

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE  WATER SANDS LOCATION INSPECTED SUB. REPORT/abd.

2000 0207 LAD, eff 1-31-2000;

DATE FILED **JUNE 19, 1998**

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. INDIAN #

DRILLING APPROVED: **JUNE 25, 1998** **14-20-H62-3981**

SPUDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: **1-31-2000 LAD**

FIELD: **BLUEBELL**

UNIT:

COUNTY: **DUCHESNE**

WELL NO. **UTE 2-23A3** API NO. **43-013-32090**

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

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

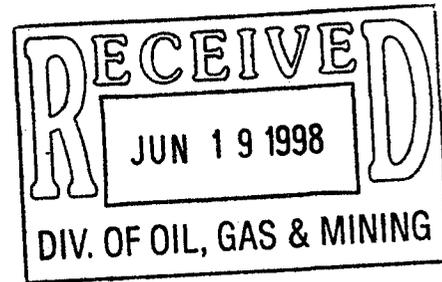


**Coastal**  
The Energy People

June 17, 1998

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

Re: **Ute #2-23A3**  
**SE/SE Sec. 23, T1S-R3W**  
**Duchesne County, UT**



To whom it may concern:

Enclosed is the Application for Permit to Drill (APD), the Drilling Program, and the Surface Use and Operations Plan for the referenced well. Additional copies have been sent to the BIA and the Ute Tribe. Please note that this well was originally permitted in 1995. All surface use agreements are in place, and resource surveys were completed. A second onsite was held on May 28, 1998, with representatives from the Ute Tribe, BIA, and BLM in attendance.

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

Sincerely,

Bonnie Carson  
Senior Environmental Analyst

Enc.

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

**Coastal Oil & Gas Corporation**

A SUBSIDIARY OF THE COASTAL CORPORATION  
600 17TH ST • STE 800 S • P O BOX 749 • DENVER CO 80201-0749 • 303.572-1121

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

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  
Coastal Oil & Gas Corporation

3. ADDRESS AND TELEPHONE NO.  
P.O. Box 749, Denver, CO 80201-0749 (303) 573-4455

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. \*)  
At surface  
1043' FEL & 1063' FSL 324  
At proposed prod. zone 316

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

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

16. NO. OF ACRES IN LEASE  
640

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

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

19. PROPOSED DEPTH  
15,300'

20. ROTARY OR CABLE TOOLS  
Rotary

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

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
Ute

7. UNIT AGREEMENT NAME  
N/A

8. FARM OR LEASE NAME, WELL NO.  
Ute 2-23A3

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT  
Altamont/Bluebell

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

12. COUNTY OR PARISH  
Duchesne

13. STATE  
Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
See Attached					
Drilling Program					

22. APPROX. DATE WORK WILL START\*  
Upon Approval

**RECEIVED**  
JUN 19 1998  
DIV. OF OIL, GAS & MINING

Coastal Oil & Gas Corporation proposes to drill a well to the proposed TD as stated above. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BIA, BLM and State of Utah requirements.

See the attached Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided for by: State of Utah Bond #102103, BLM Nationwide Bond #U605382-9, and BIA Nationwide Bond #114066-A.

3693181  
441696825

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. Bonnie Carson  
SIGNED Bonnie Carson TITLE Senior Environmental Analyst DATE 6/17/98

(This space for Federal or State office use)

PERMIT NO. 43-013-32090 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 Federal Approval of this Action is Necessary  
APPROVED BY Bradley G. Hill TITLE RECLAMATION SPECIALIST III DATE 6/25/98

\*See Instructions On Reverse Side

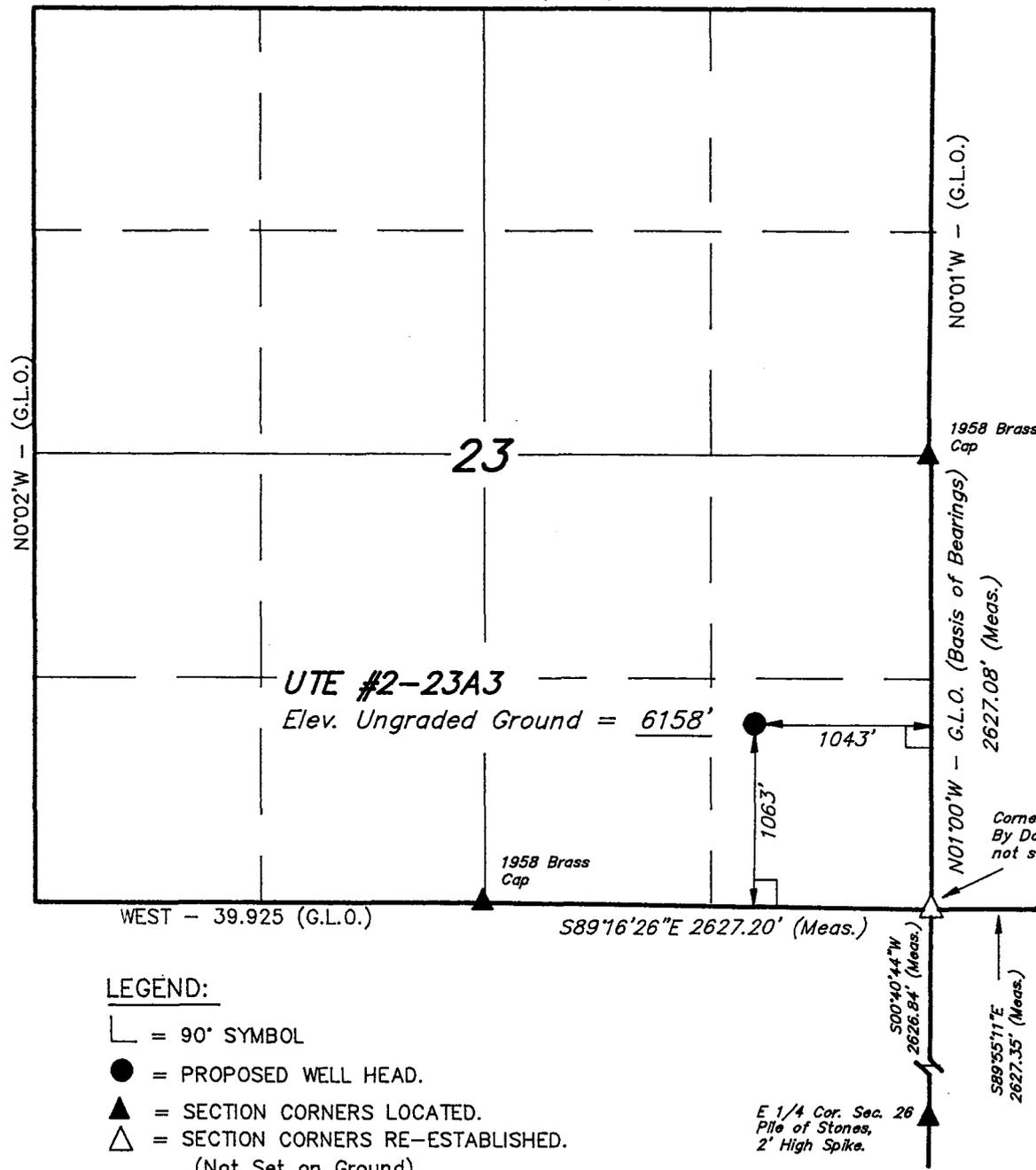
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

S89°59'W - 79.90 (G.L.O.)

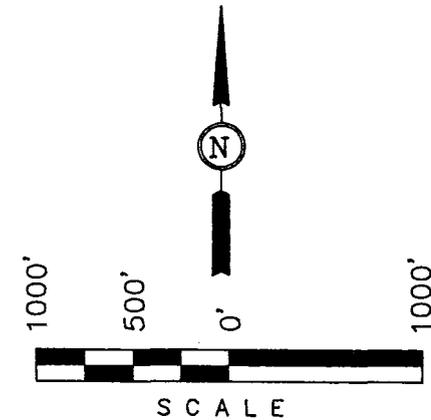
**COASTAL OIL & GAS CORP.**

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



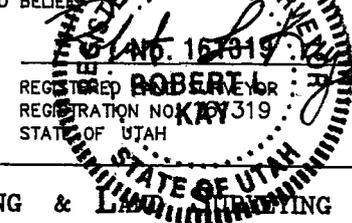
BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION LOCATED IN THE W 1/2 OF SECTION 23, T1S, R3W, U.S.B.&M. TAKEN FROM THE NEOLA NW QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6257 FEET.



CERTIFICATE

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



N 1/4 Cor. Sec. 25  
1958 Brass Cap

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

LEGEND:

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

E 1/4 Cor. Sec. 26  
Pile of Stones,  
2' High Spike.

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078 (801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 11-3-94	DATE DRAWN: 11-8-94
PARTY J.F. D.G. D.J.S.		REFERENCES G.L.O. PLAT
WEATHER COOL		FILE COASTAL OIL & GAS CORP.

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

**Lease Number: 14-20-H62-3981**

**ONSHORE ORDER NO. 1  
Coastal Oil & Gas Corporation**

**DRILLING PROGRAM**

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

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

<u>Formation</u>	<u>Depth</u>
Uintah	Surface
Lower Green River	10,400'
Wasatch	11,670'
Top of the Red Beds	12,180'
Bottom of the Red Beds	13,120'
Total Depth	15,300'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil and Gas	Lower Green River -	10,400'
Oil and Gas	Wasatch	11,670'
Water	N/A	
Other Minerals	N/A	

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

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

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

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

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

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

As a minimum, the above test will be performed when initially installed; whenever any seal subject to test pressure is broken; following related repairs; or at 30-day intervals.

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

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

Annular preventors shall be functionally operated at least weekly.

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

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

Pressure tests shall apply to all related well control equipment.

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

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

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

The size and the rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 2000 psi working pressure blowout preventor.

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

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

Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

**4. Proposed Casing and Cementing Program:**

**The proposed casing program will be as follows:**

Purpose	Depth	Hole Size	Csg Size	Wt/Ft	Grade	Type
Surface	200'	26"	20"	94#	J-55	BTC
Intermediate	4,500'	17-1/2"	13-3/8"	68#	HCK-55	ST&C
	12,850'	12-1/4"	9-5/8"	47#	S-95	LT&C
Production	12,600' -	8-1/2"	7"	35#	S-95	LT&C
	15,300'					

The proposed casing and cementing program shall be as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including: presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.

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

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

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

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

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

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

All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

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

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

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

On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole. Casing design subject to revision based on geologic conditions encountered.

**The cement program will be as follows:**

	<u>Fill</u>	<u>Type and Amount</u>
Surface	200'	Premium "G", 15.6 ppg, 1.18 ft <sup>3</sup> /sx yld, approx. 450 sx, 50% excess
Intermediate	3500'	Lead: Approx. 1745 sx Modified HLC w/2% CaCl <sub>2</sub> +1% Econolite + 0.25 lb/sx Flocele + 2#/sx Granulite TR + 2% gel + 3% salt, 12.4 ppg, 2.09 ft <sup>3</sup> /sx yld, 50% excess
	1000'	Tail: Approx. 885 sx Premium Plus +0.25 lb/sx Flocele + 1 lb/sx Granulite TR 1/4, 15.6 ppg, 1.18 ft <sup>3</sup> /sx yld, 50% excess
2nd Inter- mediate	2450'	Lead 1: Approx. 225 sx Hi-Fill Modified + 0.75% Econolite + 0.25 lb/sx Flocele + 7.5 lb/sx Gilsonite + 3 lb/sx Granulite TR 1/4 + 16% gel + 0.8% HR-7 + 3% MicroBond HT + 3% salt, 11.0 ppg, 3.92 ft <sup>3</sup> /sx yld, 15% excess
	3400'	Tail 1: Approx. 835 sx 50/50 Pz + 0.25 lb/sx Flocele + 0.2% FWCA + 1 lb/sx Granulite TR 1/4 + 0.2% Halad-322 + 2% gel + 0.1% HR-5 + 3% MicroBond HT + 3% Silicalite, 13.4 ppg, 1.49 ft <sup>3</sup> /sx yld, 15% excess
	3500'	Lead 2: Approx. 315 sx Hi-Fill Modified + 0.75% Econolite + 0.25 lb/sx Flocele + 7.5 lb/sx Gilsonite + 3 lb/sx Granulite TR 1/4 + 16% gel + 0.8% HR-7 + 3% MicroBond + 3% salt, 11.00 ppg, 4.01 ft <sup>3</sup> /sx yld, 15% excess
	500'	Tail 2: Approx. 125 sx 50/50 Poz + 0.25 lb/sx Flocele + 0.2% FWCA + 1 lb/sx Granulite TR 1/4 + 0.2% Halad-322 + 2% gel + 0.1% HR-5 + 3% MicroBond HT + 3% Silicalite, 13.4 ppg, 1.49 ft <sup>3</sup> /sx yld, 15% excess
Production	2600' (200' Cap)	Approx. 255 sx Class H + 0.5% CFR-3 + 0.5% Halad-344 + 0.3% HR-12 + 35% SSA-1 + 4% MicroBond HT + 3% Super CBL, 15.9 ppg, 1.54 ft <sup>3</sup> /sx yld, 15% excess

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

After cementing, but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

The following reports shall be filed with the District Manager within 30 days after the work is completed:

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

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

Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

Auxiliary equipment to be used as follows:

Kelly cock

No bit float is deemed necessary.

A sub with a full opening valve

## 5. Drilling Fluids Program

<u>Interval</u>	<u>Type</u>	<u>Mud.Wt</u>	<u>Viscosity</u>
0-8000'	Air mist/Aeratedwater Spud mud	8.5-9.0	26-40
8000-12850'	LSND/Lightly dispersed	9.0-11.0	34-45
12850-TD	Weighted mud	11.0-14.0	40-45

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

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

Mud monitoring equipment will be checked periodically each tour of the mud system. The mud level will be checked visually.

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

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

## **6. Evaluation Program**

Logging Program:

Resistivity/Sonic/GR

Drill Stem Tests: None anticipated

Cores: None anticipated

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

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

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

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

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

Whether the well is completed as a dry hole or a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer.

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

#### **7. Abnormal Conditions**

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered in or known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure approximately equals 6120 psi (calculated at 0.4 psi/foot) and maximum anticipated surface pressure equals approximately 2754 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

#### **8. Anticipated Starting Dates and Notification of Operations**

Drilling Activity:

Anticipated commencement date: Upon approval of this application

Drilling days: Approximately 21 days

Completion days: Approximately 10 days

Notification of Operations:

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

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

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6, "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal District Office.

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

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

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

Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method, accompanied by water analysis and other required information, must be submitted to the District Engineer.

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

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

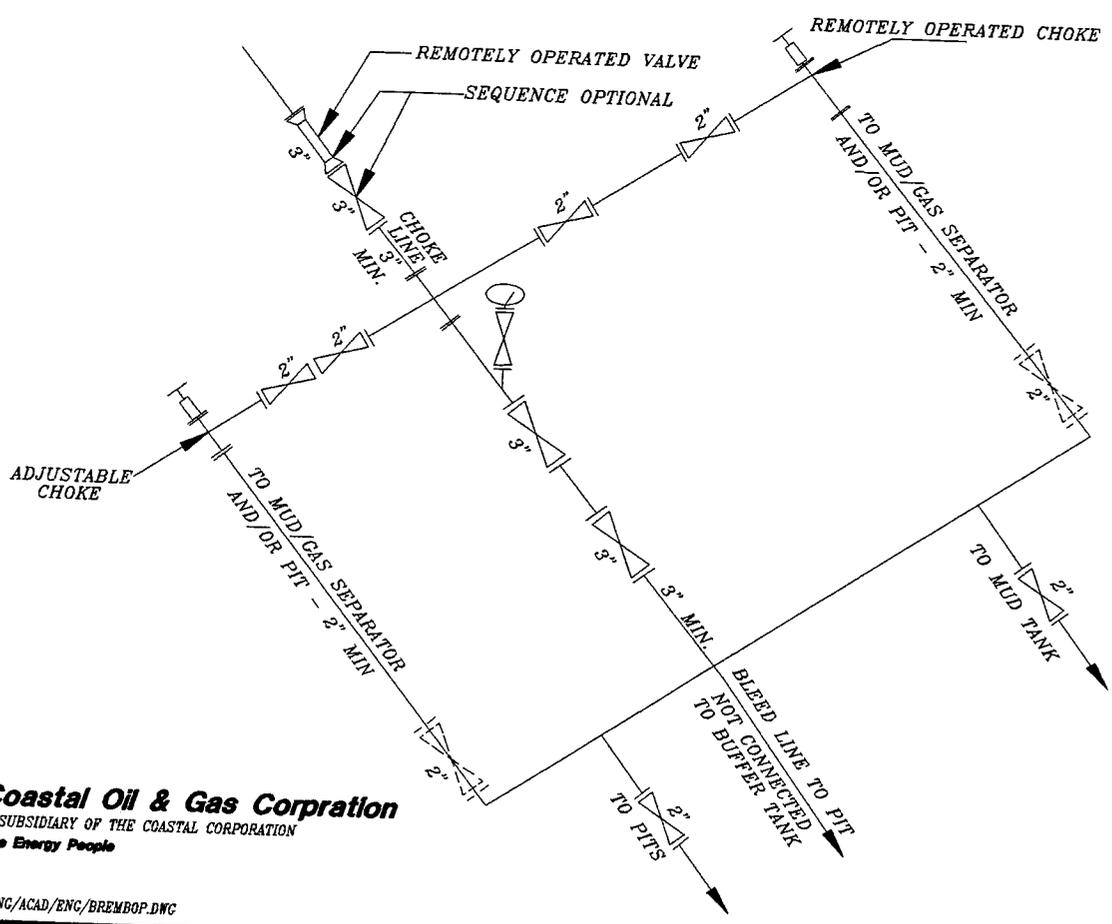
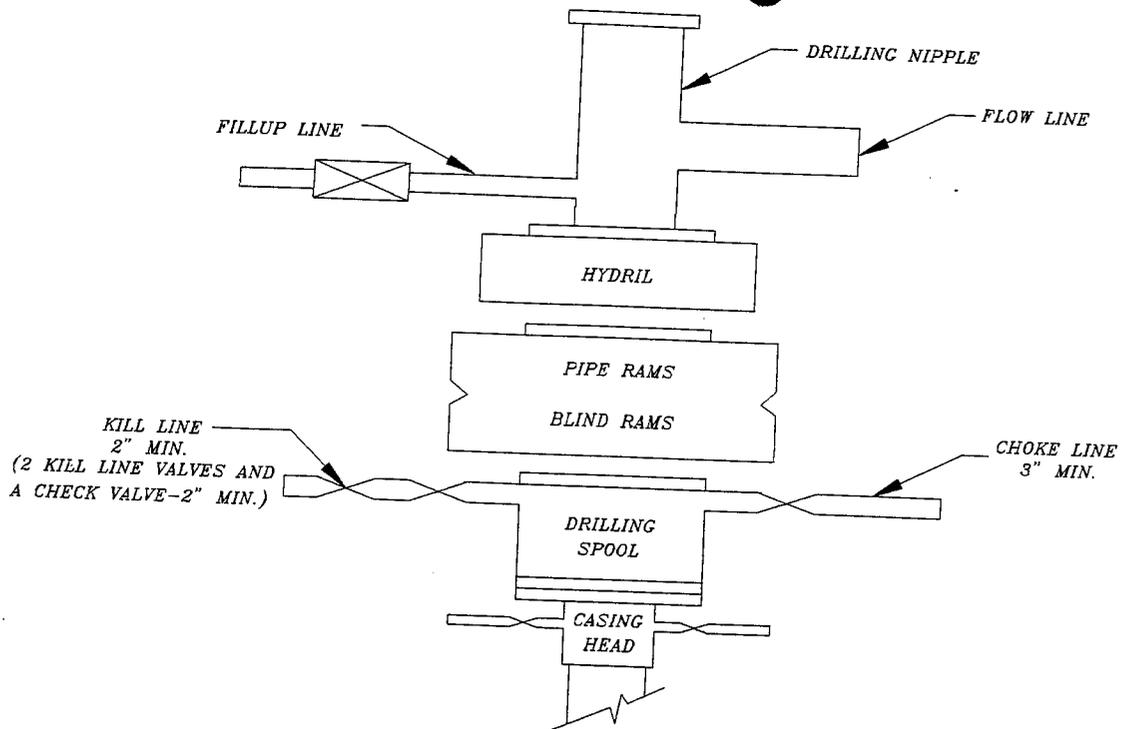
hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).

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

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer. A "Subsequent Report of Abandonment," Form 3160-5, will be filed with the Authorized Officer within 30 days following completion of the well for abandonment. This report will indicate placement of the plugs and current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Authorized Officer or his representative, or the appropriate Surface Managing Agency.

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

# 5M-BOP STACK and CHOKE MANIFOLD SYSTEM



**Coastal Oil & Gas Corporation**  
 A SUBSIDIARY OF THE COASTAL CORPORATION  
 The Energy People

F:/WORK/DRAFTING/ACAD/ENG/BREMBOP.DWG

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

**ONSHORE ORDER NO. 1**

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**NOTIFICATION REQUIREMENTS**

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

Location Completion: Prior to moving the drilling rig

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

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

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

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

The onsite inspection for this well was conducted on 5/28/98 at approximately 12:00 pm. Skies were partly cloudy, and the temperature was moderate. In attendance at the inspection were the following individuals:

Manuel Myore	BIA
Greg Darlington	BLM
Robert Kay	U.E.L.S., inc.
Elliot Ridley	Ute Tribe
Bill McGaughey	Coastal Oil & Gas Corporation
Bonnie Carson	Coastal Oil & Gas Corporation

1. Existing Roads:

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

Directions to the location from Bluebell, Utah:

Proceed in an easterly direction from Bluebell, Utah on existing road approximately 1.1 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 1.4

**Ute #2-23A3**  
**Surface Use and Operations Plan**  
**Page 2**

miles to the junction of this road and an existing road to the east; turn right and proceed in an easterly direction approximately 0.8 miles to the beginning of the proposed access road to the south. Follow road flags in a southerly direction approximately 0.3 miles to the proposed location.

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

There will be no improvements to existing access; however, the existing access road will be routed to the west around the proposed well pad.

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

2. Planned Access Roads

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

The maximum grade will be less than 8%.

No turnouts are planned.

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

The access road was centerline flagged during time of staking.

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

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

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

*A Mineral Access Agreement for the wellpad and the access road has been obtained when this well was previously premitted in 1995.*

**Ute #2-23A3**  
**Surface Use and Operations Plan**  
**Page 3**

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

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will be maintained according to original construction standards. The access road right-of-way will be kept free of trash during operations. All traffic will be confined to the approved Right-of-Way. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided.

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

- a. Water wells - 0
- b. Producing wells - 6
- c. Drilling wells - 0
- d. Shut-in wells - 0
- e. Temporarily abandoned wells - 0
- f. Disposal wells - 0
- g. Abandoned wells - 0
- h. Injection wells - 0

4. Location of Existing and Proposed Facilities:

The following guidelines will apply if the well is productive.

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

**Ute #2-23A3**  
**Surface Use and Operations Plan**  
**Page 4**

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

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

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

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

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

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

All production facilities will be enclosed.

A pipeline will be constructed upon the lease. Please see Map D.

**5. Location and Type of Water Supply**

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

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

No water well is to be drilled on this lease.

6. Source of Construction Materials

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

Any gravel will be obtained from a commercial source.

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

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

7. Methods of Handling Waste Materials

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

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

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

If a plastic reinforced liner is used, it will be a minimum of 12 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the Authorized Officer.

After first production, produced waste water will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the Authorized Officer's approval.

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

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

**Ute #2-23A3**  
**Surface Use and Operations Plan**  
**Page 6**

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

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

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

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

8. Ancillary Facilities

None are anticipated.

9. Well Site Layout: See Location Layout Diagram

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

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

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

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

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

**Ute #2-23A3**  
**Surface Use and Operations Plan**  
**Page 7**

Access will be from the north.

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

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

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

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

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

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

10. Plans for Reclamation of the Surface

Producing Location

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

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

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

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other

**Ute #2-23A3**  
**Surface Use and Operations Plan**  
**Page 8**

waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

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

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

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

**b. Dry Hole/Abandoned Location**

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

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

**11. Surface Ownership**

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

Bureau of Indian Affairs  
Uintah & Ouray Agency  
P.O. Box 130  
Ft. Duchesne, UT 84026

**Ute #2-23A3**  
**Surface Use and Operations Plan**  
**Page 9**

(801) 722-2406

12. Other Information

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

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

If necessary, if hookless cactus are identified along the proposed pipeline route, avoidance measures, as outlined by the guidance document prepared by U.S. Fish and Wildlife for the NBU #253, will be taken.

The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the Authorized Officer.

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

**Ute #2-23A3**  
**Surface Use and Operations Plan**  
**Page 10**

Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides or other pesticides or possibly hazardous chemicals.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

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

All roads constructed by operators on the Uinta and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products, and (e) only authorized personnel are permitted.

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

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

Tom Young  
Drilling Manager  
Coastal Oil & Gas Corp.  
9 Greenway Plaza, Suite 2770  
Houston, TX 77046  
(713) 418-4156

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

**Ute #2-23A3**  
**Surface Use and Operations Plan**  
**Page 11**

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

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

  
\_\_\_\_\_  
Bonnie Carson

6-17-98  
Date



# COASTAL OIL & GAS CORP.

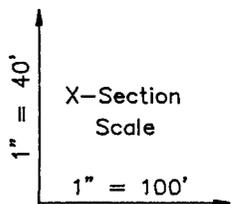
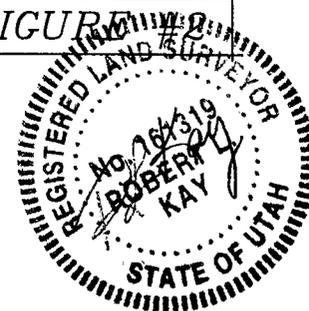
## TYPICAL CROSS SECTIONS FOR

UTE #2-23A3

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

1063' FSL 1043' FEL

FIGURE 10

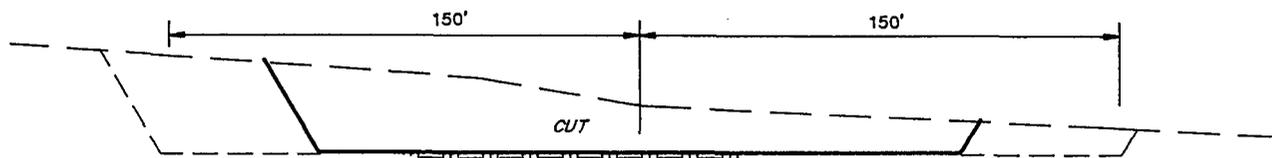


SCALE: 1" = 60'

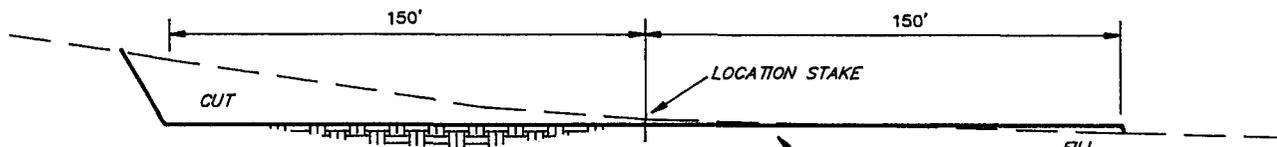
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REVISED: 11-18-94 D.J.S.

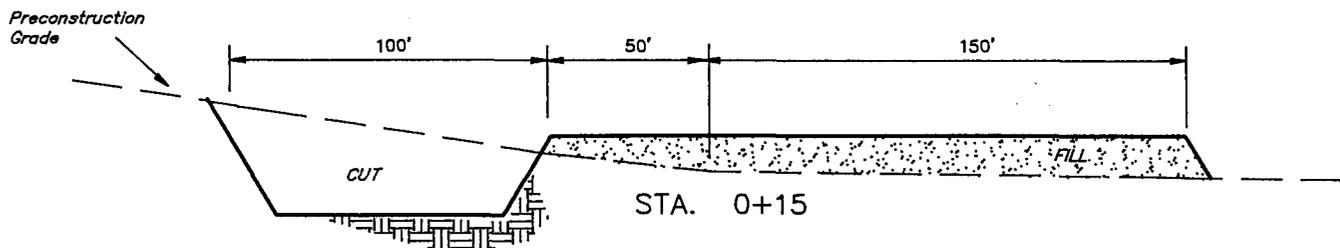
REVISED: 3-1-95 D.J.S.



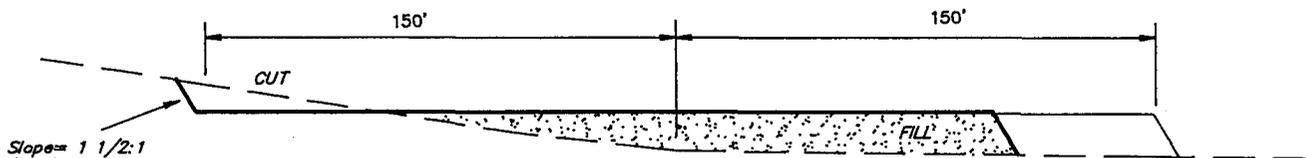
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STA. 2+00



STA. 0+15



STA. 0+00

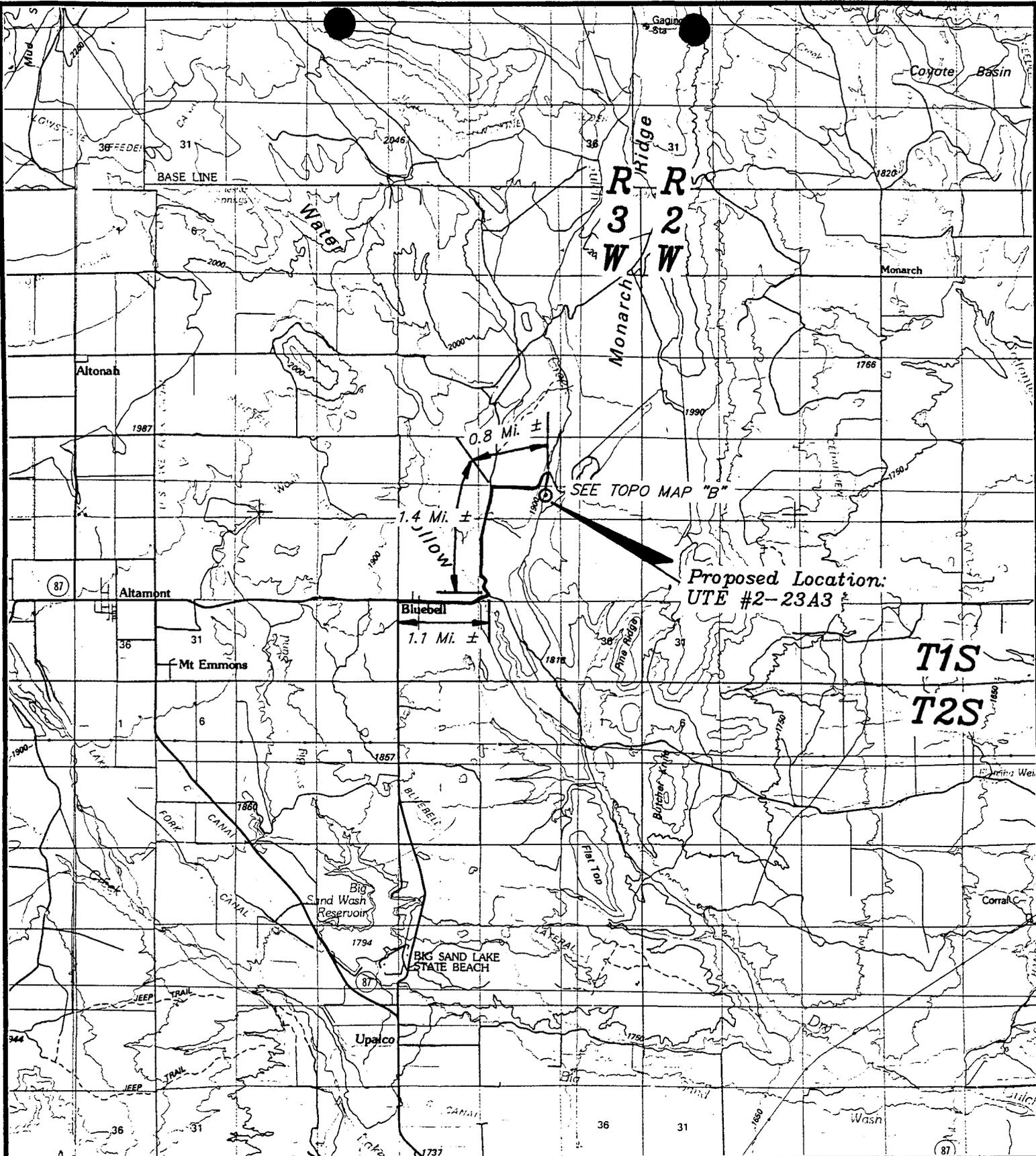
**NOTE:**

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

APPROXIMATE YARDAGES

CUT		
(12") Topsoil Stripping	=	4,440 Cu. Yds.
Remaining Location	=	15,530 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>19,970 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>5,710 CU.YDS.</b>

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

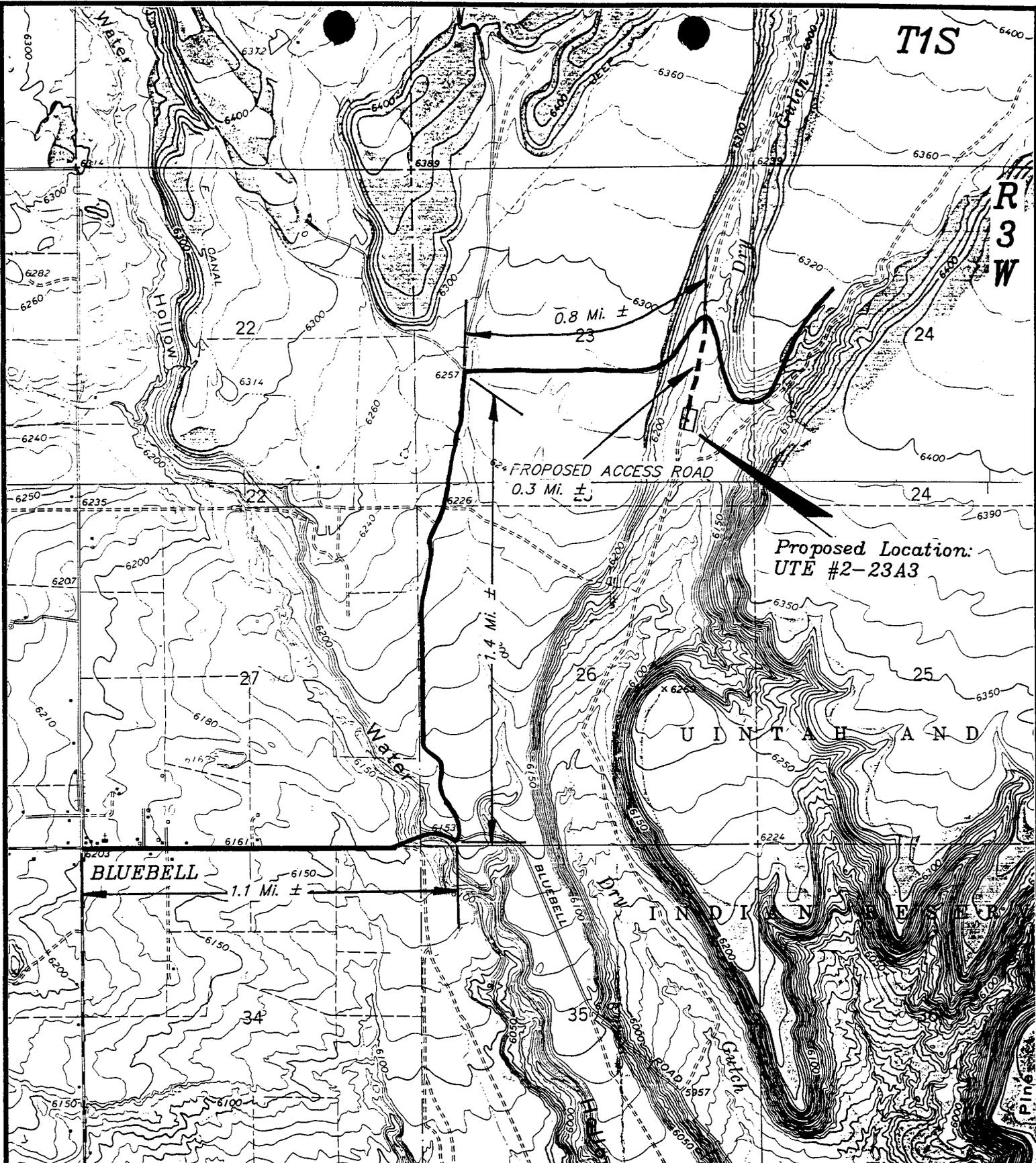


REVISED: 3-1-95 D.J.S.  
 TOPOGRAPHIC  
 MAP "A"  
 REVISED: 11-18-94 D.J.S.  
 DATE: 11-7-94 J.D.S.

**COASTAL OIL & GAS CORP.**

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

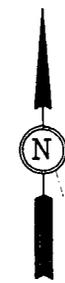




T1S

R3W

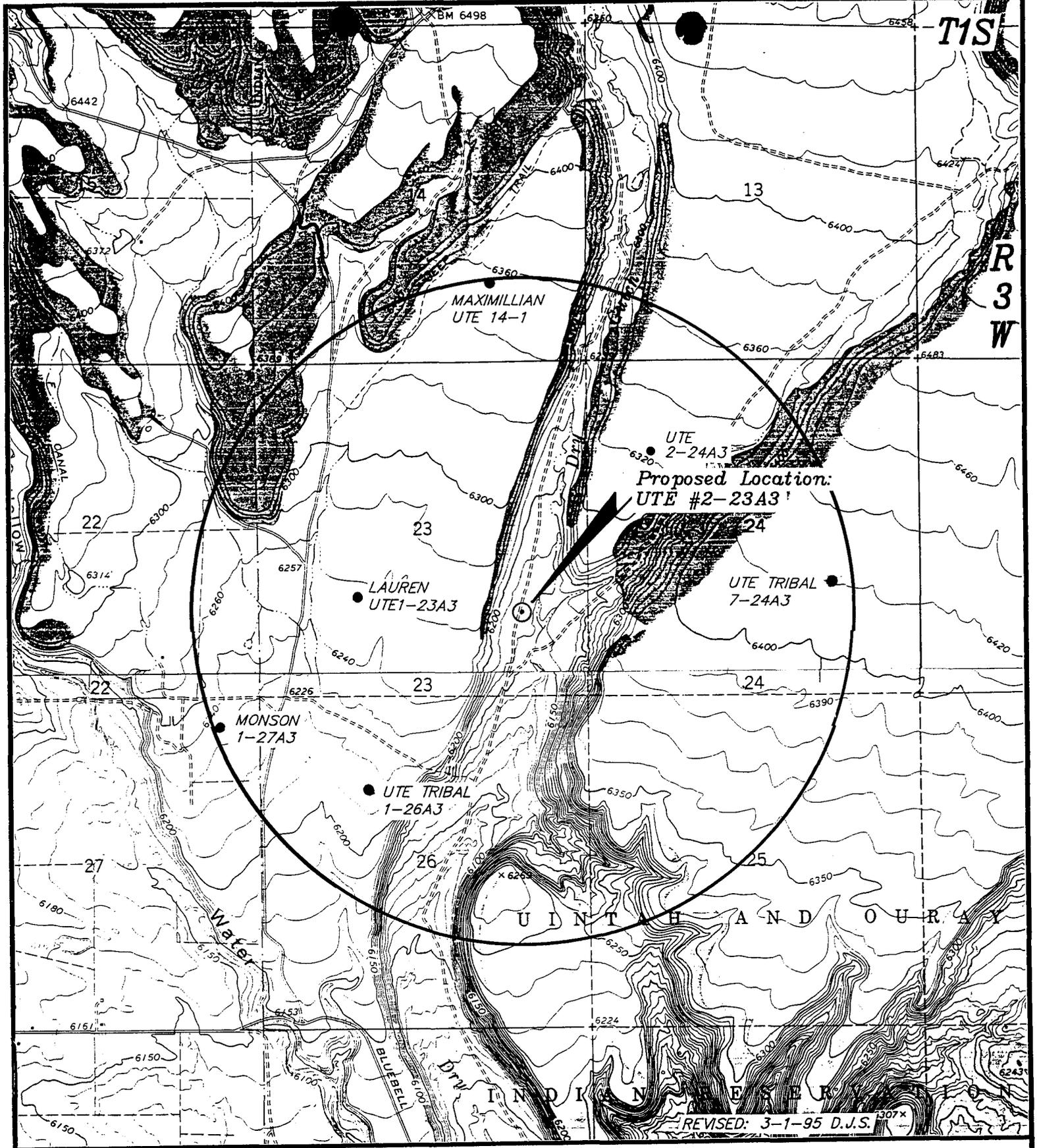
Proposed Location:  
UTE #2-23A3



REVISED: 3-1-95 D.J.S.  
 REVISED: 11-18-94 D.J.S.  
**TOPOGRAPHIC**  
**MAP "B"**  
 SCALE: 1" = 2000'  
 DATE: 11-7-94 J.D.S.

**COASTAL OIL & GAS CORP.**

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



**LEGEND:**

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



**COASTAL OIL & GAS CORP.**

UTE #2-23A3  
SECTION 23, T1S, R3W, U.S.B.&M.

**TOP O MAP "C"**

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



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/19/98

API NO. ASSIGNED: 43-013-32090

WELL NAME: UTE 2-23A3  
 OPERATOR: COASTAL OIL & GAS CORP (N0230)  
 CONTACT: Bonnie Carson (303) 573-4455

PROPOSED LOCATION:  
 SESE 23 - T01S - R03W  
 SURFACE: 1063-FSL-1043-FEL  
 BOTTOM: 1063-FSL-1043-FEL  
 DUCHESNE COUNTY  
 BLUEBELL FIELD (065)

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

LEASE TYPE: IND  
 LEASE NUMBER: 14-20-H62-3981  
 SURFACE OWNER: BIA

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat  
 Bond: Federal  State  Fee   
 (No. U605382-9 & 114066-A)  
 Potash (Y/N)  
 Oil Shale (Y/N) \*190-5(B)  
 Water Permit  
 (No. City of Duchesne)  
 RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)  
 St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

\_\_\_ R649-2-3. Unit \_\_\_\_\_  
 \_\_\_ R649-3-2. General \_\_\_\_\_  
 \_\_\_ R649-3-3. Exception \_\_\_\_\_  
 Drilling Unit  
 Board Cause No: 139-42  
 Date: 4-17-85

COMMENTS: \*Orig. APD 43-013-31515 LA'd 6-16-97. (see attached)

STIPULATIONS: ① FEDERAL Approval







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

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt  
Governor

Lowell P. Braxton  
Division Director

June 25, 1998

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

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

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-32090.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".  
John R. Baza  
Associate Director

lwp

Enclosures

cc: Duchesne County Assessor

Bureau of Land Management, Vernal District Office

Operator: Coastal Oil & Gas Corporation  
Well Name & Number: Ute 2-23A3  
API Number: 43-013-32090  
Lease: 14-20-H62-3981  
Location: SE SE Sec. 23 T. 1 S. R. 3 W.

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours prior to spudding the well or commencing drilling operations. Contact Jim Thompson at (801) 538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

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.

4. State approval of this well does not supercede the required federal approval which must be obtained prior to drilling.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08438

January 28, 2000

Coastal Oil & Gas Corporation  
P O Box 1148  
Vernal, UT 84078

LA  
DATE  
DOGM

# RECEIVED

JAN 31 2000

DIVISION OF  
OIL, GAS AND MINING

Re: Well No. Ute 2-23A3  
SESE, Sec. 23, T1S, R3W  
Lease No. 14-20-H62-3981

4301332090

Dear Cheryl:

The referenced application was received on June 19, 1998. The BIA Concurrence has not been received. Therefore, as you were notified November 15, 1999, the Application for Permit to Drill (APD) for the above referenced well is being returned. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

If you have any questions concerning APD processing, please contact me at (435) 781-4492.

Sincerely,

Margie Herrmann  
Legal Instruments Examiner

Enclosure