

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work

DRILL

DEEPEN

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) 573-4455

4. Location of Well (Footages)

At surface: 2066' FSL, 2247' FWL

At proposed proding zone: 630' 625'

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

See Topo Map A

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

2066'

16. Number of acres in lease:

160

17. Number of acres assigned to this well:

N/A

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

See Topo Map C

19. Proposed Depth:

6600'

20. Rotary or cable tools:

Rotary

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

Ungraded GR - 5019'

22. Approximate date work will start:

Upon Approval

PROPOSED CASING AND CEMENTING PROGRAM

23.

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
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 attached Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided for by Coastal's Bond #102103.

24.

Name & Signature

Sheila Bremer

Title:

Sheila Bremer
Environmental & Safety Analyst

Date: 9/29/98

(This space for State use only)

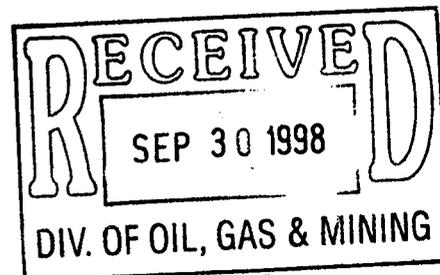
API Number Assigned:

43-047-33204

Approval:

[Signature]
12/3/98

(See Instructions on Reverse Side)



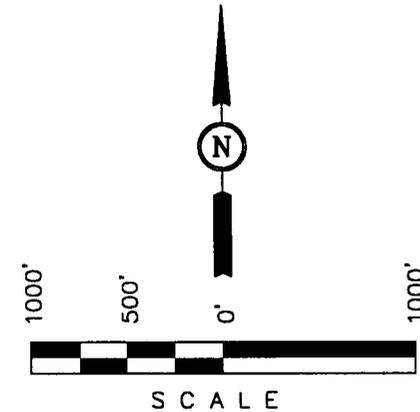
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COASTAL OIL & GAS CORP.

Well location, NBU #326, located as shown in the NE 1/4 SW 1/4 of Section 31, T9S, R22E, S.L.B.&M., Uintah County, Utah.

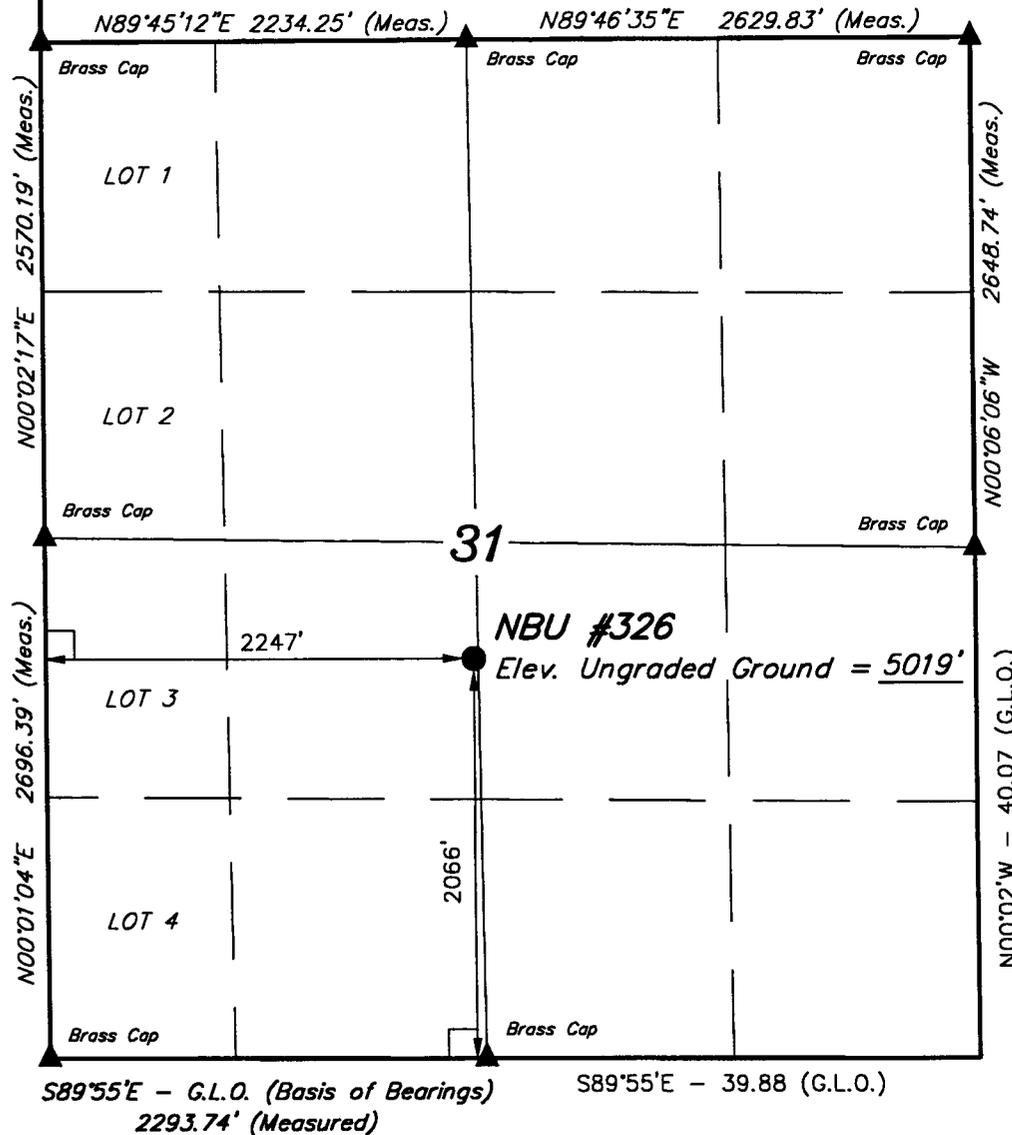
BASIS OF ELEVATION

TWO WATER 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 OF ACCURACY
 REGISTERED LAND SURVEYOR
 THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
 ROBERT J. ...
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 164319
 STATE OF UTAH

R R T9S, R22E, S.L.B.&M.
 21 22
 E E



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: 07-30-98	DATE DRAWN: 08-05-98
PARTY J.F. J.C. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COASTAL OIL & GAS CORP.	



State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
Oil and Gas Program

Engineering Review Checklist and Action Form

Well(s) API No(s): **Operator:** Coastal Oil and Gas Corp.

Date: October 20, 1998

1. 43-047-33201
2. 43-047-33202
3. 43-047-33203
4. 43-047-33204
5. 43-047-33205
6. 43-047-33206
7. 43-047-33207
8. 43-047-33208
9. 43-047-33209
10. 43-047-33210

Status/Action:

A. Approved as Submitted

Forwarded for Approval

B. Approved with Stipulations as follows:

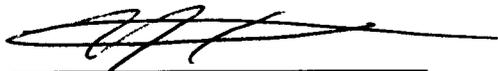
Forwarded for Approval

C. Incomplete or Inadequate Application – Unable to Evaluate:

1. No cement volumes given in Drilling Program; and,
2. Conflicting proposed cement tops in section(s) 4b of Drilling Plan(s).

 Returned to Operator

Comments: Contacted Operator (Sheila Bremer on 10-16-98) and Operator declined to provide needed information described in Section C above.



Robert J. Krueger, P.E.
Petroleum Engineer
(801) 538-5274

**NBU 326
2066' FSL & 2247' FWL
NE/SW, SECTION 31-T9S-R22E
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:**

<u>Formation</u>	<u>Depth</u>
Duchesne River/Uinta	Surface
Green River	1,478'
Mahogany Bench	2,148'
Wasatch	4,578'
Mesaverde Sand	7,078'
Total Depth	6,600'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Green River	1,478'
	Mahogany Bench	2,148'
	Wasatch	4,578'
	Mesaverde Sand	7,078'
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:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Csg Size</u>	<u>Wt/ft</u>	<u>Grade</u>	<u>Type</u>
Surface	0-250'	12¼"	8⅝"	24#	K-55	ST&C
Production	0-TD	7⅞"	4½"	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:

<u>Surface</u>	<u>Fill</u>	<u>Type & Amount</u>
0-250'	250'	Approximately 190 sx Class "G" + 2% CaCl ₂ , 15.6 ppg, 1.19 CF/sx.

<u>Production</u>	<u>Type & Amount</u>
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.

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the top of the Mahogany Oil Shale.

5. **Drilling Fluids Program:**

<u>Interval</u>	<u>Type</u>	<u>Mud Wt.</u>
0-TD'	Air/Air Mist/Aerated Water/Water (As hole conditions warrant.) Depending on hole conditions, the hole will be displaced to either 10 ppg brine or drilling mud prior to logging.	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.

This well will be considered a candidate for disposal of its drilling fluids down the casing annulus. If this disposal method is considered viable by the Operator, a sundry shall be submitted to each appropriate regulatory agency for approval after drilling is completed. Regulatory approval will be obtained prior to execution. The following information shall be included in the sundry:

- Chemical constituency of the drilling fluid;
- Depths where the casing has been set;
- Depths of freshwater zones encountered during drilling;
- Procedure for protection of freshwater (potential drinking water) zones, if encountered;
- Presence of any lost circulation zones;
- Depth of target formation where drilling fluid will exit the wellbore;
- Water quality in the target formation prior to drilling fluid disposal;
- Explanation of target formation's suitability to accept drilling fluid;
- Preventative measures to be taken to ensure that drilling fluids will not re-enter the wellbore;
- Volume of fluids to be disposed of;
- Fluid pressure necessary to pump the drilling fluids.

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.

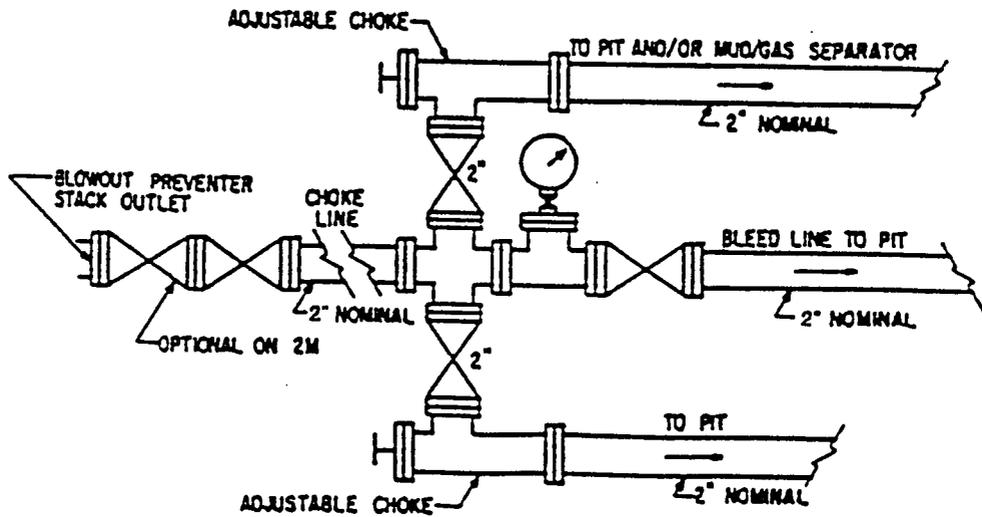
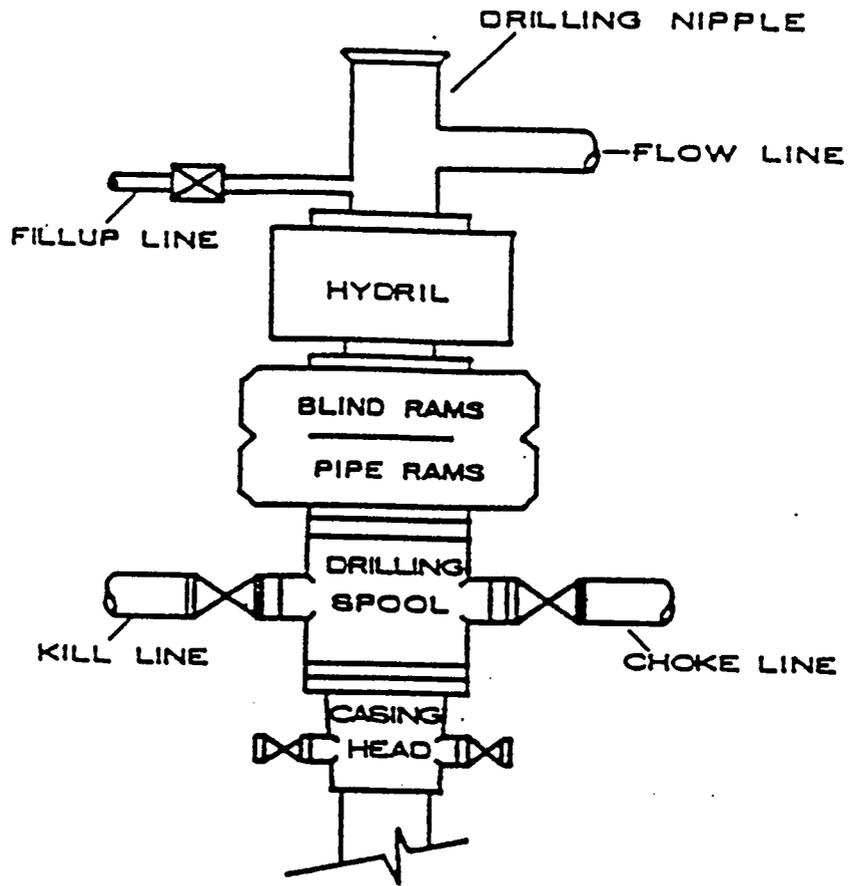
- b. No drill stem tests, stimulation, or frac treatment has been formulated for this well at this time; however, the drill site, as approved, will be of sufficient size to accommodate all completion activities.

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 2,640 psi (calculated at 0.4 psi/foot) and maximum anticipated surface pressure equals approximately 1,320 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

BOP STACK

3,000 PSI



3,000 PSI CHOKE MANIFOLD

**NBU 326
2066' FSL & 2247' FWL
NE/SW, SECTION 31-T9S-R22E
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 well site is approximately 54 miles southwest of Vernal, Utah.

Refer to Topo Maps A and B for directions to the 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 0.2 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 - 27
- 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 1700 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 west 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 south.
- 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

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

- State of Utah
675 East 500 South
Salt Lake City, Utah 84102-2818

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. A Class III archeological survey was conducted by Montgomery Archaeological Consultants. A copy of this report was sent directly to James Dykman, Utah Preservation Office.

13. **Lessee's or Operators's Representative and Certification:**

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

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

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

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

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



Sheila Bremer

9/29/98

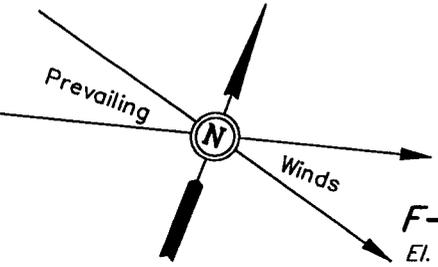
Date

COASTAL OIL & GAS CORP.

FIGURE #1

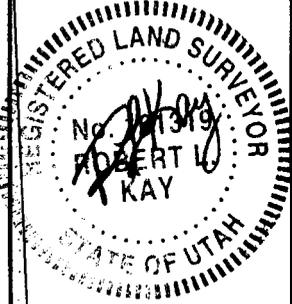
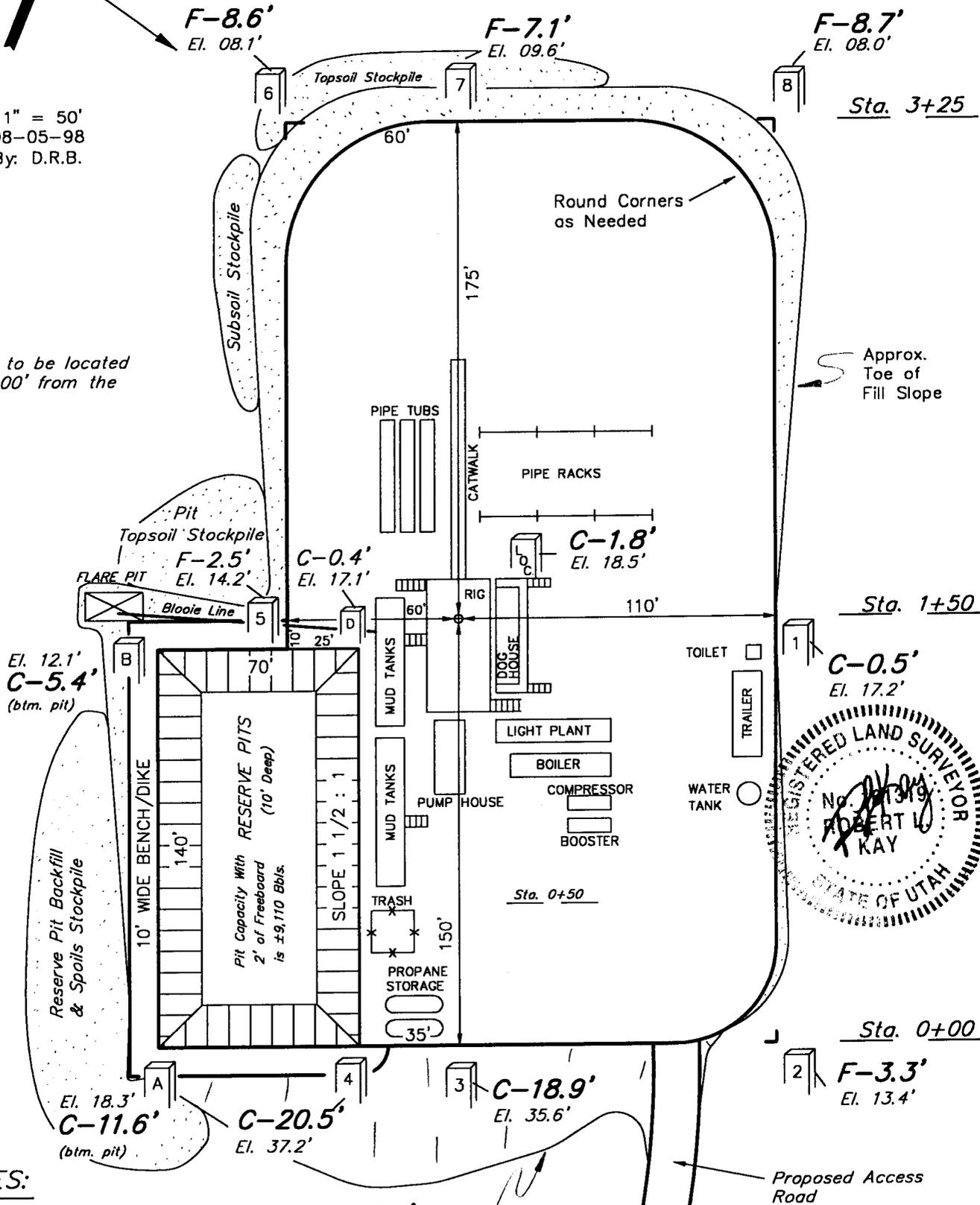
LOCATION LAYOUT FOR

NBU #326
SECTION 31, T9S, R22E, S.L.B.&M.
2066' FSL 2247' FWL



SCALE: 1" = 50'
DATE: 08-05-98
Drawn By: D.R.B.

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5018.5'
FINISHED GRADE ELEV. AT LOC. STAKE = 5016.7'

UINAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

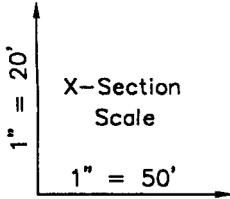
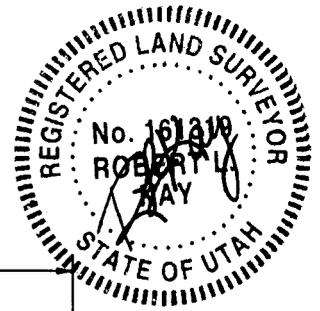
COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

NBU #326

SECTION 31, T9S, R22E, S.L.B.&M.

2066' FSL 2247' FWL



DATE: 08-05-98
Drawn By: D.R.B.

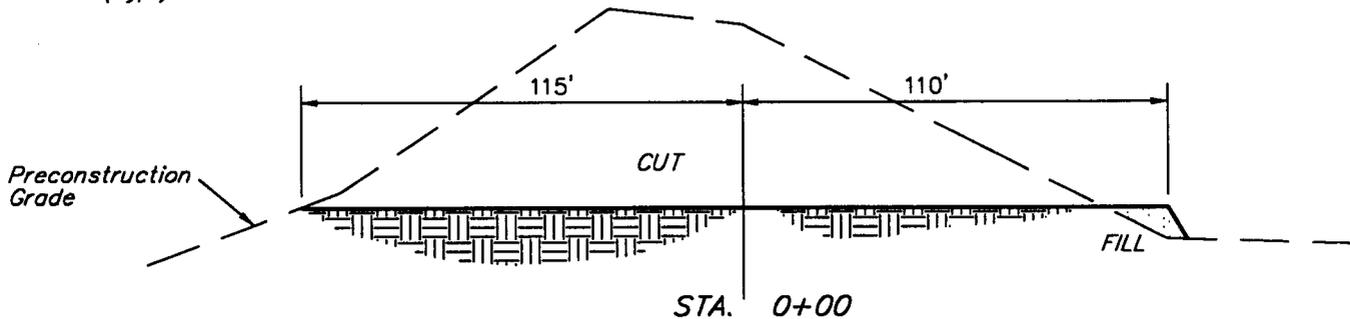
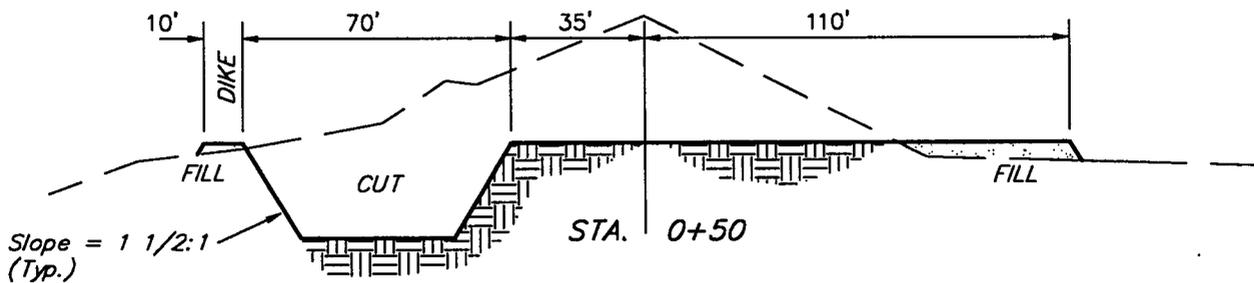
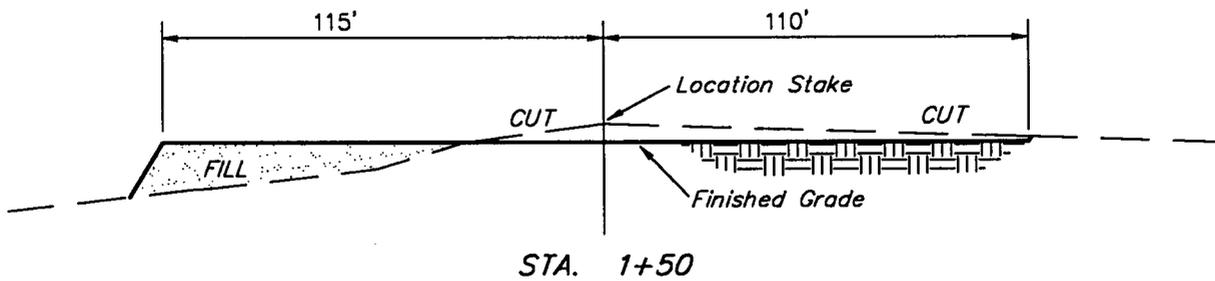
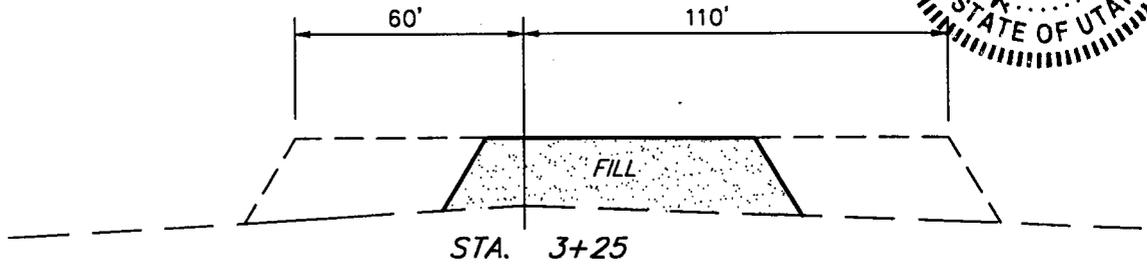
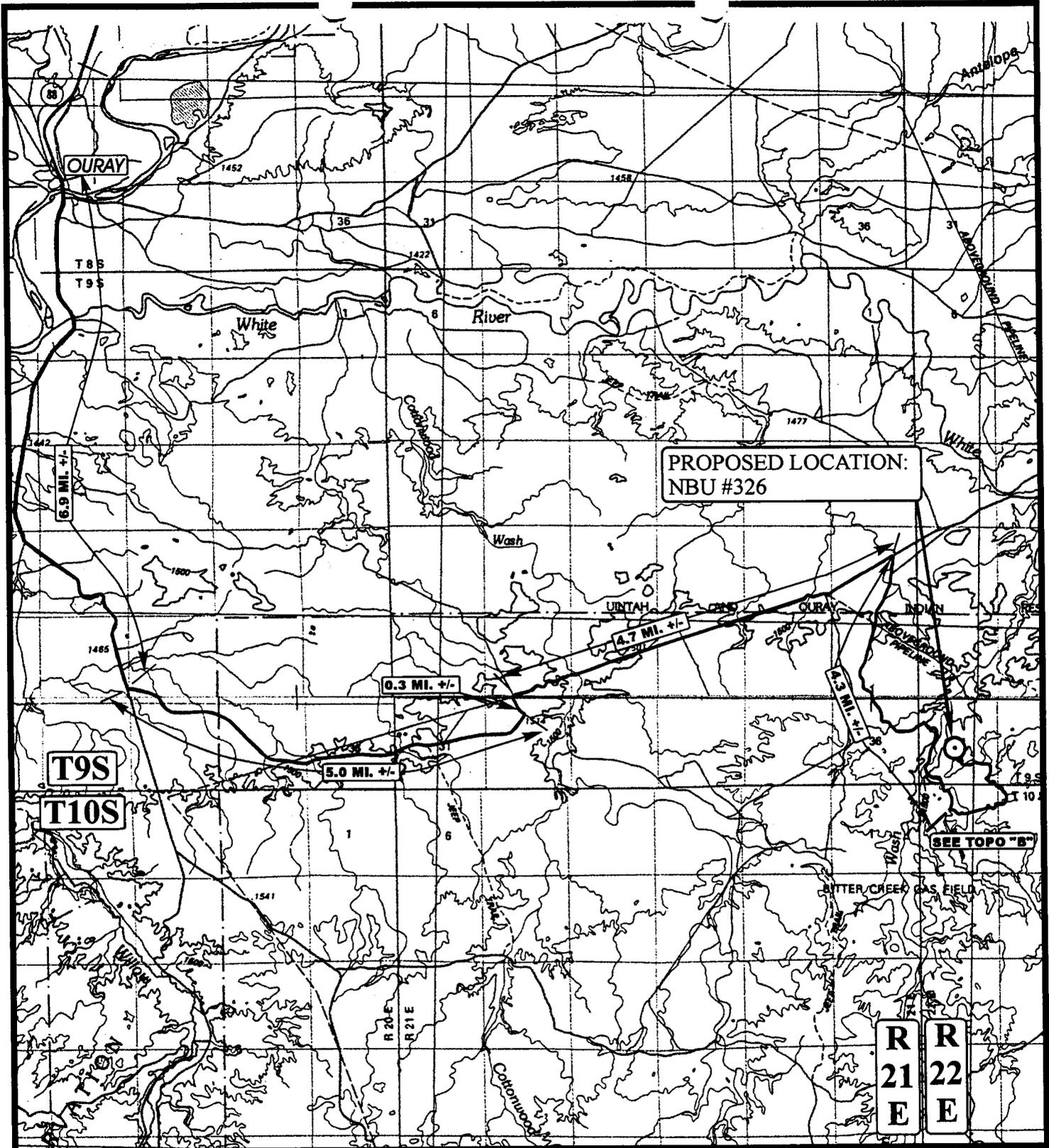


FIGURE #2

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,140 Cu. Yds.
Remaining Location	= 7,370 Cu. Yds.
TOTAL CUT	= 8,510 CU.YDS.
FILL	= 5,780 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,430 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,430 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



PROPOSED LOCATION:
NBU #326

T9S
T10S

R
21
E
R
22
E

SEE TOPO "B"

LEGEND:

⊙ PROPOSED LOCATION

COASTAL OIL & GAS CORP.

NBU #326

SECTION 31, T9S, R22E, S.L.B.&M.

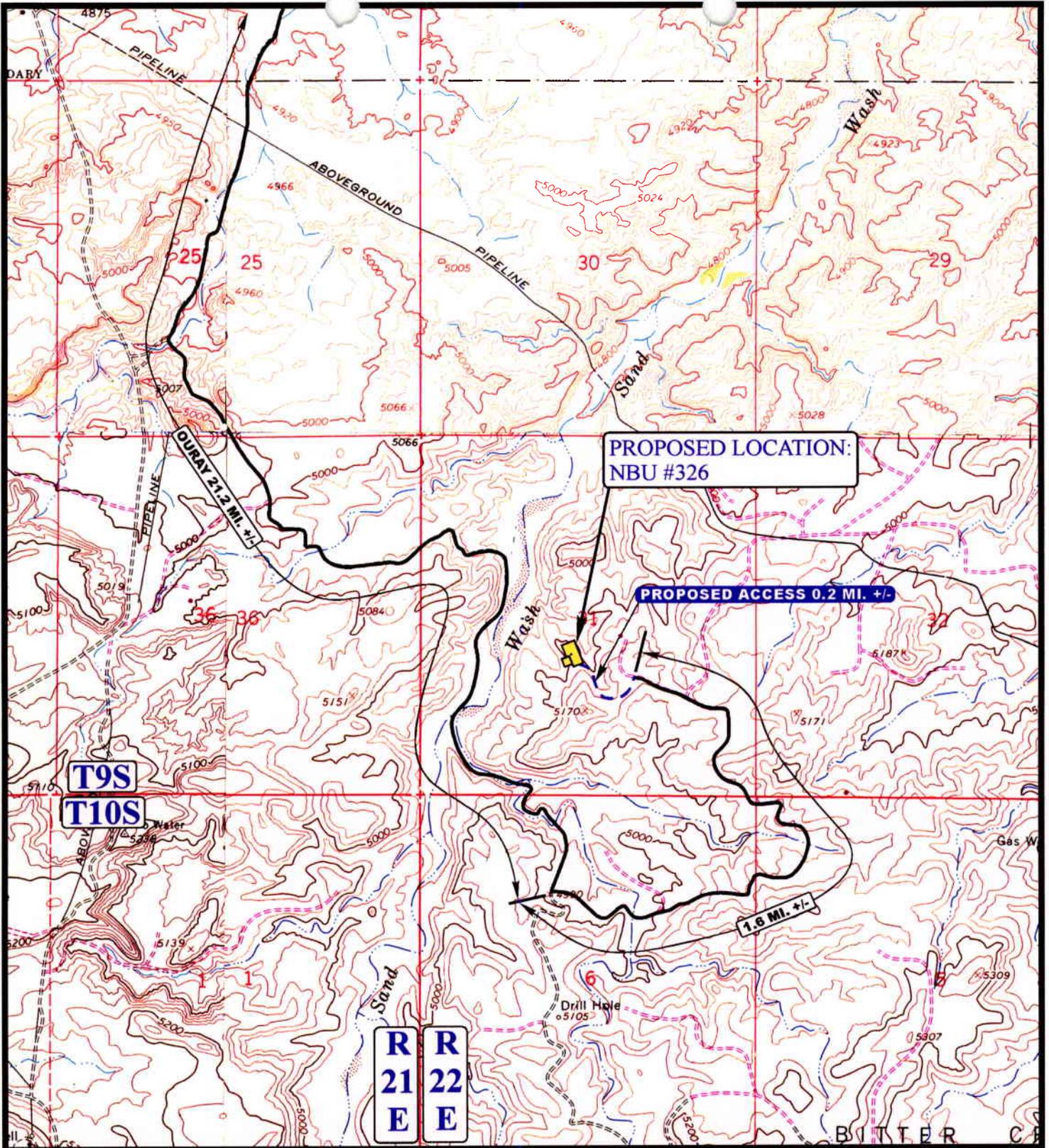
2066' FSL 2247' FWL



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

TOPOGRAPHIC 7 4 98
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: C.G. REVISED: 00-00-00





**PROPOSED LOCATION:
NBU #326**

PROPOSED ACCESS 0.2 MI. +/-

1.6 MI. +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

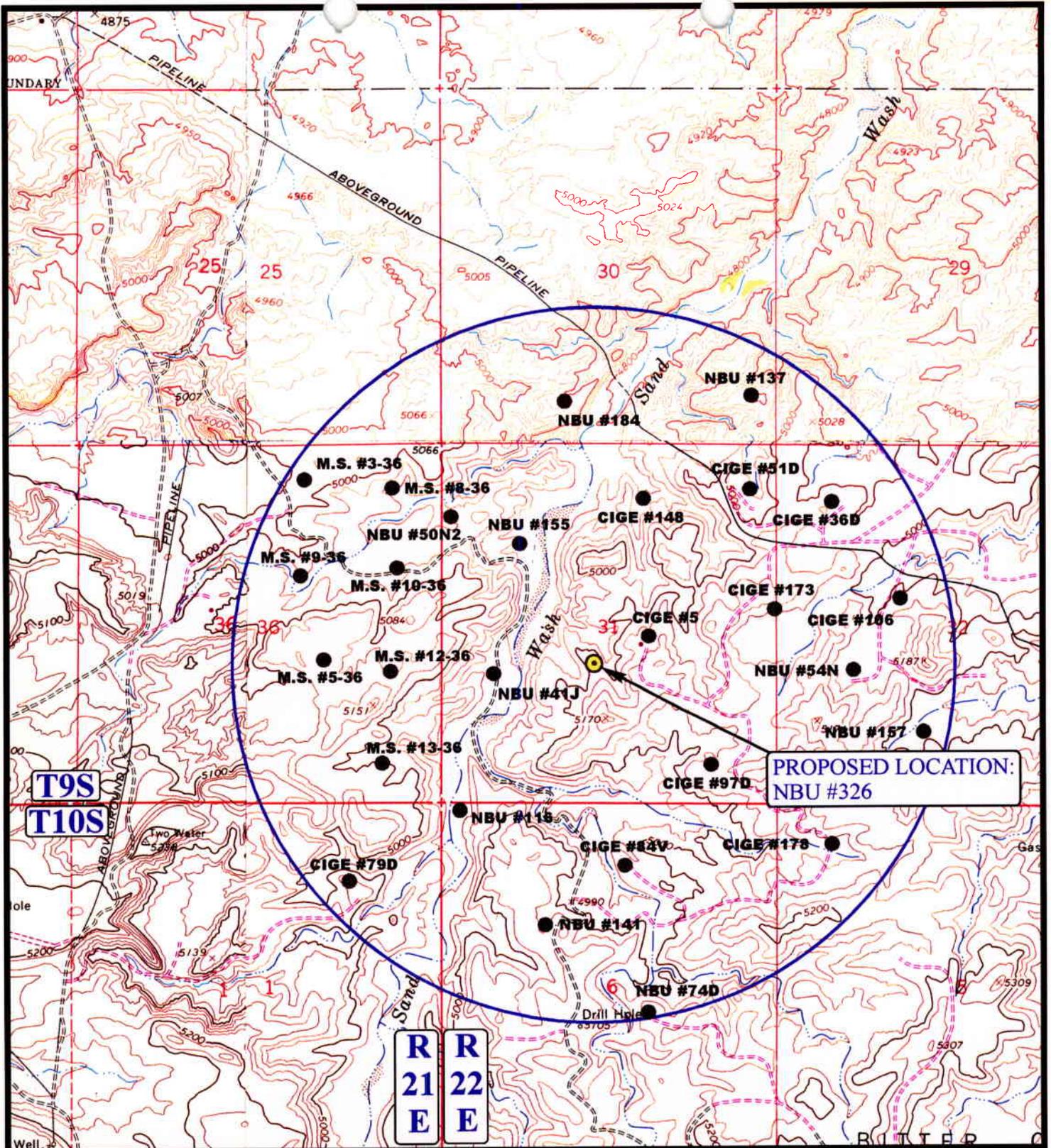


COASTAL OIL & GAS CORP.

**NBU #326
SECTION 31, T9S, R22E, S.L.B.&M.
2066' FSL 2247' FWL**

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

TOPOGRAPHIC MAP	7	4	98	B TOPO
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: C.G.		REVISED: 00-00-00



**PROPOSED LOCATION:
NBU #326**

**T9S
T10S**

**R
21
E** **R
22
E**

LEGEND:

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

COASTAL OIL & GAS CORP.

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SECTION 31, T9S, R22E, S.L.B.&M.
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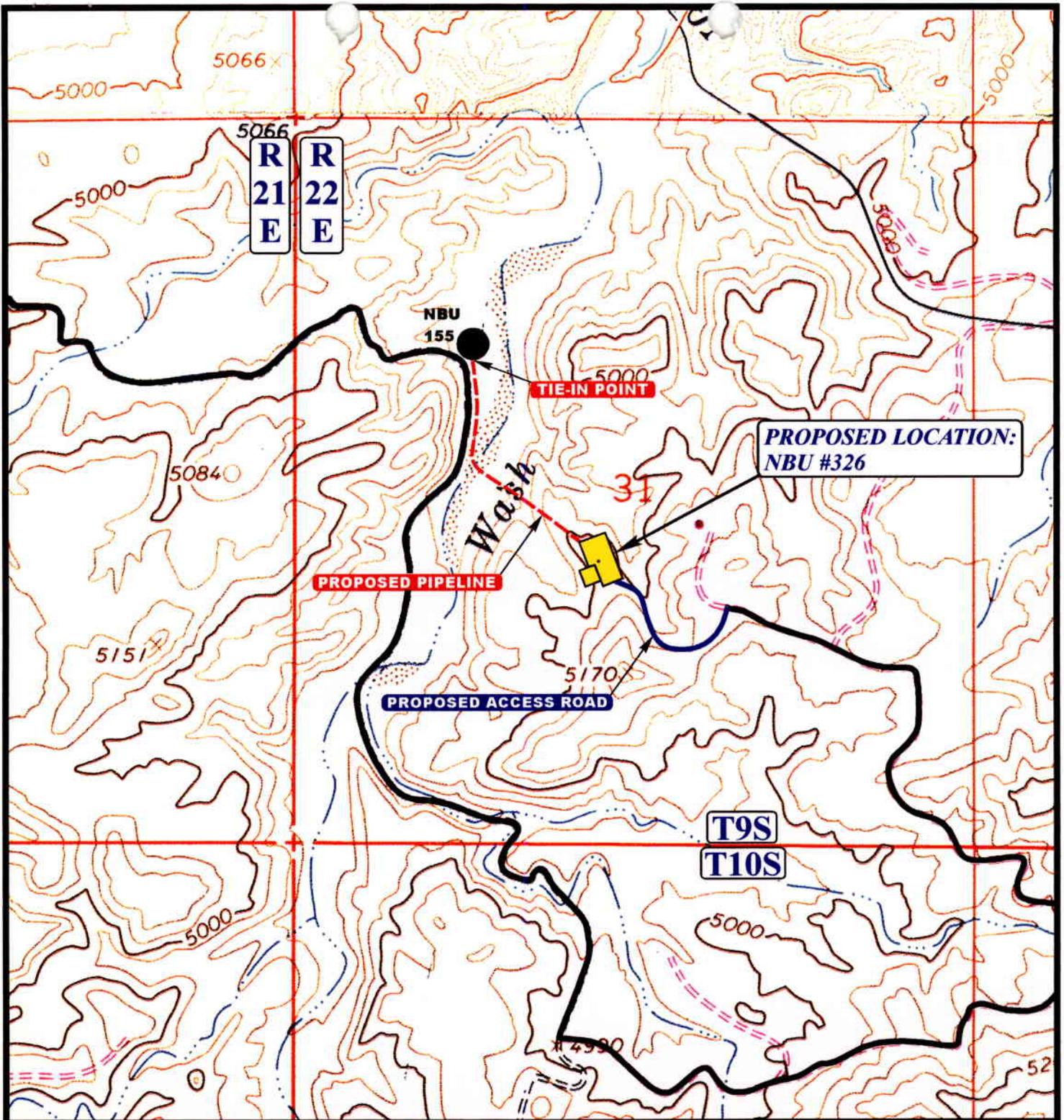


**TOPOGRAPHIC
MAP**

7 4 98
MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 1700' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

COASTAL OIL & GAS CORP.

NBU #326

SECTION 31, T9S, R22E, S.L.B.&M.

2066' FSL 2247' FWL



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

TOPOGRAPHIC
MAP

8 13 98
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: D.COX REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/30/98

API NO. ASSIGNED: 43-047-33204

WELL NAME: NBU 326
 OPERATOR: COASTAL OIL & GAS CORP (N0230)
 CONTACT: Shila Bremer (303) 573-4455

PROPOSED LOCATION:
 NESW 31 - T09S - R22E
 SURFACE: 2066-FSL-2247-FWL
 BOTTOM: 2066-FSL-2247-FWL
 UINTAH COUNTY
 NATURAL BUTTES FIELD (630)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering	PTK	12-1-98 10-16-98
Geology		
Surface		

LEASE TYPE: STA
 LEASE NUMBER: ML-22935-A
 SURFACE OWNER: State

PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
 (No. 102103)

Potash (Y/N)
 Oil Shale (Y/N) *190-5(B)
 Water Permit
 (No. Delbo Inc 43-8496)

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 Presite.

STIPULATIONS: (1) In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rule R649-3-31 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. For the proposed well this interval is approximately 2917 ' to 2997 ' below GL. The Operator shall report the actual depth the oil shale is encountered to the Division.

(2) STATEMENT OF BASIS

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: COASTAL OIL & GAS CORP.

WELL NAME & NUMBER: NBU 326

API NUMBER: 43-047-33204

LEASE: ML-22935-A FIELD/UNIT: NATURAL BUTTES FIELD.

LOCATION: 1/4, 1/4 NE/SW Sec: 31 TWP: 9S RNG: 22E 2066' FSL 2247' FWL

GPS COORD (UTM) 12629687E 4427733N

SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

PAUL BRESHEARS, SHIELA BREMER (COGC), ROBERT KAY (UELS), HARLEY JACKSON (JACKSON CONST.), JOHN FAUSETT, ALAN JUSTICE (DIRT CONTRACTORS), DAVID HACKFORD (DOGM), ED BONNER (SITLA).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS LOCATED ON A SHARP RIDGE WITH RUGGED, BROKEN DRAWS 300' EAST AND WEST DRAINING TO THE NORTH. THE DRAW TO THE WEST IS SAND WASH. THERE ARE NUMEROUS SANDSTONE OUTCROPPINGS ALONG BOTH DRAWS.

SURFACE USE PLAN

CURRENT SURFACE USE: LIVESTOCK AND WILDLIFE GRAZING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 325' X 245.
ACCESS ROAD WILL BE 0.2 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: _____
ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PROPOSED PIPELINE WILL RUN 0.3 MILES TO THE NORTHWEST AND TIE IN AT THE NBU 155.

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 FLOODPLAIN AND/OR WETLANDS: NONE

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

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY WITH BROKEN
MULTI-COLORED SHALE.

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: 140' BY 70' AND 10' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL 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: SITE WAS INSPECTED BY MONTGOMERY
ARCHAEOLOGY CO. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON
FILE.

OTHER OBSERVATIONS/COMMENTS

INVESTIGATION WAS DONE ON A WARM DAY WITH NO SNOW COVER.

ATTACHMENTS:

PHOTOS OF PROPOSED SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

10/2/98 1:00 PM
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>20</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>
Final Score (Level II Sensitivity)		<u>25</u>

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number
ML-22935-A

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

7. Unit Agreement Name:
Natural Buttes Unit

8. Well Name and Number:
NBU 326

9. API Well Number:
43-047-33204

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) 573-4455

4. Location of Well
Footages: **2066' FSL & 2247' FWL** County: **Uintah**
QQ, Sec., T., R., M.: **NESW, Section 31-T9S-R22E** State: **Utah**

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 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 checked="" type="checkbox"/> Other <u>Production Csg Information</u>	
<input type="checkbox"/> Other _____			
Approximate date work will start _____		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.	

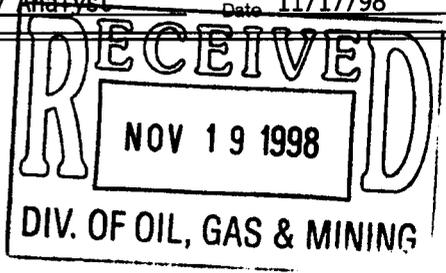
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The operator submits additional information reference production casing for the subject well APD as follows:

Cement program: Tail - 730 sx; Lead - 330 sx
For production casing, actual cement volumes will be determined from the caliper log + 15% excess.

13. Name & Signature Sheila Bremer Title Environmental & Safety Analyst Date 11/17/98

(This space for State use only)



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

Operator Name: COASTAL OIL & GAS CORP.

Name & Number: NBU 326

API Number: 43-047-33204

Location: 1/4, 1/4 NE/SW Sec. 31 T. 9S R. 22E

Geology/Ground Water:

The base of the moderately saline ground water is at approximately 3000 feet in this area. This should be near the middle of the Green River Formation. Fresh water zones may be encountered in sands throughout the Uinta Formation. These zones are generally discontinuous and not subject to direct recharge. The proposed surface casing should adequately protect these zones. The production casing will be cemented to cover the oil shale zones. This should bring cement above the base of the moderately saline ground water.

Reviewer: Brad Hill

Date: 12/02/98

Surface:

The pre-site investigation of the surface was performed by field personnel on 10/2/98. SITLA and DWR were notified of the investigation on 9/28/98. Ed Bonner with SITLA attended. DWR did not have a representative present. Exception spacing requested because of rugged terrain. Sandstone outcroppings assure blasting will be required to construct reserve pit. A 12 mil liner will be required.

Reviewer: DAVID W. HACKFORD

Date: 10/5/98

Conditions of Approval/Application for Permit to Drill:

1. Reserve pit shall be constructed southwest of the well bore.
2. A synthetic liner with a minimum thickness of 12 mils shall be installed in the reserve pit.

Well name:	Coastal NBU 326	
Operator:	Coastal	Project ID:
String type:	Surface	43-047-33204
Location:	Uintah County	

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: -3,281 psi
Internal gradient: 13.558 psi/ft
Calculated BHP: 108 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 219 ft

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 78 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 8 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,500 ft
Next mud weight: 9.000 ppg
Next setting BHP: 3,506 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 7,500 ft
Injection pressure: 7,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	250	8.625	24.00	K-55	ST&C	250	250	7.972	2096
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	108	1370	12.66	108	2950	27.27	5	263	50.10 J

Prepared RJK
by: State of Utah

Phone:
FAX:

Date: December 1, 1998
Salt Lake City, Utah

ENGINEERING STIPULATIONS: 1) Oil Shale

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 250 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.
In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	Coastal NBU 326		
Operator:	Coastal	Project ID:	43-047-33204
String type:	Production		
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 8.330 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 167 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft

Cement top: 2,726 ft

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.433 psi/ft
 Calculated BHP 2,856 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
 Neutral point: 5,778 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	6600	4.5	11.60	K-55	LT&C	6600	6600	3.875	28773
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2856	4960	1.74	2856	5350	1.87	67	180	2.69 J

Prepared RJK
 by: State of Utah

Phone:
 FAX:

Date: December 1, 1998
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: 1) Oil Shale

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 6600 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.

In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Coastal NBU 326

Casing Schematic

Surface

8-5/8"
MW 8.3
Frac 19.3

TOC @
8
Surface
250. MD

*w/ 28%
w.o.*

TOC @
2726.

*will cover oil
shale w/
15% w.o.*

4-1/2"
MW 8.3

Production
6600. MD

S NOV 8 326
SEC 31 795
MIL











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)

December 3, 1998

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

Re: NBU 326 Well, 2066' FSL, 2247' FWL, NE SW, Sec. 31, T. 9 S., R. 22 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 43-047-33204.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza".

John R. Baza
Associate Director

lwp

Enclosures

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

Operator: Coastal Oil & Gas Corporation
Well Name & Number: NBU 326
API Number: 43-047-33204
Lease: State **Surface Owner:** State
Location: NE SW **Sec.** 31 **T.** 9 S. **R.** 22 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 of the following actions during drilling of this well:

- . 24 hours prior to cementing or testing casing
- . 24 hours prior to testing blowout prevention equipment
- . 24 hours prior to spudding the well
- . within 24 hours of any emergency changes made to the approved drilling program
- . prior to commencing operations to plug and abandon the well

Division contacts (please leave a voice mail message if person is not available to take the call):

- . Dan Jarvis at (801) 538-5338
- . Robert Krueger at (801) 538-5274 (plugging)
- . Carol Daniels at (801) 538-5284 (spud)

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 surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. For the proposed well this interval is approximately 2,917' to 2,997' below G.L. The operator shall report the actual depth the oil shale is encountered to the Division.

6. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical, or paleontological remains be encountered during your operations you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

Well Identification and Serial Number:

ML-22935-A

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

6. If Indian, Allottee or Tribe Name:

N/A

1A. Type of Work

DRILL

DEEPEEN

7. Unit Agreement Name:

Natural Buttes Unit

B. Type of Well

OIL

GAS

OTHER:

SINGLE ZONE

MULTIPLE ZONE

8. Farm or Lease Name:

NBU

2. Name of Operator:

Coastal Oil & Gas Corporation

9. Well Number:

326

3. Address and Telephone Number:

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

(303) 573-4455

10. Field and Pool, or Wildcat

Natural Buttes Field

4. Location of Well (Footages)

At surface: 2066' FSL, 2247' FML

At proposed proding zone:

RECEIVED

OCT 01 1998

11. Qtr/Qtr, Section, Township, Range, Meridian:

NESW Section 31-T9S-R22E

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

See Topo Map A

12. County

Uintah

13. State:

Utah

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

2066'

16. Number of acres in lease:

160

17. Number of acres assigned to this well:

N/A

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

See Topo Map C

19. Proposed Depth:

6600'

20. Rotary or cable tools:

Rotary

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

Ungraded GR - 5019'

22. Approximate date work will start:

Upon Approval

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
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 attached Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided for by Coastal's Bond #102103.

24.

Name & Signature

Sheila Bremer

Sheila Bremer

Title:

Environmental & Safety Analyst

Date: 9/29/98

(This space for State use only)

API Number Assigned: 43-047-33204

Approval:

ACCEPTED BY BLANK UNIT PURPOSES ONLY

DEC 16 1998

(See Instructions on Reverse Side)

RECEIVED
DEC 21 1998
DIV. OF OIL, GAS & MINING

Well name:	1099 Coastal NBU #326	
Operator:	Coastal	Project ID:
String type:	Surface	43-047-33204
Location:	Uintah County	

Design parameters:

Collapse

Mud weight: 10.000 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.519 psi/ft
 Calculated BHP: 130 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on buoyed weight.
 Neutral point: 212 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 78 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft

Cement top: 8 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,500 ft
 Next mud weight: 9.000 ppg
 Next setting BHP: 3,506 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 7,500 ft
 Injection pressure: 7,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	250	8.625	24.00	K-55	ST&C	250	250	7.972	2096
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	130	1370	10.55	130	2950	22.72	5	263	51.57 J

Prepared RJK
 by: Utah Dept. of Natural Resources

Date: October 7, 1999
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: 1) Surface casing shall be cemented to surface.
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 250 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes.
 In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	1099 Coastal NBU #326		
Operator:	Coastal	Project ID:	43-047-33204
String type:	Production		
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 10.000 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 181 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Burst:

Design factor 1.00

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.519 psi/ft
Calculated BHP 3,948 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 6,448 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	7600	5.5	17.00	N-80	LT&C	7600	7600	4.767	54519
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3948	6290	1.59	3948	7740	1.96	110	348	3.17 J

Prepared RJK
by: Utah Dept. of Natural Resources

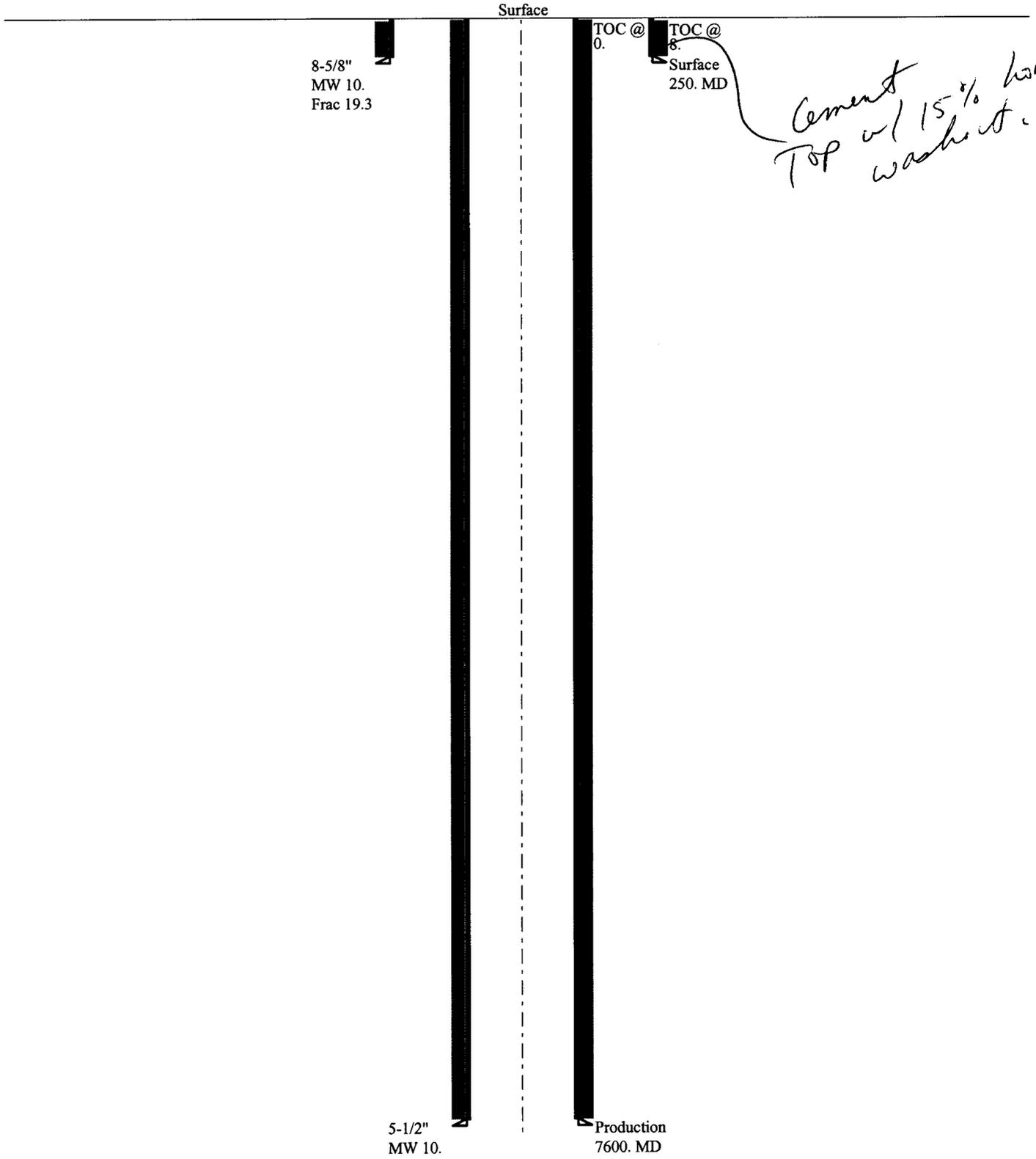
Date: October 7, 1999
Salt Lake City, Utah

ENGINEERING STIPULATIONS: 1) Surface casing shall be cemented to surface.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 7600 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes.
In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

1099 Coastal NBU #326

Casing Schematic



*Cement
TOP w/ 15% hole
washout.*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

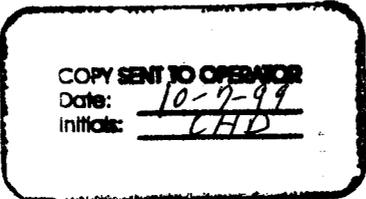
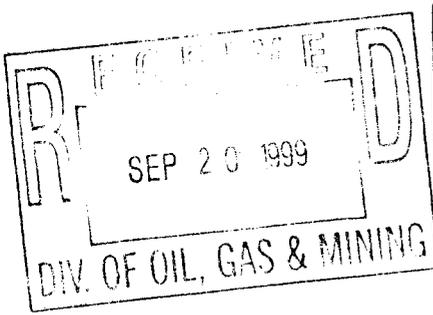
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. ML-22935-A
2. Name of Operator Coastal Oil & Gas Corporation		6. If Indian, Allottee or Tribe Name N/A
3a. Address P.O. Box 1148, Vernal UT 84078	3b. Phone No. (include area code) (435)-781-7023	7. If Unit or CA/Agreement, Name and/or No Natural Buttes Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NE/SW Sec. 31, T9S, R22E 2066' FSL & 2247' FWL		8. Well Name and No. NBU #326
		9. API Well No. 43-047-33204
		10. Field and Pool, or Exploratory Area Natural Buttes Field
		11. County or Parish, State Uintah Utah

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

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

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

Coastal Oil & Gas Corporation proposes to change the TD 4920' to 7600' in order to drill to the Mesaverde formation. Please refer to the attached drilling program. *(from 6600/mvrd)*



Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10/7/99
By: [Signature]

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Sheila Upchego	Title Environmental Secretary
<i>Sheila Upchego</i>	Date 9/16/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.

ML-22935-A

6. If Indian, Allottee or Tribe Name

N/A

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

8. Well Name and No.

NBU #326

9. API Well No.

43-047-33204

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

11. County or Parish, State

Uintah Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435)-781-7023

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

NE/SW Sec.31, T9S, R22E 2066' FSL & 2247' FWL

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

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

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

Coastal Oil & Gas Corporation requests authorization for a one year extension on the above referenced well.

SENT TO OPERATOR
10-26-99
CHD

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10/26/99
By: [Signature]

RECEIVED
OCT 25 1999
DIV. OF OIL, GAS & MINING

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

Katy Dow

Title

Environmental Secretary

Date 10/20/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

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

(Instructions on reverse)

**Coastal Oil & Gas Corporation
Natural Buttes Unit #326
NE/SW Sec31,T9S,R22E
Uintah County, Utah**

GEOLOGICAL SURFACE FORMATION:

NE/SW Sec.31,T9S,R22E - 2066'FSL & 2247'FWL

ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

<u>Formation</u>	<u>Estimated Top</u>
KB	4920'
GREENRIVER	1350'
WASATCH	4550'
MESAVERDE	7000'
TD	7600'

PROPOSED CASING PROGRAM:

See Attached Drilling Program

DRILLING FLUIDS PROGRAM:

See Attached Drilling Program

TESTING LOGGING AND CORING:

See Attached Drilling Program

CEMENTING PROGRAM:

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

See Attached Drilling Program

Intermediate

See Attached Drilling Program

Production

See Attached Drilling Program

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

GEOLOGICAL DATA

LOGGING:

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

MUD LOGGER: As per Geology

SAMPLES: As per Geology

CORING: As per Geology

DST: As per Geology

MUD PROGRAM

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

ADDITIONAL INFORMATION

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

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

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

PROJECT ENGINEER: _____
Blaine Yeary

PROJECT MANAGER: _____
Tom Young

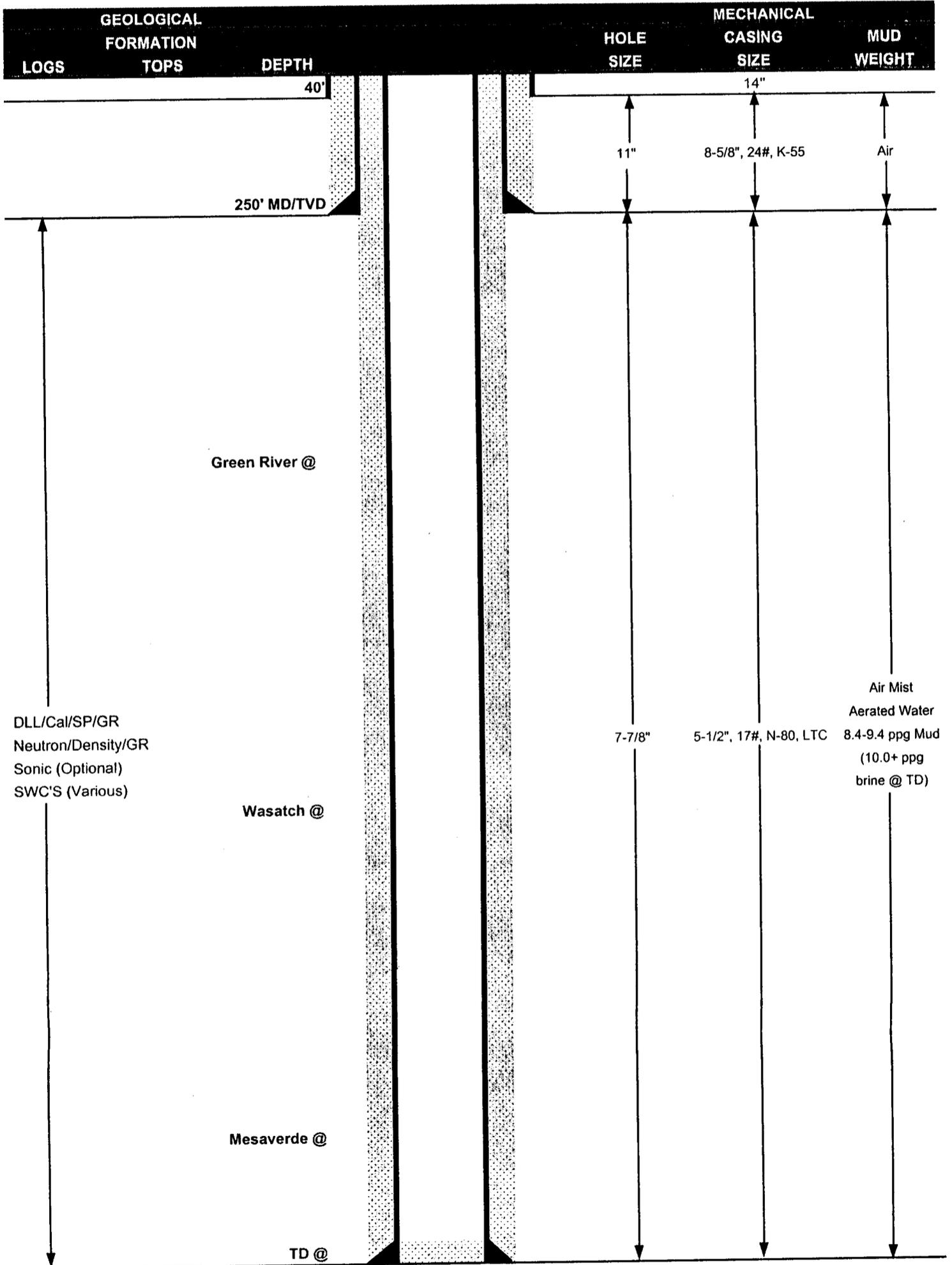
DATE: _____

DATE: _____

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

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



CASING PROGRAM

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

CEMENT PROGRAM

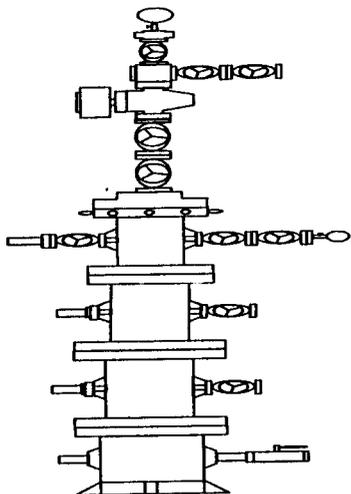
	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	250' MD/TVD	Neat + 2% CaCl ₂	95	25%	15.60	1.19
PRODUCTION	LEAD 500' Above Prod Int-Surf	Hifill + 0.6% EX-1 + 0.25 lb/sk Flocele + 0.2% FWCA + 10 lb/sk Gilsonite + 16% Gel + 1% HR-7 + 3% Salt	*TBD		11.60	3.12
	TAIL TD-500' Above Productive Int.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

* 15% over caliper log

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, float collar. Centralize 5' above shoe & every other collar to surface.
PRODUCTION	Specified by Production Department (every other joint across pay zones).

WELLHEAD EQUIPMENT



TREE	2-1/16" 5M
TUBING HEAD	11" 3M X 7-1/16" 5M
CASING SPOOL	
CASING SPOOL	
CASING HEAD	8-5/8" SOW X 11" 3M

BIT PROGRAM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. ML-22935-A
2. Name of Operator Coastal Oil & Gas Corporation		6. If Indian, Allottee or Tribe Name N/A
3a. Address P.O. Box 1148, Vernal UT 84078	3b. Phone No. (include area code) (435)-781-7023	7. If Unit or CA/Agreement, Name and/or Natural Buttes Unit Natural Buttes Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NE/SW Sec. 31, T9S, R22E 2066' FSL & 2247' FWL		8. Well Name and No. NBU #326
		9. API Well No. 43-047-33204
		10. Field and Pool, or Exploratory Area Natural Buttes Field
		11. County or Parish, State Uintah Utah

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and 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 day following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation has verbal approval per Jan Jarvis w/DOGMM on 11/15/99 to drill to the Castlegate formation, TD @ 10400' (Fr. 7600')

Please refer to the enclosed attachments for the revised casing, cementing & drilling fluids program.

COPY SENT TO OPERATOR
Date: 12-14-99
Initials: CHD

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 12/7/99
By: [Signature]

RECEIVED

DEC - 7 1999

DIVISION OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Katy Dow	Title Environmental Jr. Analyst
<u>[Signature]</u>	Date 11/29/99

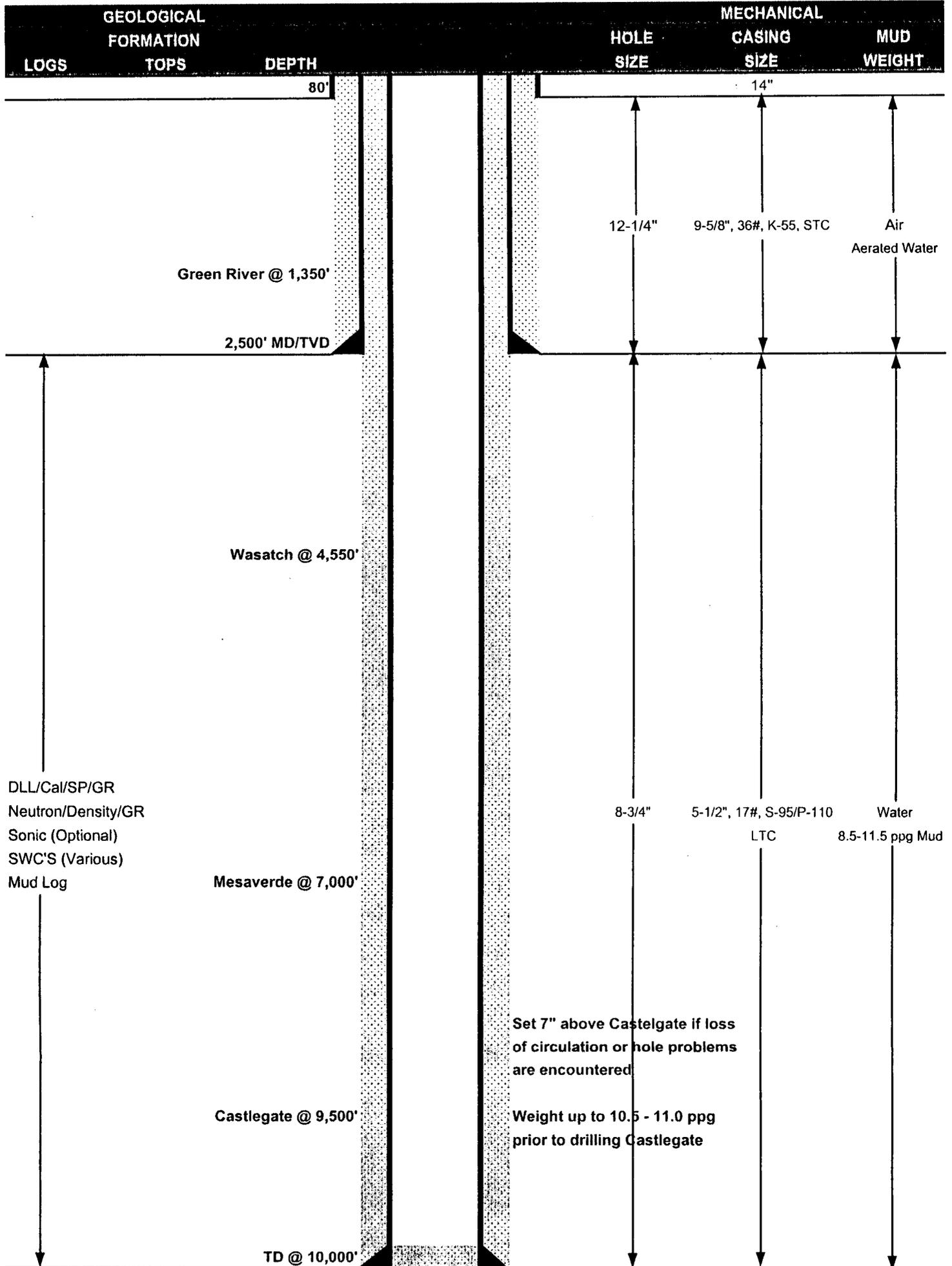
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

COMPANY NAME Coastal Oil & Gas Corporation DATE 11/22/99
 WELL NAME NBU #326 TD 10,000
 FIELD Ouray COUNTY Uintah STATE Utah ELEVATION 4,920' KB
 SURFACE LOCATION 2,066' FSL & 2,247' FWL Sec 31 T9S-R22E BHL Straight Hole
 OBJECTIVE ZONE(S) Lower Green River, Wasatch, Mesaverde, Castlegate
 ADDITIONAL INFO _____



CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	9-5/8"	0-2,500'	36#	K-55	STC	2.53	1.73	2.23
PRODUCTION	5-1/2"	0-TD	17#	S-95/P-110	LTC	SPECIFIED BY PROD DEPT		
TUBING								

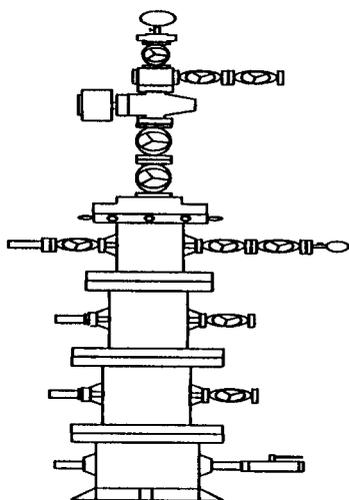
CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	0-2,000'	Lite + 2% CaCl2 + 0.25 lb/sk Flocele	520	50%	12.70	1.82
	TAIL	2,000'-2,500'	Class G + 2% CaCl2 + 0.25 lb/sk Flocele	220	50%	15.60	1.19
PRODUCTION	LEAD	0-4,000' (4,000')	Lead + 0.6% Econolite + 0.25 lb/sk Flocele + 0.2% FWCA + 10 lb/sk Gilsonite + 16% Gel + 1% HR-7 + 3% KCl	340	25%	11.00	3.80
	TAIL	4,000'-10,000' (6,000')	50/50 Poz + 0.25 lb/sk Flocele + 0.6% HALAD-322 + 2% Gel + 2% MicroBond HT + 5% Salt	1,540	25%	14.35	1.24

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Float shoe, 1 jt, float collar. Centralize first 3 joints & every fourth joint to surface. Thread lock FE & casing up to & including box end of FC.
PRODUCTION	Float shoe, 2 jts, float collar. Centralize first 3 joints & every other joint across pay zones. Thread lock FE & casing up to & including box end of FC.

WELLHEAD EQUIPMENT



TREE	2-1/16" 10M
TUBING HEAD	11" 5M X 7-1/16" 10M
CASING SPOOL	
CASING SPOOL	
CASING HEAD	9-5/8" SOW X 11" 5M

BIT PROGRAM

INTERVAL	SIZE	BIT MFG & MODEL	GPM	SER	NZLS	COMMENTS
Surface Hole	12-1/4"	Various	Air			
SC - Top of Wasatch	8-3/4"	Various	450-350			(No air below surf csg)
Wasatch	8-3/4"	Various (PDC)	450-350		0.5 TFA	
Mesaverde/Castlegate	8-3/4"	Various	400-300			

GEOLOGICAL DATA

LOGGING:

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

MUD LOGGER: 2,500' - TD
SAMPLES: As per Geology
CORING: SWC's at selective intervals.
DST: As per Geology

MUD PROGRAM

DEPTH	TYPE	MUD WT	WATER LOSS	VISCOSITY	TREATMENT
0-2,500'	Air/Mist/ Aerated Water	NA	NA		KCL
2,500'-TD	Water/Mud	8.5-11.5	NC - <10	30-45	KCL, Gel, LCM, Polymer

ADDITIONAL INFORMATION

Test casing head to 1,000 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.
Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER: _____ **DATE:** _____
Blaine Yeary

PROJECT MANAGER: _____ **DATE:** _____
Tom Young

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. ML-22935-A
2. Name of Operator Coastal Oil & Gas Corporation		6. If Indian, Allottee or Tribe Name N/A
3a. Address P.O. Box 1148, Vernal UT 84078	3b. Phone No. (include area code) (435)-781-7023	7. If Unit or CA/Agreement, Name and/or Natural Buttes Unit Natural Buttes Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) NE/SW Sec. 31, T9S, R22E 2066' FSL & 2247' FWL		8. Well Name and No. NBU #326
		9. API Well No. 43-047-33204
		10. Field and Pool, or Exploratory Area Natural Buttes Field
		11. County or Parish, State Uintah Utah

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and 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 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 day following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation requests authorization to drill to the Castlegate formation, TD @ 10,000'.

(fr. 10,400)

Please refer to the enclosed attachments for the revised casing, cementing & drilling fluids program.

COPY SENT TO OPERATOR
Date: 12-14-99
Initials: CHP

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

Date: 12/10/99
By: [Signature]

RECEIVED

DEC 13 1999

DIVISION OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Katy Dow	Title Environmental Jr. Analyst
<u>[Signature]</u>	Date 12/9/99

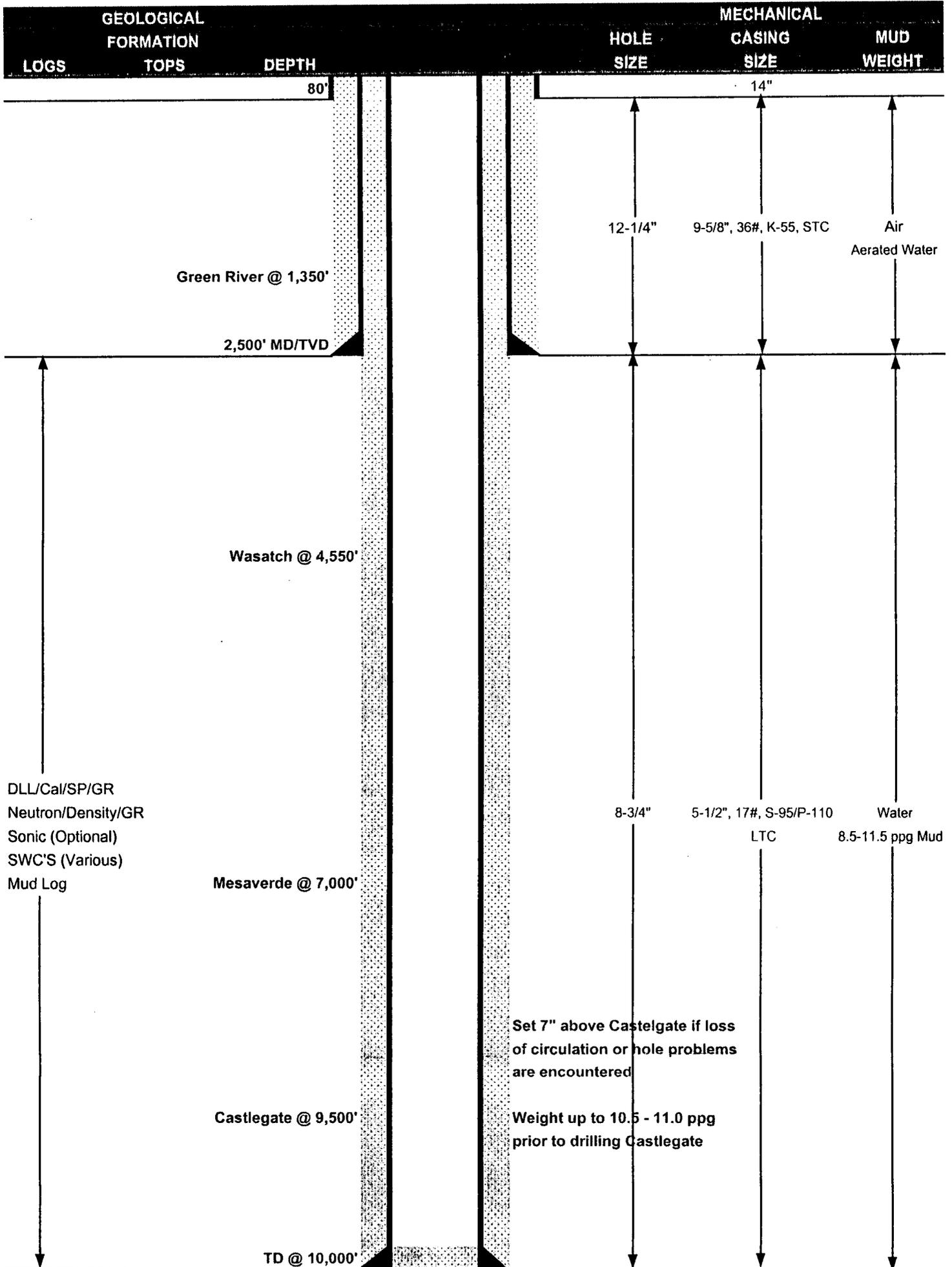
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

COMPANY NAME Coastal Oil & Gas Corporation DATE 11/22/99
 WELL NAME NBU #326 TD 10,000
 FIELD Ouray COUNTY Uintah STATE Utah ELEVATION 4,920' KB
 SURFACE LOCATION 2,066' FSL & 2,247' FWL Sec 31 T9S-R22E BHL Straight Hole
 OBJECTIVE ZONE(S) Lower Green River, Wasatch, Mesaverde, Castlegate
 ADDITIONAL INFO _____



CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	9-5/8"	0-2,500'	36#	K-55	STC	2.53	1.73	2.23
PRODUCTION	5-1/2"	0-TD	17#	S-95/P-110	LTC	SPECIFIED BY PROD DEPT		
TUBING								

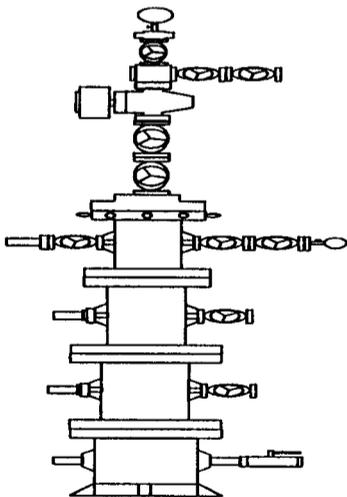
CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	0-2,000'	Lite + 2% CaCl2 + 0.25 lb/sk Flocele	520	50%	12.70	1.82
	TAIL	2,000'-2,500'	Class G + 2% CaCl2 + 0.25 lb/sk Flocele	220	50%	15.60	1.19
PRODUCTION	LEAD	0-4,000' (4,000')	Lead + 0.6% Econolite + 0.25 lb/sk Flocele + 0.2% FWCA + 10 lb/sk Gilsonite + 16% Gel + 1% HR-7 + 3% KCl	340	25%	11.00	3.80
	TAIL	4,000'-10,000' (6,000')	50/50 Poz + 0.25 lb/sk Flocele + 0.6% HALAD-322 + 2% Gel + 2% MicroBond HT + 5% Salt	1,540	25%	14.35	1.24

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Float shoe, 1 jt, float collar. Centralize first 3 joints & every fourth joint to surface. Thread lock FE & casing up to & including box end of FC.
PRODUCTION	Float shoe, 2 jts, float collar. Centralize first 3 joints & every other joint across pay zones. Thread lock FE & casing up to & including box end of FC.

WELLHEAD EQUIPMENT



TREE	2-1/16" 10M
TUBING HEAD	11" 5M X 7-1/16" 10M
CASING SPOOL	
CASING SPOOL	
CASING HEAD	9-5/8" SOW X 11" 5M

BIT PROGRAM

INTERVAL	SIZE	BIT MFG & MODEL	GPM	SER	NZLS	COMMENTS
Surface Hole	12-1/4"	Various	Air			
SC - Top of Wasatch	8-3/4"	Various	450-350			(No air below surf csg)
Wasatch	8-3/4"	Various (PDC)	450-350		0.5 TFA	
Mesaverde/Castlegate	8-3/4"	Various	400-300			

GEOLOGICAL DATA

LOGGING:

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

MUD LOGGER: 2,500' - TD
SAMPLES: As per Geology
CORING: SWC's at selective intervals.
DST: As per Geology

MUD PROGRAM

DEPTH	TYPE	MUD WT	WATER LOSS	VISCOSITY	TREATMENT
0-2,500'	Air/Mist/ Aerated Water	NA	NA		KCL
2,500'-TD	Water/Mud	8.5-11.5	NC - <10	30-45	KCL, Gel, LCM, Polymer

ADDITIONAL INFORMATION

Test casing head to 1,000 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.
Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER: _____ **DATE:** _____
Blaine Yeary

PROJECT MANAGER: _____ **DATE:** _____
Tom Young

Well name:	1299 Rev. NBU #326		
Operator:	Coastal		Project ID:
String type:	Surface		43-047-33204
Location:	Uintah County		

Design parameters:

Collapse
Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 110 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Burst:
Design factor 1.00

Cement top: Surface

Burst

Max anticipated surface pressure: -32,814 psi
Internal gradient: 13.558 psi/ft
Calculated BHP 1,082 psi

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

No backup mud specified.

Tension is based on buoyed weight.
Neutral point: 2,192 ft

Re subsequent strings:

Next setting depth: 7,500 ft
Next mud weight: 8.330 ppg
Next setting BHP: 3,245 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 7,500 ft
Injection pressure 7,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	2500	9.625	36.00	K-55	ST&C	2500	2500	8.765	29316
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1082	2020	1.87	1082	3520	3.25	79	423	5.36 J

Prepared RJK
by: Utah Dept. of Natural Resources

Date: December 14, 1999
Salt Lake City, Utah

ENGINEERING STIPULATIONS: 1) Oil Shale
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 2500 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.
In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	1299 Rev. NBU #326		
Operator:	Coastal	Project ID:	43-047-33204
String type:	Production		
Location:	Uintah County		

Design parameters:	Minimum design factors:	Environment:
<u>Collapse</u>	<u>Collapse:</u>	H2S considered? No
Mud weight: 11.500 ppg	Design factor 1.125	Surface temperature: 75 °F
Design is based on evacuated pipe.		Bottom hole temperature: 215 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 250 ft
	<u>Burst:</u>	Cement top: Surface
	Design factor 1.00	
<u>Burst</u>		
Max anticipated surface pressure: 1,647 psi	<u>Tension:</u>	Non-directional string.
Internal gradient: 0.433 psi/ft	8 Round STC: 1.80 (J)	
Calculated BHP 5,974 psi	8 Round LTC: 1.80 (J)	
No backup mud specified.	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	
	Tension is based on buoyed weight.	
	Neutral point: 8,256 ft	

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	10000	5.5	17.00	S-95	LT&C	10000	10000	4.767	82320
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5974	8580	1.44	5974	9190	1.54	140	392	2.79 J

Prepared RJK
by: Utah Dept. of Natural Resources

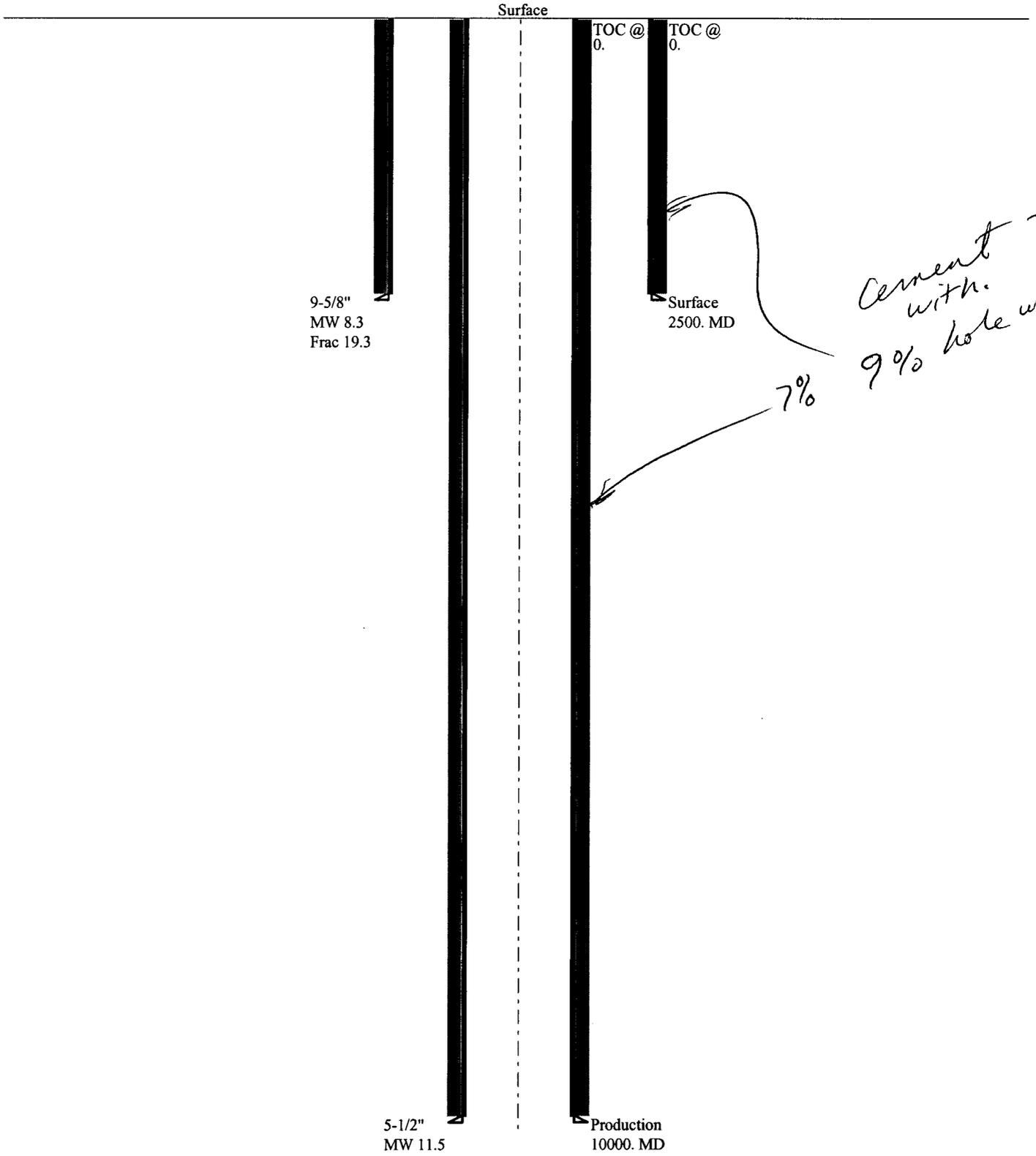
Date: December 14, 1999
Salt Lake City, Utah

ENGINEERING STIPULATIONS: 1) Oil Shale
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 10000 ft, a mud weight of 11.5 ppg The casing is considered to be evacuated for collapse purposes.
In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

1299 Rev. NBU #326

Casing Schematic



STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number
ML - 22935-A

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

7. Unit Agreement Name:
Natural Buttes Unit

8. Well Name and Number:
NBU #326

9. API Well Number:
43-047-33204

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

CONFIDENTIAL

1. Type of Well: OIL GAS OTHER:

2. Name of Operator
Coastal Oil & Gas Corporation

3. Address and Telephone Number.
P.O. Box 1148, Vernal UT 84078 (435)781-7023

4. Location of Well
Footages: **2066' FSL & 2247' FWL**
QQ.Sec., T., R., M.: **NE/SW Sec.31, T9S, R22E**

County: **Uintah**
State: **UT**

11. **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 Confidential Status
- New Construction
- Pull or Alter Casing
- Recomplete
- Perforate
- Vent or Flare
- Water Shut-Off

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.

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.)

Coastal Oil & Gas Corporation requests that the subject well be placed on Confidential Status.

RECEIVED

DEC 23 1999

DIVISION OF OIL, GAS & MINING

13. Name & Signature *Katy Dow* Title Environmental Jr. Analyst Date 12/17/99

(This space for State use only)

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

ENTITY ACTION FORM - FORM 6

OPERATOR

Frontier Oil & Gas Corp

OPERATOR ACCT. NO. 11

ADDRESS

*1368 So 1200 E
Cannonville, Ut 84078*

F-448

P. 02/02

T-052

+4357804436

FROM-COASTAL OIL AND GAS DOWNSTAIRS SECRETARY

03-08-00 11:25am

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG			
<i>B</i>		<i>2900</i>	<i>43047-32204</i>	<i>NBU 321a</i>	<i>NE/SW</i>	<i>31</i>	<i>95</i>	<i>22E</i>	<i>Uintah</i>	<i>3/5/00</i>	<i>3/5/00</i>
WELL 1 COMMENTS: <i>NBU Entity added 8/3/00. In 2.</i>											
CONFIDENTIAL											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
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

Tracy L. Dow
Environmental Compliance Analyst 3/5/00

Title

Date

Phone No. *(435) 781-7022*

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

5. Lease Designation and Serial Number

ML - 22935-A

6. Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

Natural Buttes Unit

8. Well Name and Number:

NBU #326

9. API Well Number:

43-047-33204

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:

CONFIDENTIAL

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone Number.

P.O. Box 1148, Vernal UT 84078

(435)781-7023

4. Location of Well

Footages: 2066' FSL & 2247' FWL

County: Uintah

GQ.Sec., T., R., M.: NE/SW Sec.31, T9S, R22E

State: UT

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 _____ | Spud |

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.

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.)

MIRU Bill Martin Drilling (Air Rig). Drilled 277' of 12 1/4" hole. Ran 6 jts of 8 5/8" 24# K-55 Csg. Cmt w/150 sks P-AG w/2% CaCl2, 1/4#/sk Flocele, 15.6 ppg, 1.18 yield. Dropped plug. Displaced w/15 Bbls H2O w/6 Bbls Cmt to surface. Hole stayed full.

Spud @ 10:00 p.m. on 3/5/00.

RECEIVED

MAR 13 2000

DIVISION OF
OIL, GAS AND MINING

13.

Name & Signature

Title

Katy Dow

Environmental Jr. Analyst

Date 3/8/00

(This space for State use only)

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number
ML-22935-A

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

7. Unit Agreement Name:
Natural Buttes Unit

8. Well Name and Number:
NBU #326

9. API Well Number:
43-047-33204

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

CONFIDENTIAL

1. Type of Well: OIL GAS OTHER:

2. Name of Operator
Coastal Oil & Gas Corporation

3. Address and Telephone Number.
P.O. Box 1148, Vernal UT 84078 (435) 781-7023

4. Location of Well
Footages: **2066' FSL & 2247' FWL**
QQ,Sec., T., R., M.: **NE/SW Sec. 31, T9S, R22E**

County: **Uintah**
State: **UT**

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>Mud Spill</u> | |

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.)

On March 7, 2000 R.W. Jones Trucking was in the process of transporting the mud tanks from the NBU #326 location to the next drill site. In the process of transporting, the truck over turned, due to the weather conditions, and approximately 55 gal of inverted mud spilled on the access road, and approximately 450 gal spilled over the side of the road.

All of the mud has been cleaned up and taken to an approved disposal site.

RECEIVED

MAR 20 2000

DIVISION OF OIL, GAS AND MINING

13. Name & Signature *Cheryl Cameron* Title Environmental Analyst Date 3/10/00

(This space for State use only)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

CONFIDENTIAL

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435)781-7023

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

NE/SW Sec. 31, T9S, R22E
2066' FSL & 2247' FWL

5. Lease Serial No.

ML - 22935-A

6. If Indian, Allottee or Tribe Name

N/A

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

Natural Buttes Unit

8. Well Name and No.

NBU #326

9. API Well No.

43-047-33204

10. Field and Pool, or Exploratory Area

Natural Buttes Field

11. County or Parish, State

Uintah UT

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Subsequent Report

Final Abandonment Notice

Acidize

Alter Casing

Casing Repair

Change Plans

Convert to Injection

Deepen

Fracture Treat

New Construction

Plug and Abandon

Plug Back

Production (Start/Resume)

Reclamation

Recomplete

Temporarily Abandon

Water Disposal

Water Shut-Off

Well Integrity

Other Drilling

Summary

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

Finished drilling from 277' to 6600'. Ran 152 jts 5 1/2" 17# N-80 Csg. Cmt w/405 sks Mixed, 11.0 ppg, 3.79 yield. Tail w/615 sks 50/50 Poz, 14.3 ppg, 1.27 yield. Displace w/151 Bbls KCL H2O. Bumped plug. Floats held. Rig released @ 11:30 p.m. on 3/16/00.

RECEIVED

MAR 27 2000

DIVISION OF
OIL, GAS AND MINING

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

Title

Name (Printed/Typed)

Katy Dow

Environmental Jr. Analyst

Date 3/17/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
ML-22935-A

6. If Indian, Allottee or Tribe Name
N/A

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

8. Well Name and No.
NBU #326

9. API Well No.
43-047-33204

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

11. County or Parish, State
Uintah UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

CONFIDENTIAL

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Coastal Oil & Gas Corporation

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**NE/SW Sec. 31, T9S, R22E
 2066' FSL & 2247' FWL**

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

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

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

Subject well placed on production on 4/2/00. Please refer to the attached Chronological Well History.

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OIL, GAS AND MINING**

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

Title **Environmental Jr. Analyst**

Date **4/13/00**

Katy Dow

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

04/01/00

SWBG.

PROG: SICP: 1000#, FTP: 0. MADE 7 SWAB TRIPS & WELL STARTED TO FLOW. IFL: 1300'. FFL: 1500'. REC 35 BLW. FLWD 2 HRS ON 24/64" CHK THEN DIED. MADE 9 SWAB TRIPS. IFL: 2000', FFL: 2200'. REC 69 BLW & HVY SD. LLTR: 2568 BBLs. SI BUP. (DAY 10) TC: \$753,784

04/02/00

PREP TO PLACE OS SALES.

PROG: SITP: 500#, SICP: 950#. MADE 7 SWAB TRIPS & WELL STARTED TO FLOW. IFL: 3000'. FLOW BACK 6 HRS ON 48/64" CHK. IFL: 3000'. REC 41 BLW. FLOW BACK 6 HRS ON 48/64" CHK. CP: 600# TO 500#, 27 BWPH TO 18 BWPH, LIGHT SD. FLOW BACK 9 HRS ON 32/64" CHK. CP: 550# TO 490#, FTP: 200# TO 200#, 18 BWPH TO 5 BWPH. FLOW BACK 5 HRS ON 24/64" CHK. CP: 480# TO 500#, FTP: 200# TO 275#, 5 BWPH, EST PROD RATE: 450 MCFPD. REC 126 BLW. LLTR: 2320 BBLs. (DAY 11) TC: \$755,379

04/03/00

TURN TO SALES @ 12:00 PM. SPOT PROD VOLUMES: 80 BWPH, FTP: 100#, CP: 450#, 32/64" CHK, 365 MCFPD.

04/04/00

PROD TO SALES.

PROG: FLWD 277 MCF, 85 BW, FTP: 90#, CP: 390#, 27/64" CHK, 18 HRS, (TURNED ON @ NOON ON 4/2/00), LP: 69#, LLTR: 2235 BBLs.

04/05/00

PROG: FLWD 223 MCF, 82 BW, FTP: 88#, CP: 400#, 6/64" CHK, 23 HRS, LP: 61#, LLTR: 2153 BBLs.

04/06/00

PROG: FLWD 273 MCF, 80 BW, FTP: 100#, CP: 340#, 64/64" CHK, 24 HRS, LP: 70#, LLTR: 2155 BBLs

IP DATE: 4/4/00. FLWG 273 MCF, 80 BW, FTP: 100#, CP: 340#, 64/64" CHK, 24 HRS, LP: 70#.

FINAL REPORT.



Coastal
The Energy People

April 20, 2000

Ms. Carol Daniels
State of Utah
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

RE: Well Completions Reports

Dear Carol:

The following well completion sundries, State of Utah Form 8 and BLM Form 3160-4, are enclosed, for the week ending April 20, 2000:

CIGE 244	NE NW	SECTION 1-T10S-R21E
NBU 322	SE SW	SECTION 34-T9S-R21E
NBU 326	NE SW	SECTION 31-T9S-R22E
UTE 1-14C6	SW NE	SECTION 14-T3S-R6W

If you have any questions or need additional information regarding the above referenced wells, please contact me at (435) 781-7021.

Sincerely,

Deanna Bell
Environmental Secretary

Enclosures

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DIVISION OF
OIL, GAS AND MINING

Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION

1368 S 1200 E • P.O. BOX 1148 • VERNAL UT 84078 • 435/789-4433 • FAX 435/789-4436

DIVISION OF OIL, GAS AND MINING

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 & Gas Corporation
 3. ADDRESS OF OPERATOR
 P.O. Box 1148, Vernal UT 84078 (435)-781-7023

4. LOCATION OF WELL (Report location clearly and in accordance with any State regulations)
 At surface
 NESW
 At top prod. interval reported below
 2066' FSL & 2247' FWL
 At total depth

CONFIDENTIAL
EXPIRED
ON 5-3-01

5. LEASE DESIGNATION AND SERIAL NO.
 ML-22935-A
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 N/A
 7. UNIT AGREEMENT NAME
 Natural Buttes Unit
 8. FARM OR LEASE NAME
 Natural Buttes Unit
 9. WELL NO.
 #326
 10. FIELD AND POOL, OR WILDCAT
 Natural Buttes Field
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 31, T9S, R22E
 12. COUNTY
 Uintah County
 13. STATE
 Utah

14. API NO. 43-047-33204 DATE ISSUED 12/3/98
 15. DATE SPUDDED 3/5/00 16. DATE T.D. REACHED 3/16/00 17. DATE COMPL. (Ready to prod. or Plug & Abd.) 4/3/00 18. ELEVATIONS (DF, RKB, RT, GR, ETC.) 5019' Ungraded GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 6600' 21. PLUG, BACK T.D., MD & TVD 6563' 22. IF MULTIPLE COMPL., HOW MANY _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS X CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)
 Wasatch Refer to Item #31 USMUD An Unit Spacing / CHD
 25. WAS DIRECTIONAL SURVEY MADE
 No

26. TYPE ELECTRIC AND OTHER LOGS RUN
 Gamma Ray, DSE/ICN - CBL/OL/GR 3-22-2000
 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"	24#	277'	12 1/4"	150 sx PAG w/2% CaCl2	
5 1/2"	17#	6600'	7 7/8"	405 sx Lead	
				615 sx Tail	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	6010'	

31. PERFORATION RECORD (Interval, size and number)

Wasatch: 6472-6482, 6310-6316, 6264-6270, 6010-6014, 5970-5974, 5770-5780, 5752-5762, 5680-5686, 5526-5542, 5464-5474, 5209-5212, 5062-5070, 4920-4926, 4803-4808, 4779-4784, 4768-4772.

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
Refer to the additional page	

33. PRODUCTION

DATE FIRST PRODUCTION 4/3/00 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
4/4/00	24	64/64		0	273	80	0

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL.	GAS - MCF.	WATER - BBL.	OIL GRAVITY - API (CORR.)
100#	340#		0	273	80	0

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

35. LIST OF ATTACHMENTS

Chronological Well History & Attachment

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
 SIGNED Sheila Upchego TITLE Environmental Jr. Analyst DATE 4/17/00

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 the 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).

Formation	Top	Bottom	Description, contents, etc.	38. GEOLOGIC MARKERS	
				Name	Top
		Meas. Depth	True Vert. Depth		
Green River	1350'	4554'	CONFIDENTIAL RECEIVED APR 21 2000 DIVISION OF OIL, GAS AND MINING		
Wasatch	4554'				

Lease Serial No. ML-22935-A

Well Name : NBU #326
API #43-047-33204

Formation: Wasatch

1 -Spot 500 Gals 15% HCL across perf interval f/6482'-5970'.

2 -Perf Wasatch f/6472'-6482' Frac Wasatch Perf 6472'-6482' w/21000# 20/40 SD (Equip Malfunction Prevented Plan Vol of 40000#) & 25# Fluid. No prop net was used. 412 Bbls.

3 -Perf Wasatch f/6310'-6316' 4 SPF 24 Holes, & 6264'-6270' 4 SPF 24 Holes. Break Down w/3090# @ 10 BPM. Frac w/60000# 20/40 SD w/15% Prop Net & 25# Fluid.

4 -Perf Wasatch 6010'-6014' 4 SPF 16 Holes, & 5970'-5974' 4 SPF 16 Holes. Unable to break down @ 7500#. Attempt to Reperf. Unable to get past 5933'.

5 -Perf Wasatch 5770'-5780' 4 SPF 40 Holes & 5752'-5762, 3 SPF 30 Holes & 5680'-5686' 3 SPF 18 Holes Break Down W/2966# @ 3 BPM. Frac w/ 76256# 20/40 SD w/Prop Ner & 25# Fluid. 758 Bbls.

6 -5526'-5542' 2 SPF 32 Holes & 5464'-5474' 2 SPF 20 Holes. 0 Press. Break Down 2847# @ 4 BPM. Frac w/84000# 20/40 SD W/Prop Net & 25# Fluid. 778 Bbls.

7 -Perf Wasatch 5209'-5212' 4 SPF 12 Holes & 5062'-5070' 4 SPF 32 Holes, 0 Press. Frac Wasatch f/5070'-5212' w/44800# 20/40 SD, W/Prop Net & 25# Fluid. Break Down w/1180# @ 3 BPM. 496 Bbls.

8 -Perf Wasatch 4920'-4926' 4 SPF 24 Holes. 0 Press. Break Down Perfs w/1268# @ 3 BPM. Frac w/35800# 20/40 SD w/Prop Net & 25# Fluid. 410 Bbls.

9 -Perf Wasatch 4803'-4808' 4 SPF 20 Holes, 4779'-4784' 4 SPF 20 Holes, & 4768'-4772' 4 SPF 16 holes, 0 Press. Break Down w/2701# @ 2.9 BPM. Frac w/55000# 20/40 w/Prop Net & 25# Fluid. 537 Bbls.

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DIVISION OF
OIL, GAS AND MINING

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APR 21 2000

DIVISION OF
OIL, GAS AND MINING**NBU #326**

NE 1/4 SW 1/4 SECTION 31, T9S-R22E
 NATURAL BUTTES FIELD
 UTAH COUNTY, UTAH
 PDTD: PERFS:
 CSG:
 FORMATION:

CONFIDENTIAL**DRILL & COMPLETE**

Drilling: , Spud Date:

03/21/00 PREP TO PU TBG.
 PROG: MIRU.

03/22/00 PREP TO PERF.
 PROG: PU & RIH W/ 4 3/4" BIT. TAG @ 6563'. PICKLE TBG. SPOT 500 GALS 15% HCL
 ACROSS PERF INTERVAL F/ 6482' - 5970'. POOH.

03/23/00 WO FRAC CREW. FRAC ON 3/27/00.
 PROG: PERF F/ 6472' - 6482'. RU DOWELL & FILLED HOLE W/ 10 BBLS 2% KCL.
 BROKE PERFS @ 5 BPM @ 2445#. ESTIMATED INJ RATE @ 7.3 BPM @ 2129#. ISIP:
 1753#, 5 MIN: 1639', 10 MIN: 1621#, 15 MIN: 1616'. RD DOWELL.

03/24/00 S.I., WO FRAC.

03/25/00 S.I., WO FRAC.

03/28/00 PREP TO FRAC 3 REMAINING WASATCH INTERVALS.
 PROG: FRAC WASATCH PERFS F/ 6472' - 6482' W/ 21,000# 20/40 SD (EQUIP
 MALFUNCTION PREVENTED PLAN VOL OF 40,000#) & 25# FLUID. NO PROP NET WAS
 USED. MTP: 2673#, ATP: 2183#, MTR: 26.3 BPM, ATR: 26 BPM. ISIP: 1904#. FG: 0.69, TL:
 412 BBLS. SET CBP @ 6400'. PERF WASATCH F/ 6310' - 6316', 4 SPF, 24 HOLES &
 6264' - 6270', 4 SPF, 24 HOLES. BRK DN W/ 3090# @ 10 BPM. MTP: 2188#, ATP: 1790#,
 MTR: 25.8 BPM, ATR: 22 BPM. ISIP: 1602#, FG: 0.61, TL: 637 BBLS. FRAC'D W/ 60,000#
 20/40 SD W/15% PROP NET & 25# FLUID. SET CBP @ 6180'. PERF WASATCH 6010' -
 6014', 4 SPF, 16 HOLES & 5970' - 5974', 4 SPF, 16 HOLES. UNABLE TO BRK DN @
 7500#. ATTEMPT TO REPERF. UNABLE TO GET PAST 5933'. PER WASATCH F/ 5770' -
 5780', 4 SPF, 40 HOLES; 5752' - 5762', 3 SPF, 30 HOLES; & 5680' - 5686', 3 SPF, 18
 HOLES. BRK DN W/ 2966# @ 3 BPM. FRAC W/ 76,256#, 20/40 SD W/ PROP NET & 25#
 FLUID. MTP: 1968#, ATP: 1417#, MTR: 36.7 BPM, ATR: 30.8 BPM. ISIP: 1323#, FG: 0.53,
 TL: 758 BBLS. SET CBP @ 5620'. PERF WASATCH F/ 5526' - 5542', 2 SPF, 32 HOLES &
 5464' - 5474', 2 SPF, 20 HOLES. 0 PRESS. BRK DN W/ 2847# @ 4 BPM. FRAC W/ 84,000#
 20/40 SD W/ PROP NET & 25# FLUID. MTP: 1955#, ATP: 1282#, MTR: 30.9 BPM, ATR: 29
 BPM, ISIP: 1360#. FG: 0.58, TL: 778 BBLS. SET CBP @ 5400'. PERF WASATCH F/ 5209' -
 5212', 4 SPF, 12 HOLES, & 5062' - 5070', 4 SPF, 32 HOLES, 0 PRESS.

03/29/00 PREP TO DO CBP'S.
 PROG: FRAC WASATCH PERFS F/ 5070' - 5212' W/ 44,800# 20/40 SD W/ PROP NET & 25#
 FLUID. BRK DN W/ 1180# @ 3 BPM. MTP: 2394#, ATP: 2091#, MTR: 26 BPM, ATR: 23.6
 BPM. ISIP: 2083#, FG: 0.91, TL: 496 BBLS. SET CBP @ 5,000'. PERF WASATCH F/ 4920'
 - 4926', 4 SPF, 24 HOLES. 0 PRESS. BRK DN PERFS W/ 1268# @ 3 BPM. FRAC W/
 35,800# 20/40 SD W/ PROP NET & 25# FLUID. MTP: 2527#, ATP: 2240#, MTR: 25.2 BPM,
 ATR: 22.6 BPM. ISIP: 2142#. FG: 1.0, TL: 410 BBLS. UNABLE TO SET CBP. SURGE
 BACK. SET CBP @ 4870'. PERF WASATCH F/ 4803' - 4808', 4 SPF, 20 HOLES; 4779' -
 4784', 4 SPF, 20 HOLES, & 4768' - 4772', 4 SPF, 16 HOLES. 0 PRESS. BRK DN W/ 2701# @
 2.9 BPM. FRAC PERFS W/ 55,000# 20/40 SD W/ PROP NET & 25# FLUID. MTP: 3026#,
 ATP: 2214#, MTR: 25.2 BPM, ATR: 22.8 BPM. ISIP: 2271#. FG: 0.88, TL: 537 BBLS. SET
 CBP @ 4690'. PU & RIH W/ 4 3/4" TOOTH BIT TO 4690'. SDFN.

03/30/00 PREP TO DO CBP'S.
 PROG: DO CBP'S @ 4690', 4870' 5000', 5400', & 5620'.

03/31/00 PREP TO SWAB WELL IN.
 PROG: DO CBP'S @ 6180', & 6400'. CO TO PBTD @ 6563'. PU & LAND TBG @ 6460'.
 SN @ 6427'. PMP BIT OFF. RDMO. RU SWAB RIG.

04/01/00 SWBG.
 PROG: SICP: 1000#, FTP: 0. MADE 7 SWAB TRIPS & WELL STARTED TO FLOW. IFL:
 1300'. FFL: 1500'. REC 35 BLW. FLWD 2 HRS ON 24/64" CHK THEN DIED. MADE 9
 SWAB TRIPS. IFL: 2000', FFL: 2200'. REC 69 BLW & HVY SD. LLTR: 2568 BBLS. SI
 BUP.

04/02/00 PREP TO PLACE OS SALES.
 PROG: SITP: 500#, SICP: 950#. MADE 7 SWAB TRIPS & WELL STARTED TO FLOW.
 IFL: 3000'. FLOW BACK 6 HRS ON 48/64" CHK. IFL: 3000'. REC 41 BLW. FLOW BACK
 6 HRS ON 48/64" CHK. CP: 600# TO 500#, 27 BWPH TO 18 BWPH, LIGHT SD. FLOW

BACK 9 HRS ON 32/64" CHK. CP: 550# TO 490#, FTP: 200# TO 200#, 18 BWPH TO 5 BWPH. FLOW BACK 5 HRS ON 24/64" CHK. CP: 480# TO 500#, FTP: 200# TO 275#, 5 BWPH, EST PROD RATE: 450 MCFPD. REC 126 BLW. LLTR: 2320 BBLs.

04/03/00 **TURN TO SALES @ 12:00 PM.** SPOT PROD VOLUMES: 80 BWPH, FTP: 100#, CP: 450#, 32/64" CHK, 365 MCFPD.

04/04/00 **PROD TO SALES.**
PROG: FLWD 277 MCF, 85 BW, FTP: 90#, CP: 390#, 27/64" CHK, 18 HRS, (TURNED ON @ NOON ON 4/2/00), LP: 69#, LLTR: 2235 BBLs.

04/05/00 **PROG:** FLWD 223 MCF, 82 BW, FTP: 88#, CP: 400#, 6/64" CHK, 23 HRS, LP: 61#, LLTR: 2153 BBLs.

04/06/00 **PROG:** FLWD 273 MCF, 80 BW, FTP: 100#, CP: 340#, 64/64" CHK, 24 HRS, LP: 70#, LLTR: 2155 BBLs
IP DATE: 4/4/00. FLWG 273 MCF, 80 BW, FTP: 100#, CP: 340#, 64/64" CHK, 24 HRS, LP: 70#.

FINAL REPORT.

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DIVISION OF
OIL, GAS AND MINING

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.

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR: 58 South 1200 East CITY Vernal STATE Utah ZIP 84078 PHONE NUMBER: 435-789-4433

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

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> 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) John T. Elzner TITLE Vice President
SIGNATURE [Signature] DATE 06-15-01
El Paso Production Oil & Gas Company
NAME (PLEASE PRINT) John T. Elzner TITLE Vice President
SIGNATURE [Signature] DATE 06-15-01

(This space for State use only)

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JUN 19 2001
DIVISION OF
OIL, GAS AND MINING

State of Delaware
Office of the Secretary of State

PAGE 1

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

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JUN 19 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
Vice President

Attest:

Margaret E. Roark
Margaret E. Roark, Assistant Secretary

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

JUN 19 2001

DIVISION OF
OIL, GAS AND MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED

JUL 12 2001

**DIVISION OF
OIL, GAS AND MINING**

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

JUL 10 2001

NOTICE

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

Name Change Recognized

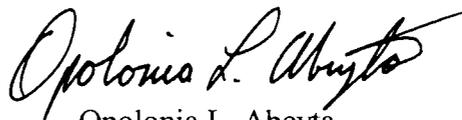
Acceptable evidence has been received in this office concerning the name change of Coastal Oil & Gas Corporation into El Paso Production Oil & Gas Company with El Paso Production Oil & Gas Company being the surviving entity.

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

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

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

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



Opolonia L. Abeyta
Acting Chief, Branch of
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

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

Exhibit of Leases

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

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS
2. CDW ✓		5-LP ✓
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**

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

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

CA No.

Unit: NATURAL BUTTES

WELL(S)

NAME	API NO	ENTITY NO	SEC TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
NBU CIGE 24-29-9-22	43-047-30493	2900	29-09S-22E	STATE	GW	P
CIGE 145-29-9-22	43-047-31993	2900	29-09S-22E	STATE	GW	P
CIGE 219-29-9-22	43-047-32864	2900	29-09S-22E	STATE	GW	P
NBU 341-29E	43-047-33055	2900	29-09S-22E	STATE	GW	P
CIGE 240	43-047-33207	2900	29-09S-22E	STATE	GW	P
NBU 137	43-047-31939	2900	30-09S-22E	STATE	GW	P
NBU CIGE 5-31-9-22	43-047-30335	2900	31-09S-22E	STATE	GW	P
NBU 50	43-047-30835	2900	31-09S-22E	STATE	GW	P
NBU CIGE 51D-31-9-22	43-047-30889	2900	31-09S-22E	STATE	GW	P
NBU 41J	43-047-31224	2900	31-09S-22E	STATE	GW	P
CIGE 97D-31-9-22	43-047-31729	2900	31-09S-22E	STATE	GW	P
NBU 155	43-047-32004	2900	31-09S-22E	STATE	GW	P
CIGE 148-31-9-22	43-047-32024	2900	31-09S-22E	STATE	GW	P
NBU 280	43-047-32865	2900	31-09S-22E	STATE	GW	P
CIGE 220-31-9-22	43-047-32884	2900	31-09S-22E	STATE	GW	P
NBU 326	43-047-33204	2900	31-09S-22E	STATE	GW	P
CIGE 3-32-9-22	43-047-30320	2900	32-09S-22E	STATE	GW	P
NBU CIGE 36D-32-9-22	43-047-30833	2900	32-09S-22E	STATE	GW	P
NBU 54	43-047-30890	2900	32-09S-22E	STATE	GW	P
NBU 51J	43-047-31234	2900	32-09S-22E	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

5. If **NO**, the operator was contacted on: N/A
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 07/10/2001
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 07/10/2001
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: 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: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 07/19/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 07/19/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: 400JU0705

FEDERAL BOND VERIFICATION:

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

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

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

FILMING:

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

FILING:

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

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

JAN. 17. 2003 3:34PM

WESTPORT

NO. 173 P. 2

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

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

February 1, 2002

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

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

Dear Ms. Maxwell:

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

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

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

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

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

Debby J. Black
Debby J. Black
Engineer Technician

Encl:



United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

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

FEB 22 2002

DIVISION OF
OIL, GAS AND MINING

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

FEB 21 2002

NOTICE

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

Name Change Recognized

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

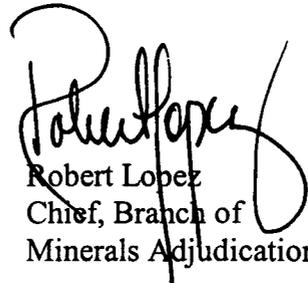
For our purposes, the name change is recognized effective December 31, 2001.

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

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

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

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



Robert Lopez
Chief, Branch of
Minerals Adjudication

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

memorandum

Branch of Real Estate Services
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to
Attn of: Supervisory Petroleum Engineer

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

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

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

We have no objection.

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

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

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

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





IN REPLY REFER TO:
Real Estate Services

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, D.C. 20240

FEB 10 2003

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

Dear Mr. Wilson:

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

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

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

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

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO
UT-922

February 27, 2003

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

Re: Natural Buttes Unit
Uintah County, Utah

Gentlemen:

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

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

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

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

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

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

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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: 9 Greenway Plaza Houston TX 77064-0995		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (832) 676-5933		8. WELL NAME and NUMBER: Exhibit "A"
4. LOCATION OF WELL		9. API NUMBER:
FOOTAGES AT SURFACE:		10. FIELD AND POOL, OR WILDCAT:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		COUNTY:
		STATE: UTAH

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

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

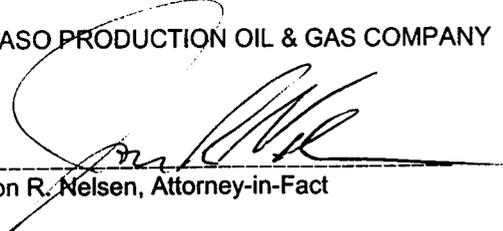
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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

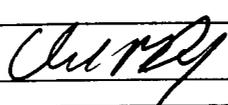
BOND # _____

State Surety Bond No. RLB0005236
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

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

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

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

(This space for State use only)

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

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

10. Field and Pool, or Exploratory Area

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

SEE ATTACHED EXHIBIT "A"

11. County or Parish, State

UINTAH COUNTY, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> 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
			SUCCESSOR 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 so forth following completion of the involved operations. 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 when 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

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

Name (Printed/Typed)
CHERYL CAMERON

Title
OPERATIONS

Signature

Date
March 4, 2003

~~DIV. OF OIL, GAS & MINING~~

THIS SPACE FOR FEDERAL OR STATE USE

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

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

OPERATOR CHANGE WORKSHEET

1. GLH
2. CDW ✓
3. FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

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

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

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

WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 41J	31-09S-22E	43-047-31224	2900	STATE	GW	P
CIGE 97D-31-9-22	31-09S-22E	43-047-31729	2900	STATE	GW	P
NBU 155	31-09S-22E	43-047-32004	2900	STATE	GW	P
CIGE 148-31-9-22	31-09S-22E	43-047-32024	2900	STATE	GW	P
NBU 280	31-09S-22E	43-047-32865	2900	STATE	GW	P
CIGE 220-31-9-22	31-09S-22E	43-047-32884	2900	STATE	GW	P
NBU 326	31-09S-22E	43-047-33204	2900	STATE	GW	P
NBU 354	31-09S-22E	43-047-33231	2900	FEDERAL	GW	P
NBU 160	31-09S-22E	43-047-32006	2900	STATE	GW	PA
CIGE 241-32-9-22	32-09S-22E	43-047-33208	2900	STATE	GW	P
NBU 404	32-09S-22E	43-047-34375	2900	STATE	GW	P
NBU 281	32-09S-22E	43-047-32866	2900	STATE	GW	P
NBU 282	32-09S-22E	43-047-32867	2900	STATE	GW	P
CIGE 190-32-9-22	32-09S-22E	43-047-32912	2900	STATE	GW	P
NBU 157	32-09S-22E	43-047-32007	2900	STATE	GW	P
CIGE 96D-32-9-22	32-09S-22E	43-047-31730	2900	STATE	GW	P
NBU 51J	32-09S-22E	43-047-31234	2900	STATE	GW	P
CIGE 106D-32-9-22	32-09S-22E	43-047-31746	2900	STATE	GW	P
NBU CIGE 36D-32-9-22	32-09S-22E	43-047-30833	2900	STATE	GW	P
NBU 54N	32-09S-22E	43-047-30890	2900	STATE	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 contacted on: _____

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

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

8. **Federal and Indian Units:**

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

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

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

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

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 03/18/2003

2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/18/2003

3. Bond information entered in RBDMS on: N/A

4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

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

FEDERAL WELL(S) BOND VERIFICATION:

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

INDIAN WELL(S) BOND VERIFICATION:

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

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238

2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.
Multiple Wells - see attached

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

11. County or Parish, State
Uintah County, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-

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

Multiple Wells - see attached

9S 22E 31

4304733204

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

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

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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.

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

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped.

The average NBU well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached.

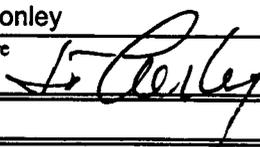
Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

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

Name (Printed/Typed)

J.T. Conley

Signature



COPY SENT TO OPERATOR

Date: 9-16-03
Initials: JTD

Operations Manager

9-2-2003

SEP 10 2003

DIV. OF OIL GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval of This
Action is Necessary

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

Date: 9/16/03

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.

Project Economics Worksheet

Instructions: Fill in blue boxes 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 ??? Y N (Y or N)

	BEFORE \$/Year	AFTER \$/Year	DIFFERENCE \$/Year
Gross Oil Revenue	\$1,088	\$1,099	\$11
Gross Gas Revenue	\$0	\$0	\$0
NGL Revenue	\$0	\$0	\$0
PULING UNIT SERVICE			\$0
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
Totals	\$0	\$350	\$350

Increased OPX Per Year

Investment Breakdown:

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

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

Production & OPX Detail:

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

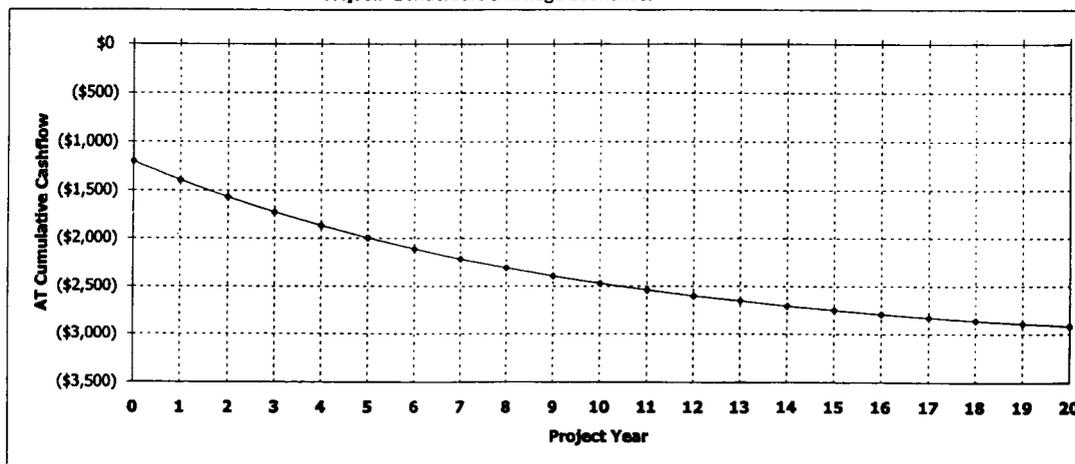
Gross Reserves:

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 0.194 Bcpd if 4 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



Westport Oil and Gas, Inc.

NBU/Ouray Field

RFL 2003-022

COMPARISON OF FLASH BACK PRESSURES

Calculated by Characterized Equation-of-State

Flash Conditions		Gas/Oil Ratio (scf/STbbl) (A)	Specific Gravity of Flashed Gas (Air=1.000) (A)	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	STFLEASENO	CANUMBER	APINO
NBU 245	8-10-22 SENE	UTU01196C	891008900A	430473300400S1
NBU 247	10-10-22 NWNW	U01196C	891008900A	430473297700S1
NBU 248	10-10-22 SENW	UTU025187	891008900A	430473407900S1
NBU 249	10-10-22 SESW	U01196C	891008900A	430473297800S1
NBU 252	10-9-21 NENW	U0141315	891008900A	430473280000S1
NBU 253	10-9-21 SWNW	U0141315	891008900A	430473291700S1
NBU 254	17-9-21 NESW	UTU0575	891008900A	430473280300S1
NBU 255	21-9-21 SESW	UTU0576	891008900A	430473280600S1
NBU 256	22-9-21 SENW	UTU0147566	891008900A	430473280700S1
NBU 257	25-9-21 SENW	U01194	891008900A	430473279000S1 ✓
NBU 258	26-9-21 SENE	U01194	891008900A	430473279100S1 ✓
NBU 259	26-9-21 SWNE	U01194	891008900A	430473279200S1 ✓
NBU 260	28-9-21 SENE	U05676	891008900A	430473300900S1
NBU 261	30-9-21 SENW	UTU0581	891008900A	430473292800S1 ✓
NBU 262	33-9-21 NENE	UTU0576	891008900A	430473292900S1
NBU 263	34-9-21 SENW	U01194	891008900A	430473279300S1 ✓
NBU 264	1-10-21 SESW	U02842B	891008900A	430473300000S1
NBU 265	2-10-21 NESE	ML13826	891008900A	430473279600S1 ✓
NBU 266	10-10-21 SWNW	UTU0149079	891008900A	430473294100S1
NBU 267	10-10-21 NESW	UTU01416A	891008900A	430473294200S1
NBU 268	11-10-21 NENE	U01190	891008900A	430473300100S1
NBU 269	12-10-21 SWNW	UTU1196D	891008900A	430473347300S1
NBU 270	13-10-21 SWNW	ML23608	891008900A	430473286200S1 ✓
NBU 271	24-10-20 SWNW	UTU4485	891008900A	430473288700S1
NBU 272	11-10-22 SWNE	U01197A	891008900A	430473288900S1 ✓
NBU 273	22-9-21 NWNW	UTU0147566	891008900A	430473290600S1
NBU 274	23-9-21 NESW	UTU149075	891008900A	430473290700S1
NBU 275	9-9-21 NWSW	UTU01188	891008900A	430473290500S1
NBU 277	19-9-22 SENE	UTU0284	891008900A	430473304200S1
NBU 278	30-9-22 SWSW	U463	891008900A	430473301100S1
NBU 280	31-9-22 NESW	ML22935A	891008900A	430473286500S1 ✓
NBU 281	32-9-22 SWSW	ML22649	891008900A	430473286600S1 ✓
NBU 282	32-9-22 NESE	ML22649	891008900A	430473286700S1
NBU 285	3-10-22 NWNW	UTU01191	891008900A	430473297600S1
NBU 286	3-10-22 SENW	UTU01191	891008900A	430473298400S1
NBU 287	3-10-22 NESE	UTU01191A	891008900A	430473298500S1
NBU 288	3-10-22 NWSW	UTU01191	891008900A	430473298600S1
NBU 289	3-10-22 SESW	UTU01191	891008900A	430473291000S1
NBU 290	3-10-22 SWSE	UTU01191A	891008900A	430473298700S1
NBU 291	9-10-22 NENE	UTU01196D	891008900A	430473291100S1
NBU 292	9-10-22 SWNE	UTU1196D	891008900A	430473347400S1
NBU 293	10-10-22 SENE	UTU025187	891008900A	430473318200S1
NBU 294X	22-9-20 NENW	UTU0577B	891008900A	430473346500S1
NBU 295	12-10-20 SWSW	UTU4478	891008900A	430473293900S1
NBU 296	24-10-20 NWNE	UTU4485	891008900A	430473288600S1
NBU 297	11-9-21 SWNW	UTU0141315	891008900A	430473304000S1
NBU 298	15-9-21 NESW	UTU01188	891008900A	430473304100S1
NBU 299	16-9-21 SWNE	ML3282	891008900A	430473301200S1
NBU 300	21-9-21 NWNW	UTU0576	891008900A	430473302300S1
NBU 301	25-9-21 NWSW	U01194	891008900A	430473285900S1 ✓
NBU 302	26-9-21 SWNW	U01194	891008900A	430473287700S1 ✓
NBU 303	26-9-21 SESE	ML22834	891008900A	430473287800S1 ✓
NBU 304	27-9-21 SESE	U01194A	891008900A	430473287900S1 ✓
NBU 305	27-9-21 SWSE	U01194A	891008900A	430473288000S1 ✓
NBU 306	27-9-21 NWNW	U01194A	891008900A	430473286000S1 ✓
NBU 307	28-9-21 NWNE	U05676	891008900A	430473300700S1
NBU 308	28-9-21 SENW	U05676	891008900A	430473314300S1
NBU 309	30-9-21 NENE	UTU0581	891008900A	430473301000S1
NBU 310	35-9-21 NENW	U01194	891008900A	430473288200S1 ✓
NBU 311	4-10-22 NESE	UTU01191	891008900A	430473283700S1
NBU 312-E2	2-9-21 SWSE	UTU21510	891008900A	430473228800S1 ✓
NBU 313	4-10-22 NENW	UTU01191A	891008900A	430473283800S1
NBU 315	11-9-21 SENE	UTU0141317	891008900A	430473387900S1
NBU 316	11-9-21 SWNE	UTU0141317	891008900A	430473441300S1
NBU 317	13-9-21 NENE	U-01193	891008900A	430473392100S1
NBU 318	13-9-21 SWNE	UTU01193	891008900A	430473388000S1
NBU 320	25-9-21 NWNW	U01189	891008900A	430473320100S1
NBU 321	26-9-21 SWSW	U01194	891008900A	430473320200S1 ✓
NBU 322	34-9-21 SESW	U01994	891008900A	430473320300S1 ✓
NBU 323	30-9-22 NENE	U-463	891008900A	430473405000S1
NBU 326	31-9-22 NESW	ML22935A	891008900A	430473320400S1 ✓
NBU 327	33-9-22 SWSE	UTU01191	891008900A	430473373500S1
NBU 329	1-10-21 NESW	UTU02842B	891008900A	430473322700S1
NBU 330	3-10-21 NENE	UTU0149078	891008900A	430473322800S1
NBU 331	3-10-21 NWNE	UTU0149078	891008900A	430473322900S1

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

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

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

WELL NAME	CA No.	Unit:	NATURAL BUTTES UNIT					
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on: _____
- (R649-9-2)Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- Reports current for Production/Disposition & Sundries on: ok
- 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
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 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
- 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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate 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 5/16/06

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

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

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

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

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

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 <i>Brad Laney</i>	Date May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

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

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22935-A
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 326
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047332040000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6007 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2066 FSL 2247 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 31 Township: 09.0S Range: 22.0E Meridian: S	9. FIELD and POOL or WILDCAT: NATURAL BUTTES COUNTY: UINTAH 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 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: 3/16/2010	<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 3/16/2010.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 April 21, 2010

NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A		DATE 4/21/2010

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22935-A
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: NBU 326	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.	9. API NUMBER: 43047332040000	
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	PHONE NUMBER: 720 929-6515 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2066 FSL 2247 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 31 Township: 09.0S Range: 22.0E Meridian: S	COUNTY: UINTAH 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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/8/2011	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER: <input style="width: 50px;" type="text"/>	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. THE SUBJECT WELL WAS RETURNED TO PRODUCTION ON 06/10/2011.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Sheila Wopsock	PHONE NUMBER 435 781-7024	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 6/20/2011	