

003



ENERGY

A FAMILY OF SOLUTIONS

J.M. Huber Corporation

January 10, 2001

1050-17th Street
Suite 1850
Denver, CO 80265
phone: (303) 825-7900
fax: (303) 825-8300
e-mail: dv_cptrs@huber.com
www.huber.com

Ms. Lisha Cordova
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Dear Lisha:

Enclosed is the original signed affidavit of completion of surface use agreement between J. M. Huber Corporation and Dean Shimmin for the Huber-Shimmin/Federal 3-11 and Huber-Shimmin/Federal 4-11 wells located in Carbon County, Utah.

Thank you for your assistance in this matter. If you have any questions, please call me at (303) 825-7900.

Sincerely,

T. Reed Scott
Consulting Engineer

Attachment

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JAN 18 2001

DIVISION OF
OIL, GAS AND MINING



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J.M. Huber Corporation

1050-17th Street
Suite 1850
Denver, CO 80265
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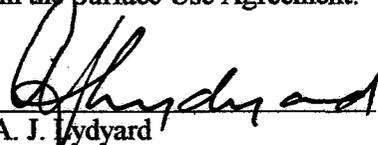
January 9, 2001

Affidavit of Completion of Surface Use Agreement

On April 17, 2000 a written surface use agreement was entered into between J. M. Huber Corporation and Dean Shimmin for the use of land connected with the Huber-Shimmin/Federal 3-11, and Huber-Shimmin/Federal 4-11 wells in Carbon County, Utah.

We will abide by the conditions as stated in the Surface Use Agreement.

On behalf of J. M. Huber Corporation:


A. J. Lydyard
Vice President – Energy Sector

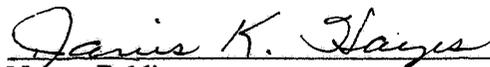
Date: 1/9/01

State of Colorado)
 ss
County of Denver)

Subscribed and sworn to before me this 9th day of January 2001 by A. J. Lydyard.

Witness my hand and notarial seal.

My commission expires: 4-2-02


Notary Public

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DIVISION OF
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001

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

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

2. NAME OF OPERATOR
J. M. Huber Corporation (303) 825-7900

3. ADDRESS AND TELEPHONE NO.
1050 17th St., Suite 1850, Denver, Co. 80265

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 1590' FNL & 1985' FEL 4405501 N 520043 E
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
9 air miles NE of Helper

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
1050'

16. NO. OF ACRES IN LEASE
2473.31

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1691'

19. PROPOSED DEPTH
5,250'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
7,260' ungraded

22. APPROX. DATE WORK WILL START*
July 1, 2001

5. LEASE DESIGNATION AND SERIAL NO.
UTU-65948
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A
7. UNIT AGREEMENT NAME
N/A
8. FARM OR LEASE NAME WELL NO.
Huber-ST/F* 3-11
9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
Castlegate
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
11-12s-10e SLBM
12. COUNTY OR PARISH
Carbon
13. STATE
UT

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55 8-5/8"	24	500'	≈438 cu. ft. & to surface
7-7/8"	J-55 5-1/2"	17	5,250'	≈1,1240 cu. ft. & to surface

Huber-ST/F* = Huber-Shimmin Trust/Federal

Well was moved 10' lower and 230' NW of location staked for on site to reduce visibility. Alternate location preferred by BLM was denied by land owner due to land owner's septic tank and camp site.

Archaeology report LAC 2000-22i submitted 11-6-00.

cc: BLM (M&P), Scott, UDOGM

IN ABOVE SPACE 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.

23. SIGNED [Signature] TITLE Consultant (505) 466-8120 DATE 1-16-01

(This space for Federal or State office use)

PERMIT NO. 43-007-30757 APPROVAL DATE _____

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

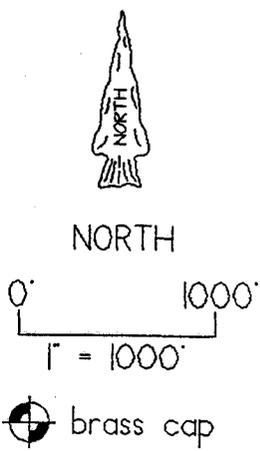
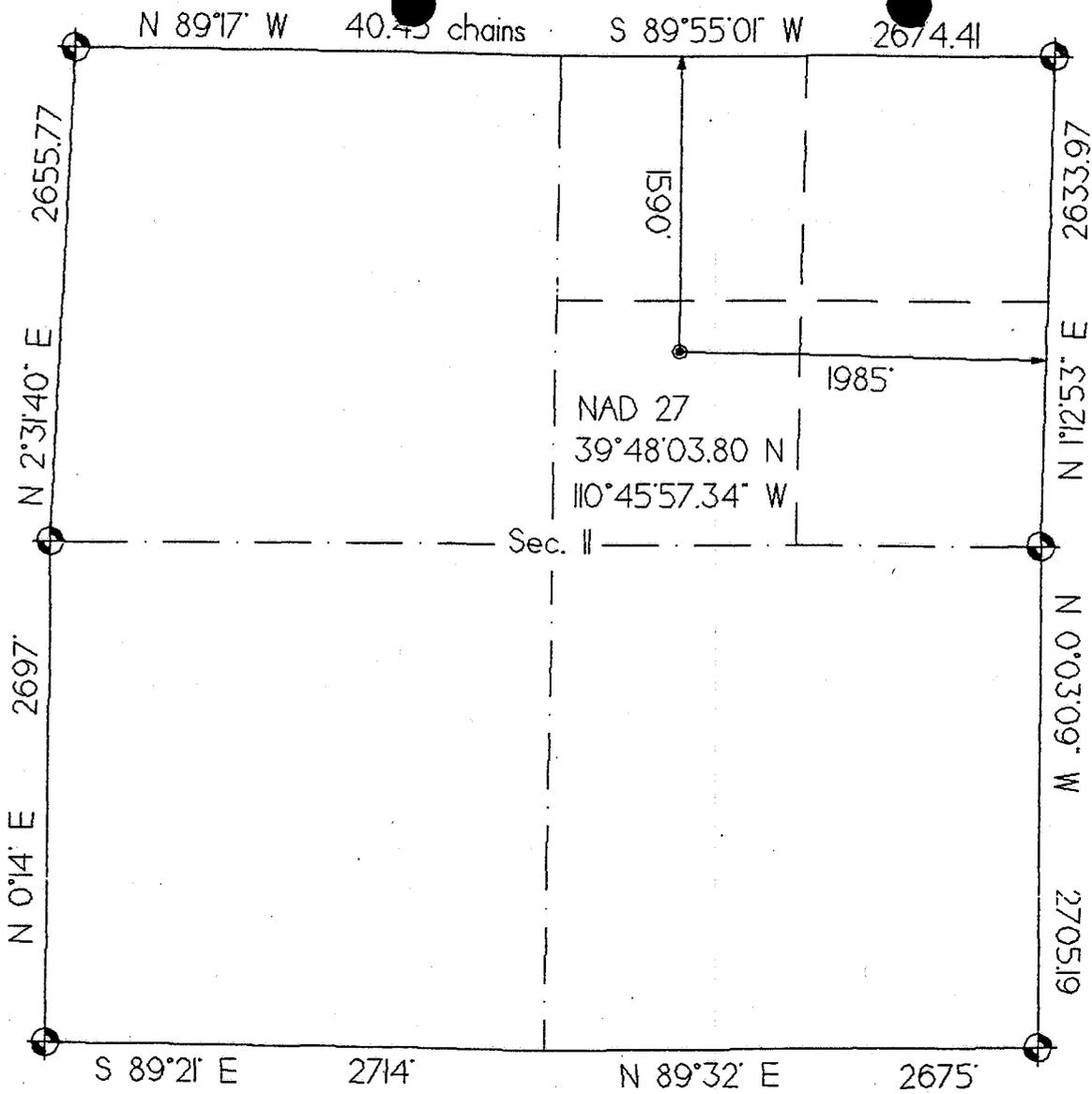
APPROVED BY [Signature] TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE JAN 23 2001 03-07-01

*See Instructions On Reverse Side

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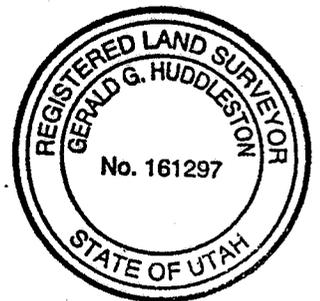
JAN 23 2001
03-07-01
DIVISION OF
OIL, GAS AND MINING

Well Location Plat



Well Location Description

J.M. HUBER CORPORATION
 Huber - Shimmin/Federal 3-II
 1590' FNL & 1985' FEL
 Section II, T.12 S., R.10 E., SLM
 Carbon County, UT
 7260' grd. el. (from GPS)



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16 August 2000

Gerald G. Huddleston

Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330

004

J. M. Huber Corporation
Huber-Shimmin Trust/Federal 3-11
1590' FNL & 1985' FEL
Sec. 11, T. 12 S., R. 10 E.
Carbon County, Utah

Drilling Program

1. <u>Formation Name</u>	<u>Depth from GL</u>	<u>Depth from KB</u>	<u>Subsea Depth</u>
Flagstaff Ls	0'	12'	+7,260'
North Horn Fm	450'	412'	+6,850'
Price River Ss	3,160'	3,122'	+4,050'
Castlegate Ss	3,610'	3,572'	+3,600'
Black Hawk Coal	3,925'	3,897'	+3,275'
Kenilworth Coal	4,625'	4,597'	+2,575'
Aberdeen Ss	5,025'	4,997'	+2,175'
Total Depth	5,250'	5,262'	+2,010'

(All depths are based on a graded ground level of 7,260')

2. NOTABLE ZONES

Blackhawk, Kenilworth, and Castlegate coals are the goals. No other oil or gas zones are expected. Flagstaff, North Horn, and coal zones are anticipated water zones.

3. PRESSURE CONTROL (Also see "5." on PAGE 2)

A ≈10" x 2,000 psi double ram BOP with 2,000 psi choke manifold will be used from bottom of surface casing to TD. (A typical 2,000 psi BOP is on Page 3. Actual model will not be known until the bid is let.) BOP system will be tested to 70% of the minimum internal yield before drilling the surface casing shoe. Tests will be recorded in the driller's log. BOPs will be inspected and operated daily to assure good mechanical working order.

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J. M. Huber Corporation
Huber-Shimmin Trust/Federal 3-11
1590' FNL & 1985' FEL
Sec. 11, T. 12 S., R. 10 E.
Carbon County, Utah

PAGE 2

4. CASING & CEMENTING

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>≈Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	ST&C	New	500'
7-7/8"	5-1/2"	17	J-55	LT&C	New	5,250'

Surface casing will be circulated to surface with 365 sx Class G Premium + 2% CaCl₂ + Cello Flake. Weight = 15.6 ppg. Yield = 1.20 cu ft/sk. Excess = 100%

Long string will be cemented to surface with DV tool set at ≈3,800' (i.e., ≈200' above top of Castlegate coal). Actual volumes will be determined by caliper log.

First stage (≈3800' {=DV} to TD) of long string will be cemented with 275 sx Class G Premium + 1% Microbond + 0.3% CFR-3 + 3% Halad. Weight = 15.6 ppg. Yield = 1.20 cu ft/sk. Excess = 30%

Second stage lead (≈3750' {=50' above DV} to surface) of long string will be cemented with ≈455 sx Halliburton Lite w/ 65/35 poz mix + 2% CaCl₂. Weight = 12.7 ppg. Yield = 1.87 cu ft/sk. Excess = 30%

Second stage tail (≈3750' {=50' above DV} to ≈4,000' {200' below DV}) of long string will be cemented with 50 sx Class G Premium + 2% CaCl₂ + Flocele. Weight = 15.6 ppg. Yield = 1.19 cu ft/sk. Excess = 30%

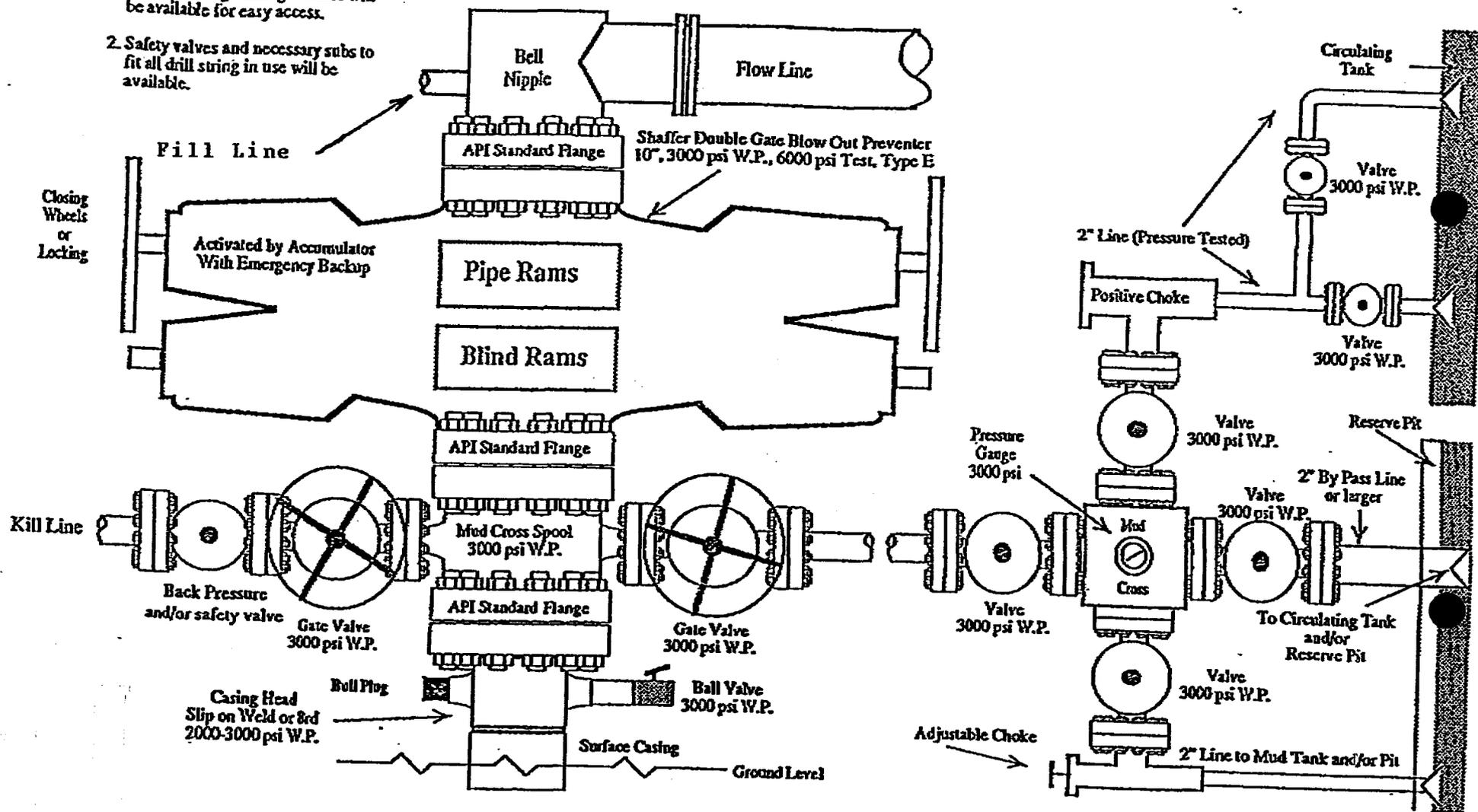
5. MUD PROGRAM

Fresh water gel (weight = 8.3 to 8.7 ppg, viscosity = 40-55, fluid loss = NC) will be used from surface to ≈500. Fresh water gel with caustic (weight = 8.7 to 9.1 ppg, viscosity = 38-45, fluid loss = 10-20 cc) may be used from surface casing shoe to TD. Will also drill with air.

Pressure Control Equipment

Minimum 2" Choke Line:
Minimum 2" Kill Line.
At Least One 2" Minimum Kill Line Valve.

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

J. M. Huber Corporation
Huber-Shimmin Trust/Federal 3-11
1590' FNL & 1985' FEL
Sec. 11, T. 12 S., R. 10 E.
Carbon County, Utah

PAGE 4

6. DATA GATHERING

First deviation survey will be run $\approx 250'$ below BSC. Additional surveys will be run every 500' to TD. Deviation limit will be $1^\circ/100'$ and a maximum of 5° at TD. If deviation exceeds 4° , will decrease WOB, increase RPM, and survey at 250' intervals until corrected. If deviation becomes severe ($>5^\circ$), may use a fourth stabilizer and convert to a full packed BHA.

Mud loggers will be on site from $\approx 1,500'$ to TD. They will have full chromatograph. Will collect samples every 30' from $\approx 1,500'$ to $\approx 2,500'$. Will collect samples every 10' from $\approx 2,500'$ to TD.

Will run following log suites:

HRI/DSN/SDL/GR (EVR Mode): 4000' to TD
HRI/DSN/SDL/GR: BSC TO TD

7. DOWN HOLE CONDITIONS

Maximum anticipated bottom hole pressure is $\approx 2,100$ psi. No abnormal pressures, temperatures, or hydrogen sulfide are expected.

8. MISCELLANEOUS

Projected spud date is July 1, 2001. It will take ≈ 2 weeks to drill the well and ≈ 3 weeks to complete the well.

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PERMITS WEST INC.
PROVIDING PERMITS for LAND USERS

J. M. Huber Corporation
Huber-Shimmin Trust/Federal 3-11
1590' FNL & 1985' FEL
Sec. 11, T. 12 S., R. 10 E.
Carbon County, Utah

PAGE 5

Surface Use Plan

1. EXISTING ROADS & DIRECTIONS (See PAGES 9 & 10)

From the junction of US 6 and US 191 north of Helper, Utah ...
Go NE 8.3 miles on US 191 to the equivalent of Milepost 165.75
Then turn right and go S and E 0.8 mi. on the Emma Park/9 Mile Cutoff Road
Then turn right and go SE 0.25 mi. on a field road
Then bear left and follow flagging ENE 600' to the apex of a switch back
(From the apex, 125' of existing road will be upgraded to the SE)
From the apex, go NE 400' just above the old road to the ridge
Once on the ridge, go ENE 200' along a flagged route to the pad

2. ROAD TO BUILT OR UPGRADED (See PAGE 10)

The 1,325' of new or upgraded road will be crowned and ditched with a 16' wide travel surface. Two minimum 18" x 50' CMP culverts will be installed on the north side of the existing road. One minimum 18" x 30' CMP culvert will be installed near the apex. If production results, then the new road will be graveled. Maximum disturbed width will not exceed 50'. Maximum grade is 9%. Maximum cut or fill will be 5'. No turnout, gate, or cattleguard is needed. No upgrading of the existing roads is needed.

3. EXISTING WELLS (See PAGE 10)

Six P&A wells, four gas wells, and two water wells within a mile radius. There are no existing oil, injection, or disposal wells within a mile.

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Sec. 11, T. 12 S., R. 10 E.
Carbon County, Utah

PAGE 6

4. PROPOSED PRODUCTION FACILITIES

Two buried pipelines (≈ 4 " O.D. HDPE water line and a ≈ 8 " O.D. HDPE gas line) will be laid southwest for $\approx 1400'$ along roads to Huber's proposed 4-11 well. Well site facilities will be painted a dark olive green color.

5. WATER SUPPLY

Water will be trucked from existing water well (right #91-4983) at Huber's central production facility in Section 11 or from town for the first 1500' of well bore. Produced water from Huber's wells will be used below 1500'.

6. CONSTRUCTION MATERIALS & METHODS (See PAGES 11-13)

Topsoil and brush will be stripped and stockpiled south of the pad. Diversion ditch will be built on the south side of the pad. A 350' long silt fence will be placed along the north side of the pad. The reserve pit will be lined with minimum 12 mil plastic. Gravel will be hauled from town.

7. WASTE DISPOSAL

All trash will be placed in a trash cage. When full, it will be hauled to a state approved landfill. There will be no trash burning or disposal of trash in the reserve pit. Chemical toilets will be used for human waste. Their contents will be disposed of in state approved facilities.

8. ANCILLARY FACILITIES

There will be no airstrip or formal camp. Camper trailers will be on site for the company man, roughnecks, mud logger, tool pusher, etc.

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J. M. Huber Corporation
Huber-Shimmin Trust/Federal 3-11
1590' FNL & 1985' FEL
Sec. 11, T. 12 S., R. 10 E.
Carbon County, Utah

PAGE 7

9. WELL SITE LAYOUT

See PAGES 11-13 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, and rig orientation.

10. RECLAMATION

After completing drilling, the well site and immediate area will be cleared of all debris and material not needed for production.

Reclamation will start when the reserve pit is dry. At least 2' of cover will be placed on the reserve pit. All areas not needed for production will be backfilled, recontoured to match natural contours, and reserved topsoil and brush evenly spread. If the well is a producer, then enough topsoil will be kept aside to reclaim the rest of the pad. Disturbed areas will be ripped, harrowed, or scarified on the contour before seeding. All reclaimed areas will be broadcast seeded in late fall or winter with seed mixes specified by the state. Seeded areas will be left rough and lightly harrowed or drug with a chain after seeding. Silt fence will be maintained until the revegetation is successful.

11. SURFACE OWNER

All construction is on private land owned by John Marshall, Trustee in Trust for the Dean Shimmin Trust. Contact is Dean Shimmin @ (801) 375-2002.

12. OTHER INFORMATION

Castlevew Hospital is a half hour drive away in Price on 590 East ~~100 North~~
Their phone number is (435) 637-4800.

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PERMITS WEST INC.
PROVIDING PERMITS for LAND USERS

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1590' FNL & 1985' FEL
Sec. 11, T. 12 S., R. 10 E.
Carbon County, Utah

PAGE 8

13. REPRESENTATION

Anyone having questions concerning the APD should contact:

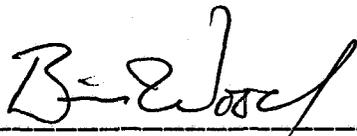
Brian Wood
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87505
(505) 466-8120 FAX: (505) 466-9682 Mobile: (505) 699-2276

The field representative during drilling will be:

Larry Sessions
J. M. Huber Corporation
441 S. Carbon Ave. Unit #4 (temporary address until office established)
Price, Ut. 84501
(435) 820-6359 FAX (435) 637-4498 Mobile: (702) 232-2790

I hereby certify J. M. Huber Corporation has the necessary consents from the proper lease and unit interest owners to conduct lease and unit operations in conjunction with this APD. Bond coverage *per* 43 CFR 3104 for lease activities is being provided by J. M. Huber Corporation.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by J. M. Huber Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Brian Wood, Consultant

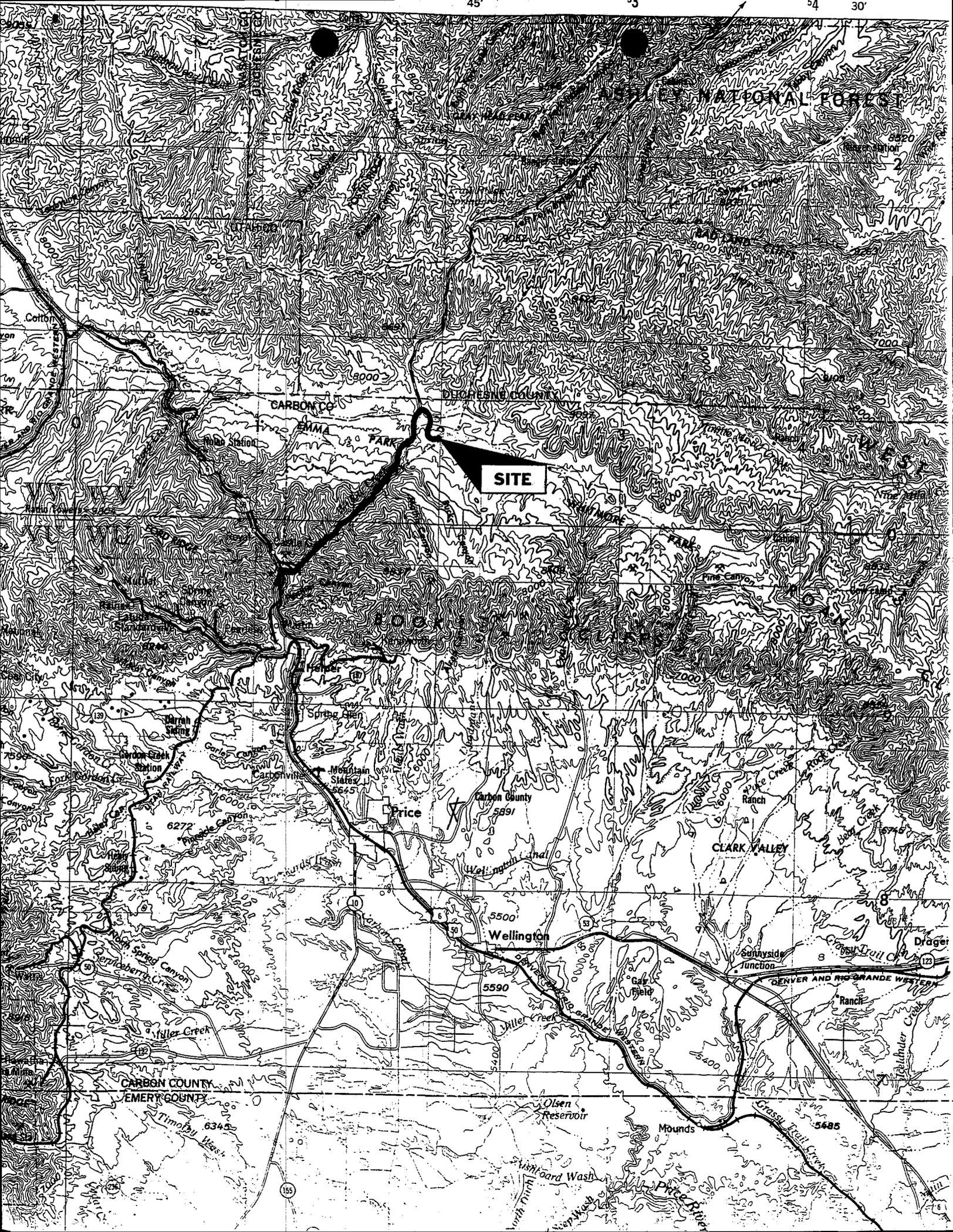
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January 16, 2001

JAN 23 2001

Date

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PROVIDING PERMITS for LAND USERS



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34

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NATIONAL FOREST

CARBON CO

EMERY COUNTY

SITE

Price

Wellington

CLARK VALLEY

CARBON COUNTY
EMERY COUNTY

Olsen Reservoir

GENEV AND RIO GRANDE WESTERN

Timothy

Mounds

Price River

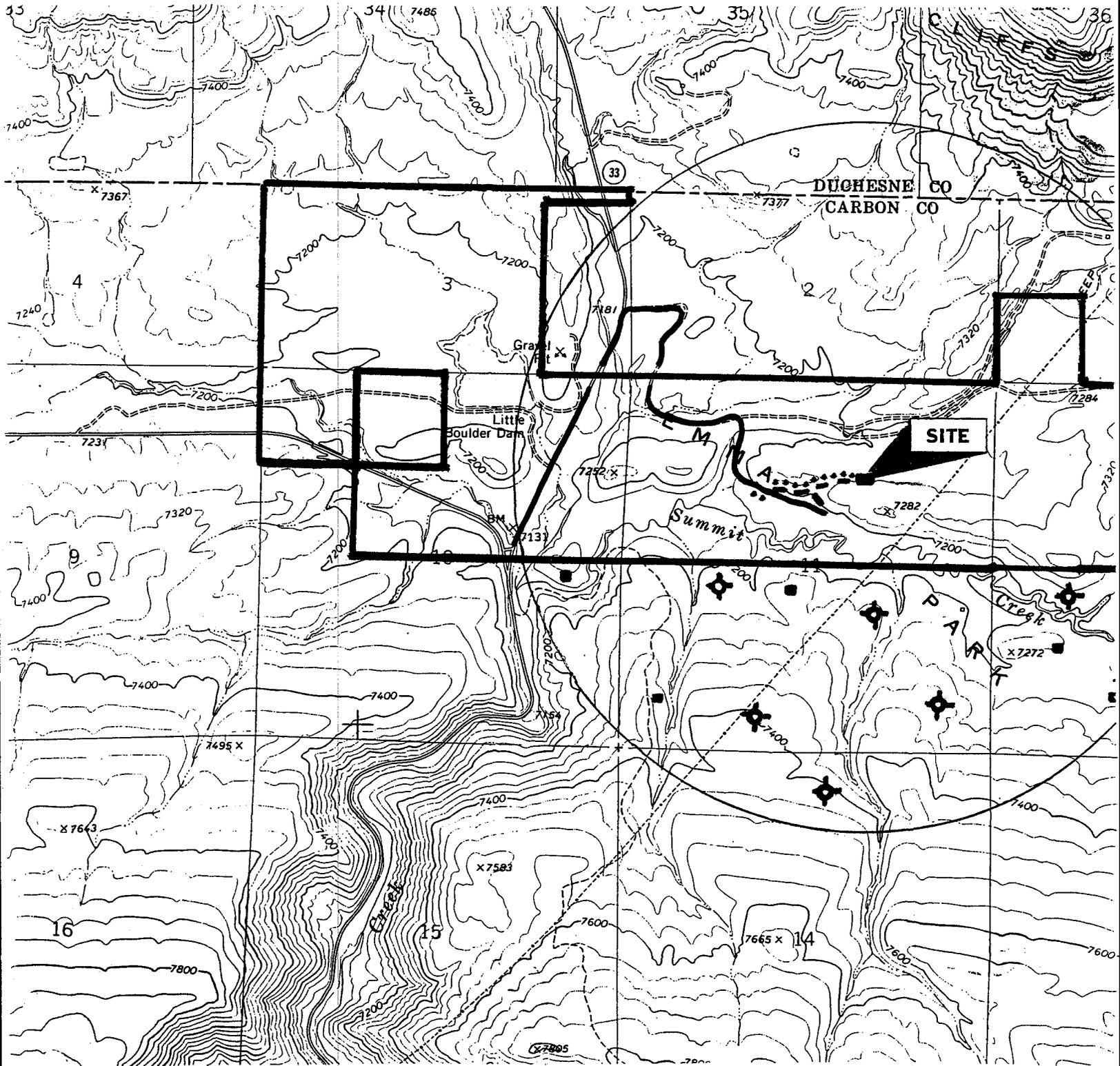
Shutboard Wash

Grassy Trail

155

121

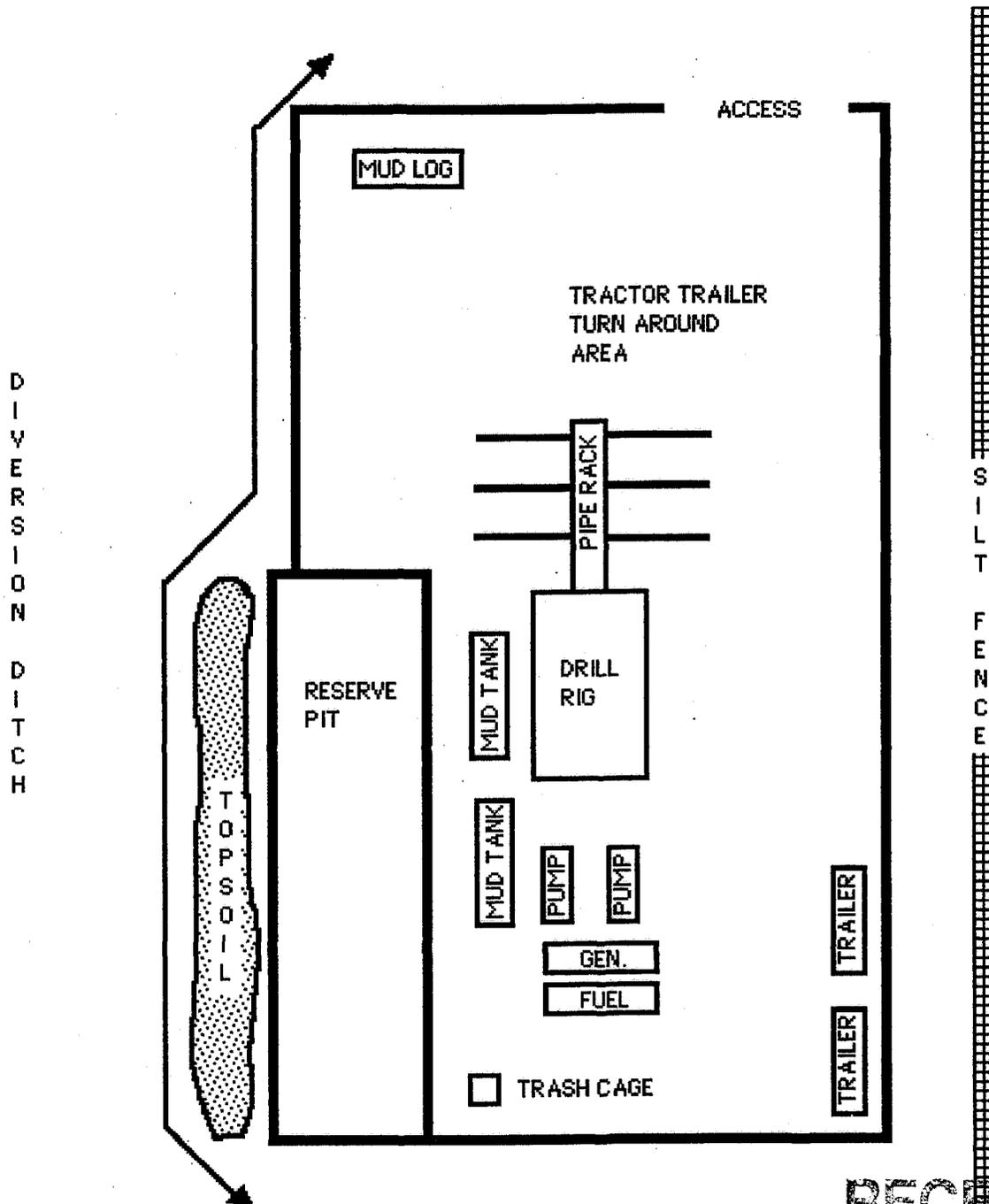
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 Huber-Shimmin Trust/Federal 3-11
 1590' FNL & 1985' FEL
 Sec. 11, T. 12 S., R. 10 E.
 Carbon County, Utah



PROPOSED WELL: ■ EXISTING WELL: ■ P&A WELL: ⊕
 PROPOSED ROAD: - - - EXISTING ROAD: ~ LEASE: L
 PROPOSED PIPELINE ROUTE: . . .

PERMITS WEST INC.
 PROVIDING PERMITS for LAND USERS

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1" = 50'  NORTH

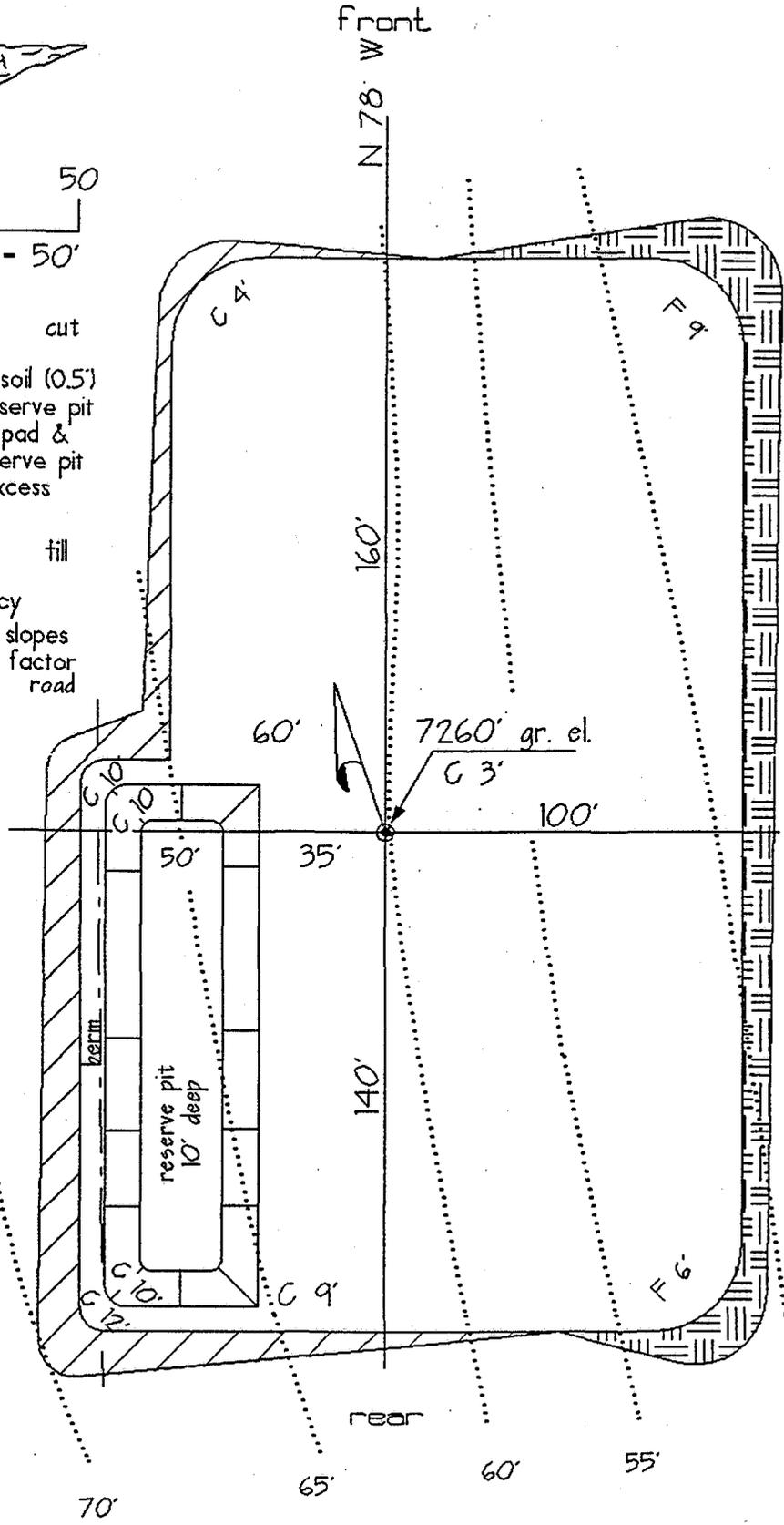
Huber - Huber Shimmin 3-11
well pad



0' 50'
Scale 1" = 50'

cut
 1150 cy topsoil (0.5')
 1758 cy reserve pit
 6177 cy pad &
 above reserve pit
 1522 excess

 fill
 3419 cy
 assumed 1:1 slopes
 20% shrink factor
 road



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DIVISION OF
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WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/23/2001

API NO. ASSIGNED: 43-007-30757

WELL NAME: HUBER-ST/F 3-11

OPERATOR: J M HUBER CORPORATION (N2380)

CONTACT: BRIAN WOOD, AGENT

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

SWNE 11 120S 100E
SURFACE: 1590 FNL 1985 FEL
BOTTOM: 1590 FNL 1985 FEL
CARBON
CASTLEGATE (13)

LEASE TYPE: 1-Federal
LEASE NUMBER: UTU-65948
SURFACE OWNER: 4-Fee

PROPOSED FORMATION: BLKHK

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[Y] Ind[] Sta[] Fee[]
(No. 928-70-95)
- Potash (Y/N)
- Oil Shale (Y/N) *190-5 (B) or 190-3
- Water Permit
(No. 91-4983)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N) #1-18-01.

LOCATION AND SITING:

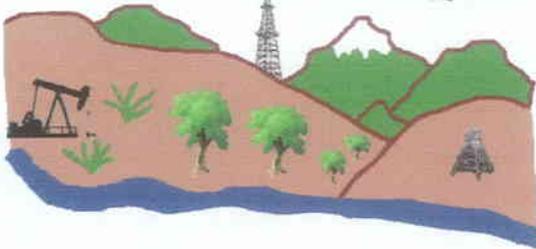
- R649-2-3. Unit _____
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

Need add'l info. "Ex. Loc." (Rec'd 2-9-01)
Need Presite. (Conducted 3-2-01)

STIPULATIONS:

- ① STATEMENT OF BASIS
- ② FEDERAL APPROVAL



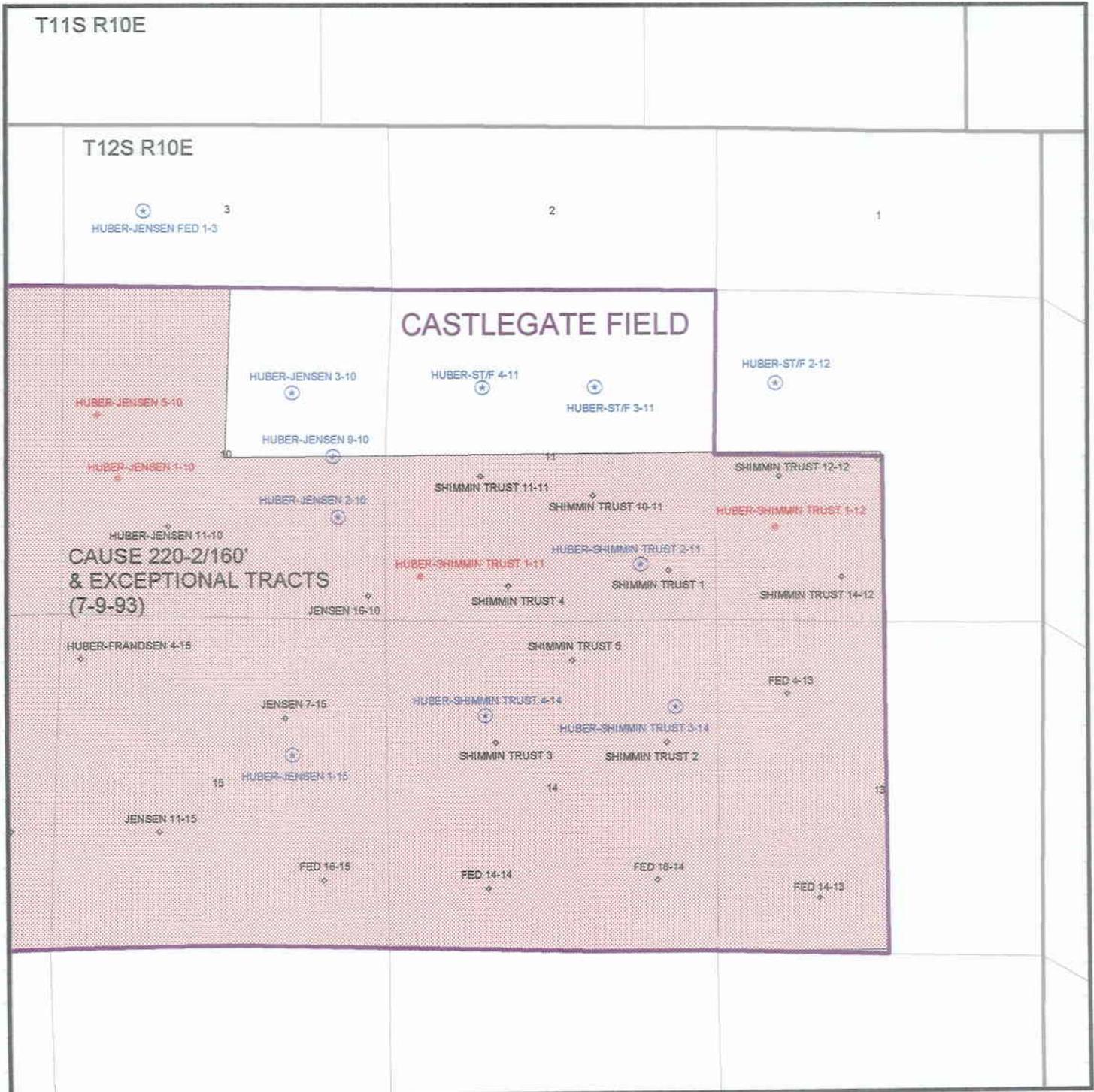
Utah Oil Gas and Mining

OPERATOR: J M HUBER CORP (N2380)

FIELD: CASTLEGATE (013)

SEC. 11, T12S, R10E,

COUNTY: CARBON SPACING: R649-3-3/EX LOC



DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

Operator Name: J. M. Huber
Name & Number: Huber-Shimmin Trust 3-11
API Number: 43-007-30757
Location: 1/4, 1/4 SW NE Sec. 11 T. 12 S R. 10 E County Carbon

Geology/Ground Water:

The setting depth of the surface casing in this well is proposed for 500' cemented back to surface with 438 cubic feet of premium class G cement. There are 35 points of diversion within 1 mile of this location, which were developed by parties drilling in the area, some have priority dates back to 1860, most of these are municipal and the majority are wells that are completed in the Blackhawk coal. A search made of the records at water rights showed that no water from active water wells is being produced from below 385', and that 500' of surface casing will cover this zone. The several springs and diversions along Willow Creek will not be impacted by new work on this well, and are protected by the surface casing and the cement at the bottom of the long string.

Reviewer: K. Michael Hebertson Date: 2/March/2001

Surface:

The surface owner was has been contacted and expressed no concerns about the use of this location. Overall he was happy with the operators' proposal. The surface owner was also made aware of the winter range and habitat concerns expressed by DWR and the active Sage Grouse strutting area that has been identified by DWR. He was not sympathetic to their request and has no interest in holding up work for the time frames requested. After meetings with the BLM about the position of the well and location of the pad the surface owner settled for the present site and had no other comments.

Reviewer: K. Michael Hebertson Date: 2/March /2001

Conditions of Approval/Application for Permit to Drill:

1. Existing culverts will be cleaned and maintained and new culverts of sufficient size and length will be installed and maintained so as not to inhibit natural water flow, where necessary.
2. A berm will be placed at the base of the fill slopes at this location.
3. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: J.M. Huber

WELL NAME & NUMBER: Huber-Shimmin #3-11

API NUMBER: 43-007-30757

LEASE: Federal UTU- 65948 FIELD/UNIT: Castlegate Field (013)

LOCATION: 1/4, 1/4 SW NE Sec: 11 TWP: 12S RNG: 10E 1590 FNL 1985 FEL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): X = 520043 E ; Y = 4405501 N SURFACE OWNER: Dean Shimmin

PARTICIPANTS

Mike Hebertson (DOGM) Larry Sessions (Huber) Brian Wood (Permits West)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

This well is located on the second bench of the Wasatch Plateau about 3 miles south of the Roan Cliffs, in the area known as Emma Park. Mathis Canyon is to the south of the location about 2 miles and Willow Creek is a major active flowing stream to the west about 1/4 mile which flows to the south down Price Canyon. Other drainages intersect the major secondary and primary system flowing generally north and then west until they meet Willow Creek, thence to the Price River. The whole of Emma Park is open Sage Brush meadow with interspersed grass lands. The surface is of Tertiary & Cretaceous age rocks from the Flagstaff Limestone and the North Horn Formation. The Flagstaff is of lacustrine origin and the North Horn is of a fluvial origin.

SURFACE USE PLAN

CURRENT SURFACE USE: Open range wildlife and livestock use.

PROPOSED SURFACE DISTURBANCE: A location 300 X 200 including an inboard pit 50 X 140 X 10. The access road will enter the pad on the northwest corner. No new access road is required.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: There are 6 P&A wells within one mile, all of which were drilled to the Blackhawk. One new well completed to the Blackhawk Coal and three new proposed locations.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Will follow the roads and already established corridors in the abandoned field area. Pipelines and power lines are still in place from previous work.

SOURCE OF CONSTRUCTION MATERIAL: Borrowed from the construction of the location. A commercial supplier will be used for the gravel pad.

ANCILLARY FACILITIES: These are already in place.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. No crude oil is expected to be produced. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Used oil from drilling operations and support is hauled to a used oil re-cycler and re-used. Produced water will be disposed of at an approved facility.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: The location is on a tributary drainage that supplies Willow Creek about 1 mile west. This area will be protected with berms ditches and silt fences.

FLORA/FAUNA: Deer, Elk, Moose, Cougar, Eagles, Hawks, Other indigenous bird species, Aspen, varieties of grasses, Sage Brush, Rabbit Brush.

SOIL TYPE AND CHARACTERISTICS: Clay dark tan or red-brown color with sandstone and limestone fragments.

SURFACE FORMATION & CHARACTERISTICS: Flagstaff Limestone and alluvium.

EROSION/SEDIMENTATION/STABILITY: No stability, problems, and only minor erosion problems exist on the location these will be mitigated by planting with grasses on the margins of the pad.

PALEONTOLOGICAL POTENTIAL: Not required.

RESERVE PIT

CHARACTERISTICS: The pit will be 140 X 50 X 10 or 12,500 BBLs

LINER REQUIREMENTS (Site Ranking Form attached): A synthetic liner will be required.

SURFACE RESTORATION/RECLAMATION PLAN

Already signed and executed.

SURFACE AGREEMENT: Has been executed

CULTURAL RESOURCES/ARCHAEOLOGY: Not required

OTHER OBSERVATIONS/COMMENTS

This is a new location in an old field, the surface is private and the mineral lease is Federal. The location was moved twice, by the Feds, to insure visual impact limitations, however the surface owner objected to placing the pad in his pasture area and the location was moved to the current spot. The access road will be cut into a hillside from the existing field road and may cause minimal erosion problem, however stability of the side slope will be a larger issue. The surface owner was contacted and could not attend, however he had no other stipulations with the location of this well.

ATTACHMENTS:

Photos of the location were taken.

K. Michael Hebertson
DOG M REPRESENTATIVE

2/March/2001/ 11:00 AM
DATE/TIME

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

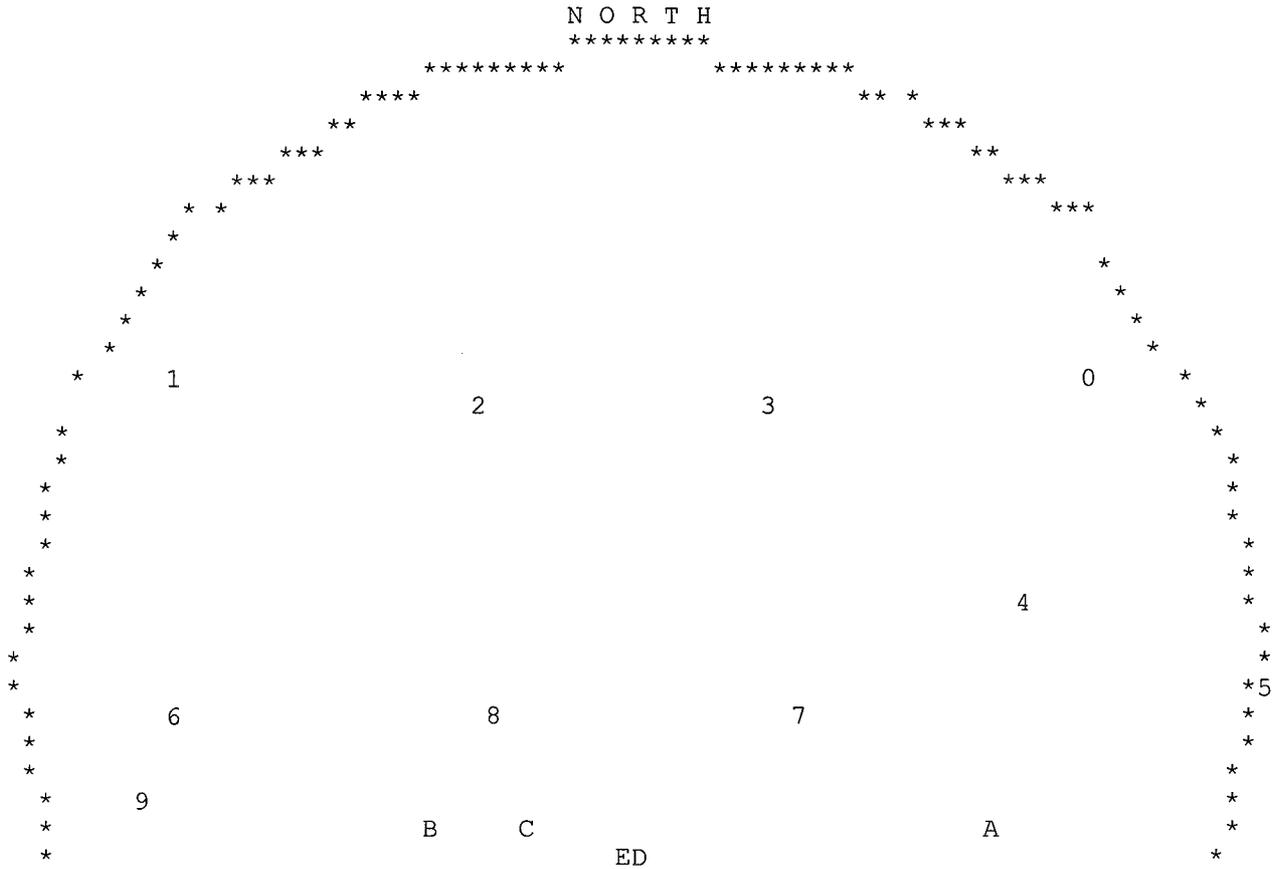
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>10</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>5</u>
Distance to Nearest 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>15</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>5</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>10</u>

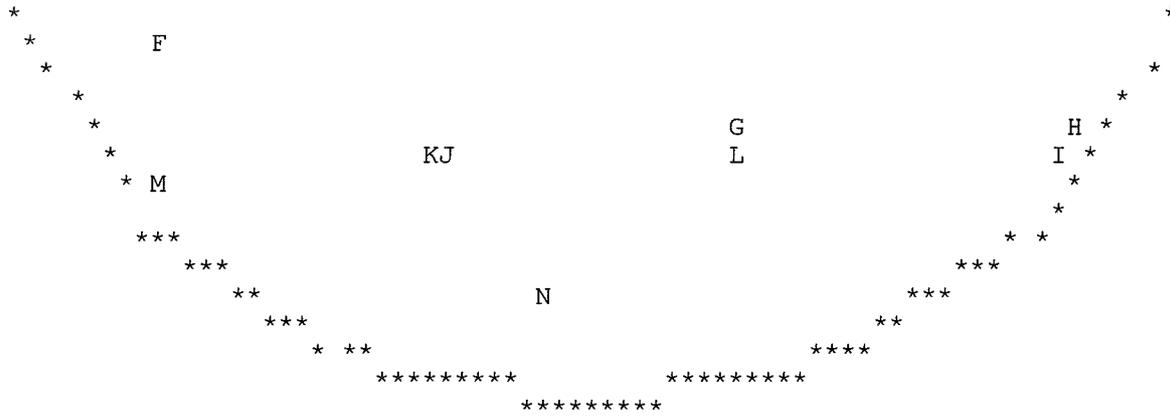
Final Score 50 (Level I Sensitivity)

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED WED, FEB 28, 2001, 1:59 PM
PLOT SHOWS LOCATION OF 35 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
S 1590 FEET, W 1985 FEET OF THE NE CORNER,
SECTION 11 TOWNSHIP 12S RANGE 10E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





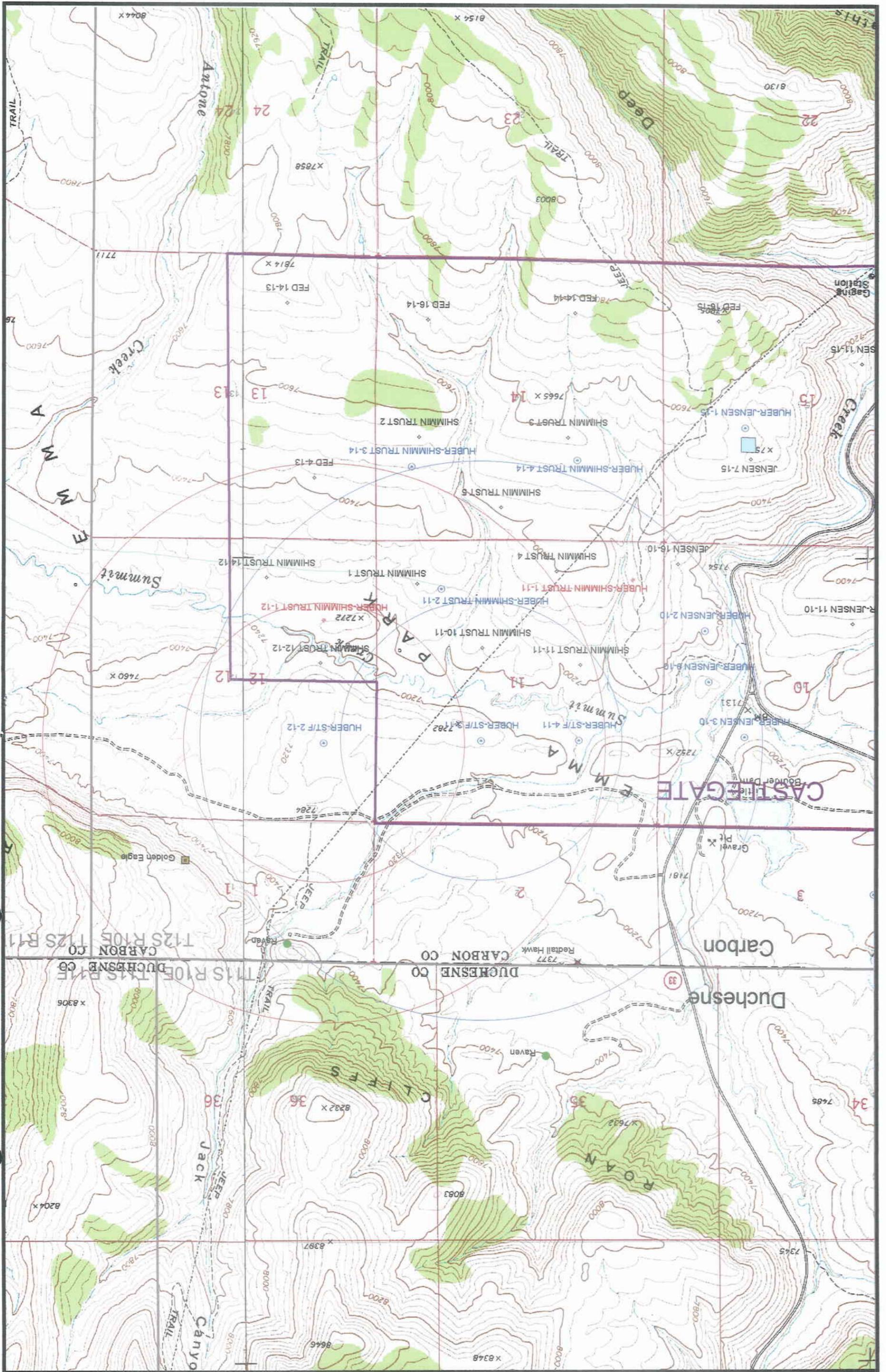
UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

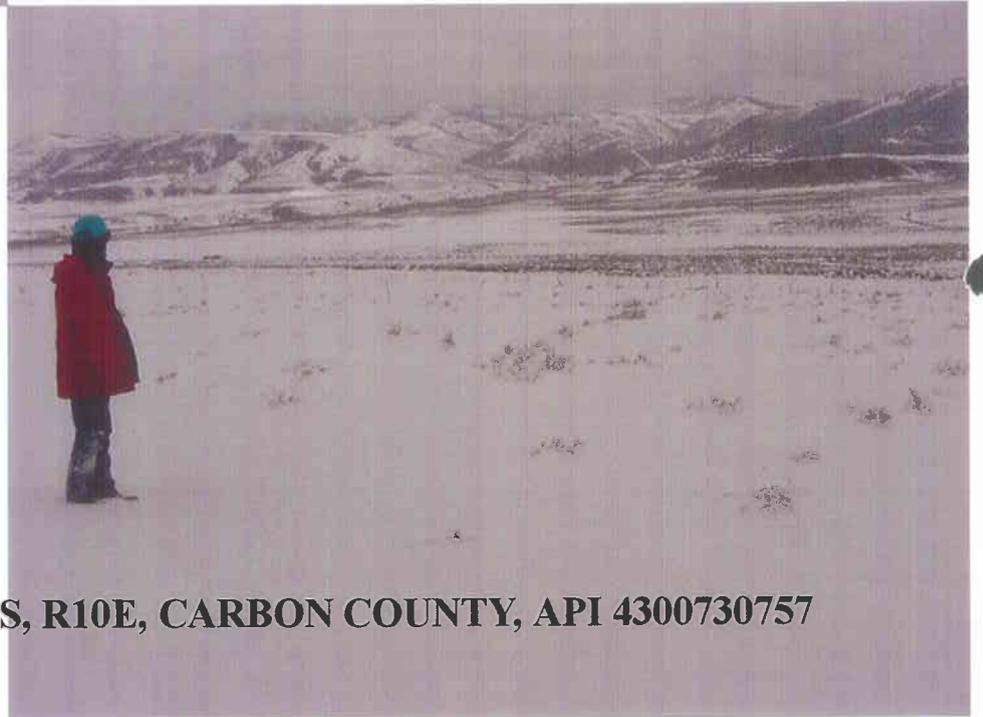
MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION	or WELL INFO	POINT OF DIVERSION	DESCRIPTION					
				DIAMETER	DEPTH	NORTH	EAST	CNR	SEC	TWN	RNG	B&M
0	91 4823	10.0000	.00	Underground Wells		N 700	E 1850	SW 1	12S	10E	SL	
		WATER USE(S): MUNICIPAL										PRIORITY DATE: 04/23/19
				Price River Water Improvement District	P.O. Box 903							Price
1	91 4823	10.0000	.00	Underground Wells		N 700	W 600	SE 3	12S	10E	SL	
		WATER USE(S): MUNICIPAL										PRIORITY DATE: 04/23/19
				Price River Water Improvement District	P.O. Box 903							Price
2	91 4823	10.0000	.00	Underground Wells		N 650	E 2000	SW 2	12S	10E	SL	
		WATER USE(S): MUNICIPAL										PRIORITY DATE: 04/23/19
				Price River Water Improvement District	P.O. Box 903							Price
3	91 4823	10.0000	.00	Underground Wells		N 550	W 850	SE 2	12S	10E	SL	
		WATER USE(S): MUNICIPAL										PRIORITY DATE: 04/23/19
				Price River Water Improvement District	P.O. Box 903							Price

4	91 4823	10.0000	.00	Underground Wells	S	1100	E	1200	NW 12	12S	10E	SL	
				WATER USE(S): MUNICIPAL									PRIORITY DATE: 04/23/19
				Price River Water Improvement District									Price
5	91 4823	10.0000	.00	Underground Wells	S	1900	W	2050	NE 12	12S	10E	SL	
				WATER USE(S): MUNICIPAL									PRIORITY DATE: 04/23/19
				Price River Water Improvement District									Price
6	91 4823	10.0000	.00	Underground Wells	S	2000	W	700	NE 10	12S	10E	SL	
				WATER USE(S): MUNICIPAL									PRIORITY DATE: 04/23/19
				Price River Water Improvement District									Price
7	91 4823	10.0000	.00	Underground Wells	S	2000	W	600	NE 11	12S	10E	SL	
				WATER USE(S): MUNICIPAL									PRIORITY DATE: 04/23/19
				Price River Water Improvement District									Price
8	91 4823	10.0000	.00	Underground Wells	S	2000	E	2100	NW 11	12S	10E	SL	
				WATER USE(S): MUNICIPAL									PRIORITY DATE: 04/23/19
				Price River Water Improvement District									Price
9	91 4830	2.0000	.00	6 3800 - 5000	N	2559	W	909	SE 10	12S	10E	SL	
				WATER USE(S): IRRIGATION STOCKWATERING MUNICIPAL POWER OTHER									PRIORITY DATE: 08/26/19
				PG&E Resources Company									Dallas
9	91 4983	.1600	.00	7 4840	N	2559	W	909	SE 10	12S	10E	SL	
				WATER USE(S): IRRIGATION OTHER									PRIORITY DATE: 04/30/19
				Anadarko Petroleum Corporation									Oklahoma City
A	91 4830	2.0000	.00	6 3800 - 5000	N	2340	E	1033	SW 12	12S	10E	SL	
				WATER USE(S): IRRIGATION STOCKWATERING MUNICIPAL POWER OTHER									PRIORITY DATE: 08/26/19
				PG&E Resources Company									Dallas
A	91 4983	.1600	.00	5 4702	N	2340	E	1033	SW 12	12S	10E	SL	
				WATER USE(S): IRRIGATION OTHER									PRIORITY DATE: 04/30/19
				Anadarko Petroleum Corporation									Oklahoma City
B	91 4830	2.0000	.00	6 3800 - 5000	N	2313	E	1501	SW 11	12S	10E	SL	
				WATER USE(S): IRRIGATION STOCKWATERING MUNICIPAL POWER OTHER									PRIORITY DATE: 08/26/19
				PG&E Resources Company									Dallas
B	91 4983	.1600	.00	7 4905	N	2313	E	1501	SW 11	12S	10E	SL	
				WATER USE(S): IRRIGATION OTHER									PRIORITY DATE: 04/30/19
				Anadarko Petroleum Corporation									Oklahoma City
C	a24220	.0000	2.00	6 365	N	2143	E	2362	SW 11	12S	10E	SL	
				WATER USE(S): DOMESTIC STOCKWATERING OTHER									PRIORITY DATE: 03/02/20
				Price River Water User's Association									Price
													90 North 100 East #1

	D.C. Shimmin Trust			2002 North 1450 East			Provo						
C	a24893	.0000	9.00	8	100 - 1000	N	2143	E	2362	SW 11 12S 10E SL			
	WATER USE(S): DOMESTIC OTHER												
	Price River Water User's Association 90 North 100 East #1												
	J.M. Huber Corporation 1050 17th Street Suite 1850												
													PRIORITY DATE: 01/10/20
													Price
													Denver
D	91 4830	2.0000	.00	6	3800 - 5000	N	1999	W	2006	SE 11 12S 10E SL			
	WATER USE(S): IRRIGATION STOCKWATERING MUNICIPAL POWER OTHER												
	PG&E Resources Company 6688 No. Central Expressway												
													PRIORITY DATE: 08/26/19
													Dallas
E	91 4983	.1600	.00	7	4990	N	1999	W	2066	SE 11 12S 10E SL			
	WATER USE(S): IRRIGATION OTHER												
	Anadarko Petroleum Corporation 9400 North Broadway												
													PRIORITY DATE: 04/30/19
													Oklahoma City
F	91 4823	10.0000	.00		Underground Wells	N	1600	W	350	SE 10 12S 10E SL			
	WATER USE(S): MUNICIPAL												
	Price River Water Improvement District P.O. Box 903												
													PRIORITY DATE: 04/23/19
													Price
G	91 4830	2.0000	.00	6	3800 - 5000	N	793	W	780	SE 11 12S 10E SL			
	WATER USE(S): IRRIGATION STOCKWATERING MUNICIPAL POWER OTHER												
	PG&E Resources Company 6688 No. Central Expressway												
													PRIORITY DATE: 08/26/19
													Dallas
G	91 4983	.1600	.00	5	4411	N	793	W	780	SE 11 12S 10E SL			
	WATER USE(S): IRRIGATION OTHER												
	Anadarko Petroleum Corporation 9400 North Broadway												
													PRIORITY DATE: 04/30/19
													Oklahoma City
H	91 4830	2.0000	.00	6	3800 - 5000	N	721	E	2047	SW 12 12S 10E SL			
	WATER USE(S): IRRIGATION STOCKWATERING MUNICIPAL POWER OTHER												
	PG&E Resources Company 6688 No. Central Expressway												
													PRIORITY DATE: 08/26/19
													Dallas
H	91 4983	.1600	.00	5	4490	N	721	E	2047	SW 12 12S 10E SL			
	WATER USE(S): IRRIGATION OTHER												
	Anadarko Petroleum Corporation 9400 North Broadway												
													PRIORITY DATE: 04/30/19
													Oklahoma City
I	a24893	.0000	9.00	8	100 - 1000	N	681	E	1896	SW 12 12S 10E SL			
	WATER USE(S): DOMESTIC OTHER												
	Price River Water User's Association 90 North 100 East #1												
	J.M. Huber Corporation 1050 17th Street Suite 1850												
													PRIORITY DATE: 01/10/20
													Price
													Denver
I	91 4823	10.0000	.00		Underground Wells	N	650	E	1900	SW 12 12S 10E SL			
	WATER USE(S): MUNICIPAL												
	Price River Water Improvement District P.O. Box 903												
													PRIORITY DATE: 04/23/19
													Price
I	a18108	.0000	18.00	5	85	N	606	E	1894	SW 12 12S 10E SL			
	WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING												
	Price River Water User's Association 90 North 100 East #1												
	Shimmin, D.C. (Trust) 2002 North 1450 East Street												
													PRIORITY DATE: 08/30/19
													Price
													Provo

J	<u>91 4823</u>	10.0000	.00		Underground Wells	N	550	E	2100	SW 11 12S 10E SL	PRIORITY DATE: 04/23/19
		WATER USE(S): MUNICIPAL									Price
		Price River Water Improvement District			P.O. Box 903						
K	<u>91 4830</u>	2.0000	.00	6	3800 - 5000	N	540	E	1900	SW 11 12S 10E SL	PRIORITY DATE: 08/26/19
		WATER USE(S): IRRIGATION STOCKWATERING MUNICIPAL POWER OTHER									Dallas
		PG&E Resources Company			6688 No. Central Expressway						
K	<u>91 4983</u>	.1600	.00	5	4363	N	540	E	1900	SW 11 12S 10E SL	PRIORITY DATE: 04/30/19
		WATER USE(S): IRRIGATION OTHER									Oklahoma City
		Anadarko Petroleum Corporation			9400 North Broadway						
L	<u>91 4823</u>	10.0000	.00		Underground Wells	N	450	W	800	SE 11 12S 10E SL	PRIORITY DATE: 04/23/19
		WATER USE(S): MUNICIPAL									Price
		Price River Water Improvement District			P.O. Box 903						
M	<u>91 4830</u>	2.0000	.00	6	3800 - 5000	N	330	W	330	SE 10 12S 10E SL	PRIORITY DATE: 08/26/19
		WATER USE(S): IRRIGATION STOCKWATERING MUNICIPAL POWER OTHER									Dallas
		PG&E Resources Company			6688 No. Central Expressway						
M	<u>91 4983</u>	.1600	.00	7	4652	N	330	W	330	SE 10 12S 10E SL	PRIORITY DATE: 04/30/19
		WATER USE(S): IRRIGATION OTHER									Oklahoma City
		Anadarko Petroleum Corporation			9400 North Broadway						
N	<u>91 4830</u>	2.0000	.00	6	3800 - 5000	S	660	W	2340	NE 14 12S 10E SL	PRIORITY DATE: 08/26/19
		WATER USE(S): IRRIGATION STOCKWATERING MUNICIPAL POWER OTHER									Dallas
		PG&E Resources Company			6688 No. Central Expressway						
N	<u>91 4983</u>	.1600	.00	5	4427	S	660	W	2340	NE 14 12S 10E SL	PRIORITY DATE: 04/30/19
		WATER USE(S): IRRIGATION OTHER									Oklahoma City
		Anadarko Petroleum Corporation			9400 North Broadway						





J.M. HUBER, HUBER-SHIMMIN 3-11, SEC.11, T12S, R10E, CARBON COUNTY, API 4300730757

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

January 31, 2001

Lisha Cordova
Div. of Oil, Gas, & Mining
P. O. Box 145801
Salt Lake City, Ut. 84114

RECEIVED
FEB 09 2001
DIVISION OF
OIL, GAS AND MINING

Dear Lisha,

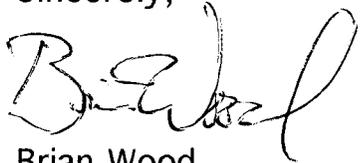
J. M. Huber Corporation's Federal nationwide \$150,000 bond # is 928-70-95. It was issued in 1987.

I am also requesting an exception for J. M. Huber Corporation's Huber-Shimmin Trust/Federal because of topography and visibility. Exception is to the quarter-quarter line (270' instead of $\geq 460'$), not to a well. An orthodox location would be higher on a hill and more visible from US 191. BLM asked that the location be shifted lower which forced its move outside the drilling window.

An orthodox well could be drilled at 1780 FN & 1985 FE 11-12s-10e, but it would be higher. Request permission to drill at 1590' FNL & 1985' FEL 11-12s-10e. This is the only well in the quarter section. There are no producing wells within +3,500'. Wells could be drilled in 8 offsetting units. Huber is owner of all drilling units and leases within minimum +1590' radius of proposed exception. This includes 6 of the 8 directly or diagonally offsetting drilling units.

Please call me if you have any questions.

Sincerely,



Brian Wood

cc: Scott



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)

March 7, 2001

J. M. Huber Corporation
1050 - 17th St, Suite 1850
Denver, CO 80265

Re: Huber Shimmin Trust/Federal 3-11 Well, 1590' FNL, 1985' FEL, SW NE, Sec. 11,
T. 12 South, R. 10 East, 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-007-30757.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza'.

John R. Baza
Associate Director

er

Enclosures

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

Operator: J. M. Huber Corporation
Well Name & Number Huber Shimmin Trust/Federal 3-11
API Number: 43-007-30757
Lease: UTU 65948

Location: SW NE **Sec.** 11 **T.** 12 South **R.** 10 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

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

007

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-65948

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME and NUMBER:
HUBER-S.T./F. 3-11

9. API NUMBER:
43-007-30757

10. FIELD AND POOL, OR WILDCAT:
CASTLEGATE

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

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
J. M. HUBER CORPORATION

3. ADDRESS OF OPERATOR:
1050 17th ST, #700 CITY DENVER STATE CO ZIP 80265 PHONE NUMBER: 303 825-7900

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1590 FNL & 1985 FEL COUNTY: CARBON
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 11 12s 10e SL STATE: UTAH

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

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

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

Request APD approval be extended another one year.
Still awaiting BLM approval.

RECEIVED
APR 24 2002
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) BRIAN WOOD (505) 466-8120 TITLE CONSULTANT FAX: (505) 466-9682
SIGNATURE *Brian Wood* DATE 4-22-02 cc: Erwin, Sessions, Zimmerman

(This space for State use only)

COPY SENT TO OPERATOR
Date: 04-29-02
Initials: CHD

(5/2000)

(See Instructions on Reverse Side)

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 04-29-02
By: *Brian Wood*

008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL

DEEPEN

2001 JAN 23 P 1:58

5. LEASE DESIGNATION AND SERIAL NO.
UTU-65948

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO.
Huber-ST/F* 3-11

9. API WELL NO.
43-007-30757

10. FIELD AND POOL, OR WILDCAT
Castlegate

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA
11-12s-10e SLBM

12. COUNTY OR PARISH
Carbon

13. STATE
UT

b. TYPE OF WELL

OIL WELL

GAS WELL

OTHER

SINGLE ZONE OF THE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR

J. M. Huber Corporation

(303) 825-7900

3. ADDRESS AND TELEPHONE NO.

1050 17th St., Suite 1850, Denver, Co. 80265

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

1590' FNL & 1985' FEL

At proposed prod. zone
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

9 air miles NE of Helper

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

1050'

16. NO. OF ACRES IN LEASE

2473.31

17. NO. OF ACRES ASSIGNED TO THIS WELL

160

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

1691'

19. PROPOSED DEPTH

5,250'

20. ROTARY OR CABLE TOOLS

Rotary

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

7,260' ungraded

22. APPROX. DATE WORK WILL START*
July 1, 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55 8-5/8"	24	500'	438 cu. ft. & to surface
7-7/8"	J-55 5-1/2"	17	5,250'	1,1240 cu. ft. & to surface

RECEIVED
AUG 28 2001
DIV OF OIL, GAS & MINING

Huber-ST/F* = Huber-Shimmin Trust/Federal

Well was moved 10' lower and 230' NW of location staked for on site to reduce visibility. Alternate location preferred by BLM was denied by land owner due to land owner's septic tank and camp site.

Archaeology report LAC 2000-22i submitted 11-6-00.

CONDITIONS OF APPROVAL ATTACHED

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

cc: BLM (M&P), Scott, UDOGM

IN ABOVE SPACE 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.

24. SIGNED [Signature] TITLE Consultant (505) 466-8120 DATE 1-16-01

(This space for Federal or State office use)

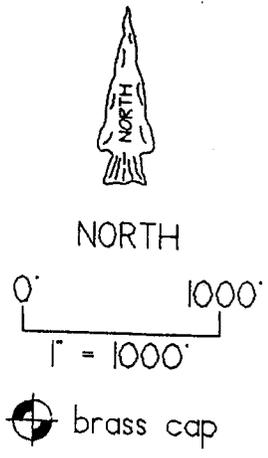
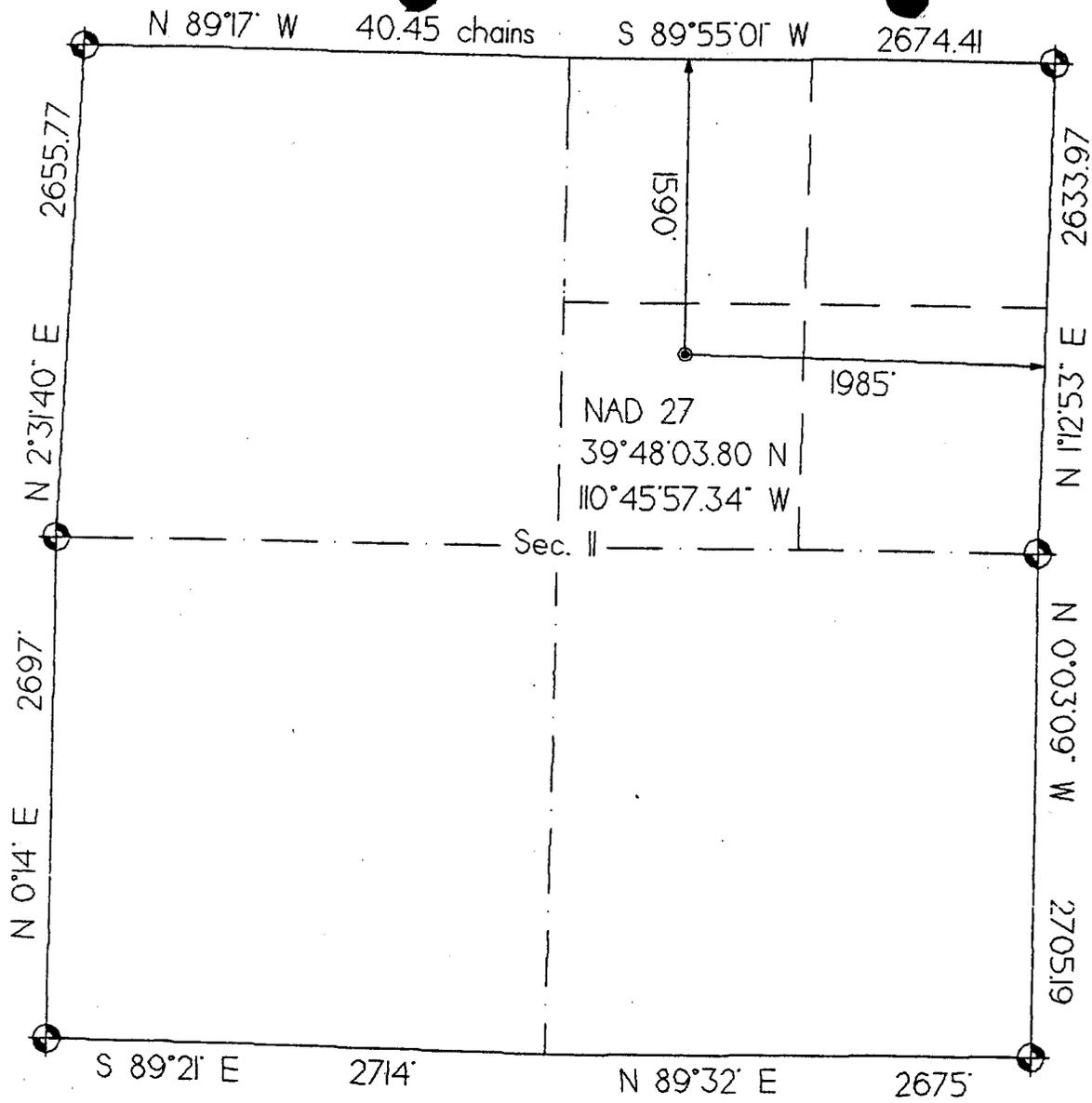
PERMIT NO. _____ APPROVAL DATE _____

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

APPROVED BY /S/ WILLIAM C. STRINGER TITLE Assistant Field Manager, Division of Resources DATE AUG 22 2002

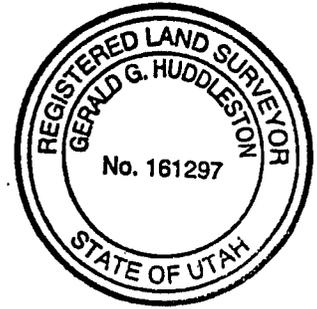
*See Instructions On Reverse Side

Well Location Plat



Well Location Description

J.M. HUBER CORPORATION
 Huber - Shimmin/Federal 3-II
 1590' FNL & 1985' FEL
 Section II, T.12 S., R.10 E., SLM
 Carbon County, UT
 7260' grd. el. (from GPS)



16 August 2000

Gerald G. Huddleston

Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330

J.M. Huber Corporation
Huber-Shimmin Trust/Federal 3-11
Lease U-65948
SW/NE Section 11 T12S, R10E
Carbon County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

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

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

Bond coverage for this well is provided by ES 0071 (Principal - J. M. Huber Corporation) via surety consent as provided for in 43 CFR § 3104.2.

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

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

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

A. DRILLING PROGRAM

1. The proposed BOPE is in a 2M configuration, and is adequate for this depth in this area. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGGM) is required before conducting any surface disturbing activities.
3. A surface use agreement shall be in place prior to conducting any surface disturbance.
4. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III,E, *Special Drilling Operations*, shall apply. Among the requirements in this section are:
 - Spark arresters
 - Blooie line discharge 100 feet from wellbore
 - Straight blooie line
 - Deduster equipment
 - Float valve above bit
 - Automatic igniter on the blooie line
5. If cement behind the production casing (5½") does not circulate to surface, a Cement Bond Log (CBL), temperature survey or other appropriate tool shall be used to determine top of cement.

Huber- Shimmin Trust 3-11

B. SURFACE USE

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

Big Game Winter Restriction (December 1 through April 15)
Sage Grouse Nesting Habitat Restriction (April 1 and June 15)
Fish and Wildlife Enhancement/Mitigation Program

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

GENERAL CONSTRUCTION

1. Operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.
2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.
3. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any site found during construction. The BLM will determine what mitigation is

necessary.

4. During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by the Price BLM Office prior to use.
5. The operator must provide a trash cage for the collection and containment of all trash. The trash shall be disposed in an authorized landfill. The location and access roads shall be kept litter free.
6. Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.
7. Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer.

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

ROAD and PIPELINE CONSTRUCTION

8. Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.
9. Road construction or routine maintenance activities are to be performed during periods when the soil can adequately support construction equipment. If such equipment creates ruts more than 6 inches deep, the soil is deemed too wet to adequately support construction equipment.
10. The operator is responsible for maintenance of all roads authorized through the lease or a right-of-way. Construction and maintenance shall comply with Class II or III Road Standards as described in BLM Manual Section 9113 and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, headcut restoration/prevention.

11. Topsoil from access roads and pipelines is to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
12. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipators as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipators and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.

PAD CONSTRUCTION

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

REHABILITATION PROCEDURES

Site Preparation

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

Seedbed Preparation

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

Fertilization

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

Mulching

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

An alternative method of mulching on small sites would be the application of

straw or hay mulch at a rate of 2000 pounds per acre. Hay or straw shall be certified weed free. Following the application of straw or hay, crimping shall occur to ensure retention.

Reseeding

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

General

1. Prior to the use of insecticides, herbicides, fungicides, rodenticides and other similar substances, the operator must obtain from BLM, approval of a written plan. The plan must describe the type and quantity of material to be used, the pest to be controlled, the method of application, the location for storage and disposal of containers, and other information that BLM may require. A pesticide may be used only in accordance with its registered uses and within other agency limitations. Pesticides must not be permanently stored on public lands.
2. To prevent the potential contamination of groundwater resources by seepage of produced water, reserve pits will be lined according to the procedures outlined in Chapter 2 of the Final Environmental Impact Statement for the Castlegate Coalbed Methane Project (EIS).

3. Cattle guards will be routinely maintained for the full life of the project. In addition, where access is located on privately owned surface estate, a metal gate will be installed across the cattle guard as required by the affected surface owner(s) to restrict access to private lands during the life of the project.
4. Access roads will be periodically bladed to smooth ruts and watered to reduce dust emissions. Huber will provide adequate turnouts to avoid traffic problems and to ensure roadway deterioration does not have offsite impacts resulting from erosion, sedimentation, and fugitive dust.
5. Huber will request the Department of Highway Safety to determine adequate signage identifying truck traffic on U.S. Highway 191, both north and south of the project area, and will ensure the installation of the determined signs.
6. Huber will *discuss* emergency plans with county law enforcement, fire protection, and emergency care providers. Plans will then be made clear to all Huber employees and subcontractors. Such information dissemination will minimize confusion in the case of an emergency.
7. Ground disturbance activities, cuts and fills, and removal of vegetation will be strictly confined to areas designated in the BLM approved APDs. Minimizing disturbance will reduce contrasts between exposed soils and naturally vegetated areas.
8. To the extent possible, all juniper trees will be left standing and protected from disturbance. The few trees in the area offer better screening than the sagebrush and will be protected.
9. Reclamation plans approved by BLM; the Utah Division of Oil, Gas, and Mining; and private landowners will be precisely followed and monitored by BLM for at least two growing seasons.
10. Lights used during nighttime drilling efforts will be shielded to reduce offsite illumination.
11. All production structures and buildings, with the exception of those identified by Federal or State law, will be painted in nonglare, earth-tone colors.
12. Landscaping of the Central Processing Facility (CPF) will be designed and developed with the objective of minimizing visual impact as perceived from U.S. Highway 191 and the Key Observation Point. Landscaping will primarily utilize native species of varying height classes and minimize the appearance of straight lines and sharp angles.
13. If project traffic levels create dust problems during the dry months of the year, as

determined by the Authorizing Officer, Huber will water roads and active working areas to reduce dust generation.

14. Wells will be located a minimum of 660 feet from known springs and 330 feet of the centerline of perennial streams to ensure that drilling operations will not have any impact.
15. Producing wells will be maintained in a condition of good mechanical integrity to prevent casing leaks and potential contamination of groundwater resources.
16. Huber should also apply for an appropriation of the produced water if a beneficial use can be defined, in which case it may be feasible to use the treated water rather than discharge to surface drainages.
17. The facilities for the West CPF will be relocated outside of soil map unit 108 (Silas loam).
18. Monitoring of disturbed areas by the County Weed Control Officer for noxious weed infestations will be conducted.
19. The areas of interim reclamation will also be monitored for infestations of noxious weeds. If infestations of noxious weeds occur in these disturbed areas, eradication measures will be implemented to control populations of weedy species.
20. Well locations will be relocated within the 160-acre spacing to avoid wetlands. Disturbance of wetlands by road crossings will be coordinated by Utah Division of Water Quality as they prepare the required Stream Crossing Permit.
21. Raptor inventories will be conducted each year between May 15 and June 15 to determine the status of previously identified nests to locate any new nests in areas where surface-disturbing activities are planned. Such inventory work must be conducted by personnel qualified in raptor inventory techniques and coordinated with the Authorized Office and the Utah Division of Wildlife Resources (UDWR). Active raptor nests will be protected from disturbance by prohibiting any activity within 0.5 mile of the nest.
22. All evaporation ponds at the CPFs will be netted and fenced with mesh wire fences of sufficient height (6 feet) to prevent contact by waterfowl, other wildlife, or livestock.
23. Travel on service roads in designated elk wintering and calving, deer fawning, and sage grouse strutting areas will be restricted around dawn and dusk, whenever practical, during the respective calving, fawning, and strutting seasons.

24. Huber will work with the UDWR to develop a wildlife education program for employees to inform them of the potential impacts to wildlife from the project and of the mitigation measures which will be required.
25. Best Management Practices will be utilized to control sediment runoff from construction areas.
26. Riprap will be placed on stream banks at pipeline and road crossings to reduce erosion and sedimentation and to stabilize banks.
27. Stream crossings will be constructed during periods of reduced flow. Construction will be undertaken in such a manner that flow will be maintained at all stream *crossings*, and streams capacities will not be altered as a result of pipeline and road construction.
28. Removal of riparian vegetation will be avoided or riparian vegetation replaced.
29. Water discharge from the CPFs will be in full compliance with the State of Utah, Department of Environmental Quality, Utah Pollutant Discharge Elimination System, as delegated by the Environmental Protection Agency under the authority of the Clean Water Act of 1972.

The following stipulations are derived from the Castlegate CBM EIS, USDI FES No. 92-23. While not all stipulations are applicable to all Federal actions within the EIS area, stipulations which have a check mark in the box are applicable to the federal permit (i.e. APD, ROW etc) referenced below. Included as attachment 1 are the actual stipulations from the Record of Decision for USDI FES No. 92-23, as well as applicable definitions.

Proponent: Huber

Federal Permit Reference: FED 3-11

Prepared by: DAVID MILLS

Date Prepared: 7/15/02

Big Game Winter Restriction (December 1 through April 15)

The Federal action or some portion of the Federal action, associated with this permit lies within big game high priority or critical big game winter range. Construction activities are prohibited between December 1 through April 15 in order to avoid impacts (disturbance or alter habitat use patterns) to wintering big game. A definition of construction activity is included in appendix 1.

Big Game Fawning/Calving Range Restriction (May 15 through July 5)

The Federal action or some portion of the Federal action, associated with this permit lies within big game fawning/calving range. Construction activities are prohibited between May 15 through July 5 in order to avoid impacts (disturbance or alter habitat use patterns) to fawning and or calving big game. A definition of construction activity is included in appendix 1.

Sage Grouse Nesting Habitat Restriction (April 1 and June 15)

The Federal action or some portion of the Federal action, associated with this permit lies within the perimeter of a buffer zone of 2 miles from known sage grouse leks, also considered nesting habitat. Construction activities are prohibited between April 1 and June 15 in order to avoid impacts (disturbance or alter habitat use patterns) to sage grouse during the nesting season. A definition of construction activity is included in appendix 1.

Sage Grouse Surface Occupancy Restriction on Known Leks

The Federal action or some portion of the Federal action, associated with this permit lies in the proximity of a known sage grouse lek. Surface Occupancy is prohibited within the perimeter of this known lek.

Raptor Survey Requirement

The Federal action or some portion of the Federal action, associated with this permit lies within habitat known to be used or is considered to be potential habitat for nesting raptors. The proponent or permit holder is required to conduct raptor surveys to determine the status of known nests and verify presence of additional nests in the affected area of this Federal action.

Surveys are to be conducted by consultants qualified to conduct such surveys and approved by the authorized officer. All surveys would be conducted by helicopter during May of each year unless otherwise provided for in BLM's Raptor Survey Protocol. The surveys are to be completed in the same year as the proposed drilling/construction so that current nest activity status data is available prior to APD/Federal Permit approval. Cost for surveys and preparation of a report of the findings of the survey would be the obligation of the lease holder.

Raptor Nest Site Buffer Zone Surface Occupancy Restriction

The Federal action or some portion of the Federal action, associated with this permit lies in the proximity of a known raptor nest site buffer zone. Long term surface occupancy (i.e. wells, above ground facilities etc.) is prohibited within the perimeter of any known raptor nest site buffer zone (.5 mile radius around a nest site) in which the nest has been classified as occupied within the last three years, definition in appendix 1.

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

In the event a federal action involving a permanent facility, as described above, is proposed within the .5 mile bufferzone, BLM can complete a site specific evaluation. The evaluation will consider site terrain features such as topographic and vegetative screening, and existing intrusions which may already exist in the bufferzone. Site specific standard guidelines used in this analysis are available in the Price Field Office. If the site specific evaluation determines that the federal action can be accomodated with no significant adverse affect to the current or future productivity of the nest, the no surface occupancy provision can be waved.

Raptor Nest Site Seasonal Restriction/Temporary Occupancy (February 1 through July 15)

The Federal action or some portion of the Federal action, associated with this permit lies in the proximity of a known raptor nest site buffer zone. Any temporary surface disturbance and occupancy (i.e. road and pipeline line construction, etc.) associated with this federal permit, occurring within .5 miles of a raptor nest documented as occupied in one or more of the three years preceding the proposed date of construction must be conducted outside the nesting period of February 1 to July 15. This will include but not be limited to road construction or upgrading required to reach this well location. If such work is required to access this location with heavy equipment, the seasonal closure of February 1 to July 15 will also apply to the drilling of this well.

Road Density and Location Restriction

The Federal action or some portion of the Federal action, associated with this permit involves new road construction. Construction of new roads should be minimized wherever possible. New roads would be located away from ridge tops to maximize screening wherever possible, unless engineering limitation or landowner requirements prohibit a chosen location.

Perennial Stream and Springs Protection

The Federal action or some portion of the Federal action, associated with this permit lies in close proximity to a perennial stream or spring. Wells will be located a minimum of 660 feet from known springs and 330 feet of the centerline of perennial streams to ensure that drilling operation will not have any impact.

Wetland Surface Occupancy Restriction

Well locations will be relocated within the 160 acre spacing to avoid surface disturbance in wetlands. Disturbance of wetlands by road crossings will be coordinated by the Utah Division of Water Quality as they prepare the required stream crossing permit.

Fish and Wildlife Enhancement/Mitigation Program

Contribute \$750.00 into the Fish and Wildlife Enhancement/Mitigation program, as per Cooperative Agreement between BLM, Huber and Utah Division of Wildlife Resources, for each well drilled in the Castlegate Coalbed Methane project area.

Special Circumstance Wildlife Stipulation (Write In)

Big Game Winter and Fawning/Calving Habitat (USDI FES No. 92-93, Record of Decision): Construction activities will be prohibited in critical elk winter range between December 1 and April 15, high value mule deer winter range between December 1 and April 15, and any range identified as a mule deer fawning or elk calving habitat between May 15 and July 5. This does not include maintenance and operation of existing wells.

Sage Grouse (USDI FES No. 92-93): Construction activities will be restricted within 2 miles of all known sage grouse leks between April 1 and June 15. No surface occupancy will be permitted on known leks.

Raptor Nest Site Protection (USDI FES No. 92-93): Raptor inventories will be conducted each year between May 15 and June 15 to determine the status of previously identified nests to locate any new nests in areas where surface-disturbing activities are planned. Such inventory work must be conducted by personnel qualified in raptor inventory techniques and coordinated with the Authorized Officer and the Utah Division of Wildlife Resources (UDWR). Active raptor nest will be protected from disturbance by prohibiting any activity within 0.5 miles of the nest

Wildlife Displacement/Offsite Mitigation (USDI FES No. 92-93): PG&ER will mitigate unavoidable impacts of maintenance and operation of existing wells and facilities and impact of wildlife displacement resulting from human presence by participating in a Fish and Wildlife Habitat Enhancement Program. PG&ER will join into a Cooperative Agreement with BLM and UDWR outlining the specific enhancement parameters and projects to be utilized.

Road Density and Location Restriction (USDI FES No. 92-93): Construction of new roads should be minimized wherever possible. New roads would be located away from ridge tops to maximize screening wherever possible, unless engineering limitation or landowner requirements prohibit a chosen location.

Perennial Stream and Springs Protection (USDI FES No. 92-93): Wells will be located a minimum of 660 feet from know spring and 330 feet of the centerline of perennial streams to ensure that drilling operation will not have any impact.

Wetland Surface Occupancy Restriction (USDI FES No. 92-93): Well locations will be relocated within the 160 acre spacing to avoid wetlands. Disturbance of wetlands by road crossings will be coordinated by the Utah Division of Water Quality as they prepare the required stream crossing permit.

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. Specific activities considered to be covered by the seasonal closure include all heavy equipment operation including but not limited to the following:

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

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

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

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

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

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

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

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

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

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

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

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

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

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

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

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

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

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Don Stephens (work: 435-636-3608, home: 435-637-7967)
or Mike Kaminski (work: 435-636-3640, home: 435-637-2518)
of the BLM, Price Field Office for the following:

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

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth.

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

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

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



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

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

June 25, 2003

Brian Wood
J.M. Huber Corporation
1050-17th St, Suite 700
Denver, CO 80265

Re: APD Rescinded -Huber-ST/F 3-11, Sec. 11, T. 12S, R. 10E Carbon County, Utah
API No. 43-007-30757

Dear Mr. Wood:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 7, 2001. On April 29, 2002 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 25, 2003.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

A handwritten signature in black ink that reads "Diana Mason".

Diana Mason
Engineering Technician

cc: Well File
Bureau of Land Management, Moab



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office
82 East Dogwood
Moab, Utah 84532



3160
UTU65948
UTU65949
UTU77283
(UT-062)

J.M. Huber Corporation
1050 17th Street, Suite 700
Denver, Colorado 80265

NOV 25 2003

Re: Expired Applications for Permit to Drill
Lease UTU65948
Well Nos. Huber-Jensen Federal 3-10 and Huber-Shimmin Trust Federal 3-11
Lease UTU65949
Well No. Huber-Mathis Federal 14-14
Lease UTU77283
Well No. Huber-Jensen Federal 2-17
Carbon County, Utah

Gentlemen:

The Applications for Permit to Drill (APDs) for the above referenced locations were approved on August 22, 2002. Since that date no known activity has transpired. These approvals were valid for a period of one year from the date of approval and are now expired.

In order to drill at these locations, new applications must be submitted for approval. If you have any questions or wish to discuss this matter, please contact Marie McGann at 435-259-2135.

Sincerely,

Isi Danyl Trotter

Acting Assistant Field Manager
Division of Resources

Enclosures
Expired APDs

cc: UT-070, DStephens (wo/Enclosures)
Diana Mason, State of Utah, DOGM (wo/Enclosures)
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114
MMcGann:mm:11/20/03

RECEIVED

NOV 28 2003

DIV. OF OIL, GAS & MINING