

ENRON

Oil & Gas Company

1801 California Street, Suite 3400, Denver, Colorado 80202 (303) 293-2525

January 17, 1992

RECEIVED

JAN 22 1992

DIVISION OF
OIL GAS & MINING

Utah State Office
Bureau of Land Management
P.O. Box 45155
Salt Lake City, Utah 84145-0155

Attention: Mr. Robert A. Henricks
Chief, Branch of Fluid Minerals

RE: Designations of Agent
NBU 303-6E, 306-18E, 310-24E, 311-23E,
314-3E, 316-17E, 328-13E, 329-29E,
330-29E, 333-2E, 334-3E, 335-23E,
336-24E, 337-24E, 338-24E, 339-19E,
340-20E, 341-29E, 342-35E, 343-36E,
344-12E, 345-4E, 346-5E, 347-8E,
348-9E, 312-2E
Uintah County, Utah
Natural Buttes Prospect
1540-AA29, 1540-AA41, 0050612-000,
0050615-000, 0050621-000, 0050622-000,
0050623-000, 0050627-000, 0050628-000,
0050630-000, 0050632-000, 0050637-000,
0050638-000, 0050642-000, 0050686-000,
0050691-000, 0050692-000

Gentlemen:

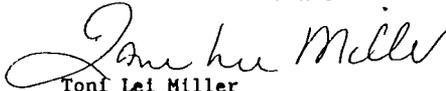
Enclosed, for your approval, are three (3) copies of a blanket Designation of Agent pertaining to Enron Oil & Gas Company's proposed twenty-six (26) wells listed on Exhibit "A" thereto. All copies have been originally executed on behalf of Coastal Oil & Gas Corporation.

When approved, please forward the approved Designation of Agent to my attention at the letterhead address.

If anything further is needed in connection with this matter, please contact the undersigned at the telephone number listed in the letterhead.

Yours very truly,

ENRON OIL & GAS COMPANY


Toni Lei Miller
Project Landman

TLM/dac
9548T/Enclosure

cc: Vernal District, BLM (with copy of enclosure)
Division of Oil, Gas & Mining, Attn: Ms. Tami Searing
(with copy of enclosure)
Jim Schaefer - Big Piney (with copy of enclosure)
George R. McBride - Vernal (with copy of enclosure)
Coastal Oil & Gas Corporation, Attn: Mr. Donald H. Spicer
(with copy of enclosure)

DESIGNATION OF AGENT

Robert A. Henricks
Chief, Branch of Fluid Minerals

The undersigned is, on the records of the Bureau of Land Management Unit Operator under the Natural Buttes Unit Agreement, Uintah County, Utah, No. 14-08-00018900 approved January 5, 1968, and hereby designates.

NAME: Enron Oil & Gas Company

ADDRESS: P O. Box 1815
Vernal, Utah 84078

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, and completing the unit wells listed on the attached Exhibit "A" which are located in Uintah County, Utah.

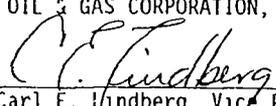
This designation of agent does not relieve the Unit Operator of responsibility for compliance with the terms of the unit agreement. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

The designated agent will be responsible for compliance with the Oil and Gas Operating Regulations as they relate to the drilling, testing, and completing of each of the subject wells. In accordance with 3104 2, bonding shall be provided by Enron Oil & Gas Company, Bond No 81307603.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate as to each well when there is filed in the appropriate district office of the Bureau of Land Management a completed file of all required Federal reports pertaining to that well. At which time the Unit Operator shall assume all liability of that well and bonding shall be provided by the Unit Operator or as otherwise arranged by the unit agreement. It is also understood that this designation of agent is limited to field operations and does not cover administrative actions requiring specific authorization of the Unit Operator.

COASTAL OIL & GAS CORPORATION, Unit Operator

By: Carl E. Lindberg  
Carl E. Lindberg, Vice President

Date: December 16, 1991



EXHIBIT "A"

Attached to and made a part of that certain Designation of Agent dated
December 16, 1991, from Coastal Oil & Gas Corporation.

WELL NAME	LOCATION			
	DIV.	SEC	TWP	RGE
NBU 303-6E	SESW	6	10	21
NBU 306-18E	NESW	18	9	21
NBU 310-24E	SWNE	24	9	21
NBU 311-23E	SWSE	23	9	21
NBU 314-3E	SESW	3	9	21
NBU 316-17E	SWNW	17	9	21
NBU 328-13E	NESW	13	10	20
NBU 329-29E	SENE	29	9	22
NBU 330-29E	SENW	29	9	21
NBU 333-2E	NESW	2	9	21
NBU 334-3E	NESE	3	9	21
NBU 335-23E	SENE	23	9	21
NBU 336-24E	SENW	24	9	21
NBU 337-24E	NESW	24	9	21
NBU 338-24E	NENE	24	9	21
NBU 339-19E	NWSW	19	9	22
NBU 340-20E	NWSE	20	9	22
NBU 341-29E	SESE	29	9	22
NBU 342-35E	NENW	35	9	22
NBU 343-36E	SENW	36	9	22
NBU 344-12E	NWNE	12	10	20
NBU 345-4E	SWSW	4	10	21
NBU 346-5E	NWSE	5	10	21
NBU 347-8E	NESW	8	10	21
NBU 348-9E	NWNW	9	10	21
NBU 312-2C	SWSE	2	9	21

ENRON

OIL & GAS COMPANY

P. O. BOX 1611, VERNAL, UTAH 84078 (801) 781-0790

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August 18, 1992

AUG 19 1992

**DIVISION OF
OIL GAS & MINING**

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

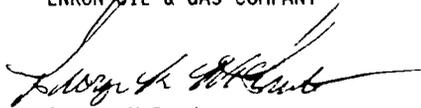
RE NOTICE OF STAKING
NATURAL BUTTES UNIT 337-24E
Sec. 24, T9S, R21E
Uintah County, Utah
Lease No. U-0149076

Dear Mr. Forsman,

Attached is a Notice of Staking on the subject well.

If you require further information, please contact this office.

Very truly yours,
ENRON OIL & GAS COMPANY



George McBride
Sr. Production Foreman

Attachment

cc: Division of Oil Gas & Mining
Doug Weaver/Toni Miller
Curt Parsons
File

/lw
MOSLTR

NOTICE OF STAKING

(Not to be used in place of Application to Drill Form 9-331-C

RMOGA

5/5/82

6 Lease Number
U-014907E

8 If Indian Allottee or Tribe Name
Use Tribal Surface

1 Oil Well Gas Well X Other

7 Unit Agreement Name
Natural Buttes Unit

2 Name of Operator
Enron Oil & Gas Company

8 Farm or Lease Name
Natural Buttes Unit

3 Address of Operator Agent
P. O. Box 1815, Vernal, Utah 84078

9 Well No
337-24E

4 Surface Location of Well
(Governmental 1/4 or 1/4 1/4)

10 Field or Wildcat Name
NBU/Wasatch

1980' FSL , 1980' FWL NE/SW

Attach: Topographical or other acceptable map
Showing location, access road, and lease boundaries

11 Sec , T., R , M., or
Blk and Survey or Area
Sec 24, T9S, R21E

14 Formation Objective(s) 15 Estimated Well Depth
Wasatch 6950'

12 County or Parish 13 State
Utah Utah

16 To Be Completed by Operator Prior to Onsite

- a Location must staked - Completed
- b Access Road Flagged - Completed
- c Sketch and/or map of location, showing road, pad dimensions, reserve pit, cuts, and fills
(To be provided at onsite)

17 To Be Considered By Operators Prior to Onsite

- a H2S Potential - NA
- b Private Surface Ownership - NA
- c Cultural Resources (Archaeology) - Completed
- d Federal Right of Way

18 Additional Information

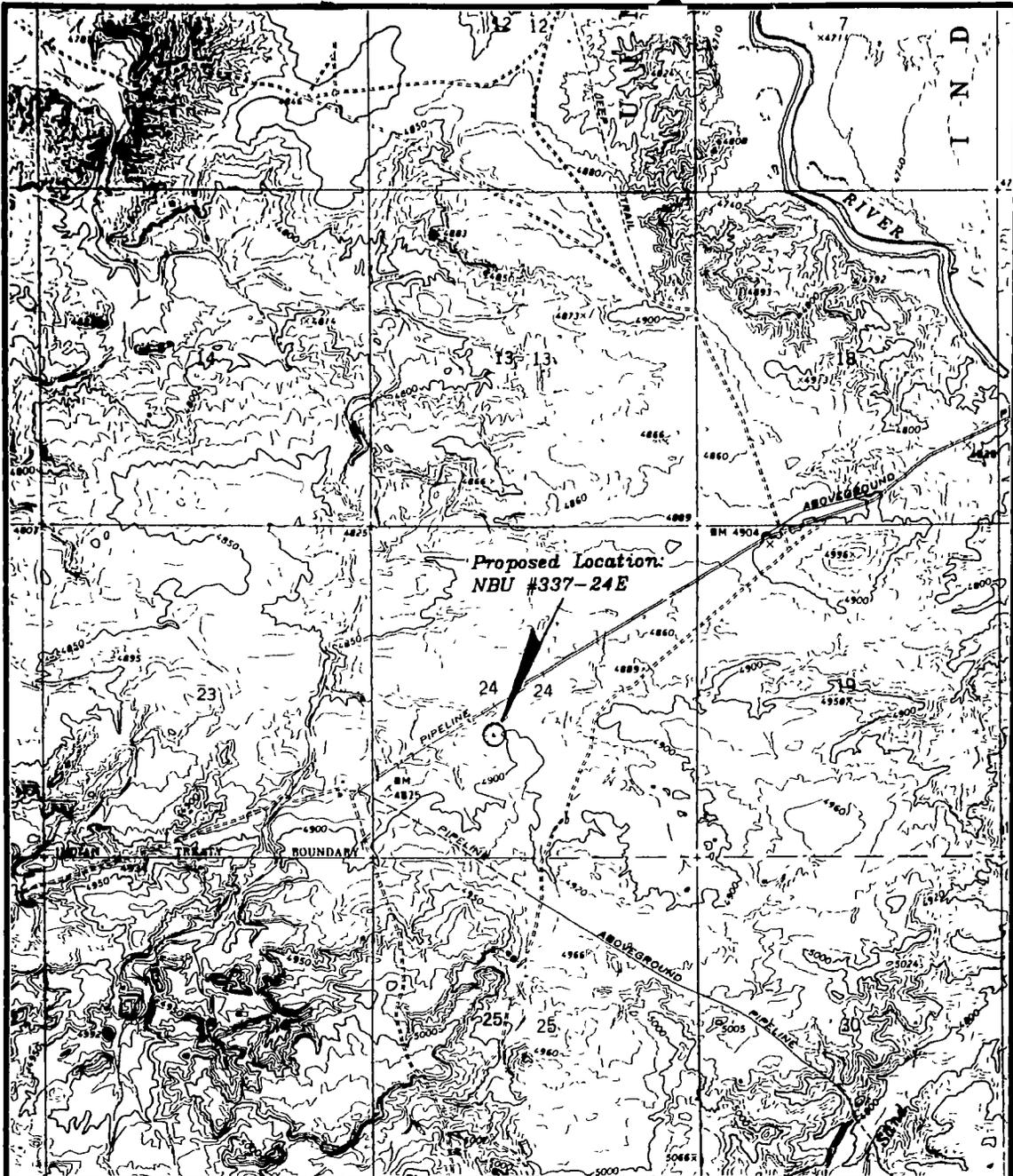
19. Signed *Linda L. Wain* Title Sr Admin Clerk

Date 08/18/92

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DIVISION OF
OIL GAS & MINING



TOPOGRAPHIC
MAP

SCALE 1" = 2000'
DATE 8-11-92 JLG



ENRON OIL & GAS CO.

NBU #337-24E
SECTION 24, T9S, R21E, S1B & M.

ENRON

OIL & GAS COMPANY

P O BOX 1815 VERNAL UTAH 84078 (801)789-0790

September 23, 1992

SEP 30 1992

STATE DIVISION OF
OIL, GAS & MINING

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

RE: APPLICATION FOR PERMIT TO DRILL
NATURAL BUTTES UNIT 337-24E
SECTION 24, T9S, R21E
UINTAH COUNTY, UTAH
LEASE NO. U-0149076
UTE TRIBAL LANDS

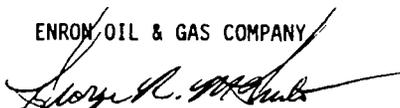
Dear Mr. Forsman:

Enclosed are the original and two (2) copies of the Application for Permit to Drill and associated attachments for the referenced well.

If further information is required regarding this matter, please contact this office.

Sincerely,

ENRON OIL & GAS COMPANY


George R. McBride
Sr. Production Foreman

Attachments

cc: State Division of Oil, Gas & Mining
D. Weaver/T. Miller
Suzanne Saldivar - Houston
File

/lw
NBUS37-24EAPD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

LEASE (BY LOCATION AND SERIAL NO.)
U-0149076

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

IF INDIAN ALLOTTEE OR TRIBE NAME

Ute Tribal Surface

LEASE AGREEMENT NAME

Natural Buttes Unit

NAME OF LEASE NAME

Natural Buttes Unit

WELL NO.

037-14E

1. FEDERAL POLITICAL WILLING

NBU/Wasatch

11. SPEC. T.O. IS APPLICABLE
ANY F.E.W. OR P.L.

Sec. 24, T9S, R21E

12. COUNTY OF PARISH 13. STATE

Uintah Utah

DRILL DEEPEN PLUG BACK

Enron Oil & Gas Company

P.O. Box 1615, Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any state reqd. remedy at surface)

1980' FWL & 1980' TSL NE'SW
A. proposed prod. site

14. TERMS & CONDITIONS AND DIRECTIVE FROM NEARBY TO BE FOR OFFICE

17 Miles Southeast of Ouray, Utah

15. DISTANCE FROM THE WELL TO NEAREST SURFACE WELL (If 1/2 mile or less, give distance in feet. If more than 1/2 mile, give distance in miles and feet. Also, to nearest grid unit line if any)

1980'

640

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST SURFACE WELL (If well is not complete, give distance to nearest well in this lease)

1351'

18. PROPOSED DEPTH 6950'

20. ROTARY OR CABLE TOOLS Rotary

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

4886' Graded Ground

22. APPROX. DATE WORK WILL START

November 1992

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.3#	240'	125 sx Class "G" + 2% CaCl2
7 7/8"	4 1/2"	10.5#	6950'	+ 1/2 #/sx celloflake, 50/50 Pozmix + 2% gel + 10% salt to 400' above all zones of interest (+ 5% excess). Light cement (11 PPG±) + LCM to 200' above oil shale or fresh water intervals (+ 5% excess).

SEE ATTACHMENTS FOR:

- 8 Point Plan
- Drilling program
- BOP Schematic
- Surface Use and Operating Plan
- Location Plat
- Location Layout
- Topographic Maps "A", "B", and "C"
- Gas Sales Pipeline Exhibit "A"

SEP 30 1992

Enron Oil & Gas Company will be the designated operator of the subject well under Nation Wide Bond #81307603.

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.

SIGNED: Lynette L. Wagon TITLE: Sr. Admin. Clerk 9/23/92

(This space for Federal or State office use)

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

PERMIT NO. 43 047-37384

APPROVAL DATE: 10/15/92

APPROVED BY: _____ TITLE: _____

DATE: 10/15/92
BY: [Signature]
WELL SPACING: 649-2-3

*See Instructions On Reverse Side

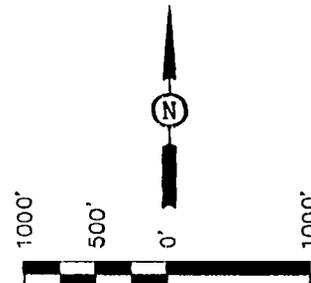
T9S, R21E, S.L.B.&M.

ENRON OIL & GAS CO.

Well location, NBU #337-24E, located as shown in the NE 1/4 SW 1/4 of Section 24, T9S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

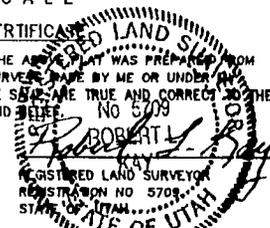
SPO1 ELEVATION AT THE NW CORNER OF SECTION 24, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY SAID ELEVATION IS MARKED AS BEING 4825 FEET



SCALE

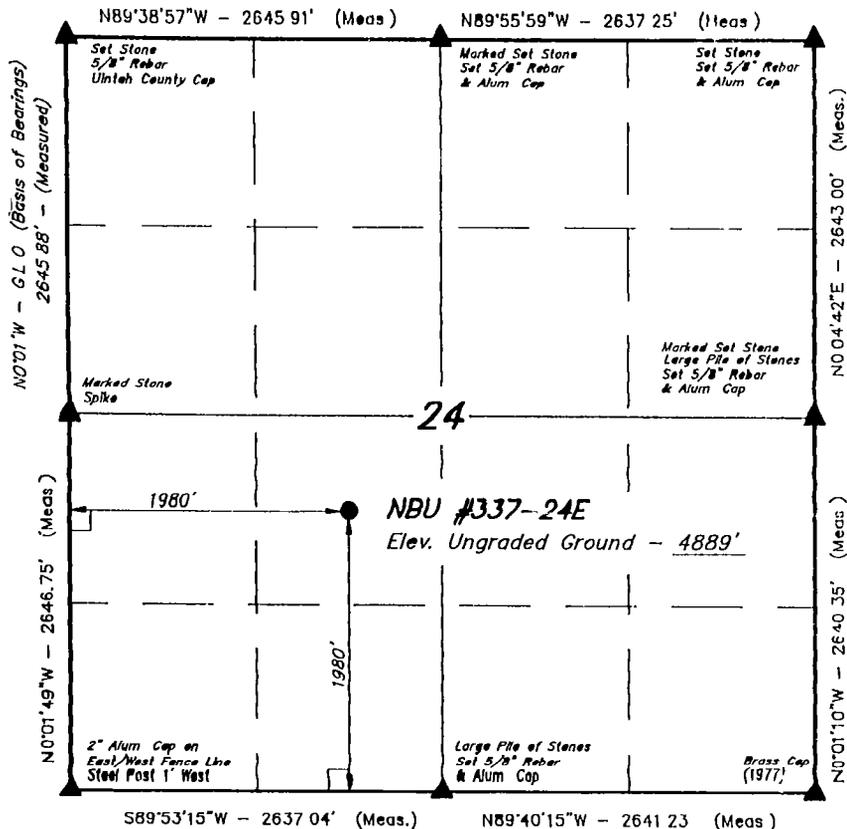
CERTIFICATE

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



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

SCALE 1" = 1000'	DATE 12-11-91
PARTY GS BB REH	REFERENCES G.L.O PLAT
WEATHER COLD	FILE ENRON OIL & GAS CO.



▲ = SECTION CORNERS LOCATED.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 337-24E

SECTION 24, T9S R21E

UINTAH COUNTY UTAH

RECEIVED

SEP 30 1992

1 & 2 ESTIMATED TOPS & ANTICIPATED OIL, GAS & WATER ZONES

FORMATIONS	DEPTH	TYPE ZONES	MAXIMUM PRESSURE
Green River			
Oil Shale	1,647'		
"H" Marker	3,213'		
"J" Marker	3,888'		
Base "M" Marker	4,507'		
Wasatch			
Peters Point	4,902'	Gas	2,200 PSI
Chapita Wells	5,432'	Gas	2,400 PSI
Buck Canyon	5,992'	Gas	2,700 PSI
Island	6,915'	Gas	3,100 PSI
EST. TD	6,950'	Anticipated BHP	3,100 PSI

All depths are based on estimated KB elevation 4,898'. Maximum pressure estimates are based on bottom hole pressures measured on offset or near vicinity wells to the subject well.

3 PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>MINIMUM SAFETY FACTOR</u>		
						<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
12 1/4"	0' - 240'	240'	9 5/8"	32.3#	H-40 ST&C	1400 PSI	2270 PSI	254,000#
7 7/8"	0' - 6950'	6950'	4 1/2"	10.5#	J-55 ST&C	4010 PSI	4790 PSI	146,000#

All casing to be used will be new or inspected.

5. MUD PROGRAM:

<u>INTERVAL</u>	<u>MUD TYPE</u>
0' - 240'	Air
240' - 4000'	Air/Mist & Aerated Water
4000' - TD	Aerated 3% KCl water or KCl substitute
TD	Gel/polyacrylamide polymer w/5-10% LCM

Lost circulation probable from 1500' to 3000'±.
Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

EIGHT POINT PLAN

NATURAL BUTTES UNIT 337-24E

PAGE NO 2

6 VARIANCE REQUESTS

- A. Enron requests a variance to regulations requiring a straight run blowout line. (There will be two targeted tees on blowout line).
- B. Enron requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blowout line (Not required on aerated water system).

7. EVALUATION PROGRAM

Logs Dual Laterolog/GP From base of surface casing to TD
 FDC-CNL/GR/Caliper TD to 3100'
 Linear 2" DLL

Cores: None Programmed
DST' None Programmed

Completion To be submitted at a later date

8 ABNORMAL CONDITIONS:

None anticipated.

9. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

Attachment: BOP Schematic Diagram

NBU337-24EPP

/LW

SEP 30 1992

RECORDS SECTION

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SEP 30 1992

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

APPROVAL
OF SURFACE USE

Company/Operator. Enron Oil & Gas Company
Well Name & Number Natural Buttes Unit 337-24E
Lease Number. U-0149076
Location: 1980' FWL & 1980' FSL NE/SW Sec 24 T 9S R 21E
Surface Ownership: Ute Indian Tribe

NOTIFICATION REQUIREMENTS

- Location Construction - 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 - twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and related Equipment Tests - twenty-four (24) hours prior to running casing and 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.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wells to Plat showing directional reference stakes on location, and attached TOPO Map "F" showing access to location from existing road.
- B. The proposed well site is located approximately 1/2 mile southeast of Ouray, Uta. - See attached TOPO Map "A"
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off-lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be 400' in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade on access road will be 5%.
- D. No turn outs will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges or major cuts & fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards or fences will be required or encountered.

New or reconstructed roads will be centerline - flagged at time of location staking.

All travel will be confined to existing access road Right-of-Way. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards For Oil & Gas Exploration and Development, (1989).

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossing shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

A Right-of-Way application will be required.

As operator Enron Oil & Gas Company shall be responsible for all maintenance of cattleguards, or gates associated with this oil and/or gas operation

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION

- A Water wells - None
- B Abandoned wells - Two
- C Temporarily abandoned wells - None
- D Disposal wells - None
- E Fracturing wells - None
- F Producing wells - Nine - See attached TOPO Map "C" for location of producing wells
- G Shut in wells - None
- H Injection wells - None

4. LOCATION OF EXISTING/AND OR PROPOSED FACILITIES

A ON WELL PAD

- 1. Tank batteries - None
- 2. Production facilities will be set on location if well is successfully completed for production. Facilities will consist of well head & valves, separator, dehy. 210 BBL condensate tank, meter house and attaching piping. See attached facility diagram
- 3. Oil gathering lines - None
- 4. A 3 1/2" gathering line will be buried from dehy to southwest edge of location.
- 5. Injection lines - None
- 6. Disposal lines - None
- 7. Surface pits - None

B. OFF WELL PAD

- 1. Proposed location of attendant off pad gas flowlines shall be flagged prior to archaeological clearance.
- 2. A 4 1/2" OD steel above ground natural gas pipeline will be laid approximately 330' from proposed location to a point in the NE/SW of Sec. 24, T9S, R21E where it will tie into CIGE's existing line. Proposed pipeline crosses Ute Indian Tribe Lands, thus a Right-of-Way grant will be required. See attached Exhibit A showing pipeline route
- 3. Proposed gas gathering pipeline will be a 4 1/2" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

The production facilities will be placed on the west side of location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat non-reflective earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities required to comply with OSHA (Occupational Safety and Health Act) will be excluded. The required paint colors is Carlsbad Canyon.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Ouray Brine Plant at Ouray, Utah, and/or Target Trucking Inc's' water source in the SW/SW Sec 35, T9S, R22E, Uintah County, Utah (State water right #49-1501)
- B. Water will be hauled by Target Trucking Inc.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of location.
- B. All construction material will come from Ute Tribal Land.
- C. No mineral materials will be required

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
 - 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
 - 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at an approved waste disposal facility.
 - 4. Produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. During the 90 days period, an application for approval of a permanent disposal method and location, together with the required water analysis, will be submitted for the AO's approval
 - 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on drilling rig to avoid leakage of oil to pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in reserve pit or be removed and dispose of at an authorized disposal site. Introduction of well bore hydrocarbons to reserve pit will be avoided by flaring them off in flare pit at time of recovery.

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

Or RIA administered land

All reserve pits will be lined with either native clay, commercial bentonite or plastic sufficient to prevent seepage. (If a plastic liner or reinforced liner is used, it shall be torn and punctured after the pit dries and before backfilling of the reserve pit)

- To protect the environment
If the reserve pit is lined the operator will provide the RIA a chemical analysis of the fluids in that pit no later than 90 days after the well completion to determine the method for final reclamation of the reserve pit. If the elemental concentrations shown by the chemical analysis exceeds the requirements described by part II, Standards of Quality for Waters of the State, Wastewater Disposal Regulations, State of Utah Division of Health, the contents and liner will be removed and disposed of at an authorized disposal site.
- To protect the environment (without a chemical analysis).
Reserve pits will be constructed so as not to leak, break, or allow discharge of liquids
- Storage tanks will be used if drill sites are located on tribal irrigable land, flood plains, or on lands under crop production. After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. ANCILLARY FACILITIES

- A. No airstrips or camps are planned for this well

9. WELL SITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills & cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approve on On-site.
- C. Refer to attached well site plat for rig orientation parking areas, and access road.

The reserve pit will be located on the east side of location.

The flare pit will be located downwind of the prevailing wind direction on the east side of location a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled topsoil will be stored on the southeast corner.

Access to the well pad will be from the north.

- NA Diversion ditch(es) shall be construct on the _____ side of the location (above/below, the cut slope, draining to the _____)
- NI Soil compaction material (berm, s) shall be placed on the _____ side(s) of the location between the _____
- NA The drainage(s) shall be diverted around the side(s) of the well pad location
- NI The reserve pit enclosure for _____ shall be constructed long and narrow for topographic reasons _____
- NA The _____ corner of the well pad will be rounded off to avoid the _____

FENCING REQUIREMENTS

All pits will be fenced according to the following minimum standards:

- A. 39 inch net wire shall be used with at least one 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).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16'.
- E. All wire shall be stretched by using a stretching device before is be attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and upon completion of construction the fence shall be repaired to BIA or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly travelled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to a new road, crossing any fence located on federal land, or any fence between federal land and private land, the operator will contact the BIA, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the local or and surrounding area will be cleared of all unused tubing equipment, debris, materials, tools, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 162.70.

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

The reserve pit and that portion of the location not needed for production facilities (operator) will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 12 months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc., will be removed.

Contact appropriate surface management agency for required seed mixture.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and BIA will attach the appropriate surface rehabilitation conditions of approval.

ON BIA Administered lands:

Abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include: (a) reestablishing irrigation systems where applicable, (b) re-establishing soil conditions in irrigated fields in such a way as to ensure cultivation and harvesting of crops and, (c) ensuring revegetation of the disturbed areas to the specifications of the Ute Indian Tribe or the BIA at the time of abandonment.

11. SURFACE OWNERSHIP

Access road: Ute Indian Tribe

Location: Ute Indian Tribe

12. OTHER INFORMATION

- A. Enron Oil & Gas Company will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

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

-the mitigation measures the operator will likely have to undertake before the site can be used.

-a time frame for the AO to complete an expedited review under 30 CFR 800.12 to complete through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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

- B. As operator Enron Oil & Gas Company will control noxious weeds along Right-of-Ways for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for for stacking and storing drilling rigs.)

On BIA administered land:

Operator's employees, including subcontractors, will not gather firewood along roads constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right-of-Way authorization". All operators, subcontractors, vendors and their employees or agents may not disturb saleable timber (including firewood without a duly granted wood permit from the BIA Forester.

If the surface rights are owned by the Ute Indian Tribe and mineral rights are owned by another entity, and approved right-of-way will be obtained from BIA before the operator begins any construction activities. If the surface is owned by another entity and the mineral rights are owned by Ute Indian Tribe, rights-of-way will be obtained from the other entity.

All roads constructed by operators on the Uinta and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (A) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, (c) that fire signs are posted to a non-Ute Tribe member, (d) that permits must be obtained from the BIA before cutting firewood or other timber products and (e) only authorized personnel permitted to work on the location. The signs are to be placed on the lease and 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 footage or the quarter-quarter section, the section, township and range).

Additional Surface Stipulations

NA No construction or drilling activities shall be conducted between _____ and _____ because of _____

NA No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.

NA No construction or exploration activities are permitted within 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.

NA There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).

NA No cottonwood trees will be removed or damaged.

NA Pond will be constructed according to BLM specifications approximately _____ ft. _____ of the location, as flagged on onsite.

LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Enron Oil and Gas Company
P.O. Box 1815
Vernal, Utah 84078
George McBride
Telephone: (801) 789-0790

Enron Oil and Gas Company
P.O. Box 250
Big Piney, Wyoming
Jim Schaefer
Telephone: (307) 276-3331

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

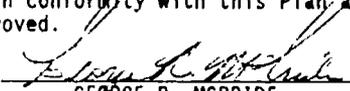
A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities

The BIA Office shall be not freed upon site completion prior to moving on the drilling site

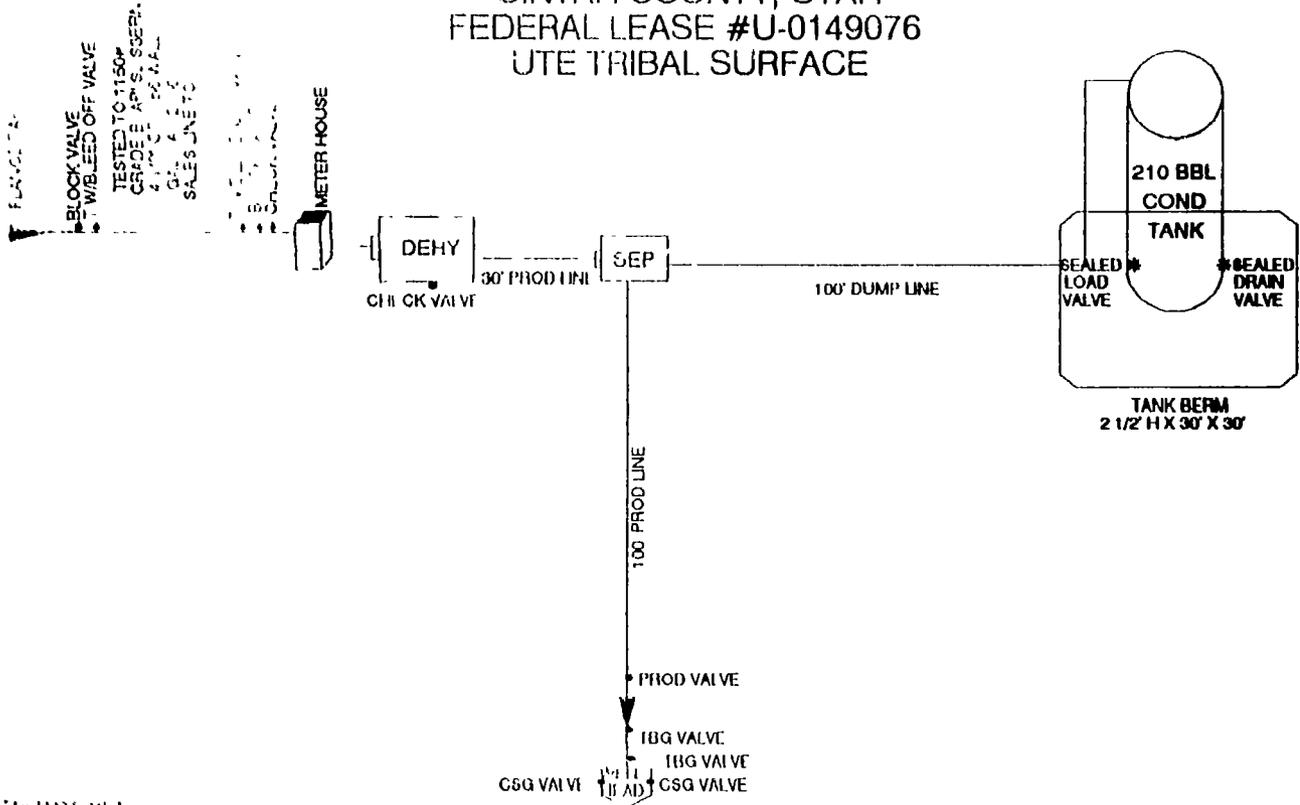
CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the proposed location of the well and to the best of my knowledge, true and correct; and that the work associated with the operations proposed here in will be performed by ENRON OIL & GAS COMPANY and its contractors and sub-contractors in conformity with this Plan and the terms and conditions under which it is approved.

September 23, 1992
DATE


GEORGE R. MCBRIDE
PRODUCTION FOREMAN

NATURAL BUTTES UNIT 337-24E
 SECTION 24, T9S, R21E
 UTAH COUNTY, UTAH
 FEDERAL LEASE #U-0149076
 UTE TRIBAL SURFACE



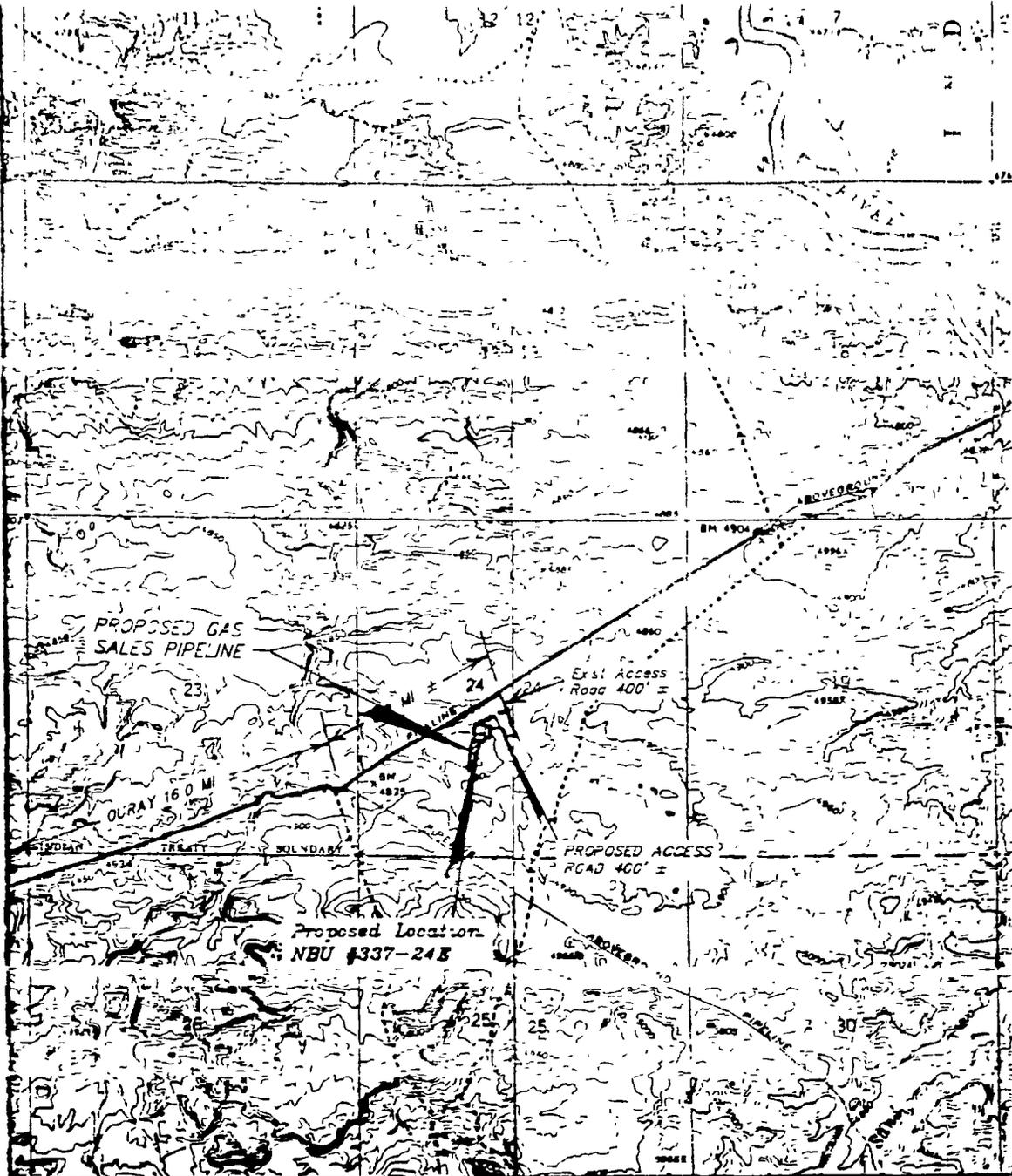


EXHIBIT "A"

GAS SALES PIPELINE

SCALE 1" = 2000'

DATE 12-10-91 RE 4



ENRON OIL & GAS CO.

NBU #337-24E

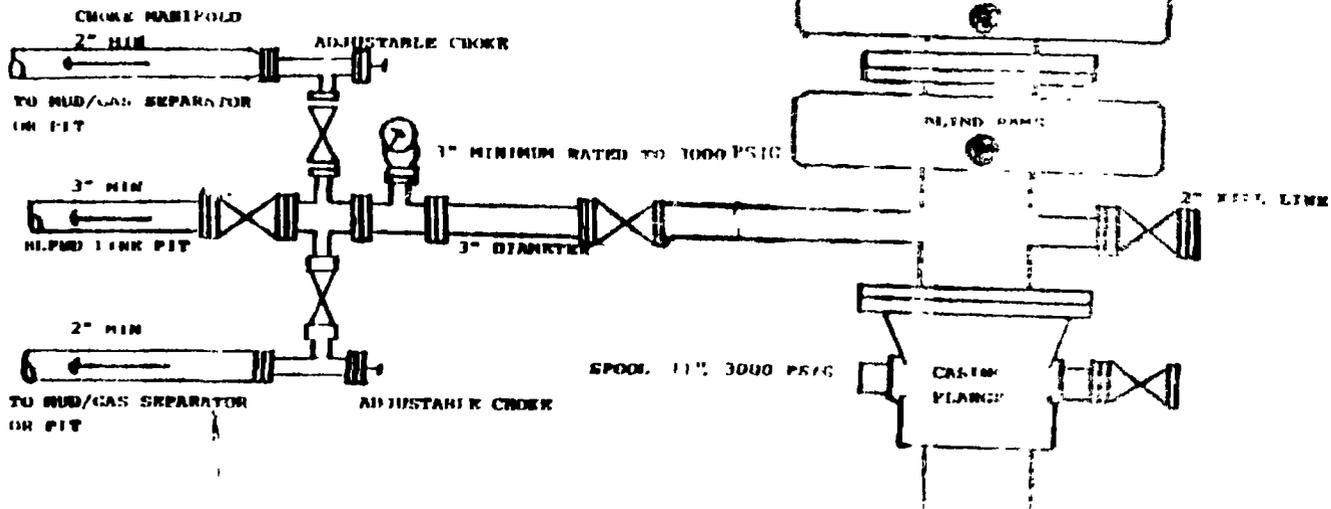
SECTION 24, T9S, R21E, S.L.B.&M.

ANNULAR PREVENTER AND BOTH RAMS ARE 3000 PSIG RATED.
 CASING FLANGE IS 11" 3000 PSIG RATED.
 BOP 11" 2000 PSIG

TESTING PROCEDURES

1. BOP's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 2000 psig.
3. Annular preventer will be tested to 50% of working pressure, 1500 psig.
4. Casing will be tested to 0.22 psi/Ft or 1500 nsig. Not to exceed 70% of burst strength whichever is greater.
5. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
6. All BOP specifications and configurations will meet Onshore Order #2 requirements for 3000 psig BOP specifications.

H 1000/BOP/TAH JIA



ENRI
Oil & Gas Company
DRILLING PROGRAM

Date August 16, 1992

REVISION NO. & DATE _____

PROJECT NATURAL BUTTE 1.01 LEASE 6,450' (CC50652-000)

WELL NAME & NUMBER Natural Butte 1.01 337-241

WELL CLASSIFICATION DRILL ANTICIPATED PRODUCTION OIL GAS X OTHER

LOCATION CALL 1950' FSL & 1980' FWL (NE SW)

Section 24, T9S, R21E

Uintah County, Utah

ELEVATION NA

DIRECTION LIMITATIONS Maximum deviation for the hole will be 6" w/no more than a 1"/100' dogleg severity See page number 4 for distance between surveys

TYPE RIG Land Rotary APPROVED DEPTH 6950' PERMIT DEPTH 6950'

CONDUCTOR NEEDED? No If yes, size & how set _____

CRITERIA FOR DETERMINING CASING SEAT FOR CRITICAL STRINGS WOC overnight before cutting off surface casing to weld on head.

CENTRALISERS (DEPTH & TYPE).

Surface - One 5-10' above shoe & top of first, second & fourth joint.

Production - One @ middle of 1st jt & every third collar to 4500'.

RECEIVED

SEP 30 1992

ENGINEER
OIL & GAS TRAINING

STAGE COLLARS, BASKETS, OTHER SPECIAL EQUIPMENT.

Surface - Guide shoe

Production - 10" 2000 psi BOP with blind and pipe ram.

IMPERMITS SPECIAL INSTRUCTIONS: 10" 2000 psi BOP with blind and pipe ram.

LOGGING PROGRAM DLL/GR from TD to base of surface casing.

Continue caliper to desired top of cement

CORES None are anticipated

SAMPLES Collect 30' samples from below surface casing to 4450'. Collect 10' samples from 4450' to TD

FORMATION TESTS: None are anticipated

MUD LOGGING: (Includes services & depth). From 4450' to TD.

DETECTION & CONTROL EQUIPMENT. 10" 2000 psi BOP with blind and pipe ram. 10" Annular Preventor 10" rotating head. Test manifold & BOP's to 2000 psi. annular preventor to 1500 psi. surface casing to 1500 psi.

Use certified pressure testing service company and leave a copy of the test chart in the doghouse until rig down

COMPLETION PROGRAM To be submitted at a later date.

OTHER SERVICES None are anticipated.

FORMATION TOPS & DEPTHS (TENTATIVE)

FORMATION NAME & TYPE ESTIMATED DEPTH (EL) DATUM THICKNESS & REMARKS

as detailed in notes

Special Tools: _____
 Special Services: _____

MUD PROGRAM

DEPTH INTERVAL	MUD WEIGHT	VIS	WT. (cc)	TYPE OF MUD
0' to 240'				A.R
240' to 4000'				A.R/Mist & Aerated Water
4000' to TD				Aerated 3% KCl water or KCl substitute
TD	8.5-9.2	38-45	10-15	Gel/polyacrylamide polymer w/5-10% LCM

DRILLING HAZARDS & SPECIAL INSTRUCTIONS

Lost circulation from 1500' to 3000'± Underbalanced circulation system will require rotating head Potential gas kicks in Green River and Wasatch Potential shale swelling/sloughing problems. Meter air & add foamers to maximize consistency of returns & maintain stable pit levels. Utilize pack off head while running open hole logs Mix 700-800 bbls mud @ TD as above & displace hole prior to tripping for logs

CEMENT PROGRAM

HOLE SIZE	CASING SIZE	DEPTH	CEMENT PROCEDURE
	9 5/8"	240'	Cement = 125 cu Class "G" cement + 21 gal. = 1/100 gal. of 10% salt solution to be calculated from slipper to annular volume to 4500' plus 10% excess.
			Cement slurry from 125 cu to depth calculated at 10% salt solution with 10% excess plus specified additives. Volume to be calculated from caliper log annular volume from 4500' to applicable upper depth plus 5% excess
			Flow of casing and cement slurry to be pumped during cementing. Pump 10 bbls mud flush ahead of slurry

CASING PROGRAM

SIZE	INTERVAL			#/FT.	GRADE	THREAD	MINIMUM SAFETY FACTOR		
	FROM	TO	LENGTH				COLLAPSE (psig)	BURST (psig)	TENSILE (psig)
9-5/8"	0'	240'	240'	32	H-40	ST&C	1400	2270	254,000
4-1/2"	0'	6950'	6950'	10	J-55	ST&C	4010	4790	146,000

SURVEY SCHEDULE

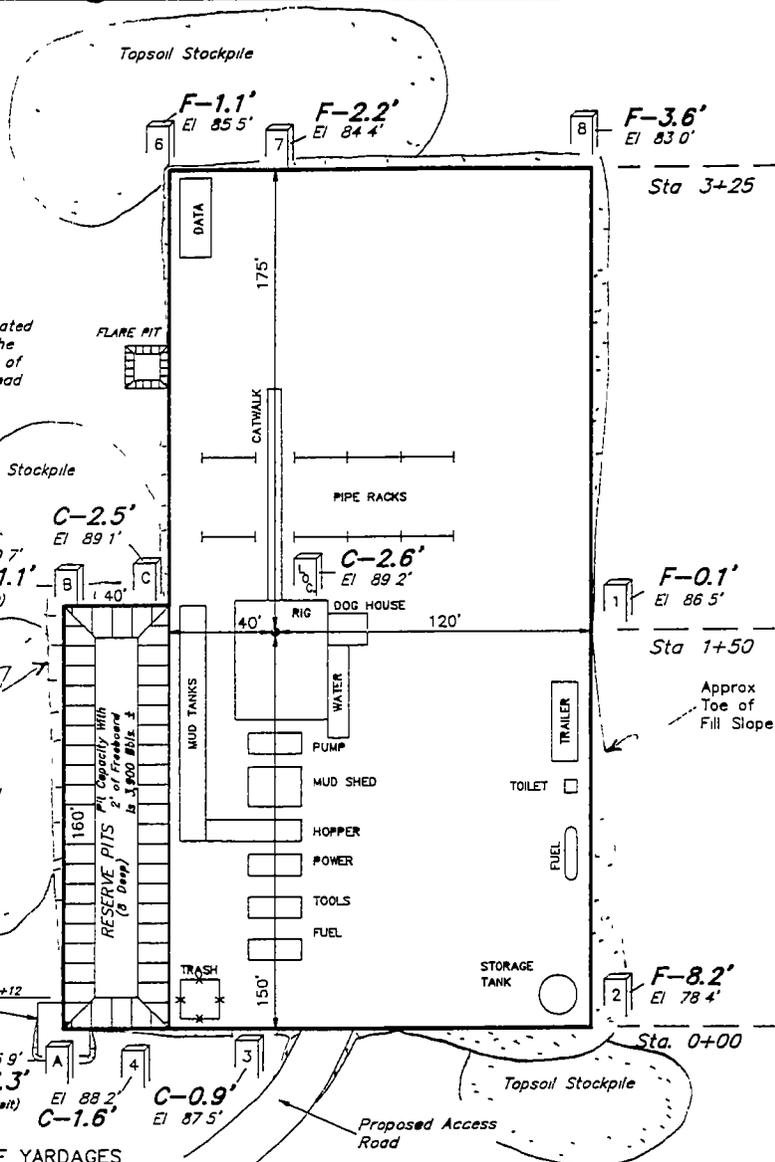
DEPTH	DISTANCE BETWEEN SURVEYS	MAX DEVIATIONS FROM VERTICAL	MAXIMUM CHANGE DEGREE/100'
0' to 240'	240'	1 degree	1 degree
240' to TD	500' (or as needed)	6 degrees	1 degree

PREPARED BY *Jim R. Schaefer*
 Jim R. Schaefer, Sr., Production Engineer

APPROVED BY *Dennis J. Brabec*
 Dennis J. Brabec, Drilling Superintendent

APPROVED BY *C. C. Parsons*
 C. C. Parsons, District Manager

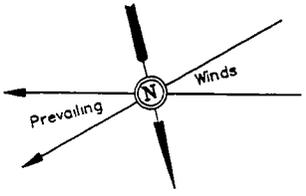
ENRON OIL & GAS CO.
LOCATION LAYOUT FOR
NBU #337-24E
SECTION 24, T9S, R21E, S.L.B.&M.



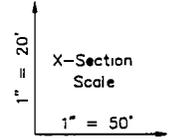
NOTE
 Flare Pit is to be located
 a min. of 30' from the
 Reserve Pit & a min of
 100' from the Well Head

APPROXIMATE YARDAGES

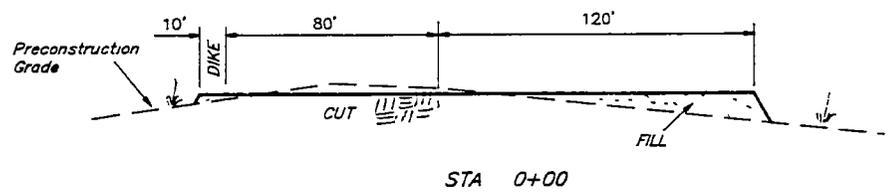
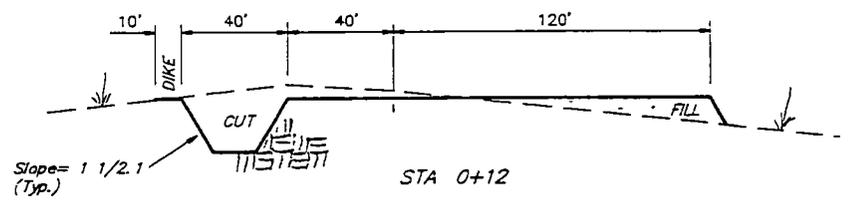
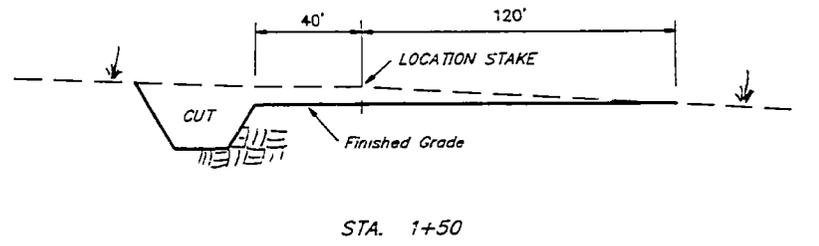
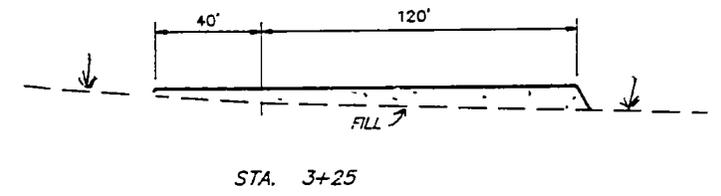
(12") Topsail Stripping	= 2,200 Cu Yds	EXCESS MATERIAL AFTER 5% COMPACTION	= 2,820 Cu. Yds
Remaining Location	= 2,650 Cu Yds	Topsail & Pit Backfill (1/2 Pit Vol)	= 2,820 Cu. Yds
TOTAL CUT	= 4,850 CU.YDS.	EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu Yds
FILL	= 1,930 CU.YDS.		



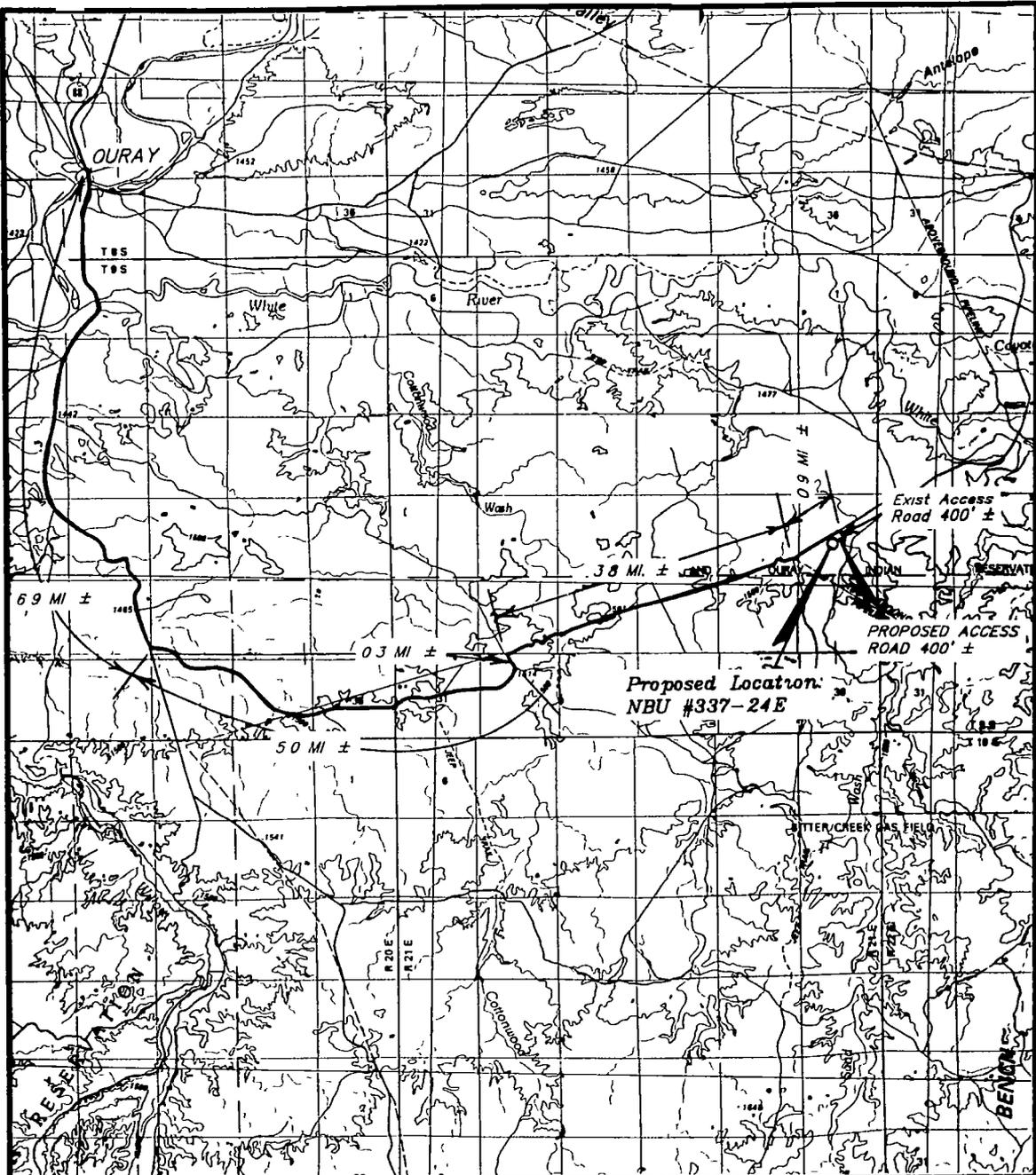
SCALE 1" = 50'
 DATE 12-10-91
 Drawn By REH

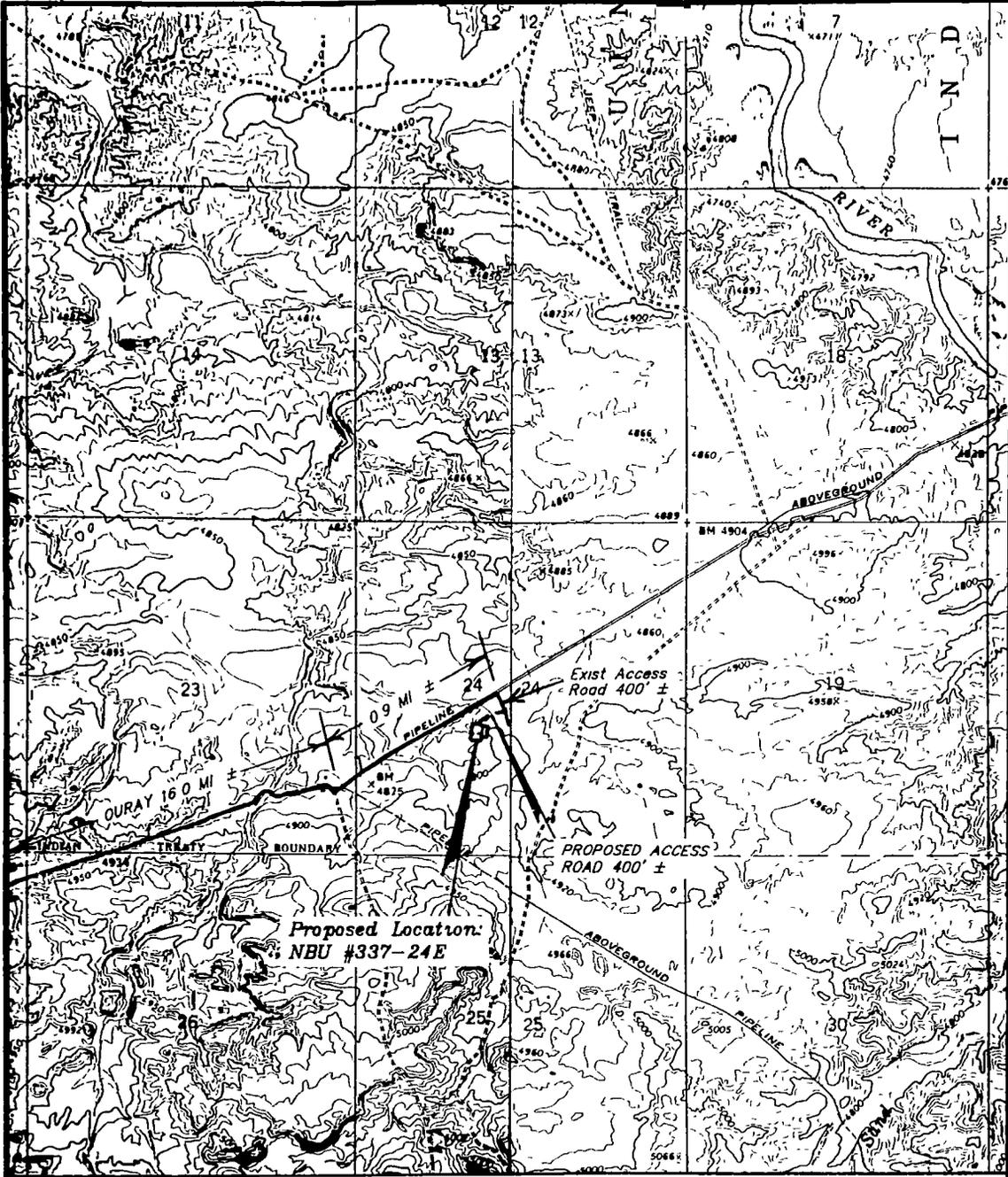


**TYP. CROSS SECTIONS
 LOCATION LAYOUT**

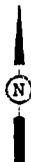


Elev Ungraded Ground at Location Stake = **4889.2'**
 Elev Graded Ground at Location Stake = **4886.6'**



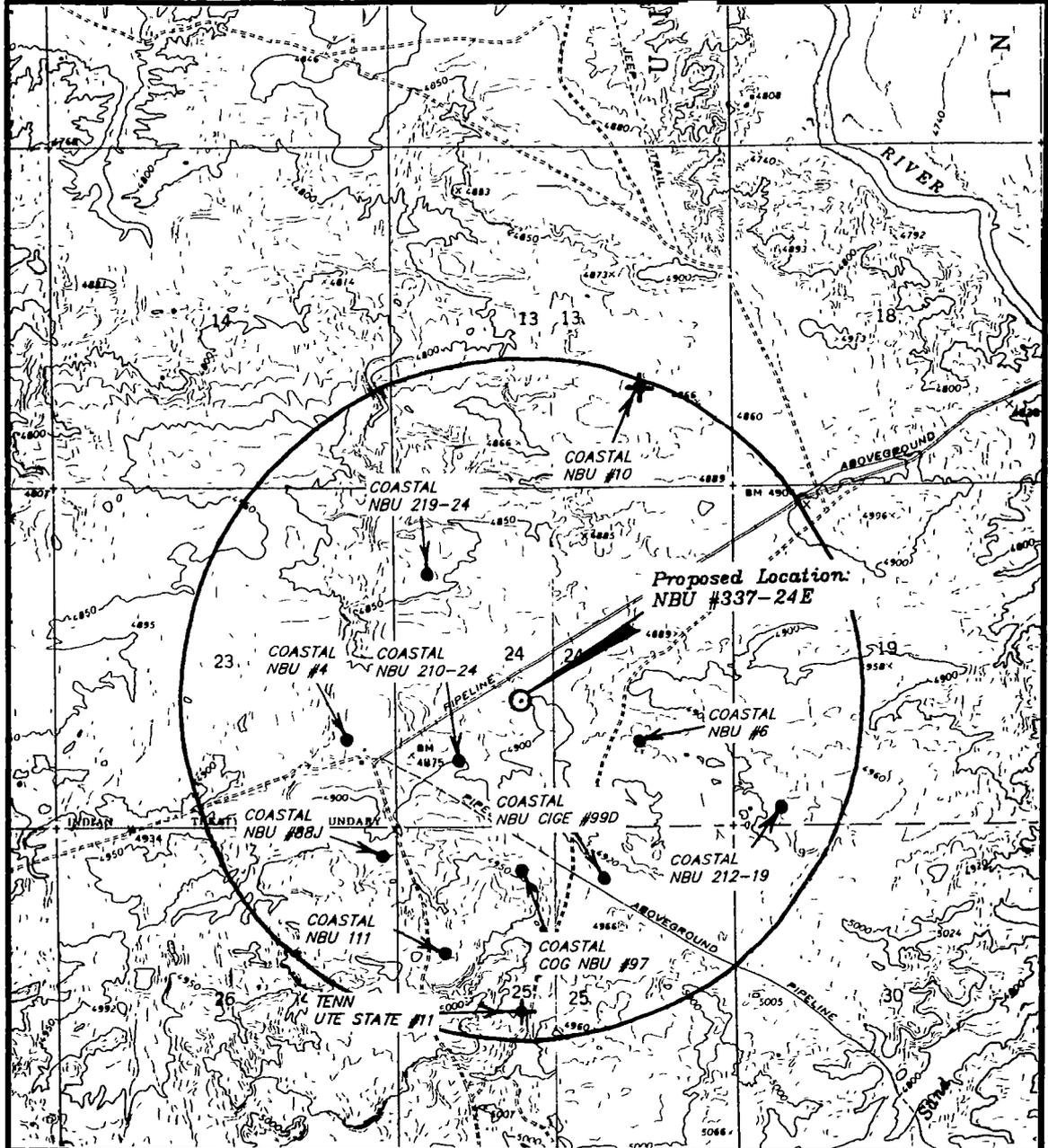


TOPOGRAPHIC
 MAP "B"
 SCALE 1" = 2000'
 DATE 12-10-91 REH



ENRON OIL & GAS CO.

NBU #337-24E
 SECTION 24, T9S, R21E, S.L.B.&M



LEGEND

- ◊ = Water Wells
- ◆ = Abandoned Wells
- = Temporarily Abandoned Wells
- ⊙ = Disposal Wells
- = Drilling Wells
- = Producing Wells
- ◆ = Shut-in Wells



ENRON OIL & GAS CO.

NBU #337-24E
 SECTION 24, T9S, R21E, S.L.B & M.
TOPO MAP "C"

DATE 12-10-91 REH

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

DATE RECEIVED: 09/30/92

OPERATOR: ENRON OIL & GAS COMPANY
WELL NAME: NBU 337-24E

OPERATOR ACCT NO: N- 301

API NO. ASSIGNED: 43-047-30384

LEASE TYPE: FED LEASE NO: 6-0149070
LOCATION: NESW 24 - T09S - R21E UINTAH COUNTY
FIELD: NATURAL BUTTES FIELD CODE: 630

RECEIVED AND/OR REVIEWED:

Plat
 Bond
(Number fiducial)
 Potash (Y/N)
 Oil shale (Y/N)
 Water permit
(Number 49-1571)
 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 40170 approved 10/1/92
Oil shale and
Inspection of log included in file

STIPULATIONS: _____



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84100-1203

801 538 5340

October 5, 1992

Enron Oil and Gas Company
P.O. Box 1815
Vernal, Utah 84078

Gentlemen:

Re: Natural Buttes Unit 337-24E Well, 1980 feet from the south line, 1980 feet from the west line, NE 1/4 SW 1/4, Section 24, 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
Enron Oil and Gas Company
Natural Buttes Unit 337-24E Well
October 5, 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 43-047-32384.

Sincerely,



R. J. Firth
Associate Director, Oil and Gas

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