

001

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Coastal Plains Energy, Inc.			9. WELL NAME and NUMBER: Ferron 207-14-1	
3. ADDRESS OF OPERATOR: 430ThrockmortonSt630 CITY Ft. Worth STATE TX ZIP 76102		PHONE NUMBER: (817) 882-9055	10. FIELD AND POOL, OR WILDCAT: Ferron	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1957.34' FNL, 2072.26' FWL AT PROPOSED PRODUCING ZONE: 1957.34' FNL, 2072.26' FWL			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 14 20S 7E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: .75 miles East of Ferron, Utah			12. COUNTY: Emery	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 270'	16. NUMBER OF ACRES IN LEASE: 160	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1150'	19. PROPOSED DEPTH: 900	20. BOND DESCRIPTION: 698		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5809.0'GR	22. APPROXIMATE DATE WORK WILL START: 2/25/2005	23. ESTIMATED DURATION: 14 Days		

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
8-3/4"	7" J-55 ST 23#	90	Class H 100 Sacks 1.06 cu ft/ sk 16 ppg
6-1/8"	4-1/2" J-55 ST 10.5#	900	Class G light 18 Sacks 4.9 cu ft/ sk 10.03 ppg
			Class G 30 Sacks 1.79 cu ft/ sk 13.5 ppg

**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"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER        | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Fred Reynolds TITLE Petroleum Engineer

SIGNATURE *Fred W. Reynolds* DATE 02/07/05

(This space for State use only)

API NUMBER ASSIGNED: 43-015-3 0617

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-19-05  
By: *[Signature]*

(See Instructions on Reverse Side)

RECEIVED  
FEB 11 2005

DIV. OF OIL, GAS & MINING

# Range 7 East

N89°16'14"E - 2687.34'

N89°35'44"W - 2689.60'

Township 20 South

1957.34'

WELL #207-14-1  
ELEVATION 5809.0'

2072.26'

UTM  
N 4325776  
E 490933

14

N00°12'45"W - 5315.87'

**Location:**

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

**Basis of Bearing:**

THE BASIS OF BEARING IS GPS MEASURED.

**GLO Bearing:**

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

**Basis of Elevation:**

BASIS OF ELEVATION OF 6190' BEING AT THE NORTHWEST SECTION CORNER OF SECTION 10, TOWNSHIP 21 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE FERRON QUADRANGLE 7.5 MINUTE SERIES MAP.

**Description of Location:**

PROPOSED DRILL HOLE LOCATED IN THE SE 1/4, NW 1/4 OF SECTION 14; BEING 1957.34' SOUTH AND 2072.26' EAST FROM THE NORTHWEST SECTION CORNER OF SECTION 14, T20S, R7E, SALT LAKE BASE AND MERIDIAN.

**Surveyor's Certificate:**

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



**TALON RESOURCES, INC.**

195 N. 100 W., P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talonectv.net

COASTAL PLAINS ENERGY, INC.

WELL #207-14-1  
Section 14, T20S, R7E, S.L.B.&M.  
Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-1	Date: 11/12/04
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1524

**Legend**

- Drill Hole Location
- ⊕ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- ( ) GLO

GPS Measured

**NOTE:**

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG  
39°04'59"  
111°06'17"

**GRAPHIC SCALE**

0 500' 1000'

( IN FEET )

1 inch = 1000 ft.

REVISION 1/19/05



Production Casing:

Lead -- 18 sacks Class G. Lite  
Weight: 10.03 # / gal  
Yield: 4.9 cu.ft / sk

Tail -- 30 sacks Class G  
Weight: 13.5 #/gal  
Yield: 1.79 cu.ft/sk

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A 10" or 11" 3,000 psi Double gate Hydraulic BOP with one (1) blind ram and one (1) pipe ram and Annular Preventer; equipped with a 3,000 psi automatic choke manifold. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Log Book. Physical operation of the BOP will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

This location will be air drilled

7. The Testing, Logging and Coring Programs are as followed

Testing --

DST's are not planned

Logging --

End of Surface casing - TD    Gamma Ray, Density, Neutron, Porosity,  
Induction, Caliper

Coring --

No coring is planned for this location

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 500 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: February 25, 2005.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

EXHIBIT "E"  
Multipoint Surface Use Plan

Attached to UDOGM Form 3  
Coastal Plains Energy, Inc.  
Ferron Well 207-14-1  
SE/4 NW/4, Sec. 14, T20S, R7E, SLB & M  
1,957' FNL, 2,073' FWL  
Emery County, Utah

**1. Existing Roads**

- a. The proposed access road will be Constructed consistent with the surface owner and Coastal Plains Energy, Inc..
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B".

**2. Planned Access**

Approximately 3,000' of new access will be required (See Exhibit "B") Access is determined by acquired Right of way by the surface owner.

- a. Maximum Width: 24'
- b. Maximum grade: 10 %
- c. Turnouts: None
- d. Drainage design: 3 - 18" culverts may be required along the new and two-track portion of the road. Water will be diverted around the road as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Existing trees will be left in place where practical to provide screening and buffer areas.

### **3. Location of Existing Wells**

- a. See Exhibit "B", Drawing L-1. There is an existing well within a one mile radius of the proposed location.

### **4. Location of Existing and/or Proposed Facilities**

- a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H".
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

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

- a. Water to be used for drilling will be obtained from a local water source. Ferron City or Castle Valley Special Services would be utilized.
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

### **6. Source of Construction Materials**

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

### **7. Methods for handling waste disposal**

- a. As the well is expected to be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

#### **8. Ancillary Facilities**

- a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

#### **9. Well-site Layout**

- a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Attachment "C".
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

#### **10. Plans for Restoration of Surface**

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existed conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the well-site is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

#### **11. Surface Ownership**

- a. The well-site and access road will be constructed on lands owned John Ralph Lemon, P.O. Box 254, Ferron, Utah 84523, Phone Number 435-384-2907. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

#### **12. Other Information:**

- a. The primary surface use is wildlife habitat and grazing. The nearest dwelling is approximately 1 mile West. Nearest live water is in Ferron Creek, 1/2 mile south.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The back-slope and fore-slope will be constructed no steeper than 3:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representative**

Fred Reynolds  
Coastal Plains Energy, Inc.  
420 Throckmorton, Suite 630  
Ft. Worth, Texas 76102  
817 336-1742

**Permitting Consultant**

Larry W. Johnson  
Talon Resources, Inc.  
375 South Carbon Ave. (A-10)  
Price, Utah 84501  
1-435-637-8781

**Excavation Contractor**

Nielson Construction  
P.O Box 620  
825 North Loop Road  
Huntington, UT. 84528  
1-435-687-2494

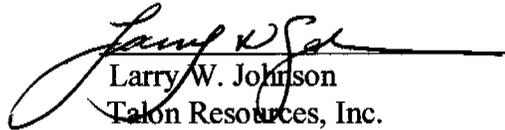
**Mail Approved A.P.D. To:**

Company Representative

14. **Certification**

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this 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 Coastal Plains Energy, Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

1/26/05  
Date

  
Larry W. Johnson  
Talon Resources, Inc.

**SURFACE DAMAGE RELEASE AND SURFACE RIGHT-OF-WAY GRANT**

This Surface Damage Release and Surface Right-of-Way Grant is entered into by Mr. John R. Lemon (hereinafter referred to as "Surface Owner"), and **Coastal Plains Energy, Inc.** (hereinafter referred to as "Grantee").

The Surface Owner is the present owner of all or part of the surface of the following described land (hereinafter referred to as the "Land"):

Northwest quarter of Section 14, Township 20 South,  
Range 7 East, Emery County, Utah

Now, in consideration of the sum of twenty dollars (\$20.00) per rod for access roads and one thousand five hundred dollars (\$1,500.00) per well site pad for each well drilled on the Land paid by Grantee, the receipt and sufficiency of which are hereby acknowledged, Surface Owner does hereby release, acquit, and forever discharge Grantee, its successors and assigns, from all liability for damages created or caused by reasons of the clearing, use, and operations on the Land, including all drilling, completing, and subsequent operations of oil and/or gas well(s) that may be drilled by Grantee and/or an assignee of Grantee on any part of the Land. This release is intended to cover all surface damages to crops, trees, grass and/or other vegetation and soil damage.

Contemporaneously herewith, in consideration of the hereinabove said \$20.00 per rod for access roads and \$1,500.00 per well site pad, Surface Owner does hereby grant to Grantee, its successors and assigns, all surface and subsurface rights in the Land necessary for the drilling, completing, producing and subsequent operations of all well(s), including but not limited to right-of-ways, rights of ingress and egress, easement rights,

rights to build and use roadways, rights to build pads and mud pits and the rights to lay pipelines under the surface for production from the wells. It is understood that Grantee will have ongoing use of the Land for the purposes set out above if any well drilled on the Land is completed as a producer.

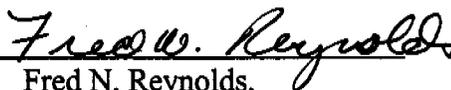
The location will be kept clean and free of trash and will be restored to original condition as near as possible after a well is drilled and completed or plugged and abandoned. Surface Owner represents that there is no tenant lessee or authorized person in possession of the Land, other than as indicated below, and further agrees to defend, indemnify and hold Grantee harmless against any claim or demand by a third party for payment of surface damages occasioned by damage to any part of the Land.

In WITNESS HEREOF, this instrument has been executed by the undersigned this 19<sup>th</sup> day of January, 2005.

SURFACE OWNER

  
\_\_\_\_\_

COASTAL PLAINS ENERGY, INC.

By:   
Fred N. Reynolds,  
Vice-President

**ACKNOWLEDGMENTS**

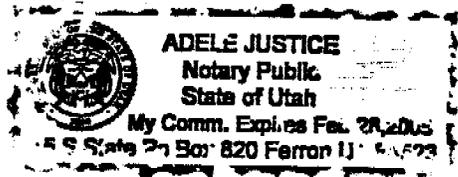
STATE OF Utah

COUNTY OF Emery

On this 19<sup>th</sup> day of January, 2005, before me, Adele Justice, a notary public, personally appeared ~~John Lemon~~ John Lemon, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged that he executed the same. Witness my hand and official seal.

Adele Justice  
NOTARY PUBLIC

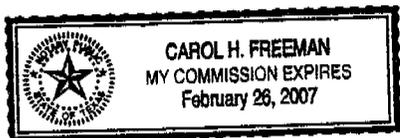
Printed Name: Adele Justice



STATE OF TEXAS

COUNTY OF TARRANT

On this 3<sup>rd</sup> day of Feb., 2005, before me, Carol H. Freeman a notary public, personally appeared Fred N. Reynolds, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument as Vice-President of Coastal Plains Energy, Inc., a Texas corporation, on behalf of the corporation, and acknowledged he executed the same in the capacity and for the purposes stated therein. Witness my hand and official seal.



Carol H. Freeman  
NOTARY PUBLIC

Printed Name: \_\_\_\_\_

# TYPICAL ROAD CROSS-SECTION

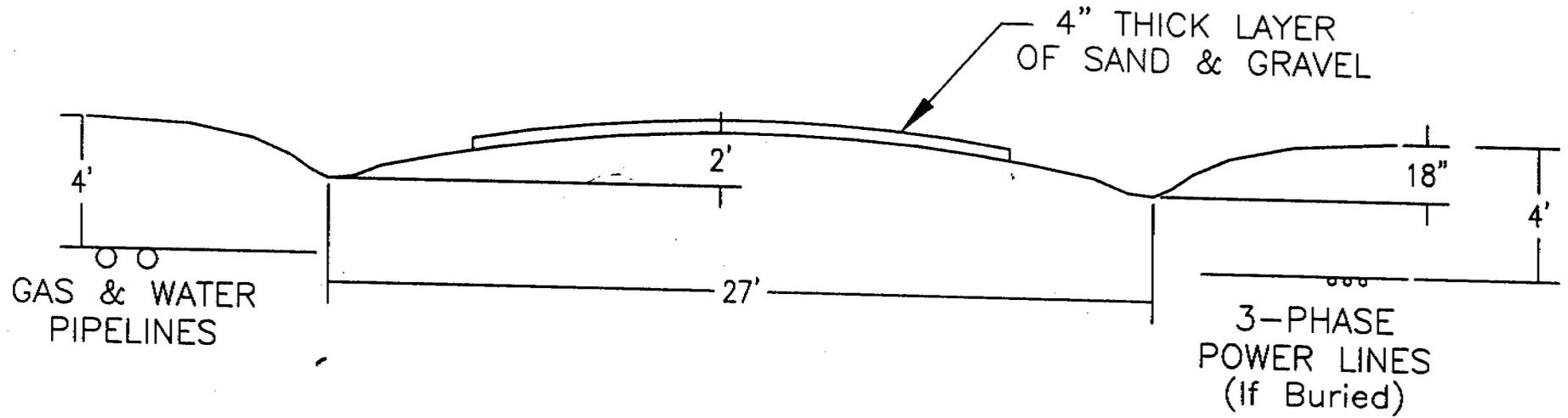


EXHIBIT "F"

# BOP Equipment

3000psi WP

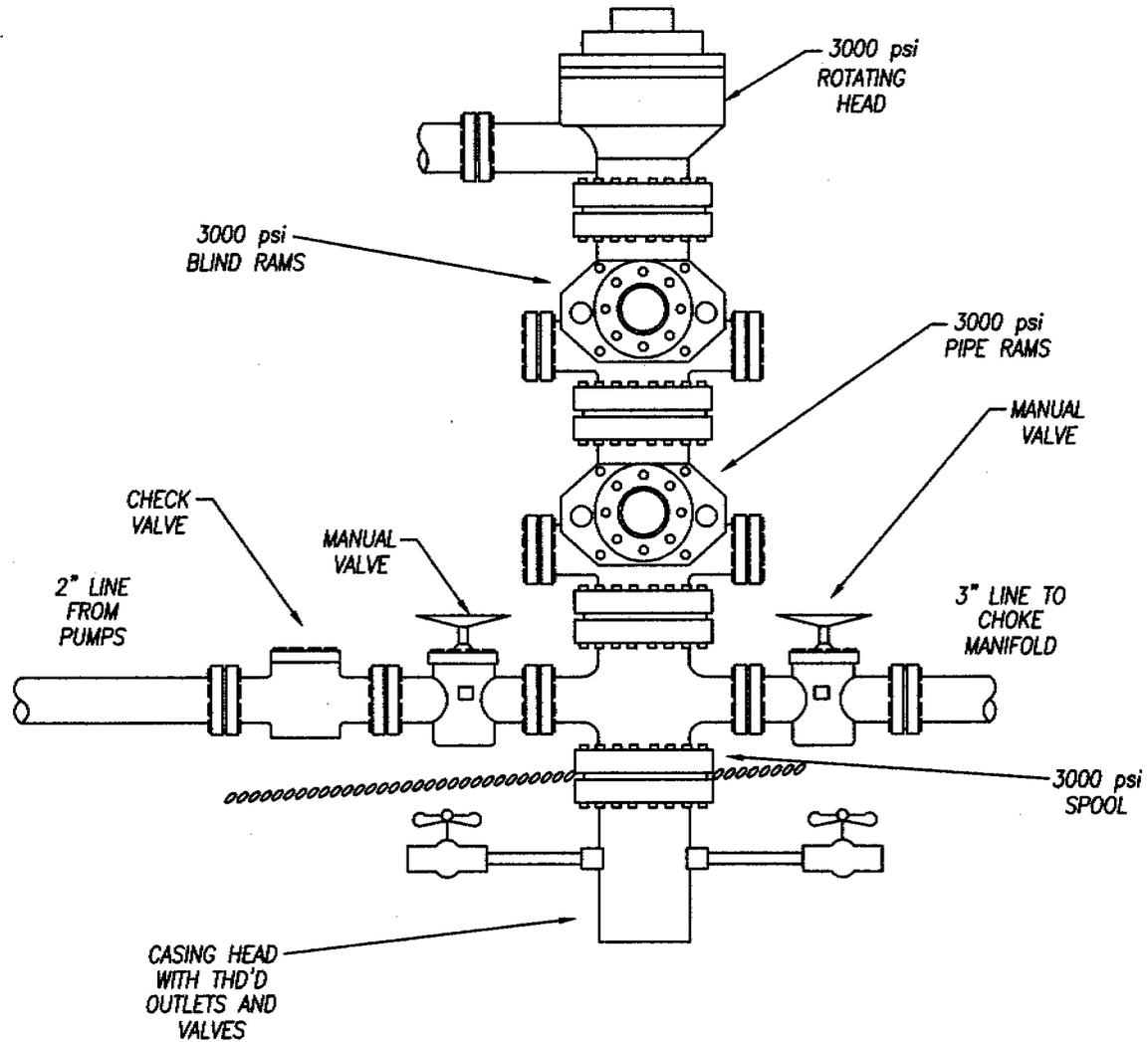


EXHIBIT "G"

# CHOKE MANIFOLD

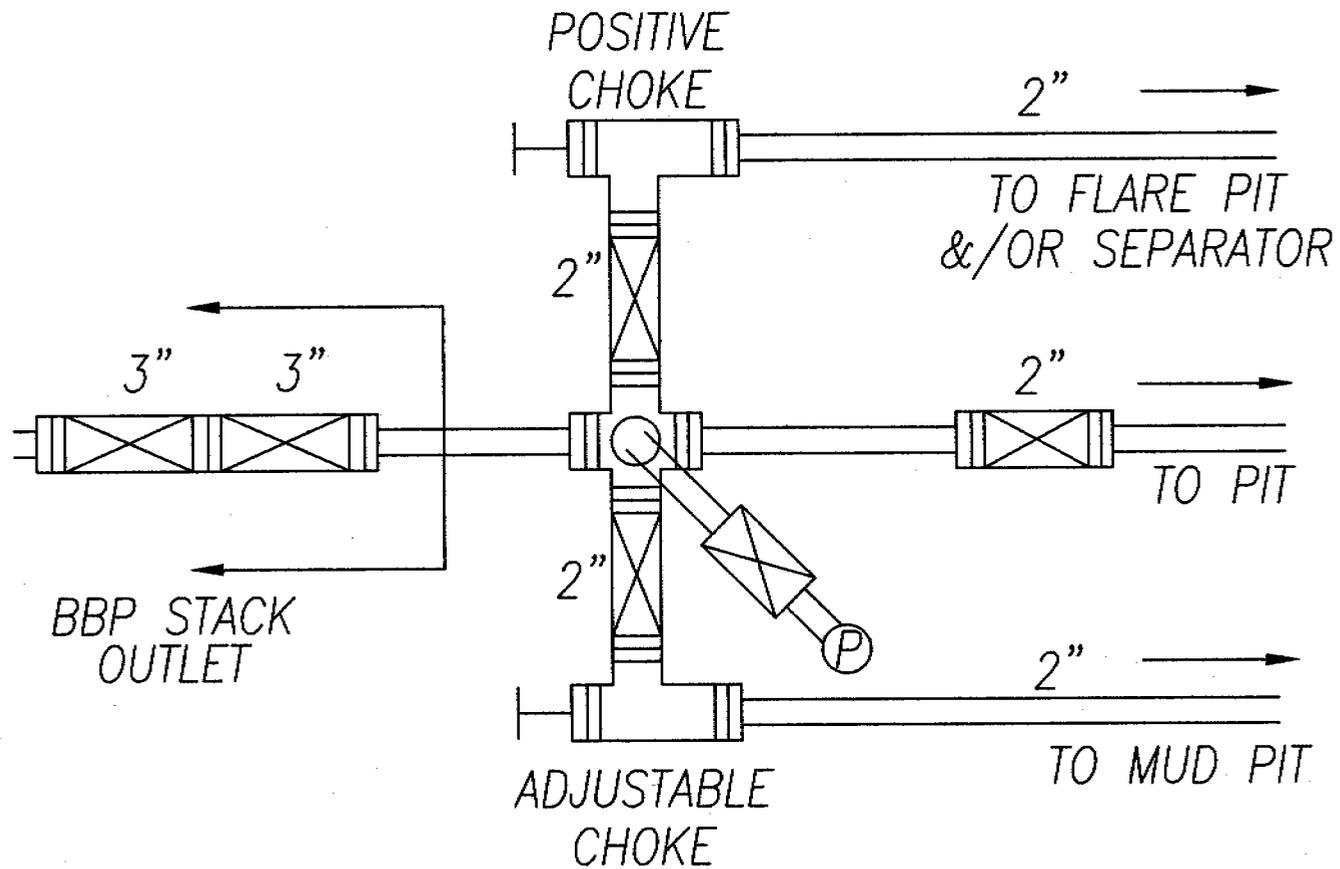
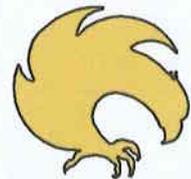
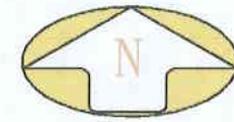
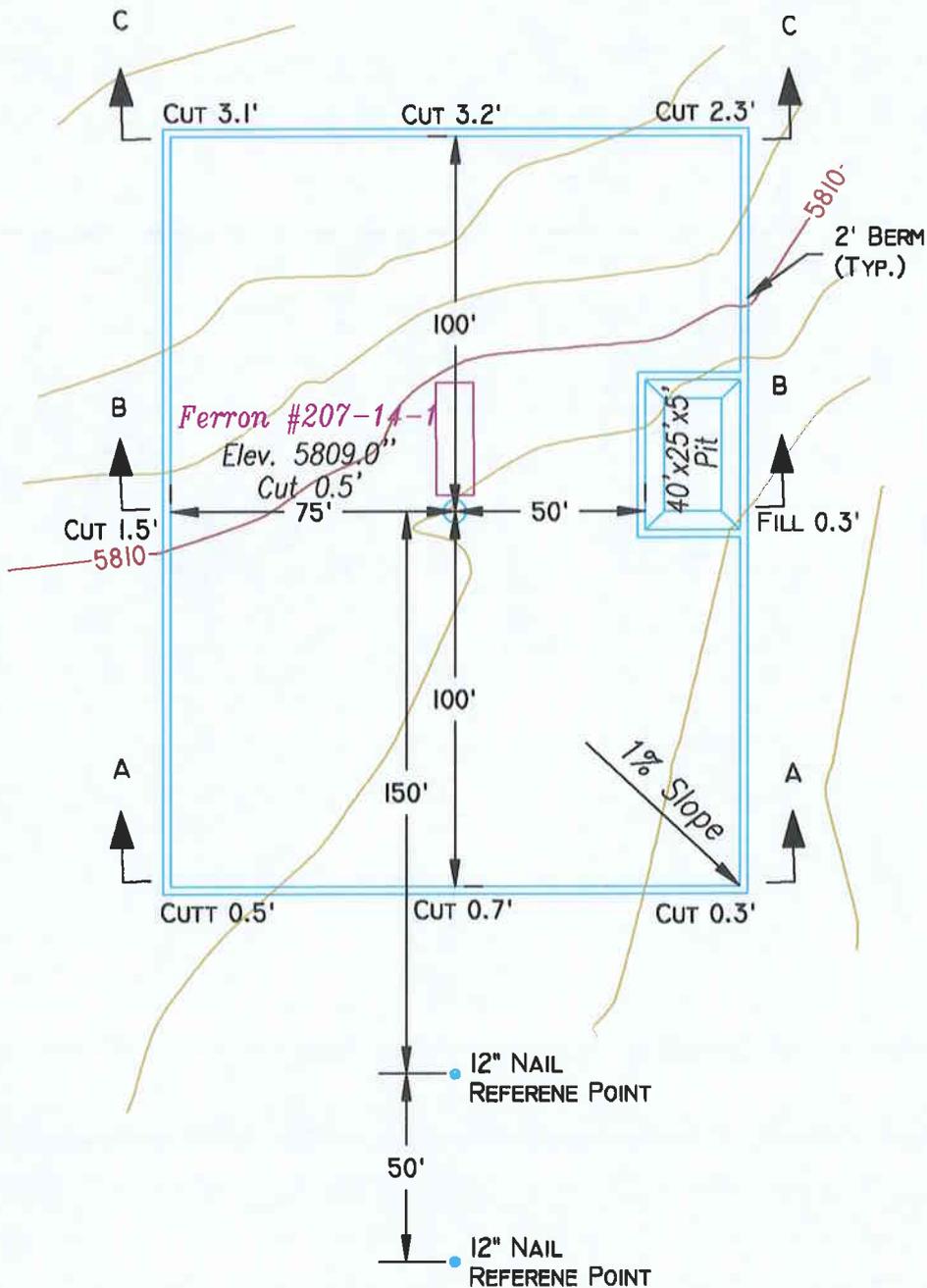


EXHIBIT "H"

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5809.0'  
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5808.5'



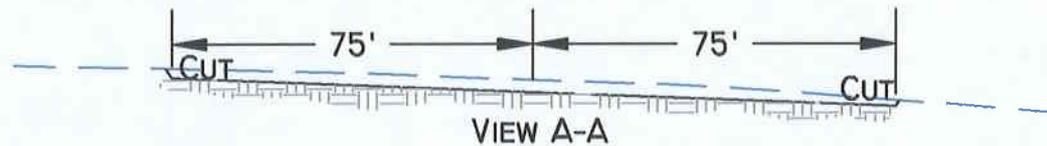
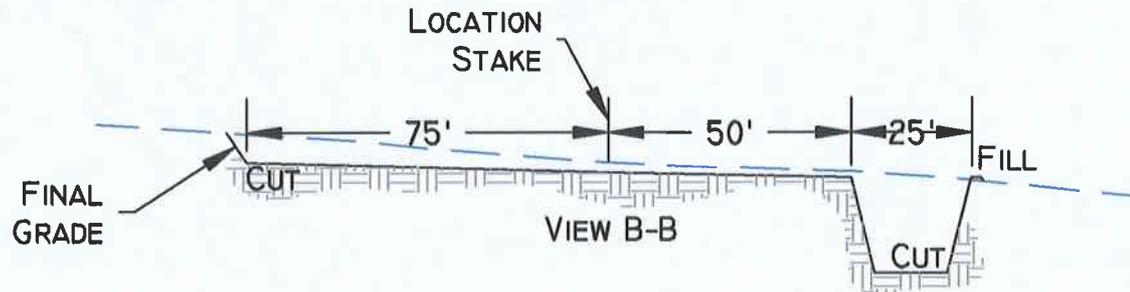
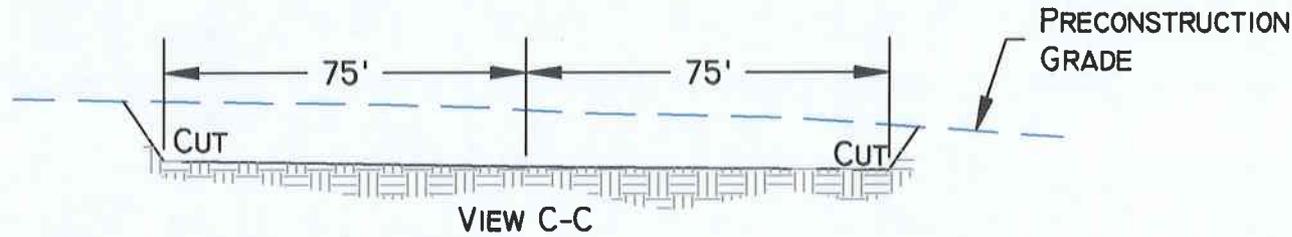
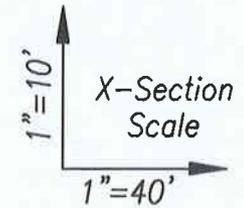
**Talon Resources, Inc.**  
 195 North 100 West P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail taloneetv.net

**COASTAL PLAINS ENERGY, INC.**

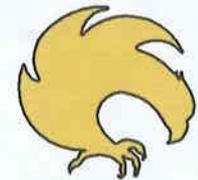
**LOCATION LAYOUT**  
 Section 14, T20S, R7E, S.L.B.&M.  
 Well Ferron #207-14-1

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 11/12/04
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1524

REVISION 1/19/05



SLOPE = 1 1/2 : 1  
(EXCEPT PIT)  
PIT SLOPE = 1 ; 1



Talon Resources, Inc.  
195 North 100 West P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail taloneetv.net

COASTAL PLAINS ENERGY, INC.

TYPICAL CROSS SECTION  
Section 14, T20S, R7E, S.L.B.&M.  
Well Ferron #207-14-1

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 11/12/04
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1524

REVISION 1/19/05

APPROXIMATE YARDAGES

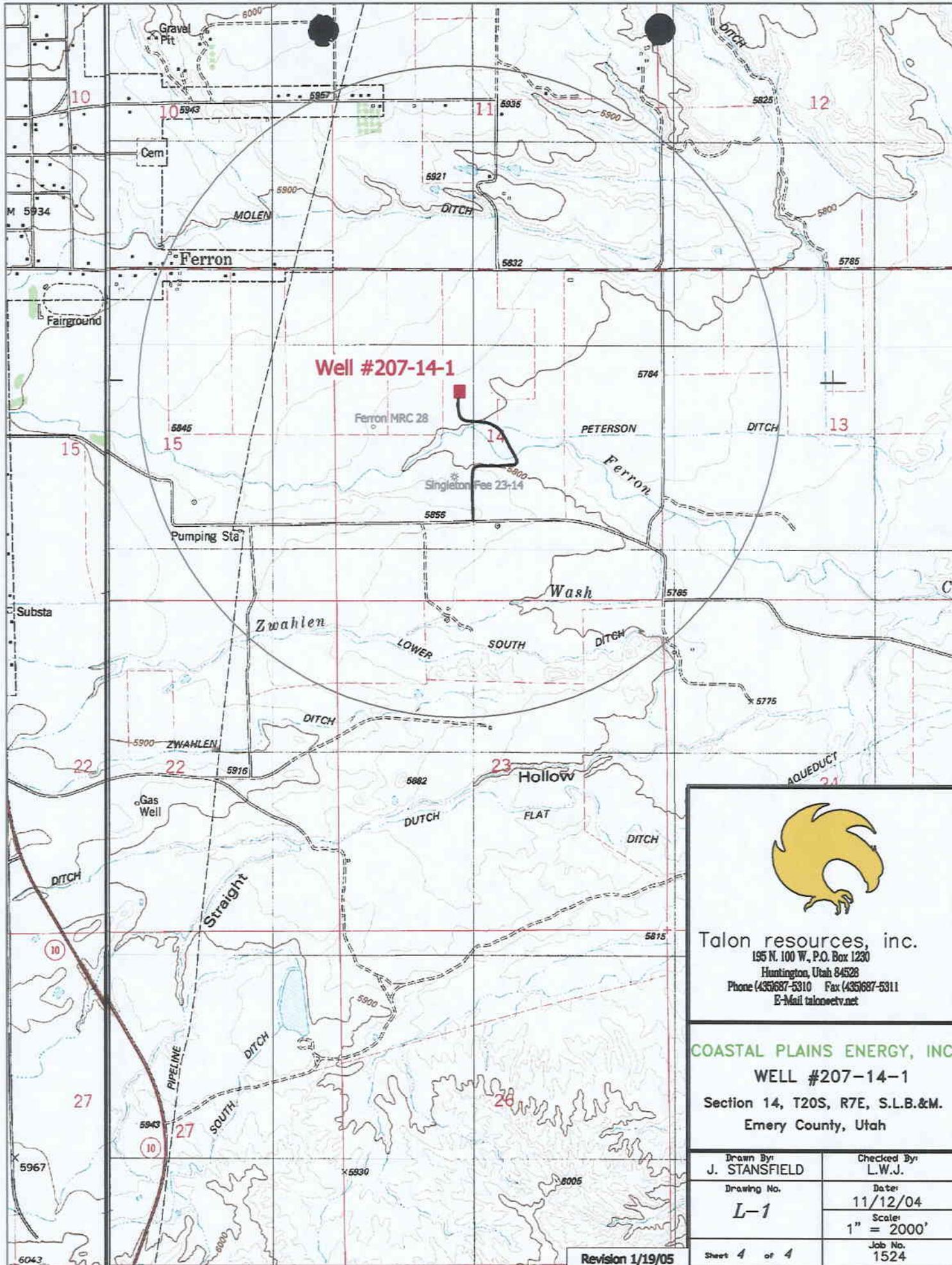
CUT

(6") TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 1,335 CU. YDS.

TOTAL CUT = 1,485 CU. YDS.

TOTAL FILL = 0.0 CU. YDS.



**Well #207-14-1**



Talon resources, inc.  
 195 N. 100 W, P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talon@netv.net

**COASTAL PLAINS ENERGY, INC**  
**WELL #207-14-1**  
 Section 14, T20S, R7E, S.L.B.&M.  
 Emery County, Utah

Drawn By: <b>J. STANSFIELD</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date: <b>11/12/04</b>
	Scale: <b>1" = 2000'</b>
	Job No. <b>1524</b>

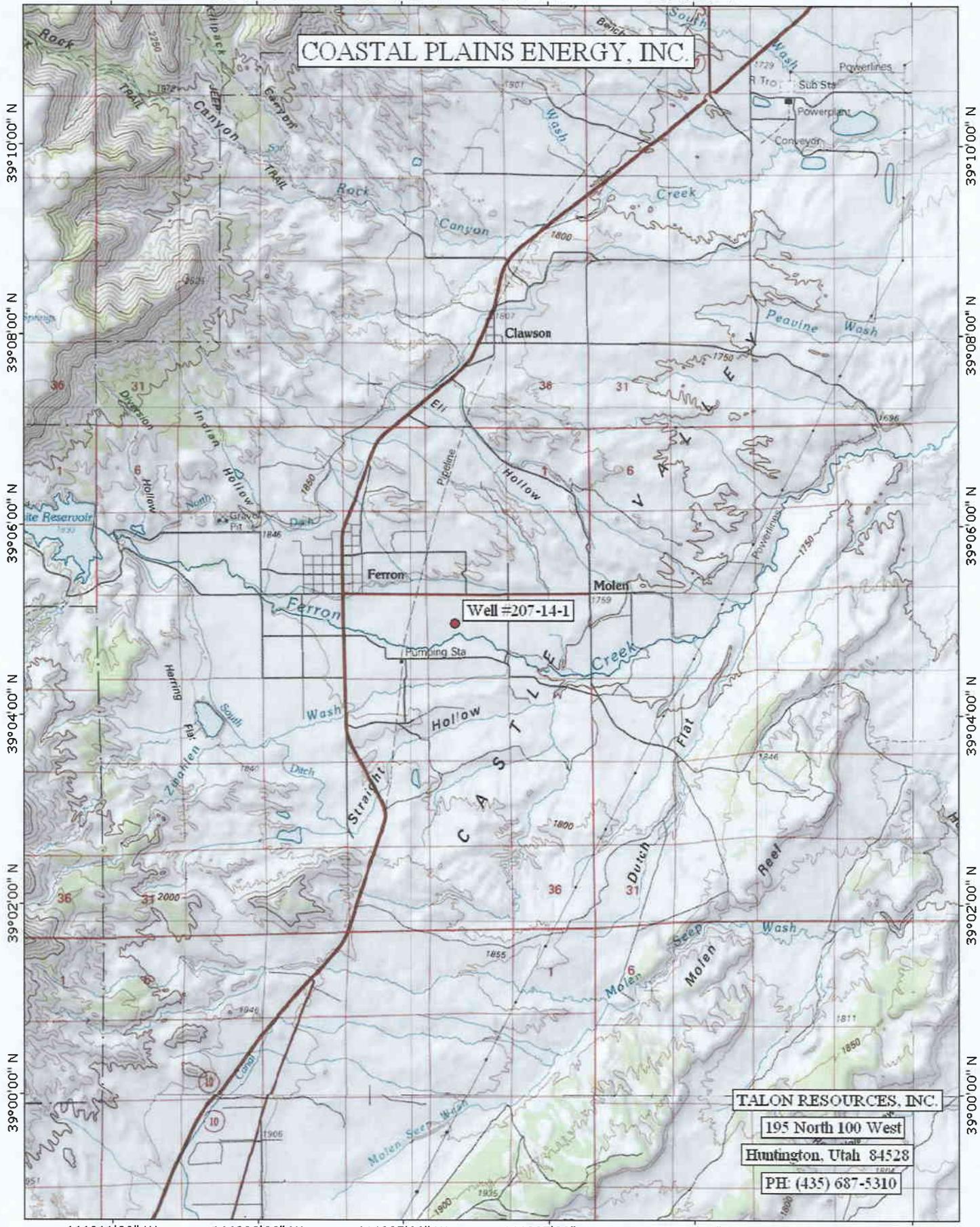
Revision 1/19/05

Sheet 4 of 4

111°11'00" W 111°09'00" W 111°07'00" W 111°05'00" W 111°03'00" W NAD27 111°00'00" W

TOPO! map printed on 01/19/05 from "CPE-207-14-2.tpo" and "untitled.tpg"

COASTAL PLAINS ENERGY, INC.



Well #207-14-1

Ferron

Clawson

Molen

TALON RESOURCES, INC.

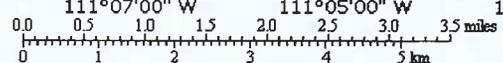
195 North 100 West

Huntington, Utah 84528

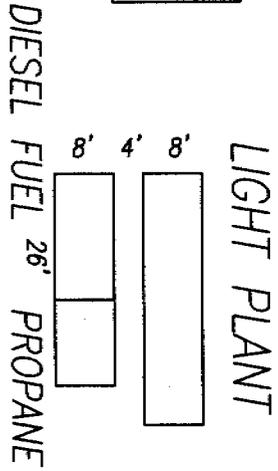
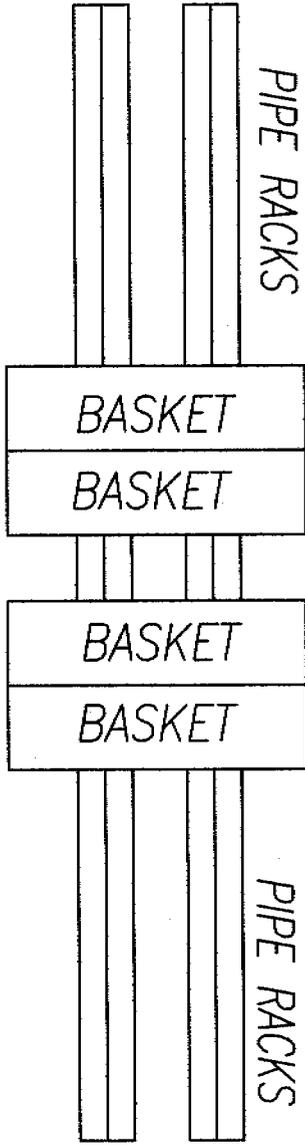
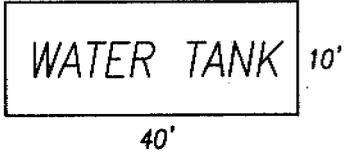
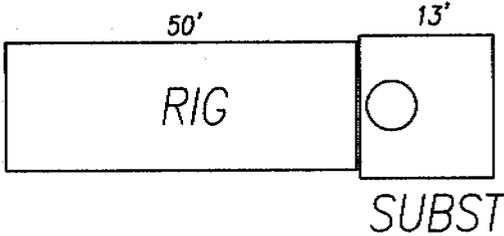
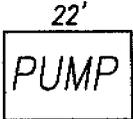
PH (435) 687-5310

111°11'00" W 111°09'00" W 111°07'00" W 111°05'00" W 111°03'00" W NAD27 111°00'00" W

TN 123°



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APPROXIMATE LAYOUT OF RIG & EQUIPMENT  
(Not to Scale)

EXHIBIT "C"

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

004

APD RECEIVED: 02/14/2005

API NO. ASSIGNED: 43-015-30617

WELL NAME: FERRON 207-14-1

OPERATOR: COASTAL PLAINS ENERGY ( N2170 )

CONTACT: FRED REYNOLDS

PHONE NUMBER: 817-882-9055

PROPOSED LOCATION:

SENW 14 200S 070E  
 SURFACE: 1957 FNL 2072 FWL  
 BOTTOM: 1957 FNL 2072 FWL  
 EMERY  
 FERRON ( 135 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	3/29/05
Geology		
Surface		

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? NO

LATITUDE: 39.08294

LONGITUDE: -111.1048

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 698 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 93-2175 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

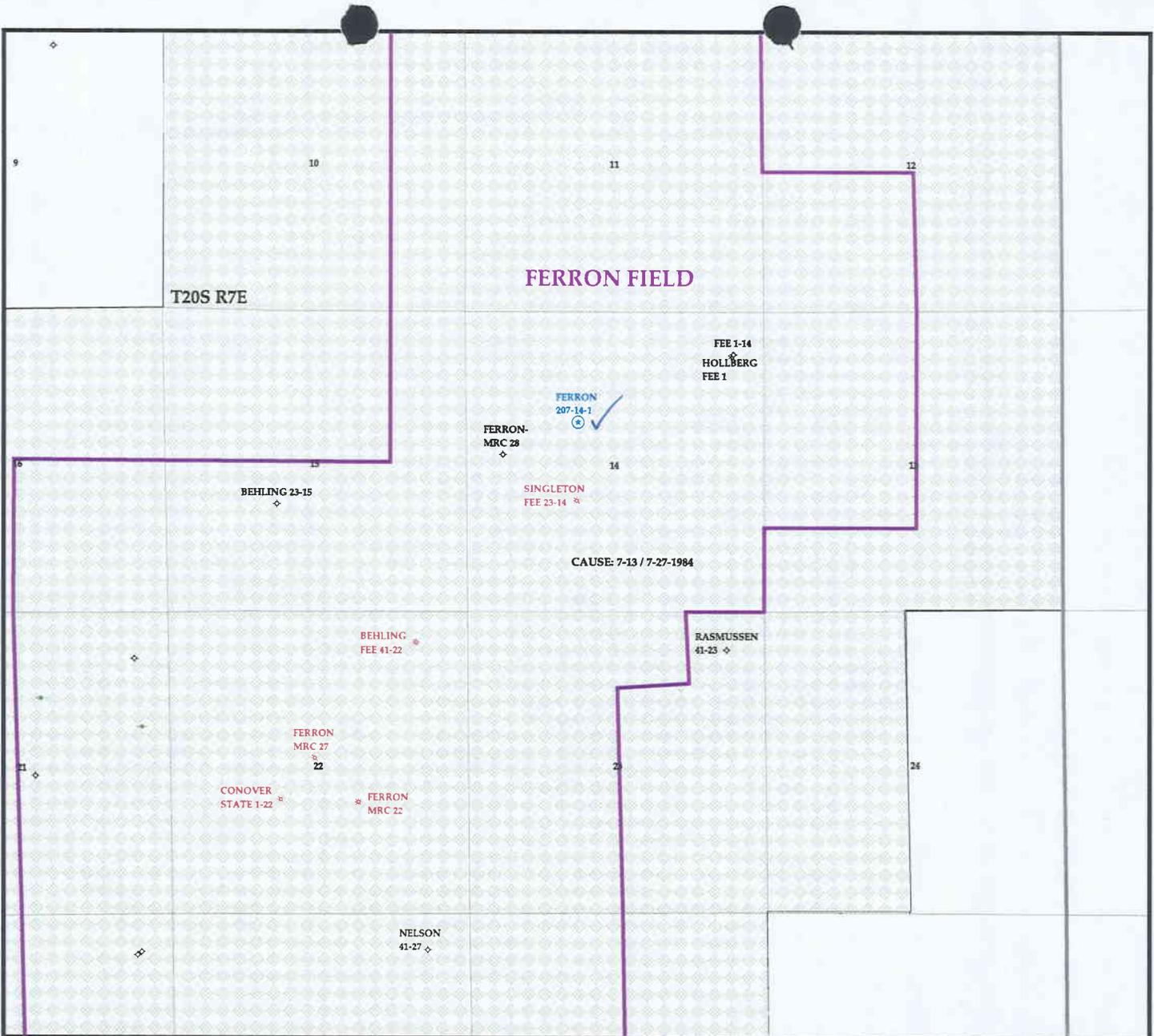
- \_\_\_ R649-2-3.  
Unit \_\_\_\_\_
- \_\_\_ R649-3-2. General  
Siting: 460' From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 7-13  
Eff Date: 7-27-1984  
Siting: 660' fr drl u bars
- \_\_\_ R649-3-11. Directional Drill

COMMENTS:

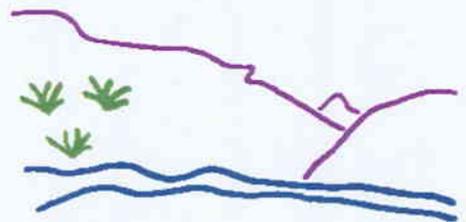
Needs Permit (03-09-05)

STIPULATIONS:

① STATEMENT OF BASIS



**OPERATOR- COASTAL PLAINS (N2170)**  
 SEC. 14 T.20S R.7E  
 FIELD: FERRON (135)  
 COUNTY: EMERY  
 CAUSE: 7-13 / 7-27-1984



Utah Oil Gas and Mining

Wells		Units.shp		Fields.shp	
♣	GAS INJECTION	□	EXPLORATORY	□	ABANDONED
◻	GAS STORAGE	□	GAS STORAGE	□	ACTIVE
×	LOCATION ABANDONED	□	NF PP OIL	□	COMBINED
⊕	NEW LOCATION	□	NF SECONDARY	□	INACTIVE
◊	PLUGGED & ABANDONED	□	PENDING	□	PROPOSED
*	PRODUCING GAS	□	PI OIL	□	STORAGE
●	PRODUCING OIL	□	PP GAS	□	TERMINATED
+	SHUT-IN GAS	□	PP GEOTHERML		
•	SHUT-IN OIL	□	PP OIL		
×	TEMP. ABANDONED	□	SECONDARY		
○	TEST WELL	□	TERMINATED		
◆	WATER INJECTION				
◊	WATER SUPPLY				
♣	WATER DISPOSAL				



PREPARED BY: DIANA WHITNEY  
 DATE: 16-FEBRUARY-2005

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

**OPERATOR:** Coastal Plains Energy Inc.

**WELL NAME & NUMBER:** Ferron Well 207-14-1

**API NUMBER:** 43-015-30617

**LOCATION:** 1/4,1/4 SENW Sec: 14 TWP: 20 S RNG: 7 E 1957.34 FNL 2072.26 FWL

**Geology/Ground Water:**

Significant volumes of high quality ground water are unlikely to be encountered in the bedrock at this location. A poorly to moderately permeable soil is likely to be developed on a thin Quaternary Slope Wash covering the Blue Gate Shale Member of the Mancos Shale. A shallow, minor fresh water resource may be encountered in the Ferron Sandstone Member of the Mancos Shale owing to the Member's shallow depth and the relatively close proximity of surficial exposures that are within 3½ miles to the east. The proposed surface casing and cementing program should adequately isolate any zones of fresh water that may be penetrated in the Quaternary Slope Wash. The well will be air drilled so the drilling fluid is benign irrespective of any water resources being encountered in the Ferron Sandstone. Two surface and no underground water rights have been filed on an area within a mile of the proposed well location.

**Reviewer:** Christopher J. Kierst **Date:** 3/17/2005

**Surface:**

On-site conducted March 9, 2005. In attendance: Bart Kettle (DOGM), John Lemon (Surface owner), and Allen Childs (Talon Resources).

Surface issues discussed; as staked the proposed location sits within the radius of a center pivot used to irrigate surface owners hay field. Alternate locations to drill are available. Staked location is located 345' from the nearest surface water, and 810' from the banks of Ferron Creek. With little topographic relief ground water may be located within a few feet of the surface at the staked location. Due to risk of soil and water contamination pit restrictions would be required and a closed mud system would be considered. Pit contents and liner would not be buried in place.

**Reviewer:** Bart T Kettle **Date:** 03/16/2005

**Conditions of Approval/Application for Permit to Drill:**

1. Reserve pit be inspected for water following construction and prior to lining by the Division of Oil, Gas and Mining. If ground water is present in pit a closed mud system will be required.
2. If reserve pit is used contents of pit and liner will be removed from location following completion of well.
3. Reserve pit will be fence on three sides during drilling, with the fourth side being fenced immediately following the removal of drilling rig.

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

**OPERATOR:** Coastal Plains Energy Inc.

**WELL NAME & NUMBER:** Ferron Well 207-14-1

**API NUMBER:** 43-015-30617

**LEASE:** Fee **FIELD/UNIT:** Ferron

**LOCATION:** 1/4,1/4 SENW **Sec:**14 **TWP:**20 S **RNG:**7 E 1957.34 **FNL** 2072.26 **FWL**

**LEGAL WELL SITING:** 660 feet from drilling unit boundary.

**GPS COORD (UTM):** X =490934 E; Y =4325778 N **SURFACE OWNER:** Fee

**PARTICIPANTS**

Bart Kettle (DOGM), John Lemon (Surface Owner) and Allen Childs (Talon Resources Inc)

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is ~.75 miles east of Ferron, located in Emery County Utah. Location is surrounded by cultivated fields and riparian areas associated with Ferron Creek. Drainages flow into Ferron Creek and eventually to the Green River 60 miles away. The well site is located in an 8-10" precept zone at the base of the eastern portion of the Wasatch Plateau. A majority of the surface has near 100% vegetative cover due to irrigation of pastures and hayfields. Riparian areas are located along both sides of Ferron Creek. With the exception of agriculture lands and montane forest to the west, the local topography is arid rangelands dominated by Salt Scrub shrublands and Pinion/Juniper woodlands.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Center pivot producing hay, livestock grazing, and wildlife use.

PROPOSED SURFACE DISTURBANCE: 3,000' of 24' new road will be built. Well pad will be 150'x200'.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: Two producing wells, Behling Fee 41-22 and Singleton Fee 23-14. Three plugged wells, Rasmussen 41-23, Fee 1-14 and Ferron MRC 28.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities will be located at an existing compressor station operated by Costal Plains. Only wellhead will be visible once well is put onto production, flow line from well to compressor station will be buried.

SOURCE OF CONSTRUCTION MATERIAL: On location

ANCILLARY FACILITIES: None

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN):The proposed location is located less than 1 mile from the town of Ferron, with some residents ½ mile away. Due to the close

proximity of residents to the proposed location drilling at this location could generate public interest.

#### **WASTE MANAGEMENT PLAN:**

Reserve pit will be inspected for surface water after construction and prior to lining. If surface water is present in pit a closed mud system will be required. If reserve pit is used materials in pit and pit liner will be removed from location and disposed of in an approved facility. In the event a reserve pit is constructed and used it will be fenced and fluids allowed too evaporate. Oil will not be allowed in the reserve pit, any oil which accumulates in the pit will be pumped or skimmed off and hauled to a state approved recycle facility. Trash will be placed in containers and disposed of in a state approved landfill. Chemical toilets will be used for human waste, their contents will be disposed of in a state approved facility.

#### **ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: Ferron Creek, a perennial stream, is located 810' to the south of the proposed location, surface water is located 345' from the proposed location. Riparian vegetation and floodplains associated with Ferron Creek are 330' south of the proposed location.

FLORA/FAUNA: Mule Deer, cottontail rabbits, Neotropical songbirds and rodents. Grasses: Johnson grass, saltgrass, Nebraska sedge, elk sedge, spiketail spp, reed canary grass, foxtail barley. Shrubs: None. Forbs: Strawberry clover.

SOIL TYPE AND CHARACTERISTICS: Blue and gray clays, Mancos origin.

SURFACE FORMATION & CHARACTERISTICS: Gray silty clay loams. Soils where deposited as part of the flood plain of Ferron Creek.

EROSION/SEDIMENTATION/STABILITY: Soils are stable under current management, slightly erosive in nature when disturbed.

PALEONTOLOGICAL POTENTIAL: None noted

#### **RESERVE PIT**

CHARACTERISTICS: 40'x25'x5'

LINER REQUIREMENTS (Site Ranking Form attached): Lining is required if use of reserve pit is permitted. Reserve pit will be inspected after construction, but prior to lining, if surface water is present a closed mud system will be required.

#### **SURFACE RESTORATION/RECLAMATION PLAN**

Per surface agreement

SURFACE AGREEMENT: Signed.

CULTURAL RESOURCES/ARCHAEOLOGY: \_\_\_\_\_

**OTHER OBSERVATIONS/COMMENTS**

Request by landowner that well be moved outside the radius of pivot.  
Discussed that staked location is boggy spot in field. Provided that  
well is drilled in staked location operation of pivot irrigation system  
would require that production equipment be located off location.  
Discussed alternate locations for well to be drilled.

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Bart Kettle  
DOGM REPRESENTATIVE

03/16/2005 11:20 a.m.  
DATE/TIME

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

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

**Final Score**      52      (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

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

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







State Online Services

Agency List

Business.utah.gov

Search Utah.gov

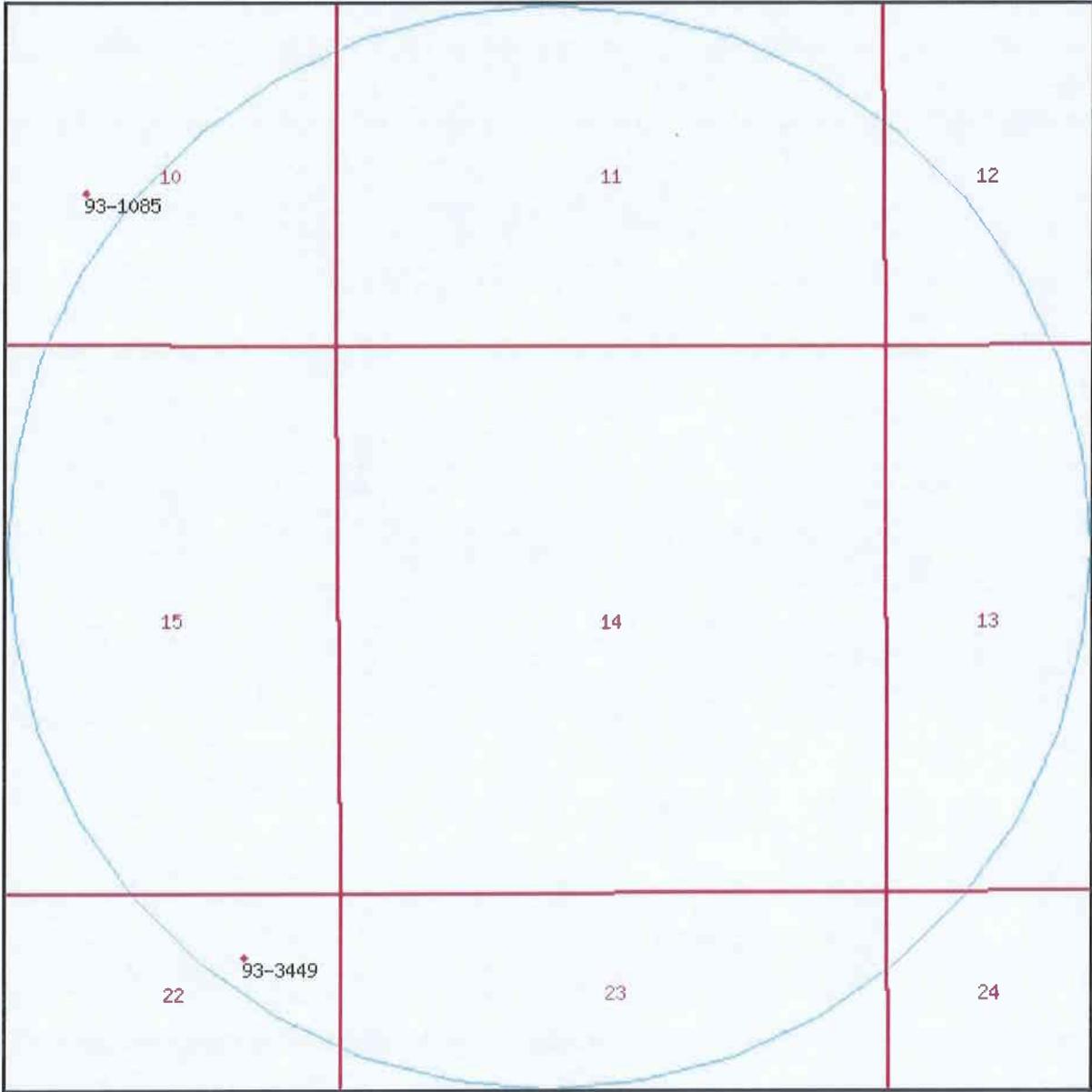
GO

# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 03/17/2005 04:00 PM

Radius search of 5280 feet from a point S1957.34 E2072.26 from the NW corner, section 14, Township 20S, Range 7E,  
SL b&m Criteria:wrtypes=W,C,E podtypes=S,U,D,Sp,P status=U,A,P usetypes=all



**Water Rights**

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
93-1083	Surface		P	18900000	IS	2.000	0.000	ROCKY MOUNTAIN WEST BAPTIST MISSIONS  P.O. BOX 104
	S630 W965 NE 22 20S 7E SL							
93-1085	Surface		P	18950000	IS	0.500	0.000	DAVID AND SHARON OWENS  FERRON UT 84523
	N1460 E280 S4 10 20S 7E SL							
93-3449	Surface		P	18900000	I	1.000	0.000	GIL CONOVER  FERRON UT 84523
	S630 W965 NE 22 20S 7E SL							

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

# 3-05 Coastal Plains Ferron 207-14-1 Casing Schematic

Mancos

Surface

7"  
MW 8.4  
Frac 19.3

TOC @  
14.

TOC @  
0.  
Surface  
90. MD

w/ 18% Washcoat

BHP

$$(8.6)(900)(.052) = 402$$

Anticipate 500 maf

G<sub>000</sub>

$$(12)(900) = 108$$

$$MAASP = 294$$

BOP = 3,000 ✓

Surf Csg - 4360  
70% = 3052

Mat pressure @ shoe = 294

propose TEST TO 2000 ✓

✓ Adequate DKD 3/24/05

4-1/2"  
MW 8.6

Production  
900. MD

564 TOC Tail

630 Ferron

w/ 15% Washcoat

Well name:	<b>03-05 Coastal Plains Ferron 207-14-1</b>		
Operator:	<b>EOG Resources</b>	Project ID:	43-015-30617
String type:	Surface		
Location:	Emery County		

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 79 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 90 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 79 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 66 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 90 ft

Cement top: Surface

Non-directional string.

**Re subsequent strings:**

Next setting depth: 900 ft  
 Next mud weight: 8.600 ppg  
 Next setting BHP: 402 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 90 ft  
 Injection pressure: 90 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft <sup>3</sup> )
1	90	7	23.00	J-55	ST&C	90	90	6.25	4.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	39	3270	83.264	90	4360	48.44	2	284	99.99 J

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

Phone: 801-538-5280  
 FAX: 810-359-3940

Date: March 22, 2005  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 90 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:	<b>03-05 Coastal Plains Ferron 207-14-1</b>		
Operator:	<b>EOG Resources</b>	Project ID:	43-015-30617
String type:	Production		
Location:	Emery County		

**Design parameters:**

**Collapse**

Mud weight: 8.600 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 294 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 402 psi  
  
 No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 784 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 78 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft

Cement top: 14 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	900	4.5	10.50	J-55	ST&C	900	900	3.927	18.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	402	4010	9.978	402	4790	11.92	8	132	16.03 J

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

Phone: 801-538-5280  
 FAX: 810-359-3940

Date: March 22, 2005  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 900 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

**COASTAL PLAINS ENERGY, INC.**

420 THROCKMORTON, SUITE 630

FORT WORTH, TEXAS 76102-3723

817-882-9055  
Fax 817-336-3223

April 15, 2005

Ms. Diana Whitney  
State of Utah  
Division of Oil, Gas and Mining  
P. O. Box 145801  
Salt Lake City, UT 84114-5801

Re: **Ferron 207-14-1**  
**Emery County, Utah**

Dear Ms. Whitney:

Pursuant to our recent conversation regarding the referenced applied for well location, Coastal Plains Energy, Inc. respectfully requests an exception to spacing (R649-3-3). The well is located within 660' of the drilling unit boundary, and Coastal Plains is the only offset owner/operator within 460' of the proposed well location. The exception is based on the current location of an agricultural irrigation pivot. Thank you for your attention to this matter.

Very truly yours,

**COASTAL PLAINS ENERGY, INC.**

*Fred N. Reynolds*  
**Fred N. Reynolds**

FNR/cf

ferron207-14-1exception.cpe

**RECEIVED**

**APR 19 2005**

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

**State of Utah****Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

MARY ANN WRIGHT  
*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

April 19, 2004

Coastal Plains Energy, Inc.  
430 Throckmorton, Suite 630  
Fort Worth, Texas 76102-3723

Re: Ferron 207-14-1 Well, 1957' FNL, 2072' FWL, SE NW, Sec. 14, T. 20 South,  
R. 7 East, Emery County, Utah

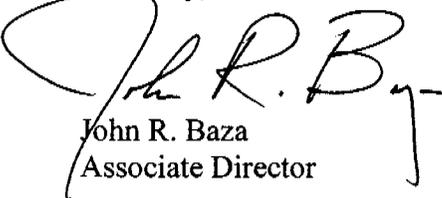
Gentlemen:

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 43-015-30617.

Sincerely,



John R. Baza  
Associate Director

jc  
Enclosures

cc: Emery County Assessor

Operator: Coastal Plains Energy, Inc.

Well Name & Number Ferron 207-14-1

API Number: 43-015-30617

Lease: Fee

Location: SE NW                      Sec. 14                      T. 20 South                      R. 7 East

### Conditions of Approval

#### 1. General

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

#### 2. Notification Requirements

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

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

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

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

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

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

CONFIDENTIAL

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: COASTAL PLAINS ENERGY INC

Well Name: FERRON 207-14-1

Api No: 43-015-30617 Lease Type: FEE

Section 14 Township 20S Range 07E County EMERY

Drilling Contractor BOB BEAMAN RIG # RATHOLE

**SPUDDED:**

Date 09/15/05

Time 9:00 AM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by HANS ABAHAMSEN

Telephone # 1-405-833-9400

Date 09/15/2005 Signed CHD

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

FORM 6

**ENTITY ACTION FORM**

Operator: Coastal Plains Energy, Inc.  
Address: 420 Throckmorton, Suite 630  
city Fort Worth  
state Texas zip 76102-3723

Operator Account Number: N 2170

Phone Number: 817 882-9055

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-015-30616	Ferron 217-10-1		NWNW	10	21S	7E	Emery
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14948	09/09/05		9/29/05		
Comments: <u>FRSD</u>							<b>CONFIDENTIAL</b>

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-015-30617	Ferron 207-14-1		SENW	14	20S	7E	Emery
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14949	09/15/05		9/29/05		
Comments: <u>FRSD</u>							<b>CONFIDENTIAL</b>

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments: 							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

**Fred N. Reynolds**

Name (Please Print)

*Fred N. Reynolds*

Signature

Petroleum Engineer

09/21/05

Title

Date

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SEP 21 2005

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

CONFIDENTIAL

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</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:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Coastal Plains Energy, Inc.</b>		8. WELL NAME and NUMBER: <b>Ferron 207-14-1</b>
3. ADDRESS OF OPERATOR: <b>420 Throckmorton, Ste 630, Ft Worth, TX 76102-3723</b>	PHONE NUMBER: <b>817 882-9055</b>	9. API NUMBER: <b>43-015-30617</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1,957' FNL, 2,072' FWL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Ferron</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SE/NW Section 14, T20S, R7E</b>		COUNTY: <b>Emery</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 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>09/19/05</b>	<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: <b>Drill &amp; Set Casing</b>
	<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.

**Please be advised that the following operations have taken place:**

**09/15/05 20' - 12-1/4" conductor casing set  
Drill 9-5/8" hole to 99'  
Set 94' - 7", 23 lb/ft, J-55 casing  
Cemented w/80 sacks Class H cement**

**09/16/05-  
09/18/05 Drilled 6-1/8" hole to 915'. No open hole logs run.**

**09/19/05 Set 905', 4-1/2", 10.5 lb/ft, J-55 casing  
Cemented w/75 sacks CBM Lite cement**

NAME (PLEASE PRINT) <b>Fred N. Reynolds</b>	TITLE <b>Petroleum Engineer</b>
SIGNATURE <i>Fred N. Reynolds</i>	DATE <b>10/04/05</b>

(This space for State use only)

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OCT 06 2005

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

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FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</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:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Coastal Plains Energy, Inc.</b>		8. WELL NAME and NUMBER: <b>Ferron 207-14-1</b>
3. ADDRESS OF OPERATOR: <b>420 Throckmorton Ste 630</b>		9. API NUMBER: <b>43-015-30617</b>
CITY <b>Fort Worth</b> STATE <b>TX</b> ZIP <b>76102-3728</b>	PHONE NUMBER: <b>817 882-9055</b>	10. FIELD AND POOL, OR WILDCAT: <b>Ferron</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1,957' FNL, 2,072' FWL</b>		COUNTY: <b>Emery</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SE/NW Section 14 T20S R7E</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 type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input checked="" type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input checked="" 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 type="checkbox"/> OTHER: _____
	<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.

**01/21/06 Run CBL & perforate Ferron Sands 692'-702', 714'-720', 740'-754', 768'-774'.**

**01/23/06 Acidize Ferron Sands 692'-774' w/1,500 gals 50% - 7-1/2% HCL/50% methanol. Set 2-3/8" tbg at 662'.**

**03/07/06 Fracture stimulate Ferron Sands w/42,480 gals 70 Q foam & 79,800 lbs 20/40 sand. Flow back frac.**

**04/26/06-**

**04/29/06 Swab tested well. Swabbing ±30 barrels salt water per day. Appears zones 740'-754' and 768'-774' are wet.**

**05/06/06 Set cement retainer @ 724'. Shut in well. Wait on farm land to be irrigated and farmed.**

NAME (PLEASE PRINT) <b>Fred N. Reynolds</b>	TITLE <b>Petroleum Engineer</b>
SIGNATURE <i>Fred N. Reynolds</i>	DATE <b>02/05/07</b>

(This space for State use only)

**RECEIVED**  
**FEB 08 2007**  
DIV. OF OIL, GAS & MINING

**COASTAL PLAINS ENERGY, INC.**

420 THROCKMORTON, SUITE 630  
FORT WORTH, TEXAS 76102-3723

817-882-9055  
Fax 817-336-3223

February 5, 2007

CONFIDENTIAL

Utah Division Oil, gas and Mining  
P O Box 145801  
Salt Lake City, UT 84114-5801

Re: **Ferron 217-10-1**  
**Ferron 207-14-1**  
**Ferron 217-4-1**  
**Emery County, Utah**

Dear Sir or Madam:

Enclosed please find State of Utah Forms 9 and BLM Form 1004-0135, Sundry Notices for the referenced wells. We apologize that these forms were not submitted earlier as there was a miscommunication in our office. All of the subject wells have not been completed for sales production as yet and are in various stages of evaluation.

If you have any questions, please contact the undersigned.

Very truly yours,

**COASTAL PLAINS ENERGY, INC.**

*Fred N. Reynolds*  
**Fred N. Reynolds**

FNR/cf

Encls.

ferronsundry.cpe

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DIV. OF OIL, GAS & MINING

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

AMENDED REPORT [ ] FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] DRY [ ] OTHER [ ]
b. TYPE OF WORK: NEW WELL [X] HORIZ. LATS. [ ] DEEP-EN [ ] RE-ENTRY [ ] DIFF. RESVR. [ ] OTHER [ ]

2. NAME OF OPERATOR: Coastal Plains Energy, Inc.

3. ADDRESS OF OPERATOR: 420 Throckmorton, Suite 630 PHONE NUMBER: 817
CITY Fort Worth STATE TX ZIP 76102-3723 882-9055

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1,957' FNL, 2,072' FWL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 1,957.34' FNL, 2,072.26' FWL
AT TOTAL DEPTH:

5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT or CA AGREEMENT NAME
8. WELL NAME and NUMBER: Ferron 207-14-1
9. API NUMBER: 43-015-30617
10. FIELD AND POOL, OR WLD CAT: Ferron
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE/NW Sec 14 T20S R7E
12. COUNTY: Emery 13. STATE: UTAH

14. DATE SPUNDED: 09/15/05 15. DATE T.D. REACHED: 09/18/05 16. DATE COMPLETED: 11/28/06 ABANDONED [ ] READY TO PRODUCE [X] 17. ELEVATIONS (DF, RKB, RT, GL): 5,818' RKB

18. TOTAL DEPTH: MD 915' TVD 915' 19. PLUG BACK T.D.: MD 720' TVD 720' 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* N/A 21. DEPTH BRIDGE MD 720' PLUG SET: TVD 720'

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Thermal Multigate Decay Lithology
23. WAS WELL CORED? NO [X] YES [ ] (Submit analysis)
WAS DST RUN? NO [X] YES [ ] (Submit report)
DIRECTIONAL SURVEY? NO [X] YES [ ] (Submit copy)

Table with 10 columns: HOLE SIZE, SIZE/GRADE, WEIGHT (#/ft.), TOP (MD), BOTTOM (MD), STAGE CEMENTER DEPTH, CEMENT TYPE & NO. OF SACKS, SLURRY VOLUME (BBL), CEMENT TOP \*\*, AMOUNT PULLED. Rows include 9-5/8" 7"/J-55 23 surface 94' H 80 sx surface and 6-1/8" 4 1/2"/J-55 10.5 surface 905' Lite 75sx surface.

Table with 10 columns: SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Row: 2-3/8" 662' N/A

Table with 10 columns: FORMATION NAME, TOP (MD), BOTTOM (MD), TOP (TVD), BOTTOM (TVD), INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS. Rows (A) Ferron 692' 722' 692' 722' 692'-702' 3/8" 30 Open [X] Squeezed [ ]

Table with 2 columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL. Row: 692'-778' Acid-1,500 gals 7-1/2% HCL frac-42,480 gals 70Q foam/79.800 lbs 20/40

29. ENCLOSED ATTACHMENTS: [X] ELECTRICAL/MECHANICAL LOGS [ ] GEOLOGIC REPORT [ ] DST REPORT [ ] DIRECTIONAL SURVEY [ ] SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION [ ] CORE ANALYSIS [ ] OTHER:
30. WELL STATUS: Producing

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: <b>04/03/07</b>	TEST DATE: <b>04/20/07</b>	HOURS TESTED: <b>24</b>	TEST PRODUCTION RATES: →	OIL - BBL: <b>0</b>	GAS - MCF: <b>24</b>	WATER - BBL: <b>5</b>	PROD. METHOD: <b>pumping</b>
CHOKE SIZE: <b>64/64"</b>	TBG. PRESS. <b>25</b>	CSG. PRESS. <b>25</b>	API GRAVITY <b>N/A</b>	BTU - GAS <b>1055</b>	GAS/OIL RATIO <b>N/A</b>	24 HR PRODUCTION RATES: →	INTERVAL STATUS: <b>producing</b>

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

**Sold**

33. SUMMARY OF POROUS ZONES (include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Upper Ferron	692'	722'		Ferron	692'
Middle Ferron	734'	762'			
Lower Ferron	766'	792'			

35. ADDITIONAL REMARKS (include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Fred N. Reynolds TITLE Petroleum Engineer  
 SIGNATURE *Fred N. Reynolds* DATE May 24, 2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 Box 145801  
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340  
 Fax: 801-359-3940