

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  
 ANR Production Company

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 1943' FWL & 1529' FSL  
 At proposed prod. zone Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 27 miles southeast of Myton, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1111'  
 (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE  
 1440

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 N/A

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

19. PROPOSED DEPTH  
 7550'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 5549' GR

22. APPROX. DATE WORK WILL START\*  
 11/15/91

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU-65211

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

7. UNIT AGREEMENT NAME  
 Desert Spring Unit

8. FARM OR LEASE NAME  
 Desert Spring Unit

9. WELL NO.  
 #24-C-11

10. FIELD AND POOL, OR WILDCAT  
 Wildcat *DDI*

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 24, T10S-R17E

12. COUNTY OR PARISH  
 Uintah

13. STATE  
 Utah

*DESU  
JUNE*

23. 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"	24#	250'	180 sx circulated to surface*
7-7/8"	5-1/2"	17#	7550'	1000 sx circulated to surface*

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

See attached Eight-Point Resource Protection Plan.

I hereby certify that ANR Production Company is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the Desert Spring Unit #24-C-11, Federal Lease #UTU-65211. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by ANR Production Company, Nationwide Bond #CO-0001, who will be responsible for compliance with all terms and conditions of that portion of the lease associated with this Application for Permit to Drill.

**RECEIVED**  
NOV 06 1991

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 stratigraphic column and flowout preventer program, if any.

24. SIGNED *Eileen Danni Dey* TITLE Regulatory Analyst DATE November 1, 1991

(This space for Federal or State office use)

PERMIT NO. 43-047-30155

APPROVAL DATE

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING  
DATE: 11-26-91  
BY: *JR Matthews*  
WELL SPACING: 615-2-3

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

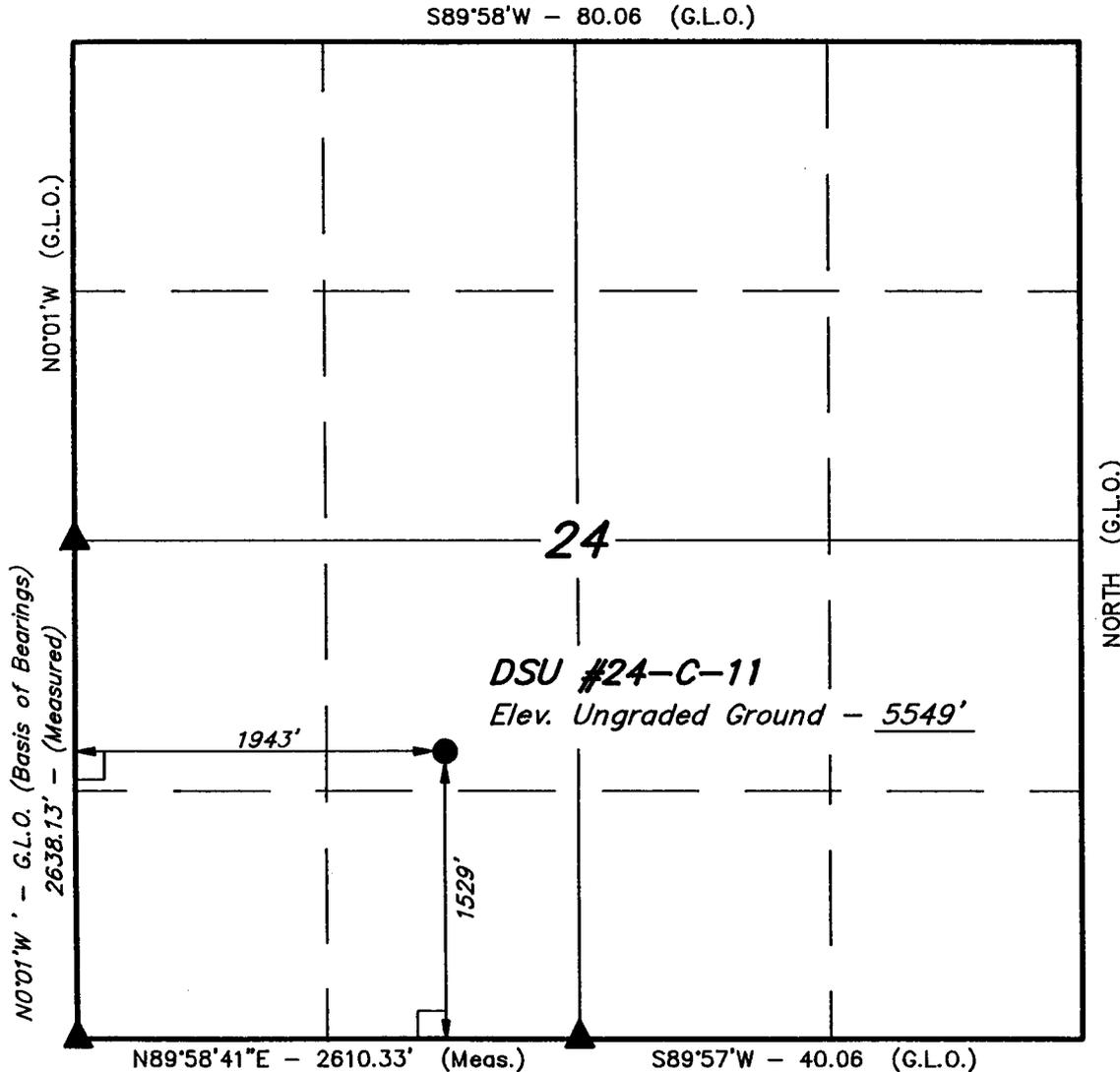
# T10S, R17E, S.L.B.&M.

## ANR PRODUCTION CO.

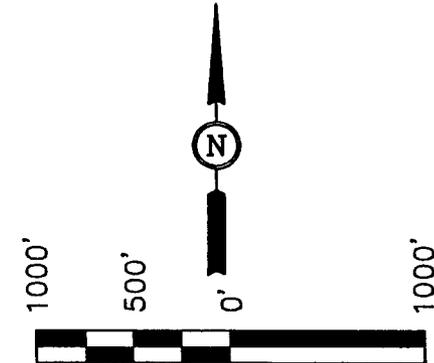
Well location, DSU #24-C-11, located as shown in the NE 1/4 SW 1/4 of section 24, T10S, R17E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

THE FLUK VABM LOCATED IN THE SE 1/4 OF SECTION 32, T9S, R18E, S.L.B.&M. TAKEN FROM THE CROW KNOLL QUADRANGLE, UTAH, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5244 FEET.



NORTH (G.L.O.)



SCALE

### CERTIFICATE

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

*Robert L. Kern*

REGISTERED LAND SURVEYOR  
REGISTRATION NO. 5709  
STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**  
85 SOUTH - 200 EAST  
VERNAL, UTAH - 84078

SCALE 1" = 1000'	DATE 10-9-91
PARTY D.A. K.L. MDA	REFERENCES G.L.O. PLAT
WEATHER WARM	FILE ANR PRODUCTION CO.

▲ = SECTION CORNERS LOCATED. (Brass Caps)

ANR PRODUCTION COMPANY  
Lease #UTU-65211, Desert Spring Unit #24-C-11  
NE/SW, Section 24, T10S, R17E  
Uintah County, Utah

Drilling Prognosis

1. Estimated Tops of Important Geologic Markers:

Uinta	Surface	Wasatch	4830'
		Total Depth	7550'

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

Wasatch	4830'	Gas (Primary Objective)
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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 wellbore 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 wellbore.
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 wellhead 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: (All New)

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	0-7550'

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 400 sx. Hi-fill cement with 1#/sx. capseal; tail with 600 sx. 50-50 POZ w/10% salt, 2% gel, .6% Halad 24, 1/4#/sx. Flocele & 1#/sx. capseal. 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>
0-7550'	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 : Dual Laterlog & Caliper : TD - Surface  
FDC-CNL : TD - 3000'

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 Vernal District 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, Vernal District Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Phone: (801) 789-1361.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S 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 2,627 psi (calculated at 0.465 psi/foot) and maximum anticipated surface pressure equals approximately 1,384 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 : November 15, 1991  
Drilling Days : Approximately 10 days  
Completion Days : Approximately 7 days

B. Notification of Operations

The Vernal District 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.

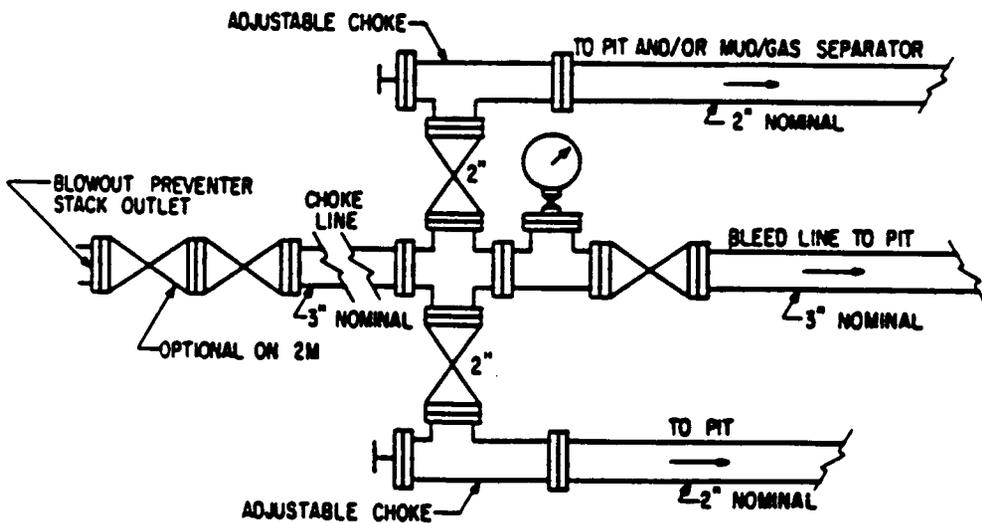
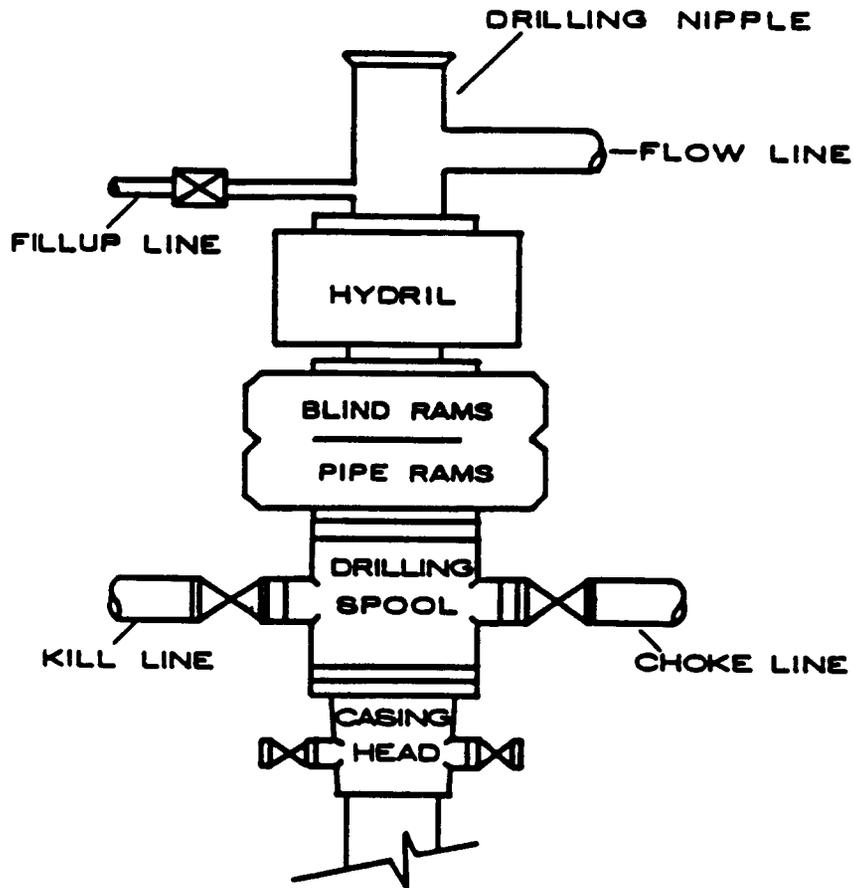
A "Notice of Intention to Abandon" (Form 3160.5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

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 wellbore. 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



ANR PRODUCTION COMPANY  
Lease #UTU-65211, Desert Spring Unit #24-C-11  
NE/SW, Section 24, T10S, R17E  
Uintah County, Utah

Multi-Point Surface Use and Operations Plan

1. Existing Roads: Refer to Maps "A" & "B" (shown in ORANGE)
  - A. The proposed wellsite is staked and four 200-foot reference stakes are present.
  - B. To reach the location from the town of Myton, Utah proceed westerly on U. S. Highway 40 approximately 1.5 miles to Wellington Junction, turn left and proceed in a southerly direction 11.2 miles to the junction of this road and an existing road to the southwest, turn right and proceed in a southerly direction 6.6 miles to the junction of this road and an existing road to the southwest, turn left and proceed in an easterly direction 4.5 miles to the junction of this road and an existing road to the southwest turn right and proceed in a southwesterly direction 1.7 miles to the junction of this road and an existing road to the southwest, turn right and proceed in a southwesterly direction 1.1 miles to the beginning of the proposed access road. Follow road flags in a westerly direction approximately 250' to the proposed location.
  - C. Access roads - refer to Maps "A" and "B".
  - D. Access roads within a one-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 Desert Spring Unit #24-C-11.
2. Planned Access Roads: Refer to Map "B" (Shown in GREEN)

Approximately 250' of new road construction will be required for access to the proposed Desert Spring Unit #24-C-11 well location. In addition, approximately 1.1 miles of existing 2-track road will require upgrading.

- A. Width - maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned and ditched.

2. Planned Access Roads: Continued

- 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 as referenced in the BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development (1989).

The access road will be constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction/upgrading will include ditching, draining, gravelling, 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 muddy conditions.

Should mud holes develop, they shall be filled in and detours around them avoided.

- C. Maximum grade - 3%
- 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.

2. Planned Access Roads: Continued

- G. Surface materials (source) - 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 Land Management. None anticipated at this time. Native material from access location and access road will be used.
- H. 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.

- I. The proposed access route 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 - none known.
- G. Shut-in wells - none known.
- H. Injection wells - none known.
- I. Monitoring wells - none known.

4. Location of Existing and/or Proposed Facilities:

- A. If well is productive the following guidelines will be followed:
  - 1. A diagram showing the proposed production facilities layout will be submitted via Sundry Notice Form 3160-5 prior to facilities installation.

Location of Existing and/or Proposed Facilities Owned by ANR  
Production Company Within a One-Mile Radius:

A. If well is productive the following guidelines will be followed: Continued

2. 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 backslope or top of the fill slope.
3. The production facilities (consisting primarily of a christmas tree at the wellhead, dehydration unit, and emergency pit) will require an area approximately 300' x 135'.
4. 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 with 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.

5. 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. 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 Desert Brown, Munsell standard color number 10 YR 6/3.

Location of Existing and/or Proposed Facilities Owned by ANR  
Production Company Within a One-Mile Radius:

- A. If well is productive the following guidelines will be followed: Continued
6. If at any time the facilities located on public lands and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), the Bureau of Land Management will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental or other financial obligation as determined by the Authorized Officer.
  7. A 4" surface gas pipeline will be installed from the Desert Spring Unit #24-C-11 gas well and tie into the existing gas pipeline located in Sections 24 and 25, T10S-R17E. (See attached TOPO Map D.) This pipeline will be inside the Desert Spring Unit Boundary. A 30' width easement of approximately 1350' is requested for this pipeline. There will be minimum surface disturbance as the pipeline will be laid on the surface.
- B. 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 livestock and wildlife. Please refer to Item #9E (page #9) for additional information on the fencing specifications.
- C. 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.
- D. 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 Land Management.

5. Location and Type of Water Supply:

- A. Fresh water for drilling will be obtained and hauled in by a permitted source.
- B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed Desert Spring Federal Unit #24-C-11 well location. No new construction will be required on/along the proposed water haul route. No off-lease/unit federal lands will be crossed on/along the proposed water haul route.
- 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 native from location and/or 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/blooiie pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve/blooiie 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

7. Methods of Handling Waste Materials: Continued

after termination of drilling and completion activities. In the event adverse weather conditions event 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 ANR Production Company. The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined if deemed necessary by BLM on post construction inspection. If a plastic nylon reinforced liner is used, it will be a minimum of 12 MIL thickness w/sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the Authorized Officer.

- 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. 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.

Produced fluids - 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.

7. Methods of Handling Waste Materials: Continued

- E. Garbage (trash) 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 upon the termination of drilling and completion operations. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are backfilled.

8. Ancillary Facilities:

None anticipated.

9. Wellsite Layout:

- 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. A minimum of six (6) 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 wellsite. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles. (Stockpiled topsoil will be located near the northeast corner of the location.) The reserve pit will be located on the northwest side of the location. The flare pit will be located downwind of the prevailing wind direction on the northwest side of location and will be a minimum of 100 feet from the wellhead. Access to the location will be from the southeast corner. The drainage(s) from location shall be diverted from location and go toward the silt dam (see page 12).
- 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.

9. Wellsite Layout: Continued

- 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. Please refer to Item #4A (page #4) for additional information in this regard.
- D. If porous subsoil materials (gravel, scoria, sand, faulted rock structures, etc.) are encountered during reserve pit construction, an impervious liner will be installed in order to prevent drilling water loss through seepage.
- 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 (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.
  - 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
  - 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

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.

9. Wellsite Layout: Continued

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:

A. Production

1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all unused tubing, equipment, 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. If a plastic or nylon reinforced pit liner is used, it shall be torn and perforated before backfilling of the reserve pit.
4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.
5. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
6. For production, the fill slopes will be reduced from a 1.5:1 slope to a 3:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 3:1 slope by pushing the fill material back up into the cut.

10. Plans for Reclamation of the Surface:

A. Production - Continued

7. Upon completion of backfilling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, 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 Land Management.

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.

B. Dry Hole/Abandoned Location

1. At such time as the well is physically plugged and abandoned, ANR Production Company will submit a "Subsequent Report of Abandonment" to the Authorized Officer for approval. At that time, the Bureau of Land Management will formulate and appropriate surface rehabilitation requirements and attach them as the conditions of approval for final abandonment.

11. Surface Ownership:

The wellsite and proposed access road are situated on surface estate which is owned by the United States of America.

This surface estate is administered by:

Area Manager  
Diamond Mountain Resource Area Office  
Bureau of Land Management  
170 South 500 East  
Vernal, Utah 84078  
Phone: (801) 789-1362

12. Other Information:

- A. ANR Production Company 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, ANR Production Company 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 ANR Production Company 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 ANR Production Company 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, ANR Production Company will be responsible for mitigation costs.

12. Other Information: Continued

- A. 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, ANR Production Company will then be allowed to resume construction.
- B. ANR Production Company 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 Land Management, or the Uintah County Extension Office. On lands administered by the Bureau of Land Management, 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.
- C. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on federal lands after conclusion of drilling operations or at any other time without the proper authorization from the Bureau of Land Management. However, if BLM authorization is obtained, it is only a temporary measure to allow ANR Production Company the time to make arrangements for permanent storage at a commercial facility.

13. Additional Surface Stipulations:

- A. A silt catchment dam and basin will be constructed according to BLM specifications, approximately 400' southeast of the location where flagged.
- B. ANR Production Company shall contact the Bureau of Land Management between 24 and 48 hours prior to commencement of construction activities on the access road and/or well location: (801) 789-1362
- C. The Bureau of Land Management shall be notified upon site completion and prior to moving drilling tools onto the location.

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

Representative

ANR Production Company  
Randy L. Bartley, Operations Manager  
P. O. Box 749  
Denver, Colorado 80201-0749  
Phone: (303) 572-1121

Eileen Dey, Regulatory Analyst\*  
P. O. Box 749  
Denver, Colorado 80201-0749  
Phone: (303) 573-4476

\* 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.

ANR Production Company 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.

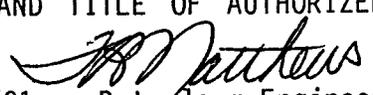
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by ANR Production Company, 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.

11/4/91  
Date

  
Eileen Dey - Regulatory Analyst

STATE ACTIONS

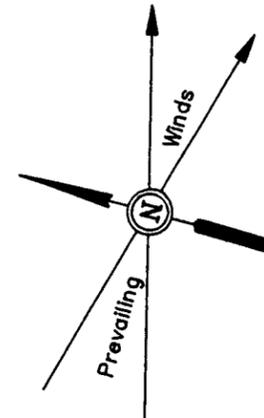
Mail to:  
RDCC Coordinator  
116 State Capitol  
Salt Lake City, Utah 84114

1. ADMINISTERING STATE AGENCY  
OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:  
(assigned by State Clearinghouse)
3. APPROXIMATE DATE PROJECT WILL START:  
11/15/91
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:  
(to be sent out by agency in block 1)  
Uintah Basin Association of Governments
5. TYPE OF ACTION:  Lease  Permit  License  Land Acquisition  
 Land Sale  Land Exchange  Other \_\_\_\_\_
6. TITLE OF PROPOSED ACTION:  
Application for Permit to Drill
7. DESCRIPTION:  
ANR Production Company proposes to drill the Desert Spring Unit #24-C-11 well (wildcat) on federal lease UTU-65211, Uintah County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S Bureau of Land Management is the primary administrative agency in this action and must issue approval before operations commence.
8. LAND AFFECTED (site location map required) (indicate county)  
SW/4 NE/4, Section 24, Township 10 South, Range 17 East, Uintah County, Utah
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:  
See Attachment
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
12. FOR FURTHER INFORMATION, CONTACT: Frank R. Matthews  
PHONE: 538-5340
13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL  
  
DATE: 11/7/91 Petroleum Engineer

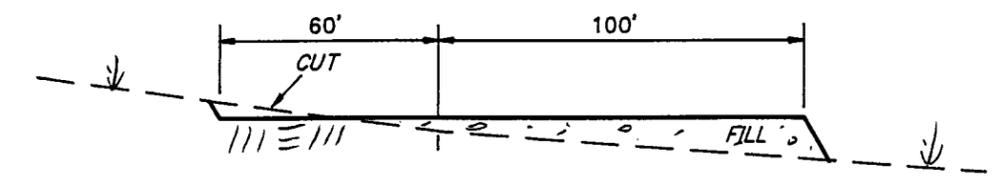
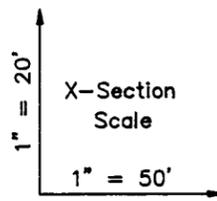
WOI187

**ANR PRODUCTION CO.**

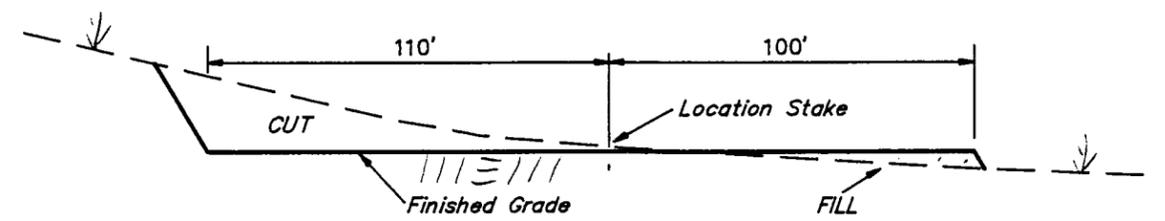
LOCATION LAYOUT FOR  
 DSU #24-C-11  
 SECTION 24, T10S, R17E, S.L.B.&M.



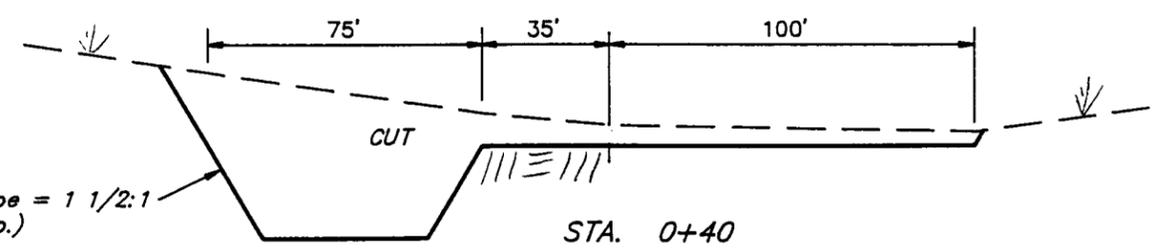
SCALE: 1" = 50'  
 DATE: 10-11-91  
 Drawn By: MDA



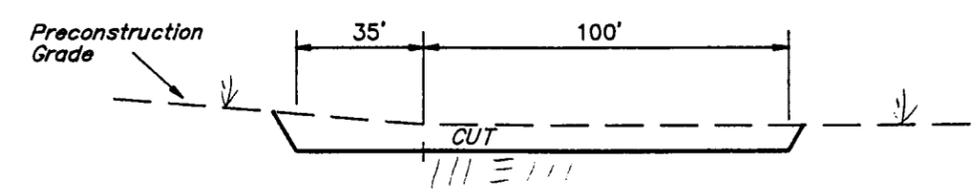
STA. 3+25



STA. 1+50



STA. 0+40



STA. 0+00

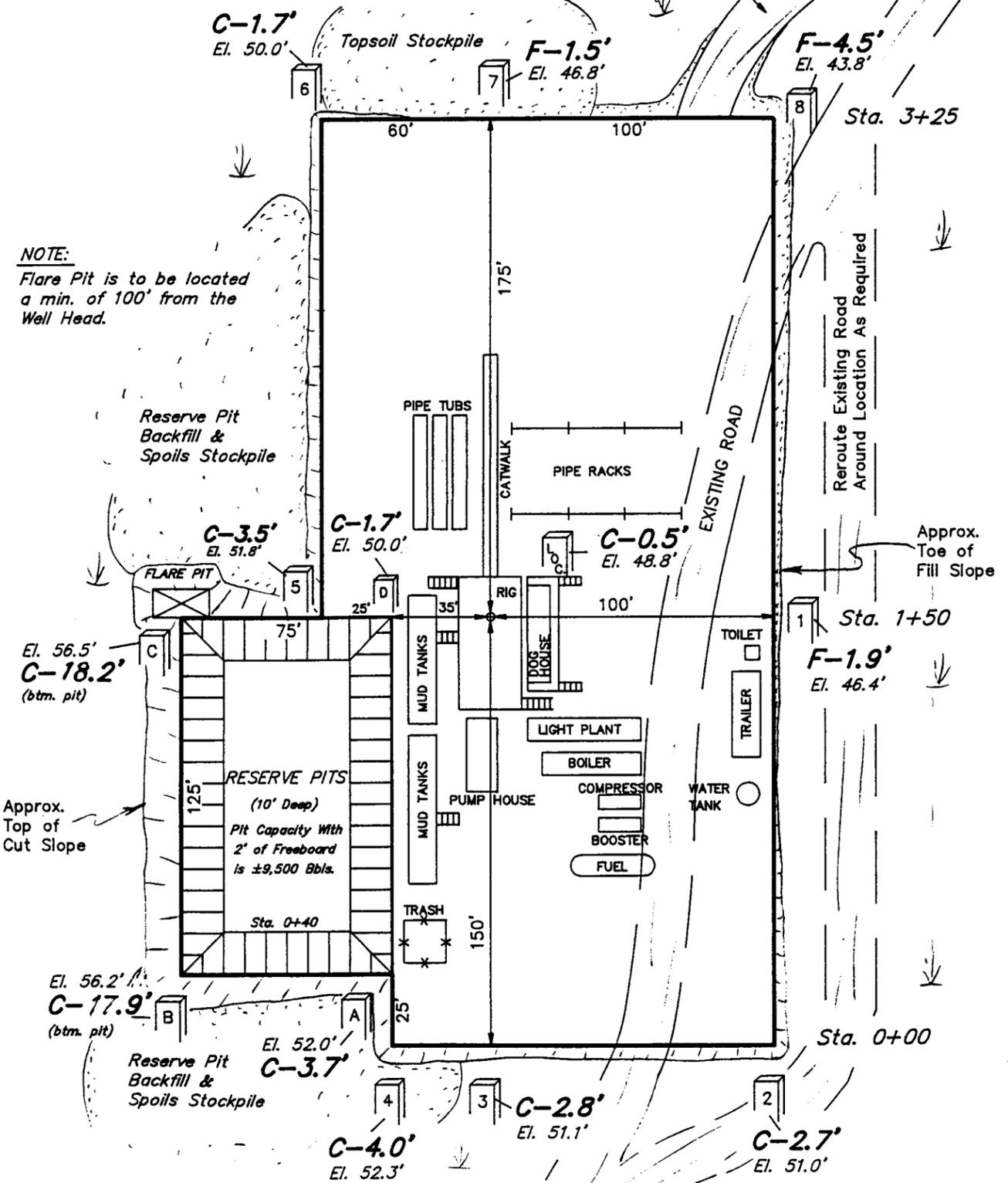
TYP. LOCATION LAYOUT

**NOTES:**

Elev. Ungraded Ground At Loc. Stake = **5548.8'**  
 FINISHED GRADE ELEV. AT LOC. STAKE = **5548.3'**

**FIGURE #1**

Proposed Access Road



**NOTE:**  
 Flare Pit is to be located a min. of 100' from the Well Head.

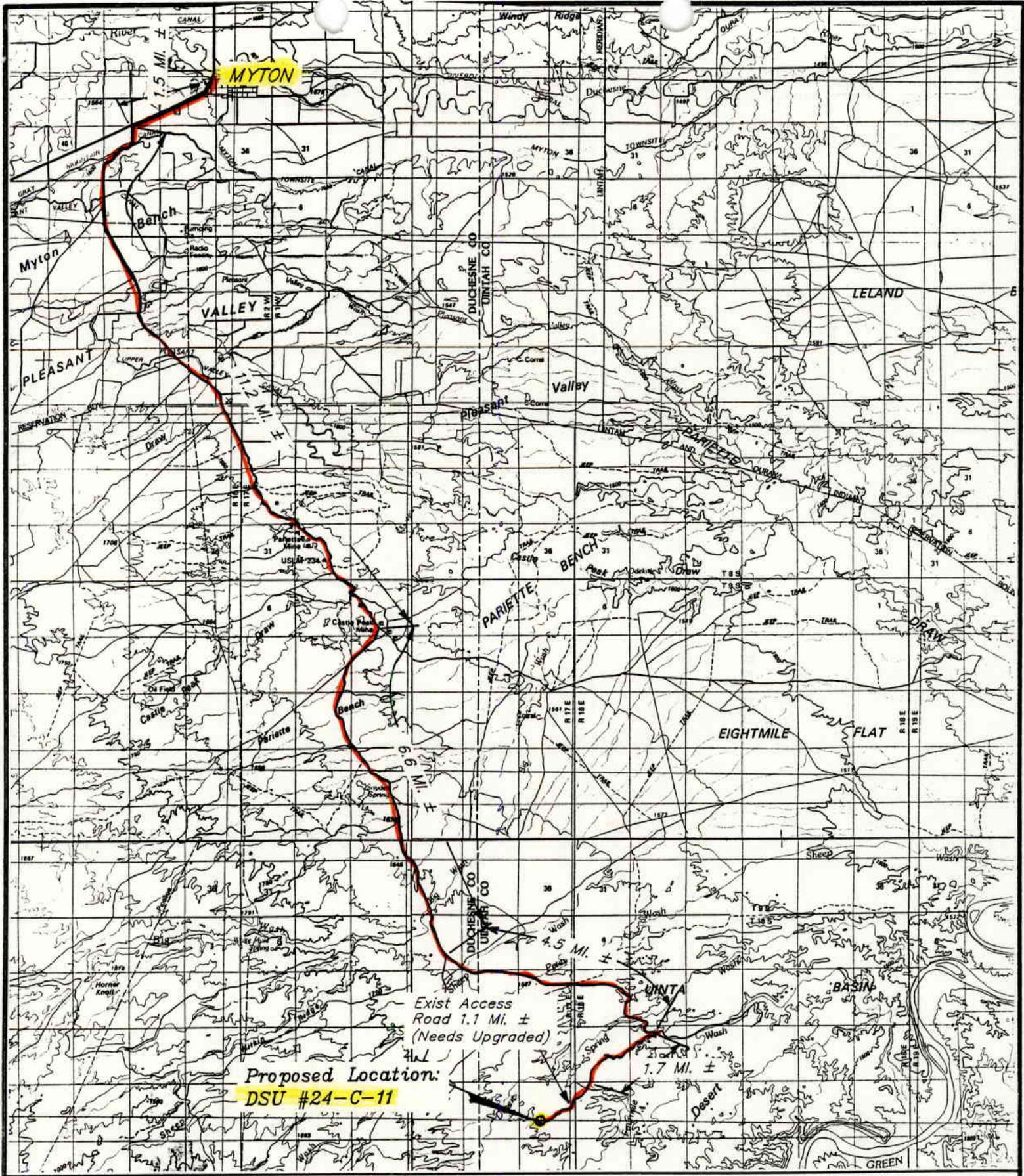
Approx. Top of Cut Slope

Approx. Toe of Fill Slope

**APPROXIMATE YARDAGES**

CUT	
(6") Topsoil Stripping	= 1,070 Cu. Yds.
Remaining Location	= 5,680 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 6,750 CU.YDS.</b>
<b>FILL</b>	<b>= 1,960 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,690 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,290 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 2,400 Cu. Yds.



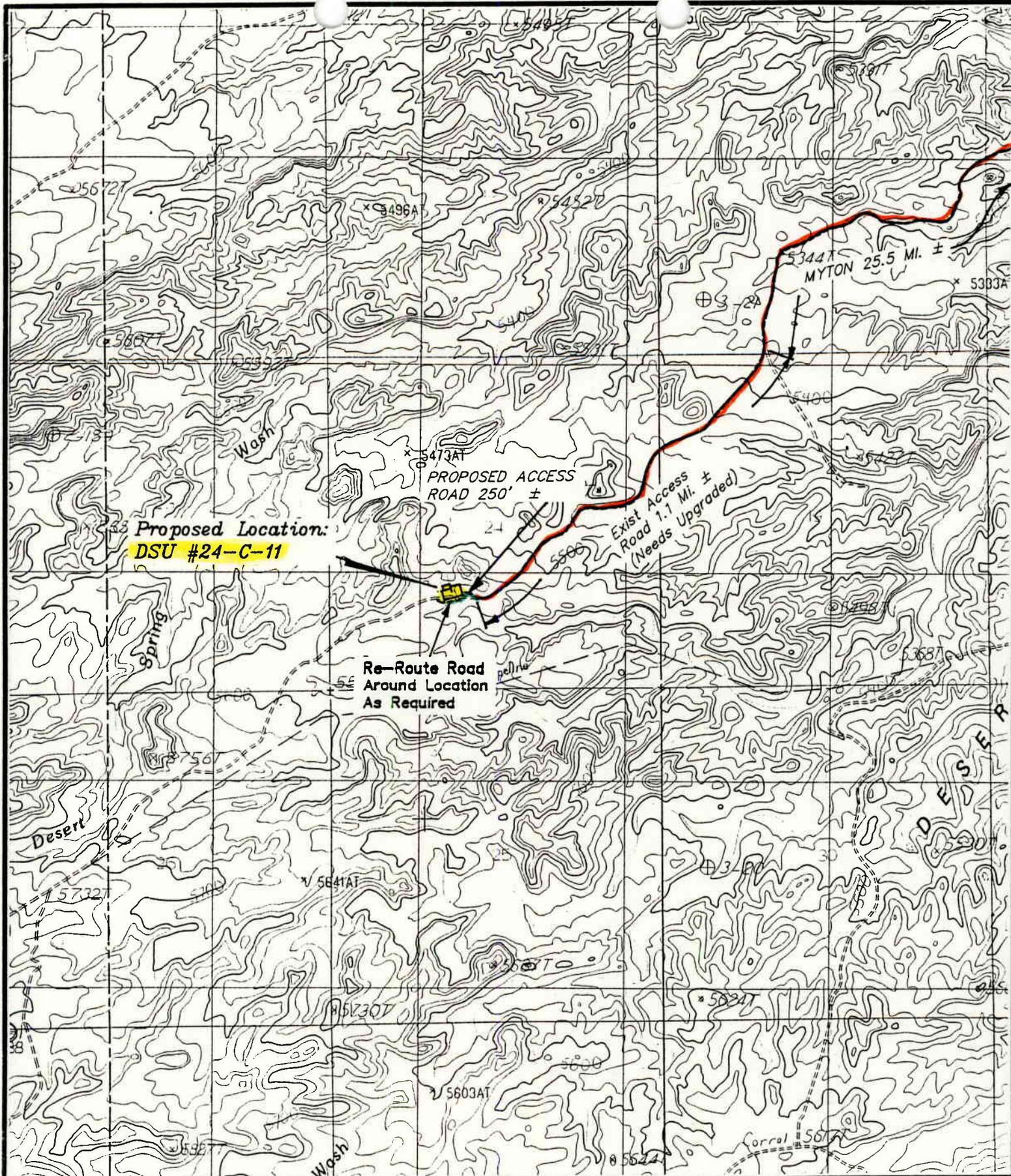
TOPOGRAPHIC  
MAP "A"

DATE 10-9-91 MDA



**ANR PRODUCTION CO.**

DSU #24-C-11  
SECTION 24, T10S, R17E, S.L.B.&M.

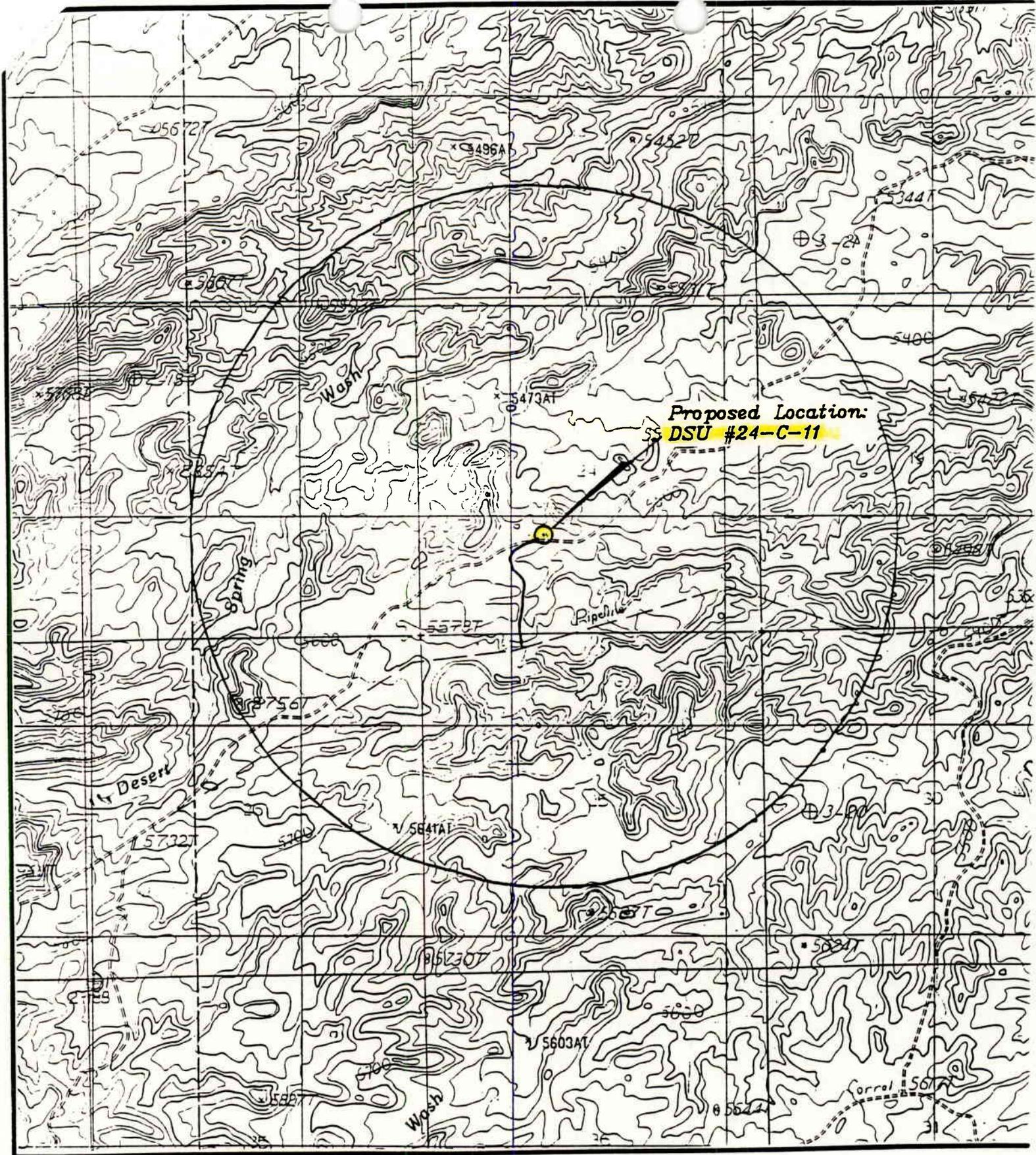


TOPOGRAPHIC  
 MAP "B"  
 SCALE: 1" = 2000'  
 DATE 10-9-91 MDA



**ANR PRODUCTION CO.**  
 DSU #24-C-11  
 SECTION 24, T10S, R17E, S.L.B.&M.





PROPOSED PIPELINE —  
 TOTAL DISTANCE ± 1350'



**ANR PRODUCTION CO.**

DSU #24-C-11  
 SECTION 24, T10S, R17E, S.L.B.&M.  
 T O P O M A P " D "

DATE: 10-9-91 MDA

OPERATOR ANR Production Company N-0175 DATE 11-7-91

WELL NAME Desert Springs Unit 04-C-11

SEC S1/4 T 10S R 17E COUNTY Mitchell

43-047-30155  
API NUMBER

Annual (1)  
TYPE OF LEASE

CHECK OFF:

PLAT.

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Unit well approved by BOM 11-01-91.

Water Permit

ROEC 11-7-91

APPROVAL LETTER:

SPACING:

R615-2-3

Desert Springs  
UNIT

R615-3-2

N/A  
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

Water Permit

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  
 ANR Production Company

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 1943' FWL & 1529' ESL  
 At proposed prod. zone Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 27 miles southeast of Myton, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.  
 1111'  
 (Also to nearest drig. unit line, if any)

16. NO. OF ACRES IN LEASE  
 1440

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 N/A

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

19. PROPOSED DEPTH  
 7550'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 5549' GR

22. APPROX. DATE WORK WILL START\*  
 11/15/91

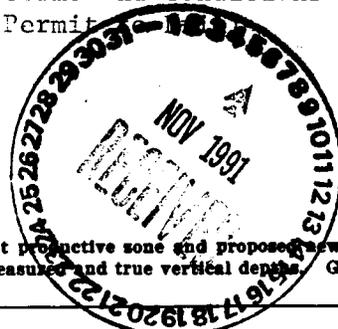
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	250'	180 sx circulated to surface*
7-7/8"	5-1/2"	17#	7550'	1000 sx circulated to surface*

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

See attached Eight-Point Resource Protection Plan.

I hereby certify that ANR Production Company is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the Desert Spring Unit #24-C-11, Federal Lease #UTU-65211. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by ANR Production Company, Nationwide Bond #CO-0001, who will be responsible for compliance with all terms and conditions of that portion of the lease associated with this Application for Permit to Drill.



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 Eileen Danni Dey TITLE Regulatory Analyst DATE November 1, 1991

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 ASSISTANT DISTRICT  
 APPROVED BY [Signature] TITLE MANAGER MINERALS DATE NOV 21 1991  
 CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

NOTICE OF APPROVAL

\*See Instructions On Reverse Side

## CONDITION OF APPROVAL

The Interior Board of Land Appeals (IBLA) has ruled that the decision to approve an APD may be appealed under 43 CFR Part 4.21(a), by adversely affected parties. These appeal rights are further modified by 43 CFR Part 3165.3(b) which makes the decision, if contested, first subject to a State Director Review.

A Plan Conformance/NEPA Compliance Record has been completed on this Application for Permit to Drill (APD).

If the decision to approve the APD is contested under 43 CFR Part 3165.3(b), the operator will be immediately notified that no further action can be taken (unless otherwise directed by the authorized officer for protection of surface and subsurface resources) and cannot be resumed until the State Director has issued a decision on the Review. If the State Director rules favorably, the operator may be authorized to resume activities, but must recognize there is still the risk under 43 CFR Part 4.21(a) of an appeal to IBLA.

Any adversely affected party who contests a decision of the Authorized Officer may request an administrative review before the State Director. Such requests, including all supporting documentation, shall be filed with the appropriate State Director within twenty (20) business days from the date such decision was considered received. Upon request and showing good cause, an extension for submitting supporting data may be granted by the State Director. Requests for administrative review should be sent to: State Director, Bureau of Land Management, Utah State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155.

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

RECEIVED

NOV 22 1991

DIVISION OF  
OIL GAS & MINING

Company/Operator: ANR Production Company

Well Name & Number: 24-C-11

Lease Number: U-65211

Location: NESW Sec. 24 T. 10S R. 17E

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 - at least twenty-four (24) hours prior to Cementing running casing and cementing all casing strings.
- BOP and Related - at least twenty-four (24) hours prior to Equipment Tests initiating pressure tests.
- First Production - within five (5) business days after new Notice 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.

The special drilling requirements in Onshore Order No. 2, regarding air or gas drilling shall be adhered to if air is used as the principal drilling medium, ie., if the rig mud pumps are not being utilized while drilling.

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 top of the Mahogany oil shale, identified at 1 1780 ft.

#### 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 vaporproof 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.

A sonic log shall be run from the base of the surface casing to total depth.

6. Notifications 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 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 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.

B. DRILLING PROGRAM

1. Location and Type of Water Supply

Water will be acquired from Dalbo Inc.'s state approved water well located in the N2NE, Section 27, T1S, R2W, USM.



# 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 26, 1991

ANR Production Company  
P. O. Box 749  
Denver, Colorado 80201-0749

Gentlemen:

Re: Desert Spring Unit #24-C-11 Well, 1529 feet from the south line, 1943 feet from the west line, SW 1/4 NE 1/4, Section 24, Township 10 South, Range 17 East, Uintah County, Utah

Pursuant to Utah Code Ann. § 40-6-18, (1953, as amended), Utah Admin. R. 615-2-3, and Utah Admin. R. 615-3-4, approval to drill the referenced well is hereby granted.

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

1. Compliance with the requirements of Utah Admin. R. 615-1 et seq., Oil and Gas General Rules.
2. Submittal to the Division of evidence providing assurance of an adequate and approved supply of water as required by Utah Code Ann. § 73-3, Appropriations, prior to commencing drilling operations.
3. Notification within 24 hours after drilling operations commence.
4. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
5. Submittal of the Report of Water Encountered During Drilling, Form 7.
6. Prompt notification prior to commencing operations, if 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.

Page 2  
ANR Production Company  
Desert Spring Unit #24-C-11 well  
November 26, 1991

7. Compliance with the requirements of Utah Admin. R. 615-3-20, Gas Flaring or Venting, if the well is completed for production.

Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site should be submitted to the local health department. These drilling operations and any subsequent well operations should 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.

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 43-047-32155.

Sincerely,



R.J. Firth  
Associate Director, Oil and Gas

ldc  
Enclosures  
cc: Bureau of Land Management  
J.L. Thompson  
WO11

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: ANR

WELL NAME: DESERT SPRINGS 24-C-11 43-047-32155

Section 24 Township 10S Range 17E County UINTAH

Drilling Contractor \_\_\_\_\_

Rig # \_\_\_\_\_

SPUDDED: Date 12-4-91

Time 2:00 PM

How DRY HOLE

Drilling will commence 12-12-91

Reported by LARRY TARVEGIA

Telephone # 828-7255

Date 12-6-91 SIGNED MKH

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

**SUBMIT IN TRIPLICATE**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. UTU-65211
2. Name of Operator ANR Production Company	6. If Indian, Allottee or Tribe Name N/A
3. Address and Telephone No. P. O. Box 749 Denver, CO 80201-0749 (303) 573-4476	7. If Unit or CA, Agreement Designation Desert Spring Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1943' FWL & 1529' FSL (SW/NE) U25W Section 24, T10S-R17E	8. Well Name and No. Desert Spring Unit 24-C-11
	9. API Well No. 43-047-32155
	10. Field and Pool, or Exploratory Area Wildcat
	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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" 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 <u>Report of Spud</u>
	<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

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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.)\*

MIRU Leon Ross Drilling, Inc. Spud surface hole @ 2:00 p.m., 12/4/91. Drilled 12-1/4" hole to 255' GL. Ran 6 jts 8-5/8", 24#, K-55, 8rd, ST&C and set at 263' KB. Cemented with 150 sx Premium Plus AG plus additives. Plugged down @ 2:00 p.m., 12/6/91.

**RECEIVED**

DEC 16 1991

DIVISION OF  
OIL GAS & MINING

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

Signed [Signature] Title Regulatory Analyst Date 12/10/91

(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.

\*See instruction on Reverse Side

ENTITY ACTION FORM - FORM 6

OPERATOR ANR Production Company  
ADDRESS P. O. Box 749  
Denver, CO 80201-0749

OPERATOR ACCT. NO. 10675

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B <sub>#</sub>	99999	11247	43-047-32155	Desert Spring Unit 24-C-11	NSW SWNE	24	10S	17E	Uintah	12/4/91	12/4/91
WELL 1 COMMENTS: <i>Federal-Lease Entity added 12-19-91. Lgr</i> <i>Field-wildcat</i> <i>Unit-Desert Springs</i>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

RECEIVED

DEC 16 1991

DIVISION OF  
OIL GAS & MINING

*Eileen Danni Dey*  
Signature Eileen Danni Dey

Regulatory Analyst 12/10/91  
Title Date

Phone No. (303) 573-4476

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE\*

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

1. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_

2. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RENVR.  Other 11/16/92

2. NAME OF OPERATOR  
ANR Production Company

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 1943' FWL & 1529' FSL  
At top prod. interval reported below Same as above.  
At total depth Same as above.

14. PERMIT NO. 43-047-32155 DATE ISSUED 11/26/91

15. DATE SPUDDED 12/4/91 16. DATE T.D. REACHED 1/6/92 17. DATE COMPL. (Ready to prod.) P&A'd 1/9/92

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 7500' 21. PLUS. BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*

25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN DLL/GR/Cal, CNL/FDC/Cal/GR mud log 1-9-92 27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	263'	12-1/4"	150 sx Premium+ AG	None

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number) N/A

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4600-4800'	140 sx Tag cmt @ 4417'.
3500-3700'	100 sx Tag cmt @ 3452'.
1700-2050'	160 sx Tag cmt @ 1760'.
1245-1345'	180 sx Tag cmt @ 1095'.

33.\* PRODUCTION Plug #5 213-313' 45 sx; Sfc 30 sx Sfc plug.  
DATE FIRST PRODUCTION B&A'd 1/9/92 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) N/A WELL STATUS (Producing or shut-in) P&A'd

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.	GAS-OIL RATIO

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL.	GAS—MCF.	WATER—BSL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

35. LIST OF ATTACHMENTS

Chronological History

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Eileen Dahni Dey TITLE Regulatory Analyst DATE 3/9/92

\*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
WSTC (per Eileen Day)	4796'		

38. GEOLOGIC MARKERS

NAME	MEAS. DEPTH	TOP	TRUE VERT. DEPTH

COASTAL OIL & GAS CORPORATION  
CHRONOLOGICAL HISTORY

DESERT SPRING #24-C-11  
LITTLE DESERT  
UINTAH COUNTY, UTAH  
WIN-ROCK #7  
WI: 100% ANR AFE: 63765  
ATD: 7550' (WASATCH) SD: 12/22/91  
CSG: 8-5/8" @ 263'  
CWC(M\$): 222.0

- 12/8/91 263' WORT. Spud at 2:00 p.m., 12/4/91 w/Leon Ross Drlg Co. Drill 12-1/4" hole to 255' GL. Ran 6 jts 8-5/8" 24# K-55 8rd ST&C (252.07'). Cmt w/150 sx Prem Plus AG, 2% CaCl<sub>2</sub>, 1/4#/sk Flocele. Displace w/15.2 bbls wtr. Circ 8 bbls cmt. PD 2:00 p.m., 12/6/91. CC: \$11,472.
- 12/19/91 MIRT. Will spud Saturday, 12/21/91.
- 12/20/91 273' MI RURT. Will spud Saturday, 12/21/91. CC: \$35,241.
- 12/21/91 Testing BOP's. will spud today, 12/21/91. CC: \$35,241.
- 12/22/91 263' PU BHA. Test BOP to 2000 psi, hydril & csg to 1500 PSI. Witnessed by Jerry Barnes, BLM. NU rot hd, RU air, RU floor, PU BHA. \$40,395.
- 12/23/91 1400' Drlg 1137'/18 hrs. Spud @ 9:30 a.m., 12/22/91. Drlg cmt & shoe. WO wtr. Drlg, RU air and svy: 1 deg @ 486'; 1 deg @ 1002'. Drlg w/air mist. 1500 CFM. CC: \$57,934.
- 12/24/91 2840' TFNB 1440'/21 hrs. Drlg, svys: 1 deg @ 1576'; 1 deg @ 2070'; 1 deg @ 2605'. TFNB. Drlg w/air mist, pH 8.5, 1500 CFM. CC: \$85,243.
- 12/25/91 3530' Drlg 690'/15.5 hrs. TFNB, RR, wtr pump. TIH, unload hole. Drlg, svy: 1-1.4 deg @ 3104'. Drlg, RR, drawworks chain. Drlg w/aerated wtr. BGG 50 U, CG 350 U. 50% SH, 20% LS, 30% SS. pH 8.5, 600 SCFM. CC: \$107,685.
- 12/26/91 4500' Drlg 970'/22.5 hrs. Drlg, svys: 1-1/4 deg @ 3600'; 1-1/4 deg @ 4129'. RS, chk BOP. 70% SH, 30% SD, no shows. BGG 50 U, CG 250. Aerated wtr, pH 8.5, 500 CFM. CC: \$124,752.
- 12/27/91 5120' Drlg 620'/23 hrs. Drlg, RS, svy: 1-3/4 deg @ 4624'. Drlg w/partial returns, Wasatch at 4788'. BGG 20 U, CG 60 U, 100% SH, no shows. Aerated DAP wtr, pH 8.5, 700 CFM. CC: \$136,166.
- 12/28/91 5758' Drlg 638'/23.5 hrs. Drlg, svy, drlg w/aerated DAP wtr. 90% SH, 10% SD, BGG 50 U, CG 150 U. pH 8.5, 900 CFM. CC: \$147,484.
- 12/29/91 6168' Drlg 410'/22.5 hrs. Drlg, RS, drlg, svy: 1-3/4 deg @ 5986'. Chg rot hd rbr. Drlg, 90% SH, 10% SS, BGG 20 U, CG 60 U, no breaks. 6#/bbl DAP. pH 8.5. CC: \$160,792.
- 12/30/91 6613' Drlg 445'/23.5 hrs. Drlg, RS. 90% SH, 10% SS, BGG 20 U, CG 100 U, no brks. DAP wtr 6#/bbl, MW 8.4, VIS 28. CC: \$175,669.
- 12/31/91 6662' Working stuck pipe. 49'/3 hrs. Drlg, load hole w/wtr. TOH, RS. Fin TOH, left 7 DC's and bit IH. Parted 51 stds OH. WO fishing tools. PU tools and TIH. Work over fish, work stuck fish. Moved 40'. 90% SH, 10% SD, BGG 20 U, CG 100 U, TG 750 U. DAP wtr 6#/bbl. MW 8.4, VIS 28. CC: \$179,258.

<u>DRLG BREAKS</u>	<u>MPF</u>	<u>GAS UNITS</u>
4769-4782'	4.5-2-4.0	40-200-80
5166-5178'	3-.8-2.5	40-100-20
5186-5198'	2-1-2	20-120-20
5410-5420'	2-1-2	20-60-20
5955-5977'	4.5-2.5-3.5	20-80-20
5991-5999'	3.5-1.5-3.5	20-100-40
6032-6045'	3.0-1.0-3.0	30-100-20
6238-6256'	4-2-3.5	10-80-20
6278-6294'	3-2-3.5	20-100-20
6378-6390'	3-2-2.5	20-100-80

COASTAL OIL & GAS CORPORATION  
CHRONOLOGICAL HISTORY

DESERT SPRING #24-C-11  
LITTLE DESERT  
UINTAH COUNTY, UTAH

PAGE 2

- 1/1/92 6662' Trip out w/fish. Work stuck pipe. Release OS and trip out. LD OS, PU jars and OS, TIH. Jar on fish. Trip out w/fish. LD fishing tools. Fin TOH. DAP wtr, 6 PPB, MW 8.4, VIS 28, PH 9. CC: \$183,895.
- 1/2/92 6662' Fishing for Totco bbl. Check DC's. TIH, work tight hole at 6550'. Wash & ream to TOF at 6609'. Circ & cond, TOH. PU OS and jars. TIH. DAP wtr, 6#/bbl. MW 8.4, VIS 28. CC: \$186,482.
- 1/3/92 6662' Wash & ream at 6600' w/concave mill. TIH w/OS. Wash and ream 6494-6609'. Fish for bbl. Work tight hole from 6609-6494'. TOH, LD OS and tools. WO mill and junk basket. PU mill and 3 junk baskets. TIH, wash & ream from 6490' to 6600'. DAP wtr 6#/bbl, MW 8.4, VIS 28. CC: \$188,783.
- 1/4/92 6662' TOH w/concave mill. Wash & ream 6512' to 6662'. Mill on Totco tool. TOH. Drlg w/DAP water, 6#/bbl. CC: \$196,349.
- 1/5/92 6896' Work tight hole at 6896'. 234'/10.5 hrs. Finish TOH. LD fishing tools. TIH, wash & ream 6322' to 6662'. Drlg, work tight hole. Drlg, Wasatch, 80% SH, 20% SS, BGG 40 U, CG 60 U, TG 70 U. Wtr, 7.5#/bbl. CC: \$206,664.
- 1/6/92 7235' Drlg. Work pipe for tight hole at 6896'. Drlg, no shows. Aerated DAP 7.5 PPB. CC: \$214,126.
- 1/7/92 7500' Circ & prep to run E logs. 315'/22.5 hrs. Drlg, RS, prime reserve pump. Drlg, Wasatch, 70% SH, 30% SDST, BGG 30 U, CG 60 U. Drlg brk in Wasatch from 7306-7321', MPF 3-1.5-3, gas units 60-100-60, 70% SH, 30% SDST; Wasatch from 7330-7342', MPF 3-2-3.5, gas units 60-100-60, 70% SH, 30% SDST; 7358-7366', MPF 4-2-4.5, gas units 60-175-60, 70% SH, 30% SDST; 7422-7434', MPF 3-1.5-3, gas units 10-50-10, 90% SDST, 10% SH. DAP wtr, 7.0 PPB. CC: \$221,444.
- 1/8/92 7500' TIH and prep to P&A. Circ for E logs. Short trip to 4700'. TOOH, SLM, no corr. RU Schlumberger: DLL-GR-Cal from TD to 250'; CNL-FDC-Cal-GR from TD to 3700'. LD DC's. WO Howco. TIH. Plug #1 from 4600-4800 - tag; #2 3500-3700' - tag; #3 1700-2050' - tag; #4 1245-1345'; #5 213-313'; #6 50 sx @ surface. DAP wtr, 6 PPB. CC: \$243,630.
- 1/9/92 7500' Plugging well to BLM specifications. RU LD mach. RU Howco. Spot 140 sx Type V, 1% CaCl2, 15.6 ppg @ 4800'. LD 69 jts DP, WOC. Tag cmt at 4417'. LD DP, spot 100 sx Type V w/2% CaCl2, 15.6 ppg @ 3700'. LD DP, WOC. Tag plug at 3452'. Spot 140 sx Type V cmt w/2% CaCl2, 15.6 ppg cmt at 2050'. WOC, tag cmt at 1760'. Spot 20 sx Type V w/2% CaCl2, 15.6 ppg at 1760'. LD DP. Spot 90 sx Type V, 2% CaCl2, 15.6 ppg at 1345'. WOC. Attempt to tag at 1345', no cmt. CC: \$250,302.
- 1/10/92 RDRT. TOOH, cmt at 1345': 90 sx Type V w/2% CaCl2, 15.6#, WOC. TIH, tag cmt at 1095'. LD 33 jts DP. Spot cmt at 310': 45 sx Type V w/3% CaCl2, 15.6#, WOC. Clean cellar. Spot surface plug: 30 sx, Type V, 3% CaCl2, 15.6#, ND BOP's. Rig released at 5:30 p.m., 1/9/92. All plugging procedures witnessed by Alan Walker and Wayne Bankert, BLM. CC: \$272,172. FINAL REPORT.
- 1/21/92 *INSTALLED DRY HOLE MARKER.*

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

**SUBMIT IN TRIPLICATE**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. UTU-65211
2. Name of Operator ANR Production Company	6. If Indian, Allottee or Tribe Name N/A
3. Address and Telephone No. P. O. Box 749 Denver, CO 80201-0749 (303) 573-4476	7. If Unit or CA, Agreement Designation Desert Springs Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1943' FWL & 1529' FSL Section 24, T10S-R17E	8. Well Name and No. Desert Springs Fed. 24-C-11
	9. API Well No. 43-047-32155
	10. Field and Pool, or Exploratory Area Wildcat
	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 type="checkbox"/> Other
	<input checked="" 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

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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.)

ANR Production Company requests an extension of the 90-day time frame to reclaim the reserve pit on the above referenced location. The extension is requested to allow for the existing water in the reserve pit to evaporate and/or to use the water for the drilling of a proposed well in the area. It would be costly and wasteful to haul the water off at this time as future wells are planned in this area.

**RECEIVED**

APR 24 1992

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

DIVISION OF  
OIL GAS & MINING

DATE: 4-27-92  
BY: J. Matthews

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

Signed [Signature] Title Regulatory Analyst Date 4/21/92

(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.

Division of Oil, Gas and Mining  
**PHONE CONVERSATION DOCUMENTATION FORM**

Route original/copy to:

Well File Desert Springs  Suspense  Other  
Unit 04-C-11 (Return Date) \_\_\_\_\_  
(Location) Sec 24 Twp 10S Rng 17E (To - Initials) \_\_\_\_\_  
(API No.) 43-047-36155 \_\_\_\_\_

1. Date of Phone Call: March 27, 1998 Time: 4:00 pm

2. DOGM Employee (name) Debra Eatchel (Initiated Call   
Talked to:  
Name Eileen Day (Initiated Call  - Phone No. (303) 573-4470  
of (Company/Organization) ANR Production Company

3. Topic of Conversation: Need Backside info on WCR  
(log tops) - PAID 1-9-98

4. Highlights of Conversation: Returned call 4:16 pm (3-30-98)  
4796' Wasatch - log tops\* (per Eileen Day)\*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No.  
UTU-65211

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

Desert Spring Unit

8. Well Name and No.

Desert Spring Fed 24-C-11

9. API Well No.

43-047-32155

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Uintah County, Utah

**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

**SUBMIT IN TRIPLICATE**

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

ANR Production Company

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)

1943' FWL and 1529' FSL  
Section 24, T10S-R17E

**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  
 Change of Plans  
 New Construction  
 Non-Routine Fracturing  
 Water Shut-Off  
 Conversion to Injection  
 Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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 see the attached chronological history for the P&A procedure performed on the above-referenced well.

Surface reclamation to follow.

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OIL GAS & MINING**

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

Signed Eileen Danni De... Title Regulatory Analyst

Date 6/8/92

(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.

\*See instruction on Reverse Side

COASTAL OIL & GAS CORPORATION  
CHRONOLOGICAL HISTORY

DESERT SPRING #24-C-11  
LITTLE DESERT  
UINTAH COUNTY, UTAH

PAGE 2

- 1/1/92 6662' Trip out w/fish. Work stuck pipe. Release OS and trip out. LD OS, PU jars and OS. TIH. Jar on fish. Trip out w/fish. LD fishing tools. Fin TOH. DAP wtr, 6 PPB, MW 8.4, VIS 28, PH 9. CC: \$183,895.
- 1/2/92 6662' Fishing for Totco bbl. Check DC's. TIH, work tight hole at 6550'. Wash & ream to TOF at 6609'. Circ & cond, TOH. PU OS and jars. TIH. DAP wtr, 6#/bbl. MW 8.4, VIS 28. CC: \$186,482.
- 1/3/92 6662' Wash & ream at 6600' w/concave mill. TIH w/OS. Wash and ream 6494-6609'. Fish for bbl. Work tight hole from 6609-6494'. TOH, LD OS and tools. WO mill and junk basket. PU mill and 3 junk baskets. TIH, wash & ream from 6490' to 6600'. DAP wtr 6#/bbl, MW 8.4, VIS 28. CC: \$188,783.
- 1/4/92 6662' TOH w/concave mill. Wash & ream 6512' to 6662'. Mill on Totco tool. TOH. Drlg w/DAP water, 6#/bbl. CC: \$196,349.
- 1/5/92 6896' Work tight hole at 6896'. 234'/10.5 hrs. Finish TOH. LD fishing tools. TIH, wash & ream 6322' to 6662'. Drlg, work tight hole. Drlg, Wasatch, 80% SH. 20% SS, BGG 40 U, CG 60 U, TG 70 U. Wtr, 7.5#/bbl. CC: \$206,664.
- 1/6/92 7235' Drlg. Work pipe for tight hole at 6896'. Drlg, no shows. Aerated DAP 7.5 PPB. CC: \$214,126.
- 1/7/92 7500' Circ & prep to run E logs. 315'/22.5 hrs. Drlg, RS, prime reserve pump. Drlg, Wasatch, 70% SH, 30% SDST, BGG 30 U, CG 60 U. Drlg brk in Wasatch from 7306-7321', MPF 3-1.5-3, gas units 60-100-60, 70% SH, 30% SDST; Wasatch from 7330-7342', MPF 3-2-3.5, gas units 60-100-60, 70% SH, 30% SDST; 7358-7366', MPF 4-2-4.5, gas units 60-175-60, 70% SH, 30% SDST; 7422-7434', MPF 3-1.5-3, gas units 10-50-10, 90% SDST, 10% SH. DAP wtr, 7.0 PPB. CC: \$221,444.
- 1/8/92 7500' TIH and prep to P&A. Circ for E logs. Short trip to 4700'. TOOH, SLM, no corr. RU Schlumberger: DLL-GR-Cal from TD to 250'; CNL-FDC-Cal-GR from TD to 3700'. LD DC's. WO Howco. TIH. Plug #1 from 4600-4800 - tag; #2 3500-3700' - tag; #3 1700-2050' - tag; #4 1245-1345'; #5 213-313'; #6 50 sx @ surface. DAP wtr, 6 PPB. CC: \$243,630.
- 1/9/92 7500' Plugging well to BLM specifications. RU LD mach. RU Howco. Spot 140 sx Type V, 1% CaCl2, 15.6 ppg @ 4800'. LD 69 jts DP, WOC. Tag cmt at 4417'. LD DP, spot 100 sx Type V w/2% CaCl2, 15.6 ppg @ 3700'. LD DP, WOC. Tag plug at 3452'. Spot 140 sx Type V cmt w/2% CaCl2, 15.6 ppg cmt at 2050'. WOC, tag cmt at 1760'. Spot 20 sx Type V w/2% CaCl2, 15.6 ppg at 1760'. LD DP. Spot 90 sx Type V, 2% CaCl2, 15.6 ppg at 1345'. WOC. Attempt to tag at 1345', no cmt. CC: \$250,302.
- 1/10/92 RDRT. TOOH, cmt at 1345': 90 sx Type V w/2% CaCl2, 15.6#, WOC. TIH, tag cmt at 1095'. LD 33 jts DP. Spot cmt at 310': 45 sx Type V w/3% CaCl2, 15.6#, WOC. Clean cellar. Spot surface plug: 30 sx, Type V, 3% CaCl2, 15.6#, ND BOP's. Rig released at 5:30 p.m., 1/9/92. All plugging procedures witnessed by Alan Walker and Wayne Bankert, BLM. CC: \$272,172. FINAL REPORT.

1/21/92 INSTALLED DRY HOLE MARKER.

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER**

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**Certification: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route; that I am familiar with the conditions which recently 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 proposed operations herein will be performed by Pendragon Energy Partners, Inc., its contractors and subcontractors, Pendragon Energy Partners, Inc. will operate the lease under Flood & Peterson Federal Bond #RL B0001759. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.**

**DIVISION OF  
OIL, GAS AND MINING**

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No.  
U74401

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
Desert Springs Unit

9. API Well No.  
24-C-11

10. Field and Pool, or Exploratory  
Desert Spring Unit

11. Sec., T., R., M. or Blk. and Survey or Area  
NE SW Sec 24 T10S-R17E  
S.L.B. & M.

12. County or Parish  
Uintah

13. State  
Utah

1a. Type of Work :  DRILL  REENTER

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name Of Operator  
Pendragon Energy Partners, Inc.

3a. Address 621 17th Street, Suite 750, Denver, CO 80293  
3 b. Phone No. (include area code) 303 296 9402

4. Location of Well (Report location clearly & in accordance w/State requirements\*)  
At Surface 1,943' FWL-1,528' FSL Sec 24-T10S-R17E  
At proposed prod zone same

14. Distance in miles and direction from nearest town or post office \*  
26.9 miles from Myton, Utah

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any)  
1,528' FSL Sec 24

16. No. of Acres in lease  
40

17. Spacing Unit dedicated to this well

18. Distance from proposed location to nearest well drilling, completed, applied for in this lease, ft.

19. Proposed Depth  
PBTD-5,000' (TD = 7,500')

20. BLM/BIA Bond No. on file  
RLB0001759

21. Elevations (Show whether D, KDB, RT, GL etc.)  
5,547' GL

22. Approximate date work will start\*  
August 1, 2000

23. Estimated Duration  
20 days

**24. Attachments**

The following, completed in accordance with the requirements of On shore Oil and Gas Order No.1 shall be attached to this form:

- Well plat certified by a registered surveyor. Exhibit "A"
- A Drilling Plan Exhibit "B"
- A Surface Use Plan (if the location is on National forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). Exhibit "D"

- Bond to cover the operations unless covered by an existing bond on file (see item 20 above). RLB0001759
- Operator certification. Exhibit "D" & as above
- Such other site specific information and/or plans as may be required by the authorized officer. Exhibits "C"/"E"/"F"/"G" and "H"

25. Signature

Name (Printed/Typed)  
John Luchetta

Date  
June 25, 2000

Title  
Agent

Approved by (Signature)

Name (Printed/Typed)

Date

Title

Office

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make 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.

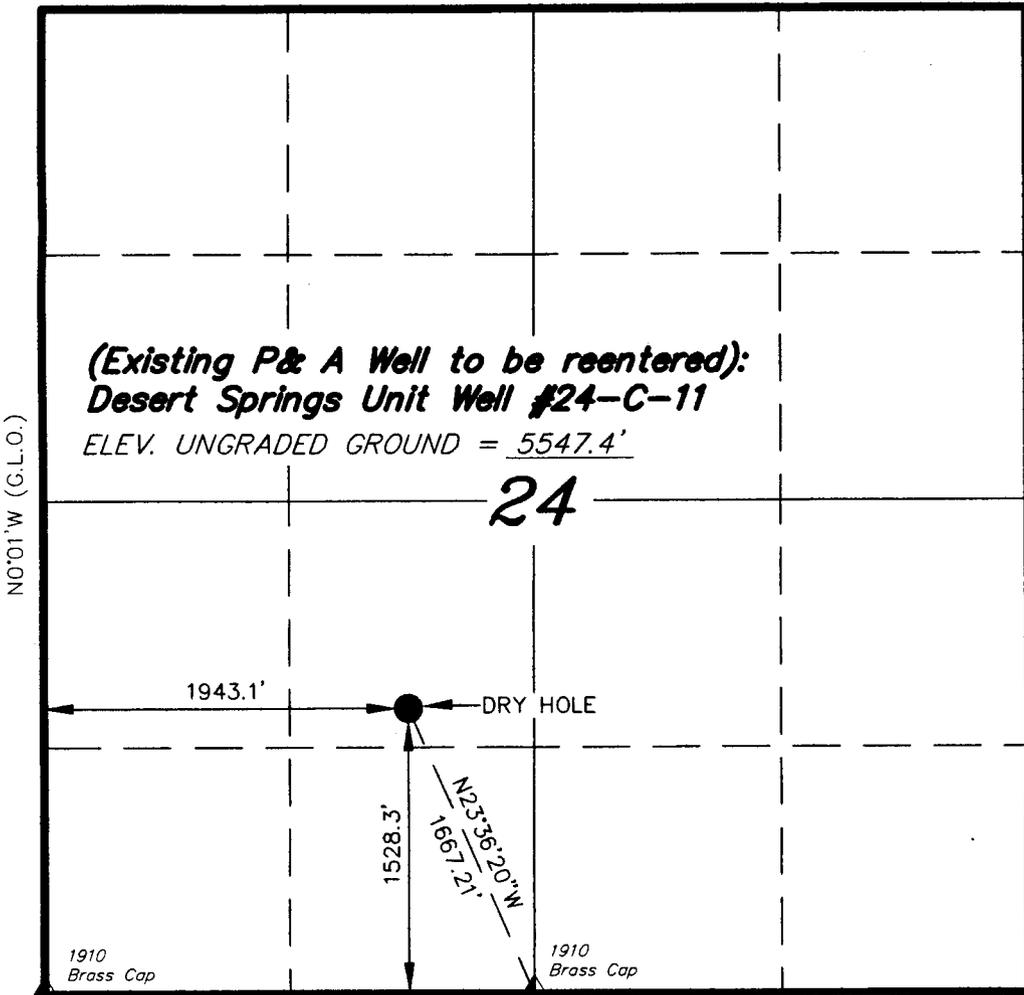
\* Instructions on reverse side

**Exhibits:**

<b>A</b>	Survey Plat	<b>C</b>	BOP Diagram	<b>F</b>	Location Layout
<b>B</b>	10-Point Plan	<b>D</b>	13 Point Surface Use Plan	<b>G</b>	Rig Layout/Cut & Fill
		<b>E</b>	Access Road Maps A&B	<b>H</b>	Existing Wells Map

# T10S, R17E, S.L.B.&M.

S89°58'W - 80.06 (G.L.O.)



**(Existing P & A Well to be reentered):  
Desert Springs Unit Well #24-C-11**  
ELEV. UNGRADED GROUND = 5547.4'

## 24

1943.1'

DRY HOLE

1528.3'

N23°36'20"W  
1667.21'

1910  
Brass Cap

1910  
Brass Cap

S89°57'W (G.L.O.) Basis of Bearings  
2610.23' (Measured)

S89°57'W - 80.12

= SECTION CORNERS LOCATED

BASIS OF ELEV.; U.S.G.S. 7-1/2 min QUAD (CROW KNOLL)

N0°01'W (G.L.O.)

NORTH (G.L.O.)

## PENDRAGON ENERGY PARTNERS, INC.

WELL LOCATION, DESERT SPRINGS UNIT  
WELL #24-C-11, LOCATED AS SHOWN IN  
THE SE 1/4 SW 1/4 OF SECTION 24,  
T10S, R17E, S.L.B.&M. UINTAH  
COUNTY, UTAH.

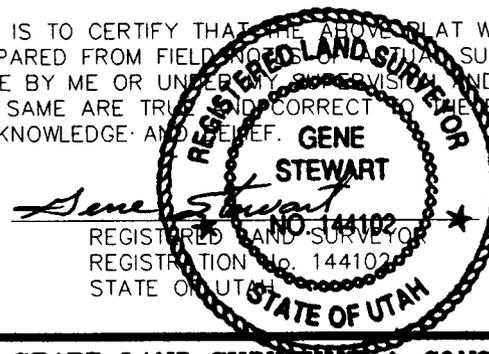


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THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
PREPARED FROM FIELD AND OFFICE SURVEYS  
MADE BY ME OR UNDER MY SUPERVISION AND THAT  
THE SAME ARE TRUE AND CORRECT TO THE BEST OF  
MY KNOWLEDGE AND BELIEF.



REGISTERED LAND SURVEYOR  
REGISTRATION No. 144102  
STATE OF UTAH

### TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078  
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: G.S.
DATE: 4/24/00	WEATHER: FAIR
NOTES:	FILE #

**EXHIBIT "B"**  
**PROPOSED REENTRY PROGRAM**

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**ONSHORE ORDER NO.1**  
**PENDRAGON ENERGY PARTNERS, INC.**  
**West River Bend Well # 24-C-11**  
**NE SW Sec 24, T10S-R17E**  
**Uintah County, Utah**

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**OIL & GAS ORDER NO.1 (APPROVAL OF OPERATIONS ON**  
**ONSHORE, FEDERAL AND INDIAN OIL AND GAS LEASES).**

All lease and/or unit operations will be conducted in such a manner so that full compliance is made with the applicable laws, regulations (CFR 43, Part 3160) and the approved Application for Permit to Drill. The operator considers itself fully responsible for the actions of his contractors and subcontractors. A copy of the approved APD will be on location during construction, drilling and completion operations.

The operator understands that approval of this application does not warrant or certify legal or equitable title to those rights in the subject lease which would entitle operations thereon.

**1. ESTIMATED FORMATION TOPS :**

<b>FORMATION</b>	<b>DRILLED (ft) SUBSEA</b>		<b>* PORE PRESSURE (psi/ft)</b>
Green River	700	+ 4,847	Subnormal
Wasatch	4,796	+ , 751	Normal
Total Depth	7,500	- 1,953	Normal

\* Offset pressure data supports pore pressure gradient @ 0.42 psi/ft in the Green River.

Note: Present status of the well is P&A w/ cemented 8 5/8" casing set @ 263'. Cement plugs are in place, in and out of the casing shoe and @ least two other cement plugs at 2500' intervals in the drilled 7 7/8" hole. The well was drilled to a total depth of 7,500'. Operations will be conducted as follows:

- a. Prepare location and reserve pit according to size and requirements of the drilling contractor specifications when known. Move in equipment and rig rig up.

- b. Remove the dry hole marker, pick up the drill string, drill the top cement plug assumed to be in the top of the casing, then proceed in the hole conditioning the drilling fluid and drilling cement plugs as they are encountered to a total anticipated depth of about 5,000'.
- c. The hole will then be prepared for running and cementing casing (5 1/2").
- d. No additional open hole logs will be run.

2. ESTIMATED DEPTH OF OIL, GAS, OR WATER ETC:		
SUBSTANCE	FORMATION	DEPTH (ft)
Water	None anticipated	
Oil	Green River	4,000-5,000'
Other	None	

### 3. PRESSURE CONTROL EQUIPMENT & SPECIFICATIONS :

- Anticipated maximum surface shut-in pressure gradient:
  - .  $P_s = BHP - (0.22 * 4,800) = (0.42 * 4,800) - (0.22 * 4,800) = 960$  psi.
  - . If a pressure anomaly occurs, API pressure control methods will be immediately imposed.
  - . Drilling fluid density materials will be available on location.
  - . Poison gas is not known to exist in the area.
- BOP EQUIPMENT: (See Exhibit "C")
  - . Type: Nominal 10" hydraulic double ram, 2,000 psi working pressure.
  - . Ram type preventers shall be installed after the prescribed WOC time has expired. The casing will be cut off and a weld-on companion flange fastened.
  - . Pipe & blank rams will be used.
  - . The BOP will be inspected, operated daily and on trips with the drill string. All tests will be recorded on the daily drilling log.

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- **CHOKE MANIFOLD EQUIPMENT:** ( See Exhibit "C")
  - . The hydraulic closing unit will be located @ least 100' upwind from the BOP stack.
  - . A remote BOP closing unit will be positioned near the driller's operating station.
  - . Burst pressure rating – 2,000 psi.
  - . The choke manifold, BOP extension rods and handwheels will be located outside the substructure.
  - . The kill line will be 2" nominal rated @ 2,000 psi.
- **BOP TESTING:**
  - . Upon installation.
  - . If any seal subject to pressure is broken.
  - . Every 30 days if drilling operations continue beyond anticipated 10 days.
  - . A test plug will not be used since testing can be accomplished w/o exposing surface casing to excess pressures (70% of internal yield).
  - . After Intermediate casing is set (not anticipated).

**4. TEST PRESSURES AND OTHER SPECIFICATIONS ANTICIPATED:**

UNIT	PROPOSED TEST PRESSURE (psi)
Pipe rams	2,000
Blind rams	2,000
Manifold	2,000
Surface casing	1,500 (or .70 x rated burst)
Floor valve	2,000
Annular	2,000

- . Upper & lower kelly cock will be maintained in the drill string
- . Drill string float will not be used.

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- . The floor valve will be available in the open position @ all times and will be operated daily.
- . BLM agent will be notified at least 24 hours before all BOP tests.
- . BOP & pressure control drills will be conducted.

**5. PROPOSED CASING & CEMENTING PROGRAM:**

PROPOSED CASING	HOLE SIZE	CASING SIZE	TOP OF SECTION (ft)	SECTION LENGTH (ft)	PHYSICAL DATA	Pressure Rating (psi)		Cement Top
						Burst	Collapse	
Surface(*)	12 1/4"	8 5/8"	0	263	24# J55 STC	2,950	1,370	Surface
Intermediate	None							
Production	7 7/8	5 1/2"	0	4,800'	15.5# J55 STC	5,320	4,040	3,500'

\* Surface casing already in place due to original drilling program.

• CASING SPECIFICATIONS AND CONDITIONS (Production):

- . Stage cementing is not anticipated.
- . Formation Pore Pressure (from offset pressure data) -- 0.42 psi/ft.
- . Formation Fracturing Gradient ----- 0.70 psi/ft.
- . Mud Density (Max lbs/gal) – 9.0 ppg @ 4,800.
- . Collapse ----- 1.120.
- . Burst ----- 1.000.
- . Tension ----- 1.800.
- . Casing joints will be torqued according to API standards.
- . All casing will be visually inspected for any physical damage. Casing ID will be measured.

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• CEMENTING PROGRAM:

- . CONDUCTOR CASING: In place.
- . SURFACE CASING: In place due to original drilling program.
- . PRODUCTION CASING: 400 cuft of Lite Cement + 300 cuft of Class "G".

<b>6. PROPOSED DRILLING FLUID SPECIFICATIONS:</b>					
<b>DEPTH INTERVAL</b>	<b>TYPE</b>	<b>DENSITY Lbs/gal</b>	<b>VISCOSITY</b>	<b>FLUID LOSS</b>	<b>MAKE UP WATER</b>
250 - 3,000'	LSND	8.5 - 8.8	32-36	NC	KCI
3,000 - 4,800	LSND	8.8 - 9.0	36-38	NC	KCI

**Note:** After original drilling was completed cement plugs were placed in the open hole & in/out of the surface casing. These plugs will be drilled out with water as they are encountered.

• **OTHER DRILLING FLUID SPECIFICATIONS AND CONDITIONS:**

- . LCM will be present on location @ all times during drilling.
- . Fluids parameters to be measured daily - density, viscosity, fluid loss, pH, solids, chlorides, bicarbonate and carbonates.
- . Concentration of hazardous substances in the reserve pit will not exceed standards set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA).
- . Oil & gas related CERCLA hazardous waste substances will be removed from location and will be disposed of according to EPA approved methods.

**7. EVALUATION OF OPERATIONS WHILE REDRILLING:**

**MUD MONITORING SYSTEMS (Swaco):**

- . Pit level indicator, flow sensor w/alarms, PVT and stroke counter will not be used.
- . A trip tank will not be used.
- . Gas detection equipment (mud logger) will not be used.
- . A mud-gas separator will not be used.

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- **DRILL STEM TESTS:** None anticipated.
  - . If it becomes necessary to conduct a drill stem test, initial opening of the test will be restricted to daylight hours.
  - . If a test is initiated during daylight hours, it will be allowed to continue assuming OSHA considerations are strictly met.
  - . The DST string will not be pulled out of the hole after dark unless recovered fluids have first been reverse circulated to a suitable closed steel tank placed at least 100' down wind from the wellhead.
  - . Smoking will not be allowed on the rig floor or within 100' upwind from the rig floor during test operations.
  - . Only rig engines will be allowed to run during testing. All others will be moved at least 100' upwind from the rig floor.
  
- **LOGGING PROGRAM:**
  - . No additional open hole logs will be run.
  
  - . The following cased hole logs are anticipated:
    - (1) GR-CCL ----- PBTB to 500' above the pay zone.
    - (2) CBL (Cement Bond Log) ----- PBTB to cement top.
  
- **SAMPLING PROGRAM:**
  - . None.
  
  - Note: drilling cuttings were sampled in the original program.
  
- **CORING:** None.

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**8. ANTICIPATED PORE PRESSURES & HAZARDOUS MATERIALS:**

- **PORE PRESSURE:**
  - . In the surface hole – NA. Surface casing already in place & cemented to surface.
  - . In the Greenriver to TD - Anticipated pore pressure = 0 .42 psi/ft.
  
- **HAZARDOUS MATERIALS:** None anticipated.

**9. OTHER INFORMATION, NOTIFICATION & REPORTING:**

OPERATION	DATE OR ANTICIPATED TIME
Proposed start time	Aug 1, 2000
Drill pad & road construction time	2 - 4 days
Drilling operations & formation evaluation	5 - 6 day
Completion & testing time	4 - 6 days
Facilities installation	5 - 7 days
Initial restoration start time	180 days or as weather permits
Final restoration time	5 - 10 days

- **INFORMATION & REPORTING PLAN:**
  - **DRILLERS LOG:**
    - . BOP, manifold, casing pressure tests - as done.
    - . BOP mechanical test – as done.
    - . Blowout prevention drills – as done.
    - . Casing installation & cementing – as done.
    - . WOC time – as done.
    - . Incidents of lost circulation or pressure anomalies – as occurs.
  
- **REGULATORY REPORTING :**
  - . Notification of location construction - 24 hours prior to start up.

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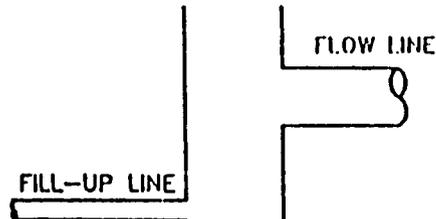
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- . **Notification of start up – before or within 48 hrs.**
- . **Notification of BOP test – at least 24 hours prior to testing.**
- . **P&A - the Vernal Resource Office will be contacted prior to plugging .**
- . **Form 3160-4 - monthly.**
- . **Form 3160-5 - within 30 days after P&A or completion of the well.**
- . **Facilities diagram – as required by CFR 43 Part 3162.7-2 and 3162.7-4.**
- . **Undesirable events will be reported as specified in NTL-3A.**  
**Major events will be reported verbally within 24 hours. Minor events will be reported within 15 days. Other events will be reported in the monthly report of operations.**

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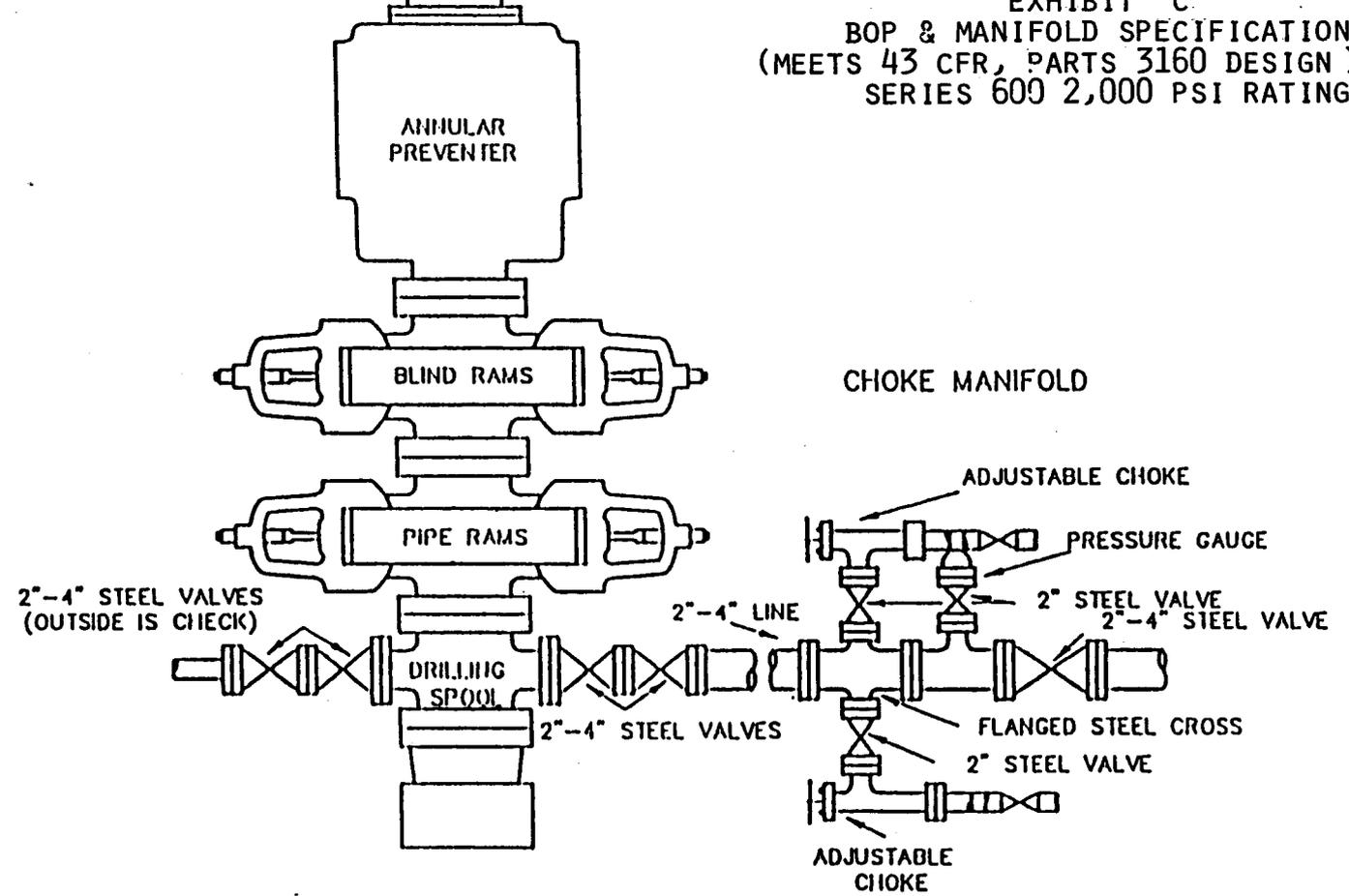
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LUCHETTA OPERATING CO., INC.  
2020 FOOTHILLS RD. • GOLDEN, CO 80401

EXHIBIT "C"  
BOP & MANIFOLD SPECIFICATIONS  
(MEETS 43 CFR, PARTS 3160 DESIGN)  
SERIES 600 2,000 PSI RATING



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EXHIBIT "C" BOP DIAGRAM

**EXHIBIT "D"**  
**PROPOSED SURFACE USE PROGRAM**

**ONSHORE ORDER NO. 1**  
**PENDRAGON ENERGY PARTNERS, INC.**  
**WEST RIVER BEND PROJECT WELL #24-C-11**  
**Uintah County, Utah**

- **SURFACE OWNER: Bureau of Land Management, Vernal Utah.**
- **SURFACE LOCATION: (See Exhibit "A") SE SW Sec. 24 T10S, R17E**  
**Uintah County, Utah.**
- **Distance from Myton, Utah : +/- 26.9 miles (See Map "A").**
- **Directions to location: South from Myton, Utah on Hwy 40 for 1.6 miles,**  
**then south on mine roads for +/-26.9 miles.**

**1. EXISTING ROAD SPECIFICATIONS: (See Maps "A" & "B")**

- **Map "A" is the vicinity map showing the access routes from Red Wash,**  
**Utah.**
- **Topo Map "B" shows the proposed access road to the pad as well as the**  
**existing roads in the immediate area.**
- **Occasional maintenance blading and storm repairs as needed.**
- **No mud blading will be allowed on the access road. Vehicles may be towed**  
**through the mud on the roadway only.**
- **All road construction and maintenance will conform to standards**  
**identified in Surface Operating Standards for Oil and Gas Exploration and**  
**Development" (Gold Book) U.S. Department of the Interior-BLM and U.S.**  
**Department of Agriculture-Forest Service; January 1989.**

**2. PLANNED ACCESS ROADS:**

- **No new road construction will be required.**

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- Existing specifications will be preserved:

Width – maximum 30-foot overall right-of-way with an 18-foot running surface, crowned & ditched and/or sloped and dipped.

Construction standard – existing standards will be preserved.

The road will be maintained to meet standards of the anticipated traffic flow and anticipated weather conditions. Ditching, draining, crowning and capping or sloping will be maintained as needed.

Off – road use will not be allowed.

Road drainage crossings will be maintained as typical dry creek drainage crossings so that siltation or accumulation of debris will be prevented. Run-off water will be prevented w/ cutouts.

Upgrading will not be allowed during muddy conditions.

Mud holes will be filled as they develop and detours around them avoided.

- Grade - maximum grade will be maintained @ less than 8%.
- Drainage design the access road will be crowned and ditched or sloped and dipped. Water diversions will be installed as necessary.
- Turnouts – none anticipated.
- Culverts – none anticipated.
- Surface materials – if required will be purchased from a local contractor having a permitted source.
- Gates, cattlequards or fence cuts – none required.
- Road centerline – has been flagged.
- Road Dust – will be controlled by watering as needed.

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Construction activity will avoid use of frozen or saturated soil materials. Operations during periods when watershed damage may occur will be avoided.

**3. EXISTING WELLS WITHIN 1 MILE:**

- **Locations ----- None within one mile.**
- **Water wells ----- None within one mile.**
- **Disposal wells ----- None within one mile.**
- **Drilling ----- None within one mile.**
- **Producing ----- None within one mile.**
- **Injection ----- None within one mile.**
- **Dry holes ----- None within one mile.**

**4. EXISTING & PROPOSED PRODUCTION FACILITIES:**

- **Existing facilities - none exist.**
- **Proposed on the well pad - to be constructed if commercial production is indicated with the following specifications and conditions:**
  - **A plat will be prepared after completion showing facilities and lines to be installed with design specifications and location.**
  - **Production facilities (including dikes) will be placed on the cut portion of the location and a minimum of 25 feet from the toe of the back cut.**
  - **Protective measures and devices to protect livestock and wildlife will be constructed as needed.**
  - **Production pipelines will be buried at a minimum depth of 3-feet. Pipelines beneath road crossings will be buried a minimum of 4-feet.**

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Construction width of the right-of-way/pipeline rout will be restricted to 50 feet of disturbance.

Pendragon Energy Partners Inc., will condition pipeline right-of-ways in a manner to preclude vehicular travel except for access to pipeline collection and control equipment.

The proposed facilities pad will be constructed using native materials. If native materials are not acceptable, appropriate materials will be acquired from private sources.

A dike will be constructed around the production facilities containing fluids. Capacity of the diked area will exceed 110% of the largest vessel within the facility. Compacted impervious subsoil will be used for dike construction.

All permanent above ground structures located at this well site, not subject to safety requirements, will be painted to blend with the natural color of the landscape. Painting will be done within 6 months of installation. The color selected for this project will match Carlsbad Canyon, Munsel Standard Color Number 2.5Y6/2 or be an acceptable substitute pre-approved by the Authorized Officer. Standard environmental color charts will be used. Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be painted according to requirements.

If constructed, the emergency pit shall be fenced "sheep-tight" woven wire mesh having two top strands of barbed wire held in place by metal side posts and wooden corner "H" braces to protect livestock and wildlife.

A plat will be submitted upon completion for production showing anticipated production facilities.

Pipeline hydrostatic testing:

Prior to any discharge, hydrostatic testing water will be tested and processed to ensure that the water meets local, state, or federal water quality standards. This includes meeting NPDES permit requirements as stated in Chapter XVIII of the Wyoming Water Quality Rules and Regulations. Prior to discharge of hydrostatic

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testing water from the pipeline, the operator will design/ install a suitable energy dissipator(s) at the outlet(s) and design/ install channel protection measures necessary to ensure that there will be no erosion or scouring of natural channels within the affected watershed as a result of such discharge. Sandbags, rock, or other materials or objects installed will be removed from the site upon completion of hydrostatic testing.

#### 5. LOCATION OF WATER SUPPLY TYPE & OWNERSHIP:

**Owner:** Nebeker Trucking water well. Permit No. 43-1721.

**Location:** Sec 34, T3S-R2W USM.

**Method of transportation:** All water will be trucked from the source over existing roads to the well site.

#### 6. SOURCE OF CONSTRUCTION MATERIALS:

- No construction materials are needed for drilling operations.
- In the event that production is established small amounts of gravel needed will be trucked over existing roads from a local gravel pit.
- No materials from Indian or federal lands will be disturbed.

#### 7. METHODS FOR HANDLING WASTE DISPOSAL:

- **CONTAINMENT METHODS:**

**Reserve pit:** Will be excavated along with location construction and lined with an impermeable liner (with permeability less than or equal to  $1 \times 10^{-7}$  cm/sec). The liner will be installed so that it will not leak and will be chemically compatible with all substance which may be stored in the pit. Synthetic material with sufficient strength and thickness to withstand normal wear and tear anticipated during all operations will be used. It will be designed and constructed so as to divert surface runoff. A minimum of two feet of freeboard will be maintained.

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**Materials to be contained in the reserve pit: Drilling fluids, completion fluids, drill cuttings, or any other materials that are RCRA exempt.**

**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 90 days.**

**In the event adverse weather conditions prevent removal of the fluids from the reserve pit within the prescribed period, an extension application will be filed with the Authorized Officer.**

**Produced water: May be stored in the reserve pit for a maximum of 90 days. During this period, an application for a permanent disposal method will be filed with the AO in accordance with Onshore Order No. 7.**

**Used motor oil: Will be stored in closed containers and disposed of at an authorized disposal site.**

**Trash pit: Will be constructed and totally enclosed with fine mesh wire to prevent scatter. No trash will be directed to the reserve pit. The contents of the pit will be disposed of in a WDEQ approved sanitary landfill.**

**Test tanks: Will be moved in, if such becomes necessary for an impending drill stem test or during completion testing.**

**Steel drilling fluids tanks: Will be moved in as part of rotary drilling equipment (approximately 500 bbl capacity).**

**Flare pit: None anticipated.**

**Spills: Oil and/or any other potentially hazardous material will be cleaned up and immediately removed to an approved disposal site.**

**Human wastes: Will be contained in portable chemical toilets. Upon completion of operations, the holding tanks will be removed by the sanitation contractor. Disposal will be in conformance with Utah Department of Environmental Quality (UDEQ).**

**Drill cuttings : Drill cuttings will be transferred over shale shaker equipment to the reserve pit. After drilling and completion operations are completed, excess liquids will be removed to disposal and drill cuttings will be buried in the reserve pit per approved pit restoration procedures.**

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**Drilling fluids:** Excess fluids will be allowed to dry for a period of time approved for reserve pit and location restoration procedures. At this time, any liquids still in place will be mixed with dry materials and stirred prior to replacement with back fill into the reserve pit cavity.

**Produced fluids:** Stored fluids in steel storage tanks on location while drilling and completion operations are in progress will be removed to an approved disposal facility.

**Garbage and trash :** Waste material collected in the trash pit during restoration proceedings will be removed to an approved disposal facility.

**Sewage:** Portable sewage collection units installed prior to drilling start up will be serviced daily.

**Hazardous materials:** The operator will comply with all applicable federal laws and regulations existing or hereafter enacted. EPA's consolidated list of chemicals is subject to reporting under Title III of the Superfund Amendments and Re-authorization Act (SARA) of 1986, as identified (EPA's list of extremely hazardous substances as defined in 40 CFR 355, as amended). Substances that may be used in the project are as follows:

USE	CHEMICAL	CAT (2)	EHC (3)
Stimulation	Acid	None	None
Mud	AlSi	None	None
Mud	BaSo4	None	None
Mud	CaOH	None	None
Increase vis	HMW add	None	None
Cement	Insol Ca Salt	None	None
Mud	Caustic	None	None
Mud/Cement	None	None	None
Mud/Cement	None	None	None
Mud/Cement	None	None	None
Set casing	Lime	None	None
Thinner	None	None	None
Mud	None	None	None
Fuel	Benzene	RCRA	None
Mud	None	None	None

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Mud/cement	None	None	None
Mud	None	None	None
Mud	None	Fiber	None
Mud	Ca	None	None
Mud (LCM)	Fiber	None	None
Lubricant	Zinc	None	None
Fuel	None	None	None
None	None	None	None
Maintenance	Lead	Fine Min	None
Mud	None	None	None
Mud (LCM)	Fiber	None	None

### 8. ANCILLARY FACILITIES:

- Airstrips: None
- Camp: Two portable units may be on location:
  1. Toolpusher's living quarters.
  2. Company supervisor's living quarters.

### 9. WELL SITE LAYOUT: (See Exhibit "G")

- Location orientation: (See Exhibit "G").
  1. Location Size: 290' x 270'
  2. Reserve pit size: 110' x 40' x 8'.
    - . Pit liner – 12 mm plastic (if needed).
    - . Pit fencing: Three sides will be fenced prior to drilling . The fourth side will be fenced after drilling equipment is removed from the well site. The fence will be constructed using 39-inch net wire with at least one strand of barbed wire on top of the net wire. The net wire will be no more than 2-inches above ground and the barbed wire will be 3-inches above the net wire. Total height of the fence will be at least 42-inches.

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- . **Corner posts will be cemented and/or braced in such a manner to keep the fence tight at all times.**
- . **Standard steel, wood, or pipe posts will be used between the corner braces. The maximum distance between any two (2) posts will be no greater than sixteen (16) feet.**
- . **All wire will be stretched, by using a stretching device, before it is attached to the corner posts.**
- . **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 restored.**

#### **10. PLANS FOR RECLAMATION OF THE SURFACE:**

- **Due to drilling and completion:**
  - . **Rat hole, and mouse hole will be filled and compacted from bottom to top immediately upon release of the drilling rig.**
  - . **Floating hydrocarbons etc will be removed as soon as possible after drilling operations are complete.**
  - . **Drill cuttings and mud will remain in the reserve pit until dry. The reserve pit will not be "squeezed", "crowded" or "cut". When the reserve pit is reclaimed, at least three-feet of earth will be placed on top of the drilling fluids and cuttings.**
  - . **If the reserve pit does not dry within the prescribed time, alternate methods will be investigated.**
- **Dry hole (Commercial production not established):**
  - . **A Notice of Intent to Abandon will be filed . Final recommendations for surface reclamation will be specified by the BLM.**
  - . **The drill site will be restored to its original condition.**
  - . **The wellbore will be P&A'd according to the approved program.**
  - . **An approved marker will be positioned as directed.**

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- . Spoil will be replaced to original conditions.
- . Top soil will be replaced and smoothed.
- . If necessary, water bars will be constructed according to BLM Conditions of Approval.
- . All disturbed surface under the jurisdiction of the BLM will be seeded using the following mixtures:

SPECIES OF SEED	VARIETY	LBS/ACRE PLS
Western wheat grass		4
Green needle grass		4
Stream ban wheat grass		3
Blue bunch wheat grass		3
Oats		1
PLS formula	% germination * % purity	x 100%

• **Seeding Procedure:**

- . The BLM designated Authorizing Officer will be notified prior to seeding operations.
- . The seed will be applied with a regulator equipped drill.
- . Planting depth shall not exceed 1/2 ”.
- . If possible, seeding will be done in the months of September or October, providing all preliminary work is done by that time.
- . Where drilling is not possible, the seed will be broadcast and the area raked or chained to cover the seed.
- . Seeding will be repeated until a satisfactory stand, as determined by the BLM Authorized Officer, is established.
- . Where seed is broadcast, the mixture will be doubled.
- . There will be no primary or secondary noxious weeds in the mix.
- . Seed will be tested for purity and germination and the viability testing of seed will be done in accordance with State law within 9 months prior to purchase.

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- . **Commercial seed will be certified.**
- . **The seed mixture container will be tagged in accordance with Utah state law and copies of seed test results and certification will be forwarded to the BLM.**
- . **Weeds will be controlled on disturbed areas within the exterior limits of the permit.**
- **In the event production is established:**
  - . **Immediately upon completion, the location and surrounding area(s) will be cleared of all debris, materials and trash. Any hydrocarbons in the pit will be removed in accordance with 43 CFR 3162.7-1.**
  - . **Those areas not required for production will be re-contoured and the cut and fill slopes will be reduced to 4:1, if applicable.**
  - . **If a plastic or nylon reinforced pit liner was used, it shall be torn and perforated before backfilling of the reserve pit.**
  - . **If a flare pit was used that portion of the location & access road not needed for production operations will be reclaimed within 90 days from the date the well was completed.**
  - . **Topsoil will be distributed evenly and seeded as above.**
  - . **All topsoil stockpiles will be seeded with annual ryegrass.**
  - . **The access road will be maintained and upgraded as needed. Soil erosion will be prevented and seeding will be done as indicated above.**
- **Pesticide use:**
  - . **The use of pesticides will comply with federal and state laws governing their proper use, storage, and disposal.**
  - . **The use of pesticides will occur within limitations imposed by the Secretary of the Interior.**
- **All procedures listed above for a dry hole will also be applied to a well completed for production as follows:**

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- . A facilities diagram and plan will be submitted for approval.
- . Flowline route will be outlined on a suitable map of the area.
- . Produced water will be temporarily disposed of in the reserve pit according to Onshore Order No. 7 (90 day limit).
- . If more time is needed, an extension will be requested.
- . Sundry notice form 3160-5 (Application for permanent disposal) will be filed if necessary.

**11. SURFACE OWNERSHIP:**

. Name: BLM Vernal, Utah

**12. OTHER:**

**13. OPERATOR'S REPRESENTATIVES AND CERTIFICATION:**

	<b>ADDRESS</b>	<b>PHONE #</b>	<b>FAX #</b>	<b>HOME #</b>
John Luchetta	2020 Foothills Rd. Golden, CO 80401	303 278 3347	303 278 9506	303 278 3347
Al Nicol	621 17 <sup>th</sup> St., Suite 750 Denver Colorado, 80293	303 296 9402	303 296 9410	303 825 4115

**14. GOVERNMENT CONTACTS:**

	<b>ADDRESS</b>	<b>PHONE #</b>	<b>Desk</b>	<b>Fax #</b>
Stanely Olmstead	170 South 500 East Vernal, Utah 84078	435 781 4400	435 781 4468	435 781 4410

• **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 notices to lessees.

Pendragon Energy Partners, Inc. will be fully responsible for the actions of their contractors and subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and present on location at all times construction or development operations are in progress.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the proposed operations herein will be performed by. Pendragon Energy Partners, Inc., its contractors and subcontractors. Pendragon Energy Partners, Inc. will operate the lease under Flood & Peterson Bond #RLB0001759.

June 25, 2000

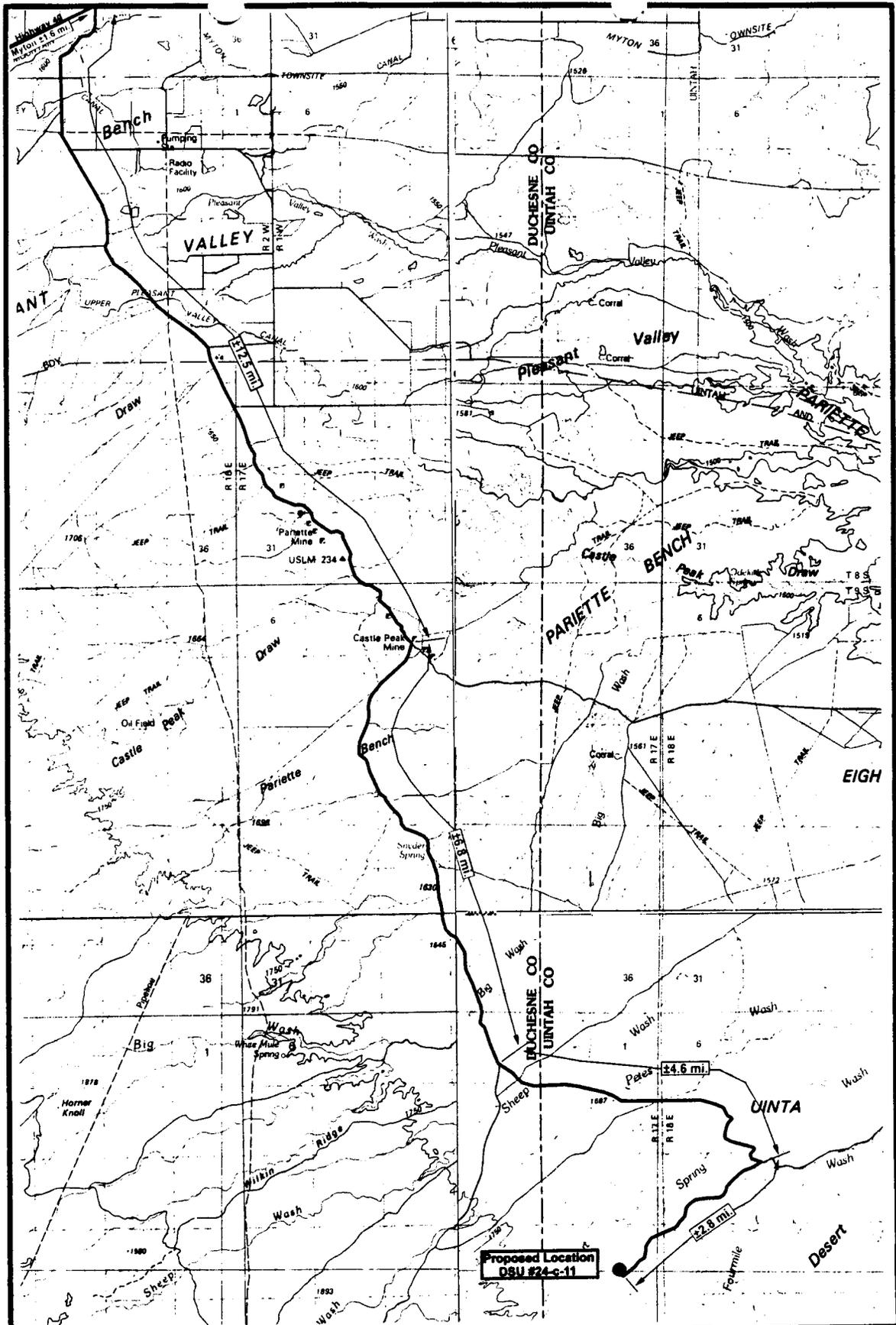
Date

\_\_\_\_\_  
Pendragon Energy Partners, Inc.  
John Luchetta, Agent

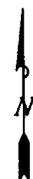
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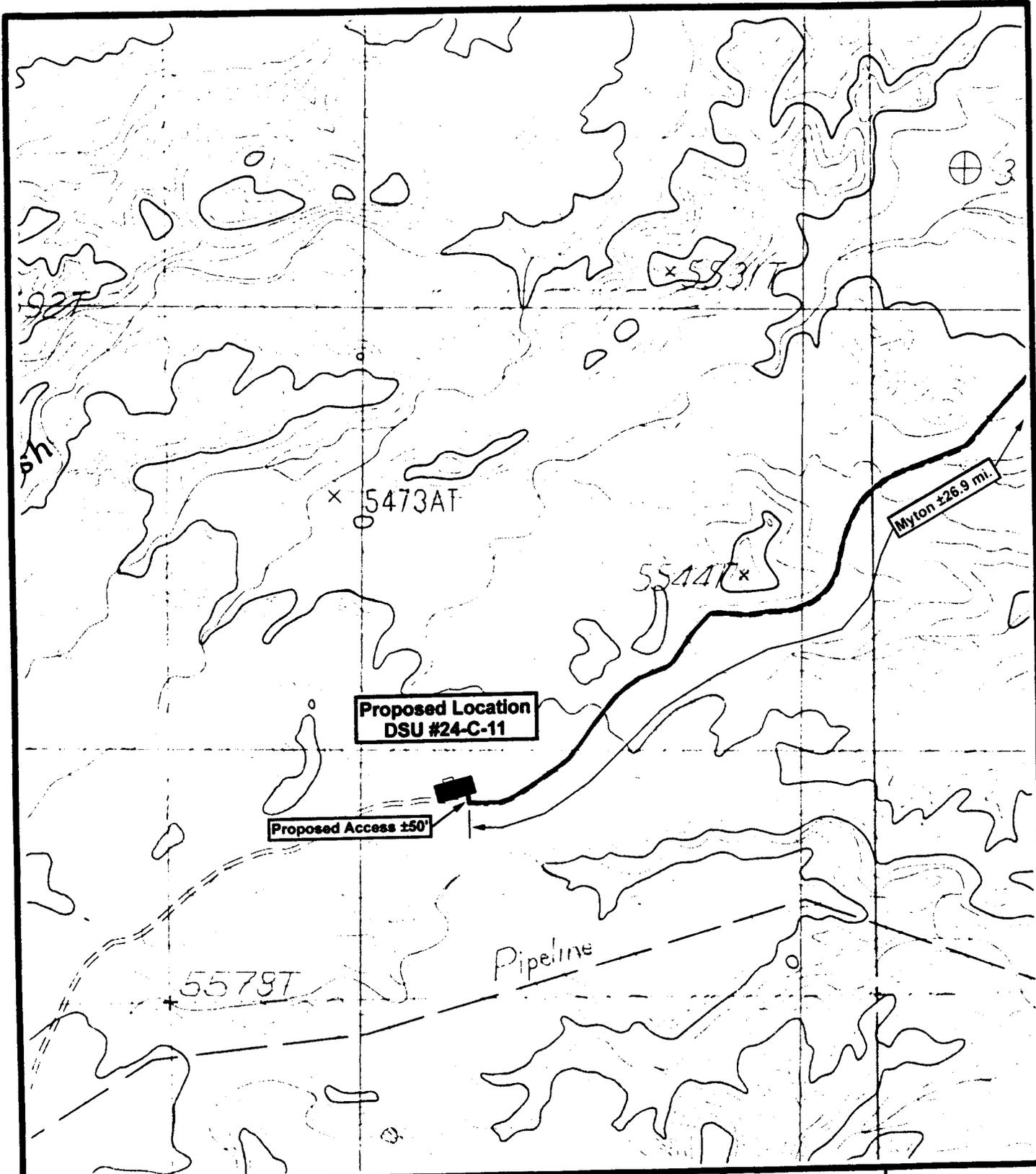
DIVISION OF  
OIL, GAS AND MINING



**PENDRAGON ENERGY PARTNERS, INC.**  
**DESERT SPRINGS UNIT #24-C-11**  
**SEC. 24, T10S, R17E, S.L.B.&M.**  
**TOPOGRAPHIC MAP "A"**



Drawn By: SS	Revision:
Scale: 1 : 100,000	File:
Date: 5-2-00	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 435-781-2501 Fax 435-781-2518	



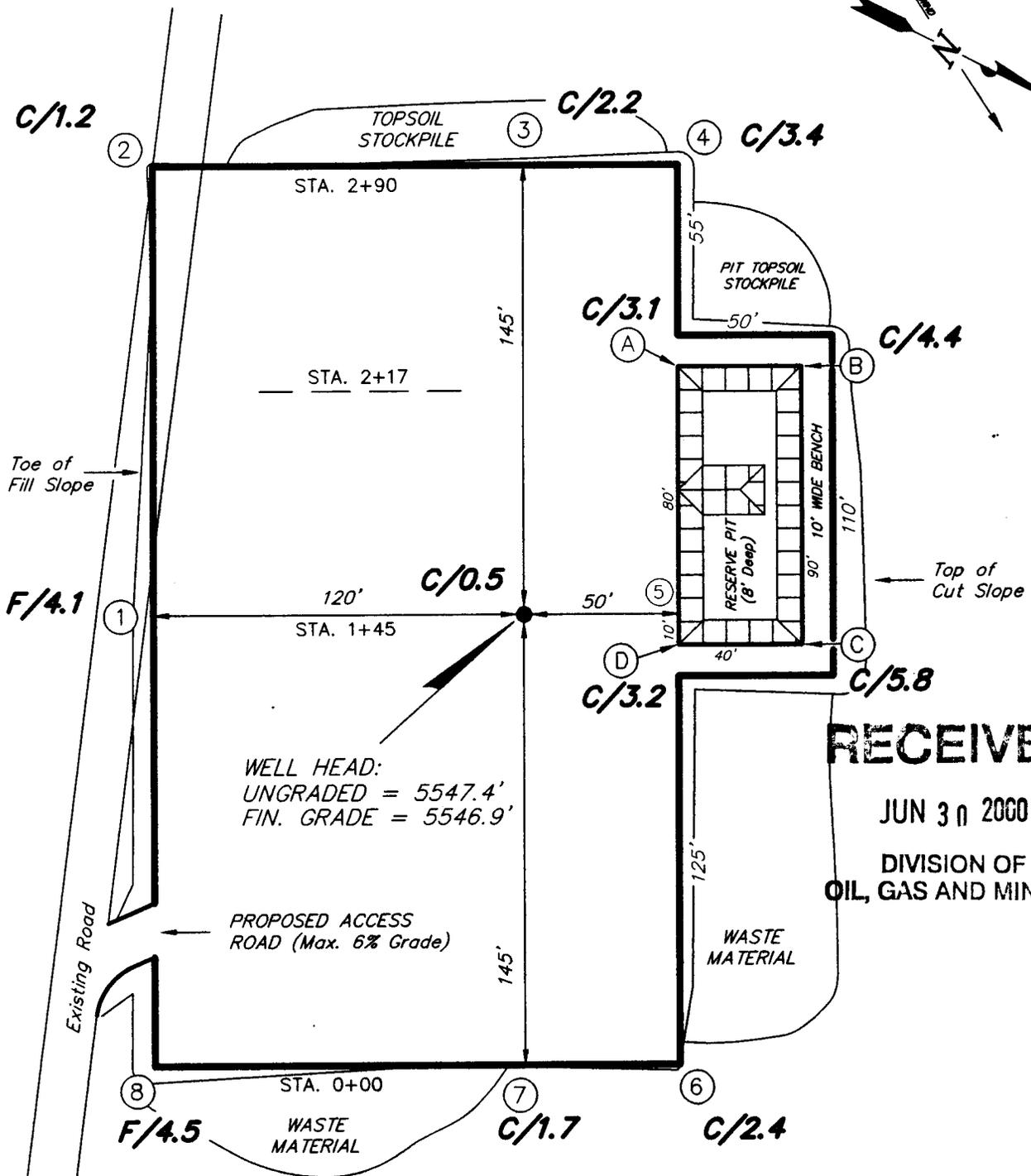
**PENDRAGON ENERGY PARTNERS, INC.**  
**DESERT SPRINGS UNIT #24-C-11**  
**SEC. 24, T10S, R17E, S.L.B.&M.**  
**TOPOGRAPHIC MAP "B"**



Drawn By: SS	Revision:
Scale: 1" = 1000'	File:
Date: 5-2-00	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 435-781-2501 Fax 435-781-2518	

**PENDRAGON ENERGY PARTNERS, INC.**

**DESERT SPRINGS UNIT WELL #24-C-11**  
 SEC. 24, T10S, R17E, S.L.B.&M.



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JUN 30 2000

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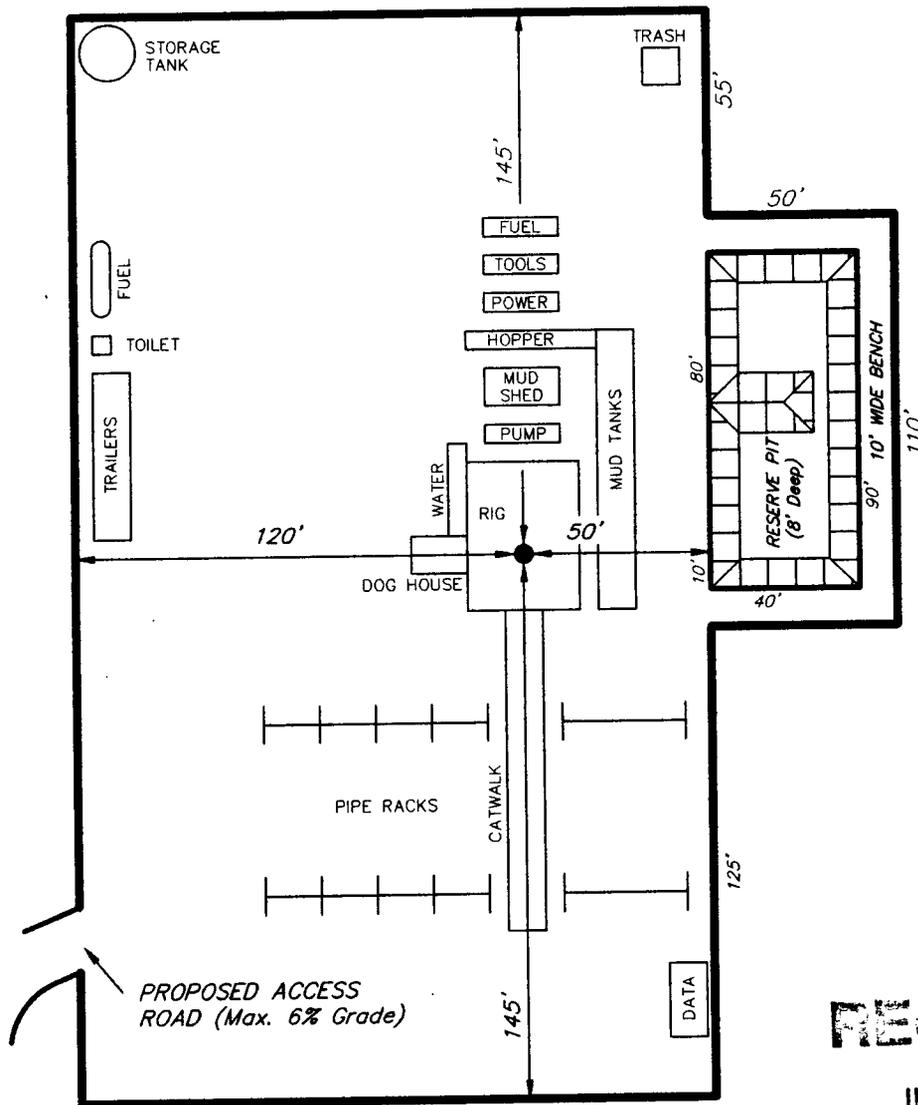
**REFERENCE POINTS**

170' SOUTH	= 5543.4'
210' SOUTH	= 5542.5'
190' EAST	= 5547.0'
239' EAST	= 5547.8'

SURVEYED BY: G.S.	SCALE: 1" = 50'
DRAWN BY: B.J.S.	DATE: 4/24/00

**Tri State Land Surveying, Inc.**  
 38 WEST 100 NORTH VERNAL, UTAH 84078  
 (435) 781-2501

**PENDRAGON ENERGY PARTNERS, INC.**  
**TYPICAL RIG LAYOUT**  
**DESERT SPRINGS UNIT WELL #24-C-11**



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JUN 30 2000

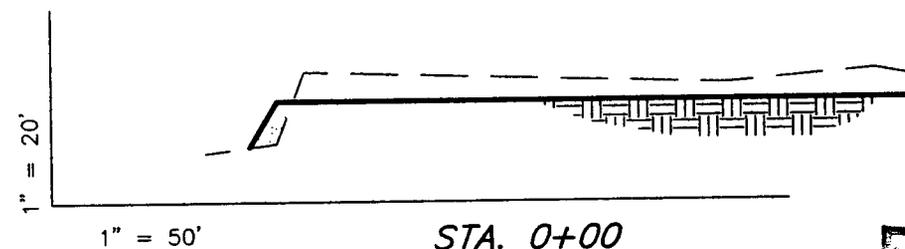
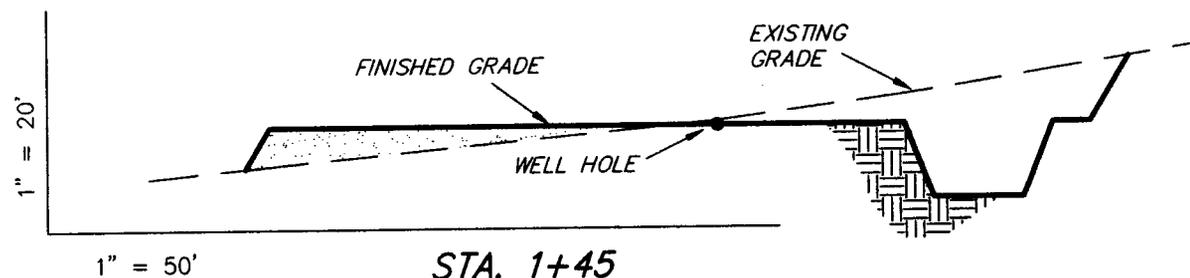
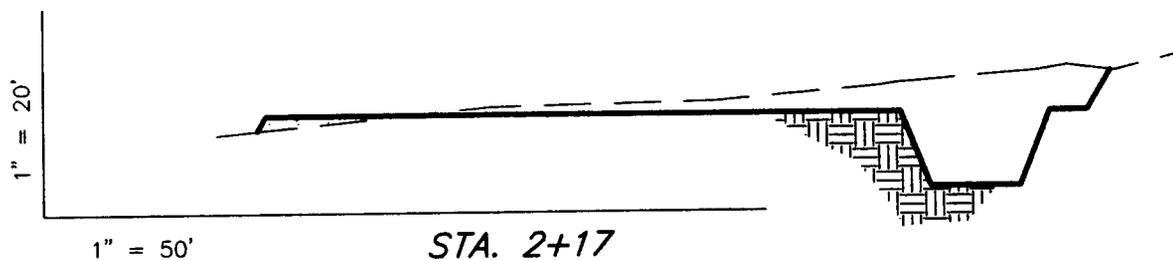
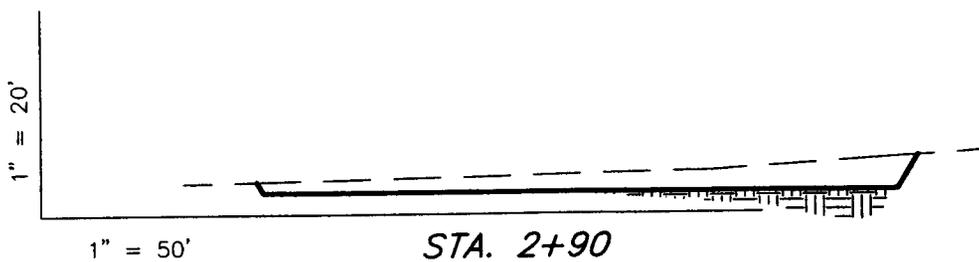
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**Tri State**  
*Land Surveying, Inc.*  
(435) 781-2501  
38 WEST 100 NORTH, VERNAL, UTAH 84078

**PENDRAGON ENERGY PARTNERS, INC.**

**CROSS SECTIONS**

**DESERT SPRINGS UNIT WELL #24-C-11**



**APPROXIMATE YARDAGES**

CUT = 2,480 Cu. Yds.  
FILL = 940 Cu. Yds.  
PIT = 920 Cu. Yds.  
6" TOPSOIL = 1,010 Cu. Yds.

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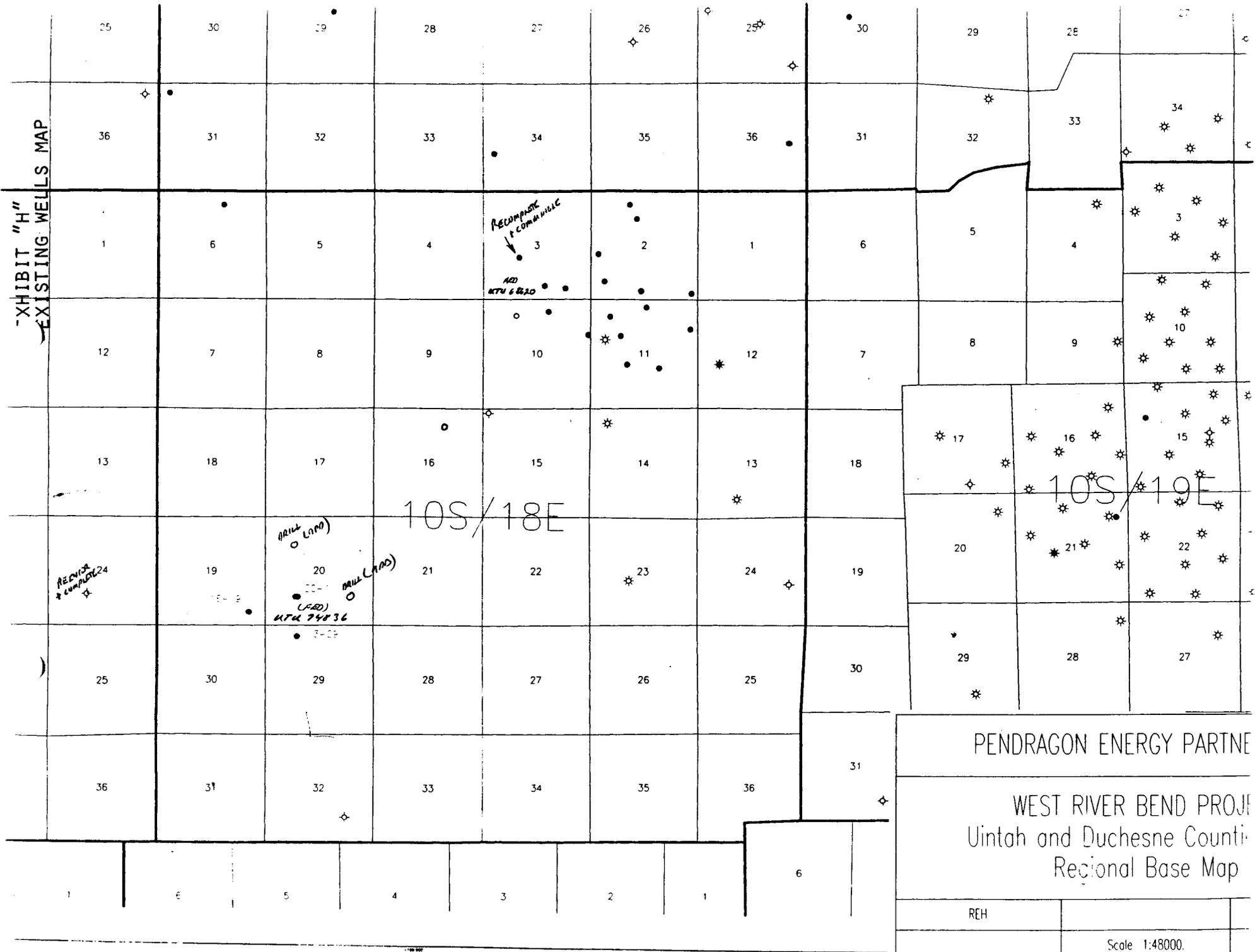
JUN 30 2000

DIVISION OF  
OIL, GAS AND MINING

SURVEYED BY: G.S.	SCALE: 1" = 50'
DRAWN BY: B.J.S.	DATE: 4/24/00

**Tri State** (435) 781-2501  
Land Surveying, Inc.  
38 WEST 100 NORTH VERNAL, UTAH 84078

EXHIBIT "H"  
EXISTING WELLS MAP



Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

Certification: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route; that I am familiar with the conditions which recently 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 proposed operations herein will be performed by Pendragon Energy Partners, Inc., its contractors and subcontractors, Pendragon Energy Partners, Inc. will operate the lease under Flood & Peterson Federal Bond #RL B0001759. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No.  
U74401

6. If Indian, Allottee or Tribe Name

1a. Type of Work:  DRILL  REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

8. Lesse Name and Well No.  
Desert Springs Unit

2. Name Of Operator  
Pendragon Energy Partners, Inc.

9. API Well No.  
24-C-11

3a. Address  
621 17th Street, Suite 750, Denver, CO 80293

3b. Phone No. (include area code)  
303 298 9402

10. Field and Pool, or Exploratory  
Desert Spring Unit

4. Location of Well (Report location clearly & in accordance w/State requirements\*)

At Surface, 943' FWL-1,528' FSL Sec 24-T10S-R17E

11. Sec. T., R., M. or Bk. and Survey or Area  
NE SW Sec 24 T10S-R17E

At proposed prod zone Same

S.L.B. & M.

14. Distance in miles and direction from nearest town or post office\*  
26.9 miles from Myton, Utah

12. County or Parish  
Uintah

13. State  
Utah

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any)  
1,528' FSL Sec 24

16. No. of Acres in lease  
40

17. Spacing Unit dedicated to this well

18. Distance from proposed location to nearest well drilling, completed, applied for in this lease, ft.

19. Proposed Depth  
PBSD-6,000' (TD = 7,500')

20. BLM/BIA Bond No. on file  
RLB0001759

21. Elevations ( Show whether D, KDB, RT, GL etc.)  
5,547' GL

22. Approximate date work will start\*  
August 1, 2000

23. Estimated Duration  
20 days

24. Attachments

The following, completed in accordance with the requirements of On shore Oil and Gas Order No. 1 shall be attached to this form:

- 1. Well plat certified by a registered surveyor. Exhibit "A"
- 2. A Drilling Plan Exhibit "B"
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). Exhibit "D"

- 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). RLB0001759
- 5. Operator certification. Exhibit "D" & as above
- 6. Such other site specific information and/or plans as may be required by the authorized officer. Exhibits "C"/"E"/"F"/"G" and "H"

25. Signature *John Luchetta*

Name (Printed/Typed)  
John Luchetta

Date  
June 25, 2000

Title Agent  
Approved by the Utah Division of Oil, Gas and Mining

Name (Printed/Typed)

JUL 10 2000

Date

Approved by (Signature) *[Signature]*  
Title *[Signature]*  
By: *[Signature]*

Office

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make 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.

\*Instructions on reverse side

Exhibits:

A Survey Plat

B 10-Point Plan

C BOP Diagram

D 13 Point Surface Use Plan

E Access Road Maps A&B

F Location Layout

G Rig Layout/Cut & Fill

H Existing Wells Map



PENDRAGON ENERGY PARTNERS, INC.

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

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July 20, 2000

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JUL 25 2000

DIVISION OF  
OIL, GAS AND MINING

Utah Division of Oil, Gas & Mining  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

Re: Request for Approval of Exception Location  
Desert Spring Federal #10-20-10-18  
Section 20, T10S-R18E, Uintah County, UT  
Desert Springs Unit #24-C-11  
Section 24, T10S-R17E, Uintah County, UT

Ladies & Gentlemen:

Pendragon Energy Partners, Inc. and Shenandoah Energy Inc. request approval of exception locations for the subject wells. Pendragon and Shenandoah jointly own or control 100% of the Working Interests in the drillsite leases and of the offsetting tracts toward which these locations are moved. There are no other owners within 460' of these proposed locations. Copies of our Federal APDs have been previously supplied under separate cover.

The location for the Desert Spring Federal #10-20-10-18 is 1599' FSL and 1840' FEL Section 20, T10S – R18E (181' south of the normal window for the NW/SE). It is determined by several factors, the foremost of which is where the BLM will allow us to drill after adjustments for drainage and access consideration and the existence in the area of an active raptor nest.

It is our belief that the primary objective for this well, a Lower Green River ostracod grainstone with high porosity and permeability, but which is less than five feet in net pay thickness, will be properly and economically developed on a 160-acre pattern. Within the constraints and adjustments imposed upon us by the BLM, we are attempting to maintain that general pattern so that we can obtain sufficient reservoir and pressure information to (hopefully) confirm that view.



The Desert Springs #24-C-11 was originally drilled by ANR Production Co. in 1992 and abandoned as a dry hole. We plan to reenter that well for the same objective, the thin ostracod grainstone, and find that the well was located 1528' FSL and 1943' FWL Section 24, T10S – R17E, which is a non-standard location (252' south of the normal window for the NE/SW). It does, however, fit reasonably well with our desire to test the feasibility of developing this zone on 160s.

Your approval of these locations, as provided for under Rule R649-3-3, is respectfully requested.

Sincerely,

Alan B. Nicol  
President  
Pendragon Energy Partners, Inc.

Eric McGlone  
Vice President, Land  
Shenandoah Energy Inc.

ABN/jf

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED:     /   /

API NO. ASSIGNED: 43-047-32155
--------------------------------

WELL NAME:    DESERT SPRINGS 24-C-11  
 OPERATOR:    PENDRAGON ENERGY PTNRS ( N2965 )  
 CONTACT:     JOHN LUCHETTA

PHONE NUMBER: 303-296-9402

PROPOSED LOCATION:

NESW       24       100S       170E  
 SURFACE:   1528 FSL 1943 FWL  
 BOTTOM:     1528 FSL 1943 FWL  
 UINTAH  
 UNDESIGNATED                   (    2   )

INSPECT LOCATN BY:     /   /		
<b>Tech Review</b>	<b>Initials</b>	<b>Date</b>
Engineering		
Geology		
Surface		

LEASE TYPE:        1 - Federal  
 LEASE NUMBER:    ~~UTU 65211~~ U-74401  
 SURFACE OWNER:   1 - Federal

PROPOSED FORMATION:

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed<sup>[1]</sup> Ind[] Sta[] Fee[]  
           (No. RLB0001759 )
- Potash (Y/N)
- Oil Shale (Y/N) \*190 - 5 (B)
- Water Permit  
           (No. 43-1721 )
- RDCC Review (Y/N)  
           (Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

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

COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

STIPULATIONS: ① Federal Approval  
 \_\_\_\_\_  
 \_\_\_\_\_



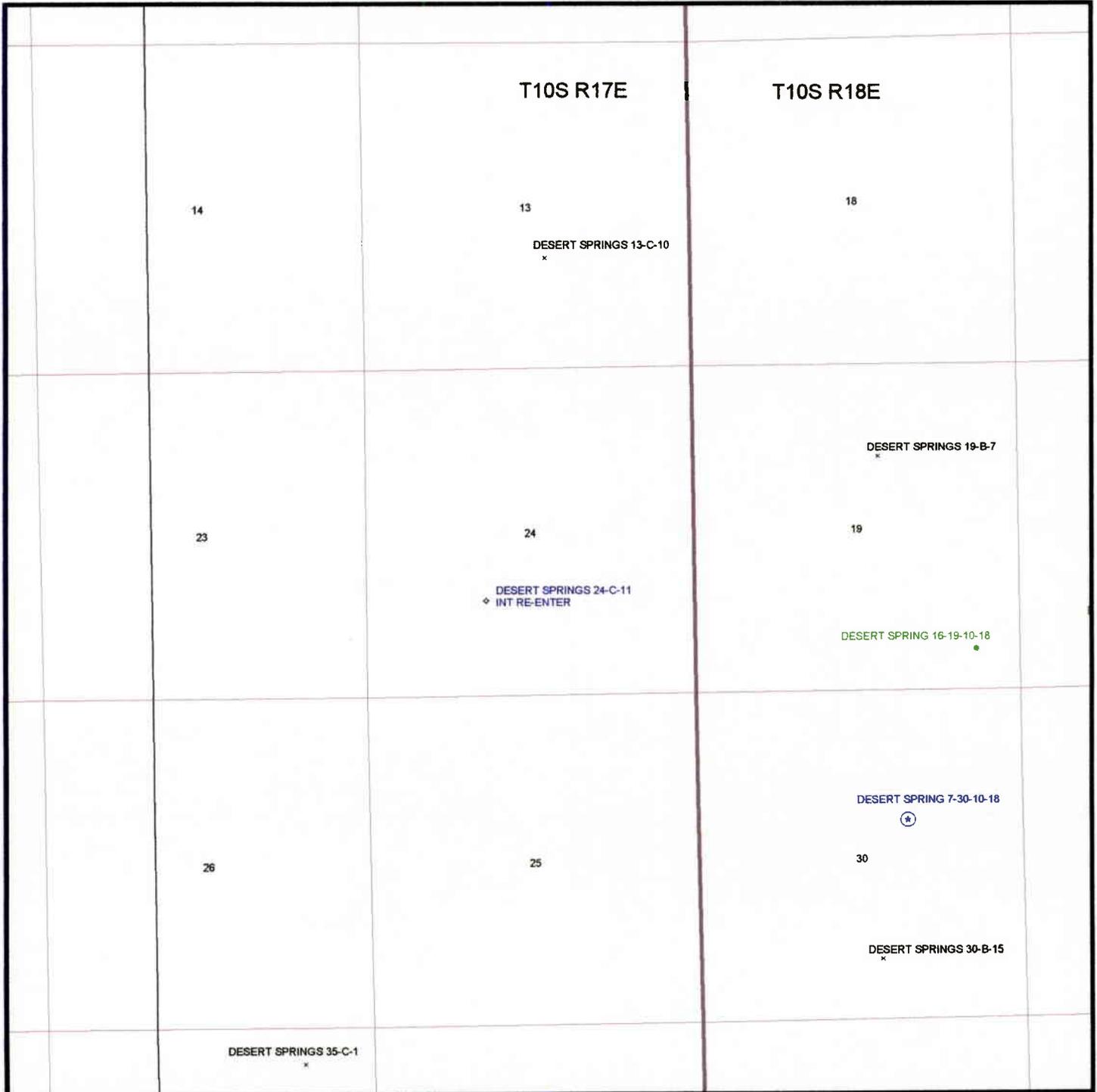
Utah Oil Gas and Mining

OPERATOR: PENDRAGON ENERGY (N2965)

FIELD: UNDESIGNATED (002)

SEC. 24, T10S, R17E,

COUNTY: UINTAH SPACING: R649-3-3 / EX LOC





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

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

July 31, 2000

Pendragon Energy Partners, Inc  
621 Seventeenth St, Suite 750  
Denver, CO 80293

Re: Desert Springs 24-C-11 Well, 1528' FSL, 1943' FWL, NE SW, Sec. 24, T. 10 South, R. 17 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted. Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32155.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza  
Associate Director

er

Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

**Operator:** Pendragon Energy Partners, Inc  
**Well Name & Number** Desert Springs 24-C-11  
**API Number:** 43-047-32155  
**Lease:** U-74401

**Location:** NE SW      **Sec.** 24      **T.** 10 South      **R.** 17 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338
- Contact Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER**

00LC 2587A

**Certification:** I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route; that I am familiar with the conditions which recently 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 proposed operations herein will be performed by Pendragon Energy Partners, Inc., its contractors and subcontractors, Pendragon Energy Partners, Inc. will operate the lease under Flood & Peterson Federal Bond #RL B0001759. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

**RECEIVED**

**JUL 10 2000**

1a. Type of Work:  DRILL  REENTER  
1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

5. Lease Serial No.  
**U74401**  
6. If Indian, Allottee or Tribe Name  
7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
**Desert Springs Unit**

9. API Well No.  
**24-C-11**

10. Field and Pool, or Exploratory  
**Desert Spring Unit**

11. Sec., T., R., M. or Blk. and Survey or Area  
**NE SW Sec 24 T10S-R17E**  
**S.L.B. & M.**

2. Name Of Operator  
**Pendragon Energy Partners, Inc.**

3a. Address  
**621 17th Street, Suite 750, Denver, CO 80293**

3 b. Phone No. (include area code)  
**303.266.6492**

**RECEIVED**

4. Location of Well (Report location clearly & in accordance w/State requirements\*)

**AUG 22 2000**

**DIVISION OF OIL, GAS AND MINING**

At Surface **1,943' FWL-1,528' FSL Sec 24-T10S-R17E**

At proposed prod zone **same**

12. County or Parish  
**Uintah**

13. State  
**Utah**

14. Distance in miles and direction from nearest town or post office\*  
**26.9 miles from Myton, Utah**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
**1,528' FSL Sec 24**

16. No. of Acres in lease  
**40**

17. Spacing Unit dedicated to this well

18. Distance from proposed location to nearest well drilling, completed, applied for in this lease, ft.

19. Proposed Depth  
**PBTD-5,000' (TD = 7,500')**

20. BLM/BIA Bond No. on file  
**RLB0001759**

21. Elevations (Show whether D, KDB, RT, GL etc.)  
**5,547' GL**

22. Approximate date work will start\*  
**August 1, 2000**

23. Estimated Duration  
**20 days**

**24. Attachments**

The following, completed in accordance with the requirements of On shore Oil and Gas Order No.1 shall be attached to this form:

- 1. Well plat certified by a registered surveyor: **Exhibit "A"**
- 2. A Drilling Plan **Exhibit "B"**
- 3. A Surface Use Plan (if the location is on National forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). **Exhibit "D"**

- 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). **RLB0001759**
- 5. Operator certification. **Exhibit "D" & as above**
- 6. Such other site specific information and/or plans as may be required by the authorized officer. **Exhibits "C"/"E"/"F"/"G" and "H"**

25. Signature *John Luchetta* Name (Printed /typed) **John Luchetta** Date **June 25, 2000**

**NOTICE OF APPROVAL**

**CONDITIONS OF APPROVAL ATTACHED**

Approved by (Signature) *Jay Ferguson* Name (Printed /typed) **Assistant Field Manager Mineral Resources** Date **AUG 16 2000**  
Title \_\_\_\_\_ Office \_\_\_\_\_

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached  
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make 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.

*DOGMA*

* Instructions on reverse side		<b>Exhibits:</b>	<b>C</b> BOP Diagram	<b>F</b> Location Layout
<b>A</b>	Survey Plat	<b>D</b>	13 Point Surface Use Plan	<b>G</b> Rig Layout/Cut & Fill
<b>B</b>	10-Point Plan	<b>E</b>	Access Road Maps A&B	<b>H</b> Existing Wells Map

**CONDITIONS OF APPROVAL**  
**APPLICATION FOR PERMIT TO DRILL**

Company/Operator: Pendragon Energy Partners, Inc.

Well Name & Number: Desert Springs 24-C-11

API Number: 43-047-32155

Lease Number: U - 74401

Location: NESW Sec. 24 T. 10S R. 17E

**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 - within five (5) business days after new well begins, or Notice 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.

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DIVISION OF  
OIL, GAS AND MINING

## 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.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

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 **prior to setting the next casing string or requesting plugging orders**. Faxed 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., for a 2M system and individual components shall be operable as designed. 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

**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 top of the Mahogany oil shale, identified at 1,262 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.**

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OIL, GAS AND MINING

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 vaporproof 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) will be run from the production casing shoe to top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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

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.

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.

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OIL, GAS AND MINING

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 AO 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 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.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & 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 3162.7-5 (1).

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

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.

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DIVISION OF  
OIL, GAS AND MINING

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 on initial 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 Field 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:

Ed Forsman (435) 789-7077  
Petroleum Engineer

Jerry Kenczka (435) 789-1190  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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DIVISION OF  
OIL, GAS AND MINING

**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.**

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**AUG 22 2000**

**DIVISION OF  
OIL, GAS AND MINING**

**SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

Existing and/or Proposed Facilities

If a pipeline is requested for this location additional authorization will be necessary.

If an emergency pit is necessary it will have additional authorization and fencing of the pit will meet Vernal Field Office standards for pit fencing.

If outside construction material is needed for containment dikes or road development the operator will obtain prior approval from the authorized officer.

Plans For Reclamation Of Location

All seeding for reclamation operations at this location shall use the following seed mixture:

galleta grass	Hilaria jamesi	3 lbs/acre
Indian rice grass	Oryzopsis hymenoides	2 lbs/acre
needle & thread	Stipa comata	2 lbs/acre
shadscale	Atriplex confertifolia	5 lbs/acre

The seed mixture shall be drilled but if the seed mixture is to be aerially broadcasted, the pounds per acre shall be doubled. All seed poundages are in Pure Live Seed.

Immediately after construction the stockpiled topsoil will be seeded and the seed worked into the soil by "walking" the pile with caterpillar tracks.

**RECEIVED**

AUG 22 2000

DIVISION OF  
OIL, GAS AND MINING

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

3. Lease Designation and Serial Number:  
U - 74401

SUNDRY NOTICES AND REPORTS ON WELLS

8. If Indian, Allocated or Tribe Name:

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

7. Unit Agreement Name

1. Type of Well: OIL  GAS  OTHER:

8. Well Name and Number:  
DESERT SPRINGS #24-C-11

2. Name of Operator:  
PENDRAGON ENERGY PARTNERS, INC.

9. API Well Number:  
43-047-32155

3. Address and Telephone Number: (303) 296-9402  
621 17TH STREET, STE. #750, DENVER, CO 80293

10. Field and Pool, or Wildcat:  
DESERT SPRING UNIT

4. Location of Well  
Footages: 1943' FWL, 1528' FSL  
CQ Sec., T., R., M.: NE SW SECTION 24, T10S - R17E

County: UINTAH  
State: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT  
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other REQUEST ONE-YEAR EXTENSION
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start \_\_\_\_\_

SUBSEQUENT REPORT  
(Submit Original Form Only)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

PENDRAGON ENERGY PARTNERS, INC. HEREBY REQUESTS ONE YEAR EXTENSION TO DRILL THIS WELL.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 08-23-01  
By: [Signature]

REPORT TO OPERATOR  
DATE: 08/23/01  
BY: CHB

13. Name & Signature: ALAN B. NICOL [Signature] Title: PRESIDENT Date: 8-17-01

(This space for State use only)

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AUG 20 2001

DIVISION OF  
OIL, GAS AND MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. U - 74401
2. Name of Operator PENDRAGON ENERGY PARTNERS, INC.	6. If Indian, Allottee or Tribe Name
3a. Address DENVER, CO 80293 621 17TH STREET, STE. #750	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (303) 296-9402	8. Well Name and No. DESERT SPRINGS #24-C-11
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1943' FWL, 1528' FSL SECTION 24 - T10S - R17E	9. API Well No. 43-047-32155
	10. Field and Pool, or Exploratory Area DESERT SPRING UNIT
	11. County or Parish, State UINTAH, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>REQUEST</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>ONE YEAR</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>EXTENSION</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

PENDRAGON ENERGY PARTNERS, INC. HEREBY REQUESTS ONE YEAR EXTENSION TO DRILL THIS WELL.

**RECEIVED**

SEP 24 2001

DIVISION OF  
OIL, GAS AND MINING

RECEIVED

AUG 20 2001

**CONDITIONS OF APPROVAL ATTACHED**

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

Name (Printed/Typed) ALAN B. NICOL	Title PRESIDENT
Signature 	Date 8-17-01

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by 	Petroleum Engineer	Date 8/13/01
Conditions of approval, if any, are attached. Approval of this notice 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.		Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

DOBIM

Pendragon Energy Partners  
APD Extension

Well: Desert Springs 24-C-11

Location: NSWE Sec. 24, T10S, R17E

Lease: UTU 64401

**CONDITIONS OF APPROVAL**

An extension for the referenced APD is granted with the following conditions:

1. The extension will expire August 16, 2002
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood or Ed Forsman of this office at (435) 781-4400.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

3. Lease Designation and Serial Number:

U - 74401

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

6. If Indian, Allocated or Tribe Name:

7. Unit Agreement Name

1. Type of Well: OIL  GAS  OTHER:

8. Well Name and Number:

DESERT SPRINGS #24-C-11

2. Name of Operator:  
PENDRAGON ENERGY PARTNERS, INC.

9. API Well Number:

43-047-32155

3. Address and Telephone Number: (303) 296-9402  
621 17TH STREET, STE. #750, DENVER, CO 80293

10. Field and Pool, or Wildcat:

DESERT SPRING UNIT

4. Location of Well

Footages: 1943' FWL, 1528' FSL

County: UINTAH

DQ Sec., T., R., M.: NE SW SECTION 24, T10S - R17E

State: UTAH

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**NOTICE OF INTENT**  
(Submit in Duplicates)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other REQUEST ONE-YEAR EXTENSION
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

PENDRAGON ENERGY PARTNERS, INC. HEREBY REQUESTS ONE YEAR EXTENSION TO DRILL THIS WELL.

**RECEIVED**  
SEP 16 2002  
DIVISION OF  
OIL, GAS AND MINING

13.

Name & Signature: ALAN B. NICOL *Alan B. Nicol*

Title: PRESIDENT

Date: 9/12/02

(This space for State use only)

9-23-02  
CHS

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 09-23-02

By: *[Signature]*

(See instructions on Reverse Side)

(1994)



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

October 4, 2002

Pendragon Energy Partners, Inc.  
621 17<sup>th</sup> Street, Suite 750  
Denver, Colorado 80293

Re: Notification of Expiration  
Desert Spring 24-C-11  
NESW, Sec. 24, T10S, R17E  
Uintah County, Utah  
Lease No. U-74401

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on August 16, 2000. Pendragon Energy Partners, Inc. requested an extension of the original APD approval for an additional year. The request was reviewed and the extension approved until August 16, 2002. Since that date, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. 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,

Leslie Walker  
Legal Instruments Examiner

cc: UDOGM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
U - 74401

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
DESERT SPRINGS #24-C-11

9. API Well No.  
43-047-32155

10. Field and Pool, or Exploratory Area  
DESERT SPRING UNIT

11. County or Parish, State  
UINTAH, UT

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
PENDRAGON ENERGY PARTNERS, INC.

3a. Address DENVER, CO 80293  
621 17TH STREET, STE. #750

3b. Phone No. (include area code)  
(303) 296-9402

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) **RECEIVED**  
1943' FWL, 1528' FSL  
SECTION 24 - T10S - R17E  
**SEP 16 2002**

**12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>REQUEST</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>ONE YEAR</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>EXTENSION</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

PENDRAGON ENERGY PARTNERS, INC. HEREBY REQUESTS ONE YEAR EXTENSION TO DRILL THIS WELL.

**SEE ATTACHMENT**

**RECEIVED**  
OCT 09 2002

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

Name (Printed/Typed) ALAN B. NICOL	Title PRESIDENT OIL, GAS AND MINING
Signature <i>[Signature]</i>	Date 9/12/02

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by <b>DENIED</b>	Title	Date SEP 18 2002
Conditions of approval, if any, are attached. Approval of this notice 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.		Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

U.D.G.M

Pendragon Energy Partners  
APD Extension

Well: Desert Springs 24-C-11

Location: NESW Sec. 24, T10S, R17E

Lease: UTU 64401

**REASON FOR DENIAL**

An extension for the referenced APD is denied for the following reason:

---

1. In the conditions of approval for a Sundry Notice received by this office on August 27, 2001 and approved September 13, 2001 you were informed that the APD for the above referenced well would be extended until August 16, 2002, one year from the original approval date. You were also informed at that time that no additional extension would be granted.

If you have any other questions concerning this matter, please contact Kirk Fleetwood or Ed Forsman of this office at (435) 781-4400.



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

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340 telephone  
(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

Michael O. Leavitt  
Governor  
Robert L. Morgan  
Executive Director  
Lowell P. Braxton  
Division Director

November 4, 2003

John Luchetta  
Pendragon Energy Partners, Inc.  
621 17<sup>th</sup> Street #750  
Denver, CO 80293

Re: APD Rescinded – Desert Springs 24-C-11 Sec. 24, T.10S, R. 17E Uintah County,  
Utah API No. 43-047-32155

Dear Mr. Luchetta:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 31, 2000. On August 23, 2001 and on September 23, 2002 the Division granted a one-year APD extension. On November 3, 2003, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 3, 2003.

A new APD 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 immediately.

Sincerely,

Diana Whitney  
Engineering Technician

cc: Well File  
Gil Hunt, Technical Services Manager