

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG \_\_\_\_\_ ELECTRIC LOGS \_\_\_\_\_ **X** \_\_\_\_\_ WATER SANDS \_\_\_\_\_ LOCATION INSPECTED \_\_\_\_\_ SUB. REPORT/abd. \_\_\_\_\_

DATE FILED **MARCH 26, 1999**

LAND: FEE & PATENTED \_\_\_\_\_ STATE LEASE NO. \_\_\_\_\_ PUBLIC LEASE NO. **U-9617** INDIAN \_\_\_\_\_

DRILLING APPROVED: **APRIL 7, 1999**

SPUDED IN: \_\_\_\_\_

COMPLETED: \_\_\_\_\_ PUT TO PRODUCING: \_\_\_\_\_

INITIAL PRODUCTION: \_\_\_\_\_

GRAVITY A.P.I. \_\_\_\_\_

GOR: \_\_\_\_\_

PRODUCING ZONES: \_\_\_\_\_

TOTAL DEPTH: \_\_\_\_\_

WELL ELEVATION: \_\_\_\_\_

DATE ABANDONED: **5-19-2000 LAD**

FIELD: **NATURAL BUTTES**

UNIT: **GLEN BENCH (ENH. REC.)**

COUNTY: **UINTAH**

WELL NO. **GLEN BENCH UNIT 12-30-8-22**

API NO. **43-047-33324**

LOCATION **1778 FSL** FT. FROM (N) (S) LINE. **1137 FWL**

FT. FROM (E) (W) LINE. **NW SW** 1/4 - 1/4 SEC. **30**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
8S	22E	30	CHANDLER & ASSOCIATES				

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  
 Chandler & Associates, LLC

3. ADDRESS AND TELEPHONE NO.  
 475 Seventeenth Street, Suite 1000, Denver, CO 80202  
 (303)295-0400

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
 At surface 1778' FSL 1137' FWL  
 At proposed prod. zone 628900.64  
 4438851.55

5. LEASE DESIGNATION AND SERIAL NO.  
 U-9617

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 Ute Indian Tribe

7. UNIT AGREEMENT NAME  
 Glen Bench Unit

8. FARMOR LEASE NAME, WELL NO.  
 Glen Bench Unit

9. API WELL NO.  
 #12-30-8-22

10. FIELD AND POOL, OR WILDCAT  
 Glen Bench

11. SEC., T. R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 30, T8S, R22E, SLB&M

12. COUNTY OR PARISH  
 Uintah

13. STATE  
 Utah

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) 1137'

16. NO. OF ACRES IN LEASE 920.66

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2500'

19. PROPOSED DEPTH 7350'

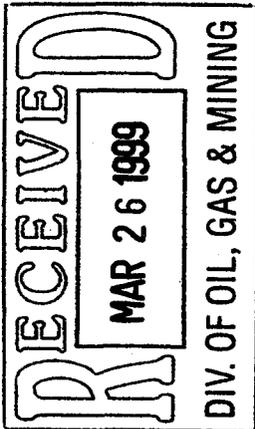
20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 4741' GR

22. APPROX. DATE WORK WILL START\*  
 A.S.A.P.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	400'	(See attached drilling plan)
7 7/8"	4 1/2"	10.5#	7350'	(See attached drilling plan)



- M.I.R.U.
- Drill to T.D.
- Run 4 1/2" casing if commercial production is indicated.
- If dry hole, Well will be plugged and abandoned as instructed by the B.L.M.
- Well will be drilled with Air/Air Mist to T.D.

I hereby certify that I am responsible by the terms and conditions of the Lease to conduct Lease Operations. Bond Coverage pursuant to 43 CFR 3104 for Lease Activities is being provided by Chandler & Associates, Inc. in the form of a Federal Blanket Bond #124290364 Surety by CNA.

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 Tracy O. Henline TITLE Agent for Chandler DATE 3-24-99

(This space for Federal or State office use)

PERMIT NO. 43-047-33324 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 Bradley G. Hill TITLE RECLAMATION SPECIALIST III DATE 4/7/99

\*See Instructions On Reverse Side

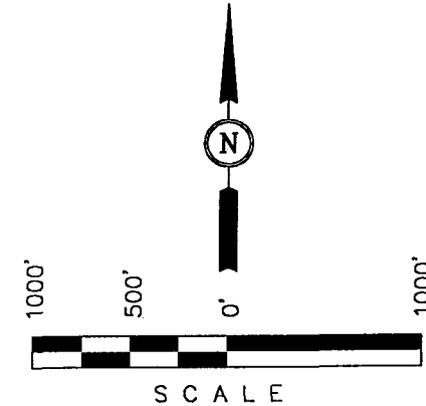
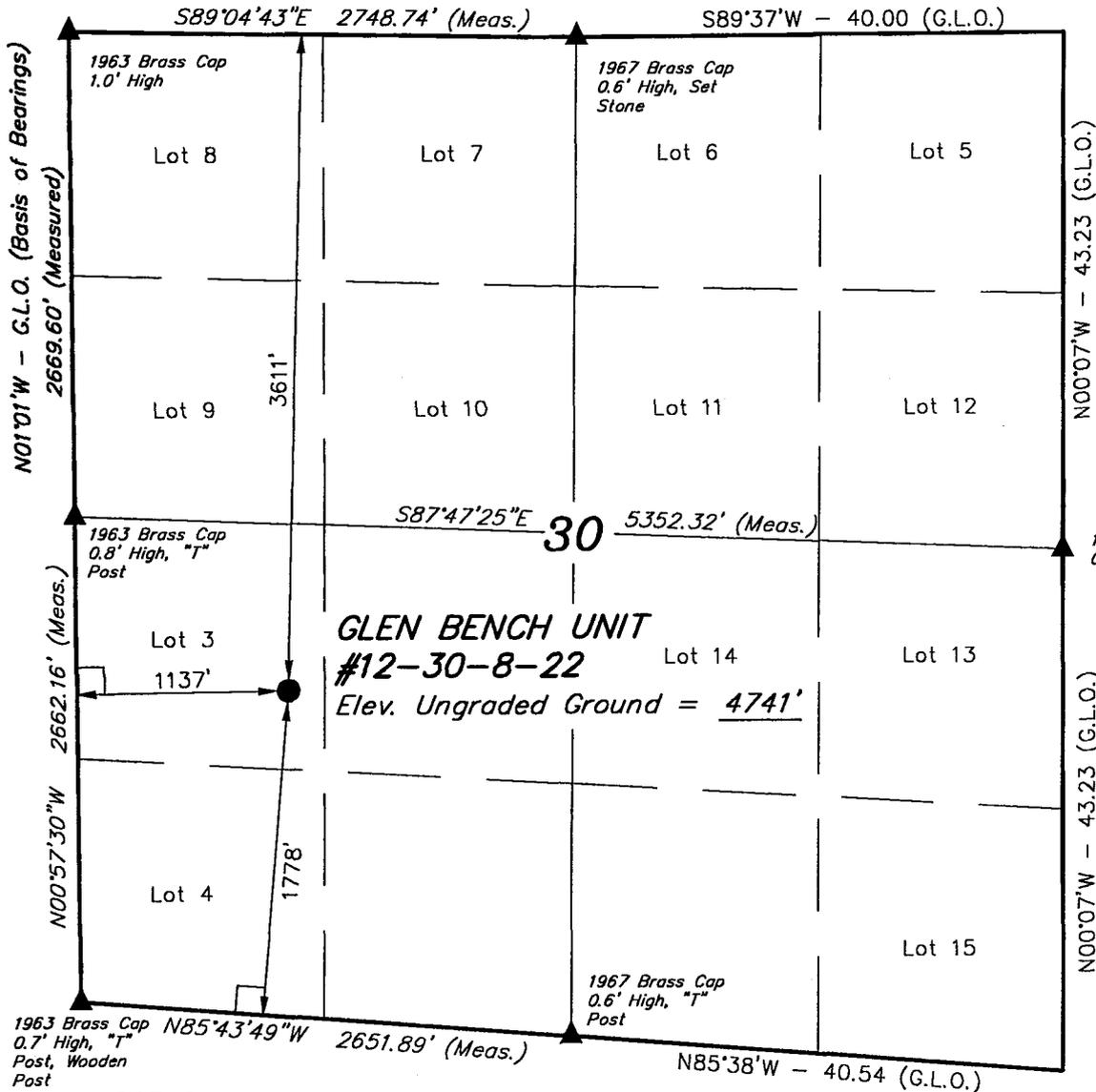
# T8S, R22E, S.L.B.&M.

CHANDLER & ASSOCIATES, LLC.

Well location, GLEN BENCH UNIT #12-30-8-22, located as shown in the NW 1/4 SW 1/4 of Section 30, T8S, R22E, S.L.B.&M. Uintah County, Utah.

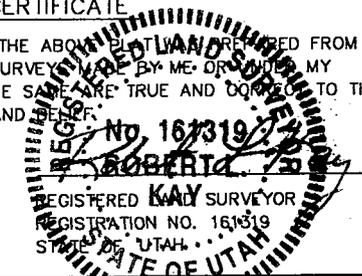
## BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 30, T8S, 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 4756 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.

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

SCALE 1" = 1000'	DATE SURVEYED: 01-13-98	DATE DRAWN: 01-14-98
PARTY K.K. C.G. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE CHANDLER & ASSOCIATES, LLC.	

**CHANDLER & ASSOCIATES LLC  
DRILLING PLAN FOR THE  
GLEN BENCH UNIT #12-30-8-22**

I. DRILLING PLAN:

1. Geological Surface Formation: Uintah

2. Estimated Tops:

<u>Name</u>	<u>Top</u>	<u>Prod. Phase Anticipated</u>
Green River	2078'	
"Kicker" Zone	3312'	Gas
"X" Marker	3840'	
Wasatch	5465'	Gas

3. CASING PROGRAM:

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg. Size</u>	<u>Type</u>	<u>Weight</u>
Surface	400'	12-1/4"	9-5/8"	K-55 (ST&C)	36#/ft (new)
Prod.	7350'	7-7/8"	4-1/2"	K-55 (LT&C)	10.5#/ft (new)

4. Operator's Specification for Pressure Control Equipment:

- A. 2,000 psi W.P. Double Gate BOP or Single Gate BOP (Schematic attached).
- B. Functional test daily.
- C. All casing strings shall be pressure-tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. All ram-type preventers and related control equipment shall be tested at the rated working pressure of the stack assembly or at 70 percent of the minimum internal yield pressure of the casing, whichever is less. Tests shall be done at the time of installation, prior to drilling out, and weekly. All tests shall be for a period of 15 minutes.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

5. Auxiliary Equipment:

- A. Kelly Cock - yes.
- B. Float at the bit - no.
- C. Monitoring equipment on the mud system - visually.
- D. Full opening safety valve on rig floor - yes.
- E. Rotating head - yes.
- F. The blooie line shall be a least 6" in diameter and extend at least 100' from the wellbore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').
- H. Compressor shall be tied directly to the blooie line through a manifold.
- I. A mistor with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

6. Proposed Circulating Medium:

	Density			
<u>Depth</u>	<u>Mud Type</u>	<u>(lb./gal)</u>	<u>Viscosity</u>	<u>Water Loss</u>
0'- T.D.	AIR/AIR MIST			

7. Testing, Logging, and Coring Program:

- A. Cores - None anticipated.
- B. DST - none anticipated.
- C. Logging - CNL/FDC/PE/GR (TD to 1800').  
DILL/SP/GR (TD to base of surface casing).

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

- D. Formation and Completion Interval: Green River, Kicker & Wasatch interval, final determination of completion will be made by analysis of logs.  
Stimulation - Stimulation will be designed for the particular area of interest as encountered.
- E. Frac gradient - approximately .80 psi/ft.

8. Cementing Program:

<u>Casing</u>	<u>Volume</u>	<u>Type &amp; Additives</u>
Surface	215 sx	Class "G" w/2% CaCl2 (based on 100% access)
Production	1250 sx*	450 sx "Lite" followed by 700 sx 50/50 poz. mix.

Cement Characteristics:

Class "G" - yield = 1.18 cu.ft. per. sack  
weight = 15.8 lb./gal  
strength = 3200 psi in 72 hrs @135 degrees

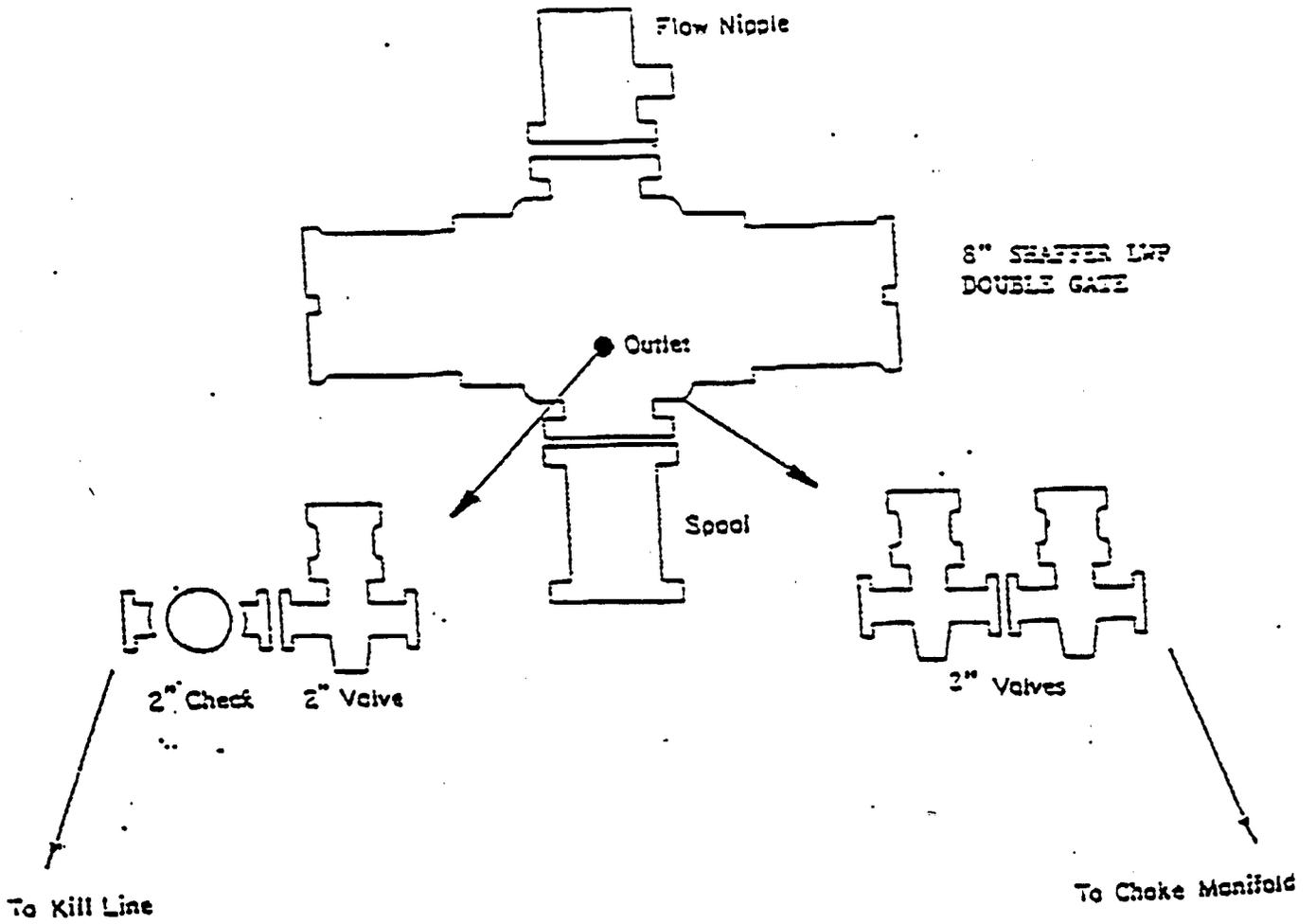
\* Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

9. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards:

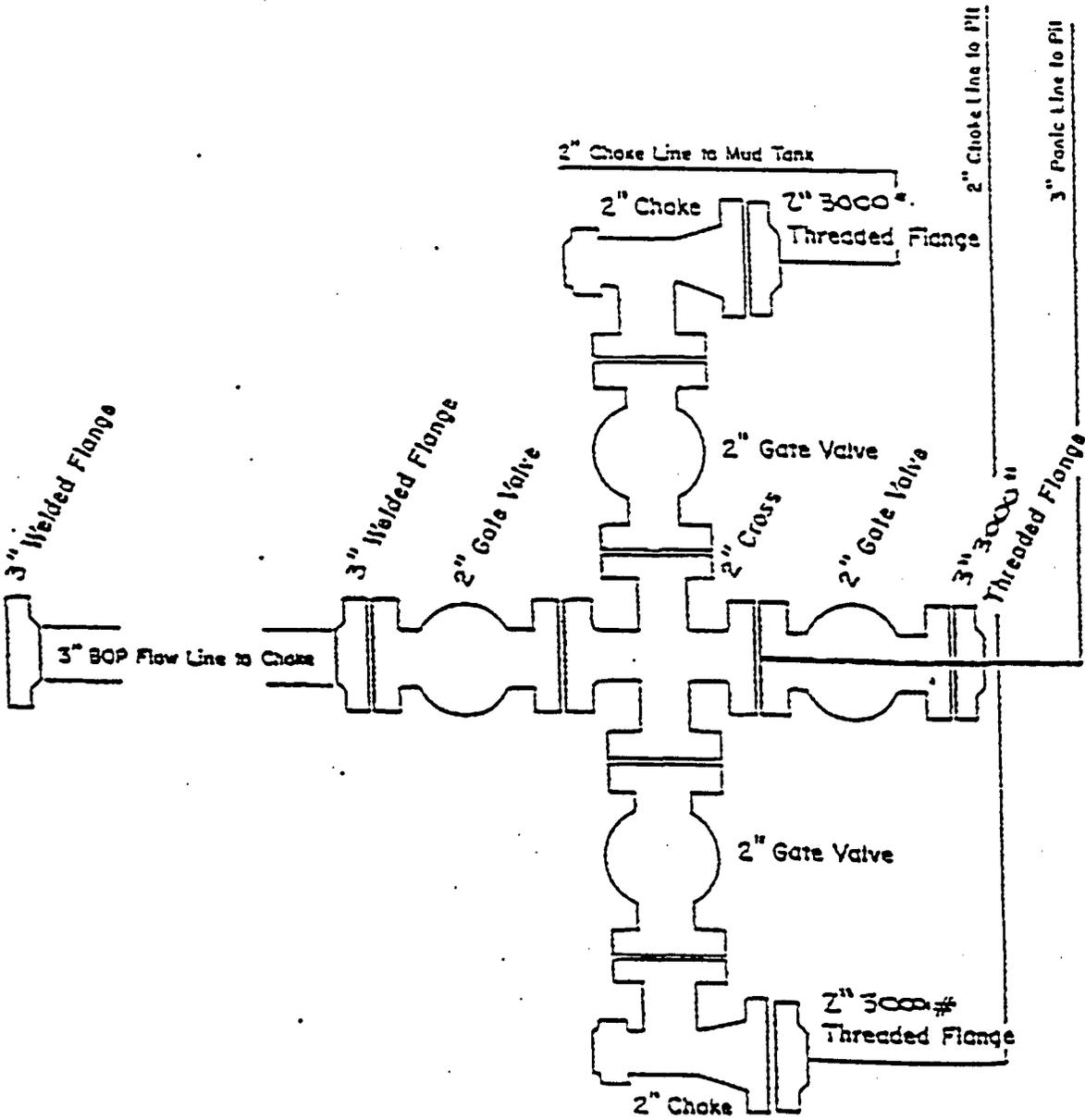
No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 1,600 psi (calculated at 0.218 psi/ft) and maximum anticipated surface pressure equals approximately 17 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft).

CHANDLER DRILLING  
RIG NO. 7



CHANDLER DRILLING

RIG NO.7



**II. SURFACE USE PLAN**  
**CHANDLER & ASSOCIATES LLC**  
**GLEN BENCH UNIT #12-30-8-22**

1. Existing Road:

- A. Topo Map "A" is the vicinity map, showing the access routes from Vernal, Utah.
- B. Topo Map "B" shows the proposed access road to each individual well. It also shows existing roads in the immediate area.
- C. Occasional maintenance blading and storm repairs will keep roads in good condition.
- D. There shall be no mud blading on the access road. Vehicles may be towed through the mud provided they stay on the roadway.

2. Planned Access Roads:

The proposed access road, will be crowned, ditched, and dipped.

- A. Maximum grade will be 8% or less, unless otherwise stated.
- B. No turnouts will be required.
- C. Road surface material will be that native to the area.
- D. No cattle guard will be required.
- E. The proposed access road was flagged at the time the location was staked.
- F. The area authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

- G. The back slopes of the proposed access roads will be no steeper than vertical or 1/4:1 in rock; and 2:1, elsewhere.

The operator or his contractor will notify the areas authorized officer at least 48 hours prior to commencement of any work on these locations, roadways, or pipelines.

3. Location of Existing Wells:

See Topo Map "C"

4. Location of Existing and/or Proposed Facilities:

- A. All Petroleum Production Facilities are to be contained within the proposed location sites.
- B. In the event that production of these wells is established, the following will be shown:
1. Proposed location and attendant lines, by flagging, if off well pad.
  2. Dimensions of facilities.
  3. Construction methods and materials.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

- C. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.
  - D. All permanent facilities placed on the locations shall be painted a non-reflective color which will blend with the natural environment.
  - E. A dike shall be constructed around the tank battery, of sufficient capacity to adequately contain at least 110 percent of the storage capacity of the largest tank within the dike.
  - F. All buried pipelines shall be covered to a depth of 3 feet except at road crossings where they shall be covered to a depth of 4 feet.
  - G. Construction width of the right-of way/pipeline route shall be restricted to 30 feet of disturbance.
  - H. Pipeline location warning signs shall be installed within 90 days upon completion of construction.
5. Location and Type of Water Supply:

Water will be obtained from a culinary source located near Ouray, Utah which is leased by Crescent Trucking Co. (Lease #7098 - Contract #4802) and transported by Crescent Trucking Co. along the access roads which are shown on the attached maps.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

6. Source of Construction Materials:

- A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads from the area. No special access other than for drilling operations and pipeline construction is needed.
- ✓ B. All disturbance for this well site is located on Ute Tribal Lands and a Right-of-way has been applied for on the Tribal portion.

All Construction material for these location sites and access roads shall be borrow material accumulated during the construction of the location sites and access roads. No additional construction material from other sources is anticipated at this time, but if it is required, the appropriate actions will be taken to acquire it from private sources.

- C. All well pad surface disturbance area is on Ute Tribal Lands.

7. Methods for Handling Waste Disposal:

- A. Drill cuttings will be buried in the reserve pit when covered.
- B. Drilling fluids will be contained in the reserve pit.
- C. Any hydrocarbon liquids produced while production testing will be contained in a test tank. Any unavoidable spills of oil or other adverse substances or materials will be removed immediately during drilling progress or during completion operations.
- D. Portable chemical toilets will be provided and serviced by a local commercial sanitary service.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

- E. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill.

All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the authorized officer.

- F. Prior to commencement of drilling, the reserve pit will be fenced on three sides using 39-inch net wire with at least one (1) strand of barbed wire. All wire is to be stretched before attaching to corner posts. When drilling activities are completed it will be fenced on the fourth side and allowed to dry (if liquids are present). After drying, the fences will be removed and the pit shall be buried. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

8. Ancillary Facilities:

No air strips, camps, or other living facilities will be built off the location. Housing and office trailers will be on the location as seen on the location layout.

9. Well Site Layout:

- A. See attached cutsheet.
- B. The areas authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.
- C. The authorized officer will determine after the location is constructed whether the pit is to be lined, and if so, the type of material to be used.
- D. Topsoil shall be stripped to a depth of 12 inches and stockpiled as shown on the location layout plat. (Windrow along south side of pad).
- E. The back slopes of the locations will be no steeper than vertical or 1/4:1 in rock, and 2:1 elsewhere.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

- F. The upper edges of all cut banks on the access roads and well pads will be rounded.

10. Plans for Restoration:

- A. Immediately upon completion, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.
- B. Before any dirt work to restore the location takes place, the reserve pit must be completely dry. The reserve pit will be reclaimed within 90 days from the date of well completion.
- C. The area officer shall be notified at least 48 hours prior to commencing reclamation work.
- D. All disturbed areas will be seeded with the a mixture which is found suitable by the Ute Indian Tribe
- E. The seed bed will be prepared by discing, following the natural contour. Drill seed on contour at a depth no greater than ½ inch. In areas that cannot be drilled, the seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed is recommended.
- F. Fall seeding will be completed after September, and prior to prolonged ground frost.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

- G. If the well is a producer, access roads will be upgraded and maintained as necessary to prevent soil erosion, and accommodate year round traffic. Areas unnecessary to operations will be reshaped, topsoil distributed, and seed distributed according to the above mixtures. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- H. If the well is abandoned or is a dry hole, the access road and location will be restored to approximate the original contours. During reclamation of the site the fill material will be pushed into cuts and up over the backslope. No depressions will be left that would trap water or form ponds. Topsoil will be distributed evenly over the location and seeded according to the above mixture. The access road and the location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- I. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by an approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application proposals must be approved. Application of herbicides must be under direct field supervision of an EPA certified pesticide applicator.

11. Other Information:

- A. The area is used by man for the primary purpose of grazing domestic livestock.

All activity shall cease when soils or road surfaces become saturated to a depth of three inches, unless otherwise approved by the Authorized Officer.

If any fossils are discovered during construction, the operator shall cease construction immediately and notify the Authorized Officer so as to determine the significance of the discovery.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

- B. A Class III cultural resource inventory has been completed prior to disturbance by a qualified professional Archaeologist.
- C. The B.L.M. considers the development of groundwater resources to be necessary and frequently indispensable to effective land management. Therefore, any groundwater intercepted by the party conducting mineral exploration shall be reported to the authorized officer immediately including approximate quantities and a sample in a sealed quart container. The B.L.M. shall have the first opportunity to file State water rights for the intercepted groundwater. The undersigned may file for water rights only with a written waiver from the State.
- D. The operator is responsible for informing all persons in the area who are associated with this project that they will be 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 is to immediately stop work that might further disturb such materials and contact the authorized officer (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 (assuming in situ preservation is not necessary); and 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.

Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials 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 the required mitigation has been completed, an operator will then be allowed to resume construction.

- E. Less than 10,000 pounds of any chemical(s) from EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, and less than threshold planning quantity (TPQ) of any extremely hazardous substances(s), as defined in 40 CFR, would be used, produced, transported, stored, disposed, or associated with the proposed action.

12. Lessee's or Operator's Representative:

Mr. Terry J. Cox  
Vice President of Operations/Production  
Chandler & Associates LLC  
475 Seventeenth Street  
Suite 1000  
Denver, Colorado 80202  
Telephone #(303)295-0400

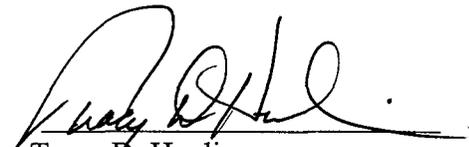
Chandler & Associates LLC  
Glen Bench Unit #12-30-8-22

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite(s) and access route(s); that I am familiar with the conditions which presently exist; that the statements made in this 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 **Chandler & Associates LLC**, and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provision of 18 U.S.C. 1001 for the filing of a false statement.

3-24-99  
Date

  
Tracy D. Henline  
Agent

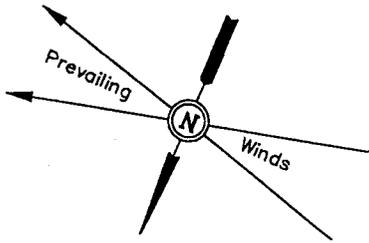
# CHANDLER & ASSOCIATES, LLC.

## LOCATION LAYOUT FOR

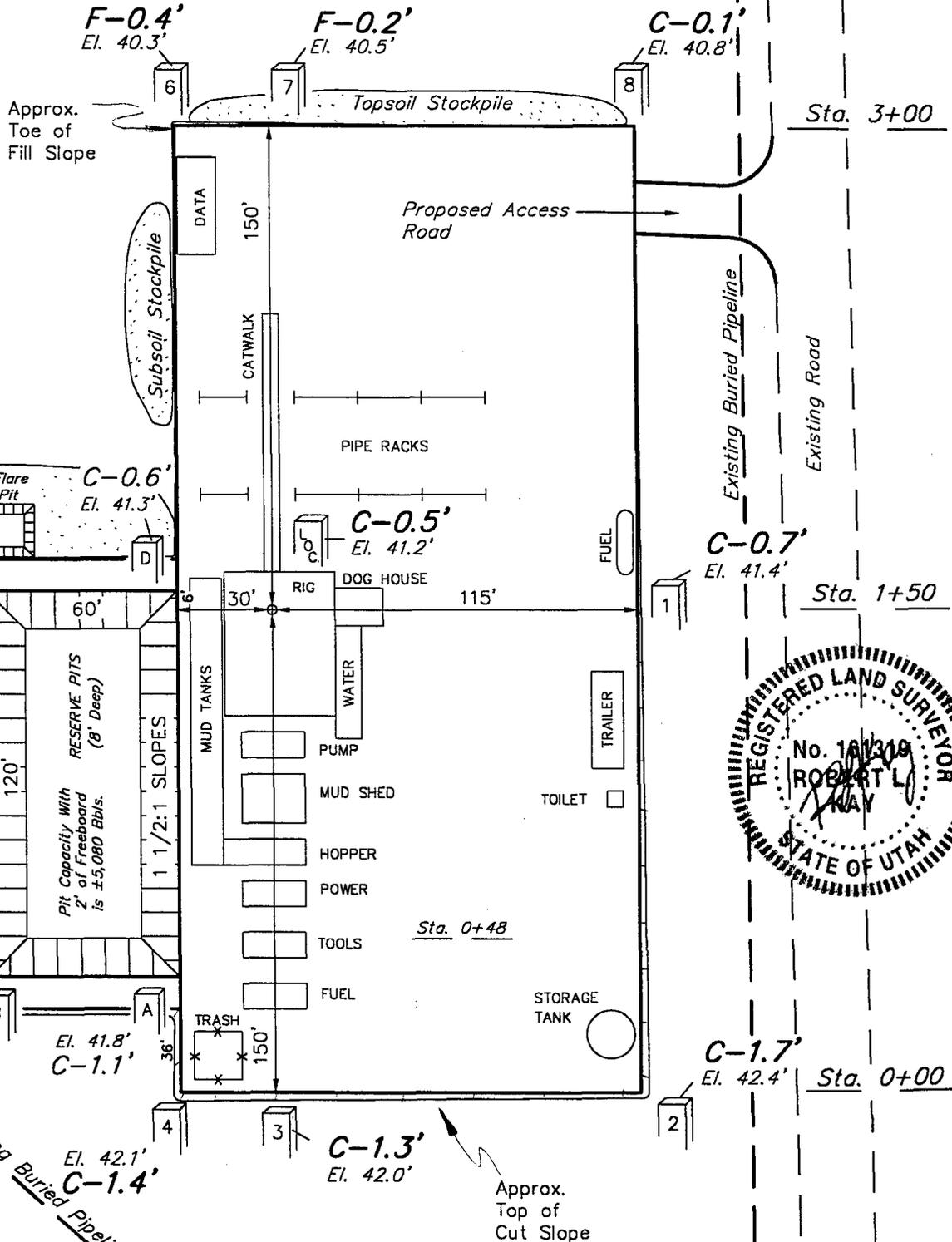
GLEN BENCH UNIT #12-30-8-22

SECTION 30, T8S, R22E, S.L.B.&M.

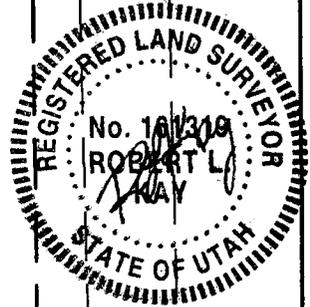
1778' FSL 1137' FWL



SCALE: 1" = 50'  
DATE: 01-14-98  
Drawn By: D.R.B.



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



Elev. Ungraded Ground at Location Stake = 4741.2'

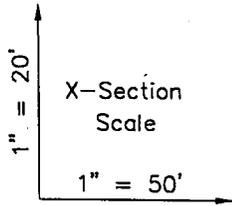
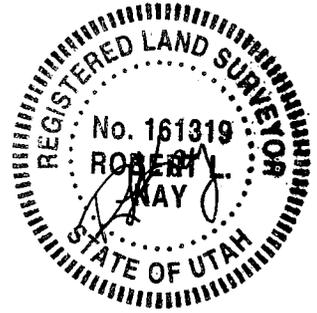
Elev. Graded Ground at Location Stake = 4740.7'

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

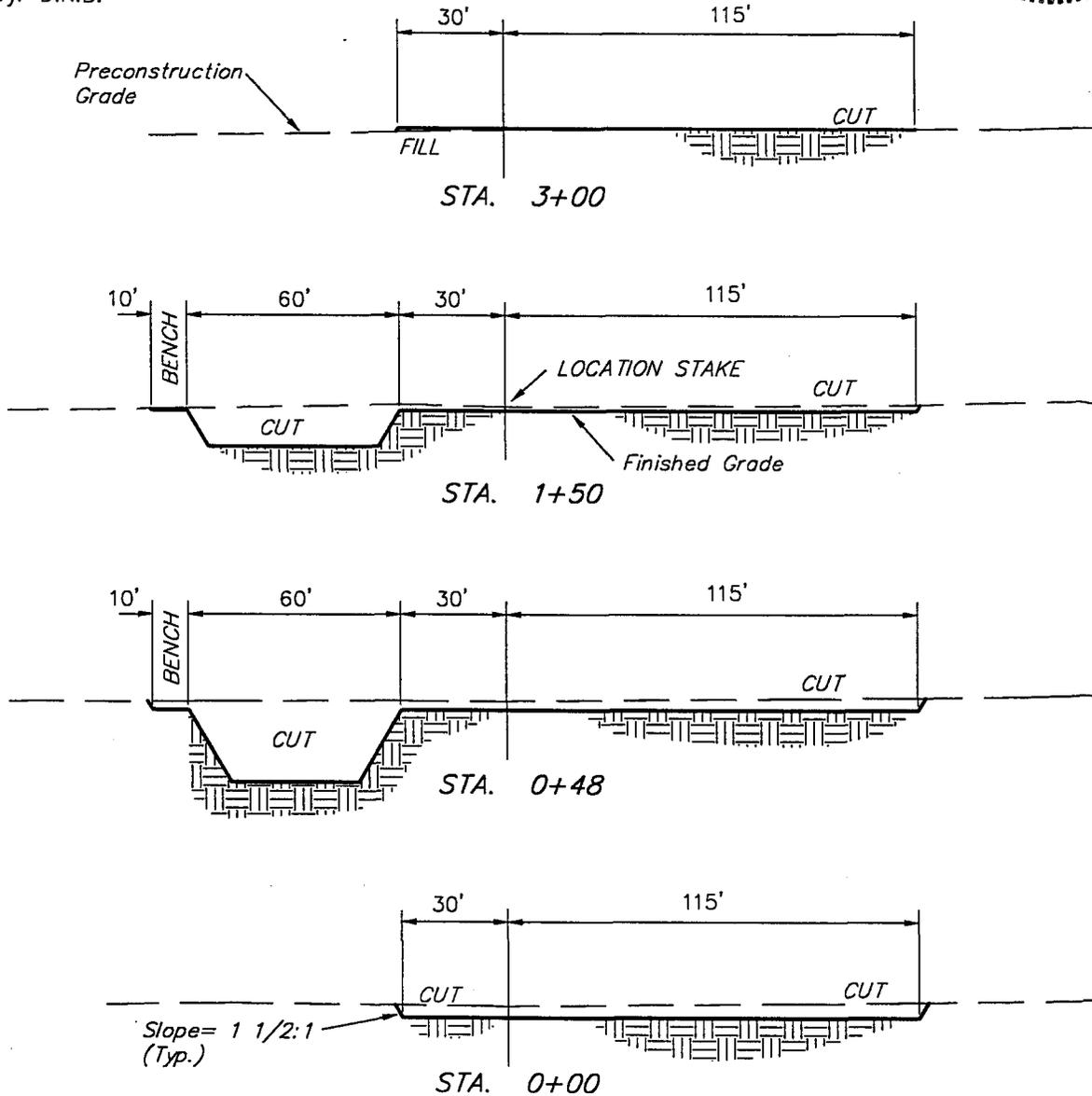
# CHANDLER & ASSOCIATES, LLC.

## TYPICAL CROSS SECTIONS FOR

GLEN BENCH UNIT #12-30-8-22  
SECTION 30, T8S, R22E, S.L.B.&M.  
1778' FSL 1137' FWL



DATE: 01-14-98  
Drawn By: D.R.B.



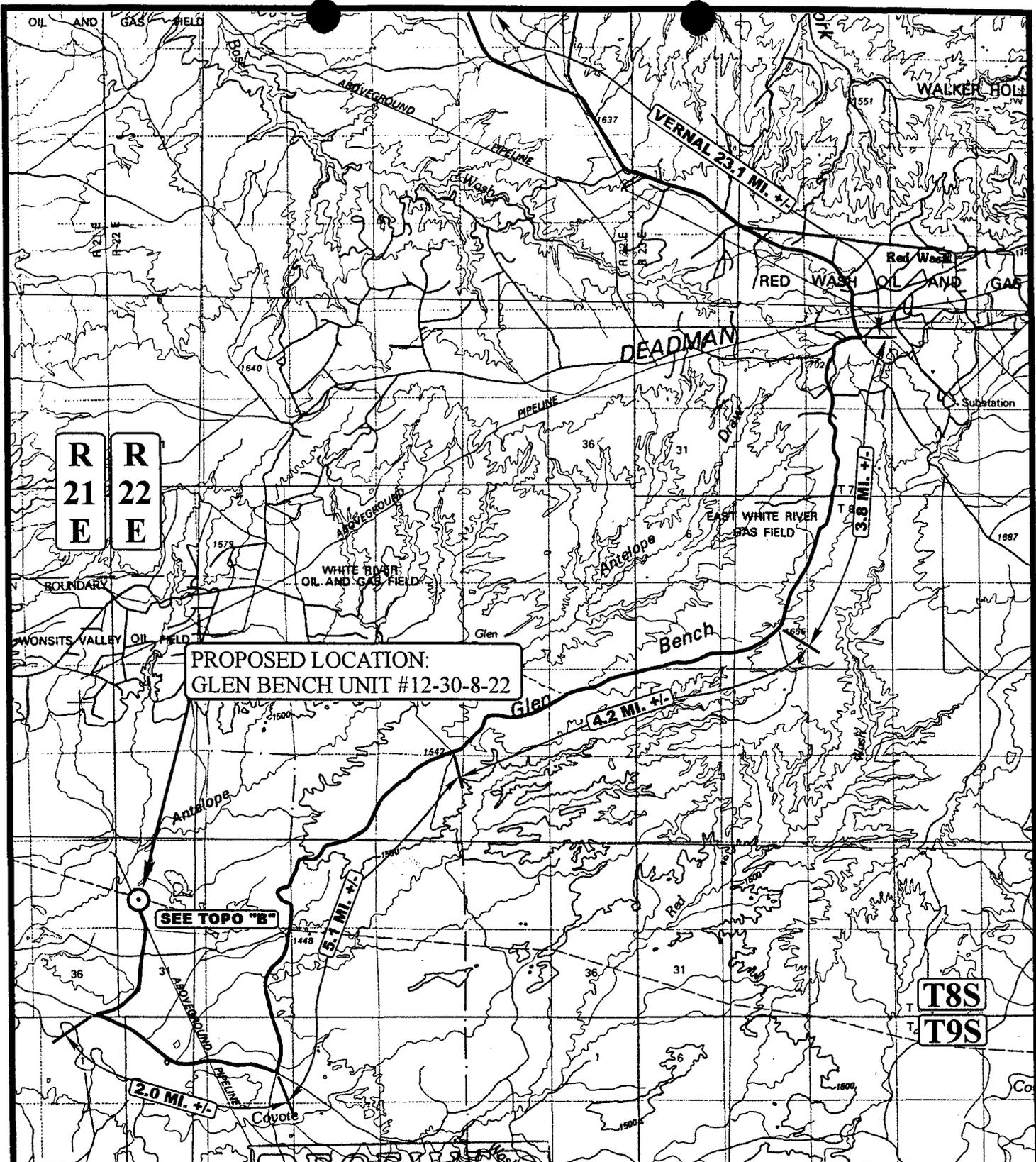
**NOTE:**

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

**APPROXIMATE YARDAGES**

(12") Topsoil Stripping	= 1,880 Cu. Yds.
Remaining Location	= 1,620 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 3,500 CU.YDS.</b>
<b>FILL</b>	<b>= 750 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,710 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,660 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 50 Cu. Yds.



PROPOSED LOCATION:  
 GLEN BENCH UNIT #12-30-8-22

SEE TOPO "B"

**LEGEND:**  
 ○ PROPOSED LOCATION

**MAR 26 1999**

**CHANDLER & ASSOCIATES, LLC.**  
 GLEN BENCH UNIT #12-30-8-22  
 SECTION 30, T8S, R22E, S.L.B.&M.  
 1778' FSL 1137' FWL



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

TOPOGRAPHIC MAP  
 1 15 99  
 MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: C.G. REVISED: 00-00-00



DETAIL "A" (NO SCALE)

PROPOSED ACCESS 20' +/-

R 21 E  
R 22 E

PROPOSED LOCATION:  
GLEN BENCH UNIT #12-30-8-22

SEE DETAIL "A"

EAGLES NEST

Ship Rock

PIPELINE

VERNAL 36.2 MI. +/-

1.6 MI. +/-

2.0 MI. +/-

T8S  
T9S

LEGEND:

--- PROPOSED ACCESS ROAD  
— EXISTING ROAD

RECEIVED CHANDLER & ASSOCIATES, LLC.

MAR 26 1999

GLEN BENCH UNIT #12-30-8-22  
SECTION 30, T8S, R22E, S.L.B.&M.  
1778' FSL 1137' FWL



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

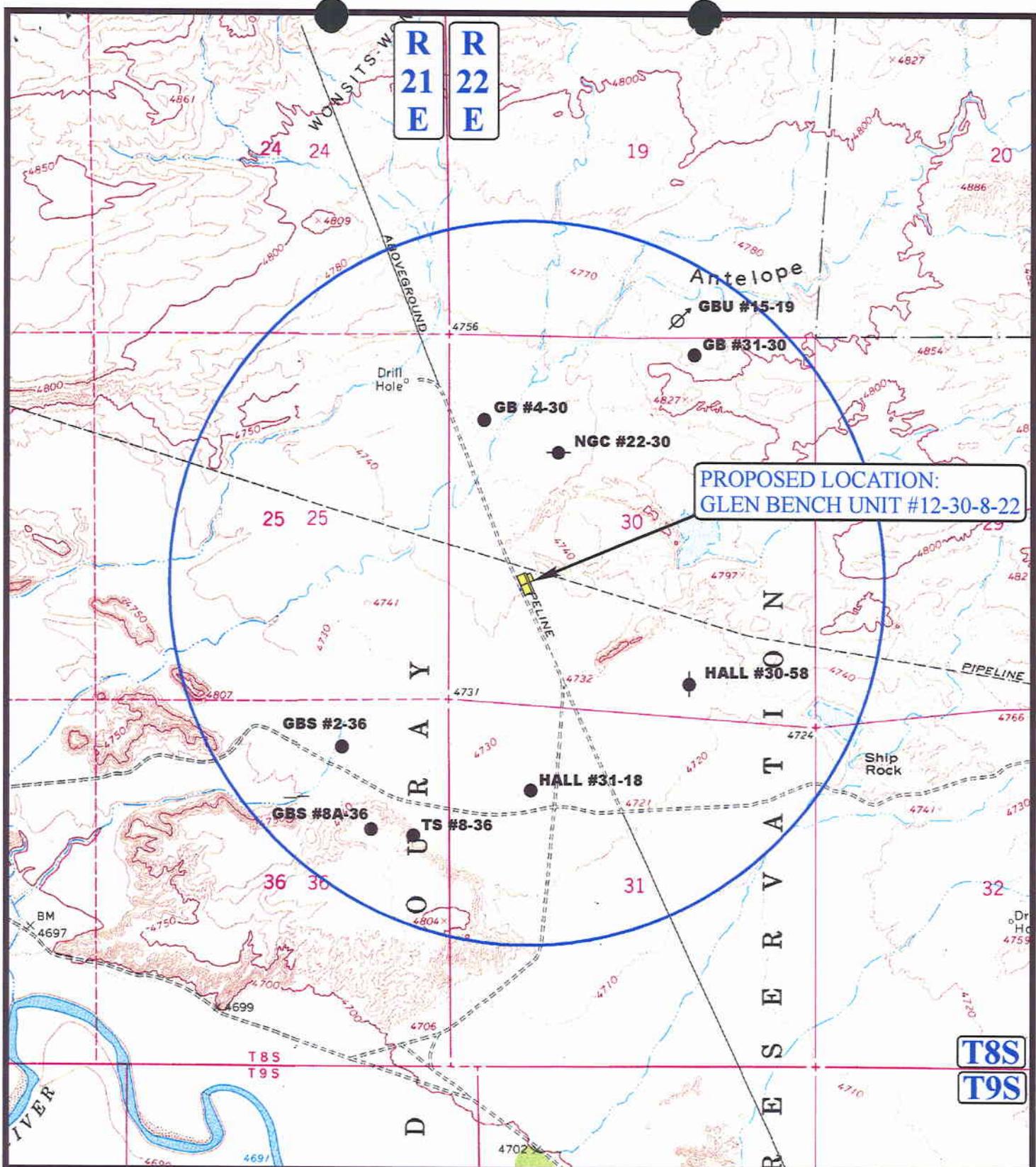
DIV. OF OIL, GAS & MINING

TOPOGRAPHIC MAP

1 15 99  
MONTH DAY YEAR

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





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

**PROPOSED LOCATION:  
GLEN BENCH UNIT #12-30-8-22**

**T8S**  
**T9S**

**LEGEND:**

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

**CHANDLER & ASSOCIATES, LLC.**

**GLEN BENCH UNIT #12-30-8-22**  
**SECTION 30, T8S, R22E, S.L.B.&M.**  
**1778' FSL 1137' FWL**



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

**TOPOGRAPHIC**  
**MAP**

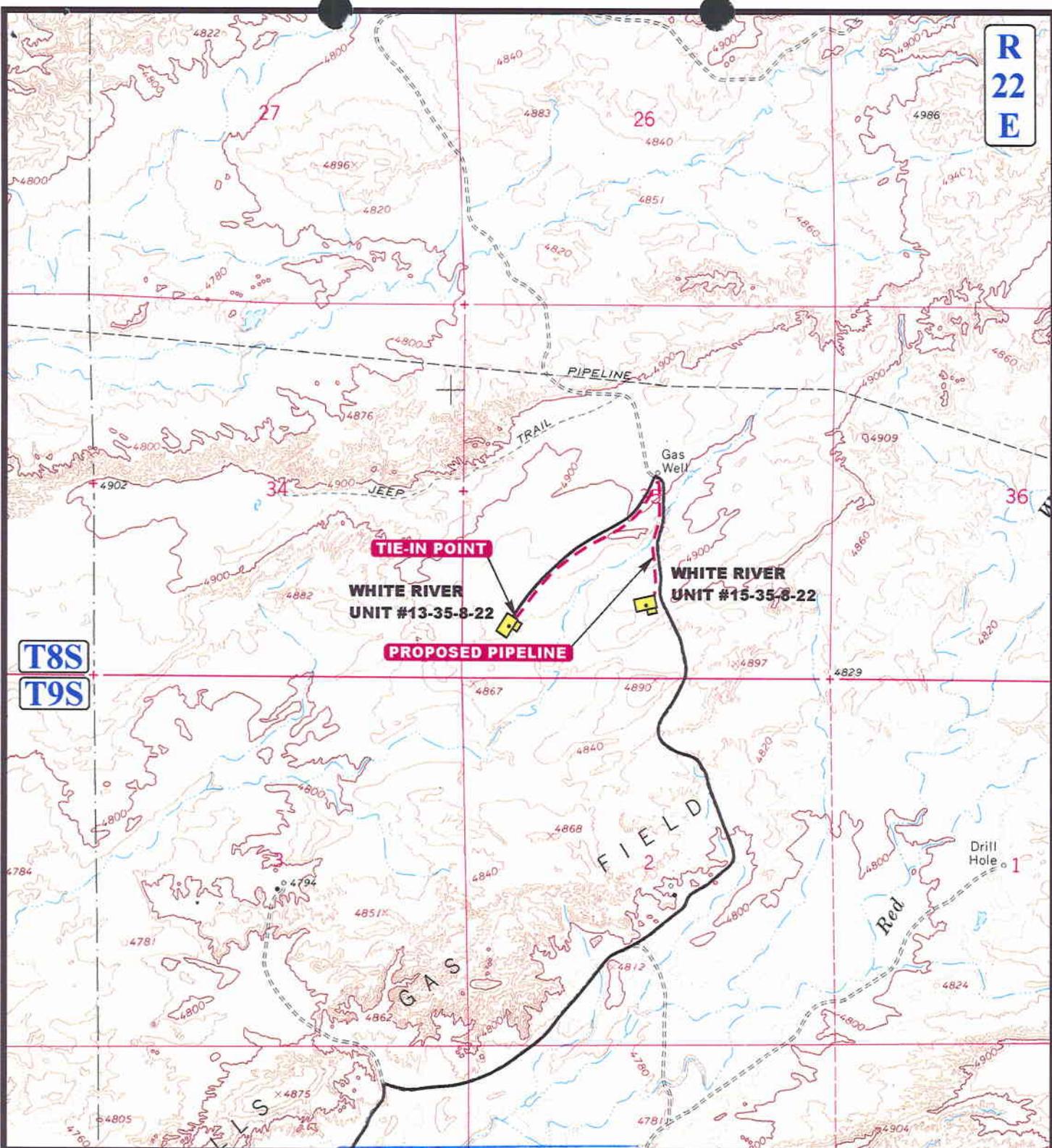
**1** **15** **99**  
MONTH DAY YEAR

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



MAR 26 1999

R  
22  
E



T8S  
T9S

APPROXIMATE TOTAL PIPELINE DISTANCE = 4,750' +/-

**LEGEND:**

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS

RECEIVED  
MAR 26 1999  
DIV OF OIL GAS & MINING

CHANDLER & ASSOCIATES, LLC.

PROPOSED PIPELINE FOR  
WHITE RIVER UNIT #15-35-8-22  
SECTION 35, T8S, R22E, S.L.B.&M.

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

**TOPOGRAPHIC** 1 11 99  
 MAP MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00

**D**  
TOPO

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/26/1999

API NO. ASSIGNED: 43-047-33324

WELL NAME: GLEN BENCH U 12-30-8-22  
 OPERATOR: CHANDLER & ASSOCIATES INC (N3320)  
 CONTACT: Tracy Henline (303) 295-0400

PROPOSED LOCATION:  
 NWSW 30 - T08S - R22E  
 SURFACE: 1778-FSL-1137-FWL  
 BOTTOM: 1778-FSL-1137-FWL  
 UINTAH COUNTY  
 NATURAL BUTTES FIELD (630)

INSPECT LOCATN BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED  
 LEASE NUMBER: U-9617  
 SURFACE OWNER: Ute Tribe

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed  Ind  Sta  Fee   
 (No. 124290364)
- Potash (Y/N)
- Oil Shale (Y/N) \*190-5(B)
- Water Permit  
 (No. Crescent Trucking # 4802)
- RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3. Unit Glen Bench (Enb. Rec.)
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit  
 Board Cause No: 1739-S  
 Date: 8-1-91
- R649-3-11. Directionl Drilling

COMMENTS: \_\_\_\_\_

STIPULATIONS: ① FEDERAL APPROVAL





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

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

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

April 7, 1999

Chandler & Associates, Inc.  
475 Seventeenth Street, Suite 1000  
Denver, Colorado 80202

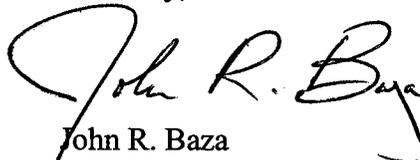
Re: Glen Bench Unit 12-30-8-22 Well, 1778' FSL, 1137' FWL, NW SW, Sec. 30, T.8 S.,  
R. 22 E., Uintah County, Utah

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 43-047-33324.

Sincerely,

  
John R. Baza  
Associate Director

lwp

Enclosures

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

Operator: Chandler & Associates, Inc.

Well Name & Number: Glen Bench Unit 12-30-8-22

API Number: 43-047-33324

Lease: Federal Surface Owner: Ute Tribe

Location: NW SW Sec. 30 T. 8 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.

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  
 Chandler & Associates, LLC

3. ADDRESS AND TELEPHONE NO.  
 (303)295-0400  
 475 Seventeenth Street, Suite 1000, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface 1778' FSL 1137' FWL  
 At proposed prod. zone

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) 1137'

16. NO. OF ACRES IN LEASE 920.66

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2500'

19. PROPOSED DEPTH 7350'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4741' GR

22. APPROX. DATE WORK WILL START\* A.S.A.P.

5. LEASE DESIGNATION AND SERIAL NO.  
 U-9617

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 Ute Indian Tribe

7. UNIT AGREEMENT NAME  
 Glen Bench Unit

8. FARMOR LEASE NAME, WELL NO.  
 Glen Bench Unit

9. API WELL NO.  
 #12-30-8-22

10. FIELD AND POOL, OR WILDCAT  
 Glen Bench

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 30, T8S, R22E, SLB&M

12. COUNTY OR PARISH  
 Uintah

13. STATE  
 Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	400'	(See attached drilling plan)
7 7/8"	4 1/2"	10.5#	7350'	(See attached drilling plan)

RECEIVED

MAR 23 1999

BLM VERNAL, UTAH

- M.I.R.U.
- Drill to T.D.
- Run 4 1/2" casing if commercial production is indicated
- If dry hole, Well will be plugged and abandoned as instructed by the B.L.M.  
Well will be drilled with Air/Air Mist to T.D.

RECEIVED  
 MAY 3 1999  
 DIV. OF OIL, GAS & MINING

I hereby certify that I am responsible by the terms and conditions of the lease to conduct Lease Operations. Bond Coverage pursuant to 43 CFR 3104 for Lease Activities is being provided by Chandler & Associates, Inc. in the form of a Federal Blanket Bond #124290364 Surety by CNA.

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 Tracy D. Henline TITLE Agent for Chandler DATE 3-24-99

(This space for Federal or State office use)  
**NOTICE OF APPROVAL** 43-047-33324 APPROVAL DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

PERMIT NO. \_\_\_\_\_ 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 APR 29 1999

\*See Instructions On Reverse Side

RECEIVED  
 APR 25 1999  
 memorandum

RECEIVED

APR 24 1999

BLM VERNAL, UTAH

DATE: April 23, 1999

REPLY TO  
 ATTN OF:

Superintendent, Uintah & Ouray Agency *CPM*

SUBJECT:

APD Concurrence for Chandler & Associates

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:

TOWNSHIP 9 SOUTH, RANGE 22 EAST, SLB&M  
**Glen Bench Unit 12-30-8-22 SW/4 of Section 30**

Based on available information received on 03/15/99, 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 Chandler & Associates 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 48 hours prior to Construction, as a Tribal Technician is to routinely monitor construction.
2. The pipeline Rights-of-way will not be used for ingress or egress
3. Any deviations of submitted APD's and ROW applications Chandler will notify the Ute Tribe and BIA in writing, and will receive written authorization of such change. Without authorization, Chandler understands that they will be subject to fines and penalties.
4. The constructed travel width of the access road shall be 12 feet, except in cases of sharp curves and/or intersections.
5. Pipelines ROW will not be bladed or cleared of vegetation with specific written authorization from the Bureau of Indian Affairs and Ute Tribe Energy & Minerals.
6. The Tribal Technician is to be notified during construction of reserve pits, and also during backfilling of pits.
7. Chandler & Associates will assure the Ute Tribe any/all contractors and sub-contractors have acquired a 1998 Tribal Business License and has "Access Permits" prior to construction.
8. All Chandler & Associates employees and/or authorized personnel (sub-contractors) in the field will have applicable APD's and/or ROW permits/authorizations on their person (s) during all phases of construction.

5010-118

9. All vehicular traffic, personnel movement, construction/restoration operations should be confined to the areas examine and approved, and to the existing roadways and/or evaluated access routes.
10. All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
11. The personnel from the Ute Tribe Energy and Minerals Department should be consulted should cultural remains from subsurface deposits be exposed or identifies during construction.
12. All mitigative stipulations contained in the Bureau of indian Affairs site specific Envirionmental Analysis (EA) will be strictly adhered.
13. Upon completion of Application for Permit to Drill and Rights-of-way, Chandler & Associates will notify the Ute Tribe Energy and Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

*Acting Allen D. Lloyd*

**SITE SPECIFIC  
PRIVATE  
ENVIRONMENTAL ASSESSMENT**

**1.0 - PROPOSED ACTION**

Chandler & Associates, Inc. is proposing to drill a well, the Glen Bench State #12-30-8-22 and to construct 18.38' feet of access road right-of-way and approximately 484' 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	Chandler & Associates INC.
Date	3-15-99
Well number	Glen Bench State #12-30-8-22
Right-of-way	Access Road R.O.W 18.38' feet. Pipeline R.O.W 484' feet
Site location	SW 1/4 Sec.30 T8S R21E S.L.B.&M

**4.0 - SITE SPECIFIC SURVEY**

**A. SITE DESCRIPTION**

1. Elevation (feet)	4741
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

**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	2.76
Woodland	0
Irrigable land	0
Non-Irrigable land	2.76
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 Senco -Phenix Archaeological Consultants Inc.

## 5.0 - ENVIRONMENTAL IMPACTS

### A. SURFACE ALTERATIONS:

	Acres
1. Access road	0.013
2. Well site	2.42
3. Pipeline right-of-way	0.33
4. Total area disturbed	2.76

### B. VEGETATION/LANDSCAPE

1. Production loss (AUM's)/year:	0.18
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 0.18 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 reseeded 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, 03-15-99, 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: 4-22-99

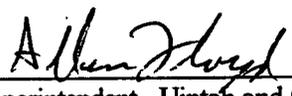
  
\_\_\_\_\_  
Representative, BIA Environmental Protection Specialist  
Uintah and Ouray Agency

**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: 4/23/99

  
\_\_\_\_\_  
Acting Superintendent, Uintah and Ouray Agency

**13.0 - CONSULTATION**

**A. REPRESENTATIVES/ORGANIZATION**

Jim Simonton Chandler & Asso. INC.	Leo Tapoof UTEM
Greg Darlington BLM.	Manuel Myore-BIA
David Kay U.E.L.S	Don Allred U.E.L.S

EA.Clen Bench State #12-30-8-22

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Chandler & Associates LLC.

Well Name & Number: 12-30-8-22

API Number: 43-047-33324

Lease Number: U-9617

Location: NWSW Sec. 30 T. 08S 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.

**The Wasatch formation is spaced for 320 acre laydown units. Therefore, if the well is completed in the Wasatch Formation, Chandler will need to submit a request to create a Communitization Agreement for the south half of section 30, Township 8 South, Range 22 East.**

### 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 2M 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 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  $\pm 756$  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.

A cement bond log (CBL) will be run from the production casing shoe to 556' and will 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 Petroleum Engineer	(435) 789-4170
Ed Forsman Petroleum Engineer	(435) 789-7077
Jerry Kenczka Petroleum Engineer	(435) 781-1190
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 CONDITIONS OF APPROVAL**  
Chandler and Associates, Inc.  
Glen Bench 12-30-8-22

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.

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 20 feet in length and existing roads would be upgraded to serve the production operations. Culverts will be installed or extended where required to improve the existing roads. Chandler and Associates will install a suitable flowline crossing in the access road to cross the existing Questar surface line adjacent the West side of the location.

A surface steel production flowline is planned for this project. The flowline shall be buried in the fields and the remaining portions will be above ground.

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. The 484 foot long route for the flowline is indicated in the APD on Map D.

Buried flowlines shall be a minimum of three 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 gravel fill will be used for production facilities and access roads. When wellsites are plugged and abandoned gravel will be reclaimed according to BIA specifications.

Chandler and Associates 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.

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

Chandler and Associates 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 the APD.

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. 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 Chandler and Associates so that a Tribal Technician can verify Affidavit of Completion's.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

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

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

May 12, 2000

Chandler & Associates, Inc.  
475 Seventeenth Street, Suite 1000  
Denver, CO 80202

Re: Notification of Expiration  
Well No. Glen Bench 12-30-8-22  
NWSW Sec. 30, T80S, R22E  
Lease No. U-9617

Gentlemen:

43-047-33324

The Application for Permit to Drill the above-referenced well was approved on April 29, 1999. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

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

Sincerely,

Margie Herrmann  
Legal Instruments Examiner

cc: State Div. OG&M  
Shenandoah Energy, Inc.

BOG-M  
LA  
DATE

RECEIVED

MAY 19 2000

DIVISION OF  
OIL, GAS AND MINING