

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL [X] DEEPEN []
b. TYPE OF WELL OIL WELL [X] GAS WELL [] OTHER [] SINGLE ZONE [] MULTIPLE ZONE [X]

2. NAME OF OPERATOR Basin Exploration, Inc. (303) 685-8000
3. ADDRESS AND TELEPHONE NO.

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 2332' FSL & 976' FEL 4131629 N 637990 E
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6 air miles northeast of Bluff

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 976'
16. NO. OF ACRES IN LEASE 1,285.92
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. 5,640'
19. PROPOSED DEPTH 5,790'
20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4,543' ungraded
22. APPROX. DATE WORK WILL START* Nov. 15, 2000

5. LEASE DESIGNATION AND SERIAL NO. UTU-56794
6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
7. UNIT AGREEMENT NAME N/A
8. FARM OR LEASE NAME, WELL NO. Torreys Fed. 43-12
9. API WELL NO.
10. FIELD AND POOL, OR WILDCAT Wildcat
11. SEC. T., R., M., OR BLK. AND SURVEY OR AREA 12-40s-22e SLBM
12. COUNTY OR PARISH San Juan
13. STATE UT

PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, GRADE SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12-1/4" and 7-7/8" hole sizes with corresponding casing and cement data.

Request exception because of geology (location is based on 3-D seismic data). Exception is to quarter-quarter lines (308' & 344' instead of >=460'), not to a well. Orthodox location could be dry hole or marginal producer.

Orthodox well could be drilled at 2180 FS & 860 FE 12-40s-22e, but it would be in a wetland. Request permission to drill at 2332' FSL & 976' FEL 12-40s-22e. This is the only well in the section. There are no producing wells within +5,639'. Wells (see Page 11) could be drilled in 8 offsetting units. Basin is owner of all drilling units and leases within minimum 976' radius of proposed exception. This includes the drilling units (S2NE4 & NESW Sec. 12) toward which the well would encroach.

This APD is also serving as a BLM road right-of-way application. Application covers that portion (831' x 35' = 0.67 acres in NENW 13-40s-22e) of the access from County Road 217 to the south line of Section 12.

cc: BLM (M&M), Gentry, UDOGM

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 (505) 466-8120 DATE 10-28-00

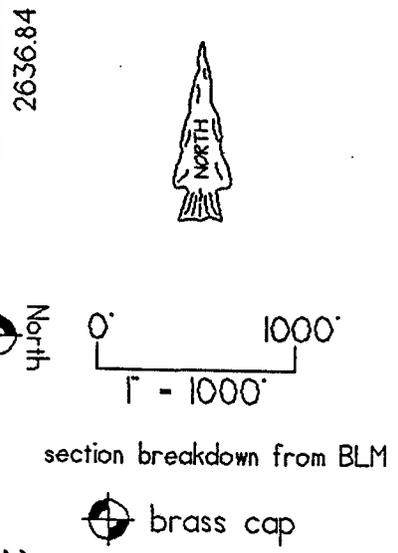
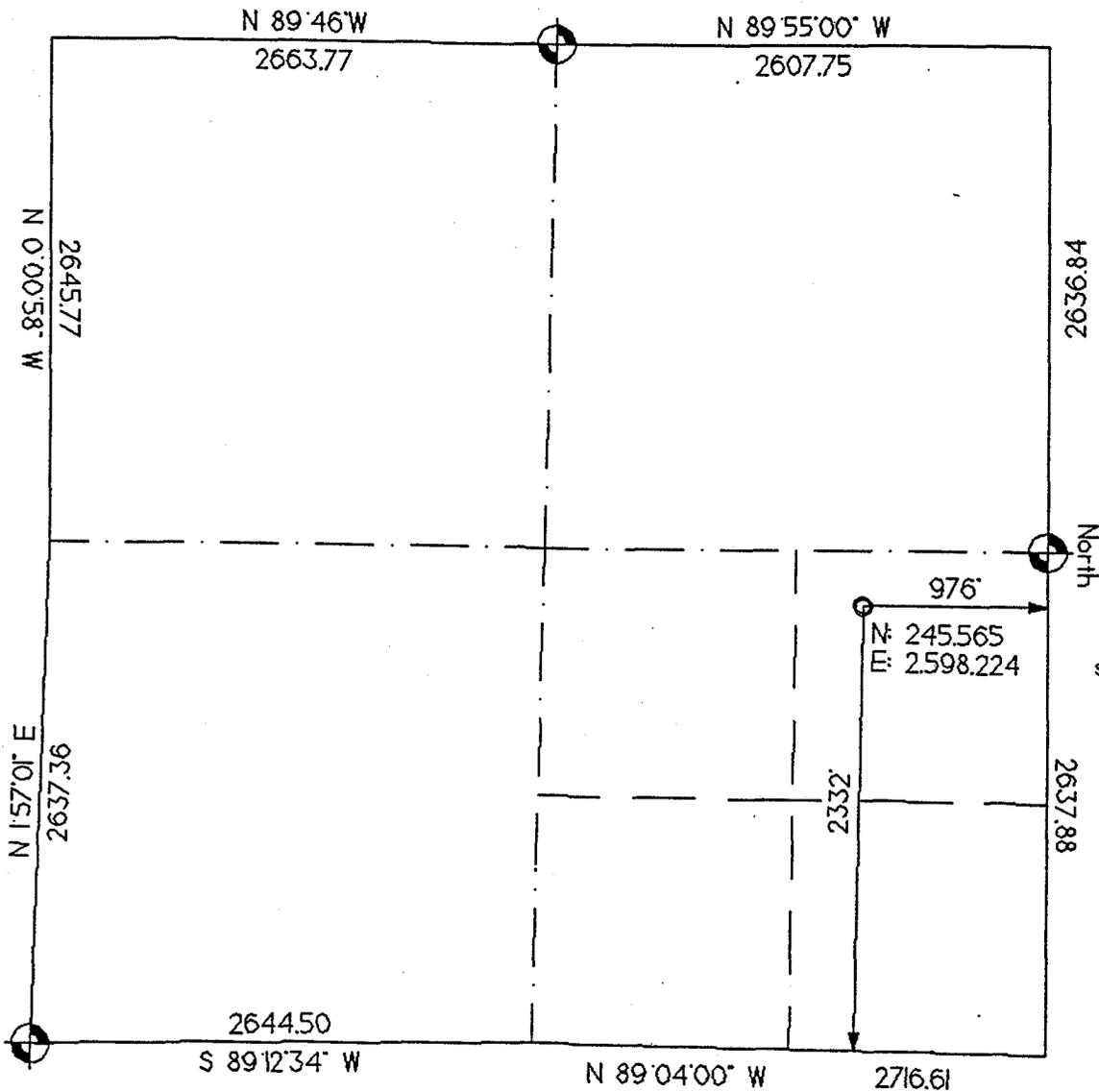
PERMIT NO. 43-037-31807 APPROVAL DATE [Blank]

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Application approval Does not warrant or certify that the applicant has a legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

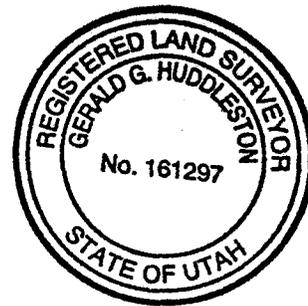
APPROVED BY [Signature] BRADLEY G. HILL RECLAMATION SPECIALIST III DIVISION OF OIL, GAS AND MINING 11/16/00

*See Instructions On Reverse Side



Well Location Description

BASIN EXPLORATION, INC.
 TORREYS FEDERAL 43-12
 2332' FSL & 976' FEL
 Section 12, T.40 S., R.22 E., SLM
 San Juan County, UT
 4543' grd. el. (from GPS)



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20 Sept. 2000

Gerald G. Huddleston
 Gerald G. Huddleston, LS

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The above is true and correct to my knowledge and belief

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330

Basin Exploration, Inc.
 Torreys Federal 43-12
 2332' FSL & 976' FEL
 Sec. 12, T. 40 S., R. 22 E.
 San Juan County, Utah

Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>TVD Depth</u>	<u>KB Depth</u>	<u>Subsea El.</u>
Morrison	0'	12'	4,543'
Entrada/Carmel Ss	100'	112'	4,443'
Navajo Ss	349'	351'	4,194'
Chinle Sh	1,419'	1,431'	3,124'
Cutler Ss	2,487'	2,499'	2,056'
Organ Rock Sh	2,553'	2,565'	1,990'
Hermosa	4,519'	4,531'	24'
Hatch Sh	5,373'	5,385'	-830'
Upper Ismay	5,423'	5,435'	-880'
Hovenweep Sh	5,538'	5,550'	-995'
Lower Ismay	5,544'	5,556'	-1001'
Gothic Sh	5,579'	5,591'	-1036'
Desert Creek	5,604'	5,616'	-1,061'
Chimney Rock Sh	5,728'	5,740'	-1,185'
Akah Sh	5,756'	5,768'	-1,213'
Total Depth (TD)*	5,790'	5,802'	-1,247'

* all elevations reflect the proposed graded ground level of 4,543'

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2. NOTABLE ZONES

Oil and gas are possible in the Ismay and Desert Creek. Fresh water may be found in the Entrada/Carmel and Navajo. Uranium may be found in the Morrison and Chinle. Oil and gas shows which appear to the well site geologist to be commercial will be tested. All fresh water and prospectively valuable minerals will be recorded by depth and protected with casing and cement.

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Sec. 12, T. 40 S., R. 22 E.
San Juan County, Utah

3. PRESSURE CONTROL

A 3000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used. A diagram of a typical BOP is on Page 3. Actual model will not be known until bid is let.

BOP controls will be installed before drilling the surface casing plug, and will stay in use until the well is completed or P&A. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and operated at least daily to assure good mechanical working order. The inspection will be recorded on the daily drilling report.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>	<u>Age</u>	<u>GL Set. Depth</u>
12-1/4"	8-5/8"	24 #/ft	J-55	ST&C	New	1,625'
7-7/8"	5-1/2"	15.5 #/ft	K-55	LT&C	New	5,790'

Surface casing will be cemented to the surface with 435 sx Premium Lite with 2% CaCl₂ + 1/4 #/sk celloflake + 8% bentonite (= 12.0 ppg and 2.27 cf/sk) and 425 sx Class G with 2% CaCl₂ + 1/4 #/sk celloflake (= 15.8 ppg and 1.16 cf/sk). Volumes are calculated at 100% excess. Centralizers will be set on the bottom joint, second joint, third joint, and then every 4th joint.

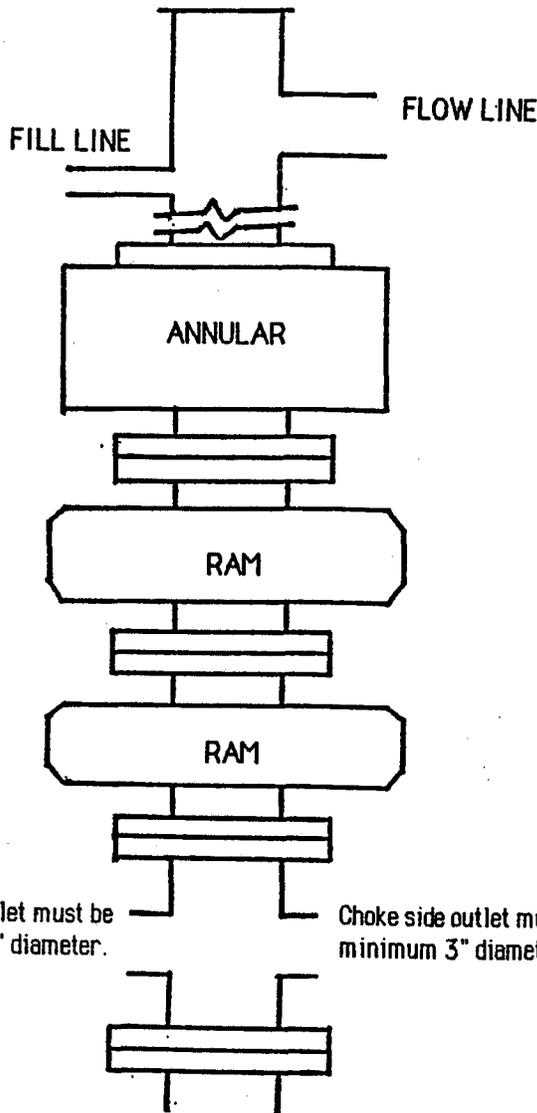
Production casing will be cemented to the surface with 295 sx Premium Lite with 0.4% retarder + 0.3% sodium metasilicate + 10% bentonite (= 11.0 ppg and 3.15 cf/sk) and 185 sx Class G with 0.15% retarder and 0.8% fluid loss additive (= 15.6 ppg and 1.18 cf/sk). Volumes are calculated at 10% excess. Centralizers will be run every other joint from TD to 4,000'.

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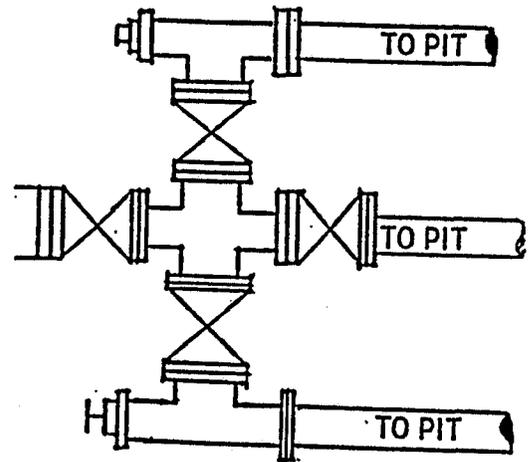
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OIL, GAS AND MINING PERMITS for LAND USERS

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 Torreys Federal 43-12
 2332' FSL & 976' FEL
 Sec. 12, T. 40 S., R. 22 E.
 San Juan County, Utah



TYPICAL BOP STACK
 & CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Kill side outlet must be minimum 2" diameter.

Choke side outlet must be minimum 3" diameter.

Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

Upper kelly cock will have handle available.
 Safety valve and subs will fit all drill string connections in use.
 All BOPE connections subjected to well pressure will be flanged, welded, or clamped.

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San Juan County, Utah

PAGE 4

5. MUD PROGRAM

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Type</u>
0-1500'	8.4-8.9	27-30	N/C	Fresh water gel & lime
1500'-5000'	8.4-8.5	27	N/C	Fresh water + PHPA
5000'-TD	8.8-9.2	36-40	10-12	LSND

Samples will be collected every 30' from base of surface casing to \approx 4300'. Samples will be collected every 10' from \approx 4300' to TD. A two man mud logging unit will be on location from \approx 4700' to TD.

6. CORING, TESTING, & LOGGING

A 90' conventional core may be cut in the Desert Creek. DSTs may be run in any possible producing zone if deemed necessary while drilling. Sonic (2" and 5") logs will be run from TD to surface. Two inch DIL log will be run from TD to surface. Five inch DIL log will be run from TD to 4500'. FDC/CNL (5") will be run from TD to 4500'. Micro-log (5") will be run from TD to 4500'.

7. DOWNHOLE CONDITIONS

No abnormal temperatures or pressures or hydrogen sulfide are expected. Maximum pressure will be \approx 2,320 psi.

8. OTHER INFORMATION

The anticipated spud date is November 15, 2000. It is expected it will take \approx 2 weeks to drill and \approx 2 weeks to complete the well.

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PAGE 5

Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See Pages 11 & 12)

From the junction of U-163 & U-262 in Montezuma Creek ...
Go W 8.3 miles on U-163

Then turn right onto County Road 217 and go NW 1.6 miles

Then turn right and go N 150' on a dirt road to the proposed Bierstadt pad
Cross 200' of the Bierstadt pad and then go NE 4,770' on a flagged route

The last 5,120' of access needs to be built or upgraded. Roads will be maintained to a standard at least equal to their present condition.

This APD is also serving as a BLM road right-of-way application. Application covers that portion (831' x 35' = 0.67 acres in NENW 13-40s-22e) of the access from County Road 217 to the south line of Section 12.

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2. ROAD TO BE UPGRADED

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Call BLM (435-587-2141) 48 hours before starting construction. Surface disturbance and vehicle travel will be limited to the pad and road. Any additional area needed must be approved in advance by BLM.

The final 5,120' of access will be flat bladed with a 16' wide running surface. Maximum disturbed width will be 25'. Topsoil will be windrowed by the side. Maximum cut or fill is 5'. Maximum grade is 9%. A cattleguard will be installed in the one fence which is crossed. No culvert or turnout is needed.

If the well is a producer, the final 5,120' of access will be upgraded to Class 3 Road Standards within 60 days of dismantling the rig. Maximum disturbed width will then be 35'. If the deadline cannot be met, BLM will be notified so temporary drainage control can be installed. Class 3 Road Standards control

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Sec. 12, T. 40 S., R. 22 E.
San Juan County, Utah

PAGE 6

drainage by using topography, ditch turnouts, dips, out sloping, crowning, low water crossings, gravel, and culverts.

3. EXISTING WELLS (See Page 11)

There are three plugged and abandoned wells and no existing oil, gas, water, or disposal wells within a mile radius.

4. PROPOSED PRODUCTION FACILITIES

A wellhead, pump, separator, meter run, dehydrator, and above ground tank battery will be installed on the pad. All will be painted a flat Desert Brown color. Tanks will be surrounded by an impermeable dike with sufficient capacity to hold 150% of the volume of the largest tank within the dike.

5. WATER SUPPLY

Water will be trucked 5 miles from an artesian well in 20-40s-23e.

6. CONSTRUCTION MATERIALS & METHODS (See PAGES 13 & 14)

The dirt contractor will be have an approved copy of the surface use plan.

Any cultural and/or paleontology resource (historic or prehistoric site or object) discovered by Basin, or any person working on their behalf, will be immediately reported to BLM (435-587-2141). Basin will suspend all operations in the immediate area of such discovery until written approval to proceed is issued by BLM. An evaluation of the discovery will be made by BLM to determine appropriate action to prevent the loss of significant cultural or scientific values. Basin will be responsible for the cost of evaluation. Any

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San Juan County, Utah

PAGE 7

decision as to proper mitigation measures will be made by BLM after consulting with Basin.

Soil and brush will be piled east of the reserve pit. A ditch will be cut north of the pad. Rock will be hauled from an existing source off BLM land.

If, after excavation, it appears the reserve pit will not need lining due to an abundance of natural clay; then BLM will be notified. BLM will make an inspection and decide whether lining is needed. Basin will give BLM at least 48 hours advance notice.

If the reserve is to be lined, then it will be lined with at least 24 tons of commercial bentonite worked into 3:1 sides. At least half of the capacity will be in cut. No liquid hydrocarbons will be discharged to the pit, pad, or road. Should hydrocarbons escape, they will be cleaned up and removed within 48 hours.

The pit will be fenced 48" high on 3 sides with 32" high woven wire topped with 2 smooth wire stands 4" and 16" above the woven wire. Steel posts will be set $\approx 16.5'$ apart. Corner posts will be $\geq 6"$ OD wood and anchored with a deadman. The 4th side will be fenced the same when drilling stops. The fence will be kept in good repair while the pit dries.

The top of the reserve pit will be netted once the drill rig is down. Fence and net will be maintained to prevent animal entry.

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7. WASTE DISPOSAL

The reserve pit will be lined with 24 tons of commercial bentonite. Once dry, contents of the reserve pit will be buried in place.

Human waste will be disposed of in chemical toilets, which will be hauled to a state approved dump station. All trash will be placed in a portable trash cage

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Torreys Federal 43-12
2332' FSL & 976' FEL
Sec. 12, T. 40 S., R. 22 E.
San Juan County, Utah

PAGE 8

and hauled to the county landfill. No trash will be buried or burned.

8. ANCILLARY FACILITIES

There will be no air strips or camps. Camper trailers may be on location for the company man, tool pusher, and mud loggers.

9. WELL SITE LAYOUT

See PAGES 13 & 14 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION & REVEGETATION

Upon completion of drilling, the well site will be cleared of all debris, material, and junk not needed for production.

Reclamation will start when the reserve pit is dry. All areas not needed for production will be backfilled, recontoured to natural contours, and reserved topsoil spread. If the well is a producer, then enough topsoil will be saved to reclaim the rest of the pad. The topsoil pile and all reclaimed areas will be broadcast seeded between October 1 and February 28 with the following mix. Sown areas will be left rough and lightly harrowed (4" deep) after seeding.

- 2 lb/ac galleta grass
- 4 lb/ac Indian ricegrass
- 1 lb/ac fourwing saltbush
- 1/2 lb/ac scarlet globemallow
- 1 lb/ac sand dropseed

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Sec. 12, T. 40 S., R. 22 E.
San Juan County, Utah

PAGE 9

11. SURFACE OWNER

All construction is on BLM surface.

12. OTHER INFORMATION

BLM's Moab Field Office's phone number is (435) 259-6111.
BLM's Monticello Field Office's phone number is (435) 587-2141.

Safe drilling and operating practices will be used. The nearest hospital is over a 1 hour drive away in Monticello. It is 3 blocks northwest of the intersection of US 666 and US 191. Hospital phone number is (435) 587-2116. Or dial 1-800-332-1911 from anywhere in San Juan County, Ut.

If the well is drilled between February 1 and August 31, a raptor (especially golden eagles) survey and clearance of a half mile radius area surrounding the proposed well will be made before work starts. If the raptor survey locates an active raptor nest, then no work will be allowed until the baby birds have fledged (left nest). BLM will consult with the US Fish & Wildlife Service to determine if drilling can occur closer (1/4 mile) if it can be proven activity (noise and visual impacts) can take place without impacting the nesting birds and their offspring.

13. REPRESENTATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87505
(505) 466-8120 FAX: (505) 466-9682

Cellular: (505) 699-2276

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Torreys Federal 43-12
2332' FSL & 976' FEL
Sec. 12, T. 40 S., R. 22 E.
San Juan County, Utah

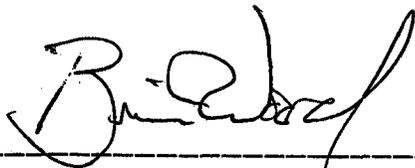
PAGE 10

The field representative will be:

Gerald Gentry, Operations Manager
Basin Exploration, Inc.
1670 Broadway, Suite 2800
Denver, Co. 80202-4801
(303) 685-8000

Be advised that Basin Exploration, Inc. is considered to be the operator of the Torreys Federal 43-12 well in the NESE 12-40s-22e, Lease UTU-56794, San Juan County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands. Bond (#B7680) coverage for this well will be provided via surety consent as provided for in 43 CFR 3104.2. BLM will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

I hereby certify Basin Exploration, Inc. has the necessary consents from the proper lease and unit interest owners to conduct lease operations in conjunction with this APD. Bond coverage *per* 43 CFR 3104 for lease activities will be provided by Basin Exploration, Inc. I hereby certify I have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Basin Exploration, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Brian Wood, Consultant

October 20, 2000
Date

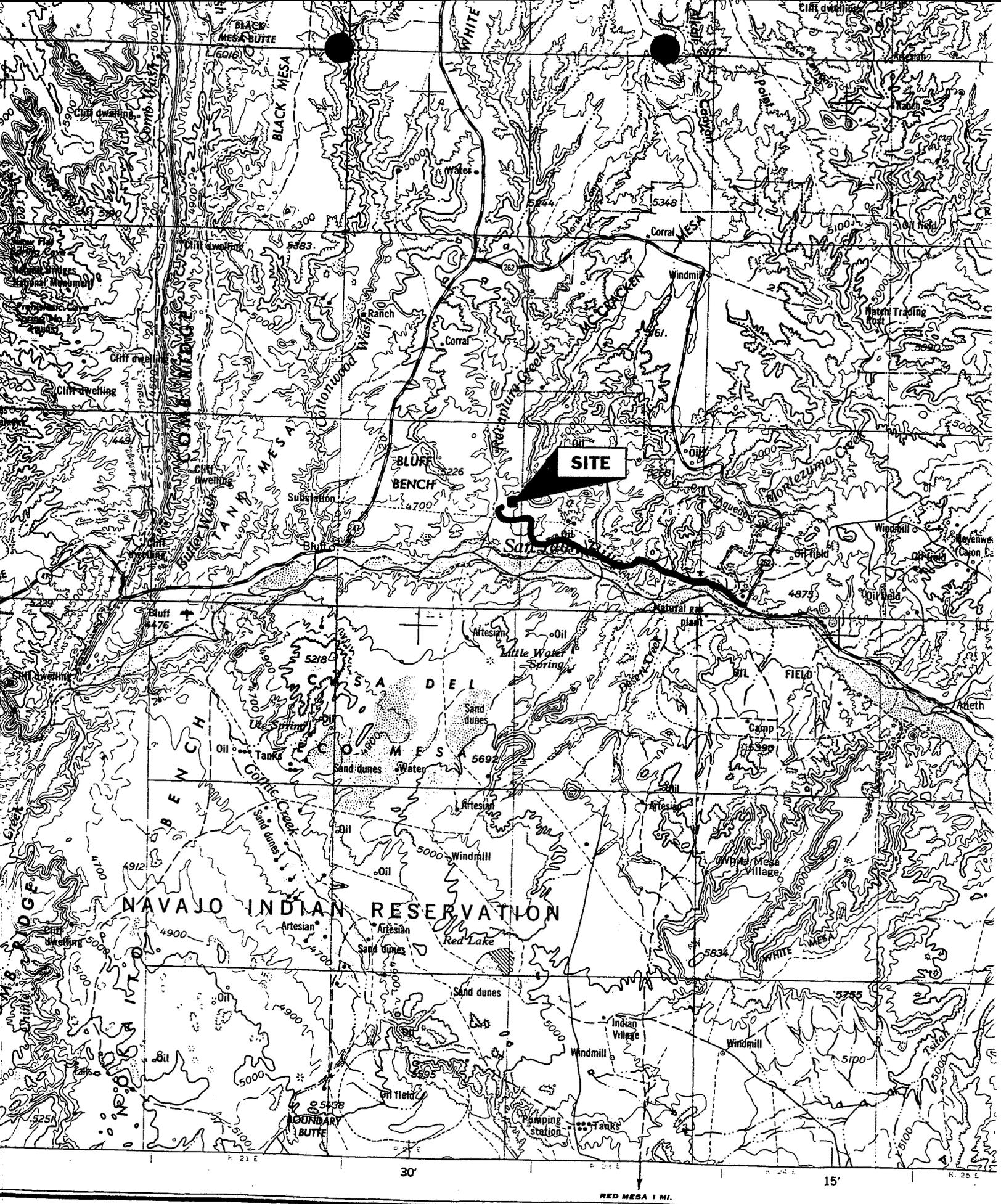
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SITE

NAVAJO INDIAN RESERVATION

LEGEND

Figures in red denote approximate distances in miles between stars

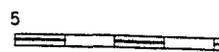
POPULATED PLACES

Over 500,000

LOS ANGELES

ROADS

Primary, all-weather, hard surface
Secondary, all-weather, hard surface



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RED MESA 1 MI.

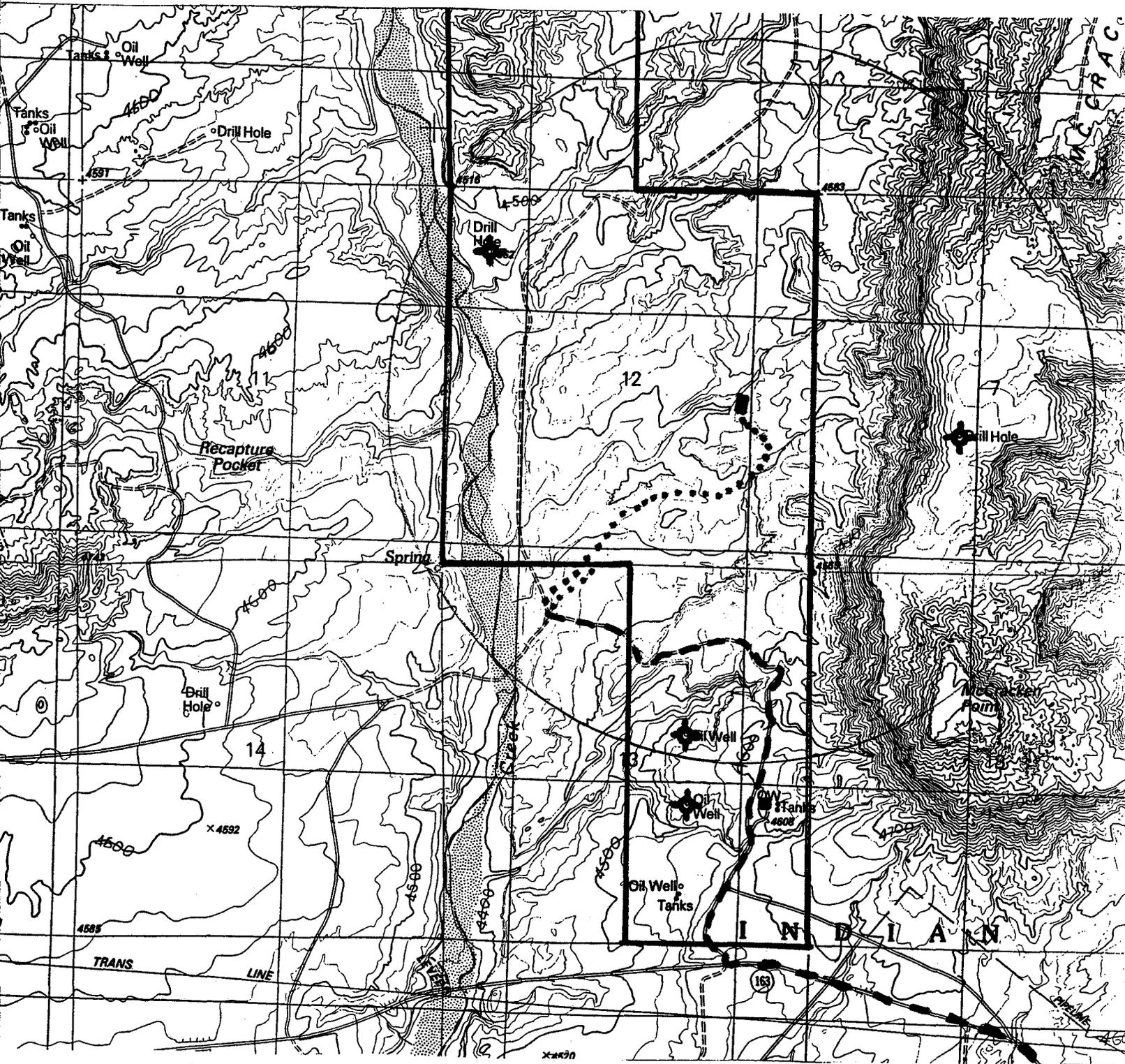
15'

30'

P. 21 E

P. 24 E

P. 25 E



PROPOSED WELL:

EXISTING WELL:

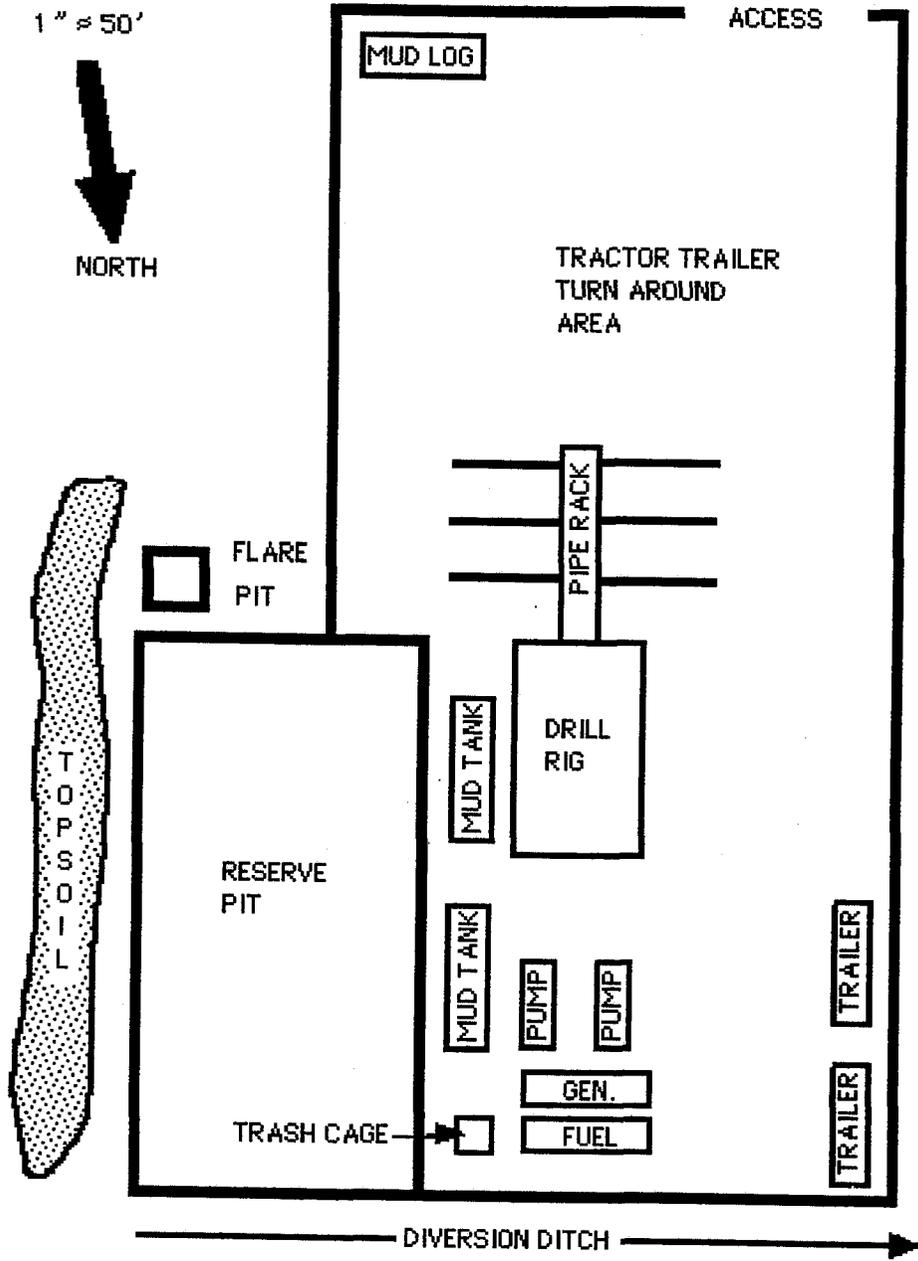
P&A WELL:

NEW ROAD:

RIGHT-OF-WAY:

LEASE BOUNDARY:

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Torreys Federal 43-12
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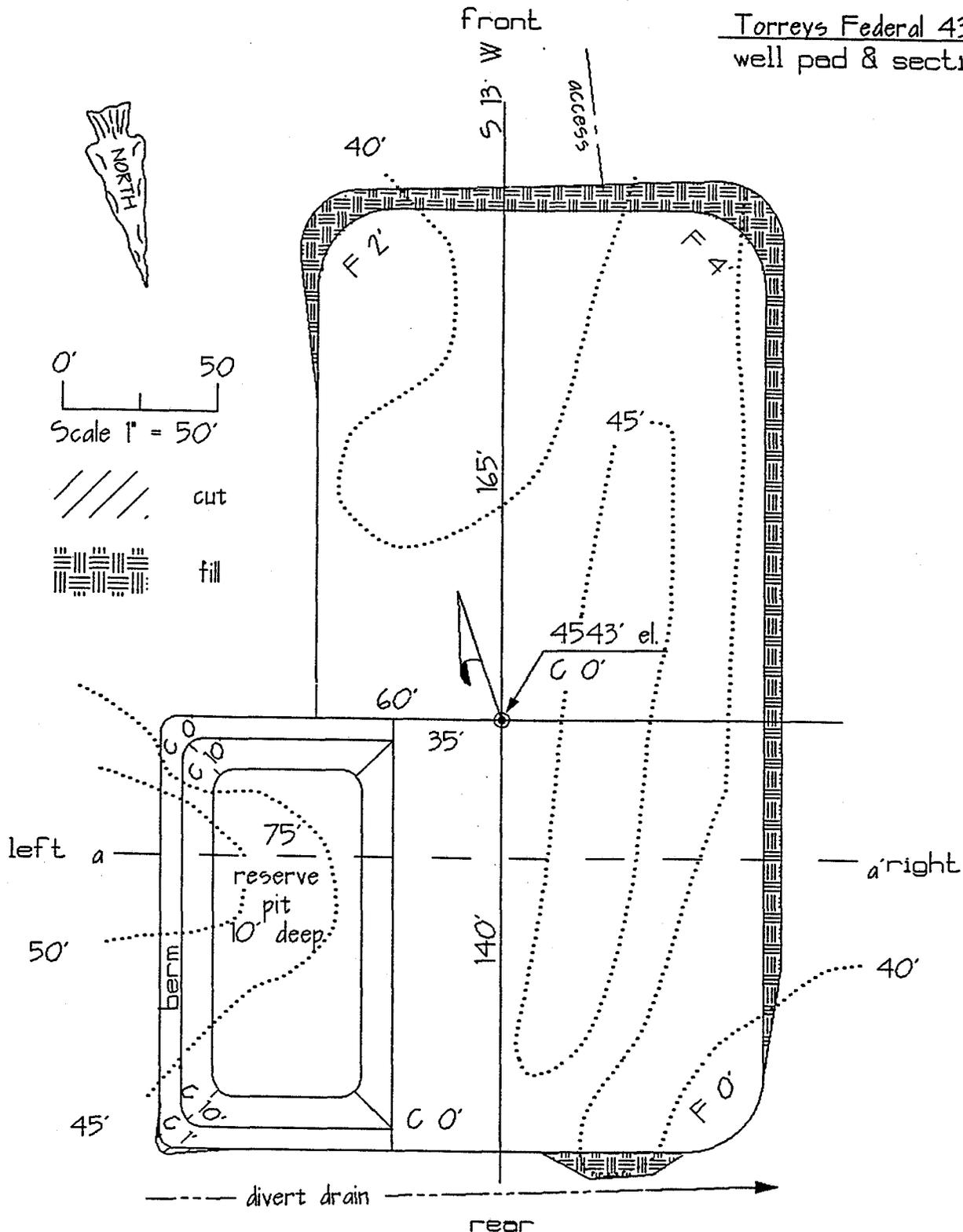


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Torreys Federal 43-12
well pad & section



Cross section

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**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/01/2000

API NO. ASSIGNED: 43-037-31807

WELL NAME: TORREYS FED 43-12
 OPERATOR: BASIN EXPLORATION INC (N5070)
 CONTACT: BRIAN WOOD, AGENT

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:
 NESE 12 400S 220E
 SURFACE: 2332 FSL 0976 FEL
 BOTTOM: 2332 FSL 0976 FEL
 SAN JUAN
 UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-56794
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: IS-DC

RECEIVED AND/OR REVIEWED:
 Plat
 Bond: Fed[1] Ind[] Sta[] Fee[]
 (No. B7680)
 N Potash (Y/N)
 N Oil Shale (Y/N) *190 - 5 (B)
 Water Permit
 (No. 09-1419 or 09-1428)
 N RDCC Review (Y/N)
 (Date: _____)
 N/A Fee Surf Agreement (Y/N)

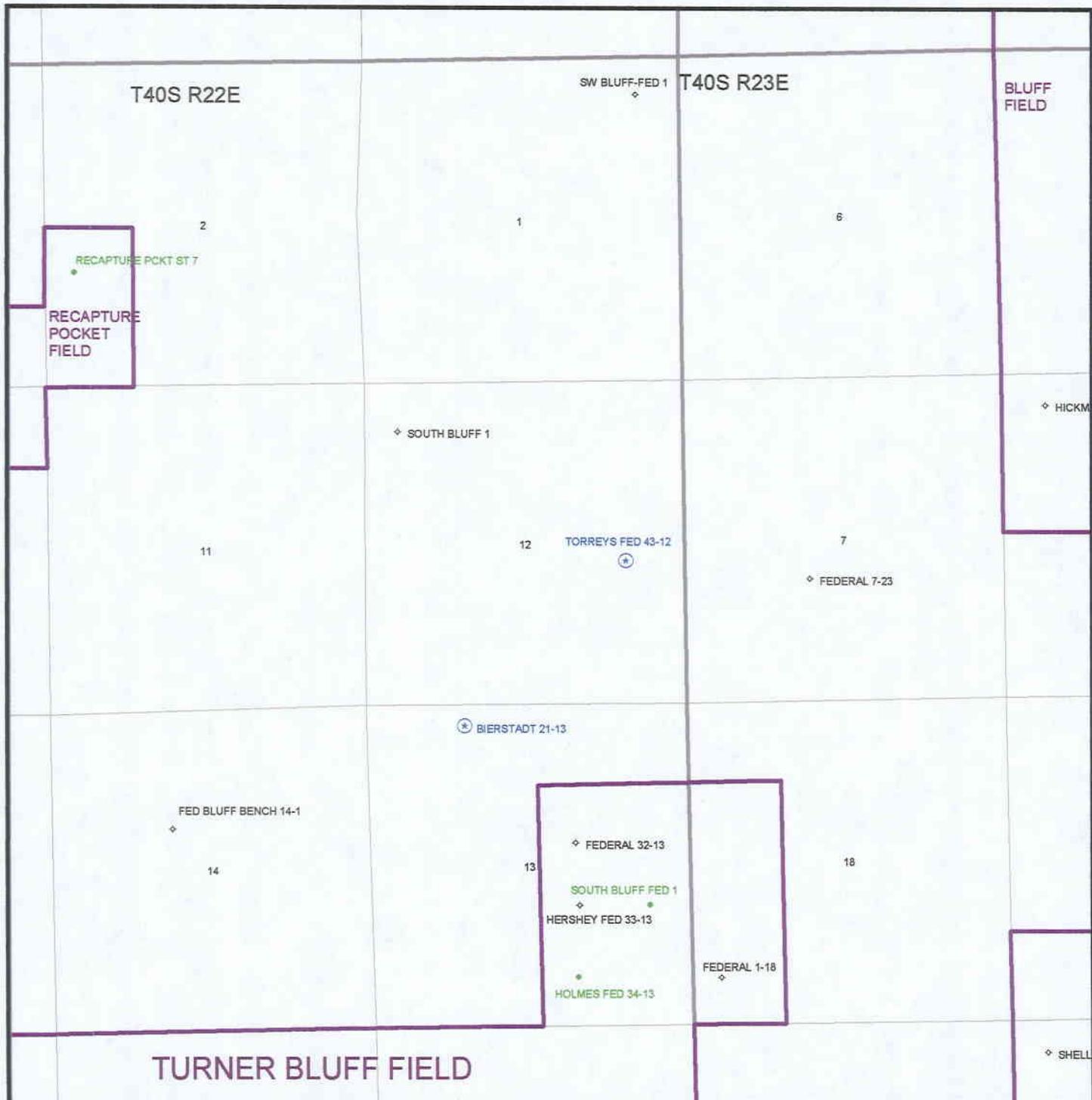
LOCATION AND SITING:
 _____ R649-2-3. Unit _____
 _____ R649-3-2. General
 Siting: _____
 R649-3-3. Exception
 _____ Drilling Unit
 Board Cause No: _____
 Eff Date: _____
 Siting: _____
 _____ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: ① FEDERAL APPROVAL



OPERATOR: BASIN EXPLORATION (N5070)
 FIELD: UNDESIGNATED (002)
 SEC. 12, T40S, R22E,
 COUNTY: SAN JUAN SPACING: R649-3-3/EX LOC



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

5. Lease Designation and Serial No.

UTU-56794

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Torreys Fed. 43-12

9. API Well No.

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

San Juan, Ut.

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Basin Exploration, Inc. (303) 685-8000

3. Address and Telephone No.

1670 Broadway, Suite 2800, Denver, Co. 80202

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

Surface: NESE 12-40s-22e

BHL: Same

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

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

Basin is filing with Ut. Div. of Water Rights to use an existing water well in NWSE 20-40s-23e. In interim, Basin will use already permitted existing water wells in NENW 27-40s-23e (09-1419; A60809) or NWNE 36-40s-23e (09-1428; A60998).

RECEIVED

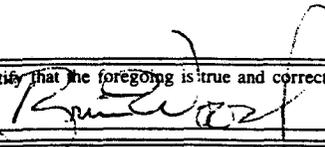
NOV 13 2000

DIVISION OF OIL, GAS AND MINING

cc: BLM, Gentry, UDOGM

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

Signed



Title

Consultant (505) 466-8120

Date

11-10-00

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

November 16, 2000

Basin Exploration, Inc.
1670 Broadway, Suite 2800
Denver, CO 80202

Re: Torreys Federal 43-12 Well, 2332' FSL, 976' FEL, NE SE, Sec. 12, T. 40 South,
R. 22 East, San Juan County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31807.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Associate Director

er

Enclosures

cc: San Juan County Assessor
Bureau of Land Management, San Juan District Office

Operator: Basin Exploration, Inc.

Well Name & Number Torreys Federal 43-12

API Number: 43-037-31807

Lease: UTU 56794

Location: NE SE **Sec.** 12 **T.** 40 South **R.** 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL

DEEPEN

2000 NOV -1 P 1:54

b. TYPE OF WELL

OIL WELL

GAS WELL

OTHER

SINGLE ZONE DEEP INT. ZONE MULTIPLE ZONE

2. NAME OF OPERATOR

Basin Exploration, Inc.

(303) 685-8000

3. ADDRESS AND TELEPHONE NO.

1670 Broadway, Suite 2800, Denver, Co. 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

2332' FSL & 976' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

6 air miles northeast of Bluff

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

976'

16. NO. OF ACRES IN LEASE

1,285.92

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.

5,640'

19. PROPOSED DEPTH

5,790'

20. ROTARY OR CABLE TOOLS

Rotary

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

4,543' ungraded

22. APPROX. DATE WORK WILL START*

Nov. 15, 2000

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH*	QUANTITY OF CEMENT
12-1/4"	J-55 8-5/8"	24	1,625'	≈1,480 cu. ft. & to surface
7-7/8"	K-55 5-1/2"	15.5	5,790'	≈1,147 cu. ft. & to surface

Request exception because of geology (location is based on 3-D seismic data). Exception is to quarter-quarter lines (308' & 344' instead of ≥460'), not to a well. Orthodox location could be dry hole or marginal producer.

Orthodox well could be drilled at 2180 FS & 860 FE 12-40s-22e, but it would be in a wetland. Request permission to drill at 2332' FSL & 976' FEL 12-40s-22e. This is the only well in the section. There are no producing wells within +5,639'. Wells (see Page 11) could be drilled in 8 offsetting units. Basin is owner of all drilling units and leases within minimum 976' radius of proposed exception. This includes the drilling units (S2NE4 & NESW Sec. 12) toward which the well would encroach.

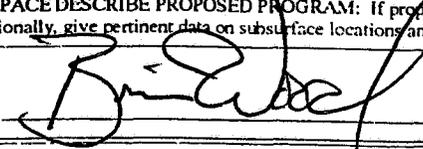
This APD is also serving as a BLM road right-of-way application. Application covers that portion (831' x 35' = 0.67 acres in NENW 13-40s-22e) of the access from County Road 217 to the south line of Section 12.

FLARING OR VENTING OF

IS SUBJECT TO NTL 4-A CONDITIONS OF APPROVAL ATTACHED

cc: BLM (M&M), Gentry, UDOGM

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

SIGNED  TITLE Consultant (505) 466-8120 DATE 10-28-00

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

/S/ WILLIAM C. STRINGER

Assistant Field Manager,
Division of Resources

DIVISION OF
OIL, GAS AND MINING

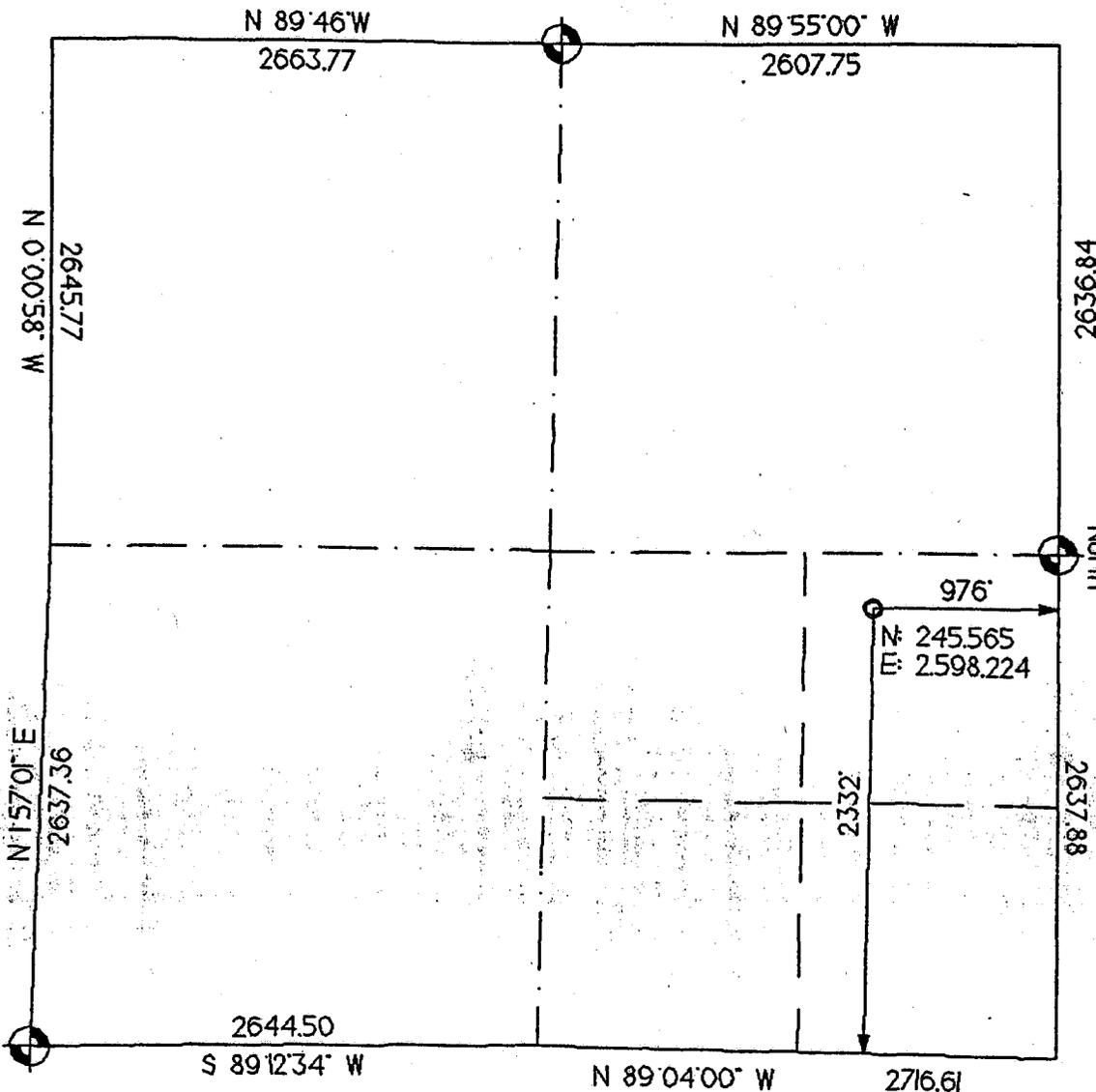
APPROVED BY _____ TITLE _____ DATE JAN 10 2001

*See Instructions On Reverse Side

RECEIVED

JAN 16 2001

JAN 10 2001



North
0' 1000'
Γ - 1000'
section breakdown from BLM
brass cap

Well Location Description

BASIN EXPLORATION, INC.
TORREYS FEDERAL 43-12
2332' FSL & 976' FEL
Section 12, T.40 S., R.22 E., SLM
San Juan County, UT
4543' grd. el. (from GPS)



RECEIVED

20 Sept. 2000

Gerald G. Huddleston
Gerald G. Huddleston, LS

JAN 16 2001

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

DIVISION OF
OIL, GAS AND MINING

Basin Exploration, Inc.
Torreys Federal No. 43-12
Lease U-56794
NE/SE Section 12, T40S, R22E
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 Basin Exploration, 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 CO 0944 (Principal - Basin Exploration, 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.

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.

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**DIVISION OF
OIL, GAS AND MINING**

A. DRILLING PROGRAM

1. The proposed 3M BOPE configuration is adequate for the proposed depth and location. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2. Considering the anticipated down-hole pressure, testing of the BOPE to 2M standards is acceptable.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOG M) is required before conducting any surface disturbing activities.
3. If cement is not circulated to surface behind the production casing (5½-inch), a cement bond log (CBL) or other appropriate tool shall be run to determine the depth to the top of cement behind that casing string.

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**DIVISION OF
OIL, GAS AND MINING**

B. SURFACE

1. The netting material proposed shall be installed over the top and around the sides to ground level of the reserve pit. The netting material shall be one inch mesh or less and maintain in a tight condition and good repair.
2. No surface disturbing activities shall take place on lease UTU- 056794 until the associated ROW is approved. The holder will adhere to special stipulations in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.
3. A raptor survey and clearance of the affected area surrounding the proposed drilling sites would be accomplished prior to work initiation if the proposed wells are drilled between February 1, and August 31. If the raptor survey locates an active raptor nesting territory which will be affected by this proposal, no work will be allowed until nestlings have fledged. This will apply to the golden eagle and all other raptors found to be nesting within 0.5 mile of the proposed site. Discussion will be entered into by the Monticello Field Office with the U.S. Fish & Wildlife Service to determine the feasibility of allowing drilling of said well closer (0.25 mile) of the proposed drill site if it can be proven that activity (noise and visual impacts) can take place without impacting the nesting birds and their offspring. The U.S. Fish & Wildlife Service will be fully consulted if golden eagle nesting becomes an issue and given updates on the nesting status of these birds.
4. A paleontological consultant will be on site to monitor for possible paleontological resources which may be encountered during construction activity. A monitor is required where construction activity will expose or cut bedrock of the Morrison Formation. The paleontological consultant must be permitted by the Bureau of Land Management Utah State Office.

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C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field 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 Moab Field 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. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed, with the Moab Field Office, for approval of all changes of plans and subsequent 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 Moab Field Office. 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 BLM 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 Monticello Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office 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 business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Monticello Field Office. The Monticello Field Office shall be notified prior to the first sale.

Well Completion Report- 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 Moab Field Office not later than thirty-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. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

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OIL, GAS AND MINING

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

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 Moab Field Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/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 Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-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 Price Field Office or the appropriate surface managing agency.

RECEIVED

JAN 16 2001

**DIVISION OF
OIL, GAS AND MINING**

TABLE 1

NOTIFICATIONS

Notify Jeff Brown (435-587-1525) of the BLM, Monticello Field Office for the following:

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

1 day prior to spudding;

50 feet prior to reaching the surface casing (8⁵/₈" setting depth

If the person at the above number cannot be reached, notify the Moab Field Office at (435) 259-2100. If unsuccessful, contact the person listed below.

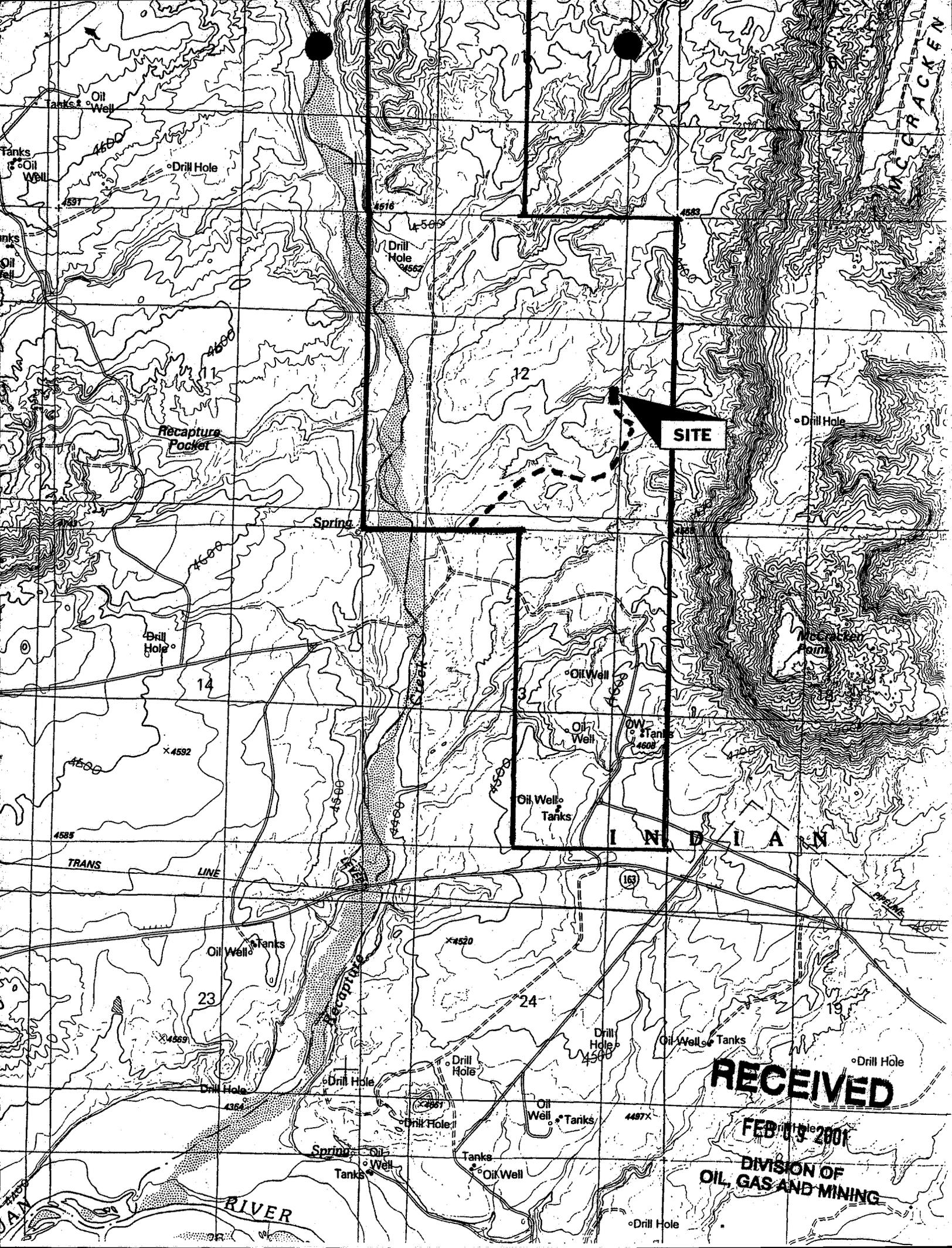
Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at (435) 259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer Office: (435) 259-2117
Home: (435) 259-2214

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JAN 16 2001

DIVISION OF
OIL, GAS AND MINING



SITE

INDIAN

RECEIVED

FEB 09 2001

DIVISION OF OIL, GAS AND MINING

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF "BASIN EXPLORATION, INC.", CHANGING ITS NAME FROM "BASIN EXPLORATION, INC." TO "STONE ENERGY, L.L.C.", FILED IN THIS OFFICE ON THE FIRST DAY OF FEBRUARY, A.D. 2001, AT 3:30 O'CLOCK P.M.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

2289801 8100

AUTHENTICATION: 0958659

010060875

DATE: 02-06-01

CERTIFICATE OF CONVERSION
OF
BASIN EXPLORATION, INC.
INTO
STONE ENERGY, L.L.C.

February 1, 2001

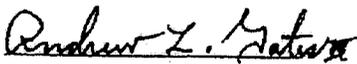
UNDER SECTION 266 OF THE GENERAL CORPORATION LAW
OF THE STATE OF DELAWARE AND SECTION 18-214 OF THE
DELAWARE LIMITED LIABILITY COMPANY ACT

Basin Exploration, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Company"), DOES HEREBY CERTIFY THAT:

1. *Name of Corporation to be Converted.* The name of the Company immediately prior to conversion is Basin Exploration, Inc., and the name under which the Company was originally incorporated was Basin Exploration, Inc.
2. *Original Date and Jurisdiction of Incorporation.* The original certificate of incorporation of the Company was filed on March 2, 1992 with the Secretary of the State of Delaware.
3. *Name of Limited Liability Company.* The name of the limited liability company into which the Company will be converted is Stone Energy, L.L.C.
4. *Approval of Conversion.* This conversion has been approved in accordance with the provisions of Section 266 of the General Corporation Law of Delaware and Section 18-214 of the Delaware Limited Liability Company Act.
5. *Effective Time.* The effective time of the conversion of the Company to a limited liability company contemplated hereby shall be February 1, 2001.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Conversion as of the date first written above.

BASIN EXPLORATION, INC.

By: 
Andrew L. Gates, III
Attorney In Fact

CERTIFICATE OF FORMATION
OF
STONE ENERGY, L.L.C.

This Certificate of Formation, dated February 1, 2001, has been duly executed and is filed pursuant to Section 18-201 of the Delaware Limited Liability Company Act (the "Act") to form a limited liability company (the "Company") under the Act.

1. **Name.** The name of the Company is "Stone Energy, L.L.C."
2. **Registered Office; Registered Agent.** The address of the registered office required to be maintained by Section 18-104 of the Act is:

1209 Orange Street
Wilmington, Delaware 19801

The name and address of the registered agent for service of process required to be maintained by Section 18-104 of the Act are:

The Corporation Trust Company
1209 Orange Street
Wilmington, Delaware 19801

3. **Effective Time.** The effective time of the formation of the Company contemplated hereby is February 1, 2001.

EXECUTED as of the date first written above.


Andrew L. Gates, III
Authorized Person

State of Delaware
Office of the Secretary of State

PAGE 2

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "STONE ENERGY, L.L.C." FILED IN THIS OFFICE ON THE FIRST DAY OF FEBRUARY, A.D. 2001, AT 3:30 O'CLOCK P.M.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

2289801 8100V

AUTHENTICATION: 0950237

010053850

DATE: 02-01-01

CERTIFICATE OF FORMATION
OF
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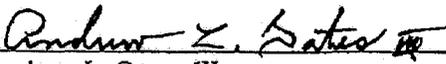
1209 Orange Street
Wilmington, Delaware 19801

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The Corporation Trust Company
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Wilmington, Delaware 19801

3. **Effective Time.** The effective time of the formation of the Company contemplated hereby is February 1, 2001.

EXECUTED as of the date first written above.


Andrew L. Gates, III
Authorized Person

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

In Reply Refer To:
3100
SL-067701 et al
(UT-932)

MAR 23 2001

NOTICE

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

Oil and Gas Leases

Name Change Recognized

Acceptable evidence has been received in this office concerning the change of name of Basin Exploration, Inc. to Stone Energy, L.L.C. on Federal oil and gas leases.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our automated records system. We have not abstracted the lease files to determine if the entity affected by the name change holds an interest in the leases identified nor have we attempted to identify leases where the entity is the operator on the ground maintaining no vested record title or operating rights interests. We are notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the name change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

Due to the name change, the name of the principal on oil and gas bond WY3181 is required to be changed from Basin Exploration, Inc. to Stone Energy, L.L.C. You may accomplish this change either by consent of the surety on the original bond or by a rider to the original bond. The rider should be submitted to the Wyoming State Office.

ROBERT LOPEZ

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosure
Exhibit of Leases

RECEIVED

MAR 27 2001

DIVISION OF
OIL, GAS AND MINING

cc: MMS-Reference Data Branch, MS 3130, Box 5860, Denver, 80217
State of Utah, DOWM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC, UT 84114-5801
Teresa Thompson (UT-931)
Rhonda Flynn/Angela Williams (UT-942)
Vernal Field Office
Moab Field Office
Price Field Office
San Juan Field Office

EXHIBIT A
LEASES AFFECTED BY NAME CHANGE

SL-067701
U-01058
U-23147
UTU-73064
UTU-75000
UTU-75501
UTU-76304
UTU-76957
UTU-77299
UTU-77536
UTU-78227
UTU-78522
UTU-79007
UTU-79131
UTU-79148

SL-067710A
U-01890
U-37841
UTU-73734
UTU-75013
UTU-76062
UTU-76728
UTU-77288
UTU-77528
UTU-78027
UTU-78230
UTU-78730
UTU-79008
UTU-79182
U-63011X (Bluff Unit)

SL-071403A
U-056794
UTU-72671
UTU-74461
UTU-75140
UTU-76303
UTU-76865
UTU-77289
UTU-77529
UTU-78226
UTU-78441
UTU-79006
UTU-79009
UTU-79183
U-63020X (Recapture Creek)

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS ✓
2. CDW ✓		5- STP ✓
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

X Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **2/1/2001**

FROM: (Old Operator):
BASIN EXPLORATION INC
Address: 1670 BROADWAY, STE 2800
DENVER, CO 80202
Phone: 1-(303)-685-8000
Account No. N5070

TO: (New Operator):
STONE ENERGY LLC
Address: 1670 BROADWAY, STE 2800
DENVER, CO 80202
Phone: 1-(303)-685-8000
Account No. N1555

CA No.

Unit:

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
BLUFF 16	43-037-30989	632	29-39S-23E	FEDERAL	OW	P
BLUFF 10	43-037-15328	627	30-39S-23E	FEDERAL	OW	TA
BLUFF 2	43-037-16538	629	32-39S-23E	STATE	OW	S
TORREYS FEDERAL 43-12	43-037-31807	99999	12-40S-22E	FEDERAL	OW	APD
BIERSTADT FEDERAL 11-13	43-037-31793	99999	13-40S-22E	FEDERAL	OW	APD
RECAPTURE CREEK 2	43-037-30727	6255	21-40S-23E	FEDERAL	OW	P
RECAPTURE CREEK 3	43-037-30926	8450	21-40S-23E	FEDERAL	OW	S

OPERATOR CHANGES DOCUMENTATION

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 03/05/2001
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/05/2001
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/28/2001
4. Is the new operator registered in the State of Utah: YES Business Number: 4874937-0161
5. If **NO**, the operator was contacted on: N/A
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 03/23/2001
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 03/23/2001

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

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

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 03/29/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/29/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

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

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

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

FILMING:

1. All attachments to this form have been **MICROFILMED** on: APR 25 2001

FILING:

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

COMMENTS:

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: STONE ENERGY LLC

Well Name: TORREYS FED 43-12

Api No. 43-037-31807 LEASE TYPE: FEDERAL

Section 12 Township 40S Range 22E County SAN JUAN

Drilling Contractor _____ RIG # _____

SPUDDED:

Date 04/01/2001

Time 11:00 AM

How DRY

Drilling will commence _____

Reported by BOB HOFFMEIER

Telephone # 1-307-262-9335

Date 04/02/2001 Signed: CHD

Torreys Federal #43-12

Continued from Sundry dated 4/10/01

Bradenhead squeezed 8-5/8" – 13-3/8" annulus. Cement squeeze: Pumped 0.5 BW @ 1.5 – 2.0 bpm & 75 – 100 psi – ok. Mixed 170 sxs regular cement w/0.4% versaset, 4% gel, 2% CaCl₂, & 1/4#/sx flocele @ 13.5 – 14.5#/gal, pumped @ 2 bpm & 110 psi – 5 psi, 2.4 bpm & 5 psi, 2.8 bpm & 7 psi, 3 bpm & 70-15 psi, 3.6 bpm & 110-12 psi. Cement in place & job complete @ 00:24 hours, 4/6/01.

Cemented 8-5/8" – 13-3/8" annulus from 130' to surface through 1" pipe. Cemented w/100 sxs regular, 2% CaCl₂ @ 15.5#/gal, pumped 30 bbl slurry @ 0.5 bpm & 20 psi to 0.8 bpm & 75 psi. Displaced w/approximately 18 bbls of fresh water @ 200 psi. Cement in place & job complete @ 06:02 hours, 4/6/01.

Ran CBL & CAST tool to verify cement placement.

RECEIVED

APR 23 2001

DIVISION OF
OIL, GAS AND MINING

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

FORM 6

ENTITY ACTION FORM

Operator: Stone Energy, L.L.C.
Address: 1670 Broadway, Suite 2800
city Denver
state Co zip 80202

Operator Account Number: N 1555

Phone Number: (303) 685-8000

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
037-31809	Grays State #42-2		NES	2	40S	22E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	13119	3/1/2001			3/1/2001	
Comments: 5-3-01							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
037-31807	Torreys Federal #43-12		NESE	12	40S	22E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	13120	4/1/2001			4/1/2001	
Comments: 5-3-01							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- 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)

RECEIVED
MAY 03 2001

Terry L. Hoffman

Name (Please Print)

Terry L. Hoffman
Signature

Engineering Technician

4/24/2001

Title

Date

CASING CEMENTING DATA

WELL NAME AND NUMBER Torreys Federal #43-12			DISTRICT Recapture Creek, UT			DATE CEMENTED 30 April, 2001		
TD	HOLE SIZE	MUD WT	VIS	CAKE	PH	WL	MUD TYPE 8 Wt'd PHPA	
	5816	7.865	10.1	60	2/32"	10		

STAGE I	SAX	YIELD	SLURRY COMPOSITION	AVG. SLURRY WT.
	50 sx	1.88	HLC(B) w/1/4 #/sx Flocele & 5#/sx Gilsonite	12.4
	225 SX	1.31	50/50 B Poz w/2% Gel, 5#/sx Gilsonite, 1/4 #/sx Flocele, 0.3 % Halad 344, 0.2% CFR-3	13.4
STAGE II	1000 sx	1.88	HLC(B) w/1/4 #/sx Flocele & 5#/sx Gilsonite	12.4
	50 sx	1.31	50/50 B Poz w/2% Gel, 5#/sx Gilsonite, 1/4 #/sx Flocele, 0.3 % Halad 344, 0.2% CFR-3	13.4

EQUIPMENT DATA	
SCRAMBLERS	none
CENTRALIZERS	HOWCO - bowspring type 13 ea. mid 1st, 3rd, 6th, 9th, 12th, 15th, 18th, 21st, 23rd, 28th, (DV) 29th, 126th, 129th

CEMENTION CO. Halliburton Farmington	WASH AHEAD OF CMT. TYPE Mud Flush (both stages)	BBLs. 10 + 10 bbls	THREAD COMPOUND API Mod
--	---	------------------------------	-----------------------------------

STARTED RING CASING	ON BTM.	START CIRC.	END CIRC.	RATE	BBLs.	START MIX CMT.	END MIX.	RATE	BBLs.	START PLUG
11:30 AM, 29 April, 2001	M 20:30 PM	M 20:30 PM	M 1:30 AM	M 250 gpm	M	M 23:53 PM	M	M	M 5	M

PLUG DOWN	RATE	BBLs.	PIPE MOVED, HOW	START	STOP	START	STOP	SHUT DOWN TIME?
1st 00:50, 2nd 9:21	M 5 - 2.5	M	circulating before cmt					

CSG FILLED EVERY	65 JOINTS WHILE RUNNING	DISPLACED PLUG W/	<input checked="" type="checkbox"/> WATER	<input checked="" type="checkbox"/> MUD	LOST RETURNS (SEE REMARKS)	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
BREAK CIRC.		CIRC. PRIOR TO MIX	400 PSI	JUST PRIOR TO PLUG DOWN	200 PSI	1st stage 486, 2nd stage 1156

FINAL	bled back to	PSI	CEMENT TOP	ACTUAL	CALCULATED	VOLUME CEMENT RETURNED
1st 900, 2nd 2630	PSI 0/0	PSI				1st stage 7 bbls, 2nd 47 bbls cmt

SGS FLANGE (MFG., MODEL, SIZE, SERIES)	11" x 3000 Woods Group, C21
--	-----------------------------

CASING DATA									
LIST POSITION IN STRING FROM TOP TO BOTTOM								RDB-GND:	RDB-BH:
ITEM #	MFR. - ITEM	SIZE	WEIGHT	GRADE	THREAD CONNECTION	COND.	NO. JTS	FOOTAGE	RDB SPACE
1	casing	5.5	15.5	J55	LT&C	new	101	4,483.09	(13.50)
2	HOWCO Mod P ES Cmtr	5.5	15.5		LT&C	new		2.20	4,469.59
3	casing	5.5	15.5	J55	LT&C	new	29	1,287.77	4,471.79
4	Super Seal Float Collar	5.5	15.5		LT&C	new		1.00	5,759.56
5	casing	5.5	15.5	J55	LT&C	new	1	44.20	5,760.56
6	Super Seal Float Shoe	5.5	15.5		LT&C	new		1.30	5,804.76
7									5,806.06
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

REMARKS Left 3 bad jts out, pin damage, 7 good jts on location (311.50' usable)
Tight @ 3400 - 3600 R/H, worked through

RECEIVED

SUPERVISOR Robert E. Sytar, Drilltech Co.

MAY 11 2001

DIVISION OF OIL, GAS AND MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: July 31, 1996

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

5. Lease Serial No.
UTU-56794

6. If Indian, Allottee, or Tribe Name
NA

7. If Unit or CA. Agreement Designation
NA

8. Well Name and No.
Torreys Federal #43-12

9. API Well No.
43-037-31807

10. Field and Pool, or Exploratory Area
Wildcat/Desert Creek

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

SUBMIT IN TRIPLICATE- Other Instructions on the reverse side

1. Type of Well
 Oil Well Gas Well Other _____

2. Name of Operator
Stone Energy, L.L.C.

3a. Address
1670 Broadway, Suite 2800 - Denver, CO 80202

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2332' FSL & 976' FEL
Section 12-T40S-R22E**

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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other Weekly Status

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

Weekly status as of 5/30/01.

See attachment.

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JUN 04 2001

**DIVISION OF
OIL, GAS AND MINING**

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

Name (Printed/ Typed) Terry L. Hoffman	Title Engineering Technician
Signature <i>Terry L. Hoffman</i>	Date 5/30/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

WELL NAME: TORREYS FEDERAL #43-12
WELL TYPE: WO COMPLETION RIG - Exploratory
LOCATION: NE SE Section 12-T40S-R22E - San Juan County, Utah
FIELD: Wildcat
API NO.: 43-037-31807
AFE NO.: UT525910
AFE COST: \$411,395 - Dry Hole
CURRENT AFE COST: \$656,230 - Total Drill & Complete
DAILY TOTAL COST: \$0
TOTAL COST TO DATE: \$738,568
PROPOSED TARGET: Desert Creek/5614'
PROPOSED TD: 5790' MD
DEPTH/24 HR FOOTAGE: 5816'/0'
SPUD DATE: 4/1/01
PROJ. DAYS/DAYS F/ SPUD: 15/28
MUD WEIGHT: 8.33

5/10/01
WO on completion.

WELL NAME: TORREYS FEDERAL #43-12
WELL TYPE: WO COMPLETION RIG - Exploratory
LOCATION: NE SE Section 12-T40S-R22E - San Juan County, Utah
FIELD: Wildcat
API NO.: 43-037-31807
AFE NO.: UT525910
AFE COST: \$411,395 - Dry Hole
CURRENT AFE COST: \$656,230 - Total Drill & Complete
DAILY TOTAL COST: \$0
TOTAL COST TO DATE: \$738,568
PROPOSED TARGET: Desert Creek/5614'
PROPOSED TD: 5790' MD
DEPTH/24 HR FOOTAGE: 5816'/0'
SPUD DATE: 4/1/01
PROJ. DAYS/DAYS F/ SPUD: 15/28
MUD WEIGHT: 8.33

5/11/01
WO on completion.

WELL NAME: TORREYS FEDERAL #43-12
WELL TYPE: COMPLETING – Exploratory

LOCATION: NE SE Section 12-T40S-R22E – San Juan County, Utah
FIELD: Wildcat
API NO.: 43-037-31807
AFE NO.: UT525910
AFE COST: \$411,395 – Dry Hole
CURRENT AFE COST: \$656,230 – Total Drill & Complete
DAILY TOTAL COST: \$45,610
TOTAL COST TO DATE: \$789,928
PROPOSED TARGET: Desert Creek/5614'
PROPOSED TD: 5790' MD
DEPTH/24 HR FOOTAGE: 5758' PBDT
SPUD DATE: 4/1/01
PROJ. DAYS/DAYS F/ SPUD: 15/28
MUD WEIGHT: -

5/12/01

AART: RIH w/bit & scraper.

Last 24 hours: MIRU WS rig, NU 7-1/16" x 3M BOP. Received & racked 197 jts of new 2-7/8" tbg, 6.5#, J-55, EUE, 8rd, Tubocaribe. PU BHA #1. RIH PU tbg w/20 jts. SIW. SDFN. Set 2-400 bbl frac tanks, swivel, pump & 150 bbl tank.

5/13/01

AART: Preparing to CBL & perforate.

Last 24 hours: Opened well. RIH PU tbg, tagged cmt @ 4393'. Swiveled up. Drld cmt, plug, & DV to 4471'. Reamed several times. RIH PU tbg to 5711'. Tagged cmt, drld cmt to 5758'. Circulated well clean. Displaced w/2% KCL equivalent wtr. PT csg to 1500 psi/10 minutes – held. POOH w/189 jts. SDFN.

WELL NAME:	TORREYS FEDERAL #43-12
WELL TYPE:	COMPLETING – Exploratory
LOCATION:	NE SE Section 12-T40S-R22E – San Juan County, Utah
FIELD:	Wildcat
API NO.:	43-037-31807
AFE NO.:	UT525910
AFE COST:	\$411,395 – Dry Hole
CURRENT AFE COST:	\$656,230 – Total Drill & Complete
DAILY TOTAL COST:	\$13,764
TOTAL COST TO DATE:	\$803,692
PROPOSED TARGET:	Desert Creek/5614'
PROPOSED TD:	5790' MD
DEPTH/24 HR FOOTAGE:	5758' PBDT
SPUD DATE:	4/1/01
PROJ. DAYS/DAYS F/ SPUD:	-
MUD WEIGHT:	-

5/14/01

AART: Preparing to packer-up f/swab test. SIW.

Last 24 hours: RU HLS w/crane truck. RU packoff, RIH w/3.25" GR/CCL/CBL tool to 5748' (-6' correction to OH logs). Logged from 5740-3694'. Found cmt adequate for perforating w/TOC in surface csg near surface. Correlated to HLS Spectral Density log of 4/27/01. PU CCL/3-3/8" ESC, loaded 4spf, 30 gram charges. Perforated Desert Creek formation from 5686-5695' (9'). Slight vacuum @ surface. POOH, PU CCL/3-3/8" ESC, 2 spf, 180 degree phasing. Re-perforated same interval for maximum charge performance. RDMO HLS. SIW. IFL near 500'. FFL 600'.

5/15/01

AART: Preparing to acidize Desert Creek formation.

Last 24 hours: Opened well on very slight vacuum. PU fullbore pkr, SN & RIH to 5607'. Set pkr w/20M compression. RU swab, RIH w/swab, IFL @ surface. Made 4 runs, swabbed down to SN. Recovered 37.4 bbls black wtr, slight gas w/fluid. Made hourly runs, 3 runs off SN, FL @ 4800', 4900', & 5300'. Recovered 42.07 BW f/day. SIW.

WELL NAME:	TORREYS FEDERAL #43-12
WELL TYPE:	COMPLETING - Exploratory
LOCATION:	NE SE Section 12-T40S-R22E - San Juan County, Utah
FIELD:	Wildcat
API NO.:	43-037-31807
AFE NO.:	UT525910
AFE COST:	\$411,395 - Dry Hole
CURRENT AFE COST:	\$656,230 - Total Drill & Complete
DAILY TOTAL COST:	\$14,307
TOTAL COST TO DATE:	\$817,999
PROPOSED TARGET:	Desert Creek/5614'
PROPOSED TD:	5790' MD
DEPTH/24 HR FOOTAGE:	5758' PBTB
SPUD DATE:	4/1/01
PROJ. DAYS/DAYS F/ SPUD:	-
MUD WEIGHT:	-

5/16/01

AART: Swabbing after acid.

Last 24 hours: Opened well w/20 psi, RU swab, RIH. IFL @ 4500'. Made 3 runs from SN. Recovered 7 BF, first run 20% oil cut, second run 5% cut. WO Dowell to RU f/acid job. Finished RU Dowell. Could not get acid pump to run, re-rigged fuel lines. Treated Desert Creek Perfs w/2000 gal MSR 100 acid, 15% HCL containing 2 gpt A261 corrosion inhibitor, 1 gpt L55 clay stabilizer, 10 ppt L58 Fe stabilizer, 10 gpt U100 mutual solvent, 2 gpt W54 Non-emulsifier, as follows: Spotted 500 gals acid in 60 qual foam to perfs w/45,000 scf N2. Pumped N2 @ 1200 scfm, formation broke @ 4020 psi. SD 15 minutes. 5 minutes - 3347, 10 minutes - 3233, 15 minutes - 3031. Bled back N2 to pit. Pumped 1500 gals acid, attempted to displace w/N2. N2 pump not recording down hole rate or pumping. Apparently bypassing in surface valving. Displaced w/34.4 bbls 2% KCL wtr. Pumped @ 2.5 decreased to 1.25 bpm. Max TP (w/fluid) 3484 psi, ATP 3275, ISDP 3159, 5 minutes - 2743, 10 minutes - 2546. RD Dowell. Opened well to tank, flowed 15 BW to pit, well nearly dead. RU swab, made 12 runs, last 7 from SN. Total LTR 82 bbls, recovered 86 BF, estimated 13 BO from cuts. Estimated 73 BW & acid recovered, leaving 9 BLTR. Last hour estimated 3.5 BOPH. Swabbed down. SIW. SDFN

WELL NAME: TORREYS FEDERAL #43-12
WELL TYPE: COMPLETING - Exploratory
LOCATION: NE SE Section 12-T40S-R22E - San Juan County, Utah
FIELD: Wildcat
API NO.: 43-037-31807
AFE NO.: UT525910
AFE COST: \$411,395 - Dry Hole
CURRENT AFE COST: \$656,230 - Total Drill & Complete
DAILY TOTAL COST: \$3,429
TOTAL COST TO DATE: \$821,428
PROPOSED TARGET: Desert Creek/5614'
PROPOSED TD: 5790' MD
DEPTH/24 HR FOOTAGE: 5758' PBSD
SPUD DATE: 4/1/01
PROJ. DAYS/DAYS F/ SPUD: -
MUD WEIGHT: -

5/17/01

AART: Swab testing Desert Creek.

Last 24 hours: Opened well, SITP 110 psi, blew down. RU swab, RIH to FL @ 3200'. Swabbed from SN 3rd run. Scattered fluid @ 4800' last 4 runs - 20-28% oil cut last runs. Slight to mild blow during and after fluid recovery. Made hourly runs after 4th run, total of 13 runs. Recovered 49 BF, estimated 20.8 BO, 28.2 BW, leaving 19.2 BW past LTR. Water @ 10.2 ppg. SIW. SDFN.

WELL NAME: TORREYS FEDERAL #43-12
WELL TYPE: COMPLETING – Exploratory
LOCATION: NE SE Section 12-T40S-R22E – San Juan County, Utah
FIELD: Wildcat
API NO.: 43-037-31807
AFE NO.: UT525910
AFE COST: \$411,395 – Dry Hole
CURRENT AFE COST: \$656,230 – Total Drill & Complete
DAILY TOTAL COST: \$5,928
TOTAL COST TO DATE: \$827,356
PROPOSED TARGET: Desert Creek/5614'
PROPOSED TD: 5790' MD
DEPTH/24 HR FOOTAGE: 5758' PBDT
SPUD DATE: 4/1/01
PROJ. DAYS/DAYS F/ SPUD: -
MUD WEIGHT: -

5/18/01

AART: Swab testing Desert Creek.

Last 24 hours: Opened well, SITP 100 psi, blew down. RU swab, RIH to FL @ 4100'. Swabbed from SN. Scattered fluid @ 5100' last 3 runs. Average 20% oil cut last runs. Slight to mild blow during & after fluid recovery. Made hourly runs after 3rd run, total of 12 runs. Recovered 31.5 BF, estimated 11 BO, 20.5 BW, leaving 39.7 BW past LTR. Wtr @ 10.2 ppg. SIW. SDFN.

5/19/01

AART: Swab testing Desert Creek.

Last 24 hours: Opened well, SITP 100 psi, blew down. RU swab, RIH to FL @ 4300'. Swabbed from SN - 7 runs. Scattered fluid @ 5000' last 4 runs. Average 20% oil cut last runs. Slight to occasional mild blow after fluid recovery. Made hourly runs after 1st run. Recovered 15.4 BF, estimated 4.55 BO, 10.85 BW, leaving 50.6 BW past LTR. Total 49.95 BO estimated. SIW.

5/20/01

AART: No activity.

Last 24 hours: No activity @ wellsite. SIW. SITP 100 psi @ 9 a.m..

5/21/01

AART: SI f/BU.

Last 24 hours: No activity @ wellsite. SIW. Checked gauge, found well dead, replaced gauges. Opened well – dead. SIW.

WELL NAME:	TORREYS FEDERAL #43-12
WELL TYPE:	COMPLETING - Exploratory
LOCATION:	NE SE Section 12-T40S-R22E - San Juan County, Utah
FIELD:	Wildcat
API NO.:	43-037-31807
AFE NO.:	UT525910
AFE COST:	\$411,395 - Dry Hole
CURRENT AFE COST:	\$656,230 - Total Drill & Complete
DAILY TOTAL COST:	\$4,281
TOTAL COST TO DATE:	\$831,637
PROPOSED TARGET:	Desert Creek/5614'
PROPOSED TD:	5790' MD
DEPTH/24 HR FOOTAGE:	5758' PBSD
SPUD DATE:	4/1/01
PROJ. DAYS/DAYS F/ SPUD:	-
MUD WEIGHT:	-

5/22/01

AART: RDMO. SIW.

Last 24 hours: WO crew. SITP 150 psi. Opened well, blew down. RU swab, made 6 runs, last 5 from SN. IFL @ 3100', FFL @ 5000'. Recovered 25.6 BF, estimated 15-20% oil cut last 5 runs. Estimated 9.4 BO, 16.2 BW. RD swab, equalized pkr. Released pkr, ND BOP's. Landed tbg @ 5613' w/22M comp. NU WH w/2-1/16" 5M FO gate valve. Loaded annulus w/2% KCL equivalent. PT'd to 1000 psi. RU swab, swabbed 21 bbls load wtr, continued w/FL @ 5000'. Made 3 runs from the SN. Recovered 4.2 BF, estimated 20% oil cut for 1 BO, 3.2 BW. SIW. SDFD.

WELL NAME: TORREYS FEDERAL #43-12
WELL TYPE: COMPLETING – Exploratory
LOCATION: NE SE Section 12-T40S-R22E – San Juan County, Utah
FIELD: Wildcat
API NO.: 43-037-31807
AFE NO.: UT525910
AFE COST: \$411,395 – Dry Hole
CURRENT AFE COST: \$656,230 – Total Drill & Complete
DAILY TOTAL COST: \$2,905
TOTAL COST TO DATE: \$834,542
PROPOSED TARGET: Desert Creek/5614'
PROPOSED TD: 5790' MD
DEPTH/24 HR FOOTAGE: 5758' PBD
SPUD DATE: 4/1/01
PROJ. DAYS/DAYS F/ SPUD: -
MUD WEIGHT: -

5/23/01

AART: Finished RDMO. SIW.

Last 24 hours: SITP 100. RDMO. Cleaned flat tank. Moved out equipment. WO 2nd stimulation proposal. FINAL REPORT until further work.

The form below is formatted to fit a single page in EXCEL 5.0 or newer.

This TEXT appears to run over but shouldn't. If you have problems with it, please call Gary Strong at the WOGCC (307) 234-7147.

FORM 3160-4
(July, 1992)

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

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

UTU-56794

6. INDIAN ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT

NA

8. FARM OR LEASE NAME

Torreys Federal #43-12

9. API WELL NO.

43-037-31807

10. FIELD NAME

Wildcat

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

Section 12-T40S-R22E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

TYPE OF WELL

OIL WELL GAS WELL DRY OTHER _____

TYPE OF COMPLETION

NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RES. OTHER _____

Stone Energy, L.L.C.

3. ADDRESS OF OPERATOR

1670 Broadway, Suite 2800 - Denver, CO 80202

4. LOCATION OF WELL, Show quarter-quarter description and footage measurements

At surface 2332' FSL & 976' FEL

At top prod. interval, reported below

Same As Above

At total depth Same As Above

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

13. STATE

15. DATE SPUDDED

4/1/01

16. DATE T.D. REACHED

4/27/01

17. DATE COMPL. (Ready to Prod.)

6-28-01

18. ELEVATIONS (DF, RKB, RT, GR, etc.)*

4543' GR - 4555' KB

19. ELEV. CASINGHEAD

20. Total Depth (MD & TVD)

5816'

21. Plug back T.D. (MD & TVD)

22. If Multiple Compl., How Many*

23. ROTARY TOOLS

0-5816'

CABLE TOOLS

24. PRODUCING INTERVAL (S), THIS COMPLETION, TOP, BOTTOM, NAME (MD & TVD)

NA

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN (Circle those filed)

See Page 2 for details

27. Was Well Cored
Yes

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

CASING SIZE	WEIGHT LB/FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	32#	1535'	12-1/4"	400 sxs Premium Lite, 390 sxs Class "G"	None
5-1/2"	15.5#	5806'	7-7/8"	1st Stage - 50 sxs lead slurry, 225 sxs tail slurry. 2nd Stage - 1000 sxs lead slurry, 50 sxs tail slurry.	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
NA					NA		

31. PERFORATION RECORD (Interval, size, and number)

Desert Creek
5686-5695'
3-3/8" ESC, 2 spf, 180 degree phasing

32. ACID, SHOT, FDepth Set (MD)

DEPTH INTERVAL (MD)	Amnt. & Kind of Material Used
	See Page 2 for details

33. PRODUCTION

DATE FIRST PRODUCTION	Producing Method (Flowing, gas, lift, pumping- size & type of pump)	WELL STATUS (pro prod. or shut-in)					
NA		PA					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD.N. FOR TEST PERIOD	OIL, BBLs	GAS, MCF	WATER- BBL	GAS-OIL RATIO
FLOW TUBING PRESS.	CASING PRESSURE	CALCULATED 24- HOUR RATE	OIL, BBLs	GAS, MCF	WATER- BBL	OIL GRAVITY- API	
		>>>-->					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, ect.)

Test Witnessed By

35. LIST OF ATTACHMENTS

None

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

SIGNED Jerry L. Hoffman TITLE Engineering Technician

DATE 7/24/01

*See Instructions and Spaces for Additional Data on Reverse Side

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DIVISION OF
OIL, GAS AND MINING

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

TOP	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	MEAS. DEPTH	TOP	TRUE VERT. DEPTH
			<p>Log Description <i>Rec'd</i></p> <p>Dual Laterolog <i>Rec'd</i></p> <p>Spectral Density-Dual Spaced-Neutron</p> <p>Acoustic Cement Bond <i>-5-17-08</i></p> <p>CAST-V Casing Inspection</p> <p>MRIL Analysis MRIAN</p> <p>Low Frequency Diphole Sonic Semblance Plot</p> <p>Rockxpert Mechanical Rock Properties Log</p> <p>Enhanced EMI Presentation</p> <p>Acid Job</p> <p>Desert Creek (5686-6695)</p> <p>Treated w/2000 gals MSR 100 acid, 15% HCL containing 2 gpt A281 corrosion inhibitor, 1 gpt L55 clay stabilizer, 10 gpt 158 Fe stabilizer, 10 gpt U100 mutual solvent, 2 gpt W34 Non-emulsifier as follows: Spotted 500 gals acid in 60 gal foam to perfs w/45,000 scf N2. Pumped N2 @ 1200 scfm, formation broke @ 4020 psi. SD 15 minutes - 5 minutes 3347, 10 minutes 3233, 15 minutes 3031. Bled back N2 to pit. Pumped 1500 gals acid, attempted to displace w/N2. N2 pump not recording down hole rate or pumping. Apparently bypassing in surface valving. Displaced w/34.4 bbbls 2% KCL wtr. Pumped @ 2.5 decreased to 1.25 bpm.</p> <p>Desert Creek (5686-6695)</p> <p>Loaded tubing w/250 gals 15% HCL cont 5 gpt FE-300L, 2 gpt CI-25, 2 gpt NE-940, started pad consisting of 9000 gals 25# linear gel, containing 2.5 ppt GW-27, 1 ppt GBW-5. Tubing loaded 20 bbbls into pad. Pressure tested annulus to 2000 psi SIC & monitored. Continued job w/9000 gals Aspen 7015 containing 10 gpt E-30, 5 gpt FE-3001 & got CI-25, 1 gpt FRO-18. Overflushed 5 bbbls w/40.5 bbbls 9.5# produced wtr. Pumped job in 2 stages w/4500 each. Linear gel followed by 4500 Aspen 7015.</p>			
38.	GEOLOGIC MARKERS	NAME		MEAS. DEPTH	TOP	TRUE VERT. DEPTH
		Honaker Trail		4448'		
		Paradox Shale		5434'		
		Lower Ismay		5549'		
		Desert Creek		5642'		
		Chimney Rock Shale		5754'		
			Pages 2 Torreys Federal #43-12			

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

FORM APPROVED
OMB No. 1004-0135
Expires: July 31, 1996

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

5. Lease Serial No. UTU-56794
6. If Indian, Allottee, or Tribe Name NA
7. If Unit or CA. Agreement Designation NA
8. Well Name and No. Torreys Federal #43-12
9. API Well No. 43-037-31807
10. Field and Pool, or Exploratory Area Wildcat/Desert Creek
11. County or Parish, State San Juan County, UT

SUBMIT IN TRIPLICATE- Other Instructions on the reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Stone Energy, L.L.C.	
3a. Address 1670 Broadway, Suite 2800 - Denver, CO 80202	3b. Phone No. (include area code)
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2332' FSL & 976' FEL Section 12-T40S-R22E	

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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-off	
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal		

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

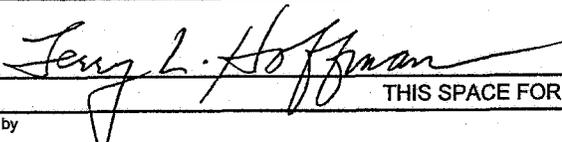
The above mentioned well was Plugged & Abandoned 6/28/01. Plugging procedure is as follows:

Set cement retainer @ 5650'. 1st plug @ 5650', pumped 35 bbls pre-flush followed w/50 sxs Neat cement, displaced w/35 sxs below retainer. Stung out of retainer & left 15 sxs Neat cement on top of retainer. TOOH to 1629' to cement 2nd plug from 1629-1272'. Cemented 2nd plug w/40 sxs Neat cement, balanced plug & TOOH, ND BOP's & wellhead. Cemented 3rd plug from 103' to surface w/15 sxs Neat cement. Placed dryhole marker.

All plugs witnessed by Jerry Brown with the BLM.

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AUG 06 2001

14. I hereby certify that the foregoing is true and correct. Name (Printed/ Typed) Terry L. Hoffman		Title Engineering Technician	DIVISION OF OIL, GAS AND MINING
Signature 		Date 7/24/2001	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by	Title	Date	
Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office		

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