

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ LE X WATER SANDS _____ LOCATION INSPECTED _____ SUB REPORT/abd. _____
940463 ANR to Coastal eff. 12-21-95:

DATE FILED APRIL 25, 1994
 LAND FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. INDIAN 14-20-H62-4614
 DRILLING APPROVED: JUNE 9, 1994

SPUDDED IN: _____
 COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____
 GRAVITY A.P.I. _____
 GOR: _____

PRODUCING ZONES: Confidential
 TOTAL DEPTH: _____
 WELL ELEVATION: _____

DATE ABANDONED: LOCATION ABANDONED PER BLM APD EXPIRED EFFECTIVE JULY 11, 1996
 FIELD: ALTAMONT FIELD

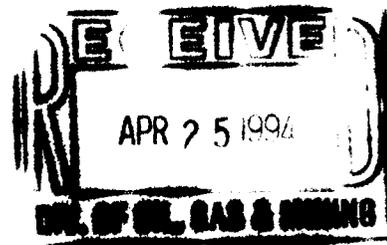
UNIT: NA
 COUNTY: DUCHESNE
 WELL NO: UTE #1-23B6 API NO. 43-013-31446

LOCATION 1894' FSL FT. FROM (N) (S) LINE. 735' FWL FT. FROM (E) (W) LINE. NW SW 1/4 - 1/4 SEC 23

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
<u>2S</u>	<u>6W</u>	<u>23</u>	<u>ANR PRODUCTION CO</u> <u>Coastal Oil & Gas Corp.</u>				



April 21, 1994



Bureau of Land Management
170 S. 500 E.
Vernal, UT 84078

Attn: Minerals

Re: ANR Production Company
Ute #1-23 B6
1894' FSL and 735' FWL
NW SW Sec. 23, T2S - R6W
Duchesne County, Utah
Lease No. 14-20-H62-4614

Ladies and Gentlemen,

Enclosed please find four copies of the A.P.D. and associated Onshore Order No. 1 for the above mentioned well. Please note that additional copies have been sent to the Ute Tribe and Norman Cambridge at the BIA.

The ROW agreement will be submitted under separate cover by ANR Production Company. If you should have any questions or need additional information, please feel free to contact me.

Approved copies of the A.P.D. should be forwarded to Permitco Inc. at the address shown below. Thank you for your cooperation.

Sincerely,

PERMITCO INC.

A handwritten signature in cursive script, appearing to read "Lisa L. Smith".

Lisa L. Smith
Consultant for:
ANR Production Company

Enc.

cc: Ute Tribe - Attn: Pat Padia
BIA - Attn: Norman Cambridge
ANR Production Company - Denver, CO
Division of Oil, Gas & Mining - SLC, UT

Permitco Incorporated
A Petroleum Permitting Company

13585 Jackson Drive Denver, Colorado 80241 (303) 452-8888

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.
#14-20-H62-4614

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute Tribe

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Ute

9. WELL NO.
#1-23 B6

10. FIELD AND POOL OR WILDCAT
Altamont

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec. 23, T2S - R6W

12. COUNTY OR PARISH
Duchesne

13. STATE
Utah

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

1b. TYPE OF WELL
OIL GAS SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
ANR Production Company

3. ADDRESS OF OPERATOR
PERMITCO INC. - Agent

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
**1894' FSL and 735' FWL
NW SW Sec. 23, T2S - R6W**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
22 miles northwest of Duchesne, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
735'

16. NO. OF ACRES ASSIGNED TO THIS WELL
3640

17. NO. OF ACRES ASSIGNED TO THIS WELL
320 (2 wells/section)

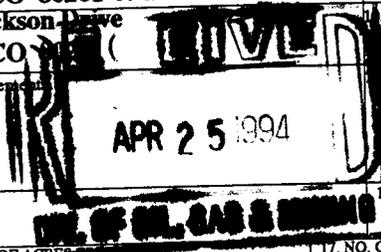
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.
None

19. PROPOSED DEPTH
14,600'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
7348' GR

22. APPROX. DATE WORK WILL START*
Upon approval



23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" K-55	54.5# ST&C	0-200'	280 sx Type "V" AG
12-1/4"	9-5/8" S-95	40.0# BT&C	0-7400'	4623 CF Premium Plus
8-3/4"	7" S-95	26.0# LT&C	7200-10,700'	2043 CF Premium Plus
8-3/4"	5-1/2" S-95	23.0# LT&C	10700'-14600'	(See Attached)

ANR Production Company proposes to drill a well to a proposed T.D. of 14600' (Maximum 14800') to test the Wasatch formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM, BIA, & State of Utah requirements.

CONFIDENTIAL - TIGHT HOLE

See Onshore Order No. 1 attached.

Please be advised that ANR Production Company is considered to be the Operator of the above mentioned well. ANR agrees to be responsible under the terms of the lease for the operations conducted upon the leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by ANR Production Company under their Nationwide Bond #962213.

IN 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 *[Signature]* TITLE ANR Production Co. DATE 04/21/94

Consultant for:
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

PERMIT NO. 43-013-31446 APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE: 6/9/94

CONDITIONS OF APPROVAL, IF ANY: _____ BY: [Signature]

cc: Utah Division of Oil, Gas & Mining

WELL SPACING: Case 139-42
R649-3-3

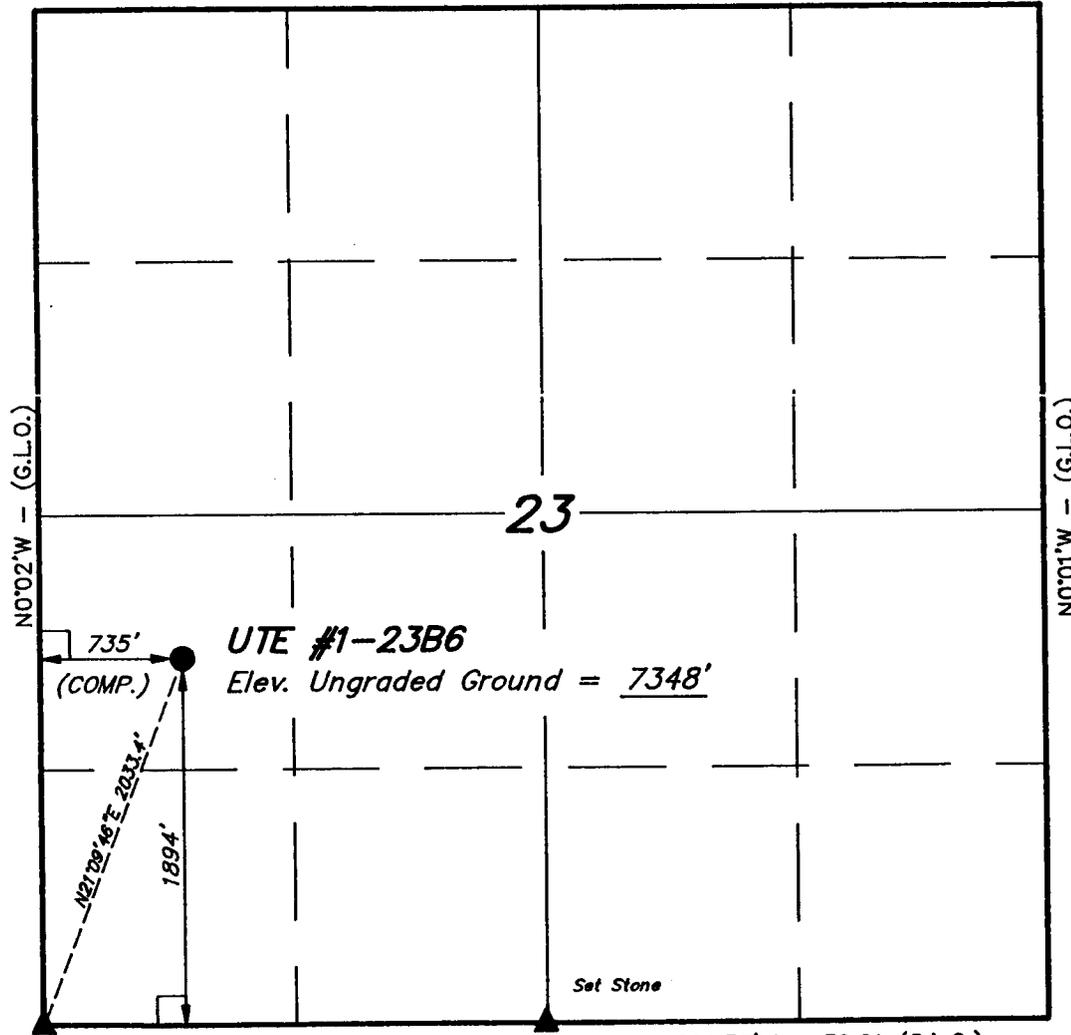
*See Instructions On Reverse Side

ANR PRODUCTION CO.

Well location, UTE #1-23B6, located as shown in the NW 1/4 SW 1/4 of Section 23, T2S, R6W, U.S.B.&M. Duchesne County, Utah.

T2S, R6W, U.S.B.&M.

S89°40'W - 79.90 (G.L.O.)



N0°02'W - (G.L.O.)

N0°01'W - (G.L.O.)

23

UTE #1-23B6
Elev. Ungraded Ground = 7348'

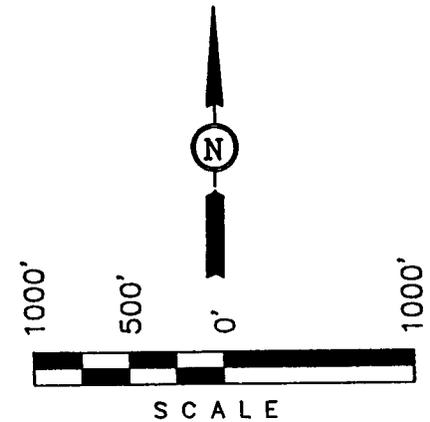
Set Stone

Marked Set Stone S89°50'W - G.L.O. (Basis of Bearings) 2750.19' - (Measured)

S89°50'W - 39.91 (G.L.O.)

BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 29, T2S, R6W, U.S.B.&M. TAKEN FROM THE BLACKTAIL MTN. QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7613 FEET.



CERTIFICATE

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

Robert L. Anderson
REGISTERED LAND SURVEYOR
REGISTRATION NO. 5709
STATE OF UTAH

UTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 12-08-93	DATE DRAWN: 12-20-93
PARTY D.A. L.D.T. R.E.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ANR PRODUCTION CO.	

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

ONSHORE OIL & GAS ORDER NO. 1

**Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases**

**Ute #1-23 B6
1894' FSL and 735' FWL
NW SW Sec. 23, T2S - R6W
Duchesne County, Utah**

Prepared For:

ANR PRODUCTION COMPANY

By:

**PERMITCO INC.
13585 Jackson Drive
Denver, Colorado 80241
303/452-8888**

CONFIDENTIAL - TIGHT HOLE

Copies Sent To:

- 4 - BLM - Vernal, Utah**
- 1 - Utah Division of Oil, Gas & Mining - SLC, UT**
- 1 - BIA - Ft. Duchesne, UT**
- 1 - Ute Tribe - Ft. Duchesne, UT**
- 1 - ANR Production Co. - Denver, CO**





ANR Production Company
A SUBSIDIARY OF THE COASTAL CORPORATION

The Energy People

**Bureau of Land Management
170 S. 500 E.
Vernal, UT 84078**

RE: Federal Permitting Services

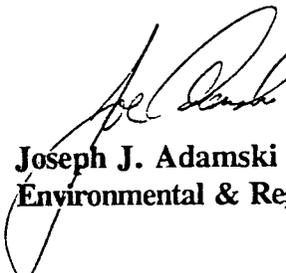
Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of ANR Production Company when necessary for filing county, state and federal permits including Onshore Order No.1, Right of Way applications, etc.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

ANR Production Company agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above mentioned well.

Sincerely,



Joseph J. Adamski
Environmental & Regulatory Analyst

TABLE OF CONTENTS
Ute #1-23 B6

	<u>Page No.</u>
DRILLING PROGRAM	
1. Formation Tops	1
2. Anticipated Depth of Oil, Gas & Water	1
3. Blow Out Preventor Requirements	1-3
4. Casing and Cement Program	3-7
5. Mud Program	7-8
6. Testing, Logging and Coring	8-9
7. Abnormal Pressures & H ₂ S Gas	9-10
8. Other Information & Notification Requirements	10-12
SURFACE USE PLAN	
1. Existing Roads	2
2. Access Roads to be Constructed or Reconstructed	2-3
3. Location of Wells Within 1-Mile	3
4. Proposed Production Facilities	4-5
5. Water Supply	5
6. Construction Materials	6
7. Waste Disposal	6-7
8. Ancillary Facilities	7
9. Wellsite Layout	7-8
10. Reclamation	9
11. Surface/Mineral Ownership	10
12. Other Information	10-12
13. Certification	12

ONSHORE ORDER NO. 1
ANR Production Co.
Ute #1-23 B6
1894' FSL and 735' FWL
NW SW Sec. 23, T2S - R6W
Duchesne County, Utah

Leas o. 14-20 H62-4614

DRILLING PROGRAM

Page 1

**ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Duchesne River/Uinta	Surface	
Lower Green River	9,380'	-2022'
Wasatch	10,820'	-5484'
T.D.	14,600'	-7242'
Permit Depth	14,800'	-7442'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Lower Green River	9,380'
Oil/Gas	Wasatch	10,820'
Other Mineral Zones	N/A	

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. **Pressure Control Equipment:** (Schematic Attached)

ANR Production Company's minimum specifications for pressure control equipment are as follows:



Permitco Incorporated
A Petroleum Permitting Company

ONSHORE ORDER NO. 1
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Duchesne County, Utah

Lease No. 14-20 H62-4614

DRILLING PROGRAM
Page 2

Ram Type: 11" Annular preventer (Hydril), 11" Double Gate Hydraulic, Drilling Spool, 5000 psi.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 5000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. Proposed Casing and Cementing Program:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the



maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.

- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Surface casing shall have centralizers on every fourth joint of casing starting with the shoe joint and up to the bottom of the collar.

- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

m. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>New or Used</u>	
						<u>Type</u>	<u>Used</u>
Surface	0-200'	17-1/2"	13-3/8"	54.5#	K-55	ST&C	New
Surface	0-7400'	12-1/4"	9-5/8"	40.0#	S-95	BT&C	New
Liner*	7200-10700'	8-3/4"	7"	26.0#	S-95	LT&C	New
Liner	10700-T.D.	8-3/4"	5-1/2"	23.0#	S-95	LT&C	New

* One string liner with 7" x 5-1/2" cross over joint.

- n. Casing design subject to revision based on geologic conditions encountered.
- o. The cement program will be as follows:

Surface Conductor Type and Amount
 0-200' ± 280 sx type "V" AG w/2% CaCl₂, 1/4#/sk Flocele, Circ. w/10 bbls. to pit.

ONSHORE ORDER NO. 1
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Duchesne County, Utah

Lease . 14-20 H62-4614

DRILLING PROGRAM
Page 6

Surface
0-7400'

Type and Amount

Lead: (Stage 1) 608 sx (2346 CF) Hi-fill Premium Plug cmt w/1% Econolite, 1/4#/sk Flocele, 10#/sk Gilsonite, 3#/sx Granulite, 16% gel, 0.3% HR-7 & 3% NaCl. (Approx. 3750' of fill).

Tail: w/280 sx (330 CF) Premium Plus Neat cmt w/1/4#/sk Flocele. (Approx. 500' of fill).
Set DV Tool @ 3000'

Lead: ((Stage 2) 490 sx (1916 CF) Hi-fill Premium Plus cmt. (Approx. 3000' of fill).

Production

Type and Amount

Lead: (Stage 1) 174 sx (499 CF) Silicalite Premium Plus cmt w/0.3% Halad 413 & 0.6% SCR-100. (Approx. 2150' of fill).

Lead: (Stage 2) 420 sx (874 CF) Silicalite Premium Plus cmt w/0.3% Halad 413. (Approx. 3800' of fill).

Tail: 540 sx (670 CF) 50/50 Pozmix cmt w/2% Halad 322 & 0.6% gel. (Approx. 1750' of Fill)

- p. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- r. The following reports shall be filed with the District Manager within 30 days after the work is completed.
 - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

DRILLING PROGRAM

- a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
- b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- s. Auxiliary equipment to be used is as follows:
 - 1. Kelly cock
 - 2. No bit float is deemed necessary.
 - 3. A sub with a full opening valve.

5. Mud Program:

- a. The proposed circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-7400'	Air Misting	---	--	---	--
7400-14600'	LSND to lightly dispersed mud.	9.9-10.2	40-45	8cc's	

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

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

b. Mud monitoring equipment to be used is as follows:

1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.

c. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

6. Evaluation Program:

The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated, however, if they are run the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

DRILLING PROGRAM

Page 9

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of a DIL-SP-GR* and FDC-CNL-CR-CAL and BHC-Sonic-GR from 13900' to 7000'. The Gamma Ray will be pulled to surface.
- c. No cores are anticipated. Rotary sidewall cores if warranted.
- d. 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 not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. 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.

7. Abnormal Temperatures or Pressures

- a. 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.



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A Petroleum Permitting Company

- b. Maximum anticipated bottom hole pressure equals approximately 7738 psi (calculated at 0.53 psi/foot) and maximum anticipated surface pressure equals approximately 3212 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft.).
8. Anticipated Starting Dates and Notification of Operations:
- a. Drilling will commence immediately upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 60 days.
- c. The BLM in Vernal, Utah shall be notified of anticipated date of location construction commencement and of anticipated spud date.
- d. 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 a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.
- g. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.



ANR Production Co.

Ute #1-23 B6

1894' FSL and 735' FWL

NW SW Sec. 23, T2S - R6W

Duchesne County, Utah

DRILLING PROGRAM

Page 11

- h. 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 AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the 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 District Engineer.
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- l. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 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.
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the

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ONSHORE ORDER NO. 1
ANR Production Co.
Ute #1-23 B6
1894' FSL and 735' FWL
NW SW Sec. 23, T2S - R6W
Duchesne County, Utah

Lease No. 14-20 H62-4614

DRILLING PROGRAM

Page 12

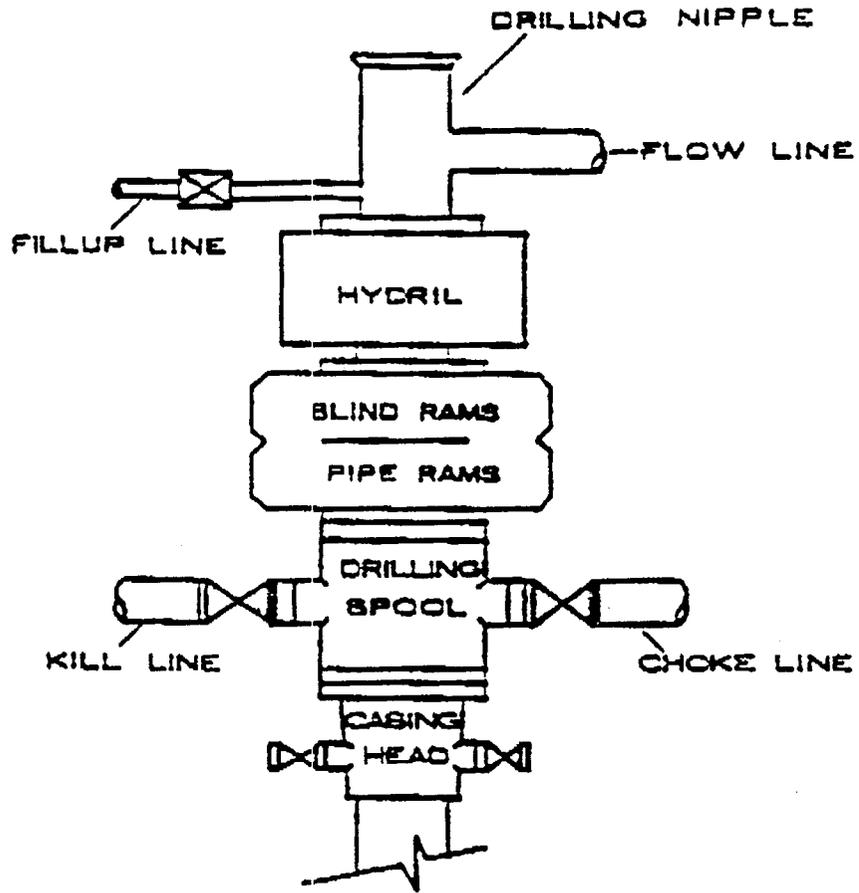
AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in 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 or Indian lands.**

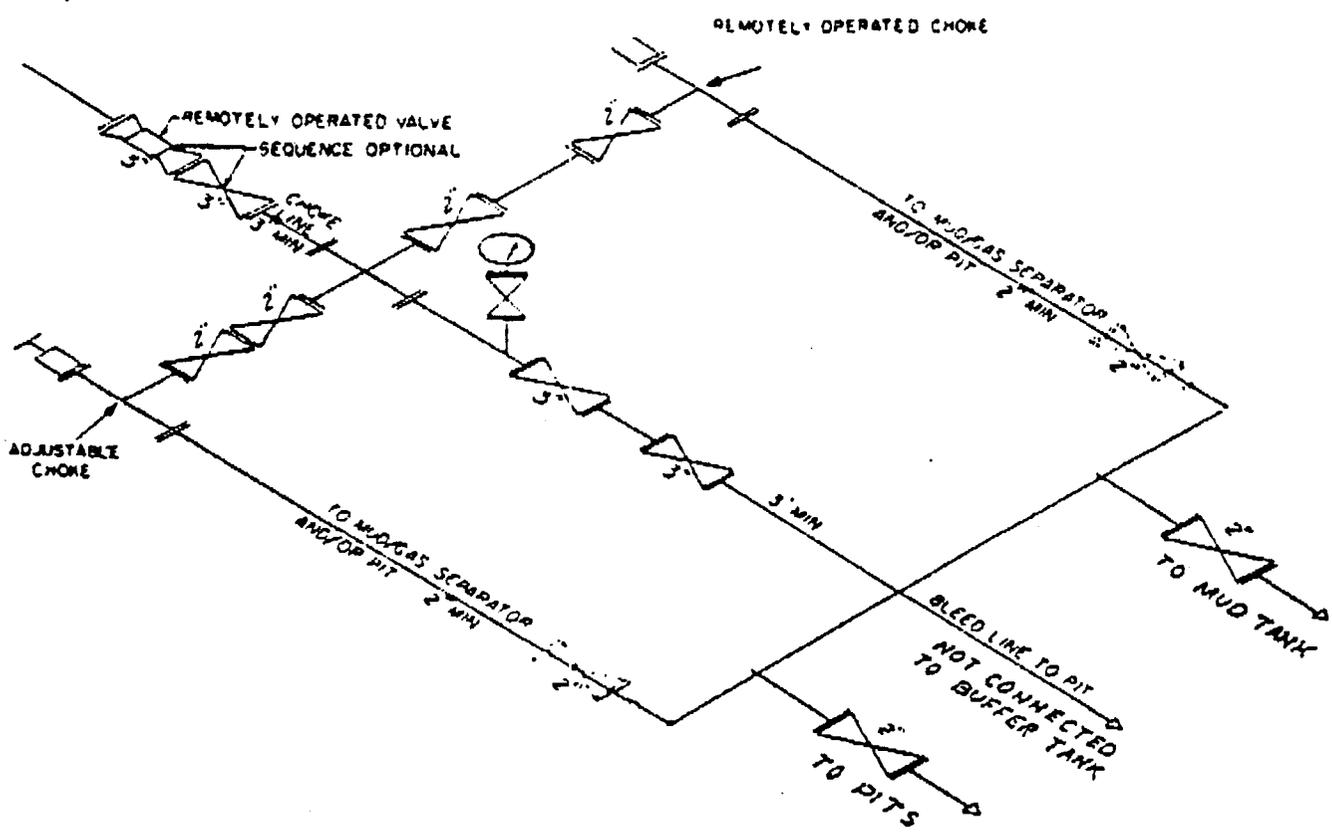


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BOP STACK



ANR ANR Production Company
An American Natural Resources Company



ONSHORE ORDER NO. 1
ANR Production Co.
Ute #1-23 B6
1894' FSL and 735' FWL
NW SW Sec. 23, T2S - R6W
Duchesne County, Utah

Lease No. 14-20-H62-4614

SURFACE USE PLAN
Page 1

ONSHORE OIL & GAS ORDER NO. 1

NOTIFICATION REQUIREMENTS

- Location Construction -** forty-eight (48) hours prior to construction of location and access roads.
- Location Completion -** prior to moving on the drilling rig.
- Spud Notice -** at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing -** twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests -** twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice -** within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

The onsite inspection for the above mentioned well was conducted on Monday, April 11, 1994 at approximately 3:40 p.m. Weather conditions were cool with a slight breeze. Present at the onsite inspection were the following individuals:

Ralph Brown
Dale Thomas
Pat Padia
Robert Kay
Lanny Taylor
Lisa Smith
Clay Einerson

Natural Resource Specialist
Soil Conservationist
Energy & Minerals
Surveyor
Surveyor
Permitting Consultant
Maintenance

BLM
BIA
Ute Tribe
UELS
UELS
Permitco Inc.
ANR Production Co.



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A Petroleum Permitting Company

1. Existing Roads

a. The proposed well site is located approximately 22 miles northwest of Duchesne, Utah.

b. Directions to the location from Duchesne, Utah are as follows:

From Duchesne proceed west on Highway 40 for 6.8 miles. Turn right and proceed north and west for 6.3 miles to a fork in the road. Turn right and continue north an additional 6.3 miles to another fork in the road. Turn left and proceed northeasterly for 1.9 miles to the beginning of the new access road. Follow flagging approximately 1.1 miles to the location.

c. For location of access roads within a 2-Mile radius, see Maps A & B.

d. Improvement to the existing access will not be necessary.

e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. Planned Access Roads

a. Approximately 1.1 miles of new access will be required after leaving the #2-21B6 location. In addition, approximately 0.3 mile of access will need to be upgraded.

b. The maximum grade will be approximately 8%.

c. Turnouts will be installed where necessary.

d. No culverts or bridges will be required.

- e. The access road was centerline flagged at the time of staking.
 - f. Surface material will be that of native material.
 - g. No gates, cattleguards or fence cuts will be necessary.
 - h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
 - i. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 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 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 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.
 - j. A BIA road right of way application will be submitted under separate cover.
3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location.
(See Map #C).
- a. Water wells - none
 - b. Injection wells - none
 - c. Producing wells - none

- d. Drilling wells - none
- e. Shut-in wells - none
- f. Temporarily abandoned wells - none
- g. Disposal wells - none
- h. Dry Holes - none

4. Location of Tank Batteries and Production Facilities.

- a. All permanent structures (onsite for six months or longer) 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 Inter-Agency 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.

The required paint color is Desert Tan, Munsell standard color number 10 YR 6/3.

- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the wellpad shall be surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. A Sundry Notice will be submitted showing placement of all production facilities prior to construction.
- d. If at any time the facilities located on public land 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), BLM will process a change in authorization to the appropriate statute. The authorization will



be subject to appropriate rental or other financial obligation as determined by the authorized officer.

- e. Any necessary pits will be properly fenced to prevent any wildlife entry.
- f. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- g. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- h. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- i. The road will be maintained in a safe useable condition.
- j. All wellsite locations on the Uinta and Ouray Indian Reservation will have an appropriate sign indicating the name of the operator, the lease serial number, the well name and number, the survey description of the well (either footages or the quarter-quarter section, the section, township and range).
- k. Permission is hereby requested to construct powerlines and pipelines within the road corridor as shown on Map "B". A low pressure pipeline bundle will be constructed within the road corridor. The maximum width will be 60 feet. Powerlines will be constructed overhead. A ROW agreement and damage plat will be submitted under separate cover.

5. Location and Type of Water Supply

- a. Fresh water for drilling will be obtained from the Duchesne City Culinary Water System, located in Sections 1 and 2, T4S - R5W, Duchesne County, Utah under the existing water rights held by the City of Duchesne, Utah or from the Ute Indian Tribe Water Right #1230 taken from the Jasper Pike Canal.

- b. Water will be hauled to location over the roads marked on Maps A and B.
- c. No water well is to be drilled on this lease.

6. Source of Construction Material

- a. Construction materials needed for surfacing of the wellpad 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 construction materials will be required.

7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. A reserve pit will be lined with either native clay, commercial bentonite or plastic sufficient to prevent seepage. (If a plastic nylon reinforced liner is used, it shall be torn and perforated after the pit dries and before backfilling of the reserve pit.) 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 A.O.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.

- d. After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- e. Drill cuttings are to be contained and buried in the reserve pit.
- f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- g. A chemical porta-toilet will be furnished with the drilling rig.
- h. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. Ancillary Facilities

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. The reserve pit will be located on the southeast corner of the location.
- b. The flare pit will be located downwind of the prevailing wind direction on the south side, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- c. The stockpiled topsoil (first twelve inches) will be stored along the north and south sides of the location as shown on the attached rig layout.



- d. Access to the wellpad will be from the west as shown on the attached rig layout.
- e. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.
- f. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Location Layout.
- g. Diversion ditches will be constructed around the south and west side of the wellpad as shown on the location layout.
- h. All pits will be fenced according to the following minimum standards:
 - 1. 39 inch net wire shall be used with at least one strand or 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 2-inches above the ground. The barbed wire shall be 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 posts shall be no greater than 16 feet.
 - 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- i. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. Plans for Restoration of Surface

Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three (3) feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

- e. The appropriate surface management agency should be contacted for the required seed mixture.

Dry Hole

- f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attached the appropriate surface rehabilitation conditions of approval.

11. Surface Ownership

The well site and proposed access road are situated on surface lands owned by the Uintah & Ouray Indian Tribes and administered in trust by:

Bureau of Indian Affairs
Uinta & Ouray Agency
P.O. Box 130
Ft. Duchesne, UT 84026
801/722-2406

12. Other Information

- a. A Class III archeological survey was conducted by Metcalf Archeological Consultants. A copy of this report is attached.
- b. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator 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 AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the



exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- c. The operator 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 BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- d. 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 and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- e. Operator's employees, including subcontractors, will not gather firewood along roads constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right of Way Authorization". All operators, subcontractors vendors and their employees or agents may not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA Forester.
- f. All roads constructed by operators on the Uinta and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products and (3) only authorized personnel permitted.



ONSHORE ORDER NO. 1
ANR Production Co.
Ute #1-23 B6
1894' FSL and 735' FWL
NW SW Sec. 23, T2S - R6W
Duchesne County, Utah

Lease No. 14-20-H62-4614

SURFACE USE PLAN
Page 12

- g. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- h. This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. Lessee's or Operator's Representative and Certification

Permit Matters
PERMITCO INC.
Lisa L. Smith
13585 Jackson Drive
Denver, CO 80241
303/452-8888

Drilling & Completion Matters
ANR Production Company
600-17th Street, Suite 800 S
Denver, CO 80201-0749
Ned Shifflett - Operations Superintendent
303/573-4455 (office)
Joe Adamski - Environmental Coordinator
303/573-4476 (office)
303/828-3045 (home)

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite 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 ANR Production Company its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

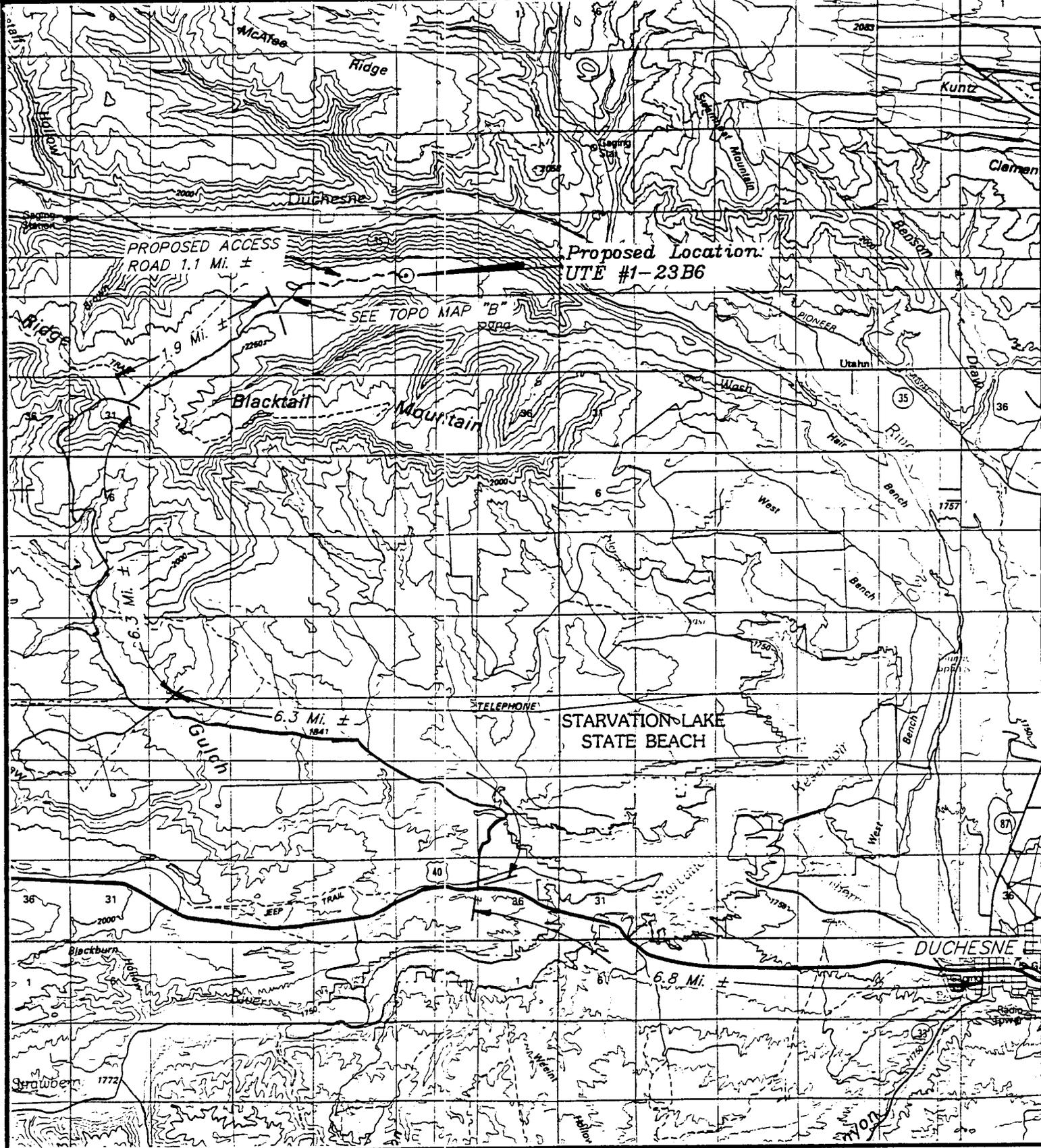
This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

April 21, 1994
Date:



Lisa L. Smith - PERMITCO INC.
Authorized Agent for:
ANR PRODUCTION COMPANY





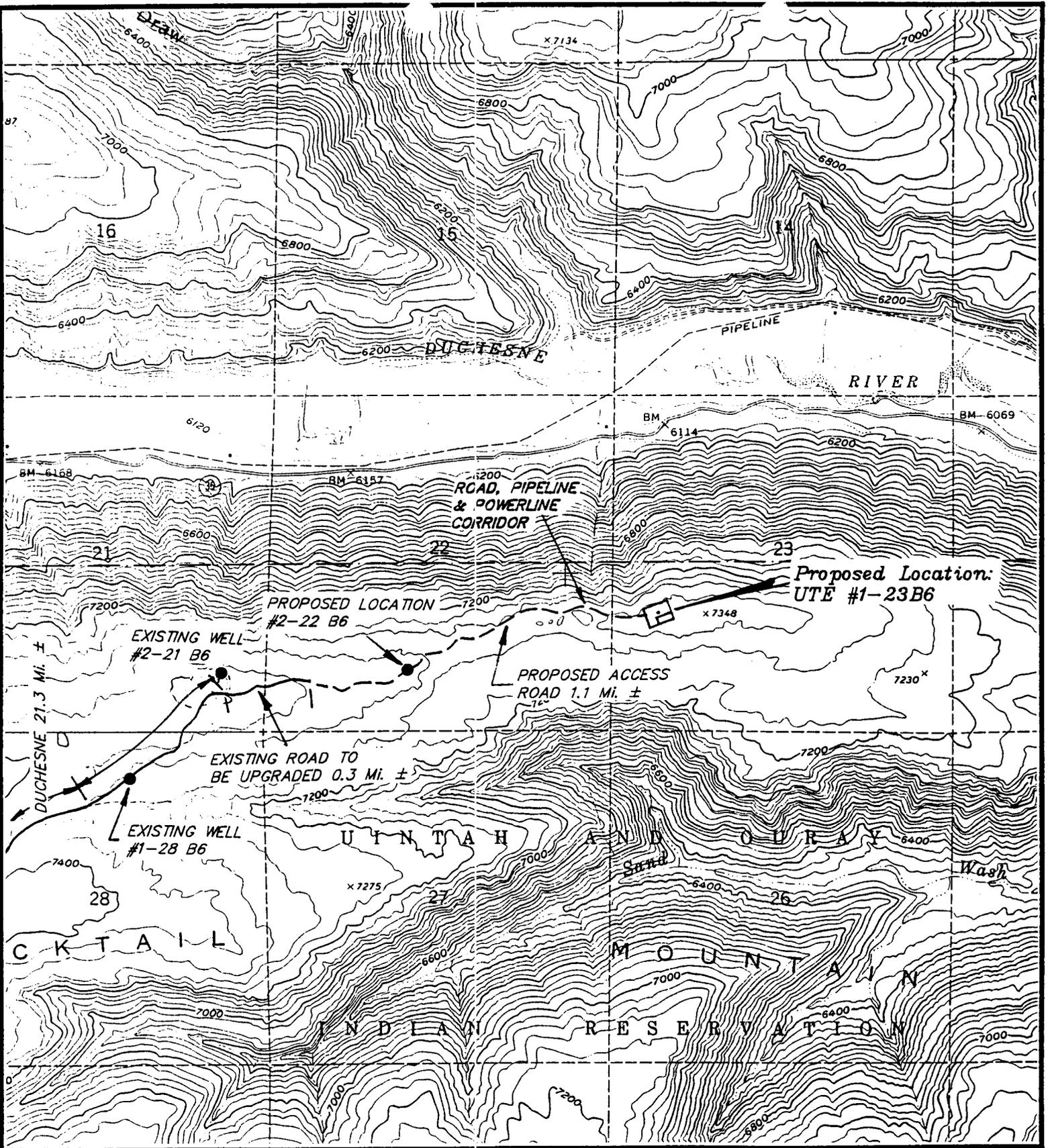
TOPOGRAPHIC
MAP "A"

DATE: 12-20-93 D.J.S.



ANR PRODUCTION CO.

UTE #1-23 B6
SECTION 23, T2S, R6W, U.S.B.&M.
1894' FSL 735' FWL



TOPOGRAPHIC

MAP "B"

SCALE: 1" = 2000'

DATE: 12-20-93 D.J.S.

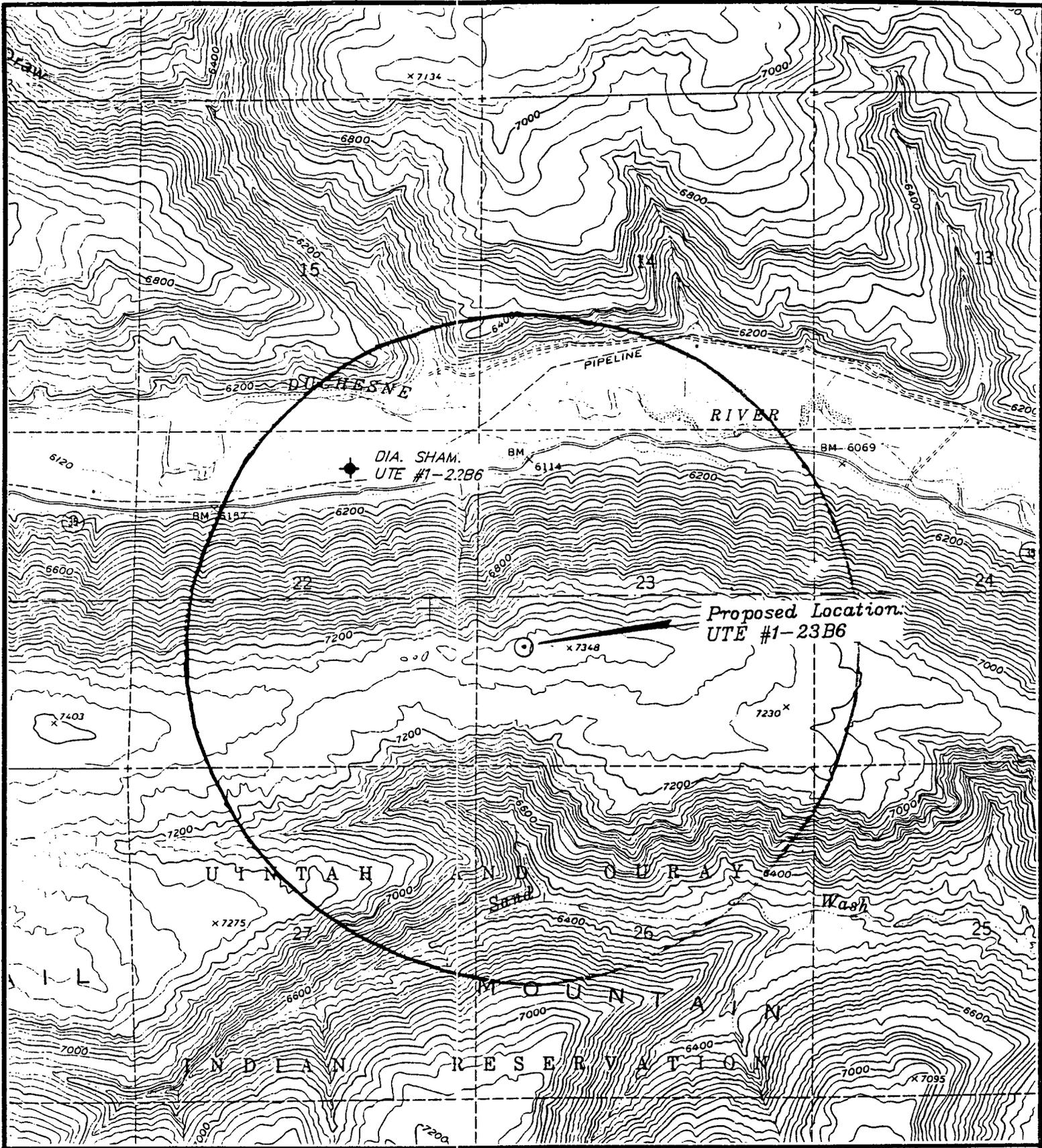


ANR PRODUCTION CO.

UTE #1-23 B6

SECTION 23, T2S, R6W, U.S.B.&M.

1894' FSL 735' FWL



LEGEND:

- ⊕ = Water Wells
- ◐ = Abandoned Wells
- ◑ = Temporarily Abandoned Wells
- ⊖ = Disposal Wells
- = Drilling Wells
- = Producing Wells
- ◐ = Shut-in Wells



ANR PRODUCTION CO.

UTE #1-23B6

SECTION 23, T2S, R6W, U.S.B.&M.

TOPO MAP "C"

DATE: 12-20-93 D.J.S.

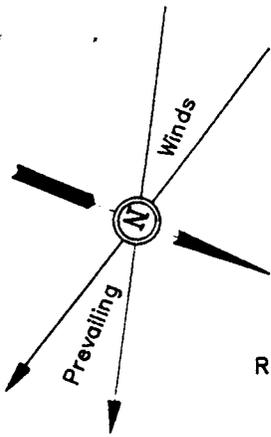
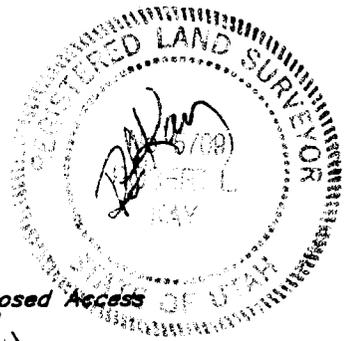
ANR PRODUCTION CO.

LOCATION LAYOUT FOR

UTE #1-23B6

SECTION 23, T2S, R6W, U.S.B.&M.

1894' FSL 735' FWL



Scale: 1" = 60'
Date: 12-20-93
Drawn By: J.R.S.
Revised: 4-14-94 C.B.T.

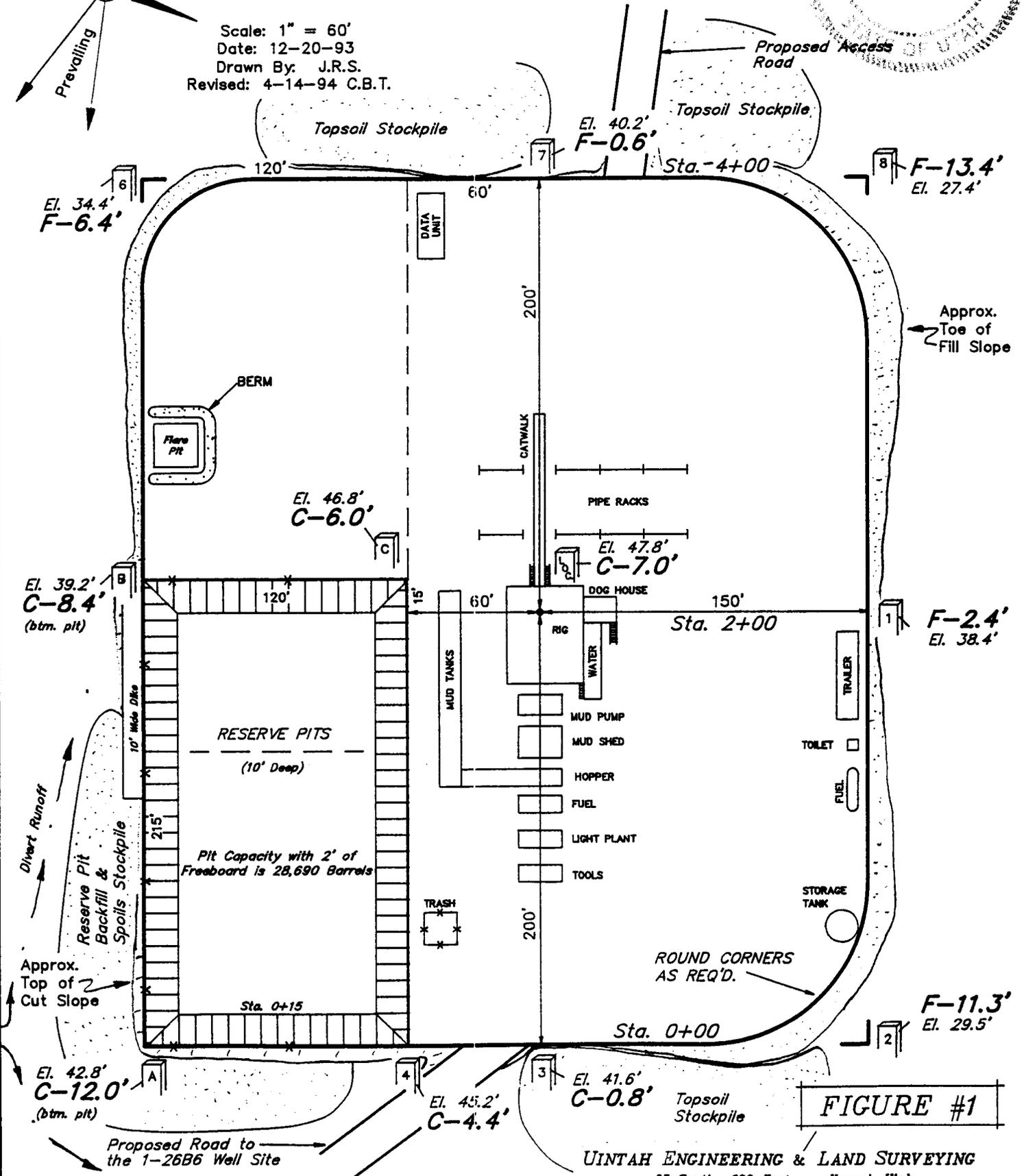
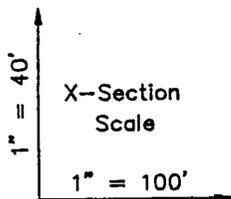
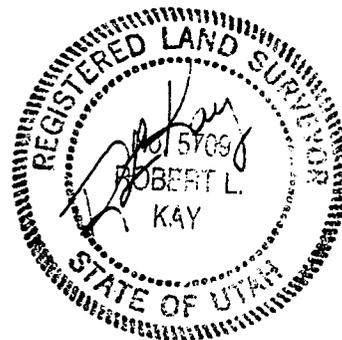


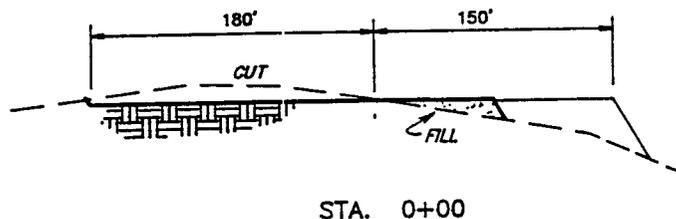
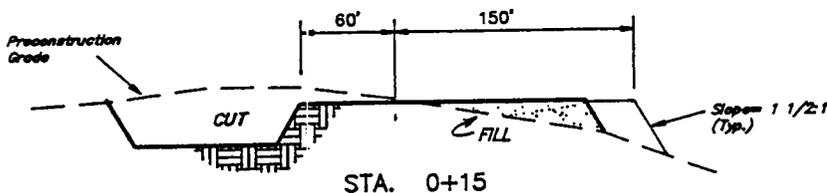
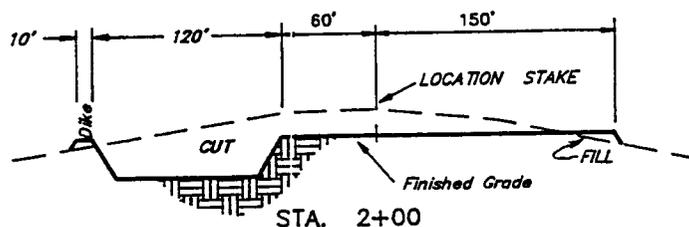
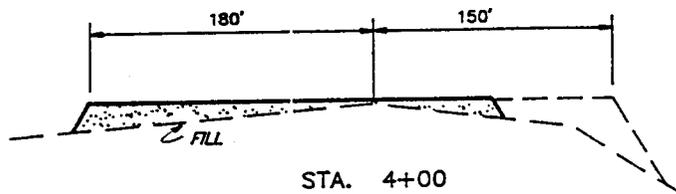
FIGURE #1

ANR PRODUCTION CO.
TYPICAL CROSS SECTIONS FOR

UTE #1-23B6
 SECTION 23, T2S, R6W, U.S.B.&M.
 1894' FSL 735' FWL



Date: 12-20-93
 Drawn By: J.R.S.



APPROXIMATE YARDAGES

CUT		
(12") Topsoil Stripping	=	4,890 Cu. Yds.
Remaining Location	=	16,230 Cu. Yds.
TOTAL CUT	=	21,120 CU.YDS.
FILL	=	11,720 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	8,780 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Volume)	=	8,780 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

NOTES:

Elev. Ungraded Ground At Loc. Stake = **7347.8'**
 FINISHED GRADE ELEV. AT LOC. STAKE = **7340.8'**

FIGURE #2

ANR Production Company's
Ute #1-23B6 Well Pad
Duchesne County, Utah
Cultural Resource Inventory on Ute Tribal Land

by
John M. Scott

Michael D. Metcalf
Principal Investigator

for
Coastal Oil and Gas Corporation
Nine Greenway Plaza, Suite 474
Houston, TX 77046

Prepared by
Metcalf Archaeological Consultants, Inc.
P. O. Box 899
Eagle, CO 81631

Project Number U-94-mm-143i

March 1994

Introduction

Metcalf Archaeological Consultants, Inc. (MAC) was contracted by a representative of Coastal Oil & Gas Corporation to conduct a cultural resource investigation of the proposed Ute #1-23B6 well pad for ANR Production Company. The proposed well is to be constructed in the NW/SW of Section 23, T2S, R6W, Duchesne County, Utah, on land administered by the Ute Indian Tribe, Fort Duchesne, Utah. The associated proposed access and utility corridor will start from the east side of another planned well pad (Ute #2-22B6) and will head east for 1.1 miles to the west side of this study area. The cultural resource inventory was conducted by MAC archaeologists John M. Scott and Dulaney Barclay on March 21, 1994 with a Ute Tribe Access Permit (Approval Date: 3/21/94). Ute Tribe Energy and Minerals Technician Pat Padia was also present. A ten acre block was surveyed around the proposed drill location and an additional 13.3 acres was surveyed for the proposed access and utility corridor. No cultural resources were discovered during this study and cultural resource clearance is recommended. All field notes and maps are on file at the MAC office in Eagle, Colorado.

Files Search

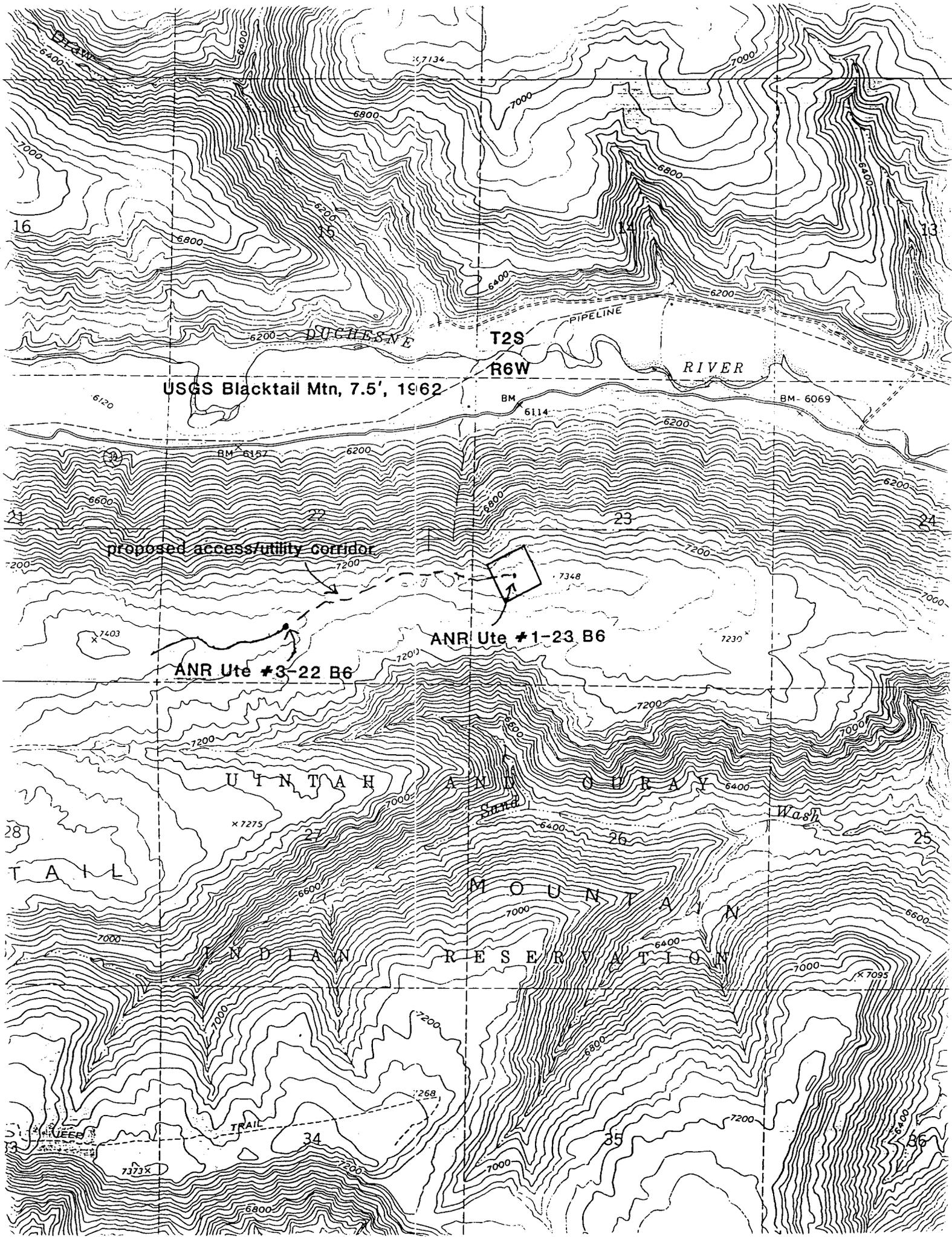
A file search was conducted at the Division of State History in Salt Lake City on March 18, 1994 by Lauri Travis of MAC. This search reported surveys and previously recorded sites in the general area of the project. However, none of these previous investigations or sites included portions of the current study area.

Environment

The study area is located near the southern margin of the Uintah Mountains in the Altimont-Bluebell oil and gas field. More specifically, it is on the north side of Blacktail Mountain 0.5 miles south of the Duchesne River. The well pad is staked on the top of an east-west trending ridge system near its north rim. The Duchesne River is immediately to the north and below the rim. The associated proposed access and utility corridor begins at another planned well (Ute #2-22B6) and heads east for 1.1 miles crossing terrain very similar to that of the associated well pad.

Soil in the area is a tan sand of mixed residual and eolian origin with a spotty mantle of forest debris and litter. Sandstone slabs and bedrock outcrops are exposed sporadically throughout the area.

Vegetation cover is about twenty to thirty percent and allows good to fair soil surface visibility. The vegetation can be characterized as an Upper Sonoran zone dominated by a pinyon-juniper woodland. Prevalent plants include thick pinyon (*Pinus* spp.) and juniper (*Juniperus* spp.) trees with an understory of shrubs, mixed grasses and



USGS Blacktail Mtn, 7.5', 1962

T2S
R6W

RIVER

proposed access/utility corridor

ANR Ute #1-23 B6

ANR Ute #3-22 B6

U N T A H

A M O U R A Y

T A I L

M O U N T A I N

I N D I A N R E S E R V A T I O N

TRAIL

Wash

16

15

14

13

21

22

23

24

28

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31

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7134

7275

7348

7095

7268

7373

BM 6114

BM 6069

BM 6157

7408

6400

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7000

U N T A H

A M O U R A Y

T A I L

M O U N T A I N

I N D I A N R E S E R V A T I O N

TRAIL

Wash

16

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7134

7275

7348

7095

7268

7373

BM 6114

BM 6069

BM 6157

7408

6400

6800

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7000

7000

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6000

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U N T A H

A M O U R A Y

T A I L

M O U N T A I N

I N D I A N R E S E R V A T I O N

TRAIL

Wash

forbs. Other identified plants were sagebrush (*Artemisia* spp.), mountain mahogany (*Cercocarpus* spp.), Mormon tea (*Ephedra* spp.) and prickly pear cactus (*Opuntia* spp.).

Field Methods

A ten acre block centered on the proposed drill location and enclosing its associated well pad area was marked with pin flags. The area was then inspected for cultural resources using parallel pedestrian transects spaced no more than fifteen meters apart. The access/utility corridor was examined using two zig-zag pedestrian transects. These transects covered a total area 50 feet to either side of the centerline, or a 100 foot wide corridor. Thus an additional 13.3 acres were inspected for the access and utility corridor.

Results

No cultural resources were discovered during this inventory.

Recommendations

Cultural clearance is recommended for the ANR Production Company's proposed Ute #1-23B6 well pad and access/utility corridor as they are presently staked.

There are no federal stipulations at this time.



A Wastewater Permit Application will be filed with the Uintah Basin District Health Department in Vernal once the drilling contractor has been determined.



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/25/94

API NO. ASSIGNED: 43-013-31446

WELL NAME: UTE 1-23 B6
OPERATOR: ANR PRODUCTION COMPANY (N0675)

PROPOSED LOCATION:
NWSW 23 - T02S - R06W
SURFACE: 1894-FSL-0735-FWL
BOTTOM: 1894-FSL-0735-FWL
DUCHESNE COUNTY
ALTAMONT FIELD (055)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: IND
LEASE NUMBER: 14-20-H62-4614

PROPOSED PRODUCING FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat

Bond: Federal State Fee
(Number 962213)

Potash (Y/N)

Oil shale (Y/N)

Water permit
(Number #1230)

RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

R649-2-3. Unit: _____

R649-3-2. General.

R649-3-3. Exception. *Topography*

Drilling Unit. *139-8*
Board Cause no: ~~139-42~~
Date: ~~4/12/85~~ *9-20-72*

COMMENTS: _____

STIPULATIONS: _____

6	5	4	⊕ 3	PA WSTC	2	1
7	8	9	10	11	12	SOW GR-WS
18	⊕ 17 GR-WS	16	15	⊕ 14 PA	⊕ 13 GR-WS	12
19	20	POW GR-WS ● 21	PA GR-WS ⊕ 22	23	POW ● 24	2
		POW GR-WS ●	DRL 2-22B6 ○	DRL 1-23B6 ○	GR-WS	S
30	29	POW ● 28 GR-WS DRL 2-28B6 ○	POW ● 27 GR-WS DRL 2-27B6 ○	DRL ○ 26 1-26B6 DRL 2-26B6 ○	POW ● 25 GR-WS	
31	32	⊕ 33 DRL 2-33B6 ○	34	35	PA GR-WS ⊕ 36	
	PA GR-WS ⊕	POW ● GR-WS	POW ● GR-WS	POW ● GR-WS	POW ● GR-WS	

R 6 W



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

June 9, 1994

ANR Production Company
600 - 17th Street, Suite 800 S
Denver, Colorado 80201-0749

Re: Ute #1-23B6 Well, 1894' FSL, 735' FWL, NW SW, Sec. 23, T. 2 S., R. 6 W.,
Duchesne County, Utah

Gentlemen:

Pursuant to the order issued by the Board of Oil, Gas and Mining in Cause No. 139-8 dated September 20, 1972, Utah Admin. R. 649-3-3, Location and Siting of Wells and and Utah Admin. R.649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

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

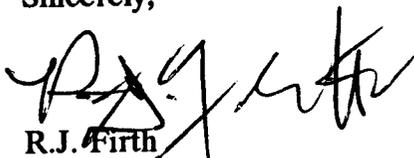
1. Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules.
2. Notification to the Division within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling 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 K. Michael Hebertson, Reclamation Specialist, (Home) (801)269-9212.
6. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.



Page 2
ANR Production Company
Ute #1-23B6 Well
June 9, 1994

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-013-31446.

Sincerely,



R.J. Firth
Associate Director

ldc
Enclosures
cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office
WOI1

**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**

1b. TYPE OF WELL

OIL **GAS** **SINGLE** **MULTIPLE**

WELL **WELL** **ZONE** **ZONE**

2. NAME OF OPERATOR **303/573-4476** **600-17th Street, Suite 800 S**
ANR Production Company **Denver, CO 80201-0740**

3. ADDRESS OF OPERATOR **303/452-8888** **13585 Jamboree Drive**
PERMITCO INC. - Agent **Denver, CO**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At Surface **1894' FSL and 735' FWL**
At proposed Prod. Zone **NW SW Sec. 23, T2S - R6W**

5. LEASE DESIGNATION AND SERIAL NO.
#14-20-H62-4614

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute Tribe

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Ute

9. WELL NO.
#1-23 B6

10. FIELD AND POOL OR WILDCAT
Altamont

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 23, T2S - R6W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
22 miles northwest of Duchesne, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
735'

16. NO. OF ACRES IN LEASE
3640

17. NO. OF ACRES ASSIGNED TO THIS WELL
320 (2 wells/section)

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.
None

19. PROPOSED DEPTH
14,600'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
7348' GR

22. APPROX. DATE WORK WILL START*
Upon approval

RECEIVED
JUN 10 1994

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" K-55	54.5# ST&C	0-200'	280 sx Type "V" AG
12-1/4"	9-5/8" S-95	40.0# BT&C	0-7400'	4623 CF Premium Plus
8-3/4"	7" S-95	26.0# LT&C	7200-10,700'	2043 CF Premium Plus
8-3/4"	5-1/2" S-95	23.0# LT&C	10700'-14600'	(See Attached)

ANR Production Company proposes to drill a well to a proposed T.D. of 14600' (Maximum 14800') to test the Wasatch formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM, BIA, & State of Utah requirements.

See Onshore Order No. 1 attached.

CONFIDENTIAL - TIGHT HOLE

Please be advised that ANR Production Company is considered to be the Operator of the above mentioned well. ANR agrees to be responsible under the terms of the lease for the operations conducted upon the leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by ANR Production Company under their Nationwide Bond #962213.

IN 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 *[Signature]* TITLE Consultant for: ANR Production Co. DATE 04/21/94

PERMIT NO. 42-013-21446 APPROVAL DATE

APPROVED BY *[Signature]* TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE JUN 8 1994

CONDITIONS OF APPROVAL, IF ANY:

cc: Utah Division of Oil, Gas & Mining

***See Instructions On Reverse Side**

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

NOTICE OF CONFIDENTIAL

**CONDITIONS OF APPROVAL
TO OPERATOR'S CO.**

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: ANR Production Company

Well Name & Number: Ute Tribal 1-23B6

API Number: 43-013-31446

Lease Number: 14-20-H62-4614

Location: NWSW Sec. 23 T. 2S R. 6W

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

If this well is completed with production capable of communitized paying quantities a Communitized Agreement (CA) will need to be formed.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for a 5M, triple ram, system for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. In addition to the aforementioned BOP system, a minimum of a 2M BOPE system shall installed prior to drilling out the 13 3/8 in. conductor and shall remain in use until the surface casing is set. The 2M system shall be set up as a diverter system and shall be function tested prior to drilling out from the conductor pipe. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

In addition, to the cementing proposal for the surface casing, a minimum of 200 ft. of Class G neat cement shall be placed from 200 ft. to surface in the 9 5/8 in. X 13 3/8 in. annulus.

A casing integrity test will be ran prior to perforating the casing string for completion operations. Notify this office at least 24 hours prior to initiating the integrity test.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

Electronic/mechanical mud monitoring equipment shall be utilized while drilling below the surface casing shoe to total depth and shall include a pit volume totalizer (PVT), stroke counter and flow sensor.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

Prior to drilling out the surface casing shoe a Cement Bond Log (CBL) will be run from shoe to surface to determine the top of cement. Approval will not be given to drill out until the Authorized Officer has inspected the log and determined if remedial cementing is required. Submit a field copy of the CBL to this office.

A cement bond log (CBL) shall be utilized to determine the top of cement (TOC) and bond quality for the production liner. The CBL shall be ran from total depth to the top of the liner. Submit a field copy of the CBL to this office.

6. Notification of Operations

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Gerald E. Kenczka (801) 781-1190
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE USE PLAN OF OPERATION
Conditions of Approval (COAs)

Location and Type of Water Supply

Fresh water for drilling may be obtained from the Jasper Pike Canal through the Ute Indian Tribe, Ute Tribal Water Right No. 1230. However before water could be obtained from the Duchesne City culinary water system, a separate BLM approval would have to be obtained, based on a BLM water depletion consultation with the U. S. Fish and Wildlife Service under Section 7 of the Endangered Species Act.

Methods for Handling Waste Disposal

The reserve pit shall be lined.

The plastic nylon reinforced liner will be a minimum of 12 mil thickness with 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.

Ute Tribe Energy & Minerals Department is recommending the following criteria to be adhered during all phases of construction activities.

1. All vehicular traffic, personnel movement, construction and restoration operations should be confined to the areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.
2. All recommendations of the Bureau of Indian Affairs combined site specific Environmental Analysis report shall be strictly adhered, during and after construction.
3. All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
4. The personnel from the Ute Tribe Energy & Minerals Department should be consulted should cultural remains from subsurface deposits be exposed during construction work.

6.0 MITIGATION STIPULATIONS

1. Before the site is abandoned the company will be required to restore the well pad, access roads, and pipeline rights-of-way to near their original state. The disturbed area will be reseeded with desirable perennial vegetation.

2. Noxious weeds will be controlled on well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way onto adjoining land, the company will be responsible for their control.
3. After the pipeline has been constructed and the right-of-way re-seeded, vehicular travel over the right-of-way will be limited to that which is absolutely necessary for the maintenance of the pipeline.
4. Surface pipelines will be constructed by using the following procedures:
 - A) Staging areas will be set up along roads or wellsites. The pipeline is welded in place at the staging area.
 - B) As the pipeline is welded it will be pulled to the next staging area by a suitable piece of equipment. Except for unusual conditions only one trip across the right-of-way with equipment is all that will be required.
5. Paleontology - To protect paleontology resources, surface pipeline construction will not occur when the soil is muddy. It will occur when the soil is either frozen, or dry.
6. Cultural Resources:
 - A) All vehicular traffic, personnel movement, construction and restoration operations should be confined to the flagged areas and corridors, and to the existing roadways and access roads.
 - B) All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
 - C) The Ute Tribal Cultural Rights & Protection Office, the Ute Tribal Energy & Minerals Office of the Bureau of Indian Affairs should be consulted should cultural remains from subsurface deposits be exposed during construction work or if the need arises to relocate or otherwise alter the location of the exploration area.

SOILS/RANGE/WATERSHEDS

Salt and pollution loading of the soil and geological formations will be mitigated by requiring the oil company to:

Line reserve pits with impervious synthetic liners.

Use a closed production system.

Production water, oil, and other by-products will not be applied to roads or well pads for the control of dust or weeds. Indiscriminate dumping of oil field by-products on tribal lands will not be allowed.

When the well is plugged and/or abandoned the gravel and road base hauled in to construct the well pad and access roads will be incorporated into the soil.

All well sites, access roads, and pipeline rights-of-way will be cleared by a qualified archaeologist/paleontologist so that cultural sites will be avoided or salvaged.

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT" - for such proposals

5. Lease Designation and Serial No.

See Attached

6. If Indian, Alottee or Tribe Name

See Attached

7. If Unit or CA, Agreement Designation

See Attached

8. Well Name and No.

See Attached

9. API Well No.

See Attached

10. Field and Pool, Or Exploratory Area

See Attached

11. County or Parish, State

County: See Attached
State: Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P. O. Box 749, Denver, CO 80201-0749

(303) 573-4455

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)

See Attached

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other Change of Operator
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(NOTE: Report results of multiple completion or Completion or Recompletion Report and Log to)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is direction drilled, give subsurface locations and measured and true vertical depths for all markets and zones pertinent to this work.)*

Please be advised that effective December 27, 1995, ANR Production Company relinquished and Coastal Oil & Gas Corporation assumed operations for the subject wells (see attached). Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation under the following bonds: State of Utah #102103, BLM Nationwide Bond #U605382-9, and BIA Nationwide Bond #11-40-66A. Coastal Oil & Gas Corporation, as operator, agrees to be responsible under the terms and conditions of the leases for the operations conducted upon leased lands.

Bonnie Carson
GENERAL & MINING
BIA, USDO
Signed by *Sheila Bremer*
Bonnie Carson, Sr. Environmental & Safety Analyst
ANR Production Company

RECEIVED
MAR 07 1996

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

Signed

Sheila Bremer
Sheila Bremer

Coastal Oil & Gas Corporation

Title Environmental & Safety Analyst

Date

03/07/96

(This space for Federal or State office use)

APPROVED BY

Title

Date

Conditions of approval, if any:

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

*See Instruction on Reverse Side

Well Name & No.	API No.	Lease Designation & Serial Number	If Indian, Allottee or Tribe Name	CA No.	LOCATION OF WELL		Field	County
					Footages	Section, Township & Range		
Ute 1-25A3	43-013-30370 ✓	14-20-H62-1802	Ute	N/A	1727' FNL & 1784' FEL	SWNE, 25-1S-3W	Bluebell	Duchesne
Ute 1-26A3	43-013-30348 ✓	14-20-H62-1803	Ute	N/A	1869' FNL & 1731' FWL	SENE, 26-1S-3W	Bluebell	Duchesne
Ute 1-31A2	43-013-30401 ✓	14-20-H62-1801	Ute	N/A	2246' FSL & 2270' FWL	NESW, 31-1S-2W	Bluebell	Duchesne
Ute 1-32Z2	43-013-30379 ✓	14-20-H62-1702	Ute	N/A	1484' FNL & 2554' FWL	SENE, 32-1N-2W	Bluebell	Duchesne
Ute 1-36B6	43-013-30502 ✓	14-20-H62-2532	Ute	N/A	1212' FSL & 487' FEL	SESE, 36-2S-6W	Altamont	Duchesne
Ute 1-6B2	43-013-30349 ✓	14-20-H62-1807	Ute	N/A	2052' FSL & 1865' FEL	NWSE, 6-2S-2W	Bluebell	Duchesne
Ute 2-22B5	43-013-31122 ✓	14-20-H62-2509	Ute	N/A	737' FSL & 1275' FWL	SWSW, 22-2S-5W	Altamont	Duchesne
Ute 2-25A3	43-013-31343 ✓	14-20-H62-1802	Ute	N/A	2183' FSL & 1342' FWL	NESW, 25-1S-3W	Bluebell	Duchesne
Ute 2-26A3	43-013-31340 ✓	14-20-H62-1803	Ute	N/A	700' FSL & 700' FWL	SWSW, 26-1S-3W	Bluebell	Duchesne
Ute 2-27B6	43-013-31449 ✓	14-20-H62-4631	Ute	N/A	1727' FNL & 1904' FEL	SWNE, 27-2S-6W	Altamont	Duchesne
Ute 2-28B6	43-013-31434 ✓	14-20-H62-4622	Ute	N/A	1945' FSL & 1533' FEL	NWSE, 28-2S-6W	Altamont	Duchesne
Ute 2-31A2	43-013-31139 ✓	14-20-H62-1801	Ute	N/A	1012' FNL & 1107' FEL	NENE, 31-1S-2W	Bluebell	Duchesne
Ute 2-33B6	43-013-31445 ✓	14-20-H62-2493	Ute	N/A	1796' FNL & 2541' FEL	SWNE, 33-2S-6W	Altamont	Duchesne
Ute 2-35A3	43-013-31292 ✓	14-20-H62-1804	Ute	N/A	660' FNL & 660' FEL	NENE, 35-1S-3W	Bluebell	Duchesne
Ute 2-6B2	43-013-31140 ✓	14-20-H62-1807	Ute	N/A	949' FNL & 1001' FWL	NWNW, 6-2S-2W	Bluebell	Duchesne
Ute 3-35A3	43-013-31365 ✓	14-20-H62-1804	Ute	N/A	1632' FNL & 660' FWL	SWNW, 35-1S-3W	Bluebell	Duchesne
Ute Tribal 1-27B6	43-013-30517 ✓	14-20-H62-4631	Ute	N/A	2312' FNL & 1058' FWL	SWNW, 27-2S-6W	Altamont	Duchesne
Ute Tribal 1-28B6	43-013-30510 ✓	14-20-H62-4622	Ute	N/A	860' FNL & 2381' FEL	NWNE, 28-2S-6W	Altamont	Duchesne
Ute Tribal 1-33B6	43-013-30441 ✓	14-20-H62-2493	Ute	N/A	350' FSL & 2400' FEL	SWSE, 33-2S-6W	Altamont	Duchesne
Ute Tribal 1-35B6	43-013-30507 ✓	14-20-H62-4632	Ute	N/A	1248' FEL & 1350' FSL	NESE, 35-2S-6W	Altamont	Duchesne
OIL/GAS WELLS PERMITTED - NOT DRILLED								
Ute 1-16B6	43-013-31524 ✓	14-20-H62-4647	Ute	N/A	2424' FNL & 1590' FEL	SWNE, 16-2S-6W	Altamont	Duchesne
Ute 1-23B6	43-013-31446 ✓	14-20-H62-4614	Ute	N/A	1894' FSL & 735' FWL	NWSW, 23-2S-6W	Altamont	Duchesne
Ute 1-26B6	43-013-31447 ✓	14-20-H62-4614	Ute	N/A	205' FNL & 2485' FWL	NENW, 26-2S-6W	Altamont	Duchesne
Ute 2-26B6	43-013-31448 ✓	14-20-H62-4614	Ute	N/A	663' FSL & 697' FWL	SWSW, 26-2S-6W	Altamont	Duchesne

5. Lease Designation and Serial Number:

See Attached

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.

Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

6. If Indian, Allottee or Tribe Name:

See Attached

7. Unit Agreement Name:

See Attached

1. Type of Well:

OIL GAS OTHER:

8. Well Name and Number:

See Attached

2. Name of Operator:

Coastal Oil & Gas Corporation

9. API Well Number:

See Attached

3. Address and Telephone Number:

P.O. Box 749, Denver, CO 80201-0749

(303) 573-4455

10. Field and Pool, or Wildcat:

See Attached

4. Location of Well

Footages: See Attached

County: See Attached

QQ, Sec., T., R., M.: See Attached

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT

(Submit In Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other _____
- New Construction
- Pull or Alter Casing
- Recompletion
- Perforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT

(Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other Change of Operator
- New Construction
- Pull or Alter Casing
- Perforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____

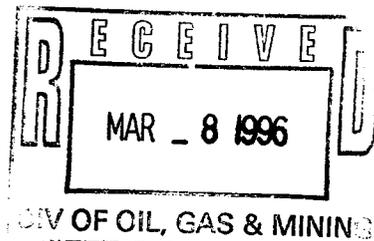
Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

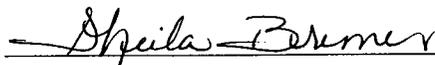
Please be advised that effective December 27, 1995, ANR Production Company relinquished and Coastal Oil & Gas Corporation assumed operations for the subject wells (see attached). Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation under the following bonds: State of Utah #102103, BLM Nationwide Bond #U605382-9, and BIA Nationwide Bond #11-40-66A. Coastal Oil & Gas Corporation, as operator, agrees to be responsible under the terms and conditions of the leases for the operations conducted upon leased lands.


Bonnie Carson, Sr. Environmental & Safety Analyst
ANR Production Company



13.

Name & Signature:



Sheila Bremer
Environmental & Safety Analyst

Title: Coastal Oil & Gas Corporation

Date: 03/07/96

(This space for State use only)

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing: *CH*

1	<i>LEC 7-53</i>
2	<i>DTS 8-FILE</i>
3	<i>VLD</i>
4	<i>RT</i>
5	<i>LEC</i>
6	<i>FILM</i>

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 12-27-95)

TO (new operator)	<u>COASTAL OIL & GAS CORP</u>	FROM (former operator)	<u>ANR PRODUCTION CO INC</u>
(address)	<u>PO BOX 749</u>	(address)	<u>PO BOX 749</u>
	<u>DENVER CO 80201-0749</u>		<u>DENVER CO 80201-0749</u>
	<u>phone (303) 572-1121</u>		<u>phone (303) 572-1121</u>
	<u>account no. N 0230 (B)</u>		<u>account no. N0675</u>

Well(s) (attach additional page if needed):

Name: **SEE ATTACHED**	API: <u>013-31446</u>	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- Lee* 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 3-8-96)*
- Lee* 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 3-8-96)*
- N/A* 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) ____ If yes, show company file number: _____.
- N/A* 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- Lee* 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(3-11-96) (4-3-96/Indian) (4-15-96/Fee C.A.'s) (8-20-96/Indian C.A.'s)*
- Lee* 6. Cardex file has been updated for each well listed above.
- Lee* 7. Well file labels have been updated for each well listed above.
- Lee* 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(3-11-96)*
- Lee* 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) ____ (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- N/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only) Surety No. U605382-1 (\$80,000) United Pacific Ins. Co.

- Yes 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- ____ 2. A copy of this form has been placed in the new and former operators' bond files. ** Upon Compl. of routing.*
- Yes 3. The former operator has requested a release of liability from their bond (yes/no) ____ Today's date March 11, 1996. If yes, division response was made by letter dated _____ 19____. *(Same Bond as Coastal)*

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- N/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- ____ 2. Copies of documents have been sent to State Lands for changes involving State leases.

FILMING

- Yes 1. All attachments to this form have been microfilmed. Date: 1-7 1997.

FILING

- ____ 1. Copies of all attachments to this form have been filed in each well file.
- ____ 2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

960311 This change involves Fee lease / non C.A. wells ~~only~~ in State lease wells.
 C.A. & Indian lease wells will be handled on separate change.

960412 BLM/SL Aprv. C.A.'s 4-11-96.

960820 BIA Aprv. CA's 8-16-96.

960329 BIA Aprv. Indian Lease wells 3-26-96.

WE71134-35 *961107 Lemicy 2-582/43013-30784 under review at this time; no chg. yet!

Well Name & No.	API No.	Lease Designation & Serial Number	If Indian, Allottee or Tribe Name	CA No.	LOCATION OF WELL				
					Footages	Section, Township & Range	Field	County	
Ute 1-31A2	43-013-30401	14-20-H62-1801 1925	Ute	N/A	2246' FSL & 2270' FWL	NESW, 31-1S-2W	Bluebell	Duchesne	
Ute 1-32Z2	43-013-30379	14-20-H62-1702 1915	Ute	N/A	1484' FNL & 2554' FWL	SENE, 32-1N-2W	Bluebell	Duchesne	
Ute 1-36B6	43-013-30502	14-20-H62-2532 1940	Ute	N/A	1212' FSL & 487' FEL	SESE, 36-2S-6W	Altamont	Duchesne	
Ute 1-6B2	43-013-30349	14-20-H62-1807 1895	Ute	N/A	2052' FSL & 1865' FEL	NWSE, 6-2S-2W	Bluebell	Duchesne	
Ute 2-22B5	43-013-31122	14-20-H62-2509 10453	Ute	N/A	737' FSL & 1275' FWL	SWSW, 22-2S-5W	Altamont	Duchesne	
Ute 2-25A3	43-013-31343	14-20-H62-1802 11361	Ute	N/A	2183' FSL & 1342' FWL	NESW, 25-1S-3W	Bluebell	Duchesne	
Ute 2-26A3	43-013-31340	14-20-H62-1803 11349	Ute	N/A	700' FSL & 700' FWL	SWSW, 26-1S-3W	Bluebell	Duchesne	
Ute 2-27B6	43-013-31449	14-20-H62-4631 11600	Ute	N/A	1727' FNL & 1904' FEL	SWNE, 27-2S-6W	Altamont	Duchesne	
Ute 2-28B6	43-013-31434	14-20-H62-4622 11624	Ute	N/A	1945' FSL & 1533' FEL	NWSE, 28-2S-6W	Altamont	Duchesne	
Ute 2-31A2	43-013-31139	14-20-H62-1801 10458	Ute	N/A	1012' FNL & 1107' FEL	NENE, 31-1S-2W	Bluebell	Duchesne	
Ute 2-33B6	43-013-31445	14-20-H62-2493 11691	Ute	N/A	1796' FNL & 2541' FEL	SWNE, 33-2S-6W	Altamont	Duchesne	
Ute 2-35A3	43-013-31292	14-20-H62-1804 11222	Ute	N/A	660' FNL & 660' FEL	NENE, 35-1S-3W	Bluebell	Duchesne	
Ute 2-6B2	43-013-31140	14-20-H62-1807 11190	Ute	N/A	949' FNL & 1001' FWL	NWNW, 6-2S-2W	Bluebell	Duchesne	
Ute 3-35A3	43-013-31365	14-20-H62-1804 11454	Ute	N/A	1632' FNL & 660' FWL	SWNW, 35-1S-3W	Bluebell	Duchesne	
Ute Tribal 1-27B6	43-013-30517	14-20-H62-4631 11600	Ute	N/A	2312' FNL & 1058' FWL	SWNW, 27-2S-6W	Altamont	Duchesne	
Ute Tribal 1-28B6	43-013-30510	14-20-H62-4622 11605	Ute	N/A	860' FNL & 2381' FEL	NWNE, 28-2S-6W	Altamont	Duchesne	
Ute Tribal 1-33B6	43-013-30441	14-20-H62-2493 1230	Ute	N/A	350' FSL & 2400' FEL	SWSE, 33-2S-6W	Altamont	Duchesne	
Ute Tribal 1-35B6	43-013-30507	14-20-H62-4632 2335	Ute	N/A	1248' FEL & 1350' FSL	NESE, 35-2S-6W	Altamont	Duchesne	
OIL/GAS WELLS PERMITTED - NOT DRILLED									
Ute 1-16B6	43-013-31524	14-20-H62-4647 99999	Ute	N/A	2424' FNL & 1590' FEL	SWNE, 16-2S-6W	Altamont	Duchesne	
Ute 1-23B6	43-013-31446	14-20-H62-4614 99999	Ute	N/A	1894' FSL & 735' FWL	NWSW, 23-2S-6W	Altamont	Duchesne	
Ute 1-26B6	43-013-31447	14-20-H62-4614 99999	Ute	N/A	205' FNL & 2485' FWL	NENW, 26-2S-6W	Altamont	Duchesne	
Ute 2-26B6	43-013-31448	14-20-H62-4614 99999	Ute	N/A	663' FSL & 697' FWL	SWSW, 26-2S-6W	Altamont	Duchesne	
SALT WATER DISPOSAL WELLS									
Lake Fork 2-23B4 SWD	43-013-30038	Patented 1970	N/A	N/A	1985' FNL & 2131' FEL	SWNE, 23-2S-4W	Altamont	Duchesne	
LDS Church 2-27B5 SWD	43-013-30340	Fee 99990	N/A	N/A	551' FSL & 2556' FEL	SWSE, 27-2S-4W	Altamont	Duchesne	
Ehrich 2-11B5 SWD	43-013-30391	Fee 99990	N/A	N/A	1983' FSL & 1443' FWL	NESW, 11-2S-5W	Altamont	Duchesne	
Hanson 2-4B3 SWD	43-013-30337	Fee 99990	N/A	N/A	641' FSL & 1988' FWL	SESW, 4-2S-3W	Altamont	Duchesne	
Shell 2-27A4 SWD	43-013-30266	Fee 99990	N/A	96108	58' FSL & 1186' FWL	SWSW, 27-1S-4W	Altamont	Duchesne	
Tew 1-9B5 SWD	43-013-30121	Patented 1675	N/A	N/A	2334' FNL & 1201' FEL	SENE, 9-2S-5W	Altamont	Duchesne	

COASTAL

UNITED STATES GOVERNMENT
memorandum

DATE: March 26, 1996
REPLY TO
ATTN OF: Superintendent, Uintah and Ouray Agency
SUBJECT: Change of Operator
TO: Bureau of Land Management, Vernal District Office
Attention: Sally Gardiner, Division of Minerals and Mining

We have received copies of Sundry Notices and Reports on Wells (Form 3160-5), requiring BIA Action, informing this office of a change of operator for the following wells:

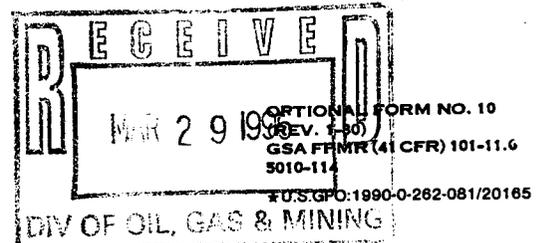
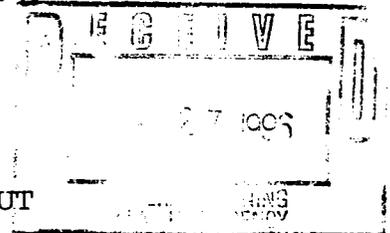
OPERATOR - FROM: ANR PRODUCTION COMPANY
TO: COASTAL OIL & GAS CORPORATION
(SEE ATTACHED LIST OF WELLS AND LOCATIONS)

This office recommends a approval for the Changes of Operator for the wells listed above.

All operations will be covered under a \$150,000 Nationwide Bond filed with this office for Coastal.

If you have any questions, please contact this office at (801) 722-2406, Ext. 51/52/54.

cc: Jerry Kenczka, BLM/Vernal
Energy & Minerals, Ute Tribe
Ute Distribution Corporation, Roosevelt, UT
Lisha Cordova, State of Utah
Theresa Thompson, BLM/State Office





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

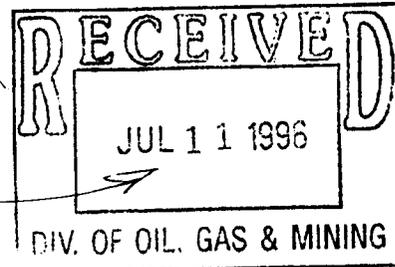
Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (801) 781-4400
Fax: (801) 781-4410

IN REPLY REFER TO:
3160
UT08300

July 9, 1996

DOG-111
'LA' DATE



Coastal Oil & Gas Corporation
Attn: Sheila Bremer
P O Box 749
Denver CO 80201-0749

Re: Notification of Expiration
Well No. 1-23B6
Section 23 T2S, R6W
Lease No. 14-20-H62-4645
Duchesne County, Utah

Dear Ms Bremer:

The Application for Permit to Drill the above-referenced well was approved on June 8 1994. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until June 8 , 1996. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M

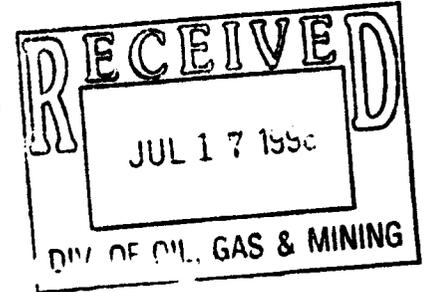


Coastal
The Energy People

July 15, 1996

43-013-31446

Ute #1-23B6
Section 23-T2S-R6W
Lease No. 14-20-H62-4645
Duchesne County, Utah



Ms. Margie Herrmann
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, UT 84078-2799

Dear Ms. Herrmann:

We are in receipt of your Notification of Expiration letter dated July 9, 1996. This letter is being submitted to confirm that no surface disturbance has been made for this drill site. If at such time Coastal Oil & Gas Corporation intends to drill at this location in the future, a new Application for Permit to Drill will be submitted.

If you need any further information, please do not hesitate to contact us.

Sincerely,

Sheila Bremer
Environmental & Safety Analyst

xc: State of Utah