

COASTAL OIL & GAS CORPORATION
600 17TH STREET, SUITE 800S
DENVER, COLORADO 80201

DATE: _____

FACSIMILE TRANSMITTAL PAGE

THIS TRANSMISSION CONSISTS OF 25 PAGES (INCLUDING COVER)TO: Bob YmeyerCOMPANY/FIRM: State of Utah DOGM

CITY/STATE: _____

FAX #: (801) 359-3940 CONFIRMATION #: _____FROM: Sheila BremerTELEPHONE #: (303) 573-4455

INSTRUCTIONS: _____

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

VIL REID, ZOP, LPS, M... EL, W-DRY, 1LY, OLL, JHO,
TWH, HDM, RIL

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

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

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other Natural Buttes Field

2. Name of Operator
 Coastal Oil & Gas Corporation

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

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)
 Future wells in Natural Buttes Unit

5. Lease Designation and Serial No.
 Various

6. If Indian, Alottee or Tribe Name
 Ute Tribe

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

8. Well Name and No.
 To be determined

9. API Well No.
 To be determined

10. Field and Pool, Or Exploratory Area
 Natural Buttes

11. County or Parish, State
 Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Standard Operating Procedure</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

The operator requests permission to use the attached Standard Operating Procedure to describe the drilling program and surface use plan for future wells in the Natural Buttes Unit. The information contained herein will be supplemented by site-specific information necessary to complete the APD application on a well-by-well basis.

The described procedures include materials in addition to that previously sent on 5/20/97.

RECEIVED
MAY 30 1997

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

Signed Bonnie Carson Title Senior Environmental Analyst Date 05/29/97
Assistant Field Manager
 (This space for Federal or State office use)
Mineral Resources

APPROVED BY Edward J. ... Title ACTING Date JUN 03 1997
 Conditions of approval, if any:

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

*See Instruction on Reverse Side

OPERATOR

COASTAL OIL & GAS CORPORATION

NATURAL BUTTES UNIT

Uintah County, Utah

STANDARD OPERATING PRACTICES

DRILLING PROGRAM

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 No. 1 and No. 2, and the approved Plan of Operations. The Operator is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

BLM Notification Requirements

Location Construction:	48 hours prior to construction of location and access roads including, if applicable, the Ute Tribe Energy and Mineral Department.
Location Completion:	Prior to moving the drilling rig.
Spud Notice:	At least 24 hours prior to spudding the well.
Casing String & Cementing:	24 hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests:	24 hours prior to initiating pressure tests.
First Production Notice:	Within 5 days after new well begins or production resumes after well has been off production for more than 90 days.

Details of the on-site inspection, including date, time, weather conditions, and individuals present, will be submitted with the site specific APD.

1. Estimated Tops of Important Geologic Markers:

Formations and depths will be submitted with the site specific APD.

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

Formations and depths will be submitted with the site specific APD.

All usable (<10,000 ppm TDS) 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. This information shall be reported to the Vernal Office.

Report all water shows and water bearing geologic units to the geologic/engineering staff of the Vernal Office prior to running the next string of casing or before plugging orders are requested. Usage of the State of Utah form Report of Water Encountered is acceptable, but not required.

All water shows must be reported within 1 (one) business day after being encountered.

Detected water flows shall be sampled, analyzed, and reported to the geologic/engineering staff of the Vernal Office. The office may request additional water samples for further analysis.

The following information is requested for water shows and samples where applicable:

Location	Date Sampled
Sampled Interval	Temperature
Hardness	pH
Flow Rate	
Water Classification (according to State of Utah)	
Dissolved Iron (Fe) (ug/l)	Dissolved Calcium (Ca) (mg/l)
Dissolved Magnesium (Mg) (mg/l)	Dissolved Sodium (Na) (mg/l)
Dissolved Bicarbonate (NaHCO ₃) (mg/l)	Dissolved Carbonate (CO ₃) (mg/l)
Dissolved Sulfate ((SO ₄) (mg/l)	Dissolved Chloride (Cl) (mg/l)
Dissolved Total Solids (TDS) (mg/l)	

3. Pressure Control Equipment: (Schematic Attached)

Coastal Oil & Gas Corporation's minimum specifications for pressure control equipment are as follows:

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 2M system when the well is drilled to the base of the Wasatch Formation, and for a 3M system when the anticipated target formation is the Mesaverde Formation, and individual components shall be operable as designed. Chart recorders will 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.

All required BOP tests and/or drills shall be recorded in the IADC report.

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

4. Proposed Casing and Cementing Program:

a. The proposed Casing Program will be as follows:

Purpose	Depth	Hole Size	Csg Size	Wt/ft	Grade	Type
Surface	0-250'	11" or 12-1/4"	8-5/8"	24#	K-55	ST&C
Production	0-TD	7-7/8"	4-1/2"	11.6#	N-80	LT&C

If drive pipe is used, it may be left in place if its total length is less than twenty feet below the surface. If the total length of the drive pipe is equal to or greater than twenty feet, it will be pulled prior to cementing surface casing, or it will be cemented in place.

The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics.

All casing, except conductor casing, shall be new or reconditioned and tested. Used casing shall meet or exceed API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing. ~~If drive pipe is used, it will be pulled prior to cementing surface casing.~~ *Replaced with*

As a minimum, usable water zones shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

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

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

Casing design subject to revision based on geologic conditions encountered.

b. The Cement Program will be as follows:

<u>Surface</u>	<u>Fill</u>	<u>Type & Amount</u>
0-250'	250'	A minimum of 85 sx Class "G" + 2% CaCl ₂ , 15.6 ppg, 1.19 cf/sx (Cement will be circulated to surface, about 25% excess)

<u>Production</u>	<u>Type & Amount</u>
500' above productive interval-surface	Lead: Extended, Lite, or Hi-Fill cement + additives, 11 or 12 ppg, 2.69 cf/sx
TD-500' above productive interval	Tail: Extended Class "G" or 50:50 Poz + additives, 14 ppg ; or RFC, 14.0-14.5 ppg, 1.57 cf/sx

For production casing, actual cement volumes will be determined from the caliper log plus 10 - 15% excess.

For surface casing, waiting on cement time will be adequate to achieve 500 psi compressive strength at the casing shoe prior to drilling out.

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The Vernal District BLM Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

After cementing the surface pipe and/or any intermediate strings, but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the Driller's Log.

- c. The following reports shall be filed with the District Manager within 30 days after the work is completed:

Progress reports, Form 3160-5, "Sundry Notices and Reports on Wells," must include the following information:

Setting of each string of casing showing the size, grade, weight of casing set, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of the cementing tools used, casing test method and results, and the date of the work done. Spud date will be shown on the first reports submitted.

- d. Auxiliary well control equipment to be used as follows:
1. Kelly cock.
 2. A bit float is not deemed necessary.
 3. A sub with a full opening (TIW) valve having threads compatible with drill string tubulars.

5. Drilling Fluids Program:a. *Wasatch wells:*

<u>Interval</u>	<u>Type</u>	<u>Mud Weight</u>
0'-TD	Air/Air Mist/Aerated Water/Water (as hole conditions warrant). Displace hole to 10 ppg brine mud prior to logging.	8.4 ppg or less

Mesaverde wells:

<u>Interval</u>	<u>Type</u>	<u>Mud Weight</u>
0'-TD	Air/Air Mist/Aerated Water/Water (as hole conditions warrant). Depending on hole conditions, the hole will be displaced to either 10 ppg brine or drilling mud prior to logging. If hole conditions warrant, a mud system will be used.	8.4 ppg or less

- b. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- c. 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, testing, or completing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

6. Evaluation Program:a. Logging Program:

DLL/CALIPER:	TD to base of surface casing.
FDC/CNL/GR:	TD - 2,500'
Drill Stem Tests:	As deemed necessary.
Cores:	As deemed necessary.

When cement has not been circulated to surface, the cement top will be determined by either a temperature survey or cement bond log. Should a temperature survey fail to locate the cement top, a cement bond log will be run. A field copy will be submitted to the Vernal BLM office.

The Evaluation Program may change at the discretion of the well site geologist with approval by the Authorized Officer.

When utilized, mud or Lithology logs will be submitted to the Vernal BLM Office.

Drill stem tests, if they are run, will adhere to the following requirements:

Initial opening of the drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the Authorized Officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the Authorized Officer. Closed chamber DST's may be performed day or night.

Some means of reverse circulation shall be provided in case of flow to the surface showing evidence of hydrocarbons.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

If a drill stem test is performed, all engines within 100 feet of the wellbore that are required to be operational during the test shall have spark arresters or water-cooled exhausts.

Daily drilling reports shall be submitted to the Vernal District BLM office after drilling operations are completed for each well, and daily completion records shall be submitted with the completion report for each well.

- b. Whether the well is completed as a dry hole or a producer, the "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. One copy of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer.

7. **Abnormal Conditions:**

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered or is known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure will approximately equal total depth in feet multiplied by a 0.4 psi/foot gradient, and maximum anticipated surface pressure will be approximately equal to bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot. These pressures will be expressed in psi in each site specific APD.

8. Anticipated Starting Dates and Notification of Operations:**a. Drilling Activity**

Anticipated Commencement Date: Upon approval of the site specific APD.
Drilling Days: Approximately 10 days.
Completion Days: Approximately 7 days.

b. Notification of Operations

The Vernal District BLM office will be notified at least 24 hours prior to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blowout preventer and related equipment, and running casing and cementing of all casing strings. Notification will be made during regular work hours (7:45 a.m.-4:30 p.m., Monday - Friday except holidays).

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

A completion rig will be used for completion operations. All conditions of this approved plan will be applicable during all operations conducted with the completion rig.

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.

Operator shall report production data to the MMS pursuant to 30 CFR 216.5 using form MMS/3160. In accordance with Onshore Oil and Gas Order No.1, a well will be reported on form 3160-6, "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office.

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 occurs first; 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 measured through permanent metering facilities, whichever occurs first.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by written communication not later than 5 days following the date when the well is placed on production.

Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method must be submitted to the District Engineer.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not to exceed 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram, as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the District Office within 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).

Well abandonment operations shall not be commenced without the prior approval of the Authorized Officer. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer. A "Subsequent Report of Abandonment," Form 3160-5, will be filed with the Authorized Officer within 30 days following completion of the well for abandonment. This report will indicate placement of the plugs and current status of the 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 Authorized Officer or his representative, or the appropriate surface managing agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with the State and local laws, to the extent to which they are applicable, to operations on Federal or Indian lands.

9. Variances

The Operator requests approval to perform drilling operations without an automatic ignitor because drilling will be performed with an air/mist medium.

The Operator requests that the requirement for a deduster be waived if a mist system is utilized.

The Operator requests a variance from a straight-run blooie line.

10. 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 Authorized Officer.

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 following initial installation and at least quarterly thereafter. The Authorized Officer 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.

Deviations from the proposed drilling and/or workover program shall be approved by the Authorized Officer. 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, 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."

APD approval is valid for a period of one 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 approval or notification is necessary, one of the following individuals will be contacted:

Wayne Bankert (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

Jerry Kenczka (801) 789-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

COASTAL OIL & GAS CORPORATION
NATURAL BUTTES UNIT
Uintah County, Utah
STANDARD OPERATING PROCEDURES

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

The location of a particular well location will be shown on maps and described in the site specific APD.

Improvements to existing access roads will be noted in the site specific APD.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. **Planned Access Roads:**

Descriptions of the access road will be included in site specific APD.

New access roads on BLM surface will be crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely. On Ute Tribal, private, and/or state surface, access roads will be constructed according to the surface owner's specifications. These specifications or ROWs will be attached to the APD. Where deep cuts are required for road construction, or where intersections or sharp curves occur, or when approval is issued by the Authorized Officer, the road may be wider than 18 feet to accommodate larger equipment. Appropriate water control will be installed to control erosion.

Unless specified in the site specific APD, the following specifications will apply:

- No pipelines will be crossed with the new construction.
- The maximum grade will be less than 8%.
- There will be no turnouts.
- There will be no major cut and fills, culverts, or bridges. If it becomes necessary to install a culvert at some time after approval of the APD, the BLM will be notified of the installation via sundry.
- The access road will be centerline flagged during time of staking.
- There will be no gates, cattle guards, fence cuts, or modifications to existing facilities.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

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

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing and will be maintained according to original construction standards. The access road right-of-way will be kept free of trash during operations. All traffic will be confined to the approved right-of-way. 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. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow should be pushed outside of the burrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells Within a 1-Mile Radius:

A map will be provided with the site specific APD showing the location of existing wells within a one mile radius.

4. Location of Existing and Proposed Facilities:

The following guidelines will apply if the well is productive.

- A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut. The specific APD will address additional capacity if such is needed due to environmental concerns. (The use of topsoil for the construction of dikes will not be allowed.)
- All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Desert Brown, Munsell standard color number 10 YR 6/3.
- A description of the proposed pipeline and a map will be included with the site specific APD.

5. Location and Type of Water Supply:

Unless otherwise specified in the site specific APD, water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Section 32-T4S-R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on maps included with the site specific APD.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

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

No construction materials will be removed from Federal/Indian lands without prior approval from the appropriate surface management agency.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

If it is determined at the onsite inspection that a pit liner is necessary, the reserve pit will be lined with a synthetic reinforced liner a minimum of 10 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. Trash or scrap that could puncture the liner will not be disposed of in the pit.

Reserve pit leaks are considered an undesirable event and will be orally reported to the Authorized Officer.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order # 7, an application for approval of a permanent disposal method and location will be submitted for the Authorized Officer's approval.

On BIA administered lands, production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites. Produced water, oil, and other byproducts will not be applied to roads or well pads for control of dust or weeds. The indiscriminate dumping of produced fluids on roads, well sites, or other areas will not be allowed.

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

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of wells within the NBU. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within the NBU. Specific APDs shall address any modifications from this policy.

8. **Ancillary Facilities:**

Coastal proposes to use the NBU #25 location as a camp to be used by drilling personnel. This camp was approved by Sundry Notice by the Vernal District BLM office on 3/18/97.

9. **Well Site Layout:**

A Location Layout Diagram describing drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s) will be included with the site specific APD.

The diagram will describe rig orientation, parking areas, and access roads, as well as the location of the following:

- The reserve pit.
- The stockpiled topsoil (first six inches), which shall not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with the topsoil.
- The flare pit, which will be located downwind from the prevailing wind direction.
- Access road.

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

- 39 inch net wire will 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.
- The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.
- Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.
- All wire shall be stretched using a stretching device before it is attached to corner posts.
- The reserve pit fencing will be on two sides during drilling operations, and on the third fourth sides when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. Plans for Reclamation of the Surface:

Producing Location:

- Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.
- If a synthetic, nylon reinforced, liner is used, the excess liner will be cut off and removed and the remaining liner will be torn and perforated while backfilling the reserve pit. Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled.
- Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- 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 120 days from the date of well completion, weather permitting. This will be completed by backfilling and crowning the pit to prevent water from standing.

Dry Hole/Abandoned Location:

- On lands administered by the BLM, abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these

conditions may include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and the re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

The Authorized Officer of the appropriate surface management agency shall be contacted for the required seed mixture. Seed will be drilled on the contour to an appropriate depth.

11. Surface Ownership:

The ownership of the access roads will be specified on the site specific APD.

The ownership of well pad will be specified on the site specific APD.

12. Other Information:

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 to the field representative to ensure compliance.

The Operator will control noxious weeds along right-of-ways 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 be submitted and approved prior to the application of herbicides or other pesticides or possibly hazardous chemicals.

Drilling rigs and/or equipment used during drilling operations on this location will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. If BLM authorization is obtained, such storage is only a temporary measure.

Unless previously conducted, a Class III archeological survey will be conducted on all Federal and/or Tribal lands. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Operator is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. 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 and the Ute Tribe Energy and Mineral Department. Within five working days, the Authorized Officer will inform the Operator as to:

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

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

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

On surface administered by the BIA, all Surface Use Conditions of Approval associated with the BIA Concurrence letter and Environmental Analysis Mitigation Stipulations will be adhered to, including:

- Any/all contractors used by Coastal Oil & Gas Corporation will have acquired a Tribal Business License and have access permits prior to construction.
- If the surface rights are owned by the Ute Indian Tribe and mineral rights are owned by another entity, an approved right-of-way will be obtained from the BIA before the Operator begins any construction activities. The BIA right-of-way application will be delivered under separate cover. If the surface is owned by another entity and the mineral rights are owned by the Ute Indian Tribe, a right-of-way will be obtained from the other entity.

Upon completion of the APD and right-of-way construction, the Ute Tribe Energy and Mineral Department will be notified so that a Tribal Technician can verify an Affidavit of Completion.

- Operator's employees, including subcontractors, will not gather firewood along roads constructed by the Operator. 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." The Operator, subcontractors, vendors and their employees or agents may not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA Forester.
- All roads constructed by the Operator on the Uinta and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the Operator, (c) that 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 Uinta 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).

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

Bonnie Carson
Senior Environmental Analyst
Coastal Oil & Gas Corporation
P.O. Box 749
Denver, CO 80201-0749
(303) 573-4476

Tom Young
Drilling Manager
Coastal Oil & Gas Corporation
9 Greenway Plaza, Suite 2770
Houston, TX 77046
(713) 877-7044

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

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

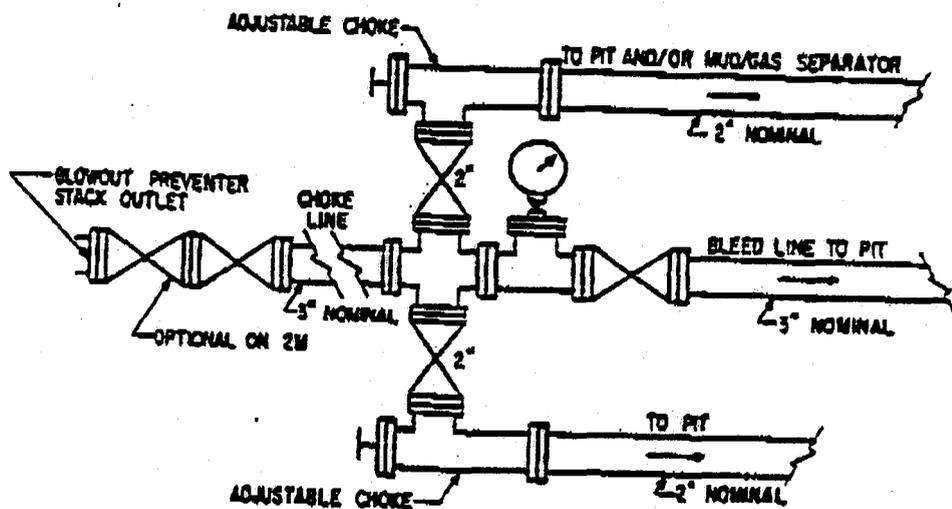
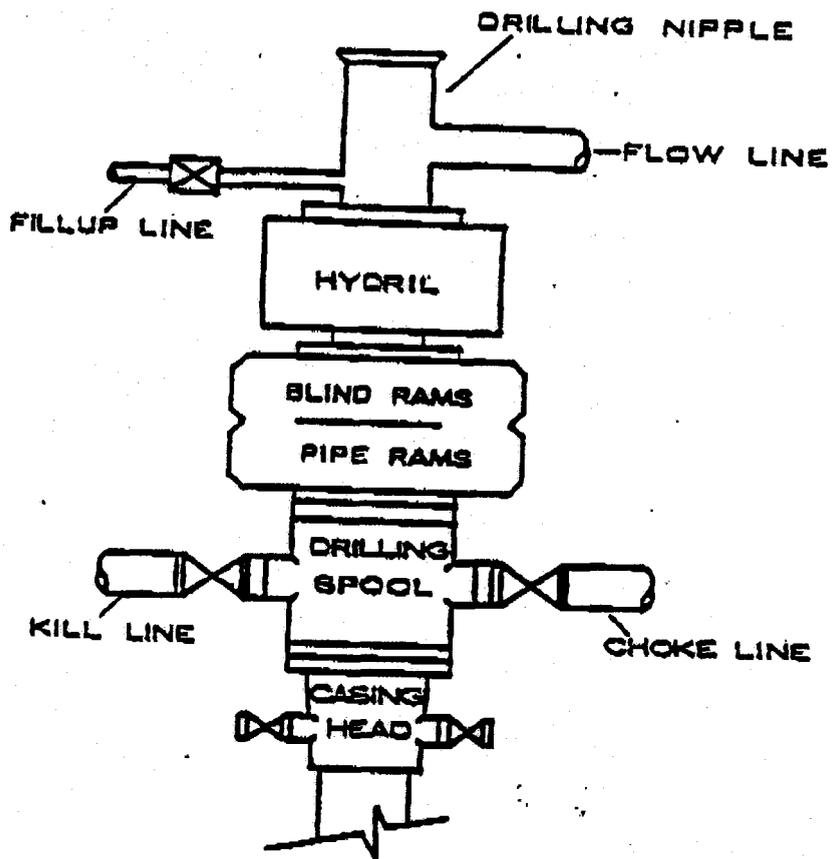
Site specific certification will be submitted with the site specific APD.


Bonnie Carson

5/29/97
Date

3,000 PSI

BOP STACK



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

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

RECEIVED
AUG 11 1997

1. Type of Well
 Oil Well Gas Well Other Natural Buttes Field

2. Name of Operator
 Coastal Oil & Gas Corporation

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

4. Location of Well (Poolage, Sec., T., R., M., Or Survey Description)
 Future wells in Natural Buttes Unit

5. Lease Designation and Serial No.
 Various

6. If Indian, Alottee or Tribe Name
 Utc Tribe

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

8. Well Name and No.
 To be determined

9. API Well No.
 To be determined

10. Field and Pool, Or Exploratory Area
 Natural Buttes

11. County or Parish, State
 Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Standard Operating Procedure Amendment</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

The Operator requests permission to amend the Standard Operating Procedure currently in use for newly drilled wells in the Natural Buttes Unit with the additions/changes described in the attachment.

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

Signed Bonnie Carson Title Senior Environmental Analyst Date 08/07/97

(This space for Federal or State office use)

APPROVED BY Bernard H. Johnson Title ACTING Assistant Field Manager Mineral Resources Date AUG 19 1997

Conditions of approval, if any:

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

*See Instruction on Reverse Side

OPERATOR

The following revisions/additions refer to the Surface Use portion of the Natural Buttes SOP. The revisions/additions are printed in bold.

4. **Location of Existing and Proposed Facilities:**

The following guidelines will apply if the well is productive.

- All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, Munsell standard color number 2.5Y 6/2.
- A description of the proposed pipeline and a map will be included with the site specific APD. Pipelines will be constructed of 4" OD steel. Pipeline segments will be welded together on disturbed areas in or near the location (whenever possible), and dragged into place.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
BLL, SAB, TUM, RUL

Budget Bureau No. 1004-0135

Expires: March 31, 1993

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

5. Lease Designation and Serial No.
Various

6. If Indian, Alottee or Tribe Name
Ute Tribe

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

8. Well Name and No.
To be determined

9. API Well No.
To be determined

10. Field and Pool, Or Exploratory Area
Natural Buttes

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other Natural Buttes Field

2. Name of Operator
Coastal Oil & Gas Corporation

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

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)
Future wells in Natural Buttes Unit

RECEIVED
SEP 02 1997

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Standard Operating Procedure Amendment</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

The Operator requests permission to amend the Standard Operating Procedure currently in use for newly drilled wells in the Natural Buttes Unit with the additions/changes described in the attachment.

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

Signed Bonnie Carson Title Senior Environmental Analyst Date 08/29/97

(This space for Federal or State office use)

APPROVED BY [Signature] Title Assistant Field Manager Date SEP 22 1997

Conditions of approval, if any:

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

*See Instruction on Reverse Side

OPERATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

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

2. NAME OF OPERATOR
 Coastal Oil & Gas Corporation

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 749, Denver, CO 80201-0749 (303) 573-4455

4. LOCATION OF WELL (Report location clearly and in accordance with any State or Federal requirements)
 At surface
 271' FNL & 1151' FWL
 At proposed prod. zone
 83 351

5. LEASE DESIGNATION AND SERIAL NO.
 U-0576

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 Ute Tribe

7. UNIT AGREEMENT NAME
 Natural Buttes Unit

8. FARM OR LEASE NAME, WELL NO.
 NBU 300

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
 Natural Buttes Field

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

12. COUNTY OR PARISH
 Uintah

13. STATE
 Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 46.85 miles southeast of Vernal, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 271'

16. NO. OF ACRES IN LEASE
 1480

17. NO. OF ACRES ASSIGNED TO THIS WELL
 N/A

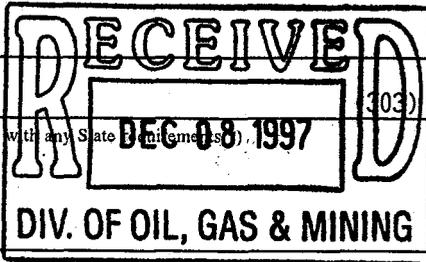
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 See Topo Map C

19. PROPOSED DEPTH
 6800'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 Ungraded GR - 4841.1'

22. APPROX. DATE WORK WILL START*
 Upon Approval



23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
See attached				
Drilling Program				

Coastal Oil & Gas Corporation proposes to drill a well to the proposed TD as stated above. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See the attached Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided for by: State of Utah Bond #102103, BLM Nationwide Bond #U605382-9, and BIA Nationwide Bond #114066-A.

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 Sheila Bremer TITLE Environmental & Safety Analyst DATE 12/4/97

(This space for Federal or State office use)

PERMIT NO. 43-047-33023 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: **Federal Approval of this Action is Necessary**

APPROVED BY Bradley G. Hill TITLE RECLAMATION SPECIALIST III DATE 5/12/98

*See Instructions On Reverse Side

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

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

Set Stone
5/8" Rebar,
Utah County
Cap

N89°57'47"E 2644.42' (Meas.)

N89°51'39"E 2640.61' (Meas.)

1151'

NBU #300

Elev. Ungraded Ground = 4841'

Pile of Stones,
Utah County
Alum. Cap on
5/8" Rebar

Corner Re-established
by Double Proportion
Method (Not Set on
Ground)

2668.45' (Measured)

N00°03'W - G.L.O. (Basis of Bearings)

Marked Stone
(Not Set), 5/8"
Rebar, Utah
County Cap

21

Set Marked Stone

N00°00'19"W 2645.24' (Meas.)

N00°02'W (G.L.O.)

N00°03'W (G.L.O.)

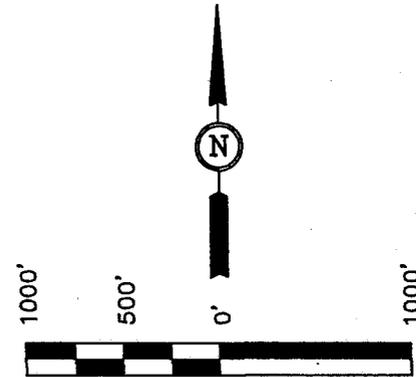
N89°58'W - 80.04 (G.L.O.)

COASTAL OIL & GAS CORP.

Well location, NBU #300, located as shown in the NW 1/4 NW 1/4 of Section 21, T9S, R21E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

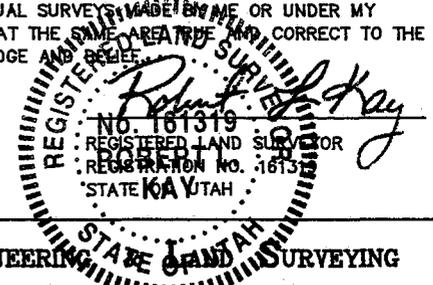
SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 21, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4867 FEET.



SCALE

CERTIFICATE

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



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

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = RE-ESTABLISHED BY DOUBLE PROPORTION METHOD. (Not Set on Ground)

SCALE 1" = 1000'	DATE SURVEYED: 4-22-97	DATE DRAWN: 5-21-97
PARTY L.D.T. C.E. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COASTAL OIL & GAS CORP.	

**NBU 300
271' FNL & 1151' FWL
NW/NW, SECTION 21-T9S-R21E
UINTAH COUNTY, UTAH
LEASE NUMBER: U-0576**

**ONSHORE ORDER NO. 1
COASTAL OIL & GAS CORPORATION**

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

Formation	Depth
Duchesne River/Uinta	Surface
Green River	1,776'
Wasatch	5,076'
Total Depth	6,800'

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

Substance	Formation	Depth
Oil/Gas	Green River	1,776'
	Wasatch	5,076'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure approximately equals 2,720 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,224 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates & Notification of Operations:

Please see the Natural Buttes Unit SOP.

9. Variances:

Please see the Natural Buttes Unit SOP.

10. Other Information:

Please see the Natural Buttes Unit SOP.

**NBU 300
271' FNL & 1151' FWL
NW/NW, SECTION 21-T9S-R21E
UINTAH COUNTY, UTAH
LEASE NUMBER: U-0576**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the NBU 300 on 11/20/97 at approximately 11:00 a.m. Weather conditions were sunny and clear with moderate temperatures at the time of the onsite. In attendance at the inspection were the following individuals:

Sheila Bremer	Coastal Oil & Gas Corporation
Paul Breshears	Coastal Oil & Gas Corporation
Greg Darlington	Bureau of Land Management
Dale Hanberg	Bureau of Indian Affairs
Alvin Ignacio	Ute Tribe
Robert Kay	Uintah Engineering & Land Surveying
Harley Jackson	Jackson Construction
Alan Justice	J-West
John Faucett	John E. Faucett Construction

1. Existing Roads:

The proposed well site is approximately 46.85 miles southeast of Vernal, Utah. Directions to the location from Vernal, Utah:

Proceed in a westerly direction from Vernal, Utah, along U.S. Highway 40 ± 14.0 miles to the junction of State Highway 88; exit left and proceed in a southerly direction ± 17.0 miles to Ouray, Utah; proceed in a southerly direction ± 6.9 miles on the Seep Ridge Road to the junction of this road and an existing road to the east; turn left and proceed in an easterly direction ± 5.0 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction ± 0.3 miles to the junction of this road and an existing road to the northeast; turn right and proceed in a northeasterly, then northerly direction ± 2.2 miles to the junction of this road and an existing road to the west; turn left and proceed in a westerly then southwesterly direction ± 1.2 miles to the junction of this road and an existing road to the south; turn left and proceed in a southerly direction ± 0.2 miles to the beginning of the proposed access road to the northwest; follow road flags in a northwesterly direction $\pm 300'$ to the proposed location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

There will be no improvements made to existing access roads.

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Refer to Topo Map D for the location of the proposed pipeline.

5. Location and Type of Water Supply:

Please see the Natural Buttes Unit SOP.

6. Source of Construction Materials:

Please see the Natural Buttes Unit SOP.

7. Methods of Handling Waste Materials:

Please see the Natural Buttes Unit SOP.

8. Ancillary Facilities:

Please see the Natural Buttes Unit SOP.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

As per the onsite discussions, a reserve pit liner will be required.

10. Plans for Reclamation of the Surface:

Please see the Natural Buttes Unit SOP.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

Bureau of Indian Affairs
Ute Ouray Agency
Ft. Duchesne, Utah 84026
(435) 722-2406

12. Other Information:

A Class III archaeological survey was conducted by Metcalf Archaeological Consultants. A copy of this report was submitted directly to the appropriate agencies by Metcalf Archaeological Consultants and is attached hereto. Cultural resource clearance was recommended for this location.

A paleontological survey was conducted by Sue Ann Bileby. A copy of this report is attached hereto.

13. Lessee's or Operators's Representative & Certification:

Sheila Bremer
Environmental & Safety Analyst
Coastal Oil & Gas Corporation
P.O. Box 749
Denver, CO 80201-0749
(303) 573-4455

Tom Young
Drilling Manager
Coastal Oil & Gas Corporation
9 Greenway Plaza, Suite 2770
Houston, TX 77046
(713) 418-4156

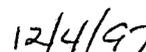
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Sheila Bremer



Date

**Coastal Oil & Gas Corporation's Proposed
NBU #300 Well Pad, Pipeline and Access
on Ute Tribal Land
Class III Cultural Resource Inventory**

Prepared by,
John M. Scott
Metcalf Archaeological Consultants, Inc.
Eagle, Colorado

DENVER DISTRICT - E & S

MAY 15 1997

3LC _____ TFS _____ SCP _____ CEL _____
SAB _____ JRN _____ MDE _____ LPS _____

XC: RJL
doly

Prepared for,
Coastal Oil & Gas Corporation
Denver, Colorado

Utah State Project #U-97-MM-0205(I)

May 1997

INTRODUCTION

The Coastal Oil & Gas Corporation (COG) requested that Metcalf Archaeological Consultants, Inc. (MAC) conduct a Class III cultural resource inventory of the Coastal Oil and Gas NBU #300 well pad, access and flow line. The area of the proposed well is entirely within a previously recorded site. MAC personnel revisited the location to evaluate and assess potential damage to the site from the construction of the NBU #300.

The proposed well pad is located in the NW/NW (271' FNL 1151' FWL) of Section 21, T.9S, R.22E, Uintah County, Utah (Figure 1). The area is known as the Natural Buttes Unit of the Ute Reservation and is administered by the Uintah and Ouray agency, Fort Duchesne, Utah. It is approximately 3 miles south of the White River and .55 miles east of Cottonwood Wash. This is a relatively rugged area of low dissected mesas, buttes and ridges with moderately incised drainages. The pad is staked in an open basin-like wash between a small, low, north to south trending ridge and against the east edge of a bench.

All field work was conducted under an access permit issued by the Energy and Minerals Division of the Ute Tribe, under Utah State BLM permit #U97-MM which expires on 25 March 1998. The site revisit was conducted on April 30, 1997 by John Scott and Dulaney Barclay. Scott and Barclay were accompanied by Ute Tribal Technician Leo Tapoof. All field notes and maps are on file at the MAC office in Eagle, Colorado.

FILES SEARCH

A files search was conducted through the Utah Division of State History and at the MAC office in Eagle. The files searches indicated that the location of the NBU #300 is within a previously recorded site (Spath 1994).

FIELD METHODS

An artifact inventory was performed by walking 10 meter (30 feet) spaced pedestrian transects only across the proposed well's area of impact. All observed artifacts were recorded and the site's form updated.

RESULTS

The location where the NBU #300 well is proposed to be built is a deflated and degraded, open wash with no soil deposition.

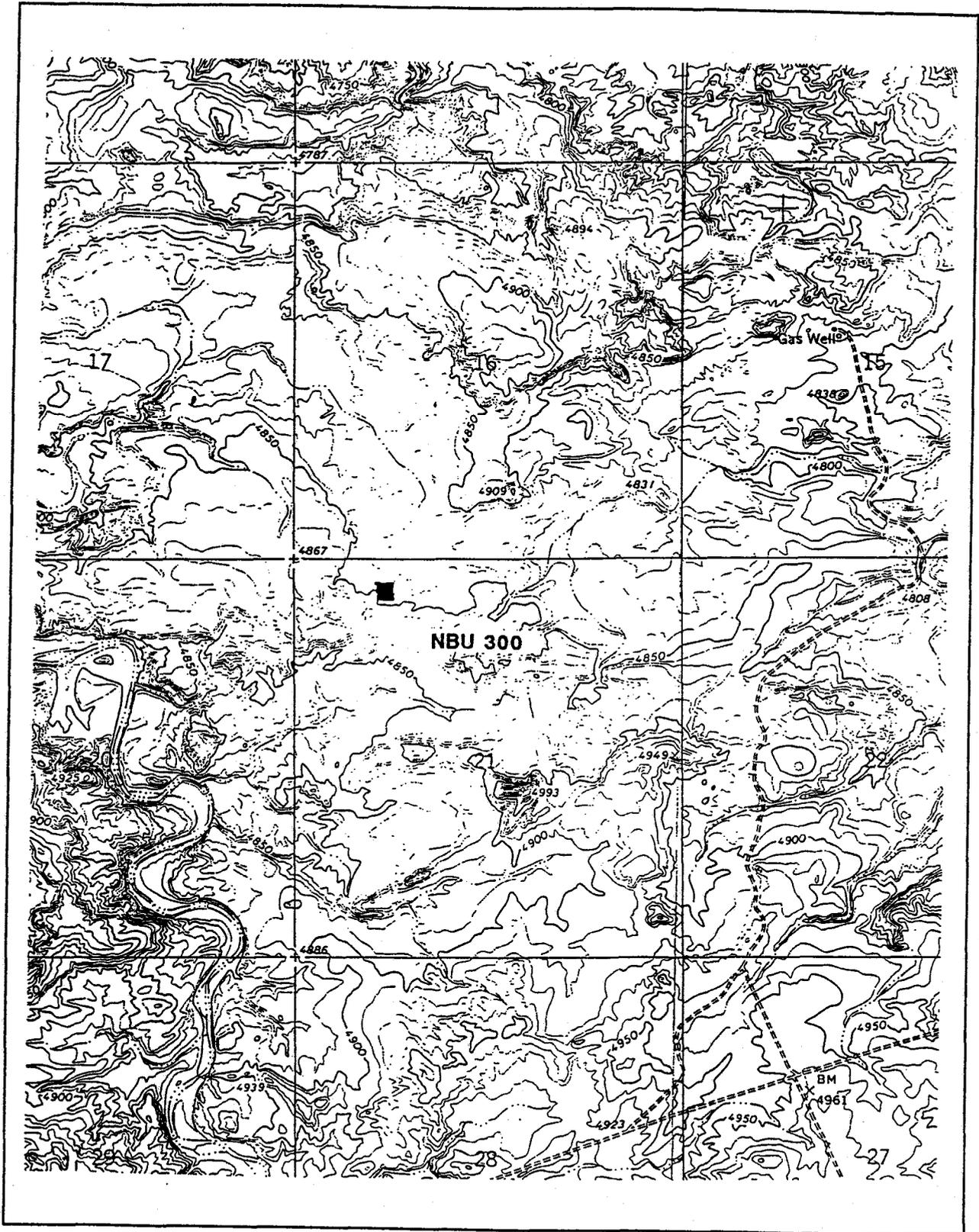


Figure 1: Location of Coastal Oil & Gas Corporation's proposed NBU #300 well pad, T9S, R21E Section 21, Uintah County, Utah (USGS Ouray SE, 7.5', 1964)

RECOMMENDATIONS

Cultural resource clearance is recommended for the NBU #300 well project as staked at the time of this cultural resource inventory. **This recommendation is subject to approval by the Uintah and Ouray Cultural Rights and Protection Department.**

REFERENCES CITED

Hintze, Lehi F.

1980 *Geologic Map of Utah*. Utah Geological and Mineral Survey, Salt Lake City. UT

Spath, Carl

1994 *Reliable Exploration's Coastal Oil and Gas 3D Prospect on the Uintah Ouray Ute Reservation, T92, R21E, Sections 4-9, 16-21, and 28-30, Uintah County, Utah, Class III Cultural Resource Inventory*. Manuscript on file, MAC office, Eagle CO.

PALEONTOLOGICAL FIELD SURVEY REPORT

COASTAL OIL & GAS CORPORATION

WELL SITE NBU #300

SECTION 21, TOWNSHIP 9 SOUTH, RANGE 21 EAST

UINTAH COUNTY, UTAH

November 28, 1997

BY

**SUE ANN BILBEY, PH.D.
GEOLOGIST AND PALEONTOLOGIST
UINTA PALEONTOLOGICAL ASSOCIATES
446 SOUTH 100 WEST
VERNAL, UTAH 84078
801-789-1033**

DENVER DISTRICT - E & S

DEC 4 1997

TFS SCP CEL
MDE LPS
JRN
cc: JRG
RNL

INTRODUCTION

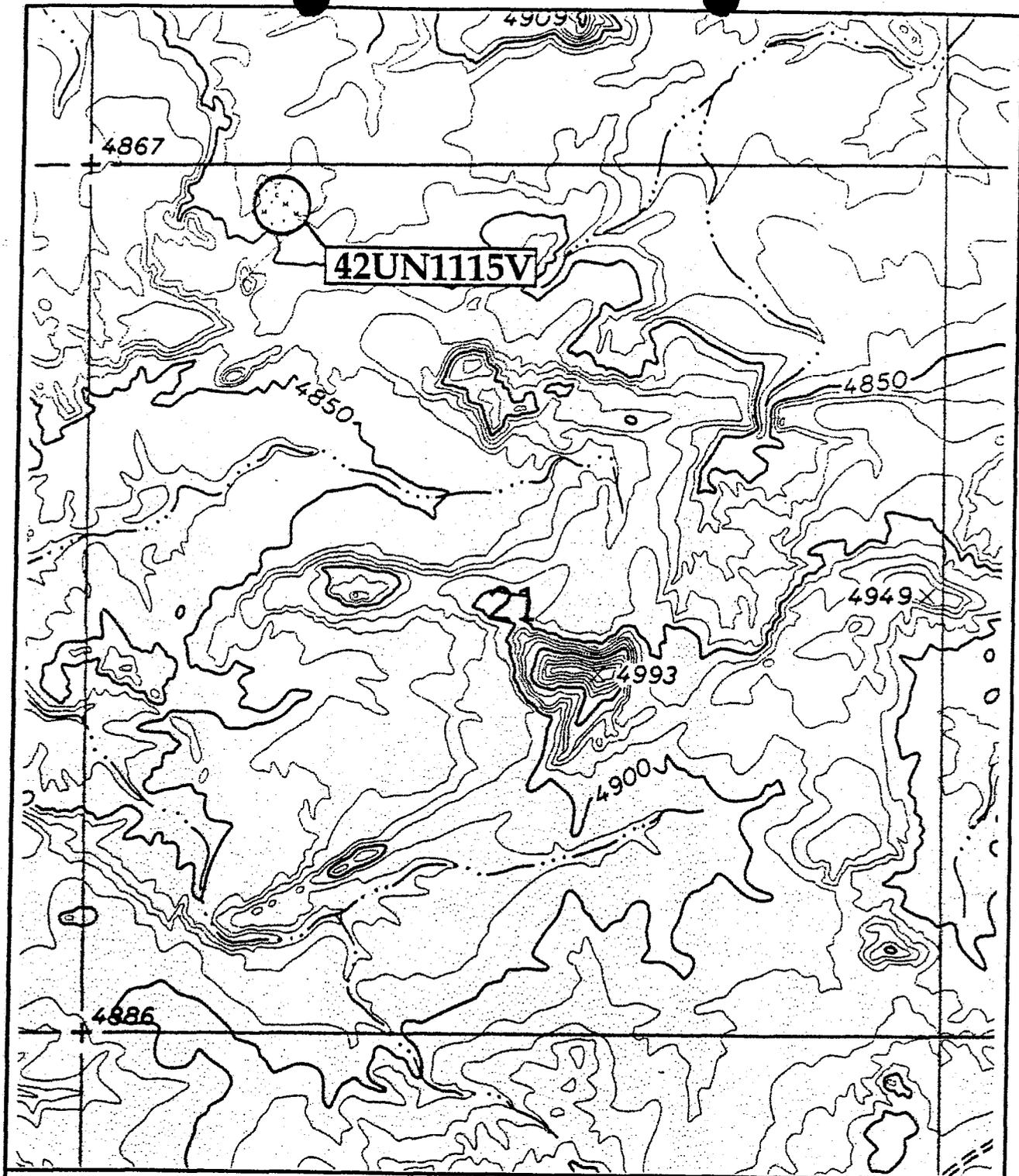
In late November, I was contacted by Bonnie Carson of Coastal Oil & Gas Corporation to do a paleontological field survey for well site NBU #300 in Section 21, Township 9 South, Range 21 East on Ute Tribal Lands in Uintah County, Utah. As part of a larger areal survey, I have contacted Blaine Phillips, Archaeologist at the Bureau of Land Management in Vernal, Utah and Martha Hayden at the Utah Geological Survey to obtain sensitivity information regarding the Uinta Formation in this general area.

This paleontological resource study is designed to comply with Ute Tribal regulations and federal and state legislative and construction permit requirements regarding ground disturbing activities associated with well sites and access roads. The following description in Appendix A briefly summarizes the research design for such a paleontological resource survey.

A 100% pedestrian field survey was done at well site NBU #300 in Section 21 on November 25, 1997. The access road right-of-way was also evaluated at that time. We were accompanied by Alvin Ignatio, Ute Tribal Energy and Minerals technician who had previously identified vertebrate fossils at this location.

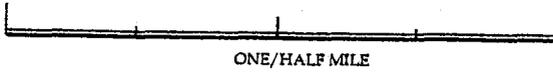
GEOLOGIC HISTORY

A major unconformity marks the end of the Cretaceous and beginning of the Tertiary Period in the eastern Uinta Basin/Mountains and northwestern Colorado (Fisher, Erdman, and Reeside, 1960). The Mesaverde Group unconformably underlies the Tertiary Late Paleocene-Early Eocene Wasatch/Colton Formation). These Tertiary rocks are very similar region-wide as heterogeneous continental deposits with inter-fingering stream channel sandstones and overbank deposits of claystone (Franczyk,



COASTAL OIL & GAS CORP.
NBU #300 Section 21
Township 9 South, Range 21 East
S.L.B.&M.
Uintah County, Utah

Scale 1:24,000



ONE/HALF MILE



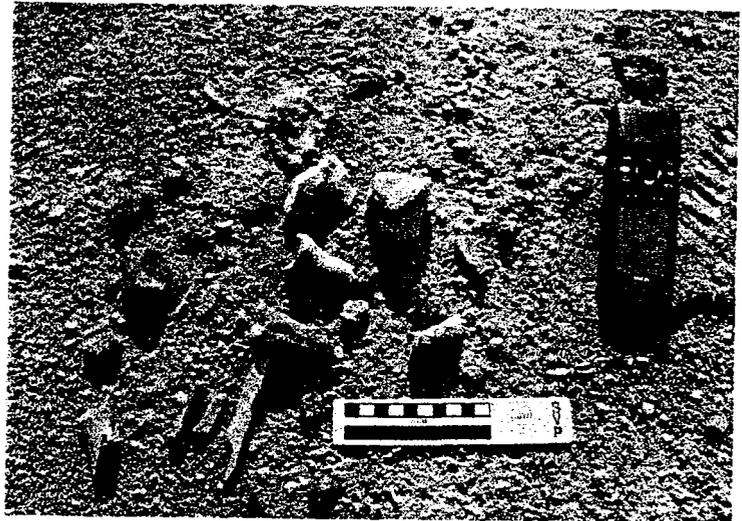
Uinta Paleontological Associates





Proposed well site for Coastal Oil showing the mammal bone sites, red dots.

Titanotherium limb bones near pit area.



Limb bones fragments of a large unidentified mammal.

Pitman, and Nichols, 1990). These rocks date from the late Paleocene and early Eocene and are known to contain a rich continental flora and fauna (Black and Dawson, 1966; Savage and Russell, 1983; Doi, 1990).

Transitional beds mark environmental changes from fluvial to lacustrine in the intermontane basins of the Intermountain West during the middle Eocene. The Green River Formation in Utah is composed of nearly 7000 feet of middle Eocene lacustrine deposits (light gray to medium greenish gray shale, oil shale, and limestone), part of a large system of lakes that covered most of northeastern Utah (Lake Uinta), western Colorado, and southern Wyoming (Bryant, et al, 1989)(Figure 11). The Green River Formation intertongues with the Wasatch Formation in the eastern Uinta Basin and those deltaic deposits are rich oil producers (Sanborn and Goodwin, 1965; Koesoemadinata, 1970). The southern and western limits of the lake are not well delineated, although coarser sediments to the east and southeast suggest that an outlet and the deepest portion of the lake lay to the southwest. This lake persisted through the Late Eocene in the central Uinta Basin and its shoreline fluctuated numerous times.

Conformably overlying and occasionally interfingering with the Green River Formation in the eastern Uinta Basin is the Uinta Formation, an alluvial unit comprised of the Wagonhound (A and B) Member and the Myton (C) Member. These are differentiated by lithologic and paleontologic components. The Wagonhound is identified as reddish gray to gray, fluvial sandstone units with interbedded overbank deposits of light gray to green claystone and mudstone that become more abundant up section (Stagner, 1942; Hamblin, 1987). Alternatively the Myton Member is recognized as variegated mudstone and claystone that weather into badland topography. Significant holotype mammalian fossils have been found in the Uinta Formation prompting paleontologists to identify the unit as the type area for the "Uintan Mammalian Age" of the Eocene Epoch (Kay, 1957).

RESULTS OF PALEONTOLOGICAL SURVEY

Coastal Well Site NBU #300 is located in the lower Uinta Formation, probably in the "A" Member. This unit is not particularly well understood paleontologically although the rest of the Uinta Formation is well known and very fossiliferous. Just north of this area in the White River Pocket are the type locations for numerous Eocene mammals, discovered by O. C. Marsh in 1870 and researched by numerous paleontologists since that time. Recent paleontological surveys are revealing that vertebrate fossils are also found in the "A" member, and may be intermediary between the better understood Bridger and upper Uinta faunas.

The rocks exposed at this site are typically Uinta fluvial channel sandstones and fine-grained overbank deposits. The dip of the beds is about 4° north. Two large sandstones underlie the south and west side of the site, one tan and the other brown. The tan sandstone is graded and is more than 3 m thick as exposed in a gully west of the site. The brown sandstone is not as well exposed, so the thickness can only be inferred as about a meter. This sandstone is primarily fine-grained. Nearby on the north side of the site badlands of interbedded green and red claystone with thin units of brown sandstone are exposed. This shows a transition from channel deposition to overbank, marshy and soil conditions.

As is frequently the case in the Uinta Formation, the vertebrate fossils at this site are closely associated with the fine grained deposits (42UN1115v). Turtles (*Echmatemys*, *Testudo*, and *Trionyx*) as well as crocodile scutes are weathering from the claystone badlands on the north side of the well site. Most of this material seems to be associated with the green claystone, suggesting overbank deposition in a swampy area. Alternatively the mammal material seems to be weathering from the brown channel sandstone that underlies most of the well site. Three isolated specimens of mammalian limb bone fragments are found on this surface. Some of the larger mammals, like *Amynodon* are thought to be river dwellers much like modern hippos. These bone fragments are similar in size to those belonging to *Amynodon* but

diagnostic characteristics are not preserved, so positive identification at this stage is not possible.

RECOMMENDATIONS

Construction of the well site will impact these fossiliferous rocks and potential for finding more complete vertebrate fossils is quite high. Therefore I recommend that a paleontological monitor be present during all ground disturbing activity. Fossils should be removed from the path of the heavy equipment and significant fossils should be collected. This will be done only with the permission of Ute tribal authorities. If no fossils are found during the early construction work, monitoring may be downgraded to spot checking. A final report will be filed at the completion of that work.

SELECTED BIBLIOGRAPHY

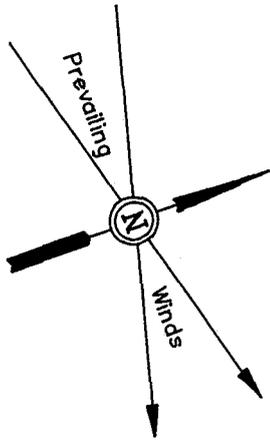
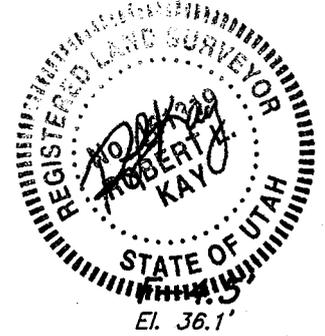
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COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR

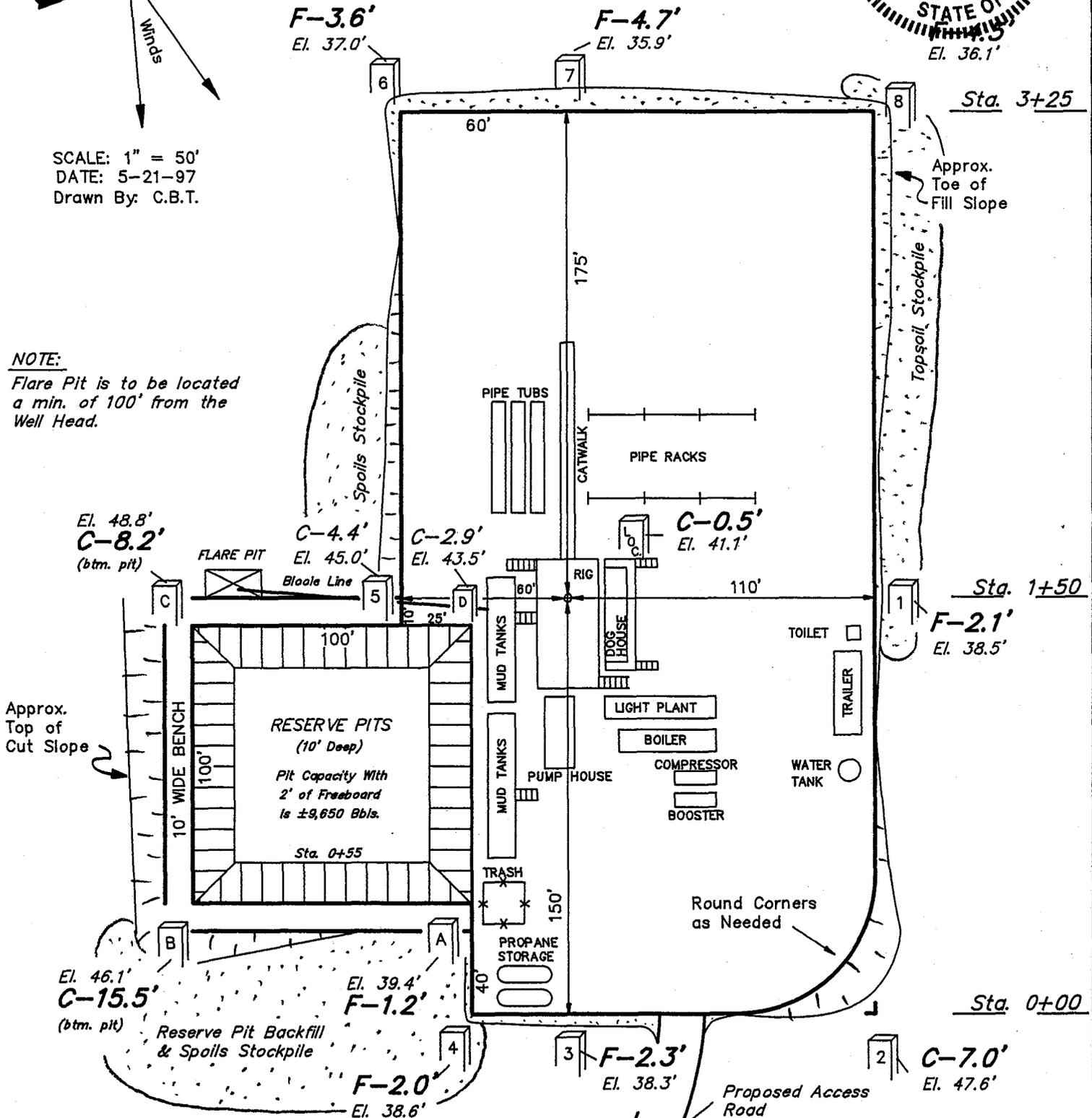
NBU #300
SECTION 21, T9S, R21E, S.L.B.&M.
271' FNL 1151' FWL



SCALE: 1" = 50'
DATE: 5-21-97
Drawn By: C.B.T.

NOTE:

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4841.1'
FINISHED GRADE ELEV. AT LOC. STAKE = 4840.6'

FIGURE #1

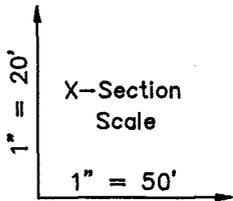
COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

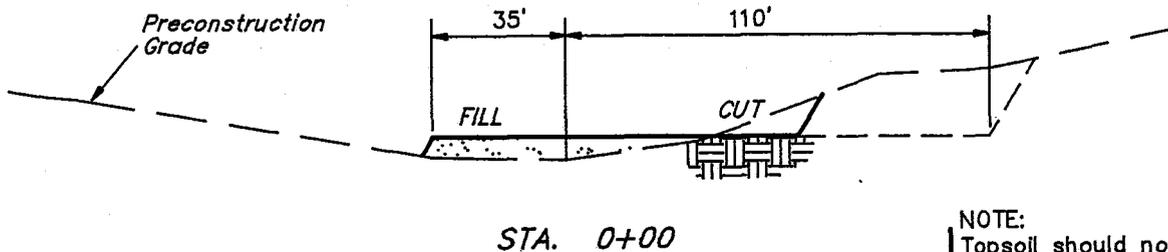
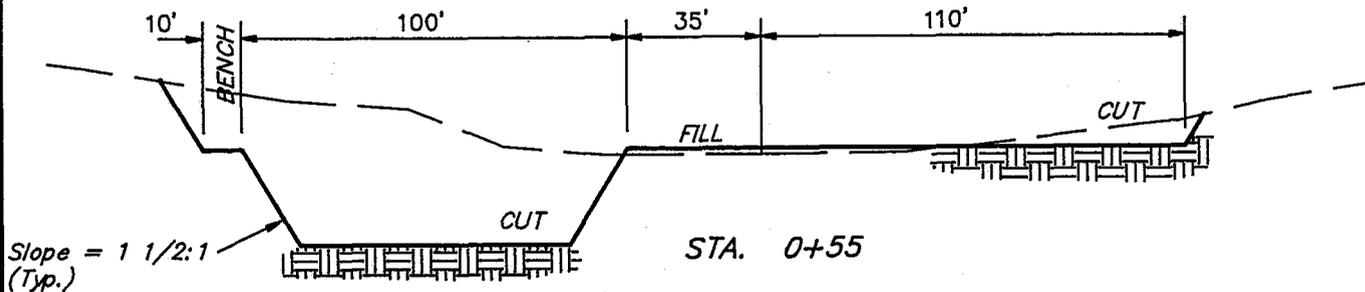
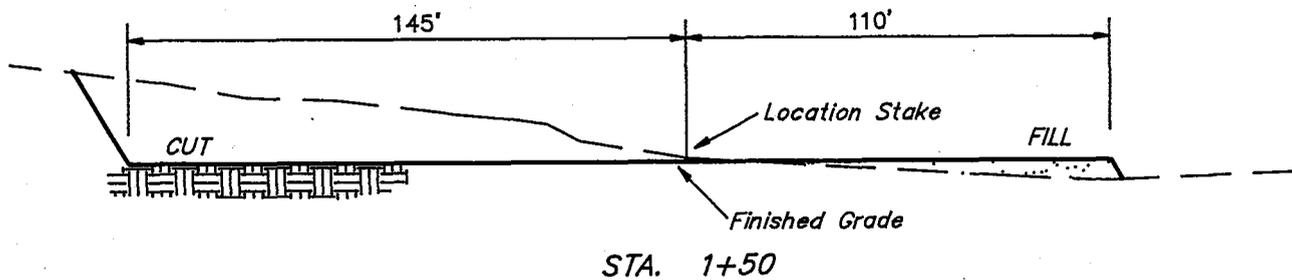
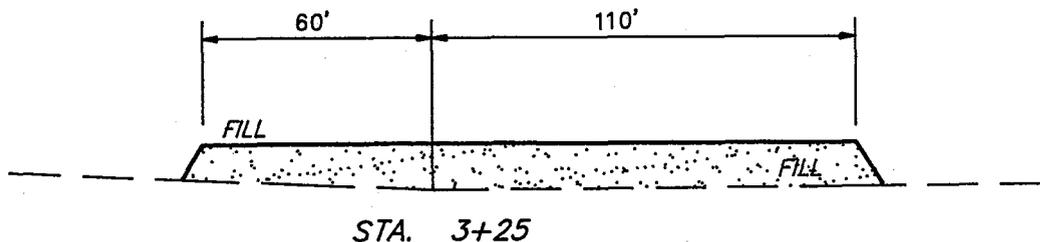
NBU #300

SECTION 21, T9S, R21E, S.L.B.&M.

271' FNL 1151' FWL



DATE: 5-21-97
Drawn By: C.B.T.



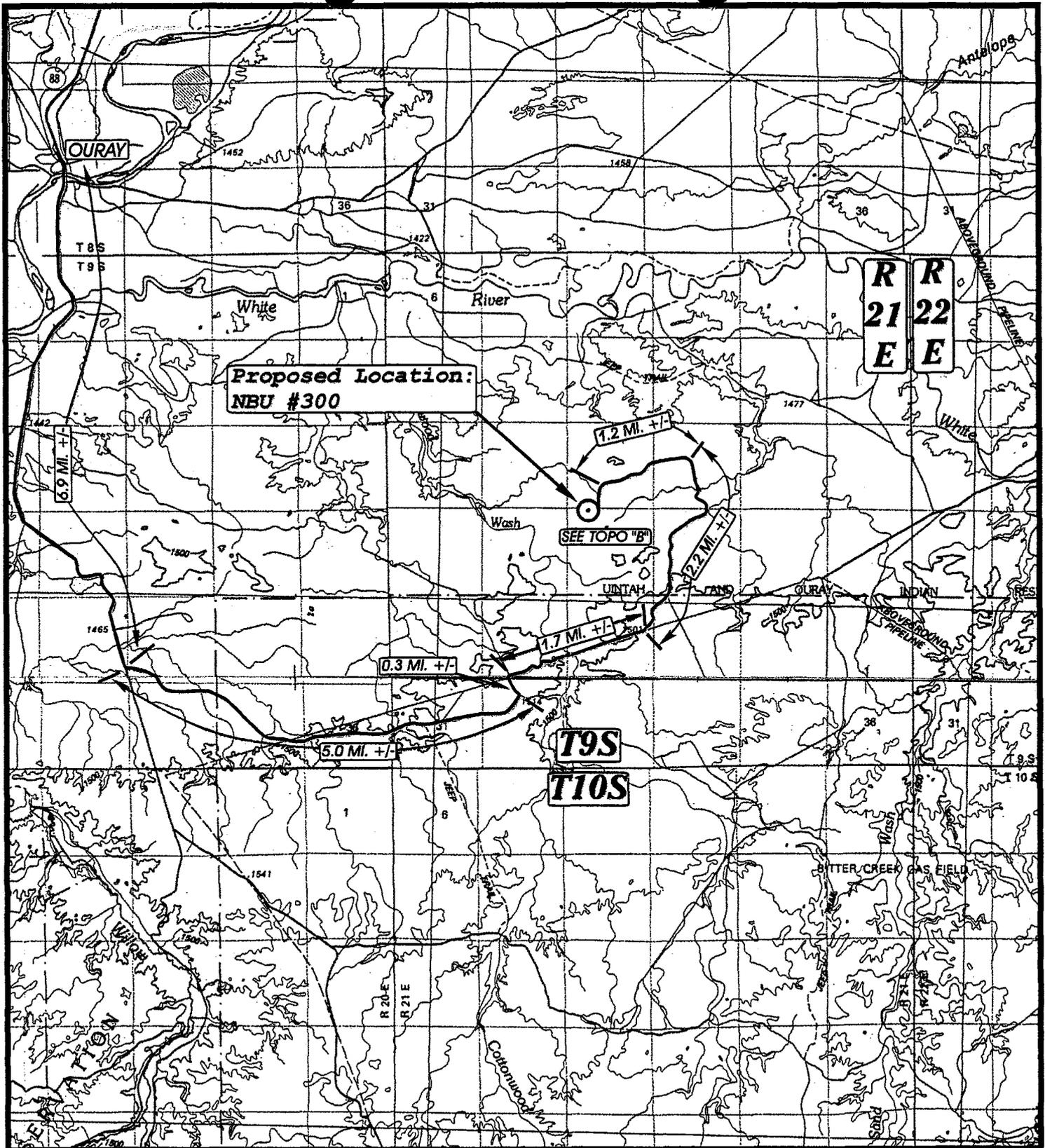
NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

FIGURE #2

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,280 Cu. Yds.
Remaining Location	= 5,770 Cu. Yds.
TOTAL CUT	= 8,050 CU.YDS.
FILL	= 3,150 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,730 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,620 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 1,110 Cu. Yds.



UE
EL
S

**TOPOGRAPHIC
MAP "A"**

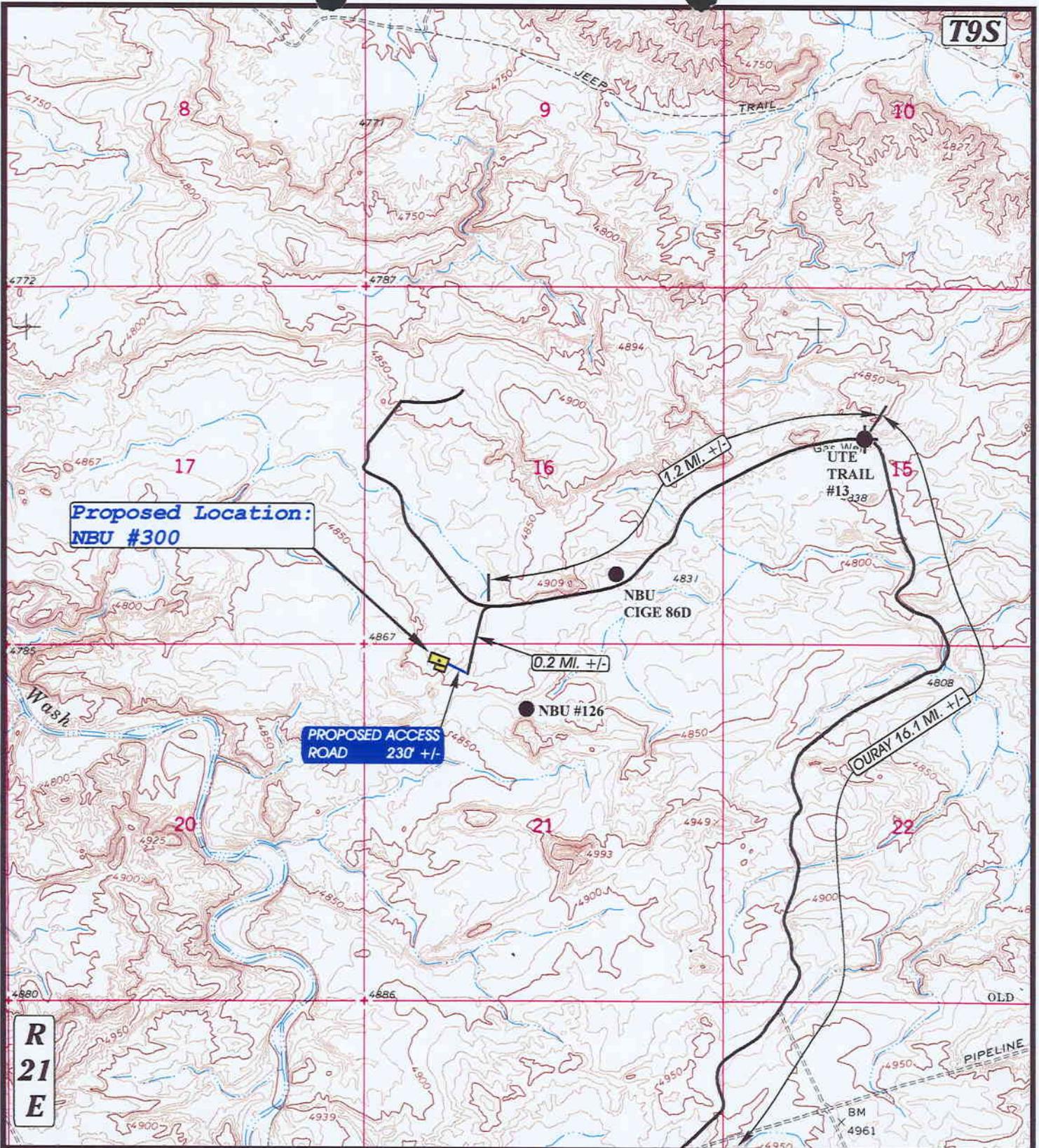
**DATE: 5-9-97
Drawn by: D. COX**



COASTAL OIL & GAS CORP.

**NBU #30
SECTION 21, T9S, R21E, S.L.B.&M.
271' FNL 1151' FEL**

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



R
21
E

**TOPOGRAPHIC
MAP "B"**

DATE: 5-9-97
Drawn by: D.COX

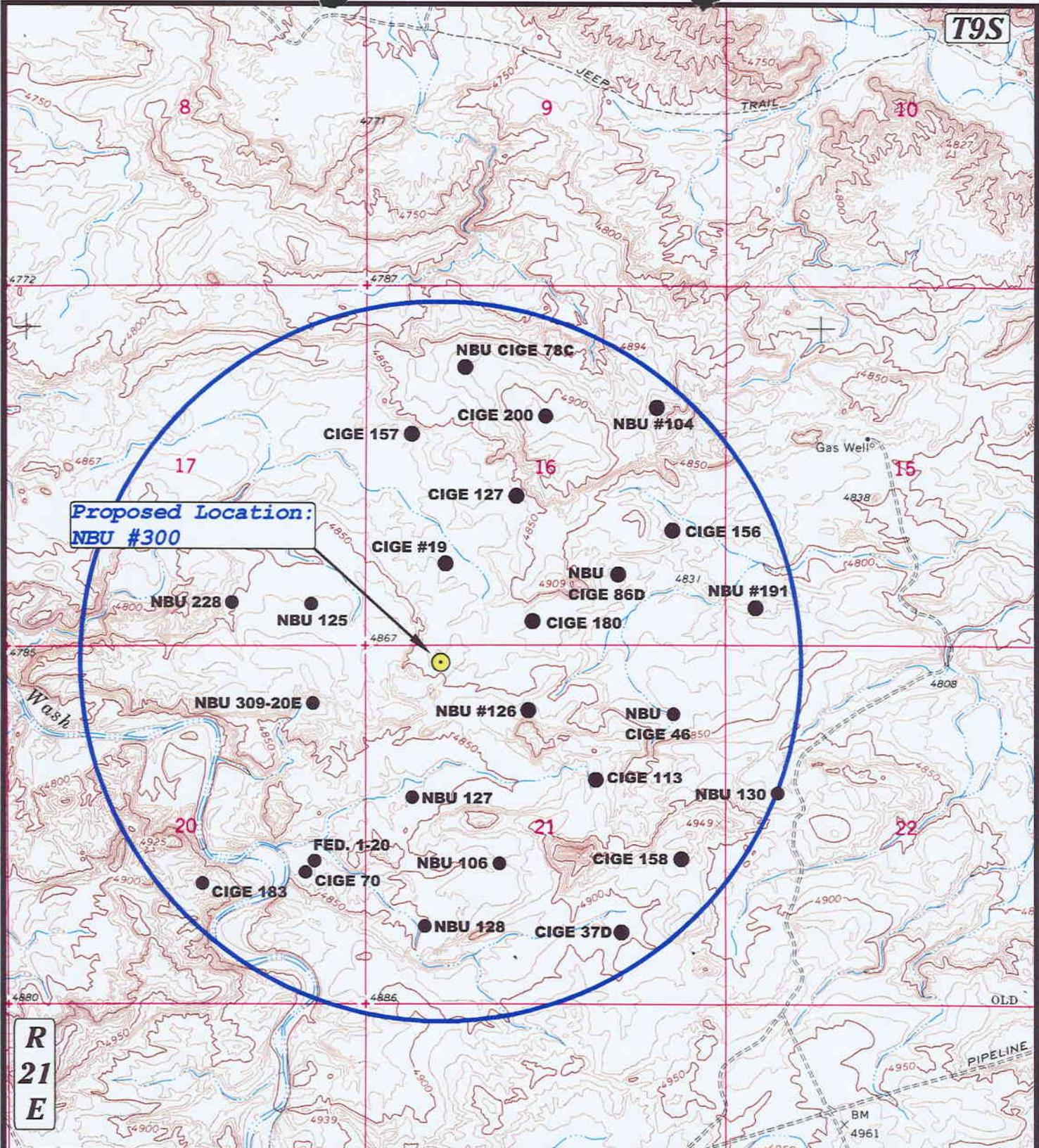
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017



SCALE: 1" = 2000'

COASTAL OIL & GAS CORP.

**NBU #300
SECTION 21, T9S, R21E, S.L.B.&M.
271' FNL 1151' FWL**



**Proposed Location:
NBU #300**

**R
21
E**

LEGEND:

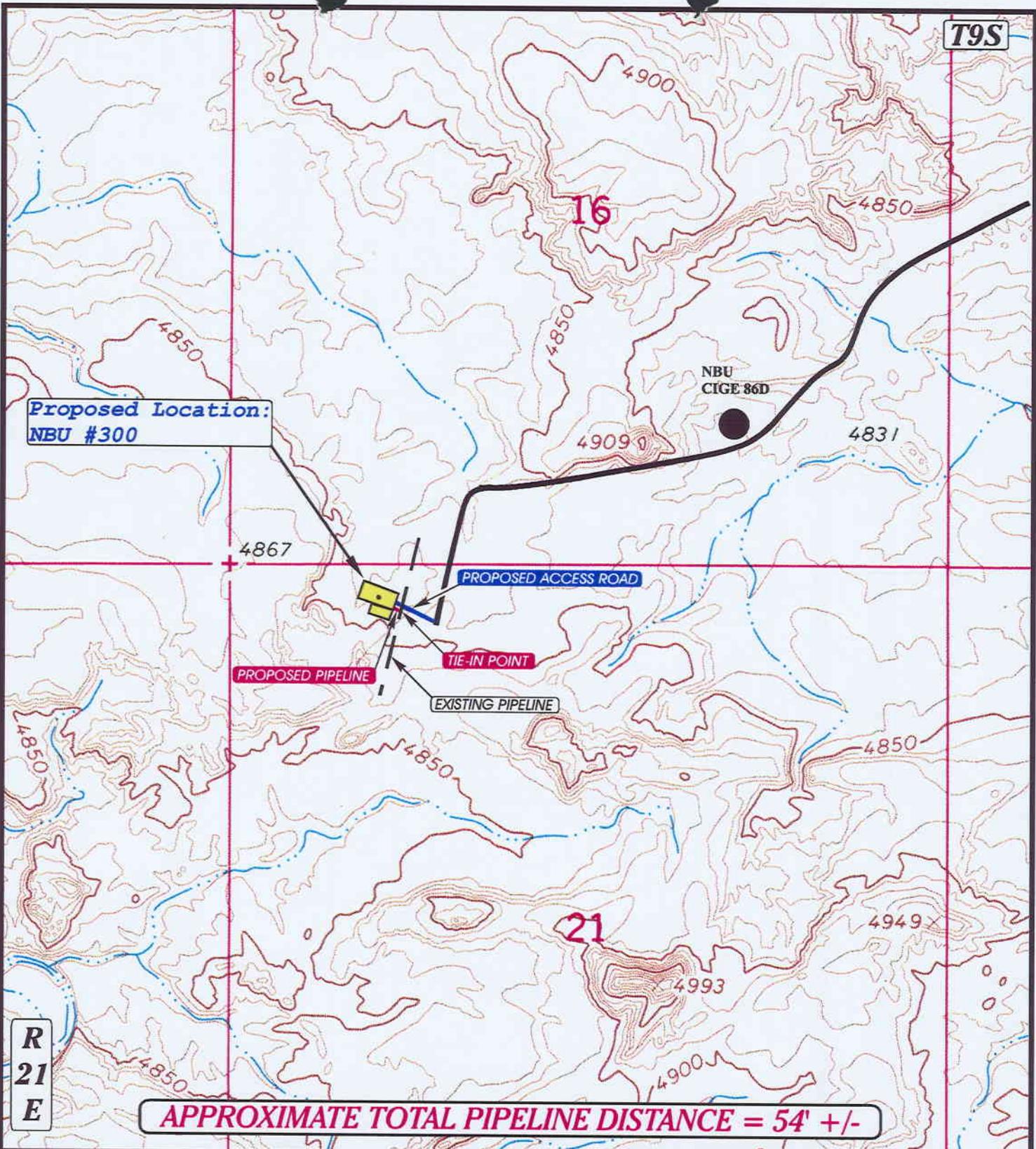
- Water Wells
- Abandoned Wells
- Temporarily Abandoned Wells
- Disposal Wells
- Drilling Wells
- Producing Wells
- Shut-in Wells



COASTAL OIL & GAS CORP.

**NBU #300
SECTION 21, T9S, R21E, S.L.B.&M.**

**DATE: 5-9-97
Drawn by: D.COX**



U E I S

**TOPOGRAPHIC
MAP "D"**

--- Existing Pipeline
- - - Proposed Pipeline

COASTAL OIL & GAS CORP.
NBU #300
SECTION 21, T9S, R21E, S.L.B.&M.

DATE: 5-9-97
Drawn by: D.COX

U E I S

UINTEH ENGINEERING & LAND SURVEYING
 85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

SCALE: 1" = 1000'

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/08/97

API NO. ASSIGNED: 43-047-33023

WELL NAME: NBU 300
OPERATOR: COASTAL OIL & GAS (N0230)

PROPOSED LOCATION:
NWNW 21 - T09S - R21E
SURFACE: 0271-FNL-1151-FWL
BOTTOM: 0271-FNL-1151-FWL
UINTAH COUNTY
NATURAL BUTTES FIELD (630)

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

LEASE TYPE: FED
LEASE NUMBER: U - 0576

PROPOSED PRODUCING FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Federal State Fee
(Number 114066-A)
- Potash (Y/N) U605382-9
- Oil shale (Y/N)
- Water permit
(Number 43-8496)
- RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

- R649-2-3. Unit: NATURAL BUTTES
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
Board Cause no: _____
Date: _____

COMMENTS:

STIPULATIONS: ① FEDERAL APPROVAL
② Oil shale stip #6



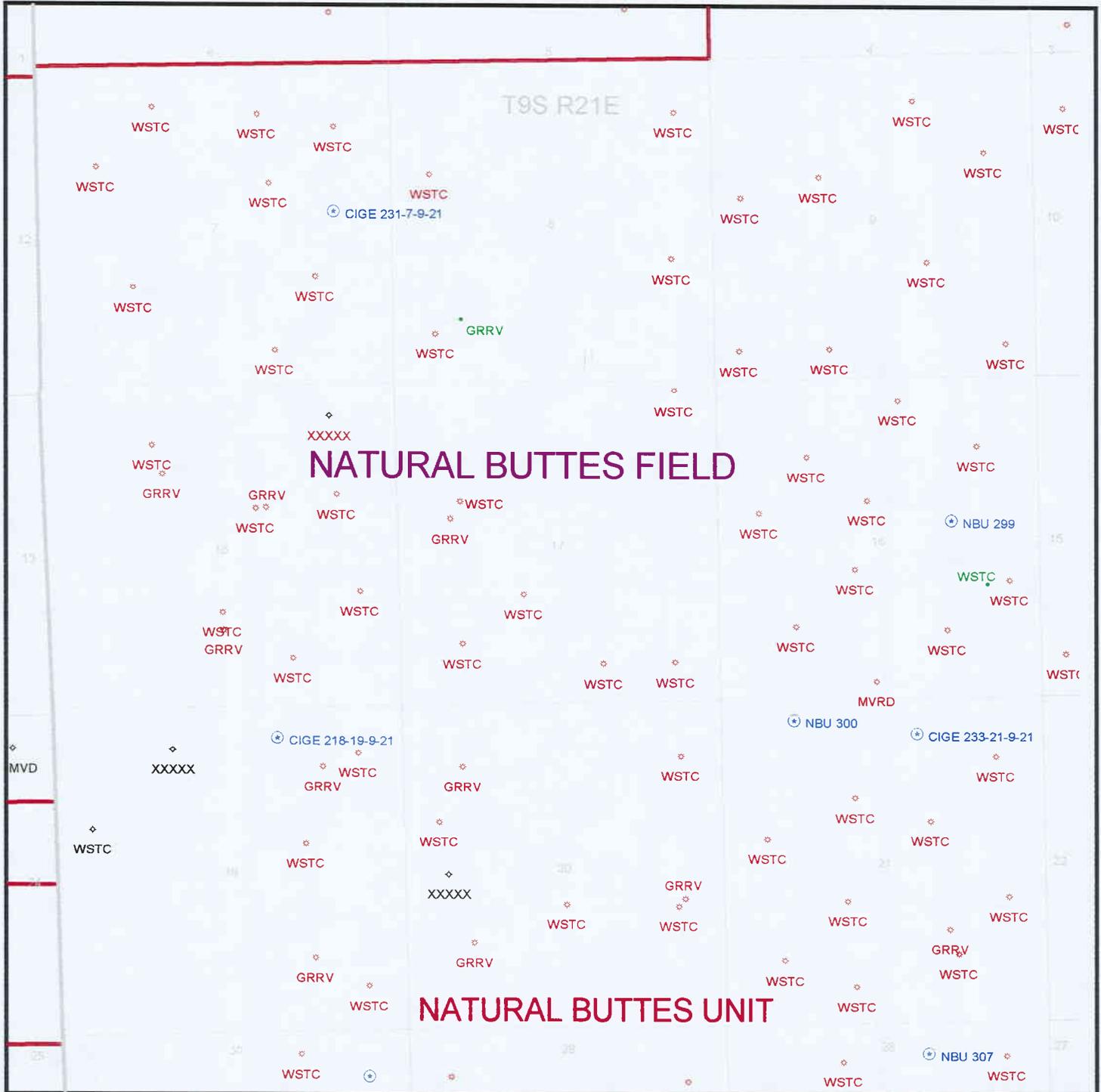
DIVISION OF OIL, GAS & MINING

OPERATOR: COASTAL OIL & GAS (N0230)

FIELD: NATURAL BUTTES (630)

SEC. TWP. RNG.: SEC. 21 & 7, T9S, R21E

COUNTY: UINTAH UAC: R649--2-3 NATURAL BUTTES



DATE PREPARED:
12-DEC-1997



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

May 12, 1998

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

Re: NBU 300 Well, 271' FNL, 1151' FWL, NW NW, Sec. 21, T. 9 S.,
R. 21 E., Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33023.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza". The signature is fluid and written in dark ink.

John R. Baza
Associate Director

lwp

Enclosures

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

Operator: Coastal Oil & Gas Corporation
Well Name & Number: NBU 300
API Number: 43-047-33023
Lease: U-0576
Location: NW NW Sec. 21 T. 9 S. R. 21 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 prior to spudding the well or commencing drilling operations. Contact Jim Thompson at (801) 538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

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.

4. State approval of this well does not supercede the required federal approval which must be obtained prior to drilling.

5. In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rule R649-3-31 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the 4½" casing is cemented over the entire oil shale section as defined by Rule R649-3-31 (approximately 2,499' to 2,603' G.L.).

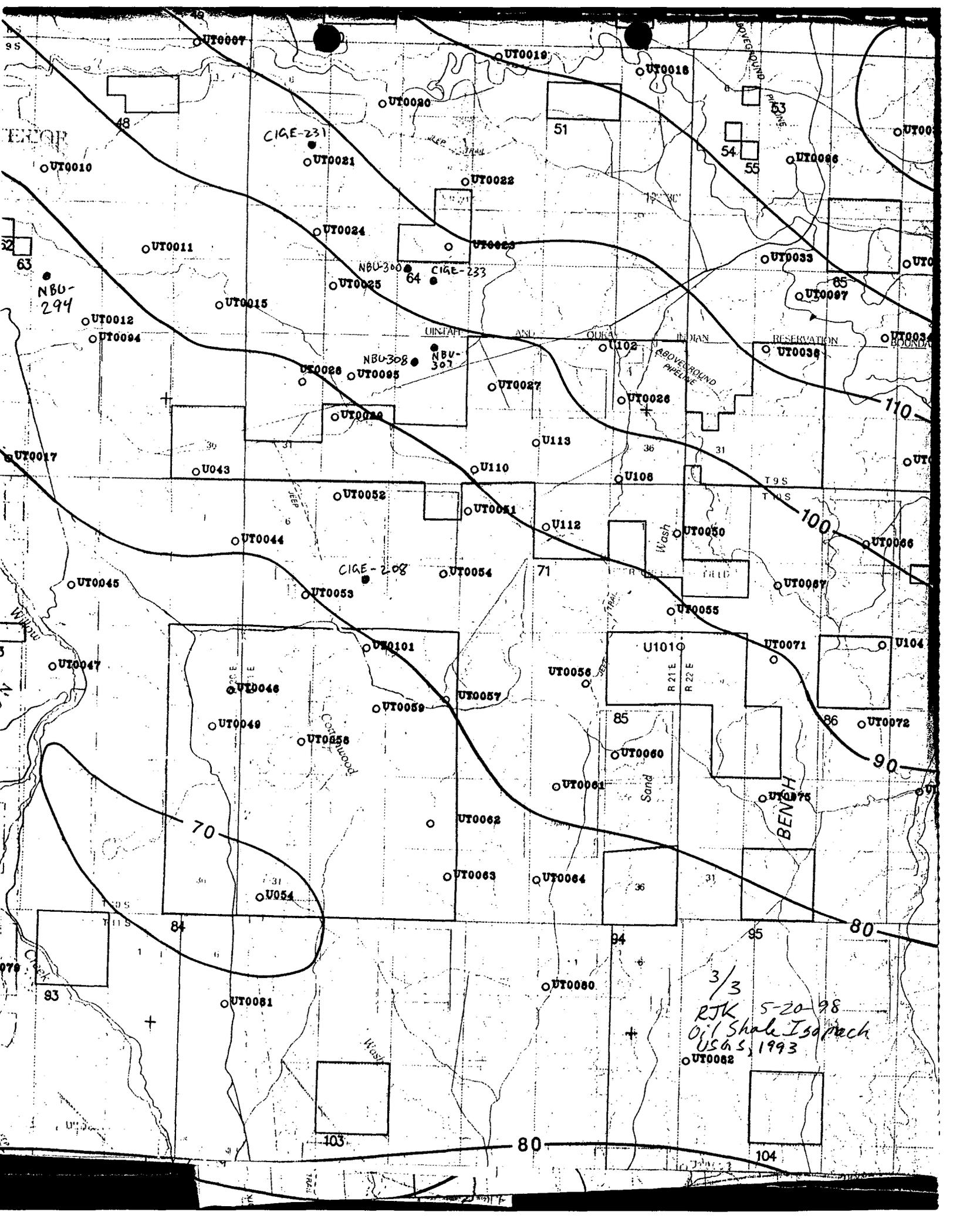
No. 5505
Engineer's Computation Pad
ALVIN

WELL	Reg'd T.O.C. AND T.O.S.* (G.L.)	THK**	REQUIRED CEMENT INTERVAL (G.L.)	
			BOS	OR TOS
CIGE-231	2,092'	108'	1,984'	to 2,092'
CIGE-233	2,421'	106'	2,315	to 2,421'
CIGE-208	3,017'	82'	2,935	to 3,017'
NBU-300	2,603'	104'	2,499	to 2,603'
NBU-307	2,588'	98'	2,490	to 2,588'
NBU-308	2,603'	96'	2,507	to 2,603'
NBU-294	2,307	88'	2,219	to 2,307'

* From USGS Mahogany Oil Shale Study Plate 2, 1993
 ** " " " " " " " 3, 1993

Two options for oil shale wells above are:

- (A) Pump cement for primary cement on production casing (per SOP) to T.O.S. for top. OR
- (B) Add an intermediate casing string to bottom of shale (B.O.S, variance from SOP) & cement per above intervals



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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL **DEEPEN**

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

2. NAME OF OPERATOR
Coastal Oil & Gas Corporation

3. ADDRESS AND TELEPHONE NO.
P.O. Box 749, Denver, CO 80201-0749 (303) 573-4455

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)
 At surface
271' FNL & 1151' FWL
 At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.
U-0576

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute Tribe

7. UNIT AGREEMENT NAME
Natural Buttes Unit

8. FARM OR LEASE NAME, WELL NO.
NBU 300

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
Natural Buttes Field

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

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

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14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 46.85 miles southeast of Vernal, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
271'

16. NO. OF ACRES IN LEASE
1480

17. NO. OF ACRES ASSIGNED TO THIS WELL
N/A

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
See Topo Map C

19. PROPOSED DEPTH
6800'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
Ungraded GR - 4841.1'

22. APPROX. DATE WORK WILL START*
Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM		
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT
See attached		
Drilling Program		

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DIV. OF OIL, GAS & MINING

Coastal Oil & Gas Corporation proposes to drill a well to the proposed TD as stated above. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See the attached Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided for by: State of Utah Bond #102103, BLM Nationwide Bond #U605382-9, and BIA Nationwide Bond #114066-A.

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. Sheila Bremer SHEILA BREMER
 SIGNED TITLE Environmental & Safety Analyst DATE 12/4/97

(This space for Federal or State office use)
NOTICE OF APPROVAL 43-047-33023 APPROVAL DATE
 PERMIT NO. _____ 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 Wayne P. Bankert ACTING Assistant Field Manager
 TITLE Mineral Resources DATE 6/18/98

*See Instructions On Reverse Side

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

memorandum

June 15, 1998

DATE:
REPLY TO
ATTN OF:

Superintendent, Uintah & Ouray Agency *JW*

SUBJECT:

APD and Corridor ROW Concurrence for Coastal Oil & Gas Corporation
Bureau of Land Management, Vernal District Office
Attn: Minerals and Mining Division

TO:

We recommend approval of the Application for Permit to Drill (APD) Right of Ways on the wells listed below, with required stipulations:

NBU#294, NENW, Section 22, T9S, R20E, SLBM
NBU#299, SWNE, Section 16, T9S, R21E, SLBM
NBU#300, NWNW, Section 21, T9S, R21E, SLBM

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Based on available information received on 11-28-97, the proposed location was cleared in the following areas of environmental impact.

YES	X	NO	Listed threatened or endangered species
YES	X	NO	Critical wildlife habitat
YES		NO	Archaeological or cultural resources
YES		NO	Air quality aspects (to be used only if Project is in or adjacent to a Class I area)

Enclosed is a copy of the BIA's Environmental Analysis (EA). Please refer to Item 6.0 for Mitigation Stipulations.

REMARKS: The Ute Tribe Energy & Minerals (E&M) Department also requires that all companies adhere to the following criteria, during and after, all phases of construction activities.

1. **The Ute Tribe Energy and Minerals Department is to be notified 48 hours prior to construction, as a Tribal Technician is to monitor construction.**
2. NBU#300 will have a qualified paleontologist monitor construction activity for wellsite, access road and pipeline. The Ute Tribe reserves the right to stop construction and /or relocating locations/pipelines.
3. NBU#299 has alternative routes to minimize surface damage for access road and pipeline rights-of-way. Alternative routes should be on file with the BIA and Tribe. If no archaeological problem with alternative route Tribe recommends its rights-of-way.
4. NBU#299 will have a qualified archaeologist monitor the wellsite, access road and pipeline construction.
5. The constructed travel width of the access road will be 18 feet, except in cases of sharp curves and/or intersections.
6. Surface pipelines will not be bladed or cleared without BIA or Tribal Approval
7. Rights-of-way for pipeline will not be used as roadways.
8. All Coastal personnel and /or their contractors will have approved APD's and ROW on locations.
9. Tribal Technician to be notified during construction of reserve pits, and also during backfilling of pits. Reserve pits will be fenced.

10. All Coastal Oil & Gas Corporation employees and/or authorized personnel (sub-contractors) in the field will have applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
11. All Coastal employees and/or authorized personnel (sub-contractors) in the field will have applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of constructions.
12. All vehicular traffic, personnel movement, construction /restoration operations should be confined to the areas examine and approved, and to the existing roadways and/or evaluated access routes.
13. All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
14. The personnel from the Ute Tribe Energy & Minerals should be consulted if any cultural remains from subsurface deposits be exposed or identified during construction.
15. All mitigative stipulations contained in the Bureau of Indian Affairs site specific Environmental Analysis (EA), will be strictly adhered.
16. Upon completion of the APD and corridor ROW's, the Ute Tribe's Energy & Minerals is to be notified by Coastal, so that a Tribal Technician can verify the Affidavit of Completions.

A handwritten signature in black ink, appearing to be 'D. W. ...', located in the lower right quadrant of the page.

SITE SPECIFIC
ENVIRONMENTAL ANALYSIS

1.0 PROPOSED ACTION

Coastal Oil & Gas Corp. is proposing to drill an gas well NBU #300 and construct 230 feet of access road, and approximately 54 feet of surface pipeline.

2.0 ALTERNATIVE ACTIONS

- A. ALTERNATIVE CONSIDERED: The proposed action is the preferred alternative.
- B. NO ACTION: Under the no action alternative the proposed action would not be implemented.
- C. OTHER: NA

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JUN 17 1998

3.0 PERMITTEE/LOCATION

- A. Permittee- Coastal Oil & Gas Corp.
B. Date- 11-20-97
C. Well number- NBU #300
D. Right-of-way- Access road 230 feet, and pipeline r/w approximately 54 feet.
E. Site location NWNW, Section 21, T9S, R21E, SLB&M.

4.0 SITE SPECIFIC SURVEY

A. SITE DESCRIPTION

1. Elevation (feet) 4841
2. Annual precipitation (inches)- 4 to 8
3. Topography - Rolling hills
4. Soil- The soil texture is (0 to 6") clay loam having a slow water intake rate and permeability.

B. VEGETATION

1. Habitat type is semi desert scrub.
2. Percent Ground Cover- estimated to be <20%.
3. Vegetation consists of approximately 30% grasses, 60% scrubs, and 10% forbs. The main variety of grasses Indian ricegrass, galletta, squirrel tail and cheat grass. Forbs are annuals. Scrubs consist of big sagebrush, prickly pear, spiny hopsage, rabbit brush, fourwing salt bush, spiny horse brush, grease wood, and snake weed.
4. Observed Threatened & Endangered species: None.

5. Potential For Threatened & Endangered species:
Slight

7. Observed Noxious Weeds: None

8. ~~AFFECTED~~ ENVIRONMENTAL

1. There are no surface damages as a result of the initial survey.

4.1 WILDLIFE

A. ~~POTENTIAL~~ SITE UTILIZATION

1. ~~Big~~ Game & Feral Horses-The area is used year around by ~~horses~~ and antelope.

2. ~~Small~~ Game-The area is used by cottontail rabbit, ~~morning~~ dove.

3. ~~Raptor~~/Bird- Various species of raptors use this area ~~for~~ habitat. Raptors which are observed using the area are Golden eagles, Marsh hawk, Redtail hawk, Prairie falcon, & Kestrel.

5. ~~Non~~-Game Wildlife- Animal species which have been ~~observed~~ using this area are coyote, fox, badger, and ~~various~~ species of reptiles, and song birds.

6. ~~Threatened~~ & Endangered Species: No T&E species are ~~reported~~ using the area of this project.

4.2 PRESENT SITE USE

A. ~~USAGE~~

	<u>acres</u>
Rangeland	2.03
: Irrigable land	0
: Woodland	0
Non-Irrigable land	2.03
Commercial timber	0
Floodplain	0
Wetland	0
Riparian	0
: Other:	0

4.3 CULTURAL RESOURCES

A. ~~CULTURAL~~ SURVEY

The well site, and access road and pipeline rights-of-

ways, had a cultural resource survey performed by Metcalf Archaeological Consultants, Inc.

5.0 ENVIRONMENTAL IMPACTS

A. SURFACE ALTERATIONS

	<u>acres</u>
1. Access road	0.16
2. Well site	1.83
3. Pipeline right-of-way	0.04
4. Total area disturbed	2.03

B. VEGETATION/LANDSCAPE

1. Production loss (AUM's)/year: 0.14
2. Permanent scar on landscape: Yes X No
3. Potential impacts to Threatened & Endangered species:
Yes No X

C. SOIL/RANGE/WATERSHED

There will be an increase in wind and water erosion as a result of removing vegetation and exposing the soil from construction of the wellsite and access road. This will increase water runoff and the soil will remain exposed causing erosion to continue for the life of the well, and until the site is rehabilitated.

Within 90 days after the well is completed excess fluids will be removed from the reserve pits and hauled to an approved disposal site, and the pits will be backfilled.

The area is presently used as rangeland and permits have been issued by BIA for grazing livestock. This project will reduce livestock grazing by approximately 0.14 AUM/year.

The area is not used as irrigated cropland and a water right has not been designated for the area.

D. WILDLIFE/THREATENED & ENDANGERED SPECIES

There will be a reduction of wildlife habitat and grazing for livestock. There will also be an increase in wildlife disturbance and poaching resulting from the additional traffic and people using the area.

There are no known impacts to Threatened or Endangered species.

6.0 MITIGATION STIPULATIONS

A. VEGETATION/LANDSCAPE

1. Before the site is abandoned the company will be required to restore the well pad, and access road to near their original state. The disturbed area will be reseeded with desirable perennial vegetation.

2. Noxious weeds will be controlled on all well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way onto adjoining land, the company will also be responsible for their control.

B. SOILS/RANGE/WATERSHEDS

1. Soil erosion will be mitigated by reseeded all disturbed areas.

2. Approximately 17 rods of fence will be constructed around the reserve pit until it is back filled.

3. Loading of the soil and geological formations from pollutants from disposed water and other oil field by-products will be mitigated by requiring the oil company to:

a. Using an open drilling system. This means that reserve pits will be lined with impervious synthetic liners. Prior to back-filling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are back-filled the surplus oil and mud, etc. will be buried a minimum of 3.0 feet below the surface of the soil.

b. A closed system will be used during production. This means that production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites.

c. Production water, oil, and other by-products will not be applied to roads or well pads for the control of dust or weeds. Indiscriminate dumping of oil field by-products on tribal lands will not be allowed.

4. ACCESS ROADS

Although the access road right-of-way is 30 feet wide, the constructed travel width of the access road shall be limited to 18 feet, except it may be wider where sharp curves, deep cuts and fills occur, or where intersections with other roads are required.

5. SURFACE PIPELINES

Surface pipelines will be constructed to lay on the soil surface, and the right-of-way will not be blades or cleared of vegetation without site specific authorization from BIA.

Where surface pipelines do not parallel roads but cross country between stations, they shall be welded in place at wellsites or on access roads and then they shall be pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.

C. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

No Threatened & Endangered species have been identified associated with this project. Therefore, no stipulations have been developed for their protection.

The operator, their employees, sub-contractor, and representatives shall not carry firearms on their person or in their vehicles while working on the Uintah & Ouray Indian Reservation.

All vehicular traffic, personnel movement, construction and restoration operations shall be confined to the flagged areas and corridors examined as referenced in the cultural resource survey.

All Coastal personnel and their sub-contractors shall refrain from collecting artifacts and from disturbing any cultural resources in the area.

Coastal authorized officials and their sub-contractors shall immediately stop construction activities and shall consult with BIA and the Ute Indian Tribal Department of Energy & Minerals should cultural remains from subsurface deposits be exposed during construction work or if the need

arises to relocate or otherwise alter the location of the construction area. (Construction activities may resume in areas outside of the area where cultural resources are not exposed.) Prior to commencing constructing in the area where cultural resources are exposed the operator must obtain authorization from BIA and the Ute Tribal Department of Cultural Rights and Protection.

PALEONTOLOGICAL RESOURCES

Prior to construction of the wellsite and access road a paleontology resources survey will be completed by an approved paleontologist, and mitigation will be required for the protection of paleontology resources according to the stipulations of the Ute Indian Tribe and BIA.

7.0 UNAVOIDABLE ADVERSE IMPACTS

A. SURFACE ALTERATIONS

None of the adverse impacts listed in 5.0 above can be avoided in a practical manner except those which are mitigated in item 6.0 above and those specified in BLM's 13 point surface use plan.

B. RELATIONSHIP BETWEEN SHORT-TERM USE OF THE ENVIRONMENT VS LONG TERM PRODUCTIVITY.

1. Short Term: (Estimated 20 years) A total loss of production on the land and the associated environmental impacts will continue to influence the surrounding area for the productive life of the well.
2. Long Term: Standard policies provide for rehabilitation of the well sites and access roads. After the land is rehabilitated, it is not expected to return to its original productive capability. Normally, there will be a permanent scar left on the landscape.

C. IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT

Oil and Gas are non-renewable resources, once they have been removed they can never be replaced.

8.0 CUMULATIVE IMPACTS

A. FULL DEVELOPMENT

Each additional well drilled for development increases the soil erosion potential, reduces wildlife habitat and

grazing, increases potential soil and geologic pollution resulting from salt loading, reduces the soil's potential to recover, and increases the potential of water pollution from produced waters and hydro-carbons. Therefore, strict conformance with the mitigation measures and recommendations in this document is emphasized to minimize the adverse environmental impacts.

9.0 NEPA COMPLIANCE

A. RESEARCH/DOCUMENTATION

Based on available information, 11-28-97, the proposed location in the following areas of environmental impacts has been cleared:

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Listed Threatened & Endangered species
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Critical wildlife habitat
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Historical and cultural resources

10.0 REMARKS

A. SURFACE PROTECTION/REHABILITATION

All essential surface protection and rehabilitation requirements are specified above.

11.0 RECOMMENDATIONS

A. APPROVAL/DISAPPROVAL

We recommend approval of the proposed action as outlined in item 1.0 above.

11-28-97
Date

Carl A. Hansen
Representative - BIA Land Operations, Uintah and Ouray Agency

12.0 DECLARATION

A. APPROVAL

It has been determined that the proposed action is not a federal action significantly affecting the quality of the environment as it would require the preparation of an environmental impact statement in accordance with Section 102 (2) (c) of the National Environmental

12/1/97
Date


Superintendent,
Uintah and Ouray Agency

13.D CONSULTATION

A. REPRESENTATIVES/ORGANIZATION

Paul Bershers-Coastal
Shella Brenner-Coastal
Greg Darlington- BLM
Robert Key-Uintah Engineering
Alvin Ignacio- UTEM
Dale Hanberg- BIA
Johnny Faucett-contractor
Harley Davidson-contractor

B:\EACost.NBU300

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil & Gas Corporation

Well Name & Number: NBU 300

API Number: 43-047-33023

Lease Number: U-0576

Location: NWNW Sec. 21 T. 09S R. 21E

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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 usable water zone identified at **± 856 ft.** or by setting the surface casing at **± 906 ft.** If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

A cement bond log (CBL) will be run from the production casing shoe to **Top of Cement** if the surface casing is set at **± 906 ft.** or it will be run to **± 606 ft.** if the surface casing is set at **± 250 ft.** and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

SURFACE CONDITIONS OF APPROVAL

Coastal Oil and Gas Company
Well # 300 Natural Buttes Unit (Ute Tribal)
Lease UTU-0576

The Ute Tribe Energy and Mineral Department is to be notified 48 hours prior to construction. The Tribal Technician shall be notified during construction of reserve pits and also during backfilling of pits. Mud tanks are to be positioned so that pit liners are used during drilling. The pit liners are to be reinforced to prevent failure of the liners near the mud tanks. Pits will be fenced and fences will be maintained as described in Coastal's Standard Operating Procedures for their APD's in the Natural Buttes Unit.

At well NBU#300 Coastal shall have a qualified Paleontologist monitor construction activity for wellsite, access road and pipeline.

Thirty foot wide Rights-Of-Way (ROWs) corridor shall be granted for the following:

Access roads which shall have constructed travel width limited to 18 feet, except as granted for sharp curves or intersections or where deep cuts are required for road construction. The new access will be about 230 feet in length.

About 54 feet of surface steel production flowline is planned for this project.

Surface pipelines will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation. The line shall either be constructed on the road and then lifted from the road to its intended location paralleling the road, or it shall be welded in place at a welding station located at the wellsite or on roads near the flowline right of way and then dragged into place with a suitable piece of equipment so it will not destroy the natural vegetation.

Coastal will assure the Ute Tribe that any/all contractors and subcontractors have acquired a 1998 Tribal Business License and have access permits prior to construction.

Coastal employees, representatives, and subcontractors shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

Coastal employees and/or authorized personnel (subcontractors) in the field will have applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.

All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.

The Ute Tribe Energy & Mineral Department shall be consulted if cultural remains(including paleontology fossils) from subsurface deposits are exposed or identified during construction or if the need arises to relocate or otherwise alter the location of the construction area.

Before the site is abandoned, the company will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Noxious weeds will be controlled on the well site and rights-of-way. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.

Reserve pits will be lined with impervious synthetic liners. Liners will be constructed to lay under the mud tanks, and they will be reinforced to prevent the liner from developing holes where fluids flow from the mud tank into the reserve pit. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the pits are backfilled, the surplus oil and mud etc. will be buried a minimum depth of 3.0 feet below the surface of the soil.

The flare pit will be adjacent to the reserve pit.

A closed production system will be used. Production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

Upon completion of the project approved under this Application for Permit to Drill and Right-of-way, the Ute Tribe Energy & Minerals Resources Department will be notified by Coastal Oil and Gas Company so that a Tribal Technician can verify Affidavit of Completion's.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U-0576
2. Name of Operator COASTAL OIL AND GAS CORPORATION		6. If Indian, Allottee or Tribe Name UTE TRIBE
3a. Address P.O. Box 1148, Vernal UT 84078	3b. Phone No. (include area code) 435-789-4433	7. If Unit or CA/Agreement, Name and/or No. NATURAL BUTTES UNIT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) (NWNW) 271' FNL 1151' FWL Sec. 21, T9S, R21E		8. Well Name and No. NBU-300
		9. API Well No. 43-047-33023
		10. Field and Pool, or Exploratory Area NATURAL BUTTES FIELD
		11. County or Parish, State UINTAH UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>1 YEAR APD</u>
			<u>EXTENSION</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil and Gas request that a one year extension be granted.

Federal Approval of this
Action is Necessary

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 6/30/99

By: [Signature]

COPY SENT TO OPERATOR
Date: 6-30-99
Initials: CHD

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) RONALD M. ROUTH, REM, CEA	Title SR. ENVIRONMENTAL COORDINATOR
	Date 6/15/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

U-0576

6. If Indian, Allottee or Tribe Name

Ute Tribe

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

8. Well Name and No.
NBU #300

9. API Well No.
43-047-33023

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

11. County or Parish, State
Uintah County Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. PhoneNo. (include area code)

(435)-781-7023

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

NW/NW Sec.21,T9S,R21E 271'FNL & 1151'FWL

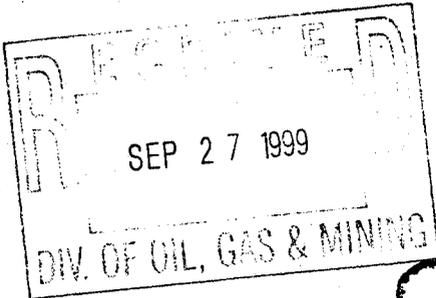
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation proposes to change the TD 7000' to 9000' in order to drill to the Mesaverde formation. Please refer to the attached drilling program.

(from 6800' / w/stc)



Approved by the
Utah Division of
Oil, Gas and Mining
Date: 10/7/99
By: [Signature]

COPY SENT TO OPERATOR
Date: 10-9-99
Initials: CHD

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Sheila Upchego

[Signature]

Title

Environmental Secretary

Date 9/20/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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

Coastal Oil & Gas Corporation
Natural Buttes Unit #300
NW/NW Sec.21,T9S,R21E
Uintah County, Utah

GEOLOGICAL SURFACE FORMATION:

NW/NW Sec.21,T9S,R21E - 271'FNL & 1151'FWL

ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

<u>Formation</u>	<u>Estimated Top</u>
KB	4857'
GREENRIVER	1750'
WASATCH	5030'
MESAVERDE	8200'
TD	8800'

PROPOSED CASING PROGRAM:

See Attached Drilling Program

DRILLING FLUIDS PROGRAM:

See Attached Drilling Program

TESTING LOGGING AND CORING:

See Attached Drilling Program

CEMENTING PROGRAM:

<u>Casing</u>	<u>Coverage</u>	<u>Volume</u>	<u>Type & Activities</u>
---------------	-----------------	---------------	------------------------------

See Attached Drilling Program

Intermediate

See Attached Drilling Program

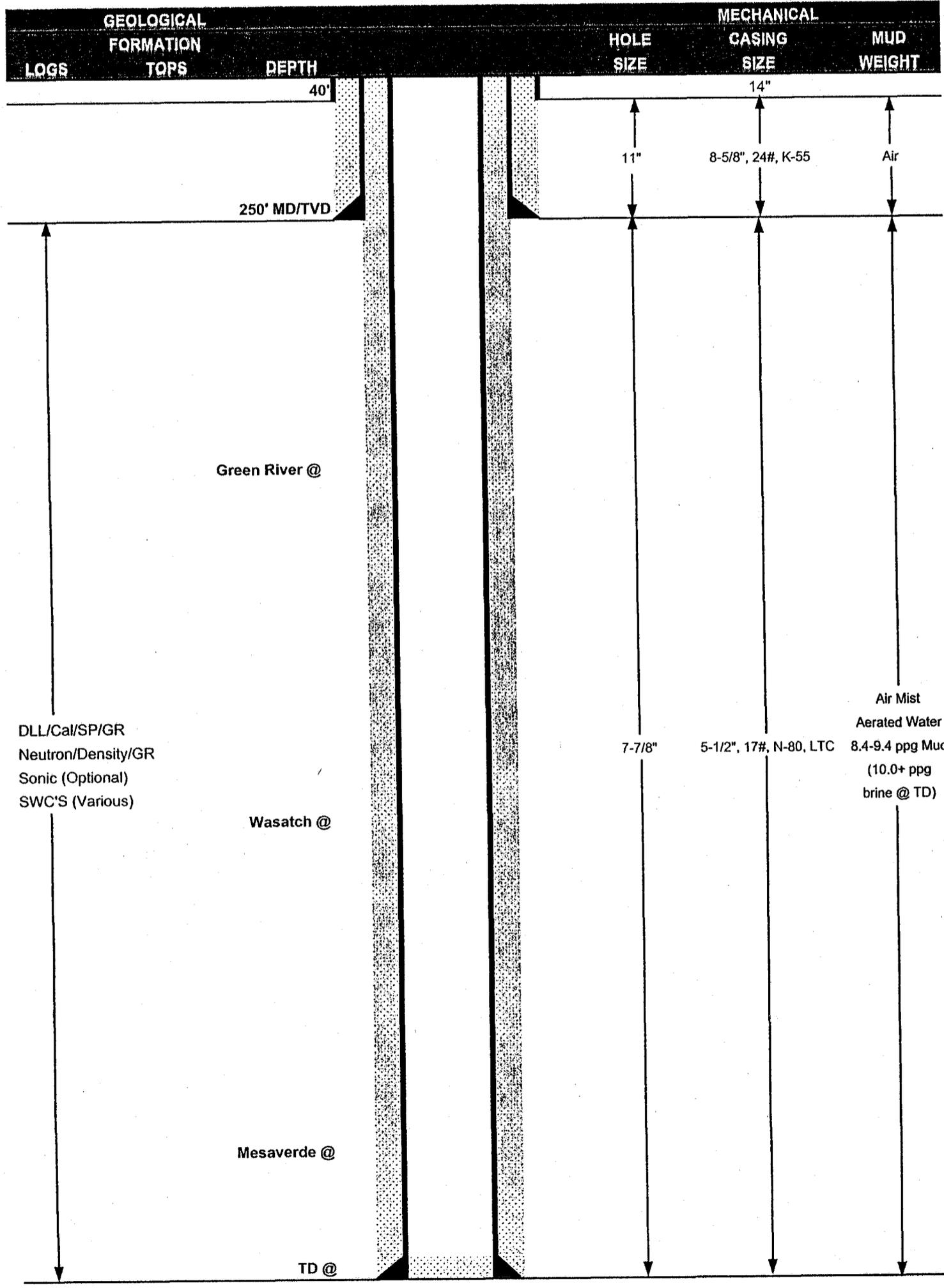
Production

See Attached Drilling Program

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

COMPANY NAME Coastal Oil & Gas Corporation DATE 9/15/99
 WELL NAME Generic Natural Buttes Well TD _____
 FIELD Ouray COUNTY Uintah STATE Utah ELEVATION _____
 SURFACE LOCATION _____ BHL Straight Hole
 OBJECTIVE ZONE(S) Lower Green River, Wasatch, Mesaverde
 ADDITIONAL INFO _____



CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	8-5/8"	0-250'	24#	K-55	STC	>10	>10	>10
PRODUCTION	5-1/2"	0-TD	17#	N-80	LTC	SPECIFIED BY PROD DEPT		
TUBING								

CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	250' MD/TVD	Neat + 2% CaCl ₂	95	25%	15.60	1.19
PRODUCTION	LEAD 500' Above Prod Int-Surf	Hifill + 0.6% EX-1 + 0.25 lb/sk Flocele + 0.2% FWCA + 10 lb/sk Gilsonite + 16% Gel + 1% HR-7 + 3% Salt	*TBD		11.60	3.12
	TAIL TD-500' Above Productive Int.	50/50 POZ + 0.25 lb/sk Flocele + 0.4% Halad-322 + 2% Gel + 0.1% HR-5 + 2% Microbond M +5% Salt	*TBD		14.4	1.24

* 15% over caliper log

FLOAT EQUIPMENT & CENTRALIZERS

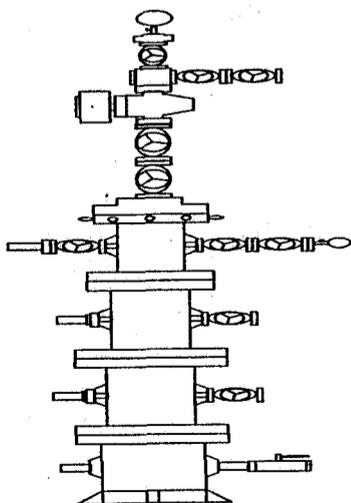
SURFACE

Guide shoe, 1 jt, float collar. Centralize 5' above shoe & every other collar to surface.

PRODUCTION

Specified by Production Department (every other joint across pay zones).

WELLHEAD EQUIPMENT



TREE 2-1/16" 5M

TUBING HEAD 11" 3M X 7-1/16" 5M

CASING SPOOL

CASING SPOOL

CASING HEAD 8-5/8" SOW X 11" 3M

BIT PROGRAM

ROCK BIT & PDC BIT PROGRAM

INTERVAL	HOLE	BIT MFG & MODEL	GPM	ERIAL	NZLS	COMMENTS
Surface Hole	11"	Various				
SC - Top of Wasatch	7-7/8"	Various				
Wasatch	7-7/8"	Various (PDC)				
Mesaverde	7-7/8"	Various				

GEOLOGICAL DATA

LOGGING:

Depth	Log Type
SC - TD	DLL/Cal/SP/GR
SC - TD	Neutron/Density/GR
Optional	Sonic
Various	SWC's

MUD LOGGER:

As per Geology

SAMPLES:

As per Geology

CORING:

As per Geology

DST:

As per Geology

MUD PROGRAM

DEPTH	TYPE	MUD WT	WATER LOSS	VISCOSITY	TREATMENT
0-Trona	Air Mist	NA	NA		
Trona-TD	Aerated Water Water/Mud	NA 8.4-9.4	NC 15cc	NA 30-40	KCL, Gel, LCM, Polymer
At TD	Brine	10-12 ppg	NC	NC	

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER:

Blaine Yeary

DATE:

PROJECT MANAGER:

Tom Young

DATE:

STATE OF UTAH
 DIVISION OF OIL, GAS AND MINING
 ENTITY ACTION FORM - FORM 6

OPERATOR Coastal Oil & Gas Corp
 ADDRESS 1368 So 1300E.
Sernal, UT 84078

OPERATOR ACCT. NO. 11 0230

F-885
P. 02/02
T-845

+4357894498
SECRETARY
FROM-COASTAL OIL AND GAS

11:18am
02-16-00

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	APE NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	2900	43-047-33907	NBU #274	NW1/4	23	95	21E	Uintah	2/12/00	2/12/00
CELL 1 COMMENTS: 000210 entity added; (Nat Buttes U/WSMUD) KDR											
B	99999	2900	43-047-33028	NBU #300	NW1/4	21	95	21E	Uintah	2/5/00	2/5/00
CELL 2 COMMENTS: 000210 entity added; (Nat Buttes U/WSMUD) KDR											
CELL 3 COMMENTS:											
CELL 4 COMMENTS:											
CELL 5 COMMENTS:											

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

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

Katy Dow
 Signature
Environmental Analyst
 Title
2/16/00
 Date
 Phone No. 435 781-7022

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U-0576
2. Name of Operator Coastal Oil & Gas Corporation		6. If Indian, Allottee or Tribe Name Ute Tribe
3a. Address P.O. Box 1148, Vernal UT 84078	3b. Phone No. (include area code) (435)781-7023	7. If Unit or CA/Agreement, Name and/or No. Natural Buttes Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NW/NW Sec.21,T9S,R21E 271'FNL & 1151' FWL		8. Well Name and No. NBU #300
		9. API Well No. 43-047-33023
		10. Field and Pool, or Exploratory Area Natural Buttes Field
		11. County or Parish, State Uintah UT

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

MIRU Bill Martin Drilling. Drilled 280' of 12 1/4" hole. Ran 6 jts 8 5/8" 24# K-55 Csg. Cmt w/145 sks of P-AG w/2% CaCl2 & 1/4#/sk, 15.6 ppg, 1.18 yield. Dropped plug. Displace w/14 Bbls H2O w/7 Bbls Cmt to surface. Hole stayed full.

Spud @ 9:00 p.m. on 2/5/00

RECEIVED

FEB 15 2000

DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Katy Dow	Title Environmental Jr. Analyst
<i>Katy Dow</i>	Date 2/15/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435)781-7023

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

NW/NW Sec. 21, T9S, R21E
271' FNL & 1151' FWL

5. Lease Serial No.

U-0576

6. If Indian, Allottee or Tribe Name

Ute Tribe

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

Natural Buttes Unit

8. Well Name and No.

NBU #300

9. API Well No.

43-047-33023

10. Field and Pool, or Exploratory Area

Natural Buttes Field

11. County or Parish, State

Uintah UT

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Subsequent Report

Final Abandonment Notice

Acidize

Alter Casing

Casing Repair

Change Plans

Convert to Injection

Deepen

Fracture Treat

New Construction

Plug and Abandon

Plug Back

Production (Start/Resume)

Reclamation

Recomplete

Temporarily Abandon

Water Disposal

Water Shut-Off

Well Integrity

Other Drilling

Summary

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Finished drilling from 280' to 8860'. Ran 5 1/2" 17# N-80 Csg. Cmt w/440 skd HiFill, 3.12 yield, 11.6 ppg. Tail in w/1480 sks 50/50 Poz w/adds, 1.24 yield, 14.4 ppg. Displace w/2% KCL water. Bump plug. Float held. Release rig @ 10:00 p.m. on 2/27/00.

RECEIVED

MAR 06 2000

DIVISION OF
OIL, GAS AND MINING

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

Name (Printed/Typed)

Katy Dow

Title

Environmental Jr. Analyst

Date 2/29/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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Office

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Coastal
The Energy People

March 31, 2000

State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

ATTENTION: Carol Daniels

Dear Carol:

The following Well Completion/Recompletion BLM Form 3160-4 copies are enclosed:

NBU 274

NBU 300

NBU 307

The Form 9 Subsequent Report for the State 35-52 is also enclosed.

If you have questions or need additional information, please call Cheryl at (435) 781-7023.

Sincerely,

COASTAL OIL & GAS CORPORATION

Deanna Bell
Environmental Secretary

Enclosures

RECEIVED

APR 03 2000

DIVISION OF
OIL, GAS AND MINING

Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION
1368 S 1200 E • P.O. BOX 1148 • VERNAL UT 84078 • 435/789-4433 • FAX 435/789-4436

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
U-0576

1a. Type of Well Oil Well Gas Well Dry Other
b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
Other _____

6. If Indian, Allottee or Tribe Name
Ute Tribe

7. Unit or CA Agreement Name and No.
Natural Buttes Unit

2. Name of Operator
Coastal Oil & Gas Corporation

8. Lease Name and Well No.
NBU 300

3. Address
P.O. Box 1148, Vernal, UT 84078

3a. Phone No. (include area code)
(435) 781-7021

9. API Well No.
43-047-33023

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface NW NW 271' FNL 1151' FWL

10. Field and Pool, or Exploratory
Natural Buttes Field

At top prod. interval reported below

11. Sec., T., R., M., or Block and
Survey of Area
Section 21-T9S-R21E

At total depth

12. County or Parish
Utah

13. State
Utah

14. Date Spudded
2/5/00

15. Date T.D. Reached
2/25/00

16. Date Completed

D & A

Ready to Prod.

3/11/00

17. Elevations (DF, RKB, RT, GL)*

4841.1' Ungraded GR

18. Total Depth: MD
TVD 8860'

19. Plug Back T.D.: MD
TVD 8798'

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) *FL, CN, LO, BA, CBL, CCL, GR*

22. Was well cored? No Yes (Submit analysis)
Was DST run No Yes (Submit report)
Directional Survey? No Yes (Submit)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8" K-55	24	0	269		145 P-AG	0	to surface	7 bbls
7-7/8"	5-1/2" N-80	17	0	8856		440 Hi Fill 1480 POZ		to surface	46 bbls

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	8282'							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	8298	8714	Refer to Page #3			
B)			attachment			
C) Wasatch	5330	8198				
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
Refer to Page #3 attachment	

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DIVISION OF
OIL, GAS AND MINING

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
3/11/00	3/15/00	24	→	0	2258	122			flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
40/64	520	860	→	0	2258	122		producing	

28a. Production-Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			→						

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

28c. Production-Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

sold, used for fuel

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Green River	1750	5045			
Wasatch	5045	8290			
Mesaverde	8290				

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32. Additional remarks (include plugging procedure):

APR 03 2000

DIVISION OF
OIL, GAS AND MINING

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd)
 - 2. Geologic Report
 - 3. DST Report
 - 4. Directional Survey
 - 5. Sundry Notice for plugging and cement verification
 - 6. Core Analysis
 - 7. Other
- Page #3 Attachment, Refer to #26 & #27 Wellbore Diagram

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Deanna Bell

Title Environmental Secretary

Signature Deanna Bell

Date 3/21/00

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Lease Serial No. U-0576

NBU 300

26. Perforation Record

Perforated Interval	Size	No. Holes
Mesaverde		
8708-8714'	6	24
8685-8691'	6	24
8436-8442'	6	24
8336-8342'	6	24
8298-8302'	4	16
Wasatch		
8192-8198'	6	24
7986-7994'	8	32
7270-7280'	10	40
6942-6950'	8	32
6332-6338'	6	24
6282-6284'	2	8
6254-6262'	8	32
6132-6142'	10	40
5916-5922'	6	24
5794-5800'	6	24
5330-5336'	6	24

27. Acid, fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
8685-8714'	56,000# 20/40 sand, 690 bbls YF120 gel & additives
8289-8442'	60,000# 20/40 sand, 720 bbls YF120 gel & additives
8192-8198'	37,000# 20/40 sand, 472 bbls YF120 gel & additives
7986-7994'	40,000# 20/40 sand, 467 bbls YF120 gel & additives
7270-7280'	41,000# 20/40 sand, 495 bbls YF120 gel & additives
6942-6950'	36,000# 20/40 sand, 450 bbls YF120 gel & additives
6254-6338'	84,440# 20/40 sand, 755 bbls YF120 gel & additives
6132-6142'	41,000# 20/40 sand, 485 bbls YF120 gel & additives
5916-5922'	35,000# 20/40 sand, 420 bbls YF120 gel & additives
5794-5800'	36,000# 20/40 sand, 415 bbls YF120 gel & additives
5330-5336'	34,000# 20/40 sand, 390 bbls YF120 gel & additives

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APR 03 2000
DIVISION OF
OIL, GAS AND MINING

DATE: 03/10/00

WELL: NBU#300

COUNTY: Uintah

SEC: 21

FOREMAN: MLB

FIELD: NBU

STATE: Utah

TWS: 9S

RGE: 21E

KB 15.00

RIG No. TWS #1

Tbg Hanger 1.00

8-5/8" Csg @

CASING RECORD

SIZE	WT	GRADE	THD	FROM	TO
5 1/2"	17#	N-80	LT&C	SUR	8856

TUBING RECORD

SIZE	WT	GRADE	THD	FROM	TO
2 3/8"	4.7#	J-55	8 RD	SUR	8282.2

JTS PSN TAC MUD ANCHOR

259 8248 Size Length

SUCKER ROD RECORD

NO	SIZE	GRADE	CPLG

ROD ROTATOR Yes No

GAS ACHOR Size Length

ROD GUIDE PLACEMENT (DESCRIBE):

PUMP DATA:

MANUFR SIZE DESCR

SPM SL

COMMENTS/PERFORATIONS:

MV, 8708'- 14' (24 HOLES), 8685'- 91' (24 HOLES), 8436'- 42' (24 HOLES) 8336'- 42' (24 HOLES), 8298'- 8302' (16 HOLES) WAS, 8192'-98' (24 HOLES), 7986'-94' (32 HOLES), 7270'- 80'(40 HOLES) 6942'- 50 (32 HOLES), 6332'-38' (24 HOLES), 6282'- 84' (8 HOLES) 6254'- 62' (32 HOLES), 6132'- 42' (40 HOLES), 5916'- 22' (24 HOLES) 5794'- 5800' (24 HOLES), 5330'- 36' (24 HOLES)

FRAC'D 11 ZONES

PSN 1.10

1 jt tbg 32.33

Notched Collar 1.00

EOT @ 8282

Orig. PBTD 8798'

5 1/2" Csg @ 8860

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APR 03 2000

DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER:
Exhibit "A"
9. API NUMBER:
10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____
2. NAME OF OPERATOR:
El Paso Production Oil & Gas Company
3. ADDRESS OF OPERATOR:
8 South 1200 East CITY Vernal STATE Utah ZIP 84078 PHONE NUMBER:
435-789-4433

4. LOCATION OF WELL
FOOTAGES AT SURFACE: _____ COUNTY: _____
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
As a result of the merger between The Coastal Corporation and a wholly owned subsidiary of El Paso Energy Corporation, the name of Coastal Oil & Gas Corporation has been changed to El Paso Production Oil & Gas Company effective March 9, 2001.
See Exhibit "A"

Bond # 400JU0708

Coastal Oil & Gas Corporation
NAME (PLEASE PRINT) John T. Elzner TITLE Vice President
SIGNATURE [Signature] DATE 06-15-01
El Paso Production Oil & Gas Company
NAME (PLEASE PRINT) John T. Elzner TITLE Vice President
SIGNATURE [Signature] DATE 06-15-01

(This space for State use only)

RECEIVED
JUN 19 2001
DIVISION OF
OIL, GAS AND MINING

State of Delaware
Office of the Secretary of State

PAGE 1

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

RECEIVED

MAR 9 2001

DIVISION OF
OIL, GAS AND MINING



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

0610204 8100

AUTHENTICATION: 1061007

010162788

DATE: 04-03-01

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

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

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

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

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

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

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

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

COASTAL OIL & GAS CORPORATION

David L. Siddall

David L. Siddall
Vice President

Attest:

Margaret E. Roark

Margaret E. Roark, Assistant Secretary

RECEIVED

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

JUN 19 2001

DIVISION OF
OIL, GAS AND MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED

JUL 12 2001

DIVISION OF
OIL, GAS AND MINING

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

JUL 10 2001

NOTICE

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

Name Change Recognized

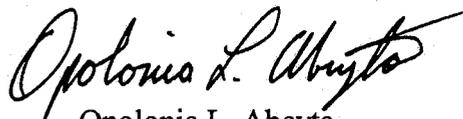
Acceptable evidence has been received in this office concerning the name change of Coastal Oil & Gas Corporation into El Paso Production Oil & Gas Company with El Paso Production Oil & Gas Company being the surviving entity.

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

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

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

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



Opolonia L. Abeyta
Acting Chief, Branch of
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

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

Exhibit of Leases

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

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH	<input checked="" type="checkbox"/>	4-KAS	<input checked="" type="checkbox"/>
2. CDW	<input checked="" type="checkbox"/>	5-LP	<input checked="" type="checkbox"/>
3. JLT	<input type="checkbox"/>	6-FILE	<input type="checkbox"/>

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

X Merger

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

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

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

CA No. Unit: **NATURAL BUTTES**

WELL(S)

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

OPERATOR CHANGES DOCUMENTATION

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

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

DATA ENTRY:

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

STATE BOND VERIFICATION:

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

FEDERAL BOND VERIFICATION:

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

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

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

FILMING:

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

FILING:

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

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

JAN. 17. 2003 3:34PM

WESTPORT

NO. 173 P. 2

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

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

February 1, 2002

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

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

Dear Ms. Maxwell:

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

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

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

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

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

Debby J. Black
Debby J. Black
Engineer Technician

Encl:



United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

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

FEB 22 2002

DIVISION OF
OIL, GAS AND MINING

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

FEB 21 2002

NOTICE

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

Name Change Recognized

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

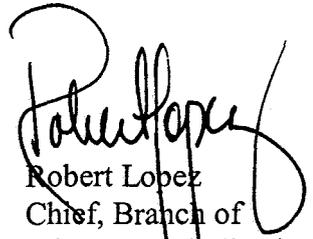
For our purposes, the name change is recognized effective December 31, 2001.

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

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

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

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



Robert Lopez
Chief, Branch of
Minerals Adjudication

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

memorandum

Branch of Real Estate Services
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to
Attn of: Supervisory Petroleum Engineer

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

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

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

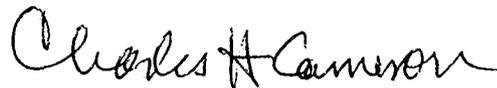
We have no objection.

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

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

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

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





United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Washington, D.C. 20240

FEB 10 2003

IN REPLY REFER TO:
Real Estate Services

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

Dear Mr. Wilson:

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

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

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

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

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO
UT-922

February 27, 2003

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

Re: Natural Buttes Unit
Uintah County, Utah

Gentlemen:

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

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

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

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

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

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

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: El Paso Production Oil & Gas Company		8. WELL NAME and NUMBER: Exhibit "A"
3. ADDRESS OF OPERATOR: 9 Greenway Plaza CITY: Houston STATE: TX ZIP: 77064-0995 PHONE NUMBER: (832) 676-5933		9. API NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		10. FIELD AND POOL, OR WILDCAT:

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

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

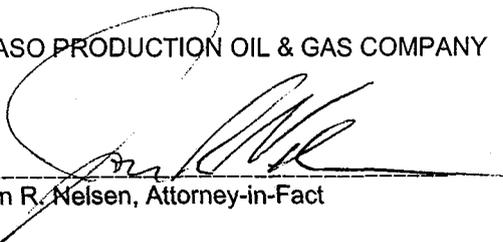
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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

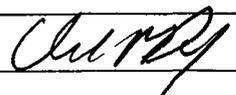
BOND # _____

State Surety Bond No. RLB0005236
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

By: 
Jon R. Nelsen, Attorney-in-Fact

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

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

(This space for State use only)

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
SEE ATTACHED EXHIBIT "A"
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

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

10. Field and Pool, or Exploratory Area

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

SEE ATTACHED EXHIBIT "A"

11. County or Parish, State
UINTAH COUNTY, UT

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

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

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and so forth. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed if testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

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

RECEIVED
MAR 04 2003

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed)
CHERYL CAMERON

Title
OPERATIONS

Signature

Date
March 4, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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

(Instructions on reverse)

OPERATOR CHANGE WORKSHEET

ROUTING	
1. GLH	
2. CDW	✓
3. FILE	

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **12-17-02**

FROM: (Old Operator):	TO: (New Operator):
EL PASO PRODUCTION OIL & GAS COMPANY	WESTPORT OIL & GAS COMPANY LP
Address: 9 GREENWAY PLAZA	Address: P O BOX 1148
HOUSTON, TX 77064-0995	VERNAL, UT 84078
Phone: 1-(832)-676-5933	Phone: 1-(435)-781-7023
Account No. N1845	Account No. N2115

CA No. **Unit:** **NATURAL BUTTES**

WELL(S)

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

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

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

8. **Federal and Indian Units:**

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

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

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

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

DATA ENTRY:

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

STATE WELL(S) BOND VERIFICATION:

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

FEDERAL WELL(S) BOND VERIFICATION:

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

INDIAN WELL(S) BOND VERIFICATION:

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

FEE WELL(S) BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.
Multiple Wells - see attached

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

11. County or Parish, State
Uintah County, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

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

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

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

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

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

Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

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

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

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

SEP 10 2003
DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Date _____

Accepted by the **Utah Division of Oil, Gas and Mining** Federal Approval of This Action is Necessary

Office _____ Date: **9/16/03**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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

Westport Oil & Gas, L.P.

Project Economics Worksheet

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

Project Name: **Condensate Shrinkage Economics**

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

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

Increased OPX Per Year

Investment Breakdown:

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

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

Production & OPX Detail:

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

Project Life:

Life = **20.0** Years
(Life no longer than 20 years)

Internal Rate of Return:

After Tax IROR = **#DIV/0!**

AT Cum Cashflow:

Operating Cashflow = **(\$2,917)** (Discounted @ 10%)

Payout Calculation:

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

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

Payout = **NEVER** Years or **#VALUE!** Days

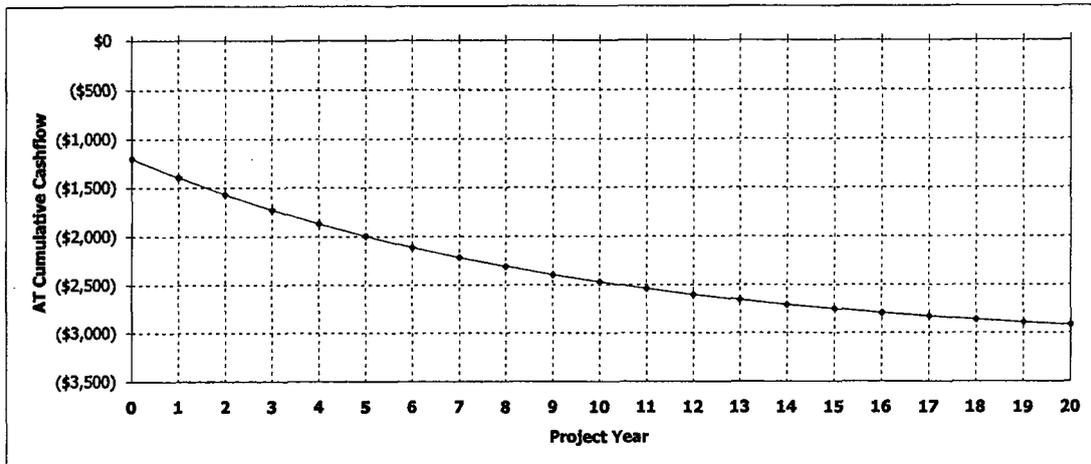
Gross Reserves:

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

Notes/Assumptions:

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.196 Bcpd if 4 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



Westport Oil and Gas, Inc.

NBU/Ouray Field

RFL 2003-022

COMPARISON OF FLASH BACK PRESSURES

Calculated by Characterized Equation-of-State

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

Calculated at Laboratory Flash Conditions

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

Calculated Flash with Backpressure using Tuned EOS

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

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

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

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

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

NBU 200	20-9-21 SENE	UTU0576	891008900A	430473292800S1	✓
NBU 261	30-9-21 SENW	UTU0581	891008900A	430473292800S1	✓
NBU 262	33-9-21 NENE	UTU0576	891008900A	430473292900S1	
NBU 263	34-9-21 SENW	U01194	891008900A	430473279300S1	✓
NBU 264	1-10-21 SESW	U02842B	891008900A	430473300000S1	
NBU 265	2-10-21 NESE	ML13826	891008900A	430473279600S1	✓
NBU 266	10-10-21 SWNW	UTU0149079	891008900A	430473294100S1	
NBU 267	10-10-21 NESW	UTU01416A	891008900A	430473294200S1	
NBU 268	11-10-21 NENE	U01190	891008900A	430473300100S1	
NBU 269	12-10-21 SWNW	UTU1196D	891008900A	430473347300S1	
NBU 270	13-10-21 SWNW	ML23608	891008900A	430473286200S1	✓
NBU 271	24-10-20 SWNW	UTU4485	891008900A	430473288700S1	
NBU 272	11-10-22 SWNE	U01197A	891008900A	430473288900S1	✓
NBU 273	22-9-21 NWNW	UTU0147566	891008900A	430473290600S1	
NBU 274	23-9-21 NESW	UTU149075	891008900A	430473290700S1	
NBU 275	9-9-21 NWSW	UTU01188	891008900A	430473290500S1	
NBU 277	19-9-22 SENE	UTU0284	891008900A	430473304200S1	
NBU 278	30-9-22 SWSW	U463	891008900A	430473301100S1	
NBU 280	31-9-22 NESW	ML22935A	891008900A	430473286500S1	✓
NBU 281	32-9-22 SWSW	ML22649	891008900A	430473286600S1	✓
NBU 282	32-9-22 NESE	ML22649	891008900A	430473286700S1	
NBU 285	3-10-22 NWNW	UTU01191	891008900A	430473297600S1	
NBU 286	3-10-22 SENW	UTU01191	891008900A	430473298400S1	
NBU 287	3-10-22 NESE	UTU01191A	891008900A	430473298500S1	
NBU 288	3-10-22 NWSW	UTU01191	891008900A	430473298600S1	
NBU 289	3-10-22 SESW	UTU01191	891008900A	430473291000S1	
NBU 290	3-10-22 SWSE	UTU01191A	891008900A	430473298700S1	
NBU 291	9-10-22 NENE	UTU01196D	891008900A	430473291100S1	
NBU 292	9-10-22 SWNE	UTU1196D	891008900A	430473347400S1	
NBU 293	10-10-22 SENE	UTU025187	891008900A	430473318200S1	
NBU 294X	22-9-20 NENW	UTU0577B	891008900A	430473346500S1	
NBU 295	12-10-20 SWSW	UTU4478	891008900A	430473293900S1	
NBU 296	24-10-20 NWNE	UTU4485	891008900A	430473288600S1	
NBU 297	11-9-21 SWNW	UTU0141315	891008900A	430473304000S1	
NBU 298	15-9-21 NESW	UTU01188	891008900A	430473304100S1	
NBU 299	16-9-21 SWNE	ML3282	891008900A	430473301200S1	
NBU 300	21-9-21 NWNW	UTU0576	891008900A	430473302300S1	
NBU 301	25-9-21 NWSW	U01194	891008900A	430473285900S1	✓
NBU 302	26-9-21 SWNW	U01194	891008900A	430473287700S1	✓
NBU 303	26-9-21 SESE	ML22934	891008900A	430473287800S1	✓
NBU 304	27-9-21 SESE	U01194A	891008900A	430473287900S1	✓
NBU 305	27-9-21 SWSE	U01194A	891008900A	430473288000S1	✓
NBU 306	27-9-21 NWNW	U01194A	891008900A	430473286000S1	✓
NBU 307	28-9-21 NWNE	U05676	891008900A	430473300700S1	
NBU 308	28-9-21 SENW	U05676	891008900A	430473314300S1	
NBU 309	30-9-21 NENE	UTU0581	891008900A	430473301000S1	
NBU 310	35-9-21 NENW	U01194	891008900A	430473288200S1	✓
NBU 311	4-10-22 NESE	UTU01191	891008900A	430473283700S1	
NBU 312-E2	2-9-21 SWSE	UTU21510	891008900A	430473228800S1	✓
NBU 313	4-10-22 NENW	UTU01191A	891008900A	430473283800S1	
NBU 315	11-9-21 SENE	UTU0141317	891008900A	430473387900S1	
NBU 316	11-9-21 SWNE	UTU0141317	891008900A	430473441300S1	
NBU 317	13-9-21 NENE	U-01193	891008900A	430473392100S1	
NBU 318	13-9-21 SWNE	UTU01193	891008900A	430473388000S1	
NBU 320	25-9-21 NWNW	U01189	891008900A	430473320100S1	
NBU 321	26-9-21 SWSW	U01194	891008900A	430473320200S1	✓
NBU 322	34-9-21 SESW	U01994	891008900A	430473320300S1	✓
NBU 323	30-9-22 NENE	U-463	891008900A	430473405000S1	
NBU 326	31-9-22 NESW	ML22935A	891008900A	430473320400S1	✓
NBU 327	33-9-22 SWSE	UTU01191	891008900A	430473373500S1	
NBU 329	1-10-21 NESW	UTU02842B	891008900A	430473322700S1	
NBU 330	3-10-21 NENE	UTU0149078	891008900A	430473322800S1	
NBU 331	3-10-21 NWNE	UTU0149078	891008900A	430473322900S1	

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: 1/6/2006

FROM: (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	TO: (New Operator): N2995-Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024
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WELL NAME	CA No.	Unit:	NATURAL BUTTES UNIT					
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

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

RECEIVED
MAY 10 2006

BLM BOND = C01203
BIA BOND = RLB0005239

APPROVED 5/16/06

DIV. OF OIL, GAS & MINING

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

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

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

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

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

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

RECEIVED
 MAY 10 2006

DIV OF OIL, GAS & MINING

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

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

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>Brad Laney</i>	Title	Date 5-9-06
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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



United States Department of the Interior

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

IN REPLY REFER TO:

CO922 (MM)
3106
COC017387 et. al.

March 23, 2006

NOTICE

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

Merger/Name Change - Recognized

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

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

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

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

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

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

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

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

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

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

Attachment:

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

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

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



United States Department of the Interior



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

IN REPLY REFER TO:
3106
(UT-922)

March 27, 2006

Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

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

Chief, Branch of
Fluid Minerals

Enclosure

Approval letter from BLM COSO (2 pp)

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

RECEIVED

MAR 28 2006

DIV. OF OIL, GAS & MINERAL