002

WESTPORT OIL AND GAS COMPANY, L.P.

1670 Broadway Suite 2800 Denver Colorado 80202
Telephone: 303 573 5404 Fax: 303 573 5609

June 11, 2004

FEDERAL EXPRESS
2 packages

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114-5801

RECEIVED
JUN 16 2004
DIV. OF OIL, GAS & MINING

Attn: Ms. Diana Mason

RE: Application(s) For Permit To Drill
Eleven (11) Well Applications
Township 14 South – Range 11 East
Wellington Federal 22-04 SWD
Township 13 South – 11 East
North Bench State 24-13
North Bench Federal 12-20
North Bench Federal 24-20
North Bench Federal 23-28
North Bench Federal 34-28
North Bench Federal 21-29✓
North Bench Federal 22-29
North Bench Federal 23-29
North Bench Federal 41-29
North Bench Federal 43-29
Carbon County, Utah

Dear Ms. Mason

Please find enclosed two (2) originals and one (1) copy of the Application For Permit To Drill for each of the subjected wells for your consideration and approval. Also, included in this package is a Master Drilling Program for the Cardinal Draw – Ferron Coal 2004 Project.

We thank you in advance for your cooperation and assistance in these matters. Should any questions or suggestions arise, please do not hesitate contacting the undersigned or the senior operations engineer of the Project, David Gomendi at (303) 607-3472.

Very truly yours,
WESTPORT OIL AND GAS COMPANY, L. P.

Debby J. Black
Debby J. Black
Engineering Technician

xc: David Gomendi

Second ✓

001

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

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO.: UTU-80557	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL [X] REENTER [ ] DEEPEN [ ]	7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
B. TYPE OF WELL: OIL [ ] GAS [X] OTHER _____ SINGLE ZONE [X] MULTIPLE ZONE [ ]	8. UNIT or CA AGREEMENT NAME: NA
2. NAME OF OPERATOR: **WESTPORT OIL AND GAS COMPANY, L. P.**	9. WELL NAME and NUMBER: **North Bench Federal 21-29**
3. ADDRESS OF OPERATOR: **1670 Broadway - Suite 2800** CITY **Denver,** STATE **CO** ZIP **80202-4800** PHONE NUMBER **(303) 573-5404**	10. FIELD AND POOL, OR WILDCAT: Helper Field - Ferron Coal
4. LOCATION OF WELL (FOOTAGES) 524656X 4391222Y 39.67235 -110.71253 AT SURFACE: 784' FNL, 2163' FWL Lat: 39.672372 Long: -110.713194 AT PROPOSED PRODUCING ZONE: 784' FNL, 2163' FWL Lat: 39.672372 Long: -110.713194	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW, Sec. 29, T13 S, R 11 E, S.L.B.&M Meridan
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 9 Miles NE of Price, Utah	12. COUNTY: Carbon / 13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
784'	1920 acres	160 acres
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	**19. PROPOSED DEPTH:**	**20. BOND DESCRIPTION:**
1114'	4170'	BLM Bond # CO1203
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	**22. APPROXIMATE DATE WORK WILL START:**	**23. ESTIMATED DURATION:**
6632' Ungraded Ground Level	Upon APD Approval	4 days drilling & 9 days completion

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
14"	12.25" Schd. 40 L P	60'	Conductor pipe, will not be cemented.
11"	8-5/8" J-55 24#	417'	Class A, 200 sks., 1.18 cu-ft/sk, 15.6 ppg.
7-7/8"	5-1/2", N-80, 17#	4170'	Class 5, 193 sks., 3.47 cu-ft/sk., 11.0 ppg.
			Prem+, 120 sks., 1.60 cu-ft/sk., 14.2 ppg.

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- [X] WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- [ ] EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- [X] COMPLETE DRILLING PLAN
- [ ] FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) David A. Gomendi TITLE Senior Operations Engineer

SIGNATURE David A. Gomendi DATE June 8, 2004

(This space for State use only)

API NUMBER ASSIGNED: 43-007-30968

APPROVAL:

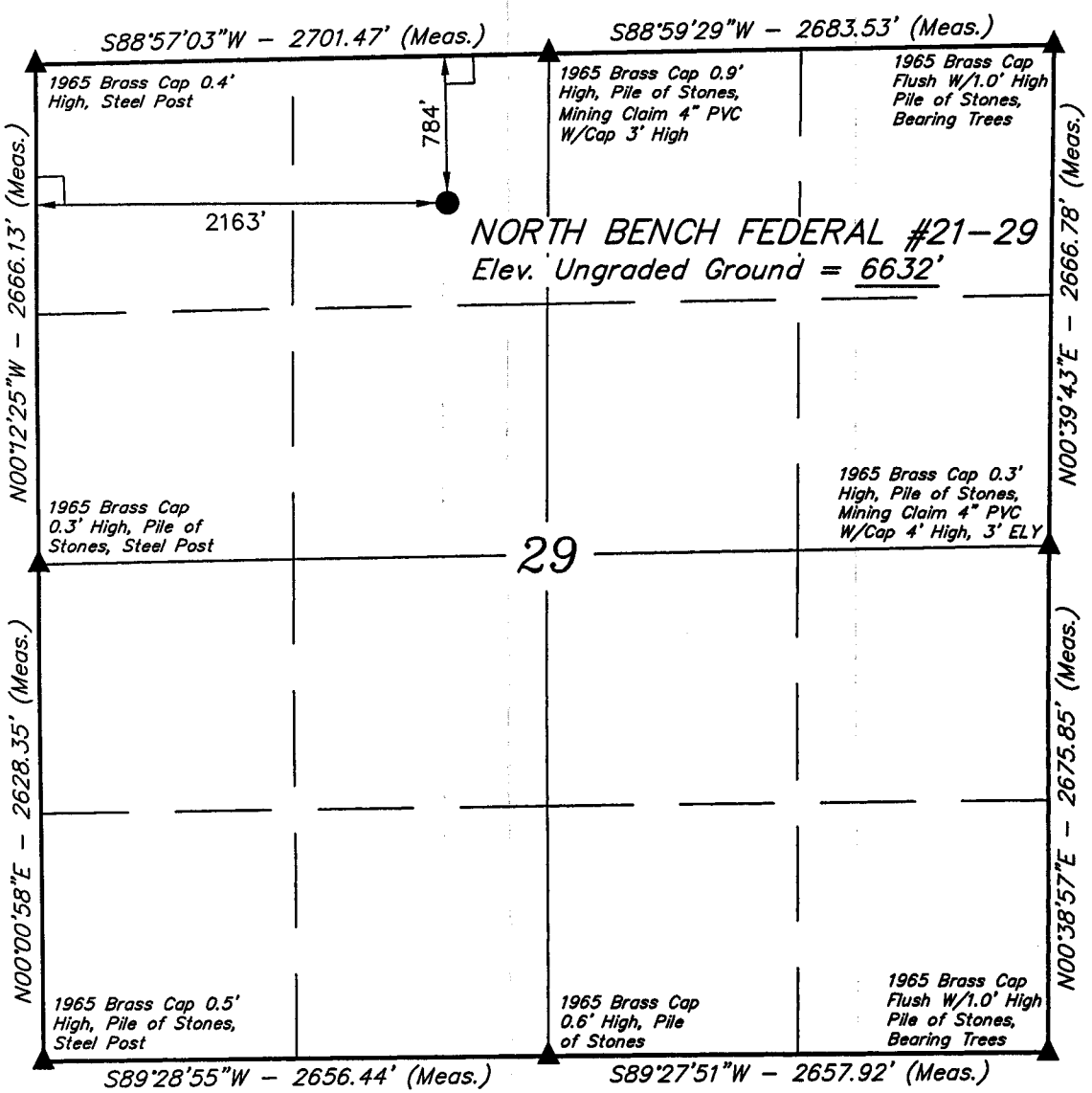
RECEIVED
JUN 16 2004
DIV OF OIL, GAS & MINING

(11/2001)

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 06-17-04
By:

Federal Approval of this Action is Necessary

T13S, R11E, S.L.B.&M.



WESTPORT OIL AND GAS COMPANY, L.P.

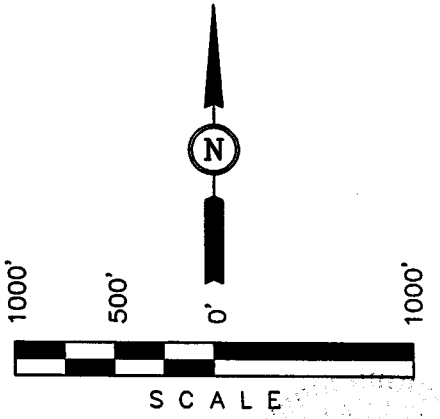
Well location, NORTH BENCH FEDERAL #21-29, located as shown in the NE 1/4 NW 1/4 of Section 29, T13S, R11E, S.L.B.&M. Carbon County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED ON A JEEP TRAIL IN THE NW 1/4 OF SECTION 32, T13S, R11E, S.L.B.&M. TAKEN FROM THE DEADMAN CANYON QUADRANGLE, UTAH, CARBON COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6460 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

└ = 90° SYMBOL
● = PROPOSED WELL HEAD.
▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
LATITUDE = 39°40'20.54" (39.672372)
LONGITUDE = 110°42'47.50" (110.713194)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 5-11-04	DATE DRAWN: 5-12-04
PARTY: D.K. L.M. C.G.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: WESTPORT OIL AND GAS COMPANY, L.P.	

MASTER DRILLING PROGRAM
Well Helper Field - Ferron Coal Program
Cardinal Draw Prospect
Sections 18, 20, 28 and 29: Township 13 South – Range 11 East
Section 4: Township 14 South – Range 11 East
Carbon County, Utah

Operator: Westport Oil and Gas Company, L. P.

INTRODUCTION

WESTPORT OIL AND GAS COMPANY, L. P., (Westport) proposes Well Helper Field Ferron Coal Program in Cardinal Draw Prospect 2004 located within Carbon County, Utah. The Well Helper Field Ferron Coal Project (Project) consists of ten (10) proposed locations. Nine (9) of the wells are located in Sections 18, 20, 28, and 29 Township 13 South – Range 11 East and one (1) well in Section 4 Township 14 South – Range 11 East. Nine of the wells will be drilled through the Ferron formation and one well will be drilled through the Navajo/Wingate as a water disposal well. The Project area wells will be accessed from Price, Utah by an improved road which currently exists approximately 9 miles from Price. Note, all improved roads will have water dispersal controls at all changes of slope.

ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

The tables summarizing information for each of the ten (10) wells in the Project are included in this document. In general, the ground elevation ranges from 6348 feet above mean sea level (MSL) to 6860 feet MSL graded at stake. The top of the Ferron of the Mesa Verde Formation lies approximately 3135 feet to 4475 feet below ground surface (BGS) and is 265 feet thick resulting in total approximate depths of 3370 feet to 4710 feet BGS, for the producing wells.

WELL NAME AND NUMBER	LOCATION	TD	GR
North Bench State 24-18	SESW Sec. 18: T 13 S – R 11 E, 1865' FWL, 493' FSL	4860'	6820'
North Bench Federal 12-20	SWNW Sec. 20: T 13 S – R 11 E, 837' FWL, 1691' FNL	4785'	6860'
North Bench Federal 24-20	SESW Sec. 20: T 13 S – R 11 E, 1900' FWL, 1200' FSL	4465'	6738'
North Bench Federal 23-28	NESW Sec. 28: T 13 S – R 11 E, 1455' FWL, 1568' FSL	3670'	6437'
North Bench Federal 34-28	SWSE Sec. 28: T 13 S – R 11 E, 1557' FEL, 1212' FSL	3520'	6348'
North Bench Federal 21-29	NENW Sec. 29: T 13 S – R 11 E, 784' FNL, 2165' FWL	4170'	6632'
North Bench Federal 23-29	SW¼ Sec. 29: T 13 S – R 11 E, 1329' FWL, 1517' FSL	3700'	6528'
North Bench Federal 41-29	NENE Sec. 29: T 13 S – R 11 E, 1214' FEL, 1194' FNL	4075'	6583'
North Bench Federal 43-29	NESE Sec. 29: T 13 S – R 11 E, 733' FEL, 1803' FSL	3750'	6495'
Wellington Federal 22-04 SWD	SENW Sec. 4: T 14 S – R 11 E, 1500' FWL, 2350' FNL	5930'	5877'

WELL NAME AND NUMBER	FORMATION	TOP	BOTTOM
North Bench State 24-18	FERRON COAL	4475'	4710'
North Bench Federal 12-20	FERRON COAL	4370'	4635'
North Bench Federal 24-20	FERRON COAL	4056'	4321'
North Bench Federal 23-28	FERRON COAL	3285'	3520'
North Bench Federal 34-28	FERRON COAL	3135'	3370'
North Bench Federal 21-29	FERRON COAL	3660'	4025'
North Bench Federal 23-29	FERRON COAL	3316'	3541'
North Bench Federal 41-29	FERRON COAL	3690'	3925'
North Bench Federal 43-29	FERRON COAL	3368'	3603'
Wellington Federal 22-04 SWD	NAVAJO/WINGATE	4786'	5628'

LOCATIONS AND ROAD ACCESS

Location and roads will be built to Bureau of Land Management's standards and specifications.

1. Construction Materials: A list of sources of construction materials, such as sand, gravel or soil, must be submitted along with a description of the intended use of each material.

    a) Surfacing materials such as scoria or gravel will be purchased from a commercial site in the immediate area.
    b) No construction materials will be taken from Federal or Indian lands without prior approval from the appropriate Surface Management Agency.
    c) If production is established, any construction materials required for surfacing of the access road and/or installation of production facilities will be purchased from a commercial site in the immediate area. Fine material for packing of gas and water lines will be obtained by screening spoil materials.
    d) The gas and water pipeline bedding material will be obtained by screening spoil materials. No commercial products will be required.
    e) No new access road for transportation of these materials will be required.
    f) Water for road construction purposes will be acquired from the local municipal water supply and transported to location by truck. No new access road is required for water transport.
    g) No other construction material will be required for this project.

PRESSURE CONTROL EQUIPMENT

Notification will be reported to the proper state and/or federal authorities 24 hours prior to initial BOP test.

Blowout Preventer Hook Up

After initial WOC time has expired, a SOW 11" x 8.625" 3000 psi casing head will be installed. Test wellhead weld to 2000 psi with hydraulic oil. BOP equipment will consist of an 11 3000 psi, double ram preventer with blind and pipe rams as well as an annular preventer. An HRC valve will be installed between BOP spool and choke manifold with controls on rig floor. Spool will be located between casing head and BOP's.

Test pipe rams, blind rams and choke manifold to 3000 psi high pressure test and 250 psi low pressure test. Perform this test with a test plug in the casing head and the casing head valve below the test plug

open. Test the annular preventer to 50% of rated working pressure (0.50 x 3000 = 1500 psi). Test the surface casing to 70% of the internal yield strength (0.70 x 2950 psi = 2000 psi), refer to BLM Onshore Order # 2, section III A – Well Control Requirements for a complete discussion of BOP, BOPE and Surface Casing testing requirements. Record test results and notate on daily drilling reports to Westport Oil and Gas Company, L. P.

The pipe rams will be operationally checked each 24 hours. Blind rams will be function tested each time pipe is pulled out of the hole, but not more than once every 24 hours. The annular preventer shall be function tested weekly. A BOP pit level shall be conducted weekly for each drilling crew. All BOP function tests and pit drills shall be properly noticed in the IADC tour sheets as they are performed. Studs on all wellhead flanges will be checked for tightness each week. A drill stem safety valve will be set in the open position and readily available on the rig floor at all times. Pipe and blind rams will be tested to 3000 psi high / 250 psi low at least once every 30 days to meet requirements.

Trips required after pressure anomalous zones are penetrated should be made at minimum rate to prevent hole swabbing or pressure surges. **Note: Keep hole full at all times.**

Westport requests that they be allowed to employ the following safety measures and well control equipment on its wells.

1. Prepare location for drilling rig. Drill rat hole and mouse hole.
2. Drill 15" hole to approx. 40'+. Run 12-3/4" plain end pipe as conductor pipe and set.
3. Nipple up diverter to conductor pipe.
4. Drill a 11" hole 10% of the total depth of each well.
5. Run 8.625" surface casing and cement as specified in the casing and cementing sections of this Master Drilling Plan. Thread lock guide shoe, float collar and bottom two joints of casing. Run two joints of casing between the float shoe and the float collar.
6. Waiting on cement time shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out. Provide 24 hours prior notice to BLM office for BOP test.
7. Cut off casing, weld on head and nipple up BOP. Pressure test BOP and BOPE to 3000 psi and 250 psi for 15 minutes. Test BOP and BOPE with a test plug.
8. After BOP test, test the surface casing to 70% of burst. Test pressure = 0.70 x 2950 psi = 2000 psi.
9. Drill a 7.875" hole to the total depth with conventional rotary techniques and insert bits and air mud system.
10. Run single point directional survey with every bit trip.
11. Run open hole logs as specified in the logging section.
12. Pending log evaluation, run sidewall cores or prepare to run 5.5" casing and cement in full tension as specified in the casing and cementing section of this Master Drilling Plan.
13. Clean the location and release the drilling rig.

By allowance of the above measures for well control it is Westport's opinion that all operations will be conducted safely.

Attached is a schematic of the BOP Equipment and Choke Manifold.

LOCATION AND TYPE OF WATER SUPPLY

All water needed for drilling purposes will be obtained from the Price River municipal water source, since these wells will be primarily drilled with air, minimal water is needed. The lined pits will be pumped out and water will be disposed of in approved disposal.

MUD PROGRAM

The reserve pit will be lined with 9-mil liner.

Drilling fluid will be air and kept in optimum condition at all times. The mud company's representative will also be readily available if any problems are encountered. Representative should plan to be on location prior to and during any logging or casing running operations as well as during the conversion from fresh water to gel system.

Spud in with water. Mix gel and lime as needed to clean the hole prior to running surface casing. 8.625" surface casing will be set at 10% of the total depth of the well.

Interval	Type	Weight	Viscosity, sec	Fluid loss
Surface – 250'	Gel/Lime	8.4 – 8.6	26 - 38	No Control
Surface - T.D.	Air			

Note:

1. Copy of mud engineers daily mud report will include accurate cost estimates and inventory listings.
2. Copies of daily mud reports will be given to drilling foreman and left in doghouse.
3. Morning reports must contain current mud properties requiring the mud engineer to make mud checks before 6:00 a.m.
4. Sweep the hole as frequently as the hole dictates.

PROPOSED LOGGING PROGRAM

LOGGING TOOL	TOP logged interval	BOTTOM logged internal
Induction/GR/SP	Base of surface casing	Total Depth
CNL-FDC (High Resolution)	For 2000' or to base of surface casing	Total Depth

Electric logs will be acquired when total depth is reached. Short trips prior to logging will be at the discretion of the drilling foreman on location. Viscosity of the mud will be raised to 45 – 50 sec/qt prior to pulling pipe for logs.
The logging contractor will be notified 24 hours in advance.

Notes: 1. Under no condition will the logging tools be stopped in hole.
2. Caliper and measure all tools run in hole.

Drilling Samples

Collect samples as follows: 30' samples from 0 to 2000', 10' samples from 2000' to TD. Well site geologist: Bob Kozarek, home phone (303-321-6180)

Mud Logging Unit

None.

Hole Deviation Survey

Surface hole deviation is not to exceed 5 degrees with surveys to be taken at 230', base of surface casing and more often if deviation is indicated. Below surface casing, deviation will not exceed 7 degrees to total depth projected. Below surface, angle changes between surveys will be limited to 1° per survey at 500' intervals.

Drilling Time

Electronic drilling time recorder (Pason or equivalent) is to be used. **Note:** Down time, lost circulation and deviation surveys along with mud pump pressure, mud checks, weight on bit and rotary rpm are to be recorded at the respective depths. The digital files are to be sent to Westport's Denver office at the end of the hole.

Surface Hole – 11 Inch Interval

1. Drill a 11" hole to 10% of well's total depth.
2. Circulate and sweep hole as necessary to clean hole.
3. Surface casing will be **new** 8.625" OD.
4. Thread lock the first two joints of pipe and float equipment. Increase torque values by 10 percent when using thread lock. Run casing and install centralizers.

Casing Selection

Interval	Size	Weight	Grade	Thread	Collapse	Burst
0- 10% TD	8.625"	24	J-55	ST & C	1370	2950

Design & Safety Factors

Weight	Grade	Thread	Depth	Length	Collapse	Burst	Tensile
24	J-55	ST & C	10% of TD	10% of TD	10+	20+	40+

Notes: All collapse factors account for axial loading.

Cementing Surface Pipe

1. Circulate up one casing volume (approximately 20 barrels).
2. Work pipe.
3. Pump 10 bbls. water ahead and test lines to 3,000 psi.
4. Mix and pump cement as per program.
5. Release top plug.
6. Reciprocate pipe while cementing and set on bottom as cement rounds the shoe.
7. Bump plug to 750 psi over final lifting pressure. However, do not exceed 2000 psi (70% of internal yield strength). Hold for 1 minute or more and check for flow back. Hold pressure if the float fails.
8. Do not over displace.

9. WOC 8 hours. WOC time will be 8 hours before beginning to nipple up or the minimum amount of time to achieve 500 psi compressive strength based on lab results.
10. Nipple up 11 inch x 3,000 psi BOP.

Cement Design

Vendor: Halliburton	Surface Cement
Volume	10% of Total Depth to Surface, estimated 200 sks.
Yield	1.18 cu ft / sack
Mix Water	5.20 gallons / sack
Weight	15.6 ppg
Content	Premium Plus Cement, 2% Calcium Chloride, 0.25#/sk Poly E Flake

Important:

1. Cement and water to be used must be checked in the lab for properties before mixing.
   a) After WOC time has expired and the BOP is installed; if the cement on the outside of the surface casing is not to ground level, top off with either a hot API premium cement or ready mix. Do not use gravel. After reaching total depth and logging the well, Westport's Denver office will give orders to plug and abandon well, run side wall cores or run 5.5" production casing. **Note: The hole and drilling mud will be in optimum condition prior to running production casing.** Once hole and mud are properly conditioned, drill pipe and collars will be POOH and laid down.

PRODUCTION CASING AND CEMENT PROGRAM – 7.875" Inch Interval

After reaching total depth and logging the well, Westport Oil and Gas Company's representative will give orders to plug and abandon well, run side wall cores or run 5.5" production casing. If production casing is to be run, new 5.5" casing will be run to bottom with appropriate equipment.

The casing will be delivered to location immediately upon the decision to run. It will be racked according to design and each joint numbered and tallied. The drilling foreman will be responsible for accuracy in the racking and tallying process. Each joint will be drifted using API drift. Any joints not drifting properly will be replaced. All joints will be inspected for damaged threads and each thread cleaned prior to running.

Weight	**Grade**	**Thread**	**Collapse**	**Burst**	**Body Yield**	**Joint Str.**
17#	N-80	LT&C	6280	7740	397,000	348,000

Notes: All collapse factors account for axial loading.

Run centralizers on the first 5 joints of casing. The shoe joint should have centralizers on a stop ring five (5) feet up from the shoe. Well site Engineer may revise.

After casing is run, circulate and work casing down until it is one foot off bottom. Circulate hole clean and cement as follows:

1. Rig up cementing company equipment, test lines to 3500 psig.

2. Circulate bottoms up.
3. Pump 10 bbls. of chemical wash or gelled water with flocele.
4. Mix and pump cement.
5. Drop top plug.
6. Displace with water.
7. Bump plug to 750 psi over the final displacement pressure (do not exceed 3300 psi).
8. Hold pressure 1 minute or more.
9. Release pressure and check for flow back.
10. Shut in and hold pressure if the float equipment fails. Wait 8 hours or enough time to attain 500 psi compressive strength.
11. Pick up the BOP and set the casing slips.

Cement volumes are based on raising cement to base of surface with 30% excess. Once logs are obtained, calculate actual hole volume and calculate new cement volumes based on log value plus 10%. Cement Specifications:

Stage Two Cement Design

Vendor: Halliburton	**Lead**	**Tail**
Volume	Cement back to surface casing	Volume sufficient to cover Ferron
Yield	1.97 cu ft / sack	1.60 cu ft / sack
Mix water	9.78 gallons per sack	7.89 gallons per sack
Weight	12.5 ppg	14.2 ppg
Content	50/50 Prem/Poz, 8% Gel total, 10% Cal-Seal and 0.25#/sack Poly E Flake	50/50 Prem/Poz, 10% Cal-Seal, 1% Calcium Chloride, 0.25#/sack Poly E Flake

The cement for the production string will be calculated to cover the entire open hole section and up into the production casing-surface casing annulus plus 30% excess of calculated open hole volume or plus 10% excess of actual open hole volume based upon caliper logs. In all cases a cement bond log will be run to ascertain the top of cement or to determine that it is in fact up into the production casing-surface casing annulus and that all open hole zones are adequately isolated and protected.

This procedure for estimating cement volume has resulted in cement being circulated to surface on the production string for all of the previously drilled wells by Westport Oil and Gas Company, L. P., in this area. It is anticipated that the wells will experience the same results and have cement circulated to surface.

Water may be encountered in any and all of the sandstones penetrated. Shallow freshwater sandstones will be protected by the installation of surface casing that will be cemented to surface. Surface casing will be set to approximately ten percent (10%) of the estimated total depth of the well, as set out in the Master Drilling Plan. The casing will be steel and will be cemented to surface.

Fresh water may be encountered in sandstones below the depth of the surface casing. If production casing is to be run, it will be run and cemented. The plan indicated that sufficient cement will be run to cover the entire open hole section and up into the production casing-surface casing annulus plus excess. The proposal is for the calculated volume plus 30% excess. Actual volume will be determined after open hole logs are run. The calculated annular volume, plus 10% excess will be utilized to bring cement into the production-surface casing annulus. After cementing operations are completed and prior to completion operations commence, a cement bond log will be run. If adequate zonal isolation is not

achieved by primary cementing, remedial cementing will be incorporated. The Bureau of Land Management will be advised if remedial cementing is to be performed.

If it is determined that the well is not commercial and is to be plugged and abandoned, then cement plugs will be placed in the open hole section and in the surface casing sufficient to provide adequate zonal isolation and protection. These cement plugs will be set as prescribed by the appropriate governmental agency.

Natural gas is expected to occur with the Ferron formation. Natural gas may be in either; coals, sandstones, or fractured shale members of the Ferron formation. These zones will be protected as previously stated by the installation of production casing with cement covering and isolated these zones or by cement plugs in the event of a plug and abandonment.

Oil bearing zones or formations are not expected to be encountered at these locations.

No other known commercial minerals are expected to be encountered at these locations, Consequently no other protective measures are contemplated.

The list of formations is as follows for each of the wells:

Formation	Estimated Depths	Description
Mancos	Surface –	Shale and sandstone interbedded
Bentonite	Varies	Bentonite marker bed
Ferron	3,135' – 4,635	Sandstone, coal, and shale interbedded
Tununk	4,635' – Total Depth	Shale

Tubing Head

1. Make a final cut on the 5.5". Set slips – casing in full tension.
2. Install tubing head and protective flange.

SURFACE AND MINERAL OWNERSHIP:

Surface Owner: Department of the Interior, Bureau of Land Management, 82 East Dogwood, Moab, UT 84532.

Mineral Owner: Department of the Interior, Bureau of Land Management, 82 East Dogwood, Moab, UT 84532.

ABNORMAL CONDITIONS

Below-normal pressures are anticipated in the surface and primary hole. The surface sands and the coal are potential zones of lost circulation. Potential for lost circulation will be alleviated by the use of compressed air as the drilling medium.

No hydrogen sulfide (H_2S) has been encountered in or is known to exist in wells previously drilled to similar depths or to the target coal in the general Project area.

Maximum anticipated bottom hole pressure may be as high as 1076 psig (calculated at 0.433 psi/foot of hole). Maximum anticipated surface pressure may be as high as 840 psig (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.10 psi/foot of hole).

PLANS FOR RESTORATION OF THE SURFACE

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: *Adjacent undisturbed land in a windrow fashion.*

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

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

The reserve pit and that portion of the location not needed for production will be reclaimed as soon as practical for natural growth.

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

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

All disturbed areas will be re-contoured to replicate the natural slope. Pipeline corridors will have trees and rocks dispersed to reduce and discourage public use.

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

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

Seed will be broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The BLM's recommended seed mixture will be used.

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

1. at least four feet above ground level,
2. at restored ground level, or
3. below ground level.

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

CERTIFICATION STATEMENT

WELL NAME: **North Bench Federal 21-29**

LEASE NO.: **UTU80557**

I hereby certify that I, or person 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 the plan are, to the best of my knowledge, true and correct; and that the work associated with operations herein will be performed by ***Pense Drilling, Xcell Well Service,*** 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.

Name and Title _____
David A. Gomendi, Senior Operations Engineer

Dated this 8th day of June, 2004.

WESTPORT OIL AND GAS COMPANY, L.P.

NORTH BENCH FEDERAL #21-29

LOCATED IN CARBON COUNTY, UTAH
SECTION 29, T13S, R11E, S.L.B.&M.

PHOTO: VIEW OF LOCATION STAKE **CAMERA ANGLE: SOUTHWESTERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: SOUTHERLY**

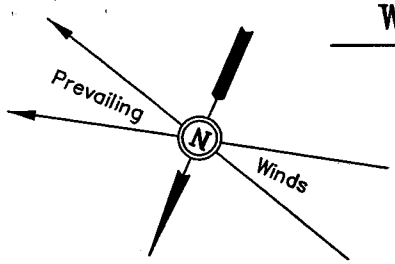
- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	5 MONTH	13 DAY	04 YEAR	PHOTO
TAKEN BY: D.K.	DRAWN BY: J.L.G.	REVISED: 00-00-00		

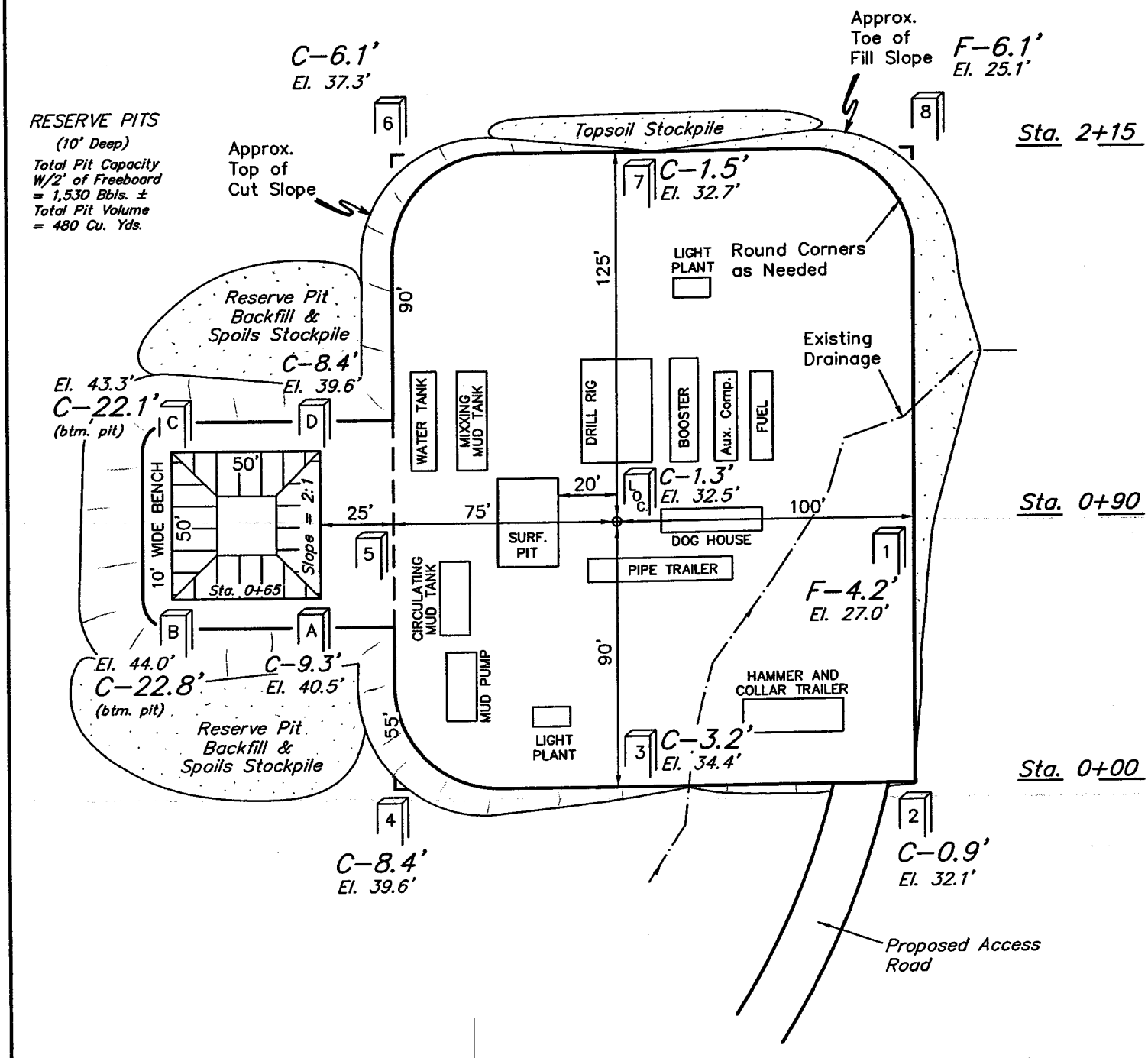
WESTPORT OIL AND GAS COMPANY, L.P.

LOCATION LAYOUT FOR

NORTH BENCH FEDERAL #21-29
SECTION 29, T13S, R11E, S.L.B.&M.
784' FNL 2163' FWL



SCALE: 1" = 50'
DATE: 5-12-04
Drawn By: C.G.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 6632.5'
FINISHED GRADE ELEV. AT LOC. STAKE = 6631.2'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WESTPORT OIL AND GAS COMPANY, L.P.

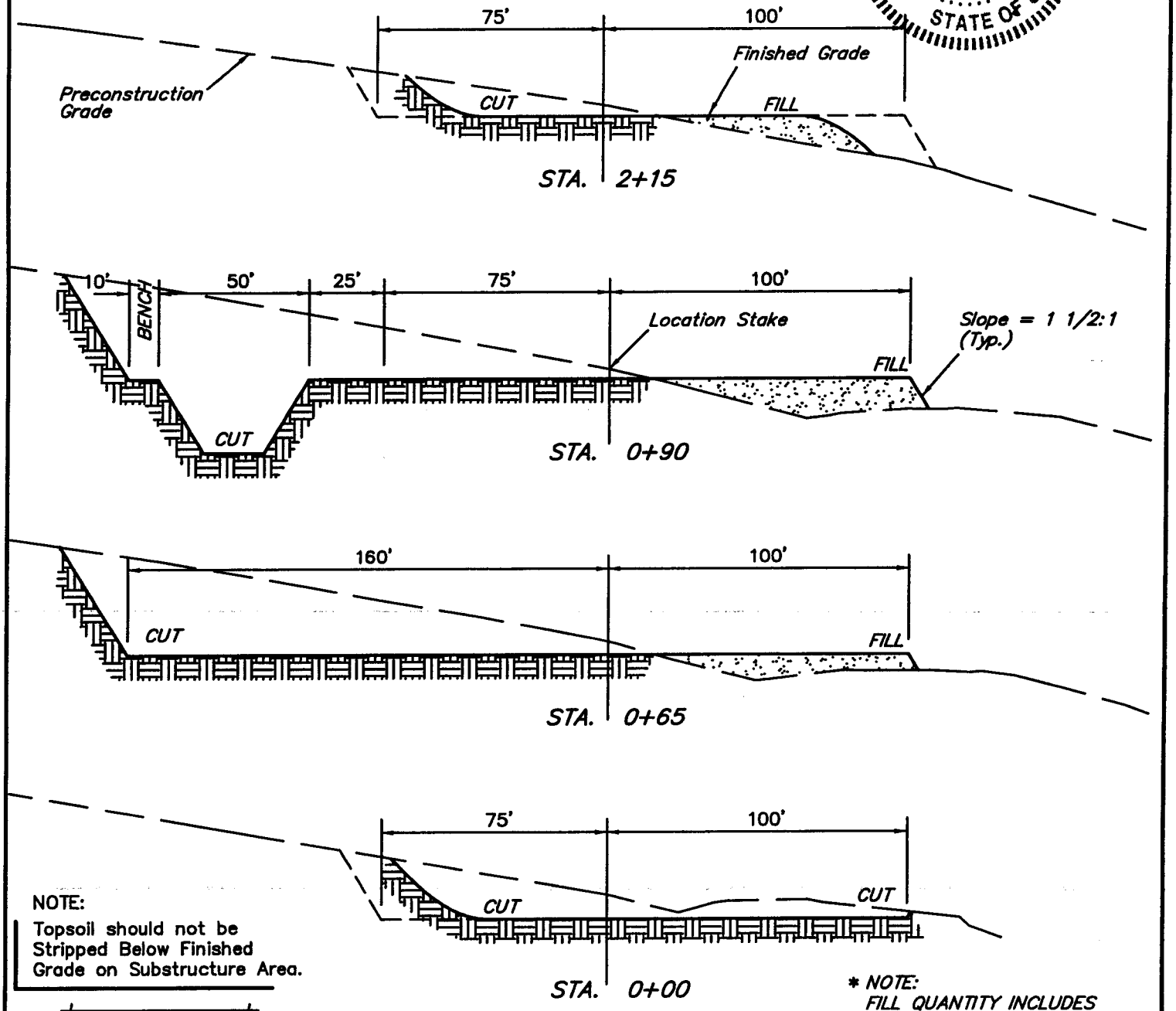
TYPICAL CROSS SECTIONS FOR

NORTH BENCH FEDERAL #21-29
SECTION 29, T13S, R11E, S.L.B.&M.
784' FNL 2163' FWL

1" = 20'
X-Section Scale
1" = 50'

DATE: 5-12-04
Drawn By: C.G.

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH



NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

FIGURE #2

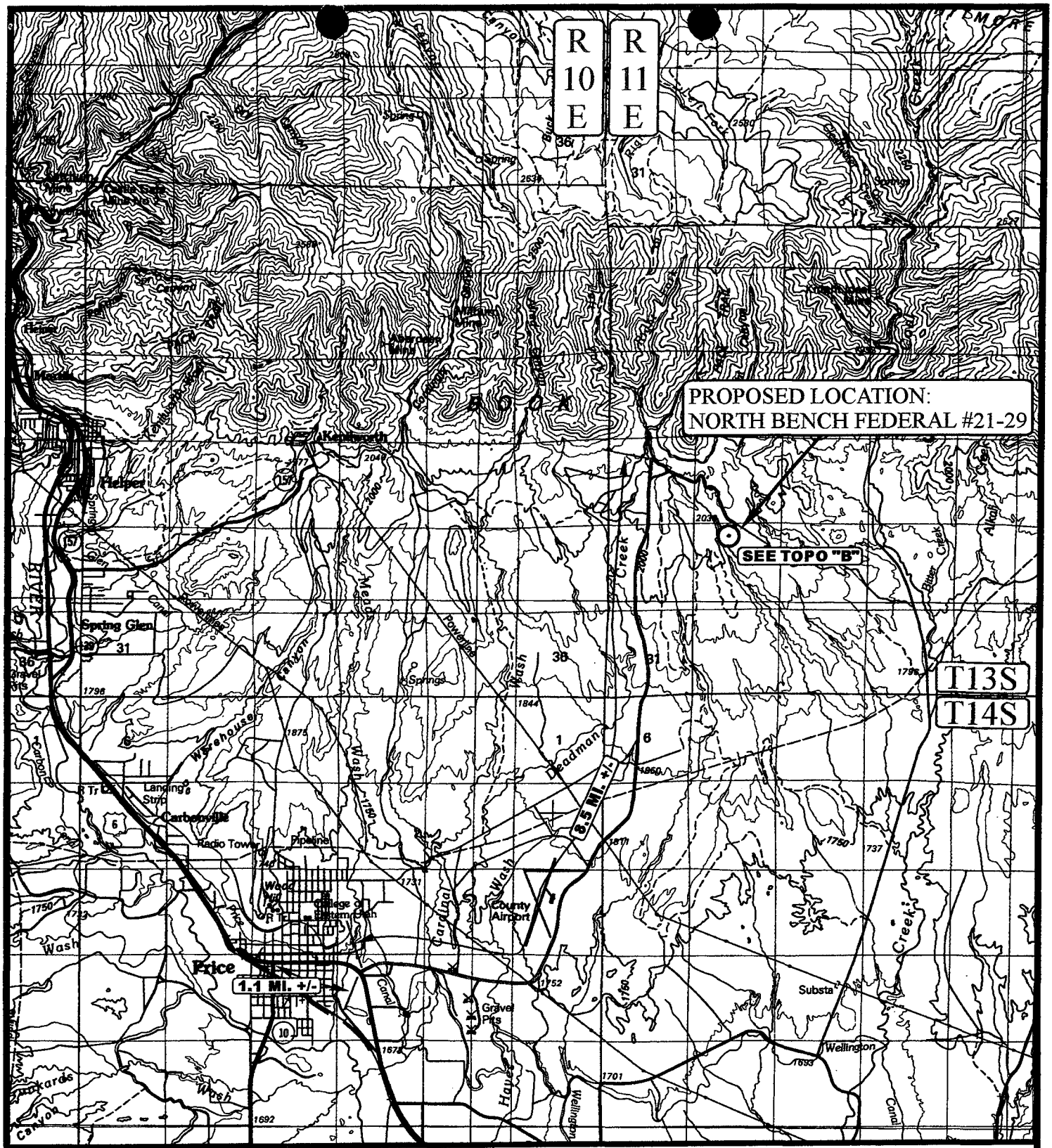
APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,010 Cu. Yds.
Remaining Location = 6,050 Cu. Yds.

TOTAL CUT = 7,060 CU.YDS.
FILL = 2,780 CU.YDS.

EXCESS MATERIAL = 4,280 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 1,250 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 3,030 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

⊙ PROPOSED LOCATION

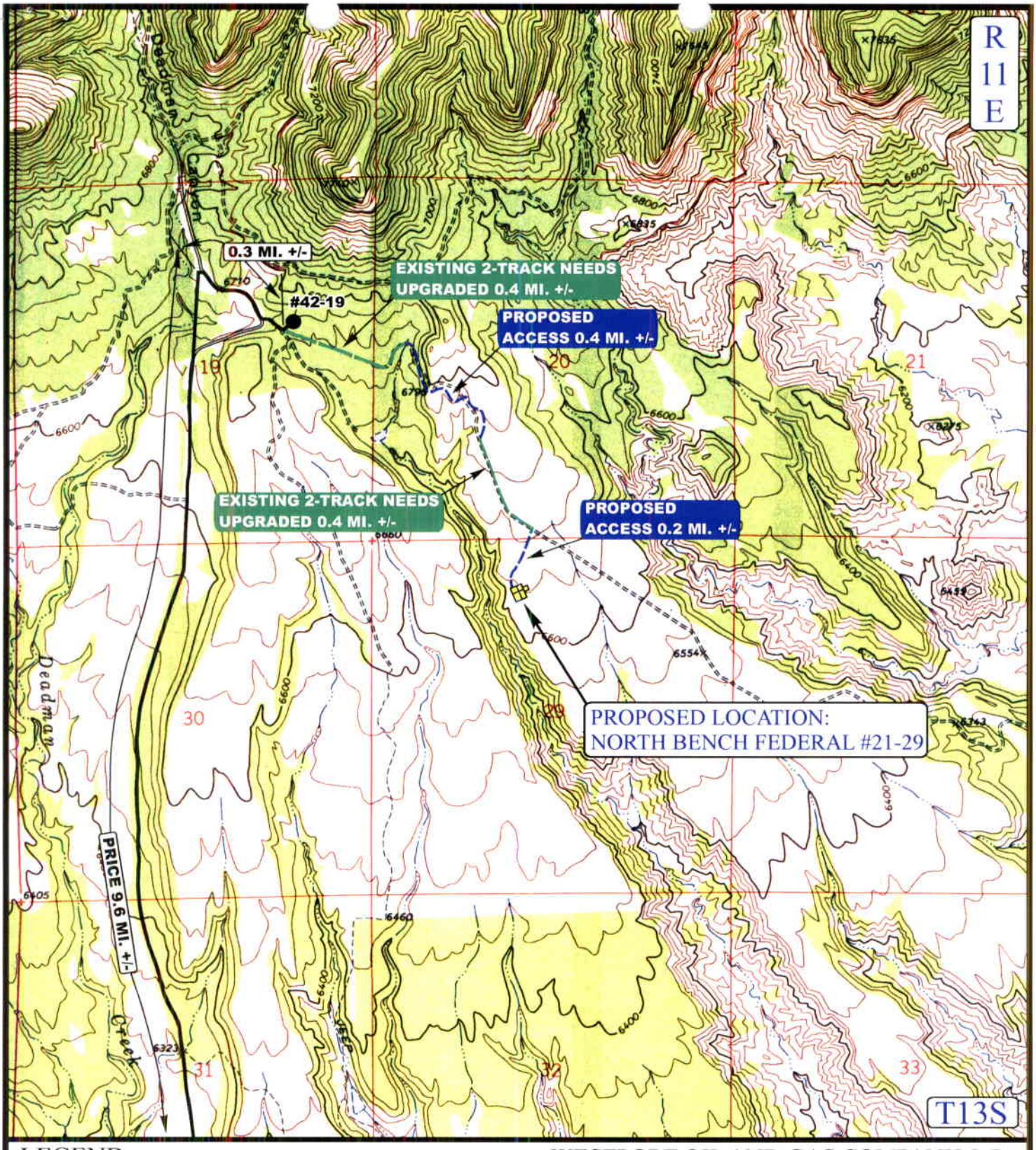
N

WESTPORT OIL AND GAS COMPANY L.P.

NORTH BENCH FEDERAL #21-29
SECTION 29, T13S, R11E, S.L.B.&M.
784' FNL 2163' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	5 MONTH	13 DAY	04 YEAR	A TOPO
SCALE: 1 : 100,000	DRAWN BY: J.L.G	REVISED: 00-00-00		



LEGEND:

PROPOSED ACCESS ROAD

EXISTING ROAD

N

WESTPORT OIL AND GAS COMPANY, L.P.

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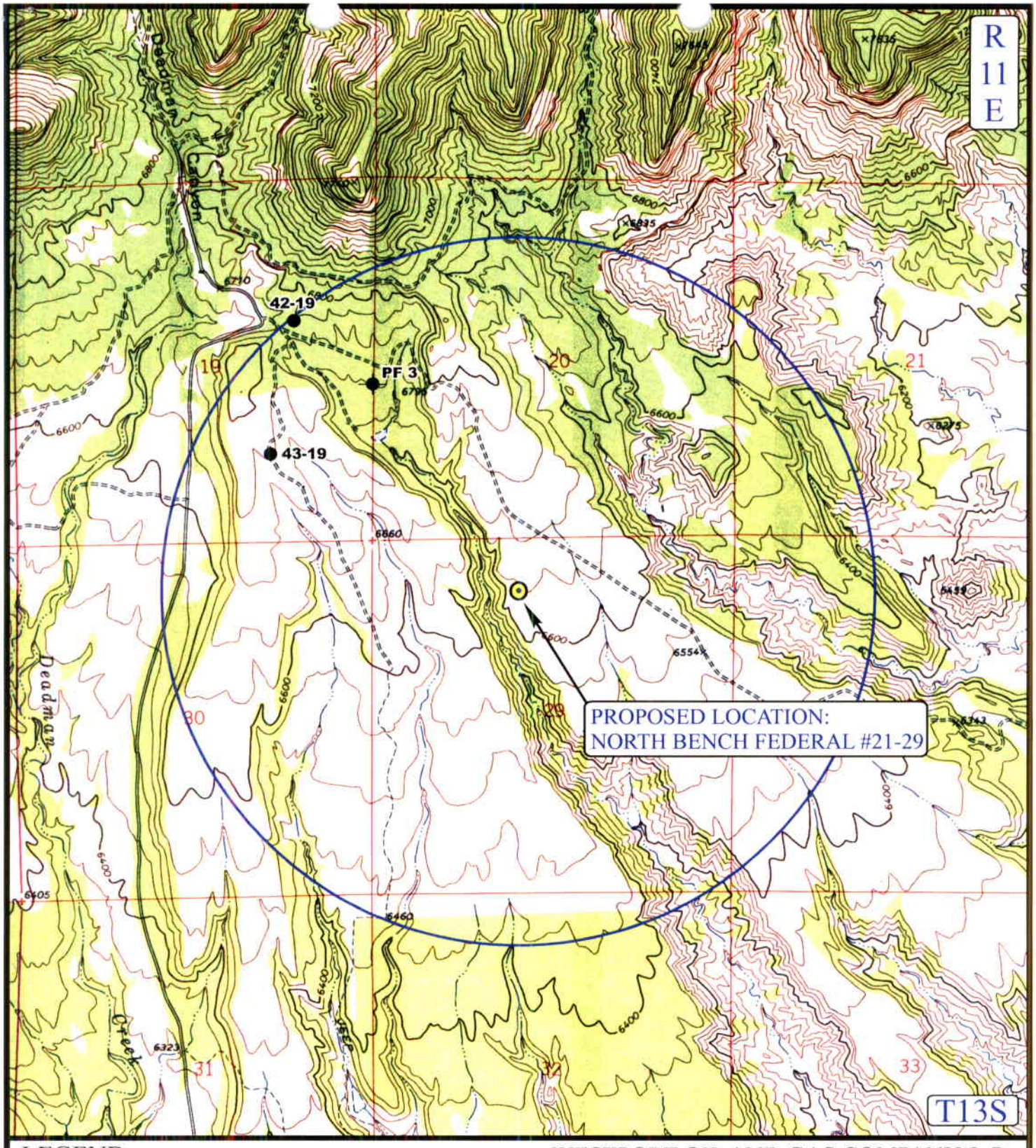
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	5 MONTH	13 DAY	04 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: J.L.G.	REVISED: 00-00-00		



LEGEND:

- DISPOSAL WELLS
- WATER WELLS
- PRODUCING WELLS
- ABANDONED WELLS
- SHUT IN WELLS
- TEMPORARILY ABANDONED

N

WESTPORT OIL AND GAS COMPANY, L.P.

NORTH BENCH FEDERAL #21-29
SECTION 29, T13S, R11E, S.L.B.&M.
784' FNL 2163' FWL

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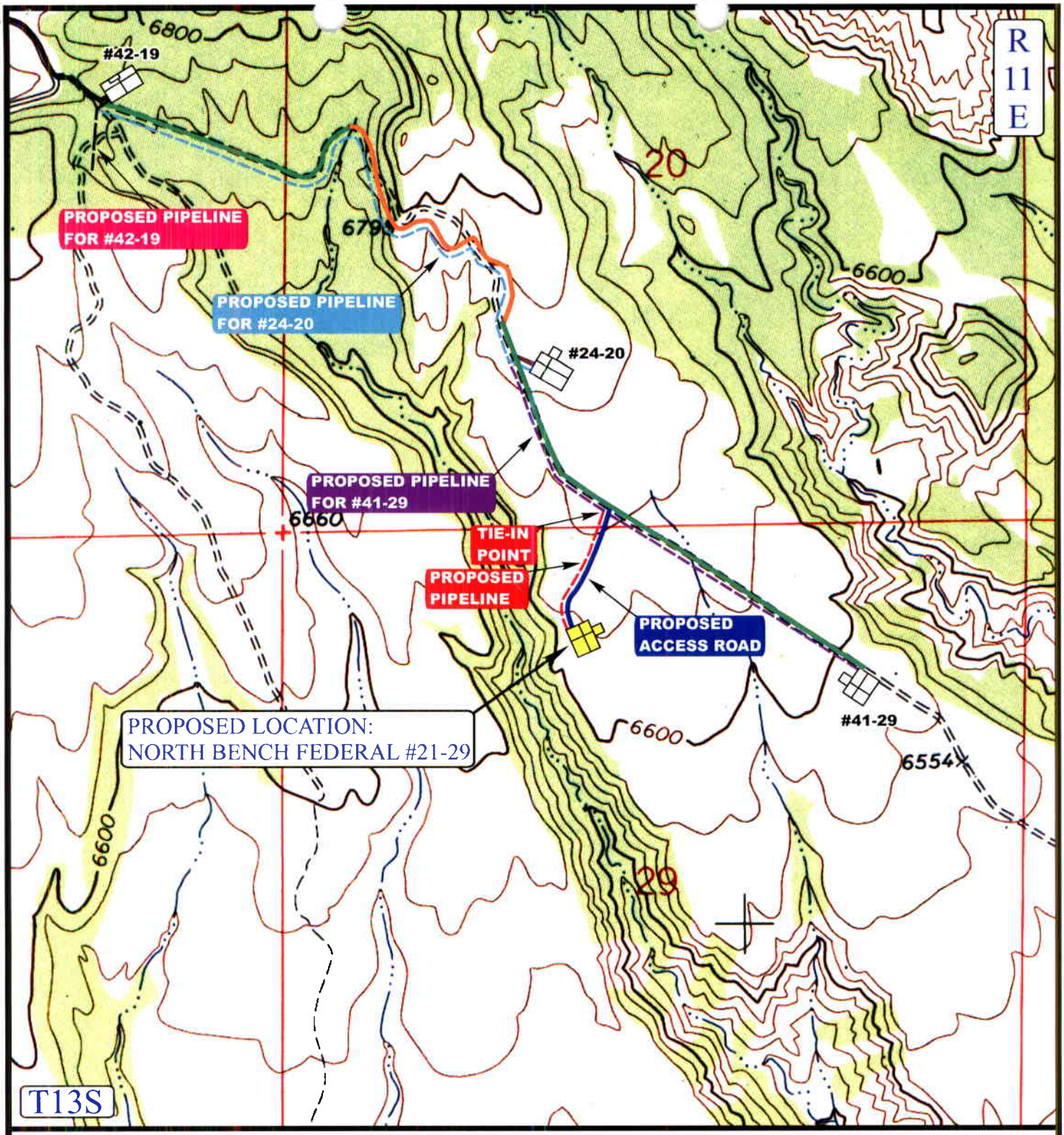
TOPOGRAPHIC MAP	5 MONTH	13 DAY	04 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: J.L.G.	REVISED: 00-00-00		



APPROXIMATE TOTAL PIPELINE DISTANCE = 900' +/-

LEGEND:

EXISTING PIPELINE

PROPOSED PIPELINE

PROPOSED ACCESS

N

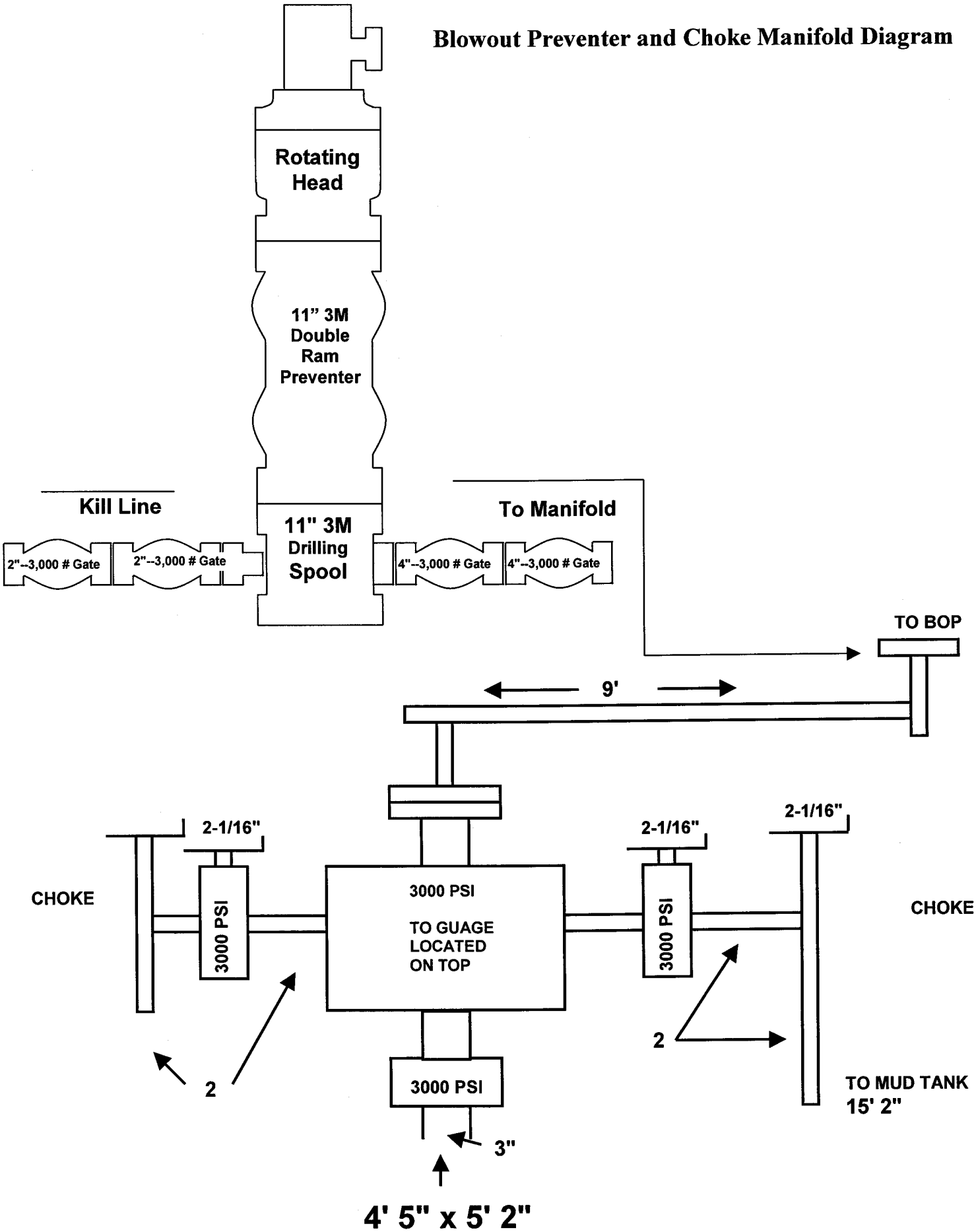
WESTPORT OIL AND GAS COMPANY, L.P.

NORTH BENCH FEDERAL #21-29
SECTION 29, T13S, R11E, S.L.B.&M.
784' FNL 2163' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	5 MONTH	13 DAY	04 YEAR	D TOPO
SCALE: 1" = 1000'	DRAWN BY: J.L.G.	REVISED: 00-00-00		

Blowout Preventer and Choke Manifold Diagram



003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/16/2004

API NO. ASSIGNED: 43-007-30968

WELL NAME: N BENCH FED 21-29
OPERATOR: WESTPORT OIL & GAS CO (N2115)
CONTACT: DAVID GOMENDI

PHONE NUMBER: 303-573-5404

PROPOSED LOCATION:
NENW 29 130S 110E
SURFACE: 0784 FNL 2163 FWL
BOTTOM: 0784 FNL 2163 FWL
CARBON
HELPER (18)

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-80557
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: FRSD
COALBED METHANE WELL? YES

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.67235
LONGITUDE: 110.71253

RECEIVED AND/OR REVIEWED:

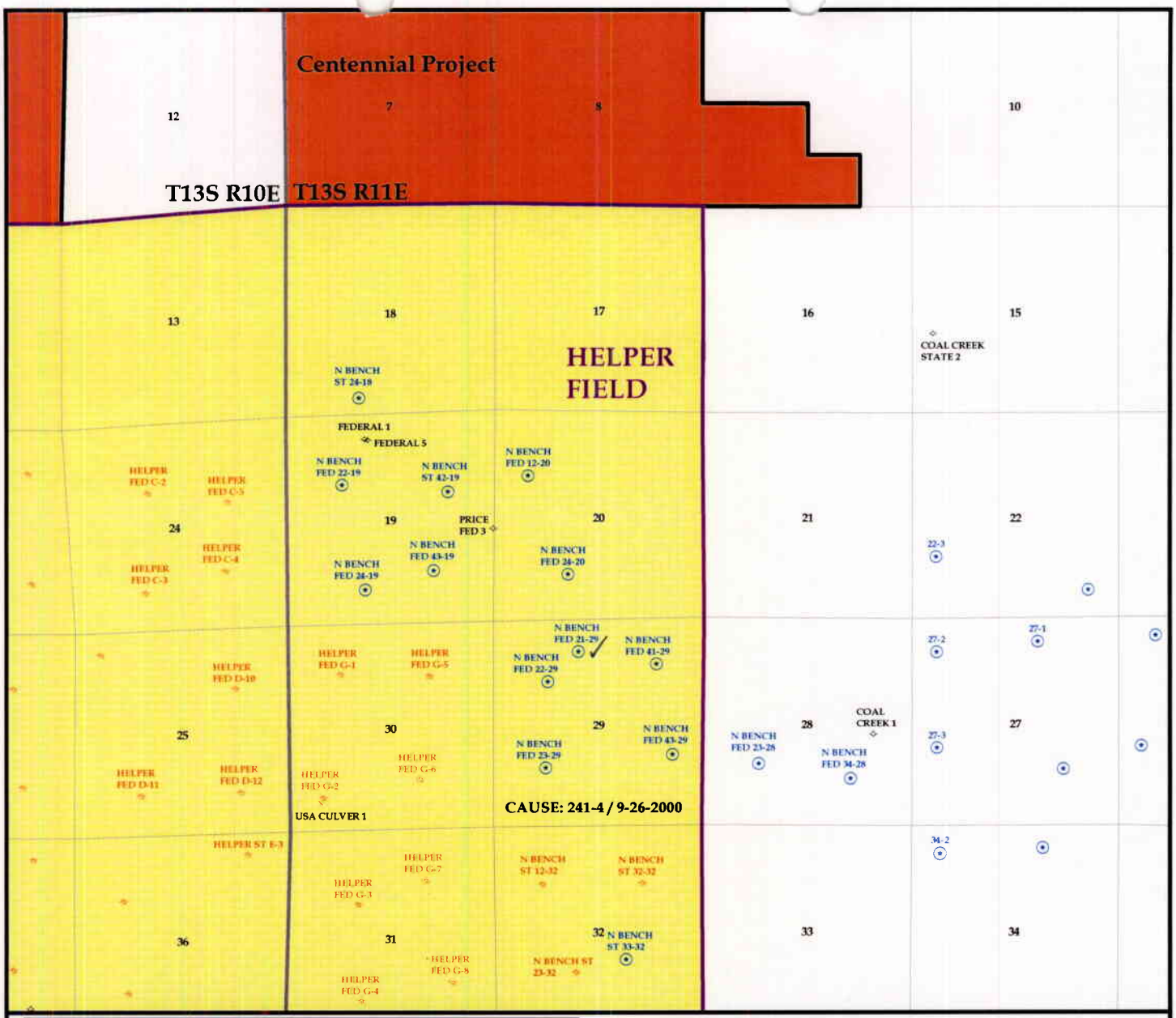
✓ Plat
✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. CO1203)
N Potash (Y/N)
N Oil Shale 190-5 (B) or 190-3 or 190-13
✓ Water Permit
(No. MUNICIPAL)
N RDCC Review (Y/N)
(Date:)
N/A Fee Surf Agreement (Y/N)

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: 241-4
Eff Date: 9-26-2000
Siting: 460' fr Outer bdry & 920' fr other wells.
___ R649-3-11. Directional Drill

COMMENTS: ___

STIPULATIONS: 1- Federal Approval



OPERATOR: WESTPORT O&G CO (N2115)

SEC. 29 T.13S, R11E

FIELD: HELPER (18)

COUNTY: CARBON

CAUSE: 241-4 / 9-26-2000

Utah Oil Gas and Mining

Well Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 17-JUNE-2004

004

State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

June 17, 2004

Westport Oil & Gas Company, L. P.
1670 Broadway, Suite 2800
Denver, CO 80202-4800

Re: North Bench Federal 21-29 Well, 784' FNL, 2163' FWL, NE NW, Sec. 29, T. 13 South, R. 11 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.

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 43-007-30968.

Sincerely,

John R. Baza
Associate Director

jc
Enclosures

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: Westport Oil & Gas Company, L. P.

Well Name & Number North Bench Federal 21-29

API Number: 43-007-30968

Lease: UTU-80557

Location: NE NW **Sec.** 29 **T.** 13 South **R.** 11 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.

005

WESTPORT OIL AND GAS COMPANY, L.P.

1670 Broadway Suite 2800 Denver Colorado 80202
Telephone: 303 573 5404 Fax: 303 573 5609

November 9, 2004

Department of Interior
Bureau of Land Management
Moab Field Office
82 East Dogwood
Moab, Utah 84532

Attn: Marie McGann

RE: **North Bench Federal 21-29**
API No. 43-007-30968
Mineral Lease No. UTU-80557
NENW Sec. 29: T13S – R11E
Carbon County, UT

Dear Marie:

Pursuant to our conversation, upon reconsideration of the location of this well, we have decided to withdraw any future drilling and/or completion of the well referenced above.

As always, I appreciate your cooperation and assistance in this matter. Please let me know if you have any questions.

Very truly yours,
WESTPORT OIL AND GAS COMPANY, L. P.

Debby J. Black

Debby J. Black
Senior Analyst Engineering

xc: Diana Whitney, Division of Oil, Gas & Mining
Daniel S. Carroll, Senior Specialist Engineering
Dick Frazey, Senior Landman
Mark Lehrer, Senior Geologist
Kristi Stover, Analyst Engineering

006

State of Utah

Department of Natural Resources

ROBERT L. MORGAN
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

December 3, 2004

Debbie Black
Westport Oil and Gas Co.
1670 Broadway, Suite 2800
Denver CO 80202-4800

Re: APD Rescinded – N Bench Federal 21-29 Sec. 29, T. 13S, R. 11E
Carbon County, Utah API No. 43-007-30968

Dear Ms. Black:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 17, 2004. On November 9, 2004, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 9, 2004.

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,

Diana Whitney

Diana Whitney
Engineering Technician

cc: Well File
Bureau Of Land Management, Moab

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*