

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED 6-7-85

LAND: FEE & PATENTED _____

STATE LEASE NO. _____

PUBLIC LEASE NO. U-37837

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: VA. Application Recinded 8.13.86

FIELD: UNDESIGNATED

UNIT: _____

COUNTY: UINTAH

WELL NO. FLAT CANYON FEDERAL 1-11

API #43-047-31641

LOCATION 1500' FSL

FT. FROM (N) (S) LINE. _____

1500' FWL

FT. FROM (E) (W) LINE. _____

NE SW

1/4 - 1/4 SEC.

11

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
<u>11S</u>	<u>22E</u>	<u>11</u>	<u>EP OPERATING COMPANY</u>				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-37837

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME
Flat Canyon Federal

9. WELL NO.
1-11

10. FIELD AND POOL, OR WILDCAT
This designated
Bitter Creek Field

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

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

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 1500' FSL & 1500' FWL (NE-SW)
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
26 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)
1500' from section line
870' from lease line

16. NO. OF ACRES IN LEASE
DIVISION OF OIL & GAS & MINING
7500' Mesaverde

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

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

19. PROPOSED DEPTH
7500' Mesaverde

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5158' GR

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

RECEIVED
JUN 07 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#	7500'	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 May 29, 1985
(This space for Federal or State office use)

PERMIT NO. 43-047-31641 APPROVAL DATE APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 6/13/85
BY: John R. Doya
WELL SPACING: JTO-1 (7-26-84)

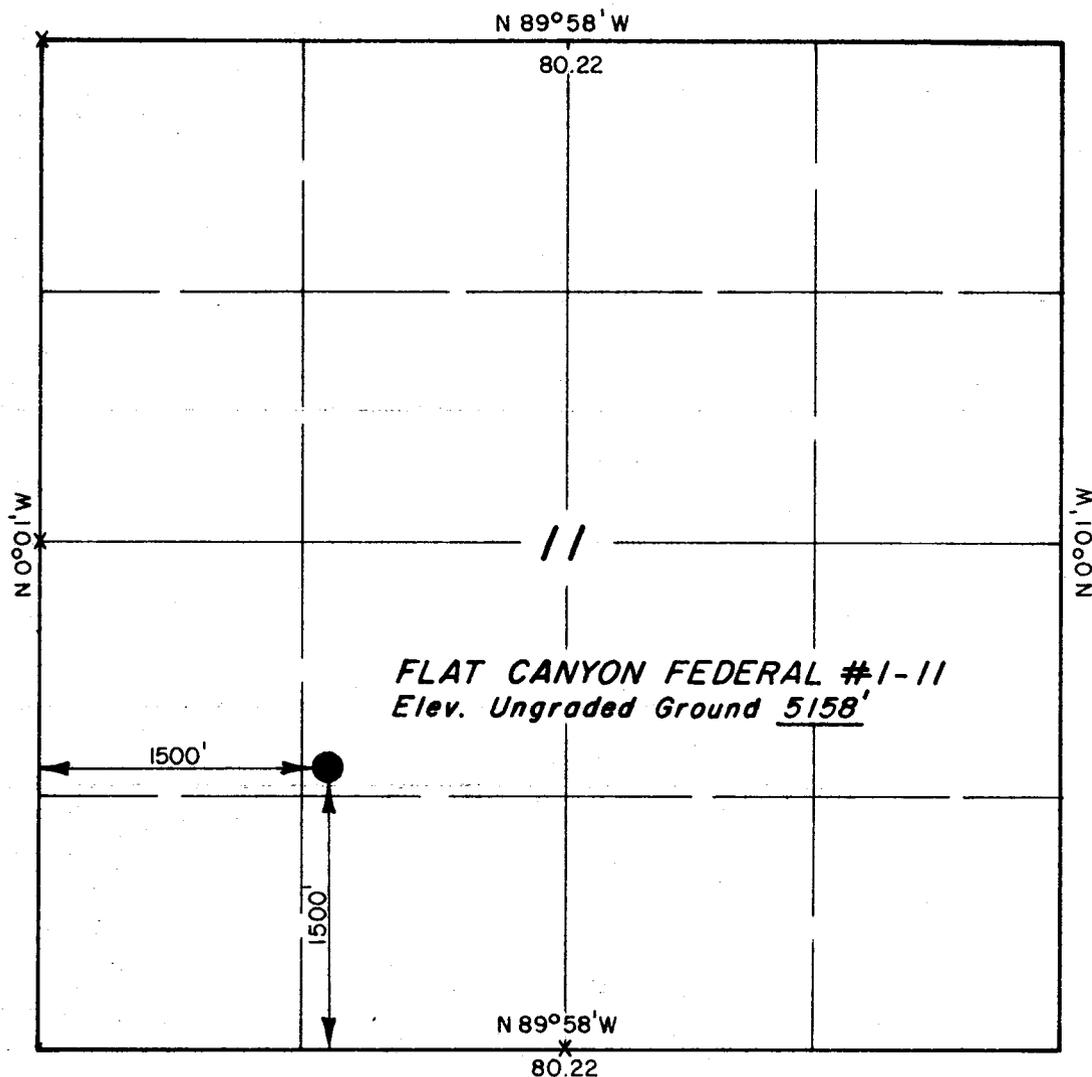
*See Instructions On Reverse

T 11 S, R 22 E, S.L.B. & M.

PROJECT

ENSERCH EXPLORATION INC.

Well location, *FLAT CANYON FEDERAL #1-11*
 located as shown in the NE 1/4 SW 1/4,
 Section 11, T 11 S, R 22 E, 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.

John J. [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

SCALE	1" = 1000'	DATE	4-29-85
PARTY	D.B., J.K., R.B. DLS	REFERENCES	GLO Plat
WEATHER	Cool	FILE	ENSERCH

X = Located Section Corners

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.: 1-11

LOCATION Section 11, T 11S R 22E LEASE NO.: U-37837

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	470'
Wasatch	2725'
Dark Canyon	4620'
Mesaverde	5470'

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	470'	Oil
Trona	2710'	Salt Water
Wasatch	2725'	Gas
Dark Canyon	4620'	Gas
Mesaverde	5470'	Gas

All fresh water and prospectively valuable minerals (as described by B.L.M. at 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' - 7500' 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 casing-head 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' - 7500'	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 2500 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' - 7500'	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 description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the 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 August 1, 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 forty-eight (48) hours after spudding. If the spudding occurs on a week-end 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 five (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 thirty (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 thirty (30) day or authorized test period.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.74 shall be submitted to the appropriate District Office within thirty (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 fifteen (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 thirty (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 Flat Canyon Federal No. 1-11 is approximately 26 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 east 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 10.6 miles to the access road leading westward into the Lizard Creek Federal No. 2-10 wellsite. Proceed along this road to the point where the access road will exit to the south.
- 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 phases, completion phase, and production phase of this well. (At such time that production is established).

The roads that are required for access during the drilling phase, completion phase, and production phase, 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"

It is anticipated that the access road to this location will be built from a proposed location in Section 10, the Lizard Creek Federal No. 2-10 wellsite. This road will be approximately 3500 feet in length and will run from the NE-NE of Section 10 southeasterly to this location in the SW of Section 11. Constructing the road in this manner will make it necessary to place only one crossing in Bitter Creek. A culvert six (6) feet wide and forty (40) feet long will be placed in the creek when the access road to the Lizard Creek Federal No. 2-10 is built.

In the event the Flat Canyon Federal No. 1-11 is drilled before the Lizard Creek Federal No. 2-10 the access road will be brought directly across Bitter Creek from the B.L.M. maintained road. This road is shown as "Alternate Access Road" on Topographic Map "B". The crossing will be placed along this road as discussed at the onsite.

The access road will be constructed as follows:

- A. Width: The proposed access road will be an 18 foot crowned surface (9 feet either side of the center-line). 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: As described previously.
- 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.

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

3. Location of Existing Wells:

There are no known producing 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. There are no production facilities owned by Enserch within a 1-mile radius of the proposed drillsite.
- B. In the event the subject well is productive and requires production facilities, all permanent (on-site for six months or longer) structures constructed or installed (including oil well pumpjacks) 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 six (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 southwestern most portion of the location, as shown on the illustrated production facilities layout.

All loading 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.

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.

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

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 Bitter Creek located 600 feet south and 2100 feet east of the north-west corner of Section 27, T10S-R22E - S.L.B.&M. This water source is approximately 5 miles by road to the north of the proposed drillsite. This water will be hauled by truck over existing roads.

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.

Produced waste water will be confined to an unlined pit for a period not to exceed ninety (90) days after initial production. During the ninety (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 southwest side of location and will not be lined.

Access to the well pad will be from the north 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 will be notified forty-eight (48) hours before any construction begins on the proposed location site.

The dirt contractors 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 will 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.

Before any dirt work to restore the location takes place, the reserve pit must 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 recontoured to the approximate natural contours.

Prior to reseeding, all disturbed areas, including the access roads, 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.

10. Plans for Restoration of Surface: (continued)

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

The access road will be blocked to prevent vehicle use and prior to reseedling, all disturbed areas, including the access road, will be scarified and left with a rough surface.

Restoration activities shall begin within 90 days after completion of the well. Once restoration activities have begun, they shall 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 covenants and agrees that all of said clean-up and restoration activities shall 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 a 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-ML0 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 run-off 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.

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, rabbit-brush, greasewood, some grasses, and cacti as the primary flora.

The fauna of the area is predominately mule deer, coyotes, prong-horn antelope, rabbits, and various small ground squirrels and other types of rodents. The area is used by man for the primary purposes 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")

The Flat Canyon Federal No. 1-11 is located on a relatively flat area in the 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 dwellings or other facilities of this nature in the general area.

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.

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.

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 Certifications:

Operators Representative:

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

Certification Representative:

C. H. Peebles
Enserch Exploration, Inc.
1230 River Bend Dr. #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.

Date

5/31/85

C. H. Peeples

Regional Drilling Manager

ON-SITE

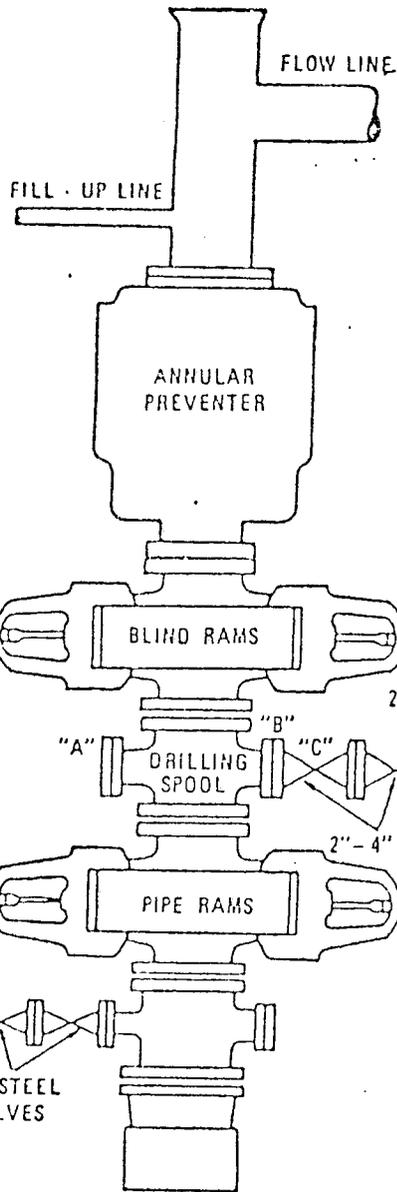
DATE: May 8, 1985

PARTICIPANTS:

TITLE:

<u>Greg Darlington</u>	<u>BLM</u>	<u>Environmental Scientist</u>
<u>M. E. 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
5-30-85



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.

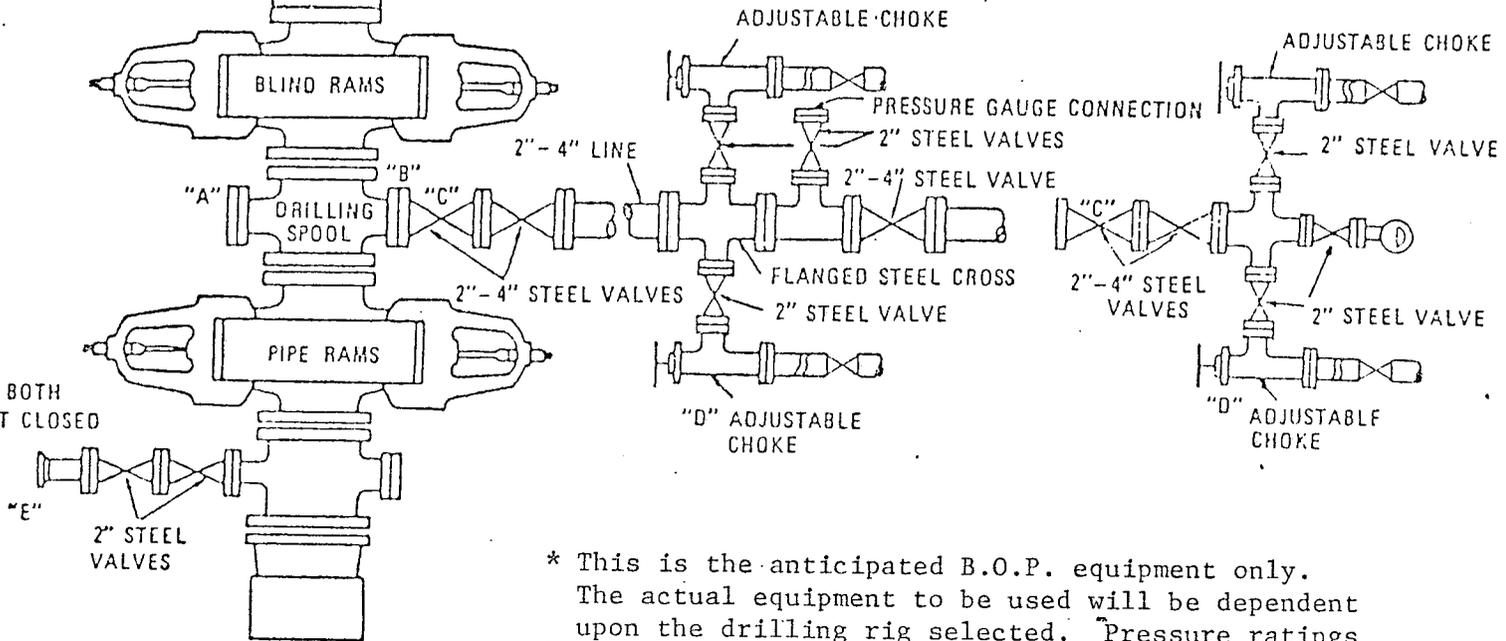
EXHIBIT "A"

THREE PREVENTER HOOKUP

Minimum W. P. - 3000 psi

CHOKE MANIFOLD

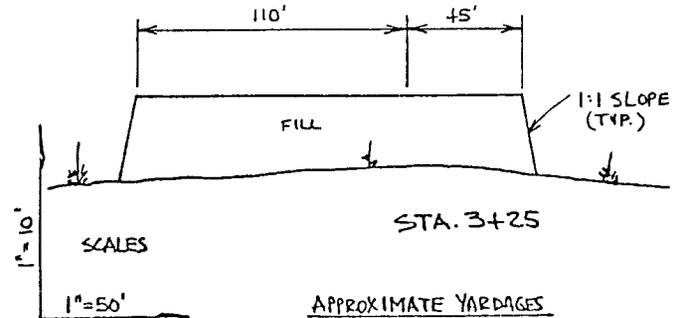
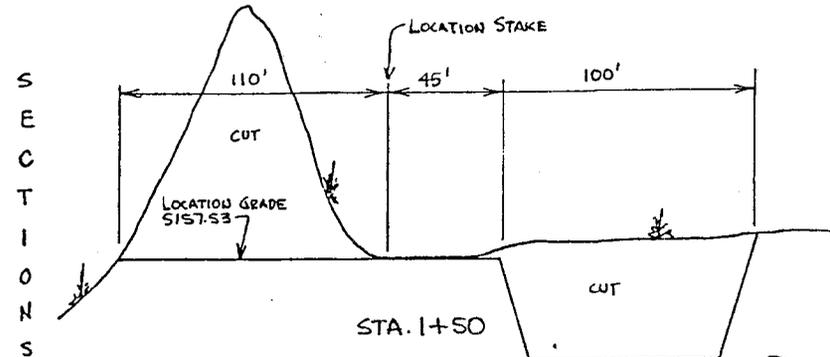
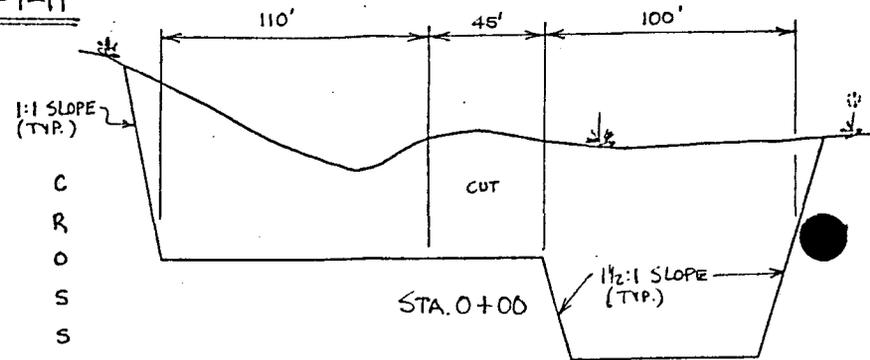
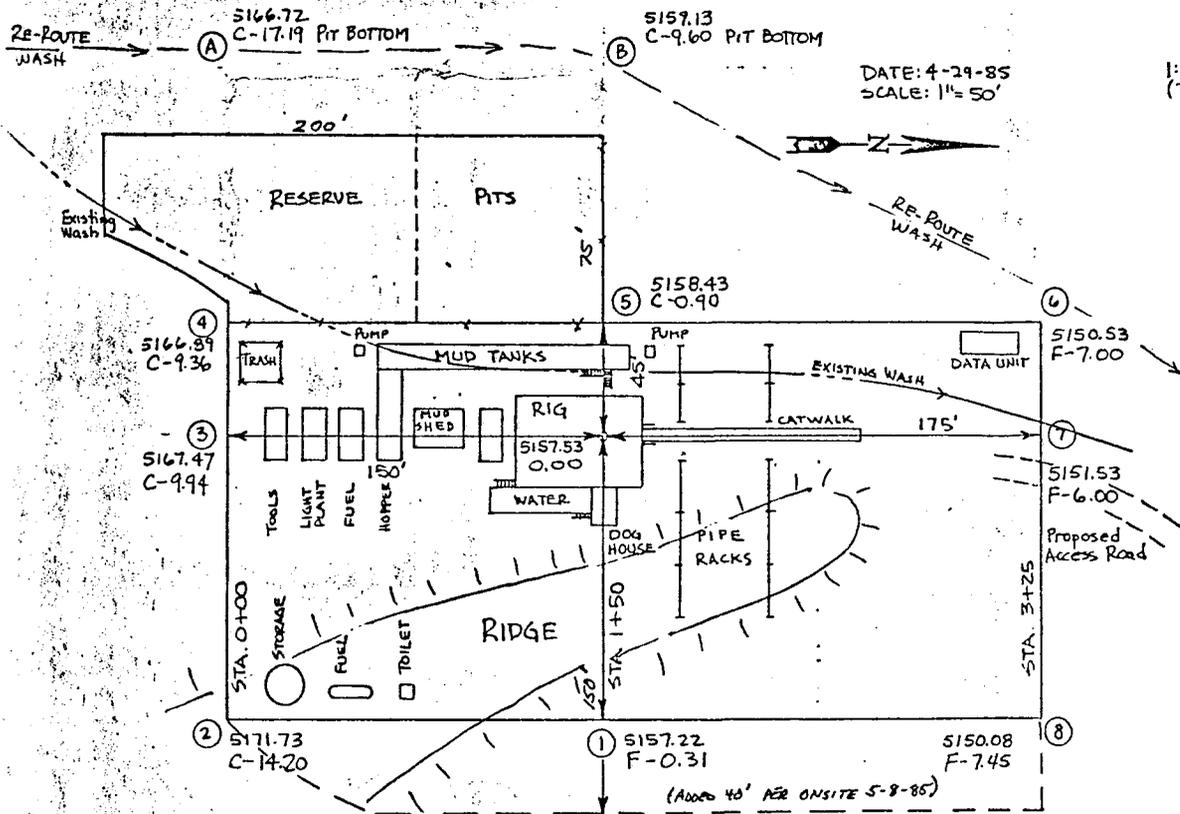
* ALTERNATE CHOKE MANIFOLD



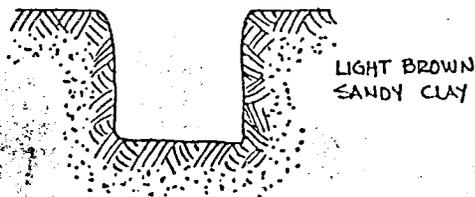
* This is the anticipated B.O.P. equipment only. The actual equipment to be used will be dependent upon the drilling rig selected. Pressure ratings will be at least 3000 psi.

ENSERCH EXPLORATION INC.

FLAT CANYON FEDERAL # 1-11



SOILS LITHOLOGY
NO SCALE



APPROXIMATE YARDAGES

CUBIC YARDS CUT - 19816.16

CUBIC YARDS FILL - 4021.46

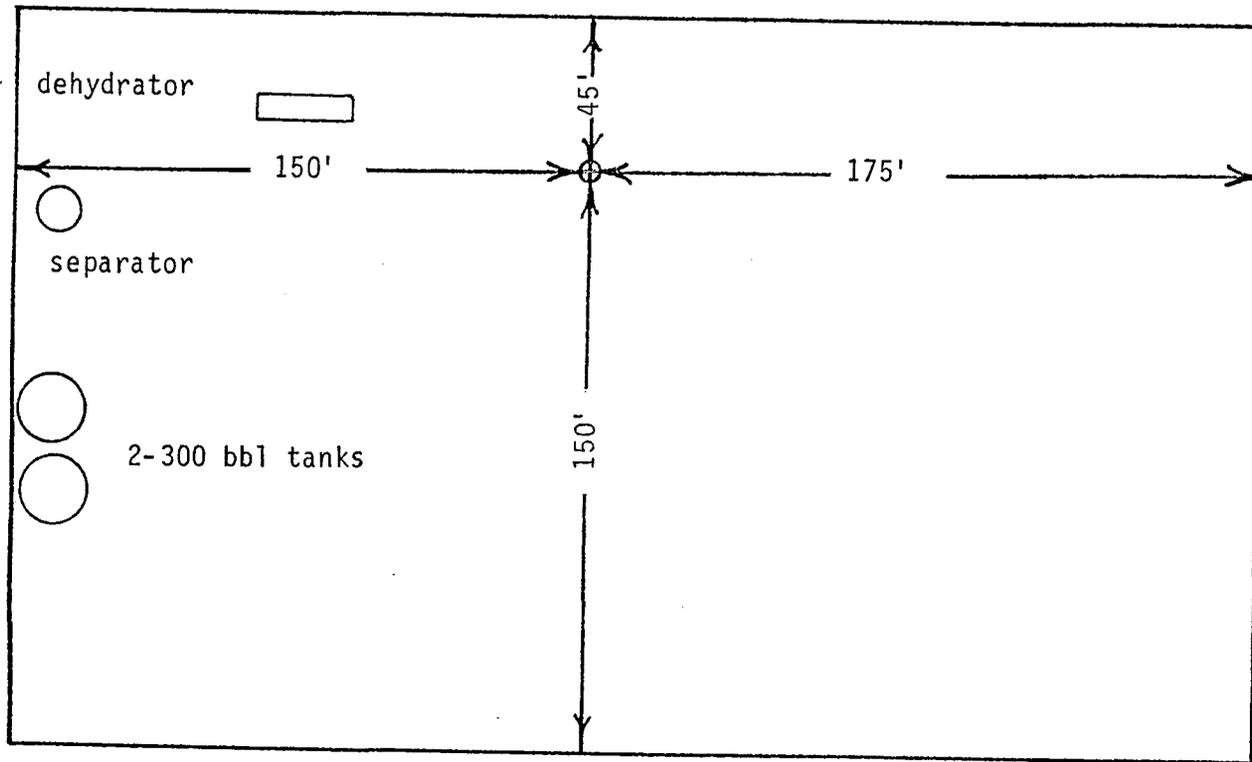
UNBALANCE AFTER 20%
COMPACTION - 14990.41

LOCATION OF PRODUCTION FACILITIES
E.P. OPERATING COMPANY



FLAT CANYON FEDERAL NO.1-11

scale: 1"=50'



21.94 mi ±
TO OURAY, UTAH

4.10 mi ±

R
22
E

EXPLORATION INC.
FLAT CANYON FEDERAL #1-11
PROPOSED LOCATION

PROPOSED LOCATION
FLAT CANYON FED #1-11

ALTERNATE
ACCESS ROAD

Proposed Access
Road - Approx. 3500'

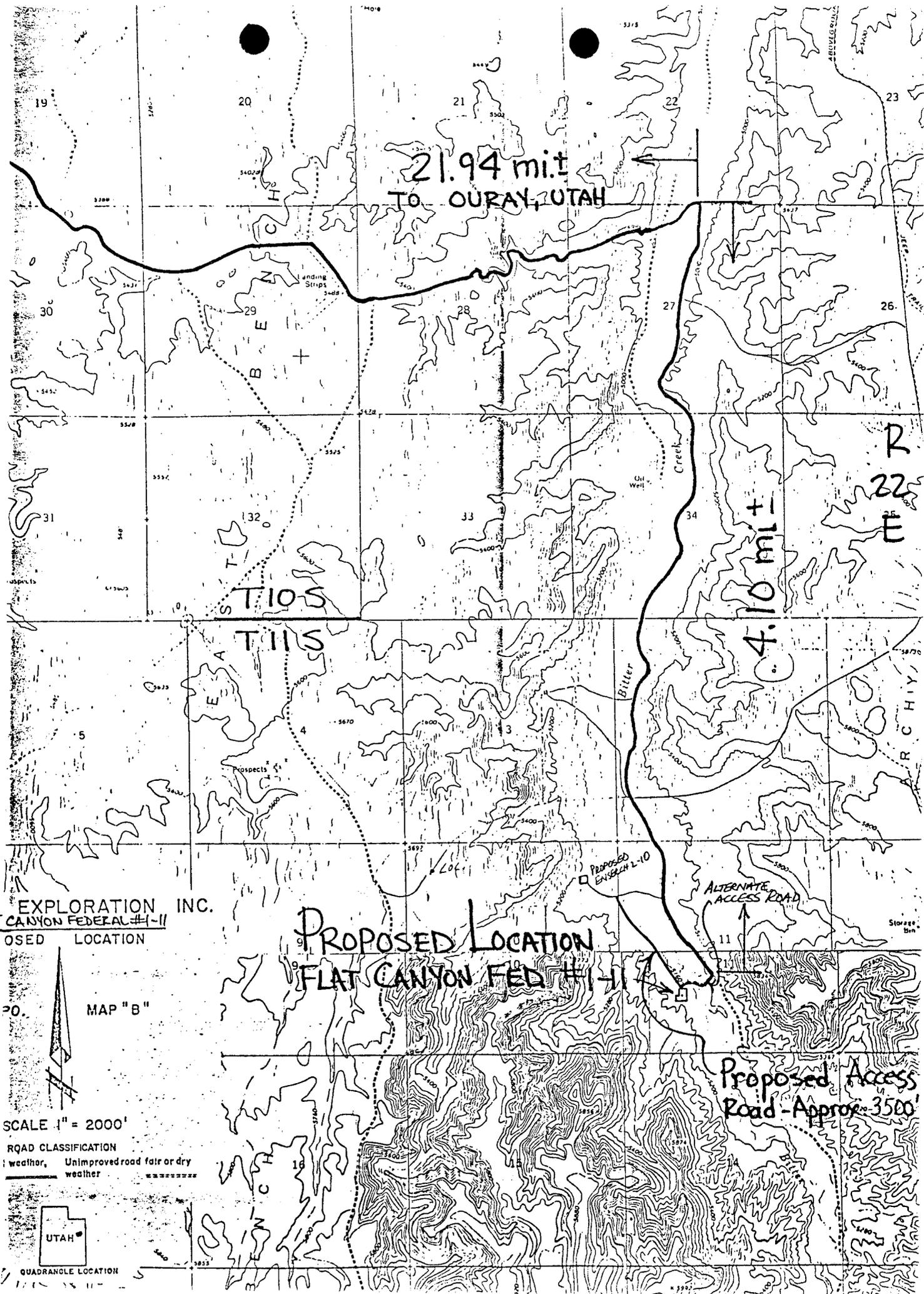
MAP "B"

SCALE 1" = 2000'

ROAD CLASSIFICATION
Unimproved road fair or dry weather
Unimproved road poor weather



QUADRANGLE LOCATION



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 E.P. Operating Company DATE 6-7-85
WELL NAME Flat Canyon Federal 1-11
SEC NESW Sec. 11 T 11S R 22E COUNTY Uintah

43-047-31641
API NUMBER

Federal
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other wells in Sec. 11
Needs water

APPROVAL LETTER:

SPACING: A-3 _____ UNIT

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

c-3-b

c-3-c

STIPULATIONS:

1- Water



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. Flat Canyon Federal 1-11 - NE SW Sec. 11, T. 11S, R. 22E
1500' FSL, 1500' 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, subject to the following stipulations:

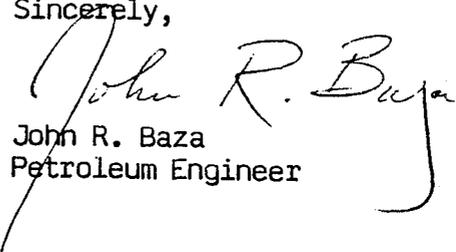
1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.

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 43-047-31641.

Sincerely,


John R. Baza
Petroleum Engineer

jbl

Enclosures

cc: Branch of Fluid Minerals

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 BLM Manual instructions)
 At surface: 1500' FSL & 1500' FWL (NE-SW)
 At proposed prod. zone: Same

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 1500' from section line
 1870' from lease line
 (Also to nearest drlg. unit line, if any)

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

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5158' GR

5. LEASE DESIGNATION AND SERIAL NO.
U-37837

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME
Flat Canyon Federal

9. WELL NO.
1-11

10. FIELD AND POOL, OR WILDCAT
Bitter Creek Field

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

12. COUNTY OR PARISH
Utah

13. STATE
Utah

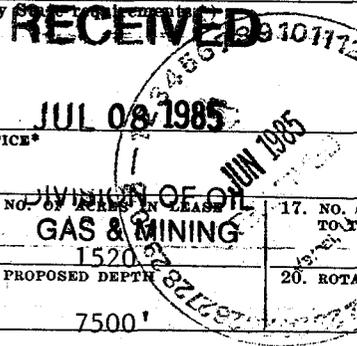
16. NO. OF ACRES IN LEASE
1520

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

19. PROPOSED DEPTH
7500'

20. ROTARY OR CABLE TOOLS
Rotary

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



23. 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#	7500'	Into Intermediate Casing

Anticipated BHP = 3500 psi 6/11/85 RAM

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 May 29, 1985

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY [Signature] TITLE DISTRICT MANAGER DATE 7/5/85

CONDITIONS OF APPROVAL, IF ANY: _____

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company EP Operating Company Well No. Flat Canyon 1-11

Location Sec. 11 T11S R22E Lease No. U-37837

Onsite Inspection Date 05-08-85

A. DRILLING PROGRAM

1. Pressure Control Equipment

Choke manifold system will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place.

2. Coring, Logging and Testing Program

Daily drilling and completion reports shall be submitted to this office on a weekly basis.

RECEIVED

JUL 08 1985

DIVISION OF OIL
GAS & MINING

RECEIVED

JUL 08 1985

DIVISION OF OIL
GAS & MINING

B. THIRTEEN POINT SURFACE USE PLAN

1. Location of Existing Wells

The location is about 3/4 mile from the proposed Lizard Creek No. 2-10 well.

2. Methods of Handling Waste Disposal

In addition to the description of methods given in the APD, burning will not be allowed.

3. Well Site Layout

The reserve pit will be located as indicated in the APD layout diagram.

The stockpiled topsoil will be stored probably near stake No. 1. The top 4" of topsoil should be stockpiled in an appropriate place at the edge of the location.

Access to the well pad will be from near stake No. 7, as indicated. Present plans are to bring the access in from the proposed EP Operating Co. Lizard Creek No. 2-10 location and share a crossing of Bitter Creek with that related project. About 40 feet would be added to the back of the pad per request made by the operator's representative at the onsite meeting.

Reserve pits will be fenced with a wire mesh fence and topped with at least one strand of barbed wire.

4. Other Information

In the event after-hour approvals are necessary, please contact one of the following individuals:

Craig M. Hansen (801) 247-2318
Assistant District Manager
for Minerals

Gerald E. Kenczka (801) 781-1190
Petroleum Engineer

R. Allen McKee (801) 781-1368
Petroleum Engineer

RECEIVED

JUL 15 1985

July 12, 1985

DIVISION OF OIL
GAS & MINING

TEMPORARY

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

Dear Applicant:

RE: TEMPORARY APPLICATION
NUMBER 49-1367 (T60975)

Enclosed is a copy of approved Temporary Application Number 49-1367 (T60975). 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 July 12, 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 locations and well names for the 6 wells to be covered by this permit.

031802

WELL NAME	SECTION	TOWNSHIP & RANGE
✓ Archy Bench No. 2-2	2	43-047-31667 11S-22E LA
✓ Lizard Creek Federal No. 2-10	10	43-047-31638 11S-22E LA
✓ Flat Canyon Federal No. 1-11	11	43-047-31641 11S-22E LA
Flat Canyon Federal No. 2-11	11	11S-22E no well
✓ Rattlesnake Ridge Federal No. 1-14	14	43-047-31642 11S-22E LA
Rattlesnake Ridge Federal No. 2-14	14	11S-22E no well

(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

C. H. Peoples
C. H. Peoples 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

TEXAS
STATE OF ~~UTAH~~, Dallas } ss
County of.....

On the 10th day of June, 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: 4/10/89

(SEAL)

Helen R. Smith
Notary Public

HELEN R. SMITH, Notary Public
in and for Dallas County, Texas

1000000000

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

3162.35
U-820
U-37837

August 6, 1986

EP Operating Company
1230 River Bend Drive, Suite 136
Dallas, Texas 75247-4995

RE: Rescind Application for Permit to Drill
Well No. Flat Canyon Fed. 1-11
Section 11, T11S, R22E
Uintah County, Utah
Lease No. U-37837

The Application for Permit to Drill the referenced well was approved on July 5, 1985. Since that date, no known activity has transpired at the approved location. Under current District policy, Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application without prejudice. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Craig M. Hansen
ADM for Minerals

mh

bcc: State Div. O G & M
well file
U-922/943



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

081405

August 13, 1986

EP Operating Company
1230 River Bend Drive, Suite #136
Dallas, Texas 75247-4995

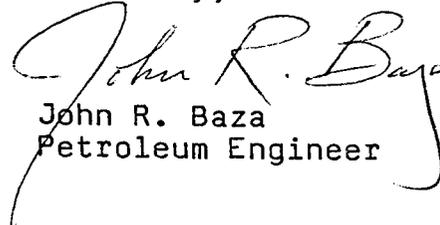
Gentlemen:

RE: Well No. Flat Canyon Federal #1-11, Sec.11, T.11S, R.22E,
Uintah County, Utah, API NO. 43-047-31641

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-102

**ENSERCH
EXPLORATION INC.**

7800 Stemmons Frwy.
Suite 500
Dallas, Texas 75247
214/630-8711

C. H. Peeples
Regional Drilling Manager
Western Region
Drilling Department

September 15, 1986

091915

U. S. Department of the Interior
Bureau of Land Management
Vernal District Office
170 South - 500 East
Vernal, Utah 84078

RECEIVED
SEP 17 1986

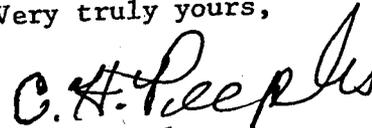
**DIVISION OF
OIL, GAS & MINING**

Re: Rescindment of Applications
for Permit to Drill
5 - Wells (See List Below)
Uintah County, Utah

The Applications for Permit to Drill for the five (5) wells following have been rescinded by your office. This letter is submitted to confirm that no surface disturbance has been made on any of these locations.

If there are any questions or if additional information is required, please advise.

Very truly yours,



C. H. Peeples
Regional Drilling Manager,
for EP Operating Company,
a limited partnership by
Enserch Exploration, Inc.,
Managing General Partner

MEK/hrs
Attach

cc: State of Utah ✓
Natural Resources
Oil, Gas & Mining

Applications Rescinded

- Rattlesnake Ridge Federal No. 1-14
Section 14, T11S-R22E
Lease No. U-54186
API No. 43-047-31642

- Flat Canyon Federal No. 1-11
Section 11, T11S-R22E
Lease No. U-37837
API No. 43-047-31641

- Canyon View Federal No. 2-18
Section 18, T10S-R23E
Lease No. U-38421
API No. 43-047-31650

- Crooked Canyon Federal No. 2-17
Section 17, T10S-R23E
Lease No. U-37355
API No. 43-047-31649

- Shepherd Federal No. 2-10
Section 10, T10S-R23E
Lease No. U-37843
API No. 43-047-31639