

Designation of Agent
(Submit in triplicate)

43-037-50001

The undersigned is, on the records of the Bureau of Land Management, Unit Operator under the Threemile Unit Agreement, San Juan County, Utah, No. UTU-84722X, approved and effective on 3/4/2010 and hereby designates:

Name: Stone Energy Corporation
Address: 625 E. Kaliste Saloom Road
Lafayette, LA 70508

as its agent, with full authority to act on its behalf in complying with the terms of this unit agreement and regulations applicable thereto and on whom the Authorized Officer or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, and completing Threemile Unit Well No. 12-7 in the NW1/4SE1/4, Sec. 12, T.29S, R.21E, San Juan County, Utah. Bond coverage will be provided under Nationwide Bond No. RLB0005762.

It is understood that this Designation of Agent does not relieve the Unit Operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Unit Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his duly authorized representative.

The Unit Operator agrees to promptly notify the Authorized Officer of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement. A designated agent may not designate another party as agent.

This Designation is given only to enable the agent herein designated to drill the above specified well. It is understood that this Designation of Agent is limited to the field operations performed while drilling and completing the specified well and does not include administrative actions requiring specific authorization of the Unit Operator. This designation in no way will serve as authorization for the agent to conduct field operations for the specified well after it has been completed for production. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate office of the Bureau of Land Management all reports and a Well Completion Report and Log (Form 3160-4) as required by the approved Application for Permit to Drill for the specified well.

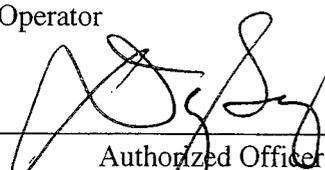
In the event the above specified well is completed as a non-paying unit well, the authority for the designated agent to operate this well shall be established by completion of the Delegation of Authority to Operate Non-paying Unit Well for and submittal of the form to the appropriate office of the Authorized Officer.

RECEIVED

JUN 07 2010

DIV. OF OIL, GAS & MINING

WHITING OIL AND GAS CORPORATION
Unit Operator

By: 
Authorized Officer

David M. Seery
Vice President - Land

5-18-2010

APPROVED - EFFECTIVE JUN 4 2010



CHIEF, BRANCH OF MINERAL

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL				1. WELL NAME and NUMBER Threemile 12-7		
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>				3. FIELD OR WILDCAT HATCH POINT		
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO				5. UNIT or COMMUNITIZATION AGREEMENT NAME THREEMILE		
6. NAME OF OPERATOR STONE ENERGY CORPORATION				7. OPERATOR PHONE 337 237-0410		
8. ADDRESS OF OPERATOR 625 East Kaliste Saloom Rd, Lafayette, LA, 70508				9. OPERATOR E-MAIL WenzelJF@StoneEnergy.com		
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-76580		11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		
13. NAME OF SURFACE OWNER (if box 12 = 'fee')				14. SURFACE OWNER PHONE (if box 12 = 'fee')		
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')				16. SURFACE OWNER E-MAIL (if box 12 = 'fee')		
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')		18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>		19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>		
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	2140 FSL 1925 FEL	NWSE	12	29.0 S	21.0 E	S
Top of Uppermost Producing Zone	2140 FSL 1925 FEL	NWSE	12	29.0 S	21.0 E	S
At Total Depth	2140 FSL 1925 FEL	NWSE	12	29.0 S	21.0 E	S
21. COUNTY SAN JUAN		22. DISTANCE TO NEAREST LEASE LINE (Feet) 1925		23. NUMBER OF ACRES IN DRILLING UNIT 40		
		25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 7200		26. PROPOSED DEPTH MD: 11184 TVD: 7670		
27. ELEVATION - GROUND LEVEL 6189		28. BOND NUMBER RLB0005762		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 05-6 (Charles Hardison Redd)		

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 checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input checked="" type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP

NAME Don Hamilton	TITLE Agent	PHONE 435 719-2018
SIGNATURE	DATE 07/09/2010	EMAIL starpoint@etv.net
API NUMBER ASSIGNED 43037500010000	APPROVAL  Permit Manager	

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	17.5	13.375	0	1500		
Pipe	Grade	Length	Weight			
	Grade J-55 ST&C	1500	54.5			

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Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
I1	12.25	9.625	0	4940		
Pipe	Grade	Length	Weight			
	Grade HCN-80 LT&C	4940	40.0			

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Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
I2	8.75	7	0	7570		
Pipe	Grade	Length	Weight			
	Grade HCN-80 LT&C	7900	32.0			

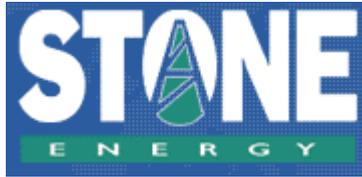
CONFIDENTIAL

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
L1	6	4.5	0	11412		
Pipe	Grade	Length	Weight			
	Grade P-110 LT&C	3480	13.5			
	Grade P-110 LT&C	3800	13.5			

CONFIDENTIAL

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
L1	6	4.5	0	11184		
Pipe	Grade	Length	Weight			
	Grade P-110 LT&C	3480	13.5			
	Grade P-110 LT&C	3800	13.5			

CONFIDENTIAL



SURFACE USE PLAN

Name of Operator: Stone Energy Corporation
Address: Lafayette Office (Headquarters)
625 East Kaliste Saloom Rd.
Lafayette, LA 70508
Well Location: Threemile 12-7
2,140' FSL & 1,925' FEL, NW/4 SE/4,
Section 12, T29S, R21E, SLB&M
San Juan County, UT

The surface owner or surface owner representative and dirt contractor will be provided with an approved copy of the surface use plan of operations and approved conditions of approval before initiating construction. The BLM Authorized Officer will be notified at least four days prior to beginning construction for scheduling of a preconstruction meeting.

The well site is located on BLM surface and mineral. All construction work will be accomplished in coordination with the BLM and a Sundry Notice (Form 3160-5) will be submitted and approved by the BLM prior to construction of any new surface disturbance activity on federal surface not specified in this document.

An **Emissions Inventory** has been completed for this project and is attached as Exhibit "H" immediately following this plan.

A Federal permit and a DOGM permit must be in place prior to initiating any construction activities.

The BLM onsite inspection for the referenced well was conducted on Friday, May 21, 2010 at 10:15 am. The following were present for the onsite inspection:

Ben Kniola	Natural Resources Protection Specialist	Moab BLM
Pam Riddle	Wildlife Biologist	Moab BLM
Charlie Harrison	Harrison Oil Field Services, Inc.	Stone
Energy		
Don Hamilton	Agent	Stone Energy

1. Location of Existing Roads:

- a. The proposed well site is located approximately 16.7 miles west of La Sal, Utah.
- b. Proposed access will utilize 16.3 miles of the existing gravel/native-surfaced San Juan County maintained CR 131 and 106 (Looking Glass Rock Road to Eightmile Rock Road) from the UDOT maintained SR-191 paved-surface. Existing access then continues north along existing bladed native surface BLM roads for 1.8 miles to a point where new access begins. (See Exhibit "A").
- c. The existing paved-surface SR-191 will not be upgraded or maintained. No upgrades are proposed to CR 131 or 106 but spot gravel replacement and routine blading may be required to accommodate increased traffic. The existing 1.8 miles of BLM roads will not be widened but gravel installations and routine blading may be required to accommodate increased traffic. Turnouts will be installed at inter-visible locations or every 1,000' along the access road utilizing existing disturbance to the extent possible.
- d. The use of roads under State, San Juan County and BLM Road Department maintenance are necessary to access the wellsite.
- e. All existing roads will be maintained and kept in good repair during all phases of operation.
- f. Vehicle operators would obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- g. Signs would to be installed along the single lane segments of the existing access enforcing strict conformance with road width requirements.
- h. Use of the paved Anticline BLM Road with heavy trucks will be strictly monitored with trespass tickets issued since the last drilling effort damaged the road in many places. Signs will be placed informing truck drivers of the restriction in several areas where a short-cut to the paved road exists (Eightmile rock, west shortcut, Looking Glass road, etc.).

2. Planned Access Roads:

- a. From the existing BLM maintained access road 0.4 miles of existing seismic road upgrade and new on-lease access is proposed trending east then south to the proposed well site (see Exhibit "B").
- b. A road design plan is not anticipated at this time.
- c. The proposed access road will consist of a 14' travel surface within a 30' disturbed area across BLM surface.

- d. The proposed access road is staked as a straight line and is not preferred; the road should be meandered slightly making the best use of the seismic disturbance to reduce linear visual resource issues.
- e. A maximum grade of 8% will be maintained throughout the project.
- f. Three turnouts are proposed since adequate site distance does not exist.
- g. No low-water crossings and no culverts are anticipated. Adequate drainage structures will be incorporated into the road.
- h. No surfacing material will come from federal lands.
- i. No gates or cattle guards are anticipated at this time.
- j. Surface disturbance and vehicular travel will be limited to the approved location access road.
- k. Signs would to be installed along the single lane segments of the proposed access enforcing strict conformance with road width requirements.
- l. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development (Gold Book –Fourth Edition - Revised 2007).
- m. The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells:

- a. There are no existing wells within a one mile radius of the proposed location.

4. Location of Existing and/or Proposed Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective Beetle Green to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162. 7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

- d. A tank battery will be constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 150% of the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- h. A pipeline corridor has been considered for this well but will be applied for once production is achieved.

5. Location and Type of Water Supply:

- a. The water supply for construction, drilling and operations will be provided under a direct purchase agreement with Charles Hardison Redd utilizing Water Right No. 05-6 (Certificate of Water Right No. 1002) through a pending temporary change application for 10 acre-feet of water. Water Right No. 1002 appropriates 2.6 cfs of water.
- b. The source of water is La Sal creek at a point N 3420 ft W 2851 from SE cor, Sec. 07, T28S, R25E, SLB&M.
- c. Approximately 5 acre-feet of water is anticipated for dust suppression, drilling and completion of the project.
- d. No water pipelines will be laid for this well.
- e. No water well will be drilled for this well.
- f. Drilling water for this will be hauled on the road(s) shown in Exhibits A and B.
- g. Should additional water sources be pursued they will be properly permitted through the State of Utah – Division of Water Rights and a federal sundry notice submitted amending this document.

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.

- b. No construction materials will be removed from BLM lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site within the 60' X 60 X 10' cuttings pit.
- c. Oil mud will be stored in auxiliary tanks located on this well pad and will be an integral part of the active mud system. Cuttings will be deposited in the cuttings pit for solidification and burial or disposal. Drying shakers and centrifuges will be used in conjunction with rig equipment.
- d. The reserve pit will be located outboard of the location and along the west side of the pad.
- e. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- f. The reserve pit will be lined with 16 mil minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad only if rock is encountered during excavation. The pit liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- g. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- h. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.
- i. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to an approved Grand or San Juan County landfill.
- j. Produced fluids from the well other than water will be produced into a test tank

until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

- k. After initial clean-up, a 400 bbl tank will be installed to contain produced waste water. This water will be transported from the tank to an approved disposal well for disposal.
- l. Produced water from the production well will be disposed in accordance with Onshore Order #7.
- m. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the oil mud drilling fluid.
- n. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Moab or Monticello Wastewater Treatment Facility in accordance with state and county regulations.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.
- b. No camps, airstrips or staging areas are proposed with this application.

9. Well Site Layout: (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the north.
- c. The pad and road designs are consistent with BLM specifications.
- d. A pre-construction meeting with responsible company representative, contractors and the BLM will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of

the activity.

- h. Blasting will be required for the pit area and attempts will be made to avoid blasting of the pad area.
- i. Diversion ditches around the well site will only be constructed if necessary to prevent surface waters from entering the well site area.
- j. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- k. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a discontinuous windrow around the perimeter of the location and not stored in one large pile. This storage method will prevent any possible contamination and decreased spreading distance will minimize topsoil loss during future reclamation efforts. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss, sterilization and contamination.
- l. Pits will remain fenced until site cleanup.
- m. The blooie line will be located at least 100 feet from the well head.
- n. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface (Interim Reclamation and Final Reclamation):

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours.
- c. Following BLM published Best Management Practices the interim reclamation will be completed within 90 days of completion of the well to reestablish vegetation, reduce dust and erosion and compliment the visual resources of the area.
 - a. All equipment and debris will be removed from the area proposed for interim reclamation and the pit area will be backfilled and re-contoured.
 - b. The area outside of the rig anchors and other disturbed areas not needed for the operation of the well will be re-contoured to blend with the surrounding area and reseeded at 12 lbs /acre with the following native grass seeds:
 - BLM Seed Mix: 12 lbs/acre
 - o Sand dropseed – *Sporobolus cryptandurs* (3 lbs / acre)
 - o Fourwing Saltbush – *Atriplex canescens* (3 lbs / acre)
 - o Needle and Thread Grass - (4 lbs / acre)

- o Indian Rice Grass – *Achnatherum himenoides* (4 lbs / acre)
 - c. Reclaimed areas receiving incidental disturbance during the life of the producing well will be re-contoured and reseeded as soon as practical.
 - d. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
 - e. Prior to final abandonment of the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM. The BLM recommended seed mix will be detailed within their approval documents.
 - f. A final abandonment notice will be submitted to BLM when the reclamation activities (as presented in this document) are complete and new vegetation is established. Should there be any deviation from these planned reclamation activities, the surface owner will be notified and a Sundry Notice will be submitted to BLM for approval of the new closure and reclamation activities.

11. Surface and Mineral Ownership:

- a. Surface Ownership – Federal under the management of the Bureau of Land Management - Moab Field Office, 82 East Dogwood, Moab, Utah 84532; 435-259-2135.
- b. Mineral Ownership – Federal under the management of the Bureau of Land Management - Moab Field Office, 82 East Dogwood, Moab, Utah 84532; 435-259-2135.

12. Other Information:

a. Company Representatives:

Kim Overcash 303-718-9832 (office)
Stone Energy Corporation
6000 S. Lima Way
Englewood, CO 80111
overcashkj@comcast.net

Kent Davis 303-350-0409 (office)
Stone Energy Corporation
58 Toppler Drive
Castle Rock, CO 80108
davisks@stoneenergy.com

b. Company Agent

Don Hamilton 435-718-2018 (office)
Buys & Associates, Inc
2580 Creekview Road,
Moab, Utah 84532
starpoint@etv.net

c. Montgomery Archaeological Consultants has conducted a Class III archeological survey. A copy of the clearance report is attached as Exhibit "I".

d. Biological clearance surveys were not requested at the onsite visit and not anticipated at this time.

e. An **Emissions Inventory** has been completed for this project and is attached as Exhibit "H" immediately following this plan. With respect to the development of the proposed well, the primary source of air emissions to the atmosphere would be the drill rig engines and related activity. The single well pad would be constructed using typical construction equipment and techniques and would potentially include the use of a bulldozer, front end loader and grader. Tail pipe emissions from the mobilization and operation of the construction equipment would be negligible in comparison to the emissions related to drilling operations. Fugitive dust emissions would occur as a result of construction activities; however the magnitude of these emissions would be highly dependent upon the time of the year the construction activity occurred, and the frequency of precipitation events or snow cover. If necessary, fugitive dust would be controlled with the application of fresh water. Given the exploratory nature of the proposed well, emissions related to completion and production operations are very speculative.

Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exists; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application and that bond coverage is provided under Stone Energy Corporation's BLM bond (RLB0005762). These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

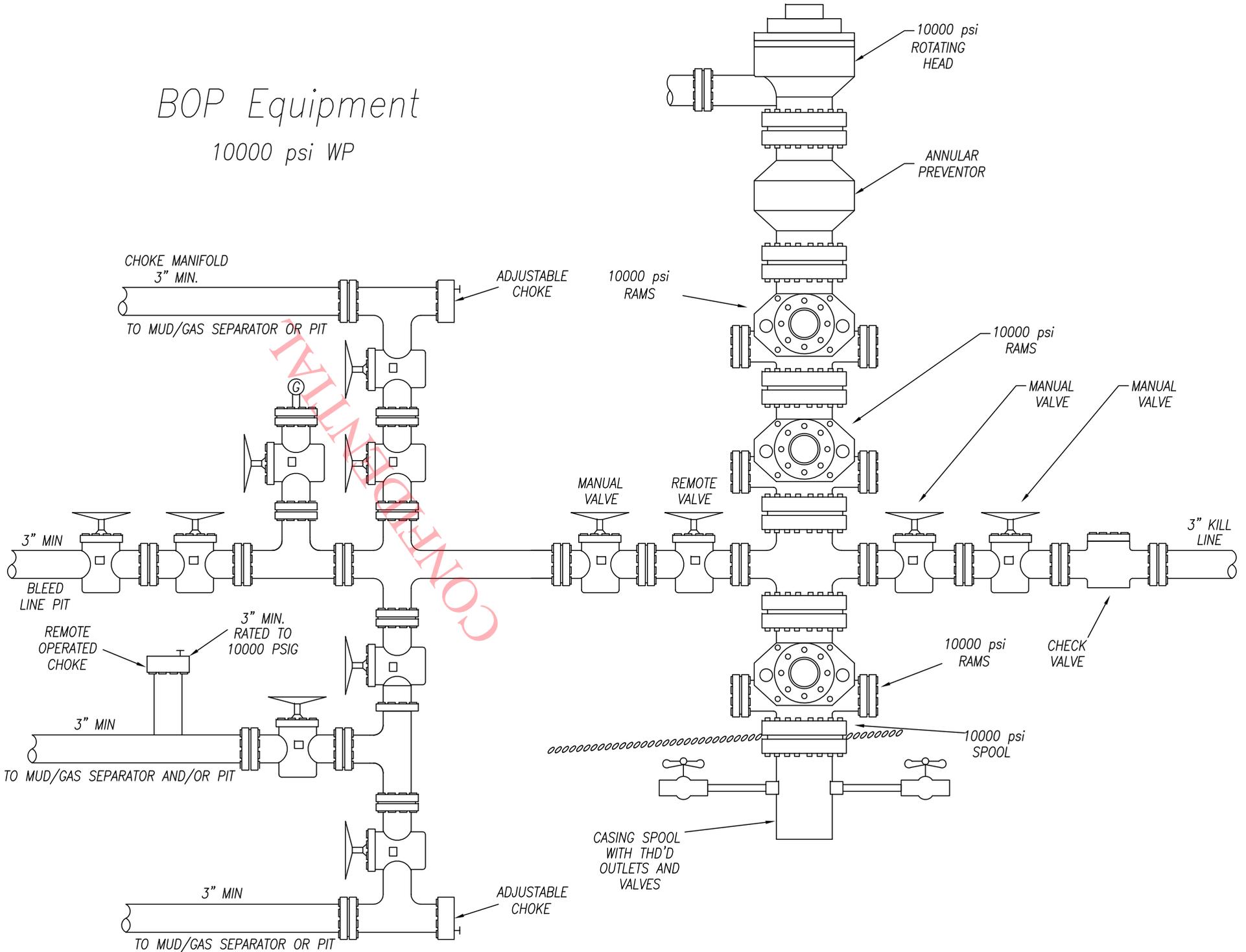
Executed this 15th day of June, 2010.

Don Hamilton - Agent
Buys & Associates, Inc
2580 Creekview Road,
Moab, Utah 84532
starpoint@etv.net

435-718-2018 (office)

BOP Equipment

10000 psi WP



'APIWellNo:43037500010000'

EXHIBIT "F"

DRILLING PROGNOSIS
STONE ENERGY
Three Mile 12 – 7 H
Section 12-Township 29S-Range 21E
San Juan County, Utah

June 14, 2010

GENERAL

DISCUSSION:

- This well is to be drilled as a tight hole. Unauthorized personnel are not to be allowed on the rig floor, and all information is to be kept confidential.
- This location is situated on land administered by the BLM. The Moab office of the BLM (435-259-2100) must be notified 24 hrs prior to spud and of cementing and plugging operations.
- No smoking on pits or rig floor. Smoking area will be provided at a predetermined location.
- Safety meetings will be held on a regular basis to discuss upcoming operations and procedures.
- Proposed well plan is to drill a 17-1/2" hole to 1500' and set 13-3/8" surface casing. Due to the presence of solid rock at the surface, the 17-1/2" hole will be drilled with air and a hammer. A 12-1/4" hole will then be drilled with air and a hammer (if limited water influx will allow so) to the clastic below the first Paradox Salt. Intermediate casing (9-5/8") will then be set and a pilot hole (8-1/2") will be drilled with oil-based mud to TD. If warranted, the well will be plugged back and drilled horizontally throughout the Cane Creek Shale. A second intermediate 7" casing string will be set at 7,900 feet md and a 6" hole will then be drilled to 11,180 ft est md. A 4 1/2", 3,480' production liner will be run at that point and completion operations will follow. A second +/- 3600 ft lateral may be drilled and cased similarly dependent upon drilling results on the first lateral.
- From drilling experience in the Cane Creek Unit, it was noted that a pressure transition was present below the Cane Creek Shale. The Shale itself has required 16.5 ppg mud to adequately control; yet below the shale, circulation was lost and an injection pressure of 13.55 ppg was ultimately observed. For this reason, the amount of rathole drilled should be minimized prior to logging the well.
- The expected bottom hole pressure could be a 16.5 ppg MW equivalent or 6500 psi. (The highest mud weight required to drill the nearby Whiting Three Mile 43 – 18 H was 15.3 ppg.)
- H2S is not expected to be encountered based upon offset drilling records and our drilling plan.

Surface Location: Section 12 -T29S-R21E (Exact location to be determined)

API Number: TBD

Proposed TD: ±7670 ft (TVD - pilot hole)

Elevation: 6189' GL

Drilling Rig: To be determined. As extreme pressures will possibly be encountered while drilling this well, a 10,000 psi WP BOP stack will be required. Generally speaking, rigs with adequate substructure height to accommodate a 10M stack, are equipped with triplex pumps, versatile mud system to include pill and trip tanks, extensive solids control equipment, and premium drill pipe.

MECHANICAL**Casing Design:**

<u>SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>DESCRIPTION</u>
20"	0' - 60'	60'	Conductor (0.25"WT)
13-3/8"	0' - 1,500'	1,500'	54.5#, J-55, STC
9-5/8"	0' - 4,940'	4,940'	40#, HCL-80, LTC
7"	0' - 7,570'	7,900'	32#, HCL-80, LTC
4 1/2 "lat 1	7,700' - 11,180' est	3,480'	13.5 #, P - 110, LTC
4 1/2 "lat 2	7,600' - 11,412' est	3,800'	13.5 #, P - 110, LTC
2-7/8"	0' - 7,570'	7,570'	6.5#, N-80, EUE

NOTE:

- Please refer to the attached casing design criteria.
- Casing design subject to change, pending material availability and cost. If mud weight exceeds 9.5 ppg on surface or intermediate hole, or 18.0 ppg at TD, casing design may be altered. Baker-Lock float shoe and the bottom of the collar of the second joint on surface and intermediate strings of casing. Clean and drift all strings of casing prior to running. Remove all thread sealant (Kindex) prior to running. Unload all casing and tubing strings with a forklift.

CEMENT

<u>CASING/HOLE SIZE</u>	<u>CEMENT SLURRY</u>	<u>SX</u>	<u>PPG</u>	<u>YIELD</u>
20"/26"	Redi-mix			Approximately 4 yds

NOTE: Conductor casing may require pressure cementing, depending on the presence of ground water.

13-3/8" - 17-1/2"	Lead: CBM Light Type III cement + 10 pps gilsonite (LCM) + 2% CaCl ₂ (accelerator)	300	10.5	4.20
	Tail: Type V cement + 1/4 pps Flocele (cellophane flake) + 1% CaCl ₂ (accelerator)	700	15.8	1.16

NOTE: Load hole with water prior to cementing. Use city water for mixing cement. Have 100 sx neat cement and one-inch tubing on location for topping-off. Cement design may be altered, depending on the presence of lost circulation. Cement volume has been calculated using a 100% excess factor.

9-5/8" - 12-1/4"	Lead: Foamed cement (foamed with Nitrogen to 10.0 ppg, Elastiseal System) + 5 pps silicalite compacted + 20% SSA-1 + 0.1% Versaset + 1.5% FDP-C760	700	14.35	2.16
	Tail: Elastiseal System + 5 pps silicalite compacted + 20% SSA-1 + 0.1% Versaset + 1.5% FDP-C760	400	14.35	2.16

NOTE: Prior to cementing, attempt to load hole with water. Record fluid level while logging. Lead cement may be omitted if fluid level is below 2500'. If lead cement is omitted, the nitrified slurry will be pumped from surface after setting the casing slips and nipping up the BOP. Cement

volumes may change depending on where the fluid level is measured. Precede cement with 20 bbl water and 10 bbl Super Flush. Cement volume was calculated assuming TOC @ surface + 25% excess; however, actual cement volume will be determined from caliper log and fluid level. Run pilot tests on proposed cement with actual make-up water. Cement design may be altered depending on actual bottom hole temperatures and the presence of lost circulation. Do not move the casing (under any circumstances) while setting the casing slips.

7" – 8-3/4"	Premium AG cement + 30 pps Hi-Dense #4 + 15% salt + 0.6% Halad-413 (fluid loss additive) + 0.4% CFR-3 (dispersant), + 0.4% D-AIR (Defoamer) + 0.6% HR-5 (retarder) + 0.4% Super CBL (expander)	500	16.8	1.49
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NOTE: Precede cement with 20 bbl water and 10 bbl Super Flush. Cement top contingent upon the presence of potentially producing intervals. Cement volume was calculated assuming TOC @ 4000' + 25% excess; however, actual cement volume will be determined from caliper log. Run pilot tests on proposed cement with actual make-up water. Cement design may be altered depending on actual bottomhole temperatures and the presence of lost circulation. Do not move the casing (under any circumstances) while setting the casing slips.

CEMENTING ACCESSORIES

- | | |
|----------------------|---|
| Surface Casing: | <ol style="list-style-type: none"> 1) Guide shoe with insert float one joint above shoe. (Utilize longest available joint of casing as shoe joint). 2) Top wiper plug (rubber). 3) Centralizer with stop ring in middle of shoe joint. 4) Centralizers over collars on first three connections, omitting float collar. 5) Use a total of 10-12 centralizers. |
| Intermediate Casing: | <ol style="list-style-type: none"> 1) Differential-fill float collar located one joint above differential-fill float shoe. 2) Top and bottom wiper plug. 3) Centralizer with stop-ring in the middle of shoe joint. 4) Centralizers over collars on first five connections, excluding float collar. Centralize through and 100' on either side of potentially productive intervals. 5) Thread-lock all connections through float collar and use API casing dope on all remaining connections. 6) Stage cementing tool may be run depending on the presence of lost circulation and/or potentially productive horizons. 7) Centralize above and below stage cementing tool. |
| Production Casing: | <ol style="list-style-type: none"> 1) Differential-fill float collar located one joint above differential-fill float shoe. 2) Top and bottom wiper plug. 3) Centralizer with stop-ring in the middle of shoe joint. 4) Centralizers over collars on first five connections, excluding float collar. Centralize through and 100' on either side of potentially productive intervals. 5) Thread-lock all connections through float collar and use API casing dope on all remaining connections. |

WELLHEAD

Casing Head:	13-3/8" x 13-5/8" (5,000 psi WP) slip-on weld casing head with two-2" LP outlets. Outlets equipped with one-2" 5,000 psi WP ball valve, and one-2" x 5,000 psi WP bull plug on the outlets. Use bowl protector when drilling out of casing head.
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Casing Spool: 13-5/8" (5,000 psi) x 11" (10,000 psi WP) casing spool with 2-1/16" x 10,000 psi WP studded outlets. Outlets equipped with two 2-1/16" x 10,000 psi WP gate valves.

Tubing Head: 11" x 7-1/16" x 10,000 psi WP tubing spool with 2-1/16" studded outlets. Outlets equipped with 2-1/16" x 10,000 psi WP gate valves.

Upper Half: To be determined.

MUD PROGRAM

<u>INTERVAL</u>	<u>WEIGHT (PPG)</u>	<u>VISCOSITY (SEC)</u>	<u>WL (CCS)</u>
0' - 1,500'	Air mist.		

Spud well with air mist and a hammer. Maintain adequate air rate to ensure hole will be adequately cleaned. It is anticipated that 3200-4200 scfm and 60 gpm will be required. Operator is usually responsible for providing corrosion rings and adequate inhibition to maintain corrosion rates of less than 1.5 lb/ft²/year.

<u>INTERVAL</u>	<u>WEIGHT (PPG)</u>	<u>VISCOSITY (SEC)</u>	<u>WL (CCS)</u>
1,500' - 4,940'	Air mist/aerated water		

After drilling out surface casing, continue drilling with air mist and a hammer. Maintain adequate air rate to ensure hole will be adequately cleaned. It is anticipated that 4200 scfm and 60 gpm will be required. The amount of air and liquid volume will be dictated by fluid influx. Be prepared for water flows at all times. Keep reserve pit low as volume may be required in the event of a water flow. Run corrosion rings and inhibitor as described above. A description of the planned air drilling equipment from Northwestern Air Services is included as an attachment.

If fluid influx so dictates, mud up with formation water and aerate same to maintain pit volume. If mud-up is eventually required, mud up with 8-10 ppb gel, 1/2-3/4 ppb PHPA polymer, and 1.0-1.25 ppb PAC material. Treat out hardness to less than 200 mg/l with soda ash. Keep trip speeds down to reduce surge-swab pressure. Keep hole full at all times. Sweep hole as dictated by hole conditions. Keep the drill pipe moving at all times. Monitor the system for the presence of bacteria and treat out accordingly. Fluid loss may be reduced (with the addition of PAC material) if sloughing shales become a persistent problem.

<u>INTERVAL</u>	<u>WEIGHT (PPG)</u>	<u>VISCOSITY (SEC)</u>	<u>WL (CCS)</u>
4,940' - 7,900'	15.5-16.5 ppg	50-55 sec	5.0 (HTHP)

Drill out intermediate casing with water. Mix and spot gel pill on bottom and perform FIT to 17.5 ppg equivalent. After performing FIT, circulate out water and resume drilling with 15.5 ppg relaxed emulsion oil-based mud (80/20 oil/water ratio). Keep hole full and drill pipe moving at all times. Sweep hole as dictated by hole conditions. If tight connections become a persistent problem, control activity and chloride concentrations of water phase. Monitor pit level constantly as lost circulation and water flows/gas kicks should be expected at all times. Early kick detection is imperative, as prevention of contamination of the oil-based mud with salt water and well control are of paramount concern. Maintain a good cross-section of lost circulation material on hand. Combat losses with sweeps of calcium carbonate, mica and sawdust. Keep trip speeds down to reduce surge-swab pressure. Keep hole full at all times. Monitor hydraulics closely to ensure that the hole is being adequately cleaned. Drill salt sections with laminar flow opposite

the drill collars. Utilize all available solids control equipment, which is anticipated to include: barite recovery, and linear motion shale shakers. Pressure control and auxiliary equipment is anticipated to include: vacuum-type degasser, OBM collection system, OBM Vacuum System, Super Chokes, and Gas Buster. A mud / gas separator will be used.

Oil mud will be stored in auxiliary tanks located on location and in the active mud system. Cuttings will be deposited in a separate pit for solidification and burial or disposal. Drying shakers and centrifuges will be used in conjunction with rig equipment.

DEVIATION

Deviation tendencies in this area can be severe, and prudent drilling practices should be adhered to at all times. Extreme care should be taken to set conductor casing as near to vertical as possible. Surface hole surveys should be run at ±90 ft intervals, unless otherwise indicated. Run 250 ft-surveys in the intermediate and production holes. When drilling salts, back off on bit weight to avoid putting severe dog legs in the hole. The intermediate (12-1/4") hole will be drilled utilizing a pendulum or packed-pendulum assembly, unless deviation becomes severe. If this occurs, a steerable drilling assembly will possibly be utilized. If necessary, a radio-telemetry MWD system may be utilized in the aerated-mud drilled portion of the hole. A pilot hole will be drilled and plugged back and up to two horizontal legs will be drilled as per the attached directional program.

WELL CONTROL EQUIPMENT

INTERVAL

EQUIPMENT

0' - 1500'	20" diverter
1,500' – 4,940'	13-5/8" x 5,000 psi WP rotating head (Washington), 13-5/8" x 5,000 psi WP annular BOP, and 13-5/8" x 5,000 psi WP double-gate BOP with blind and 5" pipe rams. Rig should be equipped with upper and lower kelly cocks, as well as stabbing valve (have wrench available at all times). BOP equipment will be tested after nipple-up and every 30 days thereafter. (Notify BLM representative prior to testing). Close pipe rams daily and blind rams on trips, recording results on tour sheets.
4,940' – 7,900'	11" x 10,000 psi WP rotating head (Washington), 11" x 10,000 psi WP annular BOP, 11" x 10,000 psi WP double-gate BOP with blind and 5" pipe rams, and 11" x 10,000 psi WP single gate BOP with 5" pipe rams. Rig should be equipped with upper and lower kelly cocks, as well as stabbing valve (have wrench available at all times). BOP equipment will be tested after nipple-up and every 30 days thereafter. (Notify BLM representative prior to testing). Close pipe rams daily and blind rams on trips, recording results on tour sheets.

GEOLOGICAL

Geologist/Mud Logger: A two – man mud logging unit with hot wire and Chromatograph will be utilized from a depth of 1500' to TD. Notify prior to spud and after setting surface casing.

Electric Logging:

RUN #1:	2" Scale		5" Scale	
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>
<u>GR-SP-DIL-SFL-ML</u>	<u>Surf. Csg</u>	<u>4940'</u>	<u>Surf. Csg</u>	<u>4940'</u>
<u>GR-CALI-FDC/CNL</u>	<u>Surf. Csg</u>	<u>4940'</u>	<u>Surf. Csg</u>	<u>4940'</u>
<u>Sonic (BHC)</u>	<u>Surf. Csg</u>	<u>4940'</u>	<u>Surf. Csg</u>	<u>4940'</u>

<u>Mud Log</u>	<u>Surf. Csg. 4940'</u>		<u>Surf. Csg 4940'</u>	
RUN #2:	2" Scale		5" Scale	
<u>Log Type</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>
<u>GR-SP-DIL-SFL-ML</u>	<u>4940'</u>	<u>7670'</u>	<u>4940'</u>	<u>7670'</u>
<u>GR-CALI-FDC/CNL</u>	<u>4940'</u>	<u>7670'</u>	<u>4940'</u>	<u>7670'</u>
<u>Sonic (Dipole)</u>	<u>4940'</u>	<u>7670'</u>	<u>4940'</u>	<u>7670'</u>
<u>Borehole Imager (CBIL)</u>	<u>4940'</u>	<u>7670'</u>	<u>4940'</u>	<u>7670'</u>
<u>Mud Log</u>	<u>4940'</u>	<u>7670'</u>	<u>4940'</u>	<u>7670'</u>

Formation	Lithology	Top	Sub Sea	Thickness	water, oil, gas, other(poss)
Carmel	SS,SltSt	surface	6219'	50	
Navajo	SS	50'	6169'	200	possible Water
Kayenta	SS	250'	5969'	200	Water
Wingate	SS	450'	5769'	300	Water
Chinle	SltSt, Mudst	750'	5469'	600	
Moenkopi	Red Beds,SS,Sh	1350'	4869'	330'	possible oil,gas
Honaker Tr	Ls,Ss	2747'	3472'		
La Sal LS	Ls	3967'	2252'		
Ismay	Ls,Sh,Dol,Anhy	4572'	1647'		
Salt 4	salt,Ha	4777'	1442'		
Desert Creek	Ls,Sh,Dol,Anhy	4796'	1423'		
Salt 6	salt,potash,Ha	4952'	1267'	350'	potash
Barker Cr	Do,Sh,Anhy	5850'	369'		
Clastic 13	Do,Sh,Ls	6117'	102'	45'	oil,gas
Clastic 19	Do,Sh,Ls	7058'	-839'	37'	oil,gas
Cane Creek	Do,Sh,Ls	7494'	-1275'	62'	oil,gas,water

Note: 1) All formations containing water, oil, gas, or minerals will be protected by pipe
2) Depths as measured from K.B.

Estimated TD Pilot hole	7670'
Lateral 1	11,180' MD est
Lateral 2	11,412' MD est

Samples: Catch and save 30' samples from surface to 4,940', and 10' samples from 4,940' to TD. More frequent samples may be caught at the geologist's request. Five sets of dry cut samples should be retained.

Drillstem Testing: No DSTs are anticipated; however, if a test is required, recommended DST times are as follows: **IF** (15 min.), **ISI** (60 min.), **FF** (60-90 min., depending on blow at surface), and **FSI** (2 x **FF**). Keep length of anchor to a minimum while testing. Test string should include dual packers, top and bottom pressure recorders, jars, safety joint, sample chamber, and reverse circulating sub (pressure and bar-activated). Monitor fluid entry throughout test with echometer.

MISCELLENEOUS

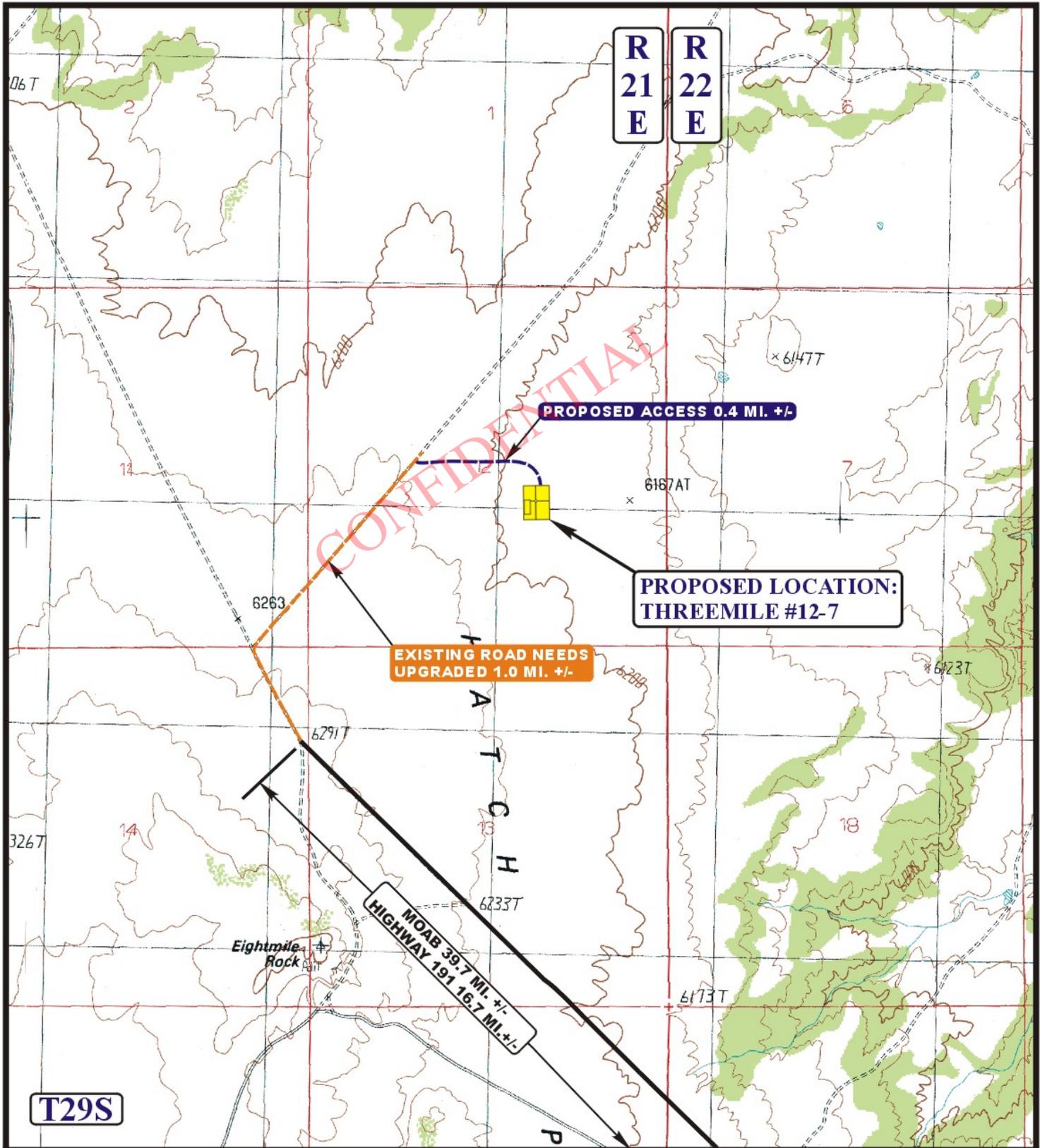
1. From drilling experience in the area, it has been noted that a pressure transition can exist below the Cane Creek Shale. The Shale itself may require 16.5 ppg mud to adequately control; yet below the shale, circulation can be lost with mud weight as low as 13.5 ppg. For this reason, the amount of rathole drilled should be minimized prior to logging the well.
2. Pump carbide lag prior to running surface casing and prior to drilling out shoe. Pump efficiencies will be calculated from this information. Run frequent carbide lags while drilling to determine degree of hole washout.
3. Monitor mud hydraulics closely. An in-gauge hole is extremely critical to achieve open-hole packer seats, interpretable logs, and a good cement bond.
4. Drill pipe is to be inspected prior to spud. Only premium-class used drill pipe will be run in the hole. Maintain drill string design to provide 100,000# minimum over-pull at all times.
5. All tools and pipe run in the hole is to be callipered. OD, ID, and length are to be recorded and available on the rig floor.
6. An inventory of rental equipment is to be maintained by the Drilling Consultant and turned into Stone Energy's Denver Office at the end of the well.
7. Morning reports are to be submitted by 7:00 am MDT.
8. If severe lost circulation is encountered, cement or diesel/gel/water (gunk) plugs may be spotted to provide a more permanent cure to the problem.
9. In general, the above prognosis is presented as a guideline only; and is subject to change as dictated by hole conditions and geological interpretation.

<u>PERSONNEL</u>	<u>OFFICE</u>	<u>HOME</u>	<u>CELL</u>
Dan Hall, Consultant	303-969-9610	303-838-9675	303-618-1877
Kim Overcash, Consultant	303-718-9832	303-721-1757	303-718-9832

STONE ENERGY CORPORATION
THREEMILE #12-7
SECTION 12, T29S, R21E, S.L.B.&M.

PROCEED IN A SOUTHERLY DIRECTION FROM MOAB, UTAH ALONG U.S. HIGHWAY 191 APPROXIMATELY 23.0 MILES TO THE JUNCTION OF THIS ROAD AND COUNTY ROAD 131 TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 5.1 MILES TO THE JUNCTION OF THIS ROAD AND COUNTY ROAD 106 TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY, THEN SOUTHEASTERLY, THEN SOUTHWESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 9.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING 2-TRACK THE NORTHWEST; PROCEED STRAIGHT IN A NORTHWESTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.0 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM MOAB, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 41.1 MILES.



LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  EXISTING ROAD NEEDS UPGRADED

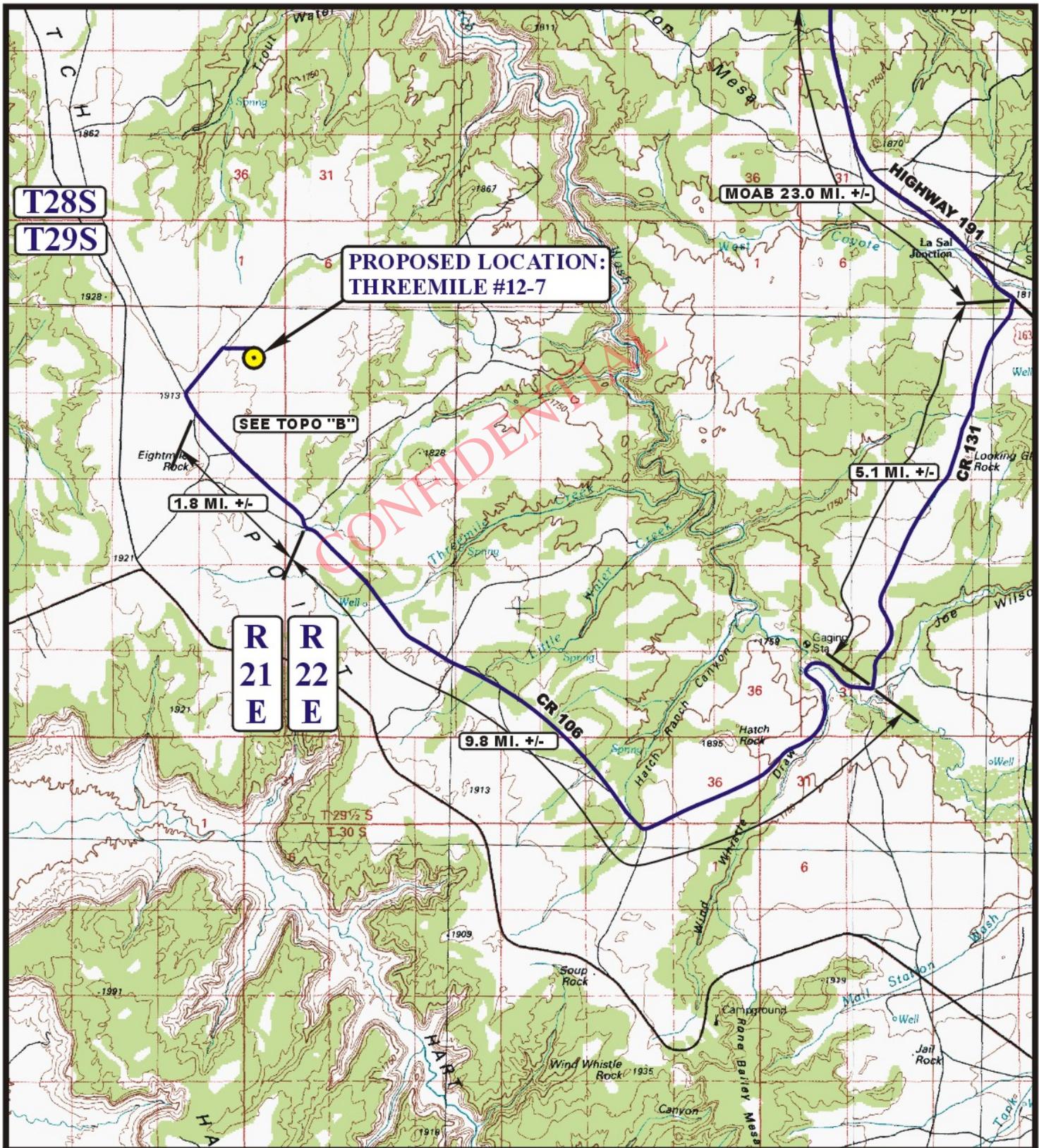
STONE ENERGY CORPORATION

THREEMILE #12-7
SECTION 12, T29S, R21E, S.L.B.&M.
2140' FSL 1925' FEL

U&L S Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP **05 05 10**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: Z.L. REV: J.H. 05-24-10 **B TOPO**



**PROPOSED LOCATION:
THREEMILE #12-7**

SEE TOPO "B"

1.8 MI. +/-

**R
21
E** **R
22
E**

9.8 MI. +/-

5.1 MI. +/-

MOAB 23.0 MI. +/-

LEGEND:

PROPOSED LOCATION



STONE ENERGY CORPORATION

**THREEMILE #12-7
SECTION 12, T29S, R21E, S.L.B.&M.
2140' FSL 1925' FEL**

U&L S **Utah Engineering & Land Surveying**
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **05 05 10**
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: Z.L. REV: J.H. 05-24-10 **TOPO**

API Well No: 4303750010000

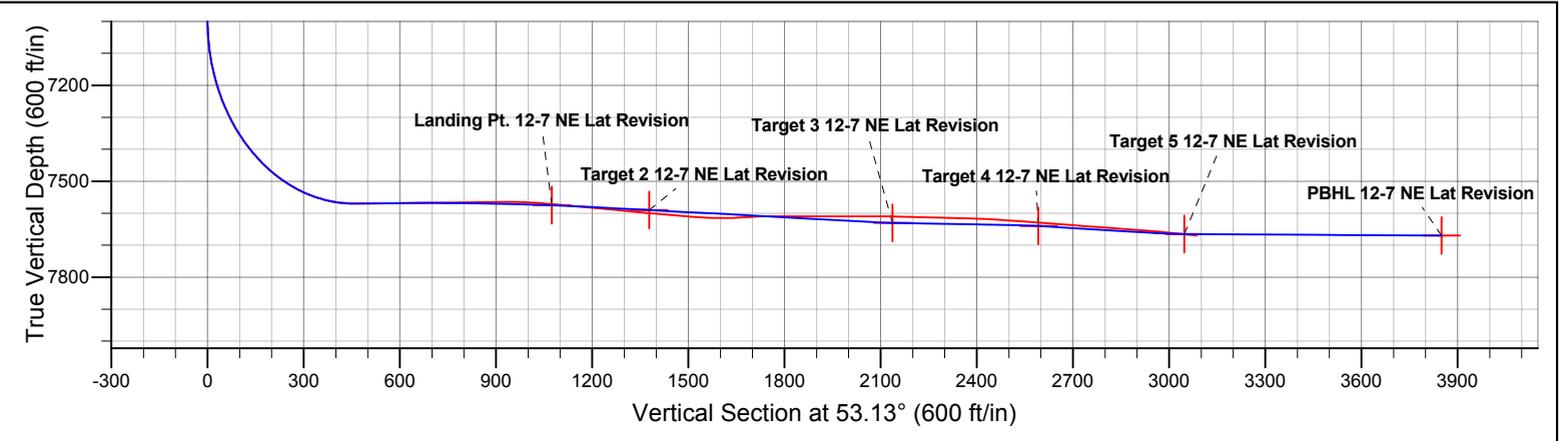
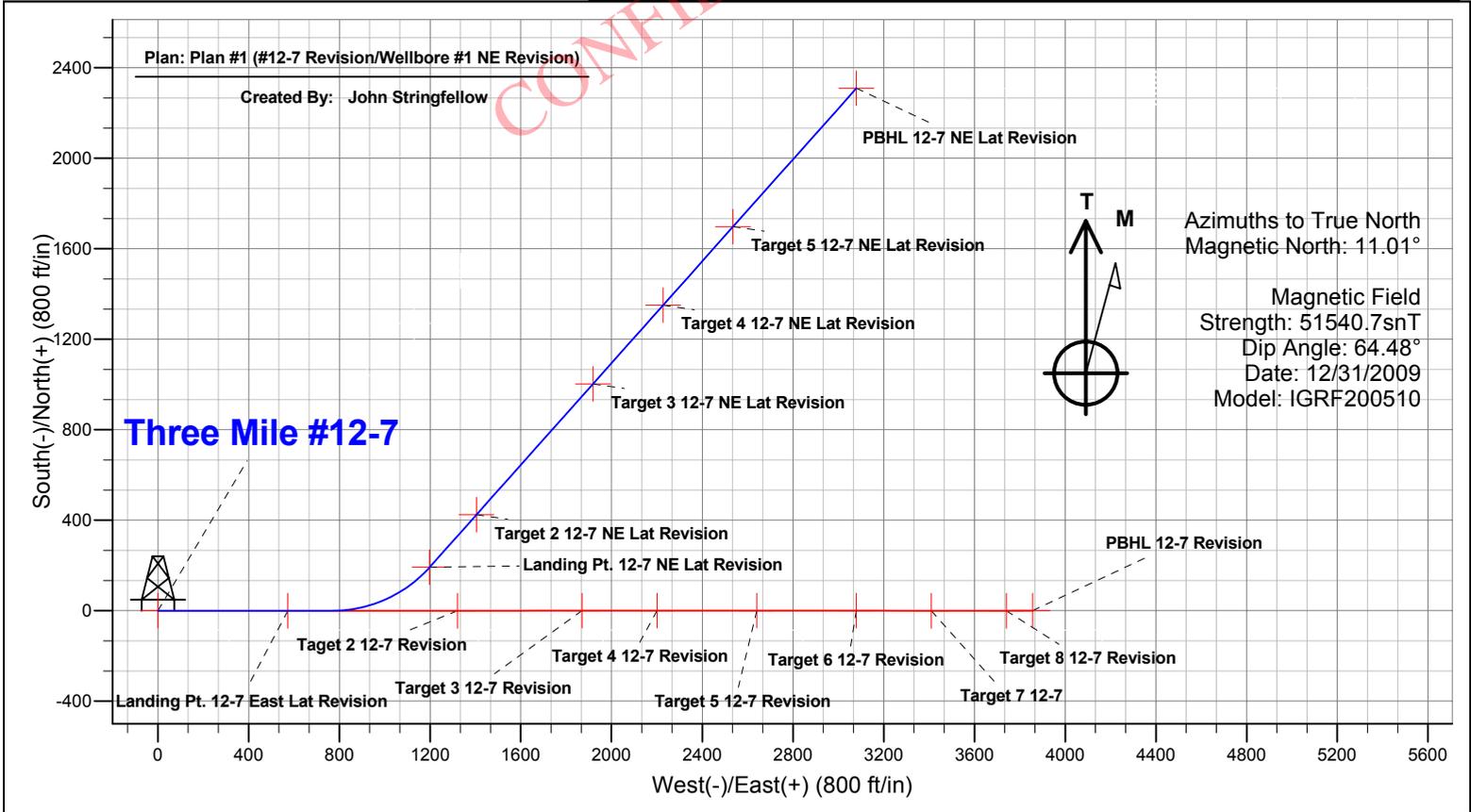
Stone Energy
 Three Mile
 San Juan Co., Utah

Geodetic System: US State Plane 1927 (Exact solution)
 Zone: Utah South 4303
 WELL @ 6209.0ft (RKB Elev. (Est.))
 Ground Level: 6189.0
 Latitude: 38° 17' 32.600 N
 Longitude: 109° 33' 25.711 W
 Magnetic North is 11.01° East of True North (Magnetic Declination)



SECTION DETAILS East Lateral										
Sec	MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	6997.0	0.00	0.00	6997.0	0.0	0.0	0.00	0.00	0.0	
3	7897.0	90.00	90.00	7570.0	0.0	573.0	10.00	90.00	573.0	
4	7897.1	90.00	90.00	7570.0	0.0	573.0	0.00	0.00	573.0	Landing Pt. 12-7 East Lat Revision
5	7913.3	90.49	90.00	7569.9	0.0	589.2	3.00	0.00	589.2	
6	8489.3	90.49	90.00	7565.0	0.0	1165.2	0.00	0.00	1165.2	
7	8644.2	85.84	90.00	7570.0	0.0	1320.0	3.00	-180.00	1320.0	Target 2 12-7 Revision
8	9195.7	85.84	90.00	7610.0	0.0	1870.0	0.00	0.00	1870.0	Target 3 12-7 Revision
9	9414.6	92.54	90.00	7613.1	0.0	2088.7	3.06	0.00	2088.7	
10	9442.9	92.54	90.00	7611.8	0.0	2117.1	0.00	0.00	2117.1	
11	9525.9	90.00	90.00	7610.0	0.0	2200.0	3.06	-180.00	2200.0	Target 4 12-7 Revision
12	9965.9	90.00	90.00	7610.0	0.0	2640.0	0.00	0.00	2640.0	Target 5 12-7 Revision
13	10004.2	88.85	90.00	7610.4	0.0	2678.3	3.00	-180.00	2678.3	
14	10328.7	88.85	90.00	7616.9	0.0	3002.7	0.00	0.00	3002.7	
15	10406.0	86.53	90.00	7620.0	0.0	3080.0	3.00	180.00	3080.0	Target 6 12-7 Revision
16	10406.0	86.53	90.00	7620.0	0.0	3080.0	3.00	0.00	3080.0	
17	10736.6	86.53	90.00	7640.0	0.0	3410.0	0.00	0.00	3410.0	
18	10736.6	86.53	90.00	7640.0	0.0	3410.0	3.00	0.00	3410.0	Target 7 12-7
19	10740.8	86.66	90.01	7640.2	0.0	3414.2	3.00	5.68	3414.2	
20	11014.7	86.66	90.01	7656.2	-0.1	3687.6	0.00	0.00	3687.6	
21	11067.2	85.09	89.86	7660.0	0.0	3740.0	3.00	-174.33	3740.0	Target 8 12-7 Revision
22	11184.1	85.09	89.86	7670.0	0.3	3856.4	0.00	0.00	3856.4	PBHL 12-7 Revision

SECTION DETAILS North East Lateral										
Sec	MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
1	8094.0	90.49	90.00	7568.4	0.0	769.9	0.00	0.00	615.9	
2	8577.9	88.04	41.62	7575.0	192.4	1198.3	10.01	-93.05	1074.1	Landing Pt. 12-7 NE Lat Revision
3	8606.3	87.19	41.64	7576.2	213.6	1217.1	3.00	178.58	1101.9	
4	8883.2	87.19	41.64	7589.8	420.3	1400.9	0.00	0.00	1372.9	
5	8888.2	87.04	41.62	7590.0	424.0	1404.2	3.00	-172.90	1377.8	Target 2 12-7 NE Lat Revision
6	8890.5	86.97	41.62	7590.1	425.7	1405.7	3.00	-179.82	1380.0	
7	9604.0	86.97	41.62	7627.8	958.4	1878.9	0.00	0.00	2078.2	
8	9663.8	88.77	41.62	7630.0	1003.0	1918.6	3.00	0.18	2136.7	Target 3 12-7 NE Lat Revision
9	9668.5	88.91	41.63	7630.1	1006.6	1921.8	3.00	0.29	2141.4	
10	10062.3	88.91	41.63	7637.6	1300.9	2163.3	0.00	0.00	2527.2	
11	10128.6	86.92	41.62	7640.0	1350.4	2227.3	3.00	-179.71	2592.1	Target 4 12-7 NE Lat Revision
12	10140.0	86.58	41.61	7640.6	1358.9	2234.9	3.00	-178.71	2603.2	
13	10491.6	86.58	41.61	7661.6	1621.3	2467.9	0.00	0.00	2947.1	
14	10594.0	89.65	41.63	7665.0	1697.8	2535.9	3.00	0.29	3047.4	Target 5 12-7 NE Lat Revision
15	11412.7	89.65	41.63	7670.0	2309.7	3079.7	0.00	0.00	3849.6	PBHL 12-7 NE Lat Revision





Stone Energy

San Juan Co., Utah

Three Mile

#12-7 Revision

Wellbore #1 East Revision

Plan: Plan #1

CONFIDENTIAL

Standard Planning Report

14 June, 2010





Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well #12-7 Revision
Company:	Stone Energy	TVD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Project:	San Juan Co., Utah	MD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Site:	Three Mile	North Reference:	True
Well:	#12-7 Revision	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1East Revision		
Design:	Plan #1		

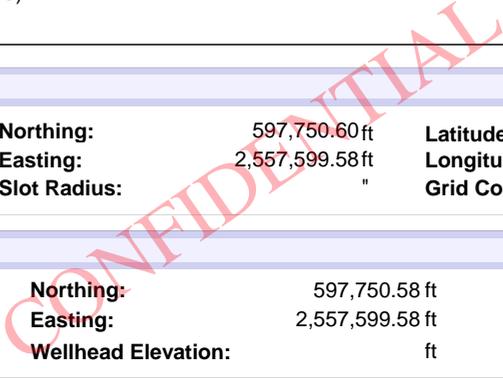
Project	San Juan Co., Utah		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah South 4303		

Site	Three Mile				
Site Position:		Northing:	597,750.60 ft	Latitude:	38° 17' 32.600 N
From:	Lat/Long	Easting:	2,557,599.58 ft	Longitude:	109° 33' 25.711 W
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence:	1.19 °

Well	#12-7 Revision					
Well Position	+N/-S	0.0 ft	Northing:	597,750.58 ft	Latitude:	38° 17' 32.600 N
	+E/-W	0.0 ft	Easting:	2,557,599.58 ft	Longitude:	109° 33' 25.711 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	ft	Ground Level:	6,189.0ft

Wellbore	Wellbore #1East Revision				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	12/31/09	11.01	64.48	51,541

Design	Plan #1			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	90.00





Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well #12-7 Revision
Company:	Stone Energy	TVD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Project:	San Juan Co., Utah	MD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Site:	Three Mile	North Reference:	True
Well:	#12-7 Revision	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1East Revision		
Design:	Plan #1		

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
6,997.0	0.00	0.00	6,997.0	0.0	0.0	0.00	0.00	0.00	0.00	
7,897.0	90.00	90.00	7,570.0	0.0	573.0	10.00	10.00	0.00	90.00	
7,897.1	90.00	90.00	7,570.0	0.0	573.0	0.00	0.00	0.00	0.00	Landing Pt. 12-7 Ea
7,913.3	90.49	90.00	7,569.9	0.0	589.2	3.00	3.00	0.00	0.00	
8,489.3	90.49	90.00	7,565.0	0.0	1,165.2	0.00	0.00	0.00	0.00	
8,644.2	85.84	90.00	7,570.0	0.0	1,320.0	3.00	-3.00	0.00	-180.00	Target 2 12-7 Revisi
9,195.7	85.84	90.00	7,610.0	0.0	1,870.0	0.00	0.00	0.00	0.00	Target 3 12-7 Revis
9,414.6	92.54	90.00	7,613.1	0.0	2,088.7	3.06	3.06	0.00	0.00	
9,442.9	92.54	90.00	7,611.8	0.0	2,117.1	0.00	0.00	0.00	0.00	
9,525.9	90.00	90.00	7,610.0	0.0	2,200.0	3.06	-3.06	0.00	-180.00	Target 4 12-7 Revis
9,965.9	90.00	90.00	7,610.0	0.0	2,640.0	0.00	0.00	0.00	0.00	Target 5 12-7 Revis
10,004.2	88.85	90.00	7,610.4	0.0	2,678.3	3.00	-3.00	0.00	-180.00	
10,328.7	88.85	90.00	7,616.9	0.0	3,002.7	0.00	0.00	0.00	0.00	
10,406.0	86.53	90.00	7,620.0	0.0	3,080.0	3.00	-3.00	0.00	180.00	Target 6 12-7 Revis
10,406.0	86.53	90.00	7,620.0	0.0	3,080.0	3.00	0.00	0.00	0.00	
10,736.6	86.53	90.00	7,640.0	0.0	3,410.0	0.00	0.00	0.00	0.00	
10,736.6	86.53	90.00	7,640.0	0.0	3,410.0	3.00	0.00	0.00	0.00	Target 7 12-7
10,740.8	86.66	90.01	7,640.2	0.0	3,414.2	3.00	2.99	0.30	5.68	
11,014.7	86.66	90.01	7,656.2	-0.1	3,687.6	0.00	0.00	0.00	0.00	
11,067.2	85.09	89.86	7,660.0	0.0	3,740.0	3.00	-2.99	-0.30	-174.33	Target 8 12-7 Revis
11,184.1	85.09	89.86	7,670.0	0.3	3,856.4	0.00	0.00	0.00	0.00	PBHL 12-7 Revisior



Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well #12-7 Revision
Company:	Stone Energy	TVD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Project:	San Juan Co., Utah	MD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Site:	Three Mile	North Reference:	True
Well:	#12-7 Revision	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1East Revision		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00	
6,997.0	0.00	0.00	6,997.0	0.0	0.0	0.0	0.00	0.00	0.00	
KOP 10/100'										
7,000.0	0.30	90.00	7,000.0	0.0	0.0	0.0	10.00	10.00	0.00	
7,500.0	50.30	90.00	7,437.8	0.0	206.9	206.9	10.00	10.00	0.00	
7,897.1	90.00	90.00	7,570.0	0.0	573.0	573.0	10.00	10.00	0.00	
Nudge - Landing Pt. 12-7 East Lat Revision										
7,913.3	90.49	90.00	7,569.9	0.0	589.2	589.2	3.00	3.00	0.00	
8,000.0	90.49	90.00	7,569.2	0.0	675.9	675.9	0.00	0.00	0.00	
8,489.3	90.49	90.00	7,565.0	0.0	1,165.2	1,165.2	0.00	0.00	0.00	
Nudge										
8,500.0	90.17	90.00	7,565.0	0.0	1,175.9	1,175.9	2.99	-2.99	0.00	
8,644.2	85.84	90.00	7,570.0	0.0	1,320.0	1,320.0	3.00	-3.00	0.00	
Target 2 12-7 Revision										
9,000.0	85.84	90.00	7,595.8	0.0	1,674.8	1,674.8	0.00	0.00	0.00	
9,195.7	85.84	90.00	7,610.0	0.0	1,870.0	1,870.0	0.00	0.00	0.00	
Nudge - Target 3 12-7 Revision										
9,414.6	92.54	90.00	7,613.1	0.0	2,088.7	2,088.7	3.06	3.06	0.00	
9,442.9	92.54	90.00	7,611.8	0.0	2,117.0	2,117.0	0.00	0.00	0.00	
Nudge										
9,500.0	90.79	90.00	7,610.2	0.0	2,174.1	2,174.1	3.06	-3.06	0.00	
9,525.9	90.00	90.00	7,610.0	0.0	2,200.0	2,200.0	3.06	-3.06	0.00	
Target 4 12-7 Revision										
9,965.9	90.00	90.00	7,610.0	0.0	2,640.0	2,640.0	0.00	0.00	0.00	
Nudge - Target 5 12-7 Revision										
10,000.0	88.98	90.00	7,610.3	0.0	2,674.1	2,674.1	3.00	-3.00	0.00	
10,004.2	88.85	90.00	7,610.4	0.0	2,678.3	2,678.3	3.00	-3.00	0.00	
10,328.7	88.85	90.00	7,616.9	0.0	3,002.8	3,002.8	0.00	0.00	0.00	
Nudge										
10,406.0	86.53	90.00	7,620.0	0.0	3,080.0	3,080.0	3.00	-3.00	0.00	
Target 6 12-7 Revision										
10,500.0	86.53	90.00	7,625.7	0.0	3,173.8	3,173.8	0.00	0.00	0.00	
10,736.6	86.53	90.00	7,640.0	0.0	3,410.0	3,410.0	0.00	0.00	0.00	
Nudge - Target 7 12-7										
10,740.8	86.66	90.01	7,640.2	0.0	3,414.2	3,414.2	3.00	2.99	0.30	
11,000.0	86.66	90.01	7,655.4	-0.1	3,672.9	3,672.9	0.00	0.00	0.00	
11,014.7	86.66	90.01	7,656.2	-0.1	3,687.6	3,687.6	0.00	0.00	0.00	
Nudge										
11,067.2	85.09	89.86	7,660.0	0.0	3,740.0	3,740.0	3.00	-2.98	-0.30	
Target 8 12-7 Revision										
11,184.1	85.09	89.86	7,670.0	0.3	3,856.4	3,856.4	0.00	0.00	0.00	
PBHL 12-7 Revision										



Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well #12-7 Revision
Company:	Stone Energy	TVD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Project:	San Juan Co., Utah	MD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Site:	Three Mile	North Reference:	True
Well:	#12-7 Revision	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1East Revision		
Design:	Plan #1		

Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(ft)		
- Shape									
Target 8 12-7 Revision - plan hits target center - Point	0.00	0.00	7,660.0	0.0	3,740.0	597,828.28	2,561,338.77	38° 17' 32.598 N	109° 32' 38.802 W
Target 5 12-7 Revision - plan hits target center - Point	0.00	0.00	7,610.0	0.0	2,640.0	597,805.43	2,560,239.01	38° 17' 32.599 N	109° 32' 52.599 W
Target 2 12-7 Revision - plan hits target center - Point	0.00	0.00	7,570.0	0.0	1,320.0	597,778.00	2,558,919.29	38° 17' 32.600 N	109° 33' 9.155 W
Target 7 12-7 - plan hits target center - Point	0.00	0.00	7,640.0	0.0	3,410.0	597,821.42	2,561,008.84	38° 17' 32.598 N	109° 32' 42.941 W
Target 3 12-7 Revision - plan hits target center - Point	0.00	0.00	7,610.0	0.0	1,870.0	597,789.43	2,559,469.17	38° 17' 32.600 N	109° 33' 2.256 W
Target 4 12-7 Revision - plan hits target center - Point	0.00	0.00	7,610.0	0.0	2,200.0	597,796.29	2,559,799.10	38° 17' 32.599 N	109° 32' 58.117 W
Landing Pt. 12-7 East - plan hits target center - Point	0.00	0.00	7,570.0	0.0	573.0	597,762.49	2,558,172.45	38° 17' 32.600 N	109° 33' 18.524 W
Target 6 12-7 Revision - plan hits target center - Point	0.00	0.00	7,620.0	0.0	3,080.0	597,814.57	2,560,678.91	38° 17' 32.598 N	109° 32' 47.080 W
PBHL 12-7 Revision - plan hits target center - Point	0.00	0.00	7,670.0	0.3	3,856.4	597,830.99	2,561,455.14	38° 17' 32.600 N	109° 32' 37.342 W

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(ft)	(ft)	+N/-S	+E/-W	
		(ft)	(ft)	
6,997.0	6,997.0	0.0	0.0	KOP 10/100'
7,897.1	7,570.0	0.0	573.0	Nudge
8,489.3	7,565.0	0.0	589.2	Nudge
9,195.7	7,610.0	0.0	1,165.2	Nudge
9,442.9	7,611.8	0.0	1,320.0	Nudge
9,965.9	7,610.0	0.0	1,870.0	Nudge
10,328.7	7,616.9	0.0	2,088.7	Nudge
10,736.6	7,640.0	0.0	2,117.1	Nudge
11,014.7	7,656.2	0.0	2,200.0	Nudge
11,184.1	7,670.0	0.0	2,640.0	TD at 11184' MD



Stone Energy

San Juan Co., Utah

Three Mile

#12-7 Revision

Wellbore #1 NE Revision

Plan: Plan #1

CONFIDENTIAL

Standard Planning Report

14 June, 2010





Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well #12-7 Revision
Company:	Stone Energy	TVD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Project:	San Juan Co., Utah	MD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Site:	Three Mile	North Reference:	True
Well:	#12-7 Revision	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1 NE Revision		
Design:	Plan #1		

Project	San Juan Co., Utah		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah South 4303		

Site	Three Mile				
Site Position:		Northing:	597,750.60 ft	Latitude:	38° 17' 32.600 N
From:	Lat/Long	Easting:	2,557,599.58 ft	Longitude:	109° 33' 25.711 W
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence:	1.19 °

Well	#12-7 Revision					
Well Position	+N/-S	0.0 ft	Northing:	597,750.58 ft	Latitude:	38° 17' 32.600 N
	+E/-W	0.0 ft	Easting:	2,557,599.58 ft	Longitude:	109° 33' 25.711 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	ft	Ground Level:	6,189.0 ft

Wellbore	Wellbore #1 NE Revision				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	12/31/09	11.01	64.48	51,541

Design	Plan #1			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	8,094.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	53.13

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
8,094.0	90.49	90.00	7,568.4	0.0	769.9	0.00	0.00	0.00	0.00	
8,577.9	88.04	41.62	7,575.0	192.4	1,198.3	10.01	-0.50	-10.00	-93.05	Landing Pt. 12-7 NE
8,606.3	87.19	41.64	7,576.2	213.6	1,217.1	3.00	-3.00	0.07	178.58	
8,883.2	87.19	41.64	7,589.8	420.3	1,400.9	0.00	0.00	0.00	0.00	
8,888.2	87.04	41.62	7,590.0	424.0	1,404.2	3.00	-2.98	-0.37	-172.90	Target 2 12-7 NE L:
8,890.5	86.97	41.62	7,590.1	425.7	1,405.7	3.00	-3.00	-0.01	-179.82	
9,604.0	86.97	41.62	7,627.8	958.4	1,878.9	0.00	0.00	0.00	0.00	
9,663.8	88.77	41.62	7,630.0	1,003.0	1,918.6	3.00	3.00	0.01	0.18	Target 3 12-7 NE L:
9,668.5	88.91	41.63	7,630.1	1,006.6	1,921.8	3.00	3.00	0.01	0.29	
10,062.3	88.91	41.63	7,637.6	1,300.9	2,183.3	0.00	0.00	0.00	0.00	
10,128.6	86.92	41.62	7,640.0	1,350.4	2,227.3	3.00	-3.00	-0.01	-179.71	Target 4 12-7 NE L:
10,140.0	86.58	41.61	7,640.6	1,358.9	2,234.9	3.00	-3.00	-0.02	-179.71	
10,491.6	86.58	41.61	7,661.6	1,621.3	2,467.9	0.00	0.00	0.00	0.00	
10,594.0	89.65	41.63	7,665.0	1,697.8	2,535.9	3.00	3.00	0.02	0.29	Target 5 12-7 NE L:
11,412.7	89.65	41.63	7,670.0	2,309.7	3,079.7	0.00	0.00	0.00	0.00	PBHL 12-7 NE Lat I



Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well #12-7 Revision
Company:	Stone Energy	TVD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Project:	San Juan Co., Utah	MD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Site:	Three Mile	North Reference:	True
Well:	#12-7 Revision	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1 NE Revision		
Design:	Plan #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,094.0	90.49	90.00	7,568.4	0.0	769.9	615.9	0.00	0.00	0.00
Start Left Turn - Landing Pt 12-7 NE Lat Revision									
8,500.0	88.39	49.41	7,572.6	137.8	1,142.8	996.9	10.01	-0.52	-10.00
8,577.9	88.04	41.62	7,575.0	192.4	1,198.3	1,074.1	10.01	-0.44	-10.00
Nudge - Landing Pt. 12-7 NE Lat Revision									
8,606.3	87.19	41.64	7,576.2	213.6	1,217.1	1,101.9	3.00	-3.00	0.07
8,883.2	87.19	41.64	7,589.7	420.3	1,400.9	1,372.9	0.00	0.00	0.00
Nudge									
8,888.2	87.04	41.62	7,590.0	424.0	1,404.2	1,377.8	2.96	-2.94	-0.37
Nudge - Target 2 12-7 NE Lat Revision									
8,890.5	86.97	41.62	7,590.1	425.7	1,405.7	1,380.0	3.02	-3.02	-0.01
9,000.0	86.97	41.62	7,595.9	507.5	1,478.3	1,487.2	0.00	0.00	0.00
9,500.0	86.97	41.62	7,622.3	880.7	1,810.0	1,976.4	0.00	0.00	0.00
9,604.0	86.97	41.62	7,627.8	958.4	1,878.9	2,078.2	0.00	0.00	0.00
Nudge									
9,663.8	88.77	41.62	7,630.0	1,003.0	1,918.6	2,136.7	3.00	3.00	0.01
Nudge - Target 3 12-7 NE Lat Revision									
9,668.5	88.91	41.63	7,630.1	1,006.6	1,921.8	2,141.4	3.03	3.03	0.02
10,000.0	88.91	41.63	7,636.4	1,254.3	2,141.9	2,466.1	0.00	0.00	0.00
10,062.3	88.91	41.63	7,637.6	1,300.9	2,183.3	2,527.2	0.00	0.00	0.00
Nudge									
10,128.6	86.92	41.62	7,640.0	1,350.4	2,227.3	2,592.1	3.00	-3.00	-0.01
Nudge - Target 4 12-7 NE Lat Revision									
10,140.0	86.58	41.61	7,640.6	1,358.9	2,234.9	2,603.2	3.00	-3.00	-0.02
10,491.6	86.58	41.61	7,661.6	1,621.3	2,467.9	2,947.1	0.00	0.00	0.00
Nudge									
10,500.0	86.83	41.61	7,662.1	1,627.6	2,473.5	2,955.4	3.00	3.00	0.02
10,594.0	89.65	41.63	7,665.0	1,697.8	2,535.9	3,047.4	3.00	3.00	0.02
Target 5 12-7 NE Lat Revision									
11,000.0	89.65	41.63	7,667.5	2,001.3	2,805.6	3,445.3	0.00	0.00	0.00
11,412.7	89.65	41.63	7,670.0	2,309.7	3,079.7	3,849.6	0.00	0.00	0.00
PBHL 12-7 NE Lat Revision									

CONFIDENTIAL



Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well #12-7 Revision
Company:	Stone Energy	TVD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Project:	San Juan Co., Utah	MD Reference:	WELL @ 6209.0ft (RKB Elev. (Est.))
Site:	Three Mile	North Reference:	True
Well:	#12-7 Revision	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1 NE Revision		
Design:	Plan #1		

Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(ft)		
- Shape									
PBHL 12-7 NE Lat Re - plan hits target center - Point	0.00	0.00	7,670.0	2,309.7	3,079.7	600,123.81	2,560,630.68	38° 17' 55.432 N	109° 32' 47.080 W
Target 3 12-7 NE Lat - plan hits target center - Point	0.00	0.00	7,630.0	1,003.0	1,918.6	598,793.24	2,559,496.93	38° 17' 42.515 N	109° 33' 1.646 W
Landing Pt. 12-7 NE L - plan hits target center - Point		0.00	7,575.0	192.4	1,198.3	597,967.82	2,558,793.61	38° 17' 34.502 N	109° 33' 10.681 W
Target 2 12-7 NE Lat - plan hits target center - Point	0.00	0.00	7,590.0	424.0	1,404.2	598,203.68	2,558,994.66	38° 17' 36.791 N	109° 33' 8.099 W
Target 5 12-7 NE Lat - plan hits target center - Point	0.00	0.00	7,665.0	1,697.8	2,535.9	599,500.71	2,560,099.66	38° 17' 49.383 N	109° 32' 53.902 W
Target 4 12-7 NE Lat - plan hits target center - Point	0.00	0.00	7,640.0	1,350.4	2,227.3	599,146.98	2,559,798.34	38° 17' 45.949 N	109° 32' 57.774 W
Landing Pt 12-7 NE L: - plan misses target center by 965.1ft at 8094.0ft MD (7568.4 TVD, 0.0 N, 769.9 E) - Point	0.00	0.00	8,150.4	0.0	0.0	597,750.60	2,557,599.58	38° 17' 32.600 N	109° 33' 25.711 W

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(ft)	(ft)	+N/-S	+E/-W	
		(ft)	(ft)	
8,094.0	7,568.4	0.0	769.9	Start Left Turn
8,577.9	7,575.0	192.4	1,198.3	Nudge
8,883.2	7,589.8	213.6	1,217.1	Nudge
8,888.2	7,590.0	420.3	1,400.9	Nudge
9,604.0	7,627.8	424.0	1,404.2	Nudge
9,663.8	7,630.0	425.7	1,405.7	Nudge
10,062.3	7,637.6	958.4	1,878.9	Nudge
10,128.6	7,640.0	1,003.0	1,918.6	Nudge
10,491.6	7,661.6	1,006.6	1,921.8	Nudge
11,412.7	7,670.0	1,300.9	2,183.3	TD at 11412' MD

Designation of Agent

(Submit in triplicate)

The undersigned is, on the records of the Bureau of Land Management, Unit Operator under the Threemile Unit Agreement, San Juan County, Utah, No. UTU-84722X , approved and effective on 3/4/2010 and hereby designates:

Name: Stone Energy Corporation
Address: 625 E. Kaliste Saloom Road
Lafayette, LA 70508

as its agent, with full authority to act on its behalf in complying with the terms of this unit agreement and regulations applicable thereto and on whom the Authorized Officer or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, and completing Threemile Unit Well No. 12-7 in theNW1/4SE1/4, Sec. 12, T.29S, R.21E, San Juan County, Utah. Bond coverage will be provided under Nationwide Bond No. RLB0005762.

It is understood that this Designation of Agent does not relieve the Unit Operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Unit Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his duly authorized representative.

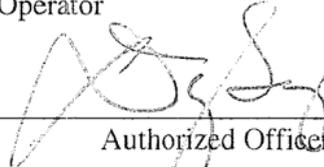
The Unit Operator agrees to promptly notify the Authorized Officer of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement. A designated agent may not designate another party as agent.

This Designation is given only to enable the agent herein designated to drill the above specified well. It is understood that this Designation of Agent is limited to the field operations performed while drilling and completing the specified well and does not include administrative actions requiring specific authorization of the Unit Operator. This designation in no way will serve as authorization for the agent to conduct field operations for the specified well after it has been completed for production. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate office of the Bureau of Land Management all reports and a Well Completion Report and Log (Form 3160-4) as required by the approved Application for Permit to Drill for the specified well.

In the event the above specified well is completed as a non-paying unit well, the authority for the designated agent to operate this well shall be established by completion of the Delegation of Authority to Operate Non-paying Unit Well for and submittal of the form to the appropriate office of the Authorized Officer.

WHITING OIL AND GAS CORPORATION
Unit Operator

By: 
Authorized Officer

David M. Seery
Vice President - Land

5-18-2010

Date

Designation of Agent
(Submit in triplicate)

The undersigned is, on the records of the Bureau of Land Management, Unit Operator under the Threemile Unit Agreement, San Juan County, Utah, No. UTU-84722X , approved and effective on 3/4/2010 and hereby designates:

Name: Stone Energy Corporation
Address: 625 E. Kaliste Saloom Road
Lafayette, LA 70508

as its agent, with full authority to act on its behalf in complying with the terms of this unit agreement and regulations applicable thereto and on whom the Authorized Officer or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, and completing Threemile Unit Well No. 16-17 in the NE1/4SW1/4, Sec. 16, T.29S, R.22E, San Juan County, Utah. Bond coverage will be provided under Nationwide Bond No. RLB0005762.

It is understood that this Designation of Agent does not relieve the Unit Operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Unit Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his duly authorized representative.

The Unit Operator agrees to promptly notify the Authorized Officer of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement. A designated agent may not designate another party as agent.

This Designation is given only to enable the agent herein designated to drill the above specified well. It is understood that this Designation of Agent is limited to the field operations performed while drilling and completing the specified well and does not include administrative actions requiring specific authorization of the Unit Operator. This designation in no way will serve as authorization for the agent to conduct field operations for the specified well after it has been completed for production. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate office of the Bureau of Land Management all reports and a Well Completion Report and Log (Form 3160-4) as required by the approved Application for Permit to Drill for the specified well.

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WHITING OIL AND GAS CORPORATION
Unit Operator

By: _____

Authorized Officer

David M. Seery
Vice President - Land

5-20-2010

Date



2580 Creekview Road
Moab, Utah 84532
435/719-2018

July 12, 2010

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

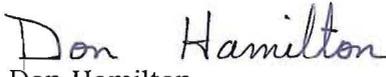
RE: Request for Exception to Spacing – Stone Energy Corporation – **Threemile 12-7**
Surface Location: 2,140 FSL & 1,925' FEL, NW/4 SE/4, Section 12, T29S, R21E,
East Lateral Target Location: 2,132' FSL & 1,932' FWL, NE/4 SW/4, Section 7, T29S, R22E,
Northeast Lateral Target Location: 834 FNL & 1,157 FWL, Lot 1, Section 7, T29S, R22E,
SLB&M, San Juan County, Utah

Dear Diana:

Stone Energy Corporation (Stone) respectfully submits this request for exception to spacing based on topography. The proposed surface location, lateral target locations and all points along the intended wellbore paths are within 460' of the Threemile Unit boundary. Stone Energy Corporation is the designated Agent of Whiting Oil and Gas Corporation (Whiting) for the drilling of the Threemile Unit #12-7 well. Stone is also a signatory to an Exploration Agreement with Whiting Oil and Gas Corporation dated effective 3/4/10, whereby Whiting has granted Stone the right to drill and earn a portion of Whiting's leasehold within Threemile Unit. All such operations are governed by the Exploration Agreement and the Threemile Unit Operating Agreement dated 1/16/07. All working interest owners within the spacing unit have joined the Threemile Unit Operating Agreement.

Thank you very much for your timely consideration of this application. Please feel free to contact me at 435-719-2018 if you have any questions or need additional information.

Sincerely,


Don Hamilton
Agent for Stone Energy Corporation

cc: Kent Davis, Stone Energy Corporation

Attachment to APD Form 3.

4. Location of well:

Surface Location: 2,140 FSL & 1,925' FEL, NW/4 SE/4, Section 12, T29S, R21E, SLB&M

East Lateral Target Location: 2,132' FSL & 1,932' FWL, NE/4 SW/4, Section 7, T29S, R22E,

Northeast Lateral Target Location: 834' FNL & 1,157 FWL, Lot 1, Section 7, T29S, R22E,

CONFIDENTIAL

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

July 14, 2010

Memorandum

To: Assistant Field Office Manager Resources, Moab District

From: Michael Coulthard, Petroleum Engineer

Subject: 2010 Plan of Development Threemile Unit,
San Juan County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well within the Threemile Unit has had a modification to lateral 1 (please see our memorandum dated June 7, 2010).

API#	WELL NAME	LOCATION
	(Proposed PZ Cane Creek)	
4303750001	Threemile 12-7 Sec 12 T29S R21E 2140 FSL 1925 FEL	
	Lateral 1 Sec 07 T29S R22E 2132 FSL 1932 FWL	
	Lateral 2 Sec 07 T29S R22E 0834 FNL 1157 FWL	

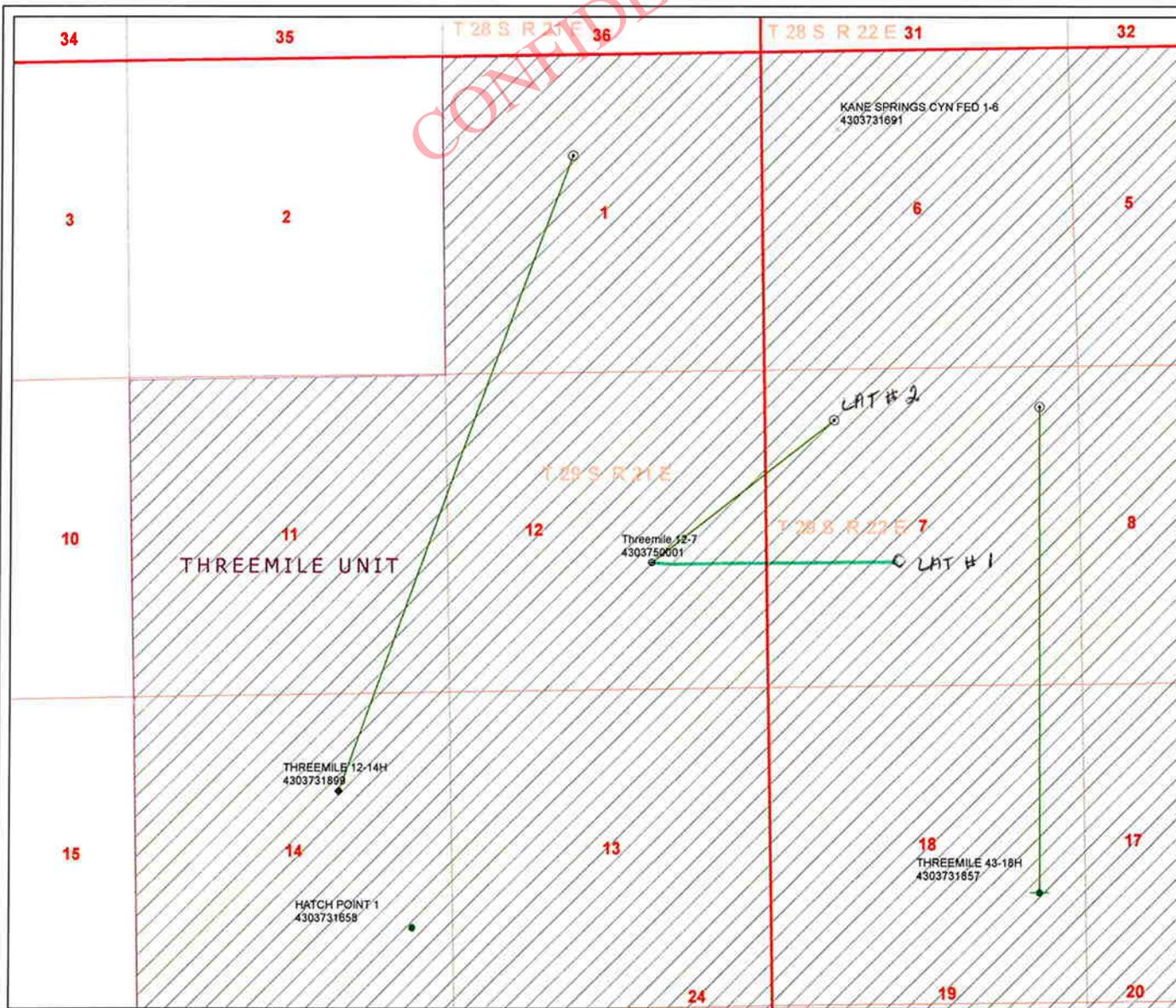
This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File - Threemile Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:7-14-10

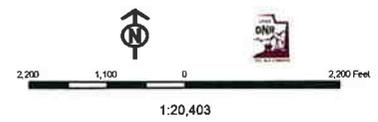
CONFIDENTIAL



API Number: 4303750001
Well Name: Threemile 12-7
 Township 29.0 S Range 21.0 E Section 12
Meridian: SLBM
 Operator: STONE ENERGY CORPORATION

Map Prepared:
 Map Produced by Diana Mason

- | Units | Wells Query |
|---------------|-----------------------------------|
| STATUS | X -> All other values |
| ACTIVE | APD - Approved Permit |
| EXPLORATORY | DRL - Spaced (Drilling Commenced) |
| GAS STORAGE | GW - Gas Injection |
| HP-PP OIL | GS - Gas Storage |
| HP SECONDARY | LA - Location Abandoned |
| PP OIL | LCC - New Location |
| PP GAS | OPS - Operation Suspended |
| PP GEOTHERMAL | PA - Plugged/Abandoned |
| PP OIL | PGW - Producing Gas Well |
| SECONDARY | PGW - Producing Oil Well |
| TERMINATED | RET - Retired APD |
| Fields | SCW - Shut-in Gas Well |
| Sections | SCW - Shut-in Oil Well |
| Township | TA - Temp Abandoned |
| | TW - Test Well |
| | WDW - Water Deposit |
| | WW - Water Injection Well |
| | WWS - Water Supply Well |



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 7/9/2010

API NO. ASSIGNED: 43037500010000

WELL NAME: Threemile 12-7

OPERATOR: STONE ENERGY CORPORATION (N2745)

PHONE NUMBER: 435 719-2018

CONTACT: Don Hamilton

PROPOSED LOCATION: NWSE 12 290S 210E

Permit Tech Review:

SURFACE: 2140 FSL 1925 FEL

Engineering Review:

BOTTOM: 2140 FSL 1925 FEL

Geology Review:

COUNTY: SAN JUAN

LATITUDE: 38.29234

LONGITUDE: -109.55709

UTM SURF EASTINGS: 626185.00

NORTHINGS: 4239029.00

FIELD NAME: HATCH POINT

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-76580

PROPOSED PRODUCING FORMATION(S): CANE CREEK

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT**
- Bond:** FEDERAL - RLB0005762
- Potash**
- Oil Shale 190-5**
- Oil Shale 190-3**
- Oil Shale 190-13**
- Water Permit:** 05-6 (Charles Hardison Redd)
- RDCC Review:**
- Fee Surface Agreement**
- Intent to Commingle**

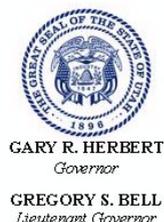
Commingle Approved

LOCATION AND SITING:

- R649-2-3.**
 - Unit:** THREEMILE
 - R649-3-2. General**
 - R649-3-3. Exception**
 - Drilling Unit**
 - Board Cause No:** R649-3-2
 - Effective Date:**
 - Siting:**
 - R649-3-11. Directional Drill**
-

Comments: Presite Completed
HAS MULTI LATS LAT 1 834 FNL 1157 FWL SEC 7 T22E:

Stipulations: 4 - Federal Approval - dmason
15 - Directional - bhll
23 - Spacing - dmason



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Threemile 12-7
API Well Number: 43037500010000
Lease Number: UTU-76580
Surface Owner: FEDERAL
Approval Date: 9/27/2010

Issued to:

STONE ENERGY CORPORATION, 625 East Kaliste Saloom Rd, Lafayette, LA 70508

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the CANE CREEK Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

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

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.

Conditions of Approval:

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

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "B. S. [unclear]", written in a cursive style.

Acting Associate Director, Oil & Gas

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED
MOAB FIELD OFFICE
2010 SEP 15 PM 4:08
FOR APPROVAL
OMB No. 1004-0137
Expires July 31, 2010

5. Lease Serial No. UTU-76580	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. Threemile Unit UTU-84722X	
8. Lease Name and Well No. Threemile 12-7	
9. API Well No. 43 037 50001 4300756601	
10. Field and Pool, or Exploratory Exploratory	11. Sec., T. R. M. or Blk. and Survey or Area
12. County or Parish San Juan	13. State UT
14. Distance in miles and direction from nearest town or post office* 16.7 miles west of La Sal, Utah	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,925'
16. No. of acres in lease 3,760.610	17. Spacing Unit dedicated to this well 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 7,200'	19. Proposed Depth 8,260' TVD
20. BLM/BIA Bond No. on file BLM Nationwide RLB0005762	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,189' GL
22. Approximate date work will start* 08/15/2010	23. Estimated duration 60 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature Don Hamilton	Name (Printed/Typed) Don Hamilton	Date 06/15/2010
Title Agent, Stone Energy Corporation		
Approved by (Signature) 151 J. Rockford Smith	Name (Printed/Typed) 151 J. Rockford Smith	Date 9/23/10
Title Field Manager		
Office Moab Field Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Continued on page 2)

*(Instructions on page 2)

RECEIVED
SEP 29 2010
DIV. OF OIL, GAS & MINING
CONDITIONS OF APPROVAL ATTACHED

Attachment to APD Form 3.

4. Location of well:

Surface Location: 2,140 FSL & 1,925' FEL, NW/4 SE/4, Section 12, T29S, R21E, SLB&M

East Lateral Target Location: 2,132' FSL & 1,932' FWL, NE/4 SW/4, Section 7, T29S, R22E,

Northeast Lateral Target Location: 834 FNL & 1,157 FWL, Lot 1, Section 7, T29S, R22E,

T29S, R21E, S.L.B.&M.

STONE ENERGY CORPORATION

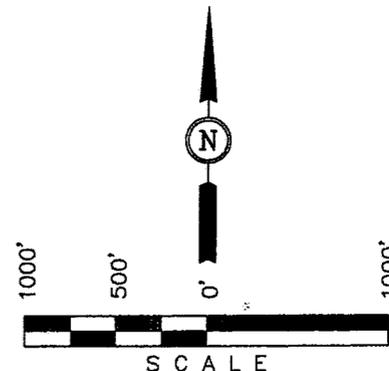
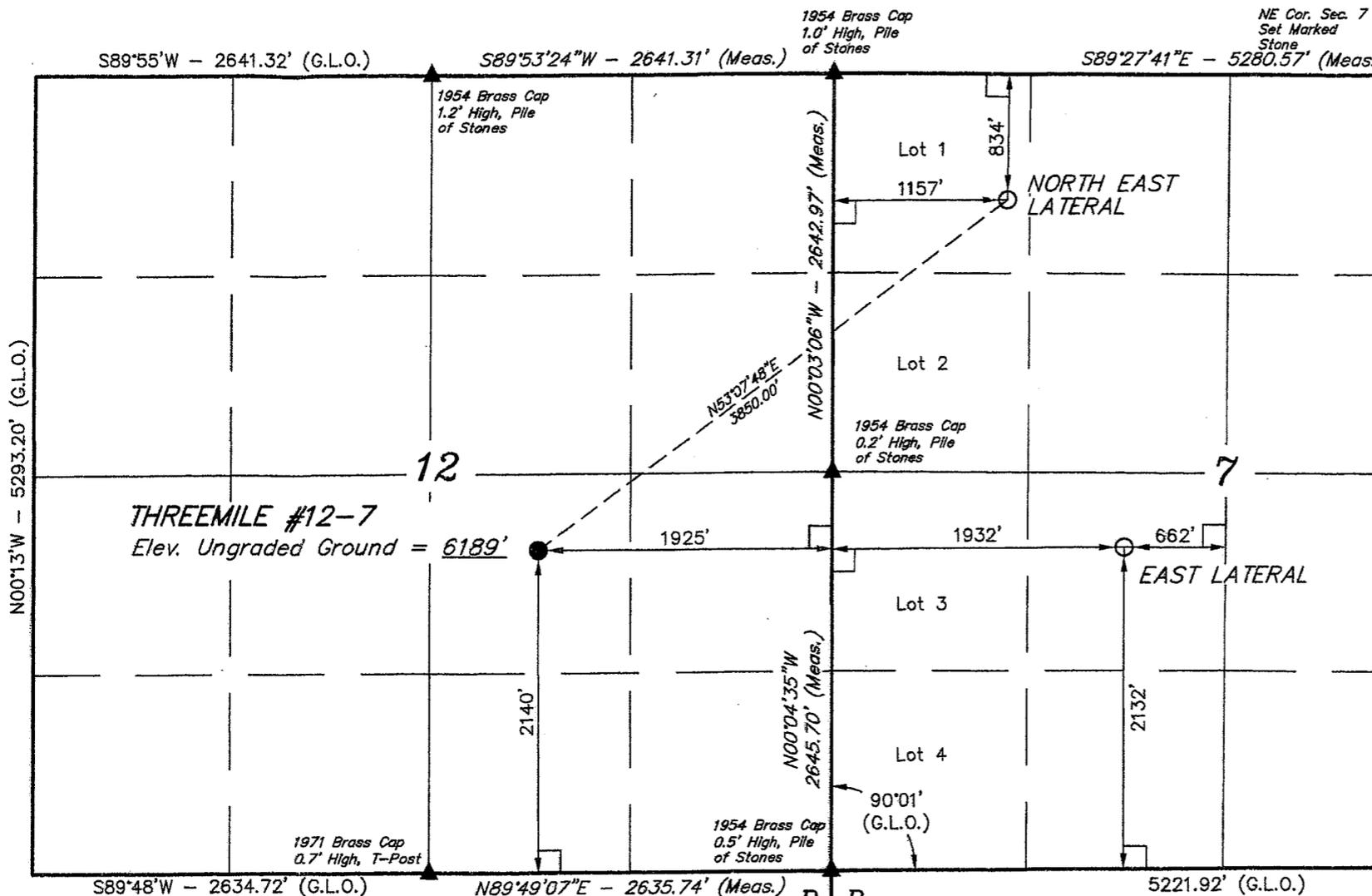
Well location, THREEMILE #12-7, located as shown in the NW 1/4 SE 1/4 of Section 12, T29S, R21E, S.L.B.&M., San Juan County, Utah.

BASIS OF ELEVATION

EIGHTMILE ROCK TRIANGULATION STATION LOCATED IN THE SW 1/4 OF SECTION 13, T21S, R21E, S.L.B.&M. TAKEN FROM THE EIGHTMILE ROCK, QUADRANGLE, UTAH, SAN JUAN COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6416 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT L. KAY
REGISTERED LAND SURVEYOR
REGISTRATION NO. 181319
STATE OF UTAH

REVISED: 06-07-10
REVISED: 05-21-10
REVISED: 05-12-10

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

NOTE:
THE PROPOSED EAST LATERAL FOR THIS WELL BEARS EAST 3857' FROM THE PROPOSED WELL HEAD.

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

NAD 83 (NORTHEAST LATERAL)	NAD 83 (EAST LATERAL)	NAD 83 (SURFACE LOCATION)
LATITUDE = 38°17'55.38" (38.298717)	LATITUDE = 38°17'32.55" (38.292375)	LATITUDE = 38°17'32.55" (38.292375)
LONGITUDE = 109°32'49.50" (109.547083)	LONGITUDE = 109°32'39.78" (109.544378)	LONGITUDE = 109°33'28.13" (109.557814)
NAD 27 (NORTHEAST LATERAL)	NAD 27 (EAST LATERAL)	NAD 27 (SURFACE LOCATION)
LATITUDE = 38°17'55.43" (38.298731)	LATITUDE = 38°17'32.60" (38.292389)	LATITUDE = 38°17'32.60" (38.292389)
LONGITUDE = 109°32'47.08" (109.546411)	LONGITUDE = 109°32'37.34" (109.543706)	LONGITUDE = 109°33'25.71" (109.557142)

SCALE 1" = 1000'	DATE SURVEYED: 05-03-10	DATE DRAWN: 05-07-10
PARTY T.A. K.D. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE STONE ENERGY CORPORATION	

Stone Energy Corporation

Threemile 12-7 Well

Lease, Surface: UTU76580

Bottom-hole: UTU76349

Threemile Unit UTU

Location, Surface: NE/SE Sec. 12, T29S, R21E

Bottom-hole (E Lat): NE/SW Sec. 7, T29S, R22E

Bottom-hole (NE Lat): Lot 1 (NW/NW) Sec. 7, T29S, R22E

San Juan County, Utah

A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction, drilling and completion operations, and shall be available to contractors to ensure compliance. Deviation from the approved plan without prior approval is not allowed.

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 Stone Energy Corporation 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 **WYB000086** (Principal: Stone Energy Corporation) via surety consent as provided for in 43 CFR 3104.2. This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of two years from the date of approval, provided the lease does not expire prior to that date. A one-time extension of this permit for a period of up to two years will be considered only if a written request is received prior to APD expiration. If activities under the permit have not commenced prior to the end of the APD approval period, the APD will be returned to the operator without prejudice. After permit termination, should the operator still desire to drill the well, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease and agreement terms, Notices to Lessees and Operators, and this approved plan of operations. The operator is fully responsible for the actions of subcontractors. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

A. DRILLING PROGRAM

1. The well control systems are adequate as proposed, and include: a diverter system while drilling the surface hole (from surface to 1500'); a 5M system while drilling the intermediate hole (from 1500' to 4940'); and a 10M system while drilling below the intermediate casing shoe (from 4940' to TD). Installation, testing and operation of the BOPE systems shall be in conformance with Onshore Oil and Gas Order No. 2.
2. The 10M BOP system must include a remote kill line, rated and tested to 10,000 psi working pressure, which runs unobstructed to the edge of the substructure (Onshore Order 2, III.A.2.a.v.). The remote kill line provides a second access point for emergency well killing operations.
3. While the 10M BOP system is in use, a trip tank is required (Onshore Order 2, III.C.5.)
4. The proposed mud-gas separator shall be installed prior to drilling out the intermediate (9-5/8") casing shoe (Onshore Order 2, III.C.8.).
5. A pressure integrity test of the intermediate casing shoe shall be conducted prior to drilling more than 20 feet below the shoe (Onshore Order 2, III.B.1.i). The test shall expose the shoe to the mud weight equivalent anticipated to control the formation pressure at total well depth, and shall be recorded in the driller's log.
6. If a well control issue arises (e.g. kick, blowout, or water flow), casing failure occurs, or an increase in bradenhead pressure occurs during fracturing operations, the BLM shall be notified within 24 hours from the time of the event.
7. Moab Field Office petroleum engineer, Eric Jones (435-259-2117), shall be contacted for verbal approval prior to commencing remedial cementing, plugging operations on newly drilled boreholes, changes within the drilling plan, changes or variances to the BOPE, deviating from conditions of approval, and conducting other operations not specified within the APD. As a secondary contact: Marie McGann (435-259-2135).
8. If the intermediate casing cement does not circulate to surface, a Cement Bond Log (CBL) or other appropriate tool for determining cement effectiveness shall be run.
9. Daily drilling and completion progress reports shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis, and shall include daily mud reports, details of casing that has been run and its cementing, water flows, lost circulation zones, hydrocarbon shows and any other information that describes drilling conditions. These reports may be in any format customarily used by the operator, and may be submitted via email to: eric_jones@blm.gov.
10. Should this well prove productive, but not sufficient to qualify as a paying well for unit purposes, a mechanism for ensuring protection of correlative rights will be necessary. This could be in the form of a Communitization Agreement, or mechanical isolation of production from each contributing lease, or some other means of accurately allocating production.

B. Surface

Other required approvals

1. This approval does not authorize non-federal actions. State and county permits may be required prior to any construction activity.

Cultural

1. Should any cultural resources be unearthed, surface-disturbing activities would be re-routed to avoid or halted until the cultural sites/artifacts can be evaluated for significance, and a mitigation/salvage plan be formulated. These actions would successfully mitigate possible impacts to cultural resources such that detailed analysis is not required.

Paleontological Resources

1. Paleontological resources could be discovered during construction. Because of this the operator shall; (1) with contractors, go over procedures for stopping work and notifying BLM if paleontological resources were found while working on the project, (2) notify the contractor of his responsibilities for informing employees/sub-contractors of the potential for prosecution if paleontological resources were disturbed.

Wildlife

1. In order to protect pronghorn antelope during the fawning period, no road/well pad construction would be authorized between May 1 and June 15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be applied for and would be specified in writing by the Moab Field Office.
2. If the well goes into production, all vents, exhaust stacks and other openings on facilities and equipment shall be covered with grating or hardware cloth. The mesh size of the grating or hardware cloth shall be sufficiently small to keep all birds from entering the vents, stacks and other openings.

Well Pad/Road Construction/Maintenance

1. All soil and gravel brought in from off site for road or pad construction need to come from a pit free of invasive, non-native species.
2. Impacts from new well pad and road construction would be minimized by appropriate drainage control (ie. water bars, low water crossings in ephemeral drainages, etc). If the wells go into production, mitigation of impacts to soils would include 1) upgrading roads to BLM Gold Book standards and 2) reclamation of any unused areas (ie. wellpads, unneeded road access). If the wells are not produced, then reclamation would mitigate and reduce impacts to soils.
3. The operator shall maintain the existing roads in a safe, usable condition, as directed by the Moab Field Office. The maintenance program shall include, but is not limited to, blading, ditching, installing culverts, and if needed, surfacing the road with rock materials. The operator shall conduct all activities associated with the San Juan County roads within the existing surface

disturbances of the maintained roads. The operator shall repair all damages to the county roads resulting from traffic associated with constructing, drilling, and producing the well.

4. The operator shall not block access to roads that intersect with the main roads being used to drill this well. If blading the road for maintenance, the operator must make sure to remove any windrow that crosses another road.
5. The operator shall salvage the topsoil from entire disturbed area of the location prior to construction of the pad. This includes removal of topsoil from the areas where spoil piles will be stored.
6. New roads constructed shall be signed Administrative use Only.

Wastes

1. All Federal and State laws would be followed regarding use, storage and disposal of hazardous materials and solid wastes.
2. No produced water or other fluids will be disposed on the well pad or roads.

Soils/Dust

1. Dust control will be provided during construction and drilling operations by spraying fresh water on new road construction, roads being maintained or utilized, and the well pad as needed.

Reclamation

1. The submitted reclamation plan shall be followed.
2. Drill pad and new road to a non-producing well will be reclaimed. Reclamation should include removal of new road and the incorporation of a seed mix that would provide a vegetation structure as close to the existing plant community as possible.
3. At the end of drilling operations and prior to reclamation of the reserve pit, the top of the pit will be covered with netting of one inch or less to prevent access by birds while the pit is drying.
4. The pit will not be left open for more than 6 months from the completion of drilling activities. If necessary the pit fluids will be drained and then closed prior to the 1 year deadline.
5. Interim reclamation shall be commenced within 6 months of completion of the well. Interim reclamation is the reclamation of all the portions of the pad not required for everyday production.
6. For Interim Reclamation the operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. Use the following seed mix:

Species – Cultivar	% in Mix	Lbs PLS*
Indian Ricegrass	50	5
Slender wheatgrass	40	4
Four-wing saltbush	40	4
Totals	100%	10.00 lbs/acre

*PLS = pure live seed

*Double this rate if broadcast seeding

7. Slopes too steep for machinery may be hand broadcast and raked with twice the specified amount of seed.

Noxious/Invasive Weeds

1. The operator will be responsible for weed control on the disturbed areas within the limits of the well pad and road construction. The operator will be responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods.
2. The operator will monitor for noxious weeds that might move onto the location. If any are discovered an Integrated Pest Management Plan will be created and need BLM approval prior to beginning any treatment program.

Air Quality

1. All new and replacement internal combustion oil and gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 grams of NOx per horsepower-hour. This requirement does not apply to oil and gas field engines of less than or equal to 40 design-rated horsepower;
2. All new and replacement internal combustion oil and gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gram of NOx per horsepower-hour.

Other

1. If there are any questions concerning these surface use COAs, please contact:
Ben Kniola
Natural Resource Specialist
Phone: (435)259-2127
Email: Ben_Kniola@blm.gov

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Notify the Moab Field Office at least 48-hours prior to commencing construction of location.

Spud- Notify the Moab Field Office 24-hours prior to spud. Submit written notification (Sundry Notice, Form 3160-5) to the Moab Field Office within 24-hours after spud, regardless of whether using a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports that describe the progress and status of the well shall be submitted to the Moab Field Office on at least a weekly basis. This report may be in any format customarily used by the operator.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- Any modification to the proposed drilling program shall be submitted to the Moab Field Office on a Sundry Notice (Form 3160-5). Regulations at 43 CFR 3162.3-2 describe which operations require prior approval, and which require notification.

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

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

Cultural Resources- If cultural resources are discovered during construction, immediately notify the Moab Field Office, and work that might disturb the cultural resources shall cease.

First Production- A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office.

Notify the Moab Field Office when the well is placed into production. Initial notification may be verbal, but must be confirmed in writing within five business days. Please include the date production started, the producing formation and production volumes.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, a *Well Completion or Recompletion Report and Log* (Form 3160-4) shall be submitted to the Moab Field Office within thirty-days after completion of the well. Two copies of all logs, and a single copy of core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered to be shut-in until the gas can be captured or until approval to continue the venting/flaring pursuant to NTL-4A is granted. Compensation shall be due for gas that is vented/flared without approval.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling of production prior to the sales measurement point. The term "commingling" describes both the combining of production from different geologic zones and/or combining production from different leases or agreement areas.

Plugging and Abandonment- If the well is a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Sundry Notice, Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Moab Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Ben Kniola (435-259-2127), Dave Skinner (435-259-2145) of the BLM Moab Field Office for matters regarding surface use; and

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

48 hours prior to commencement of access or well site construction and reclamation (Kniola or Skinner);

24 hours prior to spud (Kniola or Skinner, and Brown);

24 hours prior to running each casing string (Brown);

24 hours prior to testing BOPE or casing (Brown);

24 hours prior to conducting a casing shoe pressure integrity test (Brown).

If the person at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: STONE ENERGY CORPORATION

Well Name: THREEMILE 12-7

Api No: 43-037-50001 Lease Type FEDERAL

Section 12 Township 29S Range 21E County SAN JUAN

Drilling Contractor _____ RIG # _____

SPUDDED:

Date 10/18/2010

Time 3:30 PM

How DRY

Drilling will Commence: _____

Reported by MATT LEWIS

Telephone # (970) 361-3284

Date 10/20/2010 Signed CHD

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	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76580
2. NAME OF OPERATOR: STONE ENERGY CORPORATION	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 625 East Kaliste Saloom Rd , Lafayette, LA, 70508	7. UNIT or CA AGREEMENT NAME: THREEMILE
PHONE NUMBER: 337 237-0410 Ext	8. WELL NAME and NUMBER: Threemile 12-7
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2140 FSL 1925 FSL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 12 Township: 29.0S Range: 21.0E Meridian: S	9. API NUMBER: 43037500010000
	9. FIELD and POOL or WILDCAT: HATCH POINT
	COUNTY: SAN JUAN
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 10/18/2010	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Stone Energy Corporation spud the Threemile 12-7 on October 18, 2010 at 1530 hours utilizing Frontier Rig

CONFIDENTIAL - TIGHT HOLE

NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Agent
SIGNATURE N/A		DATE 10/22/2010

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**
October 25, 2010

STONE ENERGY CORPORATION
DAILY DRILLING REPORT 10-18-2010 through 10-23-2010
Threemile 12-7

CONFIDENTIAL -- TIGHT HOLE

10/18/2010 24 Hr summary:

Finished changing out the kelly drive bushings, Test Northwestern's air drilling package (Pressure test and flow tested); P/U and M/U one 8" dc, xo, hammer and bit. Flow tested the air drilling unit and pressure tested same; Drilled 17 1/2" hole (Mist) f/60' to 794'; survey @ 498' / 1/2 degree

Stone Energy Corporation spud the Threemile 12-7 on October 18, 2010 at 1530 hours utilizing Frontier Rig 7.

10/19/2010 24 Hr summary:

Drilled 17 1/2" hole (Mist) f/794' to 1,500' - pumped 3 sweeps to clean out the hole. survey @ 989' / 3/4°, survey @ 1,445' / 1/2°, POOH f/1,500' to surface, L/D the hammer and hammer bit. M/U 17 1/2" bit, RIH to 1,500', Pumped 1,500 bbls of water without returns. POOH f/1,500' to surface, L/D the 17 1/2" bit and the bit sub.

10/20/2010 24 Hr summary:

Rigged up cs. equipment. P/U, RIH with the 13 3/8" csg, Tagged a boulder @ 83', L/D csg, M/U 17 1/2" bit on std of 8" collars and worked bit through until smooth, P/U - RIH with the 13 3/8" csg to 1,490', Circulated and washed csg f/1,490' to 1,500'. Cement csg, and pumped 2 - 21 bbls cement top jobs, still we have no cement to surface.

10/21/2010 24 Hr summary:

Wait of more top cement to come from Grand Junction. Pump a total of five cement top jobs to have cement static at the wellhead.

10/22/2010 24 Hr summary:

Make final cuts on the conductor and the 13 3/8" csg. Dress of with grinder, installed wellhead and welded and tested. N/U the 13 5/8" 5M BOP, Testing the 13 5/8" 5M BOP.

10/23/2010 24 Hr summary:

Test the 13 5/8" 5M BOPE, Tested the Accumulator, Installed rotating head kelly onto the kelly, Installed the wearbushing and screw in two lock down pins. Center BOPE. M/U 12-1/4" roller cone bit #3, TIH to 1.386', install rotating head. Wash f/1,386' to wiper plug @ 1,452'. Drill out shoe track to 1,500'. Drilled 12-1/4" open hole to 1,520'. Blow out water f/hole, drill 8' of formation while drying

RECEIVED October 25, 2010

out hole. POOH, L/D bit #3. MU 12-1/4" bit and hammer. TIH to 1,528', P/U
kelly pressure up and air/hammer drill f/1,528' to 1,658'.

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

FORM 6

ENTITY ACTION FORM

Operator: Stone Energy Corporation
Address: 625 East Kaliste Saloom Rd.
city Lafayette
state LA zip 70508

Operator Account Number: N 2745

Phone Number: (303) 718-9832

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303750001	Threemile 12-7		NWSE	12	29S	21E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	17837	10/18/2010			10/28/10	
Comments: The well was spud on October 18, 2010 at 1530 hours utilizing Frontier Rig 7. <i>CNCR</i> <i>BHL = Sec 7 T 22E</i>							

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Well 2

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

Well 3

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

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Don Hamilton

Name (Please Print)

Don Hamilton

Signature

Agent for Stone Energy Corp.

10/22/2010

Title

Date

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OCT 25 2010

DIV. OF OIL, GAS & MINING

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	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76580
2. NAME OF OPERATOR: STONE ENERGY CORPORATION	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 625 East Kaliste Saloom Rd , Lafayette, LA, 70508	7. UNIT or CA AGREEMENT NAME: THREEMILE
PHONE NUMBER: 337 237-0410 Ext	8. WELL NAME and NUMBER: Threemile 12-7
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2140 FSL 1925 FSL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 12 Township: 29.0S Range: 21.0E Meridian: S	9. API NUMBER: 43037500010000
	9. FIELD and POOL or WILDCAT: HATCH POINT
	COUNTY: SAN JUAN
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 10/30/2010	<input type="checkbox"/> DEEPEN
	<input type="checkbox"/> OPERATOR CHANGE
	<input type="checkbox"/> PRODUCTION START OR RESUME
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> WATER SHUTOFF
	<input type="checkbox"/> WILDCAT WELL DETERMINATION
	<input type="checkbox"/> ALTER CASING
	<input type="checkbox"/> CHANGE TUBING
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS
	<input type="checkbox"/> FRACTURE TREAT
	<input type="checkbox"/> PLUG AND ABANDON
	<input type="checkbox"/> RECLAMATION OF WELL SITE
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> SI TA STATUS EXTENSION
	<input type="checkbox"/> OTHER
	<input type="checkbox"/> CASING REPAIR
	<input type="checkbox"/> CHANGE WELL NAME
	<input type="checkbox"/> CONVERT WELL TYPE
	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> APD EXTENSION
	OTHER: <input type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Attached please find the drilling reports ending 10-30-2010

CONFIDENTIAL - TIGHT HOLE

NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Agent
SIGNATURE N/A		DATE 11/1/2010

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**
November 01, 2010

STONE ENERGY CORPORATION
DAILY DRILLING REPORT 10-24-2010 through 10-30-2010
Threemile 12-7

CONFIDENTIAL -- TIGHT HOLE

10/24/2010 24 Hr summary:

Test the 13 5/8" 5M BOPE, Tested the Accumulator, Installed rotating head kelly onto the kelly, Installed the wearbushing and screw in two lock down pins. Center BOPE. M/U 12-1/4" roller cone bit #3, TIH to 1,386', install rotating head. Wash f/1,386' to wiper plug @ 1,452'. Drill out shoe track to 1,500'. Drilled 12-1/4" open hole to 1,520'. Blow out water f/hole, drill 8' of formation while drying out hole. POOH, L/D bit #3. MU 12-1/4" bit and hammer. TIH to 1,528', P/U kelly pressure up and air/hammer drill f/1,528' to 1,658'.

10/25/2010 24 Hr summary:

Air/hammer drill F/1,658' to 2,061'. Survey @ 1,940', 3/4°. Air/hammer drlg F/2,061' to 2,402'. Hole making water @ 2,067', start air/mist drlg. Service rig. Air/mist/hammer drill F/2,402' to 2,495'. Survey @ 2,437', 3/4°. Air/mist/hammer drill F/2,495' to 2,932'. Survey @ 2,916', 3/4°. Air/mist/hammer drill F/2,932' to 3,056'. Hole making too much water to continue hammer drilling. Circulate soap sweep and clean hole for trip.

10/26/2010 24 Hr summary:

POOH laying down excess BHA. L/D hammer and bit. M/U roller cone bit, 8" motor, TIH to 13-3/8" shoe @ 1,500'. Mix mud, unable to establish returns Pull three stds. Mix and spot LCM pill. Establish returns. Stage in hole to TD. Drill F/3,056' to 3,061'. Lost returns. Pump LCM pill, no returns, start air compressors and pressure up hole to 800 SFM, establish returns. Motor/aerate drill F/3,061' to 3,105' at report time.

10/27/2010 24 Hr summary:

Motor/Aerate drill 12-1/4" hole F/3,105' to 3,136', build volume in mud tanks, drill F/3,136' to 3,260', service rig, drill F/3,260' to 3,478', survey @ 3,400', 1/2°, drill F/3,478' to 3,666'. Circulate reserve pit and pump LCM pill on each connection.

10/28/2010 24 Hr summary:

Motor/Aerate drill 12-1/4" hole F/3,666' to 3,883', service rig, drill F/3,883' to 4,007', survey @ 3,927'. 1°, drill F/4,007' to 4,214'.

10/29/2010 24 Hr summary:

Motor/Aerate drill 12-1/4" hole F/4,214' to 4,344', attempt to circulate without air, unsuccessful, POOH to 1,380', mix and pump 70 bbls., LCM squeeze pill, squeeze @ 15 min intervals, L/D 15 jts dp, POOH with BHA, change bit, TIH to shoe, W&R F/1,500' to 1,717' with full returns, lost returns, @ 1,717', TIH to 4,212', W&R to bottom @ 4,344' and areate up system establishing returns. Motor/areate drill F/4,344' to 4,418'.

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10/30/2010 24 Hr summary:

Motor/aerate drill F/4,418' to 4,538', Slickline survey @ 4,418'. 1°, service rig,
Motor/aerate drill F/4,538' to 4,972', Slickline survey @ 4,893'. 3/4°, Motor/aerate drill
F/4,972' to 5,051'. Work pipe and circulate LCM sweep surface to surface, displace air
from drill string, POOH w/6 stds. f/5,051' to 4,576', reciprocate the pipe while mixing
salt.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76580
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
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PHONE NUMBER: 337 237-0410 Ext		COUNTY: SAN JUAN
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2140 FSL 1925 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 12 Township: 29.0S Range: 21.0E Meridian: S		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:		<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION
<input type="checkbox"/> SPUD REPORT Date of Spud:		OTHER: <input style="width: 50px;" type="text"/>
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 10/23/2010		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Attached please find the drilling reports ending 10-23-2010		
CONFIDENTIAL - TIGHT HOLE		
NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Agent
SIGNATURE N/A		DATE 10/25/2010

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 October 26, 2010

STONE ENERGY CORPORATION
DAILY DRILLING REPORT 10-18-2010 through 10-23-2010
Threemile 12-7

CONFIDENTIAL -- TIGHT HOLE

10/18/2010 24 Hr summary:

Finished changing out the kelly drive bushings, Test Northwestern's air drilling package (Pressure test and flow tested); P/U and M/U one 8" dc, xo, hammer and bit. Flow tested the air drilling unit and pressure tested same; Drilled 17 1/2" hole (Mist) f/60' to 794'; survey @ 498' / 1/2 degree

Stone Energy Corporation spud the Threemile 12-7 on October 18, 2010 at 1530 hours utilizing Frontier Rig 7.

10/19/2010 24 Hr summary:

Drilled 17 1/2" hole (Mist) f/794' to 1,500' - pumped 3 sweeps to clean out the hole. survey @ 989' / 3/4°, survey @ 1,445' / 1/2°, POOH f/1,500' to surface, L/D the hammer and hammer bit. M/U 17 1/2" bit, RIH to 1,500', Pumped 1,500 bbls of water without returns. POOH f/1,500' to surface, L/D the 17 1/2" bit and the bit sub.

10/20/2010 24 Hr summary:

Rigged up cs. equipment. P/U, RIH with the 13 3/8" csg, Tagged a boulder @ 83', L/D csg, M/U 17 1/2" bit on std of 8" collars and worked bit through until smooth, P/U - RIH with the 13 3/8" csg to 1,490', Circulated and washed csg f/1,490' to 1,500'. Cement csg, and pumped 2 - 21 bbls cement top jobs, still we have no cement to surface.

10/21/2010 24 Hr summary:

Wait of more top cement to come from Grand Junction. Pump a total of five cement top jobs to have cement static at the wellhead.

10/22/2010 24 Hr summary:

Make final cuts on the conductor and the 13 3/8" csg. Dress of with grinder, installed wellhead and welded and tested. N/U the 13 5/8" 5M BOP, Testing the 13 5/8" 5M BOP.

10/23/2010 24 Hr summary:

Test the 13 5/8" 5M BOPE, Tested the Acumulator, Installed rotating head kelly onto the kelly, Installed the wearbushing and screw in two lock down pins. Center BOPE. M/U 12-1/4" roller cone bit #3, TIH to 1.386', install rotating head. Wash f/1,386' to wiper plug @ 1,452'. Drill out shoe track to 1,500'. Drilled 12-1/4" open hole to 1,520'. Blow out water f/hole, drill 8' of formation while drying

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out hole. POOH, L/D bit #3. MU 12-1/4" bit and hammer. TIH to 1,528', P/U
kelly pressure up and air/hammer drill f/1,528' to 1,658'.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76580
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: THREEMILE
1. TYPE OF WELL Oil Well		8. WELL NAME and NUMBER: Threemile 12-7
2. NAME OF OPERATOR: STONE ENERGY CORPORATION		9. API NUMBER: 43037500010000
3. ADDRESS OF OPERATOR: 625 East Kaliste Saloom Rd , Lafayette, LA, 70508		9. FIELD and POOL or WILDCAT: HATCH POINT
PHONE NUMBER: 337 237-0410 Ext		COUNTY: SAN JUAN
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2140 FSL 1925 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 12 Township: 29.0S Range: 21.0E Meridian: S		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> ALTER CASING	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 10/30/2010	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 50px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Attached please find the drilling reports ending 10-30-2010		
----- CONFIDENTIAL - TIGHT HOLE		
NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Agent
SIGNATURE N/A		DATE 11/1/2010

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 November 01, 2010

STONE ENERGY CORPORATION
DAILY DRILLING REPORT 10-24-2010 through 10-30-2010
Threemile 12-7

CONFIDENTIAL -- TIGHT HOLE

10/24/2010 24 Hr summary:

Test the 13 5/8" 5M BOPE, Tested the Accumulator, Installed rotating head kelly onto the kelly, Installed the wearbushing and screw in two lock down pins. Center BOPE. M/U 12-1/4" roller cone bit #3, TIH to 1,386', install rotating head. Wash f/1,386' to wiper plug @ 1,452'. Drill out shoe track to 1,500'. Drilled 12-1/4" open hole to 1,520'. Blow out water f/hole, drill 8' of formation while drying out hole. POOH, L/D bit #3. MU 12-1/4" bit and hammer. TIH to 1,528', P/U kelly pressure up and air/hammer drill f/1,528' to 1,658'.

10/25/2010 24 Hr summary:

Air/hammer drill F/1,658' to 2,061'. Survey @ 1,940', 3/4°. Air/hammer drlg F/2,061' to 2,402'. Hole making water @ 2,067', start air/mist drlg. Service rig. Air/mist/hammer drill F/2,402' to 2,495'. Survey @ 2,437', 3/4°. Air/mist/hammer drill F/2,495' to 2,932'. Survey @ 2,916', 3/4°. Air/mist/hammer drill F/2,932' to 3,056'. Hole making too much water to continue hammer drilling. Circulate soap sweep and clean hole for trip.

10/26/2010 24 Hr summary:

POOH laying down excess BHA. L/D hammer and bit. M/U roller cone bit, 8" motor, TIH to 13-3/8" shoe @ 1,500'. Mix mud, unable to establish returns Pull three stds. Mix and spot LCM pill. Establish returns. Stage in hole to TD. Drill F/3,056' to 3,061'. Lost returns. Pump LCM pill, no returns, start air compressors and pressure up hole to 800 SFM, establish returns. Motor/aerate drill F/3,061' to 3,105' at report time.

10/27/2010 24 Hr summary:

Motor/Aerate drill 12-1/4" hole F/3,105' to 3,136', build volume in mud tanks, drill F/3,136' to 3,260', service rig, drill F/3,260' to 3,478', survey @ 3,400', 1/2°, drill F/3,478' to 3,666'. Circulate reserve pit and pump LCM pill on each connection.

10/28/2010 24 Hr summary:

Motor/Aerate drill 12-1/4" hole F/3,666' to 3,883', service rig, drill F/3,883' to 4,007', survey @ 3,927'. 1°, drill F/4,007' to 4,214'.

10/29/2010 24 Hr summary:

Motor/Aerate drill 12-1/4" hole F/4,214' to 4,344', attempt to circulate without air, unsuccessful, POOH to 1,380', mix and pump 70 bbls., LCM squeeze pill, squeeze @ 15 min intervals, L/D 15 jts dp, POOH with BHA, change bit, TIH to shoe, W&R F/1,500' to 1,717' with full returns, lost returns, @ 1,717', TIH to 4,212', W&R to bottom @ 4,344' and areate up system establishing returns. Motor/areate drill F/4,344' to 4,418'.

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10/30/2010 24 Hr summary:

Motor/aerate drill F/4,418' to 4,538', Slickline survey @ 4,418'. 1°, service rig,
Motor/aerate drill F/4,538' to 4,972', Slickline survey @ 4,893'. 3/4°, Motor/aerate drill
F/4,972' to 5,051'. Work pipe and circulate LCM sweep surface to surface, displace air
from drill string, POOH w/6 stds. f/5,051' to 4,576', reciprocate the pipe while mixing
salt.

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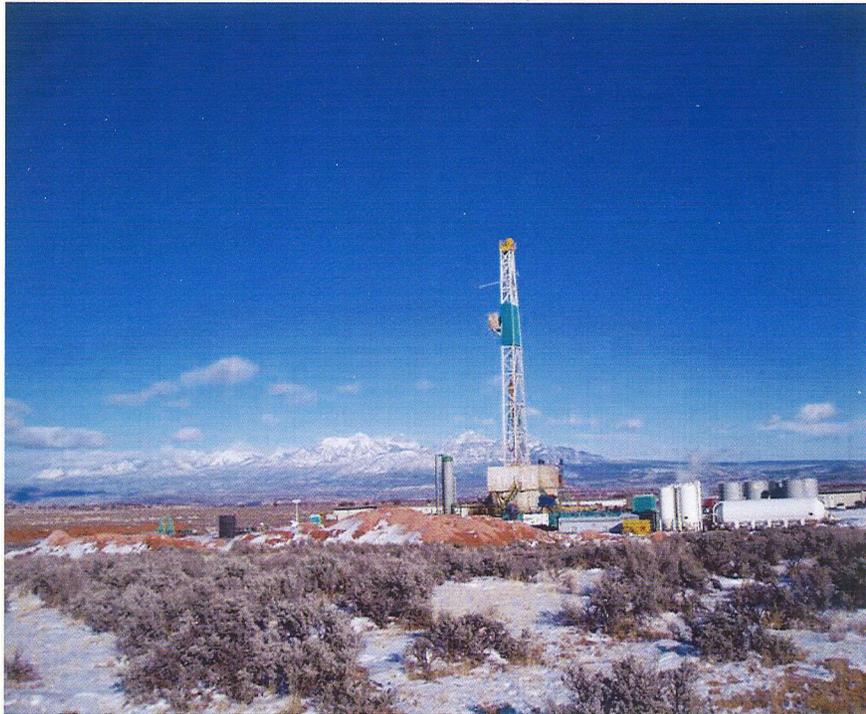
43-037-50001

STONE ENERGY CORPORATION

THREEMILE 12-7

NW/SE, Sec 12, T29S, R21E

SAN JUAN COUNTY, UTAH



GEOLOGY REPORT
by

Hal Schmidt
Consulting Geologist
Hal Schmidt LLC
10 Heather Way
Golden, Colorado 80401
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Cell: 303-919-7822

Sam Spencer
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Spencer Consulting LLC
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JAN 25 2011
DIV. OF OIL, GAS & MINING

WELL DATA SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

OPERATOR: STONE ENERGY CORPORATION

ADDRESS: 625 East Kaliste Saloom Rd.
Lafayette, LA 70508

WELL NAME: Threemile 12-7

API #: 043-037-50001

SURFACE LOCATION: NW/SE Sec 12, T29S, R21E
2140' FSL & 1925' FEL

FIELD: Wildcat-Hatch Point

COUNTY, STATE: San Juan, Utah

BASIN: Paradox

WELL TYPE: Horizontal Pennsylvanian Cane Creek

BASIS OF PROSPECT: Production from Cane Creek in distant wells

ELEVATION: GL: 6,187' DF: 6,209'

SPUD DATE: October 18, 2010

HORIZONTAL TARGET: Cane Creek

KICK-OFF POINT: 6,900' 10 degrees per 100'

BOTTOM HOLE LOCATION: BHL 2,409.02' FSL & 1,592.99' FWL
NE/SW SEC 7, T29S, R22E

FINAL VERTICAL SECTION: 3,528.22'

FINAL AZIMUTH: 88.1

TOTAL DEPTH / DATE: 10,724' Measured Depth Decemer 9,2010

TOTAL DRILLING DAYS: 52 Drilling Days

WELL DATA SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

STATUS OF WELL: Waiting Completion

CONTRACTOR: Frontier Drilling Rig #7

TOOLPUSHER: Mark Underwood, Dean Slaugh, Jeff Jarimillo, Adrian Lane, Rockland Gober

FIELD SUPERVISORS: Bill Hutto, Mark Lewis

MUD COMPANY: NOV Bariod

MUD TYPE: Water/air to 5,051' Oil Base Mud to 10,724' TD

WELLSITE GEOLOGISTS: Hal Schmidt Sam Spencer

PROSPECT GEOLOGIST: Roger TeSelle & Kim Overcash

ROCK SAMPLING: 30' Lagged Samples to Cane Creek
10' and 30' Lagged Samples in Cane Creek
Five sets of dry cut samples were collected.

DIRECTIONAL DRILLERS: Crescent Directional
Billy Howell, Kelvin Boyles, Jesse New

MWD: Crescent Directional
Tim Jones, Joe Hertzog

CASING: 20" to 80'; 13 3/8" to 1,500'; 9 5/8" to 5,038'; 7" to 7,952'; 4 1/2 " production liner

HOLE SIZE: 17 1/2" base conductor to 1,500'
12 1/4" 1,500' to 5,051'
8 1/2" 5,051' to 7,730' pilot hole
8 1/2" Kick off point 6,900', Curve to landing point @ 7,967'
6" 7,967' to 10,724' TD Lateral

CORES and DST's: NONE

WIRELINE: Schlumberger Vernal, Utah, Chris Johnson, Saurabh Dass, Engineers

KEY OFFSET WELLS:

Whiting	Giant
Threemile 43-18H	Hatch Point # 1
NE/SE Sec 18, T29S, R22E	NE/SE Sec14, T29S, R21E
San Juan, Utah	San Juan, Utah

DAILY DRILLING SUMMARY
 STONE ENERGY CORPORATION
 THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
1	16-Oct	0'	0	na	Rig up air equipment, weld conductor flow nipple, rotating head assembly. Pick up swivel kelly. Torque kelly. Install 5 1/2" liners in both pumps.	Entrada
2	17-Oct	0'	0	na	Weld blouie line, Install 5 1/2" liners, weld on air baffle, clean location	Entrada
3	18-Oct	0'	0	na	Change out and fit rotary and kelly bushings,, Master bushings make fit. Pick up air Hammer Bit. Test air lines. Held PJSM with Air Jammers. Drilling compressors. Drlg f/ 979' to 1,040'. Survey, 0.75 deg. Drlg f/ 1,040' to 1,411'. Rig survice. Drlg f/ 1,411' to 1,500'. TD 17 1/2" hole. Condition hole, pump sweeps. Survey @ 1,445' 0.5 deg. TOOH. Lay down air hammer. Pick up tricone bit	Entrada
4	19-Oct	479	1021	1		Navajo/Kayenta
5	20-Oct	1500	0	1/2	Trip in hole, wash 10' to bottom, pump water no returns, TOOH, Lay down 2 jts DP. Rig down elevators and tongs. PJSM w/ Franks Casing Crew. Make up shoe and float equipment. Tag obstruction at 83'. LD casing. Pick up 17 1/2" bit TIH work tight spot.POOH. Pick up casing, Run 13 3/8" casing to 1,490' tag. 10' fill. Rig up circulation head. wash casing to bottom, no returns. Rig down Casing crew. PJSM w/ Cementers. Cement casing with Halliburton. No returns. WOC. Pump 1" top job. 100 sacks.	Wingate/Chinle
6	21-Oct	1500	0	na	WOC, Pump 1" top job 100 sacks again, No returns. WOC, Cement third 1" top job 150 sacks, no returns. Wait on orders.Cut casing and conductor off. Wait on Halliburton for slurry. Rig service. Wait on LCM for top cement job. Work on flare lines and gas buster lines.Mix LCM pills down back side 13 3/8" casing, Halliburton pump truck packed off	Wingate/Chinle
7	22-Oct	1500	0	na	Clean pump truck. Nipple up 4" spool. Pump 4th top cement job. Got returns. WOC. Pump 5th top cement job. 50' below GL. WOC. Pump 6th top cement job. 6' below GL.	Wingate/Chinle
8	23-Oct	1500	28	na	WOC finished cutting conductor and casing, preheated well head, welded on well head. Install B section of well head, tighten flanges and tested to 700#.Nipple up BOP	Wingate/Chinle

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
9	24-Oct	1528	1393	3	Test BOPE, Test casing to 1,200 #, held for 30 minutes. Good test. Installed rotating head, kelly drive bushings. Connected flowline, Make up 12 1/4" bit. TIH, Tag cement float @ 1,450', shoe @ 1,498'. Drlg f/ 1,500' to 1,528'. Unload hole w/ air. Pump soap sweep, pump air. dry hole.	Moenkopi
10	25-Oct	2921	135	3	TOOH Pick up air hammer make up bit and hammer. Drlg f/ 1,528' to 2,161' Survey 0.75 deg @ 1,940'. Drlg f/ 2,061' to 2,402' Rig service. Drlg f/ 2,402' to 2,495'. Survey @ 2,437' 0.75 deg. Drlg f/ 2,495' to 2,921'	Honaker trail
11	26-Oct	3056	455	3/4	Drlg f/ 2,921' to 2,932'. Survey, 0.75 deg. Unload hole with air soap sweeps. POOH, lay down 13 joints DP. TOOH, break hammer and bit. LD same. Close blind rams. PU mudmotor and bit. TIH. PU 17 JTS HWDP. Circulate and condition mud. Got returns, change out screens on shakers to 70's. Drlg f/ 2,932' to 3,056'	Honaker trail
12	27-Oct	3511	591	4	Drlg f/ 3056' to 3478' Survey @ 3478' 0.5. Drlg f/ 3478' to 3511'	Honaker trail
13	28-Oct	4102	242	3RR	Drlg 4,102' to 4,344'. Circulate attempt to circulate. No returns. TOOH to 1,500' Mix NOV Frac squeez. Pump down 70 bbl. TOOH.	La Sal LS
14	29-Oct	4344	597	6	Ream 4,254' to 4,344' Drlg f/ 4,344' to 4,538' Survey @ 4,503' 1 deg. Rig service. Drlg f/ 4938' to 4,941'	La Sal LS
15	30-Oct	4941	110	6	Drlg f/ 4,941 to 4,972' Survey 0.75 deg. Drlg f/ 4,972' to 5051', TD 12 1/4" hole, Circulate and condition mud, TOOH, PJSM w/ Schlumberger. Run pass # 1	Desert Creek
16	31-Oct	5051	0	6	circulate. Spot sweep, TOOH LD bit, PJSM w/ lay down machine. LD 8" DC's. Pull wear bushing. Run 9 5/8" casing. Rig down casers. PJSM w/	Paradox Salt Section
17	1-Nov	5051	0	na	Rig down cementers. XO elevators and balls. LD landing joint. Nipple down 5000# BOP Nipple up 10,000# BOP, weld flow line	Paradox Salt Section
18	2-Nov	5051	0	na	Nipple up, Test BOP250# 5 minutes. 10,000 # 10 minutes.	Paradox Salt Section
19	3-Nov	5051	20	na	Test BOP, check valve failed, pull check valve. TIH Tag cement, Drill cement, float, shoe, Drlg f/ 5051' to 5071', Perform F.I.T. FIT 17.5 E.M.W. Build pill spot on back side of CSG. Clean pits for OBM.	Paradox Salt Section

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
20	4-Nov	5071	0	7	Bring over OBM, Pull check valve wait on new check valve, PJSM w/ Halliburton cementers. Rig up cementers. Pump 132 bbl cement down back side 9 5/8" CSG. Squeeze. Nipple up 2 1/16" Check valve, kill line valves, PJSM w/ B&C Testers. Install wear bushing, Rig up catch can on stack for OBM. Lube rig, adjust brakes, check brake linkage, XO oil # 2 Floor motor.	Paradox Salt Section
21	5-Nov	5071	0	7	Work on boiler, finish installing catch cans on stack. Rig up wind walls. Install rotating head. Run 1 stand to bottom. Displace salt water in hole. Raise mud wt f/ 10.0 to 14.0 ppg	Paradox Salt Section
22	6-Nov	5071	596	7	Raise mud wt to 14.0 ppg. Drlg f/ 5,071' to 5,525' Circ bottoms up for survey, Survey @ 5,525' 4.5 deg. Rig service. Drlg f/ 5,525' to 5,648' Circ. Survey @ 5,601' 5.25 deg. Drlg f/ 5,648' to 5,667'	Paradox Salt Section
23	7-Nov	5667	54	7/8	Drlg f/ 5,667' to 5,710, Circ bottoms up, TOOH lay down 11 singles, TOOH break bit PU New bit # 8, PU new BHA, IBS's @ 60' & 90'. TIH tight @ 5,205'. Wash and ream f/ 5,180' to 5,280' TIH wash and ream f/ 5,240' to 5,710'. Drlg f/ 5,710' to 5,721' pump slug. TOOH. Slow ROP	Paradox Salt Section
24	8-Nov	5721	204	8	TOOH lay down pendulum B HA, 15 6 1/4" DC's. PU RR7 bit, UBHA, NMDC, MWD, Surface test MWD, TIH, Survey every 90'. Drlg f/ 5,721' to 5,925'	Paradox Salt Section
25	9-Nov	5925	71	RR7/9	Drlg f/ 5,925' to 5,965' TOOH change BHA. PU new bit. TIH to shoe. Slip and cut drlg line. TIH wash and ream f/ 5,920' to 5,965' Drlg f/ 5,965' to 5,975'. Unwrap drlg line and kelly hose (table lock kumped out letting mudmotor turn drill string backwards while sliding) Drlg f/ 5,975' to 5,996' TOOH change BHA	Paradox Salt Section
26	10-Nov	5996	214	RR9	Pick up 15 6 1/2" DC's, new mudmtor, TIH, wash f/ 5,940' to 5,996' Drlg f/ 5,996' to 6,076' Rig service, Drlg f/ 6,076' to 6'210' Man camp ligh plant problems, No accurate ROP 6,150' to 6,200'	Paradox Salt Section
27	11-Nov	6210	699	RR9	Drlg f/ 6,210' to 6,574' Rig service. Drlg f/ 6,574' to 6,909'	Paradox Salt Section
28	12-Nov	6909	821	RR9	Drlg f/ 6,909' to 7,568' rig service, Drlg f/ 7,568' to m7730' TD Vertical pilot hole. Circulate and condition mud	Paradox Salt Section

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
29	13-Nov	7730	0		Circulate and condition mud. Pump sweep. TOOH short trip to CSG, Tight @ 7509', 7,424', 7,054'. Trip m into CSG. TIH. Circulate, Pump sweep. Mix pill, flow check NO FLOW, TOOH for logs. LD 15 6 1/2" DC's, directional tools. Clean floor. PJSM w/ Loggers. Rig up Schlumberger. 1st run MSIP,OBMI Sonic Scanner- Microimager.Loggers TD 7,733'. 2nd run Triple combo.	Paradox Salt Section
30	14-Nov	7730	0		Run triple combo. Rig down loggers. PU 2 3/8" tubing / stinger. Instal rotating head. TIH w/ DP. Circulate, PJSM w/ Halliburton, Rig up cementers. Test lines, Pump spacer. Pump 70.5 bbl CMT. TOOH 7,706' to 6,591' Circulate,, Trip out 15 STDS. TIH 12 STDS. LD 36 Jts DP. TOOH LD 2 3/8" tubing.	Paradox Salt Section
31	15-Nov	7730	-829	10	Move tubing from pipe racks.Rack DC's and strap, PU bit/sub/ 6 DC's TIH, Tag CMT @ 6,652'. Drill CMT to 6,838'. Circulate. WOC. Drill CMT f/ 6,838' to 6,900',Circulate, TOOH, Slip and cut 100' Drlg line, PU mud motor/ bit/ directional tools. Orient tools. Function test crown-o-matic.	Paradox Salt Section
32	16-Nov	6901	25	10	TIH time drilling slide @ 1'/hr for 24 hrs. 2'/hr f/ 6,900' to 6,926'	Paradox Salt Section
33	17-Nov	6926	201	10	Time drlg slide f/ 6,926' to 6,961' Rig service. Slide 6,941' to 7,052'. Drlg to 7,127'	Paradox Salt Section
34	18-Nov	7127	310	10	Drlg f/ 7,127' to 7,221' Relog GAMMA Drlg f/ 7,221' to 7,284' Rig Service. Drlg f/ 7,284 to 7,437'	Paradox Salt Section
35	19-Nov	7437	241	10/11	Drlg f/ 7,437' to 7,656' Rig service. Drlg f/ 7,656' to 7,678'. TOOH slow ROP. Check directional tools.	Salt 21
36	20-Nov	7678	166	11	TIH to shoe. Fill pipe, test MWD. TIH to 7,625'. Wash and ream 7,625' to 7,678'. Drlg f/ 7,678' to 7,780' Rig service. Drlg Slide f/ 7,780' to 7,844'	Cane Creek
37	21-Nov	7844	91	11	Drlg f/ 7,844' to 7,904' Rig service. Drlg f/ 7,904' to 7,935'	Cane Creek
38	22-Nov	7935	7965	11	Drlg f/ 7,935' to 7965', circ btms up, TOH to run 7" casing, lay down dir tools, break bit, 2 cones missing, wait on fishing tools, make up fishing tools	Cane Creek
39	23-Nov	7965	0	12	TIH to 7822', W&R 7823' to 7965', mill over cones w/ globe basket, TOH Catch 2 cones, TIH w/ mill tooth bit and junk basket. Circulate and work bit and junk basket on bottom, Pump pill. TOOH lay down 4 1/2" DP	Cane Creek
40	24-Nov	7965	0		Lay down 4 1/2" DP. Break kelly, LD BHA, Pull wear bushing. PJSM w/ Casers. Run 7" Casing, Make up hanger, Land casing at 7,952'.	Cane Creek
41	25-Nov	7965	0		Land casing. Rig down casers. Circulate casing. PJSM w/ Cementers. Rig	Cane Creek
42	26-Nov	7965	0		Remove spacer spool from stack. Install tubing hanger & short spool, Nipple up.	Cane Creek

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
43	27-Nov	7965	138	13	Install 4" rams. Test BOP. PU 4" kelly, clean floor, Test TIW floor valve, Install 4" rams. Test BOP. PU 4" kelly, clean floor, Test TIW floor valve, Test BOP PU 4" DP slip and cut 100' Drlg line. Drill cmt, float, shoe, Drlg f/ 7,965' to 8,103'	Cane Creek
44	28-Nov	8103	371	13	Drlg f/ 8,103' to 8,359' Rig service. Drlg f/ 8,359' to 8,474'	Cane Creek
45	29-Nov	8474	526	13	Drlg f/ 8,474' to 8,768' Rig service, Drlg f/ 8,768' to 9,000'	Cane Creek
46	30-Nov	9000	611	13	Drlg f/ 9,000' to 9,171' circulate out gas build mud wt f/ 14.0 to 14.8. Drlg f/ 9,171' to 9,369' Rig service. Drlg f/ 9,369' to 9,611' mud wt up to 15.3	Cane Creek
47	1-Dec	9611	455	13	Drlg f/ 9,611' to 9,903' Rig service, Drlg f/ 9,903' to 10,066'	Cane Creek
48	2-Dec	10066	280	13	Drlg f/ 10,066' to 10,218' drilled into Salt. Wait on Orders. Drlg f/ 10,218' to 10,312' Rig service. Drlg f/ 10,312' to 10,346'	Cane Creek
49	3-Dec	10346	96	13	Drlg 10,346 to 10,442' Circulate and condition mud, Raise mud Weight to 16.5 ppg. Pump slug . Short tirip 10 stands.10 stands. @ 3 min/stand. HOLE SWABING,35 bbl gain. Trip back to Bottom. 40' to 80' FLARE on bottoms up. Circulate and condition mud, add sieisel to cut vis, Add bar for wt. raise mud weight.	Cane Creek
50	4-Dec	10442	0	13	Circulate and condition mud. Raise mud wt to 16.6 ppg. Simulate connection for 30 minutes. Pumps off. Circulate out gas, 20' flare, 5,800 gas units going through gas buster. Raise mud wt to 17.0 ppg.Simulate connection kill pumps for 1 hour. Circulate out gas, 5,651 gas units and 20' flare.Raise mud wt to 17.3 ppg, Circulate and condition mud.	Cane Creek
51	5-Dec	10442	0	13	Circulate and condition mud. Pump 55 bbl slug, Start TOOH, Well swabbing. 18 stands, run back in hole 18 stands. Circulate out gas, 5,703 gas units after 2.5 hours with out pumping.Circulate and condition mud. Pump 19.5 ppg slug, TOOH to shoe, TOOH to weight pipe, Well flowing, TIH to Shoe. Circulate and condition mud.	Cane Creek
52	6-Dec	10442	0	14	TOOH flow check, TOOH, Lay down directional tools, Pick up new mudmotor/bit, orient MWD, surface test MWD, TIH at 3 minutes per stand, TIH too 8,070' Circulate and condition mud. Lower mud weight and vis.	Cane Creek

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
53	7-Dec	10442	0	14	Circulate. Broke off kelly. Float not holding. WOO. Check for flow. Slight stream after 30 minutes w/ pumps off. check string float, Still not holding. Circulate and condition mud. Bring mud weight to 17.3 ppg. Check flow. Hole gave back 30 BBLS hole ballooning. circ and condition mud, check flow. Hole gave back 20 BBLS. hole ballooning, circ and condition mud, TOOH at 3 minutes / stand. change out float in mudmotor. change out tongs. orient MWD, Surface test MWD, TIH	Cane Creek
54	8-Dec	10442	125	14	TIH to shoe circulate bottoms up, TIH to 10,402' Wash and ream to 10,442' Drig f/ 10,442' to 10,470' Rig service, Drig f/ 10,470' to 10,567'	Cane Creek
55	9-Dec	10567	157	14	Drif f/ 10,567 to 10,693' work tight spot at 10,680' Change wash pipe in swivel, leaking, wait on welder, cut out wash pipe, install new wash pipe, 40' flare from down time gas, 4 hours off hole. Drilling ahead f/ 10,693' to 10,724' TD well due to tight connection/drag 40-60k over, Circulate condition mud.	Cane Creek
56	10-Dec	10724	0	14	Circulate and condition mud. Flow check, TOOH, Lay down Directional tools, MWD, Oick up bit and reamers, TIH to 8,003' Circulate bottoms up, Lay down 60 single joints.	Cane Creek
57	11-Dec	10724	0		Wash and ream 7,955' to 9,259'. Lay down 30 joints drill pipe, Run in hole with 10 stands. Wash and ream singles	Cane Creek
58	12-Dec	10724	0		Wash and ream singles with Baker Flex Mill Assembly	Cane Creek
59	13-Dec	10724	0		Wash and ream with Baker flex mill Assembly, Circulate, Raise mud wt to 17.4. TOOH Lay down Mill Assembly, PJSM with casers. Rig up casers. Run 4 1/2" Liner. Run in with 4 1/2" Drill pipe.	Cane Creek
60	14-Dec	10724	0		Run liner in with 4" Drill pipe, Hang liner. Set packer. Displace liner and liner annulus with diesel. Geologists released	Cane Creek

BIT RECORD
STONE ENERGY
THREEMILE 12-7

OPERATOR: ENERGY CORPORATION
WELL NAME: Threemile 12-7
LOCATION: SE Sec 12, T29S, R21E
2140' FSL & 1925' FEL

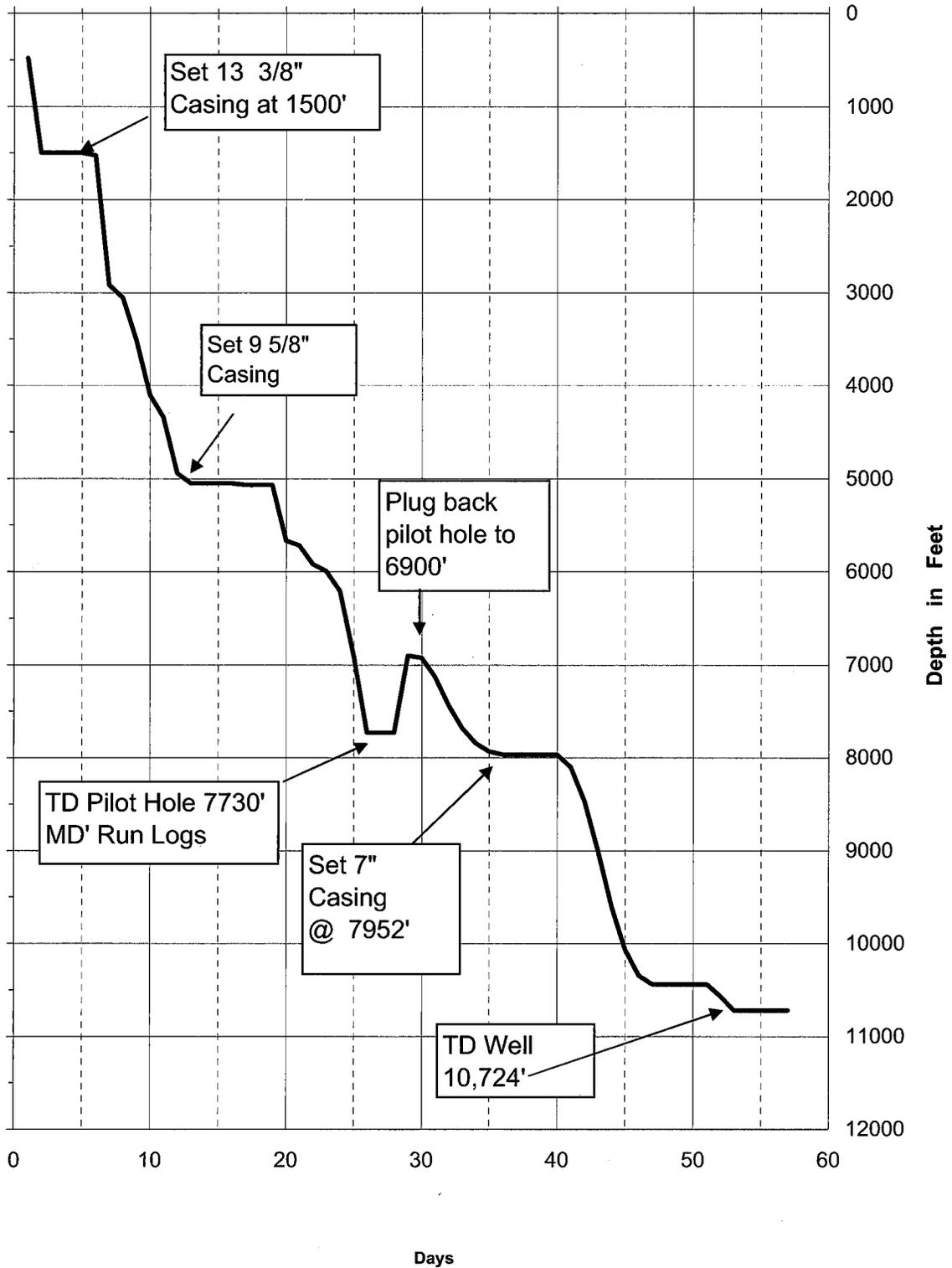
CONTRACTOR Frontier Drilling Rig #7
RIG MAKE: 131' Derrick DW OIME 750 HP
PUMPS: China F100 5.5X10

SPUD DATE: October 18, 2010
TD DEPTH/ DATE: Dec 9, 2010

GROUND
LEVEL: 6,187'
KELLY
BUSHING: 6,209'

Bit #	Size	Make	Type	Jets	Serial #	Depth In	Depth Out	Ftg	Hours	Ft/Hr	Vert. Dev.
1	17 1/2	NUMA	CHALL 125		173752	70	1,500'	1430	24	59.6	0.5
2	17 1/2	HTC	GTX		6027854	1500	1,500'	0	0	0.0	na
3	12 1/4	HAL	EQH27S	3x16	11515882	1500	1,528'	28	1	28.0	na
4	12 1/4	NUMA	CHALL 125	1/2"	12540669	1528	3,056'	1528	25	61.1	0.5
3RR	12 1/4	HAL	EQH27S	3x20	11515882	3056	4,344'	1288	53	24.3	0.75
6	12 1/4	HAL	EQH25S	3x20	11554821	4344	5,051'	707	24.5	28.9	0.75
7	8 1/2	HAL	EMHX65522	6x14	11414701	5051	5,710'	659	17	38.8	5.25
8	8 1/2	Hal/DBS	EQH165	3x22	11214558	5710	5,721'	11	2.5	4.4	5.25
RR7	8 1/2	HAL	EMHX65522	6x14	11414701	5,721'	5,965'	244	12	20.3	6
9	8 1/2	HAL/ SEC	FMH3645zz	3x16 3x20	11199483	5,965'	5,996'	31	3	10.3	6.2
RR9	8 1/2	HAL/ SEC	FMH3645zz	3x16 3x20	11199483	5,996'	7,730'	1734	59	29.4	6/1
8RR	8 1/2	HDBS	EMHX655ZZ	6X16	11414701	6,652'	6,903'	251	3.5	71.7	1
10	8 1/2	HDBS	EQH165	3X22	11214558	6,903'	7,730'	827	59.5	13.9	1
RR10	8 1/2	HAL/SEC	EQH165	3X22	11214558	6,900'	7,678'	778	84	9.3	Curve
11	8 1/2	HTC	EP6586	3x22	5145394	7,678'	7,965'	287	52.5	5.5	Curve
12	8 1/2	Sec	XSC1S	3X24	10615049	7,965'	7,965'	0	0	0.0	clean junk
13	6	Sec	FX64	6x18	11527837	7,965'	10,442'	2477	117.5	21.1	Lateral
14	6	Sec	FX 64	6x18	11504327	10,442'	10,724'	282	14	20.1	Lateral

TIME VS DEPTH
STONE ENERGY COPORATION
THREEMILE 12-7



FORMATION TOPS
STONE ENERGY CORPORATION
THREEMILE 12-7

Well Name:	Stone Energy Threemile 12-7						Whiting 43-18H			Giant Hatch Point #1	
Location:	Sec 12 T29S R21E						Sec 18 T29S R22E			NE/SE Sec 14 T29S R21E	
Elevation:	KB: 6,209'						KB:5961'			KB: 6390'	
FORMATION / ZONE	Prognosis	Prognosis Subsea	Sample top	E Log tops	Subsea E Logs		Log Depth	Subsea		Log Depth	Subsea
Entrada											
Carmel	0'	6,209'									
Navajo	50'	6,159'									
Kayenta	250'	5,959'									
Wingate	450'	5,759'									
Chinle	750'	5,459'									
Moenkopi	1,350'	4,859'					1094'	4867'		1480'	4910'
Elenphant Canyon							1805'	4156'		2234'	4156'
Honaker Trail	2,747'	3,462'					2817'	3144'		3227'	3167'
La Sal Limestone	3,967'	2,242'	4,072'				4037'	1924'		4350'	2040'
Ismay	4,572'	1,637'	4,590'	4,528'	1,681'		4510'	1451'		4828'	1562'
Desert Creek	4,796'	1,413'	4,838'	4,814'	1,395'		4805'	1156'		5074'	1316'
Salt #6	4,952'	1,257'	5,133'	5,129'	1,080'						
Barker Creek	5,850'	359'	5,899'	5,898'	311'		5942'	19'		6028'	362'
Clastic 13	6,117'	92'	???	6,162'	47'						
Clastic 19	7,058'	-849'	7,124'	7,122'	-963'						
Cane Creek	7,494'	-1,285'	7,548'	7,548'	-1,589'		7563'	-1603		7226'	-836
Cane Creek Base	7707'	-1,498'	7,642'	7,639'	-1,880'						
Salt 22	7707'	-1,498'	7,642'	7,639'	-2,180'						

STONE ENERGY
INVERT MUD REPORTS
THREEMILE 12-7

DATE 2010	DEPTH	Flow Line Temp	WT	FV	PV	YP	GELS	API FILT	OIL/WATER R	ELECT STABILIT	ALKALINITY POM	EXCESS LIME	TOTAL HARDNE	CaCl2 mg/l
5-Nov	5071	NA	14.30	60	14	14	14/11/14	16	94.4/5.6	1100	0.1	0.13	4	715,919
6-Nov	5710	77	14.50	59	31	15	12/17	18	81.4/18.6	738	0.01	0.01	30	197,542
7-Nov	5719	77	14.50	67	27	23	12/15	18	81.4/18.6	766	0.01	0.01	15	194,784
8-Nov	5965	76	14.50	76	28	24	10/12/15	10	80.6/19.4	945	0.01	0.01	2.5	170,821
9-Nov	5969	80	14.50	56	23	17	9/12	nc	84.3/15.7	979	0.01	0.01	2.8	228,658
10-Nov	6294	85	14.50	57	24	18	9/11	4	84.1/15.9	939	0.01	0.01	2.6	224,322
11-Nov	7050	88	14.60	55	22	15	8/11	4	86.8/13.2	nc	0.01	0.01	2.3	290,284
12-Nov	7231	105	14.60	53	25	25	7/11	4.5	85.9/14.1	920	0.01	0.01	3	282,780
13-Nov	7730	105	14.60	56	25	18	9/12	4.5	86.8/13.2	909	0.01	0.01	3.7	354,663
14-Nov	7730	n/a	14.50	55	25	18	9/12	5.5	86.8/13.2	929	0.01	0.01	3.7	354,663
15-Nov	6901	n/a	14.60	60	23	17	10/12	5.5	85.5/14.5	923	0.01	0.01	2.6	350,806
16-Nov	6922	65	14.50	57	24	18	11/13	4.5	85.5/14.5	1001	0.01	0.01	2.5	226,782
16-Nov	6932	85	14.50	60	25	20	11/14	4.5	85.7/14.3	951	0.01	0.01	2.8	284,995
17-Nov	7082	105	14.60	60	28	21	11/15	4	85.7/14.3	751	0.01	0.01	2.5	256,145
17-Nov	7153	105	14.50	61	26	20	12/16	4	82.1/17.9	846	0.01	0.01	2.7	213,951
18-Nov	7311	107	14.20	55	22	16	9/12	4	85.9/14.1	837	0.01	0.01	2.6	226,725
18-Nov	7501	104	14.50	56	25	17	11/14	4	85.7/14.3	832	0.01	0.01	2.6	236,559
19-Nov	7678	105	14.50	58	26	16	10/14	4.5	85.7/14.3	856	0.01	0.01	2.4	226,949
20-Nov	7820	107	14.50	56	26	16	11/13	4	85.3/14.5	1200	0.01	0.01	2.2	207,435
21-Nov	7858	102	14.40	57	24	18	11/14	4	85.5/14.5	959	0.01	0.01	2.7	216,670
22-Nov	7946	103	14.50	62	25	20	12/15	4	85.7/14.3	1136	0.01	0.01	2.3	236,822
27-Nov	8170	85	14.10	56	22	14	8/10	4	85.7/14.4	818	0.01	0.01	2.2	207,381
28-Nov	8582	85	13.90	54	22	22	9/12	4	85.7/14.3	922	0.01	0.01	1.9	177,939
29-Nov	9098	84	14.20	56	22	16	11/13	3	85.5/14.5	1036	0.01	0.01	1.6	176,461
30-Nov	9653	86	15.20	61	27	19	8/16	3	85.1/14.9	1269	0.01	0.01	1.6	176,491
1-Dec	10102	82	15.20	51	28	21	12/15	4	85.5/14.5	1294	0.01	0.01	2	197,675
2-Dec	10372	84	16.00	66	32	22	14/16	3	89.1/10.9	1269	0.01	0.01	1.8	267,254
3-Dec	10442	78	16.00	62	32	23	14/17	4	92.1/7.9	1467	0.01	0.01	1.7	293,365
4-Dec	10442	85	17.30	79	43	22	13/16	6	91.4/8.6	1290	0.01	0.01	1.6	293,939
5-Dec	10442	74	17.40	79	43	22	13/16	6	91.1/8.6	1290	0.01	0.01	1.6	293,939
6-Dec	10442	88	16.70	74	36	18	12/15	7	91.7/8.3	1456	0.01	0.01	1.8	369,138
7-Dec	10442	83	17.30	79	39	17	13/15	7	91.4/8.6	1394	0.01	0.01	1.9	369,138
8-Dec	10600	88	16.70	67	35	17	12/15	8	91.8/8.2	1324	0.01	0.01	2.5	474,053

GEOLOGICAL INTRODUCTION

The Stone Energy Corporation Three Mile # 12-7, located in NW/SE, Section 12, T29S, R21E, San Juan, County, Utah was spudded in Jurassic age sediments on October 18, 2010. Geological Supervision, lagged sample collection was begun at 4,280'. The well was drilled with aerated water to 5,051' where 9 5/8" casing was set at 5,038'. The mud system was changed over to Oil Base Mud. A QGM gas trap and a Mudlogging Systems Gas Detector were used to obtain mud gas readings. The gas detector was calibrated to known quantities of gases for the chromatography. The gas detector was equipped with a CO2 detector also.

The pilot hole was drilled to a total depth of 7,730' (Driller), 7,733' (Electric log), bottoming in the Pennsylvanian, Paradox "Clastic Marker" # 23 on November 13, 2010. The vertical well was plugged back to ~6,900' in order to kick off and drill the horizontal in a defined target within the Cane Creek Shale.

The 8 1/2" curve was drilled at a 10 degrees per 100' build rate. The curve was landed at 90 degrees at a measured depth of 7,967' and a TVD of 7,604'. 7" Casing was run and cemented at 7,952' measured depth. A 6" hole was then drilled in the Cane Creek with a "Hot" Shale as the top of a 10' target window. Steering the 6" bit was difficult due to the folded and faulted geological setting of the Cane Creek. The seismic profile aided greatly in successfully steering the well path through the folded intervals.

PILOT HOLE

The well spudded in weathered , Jurassic Age sediments equivalent to the Entrada/Carmel formations. Using air and mist as a drilling medium a 17 ½" hole was drilled to 1500' where 13 3/8" surface casing was set and cemented. A 12 ¼" hole was then drilled using air/water/mist/foam to 5051' where electric logs were run and 9 5/8" intermediate casing was set and cemented. Geological consulting and sample examination began on October 28, 2010 at a depth of 4280' in the Pennsylvanian, Honaker Trail Formation. Samples were caught at the end of the blooie line muffler, where slugging and surging of the drilling fluid caused samples to be poor. Lack of access to an electronic drilling screen and no good way to establish a reliable lag, caused the lagging of samples to the penetration rate to be poor. However, the drill rate in this part of the section proved to be sufficient to correlate to the control well, Whiting 43-18H such that the desired intermediate casing depth was accurately determined.

HONAKER TRAIL FORMATION

4280' to 4590'

This interval is primarily limestone with interbedded dark gray shale. The limestone varies from light to medium-dark gray in color, sub blocky to sub platy, sharp, hard chips, micro crystalline to sub-lithographic with some parts being shaley and argillaceous. Shale is black to dark gray, sub blocky to platy, brittle in part, and grades to shaley limestone in part. Traces of clear to white clusters of Anhydrite were sometimes present.

PARADOX FORMATION

Ismay Member 4590' to 4838'

The Ismay member was picked on the presence of bedded, massive Anhydrite which caused a distinct increase in the drilling rate. The Anhydrite is white to cream, sometimes light gray in color, very fine crystalline, soft, dense and slightly calcareous in part.

The Hovenweep shale interval from 4631' to 4694' was composed of limestone, tan, cream, white to light gray, sometimes dark to medium gray, sub blocky,

hard, with some faint indistinct fossils, and Shale, which was dark gray, earthy hard and calcareous.

The interval from 4694' to 4776' was primarily Anhydrite, light gray, soft, sandy, limey with some white, sandy Limestone and dark gray shale. The Gothic shale was drilled from 4776' to 4838' The shale was black, dark gray, earthy, sooty, slightly calcareous to probably dolomitic, carbonaceous, and organic. Some white Anhydrite was noted in the lower 20 feet, immediately above Salt #4 which marks the top of the Desert Creek member.

Desert Creek Member 4838' to 5100'

Bedded salt #4 was encountered at 4838' based on penetration rate. No salt was present in the samples due to drilling the interval with fresh water/aerated mud.

Clastic #4 was picked at 4864', on drill time and lithology. Limestone, white, cream in color, micro crystalline to dense, hard and tight was present in the samples. Dark gray, platy, hard, shale was also logged. Salt #5 was again picked on the penetration rate as none was present in samples. The Chimney Rock Shale was encountered at 5065' to 5100'. The shale is black to medium gray in color, silty, moderately calcareous, becoming black, organic and carbonaceous in part. A maximum of 33 units of gas was recorded while drilling the interval.

Note: Intermediate 9 5/8" casing was set and cemented at 5036' in Salt #5. Gas detection began after this string of casing was run. Drilling medium was changed to an oil base mud system.

Akah Member 5100'to 5899'

The Akah member includes approximately the interval from Salt #6 through Salt #10.

Note: Salt in the samples is generally white, opaque to sometimes transparent and clear. In interpreting the lithology in this well, we equated orange, red, or pink salt to be reflective of Potash Salt. This appears to be generally correct, but it could be that some of the traces of colored salt seen in the samples may not be Potash as common Halite salt can be colored by other minerals. Definite identification of Potash should be confirmed by electric logs.

Potash may be present in the lower half of Salt #6 based on traces of orange, pink and reddish salt. The Akah interval is made up of massive thick salt sequences that are interrupted by thin clastic 20' to 50' thick shale breaks.

The Akah interval is made up of massive thick salt sequences that are interrupted by thin clastic 20' to 50' thick shales breaks. The clastic breaks are composed not only of shale but also anhydrite. Shales vary from being black, carbonaceous and organic to light, medium gray, silty and calcareous. Anhydrite is off-white to yellow-cream to light gray, blocky and firm to soft. Anhydrites generally drill slowly while the black, organic, sooty shales drill fast. Minor 30 to 50 unit gas increases were noted in these clastic zones.

Barker Creek Member 5899' to 7124'

Clastic #10 through Salt # 19 is included in the Barker Creek member. A gas increase of 295 units was recorded at 5906' in Clastic #10 near the top of the Barker Creek member. Methane, Ethane and Propane were present in the gas stream. The gas correlates with black, carbonaceous, organic shale.

Due to numerous power outages Clastic #13 (which had good shows in the Whiting 34-18H control well) was not identified by samples or drilling parameters. At the approximate expected depth of Clastic #13 at 6180', 827 units of down time gas was recorded which was anomalously high. This gas anomaly is probably due to the presence of black shale in Clastic #13 which was indicated by a high gamma ray reading on the electric log at 6166' to 6176'.

The balance of the Barker Creek member consisted of massive thick salt with interbedded black shale cycles which gave minor gas increases of less than 75 units.

Alkali Gulch Member 7124' to 7730'

Over 180 units of gas was recorded from a thin 3 foot thick black, carbonaceous, organic shale at 7130' near the top of Clastic #19. At 7240' 55 units of gas was recorded from a thin black shale in Clastic #20. The interval from the base of Clastic #20 at 7250' to 7548' consisted of massive Salt #21.

The upper half of Salt #21 contains potash beds which are identified by the presence of peach, orange to yellow brown colored salt in the samples. Electric

logs confirm that Potash is present from 7306' to 7324'. Mud weight while drilling at this depth was 14.6 ppg.

The interval from 7548' to 7642' is the Cane Creek Shale, discussed in detail below, and the horizontal drilling target for this prospect.

The interval drilled below the Cane Creek Shale consists of Salt #22 and Clastic #22. A gas increase of 144 units was recorded at 7675' in a thin shale break in Salt #22. Near the top of Clastic #22 at 7710', over 180 units of gas was encountered in a black, carbonaceous shale. Total depth of the pilot hole was called at 7730' near the base of Clastic #22.

Cane Creek Shale 7548 to 7642'

Interbedded gray shale, anhydrite and black, carbonaceous shale make up the Cane Creek Shale. Shale is the dominate lithology in the upper half, while anhydrite predominates in the lower half. Two radioactive black shale marker beds are present at 7565', termed "warm" shale and at 7573' termed "hot" shale. Thin 1' to 2' anhydrite layers, partly consisting of nodules of anhydrite encased in gray shale occur above and below these marker beds.

An informal nomenclature given to the upper half of this interval in order to facilitate directional steering and discussions with management are in decending order: A-1- 7558', "warm" shale- 7565', A-2-7568', "hot"shale 7573', A-3-7579', A-4-7584'. The A stands for anhydrite all of which appear to be thin and partly made up of nodules encased in gray shale with the exception of A-4 which is bedded anhydrite 4 to 5 feet thick.

The drilling characteristics of the varied lithologies is generally as follows: Anhydrite drills slow, while Black Shale drills fast. Gray shale is somewhere in between with drill rate slower as anhydrite nodule zones are approached and faster drill rate in proximity to black shale. Gamma ray counts are 300 or better in "hot" shale while they are in the 200 range in the "warm" shale. The best gas increases (100 to 139 units) and TOC values occur in the upper 40 feet of the Cane Creek Shale in this well. Correlation to the nearby Whiting 43-18H show an almost "kick for kick" electric log correlation and very similar lithology.

EAST LATERAL

The vertical pilot hole was plugged back to 6003' in order to drill a horizontal lateral in the Cane Creek Shale. Cement was drilled to 6905' where the bit was kicked off into massive salt. Drilling of the curve continued through massive salt and minor clastic beds with the Cane Creek shale topped at 7660'. Landing at 7967' with the hole inclination at 92 degrees, drilling was halted to run and cement 7 inch intermediate casing. A 6 inch horizontal lateral was then drilled at approximately 94 degrees, which penetrated the base of the target zone and into the "hot" shale at 8072' and continued upward crossing into the "warm" shale at 8157'. Connection gases increased from 200 to 3800 units upon drilling the "hot" shale. Background was variable at 100 to 200 units.

The lateral was leveled off and headed downward at 84 degrees to follow projected formation dip rate based on seismic data. The plan was to go below the "warm" shale and stay within the target. The "warm" shale was again encountered at 8436' and the "hot" shale at 8512'. The top of the A3 anhydrite, located approximately 6' stratigraphically below the "hot" shale was drilled at 8870' to 8700'. At this point a fault, downthrown to the east, was encountered and the bit drilled into the "warm" shale at 8732' in the downthrown block.

Drilling continued, with the lateral leveled off at 88+ degrees, to 9002' where the "warm" shale was drilled again. A significant fracture zone was encountered at 9004' to 9010' with gas increasing to 7485 units. Mud weight at this time was 14.0. Mud flow was routed through the gas buster and the gas leveled off at a fairly steady 6200 units from 9010' to 9130' where it decreased in response to the increase in mud weight to 14.8. The "hot" shale was drilled again at 9202' and connection gases increased from 6600 to 8588 units while mud weight increased to 15.0. indicating gas was being contributed by penetrating the organic rich, black, "hot" shale.

A background gas increase to 5530 units was recorded from 9286 to 9308', stratigraphically just above the "hot" shale peak at 9312'. Lithology throughout the interval drilled from 9004' to 9880' was light to medium gray, silty shale and black, carbonaceous, organic, sooty shale.

At 2200' vertical section, 9400' MD, the hole was deviated upwards at 92 degrees to follow the formation dip shown by seismic data. The "hot" shale was drilled at

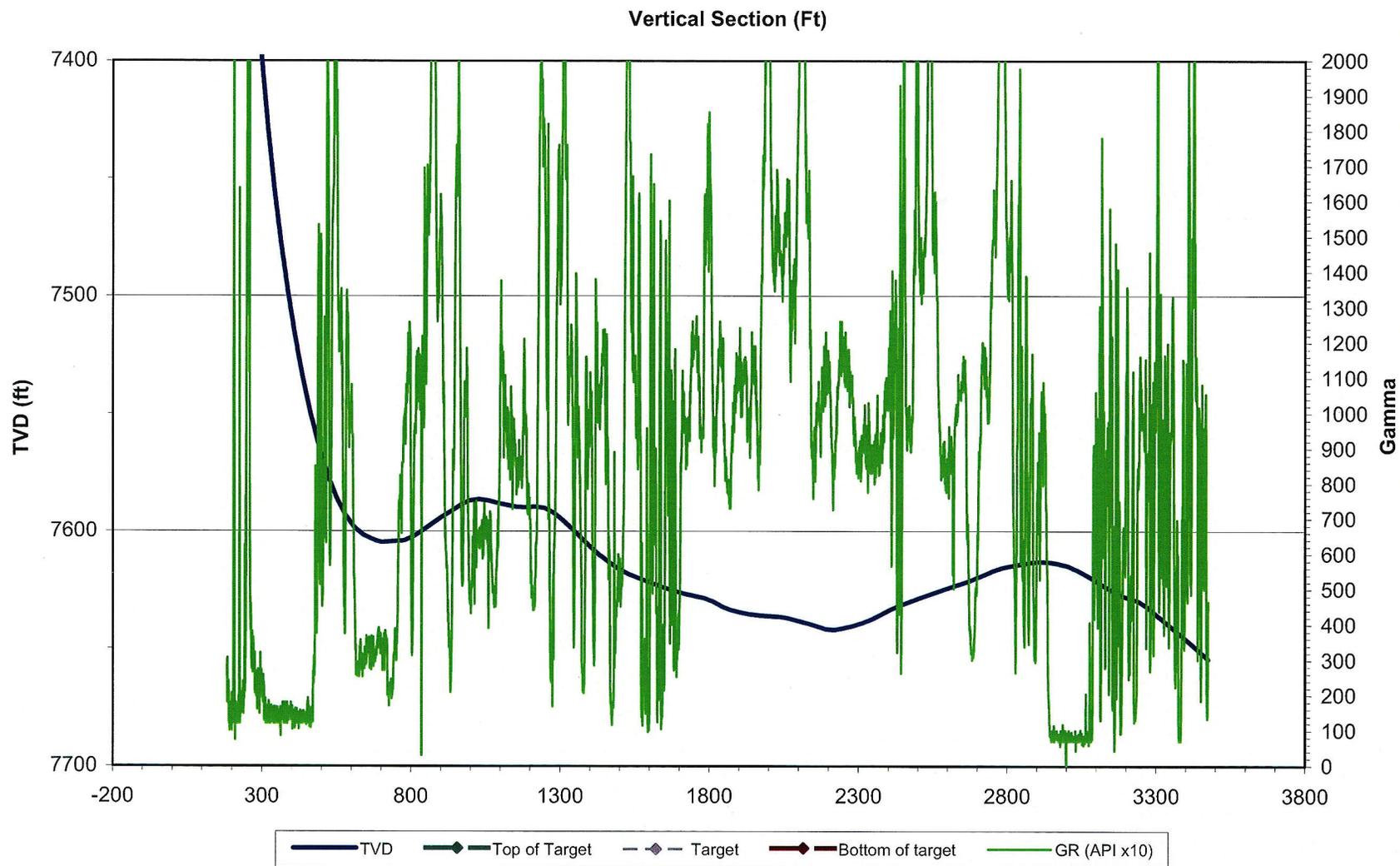
9658', 9703' and 9744' as the bit orientation and formation dip were variable but nearly parallel. Connection gases averaged nearly 6000 units throughout. A fault upthrown on the east was interpreted at 9882' where the bit abruptly drilled from shale into anhydrite, probably the A-3. Drilling proceeded at 93 degrees while slides were used to try to bring the deviation back to 90 degrees. The "hot" shale was drilled at 9993' near the crest of a seismic mapped fold axis.

Salt was encountered at 10,160' to 10,296', possibly due to drilling through a downfaulted graben? Upon drilling out of the salt, a significant fracture zone was penetrated at 10,321' where gas increased to 6722 units continuing to 10,356' along with a lazy 15 to 20 foot flare. Mud weight was increased to 16.0 in order to control the well.

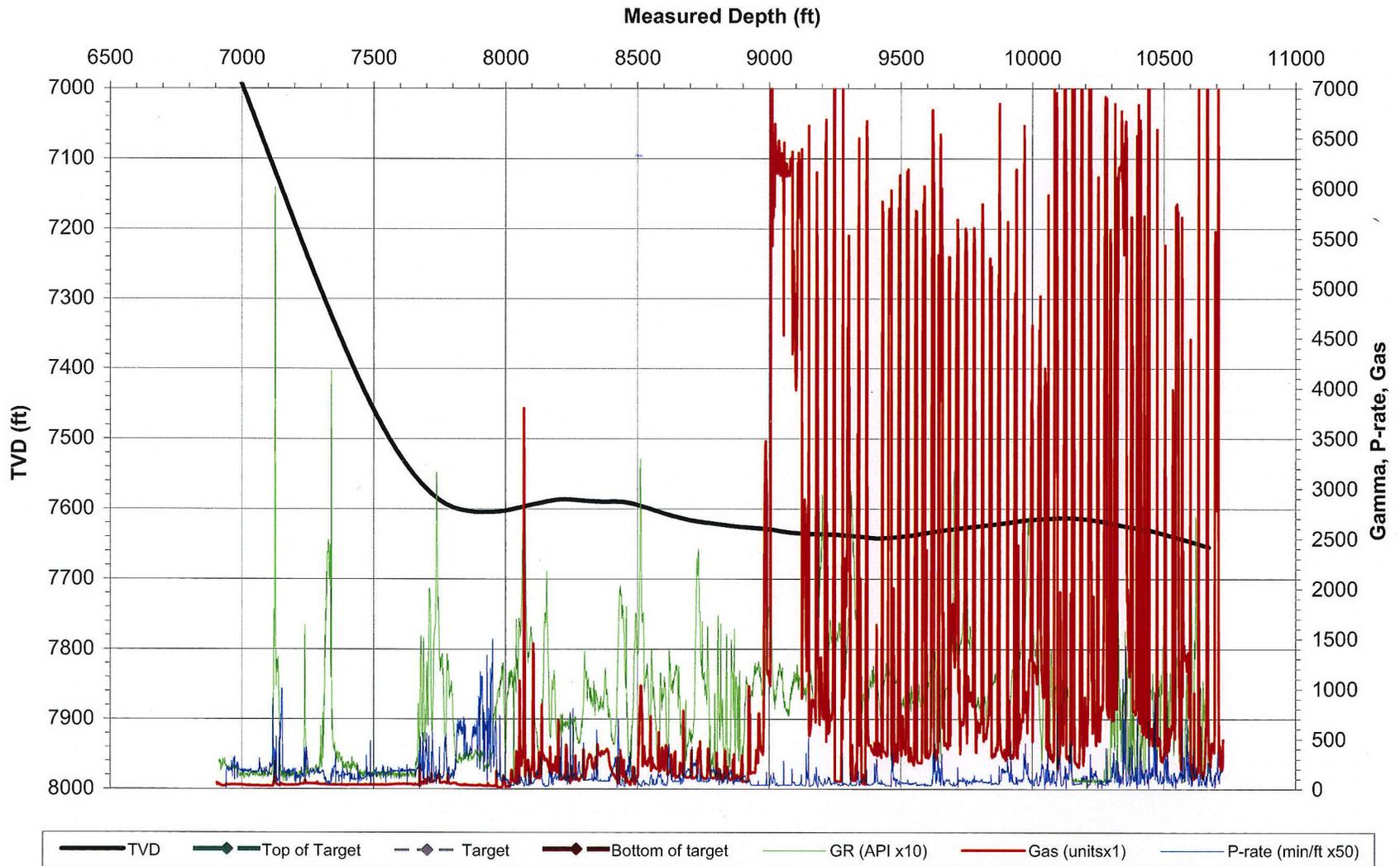
Drilling continued down the east dipping fold at 84 degrees following the formation dip. The "warm" shale was drilled at 10,500' and the "hot" shale at 10,622'. Total depth was called at 10,724' with the bit bottoming in the A-3 anhydrite, immediately below the "hot" shale. Downtime and connection gases were 8200 to 7900 units with the mud weight near 17.0 as total depth was reached.

A 4 1/2 inch liner will be run, along with swell packers to isolate selected zones for a completion attempt.

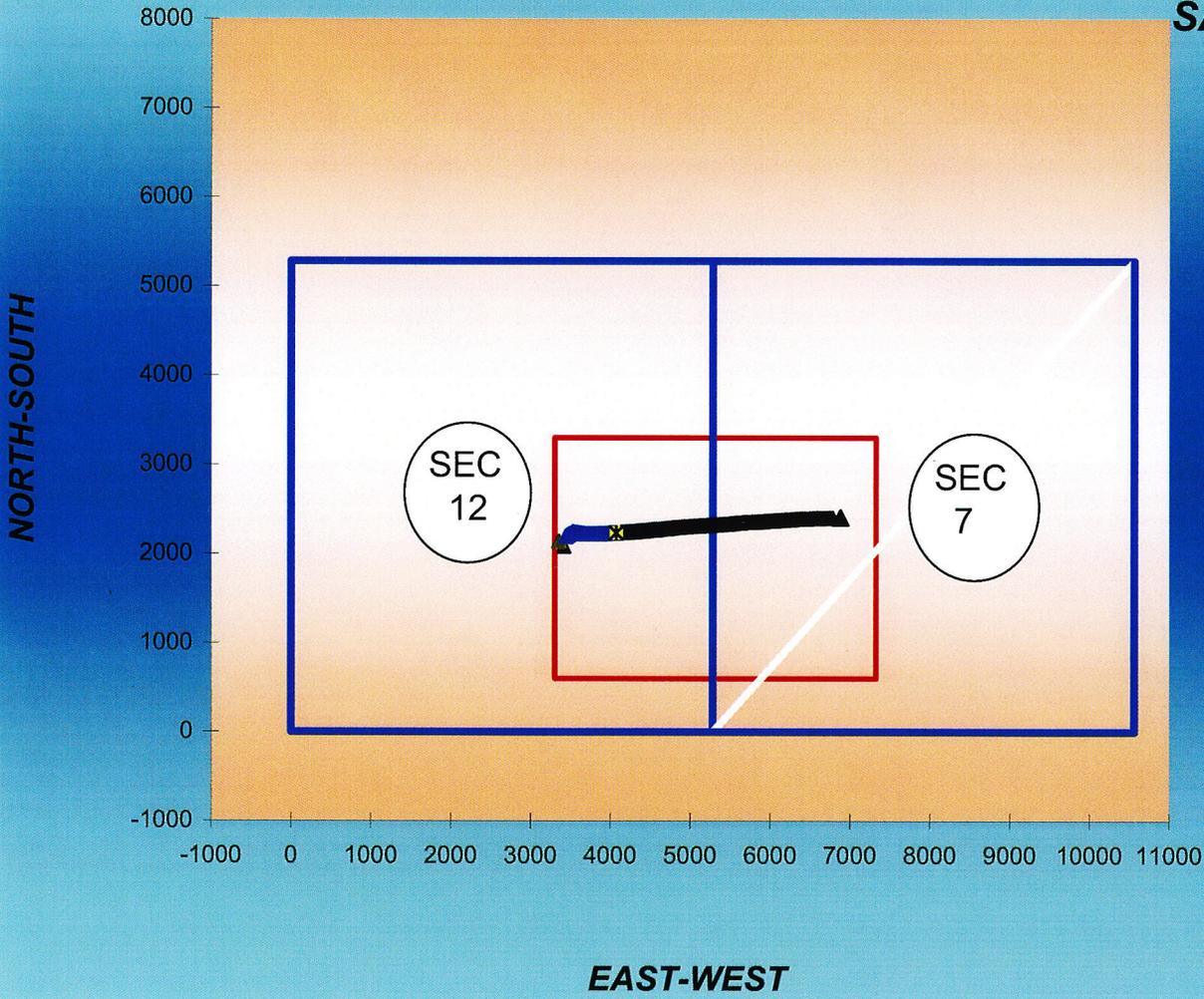
Threemile 12-7H Gamma vs. Vertical Section



Threemile 12-7



**STONE ENERGY
THREEMILE 12-7
SAN JUAN COUNTY, UTAH**



- ▲ SHL
- Legal Window
- ▲ BHL
- ▲ Build
- ▲ Lateral
- × 7" Casing
- Section Lines

CRESCENT

DIRECTIONAL DRILLING

Minimum Curvature Calculation

Client: Stone Energy Corp

Well: Three Mile 12-7

County: San Juan, UT

Rig: Frontier #7

M.W.D. OPERATORS: T. Jones/ J. Hertzog

DIRECTIONAL DRILLERS: B. Howell/ J. New

Tool Azimuth to Grid North: 10.92

Job #: CA-10735

Vertical Section Angle: 85.34

Sur #	Meas. Depth	Inc.	Azm.	T.V.D.	Ver.Sect.	+N / -S	+E / -W	DLS
Tie In	6871.00	1.30	141.30	6865.16	182.55	101.20	184.46	0.14
1	6905.00	1.60	114.80	6899.15	192.70	100.70	185.13	2.14
2	6936.00	4.10	93.40	6930.11	194.18	100.45	186.63	8.63
3	6967.00	5.90	90.70	6960.99	196.86	100.37	189.33	5.85
4	6998.00	5.90	90.40	6991.83	200.03	100.34	192.52	0.10
5	7030.00	5.70	90.70	7023.66	203.25	100.31	195.75	0.63
6	7061.00	6.90	87.60	7054.47	206.65	100.37	199.15	4.02
7	7093.00	8.00	86.90	7086.20	210.79	100.57	203.30	3.45
8	7124.00	7.90	84.90	7116.91	215.08	100.87	207.57	0.95
9	7153.00	8.30	87.00	7145.62	219.17	101.16	211.65	1.72
10	7184.00	9.50	94.20	7176.24	223.93	101.09	216.43	5.27
11	7217.00	11.20	100.70	7208.71	229.71	100.29	222.30	6.24
12	7248.00	14.80	98.50	7238.91	236.47	99.15	229.18	11.72
13	7278.00	18.60	97.40	7267.64	244.89	97.97	237.71	12.71
14	7309.00	21.90	99.20	7296.72	255.34	96.40	248.32	10.83
15	7340.00	24.60	99.90	7325.20	267.20	94.37	260.39	8.76
16	7371.00	26.90	98.60	7353.12	280.27	92.21	273.68	7.64
17	7399.00	29.80	96.90	7377.76	293.25	90.43	286.86	10.75
18	7431.00	33.90	95.30	7404.93	309.84	88.65	303.64	13.08
19	7463.00	38.20	93.50	7430.80	328.43	87.22	322.41	13.84
20	7496.00	42.30	92.10	7455.98	349.57	86.19	343.71	12.72
21	7527.00	46.30	91.60	7478.16	371.08	85.49	365.34	12.95
22	7558.00	50.10	90.50	7498.82	394.07	85.08	388.44	12.54
23	7589.00	53.90	89.70	7517.91	418.41	85.04	412.87	12.43
24	7619.00	58.00	88.60	7534.70	443.21	85.41	437.71	14.00
25	7649.00	61.80	88.80	7549.74	469.11	86.00	463.66	12.68
26	7681.00	65.40	88.10	7563.97	497.73	86.78	492.30	11.42
27	7713.00	69.50	87.00	7576.24	527.25	88.05	521.82	13.20
28	7744.00	74.30	87.40	7585.87	556.69	89.48	551.24	15.53
29	7775.00	78.10	86.70	7593.26	586.78	91.03	581.30	12.45
30	7806.00	82.20	86.70	7598.56	617.31	92.79	611.79	13.23
31	7836.00	86.10	86.70	7601.62	647.14	94.51	641.58	13.00
32	7864.00	86.90	86.50	7603.33	675.08	96.17	669.48	2.94
33	7880.00	87.20	86.50	7604.15	691.05	97.14	685.43	1.88
34	7898.00	89.20	86.50	7604.72	709.04	98.24	703.38	11.11
35	7915.00	89.58	86.50	7604.90	726.03	99.28	720.35	2.24
36	7973.00	91.80	86.40	7604.20	784.02	102.87	778.23	3.83
37	8004.00	94.70	87.20	7602.44	814.95	104.60	809.13	9.70
38	8037.00	94.50	86.90	7599.79	847.83	106.29	841.98	1.09
39	8069.00	95.90	87.40	7596.89	879.68	107.87	873.81	4.64
40	8100.00	94.20	86.30	7594.17	910.55	109.57	904.64	6.52
41	8133.00	94.50	85.70	7591.66	943.45	111.87	937.46	2.03
42	8163.00	95.10	85.40	7589.15	973.35	114.19	967.27	2.23

CRESCENT

DIRECTIONAL DRILLING

Minimum Curvature Calculation

Client: Stone Energy Corp
Well: Three Mile 12-7
County: San Juan, UT
Rig: Frontier #7

M.W.D. OPERATORS: T. Jones/ J. Hertzog
DIRECTIONAL DRILLERS: B. Howell/ J. New
Tool Azimuth to Grid North: 10.92
Job #: CA-10735

Vertical Section Angle: 85.34

Sur #	Meas. Depth	Inc.	Azm.	T.V.D.	Ver.Sect.	+N/-S	+E/-W	DLS
43	8194.00	92.20	85.10	7587.18	1004.28	116.75	998.10	9.40
44	8227.00	89.80	84.80	7586.60	1037.27	119.65	1030.96	7.33
45	8257.00	88.00	84.90	7587.18	1067.26	122.35	1060.83	6.01
46	8290.00	88.40	84.70	7588.22	1100.25	125.33	1093.68	1.36
47	8321.00	88.50	83.70	7589.05	1131.23	128.47	1124.51	3.24
48	8353.00	89.00	84.80	7589.75	1163.22	131.67	1156.34	3.78
49	8384.00	90.40	85.10	7589.91	1194.21	134.40	1187.22	4.62
50	8416.00	90.50	86.30	7589.66	1226.21	136.80	1219.13	3.76
51	8448.00	87.50	84.40	7590.22	1258.20	139.39	1251.01	11.10
52	8478.00	84.90	85.20	7592.21	1288.13	142.11	1280.82	9.07
53	8510.00	83.40	84.70	7595.47	1319.96	144.91	1312.53	4.94
54	8542.00	83.10	84.50	7599.23	1351.74	147.90	1344.17	1.12
55	8572.00	82.80	84.00	7602.91	1381.51	150.88	1373.79	1.93
56	8604.00	83.00	84.20	7606.87	1413.25	154.14	1405.38	0.88
57	8635.00	84.30	85.40	7610.30	1444.06	156.94	1436.06	5.69
58	8668.00	84.70	85.60	7613.46	1476.91	159.51	1468.80	1.35
59	8699.00	85.30	86.20	7616.16	1507.79	161.72	1499.61	2.73
60	8731.00	87.00	85.60	7618.31	1539.71	164.00	1531.45	5.63
61	8761.00	87.20	86.40	7619.83	1569.67	166.09	1561.34	2.75
62	8793.00	87.30	86.90	7621.37	1601.63	167.96	1593.25	1.59
63	8825.00	87.20	86.60	7622.90	1633.58	169.77	1625.16	0.99
64	8856.00	87.50	87.20	7624.33	1664.54	171.45	1656.08	2.16
65	8887.00	87.80	86.90	7625.60	1695.50	173.04	1687.01	1.37
66	8920.00	88.40	87.00	7626.70	1728.46	174.80	1719.95	1.84
67	8953.00	88.30	87.10	7627.65	1761.44	176.50	1752.89	0.43
68	8984.00	88.60	86.40	7628.49	1792.42	178.25	1783.83	2.46
69	9015.00	86.10	85.50	7629.92	1823.38	180.44	1814.72	8.57
70	9048.00	85.90	85.50	7632.22	1856.30	183.02	1847.54	0.61
71	9078.00	88.40	88.40	7633.71	1886.24	184.61	1877.45	12.75
72	9110.00	88.10	87.30	7634.69	1918.20	185.81	1909.41	3.56
73	9142.00	89.10	86.70	7635.47	1950.17	187.49	1941.36	3.64
74	9173.00	89.20	86.60	7635.93	1981.16	189.30	1972.30	0.46
75	9205.00	89.70	86.90	7636.24	2013.15	191.11	2004.25	1.82
76	9237.00	89.40	86.20	7636.49	2045.14	193.04	2036.19	2.38
77	9268.00	88.30	85.60	7637.11	2076.13	195.26	2067.10	4.04
78	9299.00	87.90	85.50	7638.14	2107.12	197.66	2097.99	1.33
79	9332.00	88.20	85.40	7639.27	2140.10	200.28	2130.87	0.96
80	9362.00	87.70	84.40	7640.34	2170.08	202.94	2160.73	3.72
81	9396.00	87.60	84.00	7641.73	2204.04	206.37	2194.53	1.21
82	9425.00	91.30	85.80	7642.01	2233.03	208.95	2223.41	14.19
83	9457.00	91.30	85.80	7641.28	2265.02	211.29	2255.31	0.00
84	9488.00	92.20	86.90	7640.34	2296.00	213.27	2286.23	4.58

CRESCENT

DIRECTIONAL DRILLING

Minimum Curvature Calculation

Client: Stone Energy Corp
Well: Three Mile 12-7
County: San Juan, UT
Rig: Frontier #7

M.W.D. OPERATORS: T. Jones/ J. Hertzog
DIRECTIONAL DRILLERS: B. Howell/ J. New
Tool Azimuth to Grid North: 10.92
Job #: CA-10735

Vertical Section Angle: 85.34

Sur #	Meas Depth	Inc.	Azm.	T.V.D.	Ver Sect	+N/-S	+E/-W	DLS
85	9519.00	92.30	86.90	7639.12	2326.97	214.94	2317.16	0.32
86	9552.00	93.40	87.20	7637.48	2359.91	216.64	2350.08	3.45
87	9583.00	94.00	87.70	7635.48	2390.83	218.01	2380.98	2.52
88	9614.00	93.60	87.20	7633.43	2421.74	219.39	2411.89	2.06
89	9646.00	92.70	86.70	7631.67	2453.68	221.09	2443.79	3.22
90	9678.00	92.70	87.20	7630.16	2485.63	222.79	2475.71	1.56
91	9708.00	92.80	86.60	7628.72	2515.58	224.41	2505.63	2.03
92	9741.00	92.40	86.20	7627.22	2548.54	226.48	2538.53	1.71
93	9772.00	92.50	86.20	7625.90	2579.51	228.53	2569.44	0.32
94	9803.00	92.60	86.30	7624.52	2610.47	230.56	2600.34	0.46
95	9834.00	92.20	85.70	7623.22	2641.45	232.72	2631.24	2.32
96	9866.00	92.40	86.20	7621.94	2673.42	234.98	2663.13	1.68
97	9898.00	93.10	87.20	7620.40	2705.37	236.82	2695.04	3.81
98	9929.00	93.00	87.00	7618.75	2736.31	238.39	2725.96	0.72
99	9962.00	93.30	87.60	7616.94	2769.24	239.94	2758.87	2.03
100	9990.00	91.70	86.90	7615.72	2797.20	241.28	2786.81	6.24
101	10022.00	91.30	86.40	7614.88	2829.18	243.15	2818.74	2.00
102	10053.00	91.30	86.90	7614.18	2860.16	244.96	2849.68	1.61
103	10087.00	91.10	86.30	7613.46	2894.15	246.98	2883.62	1.86
104	10116.00	90.50	86.90	7613.06	2923.14	248.70	2912.56	2.93
105	10149.00	88.80	86.20	7613.26	2956.13	250.68	2945.50	5.57
106	10179.00	88.80	87.10	7613.89	2986.11	252.43	2975.44	3.00
107	10212.00	87.60	87.60	7614.93	3019.08	253.96	3008.39	3.94
108	10243.00	86.00	88.50	7616.66	3049.99	255.01	3039.32	5.92
109	10274.00	86.30	88.50	7618.74	3080.88	255.82	3070.24	0.97
110	10305.00	85.10	88.40	7621.06	3111.74	256.66	3101.14	3.88
111	10337.00	85.60	88.00	7623.66	3143.60	257.66	3133.02	2.00
112	10370.00	86.30	87.90	7625.99	3176.48	258.84	3165.92	2.14
113	10399.00	86.50	87.80	7627.81	3205.40	259.92	3194.84	0.77
114	10432.00	87.00	88.40	7629.68	3238.30	261.02	3227.77	2.36
115	10464.00	83.70	88.40	7632.27	3270.15	261.91	3259.65	10.31
116	10497.00	84.10	88.90	7635.78	3302.91	262.68	3292.45	1.93
117	10527.00	83.80	89.50	7638.94	3332.67	263.10	3322.28	2.23
118	10559.00	84.20	88.70	7642.29	3364.43	263.60	3354.10	2.78
119	10589.00	83.80	88.00	7645.42	3394.22	264.45	3383.92	2.68
120	10622.00	83.60	88.10	7649.04	3426.99	265.57	3416.70	0.68
PTB	10724.00	83.40	88.00	7660.59	3528.22	269.02	3517.99	0.22

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL
FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU-76580

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

7. Unit or CA Agreement Name and No. Threemile Unit (UTU-84722X)

8. Lease Name and Well No. Threemile 12-7

9. API Well No. 4303750001

10. Field and Pool or Exploratory Exploratory

11. Sec., T., R., M., on Block and Survey or Area Section 12-T29S-R21E

12. County or Parish San Juan

13. State UT

14. Date Spudded 10/18/2010

15. Date T.D. Reached 12/10/2010

16. Date Completed 11/28/11
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)* 6,189' GL / 6,208' KB

18. Total Depth: MD 10,724' TVD 7,661'

19. Plug Back T.D.: MD 10,680' TVD 7,658'

20. Depth Bridge Plug Set: MD 10,680' TVD 7,658'

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Triple Combo (TLD, HRLA, HGNS, STA, DTC), BHC Sonic-GR, CBL

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

2. Name of Operator Stone Energy Corporation

3. Address 625 East Kalliste Saloom Rd. Lafayette, LA 70508

3a. Phone No. (include area code) 303-718-9832

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface 2,140' FSL & 1,925' FEL, NW/4 SE/4, Section 12, T29S, R21E, SLB&M
At top prod. interval reported below
At total depth 2,404' FSL & 1,593' FWL, NE/4 SW/4, Section 7, T29S, R22E, SLB&M

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cements Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17-1/2"	13-3/8" K55	54.5	surface	1500'	None	880 sx Varicem	382	surface	None
						488 sx Class G	101		top-out cement
12-1/4"	9.625, HCL8	40	surface	5036'	None	1314 sx Varice	444	surface	None
						544 sx 85/15 Po	125		top-out cement
8-1/2"	7", HCL-80	32	surface	7917'	None	505 sx Elastic	117.8	unknown	None
8"	4.5", P-110	13.5	7,821'	10,698'	None	Uncemented			None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
None								

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Cane Creek			(see below)			
B)			10328-10652			
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
(None)	

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
1/13/11	1/24/11	24	→	795	2406	0	42.5	0.76	Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
10/64"	SI	1382	→	795	2406	0	3026	Constructing tank battery.	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	SI		→						

*(See instructions and spaces for additional data on page 2)

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MAR 07 2011

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Solid, used for fuel, vented, etc.)
 flared awaiting pipeline

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Hovenweep Shale	4641
				Chimney Rock Shale	5059
				Clastic 10	5899
				Cane Creek Shale	7548
				Cane Creek Base	7642

32. Additional remarks (include plugging procedure):

INTERVAL	FOOTAGE	#	DIA
10,650' - 10,652'	2'	12	0.39
10,622' - 10,624'	2'	12	0.39
10,550' - 10,552'	2'	12	0.39
10,440' - 10,442'	2'	12	0.39
10,408' - 10,410'	2'	12	0.39
10,346' - 10,348'	2'	12	0.39
10,328' - 10,330'	2'	12	0.39

NOTE: No tubing in well. 4-1/2" liner is tied back to surface (4-1/2", 13.5#, P-110, CDC)

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Kim Overcash Title Project Manager
 Signature *Kim Overcash* Date 2/28/2011

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

Stone Energy Corporation

San Juan County, UT

Threemile

Threemile #12-7

Wellbore #1

Survey: Pilot Hole Surveys - Final

Standard Survey Report

13 November, 2010

Crescent Directional Drilling, LP

Survey Report

Company: Stone Energy Corporation
Project: San Juan County, UT
Site: Threemile
Well: Threemile #12-7
Wellbore: Wellbore #1
Design: Wellbore #1

Local Co-ordinate Reference: Well Threemile #12-7
TVD Reference: WELL @ 6211.0ft (Frontier #7 (22' KB))
MD Reference: WELL @ 6211.0ft (Frontier #7 (22' KB))
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Project	San Juan County, UT		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah South 4303		

Site	Threemile				
Site Position:		Northing:	597,750.56 ft	Latitude:	38° 17' 32.600 N
From:	Lat/Long	Easting:	2,557,599.59 ft	Longitude:	109° 33' 25.711 W
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence:	1.19 °

Well	Threemile #12-7					
Well Position	+N/-S	0.0 ft	Northing:	597,750.56 ft	Latitude:	38° 17' 32.600 N
	+E/-W	0.0 ft	Easting:	2,557,599.59 ft	Longitude:	109° 33' 25.711 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	6,211.0 ft	Ground Level:	6,189.0 ft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	2010/11/12	10.92	64.45	51,423

Design	Wellbore #1				
Audit Notes:					
Version:	1.0	Phase:	ACTUAL	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)	
	0.0	0.0	0.0	62.32	

Survey Program	Date 2010/11/13				
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description	
5,129.0	7,730.0	Pilot Hole Surveys - Final (Wellbore #1)	MWD	MWD	

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00	
5,129.0	2.30	57.20	5,127.6	55.8	86.5	102.5	0.04	0.04	0.00	
No Survey Data Available - Assumed 2.3 deg @ 57.2 Azm to 5129' MD										
5,160.0	3.50	60.80	5,158.6	56.6	87.9	104.1	3.91	3.87	11.61	
5,254.0	4.70	57.20	5,252.3	60.0	93.6	110.8	1.31	1.28	-3.83	
5,347.0	4.30	54.50	5,345.1	64.1	99.7	118.0	0.49	-0.43	-2.90	
5,439.0	4.40	54.30	5,436.8	68.2	105.3	125.0	0.11	0.11	-0.22	
5,532.0	5.40	60.30	5,529.4	72.4	112.0	132.9	1.21	1.08	6.45	
5,625.0	5.30	61.90	5,622.0	76.6	119.6	141.5	0.19	-0.11	1.72	
5,676.0	5.40	60.00	5,672.8	78.9	123.8	146.3	0.40	0.20	-3.73	
5,735.0	5.20	62.50	5,731.6	81.6	128.5	151.7	0.52	-0.34	4.24	
5,796.0	5.20	68.20	5,792.3	83.9	133.6	157.2	0.85	0.00	9.34	
5,858.0	5.70	72.20	5,854.0	85.9	139.1	163.1	1.01	0.81	6.45	

Crescent Directional Drilling, LP

Survey Report

Company: Stone Energy Corporation
Project: San Juan County, UT
Site: Threemile
Well: Threemile #12-7
Wellbore: Wellbore #1
Design: Wellbore #1

Local Co-ordinate Reference: Well Threemile #12-7
TVD Reference: WELL @ 6211.0ft (Frontier #7 (22' KB))
MD Reference: WELL @ 6211.0ft (Frontier #7 (22' KB))
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,920.0	6.20	76.10	5,915.7	87.6	145.3	169.4	1.04	0.81	6.29
6,000.0	5.60	71.00	5,995.3	89.9	153.2	177.4	1.00	-0.75	-6.37
6,060.0	5.00	64.90	6,055.0	92.0	158.3	182.9	1.37	-1.00	-10.17
6,155.0	4.00	54.50	6,149.7	95.7	164.8	190.3	1.35	-1.05	-10.95
6,216.0	3.70	52.50	6,210.6	98.1	168.0	194.4	0.54	-0.49	-3.28
6,249.0	3.40	45.10	6,243.5	99.4	169.6	196.4	1.66	-0.91	-22.42
6,313.0	3.40	44.30	6,307.4	102.1	172.3	200.0	0.07	0.00	-1.25
6,373.0	2.70	42.70	6,367.3	104.4	174.5	203.0	1.18	-1.17	-2.67
6,435.0	1.70	55.30	6,429.3	106.0	176.2	205.3	1.78	-1.61	20.32
6,529.0	1.20	119.10	6,523.3	106.3	178.2	207.2	1.69	-0.53	67.87
6,591.0	1.40	123.30	6,585.2	105.6	179.4	207.9	0.36	0.32	6.77
6,687.0	1.40	124.30	6,681.2	104.3	181.4	209.1	0.03	0.00	1.04
6,778.0	1.40	137.50	6,772.2	102.9	183.0	209.9	0.35	0.00	14.51
6,871.0	1.30	141.30	6,865.2	101.2	184.5	210.4	0.14	-0.11	4.09
6,964.0	1.30	143.90	6,958.1	99.5	185.7	210.7	0.06	0.00	2.80
7,057.0	1.00	143.20	7,051.1	98.0	186.8	211.0	0.32	-0.32	-0.75
7,150.0	0.90	153.10	7,144.1	96.7	187.7	211.1	0.21	-0.11	10.65
7,243.0	1.00	148.60	7,237.1	95.4	188.4	211.2	0.13	0.11	-4.84
7,336.0	1.20	159.70	7,330.1	93.8	189.2	211.1	0.31	0.22	11.94
7,430.0	1.20	195.50	7,424.1	91.9	189.3	210.3	0.78	0.00	38.09
7,523.0	1.20	195.50	7,517.0	90.0	188.7	209.0	0.00	0.00	0.00
7,619.0	1.30	221.20	7,613.0	88.2	187.7	207.2	0.59	0.10	26.77
7,685.0	1.50	219.00	7,679.0	87.0	186.7	205.8	0.31	0.30	-3.33
7,730.0	1.50	219.00	7,724.0	86.1	186.0	204.7	0.00	0.00	0.00

Projected Survey to the Bit

Survey Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
5,129.0	5,127.6	55.8	86.5	No Survey Data Available - Assumed 2.3 deg @ 57.2 Azm to 5129' MD
7,730.0	7,724.0	86.1	186.0	Projected Survey to the Bit

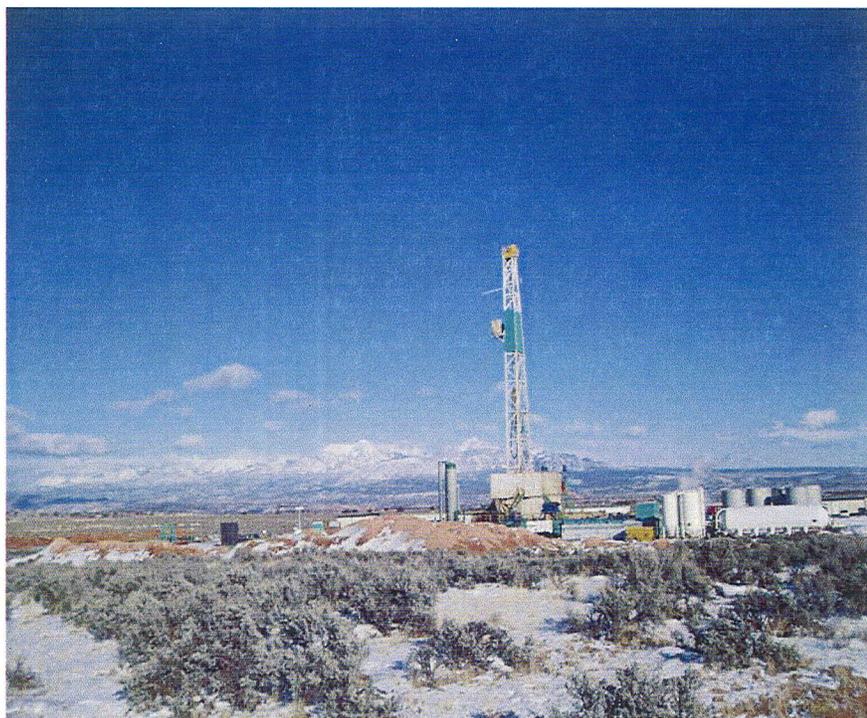
Checked By: _____ Approved By: _____ Date: _____

STONE ENERGY CORPORATION

THREEMILE 12-7

NW/SE, Sec 12, T29S, R21E

SAN JUAN COUNTY, UTAH



GEOLOGY REPORT
by

Hal Schmidt
Consulting Geologist
Hal Schmidt LLC
10 Heather Way
Golden, Colorado 80401
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Cell: 303-919-7822

Sam Spencer
Consulting Geologist
Spencer Consulting LLC
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WELL DATA SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

OPERATOR: STONE ENERGY CORPORATION

ADDRESS: 625 East Kaliste Saloom Rd.
Lafayette, LA 70508

WELL NAME: Threemile 12-7

API #: 043-037-50001

SURFACE LOCATION: NW/SE Sec 12, T29S, R21E
2140' FSL & 1925' FEL

FIELD: Wildcat-Hatch Point

COUNTY, STATE: San Juan, Utah

BASIN: Paradox

WELL TYPE: Horizontal Pennsylvanian Cane Creek

BASIS OF PROSPECT: Production from Cane Creek in distant wells

ELEVATION: GL: 6,187' DF: 6,209'

SPUD DATE: October 18, 2010

HORIZONTAL TARGET: Cane Creek

KICK-OFF POINT: 6,900' 10 degrees per 100'

BOTTOM HOLE LOCATION: BHL 2,409.02' FSL & 1,592.99' FWL
NE/SW SEC 7, T29S, R22E

FINAL VERTICAL SECTION: 3,528.22'

FINAL AZIMUTH: 88.1

TOTAL DEPTH / DATE: 10,724' Measured Depth Decemer 9,2010

TOTAL DRILLING DAYS: 52 Drilling Days

WELL DATA SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

STATUS OF WELL: Waiting Completion

CONTRACTOR: Frontier Drilling Rig #7

TOOLPUSHER: Mark Underwood, Dean Slaugh, Jeff Jarimillo, Adrian Lane, Rockland Gober

FIELD SUPERVISORS: Bill Hutto, Mark Lewis

MUD COMPANY: NOV Bariod

MUD TYPE: Water/air to 5,051' Oil Base Mud to 10,724' TD

WELLSITE GEOLOGISTS: Hal Schmidt Sam Spencer

PROSPECT GEOLOGIST: Roger TeSelle & Kim Overcash

ROCK SAMPLING: 30' Lagged Samples to Cane Creek
10' and 30' Lagged Samples in Cane Creek
Five sets of dry cut samples were collected.

DIRECTIONAL DRILLERS: Crescent Directional
Billy Howell, Kelvin Boyles, Jesse New

MWD: Crescent Directional
Tim Jones, Joe Hertzog

CASING: 20" to 80'; 13 3/8" to 1,500'; 9 5/8" to 5,038'; 7" to 7,952'; 4 1/2 " production liner

HOLE SIZE: 17 1/2" base conductor to 1,500'
12 1/4" 1,500' to 5,051'
8 1/2" 5,051' to 7,730' pilot hole
8 1/2" Kick off point 6,900', Curve to landing point @ 7,967'
6" 7,967' to 10,724' TD Lateral

CORES and DST's: NONE

WIRELINE: Schlumberger Vernal, Utah, Chris Johnson, Saurabh Dass, Engineers

KEY OFFSET WELLS:

Whiting	Giant
Threemile 43-18H	Hatch Point # 1
NE/SE Sec 18, T29S, R22E	NE/SE Sec14, T29S, R21E
San Juan, Utah	San Juan, Utah

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
1	16-Oct	0'	0	na	Rig up air equipment, weld conductor flow nipple, rotating head assembly. Pick up swivel kelly, Torque kelly. Install 5 1/2" liners in both pumps.	Entrada
2	17-Oct	0'	0	na	Weld blouie line, Install 5 1/2" liners, weld on air baffle, clean location	Entrada
3	18-Oct	0'	0	na	Change out and fit rotary and kelly bushings,, Master bushings make fit. Pick up air Hammer Bit Test air lines Held PISM with Air Jammers Drilling compressors. Drlg f/ 979' to 1,040'. Survey, 0.75 deg. Drlg f/ 1,040' to 1,411'. Rig survice. Drlg f/ 1,411' to 1,500'. TD 17 1/2" hole. Condition hole, pump sweeps. Survey @ 1,445' 0.5 deg. TOOH. Lay down air hammer. Pick up tricone bit	Entrada
4	19-Oct	479	1021	1		Navajo/Kayenta
5	20-Oct	1500	0	1/2	Trip in hole, wash 10' to bottom, pump water no returns, TOOH, Lay down 2 jts DP. Rig down elevators and tongs. PJSM w/ Franks Casing Crew. Make up shoe and float equipment. Tag obstruction at 83'. LD casing. Pick up 17 1/2" bit TIH work tight spot.POOH. Pick up casing, Run 13 3/8" casing to 1,490' tag. 10' fill. Rig up circulation head. wash casing to bottom, no returns. Rig down Casing crew. PJSM w/ Cementers. Cement casing with Halliburton. No returns. WOC. Pump 1" top job. 100 sacks.	Wingate/Chinle
6	21-Oct	1500	0	na	WOC, Pump 1" top job 100 sacks again, No returns. WOC, Cement third 1" top job 150 sacks, no returns. Wait on orders.Cut casing and conductor off. Wait on Halliburton for slurry. Rig service. Wait on LCM for top cement job. Work on flare lines and gas buster lines.Mix LCM pills down back side 13 3/8" casing, Halliburton pump truck packed off	Wingate/Chinle
7	22-Oct	1500	0	na	Clean pump truck. Nipple up 4" spool. Pump 4th top cement job. Got returns. WOC. Pumpm 5th top cement job. 50' below GL. WOC. Pump 6th top cement job. 6' below GL.	Wingate/Chinle
8	23-Oct	1500	28	na	WOC finished cutting conductor and casing, preheated well head, welded on well head. Install B section of well head, tighten flanges and tested to 700#.Nipple up BOP	Wingate/Chinle

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
9	24-Oct	1528	1393	3	Test BOPE, Test casing to 1,200 #, held for 30 minutes. Good test. Installed rotating head, kelly drive bushings. Connected flowline, Make up 12 1/4" bit. TIH, Tag cement float @ 1,450', shoe @ 1,498'. Drlg f/ 1,500' to 1,528'. Unload hole w/ air. Pump soap sweep, pump air. dry hole.	Moenkopi
10	25-Oct	2921	135	3	TOOH Pick up air hammer make up bit and hammer. Drlg f/ 1,528' to 2,161' Survey 0.75 deg @ 1,940'. Drlg f/ 2,061' to 2,402' Rig service. Drlg f/ 2,402' to 2,495'. Survey @ 2,437' 0.75 deg. Drlg f/ 2,495' to 2,921'	Honaker trail
11	26-Oct	3056	455	3/4	Drlg f/ 2,921' to 2,932'. Survey, 0.75 deg. Unload hole with air soap sweeps. POOH, lay down 13 joints DP. TOOH, break hammer and bit. LD same. Close blind rams. PU mudmotor and bit. TIH. PU 17 JTS HWDP. Circulate and condition mud. Got returns, change out screens on shakers to 70's. Drlg f/ 2,932' to 3,056'	Honaker trail
12	27-Oct	3511	591	4	Drlg f/ 3056' to 3478' Survey @ 3478' 0.5. Drlg f/ 3478' to 3511'	Honaker trail
13	28-Oct	4102	242	3RR	Drlg 4,102' to 4,344'. Circulate attempt to circulate. No returns. TOOH to 1,500' Mix NOV Frac squeeze. Pump down 70 bbl. TOOH.	La Sal LS
14	29-Oct	4344	597	6	Ream 4,254' to 4,344' Drlg f/ 4,344' to 4,538' Survey @ 4,503' 1 deg. Rig service. Drlg f/ 4938' to 4,941'	La Sal LS
15	30-Oct	4941	110	6	Drlg f/ 4,941' to 4,972' Survey 0.75 deg. Drlg f/ 4,972' to 5051', TD 12 1/4" hole, Circulate and condition mud, TOOH, PJSM w/ Schlumberger. Run pass # 1	Desert Creek
16	31-Oct	5051	0	6	circulate. Spot sweep, TOOH LD bit, PJSM w/ lay down machine. LD 8" DC's. Pull wear bushing. Run 9 5/8" casing. Rig down casers. PJSM w/	Paradox Salt Section
17	1-Nov	5051	0	na	Rig down cementers. XO elevators and bails. LD landing joint. Nipple down 5000# BOP Nipple up 10,000# BOP, weld flow line	Paradox Salt Section
18	2-Nov	5051	0	na	Nipple up, Test BOP250# 5 minutes. 10,000 # 10 minutes.	Paradox Salt Section
19	3-Nov	5051	20	na	Test BOP, check valve failed, pull check valve. TIH Tag cement, Drill cement, float, shoe, Drlg f/ 5051' to 5071', Perform F.I.T. FIT 17.5 E.M.W. Build pill spot on back side of CSG. Clean pits for OBM.	Paradox Salt Section

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
20	4-Nov	5071	0	7	Bring over OBM, Pull check valve wait on new check valve, PJSM w/ Halliburton cementers. Rig up cementers. Pump 132 bbl cement down back side 9 5/8" CSG. Squeeze. Nipple up 2 1/16" Check valve, kill line valves, PJSM w/ B&C Testers. Install wear bushing, Rig up catch can on stack for OBM. Lube rig, adjust brakes, check brake linkage, XO oil # 2 Floor motor.	Paradox Salt Section
21	5-Nov	5071	0	7	Work on boiler, finish installing catch cans on stack. Rig up wind walls. Install rotating head. Run 1 stand to bottom. Displace salt water in hole. Raise mud wt f/ 10.0 to 14.0 ppg	Paradox Salt Section
22	6-Nov	5071	596	7	Raise mud wt to 14.0 ppg. Drlg f/ 5,071' to 5,525' Circ bottoms up for survey, Survey @ 5,525' 4.5 deg. Rig service. Drlg f/ 5,525' to 5,648' Circ. Survey @ 5,601' 5.25 deg. Drlg f/ 5,648' to 5,667'	Paradox Salt Section
23	7-Nov	5667	54	7/8	Drlg f/ 5,667' to 5,710' Circ bottoms up, TOOH lay down 11 singles, TOOH break bit PU New bit # 8, PU new BHA, IBS's @ 60' & 90'. TIH tight @ 5,205'. Wash and ream f/ 5,180' to 5,280' TIH wash and ream f/ 5,240' to 5,710'. Drlg f/ 5,710' to 5,721' pump slug. TOOH. Slow ROP	Paradox Salt Section
24	8-Nov	5721	204	8	TOOH lay down pendulum B HA, 15 6 1/4" DC's. PU RR7 bit, UBHA, NMDC, MWD, Surface test MWD, TIH, Survey every 90'. Drlg f/ 5,721' to 5,925'	Paradox Salt Section
25	9-Nov	5925	71	RR7/9	Drlg f/ 5,925' to 5,965' TOOH change BHA. PU new bit. TIH to shoe. Slip and cut drlg line. TIH wash and ream f/ 5,920' to 5,965' Drlg f/ 5,965' to 5,975'. Unwrap drlg line and kelly hose (table lock kumped out letting mudmotor turn drill string backwards while sliding) Drlg f/ 5,975' to 5,996' TOOH change BHA	Paradox Salt Section
26	10-Nov	5996	214	RR9	Pick up 15 6 1/2" DC's, new mudmtor, TIH, wash f/ 5,940' to 5,996' Drlg f/ 5,996' to 6,076' Rig service, Drlg f/ 6,076' to 6'210' Man camp ligh plant problems, No accurate ROP 6,150' to 6,200'	Paradox Salt Section
27	11-Nov	6210	699	RR9	Drlg f/ 6,210' to 6,574' Rig service. Drlg f/ 6,574' to 6,909'	Paradox Salt Section
28	12-Nov	6909	821	RR9	Drlg f/ 6,909' to 7,568' rig service, Drlg f/ 7,568' to m7730' TD Vertical pilot hole. Circulate and condition mud	Paradox Salt Section

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
29	13-Nov	7730	0		Circulate and condition mud. Pump sweep. TOOH short trip to CSG, Tight @ 7509', 7,424', 7,054'. Trip m into CSG. TIH. Circulate, Pump sweep. Mix pill, flow check NO FLOW, TOOH for logs. LD 15 6 1/2" DC's, directional tools. Clean floor. PJSM w/ Loggers. Rig up Schlumberger. 1st run MSIP,OBMI Sonic Scanner- Microimager.Loggers TD 7,733'. 2nd run Triple combo.	Paradox Salt Section
30	14-Nov	7730	0		Run triple combo. Rig down loggers. PU 2 3/8" tubing / stinger. Instal rotating head. TIH w/ DP. Circulate, PJSM w/ Halliburton, Rig up cementers. Test lines, Pump spacer. Pump 70.5 bbl CMT. TOOH 7,706' to 6,591' Circulate,, Trip out 15 STDS. TIH 12 STDS. LD 36 Its DP. TOOH LD 2 3/8" tubing.	Paradox Salt Section
31	15-Nov	7730	-829	10	Move tubing from pipe racks.Rack DC's and strap, PU bit/sub/ 6 DC's TIH, Tag CMT @ 6,652'. Drill CMT to 6,838'. Circulate. WOC. Drill CMT f/ 6,838' to 6,900',Circulate, TOOH, Slip and cut 100' Drlg line, PU mud motor/ bit/ directional tools. Orient tools. Function test crown-o-matic.	Paradox Salt Section
32	16-Nov	6901	25	10	TIH time drilling slide @ 1'/hr for 24 hrs. 2'/hr f/ 6,900' to 6,926'	Paradox Salt Section
33	17-Nov	6926	201	10	Time drlg slide f/ 6,926' to 6,961' Rig service. Slide 6,941' to 7,052'. Drlg to 7,127'	Paradox Salt Section
34	18-Nov	7127	310	10	Drlg f/ 7,127' to 7,221' Relog GAMMA Drlg f/ 7,221' to 7,284' Rig Service. Drlg f/ 7,284 to 7,437'	Paradox Salt Section
35	19-Nov	7437	241	10/11	Drlg f/ 7,437' to 7,656' Rig service. Drlg f/ 7,656' to 7,678'. TOOH slow ROP. Check directional tools.	Salt 21
36	20-Nov	7678	166	11	TIH to shoe. Fill pipe, test MWD. TIH to 7,625'. Wash and ream 7,625' to 7,678'. Drlg f/ 7,678' to 7,780' Rig service. Drlg Slide f/ 7,780' to 7,844'	Cane Creek
37	21-Nov	7844	91	11	Drlg f/ 7,844' to 7,904' Rig service. Drlg f/ 7,904' to 7,935'	Cane Creek
38	22-Nov	7935	7965	11	Drlg f/ 7,935' to 7965', circ btms up, TOH to run 7" casing, lay down dir tools, break bit, 2 cones missing, wait on fishing tools, make up fishing tools	Cane Creek
39	23-Nov	7965	0	12	TIH to 7822', W&R 7823' to 7965', mill over cones w/ globe basket, TOH Catch 2 cones, TIH w/ mill tooth bit and junk basket. Circulate and work bit and junk basket on bottom, Pump pill. TOOH lay down 4 1/2" DP	Cane Creek
40	24-Nov	7965	0		Lay down 4 1/2" DP. Break kelly, LD BHA, Pull wear bushing. PJSM w/ Casers. Run 7" Casing, Make up hanger, Land casing at 7,952'.	Cane Creek
41	25-Nov	7965	0		Land casing. Rig down casers. Circulate casing. PJSM w/ Cementers. Rig	Cane Creek
42	26-Nov	7965	0		Remove spacer spool from stack. Install tubing hanger & short spool, Nipple up.	Cane Creek

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
43	27-Nov	7965	138	13	Install 4" rams. Test BOP. PU 4" kelly, clean floor, Test TIW floor valve, Install 4" rams. Test BOP. PU 4" kelly, clean floor, Test TIW floor valve, Test BOP PU 4" DP slip and cut 100' Drig line. Drill cmt, float, shoe, Drig f/ 7,965' to 8,103'	Cane Creek
44	28-Nov	8103	371	13	Drig f/ 8,103' to 8,359' Rig service. Drig f/ 8,359' to 8,474'	Cane Creek
45	29-Nov	8474	526	13	Drig f/ 8,474' to 8,768' Rig service, Drig f/ 8,768' to 9,000'	Cane Creek
46	30-Nov	9000	611	13	Drig f/ 9,000' to 9,171' circulate out gas build mud wt f/ 14.0 to 14.8. Drig f/ 9,171' to 9,369' Rig service. Drig f/ 9,369' to 9,611' mud wt up to 15.3	Cane Creek
47	1-Dec	9611	455	13	Drig f/ 9,611' to 9,903' Rig service, Drig f/ 9,903' to 10,066'	Cane Creek
48	2-Dec	10066	280	13	Drig f/ 10,066' to 10,218' drilled into Salt. Wait on Orders. Drig f/ 10,218' to 10,312' Rig service. Drig f/ 10,312' to 10,346'	Cane Creek
49	3-Dec	10346	96	13	Drig 10,346 to 10,442' Circulate and condition mud, Raise mud Weight to 16.5 ppg. Pump slug . Short tirip 10 stands.10 stands. @ 3 min/stand. HOLE SWABING,35 bbl gain. Trip back to Bottom. 40' to 80' FLARE on bottoms up. Circulate and condition mud, add sieles to cut vis, Add bar for wt. raise mud weight.	Cane Creek
50	4-Dec	10442	0	13	Circulate and condition mud. Raise mud wt to 16.6 ppg. Simulate connection for 30 minutes. Pumps off. Circulate out gas, 20' flare, 5,800 gas units going through gas buster. Raise mud wt to 17.0 ppg.Simulate connection kill pumps for 1 hour. Circulate out gas, 5,651 gas units and 20' flare.Raise mud wt to 17.3 ppg. Circulate and condition mud.	Cane Creek
51	5-Dec	10442	0	13	Circulate and condition mud. Pump 55 bbl slug, Start TOOH, Well swabbing. 18 stands, run back in hole 18 stands. Circulate out gas, 5,703 gas units after 2.5 hours with out pumping.Circulate and condition mud. Pump 19.5 ppg slug, TOOH to shoe, TOOH to weight pipe, Well flowing, TIH to Shoe. Circulate and condition mud.	Cane Creek
52	6-Dec	10442	0	14	TOOH flow check, TOOH, Lay down directional tools, Pick up new mudmotor/bit, orient MWD, surface test MWD, TIH at 3 minutes per stand, TIH too 8,070' Circulate and condition mud. Lower mud weight and vis.	Cane Creek

DAILY DRILLING SUMMARY
STONE ENERGY CORPORATION
THREEMILE 12-7

DAY	DATE 2010	DEPTH 00:00 HRS	24 HR FOOTAGE	BIT #	24 HR ACTIVITY	FORMATION
53	7-Dec	10442	0	14	Circulate. Broke off kelly. Float not holding. WOO. Check for flow. Slight stream after 30 minutes w/ pumps off. check string float, Still not holding. Circulate and condition mud. Bring mud weight to 17.3 ppg, Check flow. Hole gave back 30 BBLs hole ballooning, circ and condition mud, check flow. Hole gave back 20 BBLs. hole ballooning, circ and condition mud, TOO H at 3 minutes / stand. change out float in mudmotor. change out tongs. orient MWD, Surface test MWD, TIH	Cane Creek
54	8-Dec	10442	125	14	TIH to shoe circulate bottoms up, TIH to 10,402' Wash and ream to 10,442' Drig f/ 10,442' to 10,470' Rig service, Drig f/ 10,470' to 10,567'	Cane Creek
55	9-Dec	10567	157	14	Drif f/ 10,567 to 10,693' work tight spot at 10,680' Change wash pipe in swivel, leaking, wait on welder, cut out wash pipe, install new wash pipe, 40' flare from down time gas, 4 hours off hole. Drilling ahead f/ 10,693' to 10,724' TD well due to tight connection/drag 40-60k over, Circulate condition mud.	Cane Creek
56	10-Dec	10724	0	14	Circulate and condition mud. Flow check, TOO H, Lay down Directional tools, MWD, Oick up bit and reamers, TIH to 8,003' Circulate bottoms up, Lay down 60 single joints.	Cane Creek
57	11-Dec	10724	0		Wash and ream 7,955' to 9,259'. Lay down 30 joints drill pipe, Run in hole with 10 stands. Wash and ream singles	Cane Creek
58	12-Dec	10724	0		Wash and ream singles with Baker Flex Mill Assembly	Cane Creek
59	13-Dec	10724	0		Wash and ream with Baker flex mill Assembly, Circulate, Raise mud wt to 17.4. TOO H Lay down Mill Assembly, PJSM with casers. Rig up casers. Run 4 1/2" Liner. Run in with 4 1/2" Drill pipe.	Cane Creek
60	14-Dec	10724	0		Run liner in with 4" Drill pipe, Hang liner. Set packer. Displace liner and liner annulus with diesel. Geologists released	Cane Creek

BIT RECORD
STONE ENERGY
THREEMILE 12-7

OPERATOR: ENERGY CORPORATION

CONTRACTOR Frontier Drilling Rig #7

SPUD DATE: October 18, 2010

WELL NAME: Threemile 12-7

RIG MAKE: 131' Derrick DW OIME 750 HP

LOCATION: 3E Sec 12, T29S, R21E

PUMPS: China F100 5.5X10

TD DEPTH/DATE Dec 9, 2010

2140' FSL & 1925' FEL

GROUND

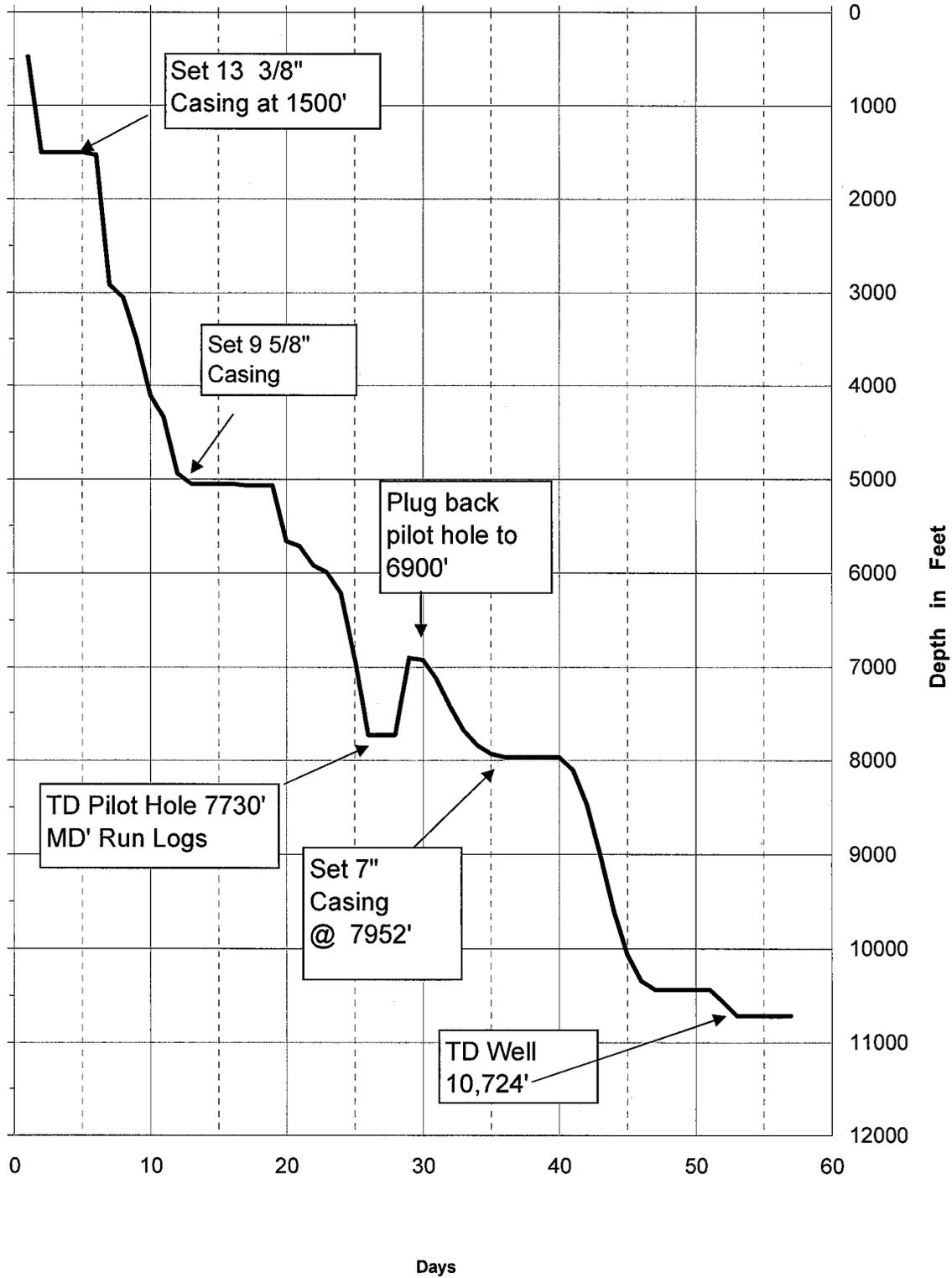
LEVEL: 6,187'

KELLY

BUSHING: 6,209'

Bit #	Size	Make	Type	Jets	Serial #	Depth In	Depth Ou	Ftg	Hours	Ft/Hr	Vert. Dev.
1	17 1/2	NUMA	CHALL 125		173752	70	1,500'	1430	24	59.6	0.5
2	17 1/2	HTC	GTX		6027854	1500	1,500'	0	0	0.0	na
3	12 1/4	HAL	EQH27S	3x16	11515882	1500	1,528'	28	1	28.0	na
4	12 1/4	NUMA	CHALL 125	1/2"	12540669	1528	3,056'	1528	25	61.1	0.5
3RR	12 1/4	HAL	EQH27S	3x20	11515882	3056	4,344'	1288	53	24.3	0.75
6	12 1/4	HAL	EQH25S	3x20	11554821	4344	5,051'	707	24.5	28.9	0.75
7	8 1/2	HAL	EMHX65522	6x14	11414701	5051	5,710'	659	17	38.8	5.25
8	8 1/2	Hal/DBS	EQH16S	3x22	11214558	5710	5,721'	11	2.5	4.4	5.25
RR7	8 1/2	HAL	EMHX65522	6x14	11414701	5,721'	5,965'	244	12	20.3	6
9	8 1/2	HAL/ SEC	FMH3645zz	3x16 3x20	11199483	5,965'	5,996'	31	3	10.3	6.2
RR9	8 1/2	HAL/ SEC	FMH3645zz	3x16 3x20	11199483	5,996'	7,730'	1734	59	29.4	6/1
8RR	8 1/2	HDBS	EMHX655ZZ	6X16	11414701	6,652'	6,903'	251	3.5	71.7	1
10	8 1/2	HDBS	EQH16S	3X22	11214558	6,903'	7,730'	827	59.5	13.9	1
RR10	8 1/2	HAL/SEC	EQH16S	3X22	11214558	6,900'	7,678'	778	84	9.3	Curve
11	8 1/2	HTC	EP6586	3x22	5145394	7,678'	7,965'	287	52.5	5.5	Curve
12	8 1/2	Sec	XSC1S	3X24	10615049	7,965'	7,965'	0	0	0.0	clean junk
13	6	Sec	FX64	6x18	11527837	7,965'	10,442'	2477	117.5	21.1	Lateral
14	6	Sec	FX 64	6x18	11504327	10,442'	10,724'	282	14	20.1	Lateral

TIME VS DEPTH
STONE ENERGY COPORATION
THREEMILE 12-7



FORMATION TOPS
STONE ENERGY CORPORATION
THREEMILE 12-7

Well Name:	Stone Energy Threemile 12-7					Whiting 43-18H		Giant Hatch Point #1		
Location:	Sec 12 T29S R21E					Sec 18 T29S R22E		NE/SE Sec 14 T29S R21E		
Elevation:	KB: 6,209'					KB:5961'		KB: 6390'		
FORMATION / ZONE	Prognosis	Prognosis Subsea	Sample top	E Log tops	Subsea E Logs	Log Depth	Subsea	Log Depth	Subsea	
Entrada										
Carmel	0'	6,209'								
Navajo	50'	6,159'								
Kayenta	250'	5,959'								
Wingate	450'	5,759'								
Chinle	750'	5,459'								
Moenkopi	1,350'	4,859'				1094'	4867'	1480'	4910'	
Elenphant Canyon						1805'	4156'	2234'	4156'	
Honaker Trail	2,747'	3,462'				2817'	3144'	3227'	3167'	
La Sal Limestone	3,967'	2,242'	4,072'			4037'	1924'	4350'	2040'	
Ismay	4,572'	1,637'	4,590'	4,528'	1,681'	4510'	1451'	4828'	1562'	
Desert Creek	4,796'	1,413'	4,838'	4,814'	1,395'	4805'	1156'	5074'	1316'	
Salt #6	4,952'	1,257'	5,133'	5,129'	1,080'					
Barker Creek	5,850'	359'	5,899'	5,898'	311'	5942'	19'	6028'	362'	
Clastic 13	6,117'	92'	???	6,162'	47'					
Clastic 19	7,058'	-849'	7,124'	7,122'	-963'					
Cane Creek	7,494'	-1,285'	7,548'	7,548'	-1,589'	7563'	-1603	7226'	-836	
Cane Creek Base	7707'	-1,498'	7,642'	7,639'	-1,880'					
Salt 22	7707'	-1,498'	7,642'	7,639'	-2,180'					

STONE ENERGY
INVERT MUD REPORTS
THREEMILE 12-7

DATE 2010	DEPTH	Flow Line Temp	WT	FV	PV	YP	GELS	API FILT	OIL/WATER R	ELECT STABILIT	ALKALINITY POM	EXCESS LIME	TOTAL HARDNE	CaCl2 mg/l
5-Nov	5071	NA	14.30	60	14	14	14/11/14	16	94.4/5.6	1100	0.1	0.13	4	715,919
6-Nov	5710	77	14.50	59	31	15	12/17	18	81.4/18.6	738	0.01	0.01	30	197,542
7-Nov	5719	77	14.50	67	27	23	12/15	18	81.4/18.6	766	0.01	0.01	15	194,784
8-Nov	5965	76	14.50	76	28	24	10/12/15	10	80.6/19.4	945	0.01	0.01	2.5	170,821
9-Nov	5969	80	14.50	56	23	17	9/12	nc	84.3/15.7	979	0.01	0.01	2.8	228,658
10-Nov	6294	85	14.50	57	24	18	9/11	4	84.1/15.9	939	0.01	0.01	2.6	224,322
11-Nov	7050	88	14.60	55	22	15	8/11	4	86.8/13.2	nc	0.01	0.01	2.3	290,284
12-Nov	7231	105	14.60	53	25	25	7/11	4.5	85.9/14.1	920	0.01	0.01	3	282,780
13-Nov	7730	105	14.60	56	25	18	9/12	4.5	86.8/13.2	909	0.01	0.01	3.7	354,663
14-Nov	7730	n/a	14.50	55	25	18	9/12	5.5	86.8/13.2	929	0.01	0.01	3.7	354,663
15-Nov	6901	n/a	14.60	60	23	17	10/12	5.5	85.5/14.5	923	0.01	0.01	2.6	350,806
16-Nov	6922	65	14.50	57	24	18	11/13	4.5	85.5/14.5	1001	0.01	0.01	2.5	226,782
16-Nov	6932	85	14.50	60	25	20	11/14	4.5	85.7/14.3	951	0.01	0.01	2.8	284,995
17-Nov	7082	105	14.60	60	28	21	11/15	4	85.7/14.3	751	0.01	0.01	2.5	256,145
17-Nov	7153	105	14.50	61	26	20	12/16	4	82.1/17.9	846	0.01	0.01	2.7	213,951
18-Nov	7311	107	14.20	55	22	16	9/12	4	85.9/14.1	837	0.01	0.01	2.6	226,725
18-Nov	7501	104	14.50	56	25	17	11/14	4	85.7/14.3	832	0.01	0.01	2.6	236,559
19-Nov	7678	105	14.50	58	26	16	10/14	4.5	85.7/14.3	856	0.01	0.01	2.4	226,949
20-Nov	7820	107	14.50	56	26	16	11/13	4	85.3/14.5	1200	0.01	0.01	2.2	207,435
21-Nov	7858	102	14.40	57	24	18	11/14	4	85.5/14.5	959	0.01	0.01	2.7	216,670
22-Nov	7946	103	14.50	62	25	20	12/15	4	85.7/14.3	1136	0.01	0.01	2.3	236,822
27-Nov	8170	85	14.10	56	22	14	8/10	4	85.7/14.4	818	0.01	0.01	2.2	207,381
28-Nov	8582	85	13.90	54	22	22	9/12	4	85.7/14.3	922	0.01	0.01	1.9	177,939
29-Nov	9098	84	14.20	56	22	16	11/13	3	85.5/14.5	1036	0.01	0.01	1.6	176,461
30-Nov	9653	86	15.20	61	27	19	8/16	3	85.1/14.9	1269	0.01	0.01	1.6	176,491
1-Dec	10102	82	15.20	51	28	21	12/15	4	85.5/14.5	1294	0.01	0.01	2	197,675
2-Dec	10372	84	16.00	66	32	22	14/16	3	89.1/10.9	1269	0.01	0.01	1.8	267,254
3-Dec	10442	78	16.00	62	32	23	14/17	4	92.1/7.9	1467	0.01	0.01	1.7	293,365
4-Dec	10442	85	17.30	79	43	22	13/16	6	91.4/8.6	1290	0.01	0.01	1.6	293,939
5-Dec	10442	74	17.40	79	43	22	13/16	6	91.1/8.6	1290	0.01	0.01	1.6	293,939
6-Dec	10442	88	16.70	74	36	18	12/15	7	91.7/8.3	1456	0.01	0.01	1.8	369,138
7-Dec	10442	83	17.30	79	39	17	13/15	7	91.4/8.6	1394	0.01	0.01	1.9	369,138
8-Dec	10600	88	16.70	67	35	17	12/15	8	91.8/8.2	1324	0.01	0.01	2.5	474,053

GEOLOGICAL INTRODUCTION

The Stone Energy Corporation Three Mile # 12-7, located in NW/SE, Section 12, T29S, R21E, San Juan, County, Utah was spudded in Jurassic age sediments on October 18, 2010. Geological Supervision, lagged sample collection was begun at 4,280'. The well was drilled with aerated water to 5,051' where 9 5/8" casing was set at 5,038'. The mud system was changed over to Oil Base Mud. A QGM gas trap and a Mudlogging Systems Gas Detector were used to obtain mud gas readings. The gas detector was calibrated to known quantities of gases for the chromatography. The gas detector was equipped with a CO2 detector also.

The pilot hole was drilled to a total depth of 7,730' (Driller), 7,733' (Electric log), bottoming in the Pennsylvanian, Paradox "Clastic Marker" # 23 on November 13, 2010. The vertical well was plugged back to ~6,900' in order to kick off and drill the horizontal in a defined target within the Cane Creek Shale.

The 8 1/2" curve was drilled at a 10 degrees per 100' build rate. The curve was landed at 90 degrees at a measured depth of 7,967' and a TVD of 7,604'. 7" Casing was run and cemented at 7,952' measured depth. A 6" hole was then drilled in the Cane Creek with a "Hot" Shale as the top of a 10' target window. Steering the 6" bit was difficult due to the folded and faulted geological setting of the Cane Creek. The seismic profile aided greatly in successfully steering the well path through the folded intervals.

PILOT HOLE

The well spudded in weathered , Jurassic Age sediments equivalent to the Entrada/Carmel formations. Using air and mist as a drilling medium a 17 ½" hole was drilled to 1500' where 13 3/8" surface casing was set and cemented. A 12 ¼" hole was then drilled using air/water/mist/foam to 5051' where electric logs were run and 9 5/8" intermediate casing was set and cemented. Geological consulting and sample examination began on October 28, 2010 at a depth of 4280' in the Pennsylvanian, Honaker Trail Formation. Samples were caught at the end of the blooie line muffler, where slugging and surging of the drilling fluid caused samples to be poor. Lack of access to an electronic drilling screen and no good way to establish a reliable lag, caused the lagging of samples to the penetration rate to be poor. However, the drill rate in this part of the section proved to be sufficient to correlate to the control well, Whiting 43-18H such that the desired intermediate casing depth was accurately determined.

HONAKER TRAIL FORMATION

4280' to 4590'

This interval is primarily limestone with interbedded dark gray shale. The limestone varies from light to medium-dark gray in color, sub blocky to sub platy, sharp, hard chips, micro crystalline to sub-lithographic with some parts being shaley and argillaceous. Shale is black to dark gray, sub blocky to platy, brittle in part, and grades to shaley limestone in part. Traces of clear to white clusters of Anhydrite were sometimes present.

PARADOX FORMATION

Ismay Member 4590' to 4838'

The Ismay member was picked on the presence of bedded, massive Anhydrite which caused a distinct increase in the drilling rate. The Anhydrite is white to cream, sometimes light gray in color, very fine crystalline, soft, dense and slightly calcareous in part.

The Hovenweep shale interval from 4631' to 4694' was composed of limestone, tan, cream, white to light gray, sometimes dark to medium gray, sub blocky,

hard, with some faint indistinct fossils, and Shale, which was dark gray, earthy hard and calcareous.

The interval from 4694' to 4776' was primarily Anhydrite, light gray, soft, sandy, limey with some white, sandy Limestone and dark gray shale. The Gothic shale was drilled from 4776' to 4838' The shale was black, dark gray, earthy, sooty, slightly calcareous to probably dolomitic, carbonaceous, and organic. Some white Anhydrite was noted in the lower 20 feet, immediately above Salt #4 which marks the top of the Desert Creek member.

Desert Creek Member 4838' to 5100'

Bedded salt #4 was encountered at 4838' based on penetration rate. No salt was present in the samples due to drilling the interval with fresh water/aerated mud.

Clastic #4 was picked at 4864', on drill time and lithology. Limestone, white, cream in color, micro crystalline to dense, hard and tight was present in the samples. Dark gray, platey, hard, shale was also logged. Salt #5 was again picked on the penetration rate as none was present in samples. The Chimney Rock Shale was encountered at 5065' to 5100'. The shale is black to medium gray in color, silty, moderately calcareous, becoming black, organic and carbonaceous in part. A maximum of 33 units of gas was recorded while drilling the interval.

Note: Intermediate 9 5/8" casing was set and cemented at 5036' in Salt #5. Gas detection began after this string of casing was run. Drilling medium was changed to an oil base mud system.

Akah Member 5100'to 5899'

The Akah member includes approximately the interval from Salt #6 through Salt #10.

Note: Salt in the samples is generally white, opaque to sometimes transparent and clear. In interpreting the lithology in this well, we equated orange, red, or pink salt to be reflective of Potash Salt. This appears to be generally correct, but it could be that some of the traces of colored salt seen in the samples may not be Potash as common Halite salt can be colored by other minerals. Definite identification of Potash should be confirmed by electric logs.

Potash may be present in the lower half of Salt #6 based on traces of orange, pink and reddish salt. The Akah interval is made up of massive thick salt sequences that are interrupted by thin clastic 20' to 50' thick shale breaks.

The Akah interval is made up of massive thick salt sequences that are interrupted by thin clastic 20' to 50' thick shales breaks. The clastic breaks are composed not only of shale but also anhydrite. Shales vary from being black, carbonaceous and organic to light, medium gray, silty and calcareous. Anhydrite is off-white to yellow-cream to light gray, blocky and firm to soft. Anhydrites generally drill slowly while the black, organic, sooty shales drill fast. Minor 30 to 50 unit gas increases were noted in these clastic zones.

Barker Creek Member 5899' to 7124'

Clastic #10 through Salt # 19 is included in the Barker Creek member. A gas increase of 295 units was recorded at 5906' in Clastic #10 near the top of the Barker Creek member. Methane, Ethane and Propane were present in the gas stream. The gas correlates with black, carbonaceous, organic shale.

Due to numerous power outages Clastic #13 (which had good shows in the Whiting 34-18H control well) was not identified by samples or drilling parameters. At the approximate expected depth of Clastic #13 at 6180', 827 units of down time gas was recorded which was anomalously high. This gas anomaly is probably due to the presence of black shale in Clastic #13 which was indicated by a high gamma ray reading on the electric log at 6166' to 6176'.

The balance of the Barker Creek member consisted of massive thick salt with interbedded black shale cycles which gave minor gas increases of less than 75 units.

Alkali Gulch Member 7124' to 7730'

Over 180 units of gas was recorded from a thin 3 foot thick black, carbonaceous, organic shale at 7130' near the top of Clastic #19. At 7240' 55 units of gas was recorded from a thin black shale in Clastic #20. The interval from the base of Clastic #20 at 7250' to 7548' consisted of massive Salt #21.

The upper half of Salt #21 contains potash beds which are identified by the presence of peach, orange to yellow brown colored salt in the samples. Electric

logs confirm that Potash is present from 7306' to 7324'. Mud weight while drilling at this depth was 14.6 ppg.

The interval from 7548' to 7642' is the Cane Creek Shale, discussed in detail below, and the horizontal drilling target for this prospect.

The interval drilled below the Cane Creek Shale consists of Salt #22 and Clastic #22. A gas increase of 144 units was recorded at 7675' in a thin shale break in Salt #22. Near the top of Clastic #22 at 7710', over 180 units of gas was encountered in a black, carbonaceous shale. Total depth of the pilot hole was called at 7730' near the base of Clastic #22.

Cane Creek Shale 7548 to 7642'

Interbedded gray shale, anhydrite and black, carbonaceous shale make up the Cane Creek Shale. Shale is the dominate lithology in the upper half, while anhydrite predominates in the lower half. Two radioactive black shale marker beds are present at 7565', termed "warm" shale and at 7573' termed "hot" shale. Thin 1' to 2' anhydrite layers, partly consisting of nodules of anhydrite encased in gray shale occur above and below these marker beds.

An informal nomenclature given to the upper half of this interval in order to facilitate directional steering and discussions with management are in decending order: A-1- 7558', "warm" shale- 7565', A-2-7568', "hot"shale 7573', A-3-7579', A-4-7584'. The A stands for anhydrite all of which appear to be thin and partly made up of nodules encased in gray shale with the exception of A-4 which is bedded anhydrite 4 to 5 feet thick.

The drilling characteristics of the varied lithologies is generally as follows: Anhydrite drills slow, while Black Shale drills fast. Gray shale is somewhere in between with drill rate slower as anhydrite nodule zones are approached and faster drill rate in proximity to black shale. Gamma ray counts are 300 or better in "hot" shale while they are in the 200 range in the "warm" shale. The best gas increases (100 to 139 units) and TOC values occur in the upper 40 feet of the Cane Creek Shale in this well. Correlation to the nearby Whiting 43-18H show an almost "kick for kick" electric log correlation and very similar lithology.

EAST LATERAL

The vertical pilot hole was plugged back to 6003' in order to drill a horizontal lateral in the Cane Creek Shale. Cement was drilled to 6905' where the bit was kicked off into massive salt. Drilling of the curve continued through massive salt and minor clastic beds with the Cane Creek shale topped at 7660'. Landing at 7967' with the hole inclination at 92 degrees, drilling was halted to run and cement 7 inch intermediate casing. A 6 inch horizontal lateral was then drilled at approximately 94 degrees, which penetrated the base of the target zone and into the "hot" shale at 8072' and continued upward crossing into the "warm" shale at 8157'. Connection gases increased from 200 to 3800 units upon drilling the "hot" shale. Background was variable at 100 to 200 units.

The lateral was leveled off and headed downward at 84 degrees to follow projected formation dip rate based on seismic data. The plan was to go below the "warm" shale and stay within the target. The "warm" shale was again encountered at 8436' and the "hot" shale at 8512'. The top of the A3 anhydrite, located approximately 6' stratigraphically below the "hot" shale was drilled at 8870' to 8700'. At this point a fault, downthrown to the east, was encountered and the bit drilled into the "warm" shale at 8732' in the downthrown block.

Drilling continued, with the lateral leveled off at 88+ degrees, to 9002' where the "warm" shale was drilled again. A significant fracture zone was encountered at 9004' to 9010' with gas increasing to 7485 units. Mud weight at this time was 14.0. Mud flow was routed through the gas buster and the gas leveled off at a fairly steady 6200 units from 9010' to 9130' where it decreased in response to the increase in mud weight to 14.8. The "hot" shale was drilled again at 9202' and connection gases increased from 6600 to 8588 units while mud weight increased to 15.0. indicating gas was being contributed by penetrating the organic rich, black, "hot" shale.

A background gas increase to 5530 units was recorded from 9286 to 9308', stratigraphically just above the "hot" shale peak at 9312'. Lithology throughout the interval drilled from 9004' to 9880' was light to medium gray, silty shale and black, carbonaceous, organic, sooty shale.

At 2200' vertical section, 9400' MD, the hole was deviated upwards at 92 degrees to follow the formation dip shown by seismic data. The "hot" shale was drilled at

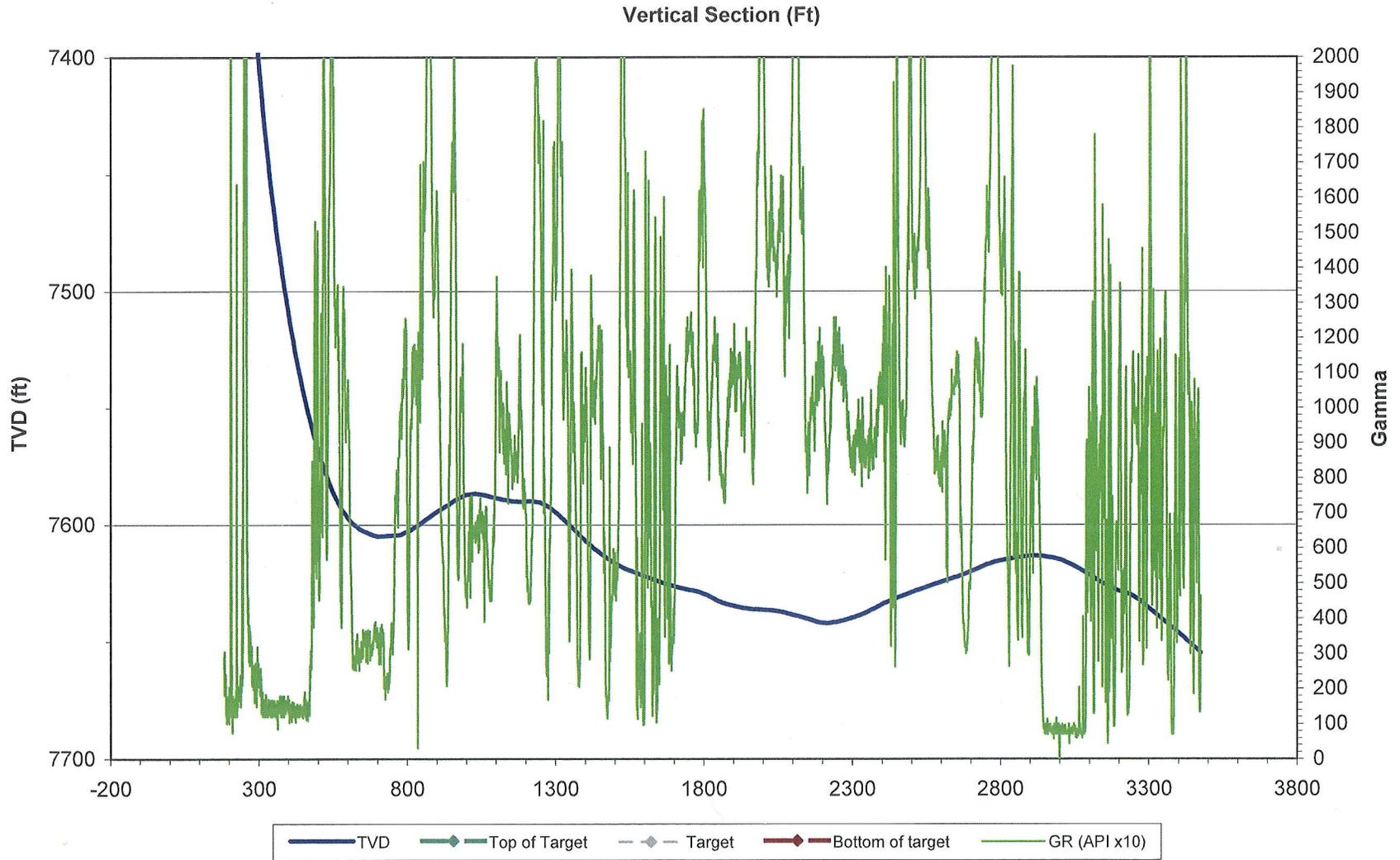
9658', 9703' and 9744' as the bit orientation and formation dip were variable but nearly parallel. Connection gases averaged nearly 6000 units throughout. A fault upthrown on the east was interpreted at 9882' where the bit abruptly drilled from shale into anhydrite, probably the A-3. Drilling proceeded at 93 degrees while slides were used to try to bring the deviation back to 90 degrees. The "hot" shale was drilled at 9993' near the crest of a seismic mapped fold axis.

Salt was encountered at 10,160' to 10,296', possibly due to drilling through a downfaulted graben? Upon drilling out of the salt, a significant fracture zone was penetrated at 10,321' where gas increased to 6722 units continuing to 10,356' along with a lazy 15 to 20 foot flare. Mud weight was increased to 16.0 in order to control the well.

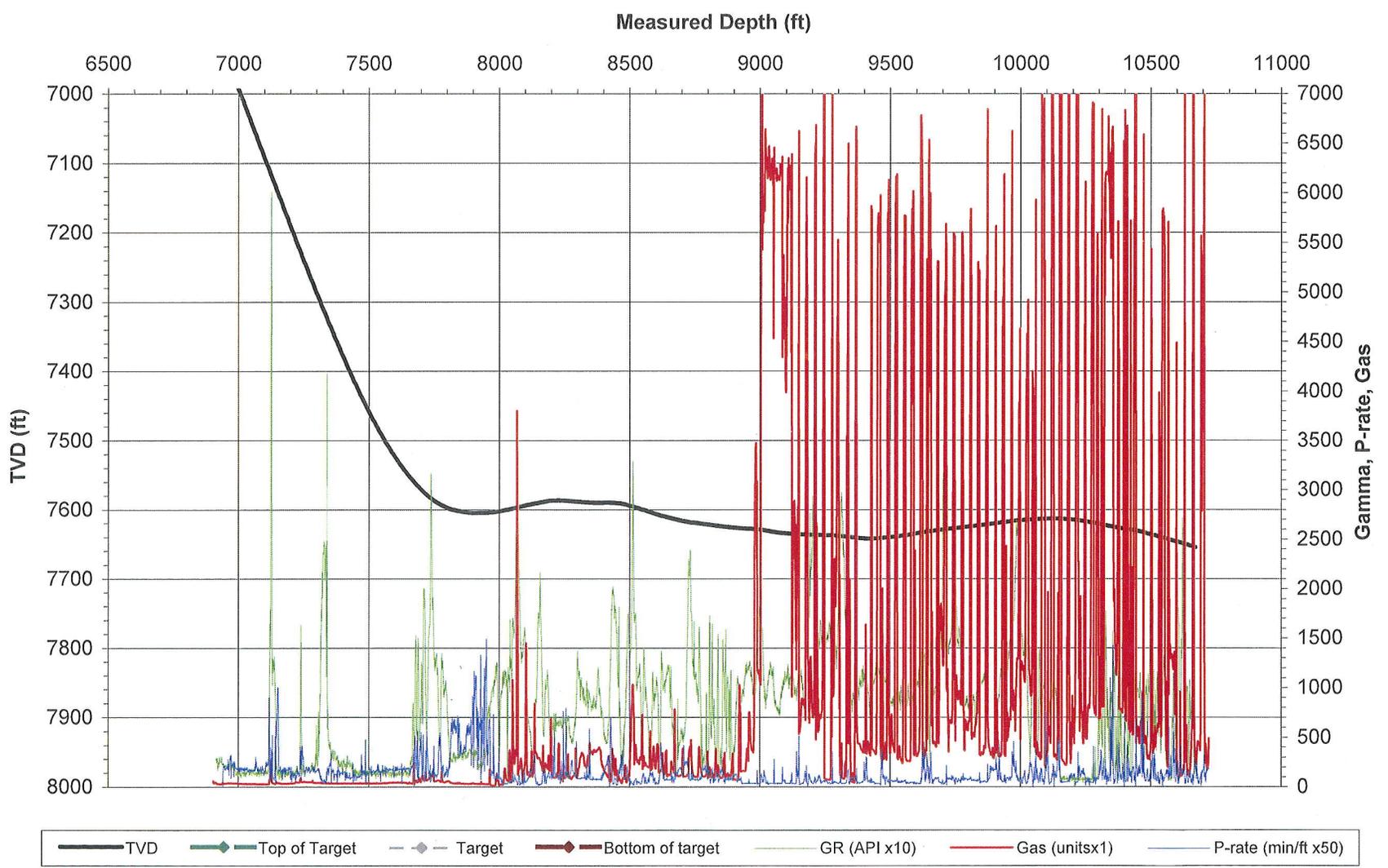
Drilling continued down the east dipping fold at 84 degrees following the formation dip. The "warm" shale was drilled at 10,500' and the "hot" shale at 10,622'. Total depth was called at 10,724' with the bit bottoming in the A-3 anhydrite, immediately below the "hot" shale. Downtime and connection gases were 8200 to 7900 units with the mud weight near 17.0 as total depth was reached.

A 4 1/2 inch liner will be run, along with swell packers to isolate selected zones for a completion attempt.

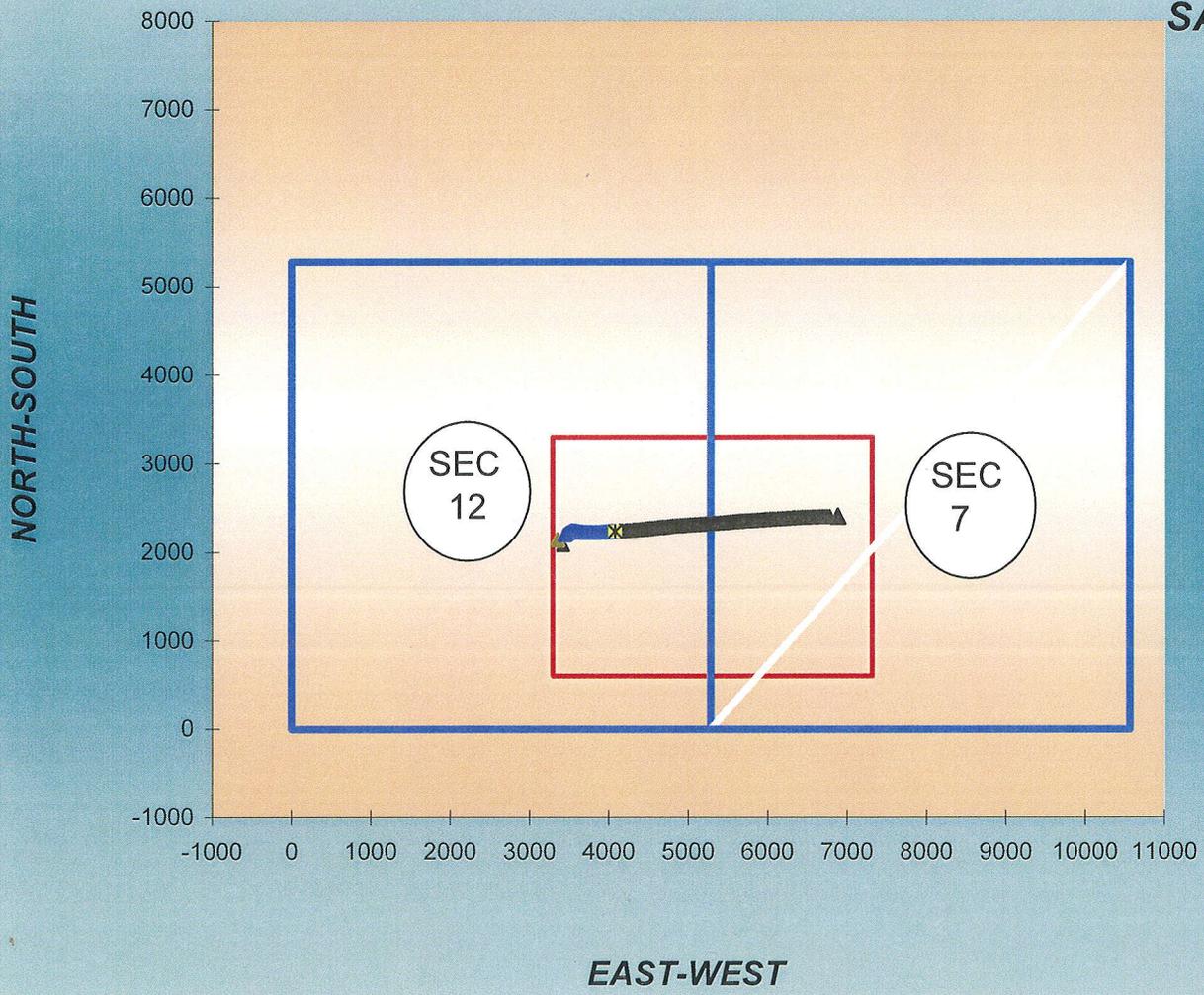
Threemile 12-7H Gamma vs. Vertical Section



Threemile 12-7



**STONE ENERGY
THREEMILE 12-7
SAN JUAN COUNTY, UTAH**



- ▲ SHL
- Legal Window
- ▲ BHL
- ▲ Build
- ▲ Lateral
- × 7" Casing
- Section Lines

CRESCENT

DIRECTIONAL DRILLING

Minimum Curvature Calculation

Client: Stone Energy Corp
Well: Three Mile 12-7
County: San Juan, UT
Rig: Frontier #7

M.W.D. OPERATORS: T. Jones/ J. Hertzog
DIRECTIONAL DRILLERS: B. Howell/ J. New
Tool Azimuth to Grid North: 10.92
Job #: CA-10735

Vertical Section Angle: 85.34

Sur #	Meas. Depth	Inc.	Azm.	T.V.D.	Ver.Sect.	+N / -S	+E / -W	DLS
Tie In	6871.00	1.30	141.30	6865.16	182.55	101.20	184.46	0.14
1	6905.00	1.60	114.80	6899.15	192.70	100.70	185.13	2.14
2	6936.00	4.10	93.40	6930.11	194.18	100.45	186.63	8.63
3	6967.00	5.90	90.70	6960.99	196.86	100.37	189.33	5.85
4	6998.00	5.90	90.40	6991.83	200.03	100.34	192.52	0.10
5	7030.00	5.70	90.70	7023.66	203.25	100.31	195.75	0.63
6	7061.00	6.90	87.60	7054.47	206.65	100.37	199.15	4.02
7	7093.00	8.00	86.90	7086.20	210.79	100.57	203.30	3.45
8	7124.00	7.90	84.90	7116.91	215.08	100.87	207.57	0.95
9	7153.00	8.30	87.00	7145.62	219.17	101.16	211.65	1.72
10	7184.00	9.50	94.20	7176.24	223.93	101.09	216.43	5.27
11	7217.00	11.20	100.70	7208.71	229.71	100.29	222.30	6.24
12	7248.00	14.80	98.50	7238.91	236.47	99.15	229.18	11.72
13	7278.00	18.60	97.40	7267.64	244.89	97.97	237.71	12.71
14	7309.00	21.90	99.20	7296.72	255.34	96.40	248.32	10.83
15	7340.00	24.60	99.90	7325.20	267.20	94.37	260.39	8.76
16	7371.00	26.90	98.60	7353.12	280.27	92.21	273.68	7.64
17	7399.00	29.80	96.90	7377.76	293.25	90.43	286.86	10.75
18	7431.00	33.90	95.30	7404.93	309.84	88.65	303.64	13.08
19	7463.00	38.20	93.50	7430.80	328.43	87.22	322.41	13.84
20	7496.00	42.30	92.10	7455.98	349.57	86.19	343.71	12.72
21	7527.00	46.30	91.60	7478.16	371.08	85.49	365.34	12.95
22	7558.00	50.10	90.50	7498.82	394.07	85.08	388.44	12.54
23	7589.00	53.90	89.70	7517.91	418.41	85.04	412.87	12.43
24	7619.00	58.00	88.60	7534.70	443.21	85.41	437.71	14.00
25	7649.00	61.80	88.80	7549.74	469.11	86.00	463.66	12.68
26	7681.00	65.40	88.10	7563.97	497.73	86.78	492.30	11.42
27	7713.00	69.50	87.00	7576.24	527.25	88.05	521.82	13.20
28	7744.00	74.30	87.40	7585.87	556.69	89.48	551.24	15.53
29	7775.00	78.10	86.70	7593.26	586.78	91.03	581.30	12.45
30	7806.00	82.20	86.70	7598.56	617.31	92.79	611.79	13.23
31	7836.00	86.10	86.70	7601.62	647.14	94.51	641.58	13.00
32	7864.00	86.90	86.50	7603.33	675.08	96.17	669.48	2.94
33	7880.00	87.20	86.50	7604.15	691.05	97.14	685.43	1.88
34	7898.00	89.20	86.50	7604.72	709.04	98.24	703.38	11.11
35	7915.00	89.58	86.50	7604.90	726.03	99.28	720.35	2.24
36	7973.00	91.80	86.40	7604.20	784.02	102.87	778.23	3.83
37	8004.00	94.70	87.20	7602.44	814.95	104.60	809.13	9.70
38	8037.00	94.50	86.90	7599.79	847.83	106.29	841.98	1.09
39	8069.00	95.90	87.40	7596.89	879.68	107.87	873.81	4.64
40	8100.00	94.20	86.30	7594.17	910.55	109.57	904.64	6.52
41	8133.00	94.50	85.70	7591.66	943.45	111.87	937.46	2.03
42	8163.00	95.10	85.40	7589.15	973.35	114.19	967.27	2.23

CRESCENT

DIRECTIONAL DRILLING

Minimum Curvature Calculation

Client: Stone Energy Corp
Well: Three Mile 12-7
County: San Juan, UT
Rig: Frontier #7

M.W.D. OPERATORS: T. Jones/ J. Hertzog
DIRECTIONAL DRILLERS: B. Howell/ J. New
Tool Azimuth to Grid North: 10.92
Job #: CA-10735

Vertical Section Angle: 85.34

Sur #	Meas. Depth	Inc.	Azm.	T.V.D.	Ver.Sect.	+N / -S	+E / -W	DLS
43	8194.00	92.20	85.10	7587.18	1004.28	116.75	998.10	9.40
44	8227.00	89.80	84.80	7586.60	1037.27	119.65	1030.96	7.33
45	8257.00	88.00	84.90	7587.18	1067.26	122.35	1060.83	6.01
46	8290.00	88.40	84.70	7588.22	1100.25	125.33	1093.68	1.36
47	8321.00	88.50	83.70	7589.05	1131.23	128.47	1124.51	3.24
48	8353.00	89.00	84.80	7589.75	1163.22	131.67	1156.34	3.78
49	8384.00	90.40	85.10	7589.91	1194.21	134.40	1187.22	4.62
50	8416.00	90.50	86.30	7589.66	1226.21	136.80	1219.13	3.76
51	8448.00	87.50	84.40	7590.22	1258.20	139.39	1251.01	11.10
52	8478.00	84.90	85.20	7592.21	1288.13	142.11	1280.82	9.07
53	8510.00	83.40	84.70	7595.47	1319.96	144.91	1312.53	4.94
54	8542.00	83.10	84.50	7599.23	1351.74	147.90	1344.17	1.12
55	8572.00	82.80	84.00	7602.91	1381.51	150.88	1373.79	1.93
56	8604.00	83.00	84.20	7606.87	1413.25	154.14	1405.38	0.88
57	8635.00	84.30	85.40	7610.30	1444.06	156.94	1436.06	5.69
58	8668.00	84.70	85.60	7613.46	1476.91	159.51	1468.80	1.35
59	8699.00	85.30	86.20	7616.16	1507.79	161.72	1499.61	2.73
60	8731.00	87.00	85.60	7618.31	1539.71	164.00	1531.45	5.63
61	8761.00	87.20	86.40	7619.83	1569.67	166.09	1561.34	2.75
62	8793.00	87.30	86.90	7621.37	1601.63	167.96	1593.25	1.59
63	8825.00	87.20	86.60	7622.90	1633.58	169.77	1625.16	0.99
64	8856.00	87.50	87.20	7624.33	1664.54	171.45	1656.08	2.16
65	8887.00	87.80	86.90	7625.60	1695.50	173.04	1687.01	1.37
66	8920.00	88.40	87.00	7626.70	1728.46	174.80	1719.95	1.84
67	8953.00	88.30	87.10	7627.65	1761.44	176.50	1752.89	0.43
68	8984.00	88.60	86.40	7628.49	1792.42	178.25	1783.83	2.46
69	9015.00	86.10	85.50	7629.92	1823.38	180.44	1814.72	8.57
70	9048.00	85.90	85.50	7632.22	1856.30	183.02	1847.54	0.61
71	9078.00	88.40	88.40	7633.71	1886.24	184.61	1877.45	12.75
72	9110.00	88.10	87.30	7634.69	1918.20	185.81	1909.41	3.56
73	9142.00	89.10	86.70	7635.47	1950.17	187.49	1941.36	3.64
74	9173.00	89.20	86.60	7635.93	1981.16	189.30	1972.30	0.46
75	9205.00	89.70	86.90	7636.24	2013.15	191.11	2004.25	1.82
76	9237.00	89.40	86.20	7636.49	2045.14	193.04	2036.19	2.38
77	9268.00	88.30	85.60	7637.11	2076.13	195.26	2067.10	4.04
78	9299.00	87.90	85.50	7638.14	2107.12	197.66	2097.99	1.33
79	9332.00	88.20	85.40	7639.27	2140.10	200.28	2130.87	0.96
80	9362.00	87.70	84.40	7640.34	2170.08	202.94	2160.73	3.72
81	9396.00	87.60	84.00	7641.73	2204.04	206.37	2194.53	1.21
82	9425.00	91.30	85.80	7642.01	2233.03	208.95	2223.41	14.19
83	9457.00	91.30	85.80	7641.28	2265.02	211.29	2255.31	0.00
84	9488.00	92.20	86.90	7640.34	2296.00	213.27	2286.23	4.58

CRESCENT

DIRECTIONAL DRILLING

Minimum Curvature Calculation

<p>Client: Stone Energy Corp Well: Three Mile 12-7 County: San Juan, UT Rig: Frontier #7</p>	<p>M.W.D. OPERATORS: T. Jones/ J. Hertzog DIRECTIONAL DRILLERS: B. Howell/ J. New Tool Azimuth to Grid North: 10.92 Job #: CA-10735</p>
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Vertical Section Angle: 85.34

Sur #	Meas. Depth	Inc.	Azm.	T.V.D.	Ver.Sect.	+N / -S	+E / -W	DLS
85	9519.00	92.30	86.90	7639.12	2326.97	214.94	2317.16	0.32
86	9552.00	93.40	87.20	7637.48	2359.91	216.64	2350.08	3.45
87	9583.00	94.00	87.70	7635.48	2390.83	218.01	2380.98	2.52
88	9614.00	93.60	87.20	7633.43	2421.74	219.39	2411.89	2.06
89	9646.00	92.70	86.70	7631.67	2453.68	221.09	2443.79	3.22
90	9678.00	92.70	87.20	7630.16	2485.63	222.79	2475.71	1.56
91	9708.00	92.80	86.60	7628.72	2515.58	224.41	2505.63	2.03
92	9741.00	92.40	86.20	7627.22	2548.54	226.48	2538.53	1.71
93	9772.00	92.50	86.20	7625.90	2579.51	228.53	2569.44	0.32
94	9803.00	92.60	86.30	7624.52	2610.47	230.56	2600.34	0.46
95	9834.00	92.20	85.70	7623.22	2641.45	232.72	2631.24	2.32
96	9866.00	92.40	86.20	7621.94	2673.42	234.98	2663.13	1.68
97	9898.00	93.10	87.20	7620.40	2705.37	236.82	2695.04	3.81
98	9929.00	93.00	87.00	7618.75	2736.31	238.39	2725.96	0.72
99	9962.00	93.30	87.60	7616.94	2769.24	239.94	2758.87	2.03
100	9990.00	91.70	86.90	7615.72	2797.20	241.28	2786.81	6.24
101	10022.00	91.30	86.40	7614.88	2829.18	243.15	2818.74	2.00
102	10053.00	91.30	86.90	7614.18	2860.16	244.96	2849.68	1.61
103	10087.00	91.10	86.30	7613.46	2894.15	246.98	2883.62	1.86
104	10116.00	90.50	86.90	7613.06	2923.14	248.70	2912.56	2.93
105	10149.00	88.80	86.20	7613.26	2956.13	250.68	2945.50	5.57
106	10179.00	88.80	87.10	7613.89	2986.11	252.43	2975.44	3.00
107	10212.00	87.60	87.60	7614.93	3019.08	253.96	3008.39	3.94
108	10243.00	86.00	88.50	7616.66	3049.99	255.01	3039.32	5.92
109	10274.00	86.30	88.50	7618.74	3080.88	255.82	3070.24	0.97
110	10305.00	85.10	88.40	7621.06	3111.74	256.66	3101.14	3.88
111	10337.00	85.60	88.00	7623.66	3143.60	257.66	3133.02	2.00
112	10370.00	86.30	87.90	7625.99	3176.48	258.84	3165.92	2.14
113	10399.00	86.50	87.80	7627.81	3205.40	259.92	3194.84	0.77
114	10432.00	87.00	88.40	7629.68	3238.30	261.02	3227.77	2.36
115	10464.00	83.70	88.40	7632.27	3270.15	261.91	3259.65	10.31
116	10497.00	84.10	88.90	7635.78	3302.91	262.68	3292.45	1.93
117	10527.00	83.80	89.50	7638.94	3332.67	263.10	3322.28	2.23
118	10559.00	84.20	88.70	7642.29	3364.43	263.60	3354.10	2.78
119	10589.00	83.80	88.00	7645.42	3394.22	264.45	3383.92	2.68
120	10622.00	83.60	88.10	7649.04	3426.99	265.57	3416.70	0.68
PTB	10724.00	83.40	88.00	7660.59	3528.22	269.02	3517.99	0.22

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76580
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Oil Well		7. UNIT or CA AGREEMENT NAME: THREEMILE
2. NAME OF OPERATOR: STONE ENERGY CORPORATION		8. WELL NAME and NUMBER: Threemile 12-7
3. ADDRESS OF OPERATOR: 625 East Kaliste Saloom Rd , Lafayette, LA, 70508		9. API NUMBER: 43037500010000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2140 FSL 1925 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 12 Township: 29.0S Range: 21.0E Meridian: S		9. FIELD and POOL or WILDCAT: HATCH POINT
		COUNTY: SAN JUAN
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 8/1/2011	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	OTHER: <input style="width: 100px;" type="text" value="Additional Perf Intervals"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The following 2' intervals were shot at 12 shots per foot (0.42") 9,990'-9,992'; 9,702'-9,704'; 9,452'-9,454'; 9,298'-9,300'; 9,200'-9,202'; 9,112'-9,114'; 9,006'-9,008'; 8,980'-8,982'; 8,920'-8,922'; 8,510'-8,512'; 8,308'-8,310'; 8,070'-8,072' no perfs added, gun did not fire		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Agent
SIGNATURE N/A		DATE 8/2/2011

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AMENDED
FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-76580

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
 Other: _____

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

7. Unit or CA Agreement Name and No.
Threemile Unit (UTU-84722X)

8. Lease Name and Well No.
Threemile 12-7

2. Name of Operator
Stone Energy Corporation

3. Address 625 East Kaliste Saloom Rd.
Lafayette, LA 70508

3a. Phone No. (include area code)
303-718-9832

9. API Well No.
4303750001

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
2,140' FSL & 1,925' FEL, NW/4 SE/4, Section 12, T29S, R21E, SLB&M
At surface

10. Field and Pool or Exploratory
Exploratory

11. Sec., T., R., M., on Block and Survey or Area Section 12-T29S-R21E

At top prod. interval reported below

At total depth 2,401' FSL & 1,593' FWL, NE/4 SW/4, Section 7, T29S, R22E, SLB&M

12. County or Parish San Juan
13. State UT

14. Date Spudded 10/18/2010
15. Date T.D. Reached 12/10/2010
16. Date Completed 01/13/2011
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
6,189' GL / 6,208' KB

18. Total Depth: MD 10,724'
TVD 7,661'

19. Plug Back T.D.: MD 10,680'
TVD 7,656'

20. Depth Bridge Plug Set: MD 10,680'
TVD 7,656'

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Triple Combo (TLD, HRLA, HGNS, STA, DTC), BHC Sonic-GR, CBL

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17-1/2"	13-3/8" K55	54.5	surface	1500'	None	880 sx Varicem	382	surface	None
						488 sx Class G	101		top-out cement
12-1/4"	9.625, HCL8	40	surface	5036'	None	1314 sx Varice	444	surface	None
						544 sx 85/15 Po	125		top-out cement
8-1/2"	7", HCL-80	32	surface	7917'	None	505 sx Elastice	117.8	unknown	None
6"	4.5", P-110	13.5	7,821'	10,698'	None	Uncemented			None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
None								

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Cane Creek			(see below)			
B)						
C)						
D)						

26. Perforation Record

Perforated Interval	Size	No. Holes	Perf. Status
(see below)			

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
(None)	

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
1/13/11	1/24/11	24	→	795	2406	0	42.5	0.76	on rod pump with surface bam pumping unit
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
10/64"	SI	1382	→	795	2406	0	3026	producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	SI		→						

*(See instructions and spaces for additional data on page 2)

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28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Solid, used for fuel, vented, etc.)
flared awaiting pipeline

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Hovenweep Shale	4641
				Chimney Rock Shale	5059
				Clastic 10	5889
				Cane Creek Shale	7548
				Cane Creek Base	7642

32. Additional remarks (include plugging procedure):

Interval	Footage	#	Diameter	Interval	Footage	#	Diameter	Interval	Footage	#	Diameter
10,650' - 10,652'	2'	12	0.39	*9,990' - 9,992'	2'	12	0.42	*8,980' - 8,982'	2'	12	0.42
10,622' - 10,624'	2'	12	0.39	*9,702' - 9,704'	2'	12	0.42	*8,920' - 8,922'	2'	12	0.42
10,550' - 10,552'	2'	12	0.39	*9,452' - 9,454'	2'	12	0.42	*8,510' - 8,512'	2'	12	0.42
10,498' - 10,500'	2'	12	0.39	*9,298' - 9,300'	2'	12	0.42	*8,308' - 8,310'	2'	12	0.42
10,440' - 10,442'	2'	12	0.39	*9,200' - 9,202'	2'	12	0.42				
10,408' - 10,410'	2'	12	0.39	*9,112' - 9,114'	2'	12	0.42				
10,348' - 10,348'	2'	12	0.39	*9,006' - 9,008'	2'	12	0.42				
10,328' - 10,330'	2'	12	0.39								

REPORT AMENDED TO ADD ADDITIONAL PERFORATIONS (*) TO THE WELLBORE SHOT 5/29/11-5/30/11, ADD PUMPING UNIT

NOTE: No tubing in well. 4-1/2" liner is tied back to surface (4-1/2", 13.5#, P-110, CDC)

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Kim Overcash Title Project Manager
 Signature [Signature] Date 02/16/2012

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Continued on page 3)

RECEIVED
 FEB 23 2012
 DIV. OF OIL, GAS & MINING
 (Form 000-4, page 2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-76580

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
 Other: _____

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

2. Name of Operator
Stone Energy Corporation

7. Unit or CA Agreement Name and No.
Threemile Unit (UTU-84722X)

3. Address 625 East Kaliste Saloom Rd.
Lafayette, LA 70508

3a. Phone No. (include area code)
303-718-9832

8. Lease Name and Well No.
Threemile 12-7

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
2,140' FSL & 1,925' FEL, NW/4 SE/4, Section 12, T29S, R21E, SLB&M
At surface

9. API Well No.
4303750001

10. Field and Pool or Exploratory
Exploratory

11. Sec., T., R., M., on Block and Survey or Area Section 12-T29S-R21E

At top prod. interval reported below

At total depth 2,401' FSL & 1,593' FWL, NE/4 SW/4, Section 7, T29S, R22E, SLB&M

12. County or Parish San Juan
13. State UT

14. Date Spudded 10/18/2010

15. Date T.D. Reached 12/10/2010

16. Date Completed 01/13/2011
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
6,189' GL / 6,208' KB

18. Total Depth: MD 10,724'
TVD 7,661'

19. Plug Back T.D.: MD 10,680'
TVD 7,656'

20. Depth Bridge Plug Set: MD 10,680'
TVD 7,656'

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Triple Combo (TLD, HRLA, HGNS, STA, DTC), BHC Sonic-GR, CBL

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17-1/2"	13-3/8" K55	54.5	surface	1500'	None	880 sx Varicem	382	surface	None
						488 sx Class G	101		top-out cement
12-1/4"	9.625, HCL8	40	surface	5036'	None	1314 sx Varice	444	surface	None
						544 sx 85/15 Po	125		top-out cement
8-1/2"	7", HCL-80	32	surface	7917'	None	505 sx Elastice	117.8	unknown	None
6"	4.5", P-110	13.5	7,821'	10,698'	None	Uncemented			None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
None								

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Cane Creek			(see below)			
B)						
C)						
D)						

26. Perforation Record

Perforated Interval	Size	No. Holes	Perf. Status
(see below)			

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
(None)	

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
1/13/11	1/24/11	24	→	795	2406	0	42.5	0.76	on rod pump with surface bam pumping unit
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
10/64"		1382	→	795	2406	0	3026	producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

*(See instructions and spaces for additional data on page 2)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Solid, used for fuel, vented, etc.)
flared awaiting pipeline

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Hovenweep Shale	4641
				Chimney Rock Shale	5059
				Clastic 10	5899
				Cane Creek Shale	7548
				Cane Creek Base	7642

32. Additional remarks (include plugging procedure):

Interval	Footage	#	Diameter	Interval	Footage	#	Diameter	Interval	Footage	#	Diameter
10,650' - 10,652'	2'	12	0.39	*9,990' - 9,992'	2'	12	0.42	*8,980' - 8,982'	2'	12	0.42
10,622' - 10,624'	2'	12	0.39	*9,702' - 9,704'	2'	12	0.42	*8,920' - 8,922'	2'	12	0.42
10,550' - 10,552'	2'	12	0.39	*9,452' - 9,454'	2'	12	0.42	*8,510' - 8,512'	2'	12	0.42
10,498' - 10,500'	2'	12	0.39	*9,298' - 9,300'	2'	12	0.42	*8,308' - 8,310'	2'	12	0.42
10,440' - 10,442'	2'	12	0.39	*9,200' - 9,202'	2'	12	0.42				
10,408' - 10,410'	2'	12	0.39	*9,112' - 9,114'	2'	12	0.42				
10,346' - 10,348'	2'	12	0.39	*9,006' - 9,008'	2'	12	0.42				
10,328' - 10,330'	2'	12	0.39								

REPORT AMENDED TO ADD ADDITIONAL PERFORATIONS (*) TO THE WELLBORE SHOT 5/29/11-5/30/11, ADD PUMPING UNIT

NOTE: No tubing in well. 4-1/2" liner is tied back to surface (4-1/2", 13.5#, P-110, CDC)

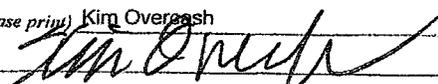
33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Kim Overcash

Title Project Manager

Signature 

Date 02/16/2012

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Continued on page 3)

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: UTU-76580
2. NAME OF OPERATOR: Stone Energy Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 625 E. Kaliste Saloom Road CITY Lafayette STATE LA ZIP 70508		7. UNIT or CA AGREEMENT NAME: Threemile Unit UTU-84722X
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,140' FSL, 1,925' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 12 29S 21E S		8. WELL NAME and NUMBER: Threemile 12-7
PHONE NUMBER: (303) 350-0409		9. API NUMBER: 4303750001
COUNTY: San Juan		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

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

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

The Threemile 12-7 well was completed 1/13/11 as a producing oil well from the Pennsylvanian Cane Creek formation, with a BHL of 2,401' FSL, 1,593' FWL Section 7, T29S, R22E. The Bureau of Land Management approved paying well status and the Initial Cane Creek Participating Area A surrounding the well was approved 11/18/11. A DOGM production summary is attached. Initial SITP was 4150#, pressure gradient from mud weight is .76 psi/ft.

The only other well in T29S, R21E is the non-commercial Whiting Hatch Point #1, NESE Section 14, T29S, R21E producing from the Mississippian Leadville formation. Cumulative production is 6,215 BO, 11,551 MCFG and 344 BW since completion on 6/30/1992. A DOGM production summary of this vertical well is attached. Pressures - IFP 483#, ISIP 2423#, FSIP 1650#, pressure gradient from mud weight is .67 psi/ft.

The only other well in T29S, R22E is the non-commercial Whiting Threemile 43-18H is located 1,857' FSL, 771' FEL (NESE) Section 18 (SHL); the BHL is 2,386' FNL, 682' FEL (SENE) Section 7, both in T29S, R22E, producing from the Cane Creek formation. The Bureau of Land Management approved non-paying well status for this well on 9/21/2009. Reported cumulative production is 13,218 BO, 1,821 MCFG and 62,778 BW since its completion in 8/16/2009. A DOGM production summary of this horizontal well is attached. Initial SITP 3950#, estimated pressure gradient from mud weight is .73/psi/ft.

This well is not located on a known geologic structure.

NAME (PLEASE PRINT) Kent S. Davis TITLE Consulting Landman
SIGNATURE [Signature] DATE 2/16/2012

REQUEST DENIED

Utah Division of
Oil, Gas and Mining

CC: Shandra Winters
Utah State Tax Commission

COPY SENT TO OPERATOR

Date: 3/1/2012

Date: 3-13-2012

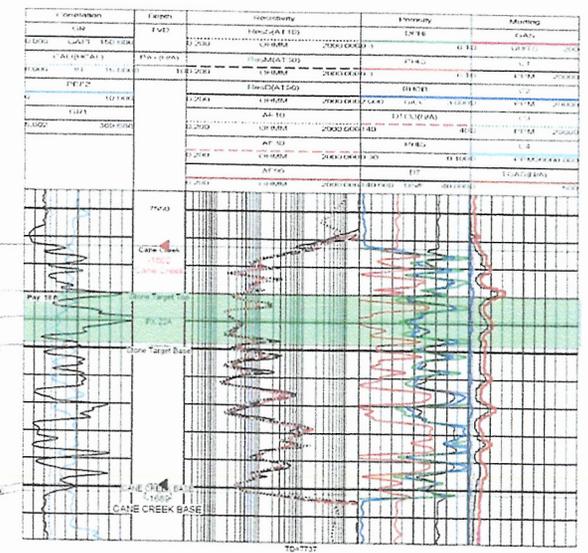
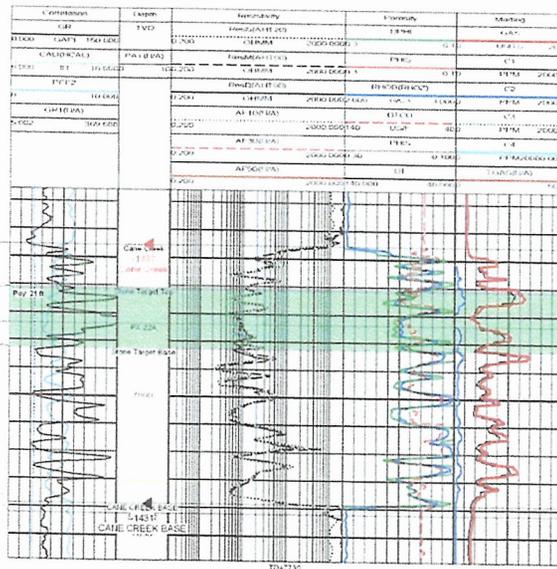
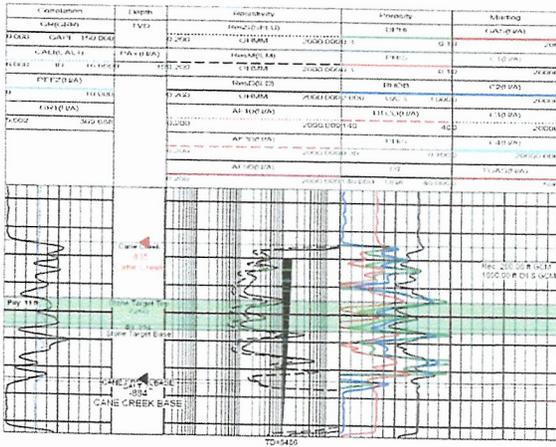
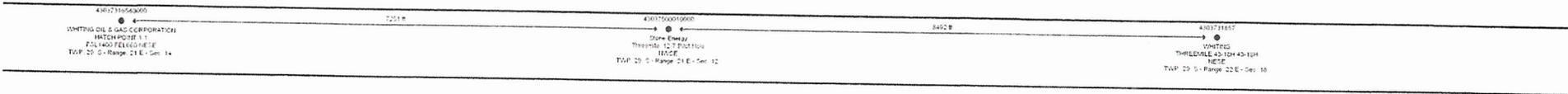
By: [Signature]

Initials: KS

* See attached Wildcat Statement of Basis

Hatch Point Area Cross Section

Whiting Hatch Point #1 – Stone Energy #12-7 – Whiting #43-18 (Cane Creek Pay Zone Shown in Light Green)



DST in Cane Creek recovered 200' GCM, 1000' GOCM Pressures: IFP 483 ISIP 2423 FSIP 1650
Estimated pressure gradient from mud weight .67 psi/ft

Mississippian Leadville Produced
6,215 BO, 344 BW

Initial SITP 4150#
Estimated pressure gradient from mud weight .76 psi/ft

Cane Creek Produced
24,152 BO, 0 BW

Initial SITP 3950#
Estimated pressure gradient from mud weight .73 psi/ft

Cane Creek Produced
13,218 BO, 62,778 BW

Current Well Data:

API Well Number: Export to CSV Export to PDF Decline Curve
 Operator:
 Well Name:
 Well Type: Well Status:
 County Name:
 Field Name:
 Location (Twp-Rng): Section:

Cumulative Oil Production: Cumulative Natural Gas Production: Cumulative Water Production:

- Oil volumes are reported in barrels (BBLS). One barrel = 42 U.S. gallons.

- Natural Gas volumes are reported in thousand cubic feet (MCF). One MCF = 1,000 cubic feet; One thousand MCF = 1,000,000 cubic feet.

- Water volumes are reported in Barrels (BBLS).

Monthly Production Data:

(Click on any column header to sort data)

Click on [Entity](#) to Open Disposition Data

API Well Number	Report Period	Operator	Formation	Entity	Days Produced	OIL (Bbls)	GAS (Mcf)	WATER (Bbls)	Well Status	Well Type
43-037-50001	12/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	31	3210	600	0	Producing	Oil Well
43-037-50001	11/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	23	2853	903	0	Producing	Oil Well
43-037-50001	10/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	4	71	0	0	Producing	Oil Well
43-037-50001	9/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	15	2285	843	0	Producing	Oil Well
43-037-50001	8/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	3	106	85	0	Producing	Oil Well
43-037-50001	7/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	31	3051	1325	0	Producing	Oil Well
43-037-50001	6/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	30	1782	1550	0	Producing	Oil Well
43-037-50001	5/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	4	703	469	0	Producing	Oil Well
43-037-50001	4/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	22	3532	2195	0	Producing	Oil Well
43-037-50001	3/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	11	3342	2412	0	Producing	Gas Well
43-037-50001	2/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	0	0	0	0	Shut-In	Oil Well
43-037-50001	1/1/2011	STONE ENERGY CORPORATION	CANE CREEK	17837	1	3217	0	0	Producing	Oil Well

DIVISION OF OIL, GAS AND MINING
Wildcat Well Determination
STATEMENT OF BASIS

Applicant: STONE ENERGY CORPORATION

Location: NWSE Sec 12 T29S, R21E San Juan County, Utah

WELL NAME: THREEMILE 12-7 **API #:** 43-037-50001

FINDINGS

1. This well was completed on January 13, 2011 in the Cane Creek formation. Pipe was set at Total Depth on December 10, 2010.
2. The Threemile 43-18H wells bottom hole, located within 1 mile of the subject well surface and bottom hole, was drilled and tested in 2009 and produced out of the Cane Creek formation.
3. This well was < 1 mile from known production in the Cane Creek Formation at the time of the completion and the start of production.
4. This wells bottom hole is approximately 0.6 miles from the Threemile 43-18H wells bottom hole that is still producing out of the Cane Creek formation.
5. This well is approximately 1,410' from the western edge of Cause No. 166-03 that was approved by the Board of Oil, Gas and Mining on November 23, 2009 at the request of Whiting Oil and Gas Corporation. The Order defines Sections 7 (E ½) 8 (W ½ W ½) 17 (W ½ W ½) and 18 (E ½) as a constituted pool for the Cane Creek formation. Testimony given at the hearing states that the Cane Creek formation under the entire Threemile Unit is a common cumulation of oil or a known pool. All evidence that has been shown points to the subject well as producing out of the same formation as the Threemile 43-18H. No justification was provided, despite evidence of being in the same geological structure, as qualifying as a wildcat.
6. The provided shut-in tubing pressures show the reservoir pressures between the Threemile 43-18H well and the Subject Well are similar, suggesting that the two wells are likely in the same reservoir.

CONCLUSIONS

Based on the findings above the Division has determined the Threemile 12-7 well was drilled into a known producing area for the Cane Creek Formation. The Threemile 43-18H well in this area was drilled and later granted a 960 acre spacing order as defined within Cause No. 166-03. The Threemile 12-7 wells bottom hole is just 1,410' from the edge of Cause No. 166-03. The subject well was drilled less than one mile from the Threemile 43-18H wells bottom hole. No information was provided in the application that supported the subject well as being drilled in a separate pool.

Therefore, the Division finds that this well does not qualify for the severance tax exemption under Section 59-5-102(2)(d) for wildcat wells.

This determination was made in accordance with Oil and Gas General Conservation Rule R649-3-35. If the operator disagrees with this determination, the decision may be appealed to the Board of Oil Gas and Mining.

Reviewer(s): Dustin K. Doucet *DKD*

Date: 3/1/2012

Joshua J. Payne Date: 2/29/2012

THIS REQUEST FOR WILDCAT WELL DESIGNATION IS BEING DENIED.

[Signature]

March 1, 2012

Utah Division of Oil, Gas and Mining

ATTACHMENT A

1 Mile Area of Review

API	WELL_NAME	Well Status	QTR	Sect	Town	Range	Cum Oil	Cum Gas	Field Type	Surface Dx From Well(ft)	Bottom Hole Dx from Well BH (ft)	Rotar Spud	Date TD Reached	Date First Produced	Producing Formation	Depth TD
4303750001	Threemile 12-7	POW	NWSE	12	290S	210E	24152	10382	D	0	0		12/10/2010	1/13/2011	CANE CREEK	10724/7661
4303731857	THREEMILE 43-18H	POW	NESE	18	290S	220E	13218	1821	W	7750	3106		4/11/2009	5/14/2009	CANE CREEK	13475/7499

STONE ENERGY 1 MILE AREA OF REVIEW

Legend

Wells Query Events

✕ <all other values>

GIS_STAT_TYPE

■ <Null>

◆ APD

⊙ DRL

✂ GI

⊛ GS

✕ LA

⊕ NEW

△ OPS

⊙ PA

⊛ PGW

● POW

⊙ RET

⊛ SGW

● SOW

✂ TA

○ TW

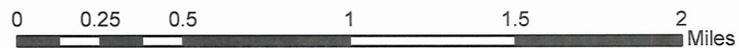
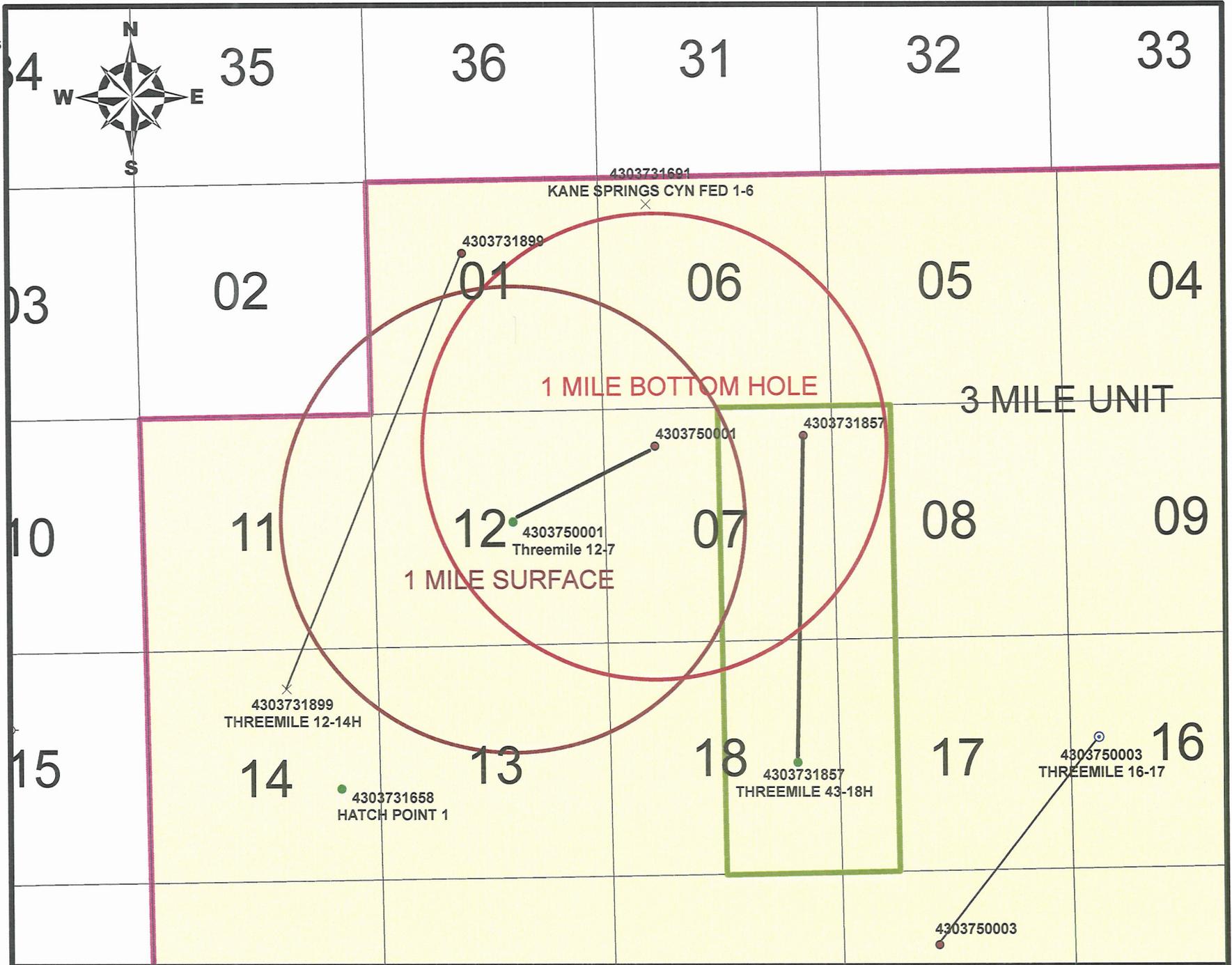
✂ WD

✂ WI

● WS

□ Section

▭ Units





P.O. Box 52807
Lafayette, Louisiana 70505
625 East Kaliste Saloom Road
Lafayette, Louisiana 70508
Telephone: (337) 237-0410
Fax: (337) 521-9900

VIA EXPRESS MAIL

February 17, 2012

Mr. Dustin Doucet, Petroleum Engineer
Department of Natural Resources
P.O. Box 145801
Salt Lake City, UT 84114-5801

43 037 50001

**Re: Sundry Notice (Form 9)
Request for Wildcat Status
Threemile 12-7 Well
SHL NWSE Section 12, T29S, R21E
San Juan County, Utah**

**RECEIVED
FEB 21 2012**

DIV. OF OIL, GAS & MINING

Dear Mr. Doucet:

Attached for your handling are the following items:

1. Form 9 Sundry Notice requesting Wildcat Status for the Threemile 12-7 well
2. Amended Completion Report dated 2/16/12 for the Threemile 12-7 well, original completion reports for the Hatch Point #1 and Threemile 43-18H wells.
3. Threemile Unit land plat showing the locations of the three wells discussed in the Sundry Notice
4. Geologic Cross-Section of the three wells
5. State of Utah DOGM Production summaries of the three wells

The amended Completion Report reports that more perforations were added and that a pumping unit has been installed; the amended Completion Report will be filed concurrently with the BLM offices in Salt Lake City and Moab, and the DOGM with this request.

The Sundry Notice also reports some water production from the Threemile 12-7 well, which was inadvertently not included in Stone's previous production reports to State of Utah. Stone is in the process of correcting the reports with State of Utah.

If you have any questions, please contact the undersigned at (303) 350-0409 or at davisks@stonenergy.com. Thank you in advance for your assistance.

Sincerely,

Kent S. Davis
Consulting Landman

Enclosures

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **11/1/2013**

FROM: (Old Operator): Stone Energy Corporation (N2745) PO BOX 52807 LAFAYETTE, LA 70505 Phone: 1 (337) 521-2114	TO: (New Operator): Fidelity E&P Company (N3155) 1700 Lincoln Street Denver, CO 80203 Phone: 1 (303) 893-3133
--	---

WELL NAME	CA No.	SEC	TWN	RNG	Unit:	API NO	Entity NO	Threemile Unit	LEASE TYPE	WELL TYPE	WELL STATUS
THREEMILE 16-17	16	290S	220E			4303750003	17984		State	OW	OPS
Threemile 12-7	12	290S	210E			4303750001	17837		Federal	OW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 2/6/2014
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/26/2014
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/26/2014
- a. Is the new operator registered in the State of Utah: Business Number: 4917099-0143
- a. (R649-9-2)Waste Management Plan has been received on: Yes
- b. Inspections of LA PA state/fee well sites complete on: N/A
- c. Reports current for Production/Disposition & Sundries on: 2/6/2014
- 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: BLM Not Yet BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 2/26/2014
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/26/2014
- Bond information entered in RBDMS on: 2/26/2014
- Fee/State wells attached to bond in RBDMS on: 2/26/2014
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
- Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 190-018-958
- Indian well(s) covered by Bond Number: N/A
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 190017646/104891324
- b. The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** 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:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: See attached Exhibit
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: See attached Exhibit
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.		7. UNIT or CA AGREEMENT NAME: See attached Exhibit
		8. WELL NAME and NUMBER: See attached Exhibit
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	9. API NUMBER: See attach	
2. NAME OF OPERATOR: Fidelity Exploration & Production Company		10. FIELD AND POOL, OR WILDCAT: See attached Exhibit
3. ADDRESS OF OPERATOR: 1700 Lincoln St CITY Denver STATE CO ZIP 80203	PHONE NUMBER: (303) 893-3133	

4. LOCATION OF WELL
FOOTAGES AT SURFACE: See attached Exhibit for all wells and details COUNTY: San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH

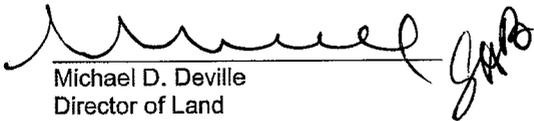
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

Effective November 1, 2013, Stone Energy Corporation resigned as Operator of the wells listed on the attached Exhibit and Fidelity Exploration & Production Company has been designated as successor Operator. Utah State Bond number 190-018-958 will be used to cover operations by Fidelity Exploration & Production Company.

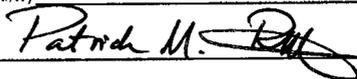
Stone Energy Corporation


Michael D. Deville
Director of Land

RECEIVED

FEB 06 2014

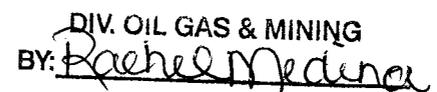
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Patrick M. Rutty	TITLE Vice President - Exploration/New Ventures
SIGNATURE 	DATE 1/31/2014

(This space for State use only)

APPROVED

FEB 26 2014

DIV. OIL GAS & MINING
BY: 

Exhibit

Wells

Field	Well Name	API Number	Unit Name	Unit Number	Footages	Qtr-Qtr	Section	Township	Range	County	State
Hatch Point	La Sal 29-28	43-037-50002	LaSal Unit	UTU-87718X	743 FSL 738 FEL	SESE	26	29S	23E	San Juan	Utah
Hatch Point	Threemile 12-7	49-037-50001	Threemile Unit	UTU-84722X	2140 FSL 1925 FEL	NWSE	12	29S	21E	San Juan	Utah
Hatch Point	Threemile 16-17	43-037-50003	Threemile Unit	UTU-84722X	2319 FSL 843 FWL	NWSW	16	29S	22E	San Juan	Utah

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76580
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: THREEMILE
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: Threemile 12-7
2. NAME OF OPERATOR: FIDELITY E&P COMPANY	9. API NUMBER: 43037500010000
3. ADDRESS OF OPERATOR: 1801 California St. Ste 2500 , Denver, CO, 80202	PHONE NUMBER: 713 351-1968 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2140 FSL 1925 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 12 Township: 29.0S Range: 21.0E Meridian: S	9. FIELD and POOL or WILDCAT: HATCH POINT 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 Approximate date work will start: 7/15/2014 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

Fidelity Expl & Prod Co proposes the following procedure: MIRU workover rig. Pull and L/D artificial lift equipment. Run 7" bit and scraper in casing to liner top. Run 4 1/2" bit and scraper in liner to well TD. MU and run TCP gun system to perforate selectively from 8050'-10,678' at 6 spf. Set production packer in 7" at ~7500' and test. MU and run 2 7/8" production BHA. Connect to production packer, land tubing and pressure test. MU and test tree. RDMO workover rig. MI test equipment, connect, and pressure test. Fire TCP guns. Evaluate well response and begin flow testing well.

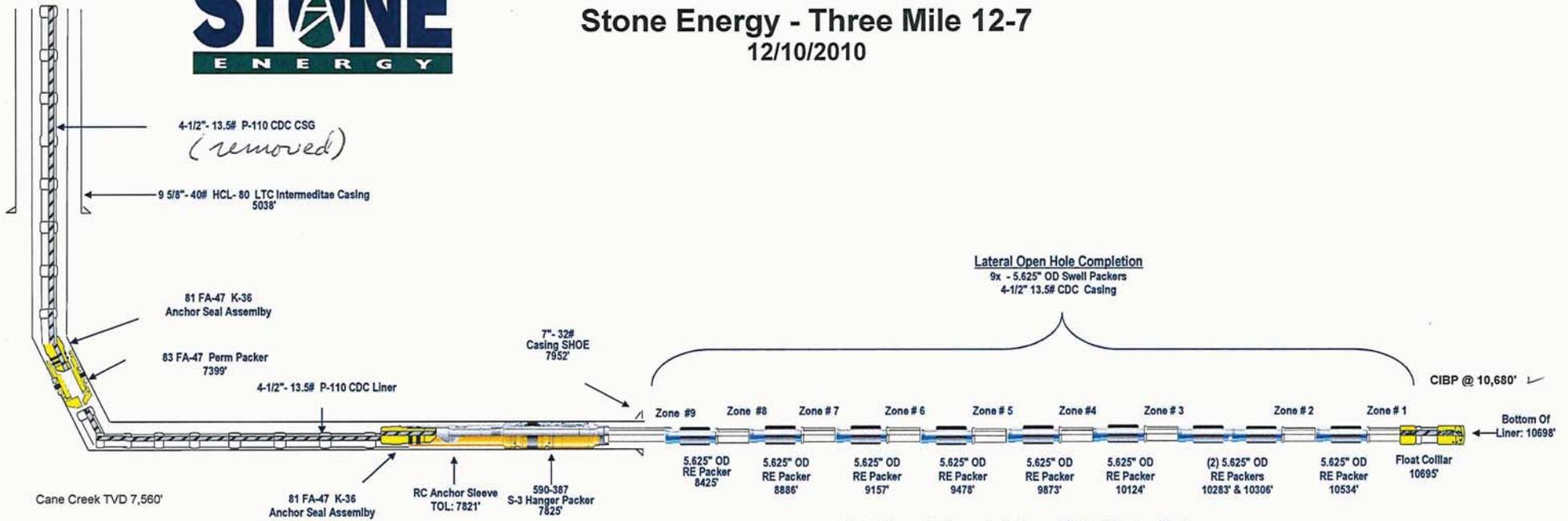
**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 June 17, 2014**

Date: _____
 By: Derek Quist

NAME (PLEASE PRINT) Sandi Stocker	PHONE NUMBER 720 931-9637	TITLE Engineering Tech
SIGNATURE N/A	DATE 6/4/2014	



Stone Energy - Three Mile 12-7
12/10/2010



Note: Above depths are to the tops of 6' Swell Packer Elastomers

ZONE#	9	8	7	6	5	4	3	2	1
			9,112 - 9,114'					10,436 - 10,500'	
			9,006 - 9,008'	9,452 - 9,454'				10,442 - 10,442'	
			8,980 - 8,982'	9,298 - 9,300'				10,408 - 10,410'	10,650 - 10,652'
			8,510 - 8,512'	8,920 - 8,922'	9,200 - 9,202'	9,702 - 9,704'	9,990 - 9,992'	10,328 - 10,330'	10,622 - 10,624'
PERFS							None		10,550 - 10,522'

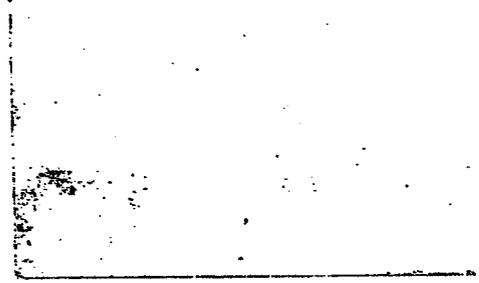
DATE: 8-20-14 COMPANY: Fidelity REG. Number: M38 WELL NAME & #: Three mile 12-7

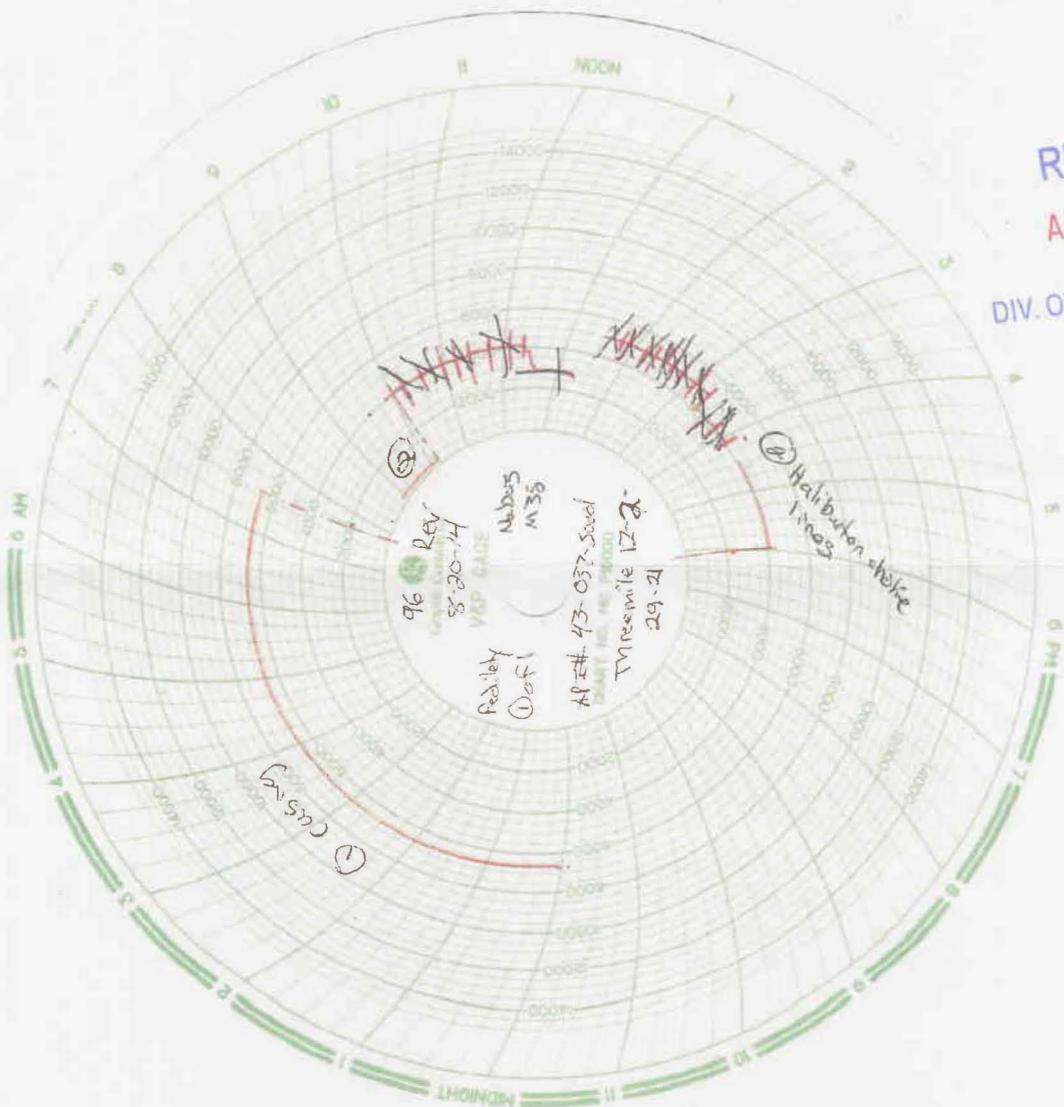
Time	Test No.	43 037 50001	12 29S 21E	Result
3:44 AM OPMO	1	Casing 6600psi @ 30min		Pass <input type="checkbox"/> Fail <input type="checkbox"/>
4:56 AM OPMO	2	Wellbore lines 250psi @ 5min 4000psi @ 10min		Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	3			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	4			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	5			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	6			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	7			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	8			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	9			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	10			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	11			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	12			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	13			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	14			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	Retest			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	Retest			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	Retest			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	Retest			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	Retest			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	Retest			Pass <input type="checkbox"/> Fail <input type="checkbox"/>
AM OPMO	Retest			Pass <input type="checkbox"/> Fail <input type="checkbox"/>

RECEIVED
AUG 25 2014
DIV. OF OIL, GAS & MINING

Acc. Tank Size (Inches) (W D L) + 231 = gal

East Springs, WY (307) 382-3359
BOP TESTING, CASING TESTING, LEAK OFF TESTING, &
INTEGRITY TESTING
NIPPLE UP CREWS, NITROGEN CHARGING SERVICE





RECEIVED
 AUG 25 2014
 DIV. OF OIL, GAS & MINING

96 Rev
 8-20-14
 VAP GATE
 Mudos
 M38
 Redibly
 ① Defl
 AP# 43-037-Sound
 Tiremile 12-2
 29-21

② Halibuton choke
 lines

① Gas 300

771

WALKER INSPECTION,LLC.
REBEL TESTING · EAGER BEAVER TESTERS
WYOMING · COLORADO · NORTH DAKOTA

Daily JSA/Observation Report

RECEIVED

AUG 25 2014

OPERATOR: Fidelity

DATE: 8-20-14

LOCATION: _____

CONTRACTOR: Nabors DIV. OF OIL, GAS & MINING

EMPLOYEE NAME: J. Agsten

High Pressure Testing

COMMENTS: Test CAS reg to 6600 psi for 30 min test Halliburton lines to 150psi/min 4000psi @ 10 min.

Working Below Platform

Requires PPE

Fill in if: Overhead Work is Occurring

Fill in if: Confined Spaces are Involved

Fill in if: Set up of Containment

Fill in if: Using Rig Hoist to Lift Tools

Fill in if: Other: _____

SIGNATURE: [Signature]

DATE: 8-20-14

WALKER INSPECTION, LLC. AND AFFILIATES

ATTENDANCE:

<u>[Signature]</u>		
<u>Bob [Signature]</u>		
<u>Tyler [Signature]</u>		

Observation Report

EMPLOYEE REPORTING: J. Agsten

SIGNATURE: [Signature]

Was job set up and performed correctly and to best of companies ability? Y N

Was all safety equipment used correctly by all involved? Y N

Any incidents or near misses to report about WI? Y N

Any incidents or near misses to report in general? Y N

Any spills or environmental issues to report? Y N

Basic Comments: Made sure halliburton hand knows.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76580	
SUNDRY NOTICES AND REPORTS ON WELLS		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
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.		7. UNIT or CA AGREEMENT NAME: THREEMILE	
1. TYPE OF WELL Oil Well		8. WELL NAME and NUMBER: Threemile 12-7	
2. NAME OF OPERATOR: FIDELITY E&P COMPANY		9. API NUMBER: 43037500010000	
3. ADDRESS OF OPERATOR: 1801 California St. Ste 2500 , Denver, CO, 80202	PHONE NUMBER: 713 351-1968 Ext	9. FIELD and POOL or WILDCAT: HATCH POINT	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2140 FSL 1925 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 12 Township: 29.0S Range: 21.0E Meridian: S		COUNTY: SAN JUAN	
		STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/27/2014 <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input checked="" type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
<p>Produced water generated from this well is disposed of either at the Fidelity-operated Kane Springs 16-1 injection well or the commercial Danish Flats facility in Grand County, Utah.</p>			
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY October 29, 2014</p>			
NAME (PLEASE PRINT) Sandi Stocker	PHONE NUMBER 720 931-9637	TITLE Engineering Tech	
SIGNATURE N/A		DATE 10/27/2014	

Division of Oil, Gas and Mining
 Operator Change/Name Change Worksheet-for State use only

Effective Date: 3/1/2016

FORMER OPERATOR: Fidelity E&P Company N3155 1801 Californina Street, Suite 2500 Denver, CO 80202	NEW OPERATOR: Wesco Operating, Inc. N4030 PO Box 1650 Casper, WY 82602
CA Number(s):	Unit(s): Cane Creek Threemile

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attached List									

OPERATOR CHANGES DOCUMENTATION:

- Sundry or legal documentation was received from the **FORMER** operator on: 4/12/2016
- Sundry or legal documentation was received from the **NEW** operator on: 4/12/2016
- New operator Division of Corporations Business Number: 8742016-0143

REVIEW:

- Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: 4/12/2016
- Receipt of Acceptance of Drilling Procedures for APD on: 4/12/2016
- Reports current for Production/Disposition & Sundries: 4/19/2016
- OPS/SI/TA well(s) reviewed for full cost bonding: 4/19/2016
- UIC5 on all disposal/injection/storage well(s) approved on: 4/13/2016
- Surface Facility(s) included in operator change: Blue Hills Gas Plant
Dead House Lateral Pipeline
Dubinky Booster Station
Long Canyon Facility
- Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB0000685
- Indian well(s) covered by Bond Number: N/A
- State/fee well(s) covered by Bond Number(s): RLB0016443

DATA ENTRY:

- Well(s) update in the **OGIS** on: 4/21/2016 ✓
- Entity Number(s) updated in **OGIS** on: 4/21/2016
- Unit(s) operator number update in **OGIS** on: 4/21/2016
- Surface Facilities update in **OGIS** on: 4/21/2016
- State/Fee well(s) attached to bond(s) in **RBDMS** on: 4/21/2016
- Surface Facilities update in **RBDMS** on: 4/21/2016

LEASE INTEREST OWNER NOTIFICATION:

- The **NEW** operator of the Fee (Mineral) 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:

From: Fidelity Exploration Production Comany N3155

To: Wesco Operating, Inc. N4030

Effective: 3/1/2016

Well Name	Section	TWN	RNG	API Numner	Entity	Mineral	Surface	Type	Status	Unit
KANE SPRINGS 16-1	16	250S	180E	4301931341	11484	State	State	WD	A	CANE CREEK
CANE CREEK UNIT 2-2-25-18	2	250S	180E	4301950044		State	State	OW	APD	CANE CREEK
Cane Creek Unit 25-1-25-19	25	250S	190E	4301950048		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 6-1-25-19	6	250S	190E	4301950052		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 29-1-25-19	29	250S	190E	4301950053		Federal	Federal	OW	APD	CANE CREEK
Cane Creek 10-1-25-19	10	250S	190E	4301950054		Federal	Federal	OW	APD	
Cane Creek Unit 30-1-25-19	30	250S	190E	4301950055		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 19-2-26-20	19	260S	200E	4301950056		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 14-1-25-19	14	250S	190E	4301950057		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 2-3-25-18	2	250S	180E	4301950058		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 16-3-25-18	16	250S	180E	4301950059		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 19-1-25-19	19	250S	190E	4301950060		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 32-2-25-19	32	250S	190E	4301950061		State	State	OW	APD	CANE CREEK
Cane Creek Unit 17-1-25-19	17	250S	190E	4301950062		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 16-4-25-18	16	250S	180E	4301950063		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 2-4-25-18	2	250S	180E	4301950064		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 5-1-25-18	5	250S	180E	4301950065		Federal	Federal	OW	APD	CANE CREEK
8-2-26-20	8	260S	200E	4301950068		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 19-3-26-20	19	260S	200E	4301950069		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 21-1-25-19	21	250S	190E	4301950070		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 12-2-26-19	12	260S	190E	4301950071		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 26-4-25-19	26	250S	190E	4301950072		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 21-1-25-18	21	250S	180E	4301950073		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 9-1-25-18	9	250S	180E	4301950074		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 7-1-25-19	7	250S	190E	4301950075		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 5-2-25-18	5	250S	180E	4301950076		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 7-1-25-18	7	250S	180E	4301950077		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 13-1-25-18	13	250S	180E	4301950078		Federal	Federal	OW	APD	CANE CREEK
Three Mile Unti 12-3-29-21	12	290S	210E	4303750070		Federal	Federal	OW	APD	THREEMILE
Three Mile Unit 16-2-29-22	16	290S	220E	4303750071		Federal	State	OW	APD	THREEMILE
Cane Creek Unit 7-2-26-20	7	260S	200E	4301950051	19706	Federal	Federal	OW	OPS	CANE CREEK
THREEMILE 16-17	16	290S	220E	4303750003	17984	State	State	OW	OPS	THREEMILE
Three Mile Unit 12-2-29-21	12	290S	210E	4303750069	19646	Federal	Federal	OW	OPS	THREEMILE
KANE SPRINGS FED 27-1	27	250S	190E	4301931310	14505	Federal	Federal	OW	P	CANE CREEK
KANE SPRINGS FED 19-1A	19	260S	200E	4301931324	14505	Federal	Federal	OW	P	CANE CREEK
KANE SPRINGS FED 10-1	10	250S	180E	4301931331	14509	Federal	Federal	OW	P	CANE CREEK
KANE SPRINGS FED 25-19-34-1	34	250S	190E	4301931334	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK 2-1	2	260S	190E	4301931396	14505	State	State	OW	P	CANE CREEK
CANE CREEK UNIT 12-1	12	260S	190E	4301950009	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT 7-1	7	260S	200E	4301950010	18923	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT# 26-2	26	250S	190E	4301950011	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT #18-1	18	260S	200E	4301950012	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK U #13-1	13	260S	190E	4301950014	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT 26-3	26	250S	190E	4301950019	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT 28-2	28	250S	190E	4301950020	18681	Federal	Federal	OW	P	
Cane Creek Unit 17-1	17	260S	200E	4301950028	18980	Federal	Federal	OW	P	CANE CREEK
Cane Creek Unit 36-1	36	250S	190E	4301950030	14505	State	State	OW	P	CANE CREEK
Cane Creek Unit 36-2H	36	250S	190E	4301950033	14505	State	State	OW	P	CANE CREEK
Cane Creek Unit 24-2H	24	260S	190E	4301950034	19342	Federal	Federal	OW	P	CANE CREEK
Cane Creek Unit 36-3H	36	250S	190E	4301950035	19528	State	State	OW	P	CANE CREEK
CANE CREEK UNIT 2-1-25-18	2	250S	180E	4301950036	19343	Federal	State	OW	P	CANE CREEK
Cane Creek Unit 32-1-25-19	32	250S	190E	4301950037	19396	State	State	OW	P	
Cane Creek Unit 28-3	28	250S	190E	4301950045	19767	Federal	Federal	OW	P	CANE CREEK
Cane Creek 32-1-25-20	32	250S	200E	4301950049	19588	State	State	OW	P	
HATCH POINT 1	14	290S	210E	4303731658	11356	Federal	Federal	OW	P	
THREEMILE 43-18H	18	290S	220E	4303731857	17276	Federal	Federal	OW	P	
LONG CANYON 1	9	260S	200E	4301915925	674	Federal	Federal	OW	S	
CANE CREEK 1-1	1	260S	190E	4301931446	14505	Federal	Federal	OW	S	CANE CREEK

From: Fidelity Exploration Production Company N3155

To: Wesco Operating, Inc. N4030

Effective: 3/1/2016

CANE CREEK 24-1	24	260S	190E	4301931447	14505	Federal	Federal	OW	S	CANE CREEK
CANE CREEK 8-1	8	260S	200E	4301931449	16464	Federal	Federal	OW	S	CANE CREEK
Cane Creek Unit 18-2	18	260S	200E	4301950027	14505	Federal	Federal	OW	S	CANE CREEK
Cane Creek Unit 17-2	17	260S	200E	4301950032	14505	Federal	Federal	OW	S	CANE CREEK
Cane Creek 36-1-25-18	36	250S	180E	4301950038	19440	State	State	OW	S	
CHEVRON FED 1	24	290S	230E	4303730005	975	Federal	Federal	OW	S	
Threemile 12-7	12	290S	210E	4303750001	17837	Federal	Federal	OW	S	THREEMILE
LA SAL 29-28	29	290S	230E	4303750002	17920	Federal	Federal	OW	S	
CANE CREEK UNIT 16-2-25-18	16	250S	180E	4301950046	19512	State	State	OW	TA	CANE CREEK

WESCO OPERATING, INC.

O I L & G A S O P E R A T I O N S

April 8, 2016

John Rogers
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210 Box 145801
Salt Lake City, Utah 84114

RECEIVED
APR 12 2016
DIV. OF OIL, GAS & MINING

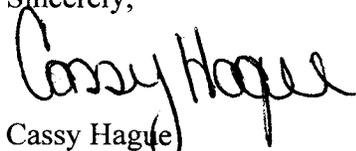
RE: Change of Operator

- A) Wells
 - B) APD'S
 - C) Dubinky Booster Station
 - D) Blue Hills Gas Plant
 - E) Dead Horse Lateral Pipeline
 - F) Authority to Inject
- Sundry Notices

Dear John Rodgers,

Please find enclosed the following documents from Fidelity Exploration & Production Company to Wesco Operating, Inc for your further handing. If you have any further questions please contact us..

Sincerely,



Cassy Hague
307-577-5337

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:
See Attached Exhibit

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
See Attached Exhibit

7. UNIT or CA AGREEMENT NAME:
See Attached Exhibit

8. WELL NAME and NUMBER:
See Attached Exhibit

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:
See Attached Exhibit

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:
Fidelity Exploration & Production Company

3. ADDRESS OF OPERATOR:
1801 California St., STE 250 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 893-3133

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **See attached exhibit for all wells and details** COUNTY: **Grand**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: **UTAH**

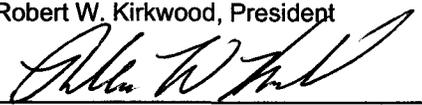
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>3/1/2016</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<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 March 1, 2016, Fidelity Exploration & Production Company (Operator Number N1355) resigns as Operator of the wells listed on the attached exhibit and Wesco Operating, Inc. has been designated as successor Operator.

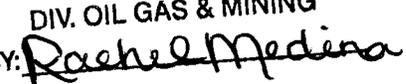
Wesco Operating, Inc.
P.O. Box 1650
Casper, Wyoming 82602
Phone 307-265-5178

Fidelity Exploration & Production Company
1801 California Street, Suite 2500
Denver, Colorado 80202
Phone 303-893-3133

Wesco Operating, Inc.
Robert W. Kirkwood, President

Signature

NAME (PLEASE PRINT) Darwin Subart TITLE Chief Financial Officer
SIGNATURE  DATE 4/4/2016

(This space for State use only) **BLM:**

APPROVED
APR 21 2016
DIV. OIL GAS & MINING
BY: 

Fidelity Exploration & Production Company Paradox Well & APD List

<u>Entity #</u>	<u>API #</u>	<u>Permitted Well Name</u>	<u>AKA Well Name</u>	<u>Township</u>	<u>Range</u>	<u>Section(s)</u>	<u>County</u>	<u>State</u>	<u>Mineral</u>	<u>Surface</u>	<u>Well Type</u>	<u>Well Status</u>
14506	4301931310	KANE SPRINGS FED 27-1	KANE SPRINGS FED 27-1-25-19	25S	19E	27	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301931324	KANE SPRINGS FED 19-1A	KANE SPRINGS FED 19-1A-ST-26-20	26S	20E	19	GRAND	UT	Federal	Federal	OW	P ✓
14509	4301931331	KANE SPRINGS FED 10-1	KANE SPRINGS FED 10-1-25-18	25S	18E	10	GRAND	UT	Federal	Federal	OW	P ✓
14506	4301931334	KANE SPRINGS FED 25-19-34-1	KANE SPRINGS FED 25-19-34-1	25S	19E	34	GRAND	UT	Federal	Federal	OW	P ✓
	4301931341	KANE SPRINGS 16-1-25-18	Disposal Well	25S	18E	16	GRAND	UT	State	State	SWD	P ✓
14505	4301931396	CANE CREEK 2-1	CANE CREEK UNIT 2-1-26-19	26S	19E	2	GRAND	UT	State	State	OW	P ✓
14505	4301931446	CANE CREEK 1-1	CANE CREEK UNIT 1-1-26-19	26S	19E	1	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301950009	CANE CREEK UNIT 12-1	CANE CREEK UNIT 12-1-26-19	26S	19E	12	GRAND	UT	Federal	Federal	OW	P ✓
18923	4301950010	CANE CREEK UNIT 7-1	CANE CREEK UNIT 7-1-26-20	26S	20E	7	GRAND	UT	Federal	Federal	OW	P ✓
14506	4301950011	CANE CREEK UNIT# 26-2	CANE CREEK UNIT 26-2-25-19	25S	19E	26	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301950012	CANE CREEK UNIT #18-1	CANE CREEK UNIT 18-1-26-20	26S	20E	18	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301950014	CANE CREEK U #13-1	CANE CREEK UNIT 13-1-26-19	26S	19E	13	GRAND	UT	Federal	Federal	OW	P ✓
14506	4301950019	CANE CREEK UNIT 26-3	CANE CREEK UNIT 26-3-25-19	25S	19E	26	GRAND	UT	Federal	Federal	OW	P ✓
18681	4301950020	CANE CREEK UNIT 28-2	CANE CREEK UNIT 28-2-25-19	25S	19E	28	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301950027	Cane Creek Unit 18-2	CANE CREEK UNIT 18-2-26-20	26S	20E	18	GRAND	UT	Federal	Federal	OW	P ✓
18980	4301950028	Cane Creek Unit 17-1	CANE CREEK UNIT 17-1-26-20	26S	20E	17	GRAND	UT	Federal	Federal	OW	P ✓
19057	4301950030	Cane Creek Unit 36-1	CANE CREEK UNIT 36-1-25-19	25S	19E	36	GRAND	UT	State	State	OW	P ✓
14505	4301950032	Cane Creek Unit 17-2	CANE CREEK UNIT 17-2-26-20	26S	20E	17	GRAND	UT	Federal	Federal	OW	P ✓
19527	4301950033	Cane Creek Unit 36-2H	CANE CREEK UNIT 36-2H-25-19	25S	19E	36	GRAND	UT	State	State	OW	P ✓
19342	4301950034	Cane Creek Unit 24-2H	CANE CREEK UNIT 24-2-26-19	26S	19E	24	GRAND	UT	Federal	Federal	OW	P ✓
19528	4301950035	Cane Creek Unit 36-3H	CANE CREEK UNIT 36-3H-25-19	25S	19E	36	GRAND	UT	State	State	OW	P ✓
19396	4301950037	Cane Creek Unit 32-1-25-19	CANE CREEK UNIT 32-1-25-19	25S	19E	32	GRAND	UT	State	State	OW	P ✓
19767	4301950045	Cane Creek Unit 28-3	CANE CREEK UNIT 28-3-25-19	26S	19E	28	GRAND	UT	Federal	Federal	OW	P ✓
19588	4301950049	Cane Creek 32-1-25-20	CANE CREEK 32-1-25-20	25S	20E	32	GRAND	UT	State	State	OW	P ✓
11356	4303731658	HATCH POINT 1	HATCH POINT FEDERAL 1	29S	21E	14	SAN JUAN	UT	Federal	Federal	OW	P ✓ 26-P
17276	4303731857	THREEMILE 43-18H	THREEMILE UNIT 43-18H-29-22	29S	22E	18	SAN JUAN	UT	Federal	Federal	OW	P ✓
19706	4301950051	Cane Creek Unit 7-2-26-20	CANE CREEK UNIT 7-2-26-20	26S	20E	7	GRAND	UT	Federal	Federal	OW	OPS ✓
17984	4303750003	THREEMILE 16-17	THREEMILE UNIT 16-17-29-22	29S	22E	16	SAN JUAN	UT	State	State	OW	OPS ✓ 3 OPS
19646	4303750069	Three Mile Unit 12-2-29-21	THREE MILE UNIT 12-2-29-21	29S	21E	12	SAN JUAN	UT	Federal	Federal	OW	OPS ✓
19343	4301950036	CANE CREEK UNIT 2-1-25-18	CANE CREEK UNIT 2-1-25-18	25S	18E	2	GRAND	UT	Federal	State	OW	TA ✓ 2TA
19512	4301950046	CANE CREEK UNIT 16-2-25-18	CANE CREEK UNIT 16-2-25-18	25S	18E	16	GRAND	UT	State	State	OW	TA ✓
674	4301915925	LONG CANYON 1	LONG CANYON 1	26S	20E	9	GRAND	UT	Federal	Federal	OW	S ✓
14505	4301931447	CANE CREEK 24-1	CANE CREEK UNIT 24-1-26-19	26S	19E	24	GRAND	UT	Federal	Federal	OW	S ✓
16464	4301931449	CANE CREEK 8-1	CANE CREEK UNIT 8-1-26-20	26S	20E	8	GRAND	UT	Federal	Federal	OW	S ✓
19440	4301950038	Cane Creek 36-1-25-18	CANE CREEK 36-1-25-18	25S	18E	36	GRAND	UT	State	State	OW	S ✓
975	4303730005	CHEVRON FED 1	CHEVRON FEDERAL 1H	29S	23E	24	SAN JUAN	UT	Federal	Federal	OW	S ✓ 7-S
17837	4303750001	Threemile 12-7	THREEMILE UNIT 12-7-29-21	29S	21E	12	SAN JUAN	UT	Federal	Federal	OW	S ✓
17920	4303750002	LA SAL 29-28	LA SAL UNIT 29-28-29-23	29S	23E	29	SAN JUAN	UT	Federal	Federal	OW	S ✓
	4301950044	CANE CREEK UNIT 2-2-25-18		250S	180E	2	GRAND	UT	State	State	OW	APD ✓
	4301950048	Cane Creek Unit 25-1-25-19		250S	190E	25	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950052	Cane Creek Unit 6-1-25-19		250S	190E	6	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950053	Cane Creek Unit 29-1-25-19		250S	190E	29	GRAND	UT	Federal	Federal	OW	APD ✓ 2APD
	4301950054	Cane Creek 10-1-25-19		250S	190E	10	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950055	Cane Creek Unit 30-1-25-19		250S	190E	30	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950056	Cane Creek Unit 19-2-26-20		260S	200E	19	GRAND	UT	Federal	Federal	OW	APD ✓

<u>Entity #</u>	<u>API #</u>	<u>Permitted Well Name</u>	<u>AKA Well Name</u>	<u>Township</u>	<u>Range</u>	<u>Section(s)</u>	<u>County</u>	<u>State</u>	<u>Mineral</u>	<u>Surface</u>	<u>Well Type</u>	<u>Well Status</u>
4301950057		Cane Creek Unit 14-1-25-19		250S	190E	14	GRAND	UT	Federal	Federal	OW	APD ✓
4301950058		Cane Creek Unit 2-3-25-18		250S	180E	2	GRAND	UT	Federal	State	OW	APD ✓
4301950059		Cane Creek Unit 16-3-25-18		250S	180E	16	GRAND	UT	Federal	State	OW	APD ✓
4301950060		Cane Creek Unit 19-1-25-19		250S	190E	19	GRAND	UT	Federal	Federal	OW	APD ✓
4301950061		Cane Creek Unit 32-2-25-19		250S	190E	32	GRAND	UT	State	State	OW	APD ✓
4301950062		Cane Creek Unit 17-1-25-19		250S	190E	17	GRAND	UT	Federal	Federal	OW	APD ✓
4301950063		Cane Creek Unit 16-4-25-18		250S	180E	16	GRAND	UT	Federal	State	OW	APD ✓
4301950064		Cane Creek Unit 2-4-25-18		250S	180E	2	GRAND	UT	Federal	State	OW	APD ✓
4301950065		Cane Creek Unit 5-1-25-18		250S	180E	5	GRAND	UT	Federal	Federal	OW	APD ✓
4301950068		8-2-26-20		260S	200E	8	GRAND	UT	Federal	Federal	OW	APD ✓
4301950069		Cane Creek Unit 19-3-26-20		260S	200E	19	GRAND	UT	Federal	Federal	OW	APD ✓
4301950070		Cane Creek Unit 21-1-25-19		250S	190E	21	GRAND	UT	Federal	Federal	OW	APD ✓
4301950071		Cane Creek Unit 12-2-26-19		260S	190E	12	GRAND	UT	Federal	Federal	OW	APD ✓
4301950072		Cane Creek Unit 26-4-25-19		250S	190E	26	GRAND	UT	Federal	Federal	OW	APD ✓
4301950073		Cane Creek Unit 21-1-25-18		250S	180E	21	GRAND	UT	Federal	Federal	OW	APD ✓
4301950074		Cane Creek Unit 9-1-25-18		250S	180E	9	GRAND	UT	Federal	Federal	OW	APD ✓
4301950075		Cane Creek Unit 7-1-25-19		250S	190E	7	GRAND	UT	Federal	Federal	OW	APD ✓
4301950076		Cane Creek Unit 5-2-25-18		250S	180E	5	GRAND	UT	Federal	Federal	OW	APD ✓
4301950077		Cane Creek Unit 7-1-25-18		250S	180E	7	GRAND	UT	Federal	Federal	OW	APD ✓
4301950078		Cane Creek Unit 13-1-25-18		250S	180E	13	GRAND	UT	Federal	Federal	OW	APD ✓
4303750070		Three Mile Unti 12-3-29-21		290S	210E	12	SAN JUAN	UT	Federal	Federal	OW	APD ✓
4303750071		Three Mile Unit 16-2-29-22		290S	220E	16	SAN JUAN	UT	Federal	State	OW	APD ✓
4301950036		CANE CREEK UNIT 2-1-25-18H2		25S	18E	2	GRAND	UT	Federal	State	OW	APD ✓

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

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	See attached well list
API number:	
Location:	Qtr-Qtr: Section: Township: Range:
Company that filed original application:	Fidelity Exploration & Production Company
Date original permit was issued:	
Company that permit was issued to:	Fidelity Exploration & Production Company

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. _____	<input type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Robert W. Kirkwood Title President
 Signature *Robert W. Kirkwood* Date 4/4/10
 Representing (company name) Wesco Operating, Inc.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

Fidelity Exploration & Production Company Paradox APD List

<u>Date Issued</u>	<u>API #</u>	<u>Permitted Well Name</u>	<u>Township</u>	<u>Range</u>	<u>Section(s)</u>	<u>County</u>	<u>State</u>	<u>Mineral</u>	<u>Surface</u>	<u>Well Type</u>	<u>Well Status</u>
3/4/2014	4301950044	CANE CREEK UNIT 2-2-25-18	250S	180E	2	GRAND	UT	State	State	OW	APD
2/19/2015	4301950048	Cane Creek Unit 25-1-25-19	250S	190E	25	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950052	Cane Creek Unit 6-1-25-19	250S	190E	6	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950053	Cane Creek Unit 29-1-25-19	250S	190E	29	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950054	Cane Creek 10-1-25-19	250S	190E	10	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950055	Cane Creek Unit 30-1-25-19	250S	190E	30	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950056	Cane Creek Unit 19-2-26-20	260S	200E	19	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950057	Cane Creek Unit 14-1-25-19	250S	190E	14	GRAND	UT	Federal	Federal	OW	APD
7/21/2014	4301950058	Cane Creek Unit 2-3-25-18	250S	180E	2	GRAND	UT	Federal	State	OW	APD
8/6/2014	4301950059	Cane Creek Unit 16-3-25-18	250S	180E	16	GRAND	UT	Federal	State	OW	APD
8/6/2014	4301950060	Cane Creek Unit 19-1-25-19	250S	190E	19	GRAND	UT	Federal	Federal	OW	APD
9/22/2014	4301950061	Cane Creek Unit 32-2-25-19	250S	190E	32	GRAND	UT	State	State	OW	APD
7/30/2014	4301950062	Cane Creek Unit 17-1-25-19	250S	190E	17	GRAND	UT	Federal	Federal	OW	APD
8/12/2014	4301950063	Cane Creek Unit 16-4-25-18	250S	180E	16	GRAND	UT	Federal	State	OW	APD
9/24/2014	4301950064	Cane Creek Unit 2-4-25-18	250S	180E	2	GRAND	UT	Federal	State	OW	APD
9/2/2014	4301950065	Cane Creek Unit 5-1-25-18	250S	180E	5	GRAND	UT	Federal	Federal	OW	APD
11/25/2014	4301950068	8-2-26-20	260S	200E	8	GRAND	UT	Federal	Federal	OW	APD
12/19/2014	4301950069	Cane Creek Unit 19-3-26-20	260S	200E	19	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950070	Cane Creek Unit 21-1-25-19	250S	190E	21	GRAND	UT	Federal	Federal	OW	APD
1/13/2015	4301950071	Cane Creek Unit 12-2-26-19	260S	190E	12	GRAND	UT	Federal	Federal	OW	APD
1/13/2015	4301950072	Cane Creek Unit 26-4-25-19	250S	190E	26	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950073	Cane Creek Unit 21-1-25-18	250S	180E	21	GRAND	UT	Federal	Federal	OW	APD
1/20/2015	4301950074	Cane Creek Unit 9-1-25-18	250S	180E	9	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950075	Cane Creek Unit 7-1-25-19	250S	190E	7	GRAND	UT	Federal	Federal	OW	APD
1/20/2015	4301950076	Cane Creek Unit 5-2-25-18	250S	180E	5	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950077	Cane Creek Unit 7-1-25-18	250S	180E	7	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950078	Cane Creek Unit 13-1-25-18	250S	180E	13	GRAND	UT	Federal	Federal	OW	APD
7/8/2014	4303750070	Three Mile Unti 12-3-29-21	290S	210E	12	SAN JUAN	UT	Federal	Federal	OW	APD
10/2/2014	4303750071	Three Mile Unit 16-2-29-22	290S	220E	16	SAN JUAN	UT	Federal	State	OW	APD
12/16/2014	4301950036	Cane Creek Unit 2-1-25-18 H2	25S	18E	2	GRAND	UT	Federal	State	OW	APD

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-90108
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER: Blue Hills Gas Plant
9. API NUMBER:
10. FIELD AND POOL, OR WILDCAT:

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 <u>Blue Hills Gas Plant</u>
2. NAME OF OPERATOR: Fidelity Exploration & Production Company
3. ADDRESS OF OPERATOR: 1801 California St., STE 2500 CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>
PHONE NUMBER: (303) 893-3133

4. LOCATION OF WELL FOOTAGES AT SURFACE:	COUNTY: <u>Grand</u>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:	STATE: <u>UTAH</u>

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: <u>3/1/2016</u>	<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 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 March 1, 2016, Fidelity Exploration & Production Company (Operator Number N1355) resigns as Operator of the Blue Hills Gas Plant located in T23S-R19E, Sections 20, 29. Wesco Operating, Inc. has been named as successor Operator.

Wesco Operating, Inc.
P.O Box 1650
Casper, Wyoming 82602
Phone 307-265-5178

Fidelity Exploration & Production Company
1801 California Street, Suite 2500
Denver, Colorado 80202
Phone 303-893-3133

Wesco Operating, Inc.
Robert W. Kirkwood, President

Signature *Robert W. Kirkwood*

NAME (PLEASE PRINT) <u>Darwin Subart</u>	TITLE <u>Chief Financial Officer</u>
SIGNATURE <u><i>Darwin Subart</i></u>	DATE <u>4/14/2016</u>

(This space for State use only)

APPROVED

APR 21 2016

DIV. OIL GAS & MINING
BY: *Rachael Medina*

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

		5. LEASE DESIGNATION AND SERIAL NUMBER:
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Compressor Booster Station</u>		8. WELL NAME and NUMBER: Dubinky Booster Station
2. NAME OF OPERATOR: Fidelity Exploration & Production Company		9. API NUMBER:
3. ADDRESS OF OPERATOR: 1801 California St., STE 2500 CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>		10. FIELD AND POOL, OR WLD/CAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE:		COUNTY: <u>Grand</u>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <u>UTAH</u>

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: <u>3/1/2016</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<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.

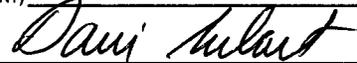
Effective March 1, 2016, Fidelity Exploration & Production Company (Operator Number N1355) resigns as Operator of the Dubinky Booster Station located along Dubinky Road, approximately 18 miles northwest of Moab, 599142 E 4280872 N UTM Zone 12, NAD83. Wesco Operating, Inc. has been named as successor Operator.

Wesco Operating, Inc.
P.O. Box 1650
Casper, Wyoming 82602
Phone 307-265-5178

Fidelity Exploration & Production Company
1801 California Street, Suite 2500
Denver, Colorado 80202
Phone 303-893-3133

Wesco Operating, Inc.
Robert W. Kirkwood, President

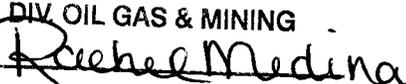

Signature

NAME (PLEASE PRINT) <u>Darwin Subart</u>	TITLE <u>Chief Financial Officer</u>
SIGNATURE 	DATE <u>4/4/2016</u>

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APPROVED

APR 21 2016

DIV OIL GAS & MINING
BY: 

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

UIC FORM 5

TRANSFER OF AUTHORITY TO INJECT

Well Name and Number Kane Springs 16-1	API Number 4301931341
Location of Well Footage : 960' FSL 1960' FWL County : Grand	Field or Unit Name Cane Creek
QQ, Section, Township, Range: SESW 16 25 18 State : UTAH	Lease Designation and Number ML-44333

EFFECTIVE DATE OF TRANSFER: 3/1/2016

CURRENT OPERATOR

Company: <u>Fidelity Exploration & Production Company</u>	Name: <u>Darwin Subart</u>
Address: <u>1801 California Street, Suite 2500</u>	Signature: <u><i>Darwin Subart</i></u>
city <u>Denver</u> state <u>CO</u> zip <u>80202</u>	Title: <u>Chief Financial Officer</u>
Phone: <u>(303) 893-3133</u>	Date: <u>4/4/2016</u>
Comments:	

NEW OPERATOR

Company: <u>Wesco Operating, Inc.</u>	Name: <u>Robert W. Kirkwood</u>
Address: <u>P.O. Box 1650</u>	Signature: <u><i>Robert W. Kirkwood</i></u>
city <u>Casper</u> state <u>WY</u> zip <u>82602</u>	Title: <u>President</u>
Phone: <u>(307) 265-5178</u>	Date: <u>4/7/16</u>
Comments:	

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Transfer approved by: *Don Jamn* Approval Date: 4/13/16
Title: UIC Geologist

Comments: