

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

**RECEIVED**  
SEP 03 1992

1a. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK

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

2. NAME OF OPERATOR  
 Coastal Oil & Gas Corporation

3. ADDRESS OF OPERATOR  
 P.O. Box 749 Denver, CO 80201-0749 (303) 573-4476

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface 2200' FWL & 1600' FNL (SE/NW) Section 21, T9S, R21E  
 At proposed prod. zone Same as above.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 18 miles southeast of Ouray, Utah.

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1600'

16. NO. OF ACRES IN LEASE 1480.00

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1450'

19. PROPOSED DEPTH 6680'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4855' GR

22. APPROX. DATE WORK WILL START\* October 1, 1992

5. LEASE DESIGNATION AND SERIAL NO.  
 U-0576

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

7. UNIT AGREEMENT NAME  
 Natural Buttes Unit

8. FARM OR LEASE NAME  
 NBU

9. WELL NO.  
 126

10. FIELD AND POOL, OR WILDCAT  
 Natural Buttes

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Section 21, T9S, R21E

12. COUNTY OR PARISH Uintah

13. STATE Utah

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" K-55	24.0#	0 - 250'	180 sx circ to surface *
7-7/8"	5-1/2" K-55	17.0#	0 - 6680'	1000 sx circ to surface *

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

EIGHT-POINT RESOURCE PROTECTION PLAN ATTACHED.

I hereby certify that Coastal Oil & Gas Corporation is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the NBU #126, Federal Lease U-0576. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation, Nationwide Bond #CO-0018, who will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

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

24. SIGNED [Signature] TITLE Regulatory Analyst DATE 8/31/92

(This space for Federal or State office use)

PERMIT NO. 43-047-30349 APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE: [Signature] BY: [Signature] DATE: [Signature]

CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

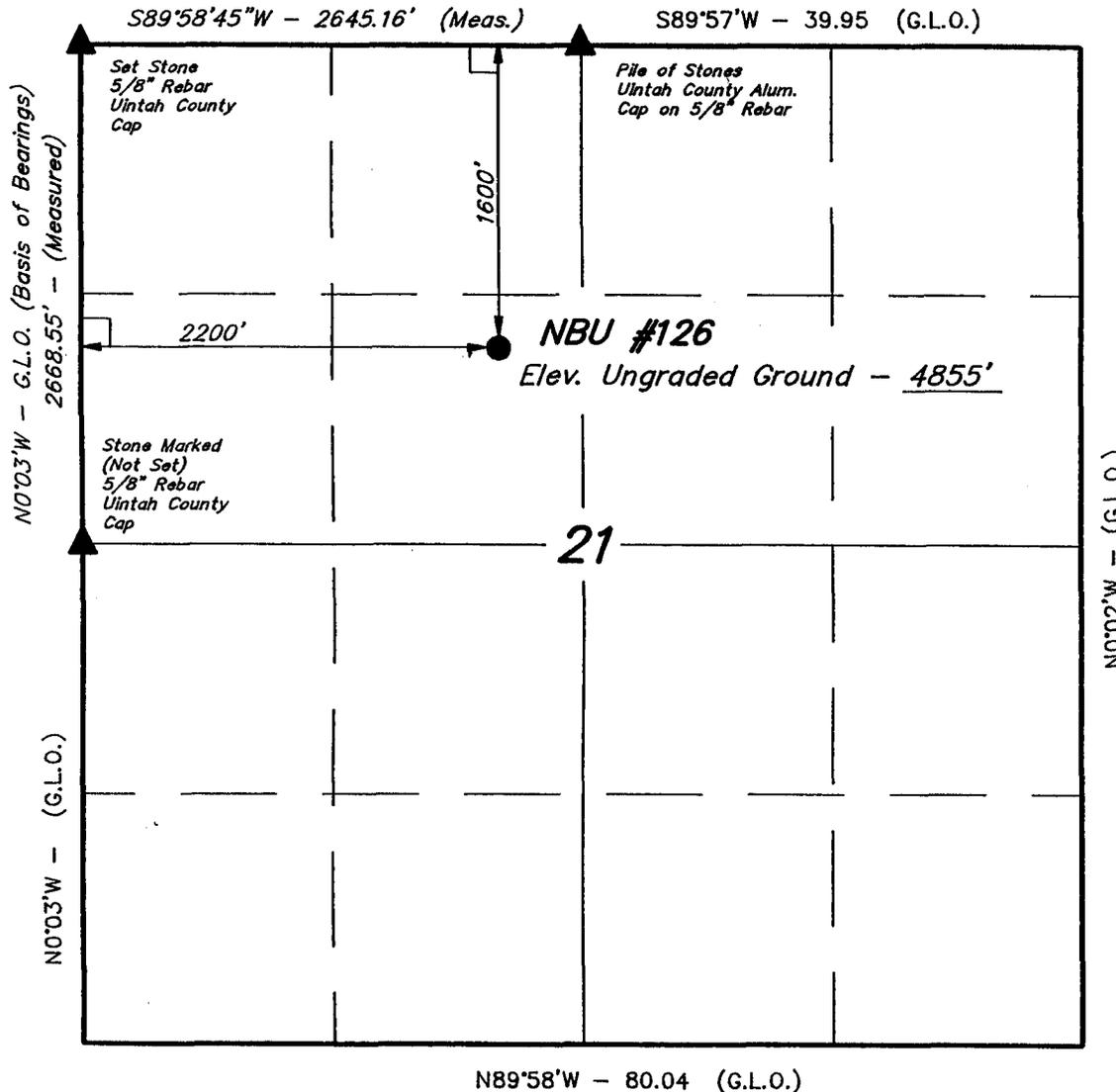
WELL SPACING: 2649-2-3

\*See Instructions On Reverse Side

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

**COASTAL OIL & GAS CORP.**

Well location, NBU #126, located as shown in the SE 1/4 NW 1/4 of Section 21, T9S, R21E, S.L.B.&M. Uintah County, Utah.



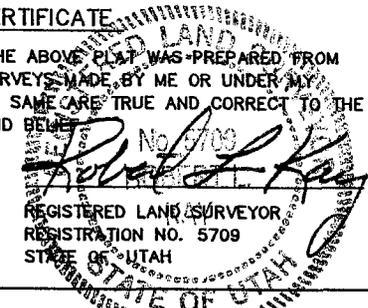
**BASIS OF ELEVATION**

SPOT ELEVATION AT THE NW CORNER OF SECTION 21, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4867 FEET.



**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.



Revised: 7-10-92 R.E.H.  
Revised: 5-4-92 R.E.H.

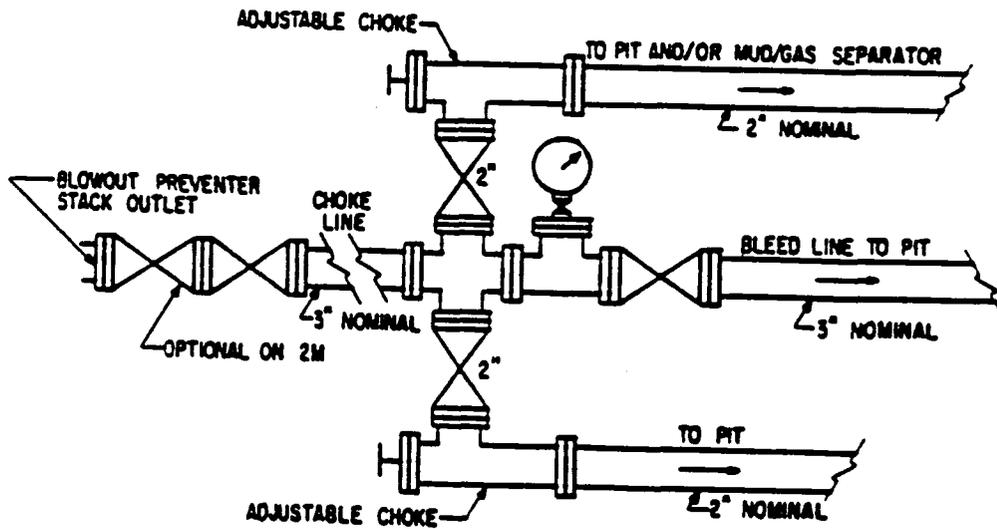
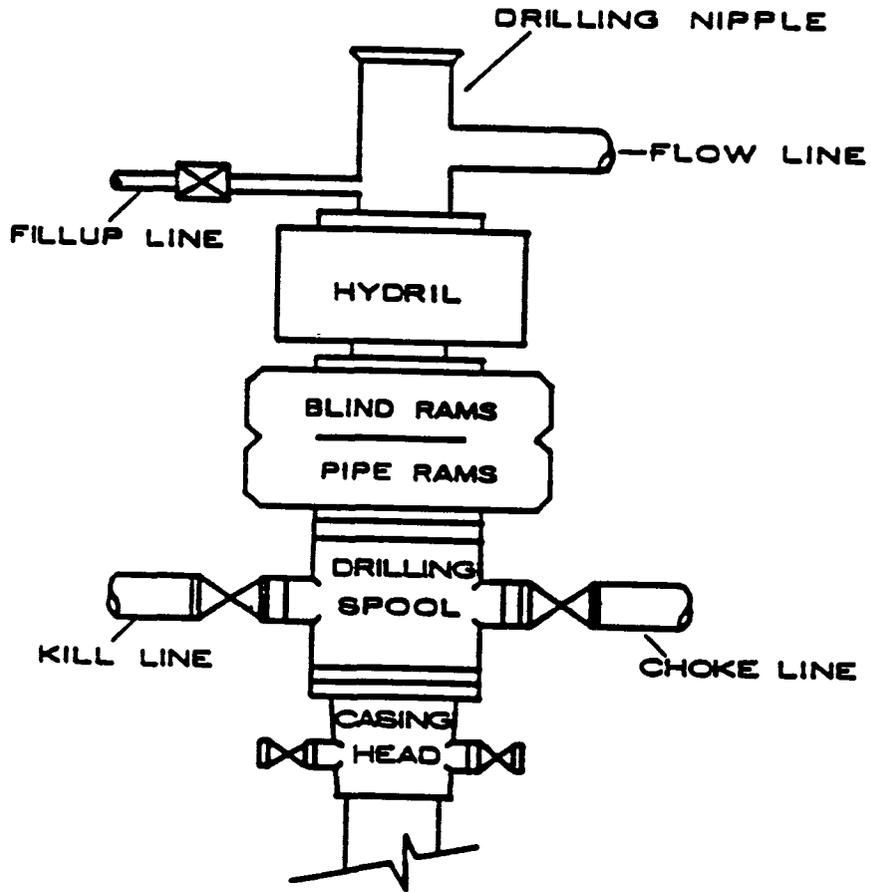
**UINTAH ENGINEERING & LAND SURVEYING**  
85 SOUTH - 200 EAST (801) 789-1017  
VERNAL, UTAH - 84078

**LEGEND:**

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE 1-18-91
PARTY D.A. K.L. R.E.H.	REFERENCES G.L.O. PLAT
WEATHER COLD	FILE COASTAL OIL & GAS CORP.

# BOP STACK



COASTAL OIL & GAS CORPORATION  
Lease #U-0576, NBU #126  
SE/NW, Section 21, T9S, R21E  
Uintah County, Utah

Drilling Prognosis

1. Estimated Tops of Important Geologic Markers:

Uinta	Surface	Wasatch	5010'
		Total Depth	6680'

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

Wasatch                    5010'                    Gas (Primary Objective)

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

3. Pressure Control Equipment: (Schematic Attached)

A. Type: 10" 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. Coastal requests a variance to the straight run on the blooie line. Blooie line will have two targeted tees.
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 will be located outside the rig sub-structure. BOP will be fitted with handwheels and extension. 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#	K-55	ST&C	0-250'
7-7/8"	5-1/2"	17.0#	K-55	LT&C	0-6680'

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 + 2% CaCl<sub>2</sub> and 1/4#/sk Flocele 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>
0-1500'	Aerated/ Mist	-----	-----	-----
1500-6680'	Aerated Water	-----	-----	-----

5. Mud Program: (Visual Monitoring - continued)

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

The surface hole will be drilled with an air mist system, injecting water @ the rate of 15-20 gallons/minute, until the lost circulation zone is reached @ ±1500'. At that point, Coastal Oil & Gas Corporation will switch to an aerated water system, utilizing the rig pumps to inject water at a rate of 190 gallons/minute to total depth.

6. Evaluation Program:

Logs : Dual Laterlog & Caliper : TD - Surface  
: FDC-CNL : TD - 2300'

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) 789-1362.

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 3106 psi (calculated at 0.465 psi/foot) and maximum anticipated surface pressure equals approximately 1636 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates and Notification of Operations:

A. Drilling Activity

Anticipated Commencement Date : October 1, 1992  
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.

8. Anticipated Starting Dates and Notification of Operations:

B. Notification of Operations - Continued

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.

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.

8. Anticipated Starting Dates and Notification of Operations:

B. Notification of Operations - Continued

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.

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 & 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.

8. Anticipated Starting Dates and Notification of Operations:

B. Notification of Operations - Continued

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.

COASTAL OIL & GAS CORPORATION  
Lease #U-0576, NBU #126  
SE/NW, Section 21, T9S, R21E  
Uintah County, Utah

Multi-Point Surface Use and Operations Plan

1. Existing Roads: Refer to Maps "A" & "B" (shown in ORANGE)

- A. The proposed wellsite is staked and four 200-foot reference stakes are present.
- B. Proceed westerly from Vernal on U. S. Highway 40 approximately  $\pm 14.0$  miles to the junction of State Highway 88 to Ouray, Utah; proceed south  $\pm 17.0$  miles on State Highway 88 to Ouray, Utah; proceed south from Ouray  $\pm 6.9$  miles on the Seep Ridge Road to the junction of this road and an existing oilfield service road to the east; turn left and proceed in an easterly direction along this road  $\pm 5.0$  miles to the junction of this road and a road to the north; turn left and proceed in a northerly direction  $\pm 0.3$  miles to the junction of this road and an existing road to the northeast; turn right and proceed in a northeasterly direction  $\pm 1.7$  miles to the junction of this road and an existing road to the northeast; turn left and proceed in a northeasterly direction  $\pm 2.5$  miles to an existing well location; proceed southwesterly from the location  $\pm 1.2$  miles to the junction of the road and an existing road to the south; turn left and proceed in a southerly direction  $\pm 0.4$  miles to the junction of the road and an existing road to the east; turn right and proceed in an easterly direction  $\pm 0.1$  miles to the beginning of the proposed access road. Follow road flags in a northeasterly direction approximately 40' 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 NBU #126 well location.

2. Planned Access Roads: Refer to Map "B" (Shown in GREEN)

Approximately 40 feet of new road construction will be required for access to the proposed NBU #126 well location.

- 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 Roding 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, graveling, crowning, and capping the roadbed as necessary to provide a well constructed and safe road.

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

Traveling off of the thirty (30) foot right-of-way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or the accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at a frequent intervals by means of cutouts.

Upgrading shall not be allowed during muddy conditions.

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

- C. Maximum grade - 8%
- 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 Indian Affairs. None anticipated at this time. Native material from access location and access road will be used.

H. Gates, cattleguards or fence cuts - none required.

I. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards.

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

J. The proposed access 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 - SW1/4, NW1/4, Section 16, T9S, R21E  
SW1/4, SW1/4, Section 16, T9S, R21E  
NE1/4, SW1/4, Section 16, T9S, R21E  
SW1/4, SE1/4, Section 16, T9S, R21E  
NE1/4, SE1/4, Section 20, T9S, R21E  
SW1/4, NW1/4, Section 21, T9S, R21E  
NE1/4, SW1/4, Section 21, T9S, R21E  
SW1/4, SW1/4, Section 21, T9S, R21E  
SW1/4, NE1/4, Section 21, T9S, R21E  
NE1/4, NE1/4, Section 21, T9S, R21E  
SW1/4, SE1/4, Section 21, T9S, R21E  
SW1/4, NW1/4, Section 22, T9S, R21E  
NE1/4, NW1/4, Section 28, T9S, R21E  
NE1/4, NE1/4, Section 28, T9S, R21E

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

- 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.
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.

4. Location of Existing and/or Proposed Facilities:

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

5. Continued

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 Carlsbad Canyon, Munsell standard color number 2.5Y6/2.

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 NBU #126 gas well and tie into the existing gas pipeline located in Section 21, T9S-R21E (see attached Topo Map D). This pipeline will be inside the Natural Buttes Unit boundary and within federal lease #U-0576. A 30' width easement of approximately 1367' length 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 #9D (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 Bureau of Indian Affairs.

5. Location and Type of Water Supply:

- A. Freshwater for drilling will be obtained from the Indian water line in Ouray, Utah, located in the SE1/4 of Section 32, Township 8 South, Range 20 East, Uintah County, Utah.
- B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed NBU #126 well location. No new construction will be required on/along the proposed water haul route. Access roads which cross off-lease Tribal lands on/along the proposed water haul route will be authorized under a separate right-of-way grant/special use permit to be obtained from the Uintah and Ouray Ute Indian Tribes and/or the Bureau of Indian Affairs prior to commencement of operations, if required.
- 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 after termination of drilling and completion activities.

7. Methods of Handling Waste Materials:

B. Drilling fluids - Continued

In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from Coastal Oil & Gas Corporation. The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined. A plastic nylon reinforced liner will be 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. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

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

- D. Sewage - self-contained, chemical toilets will be provided by Rocket Sanitation for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage (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.

7. Methods of Handling Waste Materials: Continued

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 twelve (12) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the wellsite. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles. (Stockpiled topsoil will be located on the northwest and southeast sides of the location.) The reserve pit will be located on the north side of the location. The flare pit will be located downwind of the prevailing wind direction on the northeast side of location. Access to the location will be from the southwest.
- B. Figure #1 is a diagram showing the rig layout. No permanent living facilities are planned. There will be one (1) trailer on location during drilling operations for the toolpusher.
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval of subsequent operations. Please refer to Item #4A (page #4) for additional information in this regard.

9. Wellsite Layout:

D. 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.

E. 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.

10. Plans for Reclamation of the Surface:

A. Production - Continued

3. The plastic or nylon reinforced pit liner 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.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface  $\pm 3$  feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

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.
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 Indian Affairs.

Seed will be drilled on the contour to an approximate depth of one-half (1/2) inch. All seeding will be conducted after September 15 and prior to ground frost.

10. Plans for Reclamation of the Surface:

B. Dry Hole/Abandoned Location

1. On lands administered by the Bureau of Indian Affairs, abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include:
  - (a) re-establishing, irrigation systems where applicable,
  - (b) re-establishing, soil conditions in irrigated field in such a way as to ensure cultivation and harvesting of crops and,
  - (c) ensuring revegetation of the disturbed areas to the specifications of the Uintah & Ouray Indian Tribes or the Bureau of Indian Affairs at the time of abandonment.
2. All disturbed surfaces will be recontoured to the approximate natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed in the fall following completion of reclamation operations. Please refer to Item #10A7 (page #10) for additional information regarding the reseeding operation.

11. Surface Ownership:

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

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

12. Other Information:

- A. Coastal Oil & Gas Corporation will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts.

If historic or archaeological materials are uncovered, Coastal Oil & Gas Corporation will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer, Bureau of Indian Affairs.

Within five (5) working days the Authorized Officer will inform Coastal Oil & Gas Corporation as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If Coastal Oil & Gas Corporation wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, Coastal Oil & Gas Corporation will be responsible for mitigation costs.

The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, Coastal Oil & Gas Corporation will then be allowed to resume construction.

12. Other Information: Continued

- B. Coastal Oil & Gas Corporation will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the Bureau of 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.

On lands administered by the Bureau of Indian Affairs, it is required that a "Pesticide Use Proposal" be submitted and approval obtained prior to the application of herbicides, pesticides or possible hazardous chemicals for the control of noxious weeds.

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

- A. If the surface rights are owned by the Ute Indian Tribe and mineral rights are owned by another entity, an approved right-of-way will be obtained from the Bureau of Indian Affairs before the operator begins any construction activities. If the surface is owned by another entity and the mineral rights are owned by the Ute Indian Tribe, rights-of-way will be obtained from the other entity.
- B. All roads constructed by oil and gas operators on the Uintah & Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state:
1. that the land is owned by the Uintah & Ouray Indian tribes,
  2. the name of the operator,
  3. that firearms are prohibited by all non-Tribal members,

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

B. Continued

4. that permits must be obtained from the Bureau of Indian Affairs before cutting firewood or other timber products, and
5. only authorized personnel are permitted to use said road.

C. All well site locations on the Uintah & Ouray Indian Reservation will have an appropriate sign indicating the name of the Operator, the lease serial number, the well name and number, the survey description of the well (either footages or the quarter-quarter section, section, township and range).

D. Coastal Oil & Gas Corporation shall contact the Bureau of Land Management and the Bureau of Indian Affairs between 24 and 48 hours prior to commencement of construction activities. BLM: (801) 789-1362; BIA: (801) 722-2406.

E. The BLM and BIA offices 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

Coastal Oil & Gas Corporation  
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.

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

Certification:

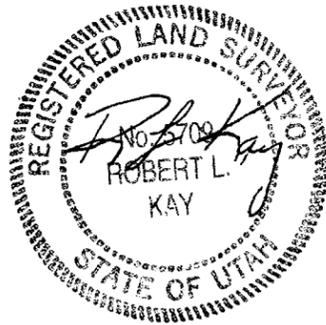
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Coastal Oil & Gas Corporation will be fully responsible for the actions of their subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Coastal Oil & Gas Corporation, its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

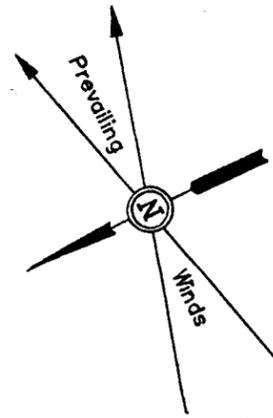
8/31/92  
Date

Eileen Danni Dey  
Eileen Danni Dey - Regulatory Analyst

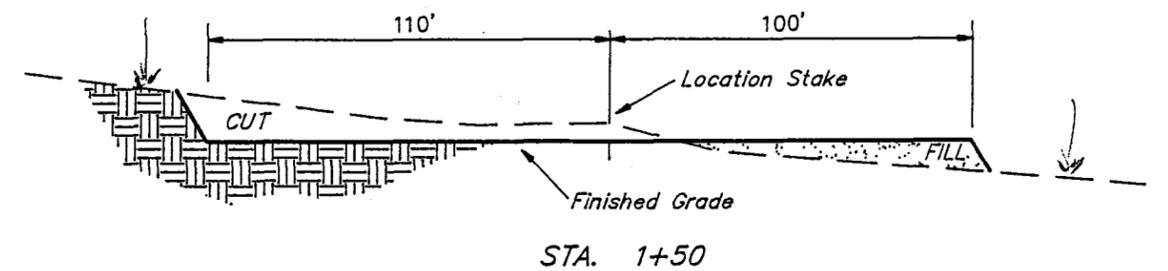
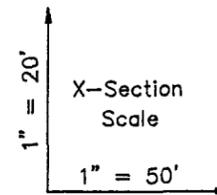
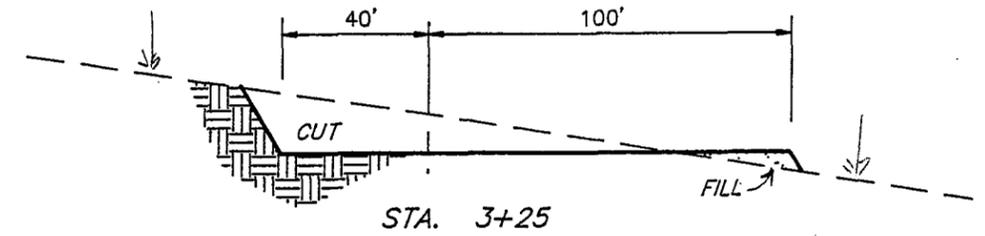


COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR  
 NBU #126  
 SECTION 21, T9S, R21E, S.L.B.&M.

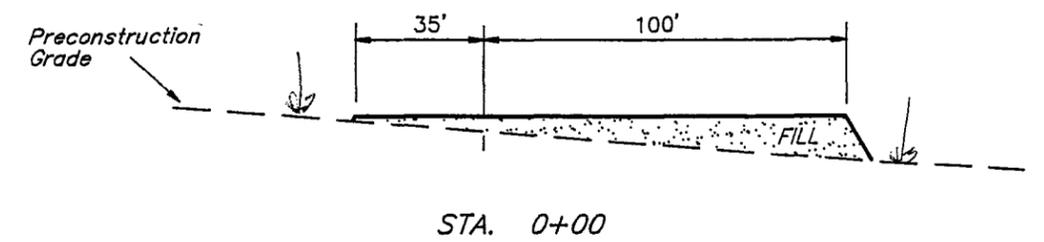
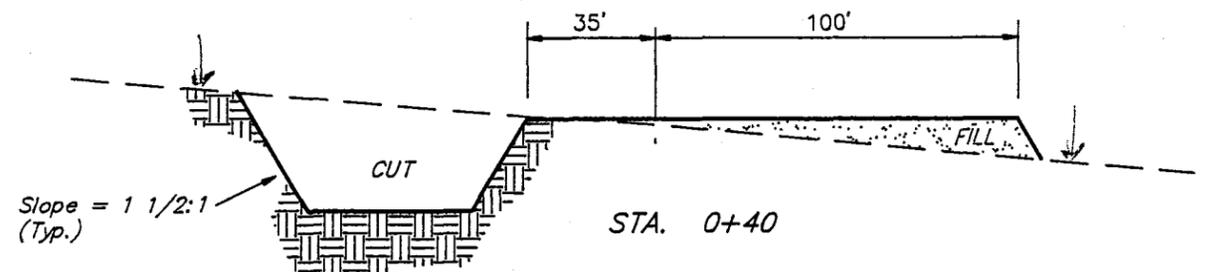


SCALE: 1" = 50'  
 DATE: 7-10-92  
 Drawn By: R.E.H.



TYP. LOCATION LAYOUT

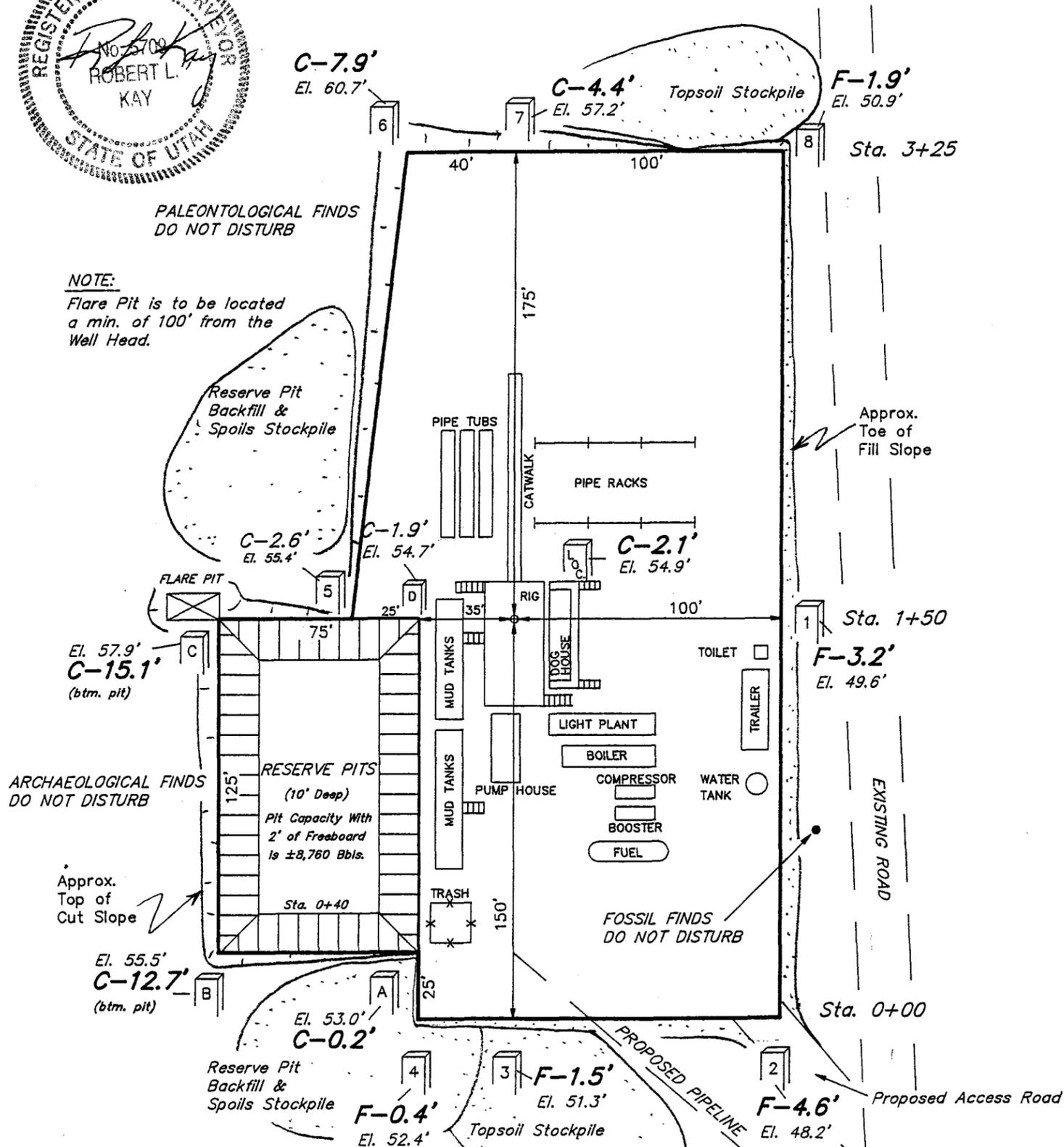
TYP. CROSS SECTIONS



PALEONTOLOGICAL FINDS  
DO NOT DISTURB

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

ARCHAEOLOGICAL FINDS  
DO NOT DISTURB



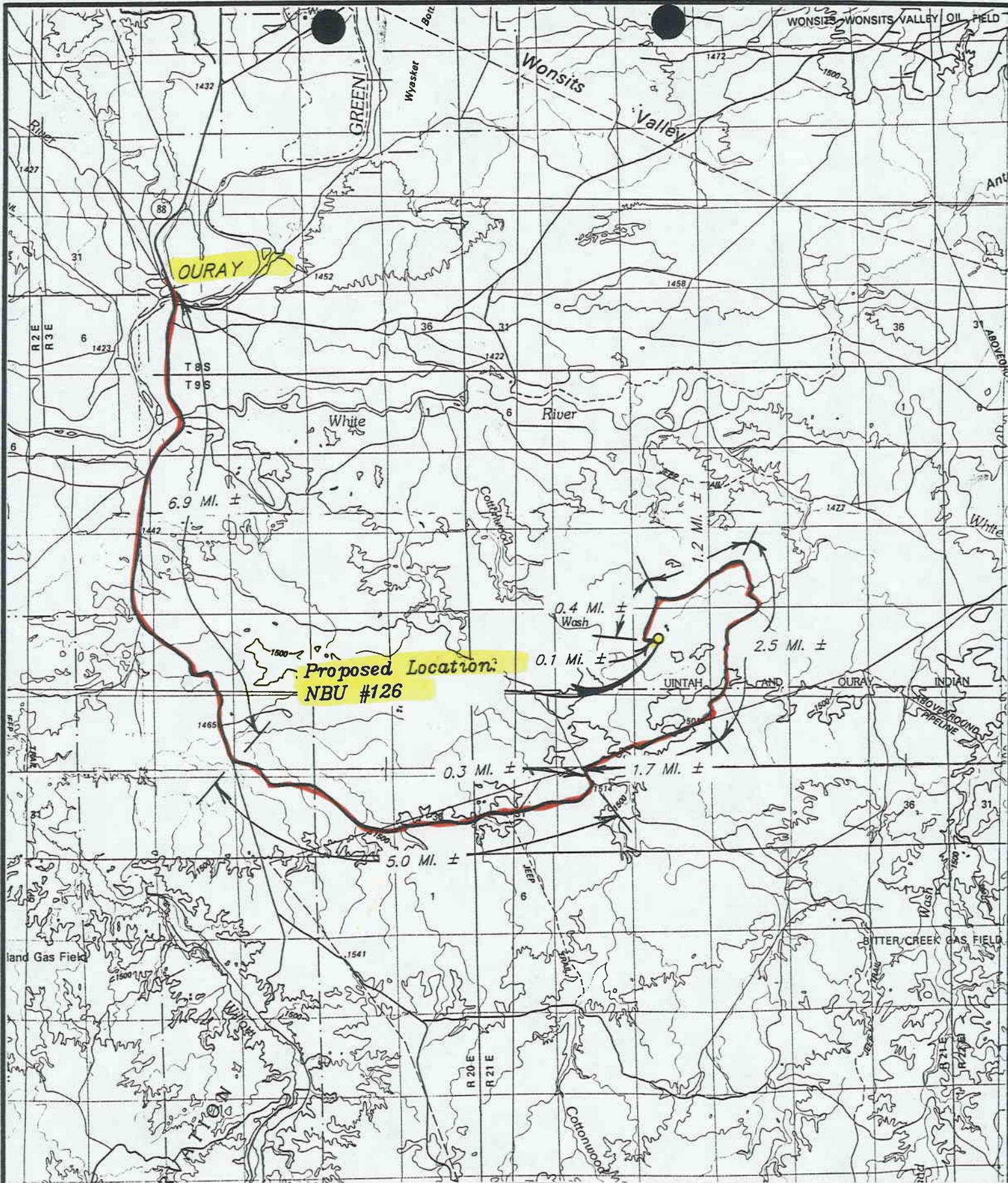
APPROXIMATE YARDAGES

CUT		
(12") Topsoil Stripping	=	2,140 Cu. Yds.
Remaining Location	=	4,400 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>6,540 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>3,020 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	=	3,360 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,360 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

NOTES:  
 Elev. Ungraded Ground At Loc. Stake = 4854.9'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 4852.8'

FIGURE #1



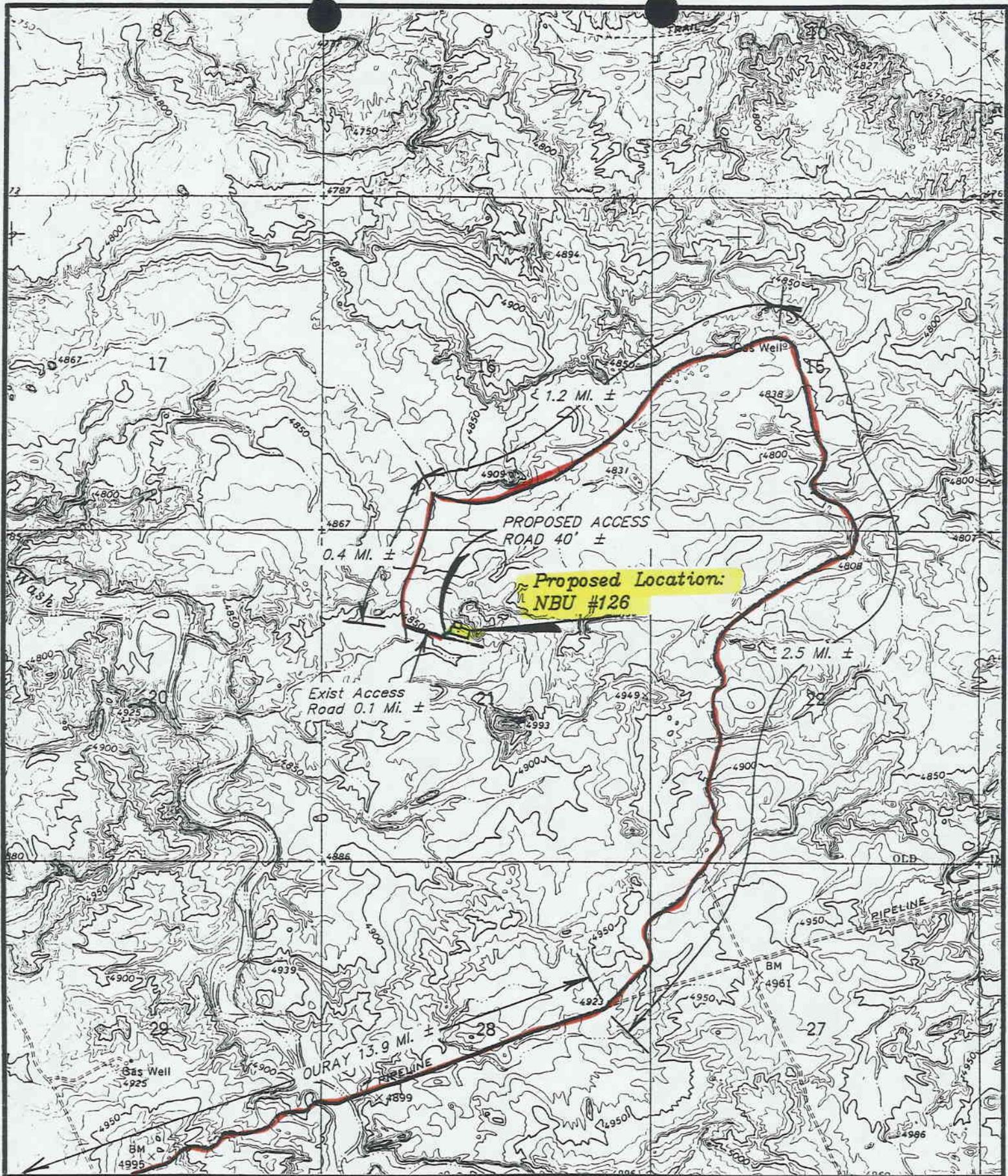
TOPOGRAPHIC  
MAP "A"

DATE 7-10-92 R.E.H.



**COASTAL OIL & GAS CORP.**

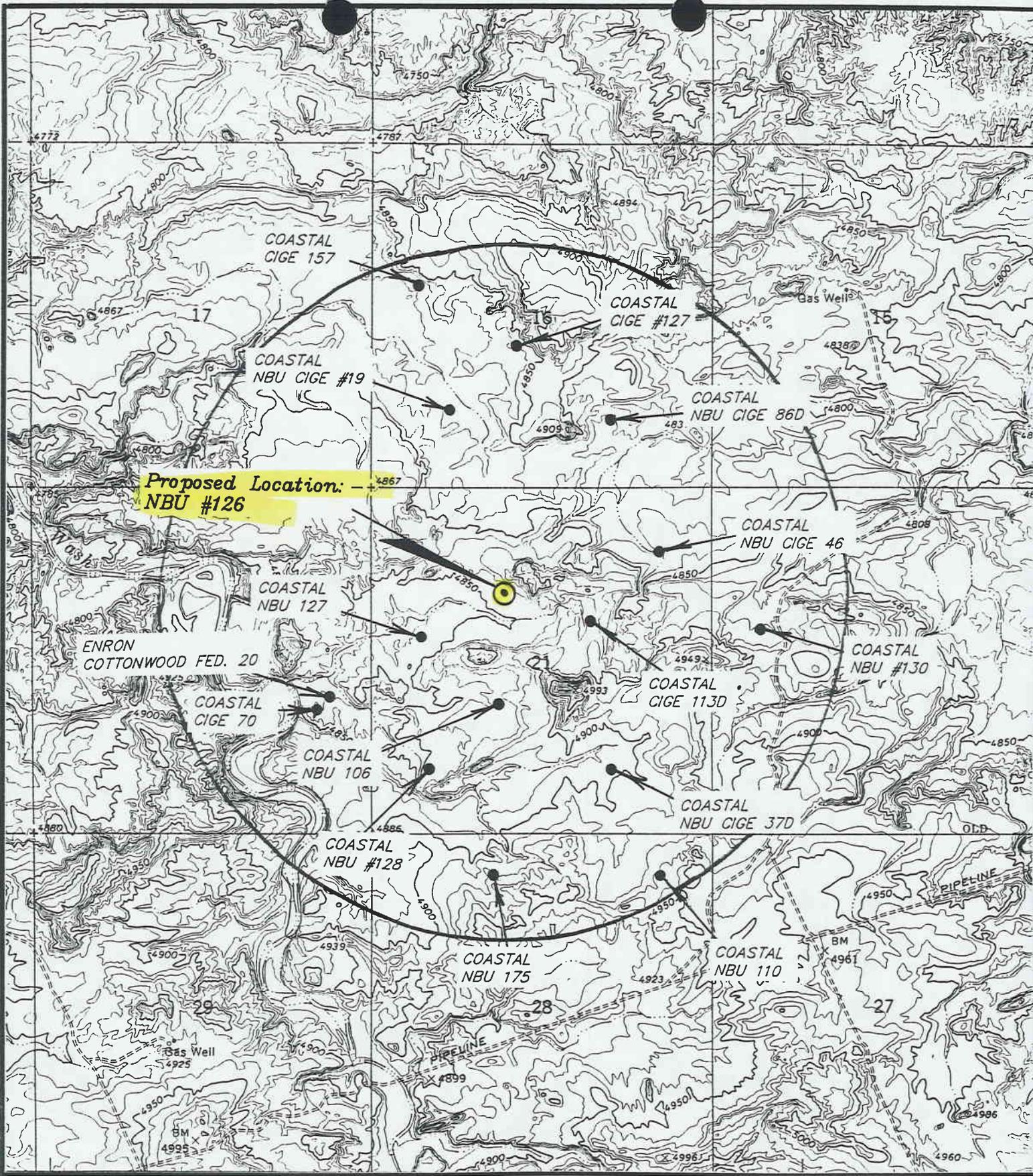
NBU #126  
SECTION 21, T9S, R21E, S.L.B.&M.



TOPOGRAPHIC  
MAP "B"  
SCALE: 1" = 2000'  
DATE 7-10-92 R.E.H.



**COASTAL OIL & GAS CORP.**  
NBU #126  
SECTION 21, T9S, R21E, S.L.B.&M.



**Proposed Location:  
NBU #126**

**LEGEND:**

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

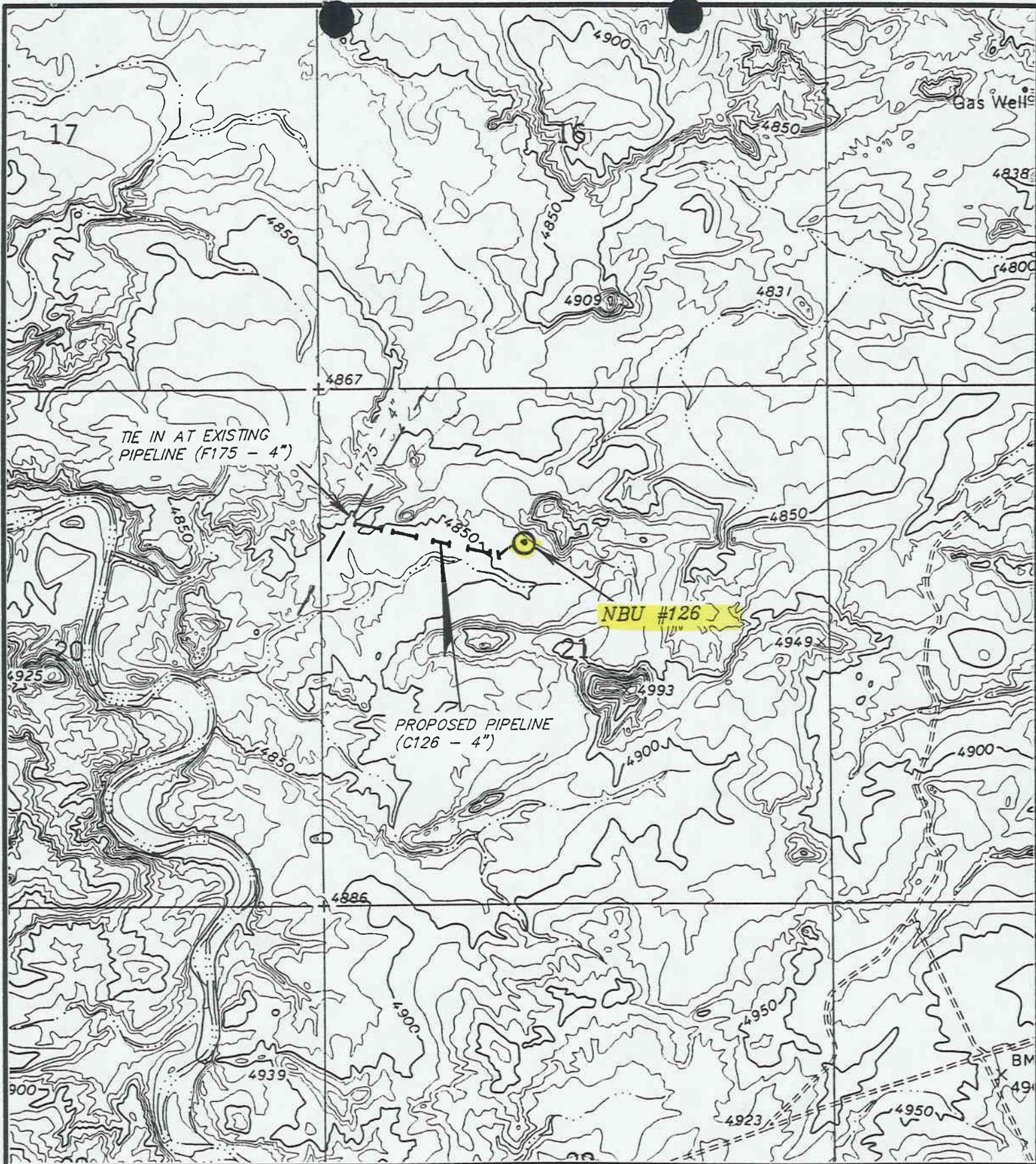


**COASTAL OIL & GAS CORP.**

NBU #126  
SECTION 21, T9S, R21E, S.L.B.&M.

TOPO MAP "C"

DATE: 7-10-92 R.E.H.



**TOTAL PIPELINE SLOPE DISTANCE = 1367'**

**TOPOGRAPHIC  
MAP "D"**

**LEGEND**

- EXISTING PIPELINE
- - - - - Proposed Pipeline



**COASTAL OIL & GAS CORP.**

PROPOSED PIPELINE RIGHT-OF-WAY FOR  
NBU #126  
SECTION 21, T9S, R21E, S.L.B.&M.

DATE: 7-10-92

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

OPERATOR: COASTAL OIL & GAS CORP  
WELL NAME: NBU 126

OPERATOR ACCT NO: N-0030

API NO. ASSIGNED: 43 - 047 - 30349

LEASE TYPE: FED LEASE NO: D-0576  
LOCATION: SENV 21 - T09S - R21E UINTAH COUNTY  
FIELD: NATURAL BUTTES FIELD CODE: 630

RECEIVED AND/OR REVIEWED:

- Plat
- Bond  
(Number federal)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit  
(Number Indian water)
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_)

LOCATION AND SITING:

- R649-2-3. Unit: Natural Buttes
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
- Board Cause no: \_\_\_\_\_
- Date: \_\_\_\_\_

COMMENTS:

Included in supplemental 90 PDD per memo B/M

STIPULATIONS:

Oil shale area



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

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

September 11, 1992

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

Gentlemen:

Re: NBU 126 Well, 1600 feet from the north line, 2200 feet from the west line, SE 1/4 NW 1/4, Section 21, Township 9 South, Range 21 East, Uintah County, Utah

Pursuant to Utah Code Ann. § 40-6-18, (1953, as amended), Utah Admin. R. 649-2-3, Application of Rules to Unit Agreements and R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, 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. 649-1 et seq., Oil and Gas Conservation General Rules.
2. Notification within 24 hours after drilling operations commence.
3. 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.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. 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  
Coastal Oil and Gas Corporation  
NBU 126 Well  
September 11, 1992

6. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.

Trash and sanitary waste should be properly contained and transported to approved disposal locations, not retained in or disposed of in pits on location or downhole. Prior to the commencement of drilling operations, the operator should consult the local/county sanitarian and/or the Department of Environmental Quality, Division of Drinking Water/Sanitation, regarding appropriate disposal of sanitary waste.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-047-32349.

Sincerely,



R.J. Firth  
Associate Director, Oil and Gas

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.

U-0576

6. If Indian, Annotee or Tribe Name

Ute Tribal Surface

7. If Unit or CA. Agreement Designation

Natural Buttes Unit

8. Well Name and No.

NBU 126

9. API Well No.

43-047-32349

10. Field and Pool, or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No

P.O. Box 749 Denver, CO 80201-0749 (303) 573-4476

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

2200' FWL & 1600' FNL (SE/NW)  
Section 21, T9S, R21E

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

TYPE OF SUBMISSION

Notice of Intent  
 Subsequent Report  
 Final Abandonment Notice

TYPE OF ACTION

Abandonment  
 Recompletion  
 Plugging Back  
 Casing Repair  
 Altering Casing  
 Other Change Drlg Prognosis  
 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.)

Coastal Oil & Gas Corporation requests a variance to the existing rules and regulations which require the blooie line to be not less than 100' from the borehole. Due to paleontological and archeological findings next to the drillsite, it is not possible to extend the blooie line a full 100' from the borehole. (See attached location layout.)

The above-referenced well will be drilled with air mist which will inject water at the rate of 15-20 gpm until the lost circulation zone is reached. Then the rig pumps will be utilized using aerated water at the rate of 190 gpm to total depth.

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

RECEIVED

SEP 18 1992

DATE: 9-21-92

BY: [Signature]

DIVISION OF  
OIL GAS & MINING

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

Signed [Signature] Title Regulatory Analyst

Date 9/15/92

(This space for Federal or State office use)

Approved by \_\_\_\_\_  
Conditions of approval, if any:

Title \_\_\_\_\_

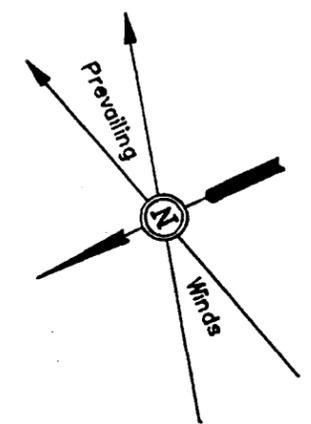
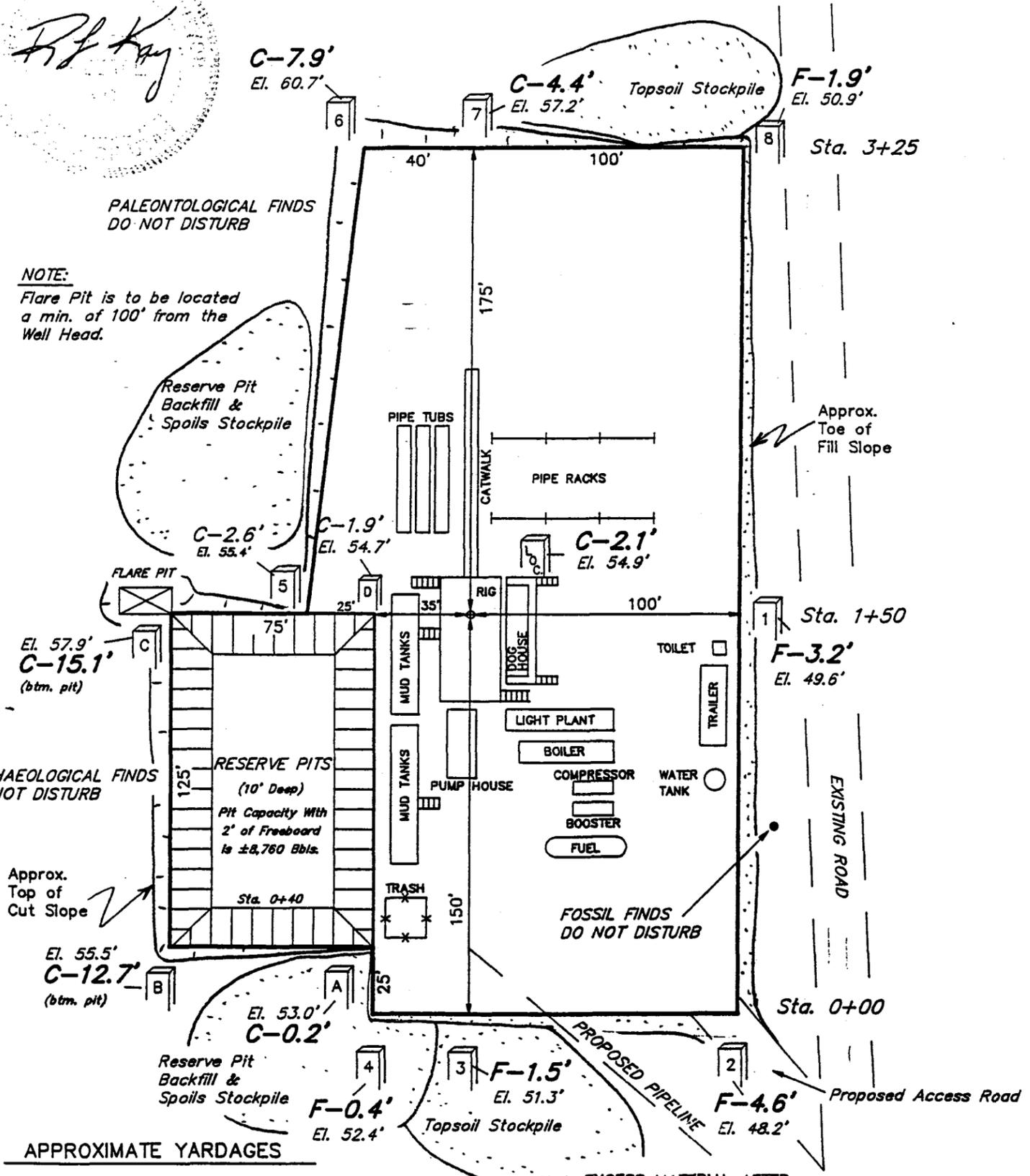
Date \_\_\_\_\_

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.

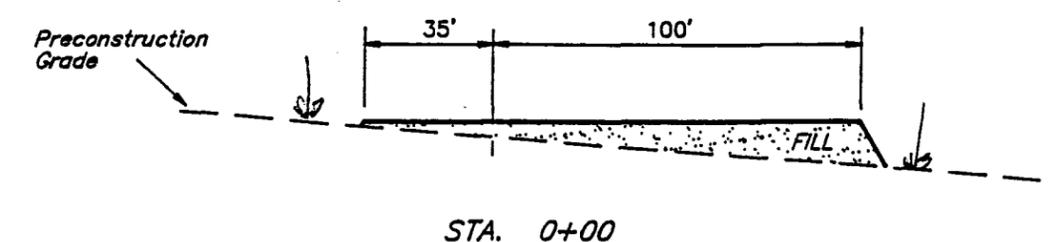
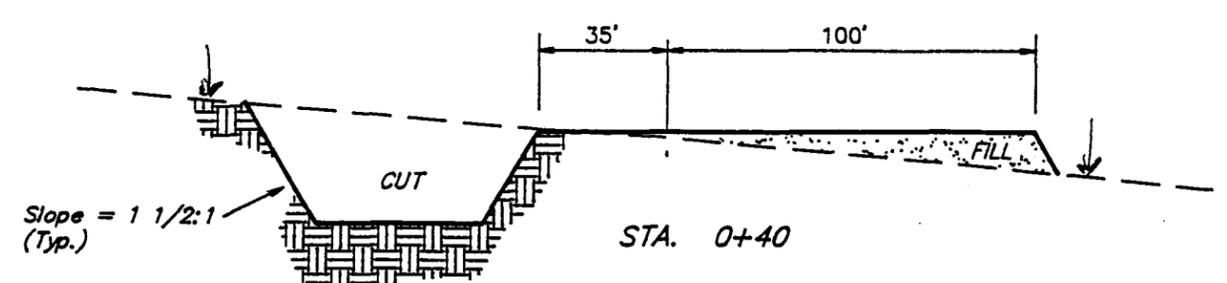
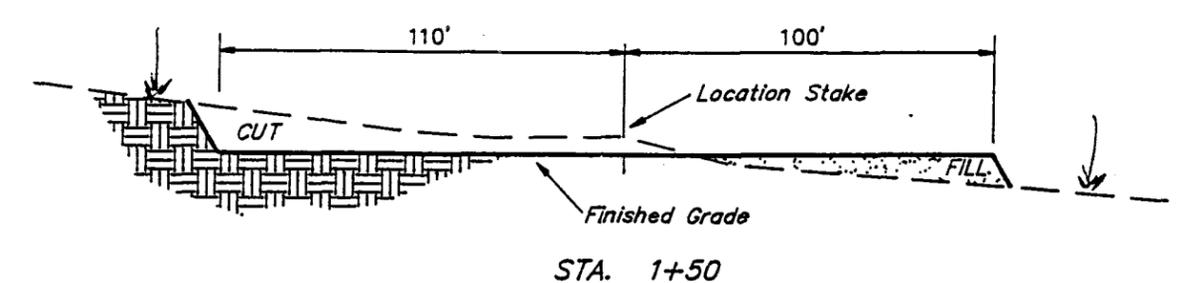
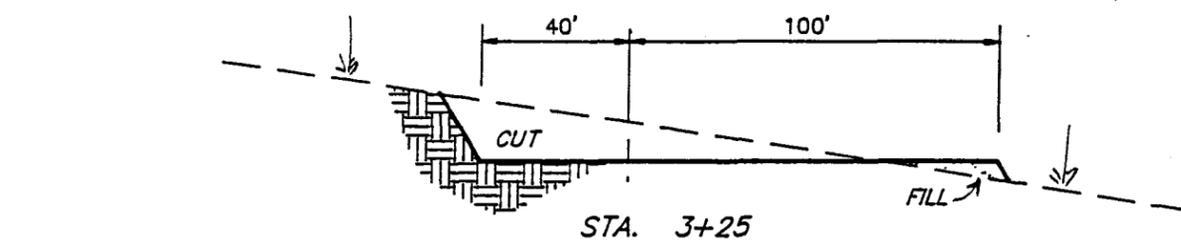
\*See instruction on Reverse Side

COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR  
 NBU #126  
 SECTION 21, T9S, R21E, S.L.B.&M.



SCALE: 1" = 50'  
 DATE: 7-10-92  
 Drawn By: R.E.H.



TYP. LOCATION LAYOUT  
 TYP. CROSS SECTIONS

PALEONTOLOGICAL FINDS  
 DO NOT DISTURB

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

ARCHAEOLOGICAL FINDS  
 DO NOT DISTURB

FOSSIL FINDS  
 DO NOT DISTURB

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,140 Cu. Yds.
Remaining Location	= 4,400 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 6,540 CU.YDS.</b>
<b>FILL</b>	<b>= 3,020 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,360 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,360 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4854.9'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 4852.8'

FIGURE #1

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No

U-0576

6. If Indian, Allottee or Tribe Name

Ute Tribal

7. If Unit or CA, Agreement Designation

Natural Buttes Unit

8. Well Name and No.

NBU #126

9. API Well No.

43-047-32349

10. Field and Pool, or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No

P.O. Box 749, Denver, Colorado 80201-0749 (303)572-1121

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

2200' FWL & 1600' FNL (SE/NW)  
Section 21, T9S-R21E

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

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other Install Gas Flowline

- 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.)

Application for Grant of Right-of-Way has been filed with the Bureau of Indian Affairs to install a four-inch (4") surface pipeline as shown on the attached map.

RECEIVED

SEP 28 1992

DIVISION OF  
OIL, GAS & MINING

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

DATE: 9/30/92

BY: [Signature]

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

Signature [Signature]

Title Vice President

Date Sept 9, 1992

(This space for Federal or State office use)

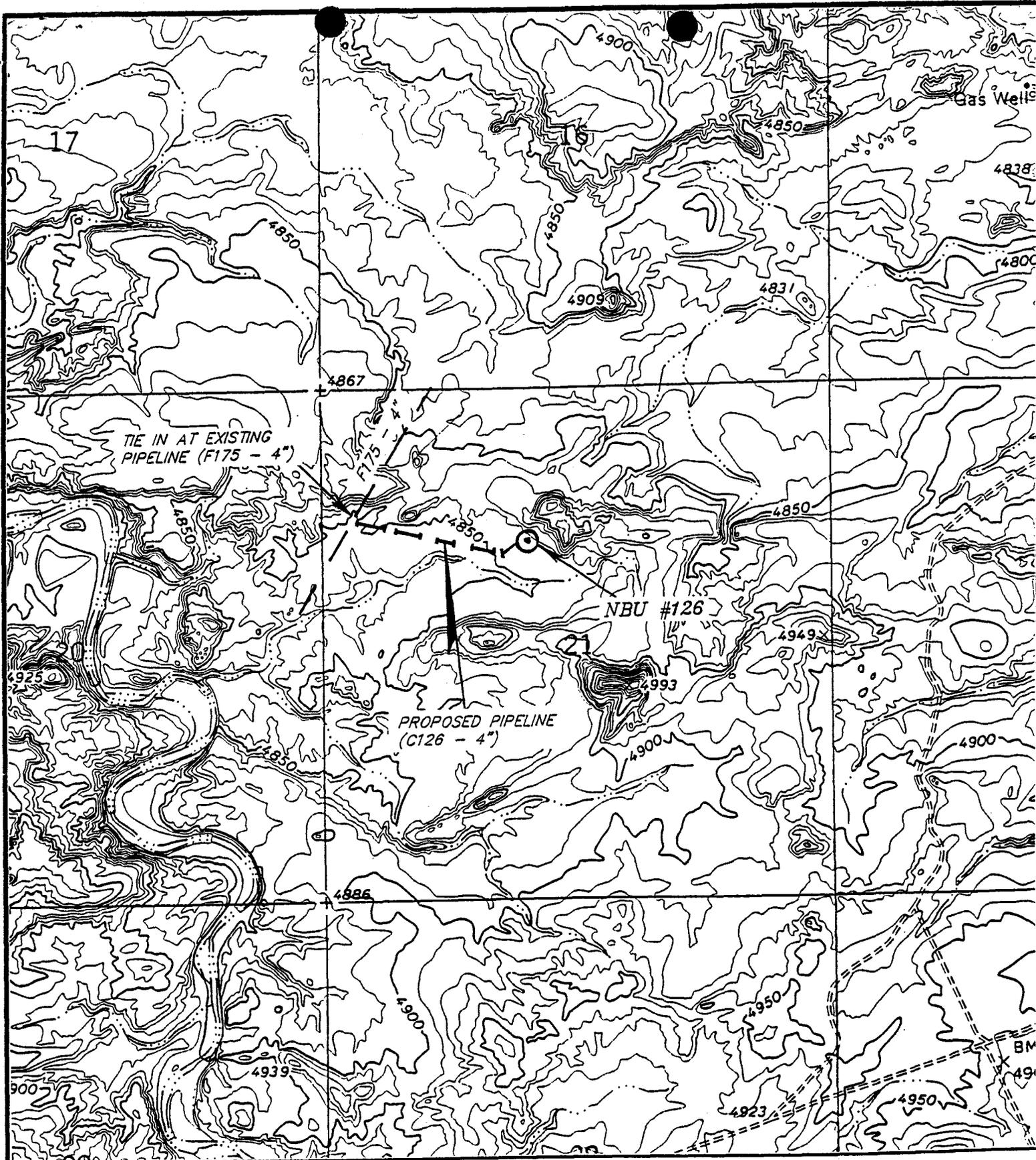
Approved by \_\_\_\_\_  
Conditions of approval, if any:

Title \_\_\_\_\_

Date \_\_\_\_\_

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



TOTAL PIPELINE SLOPE DISTANCE = 1367'

TOPOGRAPHIC  
MAP "D"

LEGEND

- EXISTING PIPELINE
- - - - - Proposed Pipeline



**COASTAL OIL & GAS CORP.**  
 PROPOSED PIPELINE RIGHT-OF-WAY FOR  
 NBU #126  
 SECTION 21, T9S, R21E, S.L.B.&M.  
 DATE: 7-10-92

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  
 Oil Well     Gas Well     Other

2. Name of Operator  
Coastal Oil & Gas Corporation

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
2200' FWL & 1600' FNL (SE/NW)  
Section 21, T9S-R21E

5. Lease Designation and Serial No.  
U-0576

6. If Indian, Allottee or Tribe Name  
N/A

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

8. Well Name and No.  
NBU #126

9. API Well No.  
43-047-31962 32359

10. Field and Pool, or Exploratory Area  
Natural Buttes

11. County or Parish, State  
Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Change Drilling</u>
	<u>Prognosis</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

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

Coastal Oil & Gas Corporation requests a variance to the existing rules and regulations which require the blooie line to be not less than 100' from the borehole. It is requested that the blooie line be approximately 70' long due to archaeological finds north of location (backing up to the reserve pit).

The above referenced well will be drilled with air mist which will inject water at the rate of 15-20 GPM until the lost circulation zone is reached. Then the rig pumps will be utilized using aerated water at the rate of 190 GPM to total depth.

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

DATE: 10/27/92  
BY: [Signature]

**RECEIVED**

OCT 26 1992

DIVISION OF  
OIL GAS & MINING

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

Signed [Signature] Title Regulatory Analyst Date 10/23/92

(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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-0576
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. UNIT AGREEMENT NAME Natural Buttes Unit
2. NAME OF OPERATOR Coastal Oil & Gas Corporation		8. FARM OR LEASE NAME NBU
3. ADDRESS OF OPERATOR P.O. Box 749 Denver, CO 80201-0749 (303) 573-4476		9. WELL NO. 126
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2200' FWL & 1600' FNL (SE/NW) Section 21, T9S, R21E At proposed prod. zone Same as above. 43-047-31962 37349		10. FIELD AND POOL, OR WILDCAT Natural Buttes
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 18 miles southeast of Ouray, Utah.		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 21, T9S, R21E
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1600'	16. NO. OF ACRES IN LEASE 1480.00	12. COUNTY OR PARISH 13. STATE Uintah Utah
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1450'	17. NO. OF ACRES ASSIGNED TO THIS WELL 80	19. PROPOSED DEPTH 6680'
20. ROTARY OR CABLE TOOLS Rotary	21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4855' GR	22. APPROX. DATE WORK WILL START* October 1, 1992

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" K-55	24.0#	0 - 250'	180 sq circ to surface *
7-7/8"	5-1/2" K-55	17.0#	0 - 6680'	1000 sq circ to surface *

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

RECEIVED  
NOV 06 1992  
RECEIVED  
SEP 01 1992

EIGHT-POINT RESOURCE PROTECTION PLAN ATTACHED. DIVISION OF OIL GAS & MINING

I hereby certify that Coastal Oil & Gas Corporation is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the NBU #126, Federal Lease U-0576. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation, Nationwide Bond #CO-0018, who will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

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

24. SIGNED *Eileen Danni Dey* TITLE Regulatory Analyst DATE 8/31/92  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
APPROVED BY *Howard D. Leavins* TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE NOV 5 1992  
CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

NOTICE OF APPROVAL  
\*See Instructions On Reverse Side

# memorandum

OCT 30 1992

DATE:

REPLY TO: Superintendent, Uintah & Ouray Agency  
ATTN OF:

SUBJECT: Concurrence letter for Coastal Oil & Gas Corporation  
H62-93-19 NBU#126 NW1/4 Section 21, T9S.,  
R. 21E., Uintah County, Utah

TO: Bureau of Land Management, Vernal District Office  
Attn: Paul Andrews, Area Manager

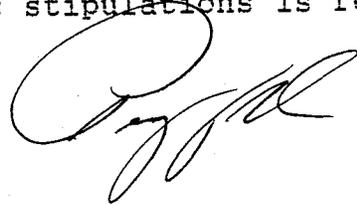
Based on available information received on October 28, 1992, we have cleared the proposed locations in the following areas of environmental impact.

YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	Listed Threatened or Endangered Species
YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	Critical Wildlife Habitat
YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	Archeological or Cultural Resources
YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	Air Quality Aspects (to be used only if project is in or adjacent to a Class I Area of Attainment)
YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	Other (If Necessary)

REMARKS: The necessary surface protection and rehabilitation requirements are as per approved APD.

Per ENVIRONMENTAL ANALYSIS REPORT (copy attached)  
#6 MITIGATION STIPULATIONS:

Strict adherence to the mitigations stipulations is required.



RECEIVED  
OCT 30 1992

## WELL LOCATION INFORMATION

Company/Operator: COASTAL OIL AND GAS CORPORATION

API Number 43-047-32349

Well Name & Number: 126

Lease Number: U-0576

Location: SENW Sec. 21 T. 9S R. 21E

Surface Ownership: INDIAN

Date NOS Received AUGUST 10, 1992

Date APD Received SEPTEMBER 1, 1992

## NOTIFICATION REQUIREMENTS

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

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

## CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

### A. DRILLING PROGRAM

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

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

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

#### 2. Pressure Control Equipment

Chart recorders shall be used for all pressure tests.

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

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

#### 3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at  $\pm$  1,820 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

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

A cement bond log (CBL) will be run from the production casing shoe to + 1,620 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

6. Notification of Operations

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

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

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

7. Other Information

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

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

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 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, spend 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.

### SURFACE STIPULATIONS

- Before the site is abandoned the company will be required to restore the well pad, access roads, and pipeline right-of-way to near its original state. The disturbed area will be re-seeded with perennial vegetation.
- Noxious weeds will be controlled on the right-of-way. If noxious weeds spread from the right-of-way, the company will be responsible for their control.
- The pipeline will be constructed by using the following procedures:
  - A) Staging areas will be set up along roads or well sites. The pipeline will be welded in place at the staging area.
  - B) As the pipeline is welded it will be pulled to the next staging area by a suitable piece of equipment. Except for unusual conditions only one trip across the right-of-way with equipment is all that will be required.
- Paleontology - To protect paleontological resources, pipeline construction will not occur when the soil is muddy. It will occur when the soil is either frozen, or dry. A technician will be onsite to monitor the construction of the well site.

Construction will not occur during muddy soil conditions.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: COASTAL 43-047-32349

WELL NAME: NBU 126

Section 21 Township 9S Range 21E County UINTAH

Drilling Contractor CHANDLER

Rig # 1

SPUDDED: Date 11/17/92

Time 10:00 AM

How DRY HOLE

Drilling will commence \_\_\_\_\_

Reported by DOUG W/LEON ROSS CONST.

Telephone # 1-823-6135

Date 11/17/92 SIGNED JLT

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**

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Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

U-0576

6. If Indian, Annotee or Tribe Name

N/A

7. If Unit or CA. Agreement Designation

Natural Buttes Unit

8. Well Name and No.

NBU #126

9. API Well No.

43-047-31962-32349

10. Field and Pool, or Exploratory Area

Natural Buttes

11. County or Parson. State

Uintah County, Utah

**SUBMIT IN TRIPLICATE**

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No

P. O. Box 749 Denver, CO 80201-0479 (303) 573-4476

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

2200' FWL & 1600' FNL (SE/NW)  
Section 21, T9S-R21E

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

**TYPE OF SUBMISSION**

Notice of Intent  
 Subsequent Report  
 Final Abandonment Notice

**TYPE OF ACTION**

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

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

Please see the attached chronological history for the drilling operations performed on the above referenced well.

**RECEIVED**

DEC 30 1992

DIVISION OF  
OIL GAS & MINING

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

Signed [Signature] Title Regulatory Analyst

Date 12/28/92

(This space for Federal or State office use)

Approved by \_\_\_\_\_  
Conditions of approval, if any: \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

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

NBU #126  
NATURAL BUTTES UNIT  
UINTAH COUNTY, UTAH  
CIRCLE L #116  
WI: 55% COGC AFE: 13578  
TD: 6325' (WASATCH) SD: 12/6/92  
CSG: 8-5/8" @ 255'  
DHC(M\$): 181.5

11/27/92 WORT. Will start MIRU today if trucks are available.

11/28/92- 262' MIRU Circle L #116. CC: \$38,829.  
11/29/92

11/30/92 1080' Drlg 818'/10 hrs. NU BOPE. Test BOPE to 2000#, hydril and csg to 1500#. RU rot hd, flowline. RS. PU bit and DC's. Tag cmt at 215'. Drlg cmt and shoe. Spud @ 7:30 p.m., 11/29/92. Svy: 1/2 deg @ 579'. Drlg w/air mist, CFM 850. CC: \$56,642.

12/1/92 2490' Drlg 1410'/22 hrs. Svy: 3/4 deg @ 1101'; 1-1/2 deg @ 1597'; 3/4 deg @ 2062'. Drlg w/air mist. Boiler 24 hrs. 850 CFM. CC: \$79,482.

12/2/92 3837' Drlg 1347'/21 hrs. Drlg, svys: 1 deg @ 2556', 3/4 deg @ 3052', 1-1/4 deg @ 3549'. RS, chk BOPE, drlg, unload hole. Drlg w/air mist, air 1200 CFM. CC: \$102,410.

12/3/92 4729' Drlg 892'/22.5 hrs. Drlg, RS, chk BOP. Drlg w/aerated wtr. Svys: 1-1/4 deg @ 4042'; 1 deg @ 4536'. CFM 400. CC: \$117,642.

12/4/92 5077' TIH w/magnet to fish 3 cones. 348'/12.5 hrs. Drlg, chg rot hd rbr. Drlg, RS, chk BOP. Drlg, svy: 1 deg @ 5031'. Load hole w/wtr. Blow kelly. TOOH, LD 2 jts DP. Well flwg. Load hole w/wtr. Blow kelly. TOOH, left 3 cones in hole. W/O magnet. PU magnet and TIH. Aerated wtr, CFM 400. CC: \$127,956.

12/5/92 5077' TIH w/new bit #2. TIH w/magnet. Circ and work magnet. TOH w/magnet and recovered 2 cones. PU junk basket and TIH. Circ and work magnet and junk basket. TOH w/BHA and recovered third cone. TIH w/new bit #2. CC: \$128,893.

12/6/92 5408' TFNB. 370'/14 hrs. TIH, RR. TIH, W&R 60'. Drlg, RR, pumps. TOH w/bit. CC: \$135,666.

12/7/92 5780' Drlg 372'/14 hrs. TOH w/bit. RS, chk BOPE. TIH w/new bit. W&R to btm, work junk. Svy: 1 deg @ 5521'. Drlg w/aerated wtr, air 400 CFM. CC: \$142,663.

12/8/92 6389' Drlg 609'/23 hrs. Drlg, RS, chk BOP. Drlg w/wtr. Svy: 1-1/2 deg @ 6044'. CC: \$155,545.

12/9/92 6675' SLM out for logs. 286'/12 hrs. Drlg, svy: 1-1/4 deg @ 6565'. RS, chk BOP. Drlg, circ for ST. 20 std ST. Circ for logs and displace hole w/brine. Trip for logs. Drlg brks from 5877-97', 6094-6113' & 6485-6503'. Drlg w/brine. CC: \$160,240.

12/10/92 6675' Running 5-1/2" csg. Finish TOH w/BHA and SLM, 6681'. RU Atlas WL and run open hole logs. TIH w/BHA. RU LD machine. LD DP, WO tongs. LD DC, run 5-1/2" csg. 10 ppg brine wtr. CC: \$173,082.

12/11/92 6675' RD. Run 5-1/2" csg 17# K-55 8rd LT&C, 6685'. Set at 6675'. Float at 6631'. Marker 4912'. Wash 70' of fill and circ. Cmt w/510 sx Hi-Fill w/1#/sx Capseal, .3% HR-7. Tail w/765 sx 50-50 Poz, 2% gel, 10% salt, .6% Halad-24, .2% CFR-3, 1#/sx Capseal, 1/4#/sx Flocele. Displace w/154 bbls wtr. PD @ 10:30 a.m., 12/10/92. ND and set slips. Clean mud tanks. Rig released at 2:00 p.m., 12/10/92. Circ 35 sx to surf. CC: \$249,714. FINAL DRILLING REPORT.

OPERATOR Coastal Oil & Gas Corporation

OPERATOR ACCT. NO. N 0230

ADDRESS P. O. Box 749

Denver, CO 80201-0749

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	2900 →		43-047-32359	NBU #200	NESE	19	9S	22E	Uintah	11/25/92	11/25/92
WELL 1 COMMENTS: <i>Entities added 2-19-93. lca</i>											
B	2900 →		43-047-32353	CIGE #164-34-9-22	NENW	34	9S	22E	Uintah	11/23/92	11/23/92
WELL 2 COMMENTS: FOR: CIG Exploration											
B	2900 →		43-047-32401	NBU #213	NWNW	15	10S	22E	Uintah	11/15/92	11/15/92
WELL 3 COMMENTS:											
B	2900 →		43-047-32355	NBU #195	NWNE	11	9S	21E	Uintah	11/21/92	11/21/92
WELL 4 COMMENTS: <i>(Previously added 12-3-92)</i>											
B	2900 →		43-047-32364	NBU #201	SWNW	9	9S	21E	Uintah	11/9/92	11/9/92
WELL 5 COMMENTS:											

**RECEIVED**

FEB 16 1993

DIVISION OF  
OIL, GAS & MINING

*Eileen Danni Dey*  
Signature Eileen Danni Dey

Regulatory Analyst 2/5/93  
Title Date

Phone No. (303) 573-4476

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.

ENTITY ACTION FORM - FORM 6

ADDRESS P. O. Box 749

Denver, CO 80201-0749

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	2900	→	43-047-32349	NBU #126	SEW	21	9S	21E	Uintah	11/17/92	11/17/92

WELL 1 COMMENTS: *Entity added 2-19-93. jcc*

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.

(3/89)

**RECEIVED**

FEB 16 1993

DIVISION OF  
OIL, GAS & MINING

*Eileen Danni DeS*  
Signature Eileen Danni DeS

Regulatory Analyst 2/10/93  
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



1. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER

2. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PUMP BACK  DIFF. REMVR.  Other

3. NAME OF OPERATOR: Coastal Oil & Gas Corporation

4. LEASE DESIGNATION AND SERIAL NO. U-0576

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

6. UNIT AGREEMENT NAME Natural Buttes Unit

7. FARM OR LEASE NAME NBU

8. WELL NO. 126

9. FIELD AND POOL, OR WILDCAT Natural Buttes

10. SEC. T. R. M. ON BLOCK AND SURVEY OR AREA Section 21, T9S-R21E

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

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements): At surface 2200' FWL & 1600' FNL (SE/NW)

DIVISION OF OIL, GAS & MINING (303) 573-4476

14. PERMIT NO. 43-047-32349 DATE ISSUED 9/11/92

15. DATE SPUDDED 11/17/92 16. DATE T.D. REACHED 12/8/92 17. DATE COMPL. (Ready to prod.) 12/27/92

18. ELEVATIONS (DF. RKB. RT. CR. ETC.)\* 4855' GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 6675' 21. PLUG BACK T.D., MD & TVD 6605'

22. IF MULTIPLE COMPL., HOW MANY? 23. INTERVALS DRILLED BY SFC-TD

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 5638'-6512' (Wasatch)

25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN DLL/GR/CAL; CDL/CN/GR; CBL/CCL/GR 12-11-92

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#	262'	12-1/4"	150 sx PPAG + Additives	None
5-1/2"	17#	6675'	7-7/8"	1275 sx HiFill & 50/50 Poz	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	5593'	

31. PERFORATION RECORD (Interval, size and number)

Perf'd w/4" csg gun, 1 JSPF, @ the following depths:

Interval	Size	Number
5638' - 5901'	1/2"	6119'
5644' - 5979'	1/2"	6234'
5654' - 6102'	1/2"	6502'
5893' - 6112'	1/2"	6512'

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5638'-6512'	39 bbls 15% HCl + 36 BS's
5638'-6512'	278,300# 20/40 sand; 108 tons CO <sub>2</sub> ; 2140 bbls 3% KCl

33. PRODUCTION

DATE FIRST PRODUCTION 12/19/92

PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing

WELL STATUS (Producing or shut-in) SI

DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.	GAS-OIL RATIO
12/27/92	24	18/64"		0	2300	0	N/A

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL.	GAS—MCF.	WATER—BSL.	OIL GRAVITY-API (CORR.)
1400	950		0	2300	0	N/A

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) SI, WOPLC

TEST WITNESSED BY H. Ivie

35. LIST OF ATTACHMENTS

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

SIGNED Eileen Danni Day TITLE Regulatory Analyst DATE 2/10/93

\*(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);

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Wasatch	5015'	5015'

THE COASTAL CORPORATION  
PRODUCTION REPORT

CHRONOLOGICAL HISTORY

NBU #126  
NE/NW SECTION 21, T9S-R21E  
NATURAL BUTTES UNIT  
UINTAH COUNTY, UTAH  
WI: 55% COGC AFE: 13578  
TD: 6675' (WASATCH) SD: 11/29/92  
CSG: 5-1/2" @ 6675'  
PERFS: 5638'-6512'  
CWC(M\$): 371.2

PAGE 2

- WOCU.  
TC: \$249,714
- 12/16/92 WO completion rig. MIRU Cutters WLS w/mast truck. Ran CBL/CCL/GR log from 6592' to sfc w/1000 psi on csg. Good bond, TOC @ sfc.  
DC: \$22,980 TC: \$272,694
- 12/17/92 Prep to perf. MIRU Well Tech rig #565. NU BOP. PU & RIH w/4-3/4" mill & 2-3/8" tbg. Tag PBTD @ 6605'. Circ hole w/160 bbls 3% KCl wtr. POH w/tbg & mill. PT csg to 5000 psi, OK.  
DC: \$4,080 TC: \$276,774
- 12/18/92 Prep to acidize. RU Cutters WLS. Perf 12 holes 5638'-6512' w/4" csg gun. RIH w/tbg to 6512'. RU Smith Energy. Hydraulic pump out on charge pump. Could not pump. SDFN.  
DC: \$3,330 TC: \$280,104
- 12/19/92 Flow back after acid breakdown. SICP 900 psi, SITP 0 psi. Blew well down & circ out gas. RU Smith Energy. Spot 21 bbls 15% HCl across perfs. PU tbg to 5593'. ND BOP, NU WH. Breakdown perfs w/39 bbls 15% HCl + 36 BS's. Broke down @ 1200 psi, treat @ 7.3 BPM @ 4300 psi. Ball action to 5000 psi. Did not ball off. ISIP 1350 psi, 15 min 1250 psi. Flwd to pit 1-hr, rec 35 BW. Kicked off. Flwd overnight on 20/64" chk. 235 BLTBR. Tbg - 174 jts landed @ 5593' w/notched collar on btm, SN 1-jt above & 10' blast jt on top.  
DC: \$23,090 TC: \$303,194
- 12/20/92 SI, WO frac. Flwd 1.0 MMCFD, FTP 400 psi, CP 400 psi, 20/64" chk. SI @ 2:00 p.m., 12/19/92. RDMO Well Tech rig #565. Drop from report.  
DC: \$200 TC: \$303,394
- 12/25/92 Flow test. MIRU Smith Energy Company - CO<sub>2</sub> sand frac. Pmpd 278,300# 20/40 sand, 108 tons CO<sub>2</sub>, 2140 bbl 3% KCl. Max rate 35 BPM @ 3140#. Sand pad 1#-6.7#. ISIP 1540#, 5 min 1540#, 10 min 1540#, 15 min 1540#. Flow to pit @ 2:00 p.m. 1946 BLTBR. Note: Lost 232 bbls of sand slurry on the last stage of 6.7#. Lost the chemical transfer pump on the gelling agent. Slugged w/6.7# slurry and went to flush.  
DC: \$85,910 TC: \$389,304
- 12/25/92 Flwg 2.0 MMCFD CO<sub>2</sub>, FTP 1300 psi, CP 1000 psi, 18/64" chk, 5 BWPB.
- 12/26/92 Flwg 2.0 MMCFD CO<sub>2</sub>, FTP 1450 psi, CP 950 psi, 18/64" chk, 85 BWPB.
- 12/27/92 Flwg 1.5 MMCFD CO<sub>2</sub>, FTP 1100 psi, CP 900 psi, 18/64" chk, 3 BWPB.
- 12/28/92 SI, WOPLC. Flwd 2.3 MMCFD dry gas, FTP 1400 psi, CP 950 psi, 18/64" chk. SI @ 2:00 p.m., 12/27/92. Drop from report.

COASTAL OIL & GAS CORPORATION  
CHRONOLOGICAL HISTORY

NBU #126  
NATURAL BUTTES UNIT  
UINTAH COUNTY, UTAH  
CIRCLE L #116  
WI: 55% COGC AFE: 13578  
TD: 6325' (WASATCH) SD: 12/6/92  
CSG: 8-5/8" @ 255'  
DHC(M\$): 181.5

11/27/92 WORT. Will start MIRU today if trucks are available.

11/28/92- 262' MIRU Circle L #116. CC: \$38,829.  
11/29/92

11/30/92 1080' Drlg 818'/10 hrs. NU BOPE. Test BOPE to 2000#, hydril and csg to 1500#. RU rot hd, flowline. RS. PU bit and DC's. Tag cmt at 215'. Drlg cmt and shoe. Spud @ 7:30 p.m., 11/29/92. Svy: 1/2 deg @ 579'. Drlg w/air mist, CFM 850. CC: \$56,642.

12/1/92 2490' Drlg 1410'/22 hrs. Svy: 3/4 deg @ 1101'; 1-1/2 deg @ 1597'; 3/4 deg @ 2062'. Drlg w/air mist. Boiler 24 hrs. 850 CFM. CC: \$79,482.

12/2/92 3837' Drlg 1347'/21 hrs. Drlg, svys: 1 deg @ 2556', 3/4 deg @ 3052', 1-1/4 deg @ 3549'. RS, chk BOPE, drlg, unload hole. Drlg w/air mist, air 1200 CFM. CC: \$102,410.

12/3/92 4729' Drlg 892'/22.5 hrs. Drlg, RS, chk BOP. Drlg w/aerated wtr. Svys: 1-1/4 deg @ 4042'; 1 deg @ 4536'. CFM 400. CC: \$117,642.

12/4/92 5077' TIH w/magnet to fish 3 cones. 348'/12.5 hrs. Drlg, chg rot hd rbr. Drlg, RS, chk BOP. Drlg, svy: 1 deg @ 5031'. Load hole w/wtr. Blow kelly. TOOH, LD 2 jts DP. Well flwg. Load hole w/wtr. Blow kelly. TOOH, left 3 cones in hole. W/O magnet. PU magnet and TIH. Aerated wtr, CFM 400. CC: \$127,956.

12/5/92 5077' TIH w/new bit #2. TIH w/magnet. Circ and work magnet. TOH w/magnet and recovered 2 cones. PU junk basket and TIH. Circ and work magnet and junk basket. TOH w/BHA and recovered third cone. TIH w/new bit #2. CC: \$128,893.

12/6/92 5408' TFNB. 370'/14 hrs. TIH, RR. TIH, W&R 60'. Drlg, RR, pumps. TOH w/bit. CC: \$135,666.

12/7/92 5780' Drlg 372'/14 hrs. TOH w/bit. RS, chk BOIPE. TIH w/new bit. W&R to btm, work junk. Svy: 1 deg @ 5521'. Drlg w/aerated wtr, air 400 CFM. CC: \$142,663.

12/8/92 6389' Drlg 609'/23 hrs. Drlg, RS, chk BOP. Drlg w/wtr. Svy: 1-1/2 deg @ 6044'. CC: \$155,545.

12/9/92 6675' SLM out for logs. 286'/12 hrs. Drlg, svy: 1-1/4 deg @ 6565'. RS, chk BOP. Drlg, circ for ST. 20 std ST. Circ for logs and displace hole w/brine. Trip for logs. Drlg brks from 5877-97', 6094-6113' & 6485-6503'. Drlg w/brine. CC: \$160,240.

12/10/92 6675' Running 5-1/2" csg. Finish TOH w/BHA and SLM, 6681'. RU Atlas WL and run open hole logs. TIH w/BHA. RU LD machine. LD DP, WO tongs. LD DC, run 5-1/2" csg. 10 ppg brine wtr. CC: \$173,082.

12/11/92 6675' RD. Run 5-1/2" csg 17# K-55 8rd LT&C, 6685'. Set at 6675'. Float at 6631'. Marker 4912'. Wash 70' of fill and circ. Cmt w/510 sx Hi-Fill w/1#/sx Capseal, .3% HR-7. Tail w/765 sx 50-50 Poz, 2% gel, 10% salt, .6% Halad-24, .2% CFR-3, 1#/sx Capseal, 1/4#/sx Flocele. Displace w/154 bbls wtr. PD @ 10:30 a.m., 12/10/92. ND and set slips. Clean mud tanks. Rig released at 2:00 p.m., 12/10/92. Circ 35 sx to surf. CC: \$249,714. FINAL DRILLING REPORT.

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  
 Oil Well     Gas Well     Other

2. Name of Operator  
 Coastal Oil & Gas Corporation

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 2200' FWL & 1600' FNL (SE/NW)  
 Section 21, T9S-R21E

5. Lease Designation and Serial No.  
 U-0576

6. If Indian, Allottee or Tribe Name  
 N/A

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

8. Well Name and No.  
 NBU #126

9. API Well No.  
 43-047-32349

10. Field and Pool, or Exploratory Area  
 Natural Buttes

11. County or Parish, State  
 Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input 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>First Sales</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.)\*

The above referenced well was connected to CIG's gas salesline and first sales occurred at 1:00 p.m., 1/30/93, with a rate of 2181 MCFPD, 0 BOPD, 0 BWPD, FTP 1901 psi, SICP 1198 psi, on 12/64" choke.

**RECEIVED**

FEB 16 1993

DIVISION OF  
OIL, GAS & MINING

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

Signed Cheryl Ann Smith Title Regulatory Analyst Date 2/4/93

(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.

**UTAH DIVISION OF OIL, GAS AND MINING  
EQUIPMENT INVENTORY**

Operator: COASTAL OIL & GAS COMPANY Lease: State:        Federal: Y  
 Indian:        Fee:       

Well Name: NBU 126 API Number: 43-047-32349  
 Section: 21 Township: 9S Range: 21E County: UINTAH Field:  
NATURAL BUTTES  
 Well Status: PGW Well Type: Oil:        Gas: Y

PRODUCTION LEASE EQUIPMENT: Y CENTRAL BATTERY:       

Y Well head        Boiler(s)        Compressor        Separator(s)  
Y Dehydrator(s) (1) Shed(s)        Line Heater(s) Y Heated  
 Separator  
       VRU        Heater Treater(s)

**PUMPS:**

       Triplex        Chemical        Centrifugal

**LIFT METHOD:**

       Pumpjack        Hydraulic        Submersible        Flowing

**GAS EQUIPMENT:**

Y Gas Meters        Purchase Meter Y Sales Meter

**TANKS:**

NUMBER	SIZE
<u>      </u> Oil Storage Tank(s)	<u>      </u> BBLs
<u>      </u> Water Tank(s)	<u>      </u> BBLs
<u>      </u> Power Water Tank	<u>      </u> BBLs
<u>YES</u> Condensate Tank(s)	<u>1-100 BARREL</u> BBLs
<u>      </u> Propane Tank	<u>      </u> BBLs

REMARKS: HEATED SEPARATOR, DEHYDRATOR & SALES METER IN SINGLE SHED.  
        
      

Location central battery: Qtr/Qtr:        Section:        Township:         
 Range:       

Inspector: DENNIS INGRAM Date: 6/17/93



## WORKOVER PROCEDURE

### *NBU 126*

2200' FWL & 1600' FNL Section 21-9S-21E  
Uintah County, UT

August 28, 1996

ELEVATION: 4855' GL; 4869' KB  
TOTAL DEPTH: 6675' PBTD: 6605'  
CASING: 5-1/2" 17# set @ 6675'  
TUBING: 2 3/8", 4.7#, N-80 @ 5593'  
PERFORATIONS: 5638'-6512' Wasatch

### PROCEDURE:

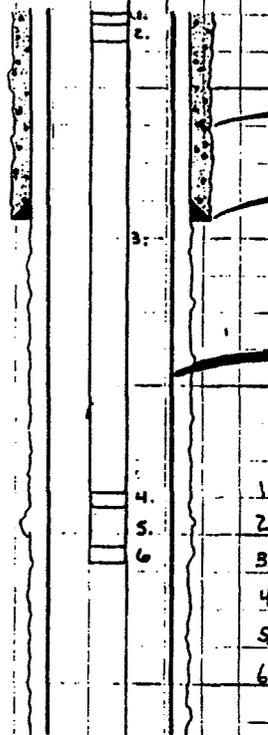
1. MIRU pulling unit. Blow down well or control w/2% KCl wtr. ND tree/NU BOP's.
2. PU 2-3/8" tbg and verify PBTD (6439' as of 2/15/96 SL survey). POH one stand.
3. Install one-way float valve on tubing and begin circulating KCl water foamed with air.
4. PU 2-3/8" tbg and CO to 6605'. Circulate until returns are clean.
5. PU and land tubing at 6512'. ND BOP's/NU tree. RDMO Pulling Unit and air/foam unit.
6. Install PLE when rate falls below 500 MCFD.

PRODUCING STATUS: Flowing  
 WELLHEAD WORKING PRESSURE: 5m

DOWNHOLE SCHEMATIC	
LEASE:	NRLA
WELL #:	126
FIELD:	NRLA
LOCATION:	SEC. 21 TWP 95 RGE. 21E
COUNTY/STATE:	LYNN/UTAH
TD:	6675
PSTD:	66053m (592.1m)
PERFS:	5638 to 6512, 8 HOLES
PROD. FORM(S):	
DATE:	17 DEC 92 BY: <i>[Signature]</i>

KB ELEVATION: 12.00

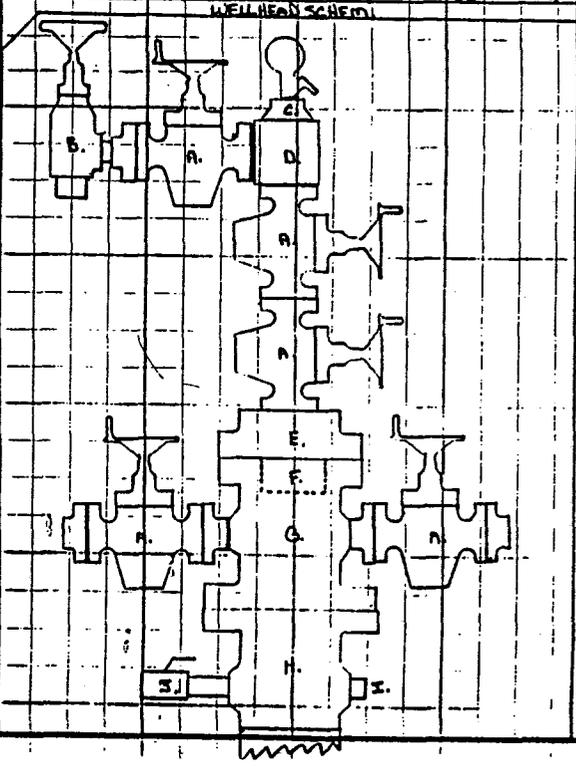
FORM. TOPS



ITEM	QUANTITY	DEPTHS	GRADE	WEIGHT	CPLG, Etc.	O.D.	I.D.
HOLE SIZE: _____"							
SURFACE CASING:							
O.D. <u>8 5/8</u> , WEIGHT(S) <u>24</u> #							
GRADE(S) <u>11.33</u> , CPLG <u>STG C</u>							
SET AT <u>262</u> - <u>1W/1.50</u> SK							
HOLE SIZE: <u>11 1/2</u> @ <u>6675</u> W/ <u>1275</u> SK							
TUBING LANDING DETAIL							
ITEM		LENGTH	DEPTH				
KB		12.00	0.00				
1. HWDR		1.00	12.00				
2. R-SUB		10.00	13.00				
3. PERFS 2 3/4" - 12"		55 86.80	23.00				
4. SN		1.00	55 59.80				
5. LPT		31.90	55 60.88				
6. N.C.		50	55 92.78				
			55 93.28				

WELLHEAD DETAILS

- A. CAMERON GATE VALVES, FLANGED 2 1/2" 5m WOG, T-21 TRIM, R-24 R.G.
- B. BEST ADJUSTABLE CHECK, 2 1/2" LP, 3m WOG
- C. TREE CAP W/ WIDTH 4" 3m, 1/2" NPT/1cm GAUGE AND KF NEEDLE VALVE 1/2" NPT
- D. TEE 2 1/2" FLANGED, R-24 R.G., 5m WOG
- E. X-O FLANGE 1 1/2" x 2 1/2", R-24 X R-46 R.G., 5m WOG
- F. TBC HANGER K'KOEY TYPE ES, 2 3/8" x 1 1/2"
- G. TBC HEAD, M'KOEY 11" 3m x 1 1/2" 5m x 2 1/2" FLANGED OUT, 18" BORE 3m WOG
- H. CSC HEAD, M'KOEY 11" 3m x 8 1/2" CSC THD, X 2 1/2" LP, OUT 8" BORE 3m WOG
- I. BULLPLUG 2 1/2" LP
- J. KF BALL VALVE 2 1/2" LP 3m WOG



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT" - for such proposals

5. Lease Designation and Serial No.

U-0576

6. If Indian, Alottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

Natural Buttes Unit

8. Well Name and No.

NBU #126

9. API Well No.

43-047-32349

10. Field and Pool, Or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, Utah

*SUBMIT IN TRIPLICATE*

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P. O. Box 749, Denver, CO 80201-0749

(303) 573-4476

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)

2200' FWL & 1600' FNL

SE/NW Section 21, T9S-R21E

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent  
 Subsequent Report  
 Final Abandonment Notice

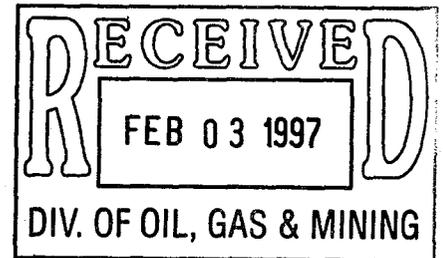
Abandonment  
 Recompletion  
 Plugging Back  
 Casing Repair  
 Altering Casing  
 Other CO, lower tubing, install PLE

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 markets and zones pertinent to this work.)\*

Please see the attached chronological history for work performed on the subject well.



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

Signed Bonnie Carson Title Senior Environmental Analyst Date 01/29/97  
Bonnie Carson

(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.

*WO tax credit 9/97*

\*See Instruction on Reverse Side



01/18/97      Flowing 291 MCF, 5 BW, 140 TP, 219 CP, on 30/64" chk.

01/19/97      Flowing 291 MCF, 5 BW, 140 TP, 219 CP, on 30/64" chk.

01/20/97      Flowing 340 MCF, 5 BW, 150 TP, 231 CP, on 30/64" chk.

01/21/97      Flowing 341 MCF, 5 BW, 267 TP, 282 CP, on 30/64" chk. PL 8 hrs.

01/22/97      Flowing 219 MCF, 4 BW, 180 TP, 210 CP, on 30/64" chk. PL 8 hrs.

01/23/97      Flowing 303 MCF, 3 BW, 123 TP, 191 CP, on 30/64" chk. PL 6 hrs.

01/24/97      Flowing 296 MCF, 3 BW, 228 TP, 243 CP, on 30/64" chk. PL 6 hrs. **Final Report**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

43-047-32349

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

Oil Well  Gas Well  Other

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P.O. Box 749, Denver, CO 80201-0749

(303) 573-4476

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

See attached spreadsheet

5. Lease Designation and Serial No.

See attached spreadsheet

6. If Indian, Allottee or Tribe Name

See attached spreadsheet

7. If Unit or CA, Agreement Designation

See attached spreadsheet

8. Well Name and No.

See attached spreadsheet

9. API Well No.

See attached spreadsheet

10. Field and Pool, or exploratory Area

See attached spreadsheet

11. County or Parish, State

Utah Utah

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

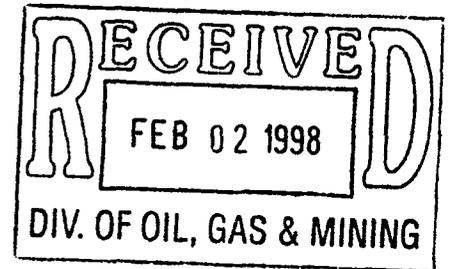
TYPE OF ACTION

- 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.)\*

The operator requests permission to empty produced water into tanks on the listed locations. The produced water will then be transported by truck to the underground injection well, NBU #159, located at NE/SW Section 35, T9S-R21E.



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

Signed Bonnie Carson

Bonnie Carson

Title Sr. Environmental Analyst

Date 1/28/98

(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.

Well Name	API No.	Lease Designation & serial number	If Indian, Allottee or Tribe Name	Footages	Qtr/Qtr	Location	Field	County
CIGE 19	43-047-30459	ML-3141-A	Ute Tribe	1231' FWL & 1223' FSL	SWSW	Sec. 16-9S-21E	Natural Buttes	Uintah
CIGE 22	43-047-30501	U-0144868	N/A	1980' FNL & 1980' FWL	SENE	Sec. 15-9S-20E	Natural Buttes	Uintah
CIGE 30	43-047-30498	U-01791	N/A	1307' FNL & 1419' FWL	SWSE	Sec. 6-10S-21E	Natural Buttes	Uintah
CIGE 37D	43-047-30910	U-0576	Ute Surface	1031' FSL & 1481' FEL	SWSE	Sec. 21-9S-21E	Natural Buttes	Uintah
CIGE 44	43-047-30527	U-01188	Ute Tribal	513' FSL & 503' FEL	SESE	Sec. 9-9S-21E	Natural Buttes	Uintah
CIGE 45	43-047-30528	U-01193	Ute Tribe	1019' FNL & 778' FEL	NENE	Sec. 15-9S-21E	Natural Buttes	Uintah
CIGE 60	43-047-30549	U-01193	Ute Surface	2156' FNL & 1813' FWL	SENE	Sec. 14-9S-21E	Natural Buttes	Uintah
CIGE 61	43-047-30580	U-01193	Ute Surface	1815' FNL & 1822' FWL	SENE	Sec. 13-9S-21E	Natural Buttes	Uintah
CIGE 71	43-047-30636	U-0575	Ute Surface	1894' FSL & 804' FEL	NESE	Sec. 20-9S-21E	Natural Buttes	Uintah
CIGE 78C	43-047-30870	U-38409	Ute Tribe	1279' FNL & 1477' FWL	NENE	Sec. 16-9S-21E	Natural Buttes	Uintah
CIGE 86D	43-047-30886	ML-3282	Ute Tribe	1080' FSL & 1558' FEL	SWSE	Sec. 16-9S-21E	Natural Buttes	Uintah
CIGE 99D	43-407-31223	U-01189-ST	N/A	760' FNL & 1980' FEL	NWNE	Sec. 26-9S-21E	Natural Buttes	Uintah
CIGE 110	43-047-31959	UTU-0575B	Ute Surface	553' FSL & 2016' FEL	SWSE	Sec. 7-9S-21E	Natural Buttes	Uintah
CIGE 111D	43-047-32305	U-01193	Ute Surface	1041' FSL & 2265' FWL	SENE	Sec. 13-9S-21E	Natural Buttes	Uintah
CIGE 112D	43-047-31945	UTU-0581	N/A	660' FSL & 660' FEL	SESE	Sec. 19-9S-20E	Natural Buttes	Uintah
CIGE 120	43-047-32251	UTU-0144868	Ute Tribe	883' FNL & 1142' FEL	NENE	Sec. 15-9S-20E	Natural Buttes	Uintah
CIGE 121	43-047-32252	UTU-0144868	N/A	1996' FNL & 1980' FEL	SWNE	Sec. 15-9S-20E	Natural Buttes	Uintah
CIGE 122	43-047-32098	UTU-0149767	Ute Surface	1064' FNL & 918' FEL	NENE	Sec. 7-9S-21E	Natural Buttes	Uintah
CIGE 125	43-047-32084	UTU-01193	Ute Surface	707' FNL & 635' FWL	NESW	Sec. 16-9S-21E	Natural Buttes	Uintah
CIGE 127	43-047-32036	ML-3141	Ute Tribe	2175' FSL & 2200' FWL	NESW	Sec. 16-9S-21E	Natural Buttes	Uintah
CIGE 142	43-047-31994	ML-01189	N/A	1461' FNL & 847' FEL	SENE	Sec. 25-9S-21E	Natural Buttes	Uintah
CIGE156	43-047-32195	ML-3282	Ute Tribe	1776' FSL & 611' FEL	NESE	Sec. 16-9S-21E	Natural Buttes	Uintah
CIGE157	43-047-32160	UTU-38409	N/A	2200' FNL & 700' FWL	SWNW	Sec. 16-9S-21E	Natural Buttes	Uintah
CIGE 158	43-047-32158	UTU-0576	N/A	1980' FSL & 660' FEL	NESE	Sec. 21-9S-21E	Natural Buttes	Uintah
CIGE 163	43-047-32192	UTU-01193	Ute	1678' FNL & 803' FEL	SENE	Sec. 15-9S-21E	Natural Buttes	Uintah
CIGE 170	43-047-32403	U-01193	Ute Surface	632' FWL & 1775' FNL	SWNE	Sec. 14-9S-21E	Natural Buttes	Uintah
CIGE 171	43-047-32348	U-01095-A	Ute Tribe	377' FSL & 2008' FEL	SWSE	Sec. 15-9S-21E	Natural Buttes	Uintah
COGC 2	43-047-30967	U-0577-B	Ute Surface	802' FNL & 1902' FWL	NENE	Sec. 22-9S-20E	Natural Buttes	Uintah
NBU 6	43-047-30083	U-0149076	Ute Surface	1434' FEL & 1356' FSL	NWSE	Sec. 24-9S-21E	Natural Buttes	Uintah
NBU 42	43-047-31735	U-463	N/A	2181' FNL & 1621' FWL	SENE	Sec. 30-9S-22E	Natural Buttes	Uintah
NBU 45N	43-047-30875	U-0144868-B	N/A	1555' FSL & 792' FWL	SWSW	Sec. 12-9S-20E	Natural Buttes	Uintah
NBU 48N3	43-047-30538	U-0359	Ute	1866' FNL & 382' FWL	SWNW	Sec. 18-9S-22E	Natural Buttes	Uintah
NBU 49V	43-047-31249	U-463	N/A	1161' FNL & 2017' FEL	NWNE	Sec. 30-9S-22E	Natural Buttes	Uintah
NBU 52J	43-047-30850	U-463	N/A	2122' FSL & 754' FWL	NWSW	Sec. 30-9S-22E	Natural Buttes	Uintah
NBU 57N	43-047-30867	U-01194ST	N/A	570' FNL & 1925' FWL	NENE	Sec. 27-9S-21E	Natural Buttes	Uintah
NBU 63N3	43-047-31097	U-14317	Ute Surface	1980' FNL & 660' FWL	SWNW	Sec. 12-9S-21E	Natural Buttes	Uintah
NBU 64N3	43-047-31098	U-0575-B	Ute Tribe	1975' FSL & 751' FEL	NESE	Sec. 8-9S-21E	Natural Buttes	Uintah
NBU 78	43-047-31762	U-463	N/A	1239' FNL & 625' FWL	NWNW	Sec. 30-9S-22E	Natural Buttes	Uintah

Well Name	API No.	Lease Designation & serial number	If Indian, Allottee or Tribe Name	Footages	Qtr/Qtr	Location	Field	County
NBU 83J	43-047-31235	U-01194-A-ST	N/A	1532' FSL & 1835' FWL	NESW	Sec. 27-9S-21E	Natural Buttes	Uintah
NBU 104	43-047-31957	ML-3282	Ute Surface	1181' FNL & 986' FEL	SENE	Sec. 16-9S-21E	Natural Buttes	Uintah
NBU 106	43-047-31946	UTU-0576	N/A	1980' FSL & 1980' FWL	NESW	Sec. 21-9S-21E	Natural Buttes	Uintah
NBU 110	43-047-31924	UTU-0576	N/A	637' FNL & 698' FEL	NENE	Sec. 28-9S-21E	Natural Buttes	Uintah
NBU 119	43-047-31927	UTU-01416A	N/A	603' FNL & 528' FEL	NENE	Sec. 15-10S-21E	Natural Buttes	Uintah
NBU 121Y	43-047-32086	UTU-01193	Ute Surface	819' FNL & 2163' FEL	NWNE	Sec. 13-9S-21E	Natural Buttes	Uintah
NBU 122	43-047-32303	U-01193	Ute Tribe	1047' FSL & 678' FEL	NESE	Sec. 13-9S-21E	Natural Buttes	Uintah
NBU 124	43-047-31971	ML-3282	Ute Tribe	435' FNL & 2295' FEL	NWNE	Sec. 16-9S-21E	Natural Buttes	Uintah
NBU 125	43-047-32350	U-0575	N/A	760' FEL & 620' FSL	SESE	Sec. 17-9S-21E	Natural Buttes	Uintah
NBU126	43-047-32349	U-0576	N/A	2200' FWL & 1600' FNL	SENE	Sec. 21-9S-21E	Natural Buttes	Uintah
NBU 127	43-047-31963	UTU-0576	Ute Tribe	2285' FNL & 741' FWL	SENE	Sec. 21-9S-21E	Natural Buttes	Uintah
NBU 128	43-047-31964	UTU-0576	Ute Surface	996' FSL & 951' FWL	SENE	Sec. 21-9S-21E	Natural Buttes	Uintah
NBU 129	43-047-31965	UTU-010950A	Ute Tribe	2055' FNL & 569' FEL	SENE	Sec. 22-9S-21E	Natural Buttes	Uintah
NBU 130	43-047-31967	UTU-0147566	N/A	2159' FNL & 828' FWL	SENE	Sec. 22-9S-21E	Natural Buttes	Uintah
NBU 133	43-047-31978	ML-22582	N/A	469' FSL & 1740' FEL	SENE	Sec. 35-9S-21E	Natural Buttes	Uintah
NBU 144	43-047-32022	ML-22651	N/A	1501' FNL & 1719' FEL	SENE	Sec. 2-10S-22E	Natural Buttes	Uintah
NBU 145	43-047-31976	ST-U-01194A	N/A	661' FNL & 1440' FEL	NWNE	Sec. 27-9S-21E	Natural Buttes	Uintah
NBU 175	43-047-32143	U-0576	N/A	1902' FWL & 658' FNL	NWNE	Sec. 28-9S-21E	Natural Buttes	Uintah
NBU 176	43-047-32144	U-0576	N/A	2071' FNL & 604' FWL	NWNE	Sec. 28-9S-21E	Natural Buttes	Uintah
NBU 177	43-047-32112	UTU-0581	N/A	1855' FSL & 760' FEL	NESE	Sec. 29-9S-21E	Natural Buttes	Uintah
NBU 178	43-047-32121	UTU-0581	N/A	466' FNL & 1781' FEL	NWNE	Sec. 30-9S-21E	Natural Buttes	Uintah
NBU 181	43-047-32161	UTU-0576	Ute Tribe	503' FSL & 1849' FWL	SESE	Sec. 9-9S-21E	Natural Buttes	Uintah
NBU 183	43-047-32122	U-01194A	N/A	2014' FNL & 646' FWL	SESE	Sec. 27-9S-21E	Natural Buttes	Uintah
NBU 184	43-047-32170	UTU-0463	N/A	541' FSL & 1778' FWL	SESE	Sec. 30-9S-22E	Natural Buttes	Uintah
NBU 191	43-047-32298	U-010950-A	N/A	694' FSL & 383' FWL	SESE	Sec. 15-9S-21E	Natural Buttes	Uintah
NBU 192	43-047-32299	U-0147566	N/A	753' FNL & 2013' FWL	SESE	Sec. 22-9S-21E	Natural Buttes	Uintah
NBU 193	43-047-32300	U-010950-A	N/A	660' FSL & 660' FWL	SESE	Sec. 22-9S-21E	Natural Buttes	Uintah
NBU 194	43-047-32296	U-010959-A	N/A	1765' FSL & 1709' FWL	SESE	Sec. 22-9S-21E	Natural Buttes	Uintah
NBU 195	43-047-32355	U-014137	N/A	700' FNL & 2000' FEL	SESE	Sec. 11-9S-21E	Natural Buttes	Uintah
NBU 199	43-047-32337	U-0576-A	Ute Surface	369' FWL & 460' FSL	SESE	Sec. 9-9S-21E	Natural Buttes	Uintah
NBU 202	43-047-32338	U-0149767	N/A	900' FNL & 600' FEL	SESE	Sec. 8-9S-21E	Natural Buttes	Uintah
NBU 214	43-047-32466	U-01194A-ST	N/A	1945' FSL & 600' FWL	SESE	Sec. 27-9S-21E	Natural Buttes	Uintah
NBU 312-2E	43-047-32288	ML-21510	Ute Surface	1181' FSL & 1992' FEL	SESE	Sec. 2-9S-21E	Natural Buttes	Uintah
NBU 36Y	43-047-30603	U-0581	N/A	1545' FNL & 1250' FEL	SESE	Sec. 30-9S-21E	Natural Buttes	Uintah
NBU 166	43-047-32065	UTU-0576	N/A	941' FSL & 1693' FEL	SESE	Sec. 28-9S-21E	Natural Buttes	Uintah

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR: 8 South 1200 East CITY Vernal STATE Utah ZIP 84078 PHONE NUMBER: 435-789-4433

5. LEASE DESIGNATION AND SERIAL NUMBER: \_\_\_\_\_

6. IF INDIAN ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CA AGREEMENT NAME: \_\_\_\_\_

8. WELL NAME and NUMBER: Exhibit "A"

9. API NUMBER: \_\_\_\_\_

10. FIELD AND POOL, OR WILDCAT: \_\_\_\_\_

4. LOCATION OF WELL

FOOTAGES AT SURFACE: \_\_\_\_\_ COUNTY: \_\_\_\_\_

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: \_\_\_\_\_ STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Name Change</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

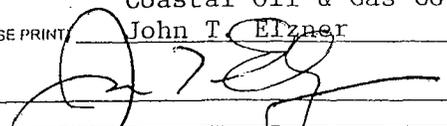
As a result of the merger between The Coastal Corporation and a wholly owned subsidiary of El Paso Energy Corporation, the name of Coastal Oil & Gas Corporation has been changed to El Paso Production Oil & Gas Company effective March 9, 2001.

See Exhibit "A"

Bond # 400JU0708

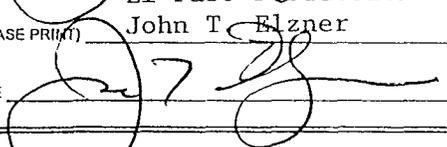
Coastal Oil & Gas Corporation

NAME (PLEASE PRINT) John T. Elzner TITLE Vice President

SIGNATURE  DATE 06-15-01

El Paso Production Oil & Gas Company

NAME (PLEASE PRINT) John T. Elzner TITLE Vice President

SIGNATURE  DATE 06-15-01

This space for State use only

RECEIVED

JUN 19 2001

DIVISION OF  
OIL, GAS AND MINING

State of Delaware  
Office of the Secretary of State

---

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "COASTAL OIL & GAS CORPORATION", CHANGING ITS NAME FROM "COASTAL OIL & GAS CORPORATION" TO "EL PASO PRODUCTION OIL & GAS COMPANY", FILED IN THIS OFFICE ON THE NINTH DAY OF MARCH, A.D. 2001, AT 11 O'CLOCK A.M.

RECEIVED

MAR 9 2001

DIVISION OF  
OIL, GAS AND MINING



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

0610204 8100

AUTHENTICATION: 1061007

010162788

DATE: 04-03-01

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

COASTAL OIL & GAS CORPORATION (the "Company"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Company, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Company:

RESOLVED that it is deemed advisable that the Certificate of Incorporation of this Company be amended, and that said Certificate of Incorporation be so amended, by changing the Article thereof numbered "FIRST." so that, as amended, said Article shall be and read as follows:

"FIRST. The name of the corporation is El Paso Production Oil & Gas Company."

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders entitled to vote have given unanimous written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said COASTAL OIL & GAS CORPORATION has caused this certificate to be signed on its behalf by a Vice President and attested by an Assistant Secretary, this 9th day of March 2001.

COASTAL OIL & GAS CORPORATION

*David L. Siddall*  
\_\_\_\_\_  
David L. Siddall  
Vice President

Attest:

*Margaret E. Roark*  
\_\_\_\_\_  
Margaret E. Roark, Assistant Secretary

RECEIVED

STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FILED 11:00 AM 03/09/2001  
010118394 - 0610204

JUN 19 2001  
DIVISION OF  
OIL, GAS AND MINING



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

# RECEIVED

JUL 12 2001

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:  
3106  
UTSL-065841  
(UT-924)

JUL 10 2001

### NOTICE

El Paso Production Oil & Gas Company : Oil and Gas  
Nine Greenway Plaza :  
Houston TX 77046-0095 :

#### Name Change Recognized

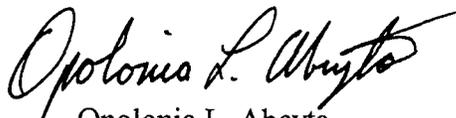
Acceptable evidence has been received in this office concerning the name change of Coastal Oil & Gas Corporation into El Paso Production Oil & Gas Company with El Paso Production Oil & Gas Company being the surviving entity.

For our purposes, the name change is recognized effective March 9, 2001.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Coastal Oil & Gas Corporation to El Paso Production Oil & Gas Company. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Wyoming and Colorado.



Opolonia L. Abeyta  
Acting Chief, Branch of  
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
~~State of Utah, DOGM~~, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

### Exhibit of Leases

UTUSL-065841A	UTU-47172	UTU-74415	UTU-53860
UTU-28652	UTU-50687	UTU-74416	UTU-66401
UTU-37943	UTU-52298	UTU-75091	UTU-67868
UTU-44089	UTU-0109054	UTU-75096	UTU-65389
UTU-44090A	UTU-0143511	UTU-75097	UTU-77084
UTU-61263	UTU-0143512	UTU-75673	UTU-61430
UTU-00343	UTU-38401	UTU-76259	UTU-72633
UTU-02651	UTU-38411	UTU-76260	UTU-72650
UTU-02651B	UTU-38418	UTU-76261	UTU-49692
UTU-0142175	UTU-38419	UTU-76493	UTU-57894
UTU-70235	UTU-38420	UTU-76495	UTU-76829
UTU-70406	UTU-38421	UTU-76503	UTU-76830
UTU-74954	UTU-38423	UTU-78228	UTU-76831
UTU-75132	UTU-38424	UTU-78714	
UTU-75699	UTU-38425	UTU-78727	
UTU-76242	UTU-38426	UTU-78734	
UTU-78032	UTU-38427	UTU-79012	
UTU-4377	UTU-38428	UTU-79011	
UTU-4378	UTU-53861	UTU-71694	
UTU-7386	UTU-58097	UTU-00576	
UTU-8344A	UTU-64376	UTU-00647	
UTU-8345	UTU-65222	UTU-01470D	
UTU-8347	UTU-65223	UTU-0136484	
UTU-8621	UTU-66746	UTU-8344	
UTU-14646	UTU-67178	UTU-8346	
UTU-15855	UTU-67549	UTU-8648	
UTU-25880	UTU-72028	UTU-28212	
UTU-28213	UTU-72632	UTU-30289	
UTU-29535	UTU-73009	UTU-31260	
UTU-29797	UTU-73010	UTU-33433	
UTU-31736	UTU-73013	UTU-34711	
UTU-34350	UTU-73175	UTU-46699	
UTU-34705	UTU-73434	UTU-78852	
UTU-37116	UTU-73435	UTU-78853	
UTU-37355	UTU-73444	UTU-78854	
UTU-37573	UTU-73450	UTU-075939	
UTU-38261	UTU-73900	UTU-0149767	
UTU-39223	UTU-74409	UTU-2078	
UTU-40729	UTU-74410	UTU-44426	
UTU-40736	UTU-74413	UTU-49530	
UTU-42469	UTU-74414	UTU-51026	

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. GLH		4-KAS
2. CDW ✓		5-LP ✓
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

**X** Merger

The operator of the well(s) listed below has changed, effective: **3-09-2001**

<b>FROM: (Old Operator):</b>
COASTAL OIL & GAS CORPORATION
Address: 9 GREENWAY PLAZA STE 2721
HOUSTON, TX 77046-0995
Phone: 1-(713)-418-4635
Account N0230

<b>TO: ( New Operator):</b>
EL PASO PRODUCTION OIL & GAS COMPANY
Address: 9 GREENWAY PLAZA STE 2721 RM 2975B
HOUSTON, TX 77046-0995
Phone: 1-(832)-676-4721
Account N1845

**CA No.**

**Unit: NATURAL BUTTES**

**WELL(S)**

NAME	API NO	ENTITY NO	SEC TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 126	43-047-32349	2900	21-09S-21E	FEDERAL	GW	P
CIGE 202-21-9-21	43-047-32805	2900	21-09S-21E	FEDERAL	GW	P
NBU 255	43-047-32806	2900	21-09S-21E	FEDERAL	GW	P
CIGE 233-21-9-21	43-047-33022	2900	21-09S-21E	FEDERAL	GW	DRL
NBU 300	43-047-33023	2900	21-09S-21E	FEDERAL	GW	P
NBU 129	43-047-31965	2900	22-09S-21E	FEDERAL	GW	P
NBU 130	43-047-31967	2900	22-09S-21E	FEDERAL	GW	P
NBU 194	43-047-32296	2900	22-09S-21E	FEDERAL	GW	P
NBU 192	43-047-32299	2900	22-09S-21E	FEDERAL	GW	P
NBU 193	43-047-32300	2900	22-09S-21E	FEDERAL	GW	P
NBU 198	43-047-32357	2900	22-09S-21E	FEDERAL	GW	P
NBU 256	43-047-32807	2900	22-09S-21E	FEDERAL	GW	P
NBU 273	43-047-32906	2900	22-09S-21E	FEDERAL	GW	P
NBU 4	43-047-30056	2900	23-09S-21E	FEDERAL	GW	P
NBU 131	43-047-31966	2900	23-09S-21E	FEDERAL	GW	P
NBU 144	43-047-32044	2900	23-09S-21E	FEDERAL	GW	P
NBU 311-23E	43-047-32203	2900	23-09S-21E	FEDERAL	GW	P
NBU 189	43-047-32236	2900	23-09S-21E	FEDERAL	GW	P
NBU 335-23E	43-047-32265	2900	23-09S-21E	FEDERAL	GW	P
NBU 274	43-047-32907	2900	23-09S-21E	FEDERAL	GW	P

**OPERATOR CHANGES DOCUMENTATION**

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 06/19/2001
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 06/19/2001
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/21/2001
4. Is the new operator registered in the State of Utah: YES Business Number: 608186-0143

5. If **NO**, the operator was contacted contacted on: N/A
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 07/10/2001
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 07/10/2001
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: 07/10/2001
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

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**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 07/31/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 07/31/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

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**STATE BOND VERIFICATION:**

1. State well(s) covered by Bond No.: N/A

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**FEDERAL BOND VERIFICATION:**

1. Federal well(s) covered by Bond No.: WY 2793

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**FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond No: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: \_\_\_\_\_

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**FILMING:**

1. All attachments to this form have been **MICROFILMED** on: \_\_\_\_\_

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**FILING:**

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: \_\_\_\_\_

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**COMMENTS: Master list of all wells involved in operator change from Coastal Oil & Gas Corporation to El Paso Production Oil and Gas Company shall be retained in the "Operator Change File".**

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JAN. 17. 2003 3:34PM

WESTPORT

NO. 173 P. 2

**WESTPORT OIL AND GAS COMPANY, L.P.**

410 Seventeenth Street #2300 Denver Colorado 80202-4436  
Telephone: 303 573 5404 Fax: 303 573 5609

**February 1, 2002**

Department of the Interior  
Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215-7093  
Attention: Ms. Martha Maxwell

**RE: BLM Bond CO-1203  
BLM Nationwide Bond 158626364  
Surety - Continental Casualty Company  
Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Conversion of Westport Oil and Gas Company, Inc., into Westport Oil and Gas Company, L.P.  
Assumption Rider - Westport Oil and Gas Company, L.P.**

**Dear Ms. Maxwell:**

Pursuant to our recent conversations, please find the following list of enclosures for the BLM's consideration and approval:

Two (2) Assumption Riders, fully executed originals.  
Copies of Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Copies of Westport Oil and Gas Company, Inc., conversion into Westport Oil and Gas Company, L.P.  
List of all Federal/BIA/State Leases - Belco/Westport's leases - in all states.

Please inform us of any additional information needed to complete the change to Westport Oil and Gas Company, L.P., as operator of record.

I thank you for your assistance and cooperation in this matter. Please do not hesitate contacting the undersigned, should a question arise.

Sincerely,  
Westport Oil and Gas Company, L.P.

Debby J. Black  
Engineer Technician

Encl:



United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

FEB 22 2002

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:  
3106  
UTU-25566 et al  
(UT-924)

FEB 21 2002

NOTICE

Westport Oil and Gas Company L.P. : Oil and Gas  
410 Seventeenth Street, #2300 :  
Denver Colorado 80215-7093 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Westport Oil and Gas Company, Inc. into Westport Oil and Gas Company, L.P. with Westport Oil and Gas Company, L.P. being the surviving entity.

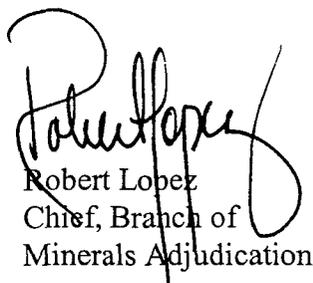
For our purposes, the name change is recognized effective December 31, 2001.

The oil and gas lease files identified have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Westport Oil and Gas Company, Inc. to Westport Oil and Gas Company, L.P.. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Colorado.

UTU-03405  
UTU-20895  
UTU-25566  
UTU-43156  
UTU-49518  
UTU-49519  
UTU-49522  
UTU-49523



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

# memorandum

Branch of Real Estate Services  
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to  
Attn of: Supervisory Petroleum Engineer

Subject: Modification of Utah Division of Oil, Gas and Mining Regulations

To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval of Change of Operator where Indian leases are involved.

We have no objection.

With further comment to Rulemaking, I wish to comment concerning the provision of Exhibits for upcoming Hearings. I would like to see the Uintah & Ouray Agency, BIA, and the Ute Indian Tribe, Energy & Mineral Resources Department added to the list of those parties that receive advance Exhibits so as to allow us to have research time prior to Hearing dates. We will be able to provide a more informed recommendation to the Oil, Gas and Mining Board. It would be best if we would receive only those Exhibits that concern Indian lands, specifically on or adjacent to Indian lands. This may be a difficult situation to attain, as it is not always clear where 'on or adjacent' occurs.

I am aware that you have gone to extra effort to correct this matter already, and I fully appreciate it. My request is intended only to allow the addition of Uintah & Ouray Agency and Ute Indian Tribe to the official listing.

We appreciate your concern, and hope that these comments are timely enough for consideration in the revision process.

CC: Minerals & Mining Section of RES  
Ute Energy & Mineral Resources Department: Executive Director  
chrono





# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Washington, D.C. 20240

FEB 1 0 2003

IN REPLY REFER TO:  
Real Estate Services

Carroll A. Wilson  
Principal Landman  
Westport Oil and Gas Company, L.P.  
1368 South 1200 East  
Vernal, Utah 84078

Dear Mr. Wilson:

This is in response to your request for approval of RLI Insurance Company's Nationwide Oil and Gas Lease Bond No. RLB0005239 executed effective December 17, 2002, (\$150,000 coverage) with Westport Oil and Gas Company, L. P., as principal.

This bond is hereby approved as of the date of this correspondence and will be retained in the Bureau of Indian Affairs' Division of Real Estate Services, 1849 C Street, NW, MS-4512-MIB, Washington, D.C. 20240. All Bureau oil and gas regional offices and the surety are being informed of this action.

In cases where you have existing individual and/or collective bonds on file with one or more of our regional offices, you may now request those offices, directly, to terminate in lieu of coverage under this Nationwide Bond.

Enclosed is a copy of the approved bond for your files. If we may be of further assistance in this matter, please advise.

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

IN REPLY REFER TO  
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.  
Attn: Gary D. Williamson  
1670 Broadway, Suite 2800  
Denver, Colorado 80202

Re: Natural Buttes Unit  
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)  
SITLA  
Division of Oil, Gas & Mining  
Minerals Adjudication Group  
File - Natural Buttes Unit (w/enclosure)  
Agr. Sec. Chron  
Fluid Chron

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: El Paso Production Oil & Gas Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 9 Greenway Plaza City: Houston STATE TX ZIP: 77064-0995		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (832) 676-5933		8. WELL NAME and NUMBER: Exhibit "A"
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:

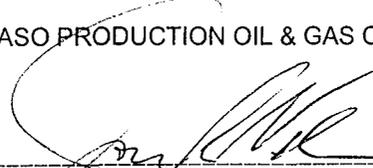
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

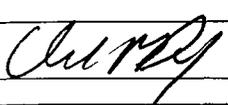
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # \_\_\_\_\_  
State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY  
By:   
Jon R. Nelsen, Attorney-in-Fact

RECEIVED  
FEB 28 2003  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) WESTPORT OIL AND GAS COMPANY, L.P. David R. Dix	TITLE Agent and Attorney-in-Fact
SIGNATURE 	DATE 12/17/02

(This space for State use only)

Form 3160-5  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
 WESTPORT OIL & GAS COMPANY, L.P.

3a. Address  
 P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)  
 (435) 781-7023

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

5. Lease Serial No.  
**SEE ATTACHED EXHIBIT "A"**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**SEE ATTACHED EXHIBIT "A"**

9. API Well No.  
**SEE ATTACHED EXHIBIT "A"**

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
 UTAH COUNTY, UT

**SEE ATTACHED EXHIBIT "A"**

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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other

SUCCESSOR OF  
OPERATOR

13. Describe Proposed or Completed Operations (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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and 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 recompleat in a new interval, a Form 3160-4 shall be filed if testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED  
MAR 04 2003

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

Name (Printed/Typed)  
CHERYL CAMERON

Title  
OPERATIONS

Signature

Date  
March 4, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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, 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)

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. GLH
2. CDW ✓
3. FILE

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:		<b>12-17-02</b>
<b>FROM: (Old Operator):</b>		<b>TO: (New Operator):</b>
EL PASO PRODUCTION OIL & GAS COMPANY		WESTPORT OIL & GAS COMPANY LP
Address: 9 GREENWAY PLAZA		Address: P O BOX 1148
HOUSTON, TX 77064-0995		VERNAL, UT 84078
Phone: 1-(832)-676-5933		Phone: 1-(435)-781-7023
Account No. N1845		Account No. N2115

**CA No. Unit: NATURAL BUTTES**

<b>WELL(S)</b>						
NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 275	09-09S-21E	43-047-32905	2900	FEDERAL	GW	S
CIGE 129	18-09S-21E	43-047-32043	2900	FEDERAL	GW	P
CIGE 46	21-09S-21E	43-047-30529	2900	FEDERAL	GW	P
CIGE 37D	21-09S-21E	43-047-30910	2900	FEDERAL	GW	P
CIGE 113D	21-09S-21E	43-047-31944	2900	FEDERAL	GW	P
NBU 127	21-09S-21E	43-047-31963	2900	FEDERAL	GW	P
NBU 128	21-09S-21E	43-047-31964	2900	FEDERAL	GW	P
CIGE 158	21-09S-21E	43-047-32158	2900	FEDERAL	GW	P
NBU 126	21-09S-21E	43-047-32349	2900	FEDERAL	GW	P
CIGE 202	21-09S-21E	43-047-32805	2900	FEDERAL	GW	P
NBU 255	21-09S-21E	43-047-32806	2900	FEDERAL	GW	P
CIGE 233	21-09S-21E	43-047-33022	2900	FEDERAL	GW	P
NBU 300	21-09S-21E	43-047-33023	2900	FEDERAL	GW	P
NBU 192	22-09S-21E	43-047-32299	2900	FEDERAL	GW	P
NBU 193	22-09S-21E	43-047-32300	2900	FEDERAL	GW	P
NBU 273	22-09S-21E	43-047-32906	2900	FEDERAL	GW	P
CIGE 208	08-10S-21E	43-047-32997	2900	FEDERAL	GW	P
NBU 20-1B	01-10S-22E	43-047-30319	2900	FEDERAL	GW	S
NBU 335	04-10S-22E	43-047-33724	2900	FEDERAL	GW	P

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on: \_\_\_\_\_

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM-12/31/2003 BIA-12/5/02

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 03/24/2003
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/24/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: RLB 0005236

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 158626364

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: RLB 0005239

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

**COMMENTS:**

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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 reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

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

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
**WESTPORT OIL & GAS COMPANY, L.P.**

3a. Address  
**P.O. BOX 1148 VERNAL, UT 84078**

3b. Phone No. (include area code)  
**(435) 781-**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**Multiple Wells - see attached**

5. Lease Serial No.  
**Multiple Wells - see attached**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
**891008900A**

8. Well Name and No.  
**Multiple Wells - see attached**

9. API Well No.  
**Multiple Wells - see attached**

10. Field and Pool, or Exploratory Area  
**Natural Buttes Unit**

11. County or Parish, State  
**Uintah County, UT**

**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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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.

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part III.c.a. requiring each sales tank be equipped with a pressure-vacuum thief hatch and/or vent line valve. The variance is requested as an economic analysis shows the value of the shrunk condensate will not payout the incremental cost of purchasing and maintaining the valve resulting in a loss of value over the producing life of the well.

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped. The average NBU well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached. Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

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

Name (Printed/Typed) **J.T. Conley** Title **Operations Manager** Date **9-2-2003**

Signature *J.T. Conley* Initials **CHD** Date **9-2-2003**

**SEP 10 2003**  
DIV. OF OIL GAS & MINING

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by \_\_\_\_\_ Title **Accepted by the** Date \_\_\_\_\_  
**Utah Division of**  
**Oil, Gas and Mining** Federal Approval Of This Action Is Necessary

Office \_\_\_\_\_ Date: **9/16/03**

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.

Title 18 U.S.C. Section 1001, 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.

**Westport Oil & Gas, L.P.**  
**Project Economics Worksheet**

Instructions: Fill in blue shaded areas with before and after project data. The evaluation results are shown below and graphed automatically at the bottom of the page. This sheet is protected to prevent accidental alteration of the formulas. See JTC for changes. OPX entered as annual costs and/or as unit OPX costs for \$/BF and \$/MCF

Project Name: **Condensate Shrinkage Economics**

Is this job a well pull or production rig job ???  Y  N (Y or N)

	BEFORE \$/Year	AFTER \$/Year	DIFFERENCE \$/Year
Gross Oil Revenue	\$1,088	\$1,099	\$11
Gross Gas Revenue	\$0	\$0	\$0
NGL Revenue	\$0	\$0	\$0
PULING UNIT SERVICE			\$0
WIRELINE SERVICE			\$0
SUBSURF EQUIP REPAIRS			\$0
COMPANY LABOR			\$0
CONTRACT LABOR	\$0	\$200	\$200
CONTR SERVICE			\$0
LEASE FUEL GAS	\$0	\$0	\$0
UTILITIES - ELECTRICITY	\$0	\$0	\$0
CHEMICAL TREATING			\$0
MATERIAL & SUPPLY	\$0	\$150	\$150
WATER & HAULING			\$0
ADMINISTRATIVE COSTS			\$0
GAS PLANT PROCESSING			\$0
<b>Totals</b>	<b>\$0</b>	<b>\$350</b>	<b>\$350</b>

Increased OPX Per Year

**Investment Breakdown:**

	Cap/Exp Code	Cost, \$
Capital \$	820/830/840	\$1,200
Expense \$	830/860	\$0
Total \$		\$1,200

Oil Price	\$ 23.00	\$/BO
Gas Price	\$ 3.10	\$/MCF
Electric Cost	\$ -	\$/ HP / day
OPX/BF	\$ 2.00	\$/BF
OPX/MCF	\$ 0.62	\$/MCF

**Production & OPX Detail:**

	Before		After		Difference	
Oil Production	0.192	BOPD	0.194	BOPD	0.002	BOPD
Gas Production	0	MCFPD	0	MCFPD	0	MCFPD
Wtr Production	0	BWPD	0	BWPD	0	BWPD
Horse Power		HP		HP	0	HP
Fuel Gas Burned		MCFPD		MCFPD	0	MCFPD

**Project Life:**

Life =  Years  
 (Life no longer than 20 years)

**Internal Rate of Return:**

After Tax IROR =

**AT Cum Cashflow:**

Operating Cashflow =  (Discounted @ 10%)

**Payout Calculation:**

$$\text{Payout} = \frac{\text{Total Investment}}{\text{Sum(OPX + Incremental Revenue)}} = 1$$

Payout occurs when total AT cashflow equals investment  
 See graph below, note years when cashflow reaches zero

Payout =  Years or  Days

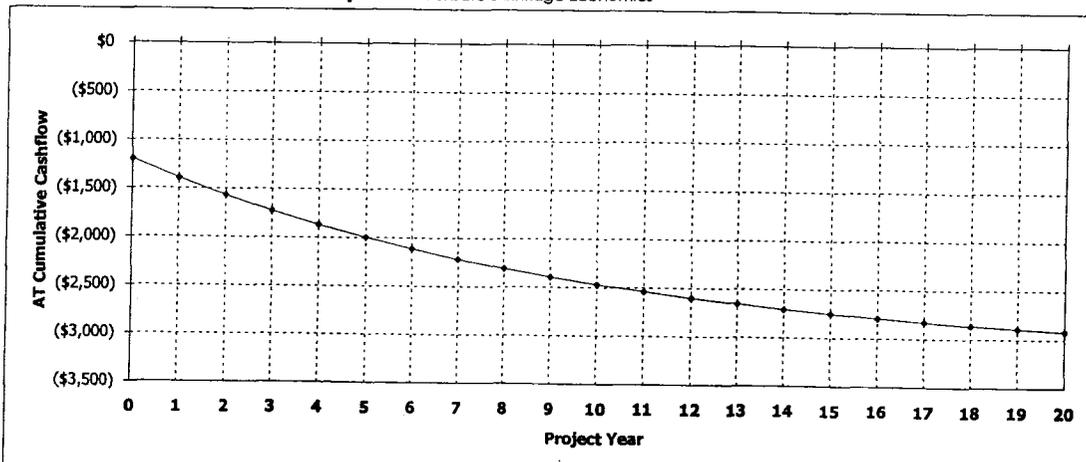
**Gross Reserves:**

Oil Reserves = 6 BO  
 Gas Reserves = 0 MCF  
 Gas Equiv Reserves = 38 MCFE

**Notes/Assumptions:**

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.196 Bcpd if 6 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



**Westport Oil and Gas, Inc.**

**NBU/Ouray Field**

RFL 2003-022

**COMPARISON OF FLASH BACK PRESSURES**

Calculated by Characterized Equation-of-State

Flash Conditions		Gas/Oil Ratio ( scf/STbbl ) (A)	Specific Gravity of Flashed Gas ( Air=1.000 )	Separator Volume Factor (B)	Separator Volume Percent (C)
psig	°F				

**Calculated at Laboratory Flash Conditions**

80	70			1.019	
0	122	30.4	0.993	1.033	101.37%
0	60	0.0	—	1.000	98.14%

**Calculated Flash with Backpressure using Tuned EOS**

80	70			1.015	
6.0 oz	65	24.6	0.777	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
4.0 oz	65	24.7	0.778	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
2.0 oz	65	24.7	0.779	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
0	65	24.8	0.780	1.003	98.82%
0	60	0.0	—	1.000	98.52%

(A) Cubic Feet of gas at 14.696 psia and 60 °F per Barrel of Stock Tank Oil at 60 °F.

(B) Barrels of oil at indicated pressure and temperature per Barrel of Stock Tank Oil at 60 °F.

(C) Oil volume at indicated pressure and temperature as a percentage of original saturated oil volume.

Note: Bubblepoint of sample in original sample container was 80 psig at 70° F with 1 cc water

NBU 076	30-9-22 NWNW	U463	891008900A	430473176200S1
NBU 080V	34-9-22 NWSW	UTU0149077	891008900A	430473124000S1
NBU 081V	3-10-22 SWNW	U01194	891008900A	430473123200S1 ✓
NBU 083J	27-9-21 NESW	U01194A	891008900A	430473123500S1 ✓
NBU 084V	6-10-22 NWNE	UTU01195B	891008900A	430473124500S1
NBU 085J	4-10-22 SWNW	UTU01191A	891008900A	430473124600S1
NBU 086J	3-10-22 NENE	UTU01191A	891008900A	430473125100S1
NBU 087J	3-10-22 NESW	UTU01191	891008900A	430473125000S1
NBU 088V	26-9-21 NENE	U01194	891008900A	430473123300S1 ✓
NBU 093	33-9-22 NESE	UTU01191A	891008900A	430473175300S1
NBU 097	25-9-21 NENW	U01189	891008900A	430473174400S1 ✓
NBU 098V	34-9-21 SWSW	U01194A	891008900A	430473132700S1 ✓
NBU 099	25-9-21 SWSW	U01194	891008900A	430473174500S1 ✓
NBU 101	3-10-21 NWSE	UTU0149078	891008900A	430473175500S1
NBU 102	5-10-21 SESW	UTU01393D	891008900A	430473175700S1
NBU 1021-16G	16-10-21 SWNE	ML10755	891008900A	430473511100S1 ✓
NBU 1021-2O	2-10-21 SWSE	ML13826	891008900A	430473511000S1 ✓
NBU 103	10-9-21 SENW	U0141315	891008900A	430473195600S1
NBU 104	16-9-21 SENE	ML3282	891008900A	430473195700S1
NBU 105	17-9-21 SWSW	UTU0575	891008900A	430473230200S1
NBU 106	21-9-21 NESW	UTU0576	891008900A	430473194600S1
NBU 107	26-9-21 SENW	U01194	891008900A	430473191600S1
NBU 108	19-9-22 SESE	UTU0284	891008900A	430473195800S1
NBU 109	27-9-21 SENE	U01194A	891008900A	430473191700S1 ✓
NBU 110	28-9-21 NENE	U05676	891008900A	430473192400S1
NBU 111	25-9-21 SWNW	U01194	891008900A	430473192000S1 ✓
NBU 112	33-9-22 SESE	UTU01191	891008900A	430473193000S1
NBU 113	34-9-22 SESE	UTU0149077	891008900A	430473193100S1
NBU 114	5-10-21 SWSW	UTU01393D	891008900A	430473192300S1
NBU 115	10-10-21 NENW	UTU0149079	891008900A	430473192900S1
NBU 116	6-10-22 NWNW	UTU464	891008900A	430473192500S1
NBU 117	10-10-22 NENE	U01197A	891008900A	430473191400S1
NBU 118	22-9-20 SENE	UTU0577B	891008900A	430473196900S1
NBU 119	22-9-20 SENW	UTU0577B	891008900A	430473197300S1
NBU 120	10-9-21 NWNW	U0141315	891008900A	430473197200S1
NBU 121	13-9-21 NWNE	U01193	891008900A	430473208600S1
NBU 122	13-9-21 SESE	U01193	891008900A	430473230300S1
NBU 123	15-9-21 NWNW	UTU01188	891008900A	430473197400S1
NBU 124	16-9-21 NWNE	ML3282	891008900A	430473197100S1
NBU 125	17-9-21 SESE	UTU0575	891008900A	430473235000S1
NBU 126	21-9-21 SENW	UTU0576	891008900A	430473234900S1
NBU 127	21-9-21 SWNW	UTU0576	891008900A	430473196300S1
NBU 128	21-9-21 SWSW	UTU0576	891008900A	430473196400S1
NBU 129	22-9-21 SENE	UTU010950A	891008900A	430473196500S1
NBU 130	22-9-21 SWNW	UTU0147566	891008900A	430473196700S1
NBU 131	23-9-21 NWSW	UTU0149075	891008900A	430473196600S1
NBU 132	26-9-21 NWNW	U01194	891008900A	430473193800S1 ✓
NBU 133	28-9-21 SWNE	U05676	891008900A	430473195000S1
NBU 134	28-9-21 SWSW	U05676	891008900A	430473201100S1
NBU 136	19-9-22 SWSE	UTU0284	891008900A	430473196800S1
NBU 137	30-9-22 SESE	ML22935	891008900A	430473193900S1 ✓
NBU 138A	33-9-22 SENE	UTU01191A	891008900A	430473215100S1
NBU 139	14-10-21 SWNE	UTU465	891008900A	430473194800S1
NBU 140	5-10-22 NWNE	UTU01191A	891008900A	430473194700S1
NBU 141	6-10-22 SENW	UTU464	891008900A	430473201700S1
NBU 142	10-10-22 NESE	UTU025187	891008900A	430473201300S1
NBU 143	10-9-21 SWNE	U0141315	891008900A	430473229700S1
NBU 144	23-9-21 NWNW	UTU0149075	891008900A	430473204400S1
NBU 145	27-9-21 NWNE	U01194A	891008900A	430473197600S1 ✓
NBU 146	14-10-21 SWNW	UTU465	891008900A	430473198500S1
NBU 147	4-10-22 NWSW	UTU01191	891008900A	430473198400S1
NBU 148	4-10-22 SESW	UTU01191	891008900A	430473198300S1

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

<b>ROUTING</b>
1. DJJ
2. CDW

**X Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:		<b>1/6/2006</b>
<b>FROM:</b> (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	<b>TO:</b> ( New Operator): N2995-Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	

WELL NAME	CA No.	Unit:	NATURAL BUTTES UNIT					
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- b. If **NO**, the operator was contacted on:
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 5c. Reports current for Production/Disposition & Sundries on: ok
- 6. Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
- 7. Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- 8. Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 9. Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: \_\_\_\_\_
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

**COMMENTS:**

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 reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**KERR-McGEE OIL & GAS ONSHORE LP**

3a. Address  
**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)  
**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SEE ATTACHED**

5. Lease Serial No.  
**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

**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 checked="" 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 <b>CHANGE OF OPERATOR</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006. KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

**RECEIVED**

**MAY 10 2006**

DIV. OF OIL, GAS & MINING

*BLM BOND = C01203  
BIA BOND = RLB0005239*

**APPROVED 5/16/06**

*Earlene Russell*  
**Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician**

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

Name (Printed/Typed) <b>RANDY BAYNE</b>	Title <b>DRILLING MANAGER</b>
Signature <i>Randy Bayne</i>	Date <b>May 9, 2006</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by	Title	Date
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, 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.

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 reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**WESTPORT OIL & GAS COMPANY L.P.**

3a. Address  
**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)  
**(435) 781-7024**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SEE ATTACHED**

5. Lease Serial No.  
**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <b>CHANGE OF OPERATOR</b>

13. Describe Proposed or Completed Operations (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.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

**APPROVED** 5/16/06  
*Earlene Russell*  
 Division of Oil, Gas and Mining  
 Earlene Russell, Engineering Technician

RECEIVED  
 MAY 10 2006

DIV OF OIL, GAS & MINING

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

Name (Printed/Typed) <b>BRAD LANEY</b>	Title <b>ENGINEERING SPECIALIST</b>
Signature	Date <b>May 9, 2006</b>

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>Brad Laney</i>	Title	Date <b>5-9-06</b>
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, 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.



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Colorado State Office  
2850 Youngfield Street  
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:

CO922 (MM)  
3106  
COC017387 et. al.

March 23, 2006

### NOTICE

Kerr-McGee Oil & Gas Onshore L.P. :  
1999 Broadway, Suite 3700 : Oil & Gas  
Denver, CO 80202 :

#### Merger/Name Change - Recognized

On February 28, 2006 this office received acceptable evidence of the following mergers and name conversion:

Kerr-McGee Oil & Gas Onshore L.P., a Delaware Limited Partnership, and Kerr-McGee Oil & Gas Onshore LLC, a Delaware Limited Partnership merger with and into Westport Oil and Gas Company L.P., a Delaware Limited Partnership, and subsequent Westport Oil & Gas Company L.P. name conversion to Kerr-McGee Oil & Gas Onshore L.P.

For our purposes the merger and name conversion was effective January 4, 2006, the date the Secretary of State of Delaware authenticated the mergers and name conversion.

Kerr-McGee Oil & Gas Onshore L.P. provided a list of oil and gas leases held by the merging parties with the request that the Bureau of Land Management change all their lease records from the named entities to the new entity, Kerr-McGee Oil & Gas Onshore L.P. In response to this request each state is asked to retrieve their own list of leases in the names of these entities from the Bureau of Land Management's (BLM) automated LR2000 data base.

The oil and gas lease files identified on the list provided by Kerr-McGee Oil & Gas Onshore L.P. have been updated as to the merger and name conversion. We have not abstracted the lease files to determine if the entities affected by the acceptance of these documents holds an interest in the lease, nor have we attempt to identify leases where the entity is the operator on the ground that maintains vested record title or operating rights interests. If additional documentation, for change of operator, is required you will be contacted directly by the appropriate Field Office. The Mineral Management Services (MMS) and other applicable BLM offices were notified of the merger with a copy of this notice

Please contact this office if you identify additional leases where the merging party maintains an interest, under our jurisdiction, and we will document the case files with a copy of this notice. If the leases are under the jurisdiction of another State Office that information will be forwarded to them for their action.

Three riders accompanied the merger/name conversion documents which will add Kerr-McGee Oil and Gas Onshore LLC as a principal to the 3 Kerr-McGee bonds maintained by the Wyoming State Office. These riders will be forward to them for their acceptance.

The Nationwide Oil & Gas Continental Casualty Company Bond #158626364 (BLM Bond #CO1203), maintained by the Colorado State Office, will remain in full force and effect until an assumption rider is accepted by the Wyoming State Office that conditions their Nationwide Safeco bond to accept all outstanding liability on the oil and gas leases attached to the Colorado bond.

If you have questions about this action you may call me at 303.239.3768.

/s/Martha L. Maxwell  
Martha L. Maxwell  
Land Law Examiner  
Fluid Minerals Adjudication

**Attachment:**

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

WY, UT, NM/OK/TX, MT/ND, WY State Offices

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov>

IN REPLY REFER TO:  
3106  
(UT-922)

March 27, 2006

## Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the merger recognized by the Bureau of Land Management, Colorado State Office. We have updated our records to reflect the merger from Westport Oil and Gas Company L.P. into Kerr-McGee Onshore Oil and Gas Company. The merger was approved effective January 4, 2006.

Chief, Branch of  
Fluid Minerals

## Enclosure

Approval letter from BLM COSO (2 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225  
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114  
Teresa Thompson  
Joe Incardine  
Connie Seare  
Dave Mascarenas  
Susan Bauman

RECEIVED

MAR 28 2006

DIV. OF OIL, GAS & MINERAL