

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG \_\_\_\_\_ ELECTRIC LOGS \_\_\_\_\_ FILE  WATER SANDS \_\_\_\_\_ LOCATION INSP \_\_\_\_\_ SUB. REPORT/abd. \_\_\_\_\_

DATE FILED **NOVEMBER 28, 1994**

LAND: FEE & PATENTED \_\_\_\_\_ STATE LEASE NO. \_\_\_\_\_ PUBLIC LEASE NO. **U-013766** INDIAN \_\_\_\_\_

DRILLING APPROVED: **DECEMBER 15, 1994**

SPUDED IN: \_\_\_\_\_

COMPLETED: \_\_\_\_\_ PUT TO PRODUCING: \_\_\_\_\_

INITIAL PRODUCTION: \_\_\_\_\_

GRAVITY A.P.I. \_\_\_\_\_

GOR: \_\_\_\_\_

PRODUCING ZONES \_\_\_\_\_

*Confidential*

TOTAL DEPTH: \_\_\_\_\_

WELL ELEVATION: \_\_\_\_\_

DATE ABANDONED: **LOCATION ABANDONED PER BLM EFFECTIVE JANUARY 22, 1996**

FIELD: **NATURAL BUTTES FIELD**

UNIT: **RIVER BEND UNIT**

COUNTY: **UINTAH**

WELL NO. **RBU 9-23E0** API NO. **43-047-32601**

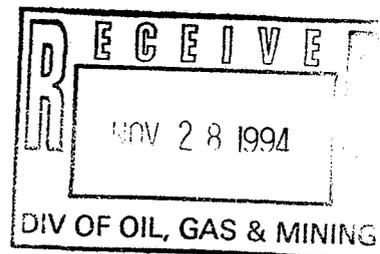
LOCATION **1978' FSL** FT. FROM (N) (S) LINE. **595' FEL** FT. FROM (E) (W) LINE. **NE SE** 1/4 - 1/4 SEC. **23**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				<b>10S</b>	<b>19E</b>	<b>23</b>	<b>CNG PRODUCING CO</b>

**CNG Producing  
Company**

A **CNG** COMPANY

CNG Tower  
1450 Poydras Street  
New Orleans, LA 70112-6000  
(504) 593-7000



November 18, 1994

Mr. Ed Forsman  
U.S. Dept. of the Interior  
Bureau of Land Management  
Vernal District Office  
170 South 500 East  
Vernal, UT 84078

RE: River Bend Unit  
Application for Permit To Drill  
RBU 15-13EO - Sec. 13-T10S-R19E  
RBU 1-21EO - Sec. 21-T10S-R19E  
RBU 9-23EO - Sec. 23-T10S-R19E

Dear Ed:

Enclosed please find an original and two copies of the above referenced applications. Attachment to this application includes the following:

- Attachment No. 1 Location
- Attachment No. 2 Certification Statement
- Attachment No. 3 BOP Stack Schematic
- Attachment No. 4 Drilling Plan
- Attachment No. 5 13 Point Surface Use Plan
- Attachment No. 6 Water Source and Access Route
- Attachment No. 7 Water Permit

CNG Producing Company is requesting all information be held confidential.

Should you have any question please feel free to contact either myself at (504) 593-7260 or the project engineer, David Linger at (504) 593-7779.

Sincerely,

CNG PRODUCING COMPANY

*Susan H. Sachitana*

Susan H. Sachitana  
Regulatory Specialist

Enclosure

cc: Utah Board of Oil, Gas & Mining

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. TYPE OF WORK  
DRILL [X] DEEPEN [] PLUG BACK []

b. TYPE OF WELL  
OIL WELL [X] GAS WELL [] OTHER [] SINGLE ZONE [] MULTIPLE ZONE []

2. NAME OF OPERATOR  
CNG PRODUCING COMPANY

3. ADDRESS OF OPERATOR  
CNG Tower, 1450 Poydras Street, New Orleans, LA 70112-6000

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface ~~5,943'~~ FSL & 595' FEL of Sec. 23-T10S-R19E  
1,978  
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
10 miles SW of Ouray

15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line if c 1,978'

16. NO. OF ACRES IN LEASE  
1,280'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL  
40

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEA 52'

19. PROPOSED DEPTH  
5,050'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5,243' GR

22. APPROX. DATE WORK WILL START  
February, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	+/- 350	Cement to surface
7 7/8"	5 1/2"	17#	+/- 5,050	Cement calc to surface

1. Drill a 12 1/4" hole with an air rig to 350', run a 8 5/8", H-40 casing and cement to surface.
2. NU and pressure test BOP stack prior to drilling out below surface pipe.
3. Operate pipe rams daily and blind rams as possible.
4. Drill a 7 7/8" hole to 5,050' with a salt water mud system. No cores are planned. DST's will be run as needed to evaluate unexpected shows.
5. Run logs, set 5 1/2", 17#, N 80 & K-55 casing as dictated by drilling shows, test, and logs. Casing program may be modified to provide added burst strength if needed for frac program.
6. Primary zones of interest are the Wasatch, Chapita Wells & Uteland Buttes.
7. All zones indicating potential for economically recoverable reserves will be tested in a normal, prudent manner.
8. In the event circulation is lost, air or air assisted mud will be utilized.

FORMATION TOPS	DEPTHS
Wasatch Tongue	4,100'
Green River Tongue	4,450'
Wasatch	4,620'

CNG Producing Company respectfully request that all information concerning this well be held confidential.

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 depth. Give blowout prevention program, if any.

24. SIGNED David L. Linger

TITLE Senior Drilling Engineer DATE 11/14/94  
APPROVED BY THE STATE

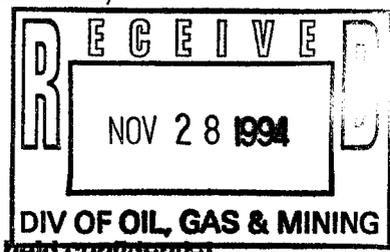
(This space for Federal or State office use)  
PERMIT NO. 43-047-32601

APPROVAL DATE \_\_\_\_\_  
OF UTAH DIVISION OF

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

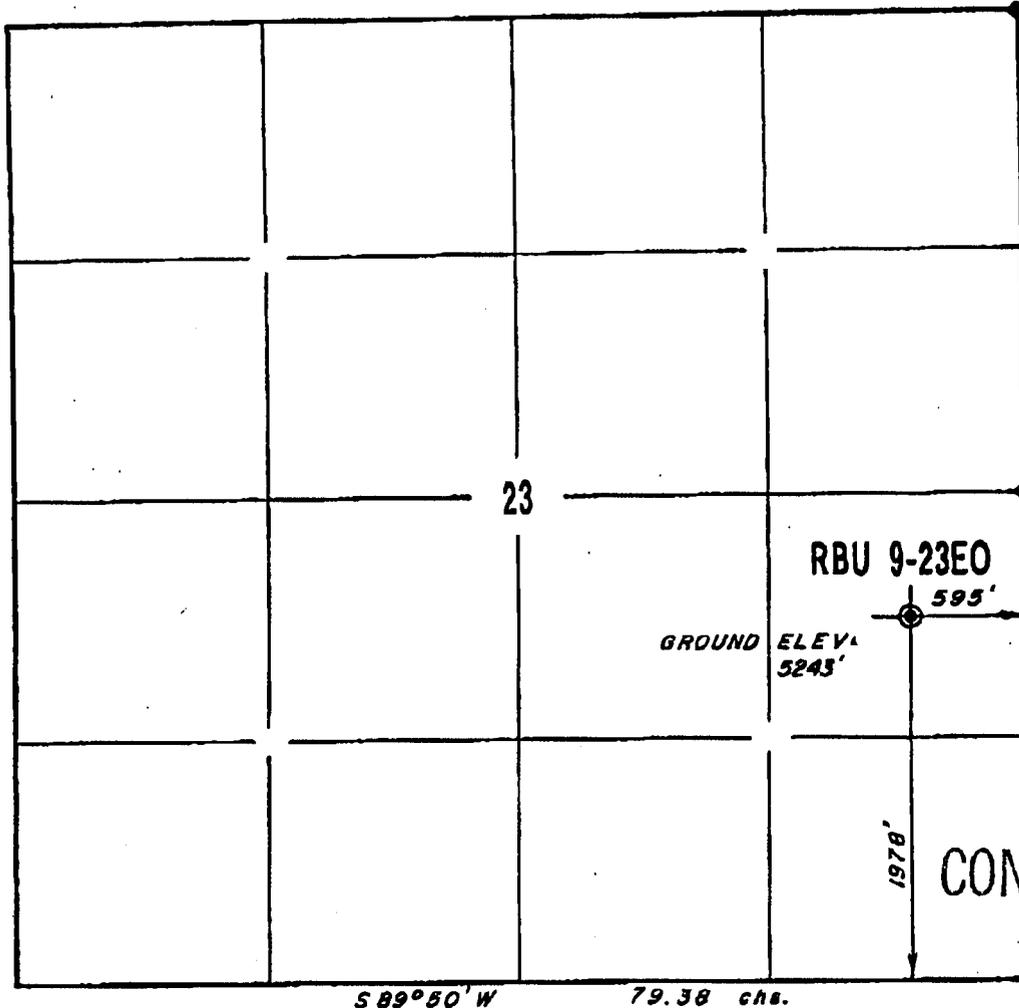
DATE: 12/15/94  
BY: [Signature]

\*See Instructions On Reverse Side WELL SPACING PLU-2-3



# CNG PRODUCING CO. WELL LOCATION PLAT RBU 9-23EO

LOCATED IN THE NE $\frac{1}{4}$  OF THE SE $\frac{1}{4}$  OF  
SECTION 23, T10S, R19E, S.L.B.&M.



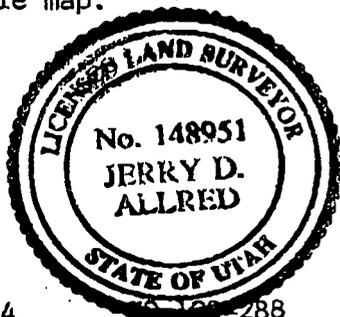
SCALE: 1" = 1000'

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### LEGEND & NOTES

- Original corner monuments found and used by this survey.

The General Land Office (G.L.O.) plat was used for reference and calculations, as was the U.S.G.S. quadrangle map.

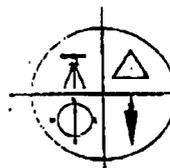


3 Nov '94

### SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY PERFORMED BY ME, DURING WHICH THE SHOWN MONUMENTS WERE FOUND OR ESTABLISHED.

*Jerry D. Allred*  
 \_\_\_\_\_  
 JERRY D. ALLRED, REGISTERED LAND SURVEYOR, CERT. NO. 148951 (UTAH)



**JERRY D. ALLRED & ASSOCIATES**  
Surveying & Engineering Consultants

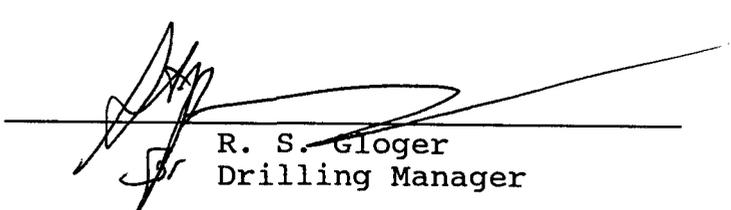
121 North Center Street  
P.O. Box 975  
DUCHEGNE, UTAH 84021  
(801) 738-8362

**SELF-CERTIFICATION STATEMENT**

Self-certification statement. Under the Federal regulation in effect as of June 15, 1988 designation of operator forms are no longer required when the operator is not the 100% record title holder. An operator is now required to submit a self-certification statement to the appropriate Bureau office stating that said operator has the right to operate upon the leasehold premises. Said notification may be in the following format:

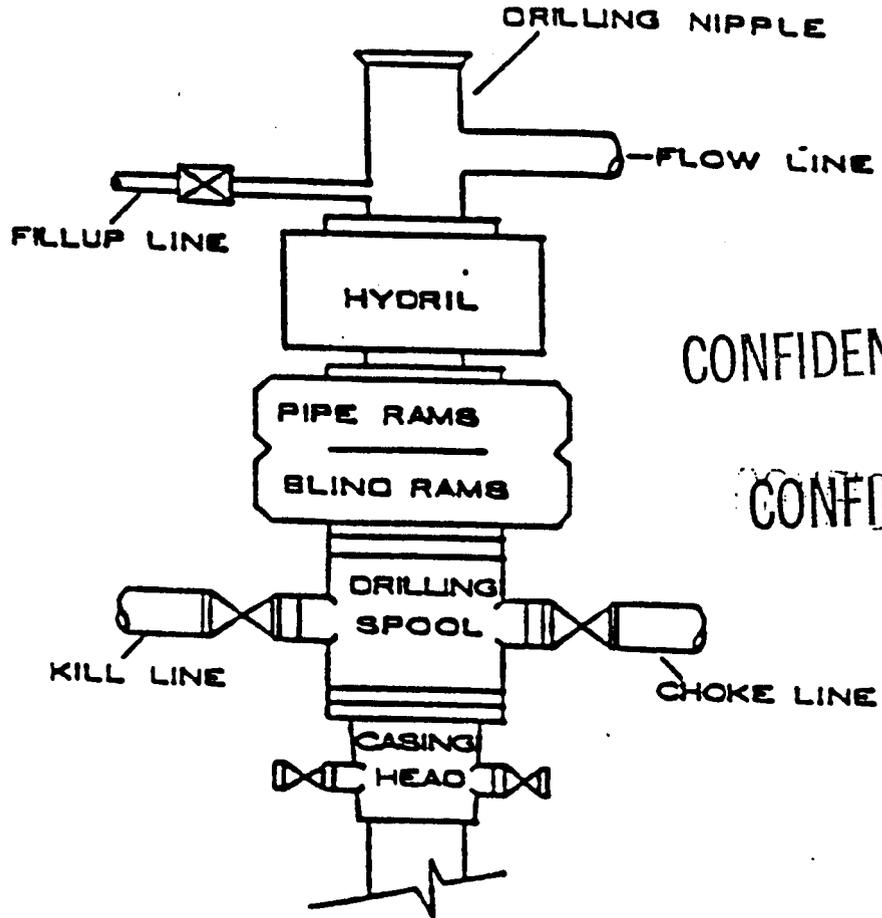
"Please be advised that CNG Producing Company is considered to be the operator of Well No. 9-23EO NE 1/4 of SE 1/4 Section 23, Township 10S, Range 19E; Lease U-013766; Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by American Casualty Company of Reading, PA, Bond #524 7050.

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R. S. Gloger  
Drilling Manager

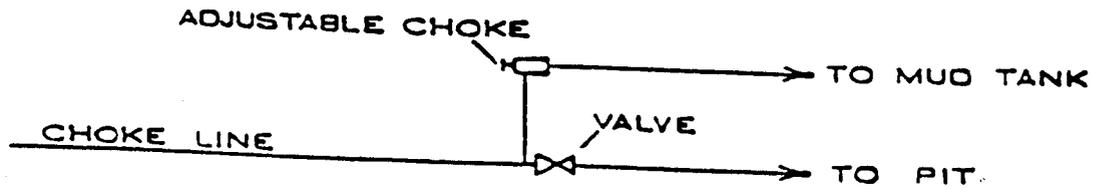
# BOP STACK



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# CHOKER MANIFOLD



DRILLING PLAN  
APPROVAL OF OPERATIONS

November 14, 1994

Attachment for Permit to Drill

Name of Operator: CNG PRODUCING COMPANY  
Address: CNG TOWER - 1450 POYDRAS STREET  
NEW ORLEANS, LA 70112-6000

WELL LOCATION: Well No. 9-23EO  
                  Uintah, Utah

1. GEOLOGIC SURFACE FORMATION

Uintah

2. ESTIMATE IMPORTANT GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>
Wasatch Tongue	4100'
Green River Tongue	4450'
Wasatch	4620'

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3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS

<u>Formation</u>	<u>Depth</u>	<u>Remarks</u>
Wasatch Tongue	4100'	Oil Zone
Green River Tongue	4450'	Oil Zone
Wasatch	4620'	Gas Zone

4. PROPOSED CASING PROGRAM

8-5/8", 24#/ft, H-40, 0'-350' - Cemented to Surface  
5½", 17#/ft, N-80 & K-55, 0'- 5050' - Cemented to Surface

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

BOP stack has a 3000 psi working pressure. BOP will be pressure tested to 3,000 psi before drilling casing cement plug. Pipe rams will be operated daily and blind rams as possible.

6. The well is to be drilled with a KCL mud system maintaining a weight of approximately 9#/gal.

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7. AUXILIARY EQUIPMENT TO BE USED

1. Kelly Cock.
2. Full opening valve on floor with DP connection for use when Kelly is not in string.

8. TESTING, LOGGING, AND CORING PROGRAMS TO BE FOLLOWED

A mud logger will be used from 3,000' to TD. Possible DST in Wasatch Tongue. The logging program will include Dual Lateral/GR log TD to Surface, Density/Neutron - TD - 3,500' possible dipmeter and rotary cores over selected intervals.

9. ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES EXPECTED

No normal pressures are anticipated nor is the area known for abnormal temperatures. The formations to be penetrated do not contain H<sub>2</sub>S gas. The anticipated bottom hole pressure is 2,610 PSI.

10. WATER SUPPLY

- A. Water to be used for drilling will be hauled from CNG's OSC #1 well located in Section 17-T10S-R20E. Application #54801 User's Claim - Code #49, Serial #801.
- B. No pipelines are anticipated. Hauling will be on the road(s) shown in Attachment No. 3.
- C. No water well is anticipated to be drilled at this time.

11. CEMENT SYSTEMS

SURFACE

+/-224 sks 25:75 Poz G cement, 2% S-I CaCl<sub>2</sub>, .25#/sk D-29 Flake

PRODUCTION

Lead Slurry - +/-195 sk DS Hi-Lift, 3% D-44 Salt, 10#/sk D-42 Kolite, .25#/sk D-29 Celloflake.

Tail Slurry - +/-335 sk RFC 10-0 (thixotropic)

12. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS

Starting Date: February, 1995  
Duration: 20 Days

## SURFACE CASING CEMENT PROGRAM

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Set 8 5/8" casing in 12 1/4" open hole cement to surface. Volume calculated using 75% excess.

### SPACER:

Pump 20 BBLs lightly gelled water followed by 5 BBLs fresh H<sub>2</sub>O ahead of cement to water wet the well bore after air drilling. Displace with fresh water.

### CEMENT SYSTEM

± - 224 SK 25:75 Poz G "Tail-In" Cement, 2% S-1 CaCl<sub>2</sub>, .25#/sk D-29 Celloflake.

Weight	15.40 lb/gal
Yield	1.11 ft <sup>3</sup> /sk
Water	4.71 gal/sk

Thickening Time at 118° 1:42min.

Compressive Strength at 80°  
8 hrs. 750 psi  
16 hrs. 1800 psi  
24 hrs. 2400 psi

### CASING HARDWARE:

- 1 Cement Guide Shoe
- 1 Insert Float
- 3 Centralizers
- 1 Stop Ring
- 1 Thread Lock
- 1 Top Wood Plug

**NOTE -** DS will at no charge (unless used), in addition to the casing cement, have 100 sk of cement, CaCl<sub>2</sub> for 2% by volume, and 80' to 100' of 1" tubing on location for top out job should cement not be returned to surface.

## LONGSTRING CEMENT

Set 5 1/2" casing in a 7 7/8" open hole.  
Lead cement slurry to fill from 750' above top pay zone to surface.  
Tail cement slurry to fill from TD to 750' above the pay zone.  
Both volumes are calculated using 15% excess.

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### SPACER:

(DAP Mud System) 20 BBL CW-100 (Sodium Silicate); 20 BBL Water  
(KCL Mud System) 10 BBL water

Displace with 3% KCL water using .2% L-55 Clay Stabilizer in the first 50 bbl of displacement.

## CEMENT SYSTEMS

### Lead Slurry

± - 195 sk DS Hi-Lift, 3% D-44 Salt, 10#/sk D-42 Kolite, .25#/sk D-29 Celloflake.

Weight	10.80 lb/gal
Yield	3.91 ft <sup>3</sup> /sk
Water	24.40 gal/sk

Thickening Time at 180°	4hrs +
Compressive Strengths in 24 hrs.	375 psi
Fluid Loss	240 cc/30 min.

### Tail Slurry

± - 335 sk RFC 10-0 (thixotropic).

Weight	14.20 lb/gal
Yield	1.61 ft <sup>3</sup> /sk
Water	7.91 gal/sk

Thickening Time at 165 deg. BHCT	min.
Compressive Strength in 12 hrs.	845 psi
24 hrs.	1470 psi

Revised November 1990

Date NOS Received: \_\_\_\_\_

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

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Company/Operator: CNG PRODUCING COMPANY

Well Name & Number: RBU 9-23EO

Lease Number: U-013766

Location: NE/4 of SE/4 Sec. 23 T. 10S R. 19E

Surface Ownership: Bureau of Land Management

**NOTIFICATION REQUIREMENTS**

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

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

B. THIRTEEN POINT SURFACE USE PROGRAM:

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Multipoint Requirement to Accompany APD

1. Existing Roads - describe the following and provide a legible map, labeled and showing:
  - a. Proposed wellsite as staked and access route to location, including distances from point where access route exists establish roads. (Actual staking should include tow directional reference stakes.)
  - b. Route and distance from nearest town or locatable reference point, such as a highway or county road, to where well access route leaves main road.
  - c. Access road(s) to location color-coded or labeled.
  - d. Plans for improvement and/or maintenance of existing roads. (Appropriate rights-of-way for off lease roads should be attached.)
  
2. Planned Access Roads--describe the following and provide a map of suitable scale indicating all necessary access roads (permanent and temporary) to be constructed or reconstructed, showing:
  - a. Length - \_\_\_\_\_
  - b. Width - 30 foot right-of-way with 18 foot running surface maximum.
  - c. Maximum grades - 8%
  - d. Turnouts - \_\_\_\_\_
  - e. Drainage design - Bar Pits
  - f. Location and size of culverts and/or bridges, and brief description of any major cuts and fills - \_\_\_\_\_
  - g. Surfacing material (source) - Native
  - h. Necessary gates, cattleguards, or fence cuts and/or modification to existing facilities - \_\_\_\_\_

(New or reconstructed roads are to be centerline-flagged at time of location staking.)

All travel will be confined to existing access road rights-of-way.

Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

\_\_\_\_\_ Right-of-Way Application needed.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ The operator/lessee or his/her successor shall be responsible for all maintenance on cattleguards or gates associated with this oil and/or gas operation.

3. Location of Existing Wells - describe the following and provide a map or plat of all wells within a 1 mile radius of the proposed well location showing and identifying existing:

- a. Water wells - None
- b. Abandoned wells - None
- c. Temporarily abandoned wells - None
- d. Disposal wells - None
- e. Drilling wells - None
- f. Producing wells - RBU 9-14E, RBU 5-23E, RBU 3-23E, RBU 7-23E, RBU 1-23E, RBU 8-23E, RBU 9-23E, RBU 9-24E, RBU 13-23E, RBU 11-12E, RBU 15-23E, RBU 13-24E, RBU 15-24E, RBU 11-24E, RBU 8-24E, RBU 5-24E, RBU 5-24EO, RBU 13-13E, RBU 3-23E, RBU 15-14E, 1-26, 41-26, 3-25
- g. Shut-in wells - None
- h. Injection wells - None

4. Location of Existing and/or Proposed Facilities

- a. On well pad: Show the following existing area facilities and dimensions to be utilized if the well is successfully completed for production (detail painting plans and color if applicable):
  - (1) Tank batteries
  - (2) Production facilities
  - (3) Oil gathering lines
  - (4) Gas gathering lines
  - (5) Injection lines
  - (6) Disposal lines
  - (7) Surface pits (separate application per NTL-2B requirements)

(Indicate if any of the above lines are buried.)

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- b. Off well pad: Same as above. Off lease flowlines may require rights-of-way or special use permits, check with the District Office Realty Specialist. (Include a diagram of the proposed attendant lines, i.e., flowlines, powerlines, etc., if off well pad location.)
- (1) Proposed location and attendant lines shall be flagged off of well pad prior to archaeological clearance.
  - (2) Dimensions of facilities
  - (3) Construction methods and materials
  - (4) Protective measures and devices to protect livestock and wildlife

Note: Operator has option of submitting information under 4A and B, after well is completed for production, by applying for approval of subsequent operations.

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

Tank batteries will be placed on the Northeast

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All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match on of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Desert Tan.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

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5. Location and Type of Water Supply

- a. Show location and type of water supply, either by 1/4, 1/4 section on a map or by written description OSC #1 located in 17-T10S-R19E
- b. State method of transporting water, and show any roads or pipelines needed.
- c. If water well is to be drilled on lease, so state. \_\_\_\_\_

\*The operator will be responsible for acquiring the necessary permit to obtain water to be used for drilling activities.

6. Source of Construction Materials

- a. Show information either on map or by written description - \_\_\_\_\_.
- b. Identify if from Federal or Indian (tribal or allotted) land.
- c. Describe where materials such as sand, gravel, stone, and soil material are to be obtained and used.

\*If fill materials are needed to construct roads or well sites, proper permits must be obtained from the Surface Management Agency, unless materials are obtained from a private source.

\*A mineral materials application (is/is not) required.

7. Methods of Handling Waste Disposal

- a. Describe methods and location of proposed safe containment and disposal of each type of waste material, including:
  - (1) Cuttings - bury in pit
  - (2) Sewage - haul to sewer lagoon
  - (3) Garbage (trash) and other waste material - haul to disposal
  - (4) Salts - not used
  - (5) Chemicals - non-toxic only; evaporate in pits
- b. Provide a plan for eventual disposal of drilling fluids and any produced oil or water recovered during testing operations.  
evaporate in pit

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

On BLM administered lands:

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

The reserve pit (shall/shall not) be lined if necessary to conserve water.

"If a plastic nylon reinforced liner is used, it will be a minimum of 10 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 A.O."

After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

On BIA administered lands:

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

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— To protect the environment.  
If the reserve pit is lined the operator will provide the BLM a chemical analysis of the fluids in that pit no later than 90 days after the well completion to determine the method for final reclamation of the reserve pit. If the elemental concentrations shown by the chemical analysis exceeds the requirements described by Part II, Standards of Quality for Waters of the State, Wastewater Disposal Regulations, State of Utah Division of Health, the contents and liner will be removed and disposed of at an authorized disposal site.

X To protect the environment (without a chemical analysis).

Reserve pits will be constructed so as not to leak, break, or allow discharge of liquids.

— Storage tanks will be used if drill sites are located on tribal irrigable land, flood plains, or on lands under crop production.

After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. Ancillary Facilities

Camp facilities or airstrips will not be allowed unless otherwise approved.

9. Well Site Layout--provide a plat (not less than 1" = 50') showing:

- a. Cross-sections of proposed drill pad with approximate cuts and fills and the relation to topography.
- b. Location of mud tanks, reserve, and flare pits, pipe racks, living facilities, and soil material stockpiles, etc. (Approval as used in this section means field approval of location.)
- c. Rig orientation, parking ares, and access roads, etc.

The reserve pit will be located on the : Southeast

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

The stockpiled topsoil (first four inches) will be stored on the: Southwest

Access to the well pad will be from the: East

\_\_\_ Diversion ditch(es) shall be constructed on the \_\_\_\_\_ side of the location (above / below) the cut slope, draining to the \_\_\_\_\_.

\_\_\_ Soil compacted earthen berm(s) shall be placed on the \_\_\_\_\_ side(s) \_\_\_\_\_.

\_\_\_ The drainage(s) shall be diverted around the \_\_\_\_\_ side(s) of the well pad location.

\_\_\_ The reserve pit and/or pad location shall be constructed \_\_\_\_\_.

\_\_\_ The \_\_\_\_\_ corner of the well pad will be rounded off to avoid the \_\_\_\_\_.

Fencing Requirements

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

- a. 39-inch net wire shall be used with at least one stand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).

# CONFIDENTIAL

- b. The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times when pit is shrunk for production pit.
- d. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- e. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

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

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

## 10. Plans for Restoration of Surface

### a. Producing Location

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

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 6 months from the date of well completion. Before any dirt work takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc., will be removed.

Contact appropriate surface management agency for required seed mixture.

b. Dry Hole/Abandoned Location

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

On BIA administered lands:

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

11. Surface Ownership:

Access Road: Bureau of Land Management

Location: Bureau of Land Management

"If the access road and/or location involves private or state agency owned surface, a copy of the surface owners agreement is required prior to approval of the APD."

12. Other Additional Information

a. The Operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to :

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

-the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

-a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

# CONFIDENTIAL

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

- b. The operator will control noxious weeds along right-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- c. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold panning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

## On BIA administered land:

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

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

All roads constructed by operators on the Uintah and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products and (e) only authorized personnel permitted.

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

Additional Surface Stipulations

- \_\_\_ No construction or drilling activities shall be conducted between \_\_\_\_\_ and \_\_\_\_\_ because of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- \_\_\_ No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.
- \_\_\_ No construction or exploration activities are permitted within 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.
- \_\_\_ There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).
- \_\_\_ No cottonwood trees will be removed or damaged.
- \_\_\_ A silt catchment dam and basin will be constructed according to BLM specifications approximately \_\_\_\_\_ ft. \_\_\_\_\_ of the location, where flagged.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. Lessee's or Operators Representative and Certification

Representative

Name: \_\_\_\_\_

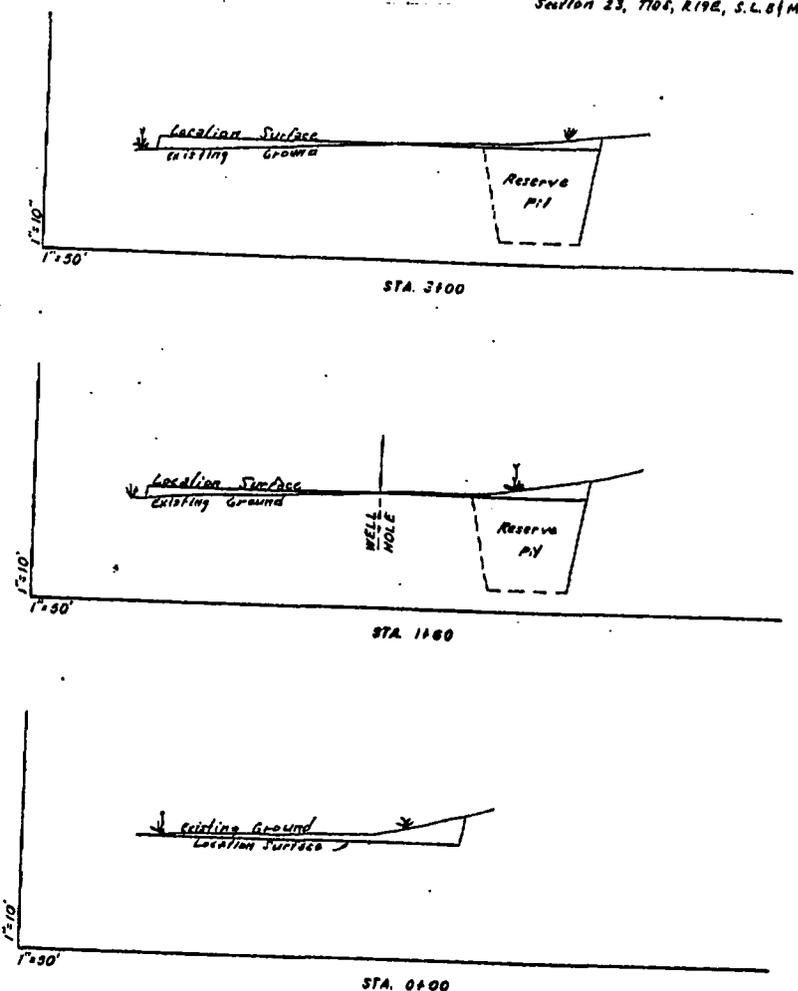
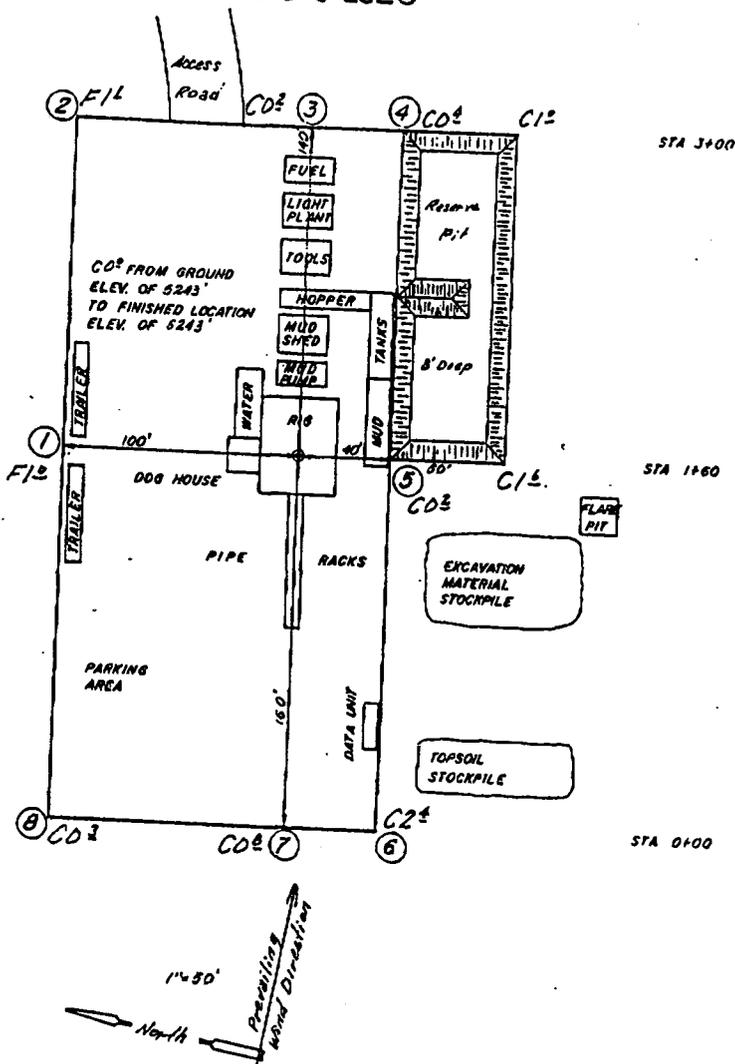
Address: \_\_\_\_\_

Phone No: \_\_\_\_\_



CNG PRODUCING CO  
WELL LAYOUT PLAT  
RBU 9-23EO

Located in the NE 1/4 of the SE 1/4 of  
Section 23, T10S, R19E, S. 4. B/M.



APPROXIMATE QUANTITIES  
CUT: 2030 yd<sup>3</sup> (includes pit)  
FILL: 200 yd<sup>3</sup>

7 Nov '98 79-128-288

	<b>JERRY D. ALLRED &amp; ASSOCIATES</b>	
	Surveying & Engineering Consultants	
181 North Center Street		
P.O. Box 875		
DUCHENE, UTAH 84021		
(407) 726-6236		



The following additional facts are set forth in order to define more fully the full purpose of the proposed application:

The land is leased from the Federal Government and administered by the Bureau of Land Management and has their approval

The B.L.M. will use the excess water for wild life + stock watering

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(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

*Darwin Kulland for Maple*  
Signature of Applicant\*

\*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH,  
County of *Wasatch* }

On the *16* day of *June* 19*80*, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

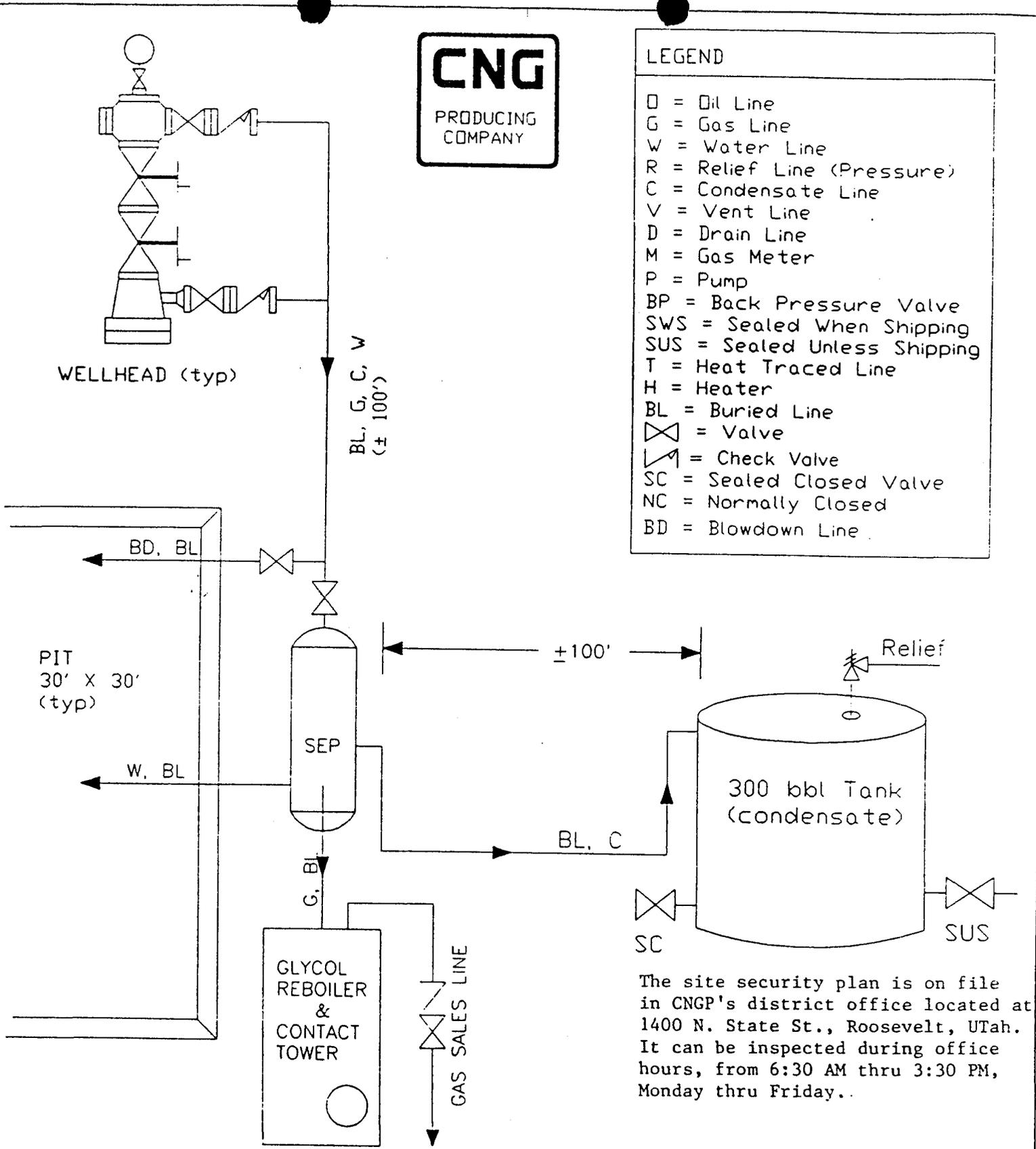
My commission expires:  
*Aug 9, 1982*

(SEAL)

*[Signature]*  
Notary Public



LEGEND	
D	= Oil Line
G	= Gas Line
W	= Water Line
R	= Relief Line (Pressure)
C	= Condensate Line
V	= Vent Line
D	= Drain Line
M	= Gas Meter
P	= Pump
BP	= Back Pressure Valve
SWS	= Sealed When Shipping
SUS	= Sealed Unless Shipping
T	= Heat Traced Line
H	= Heater
BL	= Buried Line
⊗	= Valve
↗	= Check Valve
SC	= Sealed Closed Valve
NC	= Normally Closed
BD	= Blowdown Line



The site security plan is on file in CNGP's district office located at 1400 N. State St., Roosevelt, UTah. It can be inspected during office hours, from 6:30 AM thru 3:30 PM, Monday thru Friday..

# CNG PRODUCING COMPANY

Well: RBU 9-23EO

not to scale

SDR, RBUA FLOW1SEP

TYPICAL FLOW DIAGRAM

idate: 11/14/94



**STATE OF UTAH**

<b>Operator: CNG PRODUCING CO.</b>	<b>Well Name: RBU 9-23EO</b>
<b>Project ID: 43-047-32601</b>	<b>Location: SEC. 23 - T10S - R19E</b>

Design Parameters:

Mud weight ( 9.90 ppg) : 0.514 psi/ft  
 Shut in surface pressure : 2310 psi  
 Internal gradient (burst) : 0.057 psi/ft  
 Annular gradient (burst) : 0.000 psi/ft  
 Tensile load is determined using buoyed weight  
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125  
 Burst : 1.00  
 8 Round : 1.80 (J)  
 Buttress : 1.60 (J)  
 Other : 1.50 (J)  
 Body Yield : 1.50 (B)

Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost		
1	5,050	5.500	17.00	K-55	LT&C	5,050	4.767		
	Collapse			Burst			Tension		
	Load	Strgth	S.F.	Load	Min Int	Yield	Load	Strgth	S.F.
	(psi)	(psi)		(psi)	(psi)	S.F.	(kips)	(kips)	
1	2597	4910	1.891	2597	5320	2.05	72.85	272	3.73 J

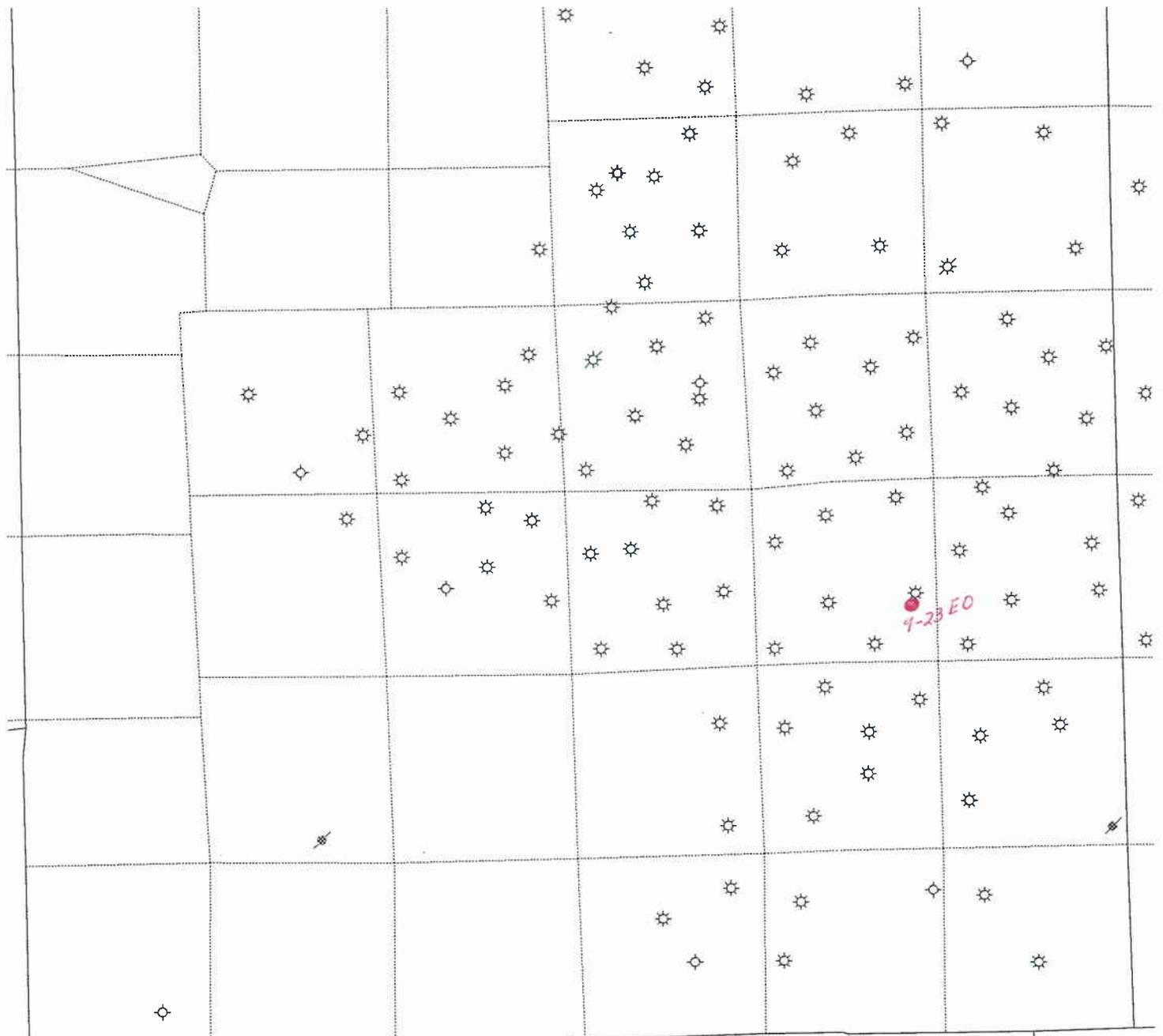
Prepared by : FRM, Salt Lake City, UT  
 Date : 12-15-1994  
 Remarks :

Minimum segment length for the 5,050 foot well is 1,000 feet.  
 SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 99°F (Surface 74°F , BHT 124°F & temp. gradient 1.000°/100 ft.)  
 The mud gradient and bottom hole pressures (for burst) are 0.514 psi/ft and 2,597 psi, respectively.

**NOTE:** The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser. Costs for this design are based on a 1987 pricing model. (Version 1.06)



CNG PRODUCING COMPANY  
RBU 15-13E0 SEC. 13, 1-21E0 SEC. 21, 9-23E0 SEC.23, T10S, R19E  
RIVER BEND UNITUINTAH COUNTY



**R E C E I V E D**

NOV 28 1994

DIV OF OIL, GAS & MINING

FORM APPROVED  
BUDGET BUREAU NO. 1004-0135  
EXPIRES: MARCH 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

<p>1. Type of Well <input checked="" type="checkbox"/> Oil Well    <input type="checkbox"/> Gas Well    <input type="checkbox"/> Other</p>	<p>7. If Unit or CA, Agreement Designation River Bend Unit</p>
<p>2. Name of Operator CNG PRODUCING COMPANY</p>	<p>8. Well Name and No. 9-23EO</p>
<p>3. Address and Telephone No. CNG Tower - 1450 Poydras Street, New Orleans, LA 70112-6000</p>	<p>9. API Well No.</p>
<p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface    1,978' FSL &amp; 595' FEL of Sec. 23-T10S-R19E</p>	<p>10. Field and Pool, or Exploratory Area Island</p>
	<p>11. County or Parish, State Uintah, Utah</p>

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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other - Variance in casing	<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 the work.)\*

Under Onshore Order #2, casing and cementing requirements, it states " All casing, except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing" the 8 5/8" 24# H-40 surface casing designed for this well and other wells in the River Bend Unit meets all of the above criteria for the order. The 8 5/8" casing is a limited service pipe which means it does not meet API standards. However, the pipe is new and was Hydro statically tested to 2,700 PSI which equals API standards for 8 5/8" 24# K-55 casing.

We respectfully submit this sundry and attached letter from the company the pipe was purchased from.

If any additional information is needed, please advise.

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

Signed David J. Linger Title Senior Drlg Engineer Date November 14, 1994

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:

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

\*See Instructions on Reverse Side



**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)

December 15, 1994

CNG Producing Company  
CNG Tower, 1450 Poydras Street  
New Orleans, Louisiana 70112-6000

Re: RBU 9-23EO Well, 1978' FSL, 595' FEL, NE SE, Sec. 23, T. 10 S., R. 19 E.,  
Uintah County, Utah

Gentlemen:

Pursuant to Utah Code Ann. § 40-6-18, (1953, as amended), Utah Admin. R. 649-2-3, Application of Rules to Unit Agreements and R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

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

1. Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules.
2. Notification to the Division within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or K. Michael Hebertson, Reclamation Specialist, (Home) (801)269-9212.

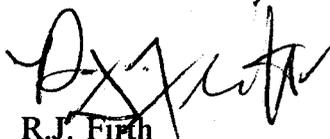


Page 2  
CNG Producing Company  
RBU 9-23EO Well  
December 15, 1994

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

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-047-32601.

Sincerely,



R.J. Firth  
Associate Director

ldc  
Enclosures  
cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office  
WOI1

November 1983  
(formerly 9-331)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

(Other instructions on reverse side)  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

RECEIVED  
DEC 20 1994  
DIV OF OIL, GAS & MINING

3. WELL DESIGNATION AND SERIAL NO. 9-23EO-013766

4. FIELD AND POOL, OR WILDCAT Island

5. FIELD AND POOL, OR WILDCAT NE SE 23-T105-R19E

6. FEDERAL INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME Over Bend Unit

8. FARM OR LEASE NAME RBU

9. WELL NO. 9-23EO

10. FIELD AND POOL, OR WILDCAT Island

11. SECT., T., R., M., OR BLK. AND SURVEY OR AREA NE SE 23-T105-R19E

12. COUNTY OR PARISH Uintah

13. STATE Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* 10 miles SW of Ouray

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line if c) 1,978'

16. NO. OF ACRES IN LEASE 1,280'

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEA 52'

19. PROPOSED DEPTH 5,050'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5,243' GR

22. APPROX. DATE WORK WILL START February, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	+/- 350	Cement to surface
7 7/8"	5 1/2"	17#	+/- 5,050	Cement calc to surface

1. Drill a 12 1/4" hole with an air rig to 350', run a 8 5/8", H-40 casing and cement to surface.
2. NU and pressure test BOP stack prior to drilling out below surface pipe.
3. Operate pipe rams daily and blind rams as possible.
4. Drill a 7 7/8" hole to 5,050' with a salt water mud system. No cores are planned. DST's will be run as needed to evaluate unexpected shows.
5. Run logs, set 5 1/2", 17#, N 80 & K-55 casing as dictated by drilling shows, test, and logs. Casing program may be modified to provide added burst strength if needed for frac program.
6. Primary zones of interest are the Wasatch, Chapita Wells & Uteland Buttes.
7. All zones indicating potential for economically recoverable reserves will be tested in a normal, prudent manner.
8. In the event circulation is lost, air or air assisted mud will be utilized.

FORMATION TOPS	DEPTHS
Wasatch Tongue	4,100'
Green River Tongue	4,450'
Wasatch	4,620'

**CNG Producing Company respectfully request that all information concerning this well be held confidential.**

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 depth. Give blowout preventer program, if any.

24. SIGNED David L. Linger TITLE Senior Drilling Engineer DATE 11/14/94

(This space for Federal or State office use)

PERMIT NO. NOTICE OF APPROVAL APPROVAL DATE DEC 16 1994

APPROVED BY [Signature] TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE DEC 16 1994

CONDITIONS OF APPROVAL, IF ANY: See Instructions On Reverse Side

TO OPERATOR'S COPY

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: CNG Producing Company

Well Name & Number: 9-23EO

API Number: 43-047-32601

Lease Number: U-013766

Location: NESE Sec. 23 T. 10S R. 19E

**NOTIFICATION REQUIREMENTS**

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

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

## CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

### A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. 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.

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 zone, identified at  $\pm 1,742$  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  $\pm 1,542$  ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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

6. Notifications of Operations

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

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 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 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. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

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

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

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

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

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

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

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

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

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

Ed Forsman (801) 789-7077  
Petroleum Engineer

Wayne Bankert (801) 789-4170  
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 (COA's)

Additional Surface Conditions

The reserve pit will be lined if blasting is required for its construction. Otherwise the operator may choose to line it to conserve water or may leak test it first to see if a liner is necessary so that the pit will not leak, break or allow discharge as stated in the APD pit specifications.

A muffler is to be included with the pumpjack equipment when a pumping unit is installed.

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well [X] Oil Well [ ] Gas Well [ ] Other
2. Name of Operator CNG PRODUCING COMPANY
3. Address and Telephone No. CNG Tower - 1450 Poydras Street, New Orleans, LA 70112-6000
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface 1,978' FSL & 595' FEL of Sec. 23-T10S-R19E
5. Lease Designation and Serial No. U-013766
6. If Indian, Allottee or Tribe Name
7. If Unit or GA, Agreement Designation River Bend Unit
8. Well Name and No. 9-23EO
9. API Well No.
10. Field and Pool, or Exploratory Area Island
11. County or Parish, State Uintah, Utah

CONFIDENTIAL

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

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Abandonment, Recompletion, Plugging Back, etc.

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 the work.)\*

Under Onshore Order #2, casing and cementing requirements, it states " All casing, except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing" the 8 5/8" 24# H-40 surface casing designed for this well and other wells in the River Bend Unit meets all of the above criteria for the order. The 8 5/8" casing is a limited service pipe which means it does not meet API standards. However, the pipe is new and was Hydro statically tested to 2,700 PSI which equals API standards for 8 5/8" 24# K-55 casing.

We respectfully submit this sundry and attached letter from the company the pipe was purchased from.

If any additional information is needed, please advise.

NOV 30 1994

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

Signed [Signature] Title Senior Drig Engineer Date November 14, 1994
David L. Linger

Approved by [Signature] Title ASSISTANT DISTRICT MANAGER MINERALS Date DEC 16 1994
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 Instructions on Reverse Side

CONDITIONS OF APPROVAL ATTACHED TO ORIGINAL REPORT

CNG Producing Company  
Well No. 9-23EO  
Lease U-013766

CONDITIONS OF APPROVAL

We have reviewed your proposal for technical adequacy and concur with the request providing the following stipulations are included as a part of the approval.

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1. A test plug shall be used while BOP testing.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

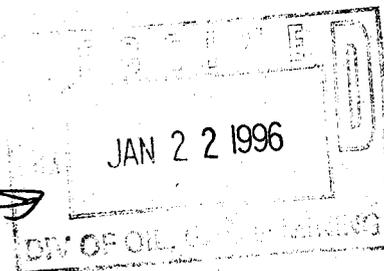
Phone: (801) 781-4400  
Fax: (801) 782-4410  
UT08438

IN REPLY REFER TO:

January 17, 1996

CNG Producing Company  
Attn: Susan Sachitana  
CNG Tower, 1450 Poydras Street  
New Orleans, LA 70112-6000

DOG-m  
LA date



Re: Notification of Expiration  
Well No. 9-23EO 92-047-22601  
Section 23, T10S, R19E  
Lease No. U-013766  
Uintah County, Utah

Dear Ms Sachitana:

The Application for Permit to Drill the above-referenced well was approved on December 16, 1994. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann  
Legal Instruments Examiner

cc: State Div. OG&M  
CNG - Roosevelt