

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 UPL 207-22-1				
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 FERRON				
4. TYPE OF WELL Not Available Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME OF OPERATOR COASTAL PLAINS ENERGY INC						7. OPERATOR PHONE 817 882-9055				
8. ADDRESS OF OPERATOR 420 Throckmorton Street, Suite 630, Fort Worth , TX, 76102						9. OPERATOR E-MAIL freyolds@coplains.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Utah Power and Light Company						14. SURFACE OWNER PHONE (if box 12 = 'fee') 801-220-2516				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 1407 West North Temple, Suite 110, Salt Lake City, UT 84116						16. SURFACE OWNER E-MAIL (if box 12 = 'fee') Brian.Young@pacificorp.com				
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		2221 FSL 1786 FWL		NESW	22	20.0 S	7.0 E	S		
Top of Uppermost Producing Zone		2221 FSL 1786 FWL		NESW	22	20.0 S	7.0 E	S		
At Total Depth		2221 FSL 1786 FWL		NESW	22	20.0 S	7.0 E	S		
21. COUNTY EMERY			22. DISTANCE TO NEAREST LEASE LINE (Feet) 1786			23. NUMBER OF ACRES IN DRILLING UNIT 160				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 3800			26. PROPOSED DEPTH MD: 7400 TVD: 7400				
27. ELEVATION - GROUND LEVEL 5928			28. BOND NUMBER CTCS-267895			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE air/Ferron City water				
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
COND	17	13.375	0 - 100	54.5	J-55 Casing/Tubing	8.5	Type H	100	1.06	16.0
SURF	11	8.625	0 - 3000	32.0	J-55 Casing/Tubing	8.5	Type H	750	1.6	13.8
PROD	7.875	5.5	0 - 7400	17.0	N-80 LT&C	9.5	Type H	675	1.35	11.0
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 Christopher N. Biggs				TITLE President			PHONE 405 601-5446			
SIGNATURE				DATE 10/21/2013			EMAIL cbiggs@coplains.com			
API NUMBER ASSIGNED 43015500040000				APPROVAL			 Permit Manager			

EXHIBIT "D"
DRILLING PROGRAM

Attached to UDOGM Form 3
Coastal Plains Energy, Inc.
UPL 207-22-1
NE/4 SW/4, Section 22, T20S, R7E, SLB & M
2,221' FSL, 1,786' FWL
Emery County, Utah

1. **The Geologic Surface Formation**

Mancos

2. **Estimated Tops of Important Geologic Markers**

<u>Formation</u>	<u>Depth (Ft)</u>	<u>Sub Sea GL: 5928'</u>
Ferron Sand	680	+5248
Dakota	1560	+4368
Curtis	2777	+3151
Entrada	2867	+3061
Navajo	4707	+1221
Kayenta	5295	+633
Chinle	5766	+162
Sinbad	6678	-750 (Prospective zone)
Black Dragon Member	6844	-916 (Prospective zone)
Beta Kaibab	7015	-1087 (Prospective zone)
T/White Rim Coconino	7167	-1239 (Prospective zone)
T.D.	7400	

3. **Projected Gas & Water Zones**

No groundwater is anticipated to be encountered. Water encountered will be reported on Form 7 "Report of Water Encountered During Drilling".

Casing and cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 3,000 psi.

4. **The Proposed Casing and Cementing Programs**

Casing Program:

<u>Hole Size</u>	<u>Setting Depth (Interval)</u>	<u>Size (OD)</u>	<u>Weight, Grade & Joint</u>	<u>Condition</u>
17"	100'	13-3/8"	54.5 lb/ft, J-55, STC	Used
11"	3,000'	8-5/8"	32 lb/ft, J-55, LTC	New
7-7/8"	7,400'	5-1/2"	17 lb/ft, N-80, LTC	New

Cement Program:

Conductor: 100 sacks Class H (100' to surface)
Weight: 16 lb/gal
Yield: 1.06 ft³/sk

Surface Casing: 750 sacks Class H (3000' to surface)
Weight: 13.8 lb/gal
Yield: 1.6 ft³/sk

Production Casing: 300 sacks Class H (T.D. to 5800')
Weight: 11 lb/gal
Yield: 1.35 ft³/sk
Stage Tool @ 5400'
375 sacks Class H (5400' to 2800')
Weight: 11 lb/gal
Yield: 1.35 ft³/sk

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

- a. Blowout preventer pressure tests, including test pressures and results;
- b. Blowout preventer tests for proper functioning;
- c. Blowout prevention drills conducted;
- d. Casing run, including size, grade, weight, and depth set;
- e. How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- f. Waiting on cement time for each casing string;
- g. 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. An 11" 3,000 psi rotating head and blind ram BOP for the 11" hole from surface to 3000' while drilling with the air medium. From 3000' to T.D. for the 7-7/8" hole drilling with water based mud a 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 3,000 psi. All tests will be recorded in a Driller's log book. Physical operations of the BOP will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

This well will be air drilled to 3,000', thereafter from 3,000' (surface casing shoe to T.D.) with water based mud with mud weight 9.0ppg to 9.5ppg.

7. The Testing, Logging and Coring Programs are as follows:

Testing: DST's are not planned.

Logging: End of surface casing – T.D.
Gamma Ray, Density, Neutron, Porosity, Induction, Caliper

Coring: Coring is planned for this location in the Upper Kaibab interval, 7,000'-7120'.

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 2500 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 commence drilling approximately December 15, 2013.

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.

CONFIDENTIAL

EXHIBIT "E"
MULTIPOINT SURFACE USE PLAN

Attached to UDOGM Form 3
Coastal Plains Energy, Inc.
UPL 207-22-1
NE/4 SW/4 Section 22, T20S, R7E, SLB & M
2,221' FSL, 1,786' FWL
Emery County, Utah

1. Existing Roads

- a. The proposed access road will be constructed and 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 200' 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: 2 – 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

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 located at the well site;
- 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 or pumped from a nearby water supply.
- 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 to 3,000' and from 3,000' to T.D. with drilling mud, a 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. 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 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 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

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

9. Wellsite 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 "A-2".
- 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 "A-2".
- 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 the 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 wellsite is to be abandoned, all disturbed areas will be re-contoured to the natural contour as is possible.

11. Surface Ownership

The wellsite and access road will be constructed on lands owned by Pacific Corp., Attn: Property Management Department, 1407 W. North Temple, Suite 110, Salt Lake City,

UT 84116, 801-220-2516. 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 for wildlife habitat and grazing. The nearest dwelling is approximately 1 mile west. Nearest live water is in Ferron Creek ½ mile north.
- 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 wellsite 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 and Mining.

13. **Company Representative**

Fred Reynolds
Coastal Plains Energy, Inc.
420 Throckmorton, Suite 750
Fort Worth, TX 76102-3724
817-336-1742

Excavation Contractor

TBD

14. **Certification**

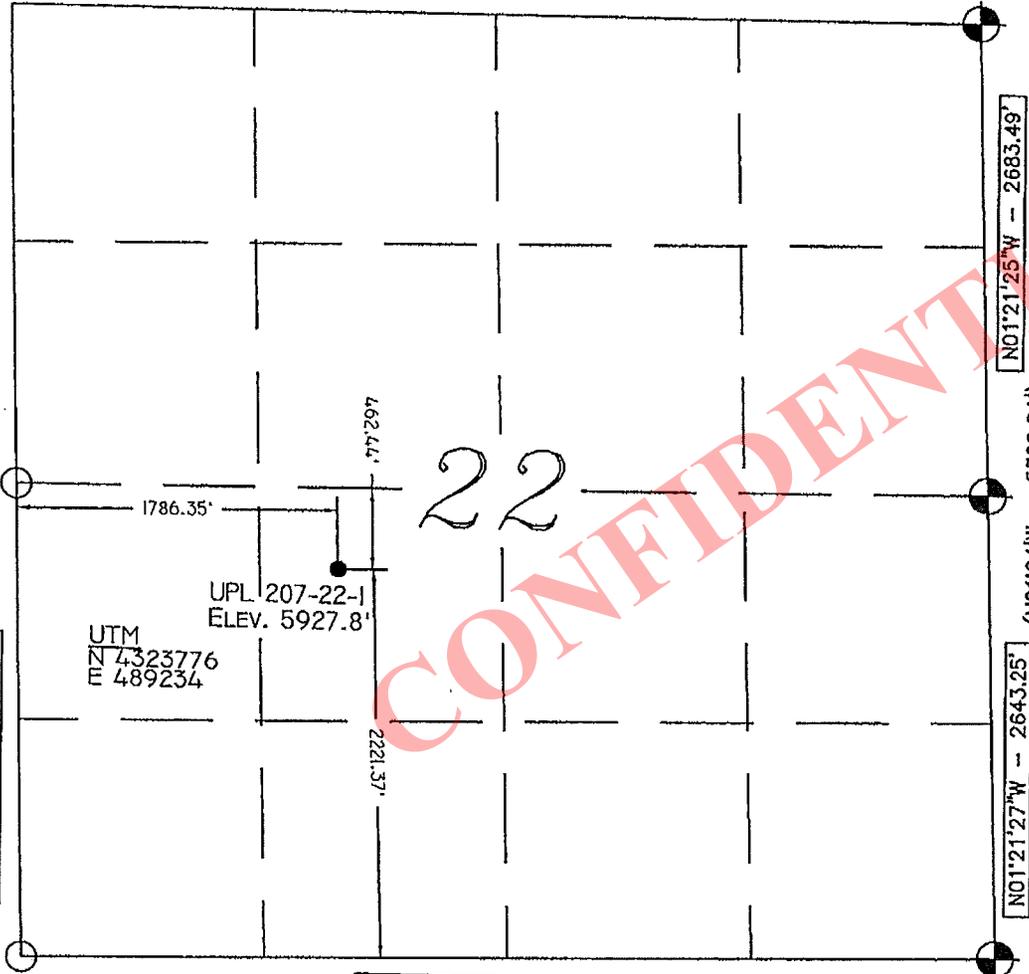
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated 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.

12/13/13
Date

Fred N. Reynolds
Fred N. Reynolds
Coastal Plains Energy, Inc.

Range 7 East

Township 20 South



Location:
The well location was determined using a Trimble 5700 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 5815.00' being at the Southeast Section Corner of Section 23, Township 20 South, Range 7 East, Salt Lake Base and Meridian, as shown on the Molen Quadrangle 7.5 minute series map.

Description of Location:
Proposed Drill Hole located in the NE/4 SW/4 of Section 22, T20S, R7E, S.L.B.&M., being North 2221.37' from South Line and East 1786.35' from West Line of Section 22, T20S, R7E, Salt Lake Base and Meridian.

Surveyor's Certificate:
I, John S. Huefner, a Professional Land Surveyor, holding Certificate No. 144842 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.
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon etv.net

COASTAL PLAINS ENERGY, INC.

UPL 207-22-1
Section 22, T20S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: N. BUTKOVICH	Checked By: A.P.C./J.S.H.
Drawing No. A-1	Date: 8/17/12
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 5095

- Legend**
- Drill Hole Location
 - ⊙ Brass Cap (Found)
 - Nail and RM (Found)
 - △ Searched for but Not Found
 - () GLO
 - GPS Measured

N88°28'12"E - 5404.44'
(S88°46'W - 5352.60')

LAT / LONG
39°03'53.571" N
111°07'27.968" W

NOTES:
1. Dimensions are GPS measured unless noted otherwise.
2. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

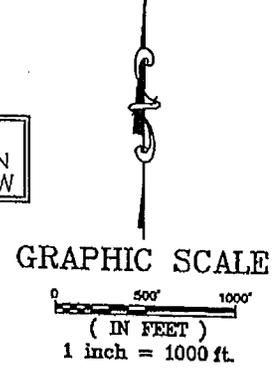
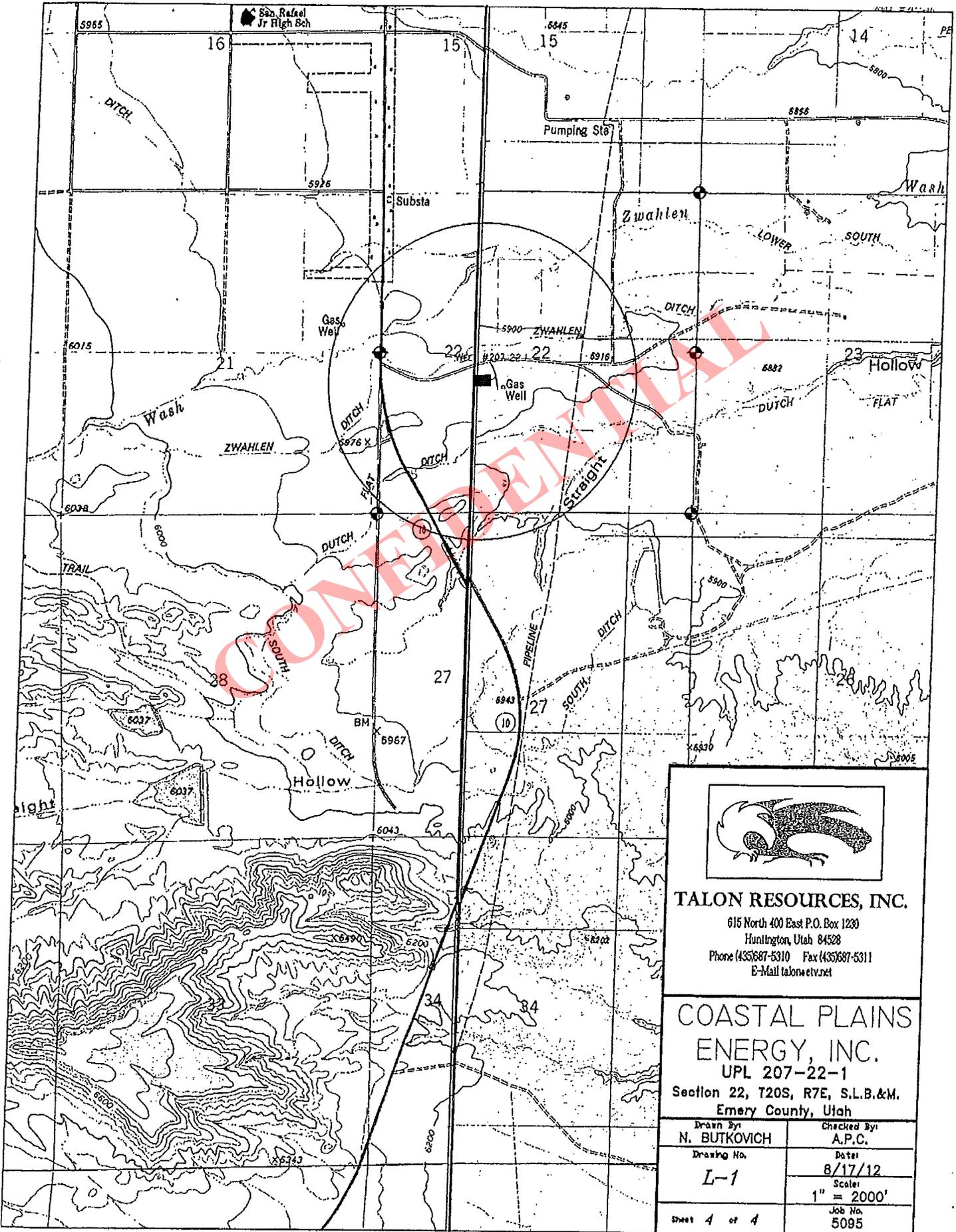


EXHIBIT "B"



TALON RESOURCES, INC.

615 North 400 East P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talon@etv.net

**COASTAL PLAINS
 ENERGY, INC.**

UPL 207-22-1
 Section 22, T20S, R7E, S.L.B.&M.
 Emery County, Utah

Drawn By N. BUTKOVICH	Checked By A.P.C.
Drawing No. L-1	Date: 8/17/12
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 5095

<u>Hole Size</u>	<u>Setting Depth (Interval)</u>	<u>Size (OD)</u>	<u>Weight, Grade & Joint</u>	<u>Condition</u>
17"	100'	13-3/8"	54.5 lb/ft, J-55, STC	Used
11"	3,000'	8-5/8"	32 lb/ft, J-55, LTC	New
7-7/8"	7,400'	5-1/2"	17 lb/ft, N-80, LTC	New

Cement Program:

Conductor: 100 sacks Class H (100' to surface)
Weight: 16 lb/gal
Yield: 1.06 ft³/sk

Surface Casing: 750 sacks Class H (3000' to surface)
Weight: 13.8 lb/gal
Yield: 1.6 ft³/sk

Production Casing: 300 sacks Class H (T.D. to 5800')
Weight: 11 lb/gal
Yield: 1.35 ft³/sk
Stage Tool @ 5400'
300 sacks Class H (5400' to 2800')
Weight: 11 lb/gal
Yield: 1.35 ft³/sk

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

- a. Blowout preventer pressure tests, including test pressures and results;
- b. Blowout preventer tests for proper functioning;
- c. Blowout prevention drills conducted;
- d. Casing run, including size, grade, weight, and depth set;
- e. How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- f. Waiting on cement time for each casing string;
- g. Casing pressure tests after cementing, including test pressures and results.

5. **The Operator's Minimum Specifications for Pressure Control**

CHOKES MANIFOLD

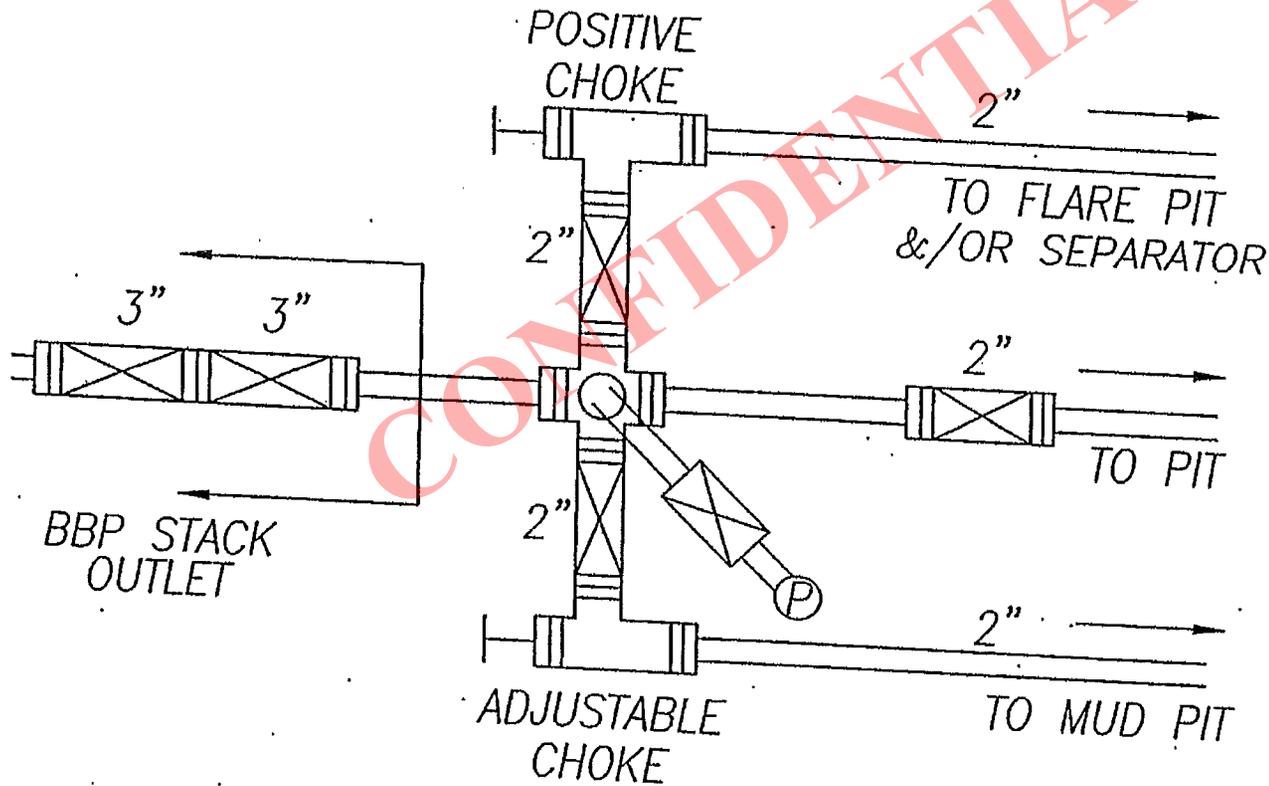
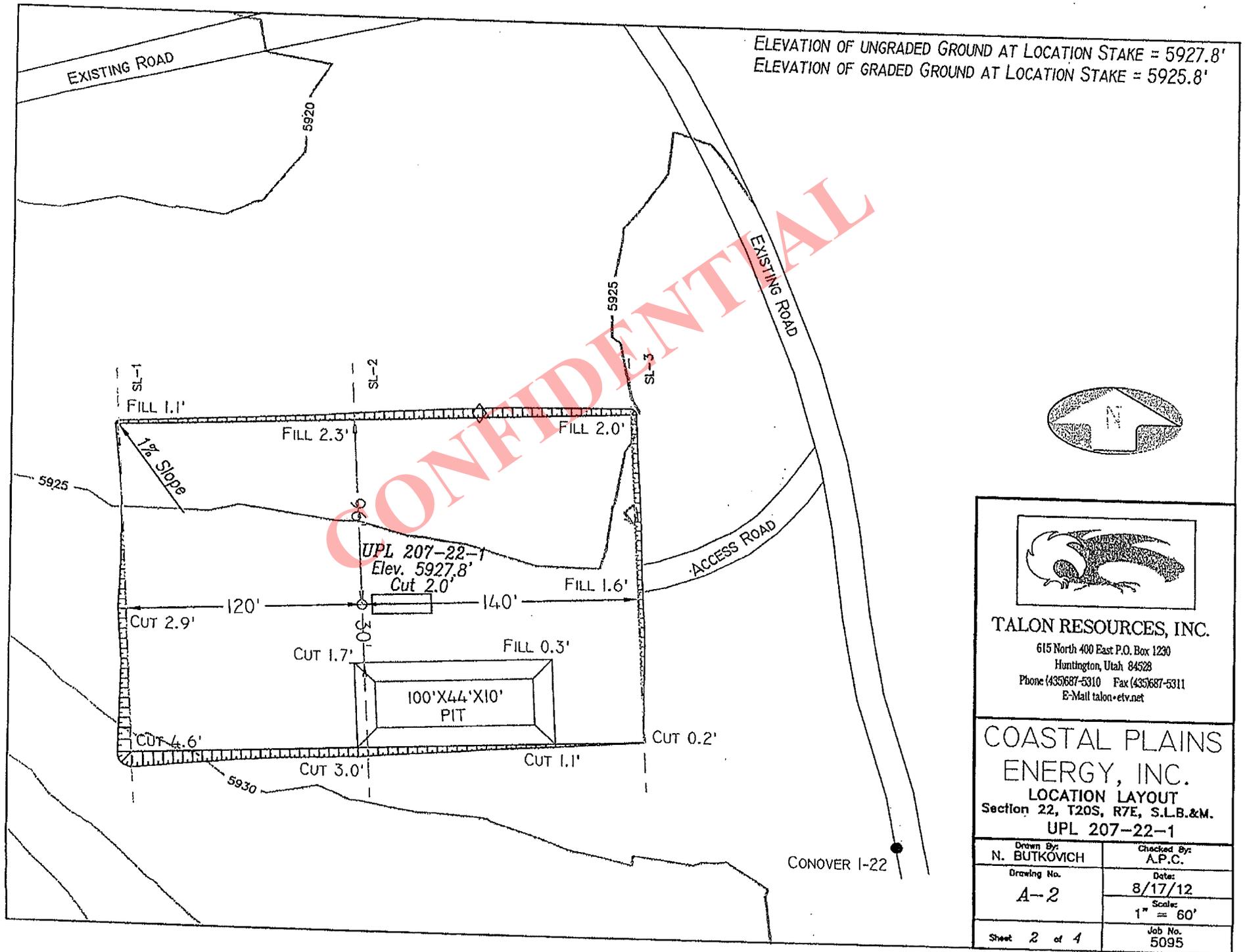


EXHIBIT "H"

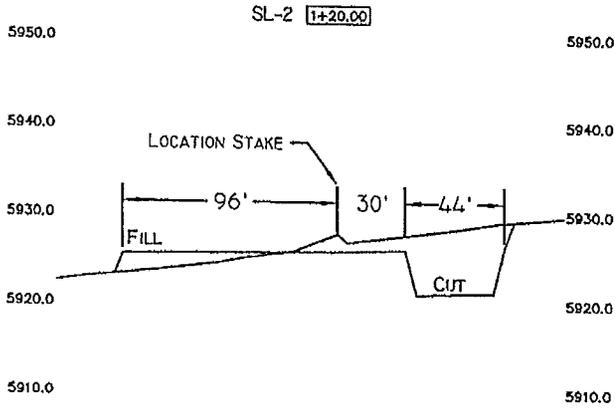
ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5927.8'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5925.8'



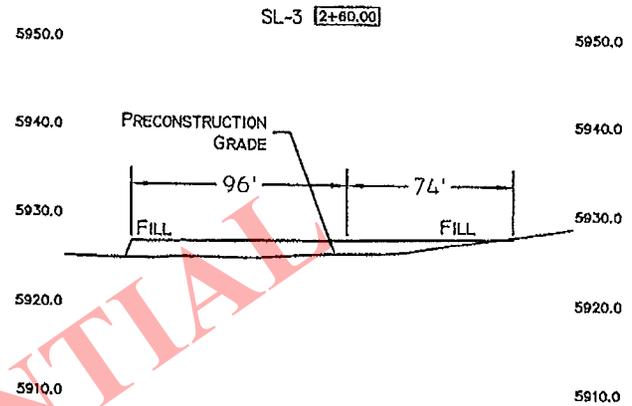
TALON RESOURCES, INC.
 615 North 400 East P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talon@etv.net

COASTAL PLAINS ENERGY, INC.
 LOCATION LAYOUT
 Section 22, T20S, R7E, S.L.B.&M.
 UPL 207-22-1

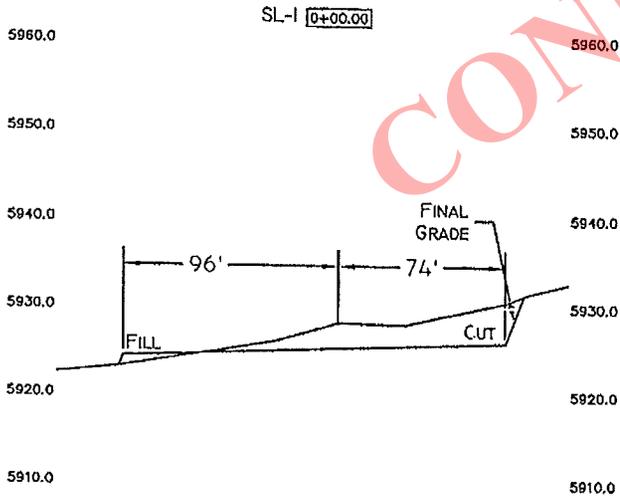
Drawn By: N. BUTKOVICH	Checked By: A.P.C.
Drawing No. A-2	Date: 8/17/12
	Scale: 1" = 60'
Sheet 2 of 4	Job No. 5095



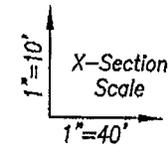
5950.0		5900.0
MAJOR OFFSETS	-110 -100 -80 -70 -60 -50 -40 -30 -20 -10 +10 +20 +30 +40 +50 +60 +70 +80 +90	



5950.0		5900.0
MAJOR OFFSETS	-110 -100 -80 -70 -60 -50 -40 -30 -20 -10 +10 +20 +30 +40 +50 +60 +70 +80 +90	



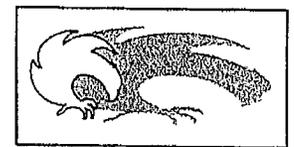
5960.0		5900.0
MAJOR OFFSETS	-110 -100 -80 -70 -60 -50 -40 -30 -20 -10 +10 +20 +30 +40 +50 +60 +70 +80 +90	



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

APPROXIMATE YARDAGES

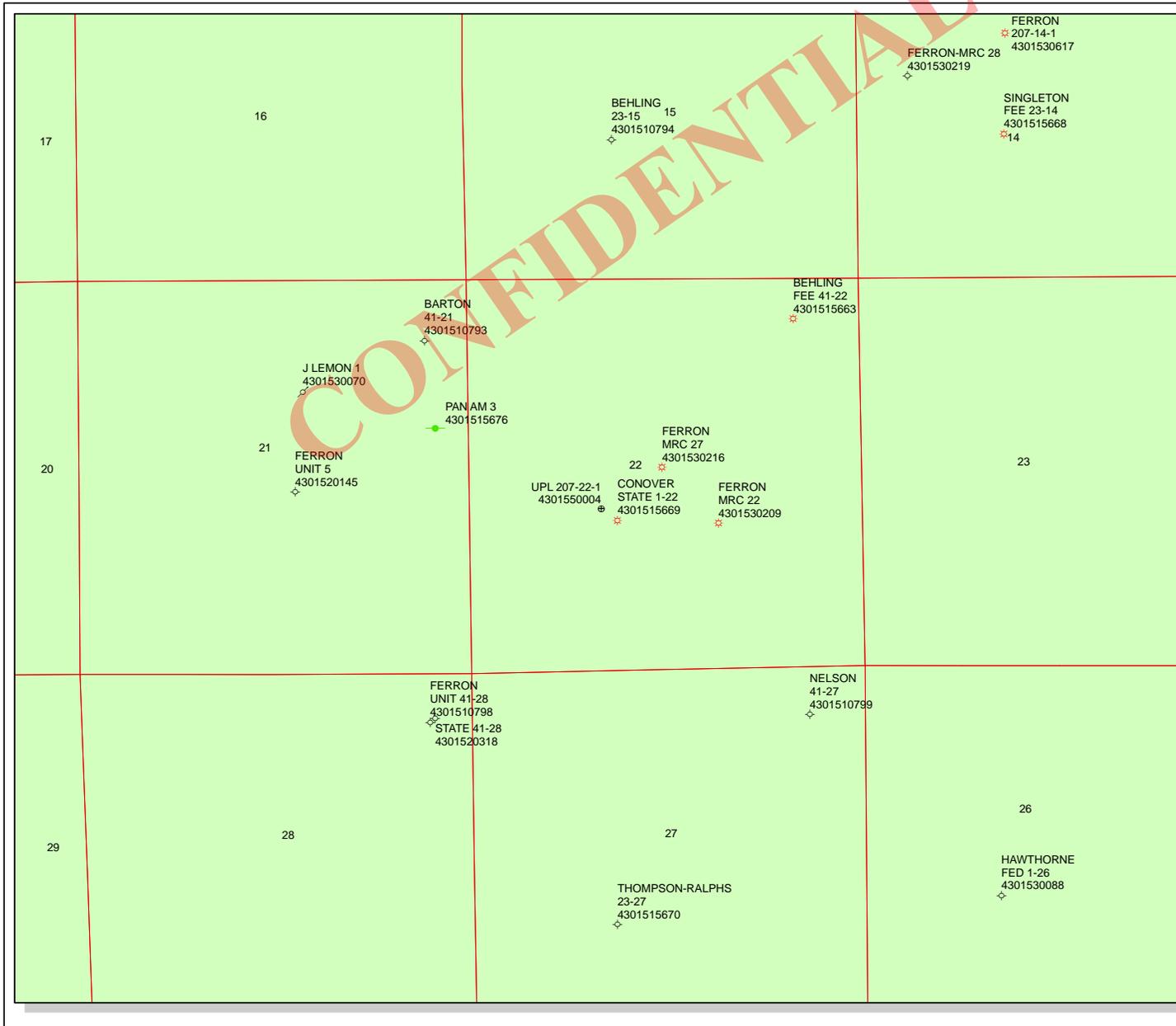
(6") TOPSOIL STRIPPING = 895 CU. YDS.
TOTAL CUT (INCLUDING PIT) = 2,465 CU. YDS.
TOTAL FILL = 1,250 CU. YDS.



TALON RESOURCES, INC.
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

COASTAL PLAINS ENERGY, INC.
TYPICAL CROSS SECTION
Section 22, T20S, R7E, S.L.B.&M.
UPL 207-22-1

Drawn By: N. BUTKOVICH	Checked By: A.P.C.
Drawing No. C-1	Date: 8/17/12
	Scale: 1" = 80'
Sheet 3 of 4	Job No. 5095



API Number: 4301550004

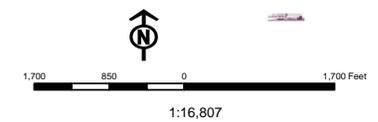
Well Name: UPL 207-22-1

Township: T20.0S Range: R07.0E Section: 22 Meridian: S

Operator: COASTAL PLAINS ENERGY INC

Map Prepared: 10/23/2013
Map Produced by Diana Mason

Wells Query		Units STATUS	
◆	APD - Approved Permit	▨	ACTIVE
⊙	DRL - Spudded (Drilling Commenced)	▨	EXPLORATORY
+	GIW - Gas Injection	▨	GAS STORAGE
✦	GS - Gas Storage	▨	NF PP OIL
⊕	LOC - New Location	▨	NF SECONDARY
⊖	OPS - Operation Suspended	▨	PI OIL
⊗	PA - Plugged Abandoned	▨	PP GAS
⊘	PGW - Producing Gas Well	▨	PP GEOTHERML
⊙	POW - Producing Oil Well	▨	PP OIL
⊙	SGW - Shut-in Gas Well	▨	SECONDARY
⊙	SOW - Shut-in Oil Well	▨	TERMINATED
⊙	TA - Temp. Abandoned		
○	TW - Test Well		
⊙	WDW - Water Disposal		
+	WW - Water Injection Well		
●	WSW - Water Supply Well		



COASTAL PLAINS ENERGY, INC.

6303 NORTH PORTLAND, SUITE 208
OKLAHOMA CITY, OK 73112

405-601-5446
FAX 405-601-5844

October 24, 2013

Mr. Brad Hill
Oil and Gas Permitting Manager
Division of Oil and Gas Mining
1594 West North Temple
Salt Lake City, UT 84116

RE: Exception to location: APD 8750
UPL 207-22-1, Section 22 T20S-R7E
2221FSL 1786FWL

Dear Mr. Hill:

In accordance with the rules governing oil and gas drilling locations in the state of Utah, Coastal Plains Energy, Inc. as operator of the above proposed well hereby requests an exception location.

Coastal Plains Energy, Inc. presently owns 100% of the mineral leasehold underlying section 22 T20S-R7E all in Emery County, Utah. Coastal Plains Energy, Inc. has filed the proper APD and is requesting that The Utah Division of Oil and Gas Mining grant the location exception for APD number 8750.

Thank you for your consideration regarding this matter.

Sincerely,



Michael A. Sleem
Coastal Plains Energy, Inc.

Cc: Fred N. Reynolds



NON-EXCLUSIVE SURFACE USE AGREEMENT

This Nonexclusive Surface Use Agreement (The “**Agreement**”) by and between PACIFICORP, an Oregon Corporation of 1407 West North Temple, Suite 110, Salt Lake City, Utah 84116 (“**PacifiCorp**”), and Coastal Plains Energy, Inc., a Texas corporation of 420 Throckmorton, Suite 630, Fort Worth, Texas 76102 (“**Operator**”). PacifiCorp and Operator will be referred to herein collectively as the “**Parties**.”

RECITALS

A. PacifiCorp is the surface estate owner of record of certain real property, more particularly described on Exhibit A hereto (collectively referred to as the “**Property**” or the “**Properties**”).

B. Operator holds leases (the “**Leases**”) from the United States of America (through the Department of Interior, Bureau of Land Management (“**BLM**”)) of oil, gas, coal-bed methane gas, and all associated hydrocarbon substances (the “**Hydrocarbons**”) underneath the Property

C. The Leases are listed in Exhibit B.

D. PacifiCorp signed a certain Division Order dated June 1, 2002 to Coastal Plains Energy, Inc. for Ferron MRC 22 located in the SE ¼ of Section 22, Township 20 South, Range 7 East, Emery County, Utah.

E. Operator intends to enter upon the Property to conduct operations for exploration, drilling, production, marketing, treating, removal and transportation of the Hydrocarbons from the Property and from other lands in the vicinity of the Property, and/or to drill, install, equip and operate a well for the disposal of water produced in the operations of Operator.

F. Operator has surveyed and staked one well (the “**Well**”) and/or water disposal well (the “**Disposal Well**”) and related facilities on the Property.

G. Operator intends to construct upon the Property or use existing roads or tracks located on the Property, (“**Roads**”), and to construct drilling location(s) and well site(s), reserve pit(s), and in the event of production (either from the Property or lands in the area), tank batteries, compression facilities, dehydration facilities, separation equipment, and to install and construct pipelines to and from the compressor station, flow lines and gathering system lines (“**Pipelines**”) for the transportation of Hydrocarbons, electrical powerlines (“**Powerlines**”) or water (“**Water Lines**”) and is willing to confine and limit its exploration and production operations to the lands and activities shown on the Plan of Operations attached to this Agreement.

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H. PacifiCorp and Operator desire to enter into this Agreement, to provide assurances of Operator's operations, and to grant Operator certain rights for the foregoing purposes.

NOW, THEREFORE, in consideration for the mutual promises herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following terms and conditions:

1. **Term.** The term of this Agreement shall be a term of five (5) years starting December 1, 2013 and ending November 30, 2018. If Operator shall begin extracting hydrocarbons in continuous payable quantities and if Operator has complied with and is current in the performance of all of the obligations required by this Agreement, Operator may extend the term of this Agreement for a maximum of four consecutive terms of five (5) years (creating a maximum term of this Agreement of 25 years) by giving PacifiCorp written notice of its intent to do so ("**Notice of Intent to Renew**") not less than sixty (60) days prior to the termination date of the then current term.

2. **Property.** PacifiCorp grants Operator, its employees and designated agents, the non-exclusive right to enter upon the Property for the limited purpose of conducting the oil & gas exploration and production activities specified in the approved Plan of Operations ("Plan") that is attached hereto as Exhibit C. This grant is limited to the portions of the Property specified in the Plan. Operator shall limit its uses of the Property to the activities and locations specified in the Plan.

2.1 **Additional Property.** Operator may not use other lands or properties of PacifiCorp unless this Agreement and the Plan are amended to include such lands or properties.

3. **Use of Property.**

3.1 **Authorization of Use.** PacifiCorp hereby authorizes Operator to use, on a non-exclusive basis, the surface of those portions of the Property designated on Exhibit C for the following uses provided they are specifically described in Exhibit C (collectively referred to as the "**Activities**"):

- (a) Activities and surface facilities related to site preparation, drilling, completion, operating, and producing of the wells described in Exhibit C;
- (b) Use of existing roads or the construction and use of new access roads on PacifiCorp's lands as described in Exhibit C;
- (c) Laying, constructing, operating, maintenance, inspection, repair, and replacement of pipelines and powerlines, associated with wells drilled by Operator on PacifiCorp's lands as described in Exhibit C; and
- (d) Undertake any other activities described in Exhibit C.

3.2 **Limitation on Use of Property.** This Agreement is expressly limited to the use or uses of those portions of the Property described on *Exhibit C* for conducting the Activities, and for no other use or uses unless otherwise agreed to in advance and in writing by PacifiCorp. The Activities may be conducted only by Operator, its authorized personnel and contractors bound to the same standards and obligations of conduct as set forth in this Agreement. Notwithstanding the foregoing sentence, Operator shall remain liable under this Agreement for all acts of its employees, agents, authorized personnel and contractors as if such acts were the acts of Operator. Operator shall reasonably limit the Activities so as to use only so much of the Property as is necessary for such limited purposes, while allowing PacifiCorp or its designees the greatest use of the Property for its own or any other purpose. Operator further recognizes and agrees that its use of the Property shall be non-exclusive and subject to the right of PacifiCorp to engage in, or to grant to others the rights to engage in other uses of the Property, including but not limited to the development, operation, maintenance, repair, upgrade and enlargement of existing and future power lines, roads, spring development, pipelines, fiber optic lines, cable lines, water wells, and all associated poles, equipment and facilities; and the construction of roads and other uses on the Premises so that PacifiCorp and other authorized users may have adequate access necessary for other uses. PacifiCorp and other authorized users (as authorized by PacifiCorp) shall not unreasonably interfere with the facilities of the Operator (as described on Exhibit C). PacifiCorp and Operator shall use reasonable efforts to coordinate activities to avoid conflicting uses.

3.3 **Right of Way Plat.** Notwithstanding anything in this Agreement, prior to construction of any Roads, Pipelines, Powerlines, Water Lines, well, or any other facility or structure (“**Improvement**”) on the Property, Operator shall prepare and submit, at its cost, a surveyed plat (prepared by licensed surveyor) designating the location of such Improvement for PacifiCorp’s prior approval. The Operator shall also submit a description of the Improvement, including the dimensions of the Improvement, the purpose of the Improvement and the basic operation of the Improvement. PacifiCorp shall take commercially reasonable efforts to provide a response within 45 days of the plat and description being submitted to PacifiCorp. PacifiCorp will grant such approvals in its discretion. If PacifiCorp does not provide an approval it shall provide a recommendation for an alternative route. Upon determination of an acceptable route and prior to construction (or at any time requested by PacifiCorp), Operator shall, at its cost, promptly deliver to PacifiCorp any information PacifiCorp requests which is reasonably necessary to update any of the exhibits to the Agreement to reflect the Improvement

3.4 **Non-Interference.** By acceptance of this Agreement, Operator acknowledges that PacifiCorp and its authorized users may also conduct operations and locate facilities on the Property. PacifiCorp will make commercially reasonable efforts to avoid conflicts with the Operator’s facilities shown on *Exhibit C*. In the event of a conflict with an Operator’s access way, PacifiCorp may request that Operator utilize alternative access ways to access the Operator’s facilities, and, if the Parties agree on an alternative access way, the Parties will split the costs incurred by Operator to prepare the alternative access way for its use.

3.5 **Plan of Operation.** Operator shall conduct all operations in compliance with the terms and conditions of a government-approved plan of operations that is consistent with *Exhibit C*. Operator is responsible for obtaining state and/or federal approval of any such plan of operations. Any plan of operation shall be submitted to PacifiCorp for review and approval prior to seeking governmental approval

3.6 **Grant of Rights.** PacifiCorp hereby grants Operator, its agents, employees, and contractors, on a non-exclusive basis, the right of ingress to, egress from and enter upon and use the surface estate of that portion of the Property described in *Exhibit C* in accordance with the terms of this Agreement for the conduct of the Activities and locations, more particularly described in *Exhibit C*.

3.7 **Phase I Environmental Assessment.** Prior to the Operator conducting any Activities on any portion of the Property, PacifiCorp shall cause a qualified consultant (mutually acceptable to Operator) to conduct a Phase I environmental assessment of the portion of the Property that will be utilized by the Operator (as identified in *Exhibit C*). The actual cost of the Phase I environmental assessment shall be paid for by Operator, provided that the actual cost is reasonable.

4. **Consideration.**

4.1 **Payment.** As consideration for the use of the Property to conduct the Activities, Operator shall pay to PacifiCorp the amounts listed in *Exhibit D* hereto in accordance with the terms and conditions contained therein. In the event such amount is not received by PacifiCorp within thirty (30) days of when due, Operator shall pay a late payment fee equal to ten percent (10%) of the amount due. Operator agrees that this late charge represents a fair and reasonable estimate of the costs PacifiCorp will incur by reason of Operator's late payment. Operator's acceptance of a late charge shall in no event constitute a waiver by PacifiCorp of Operator's default for the payment of the overdue payment; nor prevent PacifiCorp from exercising any of the other rights or remedies granted PacifiCorp under this Agreement or at law or in equity. In addition to the late charges set forth above, if the amount due to PacifiCorp is not paid within sixty (60) days of when due, the entire overdue amount including the late payment fee provided for herein, from the date due until fully paid, shall bear interest at the lesser of (a) the rate of twelve percent (12%) per annum, or (b) the maximum annual rate permitted by applicable law.

4.2 **Damages.** In addition to the above consideration, except as otherwise repaired or restored pursuant to this Agreement, Operator agrees to compensate PacifiCorp for:

- 4.2.1 loss of PacifiCorp's crops on the Property,
- 4.2.2 loss of value to PacifiCorp's existing improvements on the Property,
- 4.2.3 permanent damage to the Property, and
- 4.2.4 other damages to fences, livestock, and timber



caused by Operator's oil and gas operations on the Property. Any payments due pursuant to this Section shall be made to PacifiCorp within 15 days of PacifiCorp invoicing the Operator. Failure to make a timely payment subjects such payments to the late fee and interest described above.

4.3 Payment, Performance and Reclamation Bond. Pursuant to the requirements of this Agreement and prior to commencement of operations on the Property, Operator shall provide PacifiCorp with a Payment, Performance and Reclamation Bond, approved by PacifiCorp, in which the Operator, as principal, and the surety are held and firmly bound to PacifiCorp for payment and performance, as security for the faithful performance and payment of all Operator's obligations under Agreement, its permits, and its reclamation obligations to PacifiCorp for the Property, and any liability for damage to PacifiCorp's operations caused by Operator's activities on the Property. The amount of the Payment, Performance and Reclamation Bond shall be determined by PacifiCorp based upon the scope and location of the exploration and production activities set forth in this Agreement. The initial amount of the Payment, Performance and Reclamation Bond shall be \$25,000, which amount shall be increased by \$25,000 for each additional well drilled on the Property. No activity may proceed under this Agreement until the Payment, Performance and Reclamation Bond has been furnished by Operator and approved by PacifiCorp, and no additional wells may be drilled on the Property until the amount of the Bond has been increased on account of such wells.

The Payment, Performance and Reclamation Bond shall be executed by a surety included in the list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies as published in Circular 570 by the Audit Staff, Bureau of Government Financial Operations, U.S. Treasury Department." If the Payment, Performance and Reclamation Bond is signed by an agent, it must be accompanied by a certified copy of the agent's authority to act. The surety company must be authorized to do business in Utah and have an agent for service of process in the State of Utah. If the surety on the Payment, Performance and Reclamation Bond furnished by Operator is declared bankrupt, it becomes insolvent, its right to do business is terminated in Utah, or it ceases to meet the requirements of this section, Operator shall within ten (10) days thereafter substitute another Payment, Performance and Reclamation Bond and surety, both of which must be acceptable to PacifiCorp.

The Payment, Performance and Reclamation Bond shall be maintained in full force and effect until Operator has received written certification from PacifiCorp that all of Operator's obligations under this Agreement (including reclamation of drill sites, new roads and disturbed land) have been performed and until PacifiCorp has received written certification from the Utah Division of Oil, Gas & Mining that all requirements under all of Operator's permits have been met and that all requirements for reclamation and remediation of the Property have been fulfilled by Operator, and Operator supplies PacifiCorp with proof of the payment in full of all costs for repair of damages to, and for reclamation and remediation of, the Property and facilities. This Payment, Performance and Reclamation Bond shall be in addition to any performance bond and/or replacement reclamation bonds required by the Utah Division of Oil Gas and Mining and/or the BLM.

5.0 **Access and Maintenance.**

5.1 **Location of Access.** Operator shall have the right to access the Property to conduct the Activities at those locations specified in *Exhibit C* hereto.

5.2 **Road Construction and Maintenance.** Operator shall construct and maintain all roads identified on *Exhibit C*, consistent with those standards required for roads located on federal lands, as such requirements may be updated and amended (see USDA-USDI, COM Plan, 1987). All construction and maintenance costs relating to the Property shall be borne solely by Operator. The speed limit shall not exceed 15 m.p.h. (but at all times shall be reasonable based on conditions and to avoid excess wear to travel surfaces).

5.3 **Property Maintenance.** Operator will promptly, and at its own expense, repair any damage to any facilities or improvements located on the Property (including, but not limited to facilities and improvements owned by PacifiCorp and other parties that have been granted use rights on the Property), due in whole or in part to Operator's Activities.

5.4 **Access Limitation.** Operator shall use remote access telemetry equipment, where it is reasonably feasible, to limit the intensity and frequency of access to the Property.

5.5 **Dust Control.** Operator shall control dust on the Property and agrees to apply water (or other approved dust suppressant as necessary) to the Property and take other actions as necessary or required by PacifiCorp to control dust to an absolute minimum (and in no case shall dust from the Property exceed any legal standard or requirement).

5.6 **Fences and Gates.** If PacifiCorp reasonably determines that an access road could potentially degrade the quality of adjacent wildlife habitat or grazing land or potentially cause other disturbances to wildlife or livestock, PacifiCorp may require Operator to construct, at its own expense, suitable fences along a single side of the roadway. At PacifiCorp's request, Operator shall provide a cattle guard or locking gate at all places where Operator requires access through PacifiCorp's fences and shall provide PacifiCorp a lock at Operator's expense. Operator shall ensure that all gates are closed and locked immediately after passing through them, and shall remain inside the vehicle while traversing the access road to the Property, except to open and close gates.

5.7 **Timber.** In the event Operator has to cut any harvestable timber on the Property (as may be reasonably necessary to accommodate its equipment for the purposes identified in this Agreement), Operator shall pay PacifiCorp for all timber harvested at current market rates. No timber shall be cut and removed from the Property without prior written consent from PacifiCorp, which consent shall not be unreasonably withheld.



5.8 **Site Security.** If PacifiCorp reasonably determines that site security is required during construction activities or operations, it will be the responsibility of Operator to provide and pay for such site security at the access location or locations to be determined by PacifiCorp.

5.9 **Liens.** Operator shall not suffer or permit any liens or encumbrances in any form to be filed or otherwise levied against the surface estate of the Property in connection with the conduct of the Activities. If any lien or encumbrance is filed or levied against the surface estate of the Property (or could materially affect the surface estate of the Property) as a result any action undertaken by the Operator, the Operator shall take all necessary action to have the lien or encumbrance removed within 15 days of notice of such encumbrance. The Operator indemnifies and holds PacifiCorp harmless for all costs associated with satisfying or removing any lien or encumbrance from the Property.

5.10 **Other Prohibitions.** Operator shall not possess, consume, import, sell, give, barter or otherwise dispose of any alcoholic beverages or drugs (excluding drugs for proper medical purposes and then only in accordance with applicable law and so as not to interfere in any way with the proper execution of Operator's work) on the Property. The use of tobacco products shall be confined to within vehicles and allowed only while such vehicle is operating on county roads within the PacifiCorp property. Operator further agrees that no firearms or hunting shall be allowed on the Property. Operator shall observe all applicable laws while on the Property. Operator shall be responsible for the timely clean-up of any trash or debris associated with conducting the Activities. Operator shall adhere to the requirements of the National Electrical Code ("NEC"), the National Electrical Safety Code ("NESC"), the Occupational Safety and Health Act ("OSHA"), all of which are incorporated by reference, any governing authority having jurisdiction over the subject matter, and any other safety requirements PacifiCorp may require. Where difference in specifications may exist, the more stringent shall apply. All requirements of the NESC referred to in this Agreement shall mean the current edition of such code and shall include any additional requirements of any applicable federal, state, county or municipal code or regulatory agency.

6.0 **Release and Indemnification.** Operator shall use the Property at its own risk and hereby releases and forever discharges any claims, demands or causes of action it may have against PacifiCorp, its officers, directors, employees, agents, divisions, subsidiaries, affiliates and contractors arising out of Operator's use of the Property or conducting the Activities. In addition, Operator shall protect, indemnify and hold harmless PacifiCorp, its officers, directors, employees, agents, subsidiaries, divisions, affiliates and contractors (collectively, the "Indemnitees") from and against any losses, claims, liens, demands and causes of action of every kind, including the amount of any judgment, penalty, fine, interest, court cost or legal fee incurred by the Indemnitees or any of them in the defense of same, arising in favor of any party, including governmental agencies or bodies, on account of those taxes enumerated in Section 15.5, claims, liens, debts, personal injuries, death or damages to property, violations of Environmental Laws and Regulations, and all other claims or demands of every character arising directly or indirectly out of Operator's use of the Property or conduct of the Activities. The terms

of this Section 6 shall survive the termination of this Agreement for one (1) year. For purposes of this Agreement, "Environmental Laws and Regulations" shall mean all present and future federal, state and local laws and all rules and regulations promulgated thereunder, relating to pollution, hazardous or toxic materials or waste, land use or development, water resource development or use, oil and gas exploration and operation or protection of the environment as such may be applicable to the Property or the conduct of the Activities or any other actions Operator may take while on the Property.

7.0 **Compliance with Laws.** Operator shall comply with all federal, state, and local laws, including but not limited to all Environmental Laws and Regulations that are applicable to the Property or conduct of the Activities or otherwise applicable to the actions of the Operator. The Operator is solely responsible for researching, identifying and fully complying with all federal, state and local laws that are applicable to the Property, the Activities and all other actions of Operator. Operator shall prior to undertaking any Activities or other actions on the Property obtain all federal, state and local permits, licenses and other authorizations necessary to undertake the Activities or other actions on the Property. The Operator shall maintain all permits, licenses and other authorizations for the term of this Agreement. The Operator shall also comply with all terms and conditions of all permits, licenses, leases, environmental assessments, conservation recommendations, and any other rules, regulations, actions or orders that are applicable to the Property or the conduct of the Activities or any other actions taken by the Operator. Upon request by PacifiCorp, Operator, at its cost, shall take all reasonable measures to demonstrate to PacifiCorp that it has complied with the provisions of this Section 7. Such reasonable measures shall include, but are not limited to, providing PacifiCorp with an opinion from an independent, qualified professional engineer reasonably acceptable to PacifiCorp licensed in the State of Utah that the Operator is in full compliance with the provisions of this Section 8. Such opinion shall be provided to PacifiCorp within twenty (20) business days of such request. PacifiCorp at any time may request copies of any and all permits, licenses or other authorizations held by Operator in connection with operations on the Property. Such documents shall be provided to PacifiCorp within ten (10) business days of such request. The Operator shall promptly notify PacifiCorp of any notices of violation or any threatened or actual enforcement claims or actions by any federal, state or local governmental authority. Such notice shall include copies of all correspondence from the governmental authority. Operator shall strictly comply in all respects with all federal, state, and local Environmental Laws and Regulations. Operator shall not use or store on the Property any hazardous or toxic materials without PacifiCorp's prior written consent. In the event of any spill or release of any hazardous or toxic materials, Operator shall immediately report the spill or release as required by law, fully and completely remedy such spill or release and shall immediately notify PacifiCorp thereof. Upon termination of this Agreement, Operator shall deliver the Property to PacifiCorp free of any contamination (including, but not limited, surface, surface water, underground and ground water contamination) by hazardous or toxic materials or any other material or substance that may be detrimental to the environment, wildlife, vegetation or human health. Operator covenants and agrees to protect, indemnify, and hold PacifiCorp harmless from any and all liability, loss, costs, damage, or expense, including attorneys' fees, resulting from Operator's failure to comply with

the provisions of this Section 8. The covenants contained within this paragraph shall survive the expiration or termination of this Agreement for one (1) year. PacifiCorp may request reasonable documentation from the Operator to confirm compliance with this Agreement. Operator shall provide such documentation within twenty (20) business days of such a request.

8.0 **Default.** A default shall occur upon the occurrence of any of the following:

8.1 Failure by Operator to make any payment when due;

8.2 Failure of the Operator to perform any of its obligations under this Agreement;

8.3 Operator is issued any form of notice of violation or enforcement action against Operator in connection with operations in the Property or performance of any Activities;

8.4 Operator (i) makes an assignment for the benefit of its creditors; (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within 60 days after such filing; (iii) becomes insolvent; or (iv) is unable to pay its debts when due.

8.5 Operator fails to maintain any permit, license or other authorization required for its operations on the Property or its performance of the Activities; or,

8.6 Operator defaults on any other agreement material to its operations on the Property or performance of the Activities, PacifiCorp may make written demand upon Operator to cure such failure to pay or perform. Operator shall be deemed to be in default of this Agreement if Operator does not cure any such failure to pay or perform within 30 days after receipt of written notice of such failure. Upon the occurrence of such default, PacifiCorp shall have the right, in its discretion, to terminate this Agreement by delivering written notice of such termination to Operator.

9.0 **Notice of Default and Cure Period.** Upon the occurrence of a default, PacifiCorp shall provide notice to the Operator identify the default. The Operator shall have 30 days from the date of the notice to cure the default and provide PacifiCorp with satisfactory evidence of such cure. Failure to cure the default and provide satisfactory evidence to PacifiCorp within 30 days of the date of the default notice shall result in the termination of this Agreement. No further notice is required from PacifiCorp for the termination to occur.

10.0 **Inspection and Right to Cure.** PacifiCorp reserves the right to access and use the Property for its own use and to verify Operator's compliance with the terms of this Agreement. PacifiCorp's choice to verify or not verify does not relieve Operator of any obligations provided in this Agreement, nor does such action or lack of action on the part of PacifiCorp act as a waiver or otherwise release Operator from any liability that may arise pursuant to the terms of this Agreement.

11.0 **Successors and Assigns.** This Agreement is binding upon the Parties and their respective successors and assigns. Operator may not assign its rights or delegate its duties under

this Agreement without the prior written consent of PacifiCorp; provided that Operator may freely assign a security interest in this Agreement to provide for financing of its working capital needs. The covenants in this Agreement shall run with the land and this Agreement shall be binding upon the Parties and their successors and permitted assigns. PacifiCorp may, without the consent of Operator (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds therefrom in connection with any financing or other financial arrangements; (b) transfer or assign this Agreement to an Affiliate; or (c) transfer or assign this Agreement to any party succeeding to all or substantially all of the assets or generating assets of such PacifiCorp.

12.0 **Termination.** This Agreement shall terminate upon the earlier of any one of the following (1) the date provided in Section 1 of the Agreement (2) the date when Operator no longer uses the Property to conduct the Activities for a period of one year, (3) the expiration or termination of all oil and gas leases in which Operator owns an interest covering all or any part of that portion of the Property described on *Exhibit C*, or (4) termination by PacifiCorp due to Operator's uncured default as provided in Section 9. Upon termination Operator shall have one hundred twenty (120) days to remove from the Property all above and below ground structures and improvements (including, but not limited to, pipelines, cables, and other buried facilities) which were placed on the Property by Operator and to otherwise fully reclaim all disturbed areas of the Property consistent with terms of this Agreement. PacifiCorp in its sole discretion may elect to waive in writing the requirement to remove any or all structures or improvements.

13.0 **Restoration of Property upon Termination.** Operator shall within a reasonable time, but not later than one hundred twenty (120) days after the earlier of termination of the Activities or this Agreement complete remediation of the Property. Remediation shall include, but is not limited to the following:

- a. Operator shall rehabilitate and restore to its original condition, as near as technically feasible, all areas disturbed by Operator's Activities and other operations, including all roads utilized by Operator (whether constructed by Operator or another party) and all water wells affected by such operations. Prior to reclaiming any road, Operator shall consult with PacifiCorp to provide PacifiCorp with the option of electing to not have a road reclaimed. Operator shall be liable for any and all reclamation obligations for areas disturbed by its operations and shall comply with all reclamation obligations required under this Agreement and by applicable federal, state and local laws.
- b. Operator shall restore the Property in compliance with all applicable federal, state and local laws, rules and regulations, directives and policies, the plan of operation and all applicable governmental or judicial orders which may be in effect at the time of the termination of this Agreement. If no other reclamation standard is established in this Agreement or in the Plan of Operation, the Operator shall comply at a minimum with the reclamation standards applicable to disturbances on federal lands established by the U.S. Department of the Interior (if more than one reclamation standard exists within the U.S. Department of the Interior, the most stringent standard shall apply).

- c. Operator shall reclaim all disturbed areas. As part of reclamation, Operator shall re-seed all disturbed areas during the early spring or late fall as may be designated by PacifiCorp. The seed mixture for all re-seeding shall be that approved by PacifiCorp. Operator shall water and otherwise maintain all re-seeded areas for at least two growing seasons (not less than two calendar years) to ensure such re-seeded areas have been established. If any re-seeded area is not established, Operator shall continue to re-seed the area until such time as PacifiCorp approved vegetation is established.
- d. All wells and drill holes shall be plugged and abandoned, pursuant to applicable federal, state and local laws applicable to the type of well or drill hole at issue. Operator shall restore all well and drill hole locations to its original condition (including reestablishment of vegetation as provided in (c), above).
- e. Operator shall hold PacifiCorp harmless and indemnify PacifiCorp from any and all reclamation-related obligations and costs under this Agreement.
- f. Immediately upon termination of its Activities or this Agreement, Operator shall remove all of its equipment, material and other personal property from the Property.

14.0 If Operator fails to remedy any breach (including, but not limited to failure to reclaim any portion of the Property) within the timeframe provided, PacifiCorp shall have the option, but not the duty, to cure the breach on Operator's behalf. Any expense incurred by PacifiCorp to perform any such cure shall be reimbursed by Operator promptly after receipt of invoice therefore from PacifiCorp, in the same manner as other payments are made hereunder. PacifiCorp may include a reasonable administrative fee in the costs associated with curing a breach under this provision.

15.0 **Improvements and Operating Work.** Operator shall construct and maintain all improvements and structures on the Property using high quality workmanship and materials and consistent with all laws and industry standards relating to such structures and improvements. PacifiCorp shall be given the opportunity to review and approve the location and construction of all improvements and structures prior to the Operator commencing construction. The Operator shall not use the Property to stockpile or store any materials, vehicles or equipment. The Operator shall not operate on roads, undertake construction or other operational activities when conditions on the Property are such that such activities may cause rutting or other unreasonable levels of erosion or other soil or vegetation degradation on the Property. All underground improvements and structures and any above ground structures that may not be clearly and readily visible shall be marked (and such markings maintained) by the Operator at regular intervals with reflective and highly visible materials.

16.0 **Miscellaneous.**

16.1 **Confidentiality.** This Agreement and all of terms hereof are confidential and shall not be disclosed by either party to any third party without the prior written consent of the disclosing party, except as expressly provided herein. Operator acknowledges that PacifiCorp is

a regulated utility and as such has reporting and disclosure obligations. PacifiCorp may, without the prior written consent of Operator, disclose this Agreement in order to comply with any reporting or disclosure requirements PacifiCorp may have. Either Party may disclose this Agreement when such is required, as determined by counsel for the disclosing party, to meet the requirements of law or a court or administrative order. In the event one of the Parties requires evidence of this Agreement to be recorded in the real property records the Parties agree to negotiate in good faith a mutually acceptable memorandum of agreement suitable for recording. Each party shall bear its own recording costs.

16.2 **Integration.** This Agreement constitutes the entire Agreement between the Parties and shall not be amended except by written amendment signed by the Parties.

16.3 **Governing Law and Venue.** This Agreement shall be governed by the procedural and substantive laws of the state of Utah and any claim arising from or relating to this Agreement shall be filed in the state or federal courts located in Salt Lake County, Utah.

16.4 **No Joint Venture or Partnership.** This Agreement does not constitute or create an agency, joint venture, partnership or similar status between the Parties.

16.5 **Taxes.** Operator shall pay all taxes and assessments of any kind, which shall be levied against the Property by reason of Operator's use, or occupancy thereof, except those being contested in good faith, and shall keep the Property free of any liens that may attach thereto by reason of Operator's use or occupancy thereof.

16.6 **Notices.** All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or sent by overnight carrier to the addresses set forth in the introductory paragraph hereof and in each applicable agreement to which the notice pertains. Addresses for notice may be changed by giving ten (10) days written notice of the change to the other party in the manner set forth herein.

16.7 **Authority.** PacifiCorp and Operator covenant and warrant to the other that it has full right, power, and authority to execute this Agreement and that the execution and performance of its respective obligations hereunder will not violate any applicable laws, ordinances or covenants, or the provisions of any Agreement binding on that party. Each party represents that its representative executing this Agreement has been duly authorized to do so by all requisite corporate action.

16.8 **No Waiver.** No provision of this Agreement shall be deemed to be waived by either Party unless the waiver is in writing and signed by the Party against which enforcement is attempted. No custom, practice, or course of dealing which may develop between the Parties in the administration of the terms of this Agreement, or course of performance or failure of either

party to enforce any term, right or condition is to be construed to waive or lessen any party's right to insist upon strict performance of the terms of this Agreement.

16.9 **Severability**. In the event that any part of this Agreement is found to be illegal, or in violation of public policy, or for any other reason unenforceable, such finding shall in no event invalidate or render unenforceable the other parts of this Agreement.

16.10 **Counterparts**. This Agreement may be executed in multiple counterparts, with the same force and effect as if all Parties had executed the same instrument.

16.11 **Entire Agreement**. This Agreement contains the entire Agreement of the Parties pertaining to the subject matter hereof. There are no other Agreements or understandings between PacifiCorp and Operator or its agents relating to this matter.

16.12 **Jury Trial Waiver**. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

17.0 **Insurance Requirement**. Without limiting any liabilities or any other obligations of Operator, Operator shall procure and continuously maintain for the duration of this Agreement, with insurers having an A.M. Best's rating of A-VII or better, insurance against claims for injury to persons or damage to property which may arise from or in connection with this Agreement or Operator's use or occupancy of the Property as follows:

Commercial General Liability: The most recently approved ISO (Insurance Services Office) policy, or its equivalent, written on an occurrence basis, with limits not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate (on a per location basis) to protect against and from any and all loss by reason of bodily injury or property damage on or about the Premises, including the following coverages:

- i. Bodily injury, property damage (including, but not limited to environmental contamination), and personal injury coverage, including damage to PacifiCorp's Electric Facilities or Improvements as a result of Operator's, its contractors', subcontractors' or agents' negligence.
- ii. Contractual liability
- iii. Premises and Products/Completed Operations
- iv. Independent Contractors



Automobile Liability: The most recently approved ISO policy, or its equivalent, with a minimum single limit of \$1,000,000 for bodily injury and property damage including sudden and accidental pollution liability, with respect to Operator's vehicles whether owned, hired or non-owned, assigned to or used in any way on the Premises.

Excess / Umbrella Liability: Insurance with a minimum limit of \$5,000,000 each occurrence /aggregate where applicable to the excess of the coverages and limits required in Employers' Liability, Commercial General Liability, and Automobile Liability insurance above. Such insurance policies shall be maintained to cover any liability (including, but not limited to pollution liability) arising from Operator's use of the Property and indemnification of this Agreement.

Certificate of Insurance: At least three days prior to conducting activities on the Property, Operator shall provide to PacifiCorp a certificate of insurance evidencing its insurance coverage. The Commercial General Liability and the Excess / Umbrella Liability policy required herein shall include the following provisions, (i) naming PacifiCorp, its parent, divisions, directors, officers, employees and agents as additional insureds, (ii) cross liability or severability of interest or separation of insureds clause so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured, and (iii) such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder.

No Right of Recovery or Subrogation: All policies required by this Agreement shall include provisions, (i) that such policies shall include waivers of subrogation, unless prohibited by applicable law the insurer will have no right of recovery or subrogation against PacifiCorp, its parent, divisions, affiliates, subsidiary companies, co-lessees, or co-venturers, agents, directors, officers, employees servants, and insurers; and (ii) that in the event of cancellation or reduction in minimum required limits of these required insurance policies, Operator shall immediately notify PacifiCorp of such action. Operator will provide proof of reinstated or replaced insurance prior to the date of cancellation. If the failure cannot be reasonably cured, PacifiCorp may purchase the appropriate coverage and offset the insurance cost against Operator's payments under this Agreement.

Notice Prior to Change or Cancellation: Operator's insurance required hereunder shall contain provisions that such policies cannot be cancelled or their limits of liability reduced without 1) ten (10) calendar days' prior written notice to PacifiCorp if cancelled for nonpayment of premium, or 2) thirty (30) calendar days' prior written notice to PacifiCorp if cancelled for any other reason.



Claims Made Policy: If Commercial General Liability insurance coverage is provided on a "claims-made" basis, coverage shall be maintained by Operator for a period of one (1) year after completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

18.0 **Rights Reserved**. This Agreement and all rights hereunder shall be held by the Operator at all times subject to the rights of PacifiCorp. Jurisdiction and supervision of PacifiCorp over concerned lands are not surrendered or subordinated by issuance of this Agreement. PacifiCorp reserves the right to issue to other additional licenses, rights-of-way or permits for uses of the lands involved in this Agreement. There is also reserved the right of PacifiCorp, its officers, agents, employees, licensees and permittees to have ingress to, passage over, and egress from all of said lands for the purpose of exercising, enforcing and protecting the rights reserved herein or for any other legitimate purpose.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate on the last date indicated below.

PACIFICORP, an Oregon corporation

By: David Holt

Its: David Holt, Manager

Date: 12/9/13

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OPERATOR
Coastal Plains Energy

By: Fredrick Reynolds

Its: Vice-President

Date: 12/2/13

353108.1

EXHIBIT "A"
Page 1 of 2
PacifiCorp Ownership

PACIFICORP OWNERSHIP
PROPERTY DESCRIPTION

I. SUBJECT LANDS:

PacifiCorp Parcel UTEM-0214

Township 20 South, Range 7 East, SLM

The North ½ of the SE ¼ of Section 22, Township 20 South, Range 7 East, SLM; the NE ¼ of the SW ¼ of Section 22, Township 20 South, Range 7 East, SLM; being land acquired by deed dated January 5, 1983 and recorded as instrument no. 302414 in book 135, page 451 in the records of the county recorder of said county.

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Parcel UTEM-0214B
PacifiCorp Land Covered by This Agreement



1:11,425

Data is projected to NAD 1983 UTM Zone 12N

No Warranty. With respect to any information, including but not limited to the Confidential Information, which a Party furnishes or otherwise discloses to another Party for the purpose of evaluating Compliance, it is understood and agreed that the Disclosing Party does not make any representations or warranties as to the accuracy, completeness or fitness for a particular purpose thereof. It is further understood and agreed that no Party or its Representatives shall have any liability or responsibility to another Party or to any other person or entity, resulting from the use of any information so furnished or otherwise provided pursuant to this Agreement.

UTEM-0214B Coastal Plains Energy Surface Use Agreement

EXHIBIT "A"

EXHIBIT "B"
OIL AND GAS LEASES

<u>Lessor</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Book</u>	<u>Page</u>	<u>Land Description</u>
Thomas P. Thompson et ux	Panhandle Oil Corp	08/16/56	Misc	348-49	T20S R7E Sec 22 beginning at a point 94 rods north of SW corner of NW/4 of Sec 22 running thence east 350' south 175' west 350' north 175' to place of beginning & containing approx 1.4 acres
William & Florence Behling	Annie Jones Trust et al	09/25/53		121	T20S R7E Sec 22 beginning at SW corner of NW/4 of Sec 22 thence north 94 rods, east 115 rods south 94 rods, west 115 rods to place of beginning 115 rods south 94 rods west 115 excepting that part of above described lands deeded by lessor to Thomas P. Thompson & Loye J. Thompson, i.e. beginning at a point 94 rods north of SW corner of NW/4 of Sec 22 running thence east 350' south 175' west 350' north 175' to place of beginning containing approximately 1.4 acres. The balance of the above described lands included in this lease contain 66.5 acres more or less. Also the NW/4SW/4 in Sec 22.
Thomas P Thompson et al	Owanah Oil Development	06/17/53	Misc	370-71	T20S R7E Sec 22 SW/4SE/4 S/2SW/4, Sec 27 NW/4NE/4 NE/4NW/4 S/2NW/4
Melrose A Nelson	Owanah Oil Development	06/18/53	Misc	378-79	T20S R7E Sec 22 SE/4SE/4
St Utah MS 4643	Intermountain Oils	05/02/52			T20S R7E Sec 22 NE/4SW/4 N/2SE/4

EXHIBIT "C"
PLAN OF OPERATIONS

Coastal Plains Energy, Inc.
UPL 207-22-1
NE/4 SW/4, Section 22, T20S, R7E, SLB & M
2,221' FSL, 1,786' FWL
Emery County, Utah

1. The Geologic Surface Formation

Mancos

2. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth (Ft)</u>	<u>Sub Sea GL: 5928'</u>
Ferron Sand	680	+5248
Dakota	1560	+4368
Curtis	2777	+3151
Entrada	2867	+3061
Navajo	4707	+1221
Kayenta	5295	+633
Chinle	5766	+162
Sinbad	6678	-750 (Prospective zone)
Black Dragon Member	6844	-916 (Prospective zone)
Beta Kaibab	7015	-1087 (Prospective zone)
T/White Rim Coconino	7167	-1239 (Prospective zone)
T.D.	7400	

3. Projected Gas & Water Zones

No groundwater is anticipated to be encountered. Water encountered will be reported on Form 7 "Report of Water Encountered During Drilling".

Casing and cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 3,000 psi.

4. The Proposed Casing and Cementing Programs

Casing Program:

<u>Hole Size</u>	<u>Setting Depth (Interval)</u>	<u>Size (OD)</u>	<u>Weight, Grade & Joint</u>	<u>Condition</u>
17"	100'	13-3/8"	54.5 lb/ft, J-55, STC	Used
11"	3,000'	8-5/8"	32 lb/ft, J-55, LTC	New
7-7/8"	7,400'	5-1/2"	17 lb/ft, N-80, LTC	New

Cement Program:

Conductor: 100 sacks Class H
Weight: 16 lb/gal
Yield: 1.06 ft³/sk

Surface Casing: 750 sacks Class H
Weight: 10 lb/gal
Yield: 1.5 ft³/sk

Production Casing: 300 sacks Class H
Weight: 11 lb/gal
Yield: 1.35 ft³/sk

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

- a. Blowout preventer pressure tests, including test pressures and results;
- b. Blowout preventer tests for proper functioning;
- c. Blowout prevention drills conducted;
- d. Casing run, including size, grade, weight, and depth set;
- e. How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- f. Waiting on cement time for each casing string;
- g. Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

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 3,000 psi. All tests will be recorded in a Driller's log book. Physical operations of the BOP will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

This well will be air drilled to 3,000', thereafter from 3,000' (surface casing shoe to T.D.) with water based mud,

7. The Testing, Logging and Coring Programs are as follows:

Testing: DST's are not planned.

Logging: End of surface casing – T.D.
Gamma Ray, Density, Neutron, Porosity, Induction, Caliper

Coring: Coring is planned for this location in the Upper Kaibab interval, 7,000'-7120'.

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 2500 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 commence drilling approximately December 15, 2013.

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.

9. Existing Roads

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

10. Planned Access

Approximately 200' of new access will be required. 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: 2 – 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.

11. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be located at the well site;
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

12. 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 or pumped from a nearby water supply.

- c. No water well is to be drilled for this location.

14. 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.

15. Methods for Handling Waste Disposal

- a. As the well is expected to be air drilled to 3,000' and from 3,000' to T.D. with drilling mud, a 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. 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 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 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.

16. Ancillary Facilities

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

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled.
- 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. 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 the 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 wellsite is to be abandoned, all disturbed areas will be re-contoured to the natural contour as is possible.

11. Surface Ownership

The wellsite and access road will be constructed on lands owned by Pacific Corp., Attn: Property Management Department, 1407 W. North Temple, Suite 110, Salt Lake City, UT 84116, 801-220-2516. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

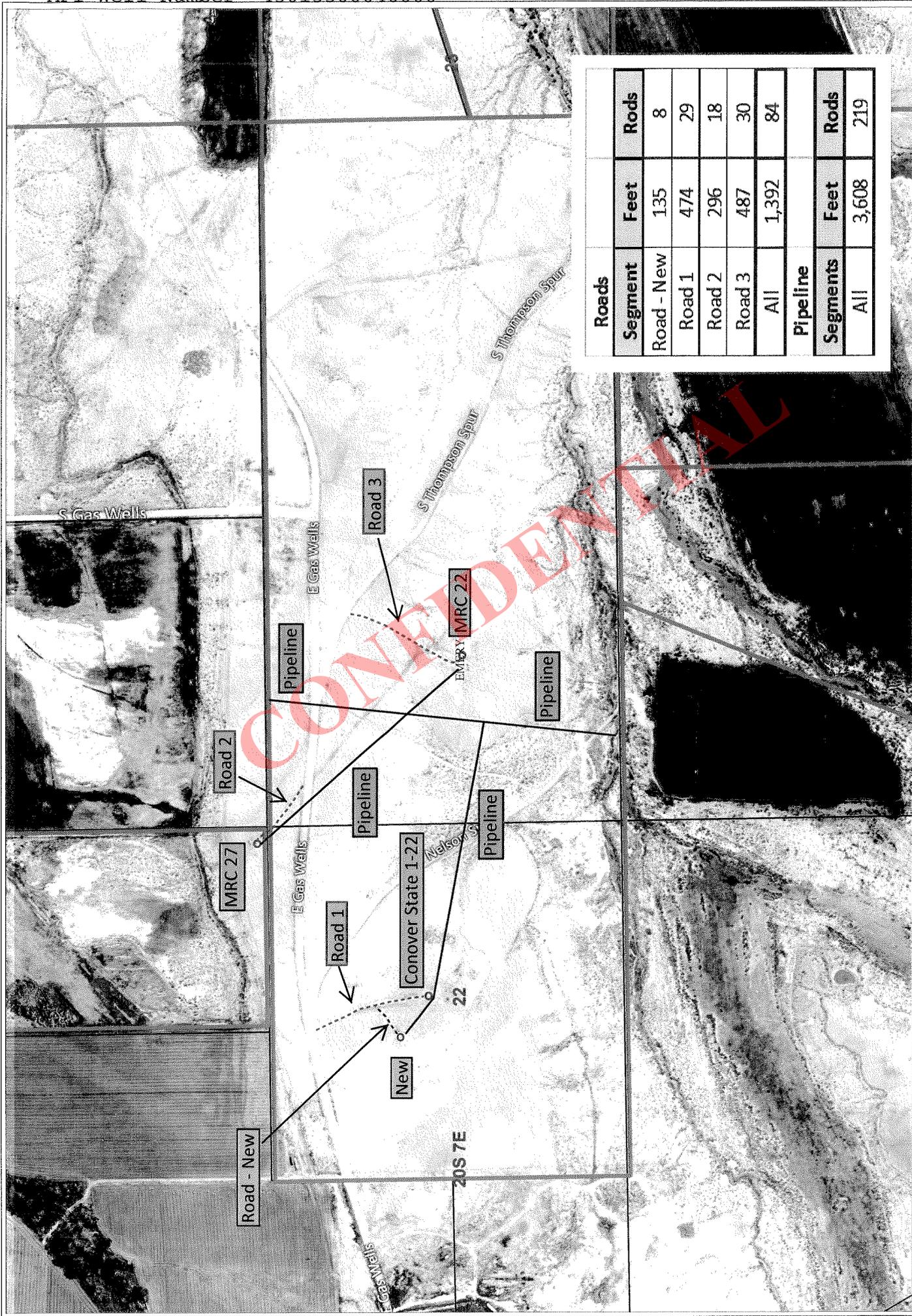
12. Other Information

- a. The primary surface use is for wildlife habitat and grazing. The nearest dwelling is approximately 1 mile west. Nearest live water is in Ferron Creek ½ mile north.
- 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 wellsite during construction and drilling operations.

13. **Company Representative**
Fred Reynolds
Coastal Plains Energy, Inc.
420 Throckmorton, Suite 750
Fort Worth, TX 76102-3724
817-336-1742

Excavation Contractor
TBD

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Roads			
Segment	Feet	Rods	
Road - New	135	8	
Road 1	474	29	
Road 2	296	18	
Road 3	487	30	
All	1,392	84	
Pipeline			
Segments	Feet	Rods	
All	3,608	219	



1:5,712

Data is projected to NAD 1983 UTM Zone 12N

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Exhibit C
Plan of Operations Map

EXHIBIT "D"
Page 1 of 1
Payment

Facility	Unit	Acres	Cost per Unit or Acre	Amount
Wells	4	n/a	\$425	\$1,700
Roads	n/a	0.8	\$850	\$680
Pipelines	n/a	2.07	\$850	\$1,760
One-Time Payment Due				\$4,140

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Well Name	COASTAL PLAINS ENERGY INC UPL 207-22-1 43015500040000			
String	COND	SURF	PROD	
Casing Size(")	13.375	8.625	5.500	
Setting Depth (TVD)	100	3000	7400	
Previous Shoe Setting Depth (TVD)	0	100	3000	
Max Mud Weight (ppg)	8.5	8.5	9.5	
BOPE Proposed (psi)	0	1000	3000	
Casing Internal Yield (psi)	1000	3930	7740	
Operators Max Anticipated Pressure (psi)	2500		6.5	

Calculations	COND String	13.375	"
Max BHP (psi)	.052*Setting Depth*MW=	44	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	32	NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	22	NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	22	NO
Required Casing/BOPE Test Pressure=		100	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient

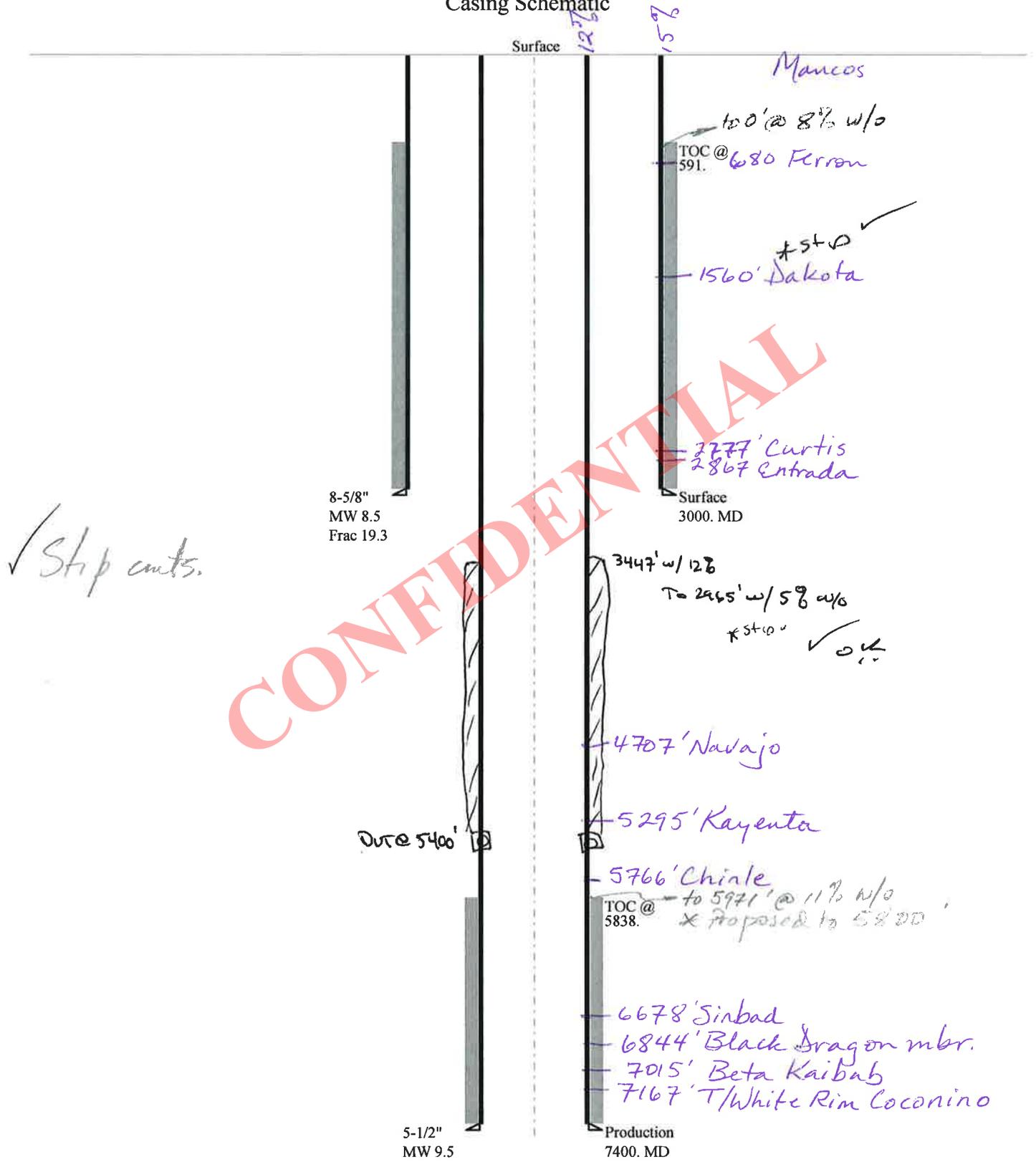
Calculations	SURF String	8.625	"
Max BHP (psi)	.052*Setting Depth*MW=	1326	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	966	YES Ram/Rotating Head
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	666	YES OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	688	NO OK
Required Casing/BOPE Test Pressure=		2751	psi
*Max Pressure Allowed @ Previous Casing Shoe=		100	psi *Assumes 1psi/ft frac gradient

Calculations	PROD String	5.500	"
Max BHP (psi)	.052*Setting Depth*MW=	3656	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	2768	YES 3M BOPE, dbl ram type, blind & pipe ram
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	2028	YES OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	2688	YES OK
Required Casing/BOPE Test Pressure=		3000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		3000	psi *Assumes 1psi/ft frac gradient

Calculations	String		"
Max BHP (psi)	.052*Setting Depth*MW=		
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=		NO
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=		NO
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=		NO
Required Casing/BOPE Test Pressure=			psi
*Max Pressure Allowed @ Previous Casing Shoe=			psi *Assumes 1psi/ft frac gradient

43015500040000 UPL 207-22-1

Casing Schematic



Well name:	43015500040000 UPL 207-22-1	
Operator:	COASTAL PLAINS ENERGY INC	
String type:	Surface	Project ID: 43-015-50004
Location:	EMERY COUNTY	

Design parameters:

Collapse

Mud weight: 8.500 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,640 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 3,000 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: 1.70 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 2,621 ft

Environment:

H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 116 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft

Cement top: 591 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,400 ft
Next mud weight: 9.500 ppg
Next setting BHP: 3,652 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 3,000 ft
Injection pressure: 3,000 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)	Est. Cost (\$)
1	3000	8.625	32.00	J-55	LT&C	3000	3000	7.875	24175
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	1325	2530	1.910	3000	3930	1.31	96	417	4.34 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 801 538-5357
FAX: 801-359-3940

Date: November 19, 2013
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 3000 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	43015500040000 UPL 207-22-1	
Operator:	COASTAL PLAINS ENERGY INC	
String type:	Production	Project ID: 43-015-50004
Location:	EMERY COUNTY	

Design parameters:

Collapse

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

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 178 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,000 ft
Cement top: 5,838 ft

Burst

Max anticipated surface pressure: 2,024 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 3,652 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
Neutral point: 6,334 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)	Est. Cost (\$)
1	7400	5.5	17.00	N-80	LT&C	7400	7400	4.767	41709
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	3652	6290	1.722	3652	7740	2.12	125.8	348	2.77 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 801 538-5357
FAX: 801-359-3940

Date: November 14, 2013
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 7400 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Flora:

Grass: Indian Rice grass.

Forbs: Desert trumpet, halogeton, evening primrose.

Shrubs: Mat salt brush, Nuttles salt brush, green stem rubber rabbit brush, gray horse brush.

Trees: None

Fauna: Mule deer, prong horn antelope, coyote, kit fox, gray fox. Seasonal use by migrating birds such as sage sparrow, cassin finch, house finch, pinion jay, white crowned sparrow, gray crowned rosy finch, blue gray knat catcher, Bewick's wren, black throated sparrow, black capped chickadee, Brewers sparrow, bushtit, western kingbird, chipping sparrow, common nighthawk, Coppers hawk, sharp shin hawk, red tailed hawk, ruff legged hawk, golden eagle, turkey vulture, Downey wood pecker, juniper titmouse, northern shrike, mountain bluebird, mourning dove, pine siskin, sage thrasher, western blue bird, and western meadow lark. . Host of small rodents and reptiles possible such as: Black tailed rabbit, cottontail rabbit, woodrat spp, kangaroo rat spp., deer mouse, pinion mouse, rock squirrel, spotted skunk, and antelope squirrel.

Soil Type and Characteristics

Alkali gray clays recently eroded from lower portions of the Mancos formation.

Erosion Issues Y

Clays prone to wind erosion once disturbed.

Sedimentation Issues N

Site Stability Issues N

Site appears suitable for the proposed drilling program.

Drainage Diverson Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

Site is inherently erosive due to high salt content and fine clays preventing establishment of vegetation to stabilize site. Fresh water application and soil crust are best practices to stabilize disturbed soils.

Paleo Survey Run? N Paleo Potential Observed? N Cultural Survey Run? N Cultural Resources? N

Reserve Pit

Site-Specific Factors	Site Ranking
Distance to Groundwater (feet) >200	0
Distance to Surface Water (feet) >1000	0
Dist. Nearest Municipal Well (ft) >5280	0
Distance to Other Wells (feet) 300 to 1320	10

Native Soil Type	Low permeability	0
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	10 to 30	10 to 30
Presence Nearby Utility Conduits	Not Present	0
	Final Score	26
		1 Sensitivity Level

Characteristics / Requirements

First 3000' will be drilled with air. From 3000' to TD fresh water/mud will be used to drill well. Proposed project site sits within the Mancos formation, site is alkali in nature with fine clay soils and underline shale present. Mobility of fluids and dissolved materials is limited.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 12 Pit Underlayment Required? N

Other Observations / Comments

Emery County provide following comments through the Public Lands and Building and Zoning departments:

- Control VOC to prevent conflicts with residents of Ferron
- Be respectful with 24 hour drilling program limiting traffic outside of daylight hours
- Control dust on County road and access road/well pad.
- Secure road encroachment permit through county roads
- Notify City of Ferron of intended project so they can answer questions likely to be asked as drilling is started
- Submit a Oil and Gas Permit application with Emery County

At the time of surface evaluation a signed surface use agreement is not in place. Per conversation with surface representation work on a surface use agreement is ongoing. In principle surface owner is not opposed to the proposed use, or site selection for proposed project. However they are reviewing the surface use agreement from a logistics and liability prospective. Based on surface evaluation site appears to be suitable for the proposed activity. Quality surface water or shallow water aquifers are not anticipated at this site. Soils are considered poor quality with high clay content and elevated chloride levels. According to NRCS web based soil survey data soils are Chipeta-Badland complex. Soil depth is 5-20" where paralithic bedrock is encountered. Water transmitting capacity is low and salinity is high ranging from 4.0-8.0 mmhos/cm with 1.5" of water holding capacity.

Potential plant community is a salt scrub rangelands: Indian rice grass, bottle brush squirrel tail, Nuttles-Gardner-mat salt brush, rubber rabbit brush, primrose, desert trumpet.

In the event that surface agreement is not reached and a seed mixture is required, proposed mixture would include: 1 lb/acre Indian rice grass, 1 lb/ac Siberian wheatgrass, 1 lb/ac tall wheatgrass, 0.5 lb/acre forage kochia, 0.5 lb/ac four wing salt brush or Nuttles salt brush (dependant on seed availability).

Site appears suitable for grazing, storage site or recreational site. Due to high shrink swell of

soils building construction at site is unlikely. Site is not suitable for irrigated croplands due to high salinity and shallow soil depth.

Bart Kettle
Evaluator

10/31/2013
Date / Time

CONFIDENTIAL

**Application for Permit to Drill
Statement of Basis
Utah Division of Oil, Gas and Mining**

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
8750	43015500040000	LOCKED	NA	P	No
Operator	COASTAL PLAINS ENERGY INC		Surface Owner-APD	Utah Power and Light Company	
Well Name	UPL 207-22-1		Unit		
Field	FERRON		Type of Work	DRILL	
Location	NESW 22 20S 7E S 2221 FSL 1786 FWL GPS Coord (UTM) 489182E 4323989N				

Geologic Statement of Basis

The proposed well is to be drilled to a total depth of 7,400' with surface casing set from 0'-3,000'. The surface string will be drilled using air mist. Within a one mile radius from the proposed well there are no underground water rights on file. The poorly permeable soil has been formed from the erosion of the Blue Gate Member of the Mancos Shale. Units of the Ferron Sandstone Member of the Mancos Shale are present in the near surface or subsurface; these strata are included in the interval to be protected by the surface casing string. Proposed surface casing and cement should adequately isolate any shallow zones containing useable groundwater.

Ammon McDonald
APD Evaluator

11/7/2013
Date / Time

Surface Statement of Basis

Surface evaluation completed on October 31, 2013. In attendance: Bart Kettle-DOGM, Ray Peterson-Emery County, John Adamson-Geopinion representing Coastal Plains Energy Inc. Invited and choosing not to attend Brian Young-Utah Power and Light Company

Due to the proximity of proposed project to the City of Ferron it is reasonable to expect curious on-lookers, investigating kids and potential vandalism. Precautions should be taken to assure tanks, pits and other storage vessels are secured and do not pose a hazard to the general public.

Fresh water should be applied to the access road and well pad to control dust as needed.

Drilling Rig traffic should be limited whenever possible between the hours of 8:00 pm and 7:00 am

Soils high in salt content or heavy clays should not be salvaged as top soils. Such soils will degrade top soil quality and inhibit future reclamation efforts.

VOC from drilling activities and produced fluids should be closely managed to prevent conflicts with surrounding residents. Cold air inversions likely will funnel VOC/odors towards the City of Ferron in evening hours historically generating public comment.

Bart Kettle
Onsite Evaluator

10/31/2013
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Surface	Apply fresh water to the access road and well pad as needed to control dust.

CONFIDENTIAL

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/21/2013

API NO. ASSIGNED: 43015500040000

WELL NAME: UPL 207-22-1

OPERATOR: COASTAL PLAINS ENERGY INC (N2170)

PHONE NUMBER: 405 601-5446

CONTACT: Christopher N. Biggs

PROPOSED LOCATION: NESW 22 200S 070E

Permit Tech Review:

SURFACE: 2221 FSL 1786 FWL

Engineering Review:

BOTTOM: 2221 FSL 1786 FWL

Geology Review:

COUNTY: EMERY

LATITUDE: 39.06493

LONGITUDE: -111.12504

UTM SURF EASTINGS: 489182.00

NORTHINGS: 4323989.00

FIELD NAME: FERRON

LEASE TYPE: 4 - Fee

LEASE NUMBER: Fee

PROPOSED PRODUCING FORMATION(S): WHITE RIM

SURFACE OWNER: 4 - Fee

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: STATE - CTCS-267895
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: air/Ferron City water
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingle Approved

LOCATION AND SITING:

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

Comments: Presite Completed

Stipulations: 1 - Exception Location - dmason
 5 - Statement of Basis - bhill
 12 - Cement Volume (3) - hmacdonald
 23 - Spacing - dmason
 25 - Surface Casing - hmacdonald



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. HAZA
Division Director

Permit To Drill

Well Name: UPL 207-22-1

API Well Number: 43015500040000

Lease Number: Fee

Surface Owner: FEE (PRIVATE)

Approval Date: 12/17/2013

Issued to:

COASTAL PLAINS ENERGY INC, 420 Throckmorton Street, Suite 630, Fort Worth , TX 76102

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 R649-3-3. The expected producing formation or pool is the WHITE RIM 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

Exception Location:

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

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:

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.

Surface casing shall be cemented to the surface.

Cement volume for the 5 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 2800' MD to cover the surface shoe.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Additional Approvals:

The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan - contact Dustin Doucet
- Significant plug back of the well - contact Dustin Doucet
- Plug and abandonment of the well - contact Dustin Doucet

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
OR
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website
at <http://oilgas.ogm.utah.gov>
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing - contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program
- contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well - contact Dan Jarvis

Contact Information:

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

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
801-231-8956 - after office hours

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Not Available		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: COASTAL PLAINS ENERGY INC		8. WELL NAME and NUMBER: UPL 207-22-1
3. ADDRESS OF OPERATOR: 420 Throckmorton Street, Suite 630 , Fort Worth , TX, 76102		9. API NUMBER: 43015500040000
PHONE NUMBER: 817 882-9055 Ext		9. FIELD and POOL or WILDCAT: FERRON
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2221 FSL 1786 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 22 Township: 20.0S Range: 07.0E Meridian: S		COUNTY: EMERY
		STATE: UTAH

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

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

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
March 05, 2014**

NAME (PLEASE PRINT) Christopher N. Biggs	PHONE NUMBER 405 601-5446	TITLE President
SIGNATURE N/A	DATE 3/5/2014	

INSTRUCTIONS

This form shall be submitted by the operator to show the intention and/or completion of the following:

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
 - minor deepening of an existing well bore,
 - plugging back a well,
 - recompleting to a different producing formation within an existing well bore (intent only),
 - re-perforating the current producing formation,
 - drilling a sidetrack to repair a well,
 - reporting monthly the status of each drilling well.

This form is not to be used for proposals to

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

Use Form 3, Application for Permit to Drill (APD) for such proposals.

NOTICE OF INTENT - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

SUBSEQUENT REPORT - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

WELL ABANDONMENT - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

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

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
1. TYPE OF WELL Not Available		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: COASTAL PLAINS ENERGY INC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 420 Throckmorton Street, Suite 630 , Fort Worth , TX, 76102		8. WELL NAME and NUMBER: UPL 207-22-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2221 FSL 1786 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 22 Township: 20.0S Range: 07.0E Meridian: S		9. API NUMBER: 43015500040000
PHONE NUMBER: 817 882-9055 Ext		9. FIELD and POOL or WILDCAT: FERRON
COUNTY: EMERY		STATE: UTAH
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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 12/30/2013	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CHANGE WELL NAME	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. 12/30/13: MI air rig & RU 12/31/13 - 1/2/14: Drld 16" hole to 110' 1/3/14: Ran 108' 13-3/8", 54 lb/ft J-55 csg. Cmt'd to surf w/100 sks Class "H" cmt 1/4/14 - 2/26/14: WOR 2/27/14 - 3/1/14: Drld 12-1/4" hole from 108' to 3030' 3/2/14: Ran 99 jts 9-5/8", 36 lb/ft, J-55 csg set w/3018' cmt w/545 sks Halliburton Varicom cmt (11.0 ppg, 3.26 cu ft/sk) followed by 220 sks Halliburton Varicom cmt (13.5 ppg, 1.68 cu ft/sk) 3/3/14: WOC @ 12:00 a.m.		
		Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 05, 2014
NAME (PLEASE PRINT) Christopher N. Biggs	PHONE NUMBER 405 601-5446	TITLE President
SIGNATURE N/A	DATE 3/5/2014	

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

AMENDED REPORT FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:

9. API NUMBER:

10 FIELD AND POOL, OR WILDCAT

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

12. COUNTY

13. STATE

UTAH

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER _____

2. NAME OF OPERATOR:

3. ADDRESS OF OPERATOR: CITY STATE ZIP PHONE NUMBER:

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE:

AT TOP PRODUCING INTERVAL REPORTED BELOW:

AT TOTAL DEPTH:

14. DATE SPUDDED: 15. DATE T.D. REACHED: 16. DATE COMPLETED: ABANDONED READY TO PRODUCE 17. ELEVATIONS (DF, RKB, RT, GL):

18. TOTAL DEPTH: MD TVD 19. PLUG BACK T.D.: MD TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? * 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) 23. WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

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

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

WAS WELL HYDRAULICALLY FRACTURED? YES NO IF YES -- DATE FRACTURED: _____

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

- ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:

31. INITIAL PRODUCTION

INTERVAL A (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: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

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: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	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: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	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: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

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

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)

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) _____ TITLE _____
 SIGNATURE _____ DATE _____

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
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