

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE PETITION *
OF TXO PRODUCTION CORPORATION *
FOR AN ORDER ESTABLISHING 320 *
ACRE DRILLING AND SPACING UNITS *
FOR THE WASATCH AND MESA VERDE *
FORMATIONS UNDERLYING SECTIONS *
2, 3, 5 AND 8 OF TOWNSHIP 11 *
SOUTH, RANGE 23 EAST, S.L.M., *
UINTAH COUNTY, UTAH. *
*

FINDINGS OF FACT
AND ORDER

Docket No. 85-056
Cause No. 210-3

Pursuant to the Petition of TXO Production Corporation, this cause came on for hearing before the Board of Oil, Gas & Mining, Department of Natural Resources and Energy, State of Utah, on Thursday, October 24, 1985, at 10 o'clock a.m. in the Board Room of the Division of Oil, Gas & Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah. The following Board members were present:

Gregory P. Williams, Chairman
James W. Carter
Charles R. Henderson
Richard B. Larsen
E. Steele McIntyre

The Board was represented by Mark C. Moench, Esq., Assistant Attorney General for the State of Utah.

Appearances for the Division of Oil, Gas & Mining were made by:

Dr. Dianne Nielson, Director
Division of Oil, Gas & Mining

Ronald J. Firth, Associate
Director, Oil & Gas

John R. Baza, Petroleum Engineer

The Division was represented by Barbara W. Roberts, Assistant Attorney General for the State of Utah.

The Petitioner, TXO Production Corporation, was represented by John A. Harja and Thomas A. Mitchell of Hugh C. Garner & Associates, 310 South Main Street, Suite 1400, Salt Lake City, Utah 84101.

Testimony was given by:

Ricky J. Taylor; Geologist, for Petitioner
Russ E. Gillis; Petroleum Engineer, for Petitioner
Thomas A. Mitchell, Attorney-at-law, for Petitioner

Mr. Howard Cleavinger, district geologist with the Vernal Office of the Bureau of Land Management was present and made a statement for the record.

NOW, THEREFORE, the Board, having considered the testimony adduced and the exhibits reviewed in said hearing and being fully advised in the premises, now makes and enters the following:

FINDINGS OF FACT

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties as required by law and the rules and regulations of the Board. The

parties specifically served with notice are listed in the Amended Exhibit "A" attached to the Petition.

2. The Board has jurisdiction over the subject matter of the Petition and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Amended Petition in this matter is a request to establish 320 acre drilling/spacing units for the Wasatch and Mesa Verde formations underlying Sections 2, 3, 5 and 8 of Township 11 South, Range 23 East, S.L.M., Uintah County, Utah. The Petition requests that the spacing units in Section 8 be oriented in a "lay down" (N1/2 and S1/2) fashion, and that the existing Cracker-Federal No. 1 well be approved as the current production well for the 320 acre unit composed of the N1/2 of Section 8. In addition, the Petition requests that the orientation (lay down or stand up) of the drilling units in Sections 2, 3, and 5 be determined after the first well is completed in each section. Finally, the Petition requests that the permitted well locations in each section be located no closer than 500 feet from the unit boundaries.

4. Pursuant to a request by the Division of Oil, Gas & Mining, Petitioner made an oral motion at the hearing (pursuant to Rule 5(b)(4)) that the requested well location provisions in the Petition be changed to the following:

- a) no closer than 1,000 feet from the unit boundaries, with a 500 foot tolerance to be approved by

the Division of Oil, Gas & Mining for topographical, geological, cultural or other reasons; and

b) a minimum of 2,500 feet between wells producing from the Wasatch and Mesa Verde formations, with a 500 foot tolerance to be administratively approved by the Division of Oil, Gas & Mining for topographical geological, cultural, or other reasons.

Requests for administrative approval of tolerances will be reviewed pursuant to Rule 302.1 of the general substantive rules governing oil and gas operations in Utah (or any other rule in effect at the time of such request). The motion to amend the Petition was granted by the Chairman.

5. Petitioner's geologic and petroleum reservoir testimony indicates that the Wasatch and Mesa Verde formations extend under all four of the subject sections, and that 320 acre spacing is appropriate for the area because 320 acre units will allow the area to be developed in the optimum manner, as well as prevent waste, prevent the drilling of unnecessary wells, and protect the correlative rights of the various mineral interest owners.

Sufficient evidence now being available upon which to reach a decision, the Board issues the following:

ORDER

1. 320 acres drilling/spacing units are hereby established for the production of hydrocarbons from the Wasatch

and Mesa Verde formations underlying Sections 2, 3, 5 and 8 of Township 11 South, Range 23 East, S.L.M., Uintah County, Utah.

2. The location for the one authorized well in each unit shall be within the area that is:

a) no closer than 1,000 feet from the unit boundaries, with a 500 foot tolerance to be approved administratively by the Division of Oil, Gas & Mining for topographical, geological, cultural or other reasons; and

b) no closer than 2,500 feet from other wells producing from the same formations, with a 500 foot tolerance to be approved administratively by the Division for topographic, geologic, cultural, or other reasons.

Requests for administrative approval of tolerances will be reviewed pursuant to Rule 302.1 of the general substantive rules governing oil and gas operations in Utah (or any other rule in effect at the time of such request).

3. The 320 acre units in Section 8, Township 11 South, Range 23 East, S.L.M. shall be lay down (N1/2 and S1/2) and the existing Cracker Federal No. 1 well shall be the current production well for the unit consisting of the N1/2 of Section 8.

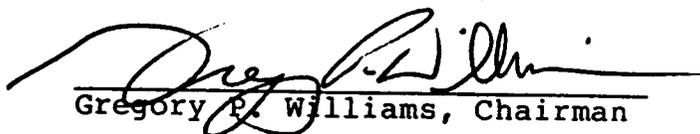
4. The orientation of the units in Sections 2, 3, and 5, Township 11 South, Range 23 East, S.L.M. shall be determined by the Division after completion of the first well in each section, pursuant to a proposal submitted at that time by the operator of the well. The orientation scheme for each section

shall become effective upon approval of the proposal by the Division.

5. The Board retains exclusive and continuing jurisdiction over all matters covered by this Order and over all parties affected thereby and particularly reserves exclusive and continuing jurisdiction to make further orders as appropriate and as authorized by statute and regulation.

DATED this 22nd day of November, 1985.

STATE OF UTAH
BOARD OF OIL, GAS & MINING


Gregory P. Williams, Chairman

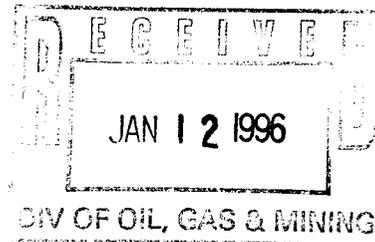
Approved as to form:


Mark C. Moench
Assistant Attorney General

January 11, 1996

State of Utah Natural Resources
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Application for Permit to Drill
United Utilities Corporation
Acosta #1
Rockhouse Unit #15



Gentlemen:

Enclosed for your review and approval are three (3) copies each of the referenced APD's. United Utilities respectfully requests that these APD's be expedited wherever possible. United Utilities will begin drilling the Rockhouse Unit #14 on January 16, 1996. It is anticipated that these wells will be drilled in succession with those wells already permitted, specifically the Rockhouse Unit #14 and the Rockhouse Unit #13. It would be cost advantageous if all four wells could be drilled on a continuous basis. If you have any questions or require additional data, please contact the undersigned at (801) 828-8771.

Respectfully,
Terry J. Cox & Company

Terry J. Cox

Attachments
Copy Utah DOG&M
File UUC/AC1RH15

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
United Utilities Corporation

3. ADDRESS OF OPERATOR
625 North 100 West Vernal, UT. 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 530' FSL & 490' FWL, Section 3, T11S, R23E
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
+/- 35.3 miles from Bonanza Utah

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
490'

16. NO. OF ACRES IN LEASE
1738.47

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
4260'

19. PROPOSED DEPTH
5,992'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DP, RT, GR, etc.)
5,995' GL graded

22. APPROX. DATE WORK WILL START*
February 8, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8"	36#	250'	150 sx
7 7/8	4 1/2"	10.5#	5,992'	1,030 sx

Attachments to this APD:

1. Surveyors location plat
2. Well Control Plan (Pages 1-1 thru 1-9)
3. Surface Use Plan (Pages 2-1 thru 2-11)
4. Maps & Diagrams
5. Self Certification Statement
6. Hazardous Materials Declaration

JAN 12 1996

DEPT OF OIL, GAS & MINING

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

24. SIGNED Terry J. Cox TITLE Agent-Consulting Engineer DATE 1/11/96

(This space for Federal or State office use)

PERMIT NO. 43-047-32584 APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

**APPLICATION FOR PERMIT TO DRILL
AND
SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator: United Utilities Corporation
Well Name & Number: Acosta #1
Lease Number: UTU-66407
Location: 530' FSL & 490' FWL Section 3, T11S, R23E
Uintah County, Utah
Surface Ownership: United States of America

NOTIFICATION REQUIREMENTS

Location Construction: Forty eight (48) hours prior to construction of access and roads and location.

Location Completion: Prior to moving in the drilling rig

Spud Notice: At least twenty four (24) hours prior to spudding the well

Casing String & Cementing: Twenty four (24) hours prior to running casing and cementing all strings.

BOP & Related Tests: 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 the well has been off production for more than ninety (90) days.

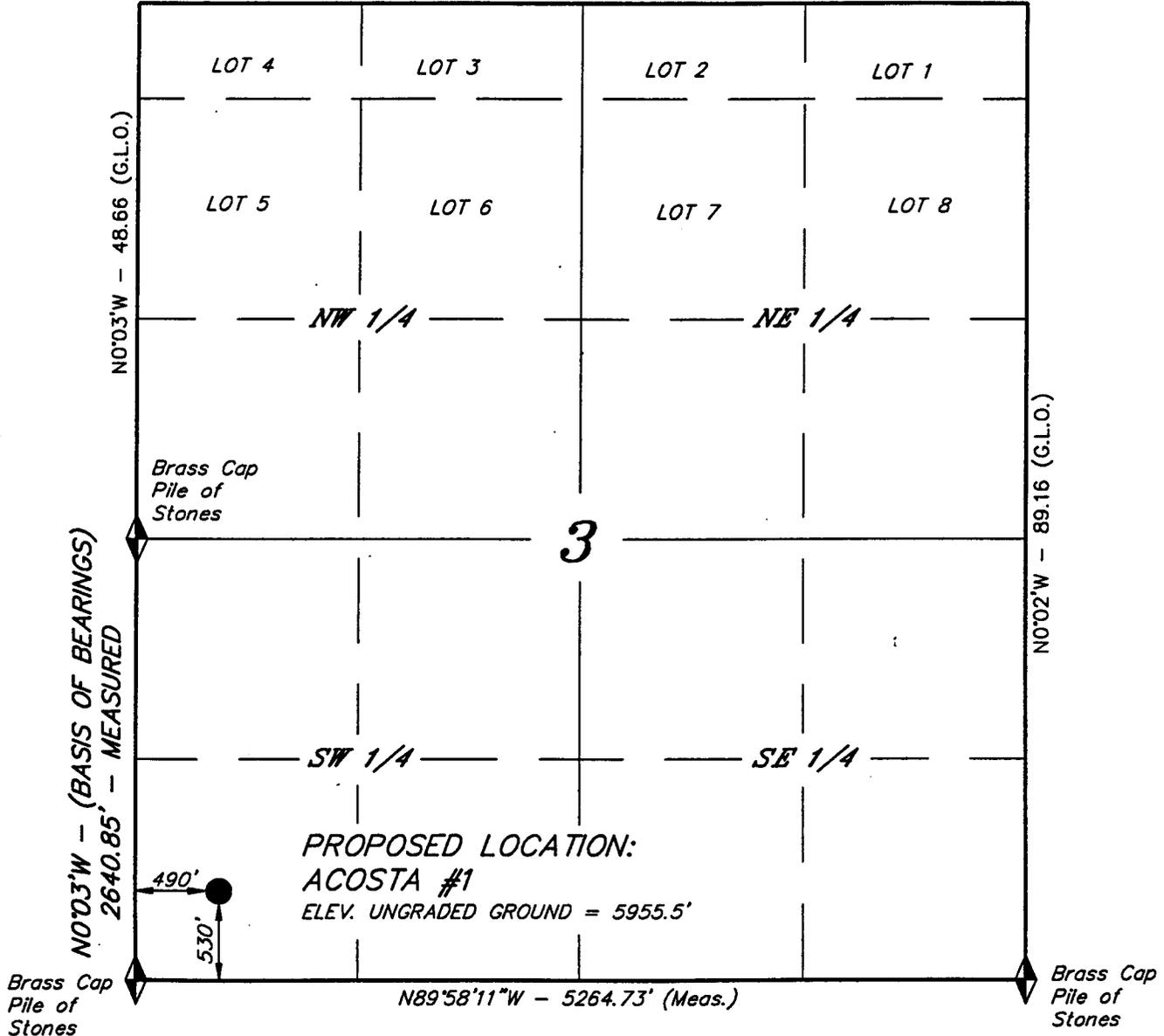
UNITED UTILITIES INC.

WELL LOCATION, ACOSTA #1, LOCATED
AS SHOWN IN THE SW1/4 SW1/4 OF
SECTION 3, T11S, R23E, S.L.B.&M., UINTAH
COUNTY, UTAH.

T 11 S, R 23 E, S. L. B. & M.

N89°56'W - 40.04

N89°58'W - 39.98



N0°03'W - (BASIS OF BEARINGS)
2640.85' - MEASURED

N0°02'W - 89.16 (G.L.O.)

PROPOSED LOCATION:
ACOSTA #1
ELEV. UNGRADED GROUND = 5955.5'

Brass Cap
Pile of
Stones

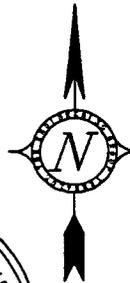
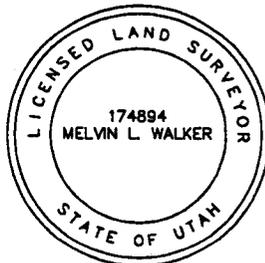
Brass Cap
Pile of
Stones

N89°58'11"W - 5264.73' (Meas.)

- = SECTION CORNERS LOCATED
- = PROPOSED LOCATION

THIS IS TO CERTIFY THAT THE PLAT HEREON WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY DIRECT SUPERVISION. THAT THE SAME HAS BEEN CORRECTLY SURVEYED AND STAKED ON THE GROUND AS SHOWN ON THIS PLAT AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

MELVIN L. WALKER
REGISTERED LAND SURVEYOR
REGISTRATION NO. 174894
STATE OF UTAH



BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 18, T11S, R24E, S.L.B.&M. TAKEN FROM THE RAINBOW, U.S.G.S., 7.5 MINUTE QUADRANGLE. ELEVATION IS SHOWN AS BEING 5643 FEET.

FOA *Freston Oetler Vernon & Associates, Inc.*
The Engineering Group

P.O. Box 1705, 100 North Second Avenue, Suite 2, Provo, Utah 84602
Telephone (801) 702-0041 Fax (801) 702-1000 Telex (801) 702-0144



DATE SURVEYED: 11/30/95	DRAWN BY: R.E.H.
SURVEYED BY: G.B. R.H.	DATE DRAWN: 12/4/95
WEATHER: COOL	NOTES:
SCALE: 1" = 1000'	FILE: ACOSTA

**APPLICATION FOR PERMIT TO DRILL
AND
SURFACE USE PROGRAM OF THE
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APPLICATION FOR PERMIT TO DRILL

**UNITED UTILITIES CORPORATION
Lease UTU-66407, Acosta #1
530' FSL & 490' FWL Section 3, T11S, R23E
Uintah County, Utah**

Drilling Prognosis

1. Estimated Tops of Important Geologic Markers

Uintah	Surface	Mesaverde	5,592'
Wasatch	3,647'	Total Depth	5,992'

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

Water:	Surface to T.D.		
Oil & Gas:	Green River		
	Wasatch	3,647' - 5,592'	Gas (Primary Objective)
	Mesaverde	5,592' - 5,992'	Gas (Primary Objective)

If any shallow water zones are encountered, they will be adequately protected and reported. All potentially productive hydrocarbon zones will be cemented off.

3. Pressure Control Equipment - Schematic Attached

A. Type: Double Gate Hydraulic with Annular Preventer (Hydril).

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Drilling spool with two (2) side outlets (choke side 3-inch minimum, kill side 2-inch minimum).
4. Kill line (2-inch minimum).
5. Two (2) kill line valves, one of which will be a check valve (2-inch minimum).

6. 3-inch (minimum) choke line.
7. Two (2) choke line valves (minimum).
8. Two (2) adjustable chokes.
9. Pressure gauge on choke manifold.
10. Upper kelly cock valve with handle available.
11. Safety valve and subs to fit all drill strings in use.
12. Fill up line above the uppermost preventer.

B. **Pressure Rating:** The BOP and related equipment will meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc. for a 3,000 psi system and individual components will be operable as designed.

C. **Testing Procedure:**

Annular Preventer (Hydril)

At a minimum, the Annular Preventer will be pressure tested to 50% of the rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

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

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

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer:

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 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.

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.

Chart recorders shall be used for all pressure tests. Test charts, with individual test results identified, shall be maintained on location while drilling and available for inspection. 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 LADC 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. Miscellaneous Information:

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

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

Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill the 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 Joint</u>	<u>Depth Set</u>
12-1/4"	9-5/8"	36.0#	K-55 ST&C	0 - 250'
7 7/8"	4-1/2"	10.5#	M-50 ST&C	0- 5,992'

The surface casing will have centralizers on the bottom joints, with a minimum of one (1) centralizer per joint.

All casing strings below the conductor will be pressure tested to 0.22 psi/foot, or 1,500 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.

On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe will be performed, if required by the Authorized Officer, Bureau of Land Management. The formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at a total depth of the well. This test shall be performed before drilling more than twenty (20) feet of new hole.

B. Cementing Program

Surface Casing: 150 sx Class "G" + 0.25#/sk Cello-Seal + 2.0% CaCl₂, circulated to surface.

Production Casing: Lead with 295 sx Class "G" + 16% gel (bentonite) + 3% salt + 10#/sk Gilsonite, followed by 735 sx Class "G" + 10% gypsum + 0.4% CF-14A + 0.2% WR-15 + 10% salt.

Actual cement volumes will be determined from caliper log adding 5% excess to assure a cement top of at least 200 feet above the top of the Mahogany oil shale zone.

5. Mud Program - Visual Monitoring

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0' - 2,500'	Fresh Water	8.4-9.0	27-30	No Control
2,500' - T.D.'	LSND	8.5-9.5	35- 45	8-10 cc's

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. Evaluation Program

Logs:	High Resolution Resistivity - GR	-	5,992' - 250'
	Caliper-SP	-	5,992' - 250'
	Spectral Density	-	5,992' - 3,100'
	Dual Spaced Neutron	-	5,992' - 3,100'
DST's:	None anticipated.		
Cores:	None anticipated		

Evaluation program may change at the discretion of the wellsite geologist, with approval of the Authorized Officer, Vernal District Office, 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 Resource Area Officer no 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 descriptions, 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 Area Manager, Vernal District Office, Bureau of Land Management,.

7. Abnormal conditions

No abnormal temperatures or pressures are anticipated. No H₂S has been reported or is known to exist from previous drilling in this area at this depth.

Maximum anticipated bottom hole pressure equals approximately 2,664 psi (calculated at 0.434 psi/foot) and maximum anticipated surface pressure equals approximately 1,350 psi (anticipated bottom hole pressure minus partially evacuated hole pressure calculated at 0.22 psi/foot).

8. Anticipated Starting Dates and Notification of Operations

A. Anticipated Starting Dates:

Anticipated Commencement Date	:	February 8, 1996
Drilling Days	:	Approximately 8 days
Completion Days	:	Approximately 15 days

B. Notification of Operations:

The spud date will be reported orally to the Branch of Inspection/Enforcement at least 24 hours prior to spudding, unless otherwise required in the site specific conditions of approval, and will be followed up with a report on Form 3160-5 confirming the date of spud.

All wells, whether drilling, producing, or abandoned shall be identified in accordance with 43 CFR 3162.6. This requires the name of the operator, the lease number, the well number, and the location of the well.

A progress report will be filed a minimum of once a month starting with the month in which the well was spudded and continuing until the well is completed. The report will be filed by the 25th day of each month on form

3160-5. The report will include the spud date, casing information such as size, grade, weight, hole size, and setting depth, amount and type of cement used, top of cement, depth of cementing tools, casing test method(s), intervals tested, perforated, acidized, fractured, and results obtained and the dates of all work done.

Spills, blowouts, fires, leaks, accidents, theft, or any other unusual occurrences will be promptly reported to the Resource Area Office in accordance with NTL-3A.

Any venting or flaring of gas during initial well evaluation will be subject to the provisions of NTL-4A.

In the event abandonment of the hole is desired, an oral request may be granted by the Resources Area Office but must be followed with a "notice of Intention to Abandon" (Form 3160-5) within fifteen (15) days of receiving oral permission to plug and abandon. A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection. If the location is on private surface, a "Landowner Acceptance of Reclamation" letter will be attached to this "Sundry Notice."

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

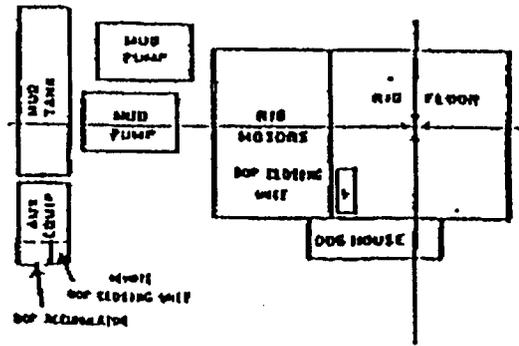
The following information will be permanently placed on the marker with a plate, cap, or beaded on with a welding torch: Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and the Federal Lease Number.

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 ninety (90) days, the operator shall notify the Authorized Officer by letter or "Sundry Notice", of the date on which such production has begun or resumed. The notification shall provide as a minimum, the following information items;

- a. Operator name, address, and telephone number
- b. Well name and number
- c. Well location: 1/4, 1/4, Section, Township, Range, P.M.
- d. Date well was placed in a producing status
- e. The nature of the wells production, i.e.: crude oil casing gas, or natural gas and entrained liquid hydrocarbons
- f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, i.e.: state or private.
- g. As appropriate, the Communitization agreement number, the unit agreement name, number, and participating area name.

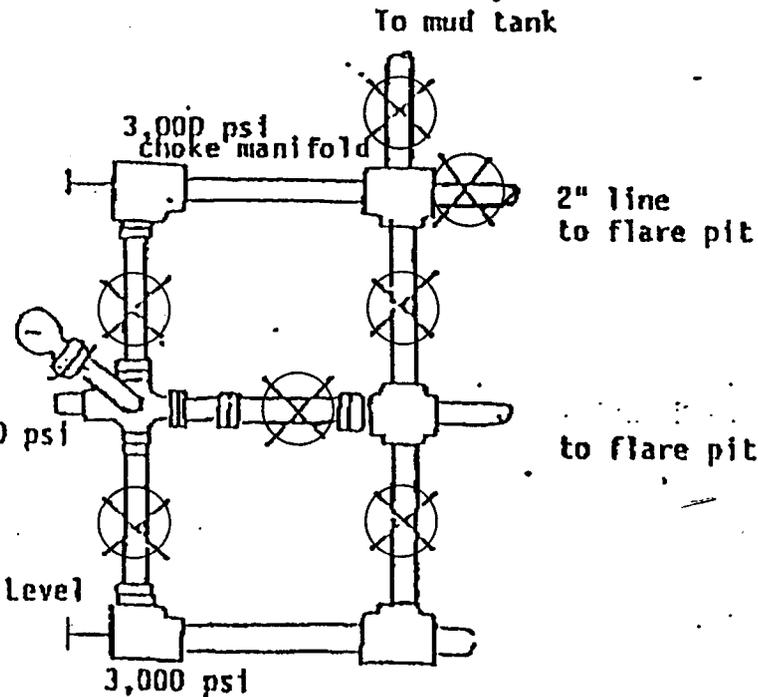
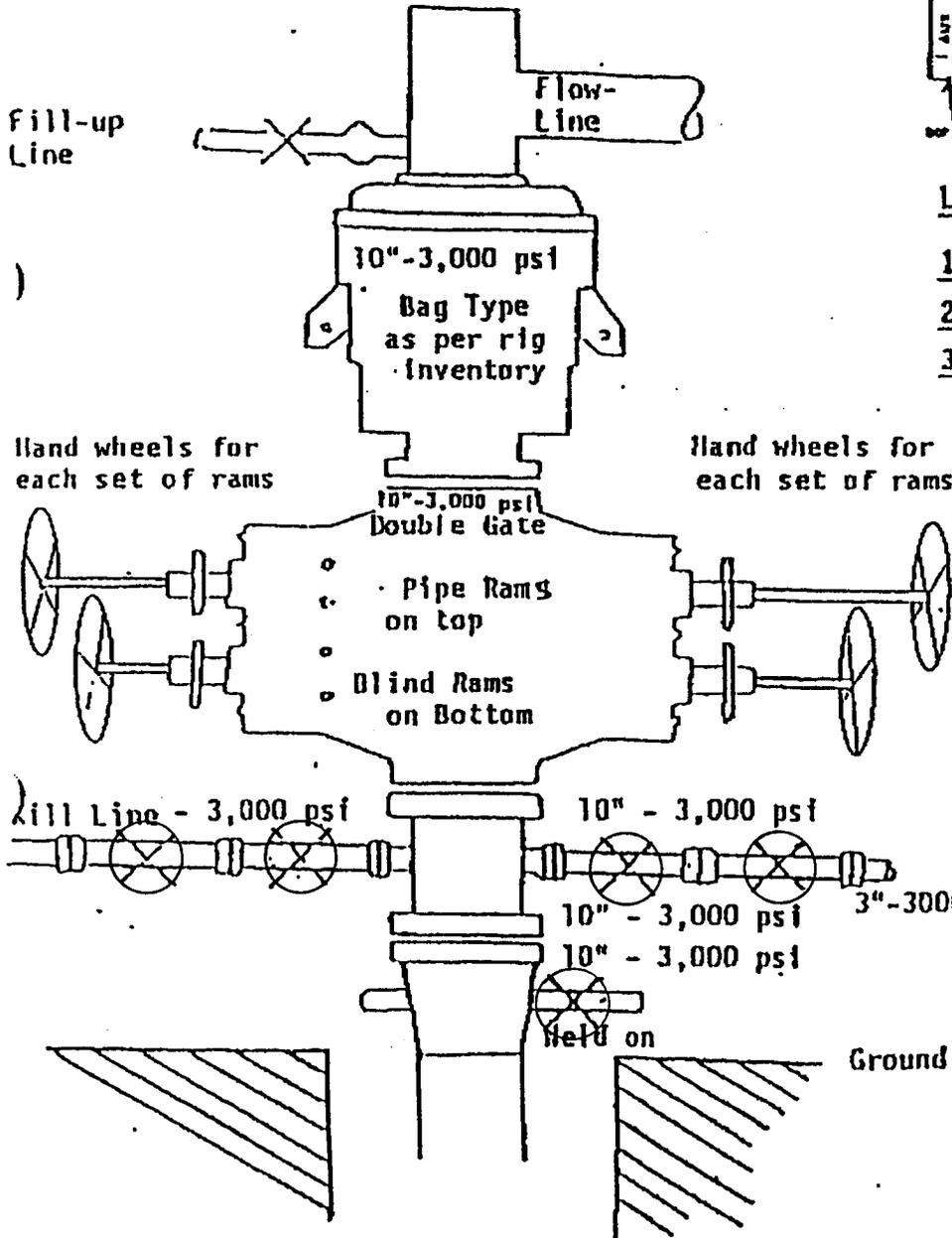
FIGURE No. 1
3000 psi

**DOUBLE GATE BAG TYPE BOP STACK
W/HYDRAULIC CONTROLS AND CHOKE
MANIFOLD FOR:**



LOCATION OF:

1. BOP controls on rig floor.
2. BOP remote controls.
3. BOP accumulator.



⊗ - VALVE

**SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator: United Utilities Corporation
Well Name & Number: Acosta #1
Lease Number: UTU-66407
Location: 530' FSL & 490' FWL Section 3, T11S, R23E
Uintah County, Utah
Surface Ownership: United States of America

NOTIFICATION REQUIREMENTS

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BOP & Related Tests: 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 the well has been off production for more than ninety (90) days.

1. Existing Roads: Refer to Map "A" (shown in YELLOW)

A. The proposed well site is staked.

B. To reach the location continue south on HWY 45 to MILE marker "O". Turn left (Baxter Pass & other signs) onto the secondary road. Continue on the main road past the corrals at Hell's Canyon "Y" and turn right. Stay on the main road through Watson taking the left hand turn at Asphalt Wash and the right fork at the "Y" to Rainbow. Continue on the main road by Kings Well and the corral on the right hand side to a "Y". Continue on the right hand fork for +/- 0.3 mi. Take the left hand turn and proceed 5.9 mi. Staying to the right continue

northward on the main road. After +/-5.9 mi. take the left fork and travel +/- 1.4 mi. Take the right turn and travel +/- 0.9 mi. Turn right, travel +/- 2.1 mi. to location.

- C. Access roads - refer to Maps "A".
- D. Access roads within a one mile radius - refer to Map "A".
- E. The existing 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 well location.

2. Planned Access Roads:

Approximately 0.59 mile of new road construction will be required for access to the proposed Acosta #1 well location.

- A. Width - 18 foot running surface, crowned and ditched for drilling and completion operations with a 30' right-of-way.
- B. Maximum grade - 7%.
- C. Turnouts - none required.
- D. Drainage design - the access road will be upgraded and maintained as necessary to prevent soil erosion and accommodate year around traffic. Access road will be crowned, ditched, and water turnouts installed as necessary to provide for proper drainage along the access road route.
- E. Culverts, cuts, and fills - None.
- F. Surfacing material - none required for drilling operations. If production is established, surfacing materials for 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, Vernal Resource Area Office, Bureau of Land Management.
- G. Gates, cattle guards or fence cuts - none required.

H. The new access road route has been flagged.

3. Location of Existing Wells Within a Two Mile Radius:

A. Water wells - None.

B. Abandoned wells - NW SW Section 4, T11S, R23E
NW SW Section 2, T11S, R23E

C. Temporarily abandoned wells - None

D. Disposal wells - None.

E. Drilling wells - None.

F. Producing wells - NE SE Section 3, T11S, R23E
SE NW Section 9, T11S, R23E
SW SE Section 9, T11S, R23E
NW SE Section 5, T11S, R23E

G. Shut-in wells - SE NE Section 7, T11S, R23E
NE SW Section 8, T11S, R23E
SE SE Section 8, T11S, R23E
SE NE Section 8, T11S, R23E
SE SE Section 10, T11S, R23E
SW NE Section 16, T11S, R23E
SW NE Section 21, T11S, R23E
SE SE Section 18, T11S, R23E

H. Injection wells - None.

I. Monitoring wells - None.

4. Location of Existing and/or Proposed Facilities Owned By United Utilities Corporation Within a One Mile Radius:

A. Existing

1. Tank batteries -

Rockhouse Unit #4 SE NW Section 9, T11S, R23E
Rockhouse Unit #12 SW SE Section 9, T11S, R23E
Lapaglia Federal #1 NE SE Section 3, T11S, R23E

2. Production facilities -
Rockhouse Unit #4 SE NW Section 9, T11S,R23E
Rockhouse Unit #12 SW SE Section 9, T11S,R23E
Lapaglia Federal #1 NE SE Section 3, T11S,R23E
3. Oil gathering lines - None.
4. Gas gathering lines - SE 1/4 Section 3 & NE 1/4 Section 10, T11S,R23E.

B. New Facilities Contemplated

1. All production facilities will be located on the disturbed (cut) portion of the well pad and at a minimum of fifteen (15) feet from the toe of the backout.
2. Production facilities will require an area approximately 300' X 150'. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval prior to commencement of installation operations. 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.
3. Production facilities will be accommodated on the well pad. Construction materials needed for installation of the production facilities

will be obtained from the site; any additional materials needed will be purchased from a local supplier as required. A dike will be constructed completely around the production tanks. The dikes will be constructed of compacted subsoil, be impervious, hold the capacity of the largest tank plus one foot of free board, and be independent of the back cut.

4. All permanent above the ground structures, tank batteries, etc., that will remain longer than six months will be painted Desert Brown (10 YR 6/3). The exception being that safety rules and regulations will be complied with where special safety colors are required.
5. The pipeline for Acosta #1 will be laid to the south to tie into the proposed gathering system in approximately the SE SW NW Section 10, T11S,R23E at the Rockhouse Unit #13. Refer to Map "B".

C. Pit Fences

- a. All pits will be fenced "Sheep-Tight" with 39-inch woven wire and one (1) top stand of barbed wire.
- b. The net wire shall be no more than 2-inches above the ground. The barbed wire will be 3-inches above the net wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts will be braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood, or pipe posts will be used between the corner braces. The maximum distance between any two posts will be no greater than 16 feet.
- e. All wire will be stretched before it is attached to the corner post by means of a stretching device.

D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road and any additional areas which may be specified in the approved Application for Permit to Drill.

E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling, and seeding with: Fourwing Saltbrush (6 lbs/acre); Beardless Bluebunch Wheatgrass (5 lbs/acre); Yellow Sweetclover (1 lbs/acre) Total of 12 lbs/acre.

5. Location and Type of Water Supply:

Water to be used for drilling this well will be hauled by truck over road marked in green on Map A.

A. The primary water source will be:

From Bitter Creek located approximately SW NW SW Section 25, T11S,R22E

B. Secondary water source will be:

From Three (3) area wells:

Rainbow Unit #2-A
NESW, S 18, T11S,R24E

Rainbow Unit #5
S/2, S 6, T11S,R24E

Rockhouse Unit #5-A
SWSE, S 13, T11S,R23E

C. The tertiary water source will be:

Purchased from Vernal City water system and hauled to well site on the roads shown on Map A from Bonanza, Utah.

6. Source of Construction Materials:

A. No construction materials will be needed for well pad construction; surface and subsurface soils will be sufficient. Refer to Item #2F regarding construction materials which may be required on the access road.

B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.

C. If production is established, any construction materials required for surfacing of the access road and installation of production facilities will be purchased from a local supplier having an approved (permitted) 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 pit.

B. Drilling fluids - including salts and chemicals will be contained in the reserve pit and allowed to evaporate. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of one half (1/2) the total depth below the original ground level at the lowest point in the pit.

C. Produced fluids - hydrocarbons produced during completion operations will be placed in test tanks on the location. Water produced during completion operations will be put into the reserve pit according to Onshore Operating Order #7 (formerly NTL-2B). At first production, produced water will be confined to the reserve pit or storage tanks for a period not to exceed ninety (90) days. During that 90 day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted to the AO for approval. Any spills of oil, gas, salt water, or other potentially hazardous materials will be cleaned up and immediately removed to an approved disposal site.

D. Sewage - portable, self contained chemical toilets will be provided for human waste disposal. The toilet holding tanks will be pumped as necessary, and the contents thereof disposed of at an approved sewage disposal facility under permit #91-0120 from Uintah District Health Department.

E. Garbage and other waste material - garbage, trash, and other waste material 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 placed in the reserve pit. No burning will be allowed.

F. Immediately after removal of the drilling rig, all debris and waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during drilling operations and the fencing 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 (refer to Figure #2). A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to Figure #1 for the location of the topsoil stockpiles.
- B. Figure #1 is a diagram showing the rig layout. No permanent living facilities are planned. There will be approximately four (4) trailers on location: one each for the drilling engineer, geologist, mud logger, and 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 prior to the commencement of installation operations (Refer to Item #4B for additional information in this regard).
- D. If porous soil or fractured rock is encountered during the excavation of the reserve pit, an inspection will be requested in order to ascertain the necessity of the installation of a pit liner. In the event of competent soils, a pit liner will not be installed.
- E. No silt catchment dams or basins will be required.

10. Plans for Reclamation of the Surface:

- A. If production is established, the unneeded areas of the location will be reclaimed as soon as the reserve pit has dried or no later than 6 months, whichever is sooner. If a plastic reinforced liner is used, it will be torn and perforated before backfilling of the reserve pit. The reserve pit will be cleaned of any cans, barrels, pipe, etc. prior to reclaiming. All waste materials will be disposed of immediately upon termination of drilling and completion activities. The reserve

pit and portion of the location not needed for production facilities or operations will be recontoured to the approximate natural contours.

- B. Upon completion of backfilling, leveling and recontouring all disturbed surfaces (including the access road and well pad areas) will be scarified (ripped) and the stockpiled topsoil will be evenly spread over the reclaimed area(s). The seed bed will be prepared by disking on the contour to an approximate depth of four (4) to six (6) inches, leaving no depressions that would trap water or form ponds.
- C. All disturbed surfaces (including the well pad and access road) will be reseeded using the seed mixture referenced in Paragraph #4 E.

Seed will be drilled on the contour with the seed drill set at a depth of one half (1/2) inch. Fall seeding will be completed after September 1 and prior to ground frost. Spring seeding, to be effective, will be completed after the frost has left the ground and prior to May 15.

- D. Three sides of the reserve pit will be fenced "sheep tight" prior to commencement of drilling operations and the fourth side will be fenced immediately upon removal of the drilling rig. Said fencing will consist of 39-inch woven wire with one (1) top strand of barbed wire. Corner braces will be installed to assure tight fencing in order to protect livestock and wildlife. Please refer to item #4C for additional information regarding the actual fencing specifications.
- E. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- F. Reclamation operations will begin after the drilling rig has been removed. Removal of oil or other adverse substances will begin immediately or the affected area(s) will be flagged and/or fenced. Other clean up will be done as needed. Reseeding activities are considered best in the Fall, 1996, unless requested otherwise.

11. Surface Ownership:

The well site and proposed access road route are situated on surface estate owned by the United States of America and administered by:

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

12. Other Information:

- A. Topography: Rolling hills and shallow valleys.
- B. Soil characteristics: Rocky and sandy shale.
- C. Flora: +/- 30% coverage of land with sage brush, bunch grass, prickly pear cactus, etc.
- D. Fauna: Domestic sheep. Mule deer, elk, rabbits, coyotes and rodents.
- E. Surface use: Wildlife management and livestock grazing.
- F. Surface ownership: Location and roads Federal.
- G. Proximity of Water, Occupied Dwellings, Archaeological, Historical, or Cultural Sites:
 - 1. The closest source of permanent water is the White River, located approximately 3 miles to the north.
 - 2. Occupied dwellings: None.
 - 3. There are no known archaeological, historical, or cultural sites, which are potentially eligible for inclusion in the National Register of Historical Places, that will be disturbed by this proposed drilling operation.

United Utilities Corporation will be responsible for informing all persons associated with this project that they shall be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects or site(s).

If archaeological, historical, or vertebrate fossil materials are discovered, United Utilities Corporation will suspend all operations that further disturb such materials and immediately contact the Authorized

Officer, Bureau of Land Management. Operations will not resume until written authorization to proceed is issued by the Area Manager, Vernal Resource Area Office, Bureau of Land Management.

Within five (5) working days, the Authorized Officer will evaluate the discovery and inform United Utilities Corporation of actions that will be necessary to prevent loss of significant cultural or scientific values. United Utilities Corporation will, at any time, have the option to relocate activities to avoid the expense of mitigation and/or the delays associated with this process at which time, the Administrative Officer will assume responsibility for whatever recordation and stabilization of the exposed materials which may be required. Otherwise, United Utilities 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, United Utilities Corporation will be allowed to resume operations.

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

Representative:

Durrell Karren, Field Superintendent
625 North 100 West
Vernal, Utah 84078
Phone (808) 789-2772 (801) 828-8516

Terry J. Cox, Consulting Engineer
Suite 1120
1050 17th Street
Denver, Colorado 80265
Phone (303) 892-9120 (801) 828-8384 or (801) 828-8771

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

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

United Utilities Corporation will be fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative(s) to ensure compliance.

The dirt contractor will be provided with a copy of the Surface Use and Operations Plan from the approved Application for Permit to Drill.

SELF CERTIFICATION FOR APPLICATION FOR PERMIT TO DRILL

I hereby certify that United Utilities Corporation is authorized by the proper Lease Interest Owners to conduct lease operations associated with the Application for Permit to Drill the Acosta #1 SW 1/4 SW 1/4 Section 3, T11S, R23E, lease UTU-66407. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by United Utilities Corporation under Statewide Bond #UT-1028 and United Utilities Corporation will be responsible for compliance with all terms and conditions of that portion of the lease associated with this Application for Permit to Drill.

HAZARDOUS MATERIAL DECLARATION FOR
APPLICATION FOR PERMIT TO DRILL

No chemical subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, stored, transported, or disposed of annually in association with the drilling of the Acosta #1. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

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 United Utilities Corporation, their 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.

1/11/96

Date

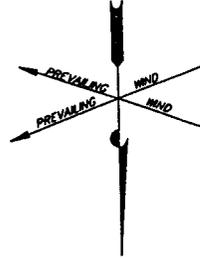


Terry E. Cox

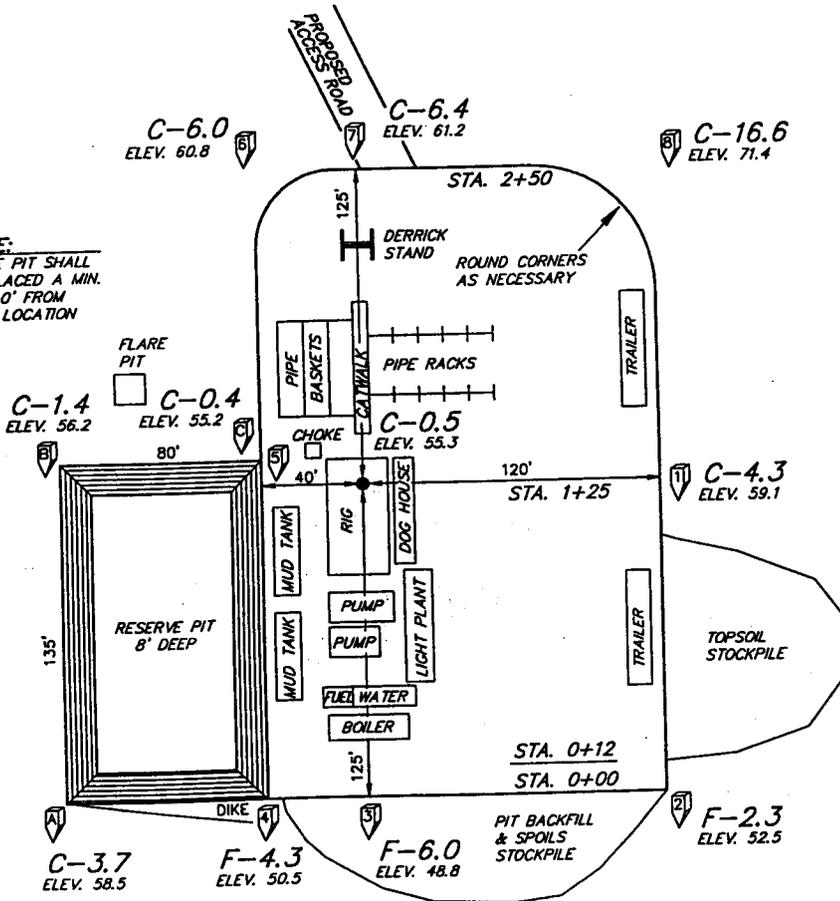
Agent for United Utilities Corporation

UNITED UTILITIES INC.

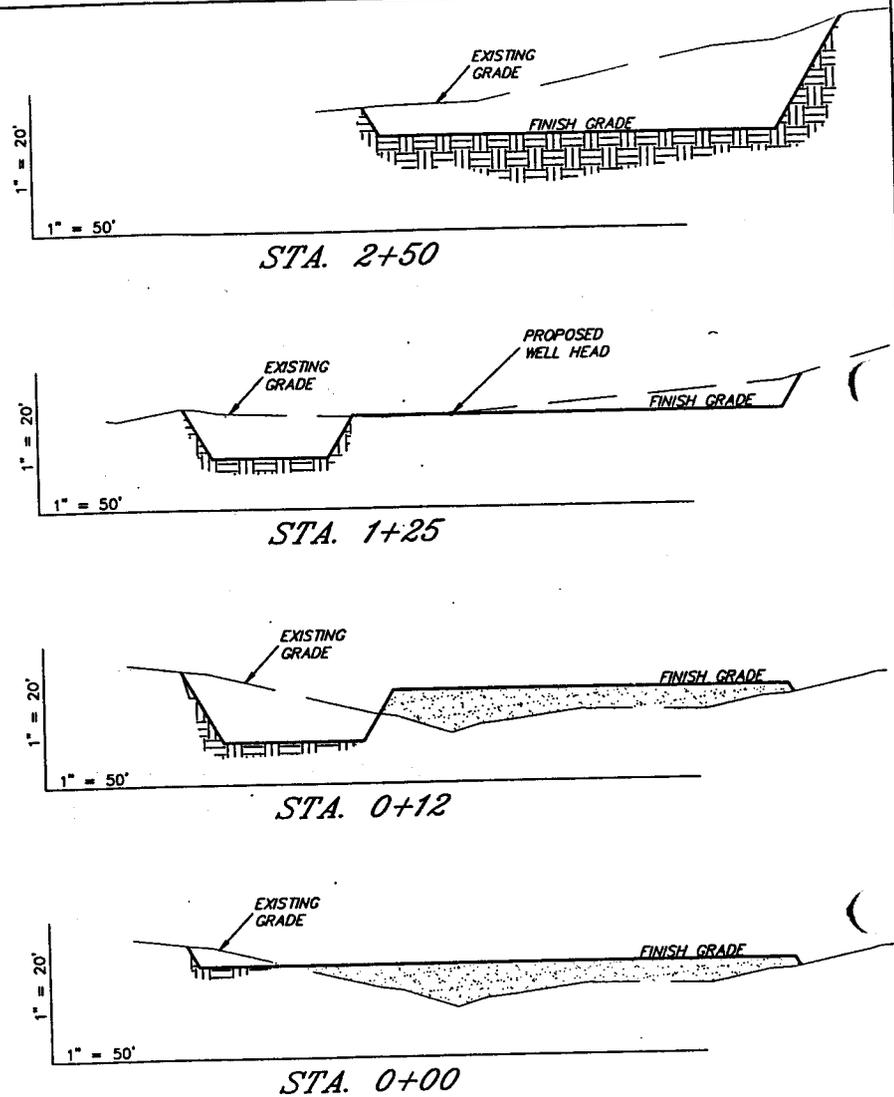
ACOSTA #1
SECTION 3, T11S, R23E, S.L.B.M.
530' FSL 490' FWL



NOTE:
FLARE PIT SHALL
BE PLACED A MIN.
OF 110' FROM
WELL LOCATION



SCALE: 1" = 50'
DRAWN BY: GLB
DATE: 12-4-95



REFERENCE POINTS

RP 175' NORTH 5946.08'
RP 225' NORTH 5943.47'
RP 170' WEST 5964.94'
RP 220' WEST 5966.30'

APPROXIMATE YARDAGES

6" TOPSOIL = 940 CU. YDS.
RESERVE PIT YARDAGE = 2480 CU. YDS.
TOTAL CUT = 8002 CU. YDS.
TOTAL FILL = 1420 CU. YDS.
EXCESS MATERIAL = 6582 CU. YDS.

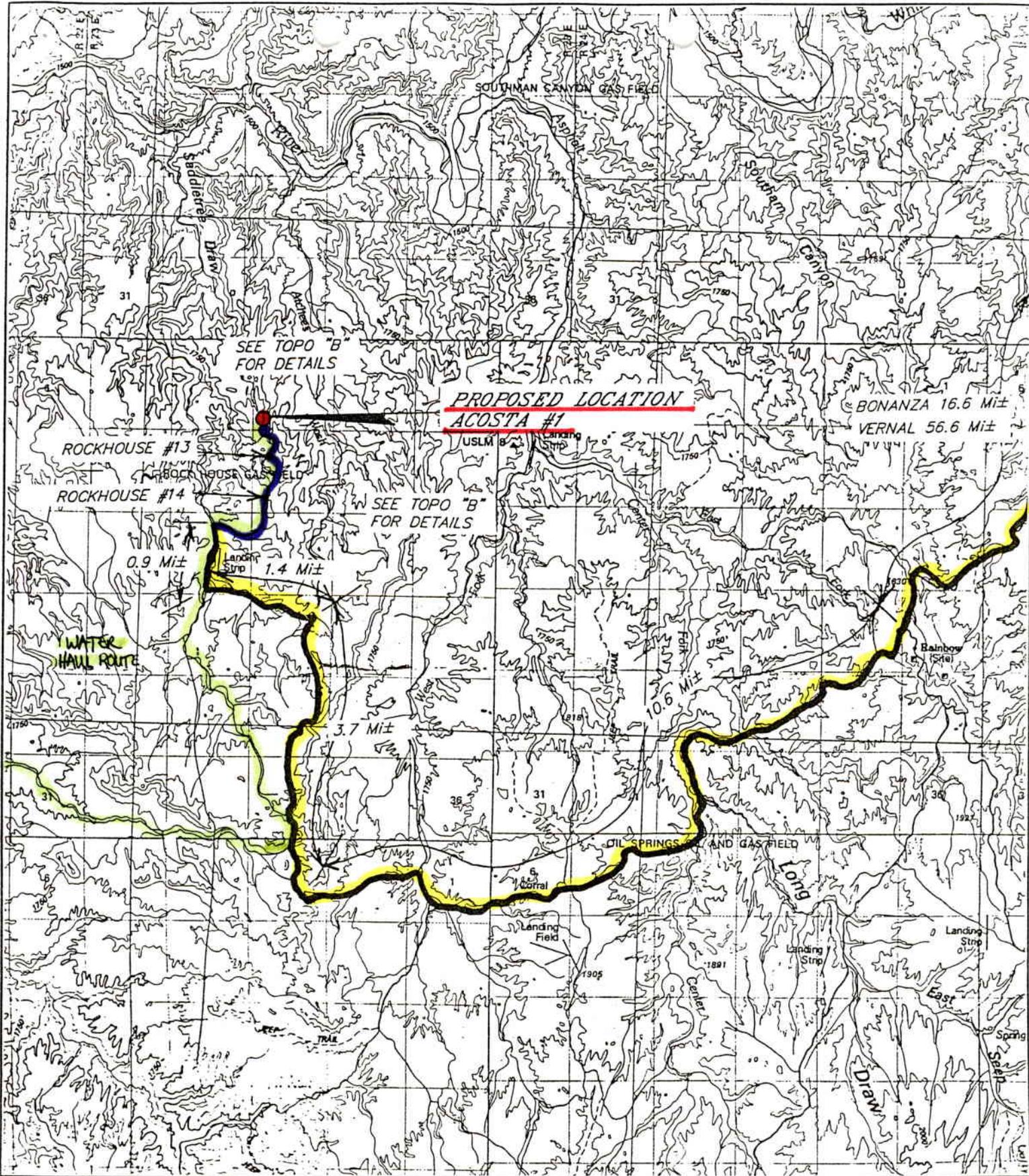
ELEV. UNGRADED GROUND = 5955.27'
ELEV. FINISHED GRADE = 5954.77'

PREPARED BY:

FOA Preston Geller Verone & Associates, Inc.
The Engineering Group

1111 11th Street, Suite 100, San Francisco, CA 94103
415.774.1111
www.foa.com





UNITED UTILITIES INC.

FVA Freston Ostler Vernon & Associates, Inc.
The Engineering Group

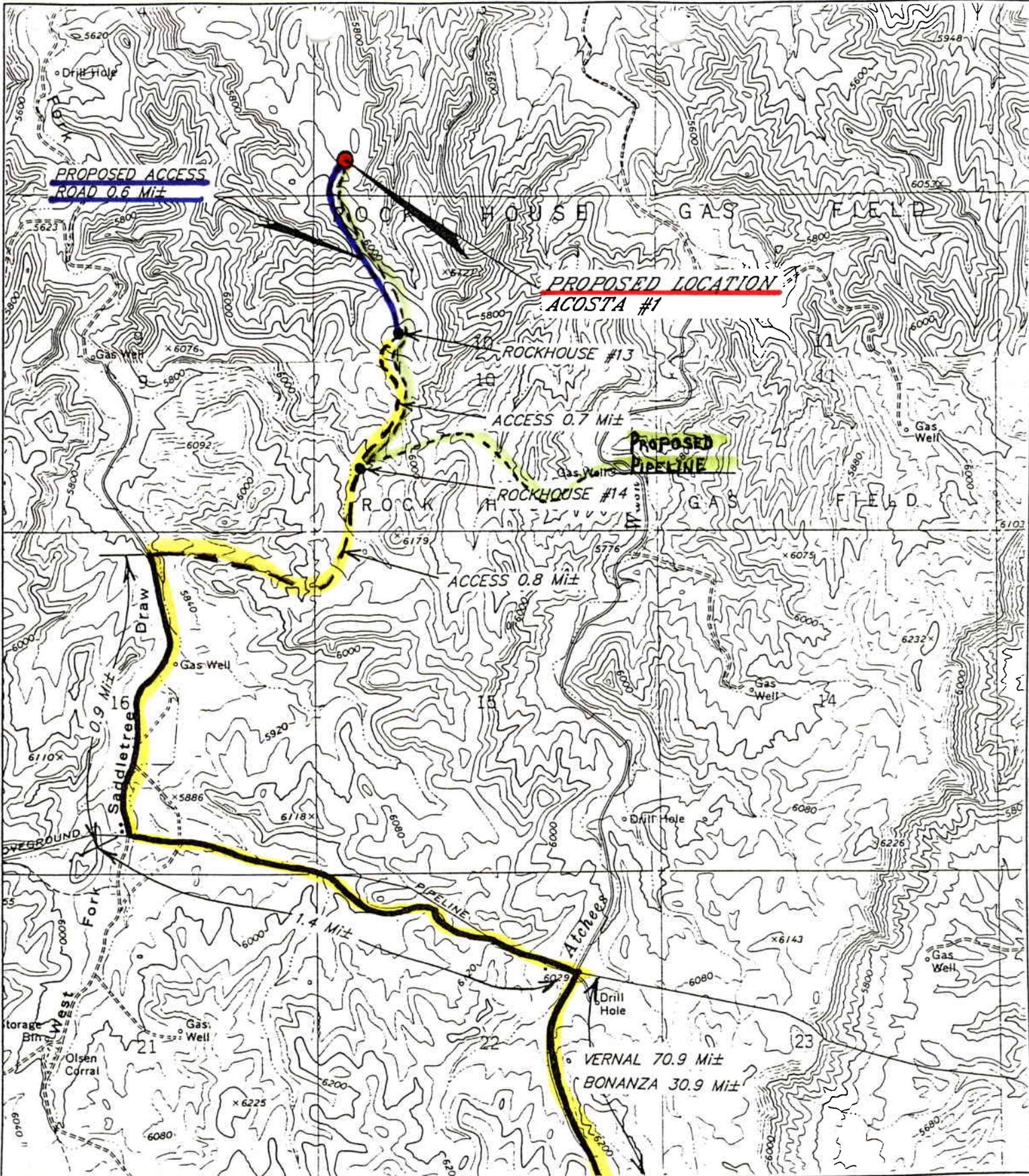
ACOSTA #1
SECTION 3, T11S, R23E, S.L.B.&M.
530' FSL 490' FWL



TOPO MAP "A"

P.O. Box 1256, 182 North Trench Avenue, Suite 2 Corral, Clark County, Nevada 89001
Telephone (801) 789-0441 Fax (801) 789-0488 Cell (801) 789-2123





UNITED UTILITIES INC.

FVA Freston Ostler Vernon & Associates, Inc.
The Engineering Group

P.O. Box 1726, 185 North Vermont Avenue, Suite 9, Vernal, Utah 84079
Telephone (801) 789-0846 Fax (801) 789-4468 Lab: (801) 781-3112

ACOSTA #1
SECTION 3, T11S, R23E, S.L.B.&M.
530' FSL 490' FWL



TOPO MAP "B"
SCALE: 1" = 2000'



APPLICATION FOR PERMIT TO DRILL
ACOSTA #1
UNITED UTILITIES CORPORATION

- EXISTING WELLS 2 MILE RADIUS -

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/12/96

API NO. ASSIGNED: 43-047-32584

WELL NAME: ACOSTA 1
OPERATOR: UNITED UTILITIES CORP (N6360)

PROPOSED LOCATION:
SWSW 03 - T11S R23E
SURFACE: 0530-PSL-0490-FWL
BOTTOM: 0530-PSL-0490-FWL
UINTAH COUNTY
ROCKHOUSE FIELD (670)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED
LEASE NUMBER: UTU-66407

PROPOSED PRODUCING FORMATION: WSMVD

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
(Number 47-1028)
 Potash (Y/N)
 Oil shale (Y/N)
 Water permit
(Number _____)
 RDCC Review (Y/N)
(Date: _____)

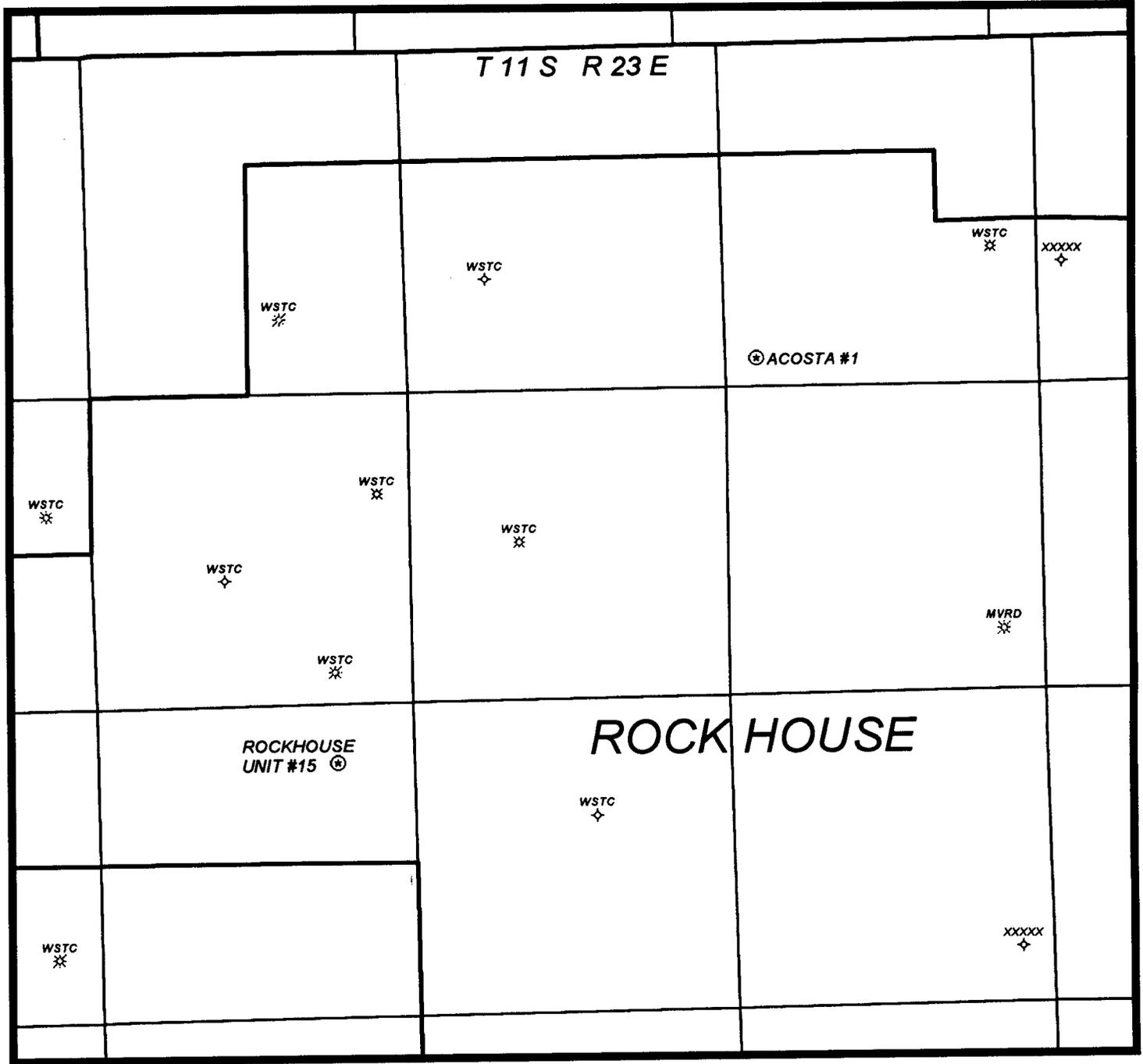
LOCATION AND SITING:

R649-2-3. Unit: _____
 R649-3-2. General.
 R649-3-3. Exception.
 Drilling Unit.
Board Cause no: 210-3
Date: 11-25-89

COMMENTS: _____

STIPULATIONS: _____

**UNITED UTILITIES CORP
ROCKHOUSE UNIT DEVELOPMENT
SECTIONS 3 & 9, T11S, R23E
UINTAH COUNTY, UAC R649-2-3**



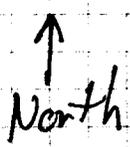
**STATE SPACING
UAC R649-2-3**

**PREPARED:
DATE: 1/17/96**

UNITED UTILITIES

-047-32584
T. 115 R. 23E S. 3

ACOSTA #1



Top Soil

Reserve Pit

Gas Sales Line

Berm

Dehi Heated Separator

Meter

75 Bbl Condensate

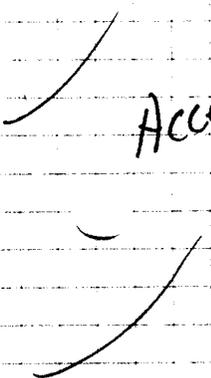
150 Bbl Condensate Tank

Wellhead Tree

Water Drain Line

Berm

Access



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 United Utilities Corporation

3. ADDRESS OF OPERATOR
 625 North 100 West Vernal, UT. 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 530' FSL & 490' FWL, Section 3, T11S, R23E
 At proposed prod. zone Same SW/SW

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-66407

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

7. UNIT AGREEMENT NAME
 N/A

8. FARM OR LEASE NAME
 Federal

9. WELL NO.
 Acosta #1

10. FIELD AND POOL, OR WILDCAT
 Rockhouse Gas Field

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA
 Section 3, T11S, R23E
 SLB&M

12. COUNTY OR PARISH
 Uintah

13. STATE
 Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 +/- 35.3 miles from Bonanza Utah

16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 490'

17. NO. OF ACRES IN LEASE
 1738.47

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 4260'

19. PROPOSED DEPTH
 5,992'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5,995' GL graded

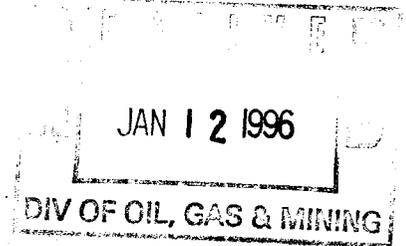
22. APPROX. DATE WORK WILL START*
 February 8, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8"	36#	250'	150 sx
7 7/8	4 1/2"	10.5#	5,992'	1,030 sx

Attachments to this APD:

1. Surveyors location plat
2. Well Control Plan (Pages 1-1 thru 1-9)
3. Surface Use Plan (Pages 2-1 thru 2-11)
4. Maps & Diagrams
5. Self Certification Statement
6. Hazardous Materials Declaration



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 Terry J. Cox TITLE Agent-Consulting Engineer DATE 1/11/94

(This space for Federal or State office use)

PERMIT NO. 43-047-32584 APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

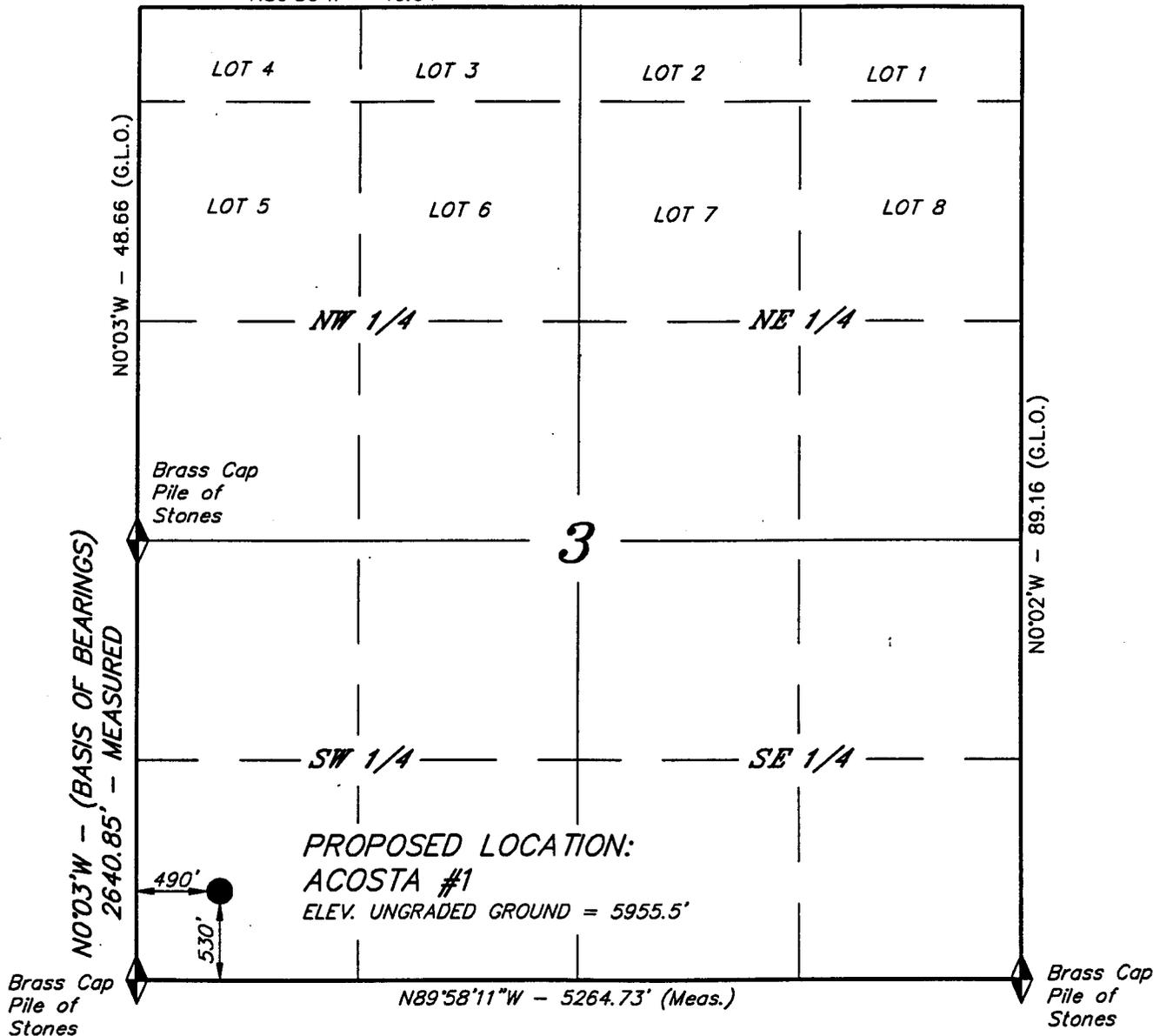
UNITED UTILITIES INC.

WELL LOCATION, ACOSTA #1, LOCATED
AS SHOWN IN THE SW1/4 SW1/4 OF
SECTION 3, T11S, R23E, S.L.B.&M., UINTAH
COUNTY, UTAH.

T 11 S, R 23 E, S. L. B. & M.

N89°56'W - 40.04

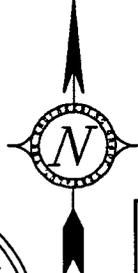
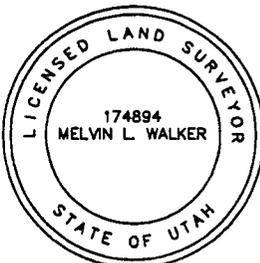
N89°58'W - 39.98



- = SECTION CORNERS LOCATED
- = PROPOSED LOCATION

THIS IS TO CERTIFY THAT THE PLAT HEREON WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY DIRECT SUPERVISION. THAT THE SAME HAS BEEN CORRECTLY SURVEYED AND STAKED ON THE GROUND AS SHOWN ON THIS PLAT AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

MELVIN L. WALKER
REGISTERED LAND SURVEYOR
REGISTRATION NO. 174894
STATE OF UTAH



BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 18, T11S, R24E, S.L.B.&M. TAKEN FROM THE RAINBOW, U.S.G.S., 7.5 MINUTE QUADRANGLE. ELEVATION IS SHOWN AS BEING 5643 FEET.

Freston Oetler Vernon & Associates, Inc. The Engineering Group	
DATE SURVEYED: 11/30/95	DRAWN BY: R.E.H.
SURVEYED BY: G.B. R.H.	DATE DRAWN: 12/4/95
WEATHER: COOL	NOTES:
SCALE: 1" = 1000'	FILE: ACOSTA

UNITED UTILITIES CORPORATION**Vernal District Field / Production Office**

625 North 100 West

Vernal, Utah 84078-3641

Ph: (801) 789-2772 Fax: (801) 789-5881

FAX COVER SHEET

TO: Mr. Mike Hebertson
State of Utah
Division of Gas, Oil & Mining
Via Fax: (801) 359-3940

FROM: De Van Overbeke,
Administrative Assistant / Production Secretary
Vernal District Field/Production Office

DATE: Thursday, January 18, 1996

SUBJECT: Water Rights Permit Number 49-1590
Attachment to APD: Rockhouse #15 and Acosta #1

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 4

Mr. Hebertson:

Thank you so much for notifying this office of the missing information required on the above captioned APD's. I am faxing herewith the Sundry Notice *To Change APD's*, approved on 1/8/96, and the Application to Appropriate Water, Water Right Number 49-1590, and hope it resolves the question of United's rights to acquire the necessary water from Bitter Creek for drilling the subject wells.

We received BLM approval on the Rockhouse #14 on 1/9/96, and should spud within the next 24 hours. Rockhouse #13 APD was also approved today, and we are awaiting approval on the #15 and Acosta #1. Since we are certain how long the BLM will be open due to the government shut-downs, it is important that we have approval on the two wells in question before they take another "break" and would hate to have it delayed again.

Since most of the Vernal staff is in the field, please feel free to contact this office if you need any additional information or assistance. If I can't answer your questions, I will locate the person you need as quickly as possible.

Again, thank you. I appreciate your taking the time to talk with me regarding your concerns, and I will see that Terry Cox, our Consulting Petroleum Engineer, is informed that the Water Right Number 49-1590 should appear on any APD using the Bitter Creek water source.

**CONFIDENTIALITY NOTICE**

Unless otherwise indicated or obvious from the nature of the transmittal, the information contained in this facsimile message is privileged and confidential information intended for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify the sender by telephone and return the original message to United Utilities Corporation at the above address via the U.S. Postal Service at our expense. Thank you.

Form 3160-5
(June 1990)

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-0779

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

UPPER ROCKHOUSE &
ROCKHOUSE UNITS

8. Well Name and No.

13, 14, 15, & Acosta #1

9. API Well No.

10. Field and Pool, or Exploratory Area

ROCKHOUSE

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other Change of Water Source

2. Name of Operator

UNITED UTILITIES CORPORATION

3. Address and Telephone No.

625 NORTH 100 WEST VERNAL, UT 84078-3641 (801) 789-2772

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

T11S, R23E, Uintah County, SLB&M, Utah

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"/> 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 Change of APD's
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

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

This will notify the BLM of Change of Water Source for Rockhouse Unit drilling and completion programs from the Rainbow unit water source to Bitter Creek, as per the attached Water Right Permit Number 49-1590. Water will be hauled by Target Trucking from said diversion points as indicated on attached Water Permit, for drilling of Rockhouse #13, Rockhouse #14, Rockhouse #15, and Acosta #1.

DEC 13 1995

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

Signed Daniel F. Lane Title Field Superintendent Date 12/13/95

(This space for Federal or State office use)

Approved by Bernard L. Johnson Title Acting Area Mgr. Date 1/5/96
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

OPERATOR

FILING FOR WATER IN THE STATE OF UTAH

Rec. by _____
Fee Rec. _____
Receipt # _____
Microfilmed _____
Roll # _____

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49 - 1590

TEMPORARY APPLICATION NUMBER: T69541

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: United Utilities Inc.
ADDRESS: 625 North 100 West, Vernal, UT 84078

B. PRIORITY DATE: December 22, 1995

FILING DATE: December 13, 1995

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 5.0 acre-feet

B. SOURCE: Bitter Creek

COUNTY: Uintah

C. POINT OF DIVERSION -- SURFACE:
(1) N 1800 feet E 100 feet from SW corner, Section 25, T 11S, R 22E, SLBM
DIVERT WORKS: Pump into tank trucks
SOURCE: Bitter Creek

3. WATER USE INFORMATION:

OIL EXPLORATION: from Dec 22 to Dec 21. Drilling and completion of gas wells in the Rock House Unit.

4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

BASE TOWN	RANG	SEC	NORTH-WEST		NORTH-EAST		SOUTH-WEST		SOUTH-EAST			
			NW	NE	SW	SE	NW	NE	SW	SE	NW	NE
SL	11S	23E	Entire TOWNSHIP									

5. EXPLANATORY:

The point of diversion is on BLM administered lands. Permission has been obtained.

Appropriate

TEMPORARY APPLICATION for Water Right: 49 - 1590 continued***

Page:

6. SIGNATURE OF APPLICANT(S):

The applicant(s) hereby acknowledge(s) that he/she/they are citizen(s) of the United States of America or intend(s) to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of information contained herein, at the time of filing, rests with the applicant(s).

United Utilities Corp
Durrell D Karren
Signature of Applicant(s)

*DURRELL D. KARREN 05-73 0450
 MARY C. KARREN
 124 WEST 2500 SOUTH 780-1114
 VERNAL, UTAH 84078

12.13.95 11-17-95

Pay to the order of *Division of Water Rights* \$ *75⁰⁰/₁₀₀*

Twenty Five + 00/100

ZIONS BANK
 200 N. Main St.
 Vernal, Utah 84078

For *United Utilities Corp* *Durrell D Karren*

@ 24000054: 26 32454 1# 0450

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

2. TYPE OF WELL
 OIL WELL GAS WELL OTHER

3. NAME OF OPERATOR
 United Utilities Corporation

4. ADDRESS OF OPERATOR
 625 North 100 West Vernal, UT 84078

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
 At surface 610' FSL & 610' FWL, Section 3, T11S, R23E
 At proposed prod. zone Same

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 +/- 35.3 miles from Bonanza Utah

7. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit loc. if any)
 490'

8. NO. OF ACRES IN LEASE
 1738.47

9. NO. OF ACRES ASSIGNED TO THIS WELL
 160

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 4260'

11. PROPOSED DEPTH
 5,992'

12. ROTARY OR CABLE TOOLS
 Rotary

13. ELEVATIONS (Show whether DP, RT, GB, etc.)
 5,995' GL graded

14. APPROX. DATE WORK WILL START*
 February 8, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8"	36#	250'	150 sx
7 7/8	4 1/2"	10.5#	5,992'	1,030 sx

Attachments to this APD:

1. Surveyors location plat
2. Well Control Plan (Pages 1-1 thru 1-9)
3. Surface Use Plan (Pages 2-1 thru 2-11)
4. Maps & Diagrams
5. Self Certification Statement
6. Hazardous Materials Declaration

REVISED LOCATION

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

24. SIGNED [Signature] TITLE Agent-Consulting Engineer DATE 3/8/96

(This space for Federal or State office use)

PERMIT NO. 43-047-32584 APPROVAL DATE _____

APPROVED BY [Signature] TITLE Petroleum Engineer DATE 3/29/96

CONDITIONS OF APPROVAL, IF ANY:

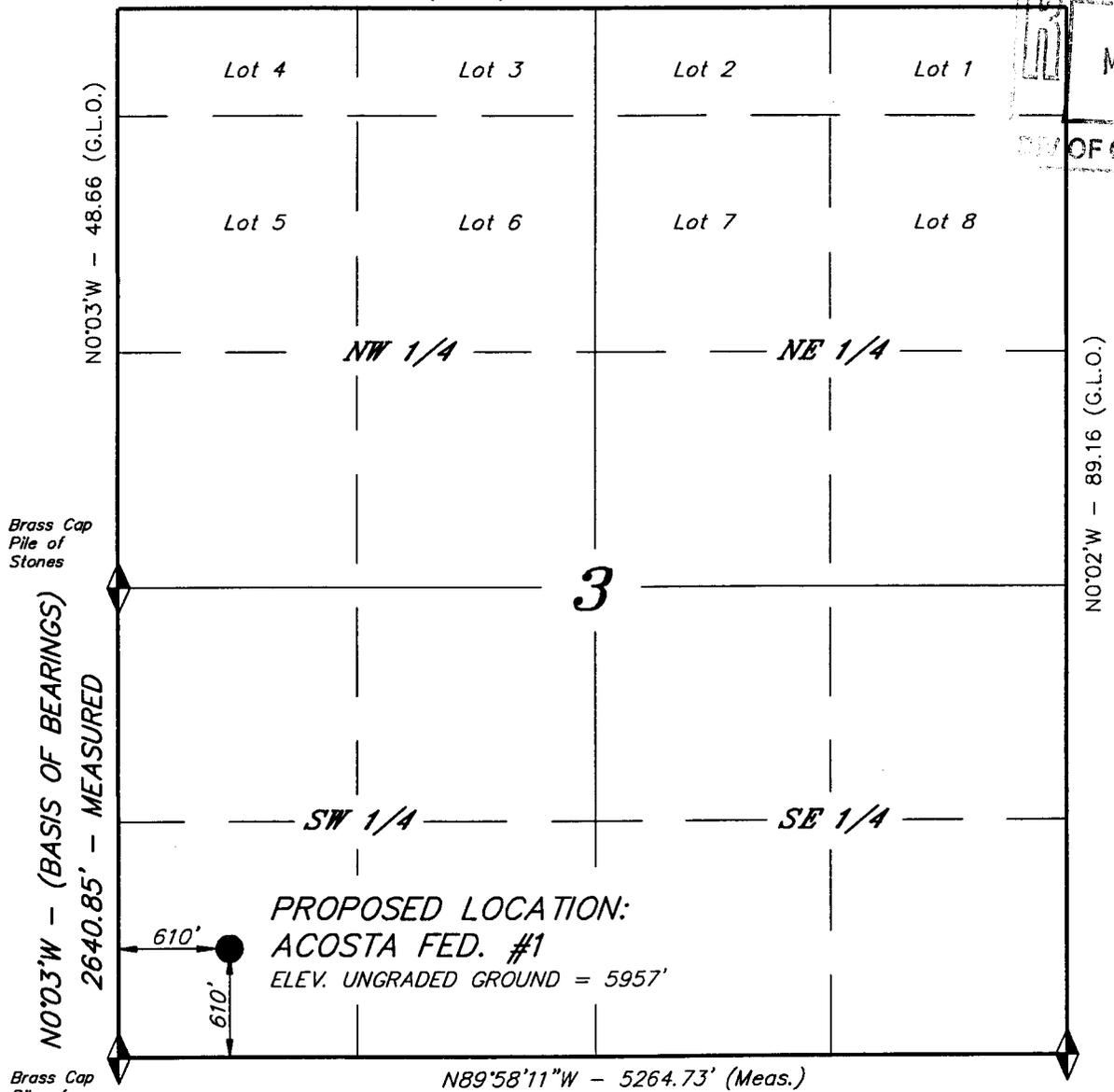
UNITED UTILITIES INC.

WELL LOCATION, ACOSTA #1, LOCATED
AS SHOWN IN THE SW 1/4 SW 1/4 OF SECTION 3,
T11S, R23E, S.L.B.&M., UTAH COUNTY, UTAH.

T 1 1 S, R 2 3 E, S. L. B. & M.

N89°56'W - 40.04 (G.L.O.)

N89°58'W - 39.98 (G.L.O.)



RECEIVED
MAR 29 1996
DEPT. OF OIL, GAS & MINING

Brass Cap
Pile of
Stones

Brass Cap
Pile of
Stones

Brass Cap
Pile of
Stones

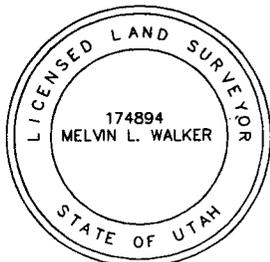
- = SECTION CORNERS LOCATED
- = PROPOSED LOCATION

BASIS OF ELEVATION

SPOT ELEVATION FROM A BENCHMARK LOCATED ON THE NORTH LINE OF SECTION 17, T11S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE QUADRANGLE PUBLISHED BY THE U.S.G.S. SAID ELEVATION IS MARKED AS BEING 6054 FEET.

THIS IS TO CERTIFY THAT THE PLAT HEREON WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY DIRECT SUPERVISION. THAT THE SAME HAS BEEN CORRECTLY SURVEYED AND STAKED ON THE GROUND AS SHOWN ON THIS PLAT AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

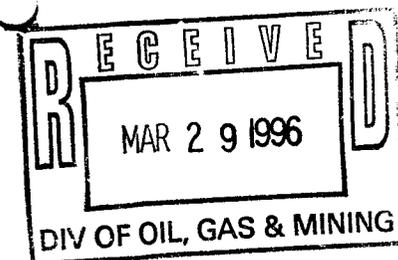
MELVIN L. WALKER
REGISTERED LAND SURVEYOR
REGISTRATION NO. 174894
STATE OF UTAH



REVISED: 3-27-96 R.E.H.

Freston Ostler Vernon & Associates, Inc. The Engineering Group	
P.O. Box 1756, 145 North Vermont Avenue, Suite 2, Tremonton, Utah 84073 Telephone: (801) 789-0541 Fax: (801) 789-6486 Lab: (801) 781-2115	
DATE SURVEYED: 11-16-95	DRAWN BY: R.E.H.
SURVEYED BY: M.W. R.H.	DATE DRAWN: 11-20-95
WEATHER: COOL	NOTES:
SCALE: 1" = 1000'	FILE: ROCKHOUSE

UNITED
UTILITIES INCORPORATED



March 28, 1996

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

Via Fax: (801) 359-3940
and Airborne Express

Re: United Utilities Corporation
Application for Permit to Drill
Acosta #1 - Lease No. U-66407
610' FWL & 610' FSL, Section 3, T11S, R23E
Uintah County, Utah

Dear Mr. Hebertson:

United Utilities Corporation hereby requests administrative approval for an exception to spacing for the above captioned well. The well was originally staked at a location to 490' FWL & 530' FSL, Section 3, T11S, R23E, Uintah County, Utah. That location has been re-staked at a location 610' FWL & 610' FSL, Section 3, T11S, R23E. Section 4, the Section to the west, is part of Federal Lease U-0778 and Section 10, to the south, is part of Federal Lease U-0779. Both leases are held by United Utilities Corporation and are part of the Rockhouse Unit, a federal production unit.

United Utilities Corporation is actively drilling in the area and desires to drill the Acosta #1 while equipment is in the immediate vicinity. Therefore, it is respectfully requested that administrative approval be issued as quickly as possible to allow time to build the access road and location before April 8, 1996, the anticipated date the drilling rig will be prepared to start drilling operations.

Respectfully,

Terry J. Cox, P.E.
Terry J. Cox, P.E. /do

TJC:dv
Enclosures (3): P1 APD/ Plat

pc: BLM - Vernal District
Monica Ryden, Geologist
Houston Corporate Office
Vernal Field/Production Office
Terry J. Cox & Company, P.E.

\\msword\acostal\admp\perm.wps

625 North 100 West, Vernal, UT 84078 ● Tel.: (801) 789-2772 Fax. (801) 789-5881
7670 Woodway, Suite 340, Houston, Texas 77063 ● Tel. (713) 782-9093 Fax. (713) 782-9095

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

2. TYPE OF WELL
 OIL WELL GAS WELL OTHER

3. NAME OF OPERATOR
 United Utilities Corporation

4. ADDRESS OF OPERATOR
 625 North 100 West Vernal, UT. 84078

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 610' FSL & 610' FWL, Section 3, T11S, R23E, S1/2, R23E
 At proposed prod. zone Same

6. LEASE DESIGNATION AND SERIAL NO.
 UTU-66407

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

8. UNIT AGREEMENT NAME
 N/A

9. FARM OR LEASE NAME
 Federal

10. WELL NO.
 Acosta #1

11. FIELD AND POOL, OR WILDCAT
 Rockhouse Gas Field

12. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
 Section 3, T11S, R23E
 SLB&M

13. COUNTY OR PARISH
 Uintah

14. STATE
 Utah

15. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 +/- 35.3 miles from Bonanza Utah

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest 40g. unit line, if any)
 490'

17. NO. OF ACRES IN LEASE
 1738.47

18. NO. OF ACRES ASSIGNED TO THIS WELL
 160

19. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 4260'

20. PROPOSED DEPTH
 5,992'

21. ROTARY OR CABLE TOOLS
 Rotary

22. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5,995' GL graded

23. APPROX. DATE WORK WILL START*
 February 8, 1996

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8"	36#	250'	150 SX
7 7/8	4 1/2"	10.5#	5,992'	1,030 SX

Attachments to this APD:

1. Surveyors location plat
2. Well Control Plan (Pages 1-1 thru 1-9)
3. Surface Use Plan (Pages 2-1 thru 2-11)
4. Maps & Diagrams
5. Self Certification Statement
6. Hazardous Materials Declaration

REVISED LOCATION

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

24. SIGNED [Signature] TITLE Agent-Consulting Engineer DATE 3/28/96

(This space for Federal or State office use)

PERMIT NO. 43-047-32584 APPROVAL DATE _____

APPROVED BY [Signature] TITLE Engineer DATE 3/29/96

CONDITIONS OF APPROVAL, IF ANY:

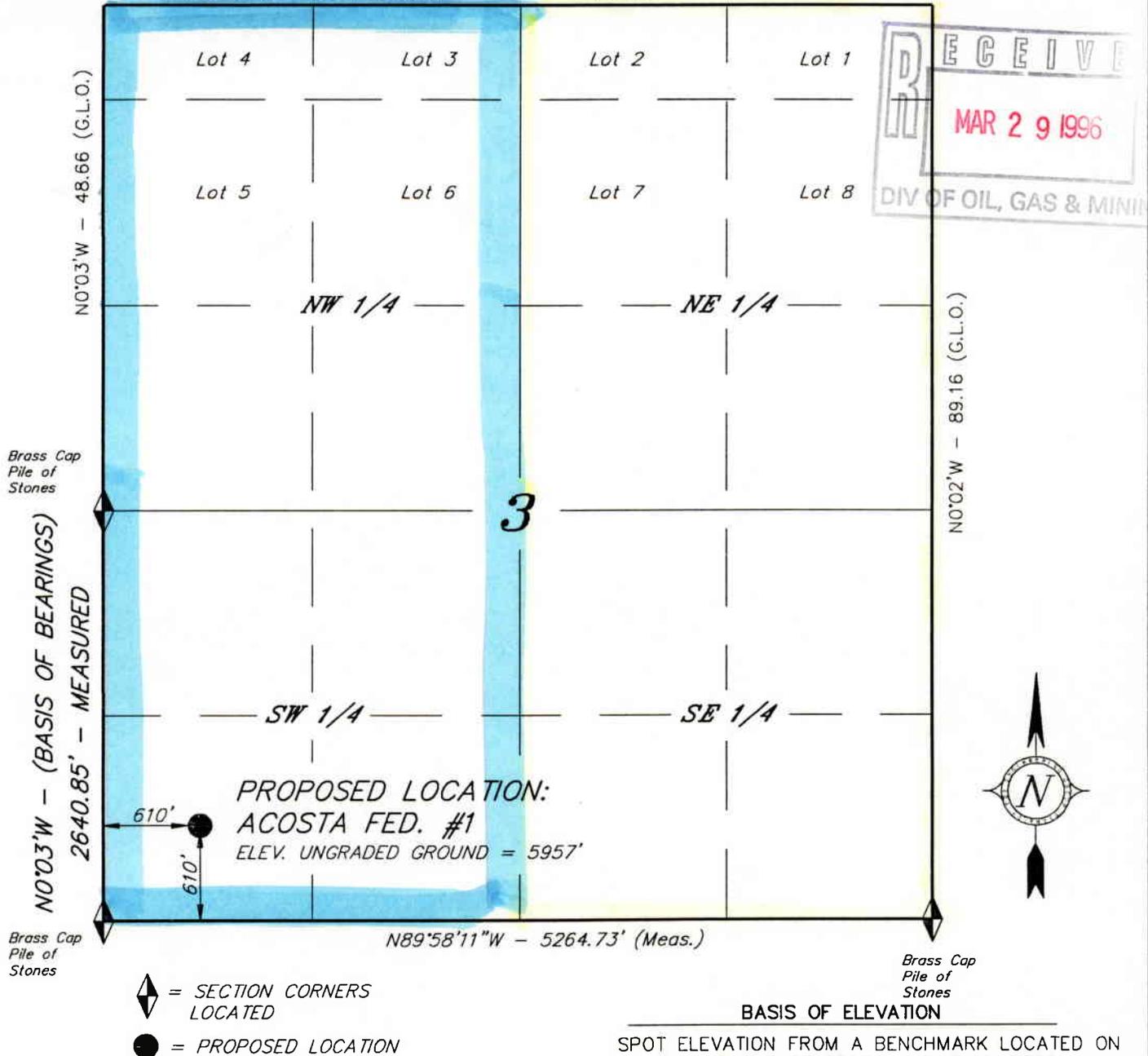
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Melvin L. Walker
MELVIN L. WALKER
REGISTERED LAND SURVEYOR
REGISTRATION NO. 174894
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BASIS OF ELEVATION
SPOT ELEVATION FROM A BENCHMARK LOCATED ON THE NORTH LINE OF SECTION 17, T11S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE QUADRANGLE PUBLISHED BY THE U.S.G.S. SAID ELEVATION IS MARKED AS BEING 6054 FEET.

REVISED: 3-27-96 R.E.H.

Freston Ostler Vernon & Associates, Inc. The Engineering Group	
P.O. Box 1258, 185 North Central Avenue, Suite 2, Provo, Utah 84602 Telephone: (801) 799-0241 Fax: (801) 799-4480 Lab: (801) 791-2117	
DATE SURVEYED: 11-16-95	DRAWN BY: R.E.H.
SURVEYED BY: M.W. R.H.	DATE DRAWN: 11-20-95
WEATHER: COOL	NOTES:
SCALE: 1" = 1000'	FILE: ROCKHOUSE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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5,995' GL graded

22. APPROX. DATE WORK WILL START*
February 8, 1996

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DRILL DEEPEN PLUG BACK

13. TYPE OF WELL
OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
United Utilities Corporation

3. ADDRESS OF OPERATOR
625 North 100 West Vernal, UT. 84078

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At proposed prod. zone Same

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(This space for Federal or State office use)

PERMIT NO. 43-047-32584 APPROVAL DATE _____

APPROVED BY [Signature] TITLE PhD Engineer DATE 3/29/96

CONDITIONS OF APPROVAL, IF ANY:

UNITED UTILITIES INC.

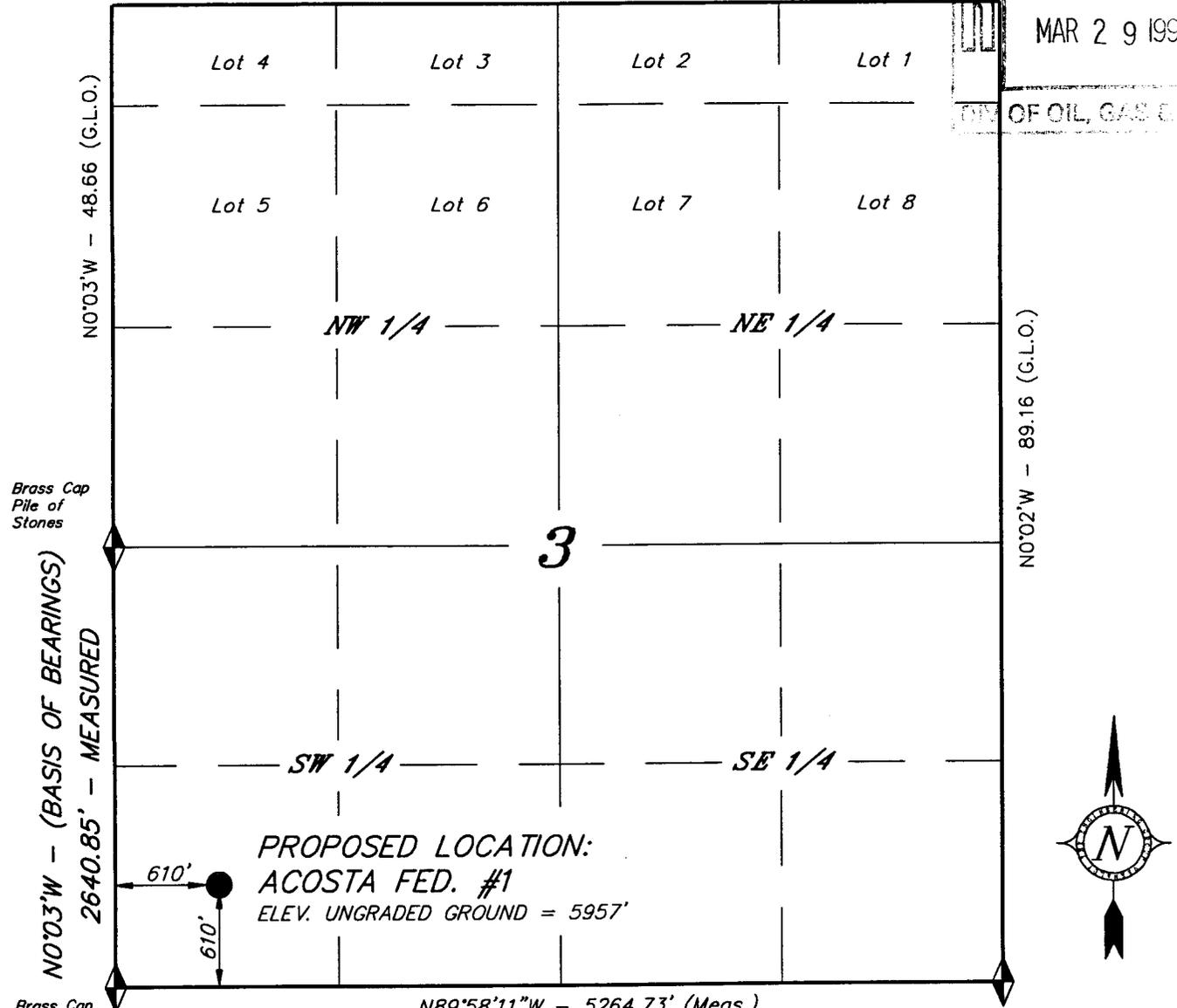
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T 1 1 S, R 2 3 E, S. L. B. & M.

N89°56'W - 40.04 (G.L.O.)

N89°58'W - 39.98 (G.L.O.)

RECEIVED
MAR 29 1996
DIV. OF OIL, GAS & MIN.



Brass Cap
Pile of
Stones

Brass Cap
Pile of
Stones

Brass Cap
Pile of
Stones

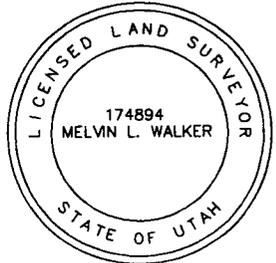
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- = PROPOSED LOCATION

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Melvin L. Walker
MELVIN L. WALKER
REGISTERED LAND SURVEYOR
REGISTRATION NO. 174894
STATE OF UTAH



REVISED: 3-27-96 R.E.H.

Freston Ostler Vernon & Associates, Inc. The Engineering Group	
P.O. Box 1758, 185 North Verdon Avenue, Suite 2, Verdon, Utah 84079 Telephone: (801) 789-0041 Fax: (801) 789-4480 Lab: (801) 781-2115	
DATE SURVEYED: 11-16-95	DRAWN BY: R.E.H.
SURVEYED BY: M.W. R.H.	DATE DRAWN: 11-20-95
WEATHER: COOL	NOTES:
SCALE: 1" = 1000'	FILE: ROCKHOUSE



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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

March 29, 1996

United Utilities Corporation
625 North 100 West
Vernal, Utah 84078

Re: Acosta #1 Well, 610' FSL, 610' FWL, SW SW, Sec. 3, T. 11 S.,
R. 23 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32584.

Sincerely,

A handwritten signature in black ink, appearing to read "R. J. Firth".

R. J. Firth
Associate Director

lwp

Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

WAPD



Operator: United Utilities Corporation
Well Name & Number: Acosta #1
API Number: 43-047-32584
Lease: UTU-66407
Location: SW SW Sec. 3 T. 11 S. R. 23 E.

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5340.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews or Mike Hebertson at (801)538-5340.

3. Reporting Requirements

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

005 11/28/95

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
United Utilities Corporation

3. ADDRESS OF OPERATOR
625 North 100 West Vernal, UT. 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 530' FSL & 490' FWL, Section 3, T11S, R23E, W6E
At proposed prod. zone Same 43-047-3258-4 JAN 18 1996

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
+/- 35.3 miles from Bonanza Utah

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit loc. if any)
490'

16. NO. OF ACRES IN LEASE
1738.47

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

13. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
4260'

19. PROPOSED DEPTH
5,992'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5,995' GL graded

22. APPROX. DATE WORK WILL START*
February 8, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8"	36#	250'	150 sx
7 7/8	4 1/2"	10.5#	5,992'	1,030 sx

Attachments to this APD:

1. Surveyors location plat
2. Well Control Plan (Pages 1-1 thru 1-9)
3. Surface Use Plan (Pages 2-1 thru 2-11)
4. Maps & Diagrams
5. Self Certification Statement
6. Hazardous Materials Declaration

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 Terry J. Cox TITLE Agent-Consulting Engineer DATE 1/10/96

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE MAR 29 1996
CONDITIONS OF APPROVAL, IF ANY:

Div. O&M
NOTICE OF APPROVAL
44080-6M-053

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: United Utilities Corporation

Well Name & Number: ACOSTA #1

API Number: 43-047-32584

Lease Number: U - 66407

Location: SWSW Sec. 03 T.11S R. 23E

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

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

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

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.

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

3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale, identified at 1,530 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

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

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

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

A cement bond log (CBL) will be run from the production casing shoe to $\pm 1,330$ 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. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

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

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

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

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

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

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

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

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

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

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

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

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

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 789-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

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

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

Refinery wastes

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

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM
Conditions of Approval (COAs)

METHODS FOR HANDLING WASTE MATERIALS AND DISPOSAL

The reserve pit will be lined with a plastic/nylon reinforced liner. It will be a minimum of 12 mil thickness with 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 AO

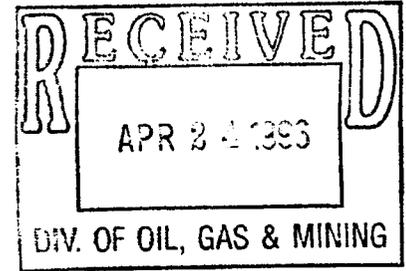
OTHER INFORMATION

No vehicle travel will be allowed off of the existing roads or right-of-way.

All production facilities will be painted juniper green.

UNITED

UTILITIES INCORPORATED



April 23, 1996

Ms. Lisha Cordova
Division of Gas, Oil & Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Re: Entity Action Form - Form 6
Acosta #1 - API 43-047-32584
Upper Rockhouse Unit - Uintah County, Utah

Dear Ms. Cordova:

Enclosed you will find the completed Entity Action Form 6 on the above captioned well. We anticipate completion to follow as soon as drilling is completed, and the engineer will submit the required completion report and well logs as soon as possible thereafter.

Production is anticipated to be from the Wasatch zone. If you need any additional information on the Acosta #1, please feel free to contact our Geologist, Ms. Monica Ryden, at (303) 696-9706, or the Petroleum Engineer, Mr. Terry Cox, at (303) 892-9120.

If I can be of any assistance or answer any questions, please call at any time.

Sincerely,
UNITED UTILITIES CORPORATION
De Van Overbeke
De Van Overbeke, Production Secretary

:dv
Enclosure

pc: Monica Ryden, Geologist
Terry J. Cox, Petroleum Engineer
Tammy Seiter - Houston Office
File - Vernal Office

ENTITY ACTION FORM - FORM 6

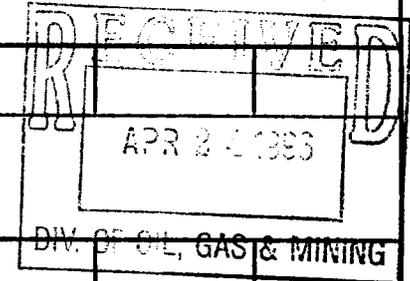
OPERATOR United Utilities Corporation

OPERATOR ACCT. NO. N-6360

ADDRESS 7670 Woodway, Suite 340

Houston, TX 77063-1520

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
BA	02025 99999	11906	43-047-32584	ACOSTA #1	SW SW	3	11S	23E	UINTAH	4/6/96	4/6/96
WELL 1 COMMENTS: Acosta #1 is being drilled in the existing Upper Rockhouse Unit. United plans to drill into the Wasatch zone. <i>Non-Unit well; entity added 4-25-96. Lec</i>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											



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

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

(3/89)

De Van Overbeke
Signature De Van Overbeke
Production Secretary 4/11/96
Title Date
Phone No. (801) 789-2772
Fax: (801) 789-5881

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: UNITED UTILITIES

Well Name: UNITED ACOSTA # 1

Api No. 43-047-32584

Section 3 Township 11S Range 23E County UINTAH

Drilling Contractor EXETER

Rig #: 8

SPUDDED:

Date: 4/25/96

Time: _____

How: ROTARY

Drilling will commence: _____

Reported by: D. HACKFORD-DOGM

Telephone #: _____

Date: 5/6/96 Signed: JLT

FORM 3100-
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
DIV. OF OIL, GAS & MINING

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.
UTU-66407

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME, WELL NO.
Acosta #1

9. API WELL NO.
43-047-32584

10. FIELD AND POOL, OR WILDCAT
Rockhouse Gas Field

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec 3, T11S, R23E SLB&M
SW SW

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

14. PERMIT NO. DATE ISSUED
43-047-32504 3/28/96

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other
1b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. PENN. Other

2. NAME OF OPERATOR
United Utilities Corporation

3. ADDRESS AND TELEPHONE NO.
625 North 100 West Vernal, UT 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 530' FSL & 490' FWL, Sec. 3, T11S, R23E
At top prod. interval reported below Same
At total depth Same

15. DATE SPUNDED
4/25/96

16. DATE T.D. REACHED
5/1/96

17. DATE COMPL. (Ready to prod.)
5/20/96

18. ELEVATION (DF, RKB, RT, GR, ETC.)
5969' RKB

19. ELEV. CASING HEAD
5957

20. TOTAL DEPTH, MD & TVD
5610

21. PLUG, BACK T.D., MD & TVD
4761

22. IF MULTIPLE COMPL., HOW MANY?

23. INTERVALS DRILLED BY
ROTARY TOOLS 0 - TD

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
4524' - 4674' (WSTC)

25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN
Litho-Density/CNL Induction CBL

27. WAS WELL CORRED
No

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

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
9 5/8 K-55	36	257	12 1/4	160sx to surface	None
4 1/2 M-50	10.5	4800	7 7/8	695 sx to surface	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8	4355	

31. PREPARATION RECORD (Interval, size and number)
4524-4528 4 JSPF
4688-4674 4 JSPF

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4524-4528	12,621 gals + 25,100 # sand
4688-4674	34,867 gals + 85,000 # sand

33. PRODUCTION
DATE FIRST PRODUCTION 5/20/96
PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing
WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
5/21/96	24	Open	→	15	4208	15	285,333

FLOW. TUBING PRSS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
600	900	→	15	4208	15	

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

35. LIST OF ATTACHMENTS
Logs under separate cover

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED  TITLE Agent Consulting Engineer DATE June 4, 1996

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

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

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, time tool open, flowing and shut-in pressures, and recoveries);	GEOLOGIC MARKERS		TOP				
	FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Wasatch	3663	5408					
Mesaverde	5408	TD					

38.

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

TAMARA SEITER
 UNITED UTILITIES CORP
 7670 WOODWAY STE 340
 HOUSTON TX 77063

UTAH ACCOUNT NUMBER: N6360

REPORT PERIOD (MONTH/YEAR): 3 / 97

AMENDED REPORT (Highlight Changes)

Well Name API Number	Entry	Location	Producing Zone	Well Status	Days Oper	Production Volumes		
						OIL(BBL)	GAS(MCF)	WATER(BBL)
ROCK HOUSE UNIT #44-14 4304731806	02025	11S 23E 14	WSTC					
ROCKHOUSE UNIT 14 4304732521	02025	11S 23E 10	WSTC					
ROCKHOUSE UNIT 13 4304732522	02025	11S 23E 10	WSTC					
ROCKHOUSE UNIT 12 4304732719	02025	11S 23E 9	WSTC					
ROCKHOUSE UNIT 15 4304732734	02025	11S 23E 9	WSTC					
ROCKHOUSE UNIT 17 4304732760	02025	11S 23E 9	WSTC					
ROCKHOUSE UNIT 18 4304732762	02025	11S 23E 16	WSTC					
LAPAGLIA #1 4304732634	11834	11S 23E 3	WSTC			127666407	Upper Rockhouse	Not a Prod. Unit
ACOSTA #1 4304732584	11906	11S 23E 3	WSTC			127666407	"	"
ROCKHOUSE 13-A 4304732753	11949	11S 23E 10	GRRV					
RAINBOW UNIT 7 (DUAL COMP) 4304732778	11999	11S 24E 18	MVRD					
TOTALS								

REMARKS: _____

I hereby certify that this report is true and complete to the best of my knowledge.

Date: _____

Name and Signature: _____

Telephone Number: _____

FAX

To:

Attn:

Jesha Cordova

Time Sent:

3:28 pm

From:

Sammy Lee

Date:

4/8/97

Number of Pages:

4

Fax Number:

(801) 359-3940

(includes this page)

Remarks:

Jesha, I'm faxing you a letter
where United is Resigning as
unit operator effective 2/1/97

Please call with any
questions,

Thanks, Sammy

The information contained in this facsimile message is privileged and confidential information, intended for the use of the individual or entity indicated above. Any dissemination, distribution or copy of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us via the U. S. Postal Service. Thank you.

UUC

UNITED UTILITIES CORPORATION
7670 Woodway Dr., Suite 340
Houston, Texas 77063
Phone: (713) 782-9093
Fax: (713) 782-9095

UNITED UTILITIES INCORPORATED

April 8, 1997

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
ATTN: Lisha Cordova

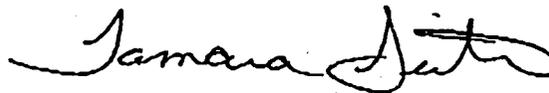
Re: Resignation of Unit Operator (Rainbow, ~~Rockhouse~~ ~~at Upper Rockhouse~~) *Note Federal Unit. *Lee*

Dear Lisha Cordova,

Per our conversation on April 7, 1997 United Utilities Corporation has resigned as Unit Operator effective February 1, 1997 and Rosewood Resources Inc. is now the new Operator effective February 1, 1997. Please find the Monthly Oil and Gas Production Report showing Well Name, API # and Location of the Wells so that you can properly update United Utilities and Rosewoods Accounts.

Thanks in advance and have a great day.

Sincerely,
United Utilities Corporation



Tamara Seiter
Senior Accountant
Revenue & Joint Interest Billing

ts



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (801) 781-4400

Fax: (801) 781-4410

IN REPLY REFER TO:
3162.3
UT08300

May 13, 1997

Rosewood Resources, Inc.
Attn: Jim McQuillen
100 Crescent Court, Suite 500
Dallas, TX 75201

Re: Well No. Acosta I
SWSW, Sec. 3, T11S, R23E
Lease U-66407
Uintah County, Utah

Dear Mr. McQuillen:

This correspondence is in regard to the self-certification statement submitted requesting a change in operator for the referenced well. After a review by this office, the change in operator request is approved. Effective immediately, Rosewood Resources, Inc. is responsible for all operations performed on the referenced well. All liability will now fall under your bond, BLM Bond No. MT0627, for all operations conducted on the referenced well on the leased land.

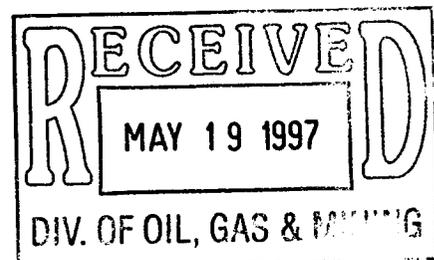
If you have any other questions concerning this matter, please contact Margie Herrmann or Pat Sutton of this office at (801) 789-1362.

Sincerely,

Howard B. Cleavinger II
Assistant Field Manager
Minerals Resources

cc: United Utilities Corporation
~~Division of Oil, Gas & Mining~~
Joe Acosta
First Page Inc.

bcc: well file
realty U-74505, U-73630



OPERATOR CHANGE WORKSHEET

Routing:	
1-LEC	6-LEC
2-GLH	7-KAS
3-DTS	8-SI
4-VLD	9-FILE
5-JRB	

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

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

The operator of the well(s) listed below has changed, effective: 2-1-97

TO: (new operator) <u>ROSEWOOD RESOURCES INC</u> (address) <u>100 CRESCENT COURT #500</u> <u>DALLAS TX 75201</u> Phone: <u>(214)871-5710</u> Account no. <u>N7510</u>	FROM: (old operator) (address) <u>UNITED UTILITIES CORP.</u> <u>7670 WOODWAY STE 340</u> <u>HOUSTON TX 77063</u> <u>TAMARA SEITER</u> Phone: <u>(713)782-9093</u> Account no. <u>N6360</u>
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WELL(S) attach additional page if needed:

Name: <u>LAPAGLIA #1/WSTC</u>	API: <u>43-047-32634</u>	Entity: <u>11834</u>	S	<u>3</u>	T	<u>11S</u>	R	<u>23E</u>	Lease: <u>UTU66407</u>
Name: <u>ACOSTA #1/WSTC</u>	API: <u>43-047-32584</u>	Entity: <u>11906</u>	S	<u>3</u>	T	<u>11S</u>	R	<u>23E</u>	Lease: <u>"</u>
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- Yec 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *Rec'd 4-8-97*
- * 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(see BLM Appr. to Rosewood)*
- N/A 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) _____ If yes, show company file number: _____
- Yec 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- Yec 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. *(5-29-97)*
- Yec 6. **Cardex** file has been updated for each well listed above. *(5-29-97)*
- Yec 7. Well **file labels** have been updated for each well listed above. *(5-29-97)*
- Yec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(5-29-97)*
- Yec 9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) ____ If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been **notified** through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- N/A/Yes 1. (r649-3-1) The **NEW** operator of any fee lease well listed above has furnished a proper bond.
- ___ 2. A copy of this form has been placed in the new and former operator's bond files.
- ___ 3. The **FORMER** operator has requested a release of liability from their bond (yes/no) ____, as of today's date _____. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on _____ to _____ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated _____ 19 ____, of their responsibility to notify all interest owners of this change.

FILMING

- Yes 1. All attachments to this form have been **microfilmed**. Today's date: 6-20-97.

FILING

- ___ 1. Copies of all attachments to this form have been filed in each well file.
- ___ 2. The **original of this form**, and the **original attachments** are now being filed in the Operator Change file.

COMMENTS

970529 Blm/SL Apr. 5-13-97

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 reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-66407

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
NA

8. Well Name and No.
ACOSTA #1

9. API Well No.
43-047-32584

10. Field and Pool, or Exploratory Area
Rock House

11. County or Parish, State
UINTAH CO., UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

P.O. Box 1668, Vernal, UT 435-789-0414

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

610' FWL 620' FWL SW/SW Section 3, T11S, R23E, S.L.B. & M
S 610 W

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

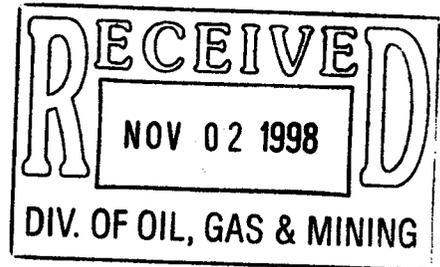
TYPE OF ACTION

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.)*

Produced water will be tanked on location and then trucked to the state approved TU & FRUM Disposal Facility located in Section 12, T5S, R19E, Uintah County. Produced water will be reported on the Monthly MMS-3160 form.



COPIES: ORIG. & 2-BLM; DIV. OG&M; J MCQUILLEN

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

Signed [Signature] Title Administrative Assistant Date 10/29/98

(This space for Federal or State office use)

Approved by [Signature] Title _____ Date _____

Conditions of approval, if any:

**Accepted by the
Utah Division of
Oil, Gas and Mining**

Federal Approval of this
Action is Necessary

FOR RECORD ONLY

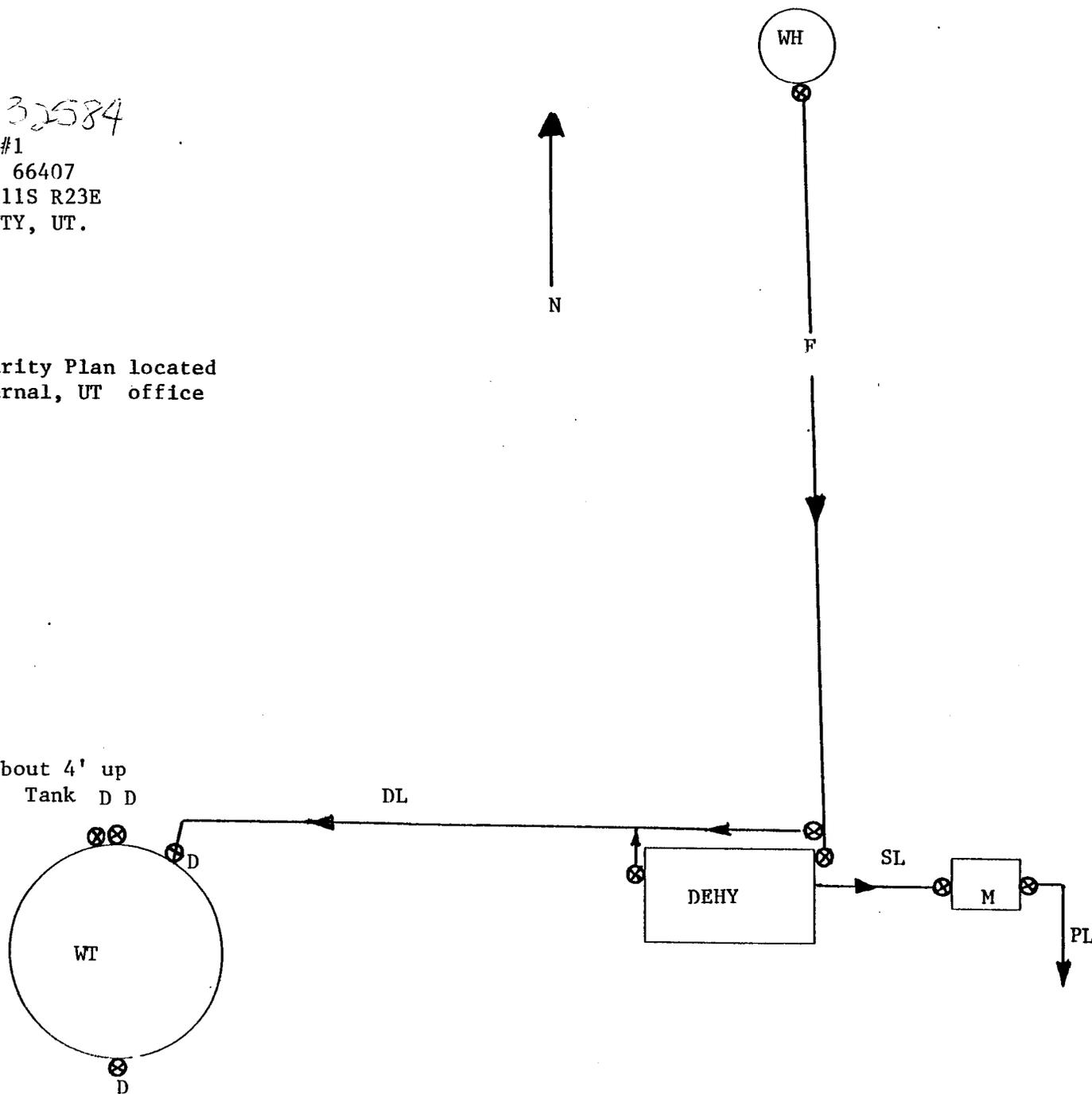
ROSEWOOD RESOURCES, INC.
VERNAL, UTAH

43-047-32584

ACOSTA #1
LEASE # UTU 66407
SW/SW SEC. 3 T11S R23E
UINTAH COUNTY, UT.

Site Security Plan located
in the Vernal, UT office

Valve on DL is about 4' up
on side of tank. Tank D D
is a WT.



LEGEND

F	FLOWLINE
DL	DUMP/BLOWDOWN LINE
CL	CONDENSATE LINE
SL	SALES LINE
PL	WILDHORSE PIPELINE
WH	WELLHEAD
SEP	SEPARATER
ST	STORAGE TANK
WT	WATER TANK
⊗	VALVE
A ⊗	SEALED CL VALVE
B ⊗	SEALED SALES VALVE
D ⊗	SEALED DRAIN VALVE
M	GAS METER
PU	PUMPING UNIT
DEHY	GAS DEHYDRATER
COMP	GAS COMPRESSOR
C ⊗	EQUALIZER LINE

ATTACHMENT TO PRECEDING SITE FACILITY DIAGRAMS

General sealing of valves - sales are by tank gauging.

Production Phase: All drain valves (D) and sales valves (B) are sealed closed. The fill valve (A) and equalizer valve (C) are open and unsealed on the producing tank. The equalizer valve (C) on another tank is open and unsealed to allow production to flow to a spare tank in the event of an upset.

Sales Phase: The tank from which sales are being made will be isolated by sealing close the fill line (A), equalizer line (C), and drain valve (D) prior to shipping. After these valves are sealed closed, the top gauge will be taken. The sales valve (B) on the isolated sales tank will be broken and opened for sales. After sales, the sales valve (B) is sealed closed and the closing gauge is taken. The fill valve (A) and equalizer valve (C) seals are broken and the valves opened, when production is turned back into this tank.

Draining Phase: The tank being drained will be isolated by sealing closed the sales valve (B) and the other drain valves (D) on the other tanks. The top gauge will be taken prior to opening the drain valve (D). The water is drained off and the drain valve (D) is sealed closed and the top gauge is retaken.

<u>Sealed Valves</u>	<u>Producing</u>	<u>Shipping</u>	<u>Draining</u>
A-Fill Valve	open	closed	open
B-Shipping Valve	closed	open	closed
C-Equalizer Valve	open	closed	open
D-Drain Valve	closed	closed	open
E-Hot-oil Valve	closed	closed	closed

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-66407	
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.	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME:	
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: ACOSTA 1
2. NAME OF OPERATOR: ROSEWOOD RESOURCES INC	9. API NUMBER: 43047325840000
3. ADDRESS OF OPERATOR: PO Box 1668 , Vernal , UT, 84078	PHONE NUMBER: 435 789-0414 Ext
9. FIELD and POOL or WILDCAT: ROCK HOUSE	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0610 FSL 0610 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSW Section: 03 Township: 11.0S Range: 23.0E Meridian: S	COUNTY: UINTAH
STATE: UTAH	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/21/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Please change this well to shut in status. It was shut in on 11/21/2015 due to economic instability. Thank you Jill

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY
 January 06, 2016**

NAME (PLEASE PRINT) Jill Henrie	PHONE NUMBER 435 789-0414	TITLE Administravtive Assistant
SIGNATURE N/A	DATE 1/5/2016	