

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **JANUARY 12, 1999**

LAND. FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. _____ INDIAN # _____

DRILLING APPROVED: **FEBRUARY 8, 1999** **14-20-H62-3018**

SPUDED IN: _____

COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: _____

FIELD: **NATURAL BUTTES**

UNIT: _____

COUNTY: **UINTAH**

WELL NO. **OURAY 3-75** **API NO. 43-047-33279**

LOCATION **2078 FNL** FT. FROM (N) (S) LINE. **491 FEL** FT. FROM (E) (W) LINE. **SE NE** 1/4 - 1/4 SEC. **3**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
------	------	------	----------	------	------	------	----------

9S	21E	3	COASTAL OIL & GAS				
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**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

5. LEASE DESIGNATION AND SERIAL NO.
14-20-H62-3018

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO.
Ouray 3-75

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
Ouray Field

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SE/NE Section 3-T9S-R21E

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

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

2. NAME OF OPERATOR
Coastal Oil & Gas Corporation

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements,*)
 At surface: 2078' FNL 491' FEL 634 625401.09
 At proposed prod. zone: 150 4435991.51
 Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
See Topo Map "A"

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 491'

16. NO. OF ACRES IN LEASE 161.67

17. NO. OF ACRES ASSIGNED TO THIS WELL 161.67

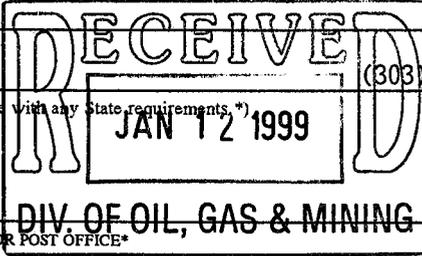
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. See Topo Map C

19. PROPOSED DEPTH 8950'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4685' Ungraded GL

22. APPROX. DATE WORK WILL START* Upon Approval



23. PROPOSED CASING AND CEMENTING PROGRAM

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

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

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

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

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

24. Sheila Bremer SHEILA BREMER
 SIGNED TITLE Environmental & Safety Analyst DATE 1/7/99

(This space for Federal or State office use)

PERMIT NO. 43-047-33279 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 _____ DATE 2/8/99

*See Instructions On Reverse Side

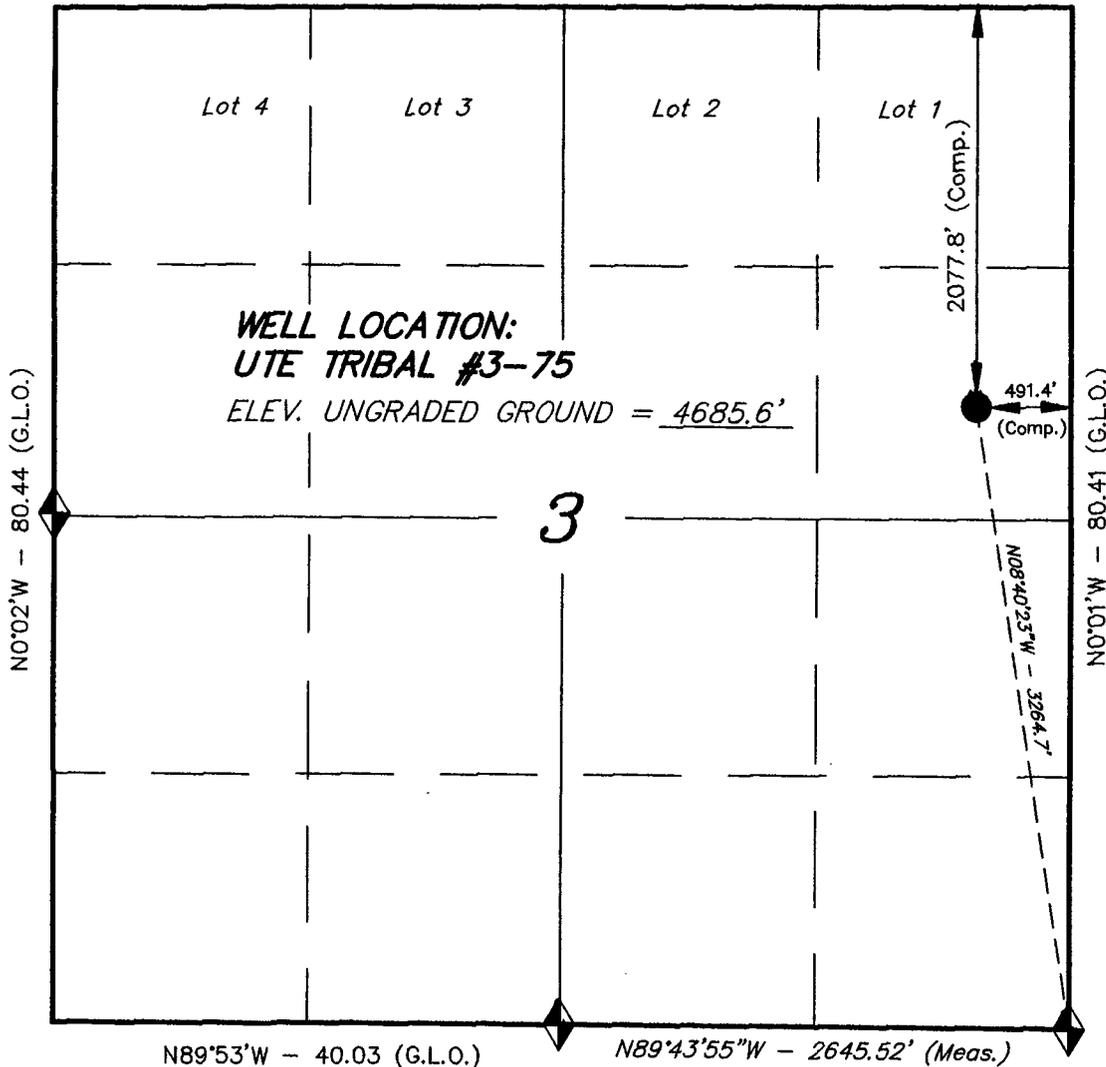
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

S89°47'W - (G.L.O.)

COASTAL OIL & GAS CORP.

WELL LOCATION, UTE TRIBAL #3-75, LOCATED AS SHOWN IN THE SE 1/4 NE 1/4 OF SECTION 3, T9S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.



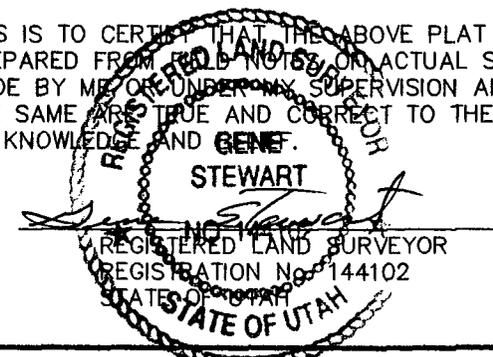
N0°01'W - 80.41 (G.L.O.)

N0°02'W - 80.44 (G.L.O.)

WELL LOCATION:
UTE TRIBAL #3-75
 ELEV. UNGRADED GROUND = 4685.6'



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OR 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.



TRI STATE LAND SURVEYING & CONSULTING
 38 WEST 100 NORTH - VERNAL, UTAH 84078
 (801) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.S.
DATE: 10-20-98	WEATHER: FAIR
NOTES:	REVISIONS:

◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (OURAY SE)
 BASIS OF BEARINGS IS A GLOBAL POSITIONING SATELITE OBSERVATION

**OURAY 3-75
2078' FNL & 491' FEL
SENE, SECTION 3-T9S-R21E
UINTAH COUNTY, UTAH
LEASE NUMBER: 14-20-H62-3018**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the Ouray 3-75 on 12/8/98 at approximately 1:30 p.m. Weather conditions were cold at the time of the onsite. In attendance at the inspection were the following individuals:

Sheila Bremer	Coastal Oil & Gas Corporation
Kenny Nielsen	Coastal Oil & Gas Corporation
Bill Rawlins	Coastal Oil & Gas Corporation
Carroll Wilson	Coastal Oil & Gas Corporation
Greg Darlington	Bureau of Land Management
Manuel Myore	Bureau of Indian Affairs
Alvin Ignacio	Ute Tribe
Robert Kay	Uintah Engineering & Land Surveying
Harley Jackson	Jackson Construction
Jim Justice	J-West
John Faucett	John E. Faucett Construction

1. Existing Roads:

Refer to Topo Map A for directions to the location.

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

There will be no improvements made to existing access.

2. Planned Access Roads:

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

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

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

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

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

Please see the Natural Buttes Unit SOP.

6. **Source of Construction Materials:**

Please see the Natural Buttes Unit SOP.

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

Please see the Natural Buttes Unit SOP.

8. **Ancillary Facilities:**

Please see the Natural Buttes Unit SOP.

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

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

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

As agreed to at the onsite, the reserve pit will be lined. When the reserve pit is closed, the pit liner will be buried.

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

Please see the Natural Buttes Unit SOP.

11. **Surface Ownership:**

The well pad and access road are located on lands owned by Ute Tribal allottee.

12. **Other Information:**

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

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

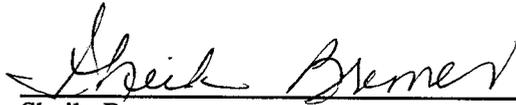
Sheila Bremer
Environmental & Safety Analyst
Coastal Oil & Gas Corporation
P.O. Box 749
Denver, CO 80201-0749
(303) 573-4455

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

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

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

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

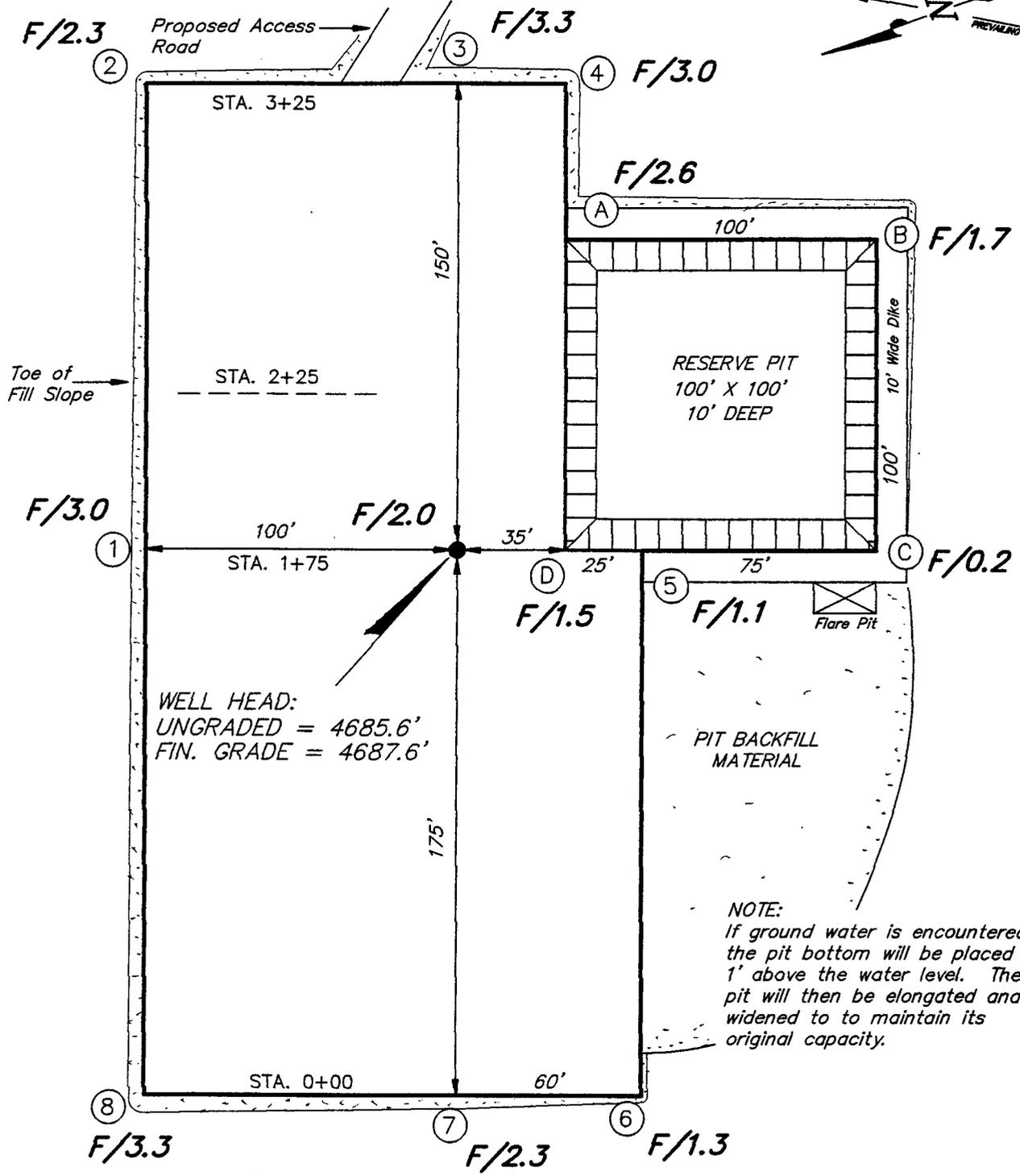
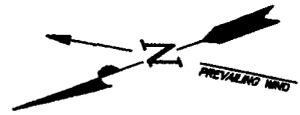


Sheila Bremer

1/7/99
Date

COASTAL OIL & GAS COMP.

UTE TRIBAL #3-75
SEC. 3, T9S, R21E, S.L.B.&M.



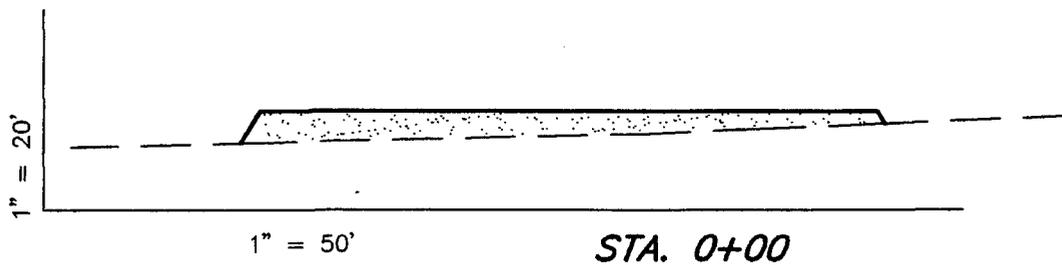
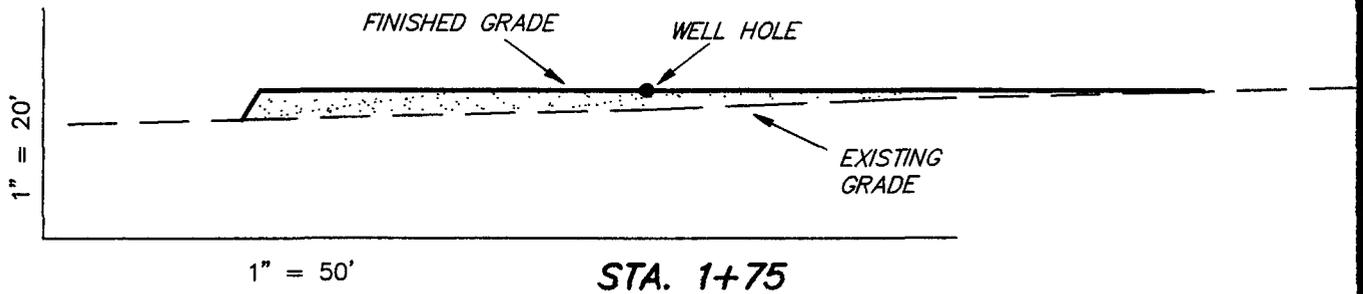
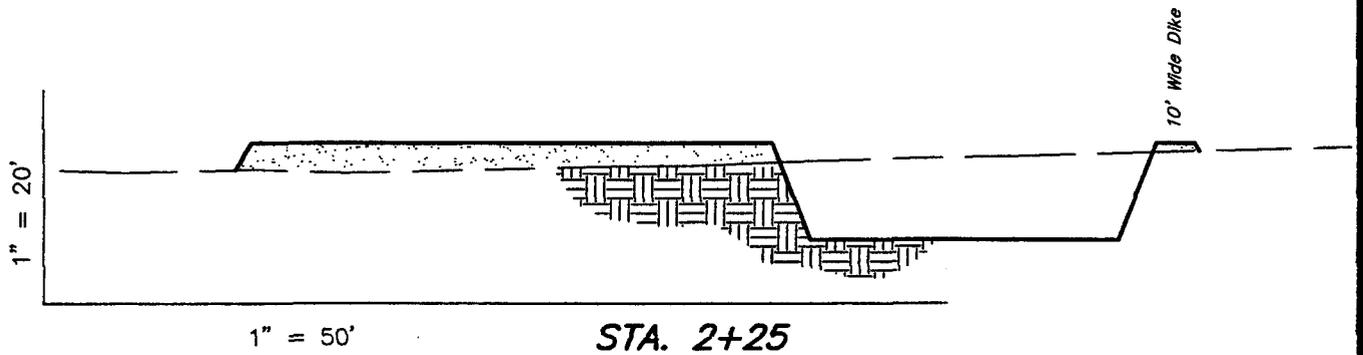
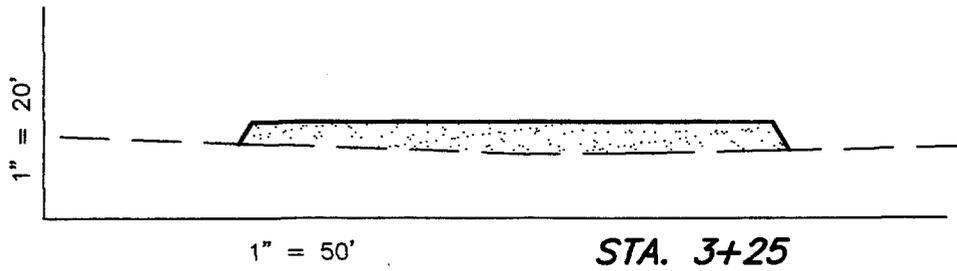
REFERENCE POINTS
225' WEST = 4685.2'
275' WEST = 4685.2'

SURVEYED BY:	D.S.
DRAWN BY:	J.R.S.
DATE:	10-27-98
SCALE:	1" = 50'
FILE:	

Tri State
Land Surveying, Inc.
(801) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

CROSS SECTIONS

UTE TRIBAL #3-75



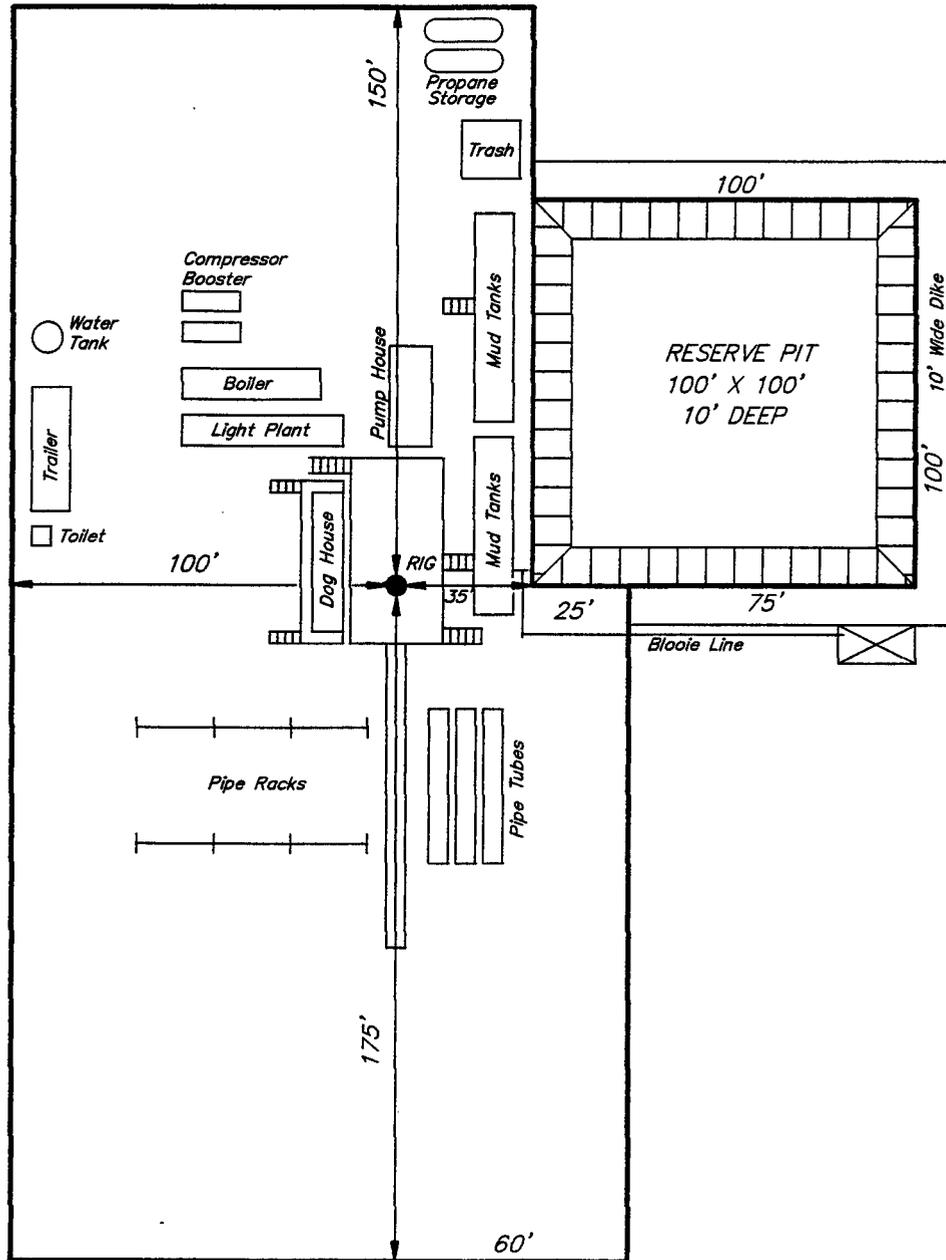
APPROXIMATE YARDAGES

CUT = 0 Cu. Yds.
FILL = 4,810 Cu. Yds.
PIT VOLUME BELOW
EXISTING GROUND = 2,520 Cu. Yds.

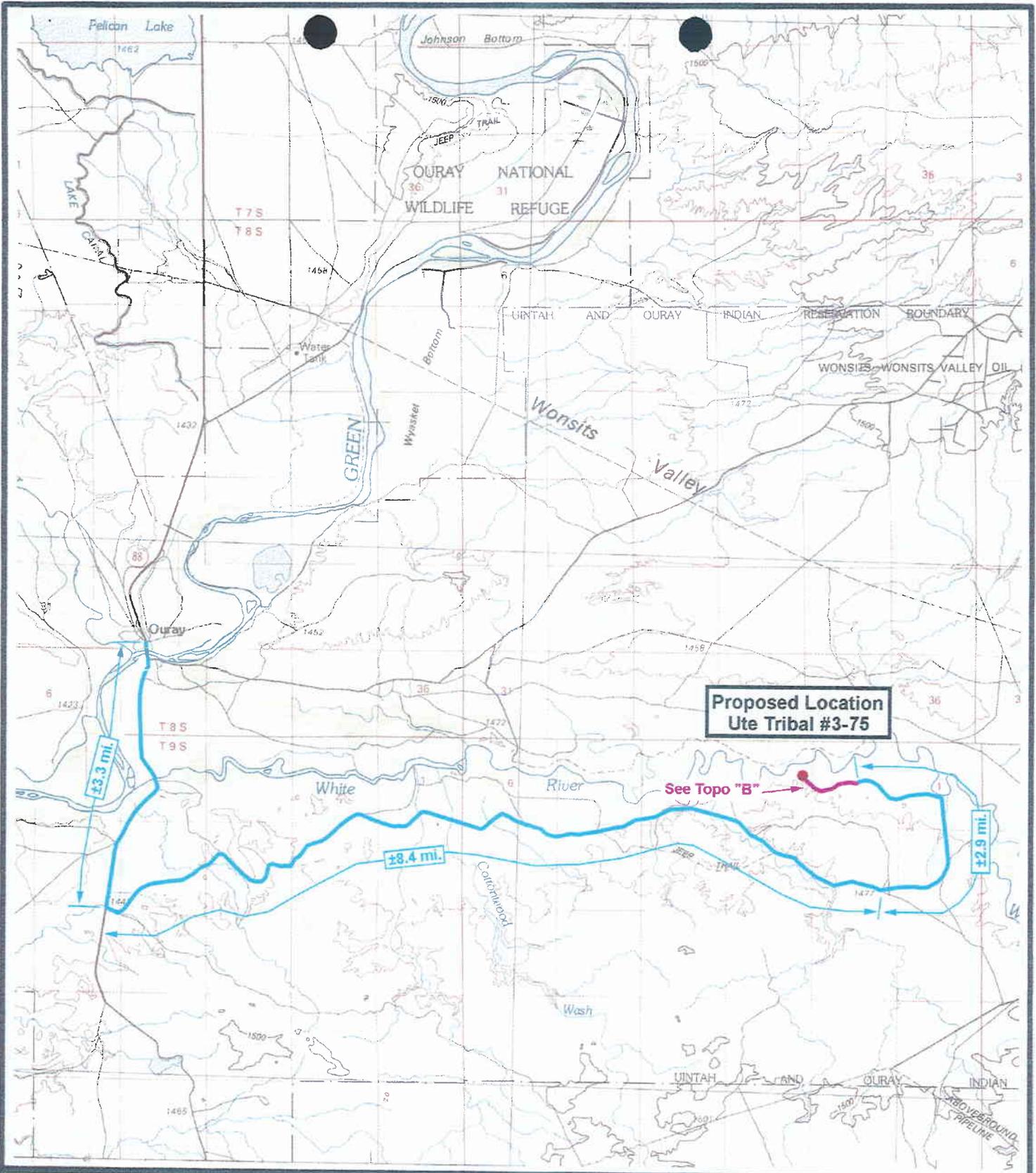
Tri State
Land Surveying, Inc.
(801) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

TYPICAL RIG LAYOUT

UTE TRIBAL #3-75



Tri State
Land Surveying, Inc.
(801) 781-2501
38 WEST 100 NORTH, VERNAL, UTAH 84078



**Proposed Location
Ute Tribal #3-75**

See Topo "B"

±13.3 mi.

±8.4 mi.

±2.9 mi.



Coastal Oil & Gas Corporation
A SUBSIDIARY OF THE COASTAL CORPORATION

**UTE TRIBAL #3-75
SEC. 3, T9S, R21E, S.L.B.&M.
TOPOGRAPHIC MAP "A"**



Drawn By: SS

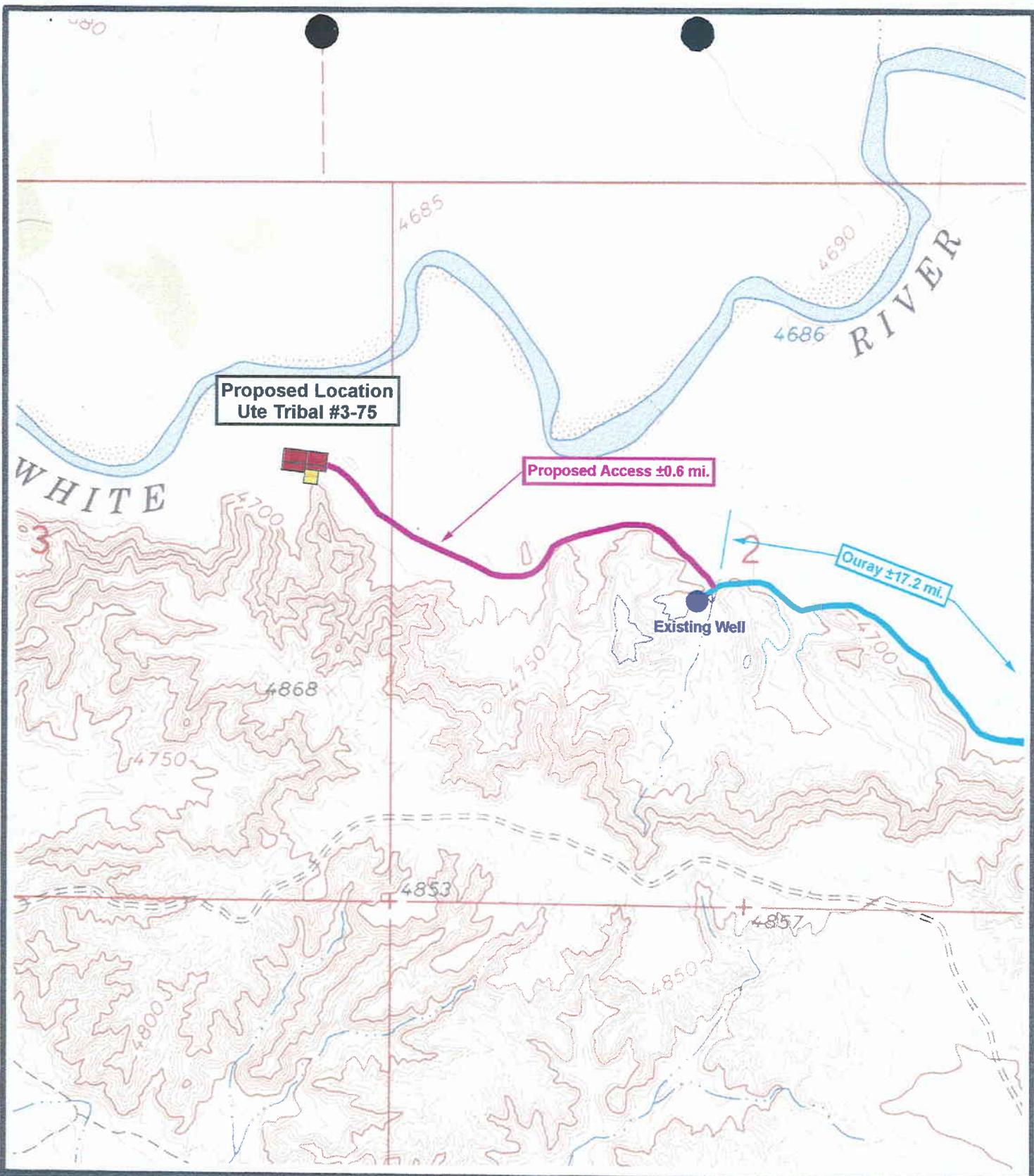
Revision:

Scale: 1 : 100,000

File:

Date: 10/22/98

Tri-State Land Surveying Inc.
P.O. Box 533, Vernal, UT 84078
435-781-2501 Fax 434-781-2518



Coastal Oil & Gas Corporation
A SUBSIDIARY OF THE COASTAL CORPORATION

UTE TRIBAL #3-75
SEC. 3, T9S, R21E, S.L.B.&M.
TOPOGRAPHIC MAP "B"



Drawn By: SS

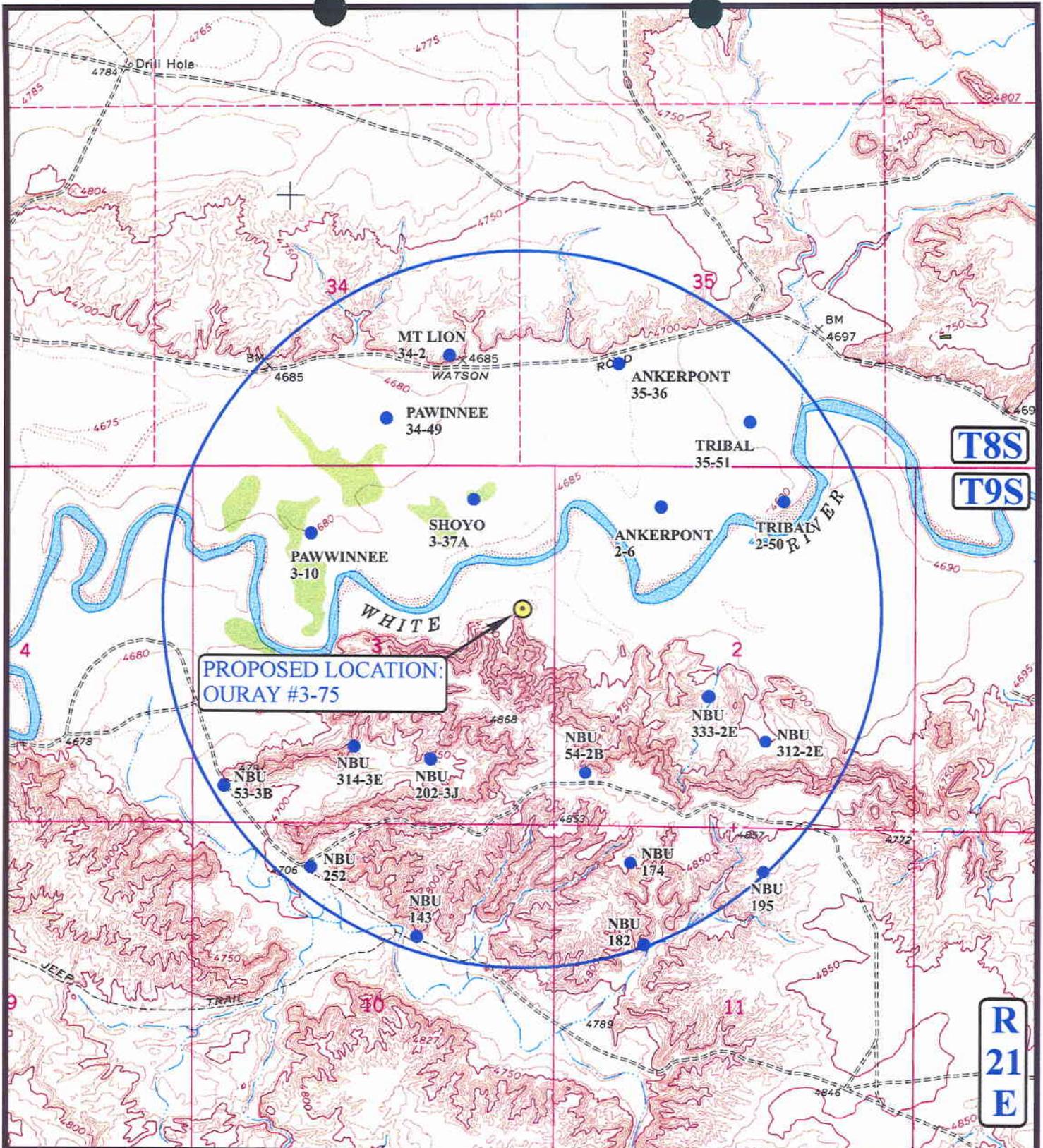
Revision:

Scale: 1" = 1000'

File:

Date: 10/15/98

Tri-State Land Surveying Inc.
P.O. Box 533, Vernal, UT 84078
435-781-2501 Fax 434-781-2518



PROPOSED LOCATION:
OURAY #3-75

LEGEND:

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

COASTAL OIL & GAS CORP.

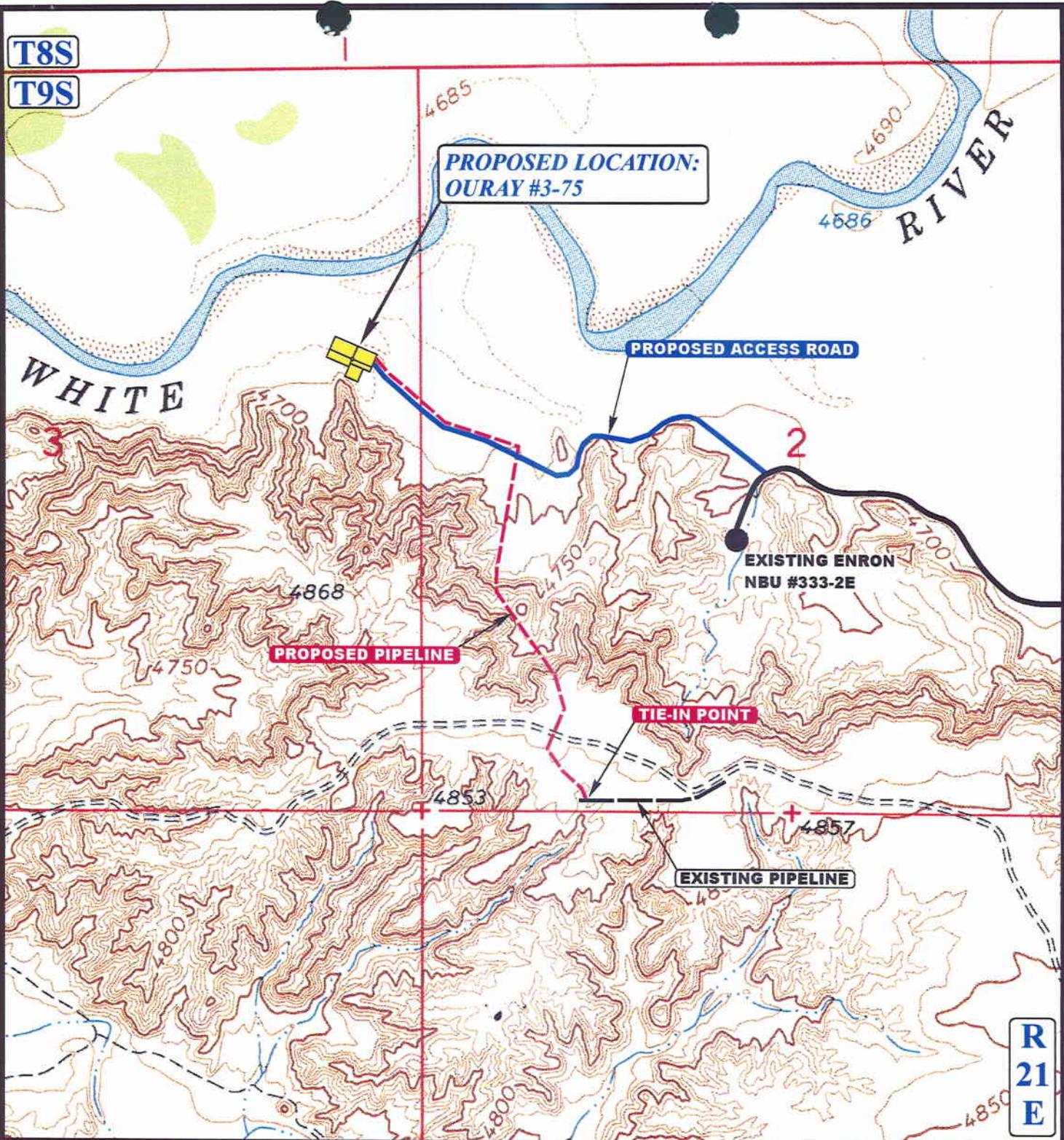
OURAY #3-75
SECTION 3, T9S, R21E, S.L.B.&M.
2078' FNL 491' FEL

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

TOPOGRAPHIC MAP 1 6 99
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00



T8S
T9S



APPROXIMATE TOTAL PIPELINE DISTANCE = 4,040' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

COASTAL OIL & GAS CORP.

OURAY #3-75
SECTION 3, T9S, R21E, S.L.B.&M.
2078' FNL 491' FEL



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

TOPOGRAPHIC MAP **11 24 98**
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: D.COX REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/12/1999

API NO. ASSIGNED: 43-047-33279

WELL NAME: OURAY 3-75
 OPERATOR: COASTAL OIL & GAS CORP (N0230)
 CONTACT: ~~Shirley Bremer (303) 573-4455~~
 Cheryl Cameron (435) 781-7023

AMENDED

PROPOSED LOCATION:
 SENE 03 - T09S - R21E
 SURFACE: ~~2078 FNL-0491-FEL~~ 2280 FNL 800 FEL
 BOTTOM: ~~2078 FNL-0491-FEL~~ 2280 FNL 800 FEL
 UINTAH COUNTY
 NATURAL BUTTES FIELD (630) **loc. Chg. not aprv. prior to LA.*

INSPECT LOCATN BY: / /		
TECH REVIEW	Initials	Date
Engineering	RJK	2-5-99
Geology		
Surface		

LEASE TYPE: IND
 LEASE NUMBER: 14-20-H62-3018
 SURFACE OWNER: Ute Tribe

PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
 (No. IND-114066-A)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5(B)
 Water Permit
 (No. 43-8496)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)

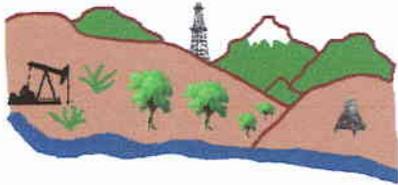
LOCATION AND SITING:

___ R649-2-3. Unit _____
 ___ R649-3-2. General _____
 ___ R649-3-3. Exception _____
 Drilling Unit
 Board Cause No: 173-13 (8/320')
 Date: 3-24-99
460' fr. Dr. Unit boundary & 920' between wells.

COMMENTS: * SOP "NBK & Ouray Field", separate file.
* loc. Chg. need add'l info. "Ex Loc/173-13" - Did not receive prior to LA 3-1-01. fc

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 1965 ' to 2085 ' below GL. The Operator shall report the actual depth the oil shale is encountered to the Division.

② FEDERAL APPROVAL



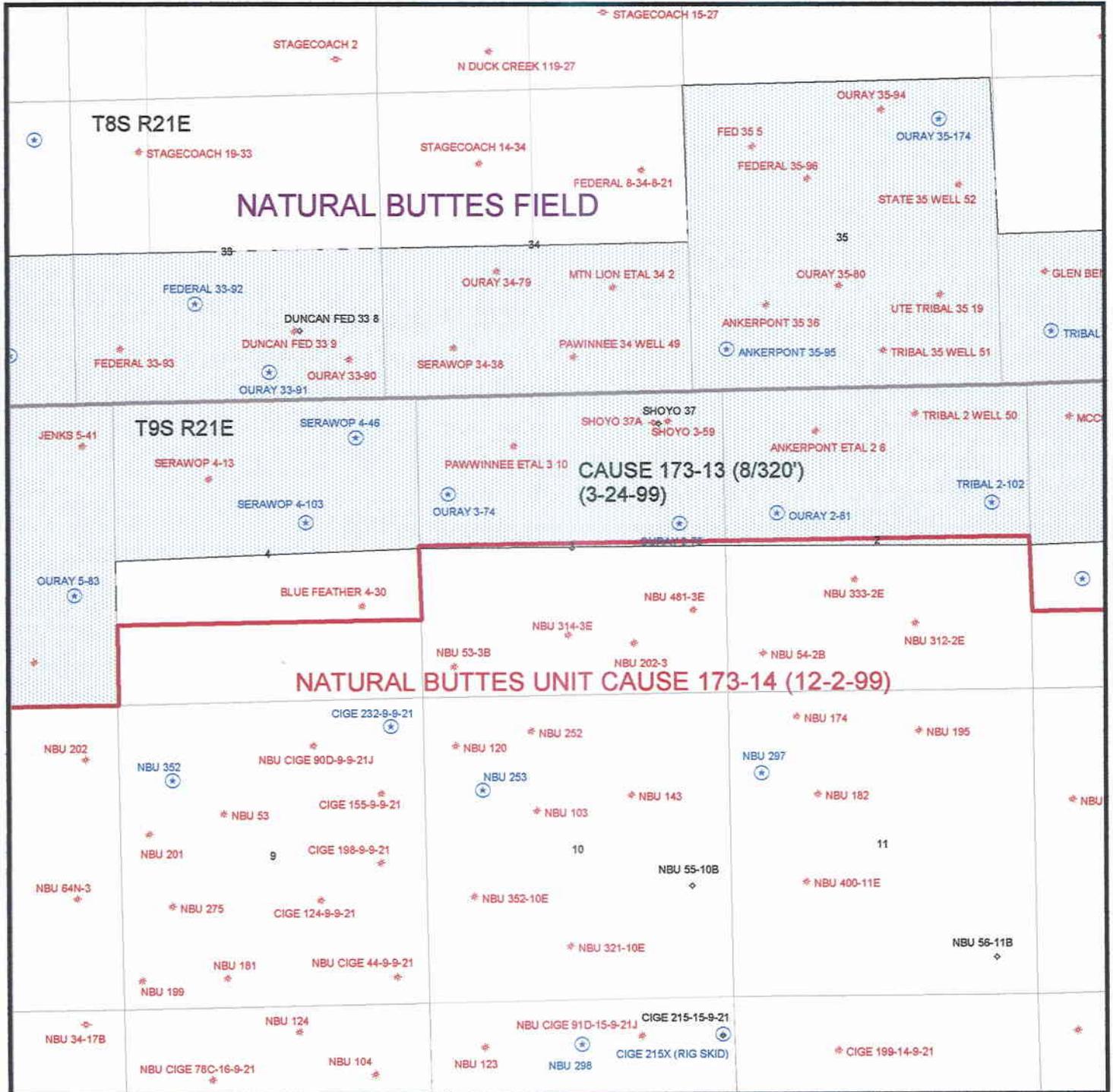
Utah Oil Gas and Mining

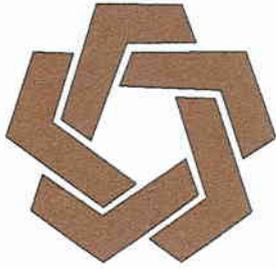
OPERATOR: COASTAL O&G CORP (N0230)

FIELD: NATURAL BUTTES (630)

SEC. 3, T9S, R21E,

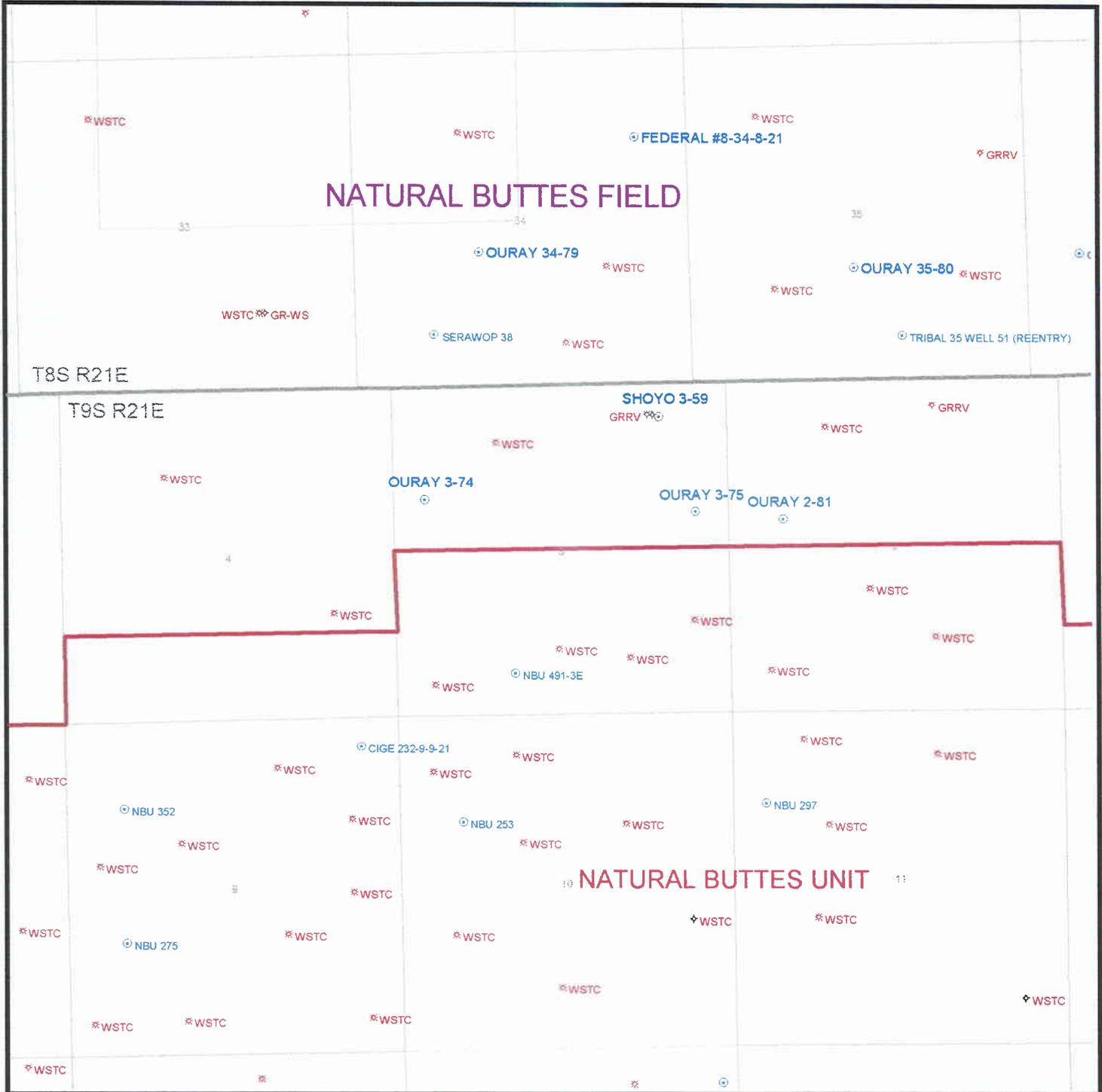
COUNTY: UINTAH SPACING: 173-13





Department of Natural Resources
Division of Oil, Gas & Mining

OPERATOR: COASTAL OIL & GAS CORP. (N0230)
FIELD: NATURAL BUTTES (630)
SEC. 2 & 3, TWP 9S, RNG 21E
COUNTY: UINTAH □ UNIT: NONE

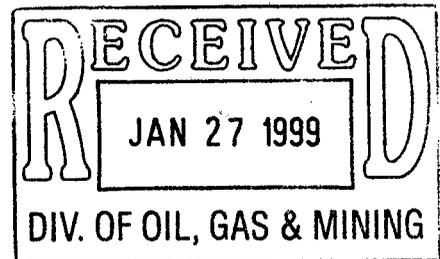


PREPARED
DATE: 21-JAN-1999



Coastal
The Energy People

January 22, 1999



Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

ATTENTION: Ed Forsman

Dear Ed,

Enclosed is the original and two copies of the Sundry Notice and Reports on Wells, requesting approval that the NBU SOP be amended to include the Ouray field, for all APD's Permitted.

If you have questions or need additional information, please do not hesitate to call me, (435) 789-4433.

Sincerely,

Cheryl Cameron
Environmental Analyst

Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION
1100 S 1300 E • P.O. BOX 1148 • VERNAL, UT 84078 • TEL 789-4433 • FAX 801-739-4436

cc w/ encl: Mr. Ferron Secakuku
Ute Tribe
Energy & Minerals Resource Department
P.O. Box 70
Ft. Duchesne, UT 84026

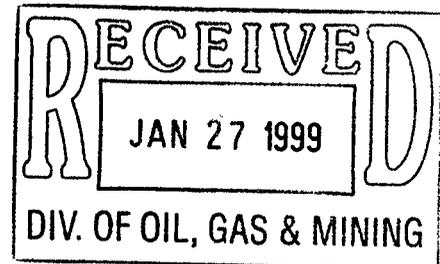
Mr. Charles H. Cameron
Bureau of Indian Affairs
Uintah & Ouray Agency
Office of Minerals & Mining
P.O. Box 130
Ft. Duchesne, UT 84026

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



January 21, 1999

Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078



ATTENTION: Ed Forsman

RE: Ouray 5-67 Ouray 6-66 Ouray 5-68 Ouray 32-70 Ouray 6-71
Ouray 5-72 Ouray 3-74 Ouray 2-81 Tribal 36-35 Jenks 5-41
Ouray 6-73 Shoyo 3-59 Ouray 3-75 Ouray 34-79 Serawop 34-38
Ouray 35-80 Ouray 32-69

Dear Ed,

Enclosed are the amendments to the **Drilling Program** for the surface casing, on the above referenced locations, for the APD's recently submitted. I apologize for any inconvenience this may cause.

Please do not hesitate to contact me if you have any questions or need additional information in the Vernal office, (435) 789-4433.

Sincerely,

Cheryl Cameron
Environmental Analyst

Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION
1178 S. MAIN E. • P.O. BOX 1113 • VERNAL, UT 84078 • 801-789-4433 • FAX 801-789-4436

cc w/ encl: Mr. Ferron Secakuku
Ute Tribe
Energy & Minerals Resource Department
P.O. Box 70
Ft. Duchesne, UT 84026

Mr. Charles H. Cameron
Bureau of Indian Affairs
Uintah & Ouray Agency
Office of Minerals & Mining
P.O. Box 130
Ft. Duchesne, UT 84026

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

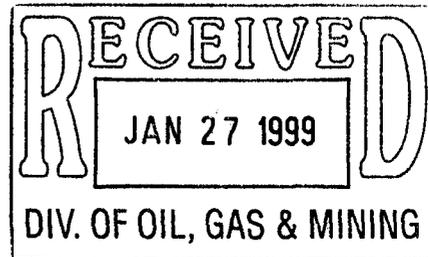
**OURAY 3-75
2078' FNL & 491' FEL
SE/NE, SECTION 3-T9S-R21E
UINTAH COUNTY, UTAH
LEASE NUMBER: 14-20-H62-3018**

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

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Duchesne River/Uinta	Surface
Green River	1970'
Wasatch	5330'
Mesaverde	8150'
Total Depth	8950'



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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Green River	1970'
	Wasatch	5330'
	Mesaverde	8150'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment:

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

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

Casing and Cementing Program changes from the Natural Buttes Unit SOP are as follows:

<i>SURFACE CASING</i>	<i>Depth</i>	<i>Hole Size</i>	<i>Csg Size</i>	<i>Wt/Ft</i>	<i>Grade</i>	<i>Type</i>
Kicker Sand Present	0-900'	11"	8-5/8"	24#	K-55	ST&C

<i>Surface Casing</i>	<i>Fill</i>	<i>Type & Amount</i>
Kicker Sand Present -- 0-900'	900'	255 sx Class "G" + 2% CaCl ₂ , 15.6 ppg, 1.19 cf/sx (Cement will be circulated to surface, about 25% excess).
<i>Production Casing</i>		<i>Type & Amount</i>
500' above productive interval-surface	Lead: Extended, Lite, or Hi-Fill cement + additives, 11 ppg, 3.81 cf/sx.	
TD-500' above productive interval	Tail: Extended Class "G" or 50:50 Poz + additives, 14.3 ppg; or RFC, 14.0-14.5 ppg, 1.26 cf/sx.	

5. **Drilling Fluids Program:**

Please see the Natural Buttes Unit SOP.

If the Kicker Sand is present, weighted mud (9.0 ppg or less) may be required. If hole conditions warrant, a mud system will be used.

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:**

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure approximately equals 3,580 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,611 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates & Notification of Operations:**

Please see the Natural Buttes Unit SOP.

9. **Variations:**

Please see the Natural Buttes Unit SOP.

10. **Other Information:**

Please see the Natural Buttes Unit SOP.



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)

February 8, 1999

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

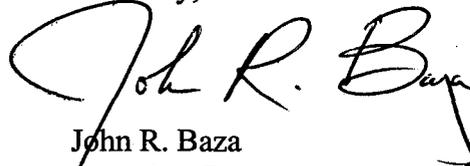
Re: Ouray 3-75 Well, 2078' FNL, 491' FEL, SE NE, Sec. 3, T. 9 S., R. 21 E., Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33279.

Sincerely,


John R. Baza
Associate Director

lwp

Enclosures

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

Operator: Coastal Oil & Gas Corporation

Well Name & Number: Ouray 3-75

API Number: 43-047-33279

Lease: Indian Surface Owner: Ute Tribe

Location: SE NE Sec. 3 T. 9 S. R. 21 E.

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours 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 1,965' to 2,085' below G.L. The operator shall report the actual depth the oil shale is encountered to the Division.

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

5. LEASE DESIGNATION AND SERIAL NO.
14-20-H62-3018

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute

7. UNIT AGREEMENT NAME

N/A CA-9C-186

8. FARM OR LEASE NAME, WELL NO.
Ouray 3-75

9. API WELL NO.
43-047-33279

10. FIELD AND POOL, OR WILDCAT

Ouray Field

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SE/NE Section 3-T9S-R21E

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

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

2. NAME OF OPERATOR
Coastal Oil & Gas Corporation

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)
At surface
2078' FNL 491' FEL
At proposed prod. zone
Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
See Topo Map "A"

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) **491'**

16. NO. OF ACRES IN LEASE
161.67

17. NO. OF ACRES ASSIGNED TO THIS WELL
161.67

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

19. PROPOSED DEPTH
8950'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4685' Ungraded GL

22. APPROX. DATE WORK WILL START*
Upon Approval

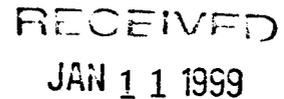
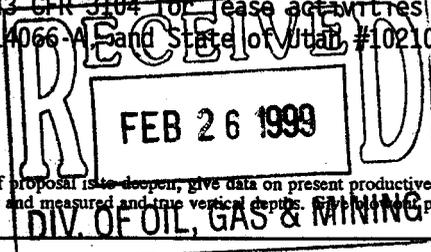
23. PROPOSED CASING AND CEMENTING PROGRAM

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

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

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

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



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. If proposal is to drill or deepen, give a preventive program, if any.

24. Sheila Bremer SIGNED TITLE Environmental & Safety Analyst DATE 1/7/99

(This space for Federal or State office use)

NOTICE OF APPROVAL

PERMIT NO. _____ 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.

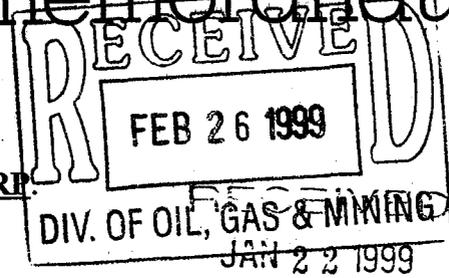
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY John Kumpf TITLE Acting Assistant Field Manager Mineral Resources DATE FEB 22 1999

*See Instructions On Reverse Side

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

memorandum



DATE: **January 21, 1999**

REPLY TO
ATTN OF: Superintendent, Uintah & Ouray Agency

SUBJECT: APD Concurrence for COASTAL OIL & GAS CORP.

TO: Bureau of Land Management, Vernal District Office
Attn: Minerals and Mining Division

We recommend approval of the Application for Permit to Drill (APD) for a drillsite, access road, and pipeline, with required stipulations:

Ouray 2-81, SWNW, Section 2, 9S 21E SLBM
Ouray 3-75, SENE, Sec. 3, 9S 21E, SLBM
Glen Bench State #12-36-8-21 NWSW, Sec 36, 8S, 21E, SLBM

Based on available information received on 12/08/98, the proposed location was cleared in the following areas of environmental impact.

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

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

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

1. **The Ute Tribe Energy and Minerals Department is to be notified in writing of any changes that are made to original application and rights-of-way. Approved changes will be provided in writing from the Ute Tribe.**
2. **The Ute Tribe Energy and Minerals Department will be notified 48 hours, in writing in advance to any construction activity. The Ute Tribal office days are Monday to Thursday.**
3. During construction of the access road for wellsites Ouray 2-81 and Ouray 3-75, a qualified paleontologist and tribal technician shall monitor construction.
4. 30-foot wide pipeline rights-of-way shall be granted and buried pipelines shall be a minimum of 4 feet below surface.
5. Pipeline ROW will not be used as an access road.
6. All access roads will be granted in accordance with BIA mitigative stipulations.
7. Reserve pit liners will be 10-mil thick minimum. Upon backfilling the liners will be buried a minimum of 4 feet deep. Tribal technician to be notified and monitor back filling of reserve pits.

**SITE SPECIFIC
PRIVATE
ENVIRONMENTAL ASSESSMENT**

RECEIVED
JAN 22 1999

1.0 - PROPOSED ACTION

Coastal Oil & Gas is proposing to drill a well, the Ouray # 3-75, and to construct 3283.97' feet of access road right-of-way use existing r.o.w and approximately 4042.10' feet of pipeline right of way. This project will be constructed along disturbed and undisturbed area a moderate amount of surface disturbance will occur. There will be some native vegetation which will encroach on the rights -of-way which will be bladed off the road, but left as is on the surrounding areas in order for the vegetation to grow back as close to natural. All pipelines must adhere to mitigation stipulated in 6.0, D-E

2.0 - ALTERNATIVE ACTIONS

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

3.0 - PERMITTEE/LOCATION

Permittee	Coastal Oil & Gas
Date	12-08-98
Well number	Ouray # 3-75
Right-of-way	Access Road R.O.W 3283.97' feet. Pipeline R.O.W 4042.10' feet
Site location	SE/NE1/4 Sec 3 T9S R21E S.L.B.&M

4.0 - SITE SPECIFIC SURVEY

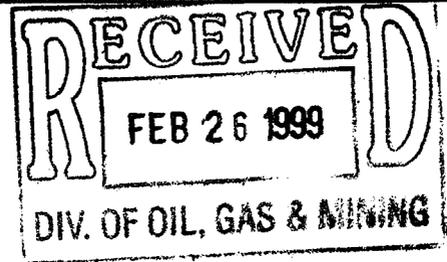
A. SITE DESCRIPTION

1. Elevation (feet)	4685
2. Annual precipitation (inches)	4 to 6
3. Topography	Rolling hills
4. Soil	(0 to 6") sandy loam having a rapid water intake rate and permeability.
5. Estimate Infiltration Rate	Moderate

RECEIVED
FEB 26 1999
DIV. OF OIL, GAS & MINING

B. VEGETATION

1. Habitat type is:	semi desert scrub
2. Percent Ground Cover:	estimated to be 30%.
3. Vegetation consists of:	40% grasses Main variety of grasses are desert needlegrass, Indian ricegrass, galletta, squirrel tail , cheat grass,
	50% scrubs; prickly pear, spiny hopsage, rabbit brush, fourwing salt bush, spiny horse brush, grease wood, and snake weed, Sand sage, wild Buckwheat
	10% forbs, annuals
4. Observed T&E species:	None
5. Potential For T&E species:	Slight
6. Observed Noxious Weeds:	None



C. AFFECTED ENVIRONMENTAL

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

4.1 - WILDLIFE

A. POTENTIAL SITE UTILIZATION

1. Big Game	Big Game & Feral Horses-The area is used year around by horses and antelope.
2. Small Game	The area is used by cottontail rabbit, morning dove
3. Raptors	Golden eagles, Marsh hawk, Redtail hawk, Prairie falcon, & Kestrel
4. Non-Game Wildlife	Animal species which have been observed using this area are coyote, fox, badger, and various species of reptiles, and song birds
5. T&E Species	No T&E species are reported using the area of this project.

4.2 - PRESENT SITE USE

A. USAGE

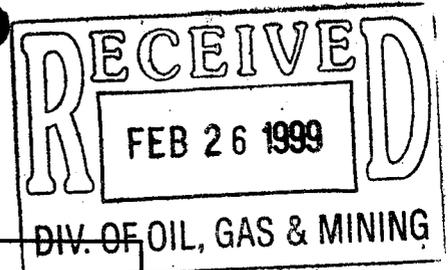
	Acres
Rangeland	7.58
Woodland	0
Irrigable land	0
Non-Irrigable land	7.58
Commercial timber	0
Floodplain	0
Wetland	0
Riparian	0
Other:	0

4.3 - CULTURAL RESOURCES

A. CULTURAL SURVEY

The well site, and access road and pipeline rights-of-ways had a cultural resource survey performed by Montgomery Archaeological Consultants Inc.

5.0 - ENVIRONMENTAL IMPACTS



A. SURFACE ALTERATIONS:

	Acres
1. Access road	2.26
2. Well site	2.54
3. Pipeline right-of-way	2.78
4. Total area disturbed	7.58

B. VEGETATION/LANDSCAPE

1. Production loss (AUM's)/year:	0.50
2. Permanent scar on landscape (yes or no):	Yes
3. Potential impacts to T&E species (yes or no):	No

C. SOIL/RANGE/WATERSHED

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

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

The area is presently used as rangeland and permits have been issued by BIA for grazing livestock. This project will reduce livestock grazing by approximately 0.50 AUM/ year.

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

6.0 - MITIGATION STIPULATION

A. VEGETATION/LANDSCAPE

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

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

B. SOILS/RANGE/WATERSHEDS

1. Soil erosion will be mitigated by reseeding all disturbed areas.
2. Approximately 17 rods of fence will be constructed around the reserve pit until it is back filled.
3. Loading of the soil and geological formations from pollutants from disposed water and other oil field by-products will be mitigated by requiring the oil company to:

- a) Using an open drilling system. This means that reserve pits will be lined with impervious synthetic liners. Prior to back-filling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are back-filled the surplus oil and mud, etc. will be buried a minimum of 3.0 feet below the surface of the soil.
- b) A closed system will be used during production. This means that production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites.
- c) Production water, oil, and other by-products will not be applied to roads or well pads for the control of dust or weeds. Indiscriminate dumping of oil field by-products on tribal lands will not be allowed.

C. ACCESS ROADS

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

D. SURFACE PIPELINES

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

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

E. BURIED PIPELINES

Buried pipelines shall be buried a minimum of 3.0 feet below the soil surface. After construction of the pipeline is completed the disturbed area of the right-of-way shall be contoured to blend into the natural landscape, and it shall be reseeded with desirable vegetation .

Between September 15 and November 1 of the year following pipeline construction all disturbed areas shall be reseeded with perennial vegetation according to BIA, or Ute Tribe specification.

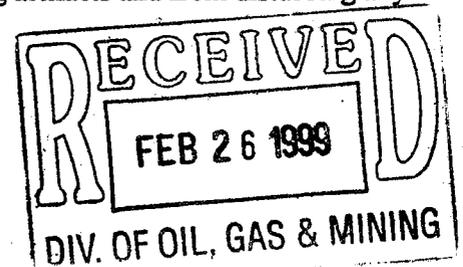
F. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

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

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

G. CULTURAL RESOURCES

1. All vehicular traffic, personnel movement, construction and restoration operations shall be confined to the flagged areas and corridors examined as referenced in the cultural resource survey.
2. All personnel and their sub-contractors shall refrain from collecting artifacts and from disturbing any cultural resources in the area.



3. Authorized officials and their sub-contractors shall immediately stop construction activities and shall consult with BIA and the Ute Indian Tribal Department of Energy & Minerals should cultural remains from subsurface deposits be exposed during construction work or if the need arises to relocate or otherwise alter the location of the construction area. (Construction activities may resume in areas outside of the area where cultural resources are not exposed.) Prior to commencing constructing in the area where cultural resources are exposed the operator must obtain authorization from BIA and the Ute Tribal Department of Cultural Rights and Protection.

7.0 - UNAVOIDABLE ADVERSE IMPACTS

A. SURFACE ALTERATIONS

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

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

1. Short Term: (Estimated 20 years) A total loss of production on the land and the associated environmental impacts will continue to influence the surrounding area for the productive life of the well.

2. Long Term: Standard policies provide for rehabilitation of the well sites and access roads. After the land is rehabilitated, it is not expected to return to its original productive capability. Normally, there will be a permanent scar left on the landscape.

C. IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT

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

8.0 - CUMULATIVE IMPACTS

A. FULL DEVELOPMENT

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

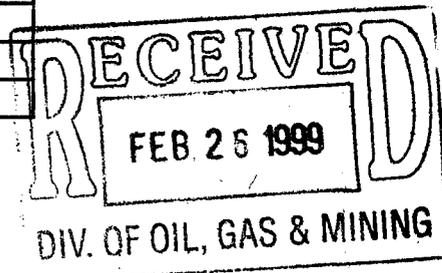
9.0 - NEPA COMPLIANCE

A. RESEARCH/DOCUMENTATION

Based on available information, 12-08-98, the proposed location in the following areas of environmental impacts has been cleared:

(Yes or No)

Listed Threatened & Endangered species	No
Critical wildlife habitat	No
Historical and cultural resources	No
Flood Plains	No
Wetlands	No
Riparian Areas	No



10.0 - REMARKS

A. SURFACE PROTECTION/REHABILITATION

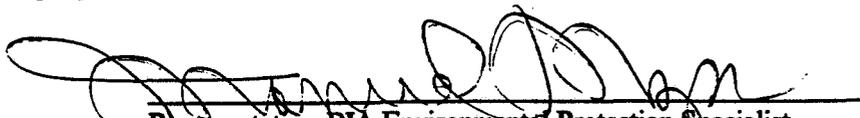
All essential surface protection and rehabilitation requirements are specified above.

11.0 - RECOMMENDATIONS

A. APPROVAL/DISAPPROVAL

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

Date: 1-14-99



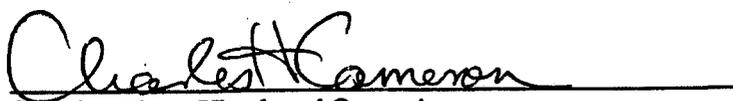
Representative, BIA Environmental Protection Specialist
Uintah and Ouray Agency

12.0 - DECLARATION

A. APPROVAL

It has been determined that the proposed action is not a federal action significantly affecting the quality of the environment as it would require the preparation of an environmental impact statement in accordance with Section 102 (2) (c) of the National Environmental Policy Act of 1969 (42 USC 4331) (2) (C).

Date: 1/20/99



Superintendent, Uintah and Ouray Agency

13.0 - CONSULTATION

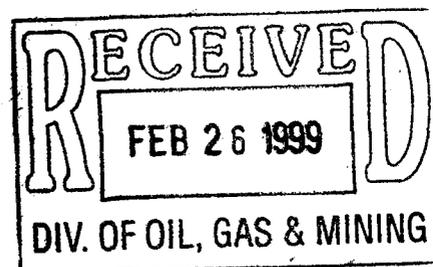
A. REPRESENTATIVES/ORGANIZATION

Sheila Bremer - Coastal Oil & Gas.
Greg Darlington- BLM.
Robert Kay-UELS

Alvin Ignacio- UTEM
Manuel Myore-BIA
Carroll Wilson-Coastal Oil & Gas

Jim Justice-J&R Const.
Harley Jackson-Jackson Const.
John Fausett-Fausett Const.

EA.Coastal Oil & Gas Ouray # 3-75



CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil & Gas Corporation

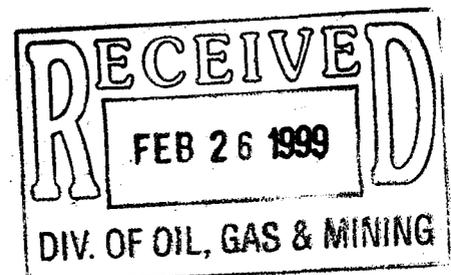
Well Name & Number: OURAY 3-75

API Number: 43-047-33279

Lease Number: 14-20-H62-3018

Location: SENE Sec. 03 T. 09S R. 21E

Agreement: C.A. 9C-186



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.

NOTE: The target formation for this well is the Mesaverde Formation, therefore, the BOPE and related equipment must meet the requirements of a **3M** system as identified in the approved Ouray/Natural Buttes Unit's Standard Operating Plan.

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. Casing Program and Auxiliary Equipment

The hole size for the surface casing shall be a minimum of 12.25 inches in diameter, to facilitate remedial cementing of the surface casing.

As a minimum, the usable water and other mineral 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 Green River Formation, identified at $\pm 2,009$ ft.

2. Mud Program and Circulating Medium

The request to consider disposing of drilling fluids down the casing annulus is **denied.**

SURFACE CONDITIONS OF APPROVAL

The Ute Tribe Energy and Mineral Department is to be notified 48 hours in writing in advance of any construction activity. The Ute Tribal office days are Monday through Thursday. The Ute Tribe Energy and Minerals Department is to be notified in writing of any changes that are made to the original application and ROW. Approved changes will be provided in writing from the Ute Tribe. The Tribal Technician shall be notified and monitor backfilling of reserve pits.

During construction of the access road for wellsites 2-81 and 3-75 a qualified paleontologist and the Tribal Technician shall monitor construction operations.

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

Access roads which shall have constructed travel width limited to 18 feet, except as granted for sharp curves or intersections or where deep cuts are required for road construction. The new access will be about 3300 feet in length from the 3300 foot long and project well 2-81 would share about 1650 feet of that proposed road to reach the well service road to an existing well. (333-2E Enron Natural Buttes Unit) Culverts will be installed or extended where required to improve the existing roads.

A surface steel production flowline is planned for this project. The flowline shall be mostly above ground as indicated in Map D.

Surface pipelines will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation. The line shall either be constructed on the road and then lifted from the road to its intended location paralleling the road, or it shall be welded in place at a welding station located at the wellsite or on roads near the flowline right of way and then dragged into place with a suitable piece of equipment so it will not destroy the natural vegetation. If the flowline doesn't follow existing and APD proposed new access roads then traffic shall be restricted along pipeline ROWs so that they will not be used as an access road. The 4040 foot long route for the flowline applied for in project well 3-75 would share about 3000 feet of length with that for project well 2-81. This is indicated in the APD on Map D.

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

As necessary one-foot gravel fill will be used for production facilities and access roads. When wellsites are plugged and abandoned gravel will be removed from the affected fields and reclamation will be according to BIA specifications.

Construction of wellsites will not occur during the period April 1 to July 15, due to potential flooding of the White River. During the drilling and production program a 2-foot high berm shall be constructed around the location and irrigation ditches will be rerouted around the location.

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

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

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

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

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

The Ute Tribe Energy & Mineral Department shall be consulted if cultural remains (including paleontology fossils) from subsurface deposits are exposed or identified during construction or if the need arises to relocate or otherwise alter the location of the construction area. Prior to commencing constructing in the area where cultural resources are exposed the operator must obtain authorization from the BIA and the Ute Tribal Department of Cultural Rights and Protection.

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

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

When the reserve pit is dug: if groundwater is encountered then the pit bottom will be placed one foot above the water level. The pit will then be elongated and widened to maintain its original capacity. The Ute Tribe Energy and Minerals Department will be notified of the changes to be made so that a Tribal Technician can monitor the construction of the revised reserve pit.

Reserve pits will be lined with impervious synthetic liners. Liners will be constructed to lay under the mud tanks, and they will be reinforced to prevent the liner from developing holes where fluids flow from the mud tank into the reserve pit. Liners will be at least 10-mil thick minimum. Pits will be fenced and fences will be maintained as described in Coastal's

Standard Operating Procedures for their APD's in the Natural Buttes Unit. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the pits are backfilled, the surplus oil and mud etc. will be buried a minimum depth of 3.0 feet below the surface of the soil.

The flare pit will be adjacent to the reserve pit.

A closed production system will be used. Production fluids will be contained in leak proof tanks. Low profile tanks will be used if needed to minimize problems with irrigation systems. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
14-20-H62-3018

6. If Indian, Allottee or Tribe Name
Ute

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

8. Well Name and No.
Gouray Tribal #3-75

9. API Well No.
43-047-33279

10. Field and Pool, or Exploratory Area
Gouray

11. County or Parish, State
Uintah UT

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)
**SE/NE Sec.3, T9S, R21E
2078' FNL & 491' FEL**

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

Please refer to Topo A&B for the Access Road Amendment as discussed during the Onsite on 10/20/99.

COPY SENT TO OPERATOR
Date: 11-17-99
Initials: CHD

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

RECEIVED
NOV 16 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 **11/8/99**

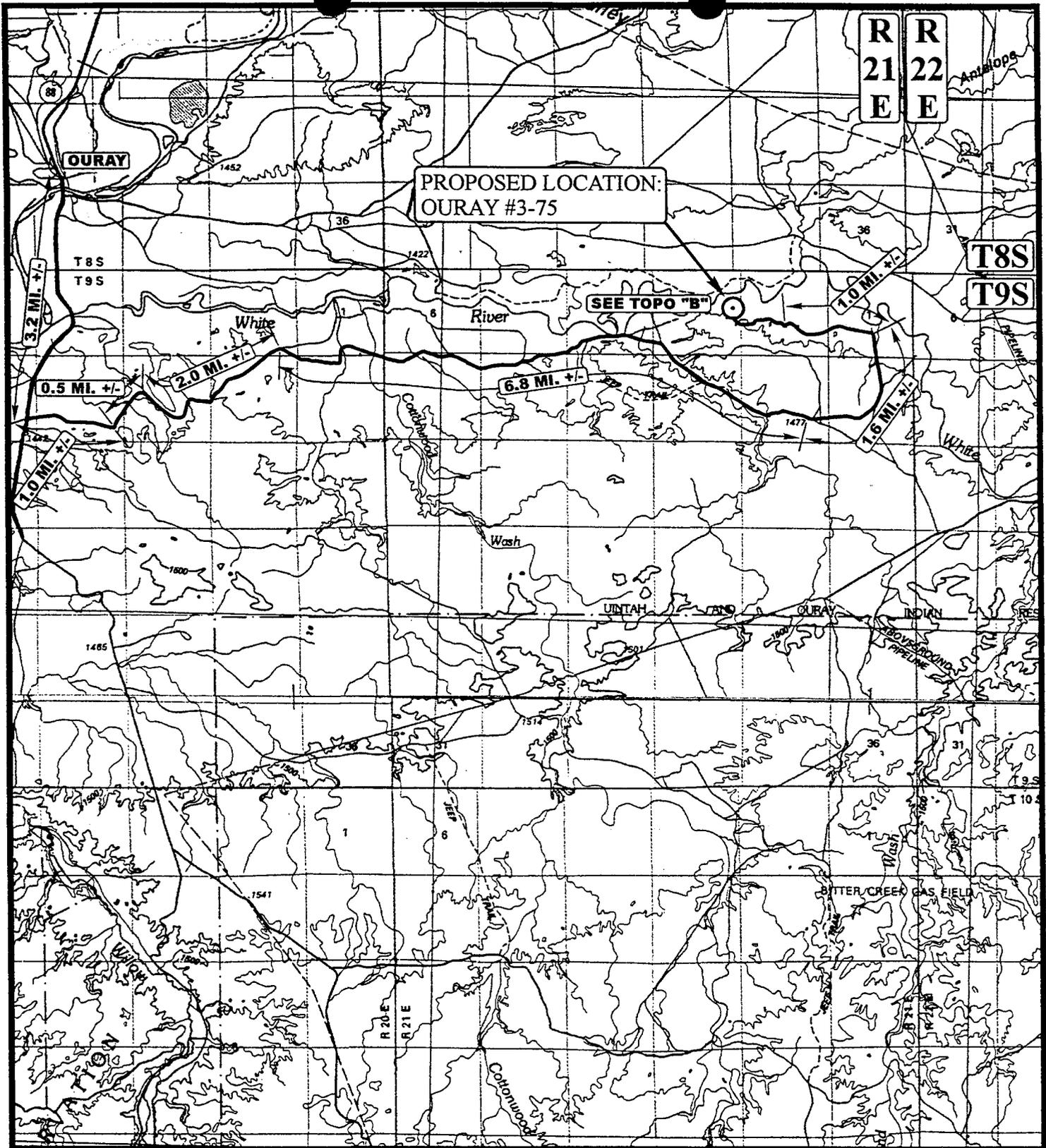
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title **Federal Approval of this Action is Necessary**

Office _____

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

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



PROPOSED LOCATION:
OURAY #3-75

SEE TOPO "B"

LEGEND:

⊙ PROPOSED LOCATION



COASTAL OIL & GAS CORP.

OURAY #3-75
SECTION 3, T9S, R21E, S.L.B.&M.
2078' FNL 491' FEL



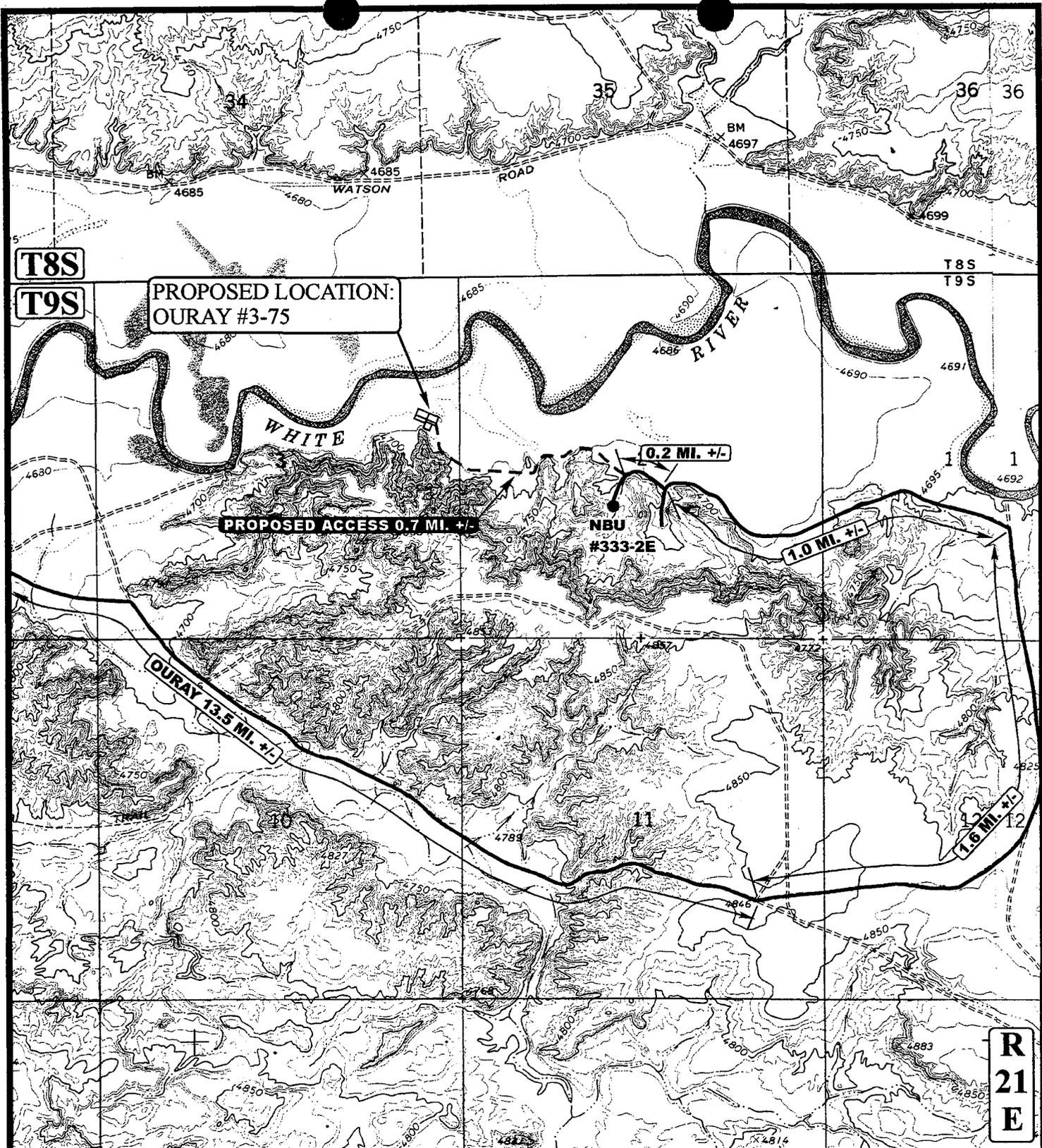
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

10 1999
MONTH DAY YEAR

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





T8S

T9S

T8S

T9S

**PROPOSED LOCATION:
OURAY #3-75**

PROPOSED ACCESS 0.7 MI. +/-

0.2 MI. +/-

1.0 MI. +/-

OURAY 13.5 MI. +/-

1.6 MI. +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



COASTAL OIL & GAS CORP.

**OURAY #3-75
SECTION 3, T9S, R21E, S.L.B.&M.
2078' FNL 491' FEL**



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

**TOPOGRAPHIC
MAP**

10	19	99
MONTH	DAY	YEAR



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

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.
14-20-H62-3018
6. If Indian, Allottee or Tribe Name
Ute

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
Ouray Tribal #3-75

2. Name of Operator
Coastal Oil & Gas Corporation

9. API Well No.
43-047-33279

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
Ouray

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SENE Sec.3,T9S,R21E 2078'FNL & 491'FEL

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

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <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 Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

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

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 2/2/00
By: [Signature]

RECEIVED

JAN 31 2000

DIVISION OF
OIL, GAS AND MINING

COPY SENT TO OPERATOR
Date: 2/3/00
Initials: CRD

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

Title
Environmental Jr. Analyst

Date **1/27/00**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

Office _____

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

AMENDED

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)

SE/NE 2280' FNL & 800' FEL

4435911 N
 625315 E

Sec. 3, T9S, R21E

5. Lease Serial No.
 14-20-H62-3018

6. If Indian, Allottee or Tribe Name
 Ute

7. If Unit or CA/Agreement, Name and/or No.
 CA-9C-186

8. Well Name and No.
 Ouray #3-75

9. API Well No.
 43-047-33279

10. Field and Pool, or Exploratory Area
 Ouray

11. County or Parish, State
 Uintah UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input 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>Location Move</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Closed System</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 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.)

Attached are the revised plat's for the subject well, due to the ~~location move~~ requested by the USF&WLS, on-sited on 9/19/00. The location now meets the requirements of the USF&WLS to be 460' away from the river. Refer to Topo D for the amended (on-lease) pipeline lateral.

Production facilities will consists of a conventional wellhead & allocation gas metering. The wellhead controls will be elevated to allow for a continuous production during seasonal high water conditions. All drilling fluids will be contained in the "Closed-Loop" System. Upon termination of drilling & completion operations, the liquid contents will be removed & disposed of at an approved waster disposal facility after drilling is terminated. The Closed-Loop system will be utilized after drilling is terminated. The Closed-Loop System will be utilized and set up in the area normally utilized for a reserve pit. Refer to attachment, Figure 4-22.

**Loc. Chg. not appr. JC*
Permit Rescinded-LA

RECEIVED
 OCT 02 2000
 DIVISION OF
 OIL, GAS AND MINING

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

Name (Printed/Typed)
 Cheryl Cameron

Title

Senior Regulatory Analyst

Date 9/26/00

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

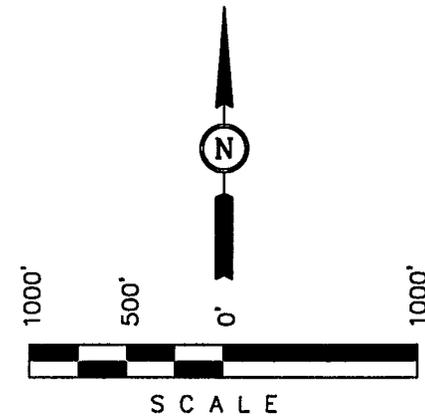
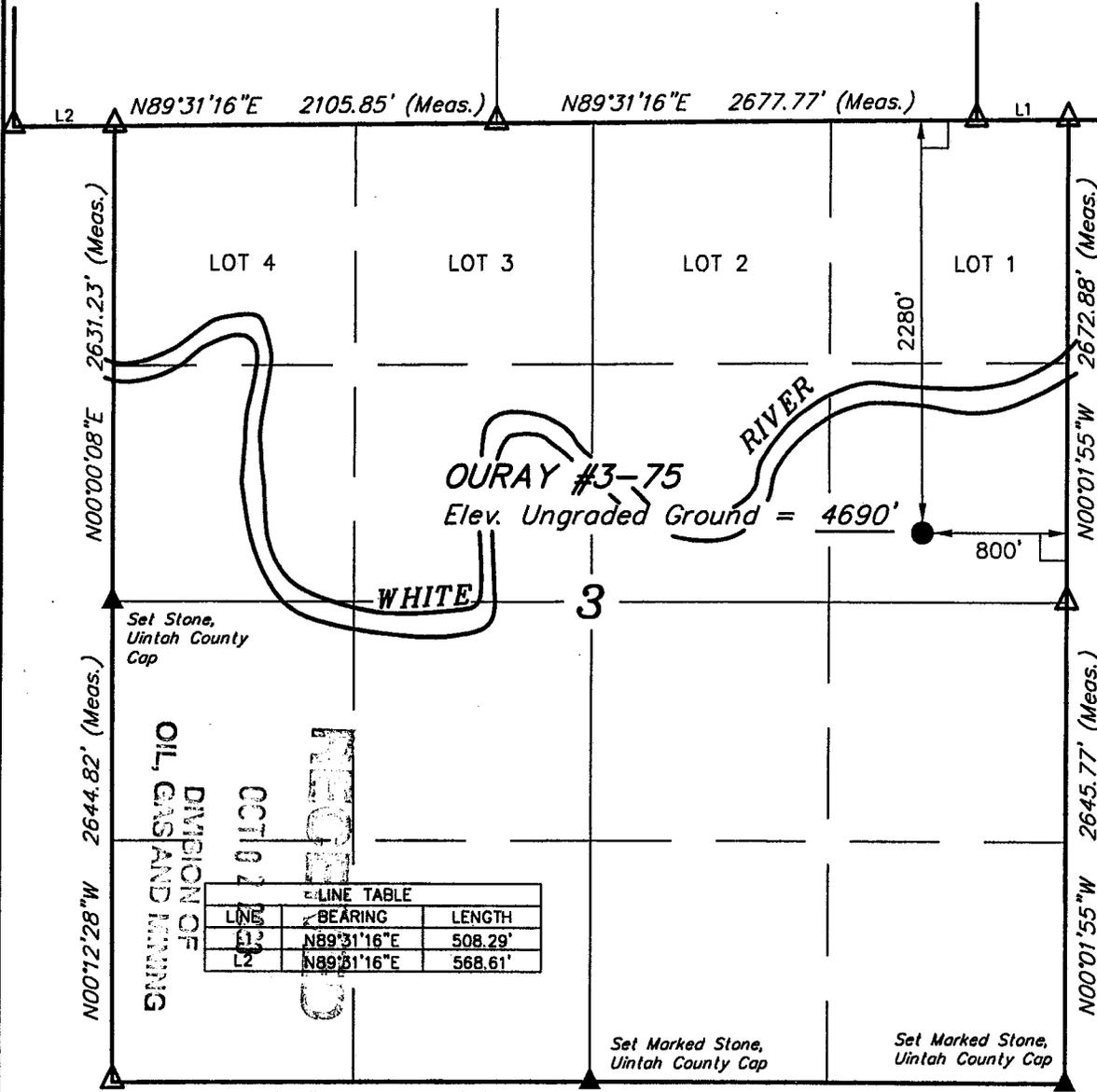
COASTAL OIL & GAS CORP.

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

Well location, OURAY #3-75, located as shown in the SE 1/4 NE 1/4 of Section 3, T9S, R21E, S.L.B.&M., Uintah County, Utah.

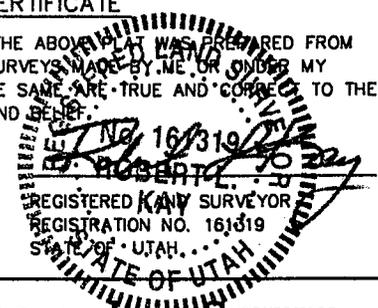
BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHEAST CORNER OF SECTION 3, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4853 FEET.



CERTIFICATE

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



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

LEGEND: N89°50'53"E 2639.63' (Meas.) 589°53'E - G.L.O. (Basis of Bearings) 2645.58' - (Measured)

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set)

LATITUDE = 40°03'58"
 LONGITUDE = 109°31'51"

SCALE 1" = 1000'	DATE SURVEYED: 09-11-00	DATE DRAWN: 09-12-00
PARTY D.K. B.P. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COASTAL OIL & GAS CORP.	

COASTAL OIL & GAS CORP.

OURAY #3-75

LOCATED IN UINTAH COUNTY, UTAH
SECTION 3, T9S, R21E, S.L.B.&M.

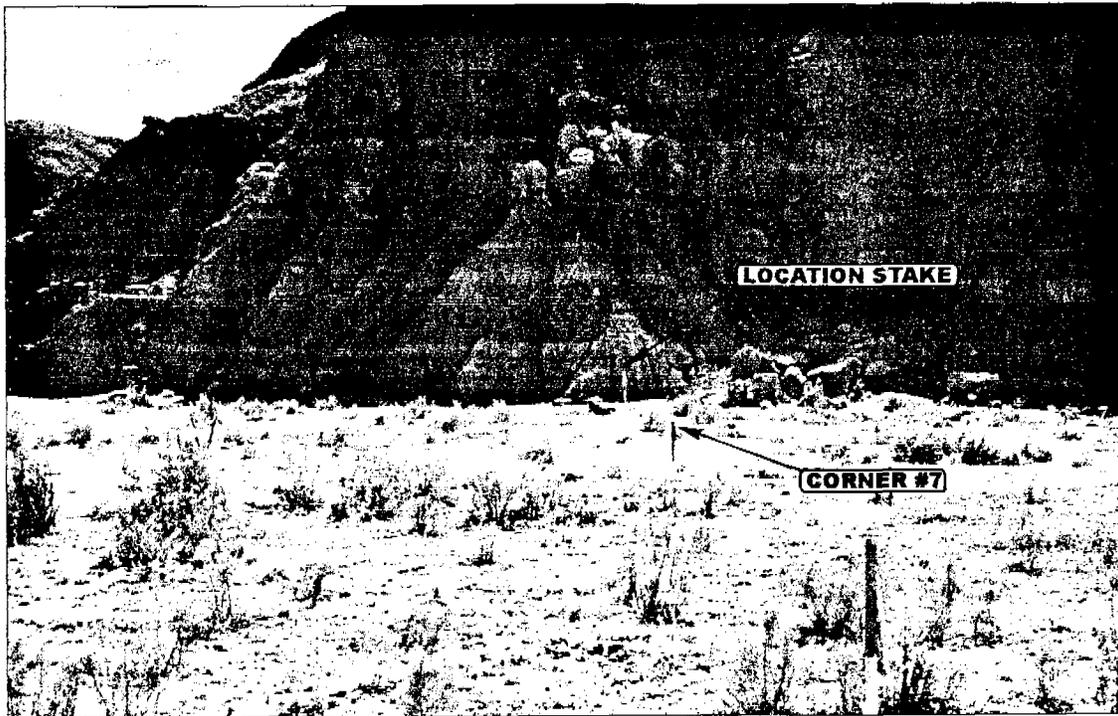


PHOTO: VIEW FROM CORNER #7 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

9 13 00
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K. DRAWN BY: J.L.G. REVISED: 00-00-00

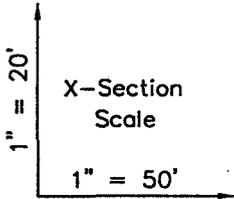
COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

OURAY #3-75

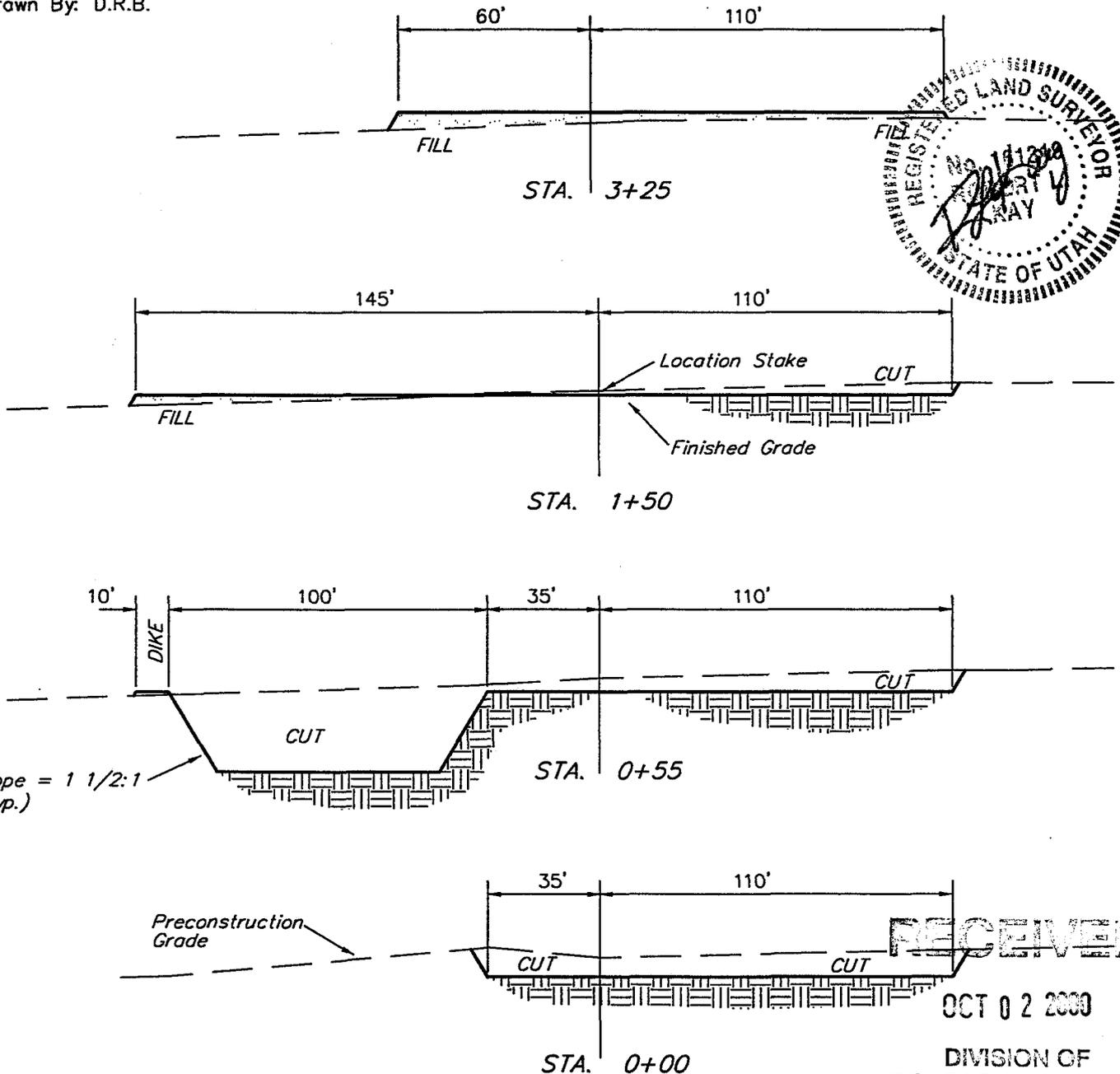
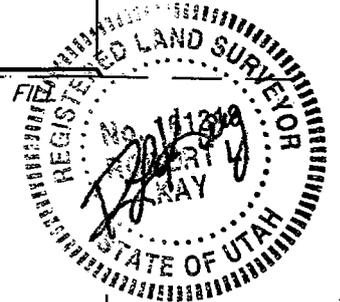
SECTION 3, T9S, R21E, S.L.B.&M.

2280' FNL 800' FEL



DATE: 09-12-00

Drawn By: D.R.B.



RECEIVED

OCT 02 2000

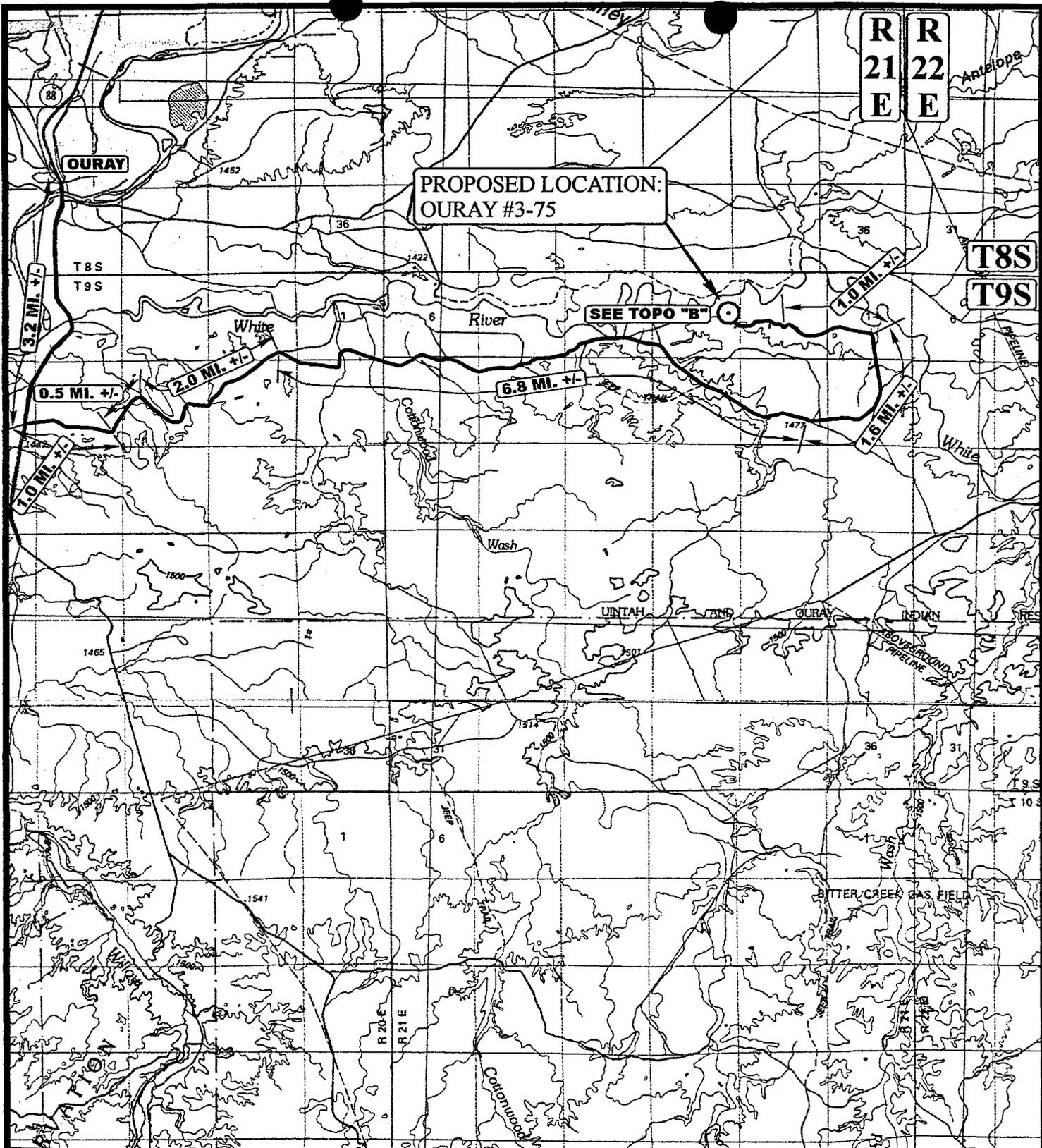
DIVISION OF OIL, GAS AND MINING

FIGURE #2

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,400 Cu. Yds.
Remaining Location	= 3,090 Cu. Yds.
TOTAL CUT	= 5,490 CU.YDS.
FILL	= 1,660 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,740 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,740 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**PROPOSED LOCATION:
OURAY #3-75**

SEE TOPO "B"

LEGEND:

⊙ PROPOSED LOCATION



COASTAL OIL & GAS CORP.

**OURAY #3-75
SECTION 3, T9S, R21E, S.L.B.&M.
2280' FNL 800' FEL**



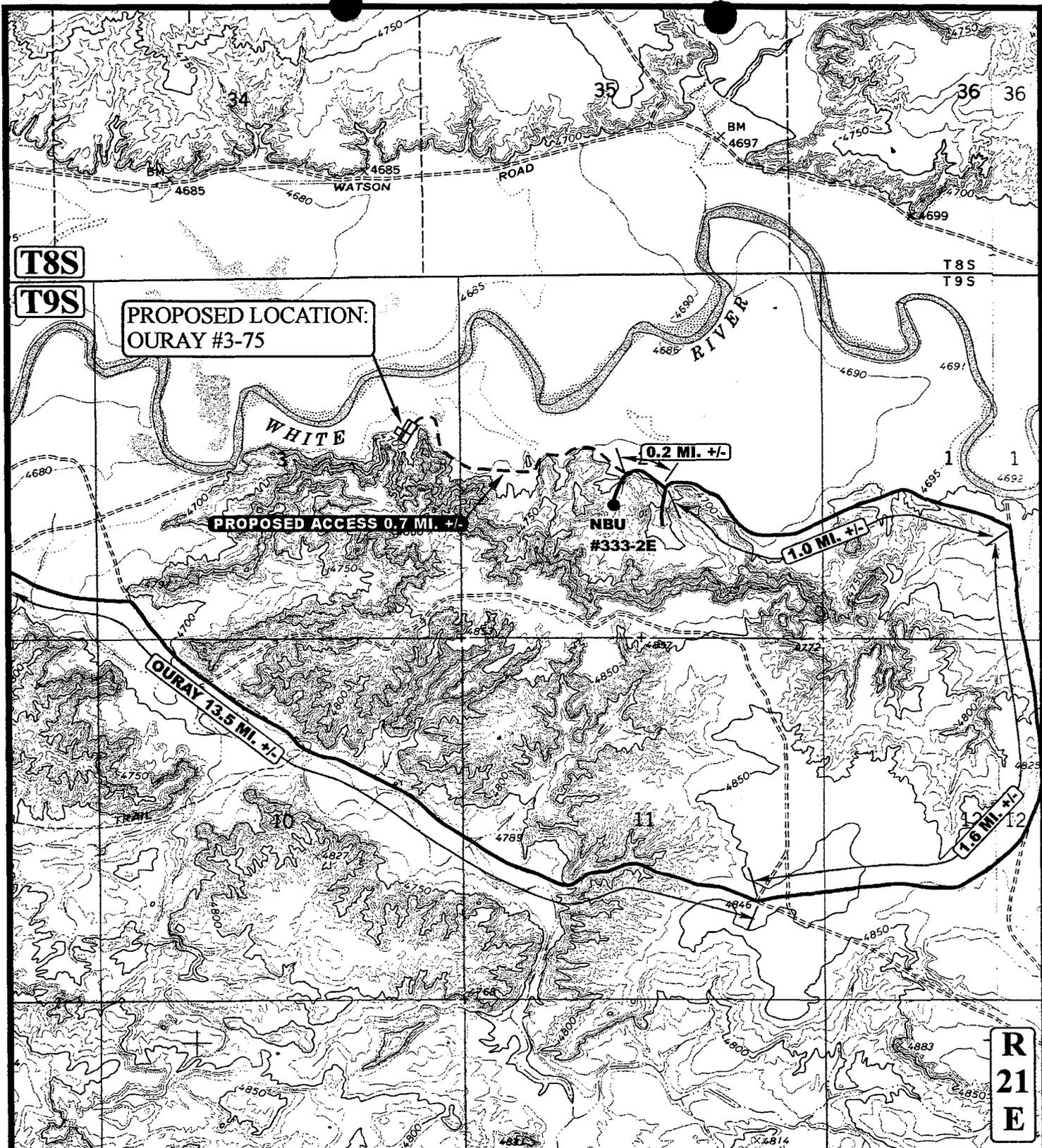
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

10 19 99
MONTH DAY YEAR

SCALE: 1 : 100,000 DRAWN BY: J.L.G. REVISED: 9-13-00





**PROPOSED LOCATION:
OURAY #3-75**

PROPOSED ACCESS 0.7 MI. +/-

0.2 MI. +/-

1.0 MI. +/-

OURAY 13.5 MI. +/-

1.6 MI. +/-

T8S

T9S

**T8S
T9S**

**R
21
E**

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

COASTAL OIL & GAS CORP.

**OURAY #3-75
SECTION 3, T9S, R21E, S.L.B.&M.
2280' FNL 800' FEL**



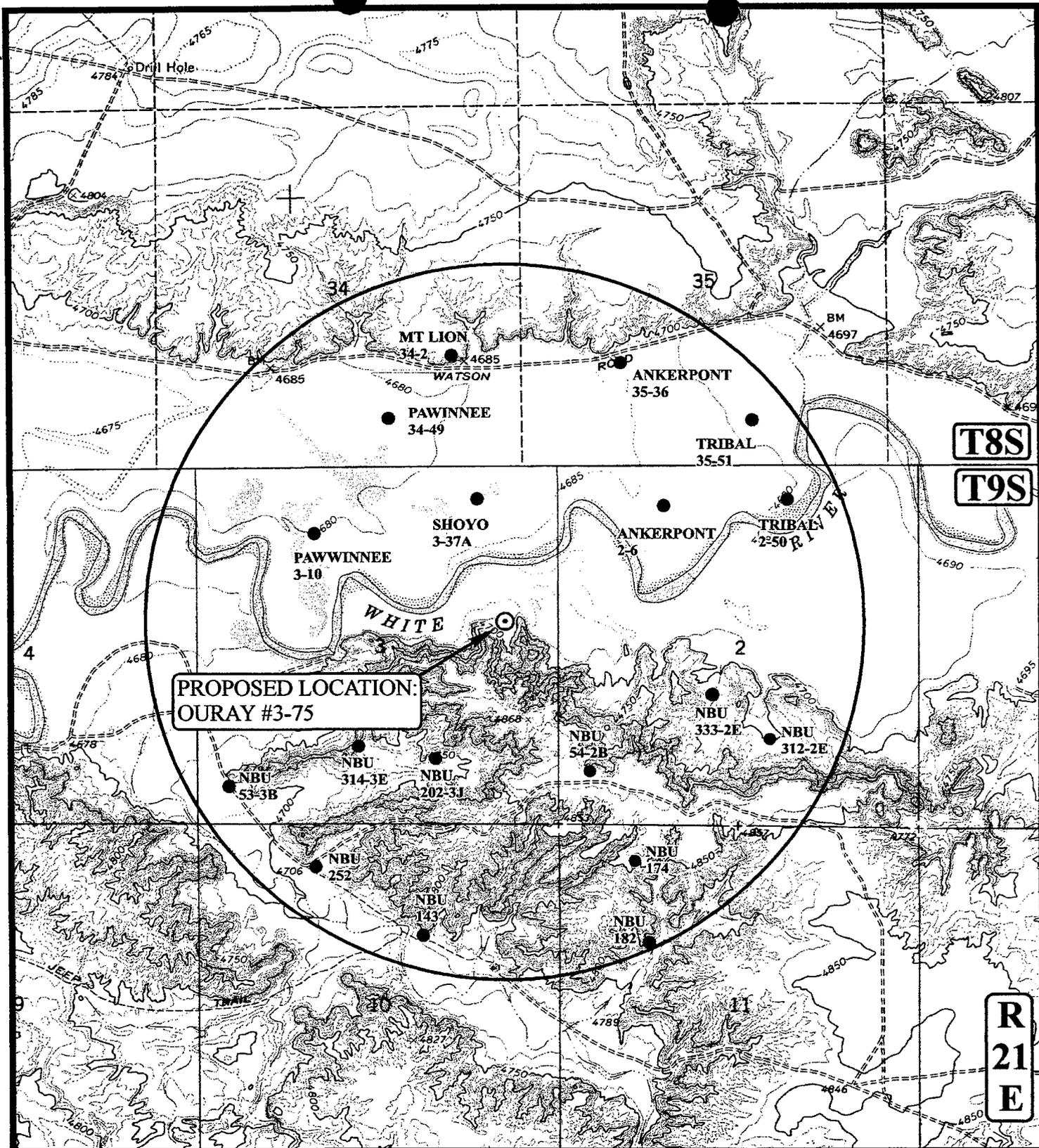
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

10 19 99
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 9-13-00





**PROPOSED LOCATION:
OURAY #3-75**

LEGEND:

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



COASTAL OIL & GAS CORP.

OURAY #3-75
SECTION 3, T9S, R21E, S.L.B.&M.
2280' FNL 800' FEL



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

TOPOGRAPHIC **1** **6** **99**
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 9-13-00



T8S

T9S

PROPOSED LOCATION:
OURAY #3-75

PROPOSED PIPELINE

PROPOSED ACCESS ROAD

EXISTING ENRON
NBU #333-2E

TIE-IN POINT

R
21
E

APPROXIMATE TOTAL PIPELINE DISTANCE = 4225' +/-

LEGEND:

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

COASTAL OIL & GAS CORP.

OURAY #3-75

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

2280' FNL 800' FEL



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

**TOPOGRAPHIC
MAP**

11 24 98
MONTH DAY YEAR

SCALE: 1" = 1000' | DRAWN BY: D.COX | REV:9-13-00|L.G.

D
TOPO

DIVISION OF
OIL, GAS AND MINING

OCT 02 2000

RECEIVED

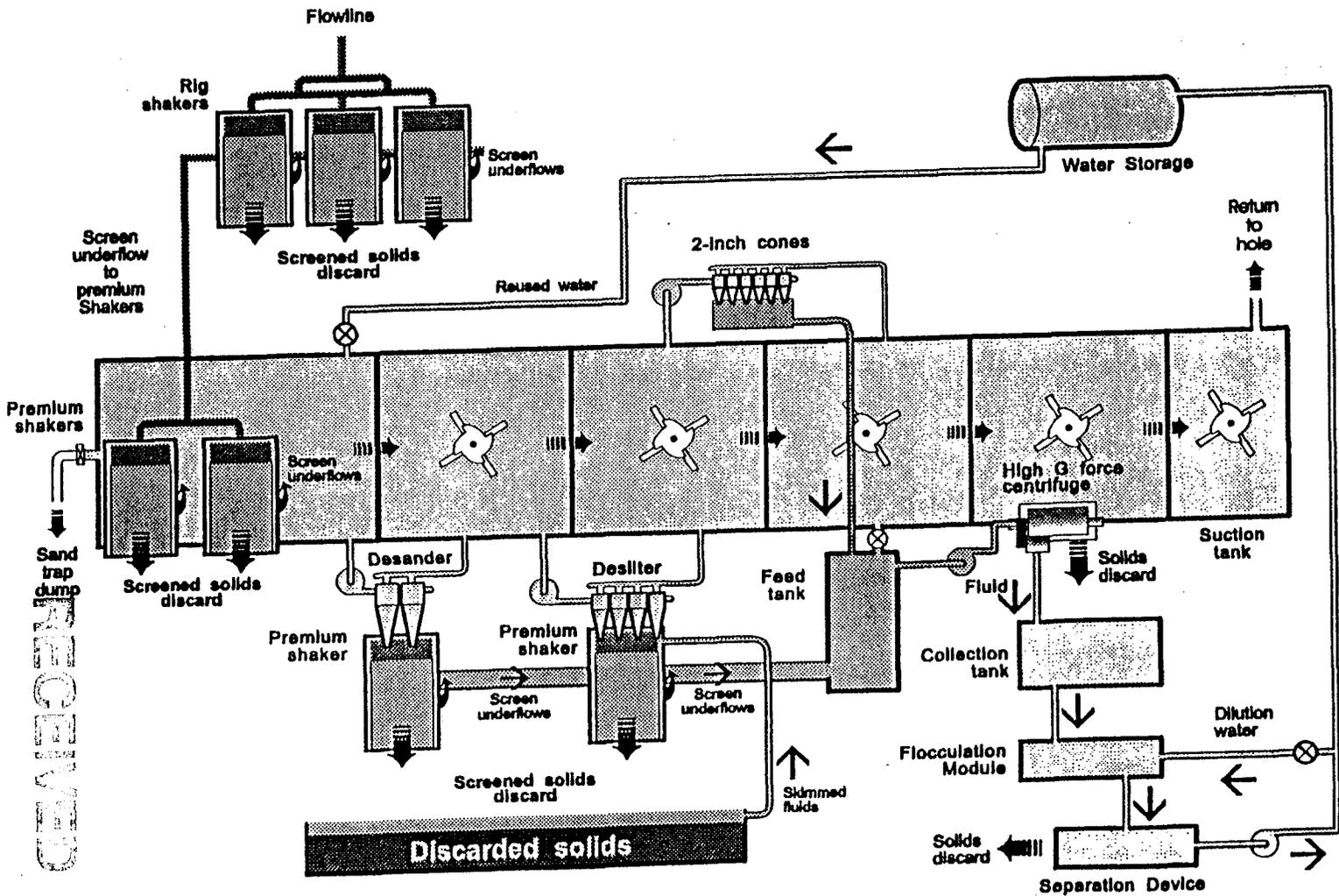


Figure 4-22 Closed Loop Solids System: Unweighted Fluid



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office

170 South 500 East

Vernal, Utah 84078-2799

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

Phone: (801) 781-4400

Fax: (801) 781-4410

IN REPLY REFER TO:

3160

UT08300

February 23, 2001

Cheryl Cameron
Coastal Oil & Gas Corporation
P. O. Box 1148
Vernal, UT 84078

Re: Notification of Expiration
Well No. 3-75
SENE, Section 3, T9S, R21E
Uintah County, Utah
Lease No. 14-20-H62-3018

Dear Cheryl:

The Application for Permit to Drill the above-referenced well was approved on February 22, 1999. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until February 23, 2001. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Crinklaw
Legal Instruments Examiner

cc: State Div. OG&M

RECEIVED

MAR 01 2001

DIVISION OF
OIL, GAS AND MINING



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

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Salt Lake City, Utah 84114-5801

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801-359-3940 (Fax)

801-538-7223 (TDD)

March 1, 2001

Cheryl Cameron
Coastal Oil & Gas Corporation
P. O. Box 1148
Vernal, Utah 84078

Re: APD Rescinded – Ouray 3-75, Sec. 3, T.9S, R.21E - Uintah County, Utah
API No. 43-047-33279

Dear Mrs. Cameron:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 8, 1999. On February 2, 2000, Coastal was granted a one-year APD extension. No drilling activity at this location has been reported to the division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective February 2, 2001.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

A handwritten signature in black ink that reads "Lisha Cordova". The signature is written in a cursive, flowing style.

Lisha Cordova
Eng. Technician

cc: Well File
Bureau of Land Management, Vernal