

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER CPE Miller Creek 27-1							
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT MILLER CREEK							
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME							
6. NAME OF OPERATOR COASTAL PLAINS ENERGY INC						7. OPERATOR PHONE 405 601-5446							
8. ADDRESS OF OPERATOR 6303 North Portland, Suite 208, Oklahoma City, OK, 73112						9. OPERATOR E-MAIL cbiggs@coplains.com							
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>							
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Joe Iriat						14. SURFACE OWNER PHONE (if box 12 = 'fee') 432-630-9434							
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 7465 Upper Miller Creek Road, Price, UT 84501						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')							
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>							
20. LOCATION OF WELL		FOOTAGES		QTR-QTR		SECTION		TOWNSHIP		RANGE		MERIDIAN	
LOCATION AT SURFACE		1850 FNL 2022 FEL		SWNE		27		15.0 S		10.0 E		S	
Top of Uppermost Producing Zone		1850 FNL 2022 FEL		SWNE		27		15.0 S		10.0 E		S	
At Total Depth		1850 FNL 2022 FEL		SWNE		27		15.0 S		10.0 E		S	
21. COUNTY CARBON			22. DISTANCE TO NEAREST LEASE LINE (Feet) 1900			23. NUMBER OF ACRES IN DRILLING UNIT 160							
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 2500			26. PROPOSED DEPTH MD: 1490 TVD: 1490							
27. ELEVATION - GROUND LEVEL 5562			28. BOND NUMBER CTCS-267895			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE AIR							
Hole, Casing, and Cement Information													
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight			
SURF	8.75	7	0 - 300	23.0	J-55 ST&C	0.0	Type H	100	1.06	16.0			
PROD	6.125	4.5	0 - 1490	10.5	J-55 LT&C	0.0	Type H	150	1.35	11.0			
ATTACHMENTS													
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES													
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER						<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN							
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)						<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER							
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)						<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP							
NAME Christopher N. Biggs				TITLE President				PHONE 405 601-5446					
SIGNATURE				DATE 08/27/2014				EMAIL cbiggs@coplains.com					
API NUMBER ASSIGNED 43007503820000				APPROVAL				<div style="border: 1px solid black; padding: 5px; display: inline-block;"> X Approval Signature </div> Permit Manager					

EXHIBIT "D"
DRILLING PROGRAM

Attached to UDOGM Form 3
Coastal Plains Energy, Inc.
CPE Miller Creek 27-1
NE/4, Section 27, T15S, R10E
1850' FNL, 2022' FEL
Carbon County, Utah

1. The Geologic Surface Formation

Mancos

2. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth (Ft)</u>	<u>Sub Sea GL: 5,560'</u>
Ferron Sand	490'	+5,070' (Prospective Zone)
Tannuck	710'	+4,850' (Prospective Zone)
Dakota	1,070'	+4,490' (Prospective Zone)
T.D.	1,490'	

3. Projected Gas & Water Zones

No groundwater is anticipated to be encountered. Water encountered will be reported on Form 7 "Report of Water Encountered During Drilling".

Casing and cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1,000 psi.

4. The Proposed Casing and Cementing Programs

Casing Program:

<u>Hole Size</u>	<u>Setting Depth (Interval)</u>	<u>Size (OD)</u>	<u>Weight, Grade & Joint</u>	<u>Condition</u>
8-3/4"	300'	7"	23 lb/ft, J-55, STC	Used
6-1/8"	1,490'	4-1/2"	10.5 lb/ft, J-55, LTC	New

Cement Program:

Surface: 100 sacks Class H
Weight: 16 lb/gal
Yield: 1.06 ft³/sk

Production Casing: 150 sacks Class H
Weight: 11 lb/gal
Yield: 1.35 ft³/sk

The following shall be entered in the driller's log:

- a. Blowout preventer pressure tests, including test pressures and results;
- b. Blowout preventer tests for proper functioning;
- c. Blowout prevention drills conducted;
- d. Casing run, including size, grade, weight, and depth set;
- e. How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- f. Waiting on cement time for each casing string;
- g. Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibits "G" and "H" are schematic diagrams of the blowout preventer equipment. A 10" or 11" 3,000 psi double gate hydraulic BOP with one (1) blind ram and one (1) pipe ram and annular preventer equipped with a 3,000 psi automatic choke manifold. This equipment will be tested to 3,000 psi. All tests will be recorded in a Driller's log book. Physical operations of the BOP will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

This well will be air drilled to T.D.

7. The Testing, Logging and Coring Programs are as follows:

Testing: DST's are not planned.

Logging: End of surface casing – T.D.
Gamma Ray, Density, Neutron, Porosity, Induction, Caliper

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 600 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported, or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations

The well will commence drilling approximately November 1, 2014.

Verbal and or/written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining;

- a. prior to beginning construction;
- b. prior to spudding;
- c. prior to running any casing or BOP tests;
- d. prior to plugging the well for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

EXHIBIT "E"
MULTIPOINT SURFACE USE PLAN

Attached to UDOGM Form 3
Coastal Plains Energy, Inc.
CPE Miller Creek 27-1
NE/4, Section 27, T15S, R10E
1850' FNL, 2022' FEL
Carbon County, Utah

1. Existing Roads

- a. The proposed access road will be constructed and consistent with the surface owner and Coastal Plains Energy, Inc.
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B"

2. Planned Access

Approximately 1,000' of new access will be required (see Exhibit "B"). Access is determined by acquired right-of-way by the surface owner.

- a. Maximum width: 24'
- b. Maximum grade: 10%
- c. Turnouts: None
- d. Drainage design: 2 – 18" culverts may be required along the new and two-track portion of the road. Water will be diverted around the road as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Existing trees will be left in place where practical to provide screening and buffer areas.

3. Location of Existing Wells

See Exhibit "B". There is an existing well within a one-mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be located at the well site;
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from a local water source.
- b. Water will be transported by truck over approved access roads or pumped from a nearby water supply.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for Handling Waste Disposal

- a. As the well is expected to be air drilled to 1,490', a blooie reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. **Ancillary Facilities**

We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. **Wellsite Layout**

- a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Exhibit "A-2".
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "A-2".
- d. Natural runoff will be diverted around the well pad.

10. **Plans for Restoration of Surface**

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas, and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existed conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be re-contoured to the natural contour as is possible.

11. **Surface Ownership**

The wellsite and access road will be constructed on lands owned by Mr. Joe Iriart, 7465 Upper Miller Creek Road, Price, UT 84501. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. **Other Information**

- a. The primary surface use is for wildlife habitat and grazing. The nearest dwelling is approximately 1/2 mile west. Nearest live water is the Allen Lateral irrigation Canal 1,800' north.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- c. The back slope and fore slope will be constructed no steeper than 3:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the wellsite during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas and Mining.

13. **Company Representative**

Christopher N. Biggs
Coastal Plains Energy, Inc.
6303 N. Portland, Suite 208
Oklahoma City, OK 73112
405-601-5446

Excavation Contractor

TBD

14. **Certification**

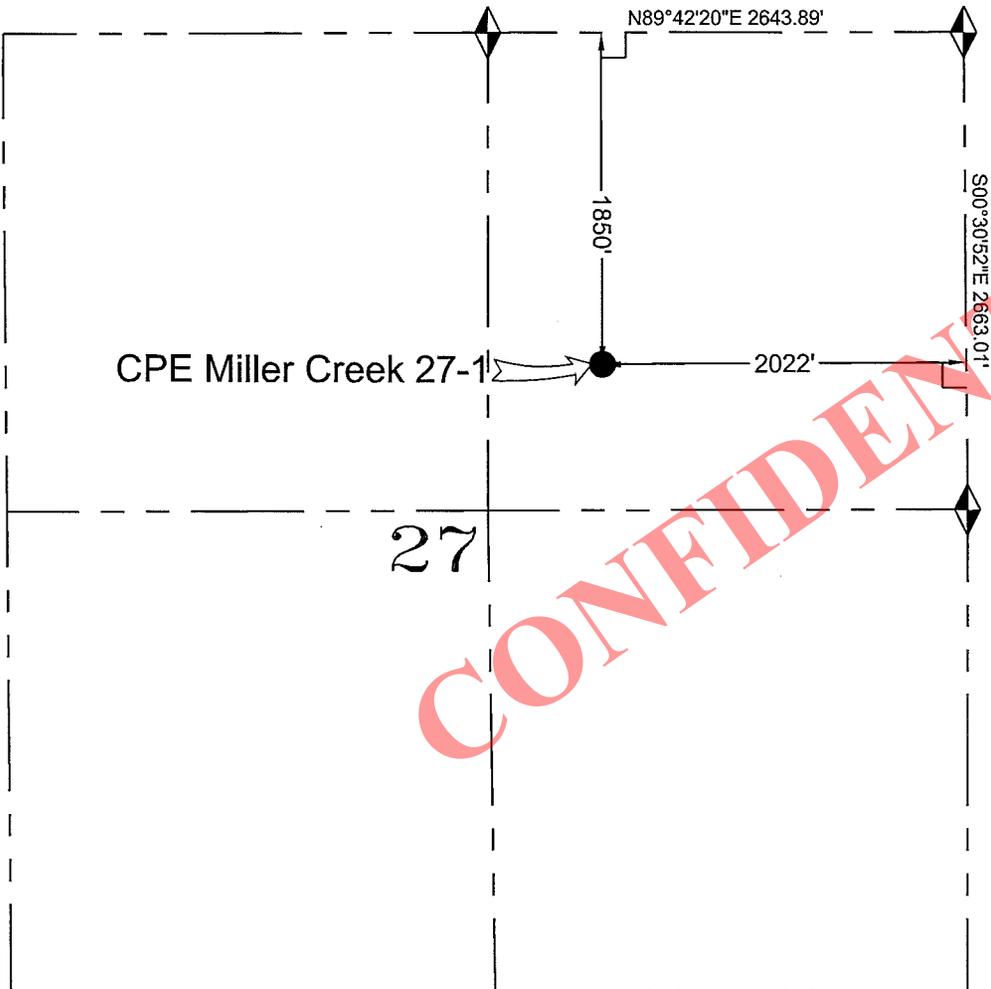
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Coastal Plains Energy, Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date

Christopher N. Biggs
Coastal Plains Energy, Inc.

TOWNSHIP 15 SOUTH, RANGE 10 EAST,
SALT LAKE BASE & MERIDIAN

COASTAL PLAINS ENERGY
CPE Miller Creek 27-1

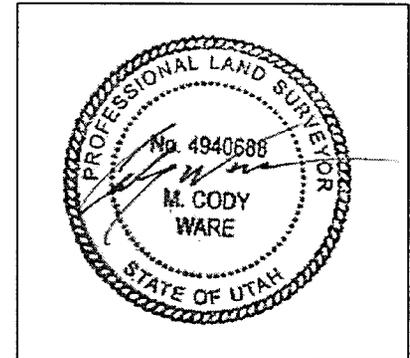


THE BASIS OF ELEVATION USED FOR THIS SURVEY IS 5552.98 FEET AT THE CARBON COUNTY GPS BASE STATION (PUC1), WHICH WAS USED FOR THIS SURVEY. COORDINATE SYSTEM IS US STATE PLANE 1983, UTAH CENTRAL ZONE (4302), NAD1983 DATUM USING GEOID 2009. BASIS OF BEARING IS BASED FROM THE SAME COORDINATE SYSTEM AND GPS BASE STATION.

CERTIFICATE OF SURVEY

I, M. CODY WARE, DO HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR, LICENSE NO. 4940688 AS PRESCRIBED BY THE LAWS OF THE STATE OF UTAH. I FURTHER CERTIFY THAT I HAVE MADE A SURVEY OF THE LOCATION SHOWN AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

DATE: DECEMBER 10, 2014



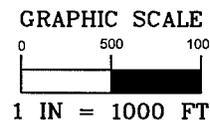
CONFIDENTIAL

LEGEND

- FOUND MONUMENT
- WELL HEAD (SURFACE)
- 90° SYMBOL

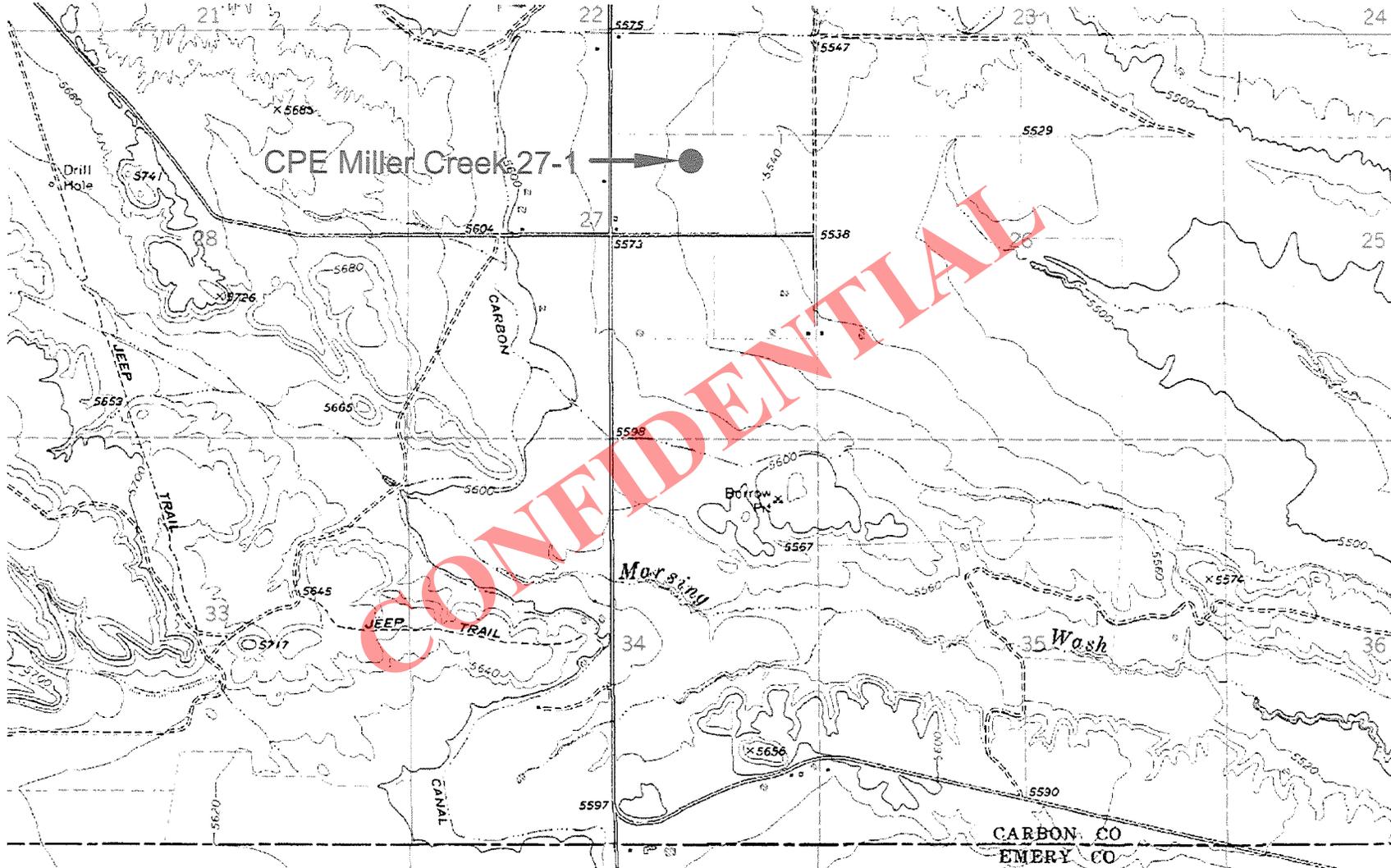
GEODETTIC COORDINATES:

SURFACE LOCATION
(NAD 1983)
LAT.: 39°29'36.80" N (39.493555)
LONG.: 110°47'05.61" W (110.784892)
(NAD 1927)
LAT.: 39°29'36.94" N (39.493594)
LONG.: 110°47'02.92" W (110.784144)
ELEVATION = 5565'



WARE SURVEYING, L.L.C.		
Phone: 435-820-4335	1344 North 1000 West	
Email: waresurveying@emerytelcom.net	Price, Utah 84501	
SURVEY FOR:		
COASTAL PLAINS ENERGY		
CPE Miller Creek 27-1		
MILLER CREEK, CARBON COUNTY, UTAH		
N.E. 1/4 - SECTION 27, T. 15 S., R. 10 E., S.L.B. & M.		
DRAWN BY: MCW	SCALE: 1" = 1000'	
DATE: 12-10-14		
REVISIONS: 3		SECTION

COASTAL PLAINS ENERGY
CPE Miller Creek 27-1



CARBON CO
EMERY CO

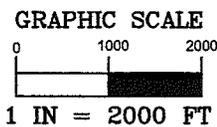
WARE SURVEYING, L.L.C.

Phone: 435-820-4335 1344 North 1000 West
Email: waresurveying@emerytelcom.net Price, Utah 84501

SURVEY FOR:
COASTAL PLAINS ENERGY

CPE Miller Creek 27-1
MILLER CREEK, CARBON COUNTY, UTAH
N.E. 1/4 - SECTION 27, T. 15 S., R. 10 E., S.L.B. & M.

DRAWN BY:	MCW	SCALE:	1" = 2000'
DATE:	11-07-13		
REVISIONS:	1		QUAD



SURFACE AGREEMENT AND RELEASE

WHEREAS, **COASTAL PLAINS ENERGY, INC.** whose address is **6303 North Portland Ave., Suite 208, Oklahoma City, Oklahoma 73112** (hereinafter "Coastal"), is the owner of the drilling rights on the land described below, wherein it has committed to drill and develop for oil and/or gas by the drilling of a well to a depth sufficient to test the Dakota Formation at 1,500 feet, more or less, and at an approximate location described as follows:

**CPE Miller Creek 27-1
NE/4 Section 27, Township 15 South, Range 10 East,
Carbon County, Utah**

AND WHEREAS, the undersigned **Joe Iriart**, whose address is **7465 Upper Miller Creek Road, Price, Utah 84501** (hereinafter called "Owner"), warrants to be in possession of, and to be the rightful owner and heir of the surface lands of the hereinafter described real estate and the only entity or person entitled to receive any damages in connection therewith.

THEREFORE, Coastal Plains Energy, Inc. does hereby agree to pay to Owner **ONE THOUSAND DOLLARS (\$1,000.00)**, as full payment, settlement and satisfaction of all damages of whatsoever nature and character, including damages to growing crops, and the use and/or construction of new or existing roads, the continual use of lands for well and roads, tank batteries, pumps, separators, gas meters, flowlines, etc. excluding any other occurrences not deemed normal and customary or outside of the normal drilling, completion and operating of said well, in connection with the drilling and operating for oil and gas on Owner' land, no greater than two (2) acres and reduced to one-half (1/2) acre after completion of the well around the well bore, within the following described drilling and spacing unit situated in the County of Carbon, State of Utah, to wit:

**NE/4 of Section 27, Township 15 South, Range 10 East,
Carbon County, Utah, containing 160.0 acres, more or less.**

The undersigned does hereby release, acquit and discharge Coastal, its successors and assigns, from any and all claims from detriment, injuries and damages, of whatsoever nature or character which may have been sustained, or may be sustained, by reason of said Coastal's drilling, completing, equipping, producing and operating the Coastal well mentioned above, located on the wellsite described herein. Any damages or demands for additional damages or disturbances beyond a normal operation will be paid to Owner as conditions warrant. The undersigned hereby agrees to account to any other party who may be entitled to receive any portion of the above mentioned sum and indemnity and hold harmless Coastal, its successors and assigns, from any claims made by any other third party for damages occurring within the drilling unit and on the Owner' land.

That all drilling, completing, operating, or abandoning of said well shall be done in accordance with standard acceptable practices in the industry and in compliance with all State and Federal laws and regulations governing oil and gas operation. Coastal, upon completion of this drilling and production operations, will return the surface used in its operation back to its original condition as is practical and will follow any specific directions and requests of Owner as is agreed at the time of the making of this contract, or any amendments thereto, as best it can.

Coastal's rights under this Release shall continue for a term of six months and so long thereafter as oil, gas, or other minerals are produced from the land described above or are capable of being produced from the land described above. Coastal agrees to pay to the Owner an additional sum of **FIVE HUNDRED DOLLARS (\$500.00)** as an annual right-of way fee. This fee shall be paid annually on the anniversary of this agreement

Coastal further agrees that all tenants of this agreement will terminate upon the plugging and abandonment of all production in the spacing unit described and Coastal shall have no right-of-way or access unless granted by the Owner.

This Release shall run in favor of any agent, representative or assign of Coastal, and shall be construed as a covenant running with the land which is binding upon the heirs, executors, administrators, and assigns of the undersigned Owner.

AGREED, this 24 day of July, 2014.

OWNER:

Joe Iriart
Joe Iriart

LEASE OWNER:

Coastal Plains Energy, Inc.

Fred N. Reynolds
Fred N. Reynolds, Vice President

BOP Equipment

3000psi WP

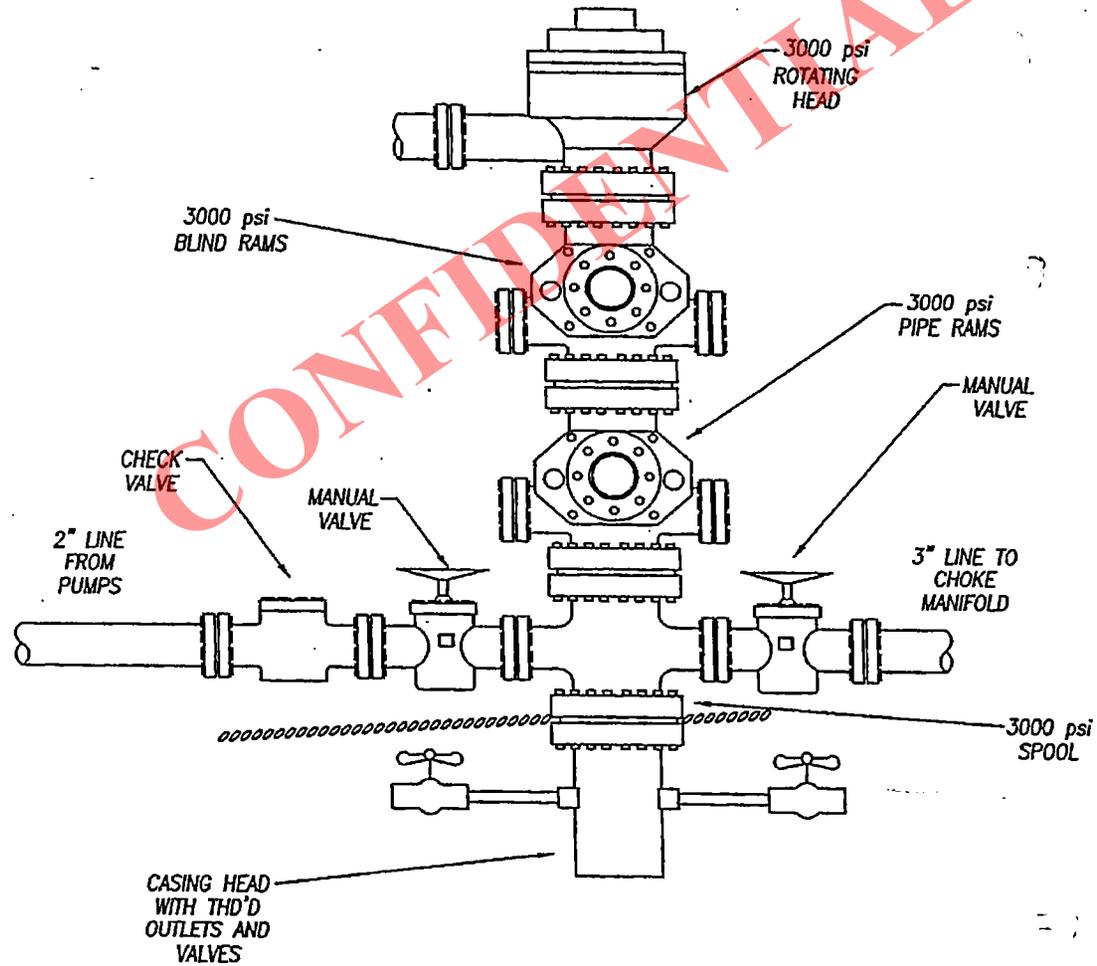


EXHIBIT "G"

CHOKE MANIFOLD

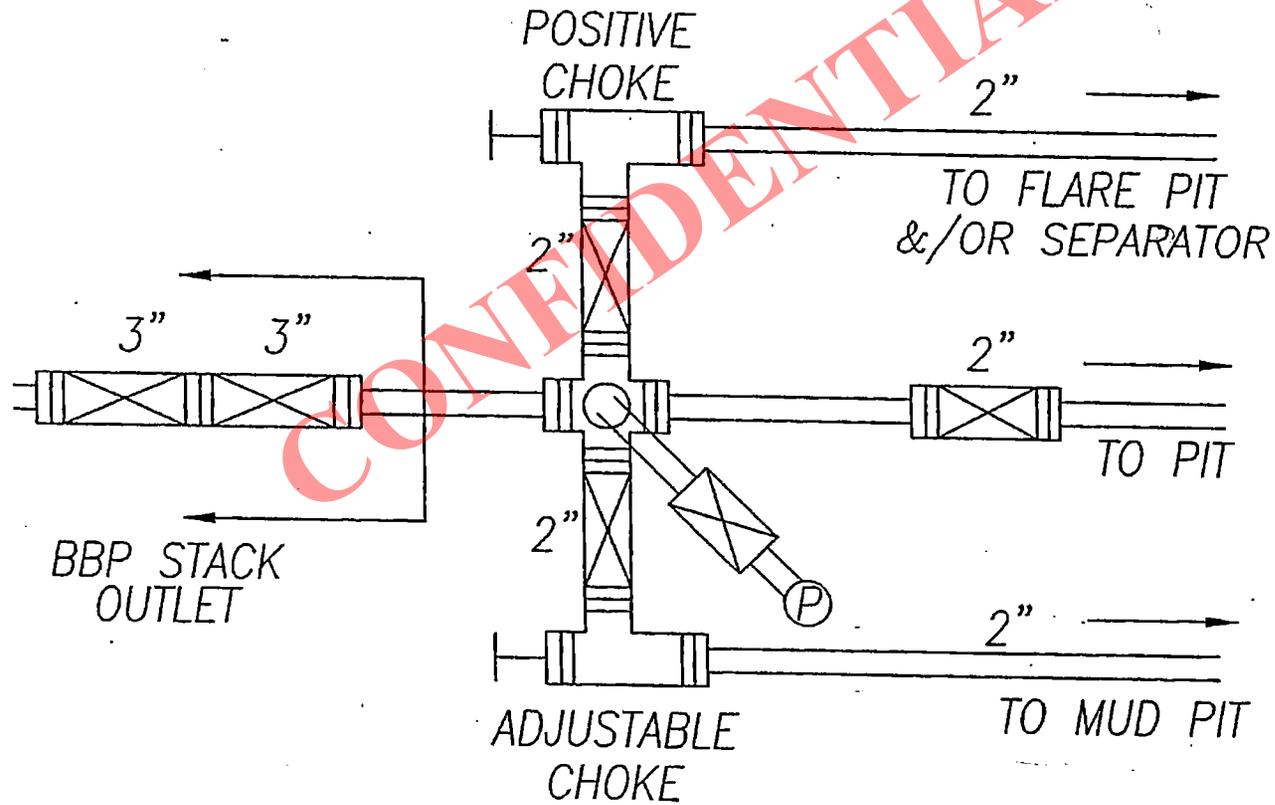
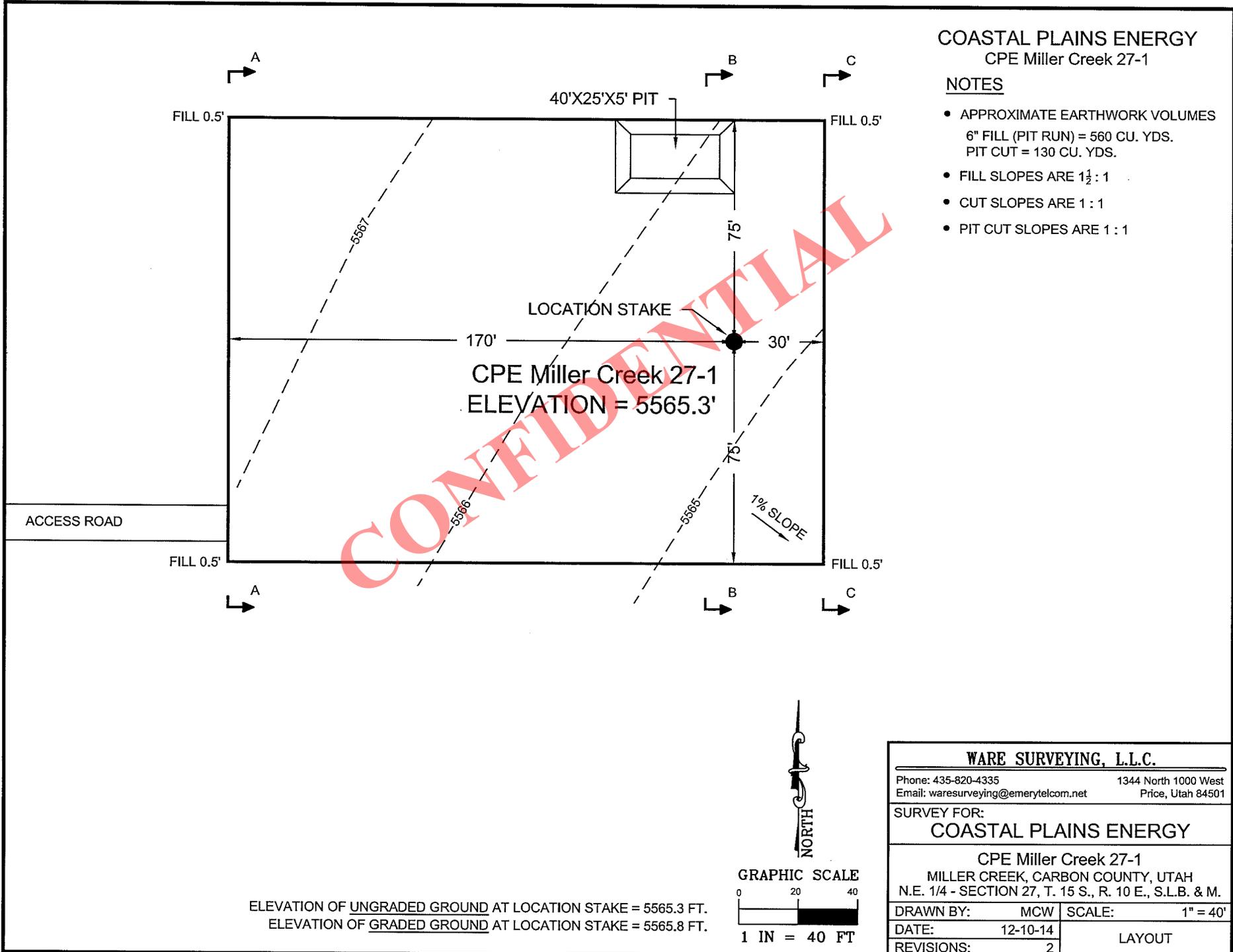


EXHIBIT "H"

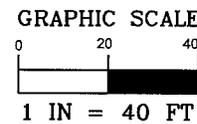
COASTAL PLAINS ENERGY
CPE Miller Creek 27-1

NOTES

- APPROXIMATE EARTHWORK VOLUMES
6" FILL (PIT RUN) = 560 CU. YDS.
PIT CUT = 130 CU. YDS.
- FILL SLOPES ARE 1½ : 1
- CUT SLOPES ARE 1 : 1
- PIT CUT SLOPES ARE 1 : 1



ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5565.3 FT.
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5565.8 FT.



WARE SURVEYING, L.L.C.	
Phone: 435-820-4335	1344 North 1000 West
Email: waresurveying@emerytelcom.net	Price, Utah 84501
SURVEY FOR:	
COASTAL PLAINS ENERGY	
CPE Miller Creek 27-1	
MILLER CREEK, CARBON COUNTY, UTAH	
N.E. 1/4 - SECTION 27, T. 15 S., R. 10 E., S.L.B. & M.	
DRAWN BY: MCW	SCALE: 1" = 40'
DATE: 12-10-14	LAYOUT
REVISIONS: 2	

EXHIBIT "E"
MULTIPOINT SURFACE USE PLAN

Attached to UDOGM Form 3
Coastal Plains Energy, Inc.
CPE Miller Creek 27-1
NE/4, Section 27, T15S, R10E
1,850' FNL, 2022' FEL
Carbon County, Utah

1. Existing Roads

- a. The proposed access road will be constructed and consistent with the surface owner and Coastal Plains Energy, Inc.
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B"

2. Planned Access

Approximately 1,000' of new access will be required (see Exhibit "B"). Access is determined by acquired right-of-way by the surface owner.

- a. Maximum width: 24'
- b. Maximum grade: 10%
- c. Turnouts: None
- d. Drainage design: 2 – 18" culverts may be required along the new and two-track portion of the road. Water will be diverted around the road as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Existing trees will be left in place where practical to provide screening and buffer areas.

3. Location of Existing Wells

See Exhibit "B". There is an existing well within a one-mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be located at the well site;
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from a local water source.
- b. Water will be transported by truck over approved access roads or pumped from a nearby water supply.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for Handling Waste Disposal

- a. As the well is expected to be air drilled to 1,490', a blooie reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. **Ancillary Facilities**

We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. **Wellsite Layout**

- a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Exhibit "A-2".
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "A-2".
- d. Natural runoff will be diverted around the well pad.

10. **Plans for Restoration of Surface**

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas, and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existed conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be re-contoured to the natural contour as is possible.

11. **Surface Ownership**

The wellsite and access road will be constructed on lands owned by Mr. Joe Iriart, 7465 Upper Miller Creek Road, Price, UT 84501. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. **Other Information**

- a. The primary surface use is for wildlife habitat and grazing. The nearest dwelling is approximately 1/2 mile west. Nearest live water is the Allen Lateral irrigation Canal 1,800' north.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- c. The back slope and fore slope will be constructed no steeper than 3:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the wellsite during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas and Mining.

13. **Company Representative**

Christopher N. Biggs
Coastal Plains Energy, Inc.
6303 N. Portland, Suite 208
Oklahoma City, OK 73112
405-601-5446

Excavation Contractor

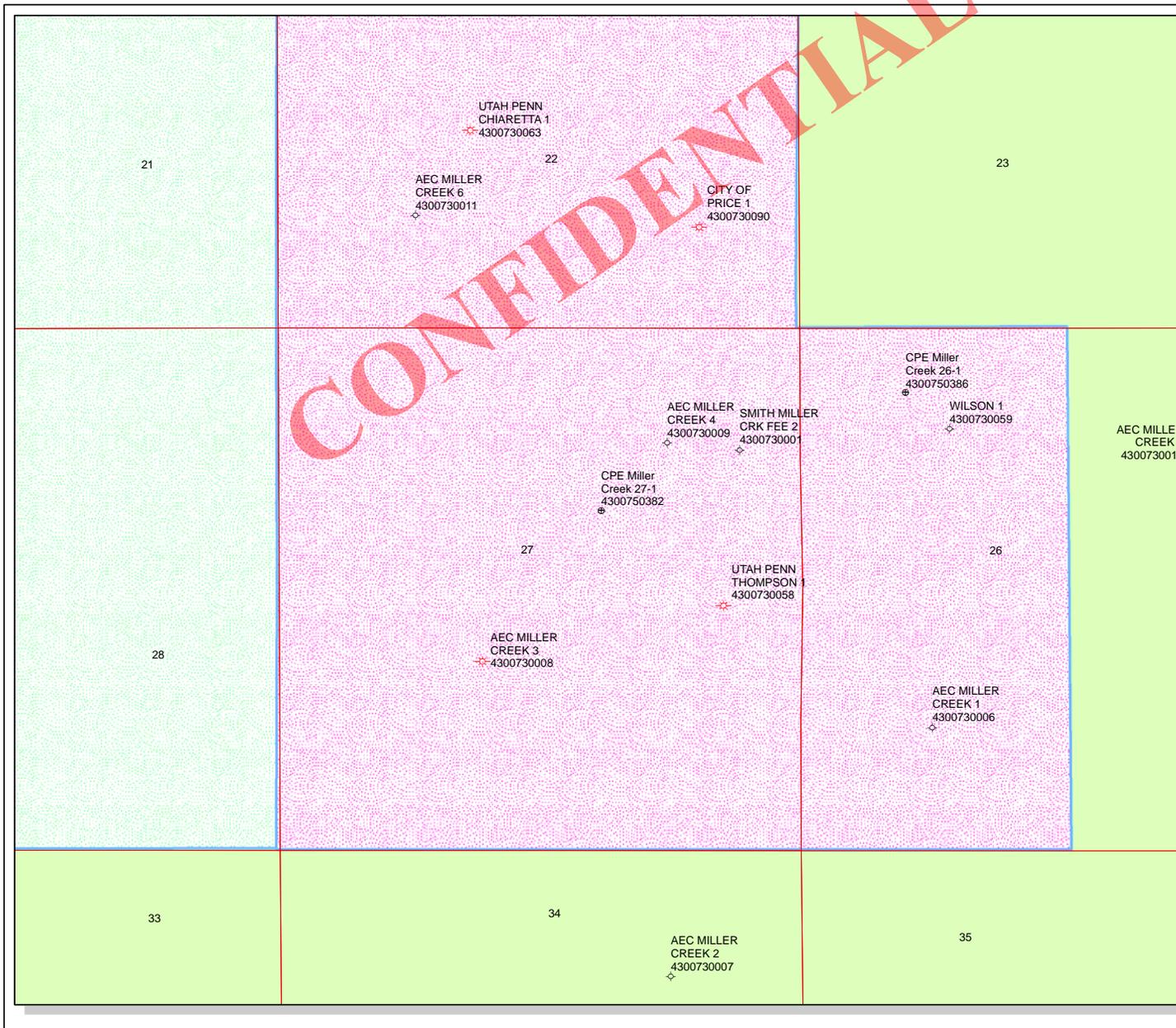
TBD

14. **Certification**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Coastal Plains Energy, Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date

Christopher N. Biggs
Coastal Plains Energy, Inc.



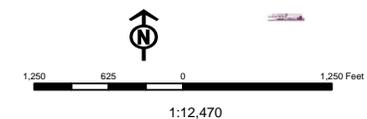
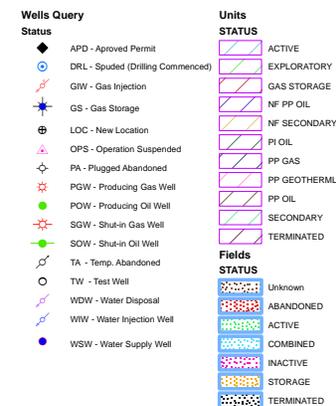
API Number: 4300750382

Well Name: CPE Miller Creek 27-1

Township: T15.0S Range: R10.0E Section: 27 Meridian: S

Operator: COASTAL PLAINS ENERGY INC

Map Prepared: 12/18/2014
Map Produced by Diana Mason



COASTAL PLAINS ENERGY, INC.

6303 NORTH PORTLAND, SUITE 208
OKLAHOMA CITY, OK 73112

405-601-5446
FAX 405-601-5844

12/4/2014

Utah Division of Oil, Gas and Mining
Brad Hill P. G.
Oil and Gas Permitting Manager/Petroleum Geologist
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

RE: CPE Miller Creek 27-1
APD #10221

Dear Mr. Hill:

The proposed well is subject to Board Order 137-2 (B) which calls for locating wells 1,000 feet from section lines or quarter section lines within the 160 acre spacing unit. I am writing to inform you that Coastal Plains Energy, Inc. ("Coastal") has obtained leases and a "Waiver and Consent" in all tracts within one thousand feet (1000') of the proposed CPE Miller Creek 27-1. It is therefore our request that "Coastal" be granted a location exception for the CPE Miller Creek 27-1. In accordance and to satisfy a demand by the present surface owner Mr. Joe Iriart, "Coastal" has agreed to locate the CPE Miller Creek 27-1, 1900 feet from the north line and 1900 feet from the east line of the northeast quarter of Section 27, Township 15 South, Range 10 East of Carbon County, Utah.

Attached please find the pertinent "Waiver and Consent" within the 1000 feet of the proposed location.

Thank you for your time and consideration regarding this request.

Sincerely,



Christopher N. Biggs
President

Enclosure

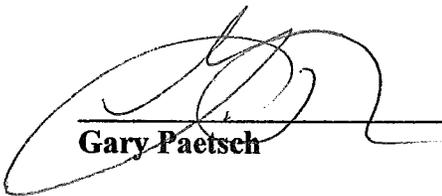
Waiver and Consent

I, Gary Paetsch, as an owner of a mineral interest in the described tract:

Township 15 South, Range 10 East, SLM
Section 27: NW/4 NE/4

And as an heir and on behalf of Lois A. Paetsch deceased, grant Coastal Plains Energy, Inc., consent to drill the following proposed location:

1900 feet from the North Line and 1900 Feet from the East Line of the NE/4 of Section 27 Township 15 South Range 10 East, Carbon County, Utah.



Gary Paetsch

10 25 14

Date

CONFIDENTIAL

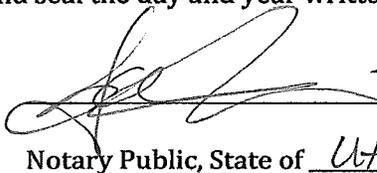
ACKNOWLEDGMENT

STATE OF Utah
COUNTY OF Salt Lake

BEFORE ME, the undersigned, a Notary Public, in and for said County and State on this 25 day of October 2014, personally appeared Gary Paetsch to me known to be the identical person(s) described in and who executed the within and foregoing instrument of writing and acknowledged to me that they duly executed the same as their free and voluntary act and deed for the purposes therein set forth.

IN WITNESS WHEREOF, my hand and seal the day and year written above.





Notary Public, State of Utah

Notary's name (printed): Jake Sigulinsky

Notary's commission expires: May 9, 2017

Well Name	COASTAL PLAINS ENERGY INC CPE Miller Creek 27-1 4300750382000			
String	SURF	PROD		
Casing Size(")	7.000	4.500		
Setting Depth (TVD)	300	1490		
Previous Shoe Setting Depth (TVD)	0	300		
Max Mud Weight (ppg)	8.4	8.4		
BOPE Proposed (psi)	500	3000		
Casing Internal Yield (psi)	4360	4790		
Operators Max Anticipated Pressure (psi)	350	4.5		

Calculations	SURF String	7.000	"	
Max BHP (psi)	.052*Setting Depth*MW=	131		
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	95	YES	air drill
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	65	YES	OK
			*Can Full Expected Pressure Be Held At Previous Shoe?	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	65	NO	
Required Casing/BOPE Test Pressure=		300	psi	
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient	

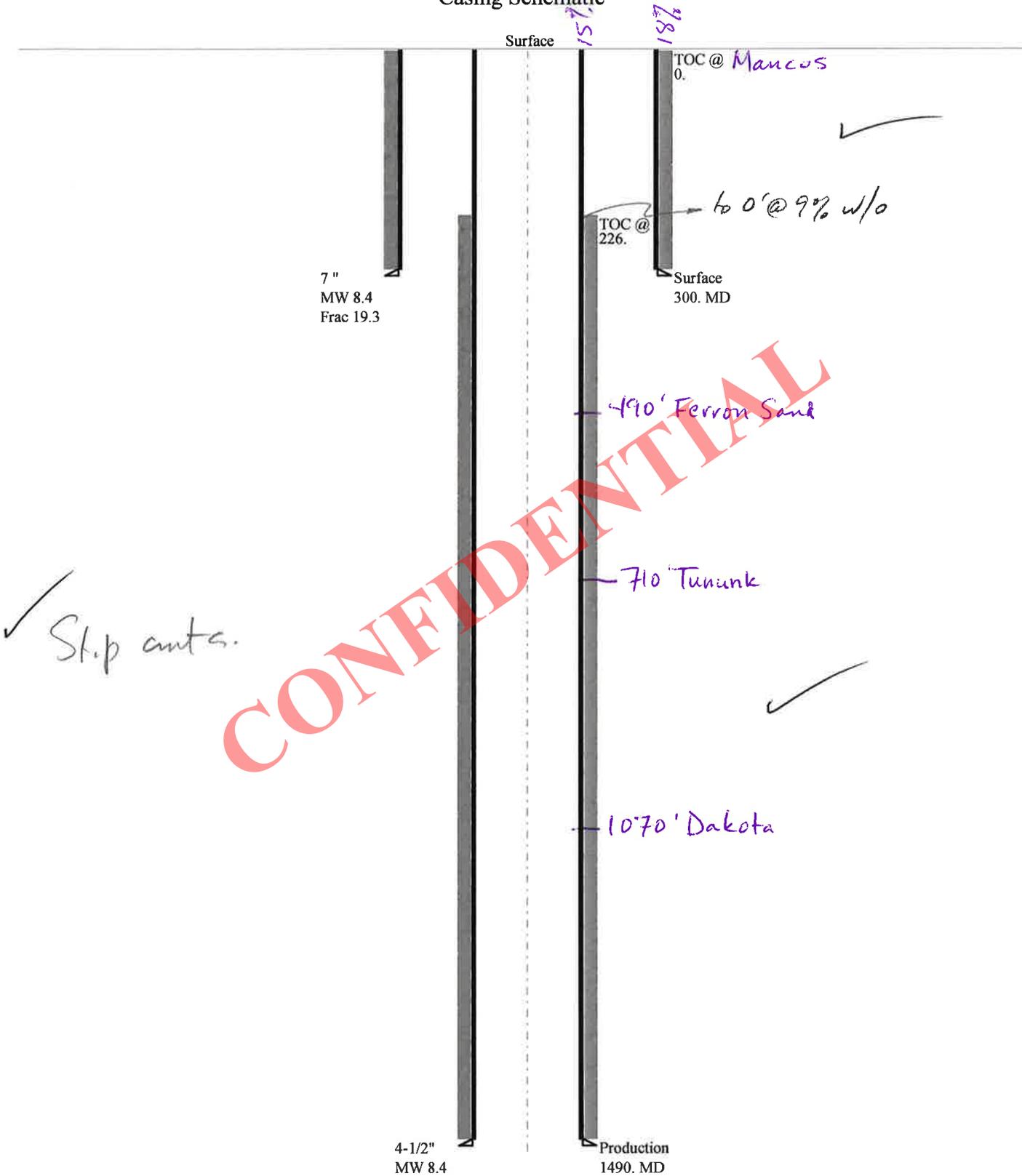
Calculations	PROD String	4.500	"	
Max BHP (psi)	.052*Setting Depth*MW=	651		
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	472	YES	3M BOP, dbl ram, annular preventer, choke manifold
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	323	YES	OK
			*Can Full Expected Pressure Be Held At Previous Shoe?	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	389	NO	OK
Required Casing/BOPE Test Pressure=		1490	psi	
*Max Pressure Allowed @ Previous Casing Shoe=		300	psi *Assumes 1psi/ft frac gradient	

Calculations	String		"	
Max BHP (psi)	.052*Setting Depth*MW=			
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO	
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO	
			*Can Full Expected Pressure Be Held At Previous Shoe?	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO	
Required Casing/BOPE Test Pressure=			psi	
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient	

Calculations	String		"	
Max BHP (psi)	.052*Setting Depth*MW=			
			BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO	
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO	
			*Can Full Expected Pressure Be Held At Previous Shoe?	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO	
Required Casing/BOPE Test Pressure=			psi	
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient	

43007503820000 CPE Miller Creek 27-1

Casing Schematic



CONFIDENTIAL

✓ Strip ants.

✓

Well name:	43007503820000 CPE Miller Creek 27-1		
Operator:	COASTAL PLAINS ENERGY INC		Project ID:
String type:	Surface		43-007-50382
Location:	CARBON COUNTY		

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 74 °F
 Bottom hole temperature: 78 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 100 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 264 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 300 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.70 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 262 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 1,490 ft
 Next mud weight: 8.400 ppg
 Next setting BHP: 650 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 300 ft
 Injection pressure: 300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	300	7	23.00	J-55	ST&C	300	300	6.25	1481
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	131	3270	24.979	300	4360	14.53	6.9	284	41.16 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Mining

Phone: 801 538-5357
 FAX: 801-359-3940

Date: January 5, 2015
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 300 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	43007503820000 CPE Miller Creek 27-1		
Operator:	COASTAL PLAINS ENERGY INC		
String type:	Production	Project ID:	43-007-50382
Location:	CARBON COUNTY		

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 74 °F
 Bottom hole temperature: 95 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 100 ft
 Cement top: 226 ft

Burst

Max anticipated surface pressure: 471 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 650 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on air weight.
 Neutral point: 1,304 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	1490	4.5	10.50	J-55	ST&C	1490	1490	3.927	3353
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	650	4010	6.168	650	4790	7.37	15.6	132	8.44 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Mining

Phone: 801 538-5357
 FAX: 801-359-3940

Date: January 5, 2015
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 1490 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator COASTAL PLAINS ENERGY INC
Well Name CPE Miller Creek 27-1
API Number 43007503820000 **APD No** 10221 **Field/Unit** MILLER CREEK
Location: 1/4,1/4 SWNE **Sec** 27 **Tw** 15.0S **Rng** 10.0E 1850 FNL 2022 FEL
GPS Coord (UTM) **Surface Owner** Joe Iriat

Participants

M. Jones (UDOGM), C. Ware (Ware Surveying), Joe Iriat (surface owner).

Regional/Local Setting & Topography

This site is staked in Carbon County, south of Price, Utah approximately 8 miles south southeast. The local and regional setting is made up of moderate to deep cut ephemeral drainages cutting through mancos clay silty clay loam soil flats dotted primarily with sagebrush and greasewood vegetation communities. Cultivated farm lands have been developed in these flat land areas in areas lower in elevation than the Carbon Canal throughout Carbon County. Moderately sloped small rolling mancos hills are also prevalent in some areas. Due to the farming community of the immediate area of this staked and proposed well location live surface waters are abundant in the spring, summer, and fall months of the year. These farming acreages all drain towards Miller Creek, a naturally flowing year round live water source, which makes it's way to the Price River several miles to the east.

Surface Use Plan

Current Surface Use

Grazing
Agricultural

New Road Miles

0.18

Well Pad

Width 150 Length 200

Src Const Material

Offsite

Surface Formation

Ancillary Facilities N

Well pad shall be built up with native pit run material to be obtained from a nearby gravel pit.

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetlands Y

this site will likely be swampy due to high water table

Flora / Fauna

salt grass, greasewood, fox tail, rag weed.

Soil Type and Characteristics

mancos silty heavy clay

Erosion Issues N

Sedimentation Issues N**Site Stability Issues Y**

Site could be unstable due to swampy nature of the soils in this spot. Well pad shall be built up with native pit run material to be obtained from a nearby gravel pit.

Drainage Diversion Required? Y

Divert all drainages around and away from access road and well pad.

Berm Required? N**Erosion Sedimentation Control Required? N**

Paleo Survey Run? N Paleo Potential Observed? N Cultural Survey Run? N Cultural Resources? N

Reserve Pit**Site-Specific Factors****Site Ranking**

Distance to Groundwater (feet)		20
Distance to Surface Water (feet)		20
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)		0
Affected Populations	30 to 50	30 to 50
Presence Nearby Utility Conduits	Not Present	0
	Final Score	53

1 Sensitivity Level

Characteristics / Requirements

A dugout earthen reserve pit (40'x25'x5') is planned to be used.

* The use of a reserve pit was discussed at length during this presite inspection. Concerns by UDOGM of high water table are present. It was agreed upon that a test hole would be dug prior to dirt work commencement to determine ground water levels if present. If ground water is present, no dugout earthen pit would be allowed at this site. If the soils are saturated to moderately saturated an earthen pit would be allowed, however a synthetic liner of a minimum of 16 mil would be required lining the pit. If it is determined that a dugout earthen pit will not be permitted at this site then a closed loop system would be required.

Closed Loop Mud Required? Y Liner Required? Y Liner Thickness 16 Pit Underlayment Required? N

Other Observations / Comments

Mark Jones
Evaluator

12/8/2014
Date / Time

CONFIDENTIAL

Application for Permit to Drill Statement of Basis

Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
10221	43007503820000	LOCKED	GW	P	No
Operator	COASTAL PLAINS ENERGY INC		Surface Owner-APD	Joe Iriat	
Well Name	CPE Miller Creek 27-1		Unit		
Field	MILLER CREEK		Type of Work	DRILL	
Location	SWNE 27 15S 10E S 1850 FNL (UTM) 518488E 4371569N		2022 FEL	GPS Coord	

Geologic Statement of Basis

The proposed well is to be drilled to a total depth of 1,490' with surface casing set from 0'-300'. The surface string and production string will be drilled using air mist. Within a one mile radius from the proposed well there are no current underground water rights on file. The poorly permeable soil has been formed from the erosion of the Blue Gate Member of the Mancos Shale. Units of the Ferron Sandstone Member of the Mancos Shale are present in the near surface or subsurface; these strata are included in the interval to be protected by the production casing string. Proposed surface & production casing and cement should adequately isolate any shallow zones containing useable groundwater.

Ammon McDonald
APD Evaluator

1/8/2015
Date / Time

Surface Statement of Basis

This site is staked in Carbon County, south of Price, Utah approximately 8 miles south southeast. The local and regional setting is made up of moderate to deep cut ephemeral drainages cutting through mancos clay silty clay loam soil flats dotted primarily with sagebrush and greasewood vegetation communities. Cultivated farm lands have been developed in these flat land areas in areas lower in elevation than the Carbon Canal throughout Carbon County. Moderately sloped small rolling Mancos hills are also prevalent in some areas. Due to the farming community of the immediate area of this staked and proposed well location live surface waters are abundant in the spring, summer, and fall months of the year. These farming acreages all drain towards Miller Creek, a naturally flowing year round live water source, which makes it's way to the Price River several miles to the east.

This well and pad was originally staked and APD submitted for a spot a few hundred feet to the north of where it is situated currently in this APD. It was moved to this new location at the landowners requests prior to the pre-site inspection. New APD information was submitted after the pre-site inspection was completed.

Site could be unstable due to swampy nature of the soils in this spot. Well pad shall be built up with native pit run material to be obtained from a nearby gravel pit. The location layout drawings submitted with this APD package indicate a .50 foot fill in all direction on the pad. It will be required to be 1 foot minimum of fill from existing grade in the NW corner of this well pad. The finished grade of the well pad shall be built to grade across the pad based on this newly established elevation. The access road shall also be built up from existing grade along it's length beginning at the County Road with said pit run type material.

A dugout earthen reserve pit (40'x25'x5') is requested by the operator in the APD package. The use of a reserve pit or not will be dependent upon the following scenarios;

*** The use of a reserve pit was discussed at length during this presite inspection. Concerns by UDOGM of high water table are present. It was agreed upon that a test hole would be dug prior to dirt work commencement to determine ground water levels if present. If ground water is present, no dugout earthen pit would be allowed at this site. If the soils are saturated to moderately saturated an earthen pit would be allowed, however a synthetic liner of a minimum of 16 mil would be required lining the pit. If it is determined that a dugout earthen pit will not be permitted at this site then a closed loop system would be required.

Divert all drainages around and away from access road and well pad.

Mark Jones
Onsite Evaluator

12/8/2014
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A dugout earthen reserve pit (40'x25'x5') is requested by the operator in the APD package. The use of a reserve pit or not will be dependent upon the following scenarios; *** The use of a reserve pit was discussed at length during this presite inspection. Concerns by UDOGM of high water table are present. It was agreed upon that a test hole would be dug prior to dirt work commencement to determine ground water levels if present. If ground water is present, no dugout earthen pit would be allowed at this site. If the soils are saturated to moderately saturated an earthen pit would be allowed, however a synthetic liner of a minimum of 16 mil would be required lining the pit. If it is determined that a dugout earthen pit will not be permitted at this site then a closed loop system would be required.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	Site could be unstable due to swampy nature of the soils in this spot. Well pad shall be built up with native pit run material to be obtained from a nearby gravel pit. The location layout drawings submitted with this APD package indicate a .50 foot fill in all direction on the pad. It will be required to be 1 foot minimum of fill from existing grade in the NW corner of this well pad. The finished grade of the well pad shall be built to grade across the pad based on this newly established elevation. The access road shall also be built up from existing grade along it's length beginning at the County Road with said pit run type material.

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/27/2014

API NO. ASSIGNED: 43007503820000

WELL NAME: CPE Miller Creek 27-1

OPERATOR: COASTAL PLAINS ENERGY INC (N2170)

PHONE NUMBER: 405 601-5446

CONTACT: Christopher N. Biggs

PROPOSED LOCATION: SWNE 27 150S 100E

Permit Tech Review:

SURFACE: 1850 FNL 2022 FEL

Engineering Review:

BOTTOM: 1850 FNL 2022 FEL

Geology Review:

COUNTY: CARBON

LATITUDE: 39.49353

LONGITUDE: -110.78499

UTM SURF EASTINGS: 518488.00

NORTHINGS: 4371569.00

FIELD NAME: MILLER CREEK

LEASE TYPE: 4 - Fee

LEASE NUMBER: Fee

PROPOSED PRODUCING FORMATION(S): DAKOTA

SURFACE OWNER: 4 - Fee

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: STATE - CTCS-267895
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: AIR
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingle Approved

LOCATION AND SITING:

- R649-2-3.
- Unit:
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: Cause 137-02(B)
- Effective Date: 2/25/1982
- Siting: 1000' FR DRILLING UNIT BOUNDARY
- R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 1 - Exception Location - BHILL
 5 - Statement of Basis - BHILL
 12 - Cement Volume (3) - hmacdonald
 25 - Surface Casing - hmacdonald



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. HAZA
Division Director

Permit To Drill

Well Name: CPE Miller Creek 27-1
API Well Number: 43007503820000
Lease Number: Fee
Surface Owner: FEE (PRIVATE)
Approval Date: 1/8/2015

Issued to:

COASTAL PLAINS ENERGY INC, 6303 North Portland, Suite 208, Oklahoma City, OK 73112

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 137-02(B). The expected producing formation or pool is the DAKOTA Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

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

Exception Location:

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

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.

Conditions of Approval:

Cement volume for the 4 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to surface.

Surface casing shall be cemented to the surface.

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

Additional Approvals:

The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan - contact Dustin Doucet
- Significant plug back of the well - contact Dustin Doucet
- Plug and abandonment of the well - contact Dustin Doucet

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well - contact Carol Daniels
OR
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website
at <http://oilgas.ogm.utah.gov>
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing - contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program
- contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well - contact Dan Jarvis

Contact Information:

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
801-231-8956 - after office hours

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

Approved By:

Approved by:



For John Rogers
Associate Director, Oil & Gas



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 10, 2016

Coastal Plains Energy Inc.
6303 North Portland, Ste. 208
Oklahoma City, OK 73112

Re: APD Rescinded – CPE Miller Creek 27-1, Sec. 27, T.15, R.10E,
Carbon County, Utah API No. 43-007-50382

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 8, 2015. No drilling activity at this location has been reported to the Division. Therefore, approval to drill the well is hereby rescinded, effective March 10, 2016.

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 Mason
Environmental Scientist

cc: Well File
Brad Hill, Technical Service Manager