



14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

July 21, 2004

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Attn: Diana Whitney

Re: GASCO Production Company
Gate Canyon State #12-21-11-15
1793' FNL and 717' FWL
SW NW Sec. 21, T11S - R15E
Duchesne County, Utah

Dear Diana,

Enclosed please find two copies of the Application for Permit to Drill, along with the required drilling program, BOP diagram, wellsite maps and diagrams.

If you should need additional information, please don't hesitate to contact me. Approved copies of the A.P.D. should be sent to Permitco Inc. at the address shown above.

Sincerely,

PERMITCO INC.

Lisa Smith
Consultant for
GASCO Production Company

Enc.

cc: Gasco Production Company - Englewood, CO
Division of Oil, Gas & Mining - Roosevelt, UT

RECEIVED

JUL 27 2004

DIV. OF OIL, GAS & MINING

001

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO.: ML-49308	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT OR CA AGREEMENT NAME: Gate Canyon	
2. NAME OF OPERATOR: Gasco Production Company		9. WELL NAME and NUMBER: Gate Canyon State 12-21-11-15	
3. NAME OF AGENT: PermitCo Inc.		10. FIELD AND POOL, OR WILDCAT: Wildcat	
14421 County Road 10, Fort Lupton, CO 80621 303-857-9999			
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1793' FNL and 717' FWL AT PROPOSED PRODUCING ZONE: SW NW		11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: Sec. 21, T11S-R15E	
		564546 X 39.84197 44106134 - 110.24556	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 29 miles South of Myton, UT		12. COUNTY: Duchesne	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 717'	16. NUMBER OF ACRES IN LEASE: 1560	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 Acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): None	19. PROPOSED DEPTH: 11300	20. BOND DESCRIPTION: Statewide Bond.	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6668 GL	22. APPROXIMATE DATE WORK WILL START: Upon Approval	23. ESTIMATED DURATION: 35 Days	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17-1/2"	13-3/8", H40, 48#	160'	200 sx Class H, 15.6 ppg, yield 1.18
12-1/4"	9-5/8", J-55, 36#	2900'	405 sx Hi-Fill, 11 ppg, yield 3.91 + 160 sx RFC cmt, 14.2 ppg, yield 1.63
7-7/8"	4-1/2", P110, 13.5#	11,300	1370 sx 65/35 Poz, 13.0 ppg, yield 1.74 + 1200 sx 50-50 Poz, 14.1 ppg, yield 1.28

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PROGRAM
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Lisa L. Smith TITLE Agent for Gasco Energy, Inc./Pannonian Energy, Inc.

SIGNATURE *Lisa L. Smith* DATE July 21, 2004

(This space for State use only)

API NUMBER ASSIGNED: 43-013-32418

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 11-24-04
(See instructions on Reverse side)

By: *[Signature]*

RECEIVED
JUL 27 2004

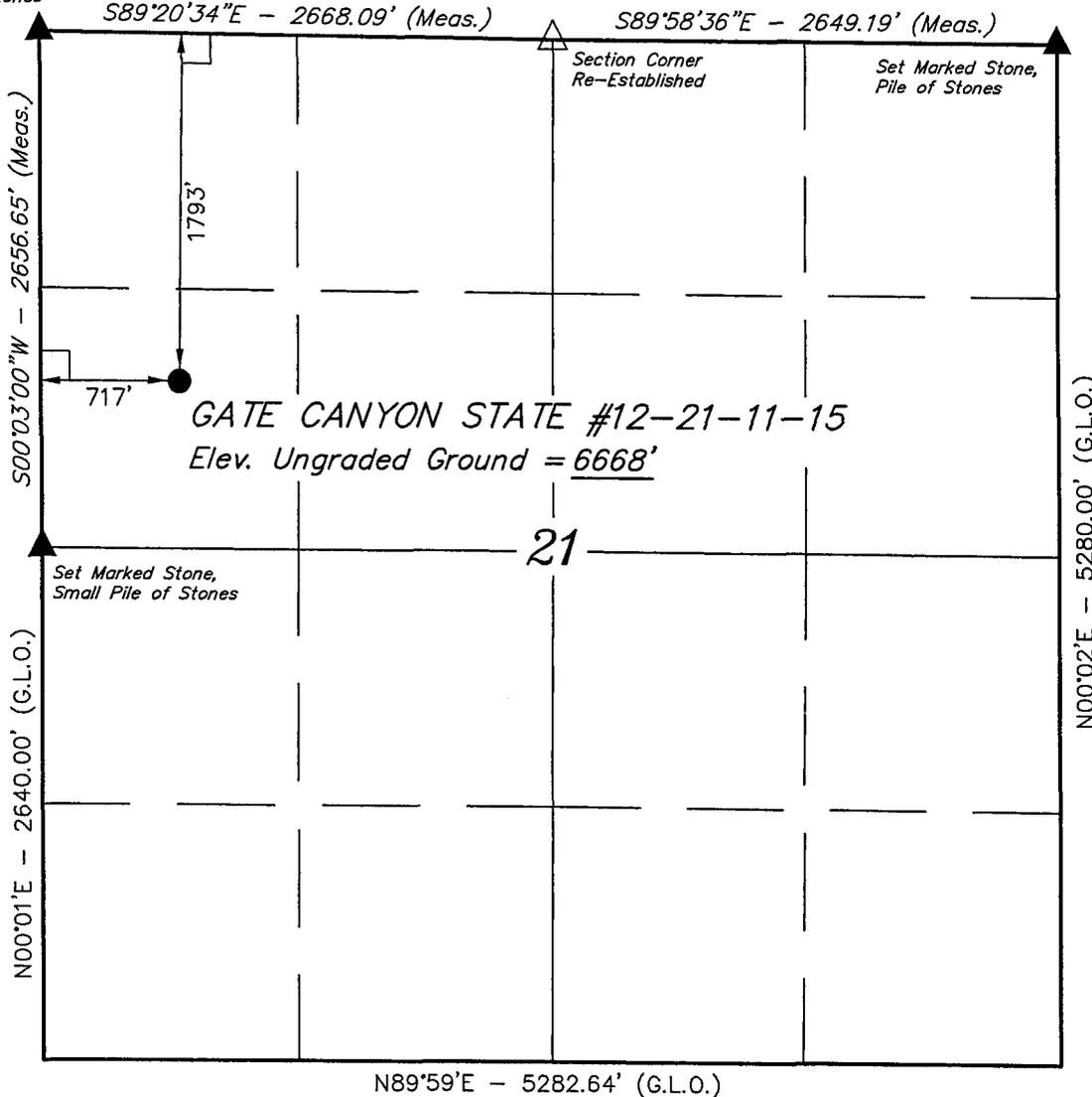
DIV. OF OIL, GAS & MINING

T11S, R15E, S.L.B.&M.

GASCO PRODUCTION COMPANY

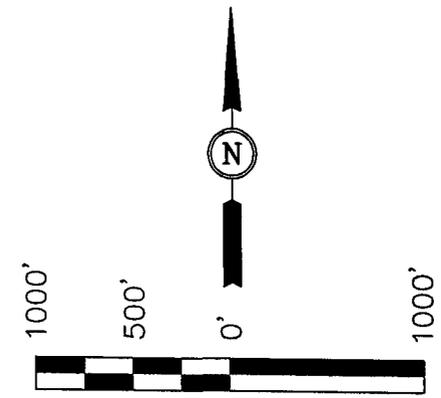
Well Location, GATE CANYON STATE
 #12-21-11-15, located as shown in the SW
 1/4 NW 1/4 of Section 21, T11S, R15E,
 S.L.B.&M. Duchesne County, Utah.

Set Stone, Pile
 of Stones



BASIS OF ELEVATION

TRIANGULATION STATION (NINE) LOCATED IN THE
 SW 1/4 SW 1/4 OF SECTION 1, T12S, R15E, S.L.B.&M.
 TAKEN FROM THE COWBOY BENCH, QUADRANGLE, UTAH,
 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED
 BY THE UNITED STATES DEPARTMENT OF THE INTERIOR,
 GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS
 BEING 6845 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
 ROBERT L. KAY
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.
- = SECTION CORNERS RE-ESTABLISHED.
 USING BEARING TREES

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 39°50'42.04" (39.845011)

LONGITUDE = 110°14'47.13" (110.246425)

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 6-29-04	DATE DRAWN: 7-6-04
PARTY D.K. L.K. K.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE GASCO PRODUCTION COMPANY	

Gate Canyon State #12-21-11-15
1793' FNL and 717' FWL
SW NW Section 21, T11S - R15E
Duchesne County, Utah

Prepared For:

Gasco Production Company

By:

PERMITCO INC.
14421 County Road 10
Fort Lupton, CO 80621
303/857-9999

Copies Sent To:

- ➔ 2 - Utah Division of Oil, Gas & Mining - SLC, UT
1 - Utah Division of Oil, Gas & Mining - Roosevelt, UT
2 - Gasco Production Company - Englewood, CO



The proposed wellsite is located on State Surface/State Minerals.

1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>	<i>Subsea</i>
Green River	Surface	+6,660'
Wasatch	3,265'	+3,410'
Mesaverde	5,985'	+690'
Castlegate	9,895'	-3,220'
Blackhawk	10,175'	-3,500'
Panther	10,995'	-4,320'
T.D.	11,300'	-4,625'

2. Estimated Depths and Names of Anticipated Water, Oil, Gas or Other Minerals Bearing Formations.

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Gas	Wasatch	3,500'-5,985'
Gas	Mesa Verde	5,985'-9,895'
Gas	Blackhawk	10,175'-10,900'

3. Well Control Equipment & Testing Procedures



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

Ram Type: 11" Hydraulic double, 5000 psi w.p.

Gasco will comply will all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

The size and rating of the BOP stack is shown on the attached diagram.

4. Casing Program

The proposed casing program will be as follows:

<i>Purpose</i>	<i>Depth</i>	<i>Hole Size</i>	<i>O.D.</i>	<i>Weight</i>	<i>Grade</i>	<i>Type</i>	<i>New/Used</i>
Surface	0-150'	17-1/2"	13-3/8"	48#	H-40		New
Intermediate	0-2,900'	12-1/4"	9-5/8"	36#	J-55		New
Production	0-11,300'	7-7/8"	4-1/2"	13.5#	P-110	LT&C	New

Casing design subject to revision based on geologic conditions encountered.

5. Cement Program

<i>Surface</i>	<i>Type and Amount</i>
Surface Est. Tip of Cement	200 sxs Class H, 15.6 ppg, yield 1.18
<i>Intermediate</i>	<i>Type and Amount</i>
TOC - Surface	Lead: 405 sxs Hi-Fill @ 11.0 ppg, 3.91 yield Tail: 160 sxs RFC Cement @ 14.2 ppg, 1.63 yield
<i>Production</i>	<i>Type and Amount</i>
TOC - 1,000'	Lead: 1370 sxs 65/35 Poz @ 13.0 ppg, 1.74 yield Tail: 1200 sxs 50/50 Poz @ 14.1 ppg, 1.28 yield



6. Drilling Fluids

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

Interval	Mud Type	Mud Wt.	Visc.	F/L	PH
0 - 3500'	Water	---	---	---	---
3500' - T.D.	DAP Polymer Mud	9.5-11.0	30-40	15-20	7-9

7. Testing, Logging and Coring

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

- a. No drill stem tests are anticipated.
- b. The logging program will consist of a Schlumberger Platform Express from Base of Surface Casing to T.D.
- c. No cores are anticipated.

8. Anticipated Pressures and H₂S

- a. No H₂S is expected. The maximum anticipated bottom hole pressure is 6463 psi.

9. Water Source

- a. All water used for the drilling of this well will be purchased the Nebeker Water Station in Myton, UT. Permit No. 43-1723.

10. Other Information

- a. Drilling is planned to commence upon approval of this application.



- b. It is anticipated that the drilling of this well will take approximately 35 days.
- c. Lining of the reserve pit will be done if deemed necessary by the Utah Division of Oil, Gas and Mining.
- d. At the end of drilling operations the location will be reclaimed and re-seeded as requested by the surface owner.
- e. Surface Ownership
State of Utah



GASCO PRODUCTION COMPANY
GATE CANYON STATE #12-21-11-15
 LOCATED IN DUCHESNE COUNTY, UTAH
 SECTION 21, T11S, R15E, S.L.B.&M.

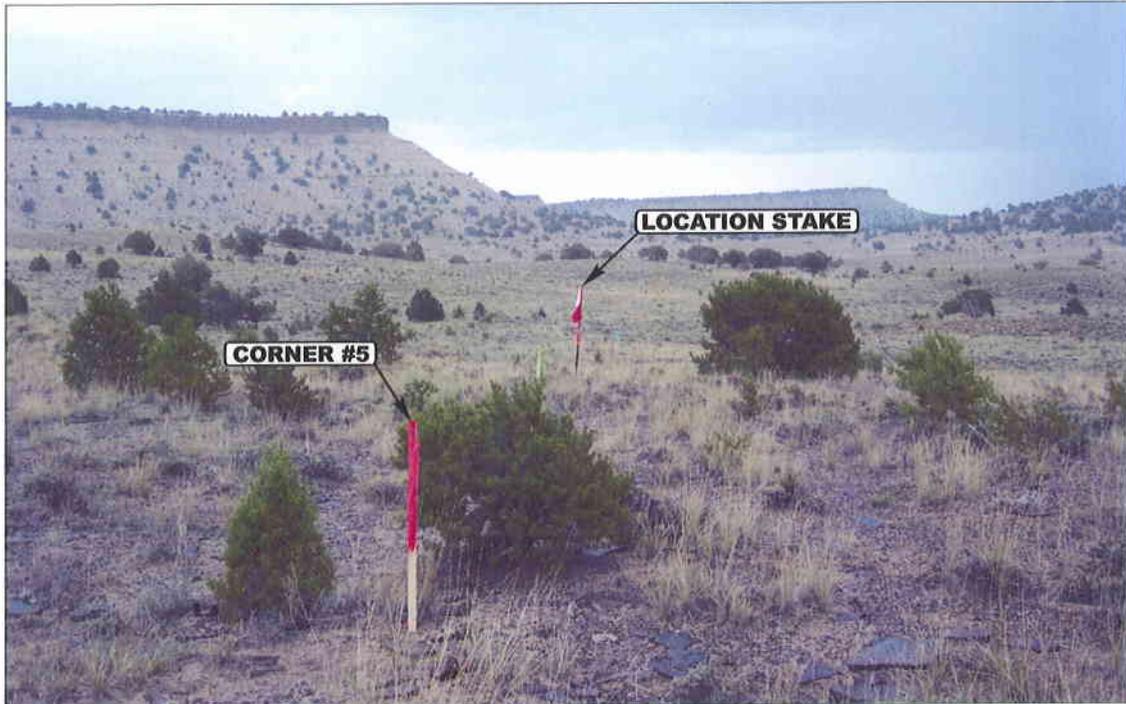


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

07 09 04
 MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: P.M.

REVISED: 00-00-00

T11S
7194

**HIGHWAY 40 26.6 MI. +/-
MYTON 28.1 MI. +/-**

**PROPOSED LOCATION:
GATE CANYON STATE
#12-21-11-15**

**EXISTING 2-TRACK NEEDS
UPGRADED 0.7 MI. +/-**

PROPOSED ACCESS 0.2 MI. +/-

**R
15
E**

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  EXISTING 2-TRACK NEEDS UPGRADED



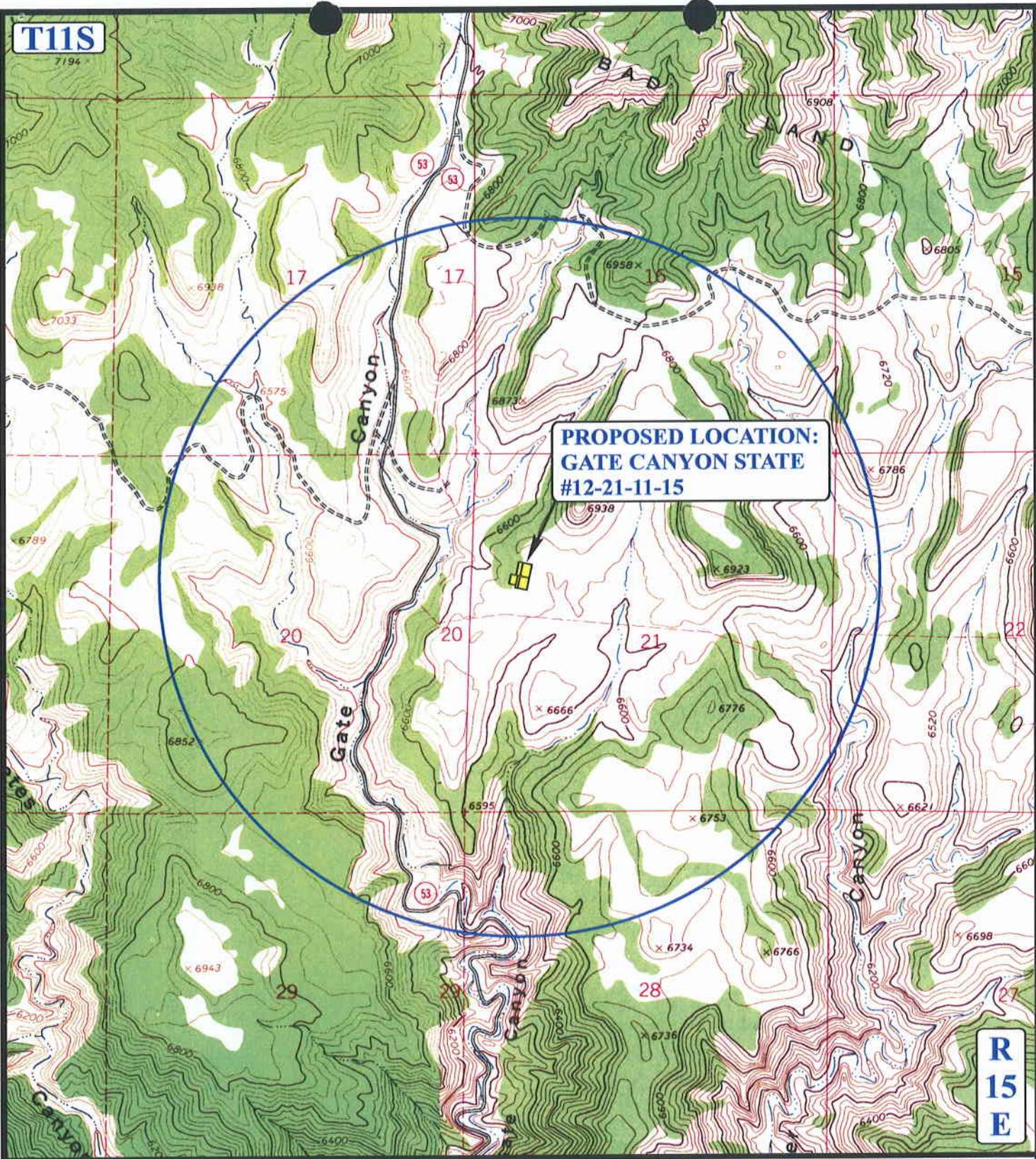
GASCO PRODUCTION COMPANY

**GATE CANYON STATE #12-21-11-15
SECTION 21, T11S, R15E, S.L.B.&M.
1793' FNL 717' FWL**

U E I S Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 07 09 04
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00 **B**
TOPO

T11S
7194



**PROPOSED LOCATION:
GATE CANYON STATE
#12-21-11-15**

**R
15
E**

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- ⊖ SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- ⊖ TEMPORARILY ABANDONED



GASCO PRODUCTION COMPANY

**GATE CANYON STATE #12-21-11-15
SECTION 21, T11S, R15E, S.L.B.&M.
1793' FNL 717' FWL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
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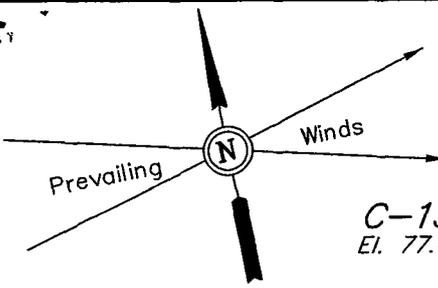
TOPOGRAPHIC MAP
07 09 04
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



ASCO PRODUCTION COMPANY

LOCATION LAYOUT FOR

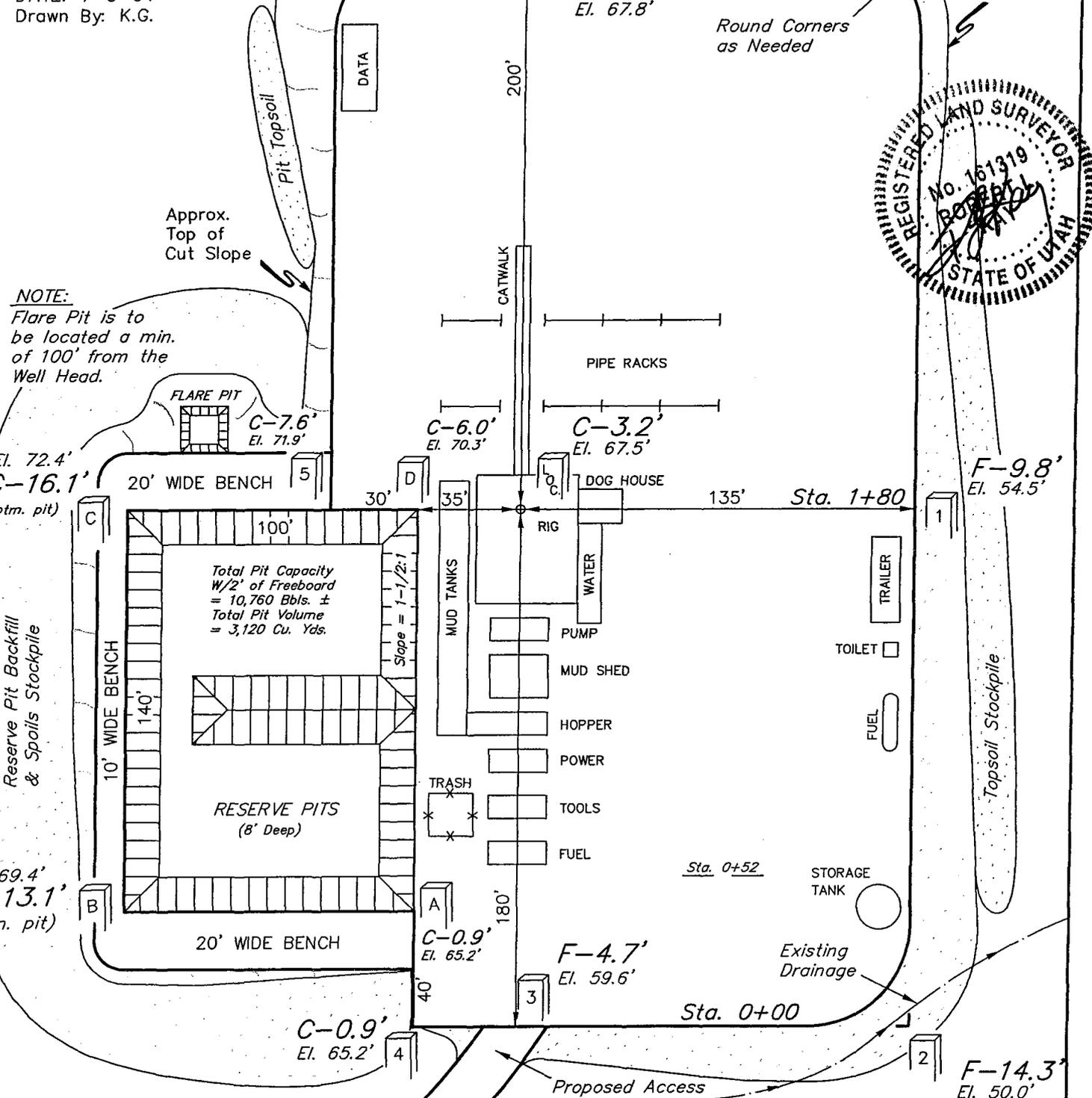
GATE CANYON STATE #12-21-11-15
SECTION 21, T11S, R15E, S.L.B.&M.
1793' FNL 717' FWL



SCALE: 1" = 50'
DATE: 7-5-04
Drawn By: K.G.

C-13.1'
El. 77.4'

F-5.5'
El. 58.8'



Elev. Ungraded Ground at Location Stake = 6667.5'
Elev. Graded Ground at Location Stake = 6664.3'

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

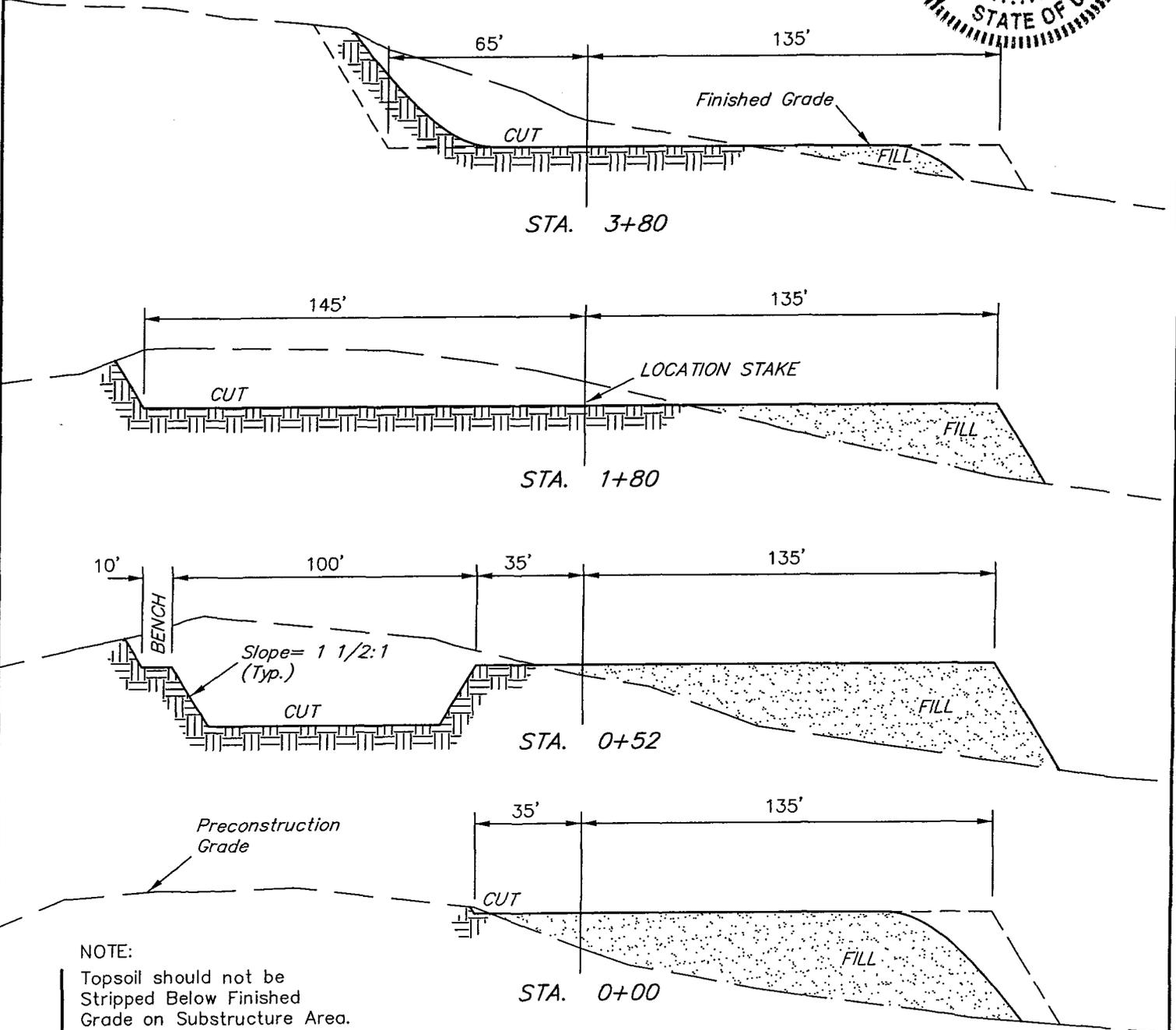
CASCO PRODUCTION COMPANY

TYPICAL CROSS SECTIONS FOR GATE CANYON STATE #12-21-11-15 SECTION 21, T11S, R15E, S.L.B.&M. 1793' FNL 717' FWL



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

DATE: 7-5-04
Drawn By: K.G.



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

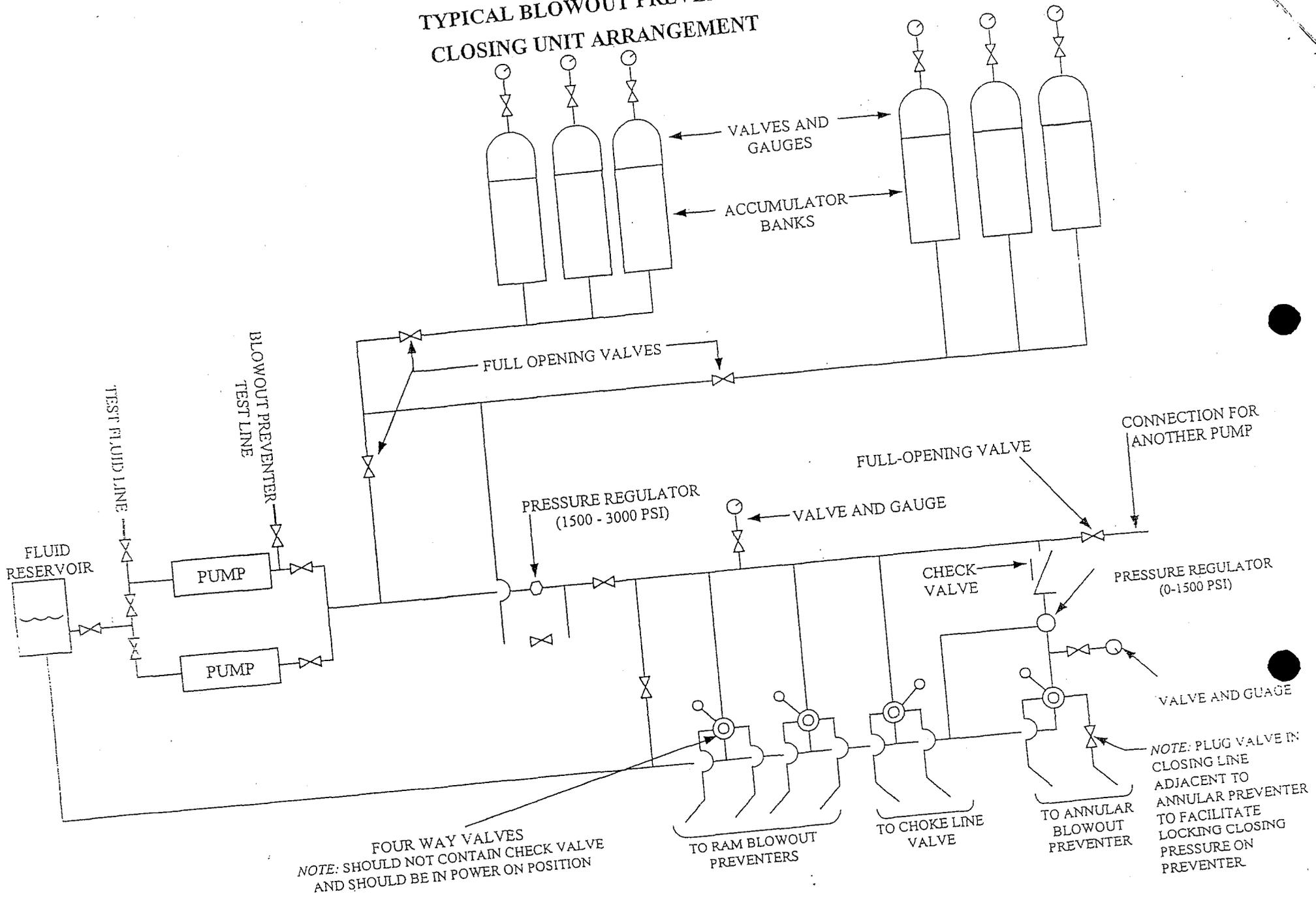
APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,990 Cu. Yds.
Remaining Location	= 12,000 Cu. Yds.
TOTAL CUT	= 13,990 CU.YDS.
FILL	= 10,440 CU.YDS.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION
EXCESS MATERIAL = 3,550 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,550 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

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

TYPICAL BLOWOUT PREVENTER CLOSING UNIT ARRANGEMENT

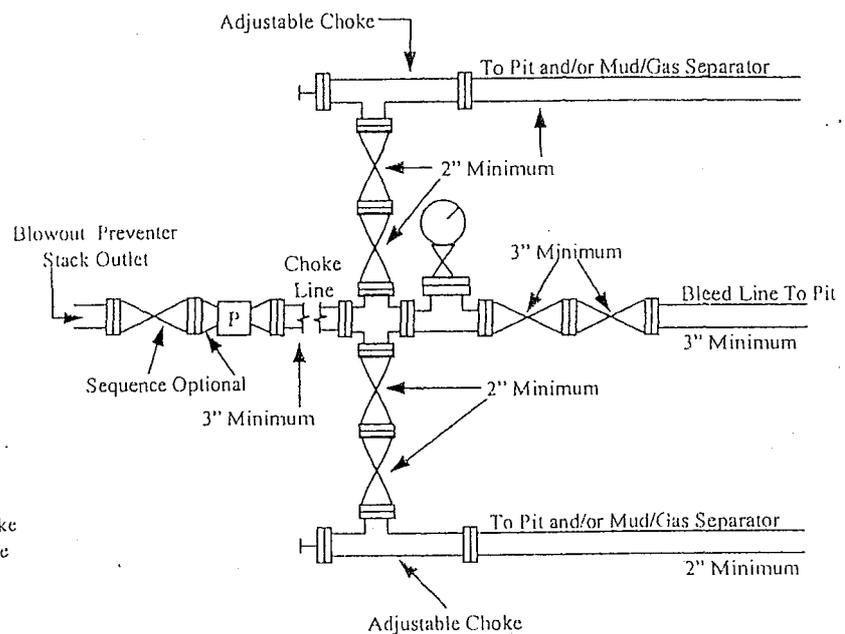
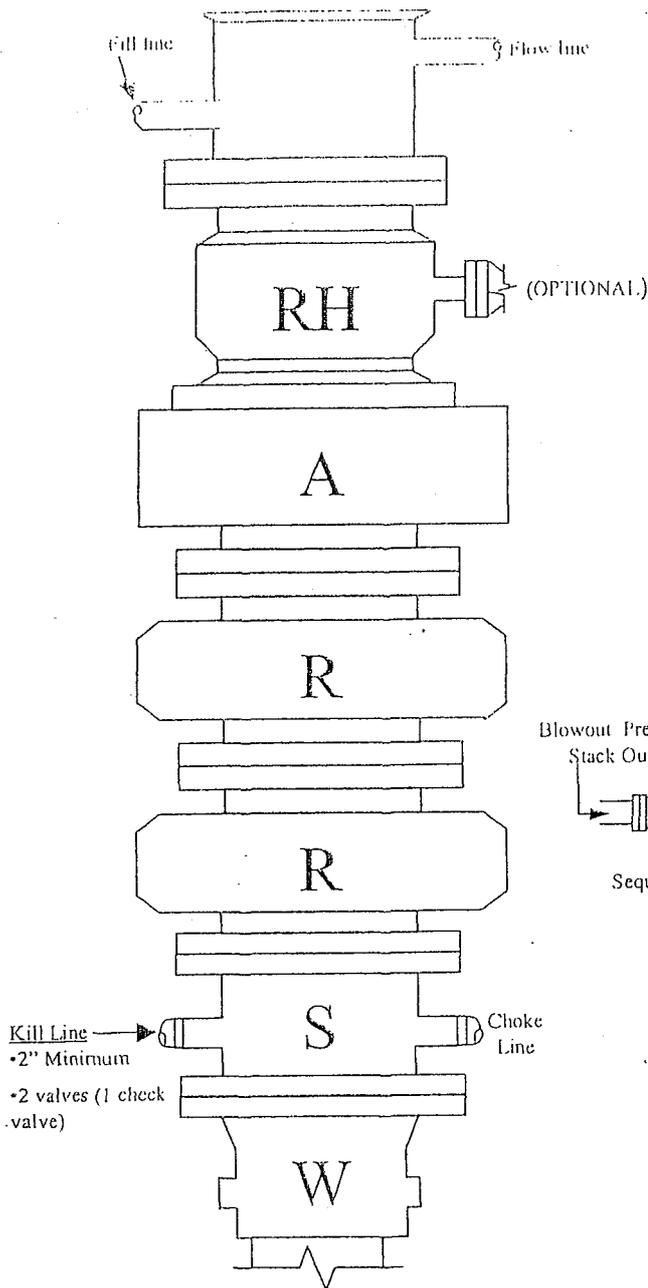


FOUR WAY VALVES
NOTE: SHOULD NOT CONTAIN CHECK VALVE
AND SHOULD BE IN POWER ON POSITION

NOTE: PLUG VALVE IN
CLOSING LINE
ADJACENT TO
ANNULAR PREVENTER
TO FACILITATE
LOCKING CLOSING
PRESSURE ON
PREVENTER

DOUBLE RAM TYPE PREVENTERS WITH AN OPTIONAL ROTATING HEAD

5000 psi system



* Note: Kill line shall be 2" minimum diameter and have two valves, one of which shall be a check valve. Both valves: 2" minimum.

Minimum BOP Stack

5000 psi Working Pressure

One Pipe Ram

5000 psi Working Pressure

One Blind Ram

5000 psi Working Pressure

One Annular

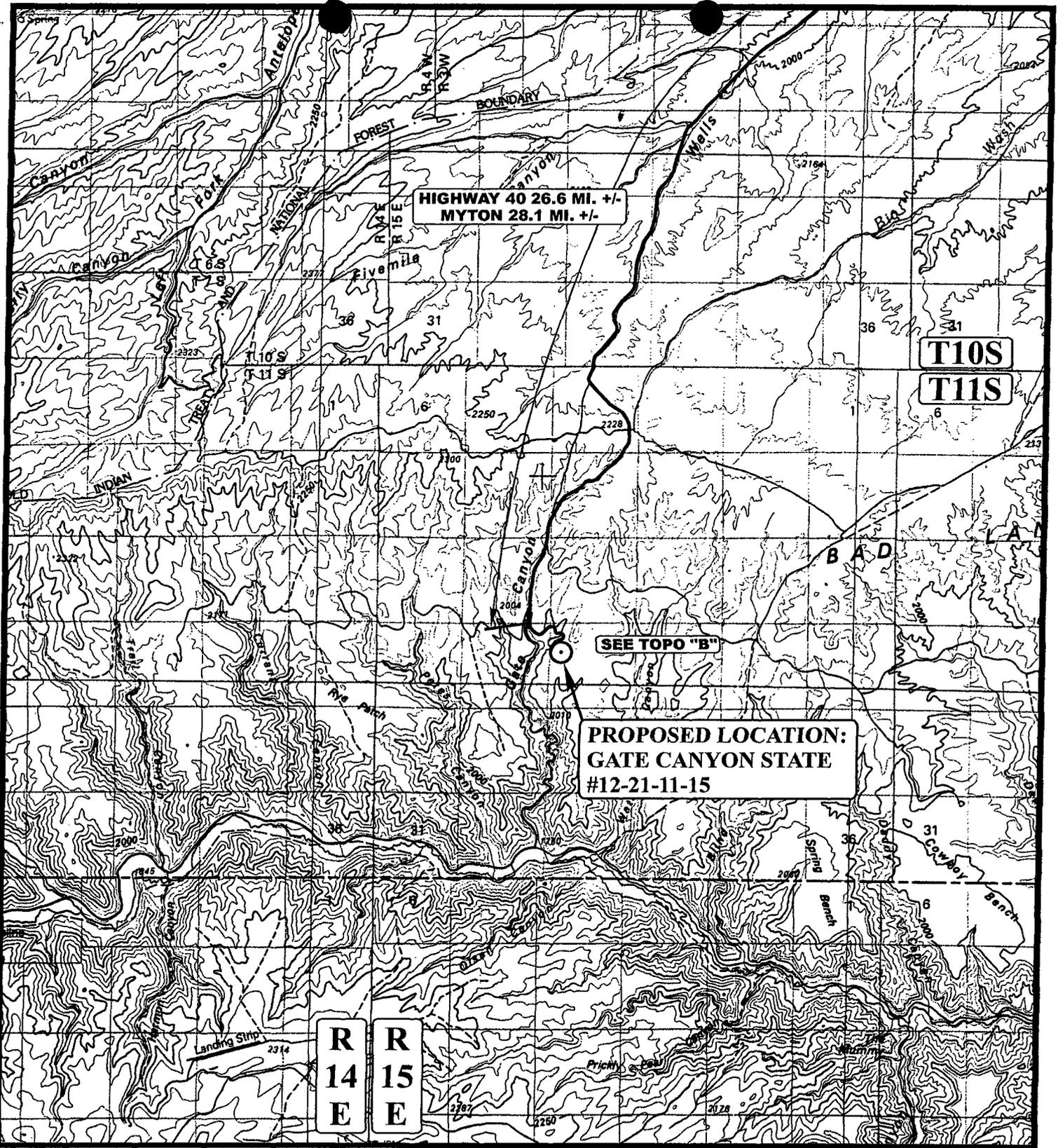
5000 psi Working Pressure

Well Head

5000 psi Working Pressure

Manifold

5000 psi Working Pressure



HIGHWAY 40 26.6 MI. +/-
MYTON 28.1 MI. +/-

T10S

T11S

SEE TOPO "B"

PROPOSED LOCATION:
GATE CANYON STATE
#12-21-11-15

R
14
E

R
15
E

LEGEND:

⊙ PROPOSED LOCATION



GASCO PRODUCTION COMPANY

GATE CANYON STATE #12-21-11-15
SECTION 21, T11S, R15E, S.L.B.&M.
1793' FNL 717' FWL

U E L S Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 07 09 04
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00 **A**
TOPO

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

003

APD RECEIVED: 07/27/2004

API NO. ASSIGNED: 43-013-32618

WELL NAME: GATE CYN ST 12-21-11-15
 OPERATOR: GASCO PRODUCTION (N2575)
 CONTACT: LISA SMITH

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:

SWNW 21 110S 150E
 SURFACE: 1793 FNL 0717 FWL
 BOTTOM: 1793 FNL 0717 FWL
 DUCHESNE
 WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-49308
 SURFACE OWNER: 3 - State
 PROPOSED FORMATION: BLKHK
 COALBED METHANE WELL? NO

LATITUDE: 39.84497
 LONGITUDE: -110.2456

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 04127763)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-1723)
- RDCC Review (Y/N)
(Date: 08/13/2004)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit GATE CANYON
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

Permit (8-19-04)

STIPULATIONS:

*1- Spacing Strip
2- STATEMENT OF BASIS*

T11S R15E

17

16

15

GATE CYN
41-20-11-15

GATE CYN
31-21-11-15

GATE CYN ST
12-21-11-15

20

21

22

29

28

27

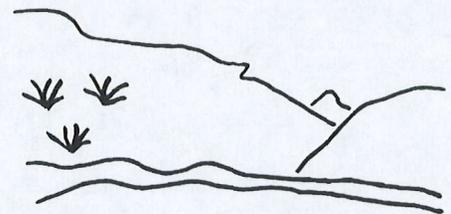
OPERATOR: GASCO PROD CO (N2575)

SEC. 21 T.11S R.15E

FIELD: WILDCAT (001)

COUNTY: DUCHESNE

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Wells

- ⚡ GAS INJECTION
- ⊗ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- ⚡ PRODUCING GAS
- PRODUCING OIL
- ⊗ SHUT-IN GAS
- ⚡ SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- ⚡ WATER SUPPLY
- ⚡ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 29-JULY-2004

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Gasco Production Company
WELL NAME & NUMBER: Gate Canyon State 12-21-11-15
API NUMBER: 43-013-32618
LOCATION: 1/4,1/4 SW/NW Sec: 21 TWP: 11S RNG: 15E 1793 FNL 717 FWL

Geology/Ground Water:

Gasco has proposed 150' of surface casing and 2,900' of intermediate casing at the proposed location. Both are to be cemented to surface. The base of the moderately saline water is estimated to at approximately 4,700'. A search of Division of Water Rights records shows no water wells within a 10,000' radius of the proposed location. The surface formation at this location is the Green River Formation. This area can be considered a recharge area for aquifers in the Green River Formation. The Green River Formation is made up of interbedded sands, limestones and shales. The proposed casing and cementing program should adequately protect the recharge area and any useable sources of ground water.

Reviewer: Brad Hill **Date:** 08/19/2004

Surface:

A presite inspection was scheduled and done by the division staff to take input and address issues regarding the drilling of this well. Ed Bonner with SITLA was invited to attend to represent the land owner interests and did; likewise, Floyd Bartlett with UDWR was also invited to address wildlife concerns for the area. The access road crosses an 18" rubber culvert that has flash flood potential and seems somewhat narrow. If necessary, Gasco might need to upgrade, widen, and/or maintain this drainage crossing.

Ed Bonner made comments regarding an existing two-track road that runs to the southeast corner of the location, and stated he'd rather utilize it rather than making a new road. There was one steep pitch on the existing road that may need cut down to allow easy truck access.

The reserve pit was staked on a narrow north/south ridge that slopes or dips west toward the access road and Gate Canyon, leaving the rig pad at the western edge of a large flat. However, underlying sandstone will most likely require that blasting be done to construct the pit and, therefore, a liner and felt pad is mandatory. This location was staked within the 200 foot window and doesn't appear to provide any problems with stability or construction.

Reviewer: Dennis L. Ingram **Date:** August 17, 2004

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils with a felt subliner shall be properly installed in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Gasco Production Company
WELL NAME & NUMBER: Gate Canyon State #12-21-11-15
API NUMBER: 43-013-32618
LEASE: ML-49308 FIELD/UNIT: Wildcat or Undesignated
LOCATION: 1/4,1/4 SW/NW Sec: 21 TWP: 11S RNG: 15E 1793 FNL 717 FWL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): X =0564535 E; Y =4410620 N SURFACE OWNER: SITLA

PARTICIPANTS

Dennis L. Ingram (DOGM) Shawn Elworthy (Gasco) Floyd Bartlett (UDWR)
Jim Davis (SITLA) Ed Bonner (SITLA)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed 28.1 miles south of Highway 40 from the Pleasant Valley exit, down Gate Canyon approximately 1.0 miles south of the Wrinkles Road, on a east/west bench that drops back into Gate Canyon.025 miles south of location. Broad flats or benches are common in region with sharp, ledge or cliff type habitat at or near the heads of canyons that break off into Nine Mile Canyon, located approximately 2.3 miles to the south. The region is dry but has flash flood potential in the washes or canyon bottoms.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing, wildlife use, public recreation, rock quarry.

PROPOSED SURFACE DISTURBANCE: Proposed 0.7 miles of upgrade access plus 0.2 miles of new road with location measuring 380'x 200' with spoils and surface soil and reserve pit outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Proposed as gas well with separation and sales equipment on location and gas line leaving to northeast.

SOURCE OF CONSTRUCTION MATERIAL: Native cut and fill using borrowed

ANCILLARY FACILITIES: None Requested

WASTE MANAGEMENT PLAN:

Submitted to the Division with Application to Drill

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Nine Mile Canyon to the south

FLORA/FAUNA: Typical pinion/juniper habitat with plant species common in that region; yearlong mule deer, elk winter range, rabbit, bobcat, mountain lion, and other smaller animals and birds

SOIL TYPE AND CHARACTERISTICS: Fine-grained tan sandy loam with some clay and underlying sandstone

SURFACE FORMATION & CHARACTERISTICS: Green River

EROSION/SEDIMENTATION/STABILITY: Active erosion, sedimentation, deposition, no stability problems anticipated.

PALEONTOLOGICAL POTENTIAL: none observed

RESERVE PIT

CHARACTERISTICS: Proposed on southwest corner of location, in cut and measuring 100'x 140'x 8' deep with wellhead downwind of reserve pit.

LINER REQUIREMENTS (Site Ranking Form attached): 25 points

SURFACE RESTORATION/RECLAMATION PLAN

According to landowner agreement or SITLA at time of reclamation

SURFACE AGREEMENT: Yes

CULTURAL RESOURCES/ARCHAEOLOGY: Representative was not sure if the Arch report was complete and submitted to the proper parties.

OTHER OBSERVATIONS/COMMENTS

Locked gate on access road probably by person who holds lease for rock quarry, existing culvert in wash west of proposed location, surface slopes to east and south, existing two-track road that leads to location, proposed access leaves that road and shortcuts into location, deep canyon to south that drains south into Nine Mile Canyon, underlying sandstone ledges in all directions.

ATTACHMENTS

Photos of this location were taken and placed on file.

Dennis L. Ingram
DOGM REPRESENTATIVE

August 17, 2004 3:00 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 25 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

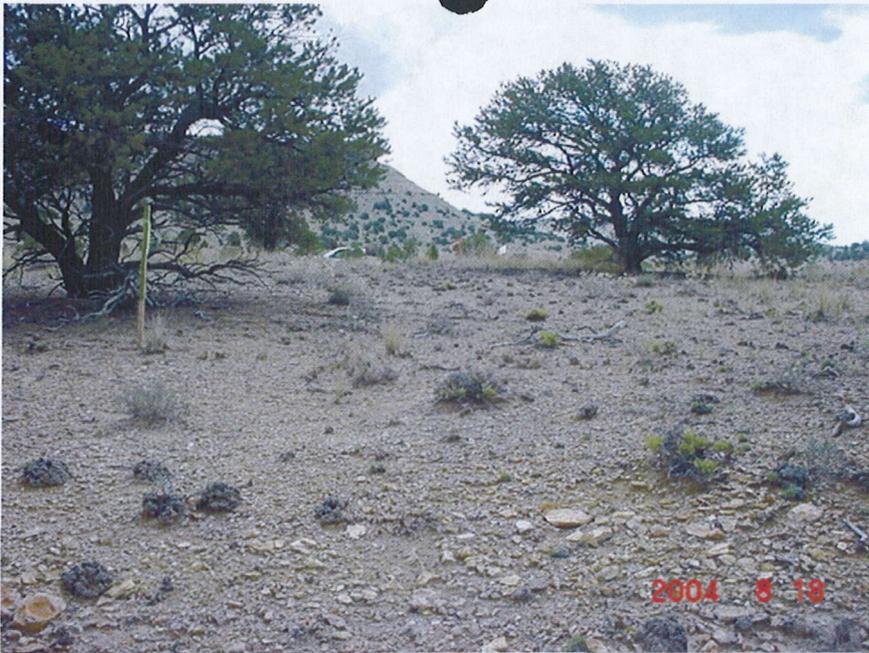
Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.







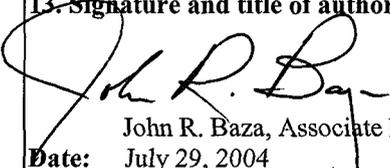








STATE ACTIONS
Governor's Office of Planning and Budget
Resource Development Coordinating Committee
P.O. Box 145610
1594 W. North Temple, Suite 3710
SLC, UT 84114-5610
538-5535

1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or August 13, 2004
3. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments	
4. Type of action: // Lease /X/ Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
5. Title of proposed action: Application for Permit to Drill	
6. Description: Gasco Production Company proposes to drill the Gate Canyon State 12-21-11-15 well (wildcat) on State lease ML-49308, Duchesne County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
7. Land affected (site location map required) (indicate county) – include UTM coordinates where possible 1793' FNL 717' FWL SW/4, NW/4, Section 21, Township 11 S, Range 15 E, Duchesne County, Utah	
8. Jordan River Natural Areas Forum review – If the proposed action affects lands within the Jordan River Natural Areas Corridor. N/A	
9. Has the local government(s) been contacted? No If yes, a. How was contact made? b. Who was contacted? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable: N/A	
12. For further information, contact: Diana Whitney Phone: (801) 538-5312	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: July 29, 2004

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO.: ML-49308	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Pending Gate Canyon	
2. NAME OF OPERATOR: Gasco Production Company			9. WELL NAME and NUMBER: Gate Canyon State 12-21-11-15	
14 Inverness Drive East, Suite #H236, Englewood, CO 80112 303/483-0044				
3. NAME OF AGENT: PermitCo Inc.			10. FIELD AND POOL, OR WILDCAT: Wildcat	
14421 County Road 10, Fort Lupton, CO 80621 303-857-9999				
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1793' FNL and 717' FWL AT PROPOSED PRODUCING ZONE: SW NW <i>564546 X 39.84497</i> <i>44106134 - 110.24556</i>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: Sec. 21, T11S-R15E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 29 miles South of Myton, UT			12. COUNTY: Duchesne	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 717'	16. NUMBER OF ACRES IN LEASE: 1560	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 Acres		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): None	19. PROPOSED DEPTH: 11300	20. BOND DESCRIPTION: Statewide Bond.		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6668 GL	22. APPROXIMATE DATE WORK WILL START: Upon Approval	23. ESTIMATED DURATION: 35 Days		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17-1/2"	13-3/8", H40, 48#	160'	200 sx Class H, 15.6 ppg, yield 1.18
12-1/4"	9-5/8", J-55, 36#	2900'	405 sx Hi-Fill, 11 ppg, yield 3.91 + 160 sx RFC cmt, 14.2 ppg, yield 1.63
7-7/8"	4-1/2", P110, 13.5#	11,300	1370 sx 65/35 Poz, 13.0 ppg, yield 1.74 + 1200 sx 50-50 Poz, 14.1 ppg, yield 1.28

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PROGRAM
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Lisa L. Smith TITLE Agent for Gasco Energy, Inc./Pannonian Energy, Inc.

SIGNATURE *Lisa L. Smith* DATE July 21, 2004

(This space for State use only)

API NUMBER ASSIGNED: 43-013-32618

APPROVAL: **RECEIVED**
JUL 27 2004

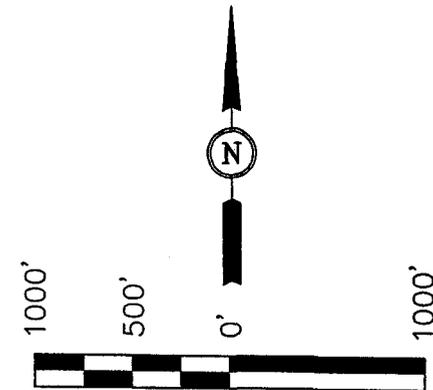
T11S, R15E, S.L.B.&M.

GASCO PRODUCTION COMPANY

Well Location, GATE CANYON STATE #12-21-11-15, located as shown in the SW 1/4 NW 1/4 of Section 21, T11S, R15E, S.L.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

TRIANGULATION STATION (NINE) LOCATED IN THE SW 1/4 SW 1/4 OF SECTION 1, T12S, R15E, S.L.B.&M. TAKEN FROM THE COWBOY BENCH, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6845 FEET.



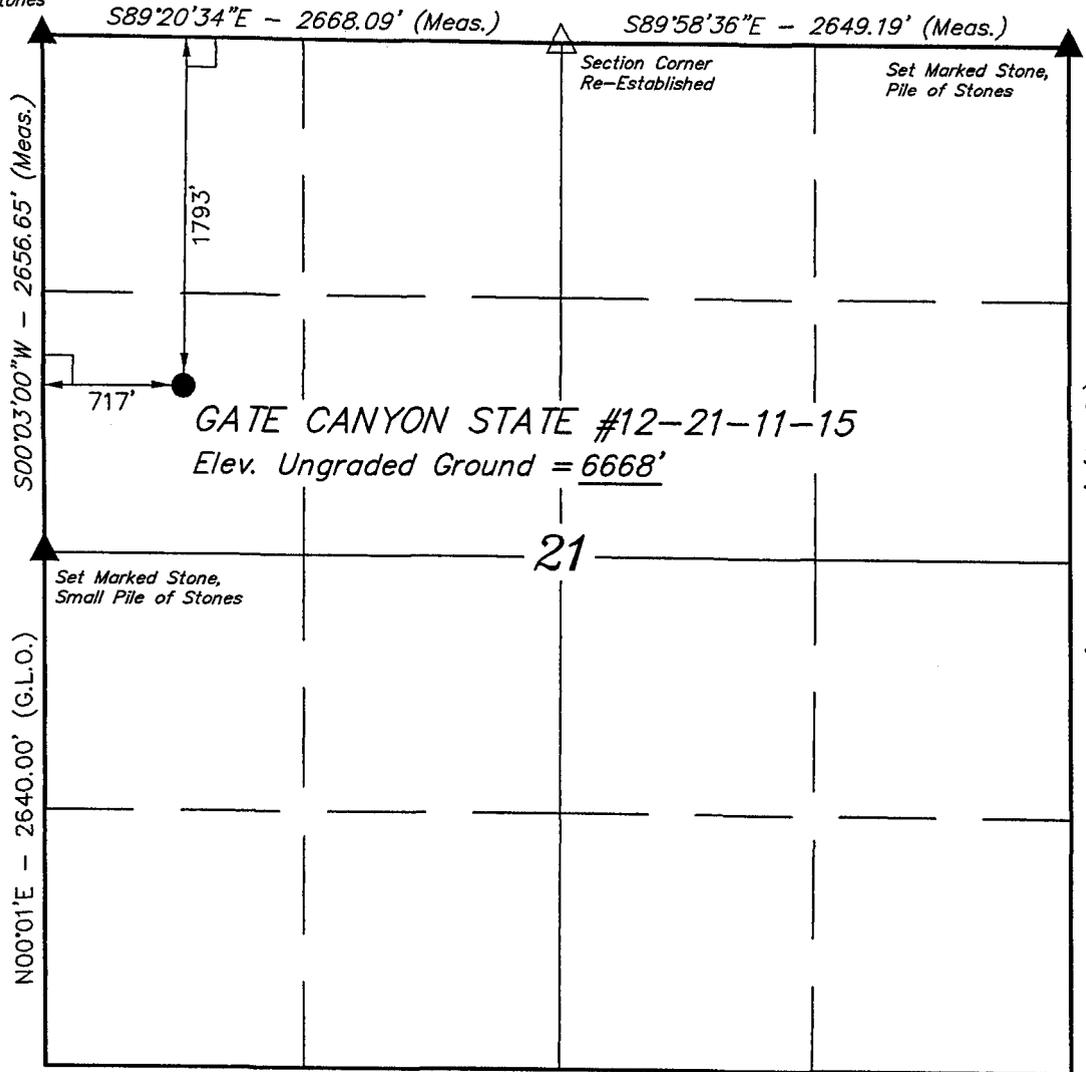
SCALE

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
 1973
 ROBERT L. KAY
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

Set Stone, Pile of Stones



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. USING BEARING TREES

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

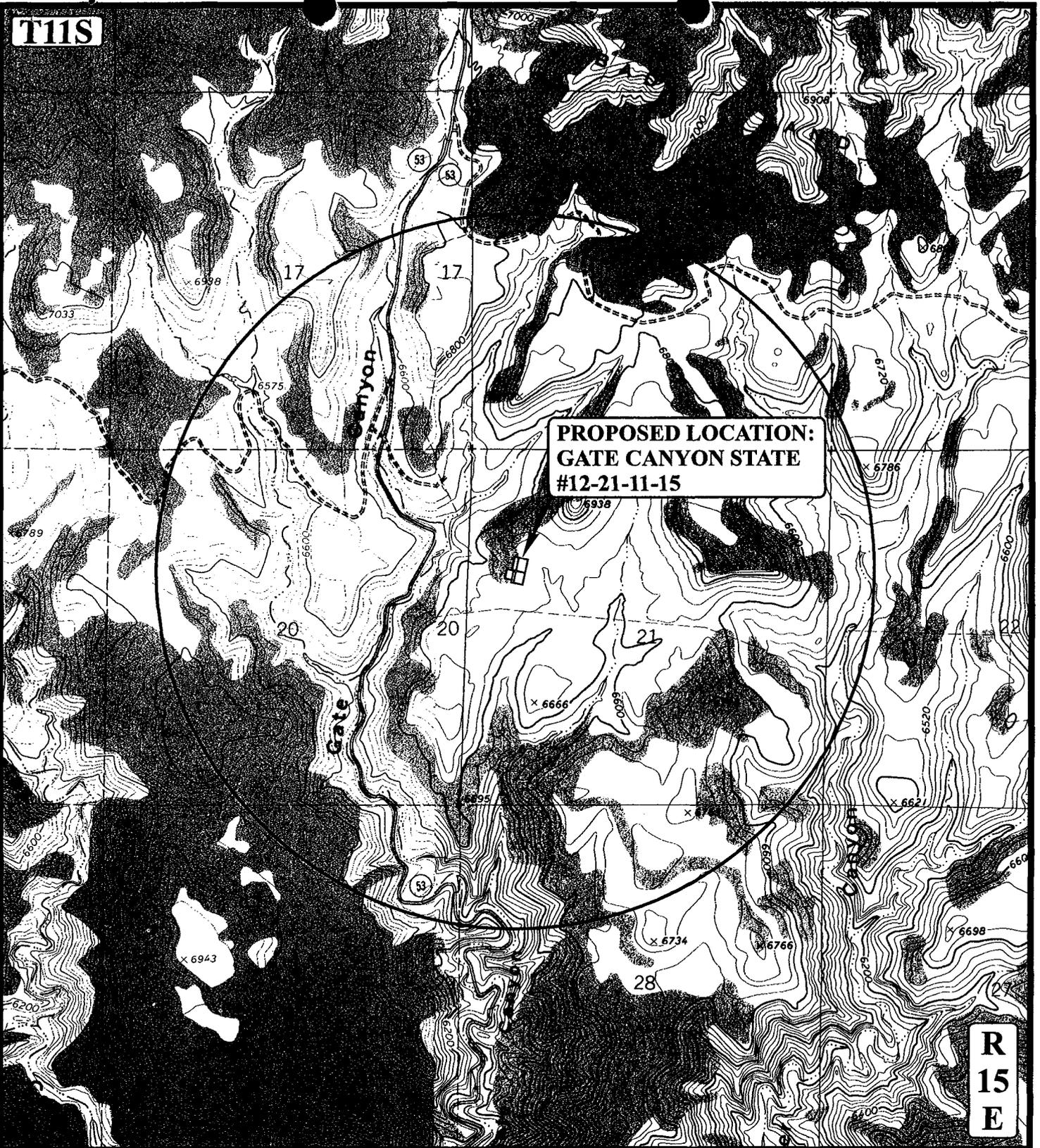
LATITUDE = 39°50'42.04" (39.845011)

LONGITUDE = 110°14'47.13" (110.246425)

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 6-29-04	DATE DRAWN: 7-6-04
PARTY D.K. L.K. K.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE GASCO PRODUCTION COMPANY	

T11S



**PROPOSED LOCATION:
GATE CANYON STATE
#12-21-11-15**

**R
15
E**

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- ⬮ SHUT IN WELLS
- ⊗ WATER WELLS
- ⬮ ABANDONED WELLS
- ⬮ TEMPORARILY ABANDONED



GASCO PRODUCTION COMPANY

**GATE CANYON STATE #12-21-11-15
SECTION 21, T11S, R15E, S.L.B.&M.
1793' FNL 717' FWL**



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 07 09 04
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



Casing Schematic

Green River

Surface

13-3/8"
MW 8.4
Frac 19.3

9-5/8"
MW 8.8
Frac 19.3

4-1/2"
MW 9.5

TOC @
0.

TOC @
0.

TOC @
Surface
150. MD

Intermediate
2900. MD

Production
11300. MD

w/18% Washout

w/15% Washout

w/15% Washout

BHP

$$(.052)(9.5)(11,300) = 5582$$

11ppg = Max Anticipated 6463

Gr

$$(.12)(11,300) = 1356$$

5108 psi

MAWP = 4226

Gas Mod MAWP 3977 psi

BOPE - 5,000 ✓

Surf casing 1730

$$70\% = 1211$$

Test to 1200 psi ✓

Int - 3520

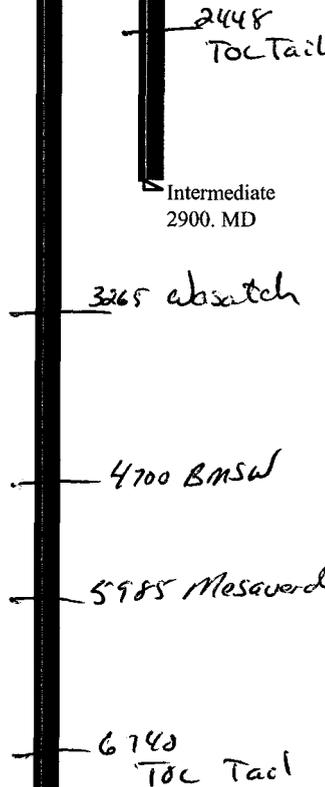
$$70\% = 2464$$

Test to 2400 psi ✓

Adequate

DAD

8/26/04



Well name:

08-04 Gasco Gate Canyon St 12-21-11-15Operator: **Gasco Production Company**String type: **Surface**

Project ID:

43-013-32618

Location: **Duchesne County****Design parameters:****Collapse**Mud weight: 8.400 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 67 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 150 ft

Cement top: Surface

BurstMax anticipated surface pressure: -5 psi
Internal gradient: 0.468 psi/ft
Calculated BHP 65 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 132 ft

Non-directional string.

Re subsequent strings:Next setting depth: 2,900 ft
Next mud weight: 8.800 ppg
Next setting BHP: 1,326 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 150 ft
Injection pressure 150 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	150	13.375	48.00	H-40	ST&C	150	150	12.59	14.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	65	740	11.306	65	1730	26.43	7	322	44.72

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 801-359-3940Date: August 20, 2004
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 150 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	08-04 Gasco Gate Canyon St 12-21-11-15	
Operator:	Gasco Production Company	
String type:	Intermediate	Project ID: 43-013-32618
Location:	Duchesne County	

Design parameters:

Collapse
Mud weight: 8.800 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,552 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 2,900 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 2,522 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 106 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 150 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 11,300 ft
Next mud weight: 11.000 ppg
Next setting BHP: 6,457 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,900 ft
Injection pressure: 2,900 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2900	9.625	36.00	J-55	ST&C	2900	2900	8.796	206.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1326	2020	1.524	2900	3520	1.21	104	394	3.77 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: August 20, 2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2900 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	08-04 Gasco Gate Canyon St 12-21-11-15	
Operator:	Gasco Production Company	
String type:	Production	Project ID: 43-013-32618
Location:	Duchesne County	

Design parameters:

Collapse

Mud weight: 9.500 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 294 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP: 5,577 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 9,715 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 223 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	11300	4.5	13.50	P-110	LT&C	11300	11300	3.795	301
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5577	10680	1.915	5577	12410	2.23	153	338	2.22 J

Prepared by: Clinton Dworshak
 Utah Div. of Oil & Mining

Phone: 801-538-5280
 FAX: 801-359-3940

Date: August 20, 2004
 Salt Lake City, Utah

Remarks:
 Collapse is based on a vertical depth of 11300 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

August 27, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2004 Plan of Development Gate Canyon Unit,
Duchesne County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2004 within the Gate Canyon Unit, Duchesne County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ Blackhawk)		
43-013-32618	Gate Canyon State	12-21-11-15 Sec 21 T11S R15E 1793 FNL 0717 FWL

Please be advised that this well does not qualify as an obligation well for the Gate Canyon Unit. This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File - Gate Canyon Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:8-27-04

From: Ed Bonner
To: Whitney, Diana
Date: 11/24/2004 3:14:48 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Crescendo Energy, LLC
San Arroyo Unit #50

Gasco Production Company
Wilkin Ridge State 43-36-10-17
Wilkin Ridge State 24-36-10-17
Wilkin Ridge State 44-32-10-17
Gate Canyon State 12-21-11-15
Gate Canyon State 23-16-11-15
State 12-32-9-19
State 42-32-9-19 (Two significant sites along access road - must be avoided)

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

November 24, 2004

Gasco Production Company
14 Inverness Drive East, Suite #H236
Englewood, CO 80112

Re: Gate Canyon State 12-21-11-15 Well, 1793' FNL, 717' FWL, SW NW,
Sec. 21, T. 11 South, R. 15 East, 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 43-013-32618.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

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

Operator: Gasco Production Company
Well Name & Number Gate Canyon State 12-21-11-15
API Number: 43-013-32618
Lease: ML-49308

Location: SW NW Sec. 21 T. 11 South R. 15 East

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**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will 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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

Page 2

API #43-013-32618

November 24, 2004

7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

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

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals		6. Lease Designation and Serial Number ML-49308
		7. Indian Allottee or Tribe Name N/A
		8. Unit or Communitization Agreement Gate Canyon
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)	9. Well Name and Number Gate Canyon State #12-21-11-15	
2. Name of Operator Gasco Production Company	10. API Well Number 43-013-32618	
3. Address of Operator 8 Inverness Drive East, Suite #100, Englewood, CO 80112	4. Telephone Number 303/483-0044	11. Field and Pool, or Wildcat Gate Canyon
5. Location of Well Footage : 1792³ FNL and 717' FWL County : Duchesne QQ, Sec, T., R., M. : SW NW, Section 21, T11S - R15E State : Utah		

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

NOTICE OF INTENT
(Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other <u>Request 1 year extension of APD</u>	

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)
Gasco Production Company requests a one year extension of the subject APD until November 24, 2006.

CONSENT TO OPERATOR
Date: 10-22-05
Initials: CHO

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 10-19-05
By: [Signature]

14. I hereby certify that the foregoing is true and correct.
Name & Signature Venessa Langmacke Title Consultant for Gasco Production Company Date 10/17/05
(State Use Only)

RECEIVED
OCT 19 2005

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-013-32618

Well Name: Gate Canyon State #12-21-11-15

Location: SW NW, 1793' FNL and 717' FWL, Section 21, T11S - R15E

Company Permit Issued to: Gasco Production Company

Date Original Permit Issued: 11/24/2004

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If location on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which would require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

Venessa Langmacher - Permitco Inc.

October 17, 2005

Date

Title: Consultant for Gasco Production Company

RECEIVED

OCT 19 2005

DIV. OF OIL, GAS & MINING

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

<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals</p>		6. Lease Designation and Serial Number ML-49308
		7. Indian Allottee or Tribe Name N/A
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		8. Unit or Communitization Agreement Gate Canyon
2. Name of Operator Gasco Production Company		9. Well Name and Number Gate Canyon State #12-21-11-15
3. Address of Operator 8 Inverness Drive East, Suite #100, Englewood, CO 80112	4. Telephone Number 303/483-0044	10. API Well Number 43-013-32618
5. Location of Well Footage : 179³' FNL and 717' FWL County : Duchesne QQ, Sec, T., R., M. : SW NW, Section 21, T11S - R15E State : Utah		11. Field and Pool, or Wildcat Gate Canyon

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																											
<p align="center">NOTICE OF INTENT (Submit in Duplicate)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td colspan="2"><input checked="" type="checkbox"/> Other <u>Request 1 year extension of APD</u></td> </tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Request 1 year extension of APD</u>		<p align="center">SUBSEQUENT REPORT (Submit Original Form Only)</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td colspan="2"><input type="checkbox"/> Other _____</td> </tr> </table> <p>Date of Work Completion _____</p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</small></p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____	
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Gasco Production Company requests a one year extension of the subject APD.

**Approved by the
 Utah Division of
 Oil, Gas and Mining**

Date: 11-07-06
 By: [Signature]

COPY SENT TO OPERATOR
 Date: 11.9.06
 Initials: RMT

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

Name & Signature Vanessa Langmacker Title Consultant for Gasco Production Company Date 11/01/06

(State Use Only)

RECEIVED
NOV 06 2006

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-013-32618

Well Name: Gate Canyon State #12-21-11-15

Location: SW NW, 179~~2~~⁴' FNL and 717' FWL, Sec. 21, T11S - R15E

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Date Original Permit Issued: 11/24/2004

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Is bonding still in place, which covers this proposed well? Yes No

Venessa Langmacher
Venessa Langmacher - Permitco Inc.

November 1, 2006
Date

Title: Consultant for Gasco Production Company

**RECEIVED
NOV 06 2006**

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

November 21, 2007

Venessa Langmacher
Agent for Gasco
PermitCo Inc.
14421 County Road 10
Fort Lupton, CO 80621

Re: APD Rescinded – Gate Canyon St 12-21-11-15, Sec.21, T.11S, R.15E –
Duchesne County, Utah, API No. 43-013-32618

Dear Ms. Langmacher:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 24, 2004. On October 19, 2005 and on November 7, 2006, the Division granted a one-year APD extension.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 21, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-49308
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: GATE CANYON
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: GATE CYN ST 12-21-11-15
2. NAME OF OPERATOR: GASCO PRODUCTION COMPANY	9. API NUMBER: 43013326180000
3. ADDRESS OF OPERATOR: 8 Inverness Dr. East, Suite 100 , Englewood, CO, 80112	PHONE NUMBER: 303 483-0044 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1793 FNL 0717 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 21 Township: 11.0S Range: 15.0E Meridian: S	9. FIELD and POOL or WILDCAT: GATE CANYON COUNTY: DUCHESNE STATE: UTAH

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

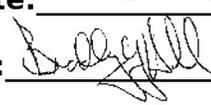
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/7/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input checked="" type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

Gasco would like to dispose of water at Integrated Water management, LLC state approved commercial disposal facility located in Section 30, 2 south Range 4 west in North Blue Bench UT. This facility would be used in addition to the currently approved disposal facilities that Gasco uses to dispose of water from this well.

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

Date: 12/30/2010

By: 

NAME (PLEASE PRINT) Roger Knight	PHONE NUMBER 303 996-1803	TITLE EHS Supervisor
SIGNATURE N/A		DATE 12/29/2010