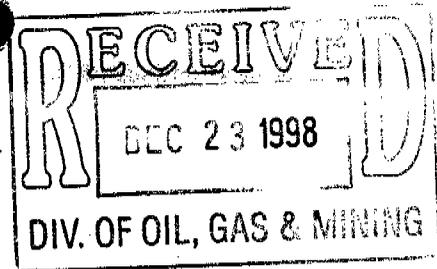


Enron Oil & Gas Company
P.O. Box 250
Big Piney, WY 83113



December 21, 1998

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

RE: APPLICATION FOR PERMIT TO DRILL
CHAPITA WELLS UNIT #543-3
SW/NW, SEC. 3, T9S, R22E
UINTAH COUNTY, UTAH
LEASE NO.: U-0281
FEDERAL LANDS

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

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

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Trotter".

Ed Trotter
Agent
Enron Oil & Gas Company

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SUBMIT TO THE APPLICATOR
(Other instructions on reverse side)
DEC 23 1998

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN GAS MINING

5. LEASE DESIGNATION AND SERIAL NO. U-0281

6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A

7. UNIT AGREEMENT NAME CHAPITA WELLS UNIT

8. FARM OR LEASE NAME, WELL NO. CHAPITA WELLS UNIT

9. API WELL NO. CWU #543-3

10. FIELD AND POOL, OR WILDCAT CWU/WASATCH

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 3, T9S, R22E

12. COUNTY OR PARISH UINTAH 13. STATE UTAH

1a. TYPE OF WORK DRILL X DEEPEN

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

2. NAME OF OPERATOR ENRON OIL & GAS COMPANY

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 1736' FNL & 790' FWL SW/NW
At proposed prod. zone 621' 241'

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 16.05 MILES SOUTHEAST OF OURAY, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 790'

16. NO. OF ACRES IN LEASE 2557.84

17. NO. OF ACRES ASSIGNED TO THIS WELL

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

19. PROPOSED DEPTH 6500'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4787' GRADED GROUND

22. APPROX. DATE WORK WILL START* JANUARY 1999

CONFIDENTIAL

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	200-220'	100-150 SX CLASS "G" + 2% CaCl ₂ + 1/4 #/SX CELLOFLAKE.
OR 12 1/4"	9 5/8"	32.30#	200-220'	50/50 POZMIX + 2% GEL + 10% SALT TO 400' ABOVE ALL ZONE OF INTEREST (+10% EXCESS). LIGHT CEMENT (11PPG) + LCM TO 200' ABOVE OIL SHALE OR FRESH WATER INTERVALS (+ 5% EXCESS).
7 7/8"	4 1/2"	10.50#	6500'	

SEE ATTACHMENTS FOR:

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

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

pc: UTAH DIVISION OF OIL, GAS, AND MINING

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

24. SIGNED [Signature] TITLE AGENT DATE 12-15-1998

(This space for Federal or State office use)

PERMIT NO. 43-047-33271 APPROVAL DATE

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

CONDITIONS OF APPROVAL, IF ANY: Federal Approval of this Action is Necessary

APPROVED BY [Signature] BRADLEY G. HILL DATE 1/2/99

*See Instructions On Reverse Side

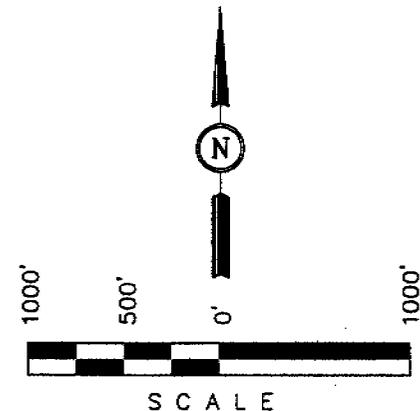
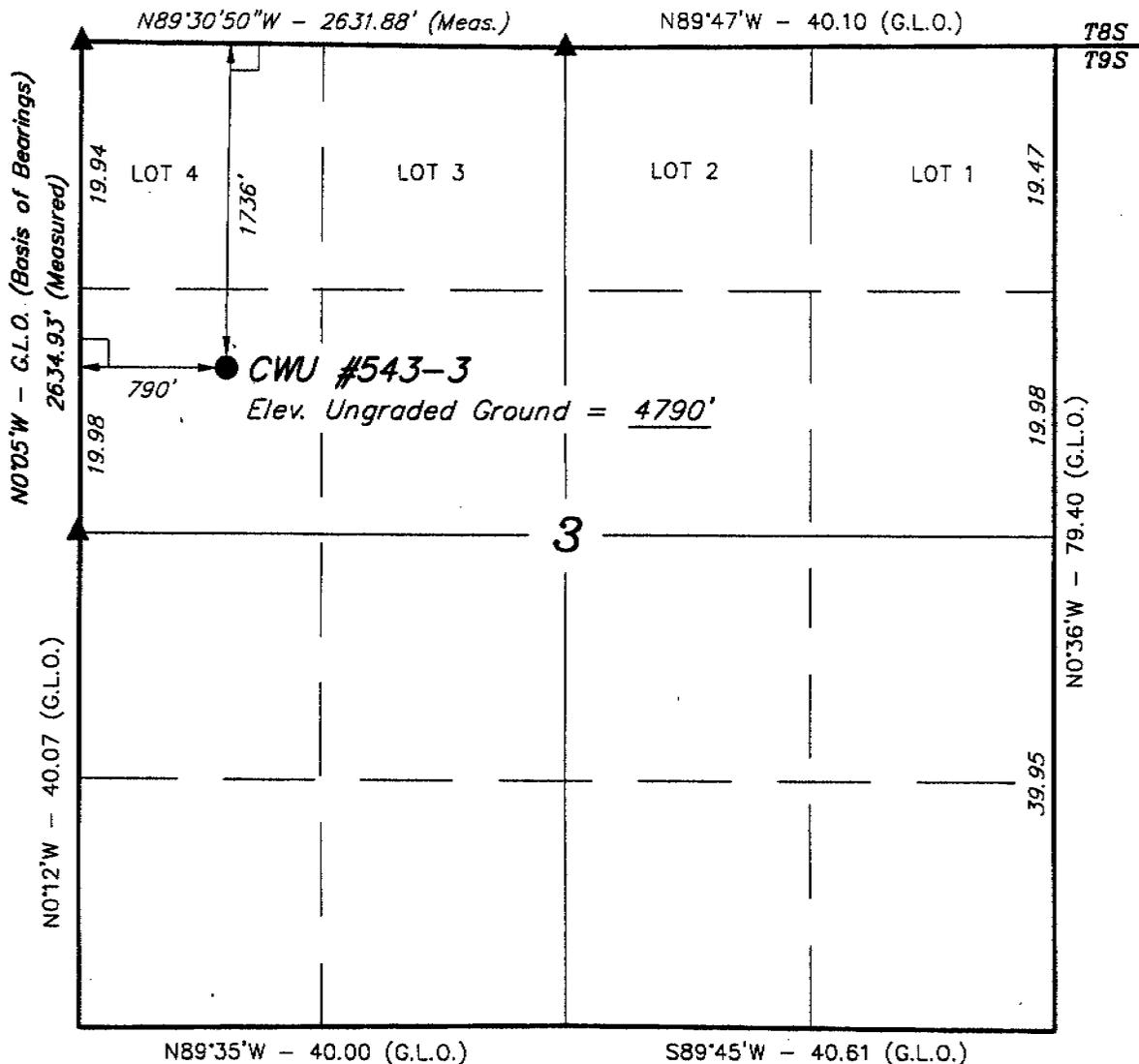
T9S, R22E, S.L.B.&M.

ENRON OIL & GAS CO.

Well location, CWU #543-3, located as shown in the SW 1/4 NW 1/4 of Section 3, T9S, R22E, S.L.B.&M. Uintah County, Utah.

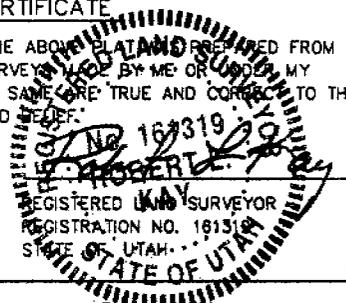
BASIS OF ELEVATION

SPOT ELEVATION LOCATED IN THE NE 1/4 OF SECTION 10, T9S, R22E, S.L.B.&M. TAKEN FROM THE RED WASH SW, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4757 FEET.



CERTIFICATE

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



LEGEND:

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

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 10-5-98	DATE DRAWN: 10-29-98
PARTY L.D.T. B.A. K.K. T.A. D.COX		REFERENCES G.L.O. PLAT
WEATHER COLD		FILE ENRON OIL & GAS CO.

STATE OF UTAH
DIVISION OF OIL GAS AND MINING

DRILLING OPERATIONS

Well Name: <u>Chepita Wells Unit 543-3</u>	API Number: <u>43-047-33271</u>
Qtr/Qtr: <u>NE/NE</u>	Section: <u>36 03</u>
	Township: <u>8S 09S</u>
	Range: <u>21E 22E</u>
Company Name: <u>Chandler & Associated Inc.</u>	
Lease: State _____	Fee _____
	Federal <u>X</u>
	Indian _____
Inspector: <u>David W. Hackford</u>	Date: <u>1/4/99</u>

Inspection made in accordance with Division Inspection Standards and Procedures for drilling operations, any exceptions noted in comments.

Depth at time of visit: 3365' Last BOPE test recorded: 1/9/99

Drilling Contractor: Patterson Drilling Co. Rig No. 52

COMMENTS: Survey at 3040' was 1 3/4 degrees. Drilling with aerated water.

Nippled up with double gate, annular and rotating head.

EIGHT POINT PLAN

CHAPITA WELLS UNIT #543-3

SW/NW, SEC. 3, T9S,R22E

UINTAH COUNTY, UTAH

1. ESTIMATED TOPS & ANTICIPATEED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH	TYPE ZONES	MAXIMUM PRESSURE
Green River	1693		
Oil Shale	1693		
"H" Marker	3338		
"J" Marker	3756		
Base "M" Marker	4686		
Wasatch	5120		
Peters Point	5120	GAS	
Chapita Wells	5730	GAS	
Buck Canyon	6370	GAS	

EST. TD 6500 Anticipated BHP 2800 PSI

2. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

3. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>MINIMUM SAFETY FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
11	0' - 220'	200' - 220'	8 5/8	24.0 #	J-55	ST&C	1370 PSI	2950 PSI	263,000#
or									
12 1/4	0' - 220'	200' - 220'	9 5/8	32.3 #	H-40	ST&C	1370 PSI	2270 PSI	254,000#
7 7/8	0' - 6500'	6500'	4 1/2	10.5 #	J-55	ST&C	4010 PSI	4790 PSI	146,000#

All casing will be new or inspected.

5. MUD PROGRAM

INTERVAL

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

MUD TYPE

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

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT #543-3

SW/NW, SEC. 3, T9S,R22E

UINTAH COUNTY, UTAH

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

6. VARIANCE REQUESTS:

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

7. EVALUATION PROGRAM:

Logs: Schlumberger Platform Express

AIT/GR/SP/CAL

FDC/CNL/GR/Cal/PE

T.D. to base of surface casing

T.D. to 4400'

Cores: None Programmed

DST: None Programmed

Completion: To be submitted at a later date.

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

8. ABNORMAL CONDITIONS:

None anticipated.

9. STANDARD REQUIRED EQUIPMENT:

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

EIGHT POINT PLAN

CHAPITA WELLS UNIT #543-3

SW/NW, SEC. 3, T9S, R22E

UINTAH COUNTY, UTAH

10. HAZARDOUS CHEMICALS:

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

(Attachment: BOP Schematic Diagram)

3000 PSIG DIAGRAM

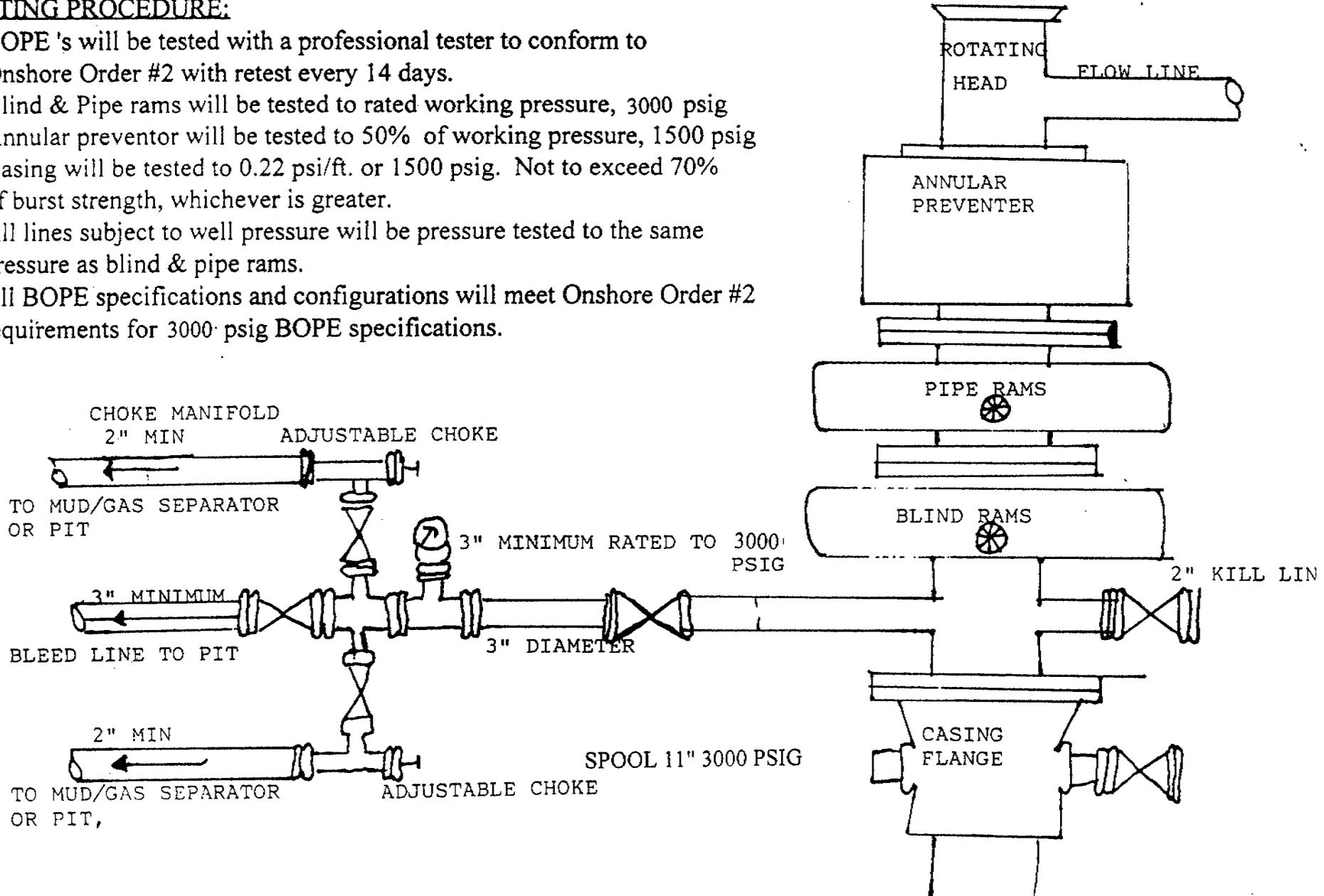
ANNULAR PREVENTOR AND BOTH RAMS ARE 3000 RATED.

CASING FLANGE IS 11" 3000 PSIG RATED.

BOPE 11" 3000 PSIG

TESTING PROCEDURE:

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



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

Company/Operator: Enron Oil & Gas Company
Well Name & Number: Chapita Wells Unit #543-3
Lease Number: U-0281
Location: 1736' FNL & 790' FWL, SW/NW, Sec. 3,
T9S, R22E, S.L.B.&M.
Uintah County, Utah
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

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

Location Completion - prior to moving on the drilling rig.

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

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

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

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

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

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 16.5 miles southeast of Ouray, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 0.25 miles in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

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

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

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

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

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

- A. Water wells - None
 - B. Abandoned wells - None
 - C. Temporarily abandoned wells - None
 - D. Disposal wells - None
 - E. Drilling wells - None
 - F. Producing wells - 7*
 - G. Shut in wells - None
 - H. Injection wells - None
- (*See attached TOPO map "C" for location)

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

A. **ON WELL PAD**

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

B. **OFF WELL PAD**

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 3" OD steel above ground natural gas pipeline will be laid approximately 847' from proposed location to a point in the NW/SW of Section 3, T9S, R22E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands within the Chapita Wells Unit, thus a Right-of-Way grant will not be required.
- 3. Proposed pipeline will be a 3" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

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

The production facilities will be placed on the Southwest end of the location.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Ouray Brine Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW, Sec. 35, T9S, R22E, Uintah County, Utah (State Water Right #49-1501).
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

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

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

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

hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

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

On BLM administered land:

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

The reserve pit shall not be lined unless porous material is encountered.

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

8. **ANCILLARY FACILITIES**

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

9. **WELLSITE LAYOUT**

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved seed mixture for this location is:
 - 4 pounds 4 Wing Salt Brush per acre
 - 4 pounds Indian Rice Grass per acre
 - 4 pounds Needle and Thread Grass per acre

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

The stockpiled pit topsoil will be stored separate from the location topsoil at Corner "C". The stockpiled location topsoil will be stored around the North Corner of the location and between Corners #2 and #4. Upon completion of construction, the stockpiled topsoil from the location will be

broadcast seeded with the approved seed mixture for this location and then walked down with a cat.

The subsoil for building dikes will be stockpiled.

Access to the well pad will be from the East.

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

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

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

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

N/A Corner # will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

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

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

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

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to

a new road, crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. **PLANS FOR RESTORATION OF SURFACE**

A. **PRODUCING LOCATION**

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

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

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

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. **DRY HOLE/ABANDONED LOCATION**

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

11. **SURFACE OWNERSHIP**

Access road: Federal

Location: Federal

12. **OTHER INFORMATION**

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

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

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

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

Additional Surface Stipulations

- N/A No construction or drilling activities shall be conducted between _____ and _____ because of _____.
- N/A No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.
- N/A No construction or exploration activities are permitted within a 1.5 mile radius of sage grouse strutting grounds from April 1 to June 30.
- N/A There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).
- N/A No cottonwood trees will be removed or damaged.
- X Pond will be constructed according to BIA specifications approximately 300 feet South of the location. Contractor will contact Byron Tolman at the Vernal BLM office for direction on building the pond. (Phone Number: (435)781-4482).

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

<u>OPERATIONS</u>		<u>PERMITTING</u>
Enron Oil & Gas Company	Enron Oil & Gas Company	Ed Trotter
P.O. Box 250	P.O. Box 1815	P.O. Box 1910
Big Piney, WY 83113	Vernal, UT 84078	Vernal, UT 84078
Jim Schaefer	George McBride	Telephone: (435)789-4120
Telephone (307)276-3331	Telephone (435)789-0790	Fax: (435)789-1420

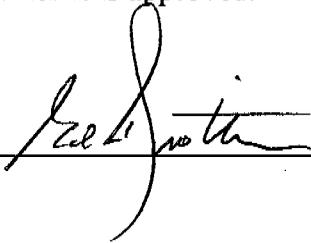
All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. Enron Oil & Gas Company is fully responsible for the actions of their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

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

Certification

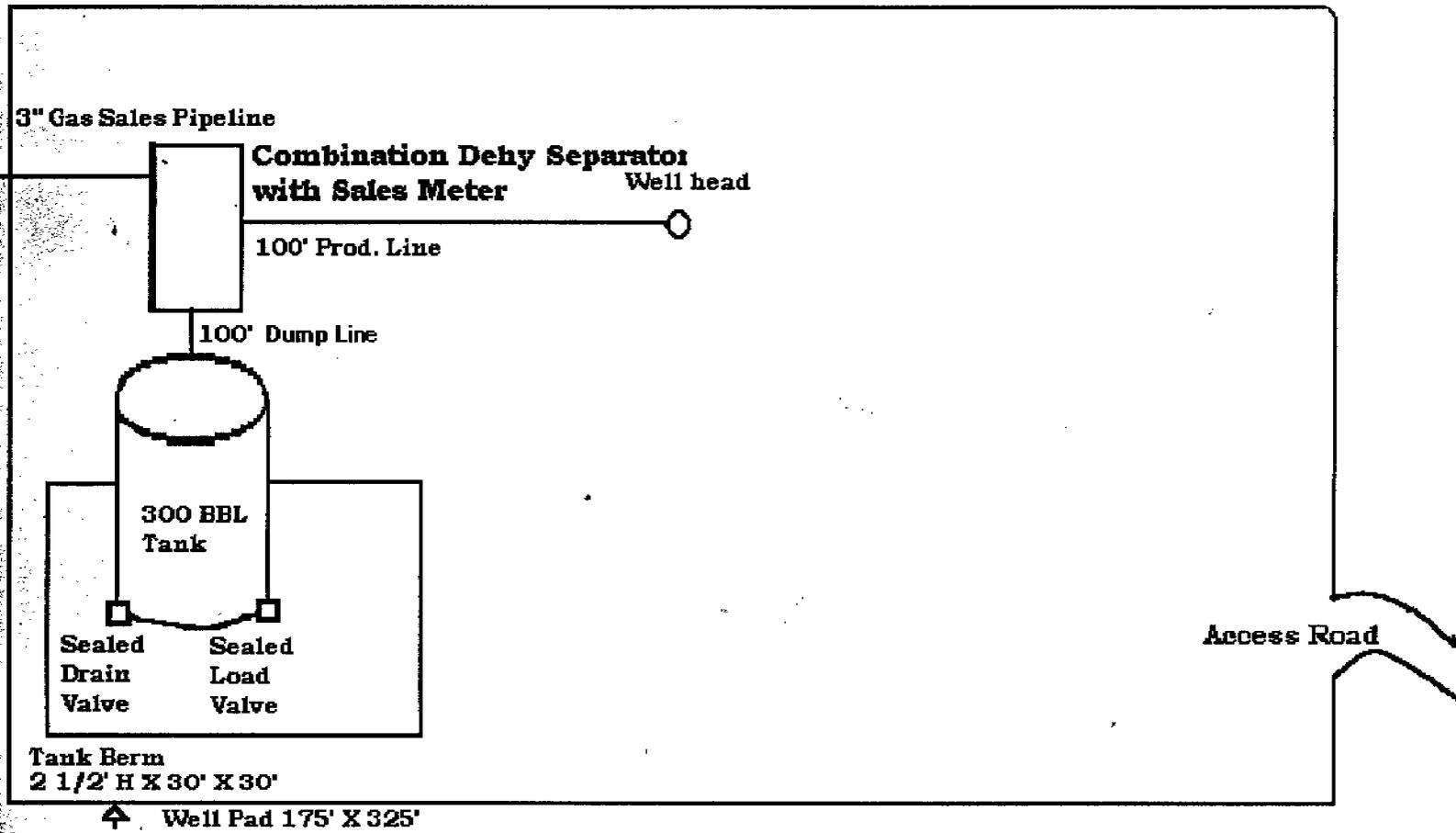
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with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

12-15-1998
Date



SITE FACILITY DIAGRAM
CHAPITA WELLS UNIT # 543-3
SEC. 3, T9S, R22E, SW/4NW/4
UINTAH COUNTY, UTAH
FEDERAL LEASE NO. U- 0281

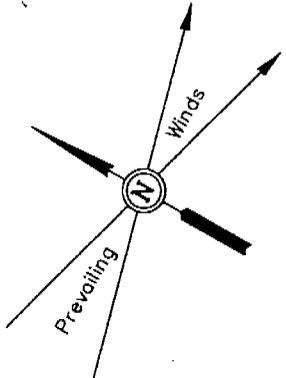
(Site Security Plan is on file at Enron's Vernal Office)



ENRON OIL & GAS CO.

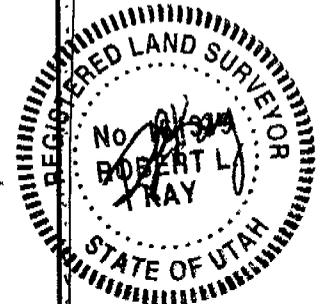
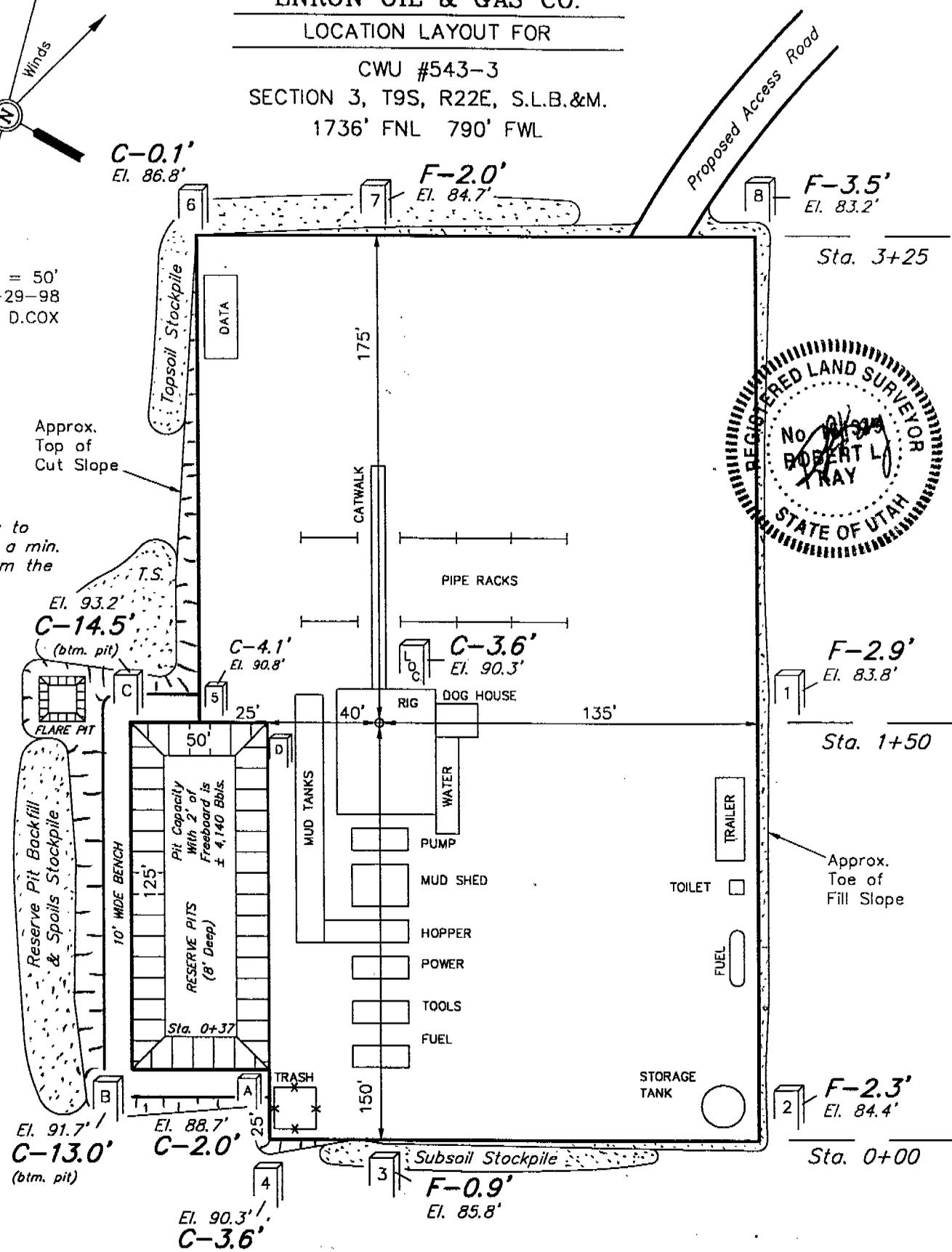
LOCATION LAYOUT FOR

CWU #543-3
SECTION 3, T9S, R22E, S.L.B.&M.
1736' FNL 790' FWL



SCALE: 1" = 50'
DATE: 10-29-98
Drawn By: D.COX

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



Elev. Ungraded Ground at Location Stake = **4790.3'**
Elev. Graded Ground at Location Stake = **4786.7'**

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

ENRON OIL & GAS CO.

TYPICAL CROSS SECTIONS FOR

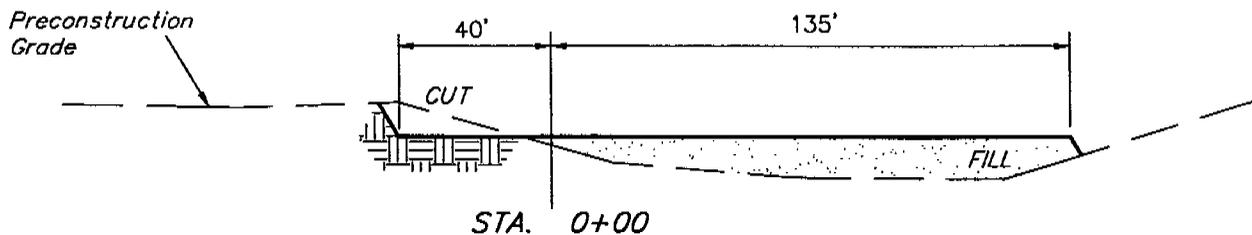
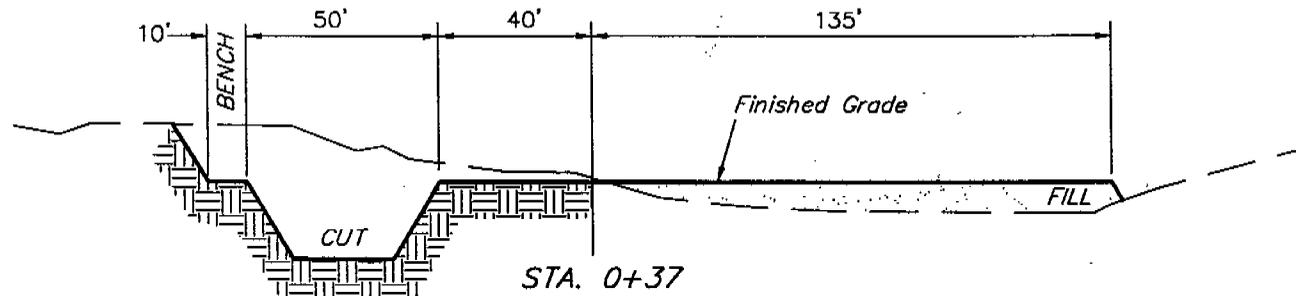
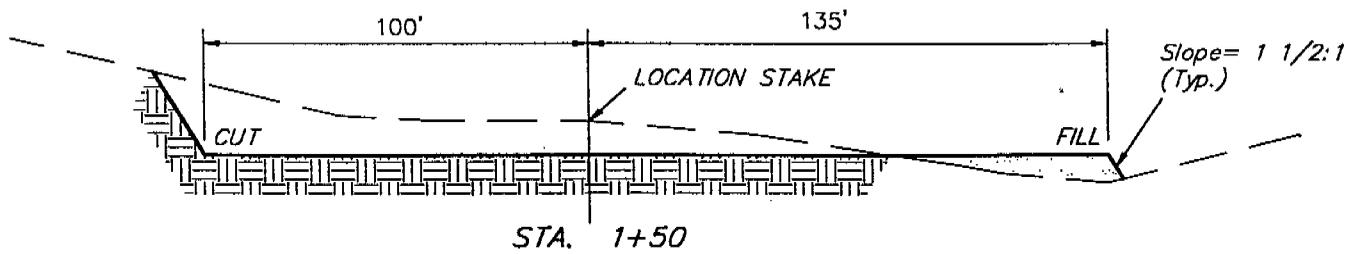
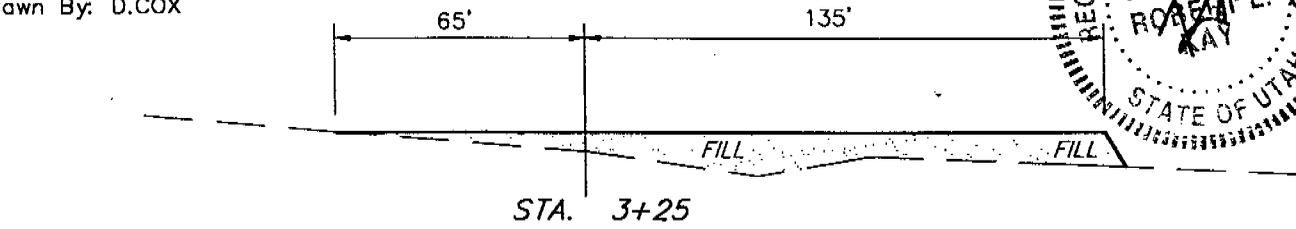
CWU #543-3

SECTION 3, T9S, R22E, S.L.B.&M.

1736' FNL 790' FWL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 10-29-98
Drawn By: D.COX

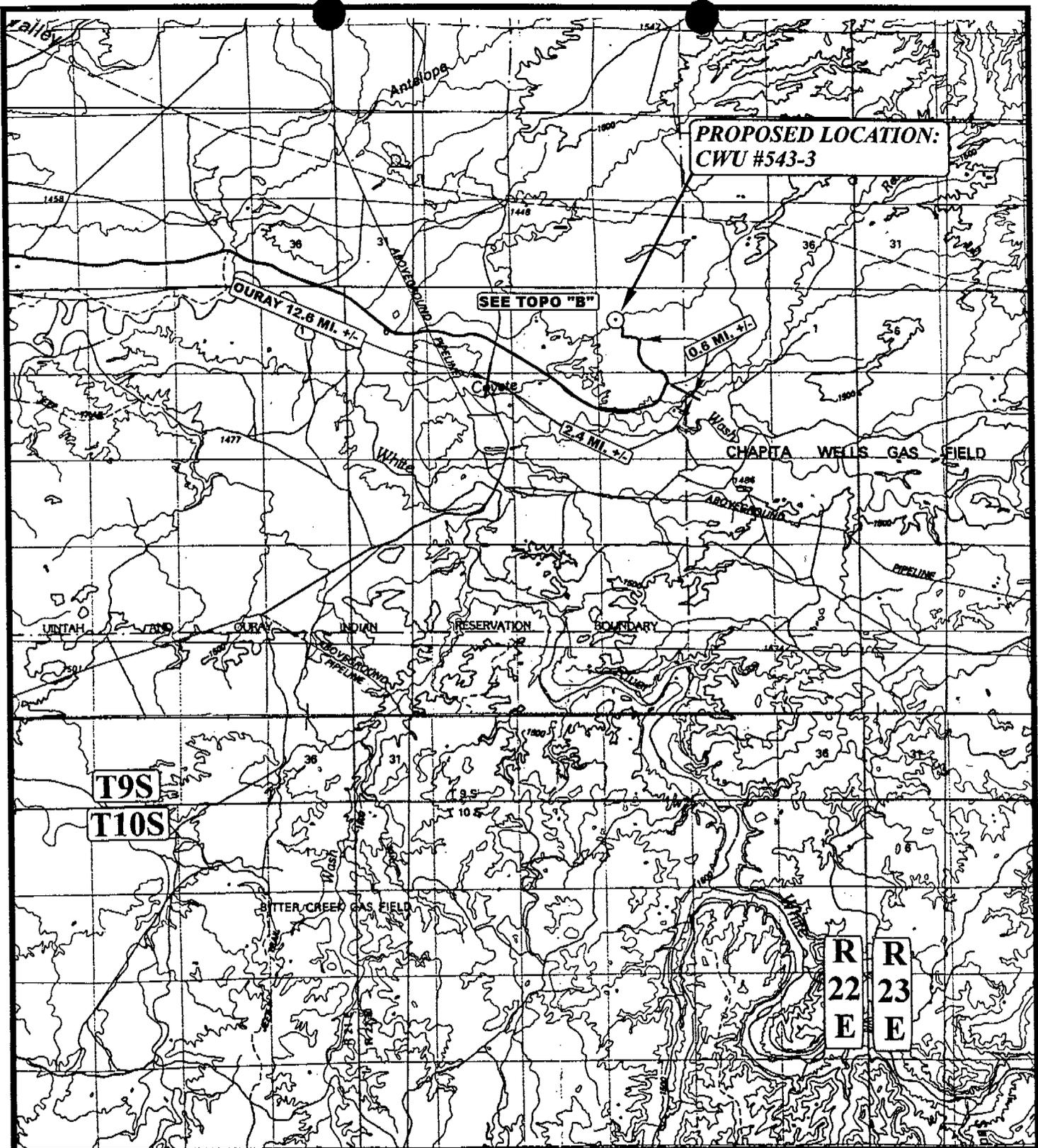


APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,250 Cu. Yds.
Remaining Location	=	4,400 Cu. Yds.
TOTAL CUT	=	5,650 CU.YDS.
FILL	=	3,560 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,900 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,900 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

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LEGEND:

○ PROPOSED LOCATION



ENRON OIL & GAS CO.

CWU #543-3
SECTION 3, T9S, R22E, S.L.B.&M.
1736' FNL 790' FWL



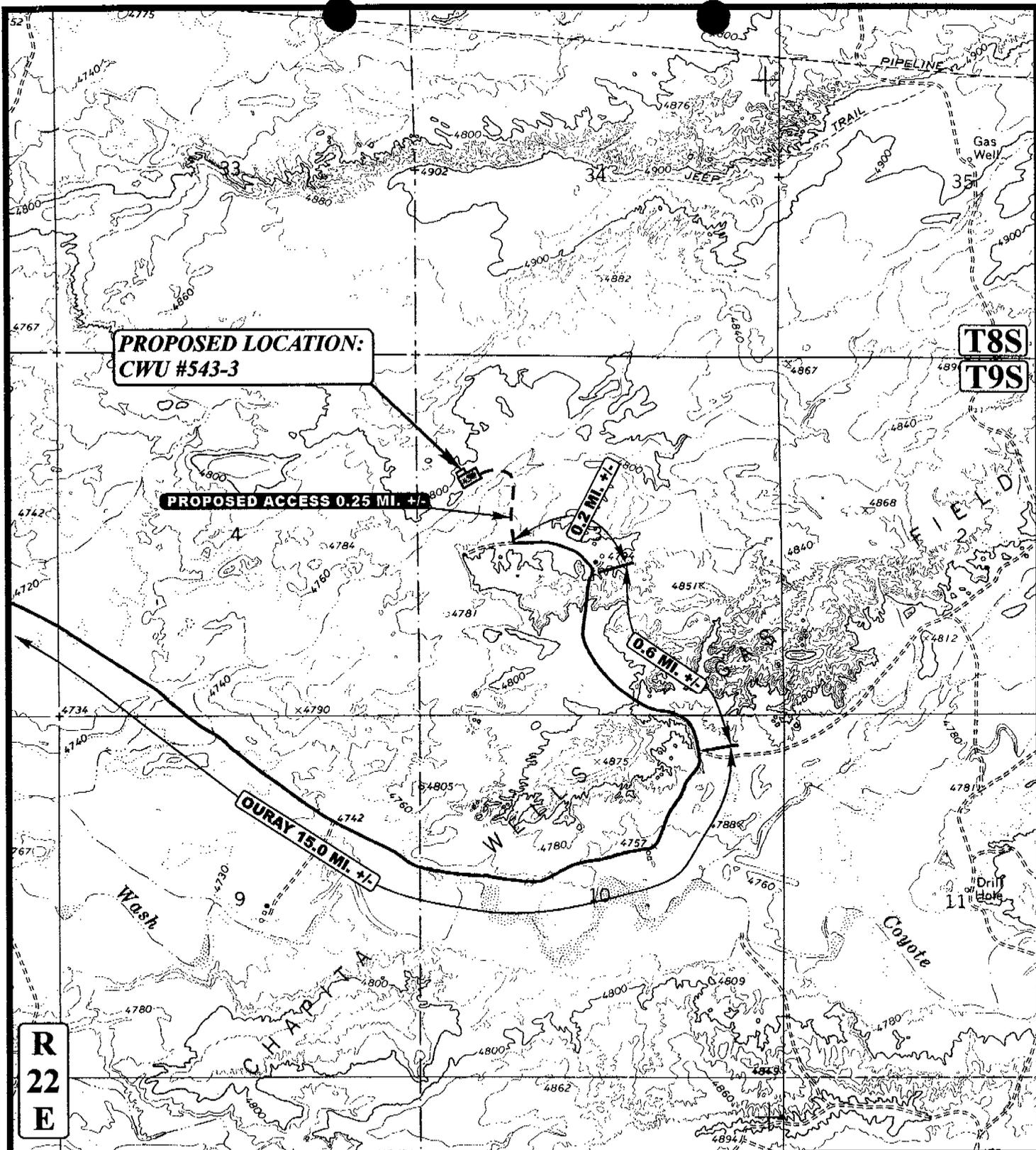
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 • FAX (435) 789-1813

TOPOGRAPHIC
MAP

10	29	98
MONTH	DAY	YEAR

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





LEGEND:

--- PROPOSED ACCESS ROAD
 ——— EXISTING ROAD



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ENRON OIL & GAS CO.

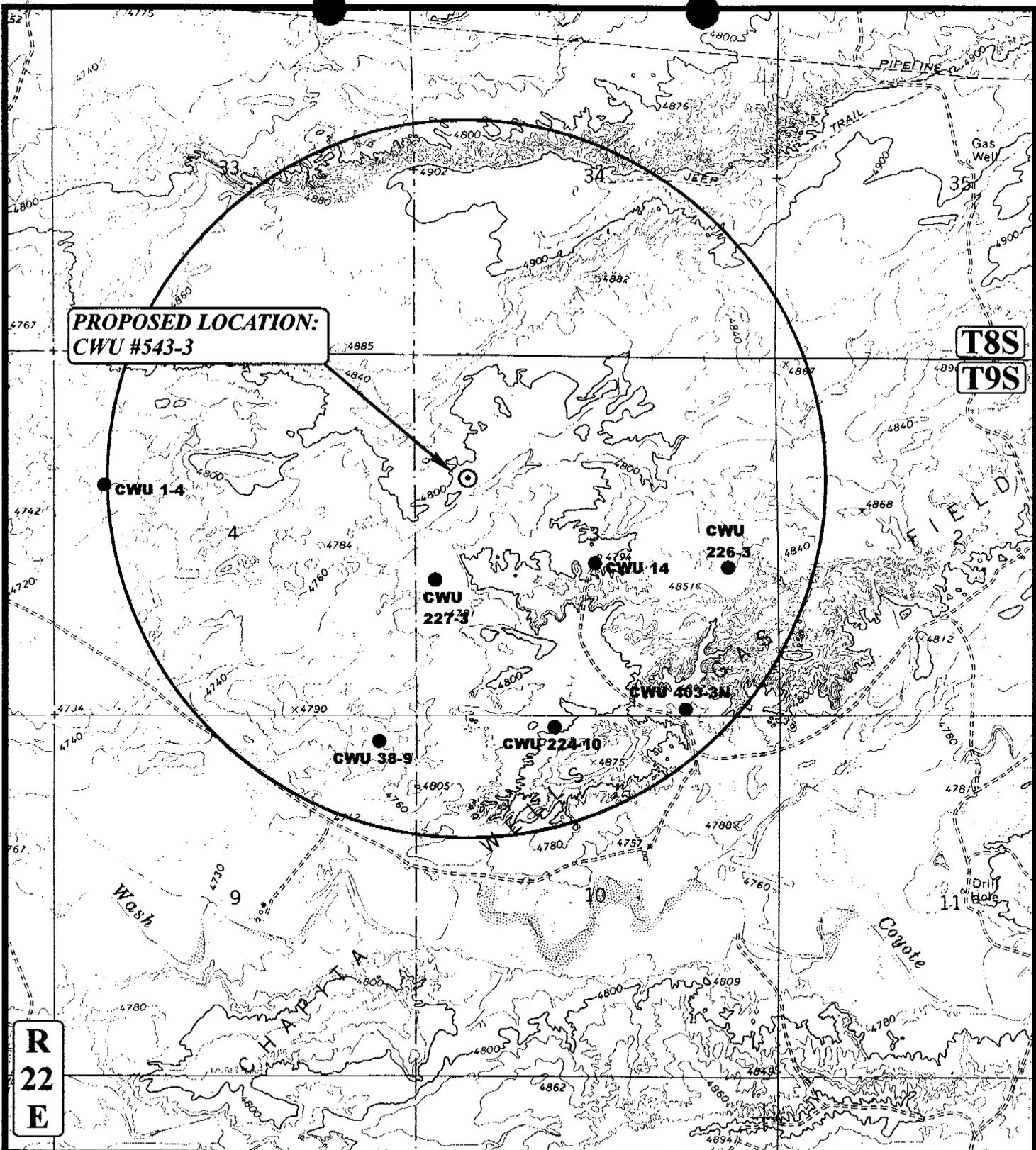
CWU #543-3
SECTION 3, T9S, R22E, S.L.B.&M.
1736' FNL 790' FWL

TOPOGRAPHIC
MAP

10 29 98
 MONTH DAY YEAR

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





**PROPOSED LOCATION:
CWU #543-3**

**T8S
T9S**

**R
22
E**

LEGEND:

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

ENRON OIL & GAS CO.

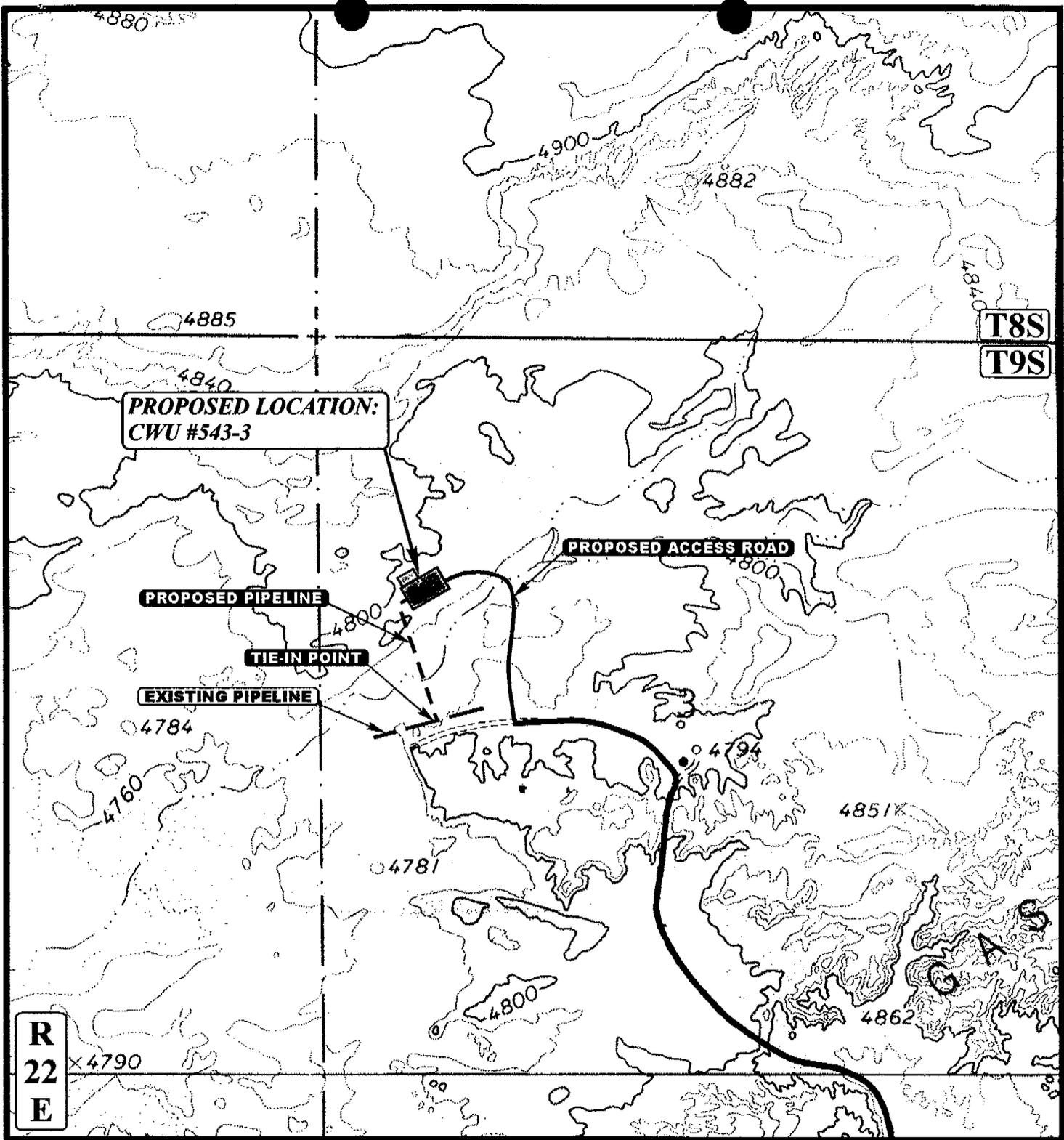
**CWU #543-3
SECTION 3, T9S, R22E, S.L.B.&M.
1736' FNL 790' FWL**

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



TOPOGRAPHIC **10 29 98**
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 847' +/-

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS

ENRON OIL & GAS CO.

CWU #543-3
SECTION 3, T9S, R22E, S.L.B.&M.
1736' FNL 790' FWL



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



TOPOGRAPHIC 10 29 98
MAP MONTH DAY YEAR

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



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/23/98

API NO. ASSIGNED: 43-047-33271

WELL NAME: CWU 543-3
 OPERATOR: ENRON OIL & GAS CO (N0401)
 CONTACT: Ed Trotter (435) 789-4120

PROPOSED LOCATION:
 SWNW 03 - T09S - R22E
 SURFACE: 1736-FNL-0790-FWL
 BOTTOM: 1736-FNL-0790-FWL
 UINTAH COUNTY
 NATURAL BUTTES FIELD (630)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering	RJK	1-12-99
Geology		
Surface		

Oil Shale only

LEASE TYPE: FED
 LEASE NUMBER: U-0281
 SURFACE OWNER: Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
 (No. 81307603)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5(B)
 Water Permit
 (No. Owsay Brine Plant & 49-1501)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit Chapite Wells
 R649-3-2. General
 R649-3-3. Exception
 Drilling Unit
 Board Cause No: _____
 Date: _____

COMMENTS: *Blm Appr. 1-4-99

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 in properly cemented over the entire oil shale interval as defined by Rule R649-3-31. For the proposed well this interval is approximately 2,144 ' to 2,279 ' below GL. The Operator shall report the actual depth the oil shale is encountered to the Division.

② FEDERAL APPROVAL



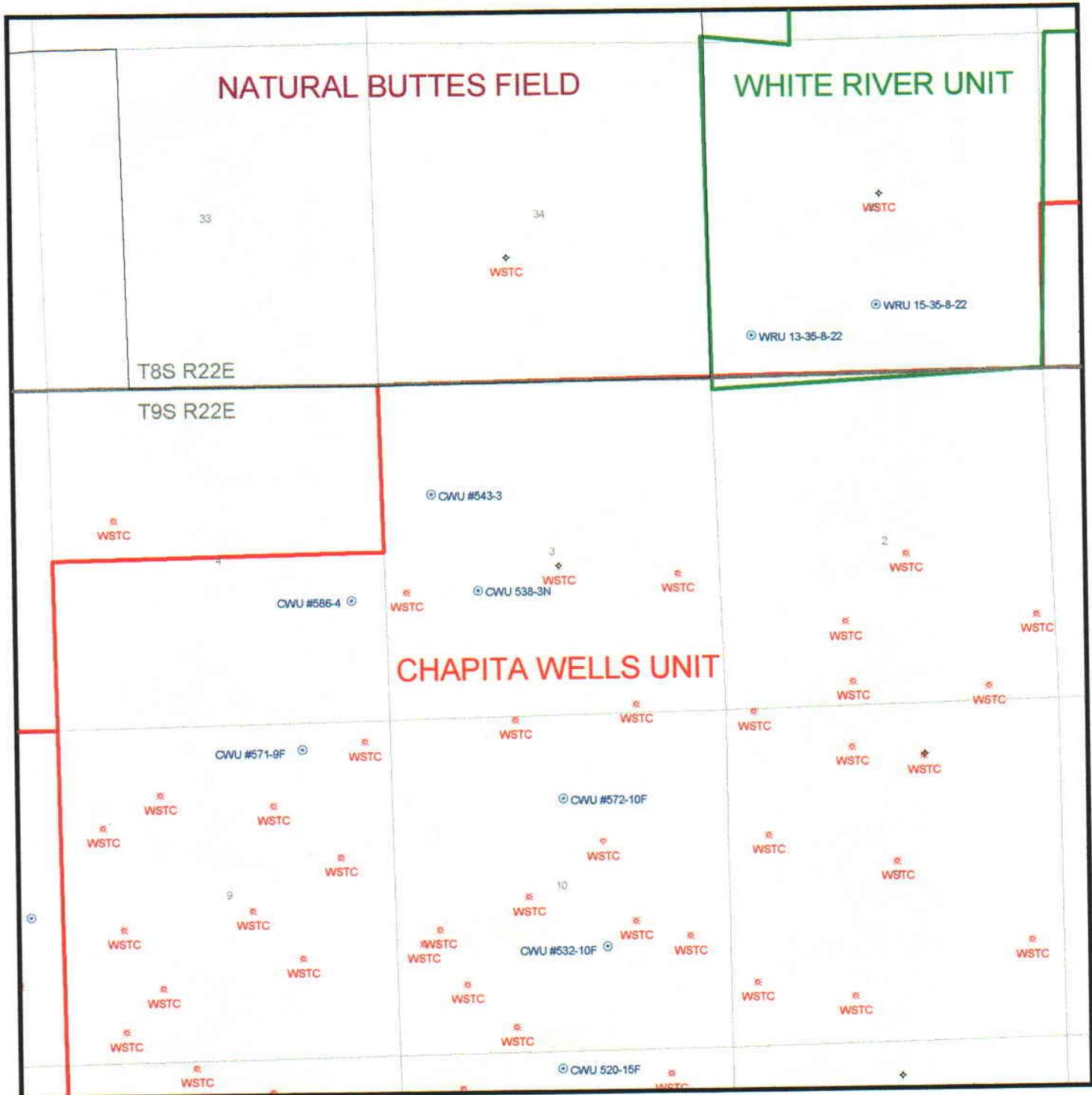
Department of Natural Resources
Division of Oil, Gas & Mining

Operator: ENRON OIL & GAS COMPANY (N0401)

Field: NATURAL BUTTES (630)

Sec. 3, TWP 9S, RNG 22E

County: UINTAH Unit: CHAPITA WELLS



Prepared Date: 6-Jan-1999
By: K.M. Hebertson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

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

2. NAME OF OPERATOR
 ENRON OIL & GAS COMPANY

3. ADDRESS AND TELEPHONE
 P.O. BOX 1815, VERNAL, UT 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 1736' FNL & 790' FWL SW/NW
 At proposed prod. zone

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

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drip unit line, if any): 790'

16. NO. OF ACRES IN LEASE: 2557.84

17. NO. OF ACRES APPLICABLE TO THIS WELL:

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETION, OR APPLIED FOR, OF THIS LEASE, FT.

19. PROPOSED DEPTH: 6500'

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, ST, OR, etc.): 4787' GRADED GROUND

22. APPROX. DATE WORK WILL START: JANUARY 1999

1. LEASE NUMBER AND SERIAL NO.
 U-0281

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 N/A

7. UNIT AGREEMENT NAME
 CHAPITA WELLS UNIT

8. FORMER OPERATOR WELL NO.
 CHAPITA WELLS UNIT

9. AP WELL NO.
 CWU #543-3

10. FIELD AND POOL, OR WILDCAT
 CWU/NASATCH

11. SEC. T. R. N. OR BLK. AND SURVEY OR AREA
 SEC. 3, T9S, R22E

12. COUNTY OR PARISH
 UINTAH

13. STATE
 UTAH

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASE SIZE/OPENING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	200-220'	100-150 SY CLASS "G" + 2% CaCl ₂ + 1/2 #/SY CELLOFLAKE.
OR 12 1/4"	9 5/8"	32.30#	200-220'	50/50 POZMIX + 2% GEL + 10 SALT TO 400' ABOVE ALL ZON OF INTEREST (+10% EXCESS). LIGHT CEMENT (11PPG) + LCM TO 200' ABOVE OIL SHAL OR FRESH WATER INTERVALS (+ 5% EXCESS).
7 7/8"	4 1/2"	10.50#	6500'	

SEE ATTACHMENTS FOR:

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

RECEIVED
DEC 22 1993

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

pc: UTAH DIVISION OF OIL, GAS, AND MINING

RECEIVED
JAN 11 1999

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

SIGNED: [Signature] TITLE: AGENT DATE: 12-15-1998

(This space for Federal or State office use)

CONDITIONS OF APPROVAL ATTACHED

PERMIT NO. OF APPROVAL: _____ APPROVAL DATE: _____
 Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY: [Signature] TITLE: Assistant Field Manager, Mineral Resources DATE: JAN 04 1999

99 P50948A

*See Instructions On Reverse Side

DOGm

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Enron Oil And Gas Company

Well Name & Number: CWU 543-3

API Number: 43-047-33271

Lease Number: U-0281

Location: SWNW Sec. 03 T. 9S R. 22 E

NOTIFICATION REQUIREMENTS

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

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

A. DRILLING PROGRAM

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

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

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

2. Pressure Control Equipment

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

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

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

3. Casing Program and Auxiliary Equipment

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

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

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the usable water zone identified at \pm 955 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

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

5. Coring, Logging and Testing Program

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

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

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

A cement bond log (CBL) will be run from the production casing shoe to \pm 755 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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

6. Notifications of Operations

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

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

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

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

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

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

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

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

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

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

7. Other Information

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

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

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

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

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

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

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

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

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

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

Wayne Bankert (435) 789-4170
Petroleum Engineer

Ed Forsman (435) 789-7077
Petroleum Engineer

Jerry Kenczka (435) 789-1190
Petroleum Engineer

Tim Ingwell (435) 781-4493
Geologist

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

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

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

SURFACE USE PROGRAM
Conditions of Approval (COAs)

-The road shall be crowned at between 2 to 3 %.

-When plowing snow during the winter months, the snow shall be plowed outside of the burrow ditches to prevent the snow melt from saturating the road during the spring.

-The seed mix listed in the APD is specific for the well location. The seed mix for rehabilitating the road will be as follows:

Fourwing saltbush	Atriplex canescens	4 lbs/acre
Nuttalls saltbush	Atriplex nuttallii v. cuneata	4 lbs/acre
Shadscale	Atriplex confertifolia	4 lbs/acre

All poundages are in Pure Live Seed.



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)

January 12, 1999

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

Re: CWU 543-3 Well, 1736' FNL, 790' FWL, SW NW, Sec. 3, 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 43-047-33271.

Sincerely,

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

John R. Baza
Associate Director

lwp

Enclosures

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

Operator: Enron Oil & Gas Company
Well Name & Number: CWU 543-3
API Number: 43-047-33271
Lease: Federal **Surface Owner:** Federal
Location: SW NW **Sec.** 3 **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 within 24 hours of spudding the well. Contact Carol Daniels at (801)538-5284.

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

3. Reporting Requirements

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

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

5. In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rule R649-3-31 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the 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 2,144' to 2,279' below G.L. The operator shall report the actual depth the oil shale is encountered to the Division.

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 FEB 11 1999

Submit Form 5400
 (November 1998)
 (formerly 9-310)

SUBMIT IN DUPLICATE*
 (See other instructions on
 reverse side)

Expires August 31, 1985

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 DIV. OF OIL, GAS & MINING
 BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

LEASE DESIGNATION AND SERIAL NO.
 U 0281
 IF INDIAN, ALLOTTEE OR TRIBE NAME
 UNIT AGREEMENT NAME
 CHAPITA WELLS UNIT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER
 2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEPEN PLUG BACK DEF. RES.

3. NAME OF OPERATOR: ENRON OIL & GAS COMPANY
 4. ADDRESS OF OPERATOR: P.O. BOX 250 BIG PINEY, WYOMING 83113

5. FARM OR LEASE NAME: CHAPITA WELLS UNIT
 6. WELL NO.: 548-3
 7. FIELD AND POOL, OR WILDCAT: CHAPITA WELLS/WASATCH

8. LOCATION OF WELL (Report location clearly and in accordance with any State requirements):
 At surface: 1736' FNL - 790' FWL (SW/NW)
 At top prod. interval reported below: SAME
 At total depth: SAME

9. COUNTY OR PARISH: UTAH
 10. STATE: UTAH
 11. SECTION, T.C.M., OR BLOCK AND SURVEY: SECTION 3, T9S, R22E
 12. PERMIT NO.: 43-047-33271
 13. DATE PERMIT ISSUED:

15. DATE SPOOLED: 1/07/99
 16. DATE T.D. REACHED: 1/15/99
 17. DATE COMPL. (Ready to prod.): 2/04/99
 18. ELEVATIONS (DFR, KB, ETC.): 4801' KB
 19. ELEV. CASINGHEAD: 4787' PREP. GL.
 20. TOTAL DEPTH, MD & TVD: 6400'
 21. PLUG, BACK T.D., MD & TVD: 6007'
 22. IF MULTIPLE COMPLETIONS, HOW MANY?: 1
 23. ROTARY TOOLS: ROTARY
 24. CABLE TOOLS:
 25. WAS DIRECTIONAL SURVEY MADE?: NO
 26. TYPE ELECTRIC AND OTHER LOGS RUN: Answer Product Quicklook, GR & Cement Bond Log
 27. WAS WELL CORED?: NO

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24.0# J-55	238'	12-1/4"	100 sx Class "G" cement.	NONE
4-1/2"	10.5# J-55	6021'	7-7/8"	350 sx Hi-Lift & 400 sx 50/50 Pozmix.	NONE

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	5846'	

31. PERFORATION RECORD (Interval, size and number)

Interval	Size	Number	Notes
Wasatch C-5	5803-10'		w/3 SPF
P-8	5705-12'		w/3 SPF

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5803-5810'	16,863 gals gelled water & 77,000# 20/40 sand.
5705-5712'	17,052 gals gelled water & 86,420# 20/40 sand.

33. PRODUCTION

DATE FIRST PRODUCTION: 2/04/99
 PRODUCTION METHOD: FLOWING
 WELL STATUS: PRODUCING

DATE OF TEST	HOURS TESTED	CHOKED SIZE	PROD'N FOR	OIL BBL	GAS-MCF	WATER-BBL	GAS-OIL RATIO
2/07/99	24	16/64"	TEST PERIOD	6 BC	819 MCFD	6 BW	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): SOLD

35. LIST OF ATTACHMENTS: JAY ORR

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

SIGNED: [Signature] TITLE: Regulatory Analyst DATE: 2/08/99

*(See Instructions and Spaces for Additional Data on Reverse Side)
 Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within

INSTRUCTIONS

CONFIDENTIAL

General: This form is designed for submitting a complete and correct well completion report on Federal or Indian lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

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) (if any) 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: *encl.*: Attached supplemental records for this well should show the details of 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.)

CONFIDENTIAL
PRIVACY ACT

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by its application.

AUTHORITY: 30 U.S.C. 181 et. seq., 25 U.S.C. et. seq., 43 CFR 31.60

PRINCIPLE PURPOSE: The information is to be used to evaluate the actual operations performed in the drilling of an oil or gas well on a Federal or Indian lease.

ROUTINE USES: (1) Evaluate the equipment and procedures used during the drilling of the well. (2) The review of geologic zones and formation encountered during drilling. (3) Analyze future applications to drill in light of data obtained and methods used. (4) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this report and disclosure of its information is mandatory once an oil or gas well is drilled.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et. seq.) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling and producing oil and gas on Federal and Indian oil and gas leases.

This information will be used to analyze operations and compare equipment and procedures actually used with the proposals applied for.

Response to this request is mandatory once an oil or gas well is drilled.

SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):				38. GEOLOGIC MARKERS		
				TOP		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
				Green River	2060'	
				Base "M" Marker	4695'	
				"N" Ls	4945'	
				Wasatch		
				Peter's Point	5109'	
				P-8	5705'	
				Chapita Wells	5730'	
				C-5	5803'	
				Buck Canyon	6395'	

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

OPERATOR ENRON OIL & GAS COMPANY
ADDRESS P.O. BOX 250
BIG PINEY

OPERATOR ACCT. NO. 0401

WYOMING B3113

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION			COUNTY	SPUD DATE	EFFECTIVE DATE	
					90	50	TP				
B	4095	4905	43-047-33271	CHAPITA WELLS UNIT 542-3	SW/NW	3	9S	22E	UINTAH	1/07/99	
WELL 1 COMMENTS: 990302 entity added; (Chapita w/wstc BDE) KDR											
CONFIDENTIAL											
B	4095	4905	43-047-33266	CHAPITA WELLS UNIT 571-9F	NW/NE	9	9S	22E	UINTAH	1/13/99	
WELL 2 COMMENTS: 990302 entity added; (Chapita w/wstc BDE) KDR											
CONFIDENTIAL											
B	4095	4905	43-047-268 ³³²⁶⁸	CHAPITA WELLS UNIT 586-4	NE/SE	4	9S	22E	UINTAH	1/21/99	
WELL 3 COMMENTS: 990302 entity added; (Chapita w/wstc BDE) KDR											
CONFIDENTIAL											
B	4095	4905	43-047-33171	CHAPITA WELLS UNIT 517-16F	NE/SE	16	9S	22E	UINTAH	1/31/99	
WELL 4 COMMENTS: 990302 entity added; (Chapita w/wstc BDE) KDR											
CONFIDENTIAL											
B	4095	4905	43-047-33274	CHAPITA WELLS UNIT 534-9F	SE/SE	9	9S	22E	UINTAH	2/01/99	
WELL 5 COMMENTS: 990302 entity added; (Chapita w/wstc BDE) KDR											
CONFIDENTIAL											

- 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 (3/89)

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DIV. OF OIL, GAS & MINING

Signature Katy Carlson
REGULATORY ANALYST
Date 3/02/99
Phone No. _____

UTAH CO-01 NEW 10.23 HILL DRIVE OR UTAH OIL GAS FIRM NO. 538 0540 F. 02/00

PAGE 2/3 ID: 30727B3335 MAR-02-99 09:12 FROM: ENRON O&G CO.