

**LONE MOUNTAIN PRODUCTION COMPANY**

P.O. BOX 3394  
408 PETROLEUM BUILDING  
BILLINGS, MONTANA 59103-3394  
(406) 245-5077  
FAX 248-6321

March 13, 1990

**RECEIVED**  
MAR 15 1990

DIVISION OF  
OIL, GAS & MINING

Ronald J. Firth  
DIVISION OF OIL, GAS & MINING  
State of Utah  
3 Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, UT 84180

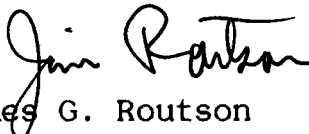
Dear Ron:

Enclosed for your approval please find, in duplicate, Applications for Permit to Drill covering the drilling of our San Arroyo Unit well No.'s 44, 45 and 46 in Grand County, Utah. We hope to drill these wells in mid-April, 1990. Therefore, your expedient handling of these APD's are appreciated.

Please advise if any further information is required. Thank you.

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY

  
James G. Routson

JGR/mjt  
Enclosures

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

SUBMIT IN TRIPPLICATE\*  
(Other instructions reverse side.)

Form approved,  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK

b. TYPE OF WELL  
 OIL WELL       GAS WELL       OTHER   
 SINGLE ZONE       MULTIPLE ZONE

2. NAME OF OPERATOR  
 Lone Mountain Production Company

3. ADDRESS OF OPERATOR  
 P.O. Box 3394, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface: 1342 ft FNL, 741 ft FEL      SENE  
 At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 20 miles Northwest of Mack, Colorado

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 (Unit boundary) 4007 ft boundary

16. NO. OF ACRES IN LEASE: NA  
 17. NO. OF ACRES ASSIGNED TO THIS WELL: NA  
 18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 1918 ft (No. 42)  
 19. PROPOSED DEPTH: Morrison 5020 ft  
 20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 6260 ft GL, 6271 ft KB

22. APPROX. DATE WORK WILL START\*  
 May 1, 1990

**RECEIVED**  
MAR 15 1990

DIVISION OF  
OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL NO.  
 U-06023  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 N/A  
 7. UNIT AGREEMENT NAME  
 ✓ San Arroyo  
 8. FARM OR LEASE NAME  
 Federal  
 WELL NO.  
 Unit No. 44  
 9. FIELD AND POOL, OR WILDCAT  
 ✓ San Arroyo (250)  
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 SENE Sec 30-T16S-R26E  
 12. COUNTY OR PARISH  
 Grand  
 13. STATE  
 UT

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"new	32.3#, H40	250 feet	150 sx 'G' to surface
8-3/4"	7"new	17.0#, H40	1100 feet	225 sx 'G' if needed
6-1/4"	4-1/2"new	10.5#, J55	5020 feet	175 sx 10-0 RFC

- Surface formation is the Mesa Verde.
- Anticipated Geologic markers are: Castlegate 1001', Mancos 1100', Dakota Silt 4466', Dakota 4570', Morrison 4700'.
- Gas is anticipated in the Dakota and Morrison. No oil or other minerals are anticipated. No water sands are expected.
- Proposed casing program: See item no. 23 above. The 7" casing will not be run if water is not encountered above the proposed setting depth. Hole size will be reduced to 7-7/8" and 225 sx of cement will be used for the 4-1/2" casing.
- Pressure control equipment: See Attached well control plan and schematic of contractor's BOP stack. BOP's will be tested before drilling out from under surface casing and checked daily.
- Air or mist drilling will be used to drill the surface hole unless water is encountered. If water is encountered, chemical-gel mud will be used.

(Continued on page 2.)

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: [Signature] TITLE: Petroleum Engineer DATE: Feb. 15, 1990

(This space for Federal or State office use)

PERMIT NO. 43-019-31301

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

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_

DATE: 5-4-90  
BY: [Signature]

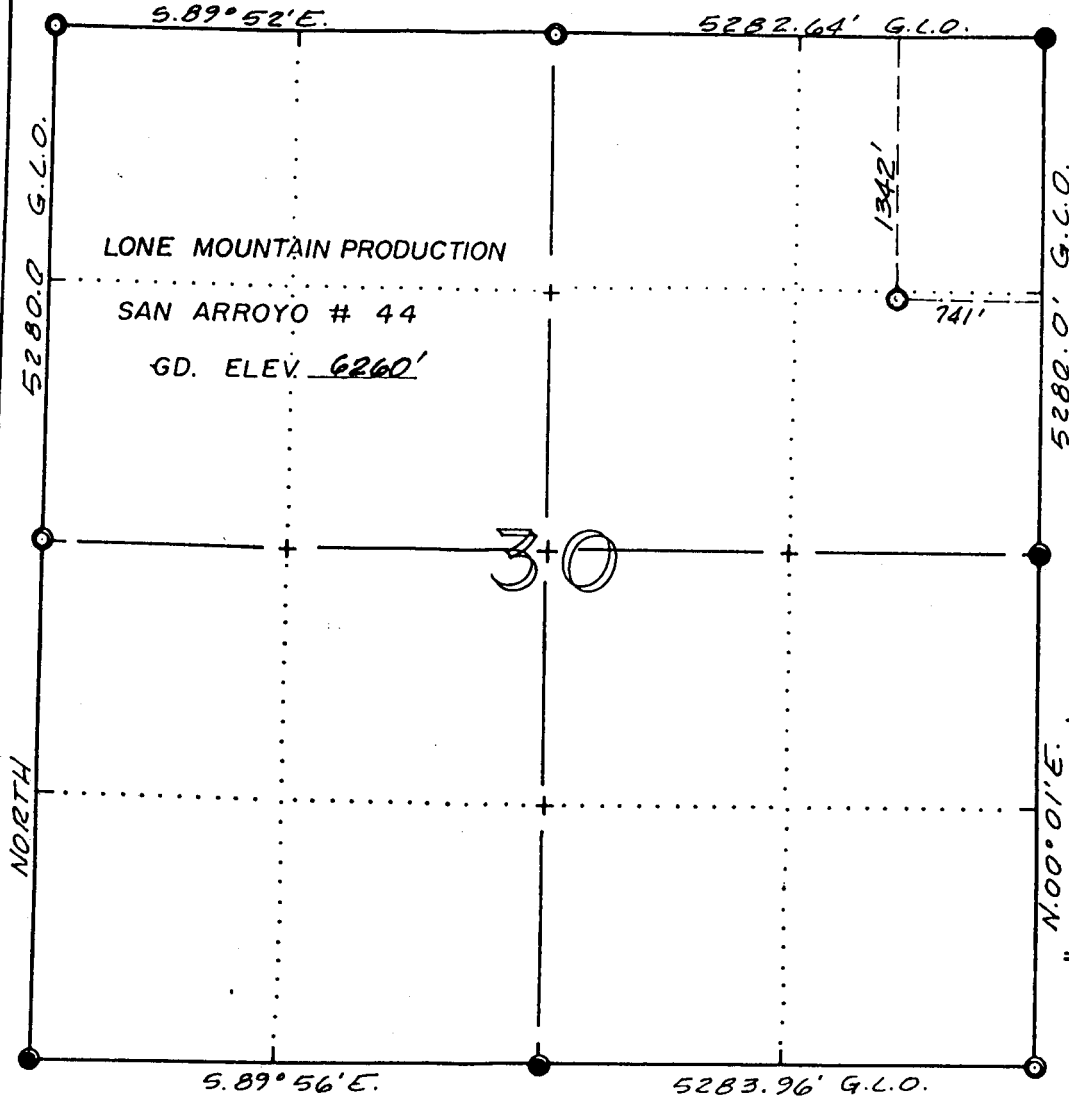
CONDITIONS OF APPROVAL, IF ANY:

WELL SPACING: R/L 15-2-3

\*See Instructions On Reverse Side

SEC. 30, T. 16 S., R. 26 E. OF THE S.L.M.

LOCATION PLAT



SCALE  
500' 0' 1000'

- LEGEND -

- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS.
- GLO CORNERS FOUND.
- WELL LOCATION STAKED.

REFERENCE DOCUMENTS

1924 GLO PLAT

JIM CANYON, UTAH  
QUADRANGLE, U.S.G.S.

THIS WELL LOCATION PLAT WAS PREPARED FOR: LONE MOUNTAIN PRODUCTION CO.  
TO LOCATE THE SAN ARROYO # 44, 1342' F.N. L. &  
741' F.E. L. IN THE SE 1/4 NE 1/4, OF SECTION 30, T. 16 S., R. 26 E.  
OF THE S.L.M. GRAND COUNTY, UTAH

SURVEYOR'S CERTIFICATE

I, Larry D. Becker: a Registered Land Surveyor in  
The State Of UTAH Do Heroby Certify That This  
Survey Was Made Under My Direct Supervision, and  
That This Plat Represents Said Survey.

*Larry D. Becker*  
UTAH L.S. # 4189

SURVEYED	10/89		ENERGY SURVEYS CORPORATION	301 PIKES PEAK DRIVE GRAND JUNCTION, CO. 81501 (303) 243-7221	SCALE: 1" = 1000'
DRAWN	11/89				JOB NO.
CHECKED	11/89				SHEET OF

Application for Permit to Drill  
San Arroyo Unit No. 44  
SENE Section 30-T16S-R26E  
Grand County, Utah

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6. The well will be air drilled from under intermediate casing to total depth.
7. Auxiliary equipment: See Well Control Plan.
8. The logging program will consist of a DIL log from total depth to base of surface casing and GR-FDC-CNL logs from total depth to above the Frontier. No cores or drill stem tests are planned.
9. No abnormal pressures or temperatures are anticipated. No poisonous gas is anticipated.
10. Anticipated spud date is May 1, 1990. Completion operations should commence within 30 days of rig release.
11. Survey plats are attached.
12. The gas is ~~not~~ dedicated at this time. (Mesa Pipeline)
13. Lone Mountain Production Company's Statewide Bond Number is: UT0719
14. The completion program will be designed after the logs have been evaluated.



©WELL CONTROL PLAN

1. Surface Pipe: 9-5/8" O.D., 32.3#, L.S., STC set at 250', cemented with pump and plug method back to the surface.
2. Intermediate casing: 7" O.D., 20.0# or 23.0#, used, STC (to meet new pipe specifications for bodywall thickness on 7 inch, 17.0 lb/ft, H-40 casing) set at 1100' and cemented back to surface 225 sx Standard cement + 2% CaCl<sub>2</sub> (yield=1.15 ft<sup>3</sup>/sk; compressive strength= 650 psi in 6 hours).
3. Casinghead Flange: 7" x 4-1/2" 600 series casinghead with two 2", 2000psi L.P. outlets.
4. Blowout Preventer: The rig is equipped with a 10" 3000 psi W.P. double gate hydraulic Shaffer BOP (or equivalent) with drill pipe rams and blind rams to meet requirements for a 2000 psi stack in Onshore Order No. 2. All fill, kill and choke lines will be a minimum of 2" 2000 psi W.P. A Grant rotating head will be used while air and mist drilling. A new rubber will be installed before drilling through the Dakota. BOP's will be worked daily. Blind rams will be checked during trips. BOP's will be tested to 2000 psi but not more than 70% of casing burst pressure prior to drilling the shoe joint on intermediate casing.
5. Auxiliary Equipment: (a) Drill pipe floats will be allowed at contractor's discretion. (b) Visual monitoring of air returns will be maintained. (c) Upper kelly cock will be used. (d) Stabbing valve will be kept on the floor.
6. Anticipated bottom hole pressure is less than 1000 psi at 5150' or 0.19 psi/ft. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY

By: 

J. V. Dyk  
Petroleum Engineer

©SURFACE USE PLAN

Lone Mountain Production Company  
San Arroyo Unit No. 44  
SENE Section 30-T16S-R26E  
Grand County, Utah

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1. EXHISTING ROADS

See Maps #1 and #2 and Plat #1. This proposed well is located approximately 22 miles northwest of Mack, Colorado.

2. ACCESS ROADS TO BE CONSTRUCTED

See Map #1 and Plat #2. The proposed 0.7 mile of access road will be constructed with an 18 foot travel width. All of the proposed access road is within the Unit boundary.

Drivable waterbars or "thank-you-mams" will be installed at approximately 250 foot intervals on 1 to 4 percent grades. Placement of a culvert will take the place of a waterbar.

Drivable waterbars will be installed prior to moving the drilling rig onto the location.

3. LOCATION OF EXISTING WELLS

7 producing wells, 2 plugged wells, and 1 applied for within one mile radius. See Map #3.

4. LOCATION OF PRODUCTION FACILITIES

See Plat #4. Every thing will be painted dark green.

5. LOCATION AND TYPE OF WATER SUPPLY

The source of water for this well is West Salt Creek. The pickup point is on old highway 6 & 50 about 2.5 miles west of Mack, Colorado.

6. SOURCE OF CONSTRUCTION MATERIALS

No construction materials will be used other than native materials. Soil from cuts will be used in fills. No outside material will be brought in.

7. METHODS FOR HANDLING WASTE MATERIAL

Cuttings will be buried in the reserve pit at cleanup. Garbage and other waste material will be contained in a trash cage. This cage will be dumped at an approved sanitary landfill. Human waste will be contained in chemically treated sanitary holes.

Drilling fluids will be contained in the reserve pit and left to evaporate. Any fluids produced during testing operations will be collected in a test tank. If a test tank is not available, the fluids will be contained in the reserve pit. Any spills of oil, gas, saltwater, or noxious fluid will be cleaned up and removed.

If the well is productive, produced water will be disposed of on site for 30 days only or 90 days with the permission of the State Petroleum Engineer. After that time application will be made for approval of permanent disposal method in compliance with the rules and regulations of the State of Utah.

#### 8. ANCILLARY FACILITIES

No ancillary facilities are planned.

#### 9. WELLSITE LAYOUT

See Plat #2 - Pit and Pad Layout  
See Plat #2A - Cross Sections of Pit and Pad  
See Plat #3 - Rig Layout

The location will be constructed large enough to accommodate the drilling rig and associated equipment with allowance made for future completion and production equipment.

Topsoil will be stripped to a depth of 6 - 8 inches and stockpiled on the north and south edges of the location. No topsoil stripping will be done when soils are moisture saturated to a depth of 3 inches, or frozen below the stripping depth.

The reserve pit will be fenced on three sides prior to drilling activity and closed off on the fourth side after drilling is finished. Fencing will be four strands of barb wire or 48 inch woven wire with one strand of barb wire above the woven wire. All corners will be braced. The fence construction will be on cut or undisturbed surface. The backslope of the location will not exceed 2:1.

All construction activities will be confined to the minimum area necessary. The exterior boundaries of the construction area will be clearly flagged prior to any surface disturbing activities or vegetation removal.

The location and proposed access road will be cleared of vegetation above 4 inches in diameter prior to construction. Where earth blading or fill is required, stumps will be removed and scattered or buried in an area designated by the authorized officer. Where earth blading or fill is not required, stump height will not exceed 12 inches. All slash less than 4 inches in diameter will be scattered outside the cleared area or chipped and scattered. Along the access road slash will be scattered beyond the fill slope.

Lone Mountain Production Company will clear all brush prior to construction. Brush will be stock piled on the south edge of the location and will be kept separate from the soil stock piles. The brush will be used for mulch after the disturbed area has been seeded.

#### 10. PLANS FOR RECLAMATION OF THE SURFACE

A biodegradable mulch may be required if soil erosion or vegetation establishment is determined to be a problem by the authorized officer on the access or location reclamation.

All disturbed areas will be seeded with the following mixture. Application rates are for pure, live seed (PLS). Seed tags will be submitted to the area manager within 30 days of seeding.

Species	Application Rate lbs/acre PLS
Arriba Western Wheatgrass	3
Luna Pubescent Wheatgrass	3
Lodorm Green Needlegrass	2
Manchar Smooth Brome	2
Rincon Fourwing Saltbush	1
Yellow Sweetclover	.5
	11.5 lbs PLS/acre

Lone Mountain will prepare seedbed by contour cultivating 4 - 6 inches deep and drilling seed 1/2 to 1 inch deep following the contour. In areas that cannot be drilled, seed will be broadcast at 1.5 times the application rate and covered 1/2 to 1 inch deep with a harrow or drag bar.

Seeding will be completed after August 15/September 1 and prior to October 1 of the fall of 1990, if feasible, but not later than the fall of 1991.

If the well is a producer:

Lone Mountain will upgrade and maintain access roads as necessary to prevent soil erosion and accomodate year-round traffic. Lone Mountain will reshape areas unnecessary to operation, rip or disk on the contour, and seed all disturbed areas outside the work area according to the above seed mixture. The top soil will be saved for use during final reclamation unless the site can be recontoured to blend with the natural topography as required for final abandonment. Perennial vegetation will be established. Additional work will be required in case of seeding failures. All permanent facilities placed on the location will be painted dark green to blend with the natural environment.

If the well is abandoned/dryhole:

Lone Mountain will restore the access road and location to blend with the natural topography. During reclamation of the site, fill material will be pushed into cuts and up over the backslope. No depressions will be left that could trap water or form ponds. Topsoil will be distributed evenly over the location and seeding according to the above seed mixture. The access road and location will be ripped or disked prior to seeding.

The area is considered to be satisfactorily reclaimed when:

- A) Soil erosion resulting from the operation has been stabilized.
- B) A vegetative cover at least equal to that present prior to disturbance and a plant species composition at least as desirable as that present prior to disturbance has been established. Establishment of seeded species in the approved seed formula will be considered as acceptance.

Additional work will be required until these conditions are satisfied.

## 11. SURFACE OWNERSHIP

All lands involving new construction are federal lands.

## 12. OTHER INFORMATION

The vegetation includes juniper, pinion, Oregon grape, prickly pear cactus, mormon tea, service berry, Mt. Mahogany, cheatgrass, Indian rice grass, and Colorado wild rye.

Lone Mountain will contact the Grand Resource Area Manager at least 24 hours prior to commencing construction or maintenance of the access road and well pad.

Lone Mountain will immediately bring to the attention of the Grand Junction Resource Area Manager any and all antiquities or other objects of historic or prehistoric ruins, artifacts, or fossils discovered as a result of operations under this permit. Lone Mountain will immediately suspend all activities in the area of the object and will leave such discoveries intact until told to proceed by the Area Manager. Notice to proceed will be based upon evaluation of the cultural significance of the object. Evaluation will be by a qualified professional selected by the Area Manager from a federal agency insofar as practical. When not practical, Lone Mountain will follow the mitigation requirements set forth by the Area Manager concerning protection, preservation, or disposition of any sites or material discovered. In those situations where the Area Manager determines that data recovery and/or salvage excavations are necessary, Lone Mountain will bear the cost of such data recovery and/or salvage operations.

The Grand Resource Area Manager will be notified at least 24 hours prior to commencing reclamation work.

## 13. LESSEE'S OR OPERATOR'S REPRESENTATIVES AND CERTIFICATION

James G. Routson  
Lone Mountain Production Company  
P.O. Box 3394  
Billings, Montana 59103  
Office Phone: 406-245-5077  
Home Phone: 406-245-8797

Joe Dyk  
Lone Mountain Production Company  
777 Valley Court  
Grand Junction, Colorado 81505  
Office Phone: 303-243-5906  
Home Phone: 303-858-1472

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

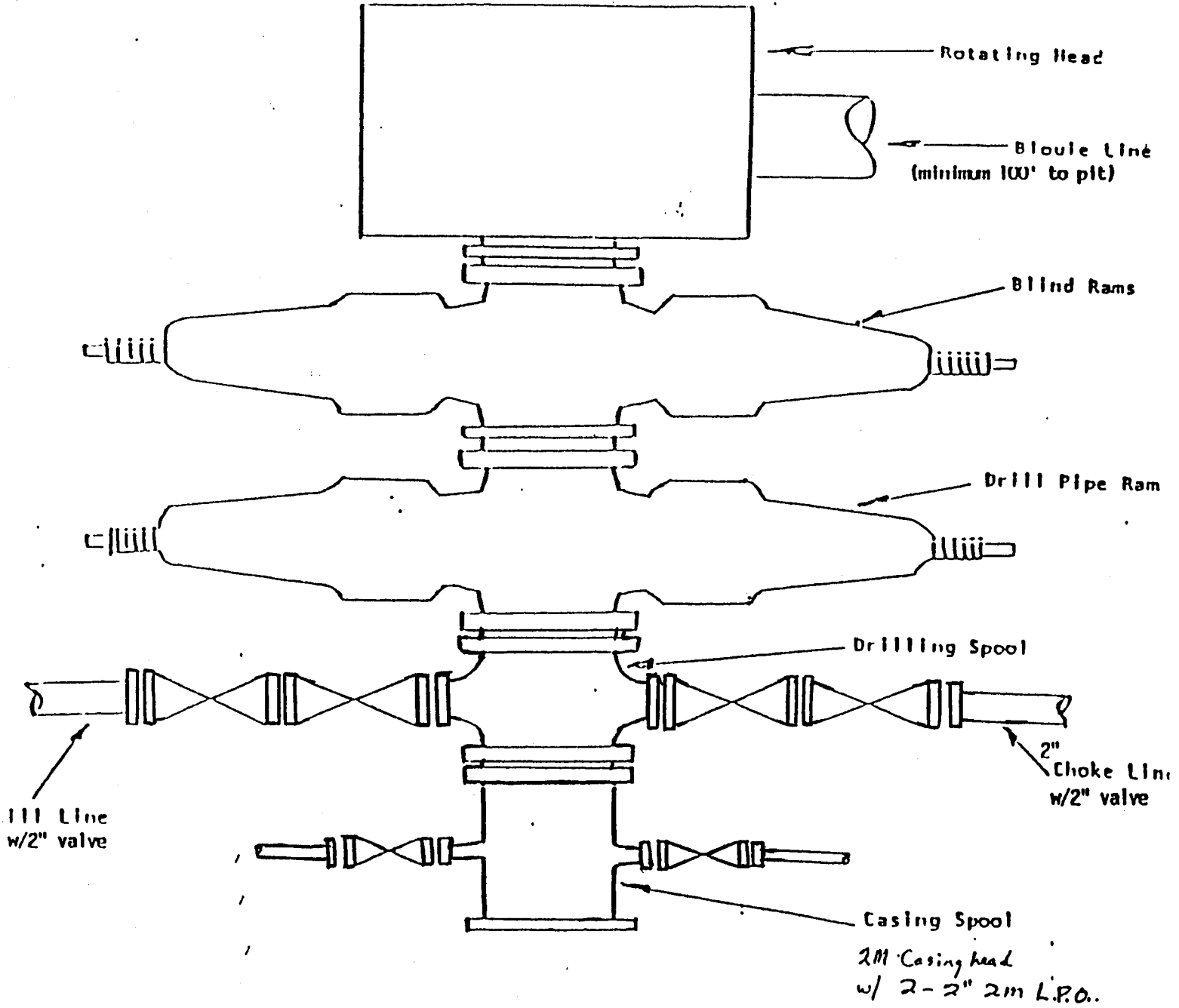
2/15/90  
Date

  
Joe Dyk

SCHEMATIC OF BOP STACK

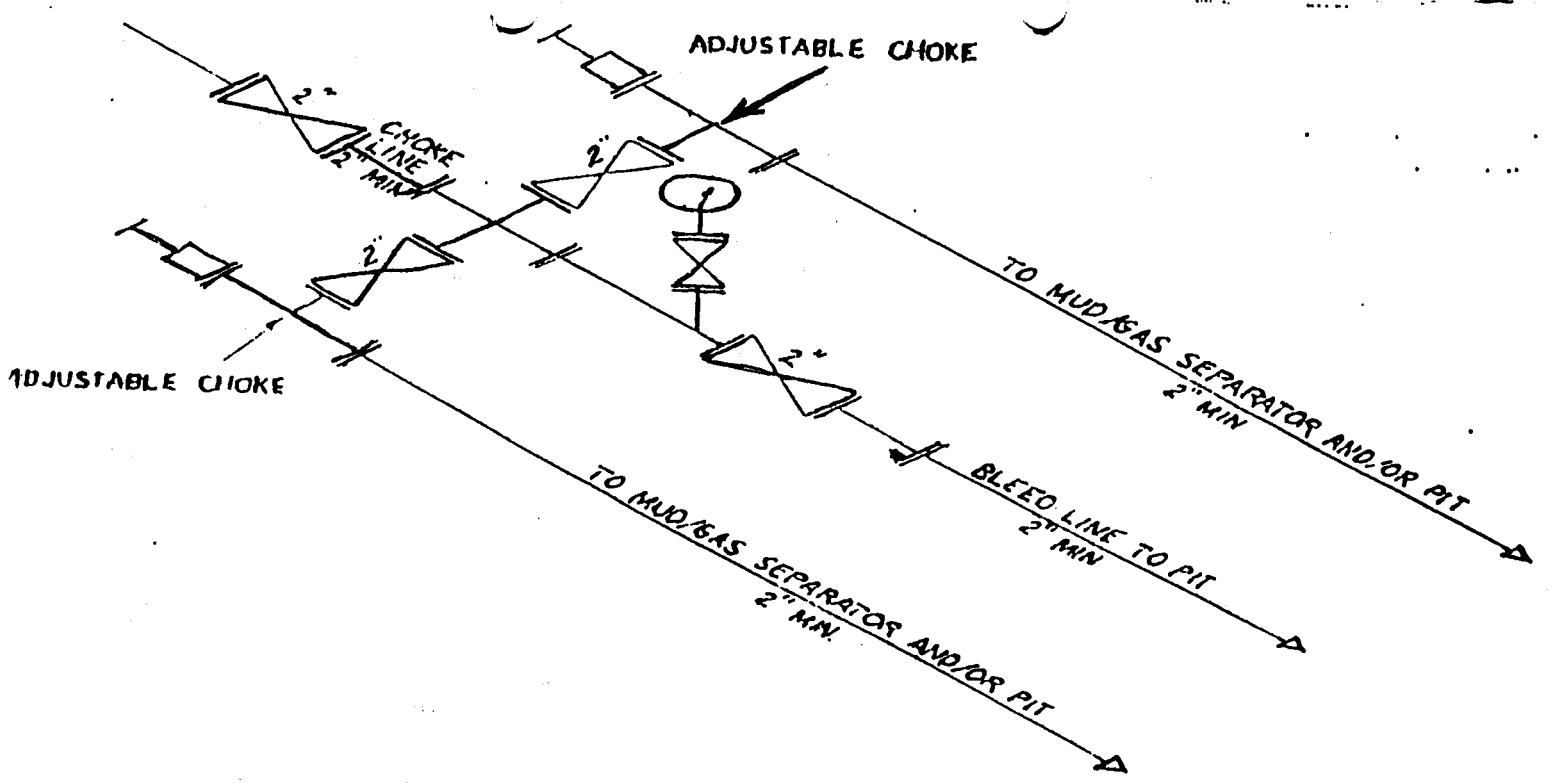
Air drilled wells using 900 Series wellhead equipment to meet 2000 psi stack requirement.

Interval from 250' to total depth.



x





2M CHOKER MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the MINERALS MANAGEMENT SERVICE, Unit Operator under the San Arroyo Unit Agreement, Grand County, Utah (state), No. 14-08-001-3859 approved 8/2/57 effective 9/1/57 and hereby designates:

NAME: Lone Mountain Production Company

ADDRESS: P.O. Box 3394, Billings, MT 59103

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing unit well No. 44, in the SE 1/4 NE 1/4 Sec. 30, T. 16S, R. 26E, Salt Lake Meridian, Grand County, Utah.

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

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


The Unit Operator agrees promptly to notify the oil and gas supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above-specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate district office of the U. S. Geological Survey a completed file of all required Federal reports pertaining to subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the Unit Operator.

Graham Royalty, Ltd.  
Unit Operator

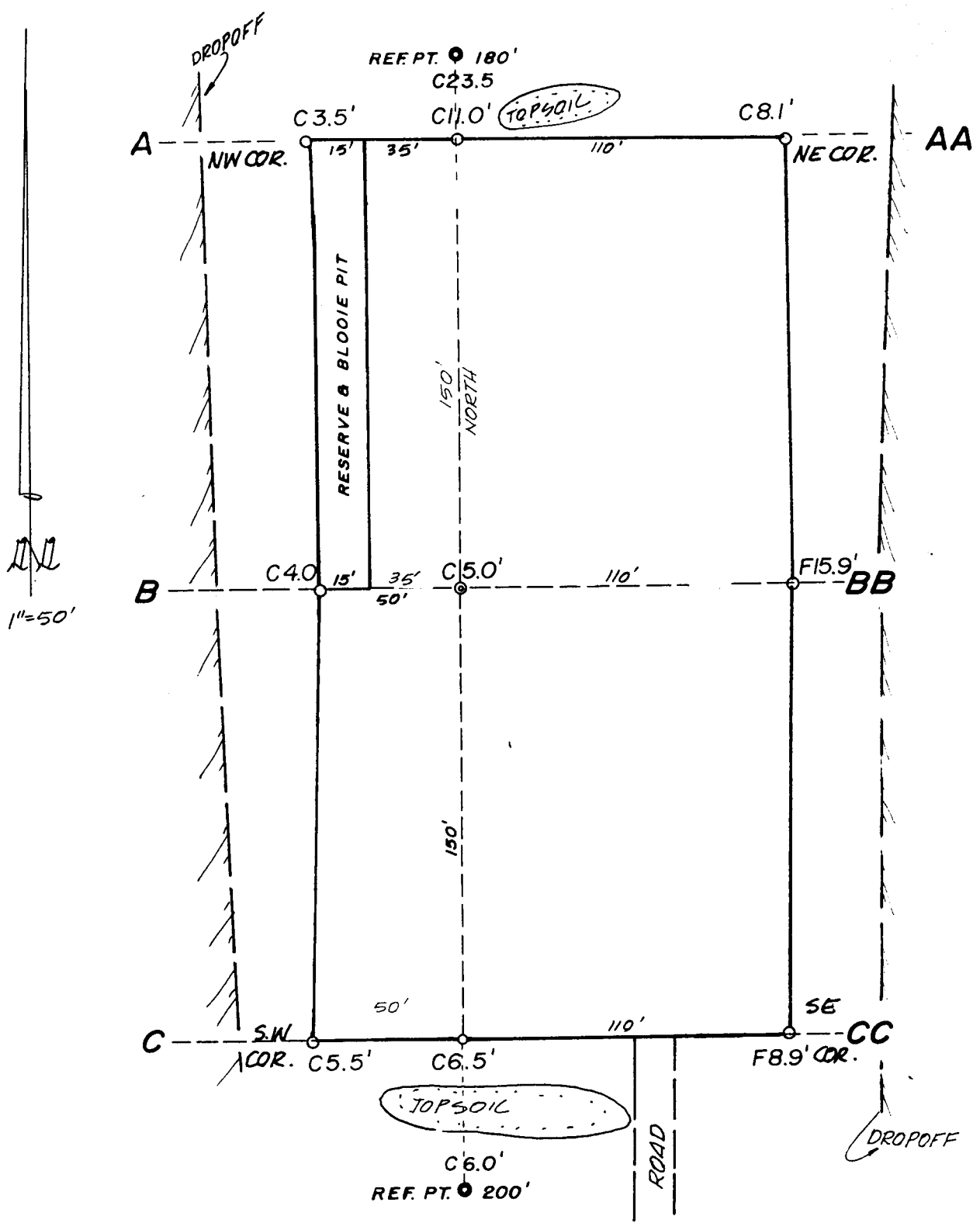
By:



~~As Attorney in Fact~~

T. J. Burnett, Jr.  
Senior Vice President-Land

PLAT NO. 2  
PIT & PAD LAYOUT

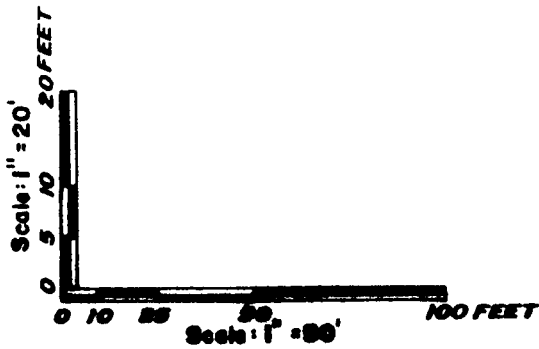
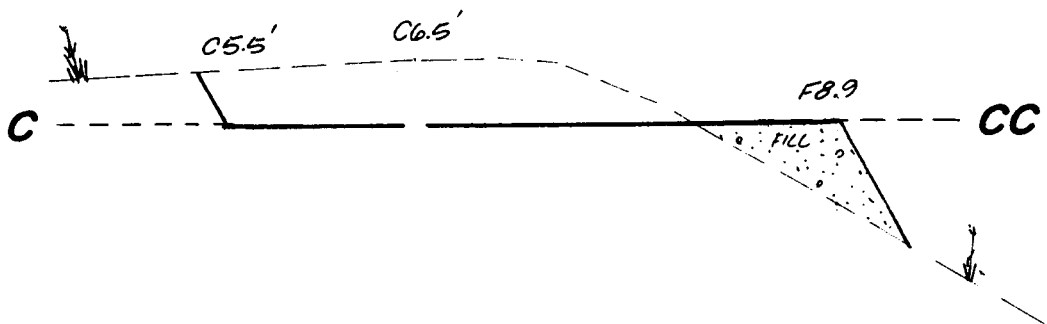
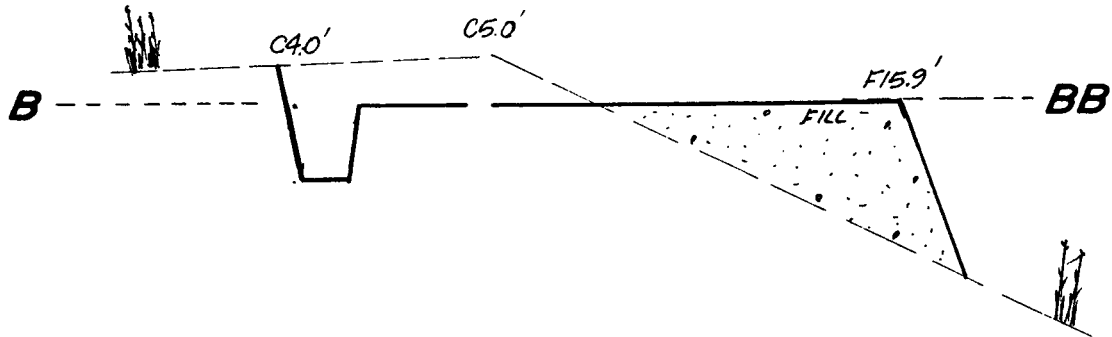
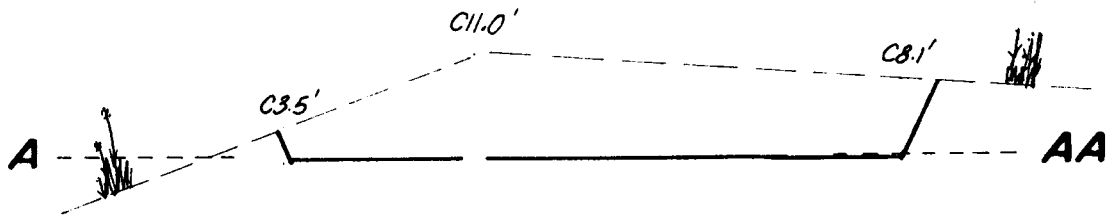


ESTIMATED DIRT QUANTITIES

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	6800	5000	800	
PIT	800			
				1800

SAN ARROYO # 44

PLAT NO. 2A  
 CROSS SECTIONS OF PIT & PAD



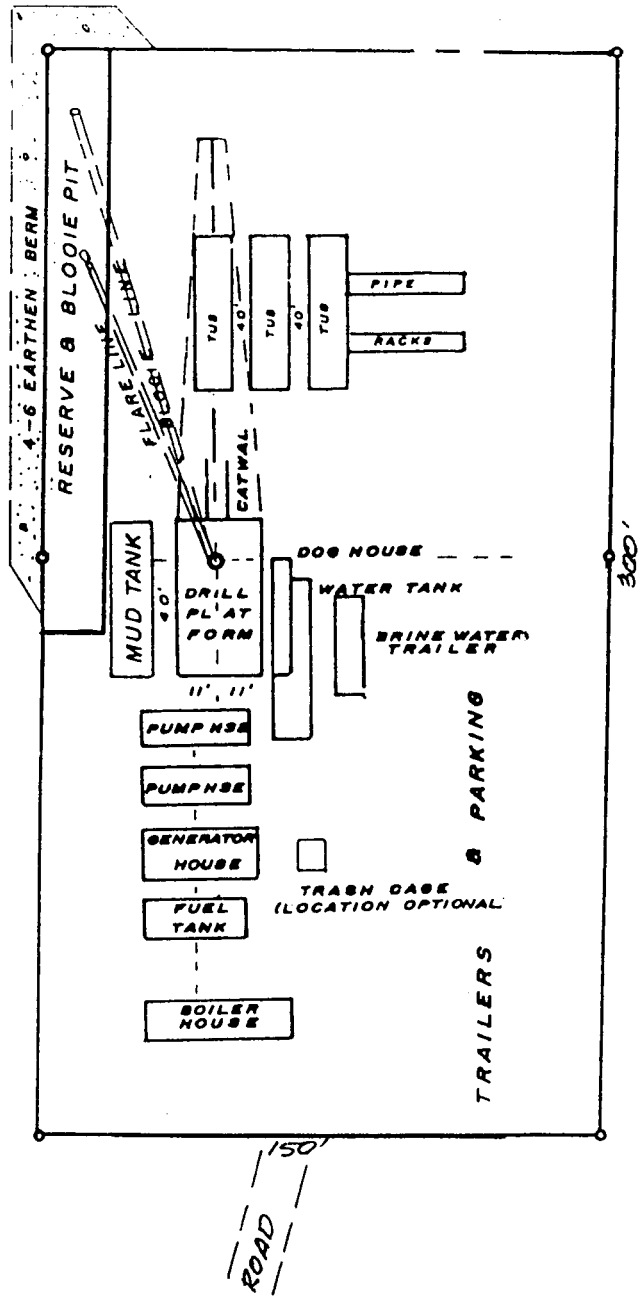
SAN ARROYO # 44

SURVEYED	10/89	
DRAWN	11/89	
CHECKED	11/89	

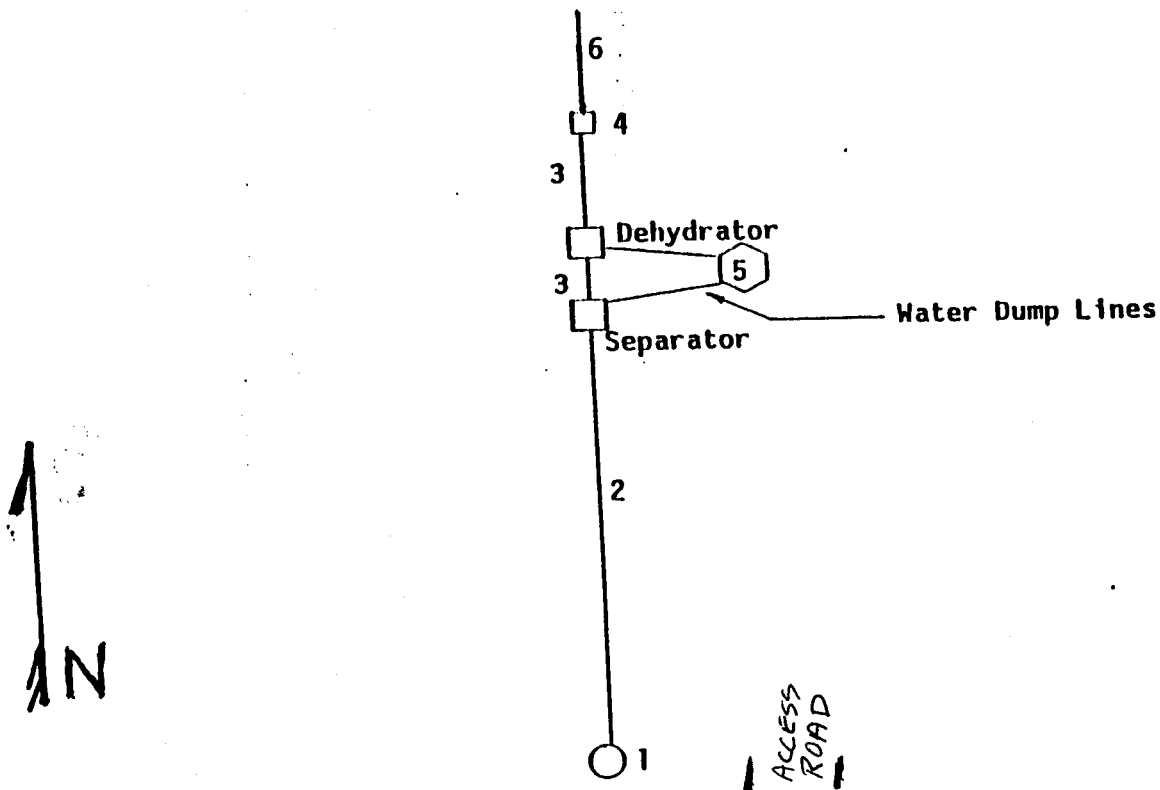
ENERGY  
 SURVEYS &  
 ENGINEERING CORP.

RIG LAYOUT

IN  
1"=50'



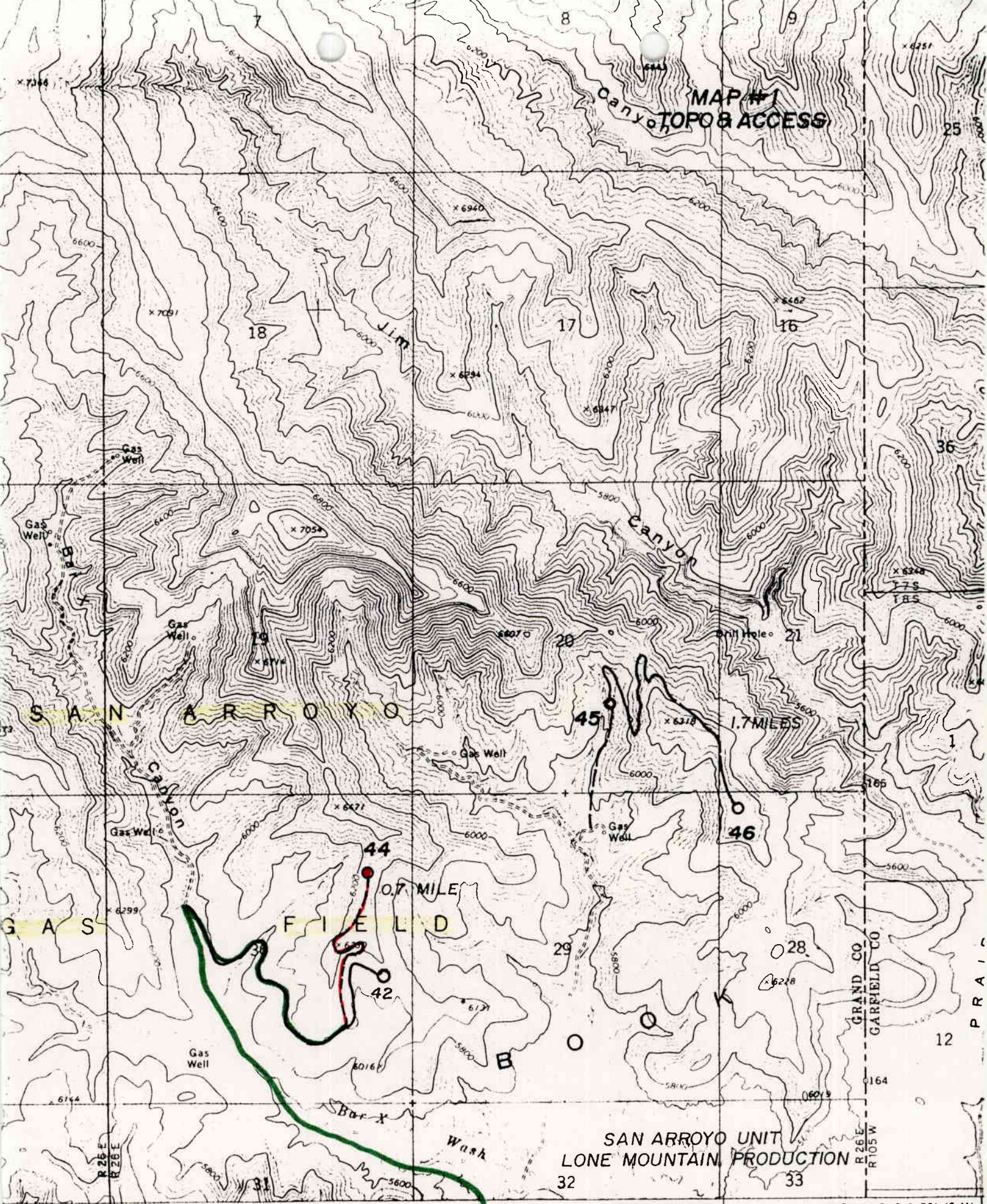
SAN ARROYO # 44



1. Wellhead will be a 6" 900 series flanged top. Tubing head will be 10" 900 x 6" 3000 psi with two 2" 3000 psi flanged valves. Tree will be 2" screwed x 200 psi W.P.
2. Line between wellhead and separator will be approximately 100 feet in length and constructed of 2 3/8" .218 wall seamless, welded, wrapped, and buried approximately 5 feet deep.
3. Lines between separator and dehydrator, and dehydrator and meter run, will be 2 3/8" OD seamless, .218 wall, welded, coated, wrapped, and buried, and will be approximately 25 feet in length.
4. Meter run will be American 2" run, or equivalent, 1000 psi static rating, 100" of water differential rating.
5. Pit will be 10' x 10', enclosed by dikes and fenced.
6. Pipeline will be as described in item 4(B) of the Surface Use Plan.



MAP #1  
TOPO & ACCESS



SAN ARROYO UNIT  
LONE MOUNTAIN PRODUCTION

64 2680000 FEET (UTAH) 5' 66

(BAR X WASH)  
41621 SE

MACK (U.S. 6 & 50) 18 MI.

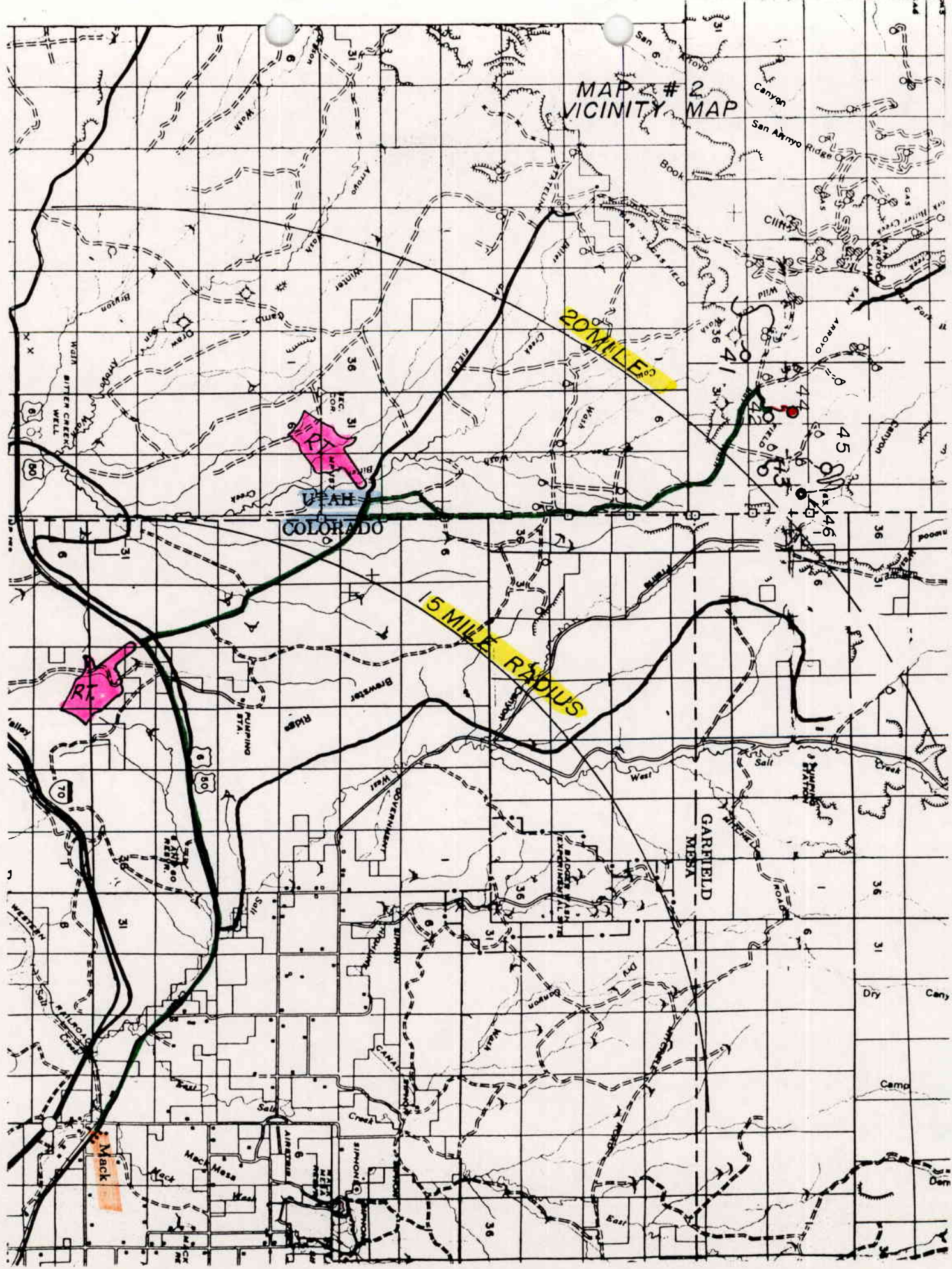
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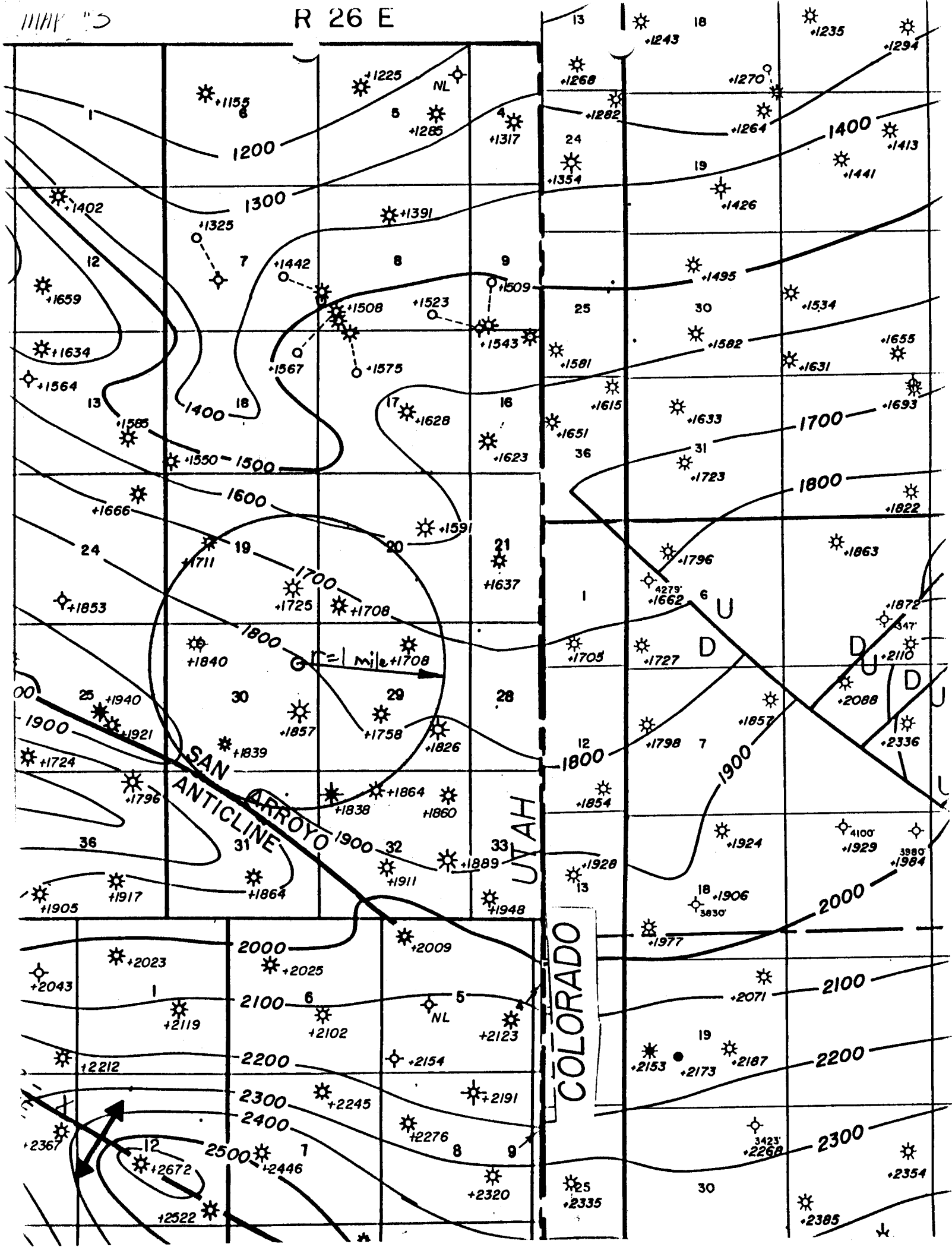
MAP # 2  
VICINITY MAP

20 MILE

15 MILE RADIUS







OPERATOR Lone Mountain Prod. Co. (N7210) DATE 3-19-90

WELL NAME San Arroyo #44

SEC SENE 30 T 16S R 26E COUNTY Grand

43-019-31301  
API NUMBER

Federal (1)  
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Nearest well ok under Unit Spacing.  
No Utah Water Permit Necessary (Mac-Wash, Co.)  
Need 1990 P.O.D. San Arroyo Unit / P.O.D. Approved 4-4-90 (Copy will be sent ASAP)  
Bfm Approved 5-1-90 (PER Bfm 5-3-90.)

APPROVAL LETTER:

SPACING:  R615-2-3 San Arroyo  R615-3-2  
UNIT

N/A  R615-3-3  
CAUSE NO. & DATE

STIPULATIONS:

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK

b. TYPE OF WELL  
 OIL WELL       GAS WELL       OTHER

2. NAME OF OPERATOR  
 Lone Mountain Production Company

3. ADDRESS OF OPERATOR  
 P.O. Box 3394, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 At surface: 1342 ft FNL, 741 ft FEL  
 At proposed prod. zone: Same

10. FIELD AND POOL, OR WILDCAT  
 San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 SENE Sec 30-T16S-R26E

12. COUNTY OR PARISH  
 Grand

13. STATE  
 UT

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
 (Unit boundary) 4007 ft

16. NO. OF ACRES IN LEASE  
 NA

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 NA

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.  
 1918 ft (No. 42)

19. PROPOSED DEPTH  
 5020 ft

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 6260 ft GL, 6271 ft KB

22. APPROX. DATE WORK WILL START\*  
 May 1, 1990

RECEIVED  
MAY 03 1990

DIVISION OF  
OIL, GAS & MINING

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"new	32.3#,H40	250 feet	150 sx 'G' to surface
8-3/4"	7"new	17.0#,H40	1100 feet	225 sx 'G' if needed
6-1/4"	4-1/2"new	10.5#,J55	5020 feet	175 sx 10-0 RFC

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 [Signature] TITLE Petroleum Engineer DATE Feb. 15, 1990

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ ASSISTANT DISTRICT MANAGER

APPROVED BY William C. Stringer TITLE for Minerals DATE MAY 1 1990

CONDITIONS OF APPROVAL, IF ANY:  
 FLARING OR VENTING OF  
 GAS IS SUBJECT TO NTL 4-A  
 Dated 1/1/80

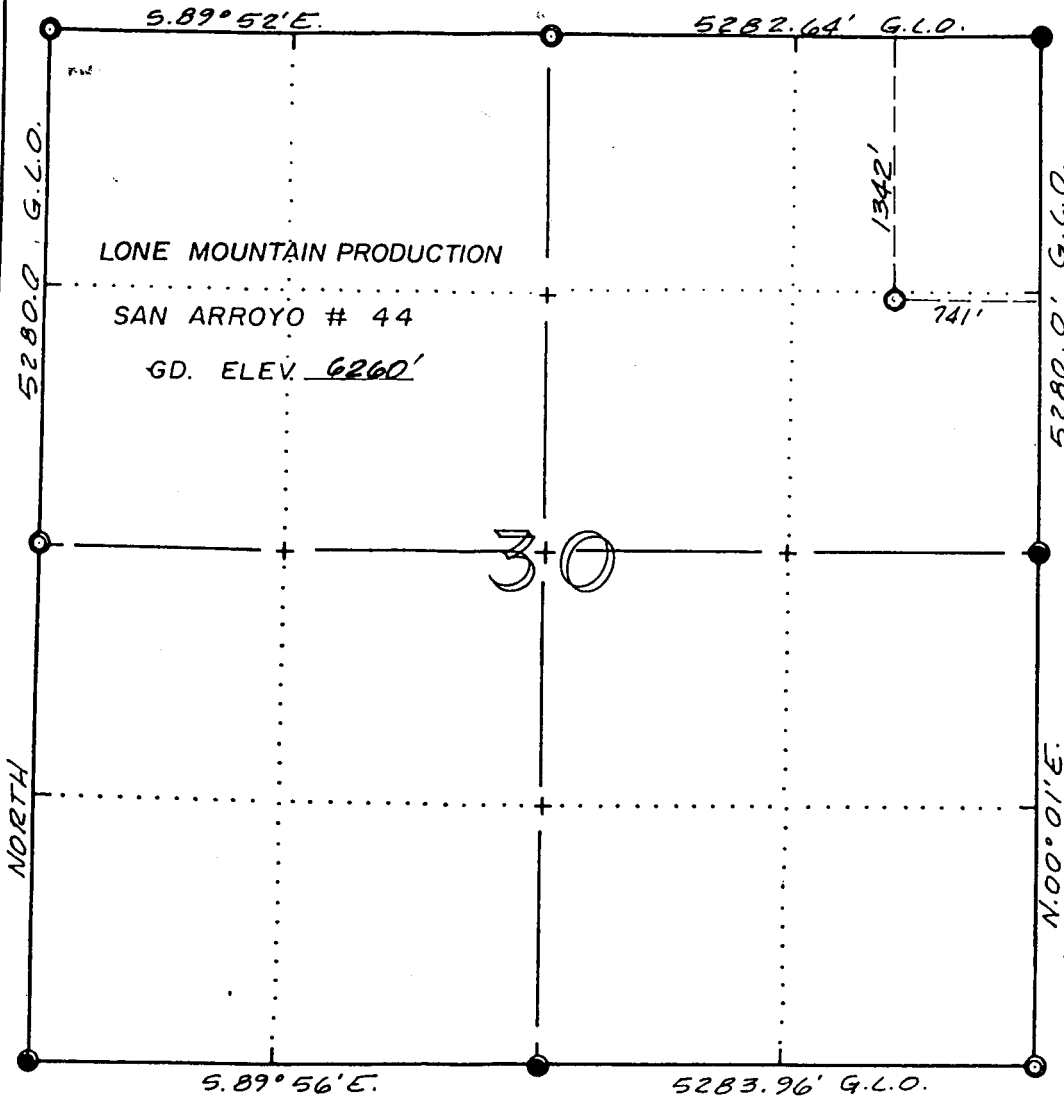
CONDITIONS OF APPROVAL ATTACHED

\*See Instructions On Reverse Side

Dagn

SEC. 30, T. 16S., R. 26E. OF THE S.L.M.

LOCATION PLAT



- LEGEND -

- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS.
- GLO CORNERS FOUND.
- WELL LOCATION STAKED.

REFERENCE DOCUMENTS

1924 GLO PLAT

JIM CANYON, UTAH  
QUADRANGLE, U.S.G.S.

THIS WELL LOCATION PLAT WAS PREPARED FOR: LONE MOUNTAIN PRODUCTION CO.  
TO LOCATE THE SAN ARROYO # 44, 1342' F.N. L. &  
741' F. E. L. IN THE SE 1/4 NE 1/4, OF SECTION 30, T. 16S., R. 26E.  
OF THE S.L.M. GRAND COUNTY, UTAH

SURVEYOR'S CERTIFICATE

I, Larry D. Becker: a Registered Land Surveyor in  
The State Of UTAH Do Heroby Certify That This  
Survey Was Made Under My Direct Supervision, and  
That This Plat Represents Said Survey.

*Larry D. Becker*  
UTAH L.S. # 4189

SURVEYED	10/09	
DRAWN	11/09	
CHECKED	11/09	

ENERGY  
SURVEYS  
CORPORATION

381 PIKES PEAK DRIVE  
GRAND JUNCTION, CO 81503  
(303) 243-7221

SCALE: 1" = 1000'  
JOB NO.  
SHEET 01

Lone Mountain Production Company  
Well No. San Arroyo Federal Unit #44  
SENE, Sec. 30, T. 16 S., R. 26 E.  
Grand County, Utah  
Lease U-06023

### CONDITIONS OF APPROVAL

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

Be advised that Lone Mountain Production Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Bond No. UT0719 (Principal: Lone Mountain Production Company) as provided for in 43 CFR 3104.2.

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

#### A. DRILLING PROGRAM

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

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

APR 20 11 09:29

B.  
SURFACE USE PROGRAM

During periods of wet weather when activity would result in increased erosion, in loss of soil or vegetation, or in heavy, deep rutting to access routes, activity will stop. Ruts of six inches or more will be considered excessive.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator whether the materials appear eligible for the National Register of Historic Places.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the expose materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental, or other financial obligation determined by the authorized officer.

If you plan to lay a pipeline from the location to an existing lateral or trunk line, a sundry notice needs to be submitted to the District Office detailing the following:  
Good map, flag centerline, surface or buried, width of disturbance, equipment to be used, days to complete.

All site security guidelines identified in the Onshore Order # 3 regulations will be adhered to.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

If the well is a producer, the side cast material along the access will be seeded with a mixture given by the authorized officer's representative in a manner mutually agreed upon between the operator and BLM for the specific purpose of road stabilization and erosion control.

The operator or his contractor will notify the Grand Resource Area at (801) 259-8193 forty-eight (48) hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

Your proposed seed mixture in the APD is not authorized by the District Manager's signature on the permit. An authorized seed mixture will be submitted with an approved Sundry Notice of Intent to Abandon (form 3160-5).

Final location release will be issued when the seeding is shown to be successful (when perennial vegetation is established).

B. SURFACE USE PLAN

1. If well is a producer, cattleguards will be installed at fence crossings on access road.
  2. As soon as the reserve pit has dried or within 18 months of completion of drilling, whichever is least. All areas not needed for production will be rehabilitated.
  3. If well is a producer, all access roads will be brought to BLM resource class III road standards within 60 days of completion of drilling operations.
  4. An encroachment permit will be obtained from the Grand County Road Department (801) 259-5308, for use of county roads:
- 
5. All site security guidelines identified in 43 CFR 3162.7-5 and ONSHORE OIL AND GAS ORDER NO. 3; SITE SECURITY will be adhered to.
  6. Gas measurement will be conducted in accordance with the ONSHORE OIL AND GAS ORDER NO. 5; GAS MEASUREMENT and 43 CFR 3162.7-3.
  7. Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the well to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.
  8. Oil measurement will be conducted in accordance with ONSHORE OIL AND GAS ORDER NO. 4; OIL MEASUREMENT as of the effective date of August 23, 1989 and 43 CFR 3162.7-2.
  9. No liquid hydrocarbons (i.e. fuels, lubricants, formation) will be discharged to the reserve pit.
  10. No chrome compounds will be on location.
  11. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager for Minerals. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned and/or separate facilities, will be identified in accordance with 43 CFR 3162.6.
  12. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.6.
  13. The dirt contractor will be provided with an approved copy of the surface use plan.



14. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

15. This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.
16. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

C. ANTICIPATED STARTING DATES AND NOTIFICATIONS OF OPERATIONS.

Required verbal notifications are summarized in Table 1, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

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

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

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved through the District Office.

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

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

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

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

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

"Fed" or "Ind", as applicable; "Well number, location by  $\frac{1}{4}$   $\frac{1}{4}$  section, township and range"; "Lease number".

- 2000 psi BOP & BOPE:

Annular preventer, or double rams, or two rams with one being blind and one being a pipe ram

Kill line (2 inch minimum)

1 kill line valve (2 inch minimum)

1 choke line valve

2 chokes

Upper kelly cock valve with handle available

Safety valve and subs to fit all drill strings in use

Pressure gauge on choke manifold

2 inch minimum choke line

Fill-up line above the uppermost preventer

- If repair or replacement of the BOPE is required after testing, this work shall be performed prior to drilling out the casing shoe.

- When the BOPE cannot function to secure the hole, the hole shall be secured using cement, retrievable packer or bridge plug packer, bridge plug or other acceptable approved methods to assure safe well conditions.

- Choke Manifold Equipment:

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

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

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

- 2000 psi system - Accumulator Equipment:

Accumulator shall have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles that meet manufacturer's specifications may be used as the backup to the required independent power source.

Accumulator precharge pressure test: This test shall be conducted prior to connecting the closing unit to the BOP stack and at least once every 6 months.

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

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

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

- BOP Testing:

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing if BOP is not isolated from casing. Pressure tests on ram type preventers shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed off of pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test of BOP stack.

Annular BOP pressure tests shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above tests shall be performed:

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

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

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

Pipe and blind rams shall be activated each trip, however this function need not be performed more than once a day

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

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

Pressure tests shall apply to all related well control equipment.

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

- Casing and Cementing:

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

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

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

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

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

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

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

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

- Mud Program Requirements:

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

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

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

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

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

- Drill Stem Testing Requirements:

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

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

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

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

- Special Drilling Operations:

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

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

NOTIFICATIONS

Notify Jeff Robbins of the Grand Resource Area, at (801) 259-8193 for the following:

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

1 day prior to spudding;

1 day prior to running and cementing surface casing;

1 day prior to pressure testing of BOPE and/or surface casing.

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

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

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

Home Phone: (801) 259-6239

Eric Jones, Petroleum Engineer

Office Phone: (801) 259-6111

Home Phone: (801) 259-2214

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

Lynn Jackson,  
Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.





# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

May 4, 1990

Lone Mountain Production Company  
P. O. Box 3394  
Billings, Montana 59103

Gentlemen:

Re: San Arroyo #44 - SE NE Sec. 30, T. 16S, R. 26E - Grand County, Utah  
1342' FNL, 741' FEL

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules.

In addition, the following actions are necessary to fully comply with this approval:

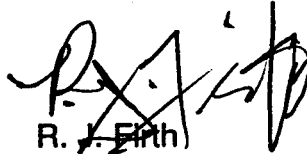
1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.
6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.

Page 2  
Lone Mountain Production Company  
San Arroyo #44  
May 4, 1990

7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-30301.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

lcr  
Enclosures  
cc: Bureau of Land Management  
J. L. Thompson  
WE14/54-55

DIVISION OF OIL, GAS AND MINING

API NO. 43-019-31301

SPUDDING INFORMATION

NAME OF COMPANY: LONE MOUNTAIN PRODUCTION COMPANY

WELL NAME: SAN ARROYO UNIT #44

SECTION SENE 30 TOWNSHIP 16S RANGE 26E COUNTY GRAND COUNTY

DRILLING CONTRACTOR VECO

RIG # 2

SPUDDED: DATE 8-14-90

TIME 10:30 p.m.

HOW ROTARY

DRILLING WILL COMMENCE \_\_\_\_\_

REPORTED BY JIM ROUTSON

TELEPHONE # \_\_\_\_\_

OIL AND GAS	
DN	RJF
PH	GLH
ES	SLS
1-TAS	✓
0-FLT	
3-MICROFILM	✓
4	FILE

DATE 8-15-90 SIGNED TAS

**LONE MOUNTAIN PRODUCTION COMPANY**

P.O. BOX 3394  
408 PETROLEUM BUILDING  
BILLINGS, MONTANA 59103-3394  
(406) 245-5077  
FAX 248-6321

**RECEIVED**  
AUG 17 1990

August 15, 1990

DIVISION OF  
OIL, GAS & MINING

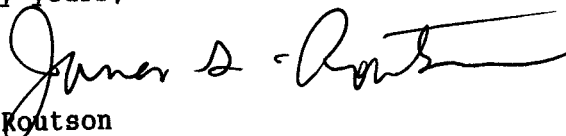
Utah Division of Oil, Gas & Mining  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180

Re: San Arroyo Unit No. 44  
NESE Section 30: T26E-R25E  
Grand County, Utah

Gentlemen:

Enclosed please find two (2) copies of the Sundry Notice of Spud for the captioned well.

Very truly yours,

  
James G. Routson

JGR/jlw

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 1001-011  
Expires August 31, 1985  
5. LEASE DESIGNATION AND SERIAL NO.  
**U-06023**  
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...  
Use "APPLICATION FOR PERMIT..." for such proposal.

**RECEIVED**  
AUG 17 1990

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

2. NAME OF OPERATOR  
**LONE MOUNTAIN PRODUCTION COMPANY**

3. ADDRESS OF OPERATOR  
**P. O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)  
At surface  
**1342' FNL, 741' FEL, Section 30**

14. PERMIT NO.  
**43-019-31301**

15. ELEVATIONS (Show whether DF, RT, OR, etc.)  
**6260' GL, 6270' KB**

7. AGREEMENT NAME  
**San Arroyo**

8. TERM OR LEASE NAME  
**Federal**

9. WELL NO.  
**Unit No. 44**

10. FIELD AND POOL, OR WILDCAT  
**San Arroyo**

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
**SENE Sec. 30: T16S-R26E**

12. COUNTY OR PARISH  
**Grand**

13. STATE  
**Utah**

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other) \_\_\_\_\_

FULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANE

**Spud Report**

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) \_\_\_\_\_

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(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.)\*

Spudded 12 1/4" hole at 10:30 pm, August 14, 1990. Veco Drilling Rig No. 2.

Notified John Baza with the Utah Division of Oil, Gas & Mining at 8:30 am, August 15, 1990.

Notified Dale Manchester with the BLM, Moab, Utah, at 8:40 am, August 15, 1990.

OIL AND GAS	
DPN	RJF
JFB	GLH
DIS	SLS
L-Dark	
2-	MICROFILM ✓
3-	FILE

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

SIGNED James G. Routson TITLE Petroleum Engineer DATE August 15, 1990  
James G. Routson  
(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

**LONE MOUNTAIN PRODUCTION COMPANY**

P.O. BOX 3394  
408 PETROLEUM BUILDING  
BILLINGS, MONTANA 59103-3394  
(406) 245-5077  
FAX 248-6321

**RECEIVED**  
AUG 17 1990

DIVISION OF  
OIL, GAS & MINING

August 15, 1990

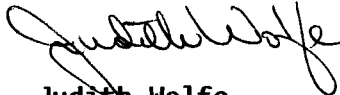
Utah Division of Oil, Gas & Mining  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180

Gentlemen:

Enclosed please find an Entity Action Form - form 6 for the  
San Arroyo Unit No. 44, Grand County, Utah.

If you are in need of further information, please advise.

Sincerely,



Judith Wolfe  
Secretary

/jlw

OPERATOR Lone Mountain Production Company

OPERATOR ACCT. NO. N-7210

ADDRESS 408 Petroleum Building

P.O. Box 3394

Billings, MT 59103

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	11099	21301 43-019- <del>3181</del>	San Arroyo Unit No. 44	SE NE	30	16S	26E	Grand	8/14/90	8/14/90
<p><b>RECEIVED</b> AUG 17 1990</p> <p>COMMENTS: Federal - Lease Proposed Zone - mrsn Field - San Arroyo (Entity 11099 added 8-20-90) for Unit - San Arroyo (DKR/mrsn P.A.)</p>											
<p>WELL 2 COMMENTS: (Lone mtn Prod. Co - Dril to completion / Brekem Royalty - Producing) (Cindy / Lone mtn. will send in documentation when change is to occur.)</p>											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

**ACTION CODES (See instructions on back of form)**

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

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

*James G. Routson*  
Signature James G. Routson

Petroleum Engineer 8/15/90  
Title Date

Phone No. (406) 245-5077

**LONE MOUNTAIN PRODUCTION COMPANY**

P.O. BOX 3394  
408 PETROLEUM BUILDING  
BILLINGS, MONTANA 59103-3394  
(406) 245-5077  
FAX 248-6321

**RECEIVED**  
AUG 23 1990

August 20, 1990

DIVISION OF  
OIL, GAS & MINING

Utah Division of Oil, Gas & Mining  
355 W. North Temple  
3 Triad Center, Suite #350  
Salt Lake City, UT 84180

Gentlemen:

Enclosed please find two (2) copies of a Status Report and a Report of Water Encountered During Drilling form for the San Arroyo Unit #44 well, SENE, Sec. 30: T16S-R26E, Grand County, Utah.

If you are in need of further information, please advise.

Sincerely,

Judith Wolfe

/jlw  
Enclosures

OIL AND GAS	
DFN	RJF
JPB	GLH ✓
DTS	SLB
2	MICROFILM ✓
3	FILE



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL  
(Other instructions  
verse side)

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

SUNDRY NOTICES AND REPORTS

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

**RECEIVED**  
AUG 23 1990

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
**LONE MOUNTAIN PRODUCTION COMPANY**

3. ADDRESS OF OPERATOR  
**P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)  
At surface  
**1342' FNL 741' FEL, Section 30**

14. PERMIT NO. **43-019-31301** DRL

15. ELEVATIONS (Show whether DF, RT, OR, etc.)  
**6260' GL; 6270' KB**

5. LEASE DESIGNATION AND SERIAL NO.  
**U-06023**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
**San Arroyo**

8. FARM OR LEASE NAME  
**Federal**

9. WELL NO.  
**Unit No. 44**

10. FIELD AND POOL, OR WILDCAT  
**San Arroyo**

11. SEC., T., R. M., OR BLK. AND SURVEY OR AREA  
**SE 1/4 Sec. 30; T16S-R26E**

12. COUNTY OR PARISH  
**Grand**

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 <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) <input type="checkbox"/>	<b>Status Report</b> <input checked="" type="checkbox"/>

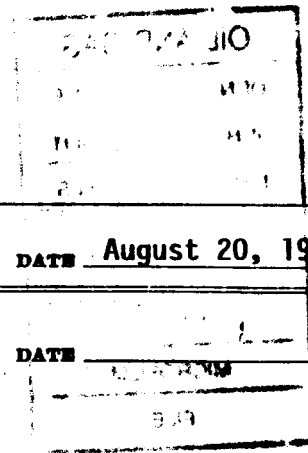
(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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.)

Drilled 12 1/4" hole to 285'. Ran 9-5/8", 32.3#, H-40 casing to 274'. Cemented to surface with 175 sacks Class "G", 3% CaCl<sub>2</sub>, 1/4# celloflake/sack.  
Drilled 7-7/8" hole to 5020' TD. Ran logs. Log tops:

Castlegate	1044	(+5226)
Mancos	1142	(+5128)
Dakota Silt	4458	(+1812)
Dakota Sand	4558	(+1712)
Morrison	4684	(+1586)

Ran 4 1/2", 10.5#, J-55 production casing to 4980'. Cemented with 225 sacks 10-0 thixotropic cement. Plug down at 2:00 a.m., August 20, 1990. Rig released at 4:00a.m., August 20, 1990.



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

SIGNED James D. Routson TITLE Petroleum Engineer DATE August 20, 1990  
James G. Routson

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

**RECEIVED**  
 AUG 23 1990

REPORT OF WATER ENCOUNTERED DURING DRILLING - FORM 7

DIVISION OF  
 OIL, GAS & MINING

1. Well name and number: San Arroyo Unit No. 44  
 API number: 43-019-31301
2. Well location: QQ SENE section 30 township 16S range 26E county Grand
3. Well operator: Lone Mountain Production Company  
 Address: P.O. Box 3394, 408 Petroleum Bldg., phone: 406-245-5077  
Billings, MT 59103
4. Drilling contractor: Veco Drilling Company  
 Address: P.O. Box 1705 phone: 303-242-6912  
Grand Junction, CO 81502

5. Water encountered (continue on reverse side if necessary)

Depth		Volume (flow rate or head)	Quality (fresh or salty)
from	to		
		NO WATER ENCOUNTERED	

6. Formation tops: Castlegate 1044 (+5226) Morrison 4684 (+1586)  
Mancos 1142 (+5128)  
Dakota Silt 4458 (+1812)  
Dakota Sand 4558 (+1712)

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I certify that this report is true and complete to the best of my knowledge.

Name James G. Routson Signature *James G. Routson*  
 Title Petroleum Engineer Date August 20, 1990

Comments:



STATE OF UTAH  
DIVISION OF OIL, GAS & MINING  
OIL AND GAS INSPECTION RECORD

SE/NE OPERATOR Long Mountain Prod. Co LEASE Fed  
WELL NO. San Arroyo Unit #44 API 43-019-31301  
SEC. 30 T. 16S R. 26E CONTRACTOR \_\_\_\_\_  
COUNTY Grand Co. FIELD San Arroyo

DRILLING/COMPLETION/WORKOVER:

APD  WELL SIGN  HOUSEKEEPING  BOPE  
 SAFETY  POLL. CONTROL  SURFACE USE  PITS  
 OPERATIONS  OTHER

SHUT-IN  / TA :

WELL SIGN  HOUSEKEEPING  EQUIPMENT\*  SAFETY  
 OTHER

ABANDONED:

MARKER  HOUSEKEEPING  REHAB.  OTHER

PRODUCTION:

WELL SIGN  HOUSEKEEPING  EQUIPMENT\*  FACILITIES\*  
 METERING\*  POLL. CONTROL  PITS  DISPOSAL  
 SECURITY  SAFETY  OTHER

GAS DISPOSITION:

VENTED/FLARED  SOLD  LEASE USE

LEGEND: Y - YES OR SATISFACTORY  
N - NO OR UNSATISFACTORY  
NA - NOT APPLICABLE

\*FACILITIES INSPECTED: NA, cagehd. w/ waste, flange, pit, trash  
bin.

REMARKS: TA - Recently completed well in process of being  
cleaned up; open cagehd.

ACTION: Finish clean up and shut in or produce well and  
also put up sign.

INSPECTOR: CF DATE: 9-11-90  
IN36/1

**LONE MOUNTAIN PRODUCTION COMPANY**

P.O. BOX 3394  
408 PETROLEUM BUILDING  
BILLINGS, MONTANA 59103-3394  
(406) 245-5077  
FAX 248-6321

October 25 1990

OCT 29 1990

DIVISION OF  
OIL, GAS & MINING

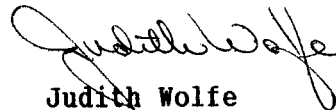
Division of Oil, Gas and Mining  
State of Utah  
355 W. North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180

Gentlemen:

Enclosed please find the Well Completion Report and Gas Analysis for the San Arroyo No. 44 well in Grand County, Utah.

If you are in need of further information, please advise.

Sincerely,

  
Judith Wolfe

/jlw  
Enclosures

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

SUBMIT IN DUPLICATE\*

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG\***

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

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

**2. NAME OF OPERATOR**  
Lone Mountain Production Company

**3. ADDRESS OF OPERATOR**  
P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103

**4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\***  
At surface 1342' FNL, 741' FEL Sec. 30  
At top prod. interval reported below same  
At total depth same

OCT 29 1990

**5. LEASE DESIGNATION AND SERIAL NO.**  
U-06023

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

**7. UNIT AGREEMENT NAME**  
San Arroyo

**8. FARM OR LEASE NAME**  
Federal

**9. WELL NO.**  
44

**10. FIELD AND POOL, OR WILDCAT**  
San Arroyo

**11. SEC., T., R., N., OR BLOCK AND SURVEY OR AREA**  
SENE Sec. 30: T16S-R26E

**12. COUNTY OR PARISH** Grand **13. STATE** Utah

**14. PERMIT NO.** 43-019-31301 **DATE ISSUED** 5-4-90

**15. DATE SPUNDED** 8-14-90 **16. DATE T.D. REACHED** 8-19-90 **17. DATE COMPL. (Ready to prod.)** 10-23-90

**18. ELEVATIONS (DF, RKB, RT, OR, ETC.)\*** 6260 GL, 6270 KB **19. ELEV. CASINGHEAD** 6261

**20. TOTAL DEPTH, MD & TVD** 5020 **21. PLUG, BACK T.D., MD & TVD** 4934

**22. IF MULTIPLE COMPL., HOW MANY\*** **23. INTERVALS DRILLED BY** → **ROTARY TOOLS** 0-TD **CABLE TOOLS**

**24. PRODUCING INTERVAL(S) OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\***  
Dakota 4566-4681  
Morrison 4750-4760 4768-4782

**25. WAS DIRECTIONAL SURVEY MADE** No

**26. TYPE ELECTRIC AND OTHER LOGS RUN** GR-FDC-CNL, SP-DIL, GR-CBL-VDL 9-11-90 **27. WAS WELL CORRED** No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	32 30# H-40	274'	12 1/4"	175 sx (to surface)	None
4 1/2"	10.5# J-55	4980	7-7/8"	225 sx (top at 3994)	None

**29. LINER RECORD**

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
None				

**30. TUBING RECORD**

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	4333	None

**31. PERFORATION RECORD (Interval, size and number)**  
4566-91, 26 shots; 4594-4602, 9 shots; 4608-4620, 13 shots; 4624-38, 15 shots; 4644-52, 15 shots; 4672-81, 10 shots; 4751-4759, 9 shots; 4769-4781, 13 shots. All intervals 1 SPF, .36" dia. holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4566-4681	1000 gallons 15% HCl
4566-4681	Foam fract w/20,000# 100 mesh 80,000# 20-40 sand, 478 bbls. 5% HCl, 1.67 MMSCF nitrogen

**33.\* PRODUCTION**

**DATE FIRST PRODUCTION** 10-1-90 **PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)** Flowing **WELL STATUS (Producing or shut-in)** shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
10-23-90	1.5	.75"	→	0	151	0	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
182	460	→	0	2425	0	

**34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)** Vented **TEST WITNESSED BY** Joe Dyk

**35. LIST OF ATTACHMENTS**  
Gas analysis

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

SIGNED James G. Routson TITLE Petroleum Engineer DATE 10-25-90

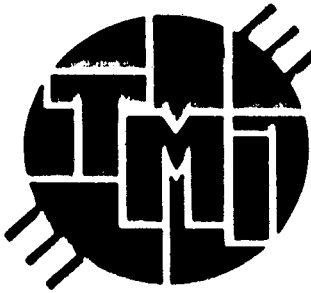
\*(See Instructions and Spaces for Additional Data on Reverse Side)

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.	TOP	
				NAME	MEAS. DEPTH
Dakota	4566	4681	tight gas	Castlegate	1044
Morrison	4750	4760	gas	Mancos	1142
Morrison	4768	4782	gas	Dakota silt	4458
				Dakota sand	4558
				Morrison	4684
					+5226
					+5128
					+1812
					+1712
					+1586

38. GEOLOGIC MARKERS

NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Castlegate	1044	+5226
Mancos	1142	+5128
Dakota silt	4458	+1812
Dakota sand	4558	+1712
Morrison	4684	+1586



# Technology Management Inc.

RECEIVED OCT 09 1990

Consulting Engineers and Chemists

685 W. Gunnison, Suite #108 • Grand Junction, CO 81505-7249 • (303) 242-6154 • FAX (303) 245-9270

To: LONE MOUNTAIN PRODUCTION  
P.O. BOX 7721  
PALLISER, WYOMING 82413

Date: OCT. 3, 1990  
Number: IM/LME 90-7

### GAS ANALYSIS

CONTAINER: LONE MOUNTAIN

SUBMITTED BY: LONE MOUNTAIN

SAMPLE IDENTIFICATION: SAN DEBOVO 433,  
GUNNISON 4751-57, 4759-81, 610 EST,  
GRAND COUNTY, UTAH

DATE SAMPLED: OCT. 1, 1990

DATE RECEIVED: OCT. 2, 1990

DATE TESTED: OCT. 2, 1990

CAL. NUMBER	NAME	MOLE %	IDEAL GAS SPECIFIC GRAVITY, G	IDEAL GROSS HEATING VALUE, DRY, BTU/SCF (60F and 760 mm Hg)	COMPRESSIBILITY FACTOR @ STP, Z	SHINIA-CONF- F FACTOR	CORRECTION FACTOR	SPECIFIC HEAT, BTU/LB-F	VALUE	UNIT	HEATHS SOL.	
											100L	500
1	H. HYDROGEN	0	.0676	325.02	1.0006				0			
2	ETHANE	1.310	1.5225	2517.5	.982	.1342	.00177	.02037	33.191		.75179	
4	PRO-PANE	.304	2.0069	3252.7	.9676	.1744	5.3E-4	.00610	7.9902		.77715	
5	N. PROPANE SULFIDE	0	1.1765	637	.9903	.0785	0	0	0			
6	N. BUTANE	.382	2.0069	3262.1	.9667	.1925	7.0E-4	.00767	12.461		.72004	
10	ISO-PENTANE	.132	2.4911	4000.3	.9482	.2276	3.0E-4	.00329	5.7504		.74019	
11	N. PENTANE	.102	2.4911	4007.6	.9435	.2377	2.4E-4	.00254	4.0930		.73433	
12	PROPANE SULFIDE	.729	1.5195		.99432	.064	4.7E-4	.01106	0			
13	PROPANE	1.428	1.0382	1769.9	.9916	.0917	.00131	.01493	25.179			
15	OXYGEN	0	1.1048		.99927	.027	0	0	0			
16	NITROGEN	3.062	.9672		.99973	.0164	5.0E-4	.02762	0			
17	METHANE	92.024	.5539	1007.7	.9981	.0436	.04012	.50972	929.17			
19	HEPTANE LUMP, +	0	3.4576	5502.8	.92	.283	0	0	0		0	
20	N-HEXANE	.521	2.9753	4756.2	.92	.283	.00147	.01550	24.780		.71364	
21	ISO-HEXANE COMP.	0	2.9753	4716	.92	.283	0	0	0		0	
TOTALS		100.00				.04741	.62039	1044.1	87366			

NOTES: Z = .99775. IDEAL SPECIFIC GRAVITY OF MIXTURE = .62039. REAL SPECIFIC GRAVITY OF MIXTURE = .62153

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760 mm Hg) = 1044.1. REAL GROSS, DRY HEATING VALUE = 1046.5

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9874.  
THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145-PP AND 2172-7A.

RESPECTFULLY SUBMITTED,

*Carlon C. Chambers, P.E.*  
CARLON C. CHAMBERS, P.E.  
PRESIDENT



STATE OF UTAH  
DIVISION OF OIL, GAS & MINING  
OIL AND GAS INSPECTION RECORD

B

NE/  
NE

OPERATOR Lone Mountain LEASE Fed  
WELL NO. San Angelo #44 API 43-019-31301  
SEC. 30 T. 16s R. 26e CONTRACTOR \_\_\_\_\_  
COUNTY Grand FIELD San Angelo

DRILLING/COMPLETION/WORKOVER:

APD  WELL SIGN  HOUSEKEEPING  BOPE  
 SAFETY  POLL. CONTROL  SURFACE USE  PITS  
 OPERATIONS  OTHER

SHUT-IN  TA \_\_\_\_\_:

WELL SIGN  HOUSEKEEPING  EQUIPMENT\*  SAFETY  
 OTHER

ABANDONED:

MARKER  HOUSEKEEPING  REHAB.  OTHER

PRODUCTION:

WELL SIGN  HOUSEKEEPING  EQUIPMENT\*  FACILITIES\*  
 METERING\*  POLL. CONTROL  PITS  DISPOSAL  
 SECURITY  SAFETY  OTHER

GAS DISPOSITION:

VENTED/FLARED  SOLD  LEASE USE

LEGEND: Y - YES OR SATISFACTORY  
N - NO OR UNSATISFACTORY  
NA - NOT APPLICABLE

\*FACILITIES INSPECTED: la, WH, trash bin (recent compl.)

REMARKS: SEA - no signs yet.

ACTION: Told BL Mabout signs by memo dated 11/16/90.

INSPECTOR: CK DATE: 11-8-90

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394  
408 PETROLEUM BUILDING  
BILLINGS, MONTANA 59103-3394  
(406) 245-5077  
FAX 248-6321

RECEIVED  
DEC 06 1990

December 4, 1990  
DIVISION OF  
OIL, GAS & MINING

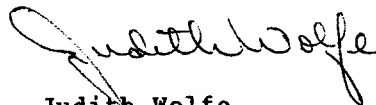
Division of Oil, Gas & Mining  
State of Utah  
3 Triad Center, Suite 350  
355 W. North Temple  
Salt Lake City, UT 84180

Gentlemen:

Enclosed are two (2) copies each of a Notice of Change of Operator and a Notice of 1st Production for the San Arroyo Unit No. 44 well, located in Grand County, Utah.

If you are in need of further information, please advise.

Sincerely,

  
Judith Wolfe

/jlw  
Enclosures

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 1001-013  
Expires August 31, 1985  
B. LEASE DESIGNATION AND SERIAL NO  
U=06023  
C. 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. Use "APPLICATION FOR PERMIT—" for such proposals.)

RECEIVED  
DEC 06 1990

DIVISION OF  
OIL, GAS & MINING

1. OIL WELL  GAS WELL  OTHER   
2. NAME OF OPERATOR Lone Mountain Production Co.  
3. ADDRESS OF OPERATOR PO Box 3394, Billings, MT 59103  
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)  
At surface  
1342' FNL, 741' FEL, Sec. 30

7. AGREEMENT NAME San Arroyo  
8. TERM OR LEASE NAME Federal  
9. WELL NO. Unit No. 44  
10. FIELD AND FOOT, OR WILDCAT San Arroyo  
11. SEC., T., S. M., OR BLK. AND SURVEY OR AREA SENE Sec 30:T16S-R26E  
12. COUNTY OR PARISH Grand  
13. STATE Utah

14. PERMIT NO. 43-019-31301 PGW  
15. ELEVATIONS (Show whether DP, RT, OR, etc.) 6260' GL, 6270' KB

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) Notice of 1st Production <input checked="" type="checkbox"/>	

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.)

Well first delivered into Lone Mountain's San Arroyo pipeline at 4:00 p.m., December 3, 1990.

Reported to Moab, Utah BLM by Jim Routson on 12/4/90.

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

SIGNED James G. Routson TITLE Petroleum Engineer DATE 12/4/90  
James G. Routson  
(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on re-  
verse side)

Form approved.  
Budget Bureau No. 1004-0111  
Expires August 31, 1985

D. LEASE DESIGNATION AND SERIAL NO.

U-06023

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 well.  
Use "APPLICATION FOR PERMIT..." for such proposals.)

RECEIVED  
DEC 06 1990  
DIVISION OF  
OIL, GAS & MINING

OIL WELL  GAS WELL  OTHER

UNIT GOVERNMENT NAME

San Arroyo

8. FEDERAL OR LEASE NAME

Federal

9. WELL NO.

Unit No. 44

10. FIELD AND POOL, OR WILDCAT

San Arroyo

11. SEC., T., S. M., OR BLM. AND SURVEY OR AREA

SE NE Sec. 30: T16S-R26E

12. COUNTY OR PARISH 13. STATE

Grand

Utah

2. NAME OF OPERATOR

Lone Mountain Production Company

3. ADDRESS OF OPERATOR

P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103

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

At surface

1342' FNL, 741' FEL, Section 30

14. PERMIT NO

43-019-31301

15. ELEVATIONS (Show whether DF, RT, OR, etc.)

6260' GL, 6270' KB

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 COMPLETION

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON\*

SHOOTING OR ACIDIZING

ABANDONMENT\*

REPAIR WELL

CHANGE PLANS

(Other) CHANGE OF OPERATOR TO UNIT OP.

(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.)

(Graham Royalty, LTD.)

Graham Resources, Inc. is the recognized unit operator for the San Arroyo Unit and, effective immediately, they will be responsible for future reporting requirements (Monthly Report of Operations, Sundry Notices, etc).

Lone Mountain was assigned an entity number for this well and we've been reporting as Operator up through the date this well was turned on.

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

SIGNED

James B. Routson

TITLE

Vice President

DATE

12/4/90

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

OPERATOR GRAHAM ROYALTY, LTD.  
ADDRESS 1675 LARIMER STREET  
DENVER, CO 80202  
(303)629-1736

OPERATOR ACCT. NO. N 0505

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	11099	00500	43-019-31301	SAN ARROYO #44	SENE	30	16S	26E	GRAND	8-14-90	12-4-90
WELL 1 COMMENTS: *OPERATOR CHANGE FROM LONE MOUNTAIN PROD.CO.(SAN ARROYO UNIT OPERATOR GRAHAM ROYALTY, LTD.)											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

- ACTION CODES (See instructions on back of form)**
- A - Establish new entity for new well (single well only)
  - B - Add new well to existing entity (group or unit well)
  - C - Re-assign well from one existing entity to another existing entity
  - D - Re-assign well from one existing entity to a new entity
  - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

L. ROMERO  
Signature  
ADMIN. ANALYST/DOGM 12-12-90  
Title Date  
Phone No. ( )

Department of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

Routing:	
1- DCR	<input checked="" type="checkbox"/>
2- <del>DTS</del> DTS	<input checked="" type="checkbox"/>
3- VLC	<input checked="" type="checkbox"/>
4- RJF	<input checked="" type="checkbox"/>
5- RWM	<input checked="" type="checkbox"/>
6- LCR	<input checked="" type="checkbox"/>

Attach all documentation received by the division regarding this change.  
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold)       Designation of Agent  
 Designation of Operator       Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 12-4-90)

TO (new operator)	<u>GRAHAM ROYALTY, LTD.</u>	FROM (former operator)	<u>LONE MOUNTAIN PROD. CO.</u>
(address)	<u>1675 LARIMER STREET</u>	(address)	<u>P. O. BOX 3394</u>
	<u>DENVER, CO 80202</u>		<u>408 PETROLEUM BLDG.</u>
			<u>BILLINGS, MT 59103</u>
	phone <u>(303) 629-1736</u>		phone <u>(406) 245-5077</u>
	account no. <u>N0505</u>		account no. <u>N7210</u>

Well(s) (attach additional page if needed):

Name: <u>SAN ARROYO #44/DK-MR</u>	API: <u>4301931301</u>	Entity: <u>11099</u>	Sec <u>30</u> Twp <u>16S</u> Rng <u>26E</u>	Lease Type: <u>U-06023</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

**OPERATOR CHANGE DOCUMENTATION**

- LCF 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form).
- N/A 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). (*see San Arroyo Unit File*)
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) \_\_\_\_ If yes, show company file number: \_\_\_\_\_.
- LCF 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- LCF 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (*12-14-90*)
- LCF 6. Cardex file has been updated for each well listed above.
- LCF 7. Well file labels have been updated for each well listed above.
- LCF 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- LCF 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) yes (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

- 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operators' bond files.
- 3. The former operator has requested a release of liability from their bond (yes/no) \_\_\_\_\_. Today's date \_\_\_\_\_ 19\_\_\_\_. If yes, division response was made by letter dated \_\_\_\_\_ 19\_\_\_\_.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated \_\_\_\_\_ 19\_\_\_\_, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 2. Copies of documents have been sent to State Lands for changes involving State leases.

MICROFILMING

1. All attachments to this form have been microfilmed. Date: December 19 1980.

FILED

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

01212 Bfm/Verlene As per "Unit" Agreement - Lone mtn. is agent for Graham Royalty, Lone mtn. is responsible for new APA's up to completion & first production. Automatically changes to Graham Royalty, Inc. upon such.

**LONE MOUNTAIN PRODUCTION COMPANY**

P.O. BOX 3394  
408 PETROLEUM BUILDING  
BILLINGS, MONTANA 59103-3394  
(406) 245-5077  
FAX 248-6321

RECEIVED  
DEC 17 1990

DIVISION OF  
OIL, GAS & MINING

December 14, 1990

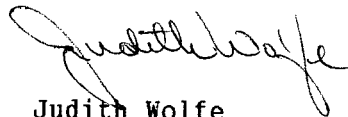
Division of Oil, Gas & Mining  
355 W. North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180

Gentlemen:

Enclosed please find two (2) copies each of the Reclamation Work Report for the San Arroyo #44, San Arroyo #45 and San Arroyo #46 wells located in Grand County, Utah.

If you are in need of further information, please advise.

Sincerely,



Judith Wolfe

/jlw  
Enclosure



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 1001-013  
Expires August 31, 1985  
5. LEASE DESIGNATION AND SERIAL NO.

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.)

OIL WELL  GAS WELL  OTHER

DEC 17 1990

2. NAME OF OPERATOR  
Lone Mountain Production Co.

3. ADDRESS OF OPERATOR  
PO Box 3394, Billings, MT 59103

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

1342' FNL, 741' FEL, Sec. 30

14. PERMIT NO.  
43-019-31301 *pw*

15. RESERVATIONS (Show whether DF, RT, GR, etc.)  
6260' GL, 6270' KB

7. UNIT AGREEMENT NAME  
San Arroyo

8. FARM OR LEASE NAME  
Federal

9. WELL NO.  
Unit No. 44

10. FIELD AND POOL, OR WILDCAT  
San Arroyo

11. SEC., T., E., N., OR BLE. AND  
SUBSTRY OR AREA

SENE Sec 30:T16S-R26E

12. COUNTY OR PARISH 13. STATE  
Grand 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   
FRACTURE TREAT   
SHOOT OR ACIDIZE   
REPAIR WELL   
(Other)   
PULL OR ALTER CASING   
MULTIPLE COMPLETE   
ABANDON\*   
CHANGE PLANS

WATER SHUT-OFF   
FRACTURE TREATMENT   
SHOOTING OR ACIDIZING   
(Other) Reclamation work   
REPAIRING WELL   
ALTERING CASING   
ABANDONMENT\*

(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 and 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.)\*

All areas not needed for production operations on the San Arroyo No. 44 have been recontoured and reseeded. The access road has been upgraded. The seed ticket was sent under separate cover.

ACCEPTED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

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

SIGNED: *James G. Reutson*  
James G. Reutson  
(This space for Federal or State office use)

TITLE Petroleum Engineer

DATE 12/4/90

APPROVED BY \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

\*See Instructions on Reverse Side

RECEIVED

APR 12 1991

DESIGNATION OF AGENT OR OPERATOR - FORM 5

DIVISION OF  
OIL GAS & MINING

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: See Attached

LEASE NUMBER: See Attached

and hereby designates

NAME: Norstar Gas Co., Inc.

ADDRESS: 15000 Northwest Freeway, #203, Houston, TX 77040

as his agent/operator, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to (describe acreage to which this designation is applicable):

See Attached

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees promptly to notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation 12/1/90

By: Cynthia Z. Roberts  
(signature)

Company Graham Royalty, Ltd.  
Address 1675 Larimer, #400  
Denver, CO 80202

Title: Reg. Affairs Super.  
Phone: (303) 629-1736

Routing:	
1- LCR	<i>[initials]</i>
2- DTS	<i>[initials]</i>
3- VLC	<i>[initials]</i>
4- RJF	<i>[initials]</i>
5- RWM	<i>[initials]</i>
6- LCR	<i>[initials]</i>

Attach all documentation received by the division regarding this change.  
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold)       Designation of Agent  
 Designation of Operator       Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 12-1-90)

TO (new operator)	<u>GRAHAM ROYALTY, LTD.</u>	FROM (former operator)	<u>GRAHAM ROYALTY, LTD.</u>
(address)	<u>C/O NORTHSTAR GAS CO., INC.</u>	(address)	<u>1675 LARIMER STREET</u>
	<u>15000 NORTHWEST FREEWAY</u>		<u>DENVER, CO 80202</u>
	<u>SUITE 203 - HOUSTON, TX 77040</u>		<u>CINDI ROBBINS</u>
	<u>phone (713) 937-4314</u>		<u>phone (303) 629-1736</u>
	<u>account no. N 0505 (A)</u>		<u>account no. N 0505</u>

Well(s) (attach additional page if needed):

Name: <u>SAN ARROYO #44/DK-MR</u>	API: <u>4301931301</u>	Entity: <u>00500</u>	Sec <u>30</u> Twp <u>16S</u> Rng <u>26E</u>	Lease Type: <u>U-0602</u>
Name: <u>SAN ARROYO #45/DK-MR</u>	API: <u>4301931299</u>	Entity: <u>00500</u>	Sec <u>20</u> Twp <u>16S</u> Rng <u>26E</u>	Lease Type: <u>U-0565</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

**OPERATOR CHANGE DOCUMENTATION**

- 1 (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(4-12-91)*
- N/A 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *"Designation of Agent"*
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) \_\_\_\_\_ If yes, show company file number: \_\_\_\_\_.
- 1 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- 1 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(4-17-91)*
- 1 6. Cardex file has been updated for each well listed above.
- 1 7. Well file labels have been updated for each well listed above.
- N/A 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(Previous Notification - Entity 00500)*
- 1 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

**ENTITY REVIEW**

- 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

**BOND VERIFICATION (Fee wells only)**

- 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operators' bond files.
- 3. The former operator has requested a release of liability from their bond (yes/no) \_\_\_\_\_. Today's date \_\_\_\_\_ 19\_\_\_\_. If yes, division response was made by letter dated \_\_\_\_\_ 19\_\_\_\_.

**LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY**

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated \_\_\_\_\_ 19\_\_\_\_, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 2. Copies of documents have been sent to State Lands for changes involving State leases.

**MICROFILMING**

- 1. All attachments to this form have been microfilmed. Date: April 19 1991.

**FILED**

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form and the original attachments have been filed in the Operator Change file.

**REMARKS**

910417 Btm/Mcab Designation of Agent ok. Graham Royalty, LTD is the recognized operator per "San Arroyo Unit Agreement".

# MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

C/O NORTHSTAR GAS CO INC  
GRAHAM ROYALTY LTD  
15000 NW FREEWAY STE 203  
HOUSTON TX 77040

UTAH ACCOUNT NUMBER: N0505

REPORT PERIOD (MONTH/YEAR): 6 / 93

AMENDED REPORT  (Highlight Changes)

Well Name API Number	Entity	Location	Producing Zone	Well Status	Days Oper	Production Volumes		
						OIL(BBL)	GAS(MCF)	WATER(BBL)
SAN ARROYO UNIT #37 4301931252	00500	16S 26E 20	DK-MR	<i>U-5650</i>				
SAN ARROYO UNIT #38 4301931253	00500	16S 25E 16	MRSN	<i>ML-4113</i>				
SAN ARROYO UNIT #41 4301931289	00500	16S 25E 36	DKTA	<i>ML-4668</i>				
SAN ARROYO UNIT #42 4301931290	00500	16S 26E 30	DKTA	<i>U-06023</i>				
SAN ARROYO UNIT #43 4301931291	00500	16S 26E 29	DK-MR	<i>U-06021</i>				
SAN ARROYO #45 4301931299	00500	16S 26E 20	DK-MR	<i>U-05650</i>				
SAN ARROYO #44 4301931301	00500	16S 26E 30	DK-MR	<i>U-06023</i>				
FEDERAL #49 4301931316	00500	16S 26E 29	DK-MR	<i>U-025245</i>				
FEDERAL #47 4301931318	00500	16S 26E 31	DK-MR	<i>U-06023</i>				
SAN ARROYO UNIT #34-A 4301911091	00505	16S 25E 21	ENRD	<i>U-136529</i>				
SAN ARROYO 2 4301915885	00505	16S 25E 22	ENRD	<i>U-0370-A</i>				
SAN ARROYO 3 4301915886	00505	16S 25E 23	ENRD	<i>U-0369</i>				
SAN ARROYO 5 4301915888	00505	16S 25E 25	ENRD	<i>U-0369</i>				
<b>TOTALS</b>								

COMMENTS: \_\_\_\_\_

I hereby certify that this report is true and complete to the best of my knowledge.

Date: \_\_\_\_\_

Name and Signature: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

RECEIVED

JUL 16 1993

DIVISION OF  
OIL GAS & MINING

July 14, 1993

State of Utah  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Attn: Ms. Lisha Cordova

Dear Ms. Cordova,

Effective August 1, 1993 we would like to change our operator name from Graham Royalty, Ltd. to Graham Energy, Ltd. Per our conversation this date it should be a simple change as no bond changes are required.

Attached is a list of the wells affected. Thank you.

Sincerely,

  
Cynthia C. Robbins  
Regulatory Affairs Supervisor

CC: Ken McKinney

Division of Oil, Gas and Mining  
**PHONE CONVERSATION DOCUMENTATION FORM**

Route original/copy to:

Well File \_\_\_\_\_  
\_\_\_\_\_  
(Location) Sec \_\_\_ Twp \_\_\_ Rng \_\_\_  
(API No.) \_\_\_\_\_

Suspense  
(Return Date) \_\_\_\_\_  
(To - Initials) \_\_\_\_\_

Other  
*Operator Change*  
\_\_\_\_\_  
\_\_\_\_\_

1. Date of Phone Call: 7-19-93 Time: 3:00

2. DOGM Employee (name) L. Cordova (Initiated Call )  
Talked to:

Name Cynthia Robbins (Initiated Call ) - Phone No. (303) 629-1736  
of (Company/Organization) Graham

3. Topic of Conversation: Confirm address for Graham Energy LTD.

4. Highlights of Conversation:

Agent "Northstar Gas Co. Inc." is to remain the same as is Houston  
mailing address. Change address for Graham Energy LTD from  
LA to TX. (updated 7-22-93)

\* 931116 - Linda Goldsby "Graham" referred to Btm / S.Y.

**S. E. U. T. CO.**

Accommodation Recording  
Not Examined

**ASSIGNMENT, BILL OF SALE  
AND CONVEYANCE**

Entry No. 429639  
Recorded 10-22-93 2 36 PM  
Bk 457 Pg. 83 Fee 80.00  
96  
Melane Masher  
Recorder of Grand County

This Assignment, Bill of Sale and Conveyance ("Assignment"), is from each of Prudential-Bache Energy Growth Fund, L.P. G-1 and Prudential-Bache Energy Growth Fund, L.P. G-2, each a Delaware limited partnership and acting herein through their general partner, Graham Energy, Ltd. (collectively, "Assignor"), to Northstar Gas Company, Inc. ("Assignee"). Assignor has an address of 109 Northpark Boulevard, Covington, Louisiana 70433, and Assignee has an address of 15000 Northwest Freeway, Suite 203, Houston, Texas 77040.

For, and in consideration of Ten Dollars (\$10.00) cash and other good and valuable consideration in hand paid, the receipt and adequacy of which are hereby acknowledged, each Assignor does hereby, severally, and not jointly, Bargain, Sell, Transfer, Set Over, Grant, Assign, Convey and Deliver unto Assignee, all of such Assignor's right, title, interest and estate in and to the oil and gas properties described on Exhibit "A" (the "Oil and Gas Properties"). The Oil and Gas Properties shall include all mineral interests, working interests, overriding interests, reversionary interests, net profits interests, net revenue interests and any other interest of any kind without warranty of title either express or implied, to the extent they are owned and may be conveyed by Sellers.

The Oil and Gas Properties shall include, to the extent each Assignor may lawfully assign same, all of such Assignor's rights, title, interest and estate in and to the property and rights incident, and to the extent attributable, to the Oil and Gas Properties, the lands covered thereby or utilized therewith, including, without limitation, (i) all presently existing pooling or unitization agreements and the units created thereby, and all units formed by virtue of orders issued by applicable State regulatory agencies, (ii) all presently existing operating agreements and all other contracts, agreements and records, (iii) all personal property, easements, permits, surface leases, servitudes and rights-of-way situated upon or used in connection with the production, treating, storing or transportation of oil, gas or other hydrocarbons or minerals.

TO HAVE AND TO HOLD the Oil and Gas Properties unto Assignee and its successors and assigns forever.

NOTWITHSTANDING ANY PROVISION IN THIS ASSIGNMENT OR ANY DOCUMENT DELIVERED IN CONNECTION HERewith TO THE CONTRARY, THE OIL AND GAS PROPERTIES AND ANY OTHER PROPERTY OR RIGHTS CONVEYED HEREUNDER ARE CONVEYED "AS IS," "WHERE IS," "WITH ALL FAULTS," AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR, AND WITHOUT ANY EXPRESS OR IMPLIED WARRANTY, INCLUDING WARRANTY OF TITLE OR ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OR AS TO ANY CLAIM BY ASSIGNEE FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, OR ANY OTHER SORT OF WARRANTY. ASSIGNEE HAS INSPECTED, OR HAS HAD THE OPPORTUNITY TO INSPECT, THE OIL AND



**GAS PROPERTIES AND PREMISES FOR ALL PURPOSES, INCLUDING WITHOUT LIMITATION FOR THE PURPOSE OF DETERMINING THE PRESENCE OF ENVIRONMENTAL CONDITIONS, OF DETECTING THE PRESENCE OF NATURALLY OCCURRING RADIOACTIVE MATERIAL "(NORM)" AND MAN-MADE MATERIAL FIBERS "(MMMF)" AND HAS SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITIONS, BOTH SURFACE AND SUBSURFACE. ASSIGNEE ACCEPTS ALL OF THE SAME IN THEIR "AS IS," "WHERE IS," CONDITION, AND EACH ASSIGNOR EXPRESSLY DISCLAIMS ANY LIABILITY ARISING IN CONNECTION WITH ANY PRESENCE OR ENVIRONMENTAL CONDITIONS, NORM OR MMMF ON THE OIL AND GAS PROPERTIES.**

**From and after the Effective Time, Assignee hereby agrees to assume, be bound by and subject to each Assignor's express and implied covenants, rights, obligations and liabilities with respect to the Oil and Gas Properties, and Assignee's interest in the Oil and Gas Properties shall bear its proportionate share of royalty interests, overriding royalty interests and other payments out of or measured by production from and after the Effective Time.**

**This Assignment is made expressly subject to all existing overriding royalties or other burdens affecting the Oil and Gas Properties as listed on Exhibit "A."**

**Assignee and its permitted successors and assigns shall preserve and maintain all lease, contract and title files, well logs, well files, division orders and related files, title documentation, correspondence and other data and records in the possession of Assignor pertaining to the Oil and Gas Properties (the "Records") for a period of two (2) years from the date of acknowledgement of this Assignment, during such period shall afford Assignor and its duly authorized representatives access at all reasonable times during normal business hours to all Records as Assignor shall request in order to defend against, oppose or otherwise investigate any claims or potential claims against Assignor arising as a result of any acts, events or operations prior to the date of acknowledgement of this Assignment or as a result of this Assignment, and shall make any conveyance or transfer of the Oil and Gas Properties specifically subject to the obligations of this paragraph.**

**Notwithstanding any other provision herein to the contrary, this Assignment is made with full substitution and subrogation of Assignee in and to all covenants and warranties by others heretofore given or made to Assignors in respect of the Oil and Gas Properties or any part thereof.**

**The provisions hereof shall be covenants running with the land and shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.**

**In the event two or more Oil and Gas Properties cover the same land (e.g., an oil and gas leasehold interest included within the Oil and Gas Properties may cover the same land as a mineral, royalty or overriding interest included within the Oil and Gas Properties), no merger of title shall occur, and each of the Oil and Gas Properties covering the same land is conveyed and shall be owned by Assignee as a separate and distinct property.**

Separate assignments of certain of the Oil and Gas Properties may be executed on officially approved forms by Assignor to Assignee in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those assignments shall be deemed to contain all of the exceptions, reservations, rights, titles, power and privileges set forth herein as fully as though they were set forth in each such assignment. The interests conveyed by such separate assignments are the same, and not in addition to, the Oil and Gas Properties conveyed herein.

The parties agree to take all such further actions and execute, acknowledge and deliver all such further documents that are necessary or useful in carrying out the purposes of this Assignment. Assignor agrees to execute, acknowledge and deliver to Assignee all such other additional instruments, notices, division orders, transfer orders and other documents and to do all such other and further acts and things as may be necessary to more fully and effectively grant, convey and assign to Assignee the Oil and Gas Properties conveyed hereby or intended so to be.

This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one assignment.

References in this Assignment and in Exhibit "A," to contracts, agreements or instruments shall not be deemed to create any rights in favor of any third party.

Assignee joins in the execution hereof for the purpose of being bound by all the terms, provisions, obligations and covenants herein specified.

IN WITNESS WHEREOF, this instrument is signed and executed in multiple counterparts as of the date (s) set forth on the acknowledgements hereto, but, shall be effective for all purposes as of 7:00 o'clock A.M., local time, September 1, 1993 (the "Effective Time").

ASSIGNORS:

PRUDENTIAL-BACHE ENERGY  
GROWTH FUND, L.P. G-1

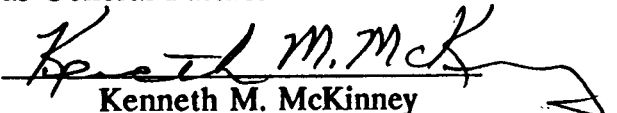
ATTEST:

By: \_\_\_\_\_



By: Graham Energy, Ltd.,  
as General Partner

By: \_\_\_\_\_

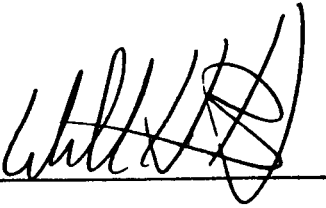


Kenneth M. McKinney  
Vice President

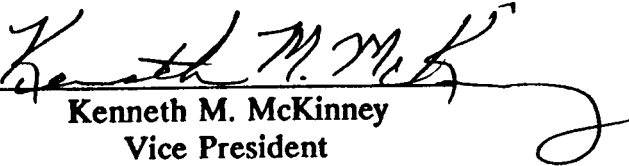
[SEAL]

**PRUDENTIAL-BACHE ENERGY  
GROWTH FUND, L.P. G-2**

**ATTEST:**

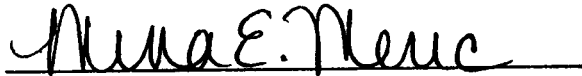
By: 

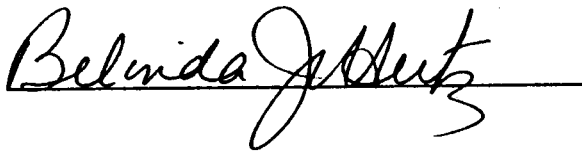
By: **Graham Energy, Ltd., as  
General Partner**

By:   
**Kenneth M. McKinney  
Vice President**

[SEAL]


**WITNESSES TO ASSIGNORS'  
SIGNATURES:**

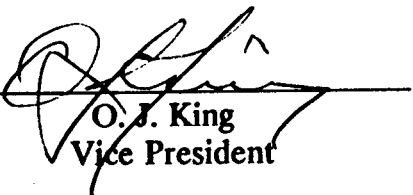




**ASSIGNEE:**

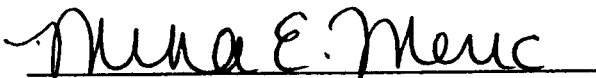
**NORTHSTAR GAS COMPANY, INC.**

~~ATTEST:  
By: ~~

By:   
**O. J. King  
Vice President**

[SEAL]

**WITNESSES TO ASSIGNEE'S  
SIGNATURE:**





STATE OF LOUISIANA

PARISH OF ORLEANS

ON THIS, the 20<sup>th</sup> day of October, 1993, before me, the undersigned Notary, personally appeared Kenneth M. McKinney, who acknowledged that he is the Vice President of Graham Energy, Ltd., the general partner of Prudential-Bache Energy Growth Fund, L.P. G-1, a Delaware limited partnership, and that as President he is authorized to execute the foregoing instrument for the purposes therein contained by signing the name of said corporation as general partner of Prudential-Bache Energy Growth Fund, L.P. G-1.

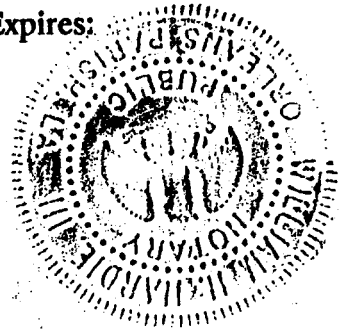
IN WITNESS WHEREOF, I hereunder set my hand and official seal.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

WILLIAM H. HARDIE, III  
NOTARY PUBLIC  
Parish of Orleans, State of Louisiana  
My Commission is issued for Life.

[SEAL]

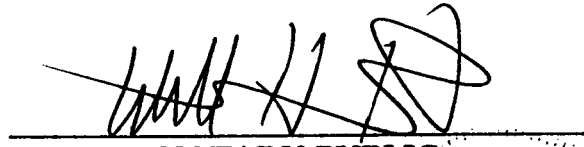


STATE OF LOUISIANA

PARISH OF ORLEANS

ON THIS, the 20<sup>th</sup> day of October, 1993, before me, the undersigned Notary, personally appeared Kenneth M. McKinney, who acknowledged that he is the Vice President of Graham Energy, Ltd., the general partner of Prudential-Bache Energy Growth Fund, L.P. G-2, a Delaware limited partnership, and that as President he is authorized to execute the foregoing instrument for the purposes therein contained by signing the name of said corporation as general partner of Prudential-Bache Energy Growth Fund, L.P. G-2.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.



NOTARY PUBLIC

My Commission Expires

WILLIAM H. HARDIE, II  
NOTARY PUBLIC  
Parish of Orleans, State of Louisiana  
My Commission is issued for Life.

[SEAL]

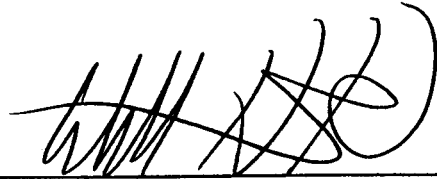


STATE OF LOUISIANA

PARISH OF ORLEANS

ON THIS, the 20<sup>th</sup> day of October, 1993, before me, the undersigned Notary, personally appeared O. J. King, who acknowledged that he is the Vice President of Northstar Gas Company, Inc., a Texas corporation, and that as Vice President he is authorized to execute the foregoing instrument for the purposes therein contained by signing the name of said corporation.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.



NOTARY PUBLIC

My Commission Expires

**WILLIAM H. HARDIE, III**  
NOTARY PUBLIC  
Parish of Orleans, State of Louisiana  
My Commission is issued for Life.

[SEAL]



**EXHIBIT "A"**  
**ATTACHED TO ASSIGNMENT,**  
**BILL OF SALE AND CONVEYANCE**  
**PART I**  
**LANDS AND LEASES**  
**ALL IN GRAND COUNTY, UTAH UNLESS OTHERWISE SPECIFIED**

<b>Lease Serial Number</b>	<b>Lessor</b>	<b>Lessee</b>	<b>Description of Lands</b>	<b>Book</b>	<b>Page</b>	<b>Lease Date</b>	<b>Associated Properties</b>
ML-22208 (1038)	State of Utah	Atlantic Richfield Company	T15 1/2S, R24E, S1M Sec. 36: All T16S, R24E, S1M Sec. 2: All	220	177	9-28-64	ARCO State 2-1, 2-2, 36-7, 36-8
U-29645 (1174)	U.S.A.	Atlantic Richfield Company	T16S, R25E, S1M Sec. 27: SW/4, S/2 SE/4 Sec. 34: NE/4, NE/4 NW/4, NE/4 SE/4			5-1-75	ARCO 27-1 Valentine Fed #2 ARCO Fed D-1
ML-25151 (191-1)	State of Utah	Sinclair Oil & Gas Company	T16S, R25E, S1M Section 2: All	163	390	3-7-68	Bittercreek #1
J-0126528 (174-1)	U.S.A.	James F. Gilbert	T16S, R25E, S1M Sec. 11: N/2, N/2 SW/4, SE/4 SW/4, SE/4 Sec. 12: S/2			12-1-63	Federal Gilbert #1 Federal 174-1 ARCO Fed H-1
U-0141420 (180-1)	U.S.A.	Sinclair Oil Company	T16S, R25E, S1M Sec. 11: SW/4 SW/4			8-1-64	Federal 174-1
ML-4113 (44-1)	State of Utah	Lois A. Aubrey	T16S, R25E, S1M Sec. 16: All	6-Q	207	1-2-52	San Arroyo Unit Area
U-05011-A (45-2)	U.S.A.	Pierce T. Norton	T16S, R25E, S1M Sec. 14: NW/4, SE/4 SE/4, N/2 SE/4, NE/4 SW/4 Sec. 15: NE/4			9-1-51 *4-1-55	Tenneco Fed 14-2 San Arroyo Unit Area

**Lease Segregated Effective**

**EXHIBIT "A"**  
**PART I**

<b>Lease Serial Number</b>	<b>Lessor</b>	<b>Lessee</b>	<b>Description of Lands</b>	<b>Book</b>	<b>Page</b>	<b>Lease Date</b>	<b>Associated Properties</b>
U-0369 (46-1)	U.S.A.	Clair D. Jones	T16S, R25E, S1M Sec. 23: N/2 Sec. 24: W/2, SE/4, S/2 NE/4 Sec. 25: All Sec. 26: N/2 S/2, SE/4 SW/4, S/2 SE/4			2-1-51	San Arroyo Unit Area
SL-071307 (47-1)	U.S.A.	James E. Croudace	T16S, R25E, S1M Sec. 23: S/2 Sec. 26: N/2			12-1-50	San Arroyo Unit Area
U-0370-A (48-1)	U.S.A.	Clair D. Jones	T16S, R25E, S1M Sec. 21: E/2 NE/4, NE/4 SE/4 Sec. 22: All Sec. 27: NE/4, NE/4 NW/4, NE/4 SE/4			2-1-51 *6-1-55	San Arroyo Unit Area
U-05059-A (49-2)	U.S.A.	L. J. Batchelor	T16S, R25E, S1M Sec. 15: NW/4 SW/4, E/2 NW/4, SW/4 NW/4			10-1-51 *9-19-61	San Arroyo Unit Area
U-06021 (51-1)	U.S.A.	Fred A. Moore	T16S, R26E, S1M Sec. 29: S/2, S/2 NW/4, NW/4 NW/4			2-1-52	San Arroyo Unit Area
U-06023 (52-1)	U.S.A.	Adial E. Stewart	T16S, R26E, S1M Sec. 30: All Sec. 31: N/2 N/2			2-1-52	San Arroyo Unit Area
U-06188 (53-1)	U.S.A.	C. M. Rood	T16S, R26E, S1M Sec. 19: SW/4, S/2 NW/4, W/2 SE/4, SE/4 SE/4			*3-1-52	San Arroyo Unit Area

Lease Segregated Effective



## EXHIBIT "A"

## PART I

Lease Serial Number	Lessor	Lessee	Description of Lands	Book	Page	Lease Date	Associated Properties
U-05011-B (56-1)	U.S.A.	Pierce T. Norton	T16S, R25E, S1M Sec. 14: SW/4 SE/4, W/2 SW/4, SE/4 SW/4 Sec. 15: SE/4			9-1-51 *2-1-57	San Arroyo Unit Area
U-05059-C (57-1)	U.S.A.	L. J. Batchelor	T16S, R25E, S1M Sec. 15: E/2 SW/4, SW/4 SW/4			*3-1-57	San Arroyo Unit Area
U-025243 (60-1)	U.S.A.	Clair D. Jones	T16S, R25E, S1M Sec. 24: W/2 NE/4			*8-27-57	San Arroyo Unit Area
U-025245 (61-1)	U.S.A.	Fred A. Moore	T16S, R26E, S1M Sec. 29: NE/4 NW/4			2-1-52 *9-1-57	San Arroyo Unit Area
U-025297 (64-2)	U.S.A.	C. M. Rood	T16S, R26E, S1M Sec. 19: W/2 W/2 S/2 NE/4, NE/4 SE/4 Sec. 20: W/2			3-1-52	San Arroyo Unit Area
J-06188-B (74-1)	U.S.A.	Sinclair Oil Corporation	T16S, R25E, S1M Sec. 35: W/2			3-1-52	San Arroyo Unit Area
U-05059-F (134-1)	U.S.A.	L. J. Batchelor	T16S, R25E, S1M Sec. 15: NW/4 NW/4			10-1-51 *9-19-61	San Arroyo Unit Area
U-025243-A (139-1)	U.S.A.	Clair D. Jones	T16S, R25E, S1M Sec. 26: SW/4 SW/4			2-1-51 *1-1-61	San Arroyo Unit Area
U-05650 (176-1)	U.S.A.	Virginia E. Lewis	T16S, R26E, S1M Sec. 21: Lots 2, 3, 4, W/2 W/2 Sec. 20: E/2 Sec. 28: Lots 1, 2, 3, 4 W/2 W/2 Sec. 29: NE/4			12-1-51	San Arroyo Unit Area

Lease Segregated Effective

**EXHIBIT "A"**  
**PART I**

<b>Lease Serial Number</b>	<b>Lessor</b>	<b>Lessee</b>	<b>Description of Lands</b>	<b>Book</b>	<b>Page</b>	<b>Lease Date</b>	<b>Associated Properties</b>
U-0136529 (4000-1)	U.S.A.	Clair D. Jones	T16S, R25E, S1M Sec. 21: W/2 NE/4, E/2 NW/4, W/2 SE/4, SE/4 SE/4, NE/4 SW/4, Sec. 27: W/2 NW/4, SE/4 NW/4, NW/4 SE/4 Sec. 28: NE/4 NE/4			2-1-51 *1-22-64	San Arroyo Unit Area
U-05650-A (177-1)	U.S.A.	Virginia E. Lewis	T16S, R26E, S1M Sec. 21: Lot 1			12-1-51 *10-1-61	San Arroyo Unit Area
U-9831 (949)	U.S.A.	Williams H. Short, Jr. and Franklin Knobel	T16S, R25E, S1M INSOFAR AND ONLY INSOFAR as said lease covers: Sec. 6: All			10-10-69	ARCO Fed B-1
U-14234	U.S.A.	Arthur E. Meinhart	T15S, R24E, S1M Sec. 30: All Sec. 31: All Uintah Co., UT			4-1-71	Black Horse Canyon Federal 31-1

**Lease Segregated Effective**

**EXHIBIT A**  
**Attached to Assignment,**  
**Bill of Sale and Conveyance**

**Part II**

**[OMITTED]**

**EXHIBIT A**  
**ATTACHED TO ASSIGNMENT, BILL OF SALE AND CONVEYANCE**  
**PART III**  
**CONTRACTS AND AGREEMENTS**

**PROPERTY  
REFERENCE**

- |                                                        |                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| San Arroyo<br>Unit Area                                | 1. Unit Agreement for the Development and Operation of the San Arroyo Unit Area, dated June 11, 1956.                                                                                                                                                                                                              |
| San Arroyo<br>Unit Area                                | 2. Unit Operating Agreement for the San Arroyo Unit Area, dated August 16, 1961.                                                                                                                                                                                                                                   |
| Valentine<br>Fed #2                                    | 3. Communitization Agreement covering the W $\frac{1}{2}$ of Section 34, T16S-R25E.                                                                                                                                                                                                                                |
| ARCO<br>Fed. D-1                                       | 4. Communitization Agreement covering the E $\frac{1}{2}$ of Section 34, T16S-R25E.                                                                                                                                                                                                                                |
| Fed. 174-1                                             | 5. Communitization Agreement, dated March 3, 1965 covering the W $\frac{1}{2}$ Section 11, T16S-R25E.                                                                                                                                                                                                              |
| Tenneco<br>Fed. 14-2                                   | 6. Communitization Agreement dated January 1, 1980, covering the N $\frac{1}{2}$ of Section 14, T16S-R25E.                                                                                                                                                                                                         |
| Tenneco<br>Fed. 14-2                                   | 7. Operating Agreement dated June 5, 1980, designating Tenneco Oil Company as Operator and covering the N $\frac{1}{2}$ of Section 14, T16S-R25E.                                                                                                                                                                  |
| ARCO<br>Fed. H-1<br>Fed. D-1                           | 8. Farmout Agreement and Operating Agreement dated August 16, 1982, between ARCO Oil & Gas Company and TXO Production Corp., covering the S $\frac{1}{2}$ Section 12, T16S-R25E.                                                                                                                                   |
| San Arroyo<br>Unit Area                                | 9. Farmout Agreement dated June 6, 1955 by and between H. W. Dougherty and Sinclair Oil and Gas Company, covering lands in sections 21, 22, 23, 24, 25, 26 and 27, T16S-R25E.                                                                                                                                      |
| ARCO<br>Fed. B-1,<br>Fed. C-1;<br>Valentine<br>Fed. #2 | 10. Farmout Agreement and Operating Agreement between ARCO Oil and Gas Company and Texas Oil and Gas Corp., dated September 30, 1979, covering all of Sections 6 and 34 and the N $\frac{1}{2}$ NW $\frac{1}{2}$ , NW $\frac{1}{2}$ NE $\frac{1}{2}$ and S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 35, T16S-R25E. |

EXHIBIT "A"  
 ATTACHED TO AND MADE A PART OF THE  
 ASSIGNMENT, BILL OF SALE AND CONVEYANCE  
 PART IV  
 INTEREST IN PROPERTIES AND WELLS

PROPERTY NAME	COUNTY	STATE	OPERATOR	WORKING INTEREST DECIMAL	NET REVENUE INTEREST DECIMAL	OVERRIDING ROYALTY INTEREST DECIMAL
ARCO STATE #2-1	GRAND	UTAH	URI	1.00000000	0.87500000	
ARCO STATE #2-2	GRAND	UTAH	URI	1.00000000	0.87500000	
ARCO STATE #36-7	GRAND	UTAH	URI	1.00000000	0.87500000	
ARCO STATE #36-8	GRAND	UTAH	URI	1.00000000	0.87500000	
ARCO STATE #27-1	GRAND	UTAH	URI	1.00000000	0.87500000	
VALENTINE FED. #2	GRAND	UTAH	LONE MIN.	0.04375000	0.038281200	
FEDERAL 174 #1	GRAND	UTAH	URI	1.00000000	0.848750000	
BITTERCREEK #1	GRAND	UTAH	URI	1.00000000	0.875000000	
ARCO FEDERAL #B-1	GRAND	UTAH	LONE MIN.	0.00000000	0.000000000	0.125000000
ARCO FEDERAL #C-1	GRAND	UTAH	LONE MIN.	0.50000000	0.420000000	
ARCO FEDERAL #D-1	GRAND	UTAH	LONE MIN.	0.21875000	0.191406200	
ARCO FEDERAL #H-1	GRAND	UTAH	LONE MIN.	0.00000000	0.000000000	0.062500000
TENNECO FED. #14-2	GRAND	UTAH	LONE MIN.	0.50000000	0.412500000	
GILBERT FEDERAL #1	GRAND	UTAH	URI	1.00000000	0.845000000	

SAN ARROYO UNIT AREA  
 ENTRADA PARTICIPATING AREA

SAN ARROYO #1	GRAND	UTAH	URI	1.00000000	0.825000000
SAN ARROYO #2	GRAND	UTAH	URI	1.00000000	0.825000000
SAN ARROYO #3	GRAND	UTAH	URI	1.00000000	0.825000000
SAN ARROYO #5	GRAND	UTAH	URI	1.00000000	0.825000000
SAN ARROYO #6	GRAND	UTAH	URI	1.00000000	0.825000000
SAN ARROYO #40U	GRAND	UTAH	URI	1.00000000	0.825000000
SAN ARROYO #40L	GRAND	UTAH	URI	1.00000000	0.825000000

San Arroyo Wells ARE SUBJECT TO A NET PROFITS INTEREST CREATED BY AND SUBJECT TO THAT CERTAIN FARMOUT AGREEMENT DATED JUNE 6, 1955.

Division of Oil, Gas and Mining  
**PHONE CONVERSATION DOCUMENTATION FORM**

Route original/copy to:

Well File \_\_\_\_\_

Suspense  
(Return Date) \_\_\_\_\_  
(To - Initials) \_\_\_\_\_

Other  
*Operator Change*

(Location) Sec \_\_\_\_\_ Twp \_\_\_\_\_ Rng \_\_\_\_\_  
(API No.) \_\_\_\_\_

1. Date of Phone Call: 12-9-93 Time: 3:00

2. DOGM Employee (name) J. Cordova (Initiated Call )  
Talked to:

Name Ken McKinney (Initiated Call ) - Phone No. (504) 893-8391  
of (Company/Organization) Graham Royalty / Graham Energy

3. Topic of Conversation: Oper. nm. chg. "Graham Royalty to Graham Energy"

4. Highlights of Conversation: \_\_\_\_\_

Add'l info. required by Btms.L. "San Arroyo Unit", also Graham Energy has sold the wells to Northstar Gas Co. Inc. Documentation will follow.

\* Northstar Gas Co. Inc. / Paul Bernard (713) 937-4314  
Mailing documentation ASAP.

RECEIVED

DEC 30 1993

DIVISION OF  
OIL, GAS & MINING

Bureau of Land Management  
Branch of Fluid Minerals (UT-922)  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

December 29, 1993

Graham Energy, Ltd.  
P.O. Box 3134  
Covington, Louisiana 70434-3134

RE: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On December 27, 1993, we received an indenture whereby Graham Royalty, Ltd. resigned as Unit Operator and Graham Energy, Ltd. was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

The instrument is hereby approved effective December 29, 1993. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the San Arroyo Unit Agreement.

Your nationwide (Wyoming) oil and gas bond No. 1845 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Moab (w/enclosure)  
Division of Oil, Gas & Mining  
Division of Lands and Mineral Operations U-942  
File - San Arroyo Unit (w/enclosure)  
MMS - Data Management Division  
Agr. Sec. Chron  
Fluid Chron

WELL STATUS REPORTS  
UTAH STATE OFFICE

INSPECTION ITEM	API NO.	WELL NUMBER	QTQT	SEC	TWN	RNG	WELL STATUS	LEASE NAME	OPERATOR
** INSPECTION ITEM 891003859A		SAN ARROYO DK MO							
891003859A	✓430191589200S1	11	NESW	15	16S	25E	PGW	UTU05059C	GRAHAM ROYALTY LIMITED
891003859A	✓430191589300S1	12	SWSW	23	16S	25E	PGW	UTSL071307	GRAHAM ROYALTY LIMITED
891003859A	✓430191589400S1	13	NESW	22	16S	25E	GSI	UTU0370A	GRAHAM ROYALTY LIMITED
<del>891003859A</del>	<del>430191589500X1</del>	<del>14</del>	<del>SWNE</del>	<del>16</del>	<del>16S</del>	<del>25E</del>	<del>ABB</del>	<del>STATE</del>	<del>GRAHAM ROYALTY LIMITED</del>
891003859A	✓430191109100S1	15	NESW	21	16S	25E	TA	UTU0136529	GRAHAM ROYALTY LIMITED
891003859A	✓430191589600S1	16	SESW	26	16S	25E	PGW	UTU0369	GRAHAM ROYALTY LIMITED
891003859A	✓430191589700S1	17	NENE	24	16S	25E	PGW	UTU025243	GRAHAM ROYALTY LIMITED
891003859A	✓430191589800S1	18	NWNW	30	16S	26E	GSI	UTU06023	GRAHAM ROYALTY LIMITED
891003859A	✓430191589900S1	19	SWSE	14	16S	25E	PGW	UTU05011B	GRAHAM ROYALTY LIMITED
891003859A	✓430191590000S1	20	SENE	26	16S	25E	PGW	UTSL071307	GRAHAM ROYALTY LIMITED
891003859A	✓430191590100S1	21	NWSE	25	16S	25E	PGW	UTU0369	GRAHAM ROYALTY LIMITED
891003859A	✓430191590200S1	22	NENE	15	16S	25E	PGW	UTU05011A	GRAHAM ROYALTY LIMITED
891003859A	✓430191590300S1	24	SENW	19	16S	26E	PGW	UTU06188	GRAHAM ROYALTY LIMITED
891003859A	✓430191590400S1	25	SWNE	21	16S	25E	PGW	UTU0136529	GRAHAM ROYALTY LIMITED
891003859A	✓430191590500S1	26	SWSW	20	16S	26E	PGW	UTU025297	GRAHAM ROYALTY LIMITED
891003859A	✓430191590600S1	27	NESW	29	16S	26E	PGW	UTU06021	GRAHAM ROYALTY LIMITED
891003859A	✓430191590700S1	28	NWNE	29	16S	26E	PGW	UTU05650	GRAHAM ROYALTY LIMITED
891003859A	✓430191590800S1	29	NENE	22	16S	25E	PGW	UTU0370A	GRAHAM ROYALTY LIMITED
891003859A	✓430191590900S1	30	NWSW	21	16S	26E	PGW	UTU05650	GRAHAM ROYALTY LIMITED
891003859A	✓430193052700S1	31	NWNW	22	16S	25E	PGW	UTU0370A	GRAHAM ROYALTY LIMITED
891003859A	✓430193052800S1	32	SWSW	14	16S	25E	PGW	UTU05011B	GRAHAM ROYALTY LIMITED
891003859A	✓430193060800S1	33	SWSW	25	16S	25E	PGW	UTU0369	GRAHAM ROYALTY LIMITED
891003859A	✓430191109000S1	35	SESW	24	16S	25E	PGW	UTU0369	GRAHAM ROYALTY LIMITED
891003859A	✓430193125100S1	36-A	SESE	19	16S	26E	PGW	UTU06188	GRAHAM ROYALTY LIMITED
891003859A	✓430193125200S1	37	SWNE	20	16S	26E	PGW	UTU05650	GRAHAM ROYALTY LIMITED
891003859A	✓430193125300S1	38	NESW	16	16S	25E	PGW	STATE	GRAHAM ROYALTY LIMITED
891003859A	✓430191588700S1	4	SESW	30	16S	26E	PGW	UTU06023	GRAHAM ROYALTY LIMITED
891003859A	✓430193128900S1	41	NENE	36	16S	25E	PGW	STATE	GRAHAM ROYALTY LIMITED
891003859A	✓430193129000S1	42	NESE	30	16S	26E	PGW	UTU06023	GRAHAM ROYALTY LIMITED
891003859A	✓430193129100S1	43	NESE	29	16S	26E	PGW	UTU06021	GRAHAM ROYALTY LIMITED
891003859A	✓430193130100S1	44	SENE	30	16S	26E	PGW	UTU06023	GRAHAM ROYALTY LIMITED
891003859A	✓430193129900S1	45	NWSE	20	16S	26E	PGW	UTU05650	GRAHAM ROYALTY LIMITED
891003859A	✓430193131800S1	47	NENE	31	16S	26E	PGW	U06023	GRAHAM ROYALTY LIMITED
891003859A	✓430193131600S1	49	NENW	29	16S	26E	PGW	UTU025245	GRAHAM ROYALTY LIMITED
891003859A	✓430191589000S1	8	SWSW	16	16S	25E	PGW	STATE	GRAHAM ROYALTY LIMITED
891003859A	✓430191589100S1	9	NWNE	27	16S	25E	PGW	UTU0370A	GRAHAM ROYALTY LIMITED
** INSPECTION ITEM 891003859B		SAN ARROYO EN							
891003859B	✓430191653200S1	1	SENW	26	16S	25E	PGW	UTSL071307	GRAHAM ROYALTY LIMITED
891003859B	✓430191588500S1	2	SENW	22	16S	25E	PGW	UTU0370A	GRAHAM ROYALTY LIMITED
891003859B	✓430191588600S1	3	SENW	23	16S	25E	GSI	UTU0369	GRAHAM ROYALTY LIMITED
891003859B	✓430193125000S1	40	NWNE	27	16S	25E	PGW	UTU0370A	GRAHAM ROYALTY LIMITED
891003859B	✓430191588800S1	5	NWSE	25	16S	25E	PGW	UTU0369	GRAHAM ROYALTY LIMITED
891003859B	✓430191588900S1	6	SWNE	21	16S	25E	PGW	UTU0136529	GRAHAM ROYALTY LIMITED



## MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

C/O NORTHSTAR GAS CO INC  
 GRAHAM ENERGY LTD  
 15000 NW FREEWAY STE 203  
 HOUSTON TX 77040

UTAH ACCOUNT NUMBER: N7590

REPORT PERIOD (MONTH/YEAR): 12 / 93

AMENDED REPORT  (Highlight Changes)

Well Name			Producing Zone	Well Status	Days Oper	Production Volumes		
API Number	Entity	Location				OIL(BBL)	GAS(MCF)	WATER(BBL)
SAN ARROYO UNIT #38			MRSN					
✓ 4301931253	00500	16S 25E 16						
SAN ARROYO UNIT #41			DKTA					
✓ 4301931289	00500	16S 25E 36						
SAN ARROYO UNIT #42			DKTA					
✓ 4301931290	00500	16S 26E 30						
SAN ARROYO UNIT #43			DK-MR					
✓ 4301931291	00500	16S 26E 29						
SAN ARROYO #45			DK-MR					
✓ 4301931299	00500	16S 26E 20						
SAN ARROYO #44			DK-MR					
✓ 4301931301	00500	16S 26E 30						
ERAL #49			DK-MR					
✓ 4301931316	00500	16S 26E 29						
FEDERAL #47			DK-MR					
✓ 4301931318	00500	16S 26E 31						
SAN ARROYO UNIT #34-A			ENRD					
✓ 4301911091	00505	16S 25E 21						
SAN ARROYO 2			ENRD					
✓ 4301915885	00505	16S 25E 22						
SAN ARROYO 3			ENRD					
✓ 4301915886	00505	16S 25E 23						
SAN ARROYO 5			ENRD					
✓ 4301915888	00505	16S 25E 25						
SAN ARROYO 6			ENRD					
✓ 4301915889	00505	16S 25E 21						
<b>TOTALS</b>								

COMMENTS: \_\_\_\_\_

I hereby certify that this report is true and complete to the best of my knowledge.

Date: \_\_\_\_\_

Name and Signature: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

Routing:

1-LEC	7-SJ
2-DTS	8-FILE
3-VLC	
4-RJF	
5-ELC	
6-FL	

Attach all documentation received by the division regarding this change.  
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold)                       Designation of Agent  
 Designation of Operator                               Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 8-1-93)

TO (new operator)	<u>GRAHAM ENERGY LTD</u>	FROM (former operator)	<u>GRAHAM ROYALTY LTD</u>
(address)	<u>C/O NORTHSTAR GAS CO INC</u>	(address)	<u>C/O NORTHSTAR GAS CO INC</u>
	<u>15000 NW FREEWAY STE 203</u>		<u>15000 NW FREEWAY STE 203</u>
	<u>HOUSTON, TX 77040</u>		<u>HOUSTON, TX 77040</u>
	<u>phone (713) 937-4314</u>		<u>phone (713) 937-4314</u>
	<u>account no. N 7590</u>		<u>account no. N0505(A)</u>

Well(s) (attach additional page if needed):                      **\*SAN ARROYO UNIT, NW-115, ETC.**

Name: <b>**SEE ATTACHED**</b>	API: <u>019-31301</u>	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____

**OPERATOR CHANGE DOCUMENTATION**

- See 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 7-16-93)*
- N/A 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(See Graham Royalty, LTD, Graham Energy, LTD and Graham Resources Inc.)*
- See 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes)/no) \_\_\_\_ If yes, show company file number: #100783.
- See 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(1-10-94)*
- See 6. Cardex file has been updated for each well listed above. *(1-10-94)*
- See 7. Well file labels have been updated for each well listed above. *(1-10-94)*
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(1-10-94)*
- See 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes  no  \_\_\_\_ (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only) \* 50,000 Surety "St. Paul Fire and Marine Ins. Co"; No chg. necessary, no Fee wells currently associated with bond.

- 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operators' bond files.
- 3. The former operator has requested a release of liability from their bond (yes/no) \_\_\_\_ Today's date \_\_\_\_\_ 19\_\_\_\_. If yes, division response was made by letter dated \_\_\_\_\_ 19\_\_\_\_.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated \_\_\_\_\_ 19\_\_\_\_, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.   
 OCS 1-12-94
- 2. Copies of documents have been sent to State Lands for changes involving State leases.

FILMING

- 1. All attachments to this form have been microfilmed. Date: March 10 1994.

FILING

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

940107 Bm/s.Y. Approved C.A. NW-115 and San Arroyo Unit eff. 12-29-93.

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

6. Lease Designation and Serial Number
7. Indian Allottee or Tribe Name
8. Unit or Communitization Agreement 891003859A
9. Well Name and Number SEE BELOW
10. API Well Number SEE BELOW
11. Field and Pool, or Wildcat SAN ARROYO UNIT

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT -- for such proposals

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)	
2. Name of Operator NORTHSTAR GAS COMPANY INC.	
3. Address of Operator 15000 NORTHWEST FWY, SUITE 203 HOUSTON TX 77040	4. Telephone Number 713-937-4314
5. Location of Well Footage : _____ County : GRAND OO, Sec, T., R., M. : _____ State : UTAH	

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

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

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other _____	

Approximate Date Work Will Start \_\_\_\_\_

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

<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other <u>CHANGE OF OPERATOR</u>	

Date of Work Completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.  
\* Must be accompanied by a cement verification report.

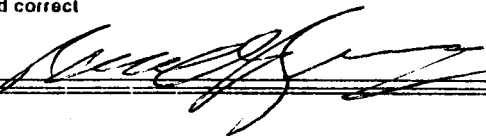
13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

NORTHSTAR GAS COMPANY INC. TOOK OVER AS OPERATOR FROM GRAHAM ROYALTY LTD. ON 09-01-93 WITH THE EFFECTIVE DATE OF SALE 09-01-93.

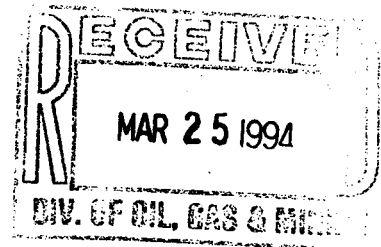
Well Name	API #	Location
San Arroyo 44	4301931301	16S 26E 30
San Arroyo 49	4301931316	16S 26E 29
San Arroyo 47	4301931318	16S 26E 31

RECEIVED  
JAN 10 1994  
DIVISION OF  
OIL, GAS & MINING

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

Name & Signature PAUL BERNARD  Title SEC/TREAS Date 12-20-93  
(State Use Only)

**COPY**



Bureau of Land Management  
Branch of Fluid Minerals  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

March 23, 1994

Northstar Gas Company, Inc.  
820 Gessner, Suite 1630  
Houston, Texas 77024

Re: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On March 17, 1994, we received an indenture dated November 29, 1993, whereby Graham Energy, Ltd. resigned as Unit Operator and Northstar Gas Company, Inc. was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

The instrument is hereby approved effective March 23, 1994. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Unit Agreement.

Your statewide (Utah) oil and gas bond No. UT0845 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

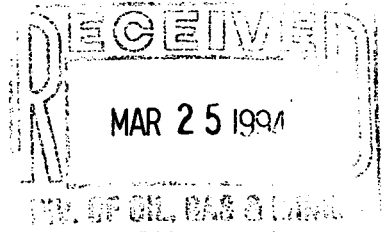
Sincerely,

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Moab (w/enclosure)  
~~Division of Oil, Gas & Mining~~  
Division of Lands and Mineral Operations U-942  
File - San Arroyo Unit (w/enclosure)  
MMS - Data Management Division  
Agr. Sec. Chron  
Fluid Chron

U-922:TAThompson:tt:03-23-94



WELL STATUS REPORTS  
UTAH STATE OFFICE

INSPECTION ITEM	API NO.	WELL NUMBER	QTQT	SEC	TWN	RNG	WELL STATUS	LEASE NAME	OPERATOR
** INSPECTION ITEM 891003859A		SAN ARROYO DK MO							
891003859A	430191589200S1	11	NESW	15	16S	25E	PGW	UTU05059C	GRAHAM ENERGY LIMITED
891003859A	430191589300S1	12	SWSW	23	16S	25E	PGW	UTSL071307	GRAHAM ENERGY LIMITED
891003859A	430191589400S1	13	NESW	22	16S	25E	GS1	UTU0370A	GRAHAM ENERGY LIMITED
891003859A	430191589500X1	14	SWNE	16	16S	25E	P+A STATE		GRAHAM ENERGY LIMITED
891003859A	430191109100S1	15 (34-A)	NESW	21	16S	25E	TA	UTU0136529	GRAHAM ENERGY LIMITED
891003859A	430191589600S1	16	SESW	26	16S	25E	PGW	UTU0369	GRAHAM ENERGY LIMITED
891003859A	430191589700S1	17	NENE	24	16S	25E	PGW	UTU025243	GRAHAM ENERGY LIMITED
891003859A	430191589800S1	18	NWNW	30	16S	26E	GS1	UTU06023	GRAHAM ENERGY LIMITED
891003859A	430191589900S1	19	SWSE	14	16S	25E	PGW	UTU05011B	GRAHAM ENERGY LIMITED
891003859A	430191590000S1	20	SENE	26	16S	25E	PGW	UTSL071307	GRAHAM ENERGY LIMITED
891003859A	430191590100S1	21	NWSE	25	16S	25E	PGW	UTU0369	GRAHAM ENERGY LIMITED
891003859A	430191590200S1	22	NENE	15	16S	25E	PGW	UTU05011A	GRAHAM ENERGY LIMITED
891003859A	430191590300S1	24	SENW	19	16S	26E	PGW	UTU06188	GRAHAM ENERGY LIMITED
891003859A	430191590400S1	25	SWNE	21	16S	25E	PGW	UTU0136529	GRAHAM ENERGY LIMITED
891003859A	430191590500S1	26	SWSW	20	16S	26E	PGW	UTU025297	GRAHAM ENERGY LIMITED
891003859A	430191590600S1	27	NESW	29	16S	26E	PGW	UTU06021	GRAHAM ENERGY LIMITED
891003859A	430191590700S1	28	NWNE	29	16S	26E	PGW	UTU05650	GRAHAM ENERGY LIMITED
891003859A	430191590800S1	29	NENE	22	16S	25E	PGW	UTU0370A	GRAHAM ENERGY LIMITED
891003859A	430191590900S1	30	NWSW	21	16S	26E	PGW	UTU05650	GRAHAM ENERGY LIMITED
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891003859A	430193052800S1	32	SWSW	14	16S	25E	PGW	UTU05011B	GRAHAM ENERGY LIMITED
891003859A	430193060800S1	33	SWSW	25	16S	25E	PGW	UTU0369	GRAHAM ENERGY LIMITED
891003859A	430191109000S1	35	SESW	24	16S	25E	PGW	UTU0369	GRAHAM ENERGY LIMITED
891003859A	430193125100S1	36-A	SESE	19	16S	26E	PGW	UTU06188	GRAHAM ENERGY LIMITED
891003859A	430193125200S1	37	SWNE	20	16S	26E	PGW	UTU05650	GRAHAM ENERGY LIMITED
891003859A	430193125300S1	38	NESW	16	16S	25E	PGW	STATE	GRAHAM ENERGY LIMITED
891003859A	430191588700S1	4	SESW	30	16S	26E	PGW	UTU06023	GRAHAM ENERGY LIMITED
891003859A	430193128900S1	41	NENE	36	16S	25E	PGW	STATE	GRAHAM ENERGY LIMITED
891003859A	430193129000S1	42	NESE	30	16S	26E	PGW	UTU06023	GRAHAM ENERGY LIMITED
891003859A	430193129100S1	43	NESE	29	16S	26E	PGW	UTU06021	GRAHAM ENERGY LIMITED
891003859A	430193130100S1	44	SENE	30	16S	26E	PGW	UTU06023	GRAHAM ENERGY LIMITED
891003859A	430193129900S1	45	NWSE	20	16S	26E	PGW	UTU05650	GRAHAM ENERGY LIMITED
891003859A	430193131800S1	47	NENE	31	16S	26E	PGW	U06023	GRAHAM ENERGY LIMITED
891003859A	430193131600S1	49	NENW	29	16S	26E	PGW	UTU025245	GRAHAM ENERGY LIMITED
891003859A	430191589000S1	8	SWSW	16	16S	25E	PGW	STATE	GRAHAM ENERGY LIMITED
891003859A	430191589100S1	9	NWNE	27	16S	25E	PGW	UTU0370A	GRAHAM ENERGY LIMITED
** INSPECTION ITEM 891003859B		SAN ARROYO EN							
891003859B	430191653200S1	1	SENW	26	16S	25E	PGW	UTSL071307	GRAHAM ENERGY LIMITED
891003859B	430191588500S1	2	SENW	22	16S	25E	PGW	UTU0370A	GRAHAM ENERGY LIMITED
891003859B	430191588600S1	3	SENW	23	16S	25E	GS1	UTU0369	GRAHAM ENERGY LIMITED
891003859B	430193125000S1	40	NWNE	27	16S	25E	PGW	UTU0370A	GRAHAM ENERGY LIMITED
891003859B	430191588800S1	5	NWSE	25	16S	25E	PGW	UTU0369	GRAHAM ENERGY LIMITED
891003859B	430191588900S1	6	SWNE	21	16S	25E	PGW	UTU0136529	GRAHAM ENERGY LIMITED

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

Routing:	
1- <del>LAC</del> 7-SJ	<input checked="" type="checkbox"/>
2- <del>DT</del> 8-FILE	<input checked="" type="checkbox"/>
3-VLC	<input checked="" type="checkbox"/>
4-RJH	<input checked="" type="checkbox"/>
5-IB	<input checked="" type="checkbox"/>
6-PL	<input checked="" type="checkbox"/>

Attach all documentation received by the division regarding this change.  
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold)       Designation of Agent  
 Designation of Operator             Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 9-1-93)

TO (new operator)	<u>NORTHSTAR GAS COMPANY INC</u>	FROM (former operator)	<u>GRAHAM ENERGY LTD</u>
(address)	<u>820 GESSNER #1630</u>	(address)	<u>15000 NW FREEWAY STE 203</u>
	<u>HOUSTON, TX 77024</u>		<u>HOUSTON, TX 77040</u>
	<u>PAUL BERNARD</u>		<u>C/O NORTHSTAR GAS CO INC</u>
	<u>phone (713) 935-9542</u>		<u>phone (713) 937-4314</u>
	<u>account no. N6680</u>		<u>account no. N 7590</u>

Well(s) (attach additional page if needed):

**\*\*SAN ARROYO UNIT**

Name: <b>**SEE ATTACHED**</b>	API: <u>019-31301</u>	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____

**OPERATOR CHANGE DOCUMENTATION**

- 1 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). (Reg. 1-14-94) (Reg. 3-28-94) (Rec'd Bill of Sale 4-11-94)
- 2 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). (Rec'd 1-14-94)
- 3 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) yes If yes, show company file number: #144214.
- 4 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- 5 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (3-31-94)
- 6 6. Cardex file has been updated for each well listed above. (3-31-94)
- 7 7. Well file labels have been updated for each well listed above (3-31-94)
- 8 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. (3-31-94)
- 9 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

**ENTITY REVIEW**

- Jec* 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) \_\_\_\_ (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- N/A* 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

**BOND VERIFICATION (Fee wells only)**

- N/A* 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- Jec* 2. A copy of this form has been placed in the new and former operators' bond files.
3. The former operator has requested a release of liability from their bond (yes/no) \_\_\_\_.  
Today's date \_\_\_\_\_ 19\_\_\_\_. If yes, division response was made by letter dated \_\_\_\_\_ 19\_\_\_\_.

**LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY**

- N/A* 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated \_\_\_\_\_ 19\_\_\_\_, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- OTS 4/14/94*
- N/A* 2. Copies of documents have been sent to State Lands for changes involving State leases.

**FILMING**

1. All attachments to this form have been microfilmed. Date: 4-19 1994.

**FILING**

- Jec* 1. Copies of all attachments to this form have been filed in each well file.
- Jec* 2. The original of this form and the original attachments have been filed in the Operator Change file.

**COMMENTS**

*940328 Rm/S.Y. Appv. eff. 3-23-94.*



**STATE OF UTAH**  
**DIVISION OF OIL, GAS AND MINING**  
 1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

## MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

KATHY TUSON  
 NORTHSTAR GAS COMPANY INC  
 820 GESSNER #1630  
 HOUSTON TX 77024

UTAH ACCOUNT NUMBER: N6680

REPORT PERIOD (MONTH/YEAR): 4 / 96

AMENDED REPORT  (Highlight Changes)

Well Name			Producing Zone	Well Status	Days Oper	Production Volumes		
API Number	Entity	Location				OIL(BBL)	GAS(MCF)	WATER(BBL)
✓ 4301931253	SAN ARROYO U #38	00500 16S 25E 16	MRSN			ML-4113		
✓ 4301931289	SAN ARROYO UNIT #41	00500 16S 25E 36	DKTA			ML-4668		
✓ 4301931290	SAN ARROYO UNIT #42	00500 16S 26E 30	DKTA			U-06023		
✓ 4301931291	SAN ARROYO UNIT #43	00500 16S 26E 29	DK-MR			U-06021		
✓ 4301931299	SAN ARROYO #45	00500 16S 26E 20	DK-MR			U-05650		
✓ 4301931301	SAN ARROYO #44	00500 16S 26E 30	DK-MR			U-06023		
✓ 4301931316	ERAL #49	00500 16S 26E 29	DK-MR			U-025245		
✓ 4301931318	FEDERAL #47	00500 16S 26E 31	DK-MR			U-06023		
✓ 4301911091	SAN ARROYO UNIT #34-A	00505 16S 25E 21	ENRD			U-136529		
✓ 4301915885	SAN ARROYO 2	00505 16S 25E 22	ENRD			U-0370-A		
✓ 4301915886	SAN ARROYO 3	00505 16S 25E 23	ENRD			U-0369		
✓ 4301915888	SAN ARROYO 5	00505 16S 25E 25	ENRD			U-0369		
✓ 4301915889	SAN ARROYO 6	00505 16S 25E 21	ENRD			U-025244		
<b>TOTALS</b>								

COMMENTS: \_\_\_\_\_

I hereby certify that this report is true and complete to the best of my knowledge.

Date: \_\_\_\_\_

Name and Signature: \_\_\_\_\_

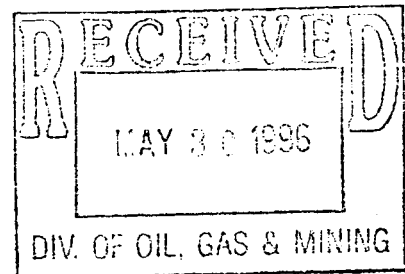
Telephone Number: \_\_\_\_\_



600 Central Park Two / 515 Central Park Drive / Oklahoma City, OK 73105  
Post Office Box 24300 / Oklahoma City, Oklahoma 73124-0300  
405 525-7788 / FAX 405 557-5258

May 21, 1996

Ms. Lisha Cordova  
State of Utah  
Department of Oil, Gas & Mining  
Salt Lake City, Utah 84111-2303



Re: Acquisition of Producing Properties  
and Operatorship from Northstar Resources  
Grand and Uintah Counties, Utah

Dear Ms. Cordova:

Enogex Exploration Corporation acquired the working interest and operatorship of certain properties in Grand and Uintah Counties, Utah from Northstar Resources, Inc. effective 5/1/96. In this regard we enclose the following for the records:

1. Original Sundry Notices filed in triplicate for each of the wells on the three leases where the State of Utah owns the mineral rights.
2. Three copies each of the Sundry Notices for the 1 Gilbert and the 27-1 which has been approved by the BLM.
3. A copy of the Resignation of Unit Operator and Designation of Successor Unit Operator for the San Arroyo Unit along with approval of same by the BLM.
4. A copy of the Successor Operator of Communitization Agreement NW-115 along with approval of same by the BLM.
5. A list of the wells and locations which Enogex Exploration Corporation acquired from Northstar Resources and will be operating.

Please be advised we provided our State of Utah Blanket Bond in the amount of \$80,000 with our letter dated April 16, 1996, to the School & Institutional Trust Lands Administration

If any thing further is needed, please contact the undersigned at 405 557-5281.

Sincerely,

A handwritten signature in cursive script that reads "Claudine Gilliam". The signature is written in black ink and is positioned above the printed name and title.

Claudine Gilliam  
Senior Landman

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:  
ENOEX EXPLORATION CORPORATION

3. Address and Telephone Number:  
P.O. Box 24300, Oklahoma City, OK 73124-0300 405 557-5281

4. Location of Well

Footages:

OQ, Sec., T., R., M.:

County: Grand

State: Utah

5. Lease Designation and Serial Number:

ML-4113

6. If Indian, Allocated or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

San Arroyo Unit

9. API Well Number:

10. Field and Pool, or Wildcat:

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

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

- |                                                    |                                               |
|----------------------------------------------------|-----------------------------------------------|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |                                               |

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

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

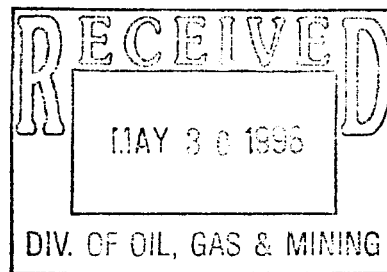
- |                                                                     |                                               |
|---------------------------------------------------------------------|-----------------------------------------------|
| <input type="checkbox"/> Abandon                                    | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                              | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                            | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection                       | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                  | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Change of Operator</u> |                                               |

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

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

\* Must be accompanied by a cement verification report.

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



13.

Name & Signature:

*Claudine Gilliam*  
Claudine Gilliam

Title:

Senior Landman

Date:

5/20/96

(This space for State use only)



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office  
324 South State, Suite 301  
Salt Lake City, Utah 84111-2303

IN REPLY REFER TO:

May 13, 1996

Enogex Exploration Corporation  
P.O. Box 24300  
Oklahoma City, Oklahoma 73124-0300

Re: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On April 29, 1996, we received an indenture dated April 19, 1996, whereby Northstar Gas Company, Inc. resigned as Unit Operator and Enogex Exploration Corporation was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the San Arroyo Unit Agreement. The instrument is hereby approved effective May 13, 1996.

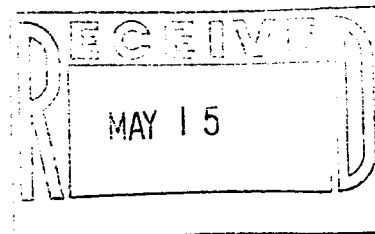
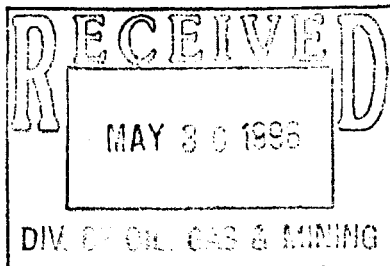
Your statewide (Utah) oil and gas bond No. 1044 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure



RESIGNATION OF UNIT OPERATOR

SAN ARROYO UNIT AREA

COUNTY OF GRAND

STATE OF UTAH

UNIT AGREEMENT NO. 14-08-001-3859

Under and pursuant to the provisions of Section 5 of the Unit Agreement for the Development and Operation of the San Arroyo Unit Area, Grand County, Utah, Northstar Gas Company, Inc., the designated Unit Operator under said Unit Agreement, does hereby resign as Unit Operator, effective upon the selection and approval of a successor Unit Operator.

EXECUTED with effect as aforesaid the 23<sup>rd</sup> day of April, 1996.

ATTEST:

NORTHSTAR GAS COMPANY, INC.

Kenneth M. McK  
Title Corporate Secretary

By: Kenneth M. McK  
Title: E. Vice President

RESIGNATION OF UNIT OPERATOR

SAN ARROYO UNIT AREA

COUNTY OF GRAND

STATE OF UTAH

UNIT AGREEMENT NO. 14-08-001-385

THIS INDENTURE, dated as of the 19<sup>th</sup> day of April, 1996, by and between ENOGEX EXPLORATION CORPORATION, hereinafter designated as "First Party", and the owners of the unitized working interests, hereinafter designated as "Second Parties",

Return to:  
Enogex Exploration Corporation  
Post Office Box 2430  
Oklahoma City, OK 73124-0300

W I T N E S S E T H:

WHEREAS, under the provisions of the Act of February 15, 1920, 4 Stat. 437, 30 U.S.C. Sec. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 2nd day of August, 1957, approved a Unit Agreement for the San Arroyo Unit Area, wherein Sinclair Oil Company was designated as Unit Operator, and

WHEREAS, Northstar Gas Company, Inc. by subsequent designation is currently Unit Operator, but has resigned hereby as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereof, and

WHEREAS, the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties and obligations of Unit Operator under the same Unit Agreement.

NOW, THEREFORE, in consideration of the premises hereinbefore set forth and the premises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the San Arroyo Unit agreements, and the Second Parties covenant and agree that, effective upon approval of this indenture by the chief, Branch of Fluid Minerals, Bureau of Land Management, First Party shall be granted the exclusive privileges as Unit Operator, pursuant to the terms and conditions of said Unit Agreement; said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

ATTEST:

FIRST PARTY

ENOGEX EXPLORATION CORPORATION

BY: John V. Morozuk  
TITLE: SECRETARY

BY: J. O. Edwards, Jr.  
TITLE: J.O. EDWARDS, JR., PRESIDENT

DATE: 4/19/96

ATTEST:

SECOND PARTY

NORTHSTAR GAS COMPANY, INC.

BY: Kenneth M. McKinney  
TITLE: Corporate Secretary

BY: Kenneth M. McKinney  
TITLE: E. Vice President  
DATE: 4/23/96

BOOK CLIFFS OIL & GAS COMPANY

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

NATIONAL FUEL CORPORATION

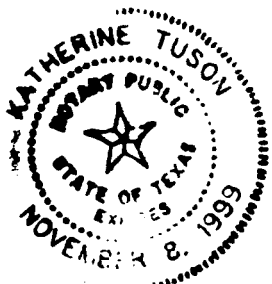
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

STATE OF TEXAS            )  
                                          ) SS  
COUNTY OF HARRIS        )

This instrument was acknowledged before me on the 23RD day of APRIL, 1996, by Kenneth M. McKinney, as Executive Vice President of NORTHSTAR GAS COMPANY, INC., a Texas Corporation, on behalf of said corporation.

Katherine Tuson  
Notary Public in and for the  
State of TEXAS  
My commission expires 11/8/99





STATE OF OKLAHOMA     )  
                                  )  
COUNTY OF OKLAHOMA    )

This instrument was acknowledged before me on the 19th  
day of April, 1996, by J.O. EDWARDS, as President of  
ENOGEX EXPLORATION CORPORATION, an Oklahoma corporation, on  
behalf of said corporation.

*Pauline Gilliam*  
Notary Public in and for the  
State of Oklahoma  
My Commission expires 4/22/99

STATE OF                    )  
                                  ) SS  
COUNTY OF                 )

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 1996, by \_\_\_\_\_,  
as \_\_\_\_\_ and by \_\_\_\_\_, as Assistant  
Secretary of BOOK CLIFFS OIL & GAS COMPANY, a \_\_\_\_\_  
corporation.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

Place of Residence:

\_\_\_\_\_

STATE OF )  
 ) SS  
COUNTY OF )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1996, by \_\_\_\_\_, as \_\_\_\_\_, and by \_\_\_\_\_, as Assistant Secretary of NATIONAL FUEL CORPORATION, a \_\_\_\_\_ corporation.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

Place of Residence:

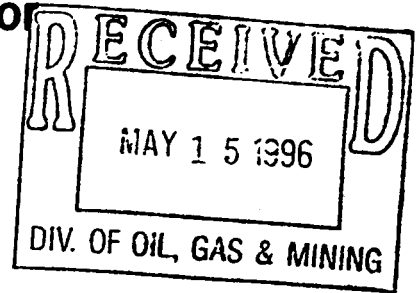
\_\_\_\_\_

**COPY**

**United States Department of the Interior**

**BUREAU OF LAND MANAGEMENT**

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155



IN REPLY REFER TO:  
UT-922

May 13, 1996

Enogex Exploration Corporation  
P.O. Box 24300  
Oklahoma City, Oklahoma 73124-0300

Re: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On April 29, 1996, we received an indenture dated April 19, 1996, whereby Northstar Gas Company, Inc. resigned as Unit Operator and Enogex Exploration Corporation was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the San Arroyo Unit Agreement. The instrument is hereby approved effective May 13, 1996.

Your statewide (Utah) oil and gas bond No. 1044 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

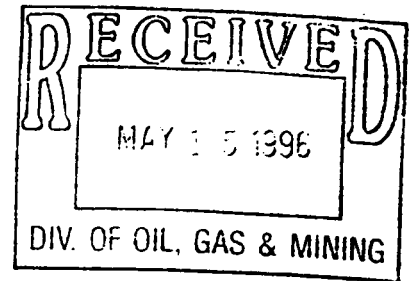
/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Moab (w/enclosure)  
~~Division of Oil, Gas & Mining~~  
Division of Lands and Mineral Operations U-942  
File - San Arroyo Unit (w/enclosure)  
MMS - Data Management Division  
Agr. Sec. Chron  
Fluid Chron

WELL STATUS REPORTS  
UTAH STATE OFFICE



INSPECTION ITEM	API NO.	WELL NUMBER	QTQT	SEC	TWN	RNG	WELL STATUS	LEASE NAME	OPERATOR
<b>** INSPECTION ITEM 891003859A SAN ARROYO DK MO</b>									
891003859A	430191589200S1	11	NESW	15	16S	25E	PGW	UTU05059C	NORTHSTAR GAS COMPANY INC
891003859A	430191589300S1	12	SWSW	23	16S	25E	PGW	UTSL071307	NORTHSTAR GAS COMPANY INC
891003859A	430191589400S1	13	NESW	22	16S	25E	GS1	UTU0370A	NORTHSTAR GAS COMPANY INC
<del>891003859A</del>	430191589500X1	14	SWNE	16	16S	25E	P+A	STATE	NORTHSTAR GAS COMPANY INC
891003859A	430191109100S1	15	NESW	21	16S	25E	TA	UTU0136529	NORTHSTAR GAS COMPANY INC
891003859A	430191589600S1	16	SESW	26	16S	25E	PGW	UTU0369	NORTHSTAR GAS COMPANY INC
891003859A	430191589700S1	17	NENE	24	16S	25E	PGW	UTU025243	NORTHSTAR GAS COMPANY INC
891003859A	430191589800S1	18	NWNW	30	16S	26E	PGW	UTU06023	NORTHSTAR GAS COMPANY INC
891003859A	430191589900S1	19	SWSE	14	16S	25E	PGW	UTU050118	NORTHSTAR GAS COMPANY INC
891003859A	430191590000S1	20	SENE	26	16S	25E	PGW	UTSL071307	NORTHSTAR GAS COMPANY INC
891003859A	430191590100S1	21	NWSE	25	16S	25E	PGW	UTU0369	NORTHSTAR GAS COMPANY INC
891003859A	430191590200S1	22	NENE	15	16S	25E	PGW	UTU05011A	NORTHSTAR GAS COMPANY INC
891003859A	430191590300S1	24	SENW	19	16S	26E	PGW	UTU06188	NORTHSTAR GAS COMPANY INC
891003859A	430191590400S1	25	SWNE	21	16S	25E	PGW	UTU0136529	NORTHSTAR GAS COMPANY INC
891003859A	430191590500S1	26	SWSW	20	16S	26E	PGW	UTU025297	NORTHSTAR GAS COMPANY INC
891003859A	430191590600S1	27	NESW	29	16S	26E	PGW	UTU06021	NORTHSTAR GAS COMPANY INC
891003859A	430191590700S1	28	NWNE	29	16S	26E	PGW	UTU05650	NORTHSTAR GAS COMPANY INC
891003859A	430191590800S1	29	NENE	22	16S	25E	PGW	UTU0370A	NORTHSTAR GAS COMPANY INC
891003859A	430191590900S1	30	NWSW	21	16S	26E	PGW	UTU05650	NORTHSTAR GAS COMPANY INC
891003859A	430193052700S1	31	NWNW	22	16S	25E	PGW	UTU0370A	NORTHSTAR GAS COMPANY INC
891003859A	430193052800S1	32	SWSW	14	16S	25E	PGW	UTU05011B	NORTHSTAR GAS COMPANY INC
891003859A	430193060800S1	33	SWSW	25	16S	25E	PGW	UTU0369	NORTHSTAR GAS COMPANY INC
891003859A	430191109000S1	35	SESW	24	16S	25E	PGW	UTU0369	NORTHSTAR GAS COMPANY INC
891003859A	430193125100S1	36-A	SESE	19	16S	26E	PGW	UTU06188	NORTHSTAR GAS COMPANY INC
891003859A	430193125200S1	37	SWNE	20	16S	26E	PGW	UTU05650	NORTHSTAR GAS COMPANY INC
891003859A	430193125300S1	38	NESW	16	16S	25E	PGW	STATE	NORTHSTAR GAS COMPANY INC
891003859A	430191588700S1	4	SESW	30	16S	26E	PGW	UTU06023	NORTHSTAR GAS COMPANY INC
891003859A	430193128900S1	41	NENE	36	16S	25E	PGW	STATE	NORTHSTAR GAS COMPANY INC
891003859A	430193129000S1	42	NESE	30	16S	26E	PGW	UTU06023	NORTHSTAR GAS COMPANY INC
891003859A	430193129100S1	43	NESE	29	16S	26E	PGW	UTU06021	NORTHSTAR GAS COMPANY INC
891003859A	430193130100S1	44	SENE	30	16S	26E	PGW	UTU06023	NORTHSTAR GAS COMPANY INC
891003859A	430193129900S1	45	NWSE	20	16S	26E	PGW	UTU05650	NORTHSTAR GAS COMPANY INC
891003859A	430193131800S1	47	NENE	31	16S	26E	PGW	U06023	NORTHSTAR GAS COMPANY INC
891003859A	430193131600S1	49	NENW	29	16S	26E	PGW	UTU025245	NORTHSTAR GAS COMPANY INC
891003859A	430191589000S1	8	SWSW	16	16S	25E	PGW	STATE	NORTHSTAR GAS COMPANY INC
891003859A	430191589100S1	9	NWNE	27	16S	25E	PGW	UTU0370A	NORTHSTAR GAS COMPANY INC
<b>** INSPECTION ITEM 891003859B SAN ARROYO EN</b>									
891003859B	430191653200S1	1	SENW	26	16S	25E	PGW	UTSL071307	NORTHSTAR GAS COMPANY INC
891003859B	430191588500S1	2	SENW	22	16S	25E	PGW	UTU0370A	NORTHSTAR GAS COMPANY INC
891003859B	430191588600S1	3	SENW	23	16S	25E	GS1	UTU0369	NORTHSTAR GAS COMPANY INC
891003859B	430193125000S1	40	NWNE	27	16S	25E	PGW	UTU0370A	NORTHSTAR GAS COMPANY INC
891003859B	430191588800S1	5	NWSE	25	16S	25E	PGW	UTU0369	NORTHSTAR GAS COMPANY INC
891003859B	430191588900S1	6	SWNE	21	16S	25E	PGW	UTU0136529	NORTHSTAR GAS COMPANY INC

# OPERATOR CHANGE WORKSHEET

1-LEC	6-LEC
2-GLH/141	7-KDR
3-DPS	8-SJ
4-VLD	9-FILE
5-RJF	

Attach all documentation received by the division regarding this change.  
Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold)       Designation of Agent  
 Designation of Operator               Operator Name Change Only

The operator of the well(s) listed below has changed, effective: 5-13-96

<b>TO: (new operator)</b> <u>ENOGEX EXPLORATION CORP.</u>	<b>FROM: (old operator)</b> <u>NORTHSTAR GAS COMPANY INC</u>
(address) <u>PO BOX 24300</u>	(address) <u>820 GESSNER #1630</u>
<u>OKLAHOMA CITY OK 73124-0300</u>	<u>HOUSTON TX 77024</u>
Phone: <u>(405)525-7788</u>	Phone: <u>(713)935-9542</u>
Account no. <u>N7430</u>	Account no. <u>N6680</u>

WELL(S) attach additional page if needed:      \*SAN ARROYO UNIT

Name: <b>**SEE ATTACHED**</b>	API: <u>43-019-31301</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

## OPERATOR CHANGE DOCUMENTATION

- Y 1. (r649-8-10) Sundry or other legal documentation has been received from the FORMER operator (attach to this form). *(Rec'd 5-30-96)*
- Y 2. (r649-8-10) Sundry or other legal documentation has been received from the NEW operator (Attach to this form). *(Rec'd 5-30-96)*
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) \_\_\_\_\_ If yes, show company file number: \_\_\_\_\_.
- Y 4. FOR INDIAN AND FEDERAL WELLS ONLY. The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- Y 5. Changes have been entered in the Oil and Gas Information System (3270) for each well listed above. *(6-12-96)*
- Y 6. Cardex file has been updated for each well listed above. *(6-13-96)*
- Y 7. Well file labels have been updated for each well listed above. *(6-13-96)*
- Y 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(6-12-96)*
- Y 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

**ENTITY REVIEW**

- Yes 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) (no) If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

**BOND VERIFICATION - (FEE WELLS ONLY)** *Trust Lands / \$80,000 "Energy" on file.*

- Yes 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- N/A 2. A copy of this form has been placed in the new and former operator's bond files.
- N/A 3. The FORMER operator has requested a release of liability from their bond (yes/no) \_\_\_\_\_, as of today's date \_\_\_\_\_. If yes, division response was made to this request by letter dated \_\_\_\_\_.

**LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY**

- DTJ 1. Copies of documents have been sent on 7/2/96 to Ed Bonner at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.

**FILMING**

- VDR 1. All attachments to this form have been microfilmed. Today's date: July 18, 1996

**FILING**

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form, and the original attachments are now being filed in the Operator Change file.

**COMMENTS**

960524 Alm/SL Aprv. #H. 5-13-96.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

# RECEIVED

AUG 21 2000

DIVISION OF  
OIL, GAS AND MINING

IN REPLY REFER TO  
UT-931

August 17, 2000

Crescendo Energy, LLC  
c/o Pruitt, Gushee & Bachtell  
Attn: William E. Ward  
Suite 1850 Beneficial Life Tower  
Salt Lake City, Utah 84111-1495

Re: San Arroyo Unit  
Grand County, Utah

Gentlemen:

On August 14, 2000, we received an indenture dated June 30, 2000, whereby Enogex Exploration Corporation resigned as Unit Operator and Crescendo Energy, LLC was designated as Successor Unit Operator for the San Arroyo Unit, Grand County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective August 17, 2000.

Your statewide (Utah) oil and gas bond No. 1184 will be used to cover all operations within the San Arroyo Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)  
Division of Oil, Gas & Mining  
Minerals Adjudication Group U-932  
File - San Arroyo Unit (w/enclosure)  
MMS - Data Management Division  
Agr. Sec. Chron  
Fluid Chron  
UT931:TAThompson:tt:8/17/00

Well Status Report  
Utah State Office  
Bureau of Land Management

Lease	Api Number	Well Name	QTR	Section	Township	Range	Well Status	Operator
** Inspection Item: 891003859A								
UTU025297	4301915905	1 (26) FEDERAL-GRAND	SWSW	20	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU05059C	4301915892	11 SAN ARROYO UNIT	NESW	15	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTSL071307	4301915893	12 SAN ARROYO UNIT	SWSW	23	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU0370A	4301915894	13 SAN ARROYO UNIT	SWSW	22	T16S	R25E	GSI	ENOGEX EXPLORATION CORPORATION
STATE	<del>4301915895</del>	<del>14 SAN ARROYO UNIT</del>	<del>SWNE</del>	<del>16</del>	<del>T16E</del>	<del>R25E</del>	<del>PAA</del>	ENOGEX EXPLORATION CORPORATION
UTU0136529	4301911091	15 (34-A) SAN ARROYO	NESW	21	T16S	R25E	ABD	ENOGEX EXPLORATION CORPORATION
UTU0369	4301915896	16 SAN ARROYO UNIT	SESW	26	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU025243	4301915897	17 SAN ARROYO UNIT	NENE	24	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU06023	4301915898	18 SAN ARROYO UNIT	NWNW	30	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU05011B	4301915899	19 SAN ARROYO	SWSE	14	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTSL071307	4301915900	20 SAN ARROYO	SENE	26	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU0369	4301915901	21 SAN ARROYO	NWSE	25	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU05011A	4301915902	22 SAN ARROYO	NENE	15	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU06188	4301915903	24 SAN ARROYO UNIT	SENW	19	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU0136529	4301915904	25 SAN ARROYO	SWNE	21	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU06021	4301915906	27 SAN ARROYO	NESW	29	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU05650	4301915907	28 FEDERAL	NWNE	29	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU0370A	4301915908	29 SAN ARROYO UNIT	NENE	22	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU0369	4301915886	3 UNIT	SENW	23	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU05650	4301915909	30 SAN ARROYO UNIT	NWSW	21	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU0370A	4301930527	31 SAN ARROYO UNIT	NWNW	22	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU05011B	4301930528	32 SAN ARROYO UNIT	SWSW	14	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU0369	4301930608	33 SAN ARROYO UNIT	SWSW	25	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU06188	4301931251	36-A SAN ARROYO UNIT	SESE	19	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU05650	4301931252	37 SAN ARROYO UNIT	SWNE	20	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
STATE	4301931253	38 SAN ARROYO UNIT	SWNE	16	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU06023	4301915887	4 GOVT-SAN ARROYO	SESW	30	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
STATE	4301931289	41 SAN ARROYO UNIT	NENE	36	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU06023	4301931290	42 SAN ARROYO UNIT	NESE	30	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU06021	4301931291	43 SAN ARROYO UNIT	NESE	29	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU06023	4301931301	44 SAN ARROYO	SENE	30	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU05650	4301931299	45 SAN ARROYO	NWSE	20	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU06023	4301931318	47 FEDERAL	NWNE	31	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU025245	4301931316	49 FEDERAL	NENW	29	T16S	R26E	PGW	ENOGEX EXPLORATION CORPORATION
UTU0369	4301911090	7 (35) SAN ARROYO	SESW	24	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
STATE	4301915890	8 SAN ARROYO UNIT	SWSW	16	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
UTU0370A	4301915891	9 SAN ARROYO UNIT	NWNW	27	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION
** Inspection Item: 891003859B								
UTSL071307	4301916532	1 GOVT SAN ARROYO	SENW	26	T16S	R25E	GSI	ENOGEX EXPLORATION CORPORATION
UTU0370A	4301915885	2 UNIT	SENW	22	T16S	R25E	GSI	ENOGEX EXPLORATION CORPORATION
UTU0370A	4301931250	40 SAN ARROYO UNIT	NWNE	27	T16S	R25E	TA	ENOGEX EXPLORATION CORPORATION
UTU0369	4301915888	5 SAN ARROYO UNIT	NWSE	25	T16S	R25E	GSI	ENOGEX EXPLORATION CORPORATION
UTU0136529	4301915889	6 SAN ARROYO UNIT	SWNE	21	T16S	R25E	PGW	ENOGEX EXPLORATION CORPORATION



# Crescendo Energy, LLC

P.O. Box 1814  
Midland, TX 79702  
Phone: 915-697-7221  
Fax: 915-697-7289

August 23, 2000

Attn: Mr. Jim Thompson  
Utah Division of Oil, Gas & Mining  
1594 W North Temple  
Salt Lake City, Utah 84114-5801

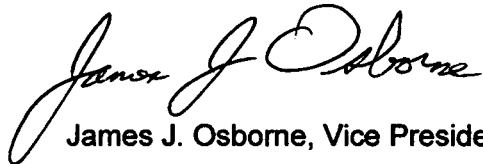
Re: Change of Operator

Dear Mr. Thompson:

The attached list of properties was formerly owned and operated by Enogex Exploration Corporation. Crescendo Energy, LLC has purchased the properties and has taken over operations. If you have any questions, please feel free to contact me at the phone number listed above.

Sincerely yours,  
Crescendo Energy, LLC

By: Crescendo Energy Partners, LLC, its  
Managing Member



James J. Osborne, Vice President

Confirmation by Previous Operator:

Enogex Exploration Corporation

By: Chris J. Haugen  
Name (Print): CHRIS J. HAUGEN  
Title: Manager, E&P

jjo  
Attachment



Utah Department of Commerce  
Division of Corporations & Commercial Code  
160 East 300 South, 2nd Floor, Box 146705  
Salt Lake City, UT 84114-6705  
Service Center: (801) 530-4849  
Toll Free: (877) 526-3994 Utah Residents  
Fax: (801) 530-6438  
Web site: <http://www.commerce.state.ut.us>

CRESCENDO ENERGY, LLC

August 4, 2000

## CERTIFICATE OF EXISTENCE

Registration Number: PENDING  
Business Name: CRESCENDO ENERGY, LLC  
Registered Date: JULY 13, 2000  
Foreign or Domestic: FOREIGN  
Current Status: GOOD STANDING

The Division of Corporations and Commercial Code of the State of Utah, custodian of the records of business registrations, certifies that the business entity on this certificate is authorized to transact business and was duly registered under the laws of the State of Utah.



Lorena Riffo-Jenson  
Division Director of  
Corporations and Commercial Code

Dept. of Professional Licensing  
(801)530-6628

Real Estate  
(801)530-6747

Public Utilities  
(801)530-6651

Securities  
(801)530-6600

Consumer Protection  
(801)530-6601

RESIGNATION OF UNIT OPERATOR

San Arroyo Unit Area

County of

State of Utah

Unit Agreement No. 14-08-001-3859

Under and pursuant to the provisions of Section 5 of the Unit Agreement for the Development and Operation of the San Arroyo Unit Area, Grand County, Utah, Enogex Exploration Corporation, the designated Unit Operator under said Unit Agreement, does hereby resign as Unit Operator, effective upon the selection and approval of a successor Unit Operator.

EXECUTED with effect as aforesaid the 30th day of June, 2000.

ENOGEX EXPLORATION CORPORATION

By

 18

Name: Dennis F. Jaggi

Title: Vice President

DESIGNATION OF  
SUCCESSOR UNIT OPERATOR

San Arroyo Unit Area

County of

State of Utah

Unit Agreement No. 14-08-001-3859

THIS INDENTURE, dated as of the 30th day of June, 2000, by and between Crescendo Energy, L.L.C., hereinafter designated as "First Party", and the owners of unitized working interests, hereinafter designated as "Second Parties",

WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 2nd day of August, 1957, approved a Unit Agreement for the San Arroyo Unit Area, wherein Sinclair Oil Company was designated as Unit Operator, and

WHEREAS Enogex Exploration Corporation by subsequent designation is currently Unit Operator, but has resigned as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereon; and

WHEREAS the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties and obligations of Unit Operator under the said Unit Agreement:

NOW, THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the San Arroyo Unit Agreements, and the Second Parties covenant and agree that, effective upon approval of this indenture by the Chief, Branch of Fluid Minerals, Bureau of Land Management, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said Unit Agreement; said unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

FIRST PARTY:

CRESCENDO ENERGY, L.L.C.

BY: CRESCENDO ENERGY PARTNERS, LLC, its managing member.

By: James J. Osborne

Title: VICE PRESIDENT

SECOND PARTIES:

ENOGEX EXPLORATION CORPORATION

By: *Dennis F. Jaggs* *DFJ*  
Name: Dennis F. Jaggs  
Title: Vice-President

Execution Date: 7/10/00

BOOK CLIFFS OIL & GAS COMPANY

By: *D.L. Catt*  
Name: D.L. Catt  
Title: Vice President  
Execution Date: 7-18-00

NATIONAL FUEL CORPORATION

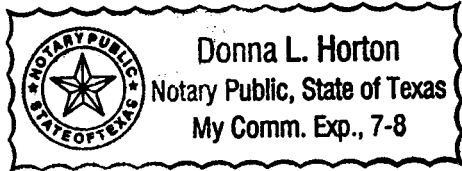
By: *J.C. Thompson*  
Name: **J.C. THOMPSON**  
Chairman  
Title: \_\_\_\_\_  
Execution Date: 8/7/00

CORPORATE ACKNOWLEDGEMENT

Carroll  
STATE OF ~~TEXAS~~ )  
COUNTY OF Sonoma ) SS

Spencer J. Osborne This instrument was acknowledged before me on the 10 day of August, 2000, by Carroll, as V.P. MANAGING MEMBER of Crescendo Energy, L.L.C., on behalf of said corporation.

WITNESS my hand and official seal.



Donna L. Horton  
Notary Public in and for the  
State of Texas  
My commission expires 7/8/02

CORPORATE ACKNOWLEDGEMENT

STATE OF OKLAHOMA )  
COUNTY OF OKLAHOMA ) SS

This instrument was acknowledged before me on the 10<sup>th</sup> day of July, 2000, by Dennis F. Jaggi, as Vice-President of Enogex Exploration Corporation, on behalf of said corporation.

WITNESS my hand and official seal.

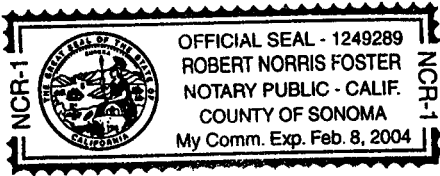
[Signature]  
Notary Public in and for the State of Oklahoma  
My commission expires 8/21/01

CORPORATE ACKNOWLEDGEMENT

STATE OF Calif )  
 ) SS  
COUNTY OF Sonoma )

This instrument was acknowledged before me on the 18 day of July, 2000, by D L Catt, as Vice Pres of Book Cliffs Oil & Gas Company, on behalf of said corporation.

WITNESS my hand and official seal.



Robert West  
Notary Public in and for the State of Oklahoma  
My commission expires 2/8/04

CORPORATE ACKNOWLEDGEMENT

STATE OF Colorado )  
 ) SS  
COUNTY OF Arapahoe )

This instrument was acknowledged before me on the 7 day of August, 2000, by Jc Thompson, as Chairman of National Fuel Corporation, on behalf of said corporation.

WITNESS my hand and official seal.



Brenda K Mayland  
Notary Public in and for the State of ~~Oklahoma~~ Colorado  
My commission expires 4-13-01

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. GLH		4-KAS ✓
2. CDW ✓		5-800 ✓
3. JLT		6-FILE

Enter date after each listed item is completed

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

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: 06-30-2000

**FROM:** (Old Operator):  
 ENOGEX EXPLORATION CORPORATION  
 Address: P. O. BOX 24300  
 OKLAHOMA CITY, OK 73124-0300  
 Phone: 1-(405)-525-7788  
 Account No. N7430

**TO:** ( New Operator):  
 CRESCENDO ENERGY PARTNERS LLC  
 Address: P. O. BOX 1814  
 MIDLAND, TX 79702  
 Phone: 1-(915)-697-7221  
 Account N1365

**CA No.** **Unit: SAN ARROYO**

**WELL(S)**

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
SAN ARROYO # 38	43-019-31253	500	16-16S-25E	STATE	GW	P
SAN ARROYO # 6	43-019-15889	505	21-16S-25E	FEDERAL	GW	S
SAN ARROYO # 2	43-019-15885	505	22-16S-25E	FEDERAL	GW	P
SAN ARROYO # 35	43-019-11090	500	24-16S-25E	FEDERAL	GW	P
SAN ARROYO # 5	43-019-15888	505	25-16S-25E	FEDERAL	GW	S
SAN ARROYO # 33	43-019-30608	500	25-16S-25E	FEDERAL	GW	S
SAN ARROYO # 1	43-019-16532	505	26-16S-25E	FEDERAL	GW	P
SAN ARROYO # 40	43-019-31250	505	27-16S-25E	FEDERAL	GW	S
SAN ARROYO # 36A	43-019-31251	500	19-16S-26E	FEDERAL	GW	P
SAN ARROYO # 37	43-019-31252	500	20-16S-26E	FEDERAL	GW	P
SAN ARROYO # 45	43-019-31299	500	20-16S-26E	FEDERAL	GW	P
SAN ARROYO # 43	43-019-31291	500	29-16S-26E	FEDERAL	GW	P
SAN ARROYO # 49	43-019-31316	500	29-16S-26E	FEDERAL	GW	P
SAN ARROYO # 42	43-019-31290	500	30-16S-26E	FEDERAL	GW	P
SAN ARROYO # 44	43-019-31301	500	30-16S-26E	FEDERAL	GW	P
SAN ARROYO # 47	43-019-31318	500	31-16S-26E	FEDERAL	GW	P
SAN ARROYO # 41	43-019-31289	500	36-16S-25E	STATE	GW	P

**OPERATOR CHANGES DOCUMENTATION**

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 08/23/2000
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 08/23/2000



3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 10/19/2000
4. Is the new operator registered in the State of Utah: YES Business Number: 4549132-0143
5. If **NO**, the operator was contacted on: \_\_\_\_\_
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 08/17/2000
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 08/17/2000
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC") Proj:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 10/19/2000
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/19/2000
3. Bond information entered in RBDMS on: \_\_\_\_\_
4. Fee wells attached to bond in RBDMS on: \_\_\_\_\_

**STATE BOND VERIFICATION:**

1. State well(s) covered by Bond No.: 437484

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

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

**FILMING:**

1. All attachments to this form have been **MICROFILMED** on: 3.5.01

**FILING:**

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

**COMMENTS:**

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

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: <b>See attached</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: <b>San Arroyo Unit and other wells</b>
2. NAME OF OPERATOR: <b>Slate River Resources, LLC</b> <span style="float: right;"><b>N2725</b></span>			8. WELL NAME and NUMBER: <b>See attached</b>
3. ADDRESS OF OPERATOR: <b>418 Main Street, Ste. 18</b> CITY <b>Vernal</b> STATE <b>UT</b> ZIP <b>84078</b>		PHONE NUMBER: <b>(435) 781-1870</b>	9. API NUMBER: <b>See attach</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>See attached schedule of wells</b>			10. FIELD AND POOL, OR WILDCAT: <b>See attached</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:			COUNTY: <b>Grand</b>
			STATE: <b>UTAH</b>

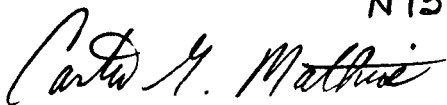
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

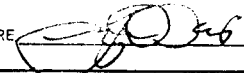
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	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

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

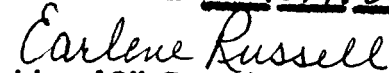
Crescendo Energy, LLC is a wholly owned subsidiary of Slate River Resources, LLC. All the wells, properties and leasehold interest of Crescendo Energy, LLC has been assigned to Slate River Resources, LLC. We request a change of Operator from Crescendo Energy, LLC to Slate River Resources, LLC on the wells listed on the attached schedule, including a change of Operator of the San Arroyo Unit Area effective November 1, 2005.

The Bond numbers for Slate River Resources, LLC are:  
 State of Utah DOGM Bond B001556 \$120,000  
 State of Utah Bond of Lessee B001760 \$ 15,000 being transferred from Crescendo to Slate River Resources, LLC  
 Federal Utah Statewide Bond UTB000187 \$ 25,000 being transferred from Crescendo to Slate River Resources, LLC

Crescendo Energy, LLC **N1365**  
  
 \_\_\_\_\_  
 Carter G. Mathies, President

SIGNATURE 	DATE <b>11/10/2005</b>
-----------------------------------------------------------------------------------------------	------------------------

(This space for State use only)

**APPROVED** 11/29/05  
  
 Division of Oil, Gas and Mining  
 Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

**RECEIVED**  
**NOV 16 2005**  
 DIV. OF OIL, GAS & MINING

API Well Number	Operator	Well Name	Well Type	Well Status	Field Name	County Name	Dir/Qtz	Section	Township-Range	FNL/	
43-019-30570-00-0	CRESCENDO ENERGY SERVICES, LLC	ARCO 27-1	Gas Well	Producing	SAN ARROYO	GRAND	NWSW	27	16S-25E	U-29645	1700
43-019-31162-00-0	CRESCENDO ENERGY SERVICES, LLC	ARCO STATE 36-7	Gas Well	Producing	EAST CANYON	GRAND	SWSE	36	15.5S-24E	ML-22208	852
43-019-31192-00-0	CRESCENDO ENERGY SERVICES, LLC	ARCO STATE 36-8	Gas Well	Producing	EAST CANYON	GRAND	SWSW	36	15.5S-24E	ML-22208	1285
43-019-30240-00-0	CRESCENDO ENERGY SERVICES, LLC	ARCO-STATE 2-1	Gas Well	Producing	EAST CANYON	GRAND	NESE	2	16S-24E	ML-22208	2420
43-019-30241-00-0	CRESCENDO ENERGY SERVICES, LLC	ARCO-STATE 2-2	Gas Well	Shut-In	EAST CANYON	GRAND	NWNW	2	16S-24E	ML-22208	1425
43-019-30047-00-0	CRESCENDO ENERGY SERVICES, LLC	BITTER CREEK 1	Gas Well	Producing	SAN ARROYO	GRAND	SWSE	2	16S-25E	ML-25151	1080
43-047-30789-00-0	CRESCENDO ENERGY SERVICES, LLC	BLACK HORSE CANYON FED 31-1	Gas Well	Producing	BLACK HORSE CYN	UINTAH	NWSW	31	15S-24E	U-14234	2030
43-019-15884-00-0	CRESCENDO ENERGY SERVICES, LLC	FEDERAL 174 1	Gas Well	Producing	SAN ARROYO	GRAND	SESW	11	16S-25E	U-126528	1940
43-019-31432-00-0	CRESCENDO ENERGY SERVICES, LLC	FEDERAL 27-2	Gas Well	Approved permit (APD); not yet spudd	SAN ARROYO	GRAND	SESE	27	16S-25E	U-29645	1110
43-019-31318-00-0	CRESCENDO ENERGY SERVICES, LLC	FEDERAL 47	Gas Well	Producing	SAN ARROYO	GRAND	NWNE	31	16S-26E	U-6023	990
43-019-31410-00-0	CRESCENDO ENERGY SERVICES, LLC	FEDERAL 6-1	Gas Well	Approved permit (APD); not yet spudd	SAN ARROYO	GRAND	SWNW	6	16S-25E	U-9831	1760
43-019-11089-00-0	CRESCENDO ENERGY SERVICES, LLC	FEDERAL GILBERT 1	Gas Well	Producing	SAN ARROYO	GRAND	SWNE	11	16S-25E	U-126528	1140
43-019-16532-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 01	Gas Well	Shut-In	SAN ARROYO	GRAND	SENW	26	16S-25E	USL-71307	1320
43-019-15885-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 02	Gas Well	Shut-In	SAN ARROYO	GRAND	SENW	22	16S-25E	U-370-A	1125
43-019-15886-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 03	Gas Well	Producing	SAN ARROYO	GRAND	SENW	23	16S-25E	U-369	0
43-019-15887-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 04	Gas Well	Producing	SAN ARROYO	GRAND	SESW	30	16S-26E	U-6023	0
43-019-15888-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 05	Gas Well	Shut-In	SAN ARROYO	GRAND	NWSE	25	16S-25E	U-369	820
43-019-15889-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 06	Gas Well	Shut-In	SAN ARROYO	GRAND	SWNE	21	16S-25E	U-136529	1360
43-019-15890-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 08	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	16	16S-25E	ML-4113	2060
43-019-15891-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 09	Gas Well	Producing	SAN ARROYO	GRAND	NWNE	27	16S-25E	U-370-A	1210
43-019-15892-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 11	Gas Well	Producing	SAN ARROYO	GRAND	NESW	15	16S-25E	U-5059-C	2450
43-019-15893-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 12	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	23	16S-25E	USL-71307	1520
43-019-15894-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 13	Gas Well	Producing	SAN ARROYO	GRAND	C-SW	22	16S-25E	U-370-A	660
43-019-15896-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 16	Gas Well	Producing	SAN ARROYO	GRAND	SESW	26	16S-25E	U-369	1990
43-019-15897-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 17	Gas Well	Producing	SAN ARROYO	GRAND	NENE	24	16S-25E	U-25243	660
43-019-15898-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 18	Gas Well	Producing	SAN ARROYO	GRAND	NWNW	30	16S-26E	U-6023	1300
43-019-15899-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 19	Gas Well	Producing	SAN ARROYO	GRAND	SWSE	14	16S-25E	U-5011-B	2600
43-019-15900-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 20	Gas Well	Producing	SAN ARROYO	GRAND	SENE	26	16S-25E	USL-71307	1710
43-019-15901-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 21	Gas Well	Producing	SAN ARROYO	GRAND	NWSE	25	16S-25E	U-369	395
43-019-15902-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 22	Gas Well	Producing	SAN ARROYO	GRAND	NENE	15	16S-25E	U-5011-A	2190
43-019-15903-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 24	Gas Well	Producing	SAN ARROYO	GRAND	SENW	19	16S-26E	U-6188	769
43-019-15904-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 25	Gas Well	Producing	SAN ARROYO	GRAND	SWNE	21	16S-25E	U-136529	1110
43-019-15905-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 26	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	20	16S-26E	U-25297	78
43-019-15906-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 27	Gas Well	Producing	SAN ARROYO	GRAND	NESW	29	16S-26E	U-6021	08
43-019-15907-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 28	Gas Well	Producing	SAN ARROYO	GRAND	NWNE	29	16S-26E	U-5650	634
43-019-15908-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 29	Gas Well	Producing	SAN ARROYO	GRAND	NENE	22	16S-25E	U-370-A	540
43-019-15909-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 30	Gas Well	Producing	SAN ARROYO	GRAND	NWSW	21	16S-26E	U-5650	945
43-019-30527-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 31	Gas Well	Shut-In	SAN ARROYO	GRAND	NWNW	22	16S-25E	U-370-A	739
43-019-30528-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 32	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	14	16S-25E	U-5011-B	1305
43-019-30608-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 33	Gas Well	Producing	SAN ARROYO	GRAND	SWSW	25	16S-25E	U-369	1970
43-019-11090-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 35	Gas Well	Producing	SAN ARROYO	GRAND	SESW	24	16S-25E	U-369	1875
43-019-31251-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 36-A	Gas Well	Producing	SAN ARROYO	GRAND	SESE	19	16S-26E	U-6188	304
43-019-31252-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 37	Gas Well	Producing	SAN ARROYO	GRAND	SWNE	20	16S-26E	U-5650	2025
43-019-31253-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 38	Gas Well	Producing	SAN ARROYO	GRAND	SWNE	16	16S-25E	ML-4113	1395
43-019-31250-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 40	Gas Well	Shut-In	SAN ARROYO	GRAND	NWNE	27	16S-25E	U-370-A	1480
43-019-31289-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 41	Gas Well	Producing	SAN ARROYO	GRAND	NENE	36	16S-25E	Not CE Lease	1340
43-019-31290-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 42	Gas Well	Producing	SAN ARROYO	GRAND	NESE	30	16S-26E	U-6023	1300
43-019-31291-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 43	Gas Well	Producing	SAN ARROYO	GRAND	NESE	29	16S-26E	U-6021	600
43-019-31301-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 44	Gas Well	Producing	SAN ARROYO	GRAND	SENE	30	16S-26E	U-6023	
43-019-31299-00-0	CRESCENDO ENERGY SERVICES, LLC	SAN ARROYO 45	Gas Well	Producing	SAN ARROYO	GRAND	NWSE	20	16S-26E	U-5650	0



**OPERATOR CHANGE WORKSHEET**

**ROUTING**

- |        |
|--------|
| 1. DJJ |
| 2. CDW |

Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

**X** Merger

The operator of the well(s) listed below has changed, effective:

**11/1/2005**

<b>FROM: (Old Operator):</b> N1365-Crescendo Energy, LLC 1600 Broadway, Suite 900 Denver, CO 80202 Phone: 1-(303) 592-4448	<b>TO: ( New Operator):</b> N2725-Slate River Resources, LLC 418 Main St, Suite 18 Vernal, UT 84078 Phone: 1-(435) 781-1870
----------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------

**CA No.**

**Unit:**

**SAN ARROYO**

**WELL(S)**

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SAN ARROYO 32	14	160S	250E	4301930528	500	Federal	GW	P
SAN ARROYO U 38	16	160S	250E	4301931253	500	State	GW	P
SAN ARROYO 29	22	160S	250E	4301915908	500	Federal	GW	P
SAN ARROYO 31	22	160S	250E	4301930527	500	Federal	GW	S
SAN ARROYO 33	25	160S	250E	4301930608	500	Federal	GW	P
SAN ARROYO I	26	160S	250E	4301916532	505	Federal	GW	S
SAN ARROYO U 40	27	160S	250E	4301931250	505	Federal	GW	S
SAN ARROYO U 41	36	160S	250E	4301931289	500	State	GW	P
SAN ARROYO U 36-A	19	160S	260E	4301931251	500	Federal	GW	P
SAN ARROYO 26	20	160S	260E	4301915905	500	Federal	GW	P
SAN ARROYO U 37	20	160S	260E	4301931252	500	Federal	GW	P
SAN ARROYO 45	20	160S	260E	4301931299	500	Federal	GW	P
SAN ARROYO 30	21	160S	260E	4301915909	500	Federal	GW	P
SAN ARROYO 27	29	160S	260E	4301915906	500	Federal	GW	P
SAN ARROYO 28	29	160S	260E	4301915907	500	Federal	GW	P
SAN ARROYO U 43	29	160S	260E	4301931291	500	Federal	GW	P
SAN ARROYO 49	29	160S	260E	4301931316	500	Federal	GW	P
SAN ARROYO U 42	30	160S	260E	4301931290	500	Federal	GW	P
SAN ARROYO 44	30	160S	260E	4301931301	500	Federal	GW	P
FEDERAL 47	31	160S	260E	4301931318	500	Federal	GW	P

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 11/16/2005
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 11/16/2005

The new company was checked on the Department of Commerce, Division of Corporations Database on: 11/23/2005

is the new operator registered in the State of Utah: Yes (If no, provide explanation: Not applicable)

If **NO**, the operator was contacted on:

6a. (R649-9-2) Waste Management Plan has been received on: n/a requested 11/23/05

6b. Inspections of LA PA state/fee well sites complete on: n/a

6c. Reports current for Production/Disposition & Sundries on: n/a requested 11/23/05

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

**8. Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: \_\_\_\_\_ n/a

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

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

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

**DATA ENTRY:**

1. Changes entered in the Oil and Gas Database on: \_\_\_\_\_ 11/29/2005
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: \_\_\_\_\_ 11/29/2005
3. Bond information entered in RBDMS on: \_\_\_\_\_ 11/29/2005
4. Fee/State wells attached to bond in RBDMS on: \_\_\_\_\_ 11/29/2005
5. Injection Projects to new operator in RBDMS on: \_\_\_\_\_ n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: \_\_\_\_\_ 11/29/2005

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

1. Federal well(s) covered by Bond Number: \_\_\_\_\_ UTB000187

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

1. Indian well(s) covered by Bond Number: \_\_\_\_\_ n/a

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

1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number \_\_\_\_\_ B001556
2. The FORMER operator has requested a release of liability from their bond on: \_\_\_\_\_ 11/25/2005  
The Division sent response by letter on: \_\_\_\_\_ n/a

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>

4301931301  
165 265 30


IN REPLY REFER TO:  
3106  
(UT-922)

December 5, 2005

Memorandum

To: Moab Field Office  
From: Acting Chief, Branch of Fluid Minerals  
Subject: Merger Approval

Attached is an approved copy of the merger recognized by the state of Delaware. We have updated our records to reflect the merger from Crescendo Energy LLC into Slate River Resources LLC. The merger was approved effective October 31, 2005.

  
for David H. Murphy  
Acting Chief, Branch of  
Fluid Minerals

Enclosure  
Articles of Organization (4 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225  
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114  
Teresa Thompson  
Joe Incardine  
Connie Seare  
Dave Mascarenas  
Susan Bauman

RECEIVED

DEC 05 2005

DIV. OF OIL, GAS & MINING

EP

\*\*\*\*\*

LLE: Judy Nordstrom

MEMO WRITTEN: December 5, 2005

**Name of Company:**

**OLD**

**NEW NID**

**Crescendo Energy LLC**  
418 E. Main Street  
Suite 18  
Vernal Utah 84078

**Slate River Resources LLC**  
1600 Broadway  
Suite 900  
Denver CO 80202

\*\*\*\*\*

\_\_\_\_\_ (940) NAME CHANGE RECOGNIZED  
(DATE)

October 31, 2005 (817) CORPORATE MERGER RECOGNIZED  
(DATE)

\*\*\*\*\*

UTSL-071307

- UTU-0369
- UTU-0370A
- UTU-05011A
- UTU-05011B
- UTU-05059A
- UTU-05059C
- UTU-05059F
- UTU-05650
- UTU-05650A
- UTU-06021
- UTU-06023
- UTU-06188
- UTU-06188B
- UTU-025243
- UTU-025245
- UTU-025243A
- UTU-025297
- UTU-0126528
- UTU-0136529
- UTU-0141420
- UTU-9831
- UTU-14234
- UTU-29645
- UTU-60818
- UTU-63022A



**CERTIFICATE OF MERGER**  
of  
**CRESCENDO ENERGY, LLC**  
into  
**SLATE RIVER RESOURCES, LLC**

This **CERTIFICATE OF MERGER**, dated and effective as of October 31, 2005, has been duly authorized and is filed pursuant to Section 18-209 of the Delaware Limited Liability Company Act (the "Act").

1. The name and jurisdiction of formation or organization of the constituent entities of the merger effectuated hereby are:

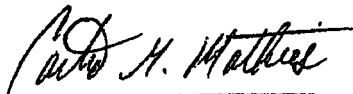
<u>Name</u>	<u>Jurisdiction of Organization</u>
Slate River Resources, LLC	Delaware
Crescendo Energy, LLC	Delaware

2. An Agreement and Plan of Merger (the "Merger Agreement") has been duly authorized, approved and executed by each of the limited liability companies to merge pursuant hereto.
3. Slate River Resources, LLC shall be the surviving entity and shall maintain its present name.
4. There are no amendments to the certificate of formation of Slate River Resources, LLC resulting from or incidental to the merger.
5. The merger effected hereby shall be effective upon the filing of this Certificate of Merger in the office of the Secretary of State of the State of Delaware.
6. The Merger Agreement is on file in the principal business office of the surviving entity, Slate River Resources, LLC, which is located at 1600 Broadway, Suite 900, Denver, Colorado 80202.
7. The Merger Agreement will be furnished by Slate River Resources, LLC, or its authorized representative, free of cost, to any member of, or any person holding an interest in, any entity to be merged pursuant hereto.

IN WITNESS WHEREOF, Slate River Resources, LLC, the surviving entity, has caused this Certificate of Merger to be executed by an authorized officer as of the date first written above.

**SLATE RIVER RESOURCES, LLC**

By:



Carter G. Mathies  
Chief Executive Officer

**SLATE RIVER HOLDINGS, LLC  
UNANIMOUS WRITTEN CONSENT OF  
THE BOARD OF DIRECTORS  
IN LIEU OF A SPECIAL MEETING**

The undersigned, being all of the Members of the Board of Directors of Slate River Holdings, LLC, a Delaware limited liability company (the "Company"), hereby adopt, by unanimous written consent, in accordance with the Delaware Limited Liability Company Act, the following resolutions with the same force and effect as if they had been adopted at a duly convened meeting of the Board:

**WHEREAS**, the Company previously acquired all of the outstanding equity and ownership interests in Crescendo Resources, LLC ("Crescendo Resources"); and

**WHEREAS**, thereafter, the Company consolidated all of the wholly-owned subsidiaries of Crescendo Resources, namely, Crescendo Energy, LLC ("Crescendo Energy") and Entrada Energy Ventures, LLC ("Entrada") (collectively, Crescendo Resources, Crescendo Energy and Entrada are referred to herein as the ("Crescendo Entities") into Crescendo Energy; and

**WHEREAS**, the material assets and operations of all of the Crescendo Entities are held by Crescendo Energy; and

**WHEREAS**, Slate River Resources, LLC ("Slate River Resources"), a wholly-owned subsidiary of the Company, is intended to be the operating entity for all of the Company's business activities; and

**WHEREAS**, the Company has determined that it is in the Company's best interest to operate all of its business activities as a single entity and therefore to merge Crescendo Energy into Slate River Resources, with Slate River Resources being the surviving entity.

**NOW, THEREFORE, BE IT:**

**RESOLVED**, that the Company hereby is authorized to direct its legal counsel to effectuate the merger of the Crescendo Energy into Slate River Resources, with Slate River Resources as the surviving entity, to be effective on October 31, 2005; and be it further

**RESOLVED**, that the Company, and any Authorized Officer (as defined below) on behalf of the Company, hereby is authorized to undertake and perform all other acts, transactions or agreements that are necessary, appropriate, desirable or contemplated by the foregoing Resolutions; and be it further

**RESOLVED**, that all of the acts, transactions, or agreements taken in connection with the foregoing Resolutions hereby are ratified and approved in all respects, and the chief executive officer, chief operating officer, chief financial officer, president, vice president and secretary of the Company, as applicable, (collectively, the "*Authorized Officers*" and each individually, an "*Authorized Officer*") hereby are severally authorized and directed, in the name and on behalf of the Company to negotiate, execute and deliver such instruments, documents, agreements and writings of every kind and character, together with such changes, modifications, additions and deletions as to any or all of the terms and provisions thereof as the Authorized Officer executing such instruments, documents, agreements and

UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS  
IN LIEU OF A SPECIAL MEETING  
(SLATE RIVER HOLDINGS, LLC)

writings shall deem proper (such execution by such Authorized Officer to be conclusive evidence that such Authorized Officer deems all of the terms and provisions thereof to be proper), and to make such attestations to any signatures of officers of the Company, and to do and perform or cause to be done and performed all such other acts as each Authorized Officer shall from time to time deem necessary, advisable or appropriate in order to consummate the acts, transactions, or agreements contemplated by or described in the foregoing Resolutions; and be it further

**RESOLVED**, that the Authorized Officers hereby are severally authorized to execute on behalf of the Company from time to time, amendments or supplements to any of the documents related to or contemplated by the foregoing Resolutions as the Authorized Officer or Authorized Officers executing and delivering the same may in his, her, or their sole and absolute discretion deem appropriate to carry out the purpose and intent of the foregoing Resolutions (such execution by such Authorized Officer or Authorized Officers to be conclusive evidence that such Authorized Officer or Authorized Officers deems all of the terms and provisions thereof to be proper); and be it further

**RESOLVED**, that all acts, transactions, or agreements undertaken prior to the adoption of these Resolutions by any of the officers or representatives of the Company in connection with the foregoing matters hereby are ratified, confirmed and adopted by the Board; and be it further

**RESOLVED**, that any Authorized Officer hereby is authorized and directed to certify these Resolutions; and be it further

**RESOLVED**, that the Authorized Officers (together with such other officers and employees of the Company under their supervision as any of them shall direct) hereby are severally authorized and directed in the name and on behalf of the Company to do or cause to be done any and all further acts and things that they may from time to time deem necessary, advisable or appropriate to carry out the purpose and intent of the foregoing Resolutions.

[Remainder of Page Intentionally Left Blank]

UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS  
IN LIEU OF A SPECIAL MEETING  
(SLATE RIVER HOLDINGS, LLC)

# Delaware

PAGE 1

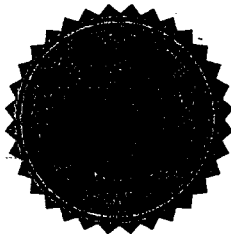
*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "SLATE RIVER RESOURCES, LLC", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF JANUARY, A.D. 2005, AT 9:34 O'CLOCK P.M.

2006 NOV -7 AM 9:50  
BLM - 01 - 050

3919255 8100

050074460



*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 3651875

DATE: 01-31-05

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

<b>ROUTING</b>
1. DJJ
2. CDW

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

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**5/15/2008**

<b>FROM:</b> (Old Operator): N2725-Slate River Resources, LLC 1600 Broadway, Suite 900 Denver, CO 80202  Phone: 1 (303) 592-4448	<b>TO:</b> ( New Operator): N3505-Augustus Energy Partners, LLC 2016 Grand Ave, Suite A Billings MT 59012  Phone: 1 (406) 294-5990
-------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------

CA No.		Unit:						
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/23/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/23/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/4/2008
- a. Is the new operator registered in the State of Utah: \_\_\_\_\_ Business Number: 7012268-0161
- b. If **NO**, the operator was contacted on: \_\_\_\_\_
- a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: In Process
- c. Reports current for Production/Disposition & Sundries on: OK
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 5/29/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/29/2008
- Bond information entered in RBDMS on: 5/29/2008
- Fee/State wells attached to bond in RBDMS on: 5/29/2008
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: \_\_\_\_\_

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: UTB00317
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0011628
- b. The **FORMER** operator has requested a release of liability from their bond on: not yet  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**See Attached list**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

2. NAME OF OPERATOR:  
**Augustus Energy Partners, LLC N3505**

3. ADDRESS OF OPERATOR: 2016 Grand Avenue. Ste A CITY Billings STATE MT ZIP 59012  
PHONE NUMBER: (406) 294-5990

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: COUNTY:  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: **UTAH**

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
Effective 12:01 a.m. May 15, 2008 the Operator of this well will change from:

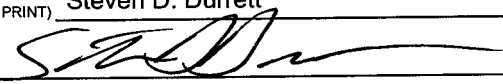
Slate River Resources, LLC  
1600 Broadway, Suite 900 N2725  
Denver, CO 80202  
303-592-4448

TO: Augustus Energy Partners, LLC  
2016 Grand Avenue, Suite A  
Billings, MT 59102

BLM Bond # UTB00317 effective 5/13/08 STATE BOND = RLB 0011638

Seller: Slate River Resources LLC  
Gary D. Davis, President/CEO

Signature: 

NAME (PLEASE PRINT) Steven D. Durrett TITLE President  
SIGNATURE  DATE 5/15/2008

(This space for State use only)

**APPROVED** 5139108  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

**RECEIVED**  
**MAY 23 2008**

DIV. OF OIL, GAS & MINING

API Well Number	Well Name	Qtr/Qtr	Section	Township-Range
43-019-11089	FEDERAL GILBERT 1	SWNE	11	16S-25E
43-019-11090	SAN ARROYO U 35	SESW	24	16S-25E
43-019-15884	FEDERAL 174 1	SESW	11	16S-25E
43-019-15885	SAN ARROYO 2	SENW	22	16S-25E
43-019-15886	SAN ARROYO 3	SENW	23	16S-25E
43-019-15887	SAN ARROYO 4	SESW	30	16S-26E
43-019-15888	SAN ARROYO 5	NWSE	25	16S-25E
43-019-15889	SAN ARROYO 6	SWNE	21	16S-25E
43-019-15890	SAN ARROYO 8	SWSW	16	16S-25E
43-019-15891	SAN ARROYO 9	NWNE	27	16S-25E
43-019-15892	SAN ARROYO 11	NESW	15	16S-25E
43-019-15893	SAN ARROYO 12	SWSW	23	16S-25E
43-019-15894	SAN ARROYO 13	C-SW	22	16S-25E
43-019-15896	SAN ARROYO 16	SESW	26	16S-25E
43-019-15897	SAN ARROYO 17	NENE	24	16S-25E
43-019-15898	SAN ARROYO 18	NWNW	30	16S-26E
43-019-15899	SAN ARROYO 19	SWSE	14	16S-25E
43-019-15900	SAN ARROYO 20	SENE	26	16S-25E
43-019-15901	SAN ARROYO 21	NWSE	25	16S-25E
43-019-15902	SAN ARROYO 22	NENE	15	16S-25E
43-019-15903	SAN ARROYO 24	SENW	19	16S-26E
43-019-15904	SAN ARROYO 25	SWNE	21	16S-25E
43-019-15905	SAN ARROYO 26	SWSW	20	16S-26E
43-019-15906	SAN ARROYO 27	NESW	29	16S-26E
43-019-15907	SAN ARROYO 28	NWNE	29	16S-26E
43-019-15908	SAN ARROYO 29	NENE	22	16S-25E
43-019-15909	SAN ARROYO 30	NWSW	21	16S-26E
43-019-16532	SAN ARROYO 1	SENW	26	16S-25E
43-019-30047	BITTER CREEK 1	SWSE	2	16S-25E
43-019-30240	ARCO-STATE 2-1	NESE	2	16S-24E
43-019-30241	ARCO-STATE 2-2	NWNW	2	16S-24E
43-019-30527	SAN ARROYO 31	NWNW	22	16S-25E
43-019-30528	SAN ARROYO 32	SWSW	14	16S-25E
43-019-30570	ARCO 27-1	NWSW	27	16S-25E
43-019-30608	SAN ARROYO 33	SWSW	25	16S-25E
43-019-31162	ARCO STATE 36-7	SWSE	36	15.5S-24E
43-019-31192	ARCO STATE 36-8	SWSW	36	15.5S-24E
43-019-31250	SAN ARROYO U 40	NWNE	27	16S-25E
43-019-31251	SAN ARROYO U 36-A	SESE	19	16S-26E
43-019-31252	SAN ARROYO U 37	SWNE	20	16S-26E
43-019-31253	SAN ARROYO U 38	SWNE	16	16S-25E
43-019-31289	SAN ARROYO U 41	NENE	36	16S-25E
43-019-31290	SAN ARROYO U 42	NESE	30	16S-26E
43-019-31291	SAN ARROYO U 43	NESE	29	16S-26E
43-019-31299	SAN ARROYO 45	NWSE	20	16S-26E
43-019-31301	SAN ARROYO 44	SENE	30	16S-26E
43-019-31316	SAN ARROYO 49	NENW	29	16S-26E
43-019-31318	FEDERAL 47	NWNE	31	16S-26E
43-047-30765	BLACK HORSE CANYON FED 31-1	NWSW	31	15S-24E

RECEIVED

MAY 23 2008

DIV. OF OIL, GAS & MINING

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

**ROUTING**  
 CDW

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

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**11/11/2013**

<b>FROM: (Old Operator):</b> N3505-Augustus Energy Partners, LLC 2016 Garnd Ave, Suite A Billings, MT 59102  Phone: 1 (406) 294-5990	<b>TO: ( New Operator):</b> N4035-Southwestern Energy Ventures Company, LLC PO Box 1056 Bayfield, CO 81122  Phone: 1 (970) 884-4869
-----------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------

**CA No. Unit: San Arroyo**

WELL NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List						

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 11/22/2013
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 11/22/2013
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 11/27/2013
- Is the new operator registered in the State of Utah: \_\_\_\_\_ Business Number: 8812939-0161
- (R649-9-2) Waste Management Plan has been received on: N/A
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: 11/27/2013
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: Not Yet
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 12/1/2013
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/1/2013
- Bond information entered in RBDMS on: 12/1/2013
- Fee/State wells attached to bond in RBDMS on: 12/1/2013
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
- Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: RLB0015347
- Indian well(s) covered by Bond Number: N/A
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number RLB0015348
- The **FORMER** operator has requested a release of liability from their bond on: 11/22/2013

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**



## Augustus Energy Partners, LLC (N3505) to Southwestern Energy Ventures Company, LLC (N4035)

Effective 11/11/2013

## San Arroyo Unit

Well Name	Sec	TWN	RNG	API Number	Entity	Mineral Lease	Well Type	Well Status
SAN ARROYO U 35	24	160S	250E	4301911090	500	Federal	GW	P
SAN ARROYO 2	22	160S	250E	4301915885	505	Federal	GW	S
SAN ARROYO 3	23	160S	250E	4301915886	500	Federal	GW	P
SAN ARROYO 4	30	160S	260E	4301915887	500	Federal	GW	P
SAN ARROYO 5	25	160S	250E	4301915888	505	Federal	GW	S
SAN ARROYO 6	21	160S	250E	4301915889	505	Federal	GW	S
SAN ARROYO 8	16	160S	250E	4301915890	500	Federal	GW	P
SAN ARROYO 9	27	160S	250E	4301915891	500	Federal	GW	P
SAN ARROYO 11	15	160S	250E	4301915892	500	Federal	GW	S
SAN ARROYO 12	23	160S	250E	4301915893	500	Federal	GW	P
SAN ARROYO 13	22	160S	250E	4301915894	500	Federal	GW	P
SAN ARROYO 16	26	160S	250E	4301915896	500	Federal	GW	P
SAN ARROYO 17	24	160S	250E	4301915897	500	Federal	GW	P
SAN ARROYO 18	30	160S	260E	4301915898	500	Federal	GW	P
SAN ARROYO 19	14	160S	250E	4301915899	500	Federal	GW	P
SAN ARROYO 20	26	160S	250E	4301915900	500	Federal	GW	P
SAN ARROYO 21	25	160S	250E	4301915901	500	Federal	GW	P
SAN ARROYO 22	15	160S	250E	4301915902	500	Federal	GW	P
SAN ARROYO 24	19	160S	260E	4301915903	500	Federal	GW	P
SAN ARROYO 25	21	160S	250E	4301915904	500	Federal	GW	P
SAN ARROYO 26	20	160S	260E	4301915905	500	Federal	GW	P
SAN ARROYO 27	29	160S	260E	4301915906	500	Federal	GW	P
SAN ARROYO 28	29	160S	260E	4301915907	500	Federal	GW	P
SAN ARROYO 29	22	160S	250E	4301915908	500	Federal	GW	P
SAN ARROYO 30	21	160S	260E	4301915909	500	Federal	GW	P
SAN ARROYO 1	26	160S	250E	4301916532	505	Federal	GW	S
SAN ARROYO 31	22	160S	250E	4301930527	500	Federal	GW	S
SAN ARROYO 32	14	160S	250E	4301930528	500	Federal	GW	S
SAN ARROYO 33	25	160S	250E	4301930608	500	Federal	GW	P
SAN ARROYO U 36-A	19	160S	260E	4301931251	500	Federal	GW	P
SAN ARROYO U 37	20	160S	260E	4301931252	500	Federal	GW	P
SAN ARROYO U 38	16	160S	250E	4301931253	500	State	GW	P
SAN ARROYO U 41	36	160S	250E	4301931289	500	State	GW	P
SAN ARROYO U 42	30	160S	260E	4301931290	500	Federal	GW	P
SAN ARROYO U 43	29	160S	260E	4301931291	500	Federal	GW	S
SAN ARROYO 45	20	160S	260E	4301931299	500	Federal	GW	P
SAN ARROYO 44	30	160S	260E	4301931301	500	Federal	GW	S
SAN ARROYO 49	29	160S	260E	4301931316	500	Federal	GW	P
FEDERAL 47	31	160S	260E	4301931318	500	Federal	GW	P
SAN ARROYO 1625-22O	22	160S	250E	4301931580	505	Federal	GW	S

# BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW

216 SIXTEENTH STREET, SUITE 1100  
DENVER, COLORADO 80202-5115  
TELEPHONE (303) 407-4499  
FACSIMILE (303) 407-4494  
www.bwenergylaw.com

CASPER

CHEYENNE

DENVER

SALT LAKE CITY

SANTA FE

JENNIFER STOLDT

PHONE: (303) 407-4499

E-MAIL: JSTOLDT@BWENERGYLAW.COM

November 21, 2013

VIA FEDERAL EXPRESS

Utah Division of Oil, Gas and Mining  
Attn: Rachel Medina  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84116

RECEIVED  
NOV 22 2013  
DIV. OF OIL, GAS & MINING

Re: Sundry Notices and Reports on Wells – Change of Operator (Form 9)  
Our File No.: 9517.0001

Dear Ms. Madina:

Enclosed for notice and filing please find an original and three (3) copies of the Sundry Notices and Reports on Wells, list of wells, and copies of BLM Bond No. RLB0015347 and Utah State Bond No. RLB0015348.

If you have any questions regarding the enclosed documents, please call me directly at 303-407-4459. Thank you for your assistance in this matter.

Very truly yours,

BEATTY & WOZNIAK, P.C.



Jennifer Stoldt

Enclosures  
00292177.DOCX

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>See Attached List</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>See Attached List</b>
2. NAME OF OPERATOR: <b>Augustus Energy Partners, LLC</b> <i>N3505</i>		8. WELL NAME and NUMBER: <b>See Attached List</b>
3. ADDRESS OF OPERATOR: 2016 Grand Ave. Ste A <small>CITY</small> <b>Billings</b> <small>STATE</small> <b>MT</b> <small>ZIP</small> <b>59102</b>		9. API NUMBER: <b>See Attach</b>
PHONE NUMBER: <b>(406) 294-5990</b>		10. FIELD AND POOL, OR WILDCAT: <b>See Attached List</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____		COUNTY: <b>See Attached List</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>Effective 11/11/13</u>

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

Southwestern Energy Ventures Company, LLC will become operator of the wells per the attached list effective 11/11/2013.  
Attn: Ezra Lee  
P. O. Box 1056  
Bayfield, CO 81122  
970-884-4869  
ezra@crossfire-llc.com

Bond Coverage for operations conducted on these wells is being provided by Southwestern Energy Ventures Company, LLC in the form of a \$ 120,000 statewide Bond.

Utah State bond number RLB0015348 Surety number (Letter of credit ) \_\_\_\_\_

BLM Bond Number RLB0015347

NAME (PLEASE PRINT) Ezra Lee TITLE Manager

SIGNATURE [Signature] DATE 11-13-13

NAME (PLEASE PRINT) Duane Zimmerman TITLE VP Operations

SIGNATURE [Signature] DATE 11/11/13 *N3505*

(This space for State use only)  
**APPROVED**

**DEC 01 2013**

(5/2000) DIV. OIL GAS & MINING  
BY: Rachel Medina

*\* San Arroyo U40  
not moved b/c its  
a P+ A Federal well.  
(See Instructions on Reverse Side)*

	Current Operator	API Well Number	Well Name	Lease #	Unit #	CA #	Entity #	Qtr/Qtr	Sec	Twnshp-Rng
1	AUGUSTUS ENERGY PARTNERS LLC	43-019-11090-00-00	SAN ARROYO U 35	891003589A	UTU63022X		500	SESW	24	16S-25E
2	AUGUSTUS ENERGY PARTNERS LLC	43-019-15885-00-00	SAN ARROYO 2	891003598B	UTU63022X		505	SESW	22	16S-25E
3	AUGUSTUS ENERGY PARTNERS LLC	43-019-15886-00-00	SAN ARROYO 3	891003589A	UTU63022X		500	SESW	23	16S-25E
4	AUGUSTUS ENERGY PARTNERS LLC	43-019-15887-00-00	SAN ARROYO 4	891003589A	UTU63022X		500	SESW	30	16S-26E
5	AUGUSTUS ENERGY PARTNERS LLC	43-019-15888-00-00	SAN ARROYO 5	891003598B	UTU63022X		505	NWSE	25	16S-25E
6	AUGUSTUS ENERGY PARTNERS LLC	43-019-15889-00-00	SAN ARROYO 6	891003598B	UTU63022X		505	SWNE	21	16S-25E
7	AUGUSTUS ENERGY PARTNERS LLC	43-019-15890-00-00	SAN ARROYO 8	891003589A	UTU63022X		500	SWSW	16	16S-25E
8	AUGUSTUS ENERGY PARTNERS LLC	43-019-15891-00-00	SAN ARROYO 9	891003589A	UTU63022X		500	NWNE	27	16S-25E
9	AUGUSTUS ENERGY PARTNERS LLC	43-019-15892-00-00	SAN ARROYO 11	891003589A	UTU63022X		500	NESW	15	16S-25E
10	AUGUSTUS ENERGY PARTNERS LLC	43-019-15893-00-00	SAN ARROYO 12	891003589A	UTU63022X		500	SWSW	23	16S-25E
11	AUGUSTUS ENERGY PARTNERS LLC	43-019-15894-00-00	SAN ARROYO 13	891003589A	UTU63022X		500	C-SW	22	16S-25E
12	AUGUSTUS ENERGY PARTNERS LLC	43-019-15896-00-00	SAN ARROYO 16	891003589A	UTU63022X		500	SESW	26	16S-25E
13	AUGUSTUS ENERGY PARTNERS LLC	43-019-15897-00-00	SAN ARROYO 17	891003589A	UTU63022X		500	NENE	24	16S-25E
14	AUGUSTUS ENERGY PARTNERS LLC	43-019-15898-00-00	SAN ARROYO 18	891003589A	UTU63022X		500	NWNW	30	16S-26E
15	AUGUSTUS ENERGY PARTNERS LLC	43-019-15899-00-00	SAN ARROYO 19	891003589A	UTU63022X		500	SWSE	14	16S-25E
16	AUGUSTUS ENERGY PARTNERS LLC	43-019-15900-00-00	SAN ARROYO 20	891003589A	UTU63022X		500	SENE	26	16S-25E
17	AUGUSTUS ENERGY PARTNERS LLC	43-019-15901-00-00	SAN ARROYO 21	891003589A	UTU63022X		500	NWSE	25	16S-25E
18	AUGUSTUS ENERGY PARTNERS LLC	43-019-15902-00-00	SAN ARROYO 22	891003589A	UTU63022X		500	NENE	15	16S-25E
19	AUGUSTUS ENERGY PARTNERS LLC	43-019-15903-00-00	SAN ARROYO 24	891003589A	UTU63022X		500	SESW	19	16S-26E
20	AUGUSTUS ENERGY PARTNERS LLC	43-019-15904-00-00	SAN ARROYO 25	891003589A	UTU63022X		500	SWNE	21	16S-25E
21	AUGUSTUS ENERGY PARTNERS LLC	43-019-15905-00-00	SAN ARROYO 26	891003589A	UTU63022X		500	SWSW	20	16S-26E
22	AUGUSTUS ENERGY PARTNERS LLC	43-019-15906-00-00	SAN ARROYO 27	891003589A	UTU63022X		500	NESW	29	16S-26E
23	AUGUSTUS ENERGY PARTNERS LLC	43-019-15907-00-00	SAN ARROYO 28	891003589A	UTU63022X		500	NWNE	29	16S-26E
24	AUGUSTUS ENERGY PARTNERS LLC	43-019-15908-00-00	SAN ARROYO 29	891003589A	UTU63022X		500	NENE	22	16S-25E
25	AUGUSTUS ENERGY PARTNERS LLC	43-019-15909-00-00	SAN ARROYO 30	891003589A	UTU63022X		500	NWSW	21	16S-26E
26	AUGUSTUS ENERGY PARTNERS LLC	43-019-16532-00-00	SAN ARROYO 1	891003598B	UTU63022X		505	SESW	26	16S-25E
27	AUGUSTUS ENERGY PARTNERS LLC	43-019-30527-00-00	SAN ARROYO 31	891003589A	UTU63022X		500	NWNW	22	16S-25E
28	AUGUSTUS ENERGY PARTNERS LLC	43-019-30528-00-00	SAN ARROYO 32	891003589A	UTU63022X		500	SWSW	14	16S-25E
29	AUGUSTUS ENERGY PARTNERS LLC	43-019-30608-00-00	SAN ARROYO 33	891003589A	UTU63022X		500	SWSW	25	16S-25E
30	AUGUSTUS ENERGY PARTNERS LLC	43-019-31251-00-00	SAN ARROYO U 36-A	891003589A	UTU63022X		500	SESE	19	16S-26E
31	AUGUSTUS ENERGY PARTNERS LLC	43-019-31252-00-00	SAN ARROYO U 37	891003589A	UTU63022X		500	SWNE	20	16S-26E
32	AUGUSTUS ENERGY PARTNERS LLC	43-019-31253-00-00	SAN ARROYO U 38	891003589A	UTU63022X		500	SWNE	16	16S-25E
33	AUGUSTUS ENERGY PARTNERS LLC	43-019-31289-00-00	SAN ARROYO U 41	891003589A	UTU63022X		500	NENE	36	16S-25E
34	AUGUSTUS ENERGY PARTNERS LLC	43-019-31290-00-00	SAN ARROYO U 42	891003589A	UTU63022X		500	NESE	30	16S-26E
35	AUGUSTUS ENERGY PARTNERS LLC	43-019-31291-00-00	SAN ARROYO U 43	891003589A	UTU63022X		500	NESE	29	16S-26E
36	AUGUSTUS ENERGY PARTNERS LLC	43-019-31299-00-00	SAN ARROYO 45	891003589A	UTU63022X		500	NWSE	20	16S-26E
37	AUGUSTUS ENERGY PARTNERS LLC	43-019-31301-00-00	SAN ARROYO 44	891003589A	UTU63022X		500	SENE	30	16S-26E
38	AUGUSTUS ENERGY PARTNERS LLC	43-019-31316-00-00	SAN ARROYO 49	891003589A	UTU63022X		500	NENW	29	16S-26E
39	AUGUSTUS ENERGY PARTNERS LLC	43-019-31580-00-00	SAN ARROYO 1625-220	891003598B	UTU63022X		505	SWSE	22	16S-25E
40	AUGUSTUS ENERGY PARTNERS LLC	43-019-31250-00-00	SAN ARROYO U 40	891003598B	UTU63022X		505	NWNE	27	16S-25E
41	AUGUSTUS ENERGY PARTNERS LLC	43-019-31318-00-00	FEDERAL 47	891003589A	UTU63022X		500	NWNE	31	16S-26E
44	AUGUSTUS ENERGY PARTNERS LLC	43-019-15884-00-00	FEDERAL 174 1	UTU126528		NW115	8340	SESW	11	16S-25E
42	AUGUSTUS ENERGY PARTNERS LLC	43-047-30765-00-00	BLACK HORSE CANYON FED 31-1	UTU14234			8345	NWSW	31	15S-24E
43	AUGUSTUS ENERGY PARTNERS LLC	43-019-11089-00-00	FEDERAL GILBERT 1	UTU0125628			8341	SWNE	11	16S-25E

	Current Operator	API Well Number	Well Name	Lease #	Unit #	CA #	Entity #	Qtr/Qtr	Sec	TwnsHP-Rng
45	AUGUSTUS ENERGY PARTNERS LLC	43-019-30570-00-00	ARCO 27-1	UTU29645			11595	NWSW	27	16S-25E
46	AUGUSTUS ENERGY PARTNERS LLC	43-019-30047-00-00	BITTER CREEK 1				515	SWSE	2	16S-25E
47	AUGUSTUS ENERGY PARTNERS LLC	43-019-30240-00-00	ARCO-STATE 2-1				520	NESE	2	16S-24E
48	AUGUSTUS ENERGY PARTNERS LLC	43-019-30241-00-00	ARCO-STATE 2-2				520	NWNW	2	16S-24E
49	AUGUSTUS ENERGY PARTNERS LLC	43-019-31162-00-00	ARCO STATE 36-7				9710	SWSE	36	15.5S-24E
50	AUGUSTUS ENERGY PARTNERS LLC	43-019-31192-00-00	ARCO STATE 36-8				9710	SWSW	36	15.5S-24E

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

Effective Date: 11/1/2014

FORMER OPERATOR:	NEW OPERATOR:
Southwestern Energy Ventures Company, LLC N4035 2154 W Eisenhower Blvd Loveland, CO 80537 970-669-7411	SWEVCO-SABW, LLC N4155 2154 W Eisenhower Blvd Loveland, CO 80537 970-669-7411
CA Number(s):	San Arroyo

**WELL INFORMATION:**

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

**OPERATOR CHANGES DOCUMENTATION:**

- Sundry or legal documentation was received from the **FORMER** operator on: 10/21/2014
- Sundry or legal documentation was received from the **NEW** operator on: 10/21/2014
- New operator Division of Corporations Business Number: 8820416-0161

**REVIEW:**

- Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
- Reports current for Production/Disposition & Sundries: 10/27/2014
- OPS/SI/TA well(s) reviewed for full cost bonding: 10/27/2014
- UIC5 on all disposal/injection/storage well(s) approved on: N/A
- Surface Facility(s) included in operator change: None
- Inspections of PA state/fee well sites complete on (only upon operators request): N/A

**NEW OPERATOR BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: RLB0015753
- Indian well(s) covered by Bond Number: RLB0015753
- State/fee well(s) covered by Bond Number(s): RLB0015799

**DATA ENTRY:**

- Well(s) update in the **OGIS** on: 11/3/2014
- Entity Number(s) updated in **OGIS** on: 11/3/2014
- Unit(s) operator number update in **OGIS** on: 11/3/2014
- Surface Facilities update in **OGIS** on: N/A
- State/Fee well(s) attached to bond(s) in **RBDMS** on: 11/3/2014
- Surface Facilities update in **RBDMS** on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

- The **NEW** operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 11/3/2014

**COMMENTS:**

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Southwestern Energy Ventures Company, LLC to SWEVCO-SABW, LLC  
 Effective November 1, 2014

Well Name	Sec	TWN	RNG	API Number	Entity	Mineral	Surface	Type	Status	Unit
ARCO 27-1	27	160S	250E	4301930570	11595	Federal	Federal	GW	P	
BLACK HORSE CANYON FED 31-1	31	150S	240E	4304730765	8345	Federal	Federal	GW	P	
FEDERAL 174 1	11	160S	250E	4301915884	8340	Federal	Federal	GW	P	
FEDERAL GILBERT 1	11	160S	250E	4301911089	8341	Federal	Federal	GW	P	
ARCO STATE 36-7	36	155S	240E	4301931162	9710	State	State	GW	P	
ARCO-STATE 2-1	2	160S	240E	4301930240	520	State	State	GW	P	
ARCO-STATE 2-2	2	160S	240E	4301930241	520	State	State	GW	P	
BITTER CREEK 1	2	160S	250E	4301930047	515	State	State	GW	P	
BAR X UNIT 11	18	170S	260E	4301930592	19413	Federal	Federal	GW	S	
BAR X UNIT 25	12	170S	250E	4301931371	19414	Federal	Federal	GW	S	
BAR X UNIT 4	18	170S	260E	4301915023	19412	Federal	Federal	GW	S	
ARCO STATE 36-8	36	155S	240E	4301931192	9710	State	State	GW	S	
FEDERAL 47	31	160S	260E	4301931318	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 12	23	160S	250E	4301915893	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 13	22	160S	250E	4301915894	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 16	26	160S	250E	4301915896	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 17	24	160S	250E	4301915897	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 18	30	160S	260E	4301915898	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 19	14	160S	250E	4301915899	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 20	26	160S	250E	4301915900	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 21	25	160S	250E	4301915901	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 22	15	160S	250E	4301915902	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 24	19	160S	260E	4301915903	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 25	21	160S	250E	4301915904	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 26	20	160S	260E	4301915905	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 27	29	160S	260E	4301915906	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 28	29	160S	260E	4301915907	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 3	23	160S	250E	4301915886	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 30	21	160S	260E	4301915909	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 33	25	160S	250E	4301930608	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 4	30	160S	260E	4301915887	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 44	30	160S	260E	4301931301	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 45	20	160S	260E	4301931299	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 49	29	160S	260E	4301931316	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 9	27	160S	250E	4301915891	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO U 35	24	160S	250E	4301911090	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO U 36-A	19	160S	260E	4301931251	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO U 37	20	160S	260E	4301931252	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO U 42	30	160S	260E	4301931290	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO U 43	29	160S	260E	4301931291	500	Federal	Federal	GW	P	SAN ARROYO
SAN ARROYO 8	16	160S	250E	4301915890	500	Federal	State	GW	P	SAN ARROYO
SAN ARROYO U 38	16	160S	250E	4301931253	500	State	State	GW	P	SAN ARROYO
SAN ARROYO U 41	36	160S	250E	4301931289	500	State	Fee	GW	P	SAN ARROYO
SAN ARROYO 1	26	160S	250E	4301916532	505	Federal	Federal	GW	S	SAN ARROYO
SAN ARROYO 11	15	160S	250E	4301915892	500	Federal	Federal	GW	S	SAN ARROYO
SAN ARROYO 1625-220	22	160S	250E	4301931580	505	Federal	Federal	GW	S	SAN ARROYO
SAN ARROYO 2	22	160S	250E	4301915885	505	Federal	Federal	GW	S	SAN ARROYO
SAN ARROYO 29	22	160S	250E	4301915908	500	Federal	Federal	GW	S	SAN ARROYO
SAN ARROYO 31	22	160S	250E	4301930527	500	Federal	Federal	GW	S	SAN ARROYO
SAN ARROYO 32	14	160S	250E	4301930528	500	Federal	Federal	GW	S	SAN ARROYO
SAN ARROYO 5	25	160S	250E	4301915888	505	Federal	Federal	GW	S	SAN ARROYO
SAN ARROYO 6	21	160S	250E	4301915889	505	Federal	Federal	GW	S	SAN ARROYO

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>See Attached</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>See Attached</b>
2. NAME OF OPERATOR: <b>SOUTHWESTERN ENERGY VENTURES COMPANY, LLC Operator #N4035</b>		8. WELL NAME and NUMBER: <b>See Attached</b>
3. ADDRESS OF OPERATOR: 2154 W. Eisenhower Blvd. CITY Loveland STATE CO ZIP 80537		9. API NUMBER: <b>Attached</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>See Attached</b>		10. FIELD AND POOL, OR WILDCAT:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		COUNTY: <b>See Attached</b>
		STATE: <b>UTAH</b>

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

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

Please see attached list of wells, transferring operations to new operator SWEVCO-SABW, LLC #N4155

NAME (PLEASE PRINT) <u>Ezra Lee</u>	TITLE <u>President, Southwestern Energy Ventures Comp.</u>
SIGNATURE	DATE <u>10-16-14</u>

(This space for State use only)

**APPROVED**

NOV 03 2014

DIV. OIL GAS & MINING (See Instructions on Reverse Side)

BY: Rachel Medina

(5/2000)

**RECEIVED**  
OCT 21 2014  
DIV. OF OIL, GAS & MINING





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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**See Attached**

**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:  
**See Attached**

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

8. WELL NAME and NUMBER:  
**See Attached**

2. NAME OF OPERATOR:  
**SWEVCO-SABW, LLC** Operator #N4155

9. API NUMBER:  
**Attached**

3. ADDRESS OF OPERATOR:  
2154 W. Eisenhower Blvd. CITY Loveland STATE CO ZIP 80537

PHONE NUMBER:  
**(970) 669-7411**

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **See Attached** COUNTY: **See Attached**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: **UTAH**

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

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

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

Please see attached list of wells, taking over as operator from Southwestern Energy Ventures Company, LLC #N4035  
 Effective date: November 1, 2014  
 BLM Bond: RLB 0015753  
 State Bond: RLB0015799

NAME (PLEASE PRINT) Kellie Diffendaffer TITLE Accounting Manager  
 SIGNATURE *Kellie Diffendaffer* DATE 10/14/14

(This space for State use only)

**RECEIVED**  
**OCT 21 2014**

**APPROVED**

**NOV 03 2014**



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9  5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-31928
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  7. UNIT or CA AGREEMENT NAME: TIN CUP MESA
1. TYPE OF WELL Water Injection Well	8. WELL NAME and NUMBER: TIN CUP MESA 1-25
2. NAME OF OPERATOR: MAR/REG OIL COMPANY	9. API NUMBER: 43037306900000
3. ADDRESS OF OPERATOR: PO Box 18148 , Reno, NV, 89511	PHONE NUMBER: 755 852-7444 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1950 FNL 0790 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 25 Township: 38.0S Range: 25.0E Meridian: S	9. FIELD and POOL or WILDCAT: TIN CUP MESA  COUNTY: SAN JUAN  STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/30/2014	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Request for Extension"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 Request an extension to conduct remedial work. Request extension to April 30, 2015. Operator will monitor casing pressure weekly and file pressure report monthly.

Approved by the  
Utah Division of  
Oil, Gas and Mining

**COPY SENT TO OPERATOR**

Date: 11.3.2014  
Initials: KS

Date: 10/31/14  
By: [Signature]

NAME (PLEASE PRINT) Tariq Ahmad	PHONE NUMBER 775 852-7444	TITLE Petroleum Engineer
SIGNATURE N/A	DATE 10/29/2014	

Effective Date: 3/1/2017

FORMER OPERATOR:	NEW OPERATOR:
SWEVCO-SABW, LLC 1415 Louisiana Ste 3500 Houston, TX 77002	Utah Gas Op Ltd 1125 Escalante Dr Rangely, CO 81648
Groups: All Units, wells, Surface facilities, and groups	
San Arroyo - Unit	

**WELL INFORMATION:**

Well Name	API Number	Town	Dir	Range	Dir	Sec	Entity Number	Type	Status
See attached list									

**OPERATOR CHANGES DOCUMENTATION:**

1. Sundry or legal documentation was received from the **FORMER** operator on: Name Change
2. Sundry or legal documentation was received from the **NEW** operator on: Name Change
3. New operator Division of Corporations Business Number: 10636157-0161

**REVIEW:**

- Receipt of Acceptance of Drilling Procedures for APD on: [Redacted]
- Reports current for Production/Disposition & Sundries: [Redacted]
- OPS/SI/TA well(s) reviewed for full cost bonding: Approved by Dustin Fed Wells
- UIC5 on all disposal/injection/storage well(s) Approved on: Approved by Mark NA
- Surface Facility(s) included in operator change: NA

**NEW OPERATOR BOND VERIFICATION:**

State/fee well(s) covered by Bond Number(s): RB0015799-A

**DATA ENTRY:**

Well(s) update in the RBDMS on: 2/21/2018  
 Group(s) update in RDBMS on: 2/21/2018  
 Surface Facilities update in RBDMS on: NA  
 Entities Updated in RBDMS on: 2/21/2018

**COMMENTS:** Name Change. SWEVCO-SABW, LLC to Utah Gas Op Ltd. Took a long time to do because of bonding name change issues.



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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Multiple federal leases</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>Multiple, see attached Exhibit A</b>
2. NAME OF OPERATOR: <b>Utah Gas Op Ltd</b>		8. WELL NAME and NUMBER: <b>Multiple, see attached Exhibit A</b>
3. ADDRESS OF OPERATOR: 1125 Escalante Dr. CITY Rangely STATE CO ZIP 81648		9. API NUMBER: <b>Multiple</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>Multiple, please see attached Exhibit A</b> COUNTY: <b>Grand and Uintah</b>		10. FIELD AND POOL, OR WILDCAT: <b>Undesignated</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

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

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

Please be advised that as of March 1, 2017, Utah Gas Op Ltd, LLC is the operator of the Wells identified on Exhibit A, attached hereto. Utah Gas Op Ltd is responsible for operations conducted under the terms and conditions of the federal oil and gas leases upon which said Wells are located, and bond coverage is provided pursuant to State of Utah Bureau of Land Management Bond No. UTB000807

NAME (PLEASE PRINT) <u>Aaron Martinsen</u>	TITLE <u>CEO</u>
SIGNATURE	DATE <u>1/9/18</u>

(This space for State use only)

**APPROVED**

**FEB 14 2018**

DIV. OIL, GAS & MINING  
BY: BW

67 wells

**Exhibit A  
Utah Gas Op Ltd, LLC Sundry Notice for Change of Operator  
Effective April 13, 2017**

Well Name	API Number	Township	Range	Section	County	Field	Well Type	Well Status
San Arroyo 63 <i>Feb 15 17</i>	4301950083 ✓	16 South	25 East	21	Grand	San Arroyo	Gas	Approved Permit
San Arroyo 60 <i>Feb 15 17</i>	4301950081 ✓	16 South	25 East	22	Grand	San Arroyo	Gas	Approved Permit
San Arroyo 62 <i>Feb 15 17</i>	4301950084 ✓	16 South	25 East	22	Grand	San Arroyo	Gas	Approved Permit
San Arroyo 67 <i>Feb 15 17</i>	4301950082 ✓	16 South	25 East	24	Grand	Undesignated	Gas	Approved Permit
ARCO 27-1	4301930570 ✓	16 South	25 East	27	Grand	San Arroyo	Gas	Producing
BAR X UNIT 11	4301930592	17 South	26 East	18	Grand	Bar X	Gas	Producing
SAN ARROYO 19	4301915899	16 South	25 East	14	Grand	San Arroyo	Gas	Producing
SAN ARROYO 8	4301915890	16 South	25 East	16	Grand	San Arroyo	Gas	Producing
SAN ARROYO U 38 <i>2017</i>	4301931253	16 South	25 East	16	Grand	San Arroyo	Gas	Producing
SAN ARROYO 25	4301915904	16 South	25 East	21	Grand	San Arroyo	Gas	Producing
SAN ARROYO 13	4301915894	16 South	25 East	22	Grand	San Arroyo	Gas	Producing
SAN ARROYO 3	4301915886	16 South	25 East	23	Grand	San Arroyo	Gas	Producing
SAN ARROYO 12	4301915893	16 South	25 East	23	Grand	San Arroyo	Gas	Producing
SAN ARROYO U 35	4301911090	16 South	25 East	24	Grand	San Arroyo	Gas	Producing
SAN ARROYO 17	4301915897	16 South	25 East	24	Grand	San Arroyo	Gas	Producing
SAN ARROYO 21	4301915901	16 South	25 East	25	Grand	San Arroyo	Gas	Producing



**Exhibit A**  
**Utah Gas Op Ltd, LLC Sundry Notice for Change of Operator**  
**Effective April 13, 2017**

SAN ARROYO 33	4301930608	16 South	25 East	25	Grand	San Arroyo	Gas	Producing
SAN ARROYO 16	4301915896	16 South	25 East	26	Grand	San Arroyo	Gas	Producing
SAN ARROYO 20	4301915900	16 South	25 East	26	Grand	San Arroyo	Gas	Producing
SAN ARROYO 9	4301915891	16 South	25 East	27	Grand	San Arroyo	Gas	Producing
SAN ARROYO U 41	4301931289	16 South	25 East	36	Grand	San Arroyo	Gas	Producing
SAN ARROYO 24	4301915903	16 South	26 East	19	Grand	San Arroyo	Gas	Producing
SAN ARROYO U 36-A	4301931251	16 South	26 East	19	Grand	San Arroyo	Gas	Producing
SAN ARROYO 26	4301915905	16 South	26 East	20	Grand	San Arroyo	Gas	Producing
SAN ARROYO U 37	4301931252	16 South	26 East	20	Grand	San Arroyo	Gas	Producing
SAN ARROYO 45	4301931299	16 South	26 East	20	Grand	San Arroyo	Gas	Producing
SAN ARROYO 30	4301915909	16 South	26 East	21	Grand	San Arroyo	Gas	Producing
SAN ARROYO 27	4301915906	16 South	26 East	29	Grand	San Arroyo	Gas	Producing
SAN ARROYO 28	4301915907	16 South	26 East	29	Grand	San Arroyo	Gas	Producing
SAN ARROYO 49	4301931316	16 South	26 East	29	Grand	San Arroyo	Gas	Producing
SAN ARROYO 4	4301915887	16 South	26 East	30	Grand	San Arroyo	Gas	Producing
SAN ARROYO U 42	4301931290	16 South	26 East	30	Grand	San Arroyo	Gas	Producing
SAN ARROYO 44	4301931301	16 South	26 East	30	Grand	San Arroyo	Gas	Producing



**Exhibit A**  
**Utah Gas Op Ltd, LLC Sundry Notice for Change of Operator**  
**Effective April 13, 2017**

FEDERAL 47	4301931318	16 South	26 East	31	Grand	San Arroyo	Gas	Producing
BITTER CREEK 1	4301930047	16 South	25 East	2	Grand	San Arroyo	Gas	Producing
ARCO-STATE 2-1	4301930240	16 South	24 East	2	Grand	East Canyon	Gas	Producing
ARCO-STATE 2-2	4301930241	16 South	24 East	2	Grand	East Canyon	Gas	Producing
FEDERAL 174 1	4301915884	16 South	25 East	11	Grand	San Arroyo	Gas	Producing
FEDERAL GILBERT 1	4301911089	16 South	25 East	11	Grand	San Arroyo	Gas	Producing
BLACK HORSE CANYON FED 31-1	4304730765	15 South	24 East	31	Uintah	Black Horse Canyon	Gas	Producing
ARCO STATE 36-7	4301931162	15 ½ South	24 East	36	Grand	East Canyon	Gas	Producing
ARCO STATE 36-8	4301931192	15 ½ South	24 East	36	Grand	East Canyon	Gas	Producing
HELLS HOLE 9110	4304731803	11 South	25 East	12	Uintah	Hell's Hole	Gas	Shut-in
BAR X UNIT 4	4301915023	17 South	26 East	18	Grand	Bar X	Gas	Shut-in
BAR X UNIT 25	4301931371	17 South	25 East	12	Grand	Bar X	Gas	Shut-in
SAN ARROYO 32	4301930528	16 South	25 East	14	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 11	4301915892	16 South	25 East	15	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 22	4301915902	16 South	25 East	15	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 29	4301915908	16 South	25 East	22	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 31	4301930527	16 South	25 East	22	Grand	San Arroyo	Gas	Shut-in

**Exhibit A**  
**Utah Gas Op Ltd, LLC Sundry Notice for Change of Operator**  
**Effective April 13, 2017**

SAN ARROYO U 43	4301931291	16 South	26 East	29	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 18	4301915898	16 South	26 East	30	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 6	4301915889	16 South	25 East	21	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 2	4301915885	16 South	25 East	22	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 1625-220	4301931580	16 South	25 East	22	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 5	4301915888	16 South	25 East	25	Grand	San Arroyo	Gas	Shut-in
SAN ARROYO 1	4301916532	16 South	25 East	26	Grand	San Arroyo	Gas	Shut-in



Utah Gas Op Ltd.  
1125 Escalante Drive  
Rangely, CO 81648  
Phone 970.675.4400

January 16, 2018

Utah Division of Oil, Gas and Mining  
Attn: Ms. Rachel Medina  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84116

VIA EMAIL: [rachelmedina@utah.gov](mailto:rachelmedina@utah.gov)

***RE: Corporate Registration, Request for Operator Number, Sundry Notice and Requests for Transfer of APDs***

Dear Ms. Medina:

Pursuant to the acquisition of SWEVCO-SABW and corporate name change, Utah Gas Op Ltd requests an operator number from the Utah Division of Oil, Gas and Mining. To facilitate the change, the following documents are attached to this letter:

- Sundry Notice dated January 9, 2018 for Change of Operator
- Request to Transfer Application or Permit to Drill for San Arroyo 60 Well, API No. 4301950081 ✓
- Request to Transfer Application or Permit to Drill for San Arroyo 62 Well, API No. 4301950084 ✓
- Request to Transfer Application or Permit to Drill for San Arroyo 63 Well, API No. 4301950083 ✓
- Request to Transfer Application or Permit to Drill for San Arroyo 67 Well, API No. 4301950082 ✓
- Registration to File Electronic Applications and Reports dated ✓

As the accompanying documents disclose, UGC is licensed to do business in Utah, and is in good standing under Business Registration Number 10636157-0161. Also, as the enclosed Registration to File Electronic Applications and Reports discloses, regulatory and production information may be provided on behalf of the company by the following:

Robert Bleil, Title Regulatory Specialist  
email: [rbleil@utahgascorp.com](mailto:rbleil@utahgascorp.com)  
Tel: (720) 425-0303

Steve Hale, Environmental Specialist  
email: [shale@utahgascorp.com](mailto:shale@utahgascorp.com)  
Tel: (970) 290-2912

Russ Knight, President  
email: [rknight@utahgascorp.com](mailto:rknight@utahgascorp.com)  
Tel: (970) 675-4400

The mailing address for each of the foregoing is:

1125 Escalante Dr.  
Rangely, CO 81648

I have signed this letter as CEO, and I can be reached by email at [amm@utahgascorp.com](mailto:amm@utahgascorp.com). If you have any questions or comments, please feel free to call me directly at (402) 206-7756.

Regards,



Aaron Martinsen  
CEO

Enclosures



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

**Request to Transfer Application or Permit to Drill**


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

<b>Well name:</b>	San Arroyo 60
<b>API number:</b>	4301950081
<b>Location:</b>	Qtr-Qtr SWSE Section: 22 Township: 16S Range: 25E
<b>Company that filed original application:</b>	SWEVCO-SABW, LLC
<b>Date original permit was issued:</b>	07/31/2017
<b>Company that permit was issued to:</b>	SWEVCO-SABW, LLC

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

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>UT BLM Bond No. UTB000807</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

Name (please print) Aaron Martinsen Title CEO  
Signature  Date 01/09/2018  
Representing (company name) Utah Gas Op Ltd

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

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

**Request to Transfer Application or Permit to Drill**

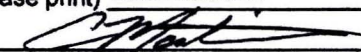
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

<b>Well name:</b>	San Arroyo 67
<b>API number:</b>	4301950082
<b>Location:</b>	Qtr-Qtr: SESW Section: 24 Township: 16S Range: 25E
<b>Company that filed original application:</b>	SWEVCO-SABW, LLC
<b>Date original permit was issued:</b>	08/02/2017
<b>Company that permit was issued to:</b>	SWEVCO-SABW, LLC

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

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
If so, has the surface agreement been updated?		✓
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>Utah BLM Bond No. UTB000807</u>	✓	

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

Name (please print) Aaron Martinsen Title CEO  
Signature  Date 01/09/2018  
Representing (company name) Utah Gas Op Ltd

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



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

**Request to Transfer Application or Permit to Drill**

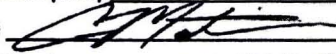
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

<b>Well name:</b>	San Arroyo 63
<b>API number:</b>	4301950083
<b>Location:</b>	City: SWNE Section: 21 Township: 16S Range: 25E
<b>Company that filed original application:</b>	SWEVCO-SABW, LLC
<b>Date original permit was issued:</b>	08/02/2017
<b>Company that permit was issued to:</b>	SWEVCO-SABW, LLC

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

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>Utah BLM Bond No. UTB000807</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

Name (please print) Aaron Martinsen Title CEO  
 Signature  Date 01/09/2018  
 Representing (company name) Utah Gas Op Ltd

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

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

**Request to Transfer Application or Permit to Drill**

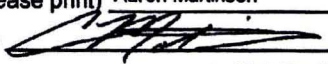
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

<b>Well name:</b>	San Arroyo 62
<b>API number:</b>	4301950084
<b>Location:</b>	Oil-Or SWSE Section 22 Township 16S Range 25E
<b>Company that filed original application:</b>	SWEVCO-SABW, LLC
<b>Date original permit was issued:</b>	08/02/2017
<b>Company that permit was issued to:</b>	SWEVCO-SABW, LLC

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

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
<input type="checkbox"/> If so, has the surface agreement been updated?		✓
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>Utah BLM Bond No. UTB000807</u>	✓	

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

Name (please print) Aaron Martinsen Title CEO  
 Signature  Date 01/09/2018  
 Representing (company name) Utah Gas Op Ltd

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