

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE **X** WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd _____

DATE FILED **6-10-85**

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. **U-29797** INDIAN _____

DRILLING APPROVED: **6-13-85 - GAS (CAUSE NO. 210-1)**

SPUDED IN: _____

COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: **UA - Application Rescinded 9-11-86**

FIELD: **UNDESIGNATED**

UNIT: _____

COUNTY: **UINTAH**

WELL NO. **BITTER CREEK FEDERAL 2-3** API #**43-047-31640**

LOCATION **836' FSL** FT. FROM (N) (S) LINE. **1275' FWL** FT. FROM (E) (W) LINE. **SW SW** 1/4 - 1/4 SEC. **3**

IRREGULAR

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
------	------	------	----------	------	------	------	----------

				11S	22E	3	EP OPERATING COMPANY
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RECEIVED

May 24, 1985

MAY 28 1985

DIVISION OF OIL
GAS & MINING

TEMPORARY

Enserch Exploration Inc.
1230 River Bend Dr. Suite 136
Dallas, TX 75247

Dear Applicant:

RE: TEMPORARY APPLICATION
NUMBER 49-1360 (T60871)

Enclosed is a copy of approved Temporary Application Number 49-1360 (T60871). This is your authority to construct your works and to divert the water for the uses described.

While this approved application does give you our permission to divert and use water, it does not grant easements through public or private lands in order to gain access to the source nor to convey the water to the place of use, nor does this approval eliminate the need for such other permits as may be required by this Division or any other agency in implementing your diversion.

This application will expire May 24, 1986, and it is expected that no diversion or use of the water will be done after that date unless another proposal has been made and approved.

Your contact with this office, should you need it is with the Area Engineer, Robert Guy. The telephone number is (801)789-3714.

Yours truly,

Robert L. Morgan, P.E.
State Engineer

RLM:slm

Encl.: Copy of approved Temporary Application

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

I. The land involved is owned by the Bureau of Land Management and is administered by the Bookcliffs Resource Area Office in Vernal Utah.

II. The following are the legal locations and well names for the 9 wells to be covered by this permit: NO 400

A. T10S-R23E

031801

Well Name:	Section	
✓ Sagebrush Federal No. 2-8	8	43-047-31636-7A
NoName Canyon Federal No. 2-9	9	43-047-31504-P6W
✓ Crooked Canyon Federal No. 2-17	17	43-047-31649-7A
✓ Canyon View Federal No. 2-18	18	43-047-31650-7A
✓ Shepherders Federal No. 2-10	10	43-047-31639-7A
Jack Rabbit Federal No. 2-11	11	43-047-30562 / WSTC PA
Petes Flat Federal No. 2-1	1	no well
Panorama USA No. 1-2	2	no well

B. T11S-R22E

Well Name	Section	
✓ Bitter Creek Federal No. 2-3	3	43-047-31640 7A

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

B. G. Vick

B. G. Vick Signature of Applicant*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF TEXAS } ss
County of Dallas

On the 19 day of April, 1985, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires: April 10, 1989

(SEAL)

Helen R. Smith Notary Public

HELEN R. SMITH, Notary Public
in and for State of Texas

FEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH

Flow rate — c.f.s.	Cost	
0.0 to 0.1	\$ 15.00	
over 0.1 to 0.5	30.00	
over 0.5 to 1.0	45.00	
over 1.0 to 15.0	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0	150.00	foot per second.

Storage — acre-feet		
0 to 20	22.50	
over 20 to 500	45.00	
over 500 to 7500	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500	150.00	500 acre feet.

(This section is not to be filled in by applicant)

9:30 a.m. STATE ENGINEER'S ENDORSEMENTS

1. 4-22-85 Application received by mail in State Engineer's office by R.N.
2. Priority of Application brought down to, on account of
3. 5-13-85 Application fee, \$30.00, received by J.J. Rec. No. 18068
4. Application microfilmed by
5. Indexed by Platted by
6. 4/22/85 Application examined by GBW
7. Application returned, or corrected by office
8. Corrected Application resubmitted by mail to State Engineer's office.
over counter
9. Application approved for advertisement by
10. Notice to water users prepared by
11. Publication began; was completed
- Notice published in
12. Proof slips checked by
13. Application protested by
14. Publisher paid by M.E.V. No.
15. Hearing held by
16. Field examination by
17. 4/22/85 Application designated for approval GBW S.G.
rejection
18. 5/24/85 Application copied or photostated by slm proofread by
19. 5/24/85 Application approved
rejected
20. **Conditions:**
 This Application is approved, subject to prior rights, as follows:
 - a. Actual construction work shall be diligently prosecuted to completion.
 - b. Proof of Appropriation shall be submitted to the State Engineer's office byNPR.....
 - c. **TEMPORARY APPROVAL -- EXPIRES May 24, 1986.**
21. Time for making Proof of Appropriation extended to
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No., issued


 Robert L. Morgan, P.E., State Engineer

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 EP Operating Company (Formerly Enserch Exploration, Inc.)

3. ADDRESS OF OPERATOR
 1230 River Bend Drive - Suite 136 - Dallas, Texas 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)
 At surface 836' FSL & 1275' FWL (SW-SW)
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 24.5 Miles SE of Ouray, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 836'

16. NO. OF ACRES IN LEASE 701.24
 DIVISION OF OIL, GAS & MINING
 NO. OF ACRES ASSIGNED TO THIS WELL 350.83

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3950'

19. PROPOSED DEPTH 8000' Mesquite
 ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5678.5' GR

22. APPROX. DATE WORK WILL START*
 July 22, 1985

5. LEASE DESIGNATION AND SERIAL NO.
 U-29797

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 NA

7. UNIT AGREEMENT NAME
 NA

8. FARM OR LEASE NAME
 Bitter Creek Federal

9. WELL NO.
 2-3

10. FIELD AND POOL, OR WILDCAT
Under proposed
 Bitter Creek Field

11. SEC., T. R. M., OR BLK. AND SURVEY OR AREA
 Section 3, T11S-R22E
 S.L.B.&M.

12. COUNTY OR PARISH
 Uintah

13. STATE
 Utah

RECEIVED
 JUN 10 1985

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	200'	To Surface
12-1/4"	8-5/8"	24#	2000'	To Surface
7-7/8"	5-1/2"	17#	8000'	Into Intermediate Casing

Propose to drill a 17-1/2 inch hole to 200 feet. Set 13-3/8 inch casing and cement to surface. Install a 13-5/8 inch x 13-3/8 inch, 3000 psi wellhead and a 12 inch x 3000 psi annular preventer to be used as a diverter. The BOP will be tested to 1500 psi. An aerated drilling fluid will be used to drill to approximately 2000 feet where an intermediate casing string of 8-5/8 inch casing will be run to total depth and cemented back to surface. An 8-5/8 inch x 11 inch, 3000 psi wellhead will be installed along with a minimum of 11 inch, 3000 psi double hydraulic pipe and blind rams, and an annular preventer. The rams will be tested to 3000 psi and the annular to 1500 psi. A 7-7/8 inch hole will be drilled to total depth and 5-1/2 inch casing set if productive. If the well is non-productive, plugs will be set and the location will be restored according to B.L.M. instructions.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED C. H. Peoples TITLE Regional Drilling Manager DATE June 4, 1985

(This space for Federal or State office use)

PERMIT NO. 43-047-31640

APPROVAL DATE

APPROVED BY THE STATE
 OF UTAH DIVISION OF
 OIL, GAS, AND MINING

APPROVED BY _____
 CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE: 7/6/13/85
 BY: John R. Day

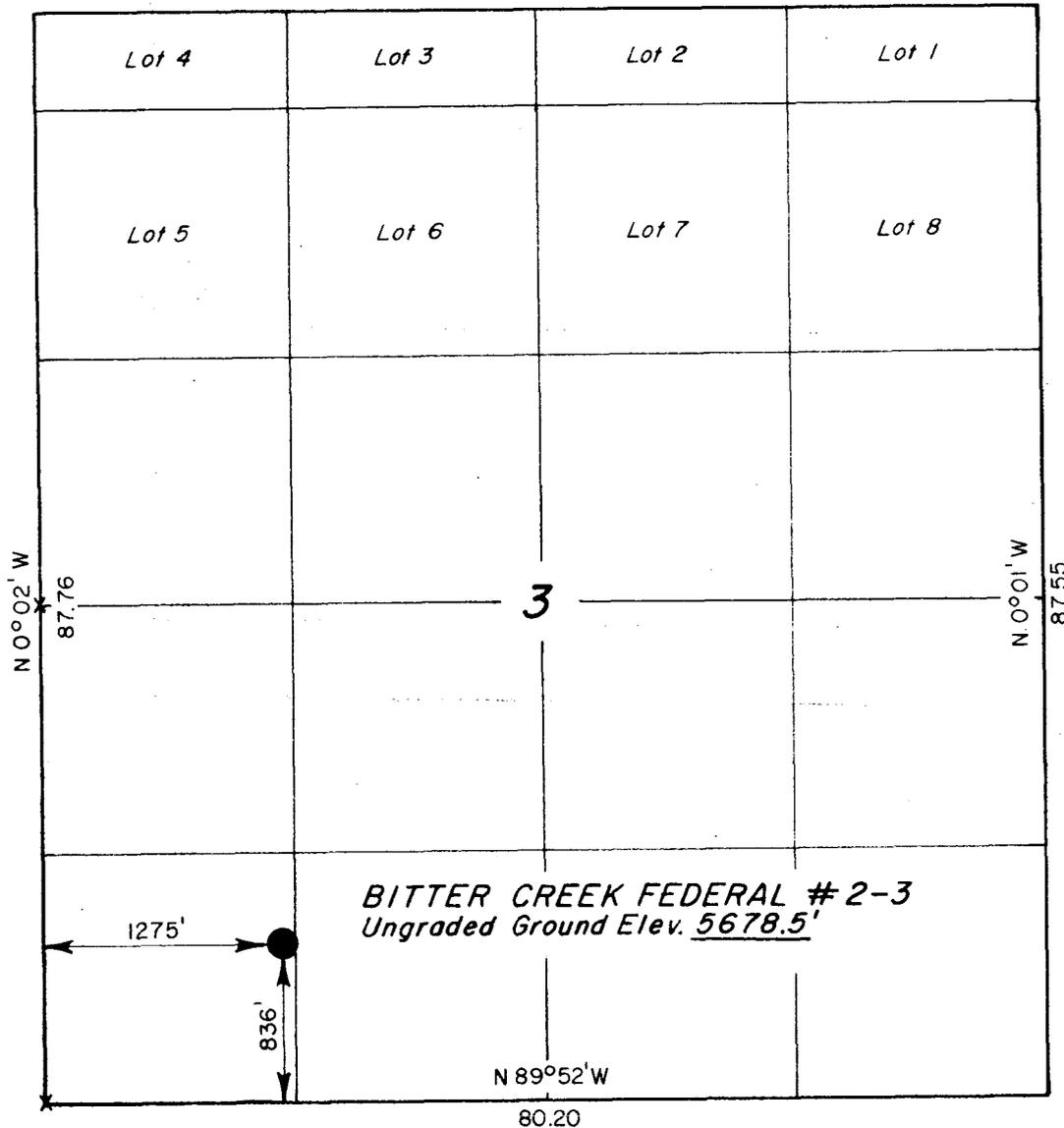
WELL SPACING: 240-1 (7-26-84)

*See Instructions On Reverse Side

T11S , R22E , S.L.B. & M.

PROJECT
ENSERCH EXPLORATION INC.

Well location, *BITTER CREEK FEDERAL #2-3*, located as shown in the SW 1/4 SW 1/4, Section 3, T11S, R22E, S.L.B. & M., Uintah County, Utah.



CERTIFICATE

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

[Signature]

REGISTERED LAND SURVEYOR
 REGISTRATION NO 2454
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 P. O. BOX Q - 85 SOUTH - 200 EAST
 VERNAL, UTAH - 84078

X=Located Section Corners

SCALE 1" = 1000'	DATE 4-25-85
PARTY DK, JM DLS	REFERENCES GLO Plat
WEATHER Cool	FILE Enserch

LIST OF ATTACHMENTS

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

A. DRILLING PROGRAM

B. THIRTEEN POINT SURFACE USE PLAN

EXHIBIT "A" - MINIMUM BLOWOUT PREVENTER REQUIREMENTS

LOCATION LAYOUT - CUT SHEET

LOCATION OF PRODUCTION FACILITIES

TOPOGRAPHIC MAP "A"

TOPOGRAPHIC MAP "B"

BONDING STATEMENT

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

COMPANY: EP Operating Company WELL NO: 2-3

LOCATION: Section 3 T 11S R 22E LEASE NO: U-29797

ONSITE INSPECTION DATE: May 8, 1985

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A. DRILLING PROGRAM:

1. Surface Formation and Estimated Formation Tops:

Uinta	Surface
Green River	1221'
Wasatch	3499'
Dark Canyon	5561'
Mesaverde	6410'

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

<u>Formation</u>	<u>Depth</u>	<u>Remarks</u>
Green River	1221'	Oil
Trona	3485'	Salt Water
Wasatch	3499'	Gas
Dark Canyon	5561'	Gas
Mesaverde	6410'	Gas

All fresh water and prospectively valuable minerals (as described by B.L.M. on onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment:

- A. 200' - 2000' a minimum of a 12 inch, 3000 psi annular preventer will be used as a diverter system while drilling the intermediate hole. The diverter will be adequate for drilling the sub normally pressured formations through this interval.
- B. 2000' - 8000' Exhibit "A" is a schematic of the minimum requirements for the blowout prevention equipment. An 11 inch, 3000 psi working pressure double hydraulic BOP with pipe and blind rams will be installed on the casinghead prior to drilling below the 8-5/8 inch casing. An annular preventer will also be installed.

A rotating head will also be used while drilling from 200 feet to approximately 4500 feet to facilitate aerated drilling.

The diverter system will be pressure tested to 1500 psi before drilling out from under surface casing. Another pressure test will be conducted before drilling out from under intermediate casing. The BOP equipment will be tested to 3000 psi. BOP systems will be consistent with API RP 53. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing and cement plugs.

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

4. Casing Program and Auxiliary Equipment:

<u>SETTING DEPTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>CONDITION</u>	<u>CEMENT TOP</u>
0' - 200'	13-3/8"	48#	H-40, STC	New	Back to Surface
0' - 2000'	8-5/8"	24#	K-55, STC	New	Back to Surface
0' - 8000'	5-1/2"	17#	N-80, LTC	New	2000'

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

Auxiliary Equipment:

1. An upper kelly cock will be kept in the string at all times.
2. A float at the bit will be used.
3. A full opening safety valve will be kept on the floor for stabbing into the drill pipe when the kelly is not in the string.
4. A mud logging unit with gas detecting equipment will be used from 2000 feet to total depth.

5. Mud Program and Circulating Medium:

<u>INTERVAL</u>	<u>MEDIUM</u>	<u>ANTICIPATED PROPERTIES</u>
0' 200'	Fresh Water/Native Mud	MW - 8.5 - 9.0 ppg VIS - 28 - 32 sec./qt.
200' 4500'	Air/Air Mist Aerated Fresh Water	MW - 8.0 - 8.4 ppg VIS - 24 - 28 sec./qt.
4500' 8000'	Aerated Water/ Salt-Gel System	MW - 9.0 - 10.4 ppg VIS - 35 - 45 sec./qt. WL - 12 cc's or less

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

6. Coring, Logging and Testing Program:

There are no drill stem tests or cores anticipated.

A suite of open hole logs will be run upon reaching total depth. The logs will include:

DLL/MSFL/GR/CAL
CN/CD/GR/CAL
BHC Sonic/GR

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

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

No abnormal pressures, temperatures, H₂S or other potential hazards have been reported from wells drilled to these depths in this area; thus none are anticipated for this well.

8. Anticipated Starting Dates and Notification of Operations:

Location construction will begin on or about July 22, 1985.

Spudding will occur as soon as possible after the completion of the surface location, this will occur on or about July 31, 1985. The duration of drilling operations will be approximately 25 days.

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

The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed, in duplicate, to the Vernal B.L.M. District Office, 170 South - 500 East, Vernal, Utah 84078

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

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

Should the well be successfully completed for production, the AO will be notified when the well is placed in a production status. Such notification will be sent by telegram or other written communication, not later than 5 days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 mmcf of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.73, and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within 15 days after receipt of the first production notice.

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

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations of Federal or Indian lands.

B. THIRTEEN POINT SURFACE USE PLAN:

1. Existing Roads: See Topographic Map "A"

- A. The location of the Bitter Creek Federal No. 2-3 is approximately 24.5 miles in a southeasterly direction from Ouray, Utah.
- B. The proposed route to the location will be to proceed westerly out of Vernal, Utah along U. S. Highway 40 approximately 15 miles to the Junction of this highway and Utah State Highway 88; proceed southerly approximately 17 miles to Ouray, Utah. From Ouray, go south on Willow Creek road for approximately 8.0 miles then turn southeasterly on Seep Ridge road for approximately 2.5 miles. Take Mountain Fuel road west 4.5 miles to the point where it intersects with a B.L.M. maintained road. Proceed on the B.L.M. maintained road for 8.9 miles to an existing access road for the Enserch Lizard Creek Federal No. 1-10. Proceed easterly along this road for approximately 1400 feet to the point where the proposed access road begins.
- C. The highways in the foregoing paragraph are bituminous surfaced roads to a point just out of Ouray, Utah. The aforementioned dirt roads proceeding southeasterly out of Ouray and other roads in the area are constructed out of native materials that are prevalent to the areas they are located in. They range from clays to a sandy-clay shale material.
- D. Plans for improvement of the existing roads are not required. There is no anticipated construction on any portion of the above described roads. They will meet the necessary standards required to facilitate an orderly flow of traffic during the drilling, completion, and production phases of this well. (At such time that production is established).

The roads that are required for access during the drilling, completion, and production phases, will be maintained at the standards required by the B.L.M. or other controlling agencies. This maintenance will consist of some minor grade work for smoothing of roads surfaces.

2. Planned Access Road: See Topographic Map "B"

- A. Width: The proposed access road will be an 18 foot crowned surface (9 feet either side of the centerline). The maximum width of the disturbed area will be 30 feet.
- B. Maximum Grades: Back slopes along the cut areas of the road will be 1-1/2 to 1 slopes and terraced. No more than a 10 percent grade will exist for any portion of the access road.
- C. Turnouts: There will be no turnouts required along this access road.
- D. Location: The planned access road leaves the access to the Lizard Creek Federal No. 1-10 in the NW-NW of Section 10 and proceeds in a northeasterly direction for 2000 feet to the proposed location in the SW-SW of Section 3.
- E. Drainage: Drainage ditches will be cut on either side of the road where it is determined necessary in order to handle any runoff from normal meteorological conditions.
- F. Surface Materials: The access road will be constructed out of native materials that are prevalent to the area of this location.
- G. There are no fences encountered along this proposed road. There will be no new gates or cattle guards required.

The access road crosses an 10 inch gas pipeline. Proper arrangements will be made to wrap and bury the pipeline at the point of crossing prior to construction of the location.

All travel will be confined to existing access road rights of way.

3. Location of Existing Wells: See Topographic Map "B"

There are two (2) producing wells within a 1-mile radius of this well.

A. Enserch Exploration, Inc. - Bitter Creek Federal No. 1-3
Section 3, T11S-R22E - NE/4

B. Enserch Exploration, Inc. - Lizard Creek Federal No. 1-10
Section 10, T11S-R22E - NW/4

There are no known abandoned wells, temporarily abandoned wells, observation wells, or wells for other services within a 1-mile radius of this proposed location.

4. Location of Tank Batteries and Production Facilities:

A. Production facilities owned by Enserch within a 1-mile radius of the proposed drillsite includes equipment for the two wells shown in Point No. 3. Each lease has similar production facilities which consist of the following:

- 1 300 barrel flat bottom steel tank
- 1 300 barrel open top fiberglass tank
- 1 heater treater
- 1 dehydrator

B. In the event the subject well is productive and requires production facilities, all permanent (on-site for six months or longer) structures will be painted a flat, non-reflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5 State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

Tank batteries will be placed on the western most portion of the location, as shown on the illustrated production facilities layout.

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

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

4. Location of Tank Batteries and Production Facilities: (Continued)

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

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and anchored securely downstream of the meter. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter.

The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

The area will be built if possible, with native materials and if these materials are not available then the necessary arrangements will be made to get them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities. If there is any deviation from the above, all appropriate agencies will be notified. Rehabilitation of disturbed areas no longer needed for operations after construction is completed will meet the requirements of Item No. 10.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from the White River located 1800 feet south and 1200 feet west of the north-east corner of Section 17, T9S-R22E - S.L.B.&M.. This water source is approximately 15.5 miles by road to the northwest of the proposed drillsite. This water will be hauled by truck over existing roads and the proposed access road.

All regulations and guidelines will be followed and no deviations will be made unless all concerned agencies are notified.

There will be no water well drilled at this location site.

6. Source of Construction Material:

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. No additional road gravel from other sources are anticipated at this time, but if they are required, the appropriate actions will be taken to acquire them from private sources.

The use of materials under B.L.M. jurisdiction will conform to 43 CFR 3610.2-3.

Construction material will be located on lease.

7. Methods of Handling Waste Disposal:

A reserve pit will be constructed and will not be lined.

The reserve pit depth will extend approximately 8 feet below the surface level of the location.

The reserve pit will be used as a fresh water storage area during the drilling of this well and will also be used to store non-flammable materials such as cuttings, salts, drilling fluids, chemicals and produced fluids, etc.

The pits will have wire and overhead flagging installed if deemed necessary to protect the water fowl, wildlife, and domestic animals.

At the onset of drilling, the reserve pit will be fenced on three sides and at the time drilling activities are completed, it will be fenced on the fourth side and allowed to dry completely prior to the time that backfilling and other reclamation activities are attempted. The fence will be wire mesh topped with at least one strand of barbed wire.

When the reserve pit dries and reclamation activities commence, the pits will be covered with a minimum of four feet of soil and all requirements in Item No. 10 will be followed.

A temporary trash basket will be supplied and will be placed on the location site. This trash basket will be used to contain trash accumulated at the site. The trash will be hauled to the nearest sanitary land fill. There will be no burning allowed on this location.

A portable chemical toilet will be supplied for human waste. Gray water will be drained into a rathole alongside the trailers.

7. Methods of Handling Waste Disposal: (Continued)

Produced waste water will be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order.

8. Ancillary Facilities:

There are no camps or airstrips planned for this well. Temporary trailers will be moved onto location to house Company personnel, the tool pusher and mud loggers during the drilling of this well.

9. Well Site Layout: See Attached Location Layout Sheet

The reserve pit will be located at the north side of location and will not be lined.

The stockpiled topsoil will be stored on southeast side of the location between stakes No. 6 and 7 with a thickness of approximately 4 inches.

Access to the well pad will be from the south end of the location.

Trash cages will be required and the reserve pit will be fenced with a wire mesh fence and topped with at least one strand of barbed wire.

The Vernal District B.L.M. Bookcliffs Resource Area shall be notified 48 hours before any construction begins on the proposed location site.

The dirt contractor will be furnished with an approved copy of the surface plan and any additional B.L.M. stipulations prior to any work.

When drilling activities commence, all work shall proceed in a neat and orderly sequence.

10. Plans for Restoration of Surface:

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

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

10. Plans for Restoration of Surface: (Continued)

Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc., will be removed.

If the wellsite is to be abandoned then all disturbed areas will be recountoured to the approximate natural contours.

The stockpiled topsoil will be evenly distributed over the disturbed areas.

Prior to reseeding, all disturbed areas, including the access road, will be scarified and left with a rough surface.

Seed will be broadcast or drilled at a time specified by the B.L.M.. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage. The appropriate seed mixture to be used will be specified by the B.L.M. at that time.

Any drainages re-routed during construction activities shall be restored to their original line of flow as near as possible. Fences around pits will be removed upon completion of drilling activities and all waste being contained in the trash basket will be hauled to the nearest Sanitary Landfill.

The access road will be blocked to prevent vehicle use and prior to reseeding, all disturbed areas, including the access road.

Restoration activities will begin within 90 days after completion of the well. Once restoration activities have begun, they will be completed within 30 days. The Vernal B.L.M., Bookcliffs Resource Area will be contacted 48 hours prior to starting rehabilitation.

The Lessee further convenants and agrees that all of said clean-up and restoration activities will be done and performed in a diligent and most workmanlike manner and in strict conformity with the above mentioned Items No. 7 and No. 10.

11. Surface and Mineral Ownership:

Bureau of Land Management
Utah State Office
University Club Building
136 East South Temple
Salt Lake City, Utah 84111

(Own both surface and minerals)

12. Other Information:

The Topography of the General Area: (See Topographic Map "A")

The area is a basin formed by the Blue Mountain Plateau and Green River to the north and the White River and the Roan Plateau to the south.

The Basin floor is interlaced with numerous canyons and ridges formed by the non-perennial streams of the area. The sides of these canyons are steep and ledges formed in sandstone, conglomerates and shale deposits are extremely common to the area.

The geologic structures of the area that are visible are of the Uinta formation (Eocene Epoch) Tertiary Period in the upper elevation and the cobblestone and younger alluvial deposits from the Quaternary Period.

Outcrops of sandstone ledges, conglomerate deposits and shale are common in the area.

The topsoils in the area range from a light brownish-gray sandy clay (SM-ML) type soil to poorly graded gravels to a clayey (OL) type soil.

The majority of the numerous washes and streams in the area are of a non-perennial nature flowing during the early spring runoff and extremely heavy rain storms of long duration which are extremely rare as the normal annual rainfall in the area is only 8 inches.

The White River to the north of this location is the only perennial stream that is affected by this location site.

Due to the low precipitation average, climate conditions and the marginal types of soils, the vegetation that is found in the area is common of the semi-arid region we are located in and in the lower elevations. It consists of areas of sagebrush, rabbitbrush, greasewood, some grasses, and cacti as the primary flora.

The fauna of the area predominately of the mule deer, coyotes, pronghorn antelope, rabbits, and various small ground squirrels and other types of rodents. The area is used by man for the primary purpose of grazing domestic sheep and cattle.

The birds of the area are raptors, finches, ground sparrows, magpies, crows and jays.

The Topography of the Immediate Area: (See Topographic Map "B")

Bitter Creek Federal No. 2-3 is located on a relatively flat area above the steep Bitter Creek Canyon.

The majority of the drainages in the area are of a non-perennial nature and drain to the north into the White River, approximately 7 miles.

The vegetation in the immediate area surrounding the location site is predominately sagebrush and grasses.

There are no occupied dwelling or other facilities of this nature in the general area.

There are no visible archaeological, historical, or cultural sites within any reasonable proximity of the proposed location site. A suitable cultural resource clearance has been provided for the project. If any cultural resources are found during construction, all work will stop and the AO will be notified.

There will be no deviation from the proposed drilling and/or work-over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. Lessee's or Operators Representative and Certification:

Operators Representative:

M. E. (Dusty) Kinchen
Enserch Exploration, Inc.
1230 River Bend Drive #136
Dallas, Texas 75247
PHONE: 214/630-8711

Certification Representative:

C. H. Peeples
Enserch Exploration, Inc.
1230 River Bend Drive #136
Dallas, Texas 75247
PHONE: 214/630-8711

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which currently 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:

EP Operating Company

and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

6/5/85
Date

C. H. Peoples
C. H. Peoples
Regional Drilling Manager

ON-SITE

DATE: May 8, 1985

PARTICIPANTS:

TITLE:

<u>Greg Darlington</u>	<u>BLM</u>	<u>Environmental Scientist</u>
<u>Dusty Kinchen</u>	<u>Enserch Exploration, Inc.</u>	<u>Drilling Engineer</u>
<u>Leonard Heeney</u>	<u>Ross Construction</u>	<u>Contractor Representative</u>
<u>Brad Weber</u>	<u>Uintah Engineering</u>	<u>Surveyor</u>
<u>Garth Norman</u>	<u>AERC</u>	<u>Archaeologist</u>

MEK/hrs
6-5-85

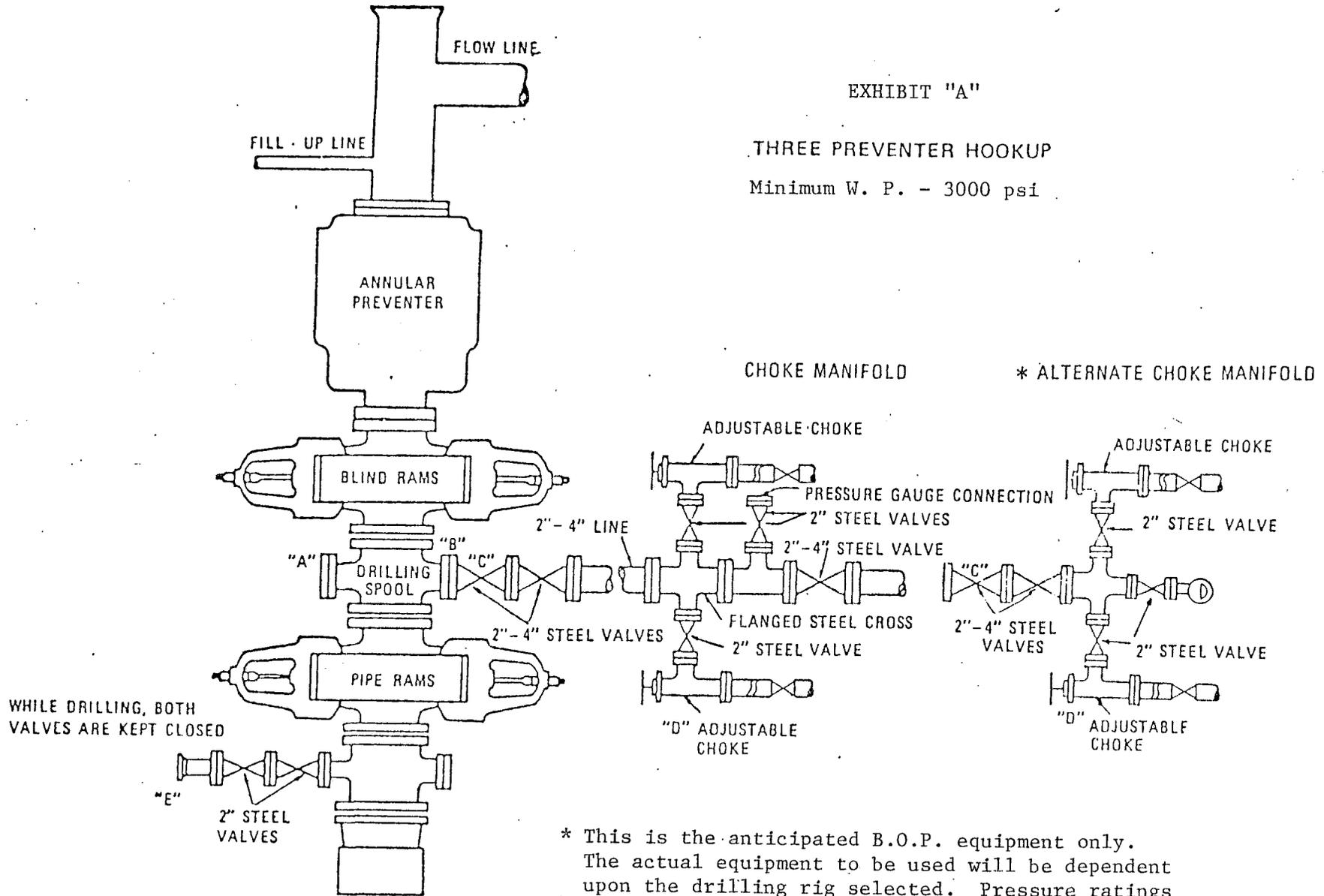
EXHIBIT "A"

THREE PREVENTER HOOKUP

Minimum W. P. - 3000 psi

CHOKE MANIFOLD

* ALTERNATE CHOKE MANIFOLD



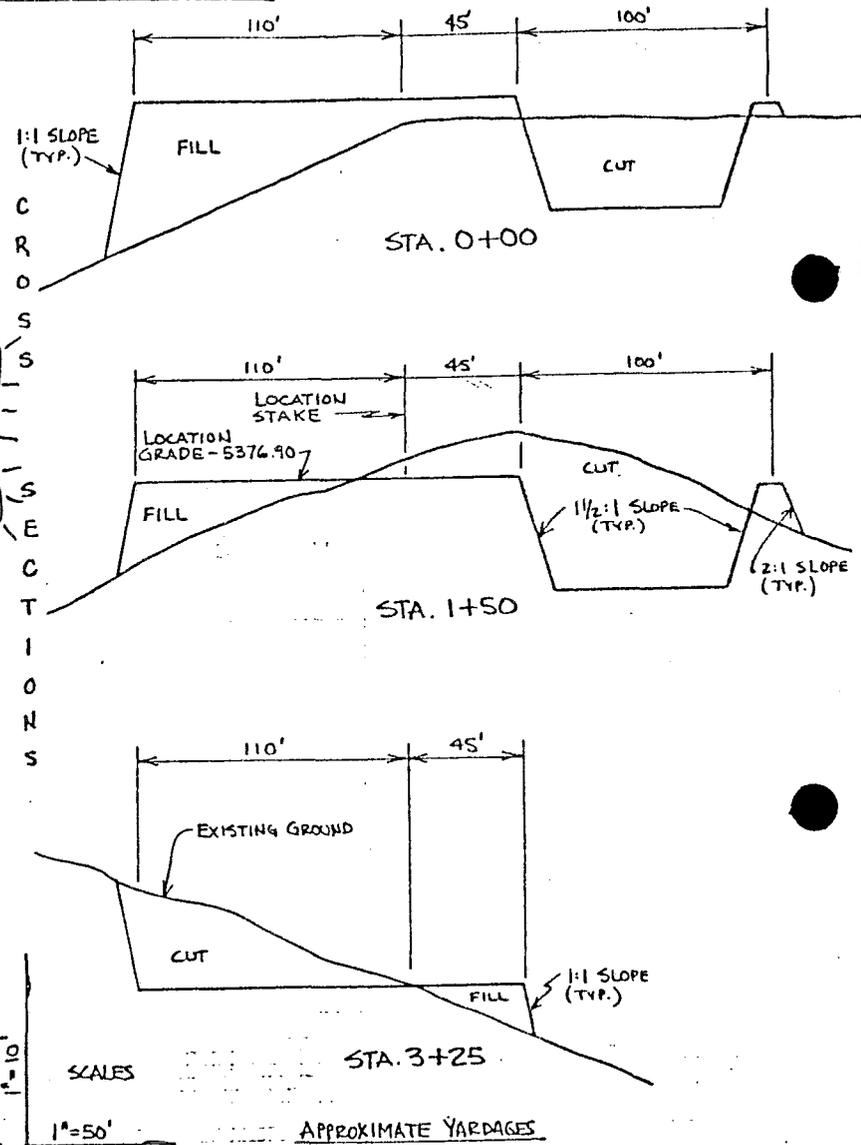
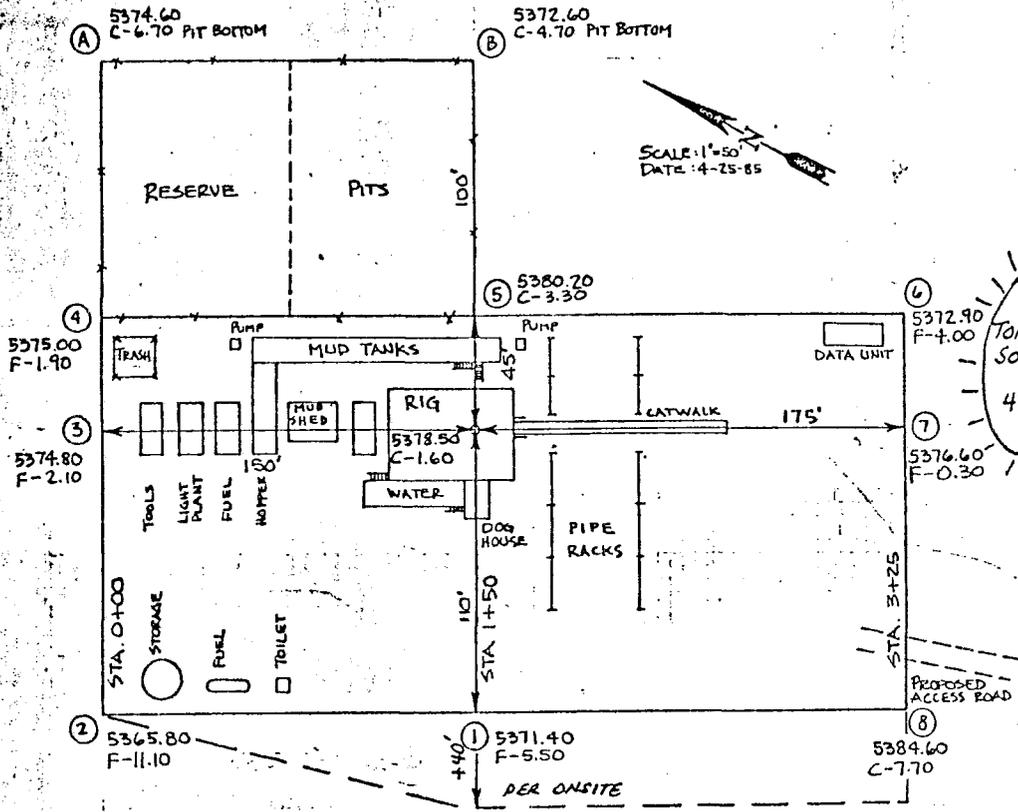
WHILE DRILLING, BOTH VALVES ARE KEPT CLOSED

IF POSSIBLE, CASING SPOOL SHOULD BE POSITIONED SO THAT THESE VALVES ARE DIRECTLY UNDER THE BARREL OF THE RAM PREVENTER.

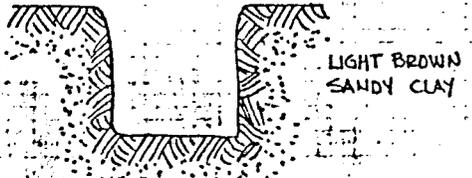
* This is the anticipated B.O.P. equipment only. The actual equipment to be used will be dependent upon the drilling rig selected. Pressure ratings will be at least 3000 psi.

ENSERCH EXPLORATION INC.

BITTER CREEK FEDERAL #2-3



SOILS LITHOLOGY - NO SCALE -

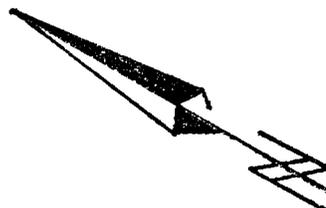


CUBIC YARDS CUT - 6246.95

CUBIC YARDS FILL - 5009.66

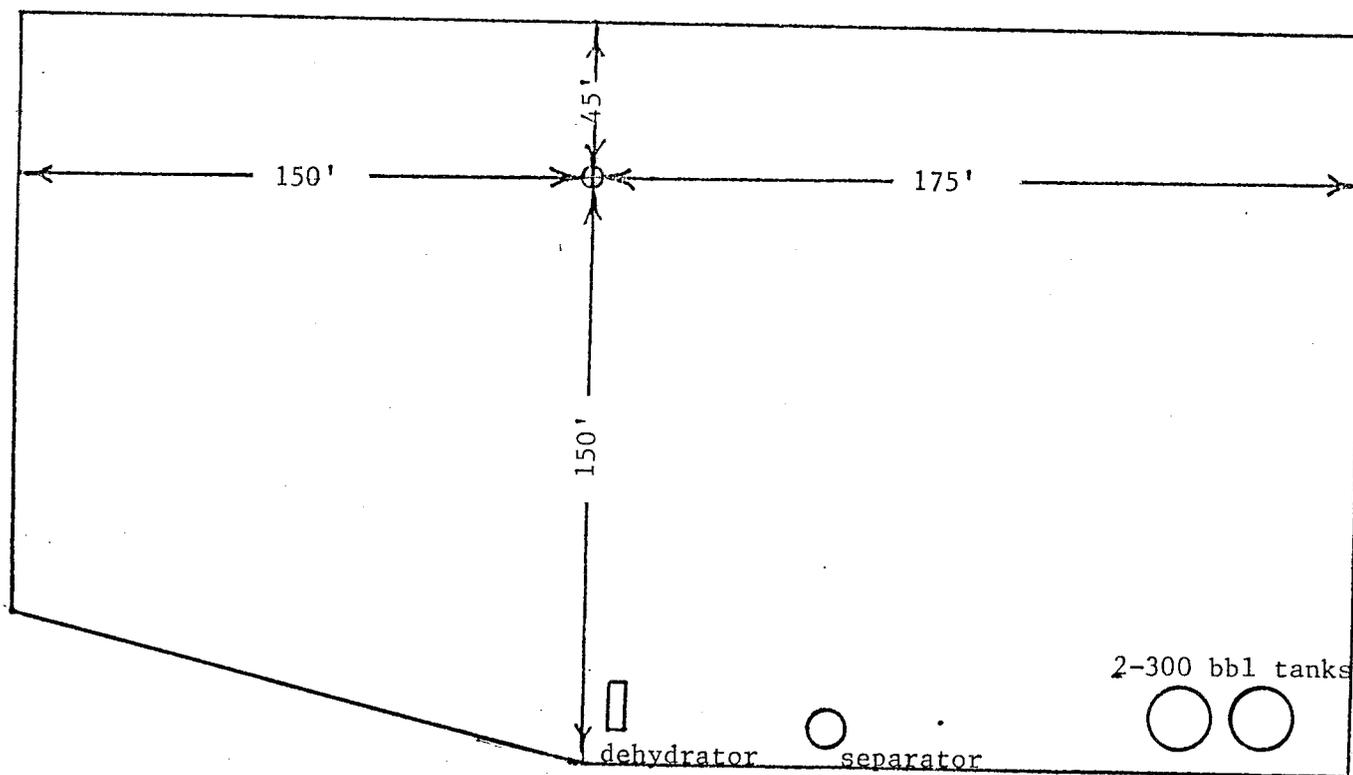
UNBALANCE AFTER 20% COMPACTION - 255.36 cu. yds. CUT

LOCATION OF PRODUCTION FACILITIES
E.P. OPERATING COMPANY



BITTER CREEK FEDERAL NO.2-3

scale: 1"=50'



ENSERCH EXPLORATION

BITTER CREEK FEDERAL #2-3

PROPOSED LOCATION

TOPO.

MAP "B"

SCALE 1" = 2000'

RQAD CLASSIFICATION

Light duty road, all weather, improved surface Unimproved road fair weather



QUADRANGLE LOCATION

20.5 mi DURAY, UT.

3.57 mile

T10S T11S

PROPOSED LOCATION BITTER CREEK FEDERAL #2-3

EXISTING ROAD - APPROX. 1400' ±

Proposed Access Road Approx. 2000' (.38 mi.) ±

BONDING

Enserch Exploration, Inc., the Managing General Partner for EP Operating Company, holds a nationwide oil and gas bond in the amount of \$150,000 filed with the United States Department of the Interior, Bureau of Land Management.

BOND NUMBER: 037857

APPROVED: August 18, 1981

OPERATOR EP Operating Company DATE 6-10-85

WELL NAME Bitter Creek Federal 2-3

SEC 3 SW SW T 11S R 22E COUNTY Wintah
(Irregular)

43-047-31640
API NUMBER

Federal
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Well in NE 1/4 - OK
Water OK - T60871

APPROVAL LETTER:

SPACING: A-3 _____ UNIT

c-3-a 210-1 7/26/84
CAUSE NO. & DATE

c-3-b

c-3-c

STIPULATIONS:



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

June 13, 1985

EP Operating Company
1230 River Bend Drive, Suite 136
Dallas, Texas 75247

Gentlemen:

Re: Well No. Bitter Creek Federal 2-3 - SW SW Sec. 3, T. 11S, R. 22E
836' FSL, 1275' FWL - Uintah County, Utah

Approval to drill the above-referenced gas well is hereby granted in accordance with the Order of Cause No. 210-1 dated July 26, 1984.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31640.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Petroleum Engineer

jbi
Enclosures
cc: Branch of Fluid Minerals

855 West North Temple • 3 Inad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

091112

September 11, 1986

EP Operating Company
1230 River Bend Drive, Suite 136
Dallas, Texas 75247

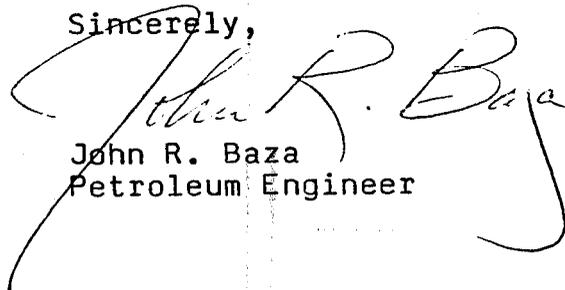
Gentlemen:

RE: Well No. Bitter Creek Federal 2-3, Sec.3, T.11S, R.22E
Uintah County, Utah, API NO. 43-047-31640

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,



John R. Baza
Petroleum Engineer

sb

cc: BLM-Vernal
D. R. Nielson
R. J. Firth
Well file
0278T-117

Margie Hermann

VERNAL DISTRICT OFFICE

ALTA ENERGY CORPORATION
Federal Well No. 26-1-M
Sec.26, T.6S, R.21E,
Uintah County, Utah
API NO. 43-047-31620

Never approved
Ret. 8-29-85

Federal Well No. 34-1-L
Sec.34, T.6S, R.21E,
Uintah County, Utah
API NO. 43-047-31466

Rescinded

DEL RIO RESOURCES
Oil Canyon Well No. 11-1A
Sec.11, T.14S, R.20E
Uintah County, Utah
API No. 43-047-31420

Susp. of oper. } On indef. hold
Never approved

EP OPERATING COMPANY
Bitter Creek Federal Well No.
Sec.3, T.11S, R.22E,
Uintah County, Utah
API NO. 43-047-31640

Never approved
Ret. 11-19-85

GILMORE OIL AND GAS COMPANY
Federal Well No. 1-27
Sec.27, T.8S, R.24E
Uintah County, Utah
API No. 43-047-31685

Never approved
App'd: 12-6-85

LINMAR ENERGY CORPORATION
Roosevelt Unit Badger Well No. F-6-21A1E
Sec.21, T.1S, R.1E,
Uintah County, Utah
API NO. 43-047-31662

Never approved
Ret. 12-27-85

Roosevelt Unit Badger Well No. H-5-20A1E
Sec.20, T.1S, R.1E,
Uintah County, Utah
API NO. 43-047-31661

Never approved
Ret. 12-27-85

LUNDSFORD ENTERPRISES
Antelope Peak Federal Well No. 24-23
Sec.23, T.9S, R.15E,
Duchesne County, Utah
API NO. 43-013-31084

lease terminated - will send us paperwork

NATURAL GAS CORPORATION OF CALIFORNIA
Glen Bench Unit Well No. 33-19
Sec.19, T.8S, R.22E,
Uintah County, Utah
API NO. 43-047-31544

Never approved
Ret. 11-14-85