

Form 3160-3  
(August 1999)

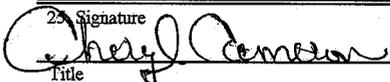
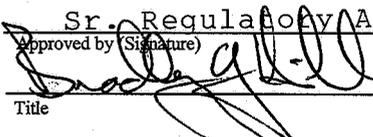
FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

|   |  |  |  |
|---|--|--|--|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER  |  | 5. Lease Serial No.<br><b>U-01191-A</b>  |  |
| 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   |  |
| 2. Name of Operator <b>COASTAL OIL &amp; GAS CORPORATION<br/>CONTACT: CHERYL CAMERON OPERATIONS<br/>EMAIL: Cheryl.Cameron@CoastalCorp.com</b>   |  | 7. If Unit or CA Agreement, Name and No.   |  |
| 3a. Address <b>P.O. BOX 1148<br/>VERNAL, UT 84078</b>   |  | 8. Lease Name and Well No.<br><b>NBU #337</b>  |  |
| 3b. Phone No. (include area code)<br><b>TEL: 435.781.7023 EXT:<br/>FAX: 435.789.4436</b>  |  | 9. API Well No.<br><b>43-047-34020</b>   |  |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)*<br>At surface <b>NESW 2495FSL 1972FWL</b><br>At proposed prod. zone   |  | 10. Field and Pool, or Exploratory<br><b>NATURAL BUTTES</b>  |  |
| 14. Distance in miles and direction from the nearest town or post office*<br><b>25.8 MILES SOUTHEAST OF OURAY, UTAH</b>   |  | 11. Sec., T., R., M., or Blk., and Survey or Area<br><b>Sec 4 T10S R22E UBM</b>  |  |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. Unit line if any)<br><b>1972</b>   |  | 12. County or Parish<br><b>UINTAH</b>  |  |
| 16. No. of Acres in lease<br><b>1363.21</b>   |  | 13. State<br><b>UT</b>   |  |
| 17. Spacing unit dedicated to this well   |  | 18. Distance from proposed location* to nearest well, drilling, completed, Applied for, on this lease, ft.<br><b>REFER TO TOPO C</b> |  |
| 19. Proposed Depth<br><b>7200 MD</b>  |  | 20. BLM/BIA Bond No. on file<br><b>BLM:U-605382-9</b>  |  |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.)<br><b>5070 GL</b>   |  | 22. Approximate date work will start*  |  |
| 23. Estimated duration  |  | 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<br>           | Name (Printed/Typed)<br><b>Cheryl Cameron</b>  | Date<br><b>4/3/01</b>   |
| Title<br><b>Sr. Regulatory Analyst</b>   |  |                         |
| Approved by (Signature)<br> | Name (Printed/Typed)<br><b>BRADLEY G. HILL</b> | Date<br><b>04-16-01</b> |
| Title<br><b>RECLAMATION SPECIALIST III</b>   |  |                         |

Application approval does not warrant or certify 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)  
ELECTRONIC SUBMISSION #3390 VERIFIED BY THE BLM WELL INFORMATION SYSTEM FOR COASTAL OIL & GAS CORPORATION  
SENT TO THE VERNAL FIELD OFFICE

**RECEIVED**

**APR 10 2001**

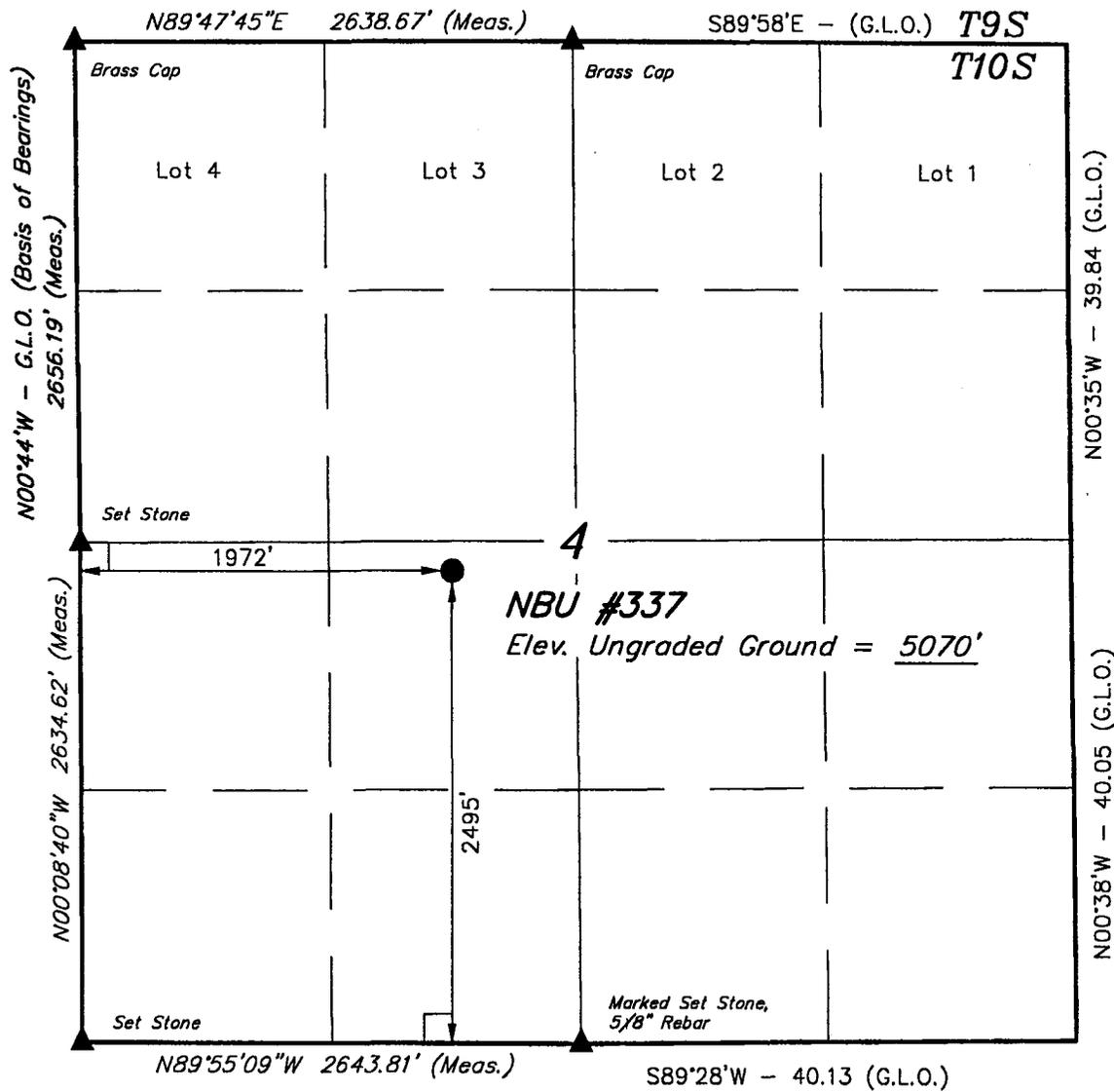
**DIVISION OF  
OIL, GAS AND MINING**

**Federal Approval of this  
Action is Necessary**

# T10S, R22E, S.L.B.&M.

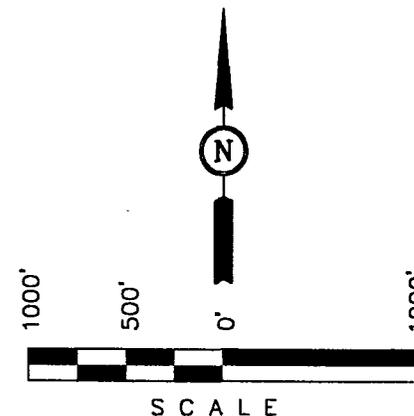
## COASTAL OIL & GAS CORP.

Well location, NBU #337, located as shown in the NE 1/4 SW 1/4 of Section 4, T10S, R22E, S.L.B.&M., Uintah County, Utah.



### BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAN 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.

No. 161319  
 R. ROBERT L.  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

### LEGEND:

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

|  |                                 |                         |
|--|---------------------------------|-------------------------|
| <b>UINTAH ENGINEERING &amp; LAND SURVEYING</b> |                                 |                         |
| 85 SOUTH 200 EAST - VERNAL, UTAH 84078         |                                 |                         |
| (435) 789-1017                                 |                                 |                         |
| SCALE<br>1" = 1000'                            | DATE SURVEYED:<br>08-22-98      | DATE DRAWN:<br>09-04-98 |
| PARTY<br>L.D.T.    D.K.    D.R.B.              | REFERENCES<br>G.L.O. PLAT       |                         |
| WEATHER<br>WARM                                | FILE<br>COASTAL OIL & GAS CORP. |                         |

# COASTAL OIL & GAS CORP.

---

NBU #337

SECTION 4, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 4.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 7.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 300' +/- TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED LOCATION IS APPROXIMATELY 56.8 MILES.

NBU #337  
NE/SW Sec. 4-T10S, R22E  
UINTAH COUNTY, UTAH  
LEASE #U-01191-A

ONSHORE ORDER NO. 1  
COASTAL OIL & GAS CORPORATION

*DRILLING PROGRAM*

1. Estimated Tops of Important Geologic Markers:

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| KB               | 5145'        |
| Green River      | 1245'        |
| Wasatch          | 4335'        |
| TD               | 6700'        |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
|                  | Green River      | 1245'        |
| Gas              | Wasatch          | 4335'        |
| Water            | N/A              |              |
| Other Minerals   | N/A              |              |

3. Pressure Control Equipment (Schematic Attached)

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

4. Proposed Casing & Cementing Program:

*Please see the attached Drilling Program.*

5. Drilling Fluids Program:

*Please see the attached Mud Program.*

6. Evaluation Program:

*Please see the attached Geological Data.*

**7. Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 6,700' TD, approximately equals 2,680 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,206 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

**NBU #337  
NE/SW Sec. 4-T10S-R22E  
UINTAH COUNTY, UTAH  
LEASE #U-01191-A**

**ONSHORE ORDER NO. 1**

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

An onsite inspection was conducted for the NBU #337 on 2/16/01, for the subject well.

**1. Existing Roads:**

The proposed well site is approximately 25.8 miles southeast of Ouray, Utah. Directions to the location from Ouray, Utah:

Proceed in a westerly direction from Vernal, Utah, along U.S. Highway 40 approximately 14.0 miles to the junction of state highway 88; exit left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah; proceed in a southerly direction approximately 6.9 miles on the Seep Ridge Road to the junction of this road and an existing road to the east; turn left and proceed in an easterly direction approximately 5.0 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 0.3 miles to the junction of this road and an existing road to the northeast; turn right and proceed in a northeasterly, direction approximately 4.8 miles to the junction of this road and an existing road to the south; turn right and proceed in a southerly, then southeasterly direction approximately 7.2 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 1.4 miles to the junction of this road and an existing road to the east; proceed in an easterly direction approximately 0.2 miles to the beginning of the proposed access road to the north; follow road flags in a northerly direction approximately 300' to the proposed location.

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

**2. Planned Access Roads:**

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

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

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

Please refer to Topo Map C.

**4. Location of Existing & Proposed Facilities:**

*Please see the Natural Buttes Unit SOP.*

Refer to Topo Map D for the location of the proposed pipeline.

**5. Location and Type of Water Supply:**

*Please see the Natural Buttes SOP.*

**6. Source of Construction Materials:**

*Please see the Natural Buttes SOP.*

**7. Methods of Handling Waste Materials:**

*Please see the Natural Buttes SOP.*

*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 (Requests is lieu of filing Form 3160-5, after initial production).*

**8. Ancillary Facilities:**

*Please see the Natural Buttes SOP.*

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

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

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

The CIG pipeline shall be bedded with straw when blasting as discussed at the on-site inspection.

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

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

*Please see the Natural Buttes SOP.*

The following seed mixture will be used to reclaim the surface. A total of 12 lbs/acre will be used if seeds are drilled (24 lbs/acre if seeds are broadcast). The per acre requirements for drilled seeds are:

|                   |        |
|-------------------|--------|
| Needle & Thread   | 4 lbs. |
| Shade Scale       | 4 lbs. |
| Indian Rice Grass | 4 lbs. |

**11. Surface Ownership:**

The well pad and access road are located on lands owned by:

United State of America  
Bureau of Land Management  
170 South 500 East  
Vernal, Utah 84078  
(435)781-4400

**12. Other Information:**

A Class III archaeological survey was conducted by Metcalf Archaeological Consultants, and the Paleontological Field Survey Report conducted by UPAI are attached.

- ✓ This location is not within 460 feet from the boundary of the Natural Buttes Unit, nor is it within 460 feet of any non-committed tract lying within the boundaries of the Unit.

**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 2775  
Houston, TX 77046-0995  
(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.

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 conditions of the lease for the operations conducted upon leased lands.

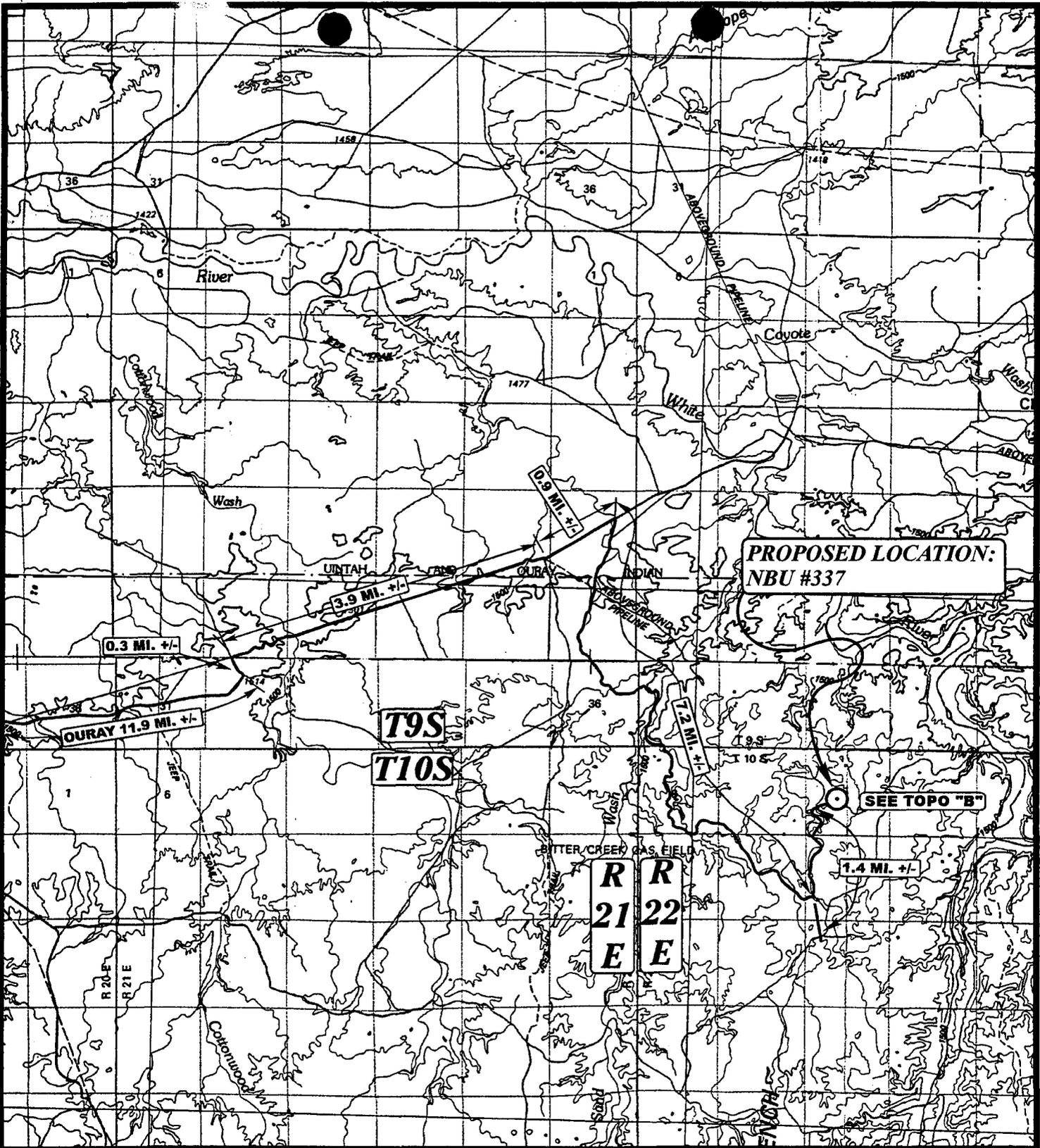
Bond Coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation Bond #102103, BLM Nationwide Bond #U-605382-9, and BIA Nationwide Bond #114066-A.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

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

/s/ Cheryl Cameron   
Cheryl Cameron

3/22/01  
Date



**LEGEND:**

⊙ PROPOSED LOCATION



**COASTAL OIL & GAS CORP.**

NBU #337

SECTION 4, T10S, R22E, S.L.B.&M.  
2495' FSL 1972' FWL



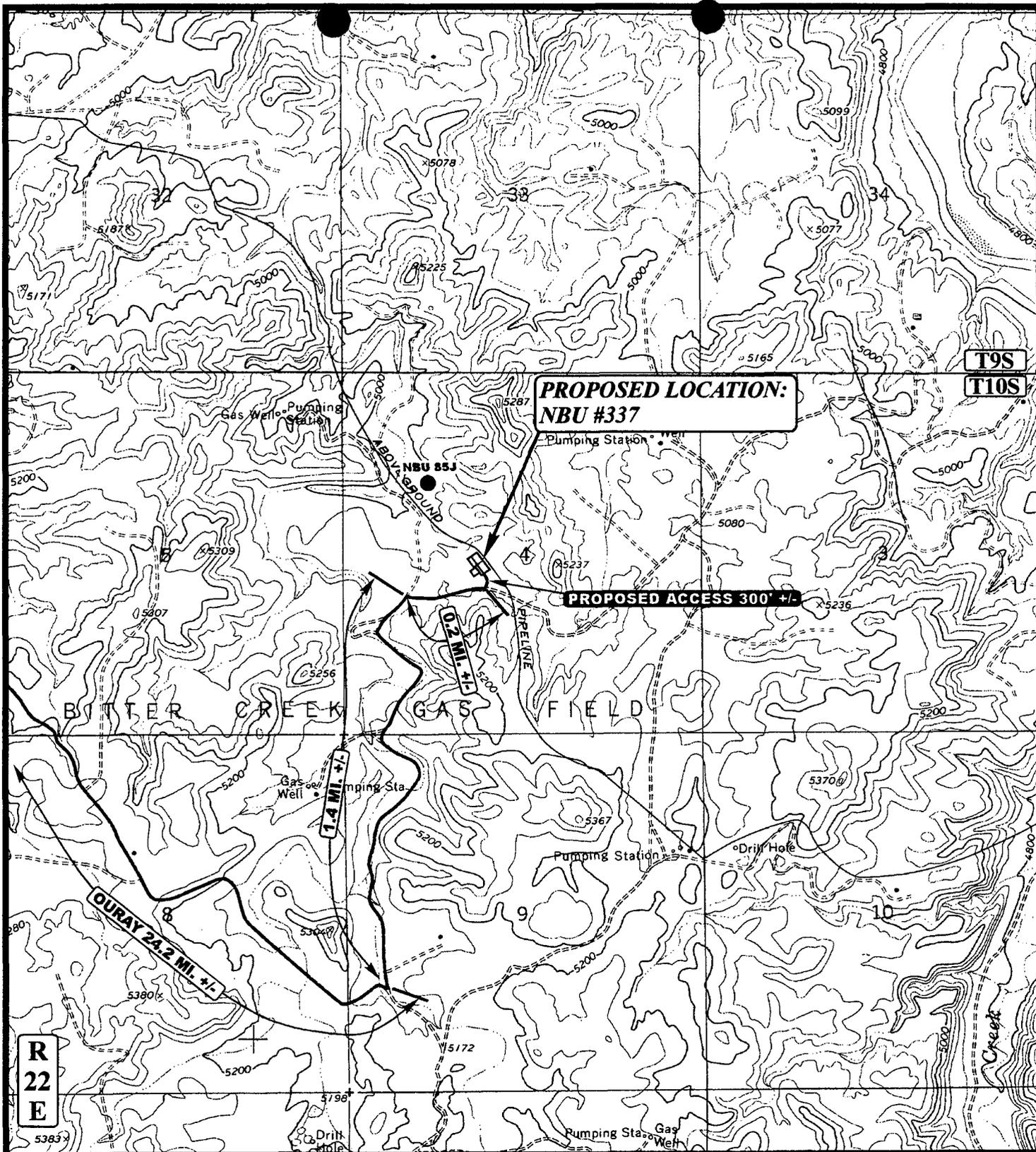
**Utah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
MAP

|          |          |           |
|----------|----------|-----------|
| <b>9</b> | <b>4</b> | <b>98</b> |
| MONTH    | DAY      | YEAR      |

SCALE: 1:100,000 DRAWN BY: D.COX REVISED: 00-00-00





**PROPOSED LOCATION:  
NBU #337**

**PROPOSED ACCESS 300' +/-**

**OURAY 24.2 MI. +/-**

**1.3 MI. +/-**

**0.7 MI. +/-**

**R  
22  
E**

**T9S  
T10S**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD

**COASTAL OIL & GAS CORP.**

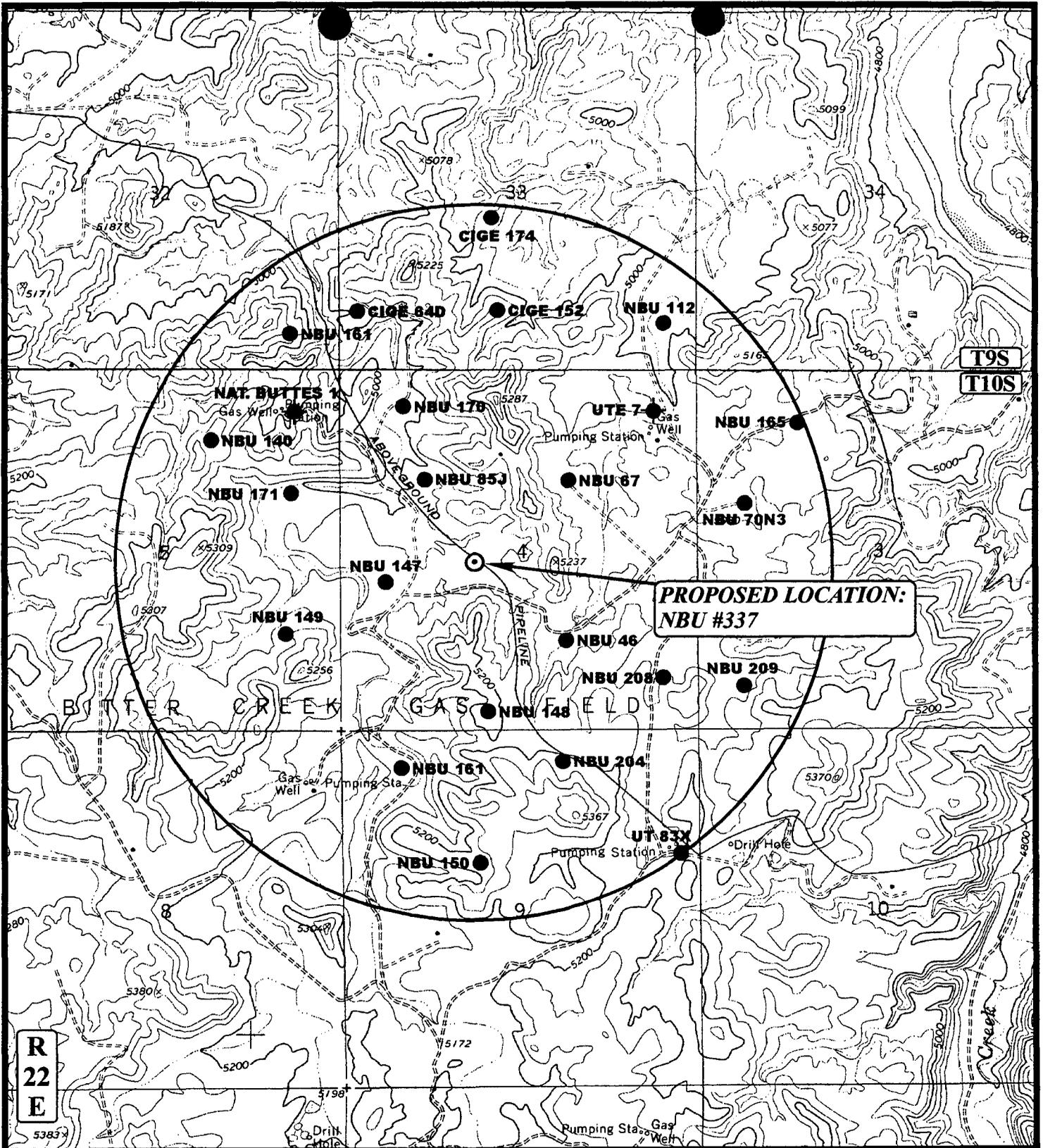
**NBU #337  
SECTION 4, T10S, R22E, S.L.B.&M.  
2495' FSL 1972' FWL**



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

**TOPOGRAPHIC MAP**  
9 4 98  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: D.COX | REVISED: 00-00-00





**PROPOSED LOCATION:  
NBU #337**

**LEGEND:**

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



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



**COASTAL OIL & GAS CORP.**

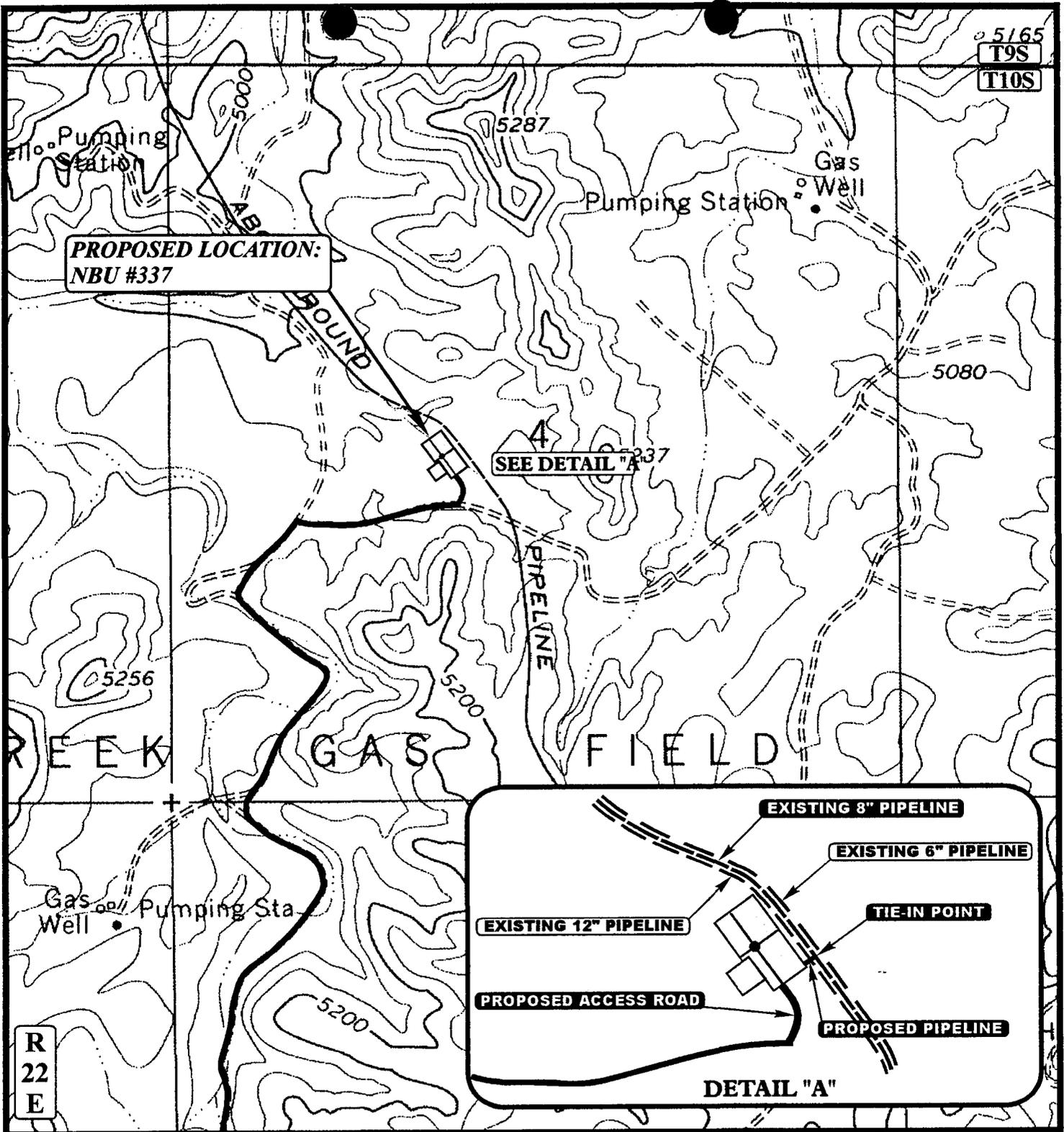
**NBU #337**  
**SECTION 4, T10S, R22E, S.L.B.&M.**  
**2495' FSL 1972' FWL**

**TOPOGRAPHIC  
MAP**

|          |          |           |
|----------|----------|-----------|
| <b>9</b> | <b>4</b> | <b>98</b> |
| MONTH    | DAY      | YEAR      |

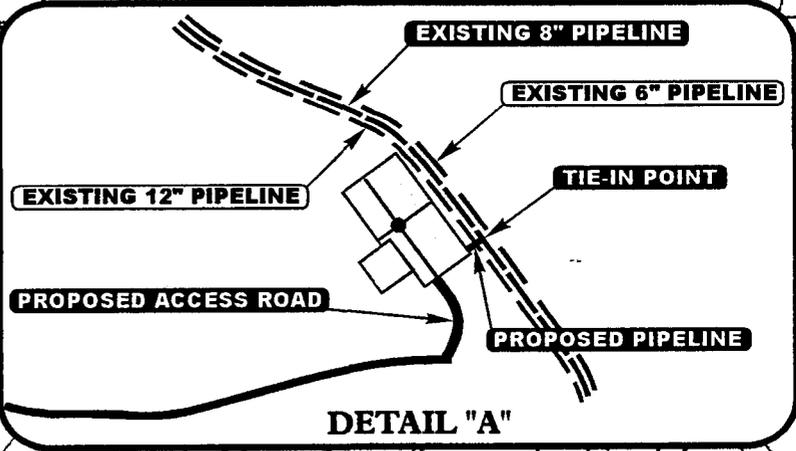
SCALE: 1" = 2000' | DRAWN BY: D.COX | REVISED: 00-00-00





**PROPOSED LOCATION:  
NBU #337**

**4  
SEE DETAIL "A" #337**



**APPROXIMATE TOTAL PIPELINE DISTANCE = 50' +/-**

**LEGEND:**

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS

**COASTAL OIL & GAS CORP.**

**NBU #337  
SECTION 4, T10S, R22E, S.L.B.&M.  
2495' FSL 1972' FWL**



**Utah Engineering & Land Surveying**  
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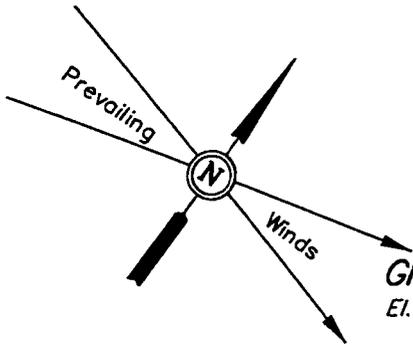
**TOPOGRAPHIC** 9 4 98  
**MAP** MONTH DAY YEAR  
SCALE: 1" = 1000' DRAWN BY: D.COX REVISED: 00-00-00



# COASTAL OIL & GAS CORP.

## LOCATION LAYOUT FOR

NBU #337  
SECTION 4, T10S, R22E, S.L.B.&M.  
2495' FSL 1972' FWL



GRADE  
El. 68.3'

C-4.3'  
El. 72.6'

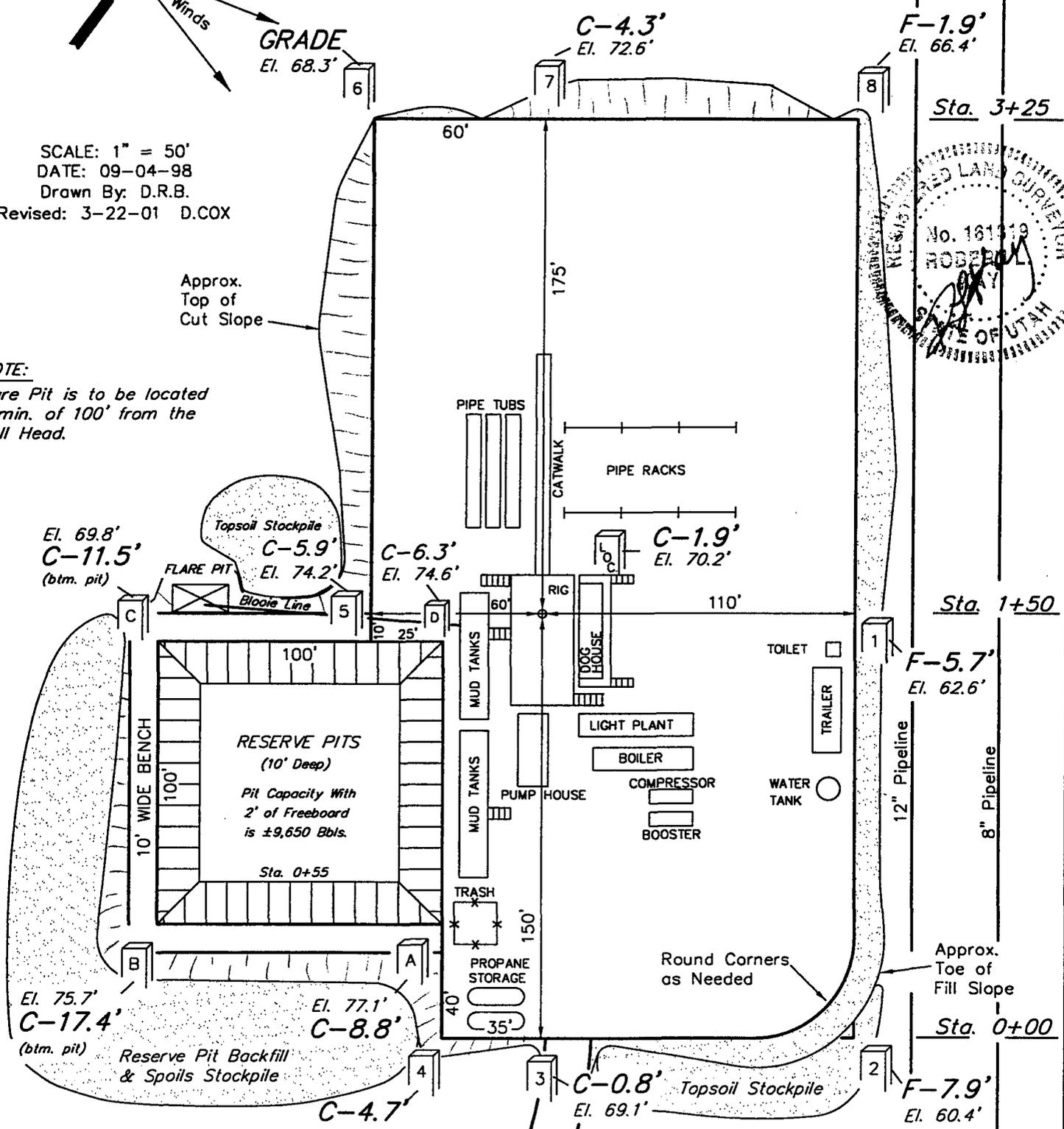
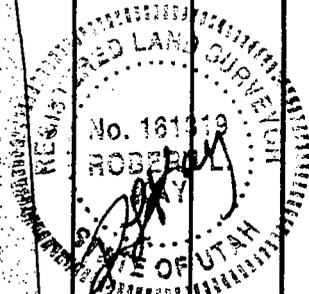
F-1.9'  
El. 66.4'

SCALE: 1" = 50'  
DATE: 09-04-98  
Drawn By: D.R.B.  
Revised: 3-22-01 D.COX

Approx.  
Top of  
Cut Slope

**NOTE:**

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



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5070.2'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5068.3'

**FIGURE #1**

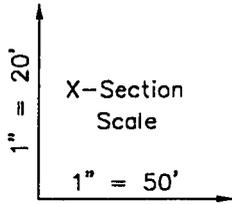
# COASTAL OIL & GAS CORP.

## TYPICAL CROSS SECTIONS FOR

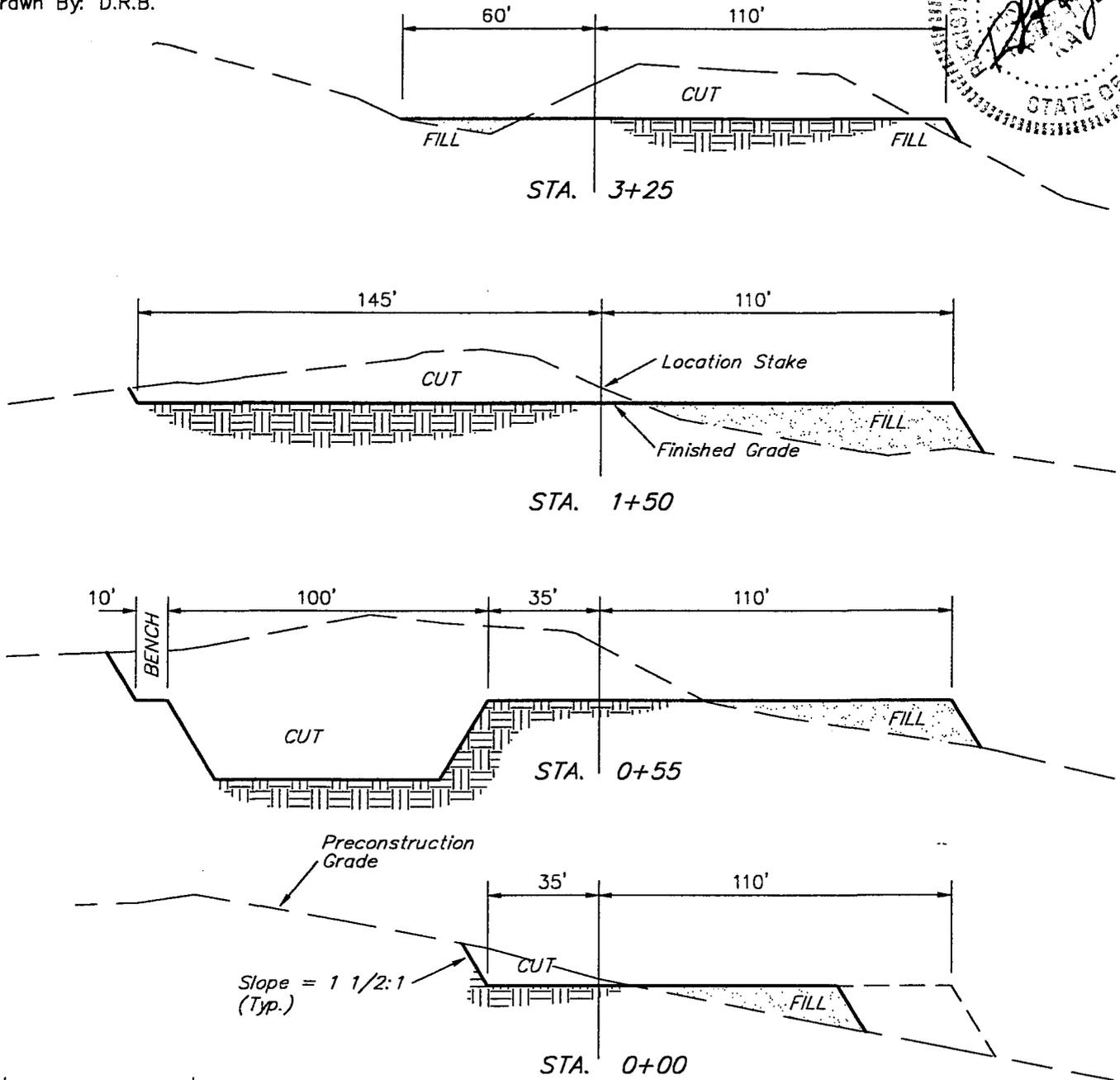
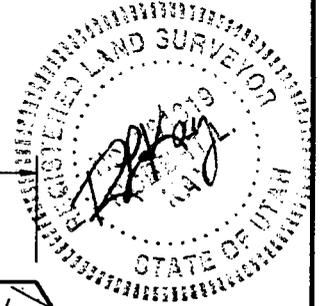
NBU #337

SECTION 4, T10S, R22E, S.L.B.&M.

2495' FSL 1972' FWL



DATE: 09-04-98  
Drawn By: D.R.B.



**FIGURE #2**

### APPROXIMATE YARDAGES

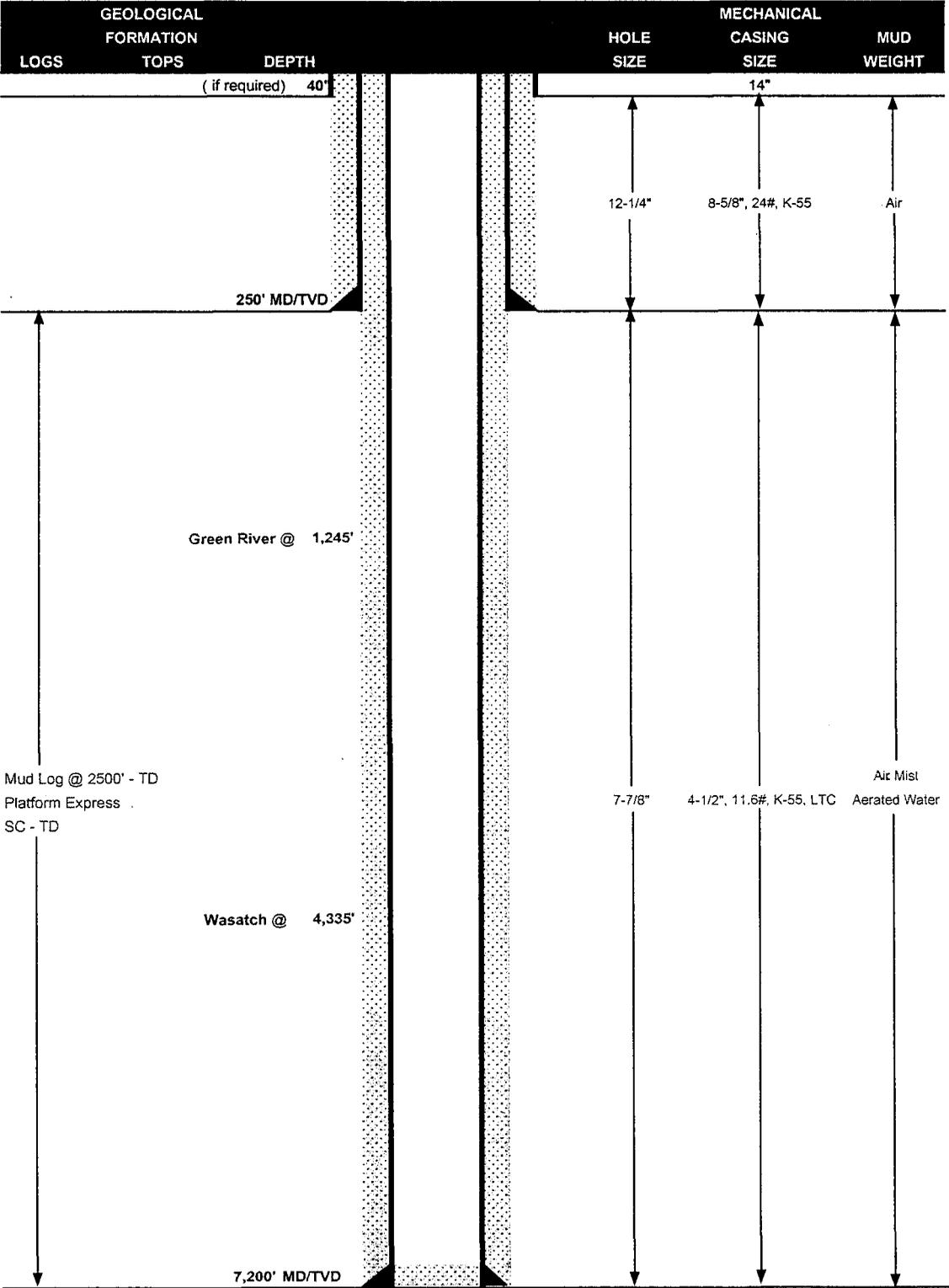
|                        |                         |
|------------------------|-------------------------|
| CUT                    |                         |
| (6") Topsoil Stripping | = 1,140 Cu. Yds.        |
| Remaining Location     | = 10,770 Cu. Yds.       |
| <b>TOTAL CUT</b>       | <b>= 11,910 CU.YDS.</b> |
| <b>FILL</b>            | <b>= 4,590 CU.YDS.</b>  |

|   |                  |
|---|------------------|
| EXCESS MATERIAL AFTER 5% COMPACTION     | = 7,080 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.)   | = 2,480 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 4,600 Cu. Yds. |

# COASTAL OIL & GAS CORPORATION

## DRILLING PROGRAM FOR APD

COMPANY NAME Coastal Oil & Gas Corporation DATE March 20, 2001  
 WELL NAME NBU #337 TD 7,200' MD/TVD  
 FIELD NBU COUNTY Uintah STATE Utah ELEVATION 5,145' KB  
 SURFACE LOCATION 2495' FSL & 1972' FWL, Sec. 4, T10S, R22E BHL Straight Hole  
 OBJECTIVE ZONE(S) Wasatch  
 ADDITIONAL INFO \_\_\_\_\_



## COASTAL OIL & GAS CORPORATION DRILLING PROGRAM

### CASING PROGRAM

|             | DESIGN FACTORS |          |       |      |       |       |          |         |
|-------------|----------------|----------|-------|------|-------|-------|----------|---------|
|             | SIZE           | INTERVAL | WT.   | GR.  | CPLG. | BURST | COLLAPSE | TENSION |
| CONDUCTOR   | 14"            | 0-40'    |       |      |       |       |          |         |
| SURFACE     | 8-5/8"         | 0-250'   | 24.00 | K-55 | STC   | 2950  | 1370     | 263000  |
|             |                |          |       |      |       | 5350  | 4960     | 180000  |
| PRODUCTION* | 4-1/2"         | 0-TD     | 11.60 | K-55 | LTC   | 2.10  | 1.32     | 1.35    |

- 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

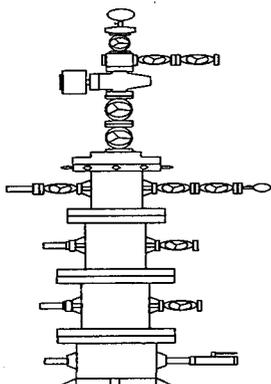
|            |      | FT. OF FILL | DESCRIPTION  | SACKS | EXCESS* | WEIGHT | YIELD |
|------------|------|-------------|--|-------|---------|--------|-------|
| SURFACE    |      | 250         | Class G + 2% CaCl <sub>2</sub> + 0.25 lb/sk Cello Flake  | 90    | 35%     | 15.80  | 1.17  |
| PRODUCTION | LEAD | 3,835'      | Hifill Mod. +16% gel + 3% salt + 10#/sk gilsonite + 1% HR7 + 0.6% Econolite + 0.2% FWCA + 0.25 lb/sk Flocele | 420   | 50%     | 11.60  | 3.12  |
|            | TAIL | 3,365'      | 50/50 POZ + 2% gel + 2% Microbond + 5% salt + 0.2% Super CBL + 0.6% HALAD 322 + 0.25 #/sk Flocele            | 930   | 50%     | 14.35  | 1.25  |

\* or 15% over caliper log

### FLOAT EQUIPMENT & CENTRALIZERS

|            |  |
|------------|--|
| SURFACE    | Guide shoe, 1 jt. float collar. Centralize first 3 joints & every other 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 other 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               | 12-1/4" | Various         |          |        |          |          |
| Surf Csg - TD              | 7-7/8"  | SEC XS44        | Air/Mist | New    | 16-16-16 |          |
|                            |         |                 | Aerated  |        |          |          |
|                            |         |                 |          |        |          |          |
|                            |         |                 |          |        |          |          |

If the air is discontinued, use a SEC 2665rv or a HTC DP363 on a mud motor to TD

If a second bit is required and the air is needed use another XS44.

**GEOLOGICAL DATA**

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

**MUD LOGGER:** SC - TD

**SAMPLES:** As per Geology

**CORING:** NA

**DST:** NA

**MUD PROGRAM**

| DEPTH                         | TYPE          | MUD WT | WATER |           | TREATMENT                 |
|-------------------------------|---------------|--------|-------|-----------|---------------------------|
|                               |               |        | LOSS  | VISCOSITY |                           |
| 0-Trona<br>(0 - +/-2,000')    | Air/Mist      | NA     | NA    |           | Polymer, Gel<br>Gyp, Lime |
| Trona-TD<br>(+/- 2,000' - TD) | Aerated Water | NA     | NC    | NA        | Polymer, Gyp, Lime        |
|                               |               |        |       |           |                           |

After reaching TD, circulate hole until clean, then make a wiper trip. Report any bridges or fill encountered on trip.

After a successful wiper trip, chain out of the hole to log.

**REPORT ALL LOSSES, INCLUDING SEEPAGE**

**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 survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

Treat for corrosion as per plan.

|                           |                |                    |
|---------------------------|----------------|--------------------|
| <b>DRILLING ENGINEER:</b> | Christa Yin    | <b>DATE:</b> _____ |
| <b>DRILLING MANAGER:</b>  | Darrell Molnar | <b>DATE:</b> _____ |
| <b>DRILLING DIRECTOR:</b> | Steve Hayes    | <b>DATE:</b> _____ |

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/10/2001

|                                |
|--------------------------------|
| API NO. ASSIGNED: 43-047-34020 |
|--------------------------------|

WELL NAME: NBU 337  
 OPERATOR: COASTAL OIL & GAS CORP ( N0230 )  
 CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:

NESW 04 100S 220E  
 SURFACE: 2495 FSL 1972 FWL  
 BOTTOM: 2495 FSL 1972 FWL  
 UINTAH  
 NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-01191-A  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] 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:

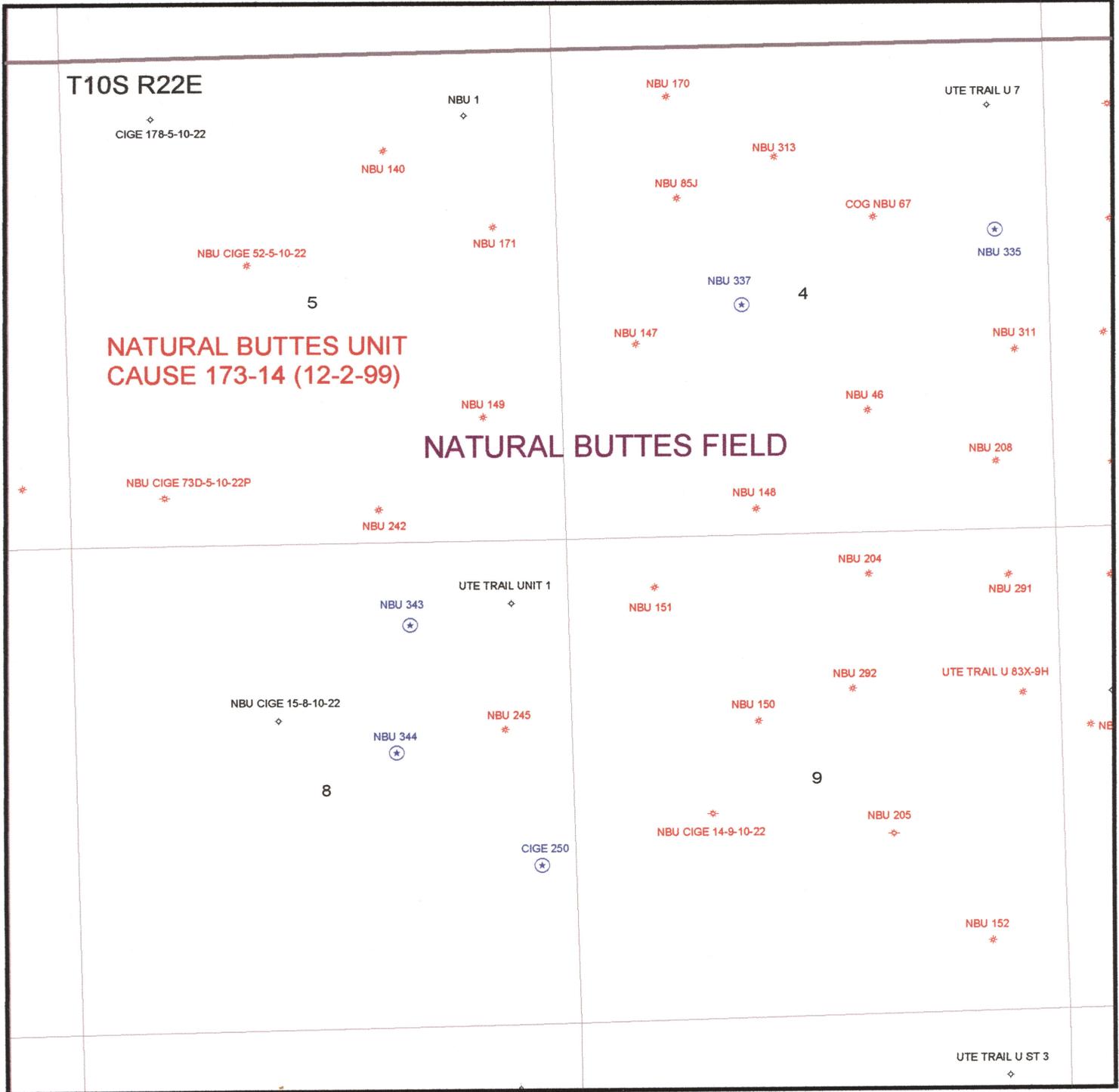
- R649-2-3. Unit NATURAL BUTTES
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: 193-14
- Eff Date: 12-2-99
- Siting: 460 ft Unit Boundary & Uncomm. Lands
- R649-3-11. Directional Drill

COMMENTS: NBU SOP, separate file.

STIPULATIONS (1) FEDERAL APPROVAL  
(2) OIL SHALE



OPERATOR: COASTAL O&G CORP (N0230)  
 SEC. 4, T10S, R22E  
 FIELD: NATURAL BUTTES (630)  
 COUNTY: UINTAH UNIT: NATURAL BUTTES  
 CAUSE: 173-14





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

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

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

April 16, 2001

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

Re: Natural Buttes Unit 337 Well, 2495' FSL, 1972' FWL, NE SW, Sec. 4, T. 10 South,  
R. 22 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 43-047-34020.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

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** Natural Buttes Unit 337

**API Number:** 43-047-34020

**Lease:** U 01191-A

**Location:** NE SW      **Sec.** 4      **T.** 10 South      **R.** 22 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. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

|   |  |   |
|---|--|---|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____                                |  | 5. LEASE DESIGNATION AND SERIAL NUMBER: |
| 2. NAME OF OPERATOR:<br>El Paso Production Oil & Gas Company  |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:   |
| 3. ADDRESS OF OPERATOR:<br>8 South 1200 East CITY Vernal STATE Utah ZIP 84078   |  | 7. UNIT or CA AGREEMENT NAME:           |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: _____ COUNTY: _____<br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH |  | 8. WELL NAME and NUMBER:<br>Exhibit "A" |
| PHONE NUMBER:<br>435-789-4433   |  | 9. API NUMBER:                          |
|   |  | 10. FIELD AND POOL, OR WILDCAT:         |

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

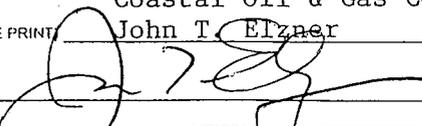
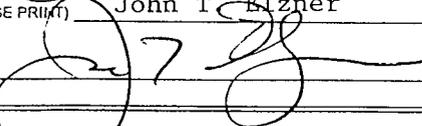
| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |   |
|---|---|---|---|
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | 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

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

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

See Exhibit "A"

Bond # 400JU0708

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

(This space for State use only)

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

JUN 5 2001

DIVISION OF  
OIL, GAS AND MINING



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

0610204 8100

AUTHENTICATION: 1061007

010162788

DATE: 04-03-01

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

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

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

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

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

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

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

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

COASTAL OIL & GAS CORPORATION

David L. Siddall
Vice President

Attest:

Margaret E. Roark
Margaret E. Roark, Assistant Secretary

RECEIVED

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

JUN 19 2001

DIVISION OF
OIL, GAS AND MINING



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

**RECEIVED**

JUL 12 2001

**DIVISION OF  
OIL, GAS AND MINING**

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

JUL 10 2001

### NOTICE

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

#### Name Change Recognized

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

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

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

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

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Coastal Oil & Gas Corporation to El Paso Production Oil & Gas Company. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Wyoming and Colorado.



Opolonia L. Abeyta  
Acting Chief, Branch of  
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

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

## Exhibit of Leases

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

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

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

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

**X** Merger

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

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

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

**CA No.**

**Unit: NATURAL BUTTES**

**WELL(S)**

| NAME       | API NO       | ENTITY NO | SEC TWN RNG | LEASE TYPE | WELL TYPE | WELL STATUS |
|------------|--------------|-----------|-------------|------------|-----------|-------------|
| NBU 519-3E | 43-047-33779 | 2900      | 03-09S-21E  | FEDERAL    | GW        | P           |
| NBU 368    | 43-047-33972 | 99999     | 04-09S-21E  | FEDERAL    | GW        | APD         |
| CIGE 256   | 43-047-33971 | 2900      | 09-09S-21E  | FEDERAL    | GW        | APD         |
| CIGE 242   | 43-047-34022 | 99999     | 33-09S-22E  | FEDERAL    | GW        | APD         |
| NBU 288    | 43-047-32986 | 2900      | 03-10S-22E  | FEDERAL    | GW        | P           |
| NBU 336    | 43-047-34027 | 99999     | 04-10S-22E  | FEDERAL    | GW        | APD         |
| NBU 337    | 43-047-34020 | 99999     | 04-10S-22E  | FEDERAL    | GW        | APD         |
| NBU 338    | 43-047-34058 | 99999     | 05-10S-22E  | FEDERAL    | GW        | APD         |
| NBU 344    | 43-047-34021 | 99999     | 08-10S-22E  | FEDERAL    | GW        | APD         |
| NBU 348    | 43-047-34001 | 99999     | 11-10S-22E  | STATE      | GW        | APD         |
| NBU 349    | 43-047-34002 | 99999     | 11-10S-22E  | STATE      | GW        | APD         |
| NBU 382    | 43-047-34235 | 99999     | 22-10S-22E  | FEDERAL    | GW        | NEW         |
| NBU 381    | 43-047-34234 | 99999     | 23-10S-22E  | FEDERAL    | GW        | NEW         |
| NBU 39     | 43-047-30861 | 2900      | 29-10S-22E  | FEDERAL    | GW        | P           |
| NBU 360    | 43-047-33773 | 2900      | 29-10S-22E  | FEDERAL    | GW        | P           |
| NBU 47N2   | 43-047-30534 | 2900      | 30-10S-22E  | FEDERAL    | GW        | S           |
| NBU 351    | 43-047-33668 | 2900      | 30-10S-22E  | FEDERAL    | GW        | P           |
| NBU 384    | 43-047-34237 | 99999     | 30-10S-22E  | FEDERAL    | GW        | NEW         |
| NBU 70-34B | 43-047-30577 | 2900      | 34-10S-22E  | FEDERAL    | GW        | S           |
| NBU 62-35B | 43-047-30477 | 2900      | 35-10S-22E  | FEDERAL    | GW        | S           |

**OPERATOR CHANGES DOCUMENTATION**

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



RECEIVED

APR - 9 2001

SUBMIT IN TRIPPLICATE\*  
(Other instructions on reverse side)

FORM 3160-3  
(July 1992)

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL  DEEPEN

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

2. NAME OF OPERATOR COASTAL OIL & GAS CORPORATION  
P.O. BOX 1148  
VERNAL, UT 84078

3. ADDRESS AND TELEPHONE NO. PHONE 435.781.7023 EXT:  
CHERYL CAMERON FAX: 435.789.4436  
OPERATIONS EMAIL: Cheryl.Cameron@CoastalCorp.com

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At Surface 2495FSL AND 1972FWL NESW SEC 4 T10S R22E  
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM THE NEAREST TOWN OR POST OFFICE  
25.8 MILES SOUTHEAST OF OURAY, UTAH

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1972

16. NO. ACRES IN LEASE 1363.20

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

19. PROPOSED DEPTH 7200 MD / TVD

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS ( Show whether DF, RT, GR, etc.) 5070 GL

23. PROPOSED CASING AND CEMENTING PROGRAM:

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|--------------------|
|              |                       |                 |               |                    |
|              |                       |                 |               |                    |

NO REMARK PROVIDED

5. LEASE DESIGNATION AND SERIAL NO. U-01191

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME Natural Buttes

8. FARM OR LEASE NAME, WELL NO. NBU 337

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT NATURAL BUTTES

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SECTION 4 T10S R22E MERIDIAN UBM

12. COUNTY OR PARISH UTAH

13. STATE UT

RECEIVED

SEP 10 2001

DIVISION OF OIL, GAS AND MINING

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

24. ELECTRONIC SUBMISSION #3390 VERIFIED BY THE BLM WELL INFORMATION SYSTEM FOR COASTAL OIL & GAS CORPORATION SENT TO THE VERNAL FIELD OFFICE

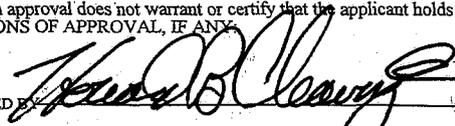
SIGNED CHERYL CAMERON TITLE OPERATIONS DATE 04/04/2001

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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

APPROVED BY 

DOGM

Assistant Field Manager  
Mineral Resources  
TITLE \_\_\_\_\_ DATE 09/06/2001

\*See Instructions On Reverse Side

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil & Gas Corporation

Well Name & Number: NBU #337

API Number: 43-047-34020

Lease Number: U - 01191

Location: NESW Sec. 04 T. 10S R. 22E

Agreement: NATURAL BUTTES UNIT

## CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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. Casing Program and Auxiliary Equipment

As a minimum, the usable water and other mineral resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above base of the usable water zone, identified at  $\pm 810$  ft.

### B. SURFACE USE PROGRAM

-The reserve pit will be lined. The process for lining pits described in the APD will be used.

-All the location topsoil will be windrowed between the access road and corner 2 instead of as shown on the cut sheet. It is not necessary to leave a subsoil pile.

-The reserve pit topsoil shall be piled separate from the location topsoil as shown on the cut sheet.

-The location topsoil pile 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.

-The subsoil which is piled on the location is for the construction of tank dikes. **Topsoil will not be used for the construction of tank dikes.**

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

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.

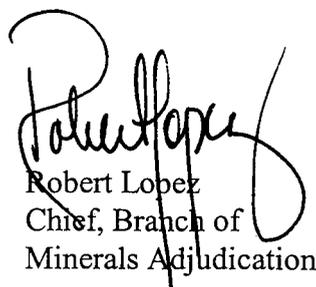
For our purposes, the name change is recognized effective December 31, 2001.

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)

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  
*El Paso Production Oil & Gas Company*

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
*NESW Section 4-T10S-R22E 2495'FSL & 1972'FWL*

5. Lease Serial No.  
**U-01191-A**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**NBU #337**

9. API Well No.  
**43-047-34020**

10. Field and Pool, or Exploratory Area  
**Natural Buttes**

11. County or Parish, State  
**Uintah, Utah**

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 DOGM APD<br>Extension |
|  | <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 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 operator requests that the APD for the subject well be extended for an additional year so that drilling operations may be completed

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

Date: *05-15-02*  
By: *[Signature]*

**COPY SENT TO OPERATOR**  
Date: *05-15-02*  
Initials: *CHO*

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

|   |                             |
|---|-----------------------------|
| Name (Printed/Typed)<br><i>Sheila Upchego</i> | Title<br>Regulatory Analyst |
| Signature<br><i>[Signature]</i>               | Date<br>May 6, 2002         |

**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)

**RECEIVED**  
MAY 14 2002  
DIVISION OF  
OIL, GAS AND MINING

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.  
UTU01191

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.  
UTU63047A

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
NBU 337

2. Name of Operator  
EL PASO PROD OIL & GAS CO  
Contact: SHEILA UPCHEGO  
E-Mail: sheila.upchego@EIPaso.com

9. API Well No.  
43-047-34020-00-X1

3a. Address  
P O BOX 1148  
VERNAL, UT 84078  
3b. Phone No. (include area code)  
Ph: 435.781.7024  
Fx: 435.789.4436

10. Field and Pool, or Exploratory  
NATURAL BUTTES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 4 T10S R22E NESW 2495FSL 1972FWL

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.)

THE OPERATOR REQUESTS THAT THE APD FOR THE SUBJECT WELL BE EXTENDED FOR AN ADDITIONAL YEAR SO THAT DRILLING OPERATIONS MAY BE COMPLETED.

**RECEIVED**

OCT 11 2002 *email*

**DIVISION OF  
OIL, GAS AND MINING**

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #13787 verified by the BLM Well Information System**  
**For EL PASO PROD OIL & GAS CO, sent to the Vernal**  
**Committed to AFMSS for processing by MARCIA KULESZA on 08/23/2002 (02MK0255SE)**

|                                     |                          |
|-------------------------------------|--------------------------|
| Name (Printed/Typed) SHEILA UPCHEGO | Title REGULATORY ANALYST |
| Signature (Electronic Submission)   | Date 08/22/2002          |

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

|   |                                 |  |
|---|---------------------------------|--|
| Approved By <u>KIRK FLEETWOOD</u>   | Title <u>PETROLEUM ENGINEER</u> | <i>recd 10/11/02</i><br>Date <u>08/29/2002</u> |
| 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 <u>Vernal</u>                           |

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.

**Revisions to Operator-Submitted EC Data for Sundry Notice #13787**

|                | <b>Operator Submitted</b>   | <b>BLM Revised (AFMSS)</b>  |
|----------------|---|---|
| Sundry Type:   | OTHER<br>NOI  | OTHER<br>NOI  |
| Lease:         | U-01191   | UTU01191  |
| Agreement:     | NATURAL BUTTES  | UTU63047A   |
| Operator:      | EL PASO PRODUCTION O&G COMPANY<br>P.O. BOX 1148<br>VERNAL, UT 84078<br>Ph: 435.781.7024<br>Fx: 435.781.7094           | EL PASO PROD OIL & GAS CO<br>P O BOX 1148<br>VERNAL, UT 84078<br>Ph: 435.789.4433                                     |
| Admin Contact: | SHEILA UPCHEGO<br>OPERATIONS<br>E-Mail: sheila.upchego@EIPaso.com<br><br>Ph: 435.781.7024<br>Fx: 435.781.7094         | SHEILA UPCHEGO<br>REGULATORY ANALYST<br>E-Mail: sheila.upchego@EIPaso.com<br><br>Ph: 435.781.7024<br>Fx: 435.789.4436 |
| Tech Contact:  | SHEILA UPCHEGO<br>REGULATORY ANALYST<br>E-Mail: sheila.upchego@EIPaso.com<br><br>Ph: 435.781.7024<br>Fx: 435.781.7094 | SHEILA UPCHEGO<br>REGULATORY ANALYST<br>E-Mail: sheila.upchego@EIPaso.com<br><br>Ph: 435.781.7024<br>Fx: 435.789.4436 |
| Location:      |   |   |
| State:         | UT  | UT  |
| County:        | UINTAH  | UINTAH  |
| Field/Pool:    | NATURAL BUTTES  | NATURAL BUTTES  |
| Well/Facility: | NBU 337<br>Sec 4 T10S R22E NESW 2495FSL 1972FWL   | NBU 337<br>Sec 4 T10S R22E NESW 2495FSL 1972FWL   |

El Paso Production  
APD Extension

Well: NBU 337

Location: NESW Sec. 4, T10S, R22E

Lease: U-01191

**Conditions of Approval**

An extension for the referenced APD is granted with the following condition(s):

1. The extension will expire 9/06/03
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood at (435) 781-4486.

# 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.

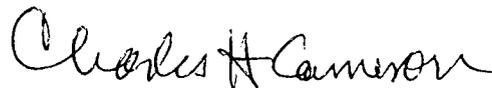
We have no objection.

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  
chrono





# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Washington, D.C. 20240

FEB 1 0 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:  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
7. UNIT or CA AGREEMENT NAME:  
8. WELL NAME and NUMBER:  
**Exhibit "A"**  
9. API NUMBER:  
10. FIELD AND POOL, OR WILDCAT:

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

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_  
2. NAME OF OPERATOR:  
**El Paso Production Oil & Gas Company**  
3. ADDRESS OF OPERATOR:  
**9 Greenway Plaza** CITY **Houston** STATE **TX** ZIP **77064-0995** PHONE NUMBER: **(832) 676-5933**

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

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

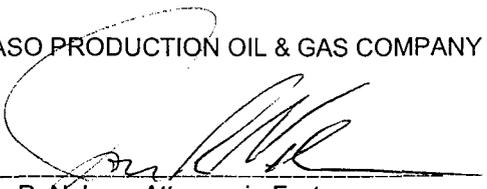
| TYPE OF SUBMISSION   | TYPE OF ACTION  |   |  |
|--|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           |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

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

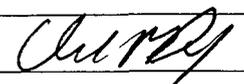
Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # \_\_\_\_\_  
State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

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

RECEIVED  
FEB 2 8 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)



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO  
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.  
Attn: Gary D. Williamson  
1670 Broadway, Suite 2800  
Denver, Colorado 80202

Re: Natural Buttes Unit  
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)  
SITLA  
Division of Oil, Gas & Mining  
Minerals Adjudication Group  
File - Natural Buttes Unit (w/enclosure)  
Agr. Sec. Chron  
Fluid Chron

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

Form 3160-5  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

5. Lease Serial No.

SEE ATTACHED EXHIBIT "A"

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

SEE ATTACHED EXHIBIT "A"

9. API Well No.

SEE ATTACHED EXHIBIT "A"

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7023

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

SEE ATTACHED EXHIBIT "A"

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

| TYPE OF SUBMISSION                                | TYPE OF ACTION                                |   |  |
|---|---|---|--|
| <input type="checkbox"/> Notice of Intent         | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) |
| <input type="checkbox"/> Subsequent Report        | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                |
|   | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |
|   | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |
|   |   |   | <input type="checkbox"/> Water Shut-Off            |
|   |   |   | <input type="checkbox"/> Well Integrity            |
|   |   |   | <input checked="" type="checkbox"/> Other          |
|   |   |   | 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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed if testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

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

RECEIVED

MAR 04 2003

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed)

CHERYL CAMERON

Title

OPERATIONS

Date

March 4, 2003

Signature

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 these 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**

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

**CA No. Unit: NATURAL BUTTES**

**WELL(S)**

| NAME                  | SEC TWN<br>RNG | API NO       | ENTITY<br>NO | LEASE<br>TYPE | WELL<br>TYPE | WELL<br>STATUS |
|-----------------------|----------------|--------------|--------------|---------------|--------------|----------------|
| NBU 313               | 04-10S-22E     | 43-047-32838 | 2900         | FEDERAL       | GW           | P              |
| COG NBU 67            | 04-10S-22E     | 43-047-31737 | 2900         | FEDERAL       | GW           | P              |
| NBU 85J               | 04-10S-22E     | 43-047-31246 | 2900         | FEDERAL       | GW           | P              |
| NBU 46N               | 04-10S-22E     | 43-047-30513 | 2900         | FEDERAL       | GW           | P              |
| NBU 148               | 04-10S-22E     | 43-047-31983 | 2900         | FEDERAL       | GW           | P              |
| NBU 147               | 04-10S-22E     | 43-047-31984 | 2900         | FEDERAL       | GW           | S              |
| NBU 335               | 04-10S-22E     | 43-047-33727 | 2900         | FEDERAL       | GW           | P              |
| NBU 336               | 04-10S-22E     | 43-047-34027 | 99999        | FEDERAL       | GW           | APD            |
| NBU 337               | 04-10S-22E     | 43-047-34020 | 99999        | FEDERAL       | GW           | APD            |
| NBU 339               | 05-10S-22E     | 43-047-34406 | 2900         | FEDERAL       | GW           | P              |
| CIGE 281              | 05-10S-22E     | 43-047-34444 | 2900         | FEDERAL       | GW           | P              |
| NBU 338               | 05-10S-22E     | 43-047-34058 | 2900         | FEDERAL       | GW           | P              |
| NBU CIGE 52-5-10-22   | 05-10S-22E     | 43-047-30531 | 2900         | FEDERAL       | GW           | P              |
| NBU CIGE 73D-5-10-22P | 05-10S-22E     | 43-047-30952 | 2900         | FEDERAL       | GW           | S              |
| NBU 140               | 05-10S-22E     | 43-047-31947 | 2900         | FEDERAL       | GW           | P              |
| NBU 149               | 05-10S-22E     | 43-047-31982 | 2900         | FEDERAL       | GW           | S              |
| NBU 242               | 05-10S-22E     | 43-047-32944 | 2900         | FEDERAL       | GW           | P              |
| NBU 171               | 05-10S-22E     | 43-047-32115 | 2900         | FEDERAL       | GW           | P              |
| CIGE 178-5-10-22      | 05-10S-22E     | 43-047-32330 | 2900         | FEDERAL       | GW           | PA             |
| NBU 280               | 05-10S-22E     | 43-047-34443 | 99999        | FEDERAL       | GW           | APD            |

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

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

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

8. **Federal and Indian Units:**

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

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

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

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

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 03/24/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/24/2003

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:**

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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.

U-01191

6. If Indian, Allottee or Tribe Name

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

Natural Buttes Unit

8. Well Name and No.

NBU #337

9. API Well No.

43-047-34020

10. Field and Pool, or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah, 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 CO, LP

~~El Paso Production Oil & Gas Company~~

3a. Address

P.O. Box 1148 Vernal, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

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

NESW Section 4-T10S-R22E 2495'FSL & 1972'FWL

**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>DOGM APD</u> |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <u>Extension</u>  |
|  | <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 that the APD for the subject well be extended for an additional year so that drilling operations may be completed

**COPY SENT TO OPERATOR**  
Date: 5-30-03  
Initials: LAD

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
Date: 05-29-03  
By: [Signature]

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

Name (Printed/Typed)

Sheila Upchegg

Signature

[Signature]

Title

Regulatory Analyst

Date

May 19, 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)

**RECEIVED**

**MAY 28 2003**

**DIV. OF OIL, GAS & MINING**



**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-047-34020  
**Well Name:** NBU #337  
**Location:** NESW SECTION 4-T10S-R22E  
**Company Permit Issued to:** WESTPORT OIL & GAS COMPANY L.P.  
**Date Original Permit Issued:** 4/18/2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
Signature

5/28/2003  
Date

**Title:** REGULATORY ANALYST

**Representing:** WESTPORT OIL & GAS CO., L.P.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.  
Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

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

891008900A

8. Well Name and No.

Multiple Wells - see attached

9. API Well No.

Multiple Wells - see attached

10. Field and Pool, or Exploratory Area

Natural Buttes Unit

11. County or Parish, State

Uintah County, UT

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

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-

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"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |
|  |   |   | <input type="checkbox"/> Water Shut-Off            |
|  |   |   | <input type="checkbox"/> Well Integrity            |
|  |   |   | <input type="checkbox"/> Other                     |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate 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 IIIC.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.

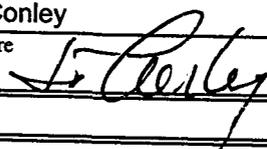
The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped. The average NBU 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)

J.T. Conley

Signature



COPY SENT TO OPERATOR  
Date: 9-16-03  
Initials: JHC

Title

Date

Operations Manager

9-2-2003

SEP 10 2003

DIV. OF OIL, GAS & MINING

Approved by

Title

Date

Office

Date: 9/16/03

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

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.

**Westport Oil & Gas, L.P.**  
**Project Economics Worksheet**

**Instructions:** Fill in blue boxes 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 ???  Y  N (Y or N)

|                         | BEFORE<br>\$/Year | AFTER<br>\$/Year | DIFFERENCE<br>\$/Year |
|-------------------------|-------------------|------------------|-----------------------|
| Gross Oil Revenue       | \$1,088           | \$1,099          | \$11                  |
| Gross Gas Revenue       | \$0               | \$0              | \$0                   |
| NGL Revenue             | \$0               | \$0              | \$0                   |
| PULING 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                   |
| <b>Totals</b>           | <b>\$0</b>        | <b>\$350</b>     | <b>\$350</b>          |

**Increased OPX Per Year**

**Investment Breakdown:**

|            | Cap/Exp<br>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     |        | HP    |       | HP    | 0          | HP    |
| Fuel Gas Burned |        | MCFPD |       | MCFPD | 0          | MCFPD |

**Project Life:**

Life =  Years  
 (Life no longer than 20 years)

**Internal Rate of Return:**

After Tax IROR =

**AT Cum Cashflow:**

Operating Cashflow =  (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 =  Years or  Days

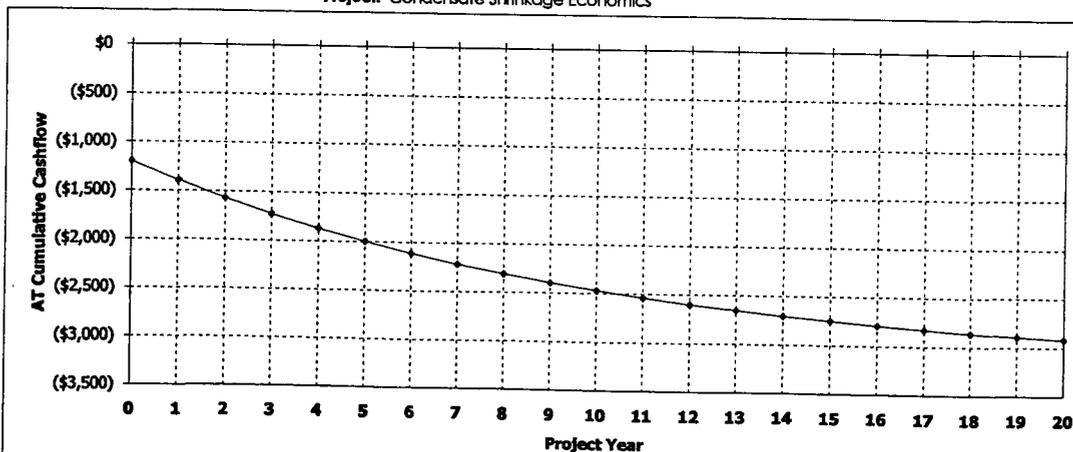
**Gross Reserves:**

Oil Reserves =  BO  
 Gas Reserves =  MCF  
 Gas Equiv Reserves =  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<br>( scf/STbbl )<br>(A) | Specific Gravity of<br>Flashed Gas<br>( Air=1.000 ) | Separator<br>Volume<br>Factor<br>(B) | Separator<br>Volume<br>Percent<br>(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

| WELL        | LEGALS        | STFLEASENO     | CANUMBER   | APINO            |
|-------------|---------------|----------------|------------|------------------|
| NBU 332     | 10-10-21 NWSW | UTU01416A      | 891008900A | 430473364000S1   |
| NBU 333     | 13-10-21 SWSW | ML23608        | 891008900A | 430473364100S1 ✓ |
| NBU 335     | 4-10-22 SENE  | UTU01191       | 891008900A | 430473372400S1   |
| NBU 336     | 4-10-22 NWNE  | U-01191        | 891008900A | 430473402700S1   |
| NBU 337     | 4-10-22 SENW  | U-01191-A      | 891008900A | 430473402000S1   |
| NBU 338     | 5-10-22 NESE  | UTU01191       | 891008900A | 430473405800S1   |
| NBU 339     | 5-10-22 NWSE  | UTU01191       | 891008900A | 430473440600S1   |
| NBU 340     | 6-10-22 SWNE  | UTU01195       | 891008900A | 430473372500S1   |
| NBU 340X    | 6-10-22 SWNE  | UTU01195       | 891008900A | 430473401500S1   |
| NBU 341     | 6-10-22 SWNW  | UTU464         | 891008900A | 430473372600S1   |
| NBU 342     | 7-10-22 NWSE  | UTU468         | 891008900A | 430473372700S1   |
| NBU 343     | 8-10-22 NWNE  | UTU01196C      | 891008900A | 430473371900S1   |
| NBU 344     | 8-10-22 SWNE  | UTU01196C      | 891008900A | 430473402100S1   |
| NBU 345     | 10-10-22 SWNE | UTU02587       | 891008900A | 430473370400S1 ✓ |
| NBU 345-4E  | 4-10-21 SWSW  | UTU01393B      | 891008900A | 430473470000S1 ✓ |
| NBU 347     | 11-10-22 NWSW | UTU01197A      | 891008900A | 430473370900S1 ✓ |
| NBU 348     | 11-10-22 SWSW | UTU01197A-ST   | 891008900A | 430473400100S1   |
| NBU 349     | 11-10-22 SWSE | UTU01197A-ST   | 891008900A | 430473400200S1 ✓ |
| NBU 350     | 14-10-22 NWNE | UTU01197A      | 891008900A | 430473364200S1 ✓ |
| NBU 351     | 30-10-22 SESE | UTU0132568A    | 891008900A | 430473366800S1   |
| NBU 352     | 9-9-21 SWNW   | UTU0149767     | 891008900A | 430473392200S1   |
| NBU 353     | 27-9-21 SENW  | U01194A        | 891008900A | 430473320500S1 ✓ |
| NBU 354     | 31-9-22 NENW  | UTU464         | 891008900A | 430473323100S1   |
| NBU 356     | 30-9-22 NENW  | U463           | 891008900A | 430473323200S1   |
| NBU 357     | 15-10-21 SWSW | UTU01791A      | 891008900A | 430473372800S1   |
| NBU 358     | 16-10-21 SESW | ML10755        | 891008900A | 430473370800S1   |
| NBU 359     | 29-10-21 NWNE | ML21330        | 891008900A | 430473370600S1   |
| NBU 360     | 29-10-22 SESW | UTU0145824     | 891008900A | 430473377300S1   |
| NBU 361     | 32-10-22 NWNW | ML22798        | 891008900A | 430473370500S1 ✓ |
| NBU 362     | 28-9-21 SESW  | UTU0576        | 891008900A | 430473377400S1   |
| NBU 363     | 28-9-21 SESE  | UTU0576        | 891008900A | 430473377500S1   |
| NBU 364     | 29-9-21 SESE  | UTU0581        | 891008900A | 430473377600S1   |
| NBU 365     | 3-10-21 SESE  | UTU0149078     | 891008900A | 430473377700S1   |
| NBU 366     | 10-10-21 NWNW | UTU0149079     | 891008900A | 430473372900S1   |
| NBU 367     | 11-10-22 NESW | UTU01197A-ST   | 891008900A | 430473370700S1 ✓ |
| NBU 370     | 17-9-21 NWSW  | UTU0575        | 891008900A | 430473467200S1 ✓ |
| NBU 371     | 8-9-21 SWSE   | UTU0575B       | 891008900A | 430473467300S1 ✓ |
| NBU 375     | 12-9-21 SWNE  | UTU0141317     | 891008900A | 430473444000S1 ✓ |
| NBU 376     | 12-9-21 NENE  | UTU0141317     | 891008900A | 430473444100S1 ✓ |
| NBU 377     | 31-9-21 NENW  | UTU0582        | 891008900A | 430473436300S1   |
| NBU 378     | 31-9-21 NWNE  | UTU0582        | 891008900A | 430473436400S1   |
| NBU 381     | 23-10-22 SESW | UTU01198B      | 891008900A | 430473423400S1   |
| NBU 382     | 22-10-22 SENW | U-01198-B      | 891008900A | 430473423500S1   |
| NBU 383     | 21-10-22 SESW | U-489          | 891008900A | 430473423600S1   |
| NBU 384     | 30-10-22 SENW | UTU0132568A    | 891008900A | 430473423700S1 ✓ |
| NBU 385     | 18-10-22 SENW | ML22973        | 891008900A | 430473422800S1   |
| NBU 386     | 17-10-22 NESE | UTU470         | 891008900A | 430473423800S1   |
| NBU 387     | 23-10-21 SWSE | U-02277-A      | 891008900A | 430473423900S1   |
| NBU 388     | 22-10-21 SENW | U-02278-A      | 891008900A | 430473424000S1   |
| NBU 389     | 28-10-21 NENE | ML21329        | 891008900A | 430473422900S1   |
| NBU 390     | 30-10-21 SESE | ML22793        | 891008900A | 430473423000S1   |
| NBU 391     | 17-9-21 NWNW  | UTU0575        | 891008900A | 430473487400S1   |
| NBU 393     | 22-9-20 SWNW  | U0577B         | 891008900A | 430473486400S1   |
| NBU 394     | 11-10-22 SWSE | UTU01197A-ST   | 891008900A | 430473480400S1 ✓ |
| NBU 395     | 27-9-21 SWSW  | UTU01194A-ST   | 891008900A | 430473437400S1 ✓ |
| NBU 396     | 33-9-21 NENW  | UTU0576        | 891008900A | 430473448000S1 ✓ |
| NBU 397     | 26-10-20 NESW | UTU4476        | 891008900A | 430473436500S1   |
| NBU 398     | 18-10-21 NENW | UTU02270A      | 891008900A | 430473436600S1   |
| NBU 399     | 14-10-21 NWNW | UTU465         | 891008900A | 430473440900S1   |
| NBU 400     | 16-10-21 NENW | ML10755        | 891008900A | 430473479400S1   |
| NBU 401     | 23-10-21 NENE | UTU02278A      | 891008900A | 430473480100S1   |
| NBU 404     | 32-9-22 SWSE  | ML22649        | 891008900A | 430473437500S1 ✓ |
| NBU 405     | 27-9-21 NENE  | UTU01194A-ST   | 891008900A | 430473440700S1 ✓ |
| NBU 407     | 32-10-22 NENW | ML22798        | 891008900A | 430473431800S1 ✓ |
| NBU 408     | 31-10-22 NENE | UTU0143551     | 891008900A | 430473459000S1 ✓ |
| NBU 409     | 32-9-21 NWSW  | ML48758        | 891008900A | 430473442100S1 ✓ |
| NBU 410     | 32-9-21 SWSW  | ML48758        | 891008900A | 430473487200S1   |
| NBU 411     | 32-9-21 SESE  | ML48758        | 891008900A | 430473442200S1 ✓ |
| NBU 412     | 32-10-22 SENW | ML22798        | 891008900A | 430473431900S1 ✓ |
| NBU 413     | 32-10-22 SWNW | ML22798        | 891008900A | 430473432000S1 ✓ |
| NBU 414     | 31-10-22 SENE | UTU0143551     | 891008900A | 430473438700S1   |
| NBU 414-20E | 20-9-21 NWNE  | U0143551/U0575 | 891008900A | 430473477900S1   |
| NBU 415-20E | 20-9-21 SWNE  | UTU0575        | 891008900A | 430473448900S1 ✓ |
| NBU 416     | 36-9-20 SESE  | ML48757        | 891008900A | 430473442300S1 ✓ |
| NBU 418     | 12-9-21 NWNW  | UTU0141317     | 891008900A | 430473477700S1   |



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

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

October 28, 2003

Sheila Upchego  
Westport Oil & Gas Company  
P. O. Box 1148  
Vernal, Utah 84078

Re: APD Rescinded – NBU 337 Sec. 4, T.10S, R. 22E Uintah County, Utah  
API No. 43-047-34020

Dear Ms. Upchego:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 16, 2001. On May 15, 2002 and on May 29, 2003 the Division granted a one-year APD extension. On October 28, 2003, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 28, 2003.

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

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

Sincerely,

Diana Whitney  
Engineering Technician

cc: Well File  
Bureau of Land Management, Vernal