the tank battery at the Cave Canyon 1-33 (lease U-40751). Duncan proposes to lay approximately 600' of 2-1/2" buried steel flowline from the 4-5 well north to the #1-33 well as shown on the attached map. The production from the 4-5 and 1-33 will be commingled at the tank battery located at the #1-33. All Cave Canyon wells are operated under the State approved Cave Canyon Lease Waterflood Unit and therefore have common working interest and overriding interest. The two federal leases within the unit have the same royalty rate. Monthly well tests will be done to allocate oil, gas and water production.

Duncan would like to begin installation of the flowline upon approval of this sundry.

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

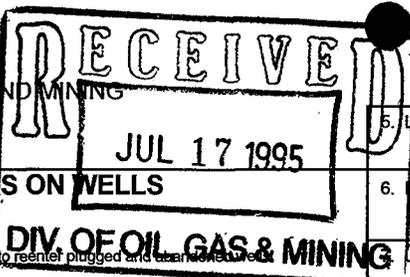
Signed [Signature] Title **Operations Manager** Date **05/07/93**

(This space for Federal or State office use)

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

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

*See Instruction on Reverse Side



SUNDRY NOTICES AND REPORTS ON WELLS

5. Lease Designation and Serial Number:

UTU 47876

6. Indian, Allottee or Tribe Name:

Unit Agreement 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.

1. Type of Well:

OIL GAS OTHER:

8. Well Name and Number:

Cave Canyon Federal 4-5

2. Name of Operator:

Giant Exploration & Production Company

9. API Well Number:

43-037-31695

3. Address and Telephone Number:

P.O. Box 2810, Farmington, New Mexico 87499 (505)326-3325

10. Field and Pool, or Wildcat:

Cave Canyon, Ismay

4. Location of Well:

Footages: 50' FNL, 1800' FEL

County: San Juan

QQ, Sec., T.,R.,M.: NW/4, NE/4, Sec. 4, T38S, R24E

State: Utah

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

NOTICE OF INTENT

(Submit in Duplicate)

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

Approximate date work will start _____

SUBSEQUENT REPORT

(Submit Original Form Only)

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

Date of work completion _____

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

* Must be accompanied by a cement verification report.

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.)

Giant Exploration & Production Company purchased the above mentioned well from Duncan Energy Company effective 06-23-95.

13.

Name & Signature Jeffrey R. Vaughan

Title: Vice President/Operations

Date: JUL 14 1995

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

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

5. Lease Designation and Serial No.
UTU47876

6. Indian, Allottee or Tribe Name

7. If Unit or CA. Agreement Designation

8. Well Name and No.

9. API Well No.

10. Field and Pool, or Exploratory Area
Cave Canyon

11. County or Parish, State
San Juan, Utah

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Giant Exploration & Production Company

3. Address and Telephone No.
P.O. Box 2810, Farmington, New Mexico 87499 (505)326-3325

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

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

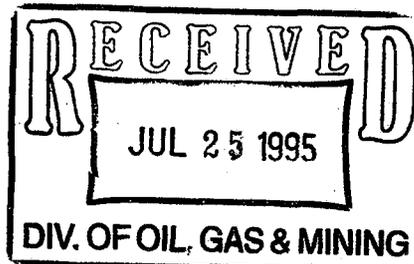
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <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

(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 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.)*

Giant Exploration & Production Company purchased the above mentioned lease from Duncan Energy Company effective 06-23-95. Giant's bond number is SLR 111 3289 3097.

- Listed below is the purchased well and API # for Lease Number UTU47876:
- Cave Canyon Federal 3-1 - API # 43-037-31095
 - Cave Canyon Federal 3-2 - API # 43-037-31120
 - Cave Canyon Federal 3-3 - API # 43-037-31413
 - Cave Canyon Federal 4-3 - API # 43-037-31414
 - Cave Canyon Federal 4-4 - API # 43-037-31539
 - Cave Canyon Federal 4-5 - API # 43-037-31695
 - Cave Canyon Federal 12-3 - API # 43-037-31567
 - Cave Canyon WSW 1 - API # 43-037-99998
 - Wells Federal 1-4 - API # 43-037-31028



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

Signed Jeffrey R. Vaughan Title Vice President/Operations Date JUL 14 1995

(This space for Federal or State office use)

Approved by _____ Title Associate District Manager Date _____

Conditions of approval, if any: CONDITIONS OF APPROVAL ATTACHED

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 maner within its jurisdiction.

*See Instruction on Reverse Side

Giant Exploration & Production Company
Several Wells
Secs. 3 & 4, T. 38 S., R. 24 E.
San Juan County, Utah
Lease UTU47876

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 Giant Exploration & Production Company is considered to be the operator of the above wells and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by NM1759 (Principal - Giant Exploration & Production Company) via surety consent as provided for in 43 CFR 3104.2.

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

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1-LEC / GIL	✓
2-LWP 7-PL	✓
3-DTS 8-SJ	✓
4-VL 9-FILE	✓
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: 6-23-95)

TO (new operator) GIANT EXPLOR & PROD CO
 (address) PO BOX 2810
FARMINGTON NM 87499
 phone (505) 326-3325
 account no. N 0075

FROM (former operator) DUNCAN ENERGY COMPANY
 (address) 1777 S HARRISON ST PH #1
DENVER CO 80210
 phone (303) 759-3303
 account no. N3370

Well(s) (attach additional page if needed): ***WIW (CAVE CANYON SECONDARY RECOVERY UNIT)**

Name: <u>CAVE CANYON 1-33/ISMY</u>	API: <u>43-037-31276</u>	Entity: <u>9775</u>	Sec <u>33</u> Twp <u>37S</u> Rng <u>24E</u>	Lease Type: <u>U40751</u>
Name: <u>*CAVE CANYON 3-1/ISMY</u>	API: <u>43-037-31095</u>	Entity: <u>9775</u>	Sec <u>3</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U47876</u>
Name: <u>CAVE CANYON 3-2/ISMY</u>	API: <u>43-037-31120</u>	Entity: <u>9775</u>	Sec <u>3</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U47876</u>
Name: <u>CAVE CANYON 3-3/ISMY</u>	API: <u>43-037-31413</u>	Entity: <u>9775</u>	Sec <u>3</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U47876</u>
Name: <u>CAVE CANYON FED 4-3/IS</u>	API: <u>43-037-31414</u>	Entity: <u>9775</u>	Sec <u>4</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U47876</u>
Name: <u>CAVE CANYON FED 4-4/IS</u>	API: <u>43-037-31539</u>	Entity: <u>9775</u>	Sec <u>4</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U47876</u>
Name: <u>CAVE CANYON FED 4-5/IS</u>	API: <u>43-037-31695</u>	Entity: <u>9775</u>	Sec <u>4</u> Twp <u>38S</u> Rng <u>24E</u>	Lease Type: <u>U47876</u>

CONT...

OPERATOR CHANGE DOCUMENTATION

1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Reg. 7-18-95) (Reg. 7-26-95) (Rec'd 8-4-95)*
2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 7-17-95)*
- 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: _____.
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.
5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(8-8-95)*
6. Cardex file has been updated for each well listed above. *8-14-95*
7. Well file labels have been updated for each well listed above. *8-14-95*
8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(8-8-95)*
9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes 1. (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 Yes 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

- N/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated 19 , of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- M/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: August 21 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

950718 Reg. "VIC F5" (Rec'd 7-31-95)

950725 Blm / Moab Appr. c.H. 6-23-95.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS**

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

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. Cave Canyon 4-5
2. Name of Operator Giant Exploration & Production Company	9. API Well No. 43-037-31695
3. Address and Telephone No. P.O. Box 2810, Farmington, New Mexico 87499 (505)326-3325	10. Field and Pool, or Exploratory Area Cave Canyon
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: NWNE 4-38s-24e BHL: Same	11. County or Parish, State San Juan, 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 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 Pipeline
	<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 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.)*

Will bury \approx 775' long 10.25#, 3-1/2" seamless steel flowline southeast (all on lease) to existing Giant 4-4 flowline. Will install valve so flow from each well can be isolated. Pipe will operate at about 50 psi and be tested to about 500 psi.

Piping production to the east battery will eliminate need to truck water from 1-33 battery and improve field operation economics.

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

RECEIVED
NOV 17 1995
DIV OF OIL, GAS & MINING

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

Signed Gregory E. McIntosh Title Senior Area Engineer Date NOV 14 1995

(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 manner within its jurisdiction.

*See Instruction on Reverse Side



STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
 1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

DIANE G JARAMILLO
 GIANT EXPLOR & PROD CO
 PO BOX 2810
 FARMINGTON NM 87499

UTAH ACCOUNT NUMBER: N0075

REPORT PERIOD (MONTH/YEAR): 8 / 96

AMENDED REPORT (Highlight Changes)

Well Name			Producing Zone	Well Status	Days Oper	Production Volumes		
API Number	Entry	Location				OIL(BBL)	GAS(MCF)	WATER(BBL)
4303731120	09775	38S 24E 3	ISMV			u 47876	Cave Cyn Unit	
4303731276	09775	37S 24E 33	ISMV			u 40751	"	
4303731413	09775	38S 24E 3	ISMV			u 47876	"	
4303731414	09775	38S 24E 4	ISMV			"	"	
4303731539	09775	38S 24E 4	ISMV			"	"	
4303731567	09775	38S 24E 3	ISMV			"	"	
4303731695	09775	38S 24E 4	ISMV			"	"	
4303731766	09775	38S 24E 3	ISMV			"	"	
GAGE FOSTER #1								
4303731463	10991	37S 23E 32	DSCR			ml 43698		
HATCH POINT #1								
4303731658	11356	29S 21E 14	LDLL			u 61791		
Gothic mesa 16-11								
43037-15042	6008	41S 23E 16	DSCR /wiw			1420602243	Gothic mesa Unit /Nav.	
Cave Canyon 3-1								
43037-31095	9775	38S 24E 3	ISMV /wiw			u 47876	Cave Cyn Unit	
TOTALS								

COMMENTS: _____

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

Date: _____

Name and Signature: _____

Telephone Number: _____

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:
U-47876

6. If Indian, Allottee or Tribe Name:
NA

7. Unit Agreement Name:
NA

8. Well Name and Number:
Cave Canyon Fed. 4-5

9. API Well Number:
43-037-31695

10. Field and Pool, or Wildcat:
Cave Canyon, Ismay

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. Type of Well:
OIL GAS OTHER:

2. Name of Operator:
Central Resources, Inc.

3. Address and Telephone Number:
1775 Sherman Street, Suite 2600 Denver, CO 80203 303-830-0100

4. Location of Well:
Footages: 50' FNL & 800' FEL
County: San Juan
QQ, Sec., T.,R.,M.: NW NE Sec. 4-T38S-R24E
State: Utah

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

NOTICE OF INTENT
(Submit in Duplicate)

Abandonment
 Casing Repair
 Change of Plans
 Conversion to Injection
 Fracture Treat
 Multiple Completion
 Other

New Construction
 Pull or Alter Casing
 Recompletion
 Shoot or Acidize
 Vent or Flare
 Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

Abandonment *
 Casing Repair
 Change of Plans
 Conversion to Injection
 Fracture Treat
 Other Change of Operator

New Construction
 Pull or Alter Casing
 Shoot or Acidize
 Vent or Flare
 Water Shut-Off

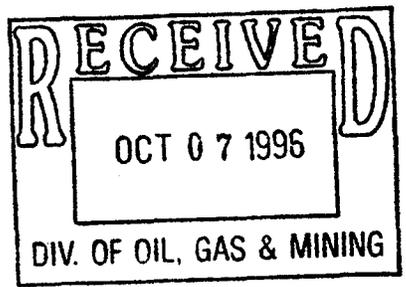
Date of work completion _____

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

* Must be accompanied by a cement verification report.

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.)

Effective 9/1/96 operations of the subject well were transferred from Giant Exploration & Production Company to Central Resources, Inc.



Giant Exploration & Production Company
Name & Signature [Signature]

Title: Production/Regulatory Manager Date: August 30, 1996

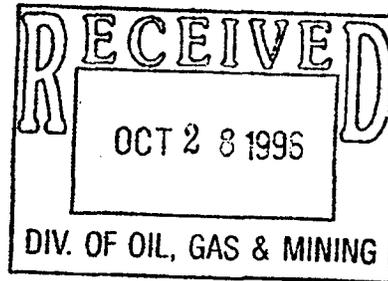
13. Central Resources, Inc.
Name & Signature [Signature]

Title: Engineering Technician Date: August 30, 1996

CENTRAL

RESOURCES, INC.

October 23, 1996



Ms. Lesha Cordova
State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: Monthly Oil & Gas Production Report

Dear Ms. Cordova:

Central Resources, Inc. purchased all assets from Giant Exploration & Production Company effective September 1, 1996.

Central is in the process of acquiring a Utah Account Number. However, to avoid mailing the enclosed Monthly Oil and Gas Production Report late, the account number on the report has been left blank.

If you have any questions regarding this matter, please contact Edna Wageman or myself at (505) 326-3325.

Sincerely,

Diane G. Jaramillo ^{by EW}

Diane G. Jaramillo
Office Supervisor

DGJ/

** 9/6/028 not final op. N6935 "Central Res. Inc."
(Clg. not finalized yet!)*

Enclosure

**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

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Central Resources, Inc.

3. Address and Telephone No.

1775 Sherman Street, Suite 2600, Denver, Colorado 80203 (303)830-0100

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

50' FNL & 800' FEL
NW NE Sec. 4-T38S-R24E

5. Lease Designation and Serial No.

UTU47876

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Cave Canyon 4-5

9. API Well No.

43-037-31695

10. Field and Pool, or Exploratory Area

Cave Canyon, Ismay

11. County or Parish, State

San Juan, UT

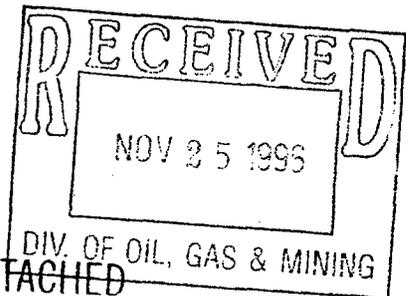
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<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 type="checkbox"/> Surface Casing/Cementing
	<input checked="" type="checkbox"/> Other: CHANGE OF OPERATOR
	<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 markets and zones pertinent to this work.)*

Please be advised that effective September 1, 1996, Central Resources, Inc. assumed operatorship of the referenced well. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Central Resources, Inc. under their statewide bond, BLM Bond No. B06175. They will be responsible for compliance under the lease terms and conditions for that portion of the lease associated with this notice.



CONDITIONS OF APPROVAL ATTACHED

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

Signed: *Gene Martley*
(This space for Federal or State office use)
/s/ Brad D. Palmer

Title: Engineering Technician

Date: November 1, 1996

Approved by:

**Assistant Field Manager,
Resource Management**

Date: NOV 19 1996

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.

Central Resources, Inc.
Well No. Cave Canyon 4-5
NWNE Sec. 4, T. 38 S., R. 24 E.
San Juan County, Utah

CONDITIONS OF APPROVAL

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

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

Bond coverage for this well is provided by BLM Bond UT1053 (Principle - Central Resources, Inc.) as provided for in 43 CFR 3104.2.

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

OPERATOR CHANGE WORKSHEET

Routing	
1-LEE ✓	6-LEE ✓
2-SEE	7-KDR ✓
3-DTS ✓	8-SJ ✓
4-VLD ✓	9-FILE
5-RJF ✓	

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

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

The operator of the well(s) listed below has changed, effective: 9-1-96

TO: (new operator) CENTRAL RESOURCES INC
 (address) 1775 SHERMAN ST STE 2600
DENVER CO 80203-4313
IRENE MARTINEZ
 Phone: (303)830-0100
 Account no. N6935 (10-25-96)

FROM: (old operator) GIANT EXPLOR & PROD CO
 (address) PO BOX 2810
FARMINGTON NM 87499
DIANE JARAMILLO
 Phone: (505)326-3325
 Account no. N0075

WELL(S) attach additional page if needed: *CAVE CANYON UNIT

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

OPERATOR CHANGE DOCUMENTATION

- Lee 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(Rec'd 10-7-96)*
- Lee 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(Rec'd 10-7-96)*
- Lee 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) _____ If yes, show company file number: #C0193111. *(r# 8-2-96)*
- Lee 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- Lee 5. Changes have been entered in the Oil and Gas Information System (3270) for each well listed above. *(11-25-96)*
- Lee 6. Cardex file has been updated for each well listed above. *(11-25-96)*
- Lee 7. Well file labels have been updated for each well listed above. *(11-25-96)*
- Lee 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(11-25-96)*
- Lee 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

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

BOND VERIFICATION - (FEE WELLS ONLY)

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

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

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

FILMING

- YLC 1. All attachments to this form have been microfilmed. Today's date: 12-30-96.

FILING

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

COMMENTS

9/6/11/25 BLM/Moab Aprv. 11-19-96.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:
U-47876

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

7. Unit Agreement Name:
N/A

8. Well Name and Number:
Cave Canyon Fed. 4-5

9. API Well Number:
43-037-31695

10. Field and Pool, or Wildcat:
Cave Canyon, Ismay

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. Type of Well:
OIL GAS OTHER: _____

2. Name of Operator:
Elm Ridge Resources, Inc.

3. Address and Telephone Number:
312 W. LaPlata Street, Farmington, New Mexico (505) 326-7099

4. Location of Well:
Footages: 50' FNL & 800' FEL
County: San Juan
QQ, Sec., T.,R.,M.: NW NE Sec. 4-T38S-R24E
State: Utah

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

NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recom	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>	
<input type="checkbox"/> Other _____			
Approximate date work will start _____		Date of work completion _____	

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

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

Effective October 1, 2000, operations of the subject well were transferred from Central Resources, Inc. to Elm Ridge Resources, Inc.

RECEIVED
OCT 1 2000
DIVISION OF OIL & GAS
SALT LAKE CITY, UTAH

Central Resources, Inc.
Name & Signature Jane M. Martinez Title: Engineering Technician Date: 09/29/00

13. Elm Ridge Resources, Inc.
Name & Signature Doug Eubank Title: Operations Manager Date: 09/29/00

**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

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Elm Ridge Resources, Inc.

3. Address and Telephone No.
 312 W. LaPlata Street, Farmington, New Mexico (505) 326-7099

4. Location of Well (Footage, T, R, M, or Survey Description)
 50' FNL & 800' FEL
 NW NE Sec. 4-T38S-R24E

5. Lease Designation and Serial No.
 UTU47876

6. If Indian, Allote or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
 Cave Canyon 4-5

9. API Well No.
 43-037-31695

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

11. County or Parish, State
 San Juan, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION
<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 type="checkbox"/> Surface Casing/Cementing
	<input checked="" type="checkbox"/> Other: CHANGE OF OPERATOR
	<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 markets and zones pertinent to this work.)*

Please be advised that effective ~~October 1, 2000~~, Elm Ridge Resources, Inc. assumed operatorship of the referenced well. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Elm Ridge Resources, Inc. under their statewide bond, BLM Bond No. ~~268786~~. They will be under the lease terms and conditions for that portion of the lease associated with this notice.

*Bond obtained 3/20/01
 Change of operator effective 4/1/01
 BLM Bond # UT1216*

RECEIVED
2000 OCT 17 P 2:11

RECEIVED
2000 OCT 19 PM 2:36

14. I hereby certify that the foregoing is true and correct
 Signed: Dary Gubley Title: Operations Manager Date: September 29, 2000

(This space for Federal or State office use)
 Approved by: William H. Title: Assistant Field Manager, Date: 6/6/01
 Division of Resources

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.

cc: uDOGm 4/6/01

Elm Ridge Resources, Inc.
Well No. Cave Canyon 4-5
NWNE Sec. 4, T. 38 S., R. 24 E.
Lease UTU47876
San Juan County, Utah

CONDITIONS OF APPROVAL

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

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

Bond coverage for this well is provided by UT1216 (Principal - Elm Ridge Resources, Inc.) via surety consent as provided for in 43 CFR 3104.2.

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

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS
2. CDW		5-LP <i>6/10</i>
3. JLT		6-FILE

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: 04-01-2001

FROM: (Old Operator):
CENTRAL RESOURCES INC
Address: P. O. BOX 189
FARMINGTON, NM 87499-189
Phone: 1-(505)-632-3476
Account N6935
CA No.

TO: (New Operator):
ELM RIDGE RESOURCES INC
Address: P. O. BOX 189
FARMINGTON, NM 87499-189
Phone: 1-(505)-632-3476
Account N1440
Unit: CAVE CANYON PROJECT

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
CAVE CANYON 1-33	43-037-31276	9775	33-37S-24E	FEDERAL	OW	P
CAVE CANYON 3-2	43-037-31120	9775	03-38S-24E	FEDERAL	OW	P
CAVE CANYON 3-3	43-037-31413	9775	03-38S-24E	FEDERAL	OW	S
CAVE CANYON 12-3	43-037-31567	9775	03-38S-24E	FEDERAL	OW	S
CAVE CANYON 13-3	43-037-31766	9775	03-38S-24E	FEDERAL	OW	S
CAVE CANYON 1-4	43-037-31028	9775	04-38S-24E	FEDERAL	OW	P
CAVE CANYON 4-3	43-037-31414	9775	04-38S-24E	FEDERAL	OW	S
CAVE CANYON 4-4	43-037-31539	9775	04-38S-24E	FEDERAL	OW	P
CAVE CANYON 4-5	43-037-31695	9775	04-38S-24E	FEDERAL	OW	P

OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/10/2000
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/10/2000
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/12/2001
- Is the new operator registered in the State of Ut YES Business Number: 4830075-1150
- If **NO**, the operator was contacted on: _____
- 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: 06/06/2001
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

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 OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Elm Ridge Exploration Company, LLC <i>N2985</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 12225 Greenville, Suite 950 CITY Dallas STATE TX ZIP 75243		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		8. WELL NAME and NUMBER: See attached Exhibit "A"
PHONE NUMBER: (972) 889-2100		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:

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

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

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Effective February 18, 2005, Elm Ridge Resources, Inc. transferred all responsibility of Operations for the wells described on the attached Exhibit "A" to Elm Ridge Exploration Company, LLC.

Current Operator:
Name Elm Ridge Resources, Inc. N1440 Title Land Manager
Signature Cathleen Colby Date December 1, 2005

New Operator:
NAME (PLEASE PRINT) Elm Ridge Exploration Company, LLC TITLE Land Manager
SIGNATURE Cathleen Colby DATE December 1, 2005

(This space for State use only)

RECEIVED
DEC 05 2005

Exhibit "A"
Operator Change
Effective February 18, 2005

Old Operator:	Elm Ridge Resources, Inc.									
New Operator:	Elm Ridge Exploration Company, LLC									
Lease Designation / Serial Number	Indian, Allottee or Tribe Name	Unit or CA Agreement	Well Name and Number	API Number	Type Well	Field and Pool or Wildcat	Location of Well Footages at Surface	1/41/4 Section Township, Range	County	State
14-20-603-239A	Navajo	Gothic Mesa Unit	Gothic Mesa 7-41	43-037-15032	Oil Well	Gothic Mesa	625' FNL, 710' FEL	NENE-7-41S-23E	San Juan	UT
14-20-603-239A	Navajo	Gothic Mesa Unit	Gothic Mesa 6-34	43-037-15034	Oil Well	Gothic Mesa	660' FSL, 1980' FEL	SWSE-6-41S-23E	San Juan	UT
14-20-603-240	Navajo	Gothic Mesa Unit	Gothic Mesa 17-31	43-037-15040	Oil Well	Gothic Mesa	820' FNL, 2140' FEL	NWNE-17-41S-23E	San Juan	UT
UTU-47876	N/A	N/A	Wells Federal 1-4	43-037-31028	Oil Well	Cave Canyon	500' FNL, 500' FEL	NENE-4-38S-24E	San Juan	UT
UTU-47876	N/A	N/A	Cave Canyon 3-2	43-037-31120	Oil Well	Cave Canyon	1925' FSL, 1925' FWL	NESW-3-38S-24E	San Juan	UT
UTU-47876	N/A	N/A	Cave Canyon 1-33	43-037-31276	Oil Well	Cave Canyon	535' FSL, 2025' FEL	SWSE-33-37S-24E	San Juan	UT
UTU-47876	N/A	N/A	Cave Canyon 3-3	43-037-31413	Oil Well	Cave Canyon	2635' FNL, 1390' FWL	SENW-3-38S-24E	San Juan	UT
UTU-47876	N/A	N/A	Cave Canyon Federal 4-3	43-037-31414	Oil Well	Cave Canyon	1310' FNL, 200' FEL	NENE-4-38S-24E	San Juan	UT
ST of UT ML-43698	N/A	N/A	Gage Foster 1	43-037-31463	Oil Well	Road Canyon	2180' FNL, 1780' FWL	SENW-32-37S-23E	San Juan	UT
UTU-47876	N/A	N/A	Cave Canyon 4-4	43-037-31539	Oil Well	Cave Canyon	1150' FNL, 1070' FEL	NENE-4-38S-24E	San Juan	UT
UTU-47876	N/A	N/A	Cave Canyon Federal 12-3	43-037-31567	Oil Well	Cave Canyon	1610' FNL, 1300' FWL	SWNW-3-38S-24E	San Juan	UT
14-20-603-239	Navajo	Gothic Mesa Unit	Gothic Mesa 6-43	43-037-31643	Oil Well	Gothic Mesa	1900' FSL, 500' FEL	NESE-6-41S-23E	San Juan	UT
UTU-47876	N/A	N/A	Cave Canyon Federal 4-5	43-037-31695	Oil Well	Cave Canyon	50' FNL, 1800' FEL	NWNE-4-38S-24E	San Juan	UT
UTU-47876	N/A	N/A	Cave Canyon 13-3	43-037-31766	Oil Well	Cave Canyon	2045' FSL, 1180' FWL	NWSW-3-38S-24E	San Juan	UT
UTU-47876	N/A	N/A	WSW. No. 1	43-037-31820	Water Source	Cave Canyon	1800' FSL, 1845' FWL	NESW-3-38S-24E	San Juan	UT
UTU-47876	N/A	N/A	Cave Canyon 3-1	43-037-31095	Water Injection	Cave Canyon	2140' FNL, 200' FWL	SWNW-3-38S-24E	San Juan	UT
14-20-603-243	Navajo	Gothic Mesa Unit	Gothic Mesa 16-11	43-037-15042	Water Disposal	Gothic Mesa	500' FNL, 500' FWL	NWNW-16-41S-23E	San Juan	UT

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: 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: 12/7/2005

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 12/8/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/8/2005
3. Bond information entered in RBDMS on: 12/8/2005
4. Fee/State wells attached to bond in RBDMS on: 12/8/2005
5. Injection Projects to new operator in RBDMS on: 12/8/2005
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: UT00126

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: 886936C

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 1116000107

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

