

UTAH OIL AND GAS CONSERVATION COMMISSION

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

920228 EPS to Valley Operating eff. 3-28-91:

DATE FILED **11-21-90**

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. **U-30464** INDIAN

DRILLING APPROVED: **11-30-90**

SPUDED IN:

COMPLETED: **2-28-92 LA** PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: **LA'D PER BLM EFF 2-28-92**

FIELD: **UNDESIGNATED**

UNIT: **DIRTY DEVIL**

COUNTY: **UINTAH**

WELL NO. **FEDERAL 11-7**

API NO. **43-047-31912**

LOCATION **734' FNL** FT. FROM (N) (S) LINE. **788' FWL** FT. FROM (E) (W) LINE. **NW NW** 1/4 - 1/4 SEC. **7**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
9S	24E	7	Valley Operating Inc. EPS RESOURCES CO.				

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
 EPS Resources Company

3. ADDRESS OF OPERATOR
 5655 S. Yosemite, Suite 460, Englewood, Colorado 80111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 734' FNL & 788' FWL (Lot #1) *NWNW*
 At proposed prod. zone: same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 See Topo "A"

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)
 734'

16. NO. OF ACRES IN LEASE
 557.83

17. NO. OF ACRES ASSIGNED TO THIS WELL
 160

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

19. PROPOSED DEPTH
 6000'+ *mvro*

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5029' GR

22. APPROX. DATE WORK WILL START*
 A.S.A.P.

5. LEASE DESIGNATION AND SERIAL NO.
 U-30464

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 N/A

7. UNIT AGREEMENT NAME
 Dirty Devil Unit

8. FARM OR LEASE NAME
 Federal

9. WELL NO.
 11-7

10. FIELD AND POOL, OR WILDCAT
 Bonanza *Undesignated*

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 7, T9S, R24E

12. COUNTY OR PARISH
 Uintah

13. STATE
 Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	350'	200 sacks Class "G"
7 7/8"	4 1/2"	11.60#	6000'±	As needed (See Drilling Program)

Bannon Energy, Inc., 3934 FM 1960 W, Suite 240, Houston, Texas 77068, is acting as Agent for EPS Resources Company. If any additional information is needed, please contact Uintah Engineering and Land Surveying, 85 South 200 East, Vernal, Utah 84078. Telephone # (801)789-1017.

See Attachments: Topo's A, B, C, & D
 Cut Sheet
 Legal Plat
 Pipeline Plat
 BOP Schematic
 Drilling Plan
 Surface Use Plan

RECEIVED
 NOV 21 1990
 DIVISION OF OIL, GAS & MINING

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: *[Signature]* TITLE: Agent, Attorney-in-Fact DATE: 11/14/90

(This space for Federal or State office use)
 API NO. 43-047-31912 APPROVAL DATE: APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

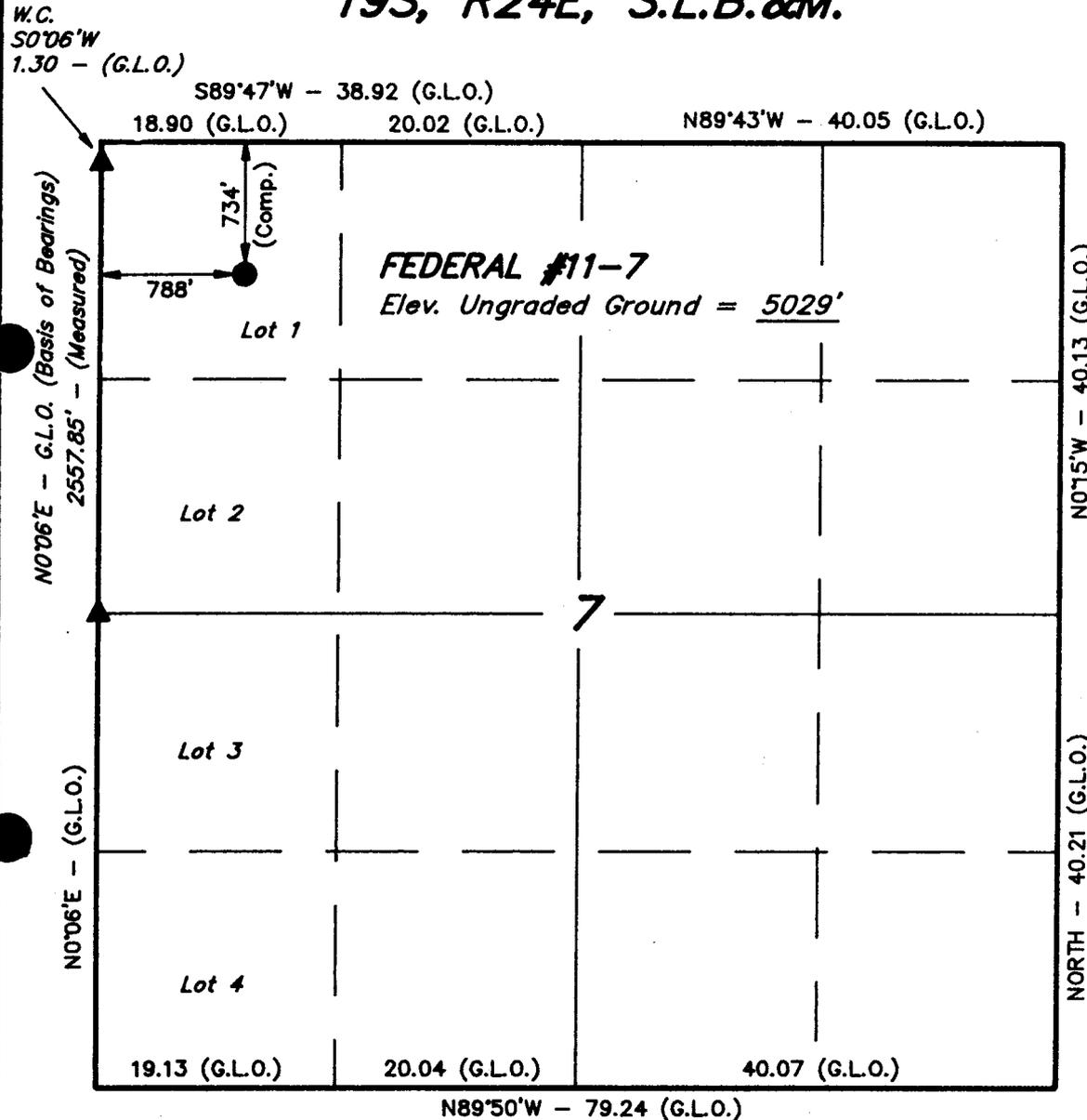
APPROVED BY: _____ TITLE: _____ DATE: 11-30-90 BY: *[Signature]* WELL SPACING: DDU RW15-0.3

*See Instructions On Reverse Side

EPS RESOURCES COMPANY

Well location, FEDERAL #11-7, located as shown in Lot 1, Section 7, T9S, R24E, S.L.B.&M. Uintah County, Utah.

T9S, R24E, S.L.B.&M.



BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NE 1/4 SECTION 12, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5048 FEET.



CERTIFIED TRUE AND CORRECT
 THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
 ROBERT V. KAUFMAN
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 5709
 STATE OF UTAH

REVISED: 10-25-90 T.D.H

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (801) 789-1017	
SCALE 1" = 1000'	DATE 10-23-90
PARTY L.D.T. G.S. T.D.H.	REFERENCES G.L.O. PLAT
WEATHER COOL	FILE EPS RESOURCES COMPANY

NOTE:

WELL BEARS S50°38'59"E
 1017.8' FROM THE WITNESS
 CORNER OF THE NORTHWEST
 CORNER OF SECTION 7.

▲ = SECTION CORNERS LOCATED. (Brass Caps)

13 * Point Surface Use Plan

EPS Resources Company

Federal #11*7

Located in Lot 1, Sec. 7, T9S, R24E, S.L.B. & M.

EPS Resources Company

Federal #11*7

Lot 1, Section 7, T9S, R24E

Drilling Program

1. Geological Surface Formation: Uintah

2. Geological Marker Tops:

<u>Formation</u>	<u>Estimated Top</u>
<u>Green River</u>	
Parachute Creek	1388'
H * Marker	2868'
<u>Wasatch</u>	4213'
<u>Mesaverde</u>	6048'

3. Proposed Casing and Cementing Program:

Casing:

9 5/8" 36# K*55 ST&C Set to 350'.
4 1/2" 11.60# J*55 ST&C Set to 6000'.
(7" 20# J*55 ST&C Will be set at 2500' only
if lost circulation occurs).

Hole Sizes:

12 1/4" to 350".
7 7/8" from 350" to 6000'.
(6 1/2" from 2500' to 6000', if 7" casing is set).

Cement:

Surface casing (9 5/8" OD casing x 12 1/4" Hole)
200 sxs Class "G" with 1/4#/sx of Flocele + 3% Calcium
Chloride.

Production Casing (4 1/2" OD casing x 7 7/8" Hole) *
Cement Volume, sufficient to circulate cement to
surface, is to be based upon actual caliper volume plus
35% excess. Cement slurry shall consist of a high
strength pozzilan blend from total depth to
approximately 2500' with a high yield slurry from 2500'
to surface.

Intermediate Casing (7" OD casing x 8 3/4" Hole) *
Cement with high yield slurry followed by 100 sx of neat
cement + 2% Calcium Chloride. Volume to be calculated
on annular volume plus 100% excess.

EPS Resources Company
Drilling Program
Federal #11-7
Lot 1, Sec. 7, T9S, R24E.
Page 2

4. Operator's Specifications for Pressure Control Equipment:

11" 3000 psig double (blinds and 4 1/2" rams)

11" 3000 psig annular

(see schematic)

Test BOP'S to 3000# and Annular to 2,000# with water.

BOP systems 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. 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 cement plugs.

The BLM should be notified with sufficient lead time, in order to have a representative on location during pressure testing.

5. Proposed Circulating Medium:

0 * 350' = Native Mud
9.2 ppg
Water Loss * No Control

350' * 6000' = 9.1 * 9.2 ppg
38*42 Viscosity
10*12 cc Water Loss

6. Auxiliary Equipment:

A. Kelly Cock

B. Monitoring of the mud system will be done visually.
A full opening drill pipe stabbing valve will be kept on the floor at all times.

7. Testing, Logging and Coring:

Gamma Ray 0 * 2500'
Gamma Ray 2500 * 6000'
Compensated Density * Neutron Log
Dual Induction
Caliper

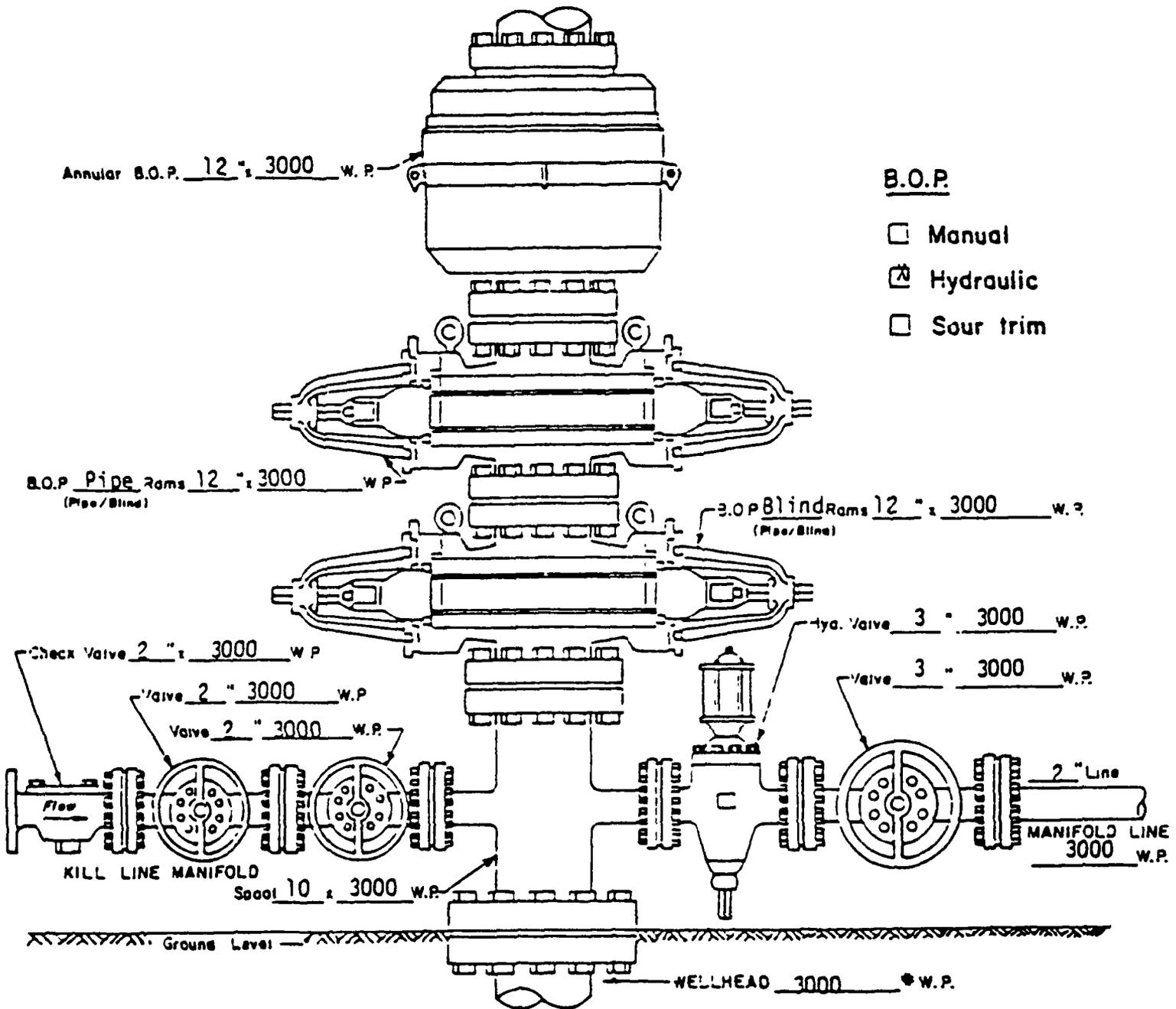
Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160#4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, 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).

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

No abnormal conditions are expected.
Anticipated Bottom Hole Pressure = 2500' psi

9. Anticipated Starting Dates and Notifications of Operations:

Location Construction: Immediately upon approval.
Spud Date: A.S.A.P. after pad and road are completed.



Fill blanks with applicable information. If not applicable, enter "N.A." or cross-out item shown. Enter other pertinent information below.

1. Existing Roads: (See Topo Map "A")

To reach the proposed well location follow the directions as shown on Topo Map "A" & "B".

2. Planned Access Roads:

The length of the planned access road is approximately 0.1 miles. The road will be constructed with a 18 foot running surface and have maximum grades of 4%. There will be no turnouts or culverts along this road. Low water crossings will be utilized for drainage purposes. Existing material will be used for construction on both the access road and well pad. No new disturbance will be needed.

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

Access roads and surface disturbing activities will conform to standards outlined in the BLM / Forest Services 1989 Surface Operating Standards for Oil and Gas Development.

The road shall be upgraded and constructed to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

The proposed access road shall utilize the upgraded 2-track trail approximately 3.9 miles as agreed upon during the onsite inspection. The remainder of the planned access road will follow the flagged route for 0.1 miles.

That portion of the 2-track road as shown on Topo Map A located in Section 4, T9S, R24E, and Section 33, T8S, R24E is located outside of the Unit Boundary. There is approximately 1.4 miles of road in these sections that will require a

Right-of-Way. Application for this Right-of-Way is hereby made.

3. Location of Existing Wells:

There are no Wells within a one mile radius.

4. Location of Existing and/or Proposed Facilities:

With this A.P.D. we are hereby requesting approval to build a 4" surface pipeline from this well approximately 6000' southerly to an existing pipeline. See attached survey plat and topo map of proposed line.

The purpose of this pipeline will be to market Natural Gas produced from this well.

The pipe will be fabricated from appropriate steel materials. It will be a 4" O.D. pipe with a .156" wall thickness.

The width of the Right-of-Way needed for this facility will be 20'. The estimated time this facility will be in use is approximately 30 years.

The pipeline operating pressure is unknown at this time but will not exceed pressures normal for this type of operation in this area. As soon as the operating pressure is ascertained, the resource specialists will be informed.

The material to be transported by the pipeline is not considered toxic or hazardous material except as obvious.

The soils in the area range from gravels through sands, silts or clays and are all of sedimentary origin. None are considered a threat to the pipeline, which is also born out by the longevity of the pipelines in place in the area.

The operating temperatures of the pipeline are not known at this time but it is assumed they will range from 32 to 100 degrees fahrenheit. When this data is determined, it will be conveyed to the resource specialists.

During construction of the facility all appropriate specifications will be observed.

There will be a minimum of surface disturbance along the Right-of-Way caused by truck or equipment travel. No smoothing or leveling will take place.

The pipe will be laid using one of the following methods:

- A. The pipe will be laid out along the Right-of-Way by truck and welded in place.
- B. Joints will be welded at the location or along the Right-of-Way, then they will be dragged along the pipeline Right-of-Way.

The Bannon Energy representative in charge of construction will supervise all operations to assure safe and proper procedures.

No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment. If the surface is wet and the equipment creates ruts in excess of 3" deep, the surface will be deemed too wet to adequately support construction equipment.

A seed mixture specified by the BLM will be used to reseed where the Right-of-Way is disturbed.

The proposed pipeline is located entirely within the Unit Boundary.

All other facilities associated with this well, either on or off lease will be applied for per sundry notice.

If a tank battery is constructed on this lease, the battery or the well pad will be surrounded by a dike of sufficient capacity to contain the capacity of the largest vessel. The integrity of the dike must be maintained.

Tank batteries will be placed on the SW Corner of the pad.

Paint for all facilities will be Desert Brown.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five 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.

5. Location and Type of Water Supply:

All water needed for this well will be hauled by water trucks. Water will be taken from the White River or Coyote Wash. Appropriate permits will be obtained.

6. Source of Construction Materials:

Construction material will be onsite. If any material such as sand, gravel, stone and soil are needed they will be purchased from approved sources.

7. Method for Handling Waste Disposal:

A. Describe methods and location of proposed safe containment and disposal of each type of waste material:

- (1) Cuttings * Reserve pit
- (2) Sewage * Onsite in chemical toilets and holding tanks.
- (3) Garbage (trash) and other waste material * trash container onsite.
- (4) Salts * Reserve pit
- (5) Chemicals * Reserve pit

Produced waste water will be confined to a (lined) pit or, if deemed necessary, a storage tank for a period not to exceed 90 days after first 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.

The bottom of the reserve pit shall not be in fill material.

If a plastic nylon reinforced liner is used it shall be torn and perforated before backfilling of the reserve pit.

Burning will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

Pits are not to be located in natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls, unless otherwise herein provided. The reserve pit shall not be lined unless porous material is encountered during construction of the pit site.

8. Ancillary Facilities:

None are required.

9. Well Site Layout: (See attached cutsheet)

All pits will be fenced in accordance with the Vernal District Fencing Policy. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed. Pits will be fenced and maintained until clean-up.

The location will be constructed as per the attached cutsheet.

10. Plans for Restoration of Surface:

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

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. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed. The reserve pit will be reclaimed within 90 days from the date of well completion.

All disturbed areas will be recontoured to the approximate natural contours.

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

Prior to re-seeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcasted at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage and the seed mixture will be proportionately larger (double the lbs. per acre).

An appropriate seed mixture will be determined by the BLM, either as part of the Conditions of Approval of the APD or at the time restoration activities are scheduled to begin.

All seeding will be done from September 30th until the ground freezes.

At such time as the well is plugged and abandoned, the operator will submit a surface reclamation plan to the Surface Management Agency for prescribed seed mixtures and reseeded requirements.

If the seeding is unsuccessful, the lessee/operator may be required to make subsequent seedings.

Compacted areas of the well pad should be plowed or ripped to a depth of 12" before reseeded. Seeding should be done with a disc-type drill to ten inches apart. The seed should be planted between one-half inch deep and three-quarter inch deep. A drag, packer or roller may be used to insure uniform coverage of the seed, and adequate compaction.

Drilling of the seed should be done on the contour where possible. Where slopes are too steep for contour drilling, a "cyclone" hand-seeder or similar broadcast seeder should be used, using twice the recommended seed per acre. Seed should then be covered to a depth described above by whatever means is practical.

11. Surface Ownership:

Surface ownership is BLM

12. Other Additional Information:

The surface area is used primarily for grazing domestic sheep and cattle.

The geologic structures of the area that are visible are of the Uintah 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 this area.

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

The majority of the numerous washes and streams in the area are of a nonperennial 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".

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

Due to the low precipitation average, climatic conditions and the marginal types of soils, the vegetation that is found in the area is common of the semiarid region we are located in. It consists of areas of sagebrush, rabbitbrush, some grasses and cacti as the primary flora. This is also true for the lower elevations.

The fauna of the area consists predominantly of the mule deer, coyotes, rabbits and varieties of 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 operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized office (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;

- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays

associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.

If, during operations, any archaeological or historical sites, or any object of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites are to be suspended and the discovery reported promptly to the Surface Management Agency.

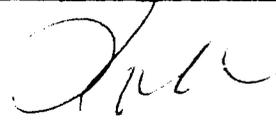
On BLM administered land, it is required that a proposed use of pesticide, herbicide or other possible hazardous chemicals shall be cleared for use prior to application.

The operator or his contractor shall contact the BLM offices at (801)789-1362, between 24 and 48 hours prior to construction activities. Contact Greg Darlington.

The BLM shall be notified upon site completion prior to moving on the drilling rig.

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION:

Name: Robert D. Johnson
Agent, Attorney-in-Fact
Address: 3934 FM 1960 West, Ste#240
Houston, TX 77068
Telephone No: (713) 537-9000



All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his sub•contractors. A copy of these conditions will be furnished to the field representative to insure compliance.

The dirt contractor will be provided with an approved copy of the Surface Use Plan from the APD.

This drilling 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.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill sites and access routes; that I am familiar with the condition which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and, that the work associated with the operations proposed here will be performed by BANNON ENERGY, INC. ACTING AS AGENT FOR EPS RESOURCES 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 filing of a false statement.

November 14, 1990

Date



Name and Title

Robert D. Johnson

Agent, Attorney-in-Fact

Onsite Date: October 24, 1990

Participants on Joint Inspection:

Spec Livingston • BANNON (Agent for EPS Resources)

Byron Tolman • Bureau of Land Management

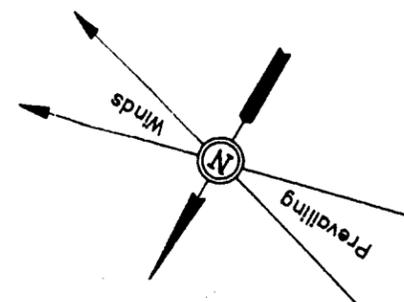
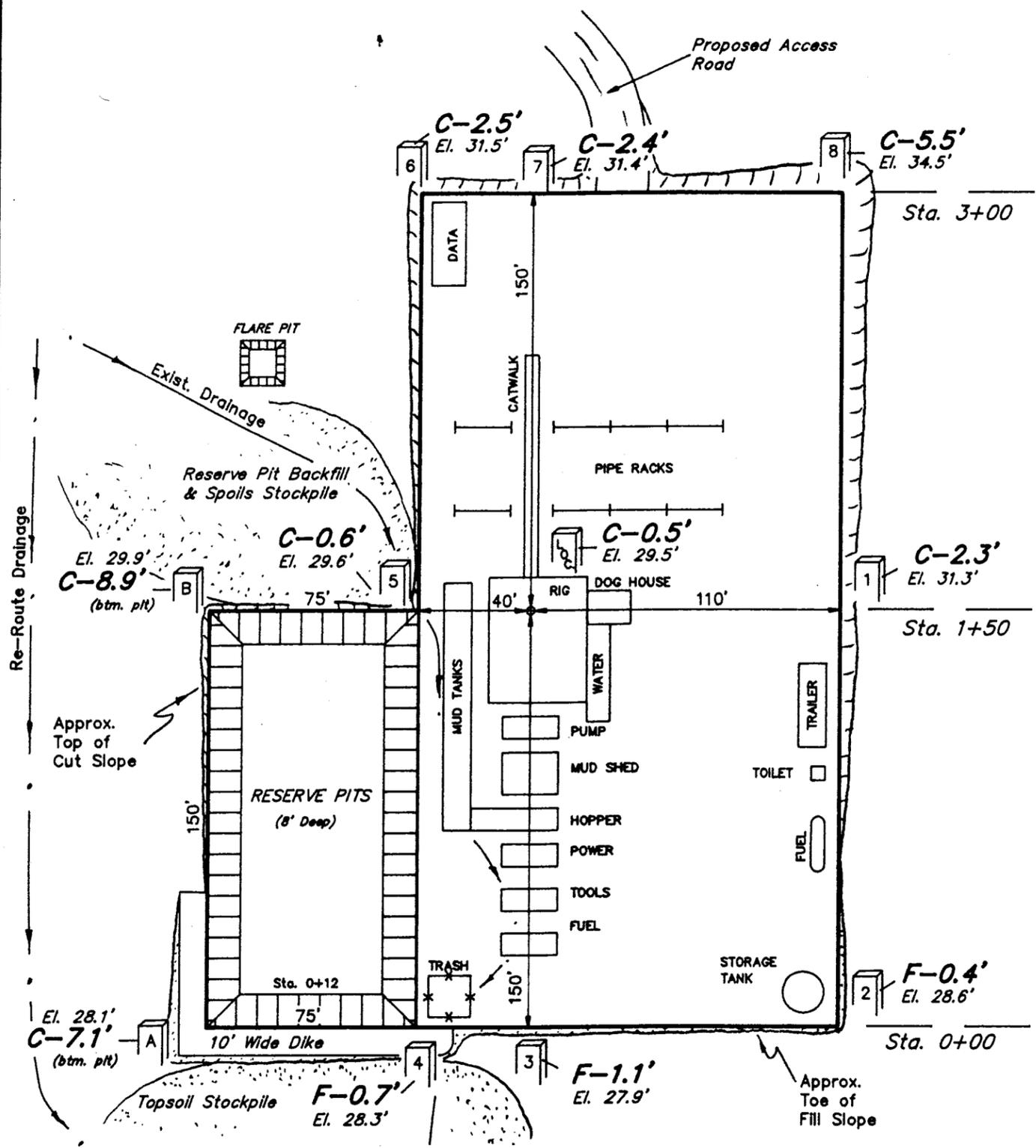
Lawrence C. Kay • Uintah Engineering & Land Surveying

EPS RESOURCES COMPANY

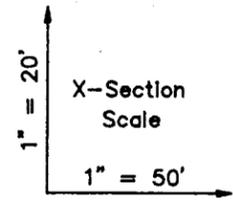
LOCATION LAYOUT FOR

FEDERAL #11-7

SECTION 7, T9S, R24E, S.L.B.&M.

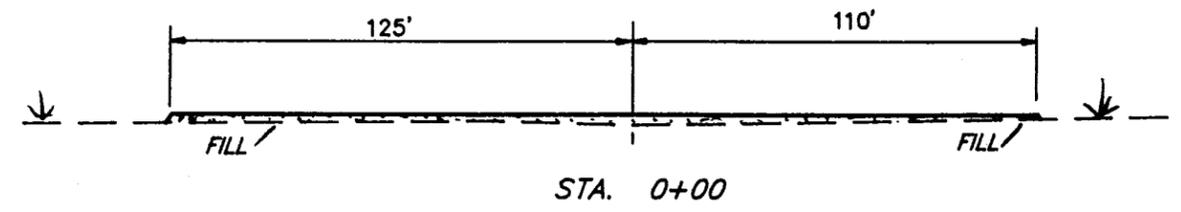
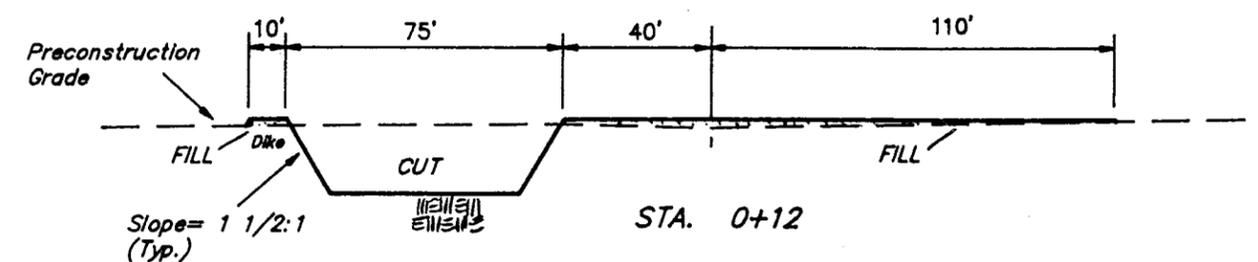
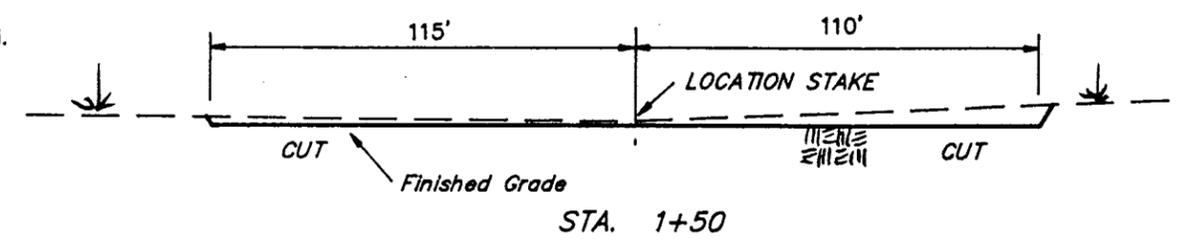
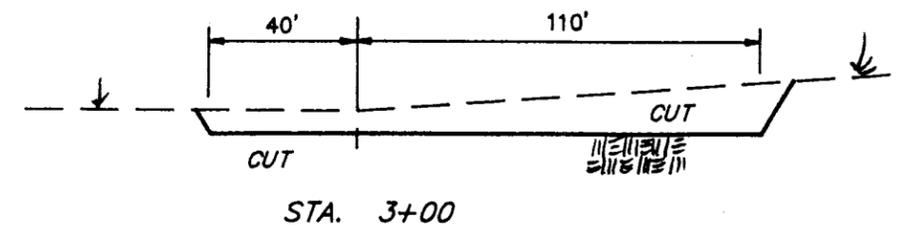


SCALE: 1" = 50'
 DATE: 10-23-90
 DRAWN BY: T.D.H.
 REVISED: 10-25-90 T.D.H.



TYP. LOCATION LAYOUT

TYP. CROSS SECTIONS

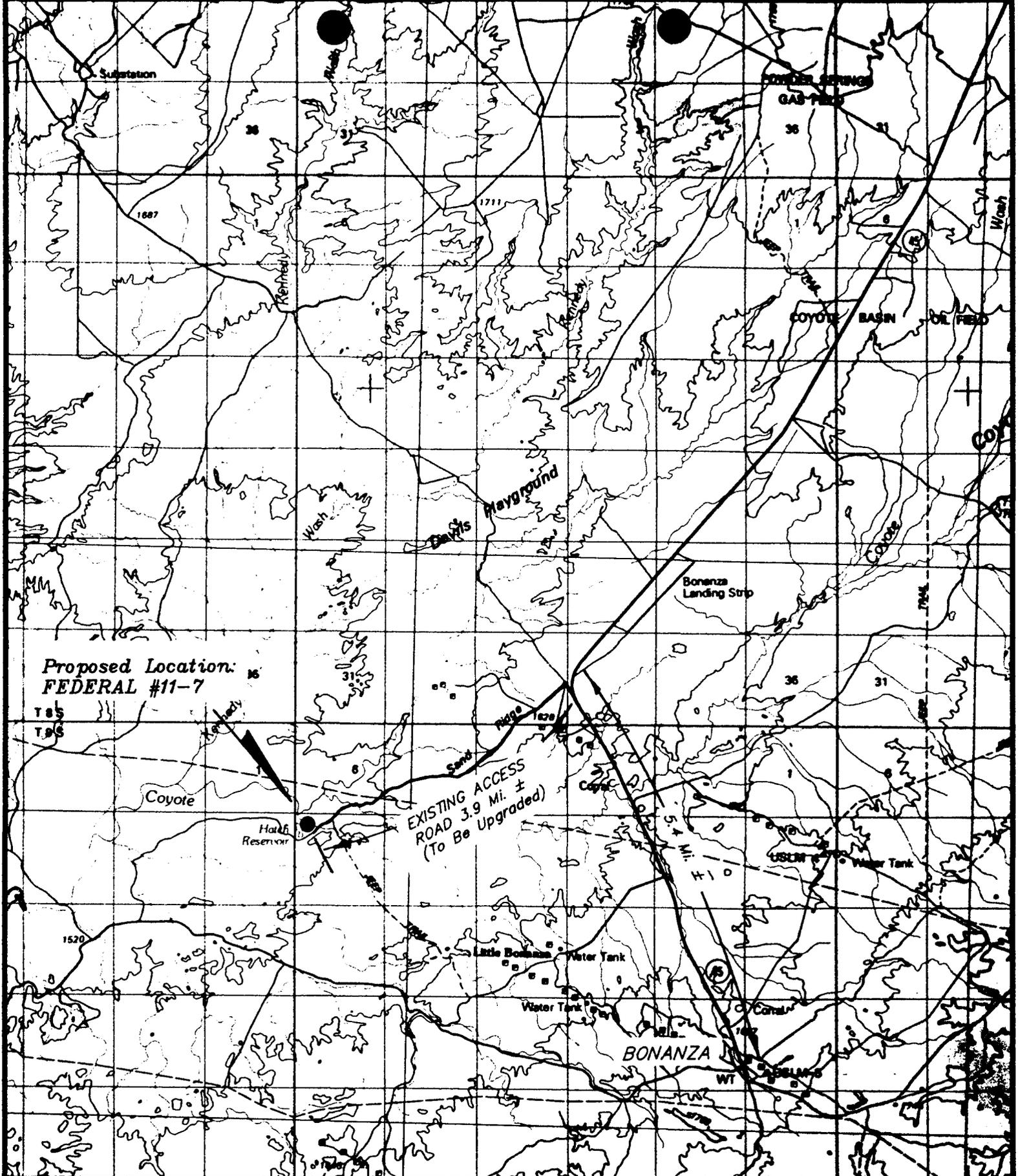


APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,040 Cu. Yds.	EXCESS MATERIAL AFTER 5% COMPACTION	= 4,720 Cu. Yds.
Pit Volume (Below Grade)	= 2,580 Cu. Yds.	Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,330 Cu. Yds.
Remaining Location	= 1,690 Cu. Yds.	EXCESS UNBALANCE (After Rehabilitation)	= 2,390 Cu. Yds.
TOTAL CUT	= 5,310 CU.YDS.		
FILL	= 560 CU.YDS.		

Elev. Ungraded Ground at Location Stake = 5029.5'

Elev. Graded Ground at Location Stake = 5029.0'



Proposed Location:
FEDERAL #11-7

T8S
 T9S

EXISTING ACCESS
 ROAD 3.9 Mi. ±
 (To Be Upgraded)

BONANZA

TOPOGRAPHIC
 MAP "A"

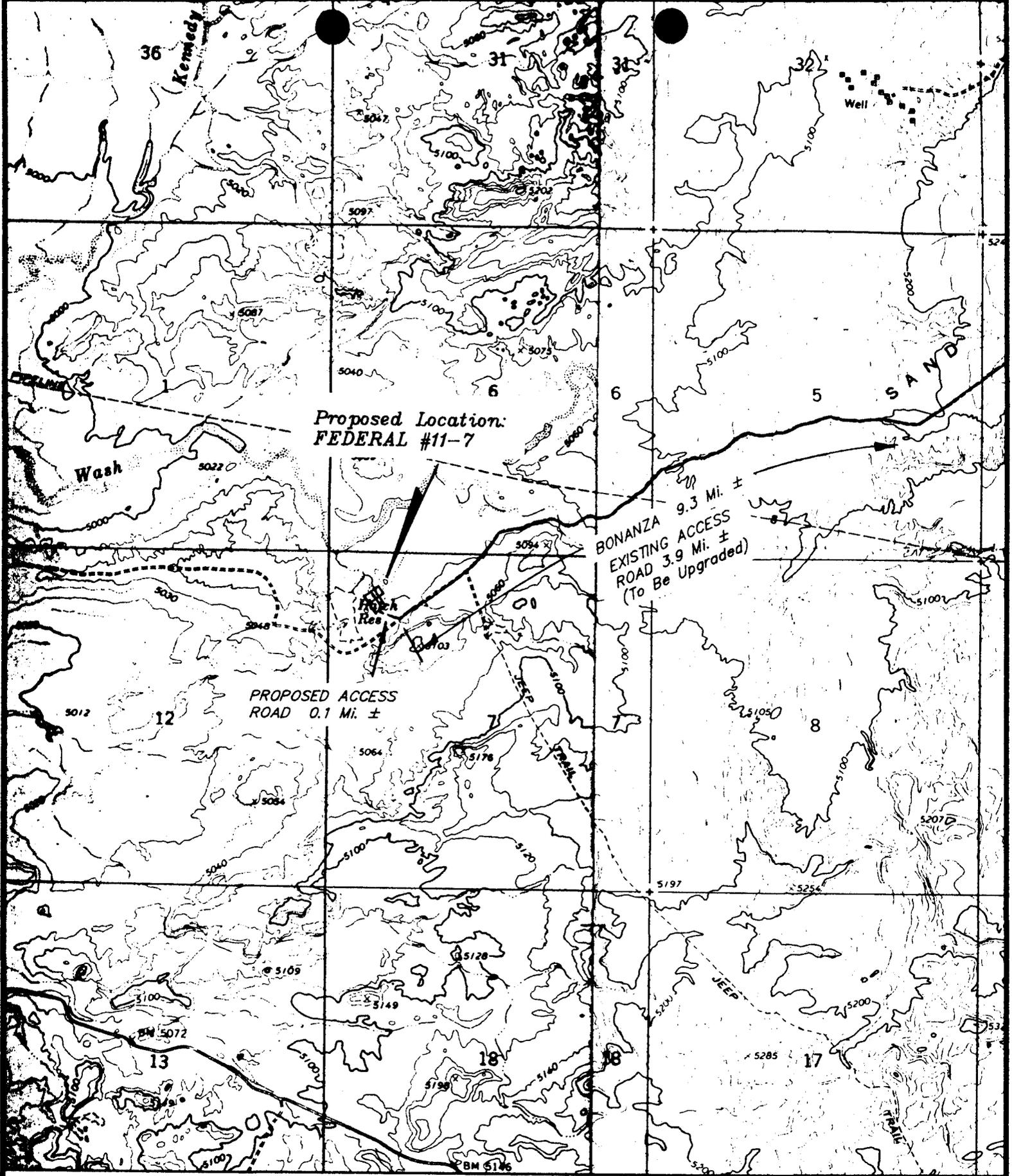
DATE: 10-23-90



EPS RESOURCES COMPANY

FEDERAL #11-7
 SECTION 7, T9S, R24E, S.L.B.&M.

REVISED: 10-25-90 T.D.H.



TOPOGRAPHIC
 MAP "B"
 SCALE: 1" = 2000'
 DATE: 10-23-90



EPS RESOURCES COMPANY
 FEDERAL #11-7
 SECTION 7, T9S, R24E, S.L.B.&M.
 REVISED: 10-25-90 T.D.H.

U.S.
 Department of the Interior
 Bureau of Land Management
 Utah State Office

Project U - G B - 534 b s
 Authorization No.

Report Acceptable Yes No

Mitigation Acceptable Yes No

Comments: _____

Summary Report of
 Inspection for Cultural Resources

1. Report Title FEDERAL # 11 - 7

2. Development Company EPS Resources Company

3. Report Date 11 08 1990 4. Antiquities Permit No. 90-UT-54939

5. Responsible Institution GRAND RIVER INS County Uintah

6. Fieldwork Location: TWN 9S Range 24E Section(s) 07

TWN _____ Range _____ Section(s) _____

7. Resource Area BC TWN _____ Range _____ Section(s) _____

PO=Pony Express, BR=Bear River, WS=Warm Springs, BC=Book Cliffs, HR=House Range,
 SE=Sevier River, HM=Henry Mountains, BE=Beaver River, DX=Dixie, KA=Kanab,
 ES=Escalante, SJ=San Juan, GR=Grand, SR=San Raphael, DM=Diamond Mountain

8. Description of Examination Procedures: A 100 percent pedestrian cultural resources survey of the proposed well locations was made by walking a series of concentric circles around the flagged center to a diameter of 500 feet, thus covering an area of about 5.0 acres. The connecting access/pipeline routes were walked in a zigzag transect centered on the flagged centerline to cover a swath 100 feet wide.

9. Linear Miles Surveyed 0.4
 and/or
 Definable Acres Surveyed 5
 and/or
 Legally Undefinable Acres Surveyed _____

10. Inventory Type I
 R=Reconnaissance
 I=Intensive
 S=Statistical

11. Description of Findings (attach appendices, if appropriate)

One isolated artifact was identified (see attached form).

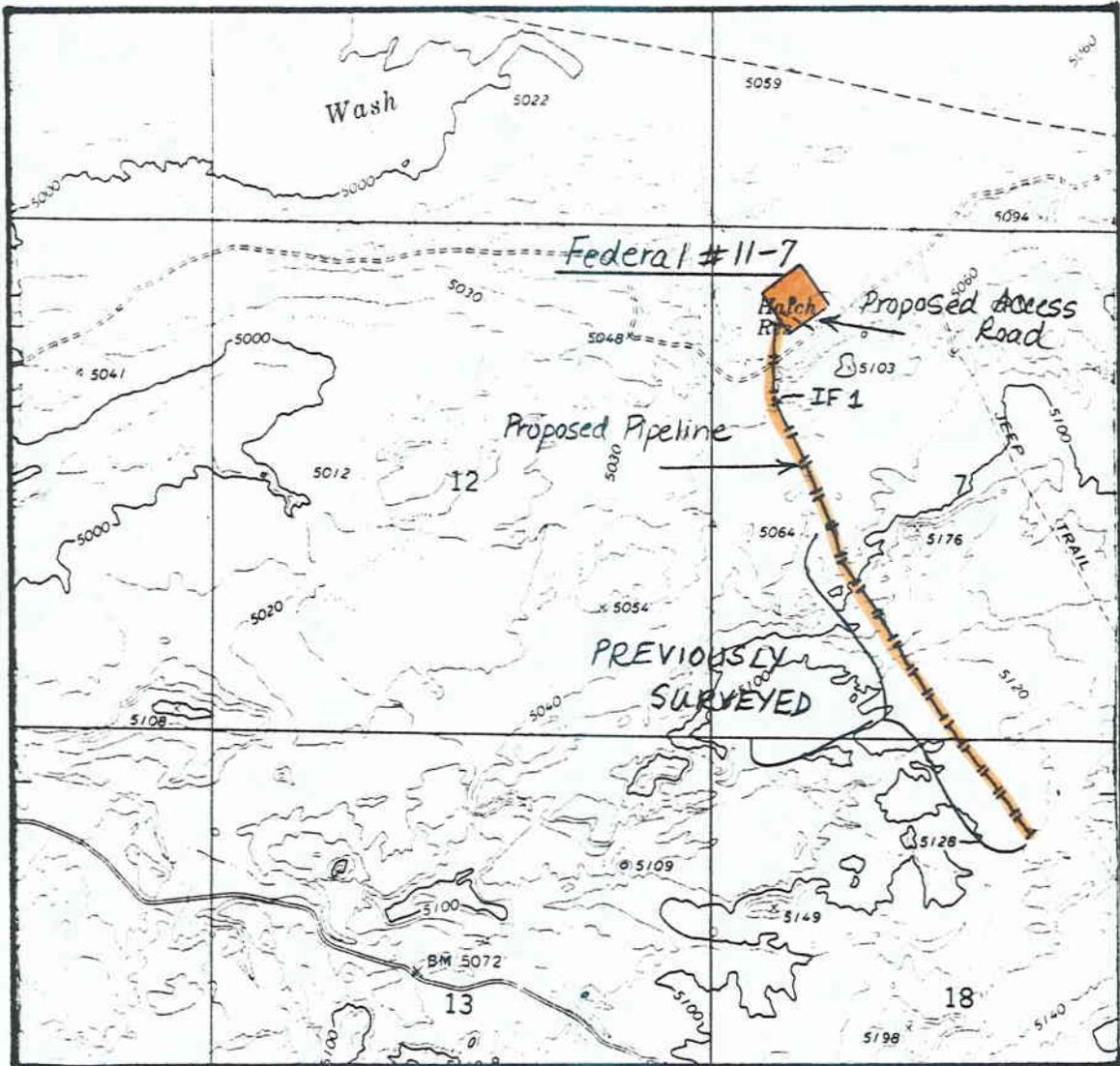
12. Number Sites found 0 No sites = 0 13. Collection N
 Y=Yes N=No

14. Actual/Potential National Register Properties Affected: None.

15. Literature Search, Location/Date: BLM Vernal District Office, 11/1/90

16. Conclusion/Recommendations:
 Archaeological clearance is recommended.

17. Signature of Administrator & Field Supervisor: Administrator Carl E. Conner
 Carl E. Conner
 Field Supervisor Carl E. Conner



Red Wash SE
Utah--Uintah County
1968
USGS 7.5' Series (topographic)
Scale 1:24000
Contour interval 20 feet
T. 9S., R. 24E., S.L.P.M.

Cultural resources inventory report for four proposed wells (Federal Units #11-7, #11-8, #11-9, and State Unit #14-16) and related access/pipeline routes in Uintah County

CULTURAL RESOURCE MANAGEMENT
ISOLATED FIND RECORD

1)Resource No. _____ 2)Temp.No. 9071-IF1 3)County Uintah

I. LOCATION

4)Legal Location SE 1/4, NW 1/4, SW 1/4, NW 1/4, Sec. 7 T 9 S R 24 E PM SL

5)USGS Quad: Name Red Wash SE, Utah Size 7.5' Date 1968

6)UTM:Zone12; 6 4 8 1 6 0mE, 4 4 3 4 8 6 0mN Attach copy of portion of USGS Quad

II. ARCHAEOLOGICAL DATA:

7)Artifacts: 1 biface fragment, purple chert

8)Inferred function/description: faunal processing

9)Cultural Affiliation unknown Time Period _____

10)IF Dimensions 3.2+cm X 2.5 cm X 0.8 cm

III. ENVIRONMENTAL DATA:

11)Elevation 5060 ft. 1542 m. 12)Soil Clayey, sandy loam

13)Topography alluvial basin 14)Slope: Site 2-3 surrounding 2-10

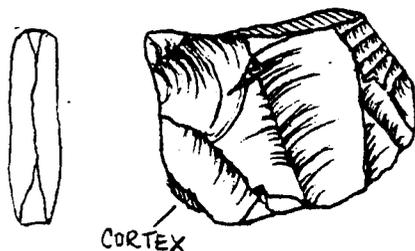
15)Nearest water intermittant drainage elev. 5050 dist. 400m direct. W

Nearest perm. water unknown elev. _____ dist. _____ direct. _____

16)Vegetation on site saltbush community 17)Surrounding veg. same

Additional Comments:

IV. ADDITIONAL INFORMATION: (narrative, drawings, sketch map)



V. REFERENCE DATA:

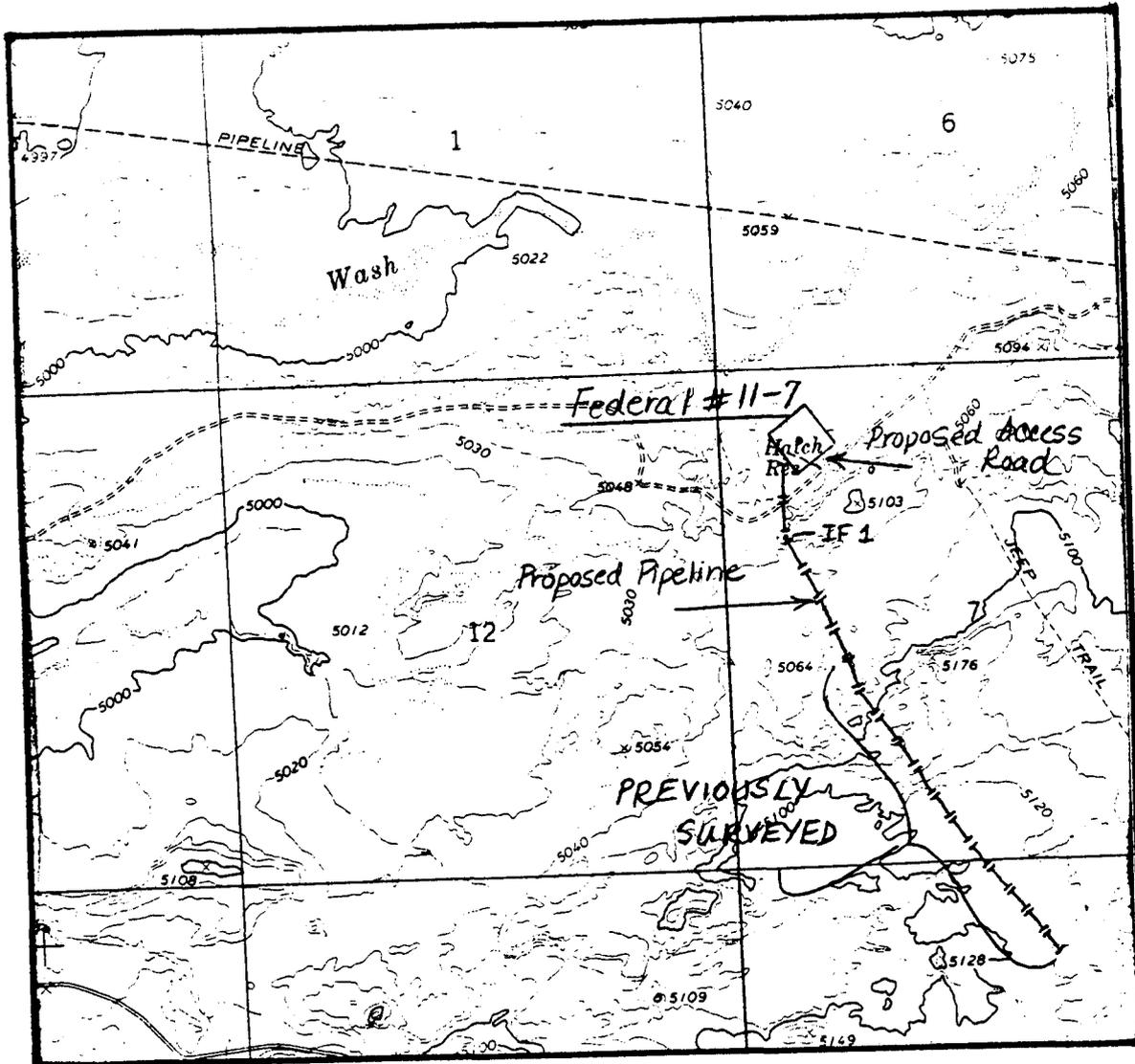
18)Collection: yes ___ no X describe _____

19)Repository _____ 20)Landowner BLM

21)Report Title GRI#9071: EPS Fed #11-7 22)Recorder Conner/Hutchins

23)Affiliation Grand River Institute, Grand Junction, CO 24)Date 11/2/90

Colorado Historical Society, Office of Archaeology & Historic Preservation, 1300
Broadway, Denver, CO 80203 (303/866-3395).



Red Wash SE
 Utah--Uintah County
 1968
 USGS 7.5' Series (topographic)
 Scale 1:24000
 Contour interval 20 feet
 T. 9S., R. 24E., S.L.P.M.

Cultural resources inventory report for four proposed wells
 (Federal Units #11-7, #11-8, #11-9, and State Unit #14-16) and
 related access/pipeline routes in Uintah County

OPERATOR EPS Resources N-00015 DATE 11-07-90

WELL NAME Actual 11-7

SEC NW1/4 7 T 9S R 04E COUNTY Montah

43-047-31910
API NUMBER

Actual (1)
TYPE OF LEASE

CHECK OFF:

PLAT.

BOND

NEAREST WELL

LEASE

FIELD
SLBM

POTASH OR OIL SHALE

PROCESSING COMMENTS:

1990 P.O.D. approved 4-0-90
Water Permit

APPROVAL LETTER:

SPACING:

R615-2-3

Dirty Diesel
UNIT

R615-3-2

N/A
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

1- Needs Water Permit



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

November 30, 1990

EPS Resources Company
5655 S. Yosemite, Suite 460
Englewood, Colorado 80111

Gentlemen:

Re: Federal 11-7 - NW NW Sec. 7, T. 9S, R. 24E - Uintah County, Utah
734' FNL, 788' FWL

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules, subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

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

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2
EPS Resources Company
Federal 11-7
November 30, 1990

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. 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 43-047-31912.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

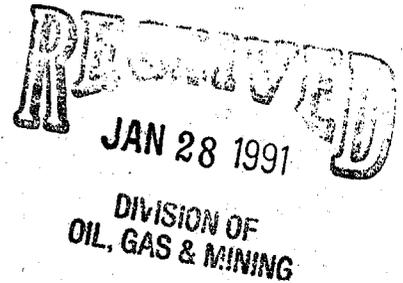
tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
we14/1-12



EPS Resources Corporation

5655 South Yosemite
Suite 460
Englewood, CO 80111
Phone (303) 721-7920
Fax (303) 721-6025

January 24, 1991



State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Attention: Mr. R.J. Firth
Associate Director, Oil and Gas

Dear Mr. Firth:

Bannon Energy, Inc. submitted APDs for the 11-7, 11-8 and 11-9 wells as agent for EPS Resources Corporation on November 14, 1990.

Please be advised that Bannon Energy, Inc. has resigned as of December 31, 1990 and that EPS Resources Corporation will be the operator of these wells.

I am enclosing corrected APDs and Certification pages executed by EPS Resources Corporation for your files.

Sincerely yours,

A handwritten signature in cursive script that reads 'Cindy Senko'.

Cindy Senko
Land Manager

CS/ntm

Enclosures

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

EPS Resources Corporation

3. ADDRESS OF OPERATOR

5655 S. Yosemite, Suite 460, Englewood, CO 80111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

734' FNL & 788' FWL (Lot #1)

At proposed prod. zone

same

43-047-31912 del

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

See Topo "A"

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

734'

16. NO. OF ACRES IN LEASE

557.83

17. NO. OF ACRES ASSIGNED TO THIS WELL

160

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

19. PROPOSED DEPTH

6000'+

20. ROTARY OR CABLE TOOLS

Rotary

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

5029' GR

22. APPROX. DATE WORK WILL START*

A.S.A.P.

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	350'	200 Sacks Class "G"
7 7/8"	4 1/2"	11.60#	6000±	As needed (See Drilling Program)

EPS Resources Corporation as operator proposes to drill a Mesaverde Test estimated to 6000'

See Attachments: Topo's A, B, C, & D
Cut Sheet
Legal Plat
Pipeline Plat
BOP Schematic
Drilling Plan
Surface Use Plan

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


Edward Neibauer

TITLE

Petroleum Engineer

DATE

1/24/91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

Name: Edward Neibauer
Address: 5655 S. Yosemite, Suite 460
Englewood, CO 80111
Telephone No: (303) 721-7920

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

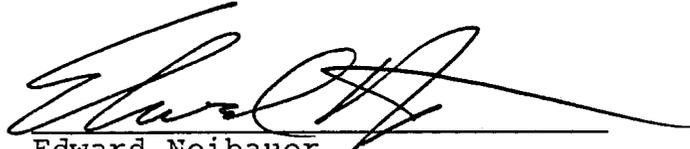
The dirt contractor will be provided with an approved copy of the Surface Use Plan from the APD.

This drilling 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.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill sites and access routes; that I am familiar with the condition which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and, that the work associated with the operations proposed here will be performed by EPS Resources Corporation, 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 filing of a false statement.

1/24/91
Date


Edward Neibauer
Petroleum Engineer

Onsite Date: October 24, 1990

Participants on Joint Inspection:

Spec Livingston - BANNON (Agent for EPS Resources)

Byron Tolman - Bureau of Land Management

Lawrence C. Kay - Uintah Engineering & Land Surveying

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-30464

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
Dirty Devil Unit

8. FARM OR LEASE NAME
Federal

9. WELL NO.
11-7

10. FIELD AND POOL, OR WILDCAT
Bonanza

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 7, T9S, R24E

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
EPS Resources Corporation

3. ADDRESS OF OPERATOR
5655 S. Yosemite, Suite 460, Englewood, CO 80111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
734' FNL & 788' FWL (Lot #1)
At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
See Topo "A"

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any)
734'

16. NO. OF ACRES IN LEASE
557.83

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

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

19. PROPOSED DEPTH
6000'+

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5029' GR

22. APPROX. DATE WORK WILL START*
A.S.A.P.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	350'	200 Sacks Class "G"
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EPS Resources Corporation as operator proposes to drill a Mesaverde Test estimated to 6000'

- See Attachments: Topo's A, B, C, & D
Cut Sheet
Legal Plat
Pipeline Plat
BOP Schematic
Drilling Plan
Surface Use Plan

JAN 1991
RECEIVED

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 Edward Neihauer TITLE Petroleum Engineer DATE 1/24/91

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY Thomas B. Clancy TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE 1/29/91
CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

1000-11001
Dio OG+M

Revised November 1990

Date NOS Received: 10-16-90

CONDITIONS OF APPROVAL

APPLICATION FOR PERMIT TO DRILL

Company/Operator: EPS Resources Company
Well Name & Number: Dirty Devil Unit Fed. 11-7
Lease Number: U-30464
Location: Lot 1 (NW/NW) Sec. 7 T. 9S R. 24E
Surface Ownership: BLM

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company EPS Resources Company Well No. 11-7

Location Lot 1 (NW/NW) Sec. 7, R9S, R24E Lease No. U-30464

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM 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.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed.

The Vernal District Office shall be notified at least twenty-four (24) hours prior to initiating the pressure tests in order to have a BLM representative on location during pressure testing.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

The Vernal District Office shall be notified at least twenty-four (24) hours prior to the running and cementing of all casing strings in order to have a BLM representative location while running and cementing all casing strings.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

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

5. Coring, Logging and Testing Program

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

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the Authorized Officer. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the Authorized Officer (AO).

A cement bond log (CBL) shall be utilized to determine the top of cement (TOC) for the production casing.

6. Notifications of Operations

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 Vernal District Office shall be notified during regular work hours (7:45 a.m. - 4:30 p.m., Monday through Friday, except holidays), at least twenty-four (24) hours PRIOR to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

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.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the A0 will be notified when the well is placed in a producing 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.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of thirty (30) days or 50 MCF following its completion, whichever occurs first, without the prior written approval of the A0. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram, as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4, 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 Onshore Oil and Gas Order No. 3, 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.

No well abandonment operations will be commenced without the prior approval of the A0. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the A0. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the A0 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 A0 or his/her representative or the appropriate Surface Managing Agency.

7. Other Information

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

All off-lease storage, off-lease measurement, or commingling onlease 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 or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. 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 Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover 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.

"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 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed

a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

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

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

Ed Forsman (801) 789-7077
Petroleum Engineer

BLM FAX Machine (801) 789-3634

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous:

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids.

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt wastes.

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation, and miscellaneous solids

B. THIRTEEN POINT SURFACE USE PROGRAM:

1. Methods for Handling Waste Disposal

Production facilities - More than one pit for produced water on production facilities must be justified.

2. Additional Surface Stipulations for BLM

Build an erosion control structure above the pad to direct water into the drainage to the north of the location.

It is requested that the gas production pipeline follow the access road back to the 11-8 well instead of crossing Coyote Wash to the north.

Bureau of Land Management
Branch of Fluid Minerals (U-922)
324 South State Street
Salt Lake City, Utah 84111-2303

March 28, 1991

Valley Operating, Inc.
745 Gilpin Street
Denver, Colorado 80218

RE: Dirty Devil Unit
Uintah County, Utah

Gentlemen:

We received an indenture dated March 8, 1991, whereby EPS Resources Corporation resigned as Operator and Valley Operating, Inc. was designated as Operator for the Dirty Devil Unit, Uintah County, Utah.

This indenture was executed by all required parties. The signatory parties have complied with Section 6 of the unit agreement. The instrument is hereby accepted effective as of March 28, 1991. Please advise all interested parties of the change in unit operator.

Pursuant to regulations issued and effective June 17, 1988, all operations within the Dirty Devil Unit will be covered by your statewide (Utah) oil and gas bond No. 0832.

Sincerely,

Orig. Sgd: J.A. Fouts

Sok Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Vernal (w/enclosure)
Division of Oil, Gas & Mining
Division of Lands and Mineral Operations U-942
File - Dirty Devil Unit (w/enclosure)
MMS - Reference Data Branch
Agr. Sec. Chron

U-922:TAThompson:tt:03-28-91

RECEIVED

APR 01 1991

DIVISION OF
OIL GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Vernal District Office
170 South 500 East
Vernal, Utah 84078



IN REPLY REFER TO:

3162.3-5
UT08438

FEB 11 1992

Valley Operating, Inc.
754 Gilpin Street
Denver, CO 80218-3633

API# 430473912

RECEIVED

FEB 14 1992

DIVISION OF
OIL GAS & MINING

Re: Rescind Application for Permit
to Drill
Well No. 11-7
Section 7, T9S, R24E
Lease No. U-30464
Dirty Devil Unit
Uintah County, Utah

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on January 29, 1991. 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 (1) 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,

Howard B. Cleavinger II
Assistant District Manager
for Minerals

cc: State Div. OG&M



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

February 28, 1992

Valley Operating, Inc.
754 Gilpin Street
Denver, Colorado 80218-3633

Gentlemen:

Re: Well No. Federal 11-7, Sec. 7, T. 9S, R. 24E, Uintah County, Utah,
API No. 43-047-31912

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 the commencement of any future work on the subject location.

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

Sincerely,

Don Staley
Administrative Supervisor
Oil and Gas

DME

cc: Bureau of Land Management - Vernal
EPS Resources Corporation
R.J. Firth
Well file

WOI196



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

LCA

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

February 28, 1992

Valley Operating, Inc.
754 Gilpin Street
Denver, Colorado 80218-3633

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Sincerely,

Don Staley
Administrative Supervisor
Oil and Gas

DME

cc: Bureau of Land Management - Vernal
EPS Resources Corporation
R.J. Firth
Well file

WOI196

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1- LAR	7
2- DTS	TTS
3- VLC	✓
4- RJF	✓
5- RWM	✓
6- LAR	✓

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 3-28-91)

TO (new operator)	<u>VALLEY OPERATING, INC.</u>	FROM (former operator)	<u>EPS RESOURCES CORP.</u>
(address)	<u>745 GILPIN STREET</u>	(address)	<u>5655 S. YOSEMITE, #460</u>
	<u>DENVER, CO 80218-3633</u>		<u>ENGLEWOOD, CO 80111</u>
	<u>LEE ROBINSON</u>		
	<u>phone (303) 355-3242</u>		<u>phone (303) 721-7920</u>
	<u>account no. N 8270</u>		<u>account no. N2025</u>

Well(s) (attach additional page if needed): *DIRTY DEVIL UNIT

Name: <u>FEDERAL 11-9/DRL</u>	API: <u>43-047-31911</u>	Entity: <u>99999</u>	Sec <u>9</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>U-5900</u>
Name: <u>FEDERAL 11-7/DRL</u>	API: <u>43-047-31912</u>	Entity: <u>99999</u>	Sec <u>7</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>U-3046</u>
Name: <u>FEDERAL 11-8/DRL</u>	API: <u>43-047-31913</u>	Entity: <u>99999</u>	Sec <u>8</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>U-5915</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- N/A 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form).
- N/A 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form).
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) _____ If yes, show company file number: _____.
- See 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (2-28-92)
- See 6. Cardex file has been updated for each well listed above. (2-28-92)
- See 7. Well file labels have been updated for each well listed above. (2-28-92)
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- See 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- See 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) ____ (If entity assignments were changed, attach copies of Form 6, Entity Action Form). *X will be changed to 99998 - Laid.*
- N/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

- N/A 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- N/A 2. A copy of this form has been placed in the new and former operators' bond files.
- N/A 3. The former operator has requested a release of liability from their bond (yes/no) ____ . Today's date _____ 19____. If yes, division response was made by letter dated _____ 19____.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- N/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested. *ES 3-9-92*
- N/A 2. Copies of documents have been sent to State Lands for changes involving State leases.

FILMING

- RM 1. All attachments to this form have been microfilmed. Date: March 10 1982.

FILING

- CHD 1. Copies of all attachments to this form have been filed in each well file.
- See 2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

920228 Btm/S.Y. Unit operator from FPS to Valley Operating Inc. eff. 3-28-91.