

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

|   |  |
|---|--|
| 5. LEASE DESIGNATION AND SERIAL NO.<br><b>UTU 51584</b>   |  |
| 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br><b>N/A</b>        |  |
| 7. UNIT AGREEMENT NAME<br><b>Drunkards Wash UTU67921X</b> |  |
| 8. FARM OR LEASE NAME, WELL NO.<br><b>USA 17-180</b>      |  |
| 9. API WELL NO.   |  |
| 10. FIELD AND POOL, OR WILDCAT<br><b>Drunkards Wash</b>   | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br><b>SE/4, NW/4, Sec. 17, T14S, R9E, SLB&amp;M</b> |
| 12. COUNTY OR PARISH<br><b>Carbon</b>                     | 13. STATE<br><b>UTAH</b>   |

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK  
**DRILL**  **DEEPEN**

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

2. NAME OF OPERATOR  
**RIVER GAS CORPORATION**

3. ADDRESS AND TELEPHONE NO.  
**1305 So. 100 E. Price, Utah 84501 (801) 637-8876**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface **2566' FNL, 1360' FWL**  
At proposed prod. zone **147' 419'**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
**7.0 miles northwest of Price, Utah**

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) **75'**

16. NO. OF ACRES IN LEASE  
**280 acres**

17. NO. OF ACRES ASSIGNED TO THIS WELL  
**160 acres**

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. **1630'**

19. PROPOSED DEPTH  
**3650'**

20. ROTARY OR CABLE TOOLS  
**Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
**GR 6332'**

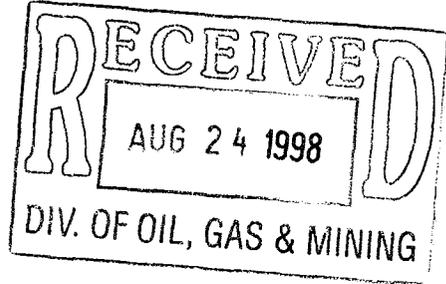
22. APPROX. DATE WORK WILL START\*  
**October 1998**

**CONFIDENTIAL**

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT  |
|--------------|-----------------------|-----------------|---------------|---|
| 14"          | 12-3/4"               | Conductor       | 25'           |   |
| 11"          | J-55 8-5/8"           | 24 #/ft         | 365'          | 149 sks G+2% CaCl + 1/4# per sack floccel                           |
| 7-7/8"       | N-80 5-1/2"           | 17 #/ft         | 3650'         | 343 sks 50/50 POZ +8%gel+2%CaCl+10%extender. 75 sks "G" thixotropic |

5048840  
4384041



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data 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 Don S. Hamilton TITLE Permit Specialist DATE 8/20/98

(This space for Federal or State office use)

PERMIT NO. 43-007-30472 APPROVAL DATE \_\_\_\_\_

Application approval does not hold legal or equitable title in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL: **Federal Approval of this Action is Necessary**

APPROVED BY Bradley G. Hill TITLE RECLAMATION SPECIALIST III DATE 9/9/98

**\*See Instructions On Reverse Side**

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

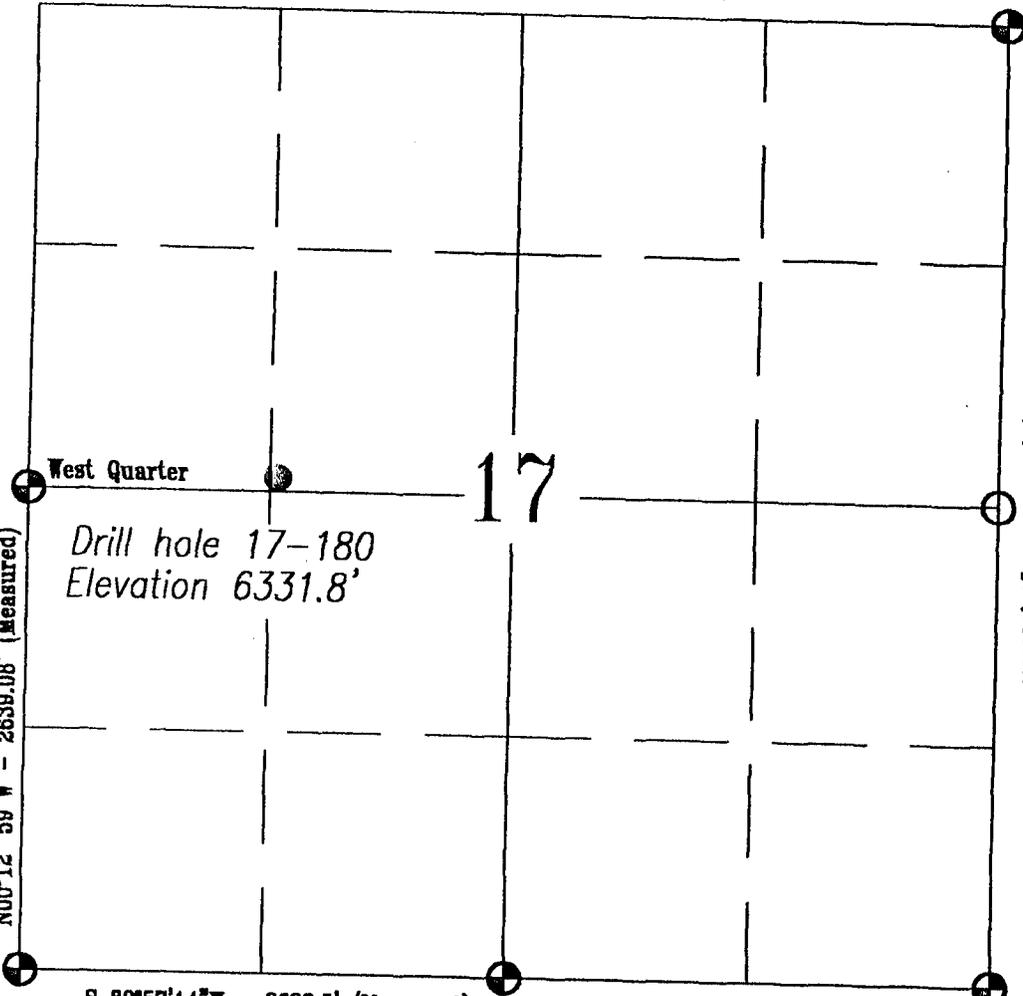
# Range 9 East

N89°55'W - 5281.32' (Recorded)

Township 14 South

N00°01' W - 5280.0' (Recorded)

N00°12' 59"W - 2639.08' (Measured)



Drill hole 17-180  
Elevation 6331.8'

S 89°57'14"W - 2638.5' (Measured)      S 89°46'20"W - 2643.9' (Measured)  
N89°54'W - 5278.7' (Recorded)

**LEGEND:**

- Drill Hole Location
- ⊕ Found Section Corner Monumented w/ Brass Cap Unless Indicated Otherwise.
- Brass Cap (Searched for, But Not Found)

SCALE:



250' 0' 500' 1000'

**Basis of Bearing:**

Basis of Bearing North recorded between the NE Corner and the SE Corner of Section 21, Township 14 South, Range 9 East, Salt Lake Base and Meridian.

**Basis Of Elevation:**

Basis of Elevation of 6317' as indicated in the SW Corner of Section 15, Township 14 South, Range 9 East, Salt Lake Base and Meridian, as shown on the Pinnacle Peak Quadrangle 7.5 Minute Series Map.

**Description of Location:**

Proposed Drill Hole located in the S 1/2 NW 1/4 of Section 17; 75.16' North and 1359.77' East from the West Quarter Corner of Section 17, T14S, R9E, Salt Lake Base & Meridian.

**Surveyor's Certificate:**

I, Daniel W. Peatross, a Registered Licensed Land Surveyor, holding Certificate #259966, State of Utah, do hereby certify that the information on this drawing is true and accurate to the best of my knowledge and belief, and was conducted by myself, as shown hereon.

N00°26'02"W - 5140.1' (Measured)  
N00°01'W - 5280.0' (Recorded)



|  |  |
|--|--|
| <p>DRIVEN BY:<br/><b>P. BOYLEN</b></p> <p>CHECKED BY:<br/><b>L.W.J.</b></p> <p>DATE:<br/><b>8/14/98</b></p> <p>SCALE:<br/><b>1"=1000'</b></p> <p>SHEET NO. NO. 423</p> <p>PROJECT NO.<br/><b>A-1</b></p> <p>SHEET 1 OF 4</p> | <p><b>Castle Valley</b></p> <p>148 North Cedar Hills Dr.<br/>Preston, Utah 84301<br/>(801) 637-3557<br/>FAX (801) 637-3553</p> <p><b>River Gas Corporation</b><br/>Well# 17-180<br/>Section 17, T14S, R9E, S.L.B.&amp;M.<br/>Carbon County, Utah</p> |
|--|--|

United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:  
3160

Memorandum

To: Assistant District Manager Minerals, Moab District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 1998 Plan of Development Drunkards Wash Unit  
Carbon County, Utah.

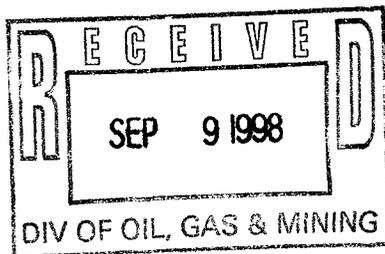
Pursuant to Email between Lisha Cordova, Division of Oil Gas and Mining, and Mickey Coulthard, Utah State Office, the following well is planned for calendar year 1998 for the Drunkards Wash Unit, Carbon County, Utah.

| API #        | WELL NAME  | LOCATION                     |
|--------------|------------|------------------------------|
| 43-007-30472 | USA 17-180 | 2566-FNL 1360-FWL 17 14S 09E |

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

/s/ Michael L. Coulthard

bcc: File - Drunkards Wash Unit  
Division of Oil Gas and Mining  
Agr. Sec. Chron  
Fluid Chron



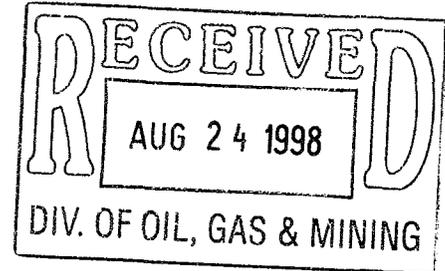


**COPY**  
**CONFIDENTIAL**

RIVER GAS CORPORATION

UTAH OPERATIONS  
1305 South 100 East  
Price, Utah 84501  
Bus. (435) 637-8876  
FAX (435) 637-8924

August 20, 1998



Mr. Eric Jones  
Petroleum Engineer  
Bureau of Land Management  
82 E. Dogwood  
Moab, Utah 84532

RE: Application for Permit to Drill-  
USA 17-180, SE/4,NW/4, Sect.17  
T14S, R9E, SLB & M, Carbon County, Utah

Dear Eric:

Enclosed is the original of the *Application for Permit to Drill (APD)* for the above named well. Included with the APD is the following information:

- Exhibit "A"- Survey plat of the proposed well site;
- Exhibit "B" - Proposed Location Map with Pipeline, Power, and Road Access;
- Exhibit "C" - Drilling Site Layout;
- Exhibit "D" - On-site Inspection Checklist;
- Exhibit "E" - Production Site Layout;
- Exhibit "F" - Typical Road Cross-section;
- Exhibit "G" - BOP Diagram;
- Exhibit "H" - Typical Wellhead Manifold;

Please accept this letter as River Gas Corporation's written request for confidential treatment of all information contained in and pertaining to this permit application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact me if you have any questions.

Sincerely,

*Don S. Hamilton*

Don S. Hamilton  
Permit Specialist

cc: Mr. Don Stephens, BLM, Price, Utah  
Mr. Chuck Snure, Texaco  
Mr. R.A. Lamarre, Texaco  
Mr. Gee Lake, Jr., Dominion Resources  
Mr. John Baza, DOGM  
Mrs. Tammie Butts, River Gas Corporation  
RGC Well File

UT-060-3160-1  
December, 1992

Bureau of Land Management  
Moab District  
Application for Permit to Drill  
On-Site Inspection Checklist

Company River Gas Corporation Well No. 17-180

Location: Sec. 17, T 14 S, R 9 E, Lease No. UTU-51584

On-Site Inspection Date: 8/7/98

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:  
Surface formation: Upper Mancos Shale  
Estimated top of Ferron Formation: 2,750'
2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered

| <u>Depth</u> | <u>Formation</u> |
|--------------|------------------|
|--------------|------------------|

Expected Oil Zones: none  
Expected Gas Zones: Ferron Coal Interval: 2,780'-2,920'  
Expected Water Zones: 2,780'-2,920'  
Expected Mineral Zones: none

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment- include schematics of the BOP and choke manifold, and describe testing procedures: Quick Test is contracted to test the manifold, blind rams, and B.O.P to 2000 psi. Surface casing is tested to 1 psi/ft. See attachment.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

4. Casing Program and Auxiliary Equipment - include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned): Approximately 3650' of 5 1/2", 17#/ft, N-80, LT&C production casing and approximately 10% of the above setting depth will be 8 5/8", 24#/ft J-55 surface casing.
5. Cement-include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques: See cement design.
6. Mud Program and Circulating Medium- include mud components and weights. When air drilling, also include: length and location of bleed line; description of the auto ignitor; description of the deduster equipment; and amounts, types and characteristics of stand-by mud: Hole will be drilled with air.
7. Coring, Logging and Testing Program: Bulk Density, Gamma, Neutron Density, Resistivity and Caliper logs will be ran.  
Initial opening of drill stem test tools will be restricted to daylight hours.
8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards- include anticipated bottomhole pressure and/or pressure gradient: No abnormal conditions are anticipated. Formation is slightly over-pressured. Estimated BHP: 1552 psi.
9. Any Other Aspects of this Proposal that should be Addressed:

B. THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

1. Existing Roads:
  - a. Proposed route to location (submit a map depicting access and well location).
  - b. Location of proposed well in relation to town or other reference point: 7.0 miles southwest of Price, Ut.
  - c. Contact the County Road Department for use of county roads. The use of San Juan County roads will require an encroachment permit from the San Juan Road Department.
  - d. Plans for improvement and/or maintenance of existing roads:
  - e. Other:
2. Planned Access Roads:
  - a. Location (centerline): Off of existing Christiansen 17-147: 700' FSL, 1600' FWL
  - b. Length of new access to be constructed: 2050'
  - c. Length of existing roads to be upgraded: none
  - d. Maximum total disturbed width: 60'
  - e. Maximum travel surface width: 25'

- f. Maximum grades: 8%
- g. Turnouts: N/A
- h. Surface materials: In-place residual of Mancos Shale.
- i. Drainage (crowning, ditching, culverts, etc): Roads will be crowned with bar ditches on both sides & 3 culverts placed along new road.
- j. Cattleguards: N/A
- k. Length of new and/or existing roads which lie outside the lease boundary for which a BLM right-of-way is required: N/A
- l. Other:

Surface disturbance and vehicular travel will be limited to the approved location access road. Any additional area needed must be approved by the Area Manager advance.

If a right-a-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior-on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

- 3. Location of Existing Wells-on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: See Attachment "B"
- 4. Location of Production Facilities:
  - a. On-site facilities: See Attachment "E"
  - b. Off-site facilities: none
  - c. Pipelines: N/A

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required

by comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows:tan

All site security guidelines identified in 43 CFR § 3163.7-5 and Onshore Oil and Gas Order No. 3 Colors will be as follows: tan

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162. 7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7-3 and Onshore Oil and Gas Order No. 4

Production facilities on location may include a lined or unlined produced water pit as specified in NTL-2B. If water is produced from the well, an NTL-2B application must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): PRWID

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): Private owner in East Price.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be lined with (native material, bentonite, synthetic material): Pit will be lined with native material unless designated otherwise by BLM officers prior to construction.

The reserve pit will be located: on the south end of the location, and the pit walls will be sloped at no greater than 2to 1.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

8. Ancillary Facilities: Garbage Containers and Portable Toilets.
9. Well Site Layout - depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1" = 50'.

All well, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.

Access to the well pad will be from: East

The blooie line will be located: on the South end of the location, at least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: Water Injection.

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: Adjacent land.

Topsoil along the access road will be reserved in place adjacent to the road.

Immediately upon completion of drilling, all equipment that is not necessary for production shall removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between Sept and Nov., or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used:

BLM-recommended mixture.

The abandonment marker will be one of the following, as specified by BLM:

- 1) at least four feet above ground level,
- 2) at restored ground level, or

3) below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements:

11. Surface and Mineral Ownership: BLM
12. Other Information:
  - a. Archeological Concerns: None that RGC is aware of.

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 time frame 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.

- b. Threatened and Endangered Species Concerns: No
- c. Wildlife Seasonal Restrictions (yes/no): See EIS
- d. Off Location Geophysical Testing: N/A
- e. Drainage crossings that require additional State or Federal approval: N/A
- f. Other: N/A

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

Representative:

Name: Don S. Hamilton

Title: Permit Specialist

Address: 1305 South 100 East  
Price, Utah 84501

Phone No: (435)637-8876

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by RGC and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond no. S304604. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Don S. Hamilton  
Signature

Permit Specialist \_\_\_\_\_  
Title

August 19, 1998 \_\_\_\_\_  
Date

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 24 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notices and Reports on Wells: (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

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

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

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analysis, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings and/or samples) will be submitted when requested by the Assistant District Manager.

Venting/Flaring of Gas-NTL-4A allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 MMcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the Assistant District Manager for approval pursuant to NTL-2B.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Assistant District Manager for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Divisions 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. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

TABLE 1  
NOTIFICATIONS

Notify Don Stephens of the Price Resource Area, at (435)636-3608 for the following:

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

1 day prior to spudding;

50 feet prior to reaching surface and intermediate casing depths;

3 hours prior to testing BOPE;

12 hours prior to reaching kickoff point depth (if applicable).

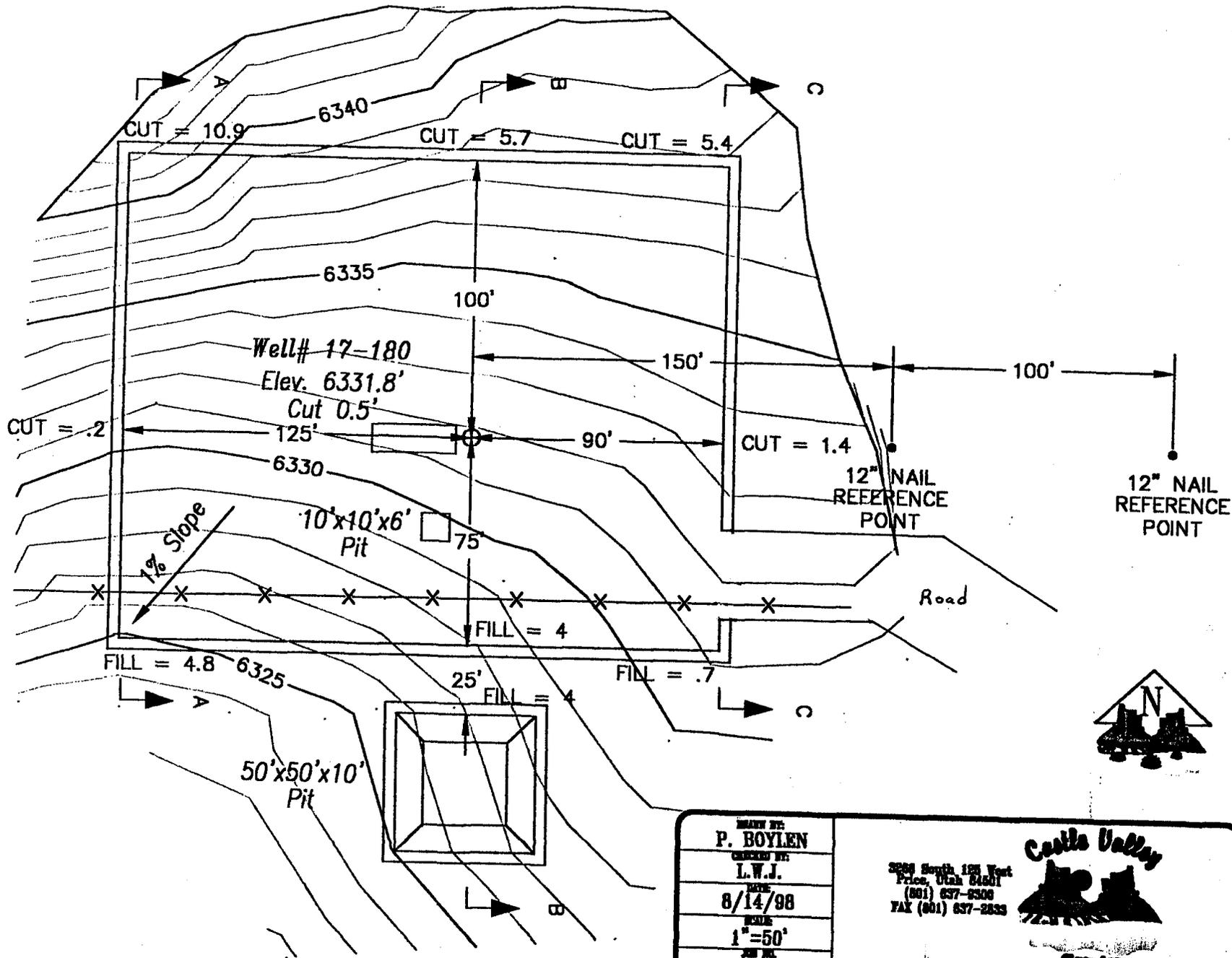
If the person at the above number cannot be reached, notify the Moab District Office at (435) 259-6111. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (435) 259-6111. If approval is needed after work hours, you may contact the following:

|                                |                        |
|--------------------------------|------------------------|
| Eric Jones, Petroleum Engineer | Office: (435) 259-6111 |
|                                | Home: (435) 259-2214   |

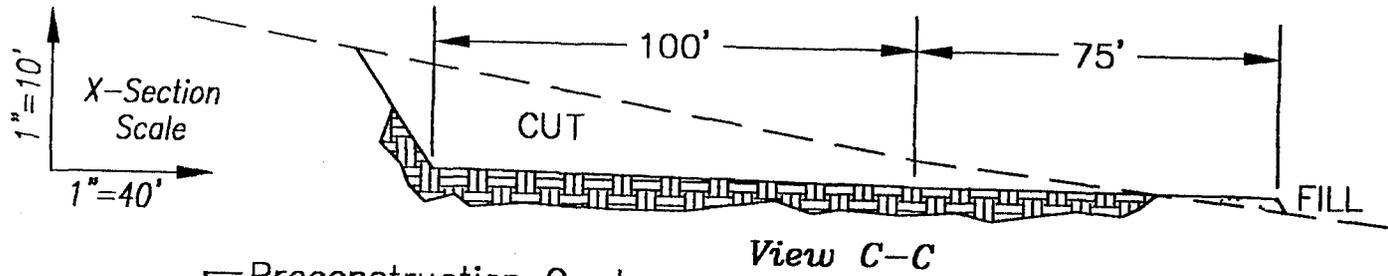
If unable to reach the above individuals, please call:

|                                 |                        |
|---------------------------------|------------------------|
| Lynn Jackson,                   | Office: (435) 259-6111 |
| Chief, Branch of Fluid Minerals | Home: (435) 259-7990   |

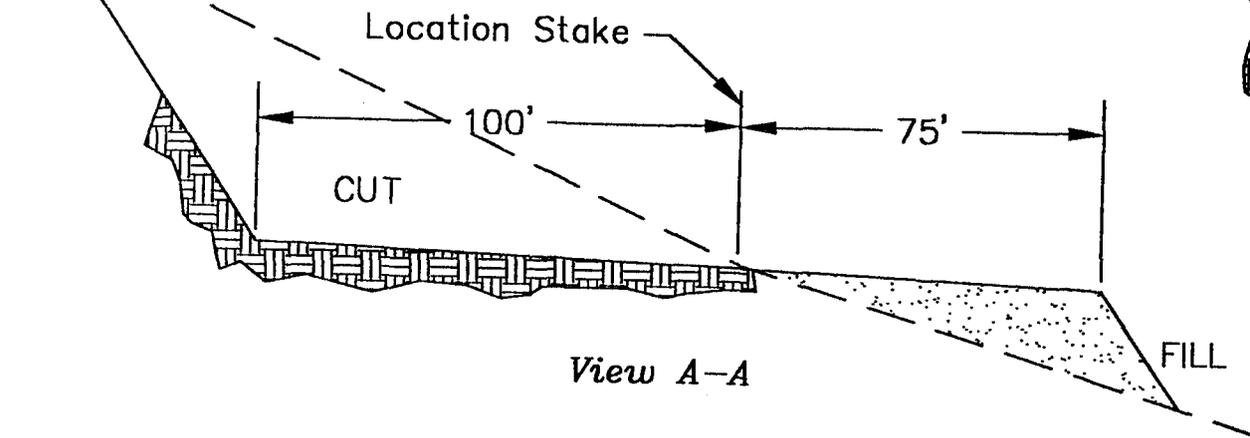
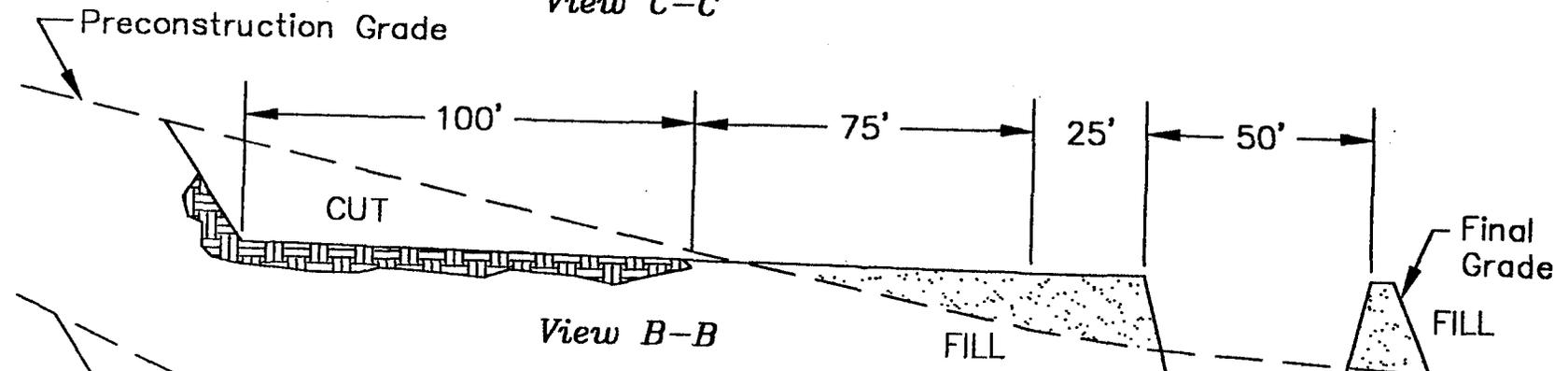


Elevation Ungraded Ground At Location Stake = 6331.8'  
 Elevation Graded Ground At Location Stake = 6331.3'

|                               |  |
|-------------------------------|--|
| DRAWN BY:<br><b>P. BOYLEN</b> |                 |
| CHECKED BY:<br><b>L.W.J.</b>  |  |
| DATE:<br><b>8/14/98</b>       |  |
| SCALE:<br><b>1"=50'</b>       |  |
| JOB NO.<br><b>423</b>         | 3228 South 125 West<br>Price, Utah 84501<br>(801) 637-9308<br>FAX (801) 637-2833                     |
| DRAWING NO.<br><b>A-2</b>     | <b>RIVER GAS CORPORATION</b><br>LOCATION LAYOUT<br>SECTION 17, T14S, R9E, S.L.B & M.<br>WELL #17-180 |
| SHEET 2 OF 4                  |  |



Slope = 1 1/2 : 1  
(Except Pit)  
Pit Slope = 1 : 1



APPROXIMATE YARDAGES

|                        |                           |
|------------------------|---------------------------|
| CUT                    |                           |
| (6") Topsoil Stripping | = 750 Cu. Yds.            |
| Remaining Location     | = 3,471.6 Cu. Yds.        |
| <b>TOTAL CUT</b>       | <b>= 4,221.6 Cu. Yds.</b> |
| <b>TOTAL FILL</b>      | <b>= 1,309.1 Cu. Yds.</b> |

|                               |
|-------------------------------|
| DRAWN BY:<br><b>P. BOYLEN</b> |
| CHECKED BY:<br><b>L.W.J.</b>  |
| DATE:<br><b>8/14/98</b>       |
| SCALE:<br><b>1"=40'</b>       |
| JOB NO.<br><b>429</b>         |
| DRAWING NO.<br><b>C-1</b>     |
| SHEET <b>3</b> OF <b>4</b>    |

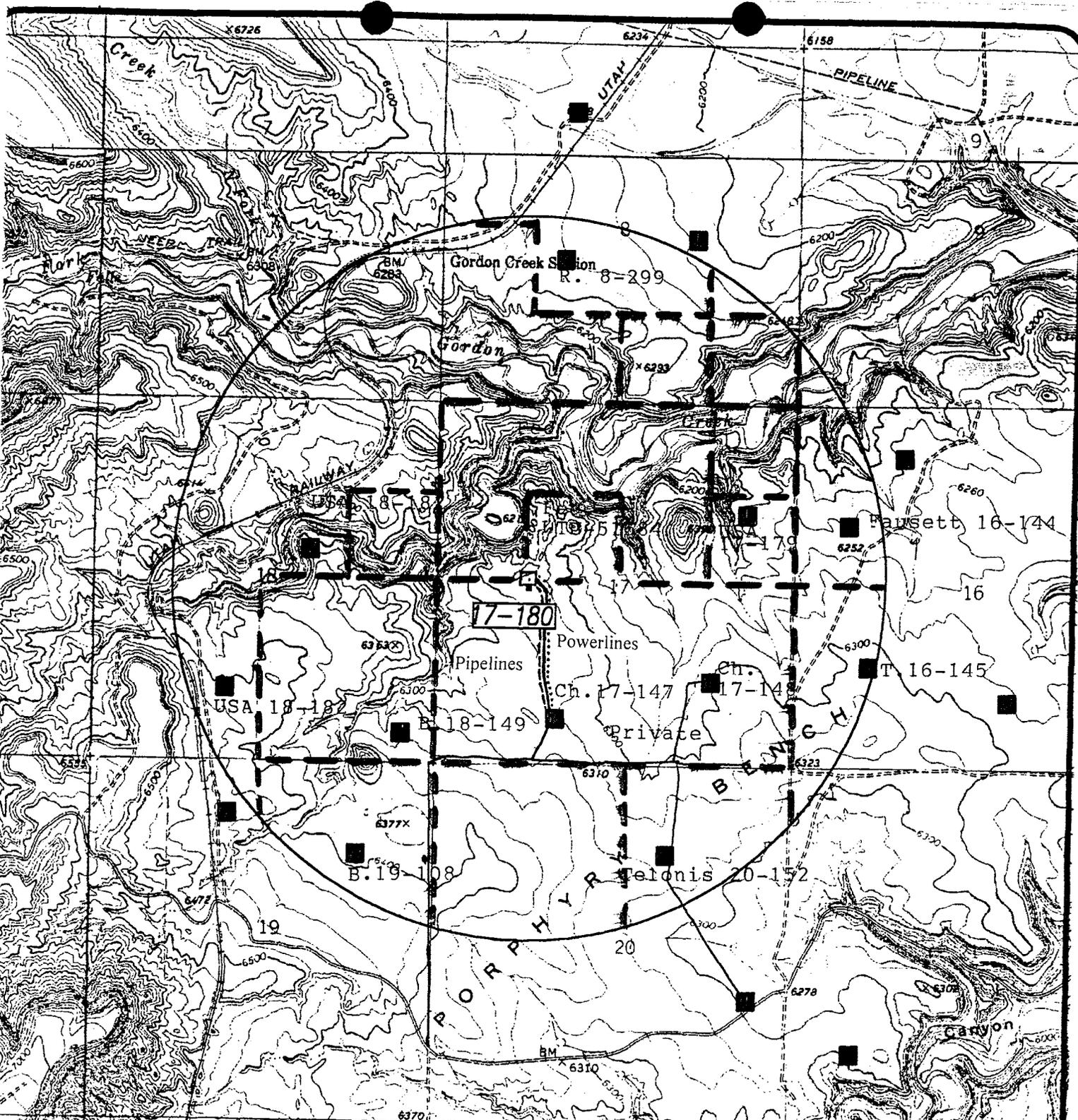
**Castle Valley**

3296 South 125 West  
Preston, Utah 84501  
(801) 637-8300  
FAX (801) 637-2533

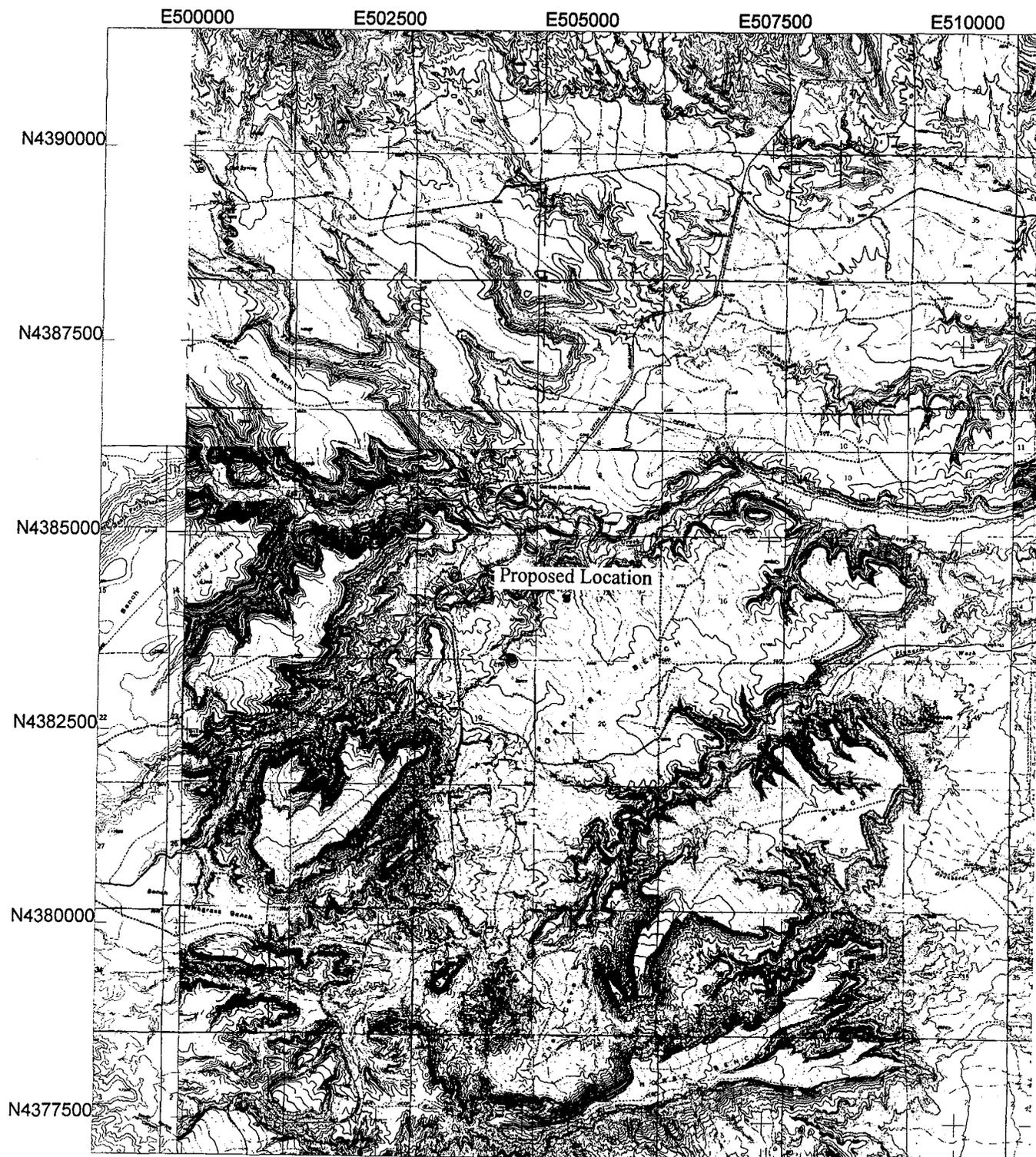


Services

**RIVER GAS CORPORATION**  
TYPICAL CROSS SECTIONS  
SECTION 17, T14S, R9E, S1.B & M.  
WELL #17-180



|  |  |
|--|--|
| DRAWN BY<br><b>P. BOYLEN</b><br>CHECKED BY<br><b>L.W.J.</b><br>DATE<br><b>8/14/98</b><br>SCALE<br><b>1"=2000'</b><br>SHEET NO.<br><b>423</b><br>DRAWING NO.<br><b>L-1</b><br>SHEETS <b>4</b> OF <b>4</b> |  <p>140 North Cedar Hills Dr.<br/>         Price, Utah 84501<br/>         (801) 637-3357<br/>         FAX (801) 637-3583</p> <p><b>River Gas Corporation</b><br/>         Section 17, T14S, R9E, S.L.B.&amp;M.<br/>         Carbon County, Utah<br/>         Well# 17-180</p> |
|--|--|

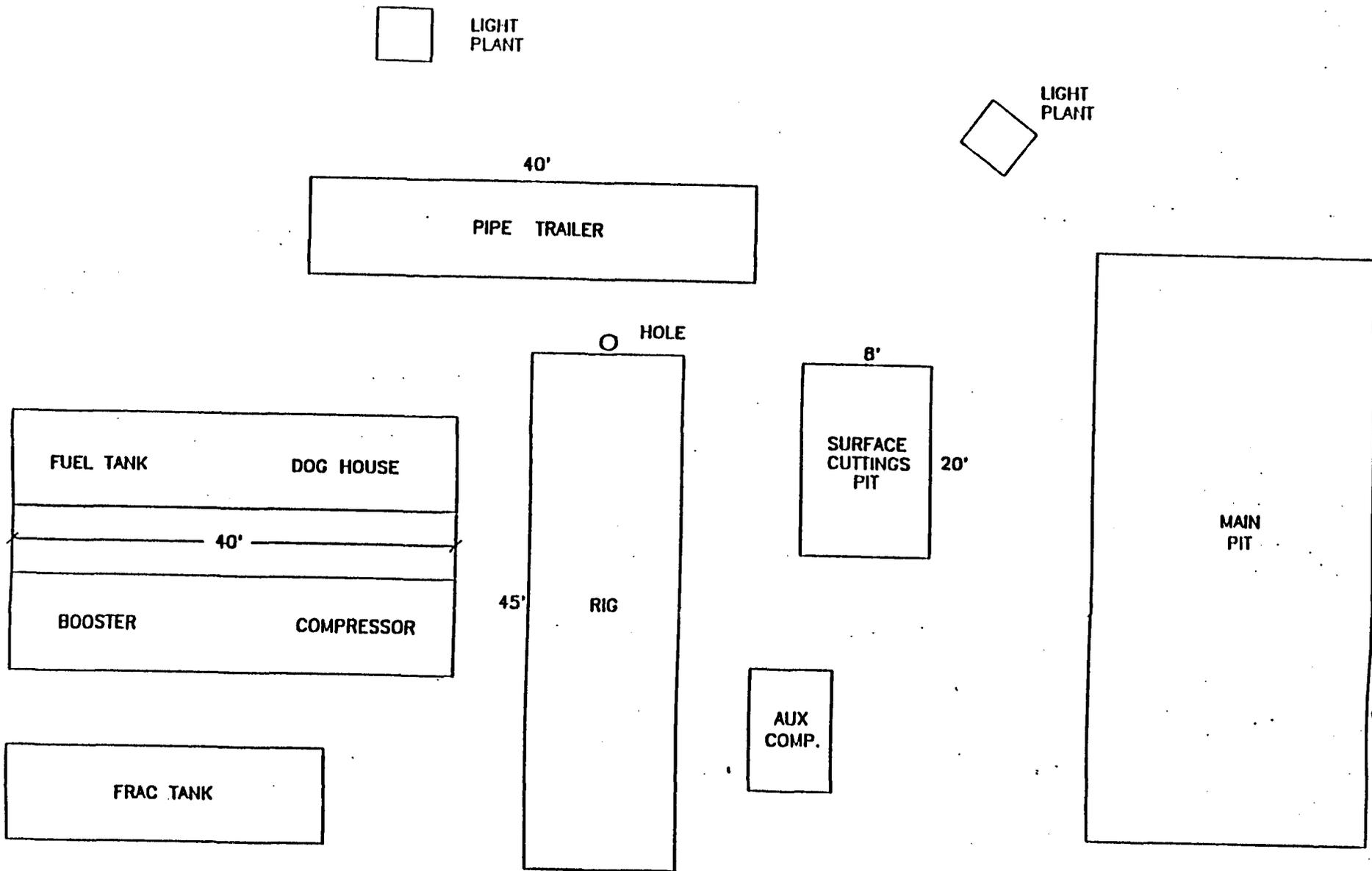


# USA 17-180

Universal Transverse Mercator  
North 12  
NAD83 (Conus)

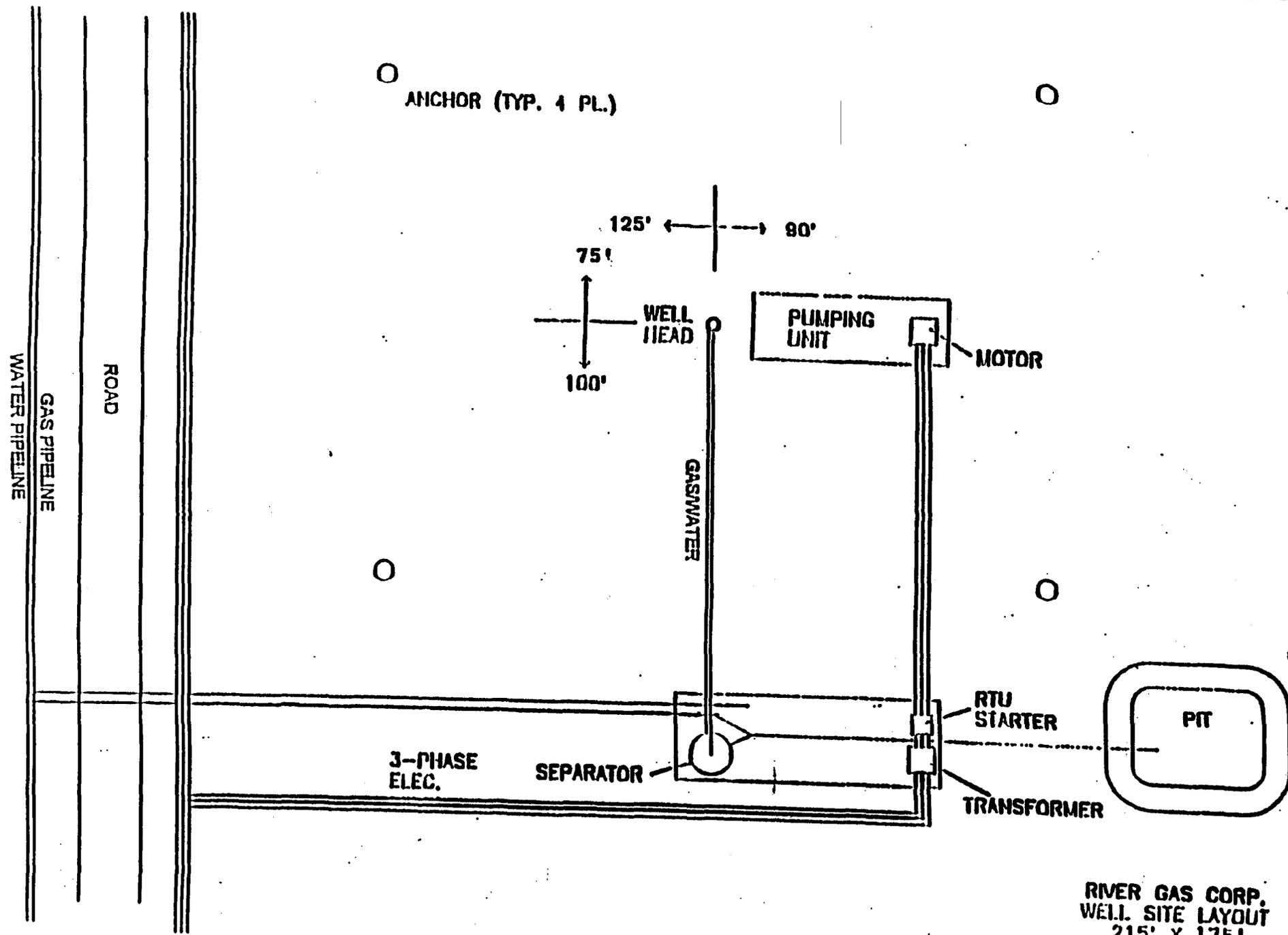


8/19/1998  
Pathfinder Office™  
 Trimble



APPROXIMATE LAYOUT OF RIG & EQUIPMENT  
 ( NOT TO SCALE )

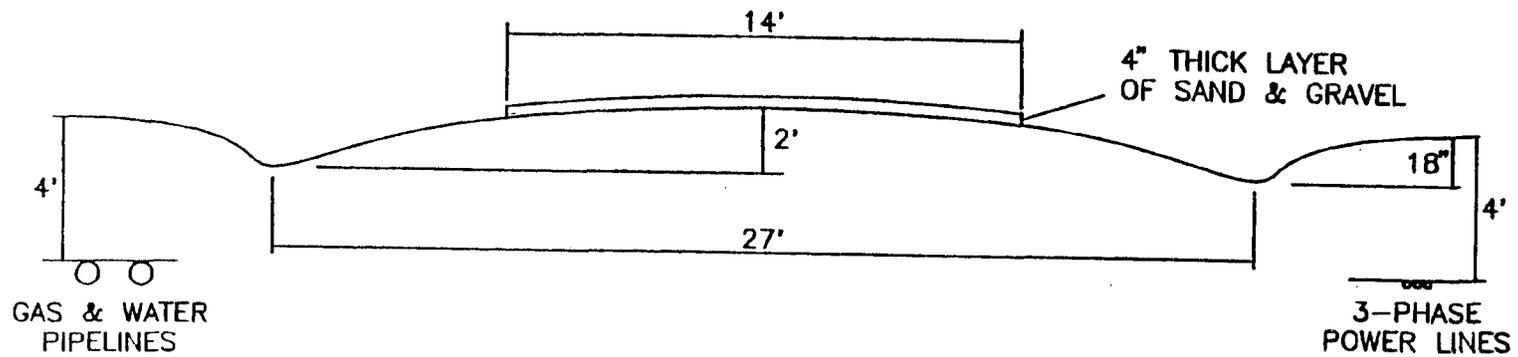
ANCHOR (TYP. 4 PL.)



RIVER GAS CORP.  
WELL SITE LAYOUT  
215' X 175'

EXHIBIT 1

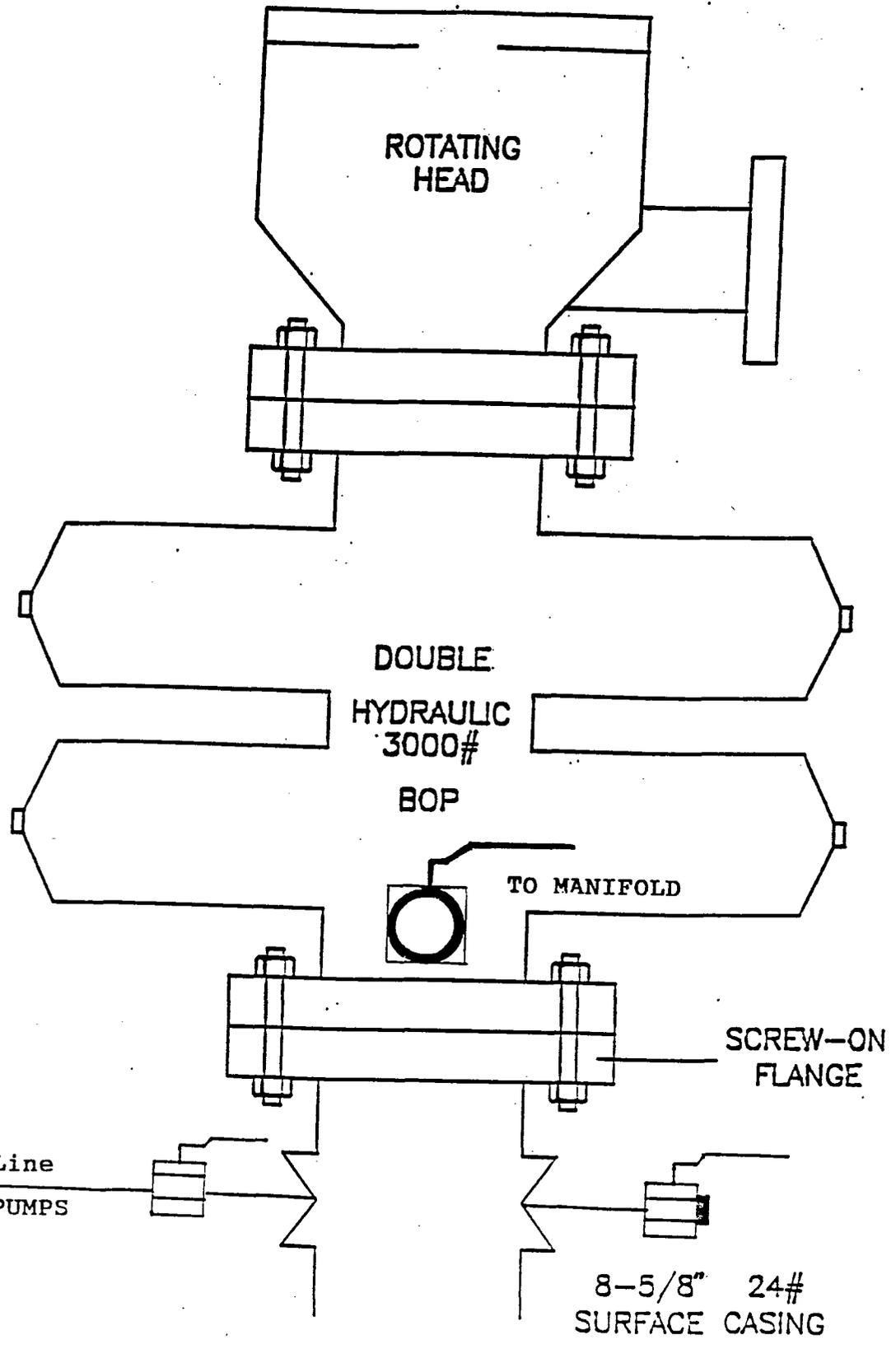
# RIVER GAS CORPORATION



## TYPICAL ROAD CROSS-SECTION

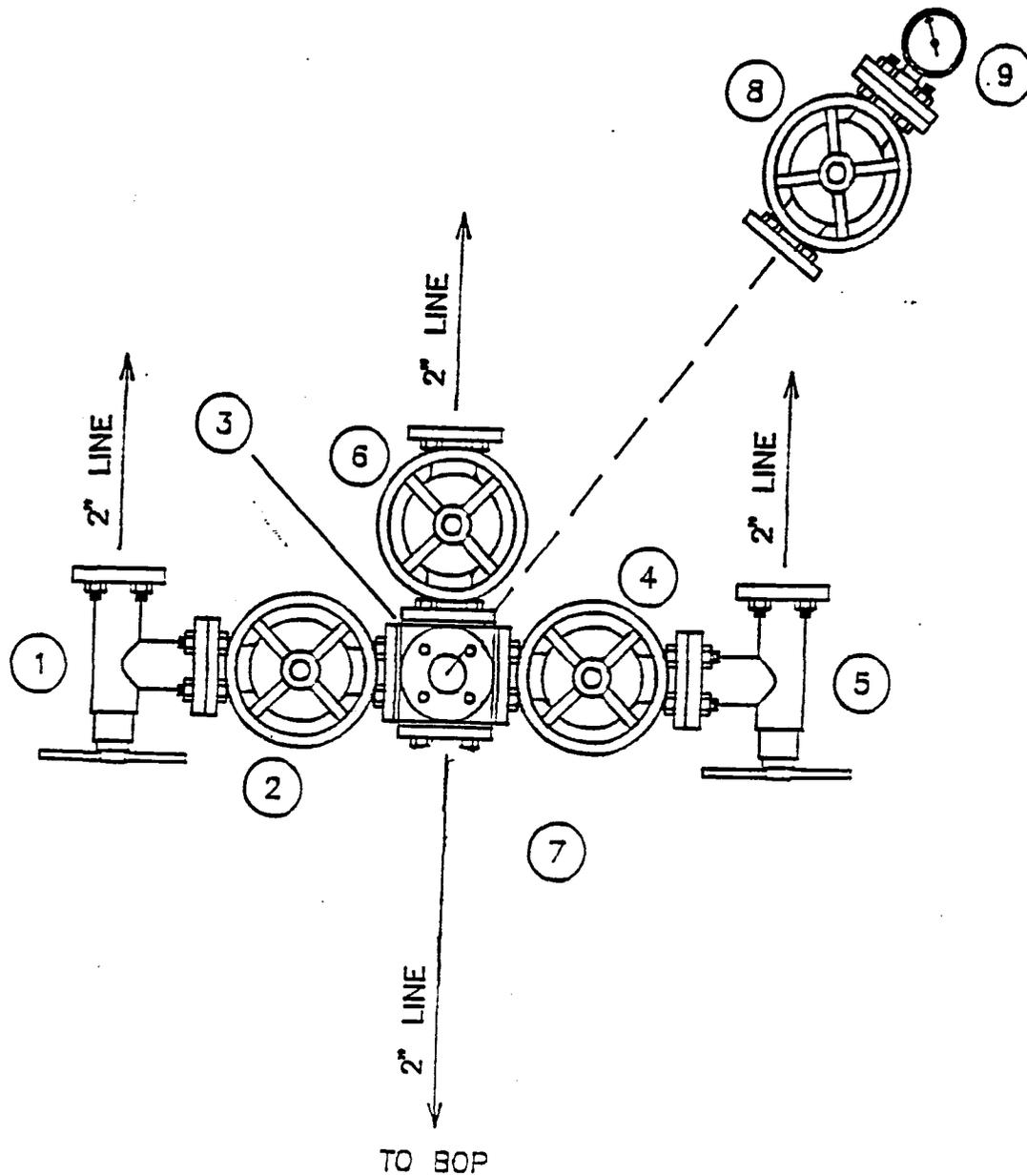
NOT TO SCALE

# DIVERTER HEAD



- (1) 2" 5M FLANGED CHOKE
- (2) 2" 5M GATE VALVE (FLANGED)
- (3) 2" 5M STUDDED CROSS
- (4) 2" 5M GATE VALVE (FLANGED)
- (5) 2" 5M FLANGED CHOKE
- (6) 2" 5M GATE VALVE (FLANGED)
- (7) 2" LINE
- (8) 2" 5M GATE VALVE (FLANGED)
- (9) 3000# GAUGE

NOTE:  
NUMBER 8 GATE VALVE  
SITS ON TOP OF MANIFOLD  
BETWEEN STUDDED CROSS  
AND 3000# GAUGE.



AND A NEW 2" BALL VALVE  
FULL OPEN 5000PSI

MANIFOLD

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/24/98

API NO. ASSIGNED: 43-007-30472

WELL NAME: USA 17-180  
 OPERATOR: RIVER GAS CORPORATION (N1605)  
 CONTACT: Don Hamilton (435) 637-8876

PROPOSED LOCATION:  
 SENW 17 - T14S - R09E  
 SURFACE: 2566-FNL-1360-FWL  
 BOTTOM: 2566-FNL-1360-FWL  
 CARBON COUNTY  
 DRUNKARDS WASH FIELD (048)

|                          |          |      |
|--------------------------|----------|------|
| INSPECT LOCATION BY: / / |          |      |
| TECH REVIEW              | Initials | Date |
| Engineering              |          |      |
| Geology                  |          |      |
| Surface                  |          |      |

LEASE TYPE: FED  
 LEASE NUMBER: UTU-51584  
 SURFACE OWNER: Federal

PROPOSED FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

Plat  
 Bond: Federal  State  Fee   
 (No. 5304604)  
 Potash (Y/N)  
 Oil Shale (Y/N) \*190-5(B)  
 Water Permit  
 (No. PRWID / City of Price)  
 RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)  
 St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit Drunkards Wash  
 R649-3-2. General  
 R649-3-3. Exception  
 Drilling Unit  
 Board Cause No: \_\_\_\_\_  
 Date: \_\_\_\_\_

COMMENTS: \* Not listed 1998 Unit P.O.D. (Blm/SL added 9-9-98)

STIPULATIONS: ① FEDERAL APPROVAL





State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt  
Governor

Lowell P. Braxton  
Division Director

September 9, 1998

River Gas Corporation  
1305 South 100 East  
Price, Utah 84501

Re: USA 17-180 Well, 2566' FNL, 1360' FWL, SE NW, Sec. 17,  
T. 14 S., R. 9 E., Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30472.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza  
Associate Director

lwp

Enclosures

cc: Carbon County Assessor  
Bureau of Land Management, Moab District Office

Operator:                     River Gas Corporation                      
Well Name & Number:           USA 17-180                                      
API Number:                     43-007-30472                                  
Lease:                             UTU-51584                                      
Location:           SE NW           Sec.           17           T.           14 S.           R.           9 E.          

### Conditions of Approval

1. General  
Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.
2. Notification Requirements  
Notify the Division within 24 hours prior to spudding the well. Contact Jim Thompson at (801)538-5336.  
  
Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.
3. Reporting Requirements  
All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.
4. State approval of this well does not supersede the required federal approval which must be obtained prior to drilling.

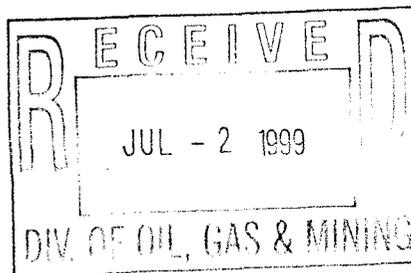
**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

|  |  |   |
|--|--|---|
| 1a. TYPE OF WORK<br><b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>  |  | 5. LEASE DESIGNATION AND SERIAL NO.<br><b>UTU 51584</b>   |
| b. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/><br>SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br><b>N/A</b>  |
| 2. NAME OF OPERATOR<br><b>RIVER GAS CORPORATION</b>  |  | 7. UNIT AGREEMENT NAME<br><b>Drunkards Wash UTU67921X</b>   |
| 3. ADDRESS AND TELEPHONE NO.<br><b>1305 So. 100 E. Price, Utah 84501 (801) 637-8876</b>  |  | 8. FARM OR LEASE NAME, WELL NO.<br><b>USA 17-180</b>  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)<br>At surface <b>2566' FNL, 1360' FWL</b><br>At proposed prod. zone   |  | 9. API WELL NO.<br><b>43-007-30472</b>  |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*<br><b>7.0 miles northwest of Price, Utah</b>   |  | 10. FIELD AND POOL, OR WILDCAT<br><b>Drunkards Wash</b>   |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)<br><b>75'</b>  |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br><b>SE/4, NW/4, Sec.17, T14S, R9E, SLB&amp;M</b> |
| 16. NO. OF ACRES IN LEASE<br><b>280 acres</b>  |  | 12. COUNTY OR PARISH<br><b>Carbon</b>   |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL<br><b>160 acres</b>   |  | 13. STATE<br><b>UTAH</b>  |
| 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.<br><b>1630'</b>   |  | 19. PROPOSED DEPTH<br><b>3650'</b>  |
| 20. ROTARY OR CABLE TOOLS<br><b>Rotary</b>   |  | 21. ELEVATIONS (Show whether DF, RT, GR, etc.)<br><b>GR 6332'</b>                                   |
| 22. APPROX. DATE WORK WILL START*<br><b>October 1998</b>   |  |   |

**CONFIDENTIAL**

| 23. PROPOSED CASING AND CEMENTING PROGRAM |                       |                 |               |   |
|---|-----------------------|-----------------|---------------|---|
| SIZE OF HOLE                              | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT  |
| 14"                                       | 12-3/4"               | Conductor       | 25'           |   |
| 11"                                       | J-55 8-5/8"           | 24 #/ft         | 365'          | 149 sks G+2% CaCl + 1/4# per sack floccel                           |
| 7-7/8"                                    | N-80 5-1/2"           | 17 #/ft         | 3650'         | 343 sks 50/50 POZ +8%gel+2%CaCl+10%extender. 75 sks "G" thixotropic |



RECEIVED  
 DIVISION OF OIL, GAS & MINING  
 JUL 2 1999

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

**CONDITIONS OF APPROVAL ATTACHED**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data 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 Don S. Hamilton TITLE Permit Specialist DATE 8/20/98

(This space for Federal or State office use) PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /S/ WILLIAM C. STRINGER TITLE Assistant Field Manager, Resource Management DATE JUN 29 1999

**\*See Instructions On Reverse Side**

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

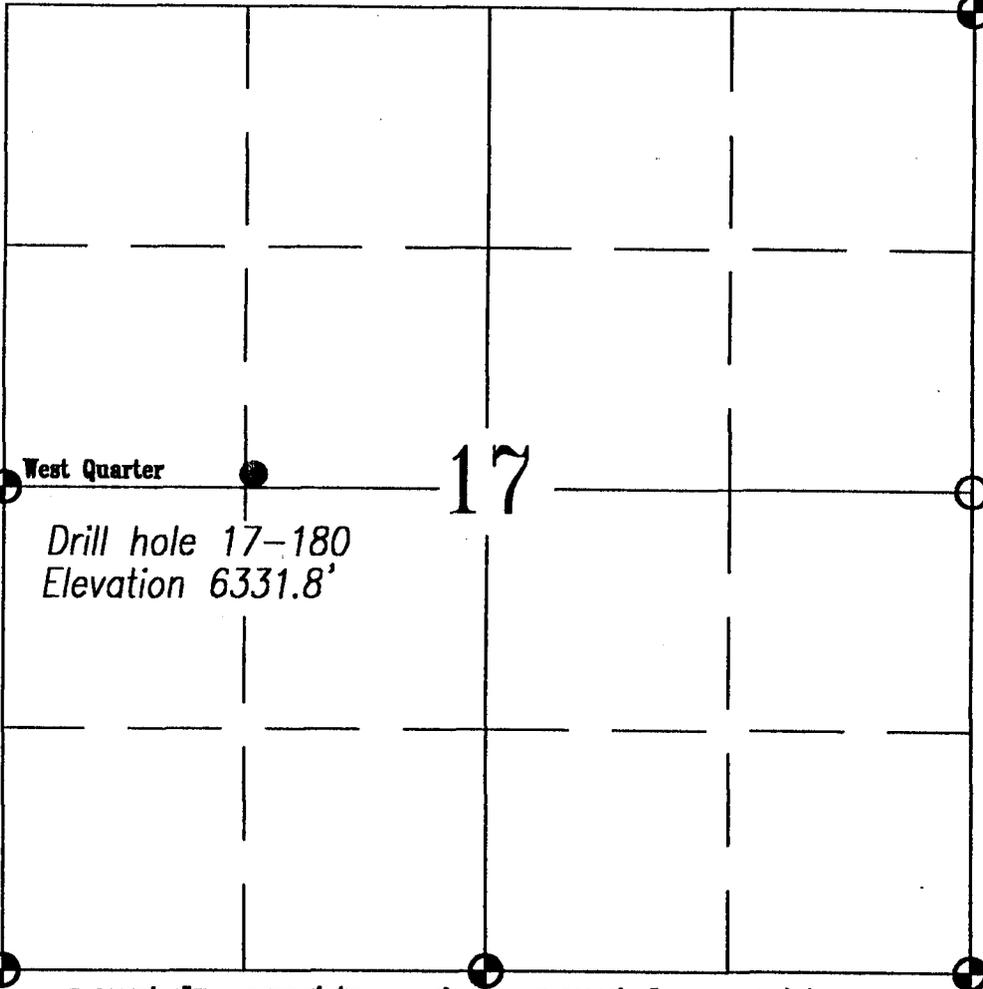
# Range 9 East

N89°55'W - 5281.32' (Recorded)

Township 14 South

N00°01' W - 5280.0' (Recorded)

N00°12' 59"W - 2639.06' (Measured)



West Quarter

17

Drill hole 17-180  
Elevation 6331.8'

S 89°57'14"W - 2638.5' (Measured)    S 89°46'20"W - 2643.9' (Measured)  
N89°54'W - 5278.7' (Recorded)

## Basis of Bearing:

Basis of Bearing North recorded between the NE Corner and the SE Corner of Section 21, Township 14 South, Range 9 East, Salt Lake Base and Meridian.

## Basis Of Elevation:

Basis of Elevation of 6317' as indicated in the SW Corner of Section 15, Township 14 South, Range 9 East, Salt Lake Base and Meridian, as shown on the Pinnacle Peak Quadrangle 7.5 Minute Series Map.

## Description of Location:

Proposed Drill Hole located in the S 1/2 NW 1/4 of Section 17; 75.16' North and 1359.77' East from the West Quarter Corner of Section 17, T14S, R9E, Salt Lake Base & Meridian.

## Surveyor's Certificate:

I, Daniel W. Peatross, a Registered Licensed Land Surveyor, holding Certificate #259966, State of Utah, do hereby certify that the information on this drawing is true and accurate to the best of my knowledge and belief, and was conducted by myself, as shown hereon.

N00°26'02"W - 5140.1' (Measured)  
N00°01'W - 5280.0' (Recorded)

*Daniel W. Peatross*  
No. 259966  
Daniel W. Peatross  
8-14-98

## LEGEND:

- Drill Hole Location
- ⊕ Found Section Corner Monumented w/ Brass Cap Unless Indicated Otherwise.
- Brass Cap (Searched for, But Not Found)



SCALE:

250' 0' 500' 1000'

|                               |   |
|-------------------------------|---|
| DRAWN BY:<br><b>P. BOYLEN</b> |   |
| CHECKED BY:<br><b>L.W.J.</b>  |   |
| DATE:<br><b>8/14/98</b>       |   |
| SCALE:<br><b>1"=1000'</b>     |   |
| SHEET NO.:<br><b>423</b>      |   |
| PROJECT NO.:<br><b>A-1</b>    | <b>River Gas Corporation</b><br>Well# 17-180<br>Section 17, T14S, R9E, S.L.B.&M.<br>Carbon County, Utah |
| SHEET 1 of 4                  |   |

RIVER GAS CORPORATION  
USA 17-180  
Lease U-51584  
SENW Section 17, T. 14 S., R. 9 E.  
Carbon County, Utah

CONDITIONS OF APPROVAL

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

Be advised that River Gas Corporation is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT-0829 (Principal - River Gas Corporation) via surety consent as provided for in 43 CFR § 3104.2.

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

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, 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 field representatives to insure compliance.

A. DRILLING PROGRAM

1. The BOP system shall be rated to 2M as proposed. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Air drilling must be done in accordance with Onshore Oil and Gas Order No. 2, III.E. As a minimum use of a rotating head, spark arresters, blooie line, float valve, and automatic igniter is required.
3. In accordance with the proposal, cement for the 8-5/8" and 5-1/2" casing shall be circulated to surface. If the cement does not circulate, a CBL or other appropriate tool must be run to determine the top-of-cement.
4. Any fluid bearing zones or lost circulation zones encountered while drilling will be isolated behind casing and cement.

B. SURFACE USE

1. The following appendices are attached for your reference. They are to be followed as conditions of approval:

- SM-1, Seed Mixture for Green Strip Areas
- SM-4, Seed Mixture for Final Reclamation
- RA-1, Rapture Nest Site Protection Measures
- BG-1, Surface Disturbance Mitigation for Critical Winter Range
- BG-2, Critical Winter Range Browse Hand Planting
- BG-3, Winter Restrictions on High Value and Critical Winter Range

2. Whether the mud pit shall be lined will be determined at the time of construction.
3. Within six months of installation, surface structures shall be painted in the following flat, earth tone color: Olive Black (5WA20-6). This Fuller O'Brien color is for reference only. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.

GENERAL CONSTRUCTION

1. Operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.
2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a

reasonable time when construction or other surface disturbing activities are underway.

3. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any site found during construction. The BLM will determine what mitigation is necessary.
4. During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by the Price BLM Office prior to use.
5. The operator must provide a trash cage for the collection and containment of all trash. The trash shall be disposed in an authorized landfill. The location and access roads shall be kept litter free.
6. Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.
7. Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer.

Generally topsoil shall be stored within the pad site or adjacent to access roads. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture SM-4 (attached).

#### ROAD and PIPELINE CONSTRUCTION

8. Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required

Bureau of Land Management (BLM) road standards.

9. Road construction or routine maintenance activities are to be performed during periods when the soil can adequately support construction equipment. If such equipment creates ruts more than 6 inches deep, the soil is deemed too wet to adequately support construction equipment.
10. The operator is responsible for maintenance of all roads authorized through the lease or a right-of-way. Construction and maintenance shall comply with Class II or III Road Standards as described in BLM Manual Section 9113 and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, headcut restoration/prevention.
11. Topsoil from access roads and pipelines is to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
12. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipators as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipators and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.

#### PAD CONSTRUCTION

13. During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture in appendix SM-4, attached.
14. Generally, drill pads are to be designed to prevent overland flow of water from entering or leaving the site. The pad is to be sloped to drain spills and water into the reserve pit. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

## REHABILITATION PROCEDURES

### Site Preparation

15. The entire roadbed should be obliterated and brought back to the approximate original contour. Drainage control is to be reestablished as necessary. All areas affected by road construction are to be recontoured to blend in with the existing topography. All berms are to be removed unless determined to be beneficial by BLM. In recontouring the disturbed areas, care should be taken to not disturb additional vegetation.

### Seedbed Preparation

16. An adequate seedbed should be prepared for all sites to be seeded. Areas to be revegetated should be chiselled or disked to a depth of at least 12 inches unless restrained by bedrock.
17. Ripping of fill materials should be completed by a bulldozer equipped with single or a twin set of ripper shanks. Ripping should be done on 4-foot centers to a depth of 12 inches. The process should be repeated until the compacted area is loose and friable, then shall be followed by final grading. Seedbed preparation will be considered complete when the soil surface is completely roughened and the number of rocks (if present) on the site is sufficient to cause the site to match the surrounding terrain.
18. After final grading, the stockpiled topsoil shall be spread evenly across the disturbed area.

### Fertilization

19. Commercial fertilizer with a formula of 16-16-8 is to be applied at a rate of 200 pounds per acre to the site. The rate may be adjusted depending on soil.
20. Fertilizer is to be applied not more than 48 hours before seeding, and shall be cultivated into the upper 3 inches of soil.
21. Fertilizer is to be broadcast over the soil using hand-operated "cyclone-type" seeders or rotary broadcast equipment attached to construction or revegetation machinery as appropriate to slope. All equipment should be equipped with a metering device. Fertilizer application is to take place before the final seeding

preparation treatment. Fertilizer broadcasting operations should not be conducted when wind velocities would interfere with even distribution of the material.

### Mulching

22. When it is time to reclaim this location, the Price BLM Office will determine whether it will be necessary to use mulch in the reclamation process. The type of mulch should meet the following requirements: Wood cellulose fiber shall be natural or cooked, shall disperse readily in water, and shall be nontoxic. Mulch shall be thermally produced and air dried. The homogeneous slurry or mixture shall be capable of application with power spray equipment. A colored dye that is noninjurious to plant growth may be used when specified. Wood cellulose fiber is to be packaged in new, labeled containers. A minimum application of 1500 pounds per acre shall be applied. A suitable tackifier shall be applied with the mulch at a rate of 60 to 80 pounds per acre.

An alternative method of mulching on small sites would be the application of straw or hay mulch at a rate of 2000 pounds per acre. Hay or straw shall be certified weed free. Following the application of straw or hay, crimping shall occur to ensure retention.

### Reseeding

23. All disturbed areas are to be seeded with the seed mixture required by the BLM. The seed mixture(s) shall be planted in the fall of the year (Sept-Nov), in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no noxious weed seed in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within 12 months prior to planting. Commercial seed will be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for inspection by the BLM. Seed is to be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds tend to drop to the bottom of the drill and are planted first. Appropriate measures should be taken to ensure this does not occur.) Where drilling is not possible, seed is to be broadcast and the area raked or chained to cover the seed. Woody species with seeds that are too large for the drill will be broadcast. When broadcasting the seed, the pounds per acre noted below are to be increased by 50 percent. Reseeding may be required if a satisfactory stand is not established to the surface rights

owner's specifications. Evaluation of the seeding's success will not be made before completion of the second growing season after the vegetation becomes established. The Price BLM Office is to be notified a minimum of seven days before seeding a project.

24. The disturbed areas for the road and pipeline must be seeded in the fall of the year, immediately after the topsoil is replaced. The prescribed seed mixture is attached as appendix SM-4.

#### General

25. Prior to the use of insecticides, herbicides, fungicides, rodenticides and other similar substances, the operator must obtain from BLM, approval of a written plan. The plan must describe the type and quantity of material to be used, the pest to be controlled, the method of application, the location for storage and disposal of containers, and other information that BLM may require. A pesticide may be used only in accordance with its registered uses and within other agency limitations. Pesticides must not be permanently stored on public lands.

# SM-1

## Green Strip Areas

The following seed mixture will be planted along service road borrow ditches, around the edge of drill pads with a production well, and surrounding other production and maintenance facilities. The purpose for this seeding is to provide a "green strip" buffer to minimize fire hazards and prevent invasion and establishment of noxious weeds in areas that will receive continued disturbance for the life of these project areas.

| <u>Common Plant Name</u> | <u>Scientific Name</u>   | <u>Pounds per acre/ PLS*</u> |
|--------------------------|--|------------------------------|
| Forage kochia            | <u>Kochia prostrata</u>  | 2                            |
| Wyoming big sagebrush    | <u>Artemisia tridentata</u> wyomingensis<br>var. <u>Gordon Creek</u> | 1                            |
| Douglas low rabbitbrush  | <u>Chrysothamnus viscidiflorus</u>                                   | 1                            |
| Yellow sweetclover       | <u>Melilotus officinalis</u>   | 1                            |
| Small burnet             | <u>Sanguisorba minor</u>   | 1                            |
| Bottlebrush squirreltail | <u>Elymus elymoides</u>  | 1                            |
| Intermediate wheatgrass  | <u>Thinopyrum intermedium</u>  | <u>1</u>                     |
|                          | Total  | 8                            |

## SM-4

### Pinyon/Juniper Areas

#### BLM SEED MIXTURES FOR THE PRICE COALBED METHANE PROJECT

The following seed mixture is for areas that will receive final reclamation. Areas would be planted to protect them from soil erosion and to restore forage production.

NOTES: \_\_\_\_\_  
\_\_\_\_\_

| <u>Common Name</u>      | <u>Scientific Name</u>   | <u>Pounds per acre/PLS*</u> |
|-------------------------|--|-----------------------------|
| <u>Grasses</u>          |  |                             |
| Thickspike wheatgrass   | <u>Elymus lanceolatus</u>  | 1.5                         |
| Intermediate wheatgrass | <u>Elytrigia intermedia</u>  | 1.5                         |
| Squirreltail            | <u>Elymus elymoides</u>  | 1                           |
| Crested wheatgrass      | <u>Agropyron desertorum</u>  | 1                           |
| Western wheatgrass      | <u>Pascopyrum smithii</u>  | 1                           |
| Needle-and-Thread       | <u>Stipa comata</u>  | 1                           |
| <u>Forbs</u>            |  |                             |
| Lewis flax              | <u>Linum perenne lewisii</u>   | 1                           |
| Palmer penstemon        | <u>Penstemon palmerii</u>  | .5                          |
| Small burnet            | <u>Sanguisorba minor</u>   | 1                           |
| Ladac alfalfa           | <u>Medicago sativa (Ladac)</u>                                       | .5                          |
| <u>Shrubs</u>           |  |                             |
| Forage kochia           | <u>Kochia prostrata</u>  | 1                           |
| Fourwing saltbush       | <u>Atriplex canescens</u>  | 1.5                         |
| Wyoming big sagebrush   | <u>Artemisia tridentata wyomingensis</u><br>var. <u>Gordon Creek</u> | 1.5                         |
| Antelope bitterbrush    | <u>Purshia tridentata</u>  | 1                           |
| True Mt. mahogany       | <u>Cercocarpus montanus</u>  | 1                           |
| Whitestem rabbitbrush   | <u>Chrysothamnus nauseosus albicaulis</u>                            | 1                           |
|                         | Total  | 17                          |

PRICE COALBED METHANE PROJECT AREA

PROPONENT: River Gas Corporation

WELL #: USA 17-180

RA-1: RAPTOR NEST SITE PROTECTION MEASURES (BLM-40, 41)

Pg. 1 of 2

The subject permit application is proposed within or near known suitable raptor nesting habitat. In order to avoid potential adverse affects to nesting raptors protected under the Migratory Bird Treaty Act and/or the Bald Eagle Protection Act, the operator must comply with all applicable provisions below.

Provisions check marked below are directly applicable to this Federal action, based on available data at the time of this review. Any other provisions, listed below (even if not check marked) may become applicable to this Federal action as updated raptor data becomes available.

**Survey Requirement:** Conduct raptor surveys to determine the status of known nests and verify presence of additional nests in the affected area of this Federal action. Surveys are to be conducted by consultants qualified to conduct such surveys and approved by the authorized officer. All surveys would be conducted by helicopter during May of each year unless otherwise provided for in BLM's Raptor Survey Protocol developed for this project. The surveys are required to be completed in the same year as the proposed drilling/construction so that current nest activity status data are available prior to APD/Federal Permit approval. Cost for surveys and preparation of a report of the findings of the survey would be the obligation of the lease holder.

**Raptor Nest Site Bufferzone Permanent Occupancy:** Upon the finding of the above survey (or other appropriate documentation) that the federal action lies within .5 miles of a raptor nest occupied (defined below) in any of the the three years preceding the proposed date of construction, the federal action would be subject to the no surface occupancy provision stated below and provided for in the Price CBM FEIS and Price River Resource Area Management Framework Plan.

Permanent surface disturbance and occupancy (i.e. oil and gas production facilities) is prohibited within 0.5 miles of raptor nests which have been documented as occupied within three years.

This provision will apply as long as the nest status remains unchanged (i.e. documented as occupied within any of the three years preceding the proposed date of construction. If the nest is documented as unoccupied for a period of three or more consecutive years, it will be deemed to have been abandoned and the federal action will no longer be subject to the no surface occupancy provision.

In the event a federal action involving a permanent facility, as described above, is proposed within the .5 mile bufferzone, BLM will complete a site specific evaluation. The evaluation will consider site terrain features such as topographic and vegetative screening, and existing intrusions which may already exist in the bufferzone. Specific standard guidelines used in this analysis are available in the Price Field Office. The site specific analysis and its findings will be attached to this stipulation as a recommendation to the BLM manager. If the site specific evaluation determines that the federal action can be accomodated with no significant adverse affect to the current or future productivity of the nest, the no surface disturbance/occupancy provision referenced above would not be applicable.

*Site Specific Evaluation Attached* [ ] *Special Mitigation Measures Attached*

**Raptor Nest Site Bufferzone Temporary Occupancy:** Any temporary surface disturbance and occupancy (i.e. road and pipeline line construction, etc.) associated with this federal permit, occuring within .5 miles of a raptor nest documented as occupied in one or more of the three years preceeding the proposed date of construction must be conducted outside the nesting period of February 1 to July 15. This will include but not be limited to road construction or upgrading required to reach this well location. If such work is required to access this location with heavy equipment, the seasonal closure of February 1 to July 15 will also apply to the drilling of this well.

PRICE COALBED METHANE PROJECT AREA

PROPONENT: River Gas Corporation WELL #: USA 17-180

RA-1: RAPTOR NEST SITE PROTECTION MEASURES (BLM-40, 41) Pg. 2 of 2

**[ X ] Maintenance and Operation of Existing Wells Within .5 miles of Raptor Nests:** In the event a federal action is authorized and constructed and a raptor nest is subsequently built within .5 miles of the development, maintenance and operations involving workovers or heavy equipment operation under this federal action will be subject to the following conditions and notifications.

The proponent is required to submit (at least 5 days in advance of proposed work) a sundry notice for all work over or maintenance operations requiring use of heavy equipment proposed during the raptor breeding season (February 1- July 15) and within the .5 mile bufferzone of any known raptor nest site. Upon receipt of this notification BLM in consultation with DWR and the USFWS would issue a determination on the activity status of the affected raptor nest. If the nest is found to be occupied, site specific protection measures would be developed to protect the nesting raptors and prevent conditions or actions that may result or contribute to a taking as defined under the Bald Eagle Protection Act and or the Migratory Bird Treaty Act.

To avoid the necessity for this provision, the operator is encouraged to schedule all such work outside of the nesting period, on wells subject to this provision.

Occupied Nest Site Definition:

An occupied raptor nest is defined, for the purposes of this stipulation, as any nest site exhibiting physical evidence of current use by raptors. Evidence may include but is not limited to: presence of raptors (adults, eggs or young) at the nest or within the nesting territory, presence of greenery in the nest, and/or presence of current year's whitewash at the nest or in the immediate vicinity of the nest.

Price Field Office  
125 South 600 West  
P.O. Box 7004  
Price, Utah 84501

(UT-066)

### STAFF REPORT

Subject: Site Specific Evaluation, Golden Eagle Nest #184-99, River Gas USA 17-180

Date: June 25, 1999

The proposed action, lies within a .5 mile buffer zone of no surface disturbance/occupancy for a golden eagle nesting territory which has been documented as occupied within the previous three years. This territory, golden eagle nest # 184-99 was found to be active in the 1999 survey. The following site specific evaluation is being conducted as per, Price River MFP Decision WL-8.1 and the Price CBM Final EIS Decision Record.

The intent of the Site Specific Evaluation is to determine whether or not site specific conditions exist which would mitigate the potential adverse affects to current and or future productivity of the nest site. In the event such conditions do exist, a modification to the .5 mile buffer zone can be adopted. General guidelines have been developed to standardize the evaluation process and reduce the subjectivity of this process. These are included as Appendix 1.

#### Analysis of Site Specific Factors:

**Line of Sight:** The proposed well is located approximately 1400 feet from the nest site and out of line of site of the nest, due to topographic and vegetative screening.

**Existing Intrusions:** There are no existing intrusions in this nesting territory.

**Alternatives Considered:** The proposed location for this well was approximately 500 feet closer to the nesting territory. The current proposal represents an alternative to provide the minimum .25 mile spatial distance for intrusions that are effectively out of line of sight of the nest

**Summary Finding of the Site Specific Evaluation:** Based on the fact that the intrusion is out of line of sight with both topographic and vegetative screening and located outside the minimum acceptable .25 mile spatial buffer identified in the site specific guidelines, no adverse affect to the continued productivity of the nesting territory is anticipated. However, since the location is within the .5 mile buffer zone, a raptor seasonal restriction on construction is appropriate.

## RAPTOR SITE SPECIFIC BUFFER ZONE GUIDELINES

The following guidelines have been prepared to minimize subjectivity and standardize the analysis and impact assessment of proposed intrusions located within .5 miles of occupied raptor nest sites. These guidelines are based on personal experience, published research and literature on raptors.

The guidelines are subject to revision as more information becomes available or guidelines are otherwise found to be invalid.

### **Objectives:**

Standardize elements of the impact assessment process for nesting raptors.

Eliminate or reduce sources of personal bias and or subjectivity in the analysis of impacts to nesting raptors.

Incorporate and recognize the factors that will influence whether a particular action has an adverse affect on current and or future productivity of a particular raptor nest site, or territory.

### **Definitions:**

Nest Site Buffer Zones: A predetermined area around raptor nest sites considered to be critical to the continued productivity of the nest site. The Price River Land Use Plan and Price Coalbed Methane EIS established planning buffer zones of .5 miles radius around raptor nest sites (golden eagle, prairie falcon, ferruginous hawk, redtail hawk, buteos, etc.). The intent of this planning buffer zone is to identify the critical area around raptor nests sites; that if avoided will protect the continued productivity of the nest site and if disturbance occurs within may result in adverse affects to productivity of the nest site.

It should be pointed out that buffer zones are for planning purposes and basically serve as a threshold of potential adverse affect to nest productivity and triggers the need for a site specific analysis of impacts.

Site Specific Analysis: An individual assessment of potential adverse affects to nesting productivity of a specific nest site in which an action has been proposed within the protective planning buffer zone. Site specific analysis are documented in a written report that is appended to the NEPA document for the Federal action.

Impacting Intrusions: For purposes of analysis, potentially impacting actions are considered to include intrusions with recurring human activity or mechanical equipment operation

Line of Sight: A proposed action, or activity associated with the action that is visible from a nest site or important perches directly associated with the nest site is considered to be in line of sight of the nest.

## **Site Specific Analysis Considerations and Guidelines**

**Line of Sight:** Intrusions that are effectively located out of line of sight of nest or perch sites associated with the nest significantly reduce potential adverse affects to continued productivity of the nest site.

**Guideline:** Intrusions that are effectively located out of line of sight of the nest site may be located within the .5 mile buffer but should not be located closer than .25 miles.

**Guideline:** Intrusions that are in line of sight of nest or perches directly associated with the nest site should not be located closer than the .5 mile bufferzone.

**Presence/Acceptance of Existing Intrusions:** Nesting raptors vary by species and by nesting pair considerably in their response to intrusions in their nest site buffer zone. Nesting pairs of raptors that have successfully nested with existing intrusions within the .5 mile buffer zone have demonstrated that they will accept some level of disturbance within the nesting buffer zone.

**Guideline:** Raptor buffer zones with existing intrusions within the .5 mile buffer zone (with activity levels similar to or greater than the proposed intrusion) may be located at a distance equal to the distance of the existing intrusion.

**Non-Impacting or Passive Intrusions:** Actions of a temporary nature, that do not have recurring human activity or equipment operation, that can be scheduled to be conducted outside the nesting season. Examples may include a pipeline constructed with no associated recurring activity such as a road or maintenance requirement.

**Guideline:** Intrusions that occur over a brief period of time that can be scheduled outside the nesting season and do not have recurring human activity associated with them such as a pipeline are not considered to have an adverse affect on raptor nesting activity.

**PRICE COALBED METHANE PROJECT AREA**

**PROPONENT:** River Gas Corporation

**WELL #:** USA 17-180

**BG-1: SURFACE DISTURBANCE MITIGATION FOR CRITICAL WINTER RANGE (BLM-38 and FEIS Chapter 2. Alternative D, pg. 2-47) Pg. 1 of 1**

The subject permit application is proposed within critical winter range (FEIS) and subject to BLM-38 requiring acre for acre mitigation for surface disturbance on critical winter range. The following condition, which serves to replace BLM-38, comes from a cooperative agreement between the River Gas Corporation, BLM-Price Field Office, the Utah Division of Wildlife Resources and the National Fish and Wildlife Foundation, under which the River Gas Corporation agrees to the following:

1. Contribute \$1,250.00 (1996 dollars) for each Federal interest well (Federal surface and or subsurface ownership) permitted and drilled by RGC (or on behalf of RGC by its contractor) on big game critical winter range as depicted in the FEIS Price Coalbed Methane Project Area. (Wells meeting the above criteria for which payment will be required, will be referred to as "subject wells".) This contribution will be adjusted annually for inflation based on the Consumer Price Index (CPI), see Section II.C.6. for the reference source used for the determination of the CPI and the date in which this annual adjustment will go into effect.

Since this mitigation program is designed to address impacts of all big game critical winter range surface disturbance (roads, well pads, pipelines, etc.), contributions will be required regardless of the success or failure of the subject well to produce.

- a. The recorded date for spudding for each subject well (the first boring of a hole during the drilling of a well) will serve as the reference date triggering the requirement for the mitigation contribution.
- b. Contributions will be submitted (in the form of an RGC Corporate check, cashiers check or wire transfer) directly to the National Fish and Wildlife Foundation by the 30th of each month for all subject wells spudded in the preceding month.
- c. All contributions will be made payable to the "National Fish and Wildlife Foundation re, Proj 97-260" and reference the "Price Field Office Wildlife Habitat Impact Mitigation Fund (RGC)".

**PRICE COALBED METHANE PROJECT AREA**

**PROPONENT:** River Gas Corp

**WELL #:** USA 17-180

**BG-2: CRITICAL WINTER RANGE BROWSE HAND PLANTING (BLM-22)**

**Pg. 1 of 1**

One of the two browse species lists (checked below) are to be hand planted at the prescribed application rate and according to the following prescribed methods on critical winter range areas that are undergoing long term reclamation. This would include all pipeline corridors, berm around edge of drill pads, miscellaneous disturbed areas associated with construction such as staging areas for equipment, sidecast on road cuts, along side upgraded or new roads up to and including borrow ditch and in the termination of redundant access roads being closed. This planting shall be completed in the first planting window following completion of construction and on all other disturbed areas upon final reclamation.

**Planting Methods:**

Planting shall be accomplished using a labor force with specific experience in landscape restoration, hand planting methods and handling and care of browse tubling and or bareroot stock plants.

Browse plants to be utilized can be bareroot stock or tubling stock plants of 1 year old age class or greater.

Browse seedling protectors will be used to provided protection from browsing ungulates for two years. Seedling protectors will be of an open mesh rigid design that will break down when exposed to sunlight and that measures a minimum of 12 inches in length and 4 inches in diameter.

Planting shall be completed in the spring (March 1- April 1) and or fall (November 1- December 1) planting windows.

Browse plants shall be stored and handled in such a manner as to maintain viability, according to the type of browse stock being used.

**Planting Species and Application Rate:**

| <u>Species</u>   | <input checked="" type="checkbox"/> Sagebrush-Grass<br><u>Plants Per Acre</u> | <input type="checkbox"/> Pinyon-Juniper |
|--|---|---|
| Wyoming Sagebrush (Gordon Creek)   | 100   | 50                                      |
| Fourwing Saltbush (Utah seed source collected at<br>or above 5,000 feet elevation) | 100   | 50                                      |
| True Mountain Mahogany (Utah seed source)  | 0   | 50                                      |
| Antelope Bitterbrush (Utah seed source)  | 0   | 50                                      |
| Total  | 200   | 200                                     |

**Suitable Substitutions:**

|                              |     |     |
|------------------------------|-----|-----|
| Prostrate Kochia             | yes | yes |
| Whitestem Rubber Rabbitbrush | no  | yes |
| Utah Serviceberry            | no  | yes |
| Winterfat                    | yes | no  |

PRICE COALBED METHANE PROJECT AREA

PROPONENT: River Gas Corporation

WELL #: USA 17-180

**BG-3: WINTER RESTRICTIONS ON HIGH VALUE AND CRITICAL WINTER RANGE (BLM-37, FEIS, Chapter 2, Alternative D, pg. 2-48, see also Decision Record pg. 2 paragraph 4) Pg. 1 of 2**

Restrictions on Construction Phase Activity: Prohibit construction phase activity, described below, on big game high value and critical winter range during the period (December 1 - April 15) without regard for land ownership.

This condition would not apply to normal maintenance and operation of producing wells, described below. On nonfederal lands (where the federal government does not have either surface or subsurface ownership) RGC would be allowed to conduct construction phase activity if needed to avoid breach of contract or loss of lease rights. In the event construction phase activity proceeds into the winter closure period on non federal interest lands, RGC would make available appropriate documentation to UDWR, upon request.

Construction Phase Activity: Construction phase activity is considered to include all work associated with initial drilling and construction of facilities through completion, including installation of pumping equipment, connection with ancillary facilities and tie-in with pipelines necessary for product delivery.

RGC would not be allowed to initiate construction activity unless it is reasonable to believe that such work can be finished to a logical stopping point prior to December 1 of that year. Specific activities considered to be covered by the seasonal closure include all heavy equipment operation including but not limited to the following:

- Mobilization/Demobilization or operation of heavy equipment (crawler tractor, front end loader, backhoe, road grader, etc.)
- Construction activity (road construction or upgrading, pad, pipeline, powerline, ancillary facilities, etc.),
- Drilling activity (operator would not propose or initiate drilling activity if the project could not reasonably be expected to be finished to a logical stopping point by the December 1 date of that year.
- Seismic operation, detonation of explosives

This seasonal closure would not apply to reconnaissance, survey/design and/or flagging of project work or other similar activity not requiring actions listed for heavy equipment operation.

Production Phase: A CBM well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of producing and delivering product for sale. It is noted that heavy equipment operation may be necessary in the performance of maintenance and operation of producing wells.

Restriction on Non Emergency Workover Operations: RGC is required to schedule non-emergency workover operations (defined below) on big game high value winter range outside the December 1 to April 15 date of the seasonal closure. RGC will be required to submit Sundry notices to BLM (or notification to UDWR on non-federal interest wells) in advance of workover operations proposed between December 1 and April 15. Sundry notices submitted as emergency work, may require independent corroboration by BLM geologist/petroleum engineers prior to work proceeding. Should BLM object to the emergency designation of the sundry notice, BLM would make notification of the objection within five working days of receipt of the sundry notice. In the absence of such notification or in the event of corroboration with the sundry notice, RGC would be permitted to proceed with the workover operation.

Non-emergency Workover Operations: Workover operations to correct or reverse a gradual loss of production over time (loss of production of five percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December 1 to April 15 time frame.

Emergency Workover Operations: Emergency work over operations are defined as downhole equipment failure problems or workover operation necessary to avoid shut in of the well or to avoid an immediate safety or environmental problem. Loss of production greater than five percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation.

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Price Filed Office, Natural Resource Protection Specialist at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Price Field Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR § 3162.3-2. Safe drilling and operating practices must be observed.

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

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

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Field Office Manager is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Price Field Office. The Price Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the authorized officer. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the Moab BLM Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

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

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office 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. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price BLM Office, or the appropriate surface managing agency.

TABLE 1. NOTIFICATIONS

Notify Don Stephens of the Price Field Office at (435) 636-3608, or at home (435) 637-7967 for the following:

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

1 day prior to spudding;

50 feet prior to the surface casing setting depth;

3 hours prior to testing BOPE

If the person at the above number cannot be reached, notify the Moab Field Office at (435) 259-2100. If unsuccessful, contact one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at (435)-259-2100. If approval is needed after normal work hours, you may contact the following:

|                                |                        |
|--------------------------------|------------------------|
| Eric Jones, Petroleum Engineer | Office: (435) 259-2117 |
|                                | Home: (435) 259-2214   |

|                                 |                        |
|---------------------------------|------------------------|
| Gary Torres, Petroleum Engineer | Office: (435) 587-1524 |
|                                 | Home: (435) 587-2705   |

**CONFIDENTIAL**

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: RIVER GAS CORPORATION

Well Name: USA 17-180

Api No. 43-007-30472 Lease Type: FEDERAL

Secton 17 Township 14S Range 09E County CARBON

Drilling Contractor PENSE BROTHERS DRILLING RIG # 2

SPUDDED:

Date 09/02/99

Time 12:00 AM

How DRY SPUD

Drilling will commence \_\_\_\_\_

Reported by FRANKIE HATHAWAY

Telephone # 1-435-637-8876

Date 9/3/99 Signed: CHD

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

**CONFIDENTIAL**

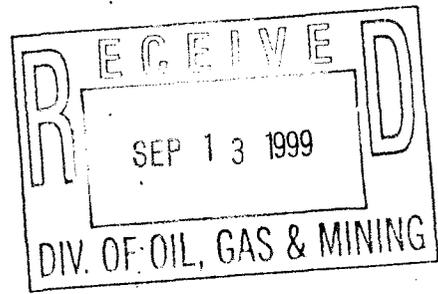
|  |  |  |
|--|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | 5. Lease Designation and Serial Number:          |
|  |  | 6. If Indian, Allottee or Tribe Name:<br>N/A     |
| Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.<br>Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals. |  | 7. Unit Agreement Name:<br>N/A                   |
|  |  | 8. Well Name and Number:<br>Utah 17-180          |
| 1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:   | 2. Name of Operator:<br>River Gas Corporation  | 9. API Well Number:<br>43-007-30472              |
| 3. Address and Telephone Number:<br>1305 South 100 East, Price, UT 84501 (435)637-8876   | 4. Location of Well<br>Footages: 2566' FNL, 1360' FWL<br>County: Carbon<br>QQ, Sec., T., R., M.: SE/4, NW/4, SEC.17, T14S, R9E, SLB&M<br>State: UTAH | 10. Field or Pool, or Wildcat:<br>Drunkards Wash |

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

| NOTICE OF INTENT<br>(Submit in Duplicate)   | SUBSEQUENT REPORT<br>(Submit Original Form Only)   |
|---|--|
| <input type="checkbox"/> Abandon<br><input type="checkbox"/> Repair Casing<br><input type="checkbox"/> Change of Plans<br><input type="checkbox"/> Convert to Injection<br><input type="checkbox"/> Fracture Treat or Acidize<br><input type="checkbox"/> Multiple Completion<br><input type="checkbox"/> Other _____ | <input type="checkbox"/> Abandon *<br><input type="checkbox"/> Repair Casing<br><input type="checkbox"/> Change of Plans<br><input type="checkbox"/> Convert to Injection<br><input type="checkbox"/> Fracture Treat or Acidize<br><input checked="" type="checkbox"/> Other Weekly Report |
| <input type="checkbox"/> New Construction<br><input type="checkbox"/> Pull or Alter Casing<br><input type="checkbox"/> Recomplete<br><input type="checkbox"/> Reperforate<br><input type="checkbox"/> Vent or Flare<br><input type="checkbox"/> Water Shut-Off  | <input type="checkbox"/> New Construction<br><input type="checkbox"/> Pull or Alter Casing<br><input type="checkbox"/> Reperforate<br><input type="checkbox"/> Vent or Flare<br><input type="checkbox"/> Water Shut-Off  |
| Approximate date work will start _____  | Date of work completion _____<br>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.  |

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.)

See Attached



13. Name & Signature: Frankie Hathaway *Frankie Hathaway* Title: Administrative Assistant Date: 9/3/1999

(This space for state use only)

DAILY WELL REPORT

River Gas Corporation  
Utah 17-180  
2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E  
CARBON COUNTY, UTAH  
SURVEYED ELEVATION: 6332'  
API #43-007-30472  
DRILLING CONTRACTOR: Pense Bros. Rig #2

PAGE 1

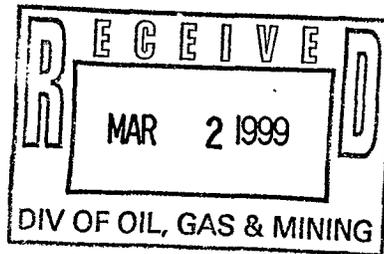
**DRILLING**

Day 1. 9/3/99. Current Depth: 335'. Present Operations: Testing BOP. Total Rotating Hrs: 4-1/2. 7:00 am-8:00 am Move Equipment. 9:00 am -10:00 am Wait on fork lift. 10:00 am-12:00 pm RU. 12:00 pm-1:00 pm Drill and set 14'8" conductor. **Spud @ 12:00 pm on 9/2/99.** 1:00 pm-4:00 pm Drill 11" hole to 335'. 4:00 pm-6:00 pm Set 325.5' 8-5/8" surface pipe. 6:00 pm-6:30 pm RU Dowell. 6:30 pm-7:00 pm Pump cement job. 7:00 pm -3:00 am WOC. 3:00 am-3:30 am NU BOP. 3:30 am-7:00 am Testing BOP. [REDACTED]

# RGC

To: Lisha Cordova From: Don Hamilton  
Fax: 1-801-359-3940 Pages: 2  
Phone: \_\_\_\_\_ Date: 3-2-99  
Re: Updated Land Survey Leases CC: \_\_\_\_\_

Urgent       For Your Review       FYI       Please Reply       Please Recycle



From the Desk of...  
Don S. Hamilton -  
Permit Specialist

FEDERAL LEASES INVOLVED IN THE TRANSFER FROM FED. TO STATE

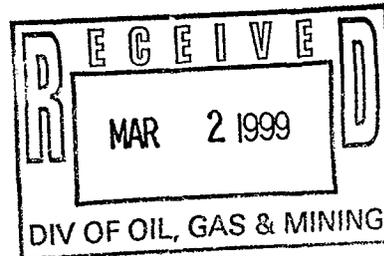
UTU#16172 - NEW ML#48174 - RGC L#UT001-086  
UTU#49631 - NEW ML#48177 - RGC L#UT001-007FO  
UTU#49931 - NEW ML#48178 - RGC L#UT001-026FO  
UTU#50848 - NEW ML#48179 - RGC L#UT001-030FO  
UTU#50941 - NEW ML#48180 - RGC L#UT001-033FO  
UTU#51584 - NEW ML#48181 - RGC L#UT001-099FO  
UTU#53872 - NEW ML#48182 - RGC L#UT001-135FO

UTU#60825 - NEW ML#48185 - RGC L#UT001-062AFO - 40.00 ACRES TRANSFERRED  
UTU#60825 - NO NEW ML# - RGC L#UT001-062FO - 40.00 ACRES REMAIN

UTU#61154 - NEW ML#48186 - RGC L#UT001-071AFO - 640.00 ACRES TRANSFERRED  
UTU#61154 - NO NEW ML# - RGC L#UT001-071FO - 4189.08 ACRES REMAIN

UTU#61155 - NEW ML#48187 - RGC L#UT001-070AFO - 632.58 ACRES TRANSFERRED  
UTU#61155 - NO NEW ML# - RGC L#UT001-070FO - 1739.64 ACRES REMAIN

UTU#61156 - NEW ML#48188 - RGC L#UT001-073FO  
UTU#62923 - NEW ML#48189 - RGC L#UT001-0108FO  
UTU#65298 - NEW ML#48189 - RGC L#UT001-0124FO  
UTU#65297 - NEW ML#48197 - RGC L#UT001-0125FO  
UTU#65301 - NEW ML#48198 - RGC L#UT001-0128FO  
UTU#65946 - NEW ML#48200 - RGC L#UT001-0133FO  
UTU#68543 - NEW ML#48203 - RGC L#UT001-0022  
UTU#68460 - NEW ML#48204 - RGC L#UT001-0028  
UTU#69461 - NEW ML#48205 - RGC L#UT001-070  
UTU#69452 - NEW ML#48206 - RGC L#UT001-0029  
UTU#69453 - NEW ML#48207 - RGC L#UT001-0030  
UTU#69454 - NEW ML#48208 - RGC L#UT001-071  
UTU#72005 - NEW ML#48236 - RGC L#UT001-0230  
UTU#72351 - NEW ML#48213 - RGC L#UT001-036  
UTU#72378 - NEW ML#48215 - RGC L#UT001-041  
UTU#72820 - NEW ML#48217 - RGC L#UT001-077  
UTU#72924 - NEW ML#48219 - RGC L#UT001-076  
UTU#72625 - NEW ML#48220 - RGC L#UT001-079  
UTU#73003 - NEW ML#48222 - RGC L#UT001-093  
UTU#73657 - NEW ML#48225 - RGC L#UT001-0201  
UTU#73876 - NEW ML#48227 - RGC L#UT001-0152  
UTU#75017 - NEW ML#48231 - RGC L#UT001-0124AFO  
UTU#76333 - NEW ML#48233 - RGC L#UT001-0032A  
UTU#77350 - NEW ML#48234 - RGC L#UT001-0125AFO  
UTU#77352 - NEW ML#48235 - RGC L#UT001-093A



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.

5. Lease Designation and Serial Number: ML-48181 Fr. UTA-51584

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

7. Unit Agreement Name: N/A

8. Well Name and Number: Utah 17-180

9. API Well Number: 43-007-30472

10. Field or Pool, or Wildcat: Drunkards Wash

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator: River Gas Corporation

3. Address and Telephone Number: 1305 South 100 East, Price, UT 84501 (435)637-8876

4. Location of Well Footages: 2566' FNL, 1360' FWL

County: Carbon

State: UTAH

QQ, Sec., T., R., M.: SE/4, NW/4, SEC.17, T14S, R9E, SLB&M

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

NOTICE OF INTENT (Submit in Duplicate)

- Abandon, Repair Casing, Change of Plans, Convert to Injection, Fracture Treat or Acidize, Multiple Completion, Other, New Construction, Pull or Alter Casing, Recomplete, Reperforate, Vent or Flare, Water Shut-Off

Approximate date work will start

SUBSEQUENT REPORT (Submit Original Form Only)

- Abandon \*, Repair Casing, Change of Plans, Convert to Injection, Fracture Treat or Acidize, Other Weekly Report, New Construction, Pull or Alter Casing, Reperforate, Vent or Flare, Water Shut-Off

Date of work completion

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

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.)

See Attached



13.

Name & Signature: Frankie Hathaway Title: Administrative Assistant Date: 9/10/1999

(This space for state use only)

DAILY WELL REPORT

River Gas Corporation  
Utah 17-180  
2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E  
CARBON COUNTY, UTAH  
SURVEYED ELEVATION: 6332'  
API #43-007-30472  
DRILLING CONTRACTOR: Pense Bros. Rig #2

PAGE 1

**DRILLING**

Day 1. 9/3/99. Current Depth: 335'. Present Operations: Testing BOP. Total Rotating Hrs: 4-1/2. 7:00 am-8:00 am Move Equipment. 9:00 am -10:00 am Wait on fork lift. 10:00 am-12:00 pm RU. 12:00 pm-1:00 pm Drill and set 14'8" conductor. **Spud @ 12:00 pm on 9/2/99.** 1:00 pm-4:00 pm Drill 11" hole to 335'. 4:00 pm-6:00 pm Set 325.5' 8-5/8" surface pipe. 6:00 pm-6:30 pm RU Dowell. 6:30 pm-7:00 pm Pump cement job. 7:00 pm -3:00 am WOC. 3:00 am-3:30 am NU BOP. 3:30 am-7:00 am Testing BOP. [REDACTED]

Day 2. 9/4/99. Current Depth: 2660'. Present Operations: TIH. Total Rotating Hrs: 20-1/2. 7:00 am-8:30 am Finish BOP test. 8:30 am-9:00 am repair Hyd. Line. 9:00 am-11:00 am Run blooie line. 11:00 am-12:00 pm Change bit and RIH. 12:00 pm-3:00 pm Drill 7-7/8 hole 325-680'. 3:00 pm-7:00 pm Drill 680'-1310'. 7:00 pm-12:00 am Drill 1310'-2080'. 12:00 am-1:00 am Work on drill can. 1:00 am-4:00 am 2080-2660'. 4:00 am-6:00 am TOOH. 6:00 am-7:00 am TIH w/7-7/8 Tri-cone and drill collars. [REDACTED]

Day 3. 9/5/99. Current Depth: 2660'. Present Operations: Waiting on overshot. Total Rotating Hrs: 20-1/2. 7:00 am-8:00 am TIH w/drill collars. 8:00 am-9:00 am Service rig. 9:00 am-11:30 am TIH w/drill pipe. 11:30 am-12:00 pm Hydraulics quit. 12:00 pm-8:00 pm replace hydraulic pump. 8:00 pm- 9:00 pm Finish TIH. 9:00 pm-10:00 pm Condition hole. 10:00 pm-12:00 am Start drilling. Torque up not making any hole. 12:00 am-4:00 am TOOH drill collar backed off left in hole. 4:00 am-7:00 am S/down waiting on fishing tools. [REDACTED]

Day 4. 9/6/99. Current Depth: 2660'. Present Operations: TOOH. Total Rotating Hrs: 20-1/2. 7:00 am-9:00 am Wait on fishing tools. 9:00 am-10:00 am Overshot and grapple. 10:00 am-1:00 pm TIH. 1:00 pm- 5:00 pm Try to get on fish. 5:00 pm- 8:00 pm TOOH. 8:00 pm- 9:00 pm Wait on tools. 9:00 pm-10:00 pm Make up skirted mill. 10:00 pm-1:00 am TIH. 1:00 am-7:00 am Try to get on top of fish. [REDACTED]

Day 5. 9/7/99. Current Depth: 2660'. 7:00 am-9:00 am TOOH. 9:00 am-10:00 am P/up overshot and grapple. 10:00 am-1:00 pm TIH. 1:00 pm- 3:00 pm Try to work over fish. 3:00 pm- 6:00 pm TOOH. 6:00 pm- 8:00 pm TIH. 8:00 pm- 10:00 pm Try to get on fish. 10:00 pm- 1:00 am TOOH. 1:00 am- 3:00 am Wait on mill. 3:00 am-5:00 am P/up and TIH. 5:00 am- 7:00 am Mill on fish. [REDACTED]

Day 6. 9/8/99. Current Depth: 2660'. Present Operations: TIH. Total Rotating Hrs: 20-1/2. 7:00 am- 11:30 am Mill on Fish. 11:30 am- 3:00 pm TOOH. 3:00 pm- 9:30 pm Wait on Fishing.

DAILY WELL REPORT

River Gas Corporation  
Utah 17-180  
2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E  
CARBON COUNTY, UTAH  
SURVEYED ELEVATION: 6332'  
API #43-007-30472  
DRILLING CONTRACTOR: Pense Bros. Rig #2

PAGE 2:

Day 6. 9/8/99 cont'd.: tool. 9:30 pm- 11:00 pm P/up overshot and grapple and TIH. 11:00 pm- 11:30 pm Repair hydraulic hose 11:30 pm-7:00 am S/down no crew. [REDACTED]  
[REDACTED]

Day 7. 9/9/99. Current Depth: 2660'. Total Rotating Hrs: 20-1/2. 7:00 am-9:00 am Replace hyd. Hose. 9:00 am-10:00 am Finish TIH. 10:00 am- 4:30 pm Work skirted mill over drill collar and dress up. 4:30pm- 7:00 pm TOOH. 7:00 pm- 7:30 pm P/up overshot and grapple. 7:30 pm- 9:30 pm TIH. 9:30 pm- 10:30 pm Fish for collar. 10:30 pm- 12:30 am TOOH. 12:30 am- 1:00 am Charge grapple. 1:00 am- 5:00 am TIH. 5:00 am- 7:00 am Try to catch fish. [REDACTED]  
[REDACTED]

Day 8. 9/10/99. Current Depth: 2660'. Present Operations: Fishing. 7:00 am- 11:00 am TOOH. 11:00 am- 5:00 pm RIH. 7:00 pm- 8:00 pm Plugged off. 8:00 pm- 10:00 pm TOOH. 10:00 pm- 11:00 pm Clean out tools. 11:00 pm- 2:00 am RIH. 2:00 am- 7:00 am Fishing. [REDACTED]  
[REDACTED]

STATE OF UTAH  
 DIVISION OF OIL, GAS AND MINING  
 ENTITY ACTION FORM - FORM 6

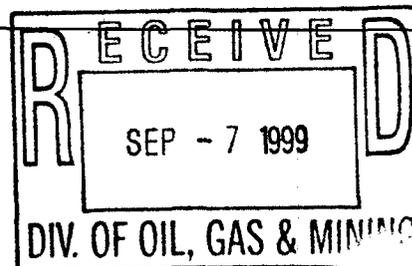
OPERATOR River Gas Corporation  
 ADDRESS 1305 South 100 East  
Price, UT 84501

OPERATOR ACCT. NO. 1605

| 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              | 12560          | 43-007-30472 | Utah 17-180 | SE/NW         | 17 | 14S | 09E | CARBON | 9/2/99    |                |
| WELL 1 COMMENTS: <u>991012 Entity added; (Drunkards wash u/ non P.A.) KDR</u> |                    |                |              |             |               |    |     |     |        |           |                |
| <b>CONFIDENTIAL</b>   |                    |                |              |             |               |    |     |     |        |           |                |
| A   |                    |                |              |             |               |    |     |     |        |           |                |
| WELL 2 COMMENTS:  |                    |                |              |             |               |    |     |     |        |           |                |
| A   |                    |                |              |             |               |    |     |     |        |           |                |
| 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.



Frankie Hathaway  
 Signature  
 Administrative Assistant 9/3/99  
 Title Date  
 Phone No. (435) 637-8876

DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:

SUNDRY NOTICES AND REPORTS ON WELLS

6. If Indian, Allottee or Tribe Name:

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.

N/A

7. Unit Agreement Name:

N/A

8. Well Name and Number:

Utah 17-180

9. API Well Number:

43-007-30472

10. Field or Pool, or Wildcat:

Drunkards Wash

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:

River Gas Corporation

3. Address and Telephone Number:

1305 South 100 East, Price, UT 84501 (435)637-8876

4. Location of Well

Footages:

2566' FNL, 1360' FWL

QQ, Sec., T., R., M.: SE/4, NW/4, SEC.17, T14S, R9E, SLB&M

County: Carbon

State: UTAH

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

NOTICE OF INTENT (Submit in Duplicate)

- Abandon, Repair Casing, Change of Plans, Convert to Injection, Fracture Treat or Acidize, Multiple Completion, Other, New Construction, Pull or Alter Casing, Recomplete, Reperforate, Vent or Flare, Water Shut-Off

Approximate date work will start

SUBSEQUENT REPORT (Submit Original Form Only)

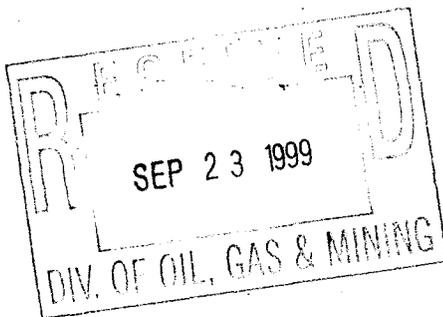
- Abandon, Repair Casing, Change of Plans, Convert to Injection, Fracture Treat or Acidize, Other Weekly Report, New Construction, Pull or Alter Casing, Reperforate, Vent or Flare, Water Shut-Off

Date of work completion

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

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.)

See Attached



13.

Name & Signature: Frankie Hathaway

Handwritten signature of Frankie Hathaway

Title: Administrative Assistant

Date: 9/17/1999

(This space for state use only)

## DAILY WELL REPORT

River Gas Corporation  
Utah 17-180  
2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E  
CARBON COUNTY, UTAH  
SURVEYED ELEVATION: 6332'  
API #43-007-30472  
DRILLING CONTRACTOR: Pense Bros. Rig #2

PAGE 1

### DRILLING

Day 1. 9/3/99. Current Depth: 335'. Present Operations: Testing BOP. Total Rotating Hrs: 4-1/2. 7:00 am-8:00 am Move Equipment. 9:00 am-10:00 am Wait on fork lift. 10:00 am-12:00 pm RU. 12:00 pm-1:00 pm Drill and set 14'8" conductor. Spud @ 12:00 pm on 9/2/99. 1:00 pm-4:00 pm Drill 11" hole to 335'. 4:00 pm-6:00 pm Set 325.5' 8-5/8" surface pipe. 6:00 pm-6:30 pm RU Dowell. 6:30 pm-7:00 pm Pump cement job. 7:00 pm -3:00 am WOC. 3:00 am-3:30 am NU BOP. 3:30 am-7:00 am Testing BOP. [REDACTED]

Day 2. 9/4/99. Current Depth: 2660'. Present Operations: TIH. Total Rotating Hrs: 20-1/2. 7:00 am-8:30 am Finish BOP test. 8:30 am-9:00 am repair Hyd. Line. 9:00 am-11:00 am Run blooie line. 11:00 am-12:00 pm Change bit and RIH. 12:00 pm-3:00 pm Drill 7-7/8 hole 325-680'. 3:00 pm-7:00 pm Drill 680'-1310'. 7:00 pm-12:00 am Drill 1310'-2080'. 12:00 am-1:00 am Work on drill can. 1:00 am-4:00 am 2080-2660'. 4:00 am-6:00 am TOOH. 6:00 am-7:00 am TIH w/7-7/8 Tri-cone and drill collars. [REDACTED]

Day 3. 9/5/99. Current Depth: 2660'. Present Operations: Waiting on overshot. Total Rotating Hrs: 20-1/2. 7:00 am-8:00 am TIH w/drill collars. 8:00 am-9:00 am Service rig. 9:00 am-11:30 am TIH w/drill pipe. 11:30 am-12:00 pm Hydraulics quit. 12:00 pm-8:00 pm replace hydraulic pump. 8:00 pm- 9:00 pm Finish TIH. 9:00 pm-10:00 pm Condition hole. 10:00 pm-12:00 am Start drilling. Torque up not making any hole. 12:00 am-4:00 am TOOH drill collar backed off left in hole. 4:00 am-7:00 am S/down waiting on fishing tools. [REDACTED]

Day 4. 9/6/99. Current Depth: 2660'. Present Operations: TOOH. Total Rotating Hrs: 20-1/2. 7:00 am-9:00 am Wait on fishing tools. 9:00 am-10:00 am Overshot and grapple. 10:00 am-1:00 pm TIH. 1:00 pm- 5:00 pm Try to get on fish. 5:00 pm- 8:00 pm TOOH. 8:00 pm- 9:00 pm Wait on tools. 9:00 pm-10:00 pm Make up skirted mill. 10:00 pm-1:00 am TIH. 1:00 am-7:00 am Try to get on top of fish. [REDACTED]

Day 5. 9/7/99. Current Depth: 2660'. 7:00 am-9:00 am TOOH. 9:00 am-10:00 am P/up overshot and grapple. 10:00 am-1:00 pm TIH. 1:00 pm- 3:00 pm Try to work over fish. 3:00 pm- 6:00 pm TOOH. 6:00 pm- 8:00 pm TIH. 8:00 pm- 10:00 pm Try to get on fish. 10:00 pm-1:00 am TOOH. 1:00 am- 3:00 am Wait on mill. 3:00 am-5:00 am P/up and TIH. 5:00 am- 7:00 am Mill on fish. [REDACTED]

Day 6. 9/8/99. Current Depth: 2660'. Present Operations: TIH. Total Rotating Hrs: 20-1/2. 7:00 am- 11:30 am Mill on Fish. 11:30 am- 3:00 pm TOOH. 3:00 pm- 9:30 pm Wait on Fishing.

DAILY WELL REPORT

River Gas Corporation  
Utah 17-180  
2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E  
CARBON COUNTY, UTAH  
SURVEYED ELEVATION: 6332'  
API #43-007-30472  
DRILLING CONTRACTOR: Pense Bros. Rig #2

PAGE 2:

Day 6. 9/8/99 cont'd.: tool. 9:30 pm- 11:00 pm P/up overshot and grapple and TIH. 11:00 pm- 11:30 pm Repair hydraulic hose 11:30 pm-7:00 am S/down no crew. [REDACTED]  
[REDACTED]

Day 7. 9/9/99. Current Depth: 2660'. Total Rotating Hrs: 20-1/2. 7:00 am-9:00 am Replace hyd. Hose. 9:00 am-10:00 am Finish TIH. 10:00 am- 4:30 pm Work skirted mill over drill collar and dress up. 4:30pm- 7:00 pm TOO. 7:00 pm- 7:30 pm P/up overshot and grapple. 7:30 pm- 9:30 pm TIH. 9:30 pm- 10:30 pm Fish for collar. 10:30 pm- 12:30 am TOO. 12:30 am- 1:00 am Charge grapple. 1:00 am- 5:00 am TIH. 5:00 am- 7:00 am Try to catch fish. [REDACTED]  
[REDACTED]

Day 8. 9/10/99. Current Depth: 2660'. Present Operations: Fishing. 7:00 am- 11:00 am TOO. 11:00 am- 5:00 pm RIH. 7:00 pm- 8:00 pm Plugged off. 8:00 pm- 10:00 pm TOO. 10:00 pm- 11:00 pm Clean out tools. 11:00 pm- 2:00 am RIH. 2:00 am- 7:00 am Fishing. [REDACTED]  
[REDACTED]

Day 9. 9/11/99. Present Operations: Fishing. 7:00 am- 10:00 am Fish for tools. 10:00 am- 2:00 pm Pull rods, change over tools. 2:00 pm- 6:00 pm RIH. 6:00 pm- 7:00 am Fishing. [REDACTED]  
[REDACTED]

Day 10. 9/12/99. Present Operations: Moving Pense, Circulating Mud. 9:00 pm- 8:00 am Move Pense rig off hole. 8:00 am- 9:00 am Move substructure and rig. 9:00 am- 1:00 pm Move on Ross well service. 1:00 pm- 4:00 pm Fishing. 4:00 pm- 6:30 pm Ross rig broke down. 6:30 pm- 8:00 pm Mud hole. 8:00 pm- 7:00 am Circulate mud. [REDACTED]  
[REDACTED]

Day 11. 9/13/99. Current Depth: 2660'. Present Operations: TOO. Total Rotating Hrs: 20- 1/2. 7:00 am- 12:30 pm Work jars up and down try to free fish. 12:30 pm- 4:00 pm Wait on loggers to freepoint pipe. 4:00 pm- 7:00 pm RIH to check freepoint stuck at overshot POOH. 7:00 pm- 10:00 pm RIH w/charge try to back off on crossover above overshot. 10:00 pm Back off sub p/up 30' and JDFN rig down wireline truck. [REDACTED]  
[REDACTED]

Day 12. 9/14/99. Current Depth: 2660'. Present Operations: Screwing in to fish. Total Rotating Hrs: 20-1/2. 7:00 am- 4:00 pm POOH w/Pense's drill rods. 4:00 pm- 7:00 pm P/up rental collars, jars, accelerators and drill pipe, TIH SDFN 2 joints off fish. [REDACTED]  
[REDACTED]

DAILY WELL REPORT

River Gas Corporation  
Utah 17-80  
2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E  
CARBON COUNTY, UTAH  
SURVEYED ELEVATION: 6332'  
API #43-007-30472  
DRILLING CONTRACTOR: Pense Bros. Rig #2

PAGE 3:

Day 13. 9/15/99. Current Depth: 2660'. Present Operations: RIH w/ wireline. 7:00 am-8:00 am Finish RIH and screw into fish. 8:00 am-12:00 pm Jar on fish. 12:00 pm-4:00 pm Wait on wireline truck. 4:00 pm- 7:30 pm RIH w/ tools to shoot overshot too big POOH and wait on smaller tools. SDFN. [REDACTED]

Day 14. 9/16/99. Current Depth: 2660'. Present Operations: POOH. 7:00 am-7:00 am Circulate well, run 1" OD spud tip, set down and float above bit. Run jar spot @ 2640 w/5000 lb torque in pipe, turn  $\frac{3}{4}$  around. Overshot stuck, shoot 4 time, comes free. POOH 900' SDFN. [REDACTED]

Day 15. 9/17/99. Current Depth: 2660'. Present Operations: Setting cement plug. 7:00 am-10:00 am Finish TOOH. 10:00 am- 11:30 am Load drill collars and rental tools. 11:30 am-12:00 pm Spot tbg trailer. 12:00 pm- 2:00 pm TIH w/ 2-7/8 tbg to 2200' SDFN. Waiting on Dowell. [REDACTED]

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.

5. Lease Designation and Serial Number:  
UTU-51584

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

7. Unit Agreement Name:  
N/A

8. Well Name and Number:  
Utah 17-180

9. API Well Number:  
43-007-30472

10. Field or Pool, or Wildcat:  
Drunkards Wash

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:  
River Gas Corporation

3. Address and Telephone Number:  
1305 South 100 East, Price, UT 84501 (435)637-8876

4. Location of Well  
Footages: 2566' FNL, 1360' FWL  
QQ, Sec., T., R., M.: SE/4, NW/4, SEC.17, T14S, R9E, SLB&M

County: Carbon  
State: UTAH

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

| NOTICE OF INTENT<br>(Submit in Duplicate)          |   | SUBSEQUENT REPORT<br>(Submit Original Form Only)               |   |
|--|---|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     | <input type="checkbox"/> Abandon *                             | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing | <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"/> Change of Plans                       | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection      | <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"/> Vent or Flare        | <input type="checkbox"/> Fracture Treat or Acidize             | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       | <input checked="" type="checkbox"/> Other <u>Weekly Report</u> |   |
| <input type="checkbox"/> Other _____               |   |  |   |

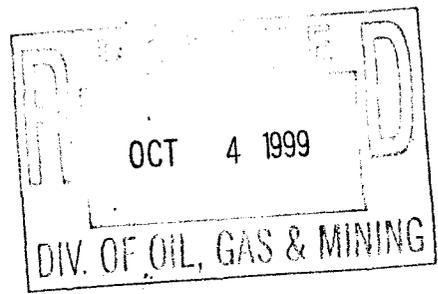
Approximate date work will start \_\_\_\_\_

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

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

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.)

See Attached



13. Name & Signature: Frankie Hathaway *Frankie Hathaway* Title: Administrative Assistant Date: 9/24/1999

(This space for state use only)

## DAILY WELL REPORT

CONFIDENTIAL

River Gas Corporation  
Utah 17-180  
2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E  
CARBON COUNTY, UTAH  
SURVEYED ELEVATION: 6332'  
API #43-007-30472  
DRILLING CONTRACTOR: Pense Bros. Rig #2

PAGE 1

DRILLING

Day 1. 9/3/99. Current Depth: 335'. Present Operations: Testing BOP. Total Rotating Hrs: 4-1/2. 7:00 am-8:00 am Move Equipment. 9:00 am -10:00 am Wait on fork lift. 10:00 am-12:00 pm RU. 12:00 pm-1:00 pm Drill and set 14'8" conductor. **Spud @ 12:00 pm on 9/2/99.** 1:00 pm-4:00 pm Drill 11" hole to 335'. 4:00 pm-6:00 pm Set 325.5' 8-5/8" surface pipe. 6:00 pm-6:30 pm RU Dowell. 6:30 pm-7:00 pm Pump cement job. 7:00 pm -3:00 am WOC. 3:00 am-3:30 am NU BOP. 3:30 am-7:00 am Testing BOP. [REDACTED]

Day 2. 9/4/99. Current Depth: 2660'. Present Operations: TIH. Total Rotating Hrs: 20-1/2. 7:00 am-8:30 am Finish BOP test. 8:30 am-9:00 am repair Hyd. Line. 9:00 am-11:00 am Run blooie line. 11:00 am-12:00 pm Change bit and RIH. 12:00 pm-3:00 pm Drill 7-7/8 hole 325-680'. 3:00 pm-7:00 pm Drill 680'-1310'. 7:00 pm-12:00 am Drill 1310'-2080'. 12:00 am-1:00 am Work on drill can. 1:00 am-4:00 am 2080-2660'. 4:00 am-6:00 am TOOH. 6:00 am-7:00 am TIH w/7-7/8 Tri-cone and drill collars. [REDACTED]

Day 3. 9/5/99. Current Depth: 2660'. Present Operations: Waiting on overshot. Total Rotating Hrs: 20-1/2. 7:00 am-8:00 am TIH w/drill collars. 8:00 am-9:00 am Service rig. 9:00 am-11:30 am TIH w/drill pipe. 11:30 am-12:00 pm Hydraulics quit. 12:00 pm-8:00 pm replace hydraulic pump. 8:00 pm- 9:00 pm Finish TIH. 9:00 pm-10:00 pm Condition hole. 10:00 pm-12:00 am Start drilling. Torque up not making any hole. 12:00 am-4:00 am TOOH drill collar backed off left in hole. 4:00 am-7:00 am S/down waiting on fishing tools. [REDACTED]

Day 4. 9/6/99. Current Depth: 2660'. Present Operations: TOOH. Total Rotating Hrs: 20-1/2. 7:00 am-9:00 am Wait on fishing tools. 9:00 am-10:00 am Overshot and grapple. 10:00 am-1:00 pm TIH. 1:00 pm- 5:00 pm Try to get on fish. 5:00 pm- 8:00 pm TOOH. 8:00 pm- 9:00 pm Wait on tools. 9:00 pm-10:00 pm Make up skirted mill. 10:00 pm-1:00 am TIH. 1:00 am-7:00 am Try to get on top of fish. [REDACTED]

Day 5. 9/7/99. Current Depth: 2660'. 7:00 am-9:00 am TOOH. 9:00 am-10:00 am P/up overshot and grapple. 10:00 am-1:00 pm TIH. 1:00 pm- 3:00 pm Try to work over fish. 3:00 pm- 6:00 pm TOOH. 6:00 pm- 8:00 pm TIH. 8:00 pm- 10:00 pm Try to get on fish. 10:00 pm-1:00 am TOOH. 1:00 am- 3:00 am Wait on mill. 3:00 am-5:00 am P/up and TIH. 5:00 am- 7:00 am Mill on fish. [REDACTED]

Day 6. 9/8/99. Current Depth: 2660'. Present Operations: TIH. Total Rotating Hrs: 20-1/2. 7:00 am- 11:30 am Mill on Fish. 11:30 am- 3:00 pm TOOH. 3:00 pm- 9:30 pm Wait on Fishing.

DAILY WELL REPORT

River Gas Corporation  
Utah 17-180  
2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E  
CARBON COUNTY, UTAH  
SURVEYED ELEVATION: 6332'  
API #43-007-30472  
DRILLING CONTRACTOR: Pense Bros. Rig #2

CONFIDENTIAL

PAGE 2:

Day 6. 9/8/99 cont'd.: tool. 9:30 pm- 11:00 pm P/up overshot and grapple and TIH. 11:00 pm- 11:30 pm Repair hydraulic hose 11:30 pm-7:00 am S/down no crew. [REDACTED]

Day 7. 9/9/99. Current Depth: 2660'. Total Rotating Hrs: 20-1/2. 7:00 am-9:00 am Replace hyd. Hose. 9:00 am-10:00 am Finish TIH. 10:00 am- 4:30 pm Work skirted mill over drill collar and dress up. 4:30pm- 7:00 pm TOO. 7:00 pm- 7:30 pm P/up overshot and grapple. 7:30 pm- 9:30 pm TIH. 9:30 pm- 10:30 pm Fish for collar. 10:30 pm- 12:30 am TOO. 12:30 am- 1:00 am Charge grapple. 1:00 am- 5:00 am TIH. 5:00 am- 7:00 am Try to catch fish. [REDACTED]

Day 8. 9/10/99. Current Depth: 2660'. Present Operations: Fishing. 7:00 am- 11:00 am TOO. 11:00 am- 5:00 pm RIH. 7:00 pm- 8:00 pm Plugged off. 8:00 pm- 10:00 pm TOO. 10:00 pm- 11:00 pm Clean out tools. 11:00 pm- 2:00 am RIH. 2:00 am- 7:00 am Fishing. [REDACTED]

Day 9. 9/11/99. Present Operations: Fishing. 7:00 am- 10:00 am Fish for tools. 10:00 am- 2:00 pm Pull rods, change over tools. 2:00 pm- 6:00 pm RIH. 6:00 pm- 7:00 am Fishing. [REDACTED]

Day 10. 9/12/99. Present Operations: Moving Pense, Circulating Mud. 9:00 pm- 8:00 am Move Pense rig off hole. 8:00 am- 9:00 am Move substructure and rig. 9:00 am- 1:00 pm Move on Ross well service. 1:00 pm- 4:00 pm Fishing. 4:00 pm- 6:30 pm Ross rig broke down. 6:30 pm- 8:00 pm Mud hole. 8:00 pm- 7:00 am Circulate mud. [REDACTED]

Day 11. 9/13/99. Current Depth: 2660'. Present Operations: TOO. Total Rotating Hrs: 20-1/2. 7:00 am- 12:30 pm Work jars up and down try to free fish. 12:30 pm- 4:00 pm Wait on loggers to freepoint pipe. 4:00 pm- 7:00 pm RIH to check freepoint stuck at overshot POOH. 7:00 pm- 10:00 pm RIH w/charge try to back off on crossover above overshot. 10:00 pm Back off sub p/up 30' and JDFN rig down wireline truck. [REDACTED]

Day 12. 9/14/99. Current Depth: 2660'. Present Operations: Screwing in to fish. Total Rotating Hrs: 20-1/2. 7:00 am- 4:00 pm POOH w/Pense's drill rods. 4:00 pm- 7:00 pm P/up rental collars, jars, accelerators and drill pipe, TIH SDFN 2 joints off fish. [REDACTED]

DAILY WELL REPORT

CONFIDENTIAL

River Gas Corporation  
Utah 17-80  
2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E  
CARBON COUNTY, UTAH  
SURVEYED ELEVATION: 6332'  
API #43-007-30472  
DRILLING CONTRACTOR: Pense Bros. Rig #2

PAGE 3:

Day 13. 9/15/99. Current Depth: 2660'. Present Operations: RIH w/ wireline. 7:00 am-8:00 am Finish RIH and screw into fish. 8:00 am-12:00 pm Jar on fish. 12:00 pm-4:00 pm Wait on wireline truck. 4:00 pm- 7:30 pm RIH w/ tools to shoot overshot too big POOH and wait on smaller tools. SDFN. [REDACTED]

Day 14. 9/16/99. Current Depth: 2660'. Present Operations: POOH. 7:00 am-7:00 am Circulate well, run 1" OD spud tip, set down and float above bit. Run jar spot @ 2640 w/5000 lb torque in pipe, turn 3/4 around. Overshot stuck, shoot 4 time, comes free. POOH 900' SDFN [REDACTED]

Day 15. 9/17/99. Current Depth: 2660'. Present Operations: Setting cement plug. 7:00 am-10:00 am Finish TOOH. 10:00 am- 11:30 am Load drill collars and rental tools. 11:30 am-12:00 pm Spot tbg trailer. 12:00 pm- 2:00 pm TIH w/ 2-7/8 tbg to 2200' SDFN. Waiting on Dowell. [REDACTED]

Day 16. 9/18/99. Current Depth: 2660'. Present Operations: No activity. RIH w/ tbg to 2638 and p/up 1 ft. Set @ 2637. R/up Dowell, break circulation. Pump 10 bbl H2O spacer mix and pump 87 sks G+2%J1+1/4#/sk D-29 cement. Displace w/ 13 bbl F/W gal POOH 600 ft. and reverse circulate tbg. POOH and lay tbg down. RIH to 425' pump 10 bbl spacer mix and pump 70 sks cement. POOH leave 60' in hole. Pump cement to surface. R/down Dowell, clean up BOP and rig down WOC until 3:00 pm. Weld cap on top of 8-5/8. S/D. [REDACTED]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

*SUBMIT IN TRIPLICATE*

1. Type of Well  
 Oil  Gas  Disposal

2. Name of Operator  
River Gas Corporation

3. Address and Telephone No.  
1305 South 100 East Price, Utah 84501 (435)637-8876

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

2566' FNL, 1360' FWL  
SE/4, NW/4, Sec. 17, T14S, R9E

**CONFIDENTIAL**

5. Lease Designation and Serial No.  
UTU 51584

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

7. If Unit or CA, Agreement Designation  
Drunkards Wash UTU 67921X

8. Well Name and No.  
USA 17-180

9. API Well No.  
43-007-30472

10. Field and Pool, or Exploratory Area  
Drunkards Wash

11. County or Parish, State  
Carbon County, Utah

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

| TYPE OF SUBMISSION                                | TYPE OF ACTION                           |  |
|---|--|--|
| <input type="checkbox"/> Notice of Intent         | <input type="checkbox"/> Weekly Report   | <input type="checkbox"/>                         |
| <input type="checkbox"/> Subsequent Report        | <input type="checkbox"/> Change of Name  | <input type="checkbox"/> Change of Plans         |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Recompletion    | <input type="checkbox"/> New Construction        |
|   | <input type="checkbox"/> Plugging Back   | <input type="checkbox"/> Non-Routine Fracturing  |
|   | <input type="checkbox"/> Casing Repair   | <input type="checkbox"/> Water Shut-Off          |
|   | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |

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.)\*

The top of the drill collar was at 2638' and fishing attempts failed to recover the obstruction. After receiving permission from Eric Jones and Don Stephens of the BLM, Dowell was contacted on 9/16/99, to set three cement plugs. Dowell arrived at 7:00 am on 9/17/99, rigged up, held a safety meeting and pumped a 200' plug from 2638'-2438'. The rig pulled up hole to 425' and Dowell pumped a second plug from 425'-225' leaving nine pound mud between plugs. The rig pulled up hole to 60' from surface, Dowell then pumped cement to the surface. After cement set up, a steel cap with the well name and section number was welded on the 8-5/8 casing at ground level.

Well Data:

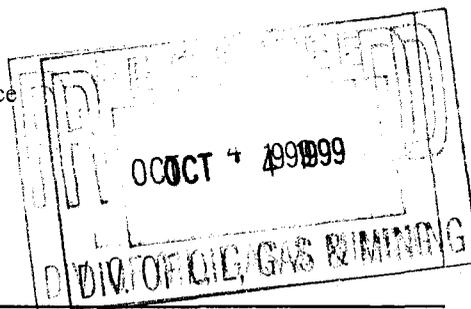
7-7/8 hole to 2638'  
12-3/4 conductor set @ 14.8'  
8-5/8 24# J-55 set @ 325.5'

Cement Data:

180 sks Class G  
1.15 cu.ft/sk  
15.8 #/gal

Plug Data:

1st plug: 87 sks 2638'-2438'  
2nd plug: 70 sks 425'-225'  
3rd plug: 23 sks 60'-surface



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

Signed Cal Smith Title Development Manager Date 9/22/99

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:

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

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

Route original/copy to:

Well File USA ~~17-180~~/USA 17-180A       Suspense       Other  
(Return Date) \_\_\_\_\_  
(Loc.) Sec 17 Twp 14S Rng 9E      (To-Initials) \_\_\_\_\_  
(API No.) 43-007-30472 AND \_\_\_\_\_  
43-007-30622 (RIG SKID)

1. Date of Phone Call: 10-14-99      Time: 10:00

2. DOGM Employee (name) L. CORDOVA *lc*      (  Initiated Call )  
Talked to:  
Name FRANKIE      (  Initiated Call ) - Phone No. (435) 637-8876  
of (Company/Organization) RIVER GAS CORP

3. Topic of Conversation: WERE WELLS INVOLVED IN LAND SWAP?

4. Highlights of Conversation: \_\_\_\_\_  
PAPERWORK SUBMITTED EARLIER IN THE YEAR INDICATED THAT MINERAL LEASE  
UTU-51584 CHANGED TO ML-48181 (LAND SWAP). RIG-SKID APD/43-007-30622  
(APPROVED BY THE BLM 9-24-99) LISTS FEDERAL LEASE UTU-51584.

\*JOEY STEPHENSON/RGC "LAND DEPARTMENT"  
THIS WELL WAS NOT A PART OF THE LAND SWAP. MINERAL LEASE UTU-51584 IS  
THE CORRECT LEASE TYPE AND (SURF FEDERAL).

\*\*CORRECTIONS TO BOTH LOCATIONS (17-180 & 17-180A) ARE BEING MADE  
TODAY.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

**CONFIDENTIAL**

**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.

5. Lease Designation and Serial Number: \_\_\_\_\_

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

7. Unit Agreement Name: N/A

8. Well Name and Number: Utah 17-180

9. API Well Number: 43-007-30472

10. Field or Pool, or Wildcat: Drunkards Wash

1. Type of Well: OIL  GAS  OTHER

2. Name of Operator: River Gas Corporation

3. Address and Telephone Number: 1305 South 100 East, Price, UT 84501 (435)637-8876

4. Location of Well  
Footages: 2566' FNL, 1360' FWL  
QQ, Sec., T., R., M.: SE/4, NW/4, SEC.17, T14S, R9E, SLB&M

County: Carbon  
State: UTAH

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

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

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

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

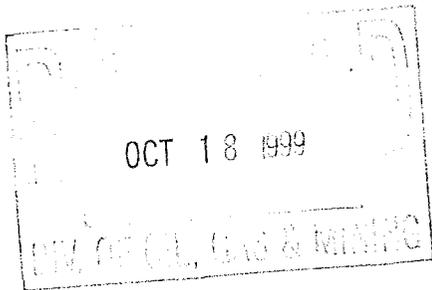
**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- Abandon \*
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other Spud Notice \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

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

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.)

Date Spud: 9/2/1999 @ 12:00 pm.  
Drilling Contractor: Pense Bros. Rig#2



13. Name & Signature: Frankie Hathaway *Frankie Hathaway* Title: Administrative Assistant Date: 10/8/1999

(This space for state use only)

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

**CONFIDENTIAL**

|  |                               |   |                                      |  |   |   |                             |
|--|-------------------------------|---|--------------------------------------|--|---|---|-----------------------------|
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>  |                               |   |                                      |  |   | 5. LEASE DESIGNATION AND SERIAL NO.<br><b>UTU-51584</b>   |                             |
|  |                               |   |                                      |  |   | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br><b>N/A</b>  |                             |
| 1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____  |                               |   |                                      |  |   | 7. UNIT AGREEMENT NAME<br><b>Drunkards Wash UTU-67921X</b>  |                             |
| b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____ |                               |   |                                      |  |   | 8. FARM OR LEASE NAME<br><b>USA</b>   |                             |
| 2. NAME OF OPERATOR<br><b>RIVER GAS CORPORATION</b>  |                               |   |                                      |  |   | 9. WELL NO.<br><b>17-180</b>  |                             |
| 3. ADDRESS OF OPERATOR<br><b>1305 South 100 East, Price, UT 84501 (435) 637-8876</b>   |                               |   |                                      |  |   | 10. FIELD AND POOL, OR WILDCAT<br><b>Drunkards Wash</b>   |                             |
| 4. LOCATION OF WELL (Report clearly and in accordance with any State requirements) <span style="float: right;">location</span><br>At surface <b>2566' FNL, 1360' FWL</b><br>At top prod. interval reported below             |                               |   |                                      |  |   | 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA<br><b>SE/4 NW/4, Sec 17, T14S, R09E, SLB&amp;M</b>  |                             |
| 14. API NO.<br><b>43-007-30472</b>   |                               |   |                                      | DATE ISSUED<br><b>9/9/98</b>   |   | 12. COUNTY<br><b>Carbon</b>   | 13. STATE<br><b>Utah</b>    |
| 15. DATE SPUNDED<br><b>10/7/99 9/2/99</b>  |                               | 16. DATE T.D. REACHED<br><b>N/A</b>   |                                      | 17. DATE COMPL. (Ready to prod. or Plug & Abd.)<br><b>9/18/99 GR 6332'</b> |   | 18. ELEVATIONS (DF, REB, RT, GR, ETC.)<br><b>N/A</b>  |                             |
| 20. TOTAL DEPTH, MD & TVD<br><b>N/A 2660' / Sandy</b>  |                               | 21. PLUG BACK T.D., MD & TVD<br><b>N/A</b>  |                                      | 22. IF MULTIPLE COMPL., HOW MANY<br><b>N/A</b>                             |   | 23. INTERVALS DRILLED BY<br><b>to TD</b>  | ROTARY TOOLS<br><b>N/A</b>  |
| 24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD OR TVD)   |                               |   |                                      |  |   | 25. WAS DIRECTIONAL SURVEY MADE<br><b>-----</b>   |                             |
| 26. TYPE ELECTRIC AND OTHER LOGS RUN<br><b>Dual Induction, Laterolog, SFF, GR, Caliper, Comp Density, &amp; Neutron</b>  |                               |   |                                      |  |   | 27. WAS WELL CORED DRILL STEM TEST<br>YES <input type="checkbox"/> NO <input checked="" type="checkbox"/><br>YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (Submit analysis) (See reverse side) |                             |
| 28. CASING RECORD (Report all strings set in well)   |                               |   |                                      |  |   |   |                             |
| CASING SIZE  |                               | WEIGHT, LB./FT.   | DEPTH SET (MD)                       | HOLE SIZE  | CEMENT RECORD                               |   | AMOUNT PULLED               |
| 12 3/4"  |                               | Conductor   | 25'                                  | 15"  | 149 sxs Class G, 2% S1+1/4# per sack D29    |   |                             |
| 8 5/8"   |                               | 24#   | 365'                                 | 11"  | 343 sxs 50/50 POZ8%D20, 10%D44, 1/4#7/SKD29 |   |                             |
| 5 1/2"   |                               | 17#   | 3650'                                | 7 7/8"   | 75 sks tail 10-1 RFC                        |   |                             |
| 29. LINER RECORD   |                               |   |                                      | 30. TUBING RECORD  |   |   |                             |
| SIZE   | TOP (MD)                      | BOTTOM (MD)   | SACKS CEMENT                         | SCREEN (MD)  | SIZE  | DEPTH SET (MD)  | PACKER SET (MD)             |
|  |                               |   |                                      |  | 2-7/8"                                      | 2200'   | N/A                         |
| 31. PERFORATION RECORD (Interval, size and number)   |                               |   |                                      | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.                             |   |   |                             |
| <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <p>OCT 18 1999</p> <p>DIV. OF OIL, GAS &amp; MINING</p> </div>  |                               |   |                                      | DEPTH INTERVAL (MD)  |   | AMOUNT AND KIND OF MATERIAL USED  |                             |
|  |                               |   |                                      |  |   |   |                             |
|  |                               |   |                                      |  |   |   |                             |
|  |                               |   |                                      |  |   |   |                             |
| 33. PRODUCTION   |                               |   |                                      |  |   |   |                             |
| DATE FIRST PRODUCTION<br><b>N/A</b>  |                               | PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)<br><b>N/A</b> |                                      |  |   | WELL STATUS (Producing or shut-in)<br><b>Producing PA</b>   |                             |
| DATE OF TEST<br><b>N/A</b>   | HOURS TESTED<br><b>N/A</b>    | CHOKE SIZE<br><b>-----</b>  | PROD'N FOR TEST PERIOD<br><b>N/A</b> | OIL---BBL.<br><b>N/A</b>   | GAS---MCF.<br><b>N/A</b>                    | WATER---BBL.<br><b>N/A</b>  | GAS-OIL RATIO<br><b>N/A</b> |
| FLOW. TUBING PRESS.<br><b>N/A</b>  | CASING PRESSURE<br><b>N/A</b> | CALCULATED 24-HOUR RATE<br><b>N/A</b>   | OIL---BBL.<br><b>N/A</b>             | GAS---MCF.<br><b>N/A</b>   | WATER---BBL.<br><b>N/A</b>                  | OIL GRAVITI - API (CORR.)<br><b>N/A</b>   |                             |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)<br><b>SOLD</b>  |                               |   |                                      | TEST WITNESSED BY<br><b>Jerry H. Dietz</b>                                 |   |   |                             |
| 35. LIST OF ATTACHMENTS  |                               |   |                                      |  |   |   |                             |
| 36 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records   |                               |   |                                      |  |   |   |                             |
| SIGNED <u>Frankie Hathaway</u> <i>Frankie Hathaway</i> TITLE <b>Administrative Assistant</b>   |                               |   |                                      | DATE <b>October 13, 1999</b>   |   |   |                             |