

**Petroglyph Operating Co., Inc.**  
**P.O. Box 607**  
**Roosevelt, UT 84066**

November 23, 2004

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

RE: APPLICATION FOR PERMIT TO DRILL  
UTE TRIBAL #16-16K  
SE/SE, SEC. 16, T5S, R3W, U.S.B.&M.  
DUCHESNE COUNTY, UTAH  
LEASE NO.: BIA 14-20-H62-3511  
UTE INDIAN TRIBAL LANDS

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

Please address further communication regarding this matter (including approval) to:

Ed Trotter  
P.O. Box 1910  
Vernal, UT 84078  
Phone: (435)789-4120  
Fax: (435)789-1420

Sincerely,



Ed Trotter  
Agent  
Petroglyph Operating Co., Inc.

Attachments

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DIV. OF OIL, GAS & MINING

001

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work:  DRILL  REENTER  
1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator  
**PETROGLYPH OPERATING CO., INC.**

3a. Address **P.O. BOX 607,  
ROOSEVELT, UT 84066**

3b. Phone No. (Include area code)  
**(435)722-2531**

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface **1236' FSL, 1143' FEL SE/SE**  
At proposed prod. Zone **5666514X 40.041020  
4432391Y -110.220332**

14. Distance in miles and direction from nearest town or post office\*  
**12.54 MILES SOUTHWEST OF BRIDGELAND, UTAH**

15. Distance from proposed\* location to nearest property or lease line, ft. **1143'**  
(Also to nearest drig. Unit line, if any)

16. No. of Acres in lease  
**640**

17. Spacing Unit dedicated to this well

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **See Topo Man "C"**

19. Proposed Depth  
**6200'**

20. BLM/BIA Bond No. on file  
**BO 4556**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**6256.1 FEET GRADED GROUND**

22. Approximate date work will start\*  
**UPON APPROVAL**

23. Estimated duration  
**45 DAYS**

24. Attachments

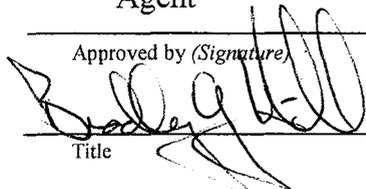
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature  Name (Printed/Typed) **Ed Trotter** Date **November 23, 2004**

Title  
**Agent**

Approved by (Signature)



Name (Printed/Typed)  
**BRADLEY G. HILL  
ENVIRONMENTAL SCIENTIST III**

Date **RECEIVED  
12-16-04 NOV 26 2004**

Title **DIV. OF OIL, GAS & MINING**

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

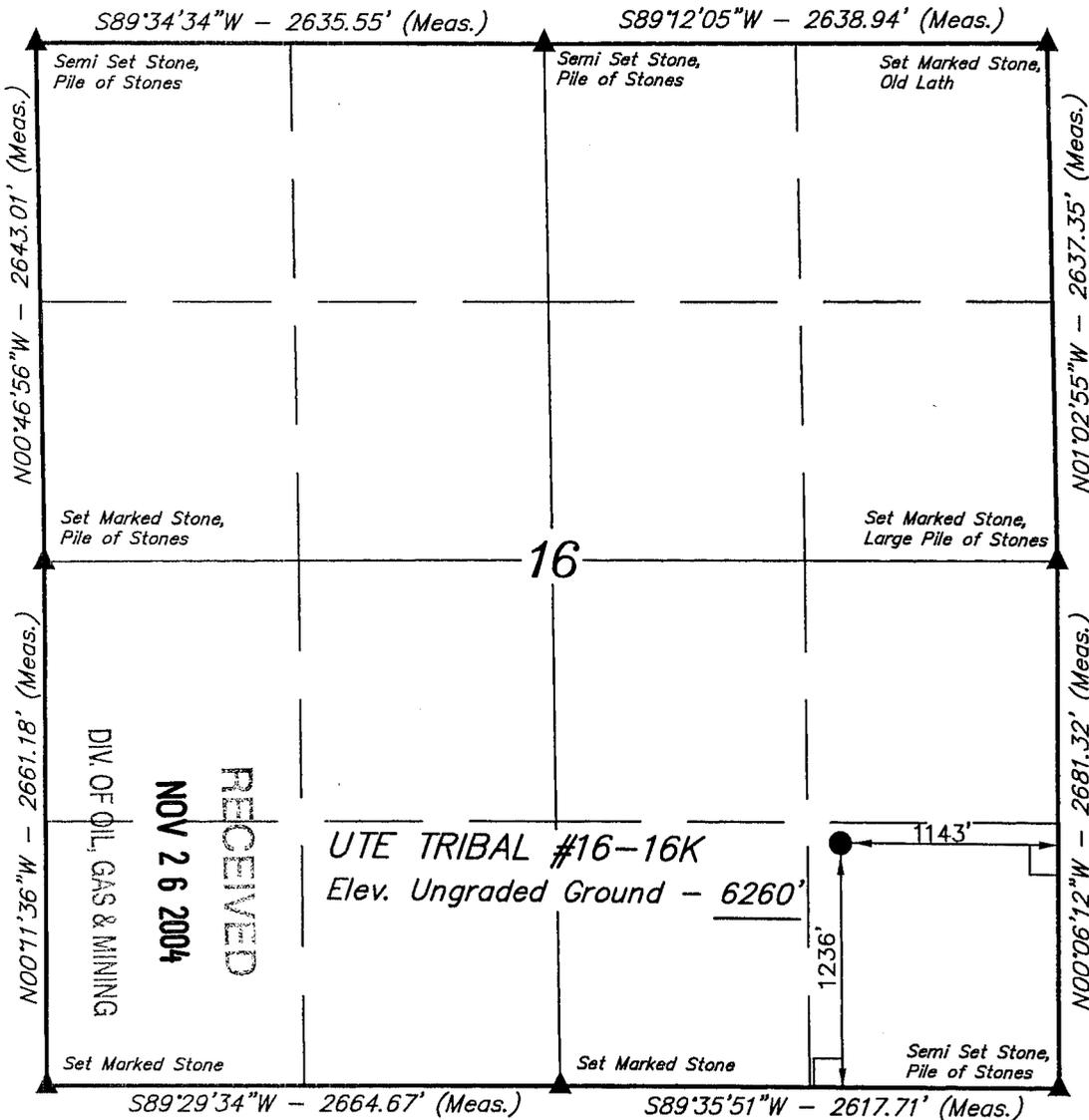
\*(Instructions on reverse)

**Federal Approval of this  
Action is Necessary**

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

PETROGLYPH OPERATING CO., INC.

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

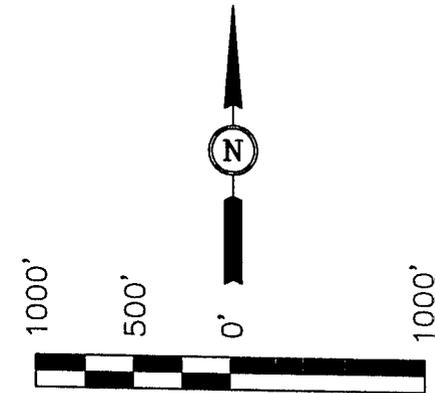


BASIS OF ELEVATION

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

BASIS OF BEARINGS

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



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 J. [Signature]*

REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

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

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 27)

LATITUDE = 40°02'33.39" (40.042608)

LONGITUDE = 110°13'19.03" (110.221953)

(NAD 83)

LATITUDE = 40°02'33.25" (40.042569)

LONGITUDE = 110°13'21.58" (110.222661)

SCALE 1" = 1000'	DATE SURVEYED: 09-16-04	DATE DRAWN: 09-20-04
PARTY D.A. B.B. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PETROGLYPH OPERATING CO., INC.	

**EIGHT POINT PLAN**

**UTE TRIBAL 16-16K  
SE/SE, SEC. 16, T5S, R3W  
DUCHESNE COUNTY, UTAH**

**1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:**

<b>FORMATIONS</b>	<b>DEPTH</b>	<b>SUBSEA</b>
Mahogany Shale	2934.4	3412
"X" Marker	4514.4	1832
Douglas Creek	4654.4	1692
"B" Limestone	5036.4	1310
B/Castle Peak Limestone	5596.4	750
Total Depth	6200	386
Anticipated BHP	2535	

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

<b><u>Substance</u></b>	<b><u>Formation</u></b>	<b><u>Depth</u></b>	<b><u>Subsea</u></b>
Oil/Gas	Douglas Creek	4654.4	1692
Oil/Gas	B/Castle Peak	5596.4	750
Other mineral zones	N/A		

**3. PRESSURE CONTROL EQUIPMENT:** BOP Schematic Diagram attached.

**4. CASING PROGRAM:**

<b><u>HOLE SIZE</u></b>	<b><u>INTERVAL</u></b>	<b><u>LENGTH</u></b>	<b><u>SIZE</u></b>	<b><u>WEIGHT</u></b>	<b><u>GRADE</u></b>	<b><u>MINIMUM SAFETY FACTOR</u></b>		
						<b><u>COLLAPSE</u></b>	<b><u>BURST</u></b>	<b><u>TENSILE</u></b>
12 1/4"	0 - 280'	280'	8 5/8"	24.0#	J-55	1370 PSI	2950 PSI	263,000#
7 7/8"	0 - 6200'	6200'	5 1/2"	15.5#	J-55	4040 PSI	4810 PSI	239,000#

All casing will be new or inspected.

**5. MUD PROGRAM**

<b><u>INTERVAL</u></b>	<b><u>MUD TYPE</u></b>
0' - 250'	Air
250 - 4000'	Air/Mist & Aerated Water
4000' - TD	Air/3% KCL water or KCL substitute
TD	Gel/polyacrylamide polymer w/5-10% LCM

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

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EIGHT POINT PLAN

UTE TRIBAL 16-16K  
SE/SE, SEC. 16, T5S, R3W  
DUCHESNE COUNTY, UTAH

6. CEMENT PROGRAM:

12 1/4"	J-55	8 5/8"	24.0#	280'	165 SX CLASS "G" + 2% CaCl <sub>2</sub> + 1/4 # /SX CELLOFLAKE (YIELD 1.18 CU FT/SX)
7 7/8"	J-55	5 1/2"	15.5#	6000'	LEAD: 130 SX CLASS "G" + 12% GEL + 5% SALT + 1/4 #/SX CELLOFLAKE (3.82 CU.FT/SX) TAIL: 365 SX CLASS "G" + 10% GYPSUM + 1/4 #/SX CELLOFLAKE (1.60 CU FT/SX)

7. VARIANCE REQUESTS:

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

5. EVALUATION PROGRAM:

Logs: Platform Express TD to base of surface casing  
(DLL, MSFL, CNG, CDL, GR)

Cores: None anticipated  
DST: None Programmed

Completion: To be submitted at a later date.

6. ABNORMAL CONDITIONS:

None anticipated.

7. STANDARD REQUIRED EQUIPMENT:

None Required

8. HAZARDOUS CHEMICALS:

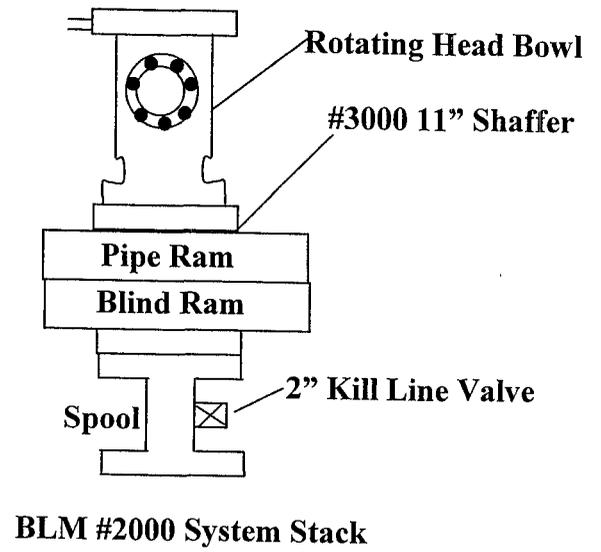
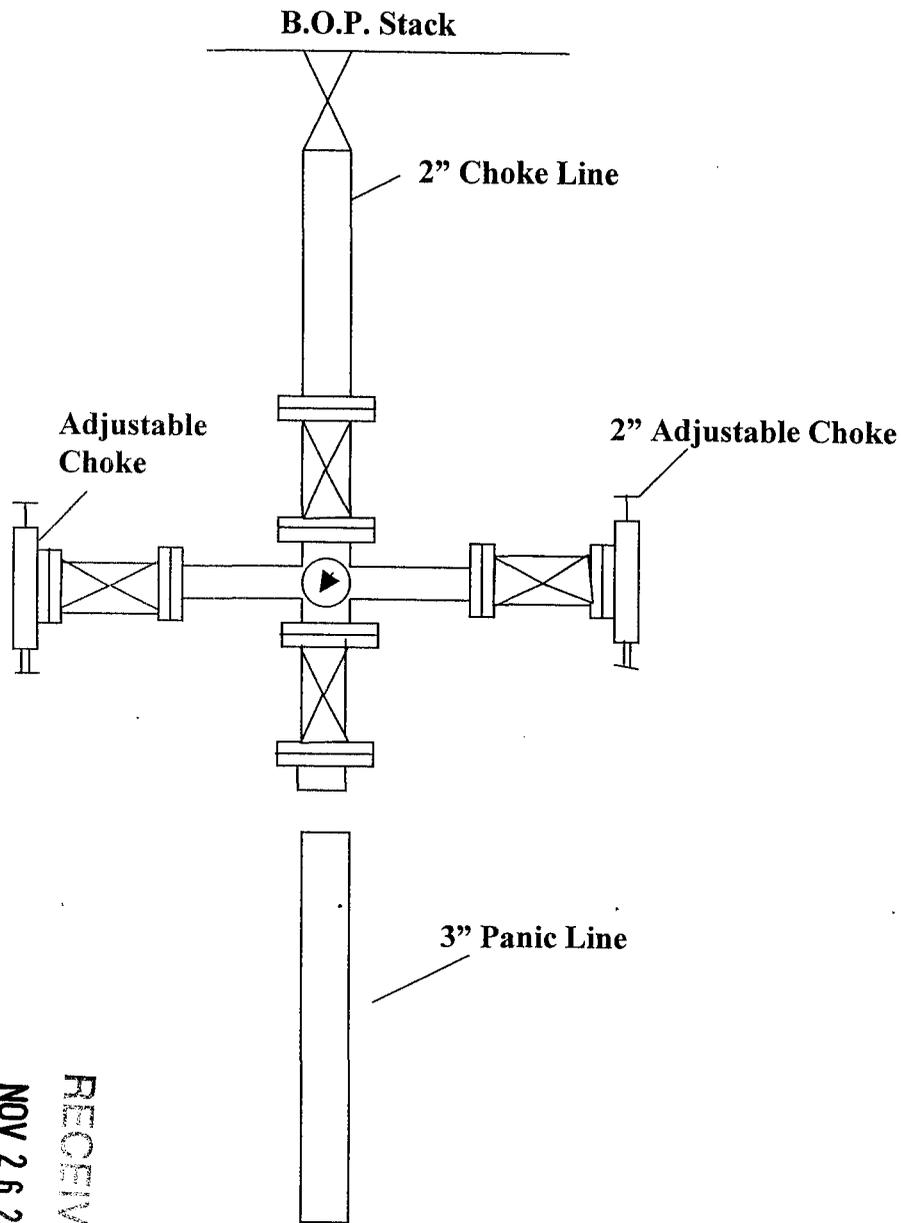
No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold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

(Attachment: BOP Schematic Diagram)

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BLM #2000 Choke Manifold System

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

Company/Operator: Petroglyph Operating Co. Inc.  
Well Name & Number: Ute Tribal #16-16K  
Lease Number: BIA 14-20-H62-3511  
Location: 1236' FSL & 1143' FEL, SE/SE,  
Sec. 16, T5S, R3W, U.S.B.&M.,  
Duchesne County, Utah  
Surface Ownership: Ute Indian Tribe

**NOTIFICATION REQUIREMENTS**

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

Location Completion - prior to moving on the drilling rig.

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

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

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

First Production Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

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

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## THIRTEEN POINT SURFACE USE PROGRAM

### 1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 12.54 miles southwest of Bridgeland, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

### 2. PLANNED ACCESS ROAD

- A. The access road will be approximately 225 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

All travel will be confined to existing access road Right-of-Way.

Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards For Oil & Gas Exploration and Development, (1989).

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed

during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

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

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

A. Abandoned wells - 10\*

B. Producing wells - 15\*

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

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

A. **ON WELL PAD**

1. Production facilities - To be submitted later

B. **OFF WELL PAD**

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.
3. A 4 1/2" OD steel above ground production pipeline will be laid approximately 983' from proposed location to a point in the NE/SE of Section 16, T5S, R3W, where it will tie into Petroglyph Operating Co. Inc.'s existing pipeline. Proposed pipeline crosses Ute Tribe lands, thus a Right-of-Way grant will be required. See attached TOPO Map "D" showing pipeline route.
4. Proposed pipeline will be a 4 1/2" OD steel, welded line laid on the surface.

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

The production facilities will be placed on the Southeast side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective,

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earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities required will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Desert Brown.

5. **LOCATION & TYPE OF WATER SUPPLY**

- A. Water supply will be from Target Trucking's Roosevelt Brine Storage and/or Target's water source in SE ¼, Sec. 1, T4S, R5W, Duchesne, Utah (State Water Right #43-10152). All water will come from a non-depletable source.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. **SOURCE OF CONSTRUCTION MATERIAL**

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

7. **METHODS OF HANDLING WASTE DISPOSAL**

A. METHODS AND LOCATION

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

- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore

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hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

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

**On BIA administered land:**

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

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

\_\_\_ To protect the environment:

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

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

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

**7. ANCILLARY FACILITIES**

- No airstrips or camps are planned for this well.

**9. WELLSITE LAYOUT**

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

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

The stockpiled topsoil will be stored between Corners #2 and #4, as well as Southeast and Northeast of Corner #6 of the location.

Access to the well pad will be from the North.

Corners #2 & #8 will be rounded off to minimize excavation.

#### **10. FENCING REQUIREMENTS:**

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

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

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

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

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present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

11. **PLANS FOR RESTORATION OF SURFACE**

A. **PRODUCING LOCATION**

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

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

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.

The reserve pit will be reclaimed within 120 days from the date of well completion (weather permitting). Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, fluid, and hydrocarbons, will be removed.

Contact appropriate surface management agency for required seed mixture.

B. **DRY HOLE/ABANDONED LOCATION**

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

**ON BIA ADMINISTERED LANDS:**

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

12. **SURFACE OWNERSHIP**

Access road: Ute Indian Tribe

Location: Ute Indian Tribe

13. **OTHER INFORMATION**

A. Petroglyph Operating Co., Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic

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or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used.
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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

- B. As operator, Petroglyph Operating Co., Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BIA, or the appropriate County Extension Office. On BIA administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Tribal Lands after the conclusion of drilling operations or at any other time without BIA authorization. However, if BIA authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

**On BIA administered land:**

Operator's employees, including subcontractors, will not gather firewood along roads constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right-of-Way authorization". All operators, subcontractors, vendors, and their employees or agents may

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not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA Forester.

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

All roads constructed by operators on the Uintah and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products, and (e) only authorized personnel permitted. All well site locations on the Uintah and Ouray Indian Reservation will have an appropriate sign indicating the name of the operator, the lease serial number, the well name and number, the survey description of the well (either footage or the quarter-quarter section, the section, township, and range).

14. **Additional Surface Stipulations**

None

**LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION**

**PERMITTING**

Ed Trotter  
P.O. Box 1910  
Vernal, UT 84078  
Telephone: (435)789-4120  
Fax: (435)789-1420

**OPERATIONS**

Steve Wall  
P.O. Box 607  
Roosevelt, UT 84066  
(435)722-2531  
(435)722-9145

All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. Petroglyph Operating Co., Inc. is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

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

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

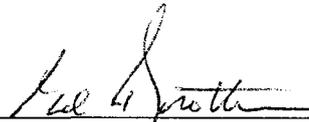
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NOV 26 2004

**Certification**

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

11-23-2003  
Date

  
Ed Trotter, as Agent for  
Petroglyph Operating Co., Inc.

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PETROGLYPH OPERATING CO., INC.  
UTE TRIBAL #16-16K  
SECTION 16, T5S, R3W, U.S.B.&M.

PROCEED IN A SOUTHWESTERLY DIRECTION FROM MYTON, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 8.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 2.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY THEN, A NORTHEASTERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE JUNCTION OF THIS ROAD AND THE PROPOSED ROAD FOR UTE TRIBAL #16-09; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 225' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM MYTON, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 20.45 MILES.

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DIV. OF OIL, GAS & MINING

# PETROGLYPH OPERATING CO., INC.

UTE TRIBAL #16-16K  
LOCATED IN DUCHESNE COUNTY, UTAH  
SECTION 16, T5S, R3W, U.S.B.&M.

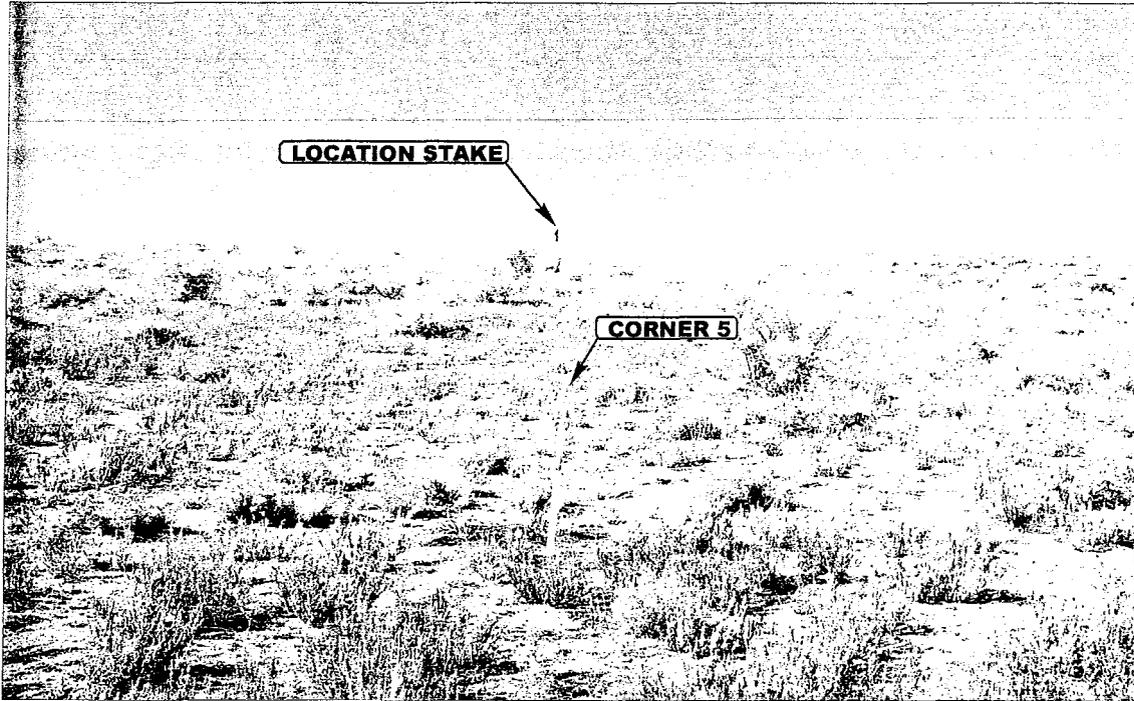


PHOTO: VIEW FROM CORNER 5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

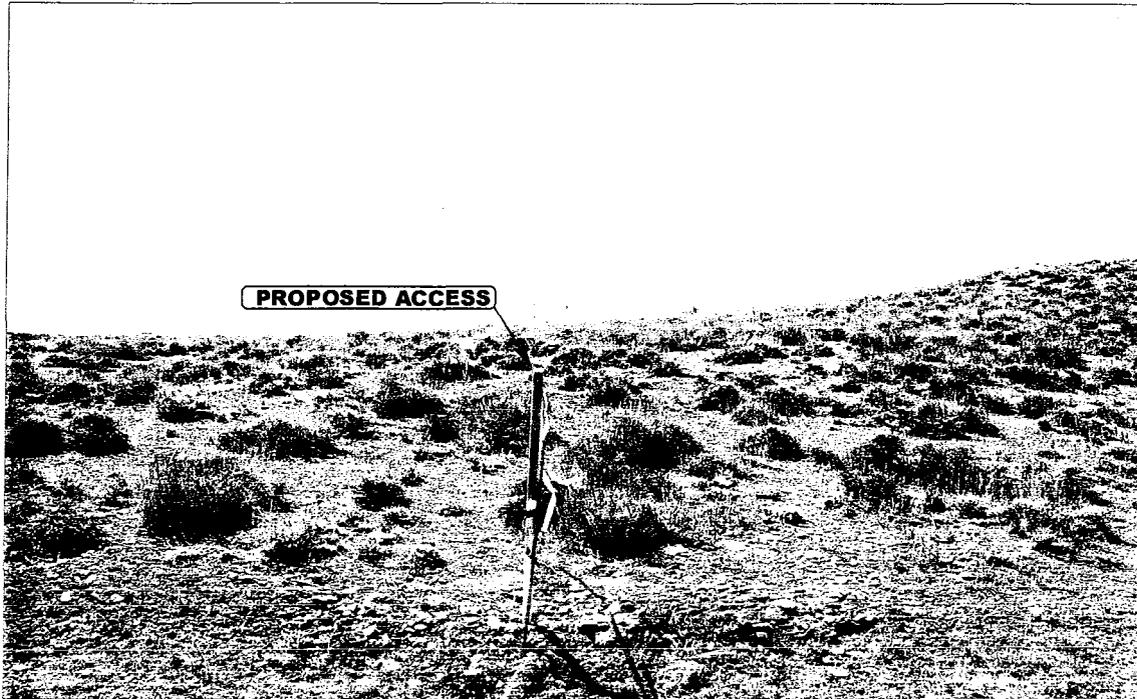


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS ROAD

CAMERA ANGLE: SOUTHEASTERLY

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U. OF OIL, GAS & MINING



- Since 1964 -

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

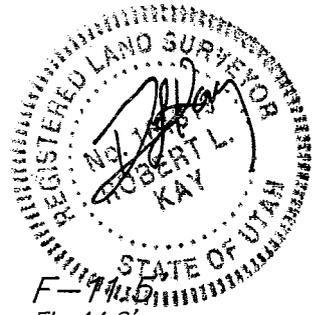
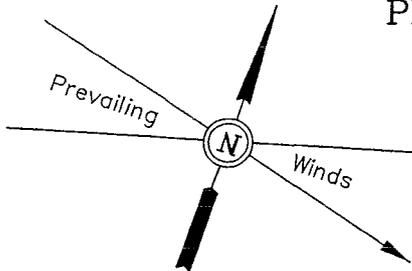
LOCATION PHOTOS	09	21	04	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: D.A.	DRAWN BY: L.K.	REVISED: 00-00-00		

PETROGLYPH OPERATING CO., INC.

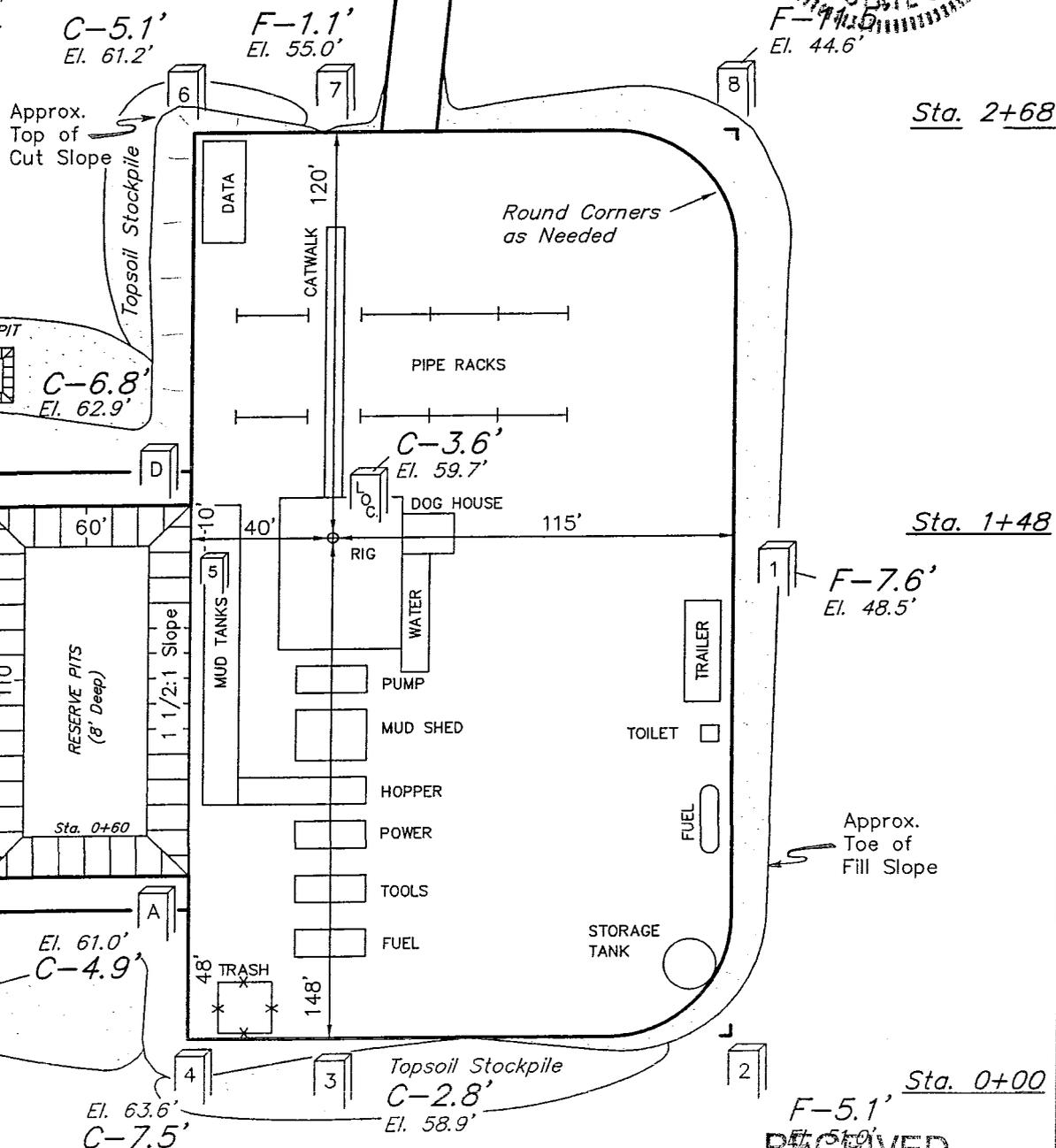
LOCATION LAYOUT FOR

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

1236' FSL 1143' FEL



SCALE: 1" = 50'  
DATE: 09-20-04  
Drawn By: D.R.B.



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

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

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Elev. Ungraded Ground at Location Stake = 6259.7'  
Elev. Graded Ground at Location Stake = 6256.1'

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UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

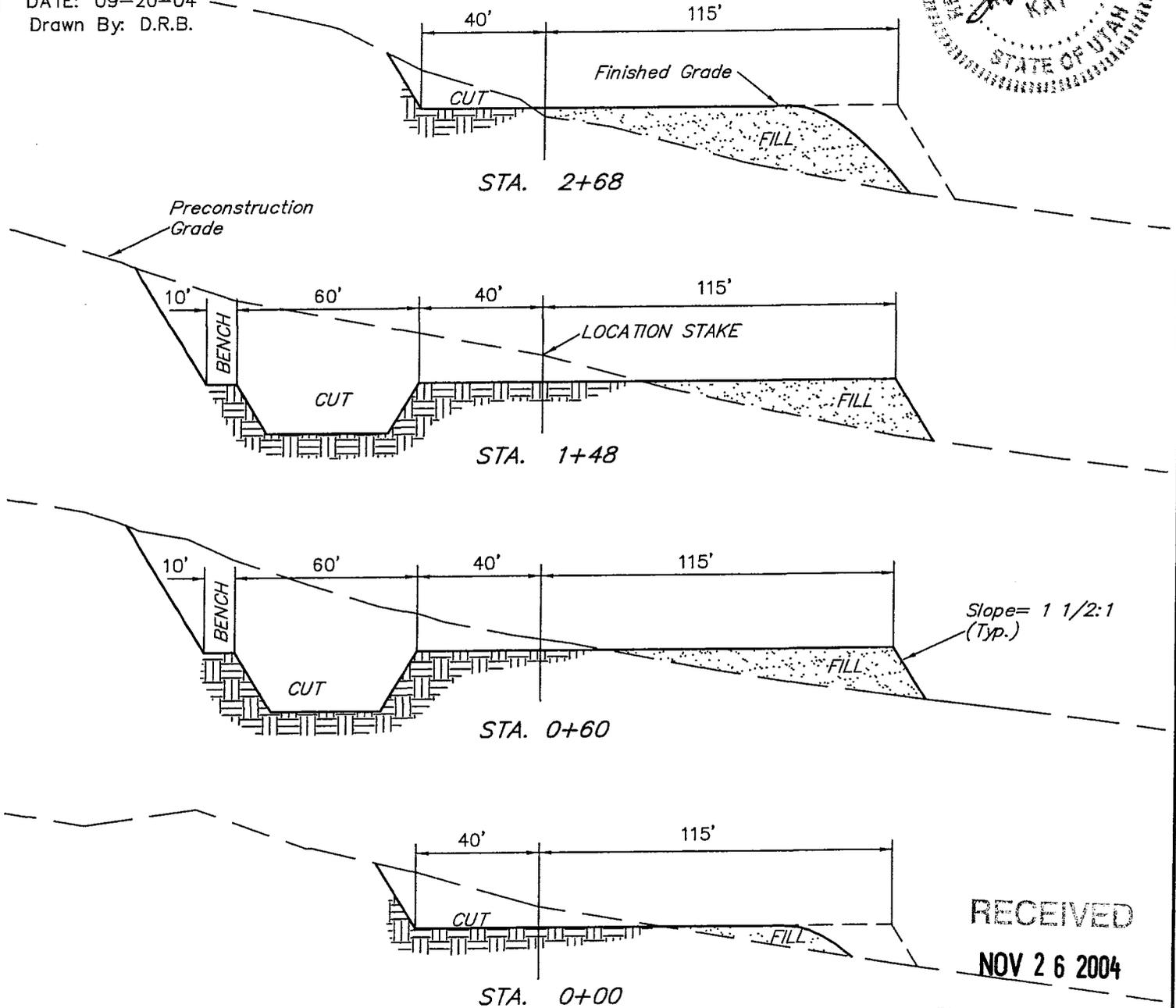
PETROGLYPH OPERATING CO., INC.

TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #16-16K  
SECTION 16, T5S, R3W, U.S.B.&M.  
1236' FSL 1143' FEL

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

DATE: 09-20-04  
Drawn By: D.R.B.



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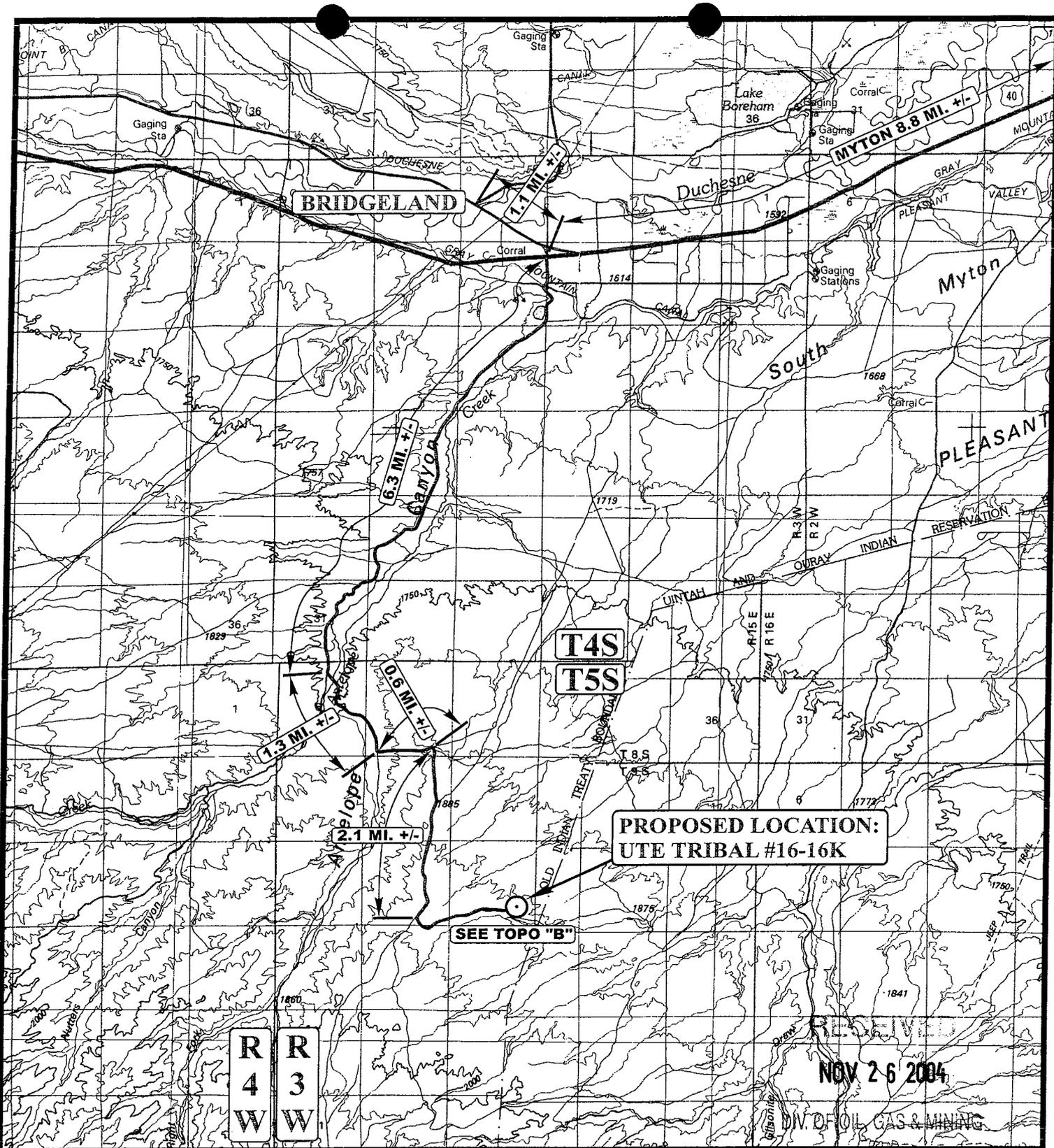
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

APPROXIMATE YARDAGES

(12") Topsoil Stripping	=	2,450 Cu. Yds.
Remaining Location	=	6,570 Cu. Yds.
<b>TOTAL CUT</b>	=	<b>9,020 CU.YDS.</b>
<b>FILL</b>	=	<b>5,870 CU.YDS.</b>

EXCESS MATERIAL	=	3,150 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,150 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING  
86 So. 200 East \* Vernal, Utah. 84078 \* (435) 789-1017



**LEGEND:**

⊙ PROPOSED LOCATION



**PETROGLYPH OPERATING CO., INC.**

UTE TRIBAL #16-16K  
SECTION 16, T5S, R3W, U.S.B.&M.  
1236' FSL 1143' FEL



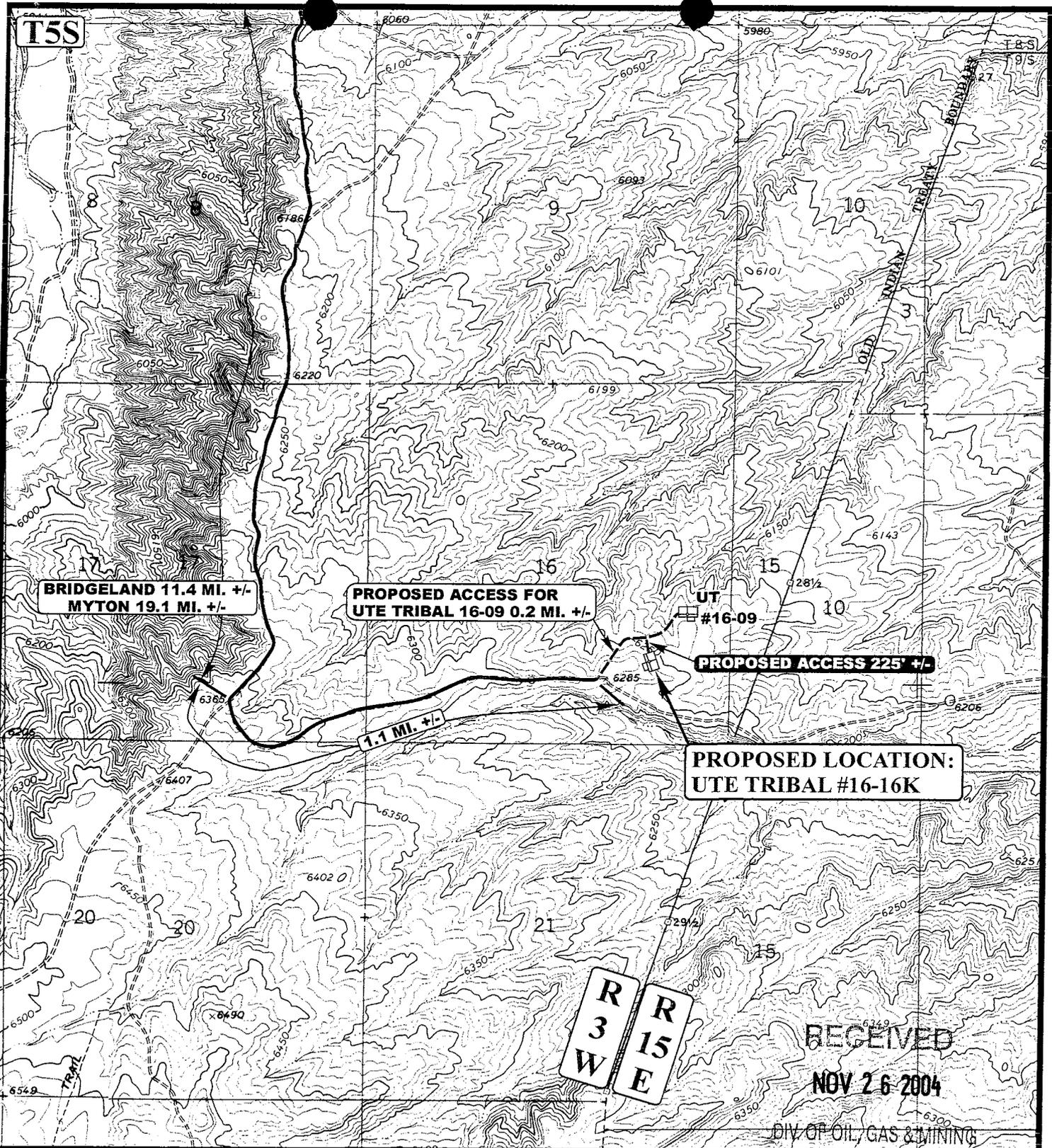
Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC MAP

09 21 04  
MONTH DAY YEAR



SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00



**LEGEND:**

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



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 (435) 789-1017 \* FAX (435) 789-1813

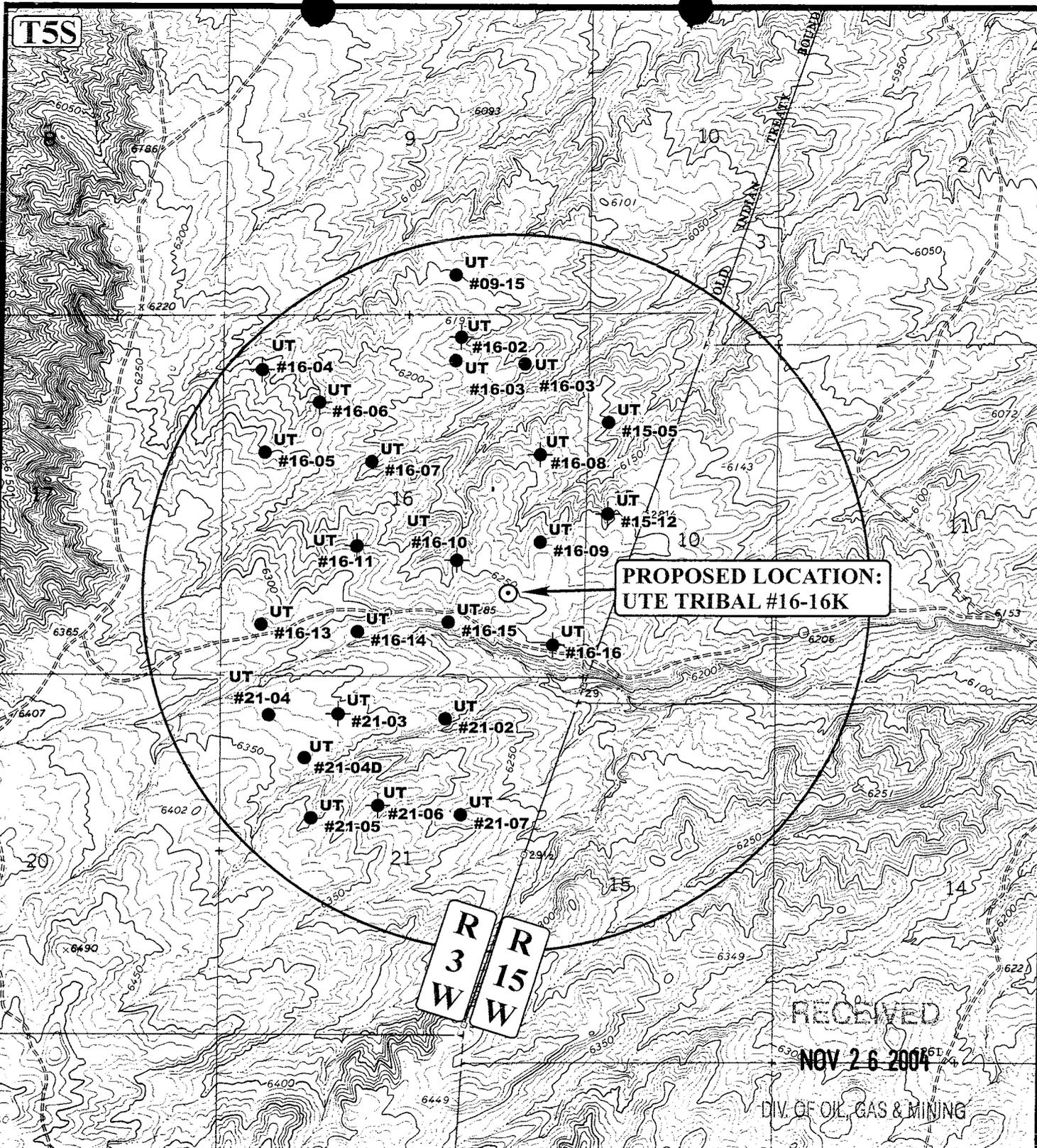


**PETROGLYPH OPERATING CO., INC.**

UTE TRIBAL #16-16K  
 SECTION 16, T5S, R3W, U.S.B.&M.  
 1236' FSL 1143' FEL

TOPOGRAPHIC MAP 09 21 04  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00





**PROPOSED LOCATION:  
UTE TRIBAL #16-16K**

**R  
3  
W** **R  
15  
W**

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DIV. OF OIL, GAS & MINING

**LEGEND:**

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



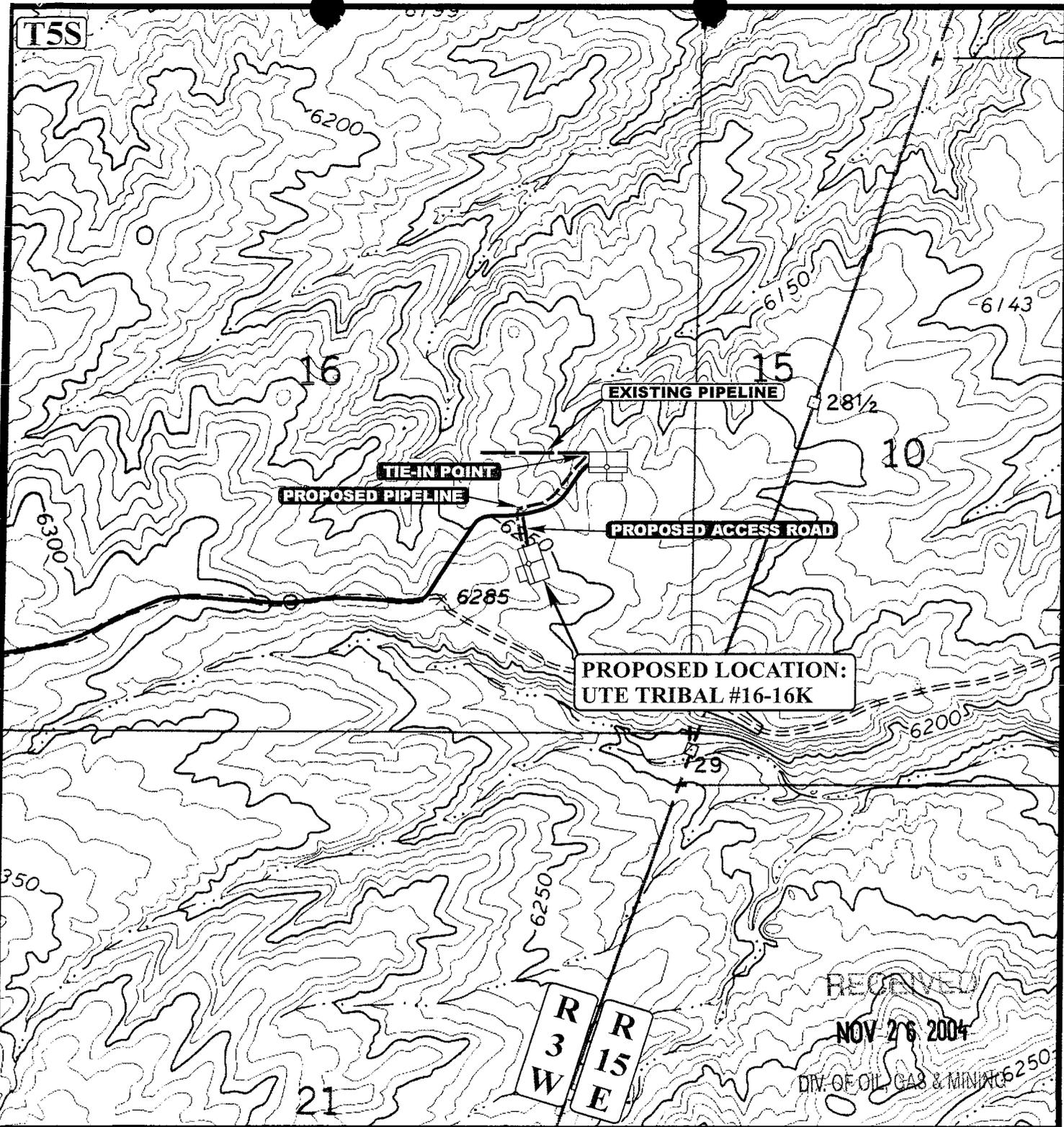
**PETROGLYPH OPERATING CO., INC.**

**UTE TRIBAL #16-16K  
SECTION 16, T5S, R3W, U.S.B.&M.  
1236' FSL 1143' FEL**

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

**TOPOGRAPHIC** 09 | 21 | 04  
**MAP** MONTH | DAY | YEAR  
 SCALE: 1" = 2000' DRAWN BY: L.K. | REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 983'+/-

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE

**PETROGLYPH OPERATING CO., INC.**

UTE TRIBAL #16-16K  
SECTION 16, T5S, R3W, U.S.B.&M.  
1236' FSL 1143' FEL

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



**TOPOGRAPHIC MAP**

09	21	04
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/26/2004

API NO. ASSIGNED: 43-013-32728

WELL NAME: UTE TRIBAL 16-16K  
OPERATOR: PETROGLYPH OPERATING CO ( N3800 )  
CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

SESE 16 050S 030W  
SURFACE: 1236 FSL 1143 FEL  
BOTTOM: 1236 FSL 1143 FEL  
DUCHESNE  
ANTELOPE CREEK ( 60 )

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

LEASE TYPE: 2 - Indian  
LEASE NUMBER: 14-20-H62-3511  
SURFACE OWNER: 2 - Indian  
PROPOSED FORMATION: CSLPK  
COALBED METHANE WELL? NO

LATITUDE: 40.04102  
LONGITUDE: -110.2203

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[2] Sta[] Fee[]  
(No. BO 4556 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-10152 )
- RDCC Review (Y/N)  
(Date: )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.  
Unit \_\_\_\_\_
- 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: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

1- Federal Approval  
2- Spacing Slip



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

December 2, 2004

Re: Application for Exception Well Location  
Proposed Ute Tribal 16-16K  
Township 5 South, Range 3 West  
Section 16: SE/4 SE/4  
Duchesne County, Utah

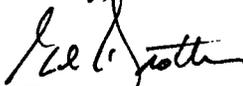
Due to topography, Petroglyph Operating Company Inc. (Petroglyph) respectfully requests administrative approval per R-649-3-3 to drill the Ute Tribal 16-16K, a 6,200' Green River test, at a location 1236' FSL & 1143' FEL, SE/4 SE/4, Section 16, Township 5 South, Range 3 West, Duchesne County, Utah.

Petroglyph Operating Company Inc. holds 100% of the operating rights within a 460' radius of the requested well site.

Petroglyph respectfully requests the Division of Oil, Gas and Mining Administratively grant this application for the exceptional well location at its earliest opportunity so that drilling operations can resume.

Please direct further correspondence and approval to myself at P.O. Box 1910, Vernal, Utah 84078, or phone me at 435-789-4120

Sincerely,



Ed Trotter, Agent  
Petroglyph Operating Company Inc.

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DEC 06 2004

DIV. OF OIL, GAS & MINING



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

December 6, 2004

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

Re: Ute Tribal 16-16K Well, 1236' FSL, 1143' FEL, SE SE, Sec. 16, T. 5 South,  
R. 3 West, 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-013-32728.

Sincerely,

John R. Baza  
Associate Director

pab  
Enclosures

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

Operator: Petroglyph Operating Company, Inc.  
Well Name & Number Ute Tribal 16-16K  
API Number: 43-013-32728  
Lease: 14-20-H62-3511

Location: SE SE                      Sec. 16                      T. 5 South                      R. 3 West

### 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 of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

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

5. 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.

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006

UNITED STATES NOV 28 2004  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work:  DRILL  REENTER  
1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator  
**PETROGLYPH OPERATING CO., INC.**

3a. Address **P.O. BOX 607,  
ROOSEVELT, UT 84066**  
3b. Phone No. (Include area code)  
**(435)722-2531**

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*  
At surface **1236' FSL, 1143' FEL SE/SE**  
At proposed prod. Zone

14. Distance in miles and direction from nearest town or post office\*  
**12.54 MILES SOUTHWEST OF BRIDGELAND, UTAH**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) **1143'**  
16. No. of Acres in lease **640**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **See Topo Man "C"**  
19. Proposed Depth **6200'**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **6256.1 FEET GRADED GROUND**  
22. Approximate date work will start\* **UPON APPROVAL**

5. Lease Serial No.  
**14-20-H62-3511**

6. If Indian, Allottee or Tribe Name  
**UTE INDIAN TRIBE**

7. If Unit or CA Agreement, Name and No.  
**UTE TRIBAL**

8. Lease Name and Well No.  
**UTE TRIBAL 16-16K**

9. API Well No.  
**43.013.32728**

10. Field and Pool, or Exploratory  
**ANTELOPE CREEK**

11. Sec., T., R., M., or Blk. and Survey or Area  
**SEC. 16, T5S, R3W, U.S.B.&M.**

12. County or Parish **DUCHESNE**  
13. State **UTAH**

17. Spacing Unit dedicated to this well

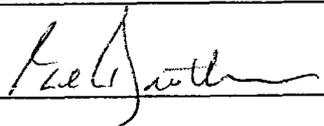
20. BLM/BIA Bond No. on file  
**BO 4556**

23. Estimated duration  
**45 DAYS**

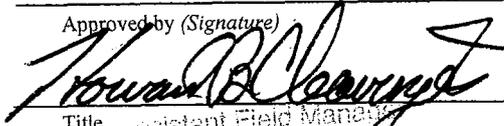
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature  Name (Printed/Typed) **Ed Trotter** Date **November 23, 2004**

Title  
**Agent**

Approved by (Signature)  Name (Printed/Typed) **Howard B. Cleary** Date **03/15/2005**

Title **Assistant Field Manager Mineral Resources** Office **DIV. OF OIL, GAS & MINING**

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*(Instructions on reverse)

NOTICE OF APPROVAL  
03/15/2005

UDGm 435 1/15/05

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Petroglyph Operating Co.  
Well Name & Number: Ute 16-16K  
Lease Number: 1420-H62-3511  
API Number: 43-013-32728  
Location: SESE Sec. 16 T.5S R. 3W  
Agreement:

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

**CONDITIONS OF APPROVAL**

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

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

A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to John Mayers of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

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

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 2M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

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

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

The variances requested in section 6 of the 8 point drilling plan are granted with the following conditions:

If a mist system is being utilized then the requirement for an automatic ignitor shall be waived.

Where the location and rig layout allows, the blooie line shall be straight and extend 100' from the wellbore. This requirement will be waived only in the case where the location is too small to accommodate it.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

All casing strings below the conductor shall be pressure tested to 0.22 psi/ft of casing string length or 1500 psi, whichever is greater but not to exceed 70% of the minimum internal yield.

As a minimum requirement, the cement behind the production casing must extend at least 200' above the top of the Green River formation which has been identified at  $\pm 1800'$ .

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

A cement bond log (CBL) will be run from the production casing shoe to top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

**Please submit an electronic copy of all logs run on this well in LAS format. This submission will supercede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF or other).**

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

6. Notifications of Operations

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

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

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

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

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

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Written notification of such must be submitted to this office not later than five (5) days following the date on which the well is placed on production.

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

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field 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 (1).

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

7. Other Information

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

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

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

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

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

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

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

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

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

Kirk Fleetwood (435) 828-7874  
Petroleum Engineer

Michael Lee (435) 828-7875  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

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

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

Refinery wastes

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

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

**SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

Petroglyph Operating Company, Inc. (Petroglyph) will assure the Ute Tribe that any/all contractors and subcontractors have acquired a current Tribal Business License and have updated "Access Permits" prior to construction. All Petroglyph personnel, contractors and subcontractors will have these permits in their vehicles at all times. Companies that have not complied with this COA will be in violation of the Ute Tribal Business License Ordinance, and will be subject to fines and penalties.

Petroglyph employees, representatives, and/or authorized personnel (subcontractors) shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

Petroglyph employees and/or authorized personnel (subcontractors) in the field will have approved applicable APDs and/or ROW permits/authorizations on their person(s) during all phases of construction.

Petroglyph will notify the Ute Tribe and Bureau of Indian Affairs (BIA) in writing of any requested modification of APDs or Rights-Of Way (ROW). Petroglyph shall receive written notification of authorization or denial of the requested modification. Without authorization, Petroglyph will be subject to fines and penalties.

The Ute Tribe Energy & Minerals Department shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday. A Tribal Technician is to routinely monitor construction. Petroglyph shall make arrangements with the Ute Energy & Minerals Department for all monitoring that will exceed regular working hours for Tribal Technicians. A qualified archaeologist accompanied by a Tribal Technician will monitor any trenching construction of the pipeline.

At the Ute Tribal 16-09H well, a corridor ROW, 862 feet long and 50 feet wide, shall be granted for the pipeline.

At the Ute Tribal 16-14N well, a corridor ROW, 24 feet long and 50 feet wide, shall be granted for the pipeline and for the new access road.

At the Ute Tribal 16-16K well, a corridor ROW, 943 feet long and 75 feet wide, shall be granted for the pipeline and for the new access road. The new access road within the corridor will be about 225 feet long.

The constructed, travel width of the access roads will be limited to 18 feet. Upon authorization by the Ute Tribe Energy & Minerals Department, the ROW may be wider where sharp curves; deep cuts and fills occur; or, where intersections with other roads are required.

Culverts and diversion ditches will be placed and constructed where needed. Road base gravel will be used where sandy soils make roadways and the drilling location hazardous for access or drilling operations.

Upon completion of the pertinent APD and ROWs, Petroglyph will notify the Ute Tribe Energy & Minerals Department for a Tribal Technician to verify the Affidavit of Completion.

Production waters, oil, and other byproducts shall not be placed on access roads or the well pad.

All vehicular traffic, personnel movement, construction and restoration operations will be confined to the

areas examined and approved and to the existing roadways and/or evaluated access routes.

Petroglyph will implement "Safety and Emergency Plan" and ensure plan compliance.

Petroglyph shall stop construction activities and notify personnel from the Ute Tribe Energy & Minerals Department and BIA if cultural remains including paleontology resources (vertebrate fossils) are exposed or identified during construction. The Ute Tribe Department of Cultural Rights and Protection and the BIA will provide mitigation measures prior to allowing construction.

Petroglyph employees and/or authorized personnel (subcontractors) will not be allowed to collect artifacts and paleontology fossils. No significant cultural resources shall be disturbed.

Petroglyph will control noxious weeds on the well site and ROWs. Petroglyph will be responsible for noxious weed control if weeds spread from the project area onto adjoining land.

Reserve pits will be lined with an impervious synthetic liner. A fence will be constructed around the reserve pit until it is backfilled. Prior to backfilling the reserve pit, all fluids will be pumped from the pit into trucks and hauled, to approved disposal sites. When the reserve pits are backfilled, the surplus oil and mud, etc., will be buried a minimum of 3 feet below the surface of the soil.

A closed system will be used during production. This means that production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites.

Surface pipelines will be constructed to lay on the soil surface. The pipeline portion of the ROW will not be bladed or cleared of vegetation without authorization of the BIA. Surface pipelines shall be welded in place at well sites or on access roads. They shall be pulled into place and assembled with suitable equipment. Vehicles shall not use pipeline ROWs as access roads unless specifically authorized.

Buried pipelines shall be buried a minimum of 3 feet below the soil surface. After construction is completed the disturbed area shall be contoured to blend into the natural landscape and be reseeded between September 15 and November 1 of the year following construction with perennial vegetation seed mixture provided by the BIA or Ute Tribe.

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

Soil erosion will be mitigated, by reseeding all disturbed areas.

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-3511
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE INDIAN TRIBE
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.			7. UNIT or CA AGREEMENT NAME: UTE TRIBAL
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____			8. WELL NAME and NUMBER: UTE TRIBAL 16-16K
2. NAME OF OPERATOR: PETROGLYPH OPERATING CO., INC.			9. API NUMBER: 4301332728
3. ADDRESS OF OPERATOR: P.O. BOX 1910                      CITY VERNAL                      STATE UT                      ZIP 84078		PHONE NUMBER: (435) 789-4120	10. FIELD AND POOL, OR WILDCAT: ANTELOPE CREEK
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1236' FSL, 1143' FEL			COUNTY: DUCHESNE
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 16 5S 3W U			STATE: UTAH

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

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

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

Petroglyph Operating Co., Inc. requests that the APD for the above-described well be extended for one year.

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 02-13-06  
By: [Signature]

3-2-06  
C#0

NAME (PLEASE PRINT) <u>Ed Trotter</u>	TITLE <u>Agent</u>
SIGNATURE <u>[Signature]</u>	DATE <u>1/31/2006</u>

(This space for State use only)

RECEIVED  
FEB 03 2006  
DIV. OF OIL, GAS & MINING



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

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

**API:** 4301332728  
**Well Name:** Ute Tribal 16-16K  
**Location:** 1236' FSL, 1143' FEL, SESE, Sec. 16, T5S, R3W  
**Company Permit Issued to:** Petroglyph Operating Co., Inc.  
**Date Original Permit Issued:** 12/6/2004

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 located 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 will 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

\_\_\_\_\_  
Signature

1/31/2006  
\_\_\_\_\_  
Date

Title: Agent

Representing: Petroglyph Operating Co., Inc.

RECEIVED  
FEB 03 2006

DIV. OF OIL, GAS & MINING

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>14-20-H62-3511</b>
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: <b>UTE INDIAN TRIBE</b>
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>UTE TRIBAL</b>
2. NAME OF OPERATOR: <b>PETROGLYPH ENERGY, INC.</b>		8. WELL NAME and NUMBER: <b>UTE TRIBAL 16-16K</b>
3. ADDRESS OF OPERATOR: P.O. BOX 1910    CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>		9. API NUMBER: <b>4301332728</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1236' FSL, 1143' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>ANTELOPE CREEK</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SESE 16 5S 3W U</b>		COUNTY: <b>DUCHESNE</b>
		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extension Request</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Petroglyph Energy, Inc. requests that the APD for the above-described well be extended for one year

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-03-07  
By: [Signature]

2-8-07  
pm

NAME (PLEASE PRINT) <u>Ed Trotter</u>	TITLE <u>Agent</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/3/2007</u>

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

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

**API:** 4301332728  
**Well Name:** Ute Tribal 16-16K  
**Location:** 1236' FSL, 1143' FEL, SESE, Sec. 16, T5S, R3W  
**Company Permit Issued to:** Petroglyph Operating Co., Inc.  
**Date Original Permit Issued:** 12/6/2004

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 located 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 will 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

  
\_\_\_\_\_  
Signature

2/3/2007  
\_\_\_\_\_  
Date

Title: Agent

Representing: Petroglyph Energy, Inc.

**RECEIVED**

**FEB 06 2007**

**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

April 4, 2008

Petroglyph Energy, Inc.  
P.O. Box 1910  
Vernal, Utah 84078

Re: APD Rescinded –Ute Tribal 16-16K, Sec. 16, T. 5S, R. 3W –Duchesne County, Utah API No. 43-013-32728

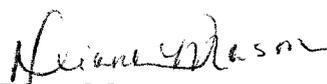
Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 6, 2004. February 13, 2006 and on February 7, 2007, 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 April 4, 2008.

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  
Bureau of Land Management, Vernal





# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal/html>



IN REPLY REFER TO:

3160

UT08300

June 24, 2008

Ed Trotter  
Petroglyph Operating Co., Inc.  
PO Box 1910  
Vernal, UT 84078

43-013-32728

Re: Notice of Expiration  
Well No. Ute Tribal 16-16K  
SESE, Sec. 16, T5S, R3W  
Duchesne County, Utah  
Lease No. 14-20-H62-3511

Dear Mr. Trotter:

The Application for Permit to Drill the above-referenced well was approved on March 15, 2005. No extension of the original APD was requested. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

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

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

*Cindy Severson*

Cindy Severson  
Land Law Examiner

cc: UDOGM  
BIA

