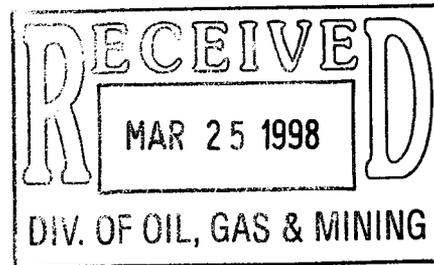




**Coastal**  
The Energy People



March 24, 1998

State of Utah  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

**Re: Morgan State #14-36**  
**Morgan State #15-36**  
**Morgan State #16-36**

To whom it may concern:

Enclosed is the Application for Permit to Drill (APD), the Drilling Program, and the Surface Use and Operations Plan for the referenced wells.

If you have any questions concerning the enclosed documents, please contact me at (303) 573-4476.

Sincerely,

Bonnie Carson  
Senior Environmental Analyst

Enc.

**Coastal Oil & Gas Corporation**

A SUBSIDIARY OF THE COASTAL CORPORATION  
600 17TH ST • STE 800 S • P O BOX 749 • DENVER CO 80201-0749 • 303/572-1121

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1A. Type of Work

DRILL

DEEPEEN

B. Type of Well

OIL

GAS

OTHER:

SINGLE ZONE

MULTIPLE ZONE

2. Name of Operator:

Coastal Oil & Gas Corporation

3. Address and Telephone Number:

P.O. Box 749, Denver, CO 80201-0749

(303) 573-4476

4. Location of Well (Footages)

At surface:

493' FSL & 1929' FEL

At proposed proding zone:

688'

14. Distance in miles and direction from nearest town or post office:

Approximately 50 miles southwest of Vernal, Utah

15. Distance to nearest property or lease line (feet):

493'

16. Number of acres in lease:

639.20

17. Number of acres assigned to this well:

40

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet):

See Map C

19. Proposed Depth:

8200'

20. Rotary or cable tools:

Rotary

21. Elevations (show whether DR, RT, GR, etc.):

5015' GL Ungraded

22. Approximate 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
PLEASE SEE ATTACHED DRILLING PROGRAM				

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.

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 State of Utah requirements.

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

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 Coastal's Bond #102103.

24.

Bonnie Carson

Name & Signature

*Bonnie Carson*

Title:

Senior Environmental Analyst

Date: 3/24/98

(This space for State use only)

API Number Assigned:

43-047-33093

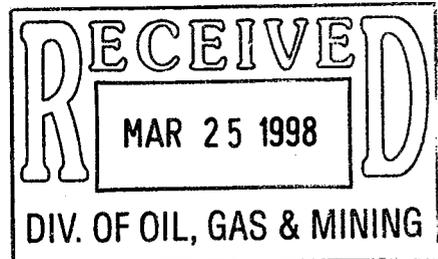
Approval:

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 4/30/98

By: *[Signature]*

(See Instructions on Reverse Side)



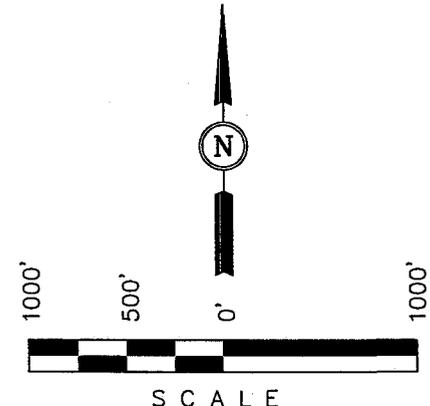
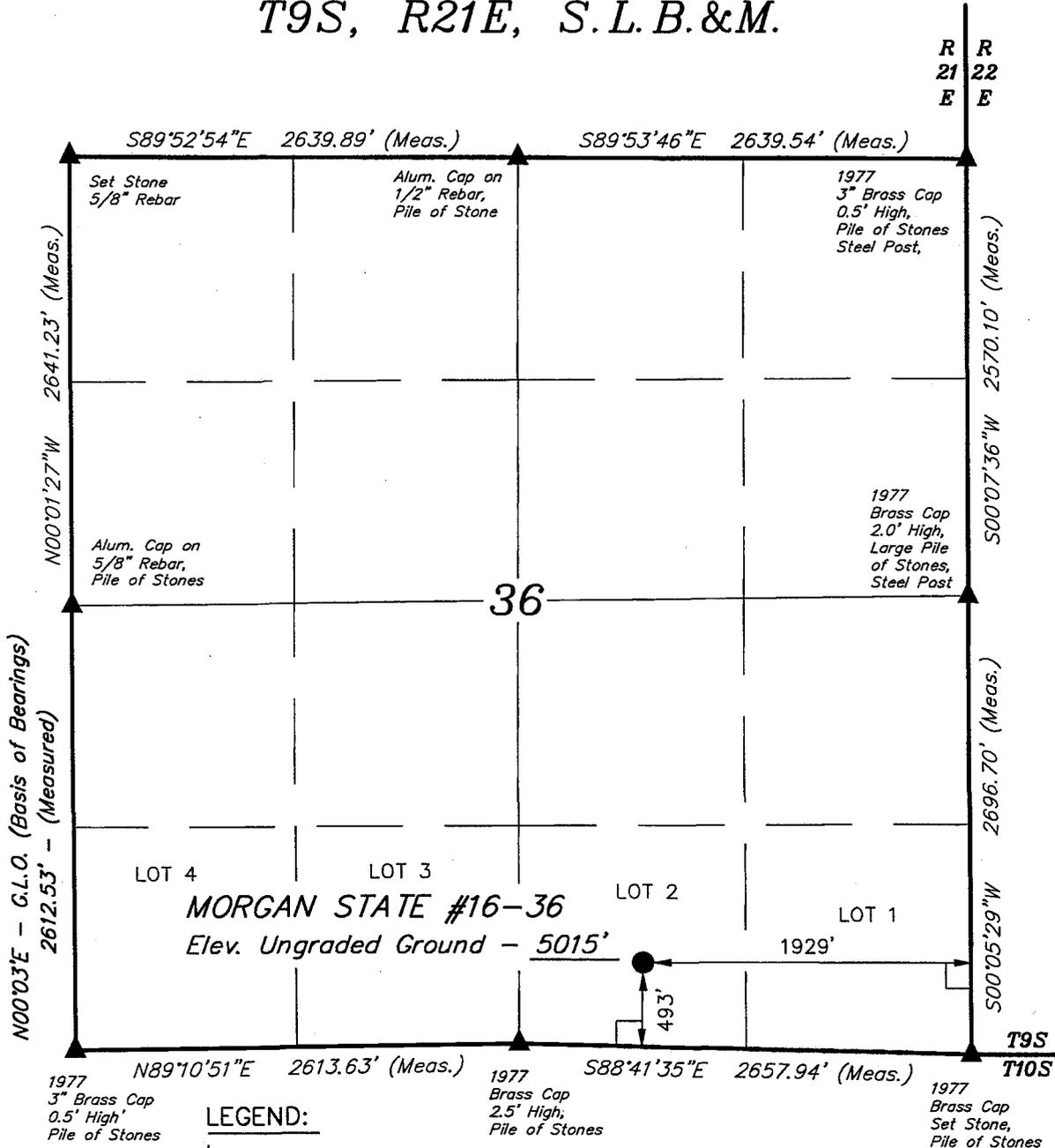
**COASTAL OIL & GAS CORP.**

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

Well location, MORGAN STATE #16-36, located as shown in Lot 2 of Section 36, T9S, R21E, S.L.B.&M., Uintah County, Utah.

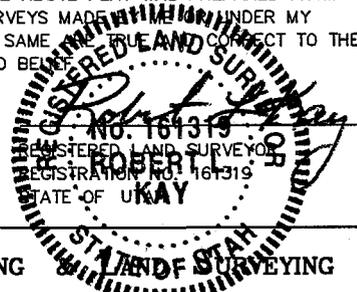
**BASIS OF ELEVATION**

TWO WATERS TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE 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 5238 FEET.



**CERTIFICATE**

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



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

**LEGEND:**

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

SCALE 1" = 1000'	DATE SURVEYED: 02-18-98	DATE DRAWN: 02-24-98
PARTY J.F. J.K. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE COASTAL OIL & GAS CORP.	

**MORGAN STATE #16-36  
493' FSL & 1929' FEL  
SE/SW (Lot 2), SECTION 36-T9S-R21E  
UINTAH COUNTY, UTAH**

**COASTAL OIL & GAS CORPORATION**

***DRILLING PROGRAM***

The proposed wellsite is on State of Utah surface/State of Utah minerals.

1. **Estimated Tops of Important Geologic Markers:**

Formation	Depth
Duchesne River/Uinta	Surface
Green River	1,390'
Wasatch	4,540'
Mesaverde Sand	7,170'
Total Depth	8,200'

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

Substance	Formation	Depth
Oil/Gas	Green River	1,390'
	Wasatch	4,540'
	Mesaverde Sand	7,170'
Water	N/A	
Other Minerals	N/A	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. Oil and gas shows will be tested to determine commercial potential.

3. **Pressure Control Equipment:** (Schematic Attached)

- a. The BOP stack will consist of one 11" 3,000 psi annular BOP, one 11" 3,000 psi double ram, and one 11" drilling spool. The lower ram will contain pipe rams, and the upper ram will contain blind rams.
- b. The choke and kill lines and the choke manifold will have a 3,000 psi minimum pressure rating.
- c. Testing: The hydril will be tested to 1,500 psi. The rams, choke manifold, kelly safety valves, drill string safety valves, and inside BOP will be tested to 2,000 psi.

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'	12 ¼"	8 ⅝"	24#	K-55	ST&C
Production	0-TD	7 ⅞"	4 ½"	11.6#	K-55	LT&C

The surface casing will be tested to 1,500 psi prior to drilling out.

Casing design is subject to revision based on geologic conditions encountered.

- b. The Cement Program will be as follows:

Surface	Fill	Type & Amount
0-250'	250'	Approximately 190 sx Class "G" + 2% CaCl <sub>2</sub> , 15.6 ppg, 1.19 CF/sx.
Production		Type & Amount
500' above productive interval to surface		Lead: Extended, Lite, or Hi-Fill cement + additives, 11 ppg.
TD to 500' above productive interval		Tail: Extended Class "G" or 50:50 Poz + additives, 14 ppg.

For production casing, actual cement volumes will be determined from the caliper log.

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

5. **Drilling Fluids Program:**

Interval	Type	Mud Wt.
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.	8.4 ppg or less

No chromate additives will be used in the mud system without prior approval to ensure adequate protection of fresh water aquifers.

**6. Evaluation Program:****a. Logging Program:**

DLL/SP: Base of surface casing to TD  
GR/Neutron Density: 2500' -TD

Drill Stem Tests: None anticipated.

The Evaluation Program may change at the discretion of the well site geologist.

- b. No drill stem tests, stimulation, or frac treatment has been formulated for this well at this time; however, the drill site, as approved, will be of sufficient size to accommodate all completion activities. Any frac treatment program specifics will be submitted via sundry notices.

**7. Abnormal Conditions:**

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered in or is known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure approximately equals 3,280 psi (calculated at 0.4 psi/foot) and maximum anticipated surface pressure equals approximately 1,476 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

**MORGAN STATE #16-36  
493' FSL & 1929' FEL  
SE/SW (Lot 2), SECTION 36-T9S-R21E  
UINTAH COUNTY, UTAH**

**COASTAL OIL & GAS CORPORATION**

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

*This Surface Use and Operations Plan is subject to change pending completion of the on-site inspection.*

**1. Existing Roads:**

The proposed wellsite is approximately 50 miles southwest of Vernal, Utah.

Directions to the location from Vernal, Utah, are:

Proceed westerly from Vernal on U.S. Highway 40 approximately 14.0 miles to the junction of State Highway 88; exit left and proceed south approximately 17.0 miles on State Highway 88 to Ouray, Utah; proceed south from Ouray approximately 6.9 miles on the Seep Ridge Road to the junction of this road and an existing oil field service road to the east; turn left and proceed in an easterly direction approximately 5.0 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 0.3 miles to the junction of this road and an existing road to the northeast; turn right and proceed in a northeasterly direction approximately 3.8 miles to the junction of this road and an existing road to the southeast; proceed in a southeasterly direction approximately 1.0 miles to the junction of this road and an existing road to the east; turn left and proceed in a southeasterly direction approximately 1.0 miles to the junction of this road and an existing road to the south; turn right and proceed in a southwesterly then southerly approximately 0.8 miles to the beginning of the proposed access road to the west; proceed in a westerly direction approximately 0.1 miles to the proposed location.

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

*Improvements to existing access roads shall be determined at the on-site inspection.*

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:**

Approximately 0.1 miles of new access will be required. The new access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet, *unless modified at the on-site inspection*. Appropriate water control will be installed to control erosion.

*Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities shall be determined at the on-site.*

The access road was centerline flagged during time of staking.

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.

**3. Location of Existing Wells Within a 1-Mile Radius: (See Map C)**

- a. Water wells - 0
- b. Producing wells - 26
- c. Drilling wells - 0
- d. Shut-in wells - 0
- e. Temporarily abandoned wells - 0
- f. Disposal wells - 0
- g. Abandoned wells - 0
- h. Injection wells - 0

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

The following guidelines will apply if the well is productive.

- a. All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.
- b. A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). 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.
- c. 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.

- d. Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.
- e. The proposed pipeline will leave the well pad in a northerly direction for an approximate distance of seven feet to tie into an existing pipeline. *This section is subject to modification as a result on the on-site inspection.* Please see Map D.

5. **Location and Type of Water Supply:**

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 A and B.

No water well is to be drilled on this lease.

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.

7. **Methods of Handling Waste Materials:**

- a. Drill cuttings will be contained and buried in the reserve pit.
- b. 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 removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.
- c. 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. *The need for a reserve pit liner will be determined at the on-site inspection.*

If a plastic reinforced liner is used, it will be a minimum of 12 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. No trash or scrap that could puncture the liner will be disposed of in the pit.

- d. Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.
- e. A chemical porta-toilet will be furnished with the drilling rig.
- f. Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.
- g. 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.

- h. 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 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 of this well.

8. **Ancillary Facilities:**

None are anticipated.

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). *This section is subject to modification as a result of the on-site inspection.*

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

- a. The reserve pit will be located on the west side of the location.
- b. The stockpiled topsoil (first six inches) will be stored on the east side of the location. All brush removed from the well pad during construction will be stockpiled separately from the topsoil.
- c. The flare pit will be located on the west side of the location, downwind from the prevailing wind direction.
- d. Access will be from the east.
- e. 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, by using a stretching device, before it is attached to corner posts.

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

10. **Plans for Reclamation of the Surface:**

- a. 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.

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

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

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 90 days from the date of well completion, weather permitting.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

- b. Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions 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.

11. **Surface Ownership:**

a. Access Roads - The proposed access road is located on lands owned by:

- State of Utah  
Division of State Lands & Forestry

b. Well Pad - The well is located on land owned by:

- State of Utah  
Division of State Lands & Forestry  
3 Triad Center, #400  
Salt Lake City, Utah 84180-1204

12. **Other Information:**

- a. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of 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.
- b. The Operator will control noxious weeds along right-of-ways for roads, pipelines, well sites, or other applicable facilities.
- c. Archaeological clearance for Section 36-T9S-R21E was obtained from Mr. Jim Cooper, Utah State Lands Trust.

13. **Lessee's or Operators'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) 877-4156

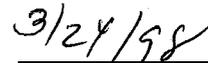
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice to Lessees.

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.



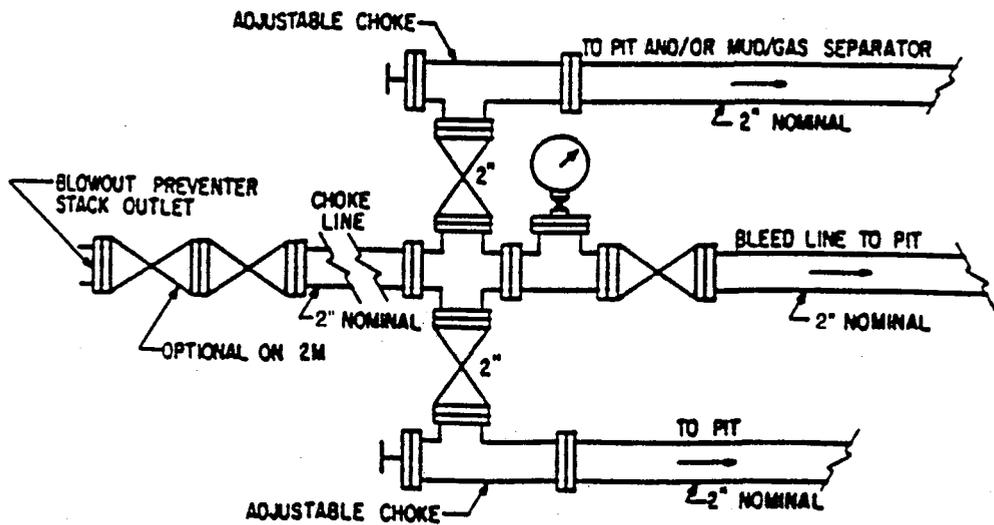
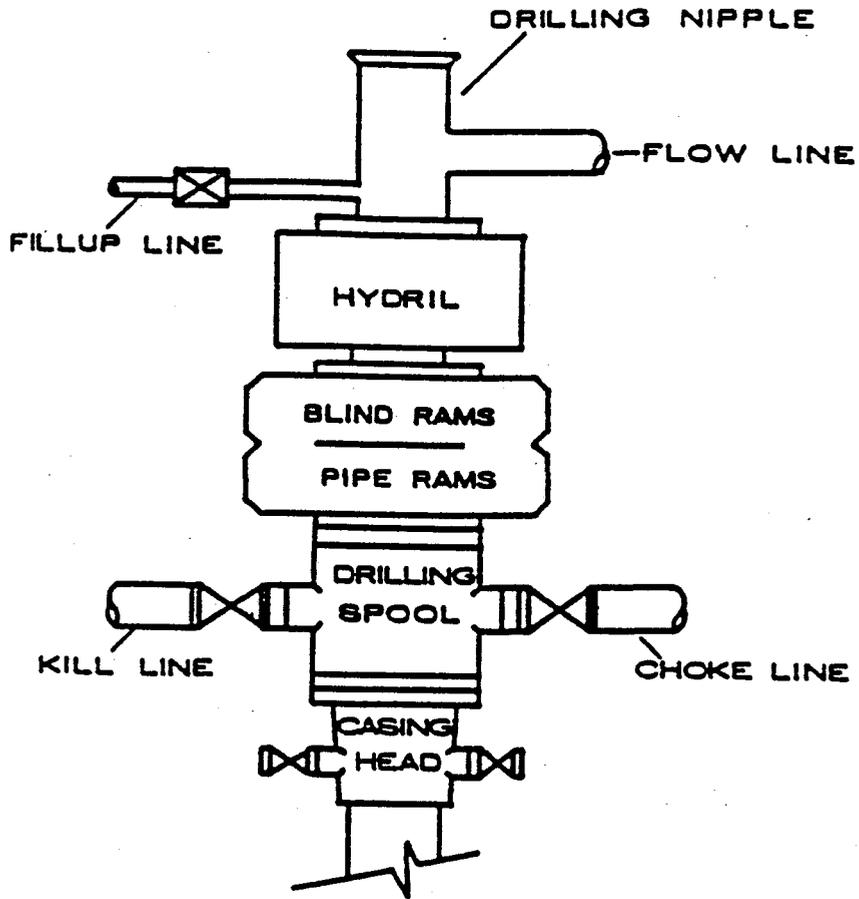
Bonnie Carson



Date

# BOP STACK

3,000 PSI



3,000 PSI CHOKe MANIFOLD

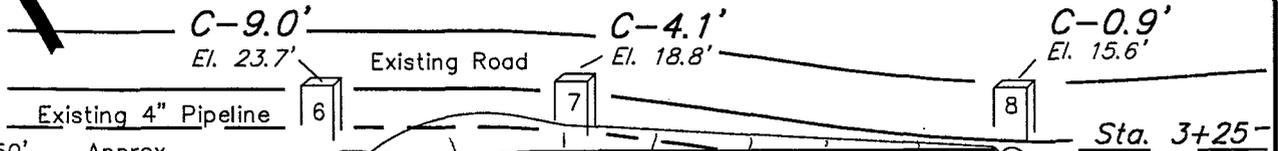
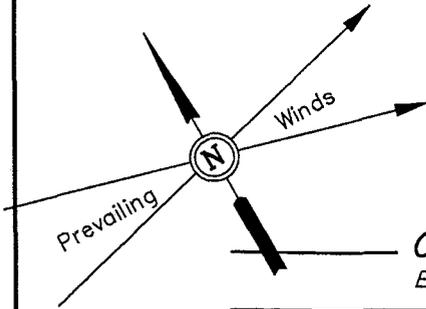
COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR

MORGAN STATE #16-36

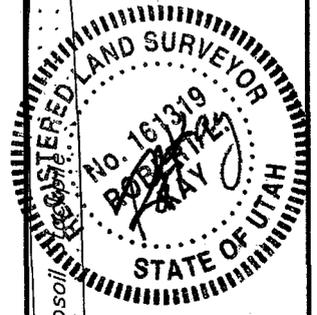
SECTION 36, T9S, R21E, S.L.B.&M.

493' FSL 1929' FEL



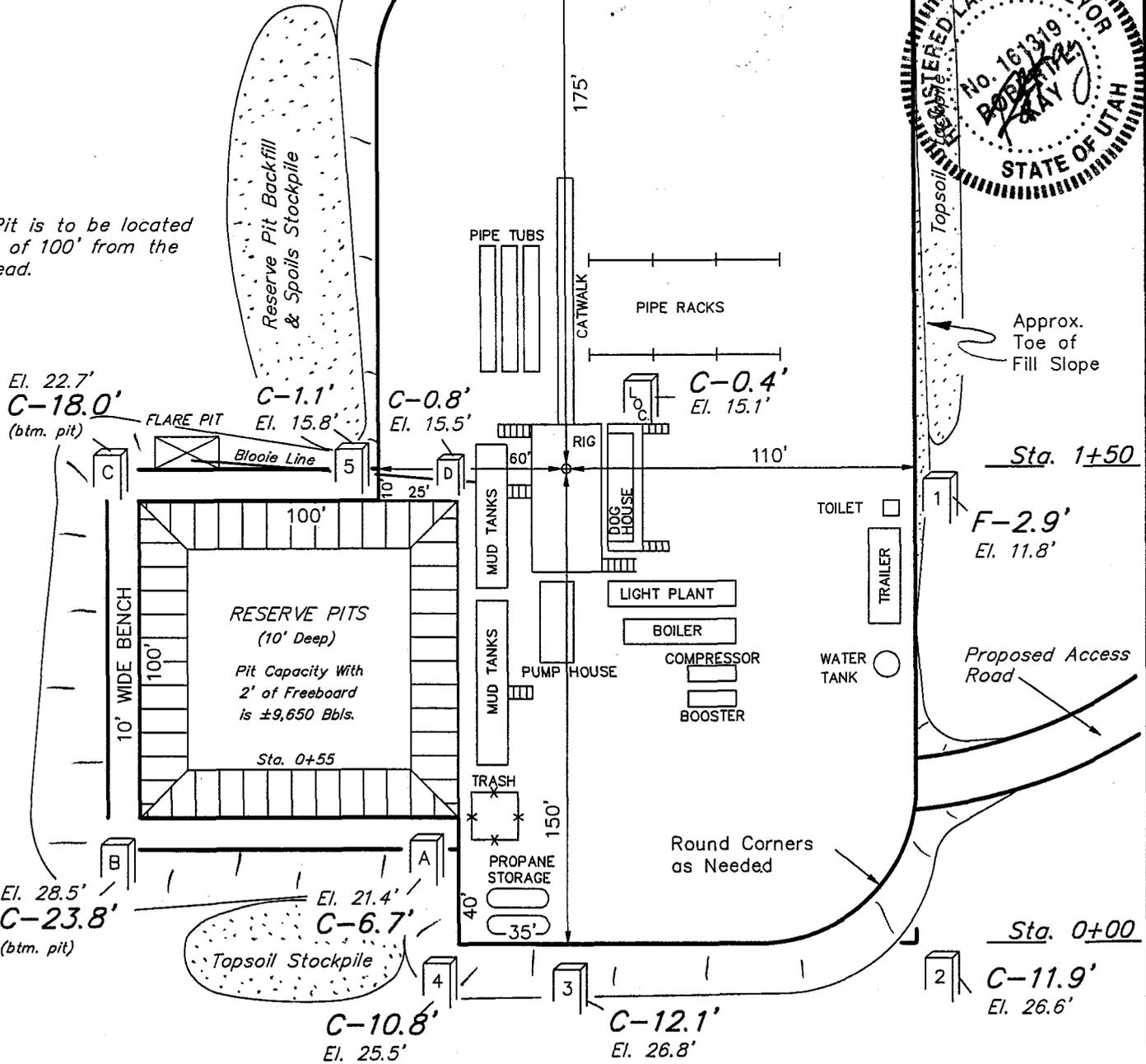
SCALE: 1" = 50'  
DATE: 02-24-98  
Drawn By: D.R.B.

Approx. Top of Cut Slope



NOTE:

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



NOTES:

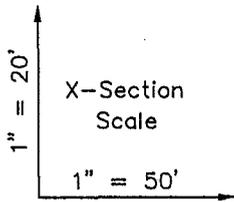
Elev. Ungraded Ground At Loc. Stake = 5015.1'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5014.7'

FIGURE #1

COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

MORGAN STATE #16-36  
SECTION 36, T9S, R21E, S.L.B.&M.  
493' FSL 1929' FEL



DATE: 02-24-98  
Drawn By: D.R.B.

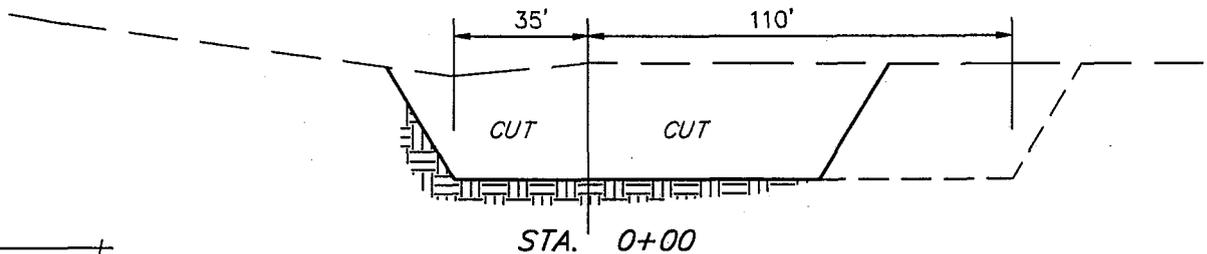
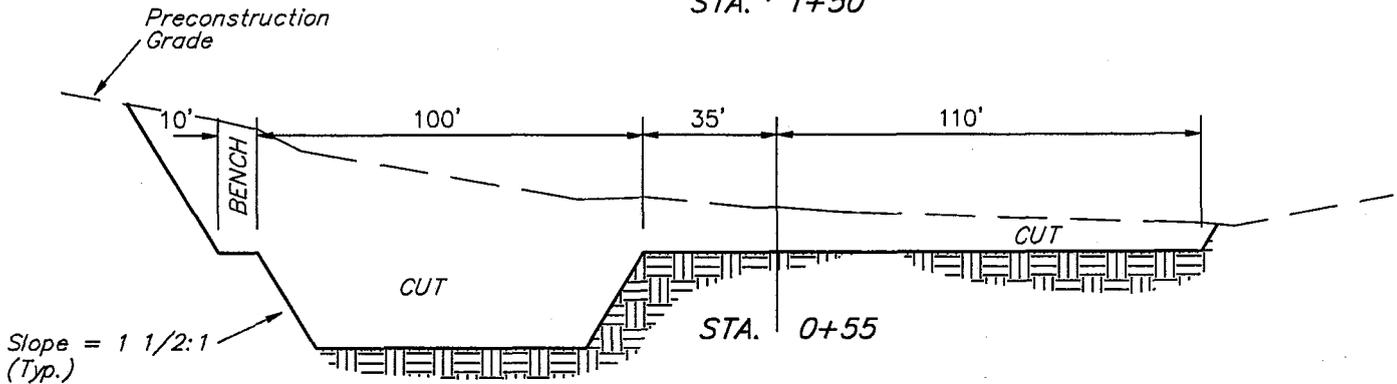
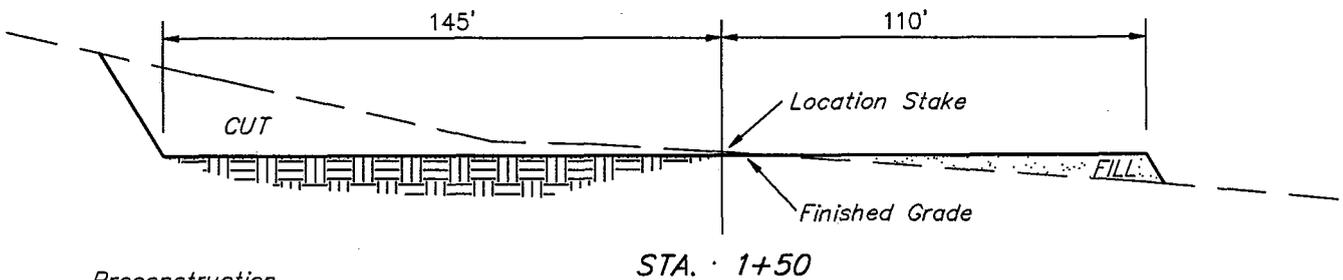
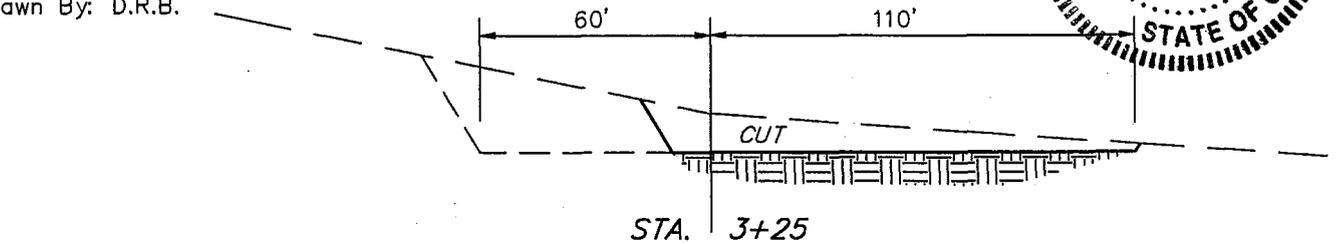
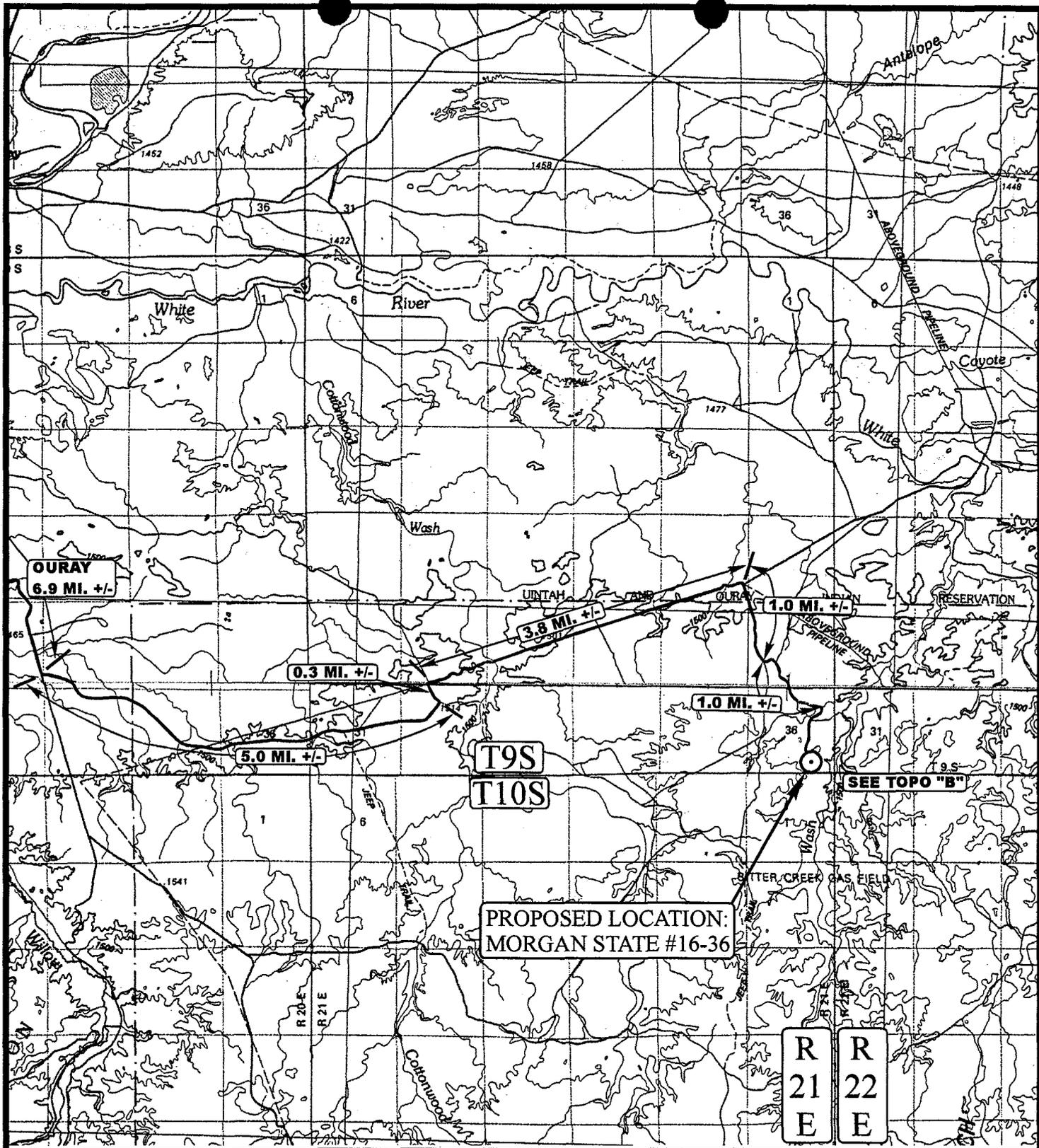


FIGURE #2

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,140 Cu. Yds.
Remaining Location	= 11,570 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 12,710 CU.YDS.</b>
<b>FILL</b>	<b>= 610 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,480 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,480 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**LEGEND:**

⊙ PROPOSED LOCATION



**COASTAL OIL & GAS CORP.**

MORGAN STATE #16-36  
 SECTION 36, T9S, R21E, S.L.B.&M.  
 493' FSL 1929' FEL



Utah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

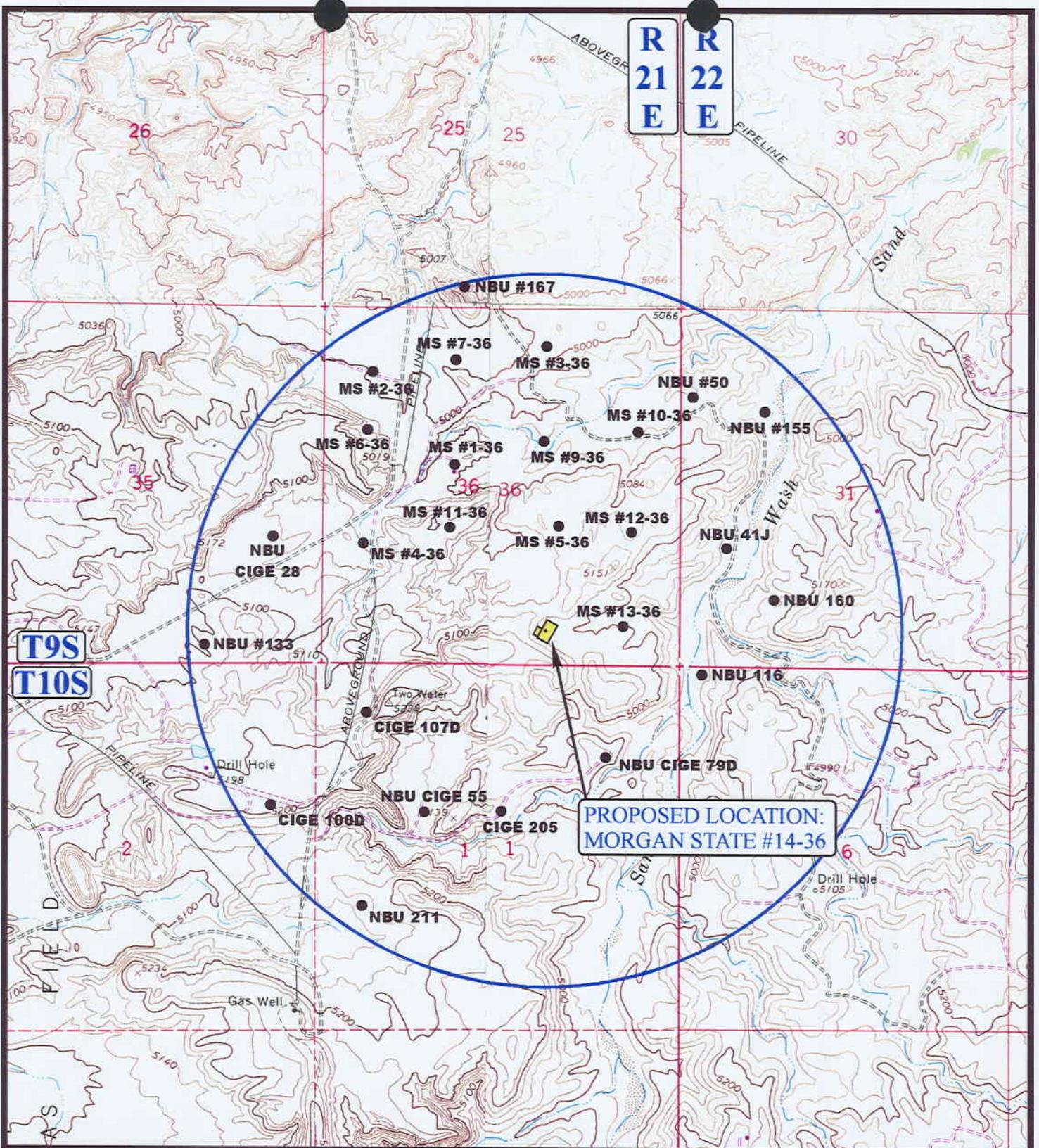
**TOPOGRAPHIC  
 MAP**

<b>2</b>	<b>24</b>	<b>98</b>
MONTH	DAY	YEAR

SCALE: 1 : 100,000 DRAWN BY: C.G. REVISED: 00-00-00







**PROPOSED LOCATION:  
MORGAN STATE #14-36**

**LEGEND:**

- |                   |                         |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS  | ⊗ WATER WELLS           |
| ● PRODUCING WELLS | ● ABANDONED WELLS       |
| ● SHUT IN WELLS   | ● TEMPORARILY ABANDONED |

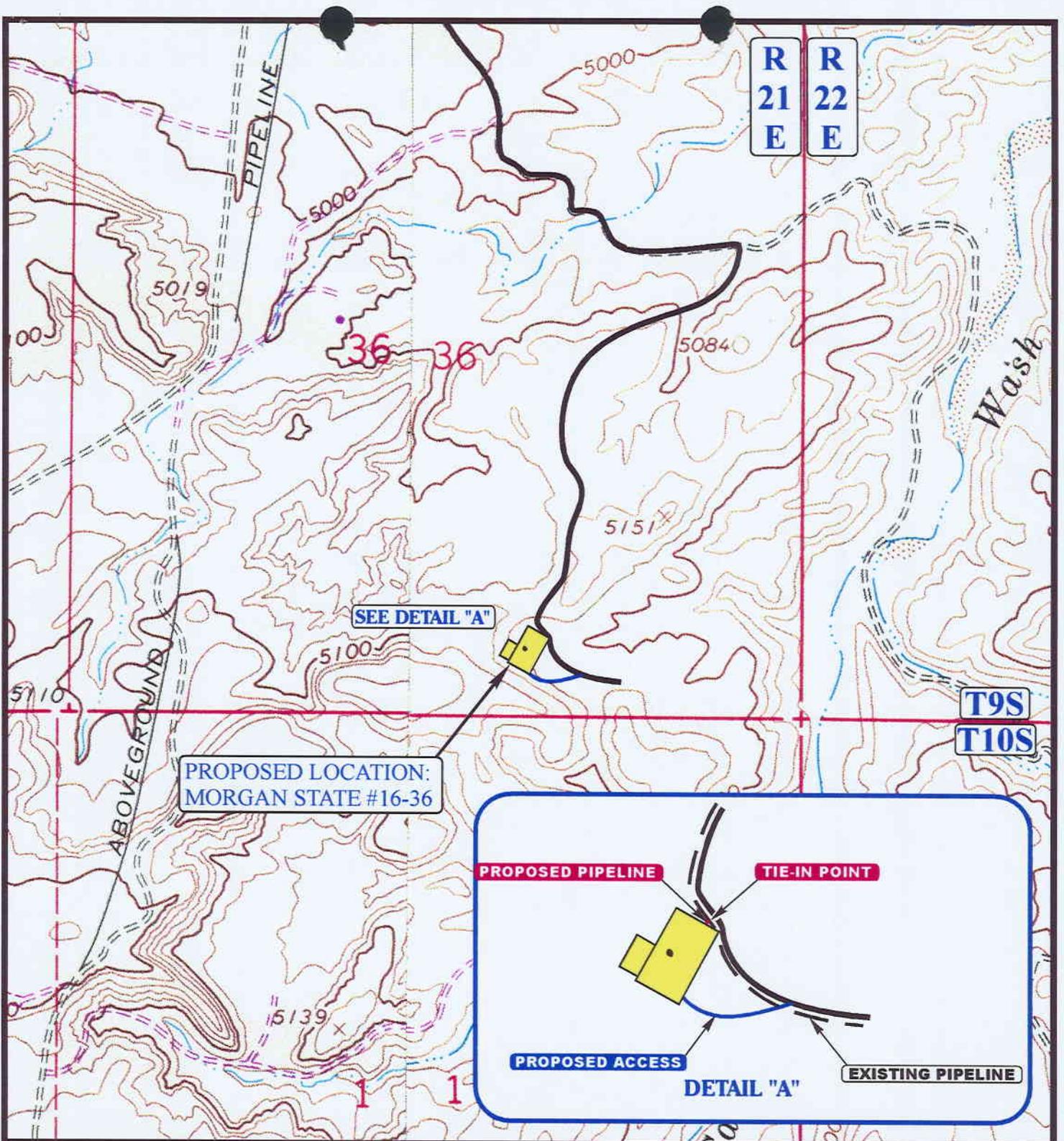
**COASTAL OIL & GAS CORP.**

**MORGAN STATE #16-36  
SECTION 36, T9S, R21E, S.L.B.&M.  
493' FSL 1929' FEL**

**UEIS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC MAP** **2 24 98**  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00 **C TOPO**





**APPROXIMATE TOTAL PIPELINE DISTANCE = 7' +/-**

**LEGEND:**

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS

**COASTAL OIL & GAS CORP.**

**MORGAN STATE #16-36  
SECTION 36, T9S, R21E, S.L.B.&M.  
493' FSL 1929' FEL**



**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**2 24 98**  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.G. REVISED: 00-00-00

**D  
TOPO**

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/25/98

API NO. ASSIGNED: 43-047-33093

WELL NAME: MORGAN ST 16-36  
 OPERATOR: COASTAL OIL & GAS CORP (N0230)

PROPOSED LOCATION:  
 SWSE 36 - T09S - R21E  
 SURFACE: 0493-FSL-1929-FEL  
 BOTTOM: 0493-FSL-1929-FEL  
 UINAH COUNTY  
 NATURAL BUTTES FIELD (630)

INSPECT LOCATION BY: 04/25/98		
TECH REVIEW	Initials	Date
Engineering	RJK	4-22-98
Geology		
Surface		

LEASE TYPE: STA  
 LEASE NUMBER: ML-22265

PROPOSED PRODUCING FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

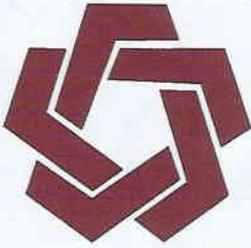
- Plat
- Bond: Federal  State  Fee   
 (Number 102103)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit  
 (Number 43-8496 / #53617)
- RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)

LOCATION AND SITING:

- R649-2-3. Unit: \_\_\_\_\_
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
- Board Cause no: \_\_\_\_\_  
 Date: \_\_\_\_\_

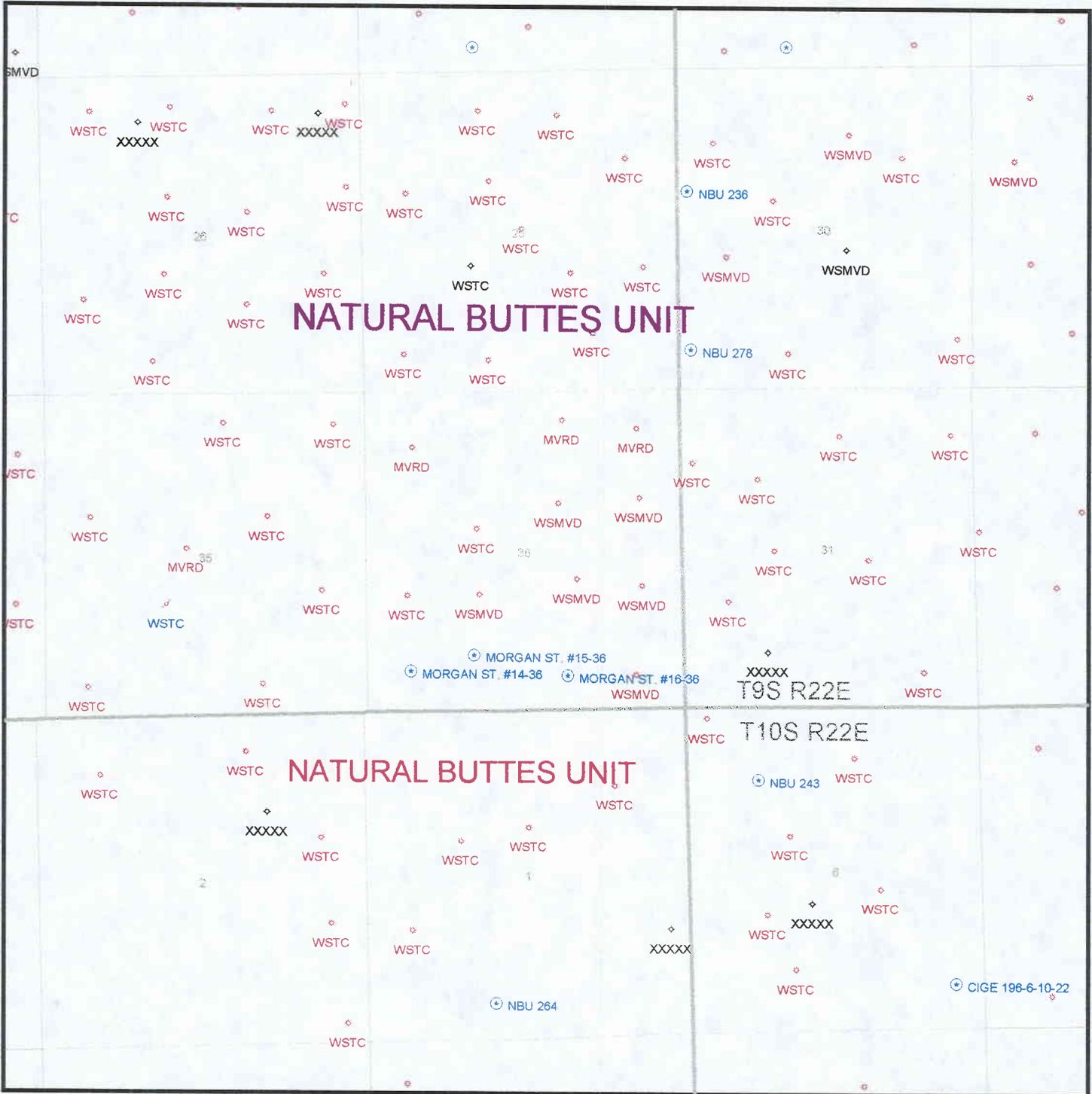
COMMENTS: Surface / state  
Oil shale - Cause No. 190-5(B)

STIPULATIONS: ~~Engin's Production casing shall be API N 80 grade;~~  
~~H<sub>2</sub>S Cont Plan req'd; Cement specs req'd~~  
 ① STATEMENT OF BASIS  
 ② OIL SHALE "4 1/2"



DIVISION OF OIL, GAS & MINING

OPERATOR: COASTAL OIL & GAS (N0230)  
FIELD: NATURAL BUTTES (630)  
SEC. 36 , TWP. 9S , RNG. 21E,  
COUNTY: UINTAH UAC: R649-2-3 NATURAL BUTTES UNIT



DATE PREPARED:  
26-MAR-1998

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: COASTAL OIL & GAS CORP.  
WELL NAME & NUMBER: MORGAN STATE 16-36  
API NUMBER: 43-047-33093  
LEASE: ML-22265 FIELD/UNIT: NATURAL BUTTES FIELD.  
LOCATION: 1/4, 1/4 SW/Se Sec: 36 TWP: 9S RNG: 21E 493' FSL 1929' FEL  
LEGAL WELL SITING: 493' F SEC. LINE; 609' F 1/4, 1/4 LINE; \_\_\_\_\_ F ANOTHER WELL.  
GPS COORD (UTM) NO READING  
SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

CARROLL ESTES, BONNIE CARSON, CARROLL WILSON (COGC), ROBERT KAY (UELS), HARLEY JACKSON (JACKSON CONST.), JOHN FAUSETT, ALAN JUSTICE (DIRT CONTRACTORS), DAVID HACKFORD (DOGM).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS LOCATED IN AN AREA THAT IS ROLLING AND BROKEN. THE SITE IS IN A BOWL WITH STEEP RIDGES TO THE NORTH AND WEST DIRECTLY ADJACENT TO PROPOSED LOCATION. DRAINAGE IS TO THE SOUTHEAST.

SURFACE USE PLAN

CURRENT SURFACE USE: LIVESTOCK AND WILDLIFE GRAZING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 325' X 245' 0.1 MILES OF NEW ACCESS ROAD WILL BE CONSTRUCTED.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 26 PRODUCING GAS WELLS.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: \_\_\_\_\_  
ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL TIE INTO EXISTING PIPELINE DIRECTLY ADJACENT TO PROPOSED LOCATION. NO NEW PIPELINE RIGHT-OF-WAY WILL BE NECESSARY.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM THIS SITE DURING CONSTRUCTION AND IS NATIVE.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO

STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: GREASEWOOD, NATIVE GRASSES, SALTBRUSH, PRICKLY PEAR, RABBITBRUSH, SAGEBRUSH: PRONGHORN, RODENTS, COYOTES, BIRDS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

SURFACE FORMATION & CHARACTERISTICS: LOCAL BEDROCK IS PREDOMINANTLY UPPER EOCENE SANDSTONE, SILTSTONE AND MARLSTONE OF THE DUCHESNE RIVER AND UINTA FORMATIONS.

EROSION/SEDIMENTATION/STABILITY: MINOR EROSION, MINOR SEDIMENTATION, NO STABILITY PROBLEMS ANTICIPATED.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: 100' BY 100' AND 10' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): NO LINER WILL BE REQUIRED.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER STATE OF UTAH, TRUST LANDS.

SURFACE AGREEMENT: STATE OF UTAH, TRUST LANDS.

CULTURAL RESOURCES/ARCHAEOLOGY: AN ARCHAEOLOGICAL CLEARANCE FOR THIS SECTION WAS OBTAINED FROM MR. JIM COOPER, UTAH STATE TRUST LANDS.

OTHER OBSERVATIONS/COMMENTS

INVESTIGATION WAS DONE ON A WARM DAY WITH NO SNOW COVER. EXCEPTION SPACING WAS DISCUSSED FOR THIS WELL BUT MAY NOT BE NECESSARY.

ATTACHMENTS:

PHOTOS OF PROPOSED SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

4/7/98 11:45 AM  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
<b>Final Score (Level III Sensitivity)</b>		<u>15</u>

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number  
**ML-22265**

6. Indian, Allottee or Tribe Name:  
**N/A**

7. Unit Agreement Name:  
**N/A**

8. Well Name and Number:  
**Morgan State #16-36**

9. API Well Number:  
**NA 4304733093**

10. Field and Pool, or Wildcat  
**Natural Buttes Field**

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator  
**Coastal Oil & Gas Corporation**

3. Address and Telephone Number.  
**P.O. Box 749, Denver, CO 80201-0749 (303) 573-4476**

4. Location of Well  
Footages: **493' FSL & 1929' FEL** County: **Uintah**  
QQ, Sec., T., R., M.: **Lot 2 (SW/SE), Section 36-T9S-R21E** State: **Utah**

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other Construct pipeline
- New Construction
- Pull or Alter Casing
- Recomplete
- Perforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start Upon approval

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- Abandon\*
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Perforate
- Vent or Flare
- Water Shut-Off

Date of work completion \_\_\_\_\_

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

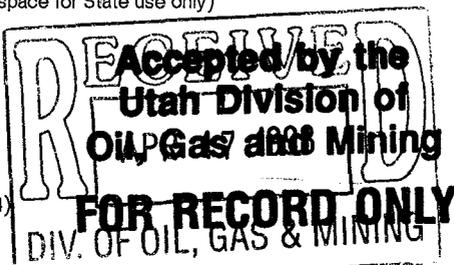
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The operator requests approval to construct an additional pipeline to service the referenced location. In order to sufficiently produce the proposed well, a low pressure pipeline will be constructed in parallel to the existing high pressure pipeline, leaving the location in a northerly direction to tie into an existing pipeline at the Morgan State 5-36 location. A pre-site inspection was held on April 7, 1998, with Dave Hackford present to inspect the proposed pipeline route.

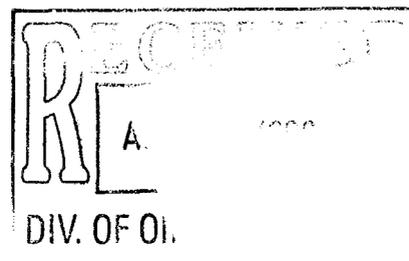
A copy of this sundry was sent to the Utah School Trust Lands Administration.

13. Name & Signature Bonnie Carson Title Senior Environmental Analyst Date 4/15/98

(This space for State use only)



(See Instructions on Reverse Side)



STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number  
**ML-22265**

6. Indian, Allottee or Tribe Name:  
**N/A**

7. Unit Agreement Name:  
**N/A**

8. Well Name and Number:  
**Morgan State #16-36**

9. API Well Number:  
**NA**

10. Field and Pool, or Wildcat  
**Natural Buttes Field**

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2. Name of Operator  
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3. Address and Telephone Number.  
**P.O. Box 749, Denver, CO 80201-0749 (303) 573-4476**

4. Location of Well  
Footages: **493' FSL & 1929' FEL** County: **Uintah**  
QQ,Sec., T., R., M.: **Lot 2 (SW/SE), Section 36-T9S-R21E** State: **Utah**

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

NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
<input type="checkbox"/> Abandon	<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Abandon*	<input type="checkbox"/> New Construction
<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Perforate
<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Perforate	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____	
<input checked="" type="checkbox"/> Other <u>Construct pipeline</u>		Date of work completion _____	
Approximate date work will start <u>Upon approval</u>		Report results of <b>Multiple Completions</b> and <b>Recompletions</b> to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.	
		* Must be accompanied by a cement verification report.	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

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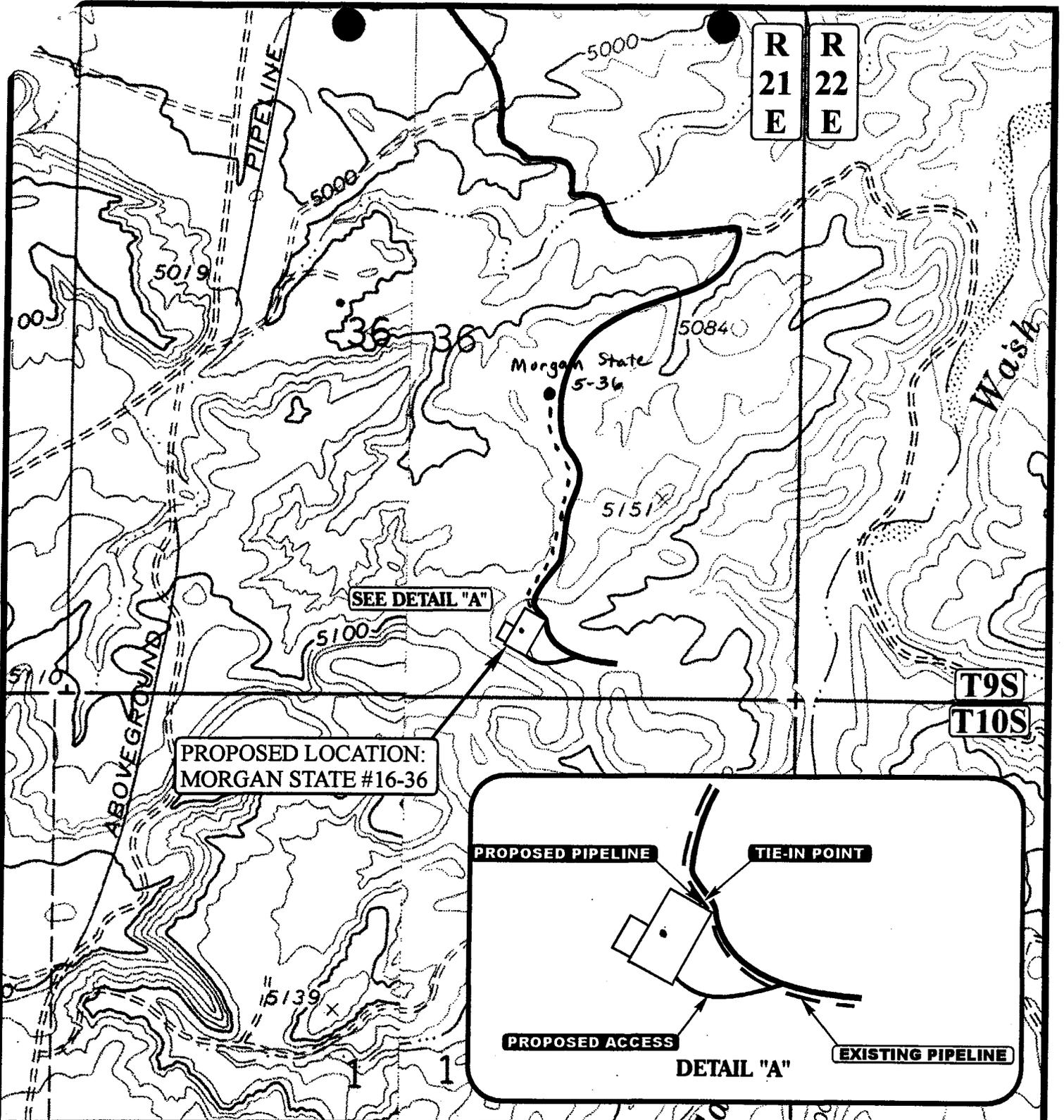
A copy of this sundry was sent to the Utah School Trust Lands Administration.

13. Name & Signature Bonnie Carson Title Senior Environmental Analyst Date 4/15/98

(This space for State use only)

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

**FOR RECORD ONLY** See Instructions on Reverse Side



APPROXIMATE TOTAL PIPELINE DISTANCE = 7' +/-

**LEGEND:**

- — — — — EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- PROPOSED ACCESS

**COASTAL OIL & GAS CORP.**

MORGAN STATE #16-36  
 SECTION 36, T9S, R21E, S.L.B.&M.  
 493' FSL 1929' FEL



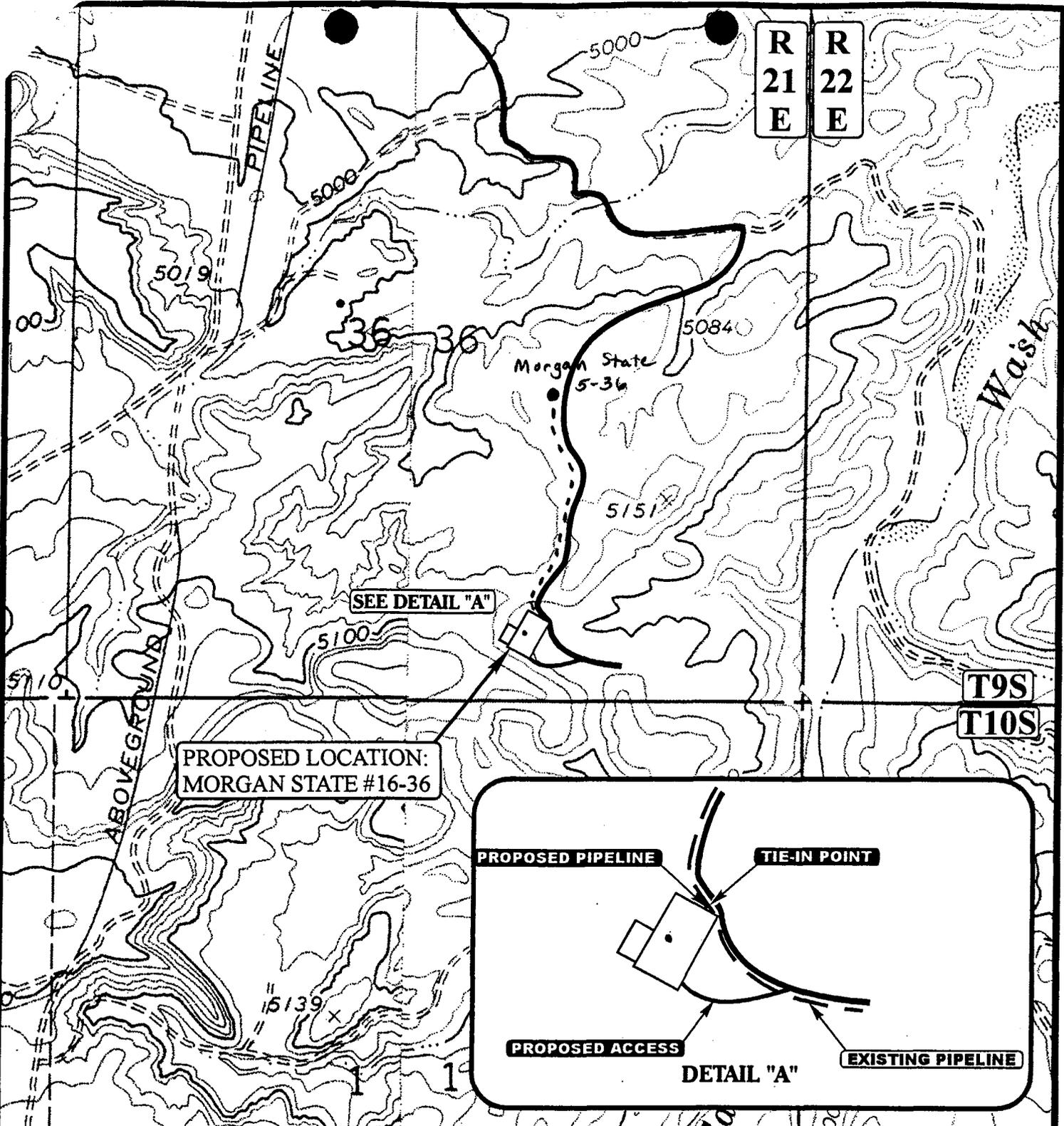
Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
 MAP

2	24	98
MONTH	DAY	YEAR

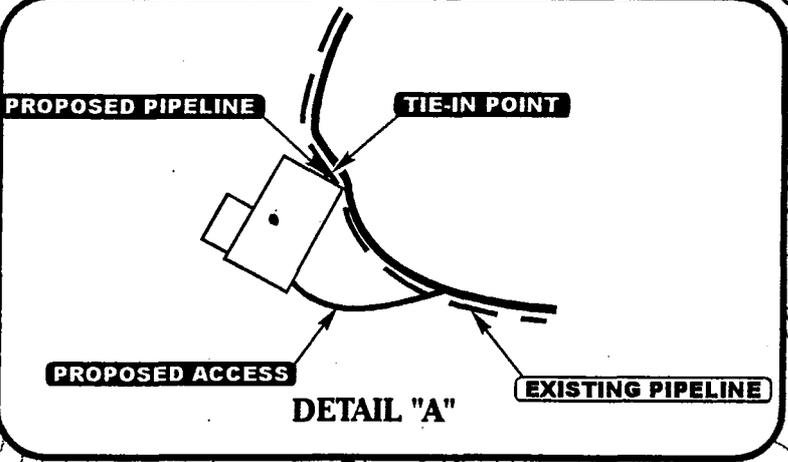


SCALE: 1" = 1000' DRAWN BY: C.G. REVISED: 00-00-00



PROPOSED LOCATION:  
MORGAN STATE #16-36

SEE DETAIL "A"



APPROXIMATE TOTAL PIPELINE DISTANCE = 7' +/-

**LEGEND:**

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS

**COASTAL OIL & GAS CORP.**

MORGAN STATE #16-36  
SECTION 36, T9S, R21E, S.L.B.&M.  
493' FSL 1929' FEL



U&LS  
 Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

2	24	98
MONTH	DAY	YEAR



SCALE: 1" = 1000' DRAWN BY: C.G. REVISED: 00-00-00

**DIVISION OF OIL, GAS AND MINING**  
**APPLICATION FOR PERMIT TO DRILL**  
**STATEMENT OF BASIS**

**Operator Name:** COASTAL OIL & GAS CORP.  
**Name & Number:** MORGAN STATE 16-36  
**API Number:** 43-047-33093  
**Location:** 1/4, 1/4 SW/SE Sec. 36 T. 9S R. 21E

**Engineering:**

This area has potential for H<sub>2</sub>S and a contingency plan should be filed. Casing should be changed to grade N-80. Additional information is needed on cement specs and volumes.

**Reviewer:** Robert Krueger  
**Date:** 4/23/98

**Geology/Ground Water:**

The base of moderately saline water is at approximately 3000 feet in this area (Technical Publication # 92). The base of the moderately saline water is probably in the lower Green River Formation. This location is in a designated oil shale area. Fresh water zones may be encountered in sands throughout the Uinta Formation. These zones are generally discontinuous, low yielding and not subject to direct recharge. The proposed surface casing should adequately protect these zones. The proposed cement program for the production casing should adequately protect and isolate any productive zones from fresh water zones above.

**Reviewer:** Brad Hill  
**Date:** 4/27/98

**Surface:**

The pre-site investigation of the surface was performed by field personnel on 4/7/98. Jack Lytle with D.W.R. and Ed Bonner with State Lands were notified of pre-site on 3/31/98. Neither attended. Re-routing of an existing pipeline and access road were discussed.

**Reviewer:** DAVID W. HACKFORD  
**Date:** 4/14/98

**Conditions of Approval/Application for Permit to Drill:**

1. Reserve pit shall be constructed west of wellbore.
2. Existing 12" pipeline will be re-routed to the east.
3. Existing access road will be re-routed to the west.
4. An H<sub>2</sub>S Contingency Plan shall be filed with the Division prior to spudding and on-location personnel shall be trained as required to ensure safe operations.
5. Details of the cement program including volume estimates and manufacturer's/suppliers specifications shall be submitted to the Division prior to spudding.
6. Production casing shall be API Grade N-80.



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)

April 30, 1998

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

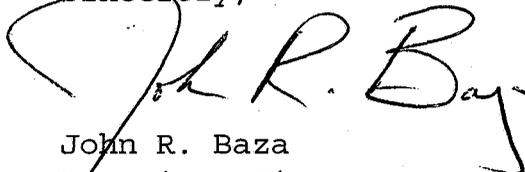
Re: Morgan State 16-36 Well, 493' FSL, 1929' FEL, SW SE,  
Sec. 36, T. 9 S., R. 21 E., Uintah County, Utah

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 43-047-33093.

Sincerely,

  
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: Morgan State 16-36  
API Number: 43-047-33093  
Lease: ML-22265  
Location: SW SE Sec. 36 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 following 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. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

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.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number  
**ML-22265**

6. Indian, Allottee or Tribe Name:  
**N/A**

7. Unit Agreement Name:  
**N/A**

8. Well Name and Number:  
**Morgan State #16-36**

9. API Well Number:  
**43-047-33093**

10. Field and Pool, or Wildcat  
**Natural Buttes Field**

**SUNDRY NOTICES AND REPORTS ON WELLS**

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1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator  
**Coastal Oil & Gas Corporation**

3. Address and Telephone Number.  
**P.O. Box 749, Denver, CO 80201-0749 (303) 573-4455**

4. Location of Well  
Footages: **493' FSL & 1929' FEL** County: **Uintah**  
QQ,Sec., T., R., M.: **Lot 2 (SW/SE), Section 36-T9S-R21E** State: **Utah**

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Recomplete
- Perforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- Abandon\*
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other Spud Notice
- New Construction
- Pull or Alter Casing
- Perforate
- Vent or Flare
- Water Shut-Off

Date of work completion 6/9/98

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

6/9/98: MIRU Bill Martin Drlg and drilled 256' of 11" hole and ran 6 jts 8 5/8" 24# J-55 csg with Howco Shoe. Total 251.85.

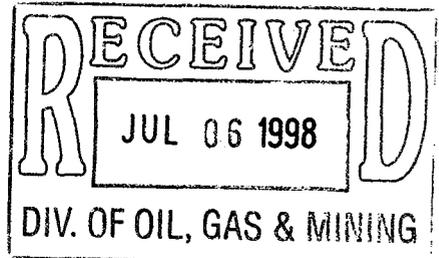
6/10/98: Cmt with Halliburton, pumped 20 bbl gel water ahead of 100 sk PAG with 2% CaCl2 and 1/4#/sk Flocele, wt 15.6, yield 1.18. Drop plug and disp with 13 bbls water +/- 6 bbls, cmt to surface. Hole stayed full.

Notified Ed Forsman - BLM

Spud 17:00 6/9/98

13. Name & Signature Sheila Bremer Title Environmental & Safety Analyst Date 7/1/98

(This space for State use only)



STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
DRILLING INSPECTION FORM

OPERATOR: COASTAL OIL & GAS CORP. COMPANY REP: KENT STRINGHAM

WELL NAME MORGAN STATE 16-36 API NO 43-047-33093  
QTR/QTR: SW/NE SECTION: 36 TWP: 9S RANGE: 21E

CONTRACTOR: COASTAL DRILL RIG NUMBER: 1

INSPECTOR: DAVID HACKFORD TIME: 1:00 PM DATE: 7/7/98  
SPUD DATE: DRY: UNKNOWN ROTARY: 6/29/98 PROJECTED TD 8200'

OPERATIONS AT TIME OF VISIT: RUN PRODUCTION CASING.

WELL SIGN: Y MUD WEIGHT 8.5 LBS/GAL BOPE: Y

BLOOIE LINE: Y FLARE PIT: N H2S POTENTIAL: Y

ENVIRONMENTAL:

RESERVE PIT: Y FENCED: Y LINED: N PLASTIC: N

RUBBER: N BENTONITE: N SANITATION: Y

BOPE TEST RECORDED IN THE RIG DAILY TOUR BOOK: Y

REMARKS:

WELL BEING DRILLED WITH 3% KCL WATER, WITH POLYMER AND SOAP ADDED FOR TIGHT HOLE CONDITIONS. WELL TD'D AT 8016'. SURVEY AT 7972' WAS 2 DEGREES. 1 PPM H2S REPORTED WHILE DRILLING THIS WELL. 262' OF 8 5/8" SURFACE PIPE HAS BEEN SET AND CEMENTED.

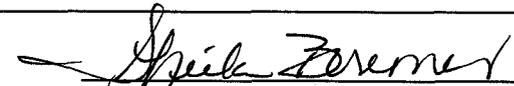
**ENTITY ACTION FORM - FORM 6**

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	12407	43-047-33093	Morgan State #16-36	SWSE	36	9S	21E	Uintah	6/9/98	6/9/98
WELL 1 COMMENTS: This well is in the Natural Buttes Field but is not a part of the Natural Buttes Unit. <i>Entity added 7-8-98. See</i>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS: <div style="border: 2px solid black; padding: 5px; width: fit-content; margin: 10px auto;">                         RECEIVED                          JUL 7 1998                          DIV OF OIL, GAS &amp; MINING                     </div>											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

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

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

  
 Signature Sheila Bremer  
 Environmental/Safety Analyst 7/1/98  
 Title \_\_\_\_\_ Date \_\_\_\_\_  
 Phone No. (303) 573-4455

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number  
**ML-22265**

6. Indian, Allottee or Tribe Name:  
**N/A**

7. Unit Agreement Name:  
**N/A**

8. Well Name and Number:  
**Morgan State #16-36**

9. API Well Number:  
**43-047-33093**

10. Field and Pool, or Wildcat  
**Natural Buttes Field**

**SUNDRY NOTICES AND REPORTS ON WELLS**

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Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator  
**Coastal Oil & Gas Corporation**

3. Address and Telephone Number.  
**P.O. Box 749, Denver, CO 80201-0749 (303) 573-4476**

4. Location of Well  
Footages: **493' FSL & 1929' FEL** County: **Uintah**  
QQ, Sec., T., R., M.: **Lot 2 (SW/SE), Section 36-T9S-R21E** State: **Utah**

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
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| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Perforate            |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon*                                    | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                               | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                             | <input type="checkbox"/> Perforate            |
| <input type="checkbox"/> Convert to Injection                        | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                   | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Drilling Operations</u> |   |

Date of work completion 7/8/98

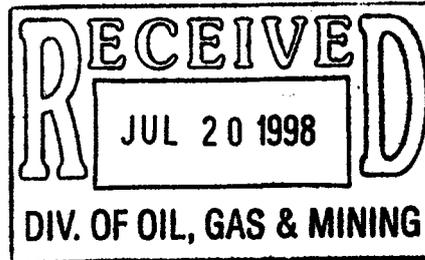
Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

Approximate date work will start \_\_\_\_\_

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please see the attached chronological well history for work performed on the subject well.



13. Name & Signature Bonnie Carson Title Senior Environmental Analyst Date 7/13/98

(This space for State use only)

**PERC****WELL CHRONOLOGY REPORT****WELL NAME : MORGAN STATE #16-36**FIELD : NATURAL BUTTESDISTRICT : DRLGCOUNTY & STATE : UINTAHUT

LOCATION :

CONTRACTOR : COASTALDRILWI% : AFE# : 27990API# : 43-047-33093

PLAN DEPTH :

SPUD DATE :

6/9/98

DHC :

CWC :

AFE TOTAL :

FORMATION :

**REPORT DATE : 6/11/98**MD : 256TVD : 0DAYS : 0

MW :

VISC :

DAILY : DC : \$32,293CC : \$0TC : \$32,293CUM : DC : \$32,293CC : \$0TC : \$32,293

DAILY DETAILS : 6/9/98 MIRU BILL MARTIN DRLG AND DRILLED 256' OF 11" HOLE AND RAN 6 JTS 8 5/8" 24# J55 CSG WITH HOWCO SHOE TOTAL 251.05 6/10/98 CMT WITH HALLIBURTON; PUMPED 20 BBLs GEL WATER AHEAD OF 100 SK PAG WITH 2% CACL2 AND 1/4#/SK FLOCELE WT 15.6 YIELD 1.18 DROPPED PLUG AND DISP WITH 13 BBLs WATER +/- 6 BBLs CMT TO SURFACE; HOLE STAYED FULL NOTIFIED ED FORSMAN BLM SPUD 1700 6/9/98

**REPORT DATE : 6/24/98**MD : 347TVD : 0

DAYS :

MW :

VISC :

DAILY : DC : \$11,201CC : \$0TC : \$11,201CUM : DC : \$43,495CC : \$0TC : \$43,495

DAILY DETAILS : RIG UP ON MORGAN STATE 16-36 PRESSURE TEST BOPS PU DC ; TAG CMT AT 180' DRLG CMT AND SHOE 180-263' DRLG NEW HOLE 263-347'

**REPORT DATE : 6/25/98**MD : 1,693TVD : 0

DAYS :

MW : 8.4

VISC :

DAILY : DC : \$18,365CC : \$0TC : \$18,365CUM : DC : \$61,859CC : \$0TC : \$61,859

DAILY DETAILS : DRLG 347-547' SURVEY AT 503' DRLG 547-632' RIG SERV; FUNCTION TEST BOPS DRLG 632-1044' SURVEY AT 1000' DRLG 1044-1570' SURVEY AT 1526' DRLG 1570-1693'

**REPORT DATE : 6/26/98**MD : 2,558TVD : 0

DAYS :

MW : 8.4VISC : 27DAILY : DC : \$19,839CC : \$0TC : \$19,839CUM : DC : \$81,698CC : \$0TC : \$81,698

DAILY DETAILS : DRLG 1693-1756' TRIP FOR BIT #2; WASH 30' TO BOTTOM DRLG 1756-2060' SURVEY AT 2016' DRLG 2060-2558' SURVEY AT 2514' TRONA WATER AT 1500'

**REPORT DATE : 6/27/98**MD : 3,437TVD : 0

DAYS :

MW : 8.4VISC : 27DAILY : DC : \$24,662CC : \$0TC : \$24,662CUM : DC : \$106,360CC : \$0TC : \$106,360

DAILY DETAILS : DRLG 2538-3081' SURVEY AT 3031' DRLG 3081-3226' RIG MAINTENANCE DRLG 3226-3437'

**REPORT DATE : 6/28/98**MD : 4,270TVD : 0

DAYS :

MW : 8.4VISC : 27DAILY : DC : \$10,549CC : \$0TC : \$10,549CUM : DC : \$116,909CC : \$0TC : \$116,909

DAILY DETAILS : DRLG 3437-3548' SURVEY AT 3504' DRLG 3548-4044' SURVEY AT 4000' DRLG 4044-4270'

**REPORT DATE : 6/29/98**MD : 4,880TVD : 0

DAYS :

MW : 8.4VISC : 27DAILY : DC : \$12,689CC : \$0TC : \$12,689CUM : DC : \$129,597CC : \$0TC : \$129,597

DAILY DETAILS : DRLG 4270-4390' RIG REPAIR ; SWIVEL DRLG 4390-4537' RIG MAINTENANCE SURVEY 4493' MISS RUN DRLG 4537-4569' SURVEY 4525' DRLG 4569-4880'

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 6/30/98 MD : 5.190 TVD : 0 DAYS : MW : 8.4 VISC : 27  
 DAILY : DC : \$23,177 CC : \$0 TC : \$23,177 CUM : DC : \$152,774 CC : \$0 TC : \$152,774

DAILY DETAILS : DRLG 4880-5006' CIRCULATE & CONDITION HOLE POOH FOR BIT #3; FUNCTION TEST PIPE AND BLIND RAMS; MU BIT TIH WITH BHA WORK ON BRAKES AND TIGHTEN SWIVEL PACKING TIH WORK ON ROTARY CHAIN AND DRUM BEARINGS WASH AND REAM 75' TO BOTTOM DRLG 5006-5190'

REPORT DATE : 7/1/98 MD : 5.810 TVD : 0 DAYS : MW : 8.5 VISC : 27  
 DAILY : DC : \$12,889 CC : \$0 TC : \$12,889 CUM : DC : \$165,663 CC : \$0 TC : \$165,663

DAILY DETAILS : DRLG 5190-5255' SURVEY AT 5211' DRLG 5255-5593' RIG MAINTENANCE DRLG 5593-5780' SURVEY AT 5736' DRLG 5780-5810'

REPORT DATE : 7/2/98 MD : 6.435 TVD : 0 DAYS : MW : 8.5 VISC : 27  
 DAILY : DC : \$14,335 CC : \$0 TC : \$14,335 CUM : DC : \$179,998 CC : \$0 TC : \$179,998

DAILY DETAILS : DRLG 5810-6279' RIG SERV; CHANGE ROT HEAD DRLG 6279-6311' SURVEY AT 6267' DRLG 6311-6435'

REPORT DATE : 7/3/98 MD : 6.828 TVD : 0 DAYS : MW : 8.5 VISC : 27  
 DAILY : DC : \$12,689 CC : \$0 TC : \$12,689 CUM : DC : \$192,687 CC : \$0 TC : \$192,687

DAILY DETAILS : DRLG 6435-6590' CHANGE PUMP SWAB DRLG 6590-6777' PUMP THROUGH CHOKE TO KILL WELL CHANGE OUT 8" BUTTERFLY VALVE ON BLOWIE LINE DRLG 6777-6828' DRLG BREAKS 5360-85 5526-44 5624-34 5805-5810 5895-5903 5996-6002 6014-6025 6054-73 6647-6665 6638-69 6704-15 6724-58 6808-6820 6826-6839

REPORT DATE : 7/4/98 MD : 7.197 TVD : 0 DAYS : MW : 8.3 VISC : 27  
 DAILY : DC : \$11,754 CC : \$0 TC : \$11,754 CUM : DC : \$204,440 CC : \$0 TC : \$204,440

DAILY DETAILS : DRLG 6828-6893' CIRC TO SURVEY SURVEY AT 6882' DRLG TO 7197' CIRC AND PUMP 10 PPG BRINE POOH FOR BIT RIH DRLG BREAKS 6854-6866 6876-6892 6901-6911 6913-6923 7028-7031 7063-7069 7075-7081 7086-7094 7101-7118 7129-7130

REPORT DATE : 7/5/98 MD : 7.595 TVD : 0 DAYS : MW : 8.5 VISC : 27  
 DAILY : DC : \$11,754 CC : \$0 TC : \$11,754 CUM : DC : \$216,194 CC : \$0 TC : \$216,194

DAILY DETAILS : TIH WORK ON PIPE WASH AND REAM TO BOTTOM 30' FILL; DRLG TO 7431' RIG MAINTENANCE SURVEY AT 7387' DRLG TO 7595' DRLG BREAKS 7327-7365' 7387-7402' 7479-7500' 7513-7524' 7559-7569'

REPORT DATE : 7/6/98 MD : 8.016 TVD : 0 DAYS : MW : 8.8 VISC : 28  
 DAILY : DC : \$16,865 CC : \$0 TC : \$16,865 CUM : DC : \$233,059 CC : \$0 TC : \$233,059

DAILY DETAILS : DRLG TO 7954' RIG MAINTENANCE DRLG TO 8016' CIRC FOR SHORT TRIP SHORT TRIP TO WASATCH CIRC TRIP GAS OUT AND SPOT BRINE DRLG BREAKS 7598-7613 7647-7669 7688-7696 7715-7725 7729-7744 7810-7834 7843-7854 7860-7883 7934-7950

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/7/98 MD : 8,018 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$37,190 CC : \$0 TC : \$37,190 CUM : DC : \$270,249 CC : \$0 TC : \$270,249

DAILY DETAILS : CIRC TRIP GAS OUT AND SPOT 11.5 PPG GELLED BRINE WORK ON PUMP CIRC GAS UP THROUGH CHOKE AND PUMP RESERVE PIT WATER AWAY PUMP 400 BBL 10.1 PPG BRINE AND 400 BBL 11.7 GELLED BRINE DROP SURVEY TOOL SLM OUT TO LOG (SLM 8016.68) RIG UP AND LOG WITH SCHLUMBERGER; RIG DOWN SCHLUMBERGER (8018 TD) TIH RU T&M CASING AND LAY DOWN DP

REPORT DATE : 7/8/98 MD : 8,018 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$121,951 CC : \$0 TC : \$121,951 CUM : DC : \$392,199 CC : \$0 TC : \$392,199

DAILY DETAILS : LD; TIH 37 STD; LD DP ; BREAK KELLY AND VALVES; LD BHA RU T&M CSG RUN 185 JT 4 1/2" CASING TO 8018' KB RD T&M; RU CIRC AT 3 BPM AT 600 PSI RU DOWELL; CMT WITH 410 SX (1091 FT3) HILIFT LEAD AND 1300 SK (1534 FT3) 50/50 POZ; TAIL IN SYSTEM; DISPLACE WITH 123 BBL H2O; GOOD LIFT PRESS; 1860 PSI; RECIP PIPE 15' EACH 10 MINUTES; NO RETURNS DURING CEMENTING; RUN 30 CENTRALIZERS; MARKER JT AT 4523 TO 4541' ; BUMP PLUG TO 2300 PSI AT 7:00 SET SLIPS WITH 95000#; ND CUT OFF CLEAN PITS; RELEASE RIG AT 9:00 PM

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number  
**ML-22265**

6. Indian, Allottee or Tribe Name:  
**N/A**

7. Unit Agreement Name:  
**N/A**

8. Well Name and Number:  
**Morgan State #16-36**

9. API Well Number:  
**43-047-33093**

10. Field and Pool, or Wildcat  
**Natural Buttes Field**

**SUNDRY NOTICES AND REPORTS ON WELLS**

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Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator  
**Coastal Oil & Gas Corporation**

3. Address and Telephone Number.  
**P.O. Box 749, Denver, CO 80201-0749 (303) 573-4455**

4. Location of Well  
Footages: **493' FSL & 1929' FEL** County: **Uintah**  
QQ,Sec., T., R., M.: **Lot 2 (SW/SE), Section 36-T9S-R21E** State: **Utah**

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- |  |   |
|--|---|
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| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

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(Submit Original Form Only)

- |   |   |
|---|---|
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| <input type="checkbox"/> Change of Plans                          | <input type="checkbox"/> Perforate            |
| <input type="checkbox"/> Convert to Injection                     | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>First Production</u> |   |

Date of work completion \_\_\_\_\_

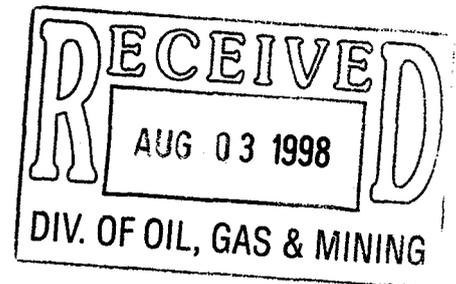
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\* Must be accompanied by a cement verification report.

Approximate date work will start \_\_\_\_\_

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

First production for the subject well occurred on 7/21/98.



13. Name & Signature Sheila Bremer Title Environmental & Safety Analyst Date 7/31/98

(This space for State use only)

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number  
**ML-22265**

6. Indian, Allottee or Tribe Name:  
**N/A**

7. Unit Agreement Name:  
**N/A**

8. Well Name and Number:  
**Morgan State #16-36**

9. API Well Number:  
**43-047-33093**

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| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
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**SUBSEQUENT REPORT**  
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| <input type="checkbox"/> Change of Plans                               | <input type="checkbox"/> Perforate            |
| <input type="checkbox"/> Convert to Injection                          | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                     | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Completion Operations</u> |   |

Date of work completion 8/7/98

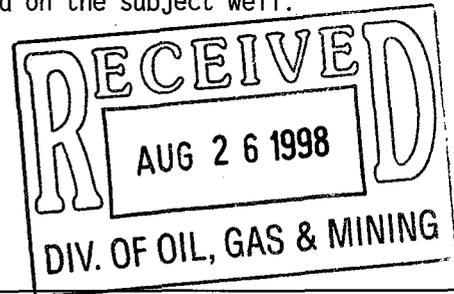
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Please see the attached chronological well history for work performed on the subject well.



13. Name & Signature Bonnie Carson Title Senior Environmental Analyst Date 8/24/98

(This space for State use only)

**PERC****WELL CHRONOLOGY REPORT****WELL NAME : MORGAN STATE #16-36**DISTRICT : DRLGFIELD : NATURAL BUTTES

LOCATION :

COUNTY & STATE : UINTAHUTCONTRACTOR : COASTALDRILWI% : AFE# : 27990API# : 43-047-33093

PLAN DEPTH :

SPUD DATE : 6/9/98DHC : CWC :

AFE TOTAL :

FORMATION :

**REPORT DATE : 7/17/98**MD : 7.979TVD : 0

DAYS :

MW :

VISC :

DAILY : DC : \$0CC : \$72,319TC : \$72,319CUM : DC : \$392,199CC : \$72,319TC : \$464,518

DAILY DETAILS : ROAD RIG F/M.S. #13-36 TO #16-36. MIRU. ND WH & NU BOP'S. PU 3 7/8" MILL & 4 1/2" CSG SCRAPER. TALLEY PU & RIH W/2 3/8 TBG. TAG FILL @ 7958'. RU PMP & LINES. SWIFN. CONSTRUCTION COSTS OF \$68,225 ADDED IN THIS DAY.

**REPORT DATE : 7/18/98**MD : 7.979TVD : 0

DAYS :

MW :

VISC :

DAILY : DC : \$0CC : \$9,991TC : \$9,991CUM : DC : \$392,199CC : \$82,310TC : \$474,509

DAILY DETAILS : BREAK CIRC & WASH FILL TO 7971' (PBD). CIRC CLEAN & DISPLACE HOLE W/170 BBL FILTERED 3% KCL. POOH. RU SCHL. RUN GR/CCL/CBL FROM WLPB 7968' UP TO 4430' TO CATCH SHORT JT. PULL UP & LOG 2030-1650' W/TOC @ 1750'. POOH & TEST CSG TO 5000 PSI CHECK INJ RATE 8 5/8 TO 4 1/2 ANN @ 225 PSI @ 4 BPM. PU 3 1/8 PERF GUN. RIH CORR TO CNL/LDT & PERF MV 7177', 7205', 7529', 7720'. ALL 3 SPF. NO PRESS AFTER SHOTS. RD SCHL. RIH W/219 JTS TBG. EOT @ 7075'. SIFN. BBLs FLUID PMPD DAILY 112, BBLs LEFT TO REC 112

**REPORT DATE : 7/19/98**MD : 7.971TVD : 0

DAYS :

MW :

VISC :

DAILY : DC : \$0CC : \$5,815TC : \$5,815CUM : DC : \$392,199CC : \$88,125TC : \$480,324

DAILY DETAILS : SITP 400 PSI, SICP 850 PSI. BLEW DWN. RIH TO EOT 7722'. SPOT 6 BBL 15% HCL ACROSS PERFS 7177-7720'. LD 1 JT PULL 9 STDS. PU 4' PUP. EOT 7112'. RU DOWELL. TEST LINES TO 6000 PSI. BREAK DWN PERFS @ 2850 PSI. PMP 500 GAL OF 15% HCL BULL HEADING W/18 1.3 SG BALLS, AVG 3530 PSI AT 4.25 BPM. BALLED OUT @ 32 BBLs. DISPLACEMENT 5000 PSI. MAX RU & FLOWING @ 9:30, FLOWED 60 BBLs IN 2 1/2 HRS. RU SWB, ICP 100 IFL 2300'. PULL F/4300'. KICK OFF. FLOW ONE HR. RIH W/SWB FL 2100', CP 60 PSI. FLOWING 2 TO 3 MINS AFTER RUNS. MADE 10 SWB RUNS. FFL 2800', FCP 420 PSI. FLOW & SWBD 136 BBLs. SI WELL. FLOW CREW WILL OPEN @ 8:30 PM TRY TO GET TO FLOW. BBLs FLUID PMPD DAILY 44, BBLs FLUID REC 136, BBLs LEFT TO REC DAILY -92, CUM 20

## FLOW BACK REPORT

TIME....CP....TP....CH....WT....SD

7PM....440....150....0....SHUT IN TO BP

8PM....540....250....0

9PM....590.....3....64....8

10PM..640.....3....64....0....SHUT IN

11PM..740....130....0

12AM..840....220....0

1AM....920....350....0

2AM..1000....450....30

3AM....460....100....20...10....TR

4AM....440.....10....20....0....CLEAN

5AM....460.....12....20....0

6AM....500.....18....20....0....CLEAN

TOTAL WTR 18 BBLs, TOTAL LOAD TO REC 2 BBLs.

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/20/98      MD : 7.971      TVD : 0      DAYS :      MW :      VISC :  
 DAILY : DC : \$0      CC : \$2,755      TC : \$2,755      CUM : DC : \$392,199      CC : \$90,880      TC : \$483,079

DAILY DETAILS : 7AM - SICP 500#, FTP 50#, 20/64" CK, 1 BW/HR, 50 MCF/D  
 8AM - SICP 200#, FTP 0#, OPEN CK, 4 BW/HR, 50 MCF/D  
 9AM - SICP 125#, FTP 0#, OPEN CK, 0 BW/HR, 50 MCF/D. MADE SWB RUN. FL 2 SN, REC 0 BV  
 10AM - SICP 125#, FTP 0#, OPEN CK, 0 BW/HR, 50 MCF/D. MADE SWB RUN, FL 2 SN, REC 0 BV  
 11AM - SICP 125#, FTP 0#, OPEN CK, 0 BW/HR, 50 MCF/D. MADE SWB RUN. FL @ SN, REC 0  
 BW. RD SWAB. POOH W/TBG. ND BOP. NU FRAC VALVE. HOOK UP FLOW LINE FROM CSG TO  
 FLOW BCK TANK.

2PM - FLOW CSG TO TANK ON 18/64" CHOKE  
 5:30PM - FCP 30#, 18/64" CK, 0 BW/HR, 50 MCF/D. BBLs FLUID REC 23, BBLs LEFT TO REC 23.

FLOW BACK REPORT  
 TIME....CP....CH....WTR....SD

6...30...18...0  
 7...30...18...0...CLEAR  
 8...25...18...0...CLEAR  
 9...25...18...0...CLEAR  
 10..25...18...0...CLEAR  
 11..25...18...0...CLEAR  
 12..25...18...0...CLEAR  
 1...25...18...0...CLEAR  
 2...25...18...0...CLEAR  
 3...25...18...0...CLEAR  
 4...25...18...0...CLEAR  
 5...25...18...0...CLEAR  
 6...25...18...0...CLEAR

TOTAL WTR 0 BBLs, TOTAL LOAD TO REC - 3 BBLs.

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/21/98 MD : 7,971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$7,076 TC : \$7,076 CUM : DC : \$392,199 CC : \$97,956 TC : \$490,155

DAILY DETAILS : MIRU DOWELL FRAC EQIP. HOLD SAFETY MEETING & PRESS TEST LINES TO 6000 PSI. FRAC MESAVERDE PERFS 7177-7720' W/6418 GAL YF 125 LG PAD + 24,444 GAL YF120LG W/69,000# 20/40 SAND RAMPED 2-4 PPG & 18,000# 20/40 RESIN COATED SAND @ 4 PPG. AVG INJ RATE 30 BPM @ 3319 PSI. MAX PRESS 4797 PSI. ISIP 2460 PSI. RU SCHL. SET RBP @ 6760'. PERF 3 SPF W/3 1/8" SELECT FIRE GUN @ 6718-6723', 6732-6733'. TOTAL 24 HOLES. SICP 0 BEFORE & AFTER PERF. RD SCHL. RIH W/2 3/8" TBG, SPOT 250 GAL 15% HCL ACROSS PERFS 6718-6733'. BRK DWN PERFS @ 1318 PSI. TREAT @ 7.1 BPM @ 4367 PSI. ISIP 1396 PSI, 5 MIN 874 PSI, 10 MIN 760 PSI, 15 MIN 701 PSI. RD DOWELL. START FLOW BACK ON OPEN CHOKE. SICP 250 PSI, FTP 10 PSI, OPEN CK, 104 BW/3 HRS. HVY GAS CUT FLUID. FLOWED OVER NIGHT ON 20/64" CK. LOAD TO REC FROM PERFS 7177-7720' = 845 BBLS, LOAD TO REC FROM PERFS 6718-6733' = 124 BBLS - 104 BBLS = 20 BBLS. BBLS FLUID PMPD DAILY 959, BBLS FLUID REC 104, BBLS LEFT TO REC 865.

## FLOW BACK REPORT

TIME....CP....TP....CH....WTR....SD

5...340...290...20  
 6...910...650...20...5...CLEAN  
 7..1060...870...20...7...CLEAN  
 8...780...660...20...1...CLEAN  
 9...740...620...20...1...CLEAN  
 10..710...610...20...0...CLEAN  
 11..710...620...20...0...CLEAN  
 12..700...600...20...0...CLEAN  
 1...710...620...20...0...CLEAN  
 2...710...620...20...0...CLEAN  
 3...700...610...20...0...CLEAN  
 4...710...610...20...0...CLEAN  
 5...700...600...20...1...CLEAN  
 6...690...580...20...0...CLEAN

GAS RATE 1000 MCF/D, TOTAL WTR 15 BBLS, TOTAL LOAD TO REC 847 BBLS.

REPORT DATE : 7/22/98 MD : 7,971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$13,115 TC : \$13,115 CUM : DC : \$392,199 CC : \$111,071 TC : \$503,270

DAILY DETAILS : 7:00 AM - SICP 600 PSI, FTP 550 PSI, 20/64" CK, 1000 MCF/D  
 10:00 AM - SICP 600 PSI, FTP 550 PSI, 20/64" CK, 1000 MCF/D, 2 BW/3 HRS  
 1:00 PM - SICP 600 PSI, FTP 550 PSI, 20/64" CK, 1000 MCF/D, 0 BW/3 HRS.  
 BLOW WELL DWN. RD FLOWLINE TO TANK & POOH W/TBG. ND BOP. SI WELL. SDFN. LOAD TO REC FROM PERFS 6718-6733' = 124 - 121 BBLS = 3 BBLS. SI OVERNIGHT PREP TO FRAC IN AM

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/23/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$4,675 TC : \$4,675 CUM : DC : \$392,199 CC : \$115,746 TC : \$507,945

DAILY DETAILS : SICP 0. LOAD HOLE W/95 BBLs 3% KCL WTR. EST INJ RATE 1/4 BPM @ 3200 PSI. RIH W/SINKER BAR ON WL. TAG FILL @ 6585'. RIH W/ RETR TOOL FOR RBP & 2 3/8" TBG. CIRC OUT SAND 6585' TO RBP @ 6624' (RBP WAS SET @ 6760'). CIRC CLEAN & REL RBP. POOH TO 3600'. KILL WELL W/130 BBLs 10# BRINE. FIN POOH & LD RBP. RU SCHL. RIH & SET RBP @ 6770'. RU DOWELL. PRESS TEST LINES TO 6000 PSI. FRAC STAGE #2 (6718-6733') W/2156 GAL YF125LG PAD + 14, 376 GAL YF120LG W/20,255# 20/40 SD RAMPED 2-6 PPG & 21,950# 20/40 RESIN COATED SD @ 6 PPG. AVG INJ RATE 24.4 BPM @ 3153 PSI. MAX PRESS 4729 PSI @ 30 BPM. ISIP 2239 PSI. RU SCHL. START TO RIH W/RBP & PERF GUN. TOOLS HUNG UP IN LUB &/OR FRAC VALVE. COULD NOT CLOSE FRAC VALVE. SICP 1900 PSI. START FLOW BACK ON 12/64" CHK. BBLs FLUID PMPD DAILY 556, BBLs LEFT TO REC 556 DAILY, CUM 1401

## FLOW BACK REPORT

TIME....CP....CH....WTR....SD

9..1600....12....OPENED PKR - OK

10..NO READING

11..440....12....80....L

12..200....14....19....T

1....200....16....19....L

2....340....18....19....M

3....590....20....30....H

4....810....20....27....L

5..1060....28....41....M

6....840....34....16....L

GAS RATE 2200 MCF/D, TOTAL WTR 251 BBLs, TOTAL LOAD TO REC 1150 BBLs.

REPORT DATE : 7/24/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$18,130 TC : \$18,130 CUM : DC : \$392,199 CC : \$133,876 TC : \$526,075

DAILY DETAILS : FCP 100 PSI ON 2-48/64 CHOKES. PMP 80 BBL BRINE WTR AT BPM. PRESS UP AT FASTER RATE. BLOW DWN WELL. HOOKUP TO OTHER SIDE CSG. KILL W/10 BBL 10# BRINE. LIFT LUB. UNSCREW TOOL FROM PLUG. NU BOP'S. PU RETRIEVING TOOL. PULL PLUG & ND BOP'S. RU SCHL. RIH W/PLUG TO 3384'. HUNG UP & WORKED FREE. POOH. SAND ON PLUG. RD SCHL. BLOW WELL DWN. RIH W/ARROW "TS" RBP ON TBG. SET RBP @ 6458'. CIRC HOLE W/110 BBL FILTERED 3% KCL. TEST PLUG TO 1500 PSI. LD 2 JTS. EOT 6395'. SDFN. BBLs FLUID PMPD 310 DAILY, BBLs FLUID REC 190, BBLs LEFT TO REC DAILY 120, CUM 1521

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/25/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$126,293 TC : \$126,293 CUM : DC : \$392,199 CC : \$260,169 TC : \$652,368

DAILY DETAILS : RU DOWELL. BROKE CIRC. SPOTTED 14 BBL OF 15% HCL ACROSS ZONE TO BE PERF'D 5429-6375' W/21 BBL 3% DISPL. RD DOWELL. POOH. ND BOP'S. RU SCHL. RIH CORR TO CNL/LDT PERF WASATCH @ 5429', 5474', 5939', 6076', 6097', & 6375'. ALL 3 SPF, 18 TOTAL HOLES. NO PRESS AFTER ANY SHOT. RU DOWELL. HELD SAFETY MEETING. TEST LINES TO 6100 PSI. LEAD PAD W/5 BBL 155 PMP 240 BBL PAD YF125. FRAC WASATCH W/142,000# 20/40 SD RAMPING FROM 2 TO 4# SAND. THE LAST 20,000# RESIN COATED. AVG 2466 PSI @ AVG 30 BPM. MAX 3800 PSI MAX RATE 35 BPM. FLUSH TO TOP PERF W/83 BBL (WF120) ISIP 1446, 5 MIN 1286, 10 MINS 1158, & 15 MIN 1048 PSI. START FLOWING @ 12:30 ON A 12 CHOKE. FCP 170 PSI ON A 18/64 CHOKE. HAD REC 143 BBL IN 3 1/2 HRS. TURNED OVER TO FLOW CREW. BBL FLUID PMPD DAILY 1270, BBL FLUID REC 522, BBL LEFT TO REC DAILY 748, CUM 2289

FLOW BACK REPORT  
 TIME...CP...CH...WTR...SD  
 5PM...200...20...44...L  
 6PM...450...20...33...M  
 7PM...740...24...36...L  
 8PM...840...28...44...L  
 9PM...740...32...39...L  
 10PM..590...32...36...L  
 11PM..530...32...29...L  
 12PM..480...32...32...L  
 1AM...450...32...16...L  
 2AM...410...32...15...L  
 3AM...360...32...12...L  
 4AM...310...48...17...CLEAN  
 5AM...150...48...22...L  
 6AM...140...48...14...L

GAS RATE 1700 MCF/D, TOTAL WTR 522 BBL, TOTAL LOAD TO REC 2269 BBL.

REPORT DATE : 7/26/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$6,542 TC : \$6,542 CUM : DC : \$392,199 CC : \$266,711 TC : \$658,910

DAILY DETAILS : FCP 50 PSI ON 2-48 CHOKES. KILL W/130 BBL 3% KCL. ND FRAC VALVE. NU BOP'S. RIH. TAG SAND @ 6241'. TRY TO BREAK CIRC W/220 BBL. CALL F/AIR FOAM UNIT. PULL ABOVE TO 5366'. HOOK UP TBG TO FLOW TANK. SIF AFTER NOON. FLOW CREW WILL OPEN THIS EVENING. BBL FLUID PMPD 350 DAILY, BBL LEFT TO REC DAILY 350, CUM 2619.

FLOW BACK REPORT  
 TIME...CP...TP...CH...WTR...SD  
 7...480...900...32  
 8...400...490...30...61...TR  
 9...420...430...30...25...TR  
 10..420...390...30...22...L  
 11..440...390...20...25...L  
 12..560...590...20...11...TR  
 1...620...620...20...8...TR  
 2...680...630...24...11...TR  
 3...720...520...28...11...TR  
 4...720...410...34...14...NO  
 5...700...290...48...14...TR  
 6...600...140...48...11...TR

**PERCY****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/27/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$8,776 TC : \$8,776 CUM : DC : \$392,199 CC : \$275,487 TC : \$667,686

DAILY DETAILS : SICP 700 PSI, FTP 150 PSI ON 64/64 CH. BLOW CSG DWN. PMP 5 BBL 3% KCL DWN CSG. RIH W/TBG. TAG SD @ 6131'. B/CIRC W/AIR FOAM & CIRC SD OUT @ 6131'. CO F/6131' TO 6458' TO RBP #1. LATCH ON RBP & REL & EQUALIZE. POOH W/TBG & RBP TO 4500'. KILL TBG W/20 BBL 3% KCL. POOH W/TBG & RBP TO 3200'. KILL WELL W/50 BBL BRINE WTR DWN CSG. POOH W/TBG & RBP TO 1300'. KILL WELL W/50 BBL BRINE WTR DWN CSG. FIN POOH W/TBG & RBP & LD RBP W/3 SLIPS MISSING IN HOLE. RBP DRAGGING & HANGING UP IN CSG COLLAR. LEFT CSG OPEN TO FLOW BACK TANK ON 48/64 CH @ 4:30 PM. SDFD. BBL FLUID PMPD 225 DAILY, BBL FLUID REC 488, BBL LEFT TO REC -263 DAILY, CUM 2143.

## FLOW BACK REPORT

TIME....CP....CH...W.TR....SD

5PM.....650....20.....-....LT

6PM.....960....20....3....L

7PM....1120....20....1....L

8PM....1100....20....8....TR

9PM....1120....20....6....L

10PM..1100....20....7....TR

11PM..1100....20....3....TR

12PM..1040....20....1....TR

1AM....1040....24....10...TR

2AM.....910....28....6....LT

3AM.....560....LEFT SIDE WASHED OUT....20....14....M....SI &amp; FIXED

4AM....1140....20....3....TR

5AM....1160....20....3....NO

6AM.....760....48....5....LT

GAS RATE 1000 MCF/D, TOTAL WTR 70 BBL, TOTAL LOAD TO REC 2073 BBL

REPORT DATE : 7/28/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$4,662 TC : \$4,662 CUM : DC : \$392,199 CC : \$280,149 TC : \$672,348

DAILY DETAILS : FCP 300 PSI ON 48/64 CH. KILL CSG W/50 BBL BRINE WTR. PU 3 3/4 MULE SHOE W/FINGER BASKET. RIH W/12 STD TBG. PU ARROW STROKE BAILER. FIN RIH W/TBG. TAG SD @ 6733'. PMP 100 BBL BRINE WTR DWN CSG. CO 24' W/BAILER. PMP 40 BBL 3% DWN TBG. POOH W/TBG & BAILER TO 1300'. PMP 30 BBL BRINE WTR DWN CSG. FIN POOH W/TBG & BAILER. REC 60' OF SD. NO SLIP OF RBP. WO POORBOY BASKET. PMP 60 BBL 3% DWN CSG. MU BASKET & RIH W/TBG EOT @ 5430' & KILL TBG W/10 BBL 3% KCL. PUT WELL TO FLOW TANK ON 32/64 CH @ 6:00 PM FTP 700 PSI, SICP 1100 PSI. SDFN. BBL FLUID PMPD DAILY 290, BBL FLUID REC 300, BBL LEFT TO REC DAILY -10, CUM 2133.

## FLOW BACK REPORT

TIME....CP....TP...CH....WTR....SD

6PM....1100....780....32

7PM....1150....900....20....3....LT

8PM....1200..1170....20....1....TR

9PM....1250..1160....20....1....TR

10PM..1275..1130....20....1....CLEAN

11PM..1275..1140....24....1....CLEAN

12PM..1150....780....24....5....CLEAN

1AM....1125....740....28....3....CLEAN

2AM....1100....680....32....4....TR

3AM....1075....640....48....4....TR

4AM.....975....330....48....8....TR

5AM....1020.....-....48/32..5....TR.....FLOWING BOTH SIDES

6AM.....620.....-....48/48..3....TR

GAS RATE 100 MCF/D, TOTAL WTR 39 BBL, TOTAL LOAD TO REC 2094 BBL.

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/29/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$12.067 TC : \$12.067 CUM : DC : \$392.199 CC : \$292.216 TC : \$684.415

DAILY DETAILS : SITP 1150 PSI, FCP 500 PSI ON 48/64 CH. BLOW TBG DWN & PMP 20 BBL 3% KCL. FIN RIH W/TBG. TAG SD @ 6733'. RU FLOWLINE F/TBG TO TANK. PMP 160 BBL 3% KCL DWN CSG. NO CIRC. RU & B/CIRC W/AIR FOAM. CO 6733-6746'. STOP MAKING HOLE. ROTATE & MASH ON BASKET. PMP 20 BBL 3% DWN TBG. POOH W/TBG & BASKET TO 1300'. KILL WELL W/50 BBL 3% KCL. FIN POOH W/TBG & BASKET. REC NO SLIP & BASKET WAS NOT SMASHED SHUT. WO MAGNET & POORBOY BASKET. PMP 50 BBL 3% DWN CSG. PU 3 1/2 MAGNET W/ 3 3/4 SKIRT & RIH W/TBG. TAG SD @ 6740'. B/CIRC W/AIR FOAM & CO 6740-6760'. KILL TBG W/45 BBL 3% KCL. WORK MAGNET, POOH W/TBG & MAGNET TO 1300'. PMP 50 BBL 3% KCL DWN CSG. FIN POOH W/TBG & MAGNET. REC 1 SLIP OF RBP. RIH W/TBG & MAGNET. TAG SD @ 6762'. PMP 50 BBL DWN TBG. WORK MAGNET & POOH W/TBG TO 1300'. KILL WELL W/60 BBL 3% KCL. FIN POOH W/TBG & MAGNET. REC 1 SLIP OF RBP. RIH W/TBG & MAGNET. DID NOT RECOVER MAGNET. RIH W/RETR HEAD. RBP @ 6770'. BBL FLUID PMPD DAILY 550, BBL FLUID REC 589, BBL LEFT TO REC DAILY -39, CUM 2094.

REPORT DATE : 7/30/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$40.984 TC : \$40.984 CUM : DC : \$392.199 CC : \$333.200 TC : \$725.399

DAILY DETAILS : FIN RIH W/MAG. TAG @ 6764'. PMP 60 BBL DWN TBG. WASH TO RBP W/60 BBL. WORK MAG. POOH & KILL 1300' W/40 BBL 10# BRINE. PULL ON OUT. NO SLIPS IN MAG. PU RETRIEVING TOOL & BUMPER SUB. KILL W/50 BBL BRINE. RIH & CLEAN OFF W/PLUG W/ AIR FOAM. LOAD HOLE W/ 90 BBL 3%. REL PLUG @ 6770'. POOH & SLOW DRAGGING SLIP. LOST IT. LD PLUG. RIH W/PROD STRING. KILL TBG W/10 BBL 1/2 THE WAY IN. TAG FILL @ 7733'. PU STRING FLOAT. PU SWIVEL. BREAK CIRC W/AIR FOAM UNIT. WASH SAND 7733-7971' (PBSD). CIRC. CLEAN & LD 8 JTS. KILL TBG W/20 BBL 3% KCL. LD STRING FLOAT. LAND TBG @ 7728' W/NC, 1 JT, PSN, 138 JTS 2 3/8 J55, HANGER. HOOK UP FLOW LINE TO TANK. LEFT W/FLOW CREW. NOTE: ONE SLIP DIE ON SHOE JT AT PBSD 7971'. BBL FLUID PMPD DAILY 360, BBL FLUID REC 380, BBL LEFT TO REC DAILY -20, CUM 2074.

## FLOW BACK REPORT

TIME....CP....TP....CH....WTR....SD  
 10PM..1350....210....32....14....T  
 11PM..1250....760....24....2....M  
 12PM..1350....780....24....11....L  
 1AM....1400....800....28....14....T  
 2AM....1325....800....28....17....T  
 3AM....1250....760....20....16....T  
 4AM....1350..1040....20....11....T  
 5AM....1400..1040....20....11....T  
 6AM....1400..1040....20....16....T

GAS RATE 1700 MCF/D, TOTAL WTR 132 BBL, TOTAL LOAD TO REC 1942 BBL.

**PERC****WELL CHRONOLOGY REPORT**

**REPORT DATE : 7/31/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$4,364 TC : \$4,364 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FTP 1040 ON 20 CHOKE SICP 1490 PSI. KILL TBG W/10 BBL 3% KCL. ND BOP'S. NU WH. HOOK  
 BACK UP TO FLOW. RD PMP & FLAT TANK. RU SWB. RIH. IFL 1500'. MADE 7 RUNS. REC 27  
 BBLs. FFL 1900'. FCP 1625 PSI. KICKED OFF. RDMO. LEFT W/FLOW CREW. SICP 1450, FTP  
 1040 PSI ON 20 CHOKE. BBLs FLUID PMPD DAILY 10, BBLs FLUID REC 27, BBLs LEFT TO REC -  
 17, CUM 2189.

## FLOW BACK REPORT

TIME....CP....TP....CH....WTR....SD

6....1450....1040....20

7....1410....1080....20..11....T

8....1370....1040....20....9....T

9....1320....1050....20....4....T

10..1320....1070....20....7....C

11..1325....1020....20..11....C

12..1325....1020....20....5....C

1....1325....1020....20....4....C

2....1310....1020....20..11....C

3....1310....1020....20....2....C

4....1310....1020....20....9....C

5....1300....1010....20....7....C

6....1300....1000....20..4....C

GAS RATE 1400 MCF/D, TOTAL WTR 84 BBLs, TOTAL LOAD TO REC 1841 BBLs

**REPORT DATE : 8/1/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 980 MCFPD, 3 BW/HR, FTP 1200#, CP 1500#, 20/64" CK. TURN TO SALES @ 10:45 AM  
 7/31/98.

**REPORT DATE : 8/2/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 756 MCF, 77 BW, FTP 1100#, CP 1500#, 20/64" CK, 24 HRS.

**REPORT DATE : 8/3/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 1515 MCF, 102 BW, FTP 1100#, CP 1375#, 20/64" CK, 24 HRS, LLTR 1590 BBLs.

**REPORT DATE : 8/4/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 1591 MCF, 54 BW, FTP 1040#, CP 1310#, 21/64" CK, 24 HRS, LLTR 1536 BBLs.

**REPORT DATE : 8/5/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 1920 MCF, 124 BW, FTP 600#, CP 1100#, 25/64" CK, 24 HRS, LLTR 1412 BBLs.

**PERC****WELL CHRONOLOGY REPORT**

**REPORT DATE : 8/6/98**      MD : 7.971      TVD : 0      DAYS :      MW :      VISC :  
DAILY : DC : \$0      CC : \$0      TC : \$0      CUM : DC : \$392.199      CC : \$337.564      TC : \$729.763  
DAILY DETAILS : FLWD 1892 MCF, 103 BW, FTP 475#, CP 1020#, 32/64" CK, 24 HRS, LLTR 1309 BBLs.

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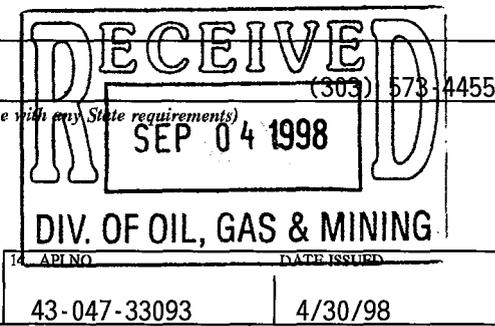
**REPORT DATE : 8/7/98**      MD : 7.971      TVD : 0      DAYS :      MW :      VISC :  
DAILY : DC : \$0      CC : \$0      TC : \$0      CUM : DC : \$392.199      CC : \$337.564      TC : \$729.763  
DAILY DETAILS : FLWD 1760 MCF, 75 BW, FTP 540#, CP 980#, 32/64" CK, 24 HRS. IP DATE: 8/5/98 - FLWD 1920  
MCF, 124 BW, FTP 600#, CP 1100#, 25/64" CK. -- FINAL REPORT --

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**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

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

2. NAME OF OPERATOR  
 Coastal Oil L & Gas Corporation  
 3. ADDRESS OF OPERATOR  
 P.O. Box 749, Denver, CO 80201-0749  
 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 At surface  
 493' FSL & 1929' FEL  
 At top prod. interval reported below  
 Same as above  
 At total depth  
 Same as above



5. LEASE DESIGNATION AND SERIAL NO.  
 ML-22265  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 N/A  
 7. UNIT AGREEMENT NAME  
 N/A  
 8. FARM OR LEASE NAME  
 Morgan State  
 9. WELL NO.  
 16-36  
 10. FIELD AND POOL, OR WILDCAT  
 Natural Buttes Field  
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Lot 2(SWSE) Sec. 36-T9S-R21E  
 12. COUNTY  
 Uintah  
 13. STATE  
 Utah

15. DATE SPUDDED 6/9/98 16. DATE T.D. REACHED 7/6/98 17. DATE COMPL. (Ready to prod. or Plug & Abd.) 8/1/98 18. ELEVATIONS (DF, RKB, RT, GR, ETC.) 5014.7 GR 19. ELEV. CASINGHEAD  
 20. TOTAL DEPTH, MD & TVD 8018' 21. PLUG, BACK T.D., MD & TVD 7971' 22. IF MULTIPLE COMPL., HOW MANY  
 23. INTERVALS DRILLED BY → ROTARY TOOLS YES CABLE TOOLS  
 24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)  
 Wasatch - 5429' - 6375', 6718' - 6733'; Mesaverde - 7177' - 7720'  
 25. WAS DIRECTIONAL SURVEY MADE  
 Single Shot

26. TYPE ELECTRIC AND OTHER LOGS RUN  
 FALS/LDT/CNL/GR/CAL, GR/CCL/CBL 7-13-98  
 27. Was Well Cored YES  NO  (Submit analysis)  
 Drill System Test YES  NO  (See reverse side)

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

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8" J-55	24#	251'	11"	See chrono 6/11/98	6 bbls
4 1/2" K-55	11.6#	8018'	7 7/8"	See chrono 7/8/98	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	7728'	

31. PERFORATION RECORD (Interval, size and number)

3SPF: 7177, 7205, 7529, 7720 (12 holes)  
 3SPF: 6718, 6719, 6720, 6721, 6722, 6723, 6732, 6733 (24 holes)  
 3SPF: 5429, 5474, 5939, 6076, 6097, 6375 (18 holes)

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
7177' - 7720'	see chrono 7/19, 7/21/98
6718' - 6733'	see chrono 7/23/98
5429' - 6375'	see chrono 7/25/98

33. PRODUCTION

DATE FIRST PRODUCTION 7/20/98 PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Flowing WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL - BBL.	GAS - MCF.	WATER - BBL.	GAS - OIL RATIO
8/5/98	24	25/64"	→	0	1920	124	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)
600#	1100#	→	0	1920	124	

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

35. LIST OF ATTACHMENTS  
 Chronological History

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Sheila Bremer TITLE Environmental & Safety Analyst DATE 9/2/98

INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachment.  
 ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details for any multiple stage cementing and the location of site cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries).		38. GEOLOGIC MARKERS				
Formation	Top	Bottom	Name	Meas. Depth	Top	True Vert. Depth
			Wasatch	4543' (+486')		
			Mesaverde Sand	7172' (-2143')		

**PERC****WELL CHRONOLOGY REPORT**

<b>WELL NAME : <u>MORGAN STATE #16-36</u></b>		DISTRICT : <u>DRLG</u>
FIELD : <u>NATURAL BUTTES</u>		LOCATION :
COUNTY & STATE : <u>UINTAH</u>	<u>UT</u>	CONTRACTOR : <u>COASTALDRIL</u>
WI% : <u>AFE# : 27990</u>	API# : <u>43-047-33093</u>	PLAN DEPTH : <u>SPUD DATE : 6/9/98</u>
DHC : <u>CWC :</u>	AFE TOTAL :	FORMATION :

**REPORT DATE : 6/11/98** MD : 256 TVD : 0 DAYS : 0 MW : VISC :  
 DAILY : DC : \$32,293 CC : \$0 TC : \$32,293 CUM : DC : \$32,293 CC : \$0 TC : \$32,293

DAILY DETAILS : 6/9/98 MIRU BILL MARTIN DRLG AND DRILLED 256' OF 11" HOLE AND RAN 6 JTS 8 5/8" 24# J55 CSG WITH HOWCO SHOE TOTAL 251.05 6/10/98 CMT WITH HALLIBURTON; PUMPED 20 BBLS GEL WATER AHEAD OF 100 SK PAG WITH 2% CACL2 AND 1/4#/SK FLOCELE WT 15.6 YIELD 1.18 DROPPED PLUG AND DISP WITH 13 BBLS WATER +/- 6 BBLS CMT TO SURFACE; HOLE STAYED FULL NOTIFIED ED FORSMAN W/BLM & DOUG HACKFORD W/STATE. SPUD 1700 6/9/98

**REPORT DATE : 6/24/98** MD : 347 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$11,201 CC : \$0 TC : \$11,201 CUM : DC : \$43,495 CC : \$0 TC : \$43,495

DAILY DETAILS : RIG UP ON MORGAN STATE 16-36 PRESSURE TEST BOPS PU DC ; TAG CMT AT 180' DRLG CMT AND SHOE 180-263' DRLG NEW HOLE 263-347'

**REPORT DATE : 6/25/98** MD : 1,693 TVD : 0 DAYS : MW : 8.4 VISC :  
 DAILY : DC : \$18,365 CC : \$0 TC : \$18,365 CUM : DC : \$61,859 CC : \$0 TC : \$61,859

DAILY DETAILS : DRLG 347-547' SURVEY AT 503' DRLG 547-632' RIG SERV; FUNCTION TEST BOPS DRLG 632-1044' SURVEY AT 1000' DRLG 1044-1570' SURVEY AT 1526' DRLG 1570-1693'

**REPORT DATE : 6/26/98** MD : 2,558 TVD : 0 DAYS : MW : 8.4 VISC : 27  
 DAILY : DC : \$19,839 CC : \$0 TC : \$19,839 CUM : DC : \$81,698 CC : \$0 TC : \$81,698

DAILY DETAILS : DRLG 1693-1756' TRIP FOR BIT #2; WASH 30' TO BOTTOM DRLG 1756-2060' SURVEY AT 2016' DRLG 2060-2558' SURVEY AT 2514' TRONA WATER AT 1500'

**REPORT DATE : 6/27/98** MD : 3,437 TVD : 0 DAYS : MW : 8.4 VISC : 27  
 DAILY : DC : \$24,662 CC : \$0 TC : \$24,662 CUM : DC : \$106,360 CC : \$0 TC : \$106,360

DAILY DETAILS : DRLG 2538-3081' SURVEY AT 3031' DRLG 3081-3226' RIG MAINTENANCE DRLG 3226-3437'

**REPORT DATE : 6/28/98** MD : 4,270 TVD : 0 DAYS : MW : 8.4 VISC : 27  
 DAILY : DC : \$10,549 CC : \$0 TC : \$10,549 CUM : DC : \$116,909 CC : \$0 TC : \$116,909

DAILY DETAILS : DRLG 3437-3548' SURVEY AT 3504' DRLG 3548-4044' SURVEY AT 4000' DRLG 4044-4270'

**REPORT DATE : 6/29/98** MD : 4,880 TVD : 0 DAYS : MW : 8.4 VISC : 27  
 DAILY : DC : \$12,689 CC : \$0 TC : \$12,689 CUM : DC : \$129,597 CC : \$0 TC : \$129,597

DAILY DETAILS : DRLG 4270-4390' RIG REPAIR ; SWIVEL DRLG 4390-4537' RIG MAINTENANCE SURVEY 4493' MISS RUN DRLG 4537-4569' SURVEY 4525' DRLG 4569-4880'

**PERC****WELL CHRONOLOGY REPORT**

**REPORT DATE : 6/30/98** MD : 5.190 TVD : 0 DAYS : MW : 8.4 VISC : 27  
 DAILY : DC : \$23,177 CC : \$0 TC : \$23,177 CUM : DC : \$152,774 CC : \$0 TC : \$152,774  
 DAILY DETAILS : DRLG 4880-5006' CIRCULATE & CONDITION HOLE POOH FOR BIT #3; FUNCTION TEST PIPE  
 AND BLIND RAMS; MU BIT TIH WITH BHA WORK ON BRAKES AND TIGHTEN SWIVEL PACKING  
 TIH WORK ON ROTARY CHAIN AND DRUM BEARINGS WASH AND REAM 75' TO BOTTOM  
 DRLG 5006-5190'

**REPORT DATE : 7/1/98** MD : 5.810 TVD : 0 DAYS : MW : 8.5 VISC : 27  
 DAILY : DC : \$12,889 CC : \$0 TC : \$12,889 CUM : DC : \$165,663 CC : \$0 TC : \$165,663  
 DAILY DETAILS : DRLG 5190-5255' SURVEY AT 5211' DRLG 5255-5593' RIG MAINTENANCE DRLG 5593-  
 5780' SURVEY AT 5736' DRLG 5780-5810'

**REPORT DATE : 7/2/98** MD : 6.435 TVD : 0 DAYS : MW : 8.5 VISC : 27  
 DAILY : DC : \$14,335 CC : \$0 TC : \$14,335 CUM : DC : \$179,998 CC : \$0 TC : \$179,998  
 DAILY DETAILS : DRLG 5810-6279' RIG SERV; CHANGE ROT HEAD DRLG 6279-6311' SURVEY AT 6267'  
 DRLG 6311-6435'

**REPORT DATE : 7/3/98** MD : 6.828 TVD : 0 DAYS : MW : 8.5 VISC : 27  
 DAILY : DC : \$12,689 CC : \$0 TC : \$12,689 CUM : DC : \$192,687 CC : \$0 TC : \$192,687  
 DAILY DETAILS : DRLG 6435-6590' CHANGE PUMP SWAB DRLG 6590-6777' PUMP THROUGH CHOKE TO KILL  
 WELL CHANGE OUT 8" BUTTERFLY VALVE ON BLOWIE LINE DRLG 6777-6828' DRLG  
 BREAKS 5360-85 5526-44 5624-34 5805-5810 5895-5903 5996-6002 6014-6025  
 6054-73 6647-6665 6638-69 6704-15 6724-58 6808-6820 6826-6839

**REPORT DATE : 7/4/98** MD : 7.197 TVD : 0 DAYS : MW : 8.3 VISC : 27  
 DAILY : DC : \$11,754 CC : \$0 TC : \$11,754 CUM : DC : \$204,440 CC : \$0 TC : \$204,440  
 DAILY DETAILS : DRLG 6828-6893' CIRC TO SURVEY SURVEY AT 6882' DRLG TO 7197' CIRC AND PUMP 10  
 PPG BRINE POOH FOR BIT RIH DRLG BREAKS 6854-6866 6876-6892 6901-6911  
 6913-6923 7028-7031 7063-7069 7075-7081 7086-7094 7101-7118 7129-7130

**REPORT DATE : 7/5/98** MD : 7.595 TVD : 0 DAYS : MW : 8.5 VISC : 27  
 DAILY : DC : \$11,754 CC : \$0 TC : \$11,754 CUM : DC : \$216,194 CC : \$0 TC : \$216,194  
 DAILY DETAILS : TIH WORK ON PIPE WASH AND REAM TO BOTTOM 30' FILL; DRLG TO 7431' RIG  
 MAINTENANCE SURVEY AT 7387' DRLG TO 7595' DRLG BREAKS 7327-7365' 7387-7402'  
 7479-7500' 7513-7524' 7559-7569'

**REPORT DATE : 7/6/98** MD : 8.016 TVD : 0 DAYS : MW : 8.8 VISC : 28  
 DAILY : DC : \$16,865 CC : \$0 TC : \$16,865 CUM : DC : \$233,059 CC : \$0 TC : \$233,059  
 DAILY DETAILS : DRLG TO 7954' RIG MAINTENANCE DRLG TO 8016' CIRC FOR SHORT TRIP SHORT TRIP  
 TO WASATCH CIRC TRIP GAS OUT AND SPOT BRINE DRLG BREAKS 7598-7613 7647-  
 7669 7688-7696 7715-7725 7729-7744 7810-7834 7843-7854 7860-7883 7934-7950

**PERC****WELL CHRONOLOGY REPORT**

**REPORT DATE : 7/7/98** MD : 8,018 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$37,190 CC : \$0 TC : \$37,190 CUM : DC : \$270,249 CC : \$0 TC : \$270,249

DAILY DETAILS : CIRC TRIP GAS OUT AND SPOT 11.5 PPG GELLED BRINE WORK ON PUMP CIRC GAS UP THROUGH CHOKE AND PUMP RESERVE PIT WATER AWAY PUMP 400 BBL 10.1 PPG BRINE AND 400 BBL 11.7 GELLED BRINE DROP SURVEY TOOL SLM OUT TO LOG (SLM 8016.68) RIG UP AND LOG WITH SCHLUMBERGER; RIG DOWN SCHLUMBERGER (8018 TD) TIH RU T&M CASING AND LAY DOWN DP

**REPORT DATE : 7/8/98** MD : 8,018 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$121,951 CC : \$0 TC : \$121,951 CUM : DC : \$392,199 CC : \$0 TC : \$392,199

DAILY DETAILS : LD; TIH 37 STD; LD DP ; BREAK KELLY AND VALVES; LD BHA RU T&M CSG RUN 185 JT 4 1/2" CASING TO 8018' KB RD T&M; RU CIRC AT 3 BPM AT 600 PSI RU DOWELL; CMT WITH 410 SX (1091 FT3) HILIFT LEAD AND 1300 SK (1534 FT3) 50/50 POZ; TAIL IN SYSTEM; DISPLACE WITH 123 BBL H2O; GOOD LIFT PRESS; 1860 PSI; RECIP PIPE 15' EACH 10 MINUTES; NO RETURNS DURING CEMENTING; RUN 30 CENTRALIZERS; MARKER JT AT 4523 TO 4541'; BUMP PLUG TO 2300 PSI AT 7:00 SET SLIPS WITH 95000#; ND CUT OFF CLEAN PITS; RELEASE RIG AT 9:00 PM

**REPORT DATE : 7/9/98** MD : 8,018 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$0 TC : \$392,199

DAILY DETAILS : FROM 7/9/98 TO 7/16/98 WAITING ON COMPLETION.

**REPORT DATE : 7/17/98** MD : 7,979 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$72,319 TC : \$72,319 CUM : DC : \$392,199 CC : \$72,319 TC : \$464,518

DAILY DETAILS : ROAD RIG F/M.S. #13-36 TO #16-36. MIRU. ND WH & NU BOP'S. PU 3 7/8" MILL & 4 1/2" CSG SCRAPER. TALLEY PU & RIH W/2 3/8 TBG. TAG FILL @ 7958'. RU PMP & LINES. SWIFN. CONSTRUCTION COSTS OF \$68,225 ADDED IN THIS DAY.

**REPORT DATE : 7/18/98** MD : 7,979 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$9,991 TC : \$9,991 CUM : DC : \$392,199 CC : \$82,310 TC : \$474,509

DAILY DETAILS : BREAK CIRC & WASH FILL TO 7971' (PBD). CIRC CLEAN & DISPLACE HOLE W/170 BBL FILTERED 3% KCL. POOH. RU SCHL. RUN GR/CCL/CBL FROM WLPB 7968' UP TO 4430' TO CATCH SHORT JT. PULL UP & LOG 2030-1650' W/TOC @ 1750'. POOH & TEST CSG TO 5000 PSI CHECK INJ RATE 8 5/8 TO 4 1/2 ANN @ 225 PSI @ 4 BPM. PU 3 1/8 PERF GUN. RIH CORR TO CNL/LDT & PERF MV 7177', 7205', 7529', 7720'. ALL 3 SPF. NO PRESS AFTER SHOTS. RD SCHL. RIH W/219 JTS TBG. EOT @ 7075'. SIFN. BBLs FLUID PMPD DAILY 112, BBLs LEFT TO REC 112

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/19/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$5.815 TC : \$5.815 CUM : DC : \$392.199 CC : \$88.125 TC : \$480.324

DAILY DETAILS : SITP 400 PSI, SICP 850 PSI. BLEW DWN. RIH TO EOT 7722'. SPOT 6 BBL 155 HCL ACROSS PERFS 7177-7720'. LD 1 JT PULL 9 STDS. PU 4' PUP. EQT 7112'. RU DOWELL. TEST LINES TO 6000 PSI. BREAK DWN PERFS @ 2850 PSI. PMP 500 GAL OF 15% HCL BULL HEADING W/18 1.3 SG BALLS, AVG 3530 PSI AT 4.25 BPM. BALLED OUT @ 32 BBLS. DISPLACEMENT 5000 PSI. MAX RU & FLOWING @ 9:30, FLOWED 60 BBLS IN 2 1/2 HRS. RU SWB, ICP 100 IFL 2300'. PULL F/4300'. KICK OFF. FLOW ONE HR. RIH W/SWB FL 2100', CP 60 PSI. FLOWING 2 TO 3 MINS AFTER RUNS. MADE 10 SWB RUNS. FFL 2800', FCP 420 PSI. FLOW & SWBD 136 BBLS. SI WELL. FLOW CREW WILL OPEN @ 8:30 PM TRY TO GET TO FLOW. BBLS FLUID PMPD DAILY 44, BBLS FLUID REC 136, BBLS LEFT TO REC DAILY -92, CUM 20

## FLOW BACK REPORT

TIME....CP....TP....CH....WT....SD  
 7PM....440....150....0....SHUT IN TO BP  
 8PM....540....250....0  
 9PM....590.....3....64....8  
 10PM..640.....3....64....0....SHUT IN  
 11PM..740....130....0  
 12AM..840....220....0  
 1AM....920....350....0  
 2AM..1000....450...30  
 3AM....460....100...20...10....TR  
 4AM....440.....10...20....0....CLEAN  
 5AM....460.....12....20....0  
 6AM....500.....18....20....0....CLEAN

TOTAL WTR 18 BBLS, TOTAL LOAD TO REC 2 BBLS.

REPORT DATE : 7/20/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$2.755 TC : \$2.755 CUM : DC : \$392.199 CC : \$90.880 TC : \$483.079

DAILY DETAILS : 7AM - SICP 500#, FTP 50#, 20/64" CK, 1 BW/HR, 50 MCF/D  
 8AM - SICP 200#, FTP 0#, OPEN CK, 4 BW/HR, 50 MCF/D  
 9AM - SICP 125#, FTP 0#, OPEN CK, 0 BW/HR, 50 MCF/D. MADE SWB RUN. FL 2 SN, REC 0 BV  
 10AM - SICP 125#, FTP 0#, OPEN CK, 0 BW/HR, 50 MCF/D. MADE SWB RUN, FL 2 SN, REC 0 BV  
 11AM - SICP 125#, FTP 0#, OPEN CK, 0 BW/HR, 50 MCF/D. MADE SWB RUN. FL @ SN, REC 0 BV. RD SWAB. POOH W/TBG. ND BOP. NU FRAC VALVE. HOOK UP FLOW LINE FROM CSG TO FLOW BCK TANK.

2PM - FLOW CSG TO TANK ON 18/64" CHOKE

5:30PM - FCP 30#, 18/64" CK, 0 BW/HR, 50 MCF/D. BBLS FLUID REC 23, BBLS LEFT TO REC 23.

## FLOW BACK REPORT

TIME....CP....CH....WTR....SD  
 6....30....18....0  
 7....30....18....0....CLEAR  
 8....25....18....0....CLEAR  
 9....25....18....0....CLEAR  
 10..25....18....0....CLEAR  
 11..25....18....0....CLEAR  
 12..25....18....0....CLEAR  
 1....25....18....0....CLEAR  
 2....25....18....0....CLEAR  
 3....25....18....0....CLEAR  
 4....25....18....0....CLEAR  
 5....25....18....0....CLEAR  
 6....25....18....0....CLEAR

TOTAL WTR 0 BBLS, TOTAL LOAD TO REC - 3 BBLS.

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/21/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$7,076 TC : \$7,076 CUM : DC : \$392,199 CC : \$97,956 TC : \$490,155

DAILY DETAILS : MIRU DOWELL FRAC EQUIP. HOLD SAFETY MEETING & PRESS TEST LINES TO 6000 PSI. FRAC MESAVERDE PERFS 7177-7720' W/6418 GAL YF 125 LG PAD + 24,444 GAL YF120LG W/69,000# 20/40 SAND RAMPED 2-4 PPG & 18,000# 20/40 RESIN COATED SAND @ 4 PPG. AVG INJ RATE 30 BPM @ 3319 PSI. MAX PRESS 4797 PSI. ISIP 2460 PSI. RU SCHL. SET RBP @ 6760'. PERF 3 SPF W/3 1/8" SELECT FIRE GUN @ 6718-6723', 6732-6733'. TOTAL 24 HOLES. SICP 0 BEFORE & AFTER PERF. RD SCHL. RIH W/2 3/8" TBG, SPOT 250 GAL 15% HCL ACROSS PERFS 6718-6733'. BRK DWN PERFS @ 1318 PSI. TREAT @ 7.1 BPM @ 4367 PSI. ISIP 1396 PSI, 5 MIN 874 PSI, 10 MIN 760 PSI, 15 MIN 701 PSI. RD DOWELL. START FLOW BACK ON OPEN CHOKE. SICP 250 PSI, FTP 10 PSI, OPEN CK, 104 BW/3 HRS. HVY GAS CUT FLUID. FLOWED OVER NIGHT ON 20/64" CK. LOAD TO REC FROM PERFS 7177-7720' = 845 BBLs, LOAD TO REC FROM PERFS 6718-6733' = 124 BBLs - 104 BBLs = 20 BBLs. BBLs FLUID PMPD DAILY 959, BBLs FLUID REC 104, BBLs LEFT TO REC 865.

## FLOW BACK REPORT

TIME....CP....TP....CH....WTR....SD

5...340...290...20  
 6...910...650...20...5...CLEAN  
 7..1060...870...20...7...CLEAN  
 8...780...660...20...1...CLEAN  
 9...740...620...20...1...CLEAN  
 10..710...610...20...0...CLEAN  
 11..710...620...20...0...CLEAN  
 12..700...600...20...0...CLEAN  
 1...710...620...20...0...CLEAN  
 2...710...620...20...0...CLEAN  
 3...700...610...20...0...CLEAN  
 4...710...610...20...0...CLEAN  
 5...700...600...20...1...CLEAN  
 6...690...580...20...0...CLEAN

GAS RATE 1000 MCF/D, TOTAL WTR 15 BBLs, TOTAL LOAD TO REC 847 BBLs.

REPORT DATE : 7/22/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$13,115 TC : \$13,115 CUM : DC : \$392,199 CC : \$111,071 TC : \$503,270

DAILY DETAILS : 7:00 AM - SICP 600 PSI, FTP 550 PSI, 20/64" CK, 1000 MCF/D  
 10:00 AM - SICP 600 PSI, FTP 550 PSI, 20/64" CK, 1000 MCF/D, 2 BW/3 HRS  
 1:00 PM - SICP 600 PSI, FTP 550 PSI, 20/64" CK, 1000 MCF/D, 0 BW/3 HRS.  
 BLOW WELL DWN. RD FLOWLINE TO TANK & POOH W/TBG. ND BOP. SI WELL. SDFN. LOAD TO REC FROM PERFS 6718-6733' = 124 - 121 BBLs = 3 BBLs. SI OVERNIGHT PREP TO FRAC IN AM

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/23/98 MD : 7,971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$4,675 TC : \$4,675 CUM : DC : \$392,199 CC : \$115,746 TC : \$507,945

DAILY DETAILS : SICP 0. LOAD HOLE W/95 BBLs 3% KCL WTR. EST INJ RATE 1/4 BPM @ 3200 PSI. RIH W/SINKER BAR ON WL. TAG FILL @ 6585'. RIH W/ RETR TOOL FOR RBP & 2 3/8" TBG. CIRC OUT SAND 6585' TO RBP @ 6624' (RBP WAS SET @ 6760'). CIRC CLEAN & REL RBP. POOH TO 3600'. KILL WELL W/130 BBLs 10# BRINE. FIN POOH & LD RBP. RU SCHL. RIH & SET RBP @ 6770'. RU DOWELL. PRESS TEST LINES TO 6000 PSI. FRAC STAGE #2 (6718-6733') W/2156 GAL YF125LG PAD + 14, 376 GAL YF120LG W/20,255# 20/40 SD RAMPED 2-6" PPG & 21,950# 20/40 RESIN COATED SD @ 6 PPG. AVG INJ RATE 24.4 BPM @ 3153 PSI. MAX PRESS 4729 PSI @ 30 BPM. ISIP 2239 PSI. RU SCHL. START TO RIH W/RBP & PERF GUN. TOOLS HUNG UP IN LUB &/OR FRAC VALVE. COULD NOT CLOSE FRAC VALVE. SICP 1900 PSI. START FLOW BACK ON 12/64" CHK. BBLs FLUID PMPD DAILY 556, BBLs LEFT TO REC 556 DAILY, CUM 1401

## FLOW BACK REPORT

TIME....CP....CH....WTR....SD

9..1600....12....OPENED PKR - OK

10..NO READING

11..440....12....80....L

12..200....14....19....T

1....200....16....19....L

2....340....18....19....M

3....590....20....30....H

4....810....20....27....L

5..1060....28....41....M

6....840....34....16....L

GAS RATE 2200 MCF/D, TOTAL WTR 251 BBLs, TOTAL LOAD TO REC 1150 BBLs.

REPORT DATE : 7/24/98 MD : 7,971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$18,130 TC : \$18,130 CUM : DC : \$392,199 CC : \$133,876 TC : \$526,075

DAILY DETAILS : FCP 100 PSI ON 2-48/64 CHOKES. PMP 80 BBL BRINE WTR AT BPM. PRESS UP AT FASTER RATE. BLOW DWN WELL. HOOKUP TO OTHER SIDE CSG. KILL W/10 BBL 10# BRINE. LIFT LUB. UNSCREW TOOL FROM PLUG. NU BOP'S. PU RETRIEVING TOOL. PULL PLUG & ND BOP'S. RU SCHL. RIH W/PLUG TO 3384'. HUNG UP & WORKED FREE. POOH. SAND ON PLUG. RD SCHL. BLOW WELL DWN. RIH W/ARROW "TS" RBP ON TBG. SET RBP @ 6458'. CIRC HOLE W/110 BBL FILTERED 3% KCL. TEST PLUG TO 1500 PSI. LD 2 JTS. EOT 6395'. SDFN. BBLs FLUID PMPD DAILY, BBLs FLUID REC 190, BBLs LEFT TO REC DAILY 120, CUM 1521

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/25/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$126,293 TC : \$126,293 CUM : DC : \$392,199 CC : \$260,169 TC : \$652,368

DAILY DETAILS : RU DOWELL. BROKE CIRC. SPOTTED 14 BBL OF 15% HCL ACROSS ZONE TO BE PERF'D 5429-6375' W/21 BBLS 3% DISPL. RD DOWELL. POOH. ND BOP'S. RU SCHL. RIH CORR TO CNL/LDT PERF WASATCH @ 5429', 5474', 5939', 6076', 6097', & 6375'. ALL 3 SPF, 18 TOTAL HOLES. NO PRESS AFTER ANY SHOT. RU DOWELL. HELD SAFETY MEETING. TEST LINES TO 6100 PSI. LEAD PAD W/5 BBL 155 PMP 240 BBL PAD YF125. FRAC WASATCH W/142,000# 20/40 SD RAMPING FROM 2 TO 4# SAND. THE LAST 20,000# RESIN COATED. AVG 2466 PSI @ AVG 30 BPM. MAX 3800 PSI MAX RATE 35 BPM. FLUSH TO TOP PERF W/83 BBLS (WF120) ISIP 1446, 5 MIN 1286, 10 MINS 1158, & 15 MIN 1048 PSI. START FLOWING @ 12:30 ON A 12 CHOKE. FCP 170 PSI ON A 18/64 CHOKE. HAD REC 143 BBL IN 3 1/2 HRS. TURNED OVER TO FLOW CREW. BBLS FLUID PMPD DAILY 1270, BBLS FLUID REC 522, BBLS LEFT TO REC DAILY 748, CUM 2289

FLOW BACK REPORT  
 TIME....CP....CH....WTR....SD  
 5PM...200...20...44...L  
 6PM...450...20...33...M  
 7PM...740...24...36...L  
 8PM...840...28...44...L  
 9PM...740...32...39...L  
 10PM..590...32...36...L  
 11PM..530...32...29...L  
 12PM..480...32...32...L  
 1AM...450...32...16...L  
 2AM...410...32...15...L  
 3AM...360...32...12...L  
 4AM...310...48...17...CLEAN  
 5AM...150...48...22...L  
 6AM...140...48...14...L

GAS RATE 1700 MCF/D, TOTAL WTR 522 BBLS, TOTAL LOAD TO REC 2269 BBLS.

REPORT DATE : 7/26/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$6,542 TC : \$6,542 CUM : DC : \$392,199 CC : \$266,711 TC : \$658,910

DAILY DETAILS : FCP 50 PSI ON 2-48 CHOKES. KILL W/130 BBL 3% KCL. ND FRAC VALVE. NU BOP'S. RIH. TAG SAND @ 6241'. TRY TO BREAK CIRC W/220 BBL. CALL F/AIR FOAM UNIT. PULL ABOVE TO 5366'. HOOK UP TBG TO FLOW TANK. SIF AFTER NOON. FLOW CREW WILL OPEN THIS EVENING. BBLS FLUID PMPD 350 DAILY, BBLS LEFT TO REC DAILY 350, CUM 2619.

FLOW BACK REPORT  
 TIME....CP....TP....CH....WTR....SD  
 7...480...900...32  
 8...400...490...30...61...TR  
 9...420...430...30...25...TR  
 10..420...390...30...22...L  
 11..440...390...20...25...L  
 12..560...590...20...11...TR  
 1...620...620...20...8...TR  
 2...680...630...24...11...TR  
 3...720...520...28...11...TR  
 4...720...410...34...14...NO  
 5...700...290...48...14...TR  
 6...600...140...48...11...TR

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/27/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$8,776 TC : \$8,776 CUM : DC : \$392,199 CC : \$275,487 TC : \$667,686

DAILY DETAILS : SICP 700 PSI, FTP 150 PSI ON 64/64 CH. BLOW CSG DWN. PMP 5 BBL 3% KCL DWN CSG. RIH W/TBG. TAG SD @ 6131'. B/CIRC W/AIR FOAM & CIRC SD OUT @ 6131'. CO F/6131' TO 6458' TO RBP #1. LATCH ON RBP & REL & EQUALIZE. POOH W/TBG & RBP TO 4500'. KILL TBG W/20 BBL 3% KCL. POOH W/TBG & RBP TO 3200'. KILL WELL W/50 BBL BRINE WTR DWN CSG. POOH W/TBG & RBP TO 1300'. KILL WELL W/50 BBL BRINE WTR DWN CSG. FIN POOH W/TBG & RBP & LD RBP W/3 SLIPS MISSING IN HOLE. RBP DRAGGING & HANGING UP IN CSG COLLAR. LEFT CSG OPEN TO FLOW BACK TANK ON 48/64 CH @ 4:30 PM. SDFD. BBL FLUID PMPD 225 DAILY, BBL FLUID REC 488, BBL LEFT TO REC -263 DAILY, CUM 2143.

## FLOW BACK REPORT

TIME....CP....CH...W.TR....SD

5PM.....650....20.....-....LT

6PM.....960....20....3....L

7PM....1120....20....1....L

8PM....1100....20....8....TR

9PM....1120....20....6....L

10PM..1100....20....7....TR

11PM..1100....20....3....TR

12PM..1040....20....1....TR

1AM....1040....24...10...TR

2AM.....910....28....6....LT

3AM.....560....LEFT SIDE WASHED OUT....20....14....M....SI &amp; FIXED

4AM....1140....20....3....TR

5AM....1160....20....3....NO

6AM.....760....48....5....LT

GAS RATE 1000 MCF/D, TOTAL WTR 70 BBL, TOTAL LOAD TO REC 2073 BBL

REPORT DATE : 7/28/98 MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$4,662 TC : \$4,662 CUM : DC : \$392,199 CC : \$280,149 TC : \$672,348

DAILY DETAILS : FCP 300 PSI ON 48/64 CH. KILL CSG W/50 BBL BRINE WTR. PU 3 3/4 MULE SHOE W/FINGER BASKET. RIH W/12 STD TBG. PU ARROW STROKE BAILER. FIN RIH W/TBG. TAG SD @ 6733'. PMP 100 BBL BRINE WTR DWN CSG. CO 24' W/BAILER. PMP 40 BBL 3% DWN TBG. POOH W/TBG & BAILER TO 1300'. PMP 30 BBL BRINE WTR DWN CSG. FIN POOH W/TBG & BAILER. REC 60' OF SD. NO SLIP OF RBP. WO POORBOY BASKET. PMP 60 BBL 3% DWN CSG. MU BASKET & RIH W/TBG EOT @ 5430' & KILL TBG W/10 BBL 3% KCL. PUT WELL TO FLOW TANK ON 32/64 CH @ 6:00 PM FTP 700 PSI, SICP 1100 PSI. SDFN. BBL FLUID PMPD DAILY 290, BBL FLUID REC 300, BBL LEFT TO REC DAILY -10, CUM 2133.

## FLOW BACK REPORT

TIME....CP....TP....CH....WTR....SD

6PM....1100....780....32

7PM....1150....900....20....3....LT

8PM....1200..1170....20....1....TR

9PM....1250..1160....20....1....TR

10PM..1275..1130....20....1....CLEAN

11PM..1275..1140....24....1....CLEAN

12PM..1150....780....24....5....CLEAN

1AM....1125....740....28....3....CLEAN

2AM....1100....680....32....4....TR

3AM....1075....640....48....4....TR

4AM.....975....330....48....8....TR

5AM....1020.....-....48/32..5....TR.....FLOWING BOTH SIDES

6AM.....620.....-....48/48..3....TR

GAS RATE 100 MCF/D, TOTAL WTR 39 BBL, TOTAL LOAD TO REC 2094 BBL.

**PERC****WELL CHRONOLOGY REPORT**

REPORT DATE : 7/29/98 MD : 7,971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$12,067 TC : \$12,067 CUM : DC : \$392,199 CC : \$292,216 TC : \$684,415

DAILY DETAILS : SITP 1150 PSI, FCP 500 PSI ON 48/64 CH. BLOW TBG DWN & PMP 20 BBL 3% KCL. FIN RIH W/TBG. TAG SD @ 6733'. RU FLOWLINE F/TBG TO TANK. PMP 160 BBL 3% KCL DWN CSG. NO CIRC. RU & B/CIRC W/AIR FOAM. CO 6733-6746'. STOP MAKING HOLE. ROTATE & MASH ON BASKET. PMP 20 BBL 3% DWN TBG. POOH W/TBG & BASKET TO 1300'. KILL WELL W/50 BBL 3% KCL. FIN POOH W/TBG & BASKET. REC NO SLIP & BASKET WAS NOT SMASHED SHUT. WO MAGNET & POORBOY BASKET. PMP 50 BBL 3% DWN CSG. PU 3 1/2 MAGNET W/ 3 3/4 SKIRT & RIH W/TBG. TAG SD @ 6740'. B/CIRC W/AIR FOAM & CO 6740-6760'. KILL TBG W/45 BBL 3% KCL. WORK MAGNET, POOH W/TBG & MAGNET TO 1300'. PMP 50 BBL 3% KCL DWN CSG. FIN POOH W/TBG & MAGNET. REC 1 SLIP OF RBP. RIH W/TBG & MAGNET. TAG SD @ 6762'. PMP 50 BBL DWN TBG. WORK MAGNET & POOH W/TBG TO 1300'. KILL WELL W/60 BBL 3% KCL. FIN POOH W/TBG & MAGNET. REC 1 SLIP OF RBP. RIH W/TBG & MAGNET. DID NOT RECOVER MAGNET. RIH W/RETR HEAD. RBP @ 6770'. BBLs FLUID PMPD DAILY 550, BBLs FLUID REC 589, BBLs LEFT TO REC DAILY -39, CUM 2094.

REPORT DATE : 7/30/98 MD : 7,971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$40,984 TC : \$40,984 CUM : DC : \$392,199 CC : \$333,200 TC : \$725,399

DAILY DETAILS : FIN RIH W/MAG. TAG @ 6764'. PMP 60 BBLs DWN TBG. WASH TO RBP W/60 BBL. WORK MAG. POOH & KILL 1300' W/40 BBL 10# BRINE. PULL ON OUT. NO SLIPS IN MAG. PU RETRIEVING TOOL & BUMPER SUB. KILL W/50 BBL BRINE. RIH & CLEAN OFF W/PLUG W/ AIR FOAM. LOAD HOLE W/ 90 BBLs 3%. REL PLUG @ 6770'. POOH & SLOW DRAGGING SLIP. LOST IT. LD PLUG. RIH W/PROD STRING. KILL TBG W/10 BBL 1/2 THE WAY IN. TAG FILL @ 7733'. PU STRING FLOAT. PU SWIVEL. BREAK CIRC W/AIR FOAM UNIT. WASH SAND 7733-7971' (PBSD). CIRC. CLEAN & LD 8 JTS. KILL TBG W/20 BBL 3% KCL. LD STRING FLOAT. LAND TBG @ 7728' W/NC, 1 JT, PSN, 138 JTS 2 3/8 J55, HANGER. HOOK UP FLOW LINE TO TANK. LEFT W/FLOW CREW. NOTE: ONE SLIP DIE ON SHOE JT AT PBSD 7971'. BBLs FLUID PMPD DAILY 360, BBLs FLUID REC 380, BBLs LEFT TO REC DAILY -20, CUM 2074.

## FLOW BACK REPORT

TIME....CP....TP....CH....WTR....SD

10PM..1350....210....32....14....T

11PM..1250....760....24....2....M

12PM..1350....780....24....11....L

1AM....1400....800....28....14....T

2AM....1325....800....28....17....T

3AM....1250....760....20....16....T

4AM....1350..1040....20....11....T

5AM....1400..1040....20....11....T

6AM....1400..1040....20....16....T

GAS RATE 1700 MCF/D, TOTAL WTR 132 BBLs, TOTAL LOAD TO REC 1942 BBLs.

**PERC****WELL CHRONOLOGY REPORT**

**REPORT DATE : 7/31/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$4,364 TC : \$4,364 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FTP 1040 ON 20 CHOKE SICP 1490 PSI. KILL TBG W/10 BBL 3% KCL. ND BOP'S. NU WH. HOOK BACK UP TO FLOW. RD PMP & FLAT TANK. RU SWB. RIH. IFL 1500'. MADE 7 RUNS. REC 27 BBLs. FFL 1900'. FCP 1625 PSI. KICKED OFF. RDMO. LEFT W/FLOW CREW. SICP 1450, FTP 1040 PSI ON 20 CHOKE. BBLs FLUID PMPD DAILY 10, BBLs FLUID REC 27, BBLs LEFT TO REC - 17, CUM 2189.

## FLOW BACK REPORT

TIME....CP....TP....CH....WTR....SD

6....1450....1040....20

7....1410....1080....20..11....T

8....1370....1040....20....9....T

9....1320....1050....20....4....T

10..1320....1070....20....7....C

11..1325....1020....20..11....C

12..1325....1020....20....5....C

1....1325....1020....20....4....C

2....1310....1020....20..11....C

3....1310....1020....20....2....C

4....1310....1020....20....9....C

5....1300....1010....20....7....C

6....1300....1000....20..4....C

GAS RATE 1400 MCF/D, TOTAL WTR 84 BBLs, TOTAL LOAD TO REC 1841 BBLs

**REPORT DATE : 8/1/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 980 MCFPD, 3 BW/HR, FTP 1200#, CP 1500#, 20/64" CK. TURN TO SALES @ 10:45 AM 7/31/98.

**REPORT DATE : 8/2/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 756 MCF, 77 BW, FTP 1100#, CP 1500#, 20/64" CK, 24 HRS.

**REPORT DATE : 8/3/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 1515 MCF, 102 BW, FTP 1100#, CP 1375#, 20/64" CK, 24 HRS, LLTR 1590 BBLs.

**REPORT DATE : 8/4/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 1591 MCF, 54 BW, FTP 1040#, CP 1310#, 21/64" CK, 24 HRS, LLTR 1536 BBLs.

**REPORT DATE : 8/5/98** MD : 7.971 TVD : 0 DAYS : MW : VISC :  
 DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763

DAILY DETAILS : FLWD 1920 MCF, 124 BW, FTP 600#, CP 1100#, 25/64" CK, 24 HRS, LLTR 1412 BBLs.

**PERC****WELL CHRONOLOGY REPORT**

**REPORT DATE : 8/6/98** MD : 7,971 TVD : 0 DAYS : MW : VISC :  
DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763  
DAILY DETAILS : FLWD 1892 MCF, 103 BW, FTP 475#, CP 1020#, 32/64" CK, 24 HRS, LLTR 1309 BBLs.

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**REPORT DATE : 8/7/98** MD : 7,971 TVD : 0 DAYS : MW : VISC :  
DAILY : DC : \$0 CC : \$0 TC : \$0 CUM : DC : \$392,199 CC : \$337,564 TC : \$729,763  
DAILY DETAILS : FLWD 1760 MCF, 75 BW, FTP 540#, CP 980#, 32/64" CK, 24 HRS. IP DATE: 8/5/98 - FLWD 1920  
MCF, 124 BW, FTP 600#, CP 1100#, 25/64" CK. -- FINAL REPORT --

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STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number  
**ML-22265**

6. Indian, Allottee or Tribe Name:  
**N/A**

7. Unit Agreement Name:  
**N/A**

8. Well Name and Number:  
**Morgan State #16-36**

9. API Well Number:  
**43-047-33093**

10. Field and Pool, or Wildcat  
**Natural Buttes Field**

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator  
**Coastal Oil & Gas Corporation**

3. Address and Telephone Number.  
**P.O. Box 749, Denver, CO 80201-0749 (303) 573-4476**

4. Location of Well  
Footages: **493' FSL & 1929' FEL** County: **Uintah**  
QQ, Sec., T., R., M.: **Lot 2 (SW/SE), Section 36-T9S-R21E** State: **Utah**

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Perforate            |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon*  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing   | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans   | <input type="checkbox"/> Perforate            |
| <input type="checkbox"/> Convert to Injection                                    | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                               | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>cmt 8 5/8" - 4 1/2" csg annulus</u> |   |

Date of work completion 9/4/98

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

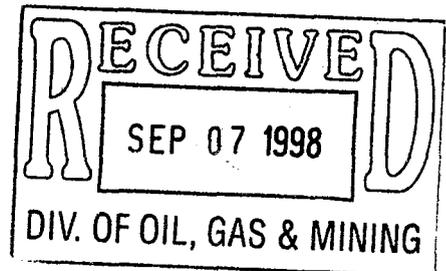
Approximate date work will start \_\_\_\_\_

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please see the attached chronological well history for work performed on the subject well.

13. Name & Signature Bonnie Carson Title Senior Environmental Analyst Date 9/4/98

(This space for State use only)



THE COASTAL CORPORATION  
PRODUCTION REPORT

CHRONOLOGICAL HISTORY

MORGAN STATE #16-36

Page 1

SWSE Sec 36, T9S-R21E

Natural Buttes Field

Uintah County, Utah

WI: 100.0%

PERFS: 5429'-7720'

4½" csg @ 8003'

PBTD: 7971'

**Cmt 8-5/8" - 4-1/2" Csg Annulus**

08/27/98 Well on prod. RU Dowell to 8-5/8" - 4-1/2" csg annulus f/top dn job. Pmp 20 bbls LCM pill. Lead w/65 sx class "G" w/add, wt 11.5, yld 3.18. Tail w/190 sx class "G" w/add, wt 11.5, yld 3.16. Flush w/1 BW. ISIP 0 psi, MP 20 psi @ 3 BPM, AP 10 psi @ 2.5 BPM. Wash up & RD Dowell. Open csg valve w/blow. **Final Report.**

DC: \$7,992

TC: \$7,992

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**Cmt 8-5/8" - 4-1/2" Csg Annulus**

09/01/98 Well on prod. RU Dowell to 8-5/8" - 4-1/2" csg annulus f/2nd top dn job. Tail w/73 sx class "G" w/add, wt 11.5, yld 3.16. Flush w/1 BW. ISIP 170 psi, MP 300 psi @ 1 BPM, AP 120 psi @ 1/2 BPM. Wash up & RD Dowell. Open csg valve w/press. **Final Report.**

DC: \$3,370

TC: \$3,370

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

FORM 9

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.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: El Paso Production Oil & Gas Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8 South 1200 East CITY Vernal STATE Utah ZIP 84078		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: 435-789-4433		8. WELL NAME and NUMBER: Exhibit "A"
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:

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

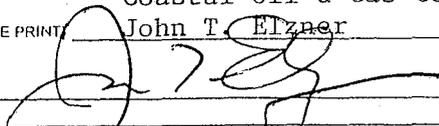
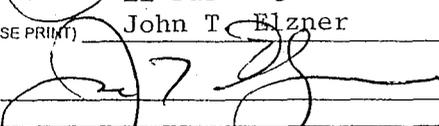
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> 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) <u>John T. Elzner</u>	TITLE <u>Vice President</u>
SIGNATURE 	DATE <u>06-15-01</u>
El Paso Production Oil & Gas Company	
NAME (PLEASE PRINT) <u>John T. Elzner</u>	TITLE <u>Vice President</u>
SIGNATURE 	DATE <u>06-15-01</u>

(This space for State use only)

**RECEIVED**  
JUN 19 2001  
DIVISION OF OIL, GAS AND MINING

(5/2000) (See Instructions on Reverse Side)

State of Delaware  
Office of the Secretary of State

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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

JUN 14 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

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

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

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**

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

<b>TO:</b> ( 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:**

**WELL(S)**

NAME	API NO	ENTITY NO	SEC TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
WONSITS STATE 8-32	43-047-33681	99999	32-07S-22E	STATE	GW	APD
STATE 32 21 (CA 9C-204)	43-047-30754	120	32-08S-21E	STATE	GW	P
OURAY 32-88 (CA 9C-204)	43-047-33391	12870	32-08S-21E	STATE	GW	P
OURAY 32-89 (CA 9C-204)	43-047-33392	12754	32-08S-21E	STATE	GW	P
OURAY 32-146 (CA 9C-204)	43-047-33623	12862	32-08S-21E	STATE	GW	P
GLEN BENCH ST 12-36-8-21 (CA 9C-205)	43-047-33287	12549	36-08S-21E	STATE	GW	P
TRIBAL 31-60 (CA 84688C)	43-047-33340	12563	31-08S-22E	STATE	GW	P
STATE 31 32 (CA 84688C)	43-047-30906	175	31-08S-22E	STATE	GW	P
TRIBAL 31-98 (CA 84688C)	43-047-33375	12685	31-08S-22E	STATE	GW	P
TRIBAL 31-128 (CA 84688C)	43-047-33460	12722	31-08S-22E	STATE	GW	P
TRIBAL 31-129 (CA 84688C)	43-047-33461	12739	31-08S-22E	STATE	GW	P
TRIBAL 31-132 (CA 84688C)	43-047-33462	12776	31-08S-22E	STATE	GW	P
MORGAN STATE 1-36	43-047-30600	5445	36-09S-21E	STATE	GW	P
MORGAN STATE 2-36	43-047-32585	11927	36-09S-21E	STATE	GW	P
MORGAN STATE 3-36	43-047-32589	12002	36-09S-21E	STATE	GW	P
MORGAN STATE 4-36	43-047-32729	12068	36-09S-21E	STATE	GW	P
MORGAN STATE 5-36	43-047-32735	12069	36-09S-21E	STATE	GW	P
MORGAN STATE 15-36	43-047-33094	12384	36-09S-21E	STATE	GW	S
MORGAN STATE 16-36	43-047-33093	12407	36-09S-21E	STATE	GW	P
HELLS HOLE 9103	43-047-31870	11027	36-10S-25E	STATE	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



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  
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.

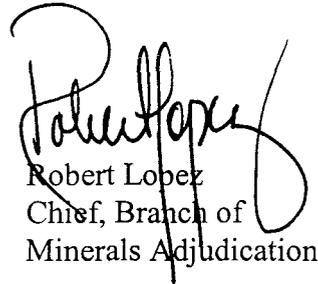
For our purposes, the name change is recognized effective December 31, 2001.

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

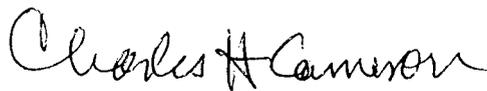
We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval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



## United States Department of the Interior

BUREAU OF INDIAN AFFAIRS  
Washington, D.C. 20240

FEB 1 0 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

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		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: <b>El Paso Production Oil &amp; Gas Company</b>		8. WELL NAME and NUMBER: <b>Exhibit "A"</b>
3. ADDRESS OF OPERATOR: <b>9 Greenway Plaza</b> <b>Houston</b> <b>TX</b> <b>77064-0995</b>	PHONE NUMBER: <b>(832) 676-5933</b>	9. API NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____      COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____      STATE: <b>UTAH</b>		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.

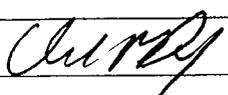
Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # \_\_\_\_\_  
State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

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

EL PASO PRODUCTION OIL & GAS COMPANY

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

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

(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

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

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

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

10. Field and Pool, or Exploratory Area

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) 781-7023**

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

**SEE ATTACHED EXHIBIT "A"**

**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 <b>SUCCESSOR OF OPERATOR</b>
	<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 zone. 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 \_\_\_\_\_

Office \_\_\_\_\_

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.

(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**

<b>FROM: (Old Operator):</b>	<b>TO: ( New Operator):</b>
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:**

WELL(S)	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
MORGAN STATE 3-36	36-09S-21E	43-047-32589	12002	STATE	GW	P
MORGAN STATE 4-36	36-09S-21E	43-047-32729	12068	STATE	GW	P
MORGAN STATE 5-36	36-09S-21E	43-047-32735	12069	STATE	GW	P
MORGAN STATE 6-36	36-09S-21E	43-047-32810	12119	STATE	GW	P
MORGAN STATE 7-36	36-09S-21E	43-047-32811	12134	STATE	GW	P
MORGAN STATE 8-36	36-09S-21E	43-047-32812	12179	STATE	GW	P
MORGAN STATE 9-36	36-09S-21E	43-047-32815	12178	STATE	GW	P
MORGAN STATE 10-36	36-09S-21E	43-047-32816	12135	STATE	GW	P
MORGAN STATE 11-36	36-09S-21E	43-047-32813	12137	STATE	GW	P
MORGAN STATE 12-36	36-09S-21E	43-047-32814	12136	STATE	GW	S
MORGAN STATE 13-36	36-09S-21E	43-047-32817	12130	STATE	GW	S
MORGAN STATE 14-36	36-09S-21E	43-047-33092	13194	STATE	GW	P
MORGAN STATE 16-36	36-09S-21E	43-047-33093	12407	STATE	GW	S
MORGAN STATE 15-36	36-09S-21E	43-047-33094	12384	STATE	GW	S
UTE TRAIL 6 1 (CA CR-12)	06-09S-22E	43-047-30667	185	INDIAN	GW	P
STATE 6-56 (TRIBAL) (CA CR-12)	06-09S-22E	43-047-32699	11839	FEDERAL	GW	P
TRIBAL 6-64 (CA CR-12)	06-09S-22E	43-047-33338	12676	INDIAN	GW	P
FEDERAL 6-100 (CA CR-12)	06-09S-22E	43-047-33401	12695	FEDERAL	GW	P
HALL 6-135 (CA CR-12)	06-09S-22E	43-047-33440	12711	FEE	GW	P
HALL 6-136 (CA CR-12)	06-09S-22E	43-047-33437	12700	FEE	GW	P

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
5. If **NO**, the operator was 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: 01/09/2003

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: 03/27/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/27/2003

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:**

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



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

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b></p> <p>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.                  Use APPLICATION FOR PERMIT – for such proposals</p>		6. Lease Designation and Serial Number <b>MULTIPLE WELLS- SEE ATTACHED</b>
		7. Indian Allottee or Tribe Name
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		8. Unit or Communitization Agreement <b>MULTIPLE WELLS- SEE ATTACHED</b>
		9. Well Name and Number <b>MULTIPLE WELLS- SEE ATTACHED</b>
2. Name of Operator <b>WESTPORT OIL &amp; GAS COMPANY, L.P.</b>		10. API Well Number <b>MULTIPLE WELLS- SEE ATTACHED</b>
3. Address of Operator <b>1368 SOUTH 1200 EAST, VERNAL, UTAH 84078</b>	4. Telephone Number <b>435-781-7060</b>	11. Field and Pool, or Wildcat <b>MULTIPLE WELLS- SEE ATTACHED</b>
5. Location of Well Footage : <b>MULTIPLE WELLS- SEE ATTACHED</b> County : <b>UINTAH</b> QQ, Sec, T., R., M : <b>MULTIPLE WELLS- SEE ATTACHED</b> State : <b>UTAH</b>		
<b>12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>		

**NOTICE OF INTENT**  
(Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other <u>VARIANCE</u>	

Approximate Date Work Will Start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

Date of Work Completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.  
 \* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part III C. 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 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 & Signature Debra Domenici Title Environmental Assistant Date 07/12/04

(State Use Only)

**Utah Division of Oil, Gas and Mining**

Federal Approval Of This Action Is Necessary

**RECEIVED**  
**JUL 14 2004**

DIV. OF OIL, GAS & MINING

Date: 07/15/04  
 By: [Signature] See Instructions on Reverse Side

(8/90)

COPY SENT TO OPERATOR  
 Date: 7-16-04  
 Initials: CHD

**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
PULLING UNIT SERVICE			\$0
WIRELINE SERVICE			\$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
<b>Totals</b>	<b>\$0</b>	<b>\$350</b>	<b>\$350</b>

**Increased OPX Per Year**

**Investment Breakdown:**

Cap/Exp Code	Cost, \$	Oil Price	\$/BO
Capital \$ 820/830/840	\$1,200	\$ 23.00	\$/BO
Expense \$ 830/860	\$0	\$ 3.10	\$/MCF
Total \$	\$1,200	\$ -	\$/ 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	HP
Fuel Gas Burned	MCFPD	MCFPD	MCFPD

**Project Life:**

Life =  Years  
 (Life no longer than 20 years)

**Internal Rate of Return:**

After Tax IROR =

**AT Cum Cashflow:**

Operating Cashflow =  (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 =  Years or  Days

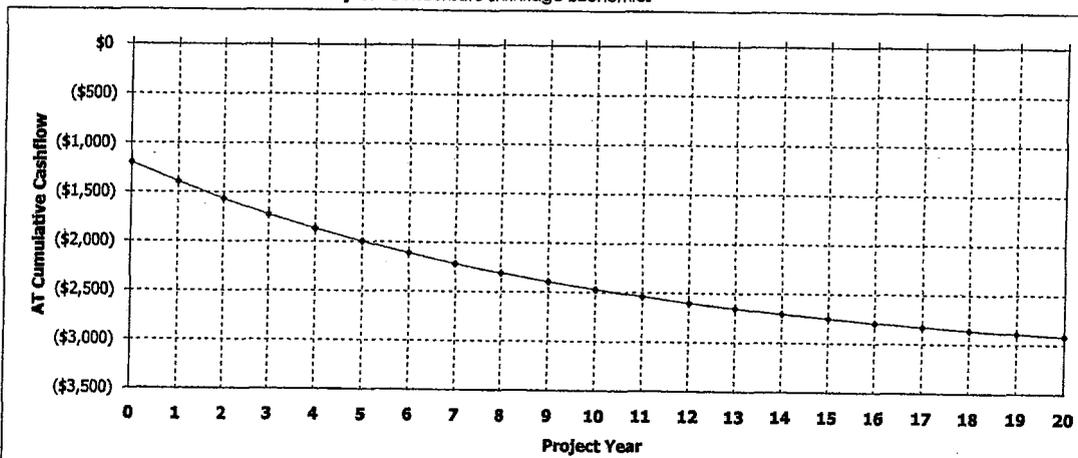
**Gross Reserves:**

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 6 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

WELL	LEGALS	STF LEASE NO	CA NUMBER	API NO
ARCHY BENCH STATE 1-2	NENE SEC 2, T11S, R22E	ML22348A		4304731489
BAYLESS STATE 02-01	SWSE SEC 2, T9S, R20E	ML47044		4304734540
BONANZA 1023-2A	NENE SEC. 2, T10S, R23E	ML47062		4304735347
BONANZA 1023-2C	NENW SEC. 2, T10S, R23E	ML47062		4304735346
BONANZA 1023-2E	SWNW SEC. 2, T10S, R23E	ML47062		4304735345
KENNEDY WASH STATE 16-1	NWNW SEC 16, T8S, R23E	ML47212		4304733589
MORGAN STATE 01-36	SENW SEC 36, T9S, R21E	ML22265		4304730600
MORGAN STATE 02-36	NWNE SEC 36, T9S, R21E	ML22265		4304732585
MORGAN STATE 03-36	NWNE SEC 36, T9S, R21E	ML22265		4304732589
MORGAN STATE 04-36	NWSW SEC 36, T9S, R21E	ML22265		4304732729
MORGAN STATE 05-36	NWSE SEC 36, T9S, R21E	ML22265		4304732735
MORGAN STATE 06-36	SWNW SEC 36, T9S, R21E	ML22265		4304732810
MORGAN STATE 07-36	NENW SEC 36, T9S, R21E	ML22265		4304732811
MORGAN STATE 08-36	NENE SEC 36, T9S, R21E	ML22265		4304732812
MORGAN STATE 09-36	SWNE SEC 36, T9S, R21E	ML22265		4304732815
MORGAN STATE 10-36	SENE SEC 36, T9S, R21E	ML22265		4304732816
MORGAN STATE 11-36	NESW SEC 36, T9S, R21E	ML22265		4304732813
MORGAN STATE 12-36	NESE SEC 36, T9S, R21E	ML22265		4304732814
MORGAN STATE 13-36	SESE SEC 36, T9S, R21E	ML22265		4304732817
MORGAN STATE 14-36	SWSW SEC 36, T9S, R21E	ML22265		4304733092
MORGAN STATE 15-36	SESW SEC 36, T9S, R21E	ML22265		4304733094
MORGAN STATE 16-36	SWSE SEC 36, T9S, R21E	ML22265		4304733093
STATE 01-32	NESW SEC 32, T10S, R22E	ML22798	891008900A	4304734317
STATE 02-32	SESW SEC 32, T10S, R22E	ML22798		4304734831
STATE 03-32	NWSW SEC 32, T10S, R22E	ML22798		4304734832
STATE 1022-32A	NENE SEC. 32, T10S, R22E	ML22798		4304735096
STATE 1022-32J	NWSE SEC 32, T10S, R22E	ML22798		4304735095
STATE 1022-32M	SWSW SEC 32, T10S, R22E	ML-22798		
STATE 1022-32O	SWSE SEC. 32, T10S, R22E	ML22798		4304735315
STATE 11-36	NESW SEC 36, T8S, R21E	ML22051	9C-205	4304734505
STATE 14-16	SWSW SEC 16, T7S, R21E	ML40904		4304731417
STATE 31-32	SESE SEC 31, T8S, R22E	ML28048	VR491-84688C	4304730906
STATE 32-21	NESE SEC 32, T8S, R21E	ML22052	9C-204	4304730754
STIRRUP STATE 32-1	NWNE SEC 32, T6S, R21E	ML22036	UTU76783X	4304731557
STIRRUP STATE 32-1-J	NWSE SEC 32, T6S, R21E	ML40226		4304731646
STIRRUP STATE 32-2	SENE SEC 32, T6S, R21E	ML22036	UTU76783X	4304731626
STIRRUP STATE 32-6 SWD	NENE SEC 32, T6S, R21E	ML22036	UTU76783X	4304732784
UTE TRIBAL 31-060	NESW SEC 31, T8S, R22E	ML28048	VR491-84688C	4304733340
WONSITS STATE 01-32	SWNE SEC 32, T7S, R22E	ML47780		4304732820
WONSITS STATE 02-32	SWSE SEC 32, T7S, R22E	ML47780		4304732819
WONSITS STATE 05-32	SENE SEC 32, T7S, R22E	ML47780		4304733678
WONSITS STATE 09-32	NESW SEC 32, T7S, R22E	ML47780		4304734060

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-22265**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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.

1. TYPE OF WELL      OIL WELL       GAS WELL       OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**MORGAN STATE 16-36**

2. NAME OF OPERATOR:  
**WESTPORT OIL & GAS COMPANY L.P.**

9. API NUMBER:  
**4304733093**

3. ADDRESS OF OPERATOR:  
**1368 S. 1200 E.      CITY VERNAL      STATE UT      ZIP 84078**

PHONE NUMBER:  
**(435) 781-7024**

10. FIELD AND POOL, OR WILDCAT:  
**NATURAL BUTTES**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **493'FSL & 1929'FEL**

COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSE 36 9S 21E**

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 checked="" 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 checked="" 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 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.

**5/9/05: PMP 4 DRUMS OF 15% HCL ACID & FLUSH W/10 BBLs OF 2% KCL WATER.**

NAME (PLEASE PRINT) **SHEILA UPCHEGO**

TITLE **REGULATORY ANALYST**

SIGNATURE \_\_\_\_\_

DATE **5/24/2005**

(This space for State use only)

**RECEIVED**

**JUN 01 2005**

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

<b>ROUTING</b>
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:		<b>1/6/2006</b>
<b>FROM:</b> (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	<b>TO:</b> ( New Operator): N2995-Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	

WELL NAME	CA No.	Unit:	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
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**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
- 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 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.

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

DIV. OF OIL, GAS & MINING

BLM BOND = C01203  
BIA BOND = RLB0005239

APPROVED 5116106

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) <b>RANDY BAYNE</b>	Title <b>DRILLING MANAGER</b>
Signature <i>Randy Bayne</i>	Date <b>May 9, 2006</b>

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.*

5. Lease Serial No.

**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

Oil Well  Gas Well  Other

8. Well Name and No.

**MUTIPLE WELLS**

2. Name of Operator

**WESTPORT OIL & GAS COMPANY L.P.**

9. API Well No.

3a. Address

**1368 SOUTH 1200 EAST VERNAL, UT 84078**

3b. Phone No. (include area code)

**(435) 781-7024**

10. Field and Pool, or Exploratory Area

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

**SEE ATTACHED**

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 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 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

*Brad Laney*

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.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-22265
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<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
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<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> MORGAN STATE 16-36
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<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047330930000
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<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6007 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
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<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0493 FSL 1929 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSE Section: 36 Township: 09.0S Range: 21.0E Meridian: S	<b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH
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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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 4/17/2010	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

THIS WELL RETURNED TO PRODUCTION ON 4/17/2010.

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

**FOR RECORD ONLY**

May 03, 2010

<b>NAME (PLEASE PRINT)</b> Andy Lytle	<b>PHONE NUMBER</b> 720 929-6100	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A		<b>DATE</b> 5/3/2010