

UTAH OIL AND GAS CONSERVATION COMMISSION

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

970507 LOCATION Abandoned eff 4/30/97:

DATE FILED MARCH 23, 1995

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. U-0830 INDIAN

DRILLING APPROVED: MARCH 30, 1995

SPUDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: April 30, 1997 LA'D

FIELD: RED WASH FIELD

UNIT: RED WASH UNIT

COUNTY: UINTAH

WELL NO. RED WASH #309 API NO. 43-047-32621

LOCATION 2064' FSL FT. FROM (N) (S) LINE. 1469' FWL FT. FROM (E) (W) LINE. NE SW 1/4 - 1/4 SEC. 5

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				8S	24E	5	CHEVRON USA PROD CO

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-0830
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS-WELL <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR CHEVRON USA PRODUCTION CO., INC.		7. UNIT AGREEMENT NAME RED WASH
3. ADDRESS AND TELEPHONE NO. 11002 EAST, 17500 SOUTH, VERNAL, UT 84078-8526 (801) 781-4300		8. FARM OR LEASE NAME, WELL NO. #309
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 2064' FSL, 1469' FWL, NESW At proposed prod. zone SAME		9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 29.5 MILES FROM VERNAL, UT		10. FIELD AND POOL, OR WILDCAT RED WASH GREEN RIVER
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 566'	16. NO. OF ACRES IN LEASE 2548.78	11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SEC. 5-T8S-R24E, SLB&M
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2203'	19. PROPOSED DEPTH 5108'	12. COUNTY OR PARISH UINTAH
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5529' GL	20. ROTARY OR CABLE TOOLS ROTARY	13. STATE UTAH
		22. APPROX. DATE WORK WILL START* 4/1/95

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55	24#	360'	190 SX.
7-7/8"	5-1/2" K-55	15.5#	5346'	652 SX.

We propose to drill for natural gas in the Green River Formation at the specified location. Enclosures:

- Certified Plat
- Self Certification Statement
- Thirteen Point Surface Use Plan With Attachments
- Eight Point Drilling Plan With Attachments

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 TEAM LEADER DATE 3-7-95

(This space for Federal or State office use)

PERMIT NO. 43-040-32621 APPROVAL DATE _____

Application approval 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.

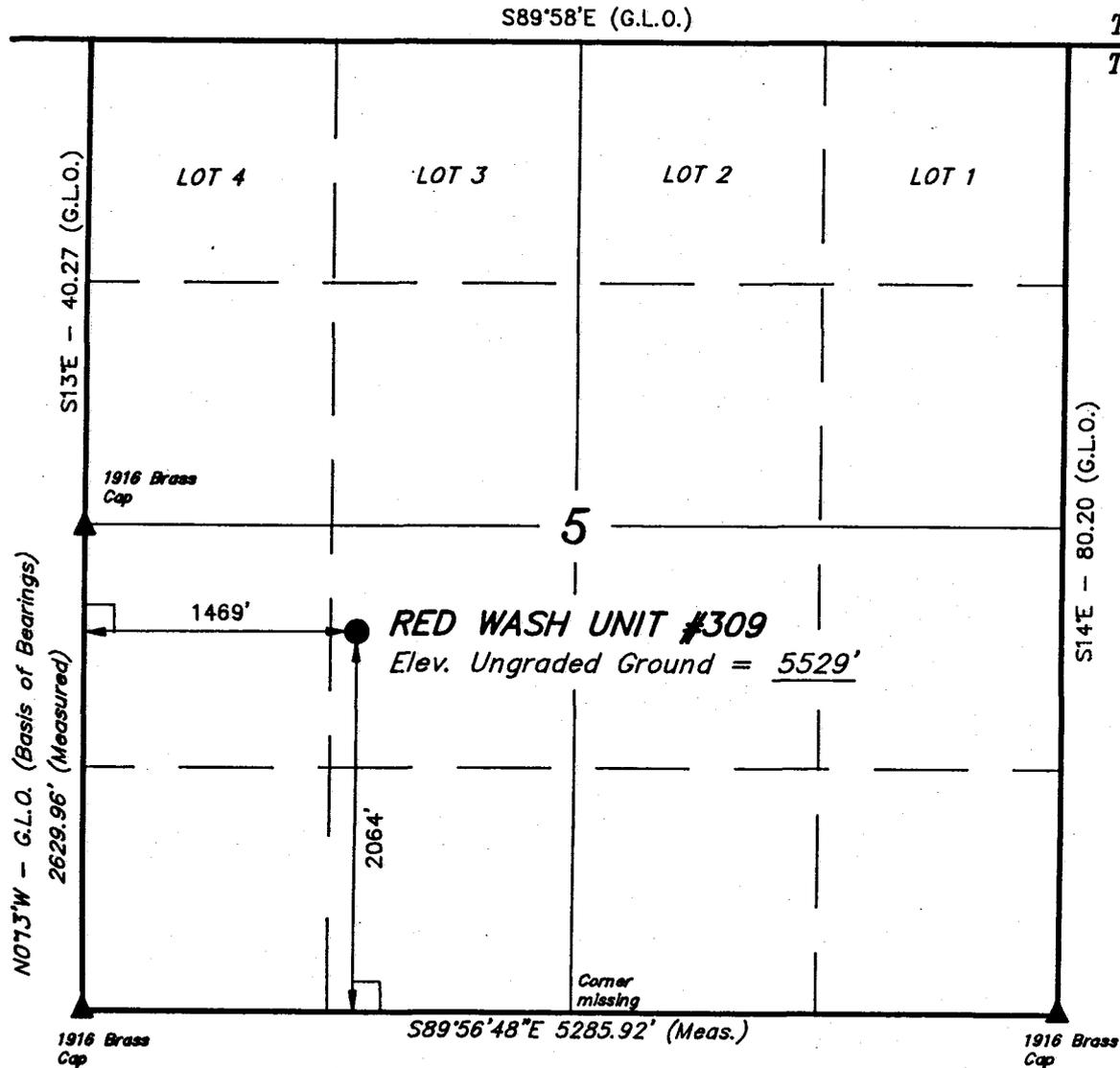
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *[Signature]* TITLE Petroleum Engineer DATE 3/30/95

T8S, R24E, S.L.B.&M.

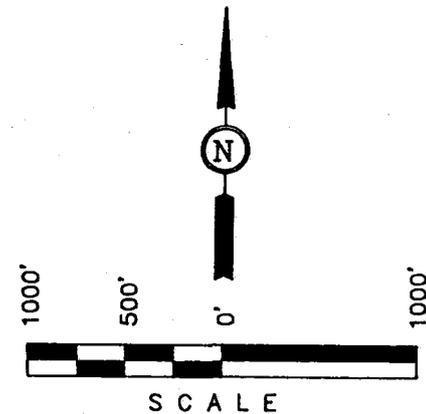
CHEVRON U.S.A., INC.

Well location, RED WASH UNIT #309, located as shown in the NE 1/4 SW 1/4 of Section 5, T8S, R24E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 5, T8S, R24E, S.L.B.&M. TAKEN FROM THE DINOSAUR NW, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5246 FEET.



CERTIFICATE

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

Robert A. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

REVISED: 2-8-95 D.J.S.

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

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

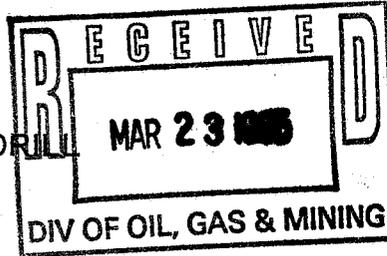
SCALE 1" = 1000'	DATE SURVEYED: 10-25-94	DATE DRAWN: 10-28-94
PARTY B.B. D.G. D.J.S.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE CHEVRON U.S.A., INC.	



Chevron

MARCH 7, 1995

APPLICATION FOR PERMIT TO DRILL
REVISED LOCATION
RED WASH UNIT #309



Chevron U.S.A. Production Company
P.O. Box 455
Vernal, UT 84078
Phone 801 781 4300

**BUREAU OF LAND MANAGEMENT
170 SOUTH 500 EAST
VERNAL, UT 84078**

Ladies and Gentlemen:

Due to potential wildlife concerns, the proposed location for RWU #309 has been moved from 812' FSL, 1058' FWL-SWSW-S5-T8S-R24E to 2064' FSL, 1469' FWL-NESW-S5-T8S-R24E, Uintah County, Utah. Topographic features associated with the revised location led to significant changes in proposed access and wellhead elevation, which in turn have more than minor impacts on the Thirteen Point Surface Use Plan and Eight Point Drilling Plan. The enclosed APD package covers these revisions and is intended as a substitute for our original application.

Your prompt consideration of this APD is appreciated. If you have any questions or need additional information, please contact me at 781-4301.

Sincerely,

**J. T. CONLEY
RED WASH AREA TEAM LEADER**

Enclosures
sdm

United States Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 West
Vernal, UT 84078

SELF-CERTIFICATION STATEMENT

Be advised that Chevron USA Production Company is considered to be the operator of Red Wash Unit #309, NESW-Sec.5-T8S-R24E, Uintah County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Nationwide Bond #U-89-75-81-34 (Standard Oil Co. of California and its wholly owned subsidiary Chevron USA Production Co., as co-principals) via surety consent as provided for in 43 CFR 3104.2.

Sincerely,



J. T. Conley
Red Wash Area Team Leader

DATE: 3-7-95

CHEVRON USA PRODUCTION CO.

RED WASH UNIT #309
2064' FSL & 1469' FWL
NESW-S5-T8S-R24E, SLB&M
UINTAH COUNTY, UTAH

THIRTEEN POINT SURFACE USE PLAN

1. EXISTING ROADS:

A. See Topographic Map A. There are no plans to change, alter or improve upon any existing state or county road.

B. See Topographic Map A. Travel east from Vernal on U.S. Highway 40 to Utah State Highway 45. Turn south on Utah State 45 and proceed 20.7 miles to Red Wash. Turn east on lease road and proceed 4.7 miles. Turn south and travel a total of 6.2 miles on existing lease roads to proposed new access road.

2. ACCESS ROADS TO BE CONSTRUCTED OR RECONSTRUCTED:

See Topographic Maps A and B. The access road and location site are on Federal lands. It is proposed to upgrade an existing two-track road for approximately 0.4 miles to provide location access.

3. LOCATION OF EXISTING WELLS WITHIN ONE MILE:

See Topographic Map B.

4. LOCATION OF EXISTING OR PROPOSED FACILITIES IF WELL IS PRODUCTIVE:

A. See Topographic Map B.

B. Gas dehydration and metering equipment will be installed onsite following completion of the new wellbore. No blooie pit will be constructed, as a tank will be installed in its place.

C. A gas pipeline approximately 0.4 miles in length will be constructed along the proposed road to connect the well to the existing gas gathering system.

RWU #309 - THIRTEEN POINT SURFACE USE PLAN

D. Disturbed areas no longer needed for operations will be graded back to as near original state as possible. Drainage channels will be returned to original state and the areas will be reseeded as prescribed by the BLM.

5. LOCATION AND TYPE OF WATER SUPPLY:

Red Wash Unit fresh water supply, Application #A17791, Water Right Number 49-2153. Water will be picked up at water tank located on Red Wash Oil and Gas Field road, shown on Topographic Map A, and transported ~13.5 miles from the tank to the wellsite on proposed access route.

Transportation of water shall be by tank truck.

6. CONSTRUCTION MATERIALS:

Native dirt and gravel will be used as construction materials.

7. METHODS FOR HANDLING WASTE DISPOSAL:

A. A conventional reserve pit is planned.

B. Excess reserve pit fluid will be disposed of via haul-off to a commercial disposal facility.

C. Drill cuttings will be caught and settled in the reserve pit and be buried when the trench is backfilled.

D. Commercial service will provide portable toilets and haul-off to a commercial disposal facility.

E. Trash will be stored in trash containers and hauled to commercial or municipal facility for disposal.

F. It is not anticipated that any salt or chemicals will need to be disposed of. If required, disposal will be by commercial disposal facility.

G. In the event fluids are produced, any gas and associated condensate will be flared over the flare pit while testing. Any produced water will be caught in the flare pit and transferred to Red Wash Central Battery for use in the waterflood system. Depending on the nature of completion/stimulation

RWU #309 - THIRTEEN POINT SURFACE USE PLAN

fluids, these will be caught in the flare pit and disposed of via use in the waterflood system, evaporation or haul-off to a commercial disposal facility.

H. Hazardous chemicals 10,000lb. of which will most likely be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the hazardous chemicals in quantities of 10,000 lb. or more will be associated with these operations.

I. Extremely hazardous substances threshold quantities of which will be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the extremely hazardous substances in threshold quantities per 40 CFR 355 will be associated with these operations.

8. ANCILLARY FACILITIES:

None.

9. WELLSITE LAYOUT:

A. See Figures 1 and 2. A conventional mud system is planned. The reserve pit will be lined if required.

B. Burn pit will not be lined.

C. Access to the well pad will be as shown on Topographic Map B.

10. PLAN FOR RESTORATION OF SURFACE:

A. All surface areas not required for production operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum. Any rock encountered in excavation will be disposed of beneath backfill to return surface to its present appearance and provide soil for seed growth.

B. The topsoil will be evenly distributed over the disturbed areas. Reseeding will be performed as directed by the BLM.

RWU #309 - THIRTEEN POINT SURFACE USE PLAN

C. Pits that would present a hazard to wildlife or livestock will be backfilled when the rig is released and removed.

D. Completion of the well is planned during 1995. Rehabilitation will commence following completion of the well. If the wellsite is to be abandoned, all disturbed areas will be recontoured to the natural contour as soon as possible.

11. SURFACE OWNERSHIP:

The wellsite, access roads and flowlines are on Federal land. The operator shall contact the BLM office at (801) 789-1362 between 24 and 48 hours prior to construction activities.

12. OTHER INFORMATION:

A. The well is located in hilly and sandy terrain. Vegetation consists of sagebrush and natural grasses around the location. The soil is a poorly developed, semi-arid, thin topsoil layer over the Uintah Formation.

B. Surface use activities other than the oil and gas well facilities consist of grazing.

C. There are no occupied dwellings near the wellsite.

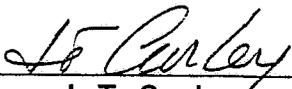
RWU #309 - THIRTEEN POINT SURFACE USE PLAN

13. COMPANY REPRESENTATIVE:

Mr. J. T. Conley
11002 East 17500 South
Vernal, UT 84078
(801) 781-4301

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the 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 Chevron USA Production Co., Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

3-7-95
Date


J. T. Conley
Red Wash Area Team Leader

CHEVRON USA PRODUCTION CO.

RED WASH UNIT #309
2064' FSL & 1469' FWL
NESW-S5-T8S-R24E, SLB&M
UINTAH COUNTY, UTAH

EIGHT POINT DRILLING PLAN

1. ESTIMATED FORMATION TOPS:

Uinta	Surface
Green River	~2325' to 5346' TD

2. ESTIMATED DEPTHS OF TOP AND BOTTOM OF WATER, OIL, GAS, OR OTHER MINERAL BEARING FORMATIONS AND PLAN FOR PROTECTION:

Deepest Fresh Water: ~2325', top of Green River Formation. The Green River Formation is classified as an exempt aquifer in the vicinity of the proposed well.

Oil Shale: Oil shale is expected between the depths of ~3499-3701'.

Oil: None expected.

Gas: Possible gas in the Uinta Fm. below ~1900'. Expected in the Green River Fm. from ~3896' to 4994'.

Protection of oil, gas, water, or other mineral bearing formations: Protection shall be accomplished by cementing surface casing and production casing back to the surface or to depths sufficient to isolate required formations. Please refer to casing and cement information for protection plans.

3. PRESSURE CONTROL EQUIPMENT:

For drilling surface hole to 360': No BOP equipment required.

For drilling through 8.625" surface casing to TD:

Maximum anticipated surface pressure is <1400 psi.

Pressure control equipment shall be in accordance with BLM minimum standards for 2000 psi equipment.

RED WASH UNIT #309 - EIGHT POINT DRILLING PLAN

A casing head with an 11", 3000 psi flange will be screwed or welded onto the 8.625" surface casing.

BOP stack will consist of a double gate and annular preventer. The double gate will be equipped with pipe rams on bottom and blind rams on top. The choke and kill lines will be connected to outlets between the bottom and top rams, utilizing either the ram body outlet or a drilling spool with side outlets. The BOP stack will be 9" or 11" bore, 2000 or 3000 psi working pressure. The choke and kill lines will be 2" or 3" bore, 2000 or 3000 psi working pressure. Please refer to attached schematics.

A rotating head may be used while drilling below surface casing for control of gas cut mud.

Test procedure and frequency shall be in accordance with BLM minimum standards for 2000 psi equipment.

4. SUPPLEMENTAL DRILLING EQUIPMENT AND CASING INFORMATION:

Casing Information:

Casing	Conn.	New/ Used	Stage Tool	Centralizers
8.625"	STC	New	No	10' above shoe, on 1st and 3rd collars.
5.500"	STC	New	No	10' above shoe, every other collar to top of pay ($\pm 3896'$),

Cement Information:

Casing	Cement
8.625"	Oilfield type cement circulated in. Class "A" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Fill to surface with 225 cf (190 sx) calculated. Tail plug used. Allowed to set under pressure.
5.500"	Lead/Tail oilfield type cement circulated in. Tail slurry: 50/50 Class H/Pozzolan + 2% gel + additives as required mixed to 14.1 ppg, yield = 1.23 cf/sx; or class G + 12.5 lb/sx gilsonite + additives as required mixed to 14.8 ppg, yield =

RED WASH UNIT #309 - EIGHT POINT DRILLING PLAN

1.34. Fill to 3350' ($\pm 300'$ above top of pay) with 403cf (327 sx or 301 sx).

Lead slurry: Class "A" + extender + additives mixed to 11.0 ppg, yield = 3.82 cf/sx. Fill to surface with 1245 cf (325 sx).

Tail plug used. Allowed to set under pressure.

Drilling Equipment:

Surface hole will be drilled and surface casing set with small rotary surface hole rig.

A rotating head may be used while drilling below surface casing for control of gas cut mud.

5. CIRCULATING MEDIUM, MUD TYPE, MINIMUM QUANTITIES OF WEIGHT MATERIAL, AND MONITORING EQUIPMENT:

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash, and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is ± 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from 3500' (depth mud loggers on) to TD.

6. ANTICIPATED TYPE AND AMOUNT OF TESTING, LOGGING, AND CORING:

Logging:

Mud logging:	~3500' to TD.
Dual Induction/SP/GR:	TD-Surface casing shoe
Density/Neutron/GR with XY caliper:	TD-3500'
Sonic/GR with caliper	TD-Surface casing shoe.
MIR tool:	TD-3500'

RED WASH UNIT #309 - EIGHT POINT DRILLING PLAN

Coring:

None planned.

Testing:

Possible DST in lower Green River Fm. at wellsite geologist's discretion.

7. EXPECTED BOTTOM HOLE PRESSURE AND ANY ANTICIPATED ABNORMAL PRESSURE, TEMPERATURES, OR OTHER HAZARDS (H₂S, STEAM, ETC.) AND ASSOCIATED CONTINGENCY PLANS:

Normal pressure gradient to top of Green River Fm. Some slightly pressured (0.47 psi/ft.) gas zones within the Green River Fm. may exist, although possible pressure depleted intervals (0.37 psi/ft.) from 3658' to 4958' are viewed as greater hazards. All sands typically tight - drill underbalanced with water or unweighted mud.

Maximum expected BHP @ 5346': ~2510 psi (0.47 psi/ft.).
Maximum expected BHT @ 5108': ~140° F.

No other abnormal hazards are anticipated and no contingency plans are required.

8. OTHER:

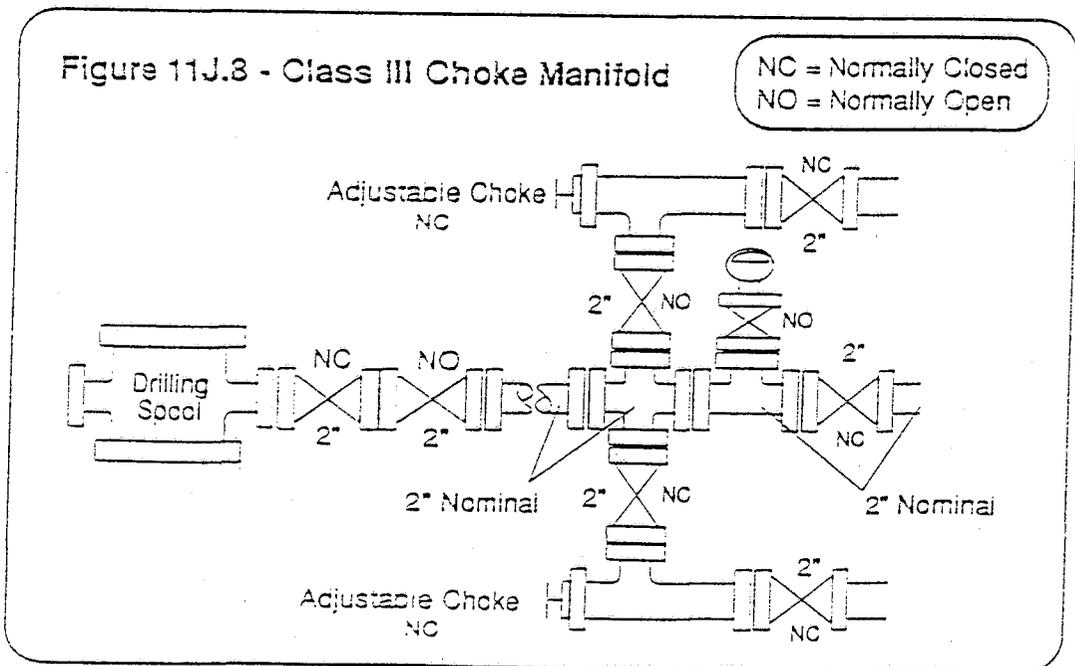
None.

CHEVRON DRILLING REFERENCE SERIES
 VOLUME ELEVEN
 WELL CONTROL AND BLOWOUT PREVENTION

D. CLASS III CHOKE MANIFOLD

The Class III choke manifold is suitable for Class III workovers and drilling operations. The Standard Class III choke manifold is shown in Figure 11J.8 below. Specific design features of the Class III manifold include:

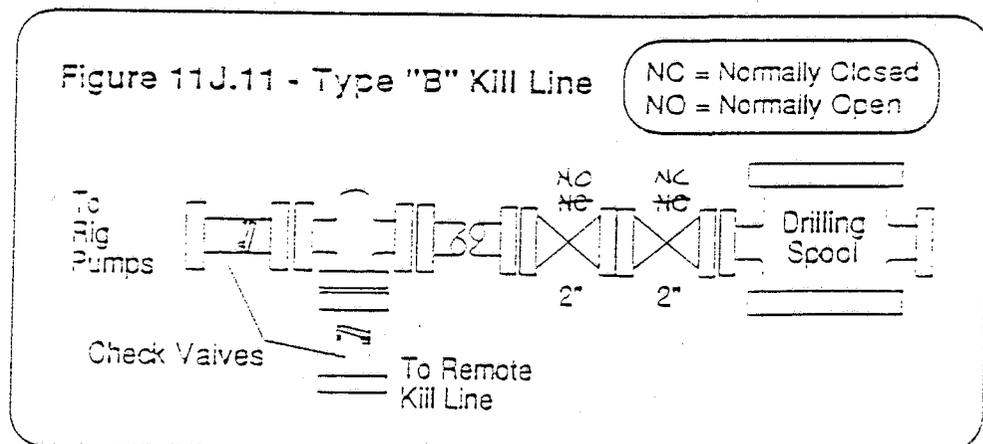
1. The manifold is attached to a drilling spool or the top ram preventer side outlet.
2. The minimum internal diameter is 2" (nominal) for outlets, flanges, valves and lines.
3. Includes two steel gate valves in the choke line at the drilling spool outlet. The inside choke line valve may be remotely controlled (HCR).
4. Includes two manually adjustable chokes which are installed on both side of the manifold cross. Steel isolation gate valves are installed between both chokes and the cross, and also downstream of both chokes.
5. Includes a bleed line which runs straight through the cross and is isolated by a steel gate valve.
6. Includes a valve isolated pressure gauge suitable for drilling service which can display the casing pressure within view of the choke operator.
7. Returns through the choke manifold must be divertible through a mud-gas separator and then be routed to either the shale shaker or the reserve pit through a buffer tank or manifold arrangement.
8. If the choke manifold is remote from the wellhead, a third master valve should be installed immediately upstream of the manifold cross.



D. TYPE "B" KILL LINE — CLASS III, IV, AND V WELLS

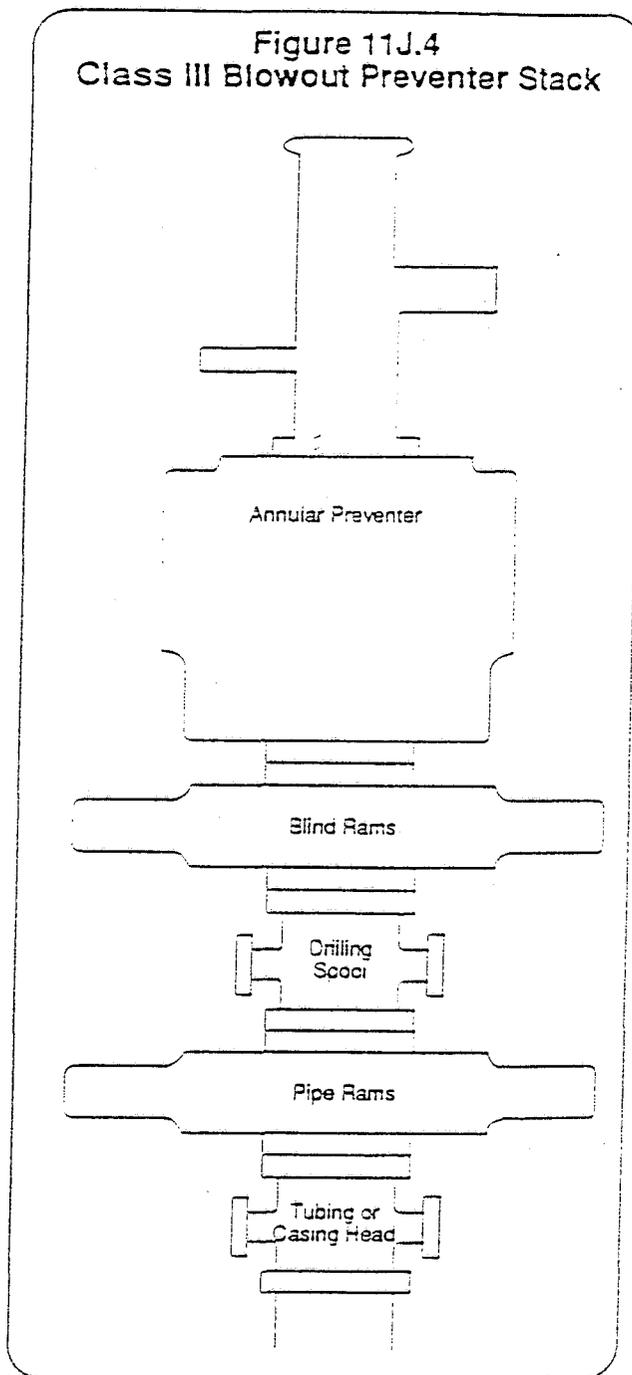
The type B kill line described below in Figure 11J.11 is the minimum recommended hookup for installation on all Class III, Class IV and Class V wells. Specific design features of the type B kill line include:

1. The preferred kill line connection to the well is at the drilling spool, however, a preventer side outlet may be used when space restrictions exclude the use of a drilling spool. In all cases, the kill line must be installed below the uppermost blind rams so the well can be pumped into with no pipe in the hole.
2. The arrangement includes two - 2" (nominal) gate valves installed at the drilling spool and an upstream fluid cross. The outside valve may be hydraulically remote controlled.
3. Two pump-in lines should be attached to the fluid cross. The primary kill line should be routed to the rig standpipe where it can be manifolded to the rig pumps. The remote kill line should be run to a safe location away from the rig or to the rig cementing unit. The remote kill line should have a loose end connection for rigging-up a high pressure pumping unit.
4. Both the primary kill line and the remote kill line must include a 2" check valve which is in working condition while drilling. If a check valve is crippled for testing purposes, the flapper or bail must be re-installed and tested before drilling resumes.
5. The primary kill line must include a pressure gauge which can display the pump-in pressure on the rig floor.
6. Any lines which are installed at the wellhead are designated as "emergency kill lines" and should only be used if the primary and remote kill lines are inoperable.



E. CLASS III BLOWOUT PREVENTER STACK:

The Class III preventer stack is designed for drilling or workover operations. It is composed of a single hydraulically operated annular preventer on top, then a blind ram preventer, a drilling spool, and a single pipe ram preventer on bottom. The choke and kill lines are installed onto the drilling spool and must have a minimum internal diameter of 2". All side outlets on the preventers or drilling spool must be flanged, studded, or clamped. An emergency kill line may be installed on the wellhead. A double ram preventer should only be used when space limitations make it necessary to remove the drilling spool. In these instances, the choke manifold should be connected to a flanged outlet between the preventer rams only. In this hookup, the pipe rams are considered master rams only, and cannot be used to routinely circulate out a kick. The Class III blowout preventer stack is shown to the right in Figure 11J.4.

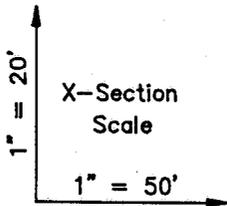


CHEVRON USA., INC.

TYPICAL CROSS SECTIONS FOR

RED WASH UNIT #309
SECTION 5, T8S, R24E, S.L.B.&M.

2064' FSL 1469' FWL



DATE: 2-9-95
Drawn By: D.J.S.

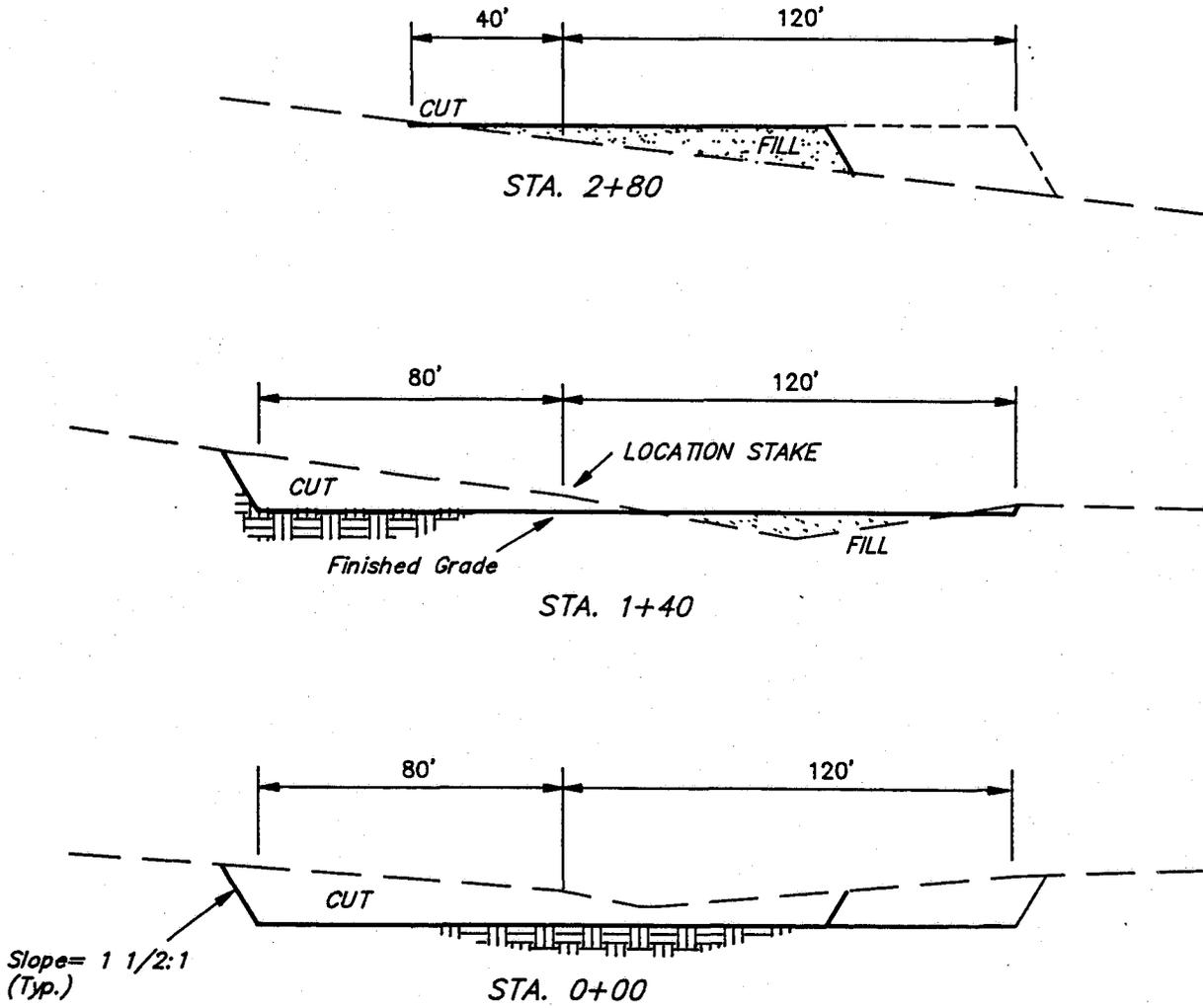
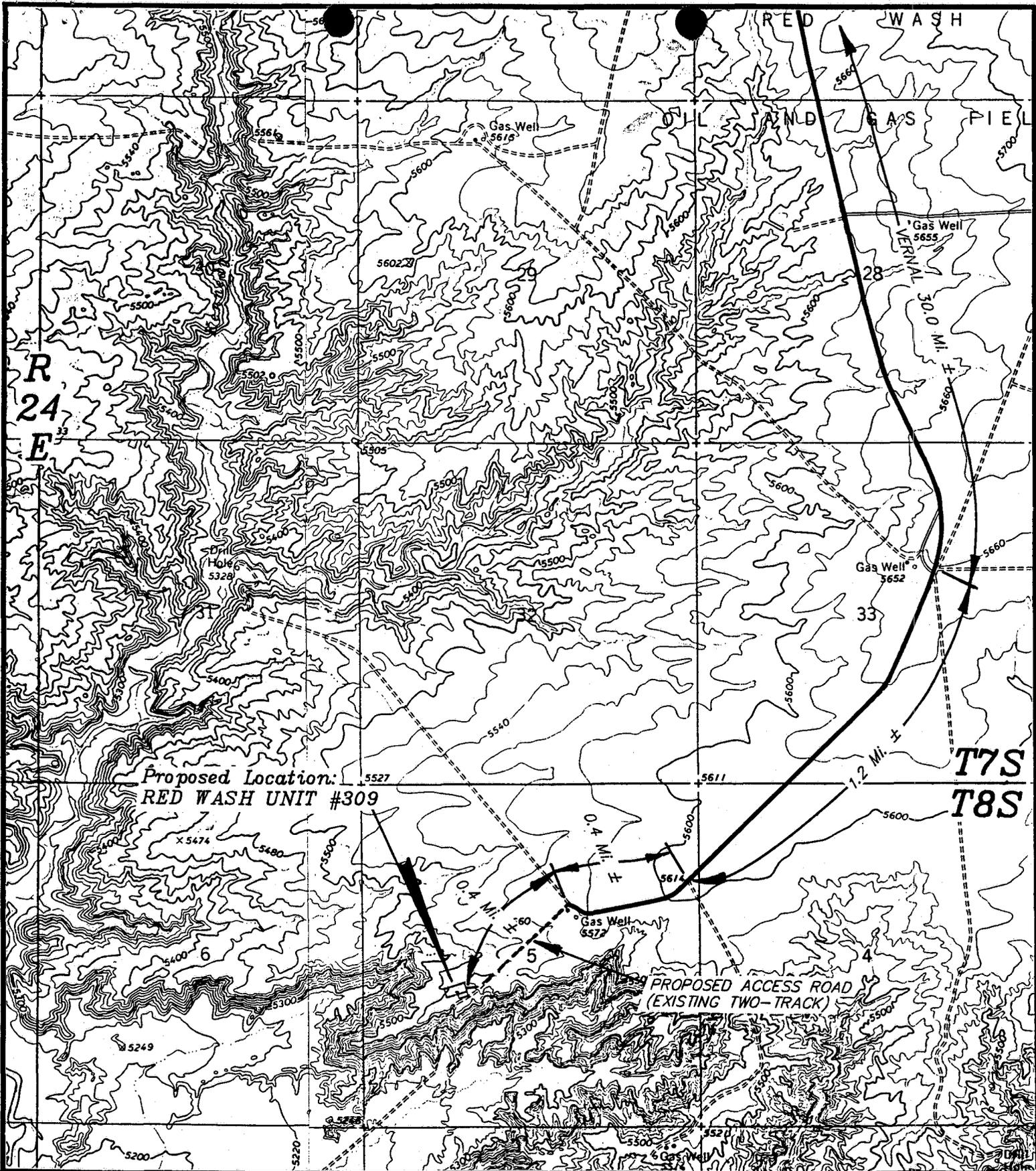


FIGURE #2

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 950 Cu. Yds.
Remaining Location	= 3,080 Cu. Yds.
TOTAL CUT	= 4,030 CU.YDS.
FILL	= 2,930 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 950 Cu. Yds.
Topsoil	= 950 Cu. Yds.
EXCESS CUT MATERIAL	= 0 Cu. Yds.



TOPOGRAPHIC
MAP "B"

SCALE: 1" = 2000'

DATE: 2/8/95 D.COX



CHEVRON U.S.A., INC.

RED WASH UNIT #309
SECTION 5, T8S, R24E, S.L.B.&M.
2064' FSL 1469' FWL

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/21/94

API NO. ASSIGNED: 43-047-32621

WELL NAME: RED WASH UNIT 309
OPERATOR: CHEVRON USA INC (N0210)

PROPOSED LOCATION:
NESW 05 - T08S - R24E
SURFACE: 2064-FSL-1469-FWL
BOTTOM: 2064-FSL-1469-FWL
UINTAH COUNTY
RED WASH FIELD (665)

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

LEASE TYPE: FED
LEASE NUMBER: U-0830

PROPOSED PRODUCING FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

Plat U-89-75-81-34
 Bond: Federal State Fee
 (Number 49-2153)
 Potash (Y/N)
 Oil shale (Y/N)
 Water permit
 (Number 49-2153)
 RDCC Review (Y/N)
 (Date: _____)

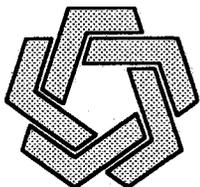
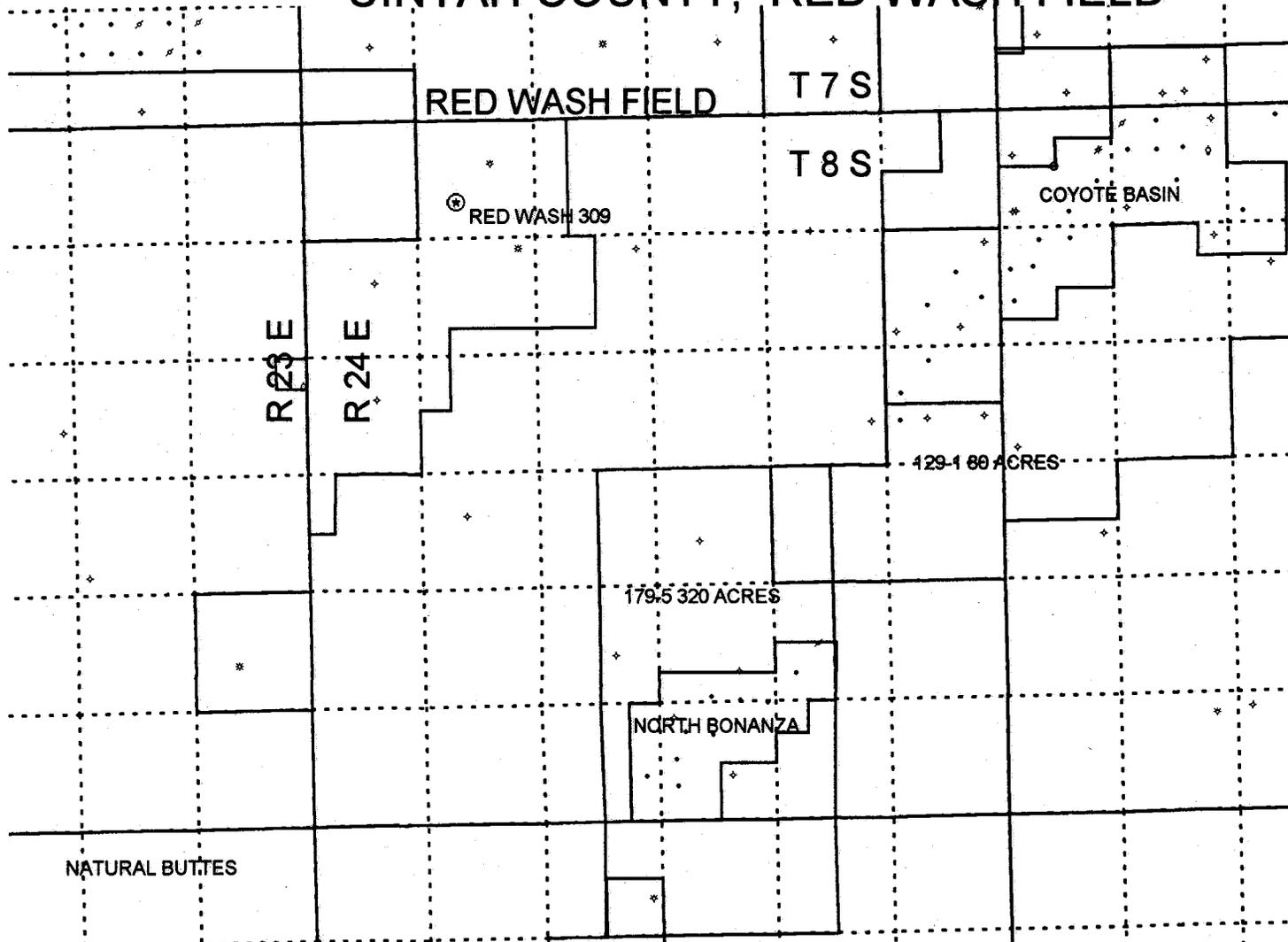
LOCATION AND SITING:

R649-2-3. Unit: UTU 63010X
 R649-3-2. General.
 R649-3-3. Exception.
 Drilling Unit.
 Board Cause no: _____
 Date: _____

COMMENTS: _____

STIPULATIONS: _____

CHEVRON RED WASH UNIT
RED WASH 309 DEVELOPMENT WELL
SEC. 5, T 8 S, R 24 E, NO SPACING
UINTAH COUNTY, RED WASH FIELD



DATE: 03/24/95



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 30, 1995

Chevron USA Production Company
11002 East 17500 South
Vernal, Utah 84078-8526

Re: Red Wash #309 Well, 2064' FSL, 1469' FWL, NE SW, Sec. 5, T. 8 S., R. 24 E.,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Admin. R. 649-3-1 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 43-047-32621.

Sincerely,


R. J. Firth
Associate Director

ldc

Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

WAPD



Operator: Chevron USA Production Co.

Well Name & Number: Red Wash #309

API Number: 43-047-32621

Lease: U-0830

Location: NE SW Sec. 5 T. 8 S. R. 24 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-0830
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS-WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR CHEVRON USA PRODUCTION CO., INC.		7. UNIT AGREEMENT NAME RED WASH
3. ADDRESS AND TELEPHONE NO. 11002 EAST, 17500 SOUTH, VERNAL, UT 84078-8526 (801) 781-4300		8. FARM OR LEASE NAME, WELL NO. #309
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 2064' FSL, 1469' FWL, NESW At proposed prod. zone SAME		9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 29.5 MILES FROM VERNAL, UT		10. FIELD AND POOL, OR WILDCAT RED WASH GREEN RIVER
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 566'	16. NO. OF ACRES IN LEASE 2548.78	11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SEC. 5-T8S-R24E, SLB&M
17. NO. OF ACRES ASSIGNED TO THIS WELL NA	18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2203'	12. COUNTY OR PARISH UTAH
19. PROPOSED DEPTH 5346'	20. ROTARY OR CABLE TOOLS ROTARY	13. STATE UTAH
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5529' GL	22. APPROX. DATE WORK WILL START* 4/1/95	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55	24#	360'	190 SX.
7-7/8"	5-1/2" K-55	15.5#	5346'	652 SX.

We propose to drill for natural gas in the Green River Formation at the specified location. Enclosures:

- Certified Plat
- Self Certification Statement
- Thirteen Point Surface Use Plan With Attachments
- Eight Point Drilling Plan With Attachments

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 TEAM LEADER DATE 3-30-95

(This space for Federal or State office use)

PERMIT NO. **NOTICE OF APPROVAL** APPROVAL DATE **CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY**

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

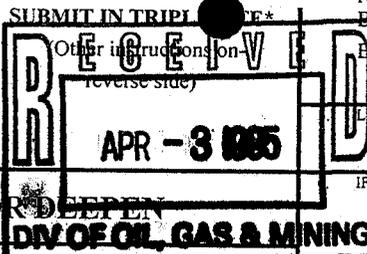
APPROVED BY [Signature] TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE MAR 30 1995

*See Instructions On Reverse Side

14080-511-138

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991



APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		7. UNIT AGREEMENT NAME RED WASH
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS-WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. FARM OR LEASE NAME, WELL NO. #309
2. NAME OF OPERATOR CHEVRON USA PRODUCTION CO., INC.		9. API WELL NO. 43-047-32621
3. ADDRESS AND TELEPHONE NO. 11002 EAST, 17500 SOUTH, VERNAL, UT 84078-8526 (801) 781-4300		10. FIELD AND POOL, OR WILDCAT RED WASH GREEN RIVER
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 2064' FSL, 1469' FWL, NESW At proposed prod. zone SAME		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SEC. 5-T8S-R24E, SLB&M
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 29.5 MILES FROM VERNAL, UT		12. COUNTY OR PARISH UINTAH
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 566'		13. STATE UTAH
16. NO. OF ACRES IN LEASE 2548.78	17. NO. OF ACRES ASSIGNED TO THIS WELL NA	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2203'	19. PROPOSED DEPTH 5346'	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5529' GL		22. APPROX. DATE WORK WILL START* 4/1/95

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55	24#	360'	190 SX.
7-7/8"	5-1/2" K-55	15.5#	5346'	652 SX.

We propose to drill for natural gas in the Green River Formation at the specified location. Enclosures:

- Certified Plat
- Self Certification Statement
- Thirteen Point Surface Use Plan With Attachments
- Eight Point Drilling Plan With Attachments

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

DATE: _____
BY: _____

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Jo Bentley TITLE TEAM LEADER DATE 3-30-95

(This space for Federal or State office use)

PERMIT NO. 43-047-32621 APPROVAL DATE _____

Application approval 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.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY JAN [Signature] TITLE Petroleum Engineer DATE 4/7/95

*See Instructions On Reverse Side

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPlicate*
(Other instructions
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

5. LEASE DESIGNATION AND SERIAL NO.
U-0830

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL DEEPEN

7. UNIT AGREEMENT NAME

RED WASH

b. TYPE OF WELL

OIL WELL GAS-WELL OTHER SINGLE ZONE MULTIPLE ZONE

8. FARM OR LEASE NAME, WELL NO.
#309

2. NAME OF OPERATOR
CHEVRON USA PRODUCTION CO., INC.

9. API WELL NO.
93 047-32621

3. ADDRESS AND TELEPHONE NO.
11002 EAST, 17500 SOUTH, VERNAL, UT 84078-8526 (801) 781-4300

10. FIELD AND POOL, OR WILDCAT
**RED WASH
GREEN RIVER**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface
2064' FSL, 1469' FWL, NESW
At proposed prod. zone
SAME

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC. 5-T8S-R24E, SLB&M

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
29.5 MILES FROM VERNAL, UT

12. COUNTY OR PARISH **UINTAH** 13. STATE **UTAH**

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **566'**

16. NO. OF ACRES IN LEASE
2548.78

17. NO. OF ACRES ASSIGNED TO THIS WELL
NA

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. **2203'**

19. PROPOSED DEPTH
5346'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5529' GL

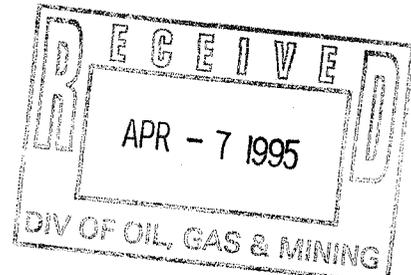
22. APPROX. DATE WORK WILL START*
4/1/95

PROPOSED CASING AND CEMENTING PROGRAM

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24. SIGNED *Jo Bentley* TITLE TEAM LEADER DATE 3-30-95

(This space for Federal or State office use)

PERMIT NO. **NOTICE OF APPROVAL** APPROVAL DATE _____ **CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY**

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *Howard R. Cooney* TITLE **ASSISTANT DISTRICT MANAGER MINERALS** DATE **MAR 30 1995**

*See Instructions On Reverse Side

47080-517-080

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Chevron USA Production Co., Inc.

Well Name & Number: Red Wash 309

API Number: 43-047-32621

Lease Number: UTU-0830

Location: NESW Sec. 5 T. 8S R. 24E

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 to 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 surface BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for a 2M system for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. A test plug will need to be used in testing the BOPE. 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' above the top of the Mahogany Oil Shale zone identified at $\pm 3149'$. 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

As per Onshore Oil and Gas Order No. 2 sufficient quantities of mud materials will be maintained or readily accessible for the purpose of well control.

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 at a minimum from the production casing shoe to $\pm 2949'$ and shall be utilized to determine the top of cement (TOC) and bond quality for 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:

Wayne Bankert (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
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.

CONDITIONS OF APPROVAL
SURFACE USE PLAN OF OPERATIONS

Planned Access Roads

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.

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.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities 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.

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.

*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 be lined.

"If a plastic nylon reinforced liner is used, 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 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 (Onshore Order No. 7), 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.

Well Site Layout and Fencing Requirements

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

- a. 39-inch net wire shall be used with at least one strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- b. The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 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.

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.

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.

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.

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 for 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 rights-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 wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

Additional Surface Stipulations

The location is in crucial pronghorn habitat. Modifications may be required to the surface use plan during the pronghorn kidding season May 15 to June 20.

The area will be monitored for sage grouse habitat. Information gathered may be used to determine requirements and conditions of approval for further development in the nearby area. That is within two miles of the project and access road.

The pit will be lined with a 12 mil liner. The reserve pit shall be constructed so as not to leak, break, or allow discharge. This liner is required because of proximity to a steep hillside.

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. 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.

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

The operator or his/her contractor shall contact the BLM Office at (801) 781-4400 forty-eight (48) hours prior to construction activities.

The BLM Office shall be notified upon site completion prior to moving on the drilling rig.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

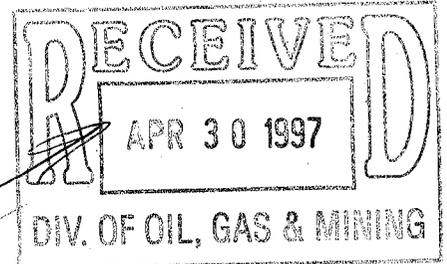
Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

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

IN REPLY REFER TO:
3162
UT08300

April 28, 1997

Chevron U.S.A. Production Co.
11002 E 17500 S
Vernal, Utah 84078



Re: Notification of Expiration
Well No. 309 43-097-32621
Section 5, T8S, R24E
Lease No. U-0830
Uintah County, Utah

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on March 30, 1995. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until March 30, 1997. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

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

Sincerely,

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M