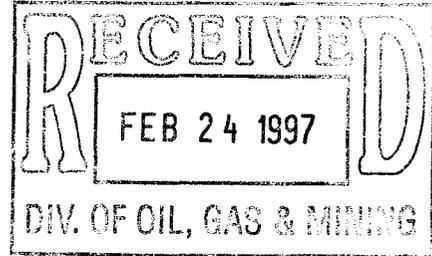


Petroglyph Operating Co., Inc.
P.O. Box 1839
Hutchinson, KS 67504-1839

February 17, 1997

Utah Division of Oil, Gas, & Mining
Attn: Mr. Frank Matthews, Petroleum Engineer
1594 West North Temple
Box 145801
Salt Lake City, UT 84114-5801



RE: APPLICATION FOR PERMIT TO DRILL
UTE TRIBAL #16-15
SW/SE SEC. 16, T5S, R3W
DUCHESNE COUNTY, UTAH
LEASE NO. BIA 14-20-H62-3511
UTE TRIBAL LANDS

Dear Mr. Matthews:

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:
Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone # (801) 789-4120
Fax # (801) 789-1420

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Trotter".

Ed Trotter
Agent

Petroglyph Operating Co., Inc.

Attachments

/EHT/dmt

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

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

2. NAME OF OPERATOR
 PETROGLYPH OPERATING COMPANY, INC.

3. ADDRESS AND TELEPHONE NO.
 P.O. BOX 607, ROOSEVELT, UT 84066

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface: 822' FSL & 1911' FEL SW/SE
 At proposed prod. zone: [REDACTED]

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 20.5 MILES SOUTHWEST OF MYTON, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 822' (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE: 640

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 6088'

19. PROPOSED DEPTH: 6088'

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6269.9' GRADED GROUND

22. APPROX. DATE WORK WILL START*
 FEBRUARY, 1997

5. LEASE DESIGNATION AND SERIAL NO.
 14-20-H62-3511

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 UTE INDIAN TRIBE

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 UTE TRIBAL

9. API WELL NO.
 #16-15

10. FIELD AND POOL, OR WILDCAT
 ANTELOPE CREEK

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 16, T5S, R3W

12. COUNTY OR PARISH | 13. STATE
 DUCHESNE | UTAH

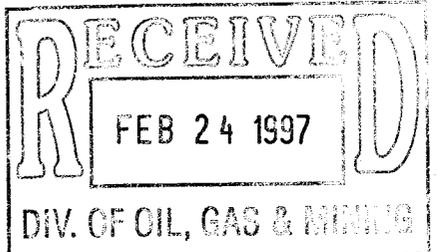
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24.0#	250'	135 sx class "G" + 2% CaCl ₂ + 1/4 #/sx celloflake. 50/50 POZMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONES OF INTEREST (+ 10% EXCESS). LIGHT CEMENT (11 PPG ±) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+ 5% EXCESS).
7 7/8	5 1/2	15.5#	6088'	

CONFIDENTIAL

PETROGLYPH OPERATING COMPANY, INC. WILL BE THE DESIGNATED OPERATOR OF THE SUBJECT WELL UNDER BOND # BO 4556.

pc: Utah Division of Oil, Gas, and Mining
Bureau of Indian Affairs, Fort Duchesne, Utah
Ute Tribe, Fort Duchesne, Utah



CONFIDENTIAL

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

24. SIGNED: [Signature] TITLE: AGENT FOR PETROGLYPH DATE: 2-18-97

(This space for Federal or State office use)
 PERMIT NO. 43-013-31822 APPROVAL DATE

Application approval 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. CONDITIONS OF APPROVAL, IF ANY:

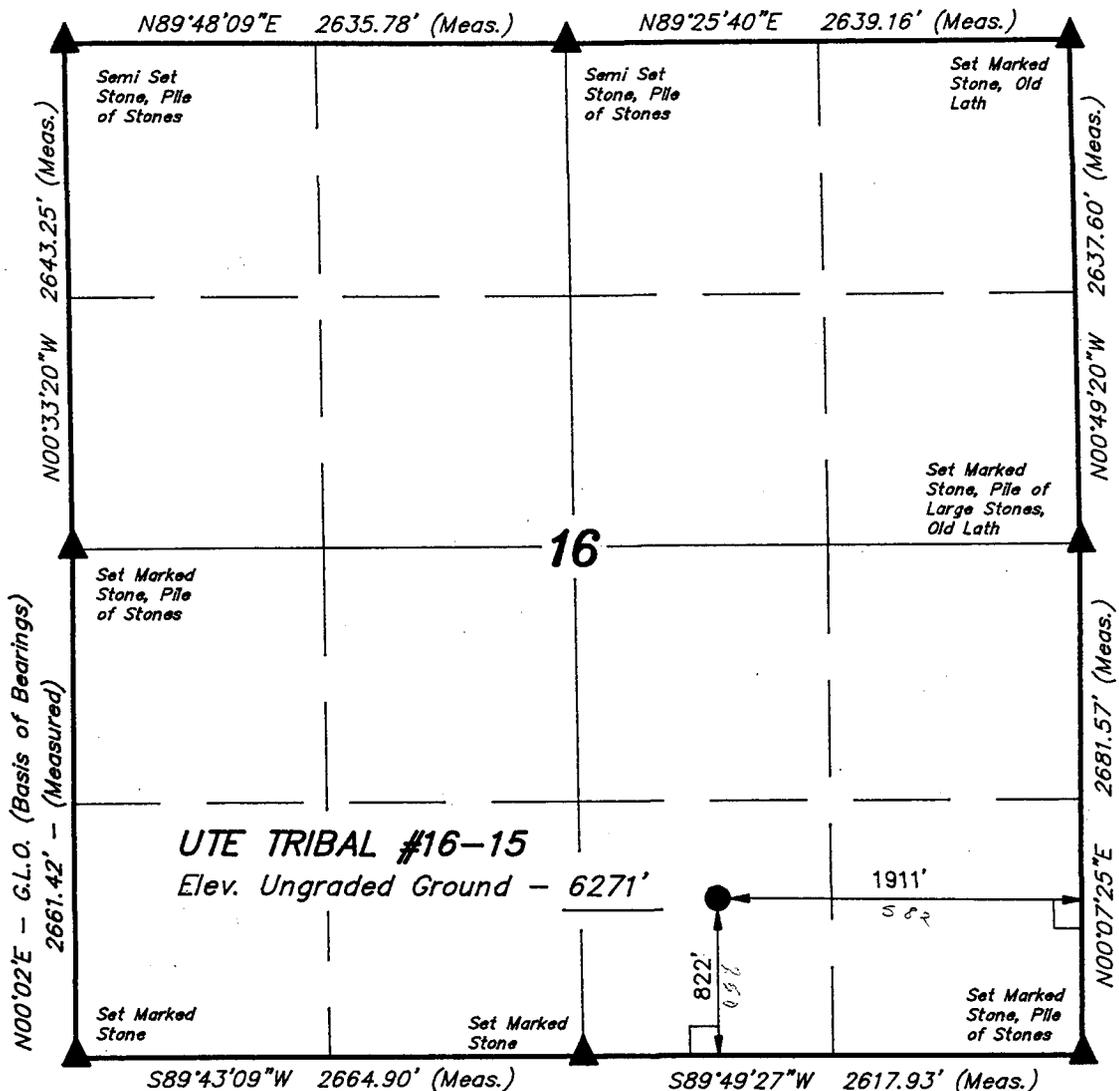
APPROVED BY: [Signature] TITLE: DATE: 3/25/97

*See Instructions On Reverse Side

T5S, R3W, U.S.B.&M.

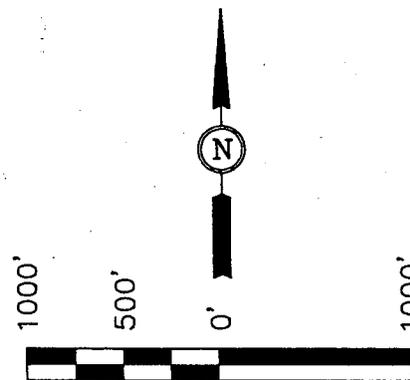
PETROGLYPH OPERATING CO., INC.

Well Location, UTE TRIBAL #16-15, located as shown in the SW 1/4 SE 1/4 of Section 16, T5S, R3W, U.S.B.&M. Duchesne County, Utah.



BASIS OF ELEVATION

BRASS CAP SET IN CONCRETE BY SUNRISE ENGINEERING LOCATED IN THE SE 1/4 OF SECTION 16, T5S, R3W, U.S.B.&M. SAID ELEVATION IS MARKED AS BEING 6281.9 FEET.



SCALE

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

UINTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 01-10-97	DATE DRAWN: 01-22-97
PARTY D.A. S.S. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE PETROGLYPH OPERATING CO., INC.	

LEGEND:

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

EIGHT POINT PLAN

UTE TRIBAL #16-15
SW/SE SEC. 16, T5S R3W
DUCHESNE COUNTY, UTAH

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

FORMATIONS	DEPTH	SUBSEA
Mahogany Shale	2893	3289
"B" Marker	4017	2165
"X" Marker	4485	1697
Douglas Creek	4632	1550
"B" Limestone	5003	1179
B/Castle Peak Limestone	5568	614
Basal Carbonate Limestone	5978	204
Total Depth	6088	94

Anticipated BHP 2600 psi

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS FORMATIONS:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Oil/Gas	Douglas Creek	4632	1550
Oil/Gas	B/Castle Peak	5568	614
Other mineral zones	N/A		

3. PRESSURE CONTROL EQUIPMENT : BOP Schematic Diagram attached.

4. CASING PROGRAM :

						<u>MINIMUM SAFETY FACTOR</u>		
<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
12 1/4	0' - 250'	250'	8 5/8	24.0 #	J-55	1370 PSI	2950 PSI	263,000#
7 7/8	0' - 6088'	6088'	5 1/2	15.5 #	M-50	3650 PSI	4550 PSI	186,000#

All casing will be new or inspected.

EIGHT POINT PLAN

UTE TRIBAL #16-15
SW/SE SEC. 16, T5S R3W
DUCHESNE COUNTY, UTAH

5. MUD PROGRAM

INTERVAL

0' - 250'
250' - 4000'
4000' - TD
TD

MUD TYPE

Air
Air/Mist & Aerated Water
Air/3% KCL water or KCL substitute
Gel/polyacrylamide polymer w/5-10% LCM

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

6. VARIANCE REQUESTS:

- A. Petroglyph Operating Co., Inc. requests a variance to regulations requiring a straight run blooie line.
- B. Petroglyph Operating Co., Inc. requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line.

7. EVALUATION PROGRAM:

Logs: Mud Logging	T.D. to base of surface csg.
Compensated Density-Compensated Neutron Log	T.D. to base of surface csg.
Dual Laterolog - Micro-SFL	T.D. to base of surface csg.
Numar (Magnetic Resonance Imaging Log)	@ Geologists discretion

Cores: None Programmed
DST': None Programmed

Completion: To be submitted at a later date.

8. ABNORMAL CONDITIONS:

None anticipated.

EIGHT POINT PLAN

UTE TRIBAL #16-15
SW/SE SEC. 16, T5S R3W
DUCHESNE COUNTY, UTAH

9. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

10. HAZARDOUS CHEMICALS:

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.

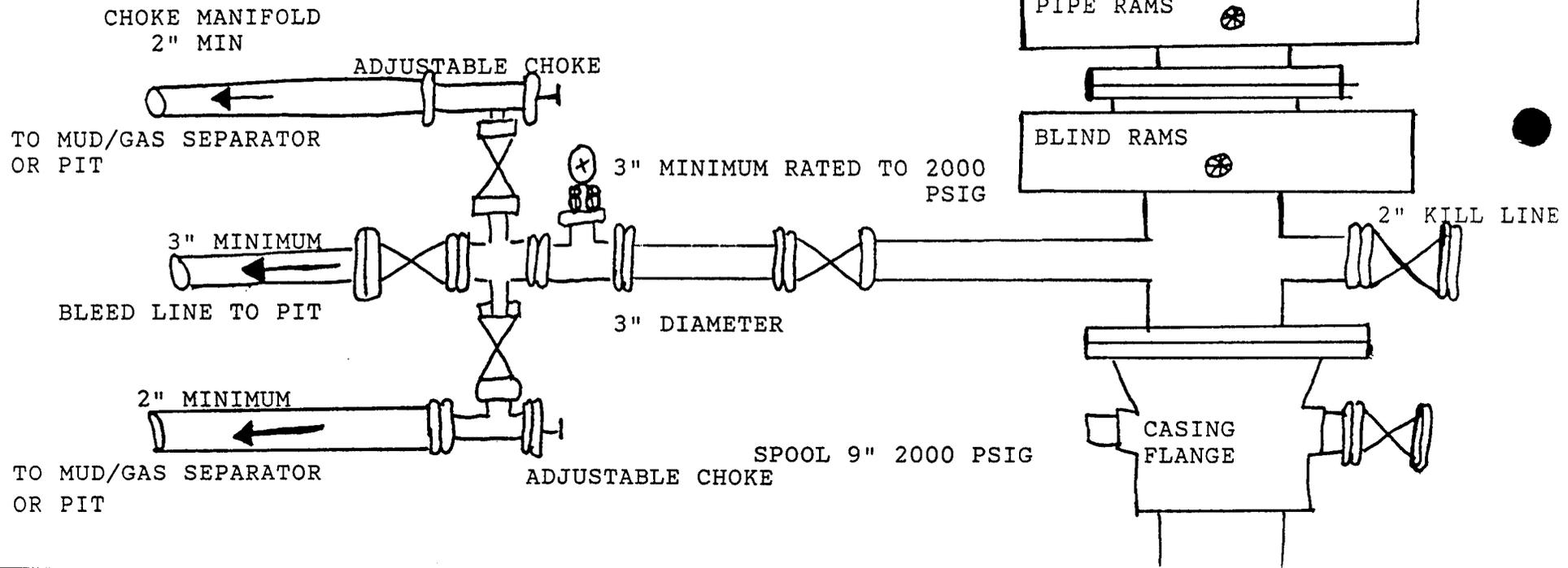
(Attachment: BOP Schematic Diagram)

2000 PSIG DIAGRAM

BOTH RAMS ARE 2000 PSIG RATED.
 CASING FLANGE IS 9" 2000 PSIG RATED.
 BOPE 9" 2000 PSIG

TESTING PROCEDURE:

1. BOPE 's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind rams will be tested to rated working pressure, 2000 psig
3. Casing will be tested to 0.22 psi/ft. or 1500 psig. Not to exceed 70% of burst strength, whichever is greater.
4. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 2000 psig BOPE specifications.



CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Petroglyph Operating Co., Inc.
Well Name & Number: Ute Tribal #16-15
Lease Number: BIA 14-20-H62-3511
Location: 822' FSL & 1911' FEL SW/SE, Sec. 16, T5S R3W
U.S.B.&M., Duchesne County, Utah
Surface Ownership: Ute Indian Tribe

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice - at least twenty-four (24) hours prior to spudding the well.

Casing String and Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and related Equipment Tests - twenty-four (24) hours prior to running casing and 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.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing road.
- B. The proposed well site is located approximately 20.5 miles southwest of Myton, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 300 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade on access road will be 8%
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges or major cuts & fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

All travel will be confined to existing access road Right-of-Way. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards For Oil & Gas Exploration and Development, (1989).

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the

roadbed as necessary to provide a well-constructed safe road.

Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of- Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, Petroglyph Operating Co., Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION

- A. Water wells - None
- B. Abandoned wells - None
- C. Temporarily abandoned wells - None.
- D. Disposal wells - None.
- E. Drilling wells - None.
- F. Producing wells - 4*
- G. Shut in wells - None
- H. Injection wells - None

(*See attached TOPO map "C" for location)

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. ON WELL PAD

- 1. Tank batteries - None
- 2. Production facilities-To be submitted later
- 3. Oil gathering lines - None

4. Gas gathering lines-None
5. Injection lines - None
6. Disposal lines - None
7. Surface pits - None

B. OFF WELL PAD

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. A 4 1/2" OD steel above ground production pipeline will be laid approximately 300' from proposed location to a point in the SW/SE of Section 16, T5S, R3W, where it will tie into Petroglyph Operating Co., Inc.'s existing pipeline. Proposed pipeline crosses Ute Tribe lands, thus a Right-of-Way grant will be required. See attached TOPO Map D showing pipeline route.
3. Proposed pipeline will be a 4 1/2" OD steel, welded line laid on the surface.
4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

The production facilities will be placed on the Ute Tribal #16-14 location.

All permanent (on site for six months or longer) 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 Rocky Mountain Five State Interagency Committee. All facilities required will be painted within 6 months of installation. Facilities required to comply with O.S.H.A.

(Occupational Safety and Health Act) will be excluded.
The required paint color is Desert Brown.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Target Trucking's Roosevelt Brine Storage and/or Target's water source in SE 1/4, Sec. 1, T 4S, R 5W Duchesne County, Utah (State water right #43-10152). All water will come from a non-depletable source.
- B. Water will be hauled by Target Trucking.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of location.
- B. All construction material will come from Ute Tribal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at an approved waste disposal facility.
- 4. Produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, together with the required water analysis, will be submitted for the AO's approval.

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on drilling rig to avoid leakage of oil to pit.

B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to reserve pit will be avoided by flaring them off in flare pit at time of recovery.

Burning of trash will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

On BIA administered land:

All reserve pits will be lined with either native clay, commercial bentonite or plastic sufficient to prevent seepage. (If a plastic nylon reinforced liner is used, it shall be torn and perforated after the pit dries and before backfilling of the reserve pit).

A 12 mill liner shall be installed in the reserve pit.

To protect the environment:

If the reserve pit is lined the operator will provide the BIA with a chemical analysis of the fluids in that pit no later than 90 days after the well completion to determine the method for final reclamation of the reserve pit. If the elemental concentrations shown by the chemical analysis exceeds the requirements described by part II, Standards of Quality for Waters of the State, Wastewater Disposal Regulations, State of Utah Division of Health, the contents and liner will be removed and disposed of at an authorized disposal site.

To protect the environment (without a chemical analysis)
reserve pits will be constructed so as not to leak, break, or allow discharge of liquids.

Storage tanks will be used if drill sites are located on tribal

irrigable land, flood plains, or on lands under crop production. After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. ANCILLARY FACILITIES

- A. No airstrips or camps are planned for this well.

9. WELL SITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills & cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation parking areas, and access road.

The reserve pit will be located on the North side of the location.
The flare pit will be located downwind of the prevailing wind direction on the North side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
The stockpiled topsoil will be stored on the West end.

Access to the well pad will be from the Northeast.

N/A Diversion ditch(es) shall be constructed on the _____ side of the location (above/below) the cut slope, draining to the _____

N/A Soil compacted earthen berm(s) shall be placed on the _____ side(s) of the location between the _____

N/A The drainage(s) shall be diverted around the sides of the well pad location.

N/A The reserve pit and/or pad locations shall be constructed long and narrow for topographic reasons _____

X Corners No. 2 & 8 will be rounded off to minimize the fill.

FENCING REQUIREMENTS

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

- A. 39 inch net wire shall 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).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16'.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and upon completion of construction the fence shall be repaired to BIA or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly travelled. If the well is a producer, the cattleguards (shall/ shall not) be permanently mounted on concrete bases. Prior to a new road, crossing any fence located on federal land, or any fence between federal land and private land, the operator will contact the BIA, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to

satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

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

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

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion (weather permitting). Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, fluid, and hydrocarbons, will be removed.

Contact appropriate surface management agency for required seed mixture.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and BIA will attach the appropriate surface rehabilitation conditions of approval.

ON BIA Administered lands:

Abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include: (a) reestablishing irrigation systems where applicable, (b) reestablishing soil conditions in irrigated fields in such a way as to ensure cultivation and harvesting of crops and, (c) ensuring revegetation of the disturbed areas to the specifications of the Ute Indian Tribe or the BIA at the time of abandonment.

11. SURFACE OWNERSHIP

Access road: Ute Indian Tribe

Location: Ute Indian Tribe

12. OTHER INFORMATION

A. Petroglyph Operating Co., Inc. will inform all persons in the area who are associated with this project that they are 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 will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:
-whether the materials appear eligible for the National Register of historic Places;

the mitigation measures the operator will likely have to undertake before the site can be used.

-a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, Petroglyph Operating Co., Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BIA,

or the appropriate County Extension Office. On BIA administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Tribal Lands after the conclusion of drilling operations or at any other time without BIA authorization. However, if BIA authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

On BIA administered land:

Operator's employees, including subcontractors, will not gather firewood along roads constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right-of-Way authorization". All operators, subcontractors, vendors, and their employees or agents may not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA Forester.

If the surface rights are owned by the Ute Indian Tribe and mineral rights are owned by another entity, an approved right-of-way will be obtained from the BIA before the operator begins any construction activities. If the surface is owned by another entity and the mineral rights are owned by the Ute Indian Tribe, rights-of-way will be obtained from the other entity.

All roads constructed by operators on the Uintah 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 permitted. All well site locations on the Uintah and Ouray Indian Reservation will have an appropriate sign indicating the name of the operator,

the lease serial number, the well name and number, the survey description of the well (either footage or the quarter-quarter section, the section, township, and range).

Additional Surface Stipulations

N/A No construction or drilling activities shall be conducted between

_____ and _____ because of _____

N/A No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.

N/A No construction or exploration activities are permitted within 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.

N/A There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).

N/A No cottonwood trees will be removed or damaged.

N/A Pond will be constructed according to BLM specifications approximately _____ ft. _____ of the location, as flagged on onsite.

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING

Ed Trotter
1620 West 750 North
Vernal UT 84078
Telephone # (801)789-4120
Fax # (801) 789-1420

OPERATIONS

Vince Guinn
P.O. Box 607
Roosevelt, UT 84066
(801) 722-2531
Fax # (801) 722-9145

All lease/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 approval plan of operations, and any applicable Notice to Lessees. Petroglyph Operating Co., Inc. is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

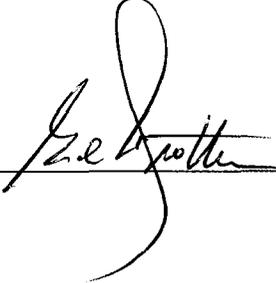
A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The BIA Office shall be notified upon site completion prior to moving on the drilling rig.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the Plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Petroglyph Operating Co., Inc. and its contractors and sub-contractors in conformity with this Plan and the terms and conditions under which it is approved.

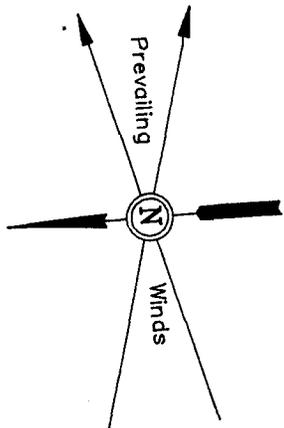
2-18-97
Date



PETROGLYPH OPERATING CO., INC.

LOCATION LAYOUT FOR

UTE TRIBAL #16-15
SECTION 16, T5S, R3W, U.S.B.&M.
822' FSL 1911' FEL



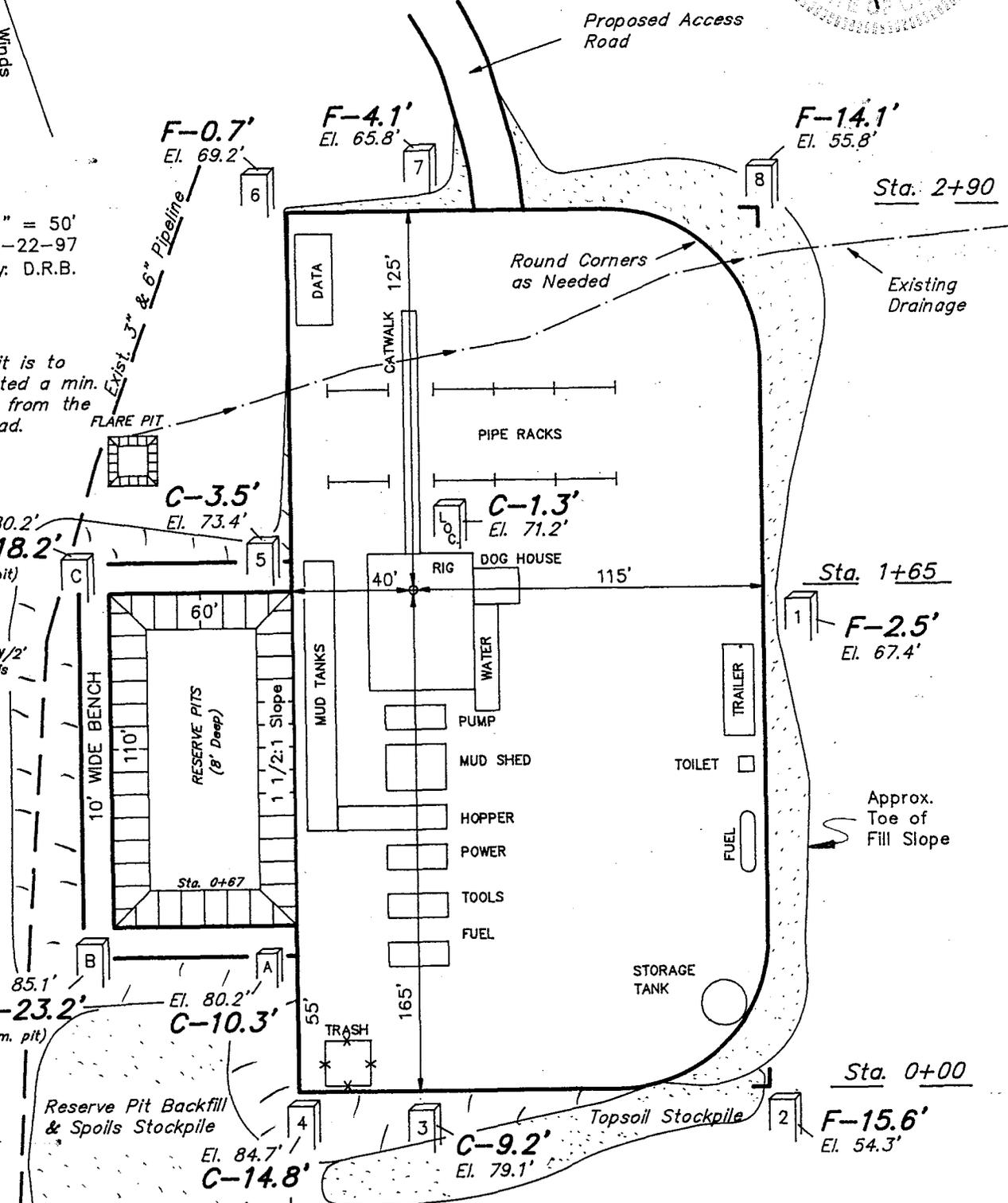
SCALE: 1" = 50'
DATE: 01-22-97
Drawn By: D.R.B.

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

NOTE:
Pit Capacity w/2' of Freeboard is ±4,600 Bbls.

Approx. Top of Cut Slope

Approx. Toe of Fill Slope



Elev. Ungraded Ground at Location Stake = 6271.2'

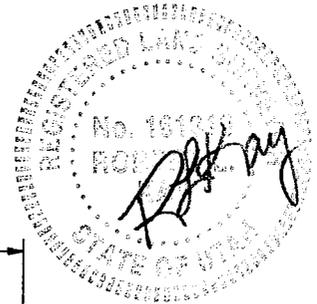
Elev. Graded Ground at Location Stake = 6269.9'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

PETROGLYPH OPERATING CO., INC.

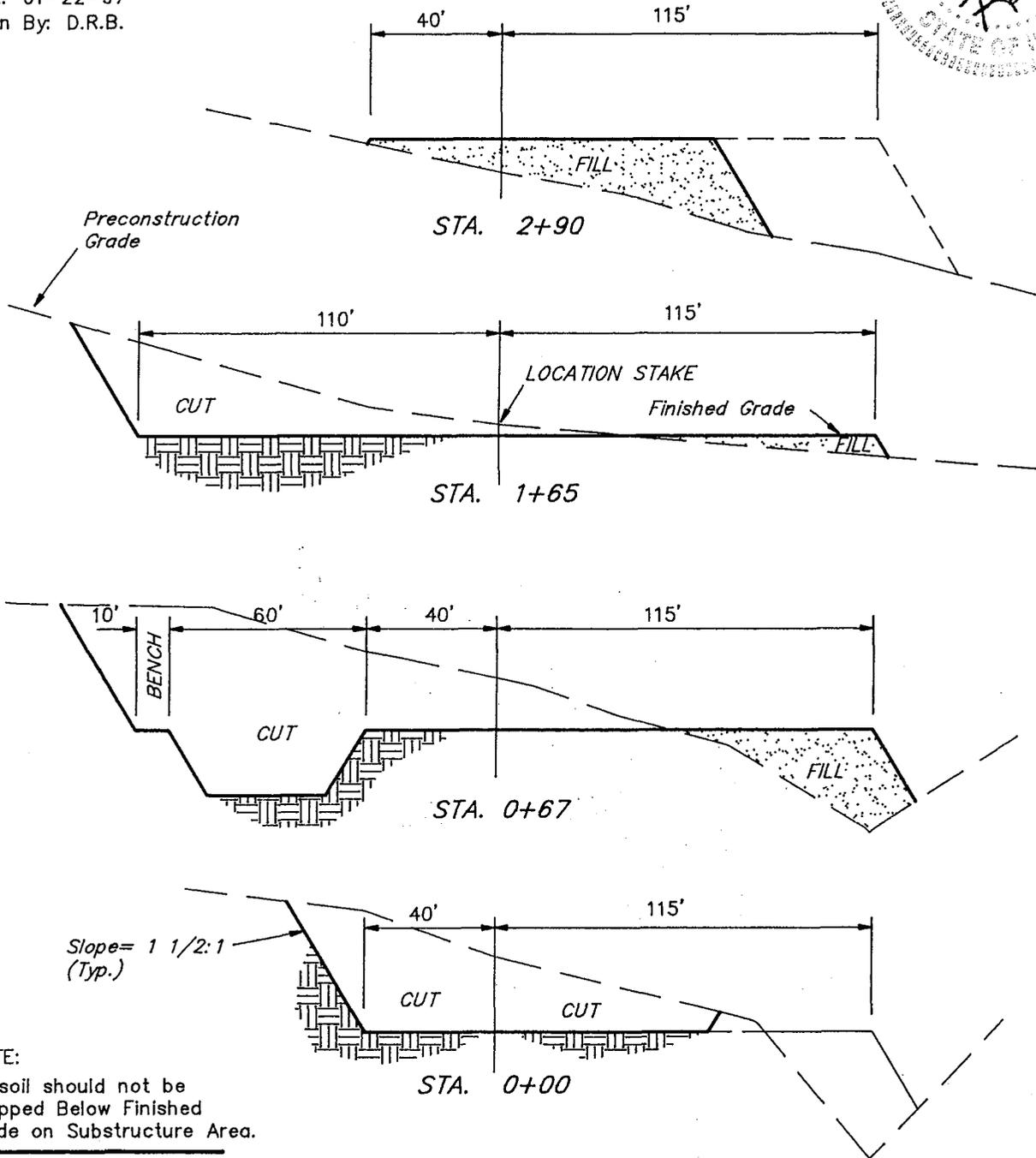
TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #16-15
SECTION 16, T5S, R3W, U.S.B.&M.
822' FSL 1911' FEL



1" = 20'
X-Section Scale
1" = 50'

DATE: 01-22-97
Drawn By: D.R.B.



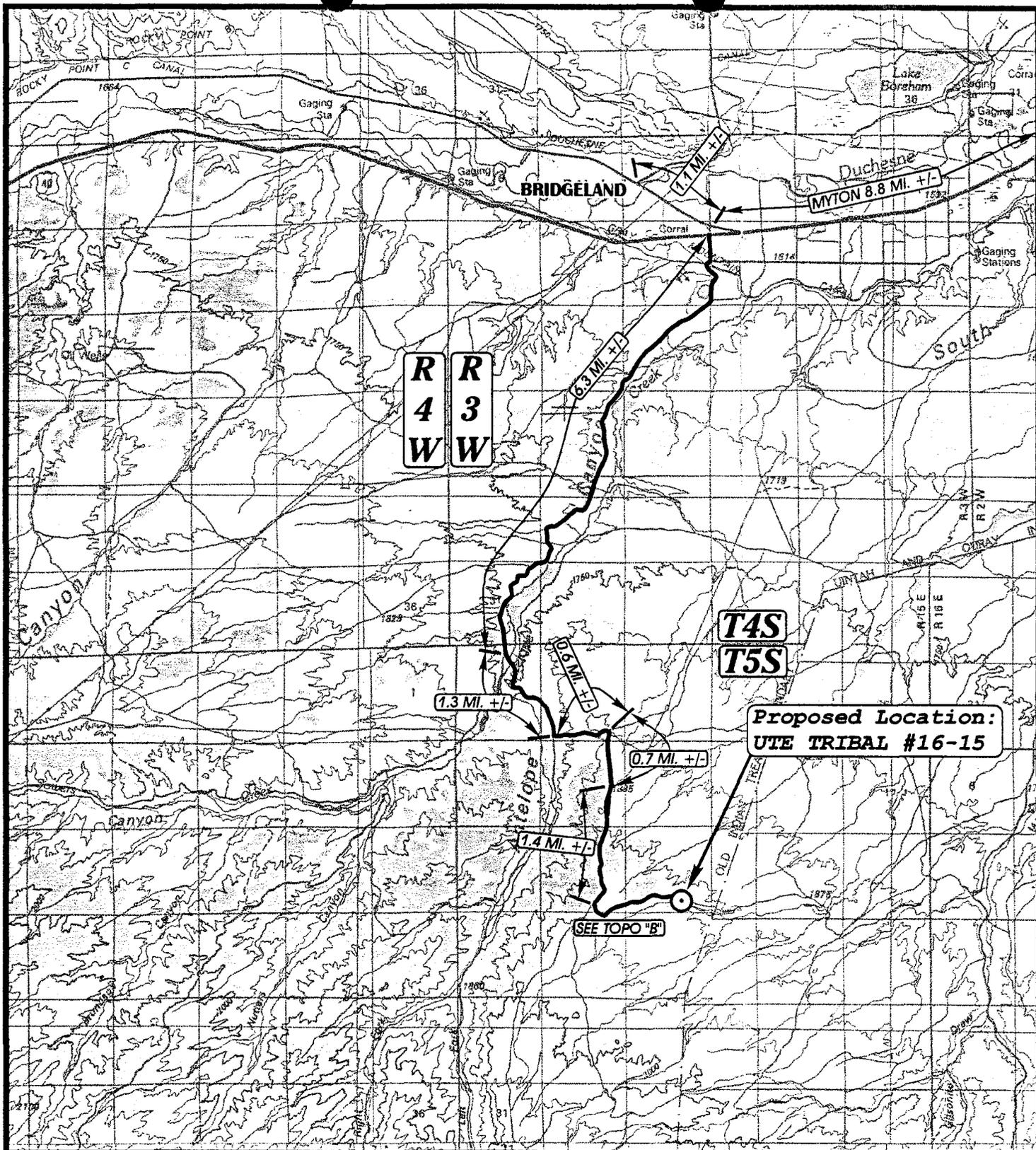
NOTE:

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

APPROXIMATE YARDAGES

(12") Topsoil Stripping	=	1,910 Cu. Yds.
Remaining Location	=	8,340 Cu. Yds.
TOTAL CUT	=	10,250 CU.YDS.
FILL	=	7,260 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	2,610 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,610 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.



UELS

**TOPOGRAPHIC
MAP "A"**

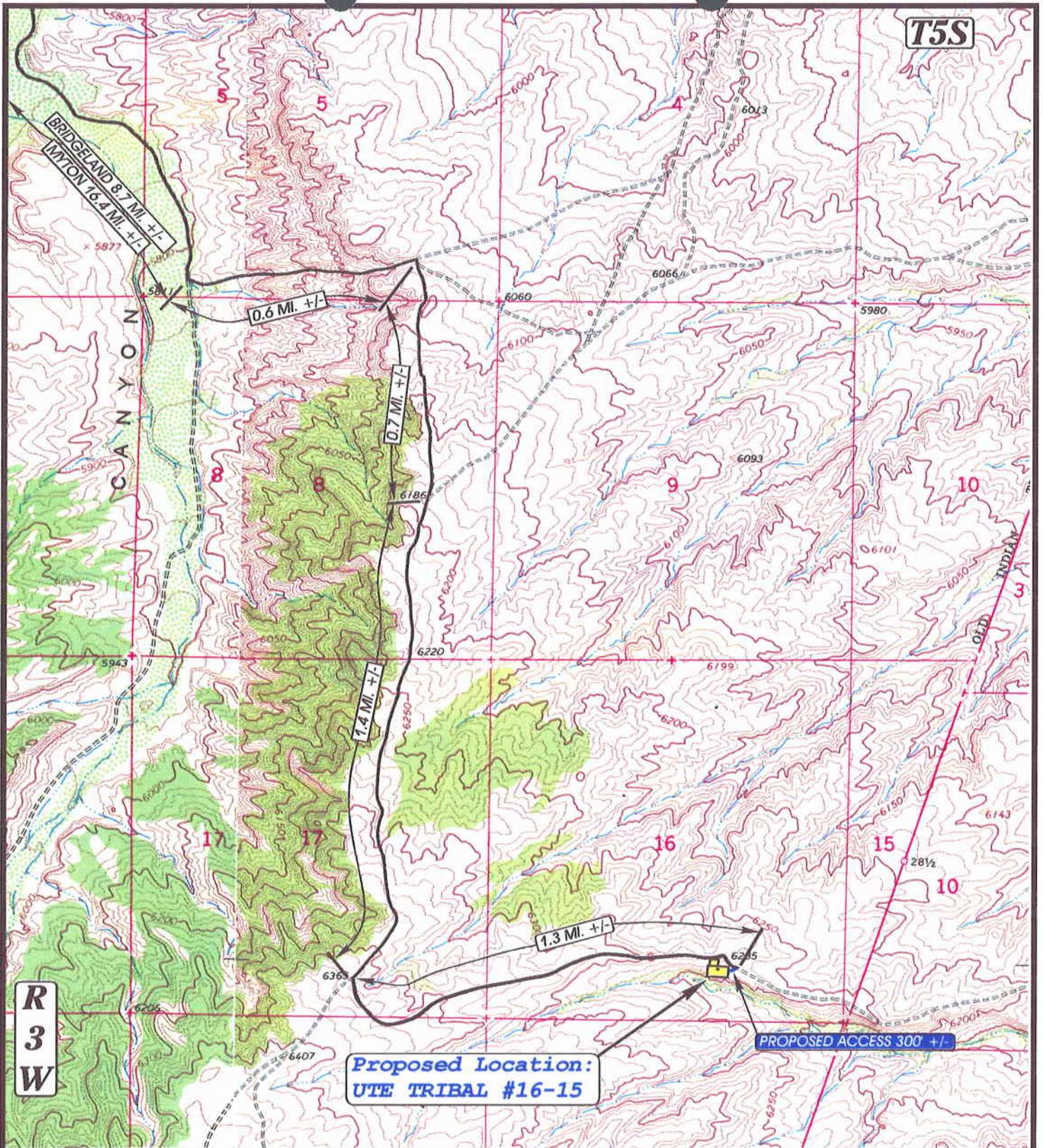
DATE: 1-22-97
Drawn by: D.COX

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



PETROGLYPH OPERATING CO., INC.

UTE TRIBAL #16-15
SECTION 16, T5S, R3W, U.S.B.&M.
822' FSL 1911' FEL



UELS

**TOPOGRAPHIC
MAP "B"**

**DATE: 1-22-97
Drawn by: D.COX**

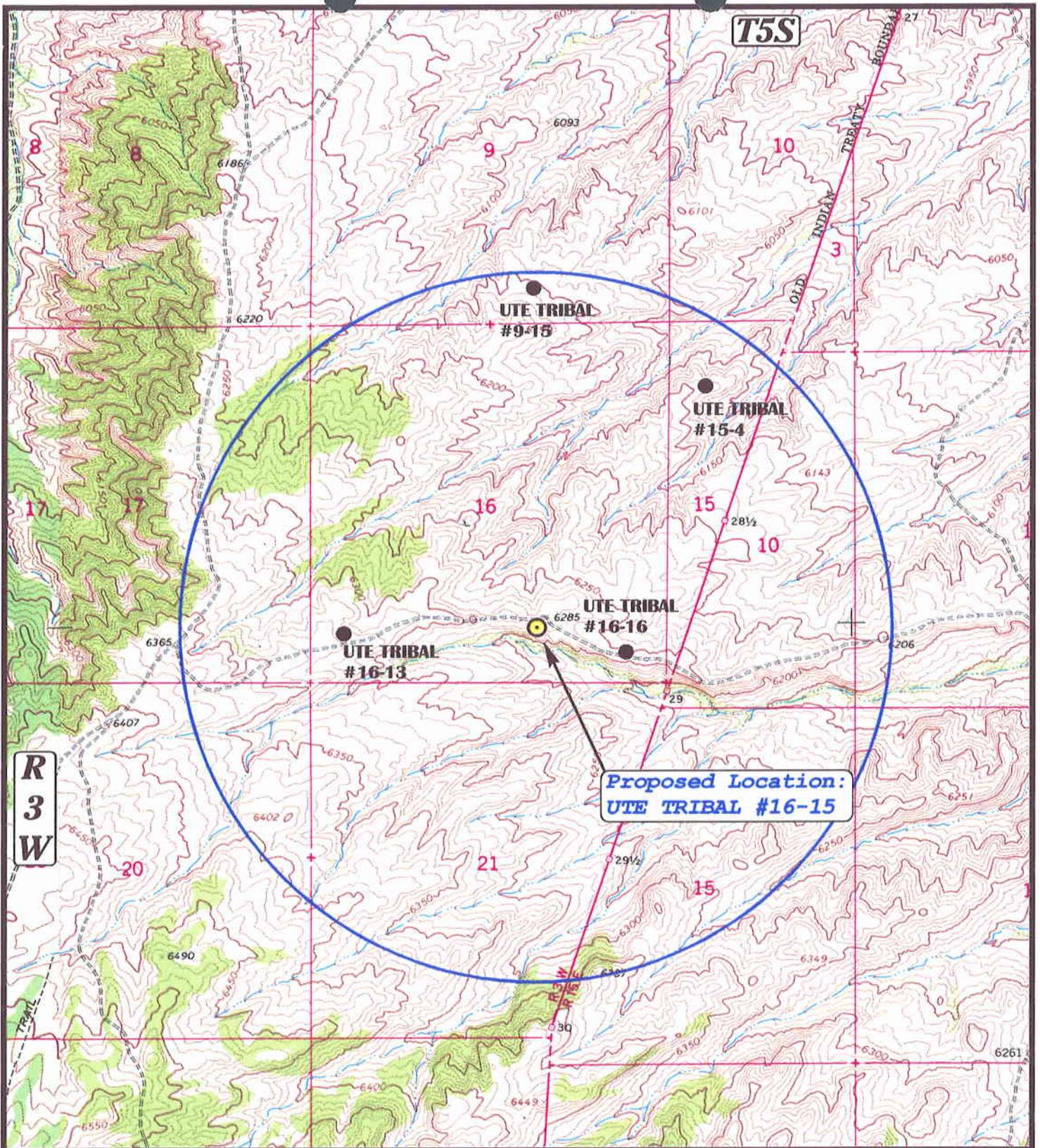
**UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017**



SCALE: 1" = 2000'

PETROGLYPH OPERATING CO., INC.

**UTE TRIBAL #16-15
SECTION 16, T5S, R3W, U.S.B.&M.
822' FSL 1911' FEL**



**R
3
W**

T5S

**Proposed Location:
UTE TRIBAL #16-15**

- LEGEND:**
- Water Wells
 - Abandoned Wells
 - Temporarily Abandoned Wells
 - Disposal Wells
 - Drilling Wells
 - Producing Wells
 - Shut-in Wells



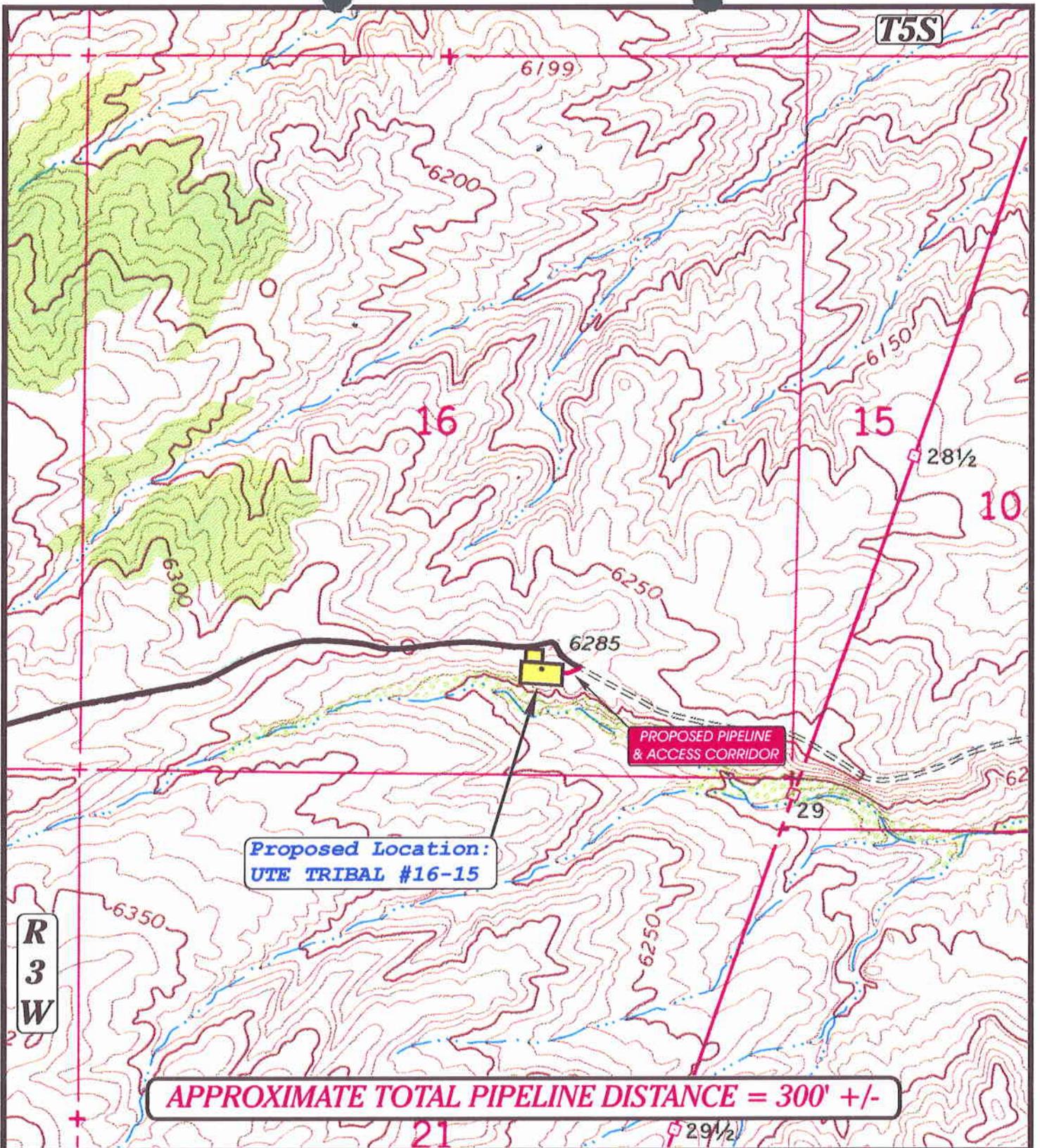
PETROGLYPH OPERATING CO., INC.

**UTE TRIBAL #16-15
SECTION 16, T5S, R3W, U.S.B.&M.
TOPOGRAPHIC MAP "C"**

DATE: 1-22-97
Drawn by: D.COX

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

SCALE: 1" = 2000'



U
E
I
S

**TOPOGRAPHIC
MAP "D"**

--- Proposed Pipeline Corridor



PETROGLYPH OPERATING CO., INC.

**UTE TRIBAL #16-15
SECTION 16, T5S, R3W, U.S.B.&M.**

**DATE: 1-23-97
Drawn by: D.COX**

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

SCALE: 1" = 1000'

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/25/97

API NO. ASSIGNED: 43-013-31822

WELL NAME: UTE TRIBAL 16-15
 OPERATOR: PETROGLYPH OPERATING (N3800)

PROPOSED LOCATION:
 SWSE 16 - T05S - R03W
 SURFACE: 0822-FSL-1911-FEL
 BOTTOM: 0822-FSL-1911-FEL
 DUCHESNE COUNTY
 ANTELOPE CREEK FIELD (060)

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

LEASE TYPE: IND
 LEASE NUMBER: 14-20-H62-3511

PROPOSED PRODUCING FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
 (Number 30 4556)
 Potash (Y/N)
 Oil shale (Y/N)
 Water permit
 (Number 43-10152)
 RDCC Review (Y/N)
 (Date: _____)

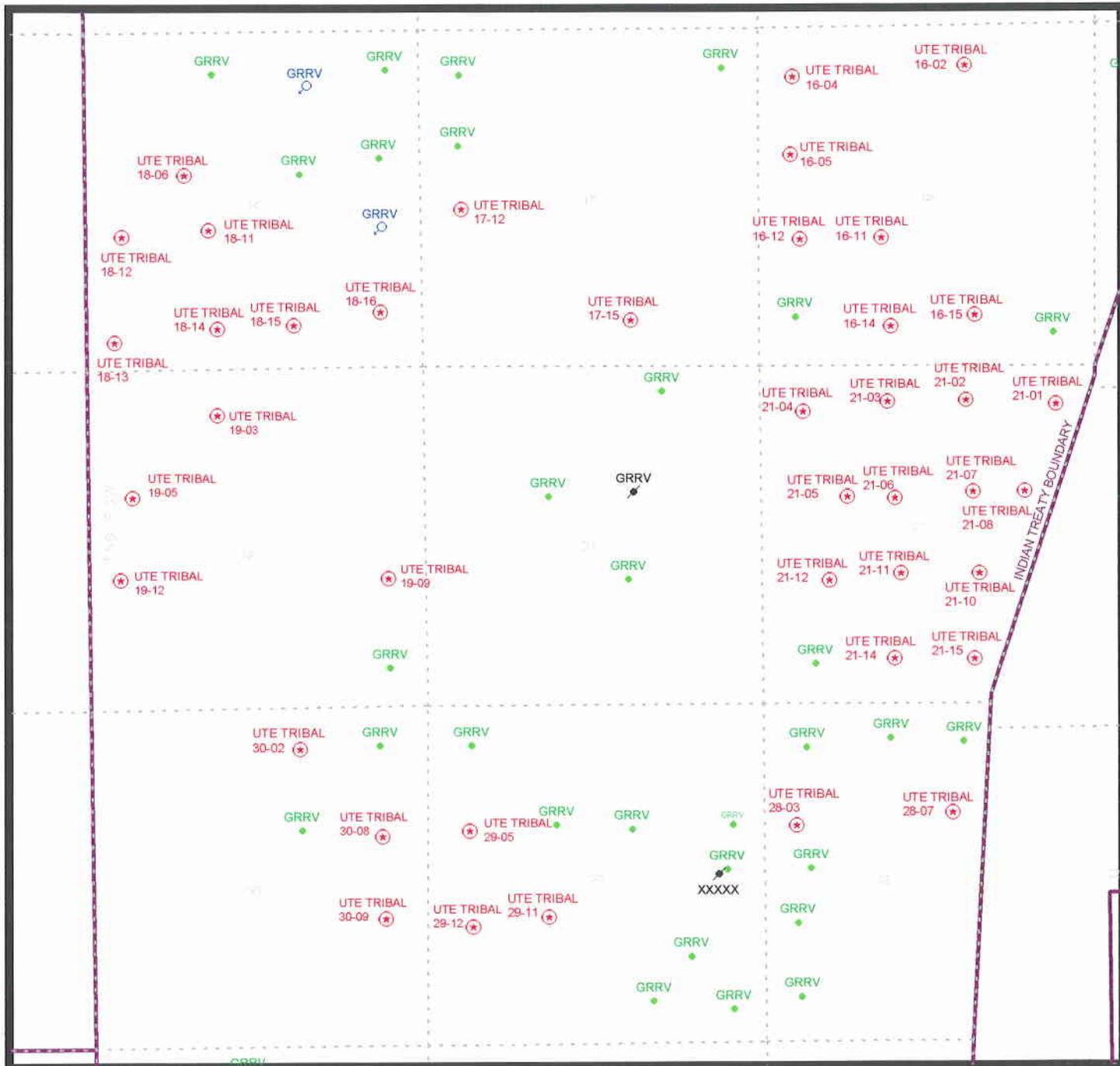
LOCATION AND SITING:

R649-2-3. Unit: _____
 R649-3-2. General.
 R649-3-3. Exception.
 Drilling Unit.
 Board Cause no: _____
 Date: _____

COMMENTS: _____

STIPULATIONS: _____

OPERATOR: PETROGLYPH
FIELD: ANTELOPE CREEK (060)
SEC. TWP. RNG: 16, & 30 T5S, R3W
COUNTY: DUCHESNE
UAC: R649-3-2



PREPARED:
DATE: 25-FEB-97



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

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 25, 1997

Petroglyph Operating Company, Inc.
P.O. Box 607
Roosevelt, Utah 84066

Re: Ute Tribal 16-15 Well, 822' FSL, 1911' FEL, SW SE, Sec. 16,
T. 5 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 43-013-31822.

Sincerely,

A handwritten signature in black ink, appearing to read "R. J. Firth".

R. J. Firth
Associate Director

lwp

Enclosures

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

Operator: Petroglyph Operating Company, Inc.
Well Name & Number: Ute Tribal 16-15
API Number: 43-013-31822
Lease: 14-20-H62-3511
Location: SW SE Sec. 16 T. 5 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)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact R. J. Firth (801)538-5274 or Mike Hebertson at (801) 538-5333.

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.

DOGMA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

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

2. NAME OF OPERATOR
 PETROGLYPH OPERATING COMPANY, INC.

3. ADDRESS AND TELEPHONE NO.
 P.O. BOX 607, ROOSEVELT, UT 84066

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface 822' FSL & 1911' FEL SW/SE FEB 18 1997
 At proposed prod. zone 43-013-31822

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 20.5 MILES SOUTHWEST OF MYTON, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 822' (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE 640

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

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

19. PROPOSED DEPTH 6088'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6269.9' GRADED GROUND

22. APPROX. DATE WORK WILL START*
 FEBRUARY, 1997

5. LEASE DESIGNATION AND SERIAL NO.
 14-20-H62-3511

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 UTE INDIAN TRIBE

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 UTE TRIBAL

9. API WELL NO.
 #16-15

10. FIELD AND POOL, OR WILDCAT
 ANTELOPE CREEK

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 16, T5S, R3W

12. COUNTY OR PARISH DUCHESNE

13. STATE UTAH

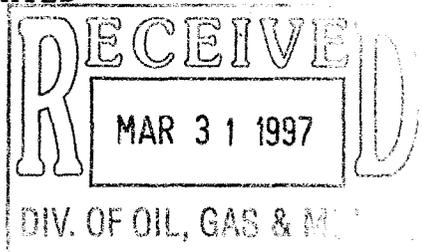
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24.0#	250'	135 sx class "G" + 2% CaCl ₂ + 1/4 #/sx celloflake.
7 7/8	5 1/2	15.5#	6088'	

50/50 POZMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONES OF INTEREST (+ 10% EXCESS). LIGHT CEMENT (11 PPG +) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+ 5% EXCESS).

PETROGLYPH OPERATING COMPANY, INC. WILL BE THE DESIGNATED OPERATOR OF THE SUBJECT WELL UNDER BOND # BO 4556.

pc: Utah Division of Oil, Gas, and Mining
Bureau of Indian Affairs, Fort Duchesne, Utah
Ute Tribe, Fort Duchesne, Utah



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

24. SIGNED [Signature] TITLE AGENT FOR PETROGLYPH DATE 2-18-97

(This space for Federal or State office use)
NOTICE OF APPROVAL
 PERMIT NO. _____ APPROVAL DATE _____

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

Application approval 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.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] ACTING Assistant Field Manager
 TITLE Mineral Resources DATE MAR 24 1997

*See Instructions On Reverse Side

UNITED STATES GOVERNMENT
memorandum

DATE: MAR. 17 1997
REPLY TO
ATTN OF:

SUBJECT: Superintendent, Uintah & Ouray Agency
Concurrnce Letter for PETROGLYPH OPERATING CO. INC.

UT 16-08, SEC. 16, SENE UT 16-09, SEC. 16, NESE UT 16-01 to tie into UT 16-02,
UT 16-03, SEC. 16, NENW UT 16-10, SEC. 16, NWSE Sec. 16, N/2NE,
TO: UT 16-07, SEC. 16, SWSE & NESW, UT 16-15, SEC. 16, SWSE
Bureau of Land Management, Vernal District Office
Attention: Minerals and Mining Division

RECEIVED
MAR 20 1997

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

Based on available information received on March 17, 1997. we cleared the proposed location in the following areas of environmental impact.

YES NO Listed threatened or endangered species
YES NO Critical wildlife habitat
YES 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

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

1. The Ute Tribe Energy and Minerals Department is to be notified 48 hours prior to construction as a Tribal Technician is to monitor construction.
2. 50 foot corridor rights-of-way shall be granted with the following:
 - A. Buried pipelikes shall be buried minimum of 3 feet below soil surface.
 - B. Access roads shall be limited to 22 feet, except as granted for sharp turns.
 - C. Surface pipelines shall be limited to 13 feet wide,.
 - D. Buried pipeline shall be limited to 15 feet wide, and construction will be monitored by Tribal Technician.
3. Pipelines adjacent to access roads shall be buried within 1.5 feet from the outside edge of the barrow ditch. Additional pipelines shall be parallel to each other, as safety requirements will allow.
4. Petroglyph Operating Co. Inc. will assure the Ute Tribe that any/all contractors and any sub-contractors has acquired a Tribal Business License and have an access permits prior to construction.
5. 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.
6. All mitigative stipulations contained in the Bureau of Indian Affairs, combined site specific Environmental Analysis (EA), will be strictly adhered.
7. All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
8. The personnel from the Ute Tribe Energy & Minerals Department should be consulted, should cultural remains from subsurface deposits be exposed during construction work.
9. Upon completion of Application for Right-of-way, the Ute Tribe Energy and Minerals Department will be notified by Petroglyph Operating Co. Inc., so that a Tribal Technician can verify Affidavit of Completions.

Charles H. Cameron

ATTACHMENT: (7) BIA Environmental Analysis, for each location.

OPTIONAL FORM NO. 10
GSA
(REV. 1-94)
5010-118

**SITE SPECIFIC
ENVIRONMENTAL ANALYSIS**

1.0 PROPOSED ACTION

Petroglyph Operating Co., Inc. is proposing to drill oil well #16-15, and construct pipelines, access roads, and powerlines in approximately 300.0 feet of corridor right-of-way.

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- Petroglyph Operating Co., Inc.
- B. Date 1-30-97
- C. Well number- 16-15
- D. Right-of-way- Corridor R\W approx. 300.0 feet.
- E. Site location- SWSE, Section 16, T5S, R3W, USB&M.

4.0 SITE SPECIFIC SURVEY

RECEIVED
MAR 20 1997

A. SITE DESCRIPTION

- 1. Elevation (feet) 6271
- 2. Annual precipitation (inches)- 8-12
- 3. Topography- rolling hills
- 4. Soil- The soil texture is (0 to 6") gravely shale loam with moderate permeability.

B. VEGETATION

- 1. Habitat type is upland shrub.
- 2. Percent Ground Cover- estimated to be 40%.
- 3. Vegetation consists of approximately 34% grasses, 56% shrubs, 10% forbs. The main variety of grasses are squirrel tail, Indian ricegrass, poa, needle & thread, bluebunch wheat, galleta, and blue grama. Forbs are astragalus, mustard, lambs quarter, globemallow, buck wheat, & annuals. Shrubs consist of black sagebrush, prickly pear, winterfat, shadscale, snakeweed, greasewood, rabbit brush.

4. CORRIDOR RIGHT-OF-WAY

To reduce surface damages a 50 foot wide corridor right-of-way will be used for the access road, surface pipelines, buried pipelines, and electrical powerlines.

The constructed travel width of the access road shall be limited to 22 feet, except it may be wider where sharp curves, or intersections are required.

Surface pipelines shall be constructed on one side of the access roads and buried pipelines shall be constructed on the opposite side. The width of the right-of-way used for surface pipelines shall be limited to 13 feet, and buried pipelines shall be limited to 15 feet.

3. An open drilling system will be used. Reserve pits will be lined with impervious synthetic liners. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are backfilled the surplus oil and mud, etc will be buried a minimum of 3.0 feet below the surface of the soil.

4. A closed production system will be used. Production fluids will be contained in leak proof tanks. All reduction fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

5. Firewood shall be stockpiled at convenient locations near the wellsite and along the access road.

C. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

Because the wellsite is located more than 1/2 mile from a Ferruginous hawk nest this wellsite may be constructed and drilled at any time throughout the year.

D. CULTURAL RESOURCES

Cultural resource surveys were performed by James A. Truesdale. The consultant recommends clearance of the project as it is presently staked.

E. UTE TRIBAL REGULATIONS

(1). Prior to commencing surveys or construction on the U&O Indian Reservation the operator, and any of its sub-contractors, shall acquire access permits and business permits from the Ute Indian Tribe.

(2). Prior to the commencement of construction, the operator shall notify the Ute Tribal Department of Energy

and Minerals of the date construction shall begin.

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 wellsite and rights-of-ways. 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, 1-31-97, 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.

1-31-97
Date

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

12.0 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).

2/3/97
Date

[Signature]
Superintendent,
Uintah and Ouray Agency

14.0 CONSULTATION

A. REPRESENTATIVES/ORGANIZATION

- Dale Hanberg- BIA
- Ed Trotter-Petroglyphs
- Lonnie Nephi-UTEM
- Greg Darlington-BLM

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Petroglyph Operating Company Inc.

Well Name & Number: Ute Tribal 16-15

API Number: 43-013-31822

Lease Number: 14-20-H62-3511

Location: SWSE Sec. 16 T.5S R. 3W

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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 **prior to setting the next casing string or requesting plugging orders**. Faxed 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 equipment and testing requirements, procedures, etc., for a **2M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

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

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

3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at 284 ft., or by setting the surface casing to 300ft. and having a cement top for the production casing at least 200 ft above the shallowest potential productive zone. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

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 the top of the cement and shall be utilized to determine the bond quality for the 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.

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 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) 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 3162.7-4.

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 onlease 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 and tested for meter accuracy 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:

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 781-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM
Conditions of Approval (COAs)

The Surface Use Conditions of Approval all come from the Bureau of Indian Affairs Concurrence Memorandum and Site Specific Environmental Analysis.

The Ute Tribe Energy and Mineral Department is to be notified 48 hours prior to construction. A Tribal Technician is to monitor construction.

Fifty (50) foot wide Rights-Of-Way (ROWs) corridor shall be granted for the following:

Access roads which shall have constructed travel width limited to 22 feet, except as granted for sharp curves or intersections.

Surface pipelines shall be limited to 13 feet of the ROW. The pipeline will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation.

Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the ROW. Where pipelines cross country between stations, they shall be welded in place at wellsites or on roads and then pulled into place with suitable equipment. Traffic will be restricted along these areas so that the pipeline ROW will not be used as an access road.

Buried pipelines shall be buried a minimum of 3 feet below the soil surface within an area of disturbance limited to 15 feet wide, and construction will be monitored by a Tribal Technician.

Buried pipelines adjacent to access roads shall be buried within 1.5 feet from the outside edge of the barrow ditch. Any additional buried pipelines shall be parallel to the outer side of the first buried pipeline and shall be constructed as close to the first pipeline as safety requirements allow.

After construction of the buried pipeline is completed the disturbed area of the ROW shall be contoured to blend into the natural landscape and it shall be reseeded with desirable vegetation as recommended by the BIA. Between September 15 and November 1 of the year following pipeline construction all disturbed areas shall be reseeded with perennial vegetation according to BIA, or Ute Tribe specifications.

Petroglyph will assure the Ute Tribe that any/all contractors and subcontractors have acquired a Tribal Business License and have access permits prior to construction.

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.

All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.

The Ute Tribe Energy & Mineral Department shall be consulted if cultural remains from subsurface deposits are exposed or identified during construction.

Before the site is abandoned, the company will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

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

Reserve pits will be lined with impervious synthetic liners. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are backfilled the cuttings and mud, etc. left in them to be buried will be buried a minimum of three feet below the surface of the soil.

A closed production system will be used. Production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

Firewood shall be stockpiled at convenient locations near the wellsite and along the access road.

Upon completion of the project approved under this Application for Permit to Drill and Right-of-way, the Ute Tribe Energy & Minerals Resources Department will be notified by Petroglyph Operating Company so that a Tribal Technician can verify Affidavit of Completion's.

SPUDDING INFORMATION

Name of Company: PETROGLYPH OPERATING

Well Name: UTE TRIBAL 16-15

Api No. 43-013-31822

Section: 16 Township: 5S Range: 3W County: DUCHESNE

Drilling Contractor UNION

Rig # 16

SPUDDED:

Date 4/22/97

Time _____

How ROTARY

Drilling will commence _____

Reported by D. INGRAM

Telephone # _____

Date: 4/24/97 Signed: JLT

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
14-20-H62-3511

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1.a. TYPE OF WELL: Oil Well Gas Well Dry Other
b. TYPE OF COMPLETION: New Well Workover Deepen Plug Back Diff. Reserv. Other

7. UNIT AGREEMENT NAME
14-20-H62-4650

8. FARM OR LEASE NAME

2. NAME OF OPERATOR
PETROGLYPH OPERATING COMPANY, INC.
3. ADDRESS OF OPERATOR
P.O. BOX 607, ROOSEVELT, UT 84066 (435) 722-2531

CONFIDENTIAL
PERIOD

EXPIRED

ON 2-23-99

9. WELL NO.
Ute Tribal 16-15

10. FIELD AND POOL, OR WILDCAT
Antelope Creek

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 822' FSL 1911' FEL

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SWSE Sec. T5S-R3W

At top prod. interval reported below
At total depth 6185' RTD

CONFIDENTIAL

14. PERMIT NO.
43-013-31822

DATE ISSUED
3/25/97

12. County or Parish
Duchesne

13. State
Utah

15. DATE SPUDDED 4/22/97

16. DATE T.D. REACHED
4/28/97

17. DATE COMPLETED (Ready to prod.)
1/23/98

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*
6280' KB

19. ELEV. CASINGHEAD
6270' GGL

20. TOTAL DEPTH, MD & TVD
6185' TD

21. PLUG BACK T.D., MD & TVD
5897' PBTD

22. IF MULTIPLE COMPL., HOW MANY*
3

23. INTERVALS DRILLED BY
ROTARY TOOLS
CABLE TOOLS

24. PRODUCING INTERVAL(S) OF THIS COMPLETION -- TOP, BOTTOM, NAME (MD AND TVD)*
Green River B11, C5, C6, C8.2, D3.4

25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN
Gamma Ray to surface, Density-Compensated Neutron Porosity, AIT (normal suite)

27. WAS WELL CORED
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	328'	12-1/4"	225 sxs Type 5 w/ CaCl ₂ , all cement had .25#/sk cellophane flake	
5-1/2"	15.5#	5940'	7-7/8"	100 sxs Highfill, followed by 325 sxs Thixotropic	

29. LINER RECORD

SIZE	TOP	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	5129'	

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

CONFIDENTIAL

D3.4 5242-52' (40 holes)
C8.2 5019-21' (8 holes)
C6 4941-43' (8 holes)
C5 4781-85' (16 holes)
B11 4543-46' (12 holes)

CONFIDENTIAL

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4941-43' & 5019-21'	5436 gal Boragel 30, 28400# 20/40 prop
4781-85'	5900 gal Boragel 30, 28000# 20/40 prop
4543-46'	5980 gal Boragel 30, 28200# 20/40 prop

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)	WELL STATUS (Producing or shut-in)					
1/31/98	2 1/2" x 1-3/4" x 16' 40 ring PA pump	producing					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PRODN FOR TEST PERIOD	OIL - BBL.	GAS - MCF.	WATER - BBL.	GAS-OIL RATIO
2/5/98	24			#	50	19	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)	
	950	24 HR. RATE					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold, used for fuel

TEST WITNESSED BY
Dave Schreiner

35. LIST OF ATTACHMENTS
NONE

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

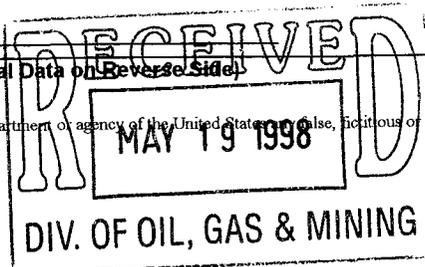
Signed Gene Bell

Title Operations Coordinator

Date 3/31/98

*(See Instructions and Spaces for Additional Data on Reverse Side)

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



37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38.

GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Ute Tribal 16-15						
B Marker	4104					
X Marker	4590					
Douglas Creek	4732	CONFIDENTIAL				
B Limestone	5114					
Castle Peak	5670					
Basal Carbonate	6075					

OPERATOR Petroglyph Operating Company, Inc OPERATOR ACCT. NO. N 3800
 ADDRESS P.O. Box 1839
Hutchinson, KS 67504-1839

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG			
A	99999	12110	43-013-31822	Ute Tribal 16-15	SWSE	16	5S	3W	Duchesne	4/22/97	
WELL 1 COMMENTS: <i>Entity added 4-17-98. (Common Tank) See</i> <i>The 16-15 well will tie into tank battery located at the Ute Tribal 16-14</i>											
WELL 2 COMMENTS: CONFIDENTIAL											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

- ACTION CODES (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another existing entity
 - D - Re-assign well from one existing entity to a new entity
 - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.
 (3/89)

Deanna Bell
 Signature Deanna R. Bell
 Title Operations Coordinator Date 4-25-97
 Phone No. (801) 722-2531

04/17/98 08:59 FAX 435 722 9145
 PETROGLYPH
 LISHA C
 005



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18TH STREET - SUITE 300
DENVER, CO 80202-2466
Phone 800-227-8917
http://www.epa.gov/region08

AUTHORIZATION FOR ADDITIONAL WELL

UIC Area Permit No: UT20736-00000

The Antelope Creek Waterflood Final UIC Area Permit No. UT20736-00000, effective July 12, 1994, authorizes injection for the purpose of enhanced oil recovery into multiple lenticular sand units which are distributed throughout the lower portion of the Green River Formation. On December 20, 2004, the permittee provided notice to the Director concerning the following additional enhanced recovery injection well:

Well Name: Ute Tribal 16-15
EPA Well ID Number: UT20736-06607
Location: 822 ft FSL & 1911 ft FEL
SW SE Sec. 16 - T5S - R3W
Duchesne County, Utah.

Pursuant to 40 CFR §144.33, Area UIC Permit No. UT20736-00000 authorizes the permittee to construct and operate, convert, or plug and abandon additional enhanced recovery injection wells within the area permit. This well was determined to satisfy additional well criteria required by the permit.

This well is subject to all provisions of UIC Area Permit No. UT20736-00000, as modified and as specified in the Well Specific Requirements detailed below. This Authorization shall expire one year after the Effective Date unless the permittee has converted the well to injection or submits a written request to extend this Authorization prior to the expiration date.

This Authorization is effective upon signature.

Date: NOV - 9 2005

Signature of Stephen S. Tuber
for Stephen S. Tuber
*Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

RECEIVED
NOV 21 2005

DIV. OF OIL, GAS & MINING

* The person holding this title is referred to as the Director throughout the Permit and Authorization

WELL-SPECIFIC REQUIREMENTS

Well Name: Ute Tribal 16-15
EPA Well ID Number: UT20736-06607

Prior to commencing injection operations, the permittee shall submit the following information and receive written Authority to Inject from the Director:

1. a successful Part I (Internal) Mechanical Integrity test (MIT);
2. pore pressure calculation of the proposed injection zone;
3. completed Well Rework Record EPA Form No. 7520-12 and schematic diagram.

Approved Injection Zone: Injection is approved between the base of the Green River A Lime Marker at approximately 4079 ft, to the top of the Basal Carbonate at approximately 6082 ft.

Maximum Allowable Injection Pressure (MAIP): The initial MAIP is **1660 psig**, based on the following calculation:

$$\begin{aligned} \text{MAIP} &= [\text{FG} - (0.433)(\text{SG})] * \text{D}, \text{ where} \\ \text{FG} &= 0.80 \text{ psi/ft} \quad \text{SG} = 1.002 \quad \text{D} = \underline{4543 \text{ ft}} \text{ (top perforation depth KB)} \\ \text{MAIP} &= \underline{1660 \text{ psi}} \end{aligned}$$

UIC Area Permit No. UT20736-00000 also provides the opportunity for the permittee to request a change of the MAIP based upon results of a step rate test that demonstrates the formation breakdown pressure will not be exceeded.

Well Construction and Corrective Action: *No Corrective Action is required.*

Tubing and Packer: 2-3/8" or similar size injection tubing is approved; the packer shall be set at a depth no more than 100 ft above the top perforation.

Corrective Action for Wells in Area of Review: *No Corrective Action is required.*

The following wells that penetrate the confining zone are within or proximate to a 1/4 mile radius around the Ute Tribal No. 16-15 were evaluated to determine if any corrective action is necessary to prevent fluid movement into USDWs:

Well: Ute Tribal No. 16-14L Location: SW SE Sec 16 T5S R3W
Well: Ute Tribal No. 16-10 UT20736-04503 Location: SW NW Sec 16 T5S R3W

Demonstration of Mechanical Integrity: A successful demonstration of Part I (Internal) Mechanical Integrity using a standard Casing-Tubing pressure test is required prior to injection and at least once every five years thereafter. EPA reviewed the cement bond log and determined the cement will provide an effective barrier to significant upward movement of fluids through vertical channels adjacent to the well bore pursuant to 40 CFR 146.8 (a)(2). Therefore, further demonstration of Part II (External) Mechanical Integrity is not required at this time.

Demonstration of Financial Responsibility: The applicant has demonstrated financial responsibility in the amount of \$15,000 via a Surety Bond that has been reviewed and approved by the EPA.

Plugging and Abandonment: The well shall be plugged in a manner that isolates the injection zone and prevents movement of fluids into or between USDWs, and in accordance with other applicable federal, State or local law or regulation. Class A, C, G, and H cements, with additives such as accelerators and retarders that control or enhance cement properties, may be used for plugs; however, volume extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.2 lb/gal shall be placed between all plugs. A minimum 50 ft surface plug shall be set inside and outside of the surface casing to seal pathways for fluid migration into the subsurface. Within sixty (60) days after plugging the owner or operator shall submit Plugging Record (EPA Form 7520-13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. At a minimum, the following plugs are required:

- PLUG NO. 1: Set a cast iron bridge plug (CIBP) no more than 50 ft above the top perforation at 4543 ft with a minimum 20 ft cement plug on top of the CIBP.
- PLUG NO. 2: Set a minimum 250 ft cement plug inside of the 5-1/2" casing across the Trona Zone and the Mahogany Shale, between approximately 2800 ft to 3050 ft.
- PLUG NO. 3: Set a minimum 200 ft cement plug across the base of the Uinta Formation and top of the Green River Formation (BLM), at approximately 1682 ft.
- PLUG NO. 4: Set a minimum 50 ft cement plug on the backside of the 5-1/2" casing, across the surface casing shoe at 328 ft (unless pre-existing backside cement precludes cement-squeezing this interval.)
- PLUG NO. 5: Set a cement plug inside of the 5-1/2" casing, from at least 350 ft to 425 ft.
- PLUG NO. 6: Set a cement plug on the backside of the 5-1/2" casing, from surface to a depth of at least 50 ft.
- PLUG NO. 7: Set a cement plug inside of the 5-1/2" casing from surface to a depth of at least 50 ft.

Cut off surface and 5-1/2" casing at least 4 ft below ground level and set P&A marker; submit Sundry Notices and all necessary data as required by the EPA and other regulatory agencies.

Reporting of Noncompliance:

- (a) Anticipated Noncompliance. The operator shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.
- (b) Compliance Schedules. Reports of compliance or noncompliance with, or any progress on, interim and final requirements contained in any compliance schedule of this Permit shall be submitted no later than thirty (30) days following each

schedule date.

- (c) Written Notice of any noncompliance which may endanger health or the environment shall be reported to the Director within five (5) days of the time the operator becomes aware of the noncompliance. The written notice shall contain a description of the noncompliance and its cause; the period of noncompliance including dates and times; if the noncompliance has not been corrected the anticipated time it is expected to continue; and steps taken or planned to prevent or reduce recurrence of the noncompliance.

Twenty-Four Hour Noncompliance Reporting:

The operator shall report to the Director any noncompliance which may endanger health or environment. Information shall be provided, either orally or by leaving a message, within twenty-four (24) hours from the time the operator becomes aware of the circumstances by telephoning 1.800.227-8917 and asking for the EPA Region 8 UIC Program Compliance and Enforcement Director, or by contacting the Region 8 Emergency Operations Center at 303.293.1788 if calling from outside EPA Region 8. The following information shall be included in the verbal report:

- (a) Any monitoring or other information which indicates that any contaminant may cause an endangerment to a USDW.
- (b) Any noncompliance with a Permit condition or malfunction of the injection system which may cause fluid migration into or between underground sources of drinking water.

Oil Spill and Chemical Release Reporting:

The operator shall comply with all other reporting requirements related to oil spills and chemical releases or other potential impacts to human health or the environment by contacting the **National Response Center (NRC) 1.800.424.8802 or 202.267.2675**, or through the NRC website at **<http://www.nrc.uscg.mil/index.htm>**.

Other Noncompliance:

The operator shall report all other instances of noncompliance not otherwise reported at the time monitoring reports are submitted.

Other Information:

Where the operator becomes aware that he failed to submit any relevant facts in the Permit application, or submitted incorrect information in a Permit application, or in any report to the Director, the operator shall submit such correct facts or information within two (2) weeks of the time such information became known to him.

WELL-SPECIFIC CONSIDERATIONS

Well Name: Ute Tribal 16-15
EPA Well ID Number: UT20736-00000

Underground Sources of Drinking Water (USDWs): USDWs in the Antelope Creek Waterflood area generally may occur within the Uinta Formation, which extends from the surface to the top of the Green River Formation at approximately 1682 ft. The Uinta Formation A3 member is found at a depth of approximately 1298 ft in this well. According to "Base of Moderately Saline Ground Water in the Uinta Basin, Utah, State of Utah Technical Publication No. 92," the base of moderately saline ground water may be found at an elevation of approximately 6000 ft, or about 270 ft below ground surface at this well location.

Confining Zone: The Confining Zone at this location is approximately 277 ft of interbedded limestone and shale between the depths of 3866 ft to 4103 ft (KB) which directly overlies the Injection Zone, based on correlation to the Antelope Creek Ute Tribal 04-03 well Type Log. Additional impermeable lacustrine shale beds above the Confining Zone provide for further protection for any overlying USDW.

Injection Zone: The Injection Zone at this well location is an approximately 1973 ft section of multiple lenticular sand units interbedded with shale, marlstone and limestone from the base of the Confining Zone at 4103 ft (KB) to the top of the Basal Carbonate Formation at 6076 ft (KB), based on correlation to the Antelope Creek Ute Tribal 04-03 well Type Log.

Well Construction:

Surface casing: 8-5/8" casing is set at 328 ft (KB) in a 12-1/4" hole, using 225 sacks cement circulated to the surface.
Longstring casing: 5-1/2" casing is set at 5939 ft (KB) in a 7-7/8" 6185 ft Total Depth hole with a plugged back total depth (PBTD) of 5895 ft, cemented with 425 sacks cement. CBL analysis shows top of cement at approximately 2170 ft, and 80% bond index cement is shown from approximately 3850 ft down to 4800 ft and deeper.
Perforations: top perforation: 4543 ft Bottom perforation: 5252 ft

Wells in Area of Review (AOR): Construction and cementing records, including cement bond logs (CBL) as available, for wells in the 1/4 mile AOR that penetrated the confining zone were reviewed and found adequate to prevent fluid movement out of the injection zone and into USDWs.

Well: Ute Tribal No. 16-14L

Cement top: 1030' (CBL)

Well: Ute Tribal No. 16-10 UT20736-04503

Cement top: 2800 ft (CBL) This well was authorized as an injection well on March 16, 1999. Review of the CBL at that time showed adequate cement, including 80 % or greater BI cement from 3880 ft to 4250 ft and deeper.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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DENVER, CO 80202-2466
Phone 800-227-8917
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NOV - 9 2005

Ref: 8P-W-GW

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

Steve Wall, District Manager
Petroglyph Energy, Inc.
4116 West 3000 So. Ioka Lane
Roosevelt, UT 84066

4301331822 5S 3W 16
RE: Additional Well to Antelope Creek Area Permit
UIC Area Permit No. UT20736-00000
Well ID: UT20736-06607
Ute Tribal16-15, Duchesne County, Utah

Dear Mr. Wall:

The Petroglyph Operating Company, Inc. (Petroglyph) request to convert the former Green River Formation oil well Ute Tribal16-15 to an enhanced recovery injection well in the Antelope Creek Waterflood project is hereby authorized by the Environmental Protection Agency (EPA) under the terms and conditions of the Authorization For Additional Well.

The addition of the proposed injection well, within the exterior boundary of the Uintah & Ouray Indian Reservation, is being made under the authority of 40 CFR §144.33 (c) and terms of the Antelope Creek Waterflood UIC Area Permit No. UT20736-00000. Unless specifically mentioned in the enclosed Authorization For Additional Well, the Ute Tribal16-15 is subject to all terms and conditions of the UIC Area Permit UT20736-00000 as modified.

Please be aware that Petroglyph does not have authorization to begin injection operations into the well until all Prior to Commencing Injection requirements have been submitted and evaluated by the EPA, and Petroglyph has received written authorization from the Director to begin injection.

Prior to receiving authorization to inject, the EPA requires that Petroglyph submit for review and approval the following: (1) the results of a **Part I (Internal) mechanical integrity**

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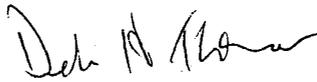


test (MIT), (2) a pore pressure calculation of the injection interval, and (3) a completed EPA Form No. 7520-12 Well Rework Record.

The initial Maximum Allowable Injection Pressure (MAIP) for the Ute Tribal 16-15 was determined to be 1660 psig. UIC Area Permit UT20736-00000 also provides the opportunity for the permittee to request a change in the MAIP based upon results of a step rate test that demonstrates that the formation breakdown pressure will not be exceeded.

If you have any questions, please call Mr. Dan Jackson at (303) 312-6155 or 1.800.227.8917 (Ext. 6155). Please submit the required data to **ATTENTION: DAN JACKSON**, at the letterhead address, citing **MAIL CODE: 8P-W-GW** very prominently.

Sincerely,



for Stephen S. Tuber
Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

encl: Authorization For Conversion of An Additional Well
EPA Form No. 7520-12 (Well Rework Record)

cc: without enclosures

Maxine Natchees, Chairperson
Uintah & Ouray Business Committee
Ute Indian Tribe
P.O. Box 190
Fort Duchesne, UT 84026

Chester Mills, Superintendent
BIA - Uintah & Ouray Indian Agency
P.O. Box 130
Fort Duchesne, UT 84026

cc: with enclosures

Mr. Kenneth Smith
Executive Vice President and Chief Operating Officer
Petroglyph Energy, Inc.
555 S. Cole Blvd
Boise, ID 83709

Elaine Willie
Environmental Coordinator
Ute Indian Tribe
P.O. Box 460
Fort Duchesne, UT 84026

Gil Hunt
Technical Services Manager
Utah Division of Oil, Gas, and Mining
1594 West North Temple - Suite 1220
Salt Lake City, UT 84114-5801

Matt Baker, PE
BLM - Vernal District
170 South 500 East
Vernal, UT 84078

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Water Injection Conversion</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-3511
2. NAME OF OPERATOR: Petroglyph Operating Company Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Indian Tribe
3. ADDRESS OF OPERATOR: P.O. Box 607 Roosevelt UT 84066		7. UNIT or CA AGREEMENT NAME: 14-20-H62-4650
4. LOCATION OF WELL FOOTAGES AT SURFACE: 822' FSL 1911' FEL		8. WELL NAME and NUMBER: Ute Tribal 16-15
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 T5S R3W		9. API NUMBER: 4301331822
COUNTY: Duchesne		10. FIELD AND POOL, OR WILDCAT: Antelope Creek
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This sundry is serving notice that Petroglyph Operating Company Inc. (POCI) plan to convert the Ute Tribal 16-15 to an injection well from a producing well. This work is being preformed under our area UIC permit number UT20736-06607. POCI has obtained approval to perform the conversion on the Ute Tribal 16-15 from the EPA. After the conversion on the Ute Tribal 16-15 is complete, POCI will submit the necessary information to the EPA to obtain approval to being injection operations.

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

NAME (PLEASE PRINT) <u>Steve WALL</u>	TITLE <u>MANAGER</u>
SIGNATURE <u>[Signature]</u>	DATE <u>10-29-05</u>

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JAN 03 2006
DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-3511
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Indian Tribe
7. UNIT or CA AGREEMENT NAME: 14-20-H62-4650
8. WELL NAME and NUMBER: Ute Tribal 16-15
9. API NUMBER: 4301331822
10. FIELD AND POOL, OR WILDCAT: Antelope Creek

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL GAS WELL OTHER Water Injection Conversion

2. NAME OF OPERATOR:
Petroglyph Operating Company Inc.

3. ADDRESS OF OPERATOR: P.O. Box 607 Roosevelt UT 84066 PHONE NUMBER: (435) 722-2531

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **822' FSL 1911 FEL** COUNTY: **Duchesne**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSE 16 T5S R3W** STATE: **UTAH**

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	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well has been converted to a water injection well to support the ongoing secondary waterflood currently active in Antelope Creek. The rods and tubing have been pulled from this well. The injection string consists of 2 3/8" 4.6#, J-55 EUE tubing. The Packer is installed @ 4489' +/- KB Packer fluid has been circulated on the backside and a successful MIT test performed and submitted to the EPA.

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

NAME (PLEASE PRINT) _____ TITLE _____

SIGNATURE _____ DATE _____

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-3511
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		7. UNIT or CA AGREEMENT NAME: 14-20-H62-4650
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Water Injection</u>	8. WELL NAME and NUMBER: Ute Tribal 16-15	
2. NAME OF OPERATOR: Petroglyph Operating Company Inc		9. API NUMBER: 4300331822
3. ADDRESS OF OPERATOR: P.O. Box 607 Roosevelt STATE UT ZIP 84066	PHONE NUMBER: (435) 722-2531	10. FIELD AND POOL, OR WILDCAT: Antelope Creek
4. LOCATION OF WELL FOOTAGES AT SURFACE: 822' FSL 1911' FEL		COUNTY: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 T5S R3W		STATE: UTAH

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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Date of First Injection 01-09-06

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

NAME (PLEASE PRINT) <u>Steve Wall</u>	TITLE <u>MANAGER</u>
SIGNATURE <u>Steve Wall</u>	DATE <u>1-11-06</u>

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

FORM 9

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10. FIELD AND POOL, OR WLD CAT: Antelope Creek

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2. NAME OF OPERATOR: Petroglyph Operating Company Inc.
3. ADDRESS OF OPERATOR: P.O. Box 607 CITY Roosevelt STATE UT ZIP 84066 PHONE NUMBER (435) 722-2531

4. LOCATION OF WELL FOOTAGES AT SURFACE: 822' FSL 1911 FEL COUNTY: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 T5S R3W STATE: UTAH

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NAME (PLEASE PRINT) _____	TITLE _____
SIGNATURE _____	DATE _____

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JAN 12 2006



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18TH STREET - SUITE 300
DENVER, CO 80202-2466
Phone 800-227-8917
<http://www.epa.gov/region08>

DEC 30 2005

Ref: 8P-W-GW

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Steve Wall, District Manager
Petroglyph Energy, Inc.
4116 West 3000 So. Ioka Lane
Roosevelt, UT 84066

RE: Authorization to Inject
Ute Tribal 16-15
UIC Permit UT20736-06607
Antelope Creek Field, Duchesne County, Utah

Dear Mr. Wall:

Thank you for submitting information pertaining to the newly constructed or converted Ute Tribal 16-15 enhanced recovery injection well to the Region 8 Ground Water Program office of the Environmental Protection Agency (EPA). The "Prior To Commencing Injection" requirements for the Ute Tribal 16-15 injection well required well owner and operator Petroglyph Energy, Inc. to submit the following information to the Director:

1. A successful mechanical integrity test (MIT) demonstrating Part I Internal MI,
2. Pore pressure calculation of the proposed injection zone, and
3. completed EPA Form No. 7520-12.

All required information has been submitted, and has been reviewed and approved by the EPA. Therefore, effective upon your receipt of this letter, Administrative approval hereby is granted for injection into the Ute Tribal 16-15 enhanced recovery injection well under the conditions of the Authorization for Additional Well and UIC Area Permit UT20736-00000 as modified.

As of this approval, responsibility for permit compliance and enforcement is transferred to the Region 8 UIC Technical Enforcement Program office. Therefore, please direct all future notification, reporting, monitoring and compliance correspondence to the following address, referencing your well and UIC Permit number on all correspondence regarding this well.



Technical Enforcement Program - UIC
U.S. EPA Region 8, Mail Code 8ENF-UFO
999 18th Street, Suite 300
Denver, Colorado 80202-2466

The Director has determined that the maximum allowable surface injection pressure (MAIP) for the Ute Tribal 16-15 is 1660 psig. Please be reminded that it is the responsibility of the owner/operator to be aware of, and to comply with, all conditions of Authorization for Additional Well UT20736-06607 and EPA UIC Area Permit UT20736-00000 and relevant modifications as issued.

If you have any questions regarding this Authorization, please call Dan Jackson of my staff at (303) 312-6155. For questions regarding notification, testing, monitoring, reporting or other Permit requirements, the UIC Technical Enforcement Program may be reached by calling (800) 227-8917.

Sincerely,



Tracy M. Eagle
Director
Ground Water Program

cc: Maxine Natchees, Chairperson
Uintah & Ouray Business Committee
Ute Indian Tribe
P.O. Box 190
Fort Duchesne, UT 84026

Chester Mills, Superintendent
BIA - Uintah & Ouray Indian Agency
P.O. Box 130
Fort Duchesne, UT 84026

Mr. Kenneth Smith
Executive Vice President and Chief Operating Officer
Petroglyph Energy, Inc.
555 S. Cole Blvd
Boise, ID 83709

Elaine Willie
Environmental Coordinator
Ute Indian Tribe
P.O. Box 460
Fort Duchesne, UT 84026

Gil Hunt
Technical Services Manager
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1594 West North Temple - Suite 1220
Salt Lake City, UT 84114-5801

Kirk Fleetwood, PE
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170 South 500 East
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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
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FORM 9

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Date of First Injection 01-09-06

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

NAME (PLEASE PRINT) Steve Wall TITLE MANAGER
SIGNATURE Steve Wall DATE 1-11-06