

ANK PRODUCTION CO. - WELL NO. DESERT SPRINGS UNIT 27-G-11

API NO. 43-013-31344

Sec. 27, T. 10S, R. 17E DUCHESNE COUNTY, UTAH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 ANR Production Company

3. ADDRESS OF OPERATOR
 P. O. Box 749 Denver, CO 30201-0749 (303) 578-4470

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 1325' FWL & 1411' FSL (NE/SW)
 At proposed prod zone Same as above. NOV 25 1991

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 29 miles SE of Myton, Utah DIVISION OF

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1325'

16. No. (of) ACRES IN LEASE 1920

17. NO. OF ACRES ASSIGNED TO THIS WELL N/A

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

19. PROPOSED DEPTH 7900'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATION (Show whether DF, RT, GR, etc.) 5967' GR

22. APPROX. DATE WORK WILL START* January 1, 1992

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-43356

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

7. UNIT AGREEMENT NAME
 Desert Spring Unit

8. FARM OR LEASE NAME
 Desert Spring Unit

9. WELL NO.
 27-C-11

10. FIELD AND POOL, OR WILDCAT
 Wildcat 301

11. SEC. T. E. M. OR QLE. AND SURVEY OR AREA
 Section 27, T10S-R17E

12. COUNTY OR PARISH
 Duchesne

13. STATE
 Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	250'	100 sx circ to surface*
7-7/8"	5-1/2"	17#	7900'	1000 sx circ to surface*

* Cement volumes may change due to hole size. Calculate from caliper log.

Eight Point Resource Protection Plan Attached

I hereby certify that ANR Production Company is authorized by the proper lease interest owners to conduct lease operations associated with this Application for Permit to Drill the Desert Spring Unit #27-C-11, Federal Lease #UTU-43356. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by ANR Production Company, Nationwide Oil & Gas Bond #CO-0001, who will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this application.

18. ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Eileen Danni Bey TITLE Regulatory Analyst DATE 11/22/91 STATE UTAH

(This space for Federal or State office use)

PERMIT NO. 13-119-112-11 APPROVAL DATE 12-11-91

APPROVED BY J.W. Matthews TITLE MANAGER

CONDITIONS OF APPROVAL, IF ANY: SPACING: 615-2-3

*See Instructions On Reverse Side

ANR PRODUCTION COMPANY
Lease #UTU-43356, Desert Spring Unit #27-C-11
NE/SW, Section 27, T10S, R17E
Duchesne County, Utah

Drilling Prognosis

1. Estimated Tops of Important Geologic Markers:

Uinta	Surface	Wasatch	4950'
		Total Depth	7900'

2. Estimated Depths of Anticipated Water, Oil, Gas or Mineral Formations:

Wasatch 4950' Gas (Primary Objective)

If any shallow water zones are encountered, they will be adequately protected and reported; none anticipated. All potentially productive hydrocarbon zones will be cemented off.

3. Pressure Control Equipment: (Schematic Attached)

A. Type: 11" Double Gate Hydraulic.

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Kill line (2-inch minimum).
4. One (1) kill line valve (2-inch minimum).
5. One (1) choke line valve.
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available.
8. Safety valve & subs to fit all drill strings in use.
9. 2-inch (minimum) choke line.
10. Pressure gauge on choke manifold.

B. Pressure Rating: 2,000 psi

C. Testing Procedure:

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

3. Pressure Control Equipment:

C. Testing Procedure: Continued

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed.
2. Whenever any seal subject to test pressure is broken.
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the IADC driller's log.

D. Choke Manifold Equipment.

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles which meet the manufacturer's specifications will be used as the backup to the required independent power source. The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in Onshore Operating Order #2.

F. Special Drilling Operations:

In addition to the equipment already specified in Items A through E, above, the following equipment will be in place and operational during air/gas drilling:

1. Properly lubricated and maintained rotating head.
2. Spark arresters on engines or water cooled exhaust.
3. Bloopie line discharge 100 feet from wellbore and securely anchored.

3. Pressure Control Equipment:

F. Special Drilling Operations: Continued

4. Straight run on blooie line.
5. Deduster equipment (not required for aerated water system).
6. All cuttings and circulating medium(s) shall be directed into a reserve or blooie pit.
7. Float valve above bit.
8. Automatic igniter or continuous pilot light on the blooie line (not required for aerated water system).
9. Compressors located in the opposite direction from the blooie line and at a minimum of 100 feet from the wellbore.
10. Mud circulating equipment, water, and mud materials (does not have to be pre-mixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

G. Miscellaneous Information:

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of Onshore Operating Order #2.

The choke manifold and BOP extension rods with hand wheels will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the wellhead but readily accessible to the driller.

Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 100 feet (minimum) from the center of the drill hole to a separate flare pit.

4. The Proposed Casing and Cementing Program: (All New)

A. Casing Program

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Joint</u>	<u>Depth</u>	<u>Set</u>
12-1/4"	8-5/8"	24#	K-55	ST&C	0-250'	

4. The Proposed Casing and Cementing Program: (All New)

A. Casing Program - Continued

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Joint</u>	<u>Depth Set</u>
7-7/8"	5-1/2"	17#	K-55	LT&C	0-7900'

Casing string(s) will be pressure tested to 0.22 psi per foot, or 1500 psi (not to exceed 70% of the internal yield strength of the casing), whichever is greater, after cementing and prior to drilling out from under the casing shoe.

B. Cementing Program

Surface Casing : Cement with approximately 180 sx Class "G" cement + additives, circulated to surface with 100% excess.

Production Casing: Lead with approximately 400 sx Hi-fill cement with 1#/sx Capseal; tail with 600 sx 50-50 POZ w/10% salt, 2% gel, .6% Halad 24, 1/4#/sx Flocele & 1#/sx Capseal. Cement will be circulated back to surface with 30% excess.

Actual cement volumes to be required will be determined from the caliper log.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. Mud Program: (Visual Monitoring)

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-7900'	Aerated Water	-----	-----	-----

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

6. Evaluation Program:

Logs : Dual Laterlog & Caliper : TD - Surface
FDC-CNL : TD - 3000'

DST'S : None anticipated.

Cores : None anticipated.

The proposed evaluation program may change at the discretion of the wellsite geologist, with prior approval from the Authorized Officer, Bureau of Land Management.

Stimulation : No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

Whether the well is completed as a dry hole or as a producer, Well Completion and Recompletion Report and Log (Form 3160-4) will be submitted to the Vernal District Office no later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Two (2) copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer, Vernal District Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Phone: (801) 789-1362.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3,674 psi (calculated at 0.465 psi/foot) and maximum anticipated surface pressure equals approximately 1,738 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

3. Anticipated Starting Dates and Notification of Operations:

A. Drilling Activity

Anticipated Commencement Date : January 1, 1992
Drilling Days : Approximately 10 days
Completion Days : Approximately 7 days

B. Notification of Operations

The Vernal District Office, Bureau of Land Management will be notified at least twenty-four (24) hours PRIOR to the commencement of the following activities:

1. Spudding of the well. This oral report will be followed up with a Sundry Notice (Form 3160-5).
2. Initiating pressure tests of the blow-out preventer and related equipment.
3. Running casing and cementing of ALL casing strings.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in suspended status without prior approval of the Authorized Officer. If operations are to be suspended, prior approval of the Authorized Officer will be obtained and notification given before resumption of operations.

In accordance with Onshore Operating Order #1, this well will be reported on MMS Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with the Royalty Management Program, Minerals Management Service, P. O. Box 17110, Denver, Colorado 80217.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the provisions of NTL-3A or its current revision.

8. Anticipated Starting Dates and Notification of Operations:

B. Notification of Operations - Continued

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed for prior approval of the Authorized Officer, and all conditions of this approved plan will be applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication no later than five (5) business days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the Authorized Officer, produced water may be temporarily disposed of into the reserve pit for a period of up to ninety (90) days. During this period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the Authorized Officer.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting/flaring of gas beyond the initial thirty (30) day or otherwise authorized test period.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the Vernal District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production notice.

8. Anticipated Starting Dates and Notification of Operations:

B. Notification of Operations - Continued

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer.

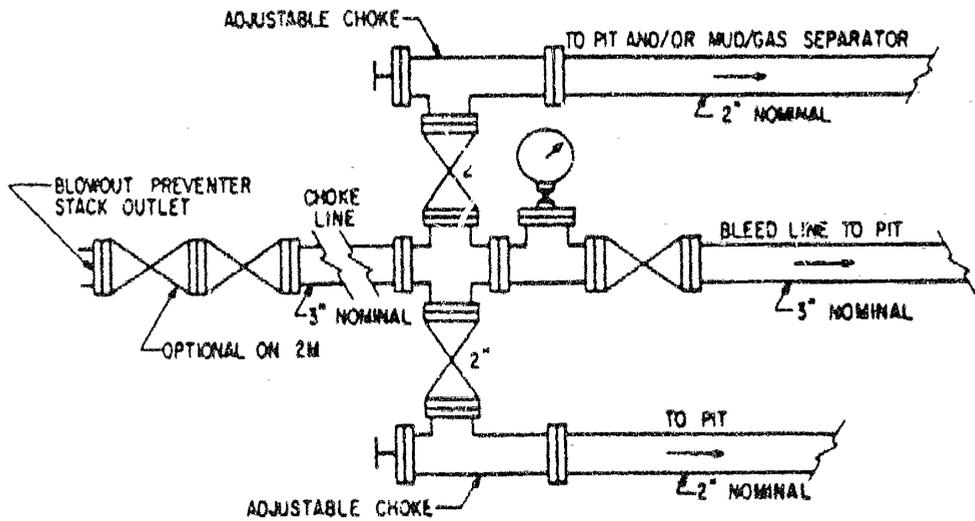
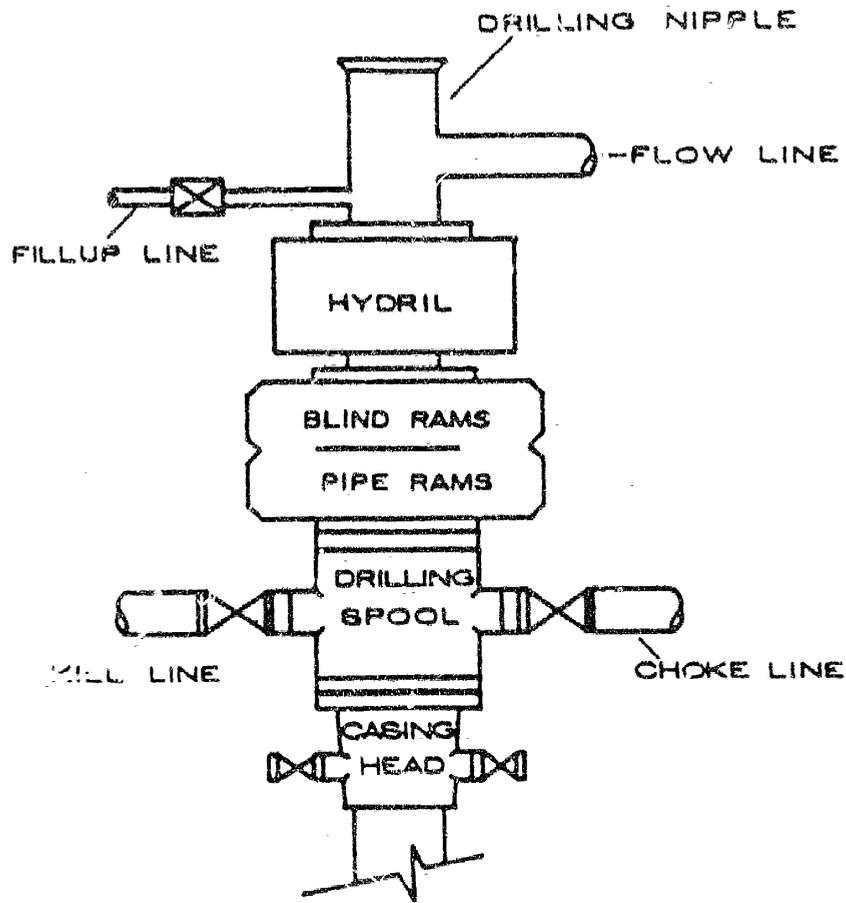
A "Notice of Intention to Abandon" (Form 3160.5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: "Fed" or "Ind", as applicable; Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and Federal or Indian Lease Number.

A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days following the actual plugging of the wellbore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection. Final abandonment will not be approved until the surface reclamation work required by the approved Application for Permit to Drill has been completed to the satisfaction of the Authorized Officer or his representative, or the appropriate Surface Management Agency.

Pursuant to Onshore Operating Order #1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal and Indian lands.

BOP STACK



ANR PRODUCTION COMPANY
Lease #UTU-43356, Desert Spring Unit #27-C-11
NE/SW, Section 27, T10S, R17E
Duchesne County, Utah

Multi-Point Surface Use and Operations Plan

1. Existing Roads: Refer to Maps "A" & "B" (shown in ORANGE)
 - A. The proposed wellsite is staked and four 200-foot reference stakes are present.
 - B. To reach the location from the town of Myton, Utah, proceed westerly on U.S. Highway 40 approximately 1.5 miles to Wellington Junction, turn left and proceed in a southerly direction 11.2 miles to the junction of this road and an existing road to the southwest, turn right and proceed in a southerly direction 6.6 miles to the junction of this road and an existing road to the southwest, turn left and proceed in an easterly direction 4.5 miles to the junction of this road and an existing road to the southwest, turn right and proceed in a southwesterly direction 4.6 miles to the beginning of the proposed access road. Follow road flags in a southwesterly direction then northerly direction approximately 0.9 miles to the proposed location.
 - C. Access roads - refer to Maps "A" and "B".
 - D. Access roads within a one-mile radius - refer to Map "B".
 - E. The existing gravel roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the Desert Spring #27-C-11.
2. Planned Access Roads: Refer to Map "B" (Shown in GREEN)

Approximately 0.9 mile of new road construction will be required for access to the proposed Desert Spring Unit #27-C-11 well location. In addition, approximately 1.8 miles of existing 2-track road will require upgrading.

 - A. Width - maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned and ditched.

2. Planned Access Roads: Continued

- B. Construction standard - the access road will be constructed in accordance with Bureau of Land Management Rooding Guidelines established for oil and gas exploration and development activities as referenced in the BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development (1989).

The access road will be constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction/upgrading will include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed and safe road.

Prior to construction/upgrading, the roadway shall be cleared of any snow cover and allowed to dry completely.

Traveling off of the thirty (30) foot right-of-way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or the accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at a frequent intervals by means of cutouts.

Upgrading shall not be allowed during muddy conditions.

Should mud holes develop, they shall be filled in and detours around them avoided.

- C. Maximum grade - 10%
- D. Turnouts - turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic. None anticipated at this time.
- E. Drainage design - the access road will be crowned, ditched, and water turnouts installed as necessary to provide for proper drainage along the access road route. The drainage shall be diverted from the access road before entering the location.

2. Planned Access Roads: Continued

- F. Culverts, cuts and fills - no culverts will be required. There are no major cuts and/or fills on/along the proposed access road route.
- G. Surface materials (source) - any construction materials which may be required for surfacing of the access road will be purchased from a local contractor having a permitted source of materials in the area, if required by the Authorized Officer, Bureau of Land Management. None anticipated at this time. Native material from access location and access road will be used.
- H. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards.

The access road right-of-way will be kept free of trash during operations.
- I. The proposed access route has been centerline flagged.

3. Location of Existing Wells Within a One-Mile Radius:

Please refer to Map "C"

- A. Water wells - none known.
- B. Abandoned wells - none known.
- C. Temporarily abandoned wells - none known.
- D. Disposal wells - none known.
- E. Drilling wells - none known.
- F. Producing wells - none known.
- G. Shut-in wells - none known.
- H. Injection wells - none known.
- I. Monitoring wells - none known.

4. Location of Existing and/or Proposed Facilities Owned by ANR Production Company Within a One-Mile Radius:

A. If well is productive the following guidelines will be followed:

1. A diagram showing the proposed production facilities layout will be submitted via Sundry Notice Form 3160-5 prior to facilities installation.
2. All production facilities will be located on the disturbed portion of the well pad and at a minimum of twenty-five (25) feet from the toe of the backslope or top of the fill slope.
3. The production facilities (consisting primarily of a christmas tree at the wellhead, dehydration unit, and emergency pit) will require an area approximately 300' x 135'.
4. Production facilities will be accommodated on the existing well pad. Construction materials required for installation of the production facilities will be obtained from the site; any additional materials required will be purchased from a local supplier having a permitted (private) source of materials with the area.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

5. All permanent (on-site for six months or longer) above-the-ground structures constructed or installed including pumping units will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Five (5) State Rocky Mountain Interagency Committee. All production facilities will be painted within six (6) months of installation. Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

4. Location of Existing and/or Proposed Facilities Owned by ANR Production Company Within a One-Mile Radius:

A. If well is productive the following guidelines will be followed: Continued

5. The required paint color is Desert Brown, Munsel standard color number 10 YR 6/3.

6. If at any time the facilities located on public lands and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), the Bureau of Land Management will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental or other financial obligation as determined by the Authorized Officer.

7. A 4" surface gas pipeline will be installed from the Desert Spring Unit #27-C-11 gas well and tie into the proposed gas pipeline located in Section 27, T10S-R17E (see attached Topo Map D). This pipeline will be inside the Desert Spring Unit boundary. A 30' width easement of approximately 1229' is requested for this pipeline. There will be minimum surface disturbance as the pipeline will be laid on the surface.

B. The production (emergency) pit will be fenced with woven wire mesh topped with one (1) strand of barbed wire held in place with metal side posts and wooden corner "H" braces in order to protect livestock and wildlife. Please refer to Item #9E (page #9) for additional information on the fencing specifications.

C. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.

D. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer, Bureau of Land Management.

5. Location and Type of Water Supply:

- A. Fresh water for drilling will be obtained from Owen Anderson well in care of Dalbo/Bob Williams located in Section 27, T1S-R2W, Duchesne County, Utah, Permit #43-9974, A14289. Dalbo, Inc. will haul this water.
- B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed Desert Spring Unit #27-C-11 well location. No new construction will be required on/along the proposed water haul route.
- C. No water well will be drilled on this location.

6. Source of Construction Materials:

- A. Construction materials needed for surfacing of the well pad will be native from location and/or access road.
- B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.
- C. If production is established, any additional construction materials needed for surfacing the access road and installation of production facilities will be purchased from a local supplier having a permitted (private) source of materials in the area.
- D. No new access roads for construction materials will be required.

7. Methods of Handling Waste Materials:

- A. Cuttings - the cuttings will be deposited in the reserve/bloolie pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve/bloolie pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities. In the event adverse weather conditions event removal of the fluids from the reserve pit within this time period,

7. Methods of Handling Waste Materials:

B. Drilling fluids: Continued

an extension may be granted by the Authorized Officer upon receipt of a written request from ANR Production Company. The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined if deemed necessary by BLM on post construction inspection. If a plastic nylon reinforced liner is used, it will be a minimum of 12 MIL thickness w/sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the Authorized Officer.

- C. Produced fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

- D. Sewage - self-contained, chemical toilets will be provided by Rocket Sanitation for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage (trash) and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.

7. Methods of Handling Waste Materials: Continued

F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location upon the termination of drilling and completion operations. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are backfilled.

8. Ancillary Facilities:

None anticipated.

9. Wellsite Layout:

A. Figure #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the wellsite. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles. (Stockpiled topsoil will be located on the south side of the location.) The reserve pit will be located on the northeast side of the location. The flare pit will be located downwind of the prevailing wind direction on the east side of location. Access to the location will be from the south side between corners 7 & 8. The drainage(s) from location shall be diverted from location and go toward the silt dam (see page 13).

B. Figure #1 is a diagram showing the rig layout. No permanent living facilities are planned. There will be one (1) trailer on location during drilling operations for the toolpusher.

C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval of subsequent operations. Please refer to Item #4A (page #4) for additional information in this regard.

9. Wellsite Layout: Continued

D. If porous subsoil materials (gravel, scoria, sand, faulted rock structures, etc.) are encountered during reserve pit construction, an impervious liner will be installed in order to prevent drilling water loss through seepage.

E. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:

1. 39-inch net wire shall be used with at least one (1) strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
2. The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least 42 inches.
3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The fourth side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

F. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

10. Plans for Reclamation of the Surface:

A. Production

1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
2. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
3. If a plastic or nylon reinforced pit liner is used, it shall be torn and perforated before backfilling of the reserve pit.
4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.
5. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
6. For production, the fill slopes will be reduced from a 1.5:1 slope to a 3:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 3:1 slope by pushing the fill material back up into the cut.
7. Upon completion of backfilling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, all disturbed surfaces (including the access road and location) will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces (including the access road and well pad areas) will be reseeded with a seed mixture to be recommended by the Authorized Officer, Bureau of Land Management.

10. Plans for Reclamation of the Surface:

A. Production: Continued

7. Seed will be drilled on the contour to an approximate depth of one-half (1/2) inch. All seeding will be conducted after September 15 and prior to ground frost.

B. Dry Hole/Abandoned Location

1. At such time as the well is physically plugged and abandoned, ANR Production Company will submit a "Subsequent Report of Abandonment" to the Authorized Officer for approval. At that time, the Bureau of Land Management will formulate and appropriate surface rehabilitation requirements and attach them as the conditions of approval for final abandonment.

11. Surface Ownership:

The wellsite and proposed access road are situated on surface estate which is owned by the United States of America.

This surface estate is administered by:

Area Manager
Diamond Mountain Resource Area Office
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
Phone: (801) 789-1362

12. Other Information:

- A. ANR Production Company will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts.

12. Other Information:

A. Continued:

If historic or archaeological materials are uncovered, ANR Production Company will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer.

Within five (5) working days the Authorized Officer will inform ANR Production Company as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If ANR Production Company wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, ANR Production Company will be responsible for mitigation costs.

The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, ANR Production Company will then be allowed to resume construction.

12. Other Information: Continued

- B. ANR Production Company will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the Bureau of Land Management, or the Uintah County Extension Office. On lands administered by the Bureau of Land Management, it is required that a "Pesticide Use Proposal" shall be submitted, and approval obtained, prior to the application of herbicides or other pesticides or possible hazardous chemicals for the control of noxious weeds.
- C. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on federal lands after conclusion of drilling operations or at any other time without the proper authorization from the Bureau of Land Management. However, if BLM authorization is obtained, it is only a temporary measure to allow ANR Production Company the time to make arrangements for permanent storage at a commercial facility.

13. Additional Surface Stipulations:

- A. A silt catchment dam and basin will be constructed according to BLM specifications, approximately 3500' east of the location where flagged. (This dam will be located in the SE1/4, SE1/4, Section 27 and will be approximately 400' east of the access road.)
- B. ANR Production Company shall contact the Bureau of Land Management between 24 and 48 hours prior to commencement of construction activities on the access road and/or well location: (801) 789-1362.
- C. The Bureau of Land Management shall be notified upon site completion and prior to moving drilling tools onto the location.

14. Lessee's or Operator's Representative and Certification:

Representative

ANR Production Company
Randy L. Bartley, Operations Manager
P. O. Box 749
Denver, Colorado 80201-0749
Phone: (303) 572-1121

Eileen Dey, Regulatory Analyst*
P. O. Box 749
Denver, Colorado 80201-0749
Phone: (303) 573-4476

* Contact for any additional information which may be required for approval of this Application for Permit to Drill.

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

ANR Production Company will be fully responsible for the actions of their subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

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

11/22/01
Date

Eileen Dey
Eileen Dey - Regulatory Analyst

ANR PRODUCTION CO.

LOCATION LAYOUT FOR

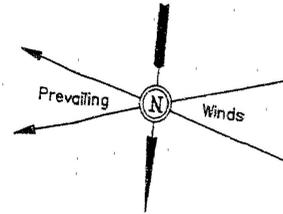
DSU #27-C-11

SECTION 27, T10S, R17E, S.L.B.&M.

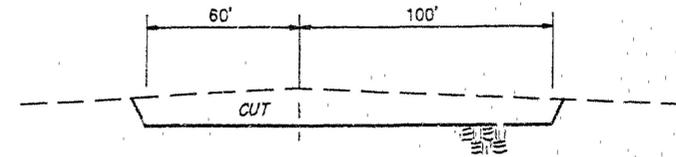
RECEIVED

NOV 25 1991

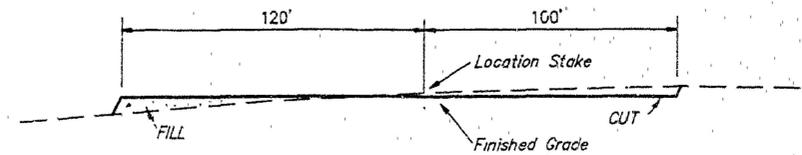
DIVISION OF
OIL GAS & MINING



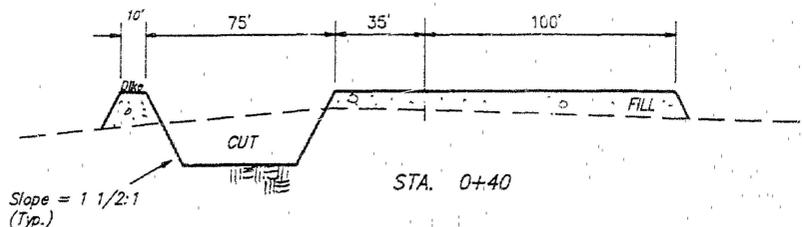
SCALE: 1" = 50'
DATE: 11-12-91
Drawn By: T.D.H.



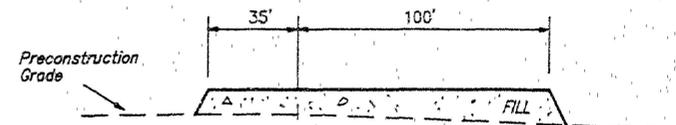
STA. 3+25



STA. 1+50

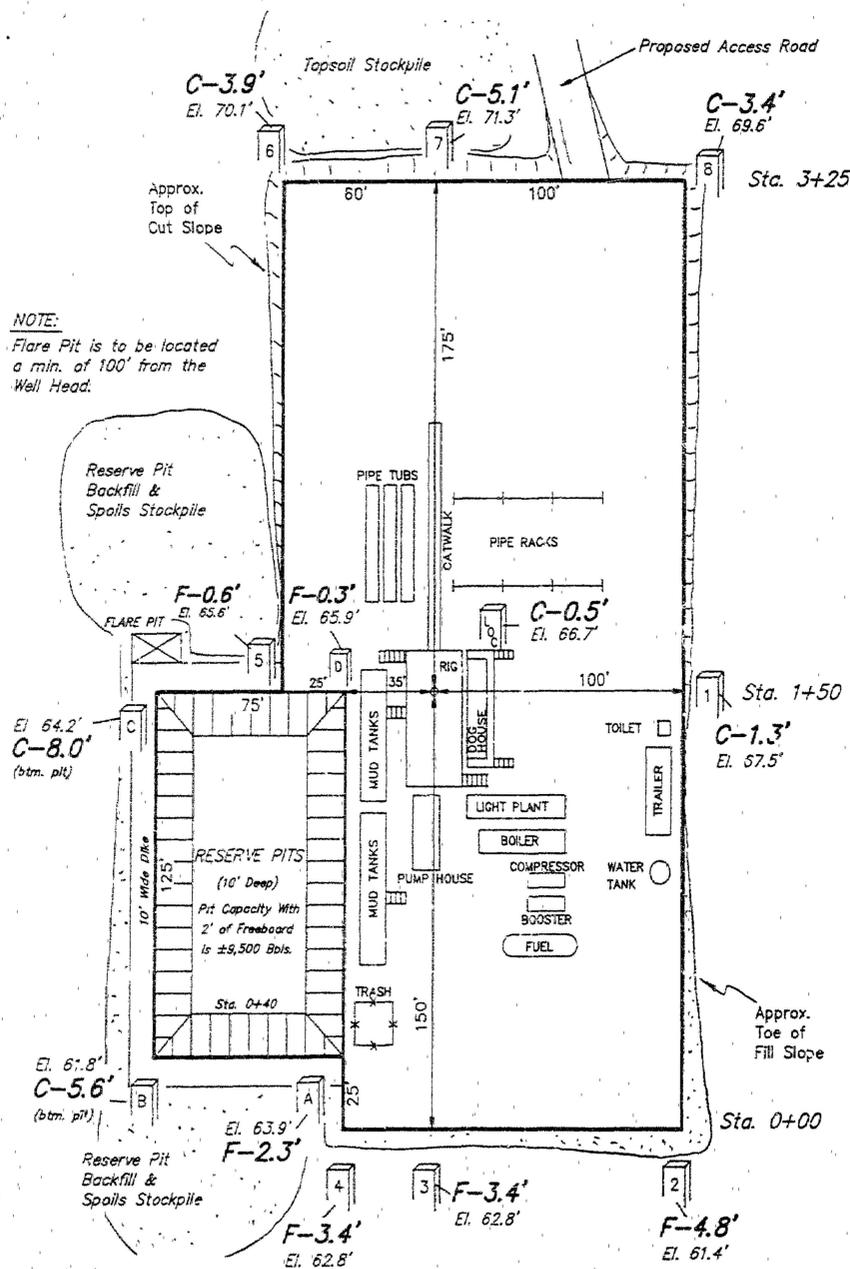


STA. 0+40



STA. 0+00

TYP. LOCATION LAYOUT
TYP. CROSS SECTIONS



NOTE:
Flare Pit is to be located
a min. of 100' from the
Well Head.

RESERVE PITS
(10' Deep)
Pit Capacity With
2' of Freeboard
is ±9,500 Bols.

APPROXIMATE YARDAGES

CUT (6") Topsoil Stripping	= 1,070 Cu. Yds.
Remaining Location	= 4,030 C. Yds.
TOTAL CUT	= 5,100 CU.YDS.
FILL	= 2,440 CU.YDS.

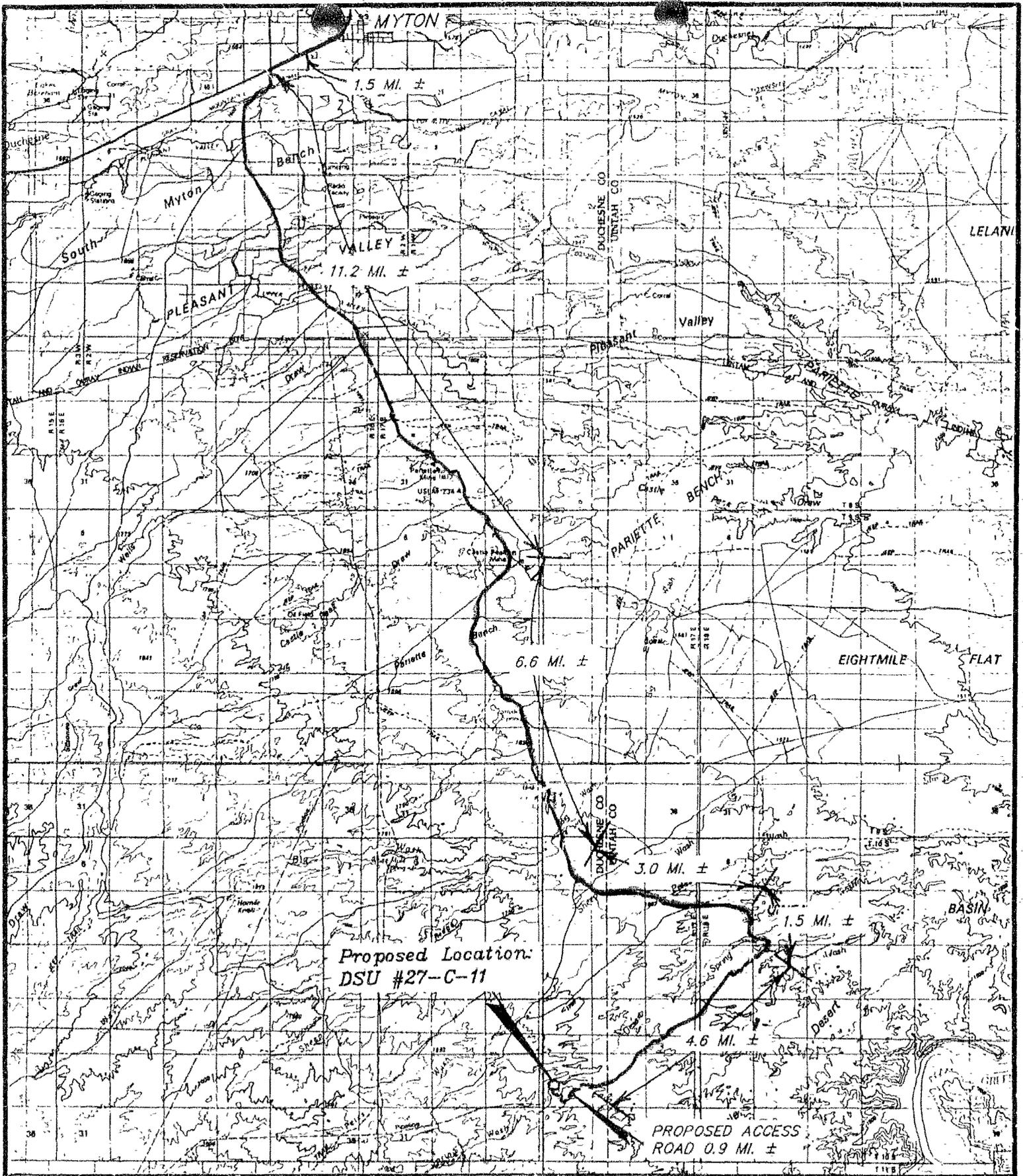
EXCESS MATERIAL AFTER 5% COMPACTION	= 2,530 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,290 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 240 Cu. Yds.

NOTES:

Elev. Ungraded Ground At Loc. Stake = **5966.7'**

FINISHED GRADE ELEV. AT LOC. STAKE = **5966.2'**

FIGURE #1



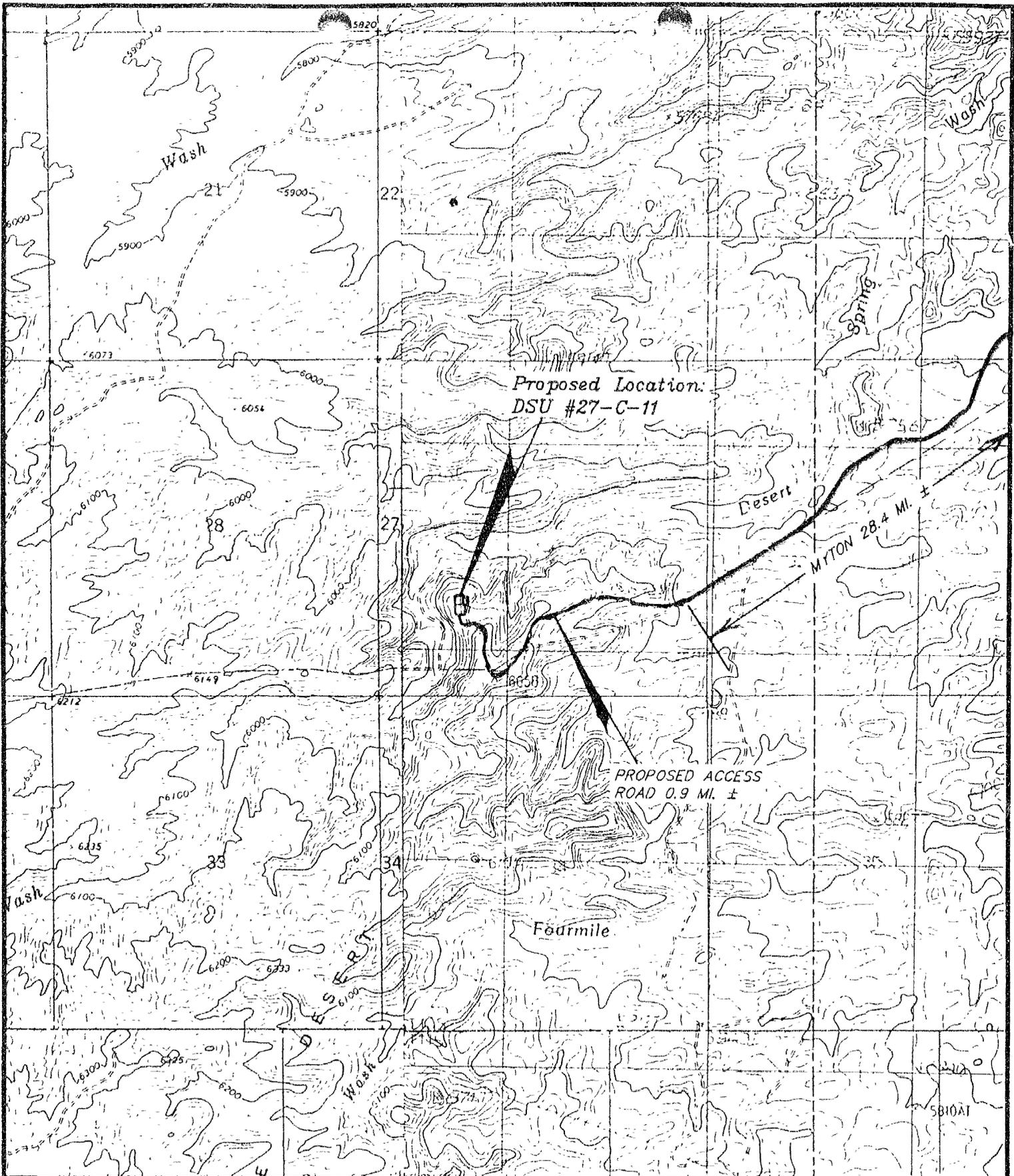
TOPOGRAPHIC
MAP "A"

DATE 11-11-91 R.E.H.



ANR PRODUCTION CO.

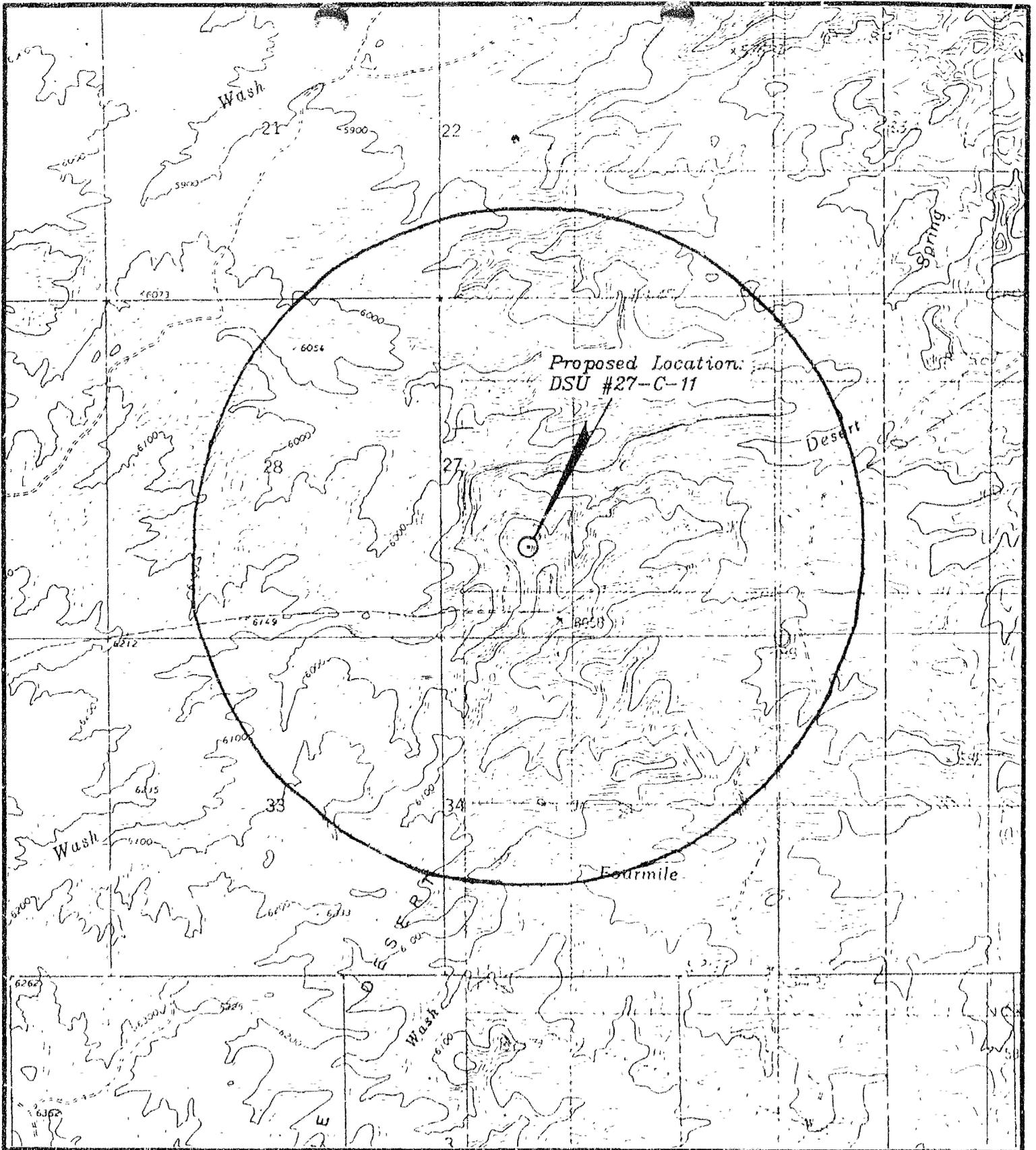
DSU #27-C-11
SECTION 27, T10S, R17E, S.L.B.&M.



TOPOGRAPHIC
 MAP "B"
 SCALE: 1" = 2000'
 DATE 11-11-91 R.E.H.



ANR PRODUCTION CO.
 DSU #27-C-11
 SECTION 27, T10S, R17E, S.L.B.&M.



LEGEND:

- ⊗ = Water Wells
- ⊕ = Abandoned Wells
- ⊖ = Temporarily Abandoned Wells
- ⊘ = Disposal Wells
- = Drilling Wells
- = Producing Wells
- ⊙ = Shut-in Wells



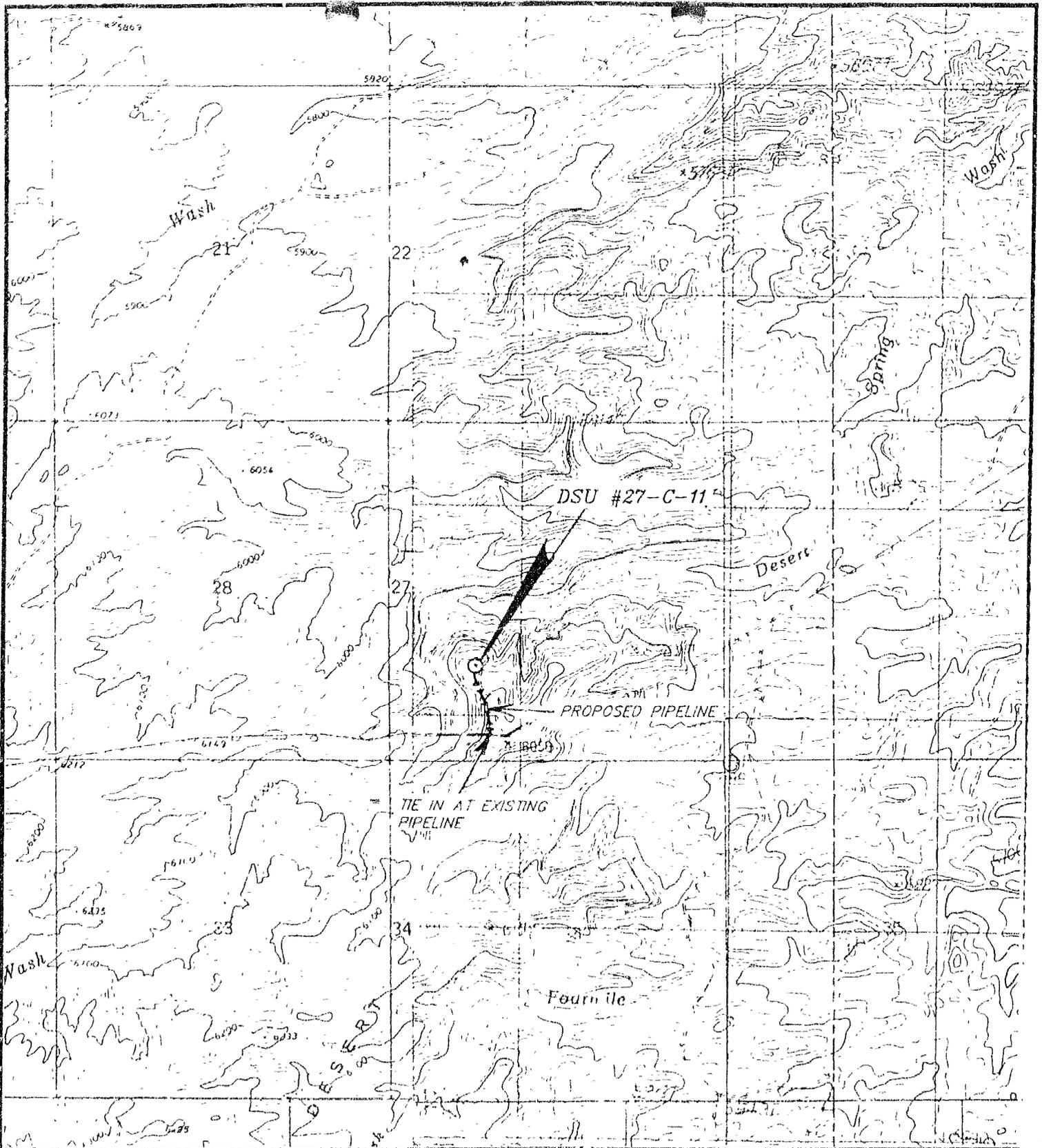
ANR PRODUCTION CO.

DSU #27-C-11

SECTION 27, T10S, R7E, S.L.B.&M.

TOPO MAP "C"

DATE 11-11-91 K.E.H.



TOTAL PIPELINE SLOPE DISTANCE = 1229'

TOPOGRAPHIC
MAP "D"

LEGEND

- EXISTING PIPELINE
- Proposed Pipeline



ANR PRODUCTION CO.

PROPOSED PIPELINE RIGHT-OF-WAY FOR
DSU #27-C-11
SECTION 27, T10S, R17E, S.L.B.&M.

DATE 11-12-91

PK

X

11-25-91

UTU-43356

12-11-91

Handwritten: 11-25-91

WILDCAT

DESERT SPRINGS

DUCHESNE

DESERT SPRINGS UNIT 27-C-11

1411' PSL

1325' FWL

API NO. 43-013-31344

NE SW

27

10S

17E

27

ANR PRODUCTION COMPANY

OPERATOR H&R Production Co DATE 12-10-91

WELL NAME Desert Springs 217 C-11

SEC 13 T 31 R 17E COUNTY DeWitt

13 313-313-11
API NUMBER

Individual (1)
TYPE OF LEASE

CHECK OFF:

PLAT.

BOND

NEAREST WELL

LEASE

FIELD 51327

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Individual lease approved 11-27-91 per Wayne B/M
Desert Springs 13 313-313-11 (114057) Dallas Inc.
Rock Hill

APPROVAL LETTER:

SPACING: R515-2-3 Desert Springs
UNIT

R515-3-2

11/1
CAUSE NO. & DATE

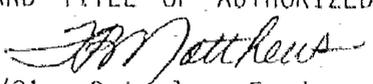
R515-3-3

STIPULATIONS:

to Oil shale

STATE ACTIONS

Mail to:
RDCC Coordinator
116 State Capitol
Salt Lake City, Utah 84114

1. ADMINISTERING STATE AGENCY
OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:
(assigned by State Clearinghouse)
3. APPROXIMATE DATE PROJECT WILL START:
January 1, 1992
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:
(to be sent out by agency in block 1)
Uintah Basin Association of Governments
5. TYPE OF ACTION: Lease Permit License Land Acquisition
 Land Sale Land Exchange Other
6. TITLE OF PROPOSED ACTION:
Application for Permit to Drill
7. DESCRIPTION:
ANR Production Company proposes to drill the Desert Spring Unit #27-C-11 well (wildcat) on federal lease UTU-43356, Duchesne County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S Bureau of Land Management is the primary administrative agency in this action and must issue approval before operations commence.
8. LAND AFFECTED (site location map required) (indicate county)
NE/4 SW/4, Section 27, Township 10 South, Range 17 East, Duchesne County, Utah
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:
See Attachment
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
12. FOR FURTHER INFORMATION, CONTACT:
Frank R. Matthews
PHONE: 538-5340
13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL

DATE: 11/26/91 Petroleum Engineer

WO1187



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert
Governor

Dirk C. Hansen
Executive Director

Dianne R. Neilsen, Ph.D.
Division Director

355 West North Temple
3rd Floor, Suite 350
Salt Lake City, Utah 84186-1203
801-538-5340

December 11, 1991

ANR Production Company
P.O. Box 749
Denver, Colorado 80201-0749

Gentlemen:

Re: Desert Spring Unit 27-C-11 Well, 1411 feet from the south line, 1325 feet from the west line, NE 1/4 SW 1/4, Section 27, Township 10 South, Range 17 East, Duchesne County, Utah

Pursuant to Utah Code Ann. § 40-6-18, (1953, as amended), Utah Admin. R. 615-2-3, and Utah R. 615-3-4, approval to drill the referenced well is hereby granted.

In addition, the following specific actions are necessary to fully comply with this approval:

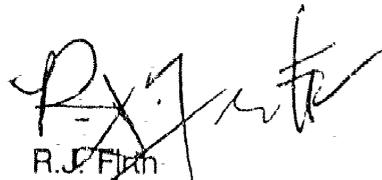
1. Compliance with the requirements of Utah Admin. R. 615-1 et seq., Oil and Gas General Rules.
2. Notification within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or R.J. Firth, Associate Director, (Home) (801)571-6068.
6. Compliance with the requirements of Utah Admin. R. 615-3-20, Gas Flaring or Venting, if the well is completed for production.

Page 2
ANR Production Company
Desert Spring Unit 27-C-11 Well
December 11, 1991

Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site should be submitted to the local health department. These drilling operations and any subsequent well operations should be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801)538-6159.

This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-013-31344.

Sincerely,

A handwritten signature in black ink, appearing to read "R.J. Firth", written over a horizontal line.

R.J. Firth
Associate Director, Oil and Gas

ldc
Enclosures
cc: Bureau of Land Management
J.L. Thompson
WO11

FEBRUARY 8, 1994

TO: WELL FILE

FROM: K. M. HEBERTSON

RE: Status, Desert Springs Unit 27-C-11 43-013-31344 27-10S-17E

Per telephone conversation with the operator concerning the status of this well, it was determined that the well will not be drilled and the operator has acknowledged that the APD has expired. The operator has been informed that the APD will need to be refiled in order to drill this well at a future date.

As of the above date the APD has been rescinded and the file sent to the LA archives.

KMH

JAN 30 1995

3160
(UT08438)

ANR Production Company
Attn: Bonnie Johnston
P.O. Box 749
Denver, CO 80201-0749

LOG IN CARD
2/7/94
Permit
filed w/ECM

Re: Application for Permit to Drill
Desert Spring Well No. 27-C-11
Section 27, T10S, R17E
Lease No. U-43356

43-013-31344

Dear Ms. Johnston:

According to our records, Lease No. U-43356 expired in December 1993. Therefore, we are denying your application for Permit to Drill (APD) for lack of an authorized lease.

If you have any questions, please contact me at (801) 781-4503.

Sincerely,



Pat Sutton
Legal Instruments Examiner

Enclosure

cc: Division OG&M

PSutton:plp:January 30, 1995

bcc: Central file
Reading file
Well file
RA file