



January 12, 2001

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

RE: APD'S

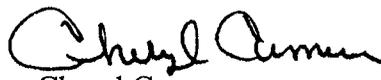
Dear Ms. Cordova:

Enclosed are copy's of the Application's for Permit to Drill, for the following wells listed below:

| | | |
|-------------------|-------|--------------------|
| HSB Federal #26-3 | NW/SW | Sec.26, T6S, R21E |
| HSB Federal #26-2 | SE/SE | Sec. 26, T6S, R21E |

If you have any questions or need additional information on the above referenced APD's please contact me at (435) 781-7023.

Sincerely,


Cheryl Cameron
Sr. Regulatory Analyst

DA: Enclosure

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. 1004-0136
Expires: November 30, 2000

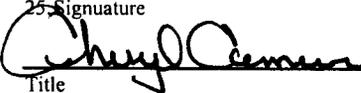
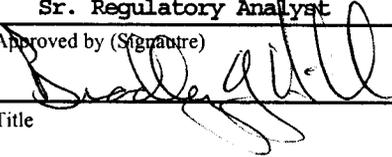
APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|---|---|--|
| 1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. U-38401 |
| 1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name N/A |
| 2. Name of Operator Coastal Oil & Gas Corporation | | 7. Unit or CA Agreement Name and No. N/A |
| 3a. Address P.O. Box 1148, Vernal, UT 84078 | 3b. Phone No. (include area code) (435)-781-7023 | 8. Lease Name and Well No. HSB Federal #26-3 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface NW SW At proposed prod. zone 1974' FSL & 847' FWL | | 9. API Well No. 43-047-33872 |
| | | 10. Field and Pool, or Exploratory Horseshoe Bend |
| | | 11. Sec., T., R., M., or Blk. and Survey or Area Section 26-T6S-R21E |
| 14. Distance in miles and direction from nearest town or post office* 17.1 Miles Southeast of Vernal, Utah | | 12. County or Parish Uintah |
| | | 13. State Utah |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 847' | 16. No. of Acres in lease 637.45 | 17. Spacing Unit dedicated to this well |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Refer to Topo "C" | 19. Proposed Depth 4600' | 20. BLM/BIA Bond No. on file U-605382-9 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4991.5' Ungraded GL | 22. Approximate date work will start* Upon Approval | 23. Estimated duration To Be Determined |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

| | | |
|---|--|-------------------------|
| 25. Signature  | Name (Printed/Typed) Cheryl Cameron | Date 11/27/00 |
| Title Sr. Regulatory Analyst | | |
| Approved by (Signature)  | Name (Printed/Typed) BRADLEY G. HILL | Date 01-29-01 |
| Title Federal Approval of this Action is Necessary | Office RECLAMATION SPECIALIST III | |

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, are attached.

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

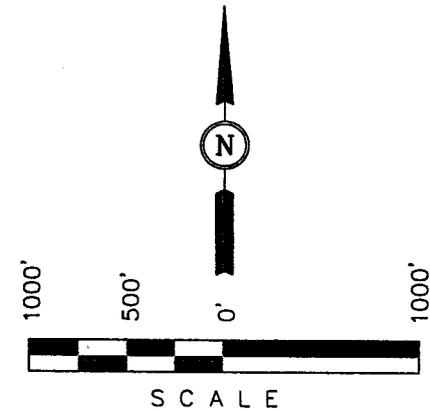
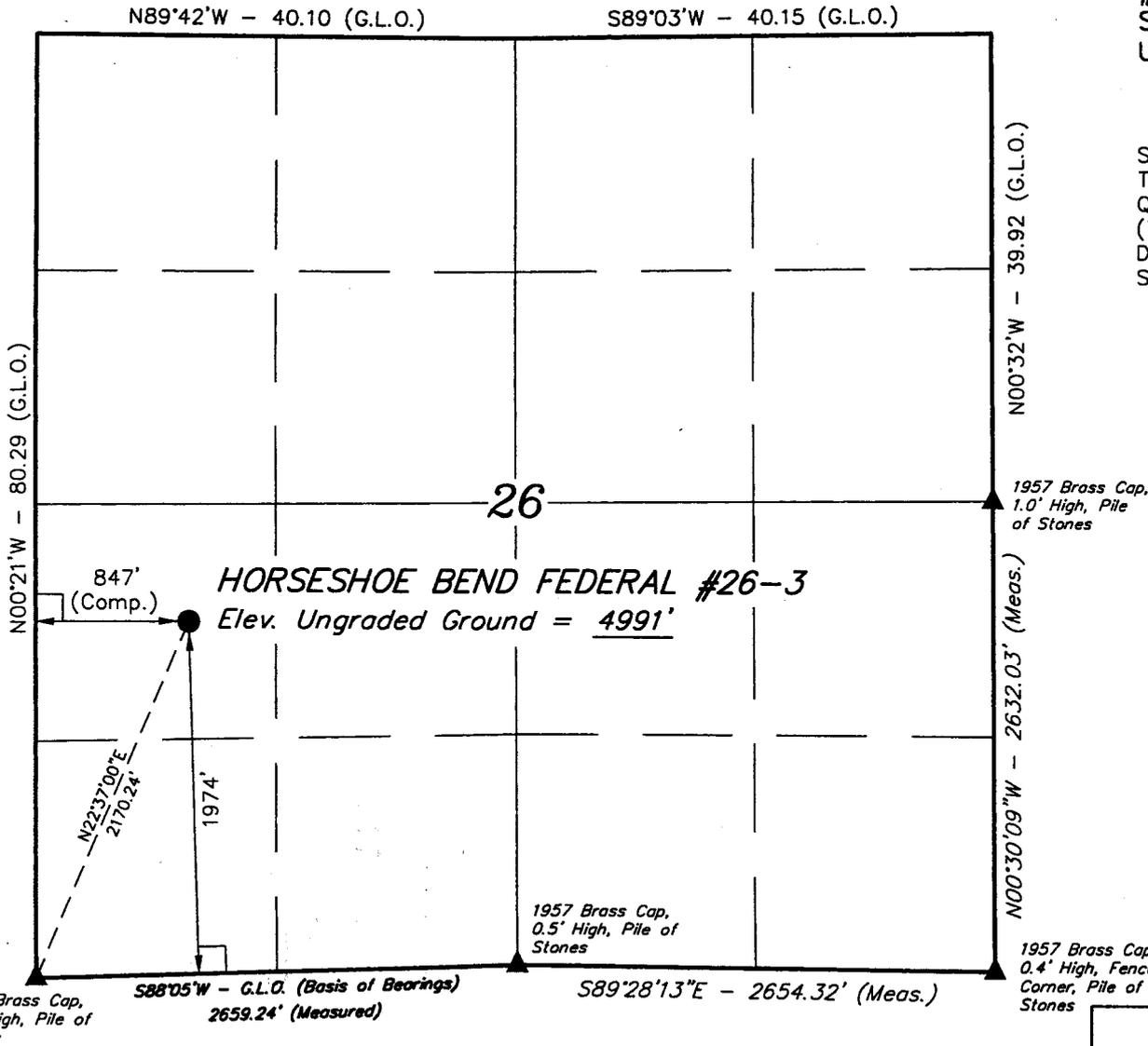
T6S, R21E, S.L.B.&M.

COASTAL OIL & GAS CORP.

Well location, HORSESHOE BEND FEDERAL #26-3, located as shown in the NW 1/4 SW 1/4 of Section 26, T6S, R21E, S.L.B.&M. Uintah County, Utah.

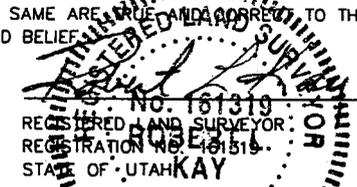
BASIS OF ELEVATION

SPOT ELEVATION AT THE SE CORNER OF SECTION 26, T6S, R21E, S.L.B.&M. TAKEN FROM THE VERNAL SE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4975 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.



Revised: 11-9-00

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

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 40°16'05"
 LONGITUDE = 109°31'45"

| | | |
|-------------------------|--------------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 9-20-00 | DATE DRAWN: 9-22-00 |
| PARTY B.B. A.H. C.G. | REFERENCES G.L.O. PLAT | |
| WEATHER WARM | FILE COASTAL OIL & GAS CORP | |

**HORSESHOE BEND FEDERAL #26-3
NW/SW Sec 26, T6S, R21E
UINTAH COUNTY, UTAH
U-38401**

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

DRILLING PROGRAM

1. Geologic Surface Formation:

Duchesne River – @ surface

2. Estimated Tops/Depths of Important Geologic Markers/Anticipated Gas:

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> | |
|------------------|------------------|--------------|-------------------|
| | KB | 4995' | |
| | Uintah | 2270' | } objective zones |
| | Green River | 3970' | |
| | TD | 4100' | |

3. Pressure Control Equipment (Schematic Attached)

The BOP stack will consist of one 11" 2,000 psi annular BOP, one 11" 2,000 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 2,000 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:

The Surface casing and the Production casing will be new.

Please refer to the attached Casing & Cementing Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Fluids Program

6. **Evaluation Program:** (Logging)

Depth

Log Type

Please refer to the attached Geological Data

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated @ 4100' TD approximately equals 1,640' psi (calculated at 0.4 psi/foot). Maximum anticipated surface pressure equals approximately 738' psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variations:**

None anticipated.

10. **Other:**

A Class III Archaeological Study Report, conducted by AERC is attached.

HORSESHOE BEND FEDERAL #26-3
NW/SW SEC. 26-T6S-R21E
UINTAH COUNTY, UTAH
U-38401

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

To reach the proposed location: Proceed in a easterly, then southerly direction from Vernal, Utah along U.S. Highway 40 approximately 4.0 miles to the junction of State Highway 45; to the south; turn right and proceed in a southerly direction approximately 6.7 miles to the junction of this road and an existing road to the west; turn right and proceed in a westerly then southerly direction approximately 3.2 miles to the junction of this road and an existing road to the south; turn right and proceed in a southerly direction approximately 2.6 miles to the junction of this road and an existing road to the east; turn left and proceed in a easterly then northerly direction approximately 0.6 miles to the proposed location.

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

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:**

Planned Access Road – Refer to Topo Map B.

The proposed access road will follow State Hwy 45, 5.8 miles coming across Sections 23,22 and 27; in a southerly direction and continues an additional 0.6 miles in an easterly direction to the proposed location.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided.

When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

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 requested color is Juniper Green as determined during the on-site inspection.

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

The proposed pipeline will leave the location in a northeasterly direction for an approximate Distance of 2900'. Refer to Topo D.

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.

A plastic reinforced liner is to be used as discussed during the On-site inspection. 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.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec.35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

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).

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

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.

Culvert(s) shall be installed where necessary.

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.

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.

The following seed mixture will be used to reclaim the surface. A total of 12 lbs/acre will be used if the seeds ar

| | |
|----------------------|-----------|
| Needle & Thread | 4 lb/acre |
| Indian Rice Grass | 4 lb/acre |
| Four Wing Salt Brush | 4 lb/acre |

11. Surface Ownership:

Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435) 789-1362

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.

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

Cheryl Cameron
Sr. Regulatory Analyst
Coastal Oil & Gas Corporation
P.O. Box 1148
Vernal, UT 84078
(435) 781-7023

Darrell Molnar
Drilling Manager
Coastal Oil & Gas Corporation
9 Greenway Plaza, Suite 2770
Houston, TX 77046
(713) 418-4295

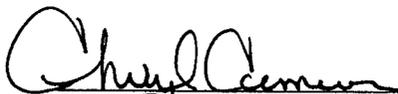
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. Coastal Oil & Gas Corporation agrees to be responsible under the terms and the 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.

I hereby certify that the proposed drill site and access route has been inspected and 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

11/27/00
Date

COASTAL OIL & GAS CORP.
HORSESHOE BEND FEDERAL #26-3
LOCATED IN UINTAH COUNTY, UTAH
SECTION 26, T6S, R21E, S.L.B.&M.

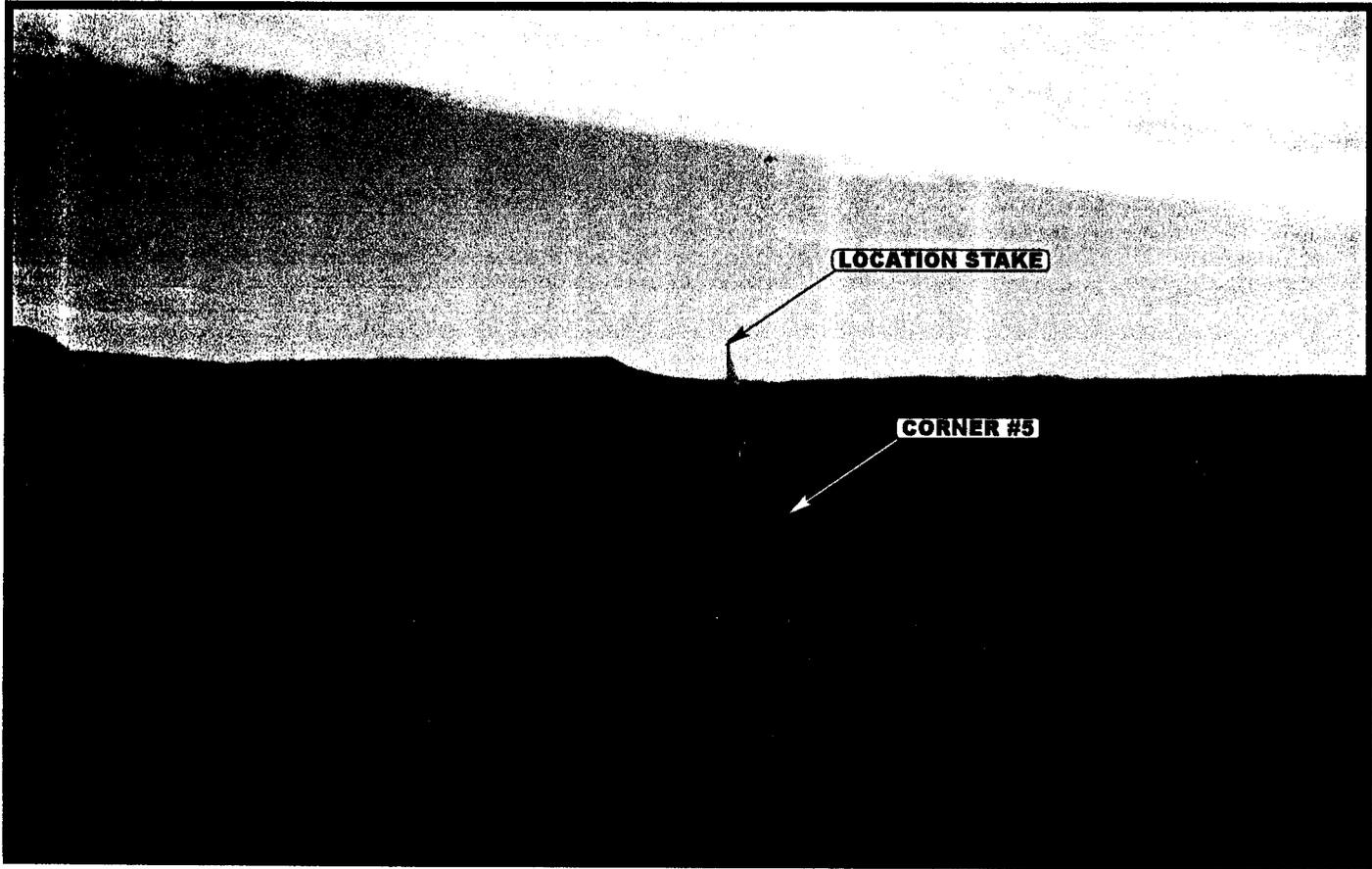


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

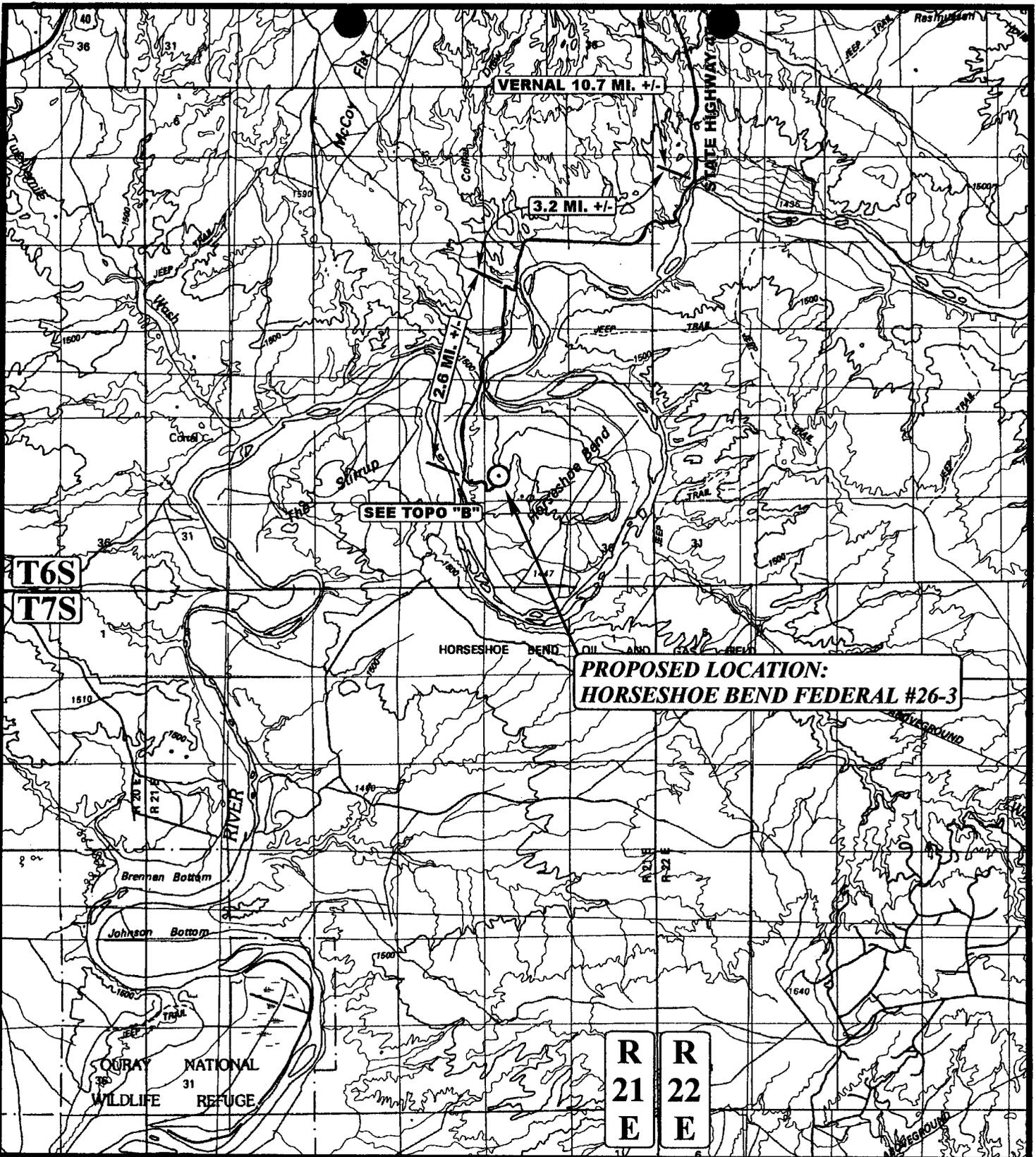
CAMERA ANGLE: EASTERLY



- Since 1964 -

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

| | | | | |
|-----------------|----------------|-----|-------------------|-------|
| LOCATION PHOTOS | 9 | 21 | 00 | PHOTO |
| | MONTH | DAY | YEAR | |
| TAKEN BY: B.B. | DRAWN BY: C.G. | | REV: K.G. 11-9-00 | |



LEGEND:

○ PROPOSED LOCATION

N



COASTAL OIL & GAS CORP.

HORSESHOE BEND FEDERAL #26-3

SECTION 26, T6S, R21E, S.L.B.&M.

1974' FSL 847' FWL



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

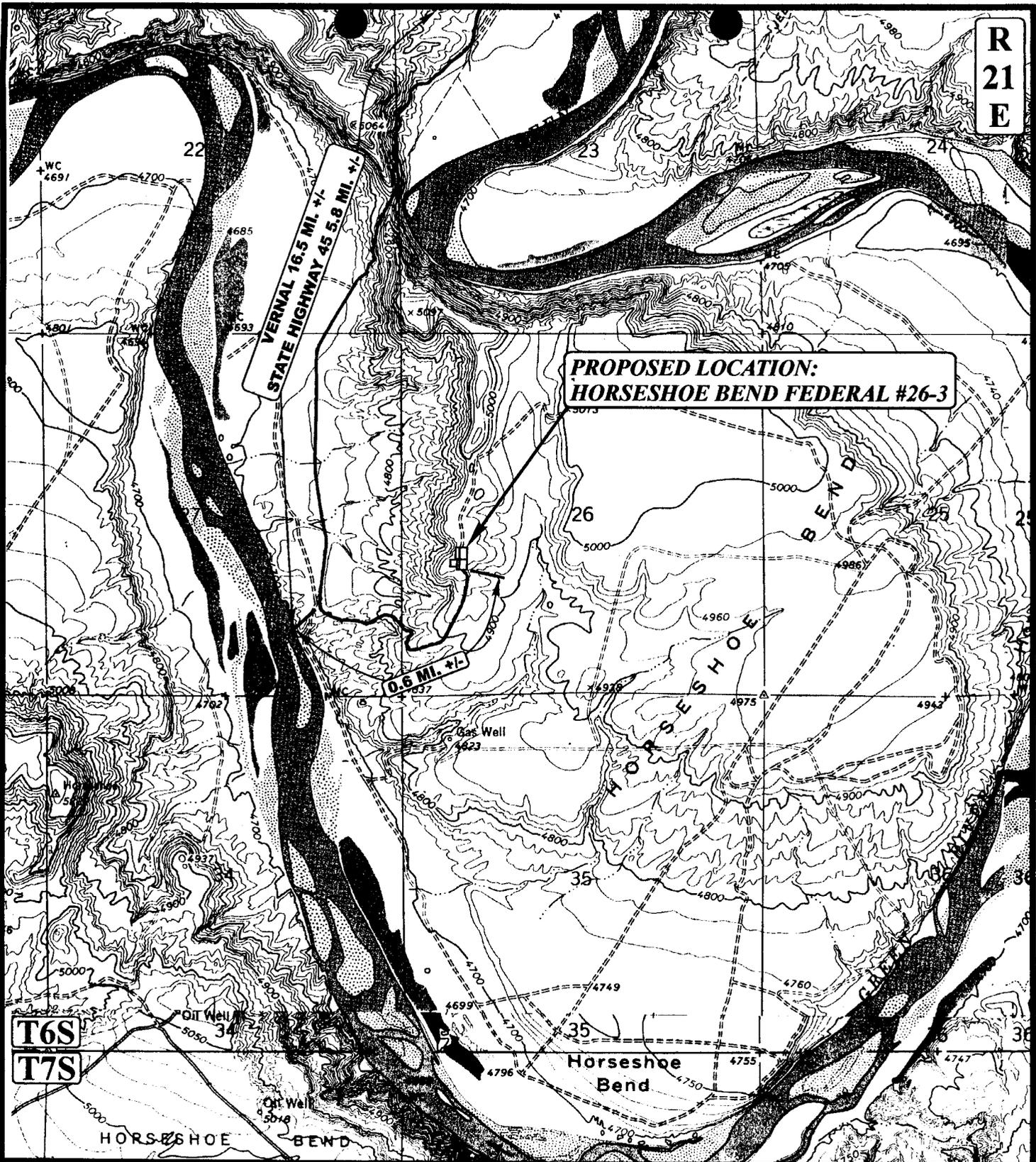
TOPOGRAPHIC
MAP

| | | |
|----------|-----------|-----------|
| 9 | 21 | 00 |
| MONTH | DAY | YEAR |



SCALE: 1:100,000 DRAWN BY: C.G. REV: K.G. 11-9-00

R
21
E



**PROPOSED LOCATION:
HORSESHOE BEND FEDERAL #26-3**

**VERNAL 16.5 MI. +/-
STATE HIGHWAY 45 5.8 MI. +/-**

0.6 MI. +/-

**T6S
T7S**

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



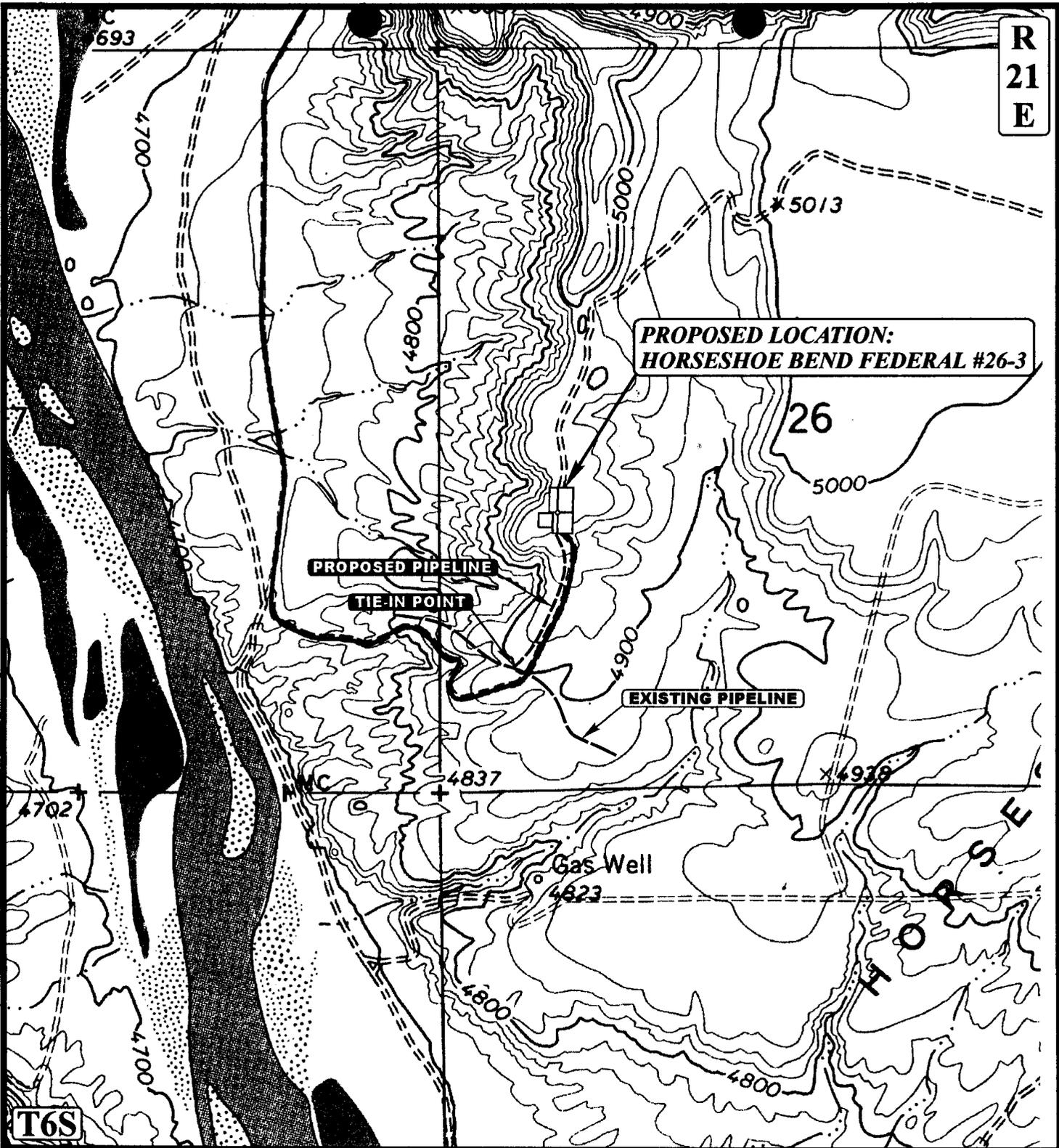
COASTAL OIL & GAS CORP.
HORSESHOE BEND FEDERAL #26-3
SECTION 26, T6S, R21E, S.L.B.&M.
1974' FSL 847' FWL



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

TOPOGRAPHIC **9 21 00**
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.G. REV: K.G. 11-9-00

B
TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 1100' +/-

LEGEND:

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



COASTAL OIL & GAS CORP.
HORSESHOE BEND FEDERAL #26-3
SECTION 26, T6S, R21E, S.L.B.&M.
1974' FSL 847' FWL

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

TOPOGRAPHIC **1 1001**
MAP MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: K.G. REVISED: 00-00-00

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 TOPO

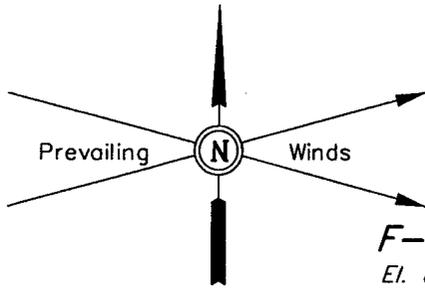
COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR

HORSESHOE BEND FEDERAL #26-3

SECTION 26, T6S, R21E, S.L.B.&M.

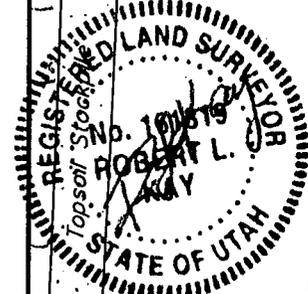
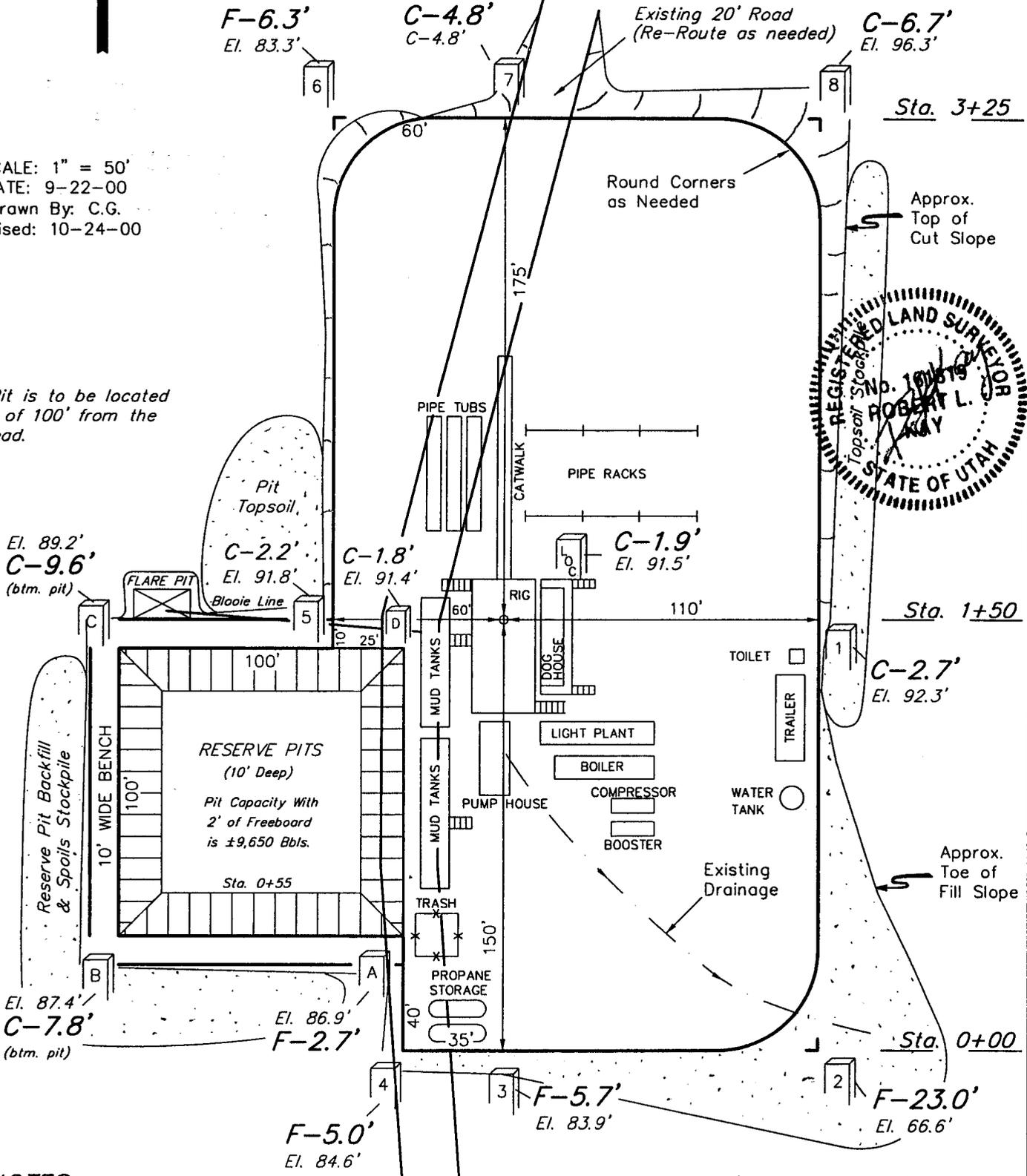
1974' FSL 847' FWL



SCALE: 1" = 50'
 DATE: 9-22-00
 Drawn By: C.G.
 Revised: 10-24-00

NOTE:

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



NOTES:

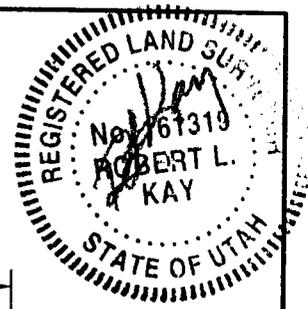
Elev. Ungraded Ground At Loc. Stake = 4991.5'

FINISHED GRADE ELEV. AT LOC. STAKE = 4987.2'

FIGURE #1

COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR
 HORSESHOE BEND FEDERAL #26-3
 SECTION 26, T6S, R21E, S.L.B.&M.
 1974' FSL 847' FWL



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

DATE: 9-22-00
 Drawn By: C.G.
 Revised: 11-9-00

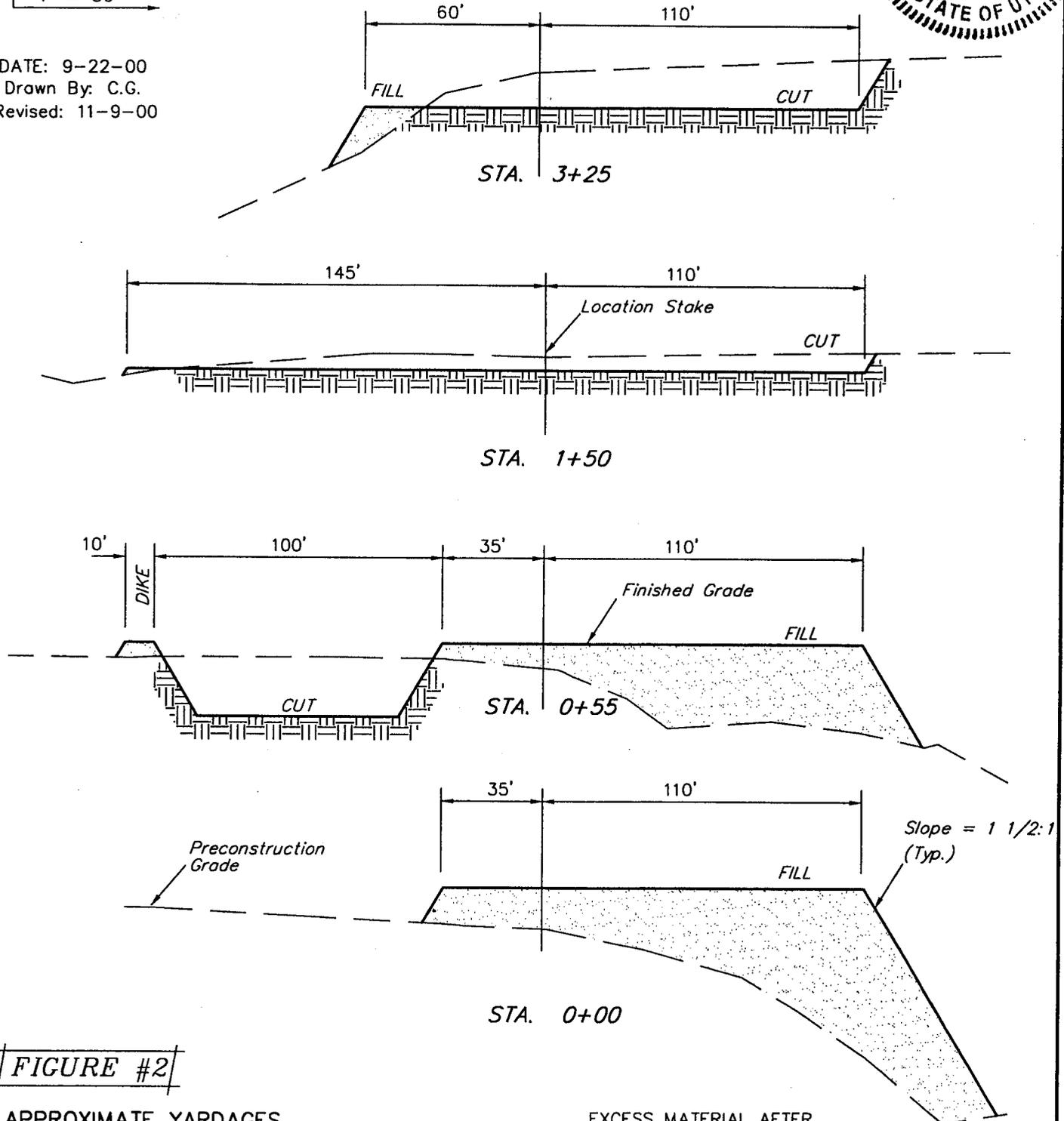


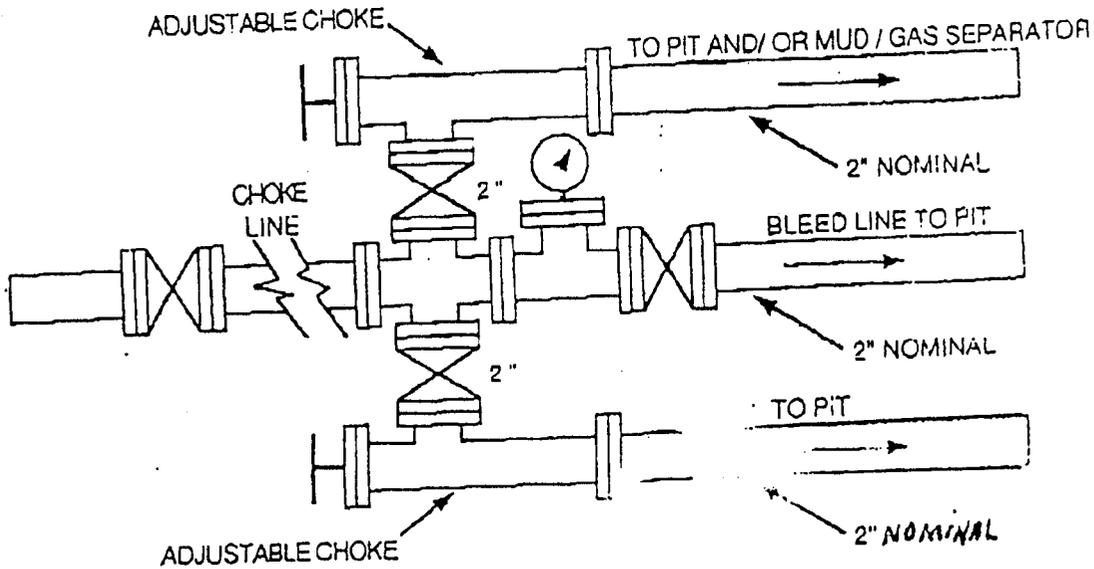
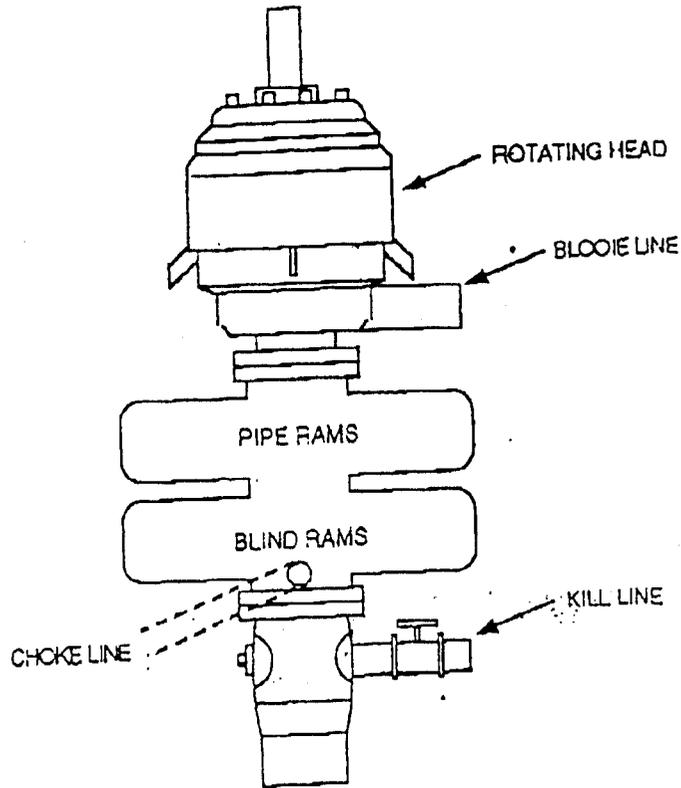
FIGURE #2

APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,200 Cu. Yds. |
| Remaining Location | = 7,140 Cu. Yds. |
| TOTAL CUT | = 8,340 CU.YDS. |
| FILL | = 5,510 CU.YDS. |

| | |
|---|------------------|
| EXCESS MATERIAL AFTER 5% COMPACTION | = 2,540 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 2,540 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |

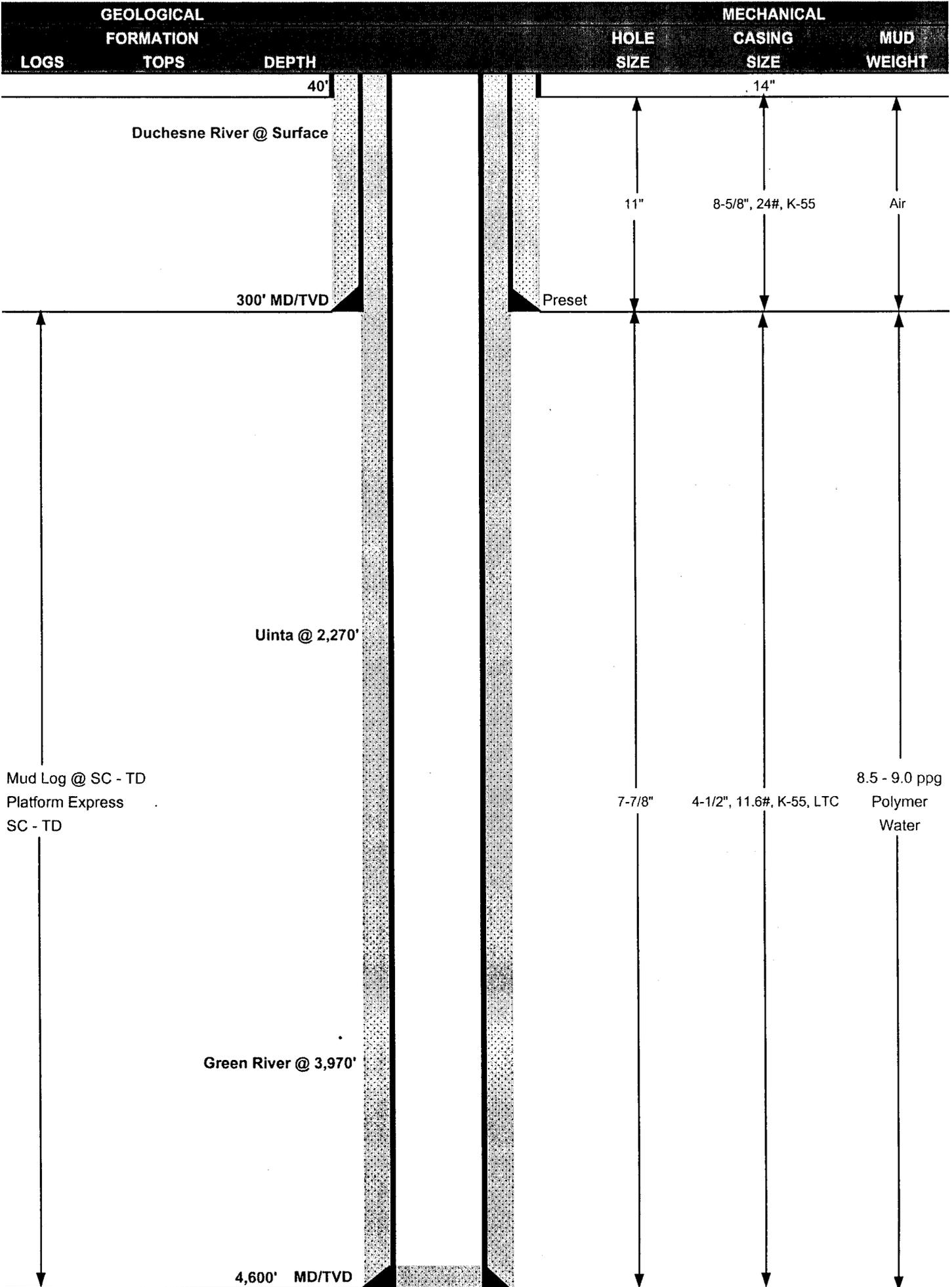
2M SYSTEM
BLOWOUT PREVENTER FOR HIGH PRESSURE WELLS
900 SERIES MINIMUM
2000# psi W.P.
BOP 6" X 3000 PSI or 10" X 3000 PSI



COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

COMPANY NAME Coastal Oil & Gas Corporation DATE 11/15/00
 WELL NAME Federal #26-3 TD 4,600' MD/TVD
 FIELD Horseshoe Bend COUNTY Uintah STATE Utah ELEVATION 4,995' KB
 SURFACE LOCATION 1980' FSL & 660' FWL of Section 26, T6S-R21E BHL Straight Hole
 OBJECTIVE ZONE(S) Uinta and Lower Green River
 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) | 0-300' | 24# | K-55 | STC | 2950 | 1730 | 263000 |
| | | | | | | 17.53 | 12.32 | 4.60 |
| PRODUCTION* | 4-1/2" (new) | 0-TD | 11.6# | K-55 | LTC | 5350 | 4960 | 180000 |
| | | | | | | 3.29 | 2.30 | 1.74 |

- 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)

CEMENT PROGRAM

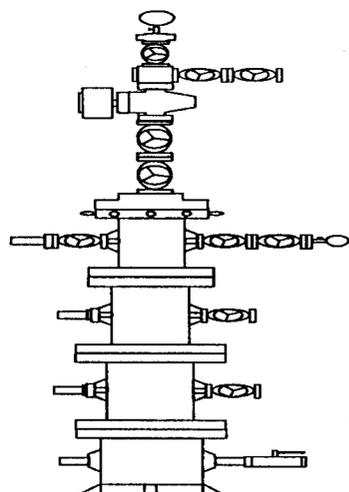
| | FT. OF FILL | DESCRIPTION | SACKS | EXCESS* | WEIGHT | YIELD |
|------------|-------------|---|-------|---------|--------|-------|
| SURFACE | 300 | Class G + 2% CaCl ₂ + 0.25 lb/sk Cello Flake | 110 | 35% | 15.80 | 1.17 |
| PRODUCTION | LEAD | 1900 Hilift + 12% D20 + 3% D44 + 1% D79 + 0.75% D112 + 0.2% D46 + 0.25 lb/sk D29 | 210 | 100% | 11.00 | 3.81 |
| | | | | | | |

* 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 |

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 - TD | 7-7/8" | Various Inserts | 400 | New | 18-18-18 | Mud Motor |
| | | | | | | |
| | | | | | | |
| | | | | | | |

GEOLOGICAL DATA

LOGGING:

| Depth | Log Type |
|---------|------------------|
| SC - TD | Platform Express |

| | |
|--------------------|---|
| MUD LOGGER: | Surface Casing - TD only if required by Geology |
| SAMPLES: | As per Geology |
| CORING: | NA |
| DST: | NA |

MUD PROGRAM

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

Circulate hole until clean @ TD. Spot brine pill at TD for casing.
Monitor corrosion with coupons.

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.

PROJECT ENGINEER: _____
Christa Yin

PROJECT MANAGER: _____
Darrell Molnar

DATE: _____

DATE: _____

CULTURAL RESOURCE EVALUATION OF HORSESHOE BEND LOCATIONS (Federal Units #3-1, 4-1, 11-1, 26-3 & 26-2) IN UINTAH COUNTY, UTAH

Report Prepared for Coastal Oil & Gas Corporation

Department of Interior Permit No.: Ut-54937

Utah State Permit No.: Uf00AF0609b

AERC Project 1667 (COG00-32)

Author of Report:

F. Richard Hauck



ARCHEOLOGICAL-ENVIRONMENTAL RESEARCH CORPORATION

181 North 200 West, Suite 5 -- Bountiful, Utah 84010

P.O. Box 853, Bountiful, Utah 84011

Phone: (801) 292-7061, 292-9668 FAX: (801) 292-9668

E-mail: ari@xmission.com Web page: www.ari-aerc.org

October 23, 2000

ABSTRACT

An intensive cultural resource evaluation has been conducted for Coastal Oil & Gas Corporation of five proposed well locations in the Horseshoe Bend locality (see Maps 1 through 4) of Uintah County, Utah. About 43.3 acres of public lands in the locality were examined by AERC archaeologists during an evaluations conducted on October 18 & 20, 2000.

No previously recorded cultural resources will be adversely affected by the proposed developments. Known cultural sites situated in the general region are not endangered by direct adverse effect relative to these developments because of their distance from the present project areas.

No isolated artifacts were observed during the evaluation.

AERC recommends project clearance based upon adherence to the stipulations noted in the final section of this report.

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GENERAL INFORMATION

The Coastal Oil & Gas year 2000 development program involves the construction five proposed well locations including Horseshoe Bend Units 3-1, 4-1, 11-1, 26-1 and 26-2 (see Maps 1 through 4) within Uintah County, Utah. About 43.4 acres of public lands in the locality were examined by AERC archaeologists during evaluations conducted on October 18 and 20, 2000. The project area is on public land administered by the Vernal Office of the Bureau of Land Management. The project was conducted under Department of the Interior Permit No. UT-54937, which expires on January 31, 2001. The Utah State permit for this project is UT-00-AF-0609b.

The purpose of the field study and this report is to identify and document cultural site presence and determine cultural resource National Register eligibility relative to established criteria (cf., 36 CFR 60.6). Federal regulations require an environmental assessment of the potential development area. One aspect of such an assessment involves a Class I (records search) and Class III (intensive survey) archaeological evaluation of the development area. Such investigations are accomplished in compliance with the Antiquities Act of 1906, the Historic Sites Act of 1935, Section 106 of the National Historic Preservation Act of 1966, as amended, the National Environmental Policy Act of 1969, the Federal Land Policy and Management Act of 1976, the Archaeological Resources Protection Act of 1979, the Native American Religious Freedom Act of 1978, the Historic Preservation Act of 1980, and Executive Order 11593.

To accomplish this investigation, a total of 43.4 acres was examined by the archaeologists, who walked a series of 15 meter-wide transects within the various 10 acre well locations and along the 100 foot-wide staked, access routes leading into various locations.

All field notes and report information concerning this project are filed at the AERC office in Bountiful, Utah.

Project Location

The project area is to the southwest of Vernal, Utah. The developments are located in the Horseshoe Bend locality identifiable on the Vernal SE, and the Brennan Basin USGS topographic quads. The proposed locations are situated as follows:

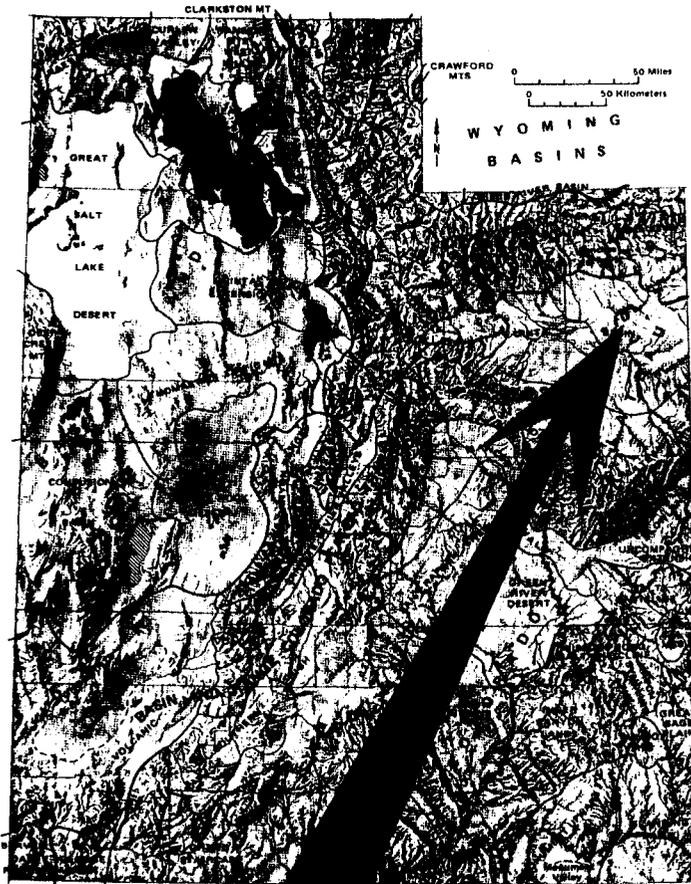
Federal Unit No. 26-1(see Map 2): this well is situated in the NW of the SW quarter of Section 26, Township 6 South, Range 21 East. It is directly accessed by the existing road. Since this ten acre parcel has been evaluated for cultural resources on two previous occasions (80-AF-0441, and 94-AY-0653), AERC did not reevaluate the well pad zone during the 10/19/00 on-site evaluation.

Federal Unit No. 26-2(see Map 2): this well is situated in the SE of the SE quarter of Section 26, Township 6 South, Range 21 East. It will be accessed by a .2 mile-long access

**MAP 1
GENERAL PROJECT AREA IN
UINTAH COUNTY, UTAH**



**PROJECT: COG00-32
SCALE: 1: 200,650
DATE: 10/23/00**



UTAH GEOLOGICAL AND MINERAL SURVEY
1977
PHYSIOGRAPHIC SUBDIVISIONS OF UTAH
BY W.L. STOKES

PROJECT AREA

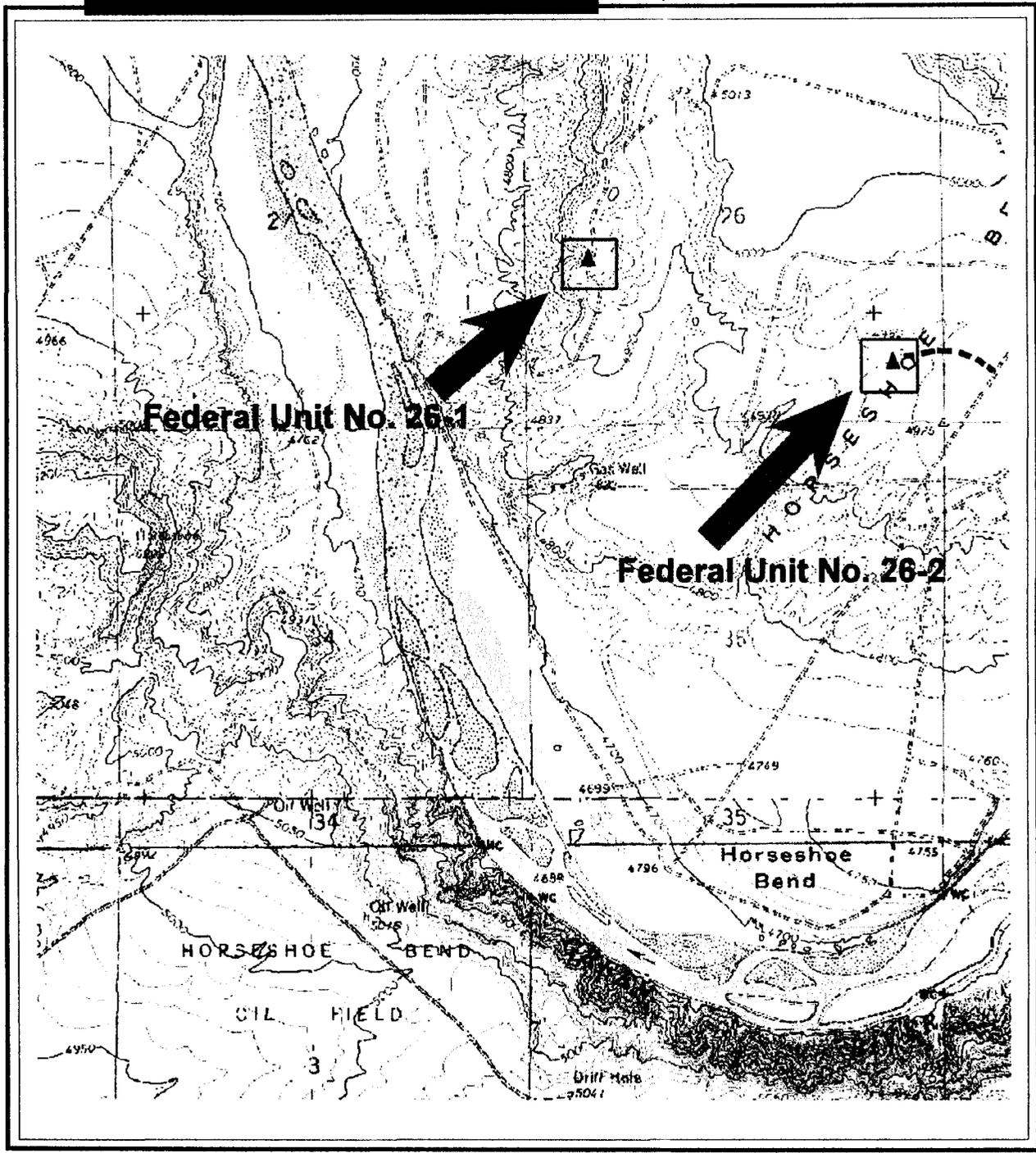
**TOWNSHIP: multiple
RANGE: multiple
MERIDIAN: multiple**

Utah Geological and Mineral Survey
Map 43 1977
Physiographic Subdivisions of Utah
by W.L. Stokes

**CUMULATIVE RESOURCE SURVEY
OF PROPOSED WASTEWATER TREATMENT PLANT LOCATIONS
IN JUNIPER COUNTY, UTAH**



PROJECT: COG00-32
SCALE: 1:24,000
QUAD: Vernal, SE
DATE: October 23, 2000



TOWNSHIP: 6 South
RANGE: 21 East
MERIDIAN: Salt Lake B. & M.

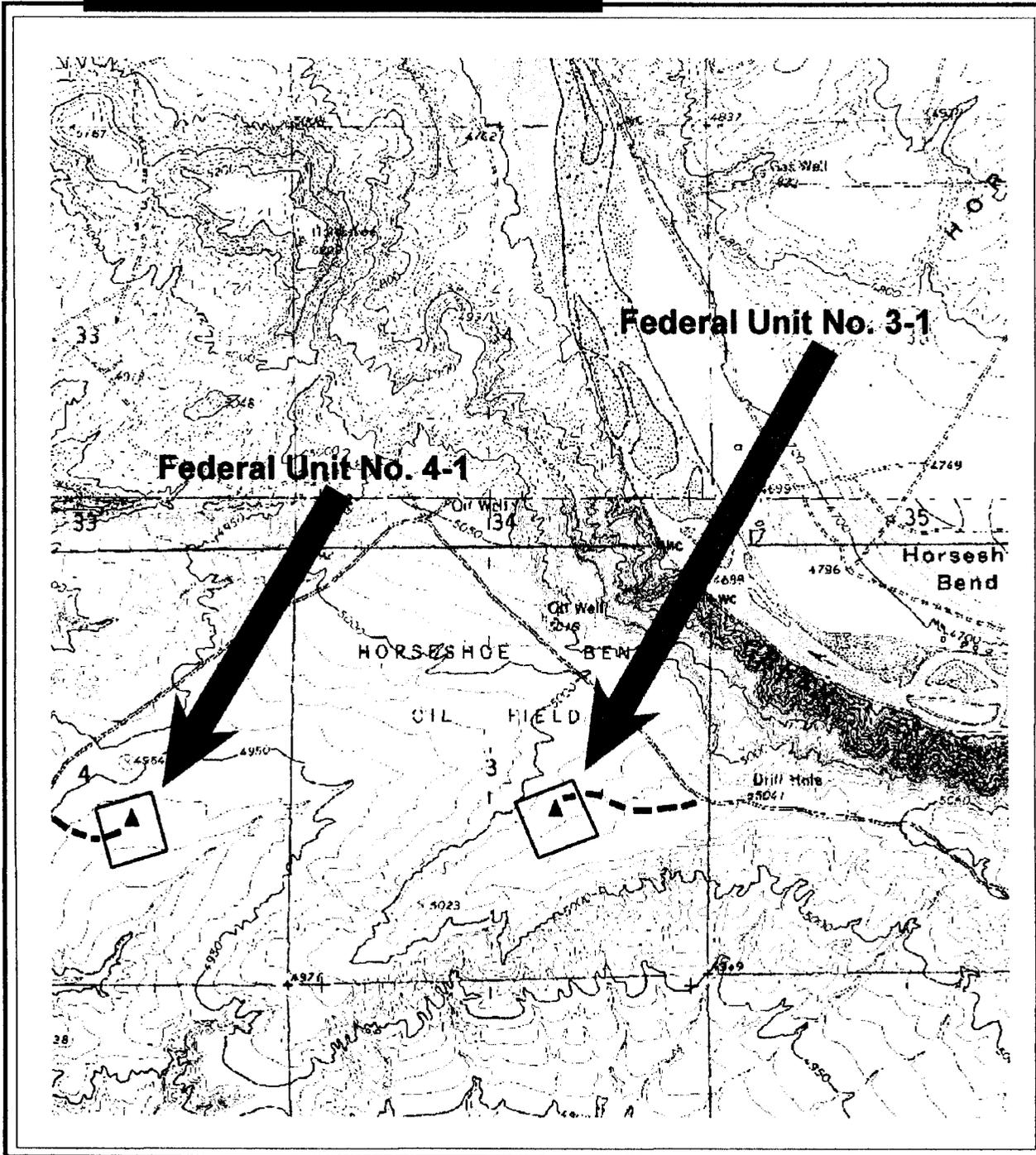
LEGEND

▲ Well Location

--- Access Route



PROJECT: COG00-32
SCALE: 1:24,000
QUAD: Brennan Basin
DATE: October 23, 2000

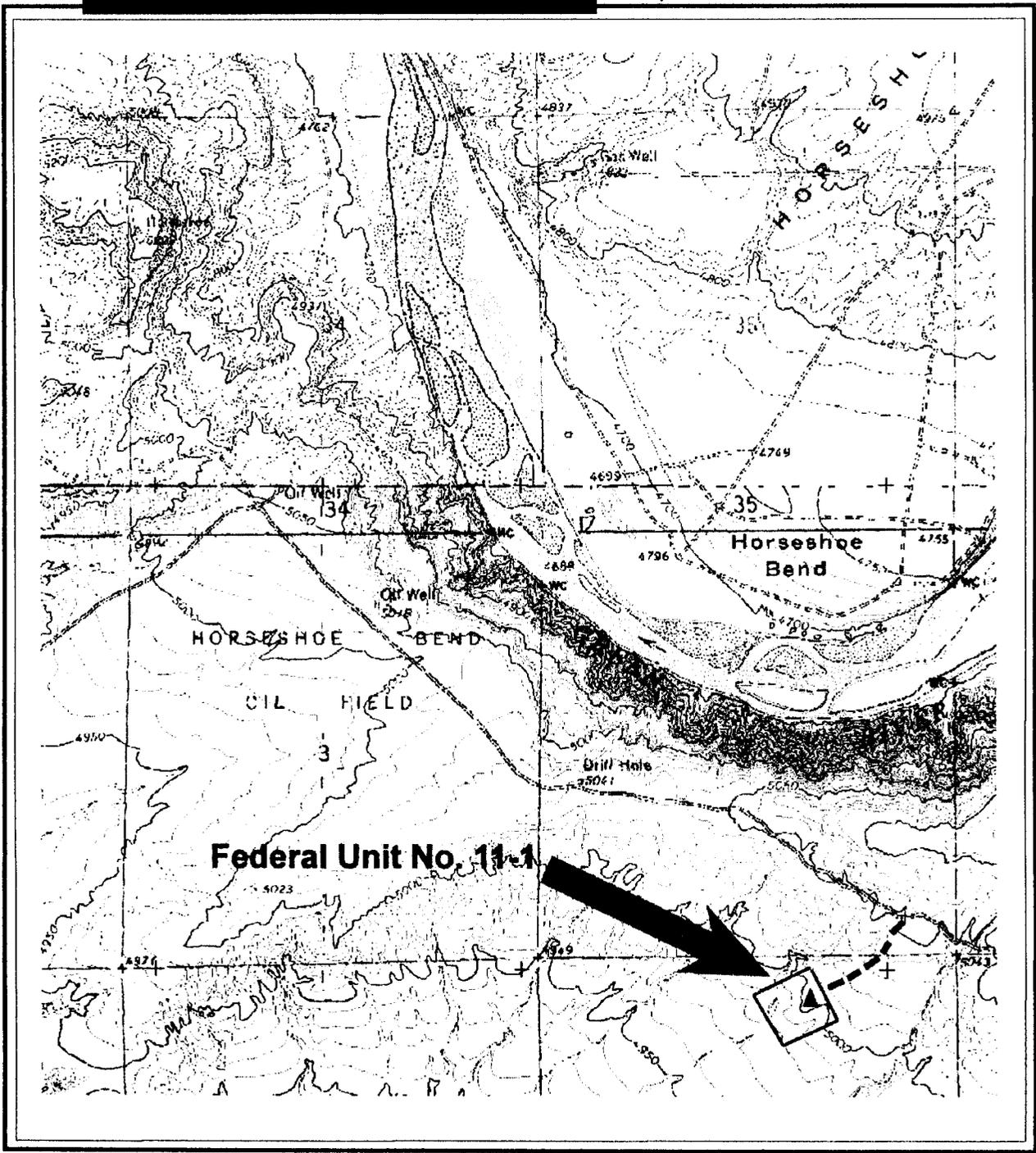
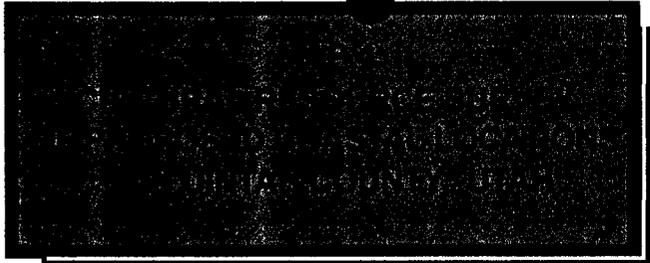


TOWNSHIP: 7 South
RANGE: 21 East
MERIDIAN: Salt Lake B. & M.

LEGEND

-  Well Location
-  Access Route

PROJECT: COG00-32
SCALE: 1:24,000
QUAD: Brennan Basin
DATE: October 23, 2000



TOWNSHIP: 7 South
RANGE: 21 East
MERIDIAN: Salt Lake B. & M.

LEGEND

▲ Well Location

▬ Access Route

Prehistoric/Historic (Ute). For a comprehensive treatment of the prehistory and history of this general cultural area see Archaeological Evaluations in the Northern Colorado Plateau Cultural Area (Hauck 1991)

The National Register of Historic Places has been consulted and no registered historic or prehistoric properties will be affected by the proposed development.

STUDY OBJECTIVES AND EXPECTED RESULTS

The purpose of this evaluation was to identify, evaluate, and record any cultural resources encountered within the proposed Coastal Oil & Gas development area; to determine the significance of identified resources; and to recommend appropriate mitigation measures relative to the preservation of resources found to be endangered by the project.

These objectives were accomplished by seeking surface indications of cultural resource presence. Cultural resource sites would be identified by the presence of three or more associated artifacts and/or features that demonstrate the presence of patterned human activity and then recorded on the appropriate IMACS forms.

The previous identification of prehistoric and historic cultural resources in the general area indicated a possibility that additional resources could be discovered during these evaluations.

No constraints, e.g., snow cover, dense vegetation, difficult weather, were imposed on the evaluation of this well location. The project was completed on October 20, 2000.

Site Potential in the Project Development Zone

Previous archaeological evaluations in this general region have resulted in the identification and recording of limited archaeological resources. Such prehistoric sites as have been recorded demonstrate a definitive selection of environmental community and water resource.

FIELD EVALUATIONS

Methodology

To accomplish an intensive evaluation of the project areas shown on the maps, the archaeologists walked a series of 15 to 20 meter-wide transects within three of the five staked well locations (Federal Units 26-1 and 26-2 had been inventoried at earlier dates and were not reexamined by AERC) and along the various 30 meter-wide (100 foot-wide) access corridors. All together, a 100% pedestrian survey was conducted of about 43.4 acres.

corridor from the existing road. Since this ten acre parcel has been evaluated for cultural resources on two previous occasions (94-BC-0723, and 94-AY-0653), AERC did not reevaluate the well pad zone during the 10/19/00 on-site evaluation.

Federal Unit No. 3-1(see Map 3): this well is situated in the NW of the SE quarter of Section 3, Township 7 South, Range 21 East. It will be accessed by a .3 mile-long access corridor from the existing road.

Federal Unit No. 4-1(see Map 3): this well is situated in the NW of the SE quarter of Section 4, Township 7 South, Range 21 East. It will be accessed by a .3 mile-long access corridor from the existing road.

Federal Unit No. 11-1(see Map 4): this well is situated in the NW of the NE quarter of Section 11, Township 7 South, Range 21 East. It will be accessed by a .3 mile-long access corridor from the existing road.

Environment

The elevations for the proposed well locations are about the 5000 feet above sea level. Ephemeral drainages in the project area are associated with tributaries that drain into either the Green River or into the White River.

The vegetation of the project locality is primarily associated with the sage rangeland environment. Vegetation species commonly found in this general area include *Artemisia tridentata*, *Chrysothamnus nauseosus*, *Atriplex spp.*, *Sarcobatus vermiculatus*, *Opuntia polyacantha*, *Ephedra spp.* and various grasses including *Hordeum jubatum* and *Bromus tectorum*. Surrounding vegetation consists of *Artemisia tridentata* and *Ephedra spp.*

The project area is situated in the Colorado Plateau physiographic province.

File Search

Records searches were conducted in the Vernal BLM office on October 19, 2000 and at the State Antiquities office in Salt Lake City on October 17, 2000. Earlier projects conducted in this general project area include the following: 78-AF-0331, 80-AF-0441, 80-NH-0410, 87-AF-0755, 87-NH-0751, 94-BC-0723 and 94-AY-0653.

Other archaeological consultants in addition to AERC and the local BLM archaeologists that have worked in the project area include personnel from Nickens and Associates, Brigham Young University, and Grand River Institute.

Previous evaluations and area inventories indicate the occupation of the general project area has included prehistoric occupations ranging between Paleoindian and Late

Prehistoric/Historic (Ute). For a comprehensive treatment of the prehistory and history of this general cultural area see Archaeological Evaluations in the Northern Colorado Plateau Cultural Area (Hauck 1991)

The National Register of Historic Places has been consulted and no registered historic or prehistoric properties will be affected by the proposed development.

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No constraints, e.g., snow cover, dense vegetation, difficult weather, were imposed on the evaluation of this well location. The project was completed on October 20, 2000.

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Previous archaeological evaluations in this general region have resulted in the identification and recording of limited archaeological resources. Such prehistoric sites as have been recorded demonstrate a definitive selection of environmental community and water resource.

FIELD EVALUATIONS

Methodology

To accomplish an intensive evaluation of the project areas shown on the maps, the archaeologists walked a series of 15 to 20 meter-wide transects within three of the five staked well locations (Federal Units 26-1 and 26-2 had been inventoried at earlier dates and were not reexamined by AERC) and along the various 30 meter-wide (100 foot-wide) access corridors. All together, a 100% pedestrian survey was conducted of about 43.4 acres.

When cultural materials are discovered, the archaeologist conducts a careful search of the vicinity to locate and evaluate features, artifact types and concentrations, site spatial associations, and temporal identifications. Sites and isolates are then recorded on the appropriate forms, locations sketched, perimeters marked on a topographic map, and photographs taken. Copies of these reports are provided to the appropriate State and Federal offices as attachments to the final report.

In certain instances, the cultural sites are then evaluated for depth potential utilizing AERC's portable Ground Penetrating Radar (GPR) computerized system (SIR-2 manufactured by Geophysical Survey Systems, Inc. [GSSI] of North Salem, New Hampshire). GPR was not used during this project.

Cultural sites are then evaluated for significance utilizing the standards described below and mitigation recommendations are considered as a means of preserving significant resources which may be situated within the development zone.

Site Significance Criteria

The various criteria relative to establishing the eligibility of prehistoric and historic cultural sites preparatory to their potential nomination to the National Register of Historic Places have been outlined as follows in the National Register's Criteria for Evaluation as established in Title 36 CFR 60.6:

The quality of significance in American ... archaeology ... and culture is present in ... sites ... that possess integrity of location, design, setting, materials, workmanship, feeling, and association and:

- a. That are associated with events that have made a significant contribution to the broad patterns of our history; or*
- b. that are associated with the lives of persons significant in our past; or*
- c. that embody the distinctive characteristics of a type, period, or method of construction ... ; or*
- d. that have yielded, or may be likely to yield, information important in prehistory or history.*

In addition to satisfying one or more of these general conditions, a significant cultural resource site in Utah will generally be considered as being eligible for inclusion in the National Register if it still retains its integrity and can contribute to our current state of knowledge concerning chronology, cultural relationships, origins, and cultural life ways of prehistoric or historic groups in the area.

In a final review of any site's cultural significance, the site must possess integrity and at least one of the above criteria to be considered eligible for nomination to the National Record of Historic Places.

BIBLIOGRAPHY

Christensen, Diana

- 1981 Archaeological Survey of the Bonanza-Castle Peak-Upalco Transmission Line, Bonanza Power Plant / Moon Lake Project 1981. Report Prepared for Nickens and Associates, Montrose, Colorado.

Hauck, F. Richard

- 1991 Archaeological Evaluations on the Northern Colorado Plateau Cultural Area, AERC Paper No. 45, Archeological-Environmental Research Corporation, Bountiful.
- 2000a Cultural Resource Evaluations of Four Proposed Coastal Well Locations (Tribal 36-43, 1-163, & 36-149 and Ouray 35-151) including Miscellaneous Pipeline Corridors in the White River Locality of Uintah County, Utah. Report prepared for Coastal Oil & Gas Corporation (COG00-20), Archeological-Environmental Research Corporation, Bountiful.
- 2000b *Addendum to:* Cultural Resource Evaluation of Three Proposed Units in the Kennedy Wash Locality of Uintah County, Utah. Report prepared for Coastal Oil & Gas Corporation (COG00-12), Archeological-Environmental Research Corporation, Bountiful.
- 2000c Cultural Resource Evaluation of Three Proposed Units in the Kennedy Wash Locality of Uintah County, Utah. Report prepared for Coastal Oil & Gas Corporation (COG00-12), Archeological-Environmental Research Corporation, Bountiful.
- 2000d Cultural Resource Evaluations of Four Proposed Coastal Well Locations (Wonsits Federal Unit No. 1-5, Kennedy Wash Units 19-1 & 23-1, and Gose Federal Unit 3-18) in Various Localities of Uintah County, Utah. Report prepared for Coastal Oil & Gas Corporation (COG00-26), Archeological-Environmental Research Corporation, Bountiful.

Hauck, F.R. and Garth Norman

- 1980 Final Report on the Mapco River Bend Cultural Mitigation Study. AERC Paper No. 18, of the Archeological-Environmental Research Corporation, Bountiful.

Stokes, W.L.

- 1977 Physiographic Subdivisions of Utah. Map 43, Utah Geological and Mineral Survey, Salt Lake City.

U.S.
Department of the Interior
Bureau of Land Management
Utah State Office
(AERC FORMAT)
Summary Report of
Inspection for Cultural Resources

Project
Authorization No UT-00-~~AF~~-0609b

Report Acceptable Yes ___ No ___
Mitigation Acceptable Yes ___ No ___
Comments: _____

Cultural Resource Evaluation of Five Proposed Horseshoe Bend Units (3-1, 4-1, 11-1, 26-1, & 26-2) in Uintah County, Utah

1. Report Title
2. Development Company Coastal Oil & Gas Corporation
3. Report Date . . .10/23/00. 4. Antiquities Permit No. UT-00-54937
5. Responsible Institution . . .AERC COG00-32 County Uintah
6. Fieldwork Location: TWN . . 6 S . RNG . . 21 E . Sections 25, 26
& TWN . . 7 S . RNG . . 21 E . Section 3, 4, 11
7. Resource Area BC.

8. Description of Examination Procedures: *The archeologists, F.R. Hauck and Alan Hutchinson, intensively examined three of the five well locations (10 acre parcels each) and associated access corridors (100 feet-wide) by walking a series of 15 to 20 meter-wide transects.*

9. Linear Miles Surveyed 10. Inventory Type I.
and/or
Definable Acres Surveyed R = Reconnaissance
and/or I = Intensive
Legally Undefinable S = Statistical Sample
Acres Surveyed 43.3.

11. Description of Findings: No cultural resource loci were observed or recorded. 12. Number Sites Found 0. (No sites = 0)
13. Collection: N. (Y = Yes, N = No)

14. Actual/Potential National Register Properties Affected:
The National Register of Historic Places (NRHP) has been consulted and no registered properties will be affected by the proposed development.

15. Literature Search, Location/ Date: Utah SHPO 10-17-00 Vernal BLM 10-19-00

16. Conclusion/ Recommendations:
AERC recommends that a cultural resource clearance be granted to Coastal Oil & Gas Corporation for this proposed development based on the following stipulations:
1. *All vehicular traffic, personnel movement, construction and restoration operations should be confined to the existing roadways and/or evaluated corridors.*
2. *All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.*
3. *The authorized official should be consulted should cultural remains from subsurface deposits be exposed during construction work or if the need arises to relocate or otherwise alter the location of the development.*

17. Signature of Administrator & Field Supervisor:
Administrator: 
Field Supervisor:

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/17/2001

API NO. ASSIGNED: 43-047-33872

WELL NAME: HSB FED 26-3
 OPERATOR: COASTAL OIL & GAS CORP (N0230)
 CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:

NWSW 26 060S 210E
 SURFACE: 1974 FSL 0847 FWL
 BOTTOM: 1974 FSL 0847 FWL
 UINTAH
 HORSESHOE BEND (620)

LEASE TYPE: 1-Federal
 LEASE NUMBER: U-38401
 SURFACE OWNER: 1-Federal

PROPOSED FORMATION: GRRV

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

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Fed[] Ind[] Sta[] Fee[]
 (No. U-605382-9)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5 (B) or 190-3
 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: 460 From Qtr/Qtr & 920' Between Wells
 R649-3-3. Exception
 Drilling Unit
 Board Cause No: 1458 (2/3/20)
 Eff Date: 9-19-85
 Siting: Well per Qtr/Sec. E. 500' fr. Dr. Unit Boundary
 R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: ① FEDERAL APPROVAL



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

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

January 29, 2001

Coastal Oil & Gas Corporation
PO Box 1148
Vernal, UT 84078

Re: Horseshoe Bend Federal 26-3 Well, 1974' FSL, 847' FWL, NW SW, Sec. 26, T. 6 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.

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 43-047-33872.

Sincerely,

John R. Baza
Associate Director

er

Enclosures

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

Operator: Coastal Oil & Gas Corporation
Well Name & Number Horseshoe Bend Federal 26-3
API Number: 43-047-33872
Lease: U-38401

Location: NW SW **Sec.** 26 **T.** 6 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

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

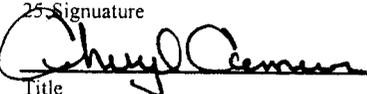
APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|---|---|--|
| 1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. U-38401 |
| 1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name N/A |
| 2. Name of Operator Coastal Oil & Gas Corporation | | 7. Unit or CA Agreement Name and No. N/A |
| 3a. Address P.O. Box 1148, Vernal, UT 84078 | 3b. Phone No. (include area code) (435)-781-7023 | 8. Lease Name and Well No. HSB Federal #26-3 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface NW SW At proposed prod. zone 1974'FSL & 847'FWL | | 9. API Well No. |
| 14. Distance in miles and direction from nearest town or post office* 17.1 Miles Southeast of Vernal, Utah | | 10. Field and Pool, or Exploratory Horseshoe Bend |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 847' | 16. No. of Acres in lease 637.45 | 11. Sec., T., R., M., or Blk. and Survey or Area Section 26-T6S-R21E |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Refer to Topo "C" | 19. Proposed Depth 4600' | 12. County or Parish Uintah |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4991.5' Ungraded GL | 22. Approximate date work will start* Upon Approval | 13. State Utah |
| | | 17. Spacing Unit dedicated to this well |
| | | 20. BLM/BIA Bond No. on file U-605382-9 |
| | | 23. Estimated duration To Be Determined |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

| | | |
|---|---|-------------------------|
| 25. Signature  | Name (Printed/Typed) Cheryl Cameron | Date 11/27/00 |
|---|---|-------------------------|

| | |
|---|--|
| Title Sr. Regulatory Analyst | |
| Approved by (Signature)  | Name (Printed/Typed) Steve B. Weaver |
| Title Assistant Field Manager Mineral Resources | Office |
| Date 03/15/2001 | |

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, are attached.

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

*(Instructions on Reverse)

NOTICE OF APPROVAL

RECEIVED

MAR 15 2001

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil and Gas Corp.

Well Name & Number: Horse Shoe Bend Federal #26-3

API Number: 43-047-33872

Lease Number: U-38401

Location: NWSW Sec. 26 T.6S R. 21E

Agreement: NA

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to or Pete Sokolosky of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable.

2. Pressure Control Equipment

None

3. Casing Program and Auxiliary Equipment

None

4. Mud Program and Circulating Medium

None

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis. **A Cement Bond Log will be required from TD to the surface casing shoe.**

6. Notifications of Operations

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.

7. Other Information

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 789-7077 (HOME) (435) 646-1685 (PAGER)
Petroleum Engineer

Kirk Fleetwood (435) 789-6858 (HOME) (435) 646-1678 (PAGER)
Petroleum Engineer

Jerry Kenczka (435) 781-1190 (HOME) (435) 646-1676 (PAGER)
Petroleum Engineer

BLM FAX Machine (435) 781-4410

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

- 1- whether the materials appear eligible for the National Register Of Historic Places;
- 2- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- 3- 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.

The location topsoil will be seeded immediately after the soil is piled by broadcasting the seed, then walking the topsoil pile with the dozer to plant the seed. The seed mix outlined in the APD for reclamation of the well will be used.

All poundages are in Pure Live Seed.

Once the reserve pit is dry, it should be filled, recontoured, topsoil spread, and seeded in the same manner discussed above.

Topsoil will not be used for the construction of tank dikes. Dikes will be constructed from compacted subsoils or impervious soils brought in from an outside source.

Drilling rigs and/or equipment used during drilling operations on this well site 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 to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

All permanent facilities will be painted Carlsbad Canyon instead of the Juniper Green stipulated in the APD.

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 to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals

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

| | | |
|---|--|---|
| SUBMIT IN TRIPLICATE- Other Instructions on reverse side | | 5. Lease Serial No. U-38401 |
| | | 6. If Indian, Allottee or Tribe Name |
| | | 7. If Unit or CA Agreement, Name and No. |
| 1. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | | 8. Lease Name and Well No. HSB FEDERAL #26-3 |
| 2. Name of Operator COASTAL OIL & GAS CORPORATION CONTACT: CHERYL CAMERON OPERATIONS EMAIL: Cheryl.Cameron@CoastalCorp.com | | 9. API Well No. 4304733872 |
| 3a. Address P.O. BOX 1148 VERNAL, UT 84078 | 3b. Phone No. (include area code) TEL: 435.781.7023 EXT: FAX: 435.789.4436 | 10. Field and Pool, or Exploratory HORSESHOE BEND |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T6S R21E NWSW 1974FSL 847FWL | | 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 checked="" 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"/> | |
| | <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 the 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 the BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of involved operations. If the operation results in 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.)

Coastal Oil & Gas Corporation requests authorization to revise the reserve pit in order to accommodate the Hayes, Rig #1 drilling rig.

Please refer to the revised location layout.

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

RECEIVED
DIVISION OF
OIL, GAS AND MINING

4/16/01
605

| | |
|---|--------------------|
| Name (Printed/Typed) | Title |
| Signature <i>Cheryl Cameron</i> | Date <i>4/9/01</i> |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |

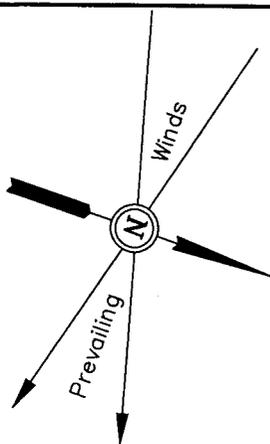
| | | |
|--|-------|------|
| Approved by | Title | Date |
| *Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, 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

ELECTRONIC SUBMISSION #3548 VERIFIED BY THE BLM WELL INFORMATION SYSTEM FOR COASTAL OIL & GAS CORPORATION SENT TO THE FIELD OFFICE

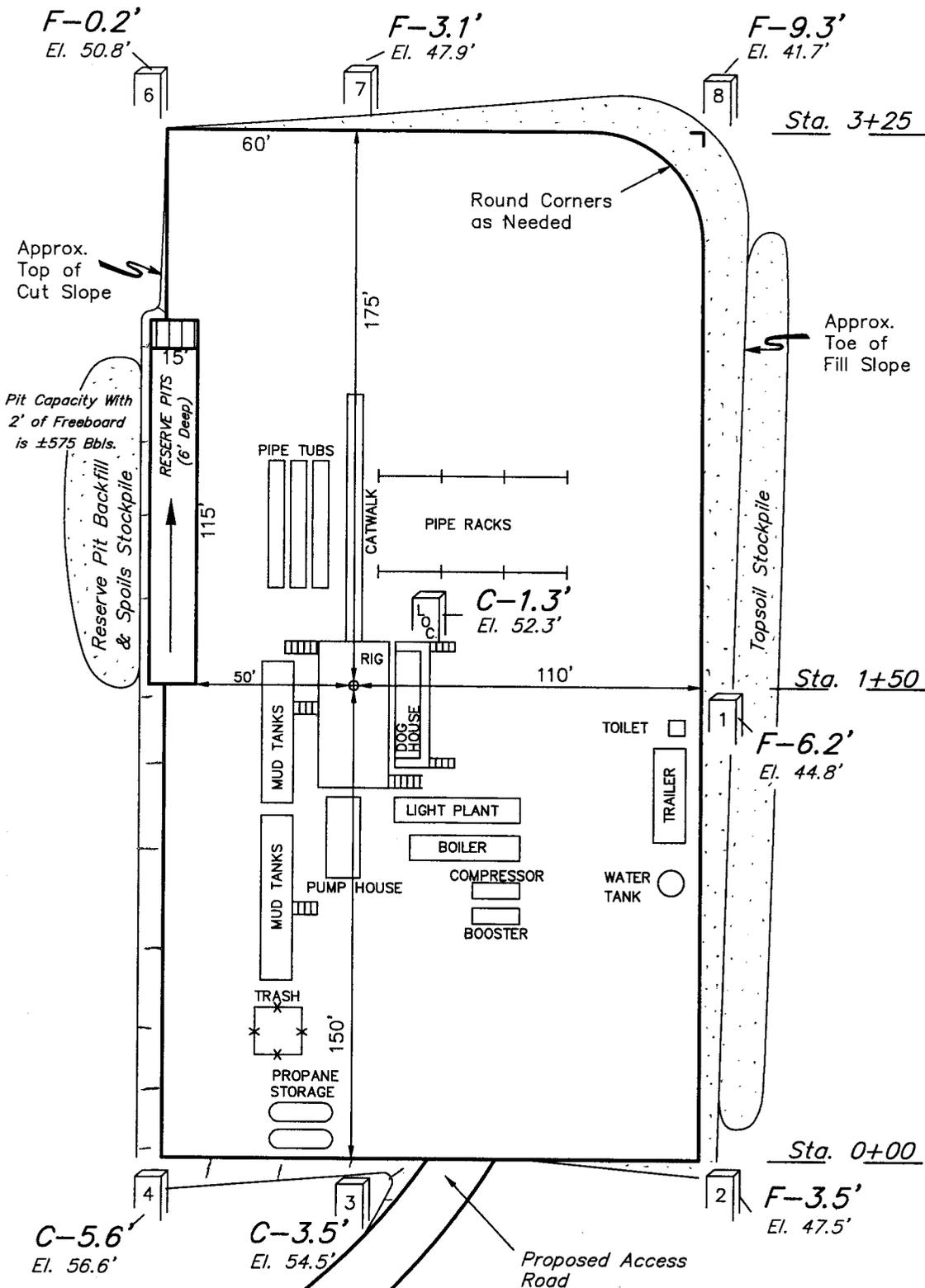
COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR
 HORSESHOE BEND FEDERAL #26-2
 SECTION 26, T6S, R21E, S.L.B.&M.
 660' FSL 660' FEL



SCALE: 1" = 50'
 DATE: 9-22-00
 Drawn By: C.G.
 Revised: 10-24-00
 Revised: 4-9-01

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



[Handwritten signature]

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4952.3'

FINISHED GRADE ELEV. AT LOC. STAKE = 4951.0'

FIGURE #1

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

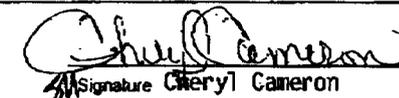
OPERATOR Coastal Oil & Gas Corporation
ADDRESS P.O. Box 1148
Vernal UT 84078

OPERATOR ACCT. NO. N 0230

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER | WELL NAME | WELL LOCATION | | | | | SPUD DATE | EFFECTIVE DATE |
|--|--------------------|----------------|--------------|-------------------|---------------|----|-----|-----|--------|-----------|----------------|
| | | | | | QQ | SC | TP | RG | COUNTY | | |
| A B | 99999 | 2900 | 43-047-33880 | NBU #318 | SWNE | 13 | 9S | 21E | Uintah | 5/3/01 | 5/3/01 |
| WELL 1 COMMENTS: Spud well on 5/3/01 at 9:30 A.M. w/Bill Martin Air Rig. 5-9-01 | | | | | | | | | | | |
| A B | 99999 | 2900 | 43-047-33773 | NBU #360 | SESW | 29 | 10S | 22E | Uintah | 5/5/01 | 5/5/01 |
| WELL 2 COMMENTS: Spud well on 5/5/01 at 10:30 A.M. w/Bill Martin Air Rig. 5-9-01 | | | | | | | | | | | |
| A | 99999 | 13126 | 43-047-33833 | HSB Federal #11-1 | NWNE | 11 | 7S | 21E | Uintah | 5/7/01 | 5/7/01 |
| WELL 3 COMMENTS: Spud well on 5/7/01 at 6:00 P.M. w/Pete Martin Bucket Rig. 5-9-01 | | | | | | | | | | | |
| A | 99999 | 13127 | 43-047-33871 | HSB Federal #26-2 | SESE | 26 | 6S | 21E | Uintah | 5/5/01 | 5/5/01 |
| WELL 4 COMMENTS: Spud well on 5/5/01 at 5:00 P.M. w/Pete Martin Bucket Rig. 5-9-01 | | | | | | | | | | | |
| A | 99999 | 13128 | 43-047-33872 | HSB Federal #26-3 | NWSW | 26 | 6S | 21E | Uintah | 5/4/01 | 5/4/01 |
| WELL 5 COMMENTS: Spud well on 5/4/01 at 12:45 P.M. w/Pete Martin Bucket Rig. 5-9-01 | | | | | | | | | | | |

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)



Signature Cheryl Cameron
Sr. Regulatory Analyst 5/8/01
Title Date
Phone No. (435) 781-7023

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

Form 3160-5
(August 1999)

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 | | 5. Lease Serial No. U-38401 |
| | | 6. If Indian, Allottee or Tribe Name |
| | | 7. If Unit or CA Agreement, Name and No. |
| 1. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Lease Name and Well No. HSB FEDERAL #26-3 |
| 2. Name of Operator COASTAL OIL & GAS CORPORATION CONTACT: CHERYL CAMERON OPERATIONS EMAIL: Cheryl.Cameron@CoastalCorp.com | | 9. API Well No. 4304733872 |
| 3a. Address P.O. BOX 1148 VERNAL, UT 84078 | 3b. Phone No. (include area code) TEL: 435.781.7023 EXT: FAX: 435.789.4436 | 10. Field and Pool, or Exploratory HORSESHOE BEND |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T6S R21E NWSW 1974FSL 847FWL | | 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 checked="" 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 SUNDRY NOTICE |
| | <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 the 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 the BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of involved operations. If the operation results in 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.)

Verbal approval granted for a blooie line variance to Gary Gillette on 5/10/01 by the Bureau of Land Management. The blooie line runs from the wellhead and out 30 feet, turns a 45 degree angle then runs 100 feet to the reserve pit.

Federal Approval of This Action is Necessary

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

Date: 5/15/01
By: R. Allm...

| | |
|---|----------------------|
| Name (Printed/Typed) | Title |
| Signature: <i>Cheryl Cameron</i> | Date: <u>5/11/01</u> |
| 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, 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

ELECTRONIC SUBMISSION #4194 VERIFIED BY THE BLM WELL INFORMATION SYSTEM FOR COASTAL OIL & GAS CORPORATION SENT TO THE VERNAL FIELD OFFICE

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 to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

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

| | | |
|---|--|---|
| SUBMIT IN TRIPLICATE- Other Instructions on reverse side | | 5. Lease Serial No. U-38401 |
| 1. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator COASTAL OIL & GAS CORPORATION CONTACT: CHERYL CAMERON OPERATIONS EMAIL: Cheryl.Cameron@CoastalCorp.com | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address P.O. BOX 1148 VERNAL, UT 84078 | 3b. Phone No. (include area code) TEL: 435.781.7023 EXT: FAX: 435.789.4436 | 8. Lease Name and Well No. HSB FEDERAL #26-3 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T6S R21E NWSW 1974FSL 847FWL | | 9. API Well No. 4304733872 |
| | | 10. Field and Pool, or Exploratory HORSESHOE BEND |
| | | 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"/> WELL SPUD |
| | <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 the 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 the BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of involved operations. If the operation results in 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.)

SPUD WELL ON 5/4/01 AT 12:45 P.M. W/PETE MARTIN BUCKET RIG.
DRILLED 55' OF 14" CONDUCTOR PIPE. CMT W/190 SX PREM 300 W/2% CALCIUM CHLORIDE .125# SK
POLYFLAKE. FULL RETURNS. GOOD CMT BACK.

| | |
|---------------------------------|--------------------|
| Name (Printed/Typed) | Title |
| Signature <i>Cheryl Cameron</i> | Date <i>5/8/01</i> |

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, 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

ELECTRONIC SUBMISSION #4104 VERIFIED BY THE BLM WELL INFORMATION SYSTEM FOR COASTAL OIL & GAS CORPORATION SENT TO THE VERNAL FIELD OFFICE

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.
U-38401

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.
HSB FEDERAL 26-3

2. Name of Operator
COASTAL OIL & GAS CORPORATION

Contact: CHERYL CAMERON
E-Mail: Cheryl.Cameron@CoastalCorp.com

9. API Well No.
43-047-33872

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

3b. Phone No. (include area code)
Ph: 435.781.7023
Fx: 435.789.4436

10. Field and Pool, or Exploratory
HORSESHOE BEND

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 26 T6S R21E Mer NWSW

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

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" 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"/> APDCH |
| | <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 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 site is ready for final inspection.)

Coasal Oil & Gas Corporation requests authorization to amend the surface hole from 11" to 12 1/4", and the csg depth from 300' to 547'; add intermediate csg to 2800' w/ 7 7/8" hole size w/ 7" 29# P-110 STL. The production csg will remain 4 1/2", but change the hole size from 7 7/8" to 6 1/8".

See attached DHD.

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

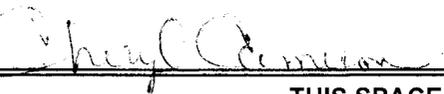
14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #4311 verified by the BLM Well Information System
For COASTAL OIL & GAS CORPORATION, sent to the Vernal**

Name (Printed/Typed) CHERYL CAMERON

Title OPERATIONS

Signature



Date 05/16/2001

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.

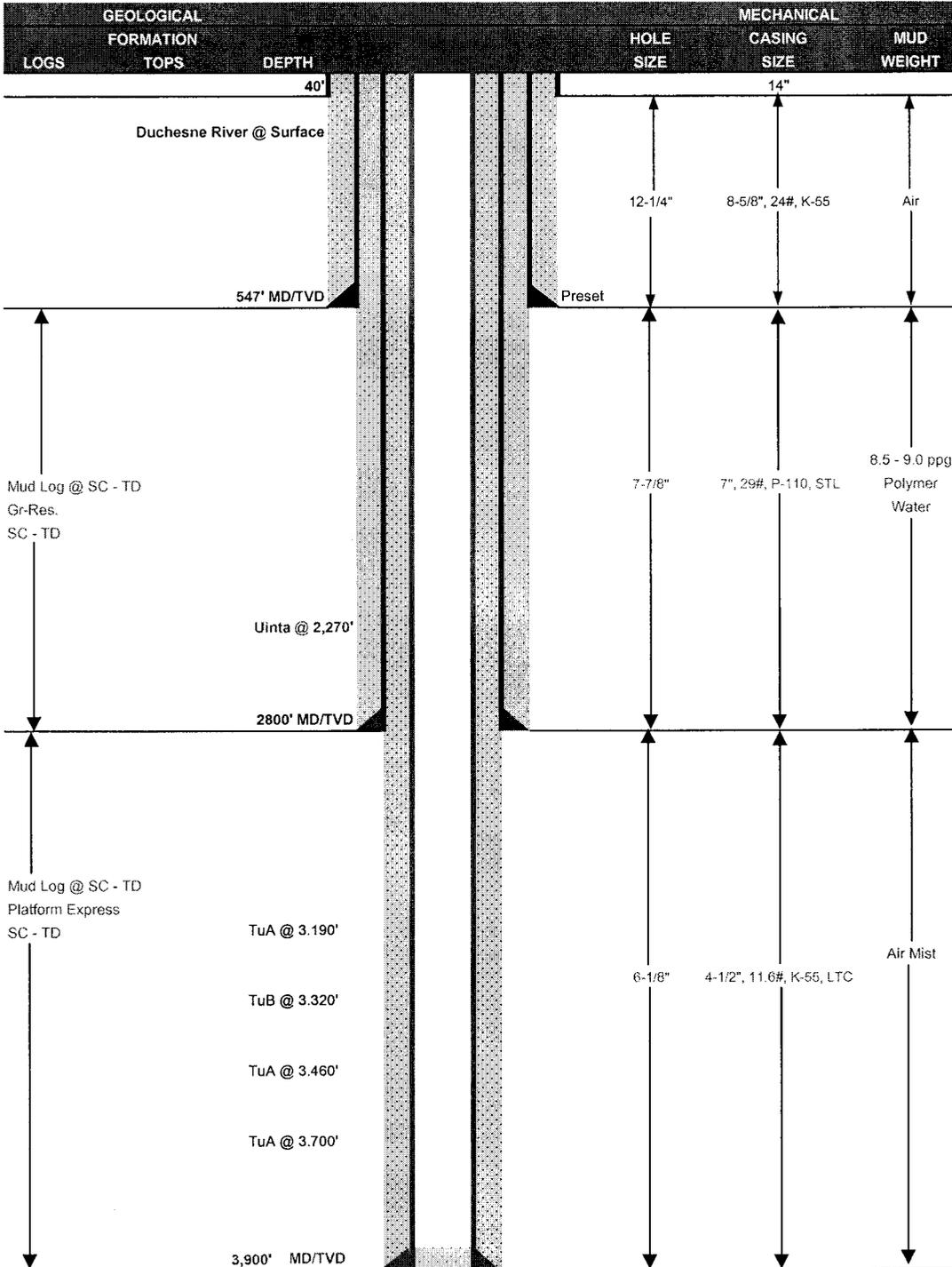
Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, 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.

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM FOR SUNDRY

COMPANY NAME Coastal Oil & Gas Corporation DATE May 15, 2001
 WELL NAME Federal #26-3 TD 3,900' MD/TVD
 FIELD Horseshoe Bend COUNTY Uintah STATE Utah ELEVATION 4,995' KB
 SURFACE LOCATION 1980' FSL & 660' FWL of Section 26, T6S-R21E BHL Straight Hole
 OBJECTIVE ZONE(S) Uinta and Lower Green River
 ADDITIONAL INFO Revised For Casing Program & Cmt. Slurry



COASTAL OIL & GAS CORPORATION DRILLING PROGRAM FOR SUNDR

CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|--------------|--------------|----------|-------|-------|-------|----------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | 2950 | 1730 | 263000 |
| SURFACE | 8-5/8" (new) | 0-300' | 24# | K-55 | STC | 17.53 | 12.32 | 4.60 |
| INTERMEDIATE | 7" | 0-2800' | 29# | P-110 | STL | 7.14 | 6.49 | 4.20 |
| PRODUCTION* | 4-1/2" (new) | 0-TD | 11.6# | K-55 | LTC | 3.89 | 2.72 | 1.89 |

- 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)

CEMENT PROGRAM

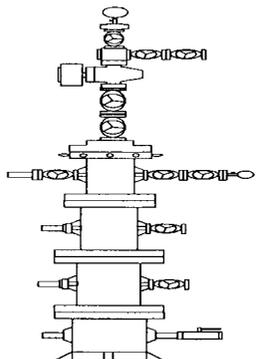
| | FT. OF FILL | DESCRIPTION | SACKS | EXCESS* | WEIGHT | YIELD |
|--------------|--------------|--|-------|---------|--------|-------|
| SURFACE | 300 | Class G + 2% CaCl ₂ + 0.25 lb/sk Cello Flake | 110 | 35% | 15.80 | 1.17 |
| Intermediate | LEAD 0-2300' | Hifill Mod w/16% gel, 3% salt, 0.25#/sk flocele, 5#/sk gilsonite, 1% retarder, 0.6% Econolite, and 0.2% free water control | 310 | 50% | 11.60 | 3.12 |
| | 2300-2800 | Premium Plus w/0.25#/sk flocele, 0.2% Versaset, and 3% salt | 105 | 50% | 15.20 | 1.27 |
| PRODUCTION | LEAD 1900 | Hilift + 12% D20 + 3% D44 + 1% D79 + 0.75% D112 + 0.2% D46 + 0.25 lb/sk D29 | 210 | 100% | 11.00 | 3.81 |
| | TAIL 2,000' | 50/50 POZ + 2% D20 + 2% D174 + 0.25% D65 + 0.2% D46 | 640 | 75% | 14.3 | 1.27 |

* 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 | Float 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 |

COASTAL OIL & GAS CORPORATION
DRILLING PROGRAM FOR SUNDR

BIT PROGRAM

| ROCK BIT & PDC BIT PROGRAM | | | | | | |
|----------------------------|----------|-----------------|-----|--------|----------|-----------|
| INTERVAL | HOLE | BIT MFG & MODEL | GPM | SERIAL | NZLS | COMMENTS |
| Surface Hole | 11" | Various | | | | |
| Surf Csg - Int. | 7-7/8" | Various Inserts | 400 | New | 18-18-18 | Mud Motor |
| Intermediate - TD | 6 - 1/8" | Various Inserts | 314 | New | | |
| | | | | | | |
| | | | | | | |

GEOLOGICAL DATA

LOGGING:

| Depth | Log Type |
|---------|------------------|
| SC - TD | Platform Express |

MUD LOGGER: Surface Casing - 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.
 Monitor corrosion with coupons.

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 500'. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER: _____ **DATE:** _____
 Ahmed Ismail
PROJECT MANAGER: _____ **DATE:** _____
 Darrell Molnar
PROJECT SUPERINTENDENT: _____ **DATE:** _____
 Larry Strasheim

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 <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: |
| 2. NAME OF OPERATOR: El Paso Production Oil & Gas Company | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 68 South 1200 East CITY Vernal STATE Utah ZIP 84078 | | 7. UNIT or CA AGREEMENT NAME: |
| PHONE NUMBER: 435-789-4433 | | 8. WELL NAME and NUMBER: Exhibit "A" |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH | | 9. API NUMBER: |
| | | 10. FIELD AND POOL, OR WILDCAT: |

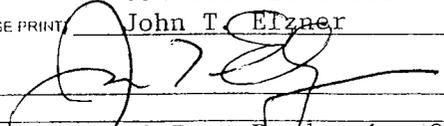
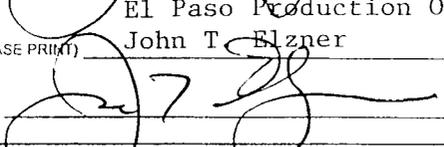
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|--|---|---|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <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) <u>John T. Elzner</u> | TITLE <u>Vice President</u> |
| SIGNATURE  | DATE <u>06-15-01</u> |
| El Paso Production Oil & Gas Company | |
| NAME (PLEASE PRINT) <u>John T. Elzner</u> | TITLE <u>Vice President</u> |
| SIGNATURE  | DATE <u>06-15-01</u> |

(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 14 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

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

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 |
|-----------------------------------|--------------|-----------|-------------|------------|-----------|-------------|
| HANSON 1-32A3 | 43-013-30141 | 1640 | 32-01S-03W | FEDERAL | OW | P |
| CASTLE PEAK 1-3 | 43-013-30639 | 1522 | 03-09S-16E | FEDERAL | OW | P |
| FEDERAL 2-28E19E (CA NRM-827) | 43-047-32849 | 12117 | 28-05S-19E | FEDERAL | OW | P |
| E GUSHER 2-1A | 43-047-31431 | 11333 | 03-06S-20E | FEDERAL | OW | P |
| GUSHER UNIT 3 | 43-047-15590 | 10341 | 10-06S-20E | FEDERAL | OW | P |
| FEDERAL 11-1-M | 43-047-32333 | 11443 | 11-06S-20E | FEDERAL | OW | P |
| E GUSHER 15-1-A | 43-047-31900 | 11122 | 15-06S-20E | FEDERAL | OW | P |
| GOSE FEDERAL 3-18 | 43-047-33691 | 99999 | 18-06S-21E | FEDERAL | GW | APD |
| FEDERAL 21-I-P (CA 86C701) | 43-047-31647 | 1316 | 21-06S-21E | FEDERAL | GW | P |
| HSB FEDERAL 26-2 | 43-047-33871 | 13127 | 26-06S-21E | FEDERAL | GW | DRL |
| HSB FEDERAL 26-3 | 43-047-33872 | 13128 | 26-06S-21E | FEDERAL | GW | DRL |
| STIRRUP FEDERAL 29-2 | 43-047-31508 | 11055 | 29-06S-21E | FEDERAL | OW | S |
| COTTON CLUB 1 | 43-047-31643 | 10380 | 31-06S-21E | FEDERAL | OW | P |
| COG 6-18-9-21 | 43-047-32513 | 11655 | 18-09S-21E | FEDERAL | GW | P |
| COG 8-19-9-21 | 43-047-32469 | 11652 | 19-09S-21E | FEDERAL | GW | P |
| COG 10-30-9-21 GR | 43-047-32470 | 11633 | 30-09S-21E | FEDERAL | GW | P |
| SOUTHMAN CANYON 31-1-L (CA 74898) | 43-047-32543 | 11678 | 31-09S-23E | FEDERAL | GW | P |
| LAKAS FEDERAL 1-3 (CA CR-201) | 43-047-31178 | 1367 | 03-11S-20E | FEDERAL | GW | P |
| BITTER CREEK 1-3 | 43-047-30524 | 1460 | 03-11S-22E | FEDERAL | GW | P |
| LIZZARD CREEK 1-10 | 43-047-31475 | 9870 | 10-11S-22E | FEDERAL | GW | P |

OPERATOR CHANGES DOCUMENTATION

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

5. If **NO**, the operator was contacted contacted on: N/A
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: 07/10/2001
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 07/10/2001
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: 07/10/2001
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: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 07/23/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 07/23/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: N/A

FEDERAL BOND VERIFICATION:

1. Federal well(s) covered by Bond No.: WY 2793

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond No: N/A
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
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: _____

FILMING:

1. All attachments to this form have been **MICROFILMED** on: _____

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: _____

COMMENTS: Master list of all wells involved in operator change from Coastal Oil & Gas Corporation to El Paso Production Oil and Gas Company shall be retained in the "Operator Change File".

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. U-38401 |
| 2. Name of Operator COASTAL OIL & GAS CORPORATION | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address P.O. BOX 1148 VERNAL, UT 84078 | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3b. Phone No. (include area code) Ph: 435.781.7023 Fx: 435.789.4436 | | 8. Well Name and No. HSB 26-3 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T6S R21E Mer NWSW | | 9. API Well No. 43-047-33872 |
| | | 10. Field and Pool, or Exploratory HORSESHOE BEND |
| | | 11. County or Parish, and State UINTAH COUNTY, UT |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|---|---|
| <input checked="" 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 type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input checked="" 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 site is ready for final inspection.)

On May 24, 2001 Dan Lindsey (COGC) received verbal approval from Ed Forsman (BLM) to set a Class G cmt plug from the fish top @ 3524' up to 2500' inside the 7th intermediate csg, for the subject well.

The well will be temporarily abandoned with a flange, 2" valve w/ bull plug, and a pressure gauge.

Future operations on this well will be determined after further evaluation can be established in the Horseshoe Bend area over the next few months.

Accepted by the
Utah Division of

Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

Date: 6/25/01

By: D. K. Dent

CONFIDENTIAL

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

Electronic Submission #5041 verified by the BLM Well Information System
For COASTAL OIL & GAS CORPORATION, sent to the Vernal

| | |
|-------------------------------------|------------------|
| Name (Printed/Typed) CHERYL CAMERON | Title OPERATIONS |
| Signature <u>Cheryl Cameron</u> | Date 06/18/2001 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

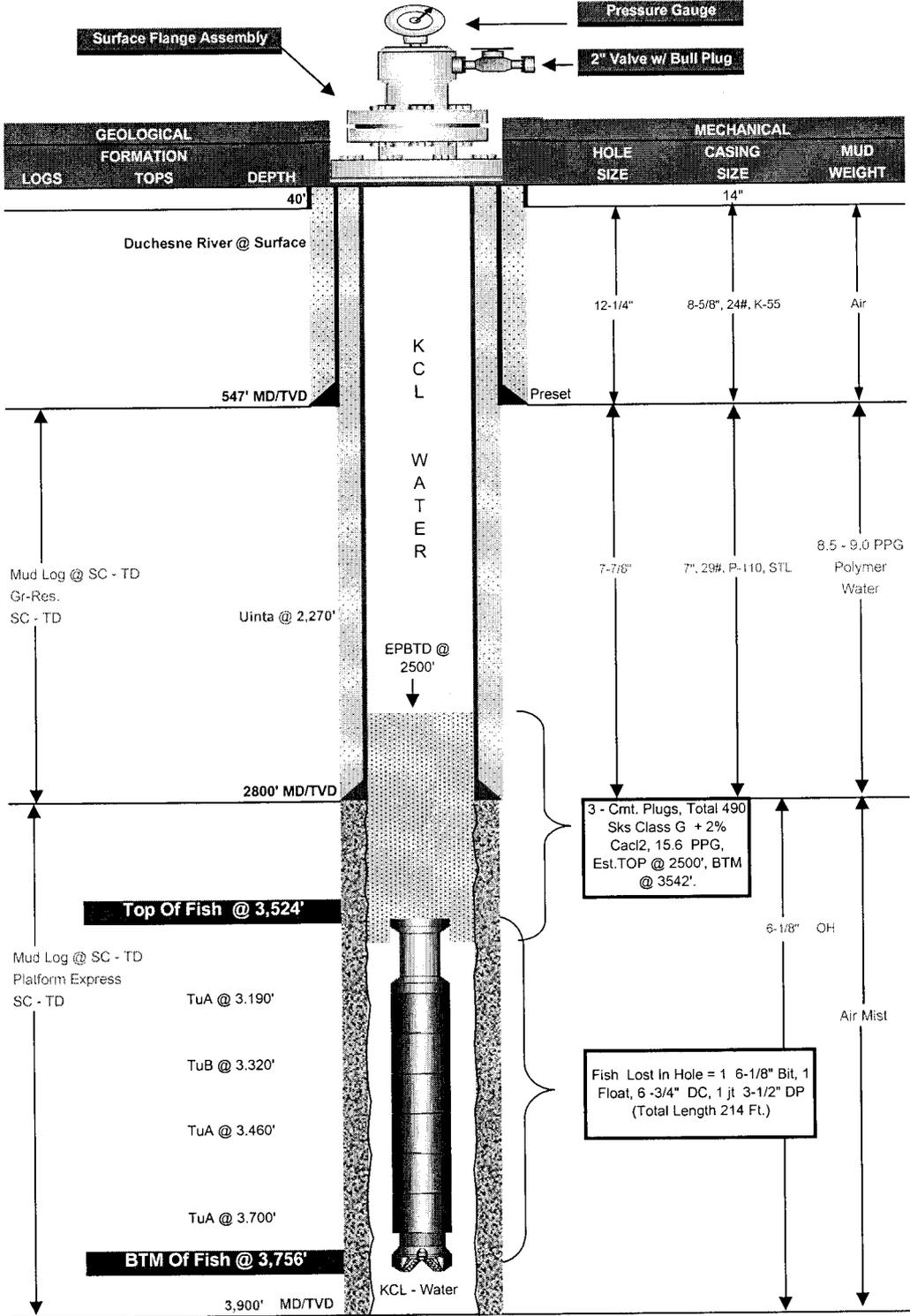
| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | Date _____ |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, 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.

COASTAL OIL & GAS CORPORATION

WELL BORE SCHEMATIC FOR T & A

COMPANY NAME Coastal Oil & Gas Corporation DATE May 15, 2001
 WELL NAME Federal #26-3 TD 3,900' MD/TVD
 FIELD Horseshoe Bend COUNTY Uintah STATE Utah ELEVATION 4,995' KB
 SURFACE LOCATION 1980' FSL & 660' FWL of Section 26, T6S-R21E BHL Straight Hole
 OBJECTIVE ZONE(S) Uinta and Lower Green River
 ADDITIONAL INFO _____



COASTAL OIL & GAS CORPORATION

WELL BORE SCHEMATIC FOR T & A

CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|--------------|--------------|----------|-----|-------|-------|----------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | 2950 | 1730 | 263000 |
| SURFACE | 8-5/8" (new) | 0-300' | 24# | K-55 | STC | 17.53 | 12.32 | 4.60 |
| INTERMEDIATE | 7" | 0-2800' | 29# | P-110 | STL | 7.14 | 6.49 | 4.20 |

- 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 lb. overpull)

CEMENT PROGRAM

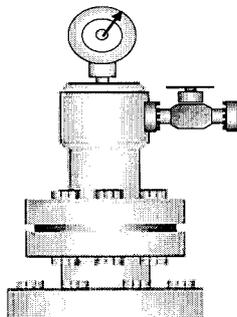
| | FT. OF FILL | DESCRIPTION | SACKS | EXCESS | WEIGHT | YIELD |
|--------------|--------------|--|-------|--------|--------|-------|
| SURFACE | 300 | Class G + 2% CaCl ₂ + 0.25 LB/sk Cello Flake | 110 | 35% | 15.80 | 1.17 |
| Intermediate | LEAD 0-2300' | Hillit Mod w/16% gel, 3% salt, 0.25#/sk floccle, 5#/sk gilsonite, 1% retarder, 0.6% Econolite, and 0.2% free water control | 310 | 50% | 11.60 | 3.12 |
| | 2300-2800 | Premium Plus w/0.25#/sk floccle, 0.2% Versaset, and 3% salt | 105 | 50% | 15.20 | 1.27 |

* 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. |
| | |
| | |

WELLHEAD EQUIPMENT



| | |
|--------------|--|
| TREE | Surface Flange Assembly with 2" Valve w/ Bull Plug and Pressure Gauge on Top |
| TUBING HEAD | _____ |
| CASING SPOOL | _____ |
| CASING SPOOL | _____ |
| CASING HEAD | 8-5/8" SOW X 11" 3M |

COASTAL OIL & GAS CORPORATION
WELL BORE SCHEMATIC FOR T & A

BIT PROGRAM

| ROCK BIT & PDC BIT PROGRAM | | | | | | |
|----------------------------|----------|------------------|-----|--------|----------|-----------|
| INTERVAL | HOLE | BIT MFG. & MODEL | GPM | SERIAL | NZLS | COMMENTS |
| Surface Hole | 11" | Various | | | | |
| Surf Csg - Int. | 7-7/8" | Various Inserts | 400 | New | 18-18-18 | Mud Motor |
| Intermediate - TD | 6 - 1/8" | Various Inserts | 314 | New | | |
| | | | | | | |
| | | | | | | |

GEOLOGICAL DATA

LOGGING:

| Depth | Log Type |
|---------|------------------|
| SC - TD | Platform Express |

MUD LOGGER: Surface Casing - TD only if required by Geology
SAMPLES: As per Geology
CORING: NA
DST: NA

MUD PROGRAM

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

Circulate hole until clean @ TD. Spot brine pill at TD for casing.
 Monitor corrosion with coupons.

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 500'. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER: _____ **DATE:** _____
 Ahmed Ismail
PROJECT MANAGER: _____ **DATE:** _____
 Darrell Molnar
PROJECT SUPERINTENDENT: _____ **DATE:** _____
 Larry Strasheim

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.
U-38401

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.
HSB 26-3

2. Name of Operator
COASTAL OIL & GAS CORPORATION

Contact: CHERYL CAMERON
E-Mail: Cheryl.Cameron@CoastalCorp.com

9. API Well No.
43-047-33872

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

3b. Phone No. (include area code)
Ph: 435.781.7023
Fx: 435.789.4436

10. Field and Pool, or Exploratory
HORSESHOE BEND

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 26 T6S R21E Mer NWSW

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

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" 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 | |
| | <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 site is ready for final inspection.)

Coastal Oil & Gas Corporation is requesting that the subject well be placed on CONFIDENTIAL STATUS.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #5077 verified by the BLM Well Information System For COASTAL OIL & GAS CORPORATION, sent to the Vernal

| | |
|---|------------------|
| Name (Printed/Typed) CHERYL CAMERON | Title OPERATIONS |
| Signature  | Date 06/18/2001 |

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, 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 to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
U-38401

6. If Indian, Allottee or Tribe Name

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

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
Contact: CHERYL CAMERON
E-Mail: Cheryl.Cameron@CoastalCorp.com

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

3b. Phone No. (include area code)
Ph: 435.781.7023
Fx: 435.789.4436

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 26 T6S R21E Mer NWSW

8. Well Name and No.
HSB 26-3

9. API Well No.
43-047-33872

10. Field and Pool, or Exploratory
HORSESHOE BEND

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

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" 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 | |
| | <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 site is ready for final inspection.)

Coastal Oil & Gas Corporation intends to re-enter the subject well that was placed on TA on 6/18/01 and perform a blind sidetrack off the cement plug that presently fills the well from the top of fish @ 3542'-2500'. The cmt shall be drilled out to the 7" csg shoe @ 2816' and then utilize a mud motor w/ adjustable bent housing to drill to a maximum of 5 degrees from verticle. The well will be returned to verticle after the fish top @ 3542' is passed. Verbal approval granted to Dan Lindsey (COGC) by Ed Forsman (BLM) ON 6/25/01.

Refer to the attached DHD.
Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

Date: 7/6/01
By: *[Signature]*

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

Electronic Submission #5283 verified by the BLM Well Information System
For COASTAL OIL & GAS CORPORATION, sent to the Vernal

Name (Printed/Typed) CHERYL CAMERON Title OPERATIONS

Signature *[Signature]* Date 06/26/2001

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, 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.

COASTAL OIL & GAS CORPORATION DRILLING PROGRAM FOR SUNDR

CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|--------------|--------------|----------|-------|-------|-------|----------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | 2950 | 1730 | 263000 |
| SURFACE | 8-5/8" (new) | 0-300' | 24# | K-55 | STC | 17.53 | 12.32 | 4.60 |
| | | | | | | 11220 | 8510 | 797000 |
| INTERMEDIATE | 7" | 0-2800' | 29# | P-110 | STL | 7.14 | 6.49 | 4.20 |
| | | | | | | 5350 | 4960 | 180000 |
| PRODUCTION* | 4-1/2" (new) | 0-TD | 11.6# | K-55 | LTC | 3.89 | 2.72 | 1.89 |

- 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)

CEMENT PROGRAM

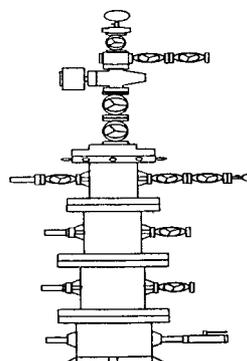
| | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS* | WEIGHT | YIELD |
|--------------|------|-------------|--|-------|---------|--------|-------|
| SURFACE | | 300 | Class G + 2% CaCl ₂ + 0.25 lb/sk Cello Flake | 110 | 35% | 15.80 | 1.17 |
| Intermediate | LEAD | 0-2300' | Hilift Mod w/16% gel, 3% salt, 0.25#/sk flocele, 5#/sk gilsonite, 1% retarder, 0.6% Econolite, and 0.2% free water control | 310 | 50% | 11.60 | 3.12 |
| | | 2300-2800 | Premium Plus w/0.25#/sk flocele, 0.2% Versaset, and 3% salt | 105 | 50% | 15.20 | 1.27 |
| PRODUCTION | LEAD | 1900 | Hilift + 12% D20 + 3% D44 + 1% D79 + 0.75% D112 + 0.2% D46 + 0.25 lb/sk D29 | 210 | 100% | 11.00 | 3.81 |
| | TAIL | 2,000' | 50/50 POZ + 2% D20 + 2% D174 + 0.25% D65 + 0.2% D46 | 640 | 75% | 14.3 | 1.27 |

* 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 | Float 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 |

COASTAL OIL & GAS CORPORATION DRILLING PROGRAM FOR SUNDR

BIT PROGRAM

| ROCK BIT & PDC BIT PROGRAM | | | | | | |
|----------------------------|----------|-----------------|-----|--------|----------|-----------|
| INTERVAL | HOLE | BIT MFG & MODEL | GPM | SERIAL | NZLS | COMMENTS |
| Surface Hole | 11" | Various | | | | |
| Surf Csg - Int. | 7-7/8" | Various Inserts | 400 | New | 18-18-18 | Mud Motor |
| Intermediate - TD | 6 - 1/8" | Various Inserts | 314 | New | | |
| | | | | | | |
| | | | | | | |

GEOLOGICAL DATA

LOGGING:

| Depth | Log Type |
|---------|------------------|
| SC - TD | Platform Express |

MUD LOGGER:

Surface Casing - TD only if required by Geology

SAMPLES:

As per Geology

CORING:

NA

DST:

NA

MUD PROGRAM

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

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

Monitor corrosion with coupons.

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 & four 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 500'. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER:

Ahmed Ismail

DATE:

PROJECT MANAGER:

Darrell Molnar

DATE:

PROJECT SUPERINTENDENT:

Larry Strasheim

DATE:



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

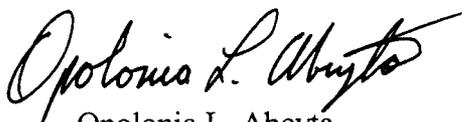
Acceptable evidence has been received in this office concerning the name change of Coastal Oil & Gas Corporation into El Paso Production Oil & Gas Company with El Paso Production Oil & Gas Company being the surviving entity.

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 | |

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. U-38401 |
| 2. Name of Operator COASTAL OIL & GAS CORPORATION | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address P.O. BOX 1148 VERNAL, UT 84078 | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3b. Phone No. (include area code) Ph: 435.781.7023 Fx: 435.789.4436 | | 8. Well Name and No. HSB 26-3 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T6S R21E Mer NWSW 1974FSL 847FWL | | 9. API Well No. 43-047-33872 |
| | | 10. Field and Pool, or Exploratory HORSESHOE BEND |
| | | 11. County or Parish, and State UINTAH COUNTY, 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 checked="" type="checkbox"/> Subsequent Report | <input checked="" type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Alter Casing |
| | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Convert to Injection |
| | <input type="checkbox"/> Plug Back |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input type="checkbox"/> Other |
| | <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 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.)

Re-enter side-track @ 3900' w/ Union Drlg, Rig #7. Drill cmt top @ 2410'. PUDP & clean & drill out spacer f/ 2760'-2980'. PU 599' 2 7/8" upset tbg & 2295' of 3 1/2" DP to set plug @ 2800'. Set plug w/ 200 sx Class G. Trip out to 1880' & circ hole w/ rig pump, 10 BC return to surf. TOH LD 2 7/8" tbg. TIH & tag cmt @ 2261'. Drill cmt f/ 2261'-2624'. Drill cmt f/ 2261'-2624', 200' left in csg. Drill f/ 3029'-3865'. RIH w/ 3837' of 4 1/2" 11.6# -55 csg. Cmt w/ 60 sx Hilift Lead & 190 sx RFC tail.

RDMOL.

CONFIDENTIAL

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

**Electronic Submission #5528 verified by the BLM Well Information System
For COASTAL OIL & GAS CORPORATION, sent to the Vernal**

| | |
|---|------------------|
| Name (Printed/Typed) CHERYL CAMERON | Title OPERATIONS |
| Signature  | Date 07/09/2001 |

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, 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.

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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. U-38401 |
| 2. Name of Operator EL PASO PRODUCTION | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address P.O. BOX 1148 VERNAL, UT 84078 | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3b. Phone No. (include area code) Ph: 435.781.7023 Fx: 435.789.4436 | | 8. Well Name and No. HSB 26-3 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T6S R21E Mer NWSW 1974FSL 847FWL | | 9. API Well No. 43-047-33872 |
| | | 10. Field and Pool, or Exploratory HORSESHOE BEND |
| | | 11. County or Parish, and State UINTAH COUNTY, UT |

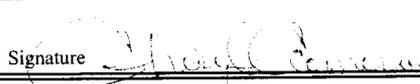
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| 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"/> STARTUP |
| | <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 site is ready for final inspection.)

The subject well was placed on sales 8/2/01 and Shut-In on 8/8/01.

Further evaluation of this well will determine a possible P&A.
Refer to the attached Chronological History Report.

| | |
|---|------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #6879 verified by the BLM Well Information System For EL PASO PRODUCTION, sent to the Vernal | |
| Name (Printed/Typed) CHERYL CAMERON | Title OPERATIONS |
| Signature  | Date 08/30/2001 |

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, 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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

**EI PASO
PRODUCTION REPORT**

CHRONOLOGICAL HISTORY

Page 1

HSB FED 26-3

LOC.
FIELD
RIO BLANCO COUNTY, COLO
WI: 100%
PBSD: PERFS:
CSG:
SPUD DATE:

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

DRILLING REPORT:

Horseshoe Bend, Uintah, UT Rig: Union 7 WI: 100% AFE: ATD: 3900' SD:
Target: TuA @ 3190' DHC: xxx / CWC: xxx / DC : 9 / CC : 481 7" @ 2816'

6/29/01 PBSD: 2500' MW: 8.5# Air 475' / 16 ½ hrs. MI & RU. Change out wellhead to shorter body. NU BOP's.

7/2/01 PBSD: 1880' MW: 9.2# 0' / 0 hrs. C&C to clean hole. POH, PU 2 7/8" tubing stinger and TIH to 2890'. Set 17.5 ppg cement sidetrack plug. POH to 1880' and circulate out cement. Finish POH and LD stinger. MU BHA and TIH while WOC.

7/3/01 PBSD: 2830' MW: 8.7# 0' / 0 hrs. WOC. TIH & tag TOC at 2281'. Drilled cement to 2830'. C&C & POH to PU directional tools.

7/5/01 TD: 3,029 MW: 9.0 177' / 15 hrs. Time drill off cement plug to 2,862. Trip for washout (LD 2 DC's). TIH. Time drill off cement plug to 2,886'. Drilling to present depth.

7/6/01 TD: 3,238 MW: 9.0 209' / 8 hrs. Drilling to 3,110'. POOH, LD motor. Inspect BHA. TIH w/ new bit. Drilling to present depth.

7/9/01 TD: 3,865 MW: 8.7 Run & cement 4 ½" production casing. ND BOP's, set casing slips, NU & test tubing head. Clean mud tanks. Rig released.

AFE# 053851

AFE DESCRIPTION: PREP TO LOG CBL/CCL/GR

7/24/01 PREP TO PERF
MIRU. RIH & TAG PBSD @ 3792'. RUN CBL-CCL-GR FROM PBSD TO SURF. TOC @ 1250'. RIH W/TBG TO 3785'. PRESS TST 4 ½" X 8 5/8" ANNULUS TO 500#. LEAKED OFF 100#/MIN.

7/25/01 FLOW WELL; FRAC IN AFTERNOON
SWABBED 40 BBLs FLU. POOH W/TBG. PERF FROM 3742'-3762' W/2 SPF (40 HOLES) USING PROSPECTOR 23 GM CHARGES. RIH W/TBG TO 3723' AND ACIDIZE W/10 BBLs 15% HCL. ISIP: 390#, ATR: 4.1 BPM, ATP: 1900#. BLED BACK 4 BBLs. RU SWAB & MAKE 4 RUNS; REC 21 BBLs. FLU GAS CUT. WELL BEGAN FLOWING ON 16/64" CHK W/18#. FLWD FOR 2 HRS. SIFN.

7/26/01 PUT TO SALES THIS AM
SWAB TEST: 30# ON 16/64" CHK. POOH W/TBG. FRAC W/10,020# 20/40 SD & 144 BBL FF113ST. ATR: 13.2 BPM, MTR: 15.4 BPM, ATP: 550#, MTP: 984#, ISIP: 572#, NET PRESS INC: 182#. OPEN WELL UP CSG @ 300# ON 16/64" CHK. SI WELL & RUN TBG. SWAB WELL IN. TURN WELL OVER TO DELSCO FLOW TESTERS. WELL MAKING 500 MCFPD W/160# FTP THIS AM, 5 BWPH.

7/27/01 SELLING GAS
7 AM, 7/26/01: FLOW TEST WELL ON 24/64" CHK, TP: 150#, CP: 340#, MADE 2 BBLs H2O, TRACE OIL. 8 AM: TP: 170#, CP: 340#, MADE 2 ¼ BBLs H2O, TRACE OF OIL. 9 AM: TP: 160#, CP: 320#, MADE 1 ¼ BBLs H2O, TRACE OF OIL. 10 AM: TP: 120#, CP: 320#, MADE 1 ¼ BBLs H2O, TRACE OF OIL. 11 AM: TP: 120#, CP: 320#, MADE 1 ¼ BBLs H2O, TRACE OF OIL. NOON: TP: 100#, CP: 315#, MADE 1 ¼ BBLs H2O, TRACE OF OIL. 1 PM: TP: 100#, CP: 315#, MADE 2 ¼ BBLs H2O, TRACE OF OIL. 1:30 PM: PURGE SALES LINE, PRESS TEST SALES LINE TO 200#. TURN WELL OVER TO PROD ON 16/64" CHK @ 250 MCF DAILY RATE. TP: 150#, CP: 360#, LLTR: 21 BBLs. 6 AM, 7/27/01: 88 MCF, TP: 200#, CP: 425#, 8 BW, 16/64" CHK.

7/30/01 SET CBP & PERF UINTA "C"
7/28/01 PROG: 77 MCF, 0 BC, 8 BW, TP: 200#, CP: 425#, 14/64" CHK, 18 HRS, LP: 176#.
7/29/01 PROG: 125 MCF, 0 BC, 0 BW, TP: 120#, CP: 380#, 18/64" CHK, 24 HRS, LP: 39#.
7/30/01 PROG: 71 MCF, 0 BC, 6 BW, TP: 40#, CP: 600#, 18/64" CHK, 24 HRS, LP: 30#.
LLTR: 7 BW.

7/31/01 PREP TO FINISH PERFORATING
FTP: 20#, SICP: 600#. BLOW WELL DN. PRESS UP TO 2800# TO PUMP BLACK OIL OUT OF TBG. POOH W/TBG. SET CBP @ 3720'. RIH W/PERF GUN. UNABLE TO GET PAST 2375'. RIH W/2 3/8" TBG TO 3660'. CIRC HOLE CLEAN W/HEATED WTR (180 DEG F). POOH. RIH & PERF UINTA 3685'-3689', 2 SPF, 8 HOLES. POOH. RIH W/4' GUN TO 485'. UNABLE TO GO DEEPER.

8/1/01 PREP TO FRAC
RIH W/TBG TO 3660'. PUMP 50 BBLS 2% KCL WTR HEATED TO 210 DEG F & 3 BBLS XYLENE. FLUSH W/50 BBLS 2% KCL HEATED TO 210 DEG F. RIH & PERF UINTA "C" FROM 3642'-3648', 2 SPF, 12 HOLES & 3622'-3628', 2 SPF, 12 HOLES. 0 PRESS. RIH & SET PKR @ 3600'. BRK DN PERFS W/400 GALS 15% HCL W/3400# @ 3.5 BPM. ISIP: 800#, 15 MIN: 517#, FG: 0.65. MADE 4 SWAB TRIPS. IFL: SURF, FFL: 3200'. REC 14.5 BBLS. LIGHT GAS BLOW. RLS PKR & POOH.

8/2/01 TURN TO SALES.
BRK DN UINTA "C" 3622'-3648' (24 HOLES) @ 3.5 BPM @ 3400#. ISIP: 800#. FG: 0.65. PUMPED 186 BBLS YF113ST W/ 15,060 # 20/40 SD. ISIP: 1445#, MTP: 2234#, MTR: 31 BPM, ATP: 1767#, ATR: 30 BPM, FG: 0.83, NPI: 645#. THE PROPPANT WAS TAGGED W/ IRIIDIUM. TLTR: 186 BBLS. TURN WELL OVER TO FLOW BACK. FLOWED OVERNIGHT AS FOLLOWS: CP: 300-750#, TP: 0-50#, CHK: 16/64", BWPH: 7-4, SD CLEAN, EST RATE: 50 MCFD. TLTR: 186 BBLS, TLR: 231 BBLS, LLTR: 45 BBLS OVER LOAD.

8/3/01 SI
SI WO QUESTAR FLOW LINE. SITP: 100#, SICP: 850#.

8/6/01 ON SALES
8/4/01 FLWD 34 MCF, FTP: 120#, CP: 250#, 64/64" CHK, 24 HRS, LP: 27#.
8/5/01 LOGGED OFF. 0 MCF, FTP: 30#, CP: 420#, 64/64" CHK, 0 HRS, LP: 27#.
8/6/01 LOGGED OFF. 0 MCF, FTP: 30#, CP: 420#, 64/64" CHK, 0 HRS, LP: 27#.

8/7/01 **SWABBING**
IFL: 900', FTP: 0, CP: 1100#. MADE 20 TRIPS, REC 75 BBLS. LIGHT TO MED, BLOW AFTER EACH TRIP. FFL: 2500', FTP: 0, CP: 260#.

8/8/01 SWABBING W/PLUNGER
SITP: 525#, SICP: 640#. BLOW DN IN 3 MIN. RUN GR LOG. CONNECT PLUNGER LIFT EQUIP. MADE 8 SWAB TRIPS. REC 46 BLW. LIGHT GAS BLOW AFTER EACH TRIP. FFL: 1800', FINAL CP: 266#.

8/9/01 SIBUP
SITP: 500#, SICP: 600#. BLOW DN IN 3 MIN. MADE 10 SWAB TRIPS. REC 46 BBLS. RD SWAB RIG. **FINAL REPORT**. IP DATE: 8/2/01 FLWG 100 MCFPD, 4 BWPH, FTP: 50#, CP: 750#, 16/64" CHK.

AFE DESCRIP., AFE #: 53851

8/14/01 SWABBING
SITP 632 SICP 862 BLOWED TBG DOWN IN 5 MINS. FIL 700 FT. MADE 12 SWAB RUNS REC 55 BBLS WATERL LIGHT BLOW 1-2 MINS AFTER EACH SWAB RUN. ETP 0 ECP 220 FFL 2300

8/15/01 SITP 470 SICP 570 TBG BLOW DOWN IN 3 MINS IFL 1400 FT. MADE 2 SWAB RUNS REC 60 BBLS WATER VERY LITE BLOW AFTER EACH RU
ETP 0
ECP 180
FFL 2900
SWITBP RIG DOWN & MOVE DELSCO

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECORD

CONFIDENTIAL

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

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

5. Lease Serial No.
U-38401

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator
El Paso Production Company

8. Lease Name and Well No.
HSB #26-3

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

3a. *Phone No. (include area code)

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9. API Well No.
43-047-33872

4. Location of Well (Report locations clearly and in accordance with Federal requirements)* PERIOD EXPIRED ON 9-9-02
At surface NW/SW 1974' FSL & 847' FWL

10. Field and Pool, or Exploratory
HORSESHOE BEND

At top prod. interval reported below

11. Sec., T., R., M., or Block and Survey or Area Sec. 26, T6S, R21E

At total depth

Compl. Date per attached

12. County or Parish Utah 13. State UT

14. Date Spudded
05/04/01

15. Date T.D. Reached
07/09/01

16. Date Completed
 D & A Ready to Prod.
8-9-01

17. Elevations (DF, RKB, RT, GL)*
4991.5' Ungraded GL

18. Total Depth: MD 3865'
TVD

19. Plug Back T.D.: MD 2830'
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

CM/LD-5-21-01 AI/CN/LD/GR-7-13-01
CBL/GGL/GR-8-2-02

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

23. Casing and Liner Record (Report all strings set in well) *See Attached Dnl Info*

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 12 1/4" | 8 5/8" | 24# | 0 | 550' | 550' | 286 | | | |

24. Tubing Record

| Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Set (MD) |
|--------|----------------|-------------------|------|----------------|-------------------|------|----------------|-----------------|
| 2 3/8" | 3785' | | | | | | | |

25. Producing Intervals

26. Perforation Record

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|-----------|-------|--------|---------------------|------|-----------|--------------|
| A) Uinta | 3742' | 3762' | 3742'-3762' | 4" | 40 | 2SPF |
| B) | | | 3685'-3689' | 4" | 8 | 2 SPF |
| C) | | | 3642'-3648' | 4" | 1 | 2 SPF |
| D) | | | 3622'-3628' | 4" | 12 | 2 SPF |

RECEIVED

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

| Depth Interval | Amount and type of Material |
|----------------|--|
| 3742'-3752' | Frac w/ 10,020# 20/40 sd & 144 Bbls FF113ST |
| 3642'-3648' | Breakdown w/ 400 gals 25% HCL W/ 3400# |
| 3622'-3628' | Pumped 186 Bbls YF113ST w/ 115,050# 20/40 sd |

SEP 17 2001

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 Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| 08/02/01 | 08/08/01 | 24 | → | 0 | 100 | 4 | | | Flowing |
| Choke Size | Tbg. Press. Flwg. | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Well Status | |
| 16/64 | SI 50# | 750# | → | 0 | 100 | 4 | | | Shut-in on 8/8/01 |

28a. Production - Interval B

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

28b. Production - Interval C

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

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

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 |
| Uinta | 1750' | | | | |

CONFIDENTIAL

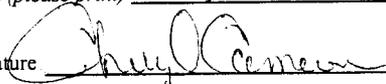
32. Additional remarks (include plugging procedure):

See attached DHD for the Blind Sidetrack Information

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 | 5. Core Analysis | 7. Other: | |

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

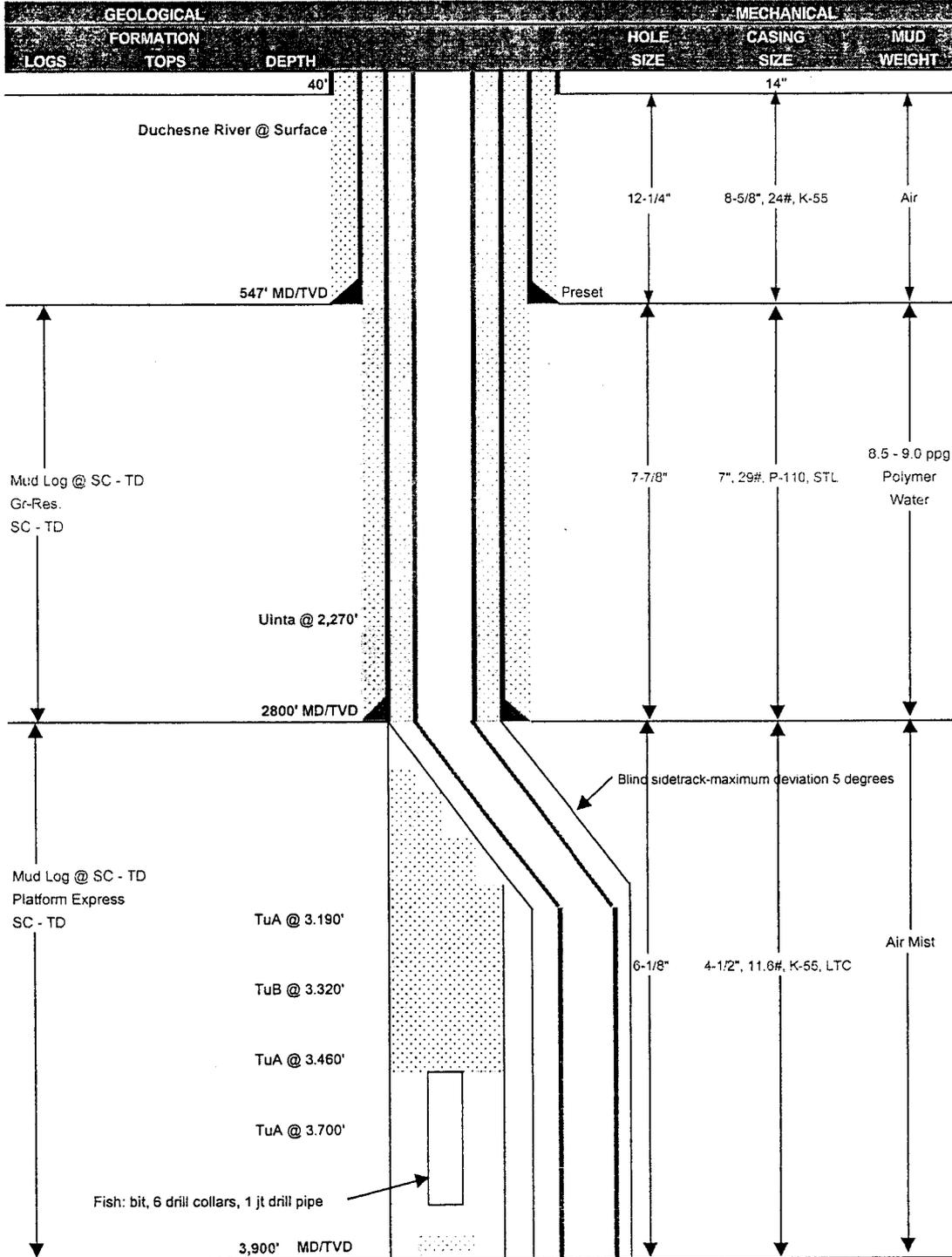
Name (please print) Cheryl Cameron Title Regulatory Analyst
 Signature  Date 8/31/2001

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COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM FOR SUNDRY #2

COMPANY NAME Coastal Oil & Gas Corporation DATE June 25, 2001
 WELL NAME Federal #26-3 TD 3,900' MD/TVD
 FIELD Horseshoe Bend COUNTY Uintah STATE Utah ELEVATION 4,995' KB
 SURFACE LOCATION 1980' FSL & 660' FWL of Section 26, T6S-R21E BHL Straight Hole
 OBJECTIVE ZONE(S) Uinta and Lower Green River
 ADDITIONAL INFO Revised For Sidetrack



COASTAL OIL & GAS CORPORATION
DRILLING PROGRAM FOR SUNDR

CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|--------------|--------------|----------|-------|-------|-------|----------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | 2950 | 1730 | 263000 |
| SURFACE | 8-5/8" (new) | 0-300' | 24# | K-55 | STC | 17.53 | 12.32 | 4.60 |
| | | | | | | 11220 | 8510 | 797000 |
| INTERMEDIATE | 7" | 0-2800' | 29# | P-110 | STL | 7.14 | 6.49 | 4.20 |
| PRODUCTION* | 4-1/2" (new) | 0-TD | 11.6# | K-55 | LTC | 5350 | 4960 | 180000 |
| | | | | | | 3.89 | 2.72 | 1.89 |

- 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)

CEMENT PROGRAM

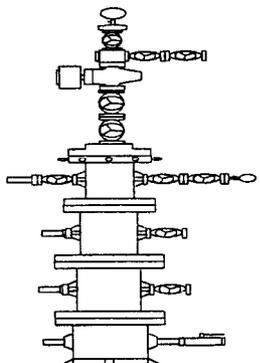
| | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS* | WEIGHT | YIELD |
|--------------|------|-------------|--|---|---------|--------|-------|
| SURFACE | | 300 | Class G + 2% CaCl ₂ + 0.25 lb/sk Cello Flake | 110 | 35% | 15.80 | 1.17 |
| Intermediate | LEAD | 0-2300' | Hifill Mod w/16% gel, 3% salt, 0.25#/sk floccle, 5#/sk gilsonite, 1% retarder, 0.6% Econolite, and 0.2% free water control | 310 | 50% | 11.60 | 3.12 |
| | | 2300-2800 | Premium Plus w/0.25#/sk floccle, 0.2% Versaset, and 3% salt | 105 | 50% | 15.20 | 1.27 |
| PRODUCTION | LEAD | 1900 | Hifill + 12% D20 + 3% D44 + 1% D79 + 0.75% D112 + 0.2% D46 + 0.25 lb/sk D29 | 210 | 100% | 11.00 | 3.81 |
| | | TAIL | 2,000' | 50/50 POZ + 2% D20 + 2% D174 + 0.25% D65 + 0.2% D46 | 640 | 75% | 14.3 |

* 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 | Float 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 |

COASTAL OIL & GAS CORPORATION
DRILLING PROGRAM FOR SUNDR

BIT PROGRAM

| ROCK BIT & PDC BIT PROGRAM | | | | | | |
|----------------------------|----------|-----------------|-----|--------|----------|-----------|
| INTERVAL | HOLE | BIT MFG & MODEL | GPM | SERIAL | NZLS | COMMENTS |
| Surface Hole | 11" | Various | | | | |
| Surf Csg - Int. | 7-7/8" | Various Inserts | 400 | New | 18-16-16 | Mud Motor |
| Intermediate - TD | 6 - 1/8" | Various Inserts | 314 | New | | |
| | | | | | | |
| | | | | | | |

GEOLOGICAL DATA

LOGGING:

| Depth | Log Type |
|---------|------------------|
| SC - TD | Platform Express |

MUD LOGGER: _____ Surface Casing - TD only if required by Geology
 SAMPLES: _____ As per Geology
 CORING: _____ NA
 DST: _____ NA

MUD PROGRAM

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

Circulate hole until clean @ TD. Spot brine pill at TD for casing.
 Monitor corrosion with coupons.

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 500'. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER: _____ DATE: _____
 Ahmed Ismail
 PROJECT MANAGER: _____ DATE: _____
 Darrell Molnar
 PROJECT SUPERINTENDENT: _____ DATE: _____
 Larry Strasheim

EL PASO
PRODUCTION REPORT

CHRONOLOGICAL HISTORY

CONFIDENTIAL

Page 1

HSB FED 26-3

LOC.
FIELD
RIO BLANCO COUNTY, COLO
WI: 100%
PBD: PERFS:
CSG:
SPUD DATE:

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

DRILLING REPORT:

Horseshoe Bend, Uintah, UT Rig: Union 7 WI: 100% AFE: ATD: 3900' SD:
Target: TuA @ 3190' DHC: xxx / CWC: xxx / DC: 9 / CC: 481 7" @ 2816'

6/29/01 PBD: 2500' MW: 8.5# Air 475' / 16 1/2 hrs. MI & RU. Change out wellhead to shorter body. NU BOP's.

7/2/01 PBD: 1880' MW: 9.2# 0' / 0 hrs. C&C to clean hole. POH, PU 2 7/8" tubing stinger and TIH to 2890'. Set 17.5 ppg cement sidetrack plug. POH to 1880' and circulate out cement. Finish POH and LD stinger. MU BHA and TIH while WOC.

7/3/01 PBD: 2830' MW: 8.7# 0' / 0 hrs. WOC. TIH & tag TOC at 2281'. Drilled cement to 2830'. C&C & POH to PU directional tools.

7/5/01 TD: 3,029 MW: 9.0 177' / 15 hrs. Time drill off cement plug to 2,862. Trip for washout (LD 2 DC's). TIH. Time drill off cement plug to 2,886'. Drilling to present depth.

7/6/01 TD: 3,238 MW: 9.0 209' / 8 hrs. Drilling to 3,110'. POOH, LD motor. Inspect BHA. TIH w/ new bit. Drilling to present depth.

7/9/01 TD: 3,865 MW: 8.7 Run & cement 4 1/2" production casing. ND BOP's, set casing slips, NU & test tubing head. Clean mud tanks. Rig released.

AFE# 053851

AFE DESCRIPTION: PREP TO LOG CBL/CCL/GR

7/24/01 PREP TO PERF
MIRU. RIH & TAG PBD @ 3792'. RUN CBL-CCL-GR FROM PBD TO SURF. TOC @ 1250'. RIH W/TBG TO 3785'. PRESS TST 4 1/2" X 8 5/8" ANNULUS TO 500#. LEAKED OFF 100#/MIN.

7/25/01 **FLOW WELL; FRAC IN AFTERNOON**
SWABBED 40 BBLs FLU. POOH W/TBG. PERF FROM 3742'-3762' W/2 SPF (40 HOLES) USING PROSPECTOR 23 GM CHARGES. RIH W/TBG TO 3723' AND ACIDIZE W/10 BBLs 15% HCL. ISIP: 390#, ATR: 4.1 BPM, ATP: 1900#. BLEED BACK 4 BBLs. RU SWAB & MAKE 4 RUNS; REC 21 BBLs. FLU GAS CUT. WELL BEGAN FLOWING ON 16/64" CHK W/18#. FLWD FOR 2 HRS. SIFN.

7/26/01 **PUT TO SALES THIS AM**
SWAB TEST: 30# ON 16/64" CHK. POOH W/TBG. FRAC W/10,020# 20/40 SD & 144 BBL FF113ST. ATR: 13.2 BPM, MTR: 15.4 BPM, ATP: 550#, MTP: 984#, ISIP: 572#, NET PRESS INC: 182#. OPEN WELL UP CSG @ 300# ON 16/64" CHK. SI WELL & RUN TBG. SWAB WELL IN. TURN WELL OVER TO DELSCO FLOW TESTERS. WELL MAKING 500 MCFPD W/160# FTP THIS AM, 5 BWP.

7/27/01 **SELLING GAS**
7 AM, 7/26/01: FLOW TEST WELL ON 24/64" CHK, TP: 150#, CP: 340#, MADE 2 BBLs H2O, TRACE OIL. 8 AM: TP: 170#, CP: 340#, MADE 2 1/4 BBLs H2O, TRACE OF OIL.
9 AM: TP: 160#, CP: 320#, MADE 1 1/4 BBLs H2O, TRACE OF OIL. 10 AM: TP: 120#, CP: 320#, MADE 1 1/4 BBLs H2O, TRACE OF OIL. 11 AM: TP: 120#, CP: 320#, MADE 1 1/4 BBLs H2O, TRACE OF OIL. NOON: TP: 100#, CP: 315#, MADE 1 1/4 BBLs H2O, TRACE OF OIL. 1 PM: TP: 100#, CP: 315#, MADE 2 1/4 BBLs H2O, TRACE OF OIL.
1:30 PM: PURGE SALES LINE, PRESS TEST SALES LINE TO 200#. TURN WELL OVER TO PROD ON 16/64" CHK @ 250 MCF DAILY RATE. TP: 150#, CP: 360#, LLTR: 21 BBLs.
6 AM, 7/27/01: 88 MCF, TP: 200#, CP: 425#, 8 BW, 16/64" CHK.

CONFIDENTIAL

7/30/01 SET CBP & PERF UINTA "C"
7/28/01 PROG: 77 MCF, 0 BC, 8 BW, TP: 200#, CP: 425#, 14 1/4" CHK, 24 HRS, LP: 15#
7/29/01 PROG: 125 MCF, 0 BC, 0 BW, TP: 120#, CP: 380#, 18/64" CHK, 24 HRS, LP: 39#
7/30/01 PROG: 71 MCF, 0 BC, 6 BW, TP: 40#, CP: 600#, 18/64" CHK, 24 HRS, LP: 30#
LLTR: 7 BW.

7/31/01 PREP TO FINISH PERFORATING
FTP: 20#, SICP: 600#. BLOW WELL DN. PRESS UP TO 2800# TO PUMP BLACK OIL OUT OF TBG. POOH W/TBG. SET CBP @ 3720'. RIH W/PERF GUN. UNABLE TO GET PAST 2375'. RIH W/2 3/8" TBG TO 3660'. CIRC HOLE CLEAN W/HEATED WTR (180 DEG F). POOH. RIH & PERF UINTA 3685'-3689', 2 SPF, 8 HOLES. POOH. RIH W/4' GUN TO 485'. UNABLE TO GO DEEPER.

8/1/01 PREP TO FRAC
RIH W/TBG TO 3660'. PUMP 50 BBLS 2% KCL WTR HEATED TO 210 DEG F & 3 BBLS XYLENE. FLUSH W/50 BBLS 2% KCL HEATED TO 210 DEG F. RIH & PERF UINTA "C" FROM 3642'-3648', 2 SPF, 12 HOLES & 3622'-3628', 2 SPF, 12 HOLES. 0 PRESS. RIH & SET PKR @ 3600'. BRK DN PERFS W/400 GALS 15% HCL W/3400# @ 3.5 BPM. ISIP: 800#, 15 MIN: 517#, FG: 0.65. MADE 4 SWAB TRIPS. IFL: SURF, FFL: 3200'. REC 14.5 BBLS. LIGHT GAS BLOW. RLS PKR & POOH.

8/2/01 TURN TO SALES.
BRK DN UINTA "C" 3622'-3648' (24 HOLES) @ 3.5 BPM @ 3400#. ISIP: 800#. FG: 0.65. PUMPED 186 BBLS YF113ST W/ 15.060 # 20/40 SD. ISIP: 1445#, MTP: 2234#, MTR: 31 BPM, ATP: 1767#, ATR: 30 BPM, FG: 0.83, NPI: 645#. THE PROPPANT WAS TAGGED W/ IRIIDIUM. TLTR: 186 BBLS. TURN WELL OVER TO FLOW BACK. FLOWED OVERNIGHT AS FOLLOWS: CP: 300-750#, TP: 0-50#, CHK: 16/64", BWPH: 7-4, SD CLEAN, EST RATE: 50 MCFD. TLTR: 186 BBLS, TLR: 231 BBLS, LLTR: 45 BBLS OVER LOAD.

8/3/01 SI
SI WO QUESTAR FLOW LINE. SITP: 100#, SICP: 850#.

8/6/01 ON SALES
8/4/01 FLWD 34 MCF, FTP: 120#, CP: 250#, 64/64" CHK, 24 HRS, LP: 27#
8/5/01 LOGGED OFF. 0 MCF, FTP: 30#, CP: 420#, 64/64" CHK, 0 HRS, LP: 27#
8/6/01 LOGGED OFF. 0 MCF, FTP: 30#, CP: 420#, 64/64" CHK, 0 HRS, LP: 27#.

8/7/01 SWABBING
IFL: 900', FTP: 0, CP: 1100#. MADE 20 TRIPS, REC 75 BBLS. LIGHT TO MED, BLOW AFTER EACH TRIP. FFL: 2500', FTP: 0, CP: 260#.

8/8/01 SWABBING W/PLUNGER
SITP: 525#, SICP: 640#. BLOW DN IN 3 MIN. RUN GR LOG. CONNECT PLUNGER LIFT EQUIP. MADE 8 SWAB TRIPS. REC 46 BLW. LIGHT GAS BLOW AFTER EACH TRIP. FFL: 1800', FINAL CP: 266#.

8/9/01 SIBUP
SITP: 500#, SICP: 600#. BLOW DN IN 3 MIN. MADE 10 SWAB TRIPS. REC 46 BBLS. RD SWAB RIG. **FINAL REPORT**. IP DATE: 8/2/01 FLWG 100 MCFPD, 4 BWPH, FTP: 50#, CP: 750#, 16/64" CHK.

AFE DESCRIP., AFE #: 53851

8/14/01 SWABBING
SITP 632 SICP 862 BLOWED TBG DOWN IN 5 MINS. FIL 700 FT. MADE 12 SWAB RUNS REC 55 BBLS WATERL LIGHT BLOW 1-2 MINS AFTER EACH SWAB RUN. ETP 0 ECP 220 FFL 2300

8/15/01 SITP 470 SICP 570 TBG BLOW DOWN IN 3 MINS IFL 1400 FT. MADE 2 SWAB RUNS REC 60 BBLS WATER VERY LITE BLOW AFTER EACH RU ETP 0 ECP 180 FFL 2900 SWITBP RIG DOWN & MOVE DELSCO

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:



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.

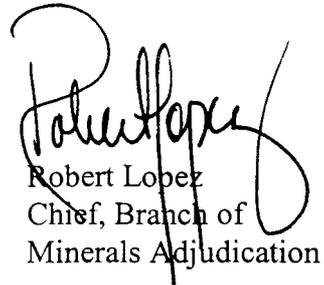
For our purposes, the name change is recognized effective December 31, 2001.

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)

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



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, D.C. 20240

FEB 10 2003

IN REPLY REFER TO:
Real Estate Services

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

Dear Mr. Wilson:

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

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

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

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

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure

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

FORM 9

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

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|--|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

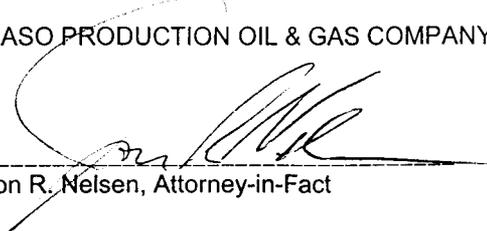
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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

BOND # _____

State Surety Bond No. RLB0005236
Fee Bond No. RLB0005238

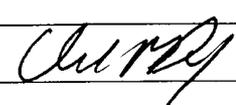
EL PASO PRODUCTION OIL & GAS COMPANY

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

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

| | |
|---|----------------------------------|
| WESTPORT OIL AND GAS COMPANY, L.P. | |
| NAME (PLEASE PRINT) 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

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"

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

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

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

SUCCESSOR OF OPERATOR

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

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

RECEIVED
MAR 04 2003

DIV. OF OIL, GAS & MINING

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

| | |
|---|------------------------------|
| Name (Printed/Typed) CHERYL CAMERON | Title OPERATIONS |
| Signature <i>Cheryl Cameron</i> | Date March 4, 2003 |

THIS SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Date _____

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

Office _____

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

(Instructions on reverse)

OPERATOR CHANGE WORKSHEET

ROUTING

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

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

| | |
|--|-------------------------------|
| The operator of the well(s) listed below has changed, effective: 12-17-02 | |
| 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 |
| UTE TRIBAL 26-32 | 26-04S-02E | 43-047-34665 | 13574 | INDIAN | GW | DRL |
| UTE TRIBAL 31-22 | 31-04S-02E | 43-047-34437 | 99999 | INDIAN | GW | APD |
| UTE TRIBAL 31-31 | 31-04S-02E | 43-047-34527 | 13490 | INDIAN | GW | DRL |
| LELAND BENCH 35-22 | 35-04S-02E | 43-047-34158 | 13377 | FEE | GW | P |
| E GUSHER 2-1A | 03-06S-20E | 43-047-31431 | 11333 | FEDERAL | OW | P |
| EAST GUSHER UNIT 3 | 10-06S-20E | 43-047-15590 | 10341 | FEDERAL | OW | P |
| FEDERAL 11-1-M | 11-06S-20E | 43-047-32333 | 11443 | FEDERAL | OW | S |
| E GUSHER 15-1-A | 15-06S-20E | 43-047-31900 | 11122 | FEDERAL | OW | P |
| GOSE FED 3-18 | 18-06S-21E | 43-047-33691 | 13244 | FEDERAL | OW | P |
| FEDERAL 21-I-P (86C701) | 21-06S-21E | 43-047-31647 | 1316 | FEDERAL | GW | P |
| HORSESHOE BEND FED 26-2 | 26-06S-21E | 43-047-33871 | 13127 | FEDERAL | GW | S |
| HORSESHOE BEND FED 26-3 | 26-06S-21E | 43-047-33872 | 13128 | FEDERAL | GW | S |
| STIRRUP FEDERAL 29-2 | 29-06S-21E | 43-047-31508 | 11055 | FEDERAL | OW | S |
| L. C. K. 30-1-H (86C689) | 30-06S-21E | 43-047-31588 | 10202 | FEE | OW | P |
| COTTON CLUB 1 | 31-06S-21E | 43-047-31643 | 10380 | FEDERAL | OW | P |
| ANNA BELLE 31-2-J | 31-06S-21E | 43-047-31698 | 10510 | FEE | OW | P |
| STIRRUP 32-1-J | 32-06S-21E | 43-047-31646 | 9614 | STATE | OW | S |
| FEDERAL 33-1-I | 33-06S-21E | 43-047-31468 | 9615 | FEDERAL | OW | P |
| FEDERAL 33-2-B | 33-06S-21E | 43-047-31621 | 9616 | FEDERAL | OW | PA |
| FEDERAL 34-2-K | 34-06S-21E | 43-047-31467 | 10550 | FEDERAL | OW | P |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

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

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

8. **Federal and Indian Units:**

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

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

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

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

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 03/25/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/25/2003

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:

OPERATOR CHANGE WORKSHEET

ROUTING

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

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

| | |
|--|-------------------------------|
| The operator of the well(s) listed below has changed, effective: 12-17-02 | |
| 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 |
|-------------------------|----------------|--------------|--------------|---------------|--------------|----------------|
| OURAY 6-66 (CR-144) | 06-09S-21E | 43-047-33284 | 12544 | INDIAN | GW | P |
| OURAY 6-71 (CR-144) | 06-09S-21E | 43-047-33285 | 12552 | INDIAN | GW | P |
| OURAY 6-73 | 06-09S-21E | 43-047-33286 | 12681 | INDIAN | GW | P |
| OURAY 6-82 (CR-144) | 06-09S-21E | 43-047-33309 | 12559 | INDIAN | GW | P |
| OURAY 6-84 | 06-09S-21E | 43-047-34026 | 99999 | INDIAN | GW | APD |
| OURAY 6-166 | 06-09S-21E | 43-047-33999 | 99999 | INDIAN | GW | APD |
| OURAY 6-225 | 06-09S-21E | 43-047-34741 | 99999 | INDIAN | GW | APD |
| OURAY 6-194 | 06-09S-21E | 43-047-34049 | 99999 | INDIAN | GW | APD |
| PINNACOOSE 6 3 | 06-09S-21E | 43-047-30428 | 55 | INDIAN | GW | P |
| NBU 11 | 14-09S-21E | 43-047-30118 | 9240 | FEDERAL | GW | PA |
| CIGE 215X | 15-09S-21E | 43-047-33690 | 12996 | FEDERAL | GW | P |
| UTE TRAIL U 13 | 15-09S-21E | 43-047-15385 | 99998 | FEDERAL | GW | PA |
| COG 6-18-9-21 GR | 18-09S-21E | 43-047-32513 | 11655 | FEDERAL | GW | P |
| COG 8-19-9-21 GR | 19-09S-21E | 43-047-32469 | 11652 | FEDERAL | GW | P |
| NBU CIGE 6-19-9-21 | 19-09S-21E | 43-047-30356 | 11618 | FEDERAL | GW | P |
| HORSESHOE BEND FED 26-3 | 26-09S-21E | 43-047-33872 | 13128 | FEDERAL | GW | S |
| COG NBU 10-30-9-21 GR | 30-09S-21E | 43-047-32470 | 11633 | FEDERAL | GW | P |
| UTE TRAIL U ST 10 | 34-09S-21E | 43-047-15382 | 99998 | FEDERAL | GW | PA |
| MORGAN STATE 1-36 | 36-09S-21E | 43-047-30600 | 5445 | STATE | GW | P |
| MORGAN STATE 2-36 | 36-09S-21E | 43-047-32585 | 11927 | STATE | GW | P |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- 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: 03/27/2003

2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/27/2003

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:

| API # | WELL NAME | S-T-R | LEASE NUMBERS |
|---------|-----------|-------|---------------|
| 43-047- | | | |

Proposed 2004 P&A's - 13 Wells

| | | | |
|-------|--------------------------|---------------|------------|
| 31900 | EAST GUSHER 15-1A | 15-6-20 NENE | UTU-58007 |
| 30423 | JACK RABBIT 1-11 | 11-10-23 SWNE | UTU-38425 |
| 32540 | SOUTHMAN CANYON 09-03M | 9-10-23 SWSW | UTU-37355 |
| 32543 | SOUTHMAN CANYON 31-01-L | 31-9-23 NWSW | UTU-33433 |
| 31100 | NBU 070N3 | 3-10-22 SWNW | UTU-01191 |
| 30221 | NBU 018 | 10-10-22 SWNE | UTU-025187 |
| 20280 | WALKER HOLLOW U MCLISH 1 | 8-7-23 SWSW. | UTU-02651 |
| 30011 | WALKER HOLLOW U MCLISH 2 | 8-7-23 SWSE | UTU-02651 |
| 30030 | WALKER HOLLOW U MCLISH 4 | 8-7-23 NESW | UTU-02651 |
| 31034 | WALKER HOLLOW UNIT 6 | 8-7-23 SESE | UTU-02651 |
| 30027 | WALKER HOLLOW U MCLISH 3 | 8-7-23 NESE | UTU-02651 |
| 31092 | WALKER HOLLOW UNIT J-8 | 8-7-23 NWSE | UTU-02651 |
| 31975 | NBU 153 | 11-10-22 SWNW | U-01197A |

Proposed 2005 P&A's - 15 Wells

| | | | |
|-------|-------------------------|--------------|----------------|
| 31833 | BASER DRAW 5-1 | 5-7-22 NWNW | UTU-075939 |
| 31834 | BASER DRAW 6-1 | 6-7-22 NWNW | UTU-075939 |
| 31859 | BASER DRAW FEDERAL 6-2 | 6-7-22 SWNE | UTU-075939 |
| 31304 | COORS FEDERAL 14-1D | 14-7-21 NWNW | UTU-65223 |
| 32009 | COORS FEDERAL 2-10HB | 10-7-21 NWNW | UTU-6522 |
| 30753 | DM ICE FRIDAY 34-22 | 34-8-20 NESE | 14-20-H62-2997 |
| 32333 | FEDERAL 11-1-M | 11-6-20 SWSW | UTU-64376 |
| 33831 | HORSESHOE BEND FED 03-1 | 3-7-21 NWSE | UTU-0142175 |
| 33832 | HORSESHOE BEND FED 04-1 | 4-7-21 NWSE | UTU-66401 |
| 33872 | HORSESHOE BEND FED 26-3 | 26-6-21 NWSW | UTU-38401 |
| 33667 | KENNEDY WASH FED 14-1 | 14-8-23 NWSW | UTU-71424 |
| 30623 | SAND RIDGE FED 23-17 | 17-8-23 NESW | UTU-0143276 |
| 31508 | STIRRUP FEDERAL 29-2 | 29-6-21 NWSE | UTU-46699 |
| 31634 | STIRRUP FEDERAL 29-3 | 29-6-21 SESE | UTU-78854 |
| 30815 | WEST WALKER FED. 1-33 | 33-6-22 NWSW | UTU-38411 |

Proposed 2006 P&A's - 15 Wells

| | | | |
|-------|---------------------------|---------------|------------|
| 30524 | BITTER CREEK 01-03 | 3-11-22 SWNE | UTU-29797 |
| 30379 | CANYON VIEW FEDERAL 1-18 | 18-10-23 SENW | UTU-38421 |
| 30369 | CROOKED CYN FED 1-17 | 17-10-23 NENW | UTU-37355 |
| 31778 | E BENCH UNIT #1 | 33-11-22 NWSE | UT-121P |
| 30365 | FLAT MESA FED. 1-7 | 7-10-23 NWSE | UTU-38420 |
| 30544 | LOOKOUT POINT STATE 1-16 | 16-10-23 NESE | ML-221886A |
| 30766 | LOVE UNIT B2-3 | 3-11-21 SWSW | UTU-8347 |
| 30560 | NSO FEDERAL 1-12 | 12-10-23 NENW | UTU-38423 |
| 30558 | PETE'S FLAT 1-1 | 1-10-23 NESE | UTU-40736 |
| 30382 | SAGE HEN FEDERAL 1-6 | 6-10-23 NESE | UTU-38419 |
| 30383 | SAGEBRUSH FEDERAL 1-8 | 8-10-23 SWNE | UTU-37355 |
| 30856 | SOUTHMAN CANYON 01-05 FED | 5-10-23 SENW | UTU-33433 |
| 30632 | SOUTHMAN CANYON 4-4 | 4-10-23 NWSE | UTU-33433 |
| 30481 | WHITE RIVER 1-14 | 14-10-23 NENW | UTU-38427 |
| 31775 | WILLOW CREEK UNIT #1 | 27-11-20 SENE | UT-128P |

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.
SEE ATTACHED

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

8. Well Name and No.
SEE ATTACHED

9. API Well No.
SEE ATTACHED

10. Field and Pool, or Exploratory Area
VARIOUS

11. County or Parish, State
UINTAH, UTAH

1. Type of Well
 Oil Well Gas Well Other

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

3a. Address 3b. Phone No. (include area code)
1368 SOUTH 1200 EAST VERNAL, UT 84078 (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 checked="" 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 type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug and Abandon | <input checked="" 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 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 site is ready for final inspection.

THE OPERATOR REQUESTS AUTHORIZATION TO PLACE THE SUBJECT WELL LOCATIONS ON TEMPORARILY ABANDONMENT STATUS, UNTIL SUCH TIME THE WELL LOCATIONS CAN BE PLUGGED AND ABANDON.

PLEASE REFER TO THE ATTACHED LIST OF PROPOSED PLUG AND ABANDONMENTS FOR THE NEXT 5 YEARS.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 8/20/2004
BY: [Signature]
* See Conditions of Approval (Attached)
Federal Approval of This
Action Is Necessary

COPY SENT TO OPERATOR
Date: 8-24-04
Initials: [Signature]

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
Sheila Upchegg
Signature [Signature]

Title
Regulatory Analyst
Date
May 25, 2004

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.

JUN 03 2004

Proposed 2007 P&A's - 15 Wells

| | | | |
|-------|-----------------------|---------------|----------------|
| 30494 | CIGE 035 | 1-10-20 NESW | UTU-02270A |
| 30542 | CIGE 066 | 23-10-21 SENW | UTU-02278A |
| 30952 | CIGE 073D | 5-10-22 SWSW | UTU-01191A |
| 30953 | CIGE 074D | 6-10-22 NWSE | UTU-01195 |
| 31915 | CIGE 114 | 34-9-21 NESE | U-01194A |
| 34436 | CIGE 282 | 7-10-22 NENE | ML-23609 |
| 30962 | KURIP 01-027 | 1-9-20 NENW | 14-20-H62-3004 |
| 30848 | NBU 043 | 26-10-20 NWSE | UTU-4476 |
| 30534 | NBU 047N2 | 30-10-22 SESW | UTU-0132568A |
| 31250 | NBU 087J | 3-10-22 NESW | UTU-01191A |
| 31923 | NBU 114 | 5-10-21 SWSW | UTU-01393D |
| 31982 | NBU 149 | 5-10-22 NESE | UTU-01191 |
| 31992 | NBU 150 | 9-10-22 SENW | UTU-01196B |
| 32234 | NBU 188 | 10-10-22 SWSW | U-01196C |
| 33692 | WONSITS FEDERAL 01-05 | 5-8-22 LOT 5 | UTU-72633 |

Proposed 2008 P&A's - 11 wells

| | | | |
|-------|------------|---------------|------------|
| 32401 | NBU 213 | 15-10-22 NWNW | UTU-025187 |
| 32480 | NBU 217 | 28-9-21 NESW | U-05678 |
| 32944 | NBU 242 | 5-10-22 SWSE | UTU-01191 |
| 32917 | NBU 253 | 10-9-21 SWNW | U-0141315 |
| 32929 | NBU 262 | 33-9-21 NENE | UTU-0576 |
| 33011 | NBU 278 | 30-9-22 SWSW | U-463 |
| 32976 | NBU 285 | 3-10-22 NWNW | UTU-01191 |
| 32886 | NBU 296 GR | 24-10-20 NWNE | UTU-4485 |
| 33776 | NBU 364 | 29-9-21 SESE | UTU-0581 |
| 30838 | NBU 58N2 | 27-10-22 NENW | U-473 |
| 31327 | NBU 98-V | 34-9-21 SWSW | U-01194-A |

69 total wells

ALL WELLS ROCKY MOUNTAIN GAS- HORSESHOE BEND
ENARDO VARIANCE

| WELL | LEGALS | STF LEASE NO | CA NUMBER | API NO |
|--------------------------|-------------------------------|--------------|----------------|------------|
| ANNABELLE 31-2-J | NWSE SEC 31, T6S, R21E | FEE | | 4304731698 |
| BASER DRAW FED 1-31 | NESW SEC 31, T6S, R22E | UTU38411 | UTU38411 | 4304730831 |
| BASER DRAW FEDERAL 2A-31 | SENE SEC 31, T6S, R22E | UTU31260 | CR-179 | 4304730880 |
| BASER DRAW FEDERAL 6-2 | SWNE SEC 6, T7S, R22E | UTU075939 | UTU075939 | 4304731859 |
| COORS FEDERAL 14-1D | NWNW SEC 14, T7S, R21E | UTU65223 | UTU65223 | 4304731304 |
| COORS FEDERAL 2-10HB | NWNW SEC 10, T7S, R21E | UTU65222 | UTU65222 | 4304732009 |
| COTTON CLUB #1 | LOT 11 SEC 31, T6S, R21E | U31736 | UTU31736 | 4304731643 |
| FEDERAL 04-1D | NWNW SEC 4, T7S, R21E | UTU42469 | UTU68634 | 4304731693 |
| FEDERAL 04-2F | SENE SEC 4, T7S, R21E | UTU28213 | UTU28213 | 4304731853 |
| FEDERAL 05-5H | SENE SEC 5, T7S, R21E | UTU66401 | UTU68999 | 4304731903 |
| FEDERAL 21-I-P | SESE SEC 21, T6S, R21E | UTU30289 | UT080P4986C701 | 4304731647 |
| FEDERAL 33-1-I | NESE SEC 33, T6S, R21E | UTU28212 | UTU28212 | 4304731468 |
| FEDERAL 33-4-D | NWNW SEC 33, T6S, R21E | UTU78852 | UTU76783X | 4304731623 |
| FEDERAL 34-2-K | NESW SEC 34, T6S, R21E | UTU53861 | UTU53861 | 4304731467 |
| FEDERAL MILLER #1 | NWSW SEC 4, T7S, R22E | UTU0136484 | UTU0136484 | 4304730034 |
| GOSE FEDERAL 3-18 | LOT 4 SEC 18, T6S, R21E | UTU79005 | UTU79005 | 4304733691 |
| HORSESHOE BEND #2 | LOT 2 SEC 3, T7S, R21E | UTU0142175 | UTU0142175 | 4304715800 |
| HORSESHOE BEND 36-1P | SESE SEC 36, T6S, R21E | ML33225 | | 4304731482 |
| HORSESHOE BEND FED 04-1 | NWSE SEC 4, T7S, R21E | UTU66401 | UTU66401 | 4304733832 |
| HORSESHOE BEND FED 11-1 | NWNE SEC 11, T7S, R21E | UTU65222 | UTU65222 | 4304733833 |
| HORSESHOE BEND FED 26-2 | SESE SEC 26, T6S, R21E | UTU38401 | UTU38401 | 4304733871 |
| HORSESHOE BEND FED 26-3 | NWSW SEC 26, T6S, R21E | UTU38401 | UTU38401 | 4304733872 |
| L.C.K 30-1-H | SENE SEC 30, T6S, R21E | | UT080P4986C689 | 4304731588 |
| STIRRUP FEDERAL 29-2 | NWSE SEC 29, T6S, R21E | UTU46699 | UTU46699 | 4304731508 |
| STIRRUP FEDERAL 29-3 | SESE SEC 29, T6S, R21E | UTU78854 | UTU76783X | 4304731634 |
| W WALKER FED 1C-33 | NWSW SEC 33, T6S, R22E | UTU38411 | CR-106 | 4304730815 |

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.

5. Lease Serial No.

MULTIPLE WELLS- SEE ATTACHED

6. If Indian, Allottee or Tribe Name

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

MULTIPLE WELLS- SEE ATTACHED

8. Well Name and No.

MULTIPLE WELLS- SEE ATTACHED

9. API Well No.

MULTIPLE WELLS- SEE ATTACHED

10. Field and Pool, or Exploratory Area

HORSESHOE BEND

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
 WESTPORT OIL & GAS COMPANY, L.P.

3a. Address 3b. Phone No. (include area code)
 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078 435-781-7060

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

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

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" 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 <u>VARIANCE</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 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 recompleate 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 recompleation 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.

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part III C. a. requiring each sales tank be equipped with a pressure- vacuum thief hatch and/or vent line valve. The variance is requested as an economic analysis shows the value of the shrunk condensate will not payout the incremental cost of purchasing and maintaining the valve resulting in a loss of value over the producing life of the well.

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. To 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped. The average well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached. Westport Oil & Gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

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

| | |
|--|----------------------------------|
| Name (Printed/Typed) DEBRA DOMENICI | Title ENVIRONMENTAL ASSISTANT |
| Signature <i>Debra Domenici</i> | Date July 9, 2004 |

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.

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

Date: 7/15/04

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)

COPY SENT TO OPERATOR
Date: 7-16-04
Initials: CTD

RECEIVED

JUL 14 2004

DIV. OF OIL, GAS & MINING

Westport Oil & Gas, L.P.

Project Economics Worksheet

Instructions: Fill in blue boxed areas with before and after project data. The evaluation results are shown below and graphed automatically at the bottom of the page. This sheet is protected to prevent accidental alteration of the formulas. See JTC for changes. OPX entered as annual costs and/or as unit OPX costs for \$/BF and \$/MCF

Project Name: **Condensate Shrinkage Economics**

Is this job a well pull or production rig job ??? **N** (Y or N)

| | BEFORE \$/Year | AFTER \$/Year | DIFFERENCE \$/Year |
|-------------------------|-------------------|------------------|-----------------------|
| Gross Oil Revenue | \$1,088 | \$1,099 | \$11 |
| Gross Gas Revenue | \$0 | \$0 | \$0 |
| NGL Revenue | \$0 | \$0 | \$0 |
| PULLING UNIT SERVICE | | | \$0 |
| WIRELINE SERVICE | | | \$0 |
| SUBSURF EQUIP REPAIRS | | | \$0 |
| COMPANY LABOR | | | \$0 |
| CONTRACT LABOR | \$0 | \$200 | \$200 |
| CONTR SERVICE | | | \$0 |
| LEASE FUEL GAS | \$0 | \$0 | \$0 |
| UTILITIES - ELECTRICITY | \$0 | \$0 | \$0 |
| CHEMICAL TREATING | | | \$0 |
| MATERIAL & SUPPLY | \$0 | \$150 | \$150 |
| WATER & HAULING | | | \$0 |
| ADMINISTRATIVE COSTS | | | \$0 |
| GAS PLANT PROCESSING | | | \$0 |
| Totals | \$0 | \$350 | \$350 |

Increased OPX Per Year

Investment Breakdown:

| | Cap/Exp Code | Cost, \$ |
|------------|-----------------|----------|
| Capital \$ | 820/830/840 | \$1,200 |
| Expense \$ | 830/860 | \$0 |
| Total \$ | | \$1,200 |

| | | |
|---------------|----------|--------------|
| Oil Price | \$ 23.00 | \$/BO |
| Gas Price | \$ 3.10 | \$/MCF |
| Electric Cost | \$ - | \$/ HP / day |
| OPX/BF | \$ 2.00 | \$/BF |
| OPX/MCF | \$ 0.62 | \$/MCF |

Production & OPX Detail:

| | Before | After | Difference |
|-----------------|------------|------------|------------|
| Oil Production | 0.192 BOPD | 0.194 BOPD | 0.002 BOPD |
| Gas Production | 0 MCFPD | 0 MCFPD | 0 MCFPD |
| Wtr Production | 0 BWPD | 0 BWPD | 0 BWPD |
| Horse Power | 0 HP | 0 HP | 0 HP |
| Fuel Gas Burned | 0 MCFPD | 0 MCFPD | 0 MCFPD |

Project Life:

Life = **20.0** Years
(Life no longer than 20 years)

Internal Rate of Return:

After Tax IROR = **#DIV/0!**

AT Cum Cashflow:

Operating Cashflow = **(\$2,917)** (Discounted @ 10%)

Payout Calculation:

$$\text{Payout} = \frac{\text{Total Investment}}{\text{Sum(OPX + Incremental Revenue)}} = 1$$

Payout occurs when total AT cashflow equals investment
See graph below, note years when cashflow reaches zero

Payout = **NEVER** Years or **#VALUE!** Days

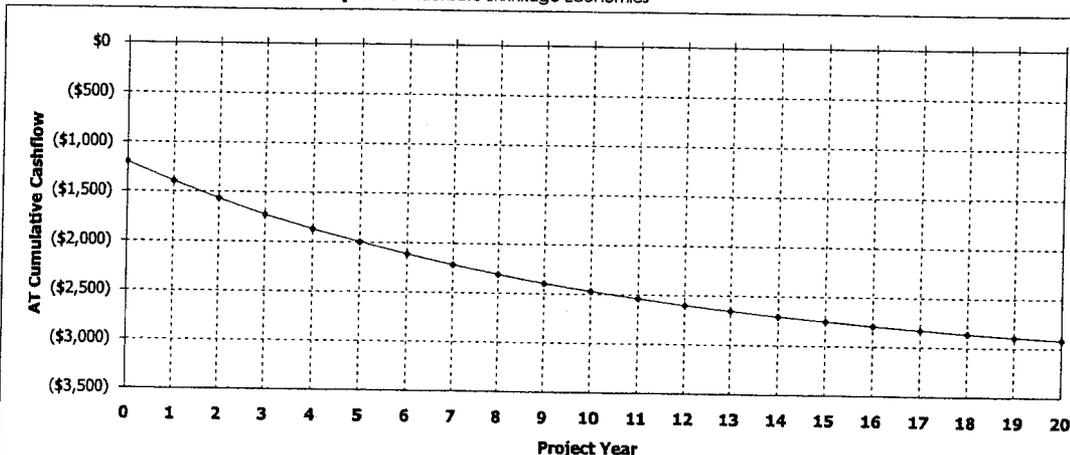
Gross Reserves:

Oil Reserves = **6** BO
Gas Reserves = **0** MCF
Gas Equiv Reserves = **38** MCFE

Notes/Assumptions:

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.196 Bcpd if 6 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



Westport Oil and Gas, Inc.

NBU/Ouray Field

RFL 2003-022

COMPARISON OF FLASH BACK PRESSURES

Calculated by Characterized Equation-of-State

| Flash Conditions | | Gas/Oil Ratio (scf/STbbl) (A) | Specific Gravity of Flashed Gas (Air=1.000) | Separator Volume Factor (B) | Separator Volume Percent (C) |
|------------------|----|---------------------------------------|---|--------------------------------------|---------------------------------------|
| psig | °F | | | | |

Calculated at Laboratory Flash Conditions

| | | | | | |
|----|-----|------|-------|-------|---------|
| 80 | 70 | | | 1.019 | |
| 0 | 122 | 30.4 | 0.993 | 1.033 | 101.37% |
| 0 | 60 | 0.0 | — | 1.000 | 98.14% |

Calculated Flash with Backpressure using Tuned EOS

| | | | | | |
|--------|----|------|-------|-------|--------|
| 80 | 70 | | | 1.015 | |
| 6.0 oz | 65 | 24.6 | 0.777 | 1.003 | 98.82% |
| 0 | 60 | 0.0 | — | 1.000 | 98.52% |
| 80 | 70 | | | 1.015 | |
| 4.0 oz | 65 | 24.7 | 0.778 | 1.003 | 98.82% |
| 0 | 60 | 0.0 | — | 1.000 | 98.52% |
| 80 | 70 | | | 1.015 | |
| 2.0 oz | 65 | 24.7 | 0.779 | 1.003 | 98.82% |
| 0 | 60 | 0.0 | — | 1.000 | 98.52% |
| 80 | 70 | | | 1.015 | |
| 0 | 65 | 24.8 | 0.780 | 1.003 | 98.82% |
| 0 | 60 | 0.0 | — | 1.000 | 98.52% |

(A) Cubic Feet of gas at 14.696 psia and 60 °F per Barrel of Stock Tank Oil at 60 °F.

(B) Barrels of oil at indicated pressure and temperature per Barrel of Stock Tank Oil at 60 °F.

(C) Oil volume at indicated pressure and temperature as a percentage of original saturated oil volume.

Note: Bubblepoint of sample in original sample container was 80 psig at 70° F with 1 cc water



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

CONDITIONS OF APPROVAL TO EXTEND SI/TA OF WELL

| | |
|-----------------------|---|
| Well Name and Number: | Several State and Federal wells |
| API Number: | See Sundry List |
| Operator: | Westport Oil and Gas Company L.P. |
| Reference Document: | Original Sundry dated May 25, 2004, received by DOGM on June 3, 2004 |

The Division of Oil, Gas and Mining (DOGM) accepts Westport's plan of action to Plug and Abandon sixty-nine wells by year-end 2008. Based upon the plan of action DOGM approves these-sixty-nine (69) wells for extended shut-in until September 1, 2005.

Approval Conditions (Federal Approval necessary on all Federal/Indian wells):

1. If SI/TA is desired beyond the approval date listed above, the operator should submit a request for extended SI/TA at that time. Adherence to the accepted plan of action, wellbore conditions etc. will be taken into consideration.
2. A well monitoring program should be in place to ensure that health, safety and the environment are all protected (wellbore integrity).
3. Any changes in wellbore conditions or integrity; or sustained pressure on casing/casing annuli shall be reported to the Division immediately. A new monitoring program or remedial action may be necessary at that time.

Dustin K. Doucet
Petroleum Engineer

August 20, 2004

Date

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:

See Exhibit "A"

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

2. NAME OF OPERATOR:

Newfield Production Company

N2695

3. ADDRESS OF OPERATOR:

1401 17th Street, Suite 1000

CITY

Denver

STATE

CO

ZIP

80202

PHONE NUMBER:

(303) 893-0102

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

See Exhibit "A"

COUNTY:

UINTAH

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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <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"/> 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.

Effective 8/1/2005, Newfield Production Company will take over operations of the attached referenced wells.
The previous owner was:

Westport Oil and Gas Company, L.P.
1670 Broadway, Suite 2800
Denver, CO 80202

N2115

Effective 8/1/2005, Newfield Production Company is responsible under the terms and conditions of the leases for operations conducted on the leased lands or a portion thereof under BLM Bond No. UT0056 issued by Hartford.

Attached is a list of wells included.

Seller Signature:

Cherry

Title: David R. Dix
Attorney in Fact

[Signature]

NAME (PLEASE PRINT) Dean Liley

Newfield Production Company
New Ventures Manager

SIGNATURE

Dean Liley

DATE

8-22-05

(This space for State use only)

APPROVED 10/31/2005

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

(5/2000)

(See Instructions on Reverse Side)

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SEP 30 2005

DIV. OF OIL, GAS & MINING

EXHIBIT "A"
Attached to Sundry Notices

Westport Oil and Gas Company, L.P.
and
Newfield Production Company

| API Well # | Well Name | Comp. | Loc. | S. | 1/4 1/4 | Twp | Rng |
|------------|---------------------------|-------|-------------------|----|---------|-----|-----|
| 4304731859 | BASER 6-2 | WP | 2132 FNL 2175 FEL | 6 | SWNE | 7S | 22E |
| 4304730831 | BASER DRAW 1-31 | WP | 1804 FSL 1964 FWL | 31 | NWSW | 6S | 22E |
| 4304731833 | BASER DRAW 5-1 | WP | 984 FNL 633 FWL | 5 | NWNW | 7S | 22E |
| 4304731834 | BASER DRAW 6-1 | WP | 849 FNL 1101 FWL | 6 | NWNW | 7S | 22E |
| 4304730880 | BASER DRAW FED 2-31 | WP | 1407 FNL 1320 FEL | 31 | SENE | 6S | 22E |
| 4304731304 | COORS 14-1-D | WP | 699 FNL 720 FWL | 14 | NWNW | 7S | 21E |
| 4304732009 | COORS FEDERAL 2-10HB | WP | 1700 FNL 1800 FEL | 10 | SWNE | 7S | 21E |
| 4304730034 | FED MILLER 1 | WP | 1980 FSL 660 FWL | 4 | NWSW | 7S | 22E |
| 4304731647 | FEDERAL 21-I-P | WP | 660 FSL 510 FEL | 21 | SESE | 6S | 21E |
| 4304733872 | HORSESHOE BEND FED 26-3 | WP | 1974 FSL 847 FWL | 26 | NWSW | 6S | 21E |
| 4304731482 | HORSESHOE BEND STATE 36-1 | WP | 628 FSL 501 FEL | 36 | SESE | 6S | 21E |
| 4304733833 | HORSESHOE BEND FED 11-1 | WP | 618 FNL 2007 FEL | 11 | NWNE | 7S | 21E |
| 4304733871 | HORSESHOE BEND FED 26-2 | WP | 660 FSL 660 FEL | 26 | SESE | 6S | 21E |
| 4304733831 | HORSESHOE BEND FED 3-1 | WP | 1980 FSL 1980 FEL | 3 | NWSE | 7S | 21E |
| 4304733832 | HORSESHOE BEND FED 4-1 | WP | 1980 FSL 1980 FEL | 4 | NWSE | 7S | 21E |
| 4304730815 | W WALKER FED 1-33 | WP | 1712 FSL 1229 FWL | 33 | NWSW | 6S | 22E |
| 4304715609 | WOLF GOVT FED 1 | WP | 760 FNL 660 FEL | 5 | NENE | 7S | 22E |
| 4304731698 | ANNA BELLE 31-2-J | WP | 1978 FSL 1990 FEL | 31 | NWSE | 6S | 21E |
| 4304731643 | COTTON CLUB 1 | WP | 331 FNL 380 FEL | 31 | NENE | 6S | 21E |
| 4304731431 | E GUSHER 2-1A | WP | 500 FSL 660 FWL | 3 | SWSW | 6S | 20E |
| 4304715590 | EAST GUSHER UNIT 3 | WP | 2122 FSL 1000 FWL | 10 | NWNE | 6S | 20E |
| 4304732333 | FEDERAL 11-1-M | WP | 949 FSL 267 FWL | 11 | SWSW | 6S | 20E |
| 4-04731468 | FEDERAL 33-1-I | WP | 2052 FSL 502 FEL | 33 | NESE | 6S | 21E |
| 4304731467 | FEDERAL 34-2-K | WP | 1935 FSL 1854 FWL | 34 | NESW | 6S | 21E |
| 4304731693 | FEDERAL 4-1-D | WP | 900 FNL 1000 FWL | 4 | NWNW | 7S | 21E |
| 4304731853 | FEDERAL 4-2-F | WP | 2045 FNL 1945 FWL | 4 | SENW | 7S | 21E |
| 4304731903 | FEDERAL 5-5-H | WP | 2300 FNL 200 FEL | 5 | SENE | 7S | 21E |
| 4304733691 | GOSE FEDERAL 3-18 | WP | 1031 FSL 1087 FWL | 18 | SWSW | 6S | 21E |
| 4304715800 | HORSESHOE BEND 2 | WP | 878 FNL 2111 FEL | 3 | NWNE | 7S | 21E |
| 4304731588 | L. C. K 30-1-H | WP | 1830 FNL 510 FEL | 30 | SENE | 6S | 21E |
| 4304731508 | STIRRUP FEDERAL 29-2 | WP | 1885 FSL 2163 FEL | 29 | NWSE | 6S | 21E |

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DIV. OF OIL, GAS & MINING

EXHIBIT "A"
Attached to Sundry Notices

Westport Oil and Gas Company, L.P.
and
Newfield Production Company

| API Well # | Well Name | Comp. | Loc. | S. | T _{1/4} | Twp. | Rng. |
|------------|----------------------|-------|------------------|----|------------------|------|------|
| 4304731623 | FEDERAL 33-4-D | WP | 533 FNL 778 FWL | 33 | NWNW | 6S | 21E |
| 4304731634 | STIRRUP FEDERAL 29-3 | WP | 388 FSL 237 FEL | 29 | SESE | 6S | 21E |
| 4304731626 | STIRRUP STATE 32-2 | WP | 1967 FNL 500 FEL | 32 | SENE | 6S | 21E |
| 4304732784 | STIRRUP ST 32-6 | WP | 850 FNL 800 FEL | 32 | NENE | 6S | 21E |

RECEIVED

SEP 30 2005

DIV. OF OIL, GAS & MINING

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 10/19/2005 BIA n/a

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 10/19/2005

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

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

DATA ENTRY:

- 1. Changes entered in the **Oil and Gas Database** on: 10/31/2005
- 2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/31/2005
- 3. Bond information entered in RBDMS on: 10/31/2005
- 4. Fee/State wells attached to bond in RBDMS on: 10/31/2005
- 5. Injection Projects to new operator in RBDMS on: _____
- 6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: RLB0006225

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 61BSBDH2919

2. The **FORMER** operator has requested a release of liability from their bond on: n/a
The Division sent response by letter on: _____

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: _____

COMMENTS:

| Lease No. | API No. | Well Name & No. | Qtr/Qtr | Sec | Twp | Rng |
|-------------|------------|--------------------------|---------|-----|-----|-----|
| UTSL065841A | 4304715590 | East Gusher 3 | NWNE | 10 | 6S | 20E |
| UTU38411 | 4304730831 | Baser Draw 1-31 | NWSW | 31 | 6S | 22E |
| UTU53861 | 4304731467 | Federal 34-2-K | NESW | 34 | 6S | 21E |
| UTU65222 | 4304732009 | Coors Federal 2-10HB | SWNE | 10 | 7S | 21E |
| UTU65222 | 4304733833 | Horseshoe Bend Fed. 11-1 | NWNE | 11 | 7S | 21E |
| UTU0142175 | 4304733831 | Horseshoe Bend Fed. 3-1 | NWSE | 3 | 7S | 21E |

Wells that have Rights-of-Way

| Lease No. | API No. | Well Name & No. | Sec | Twp | Rng | Access ROW | Pipeline ROW |
|------------|------------|--------------------------|-----|-----|-----|------------|--------------|
| UTU0142175 | 4304715800 | Horseshoe Bend 2 | 3 | 7S | 21E | | U57503 |
| UTU31736 | 4304731643 | Cotton Club 1 | 31 | 6S | 21E | U57501 | |
| UTU38401 | 4304733871 | Horseshoe Bend Fed. 26-2 | 26 | 6S | 21E | U77730 | U71291 |
| UTU38401 | 4304733872 | Horseshoe Bend Fed. 26-3 | 26 | 6S | 21E | U77730 | |
| UTU64376 | 4304732333 | Federal 11-1-M | 11 | 6S | 20E | U65126 | |
| UTU65223 | 4304731304 | Coors 14-1-D | 14 | 7S | 21E | | U65135 |
| UTU79005 | 4304733691 | Gose Federal 3-18 | 18 | 6S | 21E | | U77749 |



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:

3162.3

UT08300

October 25, 2005

Patsy Barreau
Newfield Production Company
1401 17th Street, Suite 1000
Denver, Colorado 80202

Re: Change of Operator
Westport O&G Co. to
Newfield Production Co.

Dear Ms. Barreau:

This correspondence is in regard to the self-certification statement submitted requesting a change in operator for the attached list of wells. After a review by this office, the change in operator request is approved. Effective immediately, Newfield Production Company is responsible for all operations performed on the referenced wells. All liability will now fall under your bond, BLM Bond No. UT0056, for all operations conducted on the referenced wells on the leased land.

Our records show that rights-of-way have been issued for the off lease portion of the road &/or pipeline to the subject wells (See Attached). In order for Newfield Production Co. to obtain the Bureau of Land Management's approval for the use of these rights-of-way, you must have these rights-of-way assigned over to Newfield Production Co. Please contact Cindy McKee at 435-781-4434 for instructions on how to complete the assignment of the rights-of-way.

If you have any other questions concerning this matter, please contact Leslie Wilcken of this office at (435) 781-4497.

Sincerely,

Matt Baker
Petroleum Engineer

cc: UDOGM
Westport Oil & Gas Co. L.P.

RECEIVED

NOV 02 2005

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
NEWFIELD PRODUCTION COMPANY

3a. Address Route 3 Box 3630
Myton, UT 84052

3b. Phone (include area code)
435.646.3721

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1974 FSL 847 FWL
NWSW Section 26 T6S R21E

5. Lease Serial No.

USA UTU-38401

6. If Indian, Allottee or Tribe Name.

7. If Unit or CA/Agreement, Name and/or

8. Well Name and No.

HORSESHOE BEND FED 26-3-6-21

9. API Well No.

4304733872

10. Field and Pool, or Exploratory Area

HORSESHOE BEND

11. County or Parish, State

UINTAH, UT

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|--|--|---|---|
| <input checked="" 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 | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug & Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to | <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 site is ready for final inspection.)

Newfield intends to permanently plug and abandon the subject well as per the attached procedure by October 15, 2007.

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 11/1/07
By: *[Signature]*

Federal Approval Of This
Action Is Necessary

I hereby certify that the foregoing is true and correct (Printed/ Typed)

Chris Clark

Signature: *[Signature]* For Chris Clark

Title

Production Engineer

Date

07/06/2007

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, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious and fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on reverse)

COPY SENT TO OPERATOR
Date: 11-1-07
Initials: RM

RECEIVED

SEP 18 2007

DIV. OF OIL, GAS & MINING

NEWFIELD PRODUCTION COMPANY

Horseshoe Bend Federal 26-3-6-21

Permanent Plug and Abandonment Procedure

| | | |
|----------------------|---|---|
| DOWNHOLE DATA | | 7/5/7 CWC |
| Elevation: | 5016' GL | |
| TD: | 3660' | |
| Surface casing: | 8-5/8" 24# J55 @ 547' cmt w/286 sx. Cemented to surface. | |
| Intermediate casing: | 7", 29#, STC, P110 @ 2821' cmt w/ 195 sxs Type V and 105 sxs Type S. Cemented to surface | |
| Production casing: | 4-1/2" 11.7# J55 @ 3660'. cmt w/60 sx hi-lift and 190 sxs RFL. | ID: 4.00"; Drift: 3.875" CBL: cmt to 1250' (07/23/01) |
| PBTD: | 3845' | FC |
| Tubing: | 2-3/8" 4.7# J55 | EOT at 3742'. |
| Existing Perfs: | 3622-3628 3642-3648 3685-3689 3742-3762 | |
| Notes: | Shut in. | |

PROCEDURE

1. Notify BLM as necessary prior to P&A operations. Dig, line, and fence pit for cement wash up and returns.
2. Blow down tbg. MIRU SU. TOOH visually inspecting and tallying 2-3/8" production tbg.
3. MU 3-3/4" bit and scraper for 11.7#/ft 4-1/2" casing. Round trip B&S to +/- 3600'.
4. MU CIBP and TIH on 2-3/8" tubing to 3590'.
5. Set CIBP, load hole with water, and pressure test casing to 500 psi.
6. Mix and pump 10 sxs of Class G neat cement at 15.8 ppg with 1.15 ft³/sx yield. Spot balanced cement plug from 3590' up to 3455'. PUH to 3425'. Reverse circulate tubing clean of cement. Circulate hole with water containing oxygen scavenger and biocide from 3425' up to 2888'.
7. POH laying down tubing up to 2888'. Mix and pump 10 sxs of Class G neat cement at 15.8 ppg with 1.15 ft³/sx yield. Spot balanced cement plug from 2888' up to 2754'. PUH to 2725'. Reverse circulate tubing clean of cement. Circulate hole with water containing oxygen scavenger and biocide from 2725' up to 1817'.

8. POH laying down tubing up to 1817'. Mix and pump 10 sxs of Class G neat cement at 15.8 ppg with 1.15 ft³/sx yield. Spot balanced cement plug from 1817' up to 1683'. PUH to 1650' and reverse circulate tubing clean of cement. Circulate hole with water containing oxygen scavenger and biocide from 1650' up to 597'. POH laying down remaining tubing.
9. RU wireline and perforate 4 holes at 597'. Establish circulation down 4-1/2" casing and out the 4-1/2" x 7" annulus from 597'. RD wireline.
10. Mix and pump 96 sxs of Class G neat cement at 15.8 ppg with 1.15 ft³/sx yield down the 4-1/2" casing taking returns on the 4-1/2" x 7" annulus. Circulate good cement to surface.
11. RDMO cementing company and rig.
12. MI welder and cut off 4-1/2", 7" and 8-5/8" casing below grade. Install weld on P&A marker.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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.
USA UTU-38401

6. If Indian, Allottee or Tribe Name.

7. If Unit or CA/Agreement, Name and/or

8. Well Name and No.
HORSESHOE BEND FED 26-3-6-21

9. API Well No.
4304733872

10. Field and Pool, or Exploratory Area
HORSESHOE BEND

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
NEWFIELD PRODUCTION COMPANY

3a. Address Route 3 Box 3630
Myton, UT 84052

3b. Phone (include are code)
435.646.3721

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1974 FSL 847 FWL
NWSW Section 26 T6S R21E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, 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 checked="" type="checkbox"/> Final Abandonment | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug & Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to | <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 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.)

P&A operations were performed on the above well as follows:

10-31-07: POOH with tubing and make bit and scraper run to 3620'. TOH with bit and scraper and GIH with CIBP to 75' - set prematurely.

11-1 to 6-07: Mill out CIBP. RU wireline, make gauge ring run to 3610' and set CIBP at 3590'. Perforate 4-1/2", 11.7# casing at 597' with 4SPF. TIH with tubing to CIBP.

11-7-07: Spot 10 sxs Class G neat cmt (15.8 ppg & 1.15 ft^3/sx) above CIBP at 3590'. PUH to 3422' and spot inhibited water up to 2888'. PUH to 2875' and spot 10 sxs Class G neat cmt (15.8 ppg & 1.15 ft^3/sx) up to 2754'. PUH to 2714' and spot inhibited water up to 1816'. PUH to 1816' and spot 10 sxs Class G neat cmt (15.8 ppg & 1.15 ft^3/sx) up to 1683'. PUH to 1650' and spot inhibited water up to 597'. LD remaining tubing. Establish circulation down 4-1/2" casing and out 8-5/8" x 4-1/2" annulus and circulate same full with 155 sxs class G cement (15.8 ppg & 1.15 ft^3/sx). Cut off 4-1/2" casing and install P&A marker.

| | |
|---|------------------------------|
| I hereby certify that the foregoing is true and correct (Printed/ Typed) Chris Clark | Title Production Engineer |
| Signature | Date 01/18/2008 |

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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(Instructions on reverse)

RECEIVED

JAN 23 2008

DIV. OF OIL, GAS & MINING