

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK **DRILL** **DEEPEN**

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

2. NAME OF OPERATOR **Coastal Oil & Gas USA, L.P.** **435/781-7023** **P.O. Box 1148**
Vernal, UT 84078

3. ADDRESS AND TELEPHONE NO. **303/781-8211** **4720 S. Santa Fe Circle, Suite 6**
Englewood, CO 80110-6488

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At Surface **1656' FNL and 963' FWL**
At proposed prod. zone **SW NW Sec. 16**
*4432847N
622680E*

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17.9 miles southeast of Ouray, Utah

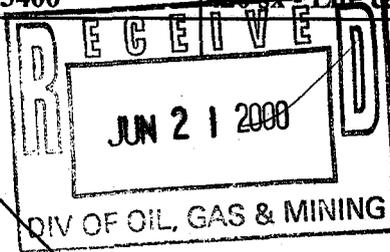
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **963'**

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. **500'**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **4863' GR**

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#	250'	120 sx Premium. Circ to surf.
8-3/4"	7"	23#	3400'	420 sx Lite & Prem. To surface



See Onshore Order No. 1 attached.

Please be advised that Coastal Oil & Gas, Inc. is considered to be the Operator of the above mentioned well. Coastal Oil & Gas USA, L.P. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Coastal Oil & Gas USA, L.P. has been designated by proper lease interest owners to conduct operations on the above mentioned lease. Bonding by Coastal Oil & Gas USA, L.P. is covered under their BIA Nationwide Bond No. 114066-A *& blm Bond U-605382-9-1c*

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

24. **Martin Buys** **Agent for**
SIGNED *[Signature]* TITLE **Coastal Oil & Gas USA, L.P.** DATE **06/12/00**

(This space for Federal or State office use)
PERMIT NO. **43-047-33609** APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

***See Instructions On Reverse Side**

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/21/2000

API NO. ASSIGNED: 43-047-33609

WELL NAME: NATURAL BUTTES SWD 1-16
 OPERATOR: COASTAL OIL & GAS CORP (N0230)
 CONTACT: MARTIN BUYS, AGENT

PHONE NUMBER: 303-781-8211

PROPOSED LOCATION:

SWNW 16 090S 210E
 SURFACE: 1656 FNL 0963 FWL
 BOTTOM: 1656 FNL 0963 FWL
 UINTAH
 NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1-Federal
 LEASE NUMBER: U-38409
 SURFACE OWNER: 2-Indian

PROPOSED FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

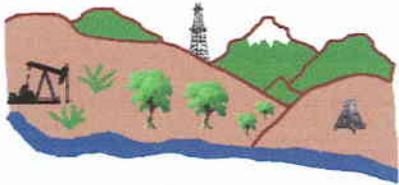
Plat
 Bond: Fed[1] Ind[] Sta[] Fee[]
 (No. U605382-9)
 Potash (Y/N)
 Oil Shale (Y/N) *190 - 5 (B)
 Water Permit
 (No. 43-8496)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)

LOCATION AND SITING: **NBK Non Unitized Pz.*

___ R649-2-3. Unit _____
 ___ R649-3-2. General _____
 Siting: _____
 R649-3-3. Exception
 Drilling Unit
 Board Cause No: 1991 (1600) *Gas
 Eff Date: 4-29-82
 Siting: 1000' fr. O.H. Unit Boundary
 ___ R649-3-11. Directional Drill

COMMENTS: Need add'l info. "Ex. Loc." (Rec'd 8-16-2000)

STIPULATIONS: ① FEDERAL APPROVAL
② OIL SHALE



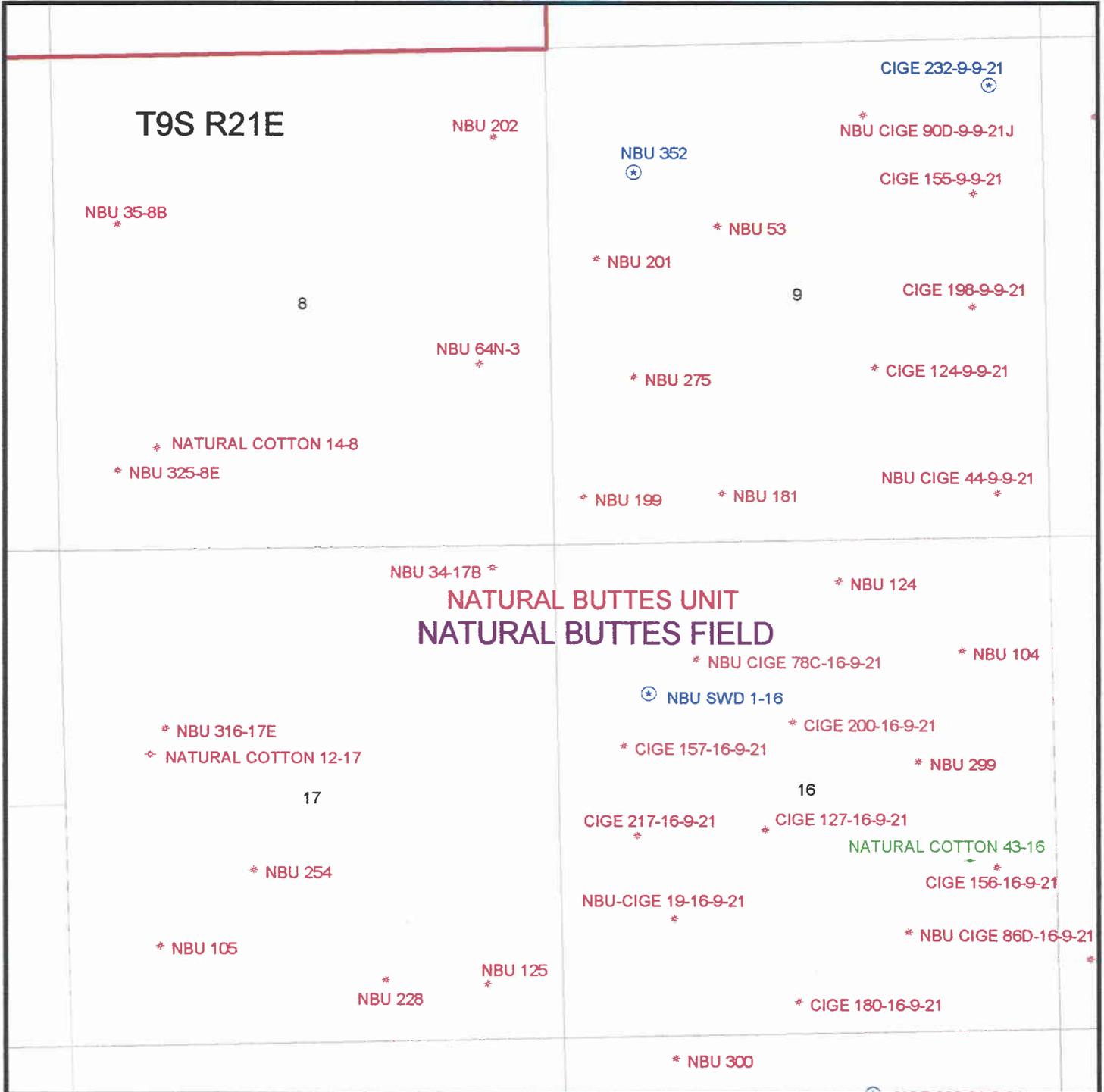
Utah Oil Gas and Mining

OPERATOR: COASTAL O&G (N0230)

FIELD: NATURAL BUTTES (630)

SEC. 16, T9S, R21E,

COUNTY: UINTAH UNIT: NATURAL BUTTES
CAUSE: ~~173-14~~ 197-1 (P)



August 16, 2000

State of Utah
Division of Oil, Gas & Mining
1594 W. North Temple, Suite 12010
Salt Lake City, UT 84180

Dear Ms. Lisha Cordova

Enclosed are 3 APD's. They have been revised from Gas Wells to Oil Wells.

I have resigned the cover page. If we need to do anything else, please let us know.

Thank you,



Martin W. Buys
President

RECEIVED

AUG 21 2000

DIVISION OF
OIL, GAS AND MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL DEEPEN

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

2. NAME OF OPERATOR 435/781-7023 P.O. Box 1148
Coastal Oil & Gas USA, L.P. Vernal, UT 84078

3. ADDRESS AND TELEPHONE NO. 303/781-8211 4720 S. Santa Fe Circle, Suite 6
Buys & Associates, Inc. Englewood, CO 80110-6488

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At Surface 1656' FNL and 963' FWL
At proposed prod. zone SW NW Sec. 16

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17.9 miles southeast of Ouray, Utah

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12-1/4"	9-5/8"	36#	250'	120 sx Premium. Circ to surf.
8-3/4"	7"	23#	3400'	420 sx - Lite & Prem. To surface

5. LEASE DESIGNATION AND SERIAL NO. U-38409

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

7. UNIT AGREEMENT NAME Natural Buttes Unit / Non.P.A.

8. FARM OR LEASE NAME, WELL NO. Natural Buttes SWD # 1-16

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT Natural Buttes

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 16, T9S - R21E

12. COUNTY OR PARISH Uintah

13. STATE Utah

16. NO. OF ACRES IN LEASE 160

17. NO. OF ACRES ASSIGNED TO THIS WELL 40 Acres

19. PROPOSED DEPTH 3400'

20. ROTARY OR CABLE TOOLS Rotary

22. APPROX. DATE WORK WILL START* July 1, 2000

RECEIVED
AUG 21 2000
DIVISION OF OIL, GAS AND MINING

See Onshore Order No. 1 attached.

Please be advised that Coastal Oil & Gas, Inc. is considered to be the Operator of the above mentioned well. Coastal Oil & Gas USA, L.P. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Coastal Oil & Gas USA, L.P. has been designated by proper lease interest owners to conduct operations on the above mentioned lease. Bonding by Coastal Oil & Gas USA, L.P. is covered under their BIA Nationwide Bond No. 114066-A Blm Bond U-605382-9

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24. Martin Buys Agent for
SIGNED [Signature] TITLE Coastal Oil & Gas USA, L.P. DATE 06/12/00

(This space for Federal or State office use)
PERMIT NO. 43-047-33609 APPROVAL DATE _____

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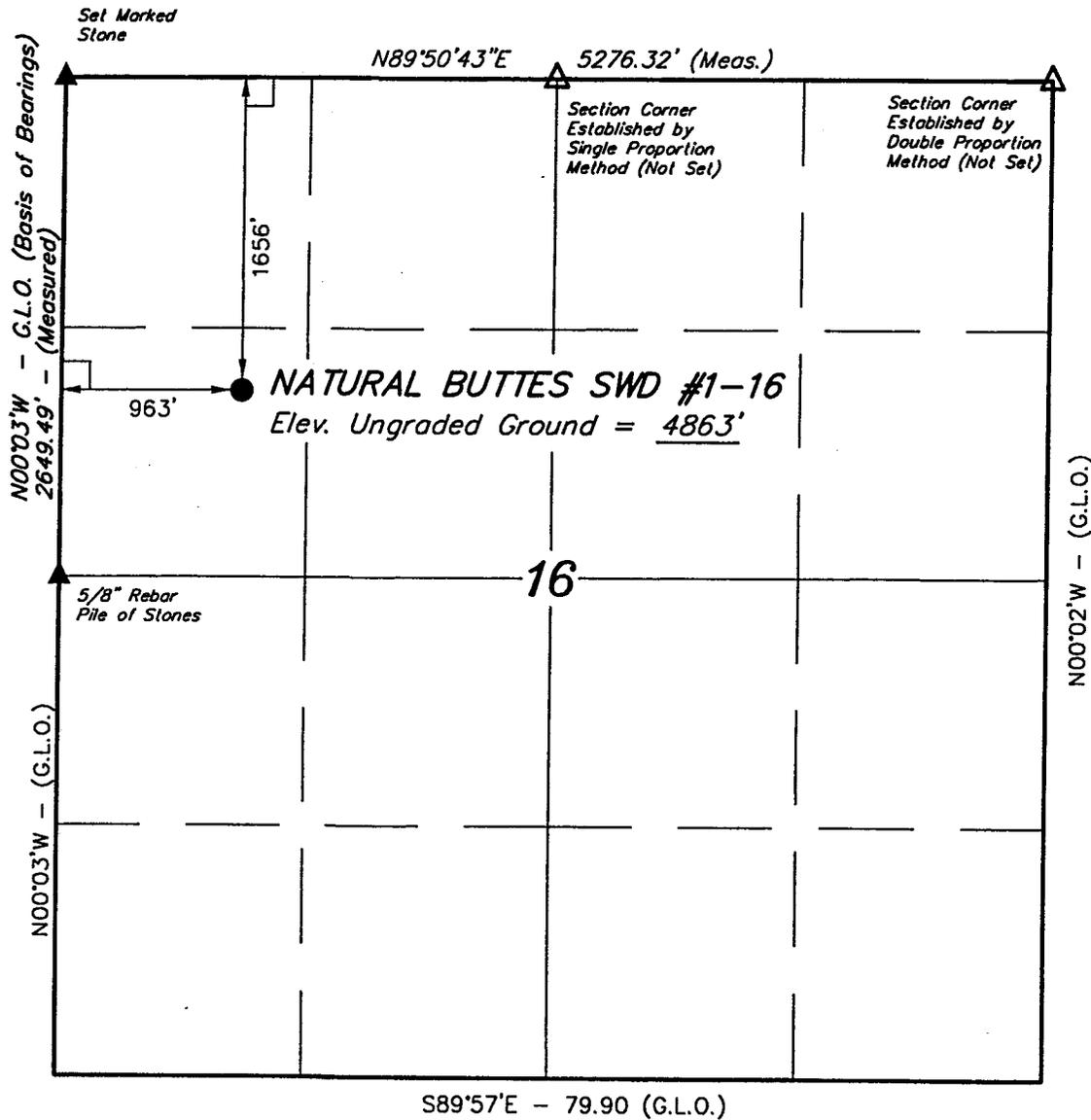
CONDITIONS OF APPROVAL, IF ANY:
APPROVED BY [Signature] TITLE BRADLEY G. HILL DATE 8/24/00
RECLAMATION SPECIALIST III

Federal Approval of this Action is Necessary

***See Instructions On Reverse Side**

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

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



LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

LATITUDE = 40°02'21"

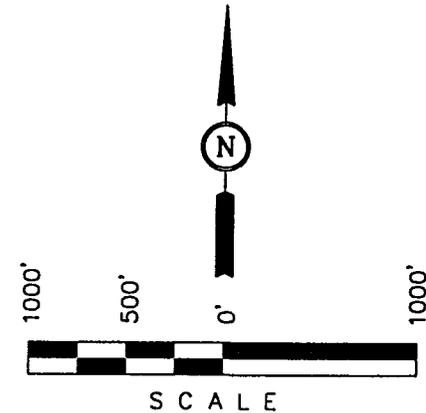
LONGITUDE = 109°33'44"

COASTAL OIL & GAS CORP.

Well location, NATURAL BUTTES SWD #1-16, located as shown in the SW 1/4 NW 1/4 of Section 16, T9S, R21E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 16, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4787 FEET.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 04-20-00	DATE DRAWN: 04-27-00
PARTY J.F. B.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE COASTAL OIL & GAS CORP.	

June 17, 2000

Bureau of Indian Affairs
Charlie Cameron
PO Box 130
988 South 7500 East
Fort Duchesne, UT 84026

RE: Natural Buttes SWD #1-16
1636' FNL and 963' FEL
NW SW Sec. 16, T9S-R21E
Uintah County, Utah

Dear Charlie:

Enclosed please find three copies of the Onshore Order No. 1 and associated attachments which are being submitted on behalf of Coastal Oil & Gas USA, L.P.. Approved copies of the permit will be picked up by a Coastal representative from Vernal. Upon approval, please contact Cheryl Cameron at 435/781-7023.

If you have any questions, or need additional information, please feel to contact me at 303/781-8211.

Sincerely,

BUYS & ASSOCIATES, INC.



Martin W. Buys
Agent for:
Coastal Oil & Gas USA, L.P.

Enc.

cc: Coastal Oil & Gas USA, L.P.

Natural Buttes SWD # 1-16
1656' FNL & 963' FWL
SW NW Sec. 16, T9S-R21E
Uintah, County, UT

COASTAL OIL & GAS USA, L.P.
P.O. BOX 1148
VERNAL, UTAH 84078

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished by the field representative to insure compliance.

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

Formation	Depth	Subsea
Uintah	Surface	+4830'
Green River	1,774'	+3,056'
T.D.	3,400'	+1,430'

2. ESTIMATED DEPTH OF ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS:

Substance	Formation	Depth
Oil, Gas & Water	Green River	1774'

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. PRESSURE CONTROL EQUIPMENT

Coastal's minimum specifications for pressure control equipment are as follows:

Ram Type: 10" Hydraulic double with rotating head, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provision of test are met, whichever is longer.

Natural Buttes SWD #1-16
1636' FNL and 963' FWL
NW SW Sec. 16, T9S - R21E
Uintah County, Utah

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken;
- c. following related repairs; and
- d. at 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip; however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings, which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead-time, in order to have the BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 10", 3000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. PROPOSED CASING AND CEMENTING PROGRAM:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including: presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- m. The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0-250'	12-1/4"	9-5/8"	36#	K-55	ST&C	New
Production	0-3400'	8-3/4"	7"	23#	K-55	LT&C	New

- n. Casing design subject to revision based on geologic conditions encountered.
- o. The cement program will be as follows:

Surface	Type and Amount
0-250'	120 sx Premium Plus w/2% CaCl & 1/4#sk CelloFlake or sufficient to circulate to surface.
Production	Type and Amount
0-3400'	State #1: Lead – 300 sx Lite Cement w/Additives. Stage #2: Lead w/120 sks Lite Cement with additives. Tail with 80 sks Premium Plus with additives, or sufficient to circulate to surface.

- p. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead-time, in order to have a BLM representative on location while running all casing strings and cementing.
- q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- r. The following reports shall be filed with the District Manager within 30 days after the work is completed.
 - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells," must include complete information concerning:

- a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
- b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- s. Auxiliary equipment to be used is as follows:
 - 1. Upper kelly cock and lower kelly cock to be used in drill string
 - 2. Inside BOP and stab-in valve (available on rig floor). Float valve to be used in the drill string during air/mist drilling.
 - 3. Mud monitoring will be visually observed.

5. MUD PROGRAM

- a. The proposed circulating mediums to be employed in drilling are as follows:

Interval	Mud Type	Mud Wt.	Visc.	F/L	PH
0-250'	Air	---	---	---	---
250-3400'	Air/Mist or Aerated H2O	---	---	---	---

There will be sufficient mud on location to control a blowout should one occur.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and pH.

- b. Mud monitoring equipment to be used is as follows:
 - 1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

6. **EVALUATION PROGRAM**

The anticipated type and amount of testing, logging and coring are as follows:

- a. **DST's:** No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water-cooled exhausts.

- b. **Logging:** Platform Express (GR-CNL-LDT-DLL) will be run from 250'-3400'
- c. **Coring:** No cores will be run.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cutting, fluids, and/or gases will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program will be as follows:
- Run 7" Production Casing to T.D. Cement production casing to surface. Evaluate and test Green River formation for oil and gas potential.
- f. Daily drilling and completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

7. ABNORMAL TEMPERATURES OR PRESSURES

- a. The expected bottom hole pressure is 1589 psi.
- b. No hydrogen sulfide gas is anticipated and no abnormal pressures or temperatures are anticipated.

8. ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS

- a. Drilling will commence July 1, 2000.
- b. It is anticipated that the drilling of this well will take approximately two days.
- c. The BLM in Vernal, Utah shall be notified of anticipated date of location construction commencement and of anticipated spud date.
- d. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular workday. The oral report will be followed up with a Sundry Notice.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.
- g. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- h. If a replacement rig is contemplated for completion operations, a "Sundry Notice" form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days.

During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.).
- m. At first production conference will be scheduled within 15 days after receipt of the first production notice.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approval APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.
- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

ONSHORE OIL & GAS ORDER NO. 1

NOTIFICATION REQUIREMENTS

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

The onsite inspection for the subject well site was conducted on May 12, 2000. Weather conditions were clear, dry and 65°F. In attendance at the onsite inspection were the following individuals:

Byron Tolman
Cheryl Cameron
Carroll Wilson
Clay Elnerson
Robert Kay
Keith Montgomery
John Fausett
Billy Mclure
Gary Scott
Jimmy Justice
Manuel Myore
Alvin Ignacio

BLM, Vernal
Coastal Oil & Gas
Coastal Oil & Gas
Coastal Oil & Gas
Uintah Engineering and Land Surveying
Archeology
Construction Co.
Construction Co.
Construction Co.
Construction Co.
BIA, Ft. Duchesne
Ute Tribe, Ft. Duchesne

1. EXISTING ROADS

- a. The proposed well site is located approximately 6.0 miles southeast of Ouray, Utah.
- b. Directions to the location from Vernal, Utah are as follows:

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 6.9 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 direction approximately 5.0 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 0.3 miles to the junction of this road and existing road to the northeast; turn right and proceed in a northeasterly direction approximately 1.7 miles the junction of this road and an existing road to the northeast; turn left and proceed in a northeasterly, then southwesterly, then northwesterly direction approximately 4.0 miles to the junction of this road and an existing road to the northeast; turn right and proceed in a northeasterly direction approximately 0.2 miles to the beginning of the proposed access to the southeast; follow road flags in a southeasterly direction approximately 65' to the proposed location.

- c. For location of access roads within a 2-mile radius, see Maps A & B.
- d. Improvement to existing main roads will not be required.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. PLANNED ACCESS ROADS

- a. The last 100 feet of access will be new construction from an existing oilfield road.
- b. The maximum grade of the new construction will be approximately 1%.
- c. No turnouts are planned.
- d. No low water crossings will be necessary. There are no major cuts and fills. No culverts and/or bridges will be required.
- e. The last 100 feet of access road was centerline flagged at the time of staking.

- f. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.
- g. No cattle guards will be necessary at this time.
- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- i. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development (1989).
- j. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30-foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
- k. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- l. No road right of way will be required since all access roads are covered under existing right of ways outside of the Natural Buttes Unit.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION. (See Map "C")

- a. Water wells – none
- b. Injection wells – none
- c. Producing wells – eighteen
- d. Drilling wells – none
- e. Shut-in wells – none

Natural Buttes SWD #1-16
1656' FNL and 963' FEL
NW SW Sec.16, T9S – R21E
Uintah County, Utah

- f. Temporarily abandoned wells – none
- g. Disposal wells – none
- h. Abandoned wells – none
- i. Dry Holes – none

4. LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Juniper Green. 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.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. A typical production layout is attached. If at the time of production it is determined that an alternate layout is necessary, a Sundry Notice will be submitted showing placement of all production facilities prior to construction.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.
- f. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurements.
- g. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or Unit boundary changes), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- h. Any necessary pits will be properly fenced to prevent any wildlife entry.

- i. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- j. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- k. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- l. The road will be maintained in a safe useable condition.

5. LOCATION AND TYPE OF WATER SUPPLY

- a. The proposed water source will be the Dalbo Ouray Water Facility located in Section 32, T4S --R3E. The water Use Claim # is 43-8496 and the application #53617.
- b. Water will be hauled by Dalbo Trucking to the location over the access roads shown on Maps A and B.
- b. No water well will be drilled on this lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. Any gravel used will be obtained from a commercial source.
- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.

7. METHODS OF HANDLING WASTE DISPOSAL

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. If it is necessary to blast the pit area during construction, an inspection of the pit will be made by a representative of the BLM with a representative of Coastal Oil & Gas USA, L.P. and it will be determined if a reserve pit liner is necessary. If fractured rock is encountered, the pit will be first lined with sufficient bedding (either straw or dirt) 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, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- d. After first production, produced wastewater will be confined to an unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance

- e. with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- f. Drill cuttings are to be contained and buried in the reserve pit.
- g. Any slats and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- h. A chemical porta-toilet will be furnished with the drilling rig.
- i. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. WELL SITE LAYOUT

- a. The operator or his/her contractor shall contact the BIA Office at 435/722.4311 forty-eight (48) hours prior to construction activities.
- b. The reserve pit will be located on the south side of the location.
- c. The flare pit will be located downwind of the prevailing wind direction on the south side, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the southwest corner and east side of the location. Topsoil along the access route will be wind rowed on the uphill side as shown on Figure 1.
- e. Access to the well pad will be from the west as shown on the Pit & Pad Layout.
- f. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.
- g. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Location Layout.
- h. All pits will be fenced according to the following minimum standards:
 - 1. 39 inch net wire shall be used with at least one strand or 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).

2. The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.
 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- i. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.
 - j. Water drainage onto the location from the uphill side will be re-routed around the pad as shown on Figure 1.

10. PLANS FOR RESTORATION OF SURFACE

Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. If a plastic nylon reinforced liner is used it shall be torn and perforated before backfilling of the reserve pit.
- d. 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 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.
- e. After the reserve pit is reclaimed, a diversion ditch and water diversion structure will be constructed as discussed with the BLM at the onsite inspection.
- f. Reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer.

Seeding will be performed immediately after the location has been reclaimed and the pit has been backfilled, regardless of the time of year. Seed will be broadcast and walked in with a dozer.

- g. The topsoil stockpile will be seeded as soon as the location has been constructed with the seed mix recommended above. The site will be walked in with a cat.

Dry Hole

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

11. SURFACE OWNERSHIP

Access roads – All roads are County maintained, within the Natural Buttes Unit or managed by the Bureau of Land Management.

Well pad – The well pad is located on lands managed by the BIA.

12. OTHER INFORMATION

- a. A Class III archeological survey has been conducted by Keith Montgomery. No cultural resources were identified and clearance for the project has been recommended. A copy of this report will be submitted to the appropriate agencies by Keith Montgomery.
- b. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

- Whether the materials appear eligible for National Register of Historic Places;
 - The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
 - A time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.
- c. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- d. drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure.
- e. 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 is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- f. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- g. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- h. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- i. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period. After permit termination, a new application will be filed for approval for any future operations.

- j. The operator of his contractor shall contact the BIA Offices at 435/722-4311 48 hours prior to construction activities.
- k. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.
- l. In the event after-hours approvals are necessary, please contact one of the following individuals:

Charlie Cameron	Ass't Superintendent	435/722-4311
BIA Fax Machine		435/722-2809

13. **LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION**

Permit Matters

BUYS & ASSOCIATES, INC.
4720 S. Santa Fe Circle, Suite 6
Englewood, CO 80110-6488
303/781-8211 (O)
303/781-1167 (F)
Martin W. Buys

Drilling & Completion Matters

COASTAL OIL & GAS USA, L.P.
P.O. Box 1148
Vernal, UT 84078
435/781-7023 (O)
435/789-4436 (F)
435/789-4433 (H) – Sam Prutch

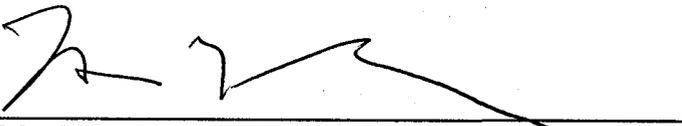
Certification

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

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

June 12, 2000

Date:



Martin W. Buys – BUYS & ASSOCIATES, INC.
Authorized Agent for:
COASTAL OIL & GAS USA, L.P.

A Class III Archeological Survey has been conducted by Keith Montgomery. A copy of this report will be submitted directly to the appropriate agencies by Keith Montgomery.

An Archeologist is required to monitor the construction of the access road and pad construction.

COASTAL OIL & GAS CORP.
NATURAL BUTTES SWD #1-16
 LOCATED IN UTAH COUNTY, UTAH
 SECTION 16, T9S, R21E, S.L.B.&M.

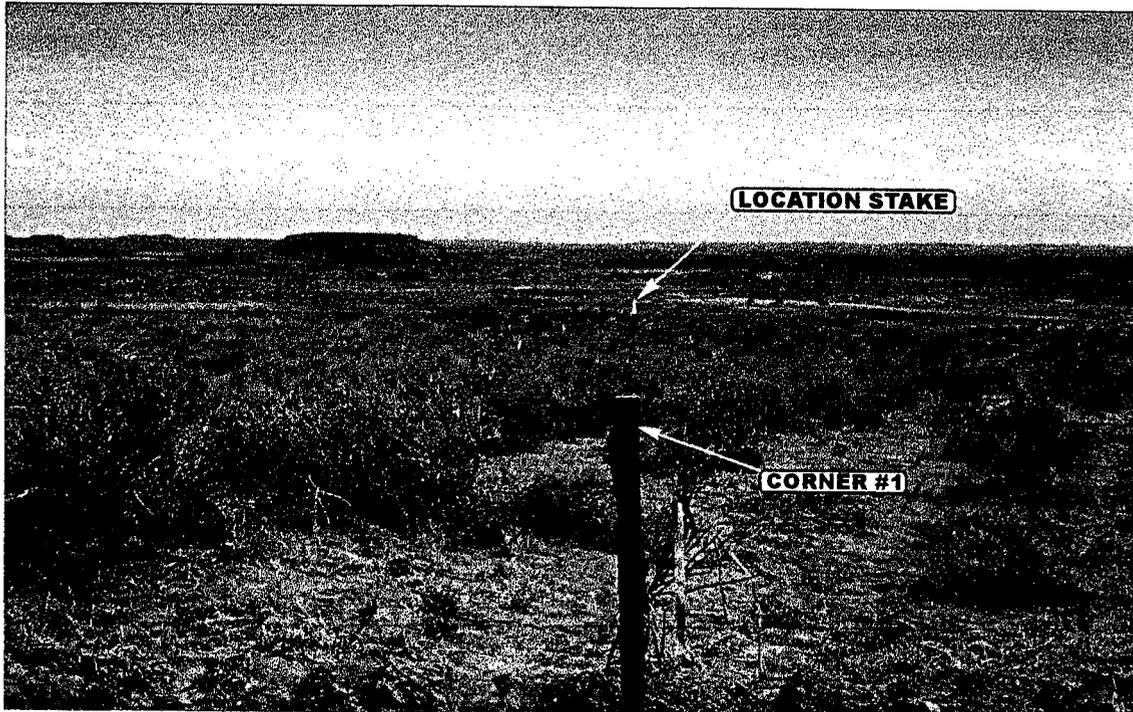


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY

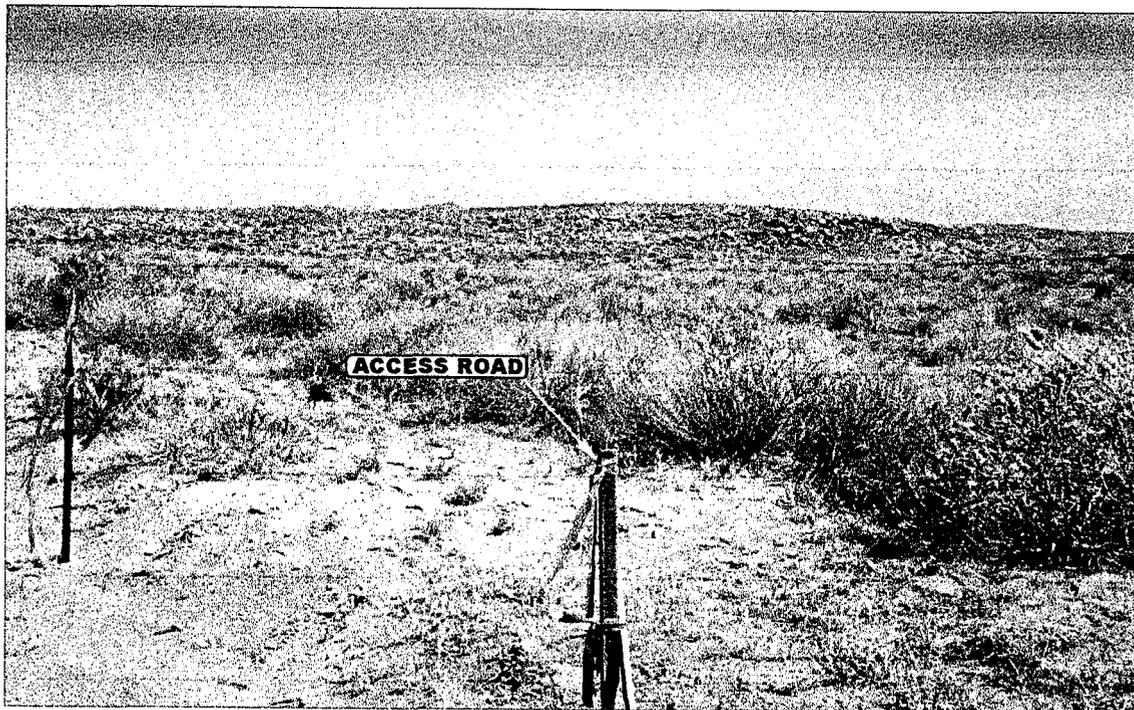


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



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

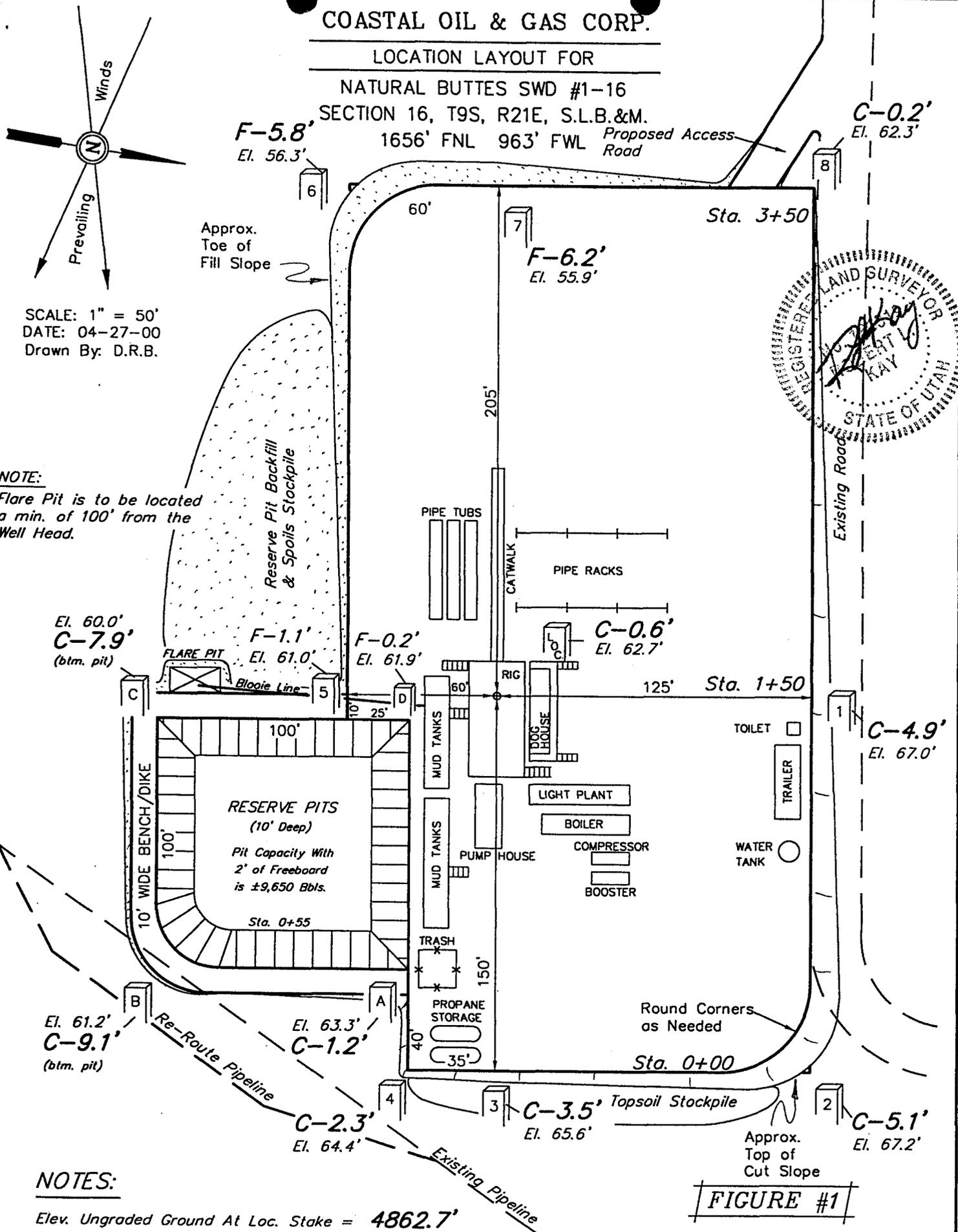
- Since 1964 -

LOCATION PHOTOS	4	29	00	PHOTO
TAKEN BY: J.F.	MONTH	DAY	YEAR	
DRAWN BY: C.G.	REVISED: 00-00-00			

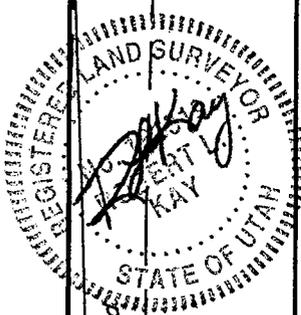
COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR

NATURAL BUTTES SWD #1-16
SECTION 16, T9S, R21E, S.L.B.&M.
1656' FNL 963' FWL Proposed Access Road



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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4862.7'
FINISHED GRADE ELEV. AT LOC. STAKE = 4862.1'

FIGURE #1

COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR
 NATURAL BUTTES SWD #1-16
 SECTION 16, T9S, R21E, S.L.B.&M.
 1656' FNL 963' FWL



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

DATE: 04-27-00
 Drawn By: D.R.B.

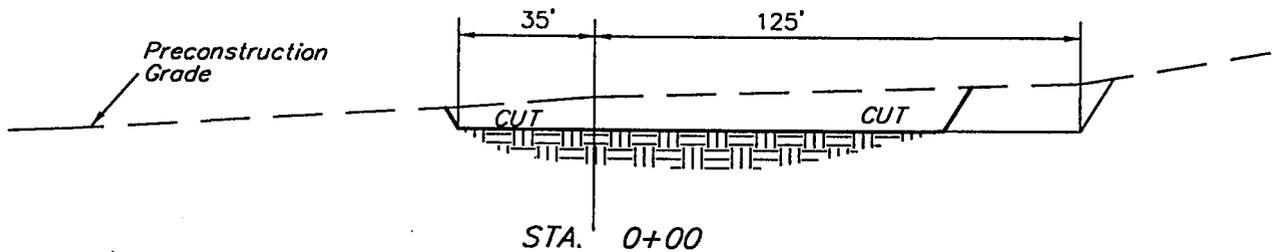
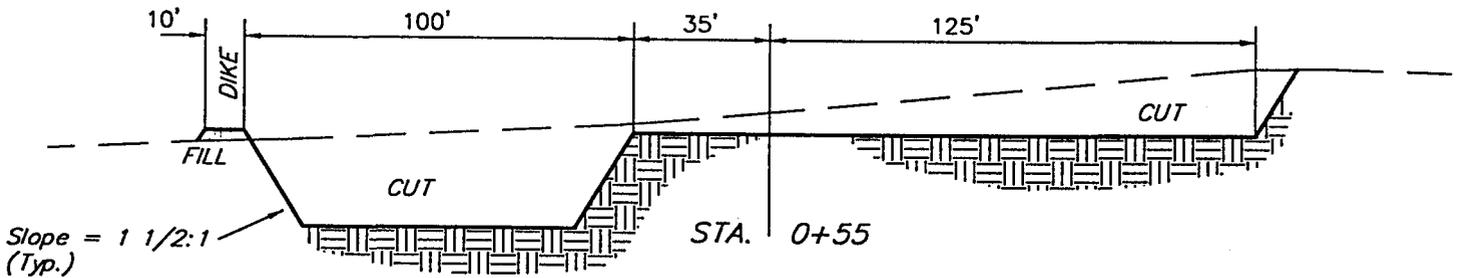
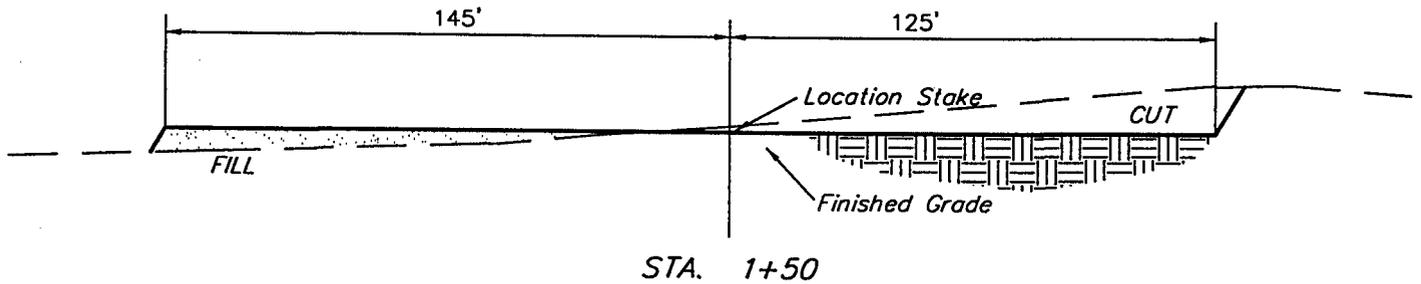
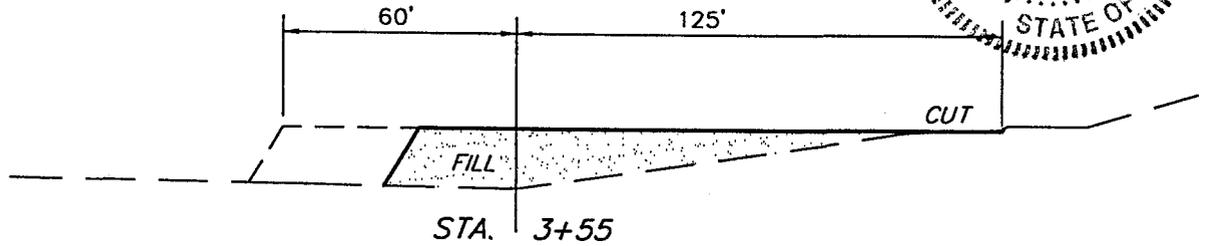
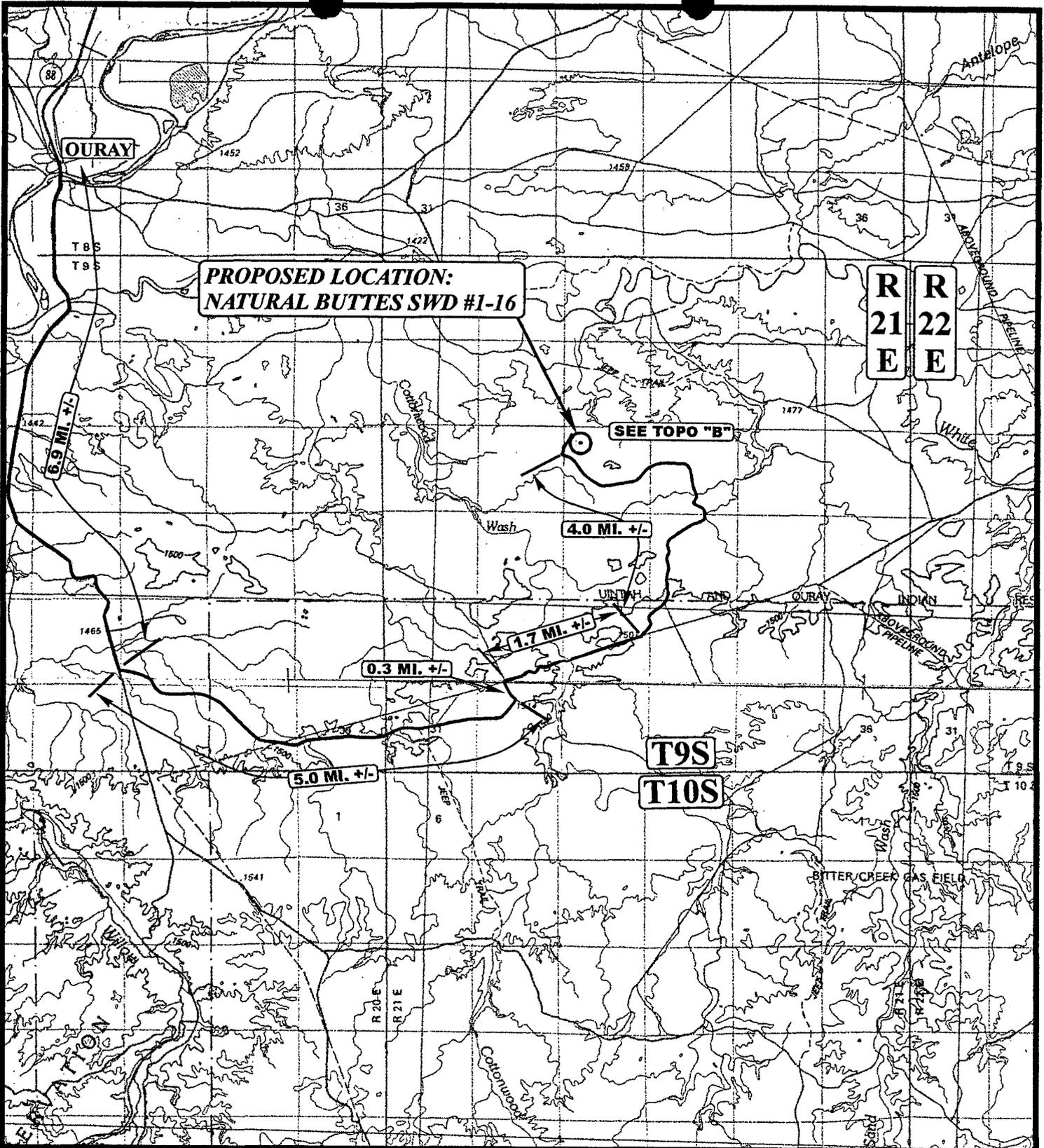


FIGURE #2

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,780 Cu. Yds.
Remaining Location	= 5,320 Cu. Yds.
TOTAL CUT	= 8,100 CU.YDS.
FILL	= 3,780 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,120 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,120 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**PROPOSED LOCATION:
NATURAL BUTTES SWD #1-16**

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

SEE TOPO "B"

4.0 MI. +/-

1.7 MI. +/-

0.3 MI. +/-

5.0 MI. +/-

T9S

T10S

LEGEND:

⊙ PROPOSED LOCATION

COASTAL OIL & GAS CORP.

**NATURAL BUTTES SWD #1-16
SECTION 16, T9S, R21E, S.L.B.&M.
1656' FNL 963' FWL**



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



**TOPOGRAPHIC
MAP**

4 29 00
MONTH DAY YEAR

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



T9S

Mollys Mipple

PROPOSED LOCATION:
NATURAL BUTTES SWD #1-16

PROPOSED ACCESS 65' +/-

OURAY 17.9 MI. +/-
SEEP RIDGE ROAD 11.0 MI. +/-

R
21
E

LEGEND:

- PROPOSED ACCESS ROAD
- ===== EXISTING ROAD

COASTAL OIL & GAS CORP.
NATURAL BUTTES SWD #1-16
SECTION 16, T9S, R21E, S.L.B.&M.
1656' FNL 963' FWL

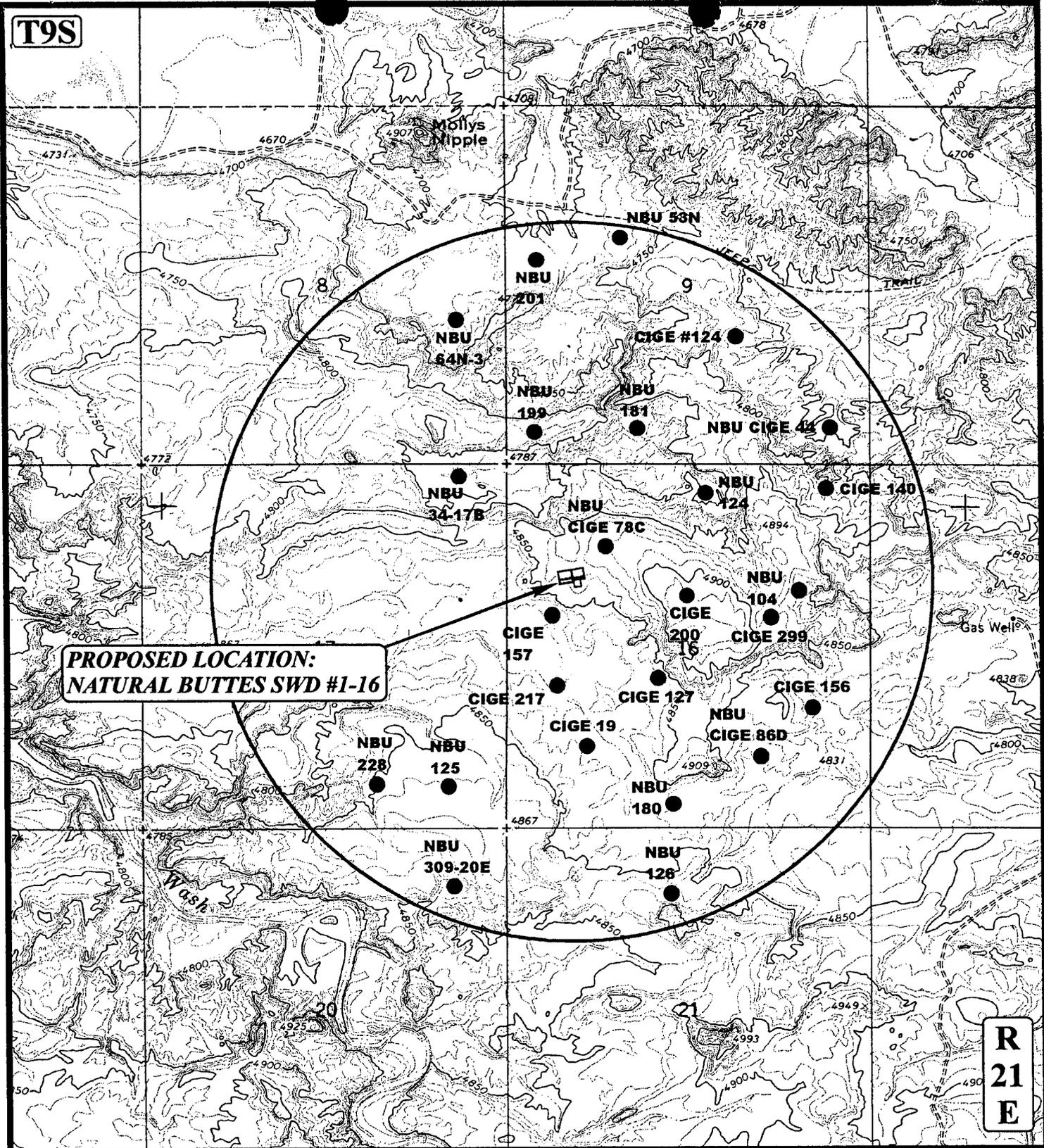


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 4 29 00
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00



T9S



**PROPOSED LOCATION:
NATURAL BUTTES SWD #1-16**

**R
21
E**

LEGEND:

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

COASTAL OIL & GAS CORP.

**NATURAL BUTTES SWD #1-16
SECTION 16, T9S, R21E, S.L.B.&M.
1656' FNL 963' FWL**



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

**TOPOGRAPHIC
MAP**

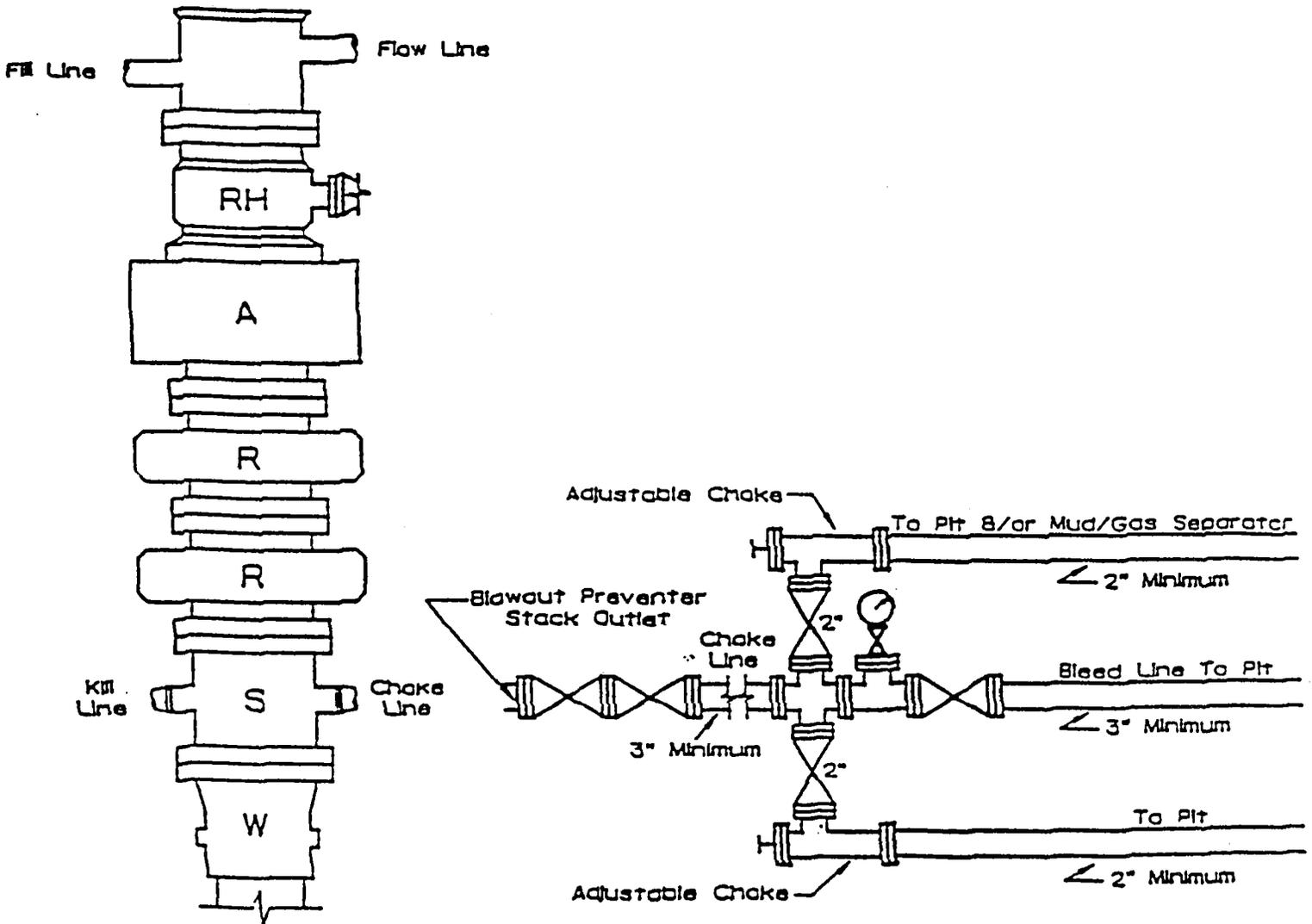
4	29	00
MONTH	DAY	YEAR

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



DOUBLE RAM TYPE PREVENTERS WITH ROTATING HEAD

(3000 psi System)



Minimum BOP Stack

3000 psi Working Pressure

One Pipe Ram

3000 psi Working Pressure

One Blind Ram

3000 psi Working Pressure

One Annular

3000 psi Working Pressure

Well Head

3000 psi Working Pressure

Manifold

3000 psi Working Pressure

Rotating Head

500 psi Working Pressure



Coastal
The Energy People

Sent by fax to: (801) 359-3940

August 11, 2000

State of Utah
Division of Oil, Gas & Mining
1594 W. North Temple, Suite 12010
Salt Lake City, UT 84180

Attention Ms. Lisha Cordova

RE: Natural Buttes SWD 1-16
SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 16, T9S-R21E
Uintah County, Utah

Dear Ms. Cordova:

Coastal Oil & Gas Corporation acting as operator for Coastal Oil & Gas Resources, Inc. has staked a location to drill the Natural Buttes SWD 1-16 in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 16, Township 9 South, Range 21 East SLM, Uintah County, Utah. The location lies 1,656 feet from the north line and 963 feet from the west line of said Section 16. The target depth of this proposed well is 3,400' in the Green River Formation.

This location does not conform to Oil and Gas Conservation General Rule R649-3-2 Location and Siting of Wells. Coastal Oil & Gas Resources, Inc. ("Coastal") requests that a permit to drill the well at the above location be granted administratively under R649-3-3, 1.2. Coastal is the owner of all Green River formation Oil and Gas Leasehold rights within a 460 foot radius of the proposed well.

Thank you for your consideration of this request.

Very truly yours,

Donald H. Spicer
Senior Landman

cc: Cheryl Cameron
Deborah Harris
Joel Degenstein / well file
Len Miles

Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION
COASTAL TOWER • NINE GREENWAY PLAZA • HOUSTON TX 77046-0995 • 713/877-1400

RECEIVED

AUG 16 2000

DIVISION OF
OIL, GAS AND MINING



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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
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)

August 24, 2000

Coastal Oil & Gas USA, L.P.
PO Box 1148
Vernal, UT 84078

Re: Natural Buttes SWD 1-16 Well, 1656' FNL, 963' FWL, SW NW, Sec. 16, T. 9 South,
R. 21 East, Uintah County, Utah

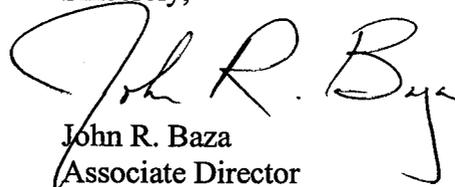
Gentlemen:

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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-047-33609.

Sincerely,


John R. Baza
Associate Director

er

Enclosures

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

Operator: Coastal Oil & Gas USA, L.P.
Well Name & Number Natural Buttes SWD 1-16
API Number: 43-047-33609
Lease: U-38409

Location: SW NW **Sec.** 16 **T.** 9 South **R.** 21 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338
- Contact Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals will 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. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

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

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: 8 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"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (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 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)

RECEIVED
JUN 19 2001
DIVISION OF
OIL, GAS AND MINING

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.

RECEIVED

MAR 9 2001

DIVISION OF
OIL, GAS AND MINING



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

0610204 8100

010162788

AUTHENTICATION: 1061007

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

David L. Siddall
Vice President

Attest:

Margaret E. Roark
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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED

JUL 12 2001

DIVISION OF
OIL, GAS AND MINING

In Reply Refer To:
3106
UTSL-065841
(UT-924)

JUL 10 2001

NOTICE

El Paso Production Oil & Gas Company : Oil and Gas
Nine Greenway Plaza :
Houston TX 77046-0095 :

Name Change Recognized

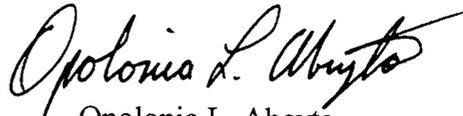
Acceptable evidence has been received in this office concerning the name change of Coastal Oil & Gas Corporation into El Paso Production Oil & Gas Company with El Paso Production Oil & Gas Company being the surviving entity.

For our purposes, the name change is recognized effective March 9, 2001.

The oil and gas lease files identified on the enclosed exhibit 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 Coastal Oil & Gas Corporation to El Paso Production Oil & Gas Company. 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 Wyoming and Colorado.



Opolonia L. Abeyta
Acting Chief, Branch of
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

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)

Exhibit of Leases

UTUSL-065841A	UTU-47172	UTU-74415	UTU-53860
UTU-28652	UTU-50687	UTU-74416	UTU-66401
UTU-37943	UTU-52298	UTU-75091	UTU-67868
UTU-44089	UTU-0109054	UTU-75096	UTU-65389
UTU-44090A	UTU-0143511	UTU-75097	UTU-77084
UTU-61263	UTU-0143512	UTU-75673	UTU-61430
UTU-00343	UTU-38401	UTU-76259	UTU-72633
UTU-02651	UTU-38411	UTU-76260	UTU-72650
UTU-02651B	UTU-38418	UTU-76261	UTU-49692
UTU-0142175	UTU-38419	UTU-76493	UTU-57894
UTU-70235	UTU-38420	UTU-76495	UTU-76829
UTU-70406	UTU-38421	UTU-76503	UTU-76830
UTU-74954	UTU-38423	UTU-78228	UTU-76831
UTU-75132	UTU-38424	UTU-78714	
UTU-75699	UTU-38425	UTU-78727	
UTU-76242	UTU-38426	UTU-78734	
UTU-78032	UTU-38427	UTU-79012	
UTU-4377	UTU-38428	UTU-79011	
UTU-4378	UTU-53861	UTU-71694	
UTU-7386	UTU-58097	UTU-00576	
UTU-8344A	UTU-64376	UTU-00647	
UTU-8345	UTU-65222	UTU-01470D	
UTU-8347	UTU-65223	UTU-0136484	
UTU-8621	UTU-66746	UTU-8344	
UTU-14646	UTU-67178	UTU-8346	
UTU-15855	UTU-67549	UTU-8648	
UTU-25880	UTU-72028	UTU-28212	
UTU-28213	UTU-72632	UTU-30289	
UTU-29535	UTU-73009	UTU-31260	
UTU-29797	UTU-73010	UTU-33433	
UTU-31736	UTU-73013	UTU-34711	
UTU-34350	UTU-73175	UTU-46699	
UTU-34705	UTU-73434	UTU-78852	
UTU-37116	UTU-73435	UTU-78853	
UTU-37355	UTU-73444	UTU-78854	
UTU-37573	UTU-73450	UTU-075939	
UTU-38261	UTU-73900	UTU-0149767	
UTU-39223	UTU-74409	UTU-2078	
UTU-40729	UTU-74410	UTU-44426	
UTU-40736	UTU-74413	UTU-49530	
UTU-42469	UTU-74414	UTU-51026	

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: NATURAL BUTTES

WELL(S)

NAME	API NO	ENTITY NO	SEC TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 481-3E	43-047-33063	2900	03-09S-21E	FEDERAL	GW	P
NBU 369	43-047-33973	99999	04-09S-21E	FEDERAL	GW	APD
CIGE 255	43-047-33970	99999	07-09S-21E	FEDERAL	GW	APD
NATURAL BUTTES SWD 1-16	43-047-33609	99999	16-09S-21E	FEDERAL	OW	APD
NBU 484-20E	43-047-33784	2900	20-09S-21E	FEDERAL	GW	P
NBU 392-6E	43-047-33783	2900	06-10S-21E	FEDERAL	GW	P
NBU 388	43-047-34240	99999	22-10S-21E	FEDERAL	GW	NEW
NBU 387	43-047-34239	99999	23-10S-21E	FEDERAL	GW	NEW
NBU 323	43-047-34050	99999	30-09S-22E	FEDERAL	OW	APD
NATURAL BUTTES 3-1 SWD	43-047-33610	99999	01-10S-22E	FEDERAL	OW	APD
CIGE 249	43-047-34023	99999	08-10S-22E	FEDERAL	GW	APD
NBU 248	43-047-34079	99999	10-10S-22E	FEDERAL	GW	APD
NBU 386	43-047-34238	99999	17-10S-22E	FEDERAL	GW	NEW
NBU 383	43-047-34236	99999	21-10S-22E	FEDERAL	GW	NEW

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

September 18, 2001

VIA FAX: 801.359.3940

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

RE: Natural Buttes SWD # 4-22, API 43-047-33611
Natural Buttes SWD # 3-1, API 43-047-33610
Natural Buttes SWD # 1-16, API 43-047-33609 - *TOPS RATE SEC 16*

Dear Ms. Cardoba:

The UTDOGM has issued APD's for the above referenced wells. EL PASO is requesting a one year extension to your original approval in order to drill these wells as disposal wells.

Please call with any questions that you may have.

Sincerely,
BUYS & ASSOCIATES, INC.



Martin W. Buys
Agent for EL PASO

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-24-01
By: [Signature]

COPY SENT TO OPERATOR
Date: 09-24-01
Initiator: CHD

RECEIVED

SEP 21 2001

DIVISION OF
OIL, GAS AND MINING

May 22, 2002

Mr. Peter A. Kempenich
Bureau of Land Management
Vernal Field Office
170 South 500 East
Vernal, Utah 84078

RE: NBU SWD # 3-1
SE NW, SEC 1, T10S-R22E
UINTAH COUNTY, UTAH

NBU SWD # 1-16
SW NW SEC 16, T9S-R21E
UINTAH COUNTY, UTAH

Dear Mr. Kempenich:

Mike

I have been advised by El Paso that they have decided to withdraw the APD and UIC applications for the two above referenced wells. Please call with any questions.

Sincerely,

Martin W. Buys

Martin W. Buys
Agent for El Paso Production

cc: Ferron Secakuku, Ute Indian Tribe
Charlie Cameron, BIA
Mike Hebertson, UTDOGM
Dan Jackson, EPA

RECEIVED

JUN 03 2002

DIVISION OF
OIL, GAS AND MINING



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

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

December 17, 2002

Cheryl Cameron
El Paso Production O&G Company
P.O Box 1148
Vernal UT 84078

Re: APD Rescinded – NBU SWD 1-16, Sec. 16, T. 9S, R. 21E
Uintah County, Utah API No. 43-047-33609

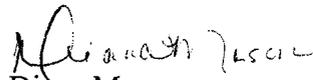
Dear Ms.Cameron:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining on August 24, 2000. On September 24 2001, the Division granted a one-year APD extension. On December 16, 2002, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 16, 2002.

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

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

Sincerely,


Diana Mason
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal