

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work

DRILL

DEEPEN

B. Type of Well

OIL

GAS

OTHER:

SINGLE ZONE

MULTIPLE ZONE

2. Name of Operator:

Coastal Oil & Gas Corporation

(Re-vised)

3. Address and Telephone Number:

P.O. Box 1148, Vernal UT 84078

(435)-781-7023

4. Location of Well (Footages)

At surface: 526' FSL & 599' FEL

4436832N
628421E

At proposed proding zone:

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

10.5 Miles to Ouray, Utah

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

526'

16. Number of acres in lease:

163.19

17. Number of acres assigned to this well:

40

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

Refer to Topo Map C

19. Proposed Depth:

8900'

20. Rotary or cable tools:

Rotary

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

4704.1' GR

22. Approximate date work will start:

Upon Approval

23.

PROPOSED CASING AND CEMENTING PROGRAM

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

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

Coastal Oil & Gas Corporation 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.

Fee Bond 46053821

24. Name & Signature: *[Signature]* Cheryl Cameron Environmental Analyst

Date: 9/23/99

(This space for State use only)

API Number Assigned:

43-047-33397

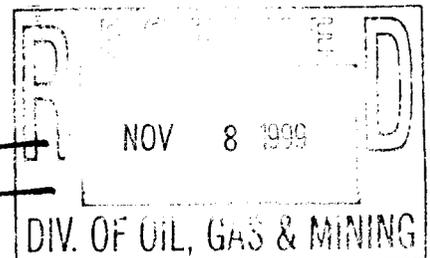
Approval:

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 2/3/00

By: *[Signature]*

(See Instructions on Reverse Side)



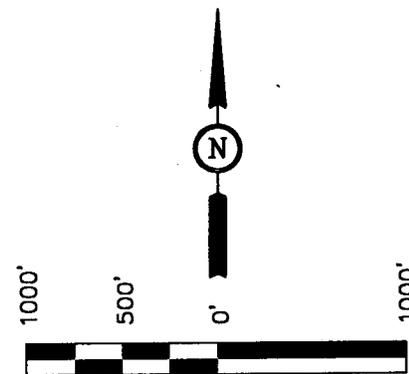
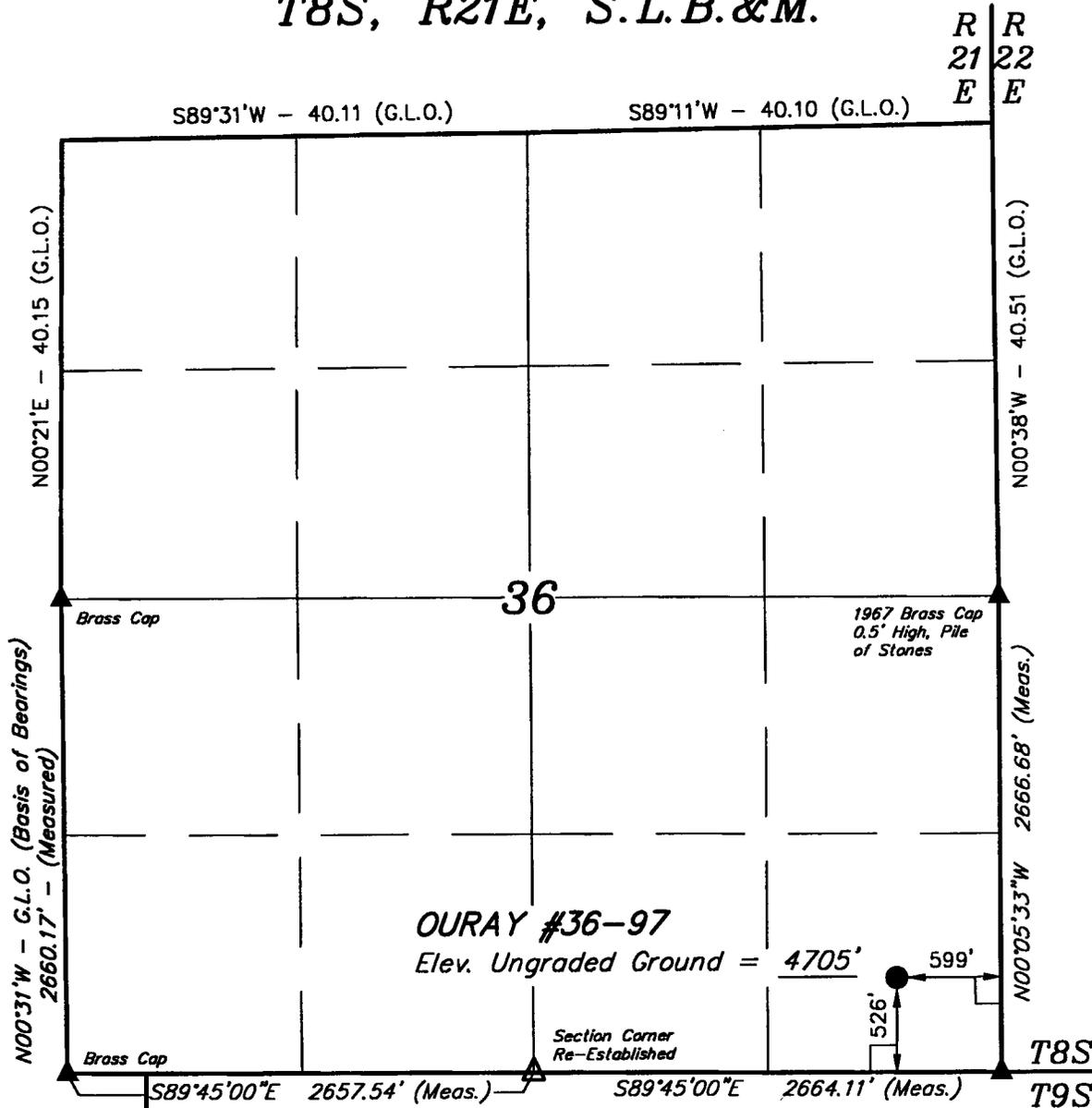
T8S, R21E, S.L.B.&M.

COASTAL OIL & GAS CORP.

Well location, OURAY #36-97, located as shown in the SE 1/4 SE 1/4 of Section 36, T8S, R21E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

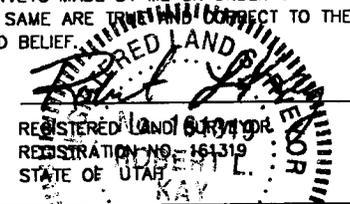
BENCH MARK 21EAM LOCATED IN THE SE 1/4 OF SECTION 6, T9S, R22E, S.L.B.&M. TAKEN FROM THE REDWASH SW, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4701 FEET.



SCALE

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.



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

LEGEND: = 90° SYMBOL

= PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

= SECTION CORNERS RE-ESTABLISHED (NOT SET ON GROUND)

LATITUDE = 40°04'26"

LONGITUDE = 109°29'38"

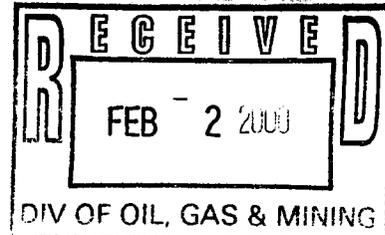
1967 Brass Cap
 0.3' High, "T"
 Post, Small Stones
 2" Pipe

SCALE 1" = 1000'	DATE SURVEYED: 08-04-99	DATE DRAWN: 08-20-99
PARTY L.D.T. B.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COASTAL OIL & GAS CORP.	

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

IN THE MATTER OF THE)
APPLICATION OF COASTAL OIL)
AND GAS CORPORATION FOR A)
PERMIT TO DRILL OR RE-ENTER)
THE OURAY # 36-97, OURAY #1-141,)
OURAY #1-101 AND OURAY SWD #1)
WELLS IN THE OURAY FIELD IN)
UINTAH COUNTY, UTAH,)
PURSUANT TO R649-3-34 OF THE)
GENERAL RULES AND)
REGULATIONS OF THE BOARD OF)
OIL, GAS AND MINING)
PERTAINING TO SURFACE USE)
AND ACCESS AGREEMENTS)

**AFFIDAVIT
OF
CARROLL A. WILSON**



STATE OF UTAH)
: ss.
COUNTY OF UINTAH)

CARROLL A. WILSON, being duly sworn, deposes and says that:

1. He is a citizen of the United States and a resident of Uintah County, Utah; and he is over the age of twenty-one years.
2. He is a Registered Land Professional, #22233, and a member in good standing with the American Association of Professional Landmen since January 1, 1975.
3. He is employed with Coastal Oil & Gas Corporation ("Coastal") as a Senior Landman for oil and gas operations in the Uinta Basin.

4. Coastal is a Delaware corporation in good standing, having its principal place of business in Houston, Texas. Coastal is authorized to do, and is doing, business in the State of Utah.

5. As a Senior Landman for Coastal, he is tasked with the acquisition of oil and gas leases, easements, and rights-of-way; and negotiations for settlement of entry fees and surface damages for access roads, pipelines, or wells drilled and operated by Coastal.

6. He is knowledgeable concerning Coastal's leasehold, access, and operational rights with respect to the following described privately owned lands in the Ouray Field of Uintah County, Utah, to wit:

Township 8 South, Range 21 East, S.L.M.

Section 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 21 East, S.L.M.

Section 1: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$,
NE $\frac{1}{4}$ SE $\frac{1}{4}$

(containing 169.19 acres, more or less)

7. He is familiar with Rule R659-3-34 of the General Rules and Regulations of the Utah Board of Oil, Gas and Mining ("Board") pertaining to surface use and access and to well site restoration.

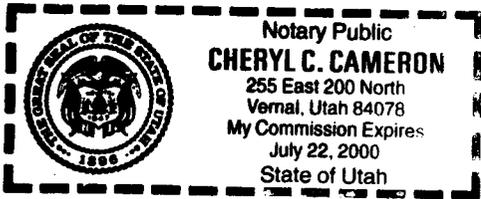
8. He represents that the surface and mineral estates are fully integrated as one estate owned by the same party or parties who are also the lessors of record of the existing oil and gas leases, or their successors in title.

9. He represents that surface use and access rights affecting these lands are governed by the terms of those certain Oil and Gas Leases dated December 8, 1977, and May 20, 1978 between the owners and Continental Oil Company (also known as "Conoco Inc."), Coastal's immediate predecessor in title.

DATED this 27th day of January, 2000.


Carroll A. Wilson

SUBSCRIBED TO AND SWORN before me this 27 day of January, 2000.




Notary Public
Residing in: _____

My Commission Expires:



January 31, 2000

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 12010
Salt Lake City, UT 84180

Attention: Ms. Lisha Cordova

RECEIVED
FEB 02 2000
DIVISION OF
OIL, GAS AND MINING

Re: Ouray Field Development
Surface Use Agreements
Fourteen Development Wells
Uintah County, Utah

Dear Ms. Cordova:

Coastal Oil & Gas Corporation, either through its own regulatory personnel or through Buys & Associates, Inc., has filed Application's For Permit To Drill fourteen development wells in the Ouray Field on privately owned lands located in Sections 35 and 36, Township 8 South, Range 21 East; Sections 30 and 31, Township 8 South, Range 22 East; Section 1, Township 9 South, Range 21 East; and Section 6, Township 9 South, Range 22 East. You have asked for Coastal to furnish surface use agreements in compliance with R649-3-24.3 of the General Rules and Regulations of the Board of Oil, Gas and Mining in order for the Applications to be processed and approved.

After consultation with counsel, and Mr. John Baza of the Division, the following documents and materials are enclosed:

- 1) A copy of a letter from Mr. Phillip Lear of the firm of Snell & Wilmer, L.L.P., documenting his discussion with Mr. Baza and addressing the need for surface use agreements under R649-3-24.3 the in cases where the surface and mineral estates are combined and covered by a valid oil and gas lease;
- 2) Original Affidavits (3) given by myself to document ownership of the lands involved with the fourteen Applications; and

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

ESMTS-00.023

- 3) Copies of the surface agreements which have been acquired to date under the terms of the various oil and gas leases applicable to the lands involved with the fourteen Applications which agreements are being provided as an act of good faith, inasmuch as Mr. Lear's letter indicates that, according to his conversations with Mr. Baza, only the Affidavit's are required under the regulations).

The final pre site inspections were conducted on January 20, 2000; and, if you now find everything in order, please complete the processing to approval of these fourteen Applications at your earliest convenience.

Very Truly Yours,



Carroll A. Wilson
Sr. Landman

CC (letter only):

Cheryl Cameron - Regulatory Affairs

Martin Buys
Buys & Associates, Inc.

EXHIBIT "A"

Attached to and Made a Part of a Damage Release Covering the Following Described Lands:

Township 8 South, Range 21 East, SLB&M

Section 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE $\frac{1}{4}$ NE $\frac{1}{4}$), SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Well Name

Location

Ouray #36-97

SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 36, T8S, R21E

Ouray # 1-141

Lot 1

Section 1, T9S, R21E

Ouray SWD #1

Lot 1

Section 1, T9S, R21E

Ouray # 1-101

SE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 1, T9S, R21E

DAMAGE RELEASE

STATE OF CA. §
La. COUNTY §

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned **Elizabeth Duran**, whose address is 14716 Freeman Avenue, Lawndale, CA 90260-1610, for and in consideration of the payment of the sum of six hundred and no/100 dollars (\$ 600.00), paid by Coastal Oil & Gas Corporation (Coastal) the full receipt and sufficiency of which is hereby acknowledged, has released, discharged and acquitted and does by these presents hereby release, discharge and acquit Coastal, its parent and affiliates, its and their officers, directors, employees and agents, its successors and assigns of any and all liability to the undersigned, their heirs and assigns for any and all damages to land surface and grass and/or crops thereon, resulting from operations conducted by or on behalf of Coastal on the following described tract of land:

Township 8 South, Range 21 East, SLB&M

Section 36: SE¹/₄SE¹/₄

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE¹/₄NE¹/₄), SE¹/₄NE¹/₄, NE¹/₄SE¹/₄

AND, for the same consideration, the undersigned, **Elizabeth Duran**, does hereby agree that every claim that (s)he has, or may have, as a result of any operations conducted by or on behalf of Coastal including construction of necessary access roads or pipelines and including operations for drilling, completing, equipping and producing four wells **described on Exhibit "A", attached hereto and made a part hereof**, is in all things fully satisfied, released and discharged. Further, the undersigned does hereby agree to exonerate, indemnify, protect, defend, hold harmless and save Coastal, its officers, employees, agents and shareholders from and against any claims, damages, causes of action, suits, costs and attorney fees, including third party claims for injury to real or personal property damage from or in connection with operation for drilling, completing, equipping and producing the aforesaid wells.

IN WITNESS WHEREOF, this release is executed this 27 day of Dec.,
1999.

Elizabeth Duran
Elizabeth Duran

SS# 523-52-7903

EXHIBIT "A"

Attached to and Made a Part of a Damage Release Covering the Following Described Lands:

Township 8 South, Range 21 East, SLB&M

Section 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE $\frac{1}{4}$ NE $\frac{1}{4}$), SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

<u>Well Name</u>	<u>Location</u>	
Ouray #36-97	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 36, T8S, R21E
Ouray # 1-141	Lot 1	Section 1, T9S, R21E
Ouray SWD #1	Lot 1	Section 1, T9S, R21E
Ouray # 1-101	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 1, T9S, R21E

DAMAGE RELEASE

STATE OF AZ §
Maricopa COUNTY §

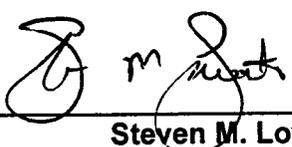
KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned **Steven M. Lovato**, whose address is 1711 North 20th Street, Grand Junction, CO 81501-6625, for and in consideration of the payment of the sum of two hundred and no/100 dollars (\$ 200.00), paid by Coastal Oil & Gas Corporation (Coastal) the full receipt and sufficiency of which is hereby acknowledged, has released, discharged and acquitted and does by these presents hereby release, discharge and acquit Coastal, its parent and affiliates, its and their officers, directors, employees and agents, its successors and assigns of any and all liability to the undersigned, their heirs and assigns for any and all damages to land surface and grass and/or crops thereon, resulting from operations conducted by or on behalf of Coastal on the following described tract of land:

Township 8 South, Range 21 East, SLB&M
Section 36: SE¹/₄SE¹/₄
Township 9 South, Range 21 East, SLB&M
Section 1: Lot #1 (aka NE¹/₄NE¹/₄), SE¹/₄NE¹/₄ , NE¹/₄SE¹/₄

AND, for the same consideration, the undersigned, **Steven M. Lovato**, does hereby agree that every claim that (s)he has, or may have, as a result of any operations conducted by or on behalf of Coastal including construction of necessary access roads or pipelines and including operations for drilling, completing, equipping and producing four wells **described on Exhibit "A", attached hereto and made a part hereof**, is in all things fully satisfied, released and discharged. Further, the undersigned does hereby agree to exonerate, indemnify, protect, defend, hold harmless and save Coastal, its officers, employees, agents and shareholders from and against any claims, damages, causes of action, suits, costs and attorney fees, including third party claims for injury to real or personal property damage from or in connection with operation for drilling, completing, equipping and producing the aforesaid wells.

IN WITNESS WHEREOF, this release is executed this 28th day of December, 1999.



Steven M. Lovato

SS# 571-490152

EXHIBIT "A"

Attached to and Made a Part of a Damage Release Covering the Following Described Lands:

Township 8 South, Range 21 East, SLB&M

Section 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE $\frac{1}{4}$ NE $\frac{1}{4}$), SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

<u>Well Name</u>	<u>Location</u>	
Ouray #36-97	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 36, T8S, R21E
Ouray # 1-141	Lot 1	Section 1, T9S, R21E
Ouray SWD #1	Lot 1	Section 1, T9S, R21E
Ouray # 1-101	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 1, T9S, R21E

DAMAGE RELEASE

STATE OF CALIFORNIA §
LOS ANGELES COUNTY §

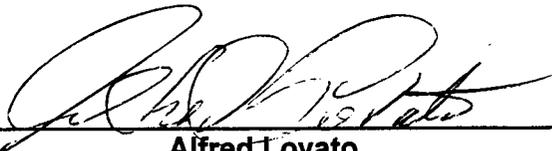
KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned **Alfred Lovato**, whose address is 1833 Jones Avenue, Los Angeles, CA 90032-3726, for and in consideration of the payment of the sum of two hundred and no/100 dollars (\$ 200.00), paid by Coastal Oil & Gas Corporation (Coastal) the full receipt and sufficiency of which is hereby acknowledged, has released, discharged and acquitted and does by these presents hereby release, discharge and acquit Coastal, its parent and affiliates, its and their officers, directors, employees and agents, its successors and assigns of any and all liability to the undersigned, their heirs and assigns for any and all damages to land surface and grass and/or crops thereon, resulting from operations conducted by or on behalf of Coastal on the following described tract of land:

Township 8 South, Range 21 East, SLB&M
Section 36: SE¹/₄SE¹/₄
Township 9 South, Range 21 East, SLB&M
Section 1: Lot #1 (aka NE¹/₄NE¹/₄), SE¹/₄NE¹/₄ , NE¹/₄SE¹/₄

AND, for the same consideration, the undersigned, **Alfred Lovato**, does hereby agree that every claim that (s)he has, or may have, as a result of any operations conducted by or on behalf of Coastal including construction of necessary access roads or pipelines and including operations for drilling, completing, equipping and producing four wells **described on Exhibit "A", attached hereto and made a part hereof**, is in all things fully satisfied, released and discharged. Further, the undersigned does hereby agree to exonerate, indemnify, protect, defend, hold harmless and save Coastal, its officers, employees, agents and shareholders from and against any claims, damages, causes of action, suits, costs and attorney fees, including third party claims for injury to real or personal property damage from or in connection with operation for drilling, completing, equipping and producing the aforesaid wells.

IN WITNESS WHEREOF, this release is executed this 24th day of DECEMBER 1999.



Alfred Lovato

SS# (23-26-7474 -

EXHIBIT "A"

Attached to and Made a Part of a Damage Release Covering the Following Described Lands:

Township 8 South, Range 21 East, SLB&M

Section 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE $\frac{1}{4}$ NE $\frac{1}{4}$), SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

<u>Well Name</u>	<u>Location</u>	
Ouray #36-97	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 36, T8S, R21E
Ouray # 1-141	Lot 1	Section 1, T9S, R21E
Ouray SWD #1	Lot 1	Section 1, T9S, R21E
Ouray # 1-101	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 1, T9S, R21E

DAMAGE RELEASE

STATE OF _____ §
_____ COUNTY §

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned **Jane L. Mariz**, whose address is 1960 Ouray Avenue, Grand Junction, CO 81501-7938, for and in consideration of the payment of the sum of two hundred and no/100 dollars (\$ 200.00), paid by Coastal Oil & Gas Corporation (Coastal) the full receipt and sufficiency of which is hereby acknowledged, has released, discharged and acquitted and does by these presents hereby release, discharge and acquit Coastal, its parent and affiliates, its and their officers, directors, employees and agents, its successors and assigns of any and all liability to the undersigned, their heirs and assigns for any and all damages to land surface and grass and/or crops thereon, resulting from operations conducted by or on behalf of Coastal on the following described tract of land:

Township 8 South, Range 21 East, SLB&M

Section 36: SE¹/₄SE¹/₄

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE¹/₄NE¹/₄), SE¹/₄NE¹/₄, NE¹/₄SE¹/₄

AND, for the same consideration, the undersigned, **Jane L. Mariz**, does hereby agree that every claim that (s)he has, or may have, as a result of any operations conducted by or on behalf of Coastal including construction of necessary access roads or pipelines and including operations for drilling, completing, equipping and producing four wells **described on Exhibit "A", attached hereto and made a part hereof**, is in all things fully satisfied, released and discharged. Further, the undersigned does hereby agree to exonerate, indemnify, protect, defend, hold harmless and save Coastal, its officers, employees, agents and shareholders from and against any claims, damages, causes of action, suits, costs and attorney fees, including third party claims for injury to real or personal property damage from or in connection with operation for drilling, completing, equipping and producing the aforesaid wells.

IN WITNESS WHEREOF, this release is executed this 29 day of 12,
1999.



Jane L. Mariz

SS# 584-44-7427

EXHIBIT "A"

Attached to and Made a Part of a Damage Release Covering the Following Described Lands:

Township 8 South, Range 21 East, SLB&M

Section 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE $\frac{1}{4}$ NE $\frac{1}{4}$), SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

<u>Well Name</u>	<u>Location</u>	
Ouray #36-97	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 36, T8S, R21E
Ouray # 1-141	Lot 1	Section 1, T9S, R21E
Ouray SWD #1	Lot 1	Section 1, T9S, R21E
Ouray # 1-101	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 1, T9S, R21E

DAMAGE RELEASE

STATE OF CO §
Mesa COUNTY §

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned **Viola Lovato**, whose address is 1181 Lowell Court #4, Grand Junction, CO 81506-8257, for and in consideration of the payment of the sum of two hundred and no/100 dollars (\$ 200.00), paid by Coastal Oil & Gas Corporation (Coastal) the full receipt and sufficiency of which is hereby acknowledged, has released, discharged and acquitted and does by these presents hereby release, discharge and acquit Coastal, its parent and affiliates, its and their officers, directors, employees and agents, its successors and assigns of any and all liability to the undersigned, their heirs and assigns for any and all damages to land surface and grass and/or crops thereon, resulting from operations conducted by or on behalf of Coastal on the following described tract of land:

Township 8 South, Range 21 East, SLB&M

Section 36: SE¹/₄SE¹/₄

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE¹/₄NE¹/₄), SE¹/₄NE¹/₄ , NE¹/₄SE¹/₄

AND, for the same consideration, the undersigned, **Viola Lovato**, does hereby agree that every claim that (s)he has, or may have, as a result of any operations conducted by or on behalf of Coastal including construction of necessary access roads or pipelines and including operations for drilling, completing, equipping and producing four wells **described on Exhibit "A", attached hereto and made a part hereof**, is in all things fully satisfied, released and discharged. Further, the undersigned does hereby agree to exonerate, indemnify, protect, defend, hold harmless and save Coastal, its officers, employees, agents and shareholders from and against any claims, damages, causes of action, suits, costs and attorney fees, including third party claims for injury to real or personal property damage from or in connection with operation for drilling, completing, equipping and producing the aforesaid wells.

2000 IN WITNESS WHEREOF, this release is executed this 5 day of January

Viola Lovato
Viola Lovato

SS# 522-38-5623

EXHIBIT "A"

Attached to and Made a Part of a Damage Release Covering the Following Described Lands:

Township 8 South, Range 21 East, SLB&M

Section 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE $\frac{1}{4}$ NE $\frac{1}{4}$), SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

<u>Well Name</u>	<u>Location</u>	
Ouray #36-97	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 36, T8S, R21E
Ouray # 1-141	Lot 1	Section 1, T9S, R21E
Ouray SWD #1	Lot 1	Section 1, T9S, R21E
Ouray # 1-101	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 1, T9S, R21E

DAMAGE RELEASE

STATE OF _____ §
_____ COUNTY §

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned **Eugene E. Lovato**, whose address is 1181 Lowell Court #4, Grand Junction, CO 81506-8257, for and in consideration of the payment of the sum of two hundred and no/100 dollars (\$ 200.00), paid by Coastal Oil & Gas Corporation (Coastal) the full receipt and sufficiency of which is hereby acknowledged, has released, discharged and acquitted and does by these presents hereby release, discharge and acquit Coastal, its parent and affiliates, its and their officers, directors, employees and agents, its successors and assigns of any and all liability to the undersigned, their heirs and assigns for any and all damages to land surface and grass and/or crops thereon, resulting from operations conducted by or on behalf of Coastal on the following described tract of land:

Township 8 South, Range 21 East, SLB&M
Section 36: SE¹/₄SE¹/₄
Township 9 South, Range 21 East, SLB&M
Section 1: Lot #1 (aka NE¹/₄NE¹/₄), SE¹/₄NE¹/₄, NE¹/₄SE¹/₄

AND, for the same consideration, the undersigned, **Eugene E. Lovato**, does hereby agree that every claim that (s)he has, or may have, as a result of any operations conducted by or on behalf of Coastal including construction of necessary access roads or pipelines and including operations for drilling, completing, equipping and producing four wells **described on Exhibit "A", attached hereto and made a part hereof**, is in all things fully satisfied, released and discharged. Further, the undersigned does hereby agree to exonerate, indemnify, protect, defend, hold harmless and save Coastal, its officers, employees, agents and shareholders from and against any claims, damages, causes of action, suits, costs and attorney fees, including third party claims for injury to real or personal property damage from or in connection with operation for drilling, completing, equipping and producing the aforesaid wells.

IN WITNESS WHEREOF, this release is executed this 3 day of JANUARY
2000.



Eugene E. Lovato

SS# 524-44-5308

EXHIBIT "A"

Attached to and Made a Part of a Damage Release Covering the Following Described Lands:

Township 8 South, Range 21 East, SLB&M

Section 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE $\frac{1}{4}$ NE $\frac{1}{4}$), SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

<u>Well Name</u>	<u>Location</u>	
Ouray #36-97	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 36, T8S, R21E
Ouray # 1-141	Lot 1	Section 1, T9S, R21E
Ouray SWD #1	Lot 1	Section 1, T9S, R21E
Ouray # 1-101	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 1, T9S, R21E

DAMAGE RELEASE

STATE OF _____ §
_____ COUNTY §

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned **JoAnn Haining**, whose address is PO Box 73, Redvale, CO 81431-0073, for and in consideration of the payment of the sum of two hundred and no/100 dollars (\$ 200.00), paid by Coastal Oil & Gas Corporation (Coastal) the full receipt and sufficiency of which is hereby acknowledged, has released, discharged and acquitted and does by these presents hereby release, discharge and acquit Coastal, its parent and affiliates, its and their officers, directors, employees and agents, its successors and assigns of any and all liability to the undersigned, their heirs and assigns for any and all damages to land surface and grass and/or crops thereon, resulting from operations conducted by or on behalf of Coastal on the following described tract of land:

Township 8 South, Range 21 East, SLB&M

Section 36: SE¹/₄SE¹/₄

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE¹/₄NE¹/₄), SE¹/₄NE¹/₄ , NE¹/₄SE¹/₄

AND, for the same consideration, the undersigned, **JoAnn Haining**, does hereby agree that every claim that (s)he has, or may have, as a result of any operations conducted by or on behalf of Coastal including construction of necessary access roads or pipelines and including operations for drilling, completing, equipping and producing four wells **described on Exhibit "A", attached hereto and made a part hereof**, is in all things fully satisfied, released and discharged. Further, the undersigned does hereby agree to exonerate, indemnify, protect, defend, hold harmless and save Coastal, its officers, employees, agents and shareholders from and against any claims, damages, causes of action, suits, costs and attorney fees, including third party claims for injury to real or personal property damage from or in connection with operation for drilling, completing, equipping and producing the aforesaid wells.

IN WITNESS WHEREOF, this release is executed this ____ day of _____,

_____.



JoAnn Haining

SS# 521-52-5733

EXHIBIT "A"

Attached to and Made a Part of a Damage Release Covering the Following Described Lands:

Township 8 South, Range 21 East, SLB&M

Section 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE $\frac{1}{4}$ NE $\frac{1}{4}$), SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

<u>Well Name</u>	<u>Location</u>	
Ouray #36-97	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 36, T8S, R21E
Ouray # 1-141	Lot 1	Section 1, T9S, R21E
Ouray SWD #1	Lot 1	Section 1, T9S, R21E
Ouray # 1-101	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 1, T9S, R21E

**OURAY #36-97
SE/SE, SECTION 36-T8S-R21E
UINTAH COUNTY, UTAH
LEASE NUMBER: FEE**

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

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
KB	4700'
Green River	1970'
Wasatch	5360'
Mesaverde	8100'
Total Depth	8700'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Green River	1970'
	Wasatch	5360'
	Mesaverde	8100'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment:

The BOP stack will consist of one 11" 3,000 psi annular BOP, one 11" 3,000 psi double ram, and one 11" drilling spool, The lower ram will contain pipe rams, and the upper ram will contain blind rams.

The choke and kill lines and the choke manifold will have a 3,000 psi minimum pressure rating.

The hydrill will be tested to 1,500 psi. The rams, choke manifold, kelly safety valves, drill string safety valves, and inside BOP will be tested to 2,000 psi.

4. Proposed Casing & Cementing Program:

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

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

5. Drilling Fluids Program:

If kicker sand is present, wighted mud (9.0 ppg or less) may be required. If hole conditions warrant, a mud system will be used.

<u>Depth</u>	<u>Type</u>	<u>Mud Wt.</u>
0-Trona	Air Mist	N/A
Trona-TD	Aerated Water	N/A
	Water Mud	8.4-9.4
At TD	Brine	10-12 ppg

6. Evaluation Program: (Loggig)

<u>Depth</u>	<u>Log Type</u>
SC-TD	DLL/Cal/SP/GR
2500'-TD	Neutron Density/GR
Optional	Sonic
Various	SWC's

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure approximately equals 3,560 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,602 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

**OURAY #36-97
SE/SE, SECTION 36-T8S-R21E
UINTAH COUNTY, UTAH
FEE**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

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.

To reach the Ouray #36-97 location - Proceed in a westerly direction from Vernal, Utah along U.S. Highway 40 approximately 14.0 miles to the junction of State Highway 88; exit left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah; proceed in a southerly direction approximately 0.3 miles on the seep ridge road to the junction of this road and an existing road to the east; turn left and proceed in an easterly road to the east; turn left and proceed in an easterly direction approximately 3.4 miles to the junction of this road and an existing road to the northeast; turn left and proceed in a northeasterly direction approximately 0.7 miles to the junction of this road and an existing road to the east; proceed in an easterly, then northeasterly, then southeasterly direction approximately 4.4 miles to the Junction of this and an existing road to the southeast; turn right and proceed in a southeasterly direction approximately 0.4 miles to the junction of this road and an existing road to the southeast; proceed in a southeasterly direction approximately 0.8 miles to the junction of this road and an existing road to the east; proceed in an easterly then southeasterly direction approximately 0.5 miles to the beginning of the proposed access to the northeast; follow road flags in a northeasterly direction approximately 100' to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 41.5 miles.

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

Improvements to existing access roads shall be determined at the on-site inspection.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

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

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet, ***unless modified at the on-site inspection.*** Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities shall be determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

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

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Desert Brown, Munsell standard color number 10 YR 6/3.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

The need for a pipeline will be evaluated after the proposed well is drilled and tested. If a pipeline is necessary for production, the State will be notified prior to construction via Sundry Notice.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids. *The need for a reserve pit liner will be determined at the on-site inspection.*

If a plastic reinforced liner is used, it will be a minimum of 12 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

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

8. Ancillary Facilities:

None are anticipated.

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

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s). *This section is subject to modification as a result of the on-site inspection.*

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

If it is determined that a pit liner will be used at the on-site inspection, the reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

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

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

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

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

Producing Location:

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

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

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

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

Vivian Maez Phone # (970)-745-5128

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey was conducted by Montgomery Archaeological Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery. 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) 781-7023

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

10/28/99

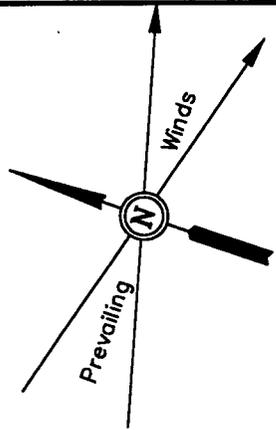
Date

COASTAL OIL & GAS CORP.

FIGURE #1

LOCATION LAYOUT FOR

OURAY #36-97
SECTION 36, T8S, R21E, S.L.B.&M.
526' FSL 599' FEL

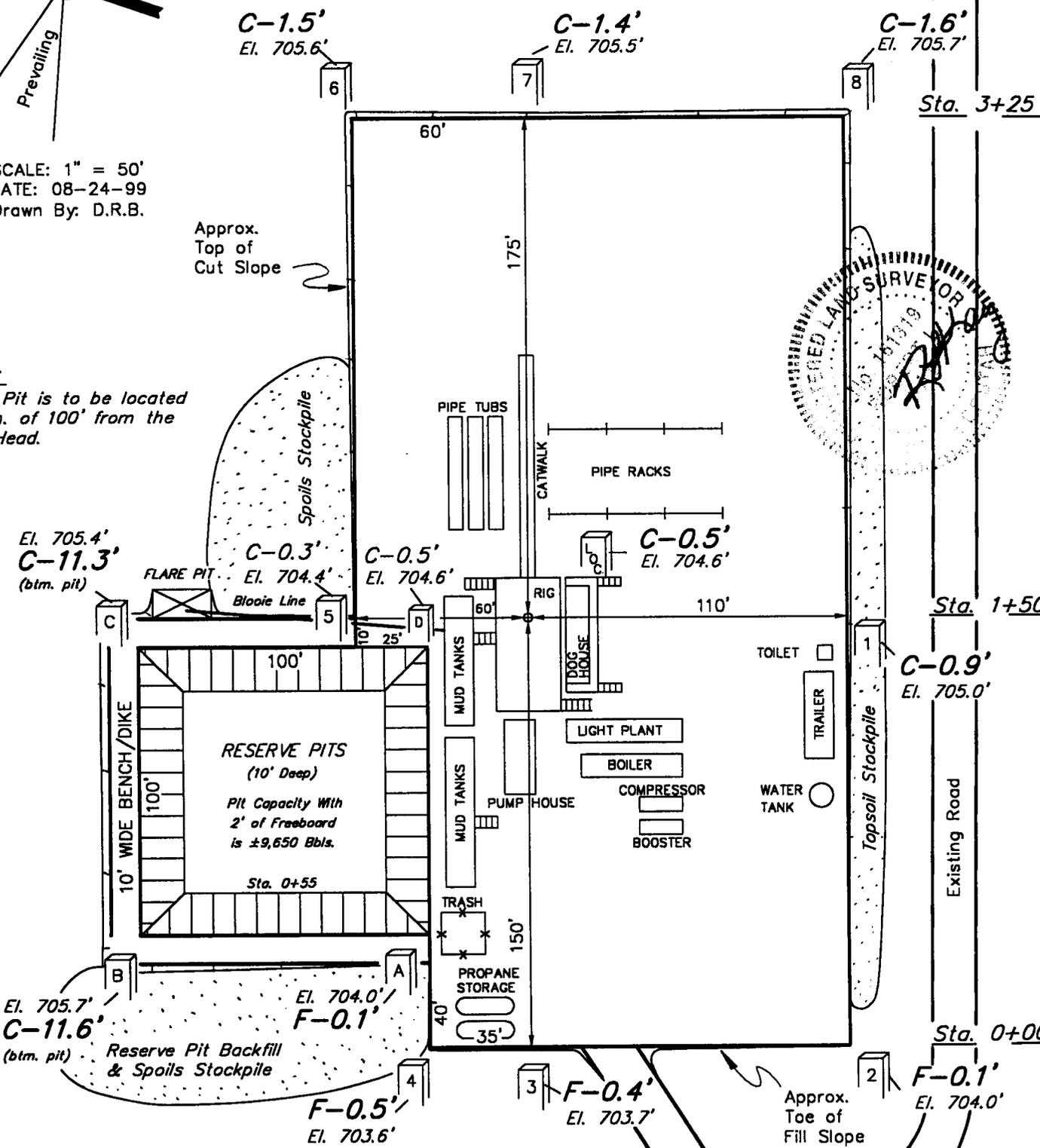
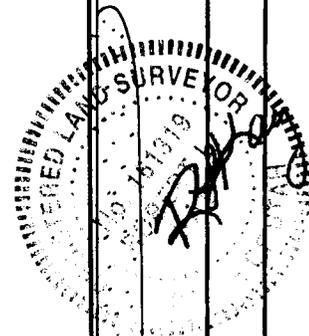


SCALE: 1" = 50'
DATE: 08-24-99
Drawn By: D.R.B.

Approx. Top of Cut Slope

NOTE:

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4704.6'
FINISHED GRADE ELEV. AT LOC. STAKE = 4704.1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 788-1017

COASTAL OIL & GAS CORP.

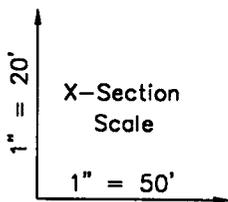
TYPICAL CROSS SECTIONS FOR

OURAY #36-97

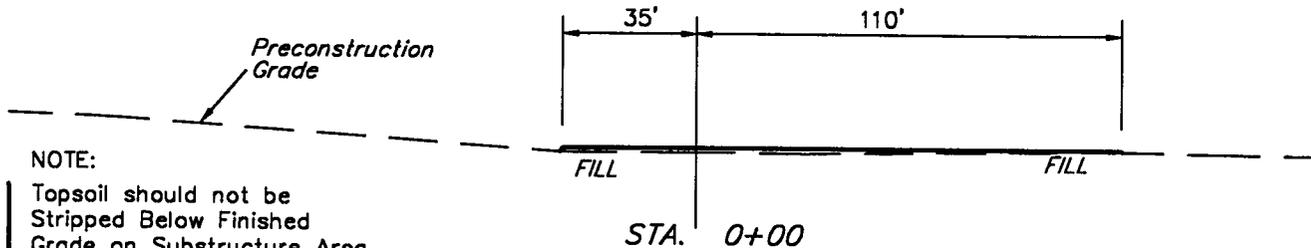
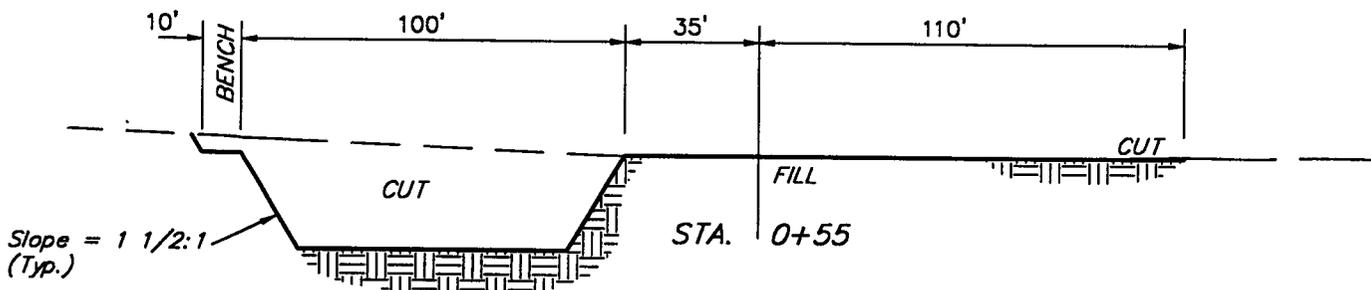
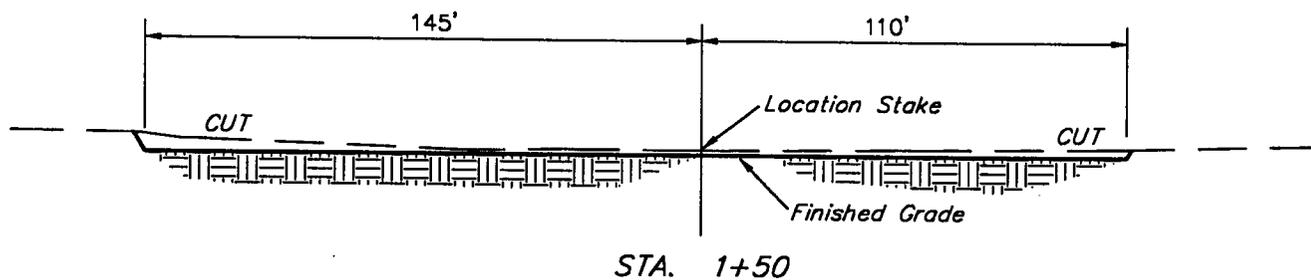
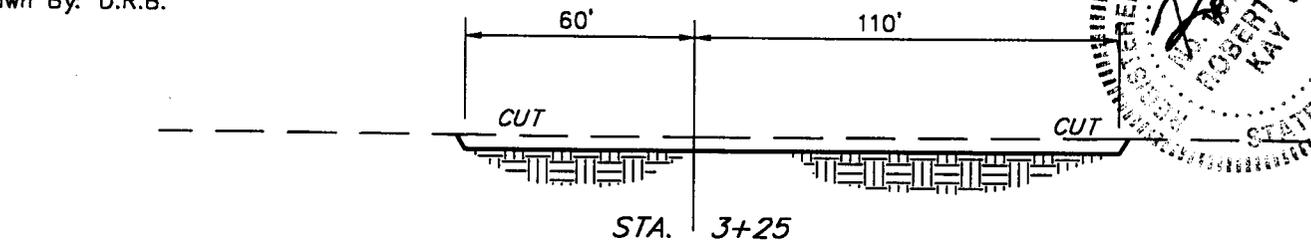
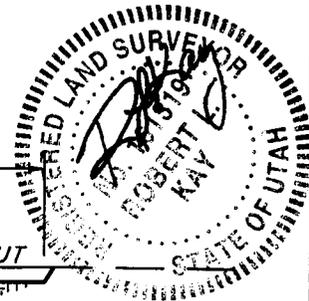
SECTION 36, T8S, R21E, S.L.B.&M.

526' FSL 599' FEL

FIGURE #2



DATE: 08-24-99
Drawn By: D.R.B.



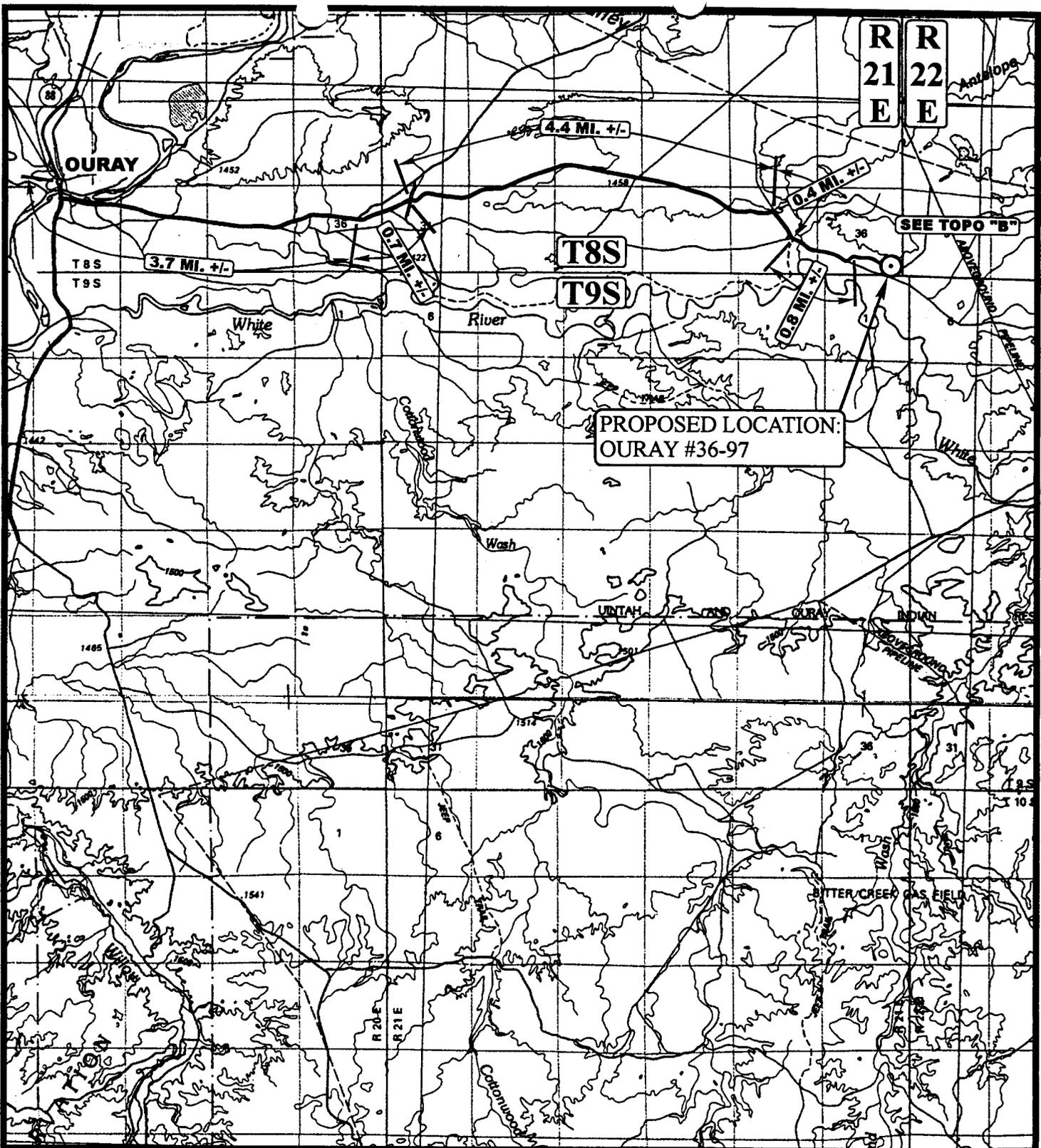
NOTE:

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

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,290 Cu. Yds.
Remaining Location	= 2,850 Cu. Yds.
TOTAL CUT	= 5,140 CU.YDS.
FILL	= 840 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,260 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,630 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 630 Cu. Yds.



LEGEND:

⊙ PROPOSED LOCATION

COASTAL OIL & GAS CORP.

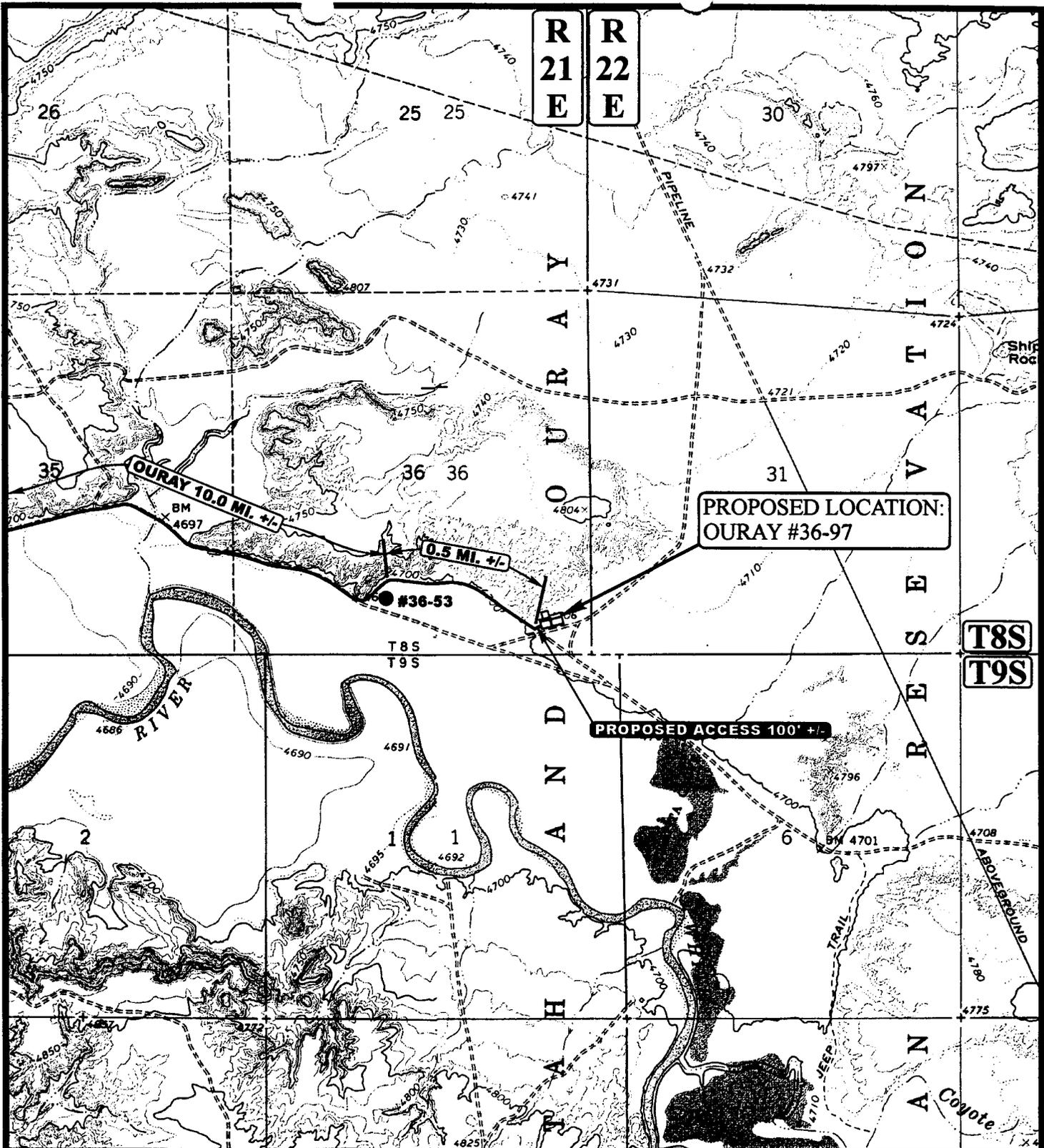
OURAY #36-97
SECTION 36, T8S, R21E, S.L.B.&M.
526' FSL 599' FEL



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





**PROPOSED LOCATION:
OURAY #36-97**

PROPOSED ACCESS 100' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



COASTAL OIL & GAS CORP.

**OURAY #36-97
SECTION 36, T8S, R21E, S.L.B.&M.
526' FSL 599' FEL**



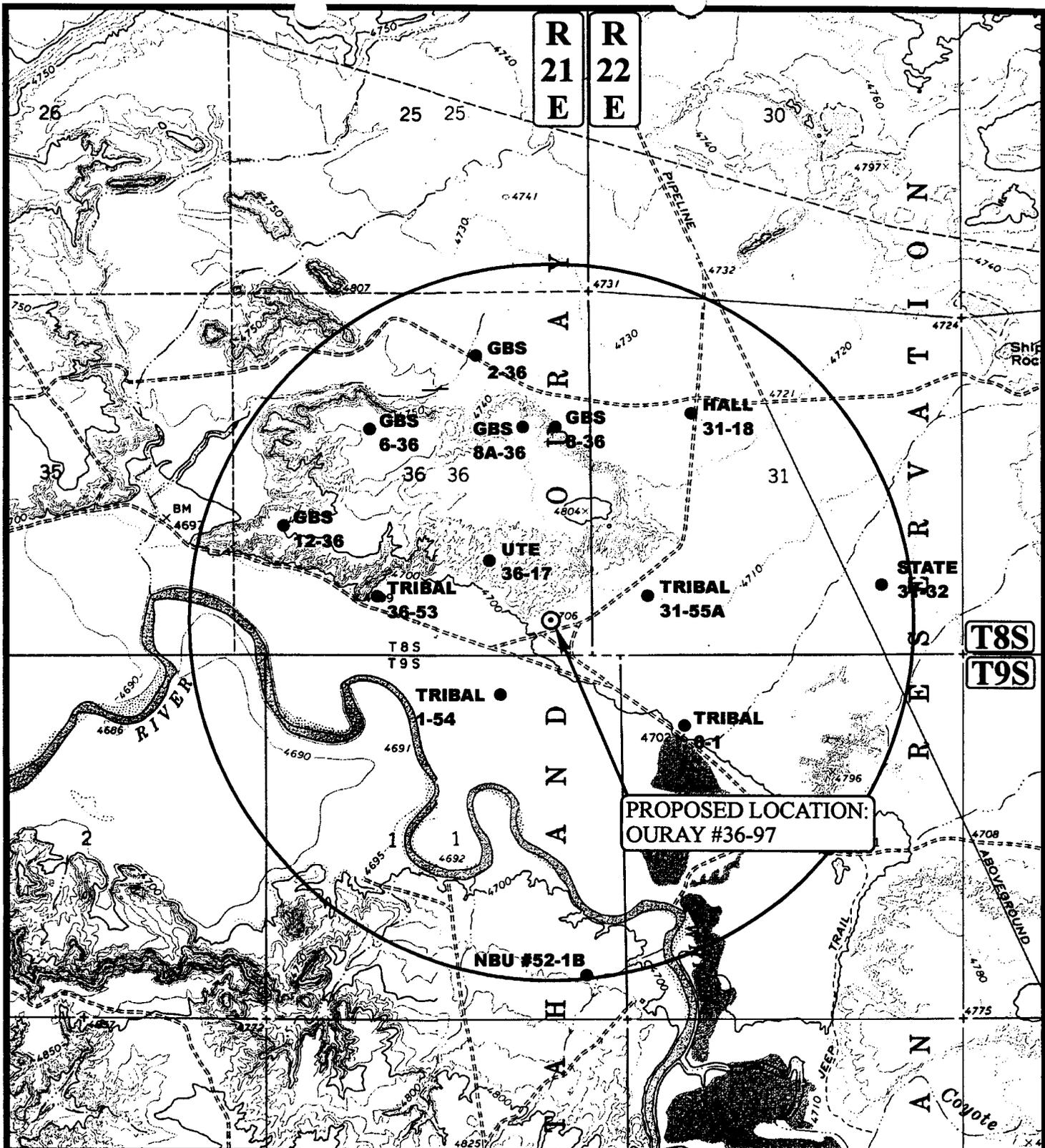
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

8 10 1999
MONTH DAY YEAR

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





LEGEND:

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



COASTAL OIL & GAS CORP.

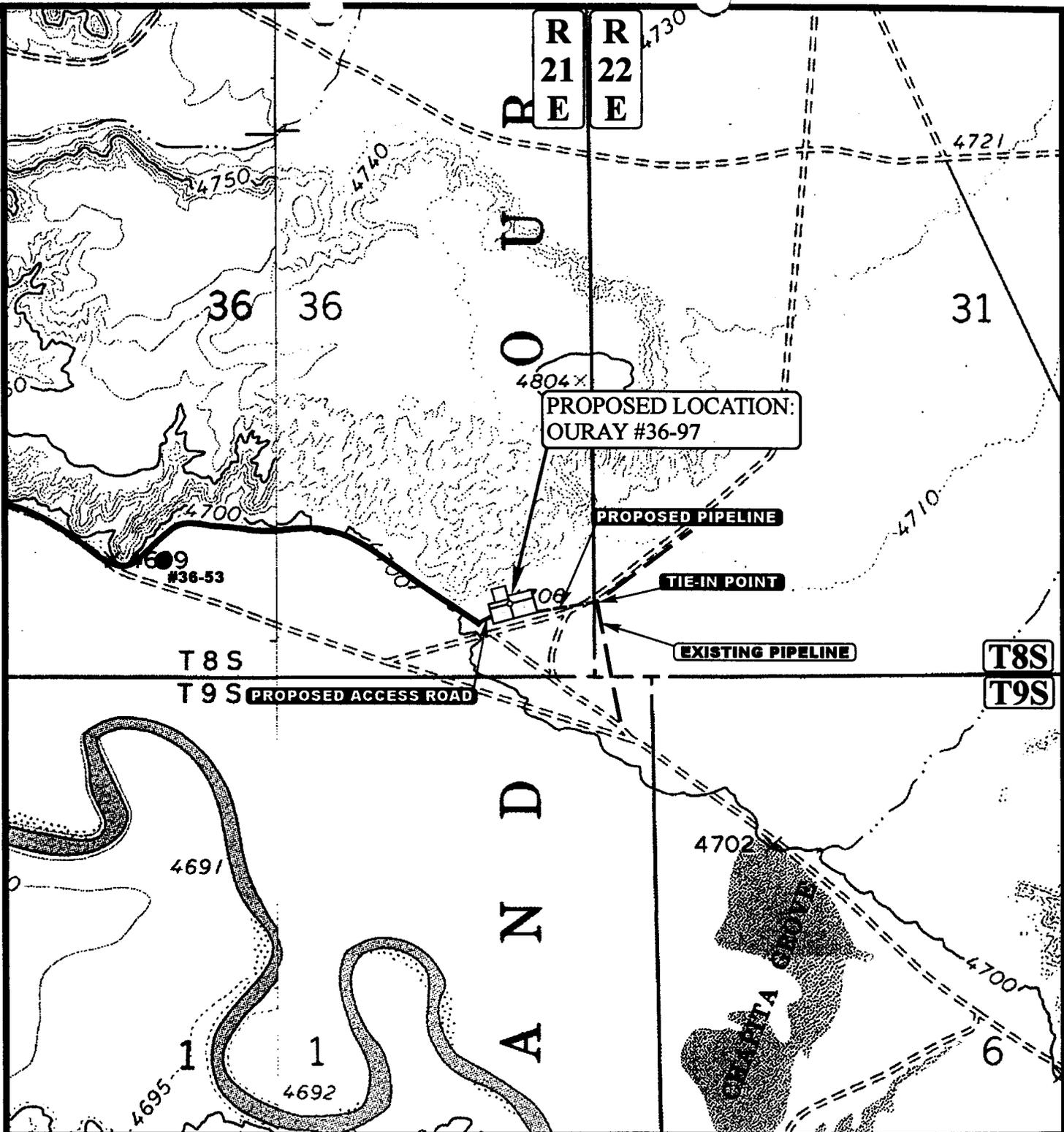
OURAY #36-97
SECTION 36, T8S, R21E, S.L.B.&M.
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TOPOGRAPHIC **8** **10** **1999**
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 320' +/-

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS

COASTAL OIL & GAS CORP.

OURAY #36-97
SECTION 36, T8S, R21E, S.L.B.&M.
526' FSL 599' FEL



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

TOPOGRAPHIC
MAP

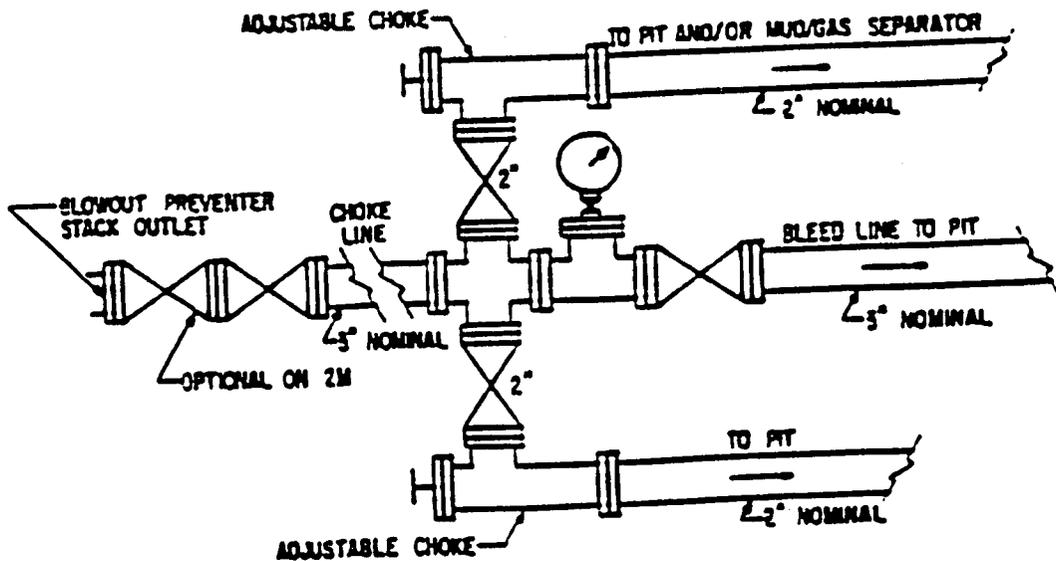
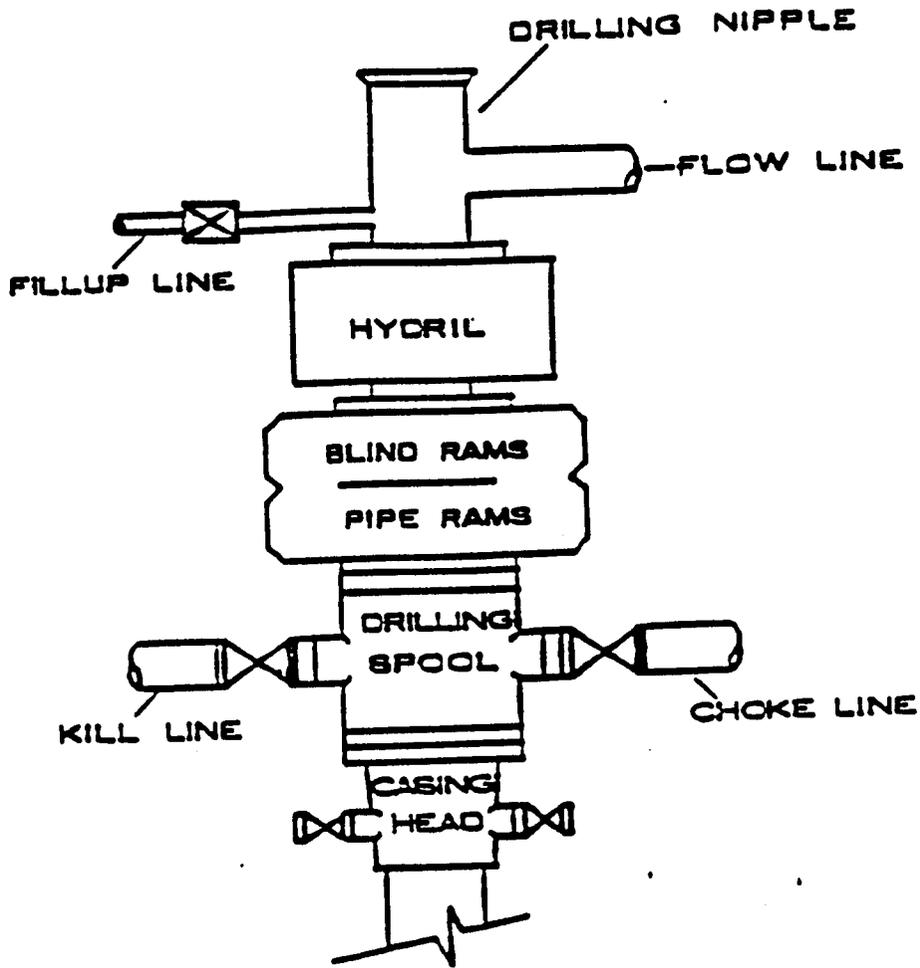
8	10	1999
MONTH	DAY	YEAR



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

3,000 PSI

BOP STACK



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/24/1999

API NO. ASSIGNED: 43-047-33397

WELL NAME: OURAY 36-97
 OPERATOR: COASTAL OIL & GAS CORP (N0230)
 CONTACT: Cheryl Cameron (435) 781-7023

PROPOSED LOCATION:
 SESE 36 - T08S - R21E
 SURFACE: 0526-FSL-0599-FEL
 BOTTOM: 0526-FSL-0599-FEL
 UINTAH COUNTY
 NATURAL BUTTES FIELD (630)

INSPECT LOCATN BY: / /		
TECH REVIEW	Initials	Date
Engineering	RTK	10-14-99
Geology		
Surface		

LEASE TYPE: FEE
 LEASE NUMBER:
 SURFACE OWNER: Fee

PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee
 (No. U6053821)
- 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: Need Preside (Conducted 9-29-99)

STIPULATIONS: ① STATEMENT OF BASIS

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

Operator Name: COASTAL OIL & GAS CORP.

Well Name & Number: OURAY 36-97

API Number: 43-047-33397

Location: 1/4, 1/4 SE/SE Sec. 36 T. 8S R. 21E

Geology/Ground Water:

The depth to the moderately saline ground water at this location is estimated to be at approximately 200'. 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: 10/14/99

Surface:

The pre-drill investigation of the surface was performed on 9/29/99. Surface owner is Vivian Maez. I spoke with her over the telephone on 9/12/99. She told me she could not attend this investigation, and that she had not signed a landowner agreement. She lives in Alaska, and her telephone number is (907) 745-5128. Site is a legal location per general state siting rule. This site appears to be the best spot for a location in the immediate area.

Reviewer: David W. Hackford

Date: 9/30/99

Conditions of Approval/Application for Permit to Drill:

None.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: COASTAL OIL & GAS CORP.
WELL NAME & NUMBER: OURAY 36-97
API NUMBER: 43-047-33397
LEASE: FEE **FIELD/UNIT:** OURAY
LOCATION: 1/4, 1/4 SE/SE SEC: 36 TWP: 8S RNG: 21E
599' F E L 526' F S L
LEGAL WELL SITING: Statewide 400 foot window in center of 40
acre tract and no closer than 920 feet from
another well; or Board Spaced area requiring
460 Setback and 920 From another well.
GPS COORD (UTM): 12628451E 4436882N
SURFACE OWNER: VIVIAN MAEZ

PARTICIPANTS:

TIM CHERVICK, CAROLL WILSON, MARK BONNIE, (C.O.G.C.); ROBERT
KAY, (U.E.L.S.); THREE DIRT CONTRACTORS; DAVID HACKFORD,
(D.O.G.M.)

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

SITE IS IN A RELATIVELY FLAT AREA 0.5 MILES NORTH OF WHITE RIVER.
THERE IS A MESA DIRECTLY ADJACENT TO SITE TO THE NORTH, AND 90'
HIGHER THAN PROPOSED LOCATION.

SURFACE USE PLAN:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.
HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 325' BY 245'
AND ACCESS ROAD WOULD BE 100'.

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

LOCATION OF PRODUCTION FACILITIES AND PIPELINES:
ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED
AFTER DRILLING WELL. PIPELINE WILL FOLLOW ACCESS ROAD AND
TIE INTO EXISTING PIPELINE 200 FEET EAST OF SITE.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, GREASEWOOD, PRICKLY PEAR, CHEAT GRASS, SAGEBRUSH: RODENTS, COYOTES, SONGBIRDS, RAPTORS, PRONGHORN.

SOIL TYPE AND CHARACTERISTICS: LIGHT GRAY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT:

CHARACTERISTICS: 100' BY 100' AND 10' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN:

AS PER LANDOWNER AGREEMENT OR AS DIRECTED BY DIVISION.

SURFACE AGREEMENT: A SURFACE AGREEMENT HAS NOT BEEN SIGNED AT THIS TIME.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY MONTGOMERY ARCHAEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS:

THE PRE-DRILL INVESTIGATION TOOK PLACE ON 9/29/99, A WARM, SUNNY DAY.

ATTACHMENTS:

PHOTOS OF SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

9/29/99-10:30 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>10</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score		<u>17</u>

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, OCT 14,
PLOT SHOWS LOCATION OF 0 POINTS OF DIVER

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FR
FEET, FEET OF THE CT CORNER,
SECTION 36 TOWNSHIP 8S RANGE 21E SL BASE AN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET

N O R T H

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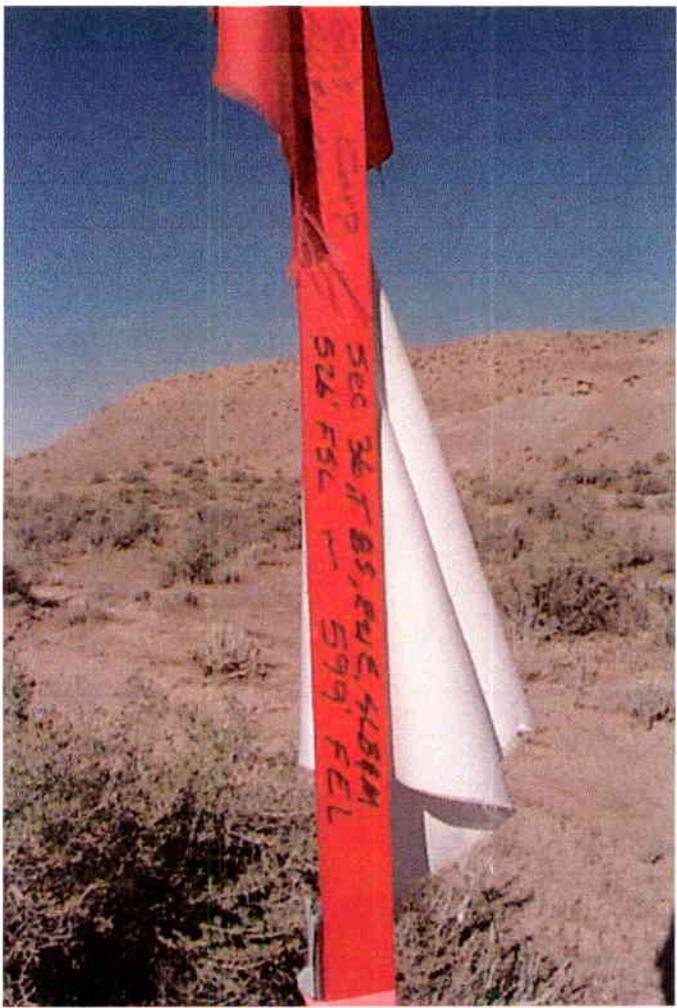
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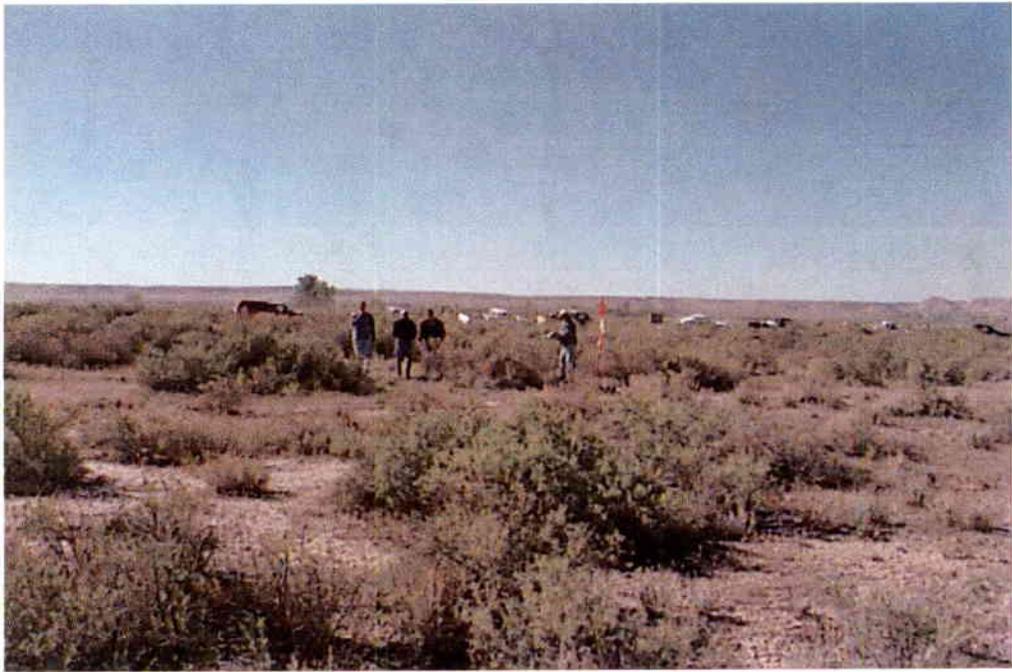
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Well name:	1099 Coastal Ouray #36-97	
Operator:	Coastal	Project ID:
String type:	Surface	43-047-33397
Location:	Uintah County	

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

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: 394 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 81 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

Burst
Max anticipated surface pressure: -5,907 psi
Internal gradient: 13.558 psi/ft
Calculated BHP 195 psi

No backup mud specified.

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	450	8.625	24.00	K-55	ST&C	450	450	7.972	3772
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	195	1370	7.04	195	2950	15.15	9	263	27.83 J

Prepared by: RJK
Utah Dept. of Natural Resources

Date: October 14, 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 450 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:	1099 Coastal Ouray #36-97		
Operator:	Coastal	Project ID:	43-047-33397
String type:	Production		
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: 200 °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 4,392 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: 7,636 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	8900	4.5	11.60	N-80	LT&C	8900	8900	3.875	46650
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	4392	6350	1.45	4392	7780	1.77	89	223	2.52 J

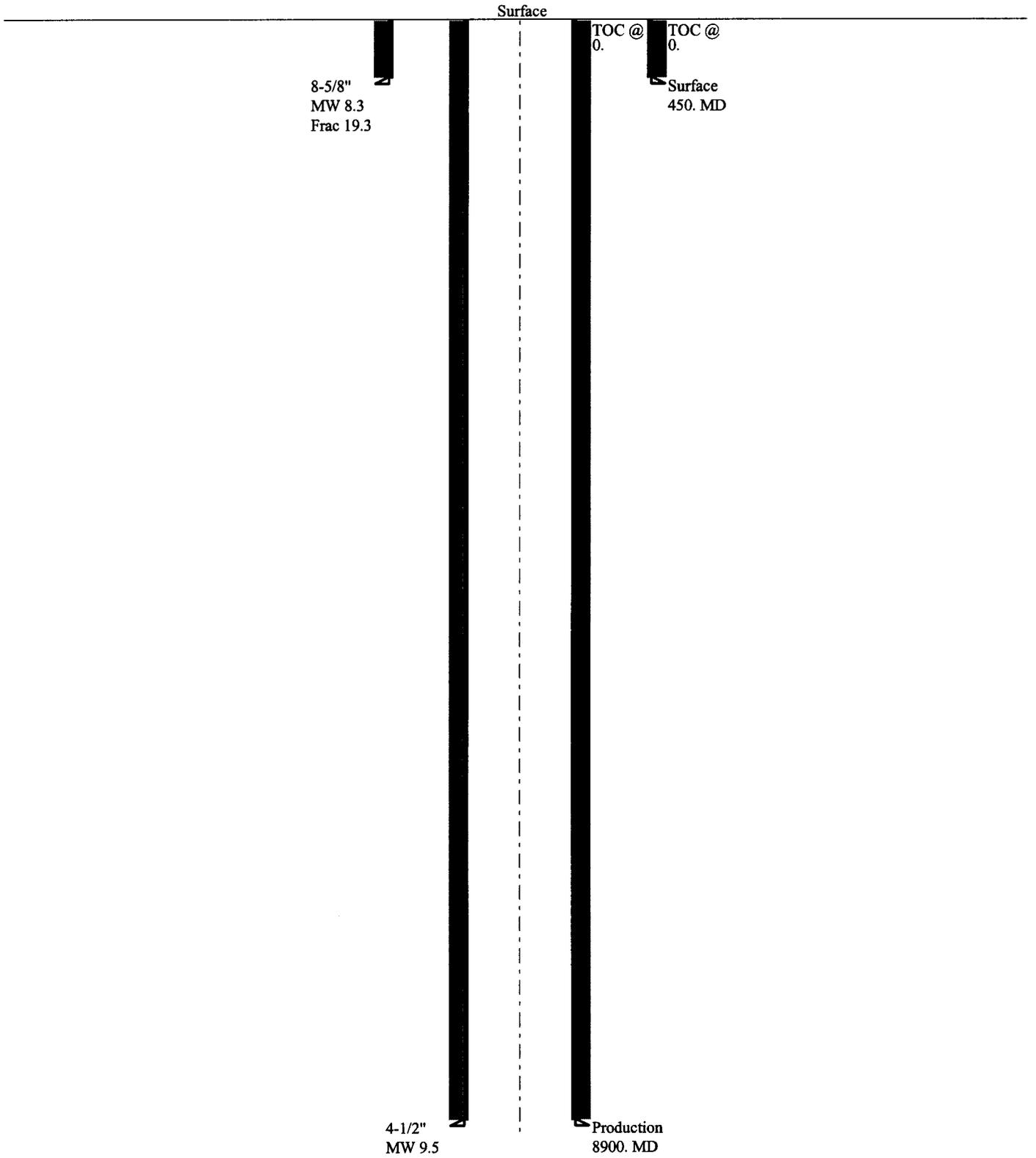
Prepared by: RJK
 Utah Dept. of Natural Resources

Date: October 14, 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 8900 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 #36-9
Casing Schematic



Snell & Wilmer

L.L.P.
LAW OFFICES

111 East Broadway, Suite 900
Salt Lake City, Utah 84111
(801) 237-1900
Fax: (801) 237-1950

SALT LAKE CITY, UTAH

PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

January 28, 2000

Carroll A. Wilson
Senior Landman
Coastal Oil & Gas Corporation
1176 East 1500 South
Vernal, UT 84078

VIA FACSIMILE TRANSMISSION
(435) 789-4436

RECEIVED

FEB 02 2000

DIVISION OF
OIL, GAS AND MINING

Re: **Surface Access and Use Agreements
Utah Admin. Code R649-3-34 (1999)**

Dear Mr. Wilson:

You have inquired whether or not surface use agreements are necessary when conducting operations on an oil and gas lease on fee (private) lands. You advised me that the Utah Division of Oil, Gas and Mining ("Division") is holding your Application for Permit to Drill in abeyance pending you submitting a surface use agreement between Coastal Oil & Gas Corporation and the landowner. This letter contains our answer to your inquiry.

The oil and gas lease is, in part, a contract between the landowner and the lessee. When the surface and mineral ownership are the same, the lease embodies the entire agreement between the parties for both surface and subsurface use. No separate surface use agreement is necessary. (Citations omitted).

However, the General Rules and Regulations of the Board of Oil, Gas and Mining do require a surface use agreement covering well-site restoration of privately owned lands. See Utah Admin. Code R649-3-34.3 (1999). The requirement is that the well-site be restored according to the requirements of the surface owner; or when there is no surface use agreement with the surface owner, then according to the minimum standards established by the Division. See *id.* R649-3-24.3. The regulation applies when a new well is drilled, a plugged well is re-entered, or a new operator assumes operatorship of existing wells. See *id.* R649-3-34.6. This regulation contemplates both the leasehold involving consolidated mineral and surface estates or split estates, when the surface and minerals are owned by different parties. In the former situation, the lease constitutes the surface use agreement. In the latter, the oil and gas operator has no contractual relationship with the surface owner. To fully comply with the regulation, the operator submits an affidavit stating either that he has a surface use agreement or that no separate surface agreement is necessary because the oil and gas lease covers all rights of the parties. See R649-3-34.7. The affidavit should be submitted to the Division as part of the APD packet. *Id.*

Snell & Wilmer

LLP

Carroll A. Wilson

January 28, 2000

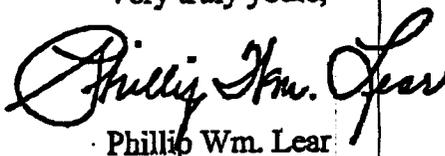
Page 2

This procedure has been confirmed by Mr. John R. Baza, Associate Director—Oil and Gas in recent discussions.

You raised the immediate question in the context of drilling a salt water disposal well on a private lease granted by a lessor who owns both the surface and mineral estates. The fact that the well is ultimately to be a salt water disposal well has no bearing on the interpretation of the regulation.

Should you have any further questions, please contact me.

Very truly yours,



Phillip Wm. Lear

cc: G. Len Miles
Donald H. Spicer
Carl F. Baker, Esq.

DAMAGE RELEASE

STATE OF Colo. §

KNOW ALL MEN BY THESE PRESENTS:

DENVER COUNTY §

THAT the undersigned **Ronald D. Lujan**, whose address is 3549 West Amherst, Avenue, Denver, CO 80236-2505, for and in consideration of the payment of the sum of six hundred and no/100 dollars (\$ 600.00), paid by Coastal Oil & Gas Corporation (Coastal) the full receipt and sufficiency of which is hereby acknowledged, has released, discharged and acquitted and does by these presents hereby release, discharge and acquit Coastal, its parent and affiliates, its and their officers, directors, employees and agents, its successors and assigns of any and all liability to the undersigned, their heirs and assigns for any and all damages to land surface and grass and/or crops thereon, resulting from operations conducted by or on behalf of Coastal on the following described tract of land:

Township 8 South, Range 21 East, SLB&M

Section 36: SE¹/₄SE¹/₄

Township 9 South, Range 21 East, SLB&M

Section 1: Lot #1 (aka NE¹/₄NE¹/₄), SE¹/₄NE¹/₄, NE¹/₄SE¹/₄

AND, for the same consideration, the undersigned, **Ronald D. Lujan**, does hereby agree that every claim that (s)he has, or may have, as a result of any operations conducted by or on behalf of Coastal including construction of necessary access roads or pipelines and including operations for drilling, completing, equipping and producing four wells described on Exhibit "A", attached hereto and made a part hereof, is in all things fully satisfied, released and discharged. Further, the undersigned does hereby agree to exonerate, indemnify, protect, defend, hold harmless and save Coastal, its officers, employees, agents and shareholders from and against any claims, damages, causes of action, suits, costs and attorney fees, including third party claims for injury to real or personal property damage from or in connection with operation for drilling, completing, equipping and producing the aforesaid wells.

IN WITNESS WHEREOF, this release is executed this 28 day of Dec, 1999.

Sharon Kerr
My Commission Expires
October 11, 2001

Sharon Kerr
Notary Public - State of Colo. Arapahoe City

Ronald D. Lujan 12-28-99
Ronald D. Lujan

SS# 521-80-2717



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)

February 3, 2000

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

Re: Ouray 36-97 Well, 526' FSL, 599' FEL, SE SE, Sec. 36, 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 43-047-33397.

Sincerely,

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

John R. Baza
Associate Director

jb

Enclosures

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

Operator: Coastal Oil & Gas

Well Name & Number: Ouray 36-97

API Number: 43-047-33397

Lease: FEE

Location: SE SE **Sec.** 36 **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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Fee
2. Name of Operator Coastal Oil & Gas Corporation		6. If Indian, Allottee or Tribe Name N/A
3a. Address P.O. Box 1148, Vernal UT 84078	3b. Phone No. (include area code) (435)781-7023	7. If Unit or CA/Agreement, Name and/or No. 9C- 000205
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SE/SE Sec. 36, T8S, R21E 526' FSL & 599' FEL		8. Well Name and No. Ouray #36-97
		9. API Well No. 43-047-33397
		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>Spud</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

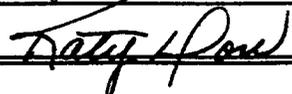
MIRU Malcolm's Drilling (Bucket Rig) & drilled 65' of 18" hole. Ran 65' of 14" conductor pipe. Cmt w/100 sks P-AG w/2% CaCl₂, 15.6 ppg, 1.18 yield. Hole stayed full.
MIRU Bill Martin Drilling (Air Rig) & drilled 473' of 12 1/4" hole. Ran 11 jts 8 5/8" 24# K-55 Csg. Cmt w/240 sks P-AG w/2% CaCl₂, 1/4#/sk Flocele, 15.6 ppg, 1.18 yield. Dropped plug. Displaced w/25 Bbls H₂O w/7 Bbls Cmt to surface. Hole stayed full.

Spud @ 8:00 a.m. on 5/16/00.

RECEIVED

MAY 30 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 5/23/00

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	



May 26, 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 Form(s), State of Utah Form 9 and BLM Form 3160-5, for the week ending May 26, 2000.

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

Sincerely,

Deanna Bell
Environmental Secretary

Enclosures

RECEIVED

MAY 30 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

F-082 P. 02/06 T-736 P. 02/06 +4357884436 D GAS DOWNSTAIRS SECRETARY FROM-COASTAL 01 12:10pm 05-23-00

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

OPERATOR Coastal Oil & Gas Corp.
 ADDRESS 1368 So 1200 E
Orrm, Ut
84078

OPERATOR ACCT. NO. 11

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	APT NUMBER	WELL NAME	WELL LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG			
A	99999	12740	43-047-3397	Orway #36-97	SESE	36	85	21E	Uintah	5/16/00	5/16/00
WELL 1 COMMENTS: 000523 entity added.											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)
 A - Establish new entity for new well (single well only)
 B - Add new well to existing entity (group or unit well)
 C - Re-assign well from one existing entity to another existing entity
 D - Re-assign well from one existing entity to a new entity
 E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

Wally Dow
 Signature
Environmental Analyst
 Title
5/23/00
 Date
 Phone No. 435 781-7028

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.

Fee

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.
9C-000205

8. Well Name and No.
Ouray #36-97

9. API Well No.
43-047-33397

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)

SE/SE Sec.36,T8S,R21E
526'FSL & 599'FEL

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Subsequent Report

Final Abandonment Notice

Acidize

Alter Casing

Casing Repair

Change Plans

Convert to Injection

Deepen

Fracture Treat

New Construction

Plug and Abandon

Plug Back

Production (Start/Resume)

Reclamation

Recomplete

Temporarily Abandon

Water Disposal

Water Shut-Off

Well Integrity

Other TD

Change

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.)

(fr. 8900/murd)

Coastal Oil & Gas Corporation proposes to change subject well to Wasatch formation, TD @ 7600'. Surface set @ 450' and run a drift shot survey every 1500'.

Please refer to the attached Cmt & Csg Program.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 5/31/00
By: *[Signature]*

COPY SENT TO OPERATOR
Date: 6-01-00
Initials: CHD

RECEIVED
MAY 30 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 5/24/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

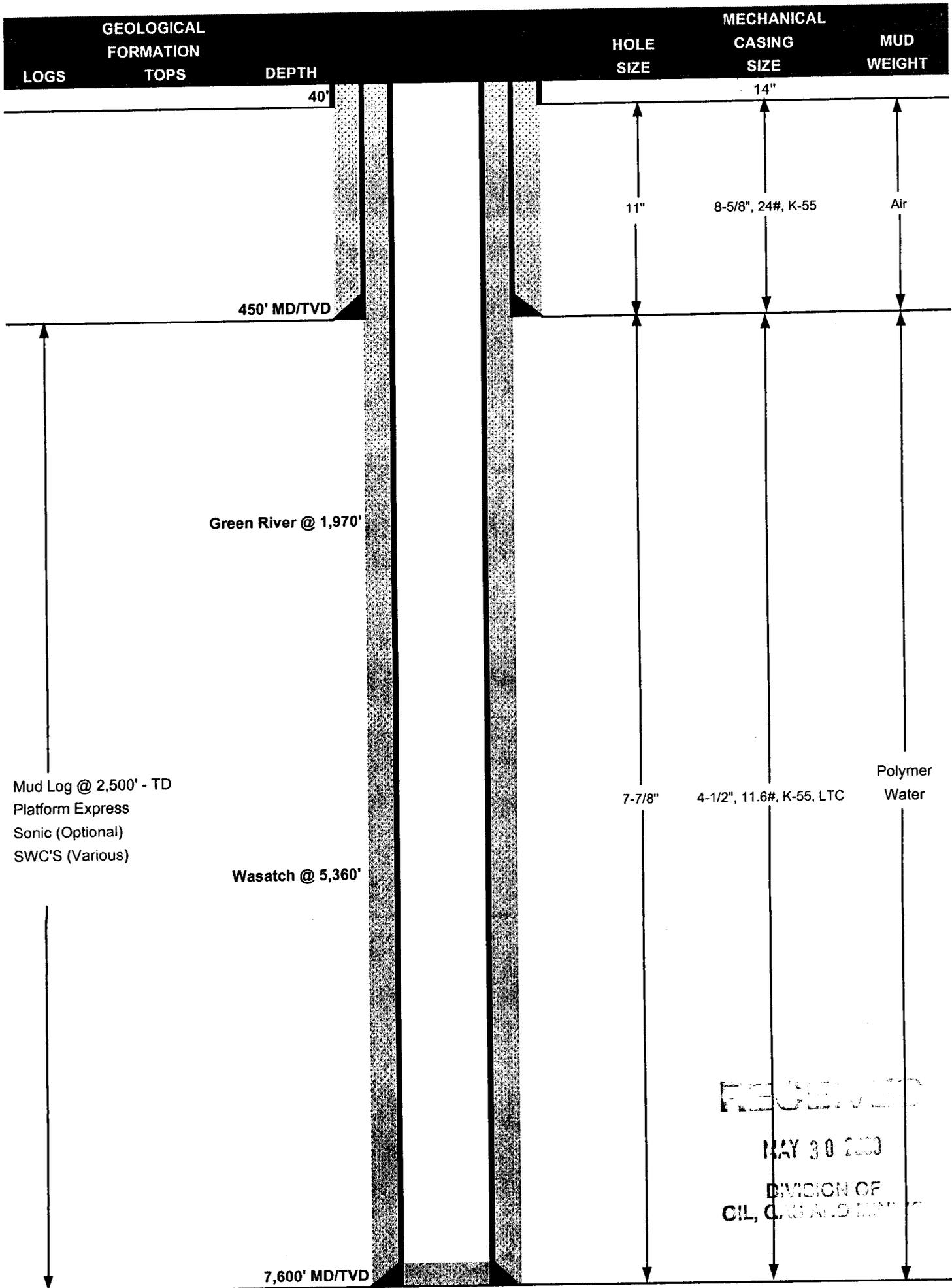
Office

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

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

COMPANY NAME Coastal Oil & Gas Corporation DATE 5/24/00
 WELL NAME Ouray #36-97 TD 7,600' MD/TVD
 FIELD Ouray COUNTY Uintah STATE Utah ELEVATION 4,704' GL
 SURFACE LOCATION 526' FSL & 599' FEL of Section 36, T8S-R21E BHL Straight Hole
 OBJECTIVE ZONE(S) Lower Green River, Wasatch
 ADDITIONAL INFO _____



COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	8-5/8" (new)	0-450'	24#	K-55	STC	2950	1730	263000
						11.69	8.21	4.33
PRODUCTION*	4-1/2" (new)	0-TD	11.6#	K-55	LTC	5350	4960	180000
						1.99	1.26	1.30

- 1) Maximum Anticipated Surface Pressure (MASP) (Conductor and Surface Casings) = (Frac Gradient at Shoe - Gas Gradient (0.115 psi/ft))(TVD)
 - 2) MASP (Int Casing) = Pore Pressure at Next Casing Point - (Gas Gradient x TVD of Next Casing Point x 0.67) - (Mud Weight x TVD x 0.052 x 0.33)
 - 3) MASP (Prod Casing) = Pore Pressure - (Gas Gradient x TVD of Production Interval)
- (Burst Assumptions: FG @ 8-5/8" shoe = 13.0 ppg, Max Pore Pressure = 9.0 ppg EMW)
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing, 50,000 lbs overpull)
 *Utilize 5-1/2", 17#, N-80 if 4-1/2" is not available.

CEMENT PROGRAM

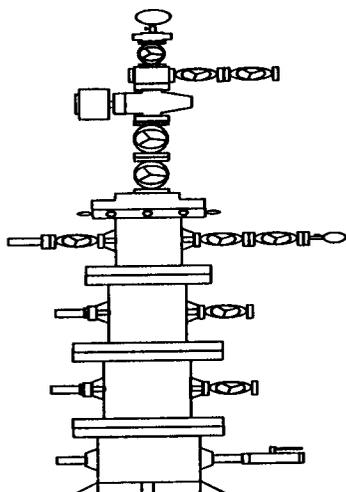
		FT. OF FILL	DESCRIPTION	SACKS	EXCESS*	WEIGHT	YIELD
SURFACE		450	Class G + 2% CaCl ₂ + 0.25 lb/sk Cello Flake	150	35%	15.80	1.17
PRODUCTION	LEAD	5250	Premium Lite II + 3 lb/sk CSE + 0.5% Sodium Metasilicate + 10% Gel + 0.25 lb/sk Cello Flake + 3% Salt + 3 lb/sk Kol Seal	750	125%	11.00	3.44
	TAIL	2350	50/50 POZ + 0.1% R-3 + 1% EC-1 + 0.2% Sodium Metasilicate + 2% Gel + 0.5% FL-25 + 3% Salt	770	75%	14.5	1.23

* or 15% over caliper log

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to surface with bow spring centralizers. Thread lock FE up to & including pin end of FC.
PRODUCTION	Guide shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

WELLHEAD EQUIPMENT



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

FRIGHTLINE

MAY 30 2000

DIVISION OF
C/O, C/G AND MINING

COASTAL OIL & GAS CORPORATION DRILLING PROGRAM

BIT PROGRAM

ROCK BIT & PDC BIT PROGRAM						
INTERVAL	HOLE	BIT MFG & MODEL	GPM	SERIAL	NZLS	COMMENTS
Surface Hole	11"	Various				
Surf Csg - Green River	7-7/8"	PDC (3/4" ctrs, 5 bld)	350	Rental	0.5 sqin TFA	Mud Motor
Green River - 6,000'	7-7/8"	Insert (4 type)	350	New	14-14-14	Mud Motor
6,000' - TD	7-7/8"	PDC (3/4" ctrs, 5 bld)	350	Rental	0.5 sqin TFA	Mud Motor

GEOLOGICAL DATA

LOGGING:

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

MUD LOGGER: 2,500' - TD only if required by Geology

SAMPLES: As per Geology

CORING: NA

DST: NA

MUD PROGRAM

DEPTH	TYPE	MUD WT	WATER		TREATMENT
			LOSS	VISCOSITY	
SC-TD	Polymer Water	Water	NC	27	Polymer, Lime

Circulate hole until clean @ TD. Spot brine pill at TD for casing. Minimize corrosion chemicals.

ADDITIONAL INFORMATION

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

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

Run Totco surveys every 1500'. Maximum allowable hole angle is 5 degrees.

Displace cement with fresh water.

PROJECT ENGINEER: _____ **DATE:** _____
Christa Yin

PROJECT MANAGER: _____ **DATE:** _____
Ben Clark

MAY 30 2010
DIVISION OF
OIL, GAS AND MINERAL RESOURCES

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)
 SE/SE Sec. 36, T8S, R21E
 526' FSL & 599' FEL

5. Lease Serial No.
 Fee

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

7. If Unit or CA/Agreement, Name and/or No.
 9C-000205

8. Well Name and No.
 Ouray 36-97

9. API Well No.
 43-047-33397

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>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 473' to 7.146'. Ran 178 jts 4 1/2" 11.6# P-110 Csg. Cmt w/532 sks HiLift Class "G" w/adds, 11.0 ppg, 3.81 yield. Tail w/700 sks 50/50 Poz w/adds, 14.3 ppg, 1.27 yield. Displace w/110 Bbls H2O. Plug down. Bump plug. Full returns w/36 Bbls Cmt to surface. Clean pits. Released rig @ 6:30 p.m. on 5/31/00.

RECEIVED
 JUN 06 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 6/1/00

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
The Energy People

June 2, 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 2, 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 06 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

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.

Fee

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.
9C- 000205

8. Well Name and No.

Ouray #36-97

9. API Well No.

43-047-33397

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)

SE/SE Sec.36, T8S, R21E
526' FSL & 599' FEL

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

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input 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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Subject well placed on production on 6/9/00. Please refer to the attached Chronological Well History.

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 6/20/00

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

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COASTAL OIL & GAS CORPORATION
PRODUCTION REPORT

CHRONOLOGICAL HISTORY

RECEIVED

JUN 26 2000

DIVISION OF
OIL, GAS AND MINING

OURAY 36-97

OURAY FIELD
UINTAH COUNTY, UT

WI:

PBTD: PERFS:

CSG:

Spud Date:

AFE DESCR., AFE:

FORMATION:

CWC(M\$):

6/04/00

PREP TO FRAC.

PROG: PICKLE TBG. SPOT 300 GALS 15% HCL ACROSS PERF INTERVAL F/ 6518' - 6524'. RUN CBL/CCL/GR F/ 7097' TO 4800'. WIRELINE SHORTED OUT. REPLACE WIRELINE TRUCK. RE-RUN LOGS F/ 7097' - SURE. TOC @ SURE. PRESS TEST 4 1/2" X 8 5/8" CSG ANNULUS TO 800#. DROP TO 450# IN 5 MIN. PERF WASATCH F/ 6518' - 6524', 4 SPF, 24 HOLES. 0 PRESS. BRK DN PERFS W/ 1800# @ 3 BPM - ISIP: 1300#, FG: 0.63.

06/07/00

PREP TO DO CBP'S.

PROG: BRK DN PERFS F/ 6518' - 6524' W/ 1424# @ 2.6 BPM - ISIP: 1318#. FRAC W/ 19,850# 20/40 SD W/ 15% PROP NET & 261 BBLs YF119LG FLUID/GEL. MTP: 3108#, ATP: 2228#, MTR: 25.9 BPM, ATR: 20.4 BPM, FG: 0.70, ISIP: 1740#, NET PRESS INCR: 700# TO 850#. RIH W/ CBP & PERF GUN. SET CBP @ 6476'. PERF WASATCH F/ 6329' - 6341', 4 SPF, 48 HOLES. 0 PRESS. BRK DN W/ 678# @ 2.5 BPM - ISIP: 645#. FRAC W/ 87,255# 20/40 SD W/ 15% PROP NET & 774 BBLs YF119LG FLUID/GEL. MTP: 2358#, ATP: 2049#, MTR: 25.8 BPM, ATR: 23.1 BPM, FG: 0.70, ISIP: 1781#, NET PRESS INCR: 616# TO 816#. RIH W/ CBP & PERF GUN. SET CBP @ 6280'. PERF WASATCH F/ 6,106' - 6110', 3 SPF, 12 HOLES; 6082' - 6086', 3 SPF, 12 HOLES; & 6074' - 6076', 3 SPF, 6 HOLES. 0 PRESS. BRK DN W/ 2802# @ 3.3 BPM - ISIP: 645#. FRAC'D W/ 77,050# W/ 15% PROP NET & 715 BBLs YF119LG FLUID/GEL. MTP: 2875#, ATP: 2012#, MTR: 34.8 BPM, ATR: 28 BPM, ISIP: 1547#, FG: 0.69, NET PRESS INCR: 312# TO 700#. RIH W/ CBP & PERF GUN. SET CBP @ 6,010'. PERF WASATCH F/ 5674' - 5680', 4 SPF, 24 HOLES. BRK DN PERFS W/ 3277' @ 3.1 BPM - ISIP: 1318#. FRAC W/ 28,700# 20/40 SD W/ 15% PROP NET & 309 BBLs YF119LG FLUID/GEL. MTP: 4253#, ATP: 2394#, MTR: 24.5 BPM, ATR: 18.1 BPM. ISIP: 2289#, FG: 0.84, NET PRESS INCR: 1250# TO 1273#. SET CBP @ 5610'. PU & RIH W/ 3 7/8" MILL TOOTH BIT, PUMP OFF SUB, 1 JT 2 3/8" TBG, +45 SN, & 173 JTS TBG. EOT @ 5557'.

06/08/00

PREP TO PLACE ON SALES.

PROG: DO CBP'S @ 5610', 6010', 6231', 6280', 6476'. CO SD TO PBTD @ 7104'. CIRC HOLE CLEAN. PU & LAND TBG @ 6521', SN @ 6473'. PUMP OFF BIT SUB. OPEN WELL TO FLOW BACK TANK @ 2:00 PM. FLOW BACK WELL 16 HRS ON 32/64" CHK. CP: 880# TO 800#, FTP: 300# TO 400#, 10 BWPH TO 5 BWPH, TRACE OF SD. TLTR: 2318 BBLs, TLR: 707 BBLs, LLTR: 1611 BBLs.

06/09/00

PROG: TURNED TO SALES @ 9:30 AM ON 6/08/00. SPOT PROD DATA: CHK 20/64", FTP: 700#, CP: 950#, 3-5 BWPH, 1800 MCF/D.

06/10/00

PROG: FLWD 1539 MCF, 35 BW, FTP: 480#, CP: 760#, 20/64" CHK, 22.5 HRS, LP: 126#.

06/11/00

PROG: FLWD 1600 MCF, 23 BW, FTP: 290#, CP: 580#, 30/64" CHK, 24 HRS, LP: 123#.

06/12/00

PROG: FLWD 1451 MCF, 33 BW, FTP: 250#, CP: 530#, 40/64" CHK, 24 HRS, LP: 123#, LLTR: 1520 BBLs.

IP DATE: 6/10/00 - FLWG 1600 MCF, 23 BW, FTP: 290#, CP: 580#, 30/64" CHK, 24 HRS, LP: 123#.

FINAL REPORT.

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

5. Lease Serial No. **FEE**

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

7. Unit or CA Agreement Name and No. **9C-000205**

8. Lease Name and Well No. **Ouray #36-97**

9. API Well No. **43-047-33397**

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

11. Sec., T., R., M., or Block and Surveyor Area **Sec. 36, T8S, R21E**

12. County or Parish **Uintah** 13. State **Utah**

14. Date Spudded **5/16/00** 15. Date T.D. Reached **6/1/00** 16. Date Completed D & A Ready to Prod. **6/8/00**

17. Elevations (DF, RKB, RT, GL)* **4704.1' GR**

18. Total Depth: MD **TVD 7145'** 19. Plug Back T.D.: MD **TVD 7106'** 20. Depth Bridge Plug Set: MD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
PE/AP/A 5-30-00
CBL-CCL-GR 06-08-00 AL/CN/LD/GR 06-07-00

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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
18"	14"	50#		65'		100 P-AG			
12 1/4"	8 5/8" K-55	24#		463'		240 P-AG		Surface	
11"	4 1/2" P-110	11.6#		7145'		532 Hilift			
						700 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"	6521'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Refer to the additional page			Refer to the additional page			
B) additional page			additional page			
C)						
D)						

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

Depth Interval	Amount and Type of Material
Refer to the additional page	

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JUL 03 2000

DIVISION OF OIL, GAS AND MINING

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
6/8/00	6/10/00	24	→	0	1600	23	0	0	Flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
30/64	290#	580#	→	0	1600	23	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. Flwg.	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			→						

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	1890'	5302'			
Wasatch	5302'				

RECEIVED

JUL 03 2000

DIVISION OF OIL, GAS AND MINING

32. Additional remarks (include plugging procedure):

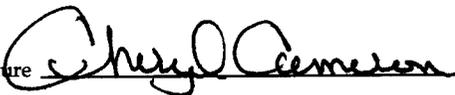
33. Circle enclosed attachments:

- 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 **Additional page**

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 Environmental Analyst

Signature 

Date 6/26/00

PERC

WELL CHRONOLOGY REPORT

WELL NAME : <u>OURAY 36-97</u>		DISTRICT :	
FIELD : <u>OURAY</u>		LOCATION :	
COUNTY & STATE : <u>UINTAH</u>		CONTRACTOR : <u>PATTERSON</u>	
WI% :	AFE# : <u>90271</u>	API# :	PLAN DEPTH : <u>7,600</u> SPUD DATE : <u>5/25/00</u>
DHC :	CWC :	AFE TOTAL :	FORMATION : <u>DRLG NEW GAS WELL</u>

REPORT DATE : 5/25/00 MD : 1,210 TVD : 0 DAYS : 1 MW : 8.5 VISC : 27
 DAILY : DC : \$75,686 CC : \$0 TC : \$75,686 CUM : DC : \$75,686 CC : \$0 TC : \$75,686

DAILY DETAILS : MOVE RIG & RIG UP ON OURAY 36-97 PRESSURE TEST BOP'S PIPE, BLIND RAMS, ALL VALVES TO 3000 PSI ANNULAR AND CASING TO 1500 PSI. PICK UP BHA , TAG @400' DRLG CEMENT, FLOAT, & SHOE DRLG 488--1210

REPORT DATE : 5/26/00 MD : 2,830 TVD : 0 DAYS : 2 MW : 8.6 VISC : 27
 DAILY : DC : \$19,877 CC : \$0 TC : \$19,877 CUM : DC : \$95,563 CC : \$0 TC : \$95,563

DAILY DETAILS : DRLG 1210 - 1920 DROP SURVEY, BIT TRIP DRLG 1920--2830

REPORT DATE : 5/27/00 MD : 4,500 TVD : 0 DAYS : 3 MW : 8.6 VISC : 27
 DAILY : DC : \$29,057 CC : \$0 TC : \$29,057 CUM : DC : \$124,620 CC : \$0 TC : \$124,620

DAILY DETAILS : DRILLING 2830-3736 RIG SERVICE DRILLING 3736--4044 WIRE LINE SURVEY
 DRILLING 4044 --4500

REPORT DATE : 5/28/00 MD : 5,760 TVD : 0 DAYS : 4 MW : 8.6 VISC : 27
 DAILY : DC : \$11,095 CC : \$0 TC : \$11,095 CUM : DC : \$135,714 CC : \$0 TC : \$135,714

DAILY DETAILS : DRLG 4500--5308 SERVICE RIG DRLG 5308--5760

REPORT DATE : 5/29/00 MD : 6,421 TVD : 0 DAYS : 5 MW : 8.6 VISC : 27
 DAILY : DC : \$11,251 CC : \$0 TC : \$11,251 CUM : DC : \$146,965 CC : \$0 TC : \$146,965

DAILY DETAILS : DRLG 5760-6266 RIG SERVICE DRLG 6266--6421 DROP SURVEY, TOOH CHANGE OUT MUD MOTORS, & BIT TRIP IN HOLE WASH & REAM 70' TO BTM.

REPORT DATE : 5/30/00 MD : 7,040 TVD : 0 DAYS : 6 MW : 8.6 VISC : 27
 DAILY : DC : \$19,825 CC : \$0 TC : \$19,825 CUM : DC : \$166,590 CC : \$0 TC : \$166,590

DAILY DETAILS : DRLG 6421-6558 PUMP PILL, T.O.H. CHANGE OUT M. MOTORS, & BIT. RIG SERVICE, FUNCT TEST B.O.P T.I.H. DRLG 6558--7040

REPORT DATE : 5/31/00 MD : 7,146 TVD : 0 DAYS : 7 MW : 8.5 VISC : 27
 DAILY : DC : \$32,479 CC : \$0 TC : \$32,479 CUM : DC : \$199,069 CC : \$0 TC : \$199,069

DAILY DETAILS : DRLG 7040-7146 T.D. CIRC & COND HOLE FOR LOGS, DISPLACE WITH 400 BBLs, GELLED BRINE. DROP SURVEY, T.O.H. RIG UP SCHLUMBERGER, & RUN PLATFORM EXPRESS. LOGGER DEPTH 7143'. RIG DOWN SAME. T.I.H. TO 3500' LAY DOWN DP. TRIP IN HOLE LAY DOWN DP & DCS

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PERCY

WELL CHRONOLOGY REPORT

REPORT DATE : 6/1/00	MD : <u>7.146</u>	TVD : <u>0</u>	DAYS : <u>8</u>	MW : <u>8.6</u>	VISC : <u>27</u>
DAILY : DC : <u>\$0</u>	CC : <u>\$61,753</u>	TC : <u>\$61,753</u>	CUM : DC : <u>\$199,069</u>	CC : <u>\$61,753</u>	TC : <u>\$260,822</u>

DAILY DETAILS : LAY DOWN DC'S RIG UP T & M, CASERS & RUN 176 JTS 4.5" P-110, 11.6# CSG, TALLIED 7151.30, SET @ 7146.30, FLOAT @ 7106 RIG UP & CIRC CSG. RIG UP DOWELL, SAFETY MEETING, TEST LINES, PUMP 40 BBLS OF FRESH WATER AHEAD OF LEAD CMT, 532 SKS, (361 BBLS) HILIFT CLASS G, 12% D020, 3% D044, (BWOW) 1% D079, .75% D112, .2% D046, 0.25 #/ SK D029, @ 11.0 PPG [YIELD 3.81] FOLLOWED BY 700 SKS . [158 BBLS] 50 / 50 POZ, @ 14.3 PPG. [YIELD 1.27]. W / 2% D020, 0.2% D046, 2% D174, 0.25% D066, DROP TOP PLUG, DISPLACE WITH 110 BBLS FRESH WATER. PLUG DOWN @ 1:48 PM . BUMP PLUG WITH 2100 PSI 600 OVER FINAL LIFT PRESS. FULL RETURNS TO 106 BBLS IN DISPLACEMENT. NO RETURNS WHEN PLUG BUMPED. 38 BBLS CEMENT TO SURFACE. SET CASING SLIPS W / 80,000 . N.D.B.O.P.S., CLEAN PITS. RIG RELEASED @ 6:30 P.M. 5/31/00 RIG DOWN.

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DIVISION OF
OIL, GAS AND MINING

COASTAL OIL & GAS CORPORATION
PRODUCTION REPORT

CHRONOLOGICAL HISTORY

OURAY 36-97

OURAY FIELD
UINTAH COUNTY, UT

WI:

PBTD: PERFS:

CSG:

Spud Date:

AFE DESCR., AFE:

FORMATION:

CWC(M\$):

6/04/00

PREP TO FRAC.

PROG: PICKLE TBG. SPOT 300 GALS 15% HCL ACROSS PERF INTERVAL F/ 6518' - 6524'. RUN CBL/CCL/GR F/ 7097' TO 4800'. WIRELINE SHORTED OUT. REPLACE WIRELINE TRUCK. RE-RUN LOGS F/ 7097' - SURF. TOC @ SURF. PRESS TST 4 1/2" X 8 5/8" CSG ANNULUS TO 800#. DROP TO 450# IN 5 MIN. PERF WASATCH F/ 6518' - 6524', 4 SPF, 24 HOLES. 0 PRESS. BRK DN PERFS W/ 1800# @ 3 BPM - ISIP: 1300#, FG: 0.63.

06/07/00

PREP TO DO CBP'S.

PROG: BRK DN PERFS F/ 6518' - 6524' W/ 1424# @ 2.6 BPM - ISIP: 1318#. FRAC W/ 19,850# 20/40 SD W/ 15% PROP NET & 261 BBLs YF119LG FLUID/GEL. MTP: 3108#, ATP: 2228#, MTR: 25.9 BPM, ATR: 20.4 BPM, FG: 0.70, ISIP: 1740#, NET PRESS INCR: 700# TO 850#. RIH W/ CBP & PERF GUN. SET CBP @ 6476'. PERF WASATCH F/ 6329' - 6341', 4 SPF, 48 HOLES. 0 PRESS. BRK DN W/ 678# @ 2.5 BPM - ISIP: 645#. FRAC W/ 87,255# 20/40 SD W/ 15% PROP NET & 774 BBLs YF119LG FLUID/GEL. MTP: 2358#, ATP: 2049#, MTR: 25.8 BPM, ATR: 23.1 BPM, FG: 0.70, ISIP: 1781#, NET PRESS INCR: 616# TO 816#. RIH W/ CBP & PERF GUN. SET CBP @ 6280'. PERF WASATCH F/ 6,106' - 6110', 3 SPF, 12 HOLES; 6082' - 6086', 3 SPF, 12 HOLES; & 6074' - 6076', 3 SPF, 6 HOLES, 0 PRESS. BRK DN W/ 2802# @ 3.3 BPM - ISIP: 645#. FRAC'D W/ 77,050# W/ 15% PROP NET & 715 BBLs YF119LG FLUID/GEL. MTP: 2875#, ATP: 2012#, MTR: 34.8 BPM, ATR: 28 BPM, ISIP: 1547#, FG: 0.69, NET PRESS INCR: 312# TO 700#. RIH W/ CBP & PERF GUN. SET CBP @ 6,010', PERF WASATCH F/ 5674' - 5680', 4 SPF, 24 HOLES. BRK DN PERFS W/ 3277' @ 3.1 BPM - ISIP: 1318#. FRAC W/ 28,700# 20/40 SD W/ 15% PROP NET & 309 BBLs YF119LG FLUID/GEL. MTP: 4253#, ATP: 2394#, MTR: 24.5 BPM, ATR: 18.1 BPM. ISIP: 2289#, FG: 0.84, NET PRESS INCR: 1250# TO 1273#. SET CBP @ 5610'. PU & RIH W/ 3 7/8" MILL TOOTH BIT, PUMP OFF SUB, 1 JT 2 3/8" TBG, +45 SN, & 173 JTS TBG. EOT @ 5557'.

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DIVISION OF
OIL, GAS AND MINING

06/08/00 **PREP TO PLACE ON SALES.**
PROG: DO CBP'S @ 5610', 6010', 6231', 6280', 6476'. CO SD TO PBTB @ 7104'. CIRC HOLE
CLEAN. PU & LAND TBG @ 6521', SN @ 6473'. PUMP OFF BIT SUB. OPEN WELL TO
FLOW BACK TANK @ 2:00 PM. FLOW BACK WELL 16 HRS ON 32/64" CHK. CP: 880#
TO 800#, FTP: 300# TO 400#, 10 BWPH TO 5 BWPH, TRACE OF SD. TLTR: 2318 BBLs,
TLR: 707 BBLs, LLTR: 1611 BBLs.

06/09/00 **PROG: TURNED TO SALES @ 9:30 AM ON 6/08/00. SPOT PROD DATA: CHK 20/64",**
FTP: 700#, CP: 950#, 3-5 BWPH, 1800 MCFPD.

06/10/00 **PROG: FLWD 1539 MCF, 35 BW, FTP: 480#, CP: 760#, 20/64" CHK, 22.5 HRS, LP: 126#.**

06/11/00 **PROG: FLWD 1600 MCF, 23 BW, FTP: 290#, CP: 580#, 30/64" CHK, 24 HRS, LP: 123#.**

06/12/00 **PROG: FLWD 1451 MCF, 33 BW, FTP: 250#, CP: 530#, 40/64" CHK, 24 HRS, LP: 123#, LLTR:**
1520 BBLs.
IP DATE: 6/10/00 - FLWG 1600 MCF, 23 BW, FTP: 290#, CP: 580#, 30/64" CHK, 24 HRS, LP:
123#.

FINAL REPORT.

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**DIVISION OF
OIL, GAS AND MINING**

Lease Serial No. FEE

WELL NAME: OURAY #36-97
CA #: 9C-000205
API# 43-047-33397

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

1. -Perforate Wasatch: 6518'-6524' 4 SPF 24 Holes; Frac w/19850# 20/40 SD w/15% Prop Net & 261 Bbls YF 119 LG Fluid/Gel.
2. -Perforate Wasatch: 6329'-6341' 4 SPF 48 Holes; Frac w/87255# 20/40 SD w/15% Prop Net & 774 Bbls YF 119 LG Fluid/Gel.
3. -Perforate Wasatch: 6106'-6110' 3 SPF 12 Holes; 6082'-6086' 3 SPF 12 Holes; 6074'-6076' 3 SPF 6 Holes; Frac w/77050# 20/40 SD w/15% Prop Net & 715 Bbls YF 119 LG Fluid/Gel.
4. -Perforate Wasatch: 5674'-5680' 4 SPF 24 Holes; Frac w/28700# 20/40 SD w/15% Prop Net & 309 Bbls YF 119 LG Fluid/Gel

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DIVISION OF
OIL, GAS AND MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

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

3. ADDRESS OF OPERATOR: 368 South 1200 East CITY Vernal STATE Utah ZIP 84078 PHONE NUMBER: 435-789-4433

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

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Name Change</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
As a result of the merger between The Coastal Corporation and a wholly owned subsidiary of El Paso Energy Corporation, the name of Coastal Oil & Gas Corporation has been changed to El Paso Production Oil & Gas Company effective March 9, 2001.
See Exhibit "A"

Bond # 400JU0708

Coastal Oil & Gas Corporation
NAME (PLEASE PRINT) John T. Elzner TITLE Vice President
SIGNATURE [Signature] DATE 06-15-01
El Paso Production Oil & Gas Company
NAME (PLEASE PRINT) John T. Elzner TITLE Vice President
SIGNATURE [Signature] DATE 06-15-01

(This space for State use only)

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JUN 19 2001

DIVISION OF
OIL, GAS AND MINING

State of Delaware
Office of the Secretary of State

PAGE 1

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

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JUN 13 2001

DIVISION OF
OIL, GAS AND MINING



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

0610204 8100

AUTHENTICATION: 1061007

010162788

DATE: 04-03-01

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION**

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

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

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

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

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

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

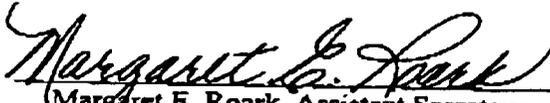
IN WITNESS WHEREOF, said COASTAL OIL & GAS CORPORATION has caused this certificate to be signed on its behalf by a Vice President and attested by an Assistant Secretary, this 9th day of March 2001.

COASTAL OIL & GAS CORPORATION



David L. Siddall
Vice President

Attest:



Margaret E. Roark, Assistant Secretary

RECEIVED

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**

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

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

CA No. **Unit:**

WELL(S)

NAME	API NO	ENTITY NO	SEC TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
TODD USA ST 1-2B1 (CA NW-669)	43-047-30167	5530	02-02S-01W	FEE	OW	S
WINN P2-3B1E (CA 9C-145)	43-047-32321	11428	03-02S-01E	FEE	OW	P
HORROCKS 2-5B1E (CA 9C-129)	43-047-32409	11481	05-02S-01E	FEE	OW	P
STATE PICKUP 1-6B1E	43-047-30169	5970	06-02S-01E	FEE	OW	S
STATE 1-7B1E	43-047-30180	5695	07-02S-01E	FEE	OW	S
REYNOLDS 2-7B1E	43-047-31840	10878	07-02S-01E	FEE	OW	S
TIMOTHY 1-8B1E (CA 9C-141)	43-047-30215	1910	08-02S-01E	FEE	OW	P
PARIETTE DRAW 28-44	43-047-31408	4960	28-04S-01E	FEE	OW	P
LCK 30-1-H (CA 86C689)	43-047-31588	10202	30-06S-21E	FEE	OW	P
ANNE BELL 31-2-J	43-047-31698	10510	31-06S-21E	FEE	OW	P
STATE 35 WELL 52 (CA NRM 1604) (CA 9C-182)	43-047-32697	11856	35-08S-21E	FEE	GW	P
OURAY 35-94 (CA NRM 1604) (CA9C-182)	43-047-33053	12710	35-08S-21E	FEE	GW	P
OURAY 36-97	43-047-33397	12740	36-08S-21E	FEE	GW	P
HALL 30 WELL 58	43-047-32715	11849	30-08S-22E	FEE	GW	P
HALL 30-143	43-047-33425	12830	30-08S-22E	FEE	GW	P
HALL 30-144	43-047-33426	12724	30-08S-22E	FEE	GW	P
HALL ETAL 31-18 (CA NRM-1887) (CA 84688C)	43-047-30664	95	31-08S-22E	FEE	GW	P
HALL 31-99 (CA NRM-1887) (CA 84688C)	43-047-33390	12756	31-08S-22E	FEE	GW	P
HALL 31-130 (CA NRM-1887) (CA 84688C)	43-047-33427	12738	31-08S-22E	FEE	GW	P
HALL 31-134 (CA NRM-1887) (CA 84688C)	43-047-33428	12698	31-08S-22E	FEE	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

JAN. 17. 2003 3:34PM WESTPORT

NO. 173 P. 2

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

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

February 1, 2002

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

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

Dear Ms. Maxwell:

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

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

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

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

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

Debby J. Black
Engineer Technician

Encl:

memorandum

Branch of Real Estate Services
Uintah & Ouray Agency

Date: 5 December, 2002
Reply to
Attn of: Supervisory Petroleum Engineer
Subject: Modification of Utah Division of Oil, Gas and Mining Regulations
To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

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

We have no objection.

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

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

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

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





IN REPLY REFER TO:
Real Estate Services

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Washington, D.C. 20240

FEB 10 2003

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

Dear Mr. Wilson:

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

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

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

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

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure



United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

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

FEB 22 2002

DIVISION OF
OIL, GAS AND MINING

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

FEB 21 2002

NOTICE

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

Name Change Recognized

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

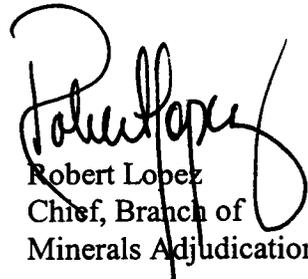
For our purposes, the name change is recognized effective December 31, 2001.

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

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

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

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



Robert Lopez
Chief, Branch of
Minerals Adjudication

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

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

FORM 9

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: _____

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: PHONE NUMBER:
9 Greenway Plaza CITY: **Houston** STATE: **TX** ZIP: **77064-0995** **(832) 676-5933**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: _____ COUNTY: _____

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: **UTAH**

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

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

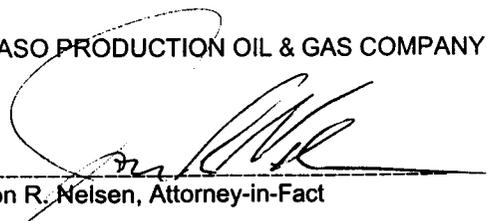
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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

BOND # _____

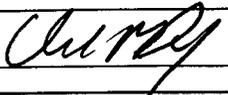
State Surety Bond No. RLB0005236
Fee Bond No. RLB0005238

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) **David R. Dix** TITLE **Agent and Attorney-in-Fact**

SIGNATURE  DATE **12/17/02**

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

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

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

Name (Printed/Typed)
CHERYL CAMERON

Title
OPERATIONS

Signature
Cheryl Cameron

Date
March 4, 2003

BUREAU OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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

(Instructions on reverse)

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW <input checked="" type="checkbox"/>
3. FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

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

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

CA No. Unit:

WELL(S) NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
TRIBAL 36 51	35-08S-21E	43-047-32696	11848	INDIAN	GW	P
FEDERAL 35-52 (STATE) (NRM-1604)	35-08S-21E	43-047-32697	11856	FEE	GW	P
OURAY 35-94 (NRM-1604)	35-08S-21E	43-047-33053	12710	FEE	GW	P
OURAY 35-80	35-08S-21E	43-047-33292	12548	INDIAN	GW	P
ANKERPONT 35-95	35-08S-21E	43-047-33387	12841	INDIAN	GW	P
FEDERAL 35-96 (NRM-1604)	35-08S-21E	43-047-33377	12715	FEDERAL	GW	P
OURAY 35-174	35-08S-21E	43-047-33248	99999	FEE	GW	APD
FEDERAL 35-179 (NRM-1604)	35-08S-21E	43-047-33877	13207	FEDERAL	GW	P
FEDERAL 35-190 (NRM-1604)	35-08S-21E	43-047-33918	13219	FEDERAL	GW	P
FEDERAL 35-151	35-08S-21E	43-047-33849	99999	FEDERAL	GW	APD
FEDERAL 35-152 (NRM-1604)	35-08S-21E	43-047-33981	13394	FEDERAL	GW	P
TRIBAL 35-180	35-08S-21E	43-047-34434	13428	INDIAN	GW	P
STATE 11-36	36-08S-21E	43-047-34505	13561	STATE	GW	P
OURAY 36-97	36-08S-21E	43-047-33397	12740	FEE	GW	P
UTE TRIBAL 36-43	36-08S-21E	43-047-33718	13243	INDIAN	GW	P
GLEN BENCH ST 12-36-8-21	36-08S-21E	43-047-33287	12549	STATE	GW	P
TRIBAL 36-65	36-08S-21E	43-047-33293	12682	INDIAN	GW	P
TRIBAL 31 55A	31-08S-22E	43-047-32717	11858	INDIAN	GW	P
TRIBAL 31-60	31-08S-22E	43-047-33340	12563	STATE	GW	P
HALL 31-61 (NRM-1887)	31-08S-22E	43-047-33341	12607	FEDERAL	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: 01/09/2003

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

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

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

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

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: 5/10/2006
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- 4a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- 4b. If **NO**, the operator was contacted on:
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. 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:

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

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: CO1203
2. Indian well(s) covered by Bond Number: RLB0005239
3. (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:

4. (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 CHANGE OF OPERATOR

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

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

BLM BOND = C01203

BIA BOND = RLB0005239

APPROVED 5/16/06

Earlene Russell

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

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

Name (Printed/Typed)

RANDY BAYNE

Title

DRILLING MANAGER

Signature

Randy Bayne

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
MUTIPLE WELLS

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

9. API Well No.

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

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 recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

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

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

RECEIVED
MAY 10 2006

DIV OF OIL, GAS & MINING

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

Name (Printed/Typed) BRAD LANEY	Title ENGINEERING SPECIALIST
Signature	Date May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

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

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