

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED 8-22-91

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. UTU-0575 INDIAN

DRILLING APPROVED: 8-28-91

SPUDDED IN:

COMPLETED: 9-16-92 LA PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: NAD Effective 9-16-92

FIELD: NATURAL BUTTES

UNIT: NATURAL BUTTES

COUNTY: UINTAH

WELL NO. NBU #125 API NO. 43-047-32090

LOCATION 1892' FSL FT. FROM (N) (S) LINE, 801' FEL FT. FROM (E) (W) LINE, NE SE 1/4 - 1/4 SEC. 17

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
9S	21E	17	COASTAL OIL & GAS CORP				

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
 Coastal Oil & Gas Corporation

3. ADDRESS OF OPERATOR
 P. O. Box 749, Denver, Colorado 80201-0749

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 1892' FSL, 801' FEL (NE $\frac{1}{4}$ SE $\frac{1}{4}$) Section 17, T9S, R21E
 At proposed prod. zone
 Same As Above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately Six (6) Miles Southeast of Ouray, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 801'

16. NO. OF ACRES IN LEASE 1600

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2100'±

19. PROPOSED DEPTH 6400' WSTC

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4833' GR

22. APPROX. DATE WORK WILL START*
 October 20, 1991

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-0575

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 Not Applicable

7. UNIT AGREEMENT NAME
 Natural Buttes

8. FARM OR LEASE NAME
 NBU

9. WELL NO.
 125

10. FIELD AND POOL, OR WILDCAT
 Natural Buttes b 30

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 17, T9S, R21E

12. COUNTY OR PARISH 13. STATE
 Uintah Utah

23. (ALL NEW) PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55	24.0#	0- 250'	180 sx Circ. to Surface *
7-7/8"	5-1/2" K-55	17.0#	0-6400'	545 sx Circ. to Surface *

* Cement volumes may change due to hole size.
 Calculate from Caliper log.

EIGHT-POINT RESOURCE PROTECTION PLAN ATTACHED.

I hereby certify that Coastal Oil & Gas Corporation is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the NBU #125, Federal Lease # UTU-0575. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation, Nationwide Bond # CO-0018, who will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

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. SIGNER Charles E Mowry TITLE District Drilling Manager DATE August 6, 1991
 Charles E. Mowry

PERMIT NO. 43-047-3090

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
 RECEIVED
 DATE: 8-28-91 DATE AUG 22 1991
 BY: JAY Matthews

APPROVED BY _____
 CONDITIONS OF APPROVAL, IF ANY: _____

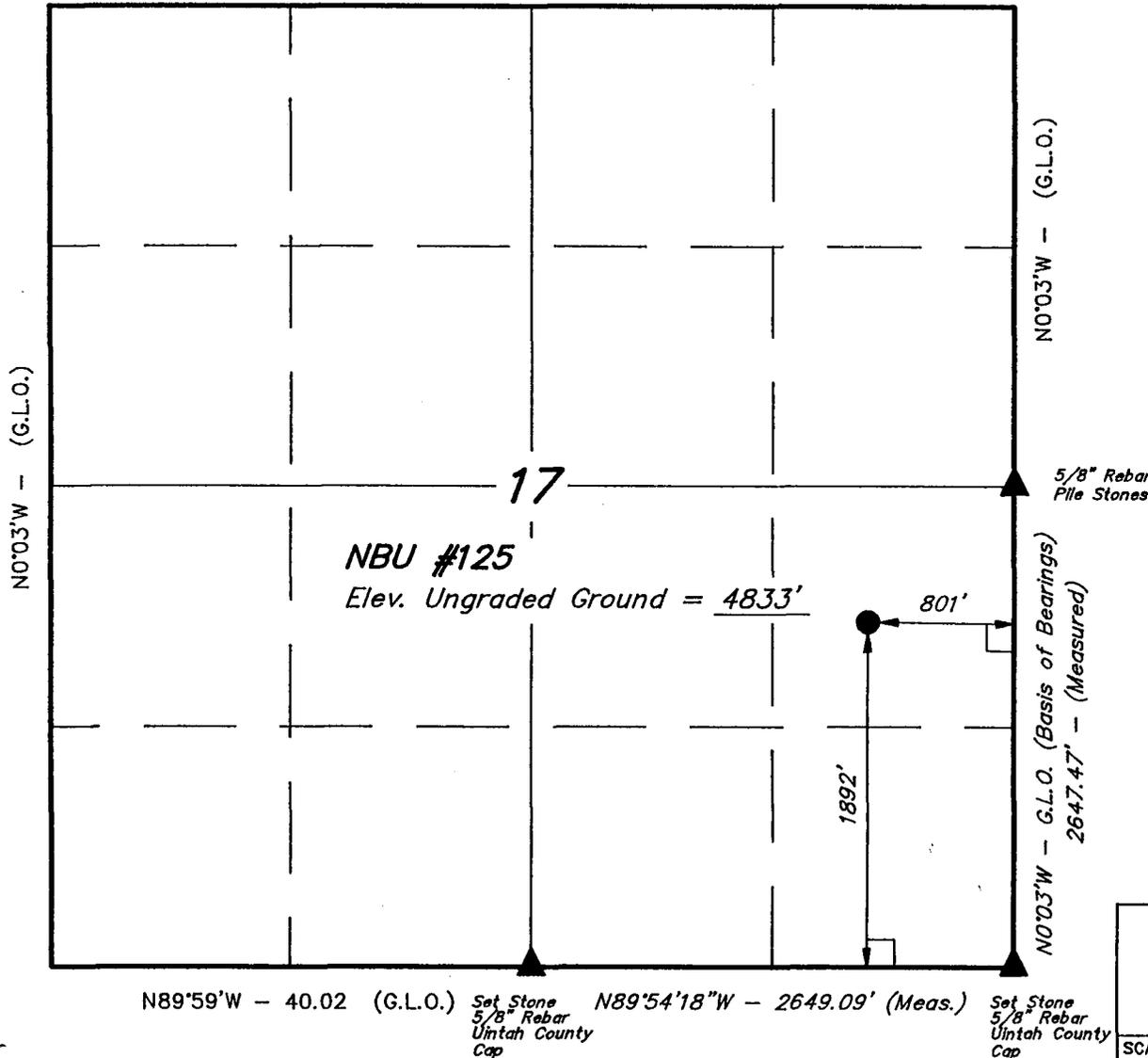
WELL SPACING: 615-2-3 DIVISION OF OIL, GAS & MINING
 *See Instructions On Reverse Side

T9S, R21E, S.L.B.&M.

COASTAL OIL & GAS CORP.

Well location, NBU #125, located as shown in the NE 1/4 SE 1/4 of Section 17, T9S, R21E, S.L.B.&M. Uintah County, Utah.

S89°57'W - 79.98 (G.L.O.)



BASIS OF ELEVATION

SPOT ELEVATION AT THE SE CORNER OF SECTION 17, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4867 FEET.

SCALED AND REGISTERED LAND SURVEYOR
 CERTIFICATE
 No. 5700
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 5700
 STATE OF UTAH

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.

KAY

UINTAH ENGINEERING & LAND SURVEYING
 P. O. BOX 1758 - 85 SOUTH - 200 EAST
 VERNAL, UTAH - 84078

SCALE 1" = 1000'	DATE 4-23-91
PARTY G.S. J.F. T.D.H.	REFERENCES G.L.O. PLAT
WEATHER COOL	FILE COASTAL OIL & GAS CORP.

▲ = SECTION CORNERS LOCATED.

COASTAL OIL & GAS CORPORATION
Lease #UTU-0575, NBU #125
NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, T9S, R21E
Uintah County, Utah

Drilling Prognosis

1. Estimated Tops of Important Geologic Markers:

Uinta	Surface	Wasatch	5155'
Green River	1655'	Total Depth	6400'

2. Estimated Depths of Anticipated Water, Oil, Gas or Mineral Formations:

Wasatch 5155' Gas (Primary Objective)

If any shallow water zones are encountered, they will be adequately protected and reported; none anticipated. All potentially productive hydrocarbon zones will be cemented off.

3. Pressure Control Equipment: (Schematic Attached)

A. Type: 11" Double Gate Hydraulic.

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Kill line (2-inch minimum).
4. One (1) kill line valve (2-inch minimum).
5. One (1) choke line valve.
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available.
8. Safety valve & subs to fit all drill strings in use.
9. 2-inch (minimum) choke line.
10. Pressure gauge on choke manifold.

B. Pressure Rating: 2,000 psi

C. Testing Procedure:

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

3. Pressure Control Equipment:

C. Testing Procedure: Continued

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the IADC driller's log.

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles which meet the manufacturer's specifications will be used as the backup to the required independent power source. The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in Onshore Operating Order #2.

F. Special Drilling Operations:

In addition to the equipment already specified in Items A through E, above, the following equipment will be in place and operational during air/gas drilling:

1. Properly lubricated and maintained rotating head.
2. Spark arresters on engines or water cooled exhaust.
3. Blooie line discharge 100 feet from well bore and securely anchored.

3. Pressure Control Equipment:

F. Special Drilling Operations: Continued

4. Straight run on blooie line.
5. Deduster equipment (not required for aerated water system).
6. All cuttings and circulating medium(s) shall be directed into a reserve or blooie pit.
7. Float valve above bit.
8. Automatic igniter or continuous pilot light on the blooie line (not required for aerated water system).
9. Compressors located in the opposite direction from the blooie line and at a minimum of 100 feet from the well bore.
10. Mud circulating equipment, water, and mud materials (does not have to be pre-mixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

G. Miscellaneous Information:

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of Onshore Operating Order #2.

The choke manifold and BOP extension rods with hand wheels will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller.

Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 100 feet (minimum) from the center of the drill hole to a separate flare pit.

4. The Proposed Casing and Cementing Program: (All New)

A. Casing Program

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Joint</u>	<u>Depth Set</u>
12-1/4"	8-5/8"	24.0#	K-55	ST&C	0- 250'

4. The Proposed Casing and Cementing Program:

A. Casing Program - Continued

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Joint</u>	<u>Depth Set</u>
7-7/8"	5-1/2"	17.0#	K-55	LT&C	0-6400'

Casing string(s) will be pressure tested to 0.22 psi per foot, or 1500 psi (not to exceed 70% of the internal yield strength of the casing), whichever is greater, after cementing and prior to drilling out from under the casing shoe.

B. Cementing Program

Surface Casing : Cement with approximately 180 sx Class "G" cement + additives, circulated to surface with 100% excess.

Production Casing : Lead with approximately 350 sx Halliburton Silica "Lite" cement with 4% Gel, 4% CaCl₂, 0.3 % Halad-413 and 2.0#/sx Granulite TR; tail with approximately 195 sx Class "G" cement + additives. Cement will be circulated back to surface with 30% excess.

Actual cement volumes to be required will be determined from the caliper log.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. Mud Program: (Visual Monitoring)

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-6400'	Aerated Water	-----	-----	-----

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

6. Evaluation Program:

Logs : DIL-Caliper : 6400' - Surface
FDC-CNL : 6400' - 1500'

DST's : None anticipated.

Cores : None anticipated.

The proposed evaluation program may change at the discretion of the wellsite geologist, with prior approval from the Authorized Officer, Bureau of Land Management.

Stimulation : No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

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 to the Book Cliffs Resource Area Office not later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Two (2) 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, Book Cliffs Resource Area Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Phone: (801) 789-1362.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 2,976 psi (calculated at 0.465 psi/foot) and maximum anticipated surface pressure equals approximately 1,568 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates and Notification of Operations:

A. Drilling Activity

Anticipated Commencement Date : October 20, 1991
Drilling Days : Approximately 10 Days
Completion Days : Approximately 7 days

B. Notification of Operations

The Book Cliffs Resource Area Office, Bureau of Land Management will be notified at least twenty-four (24) hours PRIOR to the commencement of the following activities:

1. Spudding of the well. This oral report will be followed up with a Sundry Notice (Form 3160-5);
2. initiating pressure tests of the blow-out preventer and related equipment;
3. running casing and cementing of ALL casing strings.

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 suspended status without prior approval of the Authorized Officer. If operations are to be suspended, prior approval of the Authorized Officer will be obtained and notification given before resumption of operations.

In accordance with Onshore Operating Order #1, this well will be reported on MMS Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with the Royalty Management Program, Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217.

Immediate Report: spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the provisions of NTL-3A or its current revision.

8. Anticipated Starting Dates and Notification of Operations:

B. Notification of Operations - Continued

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 Authorized Officer, and all conditions of this approved plan will be applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication no later than five (5) business days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the Authorized Officer, produced water may be temporarily disposed of into the reserve pit for a period of up to ninety (90) days. During this 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 Authorized Officer.

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

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the Vernal 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.

8. Anticipated Starting Dates and Notification of Operations:

B. Notification of Operations - Continued

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer.

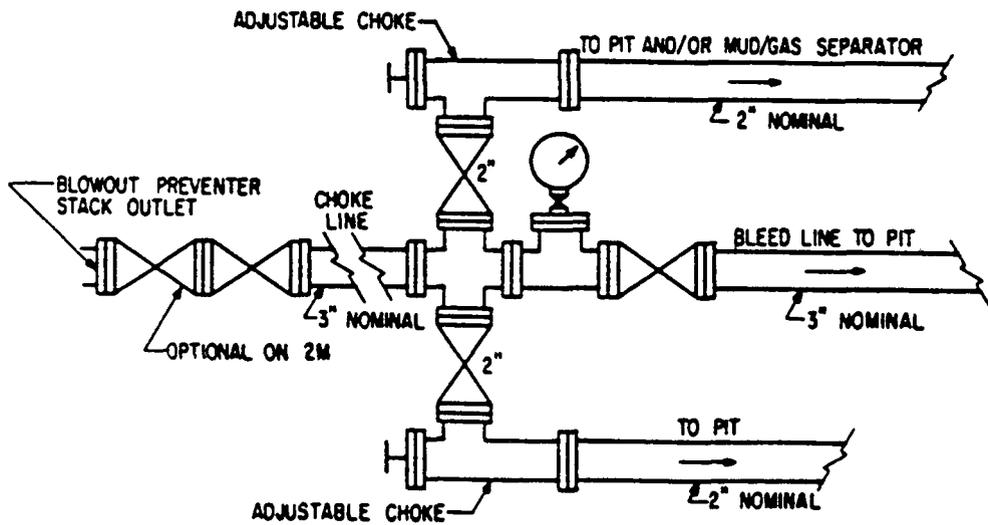
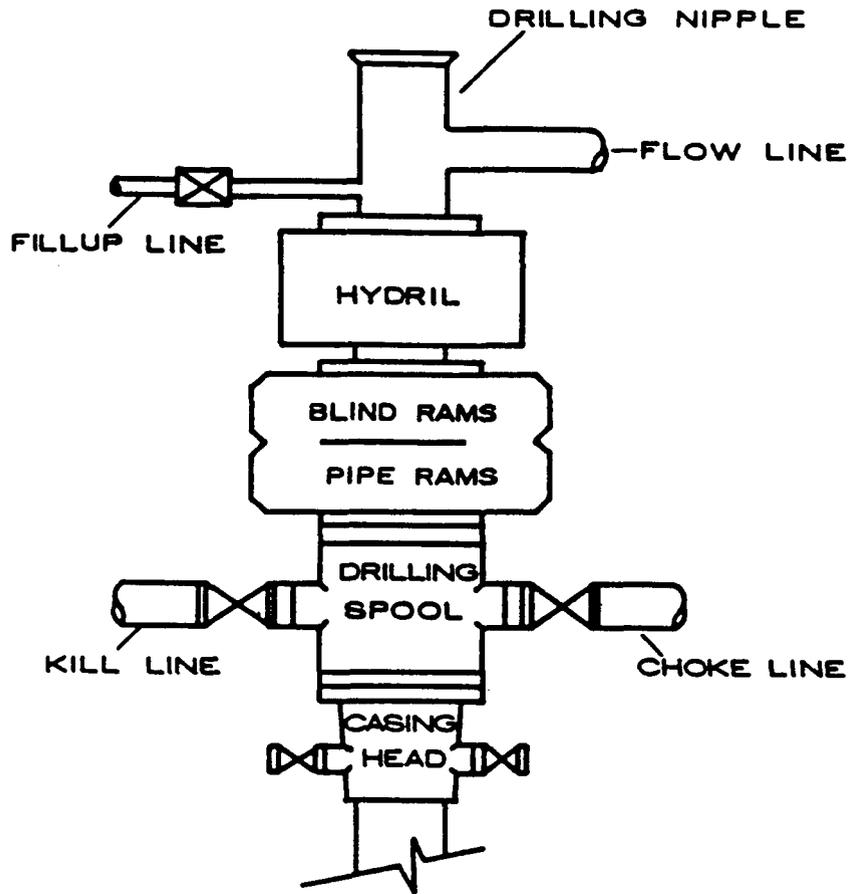
A "Notice of Intention to Abandon" (Form 3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: "Fed" or "Ind", as applicable; Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and Federal or Indian Lease Number.

A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection. Final abandonment will not be approved until the surface reclamation work required by the approved Application for Permit to Drill has been completed to the satisfaction of the Authorized Officer or his representative, or the appropriate Surface Management Agency.

Pursuant to Onshore Operating Order #1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such 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 on Federal and Indian lands.

BOP STACK



COASTAL OIL & GAS CORPORATION
Lease #UTU-0575, NBU #125
NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 17, T9S, R21E
Uintah County, Utah

Multi-Point Surface Use and Operations Plan

1. Existing Roads: Refer to Maps "A" & "B" (shown in ORANGE)
 - A. The proposed well site is staked and four 200-foot reference stakes are present.
 - B. To reach the location from the town of Vernal, Utah; proceed generally southwest approximately 14.0 miles on U.S. Highway 40 (a paved U.S. highway), thence generally south approximately 17.0 miles on Utah Highway 88 (a paved state highway) to the community of Ouray, thence generally south approximately 6.9 miles on the Seep Ridge Road (an existing Uintah County road), thence generally east approximately 5.0 miles on an existing, upgraded oilfield road (crowned & ditched with a gravel surface), thence north approximately 0.3 miles on an existing, upgraded oilfield road (crowned & ditched with a gravel surface), thence generally northeast approximately 1.7 miles on the Mountain Fuel Pipeline Road (an existing, upgraded oilfield road - crowned & ditched with a gravel surface), thence generally north/northeast approximately 2.2 miles on an existing, upgraded oilfield road (crowned & ditched with a gravel surface), thence generally west approximately 2.0 miles on an existing, upgraded oilfield road (crowned & ditched with a gravel surface), thence generally south/southeast approximately 0.2 miles to the proposed NBU #125 well location.
 - C. Access roads - refer to Maps "A" and "B".
 - D. Access roads within a 1-mile radius - refer to Map "B".
 - E. The existing gravel roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the NBU #125 well location.
2. Planned Access Roads: Refer to Map "B" (Shown in GREEN)

Approximately 0.2 miles of new road construction will be required for access to the proposed NBU #125 well location.

 - A. Width - maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned & ditched.
 - B. Construction standard - the access road will be constructed in accordance with Bureau of Land Management Rooding Guidelines established for oil and gas exploration and development activities.

2. Planned Access Roads: Continued

- B. Construction standard - these construction standards are referenced in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition. The access road will be constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction will include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed and safe road.

Prior to construction/upgrading, the roadway shall be cleared of any snow cover and allowed to dry completely.

Traveling off of the thirty (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 the 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 a frequent intervals by means of cutouts.

Upgrading shall not be allowed during wet and/or muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

- C. Maximum grade - 4%.
- D. Turnouts - turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic. None anticipated at this time.
- E. Drainage design - the access road will be crowned, ditched, and water turnouts installed as necessary to provide for proper drainage along the access road route.
- F. Culverts, cuts and fills - no culverts will be required. There are no major cuts and/or fills on/along the proposed access road route.
- G. Surface materials - any construction materials which may be required for surfacing of the access road will be purchased from a local contractor having a permitted source of materials in the area, if required by the Authorized Officer, Bureau of Indian Affairs. None anticipated at this time.

2. Planned Access Roads: Continued

- H. Gates, cattleguards or fence cuts - none required.
- I. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards.

All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards.

The access road right-of-way will be kept free of trash during operations.

- J. The proposed access road has been centerline flagged.

3. Location of Existing Wells Within a One-Mile Radius:

Please Refer to Map "C"

- A. Water wells - none known.
- B. Abandoned wells - none known.
- C. Temporarily abandoned wells - none known.
- D. Disposal wells - none known.
- E. Drilling wells - none known.
- F. Producing wells - SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 16, T9S, R21E.
SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 16, T9S, R21E.
SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 16, T9S, R21E.
NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 17, T9S, R21E.
NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 18, T9S, R21E.
NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 20, T9S, R21E.
- G. Shut-in wells - none known.
- H. Injection wells - none known.
- I. Monitoring wells - none known.

4. Location of Existing and/or Proposed Facilities Owned by Coastal Oil & Gas Corporation Within a One-Mile Radius:

A. Existing

- 1. Tank batteries - SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 16, T9S, R21E.
SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 16, T9S, R21E.
SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 16, T9S, R21E.
NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 17, T9S, R21E.
NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 18, T9S, R21E.
NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 20, T9S, R21E.

4. Location of Existing and/or Proposed Facilities Owned by Coastal Oil & Gas Corporation Within a One-Mile Radius:

A. Existing - Continued

2. Production facilities - same as Item #4A1, above.
3. Oil gathering lines - none.
4. Gas gathering lines - same as Item #4A1, above.

B. New Facilities Contemplated

1. All production facilities will be located on the disturbed portion of the well pad and at a minimum of twenty-five (25) feet from the toe of the back-slope or top of the fill slope.
2. The production facilities (consisting primarily of a christmas tree at the well head, dehydration unit, and emergency pit) will require an area approximately 300' X 135'. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via "Sundry Notice" (Form 3160-5) for approval of subsequent installation operations.
3. Production facilities will be accommodated on the existing well pad. Construction materials required for installation of the production facilities will be obtained from the site; any additional materials required will be purchased from a local supplier having a permitted (private) source of materials within the area.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

4. All permanent (on-site for six months or longer) above-the-ground 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 Five (5) State Rocky Mountain Interagency Committee.

All production facilities will be painted within six (6) months of installation.

4. Location of Existing and/or Proposed Facilities Owned by Coastal Oil & Gas Corporation Within a One-Mile Radius:

B. New Facilities Contemplated - Continued

4. Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

The required paint color is Carlsbad Canyon, Munsell standard color number 2.5Y 6/2.

- C. The production (emergency) pit will be fenced with woven wire mesh topped with one (1) strand of barbed wire held in place with metal side posts and wooden corner "H" braces in order to protect both livestock and wildlife. Please refer to Item #9E (page #'s 8 & 9) for additional information regarding these fencing specifications.
- D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.
- E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer, Bureau of Indian Affairs.

5. Location and Type of Water Supply:

- A. Fresh water for drilling will be obtained from an existing water well and reservoir: Uintah #1, owned by Target Trucking, Inc. and located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, Township 10 South, Range 21 East, Uintah County, Utah; permit #49-991 (A57530).
- B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed NBU #125 well location. No new construction will be required on/along the proposed water haul route.

Access roads which cross off-lease Tribal lands on/along the proposed water haul route will be authorized under a separate Right-of-Way Grant/Special Use Permit to be obtained from the Uintah and Ouray Ute Indian Tribes and/or the Bureau of Indian Affairs prior to commencement of operations, if required.

5. Location and Type of Water Supply: Continued

C. No water well will be drilled on this location.

6. Source of Construction Materials:

- A. Construction materials needed for surfacing of the well pad will be obtained from a local contractor having a permitted (private) source of materials in the area. Refer to Item #2G (page #2) regarding any construction materials which may be required on the access road.
- B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.
- C. If production is established, any additional construction materials needed for surfacing the access road and installation of production facilities will be purchased from a local supplier having a permitted (private) source of materials in the area.
- D. No new access roads for construction materials will be required.

7. Methods of Handling Waste Materials:

- A. Cuttings - the cuttings will be deposited in the reserve/bloolie pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve/bloolie pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities.

In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from Coastal Oil & Gas Corporation.

The reserve pit will be constructed so as not to leak, break, or allow discharge.

- C. Produced fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production.

7. Methods of Handling Waste Materials: Continued

- C. Produced fluids - during the ninety (90) day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

- D. Sewage - self-contained, chemical toilets will be provided by Rocket Sanitation for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are backfilled.
- G. The reserve and/or production pit will be constructed on the existing location and will not be located in natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls. All pits will be constructed so as not to leak, break, or allow the discharge of liquids therefrom.

8. Ancillary Facilities:

None anticipated.

9. Wellsite Layout: Continued

- A. Figure #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. An average minimum of twelve (12) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles.
- B. Figure #1 is a diagram showing the rig layout. No permanent living facilities are planned. There will be one (1) trailer on location during drilling operations for the toolpusher.
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval of subsequent operations. Refer to Item #4B2 (page #4) for additional information in this regard.
- D. The reserve pit will be lined with either native clay, commercial bentonite, or plastic sufficient to prevent seepage (12 mil minimum thickness).

A flare/blooiie pit will be constructed adjacent to the location, southwest of and separate from the reserve pit, and at a minimum of thirty (30) feet from the reserve pit fence and one hundred (100) feet from the rig substructure (Refer to Figure #1 for the location of the flare/blooiie pit).

- E. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:
 1. 39-inch net wire shall be used with at least one (1) strand of barbed wire on top of the net wire. The barbed wire is not necessary IF pipe or some type of reinforcement rod is attached to the top of the entire fence.
 2. The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least 42 inches.
 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

9. Wellsite Layout: Continued

E. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:

4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen feet.
5. All wire shall be stretched tight before the wire is attached to the corner braces. Pulling the wire tight by hand without the use of a stretching device will not be acceptable.

The fourth side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

F. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

10. Plans for Reclamation of the Surface:

The Ute Tribe will be contacted prior to commencement of any reclamation operations.

A. Production

1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all debris, materials, trash and junk not required for production.
2. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
3. Before any dirt work to restore the location takes place, all standing water will be removed from the reserve pit, along with all cans, barrels, pipe, etc. that may have been deposited therein during the course of drilling and completion operations.
4. Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.

10. Plans for Reclamation of the Surface:

A. Production - Continued

5. The reserve pit and that portion of the location and access road not needed for production facilities and/or operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.

Prior to commencement of backfilling, the plastic or vinyl liner will be folded back into the pit. Fill material will then be pushed into the reserve pit to completely cover both the pit and it's contents.

6. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will result in the ground surface over said pit being "mounded" above the surrounding ground surface (+/- three feet) to allow the reclaimed pit surface area to drain properly.
7. For production, the fill slopes will be reduced from a 1.5:1 slope to a 4:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 4:1 slope by pushing the fill material back up into the cut.
8. Upon completion of backfilling, leveling and re-contouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to re-seeding, all disturbed surfaces (including the access road and location) will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds.

All disturbed surfaces (including the access road and well pad areas) will be reseeded with a seed mixture to be recommended by the Authorized Officer, Bureau of Indian Affairs. Seed will be drilled on the contour to an approximate depth of one-half (1/2) inch. All seeding will be conducted after September 15 and prior to ground frost. If the seeding is unsuccessful, subsequent seedings may be required.

10. Plans for Reclamation of the Surface: Continued

B. Dry Hole/Abandoned Location

1. On lands administered by the Bureau of Indian Affairs, abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include:
 - (a) re-establishing irrigation systems where applicable,
 - (b) re-establishing soil conditions in irrigated fields in such a way as to ensure cultivation and harvesting of crops and,
 - (c) ensuring revegetation of the disturbed areas to the specifications of the Uintah & Ouray Indian Tribes or the Bureau of Indian Affairs at the time of abandonment.
2. All disturbed surfaces will be recontoured to the approximate natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Please refer to Item #10A5-6 (page #10) for information regarding reclamation of the reserve pit area.

Reseeding operations will be performed in the fall following completion of reclamation operations. Please refer to Item #10A8 (page #10) for additional information regarding the reseeding operation.

11. Surface Ownership:

The well site and proposed access road are situated on surface lands owned by the Uintah and Ouray Ute Indian Tribes and administered in trust by:

Bureau of Indian Affairs
Uintah & Ouray Agency
P.O. Box 130
Fort Duchesne, Utah 84026
Phone: (801) 722-2406

12. Other Information:

- A. General Description of the Project Area: The proposed drill site is located within the Natural Buttes Unit, an area of northeastern Utah situated in Uintah County and more specifically in an area of moderately eroded uplands located between the White River to the north and east, the Green River to the west, Sand Wash to the southeast, Cottonwood Wash to the west, and Molly's Nipple to the north.

This area is classified as a "High Plains Steppe" (Cold Desert) and is characterized by gently to moderately undulated uplands dissected by numerous dendritically-patterned, ephemeral drainages of both the Green and White Rivers. Generally, local flora consists of native grasses such as salt grass, galleta grass, needle-and-thread grass, Indian ricegrass; and woody species such as shadscale, horsebrush, black sagebrush, fringe sagebrush, big sagebrush, rabbitbrush, and greasewood along the dry drainages. Local fauna consists of mule deer, antelope, coyotes, rabbits, raptors, and various smaller vertebrate and invertebrate species.

There are no known threatened or endangered species that will be affected by implementation of operations on the proposed NBU #125 well location.

- B. Surface Use Activities: The primary surface use is for grazing.
- C. Proximity of Water, Occupied Dwellings, Archaeological, Historical or Cultural Sites:
1. The closest source of permanent water is the White River, located approximately 2.0 miles to the north.
 2. The closest occupied dwellings are located in the community of Ouray, approximately six (6) miles to the northwest.
 3. A cultural resource clearance will be conducted before any construction activities begin on the proposed NBU #125 well location. If, during operations, any archaeological or historical sites, or any object(s) 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 Bureau of Indian Affairs.

12. Other Information:

C. Proximity of Water, Occupied Dwellings, Archaeological, Historical or Cultural Sites: Continued

3. Coastal Oil & Gas Corporation will be 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, Coastal Oil & Gas Corporation will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer.

Within five (5) working days the Authorized Officer will inform Coastal Oil & Gas Corporation 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 Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If Coastal Oil & Gas Corporation wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, Coastal Oil & Gas Corporation will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, Coastal Oil & Gas Corporation will then be allowed to resume construction.

12. Other Information: Continued

D. Additional Stipulations for Operations on Lands
Administered by the Bureau of Indian Affairs:

1. If the surface rights are owned by the Ute Indian Tribe and mineral rights are owned by another entity, an approved right-of-way will be obtained from the Bureau of Indian Affairs before the operator begins any construction activities. If the surface is owned by another entity and the mineral rights are owned by the Ute Indian Tribe, rights-of-way will be obtained from the other entity.
2. All roads constructed by oil and gas operators on the Uintah & Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction and will state:
 - (a) that the land is owned by the Uintah & Ouray Indian tribes,
 - (b) the name of the Operator,
 - (c) that firearms are prohibited by all non-Tribal members,
 - (d) that permits must be obtained from the Bureau of Indian Affairs before cutting firewood or other timber products, and
 - (e) only authorized personnel are permitted to use said road.
3. All well site locations on the Uintah & Ouray Indian Reservation will have an appropriate sign indicating the name of the Operator, the lease serial number, the well name and number, and the survey description of the well (either footages or the quarter-quarter section, section, township, and range).
4. Coastal Oil & Gas Corporation shall contact the Bureau of Land Management and the Bureau of Indian Affairs between 24 and 48 hours prior to commencement of construction activities. BLM: (801) 789-1362; BIA: (801) 722-2406.

12. Other Information:

D. Additional Stipulations for Operations on Lands
Administered by the Bureau of Indian Affairs: Continued

5. Coastal Oil & Gas Corporation 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 Bureau of Indian Affairs, or the Uintah County Extension Office. On lands administered by the Bureau of Indian Affairs, it is required that a "Pesticide Use Proposal" shall be submitted, and approval obtained, prior to the application of herbicides or other pesticides or possible hazardous chemicals for the control of noxious weeds.
6. The BLM and BIA offices shall be notified upon site completion and prior to moving drilling tools onto the location.

13. Lessee's or Operator's Representative and Certification:

Representative

Coastal Oil & Gas Corporation
Randy L. Bartley, Operations Manager
P.O. Box 749
Denver, Colorado 80201-0749
Phone: (303) 572-1121

Heitzman Drill-Site Services*
Dale Heitzman and/or Robert M. Anderson
P.O. Drawer 3579
Casper, Wyoming 82602
Phone: (307) 266-4840

* Contact for any additional information which may be required for approval of this Application for Permit to Drill.

Certification:

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 & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

13. Lessee's or Operator's Representative and Certification:

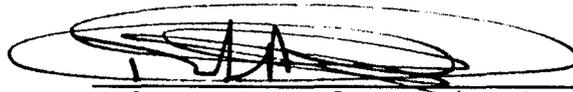
Certification: Continued

Coastal Oil & Gas Corporation will be fully responsible for the actions of their subcontractors.

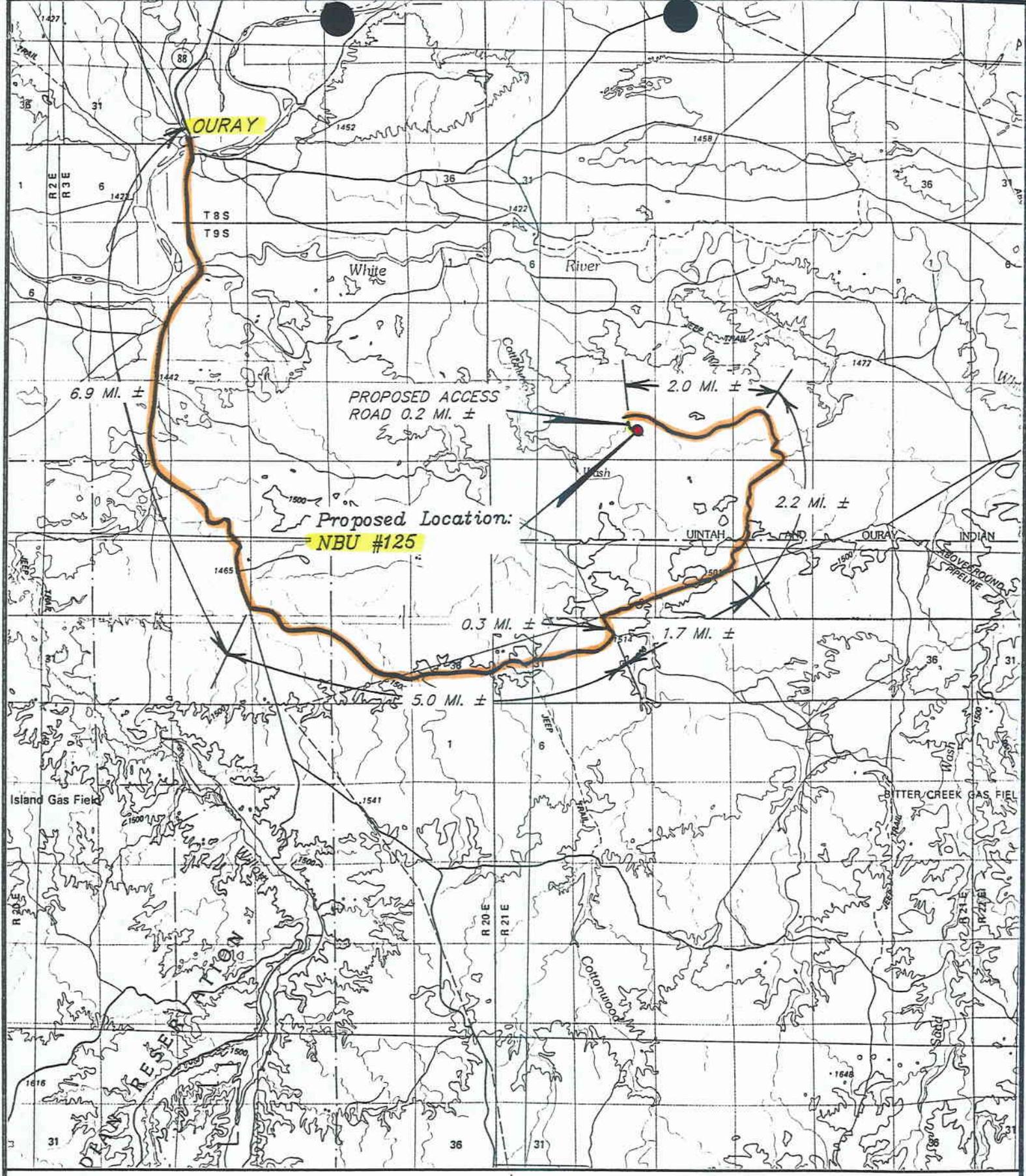
A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which 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 Coastal Oil & Gas Corporation, 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.

16 August 1991
Date



Robert M. Anderson/Authorized Agent



TOPOGRAPHIC
MAP "A"

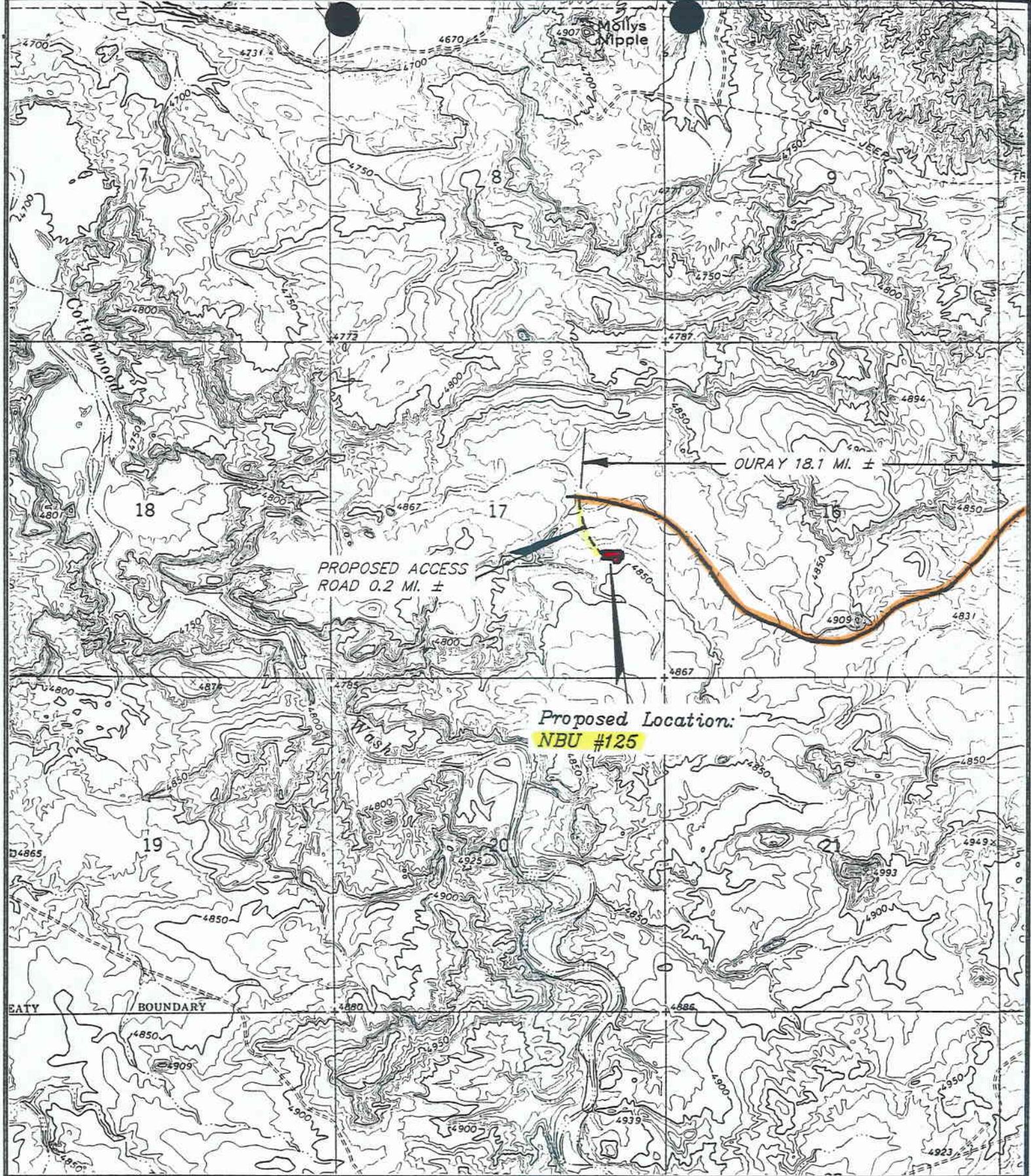
DATE 4-23-91



COASTAL OIL & GAS CORP.

NBU #125

SECTION 17, T9S, R21E, S.L.B.&M.

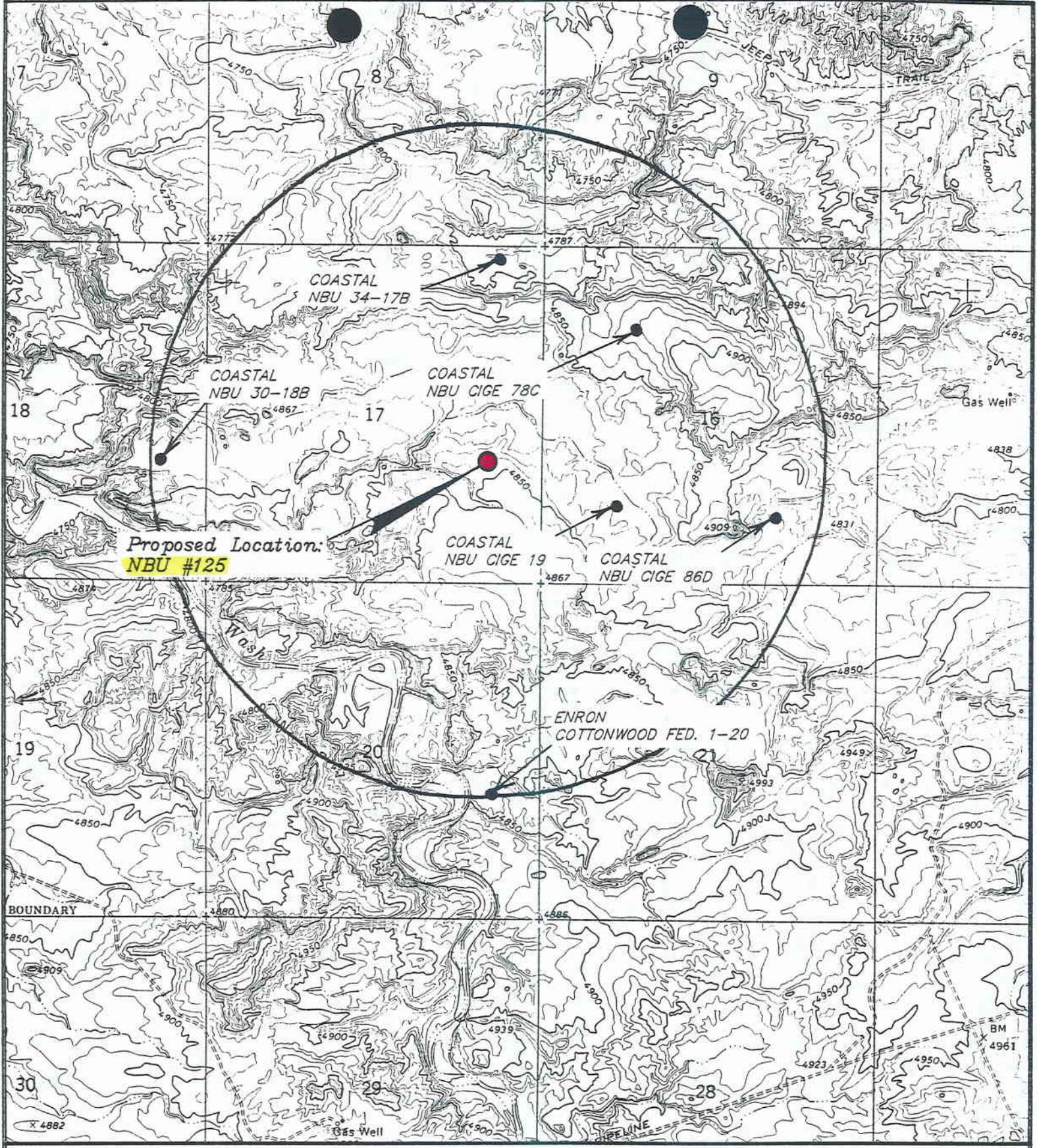


TOPOGRAPHIC
MAP "B"
SCALE: 1" = 2000'
DATE 4-23-91



COASTAL OIL & GAS CORP.

NBU #125
SECTION 17, T9S, R21E, S.L.B.&M.



Proposed Location:
NBU #125

LEGEND:

- ⊗ = Water Wells
- = Abandoned Wells
- = Temporarily Abandoned Wells
- ⊗ = Disposal Wells
- = Drilling Wells
- = Producing Wells
- = Shut-in Wells



COASTAL OIL & GAS CORP.

NBU #125
 SECTION 17, T9S, R21E, S.L.B.&M.
TOP O MAP "C"

DATE: 4-23-91

COASTAL OIL & GAS CORP.

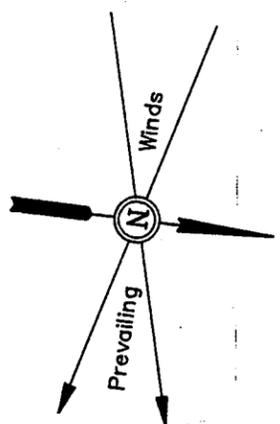
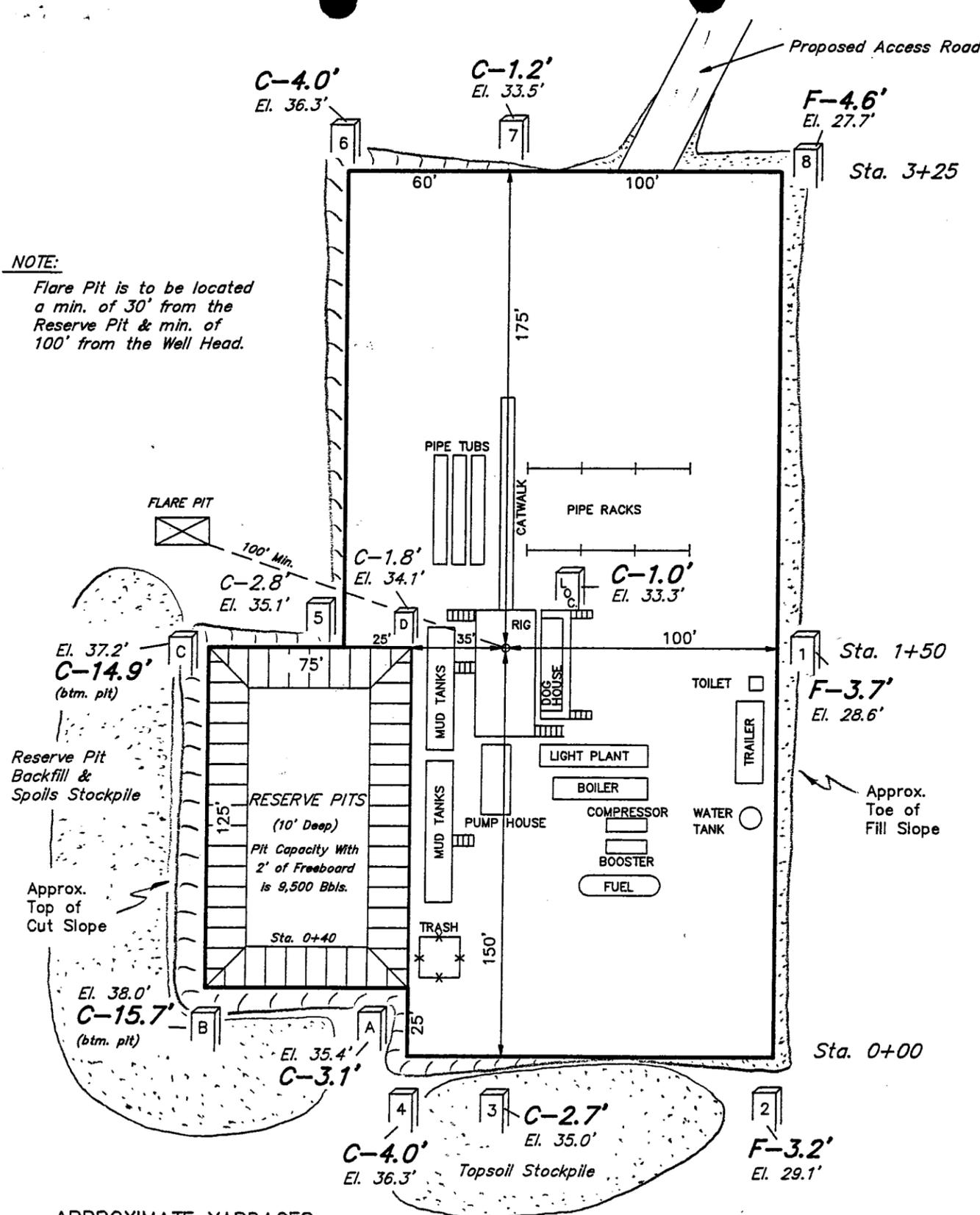
LOCATION LAYOUT FOR

NBU #125

SECTION 17, T9S, R21E, S.L.B.&M.

NOTE:

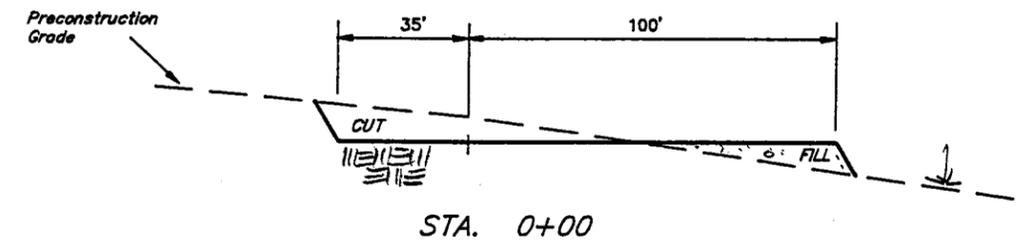
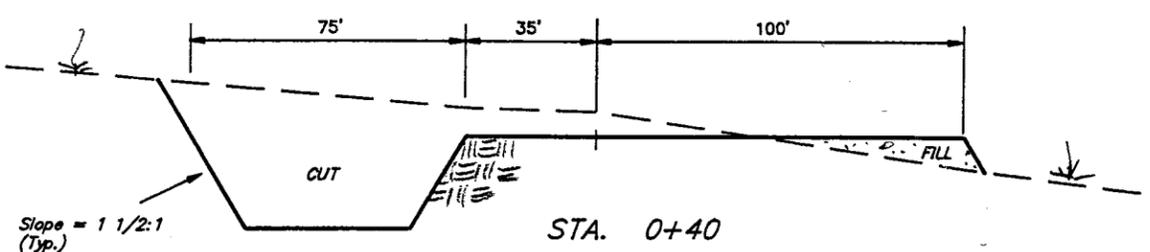
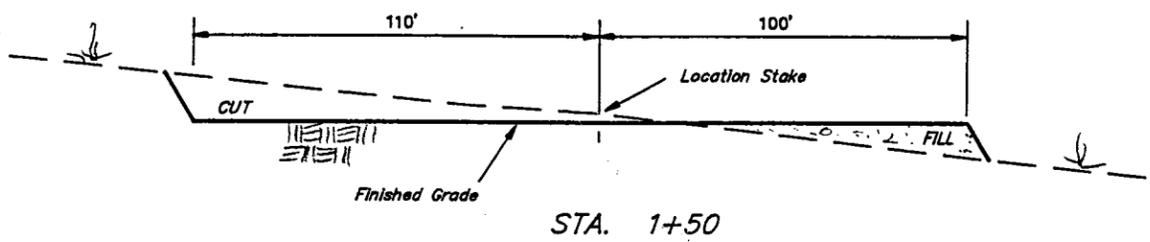
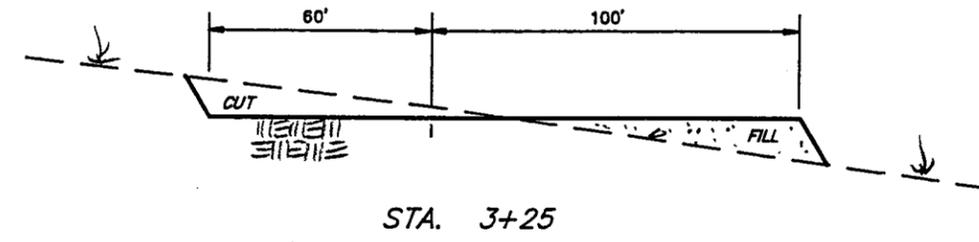
Flare Pit is to be located a min. of 30' from the Reserve Pit & min. of 100' from the Well Head.



SCALE: 1" = 50'
DATE: 4-24-91
Drawn By: T.D.H.

X-Section Scale
1" = 20'
1" = 50'

TYP. LOCATION LAYOUT
TYP. CROSS SECTIONS



APPROXIMATE YARDAGES

CUT		EXCESS MATERIAL AFTER 5% COMPACTION	= 3,490 Cu. Yds.
(12") Topsoil Stripping	= 2,130 Cu. Yds.	Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,350 Cu. Yds.
Pit Volume (Below Grade)	= 2,440 Cu. Yds.	EXCESS UNBALANCE (After Rehabilitation)	= 140 Cu. Yds.
Remaining Location	= 1,990 Cu. Yds.		
TOTAL CUT	= 6,560 CU.YDS.		
FILL	= 2,920 CU.YDS.		

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4833.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 4832.3'

FIGURE #1

OPERATOR Coastal Oil Gas Corp N-0030 DATE 8-06-91

WELL NAME NB 105

SEC N 17 T 9S R 01E COUNTY Utah

43-047-30090
API NUMBER

Individual (1)
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD SLBM

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Included in 91 POD approved 1-25-91
Water Permit: 49-991 (A57530) target ducking
Oil shale area

APPROVAL LETTER:

SPACING: R615-2-3 Notual Buttes
UNIT

R515-3-2

N/A
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

1- Oil shale



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter
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

August 28, 1991

Coastal Oil & Gas Corporation
P. O. Box 749
Denver, Colorado 80201-0749

Gentlemen:

Re: NBU #125 Well, 1892 feet from the South line, 801 feet from the East line, NE SE, Section 17, Township 9 South, Range 21 East, Uintah County, Utah

Approval to drill the referenced well is hereby granted in accordance with Utah Code Ann. Section 40-6-18, et seq. (1953, as amended), and Utah Admin. R.615-2-3, subject to the following stipulation:

1. Special attention is directed to compliance with Utah Admin. R.615-3-34, which prescribes drilling procedures for designated oil shale areas.

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 Entity Action Form 6, 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 in the event it is necessary to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801) 538-5340, (Home) (801) 476-8613, or R. J. Firth, Associate Director, (Home) (801) 571-6068.
5. Compliance with the requirements of Utah Admin. R.615-3-20, Gas Flaring or Venting.

Page 2
Coastal Oil & Gas Corporation
NBU #125
August 28, 1991

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 Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801) 538-6159.
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 43-047-32090.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
we14/1-19

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APR 17 1992

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS OIL GAS & MINING

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Coastal Oil & Gas Corporation

3. Address and Telephone No.
 P. O. Box 749 Denver, CO 80201-0749 (303) 573-4476

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 See Attached List

5. Lease Designation and Serial No.
 See Attached List

6. If Indian, Allottee or Tribe Name
 See Attached List

7. If Unit or CA, Agreement Designation
 Natural Buttes Unit

8. Well Name and No.
 See Attached List

9. API Well No.
 See Attached List

10. Field and Pool, or Expiatory Area
 Natural Buttes

11. County or Parish, State
 Uintah County, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other NTL 2B; IV
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Coastal Oil & Gas Corporation hereby requests permission to dispose of produced water in unlined pits per NTL-2B, IV, for the subject wells.

- These wells are completed in the Wasatch formation and produce less than 5 barrels of water per day on a monthly basis.
- Two unlined pits per location will be used due to the size and layout of the locations: 40' x 40' x 8' and 6' x 6' x 6' deep with berms surrounding them. Each pit will be fenced and will have cement corner posts per BLM specifications. (See the attached typical facilities diagram.)
- The average evaporation rate for the area compensated for annual rainfall is 70" per year.
- The estimated percolation rate based on the soil characteristics under and adjacent to the pits is 2-6" per hour.
- The depth of usable water aquifers in this area is approximately 1500'.

14. I hereby certify that the foregoing is true and correct.

Signed Eileen Danni Dey Title Regulatory Analyst Date 4/14/92

(This space for Federal or State office use)

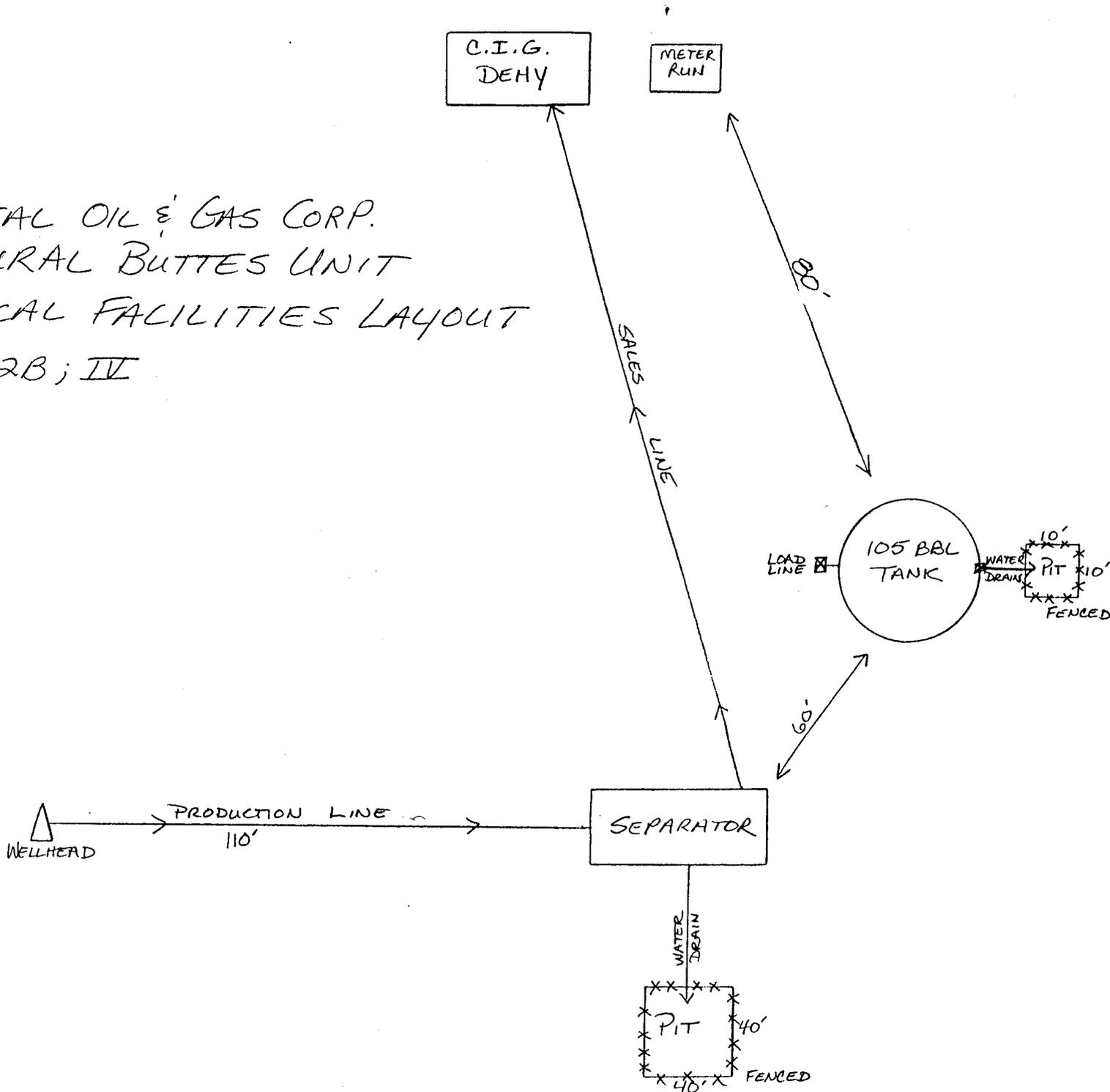
Approved by _____ Title _____ Date _____

Conditions of approval, if any: _____

Accepted by the State
of Utah Division of
Oil, Gas and Mining
Date: 4-29-92

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.

COASTAL OIL & GAS CORP.
NATURAL BUTTES UNIT
TYPICAL FACILITIES LAYOUT
NTL-2B; IV



13-Apr-92

NATURAL BUTTES

UINTAH COUNTY, UTAH

WELL #	LOCATION			RGE	STATE OR BLM		API NUMBER
	QUAD	SEC	TWP		LEASE #	SURFACE	
NBU #103	SENW	10	9	21	U-0141315	UTE	43-047-31956
NBU #104	SENE	16	9	21	ST ML-3282	UTE	43-047-31957
NBU #105	SWSW	17	9	21	U-0575	UTE	43-047-31955
NBU #106	NESW	21	9	21	U-0576	UTE	43-047-31946
NBU #107	SENW	26	9	21	ST ML-01194	STATE	43-047-31916
NBU #108	SESE	19	9	22	U-0284	UTE	43-047-31958
NBU #109	SENE	27	9	21	ST U-01194-A	STATE	43-047-31917
NBU #110	NENE	28	9	21	U-0576	FED.	43-047-31924
NBU #111	SWNW	25	9	21	ST U-01194	STATE	43-047-31920
NBU #112	SESE	33	9	22	U-01191	FED.	43-047-31930
NBU #113	SESE	34	9	22	U-0149077	FED.	43-047-31931
NBU #114	SWSW	5	10	21	U-01393-D	FED.	43-047-31923
NBU #115	NENW	10	10	21	U-0149079	FED.	43-047-31929
NBU #116	NWNW	6	10	22	U-464	FED.	43-047-31925
NBU #117	NENE	10	10	22	ST UT-01197-A	STATE	43-047-31914
NBU #118	SENE	22	9	20	U-0577-B	UTE	43-047-31969
NBU #119	SENW	22	9	20	U-0577-B	UTE	43-047-31973
NBU #120	NWNW	10	9	21	U-0141315	UTE	43-047-31972
NBU #121	NWNE	13	9	21	U-01193	UTE	43-047-
NBU #122	SWSE	13	9	21	U-01193	UTE	43-047-32085
NBU #123	NWNW	15	9	21	U-01188	UTE	43-047-31974
NBU #124	NWNE	16	9	21	ST ML-3282	UTE	43-047-31971
NBU #125	NESE	17	9	21	U-0575	UTE	43-047-32090
NBU #126	NENW	21	9	21	U-0576	UTE	43-047-31962
NBU #127	SWNW	21	9	21	U-0576	UTE	43-047-31963
NBU #128	SWSW	21	9	21	U-0576	UTE	43-047-31964
NBU #129	SENE	22	9	21	U-010950-A	UTE	43-047-31965
NBU #130	SWNW	22	9	21	U-0147566	UTE	43-047-31967
NBU #131	NWSW	23	9	21	U-0149075	UTE	43-047-31966
NBU #132	NWNW	26	9	21	ST U-01194	STATE	43-047-31938
NBU #133	SWNE	28	9	21	U-0576	FED.	43-047-31950
NBU #134	SWSW	28	9	21	U-0576	FED.	43-047-32011
NBU #135	NESE	18	9	22	U-461	UTE	43-047-32089
NBU #136	SWSE	19	9	22	U-0284	UTE	43-047-31968
NBU #137	SESE	30	9	22	ST ML-22935	STATE	43-047-31939
NBU #138A	SENE	33	9	22	U-01191-A	FED.	43-047-32151
NBU #139	SWNE	14	10	21	U-465	FED.	43-047-31948
NBU #140	NWNE	5	10	22	U-01191A	FED.	43-047-31947
NBU #141	SENW	6	10	22	U-464	FED.	43-047-32017
NBU #142	NESE	10	10	22	U-025187	FED.	43-047-32013
NBU #143	NWNE	10	9	21	U-0141315	UTE	43-047-32088
NBU #144	NWNW	23	9	21	U-0149075	UTE	43-047-32044
NBU #145	NWNE	27	9	21	ST U-01194-A	STATE	43-047-31976
NBU #146	SWNW	14	10	21	U-465	FED.	43-047-31985
NBU #147	NWSW	4	10	22	U-01191	FED.	43-047-31984
NBU #148	SESW	4	10	22	U-01191	FED.	43-047-31983
NBU #149	NESE	5	10	22	U-01191	FED.	43-047-31982
NBU #150	SENW	9	10	22	U-01196-B	FED.	43-047-31992
NBU #151	NWNW	9	10	22	U-01196-B	FED.	43-047-31991
NBU #152	SESE	9	10	22	U-01196-D	FED.	43-047-31990
NBU #153	SWNW	11	10	22	ST U-01197-A	STATE	43-047-31975
NBU #154	NWSE	26	9	21	ST ML-22934	STATE	43-047-32003
NBU #155	SENW	31	9	22	ST ML-23607	STATE	43-047-32004
NBU #156	SWNW	35	9	21	ST U-01194	STATE	43-047-32005
NBU #157	SESW	32	9	22	ST ML-22649	STATE	43-047-32007
NBU #158	NWSE	27	9	21	ST U-01194-A	STATE	43-047-31997
NBU #159	NESW	35	9	21	ST U-01194	STATE	43-047-31996
NBU #160	SESW	31	9	22	ST ML-22935-A	STATE	43-047-32006
NBU #161	SESE	32	9	22	ST ML-22649	STATE	43-047-32023
NBU #162	SENW	12	10	20	U-4478	FED.	43-047-32066
NBU #163	NENW	14	10	21	U-465	FED.	43-047-32069
NBU #164	NWSE	3	10	22	U-01191-A	FED.	43-047-32055
NBU #165	NENW	3	10	22	U-01191	FED.	43-047-32057
NBU #166	SWSE	28	9	21	U-0576	FED.	43-047-32065
NBU #167	SESW	25	9	21	ST U-01194	STATE	43-047-32054
NBU #168	NWSW	12	10	20	U-4478	FED.	43-047-32117
NBU #169	SESW	12	10	20	U-4478	FED.	43-047-32118

13-Apr-92

NATURAL BUTTES

UINTAH COUNTY, UTAH

WELL #	LOCATION			RGE	STATE OR BLM		API NUMBER
	QUAD	SEC	TWP		LEASE #	SURFACE	
NBU #170	NWNW	4	10	22	U-01191-A	FED.	43-047-32169
NBU #171	SENE	5	10	22	U-01191-A	FED.	43-047-32115
NBU #172	NENE	19	9	22	U-0284	UTE	43-047-32194
NBU #173	NWNE	33	9	22	U-01191-A	FED.	43-047-32116
NBU #174	NWNW	11	9	21	U-0141315	UTE	43-047-32193
NBU #175	NENW	28	9	21	U-0576	FED.	43-047-32143
NBU #176	SWNW	28	9	21	U-0576	FED.	43-047-32144
NBU #177	NESE	29	9	21	U-0581	FED.	43-047-32112
NBU #178	NWNE	30	9	21	U-0581	FED.	43-047-32121
NBU #179	SWSW	10	10	21	U-01416-A	FED.	43-047-32145
NBU #180	SWSE	10	10	22	U-025187	FED.	43-047-32113
NBU #181	SESW	9	9	21	U-0576	UTE	43-047-32161
NBU #182	SENW	11	9	21	U-0141315	UTE	43-047-32162
NBU #183 ✓	SWNW	27	9	21	ST U-01194-A	STATE	43-047-32122
NBU #184	SESW	30	9	22	U-463	FED.	43-047-32170
NBU #185	SWNE	3	10	22	U-01191-A	FED.	43-047-32171
NBU #186	SENE	30	9	22	U-463	FED.	43-047-
NBU #187	SESW	34	9	22	U-0149077	FED.	43-047-
NBU #188	SWSW	10	10	22	U-01196-C	FED.	43-047-
NBU #189	SESW	23	9	21	U-0149075	UTE	43-047-
NBU #190 ✓	NWNE	26	9	21	ST U-01194	STATE	43-047-
CIGE 110-7-9-21	SWSE	7	9	21	U-0575-B	UTE	43-047-31959
CIGE 111-13-9-21	SESW	13	9	21	U-01193	UTE	43-047-31954
CIGE 112-19-9-21	SESE	19	9	21	U-0581	UTE	43-047-31945
CIGE 113-21-9-21	SWNE	21	9	21	U-0576	UTE	43-047-31944
CIGE 114-34-9-21	NESE	34	9	21	ST U-01194-A	STATE	43-047-31915
CIGE 115-35-9-21	NWNE	35	9	21	ST ML-22582	STATE	43-047-31918
CIGE 116-29-9-22	NWSW	29	9	22	ST ML-22935	STATE	43-047-31919
CIGE 117-34-9-22	SWNW	34	9	22	U-0149077	FED.	43-047-31928
CIGE 118-35-9-22	NESE	35	9	22	U-010954A	FED.	43-047-32025
CIGE 119-15-10-21	NENE	15	10	21	U-01416-A	FED.	43-047-31927
CIGE 120-15-9-20	SENE	15	9	20	U-0144868	UTE	43-047-32032
CIGE 121-15-9-20	NWNE	15	9	20	U-0144868	UTE	43-047-32031
CIGE 122-7-9-21	NENE	7	9	21	U-0149767	UTE	43-047-32098
CIGE 123-7-9-21	SWNE	7	9	21	U-0575-B	UTE	43-047-32047
CIGE 124-9-9-21	NWSE	9	9	21	U-01188	UTE	43-047-32045
CIGE 125-13-9-21	NWNW	13	9	21	U-01193	UTE	43-047-32084
CIGE 126-13-9-21	NWSW	13	9	21	U-01193	UTE	43-047-32087
CIGE 127-16-9-21	NESW	16	9	21	ST ML-3141	UTE	43-047-32036
CIGE 128-18-9-21	NENE	18	9	21	U-0575	UTE	43-047-32046
CIGE 129-18-9-21	NENW	18	9	21	U-0581	UTE	43-047-32043
CIGE 130-19-9-21	NENE	19	9	21	U-0581	UTE	43-047-32030
CIGE 131-19-9-21	SWNE	19	9	21	U-0581	UTE	43-047-32029
CIGE 132-20-9-21	NWSW	20	9	21	U-0575	UTE	43-047-32028
CIGE 133-35-9-21	SWSE	35	9	21	ST ML-22582	STATE	43-047-31978
CIGE 134-1-10-20	SWSW	1	10	20	U-02270-A	FED.	43-047-31989
CIGE 135-3-10-21	SWSW	3	10	21	U-0149078	FED.	43-047-32001
CIGE 136-4-10-21	SWNE	4	10	21	ST ML-22940	STATE	43-047-31979
CIGE 137-6-10-21	SENE	6	10	21	U-01791	FED.	43-047-31988
CIGE 138A-6-10-21	SENW	6	10	21	U-01791	FED.	43-047-31987
CIGE 139-10-10-21	SWNE	10	10	21	U-0149079	FED.	43-047-31986
CIGE 140-16-10-21	NENE	16	10	21	ST ML-10755	STATE	43-047-31977
CIGE 141-7-10-22	NWNE	7	10	22	ST ML-23609	STATE	43-047-31970
CIGE 142-25-9-21	SENE	25	9	21	ST U-01189	STATE	43-047-31994
CIGE 143-34-9-21	SWNE	34	9	21	ST U-01194-A	STATE	43-047-31995
CIGE 144-2-10-22	SWNE	2	10	22	ST ML-22651	STATE	43-047-32022
CIGE 145-29-9-22	SENW	29	9	22	ST ML-22935	STATE	43-047-31993
CIGE 146-16-10-21	NWNE	16	10	21	ST ML-10755	STATE	43-047-32021
CIGE 147-36-9-22	SESW	36	9	22	ST ML-22650	STATE	43-047-32020
CIGE 148-31-9-22	NWNE	31	9	22	ST ML-22935-A	STATE	43-047-32024
CIGE 149-8-10-21	NWNE	8	10	21	U-01791	FED.	43-047-32056
CIGE 150-9-10-21	SWNE	9	10	21	U-01416	FED.	43-047-32058
CIGE 151-10-10-21	SWSE	10	10	21	U-0149079	FED.	43-047-32059
CIGE 152-33-9-22	SESW	33	9	22	U-01191-A	FED.	43-047-32068
CIGE 153-35-9-22	SESW	35	9	22	U-010954-A	FED.	43-047-32067
CIGE 154-13-10-20	NWNW	13	10	20	U-4485	STATE	43-047-32119
CIGE 155-9-9-21	SENE	9	9	21	U-01188-B	UTE	43-047-32157

13-Apr-92

NATURAL BUTTES

UINTAH COUNTY, UTAH

WELL #	LOCATION			RGE	STATE OR BLM		SURFACE	API NUMBER
	QUAD	SEC	TWP		LEASE #			
CIGE 156-16-9-21	NESE	16	9	21	ST ML-3282	UTE	43-047-32195	
CIGE 157-16-9-21	SWNW	16	9	21	U-38409	UTE	43-047-32160	
CIGE 158-21-9-21	NESE	21	9	21	U-0576	UTE	43-047-32158	
CIGE 159-6-10-21	NWNE	6	10	21	U-01791	FED.	43-047-32120	
CIGE 160-14-10-21	SWSE	14	10	21	U-01393-C	FED.	43-047-32124	
CIGE 161-2-10-22	SESE	2	10	22	ST ML-22651	STATE	43-047-32168	
CIGE 162-36-9-22	SESE	36	9	22	ST ML-22650	STATE	43-047-32164	
CIGE 163-15-9-21	SENE	15	9	21	U-01193	UTE	43-047-32192	
CIGE 164-34-9-22	NWNE	34	9	22	U-0149077	FED.	43-047-32141	
CIGE 165-1-10-20	SWNW	1	10	20	U-02270-A	FED.	43-047-32114	
CIGE 166-3-10-21	NENW	3	10	21	U-0149078	FED.	43-047-32172	
CIGE 167-7-10-21	NENE	7	10	21	U-01791	FED.	43-047-32142	
CIGE 168-16-10-21	NWSE	16	10	21	ST ML-10755	STATE	43-047-32123	
CIGE 169-2-10-21	SENE	2	10	21	ST ML-22652	STATE	43-047-	

**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
 Coastal Oil & Gas Corporation

3. ADDRESS OF OPERATOR
 P. O. Box 749, Denver, Colorado 80201-0749

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 1892' FSL, 801' FEL (NE $\frac{1}{4}$ SE $\frac{1}{4}$) Section 17, T9S, R21E
 At proposed prod. zone
 Same As Above 43-047-32090

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately Six (6) Miles Southeast of Ouray, Utah

16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 801'
 16. NO. OF ACRES IN LEASE 1600

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2100'±
 19. PROPOSED DEPTH 6400'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4833' GR

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-0575
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 Not Applicable
 7. UNIT AGREEMENT NAME
 Natural Buttes
 8. FARM OR LEASE NAME
 NBU
 9. WELL NO.
 125
 10. FIELD AND POOL, OR WILDCAT
 Natural Buttes
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 17, T9S, R21E
 12. COUNTY OR PARISH 13. STATE
 Uintah Utah

22. APPROX. DATE WORK WILL START*
 October 20, 1991

23. (ALL NEW) PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55	24.0#	0-250'	180 sx Circ. to Surface *
7-7/8"	5-1/2" K-55	17.0#	0-6400'	545 sx Circ. to Surface *

* Cement volumes may change due to hole size. Calculate from Caliper log.

RECEIVED
 APR 30 1992
 DIVISION OF OIL GAS & MINING
 AUG 1991

EIGHT-POINT RESOURCE PROTECTION PLAN ATTACHED.

I hereby certify that Coastal Oil & Gas Corporation is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the NBU #125, Federal Lease # UTU-0575. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation, Nationwide Bond # CO-0018, who will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

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 Charles E. Mowry TITLE District Drilling Manager DATE August 6, 1991
 Charles E. Mowry
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] TITLE Acting ASSISTANT DISTRICT MANAGER MINERALS DATE 7/22/92
 CONDITIONS OF APPROVAL, IF ANY _____

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

Div. OG&M
Ut 080-1m-189

*See Instructions On Reverse Side

GRANT OF EASEMENT FOR RIGHT-OF-WAY

KNOW ALL MEN BY THESE PRESENTS:

That the UNITED STATES OF AMERICA, as trustee for the UTE INDIAN TRIBE acting by and through the Superintendent of the Uintah and Ouray Agency, as "Grantor", under authority contained in 209 DM 8 (39 F.R. 32166), 10 BIAM 3 (34 F.R. 637), 230 DM 3 (20 F.R. 992), and Sec. 2.11 (34 F.R. 11109), pursuant and subject to the provisions of the Act of February 5, 1948 Stat. 17, (25 U.S.C. 323-328), and Part 169, Title 25, Code of Federal Regulations, in consideration of: Three Thousand Seven Hundred Forty-Nine Dollars and Fifty Cents, \$3,749.50, Surface Damages and Three Hundred Fifty-Seven Dollars and Fifty Cents. \$357.50, (20) year lump sum fee, the receipt of which is acknowledged does hereby grant to: Coastal Oil & Gas Corporation., 600-17th Street, 800-S., Denver, Colo. 80202 its successors and assigns, hereinafter referred to as Grantee", an easement for right-of-way : 1120.34' length, 30' width for an access road and 2.06 acres for a drillsite located in SW1/4NE1/4 and N1/2SW1/4 Section 17, T 9S., R. 21E., SLB&M., for the following purposes namely: The construction, maintenance, repair, inspection, protection, operation and removal of an Access road and Drillsite to NBU# 125 location together with the necessary appurtenances thereto, on, over and across the land embraced within the right-of-way located in Uintah County, Utah.

TO HAVE AND TO HOLD said easement and right-of-way unto the Grantee and unto its successors and assigns, together with the right of ingress and egress for the purpose described above for which said easement is granted. This easement is subject to any prior existing right or adverse claim and is for a 20 year period beginning April 22, 1992, so long as said easement shall actually be used for the purposes above specified. Rentals may be increased at five (5) year intervals if necessary to reflect then existing market prices. This right-of-way shall be terminable in whole or in part by the grantor for any of the following causes upon 30 days' written notice and failure of the Grantee within said notice period to correct the basis of termination. (25 CFR 169:20)

A. Failure to comply with any term or condition of the grant or the applicable regulations.

B. A nonuse of the right-of-way for a consecutive two-year period for the purpose for which it was granted.

The conditions of this easement shall extend to and be binding upon and shall inure to the benefit of the successors and assigns of the Grantee. It has been determined that approval of this document is not such a major federal action significantly affecting the quality of the human environment as to require the preparation of an environmental impact statement under Section 102 (2) (c) of the National Environmental Policy Act of 1969 (42 U.S.C. ¶4332) (2) (c).

IN WITNESS WHEREOF, Grantor has executed this Grant of Easement this 23rd day of April 1992.

UNITED STATES OF AMERICA

By: [Signature]
Superintendent
U.S. Department of the Interior
Uintah and Ouray Agency
Fort Duchesne, UT 84026

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil & Gas Corporation

Well Name & Number: NBU 125

Lease Number: U-0575

Location: NESE Sec. 17 T. 9S R. 21E

Surface Ownership: Tribal Lands administered by BIA

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.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at \pm 845 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

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 AO. 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 vapor-proof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

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

6. Notification of Operations

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.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. 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.

All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to.

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 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 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 waste

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
UTU-0575

6. If Indian, Annette or Tribe Name
Ute Tribal Surface

7. If Unit or CA, Agreement Designation
Natural Buttes Unit

8. Well Name and No.
NBU #125

9. API Well No.
43-047-32090

10. Field and Pool, or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Coastal Oil & Gas Corporation

3. Address and Telephone No.
 P.O. Box 749 Denver, CO 80201-0749 (303) 573-4476

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1892' FSL & 801' FEL (NE/SE)
 Section 17, T9S, R21E

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other Rescind APD
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Please rescind the Application for Permit to Drill for the above-referenced location. This location had to be moved due to archeological findings. A new ADP has been submitted to your office.

(No construction or drilling has taken place on above-referenced location.)

RECEIVED

SEP 03 1992

DIVISION OF
OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
 Signed [Signature] Title Regulatory Analyst Date 8/31/92
 (This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any: _____

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.



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Vernal District Office
170 South 500 East
Vernal, Utah 84078

IN REPLY REFER TO:

Phone (801) 789-1362

FAX (801) 789-3634

3160
UT08438

SEP 9 1992

Coastal Oil & Gas Corp.
Attn: Eileen Danni Dey
P.O. Box 749
Denver, CO 80201-0749

Re: Rescind Application for Permit to Drill
~~Well No. NBU 125~~
Section 17, T9S, R21E
Lease No. U-0575

43-047-32090

Dear Ms Dey:

As per your request, we are rescinding the Application for Permit to Drill, approved April 28, 1992, for the referenced well located 1892' FSL, 801' FEL of Section 17, T9S, R21E. 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.

If you have any questions concerning APD processing, please contact Margie Herrmann of this office at (801) 789-1362.

Sincerely,

Howard B. Cleavinger II
Assistant District Manager for Minerals

RECEIVED

SEP 11 1992

DIVISION OF
OIL GAS & MINING



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

September 16, 1992

Ms. Eileen Danni Dey
Coastal Oil and Gas Corporation
P.O. Box 749
Denver, Colorado 80201-0749

Dear Ms. Dey:

Re: NBU #125, Sec. 17, T. 9S, R. 21E, Uintah County, Utah, API No. 43-047-32090

Per your request, approval to drill the above referenced well is hereby rescinded. Your new APD has been received and approved.

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 Manager
Oil and Gas

DME/lde

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

WOI139