UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE X WATER SANDS _____ LOCATION INSPE _____ SUB. REPORT/abd. _____

970618 Location abandoned eff. June 16, 1997.

DATE FILED MARCH 8, 1995

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. INDIAN 14-20-H62

DRILLING APPROVED: JUNE 5, 1995 3981

SPUDDED IN:

COMPLETED: 6·16·97 LA PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: June 16, 1997 LA

FIELD: BLUEBELL FIELD

UNIT: NA

COUNTY: DUCHESNE

WELL NO. UTE #2-23A3 WELL API NO. 43-013-31515

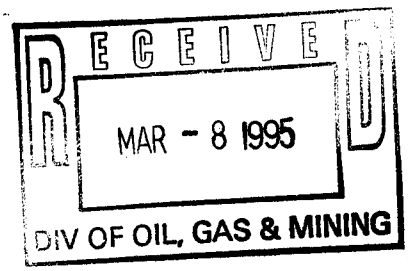
LOCATION 1063' FSL FT. FROM (N) (S) LINE, 1043' FEL FT. FROM (E) (W) LINE. SE SE 1/4 — 1/4 SEC. 23

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
1S	3W	23	COASTAL OIL & GAS CORP				

Coastal
The Energy People

March 7, 1995

Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078



Re: Ute #2-23A3
Section 23, T1S-R3W
Duchesne County, Utah

To whom it may concern:

Enclosed is the Application for Permit to Drill (APD), the Drilling Program, the Surface Use and Operations Plan, and the Mineral Access Agreement for the above described well. Please note that additional copies have been sent to the BIA and the Ute Tribe.

A copy of the Class III Archaeological Survey was sent to you by Metcalf Archaeological Consultants, Inc. The surveyed area consisted of the wellpad and the access road; however, because the pipeline was not staked at the time of the original survey and subsequent snow cover, an archaeological survey of the pipelin ROW was not completed until very recently. Maps and damages corresponding to that pipeline ROW will be forwarded to the appropriate agencies as soon as they are made available. No sites of significance were found on the surveyed area.

If you have any questions concerning the enclosed documents, please contact me at (303) 573-4476.

Sincerely,

Bonnie Johnston
Environmental Analyst

Enc.

cc: Ute Tribe - Attn: Ferron Secakuku
BIA - Attn: Dianne Mitchell
Division of Oil, Gas, and Mining - SLC, UT

Coastal Oil & Gas Corporation
A SUBSIDIARY OF THE COASTAL CORPORATION
600 17TH ST • STE 800 S • P O BOX 749 • DENVER CO 80201-0749 • 303 572-1121

Form 3160-3
(November 1983)
(formerly 9-331C)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

RECEIVED
MAR - 8 1995
DIV OF OIL, GAS & MINING

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: 14-20-H62-3981

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tribe

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

7. UNIT AGREEMENT NAME: N/A

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME: Ute

2. NAME OF OPERATOR: Coastal Oil & Gas Corporation

9. WELL NO.: #2-23A3

3. ADDRESS OF OPERATOR: P.O. Box 749, Denver, CO 80201-0749 (303) 573-4476

10. FIELD AND POOL, OR WILDCAT: Altamont/Bluebell

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1043' FEL & 1063' FSL SE¼ SE¼
At proposed prod. zone: Same as above

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 23, T1S-R3W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 3.5 miles NE of Bluebell, Utah

12. COUNTY OR PARISH: Duchesne — 13. STATE: Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
1043'	640	2 wells/640 acres
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
2700'	14,850'	rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6158' GR

22. APPROX. DATE WORK WILL START*: Upon approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	54.5#	200'	See attached Drilling
12-1/4"	9-5/8"	36#	3000'	Program
8-3/4"	7"	26#	12850'	
6-1/8"	5"	18#	12600-14850'	

Coastal Oil & Gas Corporation proposes to drill a well to a proposed T.D. of 14,850' 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, and State of Utah requirements.

See Onshore Order #1, attached.

Bond coverage pursuant to 43CFR3104 for lease activities is being provided by Coastal Oil & Gas Corporation under their Nationwide Bond #114066.

Coastal Oil & Gas Corporation is considered to be the Operator of the above described well. Coastal agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.

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 Bonnie Johnston — TITLE Environmental Analyst — DATE 3/7/95

(This space for Federal or State office use)

PERMIT NO. 43-013-31515 — APPROVAL DATE

APPROVED BY R. A. Matthews — TITLE Petroleum Engineer — DATE 6/5/95

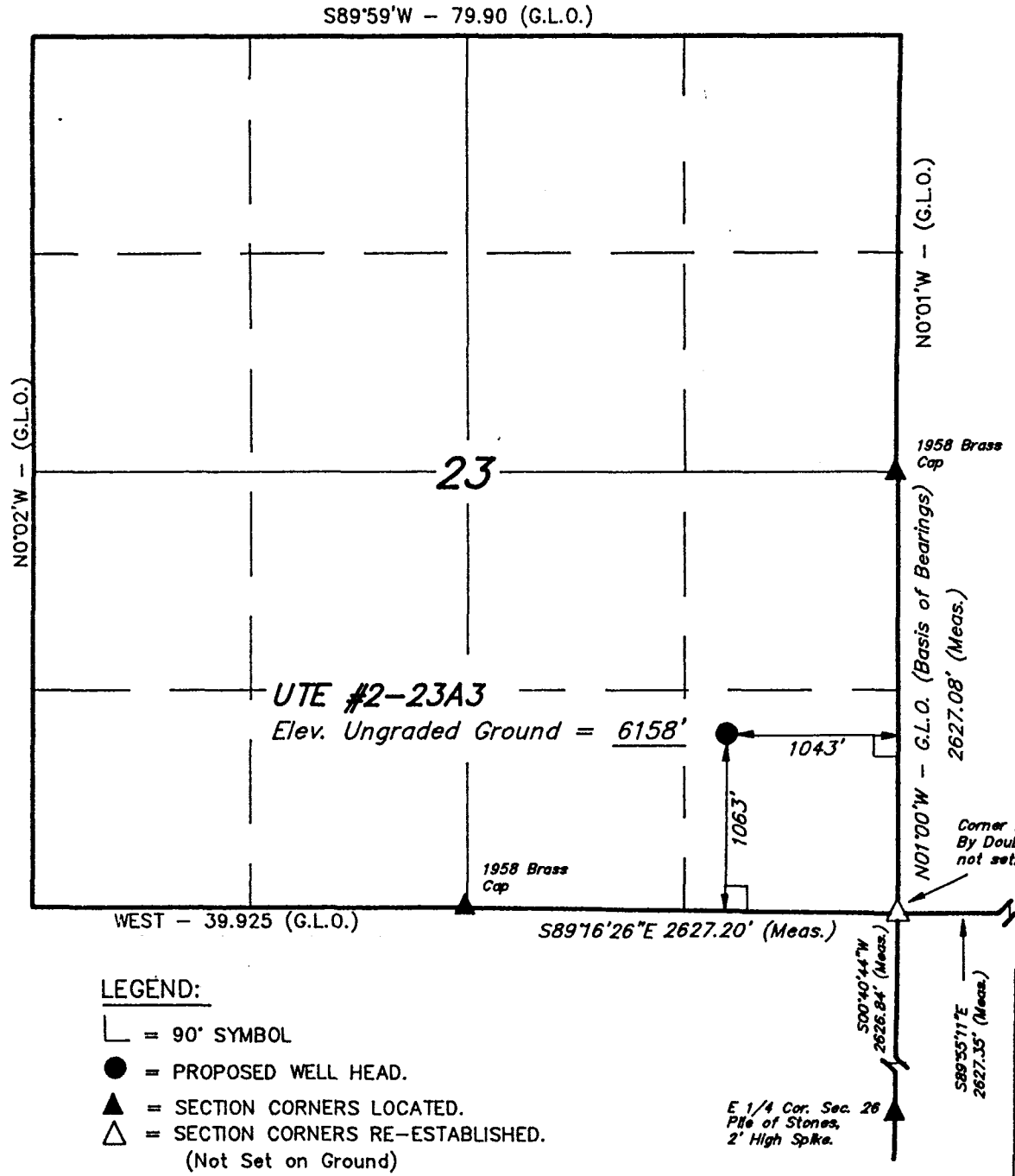
CONDITIONS OF APPROVAL, IF ANY:

***See Instructions On Reverse Side**

T1S, R3W, U.S.B.&M.

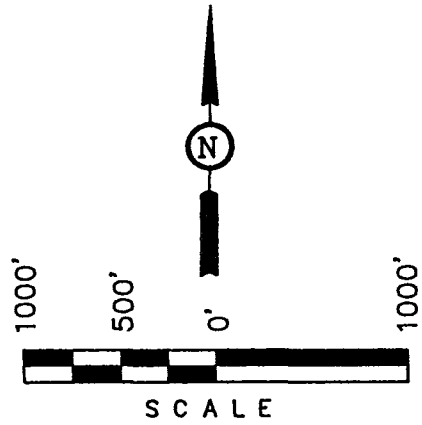
COASTAL OIL & GAS CORP.

Well location, UTE #2-23A3, located as shown in the SE 1/4 SE 1/4 of Section 23, T1S, R3W, U.S.B.&M. Duchesne County, Utah



BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION LOCATED IN THE W 1/2 OF SECTION 23, T1S, R3W, U.S.B.&M. TAKEN FROM THE NEOLA NW 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 6257 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. Kay

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REVISED: 3-1-95 D.J.S.
REVISED: 11-18-94 D.J.S.

LEGEND:

- └ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set on Ground)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 11-3-94	DATE DRAWN: 11-8-94
PARTY: J.F. D.G. D.J.S.	REFERENCES: G.L.O. PLAT	
WEATHER: COOL	FILE: COASTAL OIL & GAS CORP.	

Ute #2-23A3
1043' FEL & 1063' FSL
SE/SE, SECTION 23, T1S-R3W
Duchesne, Utah

Lease Number:14-20-H62-3981

ONSHORE ORDER NO. 1
Coastal Oil & Gas Corporation

DRILLING PROGRAM

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:

Formation	Depth
Uintah	Surface
Lower Green River	10,280'
Wasatch	11,680'
Total Depth	14,850'

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

Substance	Formation	Depth
Oil and Gas	Lower Green River - Wasatch	10,380' - T.D.
Water	N/A	
Other Minerals	N/A	

All freshwater and 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)

Coastal's minimum specifications for pressure control equipment are as follows:

Ram type: 11" Annulaar preventor (Hydril), 11" Double Gate Hydraulic, Drilling Spool, 5,000 psi

Ram type preventors and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% 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% 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 preventors (if used) shall be tested to 50% 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 will be performed when initially installed; whenever any seal subject to test pressure is broken; following related repairs; or 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 preventors 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/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 preventor controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection shall be recorded on the daily drilling report. Preventors 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 the 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 2000 psi working pressure blowout preventor.

b. A choke line and a kill line are to be properly installed. The kill line is not be used as a fill-up line.

c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventors.

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 program will be as follows:

Purpose	Depth	Hole Size	Csg Size	Wt/ft	Grade	Type
Surface	200'	17-1/2"	13-3/8"	54.5#	K-55	ST&C
	3000'	12-1/4"	9-5/8"	36#	K-55	LT&C
	12850'	8-3/4"	7"	26#	S-95	BT&C/ LT&C
Production						
	12600-14850'	6-1/8"	5"	18#	S-95	H521

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.

Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).

Casing collars shall have a minimum clearance of 0.422" of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.

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.

All casing, except conductor casing, shall be new or reconditioned and tested. Used casing shall meet or exceed API standards for new casing.

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

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.

Surface casing shall have centralizers on every fourth joint of casing, starting with the shoe joint and up to the bottom of the cellar.

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 being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

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. Casing design subject to revision based on geologic conditions encountered.

b. The cement program will be as follows:

Surface	Type and Amount
0-200'	Premium "G", 15.6 ppg, 1.18 ft^3/sx yld, 260 sx
0-3000'	Lead: 900 sx Premium HLC w/2% $CaCl_2$, 2#/sx Granulite, 12.7 ppg, 1.84 ft^3/sx yld Tail: 200 sx Premium "G" w/2% $CaCl_2$, 2#/sx Granulite, 15.8 ppg, 1.15 ft^3/sx yld
3000-12,600'	Lead 1: 720 sx Halco Lite w/2#/sx Granulite, 12.7 ppg, 1.84 ft^3/sx yld Lead 2: 400 sx 50-50 Poz w/2#/sx Granulite, 2% gel, 14.2 ppg, 1.17 ft^3/sx yld Tail: 150 sx Class "G" w/2#/sx Granulite, 25% SSA, 15.9 ppg, 1.51 ft^3/sx yld
Production	**Type**
12,600-14,850'	143 sx Premium "G" w/35% silica, 15.9 ppg, 1.51 ft^3/sx yld

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.

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.

c. The following reports shall be filed with the District

Manager within 30 days after the work is completed:

1. Progress reports, Form 3160-5, "Sundry Notices and Reports on Wells," must include the following information:

   a) Setting of each string of casing, showing the size, grade, weight of casing set, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of the cementing tools used, casing test method and results, and the date of the work done. Spud date will be shown 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.

d. Auxiliary equipment to be used as follows:

   1. Kelly cock

   2. No bit float is deemed necessary.

   3. A sub with a full opening valve

5. Drilling Fluids Program

a. Interval	Type	Mud.Wt	Viscosity
0-8000'	Air mist/water	8.4	28
8000-12600'	Water to LSND	8.4-11	35-40
12600-14850'	LSND to Wtd mud	11-14	40-45

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 will be checked periodically 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

a. Logging Program:

Dual Laterlog & Sonic

Drill Stem Tests: None anticipated

Cores: None anticipated

The evaluation program may change at the discretion of the wellsite geologist.

Drill stem tests, if they are run, will adhere to the following requirements:

Initial opening of the 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 DST's may be performed day or night.

Some means of reverse circulation shall be provided in case of flow to the surface showing evidence of hydrocarbons.

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 be operational during the test shall have spark arresters or water-cooled exhausts.

b. Whether the well is completed as a dry hole or 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.

c. No stimulation or frac treatment has been formulated for this well at this time; however, the drill site, as approved, will be of sufficient size to accommodate all completion activities. Any frac treatment program specifics will be submitted via sundry notices.

7. Abnormal Conditions

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered in or known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure approximately equals 5940 psi (calculated at 0.4 psi/foot) and maximum anticipated surface pressure equals approximately 3267 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates and Notification of Operations

a. Drilling Activity

Anticipated commencement date: Upon approval of this application
Drilling days: Approximately 21 days
Completion days: Approximately 10 days

b. Notification of Operations

The BLM in Vernal, Utah, will be notified at least 24 hours prior to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blow-out preventer and

related equipment, and running casing and cementing of all casing strings.

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

In accordance with Onshore 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, Utah 84078.

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.

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

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by written communication not later than 5 days following the date when the well is placed on production.

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 this period, an application for approval of the permanent disposal method, accompanied by water analysis and other required information, must be submitted to the District Engineer.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not to exceed 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.

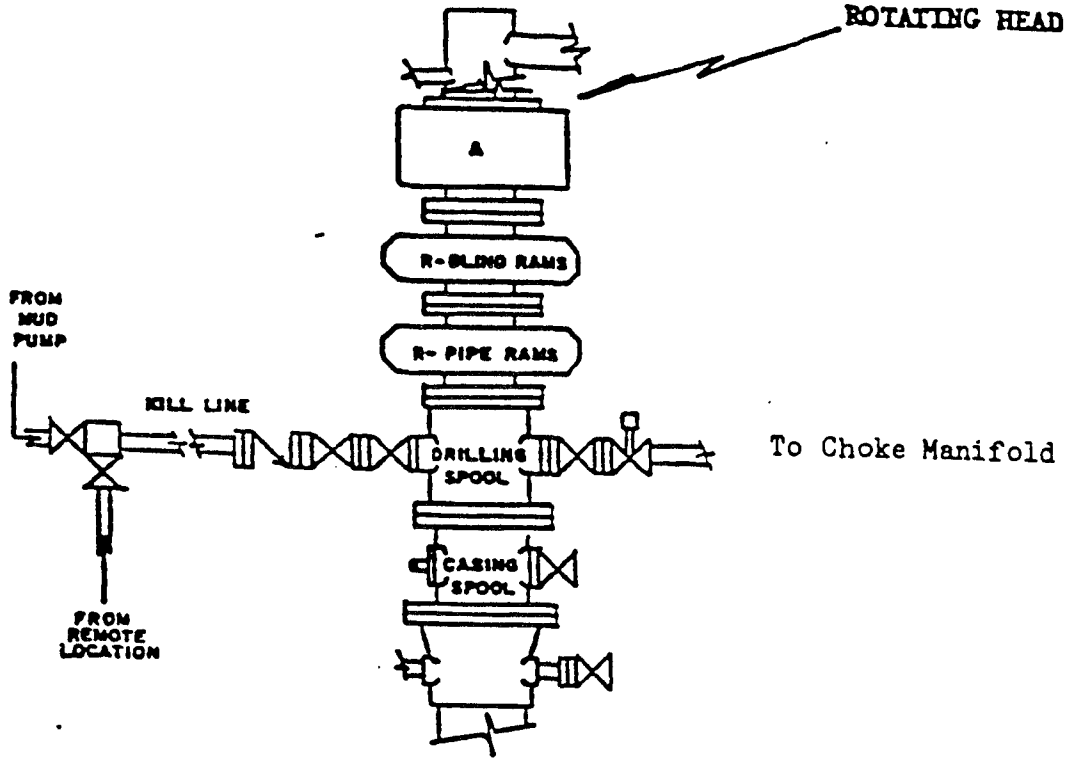
A schematic facilities diagram, as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the District Office within 60 days of installation or first production, whichever occurs first. All site security regulations, as specified in Onshore Oil & Gas Order No. 3, shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).

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

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer. A "Subsequent Report of Abandonment," Form 3160-5, will be filed with the Authorized Officer within 30 days following completion of the well for abandonment. This report will indicate placement of the plugs and current status of the 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 Authorized Officer or his representative, or the appropriate Surface Managing Agency.

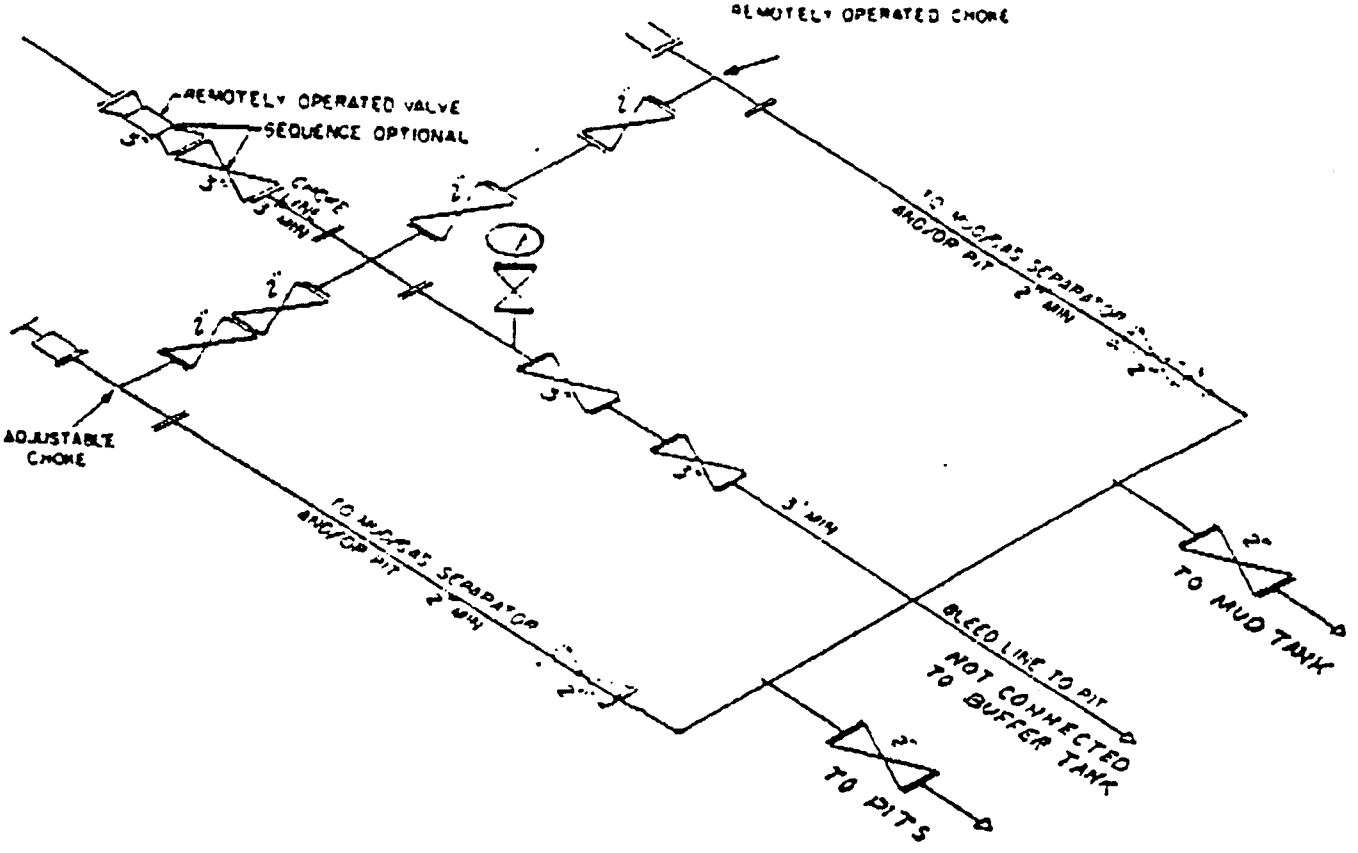
Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with the State and local laws, to the extent to which they are applicable, to operations on Federal or Indian lands.

5,000 psi Working Pressure BOP



Test Procedure

1) Flush BOP's and all lines to be tested with water.
2) Run test plug on test joint and seat in casing head (leave valve below test plug open to check for leak).
3) Test the following to rated pressure:
   a) inside blowout preventer
   b) lower kelly cock
   c) upper kelly cock
   d) stand pipe valve
   e) lines to mud pump
   f) kill line to BOP's
4) Close and test pipe rams to rated pressure.
5) Close and test Hydril to rated pressure.
6) Back off and leave test plug in place. Close and test blind rams to rated pressure.
7) Test all choke manifold valves to rated pressure.
8) Test kill line valves to rated pressure.



Coastal Oil & Gas Corporation

Ute #2-23A3
1063' FSL & 1043' FEL
SE/SE, SECTION 23, T1S-R3W
Duchesne County, Utah
Lease Number: 14-20-H62-3981

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

NOTIFICATION REQUIREMENTS

Location Construction: 48 hours prior to construction of location and access roads

Location Completion: Prior to moving the drilling rig

Spud Notice: At least 24 hours prior to spudding the well

Casing String and Cementing: 24 hours prior to running casing and cementing all casing strings

BOP and Related Equipment Tests: 24 hours prior to initiating pressure tests

First Production Notice: Within 5 days after new well begins or production resumes after well has been off production for more than 90 days

The onsite inspection for this well was conducted on 12/5/94 at approximately 12:00 PM. In attendence at the inspection were the following individuals:

Dale Hanberg	BIA
Stan Olmstead	BLM
Elliot Ridley	Ute Indian Tribe
Don Allred	U.E.L.S., inc.
Scott Sealey	Coastal Oil & Gas Corporation

1. Existing Roads:

The proposed well site is approximately 3.5 miles NE of Bluebell, Utah.

Directions to the location from Bluebell, Utah:

Proceed in an easterly direction from Bluebell, Utah on existing road approximately 1.1 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 1.4 miles to the junction of this road and an existing road to the east; turn right and proceed in an easterly direction approximately 0.8 miles to the beginning of the proposed access road to the south. Follow road

flags in a southerly direction approximately 0.3 miles to the proposed location.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

There will be no improvements to existing access.

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

2. Planned Access Roads

Approximately 0.3 miles of new access will be required. The new access road will be crowned and ditched with a running surface if 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

The maximum grade will be less than 8%.

No turnouts are planned.

No culverts, bridges, low water crossings, or major cut and fills are necessary.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions. If so, it will consist of native materials.

No gates, cattleguards, fence cuts, or modifications to existing facilities will be necessary.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

A Mineral Access Agreement for the wellpad and the access road will accompany this document.

Access roads and surface disturbing activities will conform to standrads outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will be maintained according to original construction standards. The access road right-of-way will be kept free of trash during operations. All traffic will be confined to the approved Right-of-Way. 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. Should mud holes develop, they shall be filled in and detours around them avoided.

3. Location of Existing Wells Within a 1-Mile Radius: See Map C

   a. Water wells - 0

   b. Producing wells - 6

   c. Drilling wells - 0

   d. Shut-in wells - 0

   e. Temporarily abandoned wells - 0

   f. Disposal wells - 0

   g. Abandoned wells - 0

   h. Injection wells - 0

4. Location of Existing and Proposed Facilities:

   The following guidelines will apply if the well is productive.

   a. A diagram showing the proposed production facilities will be submitted via Sundry Notice Form 3160-5 prior to facilities installation.

   b. All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

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

d. All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

   All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Desert Brown, Munsell standard color number 10 YR 6/3.

e. 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), the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental or other financial obligation, as determined by the Authorized Officer.

f. Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

g. All production facilities will be enclosed.

h. A pipeline will be constructed upon the lease; however, because the pipeline was staked at a later date than the wellpad and because of subsequent snow cover, an archaeological survey of the pipeline right of way was not completed concurrently with that of the wellpad and access road. Pipeline location and archaeological report will be submitted to the Authorized Officer after the survey on the pipeline right of way has been completed. A Mineral Access Agreement for the pipeline will also be submitted at that time.

5. Location and Type of Water Supply

All water needed for drilling purposes will be obtained from the Duchesne City Culinary Water System, Sections 1 and 2, T4S-R5W, Duchesne County, Utah, under the existing water rights held by the City of Duchesne, Utah.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.

No construction materials will be removed from Federal/Indian lands without prior approval from the appropriate surface management agency.

7. Methods of Handling Waste Materials

a. Drill cuttings will be contained and buried in the reserve pit.

b. Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

c. The reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit shall be lined. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

If a plastic reinforced liner is used, it will be a minimum of 12 mil thick, with sufficient bedding used 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 or scrap that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the Authorized Officer.

d. After first production, produced waste water will be confined to the approved pit or storage tank for a period not to exceed 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 Authorized Officer's approval.

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

f. A chemical porta-toilet will be furnished with the drilling rig.

g. Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

h. All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

i. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount 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.

8. <u>Ancillary Facilities</u>

None are anticipated.

9. Well Site Layout: See Location Layout Diagram

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

See the attached diagram to describe rig orientation, parking areas, and access roads.

a. The reserve pit will be located on the southwest side of the location.

b. The stockpiled topsoil (first six inches) will be stored on the west side of the location. All brush removed from the well pad during construction will be stockpiled separately from the topsoil.

c. The flare pit will be located downwind from the prevailing wind direction and a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

d. Access will be from the north.

e. All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

f. The reserve pit fencing will be on three sides during

drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. Plans for Reclamation of the Surface

a. Producing Location

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed.Other waste and spoil materials will be disposed of immediately upon completion of operations.

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 90 days from the date of well completion, weather permitting.

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 3 feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

The Authorized Officer of the appropriate surface management agency shall be contacted for the required seed mixture. Seed will be drilled on the contour to an appropriate depth.

b. Dry Hole/Abandoned Location

On lands administered by the BLM, abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and the re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

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
Uintah & Ouray Agency
P.O. Box 130
Ft. Duchesne, UT 84026
(801) 722-2406

12. Other Information

a. 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 of Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

b. A Class III archaeological survey was conducted by Metcalf Archaeological Consultants. A paleontology report by completed by Alden H. Hamblin. A copy of these reports has been submitted directly to the appropriate agencies by Metcalf Archaeological Consultants. Cultural resource clearance was recommended.

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.

Within 5 working days, the Authorized Officer will inform the operator as to: (1) whether the materials appear eligible for the National Register of Historic Places; (2) the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and (3) a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume respnsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be respnsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

c. The operator will control noxious weeds along right-of-ways 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 be submitted and approved prior to the application of herbicides or other pesticides or possibly hazardous chemicals.

d. 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.

e. Operator's employees, including subcontractors, will not gather firewood along roads constructed by the Operator. 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 (e) only authorized personnel are permitted.

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

Bonnie Johnston
Environmental Analyst
Coastal Oil & Gas Corporation
P.O. Box 749
Denver, CO 80201-0749
(303) 573-4476

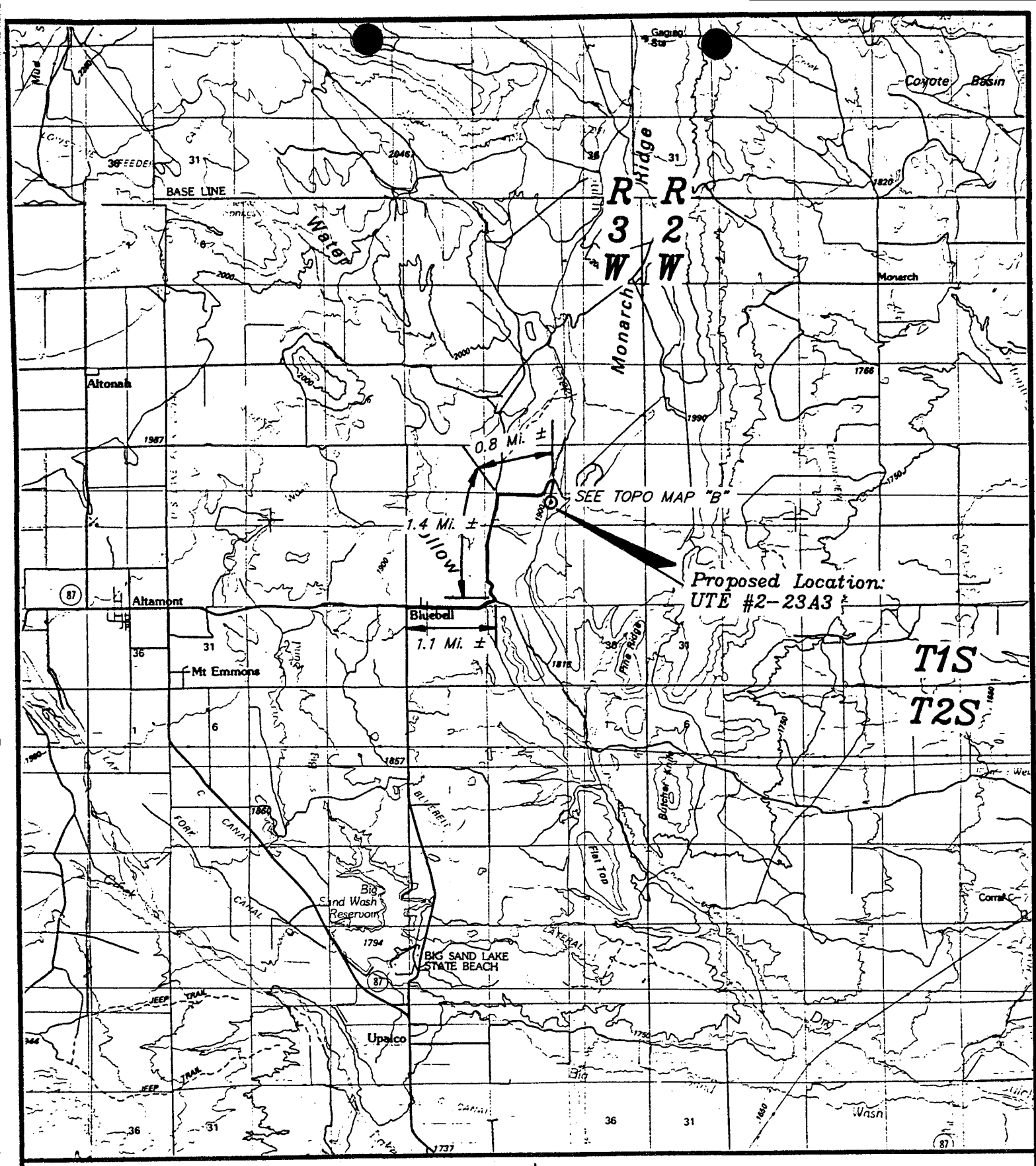
Ned Shiflett
Drilling Manager
(303) 573-4455

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

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

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

3/7/95 Date Bonnie Johnston Bonnie Johnston



REVISED: 3-1-95 D.J.S.

T O P O G R A P H I C

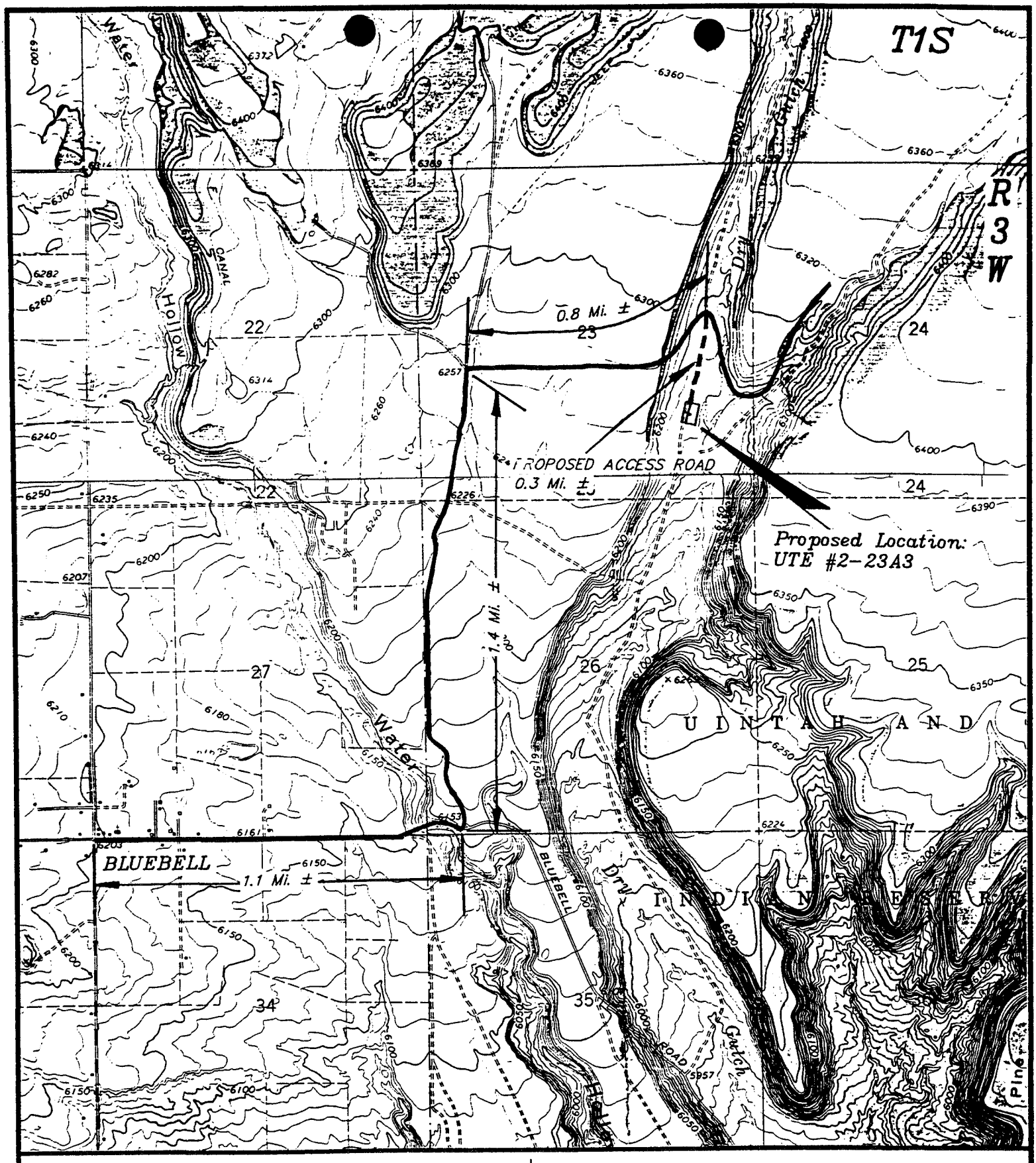
M A P "A"

REVISED: 11-18-94 D.J.S.
DATE: 11-7-94 J.D.S.

N

COASTAL OIL & GAS CORP.

UTE #2-23A3
SECTION 23, T1S, R3W, U.S.B.&M.
1063' FSL 1043' FEL



REVISED: 3-1-95 D.J.S.

REVISED: 11-18-94 D.J.S.

T O P O G R A P H I C

M A P "B"

SCALE: 1" = 2000'

DATE: 11-7-94 J.D.S.

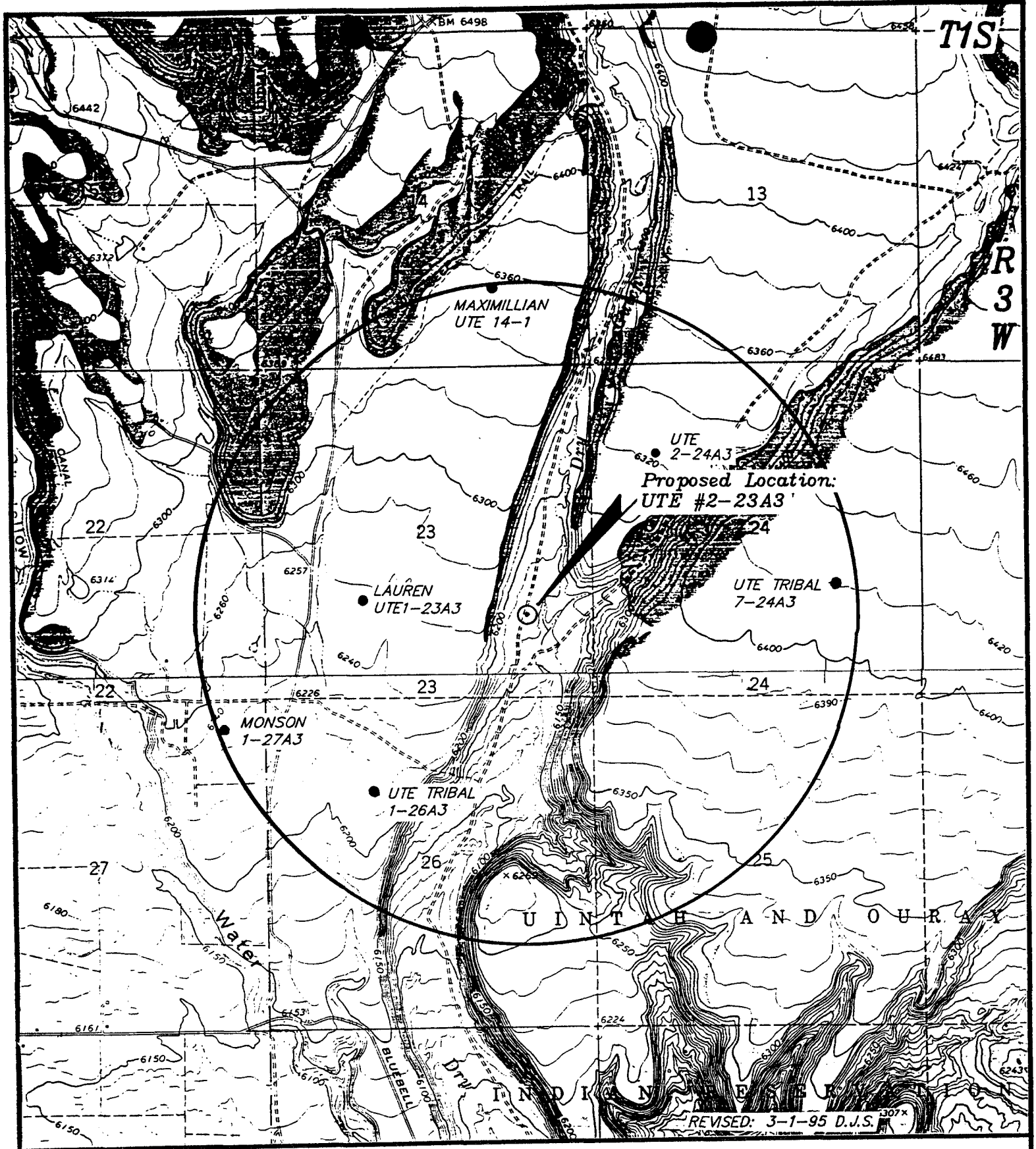
N

COASTAL OIL & GAS CORP.

UTE #2-23A3

SECTION 23, T1S, R3W, U.S.B.&M.

1063' FSL 1043' FEL



LEGEND:

- = Water Wells
- = Abandoned Wells
- = Temporarily Abandoned Wells
- = Disposal Wells
- = Drilling Wells
- = Producing Wells
- = Shut-in Wells

COASTAL OIL & GAS CORP.

UTE #2-23A3

SECTION 23, T1S, R3W, U.S.B.&M.

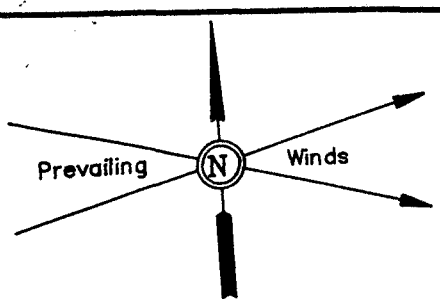
TOPO MAP "C"

DATE: 11-8-94 J.D.S.

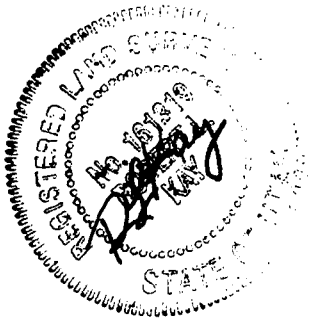
COASTAL OIL & GAS CORP.

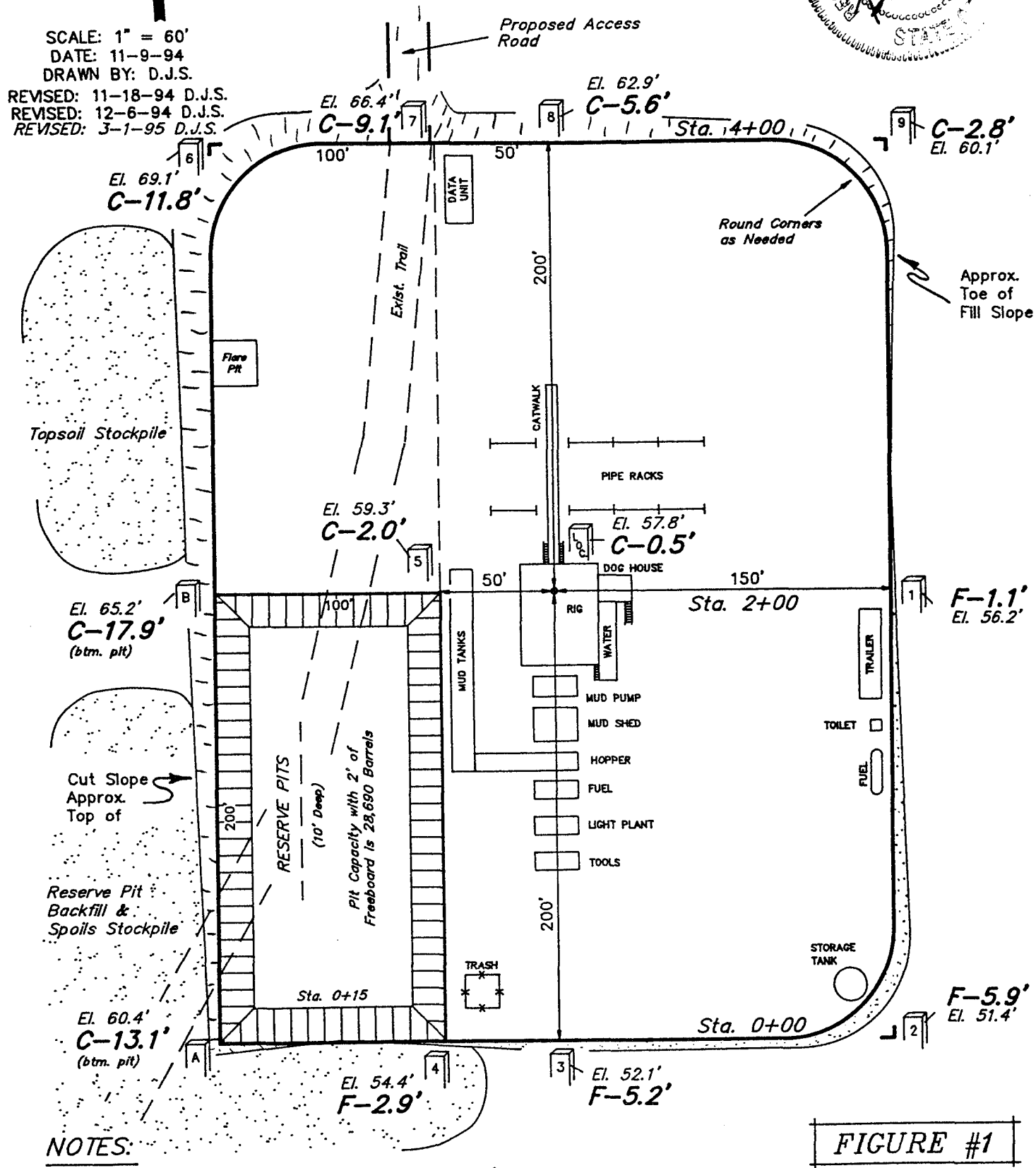
LOCATION LAYOUT FOR

UTE #2-23A3
SECTION 23, T1S, R3W, U.S.B.&M.
1063' FSL 1043' FEL



SCALE: 1" = 60'
DATE: 11-9-94
DRAWN BY: D.J.S.
REVISED: 11-18-94 D.J.S.
REVISED: 12-6-94 D.J.S.
REVISED: 3-1-95 D.J.S.





NOTES:

Elev. Ungraded Ground At Loc. Stake = 6157.8'
FINISHED GRADE ELEV. AT LOC. STAKE = 6157.3'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
86 South 200 East Vernal, Utah

COASTAL OIL & GAS CORP.

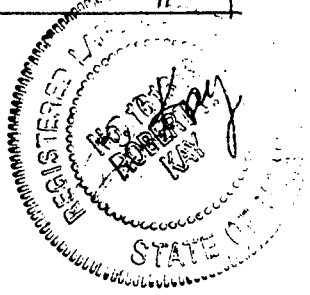
TYPICAL CROSS SECTIONS FOR

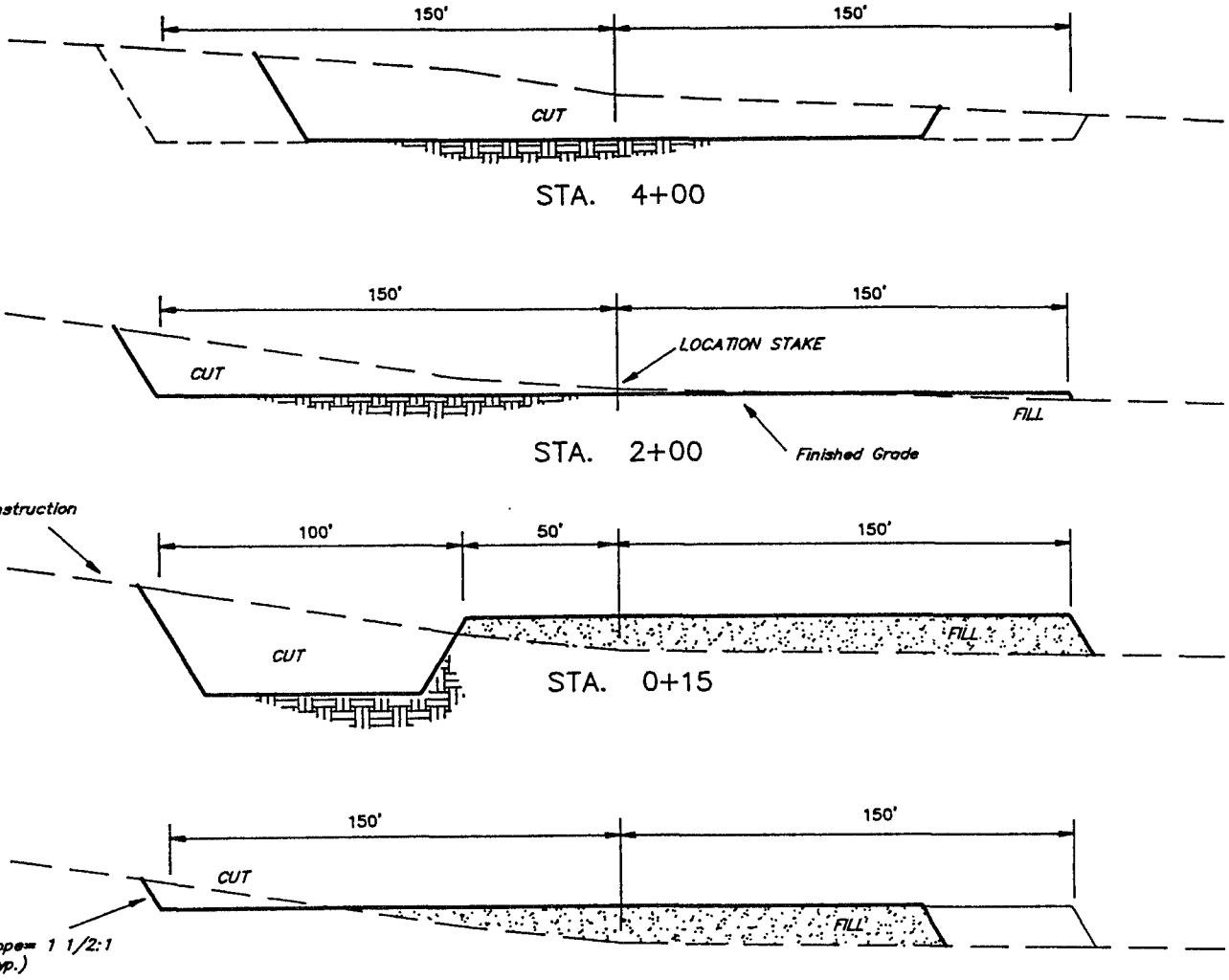
UTE #2-23A3
SECTION 23, T1S, R3W, U.S.B.&M.
1063' FSL 1043' FEL

FIGURE #2

1" = 40' X-Section Scale
1" = 100'

SCALE: 1" = 60'
DATE: 11-9-94
REVISED: 11-18-94 D.J.S.
REVISED: 3-1-95 D.J.S.





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

APPROXIMATE YARDAGES

CUT
(12") Topsoil Stripping = *4,440* Cu. Yds.
Remaining Location = *15,530* Cu. Yds.

TOTAL CUT = *19,970* CU.YDS.
FILL = *5,710* CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION = *13,960* Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Volume) = *7,360* Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = *6,600* Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 South 200 East Vernal, Utah

Mineral and Mining

Ute #2-23A3

MINERAL ACCESS AGREEMENT OF INDIAN OWNED LANDS

The purpose of this agreement is to regulate the surface development of Indian Lands which have been leased for oil and gas development. An approved agreement must be obtained prior to the commencement of any surface disturbing activity and will be in effect for the term of the lease and the agreed upon contractual provisions referenced therein, if not revoked under the terms in Item 4 of this agreement.

1. The Authorized Officer for the Bureau of Indian Affairs in conjunction with the Indian Surface owner and Tribe hereby grants permission to:

   Coastal Oil & Gas Corporation
   P.O. Box 749
   Denver, CO 80201-0749

   To improve and/or construct and maintain a development corridor which may contain an access road, pipelines, powerlines, communication lines and wellpads on the following trust land :

   Lease No. 14-20-H62-3981
   Beginning in the SE/NE through the NE/SE to the SE/SE of Section 23, T1S-R3W.

2. In consideration of the approval of this agreement, the above company agrees to adhere to all lease provisions, A.P.D. stipulations and regulations of the Secretary of the Interior now or hereafter in force relative to such leases.

3. The Company herewith submits an estimated surface damage fee in the amount of $ 5,418.00 , for 5.418 acres. Pending Agency appraisal and Affidavit of Completion.

4. This agreement will remain in effect unless revoked upon thirty (30) days written notice by the Superintendent or the appropriate official, depending upon circumstances.

5. The permittee will submit a certified map of the proposed access road and/or wellpad with this permit. The map must adhere to all specifications and requirements of the Branch of Minerals and Mining, Uintah and Ouray Agency,

Bureau of Indian Affairs. Upon completion of construction, an Affidavit of Completion will be submitted by the company to certify that the construction completed was in accordance to the specifications certified to on the survey map accompanying this agreement.

6. The company agrees to furnish a bond in the amount of $150,000 and to utilize said company's existing Nationwide Oil and Gas Bond No. 114066 to guarantee performance of this permit.

7. The Company agrees to contact immediately the Bureau of Indian Affairs (BIA) and the Bureau of Land Management (BLM), if cultural resources are discovered during construction or anytime during the course of daily operations.

8. ADDITIONAL STIPULATIONS

Signed on this 7 day of March, 1995.

Bonnie Johnston, Authorized Agent
Coastal Oil & Gas Corporation
P.O. Box 749
Denver, CO 80201-0749

WITNESS:

APPROVED:

Superintendent

Date

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/08/95

API NO. ASSIGNED: 43-013-31515

WELL NAME: UTE 2-23A3
OPERATOR: COASTAL OIL & GAS CORP (N0230)

PROPOSED LOCATION: 3
SESE 23 - T01S - R04W
SURFACE: 1063-FSL-1043-FEL
BOTTOM: 1063-FSL-1043-FEL
DUCHESNE COUNTY
BLUEBELL FIELD (065)

LEASE TYPE: IND
LEASE NUMBER: 14-20-H62-3981

PROPOSED PRODUCING FORMATION: GR-WS

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

RECEIVED AND/OR REVIEWED:

Y Plat
Y Bond: Federal[✓] State[] Fee[]
(Number 114066)
N Potash (Y/N)
N Oil shale (Y/N)
Y Water permit
(Number CITY OF DUCHESNE)
N RDCC Review (Y/N)
(Date:)

LOCATION AND SITING:

___ R649-2-3. Unit: ___

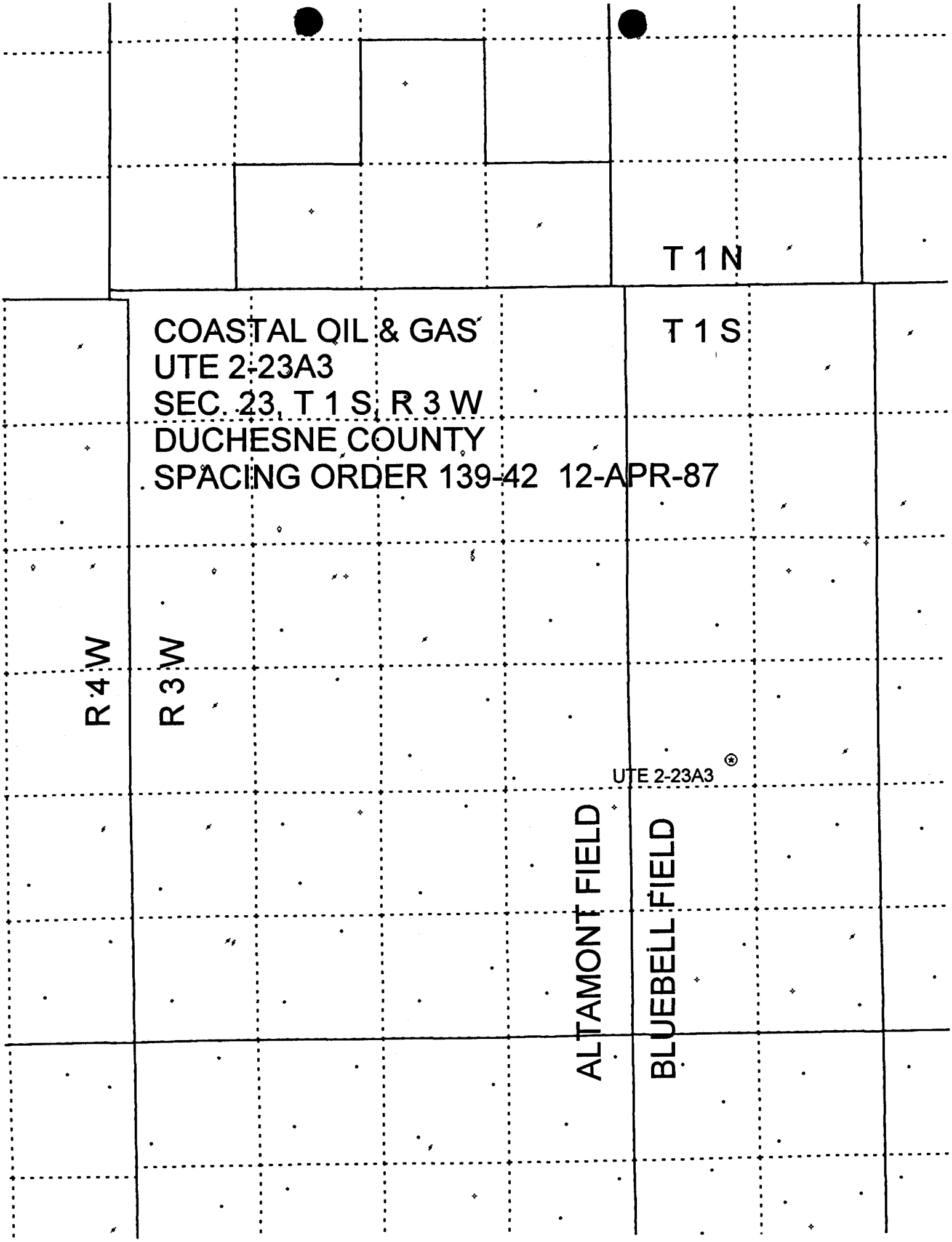
___ R649-3-2. General.

___ R649-3-3. Exception.

✓ Drilling Unit.
Board Cause no: 139-42
Date: 4/12/87

COMMENTS:

STIPULATIONS:


T 1 N
COASTAL OIL & GAS
UTE 2-23A3
SEC. 23, T 1 S, R 3 W
DUCHESNE COUNTY
SPACING ORDER 139-42 12-APR-87
T 1 S
R 4 W
R 3 W
UTE 2-23A3
ALTAMONT FIELD
BLUEBELL FIELD

STATE OF UTAH

Operator: COASTAL OIL & GAS	Well Name: UTE 2-23A3
Project ID: 43-013-31515	Location: SEC. 23 - T01S - R01W

Design Parameters:

Mud weight (14.00 ppg) : 0.727 psi/ft
Shut in surface pressure : 7873 psi
Internal gradient (burst) : 0.197 psi/ft
Annular gradient (burst) : 0.000 psi/ft
Tensile load is determined using buoyed weight
Service rating is "Sweet"
*** WARNING *** Design factor for collapse exceeded in design!

Design Factors:

Collapse : 1.125
Burst : 1.00
8 Round : 1.80 (J)
Buttress : 1.60 (J)
Other : 1.50 (J)
Body Yield : 1.50 (B)

	Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost
1	2,250	5.000	18.00	S-95	MAC/LX	14,850	4.151	

	Collapse Load (psi)	Collapse Strgth (psi)	Collapse S.F.	Burst Load (psi)	Min Int Yield Strgth (psi)	Burst S.F.	Tension Load (kips)	Tension Strgth (kips)	Tension S.F.
1	10800	11880	1.100	10800	12040	1.11	31.83	409	12.85 J

Prepared by : FRM, Salt Lake City, UT
Date : 06-05-1995
Remarks :

Minimum segment length for the 14,850 foot well is 1,000 feet.
SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 148°F (Surface 74°F , BHT 222°F & temp. gradient 1.000°/100 ft.)
The liner string design has a specified top of 12,600 feet.
The burst load shown is the pressure at the bottom of the segment.
The mud gradient and bottom hole pressures (for burst) are 0.727 psi/ft and 10,800 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.

Costs for this design are based on a 1987 pricing model. (Version 1.06)

STATE OF UTAH

Operator: COASTAL OIL & GAS	Well Name: UTE 2-23A3
Project ID: 43-013-31515	Location: SEC. 23 - T01S - R01W

Design Parameters:

Mud weight (11.00 ppg) : 0.571 psi/ft
Shut in surface pressure : 5560 psi
Internal gradient (burst) : 0.139 psi/ft
Annular gradient (burst) : 0.000 psi/ft
Tensile load is determined using buoyed weight
Service rating is "Sweet"
*** WARNING *** Design factor for collapse exceeded in design!

Design Factors:

Collapse	: 1.125	
Burst	: 1.00	
8 Round	: 1.80	(J)
Buttress	: 1.60	(J)
Other	: 1.50	(J)
Body Yield	: 1.50	(B)

	Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost
1	2,800	7.000	26.00	S-95	Buttress	2,800	6.151	
2	10,050	7.000	26.00	S-95	LT&C	12,850	6.151	

	Collapse Load (psi)	Collapse Strgth (psi)	Collapse S.F.	Burst Load (psi)	Min Int Yield Strgth (psi)	Burst S.F.	Tension Load (kips)	Tension Strgth (kips)	Tension S.F.
1	1600	6844	4.277	5948	8600	1.45	277.91	717	2.58 B
2	7343	7800	1.062	7343	8600	1.17	217.35	602	2.77 J

Prepared by : FRM, Salt Lake City, UT
Date : 06-05-1995
Remarks :

Minimum segment length for the 12,850 foot well is 1,000 feet.
SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 138°F (Surface 74°F , BHT 202°F & temp. gradient 1.000°/100 ft.)
The mud gradient and bottom hole pressures (for burst) are 0.571 psi/ft and 7,343 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.

Costs for this design are based on a 1987 pricing model. (Version 1.06)

STATE OF UTAH

Operator: COASTAL OIL & GAS	Well Name: UTE 2-23A3
Project ID: 43-013-31515	Location: SEC. 23 - T01S - R01W

Design Parameters:

Mud weight (8.40 ppg) : 0.436 psi/ft
Shut in surface pressure : 2795 psi
Internal gradient (burst) : 0.068 psi/ft
Annular gradient (burst) : 0.000 psi/ft
Tensile load is determined using buoyed weight
Service rating is "Sweet"

Design Factors:

Collapse : 1.125
Burst : 1.00
8 Round : 1.80 (J)
Buttress : 1.60 (J)
Other : 1.50 (J)
Body Yield : 1.50 (B)

	Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost
1	3,000	9.625	36.00	K-55	LT&C	3,000	8.765	

	Collapse Load (psi)	Collapse Strgth (psi)	Collapse S.F.	Burst Load (psi)	Min Int Yield Strgth (psi)	Burst S.F.	Tension Load (kips)	Tension Strgth (kips)	Tension S.F.
1	1309	2020	1.543	3000	3520	1.17	94.13	489	5.20 J

Prepared by : FRM, Salt Lake City, UT
Date : 06-05-1995
Remarks :

Minimum segment length for the 3,000 foot well is 1,000 feet.
SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 138°F (Surface 74°F , BHT 104°F & temp. gradient 1.000°/100 ft.)
Surface/Intermediate string:
Next string will set at 12,850 ft. with 11.00 ppg mud (pore pressure of 7,343 psi.) The frac gradient of 1.000 psi/ft at 3,000 feet results in an injection pressure of 3,000 psi Effective BHP (for burst) is 3,000 psi.
The minimum specified drift diameter is 8.750 in.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.

Costs for this design are based on a 1987 pricing model. (Version 1.06)

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
MAR 20 1995
DIV OF OIL, GAS & MINING

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: 14-20-H62-3981
6. If Indian, Alottee or Tribe Name: Ute Tribe
7. If Unit or CA, Agreement Designation: N/A
8. Well Name and No.: Ute #2-23A3
9. API Well No.: 43-013-31515
10. Field and Pool, Or Exploratory Area: Altamont/Bluebell
11. County or Parish, State: Duchesne County, Utah

1. Type of Well: [X] 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) 573-4476
4. Location of Well (Footage, Sec., T., R., M., Or Survey Description): 1043' FEL & 1063' FSL, Section 23, T1S-R3W

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[ ] Other	[ ] Dispose Water

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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 directionally drilled, give subsurface locations and measured and tru vertical depths for all markets and zones pertinent to this work.)*

The operator requests permission to construct a 4" OD steel pipeline with cathodic protection on the surface to connect the above described well well to the existing tank battery at the Ute #1-23A3. The proposed pipeline leaves the wellpad in a northerly direction, parallel to the proposed access road, then turns westerly, then southerly to reach the facilities at the Ute #1-23A3. Total distance is approximately 3,628 feet. Please see Map D, attached.

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

Signed Bonnie Johnston Title Environmental Analyst Date 03/17/95
Bonnie Johnston

(This space for Federal or State office use)

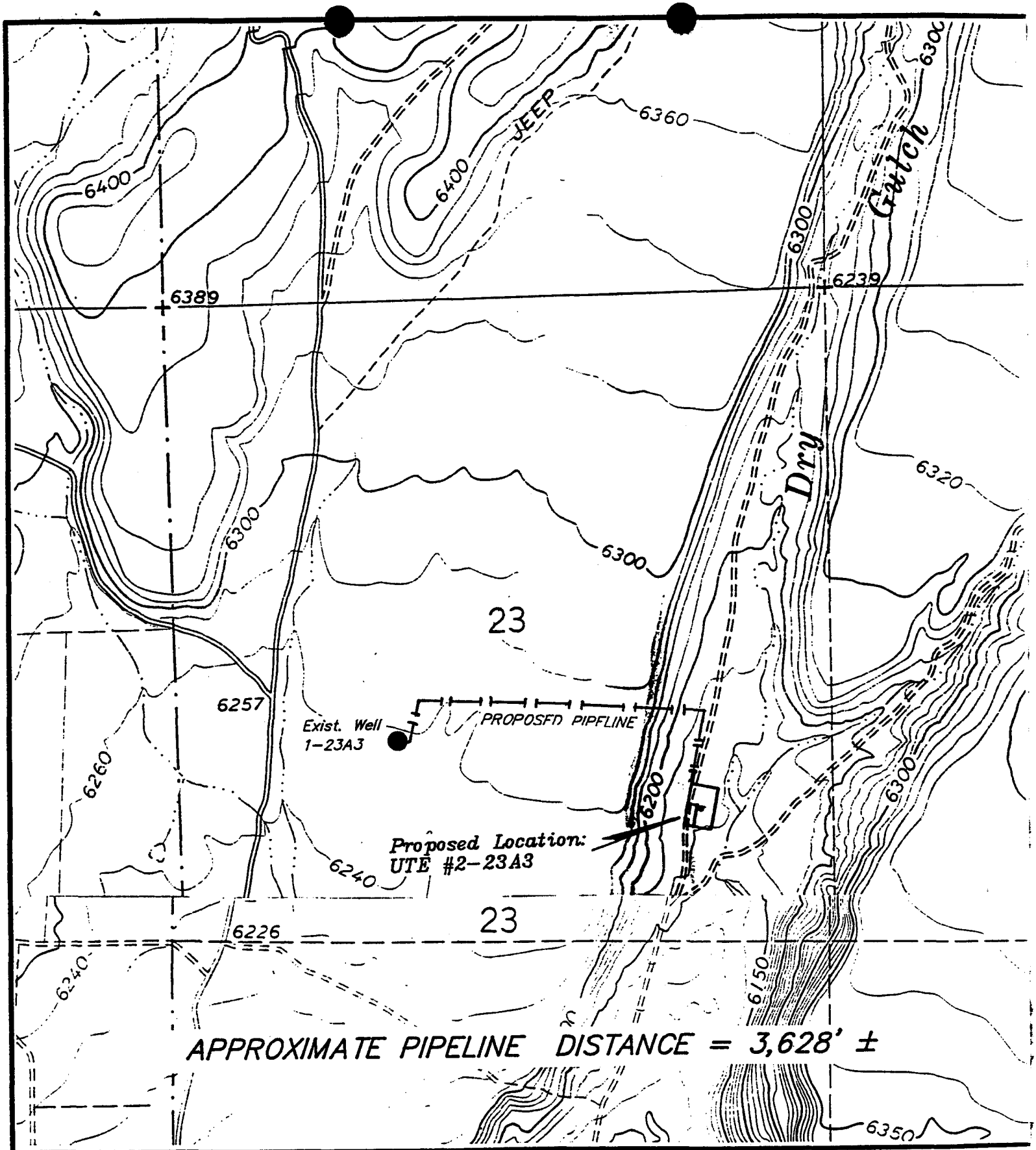
APPROVED BY Title Date
Conditions of approval, if any:

Accepted by the Utah Division of Oil, Gas and Mining

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, ficticious or fraudulent statements or representations as to any matter within its jurisdiction.

FOR RECORD ONLY

*See Instruction on Reverse Side



T O P O G R A P H I C

M A P "D"

Legend

— — — — — *EXISTING PIPELINE*

— — — — — *Proposed Pipeline*

N

COASTAL OIL & GAS CORP.

UTE #2-23A3

SECTION 23, T1S, R3W, U.S.B.&M.

DATE: 3-13-95 D.J.S.

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 5, 1995

Coastal Oil & Gas Corporation
P. O. Box 749
Denver, Colorado 80201-0749

Re: Ute #2-23A3 Well, 1063' FSL, 1043' FEL, SE SE, Sec. 23, T. 1 S., R. 3 W., Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-31515.

Sincerely,

R. J. Firth
Associate Director

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

Operator: Coastal Oil & Gas Corporation

Well Name & Number: Ute #2-23A3

API Number: 43-013-31515

Lease: 14-20-H62-3981

Location: SE SE **Sec.** 23 **T.** 1 S., **R.** 3 W.

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

   Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5340.

   Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews or Mike Hebertson at (801)538-5340.

3. Reporting Requirements

   All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Form 3160-3
(November 1983)
(formerly 9-331C)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

RECEIVED
JUN 07 1995
DIV. OF OIL, GAS & MINING

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL
OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
Coastal Oil & Gas Corporation

3. ADDRESS OF OPERATOR
P.O. Box 749, Denver, CO 80201-0749 (303) 573-4476

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
1043' FEL & 1063' FSL 43-013-31515
At proposed prod. zone
Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 3.5 miles NE of Bluebell, Utah

5. LEASE DESIGNATION AND SERIAL NO.
14-20-H62-3981

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute Tribe

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Ute

9. WELL NO.
#2-23A3

10. FIELD AND POOL, OR WILDCAT
Altamont/Bluebell

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 23, T1S-R3W

12. COUNTY OR PARISH: Duchesne
13. STATE: Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 1043'

16. NO. OF ACRES IN LEASE: 640

17. NO. OF ACRES ASSIGNED TO THIS WELL: 2 wells/640 acres

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 2700'

19. PROPOSED DEPTH: 14,850'

20. ROTARY OR CABLE TOOLS: rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6158' GR

22. APPROX. DATE WORK WILL START*: Upon approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	54.5#	200'	See attached Drilling
12-1/4"	9-5/8"	36#	3000'	Program
8-3/4"	7"	26#	12850'	
6-1/8"	5"	18#	12600-14850'	

Coastal Oil & Gas Corporation proposes to drill a well to a proposed T.D. of 14,850' 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, and State of Utah requirements.

See Onshore Order #1, attached.

RECEIVED
MAR 09 1995

Bond coverage pursuant to 43CFR3104 for lease activities is being provided by Coastal Oil & Gas Corporation under their Nationwide Bond #114066.

Coastal Oil & Gas Corporation is considered to be the Operator of the above described well. Coastal agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.

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 Bonnie Johnston TITLE Environmental Analyst DATE 3/7/95

(This space for Federal or State office use)

PERMIT NO. NOTICE OF APPROVAL APPROVAL DATE

APPROVED BY TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE JUN 05 1995

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

UT080-5M-133

*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.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil & Gas Corporation

Well Name & Number: Ute Tribal 2-23A3

API Number: 43-013-31515

Lease Number: 14-20-H62-3981

Location: SESE Sec. 23 T. 1S R. 3W

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.

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 Orders, 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.

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.

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 diverter system** shall be installed prior to drilling out the 13 3/8 in. conductor and shall remain in use until the surface casing is set.

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.

The Vernal District Office shall be notified, at least 24 hours prior to initiating the pressure tests, in order to have a BLM representative on location during pressure testing.

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.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the intermediate casing at least 200' above the base of the Usable Water zone identified at ± **3074'**, or by extending the 9 5/8" casing to ± **3150'**. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

The Vernal District Office shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.

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.

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 vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to ± **6500'** if the 9 5/8" casing is set to **3150'** or the CBL will be run to ± **2800'** if the 9 5/8" is set at ± **3000'** and shall be utilized to determine the top of cement (TOC) and bond quality for production casing. Submit a field copy of the CBL to this office.

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 AO.

6. Notifications of Operations

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.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours **prior** to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

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.

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.

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.

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 communication, not later than five (5) days following the date on which the well is placed on production.

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.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

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 AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (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.

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.

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 following initial installation 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:

Wayne Bankert Petroleum Engineer	(801) 781-4170
Ed Forsman Petroleum Engineer	(801) 789-7077
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, spend 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 (COA's)

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 (EA) 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.

5. A Tribal Technican is required to monitor all construction activity of the proposed well.

Mitigation stipulations from the combined site specific Environmental Analysis.

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.

   Although the road rights-of-way will be 30 feet wide, the graded area of the road will be limited in most places to 21 feet between the two outer edges of the barrow pits. Where deep cuts are required for road construction, or where intersections or sharp curves occur the road may be constructed wider than 21 feet so that large pieces of equipment will have enough room to make turns.

2. Noxious weeds will be controlled on all well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way onto adjoining land, the company will also be responsible for their control.

3. The reserve pit will be lined with an impervious synthetic liner.

4. Pipe produced water offsite to an injection well or to facilities where it will be hauled to an approved disposal site.

5. 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.

UNITED STATES GOVERNMENT

memorandum

MAY 25 1995

DATE:

REPLY TO ATTN OF: Superintendent, Uintah & Ouray Agency

SUBJECT: Concurrence Letter for ANR Production Company.
UTE 2-23A3, Section 23, T1S, R3W

TO: Bureau of Land Management, Vernal District Office
Attention: Minerals and Mining Division

We recommend approval of the Application for Permit to Drill on the subject well.

Based on available information received on May 23, 1995 we cleared the proposed location in the following areas of environmental impact.

RECEIVED
MAY 30 1995

YES _x__	NO ___	Listed threatened or endangered species
YES _x_	NO ___	Critical wildlife habitat
YES _x_	NO ___	Archaeological or cultural resources
YES ___	NO ___	Air quality aspects (to be used only if project is in or adjacent to a Class I area of attainment.
YES ___	NO ___	Other (if necessary)

The Energy and 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 and referenced in report and to the existing roadways and/or evaluated access routes.
2) All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
3) The personnel from Ute Tribe Energy & Minerals Department should be consulted should cultural remains from subsurface deposits be exposed or identified during construction.
4) All recommendations of the Bureau of Indian Affairs combined site specific environmental analysis report shall be strictly adhered, during and after construction.
5) A Tribal Technican is required to monitor all construction activity of the proposed well.

Attachment: Environmental Analysis Report dated May 19,1995.
This report only clears the **Well Location and its access. Pipeline will be issued when the necessary reports are received and concurrance is given.**

OPTIONAL FORM NO. 10
(REV. 1-80)
GSA FPMR (41 CFR) 101-11.6
5010-114

UNITED STATES GOVERNMENT

memorandum

DATE: January 30, 1995

REPLY TO ATTN OF: Land Operations-Range

SUBJECT: ANR Production Co. Well # 2-23A3

TO: Minerals & Mining

During the onsite inspection for the ANR Production Co. well #2-23A3 it was proposed by ANR to construct the pipeline in another location than that presently surveyed. The new pipeline right-of-way would require a new cultural resource survey. There is to much snow on the proposed right-of-way change to perform a cultural resource survey at this time. The cultural resource survey will have to be performed after the snow melts and the soil surface is visible.

Therefore, the EA performed on the 12-5-94 only covers the covers the pipeline R/W as it is presently surveyed. If Coastal wishes to change the pipeline R/W to a new location, they will be required to get a new cultural resource survey before BIA can approve the change.

B:\EAANRRW.23A

5/11/95 E. Trotter
Need pipeline ROW + permit well - Total CO. / access only for now.

OPTIONAL FORM NO. 10
(REV. 1-80)
GSA FPMR (41 CFR) 101-11.6
5010-114

* U.S. GPO: 1988-201-760

SITE SPECIFIC
ENVIRONMENTAL ANALYSIS

1.0 PROPOSED ACTION

ANR Production Co is proposing to drill the Ute oil well #2-23A3 and construct 0.3 miles of access road, and approximately 3000 feet of surface pipeling.

2.0 ALTERNATIVE ACTIONS

A. ALTERNATIVE CONSIDERED: The proposed action is the preferred alternative.

B. NO ACTION: Under the no action alternative the proposed action would not be implemented.

C. OTHER: NA

3.0 PERMITTEE/LOCATION

A. Permittee- ANR Production Co.
B. Date- 12-5-94
C. Well number- Ute #2-23A3
D. Right-of-way- Access road 0.3 miles, and pipeline r/w approximately 3000 feet.
E. Site location SESE, Section 23, T1S, R3W, USB&M.

4.0 SITE SPECIFIC SURVEY

A. SITE DESCRIPTION

1. Elevation (feet) 6158
2. Annual precipitation (inches)- 8 to 12
3. Topography - Valley bottom
4. Soil- The soil texture is (0 to 6") Cobbly loamy sand having a rapid water intake rate and permeability.

B. VEGETATION

1. Habitat type is upland shrub.

2. Percent Ground Cover- estimated to be 40%.

3. Vegetation consists of approximately 40% grasses, 50% scrubs, and 10% forbs. The main variety of grass is squirltail, Indian ricegrass, poa, needle & thread, and cheat grass. Forbs are annuals. Scrubs consist of big sagebrush, prickely pear, and brigham tea.

4. Observed Threatened & Endangered species: None.

5. Potential For Threatened & Endangered species: Slight

7. Observed Noxious Weeds: None

8. AFFECTED ENVIRONMENTAL

1. There are no surface damages as a result of the initial survey.

4.1 WILDLIFE

A. POTENTIAL SITE UTILIZATION

1. Big Game-The area is used year around by mule deer. During the winter it is used extensively by both mule deer and elk.

2. Small Game-The area is used by cottentail rabbit, morning dove, and sage hen.

3. Raptor/Bird- Various species of raptors use this area for habitat. Raptors which are observed using the area are Golden eagles, Redtail hawk, & Kestrel.

5. Non-Game Wildlife- Animal species which have been observed using this area are black tail jack rabbit, coyote, fox, badger, and various species of reptiles, and song birds.

6. Threatened & Endangered Species: No T&E species are reported using the area of this project.

4.2 PRESENT SITE USE

A. USAGE

	acres
Rangeland	7.25
Irrigable land	0
Woodland	0
Non-Irrigable land	7.25
Commercial timber	0
Floodplain	0

Whithin 90 days after the well is completed the reserve pits will be backfilled. Well cuttings, clays, and additives for drilling are not considered hazardous but excess fluids left in the pit after the well is drilled will be hauled to approved disposal pits. Loading the soil with salt from produced water will only occur when there are accidental spills. Therefore,the impact to the soil resources, or ground water aquifers will be minimal.

The area is presently used as rangeland and permits have been issued by BIA for grazing livestock. This project will reduce livestock grazing by approximately 0.73 AUM/ year.

The area is not used as irrigated cropland and a water right has not been designated for the area. Because of the cobbly nature of the soil it is not suitable for crop production.

D. WILDLIFE/THREATENED & ENDANGERED SPECIES

There will be a reduction of wildlife habitat and grazing for livestock. There will also be an increase in wildlife disturbance and poaching resulting from the additional traffic and people using the area.

There are no known impacts to Threatened or Endangered species but the area is important winter range for big game.

6.0 MITIGATION STIPULATIONS

A. VEGETATION/LANDSCAPE

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

   Although the road rights-of-way will be 30 feet wide, the graded area of the road will be limited in most places to 21 feet between the two outer edges of the barrow pits. Where deep cuts are required for road construction, or

where intersections or sharp curves occur the road may be constructed wider than 21 feet so that large pieces of equipment will have enough room to make turns.

2. Noxious weeds will be controlled on all well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way onto adjoining land, the company will also be responsible for their control.

B. SOILS/RANGE/WATERSHEDS

1. Soil erosion will be mitigated by reseeding all disturbed areas and by installing the following practices:

2. Approximately 17 rods of fence will be constructed around the reserve pit until it is back filled.

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

a. Lined reserve pits with impervious synthetic liners.

b. Pipe produced water offsite to an injection well or to facilities where it will be hauled to an approved disposal site.

Reason(s): This stipulation would not be required, but the company agreed to this practice.

c. 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.

C. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

No Threatened & Endangered species have been

Wetland	0
Riparian	0
Other:	0

4.3 CULTURAL RESOURCES

A. CULTURAL SURVEY

5.0 ENVIRONMENTAL IMPACTS

A. SURFACE ALTERATIONS

		acres
1.	Access road	1.09
2.	Well site	4.10
3.	Pipeline right-of-way	2.06
4.	Total area disturbed	7.25

B. VEGETATION/LANDSCAPE

1. Production loss (AUM's)/year: 0.73
2. Permanent scar on landscape: Yes X No
3. Potential impacts to Threatened & Endangered species: Yes No X

C. SOIL/RANGE/WATERSHED

There will be an increase in wind and water erosion as a result of removing vegetation and exposing the soil from construction of the wellsite and access road. This will increase water runoff and the soil will remain exposed causing erosion to continue for the life of the well, and until the site is rehabilitated. The site is located

The well is located approximately 200 feet west of the Dry Gulch stream channel. Normally this stream only flows during spring runoff and the riparion area is confined to the area immediately next to the stream channel. The project is not within the riparion area. There may be a water table within 200 feet of the soil surface. Therefore, the well will have a closed production system. Produced water will not be stored on the location. It will either be piped to an injection well, or piped to another existing wellsite and hauled to approved disposal pit.

identified associated with this project. Therefore, no stipulations have been developed for their protection.

D. CULTURAL RESOURCES

Cultural resource surveys were performed by John M. Scott of Metcalf Archaeological Consultants, Inc. in November 1994. The consultant recommends clearance of the project as it is presently staked.

7.0 UNAVOIDABLE ADVERSE IMPACTS

A. SURFACE ALTERATIONS

None of the adverse impacts listed in 5.0 above can be avoided in a practical manner except those which are mitigated in item 6.0 above and those specified in BLM's 13 point surface use plan.

B. RELATIONSHIP BETWEEN SHORT-TERM USE OF THE ENVIRONMENT VS LONG TERM PRODUCTIVITY.

1. Short Term: (Estimated 20 years) A total loss of production on the land and the associated environmental impacts will continue to influence the surrounding area for the productive life of the well.

2. Long Term: Standard policies provide for rehabilitation of the well sites and access roads. After the land is rehabilitated, it is not expected to return to its original productive capability. Normally, there will be a permanent scar left on the landscape.

C. IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT

Oil and Gas are non-renewable resources, once they have been removed they can never be replaced.

8.0 CUMULATIVE IMPACTS

A. FULL DEVELOPMENT

Each additional well drilled for development increases

the soil erosion potential, reduces wildlife habitat and grazing, increases potential soil and geologic pollution resulting from salt loading, reduces the soil's potential to recover, and increases the potential of water pollution from produced waters and hydro-carbons. Therefore, strict conformance with the mitigation measures and recommendations in this document is emphasized to minimize the adverse environmental impacts.

9.0 NEPA COMPLIANCE

A. RESEARCH/DOCUMENTATION

Based on available information, 11-29-94, the proposed location in the following areas of environmental impacts has been cleared:

X	Yes	_____ No	Listed Threatened & Endangered species
X	Yes	_____ No	Critical wildlife habitat
X	Yes	_____ No	Historical and cultural resources

10.0 REMARKS

A. SURFACE PROTECTION/REHABILITATION

All essential surface protection and rehabilitation requirements are specified above.

11.0 RECOMMENDATIONS

A. APPROVAL/DISAPPROVAL

We recommend approval of the proposed action as outlined in item 1.0 above.

1-11-95
Date

Dale A. Hanberg
Representative - BIA Land Operations, Uintah and Ouray Agency

12.0 REVIEWING OFFICIAL

A. CONCURRENCE

We concur with the approval X disapproval _____ of the proposed action as outlined in item 1.0 above.

Jan. 11, 1995
Date

Dennis A. Montgomery
Environmental Coordinator,
Uintah and Ouray Agency

13.0 DECLARATION

A. APPROVAL

It has been determined that the proposed action is not a federal action significantly affecting the quality of the environment as it would require the preparation of an environmental impact statement in accordance with Section 102 (2) (c) of the National Environmental Policy Act of 1969 (42 USC 4331) (2) (C).

01-11-95
Date

Superintendent,
Uintah and Ouray Agency

14.0 CONSULTATION

A. REPRESENTATIVES/ORGANIZATION

Jeff Smith- Snyder Oil Corporation
Jim Justice- J. West Construction Co.
Leo Tapoof- UTEM
Dale Hanberg- BIA

UNITED STATES GOVERNMENT

memorandum

DATE: January 30, 1995

REPLY TO ATTN OF: Land Operations-Range

SUBJECT: ANR Production Co. Well # 2-23A3

TO: Minerals & Mining

During the onsite inspection for the ANR Production Co. well #2-23A3 it was proposed by ANR to construct the pipeline in another location than that presently surveyed. The new pipeline right-of-way would require a new cultural resource survey. There is to much snow on the proposed right-of-way change to perform a cultural resource survey at this time. The cultural resource survey will have to be performed after the snow melts and the soil surface is visible.

Therefore, the EA performed on the 12-5-94 only covers the covers the pipeline R/W as it is presently surveyed. If Coastal wishes to change the pipeline R/W to a new location, they will be required to get a new cultural resource survey before BIA can approve the change.

B:\EAANRRW.23A

5/11/95 E. Trotter
Hold pipeline ~~R/W~~ + permit well - Coastal Co. / access only for now.

OPTIONAL FORM NO. 10
(REV. 1-80)
GSA FPMR (41 CFR) 101-11.6
5010-114

* U.S. GPO: 1988-201-760

SITE SPECIFIC
ENVIRONMENTAL ANALYSIS

1.0 PROPOSED ACTION

ANR Production Co is proposing to drill the Ute oil well #2-23A3 and construct 0.3 miles of access road, and approximately 3000 feet of surface pipeling.

2.0 ALTERNATIVE ACTIONS

A. ALTERNATIVE CONSIDERED: The proposed action is the preferred alternative.

B. NO ACTION: Under the no action alternative the proposed action would not be implemented.

C. OTHER: NA

3.0 PERMITTEE/LOCATION

A. Permittee- ANR Production Co.
B. Date- 12-5-94
C. Well number- Ute #2-23A3
D. Right-of-way- Access road 0.3 miles, and pipeline r/w approximately 3000 feet.
E. Site location SESE, Section 23, T1S, R3W, USB&M.

4.0 SITE SPECIFIC SURVEY

A. SITE DESCRIPTION

1. Elevation (feet) 6158
2. Annual precipitation (inches)- 8 to 12
3. Topography - Valley bottom
4. Soil- The soil texture is (0 to 6") Cobbly loamy sand having a rapid water intake rate and permeability.

B. VEGETATION

1. Habitat type is upland shrub.

2. Percent Ground Cover- estimated to be 40%.

3. Vegetation consists of approximately 40% grasses, 50% scrubs, and 10% forbs. The main variety of grass is squirltail, Indian ricegrass, poa, needle & thread, and cheat grass. Forbs are annuals. Scrubs consist of big sagebrush, prickely pear, and brigham tea.

4. Observed Threatened & Endangered species: None.

5. Potential For Threatened & Endangered species: Slight

7. Observed Noxious Weeds: None

8. AFFECTED ENVIRONMENTAL

1. There are no surface damages as a result of the initial survey.

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6. Threatened & Endangered Species: No T&E species are reported using the area of this project.

4.2 PRESENT SITE USE

A. USAGE

	acres
Rangeland	7.25
Irrigable land	0
Woodland	0
Non-Irrigable land	7.25
Commercial timber	0
Floodplain	0

Whithin 90 days after the well is completed the reserve pits will be backfilled. Well cuttings, clays, and additives for drilling are not considered hazardous but excess fluids left in the pit after the well is drilled will be hauled to approved disposal pits. Loading the soil with salt from produced water will only occur when there are accidental spills. Therefore,the impact to the soil resources, or ground water aquifers will be minimal.

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D. WILDLIFE/THREATENED & ENDANGERED SPECIES

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6.0 MITIGATION STIPULATIONS

A. VEGETATION/LANDSCAPE

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C. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

No Threatened & Endangered species have been

Wetland	0
Riparian	0
Other:	0

4.3 CULTURAL RESOURCES

A. CULTURAL SURVEY

5.0 ENVIRONMENTAL IMPACTS

A. SURFACE ALTERATIONS

		acres
1.	Access road	1.09
2.	Well site	4.10
3.	Pipeline right-of-way	2.06
4.	Total area disturbed	7.25

B. VEGETATION/LANDSCAPE

1. Production loss (AUM's)/year: 0.73
2. Permanent scar on landscape: Yes X No
3. Potential impacts to Threatened & Endangered species: Yes No X

C. SOIL/RANGE/WATERSHED

There will be an increase in wind and water erosion as a result of removing vegetation and exposing the soil from construction of the wellsite and access road. This will increase water runoff and the soil will remain exposed causing erosion to continue for the life of the well, and until the site is rehabilitated. The site is located

The well is located approximately 200 feet west of the Dry Gulch stream channel. Normally this stream only flows during spring runoff and the riparion area is confined to the area immediately next to the stream channel. The project is not within the riparion area. There may be a water table within 200 feet of the soil surface. Therefore, the well will have a closed production system. Produced water will not be stored on the location. It will either be piped to an injection well, or piped to another existing wellsite and hauled to approved disposal pit.

identified associated with this project. Therefore, no stipulations have been developed for their protection.

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A. SURFACE ALTERATIONS

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1. Short Term: (Estimated 20 years) A total loss of production on the land and the associated environmental impacts will continue to influence the surrounding area for the productive life of the well.

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8.0 CUMULATIVE IMPACTS

A. FULL DEVELOPMENT

Each additional well drilled for development increases

the soil erosion potential, reduces wildlife habitat and grazing, increases potential soil and geologic pollution resulting from salt loading, reduces the soil's potential to recover, and increases the potential of water pollution from produced waters and hydro-carbons. Therefore, strict conformance with the mitigation measures and recommendations in this document is emphasized to minimize the adverse environmental impacts.

9.0 NEPA COMPLIANCE

A. RESEARCH/DOCUMENTATION

Based on available information, 11-29-94 , the proposed location in the following areas of environmental impacts has been cleared:

X	Yes	_____ No	Listed Threatened & Endangered species
X	Yes	_____ No	Critical wildlife habitat
X	Yes	_____ No	Historical and cultural resources

10.0 REMARKS

A. SURFACE PROTECTION/REHABILITATION

All essential surface protection and rehabilitation requirements are specified above.

11.0 RECOMMENDATIONS

A. APPROVAL/DISAPPROVAL

We recommend approval of the proposed action as outlined in item 1.0 above.

1-11-95
Date

Dale A. Hamberg
Representative - BIA Land Operations, Uintah and Ouray Agency

12.0 REVIEWING OFFICIAL

A. CONCURRENCE

We concur with the approval X disapproval _____ of the proposed action as outlined in item 1.0 above.

Jan. 11, 1995
Date

Dennis A. Montgomery
Environmental Coordinator,
Uintah and Ouray Agency

13.0 DECLARATION

A. APPROVAL

It has been determined that the proposed action is not a federal action significantly affecting the quality of the environment as it would require the preparation of an environmental impact statement in accordance with Section 102 (2) (c) of the National Environmental Policy Act of 1969 (42 USC 4331) (2) (C).

01-11-95
Date

Superintendent,
Uintah and Ouray Agency

14.0 CONSULTATION

A. REPRESENTATIVES/ORGANIZATION

Jeff Smith- Snyder Oil Corporation
Jim Justice- J. West Construction Co.
Leo Tapoof- UTEM
Dale Hanberg- BIA

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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

SUBMIT IN TRIPLICATE

RECEIVED
MAY 13 1996
DIV. OF OIL, GAS & MINING

5. Lease Designation and Serial No.: 14-20-H62-3981
6. If Indian, Alottee or Tribe Name: Ute Tribe
7. If Unit or CA, Agreement Designation: N/A
8. Well Name and No.: Ute #2-23A3
9. API Well No.: 43-013-31515
10. Field and Pool, Or Exploratory Area: Altamont/Bluebell
11. County or Parish, State: Duchesne County, UT

1. Type of Well: [X] 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): 1043' FEL & 1063' FSL SE/SE Section 23-T1S-R3W

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other APD Extension	[ ] Dispose Water

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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 directionally drilled, give subsurface locations and measured and tru vertical depths for all markets and zones pertinent to this work.)*

The subject APD was approved on June 5, 1995. Due to continuing economic evaluation, Coastal Oil & Gas Corporation will not be able to spud this well prior to the expiration date. Operator therefore requests a one year extension of the subject APD. Thank you for your prompt attention to this matter.

Extended to 6/5/97 DTS

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY

14. I hereby certify that the foregoing is true and correct
Signed Sheila Bremer Title Environmental & Safety Analyst Date 05/08/96
Sheila Bremer

(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, ficticious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

6/17/97

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

June 11, 1997

DOGM
LA
DATE

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

Re: Notification of Expiration
Well No. UTE 2-23A3 43-013-31515
Section 23, T1S, R3W
Lease No. 14-20-H62-3981
~~Uintah~~ Duchesne County, Utah
DTS

Dear Ms. Carson:

The Application for Permit to Drill the above-referenced well was approved on June 5, 1995. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until June 5, 1997. 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

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M

Coastal
The Energy People

43-013-31515

June 17, 1997

Ute #2-23A3
Section 23-T1S-R3W
Lease No. 14-20-H62-3981
Duchesne County, Utah

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

Dear Ms. Herrmann:

We are in receipt of your Notification of Expiration letter dated June 11, 1997. 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

Sheila Bremer
Environmental & Safety Analyst

xc: State of Utah, Division of Oil, Gas & Mining

Coastal Oil & Gas Corporation
A SUBSIDIARY OF THE COASTAL CORPORATION
600 17TH ST • STE 800 S • P O BOX 749 • DENVER CO 80201-0749 • 303/572-1121