

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. Lease Designation and Serial Number:  
**ML-48210**

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Farm or Lease Name:

9. Well Number:  
**SITLA 22-27**

10. Field and Pool, or Wildcat:  
**Drunkards Wash Ferron Coal Seam**

11. Ctr/Ctr, Section, Township, Range, Meridian:  
**SE NW Sec. 27  
T15S R9E  
S. L. Base**

12. County:  
**Carbon**

13. State:  
**UT UTAH**

22. Approximate date work will start:  
**April 15, 1999**

1A. Type of Work: **DRILL**  **DEEPEN**

B. Type of Well: **OIL**  **GAS**  OTHER: **SINGLE ZONE**  **MULTIPLE ZONE**

2. Name of Operator:  
**Fleet Energy, L.L.C.**

3. Address and Telephone Number:  
**2450 Fondren, Suite 310, Houston, TX 77063 713/785-5600**

*Jim Hemingway 829 0670*

4. Location of Well (Footages):  
At Surface: **1406' FNL 1828' FWL**

At Proposed Producing Zone: **same**

*508431  
439463*

14. Distance in miles and direction from nearest town or post office:  
**13 miles southwest of Price, UT**

15. Distance to nearest property or lease line (feet): <b>1406'</b>	16. Number of acres in lease: <b>320</b>	17. Number of acres assigned to this well: <b>160</b>
18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): <b>none</b>	19. Proposed Depth: <b>2,791'</b>	20. Rotary or cable tools: <b>Rotary</b>
21. Elevations (show whether DF, RT, GR, etc.): <b>6101' GL</b>		22. Approximate date work will start: <b>April 15, 1999</b>

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8" J-55	24 lb.	300'	85 sx Class G cmt. <i>WT Yield</i>
7 7/8"	5 1/2" N-80	17 lb.	2786'	275 sx "Light" cmt. <i>85.8 lbs</i>
				75 sx premium cmt. <i>12.5 1.42</i>
				<i>14.2 1.61</i>

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

This well is on a lease covering lands that were included in the Federal-State of Utah "Land Swap" and has now become a SITLA lease. SITLA now owns the surface and mineral interests.

This well is proposed to test the gas potential of the Ferron coal seams.

This well will be air drilled to TD. A 3000 psi BOP will be used while drilling this well.

Bond coverage for this well is provided by Fleet's Bond #B 7858.

An Archaeological survey has been performed on this well location and access roads per the River Gas EIS requirements. This survey is on file at the State Historical Preservation Office, Permit No. U-98-MQ-0235b.

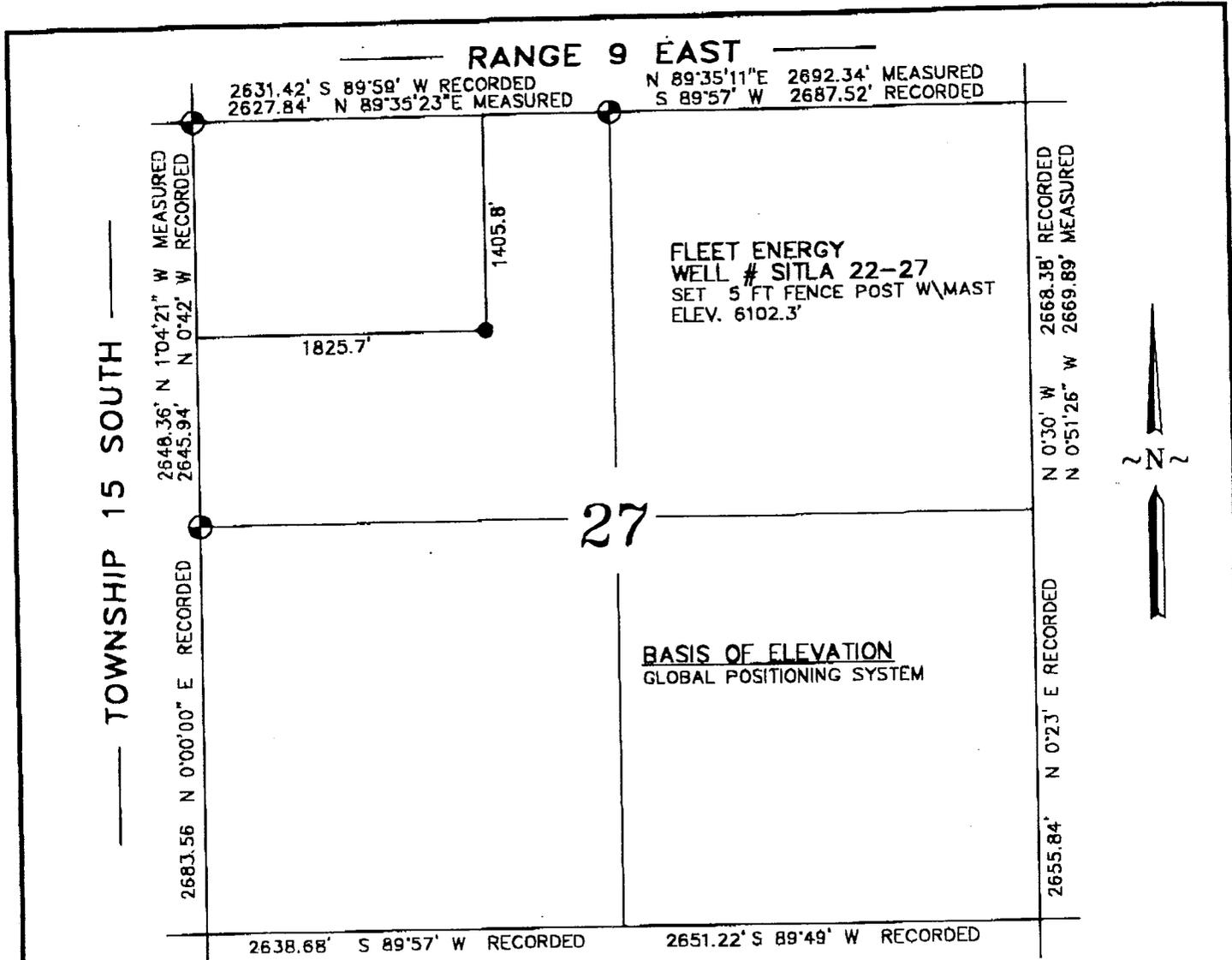
24. Name & Signature: *J. M. Spears* Vice President, Production & Operations  
 Title: **Vice President, Production & Operations** Date: **2/18/99**

This space for State use only)  
API Number Assigned: 43-007-30553

Approval:

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 4/20/99  
By: *[Signature]*

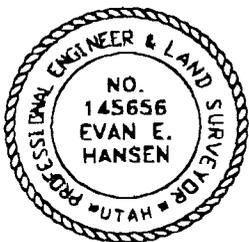


**LEGEND**

- ⊕ FOUND BRASS CAP
- SEARCHED FOR BUT NOT FOUND
- ◊ FOUND ROCK CORNER

**BASIS OF BEARING**

BASIS OF BEARING IS A GLOBAL POSITIONING BEARING.



**ENGINEER'S CERTIFICATE**

I, EVAN E. HANSEN, DO HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR AND PROFESSIONAL ENGINEER HOLDING CERTIFICATE NO. 145656 AS PRESCRIBED UNDER THE LAWS OF THE STATE OF UTAH. I FURTHER CERTIFY THAT I HAVE MADE A SURVEY OF THE TRACT OF GROUND SHOWN AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

*Evan E. Hansen*  
EVAN E. HANSEN

3/01/1999  
DATE

REVISED 3-01-99

SE4 NW4 SEC. 27, T 15 S, R 9 E, S.L.B. & M.

**Empire Engineering**

1665 E. Sagewood Rd. Price, Utah 84501

**FLEET ENERGY  
WELL # SITLA 22-27**

Drawn By: RH	Approved By: EEH	Drawing No. EEOG-98-13
Date: 4-24-98	Scale: 1"=1000'	SHEET 1 OF 1

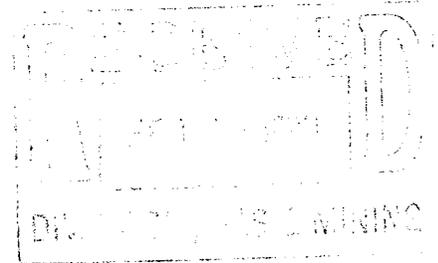
C:\EMPIRE\FLEET-ENERGY\SITLA 22-27.dwg 02/19/99 00:06 wn



Fleet Energy, L.L.C.  
2450 Fondren, Suite 310  
Houston, Texas 77063  
Tel: 713.785.5600  
Fax: 713.785.5605

February 23, 1999

Mr. Brad Hill  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, UT 84114-5801



Dear Mr. Hill:

Attached is an Application for Permit to Drill (APD) the SITLA #22-27 well in SE/4 NW/4 of section 27 of T15S-R9E in Carbon County, Utah. A Federal APD for this well was previously submitted and approved by your office on July 15, 1998 (copy attached), contingent on final approval by the BLM. This lease was subsequently included in lands covered by the Federal-State of Utah "land swap", and therefore the surface and minerals are now owned by SITLA. Because of the pending land swap, the BLM never actually approved the original APD. Therefore, Fleet Energy requests that the Division of Oil, Gas and Mining rescind its previous approval of the Federal APD and approve the attached State of Utah APD.

The well name for this APD has changed from the "Capricorn Federal #1-27" to the "SITLA #22-27". Also, the lease number has changed from U-70875 to ML-48210.

Fleet Energy, L.L.C. hereby requests prompt approval of the attached APD. Our plans are to start operations on the subject well as soon as practical after lifting of big game winter restrictions on April 15, 1999. Please contact me at (713) 785-5600 ext. 104 if you have any questions regarding this APD.

Sincerely,

Mark Spears  
V.P., Production and Operations

**COPY**

cc: D. K. Livingstone

**Fleet Energy, L.L.C.**  
**SITLA 22-27 Well APD**

1. The surface material at the location of this proposed well in weathered Mancos shale.
2. The estimated formation tops are as follows:

Mancos Shale	Surface
Ferron SS	2456'
Tununk Shale	2741'
T.D. of well	2791'

3. The estimated depth of important water, oil, or gas is:

Ferron SS	2456'	Gas and water; coal
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There are no other water zones expected to be encountered during the drilling of this well. Any additional zones will be cemented behind pipe as the production casing string will be cemented to surface.

4. This well will be drilled with air as the circulating medium. Should any water or difficulties be encountered, then mist/foam drilling will commence with a commercial drilling foamer and 2% KCl water. A bentonite or similar mud system is not expected to be used.
5. The auxiliary equipment to be used will be that prudent for air drilling (compressors, boosters, mist pump, etc.). The blooie line will terminate approximately 100' from rig. An igniter system and a deduster will be used.
6. A relatively small blooie pit will be used to accumulate cuttings and any drilling fluids used, along with returns from cementing casing and completion operations. The size of the blooie pit will be approximately 20' X 40' and 8' deep. This pit will be closed and reclaimed after the completion of this well has been done.
7. The BOP system used will be a 3000 psi configuration, hydraulically operated with mechanical secondary closing option. A schematic diagram is attached. A Hydrill or equivalent rotating head will be used as the top piece of the BOP stack. The BOP will be nipped up on the surface casing and pressure tested before drilling out of the surface casing. All pressure testing and operational testing of the BOP equipment will be per R649-3-7 of the O&G Commission general rules.
8. The casing and hole size design for this well will be as follows:

Surface casing:

11" hole, 8 5/8" J-55, 24 lb./ft. casing set to 300'.

Cement to surface using plug. This will require approximately 85 sx of Class G cement at 30% calculated excess.

Production casing:

7 7/8" hole, 5 1/2" N-80, 17 lb./ft. casing to T.D. est. 2786'.

The production casing will be cemented to surface using a "light" cement followed by premium cement to cover the productive interval. The plug and pump method will be used. This will require approximately 275 sx light cement followed by 75 sx premium cement at 30% excess.

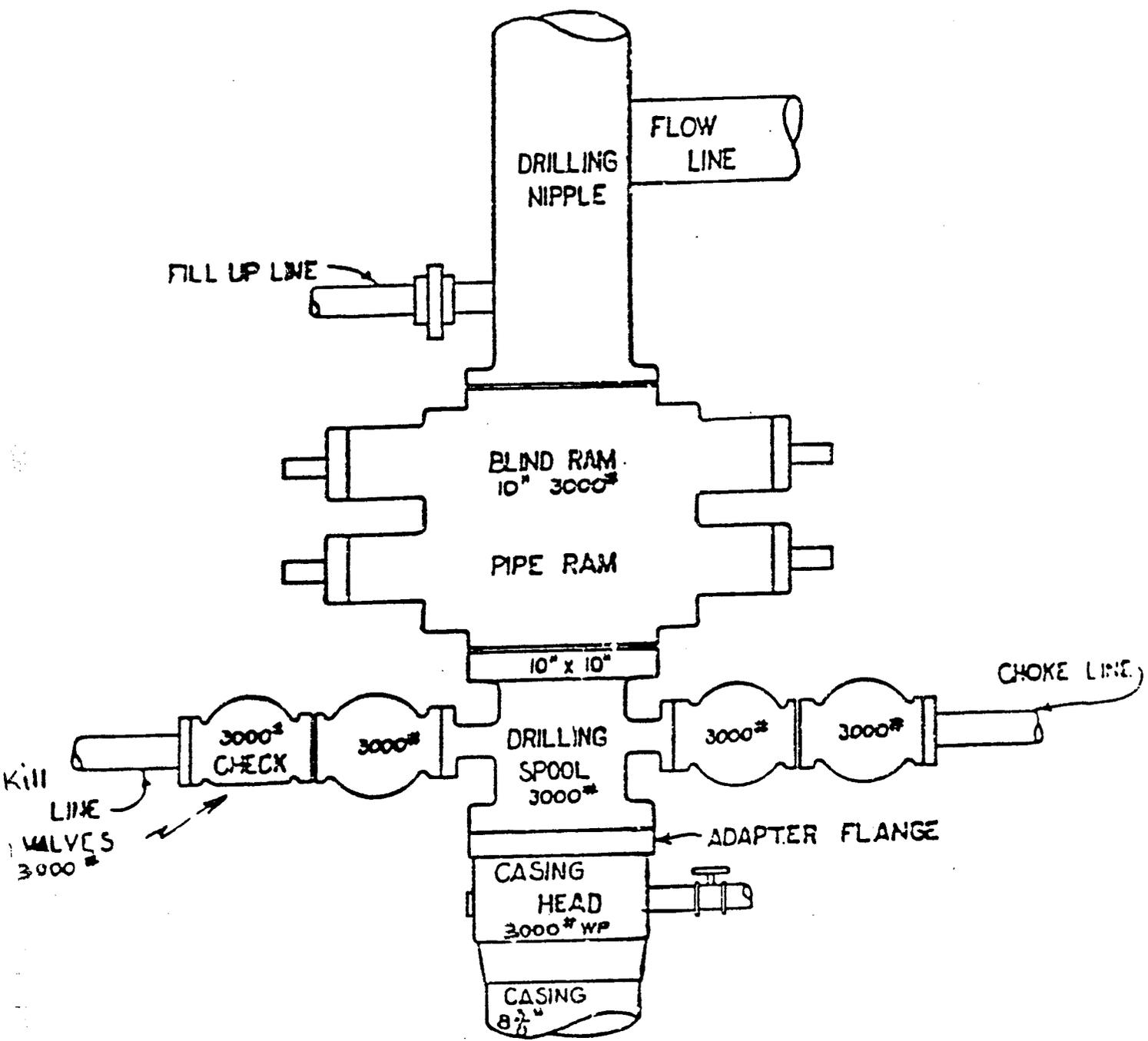
9. Open hole logging is planned as follows:

DIL-GR, Compensated Neutron/Formation Density/GR.  
Coring or DST's are not planned for this well.

10. It is not anticipated that H<sub>2</sub>S gas, abnormal pressures or temperatures will be encountered while drilling or completing this well. Bottom hole pressure gradient expected is .35 psi/ft or 975 psi for this well.
11. It is expected that operations on this well will begin ASAP after April 15, 1999. The time required to drill this well is expected to be 3 to 5 days.
12. All water needed for this well will be purchased from Castle Valley Service District in Huntington or Castle Dale, UT. Water will be hauled by local contractors.
13. All produced water from this well will be disposed of in a disposal/injection well or approved evaporation pond.
14. This well's access will utilize an existing road off the Wattis Highway for approximately 300' in an easterly direction. A new road will need to be constructed approximately 250' north to the location. This new road will not require any cuts, fills, or culverts. The area is fairly flat and will only require light grading. The new road will not be wider than 16' and no turnarounds are planned. A map is attached showing the well location and road.
15. This well is located 13 miles south of Price, UT. Directions: 9 miles south on Hwy. 10 to Hwy. 122 (Hiawatha turnoff), then west 3 miles to the Wattis turnoff, then north 1 mile to the dirt road leading to location.
16. All trash will be maintained in a cage or suitable container and hauled to an approved disposal facility.
17. The closest well to this proposed well is the General American 1-15 in Sec. 15, T15S-R9E.

The contact for this well is:

Mark Spears  
Vice President, Production & Operations  
Fleet Energy, L.L.C.  
2450 Fondren, Suite 310  
Houston, TX 77063  
713/785-5600, Ext. 104



Fleet Energy L.L.C.  
 BLOWOUT PREVENTER DIAGRAM

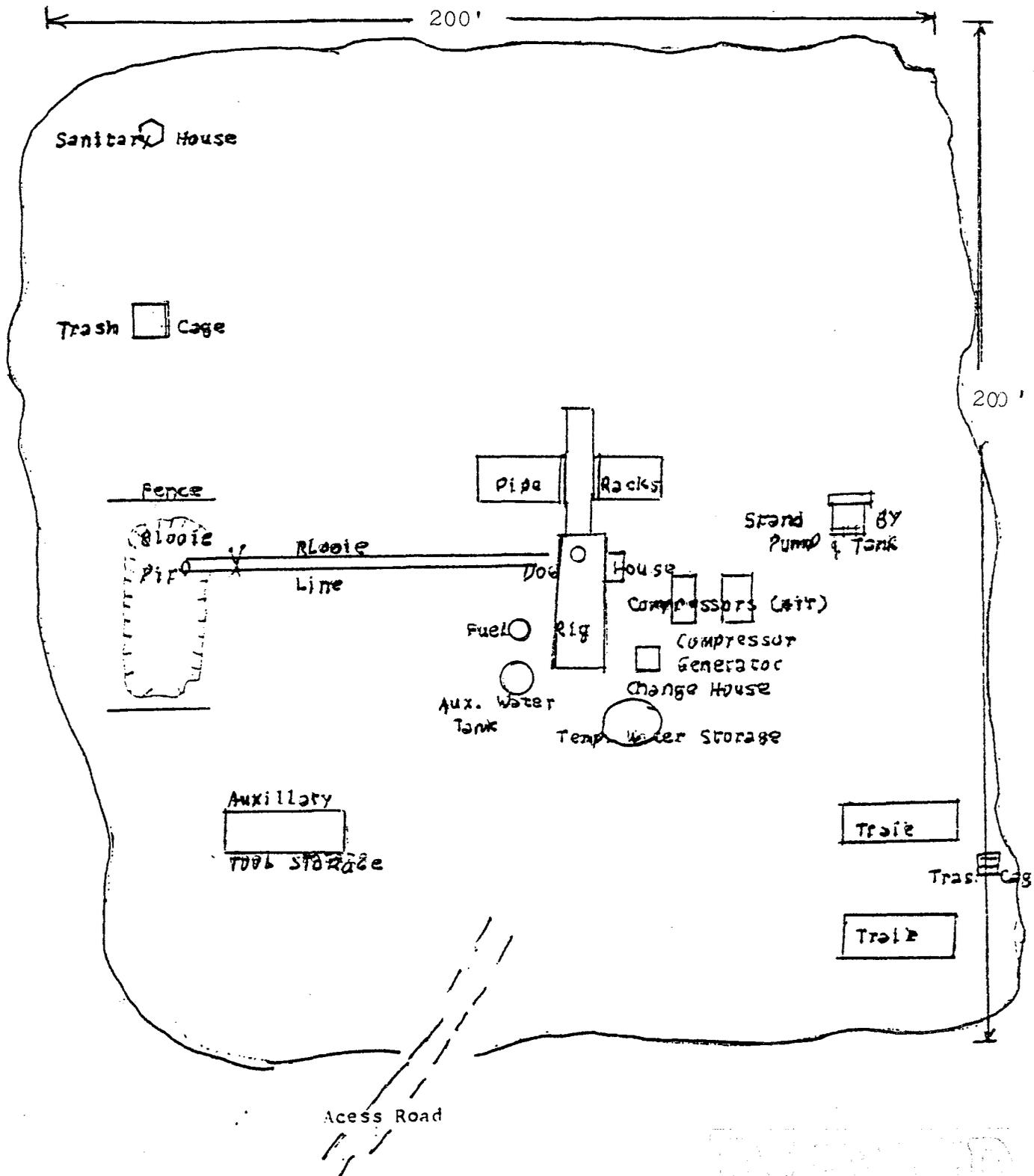
[Faint, illegible text and stamp, possibly a company logo or signature area.]

Fleet Energy LLC

Schematic

Diagram

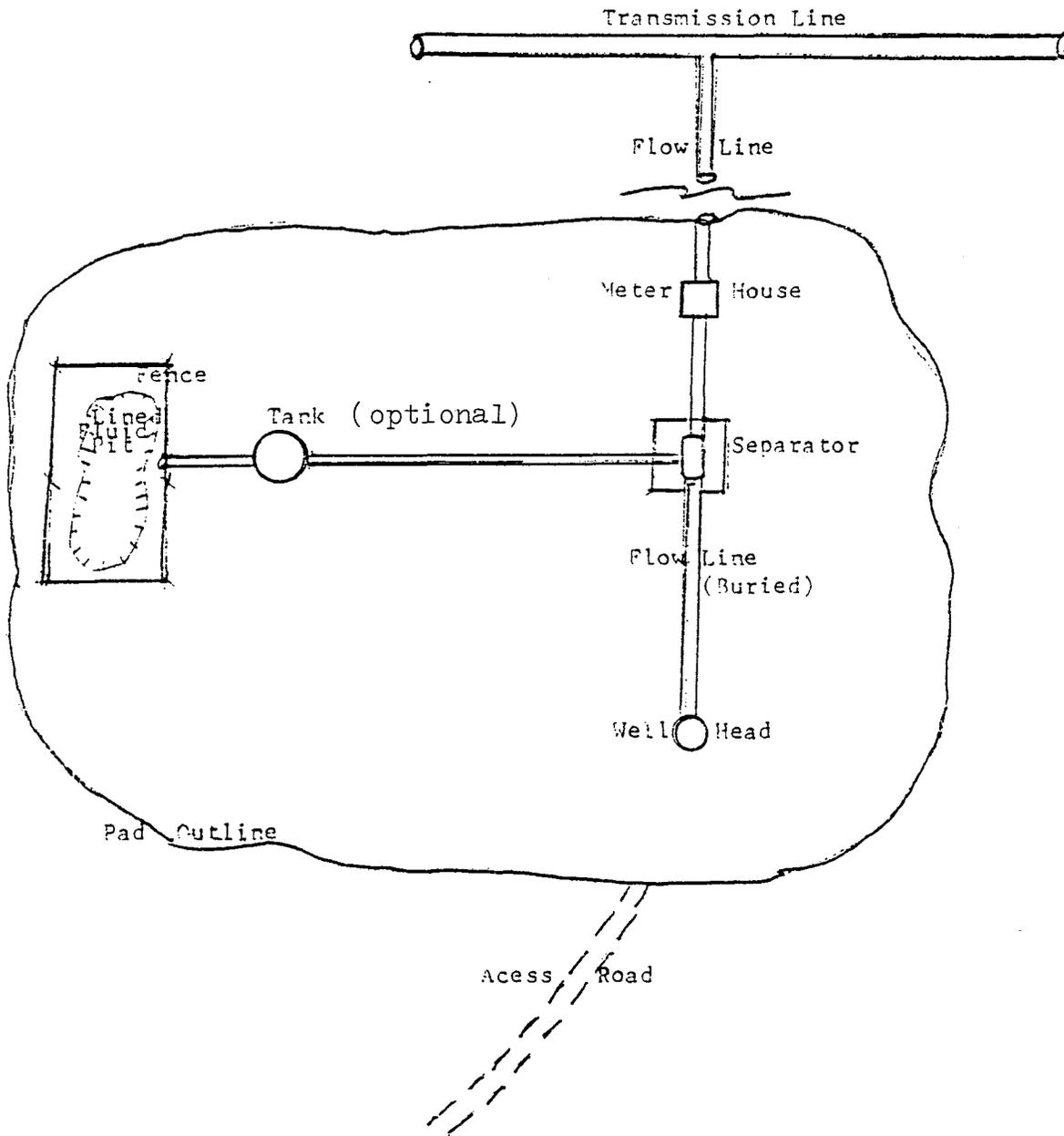
Drilling Rig Layout



Scale 1" = 33'  
(approximate)



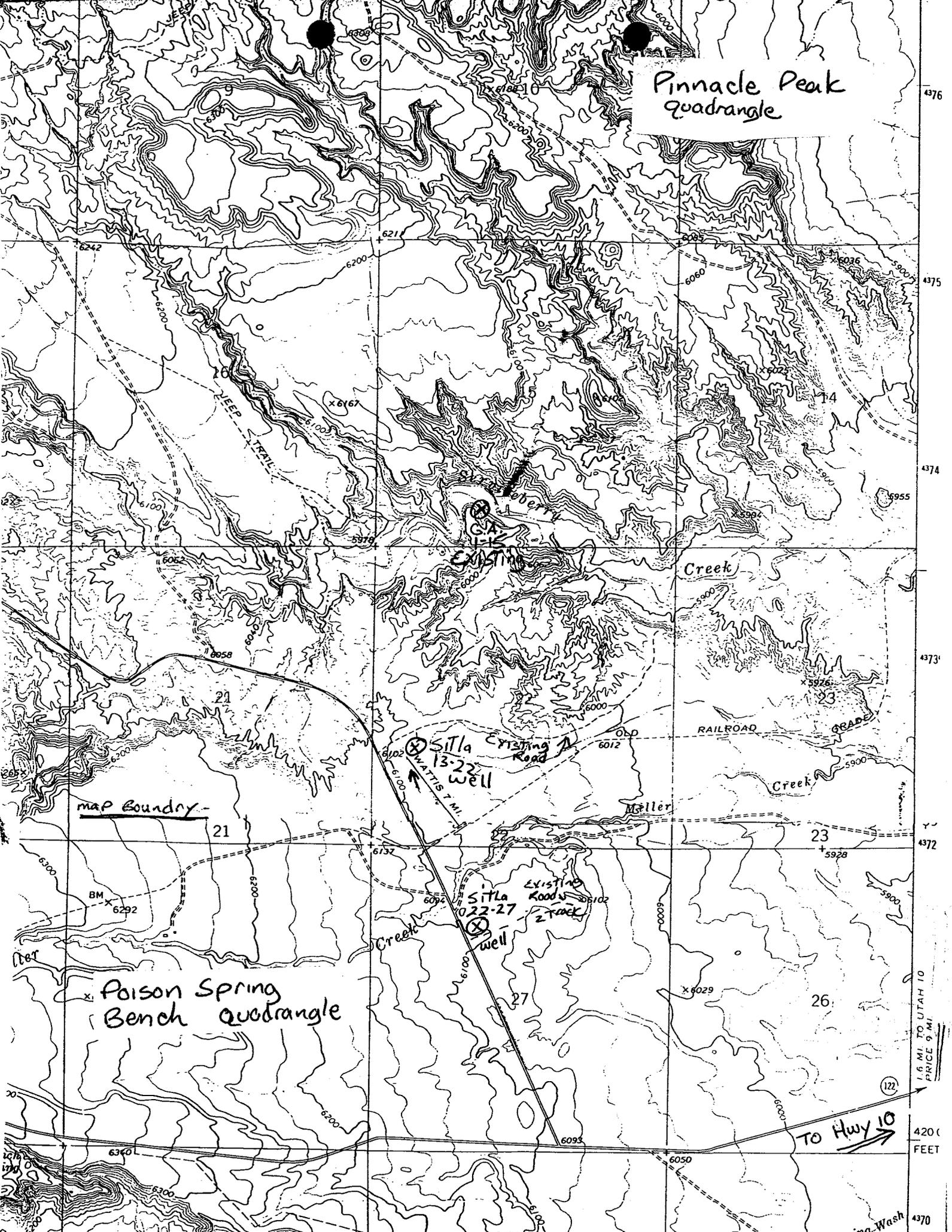
Fleet Energy L.L.C.  
Production Facilities  
Gas



Approximate Scale: 1" = 50'



Pinnacle Peak  
Quadrangle



map boundary

Poison Spring  
Bench Quadrangle

Silla 13-22  
well

Silla 022-27  
well

TO Hwy 10

1.6 MI. TO UTAH 10  
PRICE 9 MI

4200  
FEET

Wash 4370

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/24/1999

API NO. ASSIGNED: 43-007-30553

WELL NAME: SITLA 22-27  
 OPERATOR: FLEET ENERGY LLC (N0935)  
 CONTACT: J.M. Spears (713) 785-5600

PROPOSED LOCATION:  
 SENW 27 - T15S - R09E  
 SURFACE: 1406-FNL-1828-FWL  
 BOTTOM: 1406-FNL-1828-FWL  
 CARBON COUNTY  
 UNDESIGNATED FIELD (002)

INSPECT LOCATN BY: / /		
TECH REVIEW	Initials	Date
Engineering	<i>rc</i>	4-13-99
Geology		
Surface		

LEASE TYPE: STA  
 LEASE NUMBER: ML-48210  
 SURFACE OWNER: State

PROPOSED FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

Plat  
 Bond: Federal  State  Fee   
 (No. B7858)

Potash (Y/N)  
 Oil Shale (Y/N) \*190-5(B)  
 Water Permit  
 (No. Castle Valley Sup. Dist.)

RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)

N/A Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit \_\_\_\_\_  
 R649-3-2. General  
 R649-3-3. Exception

Drilling Unit  
 Board Cause No: 243-1 (160')  
 Date: 10-13-98

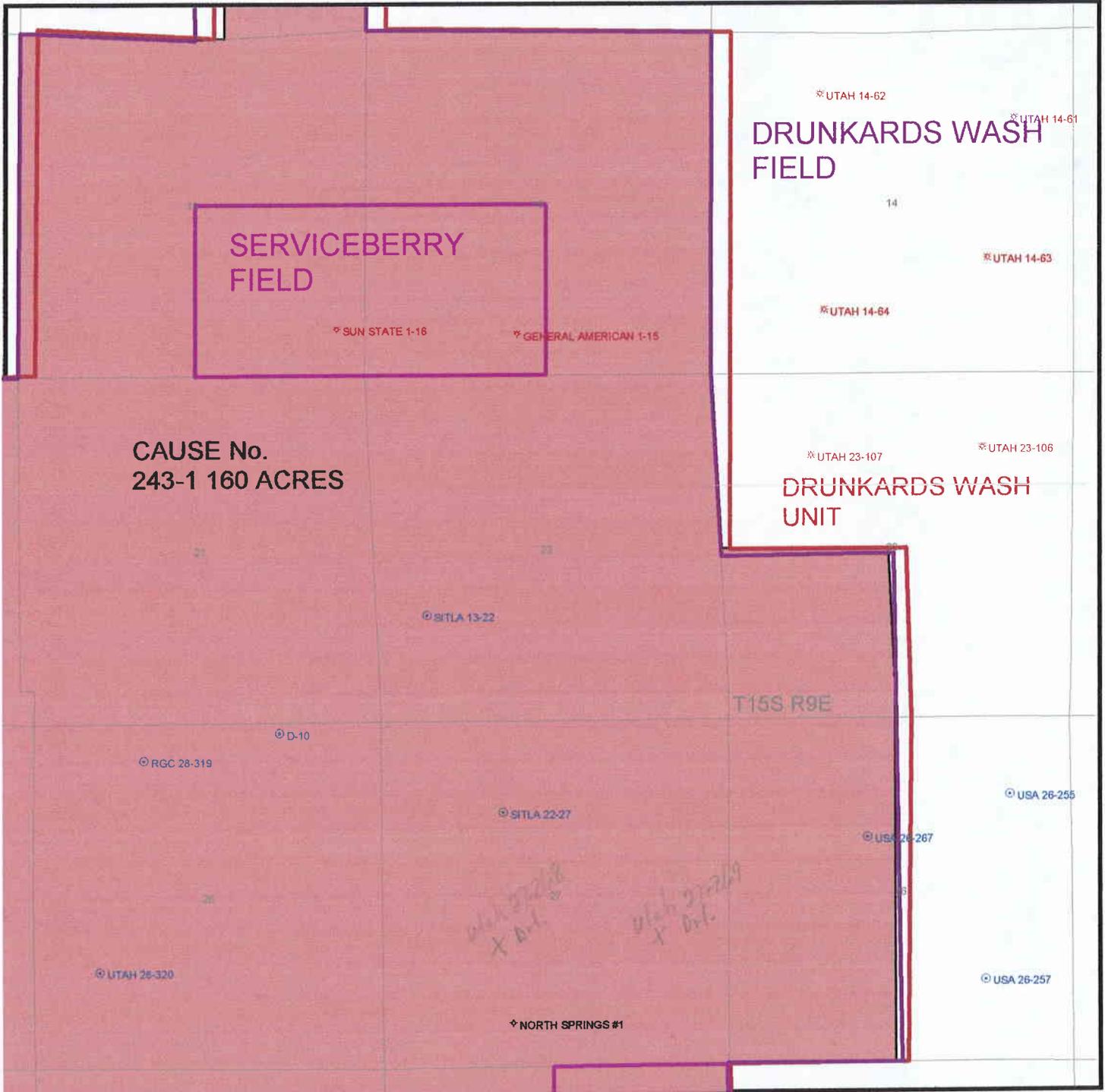
COMMENTS: Need Presite. (Conducted 4-1-99)

STIPULATIONS: (1) Engr. See Attached Worksheet.  
(2) STATEMENT OF BASIS  
(3) SITLA STIPULATIONS

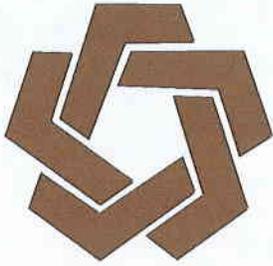


Division of Oil, Gas & Mining

OPERATOR: FLEET ENERGY LLC. (N0935)  
FIELD: UNDESIGNATED (002)  
SEC. 22 & 27, TWP 15S, RNG 9E  
COUNTY: CARBON C AUSE No.: 243-1 160 ACRES

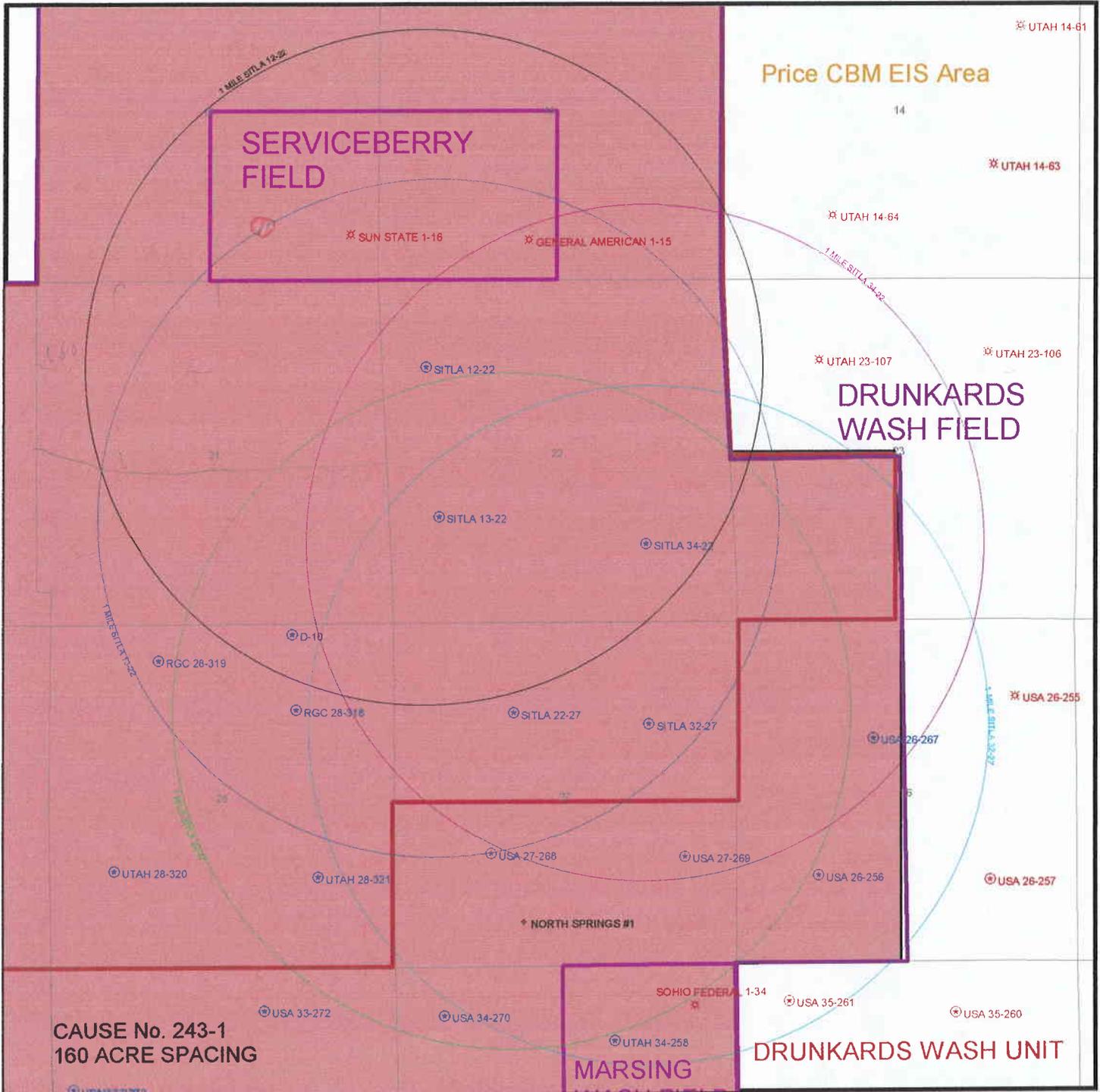


PREPARED  
DATE: 15-MAR-1999



Division of Oil, Gas & Mining

OPERATOR: FLEET ENERGY LLC (N0935)  
FIELD: UNDESIGNATED (002)  
SEC. 22 & 27, TWP 15S, RNG 9E  
COUNTY: CARBON CAUSE No. 243-1 160 ACRES



PREPARED  
DATE: 31-MAR-1999



# State of Utah

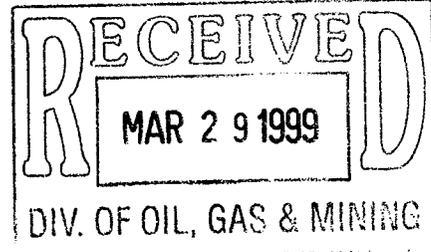
Department of Community and Economic Development  
Division of State History  
Utah State Historical Society



Michael O. Leavitt  
Governor  
Max J. Evans  
Director

300 Rio Grande  
Salt Lake City, Utah 84101-1182  
(801) 533-3500 FAX: 533-3503 TDD: 533-3502  
cehistory.ushs@email.state.ut.us

March 23, 1999



Kenneth L. Wintch, Staff Archaeologist  
Utah School and Institutional State Trust  
Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City UT 84102

RE: "Cultural Resource Inventory of Fleet Energy's Well Locations and Access Corridors,  
Carbon County, Utah" U-98-MQ-0074s

In Reply Please Refer to Case No. 99-0335

The Utah State Historic Preservation Office received the above referenced report on March 8, 1999. After consideration of the Montgomery Report, the USHPO concurs with a determination of No Effect for the project. Two properties were recorded and will be avoided by the project; [42CB 1318 and 1317, Eligible]

This information is provided on request to assist LANDS with its state law responsibilities as specified in U.A.C. 9-8-404. If you have questions, please contact me at (801) 533-3555. My email address is: [jdykman@state.ut.us](mailto:jdykman@state.ut.us)

As ever,

  
James L. Dykmann  
Compliance Archaeologist

JLD:99-0335 OSM/DOEx2/NEx2

c: Keith R. Montgomery, Principal Investigator, Montgomery Archaeological Consultants  
P. O. Box 147, 322 East 100 South, Moab UT 84514

c: DOGM, P. O. Box 145801, Salt Lake City UT 84114-5801

F:\CULTURAL\MJM\99-0335.wpd

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: Fleet Energy LLC

WELL NAME & NUMBER: SITLA 22-27

API NUMBER: 43-007-30553

LEASE: State FIELD/UNIT: UNDESIGNATED

LOCATION: 1/4,1/4 SENW Sec: 27 TWP: 15 S RNG: 9 E 1406 FNL 1828 FWL

LEGAL WELL SITING: 660'F SEC. LINE; 660 F 1/4,1/4 LINE; 1320F ANOTHER WELL.

GPS COORD (UTM): X = 508412 ; Y = 4371508

SURFACE OWNER: SITLA

PARTICIPANTS

K. Michael (DOGM), Jim Hemingway (Fleet), Leroy Mead (DWR)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Western margin of Colorado Plateau/~7 miles east of foot of Wasatch Plateau. The location is on the westward-dipping lower reaches of the Blue Gate Member of the Mancos Shale (just above the Garley Canyon beds). The pad is on open ground with little or no slope and is ~1/4 mile east of the Watis Highway, surrounded by Quaternary/Tertiary Pediment Mantle erosional remnants.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 200' X 200' pad with 20' X 40' X 8' inboard pit and ~250' of new surface for approach road. 300' of upgraded surface will be required.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 0 active gas wells (GSI), and 8 active permits, 4 River Gas, 4 Fleet, and 1 PA well are within the radius of this well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ~3.5 miles east of this well pad there is a Questar pipeline which runs north-south, and River Gas is constructing or has constructed gathering lines on three sides of this section.

SOURCE OF CONSTRUCTION MATERIAL: native soils and rock will be used and soil stored in berm.

ANCILLARY FACILITIES: none

WASTE MANAGEMENT PLAN:

No waste management plan was submitted with the APD. However the operator agreed to or stipulated the following. Portable toilets; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None

FLORA/FAUNA: sagebrush, grasses / birds, lizards, coyotes, rodents, raptors, elk, deer, reptiles.

SOIL TYPE AND CHARACTERISTICS: Moderately-permeable silty soil on Pediment Mantle.

SURFACE FORMATION & CHARACTERISTICS: Quaternary/Tertiary Pediment Mantle and alluvium over Blue Gate Shale Member (just above Garley Canyon Beds) of Mancos Shale. Garley Canyon Sandstone Beds are discontinuous in the area, relatively thin and at or near the surface.

EROSION/SEDIMENTATION/STABILITY: Stable flat ground little or no slope

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout, earthen pit, as above.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner

SURFACE RESTORATION/RECLAMATION PLAN

As per State surface agreement.

SURFACE AGREEMENT: Agreement filed with State.

CULTURAL RESOURCES/ARCHAEOLOGY: cleared and filed with state.

OTHER OBSERVATIONS/COMMENTS

During the pre-site such things as dust abatement while drilling with airmist and the use of mag chloride on the roads was discussed. It was the original intention of Fleet to not upgrade or build any more than a two track road and to bring the pipeline and other utilities straight across country thus increasing the total impact on the area with another corridor of access. Right-of-way access and county regulations about pipelines was discussed and Fleet personnel were informed that they should be having ongoing discussions with the county about access and permit fees that they had not been having. Fleet was also apraised that SITLA would be overseeing the pipeline issues and that the BLM and EIS would need to be a familiar document to them concerning use and wildlife issues. A volcanic dike swarm is a dominant geologic feature in the area of this well and the 32-27. These structures appear to be nearly vertical and are well fractured at the surface, however at depth the fracture pattern is not clear.

ATTACHMENTS:

1 photo was taken of this location.

K. Michael Hebertson

1-Apr-1999/10:20 AM

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>3</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**

23

(Level II Sensitivity)

**From:** Leroy Mead  
**To:** Michael Hebertson  
**Date:** Monday, April 05, 1999 3:14:27 PM  
**Subject:** Fleet Energy On-site Inspections.

Mike,

Concerning our on-site inspections with Fleet Energy last week, I have the following comments:

T 15 S, R 9 E, Sec. 27:

No objections to the sites for these two wells.

T 15 S, R 9 E, Sec. 22:

Concerning the well-site in the Southeast quadrant between the old railroad grade and Miller Creek, the EIS states that raptor nests must have been "documented as occupied within a 3-year period" to initiate the 0.5 mile buffer zone. It is my opinion that the nests have been vacant for at least 3 years. Therefore, it would be OK for Fleet to drill the well there as far as the hawk goes. However, I would prefer to move it to the other location we talked about, if I had my "druthers".

Northwest Quadrant:

As we discussed, I would rather Fleet Energy move this well location to the bottom of the hill in the open, greasewood canyon we looked at. This site is more centrally located, has potential for easier access, is less likely to be an erosion problem, and is out of the pinyon-juniper stand that was obviously used by wintering mule deer. In my opinion, this is a much better site and I would encourage Fleet Energy to move the well to this location.

I left a voice-mail message with Jim Hemingway about the hawk nests last Thursday, April 1st. Let me know if you have any questions. Thanks.

Leroy Mead  
(435) 636-0274

**CC:** Chris Colt, Derris Jones

# DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS

Operator Name: Fleet Energy LLC.

Name & Number: SITLA 22-27

API Number: 43-007-30553

Location: 1/4, 1/4 SENW Sec. 27 T. 15 S R. 9 E County: Carbon

## **Geology/Ground Water:**

This location lies within 50' drilled depth of the Garley Canyon member of the Mancos Shale, and 3/4 mile west of the location there are active wet areas bordering on swampy at times. The Garley Canyon is not an aquifer in this section but could be farther to the west. However no high quality ground water is expected to be encountered. The proposed casing and cement program will adequately isolate any zones of water penetrated.

Reviewer: K. M. Hebertson Date: 8-Apr-1999

## **Surface:**

The silty, moderately-permeable soil is developed on Quaternary/Tertiary Pediment Mantle covering the Blue Gate Shale Member of the Mancos Shale. The nearest surface waters are ~ .75 miles to the north and the nearest moving surface waters are in Serviceberry Wash at that same distance north. Precipitation will not need to be deflected around the location however berms will be placed around the pad at the top and low water crossings will be used in the areas that would otherwise collect water. A portion of an existing road will be reclaimed when the location is built as the approach road is a more direct route to location. Pit integrity will be maintained by the use of a synthetic liner. There are no nearby culinary or irrigation water supply wells. The site was photographed and characterized on 1-Apr-1999. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway. The operator was unaware that Carbon County may require fees for this site and the the pipeline cannot be situated along the County road Right-of-way. The were also unaware that Wildlife requires a fee for impact in the critical winter habitat area. Wildlife has forwarded an E-Mail of the field work and questions that were discussed and a copy has been enclosed as part of this assessment.

Reviewer: K. Michael Hebertson Date: 8-Apr-1999

## **Conditions of Approval/Application for Permit to Drill:**

- 1) Berm location and pit.
- 2) Minimum 12 mil synthetically lined pit and blooie pit.
- 3) Dust abatement will be used while drilling and on access roads.
- 4) The access road will be moved and built on the old two track that already accesses the site.

Well name:	<b>Fleet 499 SITLA 22-27</b>	
Operator:	<b>River Gas Corp.</b>	Project ID:
String type:	Surface	43-007-30553
Location:	Carbon County	

**Design parameters:**

**Collapse**

Mud weight: 9.500 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 18 psi  
 Internal gradient: 0.433 psi/ft  
 Calculated BHP: 148 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.80 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.50 (B)

Tension is based on buoyed weight.  
 Neutral point: 257 ft

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 79 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 300 ft

Cement top: 91 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 4,220 ft  
 Next mud weight: 8.330 ppg  
 Next setting BHP: 1,826 psi  
 Fracture mud wt: 19,250 ppg  
 Fracture depth: 2,786 ft  
 Injection pressure: 2,786 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	300	8.625	24.00	J-55	ST&C	300	300	7.972	14.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	148	1370	9.25	148	2950	19.93	6	244	39.52 J

Prepared RJK  
 by: Utah Dept. of Natural Resources

Date: April 13, 1999  
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing shall be cemented to surface.  
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 300 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>Fleet 499 SITLA 22-27</b>	
Operator:	<b>River Gas Corp.</b>	Project ID:
String type:	Production	43-007-30553
Location:	Carbon County	

**Design parameters:**

**Collapse**

Mud weight: 8.330 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 114 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 368 ft

Cement top: 488 ft

**Burst**

Max anticipated surface pressure: 0 psi  
 Internal gradient: 0.433 psi/ft  
 Calculated BHP 1,206 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.80 (J)  
 Butress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 2,434 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2786	5.5	17.00	N-80	LT&C	2786	2786	4.767	96
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1206	6290	5.22	1206	7740	6.42	41	348	8.41 J

Prepared RJK  
 by: Utah Dept. of Natural Resources

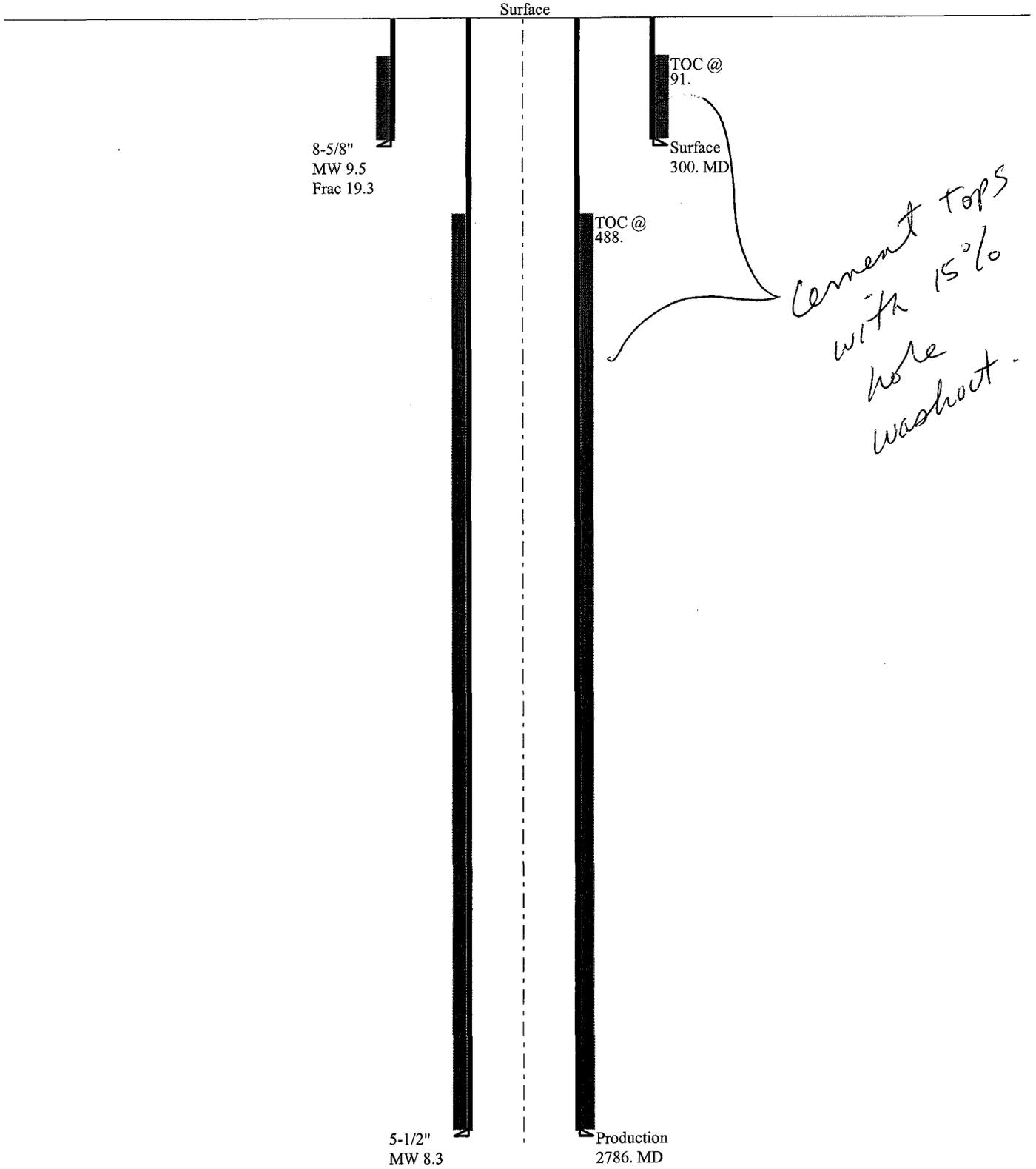
Date: April 13,1999  
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing shall be cemented to surface.  
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 2786 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

# Fleet 499 SITLA 22-27

## Casing Schematic



**SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION**

**OIL AND GAS CONDITIONS OF APPROVAL**

**PRICE COALBED METHANE PROJECT**

**FINAL ENVIRONMENTAL IMPACT STATEMENT**

Well: SITLA 22-27

Mineral Lease No: ML-48210

API No.: 43-007-30553

Location: SE NW SEC. 27, T. 15 S., R. 9 E.

County: CARBON

The Bureau of Land Management has prepared an Environmental Impact Statement for a portion of the Price Coalbed Methane area and a Record of Decision has been issued with respect to certain actions considered in the Environmental Impact Statement.

Pursuant to the Utah Schools and Land Exchange Act of 1998, Pub. L. 105-335, 112 Stat. 3139, which ratified the May 8, 1998, "Agreement to Exchange Utah School Trust Lands Between the State of Utah and the United States of America" entered into between the State of Utah and the United States of America, the School and Institutional Trust Lands Administration ("SITLA") has agreed to adopt all conditions, mitigation measures and restrictions imposed on lessees by the Record of Decision in the administration of Federal Mineral Leases acquired in Townships 14, 15, 16 South and Ranger 8 and 9 East, SLBM.

Accordingly, SITLA's approval of the Application for Permit to Drill shall be conditioned upon the following:

Location of Facilities and Timing of Construction

Final well locations and transportation corridor alignments shall be selected and designed to avoid or minimize disturbances to sensitive areas, including areas of high wildlife value or critical habitat, grazing, and/or recreational value, including wetlands and riparian areas; and areas with high erosion potential, highly saline soils, rugged topography, and/or poor reclamation potential (i.e., steep slopes, eroded lands, floodplains, unstable soils), where possible.

New roads shall be constructed so as to avoid areas with high erosion potential. Where roads must be allowed, new roads shall be graded to spread drainage instead of channeling runoff. No road on excess of 15 percent shall be allowed on slopes greater than 15 percent. No vehicle access shall be allowed across slopes on excess of 25 percent.

Construction shall not occur on frozen or saturated soils, or when watershed damage is likely, unless an adequate plan is submitted to SITLA that demonstrates potential impacts will be mitigated. SITLA may limit cross-country travel or construction activity at times when soils are dry or frozen or have snow cover. SITLA will determine what is "wet," "muddy," or "frozen" based on weather and field conditions at the time. The limitation does not apply to maintenance and operation of producing wells.

Occupancy or other surface disturbance shall not be allowed within 330 feet of the centerline or within the 100-year recurrence interval floodplain of perennial streams, except where authorized in writing by the SITLA (e.g., road crossings).

Occupancy or other surface disturbance shall not be allowed within 660 feet of springs, whether flowing or not. No vibroseis, drilling or blasting associated with seismic exploration shall be allowed within 0.25 mile of any spring or water well.

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 SITLA prior to use.

Vegetation removal necessitated by a construction project 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 SITLA.

### **Reclamation**

The reclamation plan shall be a part of the surface use plan of operations. The following are generally components of the reclamation plan.

All pits must be reclaimed to a natural condition similar to the rest of the reclaimed area, and must be restored to a safe and stable condition.

Reclamation shall start immediately upon completion of construction, unless prevented by weather conditions. Disturbed areas shall be restored to approximately the original contour.

Disturbed areas shall be revegetated after the site has been satisfactorily prepared. Site preparation may include ripping, contour furrowing, terracing, reduction of steep cut and fill slopes, waterbarring, or other procedures.

Revegetation seed mixes have been established for the Project Area, and are provided in Appendix 2F. They are based on erosion control, forage production, elevation, soils, vegetation community composition, and precipitation requirements. Different seed mixes have been developed for temporary seedlings, and for final reclamation of sited in salt desert, sagebrush/grass, pinyon-juniper, mountain brush, and riparian habitats. Reclamation in riparian habitat shall also involve sedge and rush root plugs, willow cuttings, and cottonwood bare root stock plants. All seed mixes shall be free of noxious weeds.

Seedling shall be done by drilling on the contour whenever practical, or by other approved method. Where broadcast seeding is used, seeding shall take place after the soil surface is recontoured and scarified. A harrow or similar implement shall be dragged over the area to assure seed cover.

On all cut slopes, the seeding must extend from the bottom of the ditch to the top of the cut slope. On embankment slopes, the seeding must extend from the roadway shoulder to the toe of the slope. Seeding shall also be done on all borrow pit areas and on all sidecast slopes in areas of full bench construction.

Seeding and/or planting shall be repeated until satisfactory revegetation is accomplished, as determined by SITLA. Mulching, fertilizing, fencing or other practices may be required.

Seeding shall be done from October 1 to November 15, and from February 1 to March 31 (requires SITLA prior approval).

Sufficient topsoil to facilitate revegetation shall be segregated from subsoils during all construction operations and shall be returned to the surface upon completion of operations, where feasible. Topsoil stockpiles shall be revegetated or otherwise protected to prevent erosion and maintain some soil microflora and microfauna. Stockpiled topsoil shall be spread evenly over the recontoured area. All disturbed areas and vehicle tracks from overland access shall be ripped 4 to 12 inches deep within the contour.

Bonds are required for oil and gas operations on federal leases for protection of the environment, including surface reclamation. Revegetation must be successfully established for release for the bond.

Reclamation and abandonment of pipelines and flowlines may require replacing fill on the original cuts, reducing and grading cut and fill slopes to conform to the adjacent terrain, replacement of surface soil material, waterbarring, and revegetating in accordance with a reclamation plan.

Wellsite reclamation shall include recontouring to re-establish natural contours where desirable and practical.

After well plugging and abandonment, roads constructed by the operator not required for SITLA transportation system use shall be closed and obliterated. Reclamation may include ripping, scarifying, waterbarring, and barricading. Stockpiled soil, debris and fill materials shall be replaced on the road bed to conform to the approved reclamation plan.

Water bars shall be constructed on road grades or slopes, if required by SITLA. Spacing of waterbreaks is dependent on slope and soil type. For most soil types, the following spacing shall be used:

Slope	Spacing
2%	200 feet
2-4%	100 feet
4-5%	75 feet
>5%	50 feet

Revegetation on big game critical winter range shall include hand-planting of seedling browse plants and use of seedling protectors to provide protection against browsing in the first two years after planting.

Temporary erosion control measures such as mulch, jute netting, or other appropriate methods shall be used on unstable soils, steep slopes, and wetland areas to prevent erosion and sedimentation until vegetation becomes established.

### **General Requirements**

Precautions must be taken at all times to prevent wildfire. Operators shall be held responsible for suppression costs for any fires on public lands caused by operator's negligence. No burning of debris shall be allowed without specific authorization from SITLA.

Any campfires must be kept to a minimum size and utilize only downed dead wood.

Road construction must meet class II standards (Appendix 2C).

With SITLA approval, existing roads or trails may be improved (bladed) if impassable by vehicles or equipment. No widening or realignment shall be allowed unless approved by SITLA. Maintenance of roads outside lease or unit boundaries will require a SITLA right-of-way.

New trails may be constructed only when vehicle and equipment passage is impossible, and only with the concurrence of the SITLA. Any pushed trees are to be readily retrievable without additional disturbance, if needed for reclamation.

Reserve pits for oil and gas drilling operations may be required to be lined with commercial-grade bentonite or plastic liners sufficient to prevent seepage. At least half of the

capacity shall be in a cut.

Prior to the use of insecticides, herbicides, fungicides, rodenticides, and other similar substances, and operator must obtain from SITLA 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 SITLA 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.

### **Water Resources**

Existing fords shall be used for drainage crossings where possible. Low-water crossings shall use a cut-and-fill process or upgrade existing crossings unless use of culverts is specifically authorized.

Bridges and culverts shall allow adequate fish passage where applicable. Take-down (or free-floating) panels or water gates shall be installed on all fences that cross intermittent or perennial stream channels.

For construction projects lasting more than 30 days, portable chemical toilets shall be provided at all staging areas, bases of operations, and storage areas.

Soaps, detergents, or other nondegradable foreign substances shall not be used for washing in streams or rivers. Biodegradable soap may be used.

No oil, lubricants, or toxic substances may be drained onto the ground surface. Pads shall be designed so that any oil, lubricants, etc., shall drain into a collection system.

### **Wetlands and Riparian Areas**

Construction, development, and right-of-way in riparian areas shall be minimized. Where these areas must be disturbed, stipulations shall minimize impacts and require post-disturbance reclamation. Reclamation shall be closely monitored, and not considered complete until the desired vegetation is established.

### **Wildlife**

**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). This condition would not apply to normal maintenance and operation of producing wells, described below.

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.

Construction activities are not allowed to be initiated 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 operations 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 to 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 coalbed methane well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of production 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: Non-emergency workover operations (defined below) are required to be scheduled on big game high value winter range outside the December 1 to April 15 date of the seasonal closure. The operator will be required to submit Sundry notices to SITLA in advance of workover operations proposed between December 1 and April 15. Sundry notices submitted as emergency work, may require independent corroboration by SITLA staff prior to work proceeding. Should SITLA object to the emergency designation of the sundry notice, SITLA 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, the operator 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 operations 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.

The subject permit application is proposed within critical winter range and subject to acre for acre mitigation for surface disturbance on critical winter range. The following condition 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:

- Contribute \$1,250.00 (1996 dollars) for each well interest 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 referenced 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.

- 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.
- Contributions will be submitted (in the form of an Corporate check, cashiers check or wire transfer) directly to the National Fish and Wildlife Foundation by the 30<sup>th</sup> of each month for all subject wells spudded in the preceding month.
- 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)".

Exploration, drilling or other development activity shall only be allowed from June 16 to March 31 in sage grouse strutting/nesting areas. This limitation does not apply to maintenance and operation of producing wells.

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 a 3-year period, and temporary surface disturbance and occupancy (i.e., seismic lines, oil and gas

exploration, road construction) is prohibited within one-half mile buffer zones during the critical nesting period. Site-specific evaluations in coordination with the USFWS may allow for modifications to this requirement. This requirement does not apply to maintenance and operation of existing producing wells and access roads constructed prior to occupancy of nest(s). The proponent shall be required to submit (at least 5 days in advance of proposed work) a sundry notice for all workover or maintenance operations requiring use of heavy equipment during the raptor breeding season (February 1 to July 15) and within the 0.5 mile buffer zone of any known raptor nest site. Upon receipt of this notification, SITLA, in consultation with USFWS and UDWR, shall conduct a field evaluation and issue a determination on the activity status of the affected nest site. If the nest site is found to be occupied (defined below), site specific protection measures shall 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 Migratory Bird Treaty Act.

An occupied raptor nest is defined for the purpose 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 young) at the nest or within the nesting territory, presence or greenery in the nest, and/or presence of current year's whitewash at the nest or in the immediate vicinity of the nest.

Raptor surveys shall be required to determine the status of known nests and verify presence of additional nests for all federal leases within the Project Area. Surveys shall be conducted by consultants qualified to conduct such surveys and approved by the authorized officer. All surveys shall be conducted by helicopter during May of each year, prior to the proposed drilling and prior to APD approval. The surveys shall be done in the same year as the proposed drilling so that current nest activity status data are available. Costs for surveys and preparation of a report of the findings of the survey shall be the obligation of the lease holder.

In order to protect bald eagle winter roost sites, a 0.5 mile radius buffer zone of no surface occupancy shall be established around all winter night roost sites. This buffer zone applies to all above ground facilities such as wells, compressor stations, and roads, that require or encourage human visitation during the winter period. Exceptions to this stipulation shall be considered on a case by case basis through consultation with the USFWS. Upon request for an exception to this stipulation, SITLA shall coordinate with the USFWS and UDWR to jointly develop a site-specific buffer zone based on topography and visual sight distances around the night roost site.

### **Cultural Resources**

All areas subject to surface disturbance, or Areas of Potential Effect (APE), which have not been previously inventoried for cultural resources to SITLA standards, must be inventoried prior to approval of an APD or other actions. The APE is defined as any area that may be subject to direct or indirect impacts to cultural resources by elements of the development project. The zone of the APE shall vary in size in accordance with the projected levels of sensitivity for cultural resources at the location of any development. In low sensitivity areas, the APE shall be defined as

the area subject to direct impacts through surface disturbing activities. In areas of medium sensitivity, the APE shall be expanded to account for potential indirect impacts: intensive inventory shall occur on all well pads plus additional 10 acres surrounding each pad; a 150-foot corridor center on roads, flowlines, and other facilities shall be inventoried as the APE. In high sensitivity areas, the APE shall include the well pad and 10 acres surrounding the well location' and the APE for roads, flowlines, and other facilities shall be area of direct ground disturbance and a 300-foot zone on all sides of the facility.

Cultural resource inventories shall be conducted in consultation with SITLA by authorized cultural resource professionals. Prior to field work, a records check must be conducted to identify previous inventories and recorded properties. During the course of inventories, previously unrecorded sites must be recorded on standard forms, photographed, and mapped. Cultural resources shall be evaluated, and a recommendation on eligibility to the National Register of Historic Places shall be made. SITLA shall make all Determinations of Eligibility. A report shall be prepared for each development or series of developments documenting the inventory methods, results, description of the sites within the APE, recommendations on National Register eligibility, and shall include proposed mitigating measures.

SITLA shall consult with the State Historic Preservation Officer (SHPO) and the President's Advisory Council on Historic Preservation (ACHP) as mandated by the National Historic Preservation Act of 1966 (as amended), in accordance with guidelines set forth in a Programmatic Agreement among BLM, SHPO, ACHP, and RGC. This document has been completed as a legally binding agreement and is referenced in the Record of Decision for the overall project. Site avoidance, detailed site recordation, and site protection shall be the preferred treatments, but mitigation of National register eligible properties through data recovery may take place where avoidance is not prudent or feasible, after consultation as specified in the Programmatic Agreement. SITLA shall submit a treatment plan to SHPO, ACHP and to other affected parties as may be appropriate for a 30-day consultation prior to implementation of data recovery efforts.

SITLA shall notify, consult, and/or coordinate with Indian tribes, traditional leaders, and other interested parties as required by various statutes (NEPA, American Indian Religious Freedom Act [AIRFA], National Historic Preservation Act [NHPA], Federal Land Policy and Management Act [FLPMA], Archaeological Resources Protection Act [ARPA], and the Native American Graves Protection act [NAGPRA]). In particular, SITLA shall attempt to elicit information concerning the potential effects of any action resulting from the Proposed Action on traditional cultural properties, including areas of traditional use and areas of religious or cultural importance to tribes. Indian tribes shall be afforded a minimum of 30 days for review, comments and consultation prior to issuance of a decision; under certain circumstances additional time must be afforded. A 30-day notification period is required by ARPA prior to issuance of any Cultural Resource Use Permits of the excavation and removal; of cultural resources from public lands administered by SITLA. NAGPRA requires notification and consultation with affected tribes regarding the potential to encounter human remains during the course of a project, and provides for cessation of work, and the notification and consultation with tribes should inadvertent

discovery of human remains occur during the course of a project. SITLA shall assure adherence to these statues.

If a previously unknown property is encountered during construction or operation of the facilities, or is a previously planned undertaking shall affect a known historic property in an unanticipated manner, all work that might adversely affect the property shall cease until SITLA can evaluate the significance of the property and assess the effect of the undertaking. SITLA shall consult with SHPO on both a determination of eligibility and the assessment of effect on an expeditious manner. If the site is determined eligible and shall be affected by the undertaking, SITLA shall ensure that RGC prepares an avoidance or treatment plan for the property.

If humans remains are discovered at any point during the project, they shall be treated according to state and federal law, and according to the wishes of concerned Native American tribes, pursuant to the Native American Graves Protection and Repatriation Act. The county sheriff, coroner, land-managing official, and State Archaeologist shall be notified. The remains shall not be disturbed until the appropriate officials have examined them

### **Land Use**

On split estate lands, where the surface is privately owned and the subsurface is owned by SITLA, SITLA will recommend the same environmental protection standards as shall be used for SITLA surface. The operator is responsible for making a good faith effort to reach an agreement with the private surface owner which considers the recommended SITLA protection measures and formalizes requirements for the protection of surface resources and/or damages.

Each application for permit to drill or application to conduct other surface disturbing activities shall contain the name, address and telephone number of the surface owner. The SITLA shall invite the surface owner to participate in any on-site inspection that is held. The operator is responsible for making access arrangements with the private surface owner prior to entry.

Incorporated cities are categorized by BLM as no Lease. Within the Project Area, BLM leases do not permit surface occupancy or other activity for Carbon County Airport, Carbon County Recreation Complex, and Carbon County sanitary landfill.

### **Livestock Management**

Existing range and livestock management facilities, such as fences wells, reservoirs, watering pipelines, troughs and trailing systems, shall not be disturbed without prior approval of SITLA. Where disturbance is necessary, the facility shall be returned to its original condition.

Newly constructed range improvements such as fences and reservoirs must meet SITLA

standards. When it is necessary to gain access across a fenceline for construction purposes, the fence must be braced. Four-inch timber or equivalent must be installed and the gateway kept closed when not in actual use.

All gates found closed during the course of the operation must be reclosed after each passage of equipment and personnel. Cattle guards shall be installed in fences on all collector roads. Either a cattle guard or a gate shall be required on local and resource roads to control livestock movement or vehicular access.

If road construction cuts through natural topography that serves as a livestock barrier, a fence shall be constructed to replace it. The fence shall be installed with a cattle guard or gate to control livestock and vehicle movement or access.

Access to grazing areas shall be maintained at all times. Livestock operators shall have access to grazing and trailing areas where road closures are implemented during periods of authorized livestock use.

### Visual Resources

Roads through timbered areas shall take a curvilinear path to reduce sight distances.

Upon completion of the project the area and access roads shall be reclaimed to as near the original condition as possible. All disturbed areas shall be recontoured to blend as nearly as possible with the natural topography. All berms shall be removed and all cuts (including roads) filled.

Construction areas and access roads shall be kept litter-free. The operator must provide a trash pit or trash cage, and trash must be collected and contained during the operation. All garbage, trash, flagging, lath, etc., shall be removed from the area and hauled to an authorized dump site.

Construction and facilities shall be in conformance with Visual Resource Management (VRM) objectives for the VRM classes in the Project Area. All surface facilities in the Project Area shall be located to minimize disturbance of the visual horizon and painted to blend in with the surrounding landscape.

Colors shall be specified by the SITLA.

### MISC. ITEMS

MUD PIT: \_\_\_\_\_ Lined \_\_\_\_\_ Unlined \_\_\_\_\_ Determine at construction

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APPENDIX 2F

SEED MIXTURES FOR THE PRICE COALBED METHANE PROJECT

Seed mixtures have been developed for general land types throughout the project area. They are based on erosion control, forage production, elevation, soils, vegetation communities and average annual precipitation zones. The mixtures show the plant species and the pounds per acre of pure live seed (PLS) to be planted.

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 of 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 contained disturbance for the life of these project areas.

**Green Strip Area**

NOTES:

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<u>Common Plant Name</u>	<u>Scientific Name</u>	<u>Pounds per acre/PLS*</u>
Forage kochia	<u>Kochia prostra</u>	2
Wyoming big sagebrush	<u>Artemisia tridentata wyomingensis</u> 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
Inertmediate wheatgrass	<u>Thinopyrum intermedium</u>	1
	Total	8

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

**Salt Desert Areas**

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

<u>Common Plant Name</u>	<u>Scientific Name</u>	<u>Pounds per acre/PLS*</u>
<u>Grasses</u>		
Indian ricegrass	<u>Oryzopsis hymenoides</u>	2
Squirreltail	<u>Elymus elymoides</u>	2
Galleta	<u>Hilaria jamesii</u>	2
<u>Forbs</u>		
Lewis flax	<u>Linum perenne lewisii</u>	1
Palmer penstemon	<u>Penstemon palmerii</u>	1
Gooseberryleaf glodemallow	<u>Sphaeralcea grossulariifolia</u>	0.5
<u>Shrubs</u>		
Forage kochia	<u>Kochia prostrata</u>	2
Rubber rabbitbrush	<u>Chrysothamnus nauseosus</u>	1
Fourwing saltbush	<u>Atriplex canescens</u>	2
Winterfat	<u>Krascheninnikovai (Eurotia) lanta</u>	2
	Total	15.5

**Sagebrush/ Grass Areas**

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

<u>Common Name</u>	<u>Scientific Name</u>	<u>Pounds per acre/PLS*</u>
<u>Grasses</u>		
Indian ricegrass	<u>Oryzopsis hymenoides</u>	2
Squirreltail	<u>Elymus elymoides</u>	2
Thickspike wheatgrass	<u>Elymus lanceolatus</u>	1
Crested wheatgrass	<u>Agropyron desertorum</u>	2

Forbs

Lewis flax	<u>Linum perenne lewisii</u>	1
Palmer penstemon	<u>Penstemon palmerii</u>	1
Small burnet	<u>Sanguisorba minor</u>	1

Shrubs

Forage kochia	<u>Kochia prostrata</u>	2
Whitestem rabbitbrush	<u>Chrysothamnus nauseosus albicaulis</u>	1
Fourwing saltbush	<u>Atriplex canescens</u>	2
Wyoming big sagebrush	<u>Artemisia tridentata</u>	1
	Total	16

**Pinyon/Juniper Areas**

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
Inertmediate wheatgrass	<u>Thinopyrum intermedium</u>	1.5
Squirreltail	<u>Elymus elymoides</u>	2
Crested wheatgrass	<u>Agropyron desertorum</u>	2
<u>Forbs</u>		
Lewis flax	<u>Linum perenne lewisii</u>	1
Palmer penstemon	<u>Penstemon palmerii</u>	1
Small burnet	<u>Sanguisorba minor</u>	1
<u>Shrubs</u>		
Forage kochia	<u>Kochia prostrata</u>	2
Fourwing saltbush	<u>Atriplex canescens</u>	2
Wyoming big sagebrush	<u>Artemisia tridentata wyomingensis</u> var. <u>Gordon Creek</u>	1
Antelope bitterbrush	<u>Purshia tridentata</u>	1
True Mt. mahogany	<u>Cercocarpus montanus</u>	1
	Total	17

**Mountain Brush Areas**

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

<u>Common Name</u>	<u>Scientific Name</u>	<u>Pounds per acre/PLS*</u>
<u>Grasses</u>		
Sheep fescue	<u>Festuca ovina</u>	2
Smooth brome	<u>Bromus inermis</u>	2
Slender wheatgrass	<u>Elymus trachycaulus</u>	2
Intermediate wheatgrass	<u>Elytirgia intermedia</u>	1.5
Russian wildrye	<u>Psathyrostachys juncea</u>	1
<u>Forbs</u>		
Lewis flax	<u>Linum perenne lewisii</u>	1
Rocky Mt. penstemon	<u>Penstemon strictus</u>	1
Sainfoin	<u>Onobrychis viciifolia</u>	0.5
<u>Shrubs</u>		
Forage kochia	<u>Kochia prostrata</u>	2
Wyoming big sagebrush	<u>Artemisia tridentata wyomingensis</u> var. <u>Gordon Creek</u>	0.5
Antelope bitterbrush	<u>Purshia tridentata</u>	1
Mountain big sagebrush	<u>Artemisia tridentata var. vaseyana</u>	0.5
True Mt. mahogany	<u>Cercocarpus montanus</u>	1
	Total	16

**Riparian Areas**

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

\_\_\_\_\_

\_\_\_\_\_

<u>Common Plant Name</u>	<u>Scientific Name</u>	<u>Pounds per acre/PLS*</u>
<u>Grasses and Grasslike</u>		
Reed canarygrass	<u>Phalaris arundinacea</u>	2
Streambank wheatgrass	<u>Elymus lanceolatus riparium</u>	4
**Nebraska sedge	<u>Carex nebrascensis</u>	
**Baltic rush	<u>Juncus balticus</u>	

Shrubs

**Coyote pillow	<u>Salix exqua</u>	
Skunkbush sumac	<u>Rhus trilobata</u> var. <u>trilobata</u>	<u>2</u>
	Total	8

Tress

\*\* Narrowleaf cottonwood                      Populus augustifolia

\* Seeding rate is listed as pounds per acre of pure live seed (PLS) drilled. Rate is increased by 50 percent if broadcast seeded.

Formula: pure live seed (PLS) = %seed purity x %seed gemination.

\*\* Sedge and rush root mass plugs, willow cuttings and cottonwood bare stock plantings will be done in the spring, within one month after water flows, when the riparian water table and soil moisture will ensure planting success.



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

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

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)

April 20, 1999

Fleet Energy, L.L.C.  
2450 Fondren, Suite 310  
Houston, Texas 77063

Re: SITLA 22-27 Well, 1406' FNL, 1828' FWL, SE NW, Sec. 27, T. 15 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 43-007-30553.

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  
SITLA

Operator: Fleet Energy, L.L.C.

Well Name & Number: SITLA 22-27

API Number: 43-007-30553

Lease: State Surface Owner: State

Location: SE NW Sec. 27 T. 15 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 of the following actions during drilling of this well:

- . 24 hours prior to cementing or testing casing
- . 24 hours prior to testing blowout prevention equipment
- . 24 hours prior to spudding the well
- . within 24 hours of any emergency changes made to the approved drilling program
- . prior to commencing operations to plug and abandon the well

Division contacts (please leave a voice mail message if person is not available to take the call):

- . Dan Jarvis at (801) 538-5338
- . Robert Krueger at (801) 538-5274 (plugging)
- . Carol Daniels at (801) 538-5284 (spud)

#### 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. Surface casing shall be cemented to surface.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

6. School and Institutional Trust Lands Administration-Oil and Gas Conditions of Approval.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: FLEET ENERGY LLC

Well Name: SITLA 22-27

Api No. 43-007-30553 Lease Type: STATE

Secton 27 Township 15S Range 09E County CARBON

Drilling Contractor BOB BEAMAN RIG # 30

SPUDDED:

Date 05/02/99

Time \_\_\_\_\_

How ROTARY RIG

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

Reported by MARK SPEARS

Telephone # 1-435-637-8830 (HOLIDAY INN-PRICE, ROOM 148)

Date 5/3/99 Signed: JLT / CHD

FORM 6

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

3. Lease Designation and Serial Number:

ML-48210

6. If Indian, Alitchee or Tribe Name:

7. Unit Agreement Name:

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. Type of Well: OIL  GAS  OTHER:

8. Well Name and Number:

SITLA #22-27

2. Name of Operator: Fleet Energy, LLC

9. API Well Number: 553  
43-007-30454

3. Address and Telephone Number:  
2450 Fondren, Ste. 310 Houston, TX 77063 713-785-5600

10. Field and Pool, or Wildcat:  
Drunkards Wash Ferron Coal Seam.

4. Location of Well  
Footages: 1406' FNL and 1828' FWL  
OO, Sec., T., R., M.: ~~SE~~ NW 4 527-T155-R9E

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 May 7, 1999

SUBSEQUENT REPORT  
(Submit Original Form Only)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other
- 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.  
\* Must be accompanied by a cement verification report.

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

This is a notice of intent to change the cementing procedures for cementing the production casing on the SITLA #22-27 well. The approved APD contemplated cementing the production casing back to the surface. However, in order to minimize or prevent formation damage to the Ferron coals, which are the primary objective horizons, in this well, Fleet proposes to bring the top of cement to 1000' rather than to surface. The cementing plan would be a lead cement of 110 sx 50/50 Perm (Yield = 2.08 #/sq, density = 12.5 ppg) from 2050' to 1000' followed by 110 sx RFC cement (Yield = 1.61 #/sq, density = 14.2 ppg) from TD of 2791' to 2050'. This plan assumes displacing the RFC cement to 400 feet above the top of the Ferron formation, estimated at 2450'.

13. Name & Signature: J. Mark Spears

Title: V.P. Production & Operations Date: 5/6/99

(This space for State use only)

COPY SENT TO OPERATOR  
Date: 5-11-98  
Initials: CHD

(499)

(See Instructions on Reverse Side)

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 5/6/99  
By: John R. Baza

Note: Verbal approval to proceed with Change of Plans was given by John Baza to Mark Spears via tele com at 1730 hrs, 5/6/99 subject to the attached Conditions of Approval.

Please Fax to: Mr. Bob Krueger  
Utah DDCM

(801) 359-3940 FAX

(801) 538-5274 PHONE

From: Mack Spears

Fleet Energy, LLC

c/o Holiday Inn, Price, Utah

(435) 637-7707 Fax

(435) 637-8880 Rm 148 Phone

# Pages: (2) including cover page

Bob,

Attached is a Sundry Notice for the SITLA #22-27  
for your consideration. Please fax back to me or call  
when you have made a decision.

We expect to case this well late tomorrow.

Thanks!

Mack Spears



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

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

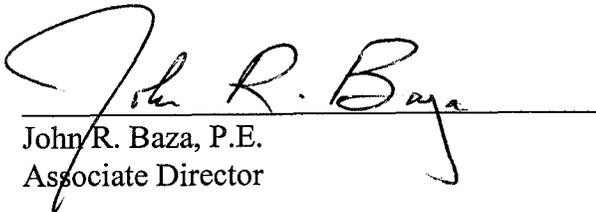
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

## CONDITIONS OF APPROVAL

Well Name and Number: SITLA 22-27  
API Number: 43-007-30454  
Operator: Fleet Energy, LLC  
Type of Approval Requested: Change of plans during drilling  
Reference Document: Sundry notice dated 5/6/99, transmitted by fax to  
DOGDM on 5/6/99

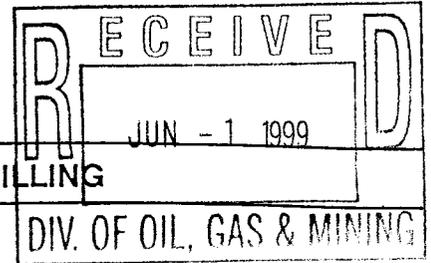
### Approval Conditions:

1. The operator shall verify the placement of cement around the production casing using a cement bond log or other appropriate evaluative procedure.
2. The operator shall ensure that the proposed cementing procedure provides cement coverage around the production casing to cover the interval from the casing seat depth back to a minimum of 500' above the top of the Ferron formation.
3. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

  
John R. Baza, P.E.  
Associate Director

5/6/99  
Date

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING



REPORT OF WATER ENCOUNTERED DURING DRILLING

1. Well name and number: SITLA 22-27

API number: 43-007-30553

2. Well Location: QQ SENW Section 27 Township 15S Range 9E County Carbon Co., UT

3. Well operator: Fleet Energy, L.L.C.

Address: 2450 Fondren, Suite 310  
Houston, TX 77063

Phone: 713/785-5600

4. Drilling contractor: Bob Beeman Drilling Co.

Address: P. O. Box 788  
Moab, UT 84532

Phone: 435/259-7281

5. Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
2470	2490	5 gal/min (est.)	salty

6. Formation tops: Bluegate Marker 2315'

Ferron Sandstone 2470'

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

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

Date: 5/25/99

Name & Signature: J. M. Spears  
J. M. Spears

Title: VP, Production and Operations

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:  
Fleet Energy, L.L.C.

3. Address and Telephone Number:  
2450 Fondren, Suite 310, Houston, TX 77063 713/785-5600

4. Location of Well  
Footages: 1,406 FNL and 1,828' FWL  
OO, Sec., T., R., M.: SENW S27-T15S-R9E

5. Lease Designation and Serial Number:

ML-48210

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

SITLA 22-27

9. API Well Number:

43-00730454 30553

10. Field and Pool, or Wildcat:

Drunkards Wash Ferron  
CBM

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 \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion 5/8/99

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

\* Must be accompanied by a cement verification report.

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

This Sundry Notice is to report the procedures used to cement 5-1/2" production casing in the subject well pursuant to a Sundry Notice of 5/6/99 requesting a change in the cementing procedures approved in the APD. Verbal approval was given by Mr. John Baza on 5/6/99 to change the cementing procedures. Mr. Baza's verbal approval was conditioned upon: a) Fleet reporting any water zones encountered after drilling out surface casing, and cementing off such water zones, and b) Prior to commencing well completion operations, Fleet must verify the top of cement is at least 500' above the top of the Ferron Sand formation by either running a CBL or a temperature log.

The only water zone encountered below surface casing was at the top of the Ferron SS formation from 2,470' - 2,490'. TD of the well was 2,804' and production casing was set at 2,766'. A cement basket was installed on the casing at about 2,178'. The casing was cemented with 75 sx 50/50 Pozmix (wt. = 12.5 ppg, yield = 2.08 ft<sup>3</sup>/sx) followed by 100 sx RFC (wt. = 14.2 ppg, yield = 1.61 ft<sup>3</sup>/sx). This calculates to a cement top behind pipe of 1,400', using 25% excess cement.

A cement bond log will be run to verify the top of cement prior to completing the well.

13.

Name & Signature:

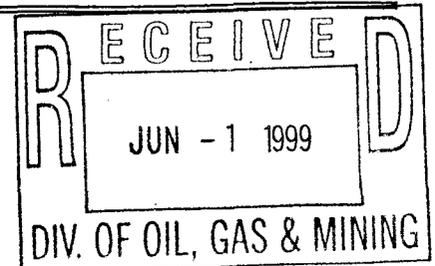
*J. M. Spears*  
M. Spears

Title:

VP, Production & Operations

Date: 5/26/99

(This space for State use only)



OPERATOR Fleet Energy, L.L.C.  
 ADDRESS 2450 Fondren, Suite 310  
Houston, TX 77063

OPERATOR ACCT. NO. N0935

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	12547	43-007-30553	SITLA 22-27	SE	27	15S	9E	Carbon	5/2/99	5/2/99
WELL 1 COMMENTS: <i>990625 entity added, KDR</i>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

**RECEIVED**  
 JUN - 1 1999  
 DIV. OF OIL, GAS & MINING

- 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.

*J. M. Spears*  
 Signature J. M. Spears  
 Title VP Production & Operations  
 Date 5/25/99  
 Phone No. (713) 785-5600

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

6. Lease Designation and Serial Number ML-48210
7. Indian Allottee or Tribe Name NA
8. Unit or Communitization Agreement NA
9. Well Name and Number SITLA 22-27
10. API Well Number 30553 43-007-30454
11. Field and Pool, or Wildcat DRUNKARD'S WASH

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)	
2. Name of Operator <b>FLEET ENERGY, L.L.C.</b>	
3. Address of Operator <b>2450 FONDREN, SUITE 310, HOUSTON, TX 77063</b>	4. Telephone Number 713-785-5600
5. Location of Well Footage : 1406 FNL, 1828' FWL                      County : CARBON QQ, Sec, T., R., M : SENW 27-15S-9E                      State : UTAH	

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

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

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

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

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

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

Date of Work Completion SEE BELOW

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

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

Effective December 21, 1999, Fleet Energy, L.L.C. sold all of its rights, title and interest in the above named well to: MARATHON OIL COMPANY  
 1501 Stampede Avenue  
 Cody, Wyoming 82414

By copy of this sundry notice, Marathon Oil Company will be responsible for conducting all operations in accordance with Rules and Regulations of the State of Utah.

**RECEIVED**  
**DEC 28 1999**

DIVISION OF OIL, GAS & MINING

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

Name & Signature J. M. Spears Title VP, Production & Opns Date 12/20/99

(State Use Only)

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

6. Lease Designation and Serial Number  
 ML-48210

7. Indian Allottee or Tribe Name  
 NA

8. Unit or Communitization Agreement  
 NA

9. Well Name and Number  
 SITLA 22-27

10. API Well Number 30563  
 43-007-~~30454~~

11. Field and Pool, or Wildcat  
 DRUNKARD'S WASH

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

1. Type of Well  
 Oil Well       Gas Well       Other (specify)

2. Name of Operator  
 MARATHON OIL COMPANY

3. Address of Operator  
 1501 STAMPEDE AVE., CODY, WYOMING 82414

4. Telephone Number  
 307-527-3003

5. Location of Well  
 Footage : 1406' FNL, 1828' FWL      County : CARBON  
 QQ, Sec, T., R., M : SENW 27-15S-9E      State : UTAH

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

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

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

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

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

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

Date of Work Completion SEE BELOW

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

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

Effective December 21, 1999, Marathon Oil Company purchased the above referenced well from Fleet Energy, L.L.C. of Houston, Texas.

By copy of this sundry notice, Marathon Oil Company will be responsible for conducting all operations in accordance with Rules and Regulations of the State of Utah.

Marathon will conduct all operations under Utah Blanket Bond #5217029 in the amount of \$80,000

**RECEIVED**

**DEC 28 1999**

DIVISION OF OIL, GAS & MINING

cc: WRF, RPM, T&C(HOU), FLEET, LAND,DTJ

14. I hereby certify that the foregoing is true and correct.  
 Name & Signature R.P. Meabon      Title Regulatory Coord.      Date 12/22/99

(State Use Only)

# OPERATOR CHANGE WORKSHEET

Routing:	
1-KDR ✓	6-KAS ✓
2-GM	<del>7-SI</del>
3-JRB ✓	8-FILE
4-CDW ✓	
5-KDR ✓	

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

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

The operator of the well(s) listed below has changed, effective: 12-21-99

<b>TO:</b> (new operator)	<u>MARATHON OIL COMPANY</u>	<b>FROM:</b> (old operator)	<u>FLEET ENERGY LLC</u>
(address)	<u>1501 STAMPEDE AVE</u>	(address)	<u>2450 FONDREN STE. 310</u>
	<u>CODY, WY 82414</u>		<u>HOUSTON, TX 77063</u>
Phone:	<u>(307) 527-3003</u>	Phone:	<u>(713) 785-5600</u>
Account no.	<u>N3490</u>	Account no.	<u>N0935</u>

**WELL(S)** attach additional page if needed:

Name:	<u>SUN STATE 1-16 (SGW)</u>	API:	<u>43-007-30075</u>	Entity:	<u>2888</u>	S	<u>16</u>	T	<u>15S</u>	R	<u>9E</u>	Lease:	<u>ML-28308</u>
Name:	<u>GENERAL AMER. 1-15 (SGW)</u>	API:	<u>43-007-30085</u>	Entity:	<u>2996</u>	S	<u>15</u>	T	<u>15S</u>	R	<u>9E</u>	Lease:	<u>ML-28931</u>
Name:	<u>SITLA 22-27 (DRL)</u>	API:	<u>43-007-30553</u>	Entity:	<u>12547</u>	S	<u>27</u>	T	<u>15S</u>	R	<u>9E</u>	Lease:	<u>ML-48210</u>
Name:	_____	API:	_____	Entity:	_____	S	_____	T	_____	R	_____	Lease:	_____
Name:	_____	API:	_____	Entity:	_____	S	_____	T	_____	R	_____	Lease:	_____
Name:	_____	API:	_____	Entity:	_____	S	_____	T	_____	R	_____	Lease:	_____
Name:	_____	API:	_____	Entity:	_____	S	_____	T	_____	R	_____	Lease:	_____

## OPERATOR CHANGE DOCUMENTATION

- KDR 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(rec'd 12.28.99)*
- KDR 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(rec'd 12.28.99)*
- N/A 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) \_\_\_\_\_ If yes, show company file number: \_\_\_\_\_
- N/A 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of **steps 5 through 9** below.
- KDR 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. *(1.19.2000)*
- KDR 6. Cardex file has been updated for each well listed above. *(1.19.2000)*
- N/A 7. Well file labels have been updated for each well listed above.
- KDR 8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(1.19.2000)*
- KDR 9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for **reference during routing and processing of the original documents.**

**ENTITY REVIEW**

VDF 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes (no)) If entity assignments were changed, attach copies of Form 6, Entity Action Form.

VDF 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

**BOND VERIFICATION - (FEE WELLS ONLY)**

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

**LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY**

- VDF 1. Copies of documents have been sent on e-mail to Ed Bonner at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated \_\_\_\_\_ 19 \_\_, of their responsibility to notify all interest owners of this change.

**FILMING**

V/S 1. All attachments to this form have been microfilmed. Today's date: 10.5.01.

**FILING**

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

**COMMENTS**

000103 Sent e-mail to Ed Bonner re: Bonding  
000118 left message for Ed Bonner; per DTS he said to go ahead & change but still request the Bond number from Ed.  
000124 called & informed (Terry Skinner?) Marathon Oil they needed to increase their bond to 80,000 (per Ed Bonner) also gave them Eds name & #.  
000126 Per Ed Bonner, Marathon has 80,000 Bond that covers 6 leases, 3 which are in the oper change. (OK) ML-47975, ML-47976, & ML-48210  
 (Deb Hayver 3274)

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

6. Lease Designation and Serial Number ML-48210
7. Indian Allottee or Tribe Name NA
8. Unit or Communitization Agreement NA
9. Well Name and Number SITLA # 22-27
10. API Well Number <u>30553</u> 43-007-30454
11. Field and Pool, or Wildcat DRUNKARD'S WASH

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

1. Type of Well  
 Oil Well     Gas Well     Other (specify) ?

2. Name of Operator  
**Marathon Oil Company**

3. Address of Operator  
**1501 Stampede Ave., Cody, Wyoming 82414**

4. Telephone Number  
 307-527-2211

5. Location of Well  
 Footage : **1406' FNL, 1828' FWL** County : **CARBON**  
 QQ, Sec, T., R., M : **SENW 27-15S-9E** State : **UTAH**

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

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

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

Approximate Date Work Will Start August 2000

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

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

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

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

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

THE ABOVE NAMED WELL WAS DRILLED IN 1999 AND MARATHON PLANS TO PROCEED WITH THE COMPLETION WORK BY AUGUST 1, 2000. DUE TO THE SENSITIVITY OF THE FERRON FORMATION DURING COMPLETION, AND TESTING PHASE AND TO ESTABLISH A STABILIZED WATER AND GAS RATE FOR THE PURPOSE OF ECONOMIC VIABILITY, MARATHON REQUESTS APPROVAL, IN ACCORDANCE WITH R649-3-20.3, APPROVAL TO VENT OR FLARE GAS FROM THE ABOVE NAMED WELL FOR A PERIOD OF 30 DAYS OR 50 MMCF, WHICHEVER IS LESS.

CC: WRF,RPM,DTJ,T&C(HOU),MEW,DRUNKARD'S WASH OFFICE

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

Name & Signature R.P. Meabon Title APPROVED Date 07/20/00

(State Use Only)

The Utah Division of Oil, Gas and Mining  
 Robert J. Krueger, PE, Petroleum Engineer

Date: 7-27-00

See Instructions on Reverse Side

**COPY SENT TO OPERATOR**  
 Date: 7-27-00  
 Initials: RP

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

6. Lease Designation and Serial Number ML-48210
7. Indian Allottee or Tribe Name NA
8. Unit or Communitization Agreement NA
9. Well Name and Number SITLA # 22-27
10. API Well Number 43-007-30454 <sup>553</sup>
11. Field and Pool, or Wildcat DRUNKARD'S WASH

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) <u>  ?</u>	
2. Name of Operator <p align="center"><b>Marathon Oil Company</b></p>	
3. Address of Operator <p align="center"><b>1501 Stampede Ave., Cody, Wyoming 82414</b></p>	4. Telephone Number <p align="center">307-527-2211</p>
5. Location of Well Footage :                      1406' FNL, 1828' FWL                      County :                      CARBON QQ, Sec, T., R., M :                      SENW 27-15S-9E                      State :                      UTAH	

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

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

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

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

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

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

Date of Work Completion 08/20/2000

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

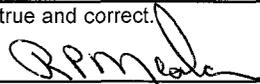
13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The above named well was placed on production to the sales line at 11:10am on 8/20/2000 at a rate of 275 MCFD.

RECEIVED  
 AUG 23 2000  
 DIVISION OF OIL, GAS AND MINING

CC: WRF,RPM,DTJ,T&C(HOU),MEW

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

Name & Signature R.P. Meabon  Title Reg. Coord. Date 08/23/00

(State Use Only)

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NO.  
ML-48210

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
NA

7. UNIT AGREEMENT NAME  
NA

8. FARM OR LEASE NAME  
SITLA

9. WELL NO.  
22-27

10. FIELD AND POOL, OR WILDCAT  
DRUNKARD'S WASH

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
27-15S-9E

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF. RESVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
MARATHON OIL COMPANY

3. ADDRESS OF OPERATOR  
1501 STAMPEDE AVENUE, CODY, WYOMING 82414

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)\*  
At surface  
1406' FNL, 1828' FWL SENW  
At top prod. interval reported below

At total depth  
SAME

14. API NO. 43-007-30454 DATE ISSUED 5/23

12. COUNTY CARBON 13. STATE UTAH

15. DATE SPUDDED 5/2/1999 16. DATE T.D. REACHED 5/8/1999 17. DATE COMPL. (Ready to prod.) or (Plug & Abd.) 8/20/2000 18. ELEVATIONS (DF, RKB, RT, GR, ETC.) 6101' GR, 6111' RKB 19. ELEV. CASINGHEAD NA

20. TOTAL DEPTH, MD & TVD 2804' KB MD 2804' TVD 21. PLUG BACK T.D., MD & TVD 2764' KB MD 2764' TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY -----> 24. PRODUCING INTERVAL(S), OF THIS COMPLETION---TOP, BOTTOM, NAME (MD AND TVD) FERRON COAL AT 2491' TO 2593' KB gross 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN (SLD-CNT-UGR, DIL-UGR, CBL-CCL-GR) 27. WAS WELL CORED? YES  NO  DRILL STEM TEST? YES  NO  (Submit analysis) (See reverse side)

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24	302' KB	11"	120 sxs Class "G" - surface	0
5-1/2"	17	2766' KB	7-7/8"	Lead - 75 sxs 50/50 POZ and Tailed w/ 100 sxs RFC	0

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
none					2-7/8"	2664' KB	none

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
2560' - 73' & 2590' - 93'	22.7 gm	122
2491'-93', 2510'-20', 2524'-26'	22.7 gm	59

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2560' - 2593' KB	101,800# 16-30 sd in 71,979 gals 20# gel
2491' - 2526' KB	101,110# 16-30 sd in 38,832 gals 20# gel

33.\* PRODUCTION

DATE FIRST PRODUCTION 8/20/00 PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) Pumping -- 2-1/2" x 2" x 16' Insert Pump WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
8/31/00	24		----->	0	216	182	0

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)
65	65	----->	0	216	182	0

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold TEST WITNESSED BY Field Supervisor

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 R. M. [Signature] TITLE REGULATORY COORDINATOR DATE 9/21/00

See Spaces for Additional Data on Reverse Side



# Sitla 22-27

API	43-007-30454	Field Name	Drunkards Wash	Area	Drunkards Wash	Operator	Marathon Oil Company	County	Carbon	State/Province	Utah
KB Elev (ft)	6111.00	Ground Elev (ft)	6101.00	Casing Flange Elev (ft)		KB-Ground (ft)	10.00	KB-Casing Flange (ft)	10.00	Spud Date	5/2/99

Wellbore: 7/28/00 (KB-Grd: 10.0ft)

ftKB (MD)	Schematic - Actual	Geology	
-13			
10			
16		Polished Rod, 1 1/2, -13.0, 22.0	
302		2' & 4' Pony Rod, 7/8, 9.0, 6.0	
325			
1266		Rod Jts, 7/8, 15.0, 1250.0	
1473		Tubing Jts, 2 7/8, 10.0, 2621.0	
2490			Ferron Coal, 2,465.0
2493		Rod Jts, 3/4, 1,265.0, 1350.0	
2510		2,491.0-2,493.0	
2520		2,510.0-2,520.0	
2523		2,524.0-2,526.0	
2526		2,560.0-2,572.0	
2559		2,560.0-2,573.0	
2572		2,590.0-2,593.0	
2589		2,591.0-2,593.0	
2592			
2615		Rod Insert Pump, 2, 2,615.0, 16.0	
2631	Pump Seating Nipple, 2 7/8, 2,631.0, 1.1		
2664			
2762			
2766	Tubing Jts, 2 7/8, 2,632.1, 31.9		
2805		Tununk, 2,784.0	

RECEIVED  
 SEP 25 2000  
 DIVISION OF  
 OIL, GAS AND MINING



**Marathon  
Oil Company**

1501 Stampede Avenue  
Cody, WY 82414-4721  
Telephone 307/587-4961

May 2, 2001

State of Utah  
Division of Oil, Gas & Mining  
Box 145801  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Dear Mr. Al McKee:

Per our conversation today, enclosed are the amended reports, Form 15. Also, enclosed are copies of Report 8, Recompletion report for General American 1-15 and Sun State 1-16.

A review of our records on Sitla 22-27 is the same as yours, showing Sitla 22-27 as a new completion and not eligible for the tax credits. We took over the wellbore over after it was drilled, prior to any completion work. We perforated, fracture stimulated and put well on sales. Enclosed is Sitla 22-27's Report 8.

If you have any questions, please contact me, Wes Handley, at 307-527-2202.

Sincerely,

Wes R. Handley  
Advanced Engineering Technician  
Marathon Oil Company,  
Rocky Mountain Operations

RECEIVED  
MAY 3 2001  
DIVISION OF  
OIL, GAS AND MINING

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NO.  
ML-48210

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
NA

7. UNIT AGREEMENT NAME  
NA

8. FARM OR LEASE NAME  
SITLA

9. WELL NO.  
22-27

10. FIELD AND POOL, OR WILDCAT  
DRUNKARD'S WASH

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
27-15S-9E

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

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF. RESVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
MARATHON OIL COMPANY

3. ADDRESS OF OPERATOR  
1501 STAMPEDE AVENUE, CODY, WYOMING 82414

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)  
At surface  
1406' FNL, 1828' FWL SENW  
At top prod. interval reported below

14. API NO. 43-007-3053 DATE ISSUED

12. COUNTY CARBON 13. STATE UTAH

15. DATE SPUDDED 5/2/1999 16. DATE T.D. REACHED 5/8/1999 17. DATE COMPL. (Ready to prod. or (Plug & Abd.)) 8/20/2000 18. ELEVATIONS (DF, RKB, RT, GR, ETC.) 6101' GR, 6111' RKB 19. ELEV. CASINGHEAD NA

20. TOTAL DEPTH, MD & TVD 2804' KB MD 2804' TVD 21. PLUG BACK T.D., MD & TVD 2764' KB MD 2764' TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY O-TD Bob Beeman Rig 30 24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD) FERRON COAL AT 2491' TO 2593' KB gross 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN SLD-CNT-UGR, DIL-UGR, CBL-CCL-GR 27. WAS WELL CORED? YES  NO  DRILL STEM TEST? YES  NO  (Submit analysis) (See reverse side)

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24	302' KB	11"	120 sxs Class "G" - surface	0
5-1/2"	17	2766' KB	7-7/8"	Lead - 75 sxs 50/50 POZ and Tailed w/ 100 sxs RFC	0

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
none					2-7/8"	2664' KB	none

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
2560' - 73' & 2590' - 93'	22.7 gm	122
2491'-93', 2510'-20', 2524'-26'	22.7 gm	59

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2560' - 2593' KB	101,800# 16-30 sd in 71,979 gals 20# gel
2491' - 2526' KB	101,110# 16-30 sd in 38,832 gals 20# gel

33.\* PRODUCTION

DATE FIRST PRODUCTION 8/20/00 PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) Pumping -- 2-1/2" x 2" x 16' Insert Pump WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
8/31/00	24		---->	0	216	182	0

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)
65	65	---->	0	216	182	0

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold TEST WITNESSED BY Field Supervisor

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 R. P. Meade TITLE REGULATORY COORDINATOR DATE 9/21/00

## INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

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

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

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

### 37. SUMMARY OF POROUS ZONES:

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

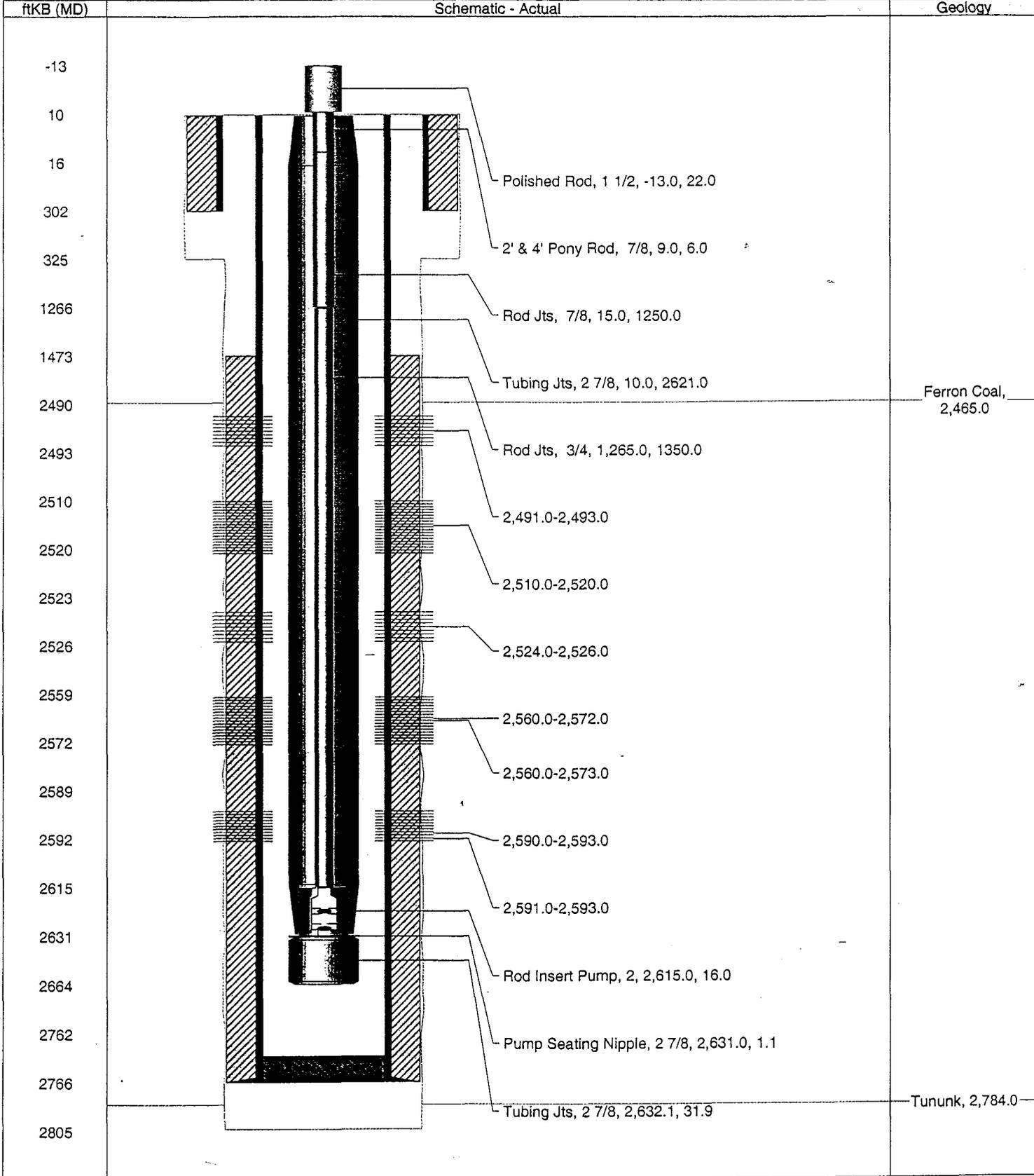
### 38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Ferron Tununk	2465 2784	2465 2784

**Sitta 22-27**

API	43-007-30454	Field Name	Drunkards Wash	Area	Drunkards Wash	Operator	Marathon Oil Company	County	Carbon	State/Province	Utah
KB Elev (ft)	6111.00	Ground Elev (ft)	6101.00	Casing Flange Elev (ft)		KB-Ground (ft)	10.00	KB-Casing Flange (ft)	10.00	Spud Date	5/2/99

Wellbore: 7/28/00 (KB-Grd: 10.0ft)





SITUM 22-27 REVENUE OF PROD Case

FLEET DLG	- 5/99	FLEET <u>II</u> <u>?</u> even completed
MAINTENANCE TAKEN	12/99	
1st Prod	8/00	
Comp RPT	9/00	

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NO PROD RPTS UNTIL 8/00

RECORD UNCLEAR ON FLEET II ? even completed.

IF IT WAS A RECOMPLETION

- NO NOI OR SUB REP FILES.