

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

April 8, 2001

Lisha Cordova
Ut. Div. of Oil, Gas, & Mining
P. O. Box 145801
Salt Lake City, Ut. 84114-5801

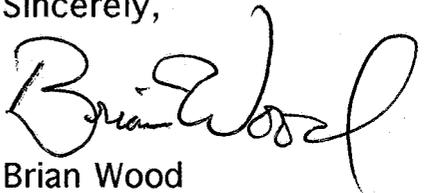
Dear Lisha,

On behalf of Stone Energy, L. L. C., I am requesting an en exception for their Princeton State 44-2 well. I am requesting the exception because of topography. Exception is to quarter-quarter lines (424' and 432' instead of $\geq 460'$), not to a well or lease. In fact, the exception pushes the well toward the interior of the lease. Orthodox location would be in Recapture Wash (see map on page 11 and plan view of pad on page 13). Archaeology sites further limit site options.

Orthodox well could be drilled at 860 FSL & 860 FEL 2-40s-22e, but it would force an already small pad to hang over 20' high banks to the south and east. Request permission to drill at 888' FSL & 896' FEL 2-40s-22e. This is the only well in the quarter section. There are no producing wells within 2,315'. Wells (see Page 11) could be drilled in 8 offsetting units. Stone is owner of all drilling units and leases within minimum 888' radius of the proposed exception. This includes 6 of the 8 directly or diagonally offsetting drilling units.

Please call me if you have any questions.

Sincerely,



Brian Wood

cc: Gentry

RECEIVED

APR 12 2001

DIVISION OF
OIL, GAS AND MINING

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-29914
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: STONE ENERGY, L. L. C.		8. WELL NAME and NUMBER: PRINCETON STATE 44-2
3. ADDRESS OF OPERATOR: 1670 Broadway, #2800 CITY DENVER STATE CO ZIP 80202-4801 PHONE NUMBER: (303) 685-8000		9. FIELD AND POOL, OR WILDCAT: UNDESIGNATED
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 888' FSL & 896' FEL CONFIDENTIAL 4132794 N AT PROPOSED PRODUCING ZONE: SAME 636375 E		10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 2 40SS 22E S
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 6 AIR MILES NE OF BLUFF		11. COUNTY: SAN JUAN 12. STATE: UTAH
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 888'	15. NUMBER OF ACRES IN LEASE: 640	16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2315'	18. PROPOSED DEPTH: 5,650	19. BOND DESCRIPTION: STATEWIDE (RLB 0002054)
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4470' GL	21. APPROXIMATE DATE WORK WILL START: 7/1/2001	22. ESTIMATED DURATION: 1 MONTH

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12-1/4"	8-5/8" J-85 K-55 32.24	1,500	PREM. LITE	908 CU FT	2.27 CF/SK	12.0 PPG
12-1/4"	8-5/8" J-85 K-55 32.24	1,500	CLASS G	452 CU FT	1.16 CF/SK	15.8 PPG
7-7/8"	5-1/2" K-55 15.5	5,650	PREM. LITE	897 CU FT	3.15 CF/SK	11.0 PPG
7-7/8"	5-1/2" K-55 15.5	5,650	CLASS G	212 CU FT	1.18 CF/SK	15.6 PPG

24. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) BRIAN WOOD TITLE CONSULTANT
SIGNATURE *Brian Wood* DATE 4-8-01

(This space for State use only)

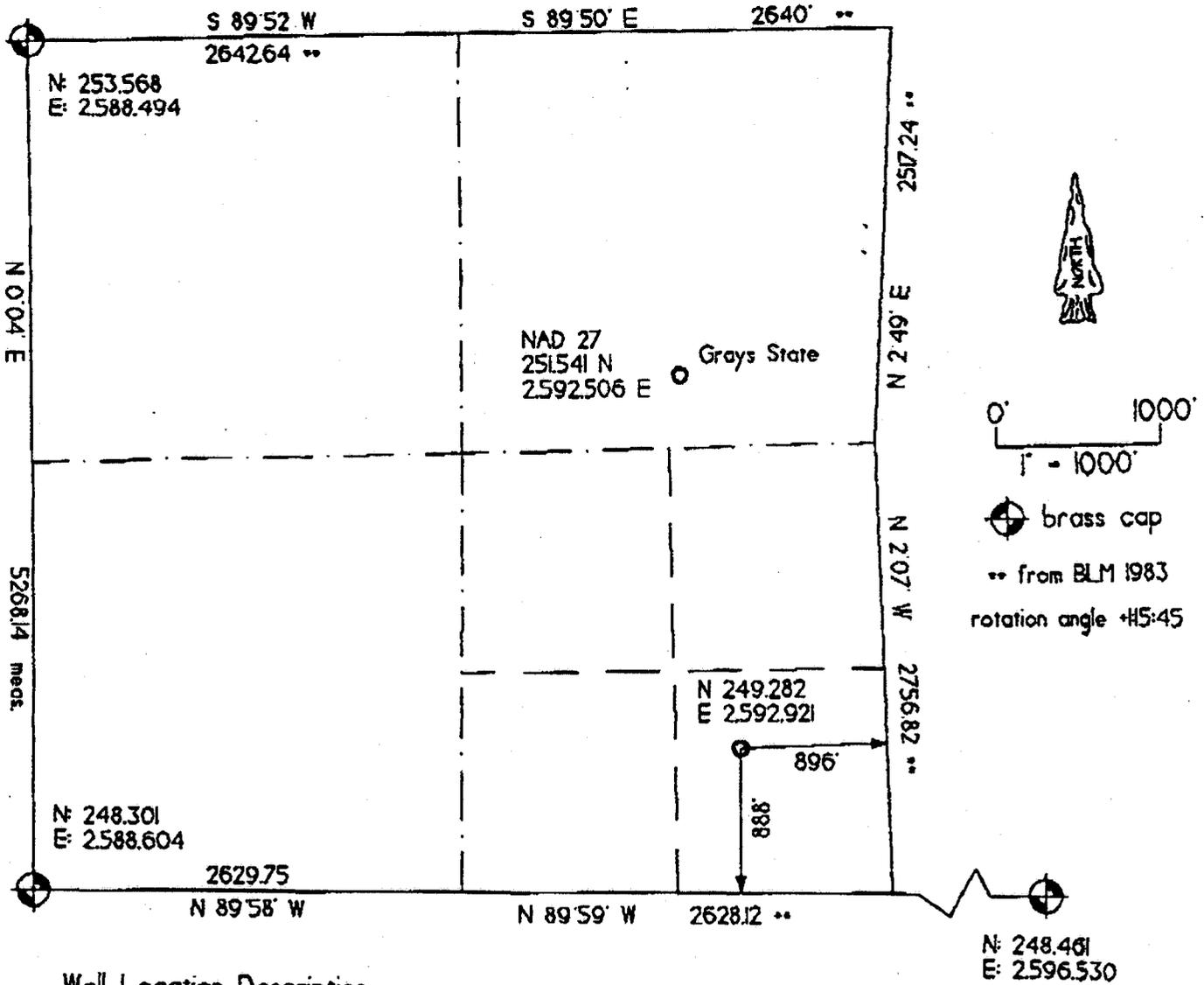
API NUMBER ASSIGNED: 43-037-31816

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 12-10-01
By: *[Signature]*

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APR 12 2001

DIVISION OF
OIL, GAS AND MINING



Well Location Description

STONE ENERGY L.L.C.
 PRINCETON FEDERAL 44 - 2
 888' FSL & 896' FEL
 Section 2, T.40 S., R.22 E., SLM
 San Juan County, UT
 4470' grd. el. (from GPS)



20 MARCH 2001

Gerald G. Huddleston
 Gerald G. Huddleston, LS

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

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

Stone Energy, L. L. C.
Princeton State 44-2
888' FSL & 896' FEL
Sec. 2, T. 40 S., R. 22 E.
San Juan County, Utah

PAGE 1

Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Subsea El.</u>
Entrada/Carmel Ss	0'	12'	4,470'
Navajo Ss	195'	207'	4,275'
Chinle Sh	1,265'	1,277'	3,205'
Cutler Ss	2,330'	2,342'	2,140'
Organ Rock Sh	2,395'	2,407'	2,075'
Hermosa	4,365'	4,377'	105'
Hatch Sh	5,175'	5,187'	-705'
Upper Ismay	5,225'	5,237'	-755'
Hovenweep Sh	5,340'	5,352'	-870'
Lower Ismay	5,345'	5,357'	-875'
Gothic Sh	5,385'	5,397'	-915'
Desert Creek	5,410'	5,422'	-940'
Chimney Rock Sh	5,530'	5,542'	-1,060'
Akah Sh	5,560'	5,572'	-1,090'
Total Depth (TD)*	5,650'	5,662'	-1,180'

* all elevations reflect the proposed graded ground level of 4,470'

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.

Stone Energy, L. L. C.
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888' FSL & 896' FEL
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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.

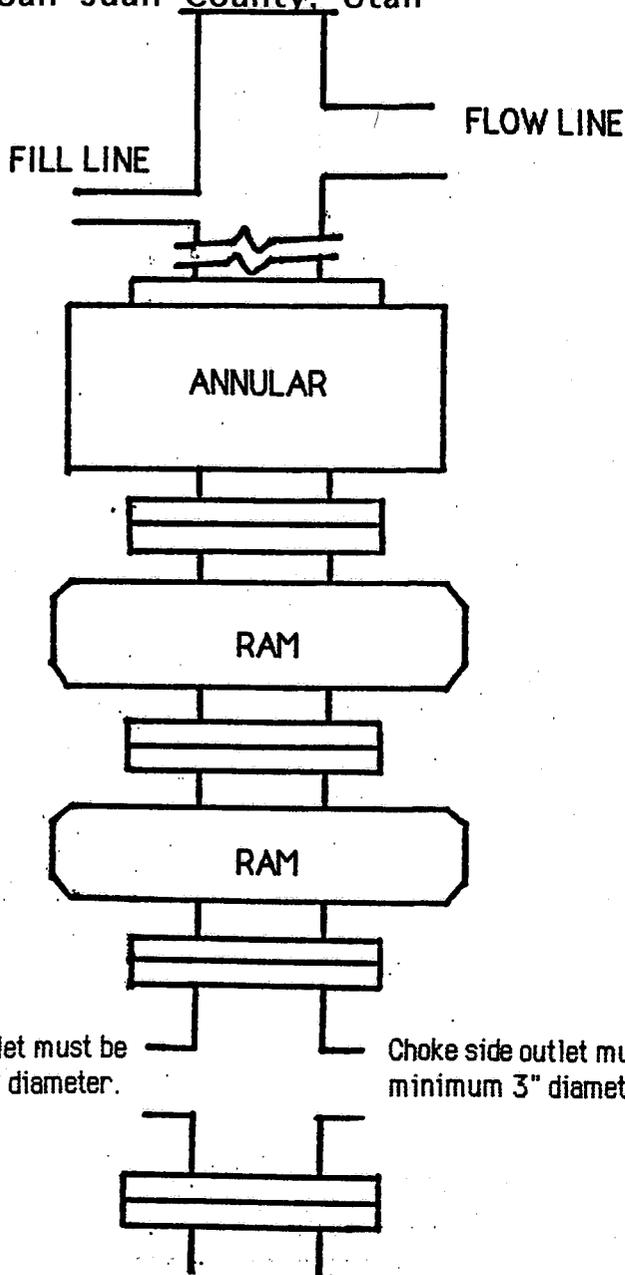
4. CASING & CEMENT

<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% CaCl₂ + 1/4 #/sk celloflake + 8% bentonite (= 12.0 ppg and 2.27 cf/sk) and 390 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 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'.

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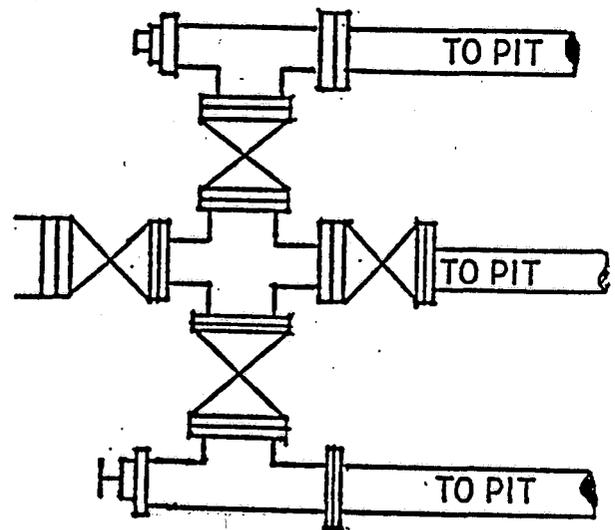
TYPICAL BOP STACK
& CHOKE MANIFOLD

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.

Stone Energy, L. L. C.
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888' FSL & 896' FEL
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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 July 1, 2001. It is expected it will take \approx 2 weeks to drill and \approx 2 weeks to complete the well.

Stone Energy, L. L. C.
Princeton State 44-2
888' FSL & 896' FEL
Sec. 2, T. 40 S., R. 22 E.
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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 past an oil well and go NE 1.0 mile on the Grays road

Then turn right on a switchback and go SE 808' 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 Pages 11 & 14)

The dirt contractor will call BLM (435-587-2142) and the archaeologist (970-565-9229) at least 48 hours before starting construction. The archaeologist will fence two archaeology sites before starting construction. The archaeologist will monitor construction.

There will be no deviation from the route due to the presence of archaeology sites. The final 808' of road will be flat bladed with a 16' wide running surface. Maximum disturbed width will be 50'. Topsoil will be windrowed by the side. Maximum cut or fill is 10'. Maximum grade is 8%. No culvert, cattleguard, or turnout is needed.

If the well is a producer, the access will be upgraded to BLM Class 3 standards 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.

Stone Energy, L. L. C.
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888' FSL & 896' FEL
Sec. 2, T. 40 S., R. 22 E.
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3. EXISTING WELLS (See Page 11)

There are two oil wells, one drilling, and one plugged and abandoned well within a mile. There are no existing gas, water, or disposal wells within a mile radius.

4. PROPOSED PRODUCTION FACILITIES (See Page 14)

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.

Gas will be piped north 976.14' along the road to another applied for Stone pipeline. All of the route is on lease. Pipe will be a ≈ 4 " O. D. welded steel laid on the surface. Wall thickness will be 0.109". Operating pressure will be ≈ 300 psi. Burst pressure is $\approx 1,530$ psi. Pipe will be tested with gas to ≈ 500 psi before use.

5. WATER SUPPLY

Stone will use Montezuma Well Service's permitted existing well in NWNE 36-40s-23e (#09-1428) or Melvin Gaines' permitted existing wells (#09-135 and #09-224 in 30-40s-22e.

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 road and nearby archaeology sites.

Topsoil and brush will be stripped and stockpiled south of the pad. Rock will

Stone Energy, L. L. C.
Princeton State 44-2
888' FSL & 896' FEL
Sec. 2, T. 40 S., R. 22 E.
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be hauled from an existing approved source off BLM or 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.

The pit will be fenced 48" high on 3 sides with 32" high woven wire topped with 2 smooth wire strands 4" and 16" above the woven wire. Steel posts will be set $\approx 16.5'$ apart. Corner posts will be $\geq 6"$ O. D. 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. If additional capacity is needed, then the excess will be trucked to an existing Stone pit (e.g., Grays State 42-2) or Montezuma Well Service's pits.

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

Stone Energy, L. L. C.
Princeton State 44-2
888' FSL & 896' FEL
Sec. 2, T. 40 S., R. 22 E.
San Juan County, Utah

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the company man, tool pusher, and mud loggers. If more space is needed, then equipment may be parked on Stone's existing Grays State 42-2 pad.

9. WELL SITE LAYOUT

See PAGES 12 and 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.

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 BLM surface.

Stone Energy, L. L. C.
Princeton State 44-2
888' FSL & 896' FEL
Sec. 2, T. 40 S., R. 22 E.
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12. OTHER INFORMATION

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.

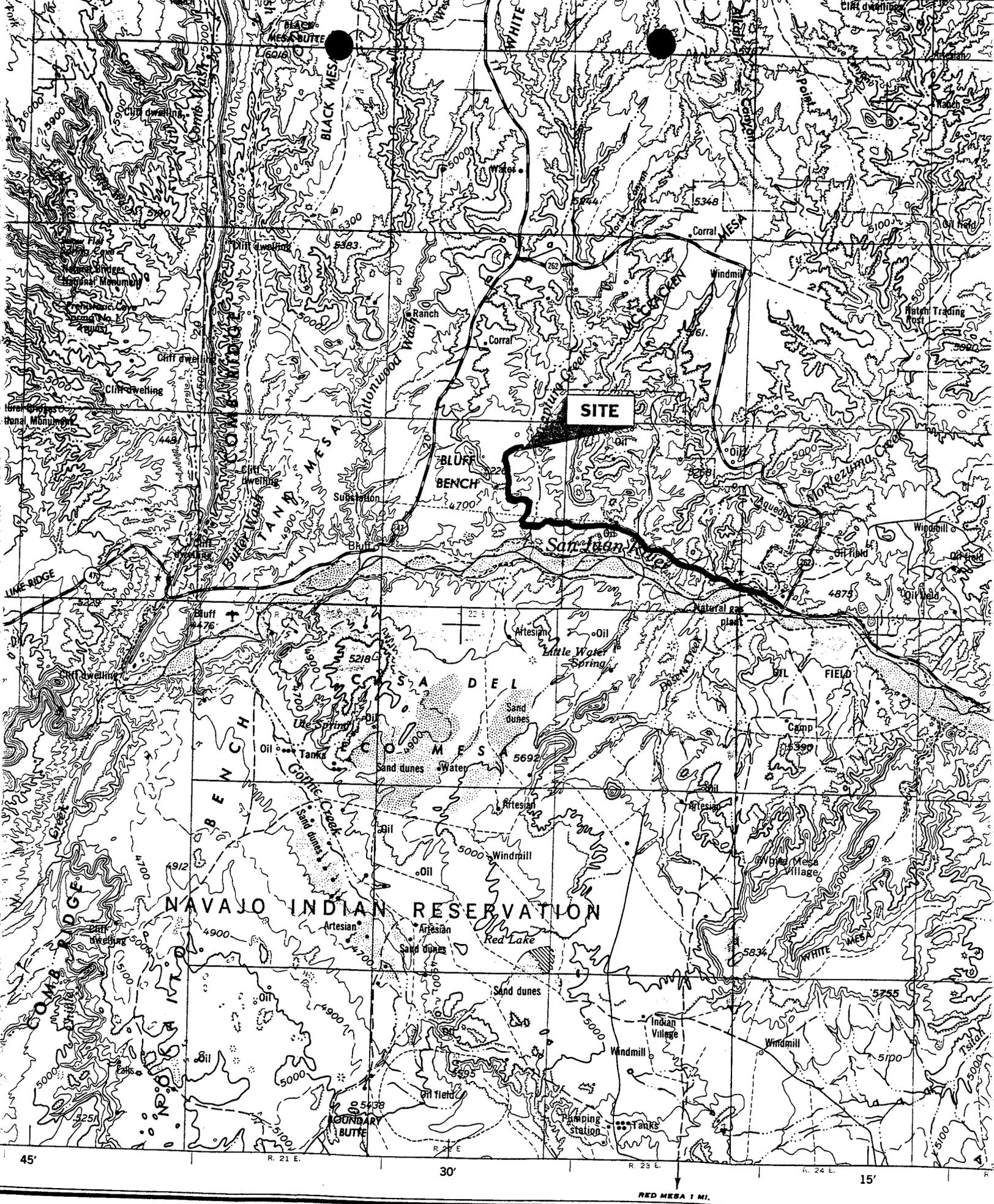
13. REPRESENTATION

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:

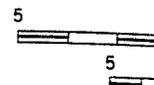
Gerald Gentry, Operations Manager or Bob Hoffmeyer
Stone Energy, L. L. C. (307) 262-9355
1670 Broadway, Suite 2800
Denver, Co. 80202-4801
(303) 685-8000



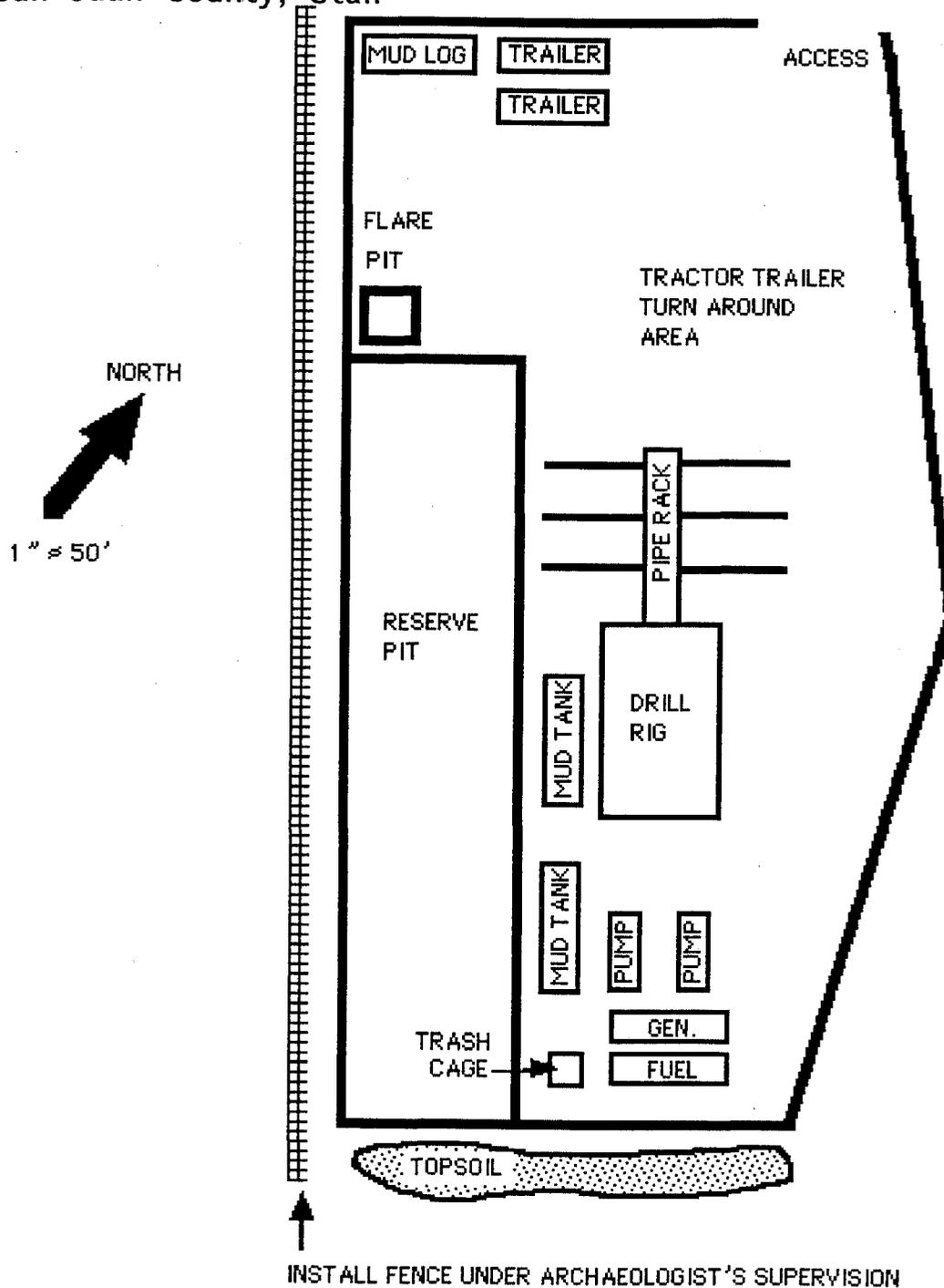
LEGEND

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

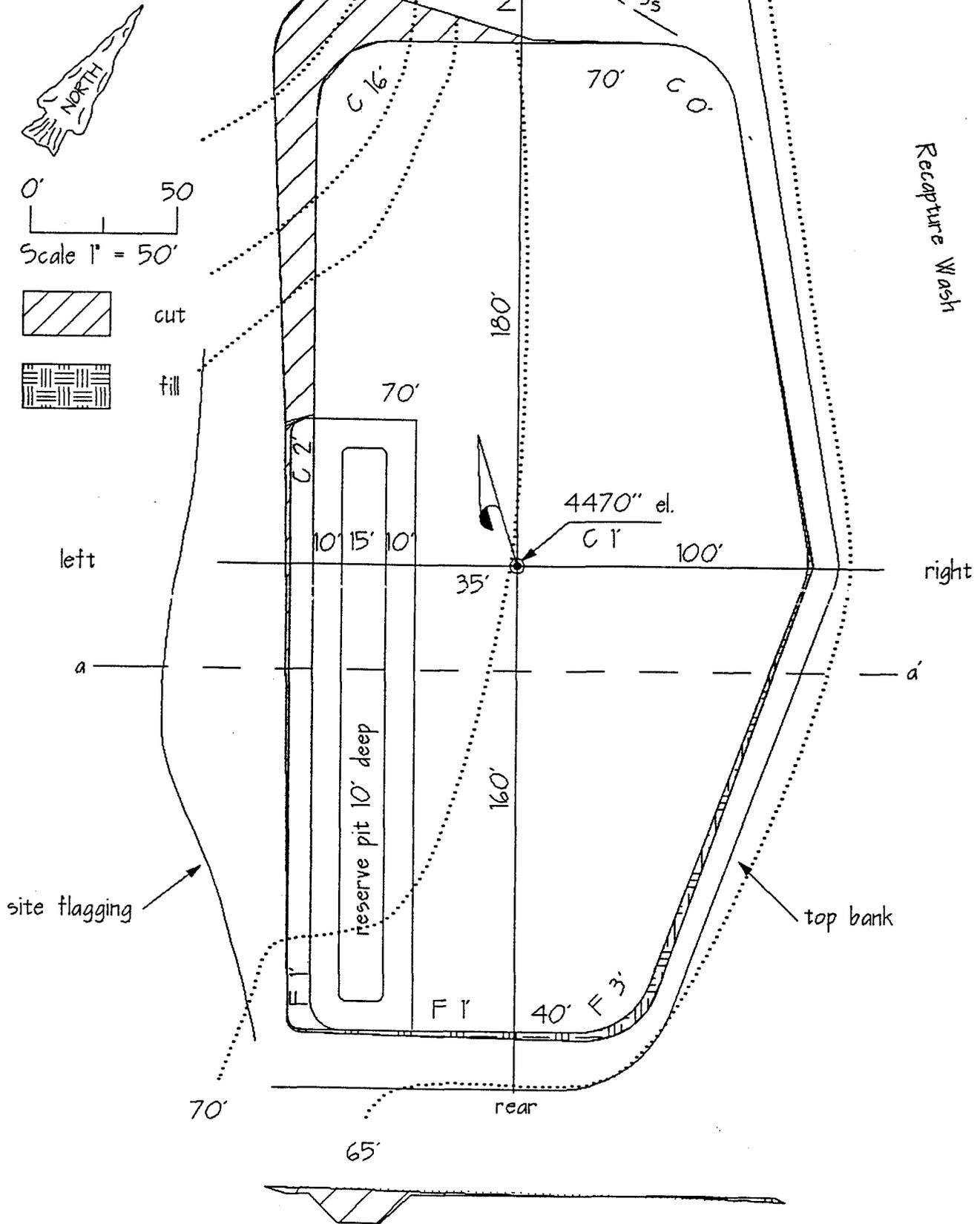


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San Juan County, Utah

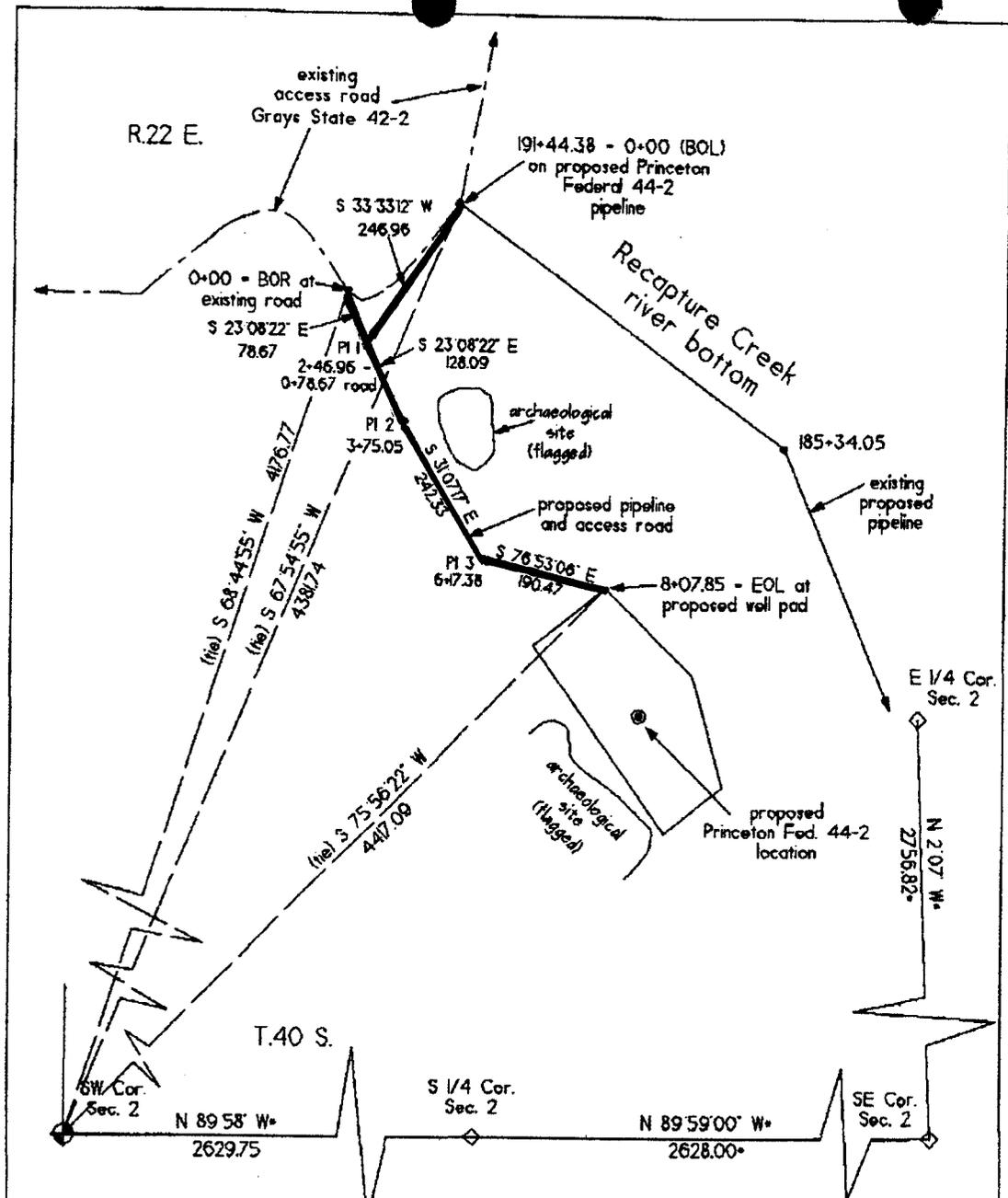


Princeton Federal 44 - 2

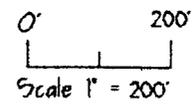
well pad & section
888' FSL & 896' FEL



Section a - a'



Basis of Bearing:
GPS state plane coordinates
rotated.



- ⊕ fnd. std. BLM monument
- ◇ calculated corner
- from BLM plat of record
- survey centerline PI

STONE ENERGY L.L.C.
Proposed Princeton Federal 44-2 pipeline and access road right-of-way -
Section 2, T.40 S., R.22 E., SLM, San Juan County, Utah
March 2001
HUDDLESTON LAND SURVEYING P.O. DRAWER KK / CORTEZ, CO 81321 / 970-565-3330

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/12/2001

API NO. ASSIGNED: 43-037-31816

WELL NAME: PRINCETON ST 44-2
 OPERATOR: STONE ENERGY LLC (N1555)
 CONTACT: BRIAN WOOD, AGENT

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

SESE 02 400S 220E
 SURFACE: 0888 FSL 0896 FEL
 BOTTOM: 0888 FSL 0896 FEL
 SAN JUAN
 UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Rtm	5/10/01
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-29914 *lc*
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: IS-DC

RECEIVED AND/OR REVIEWED:

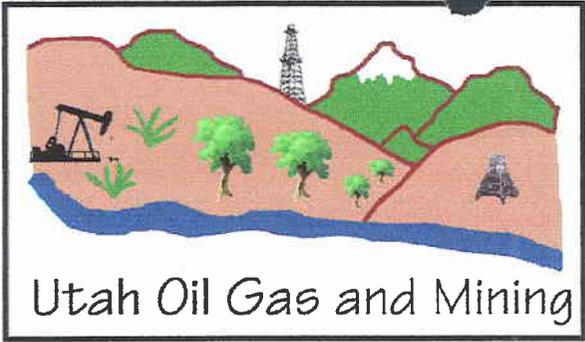
Plat
 Bond: Fed[] Ind[] Sta[3] Fee[]
 (No. RLB0002054)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5 (B) or 190-3
 Water Permit
 (No. 09-1428)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)

LOCATION AND SITING:

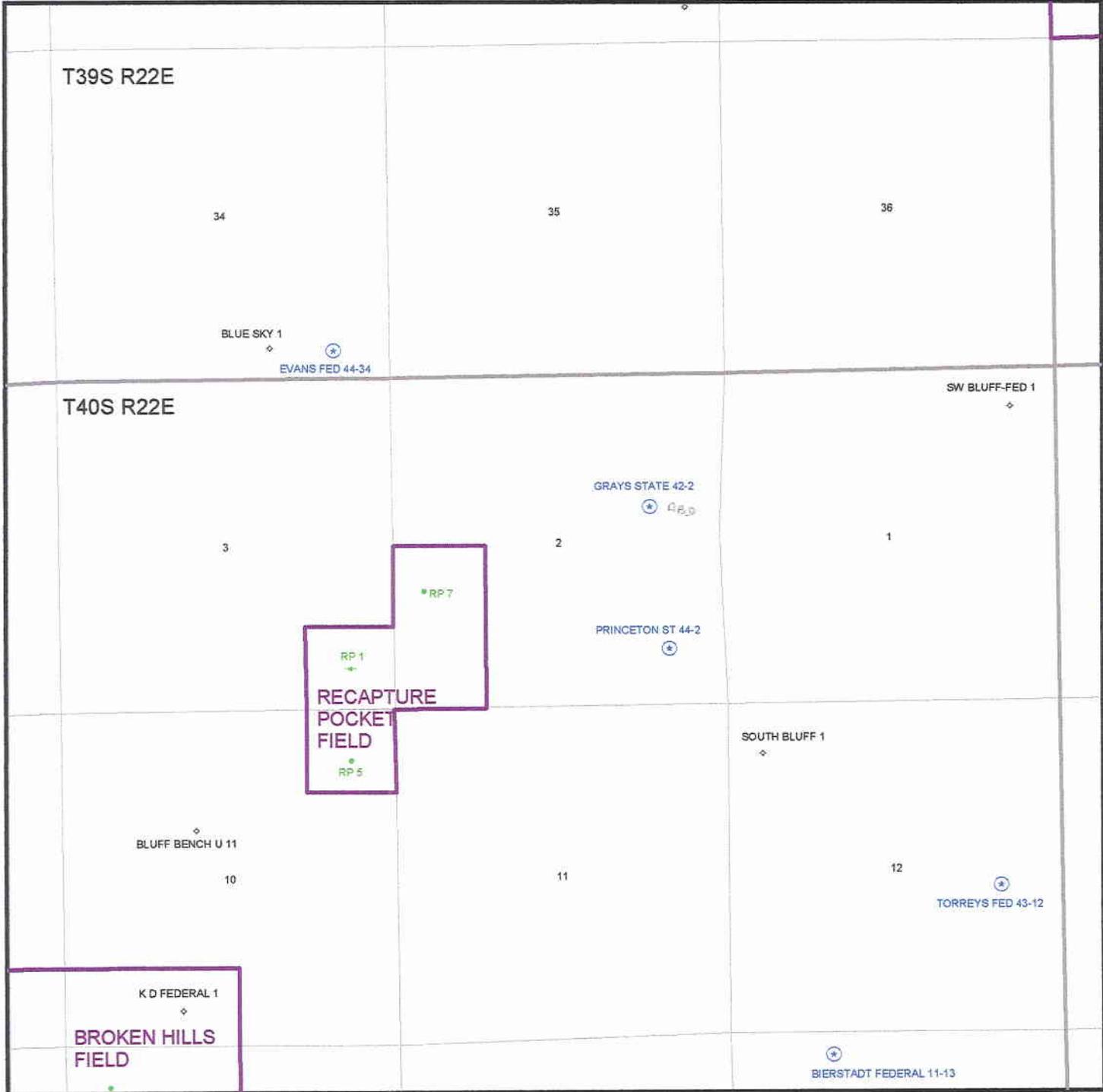
___ R649-2-3. Unit _____
 ___ R649-3-2. General
 Siting: 460 From Qtr/Qtr & 920' Between Wells
 R649-3-3. Exception
 ___ Drilling Unit
 Board Cause No: _____
 Eff Date: _____
 Siting: _____
 ___ R649-3-11. Directional Drill

COMMENTS: Blm Pow # KTH-78639 e.H. 11-29-01.

STIPULATIONS: ① EMENT FOR THE 8 5/8" CASING SHALL BE BROUGHT TO SURFACE.
 ② 2- Spacing stip.
 ③ STATEMENT OF BASIS



OPERATOR: STONE ENERGY LLC (N1555)
SEC. 2, T40S, R22E
FIELD: UNDESIGNATED (002)
COUNTY: SAN JUAN SPACING: R649-3-3/EX LOC



DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

OPERATOR: Stone Energy, LLC
WELL NAME & NUMBER: Princeton State 44-2
API NUMBER: 43-037-31816
LOCATION: 1/4,1/4 SESE Sec: 2 TWP: 40S RNG: 22E 888' FSL 896' FEL

Geology/Ground Water:

The surface in the immediate vicinity of the location is mapped as Quaternary Alluvium on the Jurassic-age Bluff Sandstone Member of the Morrison Formation (USGS Map I-629). Despite the mapping, the operator's estimated formation tops suggest that the Bluff Sandstone Member may be thin to entirely gone above the Entrada Sandstone. The Entrada Sandstone, Carmel Formation and Navajo Sandstone are closely below the surface and known to be useful aquifers in the area. The operator is calling for 1,500' of surface casing. This should be sufficient depth to set the surface casing in the Chinle Formation. The Chinle Formation in Grand County, has much in common with the same formation in San Juan County, and there presents as a confining layer. The proposed surface casing and cement should adequately protect usable ground water resources and the production casing will also be cemented to surface. A benign fresh water gel and lime mud system will be used to drill to surface casing setting depth. One spring is located within a mile of the location and it is nearly a mile north. A water right on it has been applied for .

Reviewer: Christopher J. Kierst **Date:** December 6, 2001

Surface:

The Federal government administers the management of surface land use at the proposed location. Any rights of way must be obtained from the Bureau of Land Management.

Reviewer: Christopher J. Kierst **Date:** December 6, 2001

Conditions of Approval/Application for Permit to Drill:

None.

Well name:	04-01 Stone ST 44-2	REVISION TO SURFACE PIPE
Operator:	Stone Energy	
String type:	Surface	Project ID: 43-037-31816
Location:	SAN JUAN Uintah Co.	

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.478 psi/ft
Calculated BHP: 717 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: 1,302 ft

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

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	32.00	K-55	ST&C	1500	1500	7.875	95.3
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	693	2530	3.65	717	3930	5.48	48	402	8.38 J

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

Date: May 10, 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.

04-01 Stone ST 44-2

Casing Schematic

Surface

TOC @ 2 w/ 25% WASHOUT
0.

$$.052 \cdot 12 \cdot 982 = 613$$

--- 982'

TOC @ 1106.

$$.052 \cdot 15.8 \cdot (1500 - 982) = 426$$

$$\frac{1038}{1038 \text{ psi}}$$

$$FG = \frac{1038}{1500} = \underline{\underline{0.69 \text{ PSI/A}}}$$

Surface
1500. MD

8-5/8"
MW 8.9
Frac 19.3

5-1/2"
MW 9.2

Production
5650. MD

BOP

$$.052 (9.2) 5650 = 2703$$

$$.12 (5650) = \langle 678 \rangle$$

$$\underline{\underline{2025 \text{ PSI}}}$$

∴ 3M - SRRA - BOP is

ADEQUATE. RAM 4/12/01

✓ w/ 10% WASHOUT

Well name:	04-01 Stone ST 44-2		
Operator:	Stone Energy	Project ID:	43-037-31816
String type:	Production		
Location:	SAN JUAN Utah Co.		

Design parameters:	Minimum design factors:	Environment:
Collapse	Collapse:	H2S considered? No
Mud weight: 9.200 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 144 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 368 ft
	Burst:	Cement top: 1,106 ft
Burst	Design factor 1.00	
Max anticipated surface pressure: 0 psi		Non-directional string.
Internal gradient: 0.478 psi/ft	Tension:	
Calculated BHP 2,700 psi	8 Round STC: 1.80 (J)	
No backup mud specified.	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	

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

Date: April 18,2001
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.

Well name:	04-01 Stone ST 44-2		
Operator:	Stone Energy	Project ID:	43-037-31816
String type:	Surface		
Location:	SAWJUN Utah Co.		

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.478 psi/ft
Calculated BHP: 717 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: 1,300 ft

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

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	693	1370	1.98	717	2950	4.12	36	244	6.78 J

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

Date: April 18,2001
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.

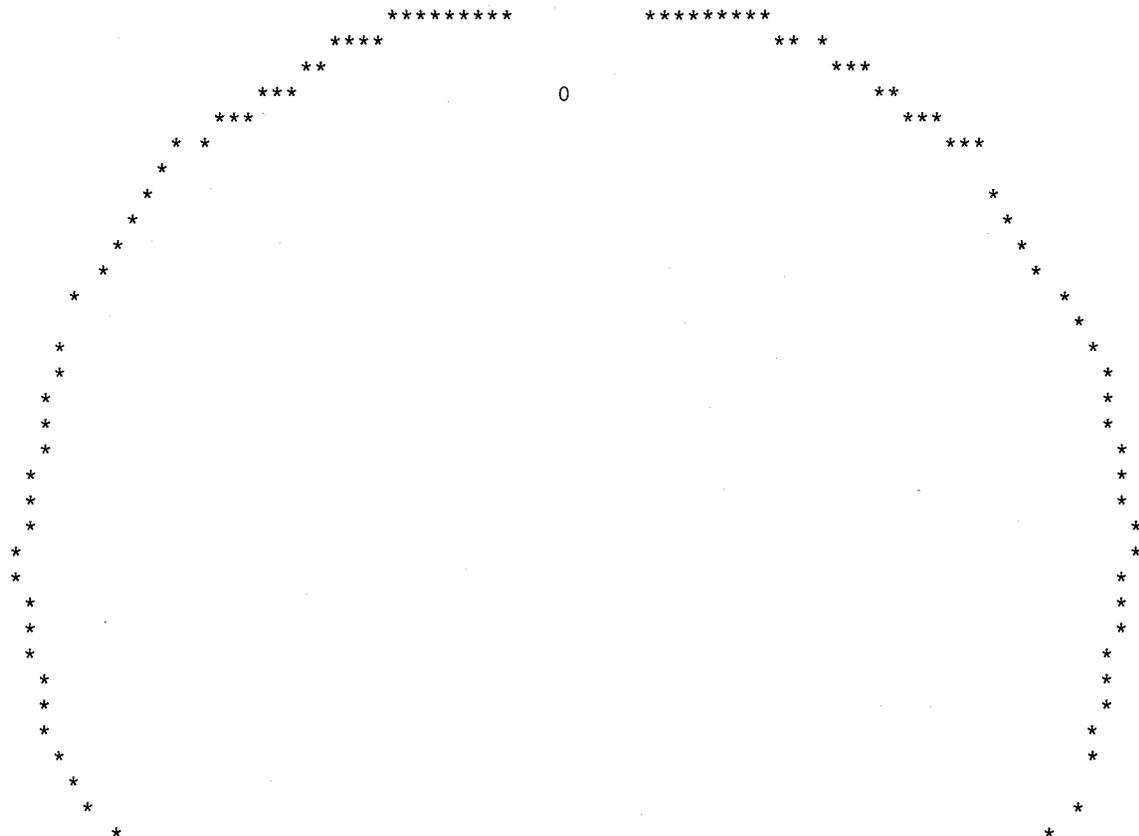
Engineering responsibility for use of this design will be that of the purchaser.

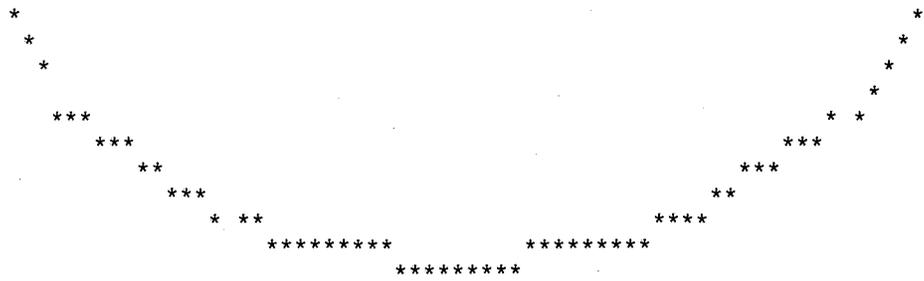
UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, DEC 6, 2001, 3:31 PM
PLOT SHOWS LOCATION OF 1 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
N 880 FEET, W 896 FEET OF THE SE CORNER,
SECTION 2 TOWNSHIP 40S RANGE 22E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

N O R T H





UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	CFS	QUANTITY		SOURCE DESCRIPTION or WELL INFO			POINT OF DIVERSION DESCRIPTION						U A P T :					
			AND/OR	AC-FT	DIAMETER	DEPTH	YEAR LOG	NORTH	EAST	CNR	SEC	TWN	RNG	B&M	N	P	R	R	
0	09 45	.0050		.00	Recapture Spring #5			S	39	W	1082	NE	2	40S	22E	SL		X	
WATER USE(S): STOCKWATERING												PRIORITY DATE: 07/26/1929							
Nielson, Floyd W.												Blanding				UT 84511			

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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-29914
2. NAME OF OPERATOR: STONE ENERGY, L. L. C.		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: 888' FSL & 896' FEL		8. WELL NAME and NUMBER: 44-2 PRINCETON STATE 42-2
PHONE NUMBER: (303) 685-8000		9. API NUMBER: 43-037-31816
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 2 40S 22E S		10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED
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 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 checked="" type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input 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.

Will change surface casing from J-55 and 24# to K-55 and 32#.
(No change in diameters, setting depth, or threads & couplings.)
Will control fluid loss in cement with additives to 100 - 200 cc.
Will drop plug on fly. Will not stop pumping at any time.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 5/9/01
BY: *R. A. [Signature]*

COPY SENT TO OPERATOR
Date: 5-9-01
Initials: CHD

RECEIVED
MAY 02 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) BRIAN WOOD	TITLE CONSULTANT
SIGNATURE <i>Brian Wood</i>	DATE 4/30/2001

(This space for State use only)

44

Well name:	05-01 Stone ST 42-2 Rev.	
Operator:	Stone Energy	
String type:	Surface	
Location:	Uintah Co.	
	Project ID:	43-037-31816

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: 0 ft

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: 1,302 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	32.00	K-55	ST&C	1500	1500	7.875	95.3
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	693	2530	3.65	717	3930	5.48	48	402	8.38 J

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

Date: May 2, 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.

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-29914

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

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME and NUMBER:
PRINCETON STATE 42-2

9. API NUMBER:
43-037-31816

10. FIELD AND POOL, OR WILDCAT:
UNDESIGNATED

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 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: **888' FSL & 896' FEL** COUNTY: **SAN JUAN**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESE 2 40s 22e SL** 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 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: Changecement
	<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.

Surface casing will be cemented in 2 stages with the stage tool set at $\approx 750'$. First stage will be 290 sx Class B with 0.3% Halad 344 and 1/4 #/sack Flocele (yield = 14.5 pounds per gallon and 1.39 cubic feet per sack). Second stage will be ≈ 340 sx 65/35 poz mix with 6% bentonite, 0.2% Veraset, 0.9% Halad 344, and 1/4 pound per sack Flocele (yield = 15.6 pounds per gallon and 1.18 cubic feet per sack). Total cement volume = 804 cubic feet which exceeds capacity by $\geq 30\%$.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 6/18/01
BY: R. ALLEN

SUBJECT TO ATTACHED CONDITIONS

BRIAN WOOD (505) 466-8120 CONSULTANT

NAME (PLEASE PRINT) _____ TITLE _____

SIGNATURE Brian Wood DATE **6-12-01**



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 CHANGE CEMENT PROGRAM***

Well Name and Number: Princeton State 44-2
API Number: 43-037-31816
Operator: Stone Energy, LLC
Reference Document: Sundry Notice dated June 12, 2001, received by
DOGGM on June 15, 2001

Approval Conditions:

1. Cement for the 8 5/8" surface casing shall be brought to surface level.
2. All other conditions contained in the original APD approval shall apply.

R. Allen McKee
Petroleum Engineer

June 18, 2001

Date

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: 12/5/01

Office: UTAH DIVISION OF OIL, GAS, & MINING

Fax No. 801-359-3940

Total Pages: 2

Comments:

Hi Lisha,

Here is the ROW from the BLM that you called about.

Please call if you have any questions.

-GREG

RECEIVED

DEC 05 2001

**DIVISION OF
OIL, GAS AND MINING**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

UTU-78639
(UT-090)

NOV 29 2001

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
Certification No.: 7000 1670 0002 4976 8326

DECISION

Brian Wood, Consultant
Stone Energy I.I.C.
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87505

.....

Right-of-way UTU-78639

Right-of-Way Grant UTU-78639 Issued

Enclosed is permit UTU-78639 which has been approved by the Bureau of Land Management.

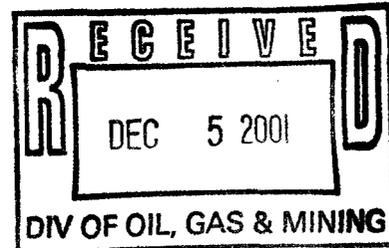
The issuance of this permit constitutes a final decision by the Bureau of Land Management in this matter. If you have any questions pertaining to the permit or the stipulations contained in the permit, please contact Maxine Deeter at (435) 587-1522.

Sincerely,

~~Kent E. Walter~~
Field Office Manager

Enclosure:
Right-of-Way Grant UTU-78639

*El - Extra copy
for operator.
lc*





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)

December 10, 2001

Stone Energy, LLC
1670 Broadway, Suite 2800
Denver, CO 80202-4801

Re: Princeton State 44-2 Well, 888' FSL, 896' FEL, SE SE, 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 43-037-31816.

Sincerely,

John R. Baza
Associate Director

er

Enclosures

cc: San Juan County Assessor
SITLA
Bureau of Land Management, Moab Field Office

Operator: Stone Energy, LLC
Well Name & Number Princeton State 44-2
API Number: 43-037-31816
Lease: ML 29914

Location: SE SE 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)
6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
7. Cement for the 8-5/8" casing shall be brought to surface.



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

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

March 3, 2003

Brian Wood
Stone Energy LLC
1801 Broadway Ste 700
Denver CO 80202

Re: APD Rescinded – Princeton ST 44-2, Sec.2, T.40S, R.22E
San Juan County, Utah API No. 43-037-31816

Dear Mr. Wood:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining on December 10, 2001. On March 3, 2003, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 3, 2003.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

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

Sincerely,

Diana Mason
Engineering Technician

cc: Well File
Gil Hunt, Technical Services Manager
Sitla, Ed Bonner
Bureau of Land Management