Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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070 FARMINGTON, NM

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.
SF-078213

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

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

8. Well Name and No.
Federal A #2E

2. Name of Operator
Universal Resources Corporation

9. API Well No.
30-045-23865

3. Address and Telephone No.
1331 17th Street, Suite 800, Denver, CO 80202 (303)672-6916

10. Field and Pool, or Exploratory Area
Fulcher Kutz

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
890' FNL - 1730' FWL, NE/4NW/4, Sec. 26, Township 30 North, Range 13 West

11. County or Parish, State
San Juan, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION	
☒ Notice of Intent	☐ Abandonment	☐ Change of Plans
☐ Subsequent Report	☒ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☐ Other _____	☐ Dispose Water

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

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

It is proposed to temporarily abandon the Dakota production in the subject well by setting a plug and recompleting to the Fruitland Coal formation. Subject to BLM approval, it is anticipated this work will begin in December, 1998. After the Fruiltand Coal has been adequately tested, it is proposed to pull the RBP, run a packer to isolate the zones, and dual produce the Dakota and Fruitland Coal formations.

A procedure and wellbore diagram is attached for reference.

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

Signed Holly C. Perkins Title Operations Engineer Date 12/1/98

(This space for Federal or State office use)

Approved by /S/ Duane W. Spencer Title _____ Date DEC 21 1998

Conditions of approval, if any:

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

* See Instructions on Reverse Side

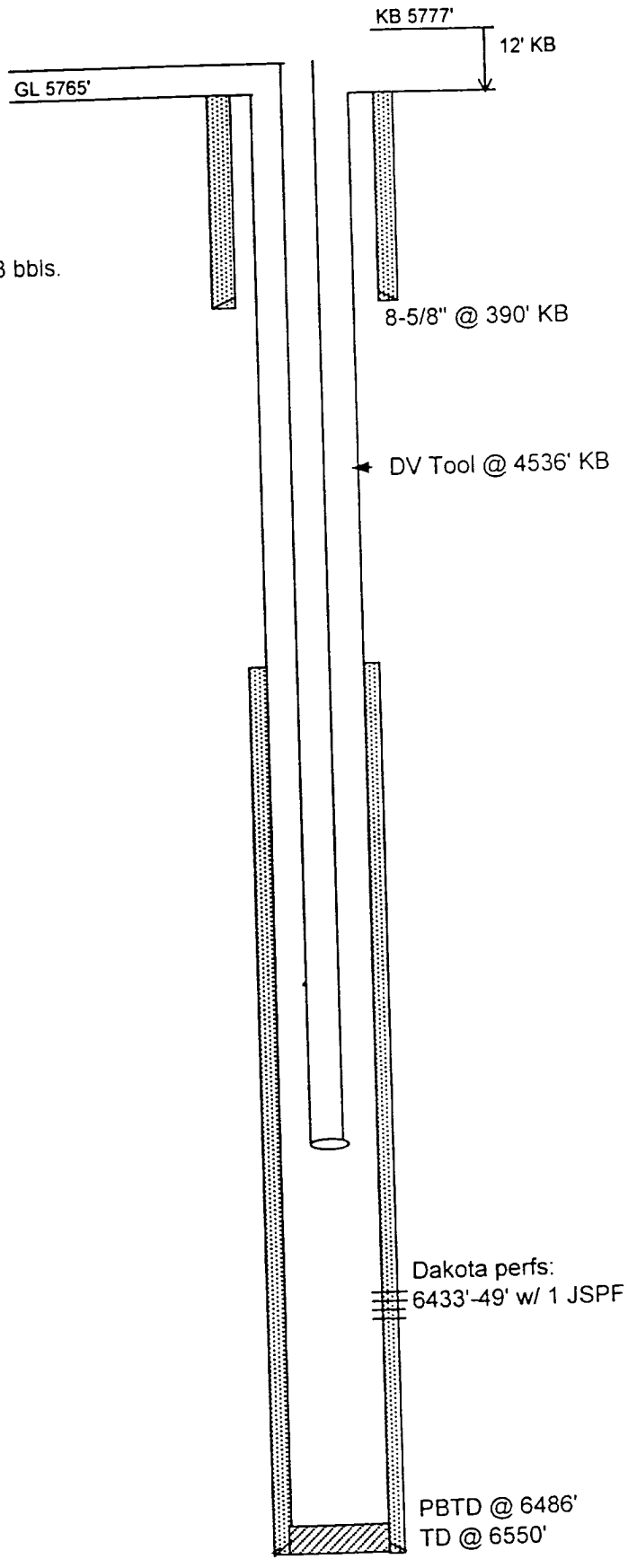
(2) Hold C-104 for Plat

Drawn 12/1/98

FEDERAL A #2E

NENW Sec. 26-T30N-R13W
San Juan County, New Mexico

Schematic - not drawn to scale



8-5/8" SURFACE CASING: Length:
8-5/8", 24#, K-55, ST&C SA 390' KB.
Cemented w/ 255 sx Class "B" + 2% CaCl. Circulated 3 bbls.
Cmt to surface

DV TOOL:
Cemented w/ 350 sx 65-35 + cello flake
followed by 320 sx 50/50 + 2% gel

4-1/2" PRODUCTION CASING:
4-1/2", 10.5#, K-55 ST&C SA 6550'
Cemented w/ 200 sx Class "B" + 160 sx 50/50 POZ

TUBING REPORT:
199 jts. 1/2", 2.9#, V-55 10R EUE LA 6414'

FRUITLAND COAL RECOMPLETION PROCEDURE

FEDERAL A NO. 2E
NE/4NW/4 SEC. 26, T30N-R13W
SAN JUAN COUNTY, NEW MEXICO

CURRENT STATUS

Total Depth: 6570' KB
Casing: 4 1/2" 10.5# K-55 ST&C set @ 6550' KB. DV TOOL @ 4536'.
PBTD: 6486'
Top Cement: +/-1800'
Tubing Depth: 1 1/2" Dakota string @ +/- 6414' KB.
Producing Formation: Dakota
Dakota Perforations: 6433' (top) - 6449' (bottom)

All personnel on location will be on Questar's Approved Vendor List and will comply with Questars' environmental and safety policies.

Procedure:

1. Install and/or test anchors to 25,000#. MIRUSU. Blow well down. If necessary, kill well with 2% KCL water. NDWH. NUBOP.
2. TOH with 1 1/2" Dakota tubing and lay down.
3. Set a RBP @ +/- 2000' in 4 1/2" csg. Dump 3 sx sand on top of plug.
4. Load hole with 2% KCL water and pressure test 4 1/2" casing and plug to 2000 psig.
5. Run a cement bond log to verify top-of-cement. If cement over Fruitland Coal has sufficient bond and has good isolation from other hydrocarbon and fresh water aquifers, proceed with step 6. If poor bond or isolation, squeeze cement to provide a minimum of 200' isolation above and below Fruitland Coal formation.
6. Perforate Fruitland Coal interval from 1750' to 1770' with 4 jspf, 90 degree phasing, large hole and premium charges.
7. Rig up Dowell and frac following an approved pumping schedule.
8. Flow back after frac. When well logs off and dies, TIH with 1 1/2" tubing and tag fill. If necessary, clean out sand to top of plug. Swab well to kick-off.
9. RDMOSU. Return well to production producing from the Fruitland Coal formation.
10. When well cleans up and rates stabilize, pull plug and RIH with packer and Dakota tubing. Set packer to isolate zones, and dually produce Dakota and Fruitland Coal formations.