

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. Type of Well: OIL <input type="checkbox"/> GAS <input type="checkbox"/> OTHER: WSW		5. Lease Designation and Serial Number: U-47876
2. Name of Operator: Elm Ridge Resources, Inc.		6. If Indian, Allottee or Tribe Name: N/A
3. Address and Telephone Number: 312 W. LaPlata Street, Farmington, New Mexico (505) <del>326-7099</del> <sup>632-3476</sup>		7. Unit Agreement Name: N/A
4. Location of Well: Footages: 1800' FSL & 1845' FWL County: San Juan QQ, Sec., T.,R.,M.: NE SW Sec. 3-T38S-R24E State: Utah		8. Well Name and Number: Cave Canyon WSW 1
		9. API Well Number: 43-037- <del>10000</del> 31820
		10. Field and Pool, or Wildcat: Cave Canyon

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

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

Approximate date work will start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

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

Date of work completion \_\_\_\_\_

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

\* Must be accompanied by a cement verification report.

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

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

**RECEIVED**

OCT 10 2000

DIVISION OF  
OIL, GAS AND MINING

Central Resources, Inc.

Name & Signature *Jane Masterson*

Title: Engineering Technician

Date: 09/29/00

13. Elm Ridge Resources, Inc.

Name & Signature *Darryl Ludely*

Title: Operations Manager

Date: 09/29/00

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**SUBMIT IN TRIPLICATE**

1. Type of Well

Oil Well  Gas Well  Other WSW

2. Name of Operator

Elm Ridge Resources, Inc.

3. Address and Telephone No.

312 W. LaPlata Street, Farmington, New Mexico (505) 326-7099

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

1800' FSL & 1845' FWL  
NE SW Sec 3-T38S-R24E

5. Lease Designation and Serial No.

UTU47876

6. If Indian, Allotte or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Cave Canyon #1

9. API Well No.

43-037-~~XXXX~~ 31820

10. Field and Pool, or Exploratory Area

Cave Canyon

11. County or Parish, State

San Juan, UT

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

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

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

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

Please be advised that ~~effective October 1, 2000~~, Elm Ridge Resources, Inc. assumed operatorship of the referenced well. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Elm Ridge Resources, Inc. under their statewide bond, BLM Bond No. ~~1005706~~. They will be under the lease terms and conditions for that portion of the lease associated with this notice.

RECEIVED  
BLM FIELD OFFICE

2000 OCT 17 P 2:11

DEPT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

RECEIVED

JUN 11 2001

DIVISION OF  
OIL, GAS AND MINING

070 FARMINGTON, NM

200 OCT 10 PM 2:35

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

Signed:

*Dary Eubly*

Title: Operations Manager

Date: September 29, 2000

(This space for Federal or State office use)

Approved by:

*William Hanger*

Title:

Assistant Field Manager,  
Division of Resources

Date:

6/6/01

Conditions of approval, if any:

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

cc: uDOSM 10/6/01

Elm Ridge Resources, Inc.  
Well No. Cave Canyon 1  
NESW Sec. 3, T. 38 S., R. 24 E.  
Lease UTU47876  
San Juan County, Utah

CONDITIONS OF APPROVAL

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

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

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

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

**RECEIVED**

JUN 11 2001

DIVISION OF  
OIL, GAS AND MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK

2. TYPE OF WELL  
 OIL WELL       GAS WELL       OTHER Water Source       SINGLE SOLE       MULTIPLE SOLE

3. NAME OF OPERATOR  
 Well  
 Raymond T. Duncan

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

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface  
 1845' FWL & 1800' FSL  
 At proposed prod. zone  
 Same

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 13 miles north-west of Hatch Trading Post

7. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any)      480'

8. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST WELL, INCLUDING COMPLETION, OR ARTIFICIAL LIFT, ON THIS LEASE, FT.      150'

9. ELEVATION (Show whether DV, RT, GR, etc.)  
 5227' GR (ungraded)

10. NO. OF ACRES IN LEASE      1289.44'

11. NO. OF ACRES ABANDONED TO THIS WELL      40

12. PROPOSED DEPTH      3100'

13. ROTARY OR CABLE TOOLS      Rotary

14. APPROX. DATE WORK WILL START\*  
 June 1, 1989

5. LEASE DESIGNATION AND SERIAL NO.  
 U-47876

6. IF INDIAN, ALLOTTED OR TRIBE LAND  
 N/A

7. UNIT AGREEMENT NAME  
 N/A

8. NAME OF LEASE NAME  
 Cave Canyon

9. WELL NO.  
 WSW No. 1

10. FIELD AND POOL, OR WILDCAT  
 Cave Canyon

11. SEC., T., R., M., OR S.W. AND SURVEY OR AREA  
 Sec. 3-38S-24E

12. COUNTY OR PARISH      13. STATE  
 San Juan      UT

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#	100'	+180 sx to srfc
8-3/4"	7"	20#	3100'	+500 sx to srfc

Duncan proposes to drill a 3100' water source well as part of the proposed Cave Canyon Waterflood project. The well will be drilled on the pad of the Cave Canyon #3-2 oil well. A 12 1/2" conductor hole will be drilled to 100' and 9-5/8" casing run and cemented to surface. An 8-3/4" hole will be drilled to TD @ 3100' and 7" casing run and cemented. The well will be perf'd in the Shinarump and Curler formations at an estimated depth of 2470-2970'. A submersible pump will be installed and the well will be placed on production to the flood facility.

See Onshore Order No. 1 stipulations attached.

This certifies that Raymond T. Duncan is authorized by proper lease interest owners to conduct lease operations associated with this application. Bond coverage for lease activities is provided by the Operator, Raymond T. Duncan under their national wide bond.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24. SIGNED John A. Bettridge TITLE Operations Superintendent DATE May 16, 1989  
 (This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY Kenneth V. Plue TITLE Acting District Manager DATE 6/2/89

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

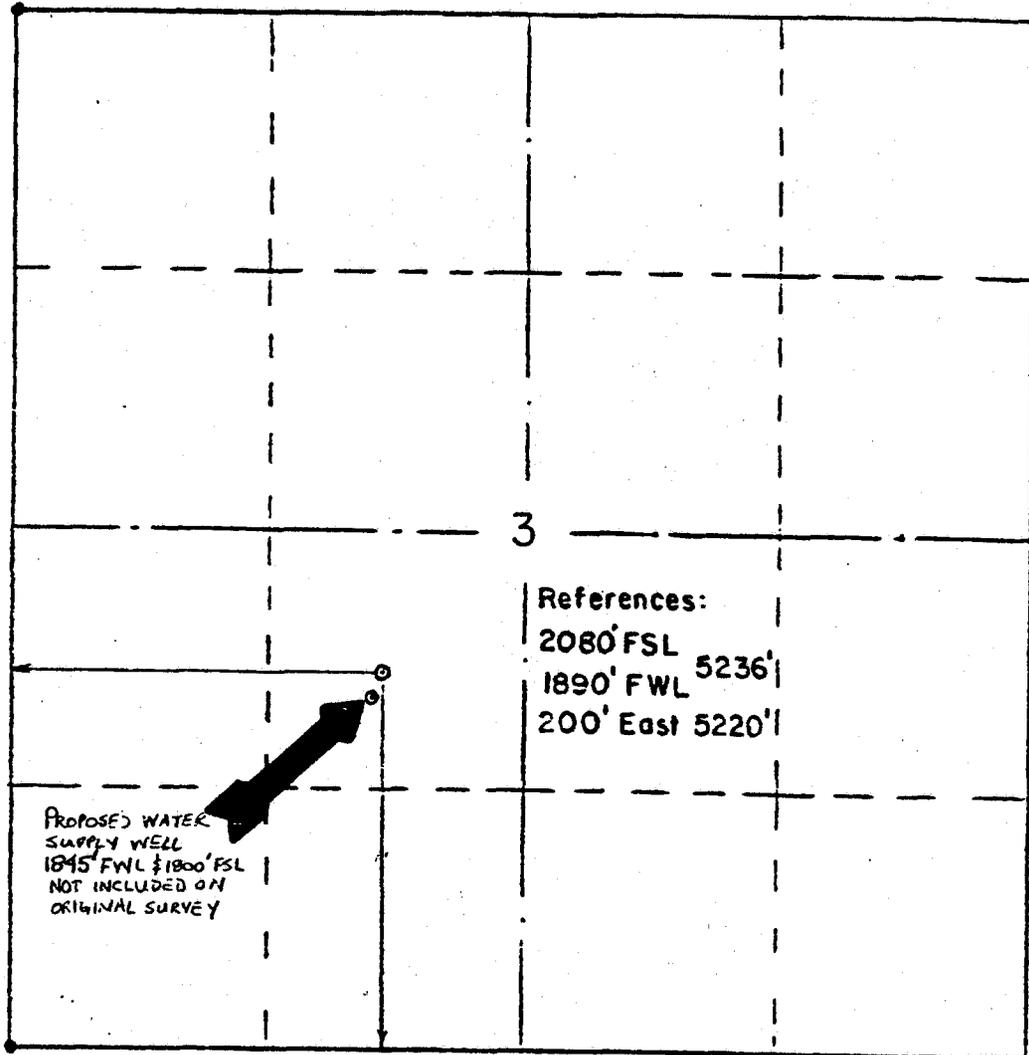
CONDITIONS OF APPROVAL ATTACHED

RECEIVED

JUN 15 2001

\*See Instructions On Reverse Side

WELL LOCATION AND ACREAGE DEDICATION PLAT



Operator <b>R.T. Duncan</b>		Well name <b>3-2 Cave Canyon</b>	
Section <b>3</b>	Township <b>38 South</b>	Range <b>24 East</b>	Meridian <b>SLM</b>
Footages		County/State <b>San Juan, Utah</b>	Elevation <b>5227'</b>
Formation	Dedicated Acreage	Requested by <b>Lisa Green</b>	
<p>The above plat is true and correct to the best of my knowledge and belief.</p> <p>12 Oct. 84</p> <p style="text-align: right;">               Gerald G. Huddleston, L.S.   </p>			

Raymond T. Duncan  
Well No. Cave Canyon WSW No. 1  
NESW Sec. 3, T. 38 S., R. 24 E.  
San Juan County, Utah  
Lease U-47876

CONDITIONS OF APPROVAL

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

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

Bond coverage for this well is provided by BLM Bond No. WY0271. (Principal - Raymond T. Duncan) as provided for in 43 CFR 3104.3.

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

A. DRILLING PROGRAM

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

B. Additional Requirements According To Onshore Oil and Gas Order No. 2

- 3000 psi BOP & BOPE:

Annular preventers,

Double ram with blind rams and pipe rams,

Drilling spool, or blowout preventer with 2 side outlets (choke side shall be a 3-inch minimum diameter, kill side shall be at least 2-inch diameter),

Kill line (2 inch minimum),

A minimum of 2 choke line valves (3-inch minimum),

3 inch diameter choke line,

2 kill line valves, one of which shall be a check valve (2 inch minimum),

2 chokes (refer to diagram in Onshore Order Number 2.),

Pressure gauge on choke manifold,

Upper kelly cock valve with handle available,

Safety valve and subs to fit all drill strings in use,

All BOPE connections subjected to well pressure shall be flanged, welded, or clamped,

Fill-up line above the uppermost preventer,

- If repair or replacement of the BOPE is required after testing, this work shall be performed prior to drilling out the casing shoe, and
- When the BOPE cannot function to secure the hole, the hole shall be secured using cement, retrievable packer or bridge plug packer, bridge plug or other acceptable approved methods to assure safe well conditions.

- Choke Manifold Equipment:

All choke lines shall be straight lines unless turns use tee blocks or are targeted with running tees, and shall be anchored to prevent whip and reduce vibration.

All valves (except chokes) in the kill line, choke manifold and choke line shall be a type that does not restrict the flow (full opening) and that allows a straight through flow.

Pressure gauges in the well control system shall be a type designed for drilling fluid service.

- 3000 psi system - Accumulator Equipment:

Accumulator shall have sufficient capacity to open the hydraulically controlled choke line valve (if so equipped), close all rams plus the annual preventer, and retain a minimum of 200 psi above precharge on the closing manifold without the use of the closing unit pumps. This is a minimum requirement. The fluid reservoir capacity shall be double the accumulator capacity and fluid level maintained at manufacturer's recommendations. The 3M system shall have 2 independent power sources to close the preventers. Nitrogen bottles (3 minimum) may be 1 of the independent power sources and, if so, shall maintain a charge equal to the manufacturer's specifications.

Accumulator precharge pressure test: This test shall be conducted prior to connecting the closing unit to the BOP stack and at least once every 6 months. The accumulator pressure shall be corrected if the measure precharge pressure is found to be above or below the maximum limit specified within Onshore Order Number 2.

Power for the closing unit pumps shall be available to the unit at all times so that the pumps shall automatically start when the closing unit manifold pressure has decreased to a pre-set level.

Each BOP closing unit shall be equipped with sufficient number and sizes of pumps so that, with the accumulator system isolated from service, the pumps shall be capable of opening the hydraulically-operated gate valve (if so equipped), plus closing the annular preventer on the smallest size drill pipe to be used within 2 minutes, and obtain a minimum of 200 psi. above specified accumulator precharge pressure.

A manual locking device (i.e., hand wheels) or automatic locking devices shall be installed on all systems of 2M or greater. A valve shall be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.

Remote controls shall be readily accessible to the driller. Remote controls for all 3M or greater systems shall be capable of closing all preventers.

- BOP Testing:

Pressure tests on ram type preventers shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed off of pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test of BOP stack.

Annular BOP pressure tests shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above tests shall be performed:

- \*\*When initially installed;
- \*\*Whenever any seal subject to test pressure is broken;
- \*\*Following related repairs; and
- \*\*At 30 day intervals.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s), the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly. Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.

- Casing and Cementing:

All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

All casing, except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

All of the above described tests shall be recorded in the drilling log.

All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

Surface casing shall have centralizers on at least the bottom three joints depending on severity of hole inclination.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi/ft. of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

- Mud Program Requirements:

The characteristics, use and testing of drilling mud and the implementation of related drilling procedures shall be designed to prevent the loss of well control. Sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring well control.

-Record slow pump speed on daily drilling report after mudding up.

-Visual mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume.

-A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

-All flare systems shall be designed to gather and burn all gas. The flare line(s) discharge shall be located not less than 100 feet from the well head, having straight lines unless turns are targeted with running tees, and shall be positioned downwind of the prevailing wind direction and shall be anchored. The flare system shall have an effective method for ignition. Where non-combustible gas is likely or expected to be vented, the system shall be provided supplemental fuel for ignition and to maintain a continuous flare.

- Drill Stem Testing Requirements:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

-A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions, or displaced into the formation prior to pulling the test tool. This would involve providing some means for reverse circulation.

-Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

-All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- Special Drilling Operations:

In addition to the equipment already specified elsewhere in Onshore Order No. 2 , the following equipment shall be in place and operational during air/gas drilling:

- Properly lubricated and maintained rotating head;
- Spark arresters on engines or water cooled exhaust;
- Blooie line discharge 100 feet from well bore and securely anchored;
- Straight run on blooie line unless otherwise approved;
- Deduster equipment;
- All cuttings and circulating medium shall be directed into a reserve or blooie pit;
- Float valve above bit;
- Automatic igniter or continuous pilot light on the blooie line;
- Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore;
- Mud circulating equipment, water, and mud materials (does not have to be premixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

C. Anticipated Starting Dates and Notifications of Operations.

Required verbal notifications are summarized in Table I, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

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

Should the well be successfully completed for production, the District Manager will be notified when the well is placed in producing status. Such notification will be sent by telegram or other written communication, not later than five (5) business days following the date on which the well is placed on production.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

The following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:

"Fed" or "Ind", as applicable. "Well number, location by 1/4 1/4 section, township and range". "Lease number".

NOTIFICATIONS

Notify the San Juan Resource Area, at (801) 587-2144 for the following:

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

1 day prior to spudding;

1 day prior to running and cementing 7" 20# casing.

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

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

Dale Manchester, Petroleum Engineer      Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Eric Jones, Petroleum Engineer      Office Phone: (801) 259-6111

Home Phone: (801) 259-2214

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

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.

ONSHORE ORDER NO. 1  
 Raymond T. Duncan  
 Cave Canyon WSW No. 1  
 1845' FWL & 1800' FSL  
 Sec. 3, T38S, R24E  
 San Juan County, Utah

DRILLING PROGRAM

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

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

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Morrison	Surface	
DeChelly	1450'	+3800'
T.D.	3100'	

2. No oil, gas or mineral bearing zones are expected to be encountered. Water is expected to be encountered as follows:

<u>Formation</u>	<u>Anticipated Depth</u>
Shinarump	2465'
Cutler	2570'

3. Pressure control equipment will consist of a 10", 3000# BOP. (See BOP Diagram attached.) Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blow out preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

4. a. Casing

The proposed casing program is as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Wt.</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-100'	12-1/4"	9-5/8"	36#	K-55	ST&C	New
Production	0-3100'	8-3/4"	7"	20#	K-55	ST&C	New

ONSHORE ORDER NO. 1  
Raymond T. Duncan  
Cave Canyon WSW No. 1  
1845' FWL & 1800' FSL  
Sec. 3, T38S, R24E  
San Juan County, Utah

DRILLING PROGRAM (con't)

b. Cement

The cementing program will be as follows:

<u>Surface</u>	<u>Type and Amount</u>
0-100'	80 sx Class 'B' w/additives: or sufficient to circulate to surface.
<u>Production</u>	<u>Type and Amount</u>
0-3100'	500 sx Class 'B' w/ additives: or sufficient to circulate to surface

c. Auxiliary Equipment will be as follows:

1. Kelly cock.
2. A sub with a full opening valve will be on the floor when the kelly is not in use.
3. Monitoring of the system will be done visually.

5. Drilling fluid will be as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>
0-3100'	Chem Gel	9.0-9.2	35	10-20

6. Coring, logging and testing programs are as follows:

- a. No cores are anticipated.
- b. The logging program will consist of a Dual Induction log run from the base of surface casing to T.D.
- c. No DST's are anticipated.

ONSHORE ORDER NO. 1  
Raymond T. Duncan  
Cave Canyon WSW No. 1  
1845' FWL & 1800' FSL  
Sec. 3, T38S, R24E  
San Juan County, Utah

DRILLING PROGRAM (con't)

Whether the well is completed as a dry hole or as a producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted not later than 15 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the District Manager.

7. Abnormal conditions, bottom hole pressures and potential hazards.
  - a. The maximum bottom hole pressure to be expected is 1340 psi.
  - b. Raymond T. Duncan plans to spud the Cave Canyon WSW No. 1 on June 1, 1989 and intends to complete the well within approximately two weeks after the well has reached T.D.
  - c. The operator will contact the San Juan Resource Area at (801) 587-2201, 48 hours prior to beginning any dirt work on this location.
  - d. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.
  - e. The spud date will be reported orally to the San Juan Area Manager, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5) will be sent within 24 hours of spudding, reporting the spud date and time. The Sundry will be sent to the District Manager.
  - f. ~~In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329 "Monthly Report of Operations", starting with the month in which operations begin and continue each month until the well is physically plugged and abandoned. This report will be sent to the Moab BLM District Office, P. O. Box 970, Moab, Utah 84532.~~

ONSHORE ORDER NO. 1  
Raymond T. Duncan  
Cave Canyon WSW No. 1  
1845' FWL & 1800' FSL  
Sec. 3, T38S, R24E  
San Juan County, Utah

DRILLING PROGRAM (con't)

- g. If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the District Manager. All conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- h. No well abandonment operations will begin without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Manager. A "Subsequent Report of Abandonment" (Form 3160-5), will be filed with the District Manager, within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration.
- j. Final abandonment will not be approved until surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the San Juan Area Manager or his representative, or the appropriate Surface Managing Agency.

WELL NAME: \_\_\_\_\_

LOCATION : \_\_\_\_\_

9-5/8"  
Drilling Nipple / "

7 "Circulating Line

B.O.P. Bld Rams 10 "x 3000 W.P.

B.O.P. D.P. Rams 10 "x 3000 W.P.

Not Required

Hyd. Valve - - " - - W.P. (Omit)

Check Valve 2 "x 3000 W.P.

Valve 2 " 3000 W.P.

Valve 2 " 3000 W.P.

Valve 2 " 3000 W.P.

2 "Line

MANIFOLD LINE  
3000 W.P.

(See Exhibit "B")

KILL LINE MANIFOLD

Spool 10 "x 3000 W.P.

Ground Level

WELL HEAD B.O.P.

3000 #W.P.

Hydraulic

ONSHORE ORDER NO. 1  
Raymond T. Duncan  
Cave Canyon WSW No. 1  
1845' FWL & 1800' FSL  
Sec. 3, T38S, R24E  
San Juan County, Utah

SURFACE USE PLAN

ONSHORE OIL & GAS ORDER NO. 1

Thirteen Point Surface Use Plan

1. Existing Roads - Refer to Cave Canyon Federal #3-2 Application for Permit to Drill.
2. Planned Access Roads - Refer to Cave Canyon Federal #3-2 Application for Permit to Drill.
3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location. (See Map #3)
  - a. Water Wells - one artesian spring
  - b. Injection of Disposal wells - none
  - c. Producing wells - five
  - d. Drilling wells - none
4. Location of Tank Batteries and Production Facilities.
  - a. No additional facilities will be required. Water will be transported to the waterflood plant.
5. Location and Type of Water Supply
  - a. All water needed for drilling purposes will be obtained from a private source.
  - b. Water will be trucked to location over the roads marked on Map #2.
  - c. Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer, 801/637-1303, and by receiving permission from the landowner or surface management agency to use the land containing the water source.

ONSHORE ORDER NO. 1  
Raymond T. Duncan  
Cave Canyon WSW No. 1  
1845' FWL & 1800' FSL  
Sec. 3, T38S, R24E  
San Juan County, Utah

SURFACE USE PLAN (con't)

6. Source of Construction Material

- a. The use of materials under BIM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.

7. Methods of Handling Waste Disposal

- a. A steel trash container will be used near the mud tanks. The road and pad will kept litter free. We will haul cuttings and mud to the Cave Canyon #3-3 reserve pit for disposal.

8. Ancillary Facilities

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

9. Well Site Layout

- a. See Diagram #2 for rig layout. See Diagram #3 for cuts and fills.
- b. Access to the well pad will be from the south.

10. Reclamation - Refer to Cave Canyon Federal #3-2 Application for Permit to Drill.

11. a. Surface Ownership

Federal

b. Mineral Ownership

Federal

ONSHORE ORDER NO. 1  
Raymond T. Duncan  
Cave Canyon WSW No. 1  
1845' FWL & 1800' FSL  
Sec. 3, T38S, R24E  
San Juan County, Utah

SURFACE USE PLAN (con't)

12. Other Information

- a. There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CF 3162.2.
- b. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.
- c. The dirt contractor will be provided with an approved copy of the surface use plan.
- d. If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All people who are in the area will be informed by the operator that they are subject to prosecution for disturbing archeological site or picking up artifacts. Salvage or excavation of identified archeological sites will be done by a BLM approved archeologist only if damage occurs.
- e. This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.
- f. An archeological study was done by LaPlata Archeological Consultants per the Cave Canyon Federal #3-2 Application for Permit to Drill and clearance was recommended. A copy of the report is attached.
- g. A Deer Winter Range Stipulation is in effect on this lease. There will be no drilling operations between December 1st and March 31st, unless otherwise authorized by the District Manager.

ONSHORE ORDER NO. 1  
Raymond T. Duncan  
Cave Canyon WSW No. 1  
1845' FWL & 1800' FSL  
Sec. 3, T38S, R24E  
San Juan County, Utah

SURFACE USE PLAN (con't)

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

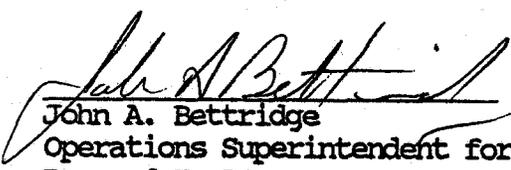
Permit, Drilling & Completion Matters

Raymond T. Duncan  
1777 S. Harison Street  
Penthouse 1  
Denver, CO 80210  
John Bettridge  
(303) 759-3303 (w)  
(303) 733-3604 (h)

Certification

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

5/16/89  
Date: May 16, 1989

  
John A. Bettridge  
Operations Superintendent for  
Raymond T. Duncan

# CAVE CANYON WSW#1 RIG LAYOUT

NE/SW SEC 3-T385-R24E SAN JUAN CO., UT

EXISTING TANK  
BATTERY PAD

N

22-141 50 SHEETS  
22-142 100 SHEETS  
22-144 200 SHEETS

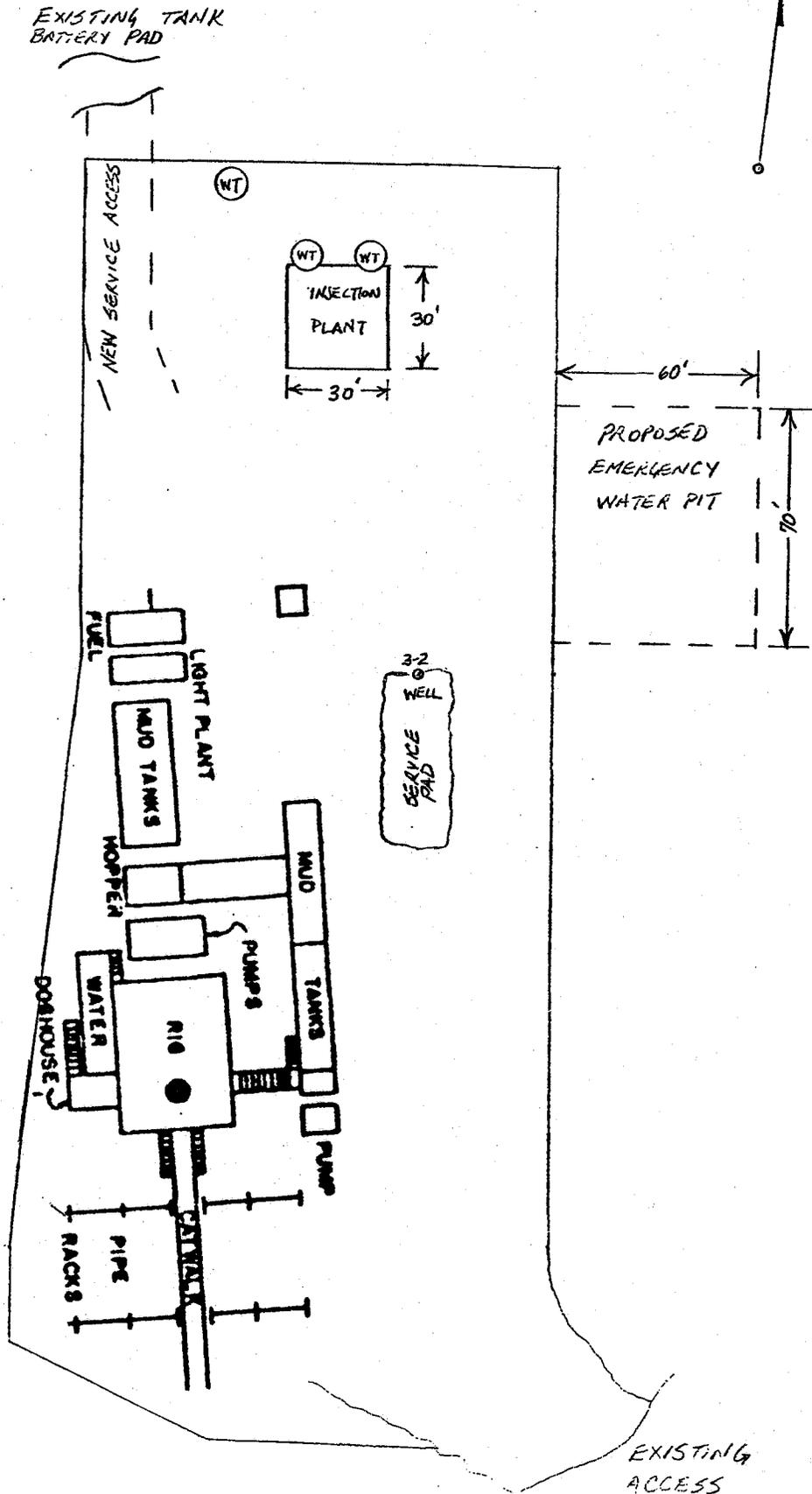
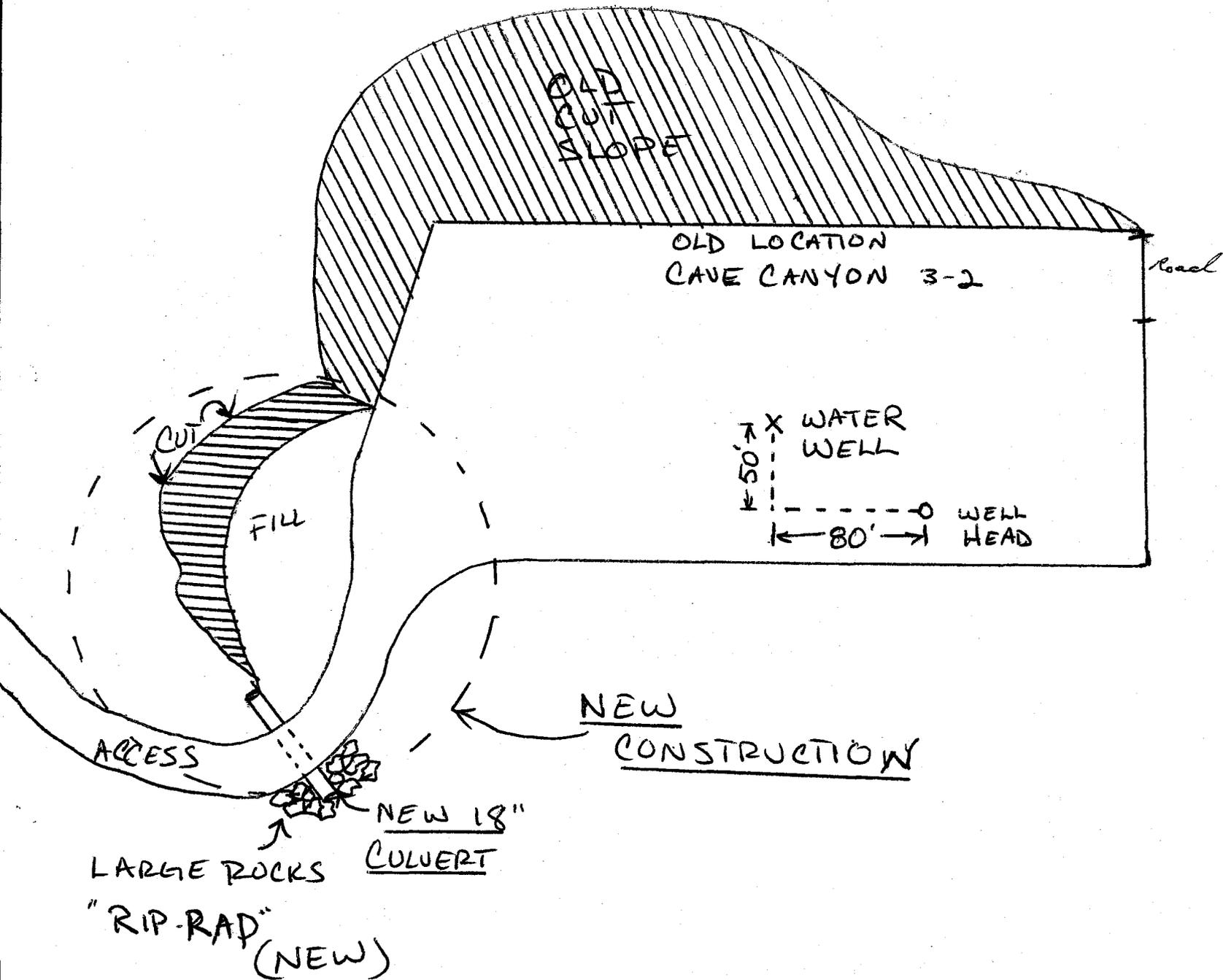


DIAGRAM #3

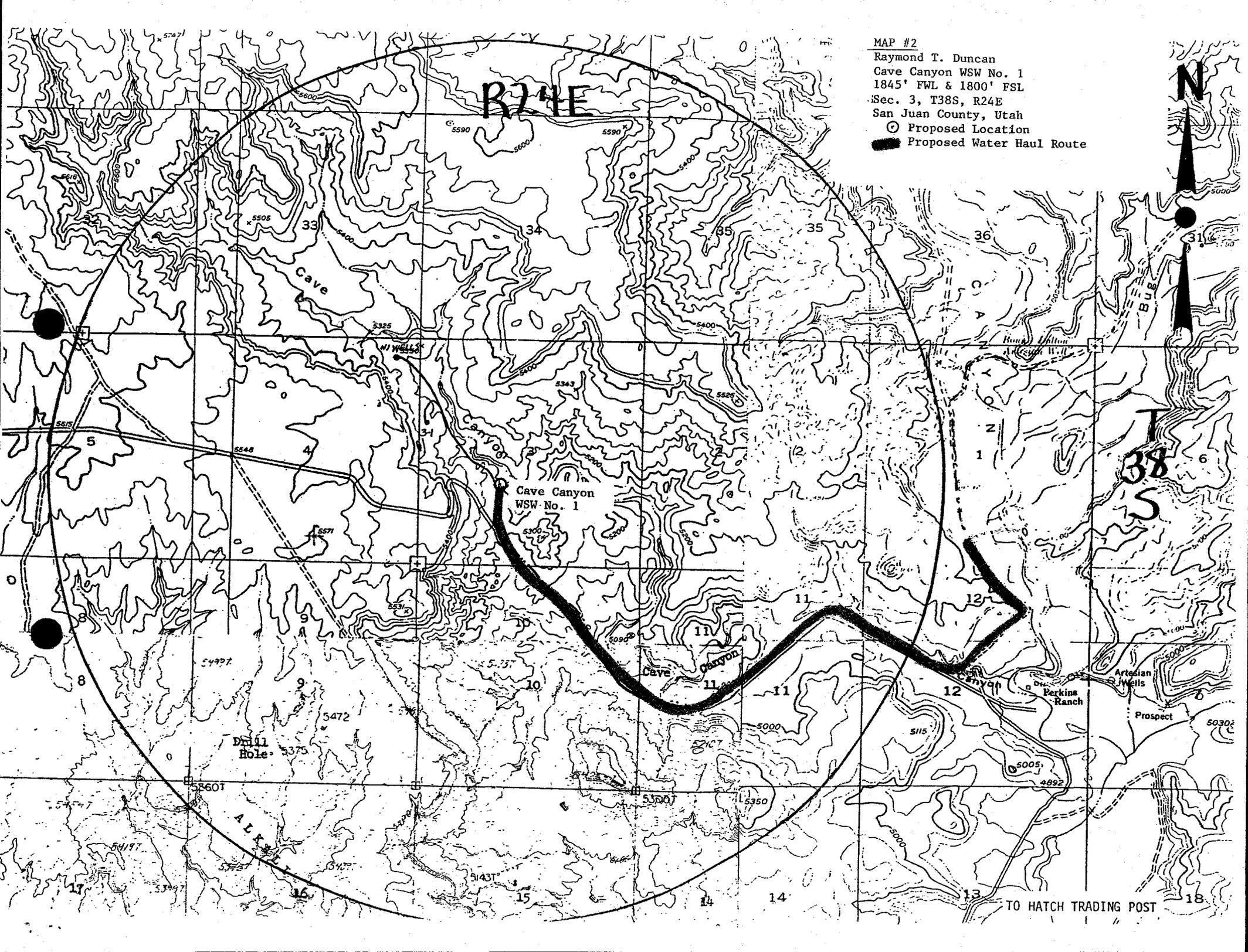
Cut and fill diagram for the pad extension will be forwarded when complete to be included with this application.

RAYMOND T. DUNCAN  
CAVE CANYON 3-2

19 MAY '89



MAP #2  
Raymond T. Duncan  
Cave Canyon WSW No. 1  
1845' FWL & 1800' FSL  
Sec. 3, T38S, R24E  
San Juan County, Utah  
○ Proposed Location  
● Proposed Water Haul Route



R24E

T38S

TO HATCH TRADING POST

Yates  
● 33-2  
87-6120

Yates  
● 33-1  
86-6091  
9 | 35  
292 | 829

Duncan  
● Well  
84-6081

713-1  
10-1-91

Duncan  
● 4-3  
88-6104

Duncan  
◇  
85-6294

4

Duncan  
● 3-7  
88-6119

Duncan  
● 3-3  
88-6029

3

CAVE CANYON  
WSW NO. 1  
Proposed  
Location

Duncan  
● 3-2  
88-6017

ASO  
◇  
86-6000

Duncan  
◇  
87-5908

9

10

**DUNCAN EXPLORATION COMPANY**

PORTLAND ONE  
1777 SOUTH HARRISON STREET  
DENVER, COLORADO 80210  
TELEPHONE (303) 750-0000

**CAVE CANYON FIELD**  
**SAN JUAN CO., UTAH**

WELLS PROSPECT

MAP #3

SCALE - 1" = 1000'

FEB., 1969

AN ARCHEOLOGICAL SURVEY OF  
WALTER DUNCAN OIL PROPERTIES'  
CAVE CANYON #3-2 WELL PAD,  
SAN JUAN COUNTY, UTAH

LAC REPORT 84104

by  
Patrick L. Harden.

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

OCTOBER 16, 1984

Federal Antiquities Permit  
84-UT-54625

Prepared For:  
Walter Duncan Oil Properties  
Penthouse  
1777 S. Harrison St.  
Denver, Colorado 80210

## ABSTRACT

An archeological survey of Walter Duncan Oil Properties' Cave Canyon #3-2 well pad was conducted by personnel of La Plata Archeological Consultants, Inc. on October 11 and 15, 1984. The project is located on lands administered by the Bureau of Land Management - San Juan Resource Area in San Juan County, Utah. An area 660 X 660 feet surrounding the pad center stake was inventoried. No cultural resources were found in the project area and archeological clearance for the project is recommended.

## INTRODUCTION

The archeological survey for Walter Duncan Oil Properties' Cave Canyon #3-2 well pad was requested by Ms. Lisa Green, acting permit agent for Duncan Oil. The survey was conducted by Patrick Harden of La Plata Archeological Consultants, Inc. of Dolores, Colorado on October 11, 1984 and again visited on October 15th during the on-site pre-drill inspection. Persons attending the pre-drill were Ms. Green (Permitco), Rich McClure (BLM), Al Heaton (Urado Construction), Gerald Huddleston (land surveyor), and Harden (LAC).

The project consists of the construction of a single well pad ca. 275 X 325 feet in size. Access for the well will be off of an existing well access road (for Duncan's Wells Federal #1 well) and will be ca. 50-75' in length. The access route

is included in the 660'² area surveyed for the well pad.

The project is located in the NE¼, SW¼ of section 3, T38S, R24E, San Juan County, Utah. The area is included on the Blanding, Utah 15' series topographic map (1957). The Bureau of Land Management - San Juan Resource Area administers the land involved.

#### PHYSIOGRAPHY AND ENVIRONMENT

The project area is located along the central reaches of Cave Canyon and just to the southeast of the southern portion of Alkali Ridge. The terrain in the area is characterized by a series of benches and ridges along the canyon slopes bordering the narrow Cave Canyon wash and attendant floodplain. The well pad is located on the slopes of a low ridge and a small terrace adjacent to the wash.

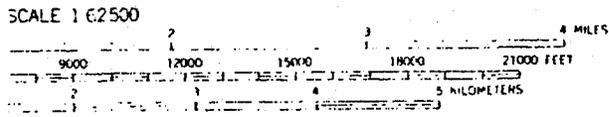
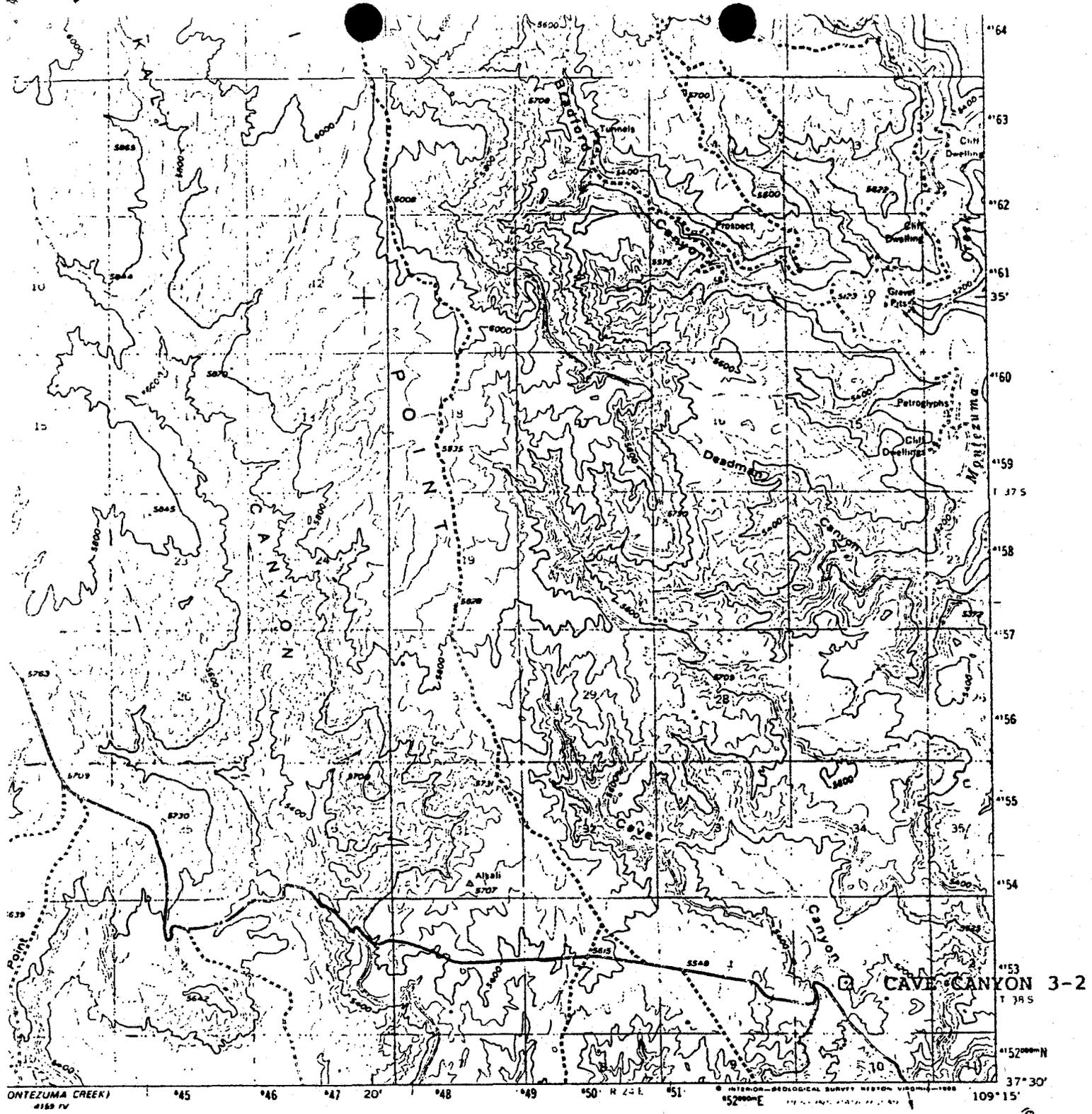
Sediments consist of residual and colluvial sand to small boulder sized sandstone. Shallow aeolian fine sandy loam is present in a few locations.

Vegetation is a salt-shrub association, with scattered juniper present on ridges and in sheltered areas. Greasewood, salt-bush, cheat grass, juniper, and snakeweed are represented.

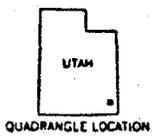
The only source of permanent water is Cave Canyon Spring, located ca. 1000' to the northwest.

#### EXAMINATION PROCEDURES

A file and literature review was conducted at the Monticello



OUR INTERVAL 40 FEET  
 ODDIC VERTICAL DATUM OF 1929



**ROAD CLASSIFICATION**

Heavy-duty	—————	Light-duty	—————
Medium-duty	—————	Unimproved dirt	.....
		State Route	—————

H NATIONAL MAP ACCURACY STANDARDS  
 DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092  
 HC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

**BLANDING, UTAH**  
 N3730—W10915/15

1957  
 DMA 4159 III—SERIES V797

BLM office prior to the field investigations. The results of the review indicated that no cultural resources had been recorded in the project area and that no National Register listed properties are in or near the area. The access road to be primarily used for the well has been previously surveyed (Hibbets 1984).

On-the-ground survey consisted of walking a series of transects spaced 15 meters apart across the well pad in a 660 X 660 foot area surrounding the pad center stake. The area where a small segment of access road is to be constructed was included in the pad survey area.

#### SURVEY RESULTS

No cultural resources were found in the project area. The nature of the sediments make the possibility of buried cultural deposits being present highly unlikely.

#### CONCLUSION

The archeological survey of Walter Duncan Oil Properties' Cave Canyon #3-2 well pad was conducted on October 11 and 15, 1984 by personnel of La Plata Archeological Consultants, Inc. Actual inventory for cultural resources was conducted on the 11th, with the on-site pre-drill inspection held on the 15th. An area 660 X 660' surrounding the well pad center stake (10 acres) was archeologically surveyed. No cultural resources were found in the area and archeological clearance for the pro-

ject is recommended.

REFERENCE CITED

Hibbets, Barry N.

1984 An Archeological Survey of Duncan Oil Properties'  
Wells Federal #1 Well Site and Access Road, San  
Juan County, Utah. LAC Report 8445. Manuscript  
on file with the BLM, Monticello.

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

SUBMIT IN TRIP  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<p>1. <input type="checkbox"/> OIL WELL    <input type="checkbox"/> GAS WELL    <input type="checkbox"/> OTHER    Water Source Well</p> <p>2. NAME OF OPERATOR Raymond T. Duncan</p> <p>3. ADDRESS OF OPERATOR 1777 S. Harrison St., PH-1, Denver, CO 80210</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface  1845' FWL &amp; 1800' FSL</p> <p>14. PERMIT NO.</p>	<p>5. LEASE DESIGNATION AND SERIAL NO. U-47876</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A</p> <p>7. UNIT AGREEMENT NAME N/A</p> <p>8. FARM OR LEASE NAME Cave Canyon</p> <p>9. WELL NO. WSW No. 1</p> <p>10. FIELD AND POOL, OR WILDCAT Cave Canyon</p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 3-T38S-R24E</p> <p>12. COUNTY OR PARISH    13. STATE San Juan                      UT</p>
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5227' GR (ungraded)</p>	

16. **Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data**

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) Progress Report		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

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

The subject well was spud on June 11, 1989. 9-5/8" 36#, K-55 surface casing was set at 120' KB and cmt'd w/100 sx Class 'B' w/3% CaCl. Cmt was circulated to surface. The well was drilled to a total depth of 3120'. 7" 23# K-55 csg was set at 3120' KB and cmt'd w/300 sx Class 'B' and 375 sx Lite. Rig was released on June 16, 1989.

The well was perf'd as follows: 2962-70, 2890-2900, 2820-40, 2794-2804, 2622-32, 2546-2572. Total 84 feet, 4 JSPF, 22 gr chges. Acidized perms w/4200 gal 15% HCL. Perf'd 1690-1710, 1645-1655, 1595-1615, 1530-1550, 1475-1485, 4 JSPF. Acidized perms w/ 2000 gals 15% HCL. SWL. WO production equipment.

**RECEIVED**

JUN 15 2001

DIVISION OF  
OIL, GAS AND MINING

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

SIGNED <u>J. A. Bettridge</u>	TITLE <u>Operations Superintendent</u>	DATE <u>July 5, 1989</u>
(This space for Federal or State office use)		
APPROVED BY <u>NOTED</u>	TITLE <u>Branch of Fluid Minerals</u>	DATE <u>JUL 13 1989</u>
CONDITIONS OF APPROVAL, IF ANY:		

*Noted JHM  
7/13/89*

\*See Instructions on Reverse Side

Form 1541-3  
 (July 1965)  
 (formerly 4-1599a)

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

CONFIRMATION/REPORT OF TELEPHONE CONVERSATION

<b>T O</b>	Name	<i>Dale Manchester</i>	<b>F R O M</b>	Name	<i>John Bettidge</i>
	Office	<i>Moose District Office</i>		Office	<i>Kenah Duncan Oil and Gas</i>
	Location	<i>Moose, Utah</i>		Location	<i>Denver, Co.</i>
	Telephone Number	<i>801-259-6111</i>		Telephone Number	

**Purpose of Call:**

*John Bettidge called to get a verbal approval to complete in the Wingate formation (Cave Canyon SW No. 1) along with the approved Citter and Shinarump Formations. They tested these and apparently they weren't giving up enough water. We have no objection to this, therefore approval was granted. They will follow up with completion apt and sundry*

**Explanatory Remarks:**

*6/26/89*  
 (Date)

*Dale H. Manchester*  
 (Signature)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other Water Source Well

b. TYPE OF COMPLETION:  
NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
Raymond T. Duncan

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

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

At surface 1845' FWL & 1800' FSL

At top prod. interval reported below Same

At total depth Same

652,876 E  
4,152,640 E

14. PERMIT NO. \_\_\_\_\_ DATE ISSUED \_\_\_\_\_

15. DATE SPUDDED 6-1-89 16. DATE T.D. REACHED 6-16-89 17. DATE COMPL. (Ready to prod.) 7-7-89 18. ELEVATIONS (DF, RKB, RT, GE, ETC.)\* 5227' GR 5239' KB 19. ELEV. CASING HEAD \_\_\_\_\_

20. TOTAL DEPTH, MD & TVD 3120' 21. PLUG, BACK T.D., MD & TVD 3071' 22. IF MULTIPLE COMPL., HOW MANY\* \_\_\_\_\_ 23. INTERVALS DRILLED BY 0-3120' ROTARY TOOLS \_\_\_\_\_ CARLIS TOOLS \_\_\_\_\_

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
Wingate 1475'-1710' Cutler 2794'-2970'  
Shinarump 2546'-2632'

26. TYPE ELECTRIC AND OTHER LOGS RUN Dual Induction/Caliper/GR 27. WAS WELL CORED No.

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36#	120'	12-1/4"	100 sx "B" w/ 3% CaCl	None
7"	23#	3120'	8-3/4"	300 sx "B" + 375 sx Lite	None

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					3-1/2"	2470'	

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
INTERVAL	SIZE	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2962-70', 2890-2900', 2820-40', 2794-2804'		2970-2546'	4200 gal 15% HCl
2622-32', 2546-72', 1690-1710', 1645-55', 1595-1615', 1530-50', 1475-85'		1475-1710'	2000 gal 15% HCl
4 JSPF, 22 gr. charges, .5" holes			

33.\* PRODUCTION  
DATE FIRST PRODUCTION 7-7-89 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping - Reda Submersible Pump WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
7-8-89	24	N/A	→	0	0	4200	N/A

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) N/A TEST WITNESSED BY Robert Knuckles

35. LIST OF ATTACHMENTS  
Copies of the logs are attached.

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

SIGNED [Signature] TITLE Operations Superintendent DATE July 26, 1989

\*(See Instructions and Spaces for Additional Data on Reverse Side)  
DIVISION OF  
OIL, GAS AND MINING

RECEIVED

JUN 15 2001

4/12/99

# INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form; see item 35.

**Item 4:** If there are no applicable State requirements on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 18:** Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

**Items 22 and 24:** If this well is completed from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s), and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

**Item 29: "Sacks Cement":** Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

**Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

U.S. GOVERNMENT PRINTING OFFICE: 1963-O-683636

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
<b>33. SUMMARY OF POROUS ZONES:</b> 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			
<b>38. GEOLOGIC MARKERS</b>			
	MEAS. DEPTH	TOP	
Wingate	1460'		
Chinle	1754'		
Shinarump	2468'		

DEPARTMENT OF THE INTERIOR  
 GEOLOGICAL SURVEY  
 WELL COMPLETION OR RECOMPLETION REPORT AND LOG

U-47876  
Casing and Cementing Verification

~~12" .5181  $\frac{ft^3}{ft}$  \* 3120 = 1616.5  $ft^3$~~

87 .1069  $\frac{3\frac{1}{16}}$  9.3 7.7 Gal 64.14\*

75 .0429 3,2175 Gal

1,4596  $\frac{ft^3}{ft}$  \* 375  $ft$  = 547.3  $ft^3$

1,1752  $\frac{ft^3}{ft}$  \* 300  $ft$  = 352.57  $ft^3$

899.87  $ft^3$

Depth (ft)	Diameter	$\frac{ft^3}{ft}$	$ft^3$
3120 - 3083 (37)	10.5	.3341 <sup>OH 1"</sup>	12.36
3083 - 2850 (233)	10.0	.2782	64.82
2850 - 2690 (160)	11.0	.3927	62.83
2690 - 2650 (40)	11.2	.4200	16.80
2650 - 2520 (130)	11.0	.3927	51.05
2520 - 2450 (70)	12.0	.5181	36.27
2450 - 2340 (110)	11.0	.3927	43.20
2340 - 1900 (440)	11.5	.4541	199.80
1900 - 1760 (140)	12.25	.5512	77.17
1760 - 1700 (60)	12.50	.5850	35.10
1700 - 1450 (250)	13.0	.6545	163.63
1450 - 1250 (200)	11.0	.3927	78.54
1250 - 920 (330)	11.5	.4541	149.85
920 - 890 (30)	11.0	.3927	11.78
890 - 750 (140)	12.0	.5181	72.53
750 - 700 (50)	11.5	.4541	22.71
700 - 350 (350)	11.0	.3927	137.45
350 - 120 (230)	12.0	.5181	119.16
120 - 0 (120)	9.921	.1668	20.02

Too little cement  
to fill entire hole  
(annular).

I called John Bettridge  
w/ Raymond T. Duncan  
to see if any remedial  
cementing was done after  
primary cement was set.  
John told me yes cement  
was later pumped into  
annular space to surface

Total 1375.07  $ft^3 \pm 75$

RAM 8/8/89

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. <del>GOV</del>		4-KAS ✓
2. <del>GOV</del>		5-LP
3. JLT →		6-FILE

Enter date after each listed item is completed

**X Change of Operator (Well Sold)**

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **10-01-2000**

<b>FROM: (Old Operator):</b>	<b>TO: ( New Operator):</b>
CENTRAL RESOURCES INC	ELM RIDGE RESOURCES INC
Address: P. O. BOX 1213	Address: P. O. BOX 189
BLOOMFIELD, NM 87413-1213	FARMINGTON, NM 87499-189
Phone: 1-(505)-632-3476	Phone: 1-(505)-632-3476
Account N6935	Account N1440
<b>CA No.</b>	<b>Unit:</b>

**WELL(S)**

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
CAVE CANYON WSW 1	43-037-31820	99998	03-38S-24E	FEDERAL	WSW	A

**OPERATOR CHANGES DOCUMENTATION**

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/20/2000
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/20/2000
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/18/2001
- Is the new operator registered in the State of Utah: YES Business Number: 4830075-1150
- If **NO**, the operator was contacted on: N/A
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 06/06/2001
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A

9. **Underground Injection Control (UIC)** The Division has approved UIC Form 1, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

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**DATA ENTRY:**

- 1. Changes entered in the **Oil and Gas Database** on: 06/18/2001
- 2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 06/18/2001
- 3. Bond information entered in RBDMS on: N/A
- 4. Fee wells attached to bond in RBDMS on: N/A

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**STATE BOND VERIFICATION:**

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

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**FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:**

- 1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
- 2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A
- 3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

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**FILMING:**

- 1. All attachments to this form have been **MICROFILMED** on: 7.19.01

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**FILING:**

- 1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filed in each well file on: \_\_\_\_\_

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**COMMENTS:**

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

FORM 9.

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" 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 checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Effective February 18, 2005, Elm Ridge Resources, Inc. transferred all responsibility of Operations for the wells described on the attached Exhibit "A" to Elm Ridge Exploration Company, LLC.

Current Operator:

Name Elm Ridge Resources, Inc. N1440 Title Land Manager

Signature Cathleen Colby Date December 1, 2005

New Operator:

NAME (PLEASE PRINT) Elm Ridge Exploration Company, LLC TITLE Land Manager

SIGNATURE Cathleen Colby DATE December 1, 2005

(This space for State use only)

RECEIVED

DEC 05 2005

Exhibit "A"  
Operator Change  
Effective February 18, 2005

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



7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: not yet

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: not yet

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 12/7/2005

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 12/8/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/8/2005
3. Bond information entered in RBDMS on: 12/8/2005
4. Fee/State wells attached to bond in RBDMS on: 12/8/2005
5. Injection Projects to new operator in RBDMS on: 12/8/2005
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: UT00126

**INDIAN WELL(S) BOND VERIFICATION:**

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

**FEE & STATE WELL(S) BOND VERIFICATION:**

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

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_