

UTAH OIL AND GAS CONSERVATION COMMISSION

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

990607 LAD, eff 6-1-99:

DATE FILED **APRIL 29, 1998**

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. **U-0141315** INDIAN _____

DRILLING APPROVED: **MAY 12, 1998**

SPUDDED IN: _____
 COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____
 GRAVITY A.P.I. _____

GOR: _____
 PRODUCING ZONES: _____

TOTAL DEPTH: _____
 WELL ELEVATION: _____

DATE ABANDONED: **6-1-1999 (2A)**

FIELD: **NATURAL BUTTES**

UNIT: **NATURAL BUTTES**

COUNTY: **UINTAH**

WELL NO. **NBU 491-3E** API NO. **43-047-33122**

LOCATION **682 FSL** FT. FROM (N) (S) LINE. **1879 FWL** FT. FROM (E) (W) LINE. **SE SW** 1/4 - 1/4 SEC. **3**

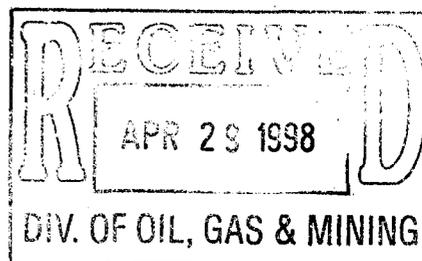
TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				9S	21E	3	ENRON OIL & GAS

ENRON OIL & GAS COMPANY

**P.O. Box 250
Big Piney, WY 83113**

April 27, 1998

Utah Division of Oil, Gas, & Mining
1594 West North Temple
Box 145801
Salt Lake City, UT 84114-5801



**RE: APPLICATION FOR PERMIT TO DRILL
NATURAL BUTTES UNIT #491-3E
SE/SW, SEC. 3, T9S, R21E, SLB & M
UINTAH COUNTY, UTAH
LEASE NO. U-0141315
UTE TRIBAL LAND**

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone # (801) 789-4120
Fax # (801) 789-1420

Sincerely,

A handwritten signature in cursive script that reads "Ed Trotter".

Ed Trotter
Agent

Enron Oil & Gas Company

Attachments

/EHT/dmt

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

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

2. NAME OF OPERATOR
 ENRON OIL & GAS COMPANY

3. ADDRESS AND TELEPHONE NO.
 P.O. BOX 1815, VERNAL, UTAH 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface ¹⁰⁶
 682' FSL & 1879' FWL SE/SW
 At proposed prod. zone ⁶¹³

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 11.7 MILES SOUTHEAST OF OURAY, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 682'

16. NO. OF ACRES IN LEASE 800

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

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

19. PROPOSED DEPTH 7370'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4705' GRADED GROUND

22. APPROX. DATE WORK WILL START*
 MAY 1998

5. LEASE DESIGNATION AND SERIAL NO.
 U-0141315

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 UTE TRIBAL LAND

7. UNIT AGREEMENT NAME
 NATURAL BUTTES UNIT

8. FARM OR LEASE NAME, WELL NO.
 NATURAL BUTTES UNIT

9. AP WELL NO.
 NBU#491-3E

10. FIELD AND POOL, OR WILDCAT
 NBU/WASATCH

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC. 3, T9S, R21E

12. COUNTY OR PARISH 13. STATE
 Uintah UTAH

CONFIDENTIAL

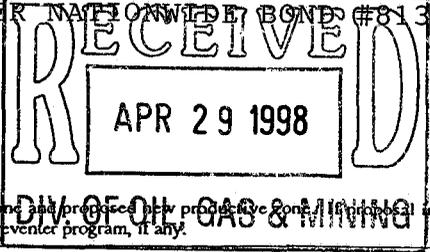
PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	200-220'	100-150 SX CLASS "G" + 2% CaCl ₂ + 1/4 #/SX CELLOFLAKE. 50/50 POZMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONES OF INTEREST (+10% EXCESS). LIGHT CEMENT (11 PPG _±) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+ 5% EXCESS).
OR 12 1/4"	9 5/8"	32.30#	200-220'	
7 7/8"	4 1/2"	10.50#	7370'	

CONFIDENTIAL

- SEE ATTACHMENTS FOR:
- 8 POINT PLAN
 - BOP SCHEMATIC
 - SURFACE USE AND OPERATING PLAN
 - LOCATION PLAT
 - LOCATION LAYOUT
 - TOPOGRAPHIC MAPS "A", "B", AND "C"
 - GAS SALES PIPELINE--MAP "D"
 - FACILITY DIAGRAM,

ENRON OIL & GAS COMPANY WILL BE THE DESIGNATED OPERATOR OF THE SUBJECT WELL UNDER NATIONWIDE BOND #81307603



pc: UTAH DIVISION OF OIL, GAS, AND MINING

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

SIGNED [Signature] TITLE AGENT DATE 4-10-1998

(This space for Federal or State office use)
 PERMIT NO. 43-047-33122 APPROVAL DATE _____

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

CONDITIONS OF APPROVAL, IF ANY: **Federal Approval of this Action is Necessary**
 APPROVED BY [Signature] TITLE RECLAMATION SPECIALIST III DATE 5/12/98

*See Instructions On Reverse Side

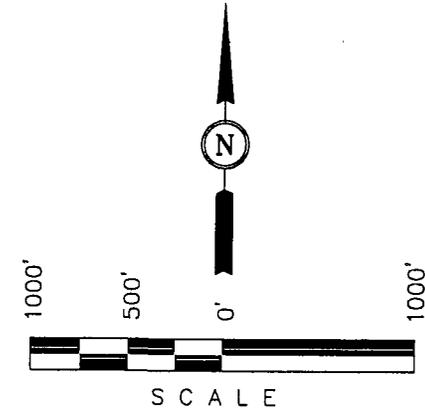
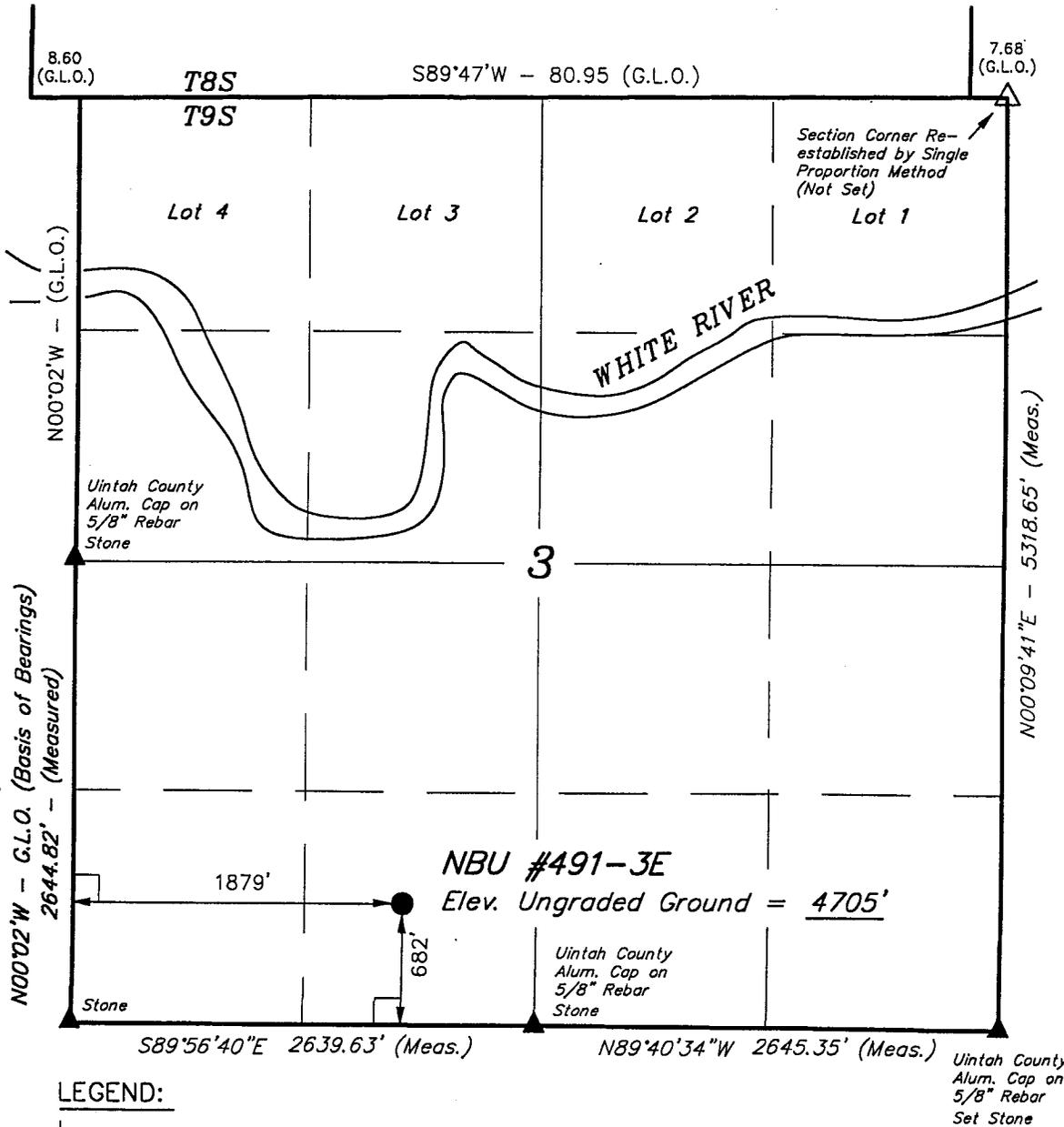
T9S, R21E, S.L.B.&M.

ENRON OIL & GAS CO.

Well location, NBU #491-3E, located as shown in the SE 1/4 SW 1/4 of Section 3, T9S, R21E, S.L.B.&M. Uintah County, Utah.

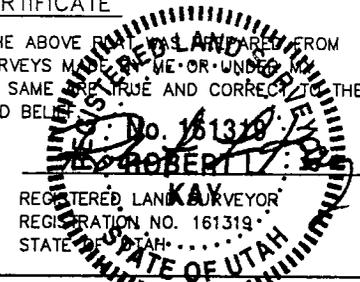
BASIS OF ELEVATION

SPOT ELEVATION IN THE NW 1/4 OF SECTION 10, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4706 FEET.



CERTIFICATE

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



LEGEND:

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

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 1-6-98	DATE DRAWN: 1-7-98
PARTY B.B. K.K. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE ENRON OIL & GAS CO.	

EIGHT POINT PLAN

NATURAL BUTTES UNIT #491-3E
SE/SW, SEC. 3, T9S R21E, SLB & M
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS & WATER ZONES:

FORMATION	DEPTH	TYPE ZONES	MAXIMUM PRESSURE
Green River	1965		
Oil Shale	1965		
"H" Marker	3585		
"J" Marker	3991		
Base "M" Marker	4921		
Wasatch	5329		
Peters Point	5329	GAS	2000
Chapita Wells	5939	GAS	2000
Buck Canyon	6579	GAS	2000
EST. TD	7370'	Anticipated BHP 3200 PSI	

3. PRESSURE CONTROL EQUIPMENT :

BOP Schematic Diagram attached.

4. CASING PROGRAM :

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>MINIMUM SAFETY FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
11"	0' - 220'	200'-220'	8 5/8	24#	J-55	ST&C	1370 PSI	2950 PSI	263,000#
or									
12 1/4"	0' - 220'	200'-220'	9 5/8	32.3#	H-40	ST&C	1370 PSI	2270 PSI	254,000#
7 7/8"	0' - 7370'	7370'	4 1/2	10.5 #	J-55	ST&C	4010 PSI	4790 PSI	146,000#

All casing will be new or inspected.

5. MUD PROGRAM

INTERVAL

0' - 220'
 240' - 4000'
 4000' - TD
 TD

MUD TYPE

Air
 Air/Mist & Aerated Water
 Air/3% KCL water or KCL substitute
 Gel/polyacrylamide polymer w/5-10% LCM

Lost circulation probable from 1500' to 3000' +/-.

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

EIGHT POINT PLAN

NATURAL BUTTES UNIT #491-3E
SE/SW, SEC. 3, T9S R21E, SLB & M
UINTAH COUNTY, UTAH

6. VARIANCE REQUESTS:

- A. Enron requests a variance to regulations requiring a straight run blooie line (Where possible, a straight run blooie line will be used).
- B. Enron requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. (Not required on aerated water system).
- C. Enron requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be 75' in length.

7. EVALUATION PROGRAM:

Logs: SCHLUMBERGER WIRELINE From base of surface casing to TD.
Platform Express: AIT w/ Microlog & SP FDC/CNL/Cal/PE: 3400' to TD
AIT-GR-Cal: TD to surface casing

Cores: None Programmed
DST': None Programmed

Completion: To be submitted at a later date.

Note: If hole conditions prevent the running of open hole logs, a cased hole Dipole Sonic/Neutron/GR will be run in lieu of open hole logs.

8. ABNORMAL CONDITIONS:

None anticipated.

9. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

10. HAZARDOUS CHEMICALS:

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

(Attachment: BOP Schematic Diagram)

3000 PSIG DIAGRAM

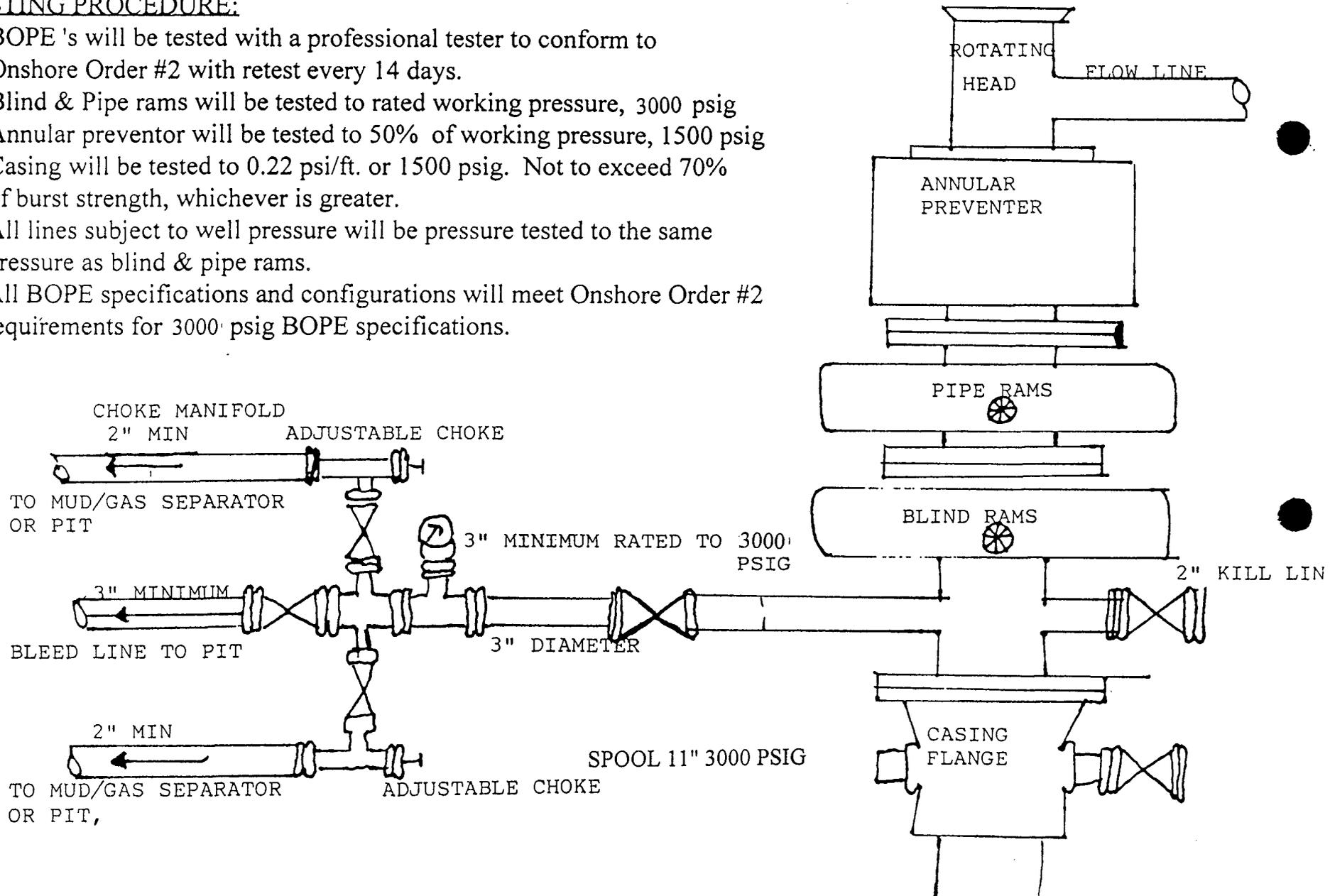
ANNULAR PREVENTOR AND BOTH RAMS ARE 3000 RATED.

CASING FLANGE IS 11" 3000 PSIG RATED.

BOPE 11" 3000 PSIG

TESTING PROCEDURE:

1. BOPE 's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 3000 psig
3. Annular preventor will be tested to 50% of working pressure, 1500 psig
4. Casing will be tested to 0.22 psi/ft. or 1500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 3000 psig BOPE specifications.



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

Company/Operator: Enron Oil & Gas Company
Well Name & Number: Natural Buttes Unit #491-3E
Lease Number: U-0141315
Location: 682' FSL & 1879' FWL, SE/SW, Sec. 3, T9S, R21E, SLB & M
Surface Ownership: Ute Indian Tribe

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

Spud Notice - at least twenty-four (24) hours prior to spudding the well.

Casing String and Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and related Equipment Tests - twenty-four (24) hours prior to running casing and tests.

First Production Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

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

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 11.7 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 600 feet in length. See attached TOPO Map "B"
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade on access road will be 8%
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges or major cuts & fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

All travel will be confined to existing access road Right-of-Way. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards For Oil & Gas Exploration and Development, (1989).

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road.

Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of- Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, Enron Oil & Gas Company shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION

- A. Water wells - None
 - B. Abandoned wells - None
 - C. Temporarily abandoned wells - 1*
 - D. Disposal wells - None.
 - E. Drilling wells - None.
 - F. Producing wells - 17*
 - G. Shut in wells - None
 - H. Injection wells - None
- (*See attached TOPO map "C" for location)

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. ON WELL PAD
 - 1. Tank batteries - None

2. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of well head valves, combination separator-dehy unit with meter run, 300 barrel vertical or 200 barrel low profile condensate tank, meter house and attaching piping. See attached facility diagram.
3. Oil gathering lines - None
4. Gas gathering lines- A 3" nominal gathering line will be buried from dehy to the edge of location.
5. Injection lines - None
6. Disposal lines - None
7. Surface pits - None

B. OFF WELL PAD

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. A 3" nominal steel above ground natural gas pipeline will be laid approximately 189' from proposed location to a point in the SW/SW of Section 3, T9S, R21E, where it will tie into CIGE's existing line. Proposed pipeline crosses BIA administered lands within the Natural Buttes Unit, thus a Right-of-Way grant will be required.
3. Proposed pipeline will be a 3" nominal steel, welded line laid on the surface.
4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

The production facilities will be placed on the South side of the location.

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

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

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Ouray Brine Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW Sec. 35, T9S, R22E Uintah County, Utah (State water right #49-1501).
- B. Water will be hauled by an approved Enron Oil & Gas Company contractor.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of location.
- B. All construction material will come from Tribal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

1. Cuttings will be confined in the reserve pit.
2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at an approved waste disposal facility.
4. Produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, together with the required water analysis, will be submitted for the AO's approval.
5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on drilling rig to avoid leakage of oil to pit.

- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to reserve pit will be avoided by flaring them off in flare pit at time of recovery.

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

On BIA administered land:

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

The reserve pit shall be lined.

After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with Onshore Order No.7, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. ANCILLARY FACILITIES

- A. No airstrips or camps are planned for this well.

9. WELL SITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills & cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation parking areas, and access road.

The reserve pit will be located on the North side of the location.

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

The stockpiled topsoil will be stored on the West end.

Access to the well pad will be from the Southwest.

N/A Diversion ditch(es) shall be constructed on the _____
side of the location (above/below) the cut slope, draining to
the _____

N/A Soil compacted earthen berm(s) shall be placed on the _____
side(s) of the location between the _____

N/A The drainage(s) shall be diverted around the sides of the well pad location.

N/A The reserve pit and/or pad locations shall be constructed long and
narrow for topographic reasons _____

X Corner No. 6 will be rounded off to minimize excavation.

FENCING REQUIREMENTS

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

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

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

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

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

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

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

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 12 months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, fluid, and hydrocarbons, will be removed.

Contact appropriate surface management agency for required seed mixture.

B. DRY HOLE/ABANDONED LOCATION

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

11. SURFACE OWNERSHIP

Access road: Tribal

Location: Tribal

12. OTHER INFORMATION

A. Enron Oil & Gas Company will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

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

-the mitigation measures the operator will likely have to undertake before the site can be used.

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

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs.

The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, Enron Oil & Gas Company will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BIA, or the appropriate County Extension Office. On BIA administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Tribal Lands after the conclusion of drilling operations or at any other time without BIA authorization. However, if BIA authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BIA does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs).

Additional Surface Stipulations

N/A No construction or drilling activities shall be conducted between _____ and _____ because of _____

N/A No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.

N/A No construction or exploration activities are permitted within 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.

N/A There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).

N/A No cottonwood trees will be removed or damaged.

N/A Pond will be constructed according to BIA specifications approximately _____ ft. _____ of the location, as flagged on onsite.

LESSEE'S OR OPERATOR'S REPRESENTATIVES AND CERTIFICATION

<u>OPERATIONS</u>		<u>PERMITTING</u>
Enron Oil & Gas Company	Enron Oil & Gas Company	Ed Trotter
P.O. Box 250	P.O. Box 1815	P.O. Box 1910
Big Piney, WY 83113	Vernal, UT 84078	Vernal, UT 84078
Dennis Brabec	George McBride	Telephone (801) 789-4120
Telephone (307) 276-3331	Telephone (801) 789-0790	Fax # (801) 789-1420

All lease/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. Enron Oil & Gas Company is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

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

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

Certification:

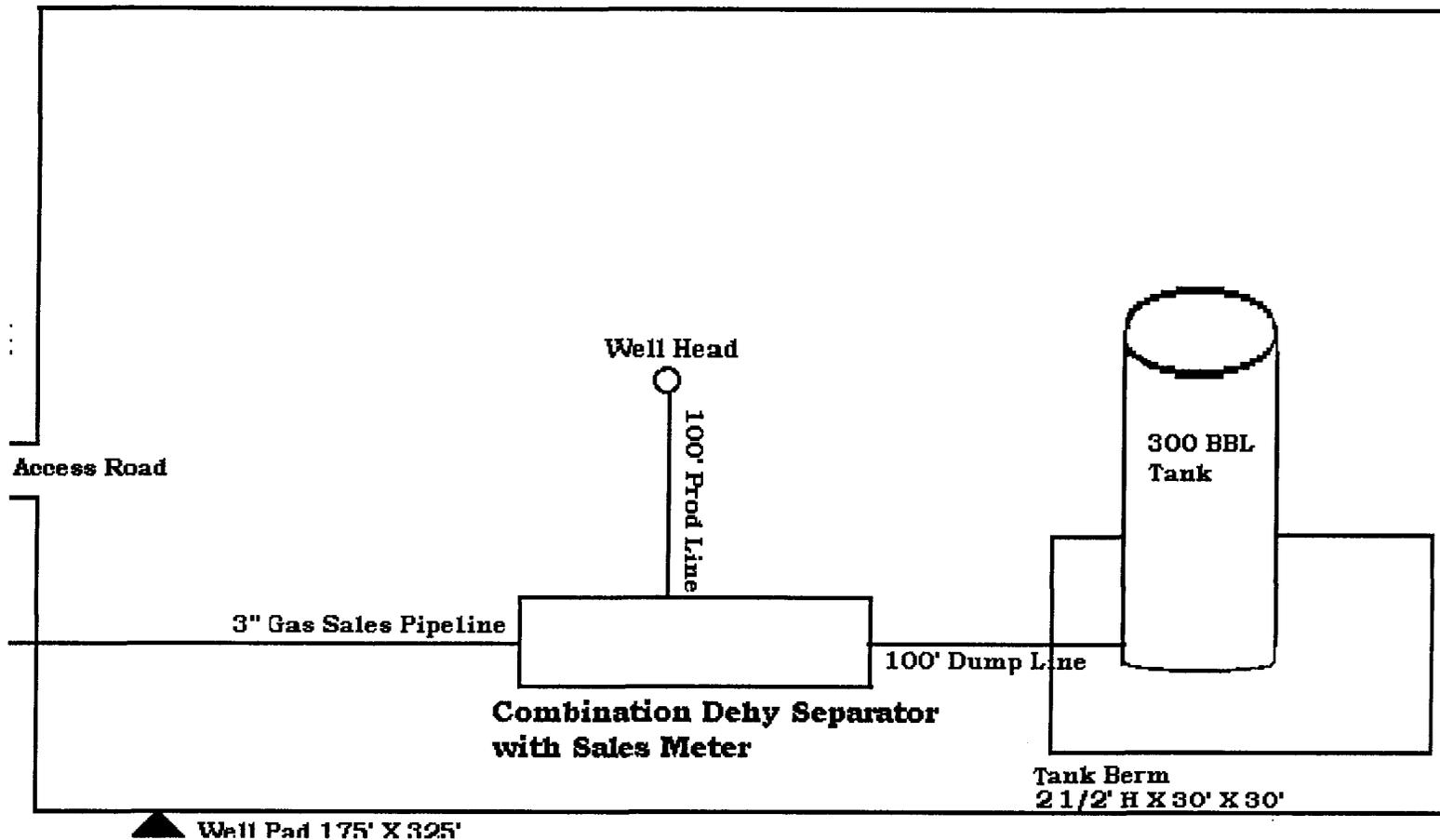
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the Plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Enron Oil & Gas Company and its contractors and sub-contractors in conformity with this Plan and the terms and conditions under which it is approved.

4-10-1998
Date


Ed Trotter

SITE FACILITY DIAGRAM
NATURAL BUTTES UNIT #491-3E
SEC. 3, T9S, R21E, SE/4SW/4
UINTAH COUNTY, UTAH
FEDERAL LEASE NO. U- 0141315

(Site Security Plan is on file at Enron's Vernal Office)



ENRON OIL & GAS CO.

LOCATION LAYOUT FOR

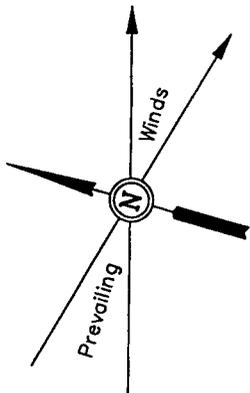
NBU #491-3E

SECTION 3, T9S, R21E, S.L.B.&M.

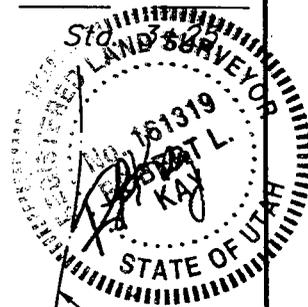
C-8.4' 682' FSL 1879' FWL
El. 13.0'

C-3.7'
El. 8.3'

C-3.1'
El. 7.7'



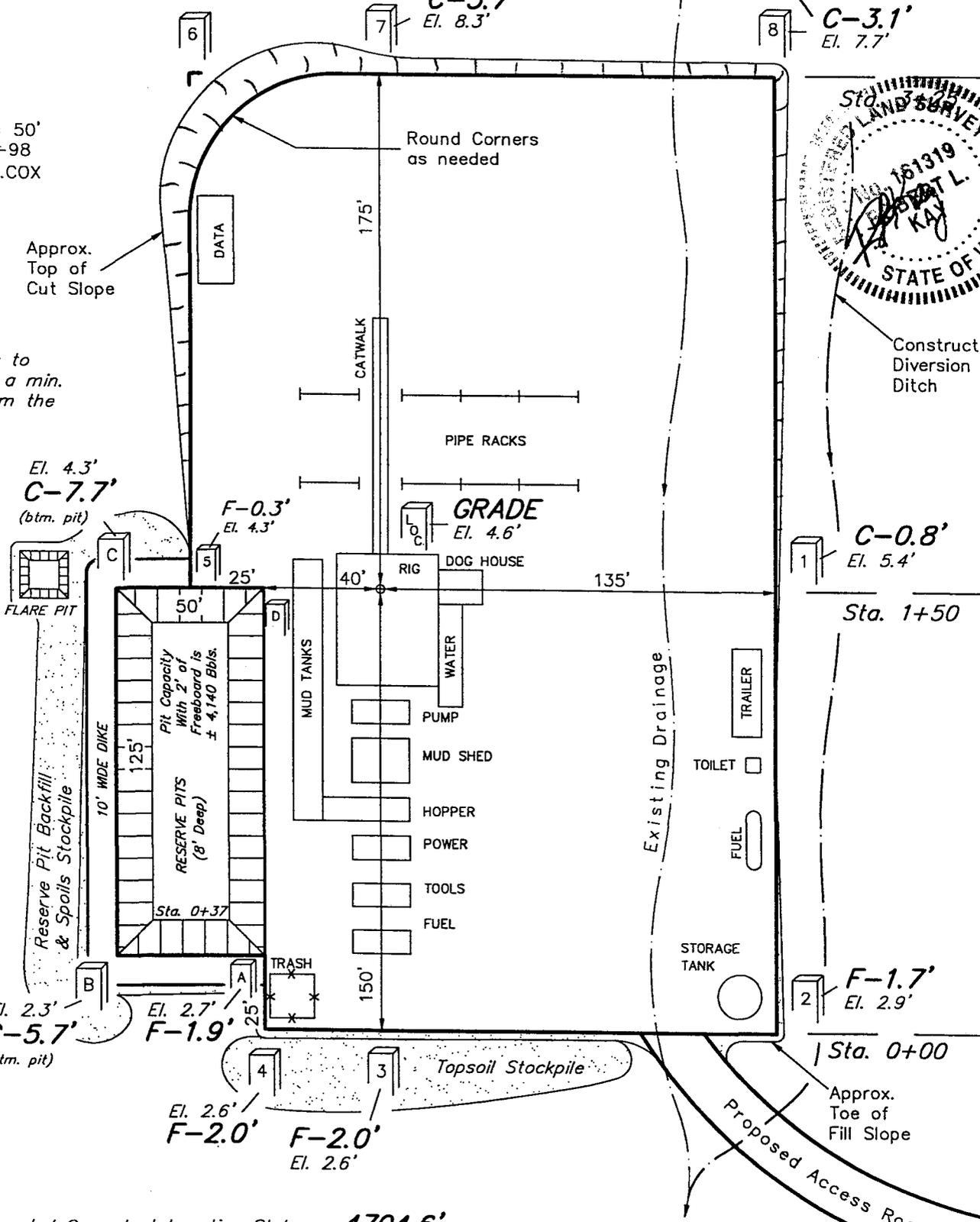
SCALE: 1" = 50'
DATE: 1-8-98
Drawn By: D.COX



Construct Diversion Ditch

NOTE:

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



Elev. Ungraded Ground at Location Stake = 4704.6'
Elev. Graded Ground at Location Stake = 4704.6'

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

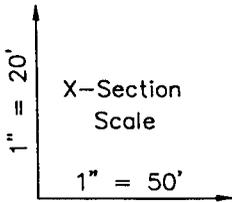
ENRON OIL & GAS CO.

TYPICAL CROSS SECTIONS FOR

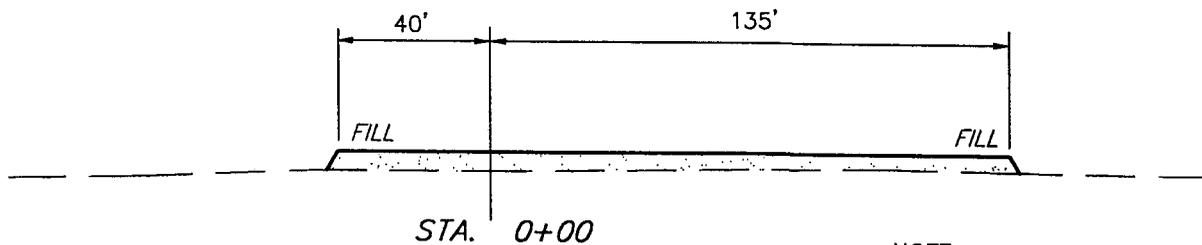
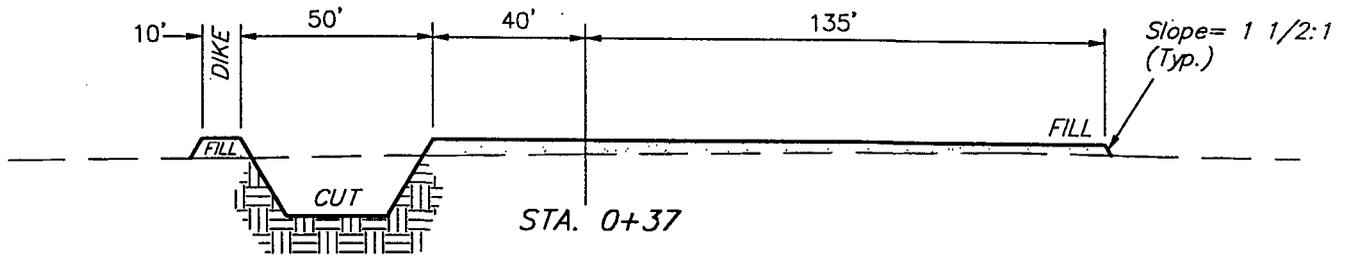
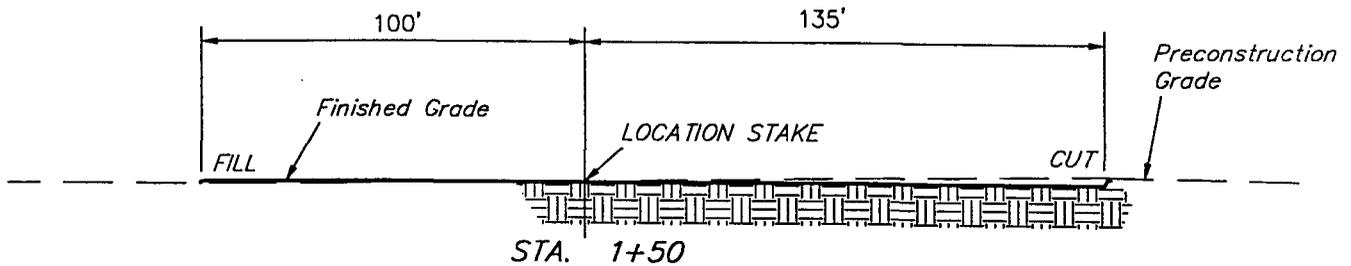
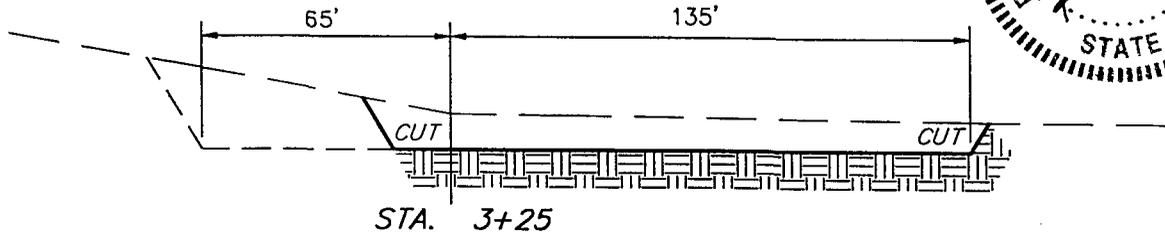
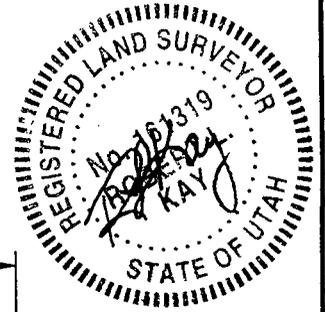
NBU #491-3E

SECTION 3, T9S, R21E, S.L.B.&M.

682' FSL 1879' FWL



DATE: 1-8-98
Drawn By: D.COX



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

APPROXIMATE YARDAGES

(12") Topsoil Stripping = 2,500 Cu. Yds.

Remaining Location = 2,840 Cu. Yds.

TOTAL CUT = 5,340 CU.YDS.

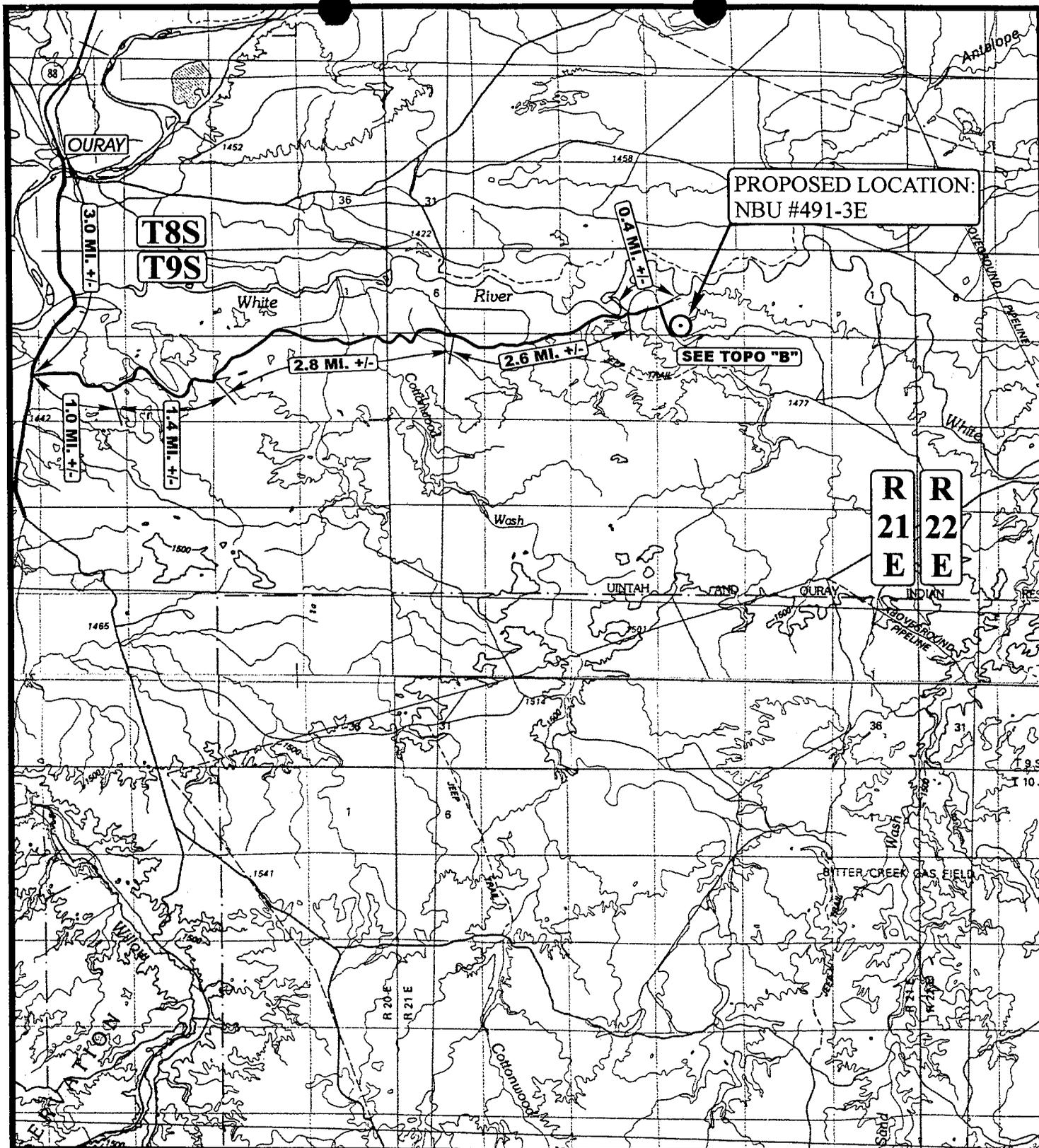
FILL = 2,080 CU.YDS.

EXCESS MATERIAL AFTER

5% COMPACTION = 3,150 Cu. Yds.

Topsoil & Pit Backfill = 3,150 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 0 Cu. Yds.
(After Rehabilitation)



LEGEND:

⊙ PROPOSED LOCATION



ENRON OIL & GAS COMPANY

NBU #491-3E

SECTION 3, T9S, R21E, S.L.B.&M.

682' FSL 1879' FWL



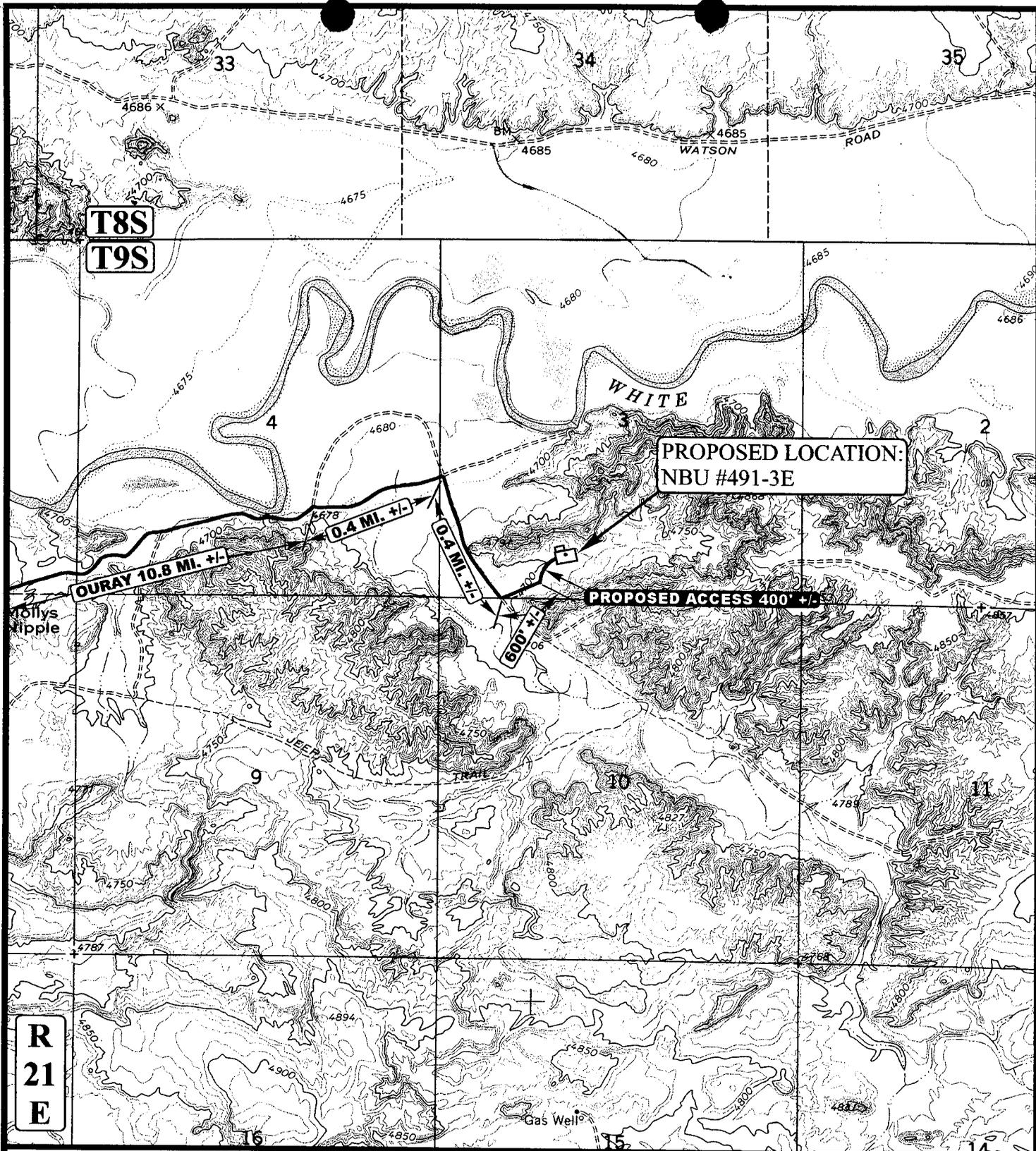
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

1 7 98
 MONTH DAY YEAR

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





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



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



ENRON OIL & GAS COMPANY

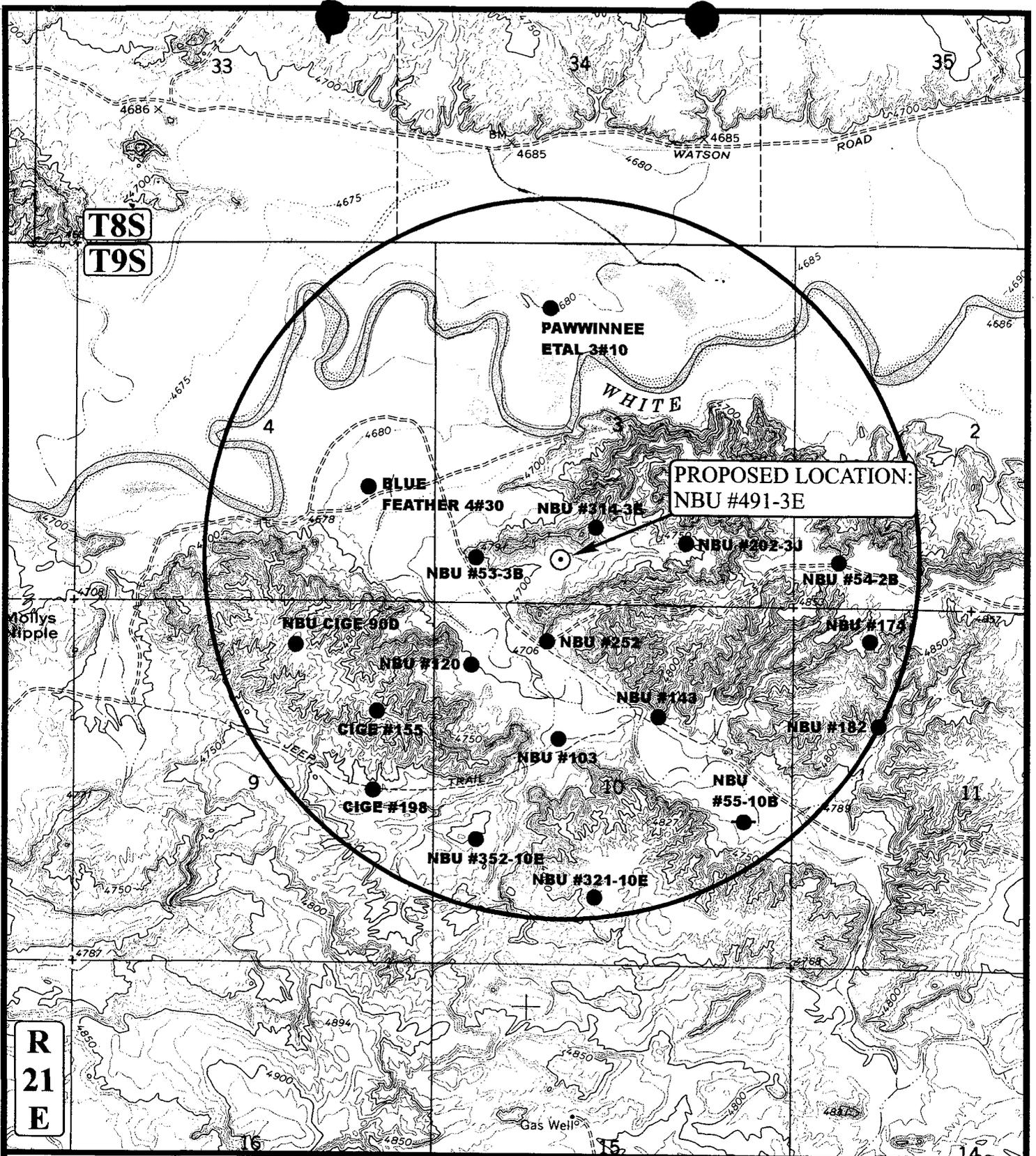
NBU #491-3E
SECTION 3, T9S, R21E, S.L.B.&M.
682' FSL 1879' FWL

TOPOGRAPHIC
MAP

1	7	98
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00





PROPOSED LOCATION:
NBU #491-3E

LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ♂ WATER WELLS |
| ● PRODUCING WELLS | ⊕ ABANDONED WELLS |
| ⬮ SHUT IN WELLS | ⊖ TEMPORARILY ABANDONED |

ENRON OIL & GAS COMPANY

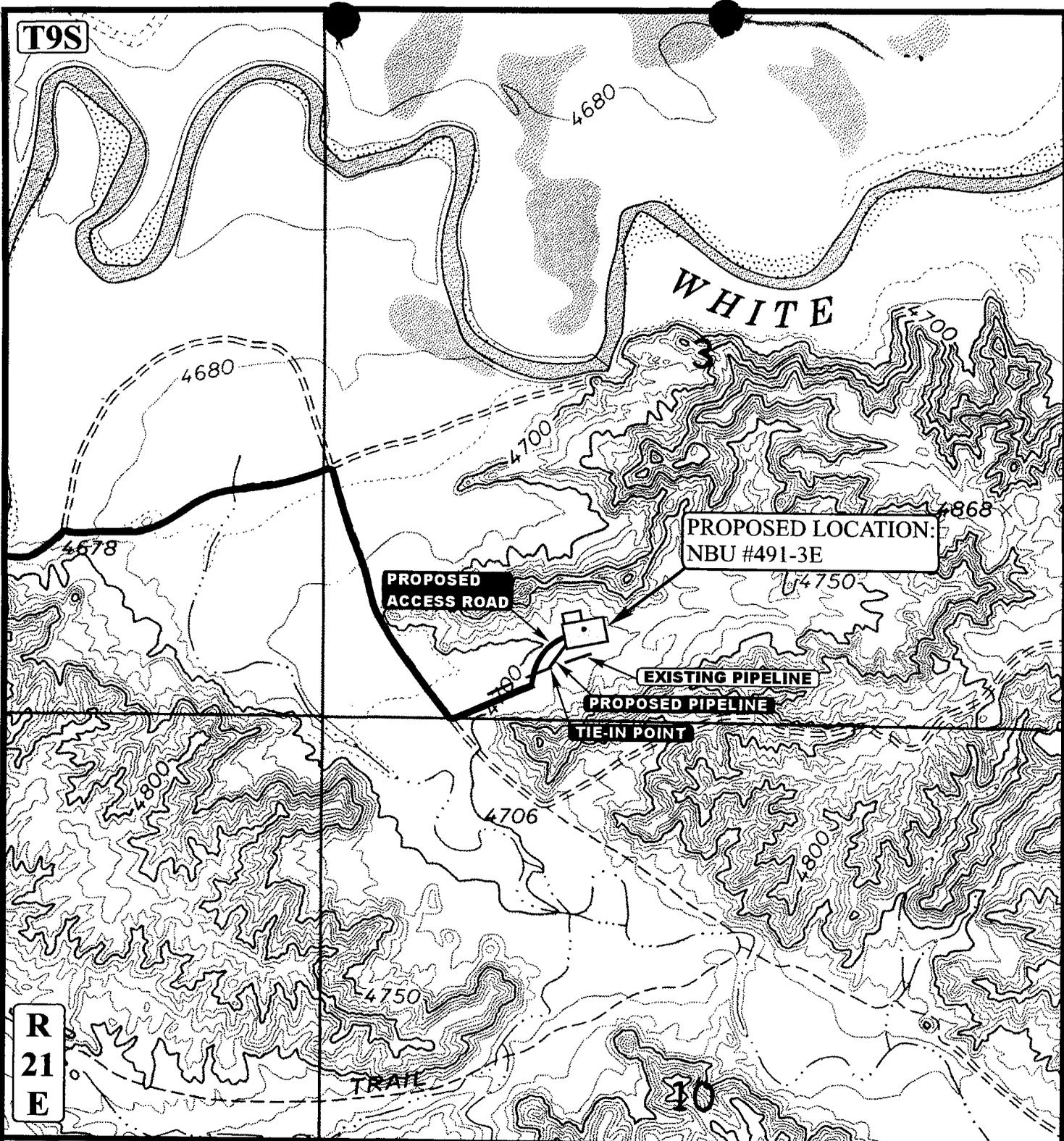
NBU #491-3E
SECTION 3, T9S, R21E, S.L.B.&M.
682' FSL 1879' FWL

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



TOPOGRAPHIC **1 7 98**
M A P MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00 **C**
 TOPO

T9S



R
21
E

APPROXIMATE TOTAL PIPELINE DISTANCE = 189' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS



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



ENRON OIL & GAS COMPANY

NBU #491-3E
 SECTION 3, T9S, R21E, S.L.B.&M.
 682' FSL 1879' FWL

TOPOGRAPHIC
MAP

1	7	98
MONTH	DAY	YEAR

SCALE: 1" = 1000' | DRAWN BY: J.L.G. | REVISED: 00-00-00

D
TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/29/98

API NO. ASSIGNED: 43-047-33122

WELL NAME: NBU 491-3E
 OPERATOR: ENRON OIL & GAS CO (N0401)
 CONTACT: Ed Trotter (435) 789-4120

PROPOSED LOCATION:
 SESW 03 - T09S - R21E
 SURFACE: 0682-FSL-1879-FWL
 BOTTOM: 0682-FSL-1879-FWL
 UINTAH COUNTY
 NATURAL BUTTES FIELD (630)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering	RSK/SRB	5-20-98
Geology		
Surface		

LEASE TYPE: FED
 LEASE NUMBER: U-0141315
 SURFACE OWNER: Ute Indian Tribe

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
 (No. #81307603)

N Potash (Y/N)
Y Oil Shale (Y/N) *190-5(B)
 Water Permit
 (No. Osrey Brine Plant / 49-1501)
N RDCC Review (Y/N)
 (Date: _____)

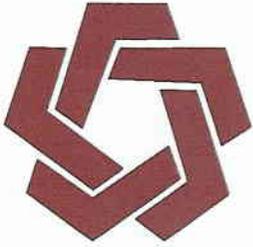
N/A St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit Natural Buttes
 R649-3-2. General
 R649-3-3. Exception
 Drilling Unit
 Board Cause No: _____
 Date: _____

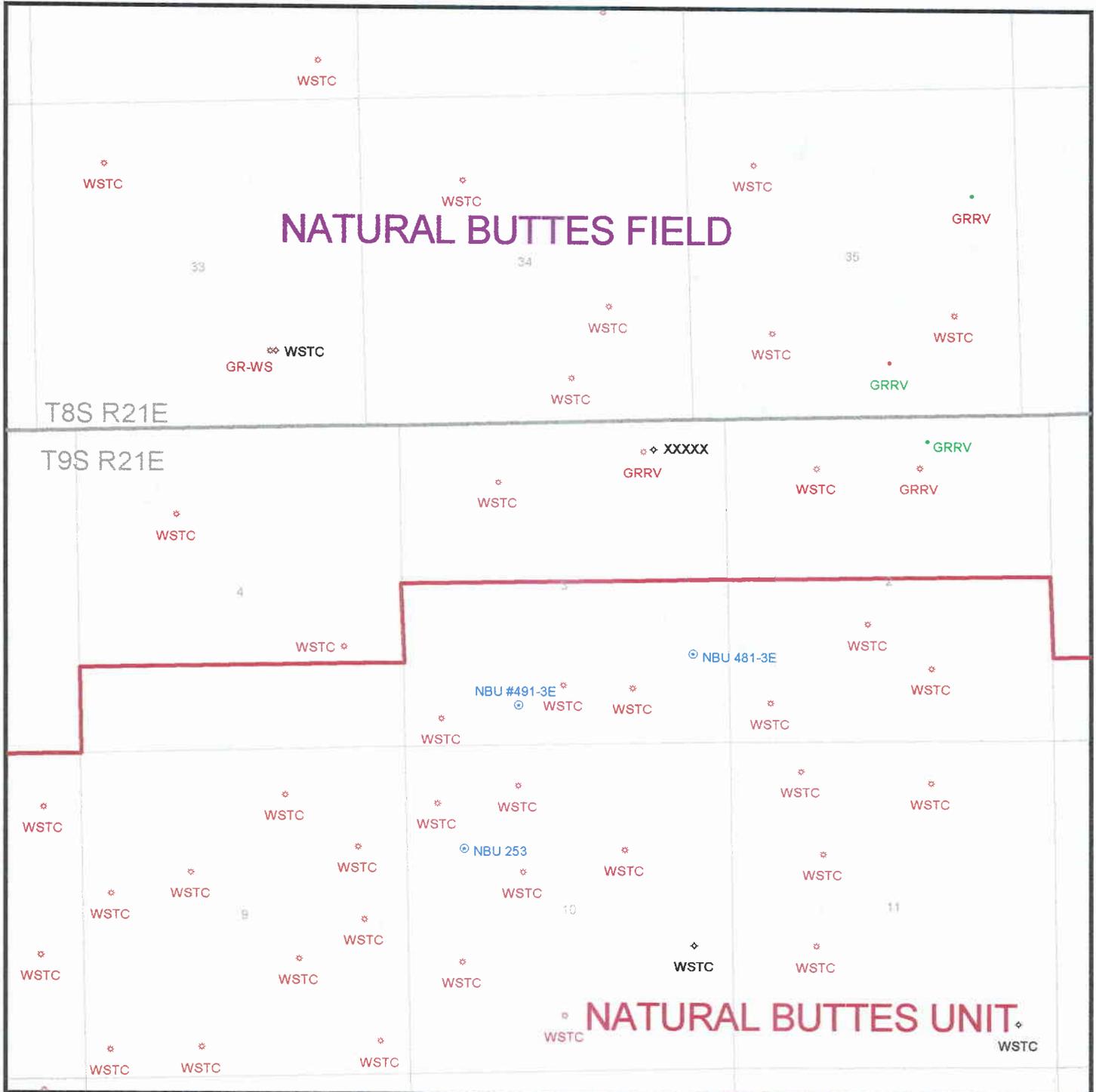
COMMENTS: *Need Desig. of Agent fr. Coastal to Enron (NBK).

STIPULATIONS: ① OIL SHALE 4 1/2" Top of Cement ≈ 1820' GL.
② FEDERAL APPROVAL continuous from T.O. (RSK)



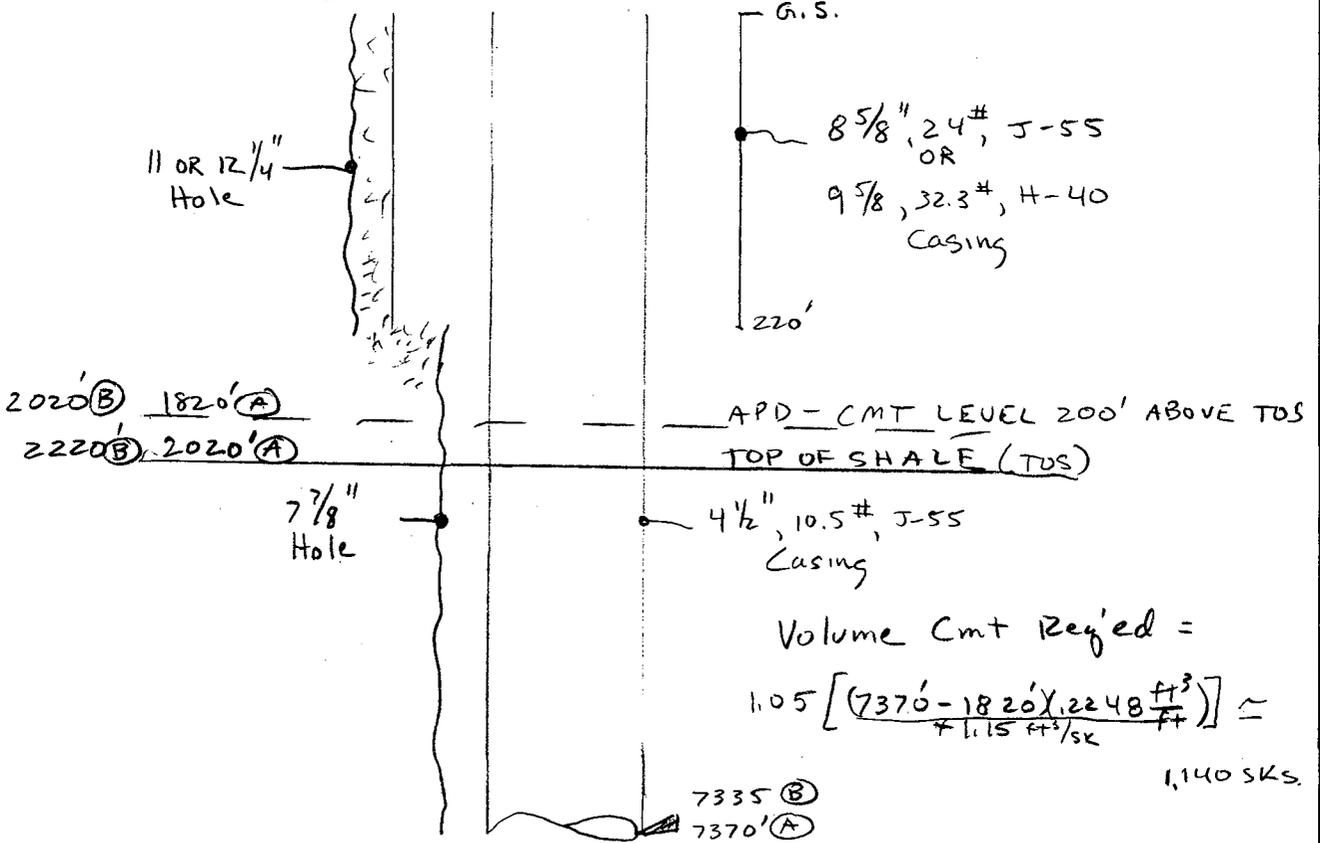
DIVISION OF OIL, GAS & MINING

OPERATOR: ENRON OIL & GAS (N0401)
FIELD: NATURAL BUTTES (630)
SEC. 3, T9S, R21E,
COUNTY: UINTAH UAC: R649-2-3 NATURAL BUTTES



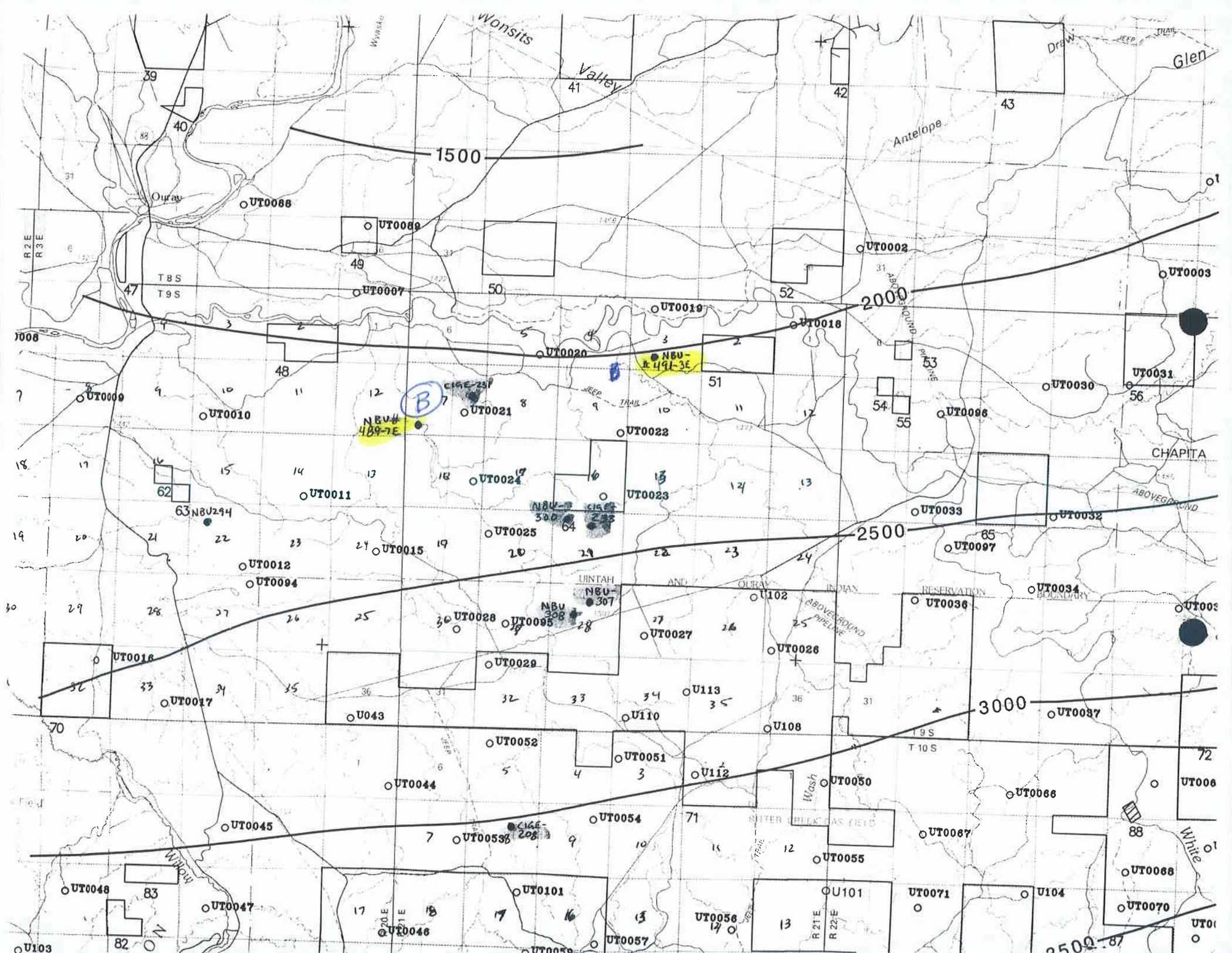
DATE PREPARED:
30-APR-1998

NBU # 489-7E (B)



No. 5505
 Engineer's Computation Pad


No Cement Vols. Given in APD, but cement should be continuous from TD to 1820' for (A) and 2020 for (B).





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

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

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

May 12, 1998

Enron Oil & Gas Company
P.O. Box 1815
Vernal, Utah 84078

Re: NBU 491-3E Well, 682' FSL, 1879' FWL, SE SW, Sec. 3,
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 43-047-33122.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Associate Director

lwp

Enclosures

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

Operator: Enron Oil & Gas Company
Well Name & Number: NBU 491-3E
API Number: 43-047-33122
Lease: U-0141315
Location: SE SW Sec. 3 T. 9 S. R. 21 E.

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours prior to spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

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

3. Reporting Requirements

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

4. 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.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

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

2. NAME OF OPERATOR
 ENRON OIL & GAS COMPANY

3. ADDRESS AND TELEPHONE NO.
 P.O. BOX 1815, VERNAL, UTAH 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface 682' FSL & 1879' FWL SE/SW
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 11.7 MILES SOUTHEAST OF OURAY, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 682'

16. NO. OF ACRES IN LEASE 800

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

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

19. PROPOSED DEPTH 7370'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4705' GRADED GROUND

22. APPROX. DATE WORK WILL START*
 MAY 1998

5. LEASE DESIGNATION AND SERIAL NO.
 U-0141315

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 UTE TRIBAL LAND

7. UNIT AGREEMENT NAME
 NATURAL BUTTES UNIT

8. FARM OR LEASE NAME WELL NO.
 NATURAL BUTTES UNIT

9. API WELL NO.
 NBU#491-3E

10. FIELD AND POOL, OR WILDCAT
 NBU/WASATCH

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC. 3, T9S, R21E

12. COUNTY OR PARISH 13. STATE
 UINTAH UTAH

CONFIDENTIAL

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	200-220'	100-150 SX CLASS "G" + 2% CaCl ₂ + 1/4 #/SX CELLOFLAKE. 50/50 POZMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONES OF INTEREST (+10% EXCESS). LIGHT CEMENT (11 PPG+) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+ 5% EXCESS).
OR 12 1/4"	9 5/8"	32.30#	200-220'	
7 7/8"	4 1/2"	10.50#	7370'	

SEE ATTACHMENTS FOR:

- 8 POINT PLAN
- BOP SCHEMATIC
- SURFACE USE AND OPERATING PLAN
- LOCATION PLAT
- LOCATION LAYOUT
- TOPOGRAPHIC MAPS "A", "B", AND "C"
- GAS SALES PIPELINE--MAP "D"
- FACILITY DIAGRAM,

RECEIVED
 MAY 13 1998
 DIV. OF OIL, GAS & MINING

ENRON OIL & GAS COMPANY WILL BE THE DESIGNATED OPERATOR OF THE SUBJECT WELL UNDER NATIONWIDE BOND #81307603

pc: UTAH DIVISION OF OIL, GAS, AND MINING

RECEIVED
 APR 28 1998

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

24. SIGNED [Signature] TITLE AGENT DATE 4-10-1998

(This space for Federal or State office use)

PERMIT **NOTICE OF APPROVAL** CONDITIONS OF APPROVAL ATTACHED APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED [Signature] TITLE Assistant Field Manager Mineral Resources DATE 5/11/1998

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Enron Oil and Gas Company

Well Name & Number: NBU 491-3E

API Number: 43-013-33122

Lease Number: U-0141315

Location: SESW Sec. 03 T. 9S R. 21E

NOTIFICATION REQUIREMENTS

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

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

A. DRILLING PROGRAM

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

Report **ALL** water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

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

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

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

3. Casing Program and Auxiliary Equipment

Surface casing will be set **relative to ground level** and shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the usable water zone identified at ± 220 ft. or by setting the surface casing at ± 270 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

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

The Gamma Ray and Induction Logs need to be pulled from TD to the Surface Shoe.

A cement bond log (CBL) will be run from the production casing shoe to **TOP OF CEMENT** if the surface casing is set at ± 270 ft. or it will be run to **Surface** if the surface casing is set at ± 220 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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

6. Notifications of Operations

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

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

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

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

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

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

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

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

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

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

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

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

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

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

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

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

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

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

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

Jerry Kenczka (801) 789-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410



EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM

The Surface Use Conditions of Approval all come from the Bureau of Indian Affairs Concurrence Memorandum and Site Specific Environmental Analysis.

The Ute Tribe Energy and Mineral Department is to be notified 48 hours prior to construction. A Tribal Technician is to monitor construction.

A Tribal Technician is to be notified during construction of reserve pits and also during backfilling of pits. The technician will approve, inspect and monitor all phases of pit construction and backfilling operations.

Thirty (30) foot wide Rights-Of-Way (ROWs) corridor shall be granted for the following:

Access roads which shall have constructed travel width limited to 18 feet within, except as granted for sharp curves or intersections.

Surface pipelines shall be constructed to lay on the soil surface, and the ROW shall not be bladed or cleared of vegetation without site specific written authorization from BIA and Ute Tribal Energy and Minerals..

Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the ROW. Where pipelines cross country between stations, they shall be welded in place at wellsites or on roads and then pulled into place with suitable equipment. Traffic will be restricted along these areas so that the pipeline ROW will not be used as an access road.

Buried pipelines shall be buried a minimum of three feet below the soil surface. After construction of the pipeline is completed the disturbed area of the ROW shall be contoured to blend with the natural landscape and it shall be reseeded with desirable vegetation. Between September 15 and November 1 of the year following the pipeline construction all disturbed areas shall be reseeded with perennial vegetation according to BIA, or Ute Tribe specifications.

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

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

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

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined and approved, and to the existing roadways and/or evaluated access routes. This applies to the flagged areas and corridors examined as referenced in the cultural resources survey.

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

The Ute Tribe Energy & Mineral Department shall be consulted if cultural remains from subsurface deposits are exposed or identified during construction. Authorized officials and their subcontractors shall immediately stop construction activities and shall consult with BIA and the Ute Tribe Energy & Mineral Department if cultural remains from subsurface deposits are exposed during construction or if the need arises to relocate or otherwise alter the location of the construction area. (Construction activities may resume in areas outside of the exposed area.) Prior to commencing/resuming construction in the area where cultural resources are exposed the operator must obtain authorization from BIA and the Ute Tribal Department of Cultural Rights and Protection.

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

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

Approximately 17 rods of fence will be constructed as specified in the APD around the reserve pit until it is back filled.

Reserve pits will be lined with impervious synthetic liners. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are backfilled the cuttings and mud, etc. left in them to be buried will be buried a minimum of three feet below the surface of the soil.

A closed production system will be used. Production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites. Production water, oil, and other byproducts shall not be applied to roads or well pads for the control of dust or weeds. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

May 27, 1999

Enron Oil & Gas Company
P O Box 250
Big Piney, WY 83113

Re: Notification of Expiration
Well No. NBU 491-3E
SESW Section 3, T9S, R21E
Lease No. U-0141315

Gentlemen:

43-047-33122

The Application for Permit to Drill the above-referenced well was approved on May 11, 1998. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

According to our records, the location has been constructed for this drill site. All surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M
Enron Oil & Gas Co. - Vernal
Ed Trotter

DOGUM
'LA'
DATE

