

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

SUBMIT IN TRIPlicate  
(Other instructions on reverse side)

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

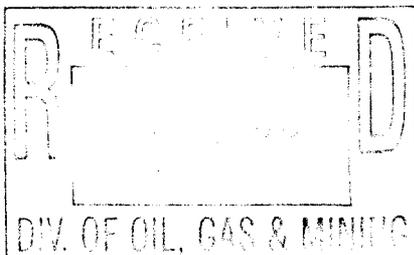
**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

|   |  |  |   |  |
|---|--|--|---|--|
| 1a. TYPE OF WORK<br><b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>   |  |  | 5. LEASE DESIGNATION AND SERIAL NO.<br><b>ML - 22052</b>  |  |
| b. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>      |  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br><b>Ute</b>        |  |
| 2. NAME OF OPERATOR<br><b>Coastal Oil &amp; Gas Corporation</b>   |  |  | 7. UNIT AGREEMENT NAME<br><b>9C-000204</b>                |  |
| 3. ADDRESS AND TELEPHONE NO.<br><b>P.O. Box 1148, Vernal UT 84078      (435)-781-7023</b>   |  |  | 8. FARM OR LEASE NAME, WELL NO.<br><b>Ouray #32-89</b>    |  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*<br>At surface<br><b>NW/SW      4,437,190 N<br/>At proposed prod. zone      620,725 E<br/>2152'FSL &amp; 741'FWL</b> |  |  | 9. API WELL NO.   |  |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*<br><b>3.9 miles to Ouray</b>  |  |  | 10. FIELD AND POOL, OR WILDCAT<br><b>Ouray</b>            |  |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) <b>741'</b>   |  | 16. NO. OF ACRES IN LEASE<br><b>480.00</b> | 17. NO. OF ACRES ASSIGNED TO THIS WELL<br><b>160.00</b>   |  |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>Refer to Topo C</b>  |  | 19. PROPOSED DEPTH<br><b>9500'</b>         | 20. ROTARY OR CABLE TOOLS<br><b>Rotary</b>                |  |
| 21. ELEVATIONS (Show whether DF,RT, GR, etc.)<br><b>4663.9'</b>   |  |  | 22. APPROX. DATE WORK WILL START*<br><b>Upon Approval</b> |  |

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE      | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|-------------------|----------------------|-----------------|---------------|--------------------|
| Refer to Attached |                      |                 |               |                    |
| Drilling Program  |                      |                 |               |                    |

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. Coastal Oil & Gas Corporation agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.  
Bond Coverage pursuant to 43 CFR 3104 for the lease activities is being provided by Coastal Oil & Gas Corporation Bond #102103, BLM Nationwide Bond #U-605382-9, and BIA Nationwide Bond #114066-A.



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

24. *Cheryl Cameron*      Cheryl Cameron      Environmental Analyst      DATE September 14, 1999

(This space for Federal or State office use)

PERMIT NO. 43047-33392      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 *Bradley G. Hill*      TITLE **BRADLEY G. HILL  
RECLAMATION SPECIALIST III**      DATE 10/13/99

\*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.

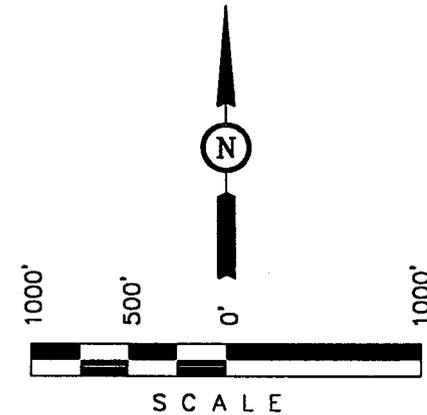
T8S, R21E, S.L.B.&M.

**COASTAL OIL & GAS CORP.**

Well location, OURAY #32-89, located as shown in the NW 1/4 SW 1/4 of Section 32, T8S, R21E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

SPOT ELEVATION AT A ROAD INTERSECTION IN THE SE 1/4 SW 1/4 OF SECTION 31, T8S, 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 4666 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.

*Robert L. Kays*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 65479  
 STATE OF UTAH

**UNTAH ENGINEERING & LAND SURVEYING**

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

|                           |                                 |                         |
|---------------------------|---------------------------------|-------------------------|
| SCALE<br>1" = 1000'       | DATE SURVEYED:<br>08-04-99      | DATE DRAWN:<br>08-19-99 |
| PARTY<br>K.K. B.A. D.R.B. | REFERENCES<br>G.L.O. PLAT       |                         |
| WEATHER<br>HOT            | FILE<br>COASTAL OIL & GAS CORP. |                         |

S89°37'W - 60.55 (G.L.O.)

S89°36'W - 20.28 (G.L.O.)

N00°48'W - 39.86 (G.L.O.)

N00°21'E - 40.34 (G.L.O.)

2704.25' (Meas.)

N01°16'53"E

741'

**OURAY #32-89**

Elev. Ungraded Ground = 4665'

2152'

Brass Cap

N00°25'E - G.L.O. (Basis of Bearings)  
2656.08' (Measured)

Brass Cap

N89°33'08"E 2645.86' (Meas.)

N89°33'08"E 2674.91' (Meas.)

32

T8S  
T9S

**LEGEND:**

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- = SECTION CORNERS RE-ESTABLISHED NOT SET ON GROUND.

LATITUDE = 40°04'41"

LONGITUDE = 109°35'03"



September 17, 1999

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

Attention: Ed Forseman/Wayne Bankert/Greg Darlington

Gentlemen:

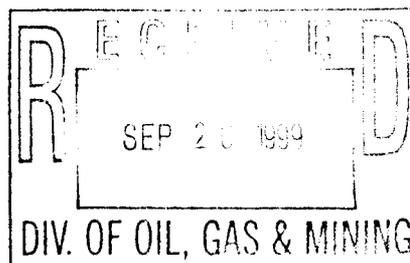
Enclosed are the original and two copies of the Application for Permit to Drill for the following: Arhee #1-117, Ute Tribal #35-113, Ute Tribal #35-111, Ouray #33-91, Ouray #32-89, Tribal #2-119.

If you should have any questions or need additional information, please do not hesitate to call me @ (435)-781-7024.

Sincerely,

Sheila Upchego  
Environmental Secretary

CC: Ferron Secakuku, Ute Indian Tribe Energy & Minerals  
Charles Cameron, Bureau of Indian Affairs  
✓Lisha Cordova, State of Utah Division of Oil, Gas & Mining



**Coastal Oil & Gas Corporation**

A SUBSIDIARY OF THE COASTAL CORPORATION  
1368 S 1200 E • PO BOX 1148 • VERNAL UT 84078 • 435/789-4433 • FAX 435.789-4436

**OURAY #32-89  
 NW/SW SECTION 32-T8S-R21E  
 UTAH COUNTY, UTAH  
 LEASE NUMBER: 14-20-H62-3006**

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

***DRILLING PROGRAM***

**1. Estimated Tops of Important Geologic Markers:**

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| KB               | 4670'        |
| Green River      | 2180'        |
| Wasatch          | 5600'        |
| Mesaverde        | 8700'        |
| Total Depth      | 9300'        |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
| Oil/Gas          | Green River      | 2180'        |
|                  | Wasatch          | 5600'        |
|                  | Mesaverde        | 8700'        |
| 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:

| <b><i>SURFACE CASING</i></b> | <b><i>Depth</i></b> | <b><i>Hole Size</i></b> | <b><i>Csg Size</i></b> | <b><i>Wt/Ft</i></b> | <b><i>Grade</i></b> | <b><i>Type</i></b> |
|------------------------------|---------------------|-------------------------|------------------------|---------------------|---------------------|--------------------|
| Kicker Sand Not Present      | 0-450'              | 11"                     | 8-5/8"                 | 24#                 | K-55                | ST&C               |

*Prod. 4 1/2, 11.6, N-80, LTC*

| <i>Surface Casing</i>                  | <i>Fill</i> | <i>Type &amp; Amount</i>   |
|--|-------------|--|
| Kicker Sand not Present -- 0-900'      | 900'        | 255 sx Class "G" + 2% CaCl <sub>2</sub> , 15.6 ppg, 1.19 cf/sx (Cement will be circulated to surface, about 25% excess). |
| <i>Production Casing</i>               |             | <i>Type &amp; 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.

6. **Evaluation Program:**

*Please see the Natural Buttes Unit SOP.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure approximately equals 3,800 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,710 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. **Variances:**

*Please see the Natural Buttes Unit SOP.*

10. **Other Information:**

*Please see the Natural Buttes Unit SOP.*

**OURAY #32-89  
NW/SW, SECTION 32-T8S-R21E  
UINTAH COUNTY, UTAH  
LEASE NUMBER: ML-22052**

**ONSHORE ORDER NO. 1**

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

An onsite inspection was conducted for the above referenced well on 9/8/99. In attendance at the inspection were the following individuals:

|                 |                                     |
|-----------------|-------------------------------------|
| Ronny Routh     | Coastal Oil & Gas Corporation       |
| Paul Breshears  | Coastal Oil & Gas Corporation       |
| Larry Hain      | 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 |
| Gary Streeter   | Uintah Engineering & Land Surveying |
| Harley Jackson  | Jackson Construction                |
| Jim Justice     | J&L Oilfield Service                |
| 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.

**2. Planned Access Roads:**

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

**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.*

Please refer to Topo Map D for the location of the proposed pipeline. The proposed pipeline will be buried below plow depth.

**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.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

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 the Ute Tribe.

12. **Other Information:**

A Class III archaeological survey was conducted by Montgomery Archaeological Consultants. A copy of this report is attached. Cultural resource clearance was recommended for this location.

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

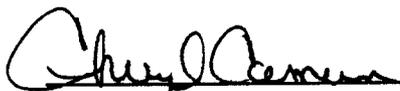
Cheryl Cameron  
Environmental Analyst  
Coastal Oil & Gas Corporation  
P.O. Box 1148  
Vernal, UT 84078  
(435) 7817023

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.

  
Cheryl Cameron

9/14/99  
Date

COASTAL OIL & GAS CORP.

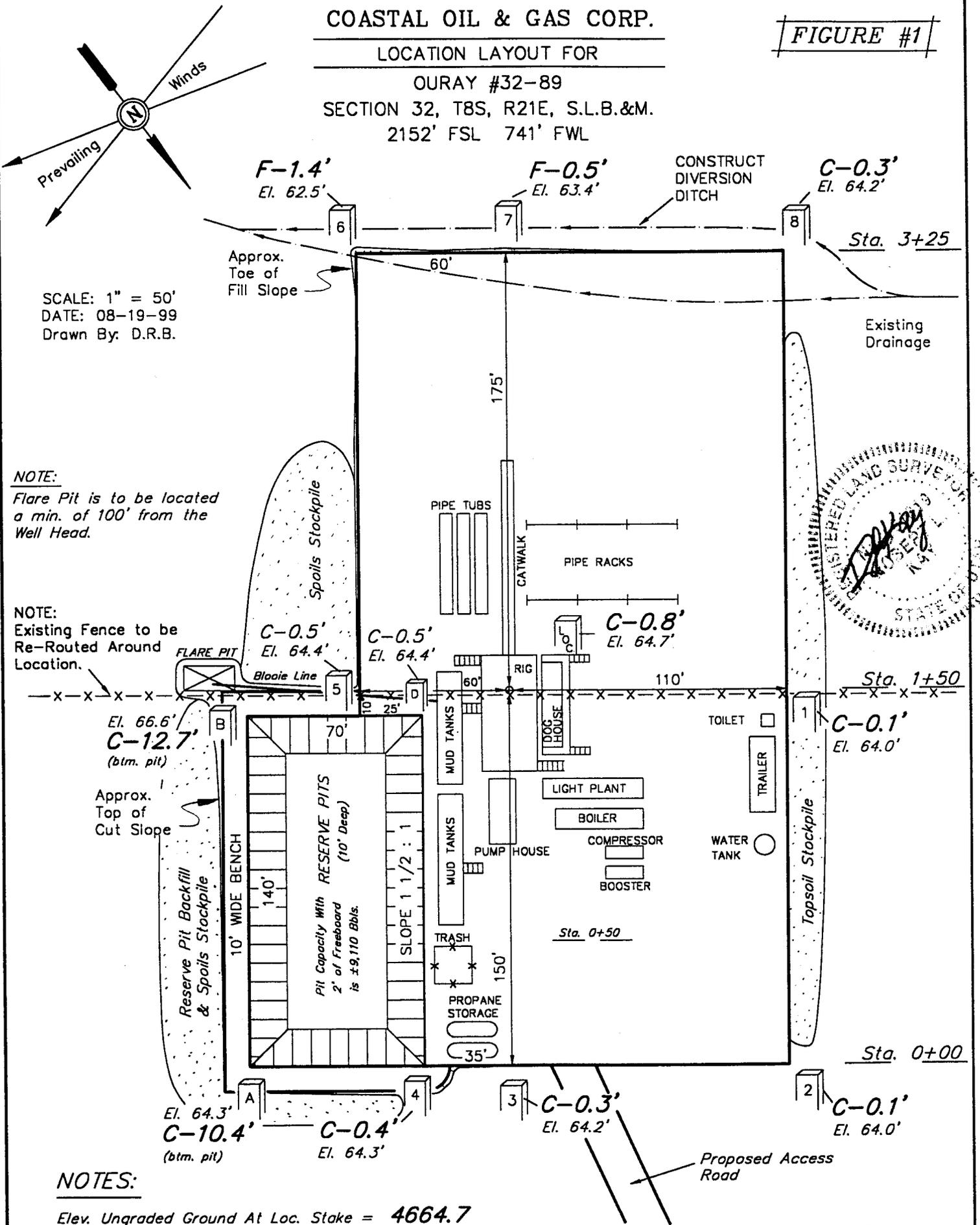
FIGURE #1

LOCATION LAYOUT FOR

OURAY #32-89

SECTION 32, T8S, R21E, S.L.B.&M.

2152' FSL 741' FWL



SCALE: 1" = 50'  
DATE: 08-19-99  
Drawn By: D.R.B.

NOTE:

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

NOTE:

Existing Fence to be Re-Routed Around Location.

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4664.7  
FINISHED GRADE ELEV. AT LOC. STAKE = 4663.9'

COASTAL OIL & GAS CORP.

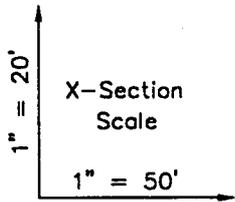
TYPICAL CROSS SECTIONS FOR

OURAY #32-89

SECTION 32, T8S, R21E, S.L.B.&M.

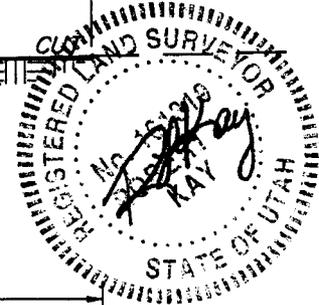
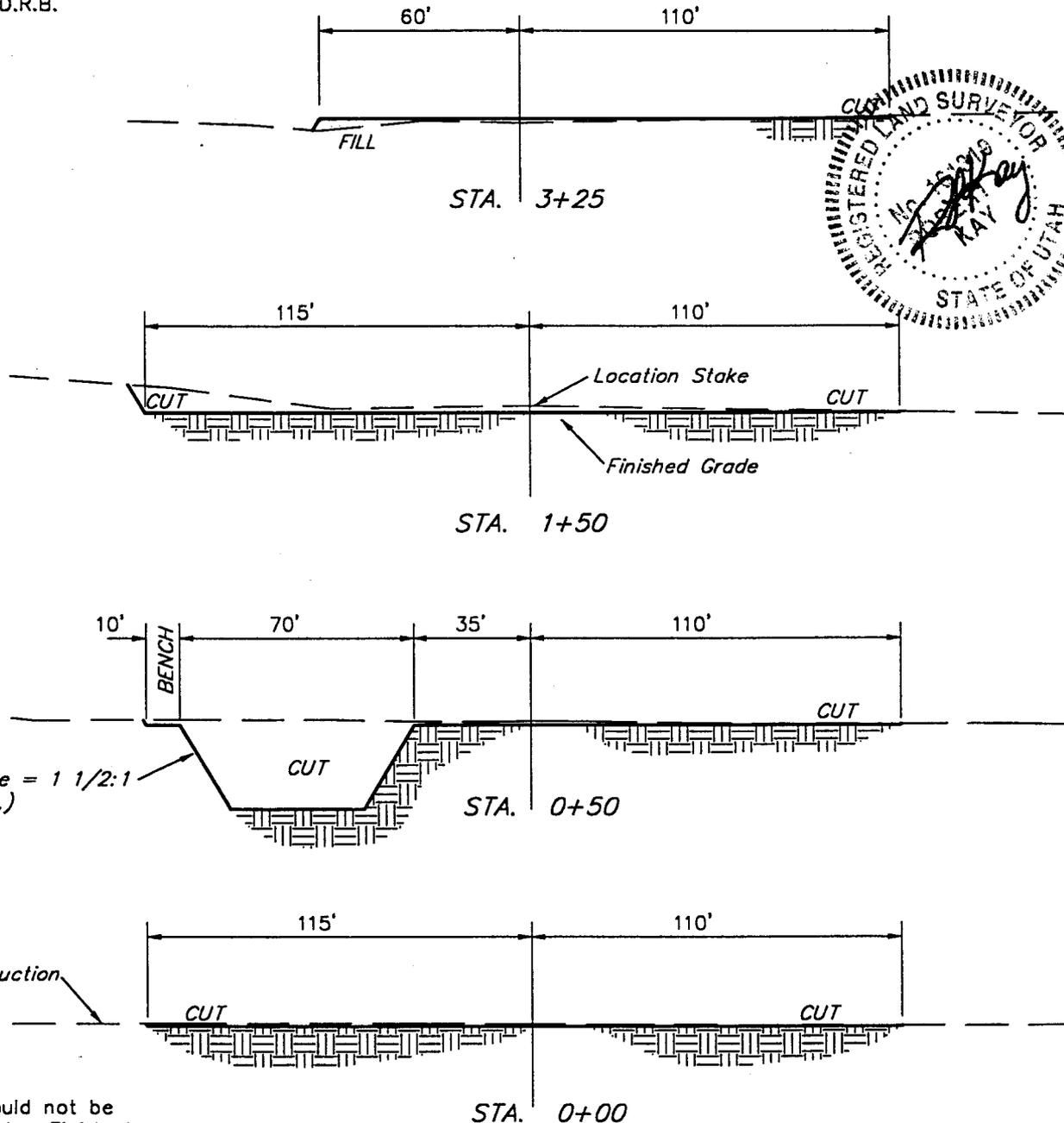
2152' FSL 741' FWL

FIGURE #2



DATE: 08-19-99

Drawn By: D.R.B.



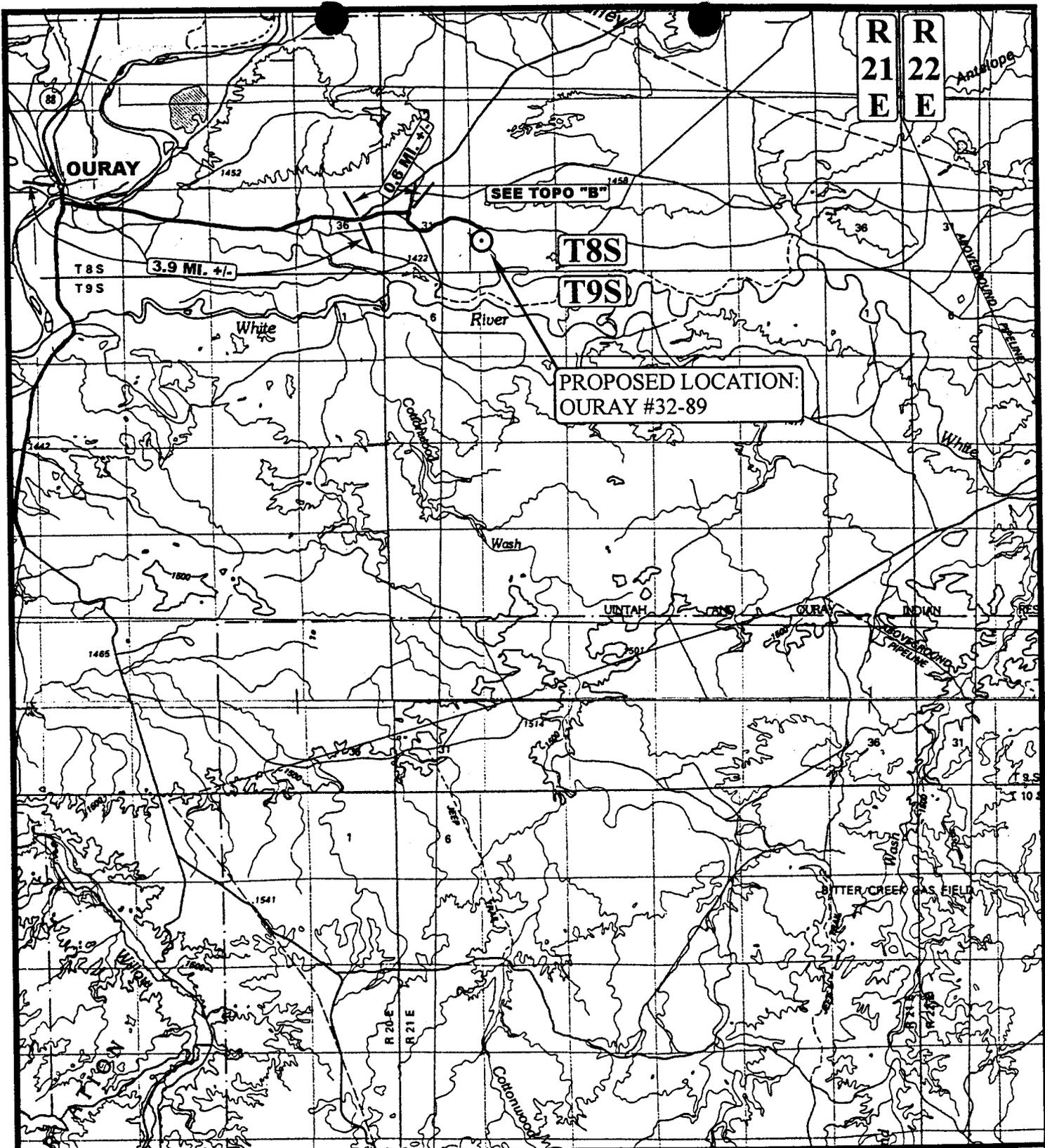
NOTE:

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

APPROXIMATE YARDAGES

|                         |                        |
|-------------------------|------------------------|
| CUT                     |                        |
| (12") Topsoil Stripping | = 2,280 Cu. Yds.       |
| Remaining Location      | = 2,480 Cu. Yds.       |
| <b>TOTAL CUT</b>        | <b>= 4,760 CU.YDS.</b> |
| <b>FILL</b>             | <b>= 1,130 CU.YDS.</b> |

|   |                  |
|---|------------------|
| EXCESS MATERIAL AFTER 5% COMPACTION     | = 3,570 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.)   | = 3,570 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds.     |



R 21 E  
R 22 E

OURAY

SEE TOPO "B"

T8S

T9S

3.9 MI. +/-

PROPOSED LOCATION:  
OURAY #32-89

**LEGEND:**

○ PROPOSED LOCATION



**COASTAL OIL & GAS CORP.**

OURAY #32-89  
SECTION 32, T8S, R21E, S.L.B.&M.  
2152' FSL 741' FWL



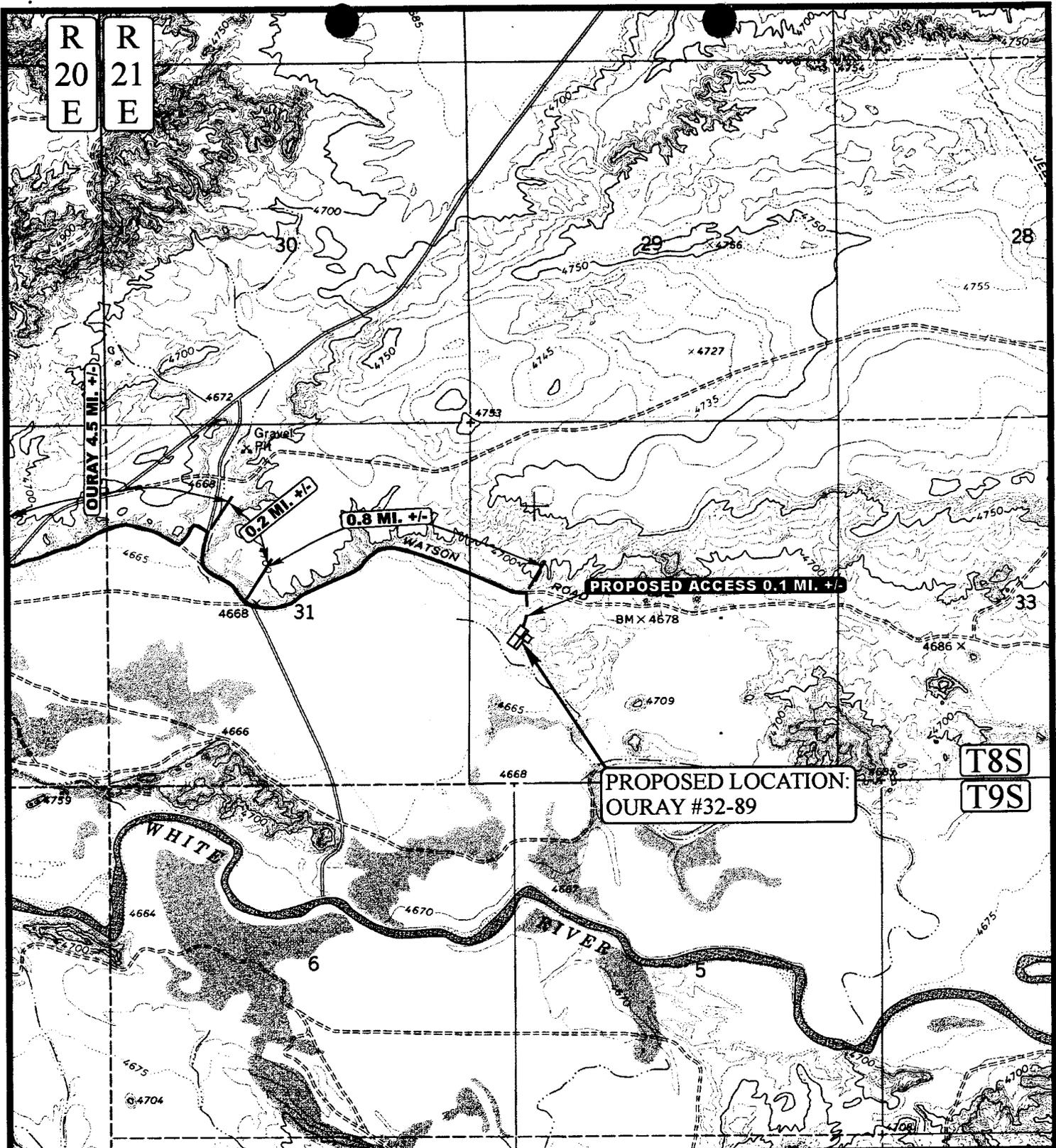
Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

8 10 99  
MONTH DAY YEAR

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





**PROPOSED LOCATION:  
OURAY #32-89**

**T8S  
T9S**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD

**COASTAL OIL & GAS CORP.**

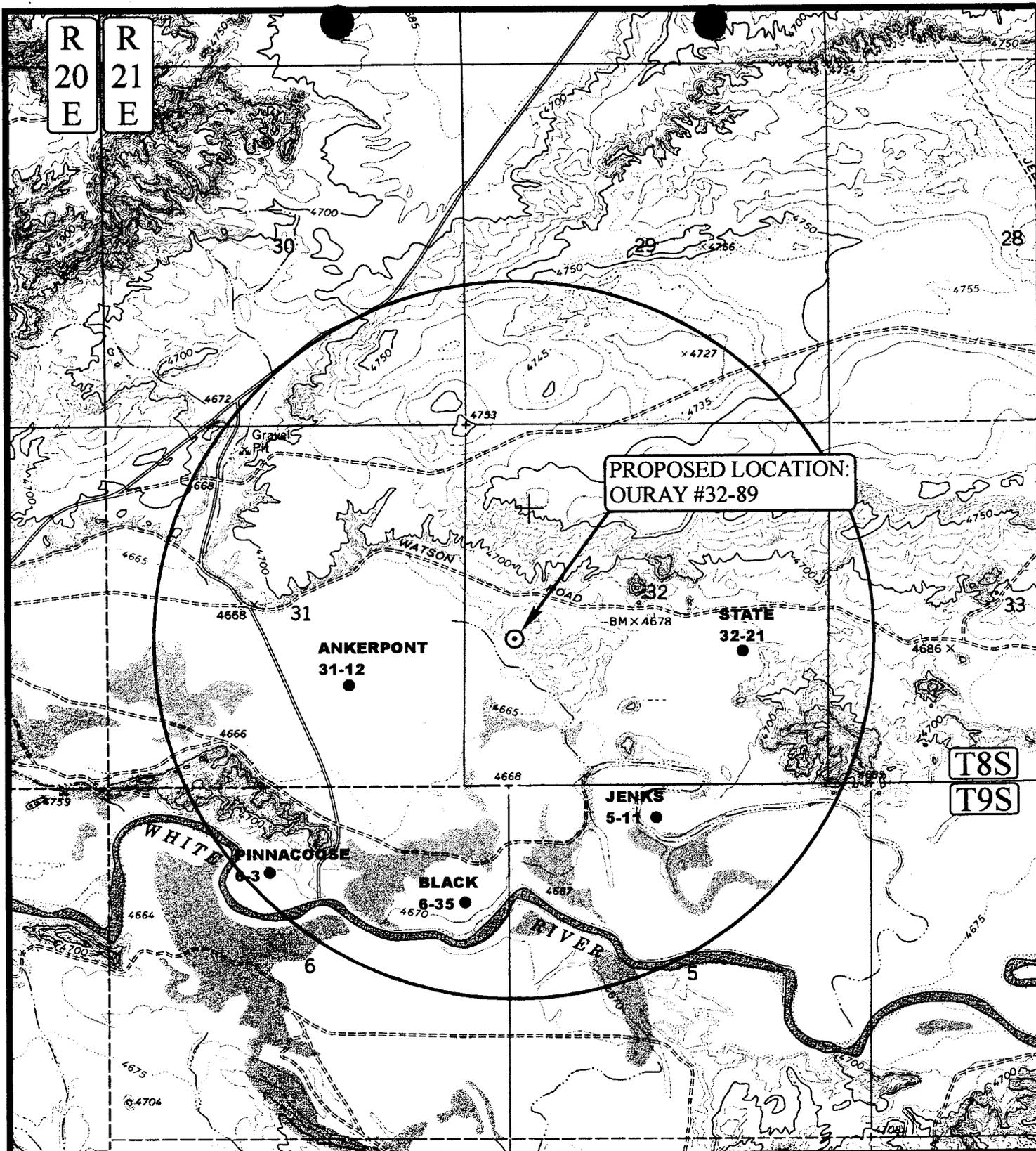
**OURAY #32-89  
SECTION 32, T8S, R21E, S.L.B.&M.  
2152' FSL 741' FWL**



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

**TOPOGRAPHIC** **8** **10** **99**  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00

**B**  
 TOPO



**PROPOSED LOCATION:  
OURAY #32-89**

**LEGEND:**

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

**COASTAL OIL & GAS CORP.**

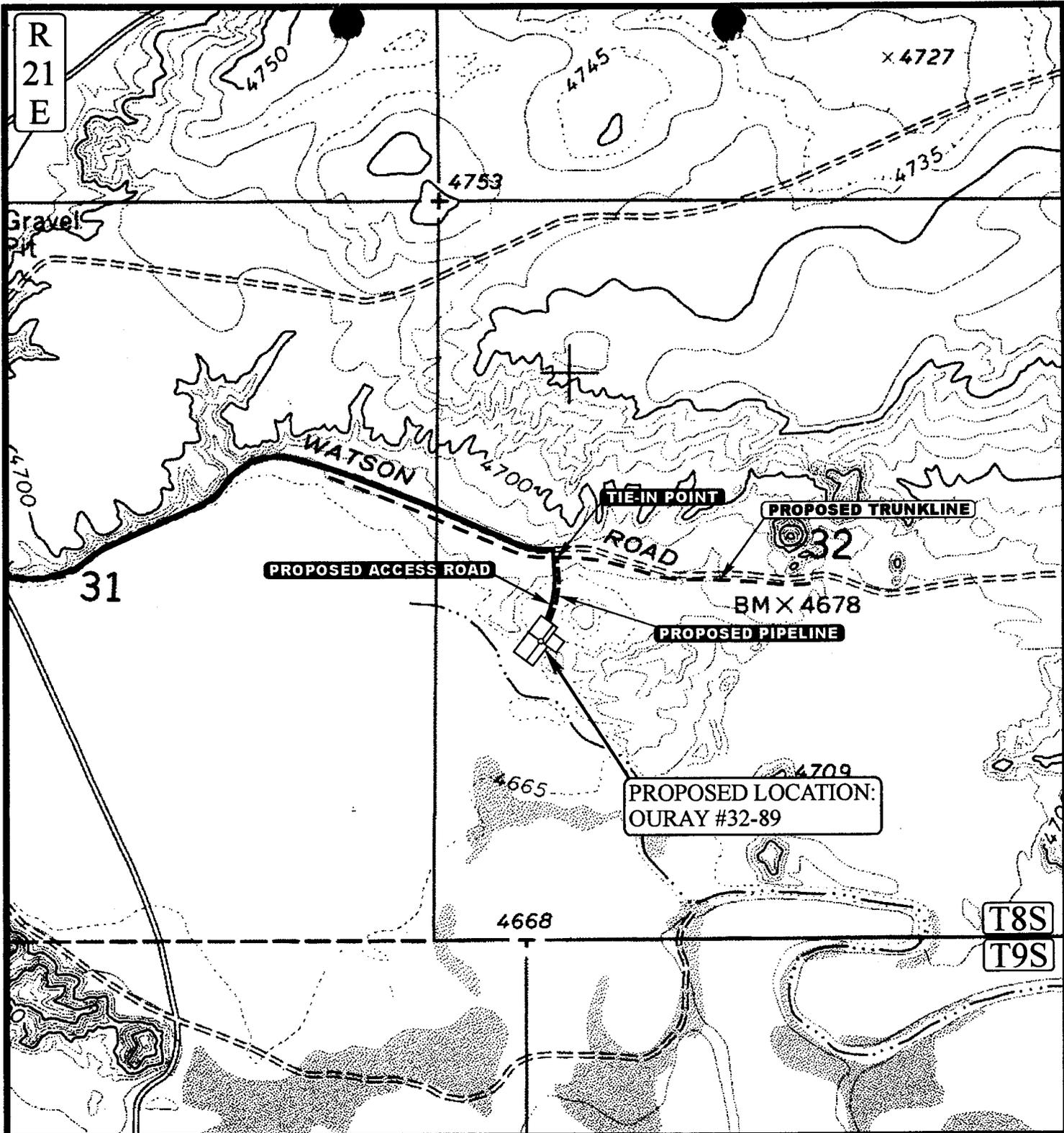
OURAY #32-89  
SECTION 32, T8S, R21E, S.L.B.&M.  
2152' FSL 741' FWL



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

**TOPOGRAPHIC** 8 10 99  
**MAP** MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 500' +/-

**LEGEND:**

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS



COASTAL OIL & GAS CORP.  
 OURAY #32-89  
 SECTION 32, T8S, R21E, S.L.B.&M.  
 2152' FSL 741' FWL

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

**TOPOGRAPHIC** 8 10 99  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: C.G. REVISED: 00-00-00 **D**  
 TOPO

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/20/1999

API NO. ASSIGNED: 43-047-33392

WELL NAME: OURAY 32-89  
 OPERATOR: COASTAL OIL & GAS CORP (N0230)  
 CONTACT: Cheryl Cameron (435) 781-7023

PROPOSED LOCATION:  
 NWSW 32 - T08S - R21E  
 SURFACE: 2152-FSL-0741-FWL  
 BOTTOM: 2152-FSL-0741-FWL  
 UINTAH COUNTY  
 NATURAL BUTTES FIELD (630)

|                        |            |         |
|------------------------|------------|---------|
| INSPECT LOCATN BY: / / |            |         |
| TECH REVIEW            | Initials   | Date    |
| Engineering            | <i>CSK</i> | 10-7-99 |
| Geology                |            |         |
| Surface                |            |         |

LEASE TYPE: STA  
 LEASE NUMBER: ML-22052  
 SURFACE OWNER: Ute Tribe

PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta  Fee[]  
(No. 102103)
- 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 Siting: \_\_\_\_\_
- R649-3-3. Exception
- Drilling Unit  
 Board Cause No: 173-13 (40')  
 Eff Date: 3-24-99  
 Siting: 460' fr. Unit Boundary & 920' fr. other wells.
- R649-3-11. Directional Drill

COMMENTS: NBU Lowrey Field "Standard Operating Procedure", separate file.  
Assumed surf-casing to 900'

STIPULATIONS: ① STATEMENT OF BASIS



|              |                                  |              |
|--------------|----------------------------------|--------------|
| Well name:   | <b>1099 Coastal Ouray #32-89</b> |              |
| Operator:    | <b>Coastal</b>                   | Project ID:  |
| String type: | Surface                          | 43-047-33392 |
| Location:    | Uintah County                    |              |

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 88 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 250 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: -11,813 psi  
 Internal gradient: 13.558 psi/ft  
 Calculated BHP 389 psi

No backup mud specified.

**Tension:**

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

Tension is based on buoyed weight.  
 Neutral point: 787 ft

Non-directional string.

**Re subsequent strings:**

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

| Run Seq | Segment Length (ft) | Size (in)               | Nominal Weight (lbs/ft) | Grade            | End Finish           | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in)     | Est. Cost ( )         |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-----------------------|
| 1       | 900                 | 8.625                   | 24.00                   | K-55             | ST&C                 | 900                  | 900                 | 7.972                   | 7545                  |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor  | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor  | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1       | 389                 | 1370                    | 3.52                    | 389              | 2950                 | 7.57                 | 19                  | 263                     | 13.92 J               |

Prepared RJK  
 by: Utah Dept. of Natural Resources

Date: October 7, 1999  
 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 900 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.  
 In addition, burst strength is biaxially adjusted for tension.

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

|              |                                  |              |  |
|--------------|----------------------------------|--------------|--|
| Well name:   | <b>1099 Coastal Ouray #32-89</b> |              |  |
| Operator:    | <b>Coastal</b>                   | Project ID:  |  |
| String type: | Production                       | 43-047-33392 |  |
| Location:    | Uintah County                    |              |  |

**Design parameters:**

**Collapse**

Mud weight: 9.500 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 208 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 250 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 0 psi  
 Internal gradient: 0.494 psi/ft  
 Calculated BHP 4,688 psi

No backup mud specified.

**Tension:**

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

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 8,151 ft

| Run Seq | Segment Length (ft) | Size (in)               | Nominal Weight (lbs/ft) | Grade            | End Finish           | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in)     | Est. Cost ( )         |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-----------------------|
| 1       | 9500                | 4.5                     | 11.60                   | N-80             | LT&C                 | 9500                 | 9500                | 3.875                   | 49795                 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor  | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor  | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1       | 4688                | 6350                    | 1.35                    | 4688             | 7780                 | 1.66                 | 95                  | 223                     | 2.36 J                |

Prepared RJK  
 by: Utah Dept. of Natural Resources

Date: October 7, 1999  
 Salt Lake City, Utah

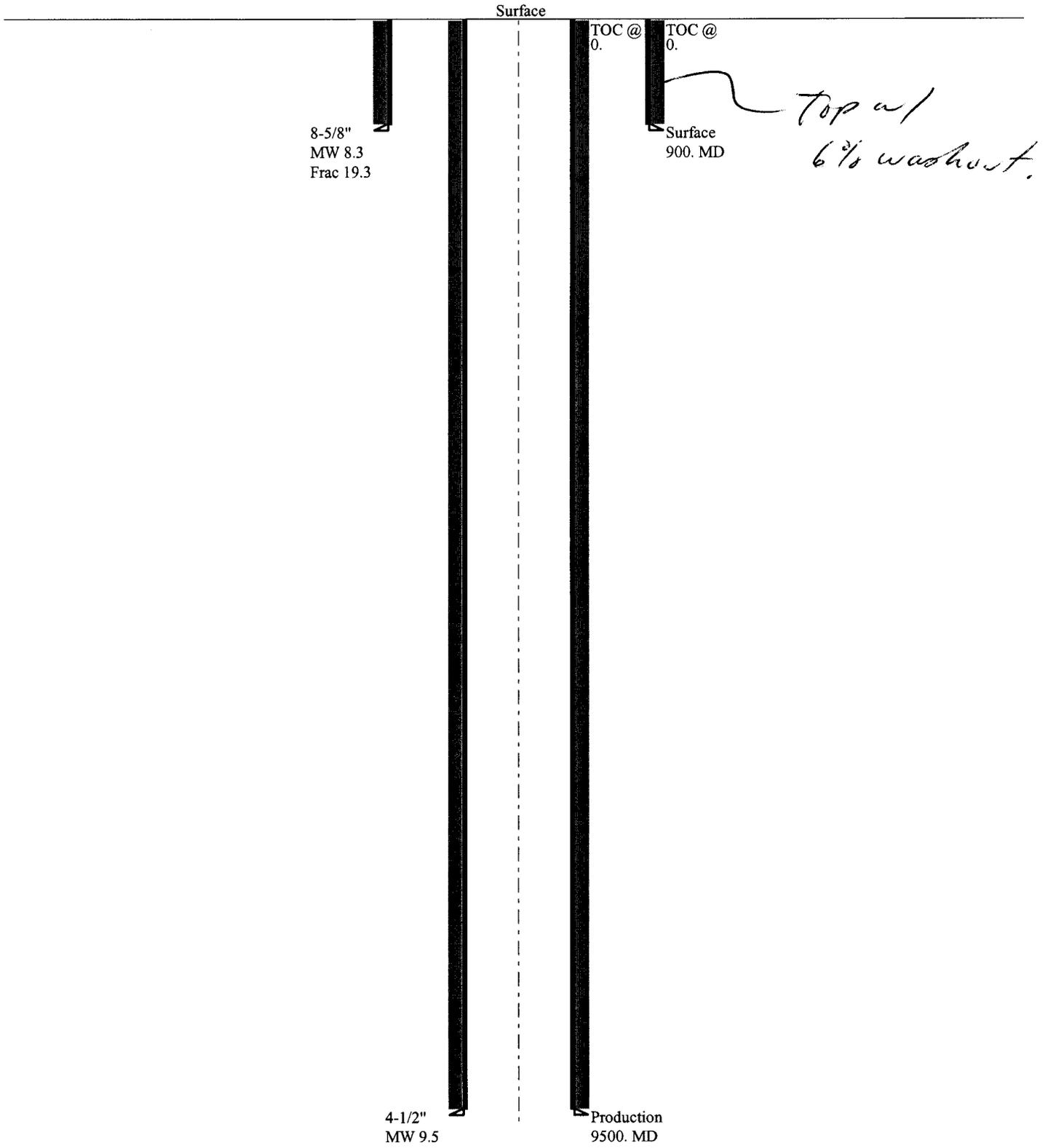
**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 9500 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes.  
 In addition, burst strength is biaxially adjusted for tension.

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

# 1099 Coastal Ouray #32-8

## Casing Schematic



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

Operator Name: Coastal Oil & Gas Corporation  
Name & Number: Ouray 32-89  
API Number: 43-047-33392  
Location: 1/4,1/4 NWSW Sec. 32 T. 8S R. 21E

Geology/Ground Water:

The depth to the moderately saline ground water at this location is estimated to be at approximately 100'. A search of records with the Division of Water Rights shows no underground water appropriations within 10000' of the proposed location. The near-surface geology of this area is made up of the interbedded sandstones and shales of the Uinta Formation. The sands of the Uinta Formation are lenticular and discontinuous and would not constitute an extensive water reservoir. The proposed casing should adequately protect any potential underground sources of useable water.

Reviewer: Brad Hill  
DATE: 10/13/99

Surface:

Surface rights at the proposed location are owned by the Ute Indian Tribe. Coastal Oil & Gas is responsible for obtaining any rights-of-way or surface permits needed from the Ute Tribe.

Reviewer: Brad Hill  
Date: 10/13/99

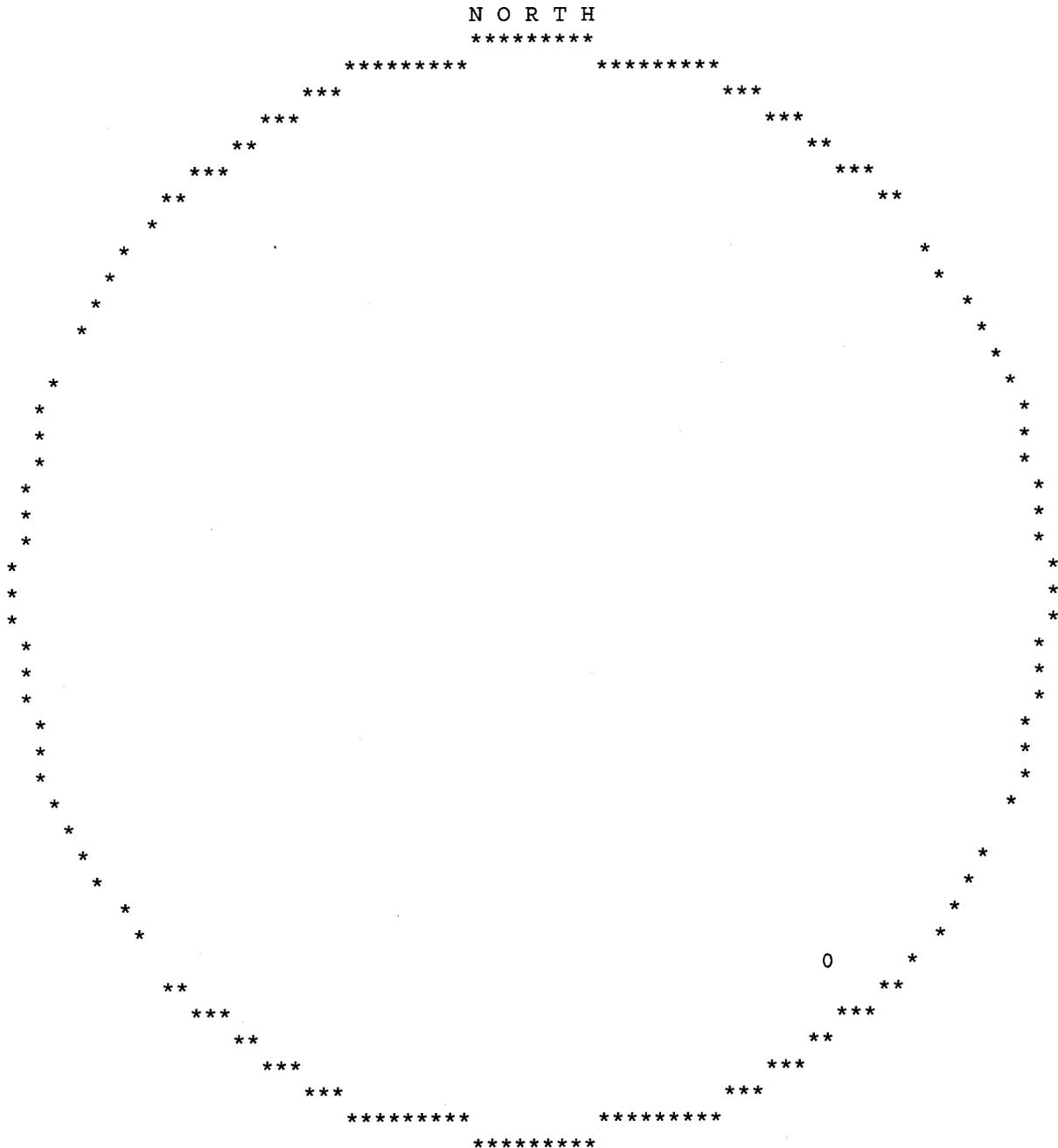
Conditions of Approval/Application for Permit to Drill:

None.

UTAH DIVISION OF WATER RIGHTS  
WATER RIGHT POINT OF DIVERSION PLOT CREATED WED, OCT 13,  
PLOT SHOWS LOCATION OF 2 POINTS OF DIVER

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FR  
FEET, FEET OF THE CT CORNER,  
SECTION 32 TOWNSHIP 8S RANGE 21E SL BASE AN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET



UTAH DIVISION OF WATER RIGHTS  
 NWPLAT POINT OF DIVERSION LOCATION PROGR

---

| MAP CHAR | WATER RIGHT   | QUANTITY                               |        |           | SOURCE DESCRIPTION or WELL INFO |                            |          | POINT |        |
|----------|---------------|--|--------|-----------|---------------------------------|----------------------------|----------|-------|--------|
|          |               | CFS                                    | AND/OR | AC-FT     | DIAMETER                        | DEPTH                      | YEAR LOG | NORTH | EA     |
| 0        | <u>49 113</u> | .0000                                  |        | 250000.00 | White River & Tributaries       |                            |          | N     | 1385 W |
|          |               | WATER USE(S): DOMESTIC MINING POWER    |        |           |                                 |                            |          |       |        |
|          |               | State of Utah Board of Water Resources |        |           | 1594                            | West North Temple, Ste 310 |          |       |        |
| 0        | <u>49 304</u> | .0000                                  |        | 105000.00 | White River & tributaries       |                            |          | N     | 1385 W |
|          |               | WATER USE(S): DOMESTIC POWER OTHER     |        |           |                                 |                            |          |       |        |
|          |               | State of Utah Board of Water Resources |        |           | 1594                            | West North Temple, Ste 310 |          |       |        |

---



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)

October 13, 1999

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

Re: Ouray 32-89 Well, 2152' FSL, 741' FWL, NW SW, Sec. 32, T. 8 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 43-047-33392.

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 32-89

API Number: 43-047-33392

Lease: State Surface Owner: Ute Tribe

Location: NW SW Sec. 32 T. 8 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 of the following actions during drilling of this well:

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

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

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

#### 3. Reporting Requirements

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

#### 4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.  
**ML-22052**

6. If Indian, Allottee or Tribe Name  
**Ute**

7. If Unit or CA/Agreement, Name and/or No.  
**9C-000204**

8. Well Name and No.  
**Ouray #32-89**

9. API Well No.  
**43-047-33392**

10. Field and Pool, or Exploratory Area  
**Ouray**

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)  
**NW/SW Sec.32, T8S, R21E  
2152' FSL & 741' FWL**

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and 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.)

MIRU Malcolm's Drilling (Bucket Rig) and drilled 65' of 18" hole and ran 65' of 14" conductor pipe. Cmt w/70 sks P-AG w/2% CaCl2, 15.6 ppg, 1.18 yield. Cmt fell. Top job w/20' of 1" pipe. Pumped 25 sks same Cmt. Hole stayed full.

MIRU Bill Martin Drilling (Air Rig) and drilled 495' of 12 1/4" hole and ran 11 jts 8 5/8" K-55 24# Csg. Cmt w/240 sks P-AG w/2% CaCl2, 1/4#/sk Flocele, 15.6 ppg, 1.18 yield. Drop plug. Displace w/28 Bbls H2O w/12 Bbls Cmt. to surface. Hole stayed full.

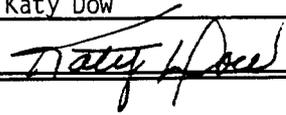
Spud @ 5:30 a.m. on 6/1/00.

RECEIVED  
JUN 12 2000  
BUREAU OF LAND MANAGEMENT  
OIL, GAS & MINERAL

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

Title  
**Environmental Jr. Analyst**

Date **6/7/00**



**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 |      |



June 9, 2000

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

**RE: Sundry Notices**

Dear Ms. Cordova:

Enclosed are a copy of Sundry Notices and Reports on Wells Forms, BLM Form 3160-5, for the week ending June 9, 2000.

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

Sincerely,

Deanna Bell  
Environmental Secretary

Enclosures

RECEIVED

JUN 12 2000

DIVISION OF  
OIL, GAS AND MINING

**Coastal Oil & Gas Corporation**

A SUBSIDIARY OF THE COASTAL CORPORATION  
1368 S 1200 E • P.O. BOX 1148 • VERNAL UT 84078 • 435/789-4433 • FAX 435/789-4436



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  
 Coastal Oil & Gas Corporation

3. ADDRESS AND TELEPHONE NO.  
 P.O. Box 1148, Vernal UT 84078 (435)-781-7023

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements\*)  
 At surface  
 NW/SW  
 At proposed prod. zone  
 2152' FSL & 741' FWL

5. LEASE DESIGNATION AND SERIAL NO.  
 ML-22052

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 Ute

7. UNIT AGREEMENT NAME  
 9C-000204

8. FARM OR LEASE NAME, WELL NO.  
 Ouray #32-89

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT  
 Ouray

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 32, T8S, R21E

12. COUNTY OR PARISH  
 Uintah

13. STATE  
 Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 3.9 miles to Ouray

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest dirg. unit line, if any) 741'

16. NO. OF ACRES IN LEASE  
 480.00

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 160.00

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

19. PROPOSED DEPTH  
 9500'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 4663.9'

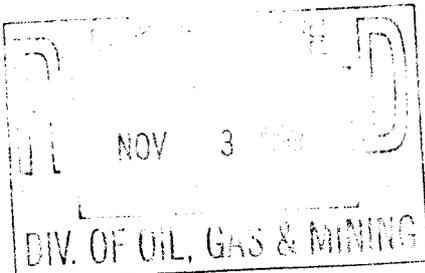
22. APPROX. DATE WORK WILL START\*  
 Upon Approval

SEP 28 1999

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE      | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|-------------------|----------------------|-----------------|---------------|--------------------|
| Refer to Attached |                      |                 |               |                    |
| Drilling Program  |                      |                 |               |                    |

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. Coastal Oil & Gas Corporation agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.  
 Bond Coverage pursuant to 43 CFR 3104 for the lease activities is being provided by Coastal Oil & Gas Corporation Bond #102103, BLM Nationwide Bond #U-605382-9, and BIA Nationwide Bond #114066-A.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposals to deepen, give data on present productive zone and proposed new productive zone. If proposals 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 Cheryl Cameron TITLE Environmental Analyst DATE September 14, 1999

(This space for Federal or State office use)

PERMIT NO. 43-047-33392 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: ACCEPTED BY BLM LOS OCT 21 1999

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

\*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.

DCGM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.  
**ML - 22052**

6. If Indian, Allottee or Tribe Name  
**Ute**

7. If Unit or CA/Agreement, Name and/or No.  
**9C-000204**

8. Well Name and No.  
**Ouray #32-89**

9. API Well No.  
**43-047-33392**

10. Field and Pool, or Exploratory Area  
**Ouray**

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)  
**NW/SW Sec.32, T8S, R21E  
2152' FSL & 741' FWL**

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

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

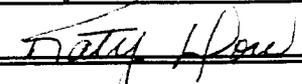
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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.)

Finished drilling from 495' to 7658'. Ran 180 jts 4 1/2" 11.6# LT&C Csg. Cmt w/690 sks Premlite II. 11.0 ppg, 3.44 yld. Followed by 935 sks 50/50 Poz, 14.5 ppg, 1.22 yld. Dropped plug. Displace w/118.4 Bbls H2O. Bumped plug. Floats held. No Cmt to surface. Clean mud pits. Released rig @ 0500 hrs on 6/23/00.

**RECEIVED**

**JUN 26 2000**

**DIVISION OF  
OIL, GAS AND MINING**

14. I hereby certify that the foregoing is true and correct  
 Name (Printed/Typed) **Katy Dow** Title **Environmental Jr. Analyst**  
 Date **6/23/00**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 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.

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

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)

**NW/SW Sec. 32, T8S, R21E  
2152' FSL & 741' FWL**

5. Lease Serial No.

**ML- 22052**

6. If Indian, Allottee or Tribe Name

**Ute**

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

**9C- 000204**

8. Well Name and No.

**Ouray #32-89**

9. API Well No.

**43-047-33392**

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>Completion</u> |
|   | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <u>Report</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.)

**Subject well placed on production on 6/30/00. Please refer to the attached Chronological Well History.**

RECEIVED  
JUL 11 2000  
BUREAU OF LAND MANAGEMENT  
OIL, GAS AND MINERAL

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed) **Katy Dow** Title **Environmental Jr. Analyst**  
*Katy Dow* Date **7/6/00**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
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, 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.

COASTAL OIL & GAS CORPORATION  
PRODUCTION REPORT

CHRONOLOGICAL HISTORY

RECEIVED  
OIL & GAS  
DIVISION  
OIL & GAS

OURAY 32-89

NW/SW SEC. 32, T8S-R21E  
OURAY FIELD  
UINTAH COUNTY, UT  
WI: 50%  
PBTD: PERFS:  
CSG:  
Spud Date:

AFE DESCR., AFE:  
FORMATION:  
CWC(M\$):

- 06/27/00      **PREP TO PERF.**  
PROG: MIRU. RIH W/ 3 7/8" MILL & 2 3/8" TBG. TAG TD @ 7616'. CIRCHOLE CLEAN.
- 06/28/00      **PREP TO FRAC.**  
PROG: PICKLE TBG W/ 3 BBLs 15% HCL. SPOT 300 GALS 15% HCL ACROSS PERF INTERVAL. POOH W/ TBG. RUN GR/CCL/CBL F/ 7616' TO 300'. TEST CSG TO 4500#. INJ INTO 8 5/8" X 4 1/2" CSG ANNULUS @ 2 1/2 BPM W/ 150#. PERF WASATCH F/ 7101' - 7105', 4 SPF, 16 HOLES & 7086' - 7092', 4 SPF, 24 HOLES. 0 PSI. BRK DN PERFS W/ 1400# @ 4 BPM - ISIP: 700#.
- 06/29/00      **PREP TO DO CBP'S.**  
PROG: STAGE # 1 - FRAC PERFS 7086' - 7105' W/ 61,000# 20/40 SD W/ 11% PROP NET & 617 BBLs YF119LG FLUID/GEL. MTP: 2390#, ATP: 1617#, MTR: 25.8 BPM, ATR: 22 BPM, ISIP: 1254#, NET PRESS INCR: 554#, FG: 0.61. RIH W/ CBP & PERF GUN. SET CBP @ 7040'.  
  
STAGE # 2 - PERF WASATCH 6936' - 6942', 4 SPF, 24 HOLES. 0 PSI. BRK DN W/ 1955# @ 3 BPM - ISIP: 925#. FRAC W/ 36,000# 20/40 SD W/ 11% PROP NET & 402 BBLs YF119LG FLUID/GEL. MTP: 2110#, ATP: 1451#, MTR: 21.2 BPM, ATR: 18.1 BPM, FG: 0.62, ISIP: 1300#, NET PRESS INCR: 375#. RIH W/ CBP & PERF GUN. SET CBP @ 6850'.  
  
STAGE # 3 - PERF WASATCH 6668' - 6674', 4 SPF, 24 HOLES & 6654' - 6658', 4 SPF, 16 HOLES. 0 PRESS. BRK DN W/ 2330# @ 3 BPM - ISIP: 737#. FRAC W/ 59,000# 20/40 SD W/ 11% PROP NET & 584 BBLs YF119LG FLUID/GEL. MTP: 2097#, ATP: 1668#, MTR: 25.2 BPM, ATR: 22.80 BPM, ISIP: 1382#, NET PRESS INCR: 645#, FG: 0.64. RIH W/ PERF GUN & CBP. SET CBP & 6,600'.  
  
STAGE # 4 - PERF WASATCH 6462' - 6466', 4 SPF, 16 HOLES & 6476' - 6482', 4 SPF, 24 HOLES. 800# PRESS. BRK DN W/ 829# @ 3 BPM - ISIP: 993#. FRAC W/ 79,000# 20/40 SD W/ 11% PROP NET & 727 BBLs YF 119LG FLUID/GEL. MTP: 2129#, ATP: 1385#, MTR: 25.2 BPM, ATR: 21.8 BPM, ISIP: 1273#, FG: 0.63, NET PRESS INCR: 280#. RIH W/ CBP & PERF GUN. SET CBP @ 6420'.  
  
STAGE # 5 - PERF WASATCH 6362' - 6372', 4 SPF, 40 HOLES. 980# PRESS. BRK DN W/ 1031# @ 3 BPM - ISIP: 1131#. FRAC W/ 74,496# 20/40 SD W/ 11% PROP NET & 700 BBLs YF119LG FLUID/GEL. MTP: 2783#, ATP: 1734#, MTR: 30.2 BPM, ATR: 1734#, ISIP: 1392#, FG: 0.65, NET PRESS INCR: 261#. RIH W/ 3 7/8" BIT. EOT @ 6255'.
- 06/30/00      **PREP TO TURN TO SALES.**  
PROG: DO CBP'S @ 6300, 6420', 6600', 6850' & 7040'. CO TO PBTD @ 7616'. PU & LAND TBG @ 6792', SN @ 6757'. OPEN TO FBT @ 4:00 PM. FLOW BACK 15 HRS ON 32/64" CHK. CP: 1450# TO 1500#, FTP: 660# TO 940#, 31 BWPH TO 5 BWPH. TRACE OF SD TO CLEAN. EST PROD RATE 2800 MCFPD. TLTR: 3175 BBLs, TLR: 1196 BBLs, LLTR: 1979 BBLs.
- 07/01/00      **PLACED ON SALES @ 9:00 AM 6/30/00.** SPOT PROD DATA: CK: 20/64", FTP: 1500#, CP: 1780#, LP: 156#, 3000 MCFPD.
- 07/02/00      **PROG: FLWD 2683 MCF, 100 BW, FTP: 1065#, CP: 1595#, 20/64" CK, 23 HRS, LP: 143#, LLTR: 1879 BBLs.**
- 07/03/00      **PROG: FLWD 3803 MCF, 100 BW, FTP: 925#, CP: 1425#, 25/64" CK, 24 HRS, LP: 178#.**
- 07/04/00      **PROG: FLWD 3713 MCF, 75 BW, FTP: 940#, CP: 1320#, 64/64" CHK, LP: 132#, 24 HRS, LLTR: 1704 BBLs.**
- FINAL REPORT. IP DATE 7/02/00 - FLWG 3803 MCF, 100 BW, FTP: 925#, CP: 1425#, 25/64" CHK, LP: 178#, 24 HRS.**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires: November 30, 2000

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well  Oil Well  Gas Well  Dry  Other  
 b. Type of Completion:  New Well  Work Over  Deepen  Plug Back  Diff. Resvr.,  
 Other \_\_\_\_\_

5. Lease Serial No.  
ML-22052

6. If Indian, Allottee or Tribe Name  
Ute

7. Unit or CA Agreement Name and No.  
9C-000204

2. Name of Operator  
Coastal Oil & Gas Corporation

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

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

8. Lease Name and Well No.  
Ouray #32-89

9. API Well No.  
43-047-33392

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface NW SW  
 At top prod. interval reported below 2152' FSL & 741' FWL  
 At total depth \_\_\_\_\_

10. Field and Pool, or Exploratory  
Ouray

11. Sec., T., R., M., or Block and Surveyor Area  
Sec 32-T8S-R21E

12. County or Parish  
Uintah

13. State  
Utah

14. Date Spudded  
6/1/00

15. Date T.D. Reached  
6/23/00

16. Date Completed  
 D & A  Ready to Prod.  
6/30/00

17. Elevations (DF, RKB, RT, GL)\*  
4663.9'

18. Total Depth: MD  
TVD 7658'

19. Plug Back T.D.: MD  
TVD 7616'

20. Depth Bridge Plug Set: MD  
TVD \_\_\_\_\_

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
GR/CCL/CBL, CNLD/ANAL-LL 6-30-00

22. Was well cored?  No  Yes (Submit analysis)  
 Was DST run  No  Yes (Submit report)  
 Directional Survey?  No  Yes (Submit)

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade  | Wt. (#ft.) | Top (MD) | Bottom (MD) | Stage Cement Depth | No. of Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|-------------|------------|----------|-------------|--------------------|-----------------------------|-------------------|-------------|---------------|
| 18"       | 14" K-55    | 50#        |          | 65'         |                    | 70 PAG                      |                   |             |               |
| 12 1/4"   | 8 5/8" K-55 | 24#        |          | 485'        |                    | 240 PAG                     |                   |             |               |
| 7 7/8"    | 4 1/2" K-55 | 11.6#      |          | 7658'       |                    | 690 Prem Lt                 |                   |             |               |
|           |             |            |          |             |                    | 935 50/50POZ                |                   | Surface     |               |

24. Tubing Record

| Size   | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|--------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2 3/8" | 6792'          |                   |      |                |                   |      |                |                   |

25. Producing Intervals

| Formation          | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|--------------------|-----|--------|---------------------|------|-----------|--------------|
| A) Refer to        |     |        | Refer to            |      |           |              |
| B) Additional Page |     |        | Additional Page     |      |           |              |
| C)                 |     |        |                     |      |           |              |
| D)                 |     |        |                     |      |           |              |

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

| Depth Interval  | Amount and Type of Material |
|-----------------|-----------------------------|
| Refer to        |                             |
| Additional Page |                             |

28. Production Interval A

| Date First Produced | Test Date   | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity    | Gas Gravity | Production Method |
|---------------------|-------------|--------------|-----------------|---------|---------|-----------|----------------|-------------|-------------------|
| 6/30/00             | 7/2/00      | 24           | →               | 0       | 3803    | 100       | 0              | 0           | Flowing           |
| Choke Size          | Tbg. Press. | Csg. Press.  | 24 Hr.          | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status |                   |
| 25/64               | 925#        | 1425#        | →               | 0       | 3803    | 100       | 0              | Producing   |                   |

28a. Production Interval B

| Date First Produced | Test Date   | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity    | Gas Gravity | Production Method |
|---------------------|-------------|--------------|-----------------|---------|---------|-----------|----------------|-------------|-------------------|
| Choke Size          | Tbg. Press. | Csg. Press.  | 24 Hr.          | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status |                   |
|                     |             |              | →               |         |         |           |                |             |                   |

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28b. Production-Interval C

|                     |                   |              |                   |         |         |           |                |             |                   |
|---------------------|-------------------|--------------|-------------------|---------|---------|-----------|----------------|-------------|-------------------|
| Date First Produced | Test Date         | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity    | Gas Gravity | Production Method |
| Choke Size          | Tbg. Press. Flwg. | Csg. Press.  | 24 Hr. →          | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status |                   |

28c. Production-Interval D

|                     |                   |              |                   |         |         |           |                |             |                   |
|---------------------|-------------------|--------------|-------------------|---------|---------|-----------|----------------|-------------|-------------------|
| Date First Produced | Test Date         | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity    | Gas Gravity | Production Method |
| Choke Size          | Tbg. Press. Flwg. | Csg. Press.  | 24 Hr. →          | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status |                   |

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold Used for Fuel

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31. Formation (Log) Markers

| Formation   | Top   | Bottom | Descriptions, Contents, etc. | Name | Top         |
|-------------|-------|--------|------------------------------|------|-------------|
|             |       |        |                              |      | Meas. Depth |
| Green River | 2180' | 5642'  |                              |      |             |
| Wasatch     | 5642' |        |                              |      |             |

32. Additional remarks (include plugging procedure):

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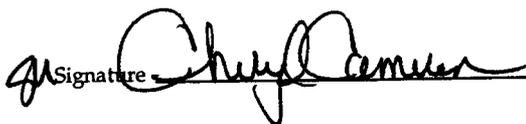
33. Circle enclosed attachments:

- 1. Electrical/Mechanical logs (1 full set req'd)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other Chronological Well History

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Cheryl Cameron

Title Sr. Environmental Analyst

Signature 

Date 7/18/00

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

Lease Serial No. ML-22052

WELL NAME: Ouray #32-89  
CA#9C-000204  
API #43-047-33392

Items: #25, #26, & #27:

Stage 1: Perf Wasatch 7101'-7105' 4 SPF, 16 Holes; & 7086'-7092' 4 SPF 24 Holes;  
Frac: 7086'-7092' w/61000# 20/40 SD w/11% Prop Net & 617 Bbls YF 119 LG Fluid/Gel.

Stage 2: Perf Wasatch 6936'-6942' 4 SPF 24 Holes; Frac: w/36000# 20/40 SD w/11% Prop Net &  
402 Bbls YF 119 LG Fluid/Gel.

Stage 3: Perf Wasatch 6668'-6674' 4 SPF, 24 Holes; 6654'-6658' 4 SPF 16 Holes;  
Frac: w/59000# 20/40 SD w/11% Prop Net & 584 Bbls YF 119 LG Fluid/Gel.

Stage 4: Perf Wasatch 6462'-6466' 4 SPF 16 Holes; & 6476'-6482' 4 SPF 24 Holes;  
Frac: w/79000# 20/40 SD w/11% Prop Net & 727 Bbls YF 119 LG Fluid/Gel.

Stage 5: Perf Wasatch 6362'-6372' 4 SPF 40 Holes;  
Frac: w/74496# 20/40 SD w/11% Prop Net & 700 Bbls YF 119 LG Fluid/Gel.

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SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER \_\_\_\_\_

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

3. ADDRESS OF OPERATOR:  
8 South 1200 East CITY Vernal STATE Utah ZIP 84078

PHONE NUMBER:  
435-789-4433

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
Exhibit "A"

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE: \_\_\_\_\_ COUNTY: \_\_\_\_\_

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: \_\_\_\_\_ STATE: UTAH

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

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

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

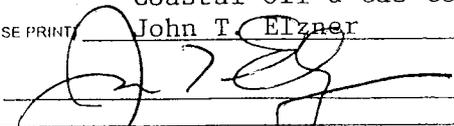
As a result of the merger between The Coastal Corporation and a wholly owned subsidiary of El Paso Energy Corporation, the name of Coastal Oil & Gas Corporation has been changed to El Paso Production Oil & Gas Company effective March 9, 2001.

See Exhibit "A"

Bond # 400JU0708

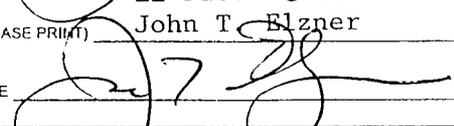
Coastal Oil & Gas Corporation

NAME (PLEASE PRINT) John T. Elzner TITLE Vice President

SIGNATURE  DATE 06-15-01

El Paso Production Oil & Gas Company

NAME (PLEASE PRINT) John T. Elzner TITLE Vice President

SIGNATURE  DATE 06-15-01

(This space for State use only)

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JUN 19 2001

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OIL, GAS AND MINING

State of Delaware  
Office of the Secretary of State

---

PAGE 1

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

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DIVISION OF  
OIL, GAS AND MINING



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

0610204 8100

AUTHENTICATION: 1061007

010162788

DATE: 04-03-01

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

COASTAL OIL & GAS CORPORATION (the "Company"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Company, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Company:

RESOLVED that it is deemed advisable that the Certificate of Incorporation of this Company be amended, and that said Certificate of Incorporation be so amended, by changing the Article thereof numbered "FIRST." so that, as amended, said Article shall be and read as follows:

"FIRST. The name of the corporation is El Paso Production Oil & Gas Company."

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders entitled to vote have given unanimous written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said COASTAL OIL & GAS CORPORATION has caused this certificate to be signed on its behalf by a Vice President and attested by an Assistant Secretary, this 9th day of March 2001.

COASTAL OIL & GAS CORPORATION

David L. Siddall
Vice President

Attest:

Margaret E. Roark
Margaret E. Roark, Assistant Secretary

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

JUN 19 2001

DIVISION OF
OIL, GAS AND MINING

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

|        |   |        |
|--------|---|--------|
| 1. GLH |   | 4-KAS  |
| 2. CDW | ✓ | 5-LP ✓ |
| 3. JLT |   | 6-FILE |

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

**X** Merger

The operator of the well(s) listed below has changed, effective: **3-09-2001**

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

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

**CA No.**

**Unit:**

**WELL(S)**

| NAME                                 | API NO       | ENTITY NO | SEC TWN RNG | LEASE TYPE | WELL TYPE | WELL STATUS |
|--------------------------------------|--------------|-----------|-------------|------------|-----------|-------------|
| WONSITS STATE 8-32                   | 43-047-33681 | 99999     | 32-07S-22E  | STATE      | GW        | APD         |
| STATE 32 21 (CA 9C-204)              | 43-047-30754 | 120       | 32-08S-21E  | STATE      | GW        | P           |
| OURAY 32-88 (CA 9C-204)              | 43-047-33391 | 12870     | 32-08S-21E  | STATE      | GW        | P           |
| <del>OURAY 32-89</del> (CA 9C-204)   | 43-047-33392 | 12754     | 32-08S-21E  | STATE      | GW        | P           |
| OURAY 32-146 (CA 9C-204)             | 43-047-33623 | 12862     | 32-08S-21E  | STATE      | GW        | P           |
| GLEN BENCH ST 12-36-8-21 (CA 9C-205) | 43-047-33287 | 12549     | 36-08S-21E  | STATE      | GW        | P           |
| TRIBAL 31-60 (CA 84688C)             | 43-047-33340 | 12563     | 31-08S-22E  | STATE      | GW        | P           |
| STATE 31 32 (CA 84688C)              | 43-047-30906 | 175       | 31-08S-22E  | STATE      | GW        | P           |
| TRIBAL 31-98 (CA 84688C)             | 43-047-33375 | 12685     | 31-08S-22E  | STATE      | GW        | P           |
| TRIBAL 31-128 (CA 84688C)            | 43-047-33460 | 12722     | 31-08S-22E  | STATE      | GW        | P           |
| TRIBAL 31-129 (CA 84688C)            | 43-047-33461 | 12739     | 31-08S-22E  | STATE      | GW        | P           |
| TRIBAL 31-132 (CA 84688C)            | 43-047-33462 | 12776     | 31-08S-22E  | STATE      | GW        | P           |
| MORGAN STATE 1-36                    | 43-047-30600 | 5445      | 36-09S-21E  | STATE      | GW        | P           |
| MORGAN STATE 2-36                    | 43-047-32585 | 11927     | 36-09S-21E  | STATE      | GW        | P           |
| MORGAN STATE 3-36                    | 43-047-32589 | 12002     | 36-09S-21E  | STATE      | GW        | P           |
| MORGAN STATE 4-36                    | 43-047-32729 | 12068     | 36-09S-21E  | STATE      | GW        | P           |
| MORGAN STATE 5-36                    | 43-047-32735 | 12069     | 36-09S-21E  | STATE      | GW        | P           |
| MORGAN STATE 15-36                   | 43-047-33094 | 12384     | 36-09S-21E  | STATE      | GW        | S           |
| MORGAN STATE 16-36                   | 43-047-33093 | 12407     | 36-09S-21E  | STATE      | GW        | P           |
| HELLS HOLE 9103                      | 43-047-31870 | 11027     | 36-10S-25E  | STATE      | GW        | P           |

**OPERATOR CHANGES DOCUMENTATION**

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 06/19/2001
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 06/19/2001
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/21/2001
4. Is the new operator registered in the State of Utah: YES Business Number: 608186-0143





United States Department of the Interior

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BUREAU OF LAND MANAGEMENT

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

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DIVISION OF  
OIL, GAS AND MINING

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

FEB 21 2002

NOTICE

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

Name Change Recognized

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

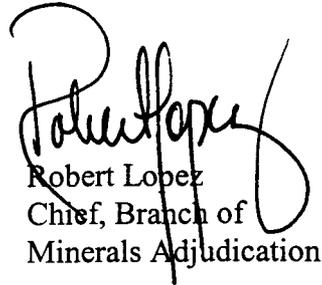
For our purposes, the name change is recognized effective December 31, 2001.

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

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

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

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



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

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



# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Washington, D.C. 20240

FEB 10 2003

IN REPLY REFER TO:  
Real Estate Services

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

Dear Mr. Wilson:

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

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

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

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

Sincerely,

Director, Office of Trust Responsibilities

**ACTING**

Enclosure

# memorandum

Branch of Real Estate Services  
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to  
Attn of: Supervisory Petroleum Engineer

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

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

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

We have no objection.

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

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

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

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



JAN. 17. 2003 3:34PM

PORT

NO. 173

P. 2

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

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

**February 1, 2002**

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

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

**Dear Ms. Maxwell:**

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

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

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

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

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

*Debby J. Black*  
**Debby J. Black  
Engineer Technician**

**Encl:**

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

FORM 9

|  |  |   |
|--|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | 5. LEASE DESIGNATION AND SERIAL NUMBER: |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:   |
|  |  | 7. UNIT or CA AGREEMENT NAME:           |
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____   | 8. WELL NAME and NUMBER:<br><b>Exhibit "A"</b> |   |
| 2. NAME OF OPERATOR:<br><b>El Paso Production Oil &amp; Gas Company</b>  |  | 9. API NUMBER:                          |
| 3. ADDRESS OF OPERATOR:<br><b>9 Greenway Plaza</b> CITY <b>Houston</b> STATE <b>TX</b> ZIP <b>77064-0995</b>   | PHONE NUMBER:<br><b>(832) 676-5933</b>         | 10. FIELD AND POOL, OR WILDCAT:         |
| 4. LOCATION OF WELL  |  |   |
| FOOTAGES AT SURFACE:   |  | COUNTY:                                 |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:   |  | STATE:<br><b>UTAH</b>                   |

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

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

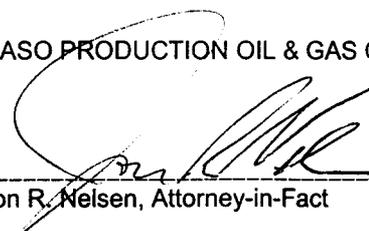
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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

BOND # \_\_\_\_\_

State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

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

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

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

(This space for State use only)

Form 3160-5  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
**SEE ATTACHED EXHIBIT "A"**

6. If Indian, Allottee or Tribe Name

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

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

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

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**UINTAH COUNTY, UT**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

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

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"/> Subsequent Report        | <input type="checkbox"/> Alter Casing              |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair             |
|   | <input type="checkbox"/> Change Plans              |
|   | <input type="checkbox"/> Convert to Injection      |
|   | <input type="checkbox"/> Deepen                    |
|   | <input type="checkbox"/> Fracture Treat            |
|   | <input type="checkbox"/> New Construction          |
|   | <input type="checkbox"/> Plug and Abandon          |
|   | <input type="checkbox"/> Plug Back                 |
|   | <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          |

**SUCCESSOR OF OPERATOR**

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zc. 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 if testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED

MAR 04 2003

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed)

**CHERYL CAMERON**

Signature

Title

**OPERATIONS**

Date

**March 4, 2003**

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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

(Instructions on reverse)

**OPERATOR CHANGE WORKSHEET**

|          |
|----------|
| 1. GLH   |
| 2. CDW ✓ |
| 3. FILE  |

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

Operator Name Change

Merger

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

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

**CA No. Unit:**

**WELL(S)**

| NAME                       | SEC TWN<br>RNG | API NO       | ENTITY<br>NO | LEASE<br>TYPE | WELL<br>TYPE | WELL<br>STATUS |
|----------------------------|----------------|--------------|--------------|---------------|--------------|----------------|
| WISSIUP 36-187             | 36-08S-20E     | 43-047-34003 | 99999        | INDIAN        | GW           | APD            |
| STATE 36-239               | 36-08S-20E     | 43-047-34589 | 13552        | STATE         | GW           | P              |
| WISSIUP 36-114             | 36-08S-20E     | 43-047-33416 | 12855        | INDIAN        | GW           | P              |
| WITCHITS 36-115 (CR-1-219) | 36-08S-20E     | 43-047-33421 | 99999        | INDIAN        | GW           | APD            |
| WITCHITS 36-199            | 36-08S-20E     | 43-047-34004 | 13445        | INDIAN        | GW           | P              |
| WITCHITS 36-230            | 36-08S-20E     | 43-047-34735 | 99999        | INDIAN        | GW           | APD            |
| WISSIUP 36-15              | 36-08S-20E     | 43-047-30700 | 105          | INDIAN        | GW           | P              |
| ANKERPONT 31-12            | 31-08S-21E     | 43-047-30699 | 155          | INDIAN        | GW           | P              |
| ANKERPONT 31-39            | 31-08S-21E     | 43-047-33339 | 12675        | INDIAN        | GW           | P              |
| ANKERPONT 31-87            | 31-08S-21E     | 43-047-33378 | 12775        | INDIAN        | GW           | P              |
| ANKERPONT 31-85            | 31-08S-21E     | 43-047-33383 | 12725        | INDIAN        | GW           | P              |
| ANKERPONT 31-86            | 31-08S-21E     | 43-047-33384 | 12694        | INDIAN        | GW           | P              |
| ANKERPONT 31-175           | 31-08S-21E     | 43-047-33873 | 13205        | INDIAN        | GW           | P              |
| ANKERPONT 31-156           | 31-08S-21E     | 43-047-33926 | 99999        | INDIAN        | GW           | APD            |
| ANKERPONT 31-159           | 31-08S-21E     | 43-047-33927 | 13159        | INDIAN        | GW           | P              |
| OURAY 32-88                | 32-08S-21E     | 43-047-33391 | 12870        | STATE         | GW           | P              |
| OURAY 32-89                | 32-08S-21E     | 43-047-33392 | 12754        | STATE         | GW           | P              |
| OURAY 32-145               | 32-08S-21E     | 43-047-33622 | 13082        | INDIAN        | GW           | P              |
| OURAY 32-146               | 32-08S-21E     | 43-047-33623 | 12862        | STATE         | GW           | P              |
| OURAY 32-147               | 32-08S-21E     | 43-047-33624 | 13083        | INDIAN        | GW           | P              |

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
5. If **NO**, the operator was contacted on: \_\_\_\_\_

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

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

8. **Federal and Indian Units:**

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

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

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

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

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 03/26/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/26/2003

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

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

**STATE WELL(S) BOND VERIFICATION:**

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

**FEDERAL WELL(S) BOND VERIFICATION:**

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

**INDIAN WELL(S) BOND VERIFICATION:**

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

**FEE WELL(S) BOND VERIFICATION:**

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

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

The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

|        |
|--------|
| 1. DJJ |
| 2. CDW |

**X Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**1/6/2006**

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

| WELL NAME | CA No. | Unit: | SEC TWN RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-----------|--------|-------|-------------|--------|-----------|------------|-----------|-------------|
|-----------|--------|-------|-------------|--------|-----------|------------|-----------|-------------|

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- b. If **NO**, the operator was contacted on: \_\_\_\_\_
- a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. Reports current for Production/Disposition & Sundries on: ok

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet

7. **Federal and Indian Units:**  
 The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006

8. **Federal and Indian Communization Agreements ("CA"):**  
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

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

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: \_\_\_\_\_
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG  
 The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.  
**MULTIPLE LEASES**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**MUTIPLE WELLS**

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**KERR-McGEE OIL & GAS ONSHORE LP**

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

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

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

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

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

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

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006.  
 KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

DIV. OF OIL, GAS & MINING

**BLM BOND = C01203**  
**BIA BOND = RLB0005239**

**APPROVED 5/16/06**

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

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

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

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
**MULTIPLE LEASES**  
6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

7. If Unit or CA/Agreement, Name and/or No.  
8. Well Name and No.  
**MUTIPLE WELLS**

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

3a. Address **1368 SOUTH 1200 EAST VERNAL, UT 84078**  
3b. Phone No. (include area code) **(435) 781-7024**

9. API Well No.  
10. Field and Pool, or Exploratory Area

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

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

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

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

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple 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 recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

**APPROVED** 5/16/06  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

RECEIVED  
MAY 10 2006

DIV. OF OIL, GAS & MINING

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

|   |  |
|---|--|
| Name (Printed/Typed)<br><b>BRAD LANEY</b> | Title<br><b>ENGINEERING SPECIALIST</b> |
| Signature<br><i>Brad Laney</i>            | Date<br><b>May 9, 2006</b>             |

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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