

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		<b>CONFIDENTIAL</b>	5. Lease Serial No. U-0141317
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name
2. Name of Operator EL PASO PRODUCTION O&G COMPANY		Contact: CHERYL CAMERON E-Mail: Cheryl.Cameron@EIPaso.com	7. If Unit or CA Agreement, Name and No. NATURAL BUTTES
3a. Address P.O. BOX 1148 VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.7023 Fx: 435.789.4436	8. Lease Name and Well No. NBU 316
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNE 2127FNL 1814FEL At proposed prod. zone		4434376 N 626637 E	9. API Well No. 43-047-34413
14. Distance in miles and direction from nearest town or post office* 20 MILES NORTHWEST OF OURAY, UT			10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1814		16. No. of Acres in Lease 480.00	11. Sec., T., R., M., or Blk. and Survey or Area Sec 11 T9S R21E Mer SLB
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C		19. Proposed Depth 6900 MD	12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4845 GL		22. Approximate date work will start	13. State UT
		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:

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

25. Signature (Electronic Submission) 	Name (Printed/Typed) CHERYL CAMERON Ph: 435.781.7023	Date 12/03/2001
Title OPERATIONS		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 12-11-01
Title	Office RECLAMATION SPECIALIST III	

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #9548 verified by the BLM Well Information System  
For EL PASO PRODUCTION O&G COMPANY, sent to the Vernal

**RECEIVED**

DEC 04 2001

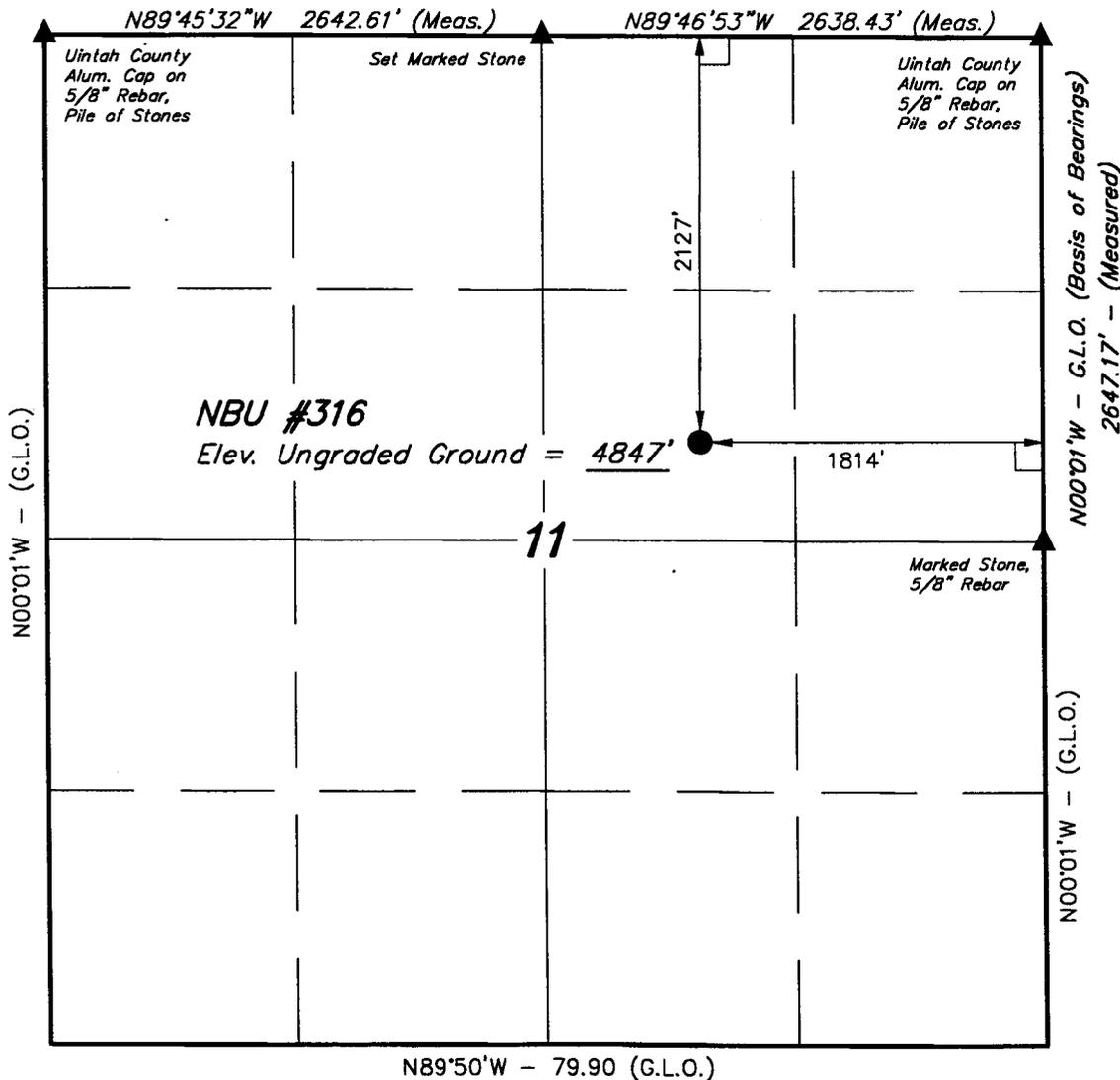
DIVISION OF  
OIL, GAS AND MINING

\*\* ORIGINAL \*\*

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

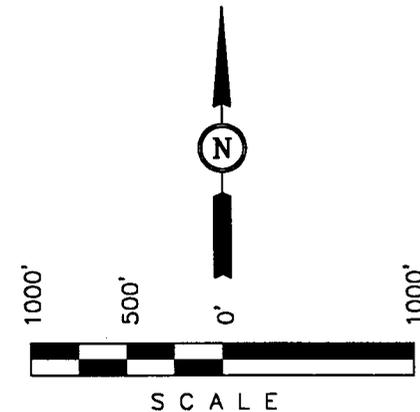
## COASTAL OIL & GAS CORP.

Well location, NBU #316, located as shown in the SW 1/4 NE 1/4 of Section 11, T9S, R21E, S.L.B.&M., Uintah County, Utah.



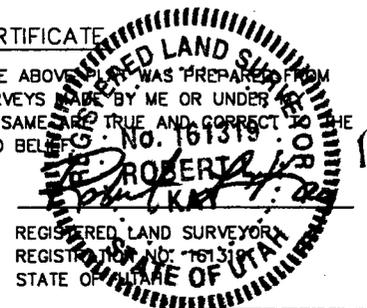
### BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTH 1/4 CORNER OF SECTION 11, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4857 FEET.



### CERTIFICATE

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



### 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 1" = 1000'	DATE SURVEYED: 10-15-98	DATE DRAWN: 11-04-98
PARTY D.A.    C.G.    D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COASTAL OIL & GAS CORP.	

# COASTAL OIL & GAS CORP.

NBU #316

SECTION 11, T9S, R21E, 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 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 5.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN LEFT AND PROCEED IN A WESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE TO VERNAL IS APPROXIMATELY 51.1 MILES.

DENVER DISTRICT - E & S

NOV 16 1998

BLC \_\_\_ RAD \_\_\_ SCP \_\_\_ CEL \_\_\_  
SAB \_\_\_ JRN \_\_\_ MDE \_\_\_ LPS \_\_\_

XC: *Drly*  
*PEB*  
*RJL*  
*DHS*

NBU #316  
 SW/NE Sec. 11-T9S, R21E  
 UINTAH COUNTY, UTAH  
 LEASE #U-0141317

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

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

<u>Formation</u>	<u>Depth</u>
KB	4870'
Green River	2065'
Wasatch	5275'
TD	6900'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	2065'
Gas	Wasatch	5275'
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 Natural Buttes Unit SOP.*

5. **Drilling Fluids Program:**

*Please see the Natural Buttes Unit SOP.*

6. **Evaluation Program:**

*Please see the Natural Buttes Unit SOP.*

**7. Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 6900' TD, approximately equals 2,760 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,242 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

**NBU #316  
SW/NE Sec. 11-T9S-R21E  
UINTAH COUNTY, UTAH  
LEASE #U-0141317**

**ONSHORE ORDER NO. 1**

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

An onsite inspection was conducted for the NBU #316 on 2/7/01, for the subject well.

**1. Existing Roads:**

The proposed well site is approximately 20 miles northwest of Ouray, Utah. Directions to the location from Ouray, Utah is enclosed.

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 location shall be bermed to prevent flooding as discussed during the on-site inspection.

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

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

*Please see the Natural Buttes SOP.*

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.

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  
Regulatory Analyst  
El Paso Production O&G Co.  
P.O. Box 1148  
Vernal, UT 84078  
(435) 781-7023

Scott Palmer  
Drilling Manager  
El Paso Production O&G Co.  
9 Greenway Plaza  
Houston, TX 77046-0995  
(713) 420-4850

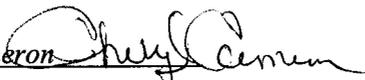
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

El Paso Production Oil & Gas Company is considered to be the operator of the subject well. El Paso Production Oil & Gas Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

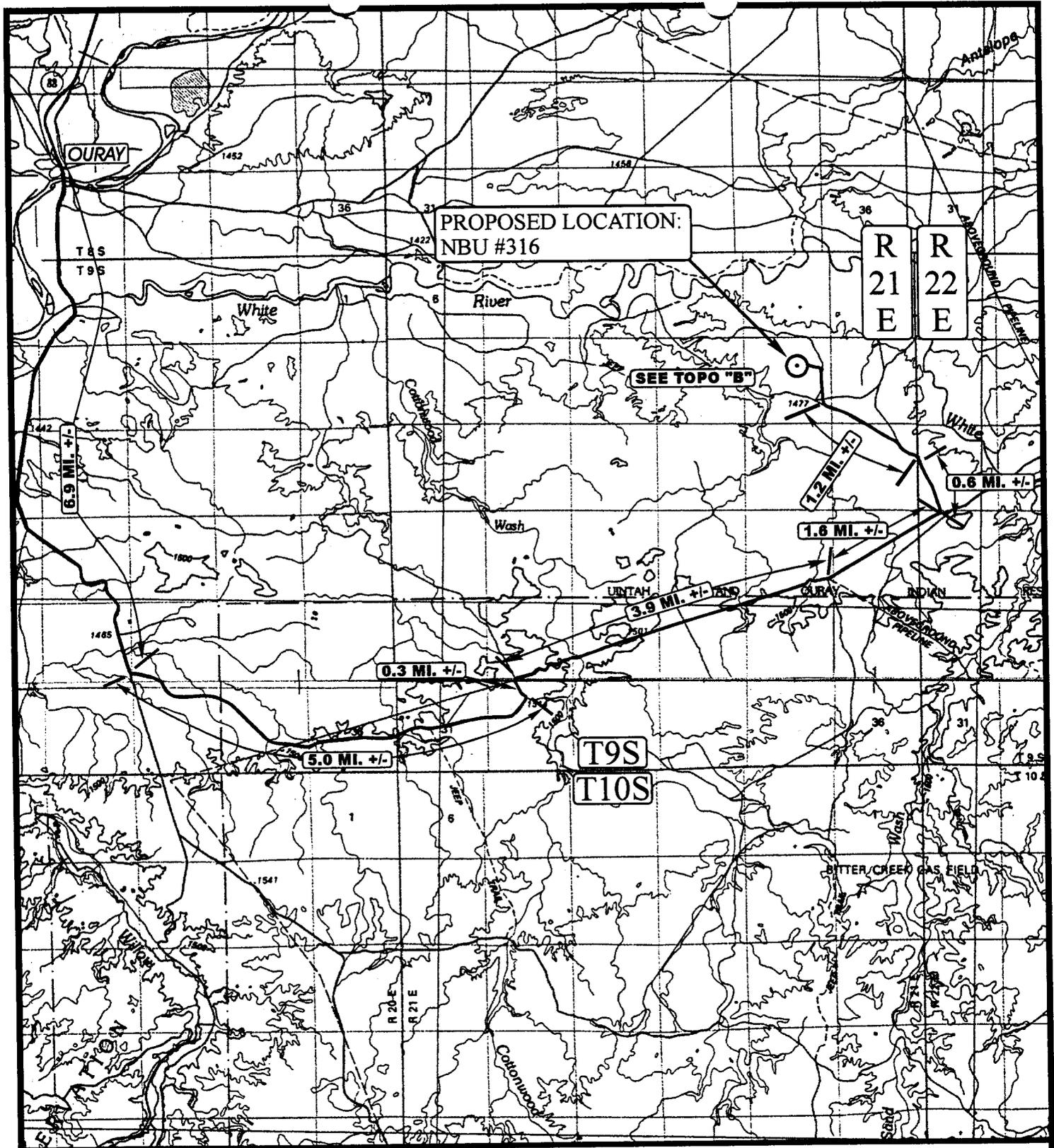
Bond Coverage pursuant to 43 CFR 3104 for lease activities is being provided by El Paso Production Oil & Gas Company, Nationwide Bond #WY3457.

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

11/28/01  
Date



**LEGEND:**

⊙ PROPOSED LOCATION



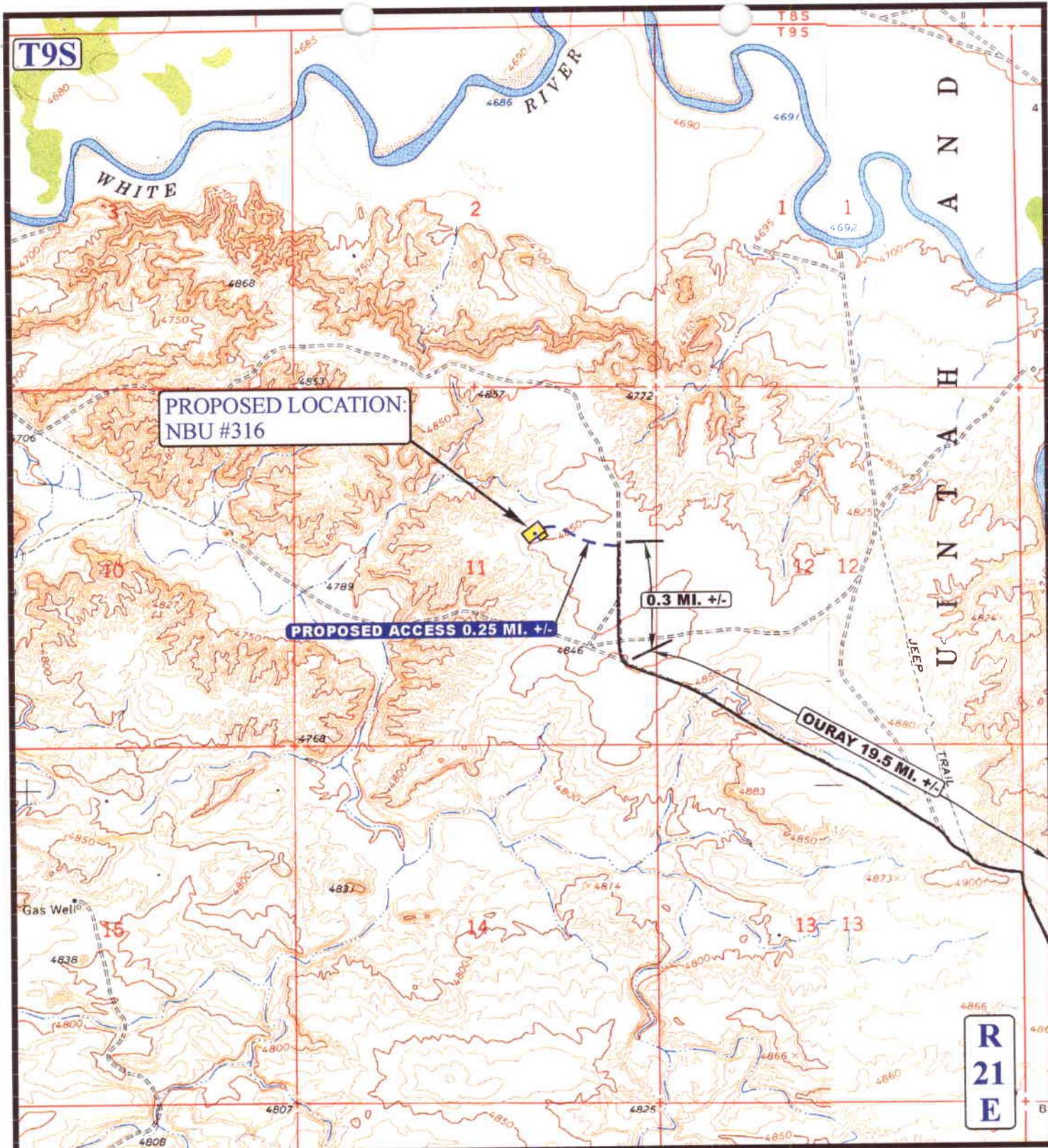
**COASTAL OIL & GAS CORP.**

NBU #316  
 SECTION 11, T9S, R21E, S.L.B.&M.  
 2127' FNL 1814' FEL

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

**TOPOGRAPHIC** 10 19 98  
**MAP** MONTH DAY YEAR  
 SCALE: 1: 100,000 DRAWN BY: C.G. REVISED: 00-00-00

**A**  
 TOPO



**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD



**COASTAL OIL & GAS CORP.**

**NBU #316**  
**SECTION 11, T9S, R21E, S.L.B.&M.**  
**2127' FNL 1814' FEL**



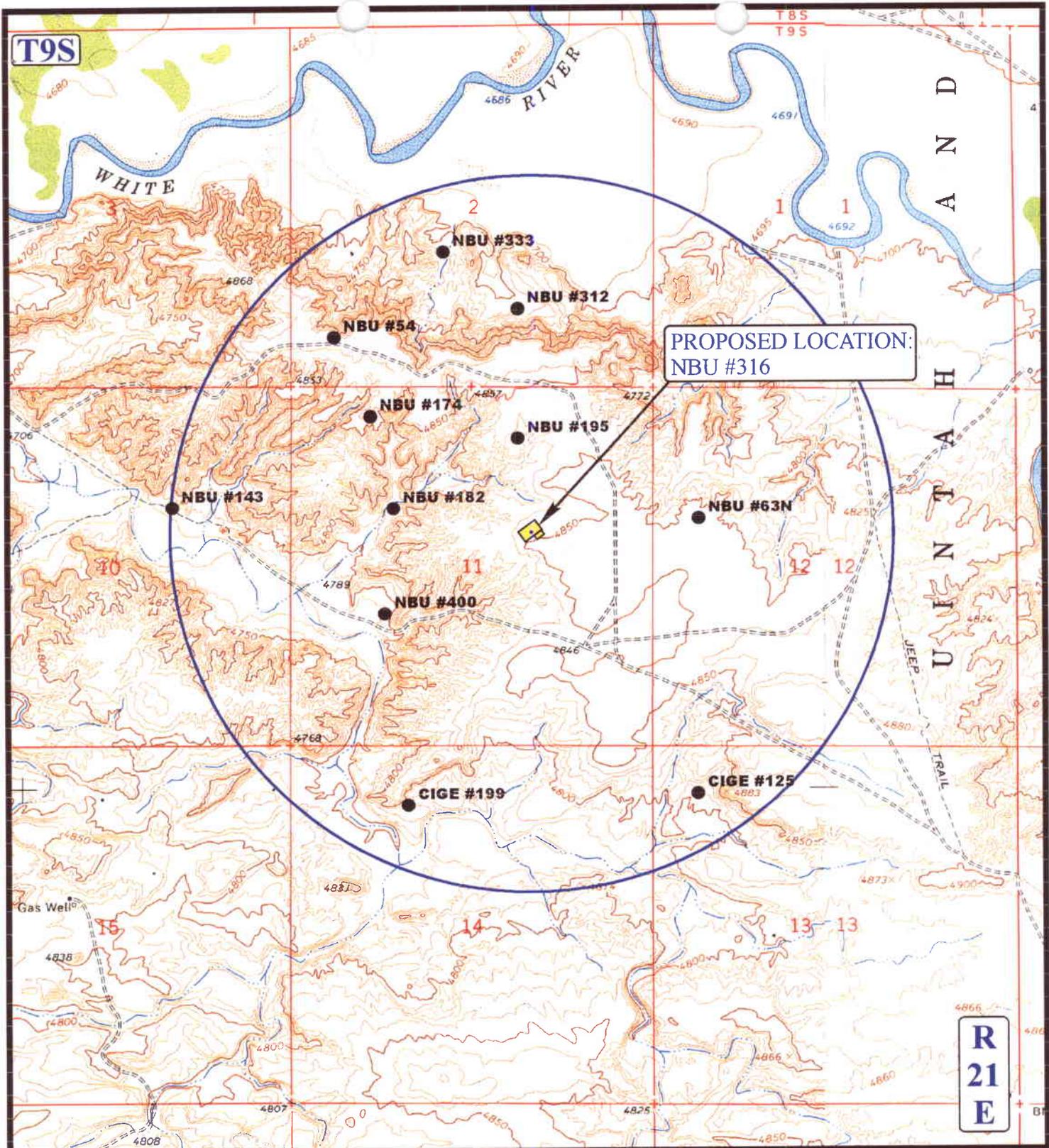
**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

<b>10</b>	<b>19</b>	<b>98</b>
MONTH	DAY	YEAR

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

**B**  
**TOPO**



PROPOSED LOCATION:  
NBU #316

**LEGEND:**

- |                   |                         |
|-------------------|-------------------------|
| ∅ DISPOSAL WELLS  | ⊕ WATER WELLS           |
| ● PRODUCING WELLS | ⊖ ABANDONED WELLS       |
| ⬮ SHUT IN WELLS   | ⊙ TEMPORARILY ABANDONED |



**COASTAL OIL & GAS CORP.**

**NBU #316**  
**SECTION 11, T9S, R21E, S.L.B.&M.**  
**2127' FNL 1814' FEL**



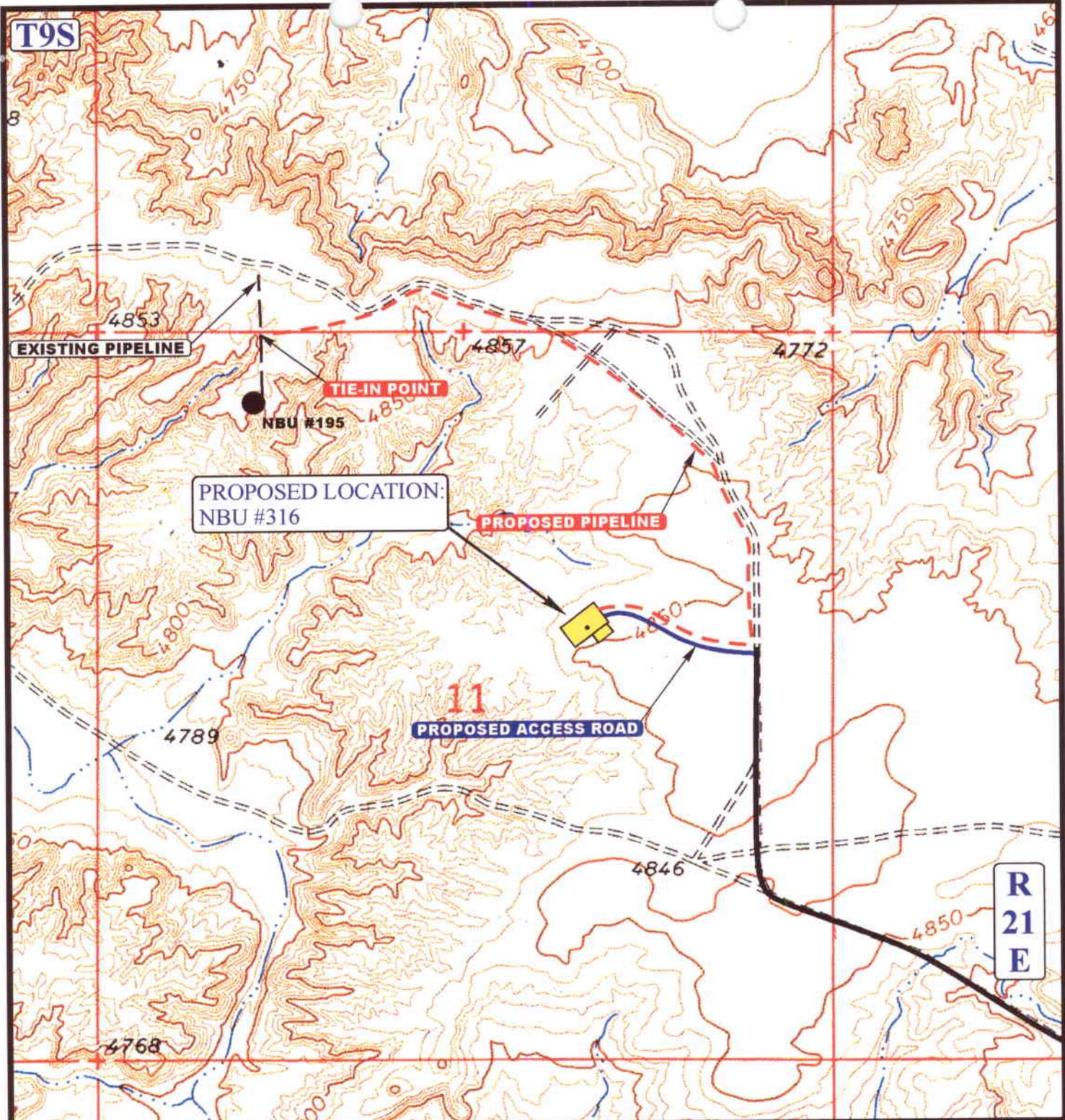
**Utah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**10 19 98**  
 MONTH DAY YEAR

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





**APPROXIMATE TOTAL PIPELINE DISTANCE = 6300' +/-**

**LEGEND:**

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS



**COASTAL OIL & GAS CORP.**

**NBU #316**  
**SECTION 11, T9S, R21E, S.L.B.&M.**  
**2127' FNL 1814' FEL**



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

**TOPOGRAPHIC MAP**

<b>10</b>	<b>19</b>	<b>98</b>
MONTH	DAY	YEAR

SCALE: 1" = 1000'    DRAWN BY: C.G.    REVISED: 11-4-98



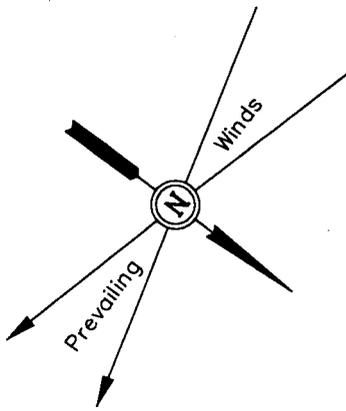
# COASTAL OIL & GAS CORP.

## LOCATION LAYOUT FOR

NBU #316

SECTION 11, T9S, R21E, S.L.B.&M.

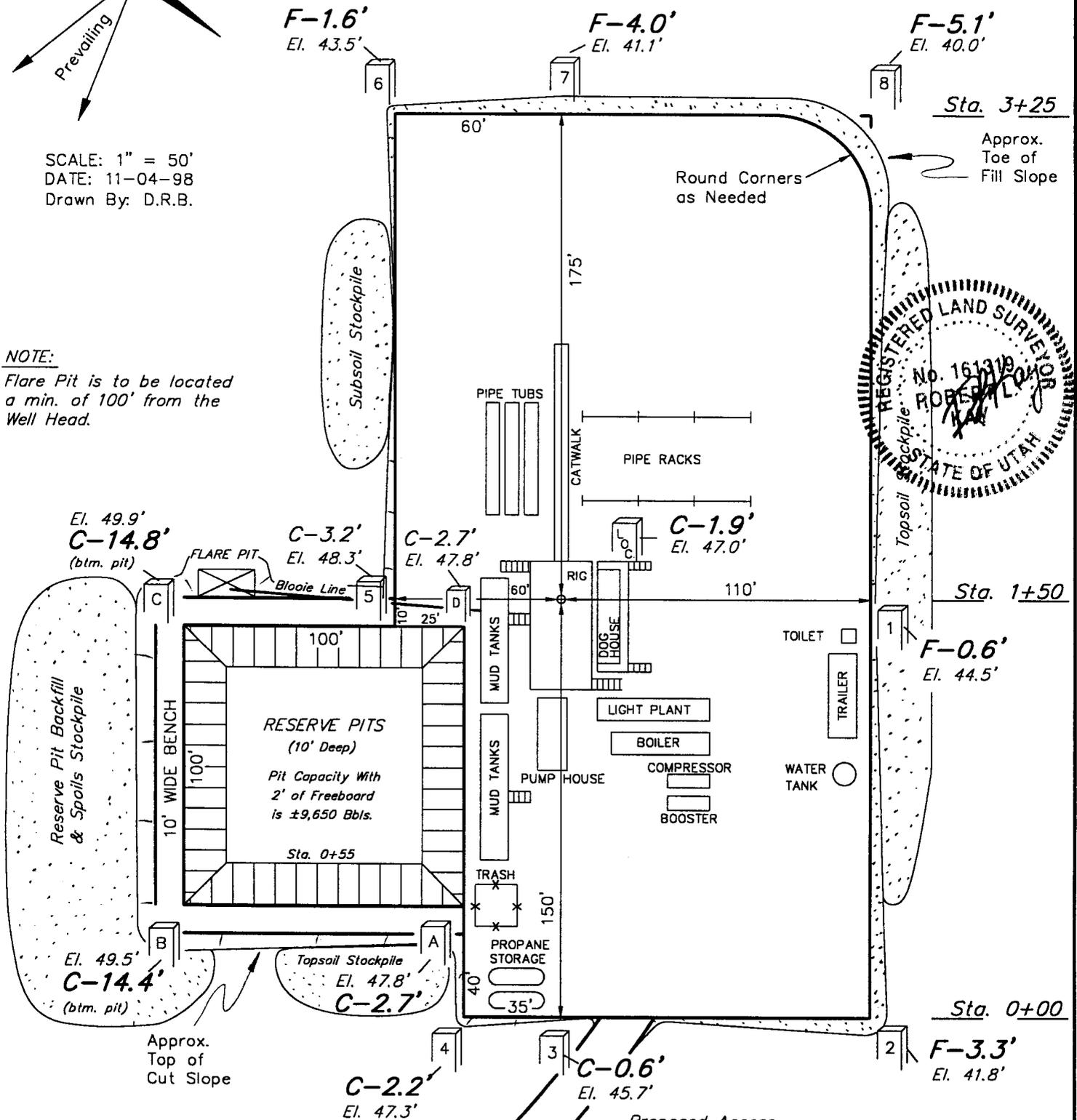
2127' FNL 1814' FEL



SCALE: 1" = 50'  
DATE: 11-04-98  
Drawn By: D.R.B.

**NOTE:**

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



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = **4847.0'**  
FINISHED GRADE ELEV. AT LOC. STAKE = **4845.1'**

**FIGURE #1**

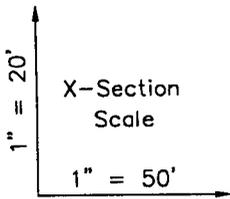
COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

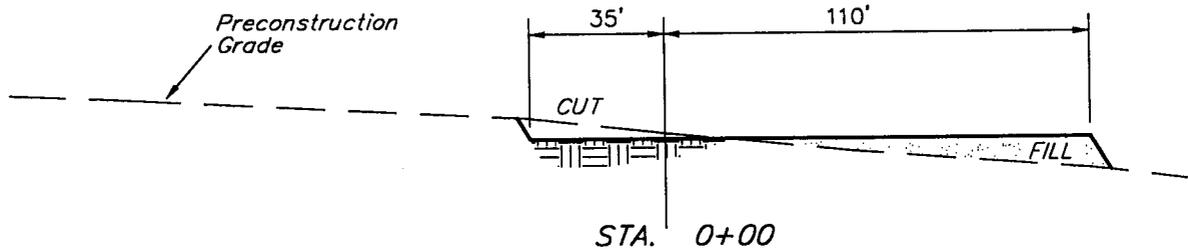
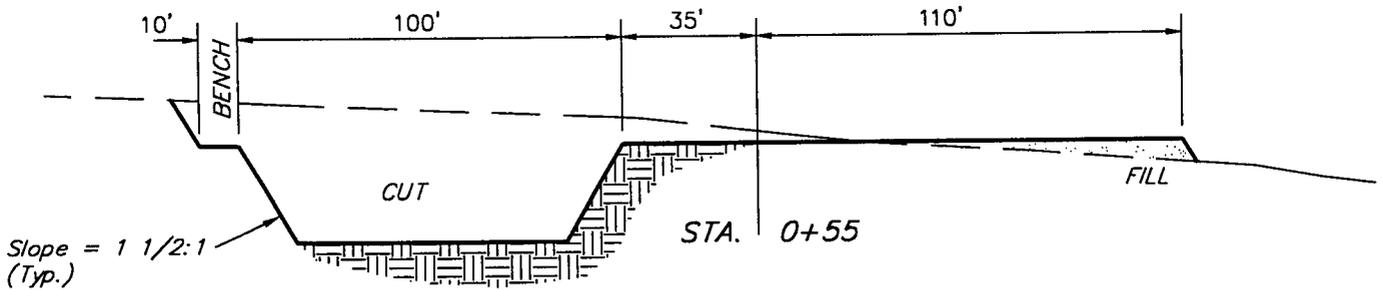
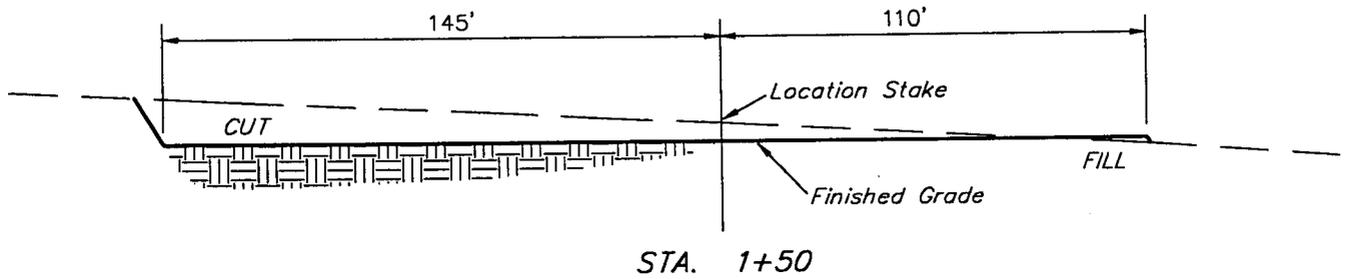
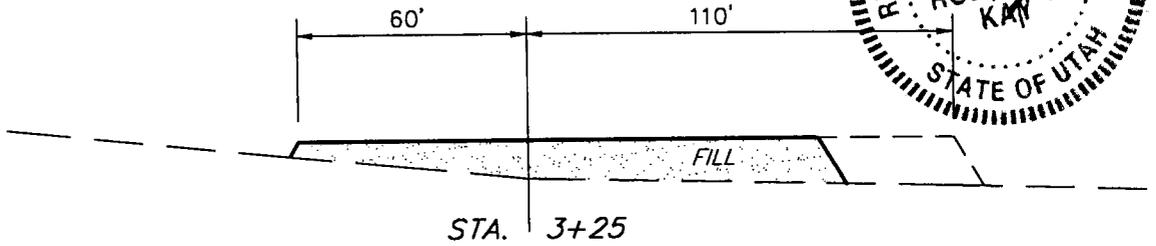
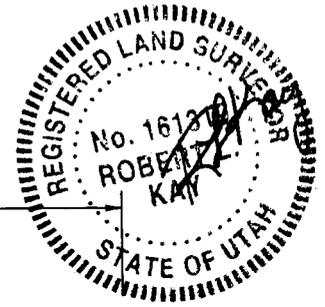
NBU #316

SECTION 11, T9S, R21E, S.L.B.&M.

2127' FNL 1814' FEL



DATE: 11-04-98  
Drawn By: D.R.B.



**FIGURE #2**

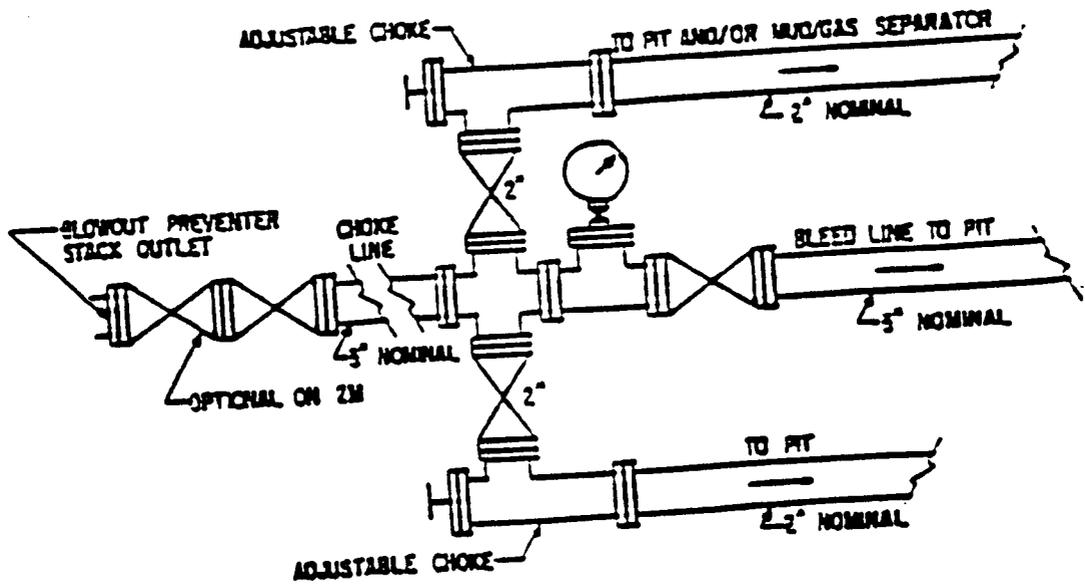
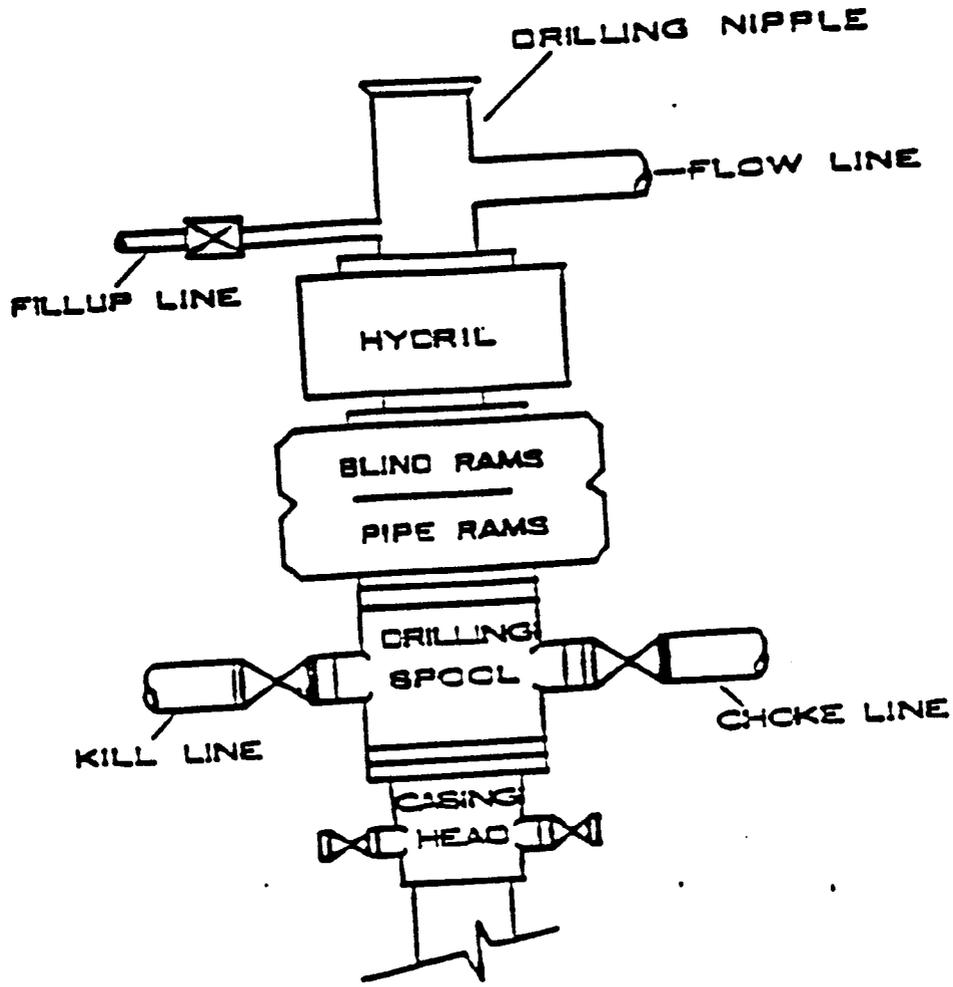
APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,280 Cu. Yds.
Remaining Location	= 4,570 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 6,850 CU.YDS.</b>
<b>FILL</b>	<b>= 3,070 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,620 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,620 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

3,000 PSI

# EOP STACK



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/04/2001

API NO. ASSIGNED: 43-047-34413

WELL NAME: NBU 316  
 OPERATOR: EL PASO PROD OIL & GAS ( N1845 )  
 CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:

SWNE 11 090S 210E  
 SURFACE: 2127 FNL 1814 FEL  
 BOTTOM: 2127 FNL 1814 FEL  
 UINTAH  
 NATURAL BUTTES ( 630 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-0141317  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

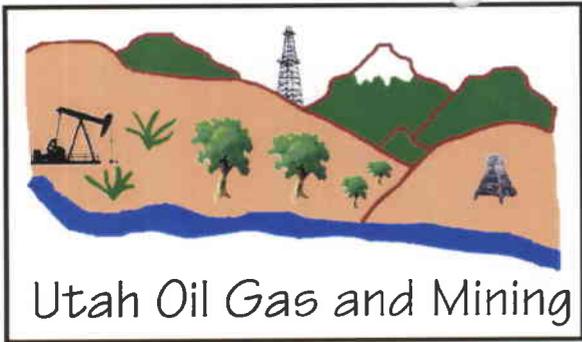
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. WY3457 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

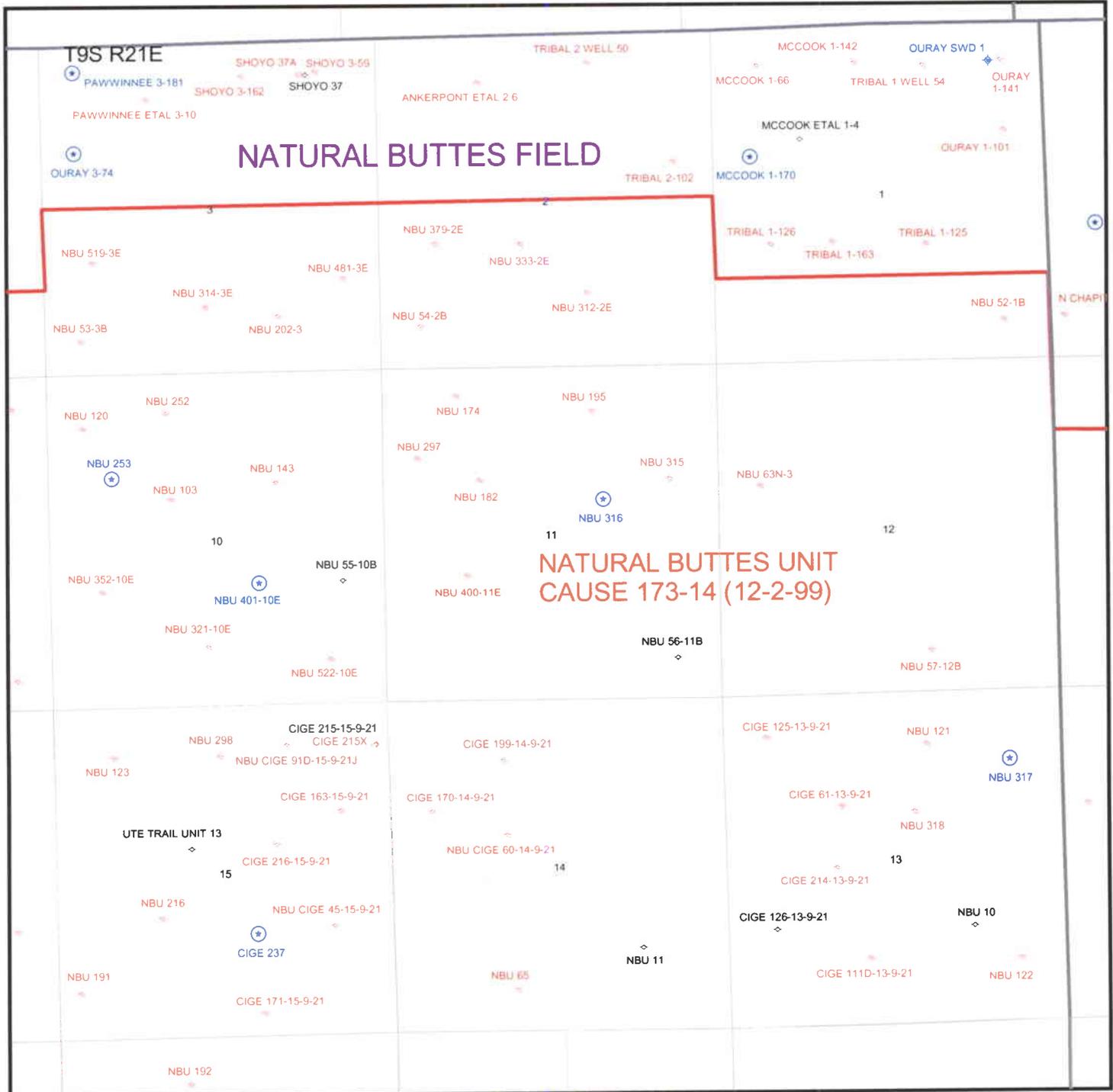
- R649-2-3. Unit NATURAL BUTTES
- R649-3-2. General  
Siting: 460' From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 173-14  
Eff Date: 12-2-99  
Siting: 460' fr. Unit Boundary E. W. Comm. Tract
- R649-3-11. Directional Drill

COMMENTS: NBU SOP, separate file.

STIPULATIONS: 1-Fed. Approval  
2-Oil Shale



OPERATOR: EL PASO PROD O&G (N1845)  
 SEC. 11, T9S, R21E  
 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)

December 11, 2001

El Paso Production Oil & Gas Company  
PO Box 1148  
Vernal, UT 84078

Re: Natural Buttes Unit 316 Well, 2127' FNL, 1814' FEL, SW NE, Sec. 11, T. 9 South,  
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

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 43-047-34413.

Sincerely,

John R. Baza  
Associate Director

er

Enclosures

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

**Operator:** El Paso Production Oil & Gas Company  
**Well Name & Number** Natural Buttes Unit 316  
**API Number:** 43-047-34413  
**Lease:** U 0141317

**Location:** SW NE      **Sec.** 11      **T.** 9 South      **R.** 21 East

### **Conditions of Approval**

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

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.



CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: El Paso Production Oil & Gas Corp.

Well Name & Number: NBU 316

Lease Number: U-0141317

API Number: 43-047-34413

Location: SWNE Sec. 11 T.9S R. 21E

Agreement: Natural Buttes Unit

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

**CONDITIONS OF APPROVAL**

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

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

A. DRILLING PROGRAM

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

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

2. Pressure Control Equipment

The variances requested in section 9 of the NBU Field SOP are granted with the following conditions:

Where the location and rig layout allows, the blooie line shall be straight and extend 100' from the wellbore. This requirement will be waived only in the case where the location is too small to accommodate it.

3. Casing Program and Auxiliary Equipment

The surface casing must be cemented back to surface. The base of the moderately saline water has been identified as  $\pm 140'$ . The cement behind the production casing must be sufficient to protect this resource.

4. Mud Program and Circulating Medium

None

5. Coring, Logging and Testing Program

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

6. Notifications of Operations

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

7. Other Information

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

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

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

Ed Forsman (435) 828-7874  
Petroleum Engineer

Kirk Fleetwood (435) 828-7875  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

## **SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)**

El Paso Production Oil and Gas Corporation (El Paso) will assure the Ute Tribe that any/all contractors and subcontractors have acquired a current Tribal Business License and have updated "Access Permits" prior to construction. All El Paso personnel, contractors and subcontractors will have these permits in their vehicles at all times. Companies that have not complied with this COA will be in violation of the Ute Tribal Business License Ordinance, and will be subject to fines and penalties.

El Paso employees, representatives, and/or authorized personnel (subcontractors) shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

El Paso employees and/or authorized personnel (subcontractors) in the field will have approved applicable APDs and/or ROW permits/authorizations on their person(s) during all phases of construction.

El Paso will notify the Ute Tribe and Bureau of Indian Affairs (BIA) in writing of any requested modification of APDs or Rights-Of Way (ROW). El Paso shall receive written notification of authorization or denial of the requested modification. Without authorization, El Paso will be subject to fines and penalties.

The Ute Tribe Energy & Minerals Department shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday. A Tribal Technician is to routinely monitor construction. El Paso shall make arrangements with the Ute Energy & Minerals Department for all monitoring that will exceed regular working hours for Tribal Technicians. A qualified Archaeologist accompanied by a Tribal Technician will monitor any trenching required for the construction of the pipeline. El Paso is to inform contractors to maintain construction of the pipelines within approved 30 foot right of ways.

A corridor ROW, 30 feet wide and 6275 feet long, shall be granted for the pipeline and a corridor ROW, 30 feet wide and 1135 feet long, shall be granted for the access road. The constructed travel width of the access road will be limited to 18 feet. Upon authorization by the Ute Tribe Energy & Minerals Department, the road ROW may be wider where sharp curves; deep cuts and fills occur; or, where intersections with other roads are required. Upon completion of each pipeline in the corridor an adequate description of the pipeline will be filed with the Ute Tribe Energy & Minerals Department.

Upon completion of the pertinent APD and ROWs, El Paso will notify the Ute Tribe Energy & Minerals Department for a Tribal Technician to verify the Affidavit of Completion.

Production waters, oil, and other byproducts shall not be placed on access roads or the well pad. At any locations where the produced water is hauled for drilling purposes, the reserve pits must

have adequate liners or clay soils and the produced water may not be injected down the annulus of a well location after drilling has been completed.

All vehicular traffic, personnel movement, construction and restoration operations will be confined to the areas examined and approved and to the existing roadways and/or evaluated access routes.

El Paso will implement "Safety and Emergency Plan" and ensure plan compliance.

El Paso shall stop construction activities and notify personnel from the Ute Tribe Energy & Minerals Department and BIA if cultural remains including paleontologic resources (vertebrate fossils) are exposed or identified during construction. The Ute Tribe Department of Cultural Rights and Protection and the BIA will provide mitigation measures prior to allowing construction.

El Paso employees and/or authorized personnel (subcontractors) will not be allowed to collect artifacts and paleontologic fossils. No significant cultural resources shall be disturbed.

El Paso will control noxious weeds on the well site and ROWs. El Paso will be responsible for noxious weed control if weeds spread from the project area onto adjoining land.

Reserve pits will be lined with an impervious synthetic liner. A fence will be constructed around the reserve pit until it is backfilled. Prior to backfilling the reserve pit, all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are backfilled, the surplus oil and mud, etc., will be buried a minimum of 3 feet below the surface of the soil.

A closed system will be used during production. This means that production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites.

Surface pipelines will be constructed to lay on the soil surface. The pipeline ROW will not be bladed or cleared of vegetation without authorization of the BIA. Surface pipelines shall be welded in place at well sites or on existing and proposed access roads and pulled into place with suitable equipment. Vehicles shall not use pipeline ROWs as access roads unless specifically authorized.

Buried pipelines shall be buried a minimum of 3 feet below the soil surface. After construction is completed the disturbed area shall be contoured to blend into the natural landscape and be reseeded between September 15 and November 1 of the year following construction with perennial vegetation seed mixture provided by the BIA or Ute Tribe.

Before the site is abandoned, El Paso will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation. Soil erosion will be mitigated by reseeded all disturbed areas.

SPUDDING INFORMATION

Name of Company: EL PASO PRODUCTION OIL & GAS COMPANY

Well Name: NBU 316

Api No.. 43-047-3441<sup>3</sup> LEASE TYPE: FEDERAL

Section 11 Township 09S Range 21E COUNTY: UINTAH

Drilling Contractor SKI DRILLING RIG # BUCKET

SPUDDED:

Date 06/28/02

Time 7:00 AM

How DRY

Drilling will commence \_\_\_\_\_

Reported by JIM MURRAY

Telephone # 1-435-628-1730

Date 07/01/2002 Signed: CHD

006

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

OPERATOR El Paso Production O&G Company  
ADDRESS P.O. Box 1148  
Vernal, Utah 84078

OPERATOR ACCT. NO. N 1845

ENTITY ACTION FORM - FORM 6

**CONFIDENTIAL**

P. 01

FAX NO. 4357817094

JUL-01-2002 MON 01:50 PM EL PASO PRODUCTION

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	2900	43-047-34413	NBU #316	SWNE	1I	9S	22E	Uintah	6/28/2002	7-1-02 <del>6/28/2002</del>

WELL 1 COMMENTS:

MIRU Ski Bucket Rig  
SPUD Well on 6/28/02 at 7 am.

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 2 COMMENTS:

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 3 COMMENTS:

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 4 COMMENTS:

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 5 COMMENTS:

Post-It\* Fax Note 7671

Date	7/1/02	# of pages	
To	Jim Thompson	From	Sheila Upchurch
Co./Dept	UIC/OGM	Co.	EL PASO PRODUCTION
Phone	(801) 538-5334	Phone #	435 781-7024
Fax #	(801) 359-3940	Fax #	435 781-7094

*Sheila Upchurch*  
Signature

Regulatory Analyst 07/01/02  
Title Date

Phone No. (435) 781-7024

ACTION CODES (See instructions on back of form)

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.  
U-0141317

6. If Indian, Allottee or Tribe Name

008

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

CONFIDENTIAL

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
 EL PASO PRODUCTION O&G COMPANY  
 Contact: SHEILA UPCHEGO  
 E-Mail: sheila.upchego@ElPaso.com

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

3b. Phone No. (include area code)  
 Ph: 435.781.7024  
 Fx: 435.781.7094

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 Sec 11 T9S R21E SWNE 2127FNL 1814FEL

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

8. Well Name and No.  
 NBU 316

9. API Well No.  
 43-047-34413

10. Field and Pool, or Exploratory  
 NATURAL BUTTES

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

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

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

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

MIRU SKI BUCKET RIG. DRILLED 24" CONDUCTOR HOLE. RAN 14" CONDUCTOR PIPE TO 48'. CMT W/116 SX CLASS G @15.8 PPG YIELD 1.17 3% CACL2 .25#/SK LEAVING 14' CMT IN PIPE. GOOD CMT TO PIT. HOLE STAYED FULL

SPUD WELL ON 6/28/02 AT 7 AM.

WORT

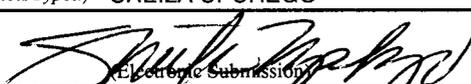
**RECEIVED**

JUL 09 2002

DIVISION OF  
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #12467 verified by the BLM Well Information System For EL PASO PRODUCTION O&G COMPANY, sent to the Vernal**

Name (Printed/Typed) SHEILA UPCHEGO Title REGULATORY ANALYST

Signature  Date 07/01/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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

Office \_\_\_\_\_

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

**\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\***

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.

009

**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)  
*SWNE Section 11-T9S-R21E 2127'FNL & 1814'FEL*

5. Lease Serial No.  
**U-0141317**

6. If Indian, Allottee or Tribe Name  
 Ute

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

8. Well Name and No.  
 NBU #316

9. API Well No.  
 43-047-34413

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

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.

MIRU Ski Air Rig. Drilled f/48' to 259'. Drilled 12 1/4" Surface hole. Ran 8 5/8" 24# J-55 ST&C Csg. Cmt w/142 Sx Class G Cmt @ 15.8 ppg. Yield 1.17 water 5 Gal/Sk 2% CaCl2 .25#/Sk Cello Flake. Drop Top Plug. Disp w/13.8 Bbls Fresh Water. Bump Plug. Cmt to Surface. Cmt to Pit. Hole Stayed Full.

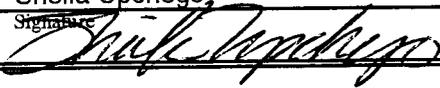
WORT

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

Name (Printed/Typed)

*Sheila Upchego*

Signature



Title

Regulatory Analyst

Date

July 5, 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**

JUL 9 2002

DIVISION OF  
OIL GAS AND MINING



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

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

011

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

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

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: UNKNOWN		5. Lease Serial No. U-0141317
2. Name of Operator EL PASO PRODUCTION O&G COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 1148 VERNAL, UT 84078		7. If Unit or CA/Agreement, Name and/or No. NATURAL BUTTES
3b. Phone No. (include area code) Ph: 435.781.7023 Fx: 435.781.7094		8. Well Name and No. NBU 316
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T9S R21E SWNE 2127FNL 1814FEL		9. API Well No. 43-047-34413
		10. Field and Pool, or Exploratory NATURAL BUTTES
		11. County or Parish, and State UINTAH COUNTY, UT

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

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

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

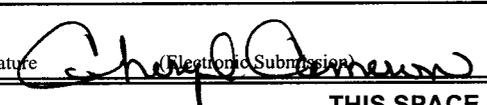
THE SUBJECT WELL WAS PLACED ON SALES @ 1:40 PM 8/8/02. REFER TO THE ATTACHED CHRONOLOGICAL HISTORY REPORT.

ANY PRODUCED WATER FROM THE SUBJECT WELL SHALL BE CONTAINED IN A WATER TANK AND WILL THEN BE HAULED BY TRUCK TO ONE OF THE PRE-APPROVED SITES LISTED IN THE APD.

**RECEIVED**

AUG 19 2002

DIVISION OF  
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #13522 verified by the BLM Well Information System For EL PASO PRODUCTION O&amp;G COMPANY, sent to the Vernal</b>	
Name (Printed/Typed) CHERYL CAMERON	Title OPERATIONS
Signature  (Electronic Submission)	Date 08/13/2002

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

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

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

**\*\* ORIGINAL \*\* ORIGINAL \*\***

EL PASO  
PRODUCTION REPORT

CHRONOLOGICAL HISTORY

NBU 316

Page 1

**DRILLING REPORT:**

NBU, Uintah, UT Rig: El Paso 1 WI: 100% AFE: 052469 ATD: 6,900'  
SD: 7/10/02  
Wasatch @ 4,420' DHC: 263 /CWC: 609 /DC: 98/CC: 98 8 5/8" @ 259'

7/10/02 TD: 265 MW: 8.4 MIRU. NU & test BOP's - changed out blind rams.

7/11/02 TD: 2,085 MW: mist 1810/18.5 hrs Drill cement & float equip. Drilling to present depth.

7/12/02 TD: 3,994 MW: Air/Mist 1,909'/22.5 hrs Drilling to present depth.

7/15/02 TD: 6,904 MW: 8.4 LDDP. Run & cement 4 1/2" prod casing. ND BOP's. Set casing hanger. NU well cap. Rig released @ 21000, 7/14/02

7/16/02 TD: 6,904 MW: 8.4 Install & modify new mud tanks.  
7/17/02 TD: 6,904 MW: 8.4 Install & modify new mud tanks. 25% complete. Repair drawworks main shaft bearing.

7/18/02 TD: 6,904 MW: 8.4 Install & modify new mud tanks. 40% complete. Repair drawworks main shaft bearing.

FORMATION: WASATCH

7/30/02 **PREP TO POOH & PERF**  
MIRU. NUBOPE. PU & RIH W/3 7/8" MILL TOOTH BIT & 2 3/8" TBG. TAG PBTD @ 6842'. CIRC HOLE CLEAN W/2% KCL. PU TO 6818'. SDFD.

7/31/02 **PREP TO FRAC**  
POOH W/2 3/8" TBG. TST 4 1/2" CSG TO 4900#, HELD. UNABLE TO GET TST ON 8 5/8" X 4 1/2" ANNULUS. RIH & PERF WASATCH 6456'-6466', 3 SPF, 30 HOLES. BRK DN PERFS W/4200#, ISIP: 900#, FG: 0.58.

8/1/02 **PREP TO DO CBP'S**  
STAGE 1: FRAC W/579 BBLS YF113ST & 55,000# 20/40 SD. ISIP: 1344#, NPI: 444#, FG: 0.64, ATP: 1791#, MTP: 2855#, MTR: 25.9 BPM, ATR: 23.7 BPM. PU & RIH W/CBP & PERF GUN. SET CBP @ 6380'.  
STAGE 2: PERF WASATCH 6322'-6332', 3 SPF, 30 HOLES. BRK DN W/1800#, ISIP: 935#, FG: 0.58. FRAC W/1547 BBLS YF113ST LIQ GEL & 169,000# 20/40 SD. ISIP: 1553#, NPI: 618#, FG: 0.68, MTP: 3105#, ATP: 2356#, MTR: 40.8 BPM, ATR: 34.3 BPM. PU & RIH W/CBP & PERF GUN. SET CBP @ 6270'.  
STAGE 3: PERF WASATCH 6033'-6039', 4 SPF, 24 HOLES. BRK DN PERFS W/2717#, ISIP: 1277#, FG: 0.65. FRAC W/375 BBLS YF113ST LIQ GEL & 30,500# 20/40 SD. ISIP: 1709#, NPI: 432#, FG: 0.72, MTP: 3153#, ATP: 1962#, MTR: 26.4 BPM, ATR: 22.3 BPM. PU & RIH W/CBP & PERF GUN. SET CBP @ 5980'.  
STAGE 4: PERF WASATCH 5964'-5968', 4 SPF, 16 HOLES & 5952'-5956', 4 SPF, 16 HOLES. BRK DN PERFS W/1854#, ISIP: 1561#, FG: 0.68. FRAC W/613 BBLS YF113ST LIQ GEL & 57,460# 20/40 SD. ISIP: 1796#, NPI: 335#, FG: 0.74, MTP: 3287#, ATP: 2519#, MTR: 36.2 BPM, ATR: 32.0 BPM. RIH & SET CBP @ 5890'. RIH W/3 7/8" MILL TOOTH BIT TO 5860'. SDFD.

8/2/02 **FLWG BCK LOAD.**  
DO CBP'S @ 5890', 5980', 6270', & 6380'. CO TO PBTD @ 6600' W/ AIR FOAM. PU & LAND TBG @ 6396', SN @ 6363'. OPEN TO PIT ON 64/64" CHK. FLW BCK 17 HRS. CP: 800# TO 740# TO 860#. FTP: 400# TO 225#, 34 BWPH TO 3 BWPH, LIGHT SD TO CLEAN, EST GAS RATE OF 2000 MCFPD. TLTR: 3254 BBLS, TLR: 1321 BBLS, LLTR: 1933 BBLS

8/5/02 SI WO FACILITIES.

8/6/02 SI WO FACILITIES.

8/7/02 SI WO FACILITIES.

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DIVISION OF  
OIL, GAS AND MINING

CONFIDENTIAL

8/8/02 SI WO FACILITIES.

8/9/02 PLACE ON SALES @ 1:40PM, 8/8/02. SPOT PROD DATA: CHK: 11/64", FTP: 1916#, CP:2100#, 2.2 MMCFPD, WPH: N/A.

8/12/02 8/10/02: 1131 MCF, 0 BC, 37 BW, TP: 1464#, CP: 1596#, 12/64" CHK, 15 HRS, LP: 165#.  
8/11/02: 1525 MCF, 0 BC, 30 BW, TP: 1300#, CP: 1441#, 12/64" CHK, 24 HRS, LP: 189#.  
8/12/02: 1763 MCF, 0 BC, 12 BW, TP: 1253#, CP: 1367#, 12/64" CHK, 24 HRS, LP: 165#.  
TLTR: 3254 BBLS, TLR: 1400 BBLS, LLTR: 1854 BBLS.

8/13/02 **ON SALES**  
FLWD 1592 MCF, 18 BW, FTP: 1183#, CP: 1299#, 12/64" CHK, 24 HRS, LP: 165#,  
TLTR: 3254 BBLS, TLR: 1418 BBLS, LLTR: 1836 BBLS. **FINAL REPORT** IP  
DATE: 8/11/02. FLWG 1763 MCF, 12 BW, FTP: 1253#, CP: 1367#, 12/64 CHK, 24  
HRS, LP: 165#.

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**DIVISION OF  
OIL, GAS AND MINING**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**12 WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

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

5. Lease Serial No.  
**U-0141317**

2. Name of Operator  
**El Paso Production Oil & Gas Company**

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.  
**NATURAL BUTTES UNIT**

8. Lease Name and Well No.  
**NBU 316**

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

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

9. API Well No.  
**43-047-34413**

4. Location of Well (Report locations clearly and in accordance with Federal requirements)\*  
At surface **SWNE 2127' FNL & 1814' FEL**

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

At top prod. interval reported below

11. Sec., T., R., M., or Block and Survey or Area **Sec. 11, T9S, R21E**

At total depth

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

14. Date Spudded **06/28/02** 15. Date T.D. Reached **07/14/02** 16. Date Completed  D & A  Ready to Prod. **08/04/02**

17. Elevations (DF, RKB, RT, GL)\*  
**4845 GL**

18. Total Depth: MD **6904** TVD **6904** 19. Plug Back T.D.: MD **6842** TVD **6842** 20. Depth Bridge Plug Set: MD **6842** TVD **6842**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
**CCL-GR-CNL/DST, DSE/CN/CBL/LAC - 7-25-02**

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

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4	8 5/8	24#	0	259	259	142 Class G			
7 7/8	4 1/2	11.6#	0	6904	6904	510 Prem Lite I 600 50/50 Poz			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
						2 3/8	6396	

25. Producing Intervals 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
WASATCH	5952	6466	5952-5956	4	16	
			5964-5968	4	16	
			6033-6039	4	24	
			6322-6332	3	30	
			6456-6466	3	30	

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

Depth Interval	Amount and type of Material
5952-5968	Frac w/ 57,460# 20/40 sand
6033-6039	Frac w/ 30,500# 20/40 sand
6322-6332	Frac w/ 169,000# 20/40 sand
6456-6466	Frac w/ 55,000# 20/40 sand

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SEP 11 2002  
DIVISION OF OIL, GAS AND MINING

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08/08/02	08/11/02		→	0	1,763	12			Flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
12/64	1253#	1367#	→	0	1763	12		Producing	

28a. Production - Interval B

28b. Production - Interval C

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

28c. Production - Interval D

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

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

**Sold & Used For Fuel**

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Green River	2,065	5,264			
Wasatch	5,264				

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SEP 03 2002

DIVISION OF  
OIL, GAS AND MINING

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

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

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

Name (please print) Cheryl Cameron Title Operations

Signature  Date 27-Aug-02

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.

JAN. 17. 2003 3:34PM

REPORT

NO. 173 P. 2

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

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

**February 1, 2002**

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

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

**Dear Ms. Maxwell:**

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

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

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

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

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

Debby J. Black  
Engineer Technician

Encl:



United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

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

FEB 22 2002

DIVISION OF  
OIL, GAS AND MINING

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

FEB 21 2002

NOTICE

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

Name Change Recognized

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

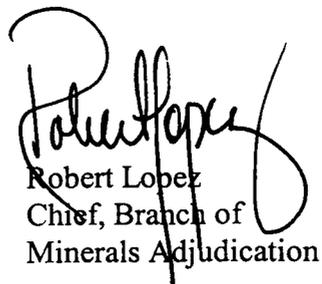
For our purposes, the name change is recognized effective December 31, 2001.

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

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

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

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



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

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

# memorandum

Branch of Real Estate Services  
Uintah & Ouray Agency

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

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

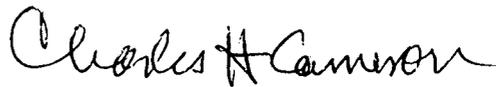
We have no objection.

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

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

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

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





IN REPLY REFER TO:  
Real Estate Services

## United States Department of the Interior

BUREAU OF INDIAN AFFAIRS  
Washington, D.C. 20240

FEB 10 2003

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

Dear Mr. Wilson:

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Perry E. Brown".

Director, Office of Trust Responsibilities

**ACTING**

Enclosure



# 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

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FEB 28 2003

DIV. OF OIL, GAS & MINING

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

FORM 9

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____
2. NAME OF OPERATOR: <b>El Paso Production Oil &amp; Gas Company</b>
3. ADDRESS OF OPERATOR: <b>9 Greenway Plaza Houston TX 77064-0995</b> PHONE NUMBER: <b>(832) 676-5933</b>

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

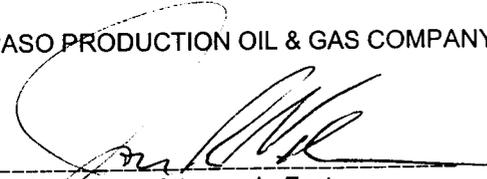
**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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

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

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

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

EL PASO PRODUCTION OIL & GAS COMPANY  
By:   
Jon R. Nelsen, Attorney-in-Fact

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

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

(This space for State use only)

Form 3160-5  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

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

SEE ATTACHED EXHIBIT "A"

- 5. Lease Serial No.  
SEE ATTACHED EXHIBIT "A"
- 6. If Indian, Allottee or Tribe Name
- 7. If Unit or CA/Agreement, Name and/or No.
- 8. Well Name and No.  
SEE ATTACHED EXHIBIT "A"
- 9. API Well No.  
SEE ATTACHED EXHIBIT "A"
- 10. Field and Pool, or Exploratory Area
- 11. County or Parish, State  
UINTAH COUNTY, UT

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

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

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

RECEIVED

MAR 04 2003

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

Name (Printed/Typed)  
CHERYL CAMERON

Title  
OPERATIONS

Signature

Date  
March 4, 2003

DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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

(Instructions on reverse)

OPERATOR CHANGE WORKSHEET

1. GLH
2. CDW ✓
3. FILE

013

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: <b>12-17-02</b>	
<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 RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 315	11-09S-21E	43-047-33879	2900	FEDERAL	GW	P
NBU 316	11-09S-21E	43-047-34413	2900	FEDERAL	GW	P
NBU 400-11E	11-09S-21E	43-047-32544	2900	FEDERAL	GW	P
NBU 195	11-09S-21E	43-047-32355	2900	FEDERAL	GW	P
NBU 182	11-09S-21E	43-047-32162	2900	FEDERAL	GW	P
NBU 174	11-09S-21E	43-047-32193	2900	FEDERAL	GW	P
NBU 297	11-09S-21E	43-047-33040	2900	FEDERAL	GW	P
NBU 56-11B	11-09S-21E	43-047-30480	2900	FEDERAL	GW	PA
NBU 56-12B	12-09S-21E	43-047-30464	2900	FEDERAL	GW	P
NBU 63N3	12-09S-21E	43-047-31097	2900	FEDERAL	GW	P
NBU 375	12-09S-21E	43-047-34440	99999	FEDERAL	GW	APD
NBU 376	12-09S-21E	43-047-34441	99999	FEDERAL	GW	APD
NBU 418	12-09S-21E	43-047-34777	99999	FEDERAL	GW	APD
CIGE 61-13-9-21	13-09S-21E	43-047-30550	2900	FEDERAL	GW	P
CIGE 125-13-9-21	13-09S-21E	43-047-32084	2900	FEDERAL	GW	P
CIGE 126-13-9-21	13-09S-21E	43-047-32087	2900	FEDERAL	GW	PA
NBU 121	13-09S-21E	43-047-32086	2900	FEDERAL	GW	P
NBU 122	13-09S-21E	43-047-32303	2900	FEDERAL	GW	P
CIGE 111D-13-9-21	13-09S-21E	43-047-32305	2900	FEDERAL	GW	P
CIGE 214-13-9-21	13-09S-21E	43-047-32918	2900	FEDERAL	GW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

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

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

8. **Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: 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: 03/11/2003
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/11/2003
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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UNIT 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

014

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-  
*435.047.3443*

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Multiple Wells - see attached

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input 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 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.

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 *J.T. Conley*

COPY SENT TO OPERATOR  
Date: *9-16-03*  
Initials: *CHD*

Title  
Operations Manager  
Date: *9-2-2003*

SEP 10 2003  
DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Accepted by the Utah Division of Oil, Gas and Mining  
Federal Approval of This Action is Necessary

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 \_\_\_\_\_ Date: *9/16/03*

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

Project Name: **Condensate Shrinkage Economics**

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

	BEFORE \$/Year	AFTER \$/Year	DIFFERENCE \$/Year
Gross Oil Revenue	\$1,088	\$1,099	\$11
Gross Gas Revenue	\$0	\$0	\$0
NGL Revenue	\$0	\$0	\$0
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 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

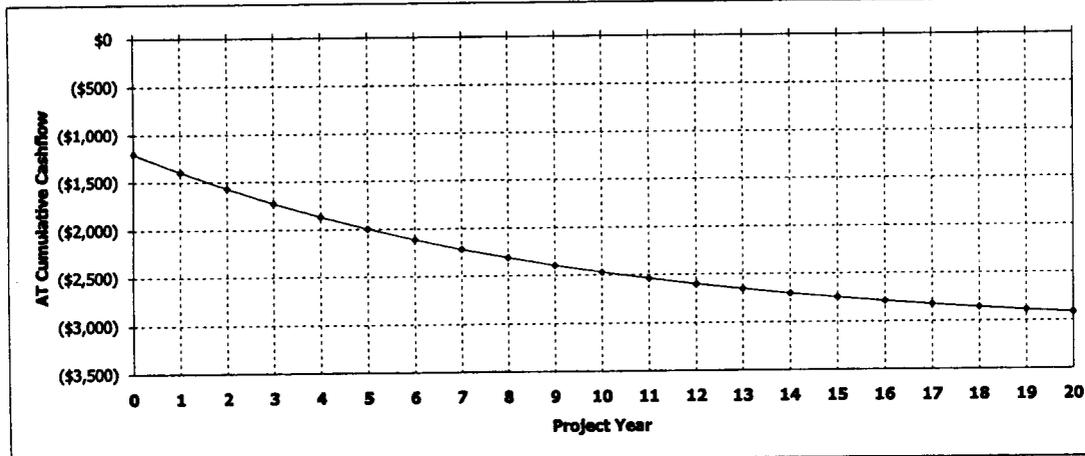
### Gross Reserves:

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

### Notes/Assumptions:

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.194 Bcpd if 4 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



**Westport Oil and Gas, Inc.**  
**NBU/Ouray Field**  
RFL 2003-022

**COMPARISON OF FLASH BACK PRESSURES**

Calculated by Characterized Equation-of-State

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

**Calculated at Laboratory Flash Conditions**

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

**Calculated Flash with Backpressure using Tuned EOS**

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

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

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

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

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

NBU 200	20-9-21 SENE	UTU070	891008900A	43047330000S1	✓
NBU 261	30-9-21 SENW	UTU0581	891008900A	430473292800S1	✓
NBU 262	33-9-21 NEN	UTU0576	891008900A	430473292900S1	✓
NBU 263	34-9-21 SENW	U01194	891008900A	430473279300S1	✓
NBU 264	1-10-21 SESW	U02842B	891008900A	430473300000S1	✓
NBU 265	2-10-21 NESE	ML13826	891008900A	430473279600S1	✓
NBU 266	10-10-21 SWNW	UTU0149079	891008900A	430473294100S1	✓
NBU 267	10-10-21 NESW	UTU01416A	891008900A	430473294200S1	✓
NBU 268	11-10-21 NENE	U01190	891008900A	430473300100S1	✓
NBU 269	12-10-21 SWNW	UTU1196D	891008900A	430473347300S1	✓
NBU 270	13-10-21 SWNW	ML23608	891008900A	430473286200S1	✓
NBU 271	24-10-20 SWNW	UTU4485	891008900A	430473288700S1	✓
NBU 272	11-10-22 SWNE	U01197A	891008900A	430473288900S1	✓
NBU 273	22-9-21 NWNW	UTU0147566	891008900A	430473290600S1	✓
NBU 274	23-9-21 NESW	UTU149075	891008900A	430473290700S1	✓
NBU 275	9-9-21 NWSW	UTU01188	891008900A	430473290500S1	✓
NBU 277	19-9-22 SENE	UTU0284	891008900A	430473304200S1	✓
NBU 278	30-9-22 SWSW	U463	891008900A	430473301100S1	✓
NBU 280	31-9-22 NESW	ML22935A	891008900A	430473286500S1	✓
NBU 281	32-9-22 SWSW	ML22649	891008900A	430473286600S1	✓
NBU 282	32-9-22 NESE	ML22649	891008900A	430473286700S1	✓
NBU 285	3-10-22 NWNW	UTU01191	891008900A	430473297600S1	✓
NBU 286	3-10-22 SENW	UTU01191	891008900A	430473298400S1	✓
NBU 287	3-10-22 NESE	UTU01191A	891008900A	430473298500S1	✓
NBU 288	3-10-22 NWSW	UTU01191	891008900A	430473298600S1	✓
NBU 289	3-10-22 SESW	UTU01191	891008900A	430473291000S1	✓
NBU 290	3-10-22 SWSE	UTU01191A	891008900A	430473298700S1	✓
NBU 291	9-10-22 NENE	UTU01196D	891008900A	430473291100S1	✓
NBU 292	9-10-22 SWNE	UTU1196D	891008900A	430473347400S1	✓
NBU 293	10-10-22 SENE	UTU025187	891008900A	430473318200S1	✓
NBU 294X	22-9-20 NENW	UTU0577B	891008900A	430473346500S1	✓
NBU 295	12-10-20 SWSW	UTU4478	891008900A	430473293900S1	✓
NBU 296	24-10-20 NWNE	UTU4485	891008900A	430473288600S1	✓
NBU 297	11-9-21 SWNW	UTU0141315	891008900A	430473304000S1	✓
NBU 298	15-9-21 NESW	UTU01188	891008900A	430473304100S1	✓
NBU 299	16-9-21 SWNE	ML3282	891008900A	430473301200S1	✓
NBU 300	21-9-21 NWNW	UTU0576	891008900A	430473302300S1	✓
NBU 301	25-9-21 NWSW	U01194	891008900A	430473285900S1	✓
NBU 302	26-9-21 SWNW	U01194	891008900A	430473287700S1	✓
NBU 303	26-9-21 SESE	ML22934	891008900A	430473287800S1	✓
NBU 304	27-9-21 SESE	U01194A	891008900A	430473287900S1	✓
NBU 305	27-9-21 SWSE	U01194A	891008900A	430473288000S1	✓
NBU 306	27-9-21 NWNW	U01194A	891008900A	430473286000S1	✓
NBU 307	28-9-21 NWNE	U05676	891008900A	430473300700S1	✓
NBU 308	28-9-21 SENW	U05676	891008900A	430473314300S1	✓
NBU 309	30-9-21 NENE	UTU0581	891008900A	430473301000S1	✓
NBU 310	35-9-21 NENW	U01194	891008900A	430473288200S1	✓
NBU 311	4-10-22 NESE	UTU01191	891008900A	430473283700S1	✓
NBU 312-E2	2-9-21 SWSE	UTU21510	891008900A	430473228800S1	✓
NBU 313	4-10-22 NENW	UTU01191A	891008900A	430473283800S1	✓
NBU 315	11-9-21 SENE	UTU0141317	891008900A	430473387900S1	✓
NBU 316	11-9-21 SWNE	UTU0141317	891008900A	430473441300S1	✓
NBU 317	13-9-21 NENE	U-01193	891008900A	430473392100S1	✓
NBU 318	13-9-21 SWNE	UTU01193	891008900A	430473388000S1	✓
NBU 320	25-9-21 NWNW	U01189	891008900A	430473320100S1	✓
NBU 321	26-9-21 SWSW	U01194	891008900A	430473320200S1	✓
NBU 322	34-9-21 SESW	U01994	891008900A	430473320300S1	✓
NBU 323	30-9-22 NENE	U-463	891008900A	430473405000S1	✓
NBU 326	31-9-22 NESW	ML22935A	891008900A	430473320400S1	✓
NBU 327	33-9-22 SWSE	UTU01191	891008900A	430473373500S1	✓
NBU 329	1-10-21 NESW	UTU02842B	891008900A	430473322700S1	✓
NBU 330	3-10-21 NENE	UTU0149078	891008900A	430473322800S1	✓
NBU 331	3-10-21 NWNE	UTU0149078	891008900A	430473322900S1	✓

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

<b>ROUTING</b>
1. DJJ
2. CDW

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

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:		<b>1/6/2006</b>
<b>FROM:</b> (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	<b>TO:</b> ( New Operator): N2995-Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- b. If **NO**, the operator was contacted on:
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 5c. Reports current for Production/Disposition & Sundries on: ok
- 6. Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
- 7. Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- 8. Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 9. Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:

**DATA ENTRY:**

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

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

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

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

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.

10. Field and Pool, or Exploratory Area

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

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

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

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

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

**RECEIVED**

**MAY 10 2006**

DIV. OF OIL, GAS & MINING

*BLM BOND = C01203  
BIA BOND = RLB0005239*

**APPROVED 5/16/06**

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

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

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

**THIS SPACE FOR FEDERAL OR STATE USE**

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

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

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

**SEE ATTACHED**

5. Lease Serial No.  
**MULTIPLE LEASES**  
6. If Indian, Allottee or Tribe Name  
7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**MULTIPLE WELLS**  
9. API Well No.

10. Field and Pool, or Exploratory Area  
11. County or Parish, State

**UINTAH COUNTY, UTAH**

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

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

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

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

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

RECEIVED  
MAY 10 2006

DIV OF OIL, GAS & MINING

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

Name (Printed/Typed)

**BRAD LANEY**

Signature

Title

**ENGINEERING SPECIALIST**

Date

**May 9, 2006**

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by

*Brad Laney*

Title

Office

Date

**5-9-06**

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

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



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Colorado State Office  
2850 Youngfield Street  
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:

CO922 (MM)  
3106  
COC017387 et. al.

March 23, 2006

### NOTICE

Kerr-McGee Oil & Gas Onshore L.P. :  
1999 Broadway, Suite 3700 : Oil & Gas  
Denver, CO 80202 :

#### Merger/Name Change - Recognized

On February 28, 2006 this office received acceptable evidence of the following mergers and name conversion:

Kerr-McGee Oil & Gas Onshore L.P., a Delaware Limited Partnership, and Kerr-McGee Oil & Gas Onshore LLC, a Delaware Limited Partnership merger with and into Westport Oil and Gas Company L.P., a Delaware Limited Partnership, and subsequent Westport Oil & Gas Company L.P. name conversion to Kerr-McGee Oil & Gas Onshore L.P.

For our purposes the merger and name conversion was effective January 4, 2006, the date the Secretary of State of Delaware authenticated the mergers and name conversion.

Kerr-McGee Oil & Gas Onshore L.P. provided a list of oil and gas leases held by the merging parties with the request that the Bureau of Land Management change all their lease records from the named entities to the new entity, Kerr-McGee Oil & Gas Onshore L.P. In response to this request each state is asked to retrieve their own list of leases in the names of these entities from the Bureau of Land Management's (BLM) automated LR2000 data base.

The oil and gas lease files identified on the list provided by Kerr-McGee Oil & Gas Onshore L.P. have been updated as to the merger and name conversion. We have not abstracted the lease files to determine if the entities affected by the acceptance of these documents holds an interest in the lease, nor have we attempt to identify leases where the entity is the operator on the ground that maintains vested record title or operating rights interests. If additional documentation, for change of operator, is required you will be contacted directly by the appropriate Field Office. The Mineral Management Services (MMS) and other applicable BLM offices were notified of the merger with a copy of this notice

Please contact this office if you identify additional leases where the merging party maintains an interest, under our jurisdiction, and we will document the case files with a copy of this notice. If the leases are under the jurisdiction of another State Office that information will be forwarded to them for their action.

Three riders accompanied the merger/name conversion documents which will add Kerr-McGee Oil and Gas Onshore LLC as a principal to the 3 Kerr-McGee bonds maintained by the Wyoming State Office. These riders will be forward to them for their acceptance.

The Nationwide Oil & Gas Continental Casualty Company Bond #158626364 (BLM Bond #CO1203), maintained by the Colorado State Office, will remain in full force and effect until an assumption rider is accepted by the Wyoming State Office that conditions their Nationwide Safeco bond to accept all outstanding liability on the oil and gas leases attached to the Colorado bond.

If you have questions about this action you may call me at 303.239.3768.

/s/Martha L. Maxwell  
Martha L. Maxwell  
Land Law Examiner  
Fluid Minerals Adjudication

**Attachment:**

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

WY, UT, NM/OK/TX, MT/ND, WY State Offices

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov>

IN REPLY REFER TO:  
3106  
(UT-922)

March 27, 2006

## Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the merger recognized by the Bureau of Land Management, Colorado State Office. We have updated our records to reflect the merger from Westport Oil and Gas Company L.P. into Kerr-McGee Onshore Oil and Gas Company. The merger was approved effective January 4, 2006.

Chief, Branch of  
Fluid Minerals

## Enclosure

Approval letter from BLM COSO (2 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225  
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114  
Teresa Thompson  
Joe Incardine  
Connie Seare  
Dave Mascarenas  
Susan Bauman

RECEIVED

MAR 28 2006

DIV. OF OIL, GAS & MINERAL