

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER Sego Well 4				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT GATE CANYON				
4. TYPE OF WELL Water Disposal Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME GATE CANYON				
6. NAME OF OPERATOR GASCO PRODUCTION COMPANY						7. OPERATOR PHONE 303 483-0044				
8. ADDRESS OF OPERATOR 8 Inverness Dr. East, Suite 100, Englewood, CO, 80112						9. OPERATOR E-MAIL jlongwell@gascoenergy.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) utu73425			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL		FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN		
LOCATION AT SURFACE		1813 FNL 2027 FEL		SWNE	31	11.0 S	16.0 E	S		
Top of Uppermost Producing Zone		1813 FNL 2027 FEL		SWNE	31	11.0 S	16.0 E	S		
At Total Depth		1813 FNL 2027 FEL		SWNE	31	11.0 S	16.0 E	S		
21. COUNTY DUCHESNE			22. DISTANCE TO NEAREST LEASE LINE (Feet) 1813			23. NUMBER OF ACRES IN DRILLING UNIT 271				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 13200			26. PROPOSED DEPTH MD: 5152 TVD: 5152				
27. ELEVATION - GROUND LEVEL 6520			28. BOND NUMBER ut1233			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 41-3530				
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
SURF	11	8.625	0 - 657	24.0	J-55 LT&C	8.3	Class G	240	1.15	15.8
PROD	7.875	5.5	0 - 5152	17.0	J-55 LT&C	9.2	Light (Hibond)	330	2.46	11.5
							50/50 Poz	410	1.28	14.2
ATTACHMENTS										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING 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					
NAME Roger Knight				TITLE EHS Supervisor			PHONE 303 996-1803			
SIGNATURE				DATE 12/13/2011			EMAIL rknight@gascoenergy.com			
API NUMBER ASSIGNED 43013511210000				APPROVAL  Permit Manager						

Gasco Production Company
Sego Well #4
SW/NE, Section #31, Township11S, Range16E
Duchesne, Utah
Lease No. UTU- #73425

ONSHORE OIL & GAS ORDER NO. 1

Drilling Program

1. Estimated Tops of Important Geological Markers

Formation	Depth
Green River Formation	Surface
Garden Gulch	806'
Y-Marker	1597'
Douglas Creek Marker	1647'
BiCarbonate Marker	1820'
B Limestone Marker	1900'
Castle Peak Limestone	2442'
Uteland Butte Limestone	2909'
Top of Upper Confining zone	2987'
Wasatch Formation	3108'
Base of Upper Confining zone	3174'
Top of Injection zone	3174'
Base of Injection zone	5,030'
Top of Lower Confining zone	5,065'
Base of Lower Confining zone	5,400'

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

Substance	Formation	Depth
Water	Wasatch	3,174'- 5,030'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected.

3. Pressure Control Equipment

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

5,000# BOP with 4 ½" Pipe Rams
5,000# 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.

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

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/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&Weight</u>	<u>Type</u>
Surface(existing)	657	11.0	8.625	J-55 24#	LT&C
Production	5,152	7.875	5.5	J-55 17#	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>Quantity</u>	<u>Yield</u>	<u>Supply Wt.</u>
Surface	Surface	Class "G"	240	1.15	15.8
Production	Surface	Lite	330 (+50%)	2.46	11.5
	3120'	50-50 POZ	410 (+50%)	1.28	14.2

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>
0-657'	Fresh Water	8.33	1	7	NA	
657' - 5,152'	Fresh Water Gel	8.6 -9.2	30-40	8	8-10	Mud as req.

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.

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 providing 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. "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 (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

e. The anticipated completion program is as follows: Perforate injection zones underbalanced by wireline and/or tubing-conveyed guns. Stimulate with gas fracs, fluid fracs, or acid as required. Inject 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 2300 psi. The maximum bottom-hole temperature anticipated is 110 degrees Fahrenheit.

b. No hydrogen sulfide gas is anticipated. Abnormal pressures will be controlled with mud weight and 5,000# 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 10 days.
- c. The BLM in Vernal, Utah 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 Vernal BLM Office, 170 South 500 East, Vernal, Utah, 84078.
- 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 injection, the AO will be notified when the well is placed on injecting 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 injection.
- 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 within 60 days of installation or first injection whichever occurs first. All site security regulations as specified in Onshore Order No.3 shall be adhered to. All

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

m. 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.

n. 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.

o. State of Utah UIC Rule R649-5. Underground Injection Control of Recovery Operations and Class II Injection Wells will be adhered to at all times.

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

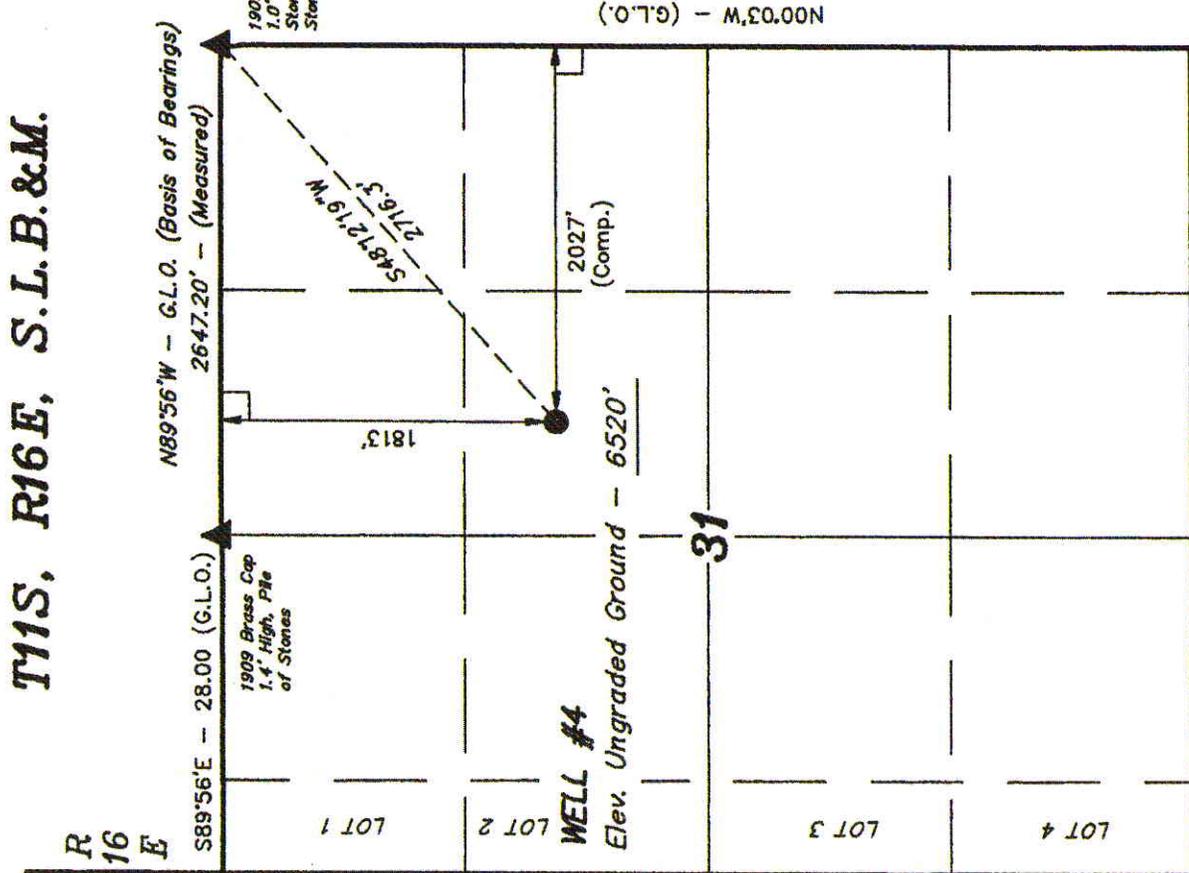
SEGO RESOURCES

Well Location, WELL #4, located as shown in the SW 1/4 NE 1/4 of Section 31, T11S, R16E, S.L.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 29, T11S, R16E, S.L.B.&M. TAKEN FROM THE COMBOY BENCH, QUADRANGLE, UTAH, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6404 FEET.

00'00"W - 80.00 (G.L.O.)



T11S, R16E, S.L.B.&M.

R 15 E
R 16 E

N89°56'W - 2647.20' - (Measured)

1909 Brass Cap
1.4' High, Pile
of Stones

1909 Brass Cap
1.0' High, Set
Stones, Scattered

548'12.19"W
2716.3'

1813'

WELL #4
Elev. Ungraded Ground - 6520'

2027'
(Comp.)

00'03"W - 60.00 (G.L.O.)

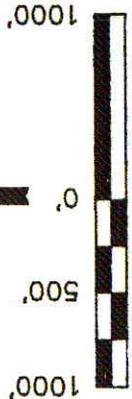
31

LOT 1
LOT 2
LOT 3
LOT 4

EAST - 67.60 (G.L.O.)

LEGEND:

- ┌ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.



SCALE

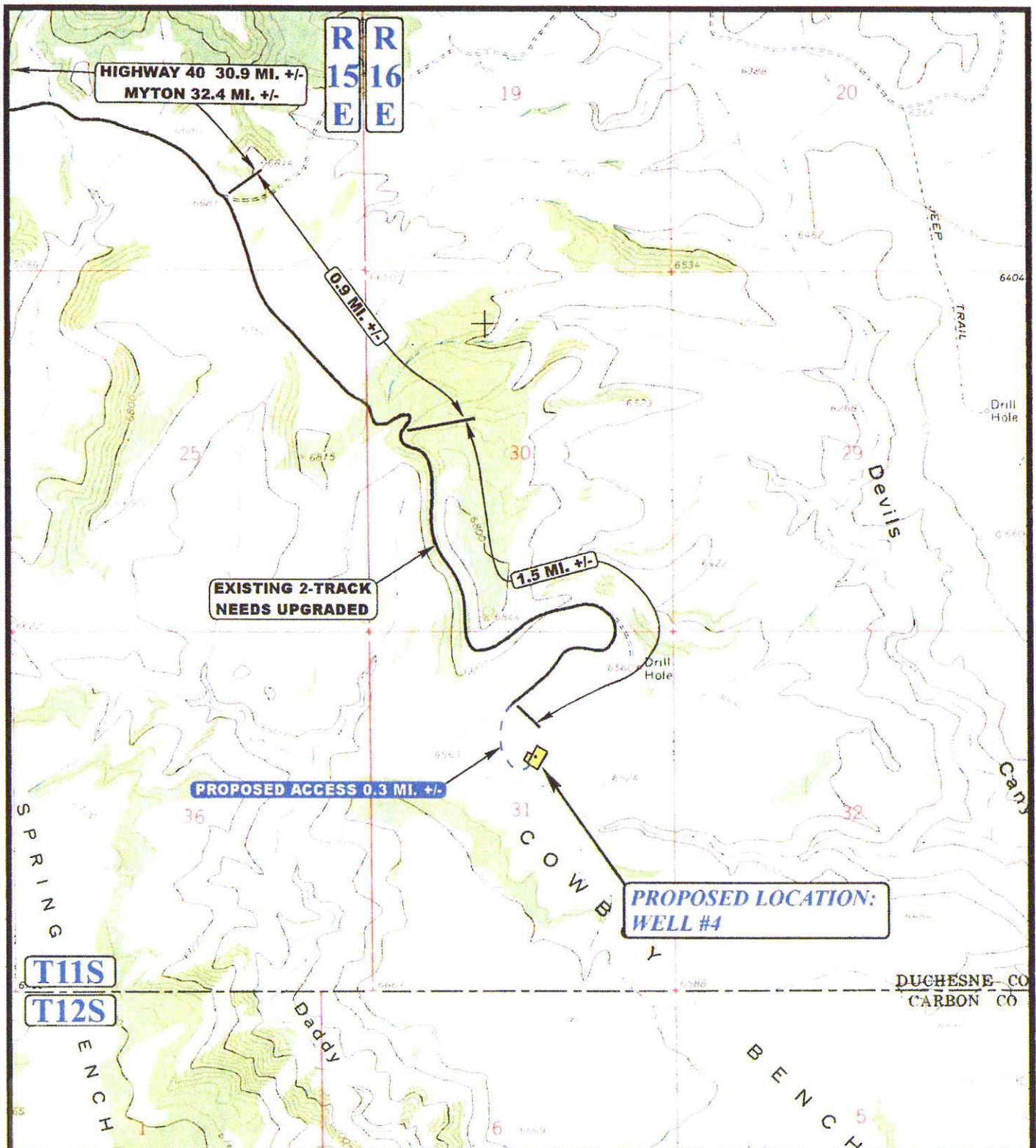
CERTIFICATE

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

Robert L. King
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UNTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 08-04-97	DATE DRAWN: 08-12-97
PARTY G.S. J.W. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE SEGO RESOURCES	



LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



SEGO RESOURCES

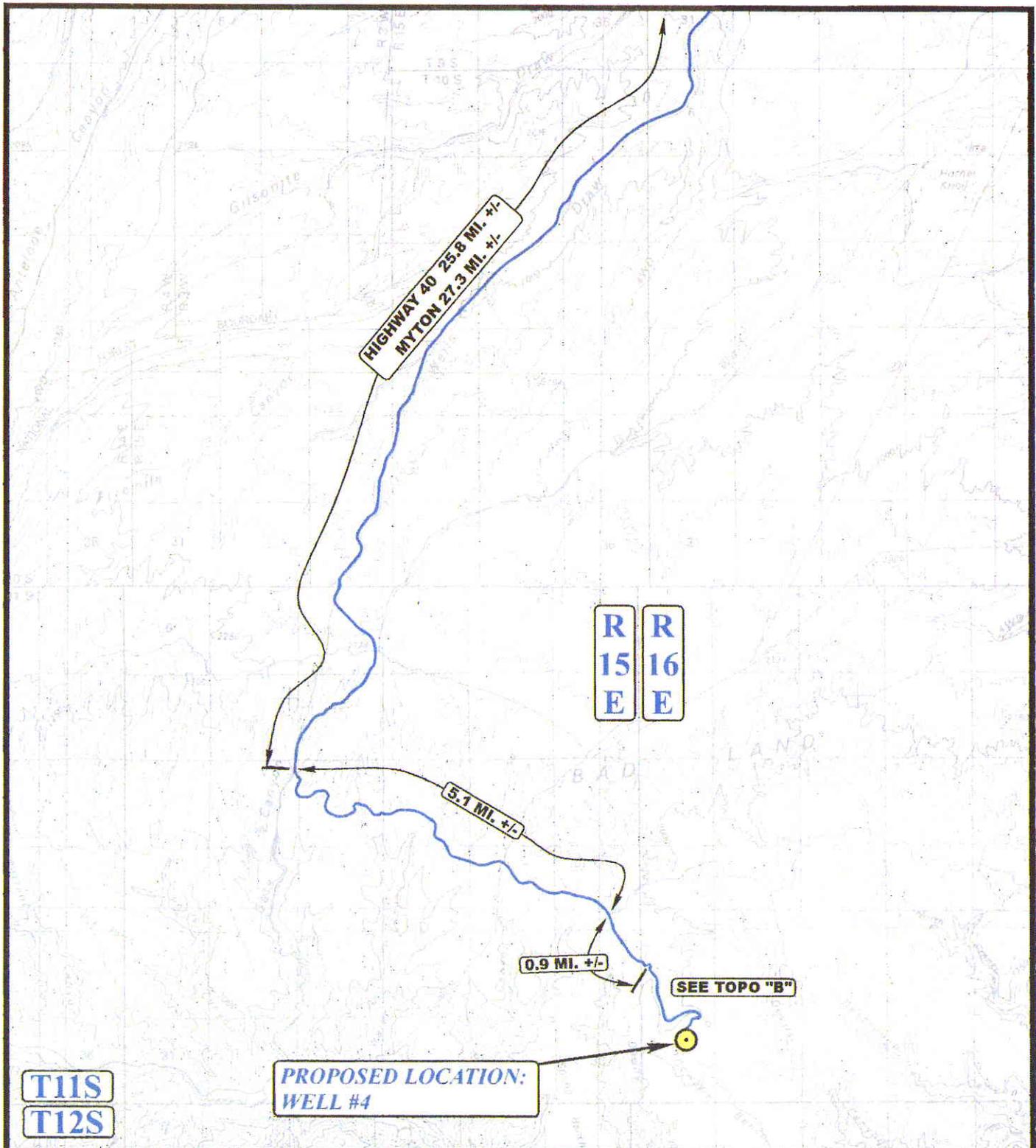
WELL #4
SECTION 31, T11S, R16E, S.L.B.&M.
1813' FNL 2027' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easilink.com

TOPOGRAPHIC MAP **8 12 97**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00





LEGEND:

● PROPOSED LOCATION



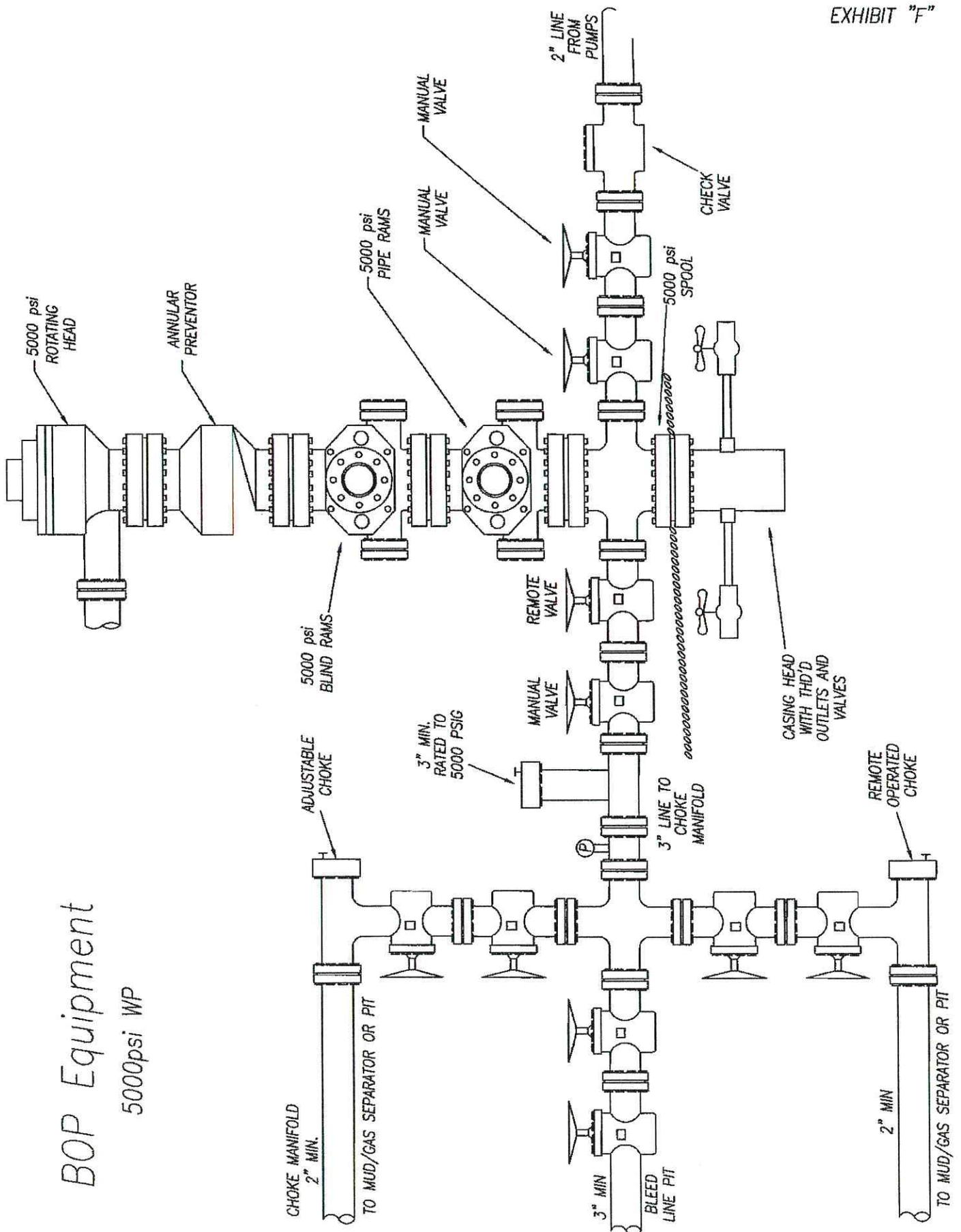
SEGO RESOURCES

WELL #4
SECTION 31, T11S, R16E, S.L.B.&M.
1813' FNL 2027' FEL

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easilink.com

TOPOGRAPHIC MAP 8 12 97
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: D.COX REVISED: 00-00-00

A
TOPO

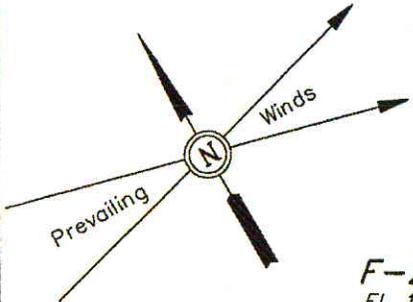


BOP Equipment
5000psi WP

SEGO RESOURCES

LOCATION LAYOUT FOR

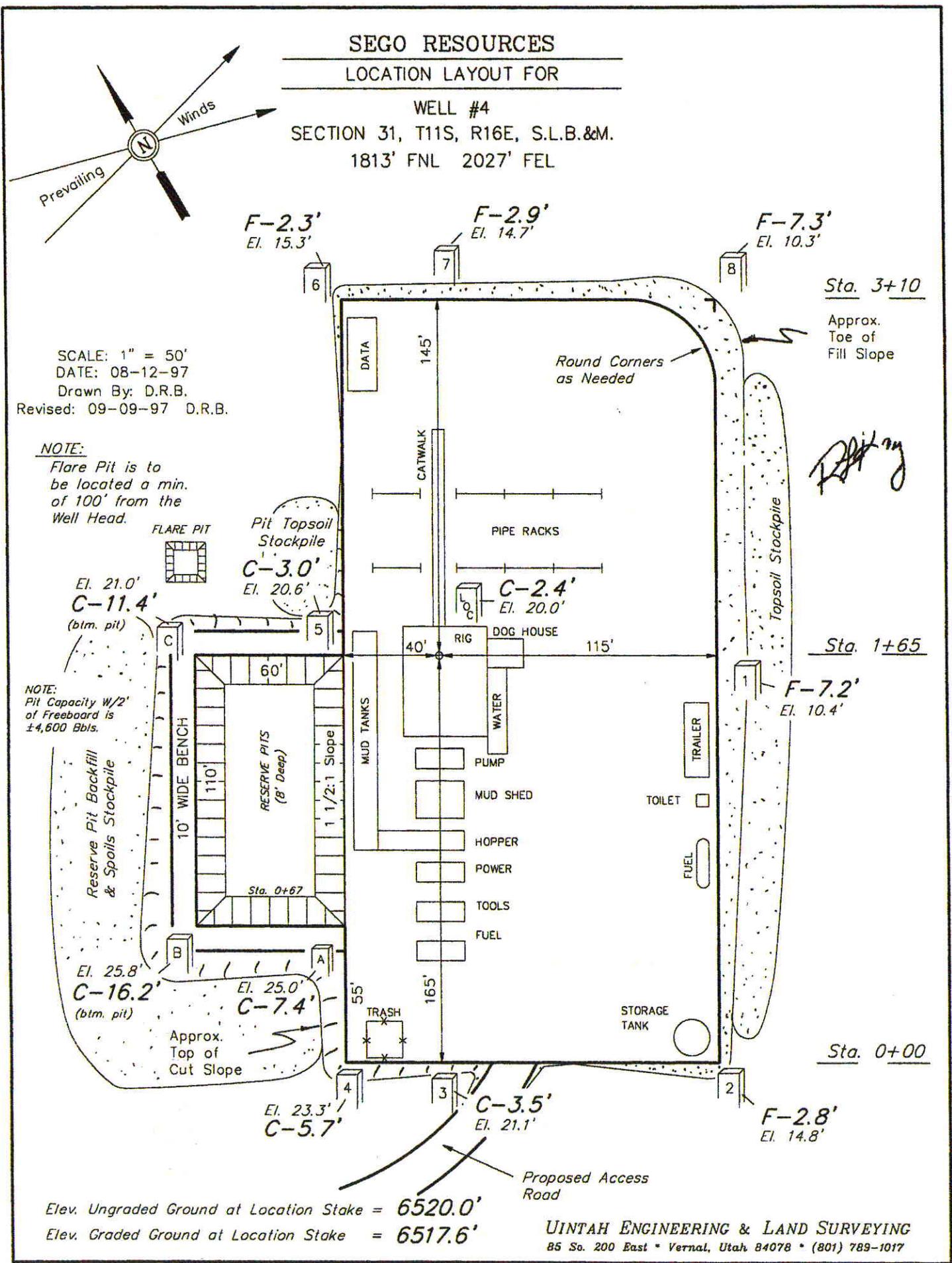
WELL #4
SECTION 31, T11S, R16E, S.L.B.&M.
1813' FNL 2027' FEL



SCALE: 1" = 50'
 DATE: 08-12-97
 Drawn By: D.R.B.
 Revised: 09-09-97 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.



Elev. Ungraded Ground at Location Stake = 6520.0'
 Elev. Graded Ground at Location Stake = 6517.6'

SEGO RESOURCES

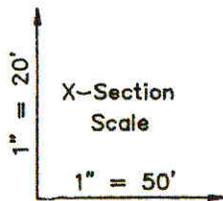
TYPICAL CROSS SECTIONS FOR

WELL #4

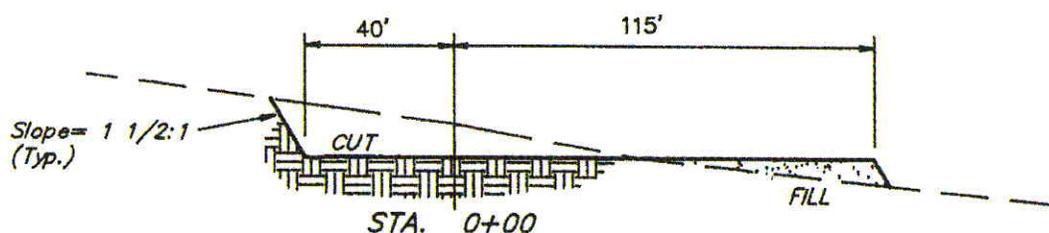
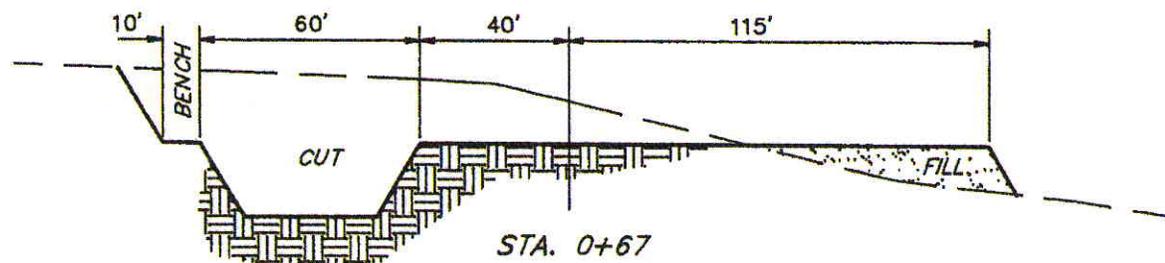
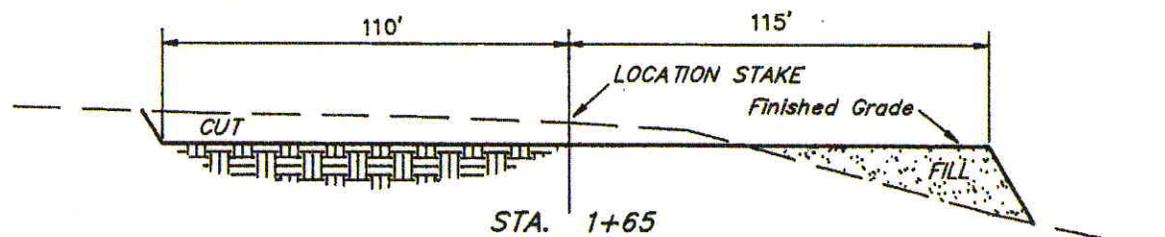
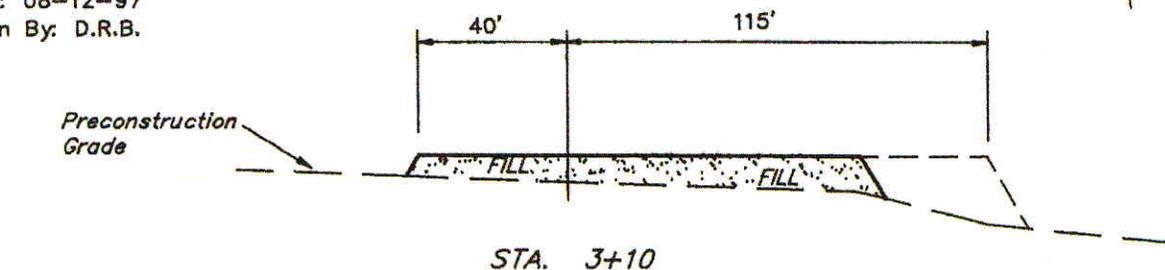
SECTION 31, T11S, R16E, S.L.B.&M.

1813' FNL 2027' FEL

Handwritten initials/signature



DATE: 08-12-97
Drawn By: D.R.B.

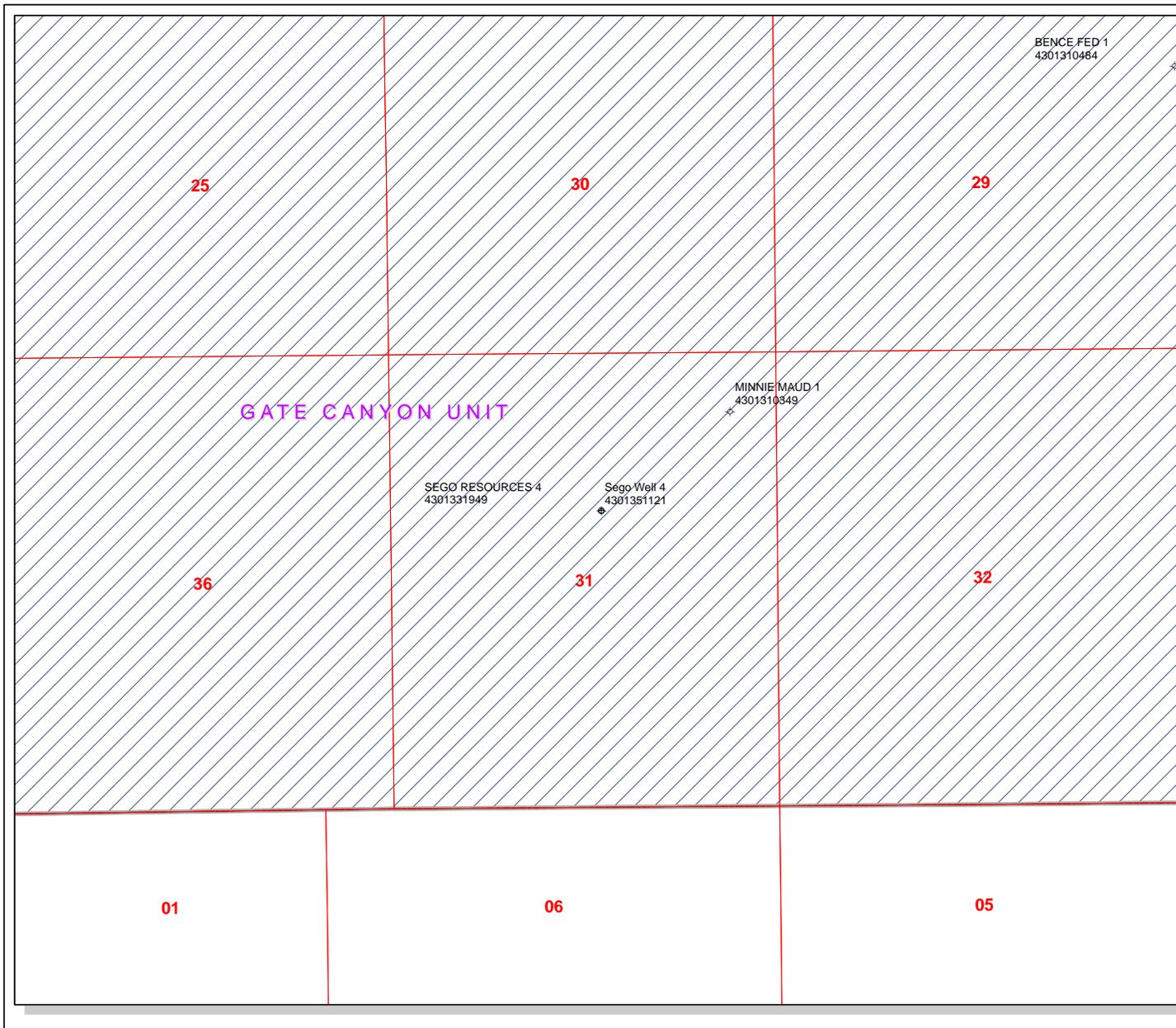


APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,010	Cu. Yds.
Remaining Location	=	5,070	Cu. Yds.
TOTAL CUT	=	6,080	CU.YDS.
FILL	=	4,150	CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,710	Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,710	Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0	Cu. Yds.

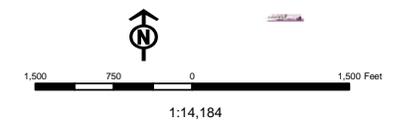
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



API Number: 4301351121
Well Name: Segó Well 4
Township T1.1 . Range R1.6 . Section 31
Meridian: SLBM
 Operator: GASCO PRODUCTION COMPANY

Map Prepared:
 Map Produced by Diana Mason

- | Units STATUS | Wells Query Status |
|--------------|-------------------------------------|
| ACTIVE | APD - Approved Permit |
| EXPLORATORY | DRIL - 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 | WW - Water Injection Well |
| TERMINATED | WSW - Water Supply Well |



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

December 14, 2011

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2011 Plan of Development Gate Canyon Unit,
Duchesne County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following **water disposal** well is planned for calendar year 2011 within the Gate Canyon Unit, Duchesne County, Utah.

API#	WELL NAME	LOCATION
	Proposed Injection Zone Wasatch	
43-013-51121	Sego Well 4 Sec 31 T11S R16E 1813 FNL 2027 FEL	

This office has no objection to permitting the well at this time.

Michael L. Coulthard

Digitally signed by Michael L. Coulthard
DN: cn=Michael L. Coulthard, o=Bureau of Land Management,
ou=Branch of Minerals, email=Michael_Coulthard@blm.gov, c=US
Date: 2011.12.14 09:55:54 -0700

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

MCoulthard:mc:12-14-11

RECEIVED: December 14, 2011

Gasco Production Company
Sego Well #4
1813' FNL & 2027' FEL
SW NE of Section 31-T11S-R16E
Duchesne County, UT

CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the well site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. The required \$6,500 processing fee is being included with this APD package and can be found attached. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 21th day of November, 2011.



Signature

Executive Vice President and COO
Title

8 Inverness Drive East, Suite 100 Englewood, CO 80112
Address

303-483-0044
Phone

mdecker@gascoenergy.com
E-mail

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/13/2011

API NO. ASSIGNED: 43013511210000

WELL NAME: Sego Well 4

OPERATOR: GASCO PRODUCTION COMPANY (N2575)

PHONE NUMBER: 303 996-1803

CONTACT: Roger Knight

PROPOSED LOCATION: SWNE 31 110S 160E

Permit Tech Review:

SURFACE: 1813 FNL 2027 FEL

Engineering Review:

BOTTOM: 1813 FNL 2027 FEL

Geology Review:

COUNTY: DUCHESNE

LATITUDE: 39.81592

LONGITUDE: -110.16476

UTM SURF EASTINGS: 571487.00

NORTHINGS: 4407660.00

FIELD NAME: GATE CANYON

LEASE TYPE: 1 - Federal

LEASE NUMBER: utu73425

PROPOSED PRODUCING FORMATION(S): WASATCH

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: FEDERAL - ut1233
- 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:** GATE CANYON
- 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: Sego Well 4
API Well Number: 43013511210000
Lease Number: utu73425
Surface Owner: FEDERAL
Approval Date: 12/27/2011

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 WASATCH 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 in a cursive style.

For John Rogers
Associate Director, Oil & Gas



GARY R. HERBERT
Governor

GREG 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

January 10, 2012

Roger Knight
Gasco Production Company
8 Inverness Dr. East, Ste. 100
Englewood, CO 80112

Re: APD Rescinded – Segro Well 4, Sec. 31, T. 11S, R. 16E
Duchesne County, Utah API No. 43-013-51121

Dear Mr. Knight:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 27, 2011. The SEGO Well 4 (API 43-013-51121) should have been sent in as a Re-entry to the SEGO Resources 4 (API 43-013-31949) well. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 10, 2012.

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

