Suite 440 / 57 West South Temple
Salt Lake City, Utah 84101
Bus. Tel: (801) 359-3575
Res. Tel: (801) 295-1870

President: W. Don Quigley
Vice President: Margaret Quigley
Secretary: Sherrill L. Bateman

December 12, 1980

U. S. Geological Survey
Area Manager
701 Comino Del Rio
Durango, Colorado 81301

Bureau of Land Management
District Office
Box 970
Moab, Utah 84532

Dear Sirs:

Megadon Energy Corporation is planning to drill additional wells on the Lion Mesa Unit, San Juan County, Utah to test the Hermosa (Pennsylvanian) and Leadville (Mississippian) formations for oil and/or gas production. The designation and approximate location of these wells are as follows:

Lion Mesa #5-28: SE.NE. Section 28, T 27S, R 21E.
Lion Mesa #6-31: SE.NE. Section 31, T 27S, R 21E.
Lion Mesa #7-35: SE.NW. Section 35, T 27S, R 21E.
Lion Mesa #8-1: SW.NE. Section 1, T 28S, R 20E.
Lion Mesa #9-33: SE.NE. Section 33, T 27S, R 21E.

The approximate locations for these wells are shown on the attached map.

Permission to survey the locations for the above wells is hereby requested. Your early reply will be appreciated.

RECEIVED
DEC 15 1980
DIVISION OF
OIL, GAS & MINING

Sincerely yours,

W. Don Quigley
President

Enclosure

PROGNOSIS FOR
MEGADON ENERGY CORPORATION
LION MESA #5-28 WELL
SE. NE SECTION 28 -27S-21E.
SAN JUAN COUNTY, UTAH

LOCATION: SE. NE. Section 28., T 27S, R 21E., S.L.M., San Juan County, Utah (1960' from N-line and 680' from E-line)

ELEVATION: 5515' Grd; 5535' K.B.

SURFACE CASING: One joint of conductor pipe (13 5/8" or equivalent) will be set and cemented manually at the surface; then a 12¼" hole will be drilled to a depth of 1000' for the surface casing. 1000 ft. of 9 5/8", 36.00#, K-55 casing will be set and cemented with 300 sks. of reg. cement w/3% CaCl, with returns to the surface. Casing will be set with a Texas shoe and six (6) centralizers. A casing head, Series 900 with No. 10 flange, will be installed on top of the casing. The cement will be allowed 12 hours to set before nippling up.

EXPECTED FORMATION TOPS:

Formation	Depth to Top	Thickness	Datum
Navajo	Surface	170'	5535' K.B.
Kayenta	170'	10'	5365'
Wingate	180'	420'	5355'
Chinle	600'	365'	4935'
Shinarump	965'	40'	4570'
Moenkopi	1005'	890'	4530'
Cutler	1895'	810'	3640'
Rico	2705'	395'	2830'
Hermosa (Upper)*	3000'	1450'	2535'
Paradox Salt*	4450'	3135'	1085'
Pinkerton Trail*	7585'	165'	-2050'
Molas	7750'	10'	-2115'
Mississippian*	7760'	—	-2125'
Total Depth	8100'		

*Formations with possible hydrocarbons present.

1. It is planned to set and cement one jt of 13 5/8" casing for a conductor and then to drill a 12¼" surface hole for the surface casing to a depth of about 1000'. (This depth will be sufficient to set the casing thru the Shinarump formation for the protection of possible uranium mines in the area.) Casing, 9 5/8", 36.00#, K-55, R-3, will be run and cemented with 300 sks of cement with returns to the surface. The surface hole will be drilled with air and air mist and a deviation of no more than 2° will be maintained. A casing head, Series 900, will be mounted on top of the casing and a blowout preventer with hydraulically operated blind and pipe rams, and a hydril, will be mounted on the casing head. Fill and kill lines will be connected thru a manifold to the casing head below the blind rams. As soon as the cement plug is drilled out of the surface casing, the B.O.P. and hydril and surface casing will be tested to 2000#.for leaks.

2. A 8 3/4" hole will then be drilled below the surface casing to a depth of about 6000', using air and/or air mist for circulation. At this point, the air system is to be changed over to a salt base mud to permit drilling the salt section below. All subsequent shows of hydrocarbons will be drill-stem-tested. Particular attention will be given to the Cane Creek zone near the base of the salt section. This zone can be productive and is very susceptible to formation damage by the drilling fluids and cement. No barite (barium sulfate) is to be used at any time, if it can possibly be avoided.

3. The hole will be kept straight by stabilization or thru drilling methods. Deviation surveys will be taken at 600' intervals. Maximum deviation will be kept below 6°, if possible, and the maximum drift between surveys will be 2°.

4. Samples of the cuttings will be taken at 30-ft. intervals, beginning at 800', and continuing to a depth of about 6000' or when conversion to mud drilling is begun, then 10' samples will be taken.

5. The well will be drilled to a depth which is at least 300 ft. below the top of the Mississippian formation or to good commercial production. In the event of good production before the Mississippian is reached, the drilling may be discontinued at this point and 5½" casing run to permit drilling deeper at a

later date. The mud program will be supervised by the company representative.

6. At total depth, the well will be logged electrically; and a Gamma-Induction log and a Gamma-Density-CNL log will be run.

7. If production is obtained in the Mississippian, casing, 5½", 20.00#, N-80, R-3 will be run from about 8000' to about 4000' and 5½", 17.00# casing will be run from 4000' to surface, and cemented with about 200 sks of RFC cement and 1000 sks of Pozmix (50-50) light cement w/5% salt, 5% gilsonite, and 6% sand. Sufficient cement to cover the salt section will be used.

8. A gamma-cement bond log will be run and the production zone perforated, 2 3/8" tubing run, and completed conventionally. It may be necessary to break down the formation with a weak acid treatment which would be swabbed out immediately after treatment.

9. The drilling of this well shoud take about one month and completion work should take about ten days.

W. Don Quigley

W. Don Quigley
MEGADON ENERGY CORPORATION
Suite 440, 57 W. So. Temple
Salt Lake City, Utah 84101

N T L - 6 P L A N R E P O R T

For

Well Name: LION MESA #5-28 WELL

Location: SE. NE. Sec. 28-27S-21E, S.L.M., San Juan County, Ut

1. Existing Roads: (See attached Maps)

A. Well Location: (See Plat #1)

Reference Stakes: 200 ft N-S-E-W

Perimeter Stakes: Reference stakes also mark perimeter of well pa

B. Route and Distance to Well Site From Reference Point: (See att. map
Take Hwy 163 south from Moab for 31 miles to Canyon Rim Road, thence northwest on Canyon Rim Road for 30 miles, thence ¼ mile W. on new r to location.

C. Access Roads (Identify secondary roads to be used): (See att. maps)
The Canyon Rim Road is an improved all weather road and is less than mile from the well site. All other roads in the area are unimprove trails and have a natural base of sand, gravel and rock.

D. Roads Within 3 mile Radius: (See att. maps) See above. The last ¼ mile of access road will be new and will be a 25-ft. wide dozed path across natural surface. All other roads in the 3-mile radius (excep the Canyon Rim Rd) are trails and unimproved. The new well roads are improved, 25 40' wide, crowned and ditched.

Surface type and conditions: The surface of the new road will be sand, silt, and some gravel. The main road (Canyon Rim Rd) is gravell ditched, and is an all-weather road.

E. Roads Within 1 mile Radius: (See att. maps) See 1-D Above.
See Above

F. Plans for Road Improvement & Maintenance: No improvement or maintainance is required initially. In the event of production, the new access road will be ditched, crowned, and gravelled if required for

F. all weather use. Drain-outs will be provided where needed, and the road will be cut to the bottom of the shallow washes. The Canyon Rim=BLM road will be graded, smoothed, and packed where needed.

2. Planned Access Roads: (See att. maps) Approx. ¼ mile of new road - built across fairly flat ground.

(1) Width: Maximum disturbed width of 25 ft.

(2) Maximum Grades: 6% or less

(3) Turnouts: None required

(4) Drainage Design: None required initially

(5) Location and Size of Culverts, Cuts, and Fills: No deep cuts or fills will be required. The road is along a gentle slope and crosses no washes.

(6) Surfacing Material: Natural surface of sand, silt, and gravel

(7) Gates, Cattleguards, or Fence Cuts: None required.

(8) All new roads have been flagged as required.

3. Location of Existing Wells: (See Map No. 2) One well (27-1A) is located about 4000' southeast of location.

(1) Water Wells: None

(2) Abandoned Wells: One within a two-mile radius

(3) Temporarily Abandoned Wells: None

(4) Disposal Wells: None

(5) Drilling Wells: None

(6) Producing Wells: One well, #27-1A, located 3/4 mile southeast

(7) Shut-in Wells: None

(8) Injection Wells: None

(9) Monitoring or Observation Wells: None

4. Location of Existing and/or Proposed Facilities:

A. Within 1-mile radius of location show the following existing facilities owned or controlled by lessee/operator:

(1): Tank Batteries: (Size) One tank battery (2 - 400 bbl) located on pad for #27-1A well, 3/4 mile southeast

(2) Production Facilities: One well head and Xmas tree at #27-1A.

(3) Oil gathering lines: 3" lines (buried) on well pad.

(4) Gas gathering lines: None

(5) Injection lines: None

(6) Disposal lines: None

(7) Are lines buried? Yes

B. If new facilities are contemplated, in the event of production, show: (These facilities depend on the outcome of the proposed well and are really unknown at this time.) Show a general proposed plan. (See Plat No. 2)

(1) Are any facilities planned off well pad? None at this time. In the event of gas production, a pipeline leading to the main gas line at Lisbon will have to be constructed, bu this will be applied for at a later date.

(2) Give dimensions of facilities: See Plat #2

(3) Construction methods and materials: Tank batteries, painted light tan, will be placed on gravel pads and surrounded by a 3' high dike which is 15' from the sides of the tanks. Heater-treaters and pump jacks, if required, will be placed on concrete blocks or raised dirt and gravel pads. All pipe lines on the pad will be buried. Unused portions of the pad will be graded and reseeded. Any fluid pit will be diked and neatly contoured.

(4) Protective measures for livestock and wildlife: All open pits will be fenced with barbed wire, 4 strands, and covered with steamers to protect animals and birds. Pump jacks or rotating machinery will have guards to prevent danger of moving parts.

C. Plan for rehabilitation of disturbed areas no longer needed after drilling operations are completed: Well site will be cleaned, levelled, and graded for production equipment; pits folded-in or

C. fenced with barbed wire if full of fluid before rig is removed. While production ensues, previous areas of the well pad not needed for production operations will be restored as in Item 10 below. Cleaning the site and pit work will be done within 30 days after the well is completed, if possible.

5. Location & Type of Water Supply: (See att. maps)

A. Type of Water Supply: Water hole. A water hole about 1 mile north of Hatch Rock on the County road will be used for the water supply (See Map #1). This is a private water hole owned by a lady in Moab. Permit to use the water held by Liquid Transport.

B. Method of Transporting Water: The water will be hauled by truck from the water well. This is a distance of about 20 miles.

C. Is Water Well Planned? No new water well.
If so, describe location, depth and formation: _____

6. Source of Construction Materials:

A. See attached map and describe: None needed

B. Identify if Federal, Indian, or Fee Land: _____

C. Describe Material: (Where from and how used) _____

D. See item 1-C and 2 above.

7. Waste Disposal:

(1) Cuttings: Cuttings will be deposited into the reserve pit.
(2) Drilling Fluids: In mud tanks; excess put into reserve pit.
(3) Producing Fluids (oil or water) Oil in tanks; water in reserve pit.
(4) Human Waste: Toilet with pit (4' deep) with lime for odor and sanitation control. Will be covered with soil (3' deep) at end of operation.

prior to commencement of drilling

(5) Garbage & Other Waste: (Burn pit will be adequately fenced with chicken wire to prevent scattering of debris by wind) Into burn pit (14'X12'X6' deep) and burned periodically. The burn pit will be approx. placed 125' from well head.

(6) Clean-up: (See item 10 below) All garbage and unburned debris will be buried by at least 3' of cover after the drilling and completion operations are finished. The unused material and all equipment will be removed from the site and taken to supply yards or to the next drill site, as soon as the well is completed.

8. Airstrips and/or Camp Sites (Describe): None needed.

9. Well Site Layout: (See Plat No. 3)

(1) Describe cuts or fills: The location is on a gentle sand slope which slopes to the south. The east and south sides are the low sides and these sides will be built up by about 3'. The top sand will be pushed to all sides and will be piled off the location; thus more stable soil or (pg 7)

(2) Describe pits, living facilities, soil stockpiles: The surface sand (12 to 24") will be piled on all sides of the location. The sand reserve pit will be on the south side and excavated material will be piled around the sides. At least ½ of the depth of the pit will be in native soil and rock thus making the pit stable and less likely to leak. The reserve pit will be fenced on 3 sides with 4 strands of barbed wire prior to (pg. 7)

(3) Rig Orientation, Pipe rack, Access Road Entrance, etc.: (See Plat #3)

(4) Are Pits Lined? Unlined with 6' banks.

10. Plans For Restoration:

A. If Well is completed: Site will be cleaned, debris removed, pits folded-in or fenced with woven wire if full of fluid, and site levelled for production equipment. All unused portions will be contoured, graded, scarred, and seeded with wheat and rice grass or acceptable seed mix authorized by BLM. This seed will be drilled & sown at a depth of ½".

B. If Well is abandoned:

(1) Clean-up, levelling, folding pits-in, contouring: These items will be done as soon as possible. Clean-up will be accomplished at

B. (1) the time the rig is removed. The reserve pit, if full of fluid, the 4th side will be fenced immediately and fluid allowed to evaporate before folding-in. The rest of the work will be done within 10-60 days after the well is completed.

(2) Seeding location and access road: Site will be scarred with a dozer or spike tooth drag and the grass seed or seed mix authorized by BLM will be drilled to a depth of ½". The access road, if no longer needed, will be erased, scarred, and seeded as above. Water bars will be placed where needed.

(3) Will pits be fenced or covered? If there is any amount of fluid in the reserve pit, it will be fenced with barbed wire before rig is released and remain fenced until the fluid evaporates.

(4) Is there any oil in reserve pit? Should be none.
If so, describe disposal: If there is any amount of oil in the pit, it will be pumped out and removed before covering the pit.

(5) When will restoration work be done? As soon as possible. Within 60 days after equipment is removed, if weather and availability of clean-up equipment permit, and will be completed within 10 days thereafter.

11. Description of Land Surface:

(1) Topography & Surface Vegetation: Location is on a gentle sand slope with a deep canyon about ¼ mile to the south. The surface is sand. The vegetation is black bush, sage brush and sparse grass, with three cedar trees on the site area.

(2) Other Surface Activities & Ownership: There are no continuous activities in the area. Occasional site-seers and tourists visit the camp grounds and Anticline Loockout at the end of Hatch Pt. This is federal land and oil and gas leases have been granted to various oil companies. Diamond Shamrock has the lease under the drill site.

(3) Describe other dwellings, archaeological, historical, or cultural sites: Tourist attractions are in the nearby area. These are the Hatch Pt. Camp sites and Anticline Loockout. There are no known archaeological sites or exhibits on or near the drill site. Some cattle grazing by local ranches have been allowed in the past. Other wells have been drilled in the general area in the past. One other well is currently operating. An archaeological report is being prepared and will be submitted separately. A few antelope, deer, coyotes, jack rabbits, and bull snakes constitute most (pg7)

12. Operators Representative: (Address & Phone number)
W. Don Quigley, Ste. 440, 57 West South Temple, SLC., Utah 84101
801-359-3575

13. Certification:

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

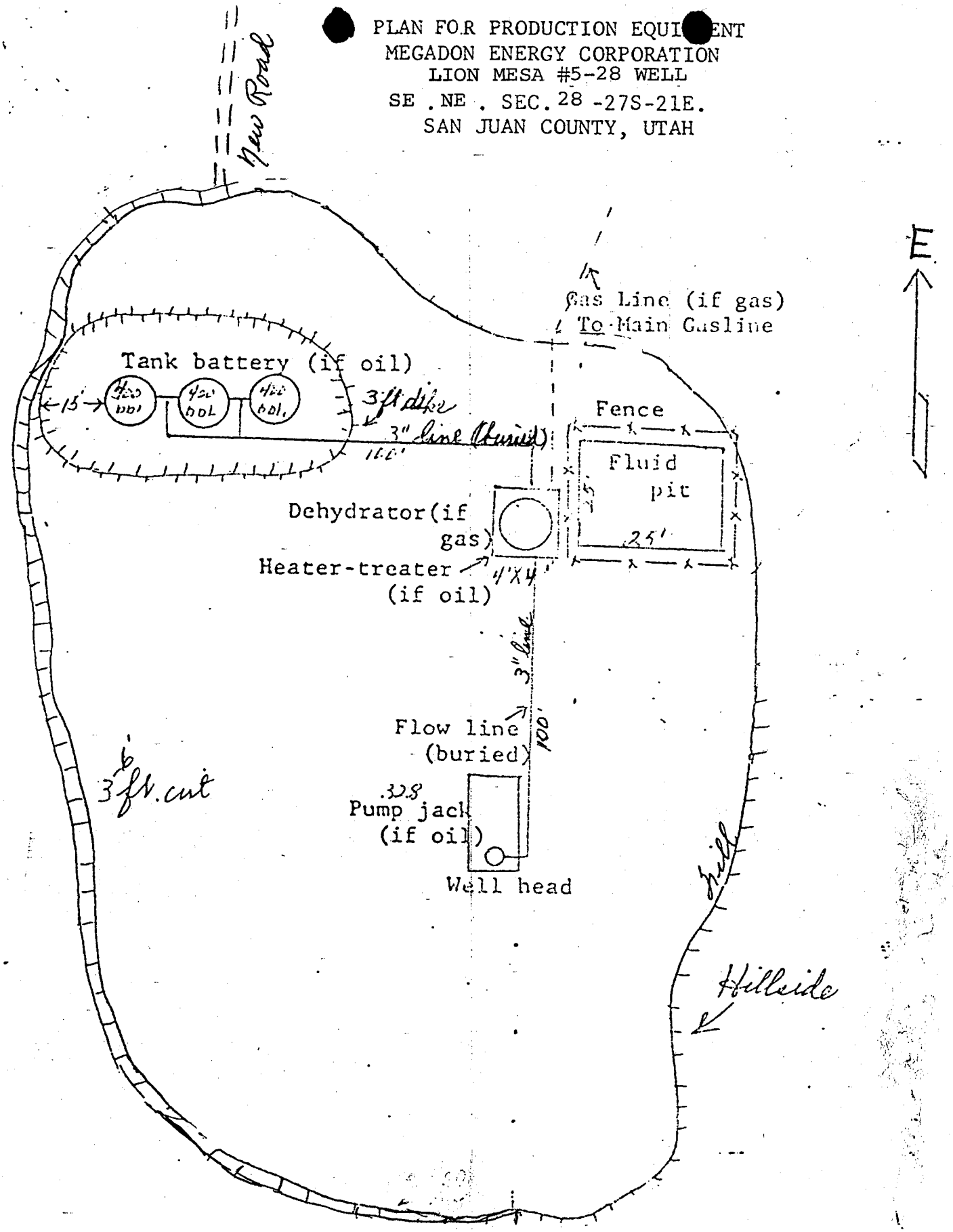
Date: FEBRUARY 20, 1981 Name: H. Don Quigley

Title: PRESIDENT

#9. (1): material can be used to over build the location.

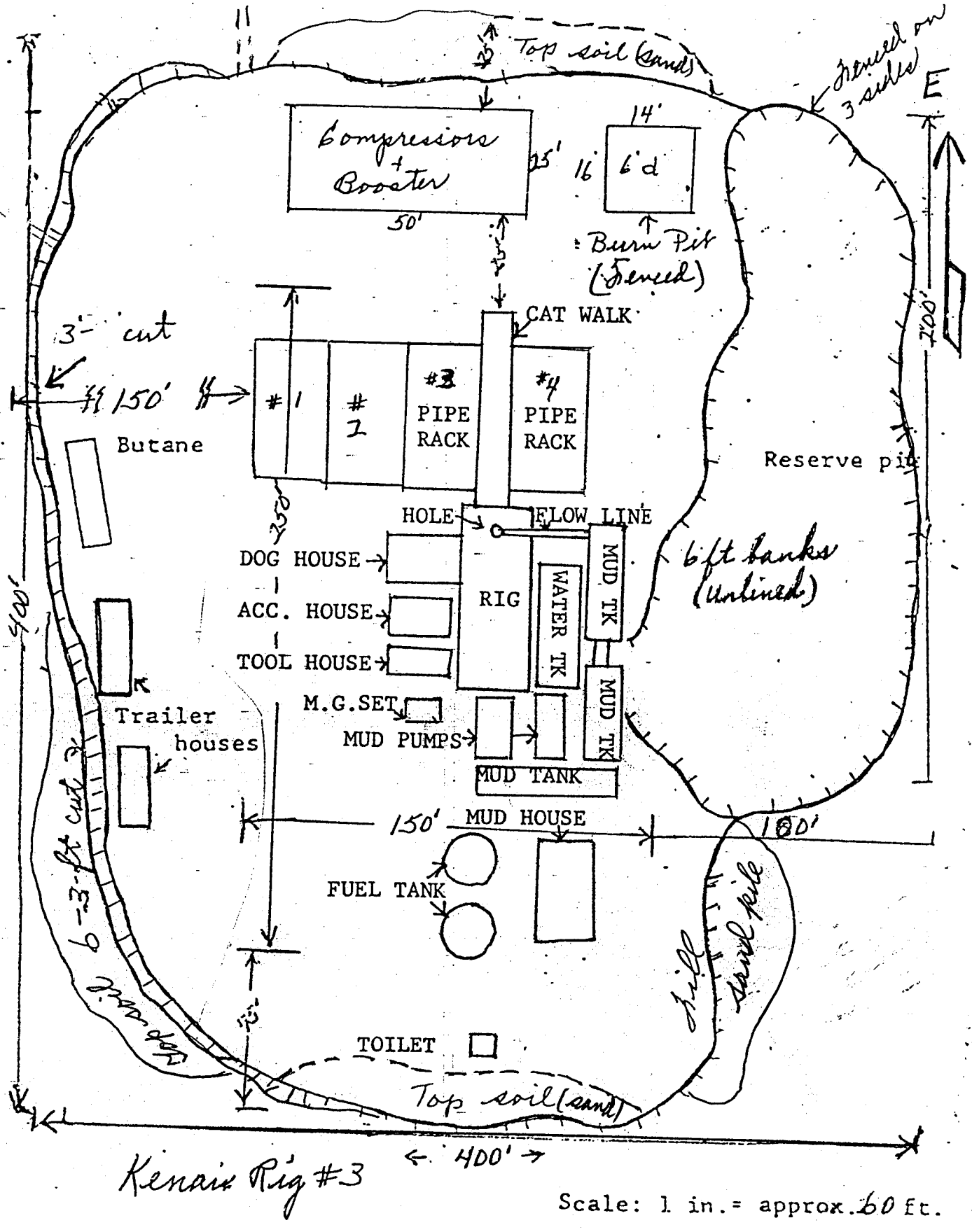
#11. (3): commencement of drilling operations.

PLAN FOR PRODUCTION EQUIPMENT
MEGADON ENERGY CORPORATION
LION MESA #5-28 WELL
SE . NE . SEC. 28 -27S-21E.
SAN JUAN COUNTY, UTAH



Plat No.2

LOCATION PLAN FOR
MEGADON ENERGY CORPORATION
LION MESA #5-28 WELL
SE . NE . SEC. 28 -27S-21E.
SAN JUAN COUNTY, UTAH



Kenai Rig #3

Scale: 1 in. = approx. 60 ft.

WELL CONTROL EQUIPMENT
FOR
MEGADON ENERGY CORPORATION
LION MESA #5-28 WELL
SE . NE. SEC. 28-27S-21E.
SAN JUAN COUNTY, UTAH

1. Surface Casing:
   A. Hole size for surface casing is 12¼".
   B. Setting depth for surface casing is approx. 1100 ft.
   C. Casing specs. are: 9 5/8" O.D., K-55, 36.00#, LTC, R-3.
   D. Anticipated pressure at setting depth is approx. 400#.
   E. Casing will be run using six centralizers and a guide shoe, and will be cemented with 300 sks of cement with returns to the surface.
   F. Top of casing will be about 18" below ground level.

2. Casing Head:
   Flange size: 10; API Pressure Rating: 5000# W.P.; Series 00; Cameron, OCT, or equivalent; new or used; equipped with two 2" ports with high pressure nipples and 5000# W.P. ball valves.

3. Intermediate Casing: Probably none.

4. Blowout Preventer:
   A. Double rams, hydraulic, one set of blind rams and one set of pipe rams for 4" drill pipe; 10" flange, 5000# W.P.; Series 900; equipped with mechanical wheels and rod for back-up; set on top of casing head flange and securely bolted down. Initially rams will be pressure tested for not less than 2000# for leaks and will be checked and closed once a day while drilling operations are underway.
   B. Fill and kill lines (2" tubing or heavy duty line pipe) with manifold are to be connected to the 2" valves on the casing head.

5. Auxilliary Equipment:
   A float valve is to be used in the bottom drill collar at all times. The standpipe valve will be kept in good working condition, and a safety valve that can be stabbed into the top of the drill pipe or drill collars will be kept on the derrick floor in a handy position at all times.

6. Anticipated Pressures:
   The shut-in pressures of the potential pay zones found in

the Hermosa, Paradox, and Mississippian formations at the corresponding depths are as follows:

Hermosa	3900'	2000#
Paradox	6200'	4500#
Mississippian	7400'	3000#

*These pressures are based on DST's taken on other wells in the Lisbon area.

7. Drilling Fluids:

Air and air mist will be used to a depth of about 6000', and then the mud system will be changed to salt base mud. The mud weight will be kept at about 10.1 lbs/gal; and the viscosity will be kept around 35, and the water loss kept below 20 cc., if possible. This weight and associated hydrostatic pressure should usually keep the well under control. Abnormal pressures are known in the Paradox in the area, and care must be taken in this section to keep the well under control. There has been no indication of sour gas in the nearby wells.

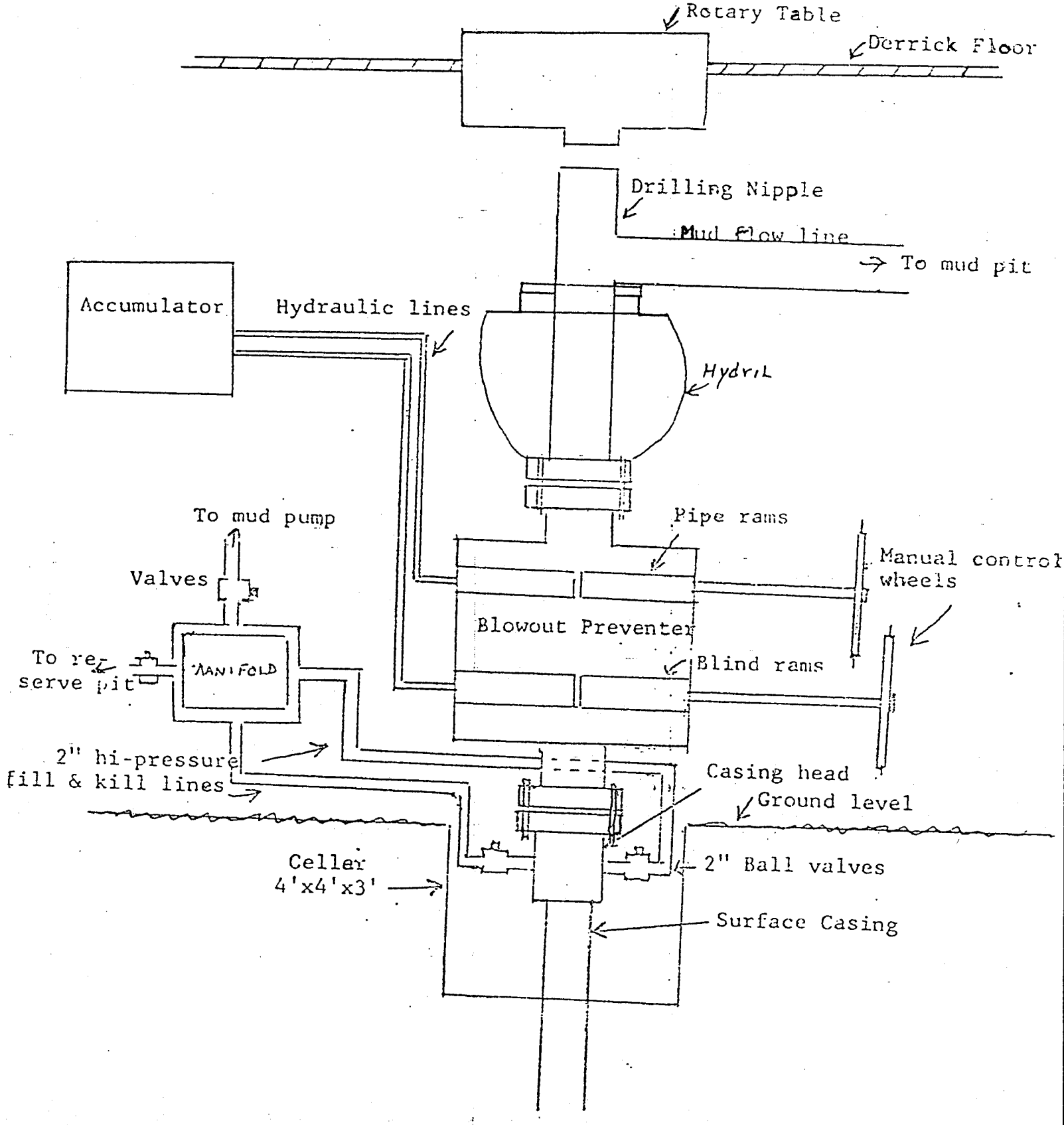
8. Production Casing:

A. Hole size for the production casing will be 8 3/4".
B. Approx. setting depth will be about 8000'.
C. Casing specs. are: 8000' of 5½" O.D., 20.00#, N-80, R-3 casing, with guide shoe and float collar and about 12 centralizers, D.V. tools, and cement baskets at the proper places, cemented with 1200 sks of RFC, and Pozmix light cement.
D. The anticipated pressure at setting depth should not be greater than 3600#.

W. Don Quigley

W. Don Quigley
President
MEGADON ENERGY CORPORATION

SCHEMATIC DIAGRAM OF
CONTROL EQUIPMENT FOR THE
MEGADON ENERGY CORPORATION
LION MESA #5-28 WELL
SE. NE. SEC. 28-27S-21E.
SAN JUAN COUNTY, UTAH



Form 9-331 C
(May 1963)

SUBMIT IN [redacted]LICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL
OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
MEGADON ENERGY CORPORATION

3. ADDRESS OF OPERATOR
STE. 440, 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
SE. NE. SECTION 28, T 27S, R 21E, SLM
At proposed prod. zone 1960' FR. N-LINE AND 680' FR. E-LINE

5. LEASE DESIGNATION AND SERIAL NO.
U-15008

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
LION MESA

8. FARM OR LEASE NAME

9. WELL NO.
#5-28

10. FIELD AND POOL, OR WILDCAT
WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SE.NE. SEC. 28-27S-21E SLM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
APPROXIMATELY 15 MILES SW. OF MOAB (62 MILES BY ROAD)

12. COUNTY OR PARISH: SAN JUAN
13. STATE: UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
680'	120	120
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
4000'	8100'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5515 GRD; 5535' K.B.

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12¼"	9 5/8"	36.00#	1100'	325 SKS
8 3/4"	5½"	27# & 23#	THRU PAY ZONE	CEMENTED TO 100' ABOVE SALT TOP

IT IS PLANNED TO DRILL A WELL AT THE ABOVE LOCATION TO TEST THE HYDROCARBON PRODUCTION POSSIBILITIES OF ALL FORMATIONS DOWN TO AND INCLUDING THE MISSISSIPPIAN FORMATION AT A DEPTH OF ABOUT 8000'. THERE WILL BE ABOUT 1000' OF SURFACE CASING (9 5/8") SET THRU THE SHINARUMP FORMATION TO PROTECT POSSIBLE URANIUM MINES IN THE AREA. HYDRAULICALLY OPERATED BLOWOUT PREVENTER AND HYDRIL WILL BE MOUNTED ON TOP OF THE SURFACE CASING FOR CONTROL EQUIPMENT. THE WELL WILL BE DRILLED WITH ROTARY TOOLS USING MUD FOR CIRCULATION. ALL HYDROCARBON SHOWS WILL BE DRILL-STEM-TESTED. IN CASE OF PRODUCTION, 5½" CASING WILL BE SET AND CEMENTED WITH SUFFICIENT CEMENT TO BRING THE CEMENT ABOVE THE TOP OF THE SALT. THE WELL WILL THEN BE COMPLETED CONVENTIONALLY. SEE ATTACHED PROGNOSIS.

APPROVED BY THE DIVISION
OF OIL, GAS, AND MINING
DATE: 3-25-81
BY: M. J. Minder

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

24.
SIGNED W. Don Quigley TITLE PRESIDENT DATE FEBRUARY 20, 198[illegible]

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

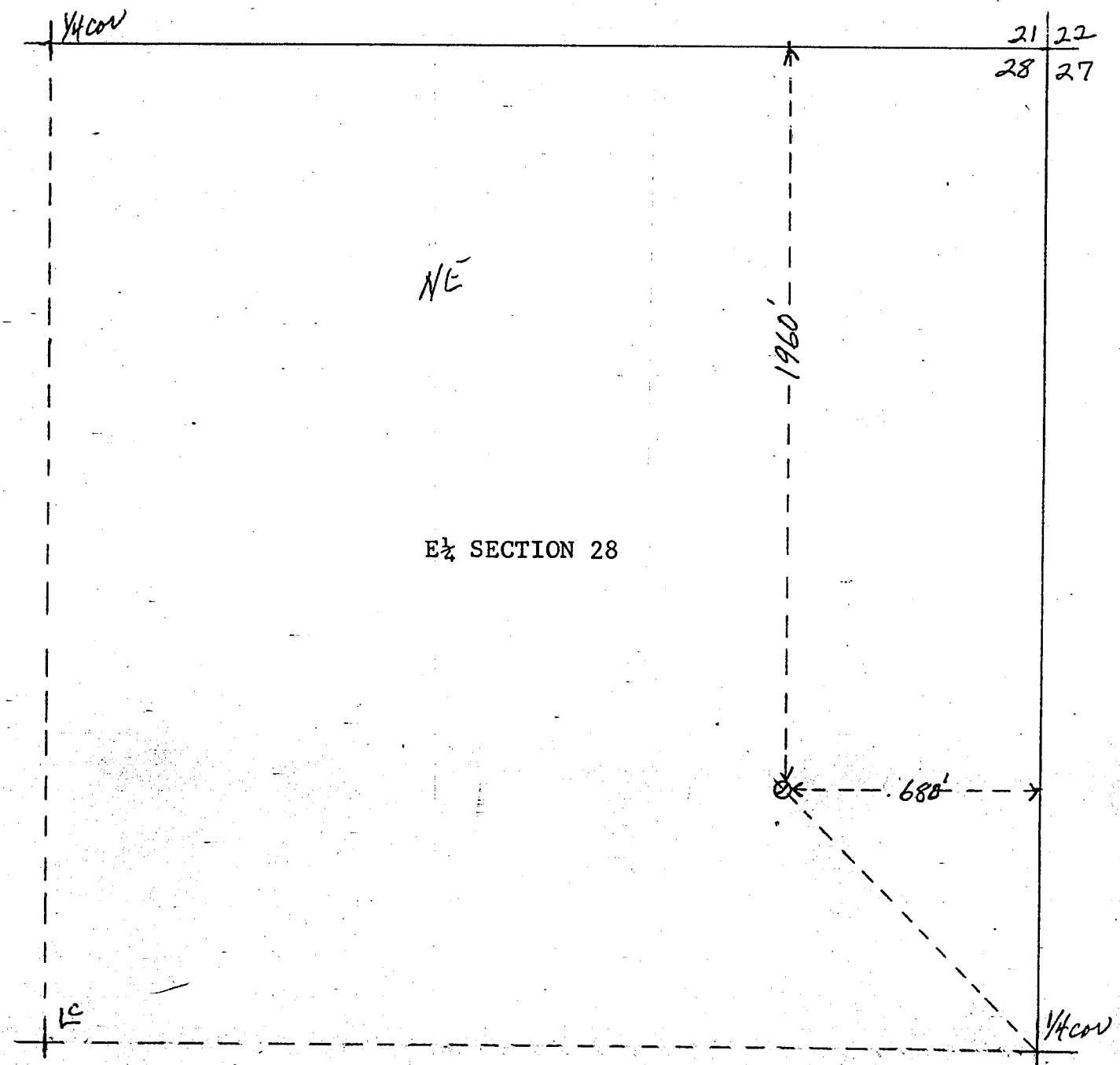
APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

DIVISION OF
OIL, GAS & MINING

*See Instructions On Reverse Side

LOCATION PLAT FOR
MEGA[redacted]N ENERGY CORP. LION MESA #[redacted]28 WELL
SE. NE. SEC. 28-27S-21E.
(680' FR. E-LINE AND 1960' FR. N-LINE)
SAN JUAN COUNTY, UTAH
ELEVATION: 5515' GRD.

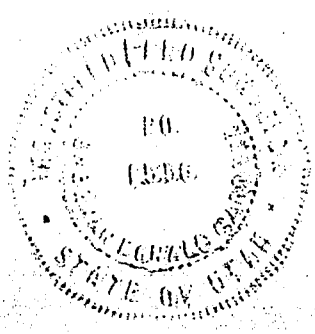


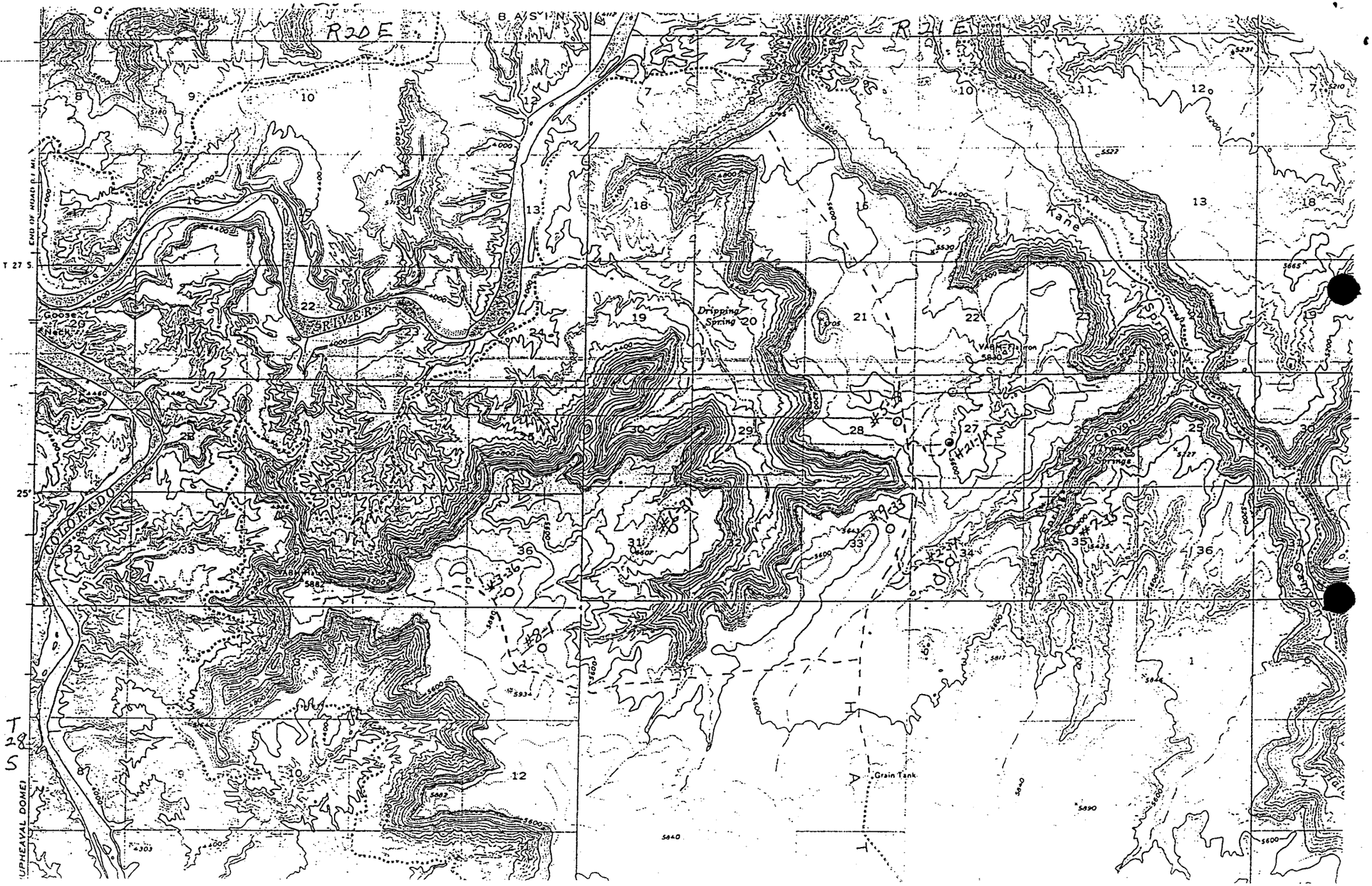
REFERENCE PTS: 200' N-S-E-W.

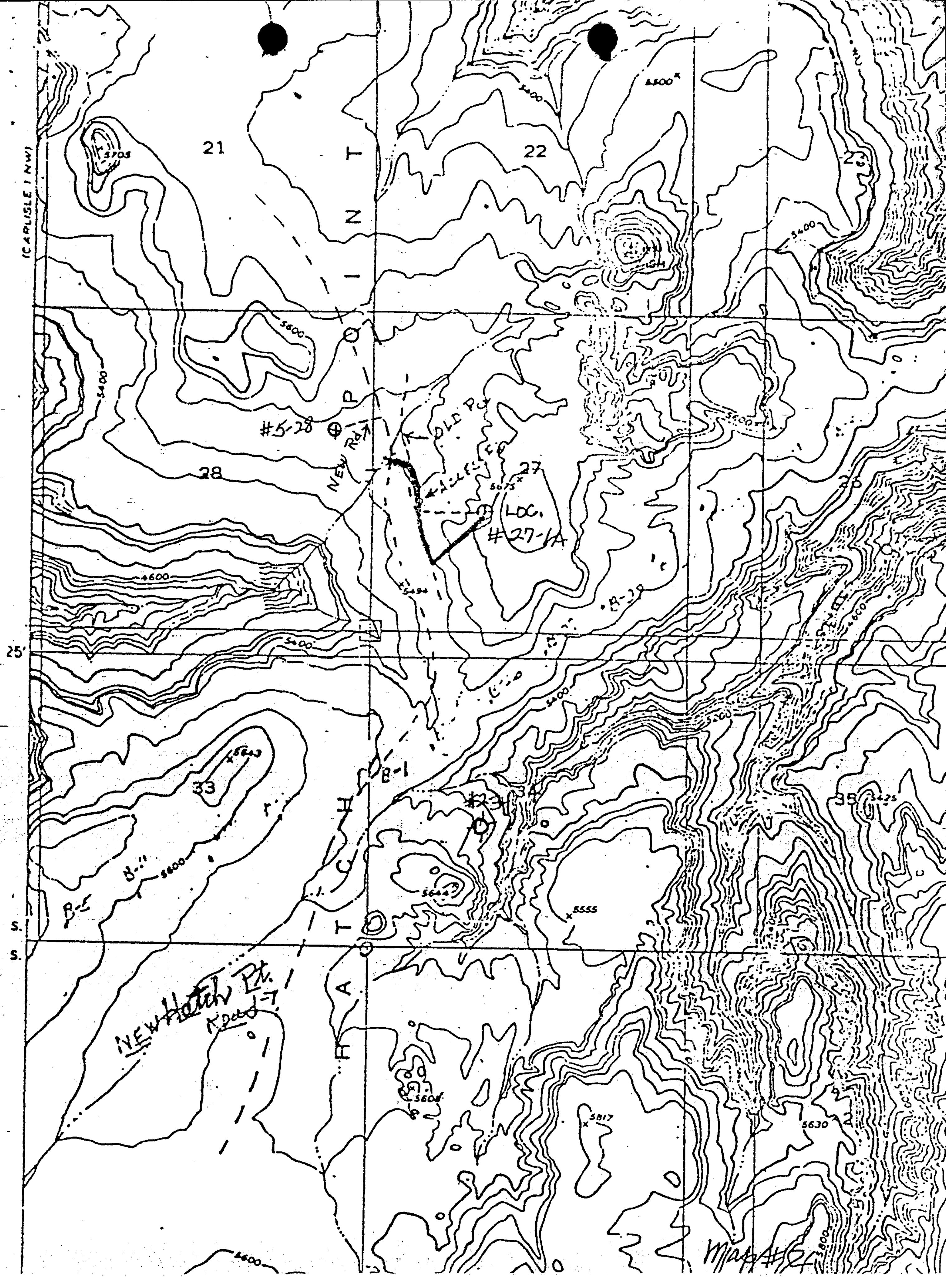
SCALE: 1" = 400 ft.
DATE: FEB. 18, 1981

I, Sherman D. Gardner, do hereby certify that this plot was plotted from notes of a field survey made under my direct responsibility, supervision, and checking on February 2, 1981.

Sherman D. Gardner
Registered Land Surveyor
State of Utah #1556




R20E
R21E
BASIN
END OF ROAD 0.1 MI.
T 27 S.
Goose Neck
COLORADO
RIVER
Dripping Spring
Kane Springs
Grain Tank
T 28 S.
(UPHEAVAL DOME)

 (CARLISLE 1 NW)
21
22
28
27
33
34
35
25'
S.
S.
5703
5600
5400
4600
5500
5643
5644
5555
5817
5630
5800
HATCH POINT
#5-28
NEW Rd
LOC.
#27-1A
B-1
New Hatch Pt.
Road

** FILE NOTATIONS **

DATE: March 13, 1981

OPERATOR: Megadon Energy Corp.

WELL NO: Lion Mesa Unit 5-28

Location: Sec. 28 T. 27S R. 21E County: San Juan

File Prepared: ☐ Entered on N.I.D: ☐

Card Indexed: ☐ Completion Sheet: ☐

API Number 43-037-30650

CHECKED BY:

Petroleum Engineer: M. J. Minder 3-25-81

Director:

Administrative Aide: In Lion Mesa Unit - ok on bndrys for all well, formation (undesignated) - Mississ - Leadville

APPROVAL LETTER:

Bond Required: ☐ Survey Plat Required: ☐

Order No. _____ O.K. Rule C-3 ☐

Rule C-3(c), Topographic Exception - company owns or controls acreage within a 660' radius of proposed site ☐

Lease Designation Fed Plotted on Map ☐

Approval Letter Written ☑

Hot Line ☑ P.I. ☑

March 25, 1981

Megadon Energy Corp.
STE. 440, 57 West So. Temple
Salt Lake City, Utah 84101

RE: Well No. Lion Mesa Unit #5-28
Sec. 28, T. 27S, R. 21E,
San Juan County, Utah

Insofar as this office is concerned, approval to drill the above referred to Oil well is hereby granted in accordance with Section 40-6-11, Utah Code Annotated 1953; and predicated on Rule A-3, General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

MICHAEL T. MINDER - Petroleum Engineer
Office: 533-5771
Home: 876-3001

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (acquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-047-30650.

Sincerely,

DIVISION OF OIL, GAS, AND MINING

Michael T. Minder
Petroleum Engineer

MTM/ko
cc: USGS, ED GUYNN

State

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.
U-35008

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL [X] GAS WELL [ ] OTHER

7. UNIT AGREEMENT NAME
LION MESA

2. NAME OF OPERATOR
MEGADON ENERGY CORPORATION

8. FARM OR LEASE NAME

3. ADDRESS OF OPERATOR
STE. 440, 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH

9. WELL NO.
#5-28

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface

SE. NE. SECTION 28-27S-21E.
1960' FR. N-LINE AND 680' FR. E-LINE

10. FIELD AND POOL, OR WILDCAT
WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SE.NE. SEC 28-27S-21E. SLM

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
5515' GRD; 5535' K.B.

12. COUNTY OR PARISH
SAN JUAN

13. STATE
UTAH

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

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

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

THE LOCATION WORK ON THE SUBJECT WELL WAS BEGUN MARCH 24, 1981 AND IS EXPECTED TO BE COMPLETED BY MARCH 29, 1981. THE WELL WILL BE THEN SPUDDED IN BY CANYONLANDS CONTRACTING RIG #1 ON OR BEFORE MARCH 31, 1981, AND CONDUCTOR PIPE (40' of 13 3/8") WILL BE SET.

RECEIVED
MAR 31 1981
DIVISION OF
OIL, GAS & MINING

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

SIGNED Merkel Dalemar TITLE SECRETARY/TREASURER DATE MARCH 28, 1981

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

June 3, 1981

Megadon Energy Corporation
Suite #440, 57 West So. Temple
Salt Lake City, Utah 84101

Re: Well NO. Lion Mesa Unit #5-28
Sec. 28, T.27S. R.21E.
San Juan County,Utah

Re: Well No. Federal #1-22
Sec. 22, T.21S.R.4E.
Sevier County ,Utah

Gentlemen:

In reference to the above mentioned wells, considerable time has gone by since approval was obtained from this office.

This office has not recieved any notification of spudding. If you do not intend to drill these wells, please notify this Division. If spudding or any other activity has taken place, please send necessary forms. If you plan on drilling these locations at a later date, please notify as such.

Your prompt attention to the above will be greatly appreciated.

Very truly oyurs,

DIVISION OF OIL, GAS, AND MINING

Sandy Bates

SANDY BATES
CLERK-TYPIST

STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

February 3, 1982

Megadon Enterprises Inc.
57 West South Temple
Salt Lake City, Utah 84101

Well No. Geyser Dome #1-14
Sec. 14, T. 22S, R. 15E
Emery County, Utah

Well No. Lion Mesa Unit #5-28
Sec. 28, T. 27S, R. 21E
San Juan County, Utah

Gentlemen:

This letter is to advise you that the Well Completion or Recompletion Report and Log for the above mentioned wells is due and has not been filed with this office as required by our rules and regulations.

Please complete the enclosed Form OGC-3, in duplicate, and forward them to this office as soon as possible.

Thank you for your cooperation relative to the above.

Very truly yours,

DIVISION OF OIL, GAS AND MINING

Cari Furse
Clerk Typist

Form 9-330
(Rev. 5-63)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE (See other instructions on reverse side)

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

8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] DRY [ ] Other

b. TYPE OF COMPLETION: NEW WELL [X] WORK OVER [ ] DEEP-EN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] Other

2. NAME OF OPERATOR: MEGADON ENTERPRISES INC.

3. ADDRESS OF OPERATOR: 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH

4. LOCATION OF WELL (*Report location clearly and in accordance with any State requirements*)*
At surface: SE. NE. SECTION 28, T 27S, R 21E.
At top prod. interval reported below
At total depth: 1960' FR. N-LINE AND 680' FR. E-LINE

5. LEASE DESIGNATION AND SERIAL NO.: U-35008

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: LION MESA UNIT

8. FARM OR LEASE NAME: FEDERAL

9. WELL NO.: #5-28

10. FIELD AND POOL, OR WILDCAT: WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: SE.NE. SEC. 28-27S-21E. SLM

14. PERMIT NO. / DATE ISSUED

12. COUNTY OR PARISH: SAN JUAN

13. STATE: UTAH

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (*Ready to prod.*)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
3-31-81	6-24-81	9-28-81 SOW	5515 GRD; 5535' K.B.	5516'

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
7858'	7515'		→	0-7858'	

24. PRODUCING INTERVAL(S), OF THIS COMPLETIO: Show as shut in 9-28-81

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN: DUAL LATEROLOG; GAMMA-

27. WAS WELL CORED: NO

28. (*Report all strings set in well*)

CASING SIZE	WEIGHT, LB./FT.	DEP	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.5#		40 sks	None
9 5/8"	36.00#	11	300 sks	None
5½"	17 & 23#	7853'	665 sks	None

8 3/4"

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	5000'	None

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

7720-50' } 1 sh/ft PLUGGED
7692-95' }
7668-75' }

5715-45' }
7330-65' }
7370-95' } 1 sh/ft OPEN
7438-50' }
7489-96' }

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5715-45'	294 bbl gelled salt water and 4500# 100 mesh sd and 13,000# of 20-40 mesh sd. and 17,000 cu. ft. of N2. (OVER)

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (*Flowing, gas lift, pumping—size and type of pump*)	WELL STATUS (*Producing or shut-in*)
NONE	SWABBING	SUSPENDED

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
NONE							

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
			NONE	NONE	NONE	

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

TEST WITNESSED BY:

35. LIST OF ATTACHMENTS: DRILLING & COMPLETION HISTORIES AND SAMPLE LOG

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

SIGNED W. Don Quigley TITLE PRESIDENT DATE 10-27-81

*(See Instructions and Spaces for Additional Data on Reverse Side)

Form 9-330
(Rev. 5-63)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE (See other instructions on reverse side)

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

8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] DRY [ ] Other

b. TYPE OF COMPLETION: NEW WELL [X] WORK OVER [ ] DEEP-EN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] Other

2. NAME OF OPERATOR: MEGADON ENTERPRISES INC.

3. ADDRESS OF OPERATOR: 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH

4. LOCATION OF WELL (*Report location clearly and in accordance with any State requirements*)*
At surface: SE. NE. SECTION 28, T 27S, R 21E.
At top prod. interval reported below: 1960' FR. N-LINE AND 680' FR. E-LINE
At total depth

5. LEASE DESIGNATION AND SERIAL NO.: U-35008

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: LION MESA UNIT

8. FARM OR LEASE NAME: FEDERAL

9. WELL NO.: #5-28

10. FIELD AND POOL, OR WILDCAT: WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: SE.NE. SEC. 28-27S-21E. SLM

14. PERMIT NO. / DATE ISSUED

12. COUNTY OR PARISH: SAN JUAN

13. STATE: UTAH

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (*Ready to prod.*)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
3-31-81	6-24-81	9-28-81 SOW	5515 GRD; 5535' K.B.	5516'

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
7858'	7515'		→	0-7858'	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN: DUAL LATEROLOG; GAMMA-DENSITY-CNL; SONIC LOG (CNL)

27. WAS WELL CORED: NO

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.5#	40'	17½"	40 sks	None
9 5/8"	36.00#	1100'	12¼"	300 sks	None
5½"	17 & 23#	7853'	8 3/4"	665 sks	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	5000'	None

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

7720-50' } 1 sh/ft PLUGGED
7692-95' }
7668-75' }

5715-45' }
7330-65' }
7370-95' } 1 sh/ft OPEN
7438-50' }
7489-96' }

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5715-45'	294 bbl gelled salt water and 4500# 100 mesh sd and 13,000# of 20-40 mesh sd and 17,000 cu. ft. of N2. (OVER)

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (*Flowing, gas lift, pumping—size and type of pump*)	WELL STATUS (*Producing or shut-in*)
NONE	SWABBING	SUSPENDED

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
NONE							

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
			NONE	NONE	NONE	

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

TEST WITNESSED BY:

35. LIST OF ATTACHMENTS: DRILLING & COMPLETION HISTORIES AND SAMPLE LOG

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

SIGNED W. Don Quigley TITLE PRESIDENT DATE 10-27-81

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

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

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

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

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

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

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

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

ACID TREATMENT:

7668-7750': 1750 gal. 28% acid - Plugged off.

37. SUMMARY OF POROUS ZONES:
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
NAVAJO	SURFACE	206'	Sandstone
WINGATE	206'	534'	Sandstone
CHINLE	534'	1056'	Shale, siltstone and sandstone
WHINARUMP	1056'	1110'	Gry, Grn calcareous shale, sdy congl.
MOENKOPI	1110'	2080'	Red shale and siltstone
CUTLER	2080'	2610'	Red sandstone, shale, pur. sh.
RICO	2610'	2885'	Gry blue limestone, red and green shale, red siltstone
HERMOSA	2885'	4340'	Gry silty limestone, dolomite, and anhydrite
Paradox	4340'	7320'	Salt, anhydrite, black shale
Cane Ck	7320'	2400'	Anhydrite, black shale, dolomite
Basal Slt	7400'	7560'	Salt, black shale
Pinkerton	7560'	7632'	Dolomite, black shale, anhydrite
MOLAS	7632'	7666'	Red shale and siltstone
MISS-LEAD.	7666'	7858' TD	Gry limestone, chalky white limestone

38. GEOLOGIC MARKERS

NAME	TOP MEAS. DEPTH	TOP TRUE VERT. DEPTH

U.S. GOVERNMENT PRINTING OFFICE: 1963—O-683836

GPO 680-147

DRILLING AND COMPLETION HISTORIES
ON
LION MESA #5-28 WELL
SAN JUAN COUNTY, UTAH

OPERATOR: Megadon Enterprises, Inc.
Suite 240, 57 West South Temple
Salt Lake City, Utah 84101

CONTRACTOR: Kenai Drilling Co.
717 - 17th Street
Denver, Co. 80202

LOCATION: SE. NE. Section 28, T 27S, R 21E, SLM, San Juan County, Utah (1960' fr. N-line and 680' fr. E-line)

ELEVATIONS: 5515' Grd; 5535' K.B.

DATE SPUDDED-IN: Mar. 31, 1981

DATE FINISHED DRLG: June 24, 1981

TOTAL DEPTH: 7858' (Schlumberger)

SURFACE CASING: 27 jts. (1115') of 9 5/8", 36.00#. R-3, K-55 casing. Landed casing at 1100' K.B. and cemented w/300 sks reg. cement w/3% CaCl.

PRODUCTION CASING: 193 jts (7855'): 100 jts of 5½", 23.00#, N-80, R-3 casing (4130'); 93 jts of 5½", 17.00#, K-55, R-3 csg (3725'). Landed casing at 7853' K.B. Cemented casing w/665 sks - 365 sks of self stress cement w/37% salt and 300 sks of 35-65 Pozmix w/37% salt.

PRODUCTION ZONE: None to date

PERFORATIONS: 7720-50', 7692-95', 7668-75' w/1 sh/ft; 5715-45', 7330-65', 7370-95', 7438-50', 7489-96' w/1 sh/ft.

FORMATIONS WORKED ON: Mississippian-Leadville, and clastic zones in salt section

INITIAL WORK COMPLETED: September 28, 1981

FUTURE PLANS: Plan to re-treat some of the zones and perforate others.

SUSPENDED: September 30, 1981

Suite 440 / 57 West South Temple
Salt Lake City, Utah 84101
Bus. Tel: (801) 359-3575
Res. Tel: (801) 295-1870

President: W. Don Quigley
Vice President: Margaret Quigley
Secretary: Sherrill L. Bateman

MEGADON ENERGY CORPORATION

DRILLING HISTORY
LION MESA #5-28 WELL
SECTION 28-27S-21E, SAN JUAN COUNTY, UTAH

May 11-12: Rig up Kenai rig #3 on new location.

May 13: Drilled 391' to 983' (592'). Nippled up rotating head and blewie line. Began drilling ahead with 12¼" bit and using air for circulation. Survey at 482' was ½°; at 636' was ¼°; at 947' was 1°.

May 14: Drilled 983' to 1102' (119'). Survey at 1085' was ½°. Drilled to 1102' (119'). Survey at 1085' was ½°. Drilled to 1102' which was approximately 100' below base of Shinarump, for the surface hole. Circulated hole carefully and came out to run surface casing. Ran 27 jts of 9 5/8", 36.00#, R-3 casing and landed at 1100' K.B. Cemented w/300 sks of reg. cement w/3% CaCl. Plug down at 6:00 P.M. Waited on cement to set.

May 15: Drilled 1102' to 1123' (21'). Waited on cement to set until 0200 hrs. Cut off casing and welded on head. Tested weld for leaks. Nippled up BOP, hydril, rotating head, and blewie line. Cemented top of surface casing with 15 more sks of cement. Went in hole to top of cement with 8 3/4" bit, drill collars and drill pipe. Pressure tested BOP and hydril to 1500# to check for leaks. Began drilling ahead at 10:00 P.M.

May 16: Drilled 1123' to 1759' (636'). Survey at 1326' was 3/4°; at 1542' was 1°. Drilling in red sandstone and siltstone of Moenkopi and Cutler at rate of 1 min. to 3 min. per ft. with air for circulation.

May 17: Drilled 1759' to 2300' (541'). Survey at 1730' was 1°, at 1943' was 1½°; at 2161' was 1½°. Drlg. at rate of 25 ft/hr. in red sandstone, siltstone and shale of Cutler formation with air.

May 18: Drilled 2300' to 2533' (233). Survey at 2310' was 1 3/4°. Hit water at 2280' and converted to air-mist drilling at 2310'. Drlg rate decreased to avg. 10 ft/hr.

May 19: Drilled 2533-2597' (64'). Ran cones off bit. Came out of hole with bit and went in with an old bit to clean out and push iron to bottom. Came out and put on Globe basket and went in hole. Milled and washed down 1 ft on bottom and came out. Had all three cones plus bearings and other iron. Went back in hole with a re-run bit. Bit #2 (Reed Y-11) made 1442' (1102' to 2544') in 75 hrs. Drilled at an avg rate of 20 ft. per hr. Survey at 2520' was 2°.

May 20: Drilled 2597' to 2908' (311'). Survey at 2721' was 1½°. Drlg. with 15,000# on bit at 70 RPM, with air mist. Drlg at rate of 12-15 ft/hr. Est. top of Hermosa at 2870'.

May 21: Drilled 2908' to 3080' (172'). Survey at 2963' was 1½°. Made rd-trip at 2963' for new bit. Bit #3 (Smith F-5-RR) made 419' (2544' to 2963') in 35½ hrs. Drilled at an avg. rate of 12 ft/hr.

May 22: Drilled 3080' to 3468' (388'). Survey at 3186' was 1¼°; at 3390' was 1¼°. Drlg at avg rate of 18 ft/hr. in sandstone, limestone, and siltstone of Hermosa formation. Drlg. with 15,000 to 18,000# on bit at 70 RPM.

May 23: Drilled 3468' to 3779' (311'). Survey at 3619' was 1½°. Drlg steady at rate of 14-15 ft/hr. in upper Hermosa formation.

May 24: Drilled 3779' to 4016' (237'). Survey at 3800' was 1¼°. Drlg at avg rate of 10 ft/hr. in limestone, fine-grained sandstone of upper Hermosa formation. Drlg w/air-mist with 15,000# to 20,000# on bit at 70 RPM.

May 25: Drilled 4016' to 4285' (269'). Survey at 4000' was 1½°; at 4200' was 1¼°. Drlg with air mist at rate of 11 ft/hr. in upper Hermosa.

May 26: Drilled 4285' to 4328' (43'). Twisted off at 4328'. Came out of hole, leaving 19 drill collars, and 13 jts of drill pipe in hole. Called for an overshot with 4½" grapple. Waited 5 hrs on fishing tools. Went in hole with overshot and jars and caught fish; jarred twice; and came out of hole with fish. Laid down fishing tools and went back in hole with Bit #5. Bit #4 (Reed FP52) made 1365' (2963 to 4328') in 102 hrs. Drilled at an avg. rate of 13¼ ft/hr.

May 27: Drilled 4328' to 4827' (499'). Survey at 4418' was 1½°; at 4692' was ½°. Est top of salt at 4330'. Drilled salt bed from 4350' to 4410'; then had anhydrite to 4450'; then more salt to 4470' and then fine-grained salt sand to 4560'; and then salt and shale and sand mixed to 4810'. Drlg with air-mist using salt water-soap and air.

May 28: Drilled 4827' to 5012' (195'). Decided to convert to mud at 5012' due to slight fill-up and tight hole on connections. Filled hole with salt water and obtained partial returns. Mixed mud (300 bbl) and LCM and pumped in hole. Didn't get returns. Mixed more mud (400 bbl) with 20% LCM and obtained 85% returns.

May 29: Drilled 5012' to 5268' (246'). Circulated hole and recovered nearly full returns. Began drlg ahead at 1:00 AM. Survey at 5090' was 3°. Drilling in intermitten salt, anhydrite, and black shale beds.

May 30: Drilled 5268' to 5493' (225'). Drlg. at an avg. rate of 10 ft/hr. Mud wt. was 9.8, and viscosity 45. Wt. on bit is 15,000#.

May 31; Drilled 5493' to 5655' (162'). Survey at 5555' was 3 3/4°; at 5585' was 4°. Lost circulation at 5604' and had to mix mud and LCM. Lost about 300 bbl. of mud. Recovered circulation after 1 hr. of mixing and circulating. Had clastic zone at 5604' to 5710' so probably had good porosity in vugular anhydrite. Samples had good oil stain, fracture vugs, and residual oil - good fluorescence. This is a probable production zone.

June 1; Drilled 5655' to 5875' (220'). Survey at 5814' was 3 3/4°. Drilling with 10,000# to 15,000# on bit at 60 RPM. Mud wt is 10.1, Visc. is 44, and W.L. is 30. Drilled in salt most of the day at rate of 10 ft/hr.

June 2; Drilled 5875' to 6096' (221'). Survey at 6061' was 2½°. Increased weight on bit to 18,000#. Pump pressure at 1300#, 62 strokes/min, 5½" liners, 16" stroke (12/32 jets in bit). Had oil shows in granular anhydrite at 5950-70' (oil stain and fluorescence).

June 3; Drilled 6096' to 6432'(336'). Bit #5 (Security S86F) now has 161 hrs on it and has drilled 2104'. Has drilled at an avg. rate of 13 ft/hr. Drilled mostly salt today. Salt has fluorescence. Haye small amount of oil in mud.

June 4; Drilled 6432' to 6751' (319'). Survey at 6463' was 3/4°. Drilling with 18,000# wt. on bit at 60 RPM. Pump pressure at 1300# at 62 strokes. Drilled mostly salt all day.

June 5; Drilled 6751' to 6959' (208'). Had clastic zone at 6740' to 6790' that contained granular, sandy anhydrite, gypsum, and black petroliferous shale. Had good gas odor and scattered fluorescence. Lost circulation at 6959' and had to mix mud and LCM, for 8 hrs to regain circulation. Lost about 600 bbl. of mud before regaining circulation. Lost circulation in clasitc zone 6959 to 7010'. Samples in this zone were very poor, but did show vugular anhydrite with oil stain, fluorescence and cut. This is also a probable production zone.

June 6: Drilled 6959' to 7297' (338'). Drilling in salt all day at rate of 15 ft/hr. with 18,000# on bit at 60 RPM. Mud wt. is 10.1, Visc. is 44, W.L. is 40.

June 7: Drilled 7297' to 7322' (25'). Lost pump pressure at 7310'. Checked pump and bleed off lines. Decided there was a wash out in the drill string, so came out of hole and didn't find any holes. Changed bits. Bit #5 (Security S86F) made 2994' (4328' to 7322') in 228 hrs. Drilled at an avg rate of 13 ft/hr. Went back in hole and had plugged collar, so made round-trip to unplug collar. Cut off drilling line and had to repair hydromatic line. (One hr. down time.) Estimate cost to date is: $429,150.

June 8: Drilled 7322' to 7376' (54'). Unplugged drill collar and went back in hole with Bit #6. Began drilling ahead at 3:30 AM. Drilling in clastics of Cane Creek zone at avg. rate of 3 ft/hr.

June 9: Drilled 7376' to 7454' (78'). Drilling slow in anhydrite and black shale. Samples have scattered fluorescence, oil stain and oil cut. Had a thin salt bed at 7398' to 7428'. Wt. on bit is 20,000# at 75 RPM. Pump pressure is 1300#. Mud wt is 10.2; Visc is 40, and W.L. is 50.

June 10: Drilled 7454' to 7528' (74'). Had another thin salt bed at 7460' to 7480', and at 7497' to 7516'. Est. top of Pinkerton Trail section at 7516'. Drilling real slow in this section at avg. rate of 2 ft/hr. Tried increasing wt. on bit to 30,000# without any increase in drlg. rate.

June 11: Drilled 7528' to 7561' (33'). Survey at 7502' was 1 3/4°. Bit plugged with rubber (2 plugged jets) and pump pressure went up. Had to make rd-trip at 7529' to unplug jets. Bit had 2 loose cones. Bit #6 (Reed HS51) ,ad 207' (7322' to 7529') in 68 hrs. Drilled at avg. rate of 3 ft/hr. Drlg in anhydrite, dolomite, and black shale.

June 12: Drilled 7561' to 7580' (19'). Drilling real slow at rate of 1½ ft. per hour. Made rd-trip at 7569' for new bit. Bit #7 (Security S44) made 40 ft (7529' to 7569') in 20 hrs. Drld at avg rate of 2 ft/hr. No change in samples. Had tight hole on trip at 4800' and reamed it out going in.

June 13: Drilled 7580' to 7622' (42'). Drlg slow in Xln anhydrite and dense dolomite. Increased weight on bit to 25,000# at 70 RPM. Had a dense dolomite bed and some limestone at 7590' to 7620'.

June 14: Drilled 7622' to 7671' (49'). Drlg real slow (2 ft/hr) in Pinkerton Trail section of the Hermosa. 35,000# on bit at 70 RPM. Mud wt. 10.6; Vixc. is 45 and W.L. is 7.

June 15: Drilled 7671' to 7739' (68). Est. top of Mississippian at 7690'. Had first oil shows at 7720'. Had faint fluorescence and oil cut at this point. Drlg rate at top of Mississippian increased from 2 ft/hr. to 4 ft/hr.

June 16: Drilled 7739' to 7790' (51'). Had increasing oil shows in chalky, vugular, fractured limestone. Had drlg breaks at 7760' to 7766' and at 7770' to 7786'. Good fluorescence, oil stain, and slight cut in samples. Decided to try running a DST despite the loss-circulation material in mud, so ceased drilling at 7790'. Circulated hole for 2 hrs, made short trip (20 stds), circulated for 1 hr. and started out of hole at 3 PM. Got stuck at 5846' and worked pipe for 4 hrs without moving it. Spotted 30 bbl of fresh water and worked pipe for another 2½ hrs. Spotted 20 bbl. of diesel and worked pipe for another ½ hr.

June 17: Still stuck. Worked pipe every hour for 15 min. while waiting 4 hrs on fishing tools. Rigged up Homco Wireline and frac-pointed pipe. Found pipe free above 5135'. Backed off pipe at 5126' with string shot. Came out of hole and picked up DST packer, MFE tool, and jars (left 18 collars and 3 jts of drill pipe in hole). Went in hole with DST tools and screwed into top of fish. Set packer and opened tool. Fish didn't drop loose. Jarred on fish for 2 and didn't move it, so tried to unscrew from fish several times and backed off at bottom of MFE tool. Came out of hole and removed closing mandril in MFE tool and wnt back in hole and screwed into top of fish.

June 18: Went inside drill pipe with string shot (3/4" tools) and backed off at top of Fish #1 (5124'). Came out of hole and laid down DST tools. Picked up bumper sub, jars, and 6 drill collars and went in hole. Got stuck again at 4610' with fishing tools (5 stds and single above top of fish). Worked pipe for 3 hrs. Spotted 25 bbl of diesel with pipe lax and worked pipe for 7 hrs. without success.

June 19: Worked pipe for 5 hrs. more and didn't move it and inch. Rigged up Nowsco and pumped nitrogen in hole to displace the mud, and tried to remove hydrostatic pressure on fish. Still stuck. Rigged up Homco to free-pt pipe and found pipe stuck at 4360' and below. Spotted fresh water around fish and tried to work pipe loose for 2 hrs without success. Went in hole with string shot and backed off pipe at 4356'. Came

out of hole with drill pipe. (Left 5 collars, jars, and bumper sub in hole - Fish #2.) Picked up 3 spiral 7" collars, jars, and bumper sub and started in hole. Had to wait 4¼ hours on fresh water to cool brakes.

June 20: Went the rest of way in the hole and screwed into the top of Fish #2. Jarred once and fish came loose. Came out of hole to bottom of surface casing and mixed 20% LCM in mud and circulated hole at this point. Came out of hole and laid down spare tools. Went back in hole with 3 collars and bit to clean out hole down to top of Fish #1, and to condition mud and hole. Hit only minor tight places. Came out of hole with bit and picked up fishing tools. Went in hole and screwed into fish, and hit down once on fish with bumper sub and fish came loose. Started out of hole with fish. The first 100 ft. was tight, but was free thereafter.

June 21: Finished trip out of hole with fishing tools. Loaded out tools. Went back in hole with Bit #8 and hit no tight spots. Had about 75 ft. of fill on bottom. Circulated and conditioned mud for 3 hrs. Started out of hole for DST #1. Hit tight spots from 20 stds to 27 stds out. Went back to bottom and conditioned mud and hole for 8 hrs. (Raised viscosity to 50.) Estimated cost to date is: $611,575.

June 22: Came out of hole and picked up test tool for DST #1. Made up tools and went back in hole and ran DST #1 as follows:

Interval: 7696' to 7796' (100')
Init. Open: 15 min
Init. Shut-In: 1 hr.
Final Flow: 10 min and lost packer seat
Final Shut-In: 0 (Got stuck and couldn't close tool)
Blow: Strong blow initially increasing to 19 oz. in 15 minutes and increased to 13 psi in 10 min on final flow
Rec: 4606' of drilling mud with oil film on top and some gas in drill pipe
Sample Chamber: 1500 cc of drlg. mud.
Resis: 0.15 ohms at 64° (130,000 ppm chlorides)
Pressures: IHP = 4357# FHP = 4152#
IFP = 241-706# FFP = NA
ISIP = 2904# FSIP = NA
BHT = 120°
Remarks: Partial misrun since packer gave way on final flow period.

Came out of hole with test tools after getting unstuck.

June 23: Drilled 7797' to 7844' (47'). Laid down test tools and went back in hole with Bit #8. Drilled chalky limestone with scattered fluorescence. Drilled at rate of 3 ft/hr. with 25,000# on bit at 60 RPM. Mud wt. is 10.5, Visc. is 54, and W.L. is 6.

(7858' - Schlumberger)

June 24: Drilled 7844' to 7848' (4'). Circulated hole for 3 hrs and came out of hole for logs. Began logging at 0800 hrs. Ran laterolog tool, but it wouldn't work so ran Density-CNL log and sonic log while waiting on new laterolog tool. Finished logging at 1200 hrs. Ran Cyberlock log based on the logs. (Logs show good prospective zones.)

June 25: Sent logs to participants. Waited 20 hrs. on decisions and for agreements. Decided to run casing to test Miss-Leadvaille (upper erosional surface) and other prospective zones. Went in hole with drill pipe, collars and bit. Conditioned mud and hole for 4 hrs. in preparation to run casing.

June 26: Waited 4 hrs. on casing crew. Laid down drill pipe and collars. Finished at 1200 hrs. Rigged up to run casing. Ran 193 jts of 5½" (100 jts of N-80, 23# = 4128'; and 93 jts of K-55, 17# = 3725') casing. Landed casing at 7853' K.B. Cemented casing with 200 sks of self stress cement and 37% salt. Plug down at 11:15 P.M.

June 27: Waited on cement to cure until 0800 hrs. Set slips (holding 45,000#) and cut off casing. Began rigging down. Estimated total cost to date is $708,925.

Completion work will be delayed until time and rigs are available.

MEGADON ENTERPRISES, INC.
309 Guaranty Bank Building • 817 17th St. • Denver, Colorado 80202 • (303) 573-0093
57 West South Temple • Salt Lake City, Utah 84101 • (801) 359-3575

LION MESA #5-28 WELL
COMPLETION HISTORY

Aug. 4; Moving in CRC Colorado Well Service completion rig.

Aug. 5: CRC rig arrived on location at 7:00 PM 8-4-81. Rigged up and preparing to run tubing.

Aug. 6: Ran tubing and going in with bit to drill out cement in preparation to run CBL log.

Aug. 7: Cleaned out hole with bit . Rigging up Schlumberger and preparing to run log (CBL). Will possibly have time to perforate and run packer to swab test 7720' to 7750'; 7668' to 7675'; and 7692-7695'.

Aug. 8: Went in hole with packer and set above perfs at 7720-50' and swabbed dry. Waited one hr., ran swab and recovered no fluid. Slight scum of oil on previous runs. Preparing to acidize with 750 gals. of 28% HcL acid with ball sealers. Estimated completion costs including tubing to date is $75,155.

Aug. 9: Sunday - Crew didn't work.

Aug. 10-11: Spliced sand line twice. Packer set at 7695'. Started acid treatment on perfs 7720-7750' at 1300 hrs. Pumped in 750 gal HCL 28% acid at 3500# at 4 bbl/min rate. Dropped 3 ball sealers per bbl after first 5 bbls. Balled off after 14 bbls in. Dropped off balls and displaced rest of acid, 18 bbls in all. Had good ball action. Waited one hr. and began swabbing back. Recovered most of spent acid water before shutting down for night. Estimated cost: $84,405.

Aug. 12: Tubing Pressure = 20#. Swabbed spent acid water and salt water, slightly brackish, all day. Recovered approx. 125 bbls with slight show of non-flammable gas. Fluid level dropped to about 6700' while swabbing, and then rose again to 5700'. Conclude that zone contains only salt water. Plan to squeeze zone with 35 sks cement this morning.

Aug. 13: Drilling out cement from squeeze job - 30 ' of cement left in casing. After drilling out cement, plan to perforate next zone (7692-95').

Aug. 14: Drilled out cement and cleaned well bore to 7710'. Rigging up to perforate 7692-95' and 7668-75' with 2 shots/ft. Estimated cost: $101,405.

Aug. 15: Perforated, acidized, and swabbed 7692-95', 7668-75'. Made a few swab runs before shutting down for week-end. Recovered nothing.

Aug. 16: Sunday - Crew didn't work.

Aug. 17: Found fluid level at 2000' above seating nipple, and swabbed down and recovered nothing.

Aug. 18: Swabbed down again with no recovery. Waiting on orders.

Aug. 19: Rig is standing by. Waiting on participants decisions. Swabbed out 49 of the 54 bbls. injected. Estimated well cost (completion) to date is $125,705.

Aug. 20: Participants decided to release rig pending arrangements for meeting to coordinate plans and information on the next completion plans. Also, and evaluation is being done on this prospect.

Pulled packer and ran tubing back in and nippled up well head. Preparing to move to Tenmile #1-26. Total estimated completion costs are: $130,705.

COMPLETION HISTORY
ON
LION MESA #5-28 WELL

Aug. 31: Moved Colorado Well Service Rig #20 to location and rigged up.

Sept. 1: Spotted 35 sacks of RFC cement across perfs at 7702' to 7337'. Plan to perforate casing at 6850' to cement casing on outside with 465 sacks of cement.

Sept. 2: Perforate casing at 6850'. Went in hole with tubing and packer. Set packer at 6500' and broke circulation to surface at 2500# pressure. Cemented casing with 465 sks (300 sks of 35-65 Pozmix w/37% salt and 165 sks of self-stress cement with 37% salt). Displaced cement to approx. 150' below packer and shut valve at surface.

Sept. 3: Unseated packer and came out of hole. Put on 4½" bit plus casing scraper and went back in hole. Tagged cement at 6670'. Drilled 90' of cement and shut down for night.

Sept. 4: Drilled out cement and cleaned out hole to 7515'. Circulated for 1½ hrs and came out of hole to run Welex CBL log on upper cement job. Ran bond log from 7000' to 4650'. Had good cement bond from 6850' to 5310'. Went back in hole with tubing to 5000' and swabbed out fluid down to this depth in preparation to perforate some upper zones.

Sept. 5: Came out of hole with tubing and rigged up Welex. Perforated zone 5715' to 5745' with one shot/ft under 2000' of fluid. No blow initially. Went in hole with tubing and packer. Set packer at 5665'. Swabbed fluid down and had slight show of gas, but no oil. Shut well in for weekend.

Sept. 6: No work - Sunday

Sept 7: Holiday - Monday

Sept 8: Tubing Pressure = 40#. Casing Pressure = 0. Ran swab. Fluid level at 4000'. Small amount (1/5 bbl) of green oil on top plus some gas on first run. Swabbed down in 3 runs, and then swabbed at one hour intervals. Recovered only small amount (50') of dark colored water on each run. Slight flare of gas (5' on each run). Shut well in for night.

Sept. 9: Tubing Pressure = 40#. Casing Pressure = 0#. Had slight blow of gas. Ran swab. Had approx. 100 ft. of fluid in hole. Ran swab at one-hr. intervals. Well making some gas and slight show of oil on fluid. Estimate swabbed

5 bbl fluid with ½ bbl oil. Will have to fracture-treat zone to improve fluid entry. Hauled water for fracture treatment in morning.

Sept. 10: Tubing Pressure = 50#. Casing pressure = 0#. Put 1000# pressure on casing side. Fracture treated perfs at 5715-45' with 17,000 cu. ft. of N_2 and 294 bbls gelled salt water with 4500 lbs of 100 mesh sand, and 13,000 lbs of 20/40 mesh sand at rates of 5½ to 7 bbls per minute with 1# to 4# per gal. of sand at 3500# to 5200# psi. Last portion going in at rate of 7 bbl/min with 4# sand/gal. at 5100# psi. Instant shut-in pressure was 3600# and 15 minute shut-in pressure was 3500#. Finished fracture treatment at 1414 hrs. and shut well in over night.

Sept. 11: Tubing Pressure = 3100#; casing pressure = 900#. Opened well on ¼" choke. Well flowed back frac fluid until 1400 hrs. Began swabbing and swabbed fluid level down to 2500' below surface. Estimate that 132 bbls of the 294 bbls have been recovered. Well flows N_2 gas between swab runs - gas won't burn. Shut well in over night.

Sept 12: Tubing pressure = 520#. Casing pressure = 800#. Open well. Blew gas - wouldn't burn - for 30 min. Began swabbing. Fluid level at 2000' from surface. Swabbed all day and lowered fluid level to about 3200' below surface. Est. recovered about 80 bbl fluid today (total of 212 bbl thus far). Shut well in for week end.

Sept. 13: Didn't work - Sunday

Sept. 14: Tubing Pressure = 20#; Casing pressure = 750#. Bled off. Fluid level at 2200' below surface. Made 3 swab runs and 3rd run starting to show gas. No oil. Continued to swab all day. Recovered about 60 bbl of frac fluid plus N_2 gas. (Total recovery of fluid from frac-treatment to date is about 272 bbl.)

Sept. 15: Tubing Pressure = 0#; Casing pressure = 0#. Fluid level at 4200' below surface (about 1500' of fluid in hole). Swabbed dry in 3 runs. Some gas but would not burn due to N_2 content. Swabbed at 1 hr. intervals getting about 200' of fluid each time. No oil content yet. Shut well in for night.

Sept. 16: Tubing Pressure = 20#; Casing pressure = 0#. Fluid level at 5000' below surface. Slight show of gas - still won't burn. No increase in gas and no show of oil. Swabbed dry in 2 runs. Swabbed at one hr. intervals. Will swab today; but if not successful will consider perforating some lower favorable looking zones.

Sept. 17: Tubing Pressure = 20#; Casing Pressure = 0#. Fluid level at 4200' below surface. Slight blow of now favorable gas

initially. Swabbed down in 3 runs. Made run every hr. and recovered very little fluid (approx. 100' or less each run). Fluid is still yellow frac-fluid with small amount of gas mixed with N_2; no oil. Plan to squeeze perfs with 100 sks of self-stress cement.

Sept. 18: Tubing Pressure = 20#; Casing pressure = 0#. Fluid level at 4500' below surface. Swabbed dry in 3 runs. No appreciable am't of fluid. Small amount of gas mixed with N_2. Squeezed perfs (5715-45') with 100 sks of self-stress cement w/25% salt and 2% CaCl. Displaced cement 30 ft. below packer. Job completed at 5:30 P.M. Shut well in to hold cement.

Sept. 19: Unseated packer and came out of hole. Put on bit and casing scraper and went in hole. Found top of cement at 5700'. Rigged up power swivel and pump and drilled out cement and sand below perfs down to 7600'. Circulated hole for 1½ hrs.

Sept. 20: Sunday - didn't work.

Sept. 21: Came out of hole with tubing, casing scraper and bit. Rigged up Welex and perforated following zones w/one sh/ft.: 7330-65'; 7370-95'; 7438-50'; 7489-96' using casing gun and 3/8" jet charges. Finished perforating at 4PM. Went in hole with tubing and packer. Set packer at 7470' to swab lower perfs. Sent crew home at 1830 hrs.

Sept. 22: Tubing Pressure = 0#; Casing Pressure = 500#. Began swabbing and swabbed fluid out in 8 runs. Made a run every hr thereafter (4 runs) and recovered no fluid. No gas or oil. Shut well in overnight.

Sept. 23: Tubing Pressure = 0#; Casing Pressure = 500#. Ran swab and recovered no fluid, gas, or oil. Broke packer loose and reset packer at 7420' and began swabbing. Swabbed dry by 2 PM. Recovered no gas or oil; and no water showing up after swabbing dry. Ran swab at hr. intervals (4 times) no fluid. Shut well in overnight.

Sept. 24: Tubing Pressure = 0#; Casing Pressure = 300#. Ran swab and recovered no fluid. Small amount of gas - 3 ft. flare for 5 min. Reset packer at 7300' and swabbed all perfs dry in 4 hrs. Had gas on initial run; but no gas or oil on final runs. Pressure on annulus still building. Pressure must be coming from the squeezed perfs above the packer. Shut well in.

Sept. 25: Tubing Pressure = 20#; Casing Pressure = 300#. Ran swab. Recovered 100' of fluid with some gas (3' flare for 10 min). no show of oil. Moved packer up to 5500' and began swabbing. Swabbed dry by rPM. Recovered salt water from annulus. No gas or oil on final runs.

Sept. 26: Tubing Pressure = 300#; Casing Pressure = 0#. Had small flow of gas initially (10 ft. flare for 20 min). Ran swab and had about 1000 ft. of yellow colored water (frac fluid) with small amount (5-10 gal) of oil on top. It is fairly obvious that zone at 5715-45' was not cemented off and is making small amount of gas and oil.

Sept. 27: Suday - didn't work

Sept. 28: Tubing pressure = 300#; Casing pressure = 0#. Decided to suspend operations for time being. Unseated packer and came out of hole with tubing and packer. Laid down packer and went back in hole with tubing; seating nipple on bottom. Landed tubing at approximately 5000'. Rigged down BOP and assembled tubing head and valves. Well is shut-in and suspended until owners consider further treatments and work.

Estimated Total cost of Completion Work to date is: $258,505.

H.D.G.

STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

April 5, 1982

Megadon Enterprises, Inc.
57 West South Temple
Salt Lake City, Utah 84101

Re: Well No. Lion Mesa Unit #5-28
Sec. 28, T. 27S, R. 21E.
San Juan County, Utah

Gentlemen:

The above referred well has been under an operation suspended status for six months. Please inform this office of the current status of this well location.

Your prompt attention to the above will be greatly appreciated.

Sincerely,

DIVISION OF OIL, GAS AND MINING

Cari Furse

Cari Furse
Clerk Typist

MEGADON ENTERPRISES, INC.
309 Guaranty Bank Building • 817 17th St. • Denver, Colorado 80202 • (303) 573-0093
57 West South Temple • Salt Lake City, Utah 84101 • (801) 359-3575

April 12, 1982

Oil, Gas & Mining
Dept. of Natural Resources
Cari Furse
4241 State Office Building
Salt Lake City, Utah 84114

Re: Lion Mesa Unit #5-28
Sec. 28-27S-21E.
San Juan County, Utah

Dear Cari:

We have been trying to get the participants together to consider using the subject well for a water disposal well. We are assuming that there will be fair amounts of water that will have to be disposed of from the Lion Mesa #4-26 well. This well was originally making approximately 16 bbls oil/day plus 150 bbls of water. However, we are anticipating that additional work on the well will reduce the amount of water.

Our completion work on the Lion Mesa #5-28 well was very disappointing and none of the zones that were perforated and treated gave up appreciable quantities of oil or gas. We, therefore, will have to either plug and abandon the well or file for a permit to use the well for water disposal purposes.

As soon as we can get an agreement from our participants, we will contact you.

Sincerely yours,

W. Don Quigley

W. Don Quigley
President

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
(FORM 9-329)
(2/76)
OMB 42-RO 356

MONTHLY REPORT
OF
OPERATIONS

Lease No. U-35008
Communitization Agreement No. N/A
Field Name
Unit Name LION MESA UNIT
Participating Area
County SAN JUAN State UTAH
Operator MEGADON ENTERPRISES INC.
☐ Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of 9-30-81 to PRESENT, 19 5-27-82

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396 d), regulation (30 CFR 221.60), and the terms of the lease. Failure to report can result in the assessment of liquidated damages (30 CFR 221.54 (j)), shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (30 CFR 221.53).

Well No.	Sec. & ¼ of ¼	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
				I					

OUR COMPLETION WORK ON THE LION MESA #5-28 WELL WAS VERY DISAPPOINTING AND NONE OF THE ZONES THAT WERE PERFORATED AND TREATED GAVE UP APPRECIABLE QUANTITIES OF OIL OR GAS. WE, THEREFORE, WILL HAVE TO EITHER PLUG AND ABANDON THE WELL OR FILE FOR A PERMIT TO USE THE WELL FOR WATER DISPOSAL PURPOSES. WE ARE AWAITING THE DECISIONS OF THE WORKING INTEREST PARTICIPANTS.

THE REHABILITATION OF THE ABOVE LOCATION WILL BE STARTED IMMEDIATELY AS PER OUR LETTER OF MAY 10, 1982 TO J & W OILFIELD SERVICES.

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Produced			
*Sold			XXXXXXXXXXXXXXXX
*Spilled or Lost		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXXX
*Used on Lease			XXXXXXXXXXXXXXXX
*Injected			
*Surface Pits	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	
*Other (Identify)			
*On hand, End of Month		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*API Gravity/BTU Content			XXXXXXXXXXXXXXXX

Authorized Signature: Merrill Bateman Address: 57 WEST SOUTH TEMPLE, SLC., UT.
Title: SEC/TREAS.

Page _____ of _____

MEGADON ENTERPRISES, INC.
309 Guaranty Bank Building • 817 17th St. • Denver, Colorado 80202 • (303) 573-0093
57 West South Temple • Salt Lake City, Utah 84101 • (801) 359-3575

May 10, 1982

Mr. John Johnson
J & W Oilfield Services Inc.
P. O. Box 146
Moab, Utah 84532

Re: Clean-up work
Lion Mesa Wells

Dear John:

Yesterday along with U.S.G.S. and BLM personnel, I visited the Lion Mesa wells and there are several things that need to be done to meet their demands.

1. We need to put up signs on three of the wells: #27-1A, #4-26, and #5-28. The following information should be printed on the signs:

   Lion Mesa #27-1A: (The one with the tanks)

   Megadon Enterprises Inc.
   Lion Mesa #27-1A
   NE. SW. Sec. 27-27S-21E.
   Elev: 5587' Grd.

   Lion Mesa #4-26: (The one behind the hill and east of 27-1A)

   Megadon Enterprises Inc.
   Lion Mesa #4-26
   SE. SW. Sec 26-27S-21E.
   Elev: 5464' Grd.

   Lion Mesa #5-28: (The one on the west side of the road, west of 27-1A)

   Megadon Enterprises Inc.
   Lion Mesa #5-28
   Se. Ne. Sec. 28-27S-21E.
   Elev: 5515' Grd.

2. We need a lock on the load valve on the #27-1A well plus a spill barrel at the end of the load line. Put the lock on immediately. We need a lock on the #5-28 well also. Simply run a short chain thru the wheels on the valves and padlock it. A lock needs to be placed on the #4-26 well - a chain can be run thru the wheels of the master valve and around the well head and padlocked. Also put a 2" bull plug in the flange on each side of the casing since these valves can't be locked very easily. Give JR one set of the keys to

3. We need to pick up the pipe protectors on #27-1A and the extra tubing and rods. I guess the pipe protectors can go to the dump since no one seems to want them anymore. The rods and tubing should be stored in the yard for future work-over use. Some of the rods are broken and can be discarded. We need also to make a wooden storage bin (approximately 4' X 2' X 2' high) with a sloping top that can be locked to store all the little stuff at the well. Such things as valves, nipples, unions, change-over nipples, etc. that are needed at the well can be placed in the box and locked. The box could be placed next to the shed and painted the same color. Incidentally, I had a choke valve at the #27-1A well, but I didn't see it there yesterday. You might ask JB about it. Maybe JBCO took it to their yard. We need this valve for the Ten-Mile well.

4. The #4-26 well needs cleaning-up real bad. There are a large number of plastic 5-gal cans that need to be picked up and hauled to the dump. The cable, barrel, samples, etc. also need to be removed. The tubing (54 jts) should be hauled to the yard and stored for future use. The fence should also be removed, so that Jan Boyd can fold-in the reserve pit and the burn pit. She will also reduce the size of the location and contour the sides. The cat work should be done as soon as the fence is removed; so Jan should be contacted so that the work can be coordinated.

5. There is some spare tubing (18 jts) on the #5-28 well which should also be hauled to the yard. The reserve pit at this well is nearly dry and can be folded in. As soon as Jan is ready, the fence should be removed and the work begun. This location can also be reduced in size and contoured on the sides. The erosion trench near the SE. anchor needs to be filled in. This can be done when the pit work is accomplished.

I would appreciate your attention to this work as soon as you can work it into your schedule. If there are any questions, please contact me accordingly.

Sincerely yours,

W. Don Quigley

cc: Minerals Management
Attn: Don English
Durango, Colo.

- District Office, BLM
Attn: Paul Brown
Moab, Utah

- Jan Boyd

10.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
(FORM 9-329)
(2/76)
OMB 42-RO 356

MONTHLY REPORT
OF
OPERATIONS

Lease No. U-5008
Communitization Agreement No. N/A
Field Name —
Unit Name LION MESA
Participating Area —
County SAN JUAN State UTAH
Operator Megadon
☐ Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of October, 1982

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396 d), regulation (30 CFR 221.60), and the terms of the lease. Failure to report can result in the assessment of liquidated damages (30 CFR 221.54 (j)), shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (30 CFR 221.53).

Well No.	Sec. & ¼ of ¼	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
5-28	SENE 28	27S	21E	SI	0	0	0	0	

Subject well is still in a suspended status; awaiting decisions of working interest owners as to the outcome of the subject well. No production to date.

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month	0	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Produced	0	0	0
*Sold	0	0	XXXXXXXXXXXXXXXX
*Spilled or Lost	0	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXX	0	XXXXXXXXXXXXXXXX
*Used on Lease	0	0	XXXXXXXXXXXXXXXX
*Injected	0	0	0
*Surface Pits	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	0
*Other (Identify)	0	0	0
*On hand, End of Month	0	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*API Gravity/BTU Content	0	0	XXXXXXXXXXXXXXXX

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
(FORM 9-329)
(2/76)
OMB 42-R0 356

LM5-28 9

Lease No. U-[redacted]5008
Communitization Agreement No.
Field Name
Unit Name LION MESA
Participating Area
County SAN JUAN State UTAH
Operator MEGADON
☐ Amended Report

MONTHLY REPORT OF OPERATIONS

The following is a correct report of operations and production (including status of all unplugged wells) for the mont
of November, 1982

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396 d), regulation (30 CFR 221.60), and the terms of the lease. Failure to report ca
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feit the bond (30 CFR 221.53).

Well No.	Sec. & ¼ of ¼	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
5-28	SENE-28	27S	21E	OSI	0	0	0	0	

Subject well in a suspended status; awaiting decisions of working interest-owners. No production to date—

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month	NONE	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Produced	NONE	NONE	NONE
*Sold	NONE	NONE	XXXXXXXXXXXXXXXX
*Spilled or Lost	NONE	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXX	NONE	XXXXXXXXXXXXXXXX
*Used on Lease	NONE	NONE	XXXXXXXXXXXXXXXX
*Injected	NONE	NONE	NONE
*Surface Pits	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	NONE
*Other (Identify)	NONE	NONE	NONE
*On hand, End of Month		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
*API Gravity/BTU Content			XXXXXXXXXXXXXXXX

*Authorized Signature: [illegible] Title: [illegible]

STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

March 12, 1983

Megadon Enterprises, Inc.
57 West South Temple
Salt Lake City, Utah 84101

Re: Well No. Lion Mesa Unit # 5-28
Sec. 28, T. 27S, R. 21E.
San Juan County, Utah

Gentlemen:

The above referred to well has been under an operation suspended status for six months or longer. Please inform this office of the current status of this well location or what operations are currently being performed on this well. Enclosed please find Form OGC-1B (Sundry Notices and Reports on Wells), that you may use to inform our office of the matter requested above.

We will be happy to acknowledge receipt of your response to this notice if you will include an extra copy of the transmittal letter with a place for our signature, and a self-addressed envelope for the return. Such acknowledgement should avoid unnecessary mailing of a firm second notice from our agency.

Your prompt attention to the above will be greatly appreciated.

Respectfully,

DIVISION OF OIL, GAS AND MINING

Cari Furse

Cari Furse
Well Records Specialist

CF/cf
Enclosure

STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

October 1, 1985

Megadon Enterprises, Inc.
57 West South Temple #253
Salt Lake City, Utah 84101

Gentlemen:

Re: Attached Wells

We have received your July Production Report indicating that these wells are temporarily abandoned; however, there is no information as to where the temporary plugs are set in are files.

If plugs have been set, it is necessary to submit this information on "Sundry Notices". If plugs haven't been set, the well is not temporarily abandoned; it is either shut in or operations have been suspended.

Thank you for your prompt attention to this matter.

Sincerely,

Tami Alexander
Well Records Specialist

Enclosure
cc: Dianne R. Nielson
Ronald J. Firth
John R. Baza
Suspense File
File

0277/01

Attachement:

1- Well No. Bolinder #C-1 - Sec. 12, T 16S, R 12E, Emery County, Utah - API #43-015-15603.

2- Well No. Federal 1-26 - Sec. 26, T 24S, R 17E, Grand County, Utah - API #43-019-30688.

3- Well No. Federal 4-26 - Sec. 26, T 27S, R 21E, San Juan County, Utah - API #43-037-30617.

4- Well No. Lion Mesa 5-28 - Sec. 28, T 27S, R 21E, San Juan County, Utah - API #43-037-30650.

0277/02

MEGADON ENTERPRISES, INC.
57 West South Temple • Salt Lake City, Utah 84101 • (801) 359-3575

RECEIVED
OCT 15 1985
DIVISION OF OIL
GAS & MINING

October 14, 1985

Ms. Tami Alexander
Oil, Gas & Mining
Dept. of Natural Resources
Suite 350; 3 Triad Center
355 West North Temple
Salt Lake City, Utah 84180-1203

Re: Attached Wells

Dear Ms. Alexander:

We are in receipt of your letter dated October 1, 1985 regarding our July Production Report in which we indicated the above attached list of wells were temporarily abandoned.

We were notified by the BLM recently in form of an Incident of Non-Compliance (INC) that we had to indicate the above wells were temporarily abandoned instead of shut-in. Consequently I assumed since these wells are all on Federal Leases, we would indicate on the State Production Report the wells are TA/SI also. However, since this is obviously not acceptable with the State and there have not been any temporary plugs set, I will indicate on future State reports that these wells are shut-in.

If you have any questions, please advise.

Sincerely yours,

Sherrill L. Bateman

Sherrill L. Bateman
Secretary/Treasurer

Enclosure
cc: Dianne R. Nielson
Ronald J. Firth

/sb

Attachment:

1: Well No. Bolinder #C-1, Section 12, T 16S, R 12E, Emery County, Utah - API #43-015-15603.

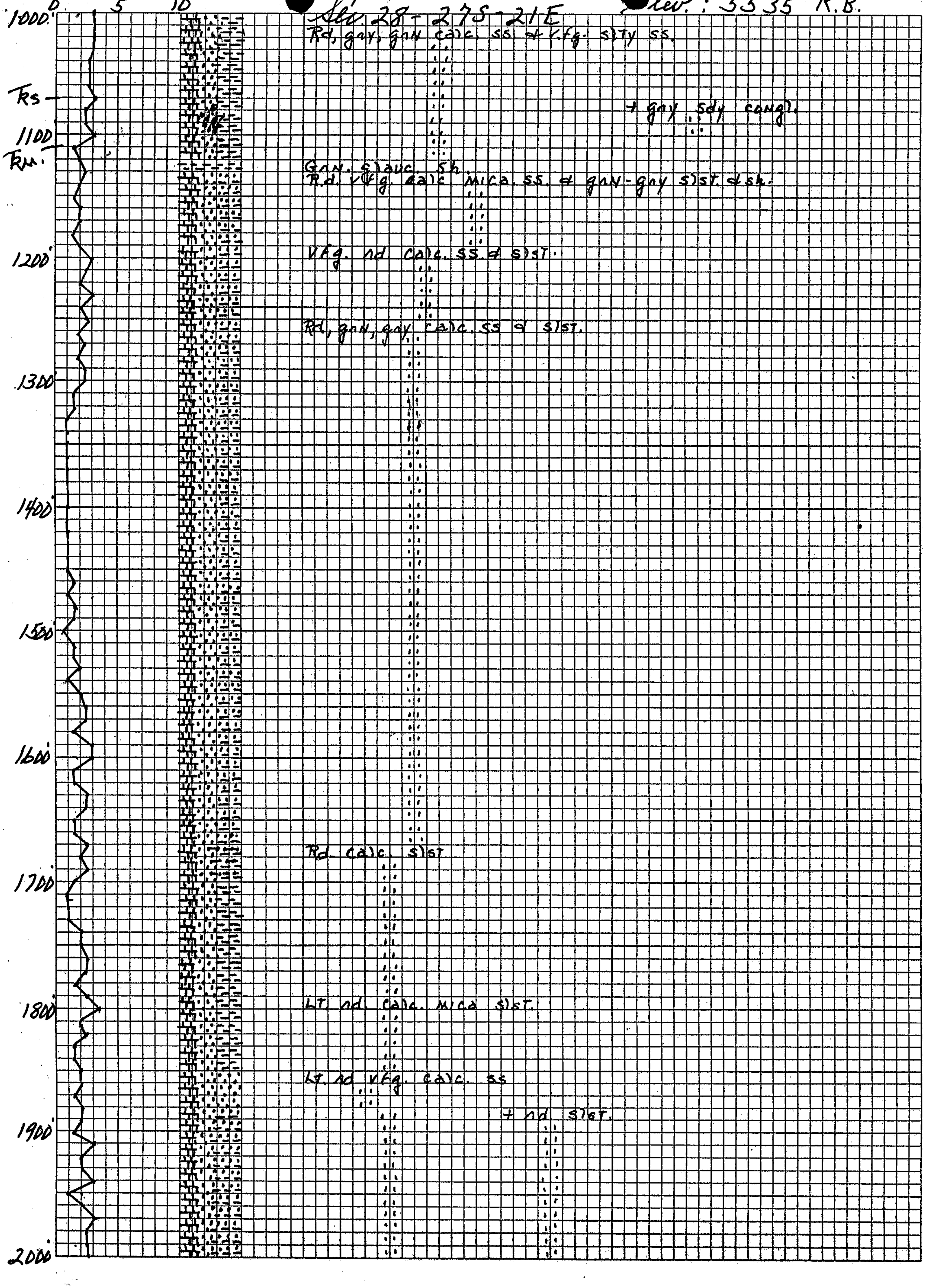
2: Well No. Federal 1-26, Section 26, T 24S, R 17E, Grand County, Utah - API #43-019-30688.

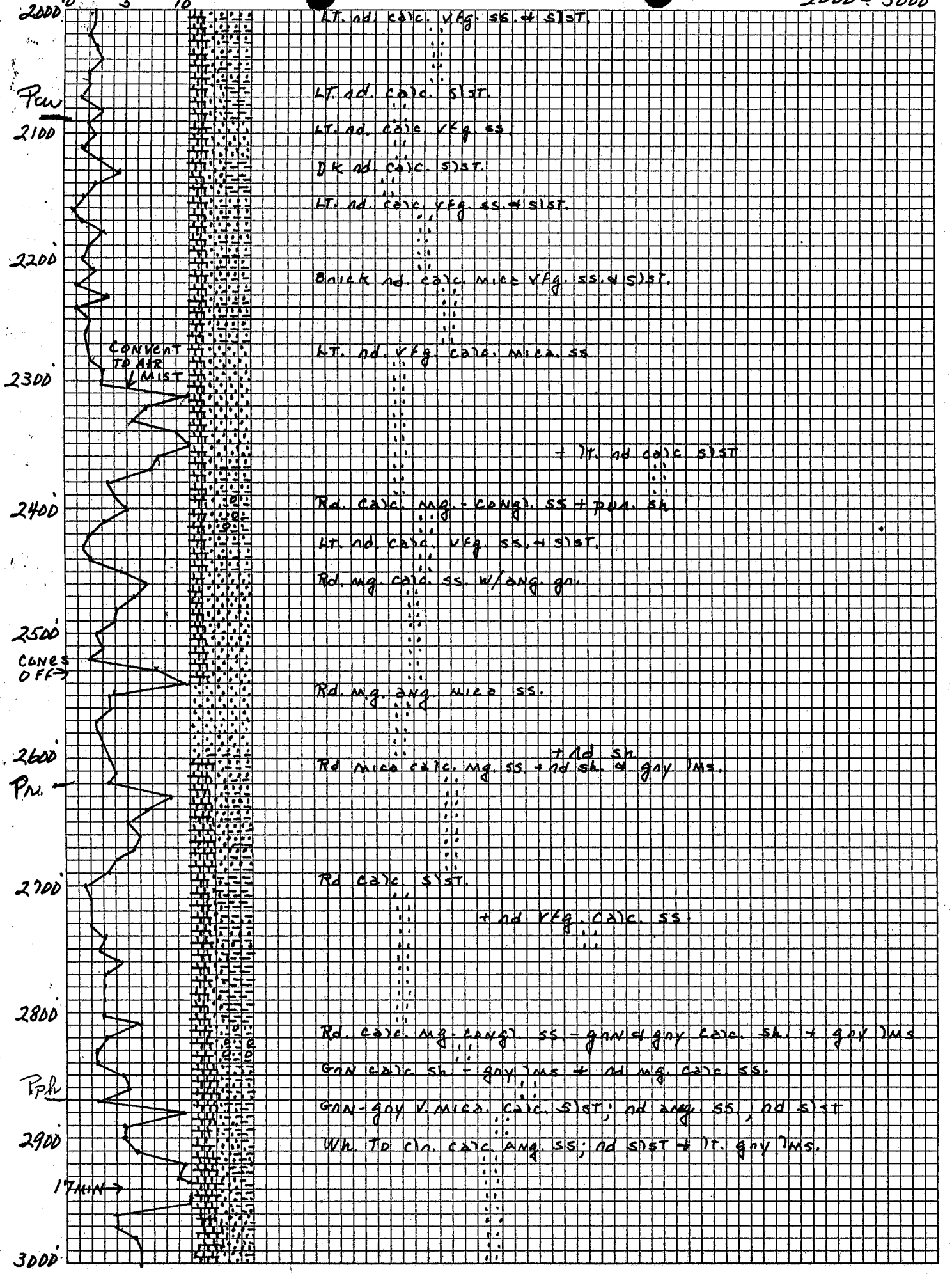
3: Well No. Federal 4-26, Section 26, T 27S, R 21E, San Juan County, Utah - API #43-037-30617

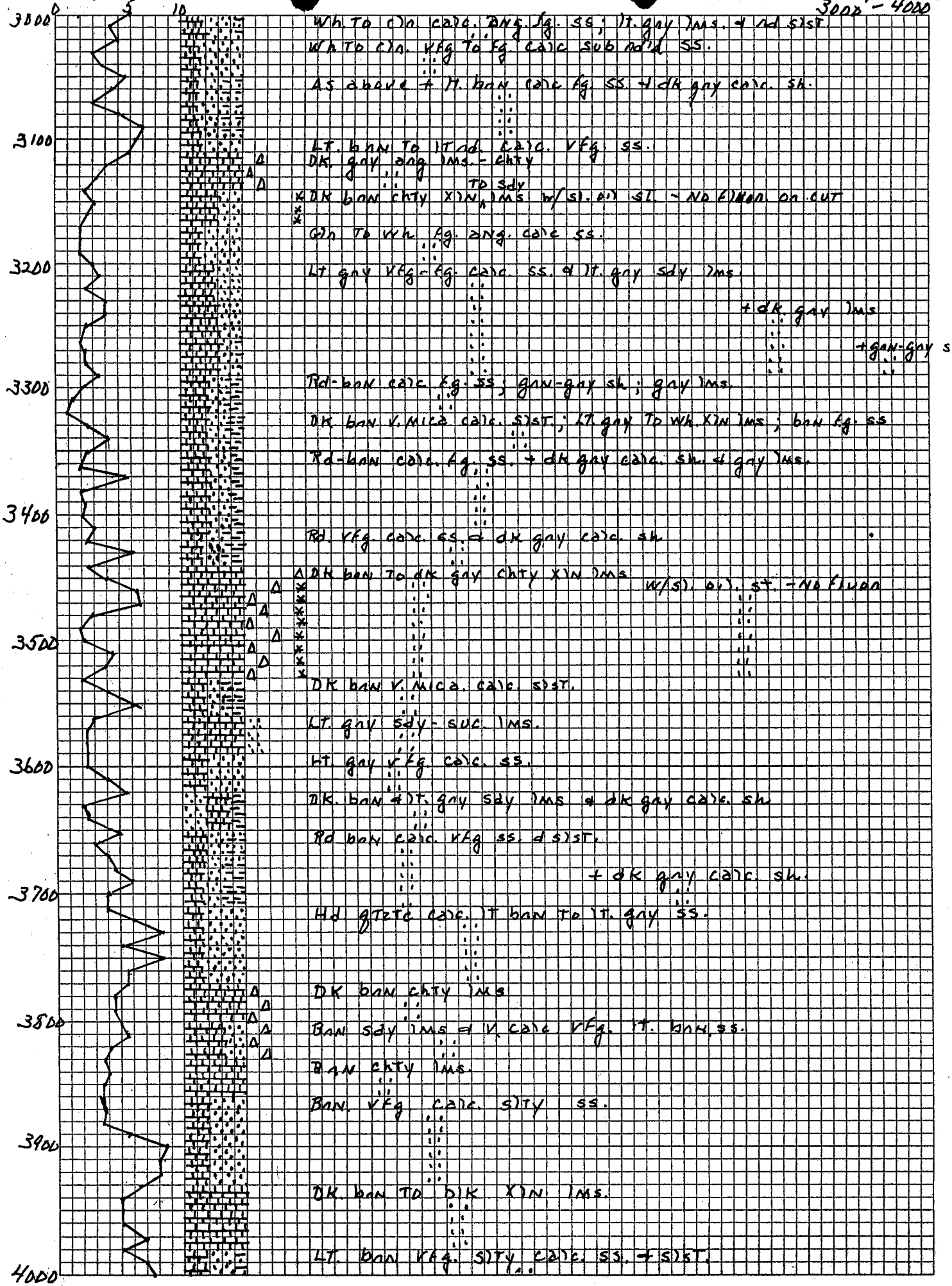
4: Well No. Lion Mesa 5-28 - Section 28, T 27S, R 21E, San Juan County, Utah - API #43-037-30650.

Drlg. time [illegible] Mesa # 5-28 43-037-30650

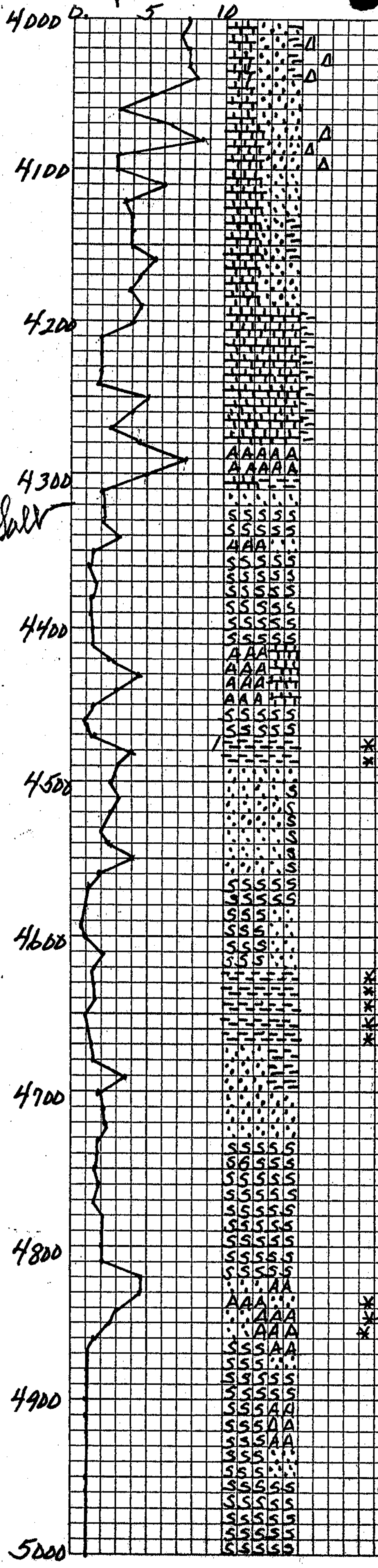
Sec 28-27S-21E Elev.: 5535' K.B.







Drlg Time (min/ft) Lion Mesa #5-28 4000-5000'



Lt. brn vfg. calc. slty ss. & slst.
Brn calc. vfg. ang ss + rd. calc. slst + ch

Lt. brn vfg. calc. ss.

Hd qtzte. gry ss. & lt brn chty lms (Lots of iron in sample)

Brn vfg. calc. ss. & gry lms
+ dk. gry calc. sh

Dk. gry dns silic. lms + dk gry dol. sh.

Dk gry + wh. mott. anhy
Dk. gry mica. calc. to dol. sh.
Wh. hd. qtzte vfg ss.
Salt ?
Anhy & lt. gry fg. calc. ss.
Salt

Wh. xln anhy & brn drty dol. w/ anhy casts.

Salt.
*Blk. petro. sh. w/ gas odor & oil cut - no fluor.
*Lt gry vfg. rd'd ss.
+ salt

Salt
+ wh vfg. loose sd

*Blk petro. sh w/ odor & cut
*
*
*
Gry vfg. muddy sd. + blk sh

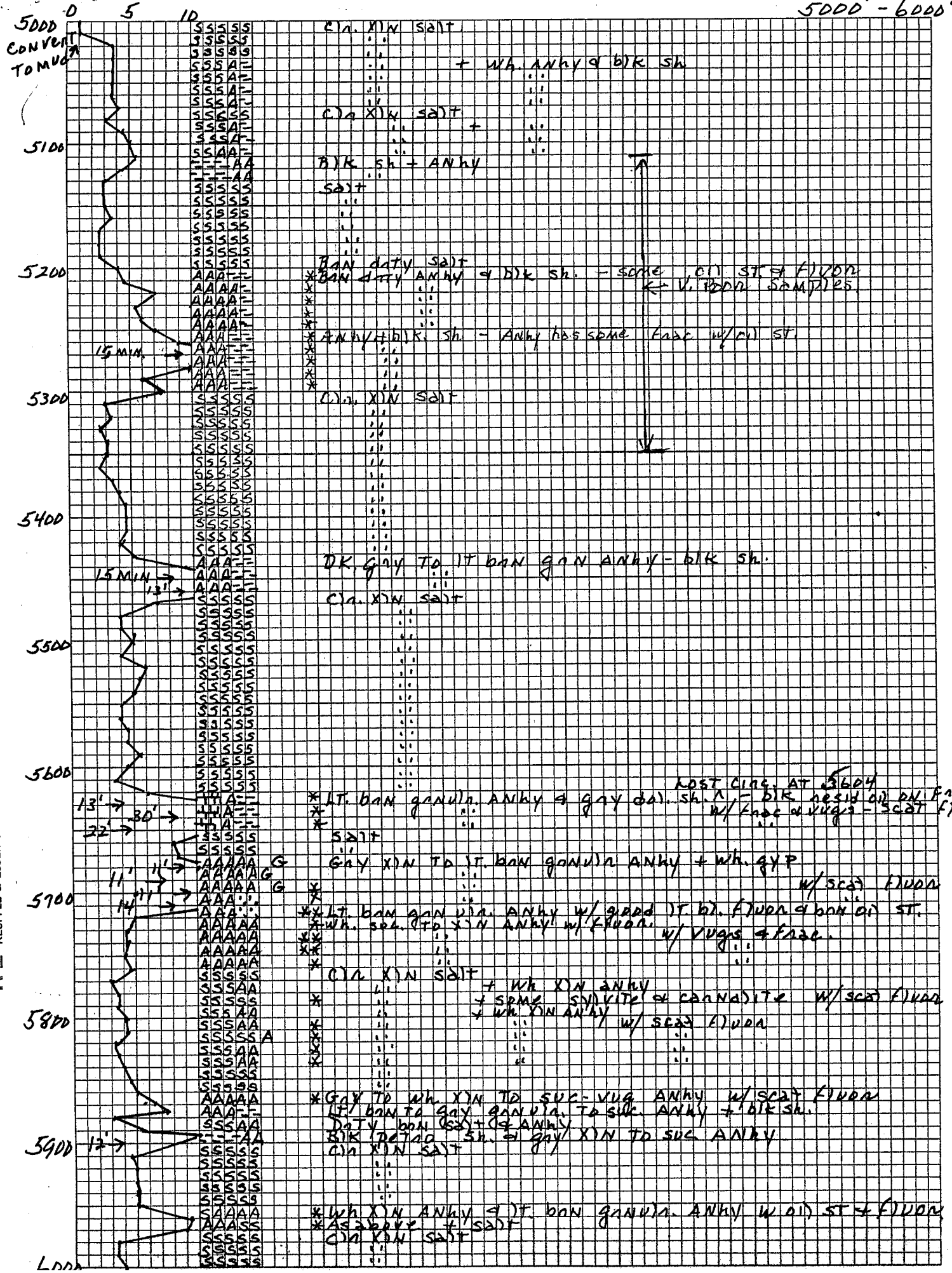
Wh-cln. fg ang loose sd
Brn mg. sub rd'd ss.
Cln. xln salt

Drty brn salt

Brn vfg slty sd & grn anhy ss
*Brn slty grn-sdy anhy & sd w/ dull grn fluor & sl. cut
*Lt. brn sdy anhy. w/ oil st. - no fluor
*
Salt & anhy
+ vfg wh. ss.
Salt
+ anhy
+ vfg. wh. sd
Cln xln salt

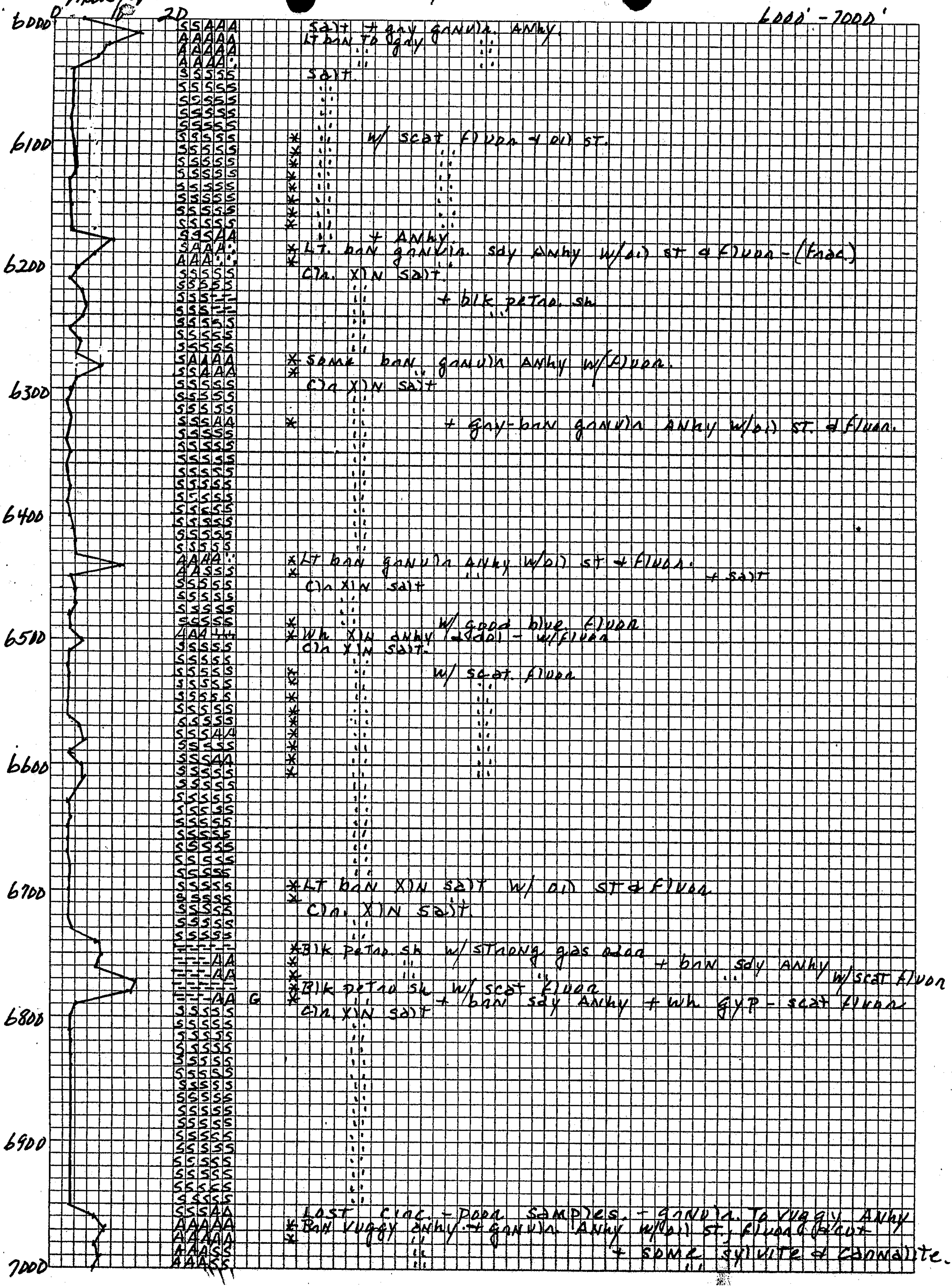
Drlg Time (min./ft.) Icon Mesa #5-28

5000' - 6000'

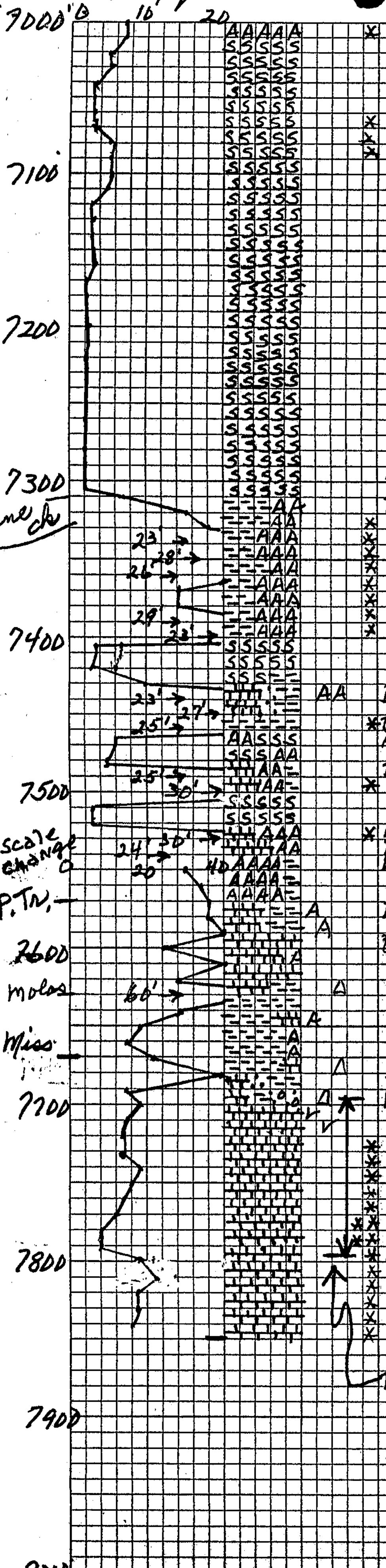


Iron Mesa # 5-28

6000' - 7000'



Mdw/ft. — Iron Mesa #5-28 — 7000' - 8000'



Brn vug. to granular Anhy w/st + fluor
Clr Xln salt.

w/ scat fluor
w/ some sylvite + carnallite - scat fluor

Clr. Xln salt
Blk petro sh. + gry granular Anhy w/oil st
(some scat muddy Anhy)
w/ scat fluor
+ oil cut
+ oil st.
As above + wh. Xln anhy - scat. fluor.

Clr. Xln salt.
+ blk sh. + brn dns dol.
Blk petro sh; gry Xln anhy; brn sdy Anhy + brn dol.
Blk petro sh w/STRONG gas odor
Anhy (wh Xln) + salt.
salt + wh Anhy
Brn Xln dol; wh. Xln anhy + brn granular Anhy + blk sh.
w/ scat. fluor.
Salt
scat. fluor
Lt gry Xln Anhy; dk gry Xln dol; brn dirty granular Anhy
Dk. gry sdy dol.
Wh. Xln anhy + blk. sh
+ gry anhy
Dk. brn + gry dns Xln dol. + blk. dol sh + Anhy
Dk gry dns dol; brn Xln dol. + lms.
+ wh Xln Anhy
Brn dns chty dol. + gry Xln lms + dol + soft rd. sh.
soft rd. calc. sh.
+ brn Xln dol + gry Xln Anhy
+ gry-grn calc sh; Pur. sh + Xln Anhy
+ chty dol.
Rd calc. slst + mudst + gry + grn calc. sk. - gry lms
Varie. calc. sh.; amber colored sd + ch
Lt gry to wh Xln to chalky lms
Wh to lt gry chalky lms.
w/ faint fluor + cut
w/ scat fluor + resid. oil on frac.
w/ good scat fluor - sl cut
Wh. to lt gry chalky to granular - frac. lms w/ fluor - oil st + sl. cut
Chalky vuggy wh + gry lms w/oil st - good fluor
Lt gry to wh. chalky to vuggy lms w/ fluor.
Lt. gry dns lms + some chalky
w/ scat fluor.
T.D. 7848'

DST #1 (7696-7796) - MISRUN; Rec. 460' mud w/oil film + Gas in d.p. - IFP = 241#-706#; ISIP = 2904# - Packer Failed on final flow.

5 X 5 TO 1/2 INCH • 7 X 10 INCHES KEUFFEL & ESSER CO. MADE IN U.S.A.
46 0862

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: Federal UTU 35008

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: ~~Federal~~ Lion Mesa 5-28

2. NAME OF OPERATOR: Maxus Energy Corporation 1033 Richmon Ave

9. API NUMBER: 4303730650

3. ADDRESS OF OPERATOR: Suite 1050 CITY Houston STATE TX ZIP 77042

PHONE NUMBER: (281) 681-7200

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1960 FNL & 680' FEL,

COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE/NE 28 27S 21E

STATE: UTAH

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

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

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

Maxus Energy has contracted with A-Plus Well Service, Inc. to plug and abandon this well per the attached procedure.

Contact information for A-Plus is PO Box 1979, Farmington, NM 87499; Phone 505-325-2627; fax 505-325-1211

COPY SENT TO OPERATOR
Date: 4.23.2014
Initials: KS

NAME (PLEASE PRINT) William Clark TITLE Contractor, President

SIGNATURE William F Clark DATE 4/10/2014

(This space for State use only)

Accepted by the Utah Division of Oil, Gas and Mining
Date: 4/21/2014
By:

Federal Approval Of This Action Is Necessary

RECEIVED
APR 11 2014
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS

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

***SUBMIT IN TRIPLICATE** – Other instructions on page 2.*

5. Lease Serial No.
UTU 35008

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

7. If Unit of CA/Agreement, Name and/or No.
N/A

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Fereral Lion Mesa 5-28

2. Name of Operator
Maxus EnergyCorporation

9. API Well No.
43-037-30650

3a. Address
10333 Richmon Ave, Suite 1050, Houston , TX 77042

3b. Phone No. *(include area code)*
281-681-7200

10. Field and Pool or Exploratory Area
Wildcat

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1960' FNL & 680' FEL, Section 28, T 27 S, R 21 E, SE/NE

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

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other _____
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

Maxus Energy Corporation has contracted with A-Plus Well Service, Inc. to plug and abandon this well per the attached plugging procudure.

Contact information for A-Plus is PO Box 1979, Farmington, NM 87499 Phone: 505-325-2627 and fax 505-325-1211
Bill Clark at bill@apluswell.com

Pleae email an approved copy of this Sundry to A-Plus so we can schedule this work.

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
William F. Clark

Title President

Signature William F Clark

Date April 10, 2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

Title 18 U.S.C. Section 1001 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.

(Instructions on page 2)

A-PLUS WELL SERVICE, INC.

P.O. 00BOX 1979
Farmington, New Mexico 87499
505-325-2627 *fax: 505-325-1211

PLUG AND ABANDONMENT PROCEDURE

April 10, 2014

Lion Mesa #5-28
Wildcat
1960' FNL & 680' FEL, Section 28, T-27-S, R-21-E
San Juan County, Utah / API 43-037-30617

Note: All cement volumes use 100% excess outside pipe and 50' excess inside the casing(s). All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.
Mud at 9.0 ppg will be placed between all cement plugs.

1. This project will use an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up. Waste fluids and solids will be taken to approved facilities for appropriate disposal.

2. Comply with all BLM and Operator safety regulations. Conduct safety meeting for all personnel on location. Set certified base beam. MOL and RU daylight pulling unit. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary. Pump 20 bbls or more of water down the tubing. ND wellhead and NU BOP. Test the BOP.

3. TOH and visually inspect the 2.375" tubing; anticipate laying it down since it has been the well for since 1981. If necessary tally and pick up 2.375" workstring. Round trip string mill to 7300'.

4. **Plug #1 (Cane Creek perforations and top, 7280' to 7180'):** TIH with tubing and set 5.5" cement retainer at 7280'. Pressure test the tubing to 1500 PSI. Then load the well with water and circulate the casing clean. Pressure test casing to 1000 PSI. *If casing does not test, then spot or tag subsequent plugs as appropriate.* Mix and pump 50 sxs Class B cement, squeeze 30 sxs under the CR and spot 20 sxs above to isolate the Cane Creek perforations. PUH above the cement; then mix and spot 9.0 ppg mud up to 5745'. TOH with tubing.

5. Note: Since the cement did not circulate to surface during the cementing of the 5.5" casing; and neither a T.S. nor CBL log were run: Rig up wireline truck and run a CBL to determine the 8.75" openhole by 5.5" casing annulus top of cement. The following procedure has been prepared with the understanding that it may be modified based on the TOC from the CBL.

6. **Plug #2 (Paradox perforations, 5745' to 5650'):** TIH and set a cement retainer at 5700'. Mix and pump 30 sxs Class B cement, squeeze 20 sxs under the CR and spot 10 sxs above to isolate the Paradox perforations. PUH above the cement and spot mud up to 4440'. PUH.

7. **Plug #3 (Paradox Salt top, 4440' to 4300'):** Mix 21 sxs Class B cement and spot a balanced plug inside casing to isolate the Paradox Salt top. PUH above the cement and spot mud. TOH.

A-PLUS WELL SERVICE, INC.

PLUG AND ABANDONMENT PROCEDURE

April 10, 2014

Lion Mesa #5-28 - Continued:

8. **Plug #4 (Water Zone, 2400' to 2180'):** Perforate 3 HSC holes at 2400'. Establish a rate into the squeeze holes. Then TIH and set a cement retainer at 2350'. Mix and pump 70 sxs Class B cement, squeeze 60 sxs under the CR and spot 10 sxs above to isolate the water zone. PUH above the cement and spot mud up to 1150'. TOH.

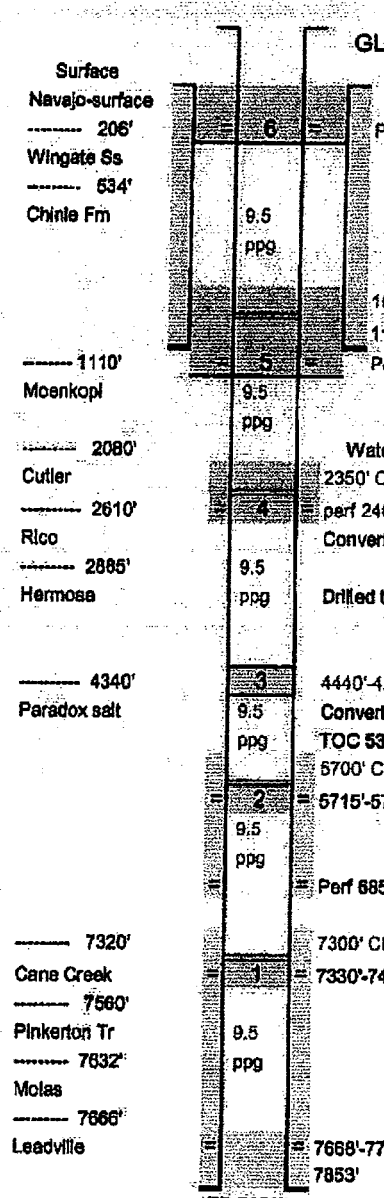
9. **Plug #5 (9.625" Surface casing shoe, 1150' to 1050'):** Perforate 3 HSC holes at 1150'. Establish injection rate into squeeze holes. TIH and set cement retainer at 1110'. Re-establish injection rate. Mix 50 sxs Class B cement, squeeze 40 sxs outside annulus and leave 10 sxs inside casing to cover the 9.625" casing shoe. PUH above the cement and spot mud. TOH and LD tubing.

10. **Plug #6 (9.625" Surface casing shoe, 100' to Surface):** Perforate 3 squeeze holes at 100'. Establish circulation out bradenhead valve with water and circulate the BH annulus clean. Mix approximately 40 sxs cement and pump down the 5.5" casing to circulate good cement out bradenhead valve. Shut in well and WOC.

11. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. Clean up location. RD rig and equipment then MOL.

Wellbore Profile
Megadon Energy Corporation
Lion Mesa 5-28

Lease UTU35008
SE/NE Sec 28, T27S, R21E
1960' fnl, 680' fel



Perf at 100' and circulate cement in casing and annulus to surface.

All intervals between plugs shall be filled with mud of at least 9.5 lb/gal.

1050' min cement height in annulus

1100' 9-5/8", 36# in 12-1/4" hole, cemented w/ 300 sx

Perf at 1150', set CICR at ~1100' and sqz 40 sx + 5 sx on top.

Water at 2280'

2350' CICR & sqz 60 +10sx

perf 2400'

Convert to air-mist 2310'

Drilled to salt with air-mist system in 1981.

4440'-4240' balanced plug across the salt top, 20 sx

Convert to mud at 5012'

TOC 5310' CBL (1981)

5700' CICR and squeeze w/ 20 sx + 5 sx on top.

5715'-5745'; failed squeeze 9/21/81; perf open

Perf 6850' for secondary cmt job, 465 sx

7300' CICR and squeeze w/ 50 sxs

7330'-7496' (1981)

7668'-7750' plugged (1981)

7853' 5-1/2", 17#, K-55 surface to 3725' in 8-3/4" hole
23#, N-80 3725'-7853'

Cement, Primary: 200 sx "self -stress" + 37% salt
Secondary (6850'): 300 sx 65/35 poz + 37% salt; 165 sx self-stress + 37% salt

Volume & Capacity

5-1/2", 17#c	= 7.661 ft/ft3 = .1305 ft3/ft
5-1/2", 23#c	= 8.407 ft/ft3 = .1189 ft3/ft
5-1/2"c x 8-3/4"h	= 3.9589 ft/ft3 = .2526 ft3/ft
5-1/2"c x 9-5/8, 36#c	= 3.716 ft/ft3 = .2691 ft3/ft

Shows at:
5604'-5710'
5950'-5970'
6959'-7010'
7376'-7454'
7720'-7790'

spreadsheet/wellbore profile/P&A/Megadon 5-28

ecj 4-30-9

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab Field Office
82 East Dogwood
Moab, Utah 84532

RECD APR 15 2013

IN REPLY REFER TO:
3160
UTU35008
(UTY012)

CERTIFIED MAIL–RETURN RECEIPT REQUESTED
Certified No. 7011 1150 0000 0359 9613

APR 11 2013

Maxus Exploration Company
1330 Lake Robbins Dr., Suite 250
The Woodlands, Texas 77380

WRITTEN ORDER

Re: Well Plugging Responsibility
Terminated Lease UTU35008
Federal Lion Mesa 5-28 Well, API# 43-037-30617 well TD 6/24/81 - 7858' TD
Section 28, T27S, R21E See 26 marathon 7515' plugback
San Juan County, Utah

Gentlemen:

Records show that Maxus Exploration Company held 100% record title in Federal oil and gas lease UTU35008 which is now terminated. Megadon Energy Corporation drilled the only well on the lease, Federal Lion Mesa 5-28, in 1981 and since that time has been responsible for the well's operation.

For years this office has encouraged Megadon to exercise their responsibility as operator of the Federal Lion Mesa 5-28 well and several other non-productive wells, some of which are also on terminated leases. Unfortunately, Megadon has consistently failed to perform their responsibilities under the Federal oil and gas leases they operate. When a lease operator defaults on their obligations, we look to the lessee(s) to fulfill the lease responsibilities including performing any well plugging and reclamation obligations that persist.

Although these circumstances are regrettable, a lessee is ultimately responsible for the actions, or in this instance, inactions, of their lease operator. We now look to Maxus Exploration Company, as lessee, to accept responsibility for this well.

The Bureau of Land Management (BLM) considers Maxus Exploration Company to be responsible for plugging and reclamation operations associated with the Federal Lion Mesa 5-28 well. You must submit a proposed well plugging procedure to this office for approval within 60 days of receipt of this Order. If you require well information or wish to discuss plugging requirements, please contact Eric Jones of this office at 435-259-2117.

You may request a State Director Review of this action in accordance with 43 CFR 3165.3. Such a request, including all supporting documentation, must be filed in writing within twenty business days following receipt of this correspondence, with the *Utah State Director, Bureau of Land Management, 440 West 200 South, Suite 500, Salt Lake City, Utah 84101-1345.*

The lessees of two other Megadon operated wells in the area, Marathon Oil Company and BP, are also being required to plug wells on terminated leases under similar conditions and within the same time frame. Perhaps a combined effort of all three lessees to plug and abandon the three wells would reduce costs. Should you have any questions, please call Eric Jones of this office at 435-259-2117.

Sincerely,

Acting Field Manager

BRENT BARKER

From: Jones, Eric <ejones@blm.gov>
Sent: Thursday, December 19, 2013 5:03 PM
To: BRENT BARKER
Subject: Plugging Procedure
Attachments: 20131219153823.pdf; 20131219153843.pdf; 20131219153900.pdf

Brent,

Attached are three documents that may assist you in the preparation of a plugging procedure for the Lion Mesa #5-28 Well in San Juan County, Utah.

The first document is a Sundry Notice form (Form 3160-5) which will serve as the application. The blank form can be printed and used. If you prefer, a fillable pdf version of the form is available on the BLM National website by clicking the following: Information Center; Online Services; BLM Forms; Oil and Gas; 3160-005 "Sundry Notices and Reports on Wells." I can help if you have trouble following that. Supporting documents can be attached to the sundry notice.

The second document is a list of plugging requirements for the subject well that was included in our Written Order to the defaulting operator, Megadon.

The third document is a wellbore profile of the subject well which includes the plugs described in the prior 'plugging requirements" document.

A plugging procedure of your design may differ somewhat from from the attached design, but this provides a good foundation for what we will expect in a plugging procedure. I hope you find this helpful. Please let me know if you need further assistance.
Thanks,
Eric

--

Eric Jones
Petroleum Engineer
BLM Moab Field Office
ejones@blm.gov
435-259-2117

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab Field Office
82 East Dogwood
Moab, Utah 84532
http://www.blm.gov/utah/moab

In Reply Refer To:
3160
UTU35008
(UTY012)

FEB - 4 2014

CERTIFIED MAIL–RETURN RECEIPT REQUESTED
Certified No. 7012 2920 0001 9165 3651

Mr. Brent Barker
Maxus Exploration Company
1330 Lake Robbins Dr., Suite 300
The Woodlands, Texas 77380

Re: Third Extension of Time
Well Plugging
Federal Lion Mesa 5-28 Well, API# 43-037-30650
Default of Megadon Energy
Terminated Lease UTU35008
Section 28, T27S, R21E
San Juan County, Utah

Dear Mr. Barker:

This office issued Maxus a Written Order on April 11, 2013, which required you to submit a proposal to plug and abandon the above referenced well within 60 days of receipt of the order. The allotted time in which to comply has been extended, and, at your request and with justification we are extending in once again.

By March 31, 2014 you must submit a proposed plugging procedure for the Federal Lion Mesa 5-28 well to this office for approval. Similar extensions are being granted to Marathon and BP for their wells associated with this project.

Please contact our petroleum engineer, Eric Jones at 435-259-2117 if you require well information, wish to discuss abandonment requirements, or have any questions regarding this matter. Thank you for working toward restoring the land.

Sincerely,

Beth Ransel
Field Manager

BRENT BARKER

From: Jones, Eric <ejones@blm.gov>
Sent: Monday, February 24, 2014 3:43 PM
To: BRENT BARKER
Subject: Re: Sundry Notice
Attachments: 20140224140951.pdf

Brent,
Attached is a copy of the extension we issued on February 4, 2014. It requires that a *proposal* to plug the well be submitted by March 31, 2014. It does not require that the plugging work be completed by that date. Compliance will be achieved if Maxus will submit a Sundry Notice (Form 3160-5) identifying the well and proposing how the well will be plugged--which could essentially incorporate the plugging design/wellbore profile that I sent you earlier--and provide a date by which you can actually plug the well. The sundry notice will serve as a commitment that Maxus intends to plug the well, which is one of the important components of this first step.
We are far more interested in compliance than on imposing penalties. As far as scheduling the actual plugging operations, we will look to Maxus to suggest a date based on rig and material availability, and we remain willing to accommodate reasonable adjustments to that date based on unanticipated changes.
Feel free to contact me as questions arise.
Thanks,

On Mon, Feb 24, 2014 at 1:11 PM, BRENT BARKER <BBARKER@maxuscorp.com> wrote:

Eric, please send to me asap another Written Order to extend our P&A; we will be plugging our own well; how much time will we have &

Will there be any associated penalties?

--
Eric Jones
Petroleum Engineer
BLM Moab Field Office
ejones@blm.gov
435-259-2117

BRENT BARKER

From: Jones, Eric <ejones@blm.gov>
Sent: Tuesday, February 25, 2014 12:26 PM
To: BRENT BARKER
Subject: Re: Proposal
Attachments: Lion Mesa 5-28_wellbore, plug requirements.pdf

Brent,
It might help to have the plugging contractor provide input into the plug design in case they have alternate design suggestions. However, it is not necessary; a Notice of Intent to Abandon (Form 3160-5) could be submitted based on the wellbore profile/Plugging Requirements (attached), which were components of a Written Order issued to Megadon. Once approved, modifications could could still be made to a plugging procedure, as necessary. If a plugging contractor is selected after approval of the Notice of Intent to Abandon, I would remain available to discuss plugging details or modifications with Maxus or directly with your plugging contractor if you would like.
I am unable to provide recommendations regarding plugging contractors; however, you have a very good list of capable contractors.
Fidelity Exploration & Production has a lease position in the vicinity of this well and has proposed a geophysical project in the area. They have expressed interest in using the 5-28 well pad for equipment staging in support of the geophysical project. The BLM would be amenable to transferring the obligation for surface reclamation from Maxus to Fidelity if both parties agree. Fidelity's contact for this is: Robert Kemp, Exploration Asset Manager, 303-893-3133 ext. 5725, Denver, CO.
Thanks,

On Tue, Feb 25, 2014 at 6:28 AM, BRENT BARKER <BBARKER@maxuscorp.com> wrote:

Thanks again for all your help Eric.

So my next move is find a well plugging contractor in order to complete Form 3160-5?

Can you recommend any; some have been given to me:

BP recommended A Plus Well Service out of Farmington;

Others:

Well Pluggers, Inc.

Treadway Well Service

Red Rock Well Service

Aztec Well Service Co

Wildcat Energy Service, LLC

4-Corners Well Service Co

BRENT BARKER

From: Jones, Eric <ejones@blm.gov>
Sent: Tuesday, February 25, 2014 12:49 PM
To: BRENT BARKER
Subject: Re: Proposal

The surface reclamation is usually performed by a separate contractor. Some may be able to do both, but I don't know.

On Tue, Feb 25, 2014 at 11:36 AM, BRENT BARKER <BBARKER@maxuscorp.com> wrote:

2 separate procedures; 1 for P&A and 2 surface reclamation; can the P&A vendor do both?

From: Jones, Eric [mailto:ejones@blm.gov]
Sent: Tuesday, February 25, 2014 12:26 PM
To: BRENT BARKER
Subject: Re: Proposal

Brent,

It might help to have the plugging contractor provide input into the plug design in case they have alternate design suggestions. However, it is not necessary; a Notice of Intent to Abandon (Form 3160-5) could be submitted based on the wellbore profile/Plugging Requirements (attached), which were components of a Written Order issued to Megadon. Once approved, modifications could could still be made to a plugging procedure, as necessary. If a plugging contractor is selected after approval of the Notice of Intent to Abandon, I would remain available to discuss plugging details or modifications with Maxus or directly with your plugging contractor if you would like.

I am unable to provide recommendations regarding plugging contractors; however, you have a very good list of capable contractors.

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Thanks,

On Tue, Feb 25, 2014 at 6:28 AM, BRENT BARKER <BBARKER@maxuscorp.com> wrote:

Thanks again for all your help Eric.

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: Federal UTU 35008

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:

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Federal Lion Mesa 5-28

2. NAME OF OPERATOR: Maxus Energy Corporation 1033 Richmon Ave

9. API NUMBER: 4303730650

3. ADDRESS OF OPERATOR: Suite 1050 CITY Houston STATE TX ZIP 77042

PHONE NUMBER: (281) 681-7200

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1960' FNL & 680' FEI,

COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 28 27S 21E

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☑ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 12/23/2014	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☑ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

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

Maxus Energy plugged and abandoned this well on September 15, 2014 per the attached report by A-Plus Well Service.

Additionally, the location was reclaimed on December 23, 2014 by Harrison Field Service.

P&A marker located at N 38* 25' 33.60" & W 109* 36' 32.40".

RECEIVED
JAN 22 2015
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) William Clark TITLE Contractor

SIGNATURE William F Clark DATE 1/19/2015

(This space for State use only)

(5/2000) (See Instructions on Reverse Side)

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 *fax: 505-325-1211

Maxus Energy
Federal Lion Mesa 5-28

September 15, 2014

1960' FNL and 680' FEL, Section 28, T-27-S, R-21-E
San Juan County, UT
Lease Number: UTU-35008
API #43-037-30650

Plug and Abandonment Report
Notified Utah BLM and State of Utah on 9/3/14

Plug and Abandonment Summary:

Plug #1 with CR at 7256' spot 30 sxs (35.4 cf) Class B cement inside casing from 7256' to 6959' with to cover the Cane Creek top. WOC overnight and tag TOC at 7052'.

Plug #2 with CR at 5700' spot 15 sxs (17.7 cf) Class B cement inside casing from 5700' to 5551' to cover the Paradox top. Tag TOC at 4102'.

Plug #3 with squeeze holes at 4078' and no CR: 1) mix and spot 60 sxs (70.8 cf) Class B cement inside casing from 4102' up to 3465' to cover the Paradox Salt top; 2) PUH with tubing to 3109'; 3) attempt to squeeze cement outside the casing, well pressured up 1000 PSI after only 1 bbl.; and 4) shut in well with 2000 PSI for overnight. Tag TOC at 3602'; calculate 4 sxs outside the 5.5" casing at the squeeze holes.

Plug #4 with squeeze holes at 2400' and CR at 2350': mix and pump 70 sxs (82.6 cf) Class B cement from 2400' to 2260' with 54 sxs outside casing, 6 sxs below CR and 10 sxs above to cover Water Zone.

Plug #5 with squeeze holes at 1150' and CR at 1110': mix and pump 52 sxs (61.36 cf) Class B cement from 1155' to 1046' with 40 sxs outside casing, 5 sxs inside below CR and 7 sxs above with 10# mud ppg from 1046' to surface to cover the 9.625" surface casing shoe.

Plug #6 with squeeze holes at 100': mix and pump 52 sxs (61.36 cf) Class B cement down the 5.5" casing from 100' to surface, circulate good cement out the 9.625" bradenhead valve. SI well and WOC. Cut off wellhead and found cement at 15' in 5.5" casing and did not tag at 100' in the 5.5" x 9.625" bradenhead annulus.

Plug #7 RIH with poly pipe at 100' and then mix and pump 12 sxs Class B cement to fill BH annulus; ran out of cement.

Plug #7a with 40 sxs Class B cement to finish filling the 5.5" x 9.625" bradenhead annulus up to surface; and install P&A maker.

Coordinates: Lat: 38' 25' 33.60° N and Long: 109' 36'32.40° W.

Plugging Work Details:

9/3/14 Crew drive to Green River; rode rig and equipment from Green River to well location. SDFD.

9/4/14 Check well pressures: tubing TSTM, casing 2000 PSI and bradenhead 7 PSI. Open casing to pit and blew for estimated 20 minutes. Unloaded 10 bbl. oil, unable to open tubing master valve, slow work off; no PSI. RU rig equipment. Perform start well inspection. Unload BOP and x-over to 2-3/8" equipment. RU relief lines. ND wellhead and NU BOP. TOH and tally 120 joints (3796'). SI & SDFD.

A-PLUS WELL SERVICE, INC.

Maxus Energy
Federal Lion Mesa 5-28

December 23, 2014

Plugging Work Details (continued):

9/5/14 Check well pressures: tubing 5 PSI and casing, bradenhead 7 PSI. Continue to TOH and tally 109 joints. Total 229 joints from well, total 7268'. PU 5.5" DHS CR and set at 7256'. Pressure test tubing to 1500 PSI, OK. Establish circulation. Note: will not pressure test casing due to open perfs. Sting in CR and attempt to establish rate. Pressured up to 2100 PSI, bled down to 1750 PSI in 5 minutes, OK. Jeff Brown, UT BLM, approved procedure change. Spot plug #1 with calculated TOC at 6959'. SDFD.

9/8/14 Open up well; no pressures. Function test BOP. Mix 50 sxs salt gel with 9.5 bbl. brine water to make 10 lb. mud. TIH and tag plug #1 at 7052'. Pump mud spacer from 7052' to 5700'. LD tubing to 5675'. RU A-Plus wireline. RIH and set 5-1/2" Plugwell CR at 5700'. Ran CBL from 5700' to surface. Pressure test casing to 800 PSI, held OK. Make up 5.5" CR stinger, TIH with 80 joints tubing. SDFD.

9/9/14 Open up well; no pressures. Continue to TIH with tubing sting into the CR at 5700'. Attempt to establish rate into Paradox perforations; pressured up to 1000 PSI; no rate under CR. Spot plug #2 with calculated TOC at 5551'. Spot mud spacer from 5516' to 4300'. RU A-Plus wireline. Unable to get perf gun past 4084'. Wait on orders. TIH and tag up at 4102'. Attempt to break through with 3-7/8" bit. Note: J. Brown, UT BLM approved procedure change. Perforate 3 HSC squeeze holes at 4078' establish rate of 1.5 bpm at 1000 PSI. TIH with tubing to 4102'. Establish circulation. Spot plug #3 with calculated TOC at 3928'. PUH to 3465'. Pump 20 bbl. and reverse circulate less than one bbl. cement. Attempt to squeeze, 1 bbl. pressured up to 2000 PSI, will not bleed off. SI well. WOC. Estimated top at 3882'. SDFD.

9/10/14 Check well pressures: tubing and casing 1250 PSI, bradenhead 0 PSI, open to pit. Note: well was shut in at 2000 PSI, lost 750 PSI overnight from squeeze. TIH and tag plug #3 at 3602'. Mix mud - add 10 100# sxs brite to mud to bring up to 10 ppg. Spot 10 ppg mud spacer from 3602' to 2400' = 27.5 bbl. 10# ppg mud. RU A-Plus wireline. Perforate 3 HSC squeeze holes at 2400'. Establish rate of 3 bpm at 900 PSI. Spot plug #4 with calculated TOC at 2260'. Reverse circulate. Mix and stir 10# ppg mud and pump mud spacer of 10# ppg from 2260' to 1142' with 2 bbl. mud. Perforate 3 HSC squeeze holes at 1155'. Establish rate of 2 bpm at 1000 PSI. PU 5.5" DHS CR and set at 1110'. Establish circulation. Spot plug #5 with calculated TOC at 1046'. Reverse circulate. Mix 6 bbl. mud spot 10# mud ppg from 1046' to surface. Top off casing with 10# ppg mud 2.5. Perforate 3 HSC squeeze holes at 100'. Establish circulation out the BH valve to surface. Spot plug #6 with TOC at surface. SI well. SDFD.

9/11/14 Open up well; no pressures. ND BOP. Dig out wellhead. Found cement down 1' from surface around conductor casing. Perform Hot Work Permit. Cut off wellhead. Found cement down 15' in 5.5" casing from surface. Did not tag anything with 100' tally in 5.5" x 9-5/8" annulus. Attempt to spot plug #7 with poly pipe, unable to fill BH annulus - ran out of cement. RD and cut anchors. SDFD.

9/12/14 Rode equipment to Farmington, NM A-Plus yard.

9/15/14 Travel to location. Set plug #7a to fill BH annulus and install P&A marker with coordinates 38° 25'33.60° N/109° 36' 32.40° W. RD and MOL.
Bill Clark, A-Plus Well Service, on location. Jeff Brown, Utah BLM representative, was on location.

November 4, 2014: Met with Tanner Nygren, Moab BLM, and reviewed reclamation requirements; bid work.

December 23, 2014: Harrison Field Services, Inc., Moab, completed reclamation and re-seeding.