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-80554	6. SURFACE: FEDERAL
1A. TYPE OF WORK: DRILL [X] REENTER [ ] DEEPEN [ ]	7. IF INDIAN, ALLOTTEE OR TRIBE NAME:
B. TYPE OF WELL: OIL [ ] GAS [X] OTHER _____ SINGLE ZONE [X] MULTIPLE ZONE [ ]	8. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: WESTPORT OIL AND GAS COMPANY, L. P.	9. WELL NAME and NUMBER: North Bench Federal 24-22
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: ~~Well Helper Field - Ferron~~ Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1280' FSL, 1397' FWL 527684X 39.678042 4391864Y -110.677195 AT PROPOSED PRODUCING ZONE: Same	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW Sec. 22, T 13 S, R 11 E, S.L.B.&M.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: approximately 16.8 miles ESE from Price, UT	12. COUNTY: Carbon 13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 1280'	16. NUMBER OF ACRES IN LEASE: 1520 acres
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): ~1470'	19. PROPOSED DEPTH: 3810'
20. BOND DESCRIPTION: CO1203 / Statewide Blanket RLB005236	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6132' Ungraded Ground Level	22. APPROXIMATE DATE WORK WILL START: Upon APD Approval
23. ESTIMATED DURATION: 5 days drilling plus 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
17.5"	13.375" J-55 48 ppf ST&C	0 - 80' ±	63 sx of Class G, 2% Calcium Chloride, 0.25#/sx cellophone flake, 15.6 ppg, Yield = 1.18cu ft / sx, enough volume to raise cmt to surface.
12.25"	8.625", J-55, 24 ppf	0 - 381'	178 sx of Prem Plus, 2% Calcium Chloride, 0.25#/sx Poly E Flake, 15.6 ppg, Yield = 1.18cu ft / sx, enough volume to raise cmt to surface.
7.875"	5.5", N-80, 17 ppf	0 - TD	536 sx of 50/50 Prem/Poz, 10% Cal-Seal, 1% Calcium Chloride, 0.25#/sx Poly E Flake, 12.5 ppg to 14.2 ppg, Yield = 1.97 cu ft /sx to 1.60 cu ft /sx, enough volume to raise cmt to surface casing.

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) Debby J. Black 303-575-0113 TITLE Staff Engineering Analyst

SIGNATURE Debby J. Black DATE May 13, 2005

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31042

APPROVAL:

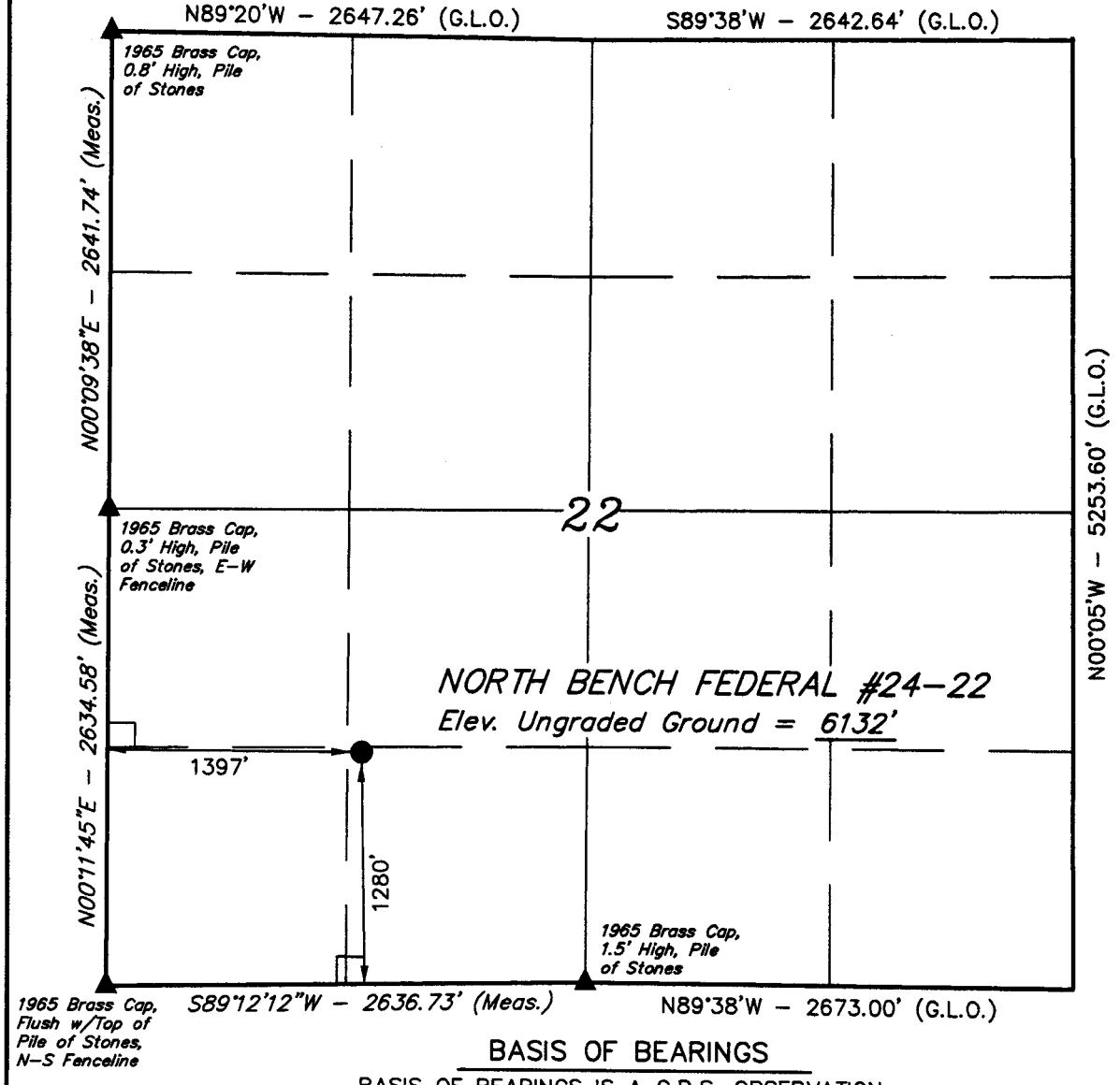
(11/2001)

Federal Approval of this Action is Necessary

Approved by the Utah Division of Oil, Gas and Mining
Date: 05-31-05
By:

RECEIVED
MAY 17 2005
DIV. OF OIL, GAS & MINING

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



BASIS OF BEARINGS

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

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

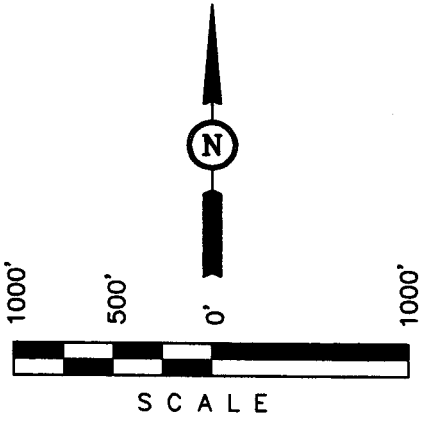
(AUTONOMOUS NAD 83)
LATITUDE = 39°40'41.31" (39.678142)
LONGITUDE = 110°40'40.77" (110.677992)
(AUTONOMOUS NAD 27)
LATITUDE = 39°40'41.44" (39.678178)
LONGITUDE = 110°40'38.20" (110.677278)

WESTPORT OIL AND GAS COMPANY, L.P.

Well location, NORTH BENCH FEDERAL #24-22, located as shown in the SE 1/4 SW 1/4 of Section 22, 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.



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

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

SCALE: 1" = 1000'	DATE SURVEYED: 03-23-05	DATE DRAWN: 04-21-05
PARTY: D.K. D.L. C.G.	REFERENCES: G.L.O. PLAT	
WEATHER: COOL	FILE: WESTPORT OIL AND GAS COMPANY, L.P.	

003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/17/2005

API NO. ASSIGNED: 43-007-31042

WELL NAME: N BENCH FED 24-22
OPERATOR: WESTPORT OIL & GAS CO (N2115)
CONTACT: DEBBY BLACK

PHONE NUMBER: 303-575-0113

PROPOSED LOCATION:
SESW 22 130S 110E
SURFACE: 1280 FSL 1397 FWL
BOTTOM: 1280 FSL 1397 FWL
CARBON
WILDCAT (1)

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-80554
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: FRSD
COALBED METHANE WELL? YES

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.67804

LONGITUDE: -110.6772

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:)
NA Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit ___

___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

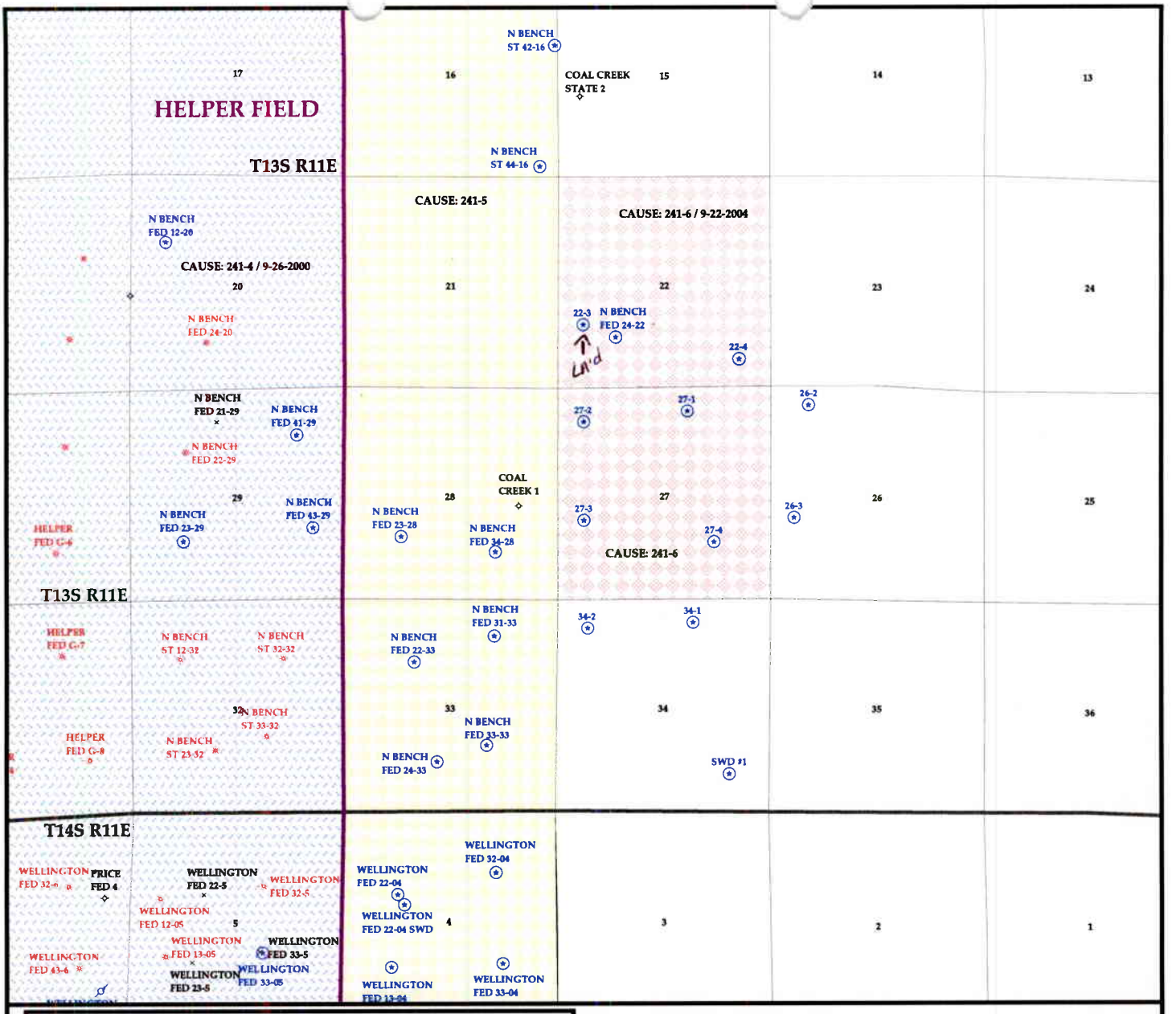
___ R649-3-3. Exception

✓ Drilling Unit
Board Cause No: 241-6
Eff Date: 9-22-2004
Siting: 460' fr outer bdys & 920' fr other wells.

___ R649-3-11. Directional Drill

COMMENTS: ___

STIPULATIONS: 1- Federal Approval



OPERATOR: WESTPORT O&G CO (N2115)

SEC: 22 **T.** 13S **R.** 11E

FIELD: WILDCAT (001)

COUNTY: CARBON

CAUSE: 241-6 / 9-22-2004

Wells
- 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

Units.shp
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 18-MAY-2005

002

RECEIVED
MAY 19 2005
DIV. OF OIL, GAS & MINING

MASTER DRILLING PROGRAM
Well Helper Field - Ferron Formation Program
Cardinal Draw Prospect
Sections 16, 22 and 33: Township 13 South – Range 11 East
Sections 4, 5, 7 and 8: 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 an expansion of our Cardinal Draw Ferron Formation Prospect in the Well Helper Field located within Carbon County, Utah. This development phase (Project) consists of fifteen (15) proposed locations. Seven (7) wells are located in Sections 16, 22 and 33 Township 13 South – Range 11 East and eight (8) wells are located in Sections 4, 5, 7 and 8 Township 14 South – Range 11 East. All fifteen (15) wells will be drilled through the Ferron formation. The Project area wells are approximately 9 to 17 miles from Price, Utah and will be accessed by existing improved roads. Note: all roads that are to be improved will have water dispersal controls at all changes of slope.

ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

The tables summarizing information for each of the fifteen (15) wells in the Project are included in this document. In general, the ground elevations range from 5816 feet above mean sea level (MSL) to 6407 feet MSL graded at stake. The top of the Ferron member of the Mesa Verde Formation lies approximately 1656 feet to 4126 feet below ground surface (BGS) and is 300 - 400 feet thick. This results in total approximate depths of 2060 feet to 4721 feet BGS, for the producing wells.

WELL NAME AND NUMBER	LOCATION	TD	GR
North Bench State 42-16	SENE Sec. 16: T 13 S – R 11 E, 1968' FNL, 110' FEL	4721'	6390'
North Bench State 44-16	SESE Sec. 16: T 13 S – R 11 E, 296' FSL, 507' FEL	4508'	6407'
✓ North Bench Federal 24-22	SESW Sec. 22: T 13 S – R 11 E, 1280' FSL, 1397' FWL	3810'	6132'
North Bench Federal 22-33	SENW Sec. 33: T 13 S – R 11 E, 1720' FWL, 1539' FNL	3350'	6330'
North Bench Federal 24-33	SESW Sec. 33: T 13 S – R 11 E, 2279' FWL, 1261' FSL	2800'	5979'
North Bench Federal 31-33	NWNE Sec. 33: T 13 S – R 11 E, 898' FNL, 1593' FEL	3350'	6304'
North Bench Federal 33-33	NWSE Sec. 33: T 13 S – R 11 E, 1772' FEL, 1668' FSL	3100'	6240'
Wellington Federal 13-04	NWSW Sec. 4: T 14 S – R 11 E, 1220' FWL, 1472' FSL	2300'	5854'
Wellington Federal 22-04 Ferron	SENW Sec. 4: T 14 S – R 11 E, 1350' FWL, 2061' FNL	2450'	5882'
Wellington Federal 32-04	SWNE Sec. 4: T 14 S – R 11 E, 1531' FEL, 1520' FNL	2500'	5871'
Wellington Federal 33-04	NWSE Sec. 4: T 14 S – R 11 E, 1383' FEL, 2061' FNL	2270'	5816'
Wellington Federal 33-05	NWSE Sec. 5: T 14 S – R 11 E, 1860' FSL, 2000' FEL	2650'	6192'
Wellington Federal 33-07	NWSE Sec. 7: T 14 S – R 11 E, 1812' FEL, 2135' FSL	2060'	5976'
Wellington Federal 11-08	NWNW Sec. 8: T 14 S – R 11 E, 1250' FWL, 1320' FNL	2300'	6073'
Wellington Federal 13-08	NWSW, Sec. 8: T 14 S – R 11 E, 900' FWL, 2050' FSL	2100'	6019'

WELL NAME AND NUMBER	FORMATION	TOP	BOTTOM
North Bench State 42-16	FERRON	4126'	4571'
North Bench State 44-16	FERRON	3958'	4358'
North Bench Federal 24-22	FERRON	3368'	3660'
North Bench Federal 22-33	FERRON	2960'	3190'
North Bench Federal 24-33	FERRON	2384'	2619'
North Bench Federal 31-33	FERRON	2974'	3189'
North Bench Federal 33-33	FERRON	2715'	2925'
Wellington Federal 13-04	FERRON	1914'	2154'
Wellington Federal 22-04 Ferron	FERRON	2072'	2312'
Wellington Federal 32-04	FERRON	2131'	2341'
Wellington Federal 33-04	FERRON	1901'	2111'
Wellington Federal 33-05	FERRON	2150'	2430'
Wellington Federal 33-07	FERRON	1656'	1916'
Wellington Federal 11-08	FERRON	1983'	2133'
Wellington Federal 13-08	FERRON	1699'	1959'

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, will 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.
    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 slip on and weld 11" x 8-5/8" 3000 psi casing head will be installed. The wellhead weld will be tested 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 a rotating head. A hydraulically controlled valve

will be installed between the BOP spool and choke manifold with controls on the rig floor. The spool will be located between the casing head and BOP's.

The pipe rams, blind rams and choke manifold will be tested to 3000 psi (high pressure test) and 250 psi (low pressure test). The test will be performed with a test plug in the casing head and the casing head valve below the test plug open. The surface casing will be tested to 70% of the internal yield strength (0.70 x 2950 psi = 2065 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. The test results will be recorded and notated 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. A BOP pit drill 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 be 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 Ferron producing wells.

1. Prepare location for drilling rig. Drill rat hole and mouse hole.
2. Drill a 17-1/2" hole to approx. 40'+. Run 13-3/8" plain end pipe as conductor pipe and set.
3. Nipple up diverter to conductor pipe.
4. Drill an 12-1/4" hole to 10% of the total depth of each well.
5. Run 8-5/8" 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 the proper authorities 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 = 2065 psi.
9. Drill a 7-7/8" hole to the total depth with conventional rotary techniques using insert bits and an 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 5-1/2" 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 at Westport's facility or at an approved disposal facility.

MUD PROGRAM

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

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

The well will be spud with water. Gel and lime will be mixed as needed to clean the hole prior to running surface casing. Surface casing will be set at 10% of the total depth of the well.

Interval	Type	Weight	Viscosity, sec	Fluid loss
Surface - 10% of TD	Gel/Lime	8.4 – 8.6	26 - 38	No Control
Surface - TD	Air/Mud			

Note:

1. The mud engineer's 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.
Project Senior Geologist: Mark Lehrer may be reached at the following telephone numbers:
Denver Office Direct Line: 303 575-0166
Cellular: 303 548-6961
Home: 303 680-1553

Mud Logging Unit

None.

Hole Deviation Surveys

Surface hole deviation is not to exceed 5 degrees. Surveys are 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

1. Drill an 12-1/4" hole to 10% of well's total depth.
2. Circulate and sweep hole as necessary to clean hole.
3. Surface casing will be **new** 8-5/8" 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.

Surface Casing Selection

Interval	Size	Weight	Grade	Thread	Collapse	Burst
0- 10% TD	8-5/8"	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 Casing

1. Circulate up one casing volume.
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 2065 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.

Cement volumes are based on raising cement to base of surface with 30% excess.

PRODUCTION CASING AND CEMENT PROGRAM

After reaching total depth and logging the well, Westport's representative will give orders to plug and abandon the well, run side wall cores or run 5-1/2" production casing. If production casing is to be run, new 5-1/2" 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.

5-1/2" Production Casing

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 (enough cement to bring cement to surface).
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 will be determined when logs are obtained. The volume to be pumped will be based on log value plus 10%.

Cement Specifications:

Production String 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.

Tubing Head

1. Make a final cut on the 5-1/2" casing. Set slips – casing in full tension.
2. Install tubing head and protective flange.

Potential Water Zones

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 this 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 complete, prior to commencing completion operations, a cement bond log will be run. If adequate zonal isolation is not achieved by primary cementing, remedial cementing will be incorporated. The appropriate agency will be advised if remedial cementing is to be performed.

Plugging and Abandoning

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.

Hydrocarbon Bearing Zones

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 isolating them 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.

Formations Encountered

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

Formation	Estimated Depths	Description
Mancos	Surface –	Shale and sandstone interbedded
Bentonite	Varies	Bentonite marker bed
Ferron	1656' – 4126'	Sandstone, coal, and shale interbedded
Tununk	1916' – 4571' – Total Depth	Shale

SURFACE AND MINERAL OWNERSHIP:

Surface Owner: Bureau of Land Management, 125 South 600 West, Price, Utah 84501 (435) 636-3600, attention Mr. Don Stephens.

Mineral Owner: Bureau of Land Management, 82 East Dogwood, Suite M, Moab, Utah 84532 (435) 259-2100, attention Eric Jones.

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 1979 psig (calculated at 0.433 psi/foot of hole). Maximum anticipated surface pressure may be as high as 1522 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).

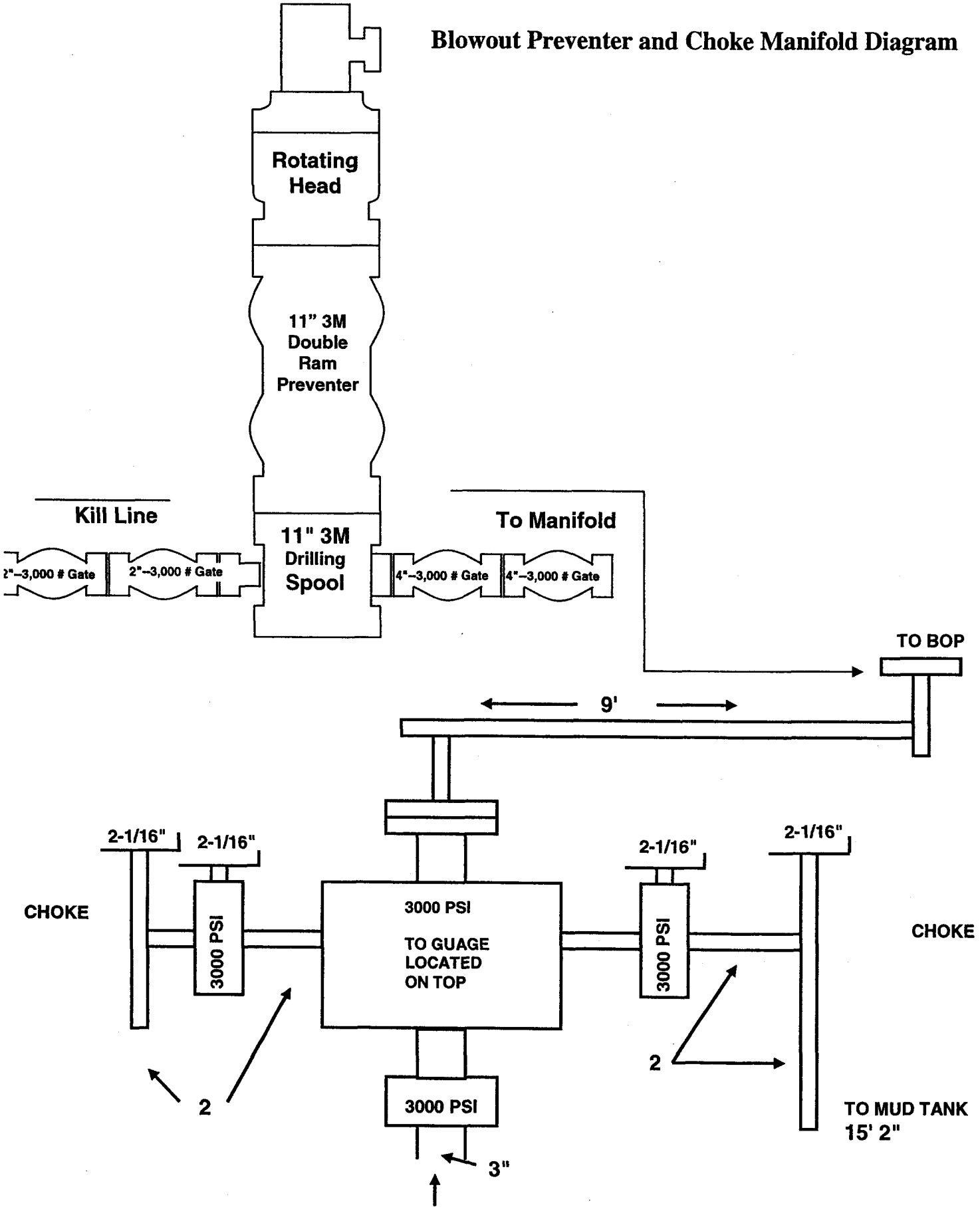
METHOD OF HANDLING WASTE DISPOSAL

1. Cuttings – The drilled cuttings will be deposited in the reserve pit.
2. Drilling fluids – A lined reserve pit will be constructed for drilling operations. Any salts and/or chemicals utilized in the mud system will be contained in the reserve pit. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed entirely in cut. The reserve pit will be lined with HDPE liner material.
3. Produced fluids – Liquid hydrocarbons produced during completion operations will be placed in test tanks on location. Produced water will be placed in the reserve pit for a period not to exceed ninety (90) days after initial production.
4. Sewage – Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. Sewage disposal will be in strict accordance with the Bureau of Land Management rules and regulations regarding sewage treatment and disposal.
5. Garbage and other waste material – All garbage and non-flammable waste materials will be contained in a self-contained, portable dumpster or trash cage. Upon completion of operations, or as needed, the accumulated trash will be hauled off-site to the local Price Municipal landfill. No trash will be placed in the reserve pit.
6. Immediately after removal of the drilling/completion rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No potentially adverse materials or substances will be left on the location. Any open pits will be fenced during the drilling operation and will be maintained until such time as the pits have been backfilled.

Ancillary Facilities

Each drilling and completion rig will have its own portable toilets. Once approved by the proper authorities the "yard" in the SESE of section 6 will be the only campsite within the Environmental Assessment boundary. A trash dumpster will be available at the yard site for use as a trash receptacle. The dumpster will be periodically transported and dumped at the local Price Municipal landfill.

Blowout Preventer and Choke Manifold Diagram



NORTH BENCH FEDERAL 24-22
Section 22: Township 13 South – Range 11 East, S.L.B.&M.
SESW 1280' FSL, 1397' FWL
Carbon County, Utah
Ferron Formation Project

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

DRILLING PROGNOSIS:

1. Prepare location for drilling rig. Drill rat hole and mouse hole.
2. Drill a 17-1/2" hole to approximately 80' ±. Run 13-3/8" plain end pipe as conductor pipe and set.
3. Nipple up diverter to conductor pipe.
4. Drill a 12-1/4" hole 10% of the total depth of well. Run an electronic multi shot after reaching surface-hole total depth.
5. Run 8-5/8" 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 = 2065 psi.
9. Drill stage collar, float shoe and 10' of new formation. Run shoe test to 10.5 ppg EMW.
10. Drill a 7-7/8" hole to approximately 150' below the base of the Ferron formation with conventional rotary techniques and insert bits and air/ mud system.
11. Run single point directional survey with every bit trip.
12. Run open hole logs as specified in the logging section of Master Drilling Program.
13. 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 the Master Drilling Program.
14. Clean the location and release the drilling rig.

CERTIFICATION STATEMENT

WELL NAME: **NORTH BENCH FEDERAL 24-22**

LEASE NO.: **UTU80554**

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 ***Grey Wolf, Inc. "Drilling", (completion rig has not been determined), and Nelco, Contractor Inc., "Construction Contractor"*** 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 
Reed Scott, Sr. Engineering Specialist

Dated this 13th day of May, 2005.

WESTPORT OIL AND GAS COMPANY, L.P.

NORTH BENCH FEDERAL #24-22

LOCATED IN UINTAH COUNTY, UTAH
SECTION 22, T13S, R11E, S.L.B.&M.

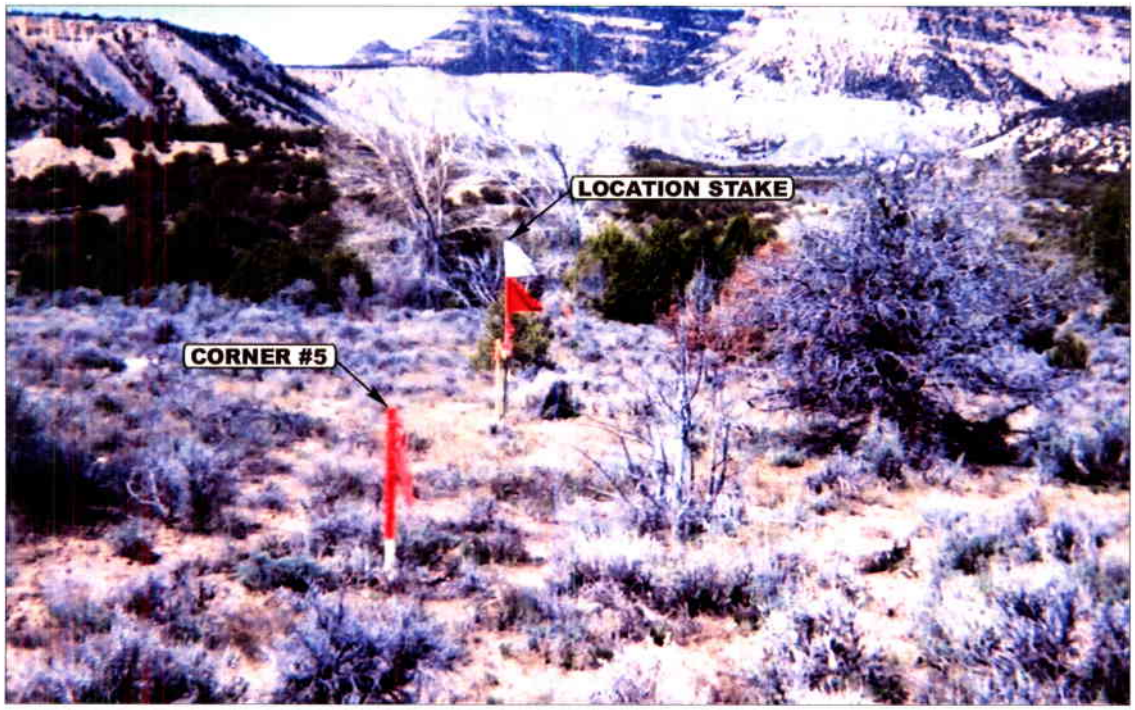


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHWESTERLY**

PHOTO: VIEW OF EXISTING 2 TRACK **CAMERA ANGLE: EASTERLY**

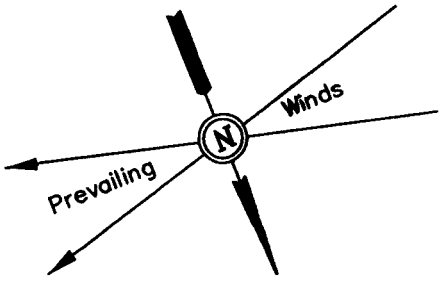
- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	04 MONTH	14 DAY	05 YEAR	PHOTO
TAKEN BY: D.L.	DRAWN BY: L.K.	REVISED: 00-00-00		

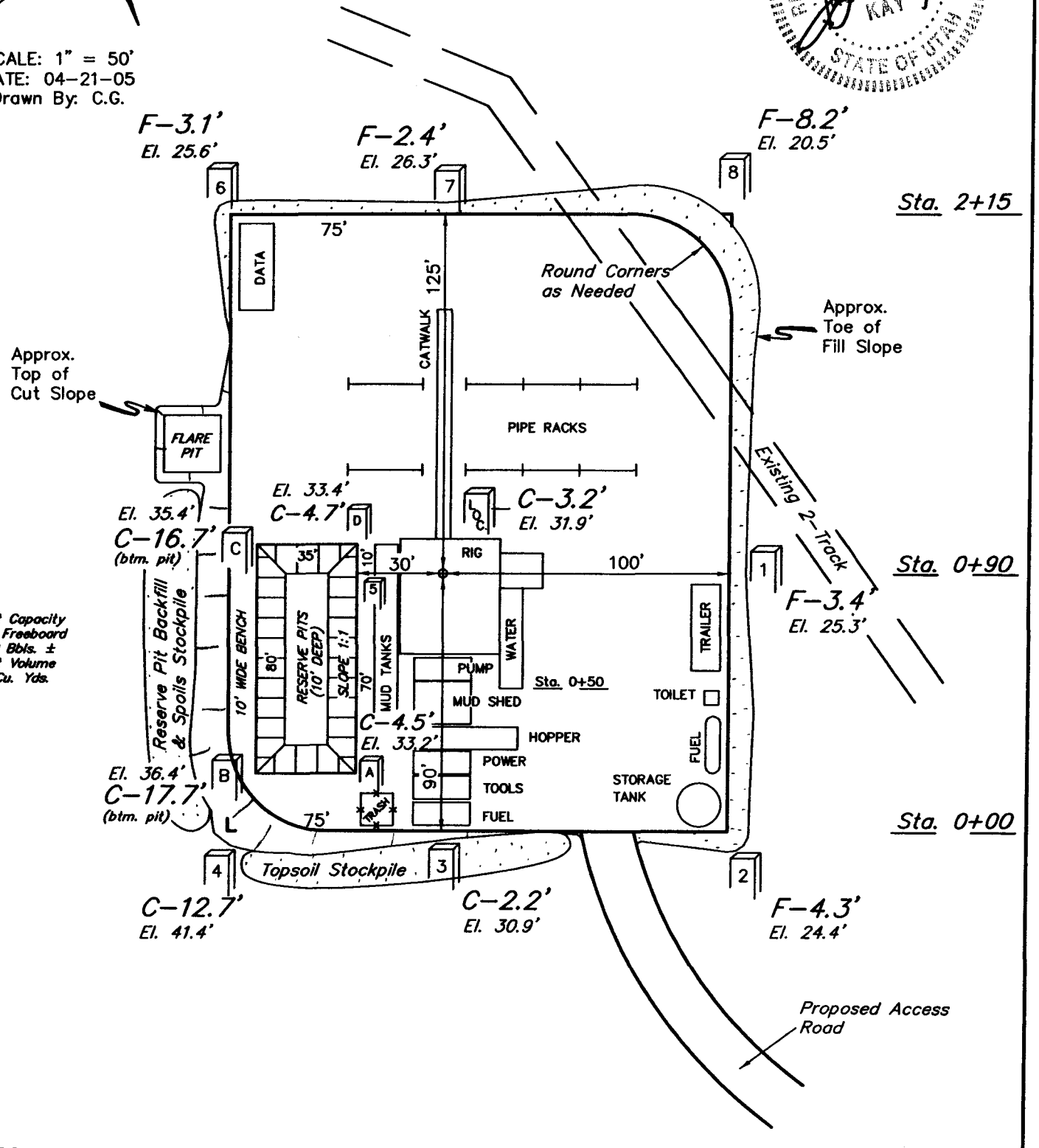
WESTPORT OIL AND GAS COMPANY, L.P.

LOCATION LAYOUT FOR

NORTH BENCH FEDERAL #24-22
SECTION 22, T13S, R11E, S.L.B.&M.
1280' FSL 1397' FWL



SCALE: 1" = 50'
DATE: 04-21-05
Drawn By: C.G.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 6131.9'
FINISHED GRADE ELEV. AT LOC. STAKE = 6128.7'

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

WESTPORT OIL AND GAS COMPANY, L.P.

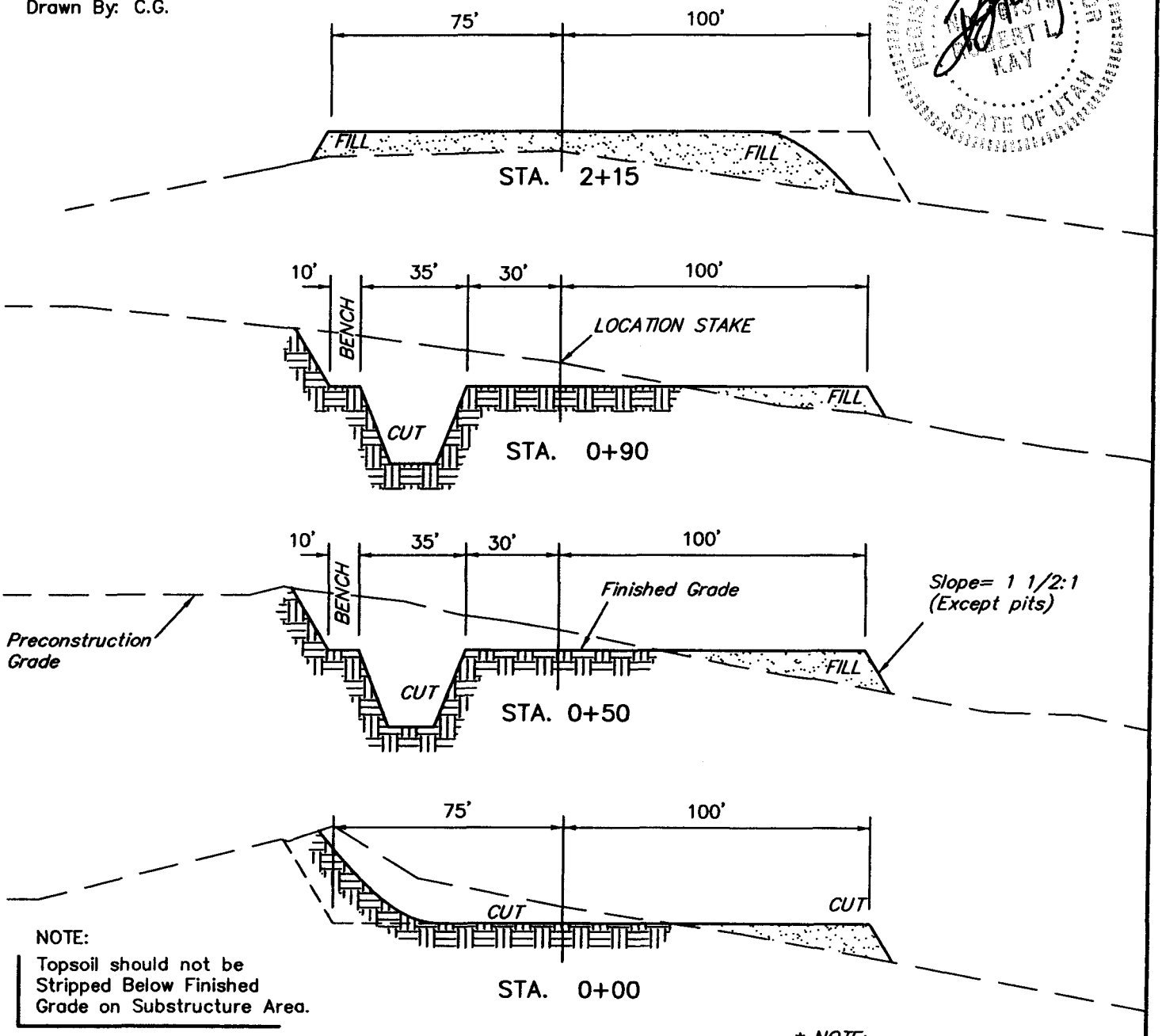
TYPICAL CROSS SECTIONS FOR

NORTH BENCH FEDERAL #24-22
SECTION 22, T13S, R11E, S.L.B.&M.
1280' FSL 1397' FWL

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

DATE: 04-21-05
Drawn By: C.G.

REGISTERED LAND SURVEYOR
161319
ROBERT L. KAY
STATE OF UTAH



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

APPROXIMATE YARDAGES

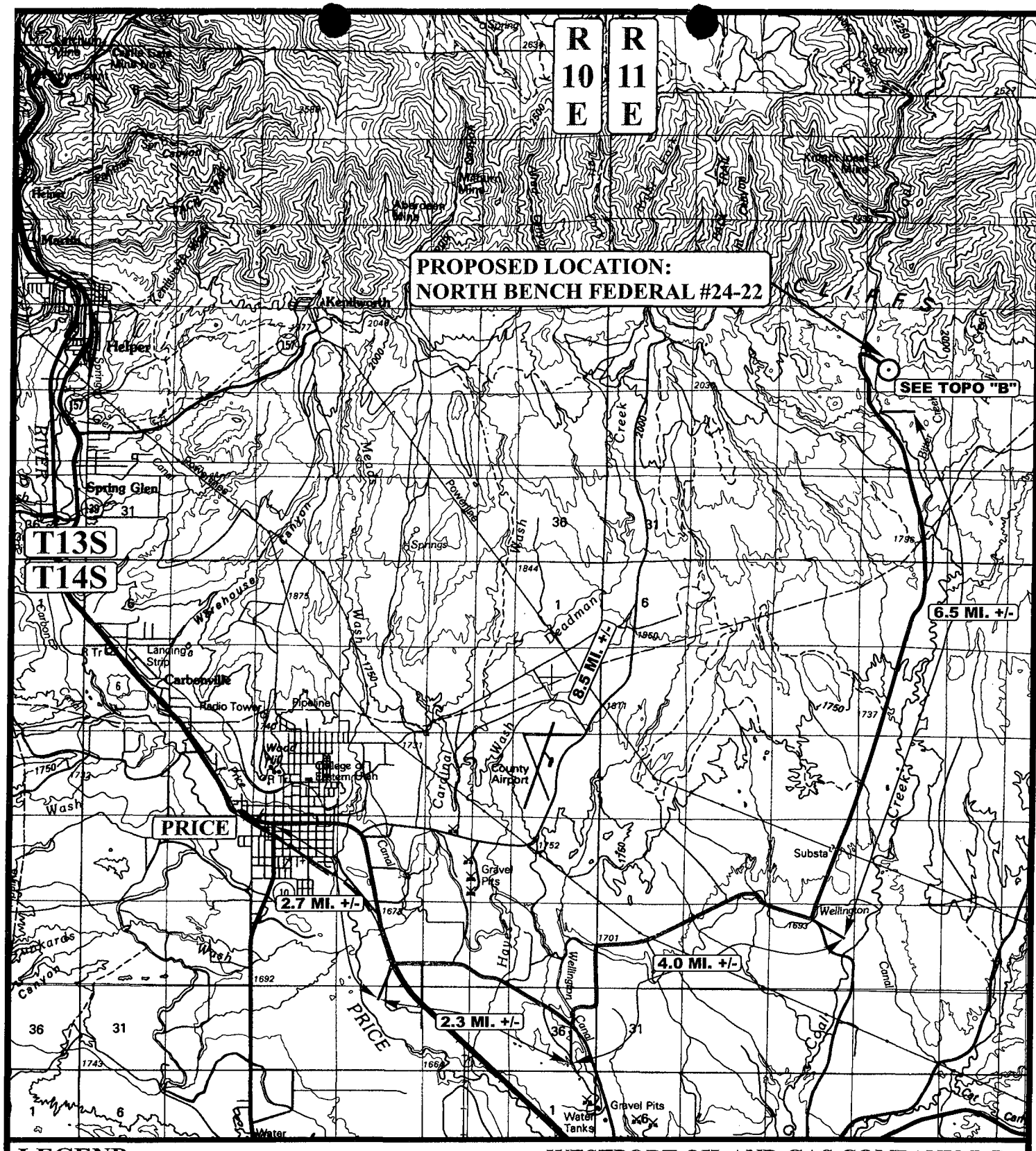
CUT

(6") Topsoil Stripping	= 830	Cu. Yds.
Remaining Location	= 2,900	Cu. Yds.
TOTAL CUT	= 3,730	CU.YDS.
FILL	= 2,570	CU.YDS.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

EXCESS MATERIAL	= 1,160	Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,160	Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0	Cu. Yds.

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



LEGEND:

⊙ PROPOSED LOCATION

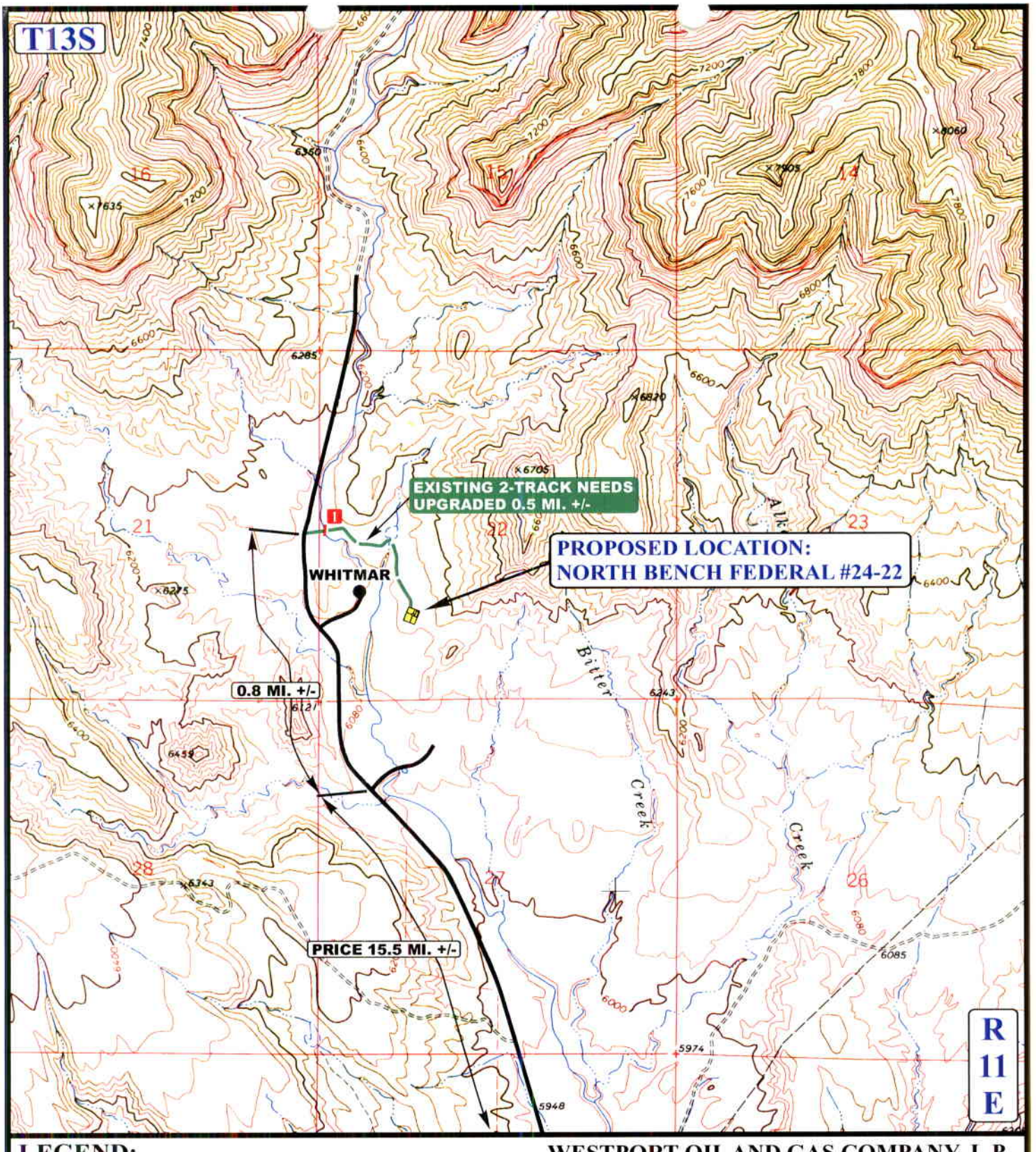
N

WESTPORT OIL AND GAS COMPANY, L.P.

NORTH BENCH FEDERAL #24-22
SECTION 22, T13S, R11E, S.L.B.&M.
1280' FSL 1397' FWL

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

TOPOGRAPHIC MAP	04 MONTH	14 DAY	05 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: L.K.	REVISED: 00-00-00		



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

EXISTING 2 TRACK NEEDS UPGRADED

LOW WATER CROSSING

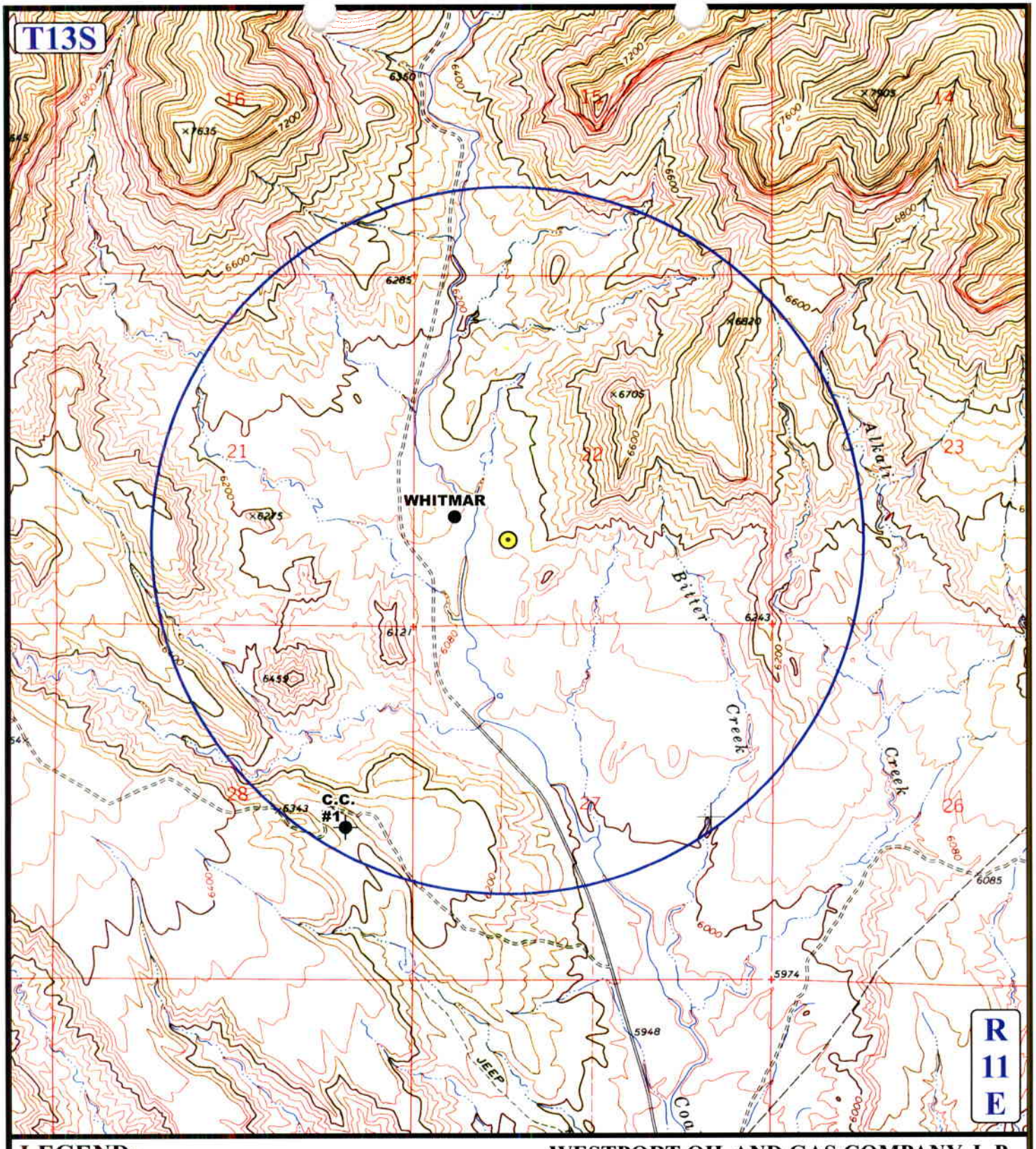
N

WESTPORT OIL AND GAS COMPANY, L.P.

NORTH BENCH FEDERAL #24-22
SECTION 22, T13S, R11E, S.L.B.&M.
1280' FSL 1397' FWL

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

TOPOGRAPHIC MAP	04 MONTH	14 DAY	05 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: L.K.	REVISED: 00-00-00		



LEGEND:

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

N

WESTPORT OIL AND GAS COMPANY, L.P.

NORTH BENCH FEDERAL #24-22
SECTION 22, T13S, R11E, S.L.B.&M.
1280' FSL 1397' FWL

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

TOPOGRAPHIC MAP	04 MONTH	14 DAY	05 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: L.K.	REVISED: 00-00-00		

004

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 31, 2005

Westport Oil & Gas Company, LP
1670 Broadway, Suite 2800
Denver, CO 80202-4800

Re: North Bench Federal 24-22 Well, 1280' FSL, 1397' FWL, SE SW, Sec. 22, 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 43-007-31042.

Sincerely,

K. Michael Hebertson

for Gil Hunt
Acting Associate Director

pab
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, LP

Well Name & Number North Bench Federal 24-22

API Number: 43-007-31042

Lease: UTU-80554

Location: SE SW **Sec.** 22 **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.

2000 - 84

Form 3160-3
(August 1999)

RECEIVED
MOAB FIELD OFFICE
2005 MAY 16 P 1:39
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **UTU-80554**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

1a. Type of Work [X] DRILL [ ] REENTER

1b. Type of Well [ ] Oil Well [X] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

8. Lease Name and Well No. **North Bench Federal 24-22**

2. Name of Operator **Westport Oil and Gas Company, L. P.**

9. API Well No. **43007310 42**

3a. Address **1670 Broadway - Suite 2800 - Denver, CO 80202-4800**

3b. Phone No. *(include area code)* **303-573-5404**

10. Field and Pool, or Exploratory **Well Helper Field - Ferron**

4. Location of well *(Report location clearly and In accordance with any State requirements.*)*
At surface **SESW 1280' FSL, 1397' FWL**
At proposed prod. zone **Same**

11. Sec., T., R., M., or Blk. And Survey or Area **Section 22: T 13 S - R 11 E, S.L.B.&M.**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* **approximately 16.8 miles ESE from Price, UT**

12. County or Parish **Carbon**

13. State **UT**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) **1280'**	16. No. of Acres in lease **1520 acres**	17. Spacing Unit dedicated to this well **160 acres**
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **~1470'**	19. Proposed Depth **3810'**	20. BLM/ BIA Bond No. on file **CO1203**
21. Elevations (Show whether DF. RT, GR, etc.) **6132'**	22. Aproximate date work will start* **Upon APD Approval**	23. Estimated Duration **5 days drilling plus 9 days completion**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by existing bond on file(see item 20 above).
5. Operator certification.
6. Such other site specific information and/ or plans as may be required by the an authorized officer.

25. Signature: Debby J. Black | Name *(Printed/ Typed)*: **Debby J. Black** 303-575-0113 | Date: **May 13, 2005**

Title: **Staff Engineering Analyst**

RECEIVED
AUG 22 2005
DIV. OF OIL, GAS & MINING

Approved By *(Signature)*: /s/ A. Lynn Jackson | Name *(Printed/ Typed)* | Date: AUG 18 2005

Title: ACTING Assistant Field Manager, Division of Resources | Office: Moab Field Office

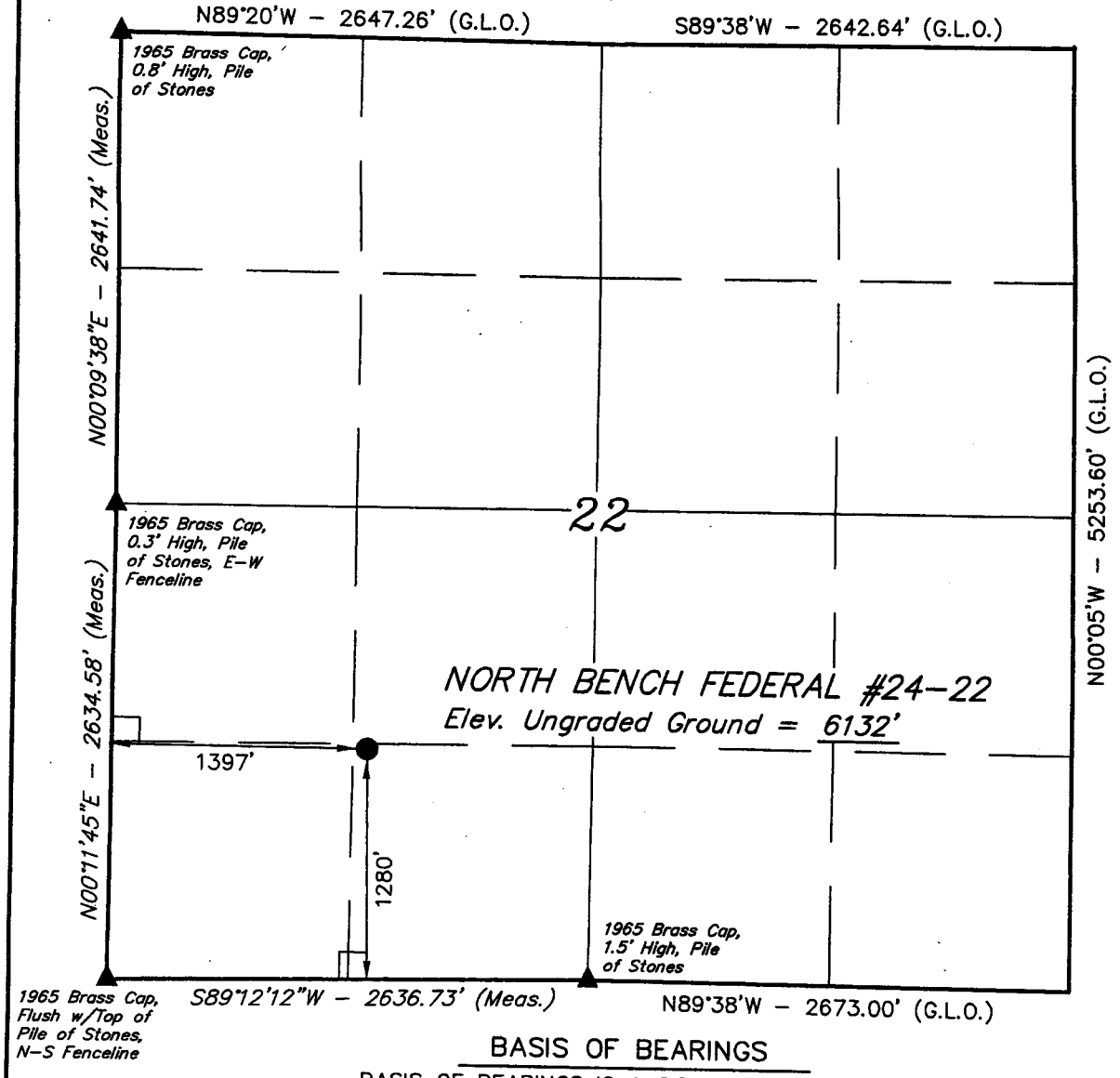
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on reverse)

CONDITIONS OF APPROVAL ATTACHED

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



BASIS OF BEARINGS

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

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

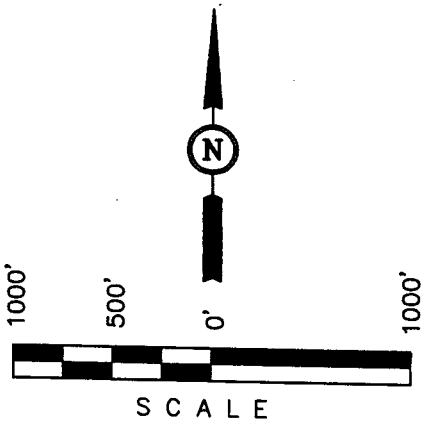
(AUTONOMOUS NAD 83)
LATITUDE = 39°40'41.31" (39.678142)
LONGITUDE = 110°40'40.77" (110.677992)
(AUTONOMOUS NAD 27)
LATITUDE = 39°40'41.44" (39.678178)
LONGITUDE = 110°40'38.20" (110.677278)

WESTPORT OIL AND GAS COMPANY, L.P.

Well location, NORTH BENCH FEDERAL #24–22, located as shown in the SE 1/4 SW 1/4 of Section 22, 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.



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

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

SCALE: 1" = 1000'	DATE SURVEYED: 03–23–05	DATE DRAWN: 04–21–05
PARTY: D.K. D.L. C.G.	REFERENCES: G.L.O. PLAT	
WEATHER: COOL	FILE: WESTPORT OIL AND GAS COMPANY, L.P.	

Westport Oil and Gas Company, L.P.
North Bench Federal 24-22
Lease U-80554
SE/SW Section 22, T13S, R11E
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 Westport Oil and Gas Company, L.P. 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 CO1203 (Principal – Westport Oil and Gas Company, L.P.) 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.

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 (BLM) 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.

A. DRILLING PROGRAM

1. The proposed Bow-Out Prevention Equipment (BOPE) system is comprised of 3000 psi (3M) equipment in a 2M configuration. This is adequate for anticipated conditions. Testing of the BOPE to 2M standards is sufficient. 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 (DOGM) is required before conducting any surface disturbing activities.

3. 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

4. Well spacing for the subject location is governed by Cause No. 241-6 of the State of Utah, Board of Oil, Gas and Mining, which established drilling and spacing units of 160 acres per well completed in the Ferron Sandstone. The 160 acres allocated to this well is comprised of two leases. The eastern half of the quarter section (80 acres), on which the well is proposed, is federal lease UTU-80554. The western half of the quarter section (80 acres) is a non-federal lease. Should the well prove to be capable of production, a Communitization Agreement (CA) must be established to properly allocate production.

Conditions of Approval:

SURFACE USE

1. The following seed tables in the Standard Operating Practices shall be followed as conditions of approval:

   Table 1, Seed Mixture for the Pinyon/ Juniper; Pinyon/Juniper, Modified; Pinyon/Juniper-Badlands; Wyoming Big Sagebrush; and Burned Meadow Community Types
   Table 2, Seed Mixture for the Wyoming Big Sagebrush—Saltbush Flats; and Badlands—Gullied Lands-Miscellaneous Community Types

2. The following wildlife stipulations in the Standard Operating Practices shall be followed as conditions of approval:

   EMP 16 & 17, Winter Seasonal Restriction on Crucial & High Priority Winter Range
   EMP 19, Critical Winter Range Browse Hand Planting

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.

4. Complete a sensitive species survey for the Creutzfeldt-flower and the Book Cliffs blazing star across all areas proposed to be affected having the proper habitat characteristics. A report detailing the findings of the survey would be submitted to the BLM prior to site development and construction. Basic elements of the survey and report are as follows.
   a. Observe Creutzfeldt-flower and Book Cliffs blazing star populations in type habitats during the flowering period (late April through June). Note the physical characteristics of the species and the habitat elements these species prefer. Complete a descriptive photographic log.
   b. Identify the location of all habitats suitable for supporting these species on a project vegetation map. Both soil and vegetation site characteristics would be considered. Only those areas within the project area proposed for disturbance, along with suitable buffer, would be subject to a survey.
   c. Complete a pedestrian survey (100 percent coverage) of each identified potential habitat.
   d. Prepare and submit a report to the BLM detailing the survey methodology and the results of the survey. Any Creutzfeldt-flower of Book Cliffs

blazing star populations found during the survey would be located on a project map and photographed for descriptive purposes.

Should any populations of these species be found within proposed disturbed areas, consideration should be given to moving the proposed disturbance to avoid any impact to this species.

5. Mule deer on critical or high priority winter ranges shall be protected by seasonal restrictions on construction from December 1 through April 15 where federal permits are required.

6. Prior to any construction activities between February 1 and July 1 within 0.5 mile of golden eagle nest site, the nest should be checked to determine its activity status. If nest is occupied, construction should not occur within 0.5 mile of the nest during the nesting season (February 1 through August 1).

7. All new access roads should be gated and locked to prevent public access during the hunting and winter seasons to minimize the potential effects of increased human access during these periods if BLM deems necessary.

8. The company shall monitor Gas Well Spring on an annual basis unless it can be ascertained that the Ferron is not the source of the spring. If decrease in flow occurs, appropriate mitigation shall be undertaken. A field survey may indicate additional locations for monitoring.

9. The proposed action is within critical winter range and the surface disturbance associated with the project exceeds that which was analyzed and mitigated for the EIS. Since this surface disturbance has not been mitigated for in the EIS, the action is subject to the acre for acre mitigation for surface disturbance on critical winter range as provided for in the Price River Resource Management Framework Plan. The proponent shall complete a wildlife enhancement project designed to mitigate impacts on big game critical winter range at the rate of one acre of enhancement for each acre of disturbance. Acceptable projects may include vegetative manipulation designed to increase winter forage or other winter range habitat enhancements to improve big game distribution patterns. Projects shall be completed during the same calendar year as the surface disturbing activity taking place. All aspects of project design and implementation, NEPA compliance, project design and implementation shall be the responsibility of the proponent.

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. During drilling and completion operations, erect derrick structures would be illuminated from dusk to dawn as a safety precaution to low flying aircraft.

8. Minimize road width cuts.

9. Minimize pumping unit height, when possible.

10. Minimize well pad size when possible.

11. Use feathering to soften linear lines to create more natural contours for well pads.

12. Use natural vegetation to screen out other undesirable views.

13. Revegetate disturbed soils promptly.

14. Blend soil disturbance into natural topography to achieve natural appearance, reduce erosion, and rehabilitate ground cover.

15. Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer. Generally topsoil shall be stored within the pad site or adjacent to access roads. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture as described on Table 1 (attached).

ROAD and PIPELINE CONSTRUCTION

1. 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.

2. 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.

3. 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, and headcut restoration/prevention.

4. Topsoil from access roads and pipelines are 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.

5. 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.

6. In the event construction can't be completed prior to winter closures, measures to prevent erosion from upcoming spring snowmelt should be taken s follows:
    a. Loose earth and debris must be removed from drainages, and flood plains. Earth and debris should not be stockpiled on drainage banks.
    b. Road drainages should be checked to ensure there are none with uncontrolled outlets.
    c. Be sure all ditch drainages have an outlet to prevent ponding. If necessary, build temporary sediment ponds to capture runoff from unreclaimed areas. Re-route ditches as needed to avoid channeling water through loosened soil.

PAD CONSTRUCTION

1. During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture in Table 1, attached.

2. 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.

3. BMPs for erosion control and hydrologic protection would be implemented during the construction, operation and reclamation of the project facilities. Drill pads and facility sites should be positioned, designed and constructed to prevent overland flow of water from entering or leaving the site. Stormwater collected on disturbed sites should be prevented from flowing off the site. Spills and leaks would be cleaned up to prevent pollution of surface or groundwater.

REHABILITATION PROCEDURES

Site Preparation

1. 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

2. 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.

3. 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, and 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.

4. After final grading, the stockpiled topsoil shall be spread evenly across the disturbed area.

Fertilization

5. 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.

6. Fertilizer is to be applied not more than 48 hours before seeding, and shall be cultivated into the upper 3 inches of soil.

7. 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

8. 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

9. 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.

10. 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 to be used, depending upon vegetation type disturbed, is depicted in the attached Table 1 and Table 2.

General

11. 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.

EMP 16&17: Winter Seasonal Restriction (December 1 to April 15) on Crucial and High Priority Winter Range

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

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

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

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

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

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

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

Restriction on Non Emergency Workover Operations: The companies will schedule non-emergency workover operations (defined below) on big game crucial and high value winter range outside December 1 to April 15 date of the seasonal closure.

Non-emergency Workover Operations: Workover operations to correct or reverse a gradual loss of production over time (loss of production of 20 percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December 1 to April 15 time frame.

Emergency Workover Operations: Emergency work over operations is defined as downhole equipment failure problems or workover operation necessary to avoid shut in of the well or to avoid an immediate safety or environmental problem. Loss of production greater than 20 percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation. The companies will submit Sundry Notices to BLM within five of the emergency workover operations between December 1 and April 15.

EMP 19: Browse Hand Planting
Tubling Mixtures

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

Planting Methods:

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

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

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

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

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

Planting Species and Application Rate:

	[ ] Sagebrush-Grass	**[ ] Pinyon-Juniper**
Species	Plants Per Acre	
Wyoming Sagebrush (Gordon Creek)	100	50
Fourwing Saltbush (Utah seed source collected at or above 5,000 feet elevation)	100	50
True Mountain Mahogany (Utah seed source)	0	50
Antelope Bitterbrush (Utah seed source)	0	50
Total	**200**	**200**
Suitable Substitutions:		
Utah Serviceberry	no	50
Winterfat	100	no

Table 1: Seed Mixture for the Pinyon/Juniper; Pinyon/Juniper, Modified; Pinyon/Juniper-Badlands; Wyoming Big Sagebrush; and Burned Meadow Community Types (see Note 2)

Species	Preferred Varieties	Rate Lbs./Acre Planted (Drilled)	PLS Planted/Acre
Crested Wheatgrass *Agropyron desertorum*	Hycrest	2.00	350,000
Indian ricegrass *Achnatherum hymenoides*	Paloma, Nezpar	2.00	376,000
Needle-and-thread *Stipa Comata*	None	2.00	230,000
Thickspike wheatgrass *Elymus lanceolatus*	Cirtana	1.5	279,000
Lewis (Blue) flax *Adenolinum lewisii*	None	1.00	285,000
Palmer penstemon	Cedar	0.50	305,000
Penstemon palmerii			
Antelope bitterbrush[1] *Pursia tridentate*	None	1.00	15,000
Birch-leaf mountain mahogany *Cercocarpus montanus*	None	1.00	59,000
Winterfat[1] *Ceratoides lanata*	None	1.00	56,700
Wyoming big sagebrush[1] Ceratoides lanata	None	0.25	625,000
		Totals=12.25	2,580,700 (≈59 seeds/sq. ft.)

1. A broadcast rate for shrub species. Shrub seed to be broadcast simultaneously with drilling.

Note 1: The seeding rate for herbaceous species will be doubled where broadcast seeding methods are used.

Note 2: This mixture will also be seeded in disturbed areas associated with the wetlands crossing in Section 19.

Table 2: Seed Mixture for the Wyoming Big Sagebrush—Saltbush Flats; and Badlands-Gullied Lands-Miscellaneous Community Types

Species	Peferred Varieties	Rate Lbs./Acre Planted (Drilled)	PLS Planted/Acre
Crested Wheatgrass *Agropyron desertorum*	Hycrest	3.00	525,000
Indian ricegrass *Achnatherum hymenoides*	Paloma, Nezpar	3.00	564,000
Needle-and-thread *Stipa comata*	None	3.00	345,000
Sand dropseed *Sporobolus crytandrus*	None	0.10	500,000
Black greasewood[1] *Sarcobatus vermiculatus*	None	1.00	210,000
Fourwing saltbush[1] *Atriplex canescens*	Any adapted	4.00	280,000
Shadscale saltbush[1] *Atriplex confertifolia*	None	4.00	259,600
Winterfat[1] *Ceratoides lanata*	None	1.00	56,700
		Totals= 19.10	2,740,300 (≈63 seeds/sq. ft)

1: A broadcast rate for shrub species. Shrub seed to be broadcast simultaneously with drilling

Note 1: The seeding rate for herbaceous species will be doubled where broadcast-seeding methods are used.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the BLM 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.

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

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

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.

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.

TABLE 1

NOTIFICATIONS

Notify Don Stephens (435-636-3608) or Mary Maddux (435-636-3668) of the BLM Price Field Office for the following:

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

1 day prior to spud;

50 feet prior to reaching the surface casing setting depth;

If the person at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

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

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold) Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **1/6/2006**

FROM: (Old Operator):	**TO:** (New Operator):
N2115-Westport Oil & Gas Co., LP	N2995-Kerr-McGee Oil & Gas Onshore, LP
1368 South 1200 East	1368 South 1200 East
Vernal, UT 84078	Vernal, UT 84078
Phone: 1-(435) 781-7024	Phone: 1-(435) 781-7024

CA No. **Unit:**

WELL NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 3/7/2006
4a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
4b. If **NO**, the operator was contacted contacted on:
5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
5b. Inspections of LA PA state/fee well sites complete on: n/a
5c. Reports current for Production/Disposition & Sundries on: ok
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 5/15/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 5/15/2006
3. Bond information entered in RBDMS on: 5/15/2006
4. Fee/State wells attached to bond in RBDMS on: 5/16/2006
5. Injection Projects to new operator in RBDMS on:
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: CO1203
2. Indian well(s) covered by Bond Number: RLB0005239
3. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236

a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG
The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

4. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

COMMENTS:

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

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

8. Well Name and No.
MUTIPLE WELLS

2. Name of Operator
KERR-McGEE OIL & GAS ONSHORE LP

9. API Well No.

3a. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. *(include area code)*
(435) 781-7024

10. Field and Pool, or Exploratory Area

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

11. County or Parish, State
UINTAH COUNTY, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other CHANGE OF OPERATOR
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006. KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

RECEIVED
MAY 10 2006
DIV. OF OIL, GAS & MINING

BLM BOND = CO1203
BIA BOND = RLB0005239

APPROVED 5/16/06
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

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

Name *(Printed/Typed)*	Title
RANDY BAYNE	DRILLING MANAGER
Signature	Date
Randy Bayne	May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice 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.	Office	

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

(Instructions on reverse)

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires Jnovember 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

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

8. Well Name and No.
MUTIPLE WELLS

2. Name of Operator
WESTPORT OIL & GAS COMPANY L.P.

9. API Well No.

3a. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. *(include area code)*
(435) 781-7024

10. Field and Pool, or Exploratory Area

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

11. County or Parish, State
UINTAH COUNTY, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other CHANGE OF OPERATOR
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

APPROVED 5/16/06
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED
MAY 10 2006
DIV. OF OIL, GAS & MINING

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

Name *(Printed/Typed)*	Title
BRAD LANEY	ENGINEERING SPECIALIST
Signature	Date
	May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Brad Laney		5-9-06
Conditions of approval, if any, are attached. Approval of this notice 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.	Office	

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

(Instructions on reverse)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:
CO922 (MM)
3106
COC017387 et. al.

March 23, 2006

NOTICE

Kerr-McGee Oil & Gas Onshore L.P. :
1999 Broadway, Suite 3700 : Oil & Gas
Denver, CO 80202 :

Merger/Name Change - Recognized

On February 28, 2006 this office received acceptable evidence of the following mergers and name conversion:

> Kerr-McGee Oil & Gas Onshore L.P., a Delaware Limited Partnership, and Kerr-McGee Oil & Gas Onshore LLC, a Delaware Limited Partnership merger with and into Westport Oil and Gas Company L.P., a Delaware Limited Partnership, and subsequent Westport Oil & Gas Company L.P. name conversion to Kerr-McGee Oil & Gas Onshore L.P.

For our purposes the merger and name conversion was effective January 4, 2006, the date the Secretary of State of Delaware authenticated the mergers and name conversion.

Kerr-McGee Oil & Gas Onshore L.P. provided a list of oil and gas leases held by the merging parties with the request that the Bureau of Land Management change all their lease records from the named entities to the new entity, Kerr-McGee Oil & Gas Onshore L.P. In response to this request each state is asked to retrieve their own list of leases in the names of these entities from the Bureau of Land Management's (BLM) automated LR2000 data base.

The oil and gas lease files identified on the list provided by Kerr-McGee Oil & Gas Onshore L.P. have been updated as to the merger and name conversion. We have not abstracted the lease files to determine if the entities affected by the acceptance of these documents holds an interest in the lease, nor have we attempt to identify leases where the entity is the operator on the ground that maintains vested record title or operating rights interests. If additional documentation, for change of operator, is required you will be contacted directly by the appropriate Field Office. The Mineral Management Services (MMS) and other applicable BLM offices were notified of the merger with a copy of this notice

Please contact this office if you identify additional leases where the merging party maintains an interest, under our jurisdiction, and we will document the case files with a copy of this notice. If the leases are under the jurisdiction of another State Office that information will be forwarded to them for their action.

Three riders accompanied the merger/name conversion documents which will add Kerr-McGee Oil and Gas Onshore LLC as a principal to the 3 Kerr-McGee bonds maintained by the Wyoming State Office. These riders will be forward to them for their acceptance.

The Nationwide Oil & Gas Continental Casualty Company Bond #158626364 (BLM Bond #CO1203), maintained by the Colorado State Office, will remain in full force and effect until an assumption rider is accepted by the Wyoming State Office that conditions their Nationwide Safeco bond to accept all outstanding liability on the oil and gas leases attached to the Colorado bond.

If you have questions about this action you may call me at 303.239.3768.

/s/Martha L. Maxwell
Martha L. Maxwell
Land Law Examiner
Fluid Minerals Adjudication

Attachment:
List of OG Leases to each of the following offices:
MMS MRM, MS 357B-1
WY, UT, NM/OK/TX, MT/ND, WY State Offices
CO Field Offices
Wyoming State Office
Rider #1 to Bond WY2357
Rider #2 to Bond WY1865
Rider #3 to Bond WY1127

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov

IN REPLY REFER TO:
3106
(UT-922)

March 27, 2006

Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the merger recognized by the Bureau of Land Management, Colorado State Office. We have updated our records to reflect the merger from Westport Oil and Gas Company L.P. into Kerr-McGee Onshore Oil and Gas Company. The merger was approved effective January 4, 2006.

Chief, Branch of
Fluid Minerals

Enclosure
Approval letter from BLM COSO (2 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114
Teresa Thompson
Joe Incardine
Connie Seare
Dave Mascarenas
Susan Bauman

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

July 17, 2006

Debbie Black
Kerr-McGee O&G Onshore LP
1368 South 1200 East
Vernal, UT 84078

Re: APD Rescinded –North Bench Fed 24-22 Sec. 22, T. 13S R. 11E
Carbon County, Utah API No. 43-007-31042

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 May 31, 2005. On July 12, 2006, 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 July 12, 2006.

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
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*