

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>						<b>1. WELL NAME and NUMBER</b> cliffs federal 23-8-11-16				
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						<b>3. FIELD OR WILDCAT</b> WILDCAT				
<b>4. TYPE OF WELL</b> Gas Well Coalbed Methane Well: NO						<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>				
<b>6. NAME OF OPERATOR</b> GASCO PRODUCTION COMPANY						<b>7. OPERATOR PHONE</b> 303 483-0044				
<b>8. ADDRESS OF OPERATOR</b> 8 Inverness Dr. East, Suite 100, Englewood, CO, 80112						<b>9. OPERATOR E-MAIL</b> jlongwell@gascoenergy.com				
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> utu 82699			<b>11. MINERAL OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			<b>12. SURFACE OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>				
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>						<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>				
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>						<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>				
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>			<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
<b>20. LOCATION OF WELL</b>		<b>FOOTAGES</b>		<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>		
LOCATION AT SURFACE		2008 FSL 1892 FWL		NESW	8	11.0 S	16.0 E	S		
Top of Uppermost Producing Zone		2008 FSL 1892 FWL		NESW	8	11.0 S	16.0 E	S		
At Total Depth		2008 FSL 1892 FWL		NESW	8	11.0 S	16.0 E	S		
<b>21. COUNTY</b> DUCHESNE			<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 1892			<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 1595				
<b>27. ELEVATION - GROUND LEVEL</b> 6991			<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 8000			<b>26. PROPOSED DEPTH</b> MD: 17080 TVD: 17080				
<b>28. BOND NUMBER</b> ut 1233			<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> 41-3530							
<b>Hole, Casing, and Cement Information</b>										
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Length</b>	<b>Weight</b>	<b>Grade &amp; Thread</b>	<b>Max Mud Wt.</b>	<b>Cement</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
Cond	17.5	13.375	0 - 300	48.0	H-40 ST&C	8.3	Type V	300	1.18	15.6
Surf	12.25	9.625	0 - 6825	53.5	N-80 LT&C	9.0	Hi Lift "G"	939	3.91	11.0
							10-2 RFC	185	1.63	14.2
Prod	7.875	4.5	0 - 17080	15.1	HCP-110 LT&C	12.5	Hi Lift "G"	523	3.05	11.5
							50/50 Poz	2320	1.28	14.1
<b>ATTACHMENTS</b>										
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
<b>NAME</b> Roger Knight			<b>TITLE</b> EHS Supervisor			<b>PHONE</b> 303 996-1803				
<b>SIGNATURE</b>			<b>DATE</b> 09/20/2011			<b>EMAIL</b> rknight@gascoenergy.com				
<b>API NUMBER ASSIGNED</b> 43013509820000			<b>APPROVAL</b>  Permit Manager							

**Gasco Production Company**  
**23-8-11-16**  
**NESW, Section #8, Township 11 South, Range 16 East**  
**Duchesne County, Utah**  
**Lease No. UTU- 82699**

ONSHORE OIL & GAS ORDER NO. 1

**Drilling Program**

**1. Estimated Tops of Important Geological Markers**

<b>Formation</b>	<b>Depth</b>	<b>Subsea</b>
Green River	surface	surface
Wasatch	4770'	+2230'
Mesaverde	8950'	-1950'
Castlegate	11550'	-4550'
Blackhawk	11800'	-4800'
Spring Canyon	12680'	-5680'
Mancos	12880'	-5880'
TD	17080'	-10080'

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

<b>Substance</b>	<b>Formation</b>	<b>Depth</b>
Gas	Mesaverde	8950' - 11550'
Gas	Blackhawk	11800' - 12880'
Gas	Mancos	12880' - 17080'

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

**3. Pressure Control Equipment**

All well control equipment will be in accordance to Onshore Order No. 2 for 5M Systems and are as follows:

10,000# BOP with 4 ½" Pipe Rams  
 10,000# BOP with Blind Rams  
 5,000# Annular

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

**Pressure Control Equipment Continued**

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

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30 day intervals

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

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

Annular preventers shall be functionally operated at least weekly.

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

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

Pressure tests shall apply to all related well control equipment.

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

BOP systems shall be consistent with API RP 53 Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling cement plugs.

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

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not yet been chosen to drill this well, most of the equipment for this depth will utilize 5M working BOP.
- b. A choke line and kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

#### 4. Proposed Casing and Cementing Program

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

b. Casing Program

	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Grade</u>	<u>Type</u>
Conductor	300'	17 1/2"	13 3/8"	H-40	-
Surface	6825'	12 1/4"	9 5/8"	N-80	LT&C
Production	17080'	7 7/8"	4 1/2"	HCP-110	LT&C

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

d. Cement Program

	<u>Est. Top of Cement</u>	<u>Cement Type</u>	<u>Yield</u>	<u>Supply Wt.</u>
Conductor	surface	300 sxs Premium Type 5	1.18	15.6
Surface	surface	939 sx Hilift	3.91	11
		185 sx 10-2 RFC	1.60	14.2
Production	5825'	523 sx Hilift	3.05	11.5
		2320 sx 50/50 poz	1.28	14.1

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

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

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

1. Progress reports, form 3160-5 "Sundry Notices and Reports on Wells", must include complete information concerning:

- a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.

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

h. Auxiliary equipment to be used is as follows:

1. Kelly cock
2. A bit float
3. A sub with full opening valve.

**5. Drilling Fluids Program:**

<u>Interval</u>	<u>Type</u>	<u>Wt. (ppg)</u>	<u>Viscosity</u>	<u>pH</u>	<u>Water Loss</u>	<u>Remarks</u>
0-300'	Fresh water	8.33	1	7.0	NA	
300'-6825'	Fresh water	8.33 – 9.0	1	7.0	NA	
6825'-TD	Fresh water & DAP	9.0 – 12.5	30 - 40	8.0	10-12	

a. Sufficient quantities of mud material will be maintained on site or be readily available for the purpose of assuring well control. SPR will be recorded on a daily drilling report after mudding up. Visual mud monitoring will be conducted during operations.

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

c. 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.

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

e. Water will come from: Water Right No. 41-3530.

f. Water will be hauled by commercial transport over the access roads shown on Attached Maps "A" and "B".

g. No water well will be drilled on this lease

**6. Evaluation Program**

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

a. No drill stem tests are anticipated, if DST's are run, the following requirements will be adhered to:

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

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided means for reverse circulation.

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

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

b. The logging program will consist of Schlumberger Platform Express (or equivalent) to be run from base of surface casing to TD.

c. No cores are anticipated.

d. 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 no later than 30 days after the 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 tested 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 (cutting, fluids, and/or gases) will be submitted when requested by the AO.

e. The anticipated completion program is as follows: Perform multistage fracs and complete all productive zones present in the wellbore. Produce all zones commingled.

f. Daily drilling and completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

## 7. Abnormal Temperatures and Pressures

a. The expected bottom hole pressure is 10248psig

The maximum bottom hole temperature anticipated is 307 degrees Fahrenheit.

b. No hydrogen sulfide gas is anticipated. Abnormal pressures will be controlled with mud weight and 10000# BOP and rotating head.

## 8. Anticipated Starting Dates and Notifications of Operations

a. Drilling is anticipated to commence immediately upon approval

b. It is anticipated that the drilling of this well will take approximately 45 days.

c. The Vernal BLM and/or UDOGM shall be notified of the anticipated date of location construction and anticipated spud date.

- d. 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 to approval from the AO will be obtained and notification given before resuming operations.
- e. The spud date will be reported orally to the AO within 48 hours of spudding. If the spudding occurs on a weekend or holiday, the report will be submitted via voice mail and/or e-mail to the AO.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM and/or UDOGM.
- g. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual or undesirable events shall be reported promptly to the AO in accordance with the requirements of NTL-3A or its revision.
- h. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, or prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed on producing status. Written notification, e-mail or otherwise, will be sent no later than 5 days following the date on which the well is placed on production.
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- k. Pursuant to NTL-4A lessees or operators are authorized to vent/flare gas during initial well evaluation test, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day authorized test period.
- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the BLM, Vernal Field Office and/or UDOGM within 60 days of installation or first production whichever occurs first. All site security regulations as specified in Onshore Order No.3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.).
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- n. No well abandonment operations will commence without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed within 30 days following the completion of the well for abandonment. The report will indicate where plugs were placed and the current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work has been completed to the satisfaction of the AO.

o. Pursuant to Onshore Oil and Gas Order No.1, lessees and operators have the responsibility of operating in a manner which conforms with the applicable Federal laws and regulations and with the State and local laws and regulations to the extent that such laws are applicable to operations on Federal lands.

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

Phone: (435)781-4400

Fax: (435)781-4410

After Hours:

Michael Lee    Petroleum Engineer    (435)828-4470

Matt Baker    Petroleum Engineer    (435)828-7875

Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84116

Phone 801-538-5340

Fax 801-539-3940

CONFIDENTIAL

# T11S, R16E, SLB&M

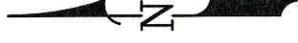
**LEGAL DESCRIPTION**  
 WELL LOCATION: CLIFFS FEDERAL 23-8-11-16, LOCATED AS SHOWN IN THE NORTH-EAST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SECTION 8, TOWNSHIP 11 SOUTH, RANGE 16 EAST, SALT LAKE BASE AND MERIDIAN, DUCHESNE COUNTY, UTAH

## BASIS OF BEARINGS

ALL BEARINGS AND DISTANCES SHOWN HEREON ARE GRID, BASED ON THE UTAH COORDINATE SYSTEM OF 1983, UTAH CENTRAL ZONE U.S. SURVEY FEET, AS DERIVED FROM A GLOBAL POSITIONING SURVEY PERFORMED BY UNIVERSAL PEGASUS INTERNATIONAL IN 2009 (COMBINED SCALE FACTOR: 0.999996464).

## BASIS OF ELEVATION

NAVD88 (COMPUTED USING GEOID 03) AS DERIVED FROM AN NGS OPUS SOLUTION. VERTICAL NETWORK ACCURACY=0.00508 METERS.



## CERTIFICATE

I, BRENT E. CHRISTENSEN DO HEREBY CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND UNDER MY DIRECTION AND THAT THIS PLAT CORRECTLY REPRESENTS THE FACTS FOUND AT THE TIME OF THE SURVEY.

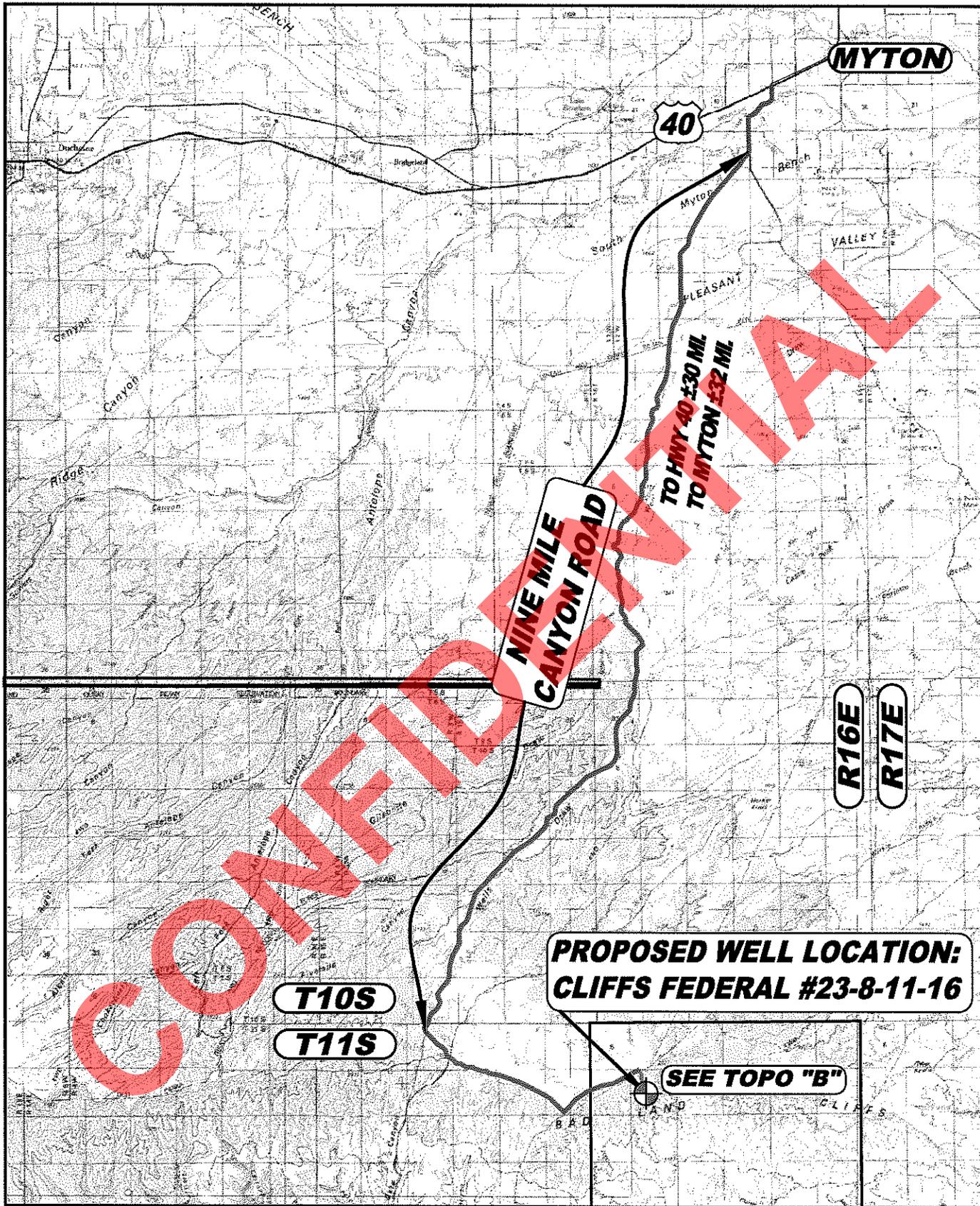
BRENT E. CHRISTENSEN  
 REGISTERED PROFESSIONAL LAND SURVEYOR  
 UTAH REGISTRATION NO. 465-4808



SCALE: 1" = 1,000'  
 DATE SURVEYED: 07/15/11  
 DATE DRAWN: 08/05/11 - BY: BEC  
 REVISED:

CLIFFS FEDERAL 23-8-11-16  
 NE-SW, SEC. 8, T11S, R16E, SLB&M  
 2008' FSL 1892' FWL





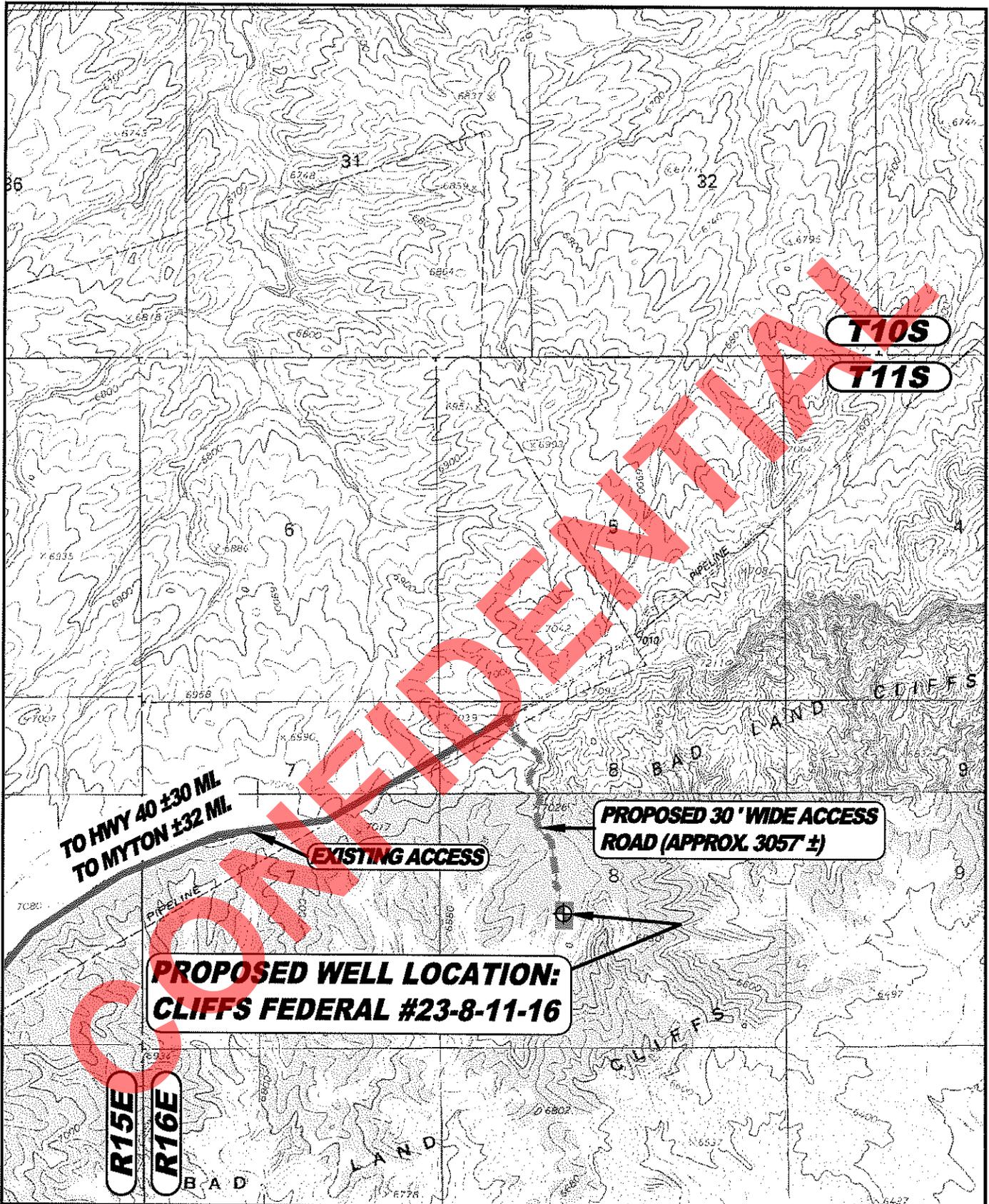
**GASCO**  
Energy



**LEGEND:**  
 **PROPOSED LOCATION**  
 30X60 MIN. QUAD:  
**PRICE, UTAH**  
**DUCHESNE, UTAH**

**TOPOGRAPHIC MAP "A"**  
**CLIFFS FEDERAL 23-8-11-16**  
**NE-SW, SEC. 8, T11S, R16E, SLB&M**  
**2008' FSL 1892' FWL**  
 SCALE: 1"=15000' DRAWN BY: BEC DATE: 07/14/11 REVISED:

  
**Universal Pegasus**  
 INTERNATIONAL



TO HWY 40 ±30 ML  
TO MYTON ±32 ML

**EXISTING ACCESS**

**PROPOSED 30' WIDE ACCESS ROAD (APPROX. 305' ±)**

**PROPOSED WELL LOCATION:  
CLIFFS FEDERAL #23-8-11-16**

**R15E**

**R16E**

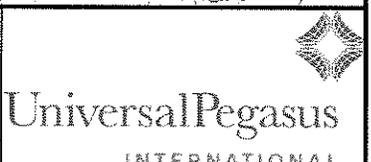
**T10S**

**T11S**



**LEGEND:**  
 **PROPOSED LOCATION**  
 7.5 MIN. QUAD:  
 GILSONITE DRAW  
 COWBOY BENCH

**TOPOGRAPHIC MAP "B"**  
**CLIFFS FEDERAL 23-8-11-16**  
**NE-SW, SEC. 8, T11S, R16E, SLB&M**  
**2008' FSL 1892' FWL**  
 SCALE: 1"=2000' DRAWN BY: REC DATE: 07/14/11 REVISED:

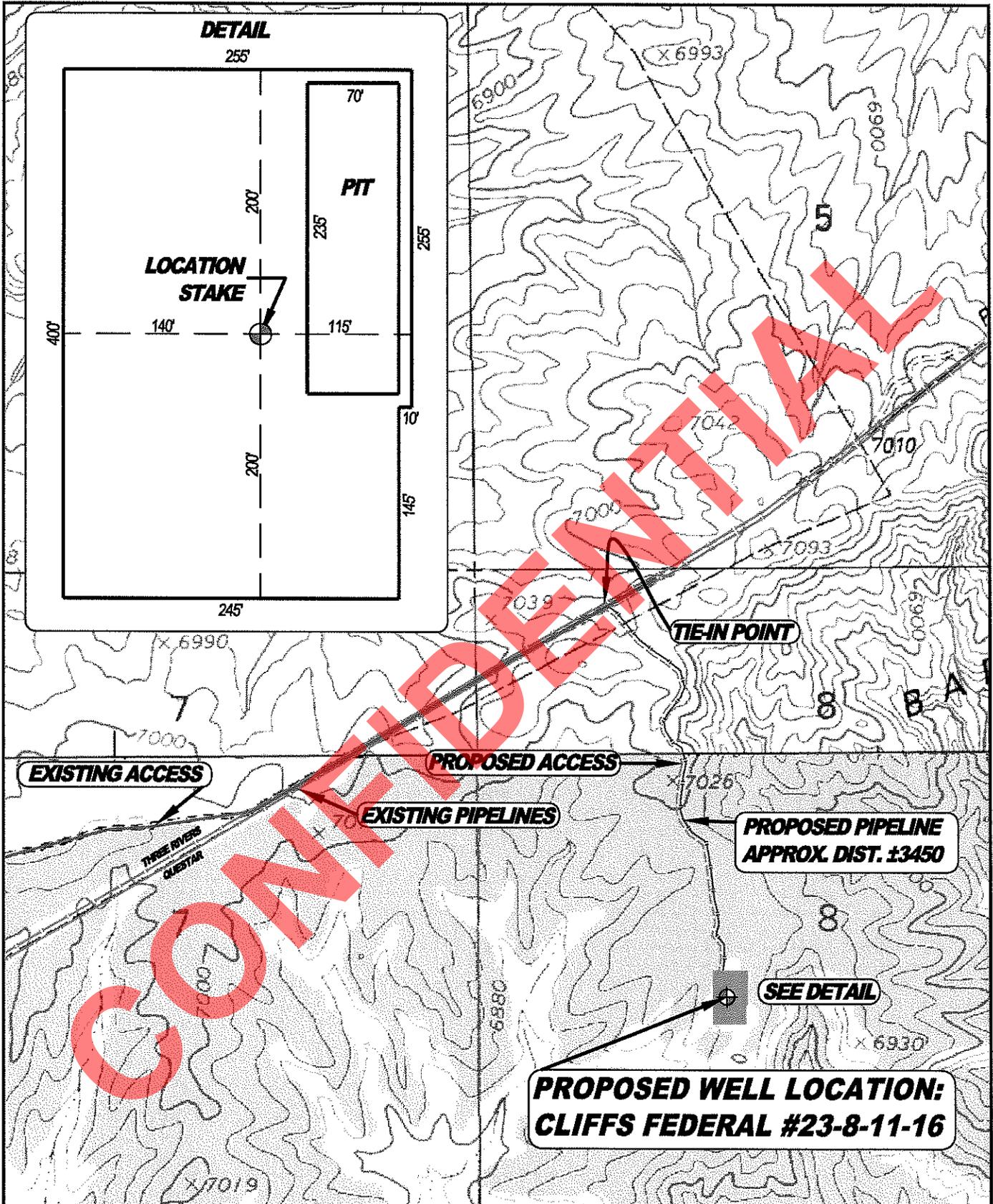




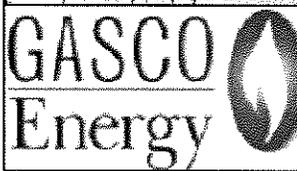
**LEGEND:**  
 **PROPOSED LOCATION**  
 7.5 MIN. QUAD:  
 GILSONITE DRAW  
 COWBOY BENCH

**TOPOGRAPHIC MAP "C"**  
**CLIFFS FEDERAL 23-8-11-16**  
**NE-SW, SEC. 8, T11S, R16E, SLB&M**  
**2008' FSL 1892' FWL**  
 SCALE: 1"=2000' DRAWN BY: SEC DATE: 07/14/11 REVISED:





CONCEPTUAL DESIGN



**LEGEND:**

⊕ **PROPOSED LOCATION**

7.5 MIN. QUAD:  
GILSONITE DRAW  
COWBOY BENCH

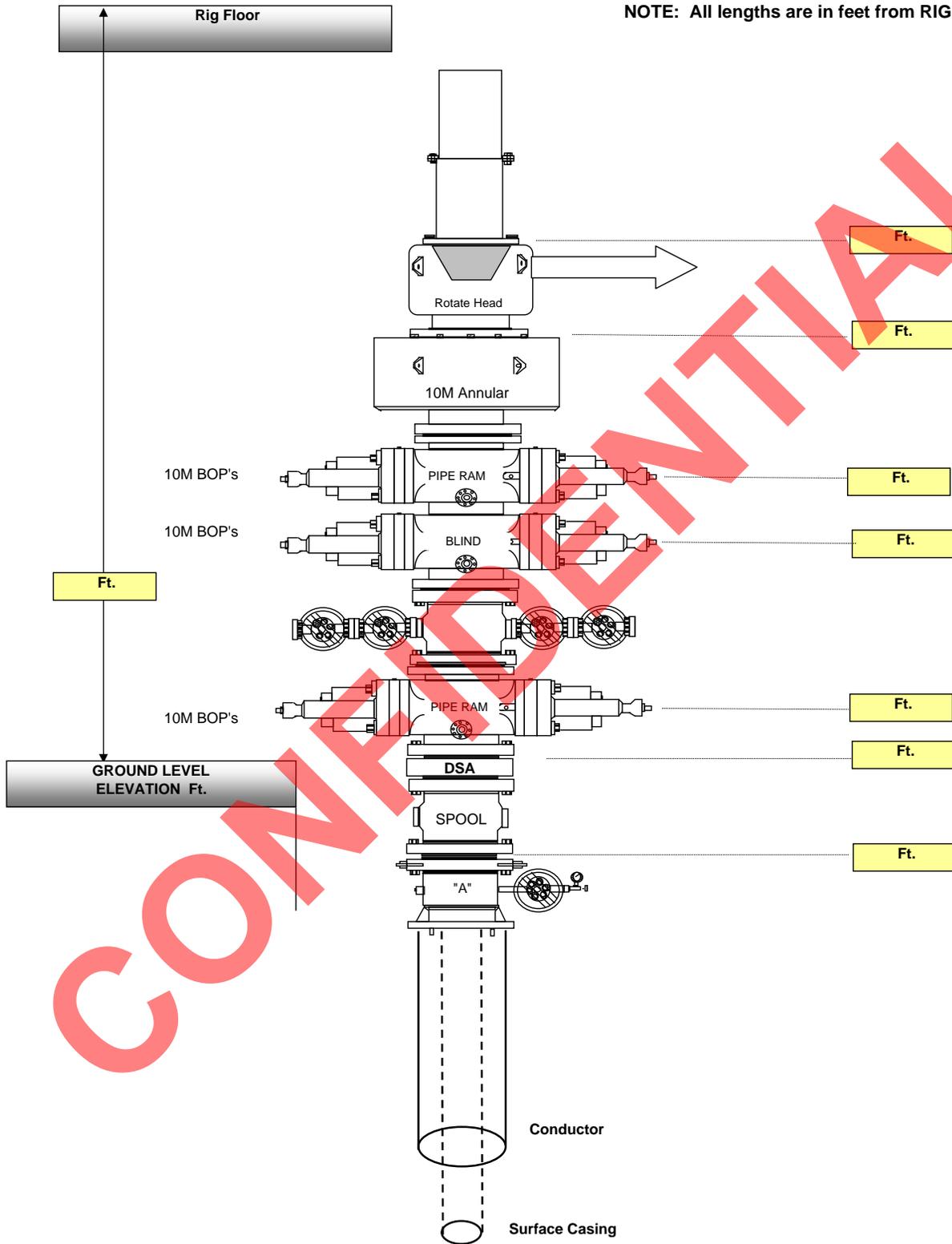
**TOPOGRAPHIC MAP "D"**  
**CLIFFS FEDERAL 23-8-11-16**  
 NE-SW, SEC. 8, T11S, R16E, SLB&M  
 2008' FSL 1892' FWL

SCALE: 1"=1000' DRAWN BY: SEC DATE: 07/14/11 REVISED:

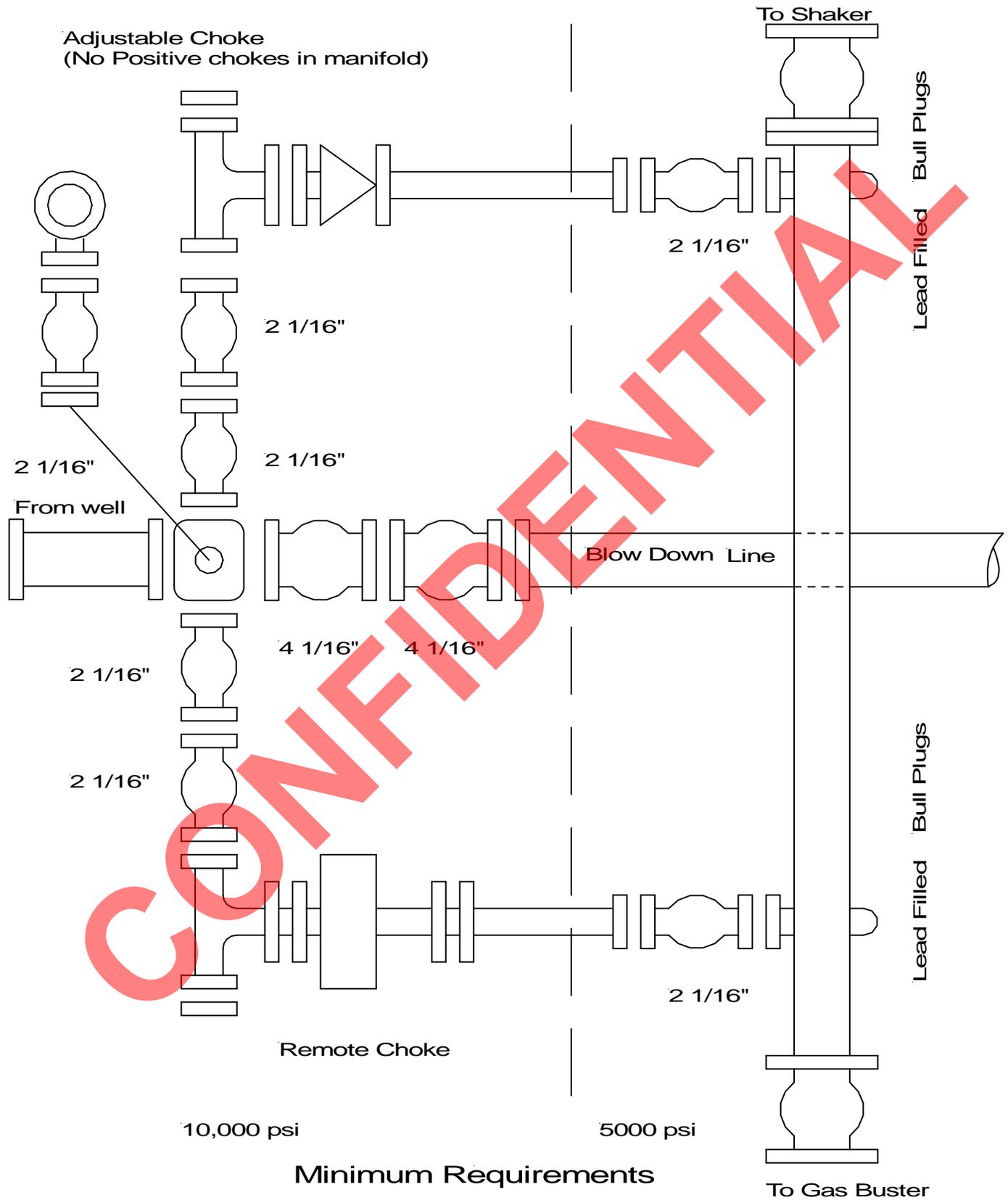


Gasco Energy Utah Region	<b>DRILLING PHASE</b> <u>BOP Stack Diagram</u>	River Bend Area Utah DATE: Rig:
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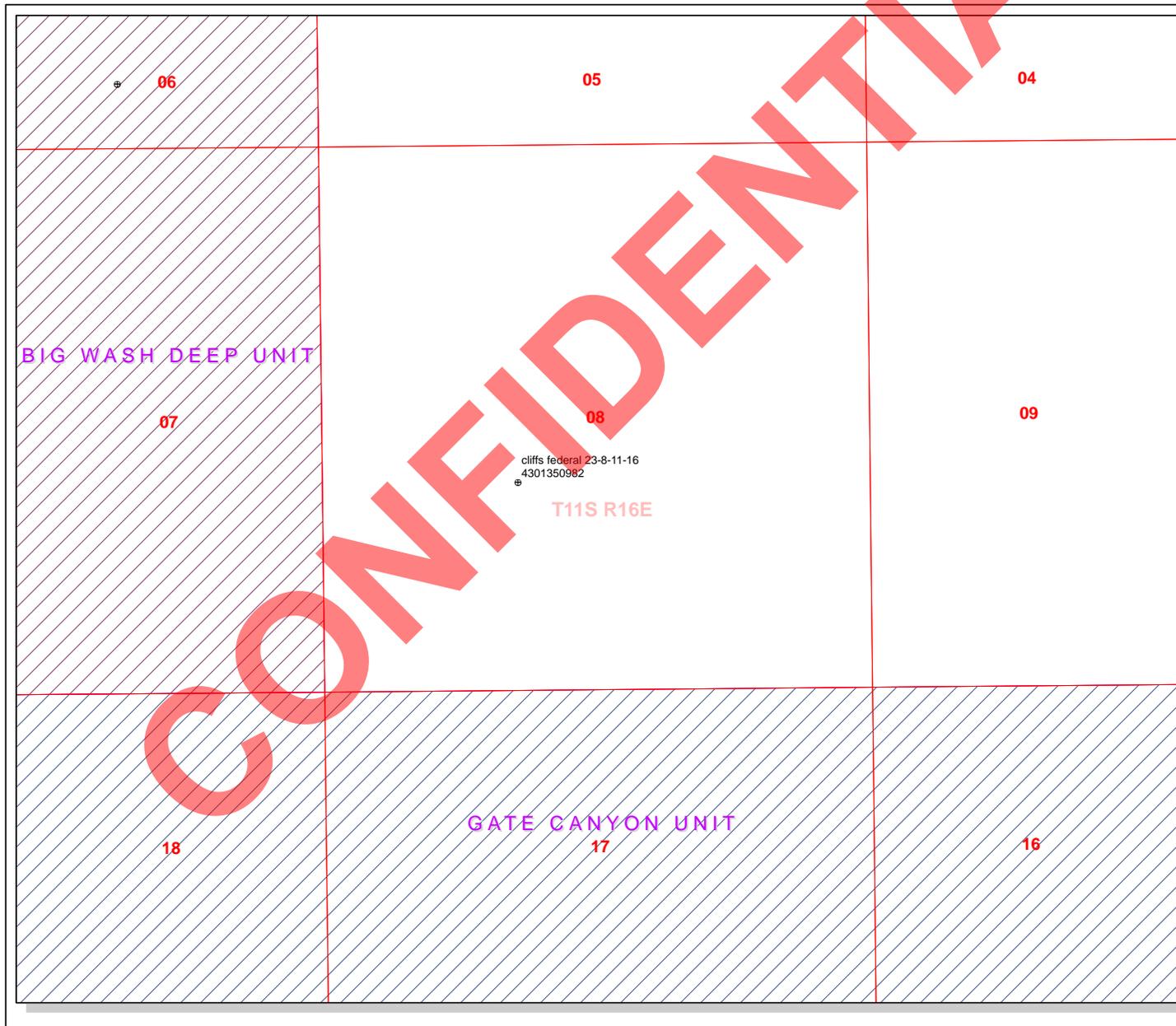
NOTE: All lengths are in feet from RIG FLOOR.



# 10,000 psi Manifold



**CONFIDENTIAL**



API Number: 4301350982

Well Name: cliffs federal 23-8-11-16

Township T11.1 . Range R1.6 . Section 08

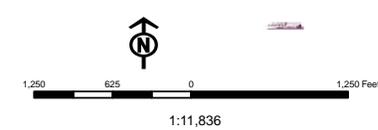
Meridian: SLBM

Operator: GASCO PRODUCTION COMPANY

Map Prepared:

Map Produced by Diana Mason

Units STATUS	Wells Query Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERM.	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Unknown	SGW - Shut-in Gas Well
ABANDONED	SOW - Shut-in Oil Well
ACTIVE	TA - Temp. Abandoned
COMBINED	TW - Test Well
INACTIVE	WDW - Water Disposal
STORAGE	WIW - Water Injection Well
TERMINATED	WSW - Water Supply Well



## WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 9/20/2011

**API NO. ASSIGNED:** 43013509820000

**WELL NAME:** cliffs federal 23-8-11-16

**OPERATOR:** GASCO PRODUCTION COMPANY (N2575)

**PHONE NUMBER:** 303 996-1803

**CONTACT:** Roger Knight

**PROPOSED LOCATION:** NESW 08 110S 160E

**Permit Tech Review:**

**SURFACE:** 2008 FSL 1892 FWL

**Engineering Review:**

**BOTTOM:** 2008 FSL 1892 FWL

**Geology Review:**

**COUNTY:** DUCHESNE

**LATITUDE:** 39.86989

**LONGITUDE:** -110.15008

**UTM SURF EASTINGS:** 572689.00

**NORTHINGS:** 4413452.00

**FIELD NAME:** WILDCAT

**LEASE TYPE:** 1 - Federal

**LEASE NUMBER:** utu 82699

**PROPOSED PRODUCING FORMATION(S):** MANCOS

**SURFACE OWNER:** 1 - Federal

**COALBED METHANE:** NO

**RECEIVED AND/OR REVIEWED:**

- PLAT
- Bond: FEDERAL - ut 1233
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 41-3530
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

**Commingling Approved**

**LOCATION AND SITING:**

- R649-2-3.
- Unit:**
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No:** R649-3-2
- Effective Date:**
- Siting:**
- R649-3-11. Directional Drill

**Comments:** Presite Completed

**Stipulations:** 4 - Federal Approval - dmason  
23 - Spacing - dmason



GARY R. HERBERT  
*Governor*

GREGORY S. BELL  
*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*

### Permit To Drill

\*\*\*\*\*

**Well Name:** cliffs federal 23-8-11-16  
**API Well Number:** 43013509820000  
**Lease Number:** utu 82699  
**Surface Owner:** FEDERAL  
**Approval Date:** 9/27/2011

**Issued to:**

GASCO PRODUCTION COMPANY, 8 Inverness Dr. East, Suite 100, Englewood, CO 80112

**Authority:**

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the MANCOS Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

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

**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.

**Conditions of Approval:**

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

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.

**Notification Requirements:**

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

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

**Approved By:**

A handwritten signature in black ink, appearing to read "John Rogers", written over a faint horizontal line.

For John Rogers  
Associate Director, Oil & Gas

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</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.	5. LEASE DESIGNATION AND SERIAL NUMBER: utu 82699
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR:	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: _____ PHONE NUMBER: _____ _____ Ext	8. WELL NAME and NUMBER: CLIFFS FED 23-8-11-16
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2008 FSL 1892 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 08 Township: 11.0S Range: 16.0E Meridian: S	9. API NUMBER: 43013509820000
	9. FIELD and POOL or WILDCAT: WILDCAT
	COUNTY: DUCHESNE
	STATE: UTAH

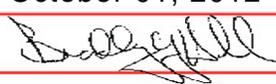
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <b>9/27/2013</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: October 01, 2012

By: 

NAME (PLEASE PRINT) Roger Knight	PHONE NUMBER 303 996-1803	TITLE EHS Supervisor
SIGNATURE N/A	DATE 9/27/2012	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43013509820000**

API: 43013509820000

Well Name: CLIFFS FED 23-8-11-16

Location: 2008 FSL 1892 FWL QTR NESW SEC 08 TWP 110S RNG 160E MER S

Company Permit Issued to: GASCO PRODUCTION COMPANY

Date Original Permit Issued: 9/27/2011

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 rightof- 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: Roger Knight

Date: 9/27/2012

Title: EHS Supervisor Representing: GASCO PRODUCTION COMPANY



GARY R. HERBERT  
Governor

SPENCER J. COX  
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 29, 2013

Gasco Production Company  
8 Inverness Dr. East, Suite 100  
Englewood, CO 80112

Re: APD Rescinded – Cliffs Fed 23-8-11-16, Sec. 8, T. 11S, R. 16E  
Duchesne County, Utah API No. 43-013-50982

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 27, 2011. On October 1, 2012 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 29, 2013.

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