

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

5. Lease Designation and Serial Number: **ML-29914**

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

7. Unit Agreement Name: **N/A**

8. Farm or Lease Name: **GRAYS STATE**

9. Well Number: **42-2**

10. Field and Pool, or Wildcat: **WILDCAT**

11. Qtr/Qtr, Section, Township, Range, Meridian: **SENE 2-40S-22E SLBM**

12. County: **SAN JUAN** 13. State: **UTAH**

14. Distance in miles and direction from nearest town or post office: **6 AIR MILES NE OF BLUFF**

15. Distance to nearest property or lease line (feet): **1208'** 16. Number of acres in lease: **640** 17. Number of acres assigned to this well: **40**

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): **3822'** 19. Proposed Depth: **5,650'** 20. Rotary or cable tools: **ROTARY**

21. Elevations (show whether DF, RT, GR, etc.): **4,495' UNGRADED** 22. Approximate date work will start: **DEC. 1, 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"	8-5/8" J-55	24#	1,500'	790 sx Class G et al
7-7/8"	5-1/2" K-55	15.5#	5,650'	465 sx Class G et al

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.

Request exception because of geology (location was picked based on 3-D seismic project run earlier this year), topography (Recapture Wash eats up much of window), and archaeology (well has been moved from preferred location due to archaeology). Exception is to a quarter-quarter line (112' instead of  $\geq 460'$ ), not to a well.

Orthodox well could be drilled at 2098 FN & 960 FE 9-12s-10e, but it would be in a wash and of marginal quality. Request permission to drill at 2098' FNL & 1208' FEL 2-40s-22e. This is the only well in the quarter section. There are no producing wells within 3,822'. Wells (see Page 11) could be drilled in 8 offsetting units. Basin is owner of all drilling units and leases within minimum 1208' radius of proposed well.

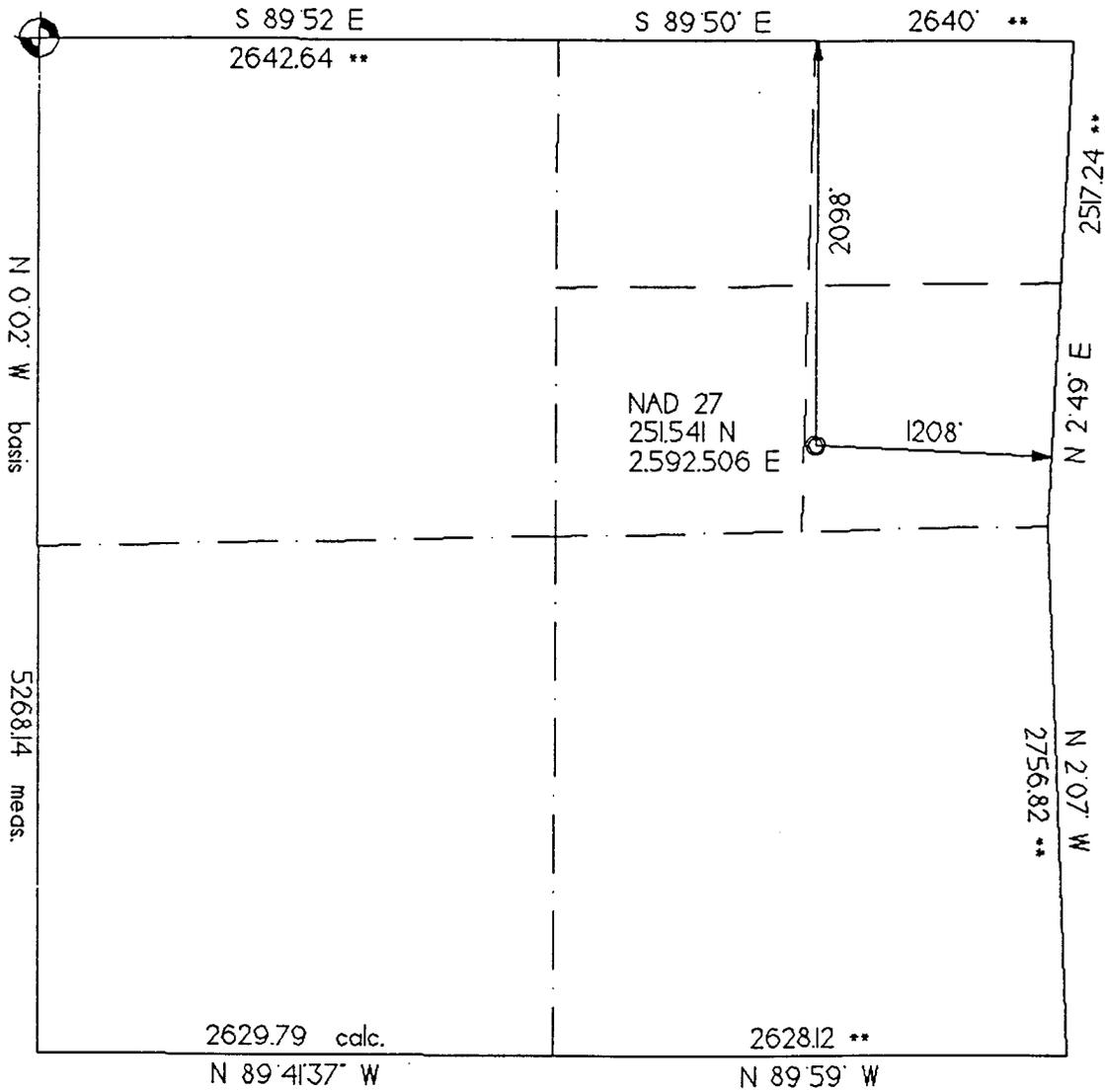
**RECEIVED**

NOV 20 2000

24. Name & Signature: *Brian Wolf* (505) 466-8120 Title: CONSULTANT DIVISION OF OIL, GAS AND MINING 19-00

(This space for State use only)  
API Number Assigned: 43-037-31809

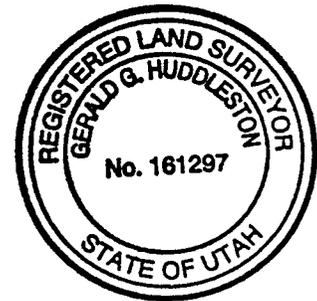
Approval: **Approved by the Utah Division of Oil, Gas and Mining** cc: Gentry  
Date: 2-15-01  
By: *[Signature]*



1" = 1000'  
 brass cap  
 \*\* from BLM 1983  
 rotation angle 1:09:47

Well Location Description

BASIN EXPLORATION, INC.  
 GRAYS STATE 42-2  
 2098' FNL & 1208' FEL  
 Section 2, T.40 S., R.22 E., SLM  
 San Juan County, UT  
 4495' grd. el. (from GPS)



12 November 2000

*Gerald G. Huddleston*

Gerald G. Huddleston, LS

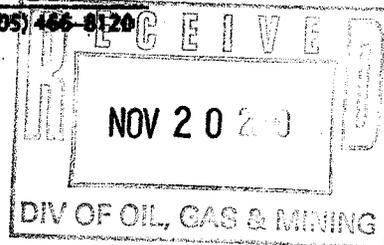
The above is true and correct to my knowledge and belief.

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87505

(505) 466-8120



**Fax Transmittal Cover**

**From: GREG KLEIN**

**Permits West, Inc.**

**Phone: (505) 466-8120**

**Fax: (505) 466-9682**

**To: LESHIA CORDOVA**

**Date: 11/20/00**

**Office: UTAH DIVISION OF OIL, GAS, & MINING**

**Fax No. 801-359-3940**

**Total Pages: 1**

**Comments:**

Hi Leshia,

Here is the state bond # for Basin Exploration for Utah:

RLD 000 2054

*B* *Le*

It is a "blanket bond".

Brian dropped the APDs this afternoon at the Division office.

Please call if you have any questions.

*- GKG*

## Drilling Program

### 1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>TVDDepth</u>	<u>KB Depth</u>	<u>Subsea El.</u>
Entrada/Carmel Ss	0'	12'	4,495'
Navajo Ss	198'	224'	4,297'
Chinle Sh	1,268'	1,294'	3,227'
Cutler Ss	2,336'	2,362'	2,159'
Organ Rock Sh	2,402'	2,428'	2,093'
Hermosa	4,368'	4,394'	127'
Hatch Sh	5,222'	5,248'	-727'
Upper Ismay	5,272'	5,298'	-777'
Hovenweep Sh	5,387'	5,413'	-892'
Lower Ismay	5,393'	5,419'	-898'
Gothic Sh	5,428'	5,454'	-933'
Desert Creek	5,453'	5,479'	-958'
Chimney Rock Sh	5,577'	5,603'	-1,082'
Akah Sh	5,605'	5,631'	-1,110'
Total Depth (TD)*	5,650'	5,662'	-1,155'

\* all elevations reflect the proposed graded ground level of 4,495'

### 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. 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.

Basin Exploration, Inc.  
Grays State 42-2  
2098' FNL & 1208' FEL  
Sec. 2, 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.

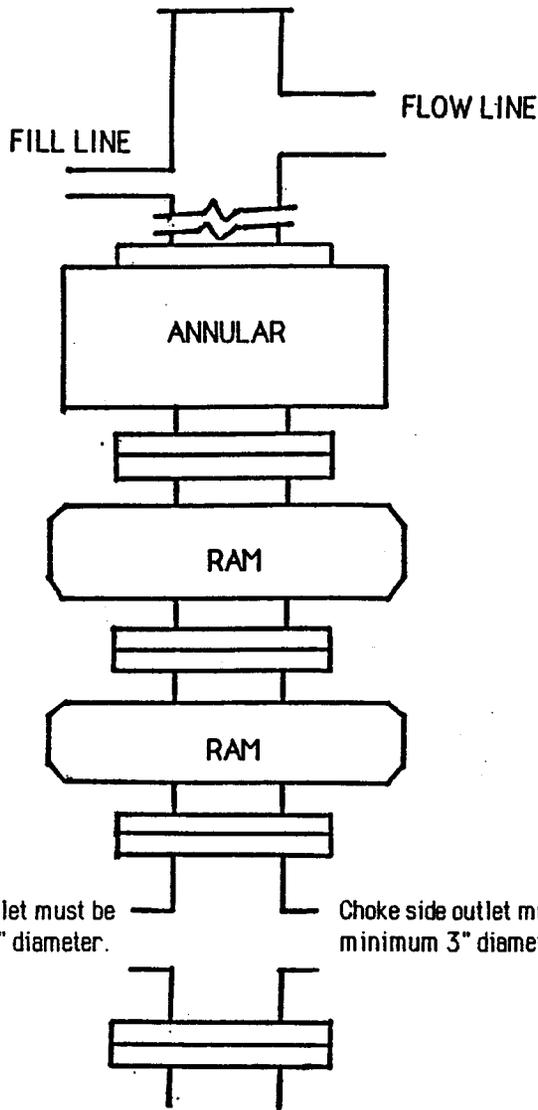
BOP controls will be installed before drilling the surface casing plug, and will stay in use until the well is completed or P&A. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. All BOP mechanical and pressure tests will be recorded 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	1,500'
7-7/8"	5-1/2"	15.5 #/ft	K-55	LT&C	New	5,650'

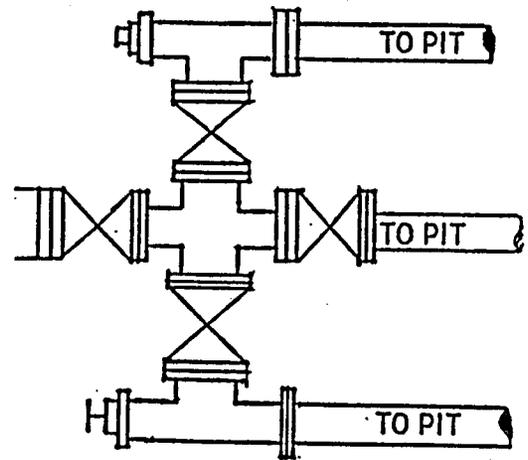
Surface casing will be cemented to the surface with 400 sx Premium Lite with 2% CaCl<sub>2</sub> + 1/4 #/sk celloflake + 8% bentonite (= 12.0 ppg and 2.27 cf/sk) and 390 sx Class G with 2% CaCl<sub>2</sub> + 1/4 #/sk celloflake (= 15.8 ppg and 1.16 cf/sk). Volumes are calculated at 100% excess. Centralizers 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 285 sx Premium Lite with 0.4% retarder + 0.3% sodium metasilicate + 10% bentonite (= 11.0 ppg and 3.15 cf/sk) and 180 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'.



TYPICAL BOP STACK  
& CHOKES 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 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.

Basin Exploration, Inc.  
Grays State 42-2  
2098' FNL & 1208' FEL  
Sec. 2, T. 40 S., R. 22 E.  
San Juan County, Utah

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#### 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  $\approx$ 2,220 psi.

#### 8. OTHER INFORMATION

The anticipated spud date is December 1, 2000. It is expected it will take  $\approx$ 2 weeks to drill and  $\approx$ 2 weeks to complete the well.

Basin Exploration, Inc.  
Grays State 42-2  
2098' FNL & 1208' FEL  
Sec. 2, T. 40 S., R. 22 E.  
San Juan County, Utah

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## Surface Use Plan

### 1. DIRECTIONS & EXISTING ROADS (See Pages 10 & 11)

From the junction of U-163 & U-262 in Montezuma Creek ...  
Go W 9.5 miles on U-163  
Then turn right onto County Road 2401 and go N 1.0 mile  
Then turn left onto County Road 217 and go W 0.45 miles  
Then turn right onto County Road 249 and go N 1.7 miles  
Then turn right at an oil well on slick rock and go NE 0.5 miles to a LA well  
Continue NE 0.4 miles on a seismic trail  
Then switchback down a hill and go N 0.4 mi. on a flagged route to the well

Roads will be maintained to a standard at least equal to their present condition.

### 2. ROAD TO BE BUILT (See Page 11)

The final 0.8 mi. of road from the LA well to the new well will be built. There will be no deviation from the route due to the presence of archaeology sites.

The final 1.3 mi. of access will be flat bladed with a 16' wide running surface. Maximum disturbed width will be 50'. Topsoil will be windrowed by the side. Low water crossings will be used. Maximum cut or fill is 10'. Maximum grade is 10%. No culvert, cattleguard, or turnout is needed.

If the well is a producer, the final 1.3 mi. of access will be upgraded within 60 days of dismantling the rig. Drainage will be controlled by using topography, ditch turnouts, dips, out sloping, crowning, low water crossings, gravel, and culverts.

Basin Exploration, Inc.  
Grays State 42-2  
2098' FNL & 1208' FEL  
Sec. 2, T. 40 S., R. 22 E.  
San Juan County, Utah

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### 3. EXISTING WELLS (See Page 11)

There are two oil wells, one plugged and abandoned well, and no existing 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. 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

Basin has filed 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).

### 6. CONSTRUCTION MATERIALS & METHODS (See Pages 12 & 13)

Dirt contractor will notify archaeologist (CASA at 970-565-9229) before construction starts. Archaeologist will erect a single strand wire fence between the pad and nearby archaeology sites.

Topsoil and brush will be stripped and stockpiled north of the reserve pit. Rock will be hauled from an existing approved source off state land.

The reserve pit 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.

Basin Exploration, Inc.  
Grays State 42-2  
2098' FNL & 1208' FEL  
Sec. 2, T. 40 S., R. 22 E.  
San Juan County, Utah

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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.

#### 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. It will be hauled to the county landfill. There will be no trash burial or burning.

#### 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 12 & 13 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.

Basin Exploration, Inc.  
Grays State 42-2  
2098' FNL & 1208' FEL  
Sec. 2, T. 40 S., R. 22 E.  
San Juan County, Utah

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#### 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

#### 11. SURFACE OWNER

All new construction is on lease and ~~on-state land~~.

X2/7 Federal Surf. per SITLA  
& BLM.  
lc

#### 12. OTHER INFORMATION

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.

Basin Exploration, Inc.  
Grays State 42-2  
2098' FNL & 1208' FEL  
Sec. 2, T. 40 S., R. 22 E.  
San Juan County, Utah

PAGE 9

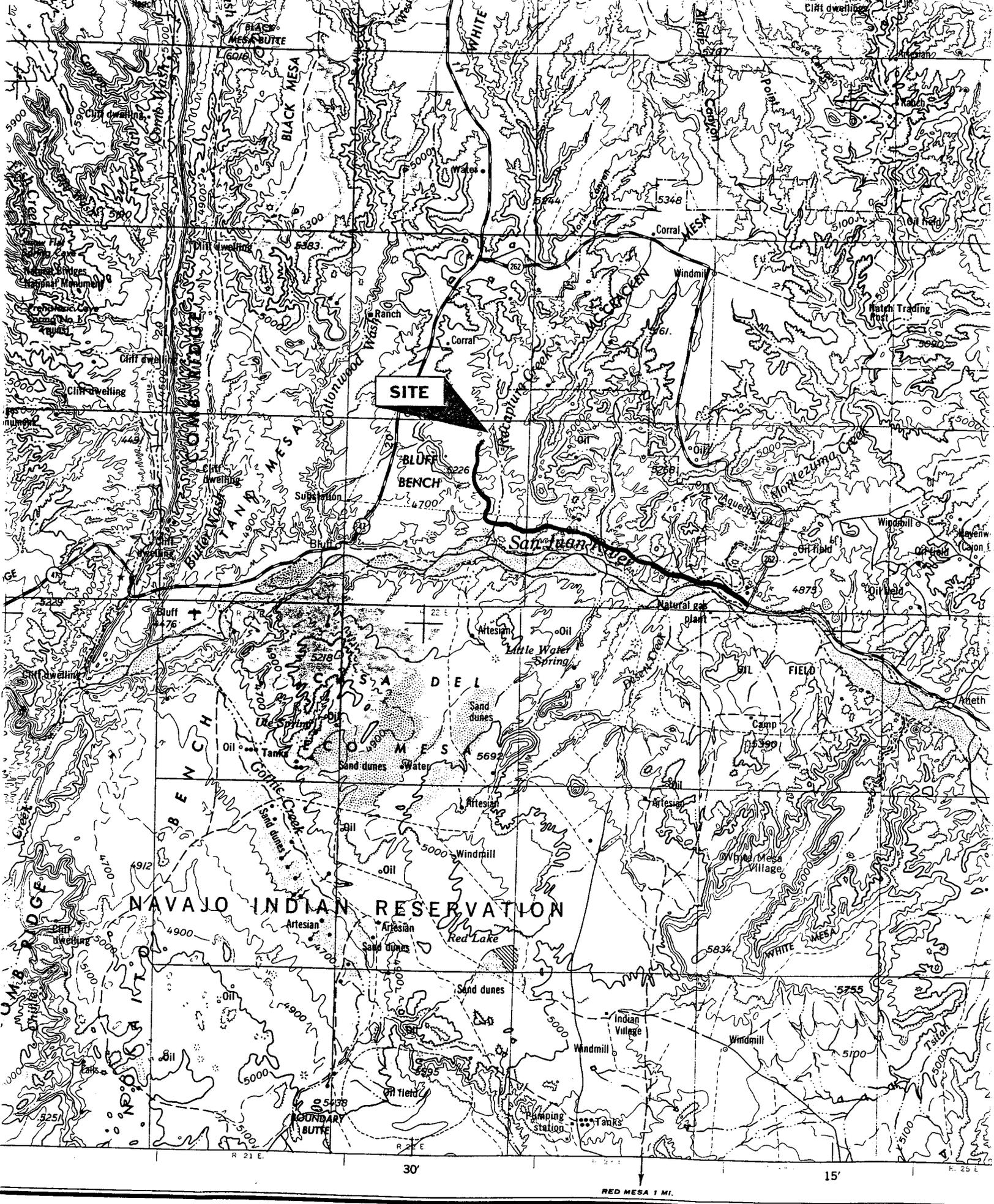
### 13. REPRESENTATION

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

The field representative will be:

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



**SITE**

**NAVAJO INDIAN RESERVATION**

**LEGEND**

Figures in red denote approximate distances in miles between stars

POPULATED PLACES

Over 500,000

**LOS ANGELES**

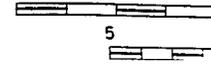
ROADS

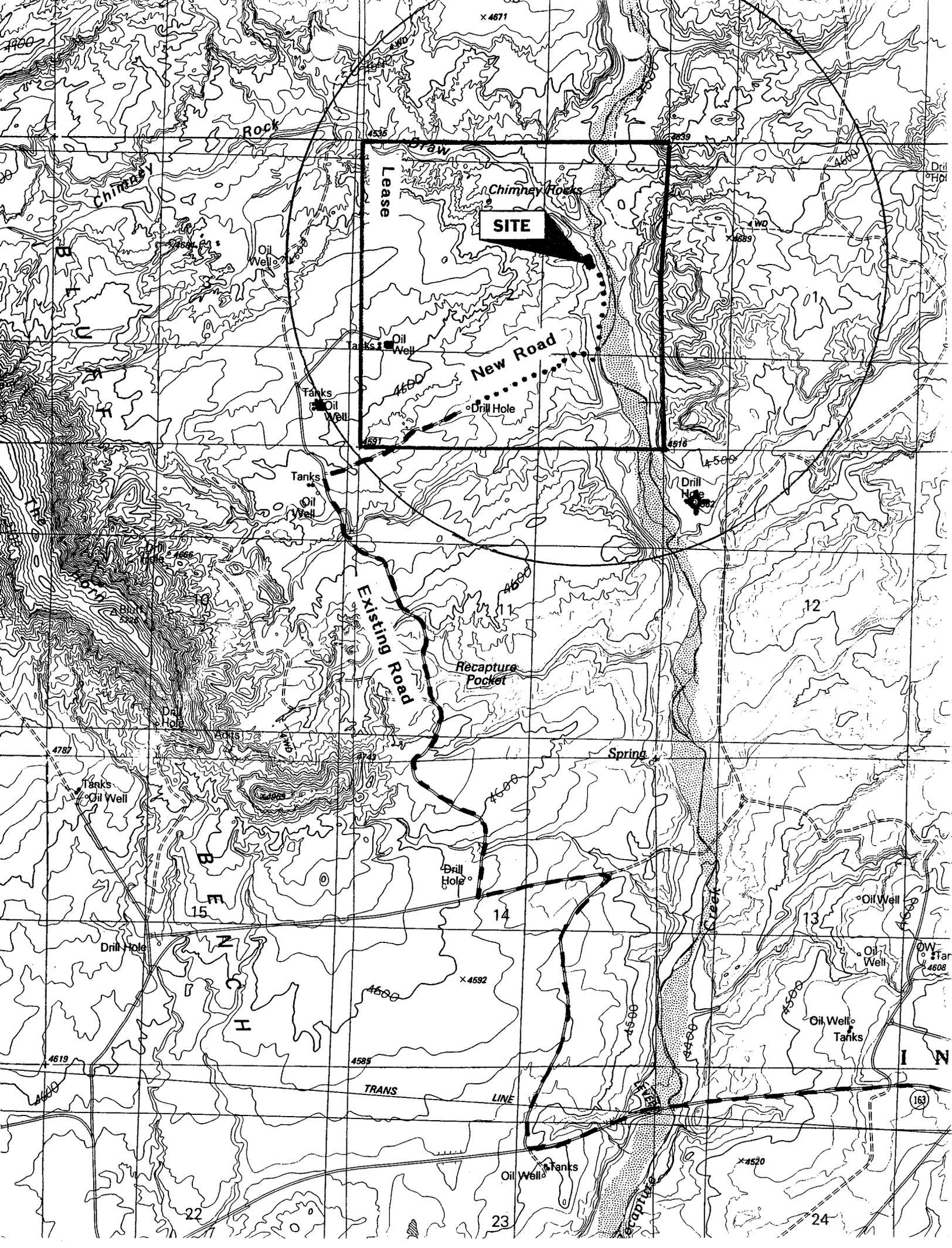
Primary, all-weather, hard surface

Secondary, all-weather, hard surface

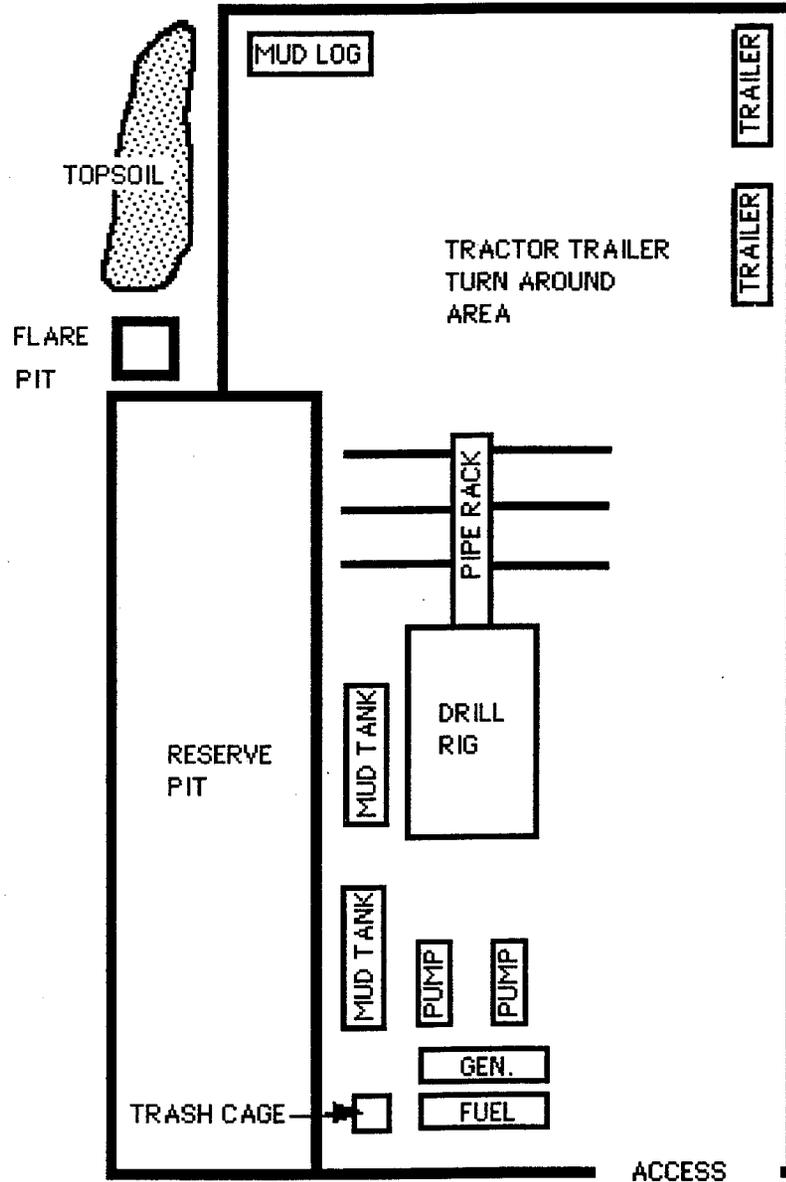
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Basin Exploration, Inc.  
Grays State 42-2  
2098' FNL & 1208' FEL  
Sec. 2, T. 40 S., R. 22 E.  
San Juan County, Utah



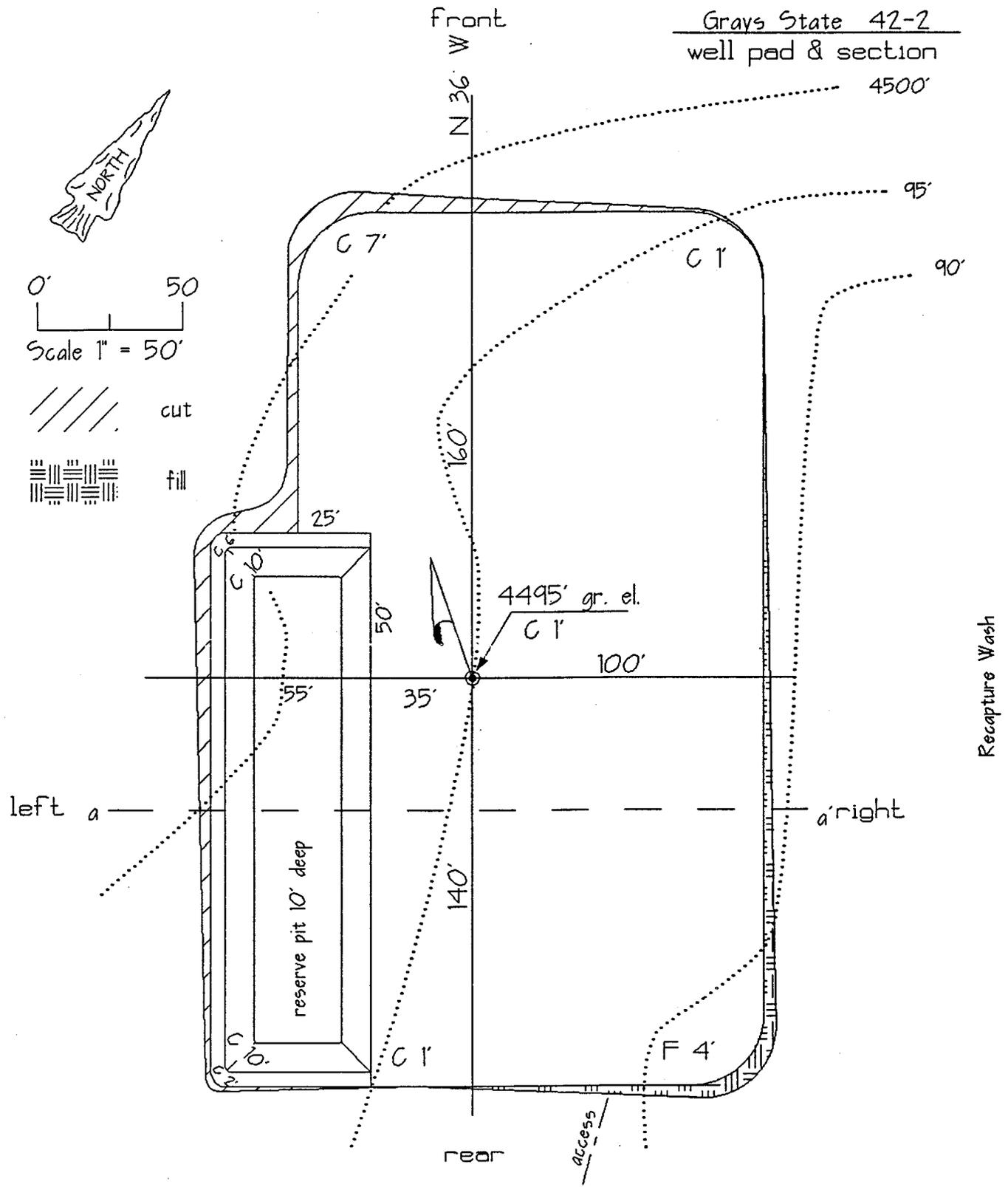
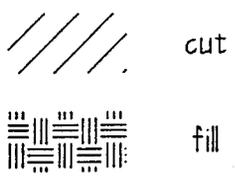
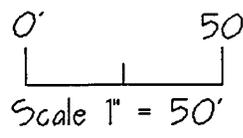
NORTH



1" = 50'

Grays State 42-2  
well pad & section

4500'



Recapture Wash

a

Cross section

a'



**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/20/2000

API NO. ASSIGNED: 43-037-31809

WELL NAME: GRAYS STATE 42-2

OPERATOR: ~~BASIN EXPLORATION INC ( N5070 )~~ Stone Energy LLC

CONTACT: BRIAN WOOD, AGENT

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

SENE 02 400S 220E  
 SURFACE: 2098 FNL 1208 FEL  
 BOTTOM: 2098 FNL 1208 FEL  
 SAN JUAN  
 UNDESIGNATED ( 2 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	RAM	2/7/01
Geology		
Surface		

LEASE TYPE: 3- State  
 LEASE NUMBER: ML-29914  
 SURFACE OWNER: ~~3- State~~ 4- Federal

PROPOSED FORMATION: IS-DC

RECEIVED AND/OR REVIEWED:

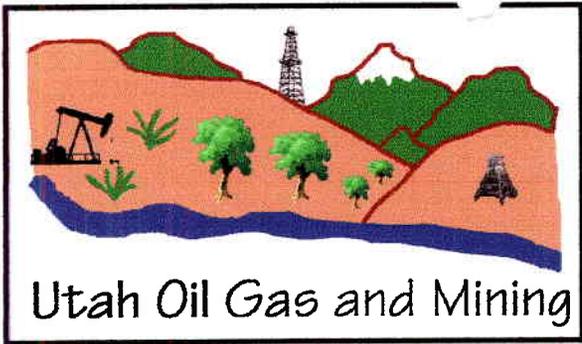
- Plat
- Bond: ~~Fee~~ Ind[] Sta[3] Fee[]  
(No. RLB0002054 eff. 6/2000)
- Potash (Y/N)
- Oil Shale (Y/N) \*190-5 (B) or 190-3
- Water Permit  
(No. 09-1419 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

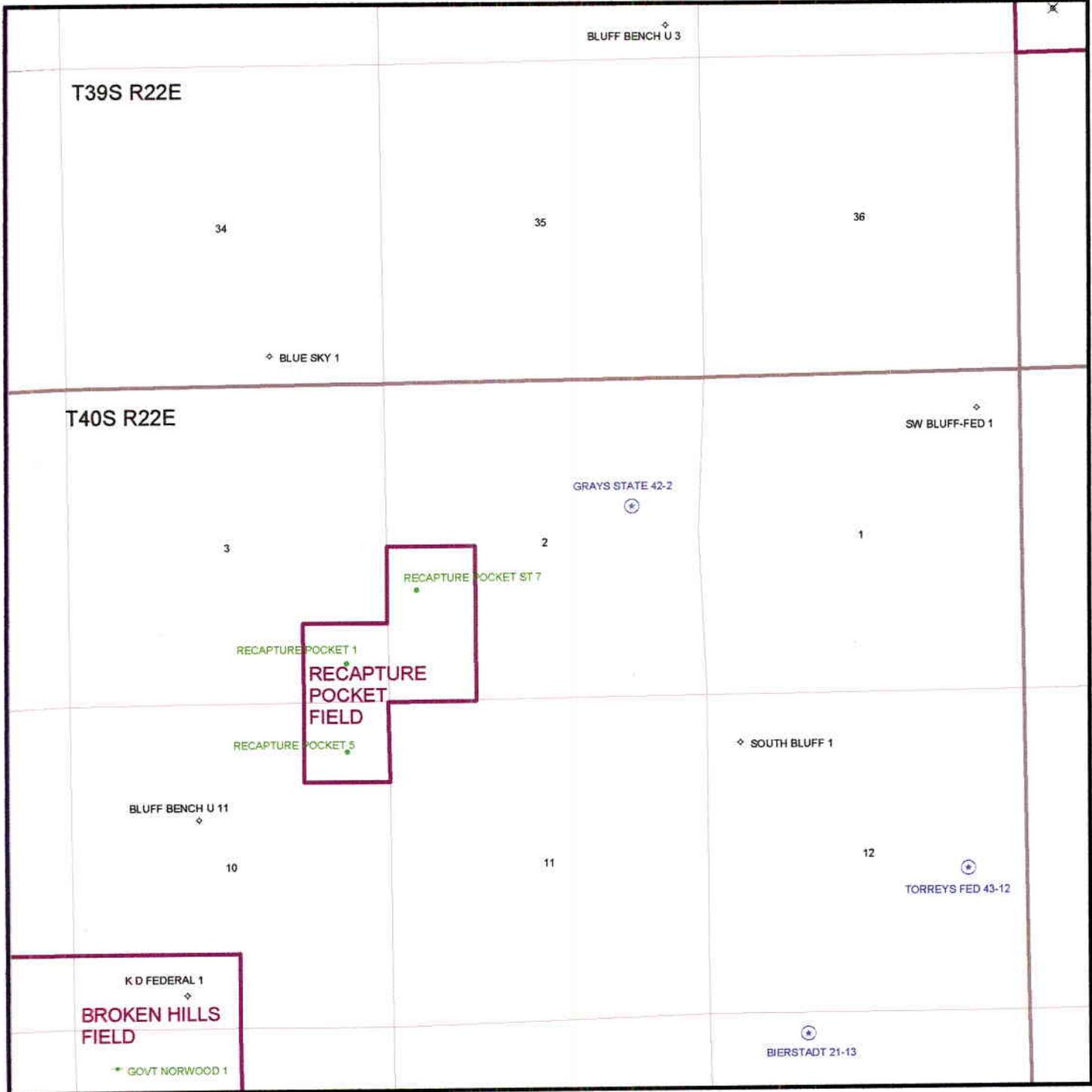
- R649-2-3. Unit \_\_\_\_\_
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: \_\_\_\_\_
- Eff Date: \_\_\_\_\_
- Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS: Need permits. Surf. Federal per SITLA & BLM 2/7/01.  
(50%) Lease to Basin eff. 2-7-2001. Desig. Op. for remaining lease eff. 1/2001.  
BLM ROW WTH-78631 eff. 2/2001. Lease & Bond Rides to Stone Energy/SITLA 2/15/01.

STIPULATIONS: ① STATEMENT OF BASIS



OPERATOR: BASIN EXPLORATION INC (N5070)  
 FIELD: UNDESIGNATED (002)  
 SEC. 2, T40S, R22E,  
 COUNTY: SAN JUAN SPACING: R649-3-3/EX LOC



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: ML-29914
2. NAME OF OPERATOR: BASIN EXPLORATION, INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1670 BROADWAY CITY DENVER STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2098' FNL & 1208' FEL		8. WELL NAME and NUMBER: GRAYS STATE 42-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 40S 22E		9. API NUMBER: 43-037-31809
COUNTY: SAN JUAN		10. FIELD AND POOL, OR WILDCAT: WILDCAT
STATE: UTAH		

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

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

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

Gas will be piped southeast ≈20,592.53' to ultimately tie into an El Paso pipeline. Only first 3,456.58' are on State land, all of which is on lease. Remainder is on BLM for which right-of-way application will be filed. Pipe will be a ≈4" OD welded steel pipeline laid on the surface, except where crossing Recapture Wash. Wall thickness will be 0.109". Operating pressure will be ≈300 psi. Burst pressure is ≈1,530 psi. Pipe will be tested with gas to ≈500 psi before use. Test gas will discharge into the existing pipe.

Route archaeologically inspected by Complete Archaeological Service Associates. CASA report 00-125 filed January 2, 2001.

Accepted by the  
Utah Division of  
Oil, Gas and Mining

cc: Gentry

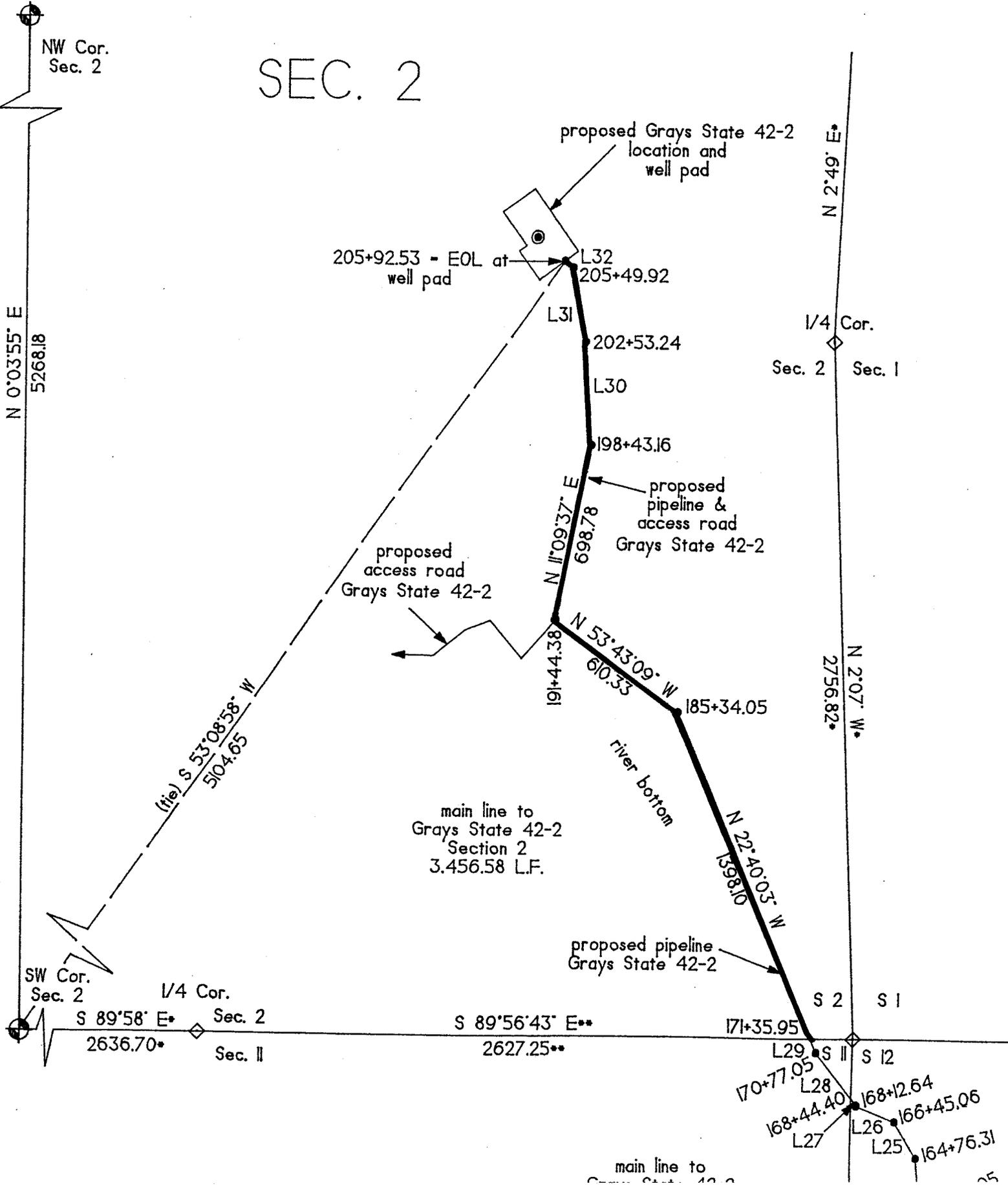
COPY SENT TO OPERATOR  
Date: 1-23-01  
Initials: CHD

Date: 1/23/01  
By: RAUM

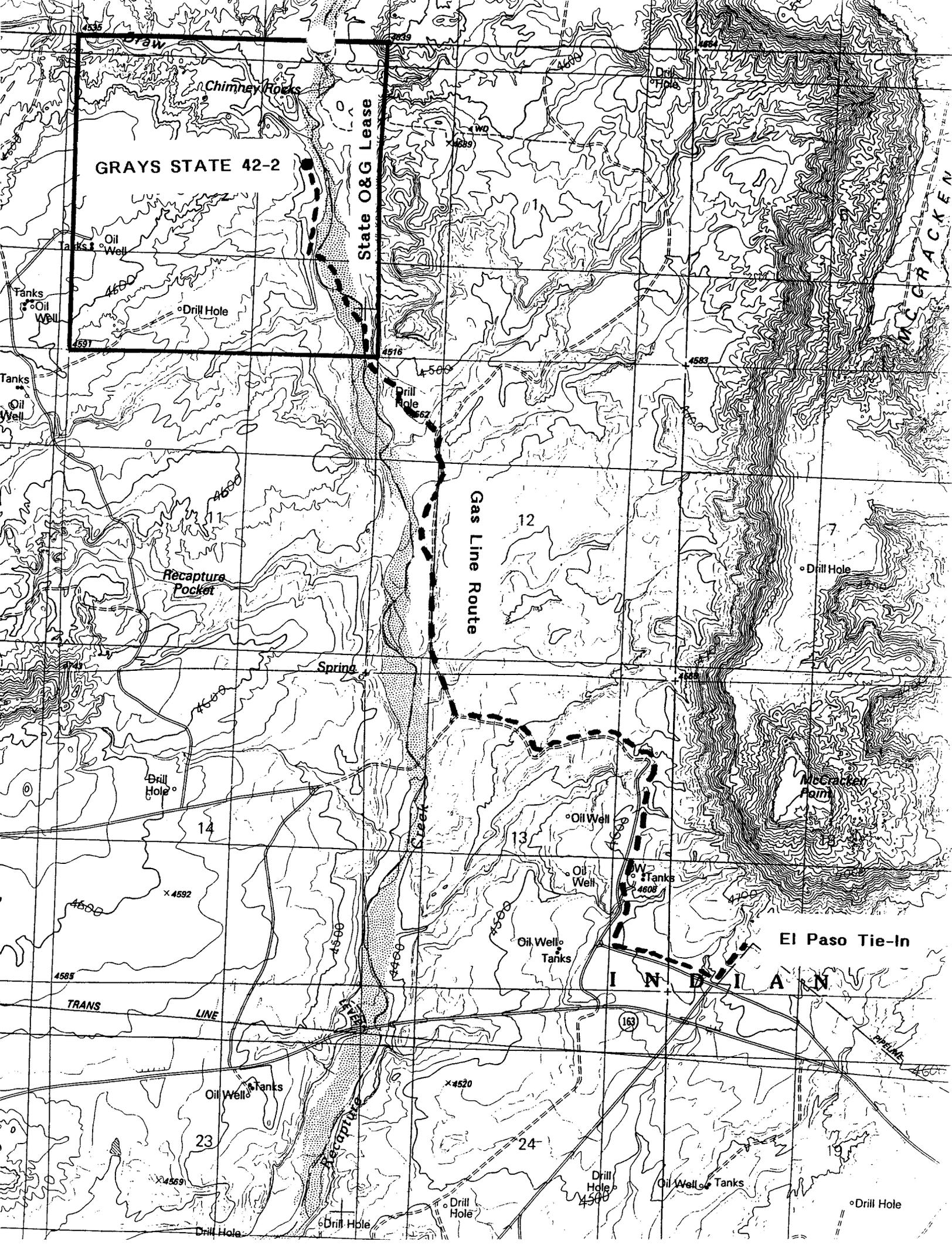
NAME (PLEASE PRINT) BRIAN WOOD TITLE CONSULTANT  
SIGNATURE Brian Wood DATE 1/19/2001

(This space for State use only)

# SEC. 2



main line to  
Grays State 42-2





Stone Energy, L.L.C.  
Suite 2800  
1670 Broadway  
Denver, Colorado 80202-4801  
Telephone: (303) 685-8000  
Fax: (303) 685-8030

February 7, 2001

Bureau of Land Management  
U. S. Department of the Interior  
Wyoming State Office  
5353 Yellowstone Road  
Cheyenne, WY 82009

RE: Basin Exploration, Inc. Name Change

Ladies/Gentlemen:

Effective February 1, 2001, Basin Exploration, Inc., a Delaware corporation, has converted into Stone Energy, L.L. C., a Delaware limited liability company. Basin Exploration, Inc. is now, for all purposes, Stone Energy, L.L.C. Attached is an original Certificate of Conversion from the Secretary of State of the State of Delaware evidencing this conversion. Basin's corporate documents are kept in case file #WYW132016.

It is my understanding that by providing this documentation to the Wyoming State Office, which is where our bond and other corporate documents are filed, there is no need for us to notify other BLM State or District offices. If this is not the case, please let me know as soon as possible.

The address for Stone Energy, L.L.C. will remain 1670 Broadway, Suite 2800, Denver, Colorado 80202.

If you have any questions or if you need any further information to change your records, please contact me direct at (303) 685-8022. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Rhonda J. Deimer".

Rhonda J. Deimer  
Lease Records Supervisor

Enclosures

VIA AIRBORNE EXPRESS

*State of Delaware*  
*Office of the Secretary of State*      PAGE 1

---

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 CONVERSION OF A DELAWARE CORPORATION UNDER THE NAME OF "BASIN EXPLORATION, INC." TO A DELAWARE LIMITED LIABILITY COMPANY, 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 8100V

AUTHENTICATION: 0952442

010055393

DATE: 02-02-01

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

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  
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:

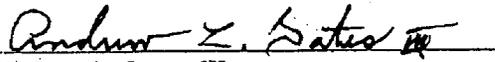
1209 Orange Street  
Wilmington, Delaware 19801

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Monticello Field Office  
P.O. Box 7  
Monticello, Utah 84535

[Redacted]  
(UT-090)

FEB 12 2001

Brian Wood, Consultant  
Basin Exploration, Inc.  
Permits West, Inc.  
37 Verano Loop  
Santa Fe, NM 87505

Dear Brian:

Enclosed are two copies of right-of-way grant offer UTU-78631, for an access road and surface facilities for the Grays State 42-2 well. Both copies of the right-of-way must be signed by an authorized officer of the company and returned to the address shown above. The grant should be reviewed carefully, as an authorized signature on the form implies concurrence with the terms and conditions listed therein.

Application processing and monitoring fees totaling \$375.00 were received by this office on November 24, 2000, in accordance with 43 CFR 2803.3-1. Rental for this right of way has been determined to be \$ 49.53 per year. Five year rental is required because annual rental is less than \$100 (43 CFR 2803.1-2(a)1). Total advanced rental on this right-of-way for a five year period is \$239.36. The payment for this rental should be sent with the signed grant.

The enclosed grant, and the authority to use the lands described in the document, become effective on the date they are signed by an authorized officer of the Bureau of Land Management. Once we have received the executed forms, an approved copy of the grant will be returned to you. You are allowed a period of 30 days from the receipt of this letter in which to submit the forms or notify this office if additional time will be necessary. Failure to do so within the time allowed may result in the rejection of you application.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error. Should you wish to file a petition for stay of the effectiveness of this decision during appeal review, please reference the enclosed instruction sheet attached to Form 1842-1.

OPTIONAL FORM 99 (7-99)

FAX TRANSMITTAL

# of pages 2

To <i>Craig Cline</i>	From <i>Maxine Decker</i>
Dept / Agency	Phone #
Fax # <i>mailed to you</i>	Fax # <i>Monday</i>

As this right-of-way and the others that Basin has applied for are on roads claimed by San Juan County under their class "D" system, we strongly encourage you to contact the San Juan County Road Department for an encroachment permit. Their phone number is (435) 587-3230.

If you have any questions pertaining to the grant or the stipulations and restrictions contained in the grant, please contact Maxine Deeter at (435) 587-1522.

Sincerely,

/s/ SHERWIN N. SANDBERG

Kent E. Walker  
Field Office Manager

Enclosures:

Right-of-Way Grant UTU-78631 (2 copies)  
Rent Calculation Sheet

MDecter:md 2/12/01 "Grants/Basin/UTU-78631/grant off"

**PERMITS WEST, INC.**  
**PROVIDING PERMITS for LAND USERS**  
 37 Verano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

**Fax Transmittal Cover**

**From: GREG KLEIN**

**Permits West, Inc.**

**Phone: (505) 466-8120**

**Fax: (505) 466-9682**

**To: LISHA CORDOVA**

**Date: ~~1/20/00~~ 2/14/01**

**Office: UTAH DIVISION OF OIL, GAS, & MINING**

**Fax No. 801-359-3940**

**Total Pages: 3**

**Comments:**

**Hi Lisha,**

**Here is the ROW from the BLM for the Grays's State 42-2.**

**Please call if you have any questions.**

*- GREG*



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF WILDLIFE RESOURCES

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

John Kimball  
Division Director

Southeastern Region  
475 West Price River Drive, Suite C  
Price, Utah 84501-2860  
435-636-0260  
435-637-7361 (Fax)

28 January 2001

Michael Hebertson  
Division of Oil, Gas & Mining  
1594 W. North Temple #1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

RE: UDWR comments on Grays State 42-2 well

<sup>Mike</sup>  
Dear Mr. Hebertson,

Thank you for soliciting review of the Grays State 42-2 well from the Utah Division of Wildlife Resources (UDWR). We have two concerns regarding the placement of this well: 1.) the protection of riparian habitat along Recapture Creek, which is essential to migratory songbirds and is very limited in this part of the state; and 2.) the potential for transport of hydrocarbons and other toxic materials downstream to the San Juan River where they could affect aquatic life, including the federally endangered Colorado Pikeminnow and Razorback Sucker. To alleviate both of these concerns, we request that the well and associated area of disturbance be placed above the 100yr flood plain. This will prevent contaminants from being transported downstream to the San Juan River during flood events, and protect important riparian habitat.

Thank you for the opportunity to review this action. If you have any questions regarding these comments, please contact Chris Colt (Habitat Biologist) at 435-636-0279.

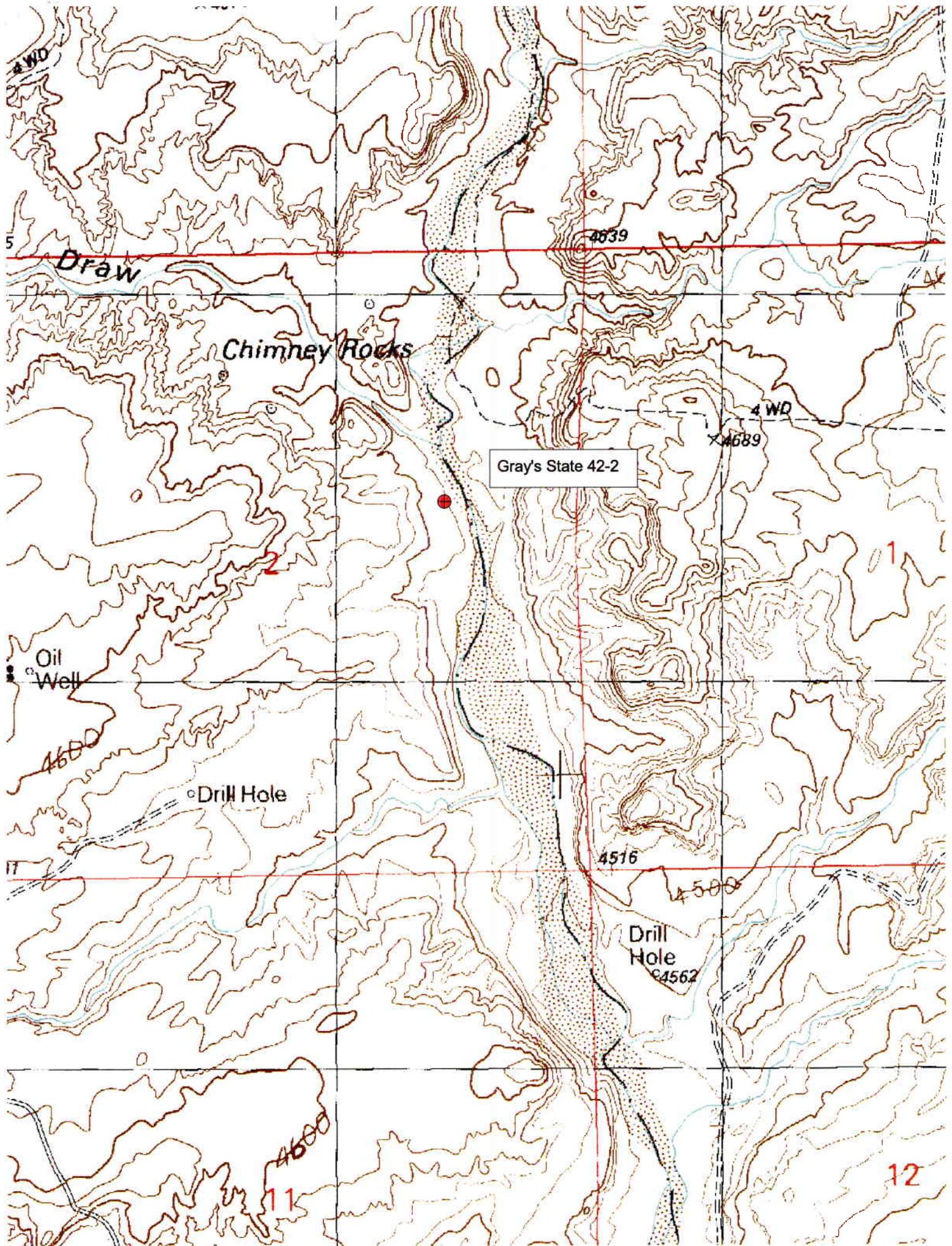
Sincerely,

  
Kevin Christopherson  
Regional Supervisor

RECEIVED

FEB 12 2001

DIVISION OF  
OIL, GAS AND MINING





**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**Operator Name:** Stone Energy LLC  
**Well Name & Number:** Grays State 42-2  
**API Number:** 43-037-31809  
**Location:** 1/4,1/4 SE/NE Sec. 2 T. 40S R. 22E

**Geology/Ground Water:**

Stone Energy has proposed setting 1,500' of surface casing in the proposed well. A search of records with the Division of Water Rights shows no underground water wells within 10,000' of the proposed location. The surface formation at this location is listed as the Entrada Sandstone. The Entrada and the Navajo Sandstone are known to be usable aquifers in this area. The proposed surface casing and cement should adequately protect these zones. The proposed production casing cement is predicted to overlap the surface casing and will isolate the Entrada and Navajo from deeper zones. The proposed drilling fluid will be fresh water based and should not detrimentally effect ground water.

**Reviewer:** Brad Hill  
**Date:** 02/15/2001

**Surface:**

Surface rights at the proposed location are owned by the Federal Government. Stone Energy is responsible for obtaining any rights-of-way or surface permits needed from the BLM.

**Reviewer:** Brad Hill  
**Date:** 02/15/2001

**Conditions of Approval/Application for Permit to Drill:**

None.

02-01 Basin ST 42-2

Casing Schematic

Surface

TOC @ 0.

w/ 25%  
WASH OUT

TOC @ 1106.

Surface 1500. MD

8-5/8"  
MW 8.9  
Frac 19.3

5-1/2"  
MW 9.2

Production 5650. MD

BOP

$.052(9.2)5650 = 2703$

$.12 5650 < 678 >$

ANTICIPATED SURFACE PRESSURE  $\approx 2025$  psi

3000 psi PREVENTER

ADEQUATE

RAM

w/ 10%

WASH OUT

Well name:	<b>02-01 Basin ST 42-2</b>	
Operator:	<b>Basin</b>	Project ID:
String type:	Surface	43-037-31809
Location:	Uintah Co.	

**Design parameters:**

**Collapse**

Mud weight: 8.900 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 86 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 185 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.478 psi/ft  
Calculated BHP 717 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.  
Neutral point: 1,300 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 5,650 ft  
Next mud weight: 9.200 ppg  
Next setting BHP: 2,700 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 1,500 ft  
Injection pressure 1,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1500	8.625	24.00	J-55	ST&C	1500	1500	7.972	72.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	694	1370	1.98	717	2950	4.12	36	244	6.78 J

Prepared R.A.McKee  
by: Utah Dept. of Natural Resources

Date: February 7,2001  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Collapse is based on a vertical depth of 1500 ft, a mud weight of 8.9 ppg The casing is considered to be evacuated for collapse purposes.  
Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>02-01 Basin ST 42-2</b>		
Operator:	<b>Basin</b>	Project ID:	43-037-31809
String type:	Production		
Location:	Uintah Co.		

**Design parameters:**

**Collapse**

Mud weight: 9.200 ppg  
Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.478 psi/ft  
Calculated BHP: 2,700 psi  
  
No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.  
Neutral point: 4,864 ft

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 144 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 368 ft

Cement top: 1,106 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5650	5.5	15.50	K-55	LT&C	5650	5650	4.825	177.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2700	4040	1.50	2700	4810	1.78	88	239	2.73 J

Prepared by: R.A.McKee  
Utah Dept. of Natural Resources

Date: February 7,2001  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Collapse is based on a vertical depth of 5650 ft, a mud weight of 9.2 ppg The casing is considered to be evacuated for collapse purposes.  
Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*





UTAH DIVISION OF WATER RIGHTS  
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	CFS	QUANTITY AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO	DIAMETER	DEPTH	YEAR LOG	POINT OF DIVERSION NORTH	POINT OF DIVERSION EAST	DESCRIPTION CNR	DESCRIPTION SEC	DESCRIPTION TWN	DESCRIPTION RNG	DESCRIPTION B&M
0	09 45	.0050	.00	Recapture Spring #5				S	39	W	1082	NE 2	40S	22E SL
										WATER USE(S): STOCKWATERING Nielson, Floyd W. PRIORITY DATE: 07/26/192 Blanding				



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)

February 15, 2001

Stone Energy, LLC  
1670 Broadway, Suite 1800  
Denver, CO 80202

Re: Grays State 42-2 Well, 2098' NFL, 1208' FEL, SE NE, Sec. 2, 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 43-037-31809.

Sincerely,

for

John R. Baza  
Associate Director

er

Enclosures

cc: San Juan County Assessor  
SITLA

**Operator:** Stone Energy, LLC  
**Well Name & Number** Grays State 42-2  
**API Number:** 43-037-31809  
**Lease:** ML-29914

**Location:** SE NE            **Sec.** 2            **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**  
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
  - 24 hours prior to cementing or testing casing
  - 24 hours prior to testing blowout prevention equipment
  - 24 hours prior to spudding the well
  - within 24 hours of any emergency changes made to the approved drilling program
  - prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

  - Dan Jarvis at (801) 538-5338
  - Carol Daniels at (801) 538-5284 (spud)
  
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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
  
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-29914</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>NA</b>
		7. UNIT or CA AGREEMENT NAME: <b>NA</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Grays State #42-2</b>
2. NAME OF OPERATOR: <b>Stone Energy, L.L.C.</b>		9. API NUMBER: <b>43-037-31809</b>
3. ADDRESS OF OPERATOR: <b>1670 Broadway-2800</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2098' FNL &amp; 1208' FEL</b>		COUNTY: <b>SAN JUAN</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SENE 2 40S 22E</b>		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input 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 checked="" type="checkbox"/> OTHER: <b>Spud &amp; Surface Csg.</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

The above mentioned well spud on 3/2/01 @ 1700 hours.

Ran 33 jts of 8-5/8", 24#, J-55, 8rd, ST&C casing. Cemented with 400 sxs 65/35 "H" Poz, w/8% gel, 2% CaCl & 1/4#/sx Flocele. Tailed with 390 sxs "G", w/2% CaCl & 1/4#/sx Flocele. Dropped plug, displaced w/24 bbls FW. Job pressured up to 2000 psi over 300 circulating. Shut down. Re-pressured to 2300 psi. Bled off, could no establish circulation. Contacted HQ & State Oil & Gas Commission. Received permission to 1" to surface to control water flow. Ran 100' of 1" in annulus. Pumped 100 sxs "G", w/2% CaCl. Stopped water flow. Cement fell back to 60'. Ordered additional cement. Cut off conductor, welded on flowline, WO cement to arrive. RU 1", pumped 35 sxs "G" Neat, cemented to surface.

**RECEIVED**

MAR 27 2001

DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Terry L. Hoffman</u>	TITLE <u>Engineering Technician</u>
SIGNATURE <u>Terry L. Hoffman</u>	DATE <u>3/22/01</u>

(This space for State use only)



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)

**CONDITIONS OF APPROVAL  
TO TEMPORARY ABANDON WELL**

Well Name and Number: Grays State #42-2  
API Number: 43-037-31809  
Operator: Stone Energy, L.L.C.  
Reference Document: Sundry Notice dated April 6, 2001, received by  
DOGM on April 23, 2001

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting VSP operations. Please call Al McKee at 801-538-5274.
2. This TA status shall apply for a period not to exceed six months.

R. Allen McKee  
Petroleum Engineer

April 24, 2001

Date

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-29914</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>NA</b>
		7. UNIT or CA AGREEMENT NAME: <b>NA</b>
1. TYPE OF WELL <b>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____</b>		8. WELL NAME and NUMBER: <b>Grays State #42-2</b>
2. NAME OF OPERATOR: <b>Stone Energy, L.L.C.</b>		9. API NUMBER: <b>037-31809</b>
3. ADDRESS OF OPERATOR: <b>1670 Broadway</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		PHONE NUMBER: <b>(303) 685-8000</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2098' FNL &amp; 1208' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SENE 2 40S 22E</b>		COUNTY: <b>San Juan</b>
		STATE: <b>UTAH</b>

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

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

A 6 sx plug (15.6 ppg containing 1 pps CaCl<sub>2</sub>) was set on 3/31/01 at 1100' with a tree installed on the well. We intend to move in a workover rig and drill out that plug in 1-2 weeks and circulate and condition the hole. A VSP survey will be run. Upon completion of that survey the plug will be replaced and the well again temporarily abandoned. After evaluation of the VSP which is estimated to take 1-2 months we intend to either permanently P&A the well or request approval to sidetrack the existing wellbore.

**RECEIVED**

APR 23 2001

DIVISION OF  
OIL, GAS AND MINING

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

DATE: 4/24/01  
BY: R. Allmeyer

COPY SENT TO OPERATOR  
Date: 04/24/01  
Initials: CHD

NAME (PLEASE PRINT) <b>Terry L. Hoffman</b>	TITLE <b>Engineering Technician</b>
SIGNATURE <u>Terry L. Hoffman</u>	DATE <b>4/6/2001</b>

(This space for State use only)

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-29914**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
**NA**

7. UNIT or CA AGREEMENT NAME:  
**NA**

8. WELL NAME and NUMBER:  
**Grays State #42-2**

9. API NUMBER:  
**037-31809**

10. FIELD AND POOL, OR WILDCAT:  
**Wildcat**

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

1. TYPE OF WELL  
 OIL WELL     GAS WELL     OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**Stone Energy, L.L.C.**

3. ADDRESS OF OPERATOR:  
**1670 Broadway**    CITY **Denver**    STATE **CO**    ZIP **80202**  
 PHONE NUMBER: **(303) 685-8000**

4. LOCATION OF WELL  
 FOOTAGES AT SURFACE: **2098' FNL & 1208' FEL**    COUNTY: **San Juan**  
 QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SENE 2 40S 22E**    STATE: **UTAH**

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

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

A 6 sx plug (15.6 ppg containing 1 pps CaCl<sub>2</sub>) was set on 3/31/01 at 1100' with a tree installed on the well. We intend to move in a workover rig and drill out that plug in 1-2 weeks and circulate and condition the hole. A VSP survey will be run. Upon completion of that survey the plug will be replaced and the well again temporarily abandoned. After evaluation of the VSP which is estimated to take 1-2 months we intend to either permanently P&A the well or request approval to sidetrack the existing wellbore.

**RECEIVED**  
 APR 3 2001  
 DIVISION OF  
 OIL, GAS AND MINING

**APPROVED BY THE STATE  
 OF UTAH DIVISION OF  
 OIL, GAS, AND MINING**  
 DATE: 4/24/01  
 BY: RAUM-1

NAME (PLEASE PRINT) Terry L. Hoffman    TITLE Engineering Technician  
 SIGNATURE Terry L. Hoffman    DATE 4/6/2001

(This space for State use only)

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

FORM 6

**ENTITY ACTION FORM**

Operator: Stone Energy, L.L.C. Operator Account Number: N 1555  
 Address: 1670 Broadway, Suite 2800  
city Denver  
state Co zip 80202 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	<i>13119</i>	3/1/2001		3/1/2001		
<b>Comments:</b> <i>5-3-01</i>							

**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	<i>13120</i>	4/1/2001		4/1/2001		
<b>Comments:</b> <i>5-3-01</i>							

**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		
<b>Comments:</b>							

**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)

Terry L. Hoffman

Name (Please Print)

*Terry L. Hoffman*  
Signature

Engineering Technician

4/24/2001

Title

Date

**RECEIVED**

MAY 03 2001

DIVISION OF  
OIL, GAS AND MINING



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)

***CONDITIONS OF APPROVAL  
TO TEMPORARY ABANDON WELL***

Well Name and Number: Grays State #42-2  
API Number: 43-037-31809  
Operator: Stone Energy, L.L.C.  
Reference Document: Sundry Notice dated April 6, 2001, received by  
DOG M on April 23, 2001

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting VSP operations. Please call Al McKee at 801-538-5274.
2. This TA status shall apply for a period not to exceed six months.

R. Allen McKee  
Petroleum Engineer

April 24, 2001

Date

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-29914
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: NA
2. NAME OF OPERATOR: Stone Energy, L.L.C.			8. WELL NAME and NUMBER: Grays State #42-2
3. ADDRESS OF OPERATOR: 1670 Broadway CITY Denver STATE CO ZIP 80202		PHONE NUMBER: (303) 685-8000	9. API NUMBER: 037-31809
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2098' FNL & 1208' FEL			10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 40S 22E			COUNTY: San Juan
			STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: 5/11/2001	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

The above mentioned well was Plugged & Abandoned on May 11, 2001.

Cement plugs as follows:

- #1 - 5314-5175' (139') 50 sxs Class "B" Neat, 15.6 ppg
- #2 - 2518-2260' (258') 140 sxs Class "B" Neat, 15.6 ppg
- #3 - In/Out Surface - 1477-1325' (152') 40 sxs Class "B" Neat, 15.6 ppg
- #4 - Surface - 50' - Ground Level (36') 10 sxs Class "B" Neat, 15.6 ppg, circulated

Plugging witnessed by Mr. Jeff Brown (BLM) for the State of Utah.

NAME (PLEASE PRINT) <u>Terry L. Hoffman</u>	TITLE <u>Engineering Technician</u>
SIGNATURE	DATE <u>5/29/2001</u>

(This space for State use only)

**RECEIVED**

JUN 04 2001

DIVISION OF  
OIL, GAS AND MINING

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-29914

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
NA

7. UNIT or CA AGREEMENT NAME  
NA

8. WELL NAME and NUMBER:  
Grays State #42-2

2. NAME OF OPERATOR:  
Stone Energy, L.L.C.

9. API NUMBER:  
-037-31809

3. ADDRESS OF OPERATOR:  
1670 Broadway Suite 280 CITY Denver STATE CO ZIP 80202

10 FIELD AND POOL, OR WILDCAT  
Wildcat

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 2098' FNL & 1208' FEL  
AT TOP PRODUCING INTERVAL REPORTED BELOW: 2098' FNL & 1208' FEL  
AT TOTAL DEPTH: 2098' FNL & 1208' FEL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
SENE 2 40S 22E

12. COUNTY  
San Juan

13. STATE  
UTAH

14. DATE SPUDDED: 3/2/2001  
15. DATE T.D. REACHED: 3/25/2001  
16. DATE COMPLETED: 5-11-01 ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
4494' Ground

18. TOTAL DEPTH: MD 5,621 TVD \_\_\_\_\_  
19. PLUG BACK T.D.: MD \_\_\_\_\_ TVD \_\_\_\_\_

21. DEPTH BRIDGE MD \_\_\_\_\_  
PLUG SET: TVD \_\_\_\_\_

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
See page 2

23. WAS WELL CORED? NO  YES  (Submit analysis)  
WAS DST RUN? NO  YES  (Submit report)  
DIRECTIONAL SURVEY? NO  YES  (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4"	8-5/8"	24	0	1,427		G 100		Surface	None
	J-55					Neat 35			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  
 GEOLOGIC REPORT  
 CORE ANALYSIS  
 DST REPORT  
 OTHER: \_\_\_\_\_  
 DIRECTIONAL SURVEY

30. WELL STATUS:  
PIA  
D&A'd

**RECEIVED**

JUL 03 2001

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Hatch Marker	5,098				
Upper Ismay	5,253				
Desert Creek	5,446				
Akah	5,587				

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) Terry L. Hoffman TITLE Engineering Technician  
 SIGNATURE *Terry L. Hoffman* DATE 6/18/2001

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 Box 145801  
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340  
 Fax: 801-359-3940

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JUL 03 2001

DIVISION OF  
 OIL, GAS AND MINING