

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

FORM 3

AMENDED REPORT

|   |                  |                    |  |                        |                           |   |               |   |              |               |  |
|---|------------------|--------------------|--|------------------------|---------------------------|---|---------------|---|--------------|---------------|--|
| <b>APPLICATION FOR PERMIT TO DRILL</b>  |                  |                    |  |                        |                           | <b>1. WELL NAME and NUMBER</b><br>CPE Miller Creek 26-1   |               |   |              |               |  |
| <b>2. TYPE OF WORK</b><br>DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> |                  |                    |  |                        |                           | <b>3. FIELD OR WILDCAT</b><br>MILLER CREEK  |               |   |              |               |  |
| <b>4. TYPE OF WELL</b><br>Gas Well <input type="checkbox"/> Coalbed Methane Well: NO <input type="checkbox"/>   |                  |                    |  |                        |                           | <b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>  |               |   |              |               |  |
| <b>6. NAME OF OPERATOR</b><br>COASTAL PLAINS ENERGY INC   |                  |                    |  |                        |                           | <b>7. OPERATOR PHONE</b><br>405 601-5446  |               |   |              |               |  |
| <b>8. ADDRESS OF OPERATOR</b><br>6303 North Portland, Suite 208, Oklahoma City, OK, 73112   |                  |                    |  |                        |                           | <b>9. OPERATOR E-MAIL</b><br>cbiggs@coplains.com  |               |   |              |               |  |
| <b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b><br>Fee  |                  |                    | <b>11. MINERAL OWNERSHIP</b><br>FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>    |                        |                           | <b>12. SURFACE OWNERSHIP</b><br>FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |               |   |              |               |  |
| <b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b><br>Joe Iriart  |                  |                    |  |                        |                           | <b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b><br>432-630-9434  |               |   |              |               |  |
| <b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b><br>7465 Upper Miller Creek Road, Price, UT 84501  |                  |                    |  |                        |                           | <b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>   |               |   |              |               |  |
| <b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>   |                  |                    | <b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b><br>YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/> |                        |                           | <b>19. SLANT</b><br>VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>                               |               |   |              |               |  |
| <b>20. LOCATION OF WELL</b>   |                  | <b>FOOTAGES</b>    |  | <b>QTR-QTR</b>         | <b>SECTION</b>            | <b>TOWNSHIP</b>   | <b>RANGE</b>  | <b>MERIDIAN</b>   |              |               |  |
| LOCATION AT SURFACE   |                  | 650 FNL 1080 FWL   |  | NWNW                   | 26                        | 15.0 S  | 10.0 E        | S   |              |               |  |
| Top of Uppermost Producing Zone   |                  | 650 FNL 1080 FWL   |  | NWNW                   | 26                        | 15.0 S  | 10.0 E        | S   |              |               |  |
| At Total Depth  |                  | 650 FNL 1080 FWL   |  | NWNW                   | 26                        | 15.0 S  | 10.0 E        | S   |              |               |  |
| <b>21. COUNTY</b><br>CARBON   |                  |                    | <b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b><br>650  |                        |                           | <b>23. NUMBER OF ACRES IN DRILLING UNIT</b><br>160  |               |   |              |               |  |
|   |                  |                    | <b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b><br>2500   |                        |                           | <b>26. PROPOSED DEPTH</b><br>MD: 1450 TVD: 1450   |               |   |              |               |  |
| <b>27. ELEVATION - GROUND LEVEL</b><br>5535   |                  |                    | <b>28. BOND NUMBER</b><br>CTCS-267895  |                        |                           | <b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b><br>air   |               |   |              |               |  |
| <b>Hole, Casing, and Cement Information</b>   |                  |                    |  |                        |                           |   |               |   |              |               |  |
| <b>String</b>   | <b>Hole Size</b> | <b>Casing Size</b> | <b>Length</b>  | <b>Weight</b>          | <b>Grade &amp; Thread</b> | <b>Max Mud Wt.</b>  | <b>Cement</b> | <b>Sacks</b>  | <b>Yield</b> | <b>Weight</b> |  |
| SURF  | 8.75             | 7                  | 0 - 300  | 23.0                   | J-55 ST&C                 | 8.4   | Type H        | 100   | 1.06         | 16.0          |  |
| PROD  | 6.125            | 4.5                | 0 - 1450   | 10.5                   | J-55 LT&C                 | 8.4   | Type H        | 150   | 1.35         | 11.0          |  |
| <b>ATTACHMENTS</b>  |                  |                    |  |                        |                           |   |               |   |              |               |  |
| <b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>   |                  |                    |  |                        |                           |   |               |   |              |               |  |
| <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   |               |   |              |               |  |
| <b>NAME</b> Christopher N. Biggs  |                  |                    |  | <b>TITLE</b> President |                           |   |               | <b>PHONE</b> 405 601-5446   |              |               |  |
| <b>SIGNATURE</b>  |                  |                    |  | <b>DATE</b> 08/26/2014 |                           |   |               | <b>EMAIL</b> cbiggs@coplains.com  |              |               |  |
| <b>API NUMBER ASSIGNED</b><br>43007503860000  |                  |                    |  | <b>APPROVAL</b>        |                           |   |               | <div style="border: 1px solid black; padding: 5px; display: inline-block;">                 X<br/>Approval Signature<br/><br/>Permit Manager             </div> |              |               |  |

**EXHIBIT "D"**  
**DRILLING PROGRAM**

**Attached to UDOGM Form 3**  
**Coastal Plains Energy, Inc.**  
**CPE Miller Creek 26-1**  
**NW/4, Section 26, T15S, R10E**  
**650' FNL, 1,080' FWL**  
**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: 5,534'</u>  |
|------------------|-------------------|----------------------------|
| Ferron Sand      | 450'              | +5,084' (Prospective Zone) |
| Tannuck          | 670'              | +4,588' (Prospective Zone) |
| Dakota           | 1,030'            | +4,504' (Prospective Zone) |
| T.D.             | 1,450'            |                            |

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 &amp; Joint</u> | <u>Condition</u> |
|------------------|---------------------------------|------------------|----------------------------------|------------------|
| 8-3/4"           | 300'                            | 7"               | 23 lb/ft, J-55, STC              | Used             |
| 6-1/8"           | 1,450'                          | 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 ft<sup>3</sup>/sk

Production Casing: 150 sacks Class H  
Weight: 11 lb/gal  
Yield: 1.35 ft<sup>3</sup>/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.

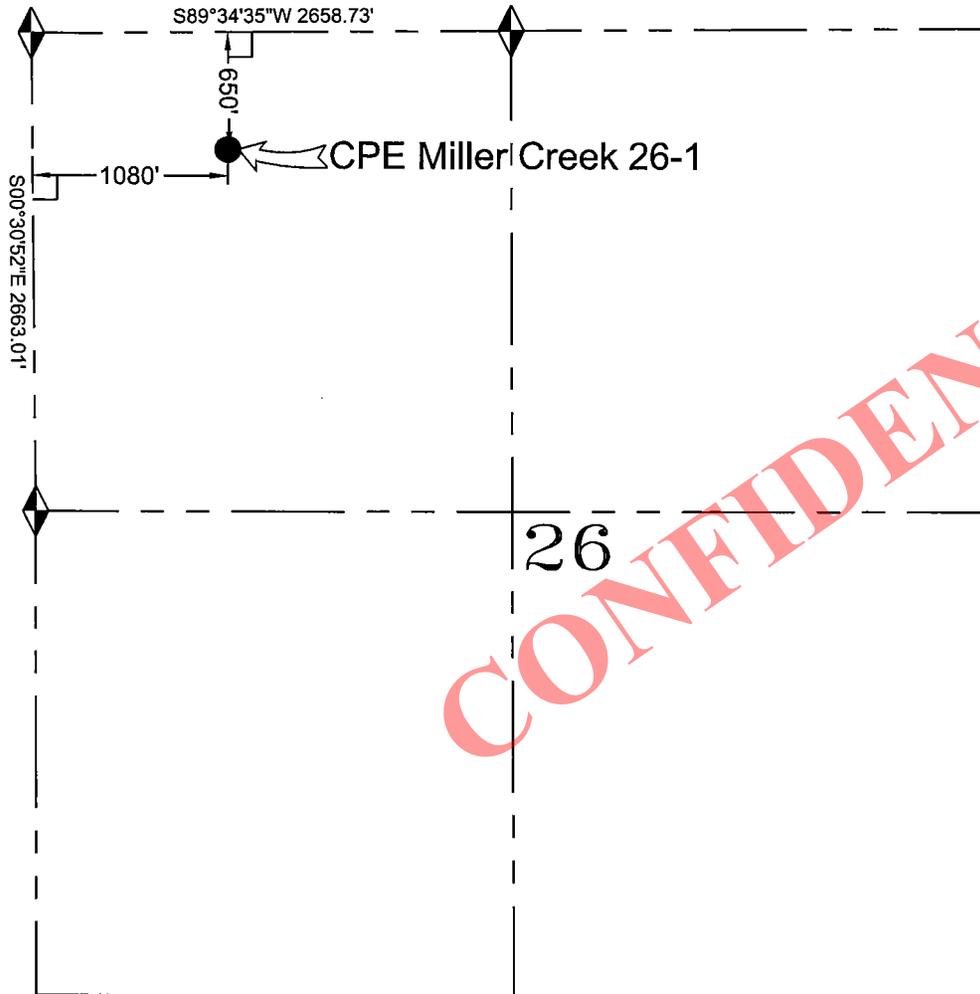
Verbal and or/written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining;

- 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.

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

COASTAL PLAINS ENERGY  
CPE Miller Creek 26-1

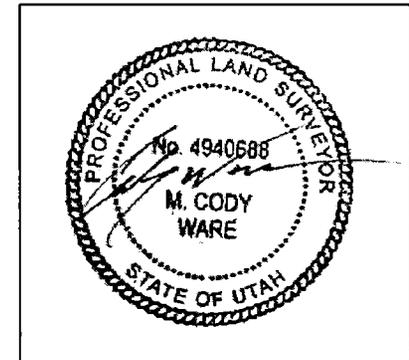


THE BASIS OF ELEVATION USED FOR THIS SURVEY IS 5552.98 FEET AT THE CARBON COUNTY GPS BASE STATION (PUC1), WHICH WAS USED FOR THIS SURVEY. COORDINATE SYSTEM IS US STATE PLANE 1983, UTAH CENTRAL ZONE (4302), NAD1983 DATUM USING GEOID 2009. BASIS OF BEARING IS BASED FROM THE SAME COORDINATE SYSTEM AND GPS 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: JULY 30, 2014



CONFIDENTIAL

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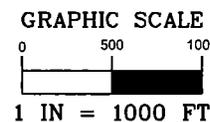
**LEGEND**

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

**GEODETIC COORDINATES:**

**SURFACE LOCATION**  
(NAD 1983)  
LAT.: 39°29'48.56" N (39.496822)  
LONG.: 110°46'26.01" W (110.773892)

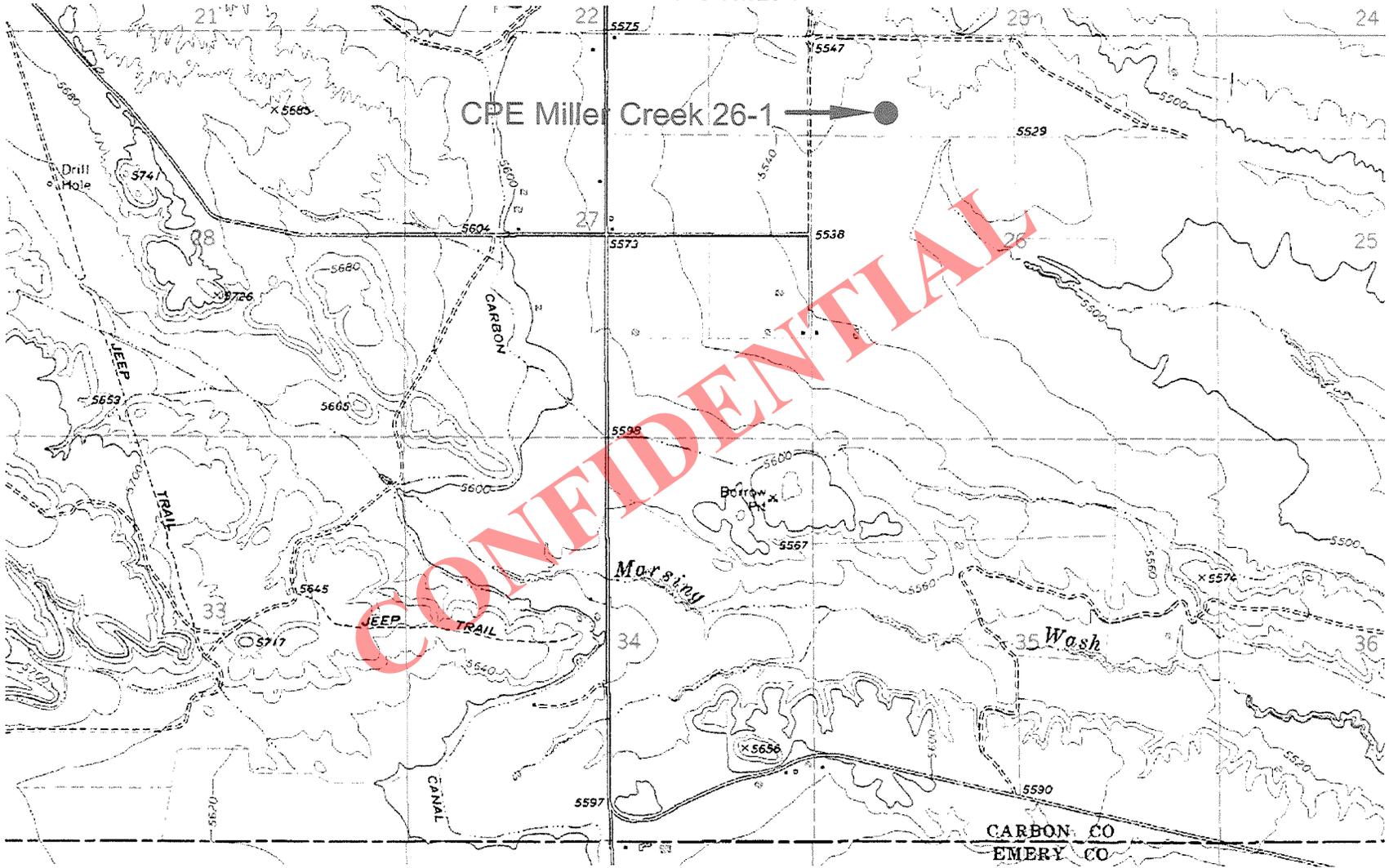
**(NAD 1927)**  
LAT.: 39°29'48.69" N (39.496858)  
LONG.: 110°46'23.32" W (110.773144)  
ELEVATION = 5535'



|  |                      |
|--|----------------------|
| <b>WARE SURVEYING, L.L.C.</b>                          |                      |
| Phone: 435-820-4335                                    | 1344 North 1000 West |
| Email: waresurveying@emerytelcom.net                   | Price, Utah 84501    |
| SURVEY FOR:  |                      |
| <b>COASTAL PLAINS ENERGY</b>                           |                      |
| CPE Miller Creek 26-1                                  |                      |
| MILLER CREEK, CARBON COUNTY, UTAH                      |                      |
| N.W. 1/4 - SECTION 26, T. 15 S., R. 10 E., S.L.B. & M. |                      |
| DRAWN BY: MCW  | SCALE: 1" = 1000'    |
| DATE: 7-30-14  |                      |
| REVISIONS: 2   | SECTION              |

COASTAL PLAINS ENERGY

CPE Miller Creek 26-1



CONFIDENTIAL

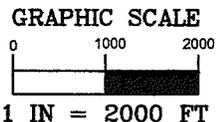
**WARE SURVEYING, L.L.C.**

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

SURVEY FOR:  
**COASTAL PLAINS ENERGY**

CPE Miller Creek 26-1  
 MILLER CREEK, CARBON COUNTY, UTAH  
 N.W. 1/4 - SECTION 26, 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 26-1  
NW/4 Section 26, 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:

**NW/4 of Section 26, 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 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

CONFIDENTIAL

**EXHIBIT "E"**  
**MULTIPOINT SURFACE USE PLAN**

**Attached to UDOGM Form 3**  
**Coastal Plains Energy, Inc.**  
**CPE Miller Creek 26-1**  
**NW/4, Section 26, T15S, R10E**  
**650 FNL, 1,080' FWL**  
**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 1,450', 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 mile west. Nearest live water is the Allen Lateral irrigation canal 1,500' northwest.
- 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.

8/25/2014

Date

  
\_\_\_\_\_  
Christopher N. Biggs  
Coastal Plains Energy, Inc.

# BOP Equipment

3000psi WP

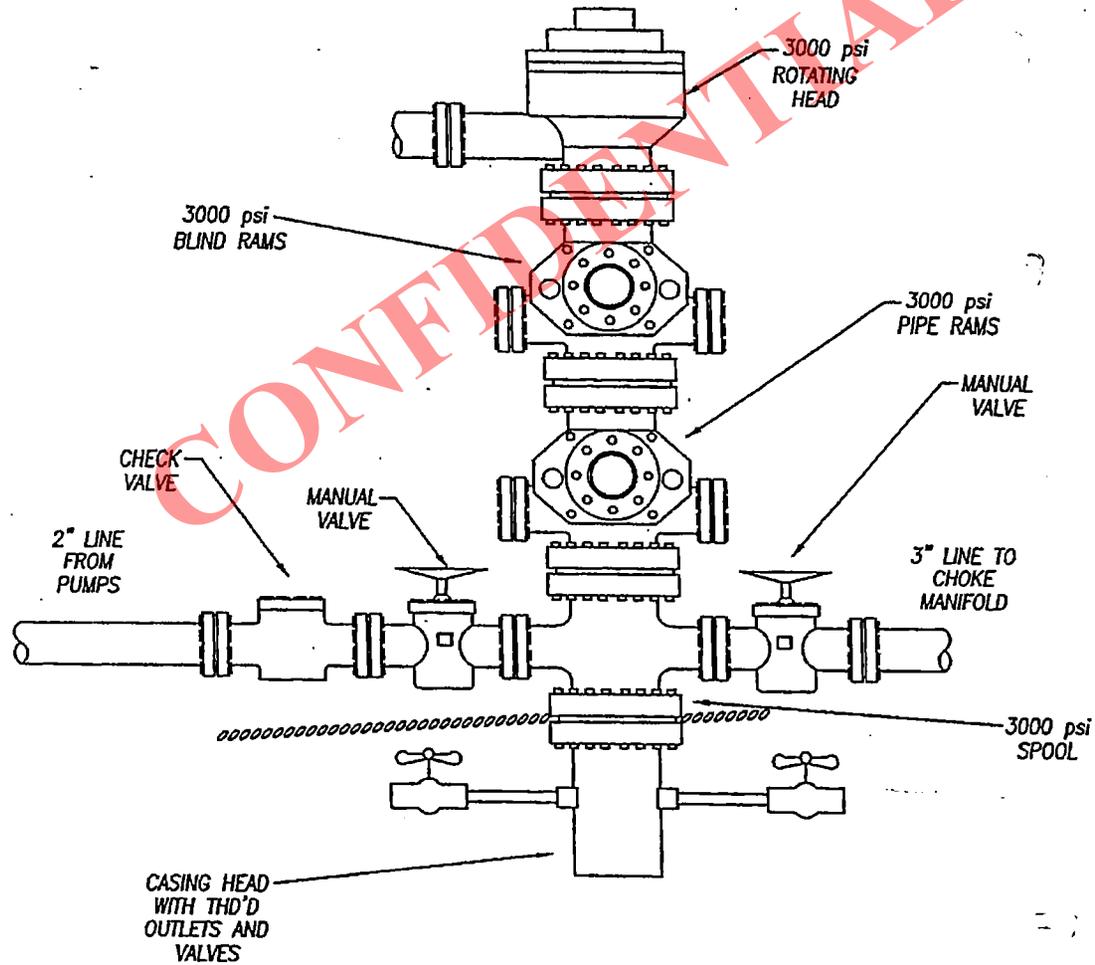


EXHIBIT "C"

# CHOKE MANIFOLD

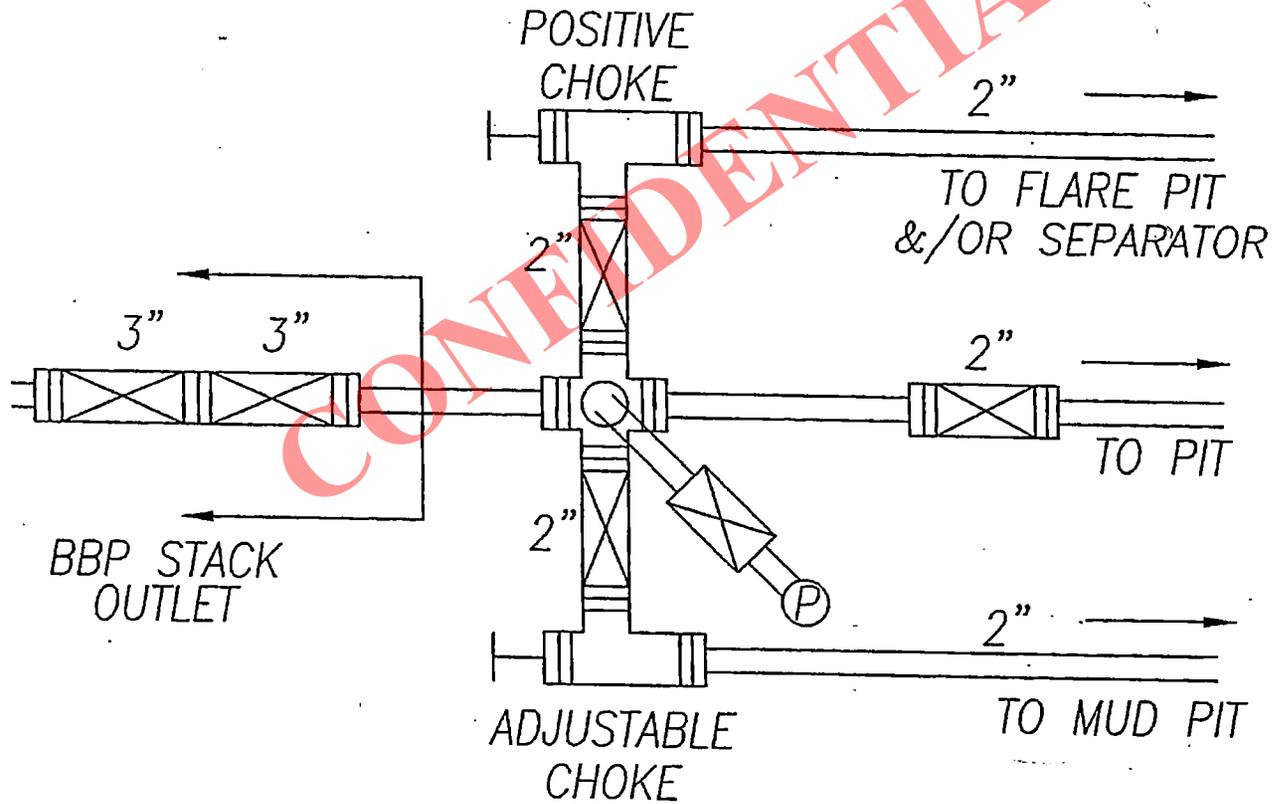


EXHIBIT "H"

**COASTAL PLAINS ENERGY, INC.**

6303 NORTH PORTLAND, SUITE 208  
OKLAHOMA CITY, OK 73112

405-601-5446  
FAX 405-601-5844

September 5, 2014

Mr. Brad Hill  
Oil and Gas Permitting Manager  
Division of Oil and Gas Mining  
1594 West North Temple  
Salt Lake City, UT 84116

RE: Oil and Gas Commission General Rules  
R649-3-3 Exception to Location

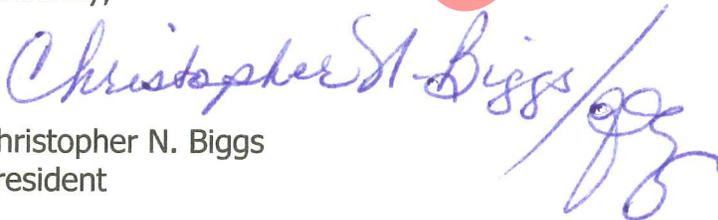
Dear Mr. Hill:

Coastal Plains Energy, Inc. (CPE) is proposing to drill a development well in the Miller Creek field, Carbon County, Utah. The well is located on fee land in the NW/4 of Section 26 in Township 15 South – Range 10 East.

As shown on the attached staking plat, the CPE Miller Creek 26-1 well is a vertical well in which the producing section falls outside of the allowed standard well spacing (R649-3-2). CPE is requesting an exception to the spacing requirement per regulation R649-3-3 since we were unable to locate the proposed well within the allowed spacing "window" due to topographic restraints and surface owner demands. To maintain orderly 40 acre spacing and efficient well drainage the well had to be drilled from the surface located in the NWNW of Section 26. CPE is the only operator within the 460' radius in Section 26.

Coastal Plains Energy, Inc. is requesting the approval of this exception location as proposed. If additional information is required, please contact me at (405) 601-5446.

Sincerely,

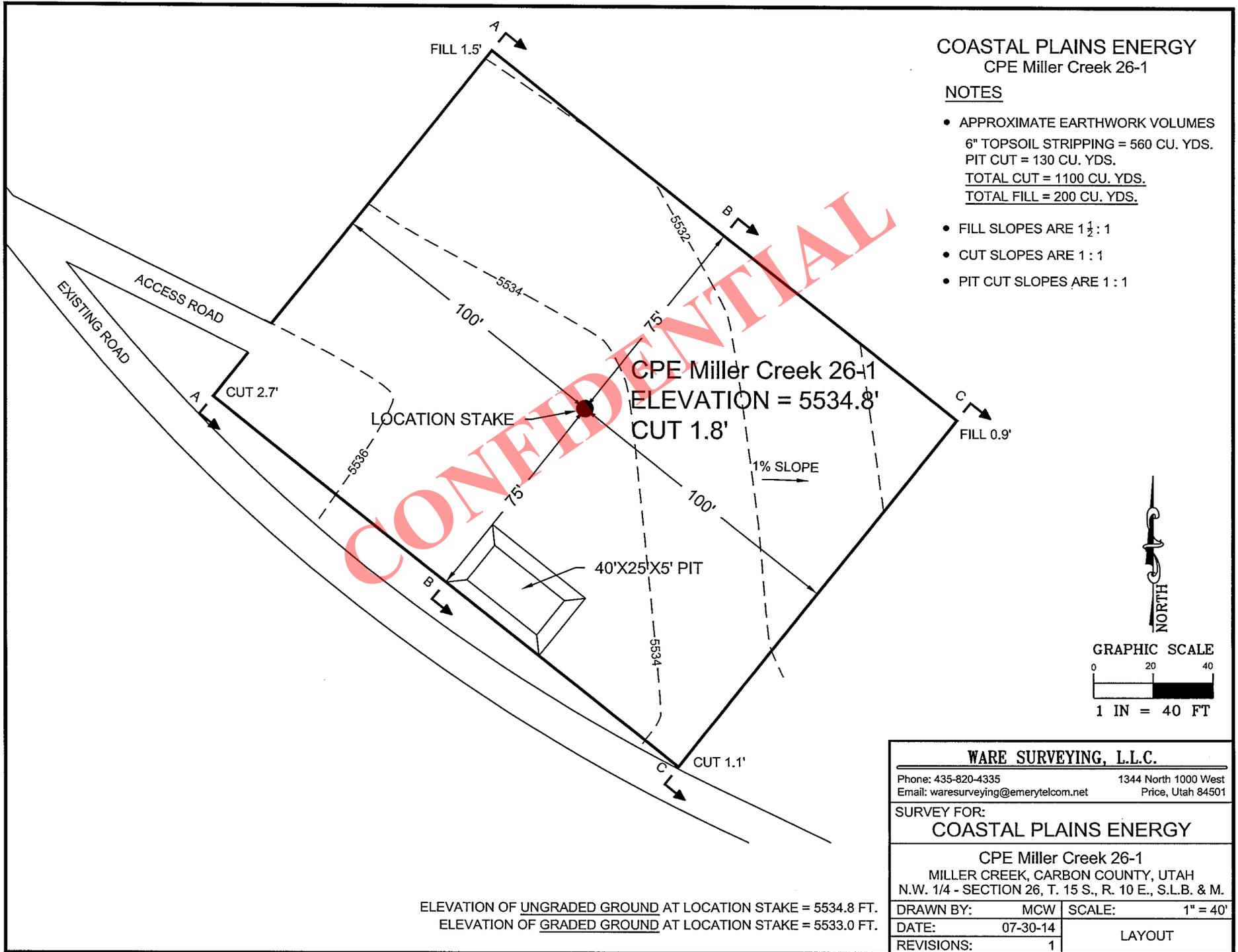


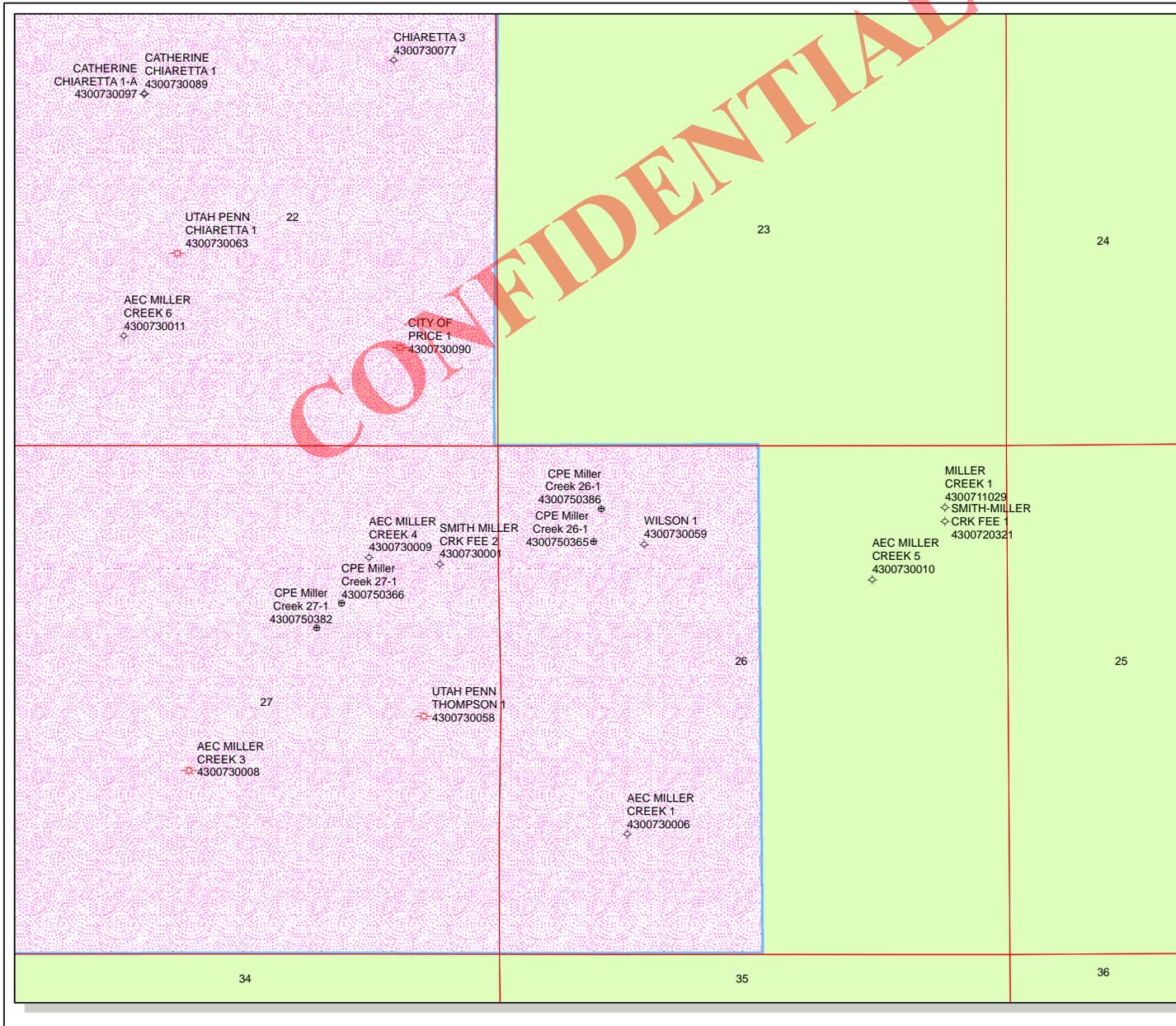
Christopher N. Biggs  
President

/jmh

Enclosure

cc: Fred N. Reynolds  
Michael A. Sleem





API Number: 4300750386

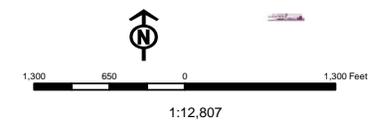
Well Name: CPE Miller Creek 26-1

Township: T15.0S Range: R10.0E Section: 26 Meridian: S

Operator: COASTAL PLAINS ENERGY INC

Map Prepared: 9/10/2014  
Map Produced by Diana Mason

| Wells Query |                                     | Units  |              |
|-------------|-------------------------------------|--------|--------------|
| Status      |                                     | STATUS |              |
| ◆           | APD - Approved Permit               | □      | ACTIVE       |
| ○           | DRIL - Spudded (Drilling Commenced) | □      | EXPLORATORY  |
| ↗           | GIW - Gas Injection                 | □      | GAS STORAGE  |
| ★           | GS - Gas Storage                    | □      | NF PP OIL    |
| ⊕           | LOC - New Location                  | □      | PI OIL       |
| ⊖           | OPS - Operation Suspended           | □      | PP GAS       |
| ⊙           | PA - Plugged Abandoned              | □      | PP GEOTHERML |
| ⊕           | PGW - Producing Gas Well            | □      | PP OIL       |
| ⊖           | POW - Producing Oil Well            | □      | SECONDARY    |
| ⊕           | SGW - Shut-in Gas Well              | □      | TERMINATED   |
| ⊖           | SOW - Shut-in Oil Well              |        |              |
| ⊖           | TA - Temp. Abandoned                | Fields |              |
| ○           | TW - Test Well                      | STATUS |              |
| ⊖           | WDW - Water Disposal                | □      | Unknown      |
| ⊖           | WW - Water Injection Well           | □      | ABANDONED    |
| ●           | WSW - Water Supply Well             | □      | ACTIVE       |
|             |                                     | □      | COMBINED     |
|             |                                     | □      | INACTIVE     |
|             |                                     | □      | STORAGE      |
|             |                                     | □      | TERMINATED   |



**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 26-1  
APD #10217

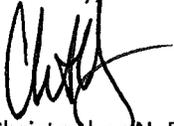
Dear Mr. Hill:

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 26-1. It is therefore our request that "Coastal" be granted a location exception for the CPE Miller Creek 26-1. In accordance and to satisfy a demand by the present surface owner Mr. Joe Iriart, "Coastal" has agreed to locate the CPE Miller Creek 26-1, 650 feet from the north line and 1080 feet from the west line of the northwest quarter of Section 26, 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

Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-Day Saints as owners of the mineral interest in the described tract:

**Township 15 South, Range 10 East, SLM  
Section 23: SE/4 SW/4**

Hereby grants Coastal Plains Energy, Inc. consent to drill the following proposed location:

**650 feet From the North Line and 1080 Feet from the West Line of the NW/4 of Section 26  
Township 15 South, Range 10 East, Carbon County, Utah.**

David H. Powers

David H. Powers  
Energy Group Manager

11/13/2014

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 13<sup>th</sup> day of November 2014, personally appeared David H. Powers to me known to be the identical person 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.

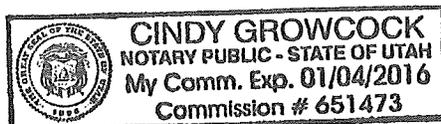
IN WITNESS WHEREOF, my hand and seal the day and year written above.

Cindy Growcock

Notary Public, State of Utah

Notary's name (printed): Cindy Growcock

Notary's commission expires: 1-4-16



|  |   |       |  |  |
|--|---|-------|--|--|
| Well Name                                | COASTAL PLAINS ENERGY INC CPE Miller Creek 26-1 4300750386000 |       |  |  |
| String                                   | Surf  | Prod  |  |  |
| Casing Size(")                           | 7.000   | 4.500 |  |  |
| Setting Depth (TVD)                      | 300   | 1450  |  |  |
| 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   | 4.6   |  |  |

|   |  |       |   |
|---|--|-------|---|
| 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 <input type="checkbox"/> air drill                  |
| MASP (Gas/Mud) (psi)                          | Max BHP-(0.22*Setting Depth)=                      | 65    | YES <input type="checkbox"/> OK                         |
|   |  |       | *Can Full Expected Pressure Be Held At Previous Shoe?   |
| Pressure At Previous Shoe                     | Max BHP-.22*(Setting Depth - Previous Shoe Depth)= | 65    | NO <input type="checkbox"/>                             |
| Required Casing/BOPE Test Pressure=           |  | 300   | psi   |
| *Max Pressure Allowed @ Previous Casing Shoe= |  | 0     | psi *Assumes 1psi/ft frac gradient                      |

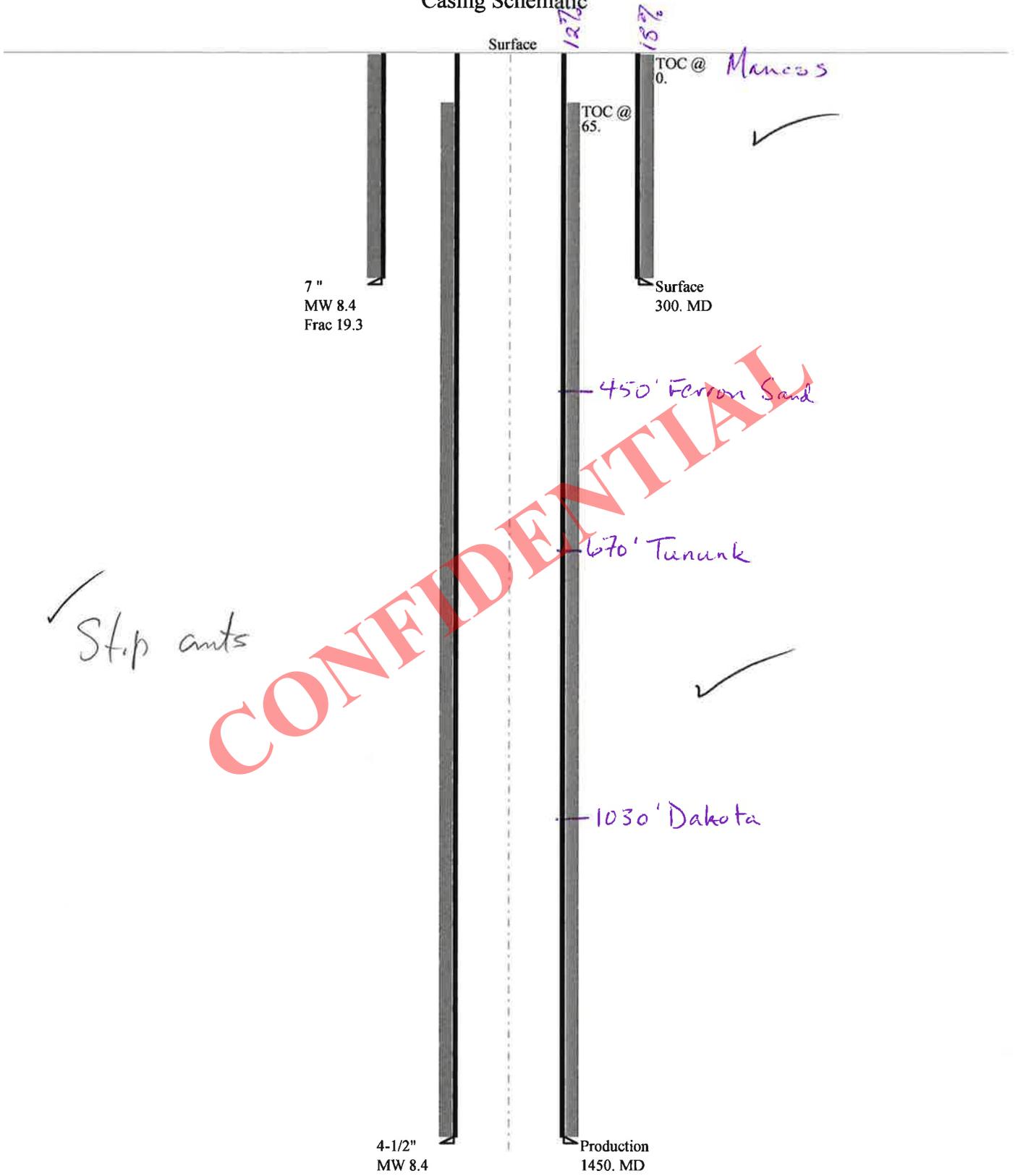
|   |  |       |   |
|---|--|-------|---|
| Calculations                                  | Prod String  | 4.500 | "   |
| Max BHP (psi)                                 | .052*Setting Depth*MW=                             | 633   |   |
|   |  |       | BOPE Adequate For Drilling And Setting Casing at Depth?                         |
| MASP (Gas) (psi)                              | Max BHP-(0.12*Setting Depth)=                      | 459   | YES <input type="checkbox"/> 3M BOP, dbl ram, annular preventer, choke manifold |
| MASP (Gas/Mud) (psi)                          | Max BHP-(0.22*Setting Depth)=                      | 314   | YES <input type="checkbox"/> OK   |
|   |  |       | *Can Full Expected Pressure Be Held At Previous Shoe?                           |
| Pressure At Previous Shoe                     | Max BHP-.22*(Setting Depth - Previous Shoe Depth)= | 380   | NO <input type="checkbox"/>   |
| Required Casing/BOPE Test Pressure=           |  | 1450  | 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 <input type="checkbox"/>                             |
| MASP (Gas/Mud) (psi)                          | Max BHP-(0.22*Setting Depth)=                      |  | NO <input type="checkbox"/>                             |
|   |  |  | *Can Full Expected Pressure Be Held At Previous Shoe?   |
| Pressure At Previous Shoe                     | Max BHP-.22*(Setting Depth - Previous Shoe Depth)= |  | NO <input type="checkbox"/>                             |
| 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 <input type="checkbox"/>                             |
| MASP (Gas/Mud) (psi)                          | Max BHP-(0.22*Setting Depth)=                      |  | NO <input type="checkbox"/>                             |
|   |  |  | *Can Full Expected Pressure Be Held At Previous Shoe?   |
| Pressure At Previous Shoe                     | Max BHP-.22*(Setting Depth - Previous Shoe Depth)= |  | NO <input type="checkbox"/>                             |
| Required Casing/BOPE Test Pressure=           |  |  | psi   |
| *Max Pressure Allowed @ Previous Casing Shoe= |  |  | psi *Assumes 1psi/ft frac gradient                      |

# 43007503860000 CPE Miller Creek 26-1

## Casing Schematic



|              |   |             |              |
|--------------|---|-------------|--------------|
| Well name:   | <b>43007503860000 CPE Miller Creek 26-1</b> |             |              |
| Operator:    | <b>COASTAL PLAINS ENERGY INC</b>            |             |              |
| String type: | Surface                                     | Project ID: | 43-007-50386 |
| 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: 1,450 ft  
 Next mud weight: 8.400 ppg  
 Next setting BHP: 633 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                    | 24.987                  | 300              | 4360                 | 14.53                | 6.9                 | 284                     | 41.17 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:   | <b>43007503860000 CPE Miller Creek 26-1</b> |             |              |
| Operator:    | <b>COASTAL PLAINS ENERGY INC</b>            |             |              |
| String type: | Production                                  | Project ID: | 43-007-50386 |
| 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: 94 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 100 ft  
 Cement top: 65 ft

**Burst**

Max anticipated surface pressure: 459 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 633 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: 1,269 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       | 1450                | 4.5                     | 10.50                   | J-55             | ST&C                 | 1450                 | 1450                | 3.927                   | 3263                  |
| 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       | 633                 | 4010                    | 6.338                   | 633              | 4790                 | 7.57                 | 15.2                | 132                     | 8.67 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 1450 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 26-1  
**API Number** 43007503860000      **APD No** 10217      **Field/Unit** MILLER CREEK  
**Location: 1/4,1/4 NWNW**      **Sec 26**      **Tw 15.0S**      **Rng 10.0E**      650 FNL 1080 FWL  
**GPS Coord (UTM)**      **Surface Owner** Joe Iriart

### Participants

M. Jones (UDOGM), C. Ware (Ware Surveying), Joe Iriart (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**

#### **Well Pad**

Width 150    Length 200

#### **Src Const Material**

Onsite

#### **Surface Formation**

MNCS

#### **Ancillary Facilities** N

**Waste Management Plan Adequate?**      Y

### Environmental Parameters

**Affected Floodplains and/or Wetlands** N

#### **Flora / Fauna**

sahdescale. Site is nearly bare soil.

#### **Soil Type and Characteristics**

mancos clay

#### **Erosion Issues** N

#### **Sedimentation Issues** N

#### **Site Stability Issues** N

**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**

| <b>Site-Specific Factors</b>             |                    | <b>Site Ranking</b>      |
|--|--------------------|--------------------------|
| <b>Distance to Groundwater (feet)</b>    | >200               | 0                        |
| <b>Distance to Surface Water (feet)</b>  | >1000              | 0                        |
| <b>Dist. Nearest Municipal Well (ft)</b> | >5280              | 0                        |
| <b>Distance to Other Wells (feet)</b>    | >1320              | 0                        |
| <b>Native Soil Type</b>                  | Low permeability   | 0                        |
| <b>Fluid Type</b>                        | Fresh Water        | 5                        |
| <b>Drill Cuttings</b>                    | Normal Rock        | 0                        |
| <b>Annual Precipitation (inches)</b>     |                    | 0                        |
| <b>Affected Populations</b>              |                    |                          |
| <b>Presence Nearby Utility Conduits</b>  | Not Present        | 0                        |
|  | <b>Final Score</b> | 5    3 Sensitivity Level |

**Characteristics / Requirements**

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

**Closed Loop Mud Required? N    Liner Required? N    Liner Thickness 0    Pit Underlayment Required? N****Other Observations / Comments**Mark Jones  
Evaluator12/8/2014  
Date / Time

**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 |
|------------------|---|--------|--------------------------|------------|-----|
| 10217            | 43007503860000                                      | LOCKED | GW                       | P          | No  |
| <b>Operator</b>  | COASTAL PLAINS ENERGY INC                           |        | <b>Surface Owner-APD</b> | Joe Iriart |     |
| <b>Well Name</b> | CPE Miller Creek 26-1                               |        | <b>Unit</b>              |            |     |
| <b>Field</b>     | MILLER CREEK  |        | <b>Type of Work</b>      | DRILL      |     |
| <b>Location</b>  | NWNW 26 15S 10E S 650 FNL<br>(UTM) 519433E 4371935N |        | 1080 FWL                 | GPS Coord  |     |

**Geologic Statement of Basis**

The proposed well is to be drilled to a total depth of 1,450' 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.

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

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  |
|----------|--|
| Surface  | Measures (BMP's) shall be taken to protect steep slopes and topsoil pile from erosion, sedimentation and stability issues. |
| Surface  | Drainages adjacent to the proposed pad shall be diverted around the location.  |

## WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/26/2014

API NO. ASSIGNED: 43007503860000

WELL NAME: CPE Miller Creek 26-1

OPERATOR: COASTAL PLAINS ENERGY INC (N2170)

PHONE NUMBER: 405 601-5446

CONTACT: Christopher N. Biggs

PROPOSED LOCATION: NWNW 26 150S 100E

Permit Tech Review: 

SURFACE: 0650 FNL 1080 FWL

Engineering Review: 

BOTTOM: 0650 FNL 1080 FWL

Geology Review: 

COUNTY: CARBON

LATITUDE: 39.49681

LONGITUDE: -110.77399

UTM SURF EASTINGS: 519433.00

NORTHINGS: 4371935.00

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 - dmason  
 5 - Statement of Basis - BHILL  
 12 - Cement Volume (3) - hmacdonald  
 23 - Spacing - dmason  
 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. BAZA  
*Division Director*

### Permit To Drill

\*\*\*\*\*

**Well Name:** CPE Miller Creek 26-1  
**API Well Number:** 43007503860000  
**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:**

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing

a Request for Agency Action with the Board.

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:**



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 26-1, Sec. 26, T.15, R.10E,  
Carbon County, Utah API No. 43-007-50386

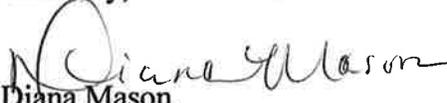
Ladies and Gentlemen:

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