

January 9, 2001

El Paso Production Oil & Gas Company

Re: Letter of Exception Location

Attn: Deborah Null

Dear Deborah;

Uintah Engineering & Land Surveying Inc. respectfully submits the following information for an Exception Location on the below mention well location.

The Ute Tribal #31-22 located 2183' FNL, 2022' FWL of Section 31, T4S, R2E, U.S.B.&M. was moved southerly & westerly out of the window due to the topographic relief which is present on the north side of the well pad. We have moved the well to the first available area which will be suitable to construct. The Requested position of this well was 1986' FNL & 2093' FWL of Section 31, T4S, R2E, U.S.B.&M.

If you have any questions concerning this matter please feel free to call me at (435) 789-1017.

Thank you,

Tracy D. Henline  
Uintah Engineering & Land Surveying, Inc.



001

# CONFIDENTIAL

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.  
14-20-H62-4911

6. If Indian, Allottee or Tribe Name  
Ute

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

1a. Type of Work:  DRILL  REENTER

b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

8. Lease Name and Well No.  
Ute Tribal #31-22

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

9. API Well No.  
43-047-34437

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

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

10. Field and Pool, or Exploratory  
Undesignated

4. Location of Well (Report location clearly and in accordance with any State requirements.\*)  
At surface: SENW 2183' FNL & 2022' FWL  
At proposed prod. Zone: 4438713 N  
601143 E

11. Sec., T., R., M., or Blk, and Survey or Area  
Sec. 31, T4S, R2E

14. Distance in miles and direction from nearest town or post office\*  
23 Miles Northeast of Ft. Duchesne, UT

12. County or Parish  
Uintah

13. State  
UT

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
2022'

16. No. of Acres in lease  
640

17. Spacing Unit dedicated to this well

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft  
Refer to Topo C

19. Proposed Depth  
15,600'

20. BLM/BIA Bond No. on file  
BIA No. 103601473

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
4911.8' GL

22. Approximate date work will start\*  
Upon Approval

23. Estimated duration  
To Be Determined

### 24. Attachments

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

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification.</li> <li>6. Such other site specific information and/or plans as may be required by the authorized office.</li> </ul> |
|---|--|

25. Signature: *Cheryl Cameron* Name (Printed/Typed): Cheryl Cameron Date: 12/18/2001

Title: Regulatory Analyst

Approved by (Signature): *Bradley G. Hill* Name (Printed/Typed): BRADLEY G. HILL Date: 01-10-02

Title: RECLAMATION SPECIALIST III

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

Conditions of approval, if any, are attached.

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

\*(Instructions on reverse)

RECEIVED

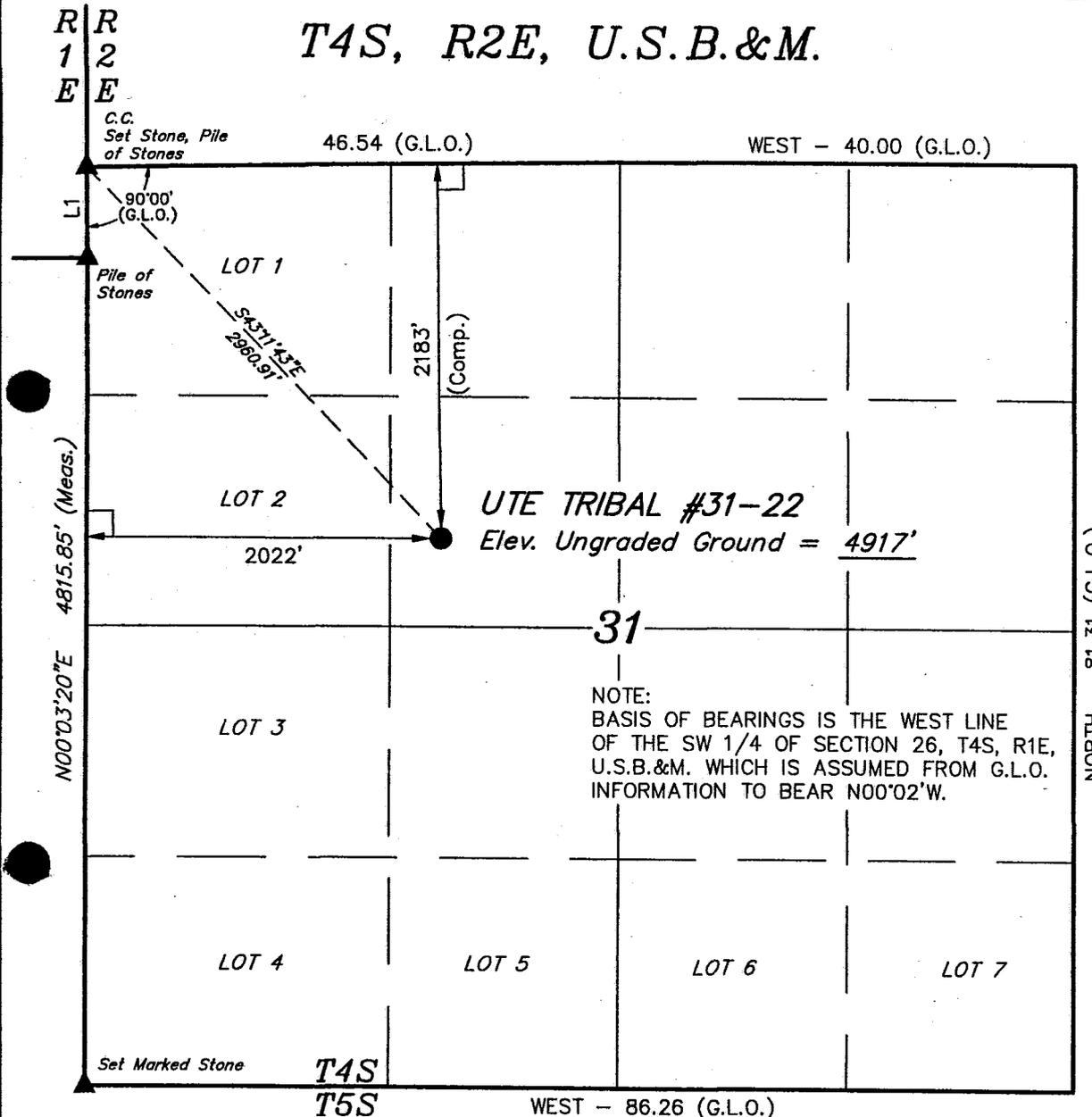
DEC 20 2001

DIVISION OF  
OIL, GAS AND MINING

# EL PASO PRODUCTION OIL & GAS COMPANY

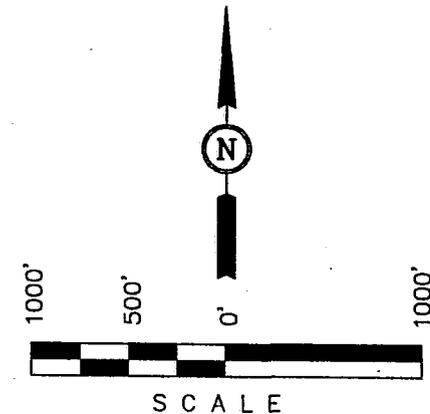
Well location, UTE TRIBAL #31-22, located as shown in the SE 1/4 NW 1/4 of Section 31, T4S, R2E, U.S.B.&M. Uintah County, Utah.

## T4S, R2E, U.S.B.&M.



### BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 26, T4S, R1E, U.S.B.&M. TAKEN FROM THE THE UTELAND BUTTE 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 5188 FEET.



### CERTIFICATE

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

*[Signature]*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

### LEGEND:

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

LINE TABLE		
LINE	BEARING	LENGTH
L1	N00°42'07"W	531.76'

LATITUDE = 40°05'40"  
 LONGITUDE = 109°48'49"

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

SCALE 1" = 1000'	DATE SURVEYED: 05-31-01	DATE DRAWN: 07-02-01
PARTY B.B. J.T. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE EL PASO PRODUCTION OIL & GAS COMPANY	

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: El Paso Production O & G Company  
Well Name & Number: Ute Tribal 31-22  
API Number: 43-047-34437  
Lease Number: 14-20-H62-4911  
Location: SENW Sec. 31 T. 04S R. 02E  
Agreement: N/A

**NOTIFICATION REQUIREMENTS**

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

## CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

### A. DRILLING PROGRAM

#### 1. 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 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. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

#### 2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **5M Triple Ram** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

#### 3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the intermediate casing at least 200 ft. above the surface casing shoe, identified at 3,000 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

The surface casing **shall** be cemented back to surface either during the primary cement job or by remedial cementing. In addition, to the cementing proposal for the surface casing, a minimum of 200 ft. of Class G neat cement shall be placed from 200 ft. to surface.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

6. Notifications of Operations

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3

shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

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, please 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

## EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids.

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

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

El Paso Production Oil & 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 & 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 60 foot ROW.

A corridor ROW, 30 feet wide and 5166 feet long, shall be granted for the access road on BIA administered lands. The entire route would involve an additional corridor for 2000 feet across BLM lands and about 2000 feet across Fee Surface. The segment of the route on BLM lands will be constructed according to the requirements of the BLM ROW (UTU-79063) granted for it.

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.

The pipeline route has not been determined yet and will be filed for separately in a request to BIA separate from the APD. 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. (Refer to Item 7. Methods of handling Waste Materials in the APD Surface Use Plan for further details regarding disposal sites for the produced water.)

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 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 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 reseeding all disturbed areas.

The following seed mixture is given for the Bureau of Land Management Right-of-Way grant portion of the new access road.

El Paso shall reseed any disturbed areas abutting the roadbed as soon as the road has been constructed. The reseeding will be repeated until a satisfactory stand is established as determined by the authorized officer. All disturbed areas will be reseeded with the following seed mixture:

Fourwing saltbush	Atriplex canescens	4 lbs/acre
Needle and Thread	Stipa comata	4 lbs/acre
Indian Rice grass	Oryzopsis hymenoides	4 lbs/acre

Ninety percent pure live seed will be used. The seed shall be applied by a drill equipped with a depth regulator. Planting depth shall not exceed one-half inch. Where drilling is not possible, the seed shall be broadcast at twice the recommended rate of application and the area shall be raked or chained to cover the seed.

# EL PASO PRODUCTION OIL & GAS CORPORATION

UTE TRIBAL #31-22  
LOCATED IN UINTAH COUNTY, UTAH  
SECTION 31, T4S, R2E, U.S.B.&M.

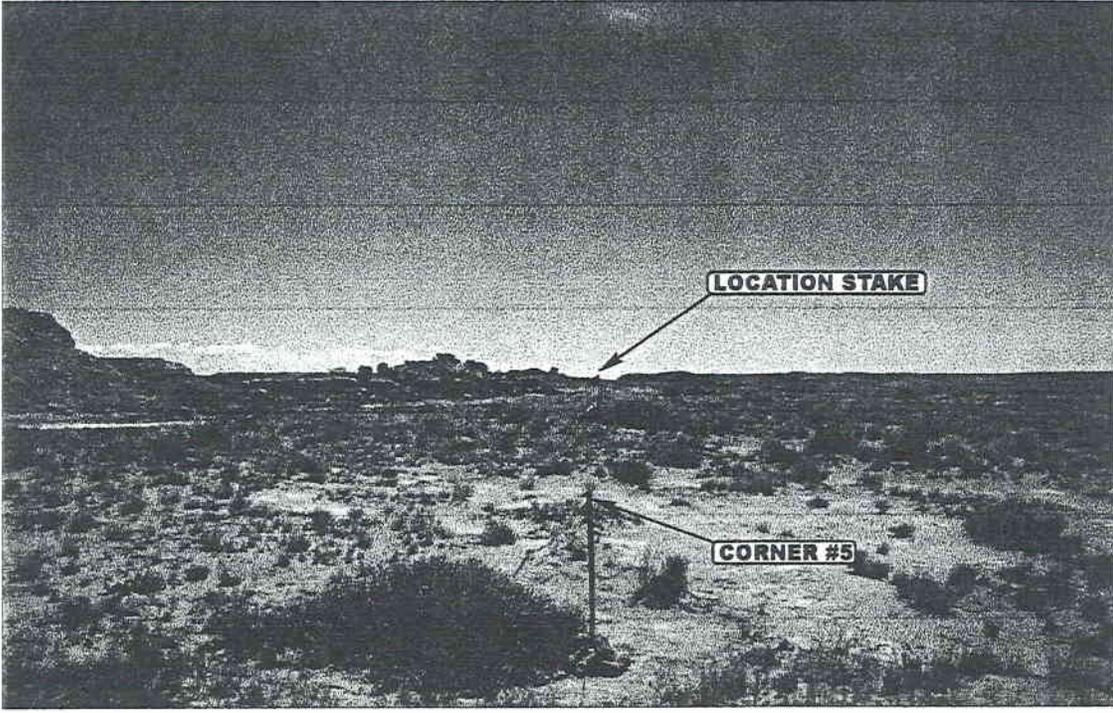


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



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

LOCATION PHOTOS	6	18	01	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: B.B.	DRAWN BY: K.G.	REVISED: 00-00-00		

# **EL PASO PRODUCTION OIL & GAS COMPANY**

**UTE TRIBAL #31-22**

**SECTION 31, T4S, R2E, U.S.B.&M.**

**PROCEED IN A SOUTHERLY DIRECTION FROM FORT DUCHESNE, UTAH APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; PROCEED IN A SOUTHERLY THEN EASTERLY DIRECTION APPROXIMATELY 11.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE EXISTING WILDROSE #31-1 AND A EXISTING ROAD TO THE NORTHEAST; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE PROPOSED LOCATION.**

**UTE TRIBAL #31-22  
SENW Sec. 31, T4S-R2E  
Uintah County, UT  
14-20-H62-4911**

**ONSHORE ORDER NO. 1  
EL PASO PRODUCTION COMPANY**

***DRILLING PROGRAM***

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

<u>Formation</u>	<u>Depth</u>
Green River	2533'
Wasatch	6333'
Mesaverde	10,033'
Total Depth	15,600'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	2533'
Oil/Gas	Wasatch	6333'
Oil/Gas	Mesaverde	10,033'
Water	N/A	
Other Minerals	N/A	

**3. Pressure Control Equipment (Schematic Attached)**

The BOP stack will consist of one 11" 5,000 psi annular BOP, one 11" 5,000 psi double ram, and one 11' drilling spool. The lower ram will contain pipe rams, and the upper ram will contain blind rams.

The choke and kill lines and the choke manifold will have a 5,000 psi minimum pressure rating.

The hydrill will be tested to 1,500 psi. The rams, choke manifold, kelly safety valves, drill string safety valves, and inside BOP will be tested to 5,000 psi.

**4. Proposed Casing & Cementing Program:**

Refer to the attached Cement & Casing Program.

5. **Drilling Fluids Program:**

Refer to the attached Mud Program.

6. **Evaluation Program:**

Refer to the attached Logging Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated @ 15,600' TD approximately equals 6240 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 2808 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

UTE TRIBAL #31-22  
SENW Sec. 31, T4S-R2E  
Uintah County, UT  
14-20-H62-4911

ONSHORE ORDER NO. 1

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

1. **Existing Roads:**

Refer to Topo Map A for directions to the location.

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

Refer to the attached directions to the proposed location site.

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

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

2. **Planned Access Roads:**

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

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

*The existing BLM portion of the access road, approximately 2000' will need to be upgraded.  
Refer to Topo B.*

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

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

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

Please refer to Topo Map C.

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

*The following guidelines will apply if the well is productive.*

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

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

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

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

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

*Attached is a copy of the Grant of Easement with authority to proceed with construction for the drillsite, access road & pipeline ROW, Serial No. H62-2002-064 and the APD concurrence for the subject well.*

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

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

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

No water well is to be drilled on this lease.

6. **Source of Construction Materials**

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

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials**

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

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

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

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

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

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

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

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

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

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

*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.*

8. **Ancillary Facilities**

None are anticipated.

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

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

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

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

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

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

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

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

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

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

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

Location size may change prior to the drilling 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).

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

##### *Producing Location:*

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

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

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

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

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

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

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

##### *Dry Hole/Abandoned Location:*

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

of vegetation as specified.

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

11. **Surface Ownership:**

Ute Indian Tribe  
P.O. Box 190  
Ft. Duchesne, UT 84026

12. **Other Information:**

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

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

A Class III Archaeological Survey and a Paleontological Field Survey Report have been conducted. Copies of these reports are on file with The Ute Indian Tribe and the Bureau of Indian Affairs. *It has been advised by Uinta Paleontological Associates, Inc. that the pipeline and access road be monitored during construction.*

**RAPTOR**

*Attached is a copy of the Raptor Nest Activity Inspection Report prepared by Buys & Associates, Inc.*

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

Cheryl Cameron  
Regulatory Analyst  
El Paso Production Company  
P.O. Box 1148  
Vernal, UT 84078  
(435) 781-7023

Scott Palmer  
Drilling Manager  
El Paso Production Company  
9 Greenway Plaza  
Houston, TX 77046  
(713) 420-4850

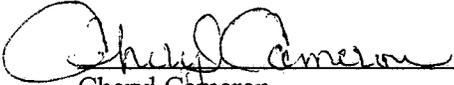
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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.

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

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by the Bureau of Indian Affairs, Bond No. 103601473.

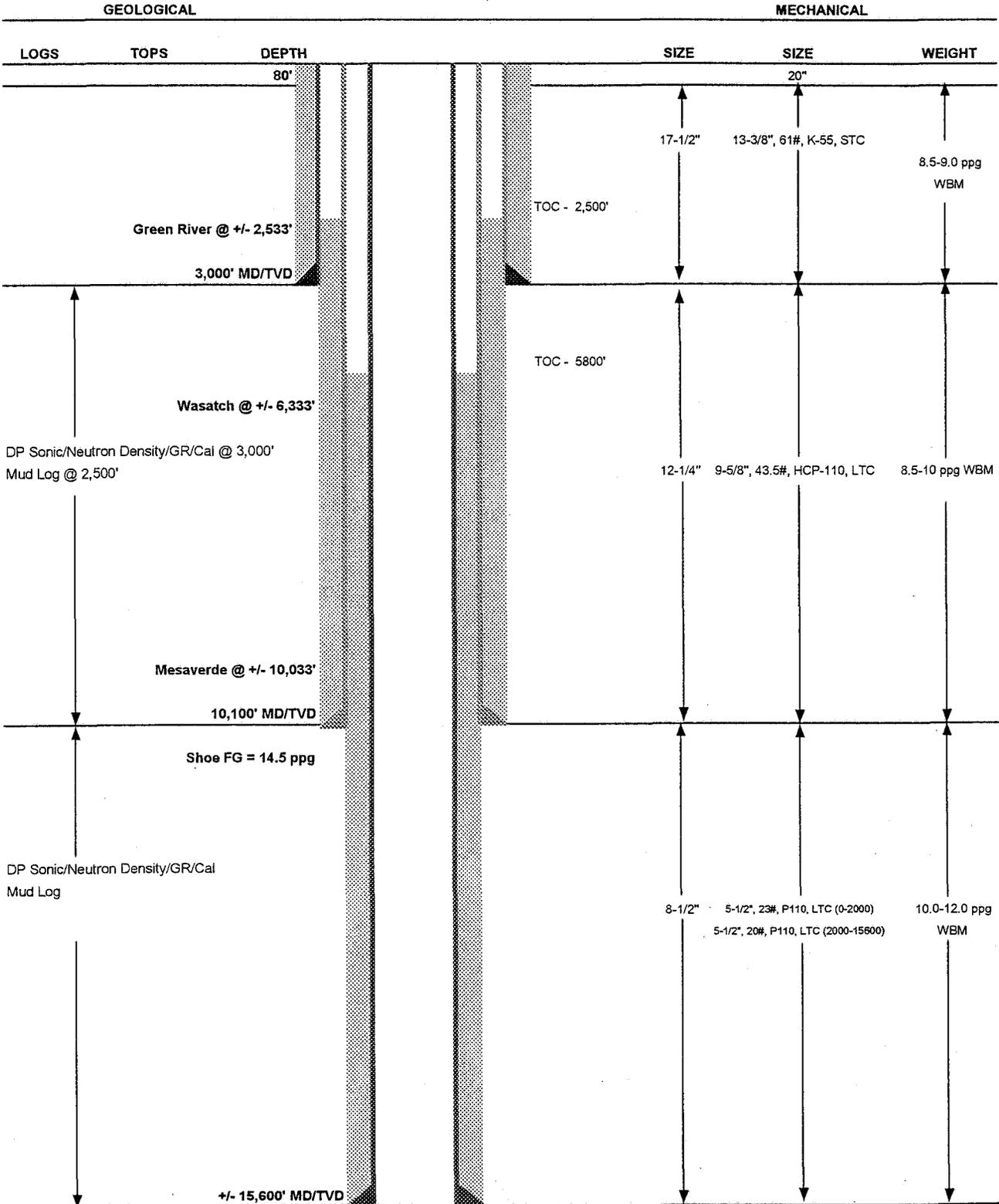
I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations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

  
Cheryl Cameron

12/18/01

Date

COMPANY NAME	<u>El Paso Production</u>	DATE	<u>December 14, 2001</u>
WELL NAME	<u>Ute Tribal 31-22</u>	TD	<u>15,600' MD/TVD</u>
FIELD	<u>Leland Bench</u>	COUNTY	<u>Uintah</u> STATE <u>Utah</u> ELEVATION <u>4,933'</u>
SURFACE LOCATION	<u>SE/NW, SEC. 31, T4S, R2E</u>		BHL <u>Straight Hole</u>
OBJECTIVE ZONE(S)	<u>Wasatch, Mesaverde</u>		
ADDITIONAL INFO	<u>Set intermediate casing in Mesaverde</u>		



## DRILLING PROGRAM

### CASING PROGRAM

	SIZE	INTERVAL	WT.	GR	CR-G	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR						3,090	1,540	633,000
SURFACE	13-3/8"	0-3000'	61.00	K-55	STC	1.84	1.07	2.24
INTERMEDIATE						8,700	5,600	1,106,000
PRODUCTION	9-5/8"	0-10,100'	43.50	HCP-110	LTC	1.35	1.16	2.05
						12,630	11,100	548,000
	5-1/2"	0-TD	20-23	HCP-110	LTC	1.65	1.09	1.46

### CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD 2,500	50/50 Poz + 4% Gel + 0.25 lb/sk Polyflake+ 10% Calseal	1380	50%	12.50	1.94
	TAIL 500	Class G + 2% CaCl <sub>2</sub> + 0.25 lb/sk Flocele	470	50%	15.20	1.27
INTERMEDIATE	LEAD 2500-5500'	Hi-Fill + 10 pps Gilsonite	440	60%	11.00	3.83
	3,300	+ 0.25 lb/sk Polyeflake				
	TAIL 5,800'-10,100'	50/50 Poz +0.25 lb/sk Polyeflake	1790	60%	14.35	1.22
	4,300	+ 0.6% HALAD-322 + 5% Salt+ 1% HR-5				
PRODUCTION	LEAD 5800-9000	Premium AG +6% Econolite + 0.25 lb/sk Polyeflake	270	10%	11.60	3.14
	3,200	+ 0.2% FWCA+ 10 pps Gilsonite				
		+16% Gel+1% HR-7 + 3% Salt				
	TAIL 10000-15600	50/50 Poz + 6 Halad-322+ 3% HR-5	1190	50%	14.35	1.63
5,600	+ 35% SSA-1+5% Salt+ 125 pps Polyeflake					

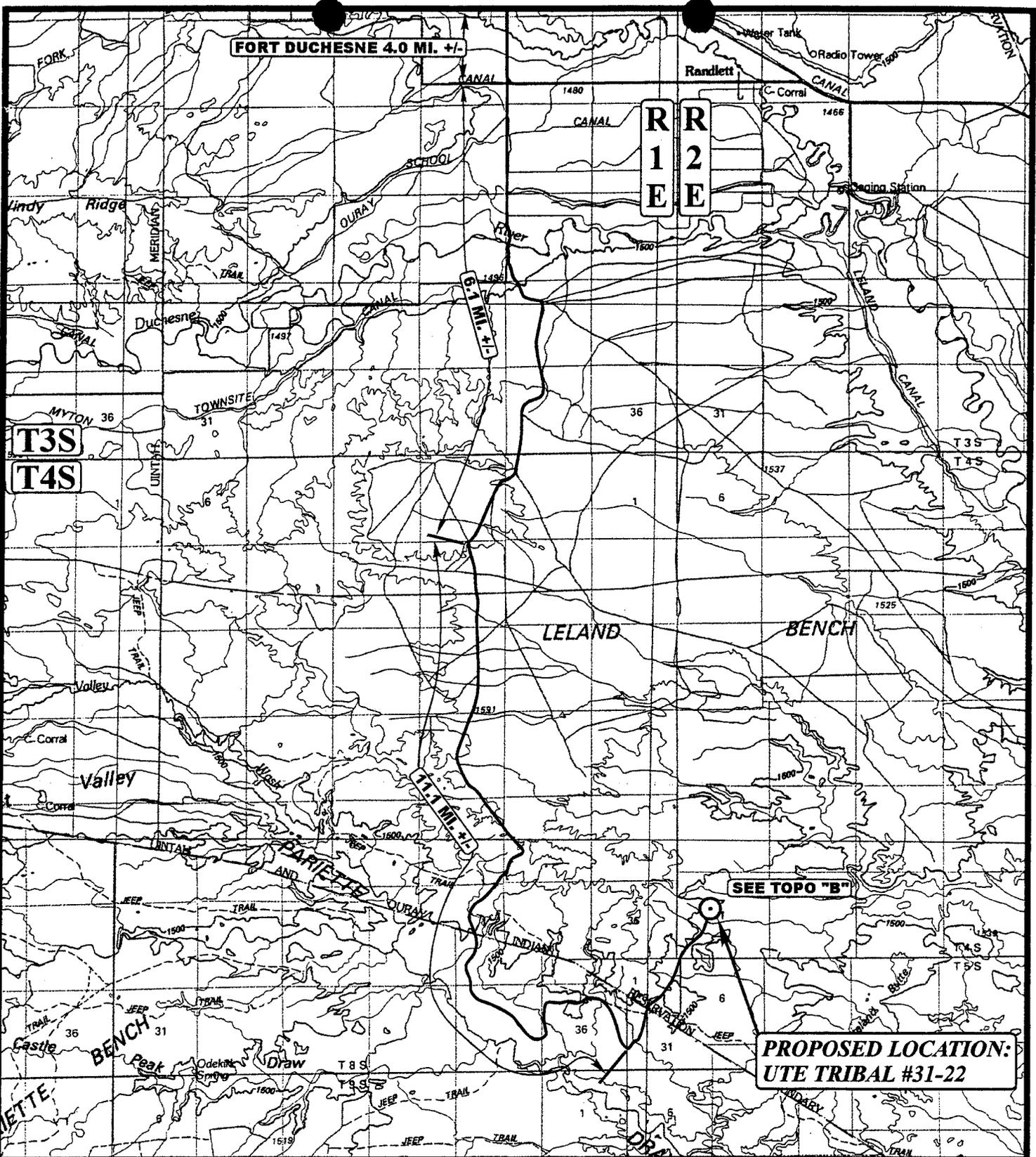
### FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Float shoe, 1 joint, float collar. Centralize middle of shoe joint & every other collar to surface. Thread lock FE & bottom joint.
INTERMEDIATE	Float shoe, 1 joint, float collar. Centralize every 4th joint. Thread lock all FE 3 joints.
PRODUCTION	Float shoe, 1 joint, float collar. Centralize as per Production Department. Thread lock all FE

PROJECT ENGINEER: Buddy Novak

DRILLING MANAGER: Scott Palmer

DRILLING SUPERINTENDENT Larry Strasheim



**LEGEND:**

○ PROPOSED LOCATION

**EL PASO PRODUCTION OIL & GAS COMPANY**

**UTE TRIBAL #31-22  
SECTION 31, T4S, R2E, U.S.B.&M.  
2183' FNL 2022' FWL**

**U&L**  
**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1018

**TOPOGRAPHIC** **6 1801**  
**MAP** **MONTH DAY YEAR**  
**SCALE: 1: 100,000** **DRAWN BY: K.G.** **REVISED: 00-00-00**



R  
1  
E

R  
2  
E

**PROPOSED LOCATION:  
UTE TRIBAL #31-22**

**PROPOSED ACCESS 1.4 MI. +/-**

**T4S**  
**T5S**

**EXISTING BLM ROAD NEEDS  
UPGRADED 2000' +/-**

**FORT DUCHESNE  
21.2 MI. +/-**

**WILDROSE  
#31-1**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD
- BLM SURFACE

**EL PASO PRODUCTION OIL & GAS COMPANY**

**UTE TRIBAL #31-22  
SECTION 31, T4S, R2E, U.S.B.&M.  
2183' FNL 2022' FWL**



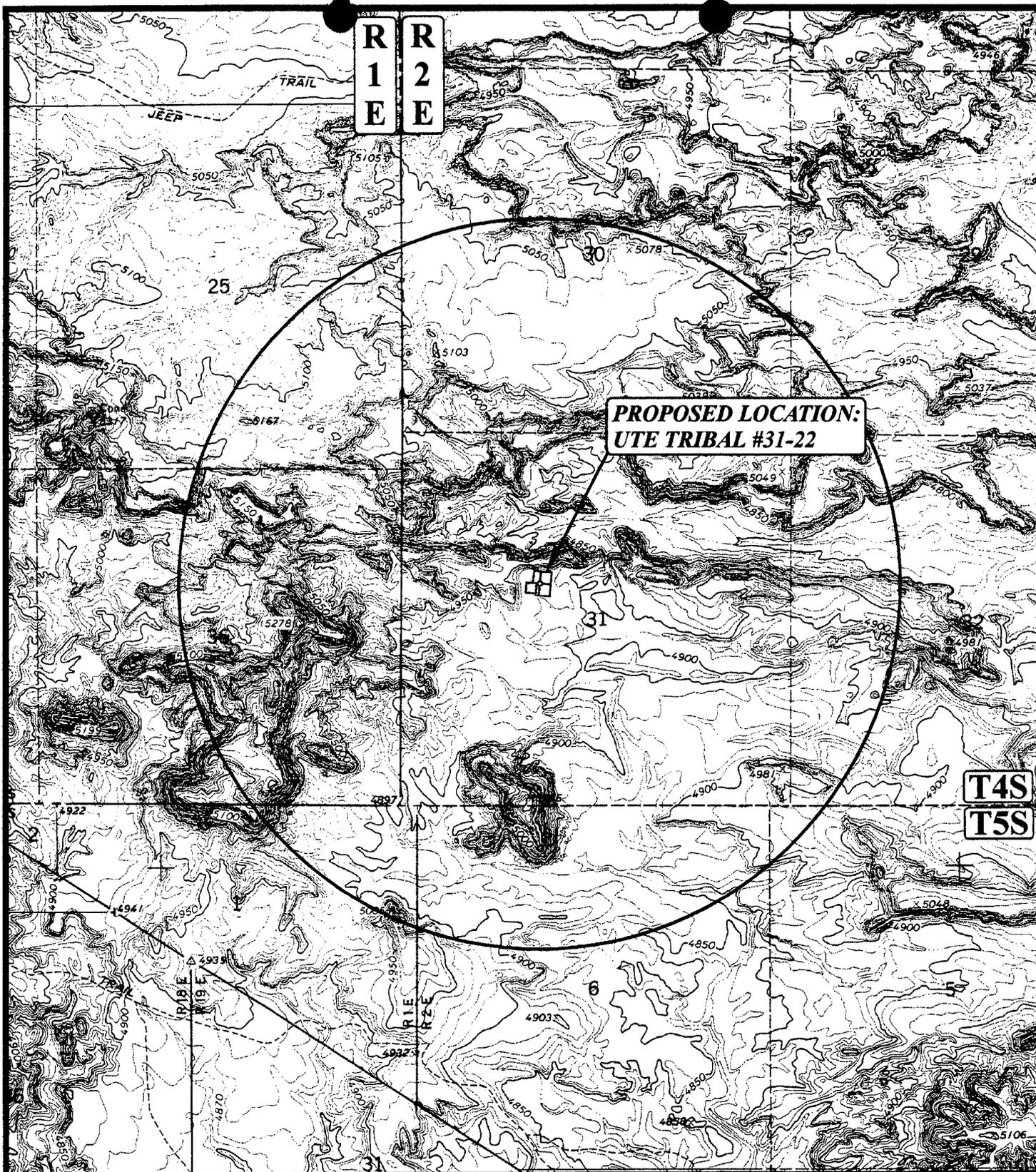
**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**6 18 01**  
MONTH DAY YEAR

SCALE: 1" = 2000' | DRAWN BY: K.G. | REVISED: 12-17-01





**PROPOSED LOCATION:  
UTE TRIBAL #31-22**

**LEGEND:**

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



**EL PASO PRODUCTION OIL & GAS COMPANY**

**UTE TRIBAL #31-22  
SECTION 31, T4S, R2E, U.S.B.&M.  
2183' FNL 2022' FWL**



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

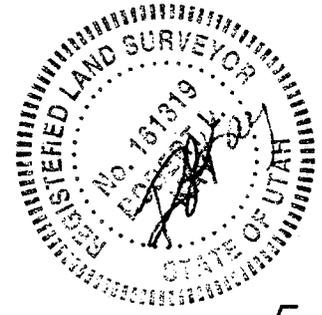
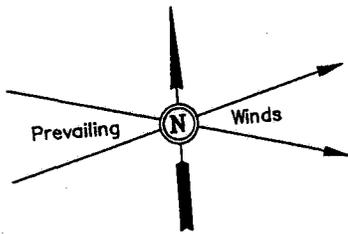
<b>TOPOGRAPHIC</b>	<b>6</b>	<b>18</b>	<b>01</b>	<b>C</b>
<b>MAP</b>	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: K.G.		REVISED: 00-00-00	<b>TOPO</b>

# EL PASO PRODUCTION OIL & GAS COMPANY

FIGURE #1

## LOCATION LAYOUT FOR

UTE TRIBAL #31-22  
SECTION 31, T4S, R2E, U.S.B.&M.  
2183' FNL 2022' FWL



SCALE: 1" = 60'  
DATE: 06-06-01  
Drawn By: D.R.B.

C-0.8'  
El. 912.6'

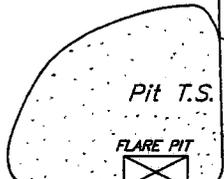
F-0.6'  
El. 911.2'

Approx.  
Toe of  
Fill Slope

F-4.2'  
El. 907.6'

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

El. 912.6'  
C-10.8'  
(btm. pit)

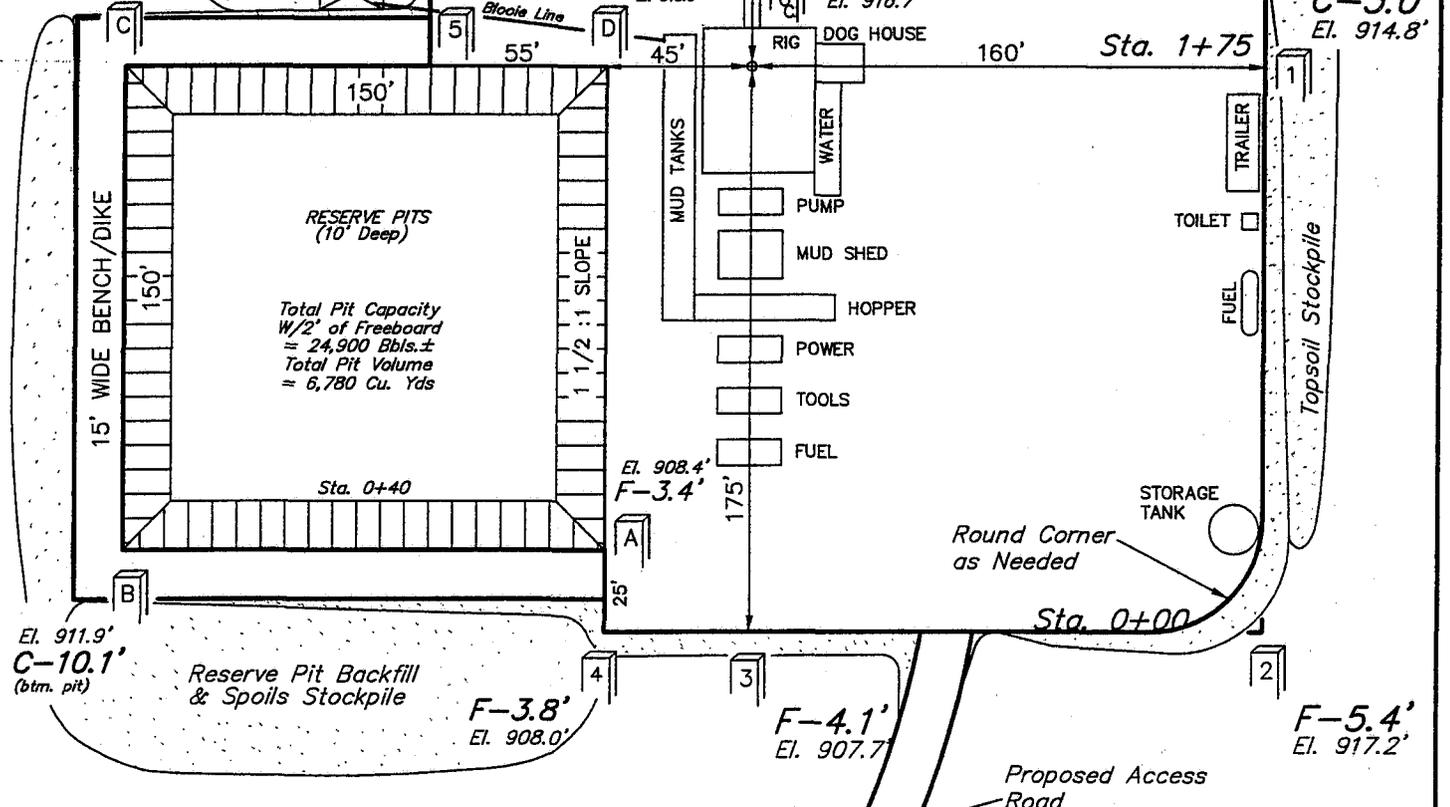


C-2.0'  
El. 913.8'

C-3.8'  
El. 915.6'

C-4.9'  
El. 916.7'

C-3.0'  
El. 914.8'



Elev. Ungraded Ground at Location Stake = 4916.7'  
Elev. Graded Ground at Location Stake = 4911.8'

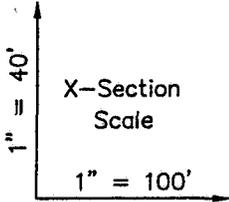
UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

# EL PASO PRODUCTION OIL & GAS COMPANY

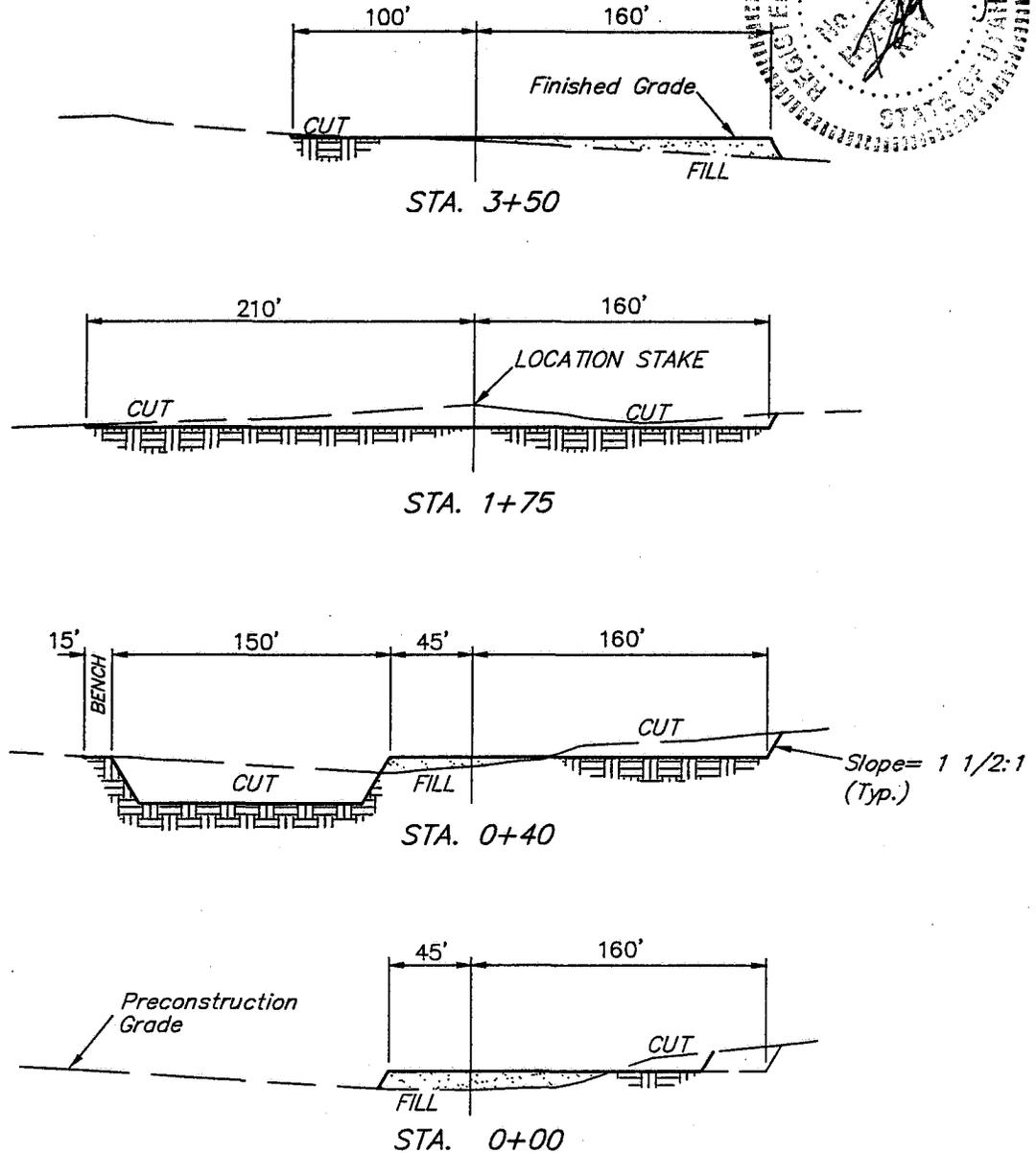
## TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #31-22  
SECTION 31, T4S, R2E, U.S.B.&M.  
2183' FNL 2022' FWL

FIGURE #2



DATE: 06-06-01  
Drawn By: D.R.B.



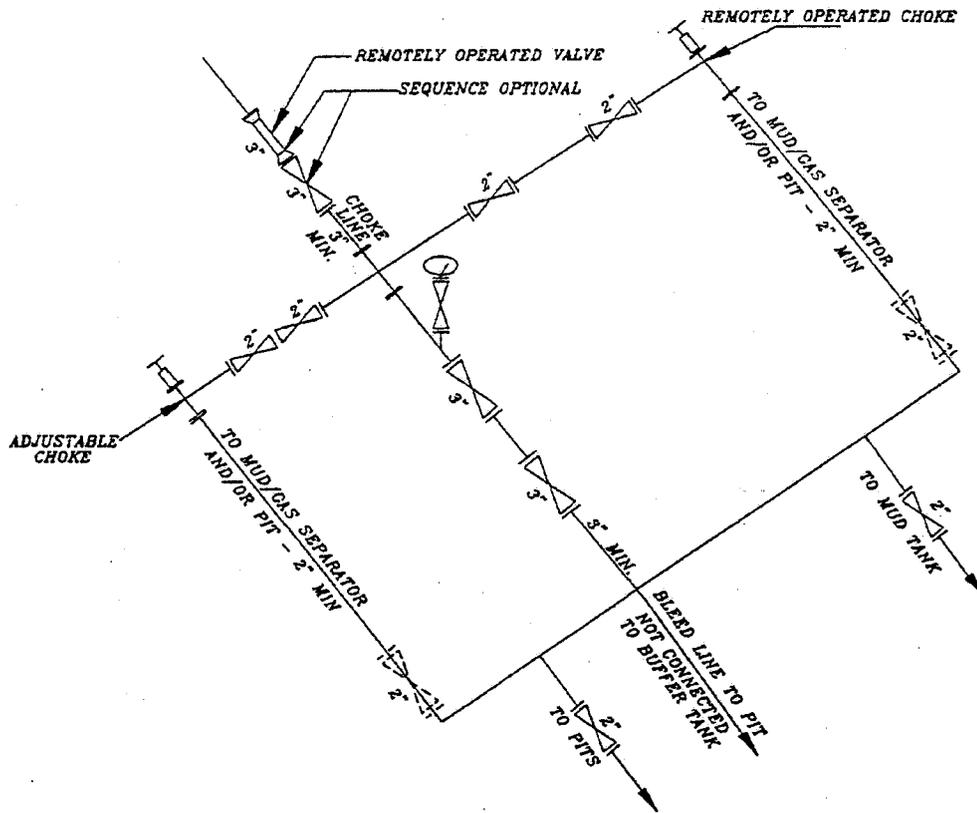
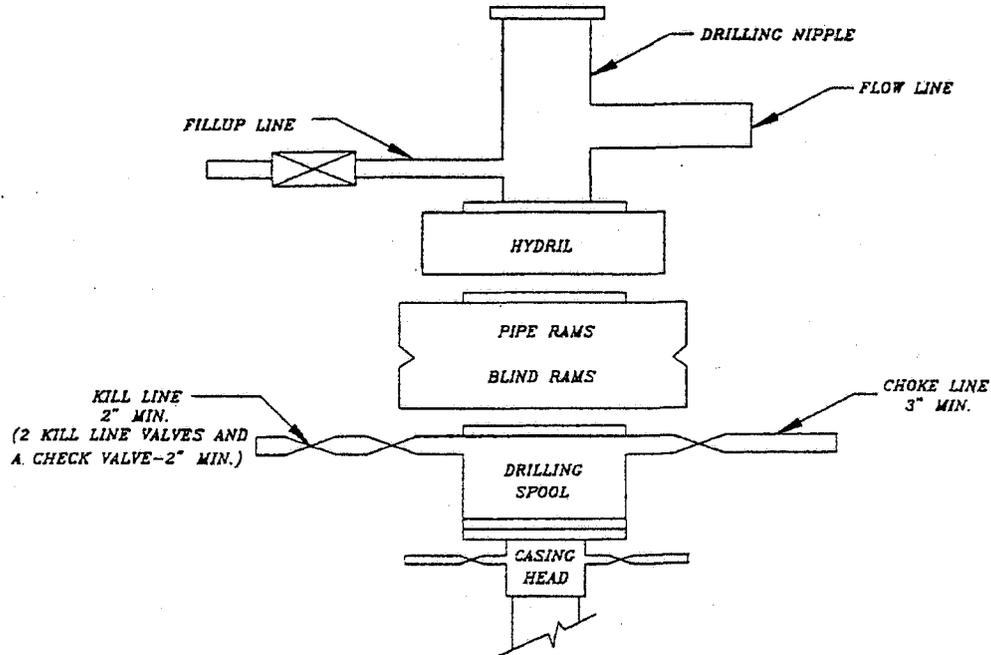
### APPROXIMATE YARDAGES

(12") Topsoil Stripping = 4,080 Cu. Yds.  
Remaining Location = 8,590 Cu. Yds.  
**TOTAL CUT = 12,670 CU.YDS.**  
**FILL = 4,940 CU.YDS.**

EXCESS MATERIAL AFTER  
5% COMPACTION = 7,470 Cu. Yds.  
Topsoil & Pit Backfill  
(1/2 Pit Vol.) = 7,470 Cu. Yds.  
EXCESS UNBALANCE = 0 Cu. Yds.  
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



**ORIGINAL**

**Raptor Nest Activity Inspection Report for Ute Tribal 31-22  
SE-NW1/4 of Section 31, Township 4 South, Range 2 East**

Prepared for:

Ute Indian Tribe  
Energy & Minerals Department  
Fort Duchesne, Utah

Bureau of Indian Affairs  
Uintah and Ouray Agency  
Fort Duchesne, Utah

El Paso Production Company  
Vernal, Utah

Prepared by:

**B&A** Buys & Associates, Inc.  
Environmental Consultants

July 2001

## **Introduction**

At the request of Mr. Manuel Myore (Bureau of Indian Affairs), Mr. Cecil Cornpeach (Ute Indian Tribe - Energy and Minerals Department) and Mr. Carroll Estes (El Paso Production Company), Buys & Associates Inc. (B&A) completed a raptor nest activity inspection of a large stick nest near the proposed Ute Tribal 31-22 well location. The stick nest is located along the southern section line between Section 3, T4S, R2E and Section 6, T5S, R2E. The proposed well pad is located in the SE-NW1/4 of Section 31, T4S, R2E. The inspection was requested in response to raptor activity observed by BIA, Ute Indian Tribe, and El Paso personnel on July 10, 2001 during an on-site inspection. The nest of concern is a large stick nest that has historically been used by golden eagles. The nest's activity status was previously inspected by B&A in June of 2001 and was determined to be inactive.

## **Methods & Results**

The nest's activity status was inspected by Tim Chervick, B&A Wildlife Biologist on July 11, 2001. Tim inspected the nest in the late afternoon when temperatures were cooler and raptor activity was more likely. At the location he observed two juvenile prairie falcons hunting and chasing each other near the historic golden eagle nest site. No adult falcons were observed. Tim inspected the interior of the stick nest but did not find any signs of recent nesting activity by the falcons or any other raptor species (down feathers stuck to the nest substrate, fresh whitewash, bones).

Given that: 1) there were no signs of nesting activity by the falcons; 2) no adults were observed near the nest or with the juveniles; 3) the nest was inactive in June; and 4) prairie falcons typically nest in "pothole nests" and rock crevices, it is highly unlikely that the stick nest under discussion was used by prairie falcons for nesting purposes. The juvenile falcons are most likely using the nest and surrounding rock outcrops as perching areas while practicing aerial techniques.

Tim did locate a pothole nest with fresh whitewash on the east side of a mesa near the stick nest. We assume that location is the pothole nest from which the juveniles prairie falcons fledged. However, without having surveyed the nest during the breeding season, we cannot confirm this assumption.

**UNITED STATES GOVERNMENT  
MEMORANDUM**

DATE: December 14, 2001

REPLY TO:  
ATTN OF: *DMR* Superintendent, Uintah & Ouray Agency

SUBJECT: APD Concurrence for ELPASO PRODUCTION OIL & GAS COMPANY

TO: Bureau of Land Management, Vernal District Office  
Attn: Minerals and Mining Division

We recommend approval of the Application for Permit to Drill (APD) for a drill site, access road and pipeline with required stipulations:

**TOWNSHIP 4 & 5 SOUTH, RANGE 1 & 2 EAST, SLB& M.,**

<b>H62-2002-064</b>	UTE TRIBAL 31-22	SE NW & N/2SW/4 SECTION 31, T4S/R2E & THE (DS, AR, & PL CORRIDOR) E/2NE/4, SWNE & NWSE (LOT 4) SECTION 1, T5S/R1E
---------------------	------------------	---

Based on available information received 07/11/01 the proposed location was cleared in the following areas of environmental impact.

YES		NO	X	Listed threatened endangered species
YES		NO	X	Critical wildlife habitat
YES		NO	X	Archaeological or cultural resources
YES		NO		Air quality aspects (to be used only if Project is in or adjacent to a Class I area)

Enclosed is a copy of the BIA's Environmental Analysis (EA) concurred and signed by the Ute Indian Tribe. Please refer to Item 6.0 for Mitigation Stipulations as well as any applicable stipulations in 10.0 for Additional Stipulations.

REMARKS: The Ute Tribe Energy & Minerals (E&M) Department also requires that all companies adhere to the following criteria, during and after, all phases of construction activities.

*Charles H. Cameron*



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Uintah and Ouray Agency

P. O. Box 130

988 South 7500 East

Fort Duchesne, Utah 84026-0130

(801) 722-4300

IN REPLY REFER TO:

Real Estate Services

(801) 722-4321

December 14, 2001

El Paso Production Oil & Gas Company  
Nine Greenway Plaza  
Houston, TX77046-0995

Dear Sirs:

This is your authority to proceed with construction of the following rights-of-ways.

**H62-2002-064** UTE TRIBAL 31-22 SENW & N/2SW/4 SECTION 31, T4S/R2E & THE E/2NE/4, SWNE & NWSE  
(LOT 4) SECTION 1, T5S/R1E (DRILLSITE, ACCESS ROAD & PIPE LINE CORRIDOR)

Enclosed is your file copy of the Bureau of Indian Affairs, Environmental Analysis (EA). The tribal stipulations and concurrence signatures are listed on the back of this report. Please adhere to all stipulations for both entries.

Enclosed is a Grant of Easement for this right-of-way. Upon completion, please submit Affidavit of Completion so that we may record the Grant of Easement with our title plant.

Please contact the Ute Indian Tribe's Energy and Mineral Department prior to construction to obtain an access permit and retain this letter as your permit to construct upon tribal lands. **Also, remind your field personnel of the firearm restrictions on the Uintah and Ouray Reservation.**

If you have any questions please contact Mr. Charles Cameron, Chief, Branch of Real Estate Services, Supervisory Petroleum Engineer at (435) 722-4311.

Sincerely,

*Charles H. Cameron*  
Superintendent

cc: UIT Energy & Minerals  
file  
chrono

# GRANT OF EASEMENT FOR RIGHT-OF-WAY

ROW Serial No. H62-2002-064

DRILL SITE, ACCESS ROAD & PIPELINE- UTE TRIBAL #31-22

## KNOW ALL MEN BY THESE PRESENTS:

That the UNITED STATES OF AMERICA, as trustee for UTE INDIAN TRIBE acting by and through the Superintendent of the Uintah and Ouray Agency, as "Grantor", under authority contained in 209 DM 8 (39 F.R. 32166), 10 BIAM 3 (34 F.R.637) 230 DM 3 (20 F.R. 992) and Sec. 2.11 (34 F.R. 11109), pursuant and subject to the provisions of the Act of February 5, 1948 Stat. 17, (U.S.C. 323-328), and Part 169, Title 25, Code of Federal Regulations in consideration of:

FIFTEEN THOUSAND TWO HUNDRED FIFTY-FOUR DOLLARS & 40 CENTS, (\$15,254.40)

Based on \$1,400.00 per acre for consideration, the receipt of which is acknowledged, does hereby grant to:

EL PASO PRODUCTION OIL & GAS COMPANY., NINE GREENWAY PLAZA, HOUSTON, TX 77046-0995

Its successors and assigns, hereinafter referred to as "Grantee" an easement for right-of-way:

In accordance with the attached survey plat: For the UTE TRIBAL #31-22

G.L.O. Plat No. 22629 DATED 05/31/01 for Section 31 & 1, Township 4 & 5 South, Range 2 & 1 East, SLB&M for the following:

<u>DRILL SITE:</u>	<u>Located in the SENW, SEC. 31, T4S/R2E, being 3.764 acres, more or less, and</u>
<u>ACCESS ROAD &amp;</u>	<u>Located in the SENW &amp; N/2SW/4 OF SEC. 31, T4S/R2E &amp; THE E/2NE/4, SWNE &amp;</u>
<u>PIPELINE CORRIDOR:</u>	<u>NWSE (LOT 4) OF SEC. 1, T5S/R1E, being approximately 5,177.95' feet in length, 60' feet in width, 7.132 acres, m/l</u>
	<u>Total ROW acreage 10.896, m/l</u>

within the exterior boundaries of the Uncompahgre Reservation for the following purposes namely: The construction, maintenance, repair, inspection, protection, operation and removal of the UTE TRIBAL #31-22 together with the necessary appurtenances thereto, on, over and across the land embraced within the right-of-way located in Uintah County, Utah.

TO HAVE AND TO HOLD said easement and right-of-way unto the Grantee and unto its successors and assigns, together with prior existing right or adverse claim and is for a twenty (20) year period beginning December 14, 2001, so long as easement shall actually be used for the purposes above specified. Consideration may be increased at five (5) year intervals if necessary to reflect then existing market prices.

This right-of-way shall be terminable in whole or in part by the grantor for any of the following causes upon 30 days' written notice and failure to the Grantee within said notice period to correct the basis of termination (25 CFR 169.20)

- Failure to comply with any term or condition of the grant or applicable regulations.
- A nonuse of the right-of-way for a consecutive two-year period for the purpose for which it was granted.
- An abandonment of the right-of-way.
- Failure of the Grantee to file with the Grantor an Affidavit of Completion pursuant to 25 CFR 169.16,

Upon completion of construction, or in any case within two years of date of this easement granted in the case construction does not begin or is completed.

The conditions of this easement shall extend to and be binding upon and shall insure to the benefit of the successors and assigns of the Grantee. It has been determined that approval of this document is not such a major federal action significantly affecting the quality of the human environment as to required the preparation of an environmental impact statement under Section 102 (2)(c) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) (2) (c).

IN WITNESS WHEREOF, Grantor has executed this Grant of Easement this 14<sup>th</sup> day of December, 2001.

UNITED STATES OF AMERICA  
U.S. Department of the Interior  
Uintah & Ouray Agency  
Fort Duchesne, UT 84026

By: Charles H. Cameron

Superintendent

# ENVIRONMENTAL ANALYSIS SITE SPECIFIC

**WELL NO:** UTE TRIBAL 31-22      **Sec.** 31 **T.** 4S **R.** 2E  
**Legal Description:** SESW 2183 FNL, 2022 FWL  
**COMPANY:** EPPC/CO6C      **Onsite**  
**Date:** 7/11/01

## 1.0 - PROPOSED ACTION 2.0

Qtr/Qtr Legals

	# of feet	# of Acres	# of Acres	# of Acres	# of Acres
<input type="checkbox"/> ROAD ACCESS					
<input checked="" type="checkbox"/> WELL PAD	# of feet <u>400x410</u>	# of Acres	<u>3.764</u>		
<input type="checkbox"/> PIPELINE	# of feet	# of Acres			
<input type="checkbox"/> POWERLINE	# of feet	# of Acres			
<input checked="" type="checkbox"/> CORRIDOR ROW	# of feet <u>5166</u>	# of Acres	<u>7.132</u>		
<input type="checkbox"/> Other					

Notes:

---



---



---



---

## 2.0 - ALTERNATIVE ACTIONS

- A. ALTERNATIVE CONSIDERED: The proposed action is the preferred alternative.
- B. NO ACTION: Under the no action alternative, the proposed action would not be implemented.
- C. OTHER: NA

## 3.0 - SITE SPECIFIC SURVEY

### A. SITE DESCRIPTION

1. Elevation (feet)	<u>4917</u>		
2. Annual precipitation (inches)	<u>4-6</u>		
3. Topography	<u>Flat Plateau</u>		
4. Soil	<u>Sandy Mix clay</u>		
5. Est. Infiltration Rate	Low	<input checked="" type="checkbox"/> Moderate	High

B. VEGETATION

1. Habitat type is:	desert							
2. Percent Ground Cover:	3							
3. Vegetation consists of:	1%	Grasses	2%	Shrubs	%	Forbs	%	Trees

The main variety of grasses are

<input type="checkbox"/>	blue grama	<input type="checkbox"/>	bluebunch wheat	<input type="checkbox"/>	squirrel tail	<input checked="" type="checkbox"/>	needle & thread
<input type="checkbox"/>	poa	<input checked="" type="checkbox"/>	Indian rice	<input type="checkbox"/>	cheat Grass	<input type="checkbox"/>	galletta
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	None
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

Shrubs consist of:

<input checked="" type="checkbox"/>	prickly pear	<input type="checkbox"/>	spiny hopsage	<input type="checkbox"/>	rabbit brush	<input checked="" type="checkbox"/>	Fourwing salt bush
<input type="checkbox"/>	Spiny horse bush	<input checked="" type="checkbox"/>	Grease wood	<input type="checkbox"/>	Snake weed	<input type="checkbox"/>	Sand sage
<input type="checkbox"/>	Wild buckwheat	<input type="checkbox"/>	Black sage	<input type="checkbox"/>		<input type="checkbox"/>	None
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

Forbs consist of:

<input type="checkbox"/>	Annuals	<input type="checkbox"/>	Lamb quaters	<input type="checkbox"/>	Gilia	<input type="checkbox"/>	Penstamen
<input type="checkbox"/>	Mustard	<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	None
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

Trees consist of:

<input type="checkbox"/>	Pinion pine	<input type="checkbox"/>	Utah juniper	<input type="checkbox"/>	Upland pinion juniper	<input checked="" type="checkbox"/>	None
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

4. Observed T&E species:	none
5. Potential For T&E species:	none
6. Observed Noxious Weeds:	none

C. AFFECTED ENVIRONMENT

1. There are no surface damages as a result of the initial survey.

3.1 - WILDLIFE

A. POTENTIAL SITE UTILIZATION

1. Big Game	<input type="checkbox"/> Elk	<input type="checkbox"/> Mule Deer	<input checked="" type="checkbox"/> Antelope	<input type="checkbox"/> Other:
2. Small Game	<input checked="" type="checkbox"/> Cotton Tail Rabbit	<input type="checkbox"/> Dove	<input type="checkbox"/> Quail	<input type="checkbox"/> Other
3. Raptors	<input checked="" type="checkbox"/> Golden Eagles	<input checked="" type="checkbox"/> Redtail Hawk	<input type="checkbox"/> Kestrel	<input type="checkbox"/> Other
4. Non-Game Wildlife	<input checked="" type="checkbox"/> Cattle	<input checked="" type="checkbox"/> Coyote	<input type="checkbox"/> Fox	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Song birds	<input checked="" type="checkbox"/> Black Tail Jack Rabbit		
5. T&E Species	<input type="checkbox"/> none			

### 3.2 - PRESENT SITE USE

#### A. USE

	Acres
Rangeland & Woodland	10.896
Irrigable land	0
Non-Irrigable land	10.896
Commercial timber	
Floodplain	
Wetland	0
Riparian	0
Other:	0

### 3.3 - CULTURAL RESOURCES

#### A. CULTURAL RESOURCES/SURVEY

Cultural Resource Surveys were performed by SAGE BRUSH, on 6/26/01.  
Company Name Date

The consultant recommends clearance of the project as it is presently staked, and approved by BIA and UT Technicians.

Consultant

UT Technician

BIA Representative

All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.

### 4.0 - ENVIRONMENTAL IMPACTS

#### A. SURFACE ALTERATIONS:

	Acres
1. Access road (CORRIDOR)	7.132
2. Well site	3.764
3. Pipeline right-of-way	
4. Total area disturbed	10.896

#### B. VEGETATION/LANDSCAPE

1. Production loss (AUM's)/year:	0.72
2. Permanent scar on landscape:	
3. Potential impacts to T&E species:	

#### C. SOIL/RANGE/WATERSHED

The area is presently used as rangeland. In recent years the area has been permitted for livestock grazing, but at the present time no permits have been issued for the area. This project will reduce livestock & wildlife grazing by approximately 0.4 AUM/year. 0.72

The area is not used as irrigated cropland and a water right has not been designated for the area.

## D. WILDLIFE/THREATENED & ENDANGERED SPECIES

There will be an insignificant reduction of wildlife habitat and grazing for livestock. There will also be an increase in wildlife disturbance and poaching resulting from the additional traffic and people using the area.

There are no known impacts to Threatened or Endangered species but the area is important winter range for big game.

## 5.0 - MITIGATION STIPULATIONS

### A. VEGETATION/LANDSCAPE

1. Before the site is abandoned the company will be required to restore the right-of-way to near its original state. The disturbed area will be reseeded with desirable perennial vegetation.
2. Noxious weeds will be controlled on all rights-of-way. If noxious weeds spread from the rights-of-way onto adjoining land, the company will also be responsible for their control.

### B. SOILS/RANGE/WATERSHEDS

1. Soil erosion will be mitigated by reseeded all disturbed areas.
2. The pipeline will be constructed to lie on the soil surface, and the right-of-way will not be bladed or cleared of vegetation.

Where pipelines are constructed parallel to roads they may be welded on the road and then lifted from the road onto the right-of-way.

Where pipelines do not parallel roads but cross-country between stations, they shall be welded in place at wellsites or on access roads and then pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.

### C. DRILLING SYSTEM

An open drilling system shall be used. The reserve pit shall be lined with a synthetic leak proof liner. After the drilling operation is complete, excess fluids shall be removed from the reserve pit and either hauled to an approved disposal site or shall be used to drill other wells. When the fluids are removed the pit shall be backfilled a minimum of 3.0 feet below the soil surface elevation.

A closed drilling system shall be used in all flood plain areas, and other highly sensitive areas, as recommended by the Ute Tribe Technician, BIA and other agencies involved.

### D. PRODUCTION SYSTEM

A closed production system shall be used. This means all produced water and oil field fluid wastes shall be contained in leak proof tanks. These fluids shall be disposed of in either approved injection wells or disposal pits.

## E. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

No Threatened & Endangered species have been identified associated with this project. Therefore, no stipulations have been developed for their protection.

## F. UTE TRIBAL REGULATIONS

1. Prior to commencing surveys or construction on the U&O Indian Reservation the operator, and any of its sub-contractors, shall acquire access permits and business permits from the Ute Indian Tribe.
2. Prior to the commencement of construction, the operator shall notify the Ute Tribal Department of Energy and Minerals of the date construction shall begin.

## 6.0 - UNAVOIDABLE ADVERSE IMPACTS

### A. SURFACE ALTERATIONS

None of the adverse impacts listed in 5.0 above can be avoided in a practical manner except those which are mitigated in item 6.0 above.

### B. RELATIONSHIP BETWEEN SHORT-TERM USE OF THE ENVIRONMENT VS LONG TERM PRODUCTIVITY.

1. Short Term: (Estimated 20 years) A total loss of production on the land and the associated environmental impacts will continue to influence the surrounding area for the productive life of the well.
2. Long Term: Standard policies provide for rehabilitation of rights-of-ways. After the land is rehabilitated, it is expected to return to its original productive capability. Normally, there will be no permanent scar left on the landscape.

### C. IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT

Oil and Gas are non-renewable resources, once they have been removed they can never be replaced.

## 7.0 - CUMULATIVE IMPACTS

### A. FULL DEVELOPMENT

Each additional well drilled for development increases the soil erosion potential, reduces wildlife habitat and grazing, increases potential soil and geologic pollution resulting from salt loading, reduces the soil's potential to recover, and increases the potential of water pollution from produced waters and hydro-carbons. Therefore, strict conformance with the mitigation measures and recommendations in this document is emphasized to minimize the adverse environmental impacts.

**8.0 - NEPA COMPLIANCE**

**A. RESEARCH/DOCUMENTATION**

Based on available information, the proposed location in the following areas of environmental impacts has been cleared:

Listed Threatened & Endangered species	cleared
Critical wildlife habitat	u "
Historical and cultural resources	u "

**9.0 - REMARKS**

**A. SURFACE PROTECTION/REHABILITATION**

All essential surface protection and rehabilitation requirements are specified above.

**10.0 - ADDITIONAL STIPULATIONS**

- A 5166 foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
- A qualified Archaeologist accompanied by a Tribal Technician will monitor trenching construction of pipeline.
- The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipeline.
- Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understand that they may be responsible for costs incurred by the Ute Tribe after hours.
- The Company shall inform contractors to maintain construction of pipelines within the approved ROWs.
- The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-CONTRACTORS, LEASING CONTRACTORS, AND ETC." have acquired a current and valid Ute Tribal Business License and have "Access Permits" prior to construction, and will have these permits in all vehicles at all times.
- You are hereby notified that working under the "umbrella" of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
- Any deviation of submitted APD's and ROW applications the Companies will notify the Ute Tribe and BIA in writing, and will receive written authorization of any such change with appropriate authorization.
- The company will implement "Safety and Emergency Plan". The Company's safety director will ensure its compliance.
- All company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the Ute Tribe Energy & Minerals Department should be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.
- All mitigative stipulations contained in the Bureau of Indian Affairs Site Specific Environmental Assessment (EA) will be strictly adhered.
- Upon completion of Application for Corridor Right-of-way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

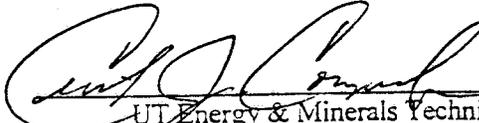
**Additional Stipulations:**


11.0 - RECOMMENDATIONS

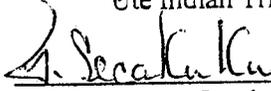
A. APPROVAL/DISAPPROVAL

We recommend  APPROVAL  DISAPPROVAL of the proposed action as outlined in item 1.0 above.

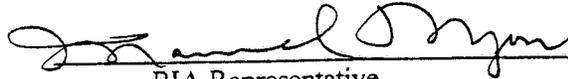
Date: 07/01/01

  
 UT Energy & Minerals Technician  
 Ute Indian Tribe

Date: 7/29/01

  
 Ferron Secakuku, Director  
 UT Energy & Minerals Department

Date: 7/12/2001

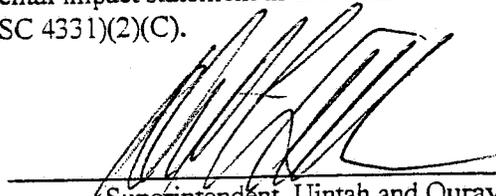
  
 BIA Representative  
 Uintah and Ouray Agency

11.0 - DECLARATION

A. APPROVAL

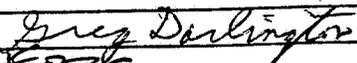
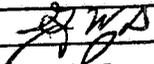
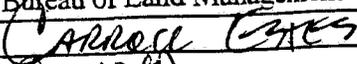
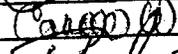
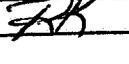
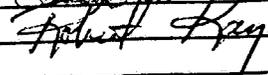
It has been determined that the proposed action is not a federal action significantly affecting the quality of the environment as it would require the preparation of an environmental impact statement in accordance with Section 102(2)(c) of the National Environmental Policy Act of 1969 (42 USC 4331)(2)(C).

Date: 7/24/01

  
 Superintendent, Uintah and Ouray Agency

12.0 - CONSULTATION

A. REPRESENTATIVES/ORGANIZATION

Agency/Company Name	Name	Initials
Bureau of Land Management		
	EPFC	
	CPPC	
	UELS	

002

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/20/2001

API NO. ASSIGNED: 43-047-34437

WELL NAME: UTE TRIBAL 31-22  
OPERATOR: EL PASO PROD OIL & GAS ( N1845 )  
CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:  
SENW 31 040S 020E  
SURFACE: 2183 FNL 2022 FWL  
BOTTOM: 2183 FNL 2022 FWL  
UINTAH  
UNDESIGNATED ( 2 )  
LEASE TYPE: 2 - Indian  
LEASE NUMBER: 14-20-H62-4911  
SURFACE OWNER: 2 - Indian  
PROPOSED FORMATION: WSMVD

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

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[2] Sta[] Fee[]  
(No. 103601473 )
- 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:

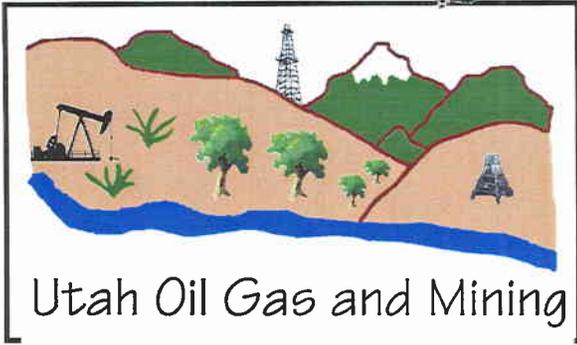
- R649-2-3. Unit
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS:

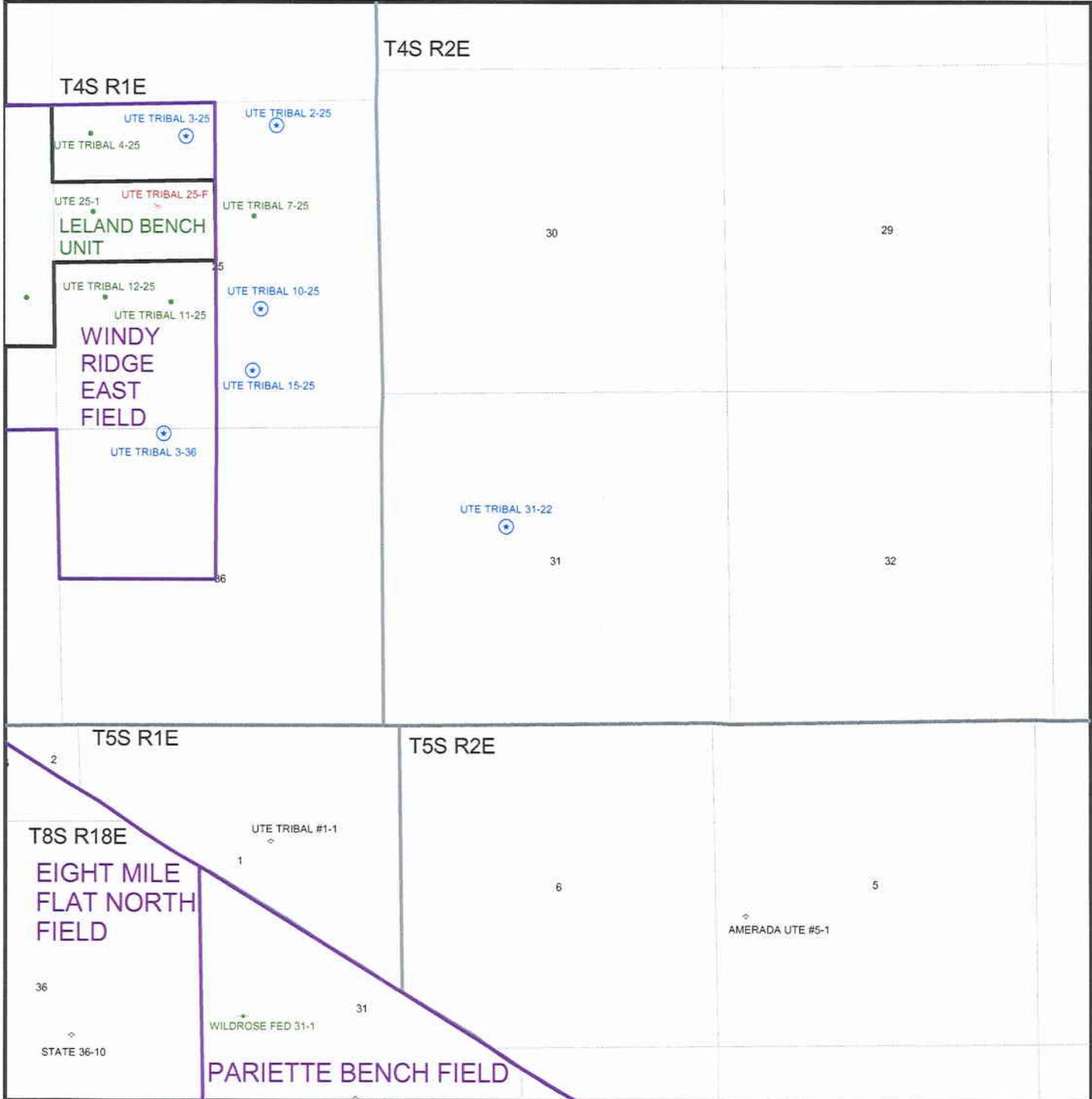
Need "Ex. Loc" info. (Rec'd 1-10-02)

STIPULATIONS:

1-Fed. Approval



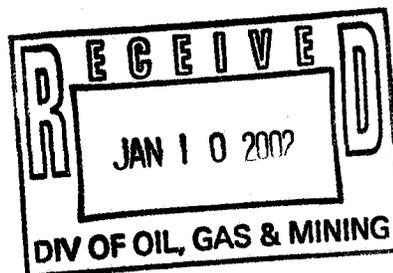
OPERATOR: EL PASO PROD O&G (N1845)  
 SEC. 31, T4S, R2E  
 FIELD: UNDESIGNATED (002)  
 COUNTY: UINTAH SPACING: R649-3-3/EX LOC





January 9, 2001

State of Utah  
Division of Oil, Gas & Mining  
1594 W. North Temple, Suite 1210  
Salt Lake City, UT 84114  
Attention: Ms. Lisha Cordova  
VIA FACSIMILE (801) 359-3940



Re: UTE Tribal 31-22  
SE/4NW/4 Sec. 31, T4S,R2E, U.S.B.&M.  
Uintah County, Utah

Dear Ms. Cordova:

El Paso Production Oil & Gas Company (formally known as Coastal Oil & Gas Corporation) has staked the above referenced well at a location approximately 2,183' FNL & 2,022' FWL of Section 31-T4S,R2E, Uintah County, Utah. This location is an exception to Rule 649-3-2 of the Board. Uintah Engineering advised me that the well was moved southerly and westerly out of the 400' window due to the topographic relief which is present on the north side of the well pad. The well was moved to the first available area suitable to construct. The requested position of the well was 1986' FNL & 2093' FWL of Section 31, T4S,2E, U.S.B.&M. A copy of Uintah Engineering's survey plat and e-mail regarding the Ute Tribal 31-22 is attached to this letter for your files.

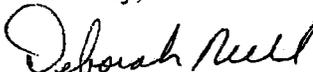
El Paso Production Oil & Gas company is the only working interest owner within 460' from the proposed location.

The Ute Tribal 31-22 proposed depth will be to an approximate depth of 15,600' to target the Mesaverde formation. It will be located on BIA Lease #14-20-H62-4911.

El Paso respectfully requests that you approve our permit to drill this well at this staked location.

Thank you for your consideration and request.

Sincerely,

  
Deborah Null  
Landman

cc:  
Henry Hansen  
Joel Degenstein  
Cheryl Cameron



003



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

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

January 10, 2002

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

Re: Ute Tribal 31-22 Well, 2183' FNL, 2022' FWL, SE NW, Sec. 31, T. 4 South, R. 2 East,  
Uintah County, Utah

Gentlemen:

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

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34437.

Sincerely,

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

John R. Baza  
Associate Director

er

Enclosures

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

**Operator:** El Paso Production Oil & Gas Company  
**Well Name & Number** Ute Tribal 31-22  
**API Number:** 43-047-34437  
**Lease:** 14-20-H62-4911

**Location:** SE NW      **Sec.** 31      **T.** 4 South      **R.** 2 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

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



January 9, 2001

State of Utah  
Division of Oil, Gas & Mining  
1594 W. North Temple, Suite 1210  
Salt Lake City, UT 84114  
Attention: Ms. Lisha Cordova  
VIA FACSIMILE (801) 359-3940

Re: UTE Tribal 31-22  
SE/4NW/4 Sec. 31, T4S,R2E, U.S.B.&M.  
Uintah County, Utah

Dear Ms. Cordova:

El Paso Production Oil & Gas Company (formally known as Coastal Oil & Gas Corporation) has staked the above referenced well at a location approximately 2,183' FNL & 2,022' FWL of Section 31-T4S,R2E, Uintah County, Utah. This location is an exception to Rule 649-3-2 of the Board. Uintah Engineering advised me that the well was moved southerly and westerly out of the 400' window due to the topographic relief which is present on the north side of the well pad. The well was moved to the first available area suitable to construct. The requested position of the well was 1986' FNL & 2093' FWL of Section 31, T4S,2E, U.S.B.&M. A copy of Uintah Engineering's survey plat and e-mail regarding the Ute Tribal 31-22 is attached to this letter for your files.

El Paso Production Oil & Gas company is the only working interest owner within 460' from the proposed location.

The Ute Tribal 31-22 proposed depth will be to an approximate depth of 15,600' to target the Mesaverde formation. It will be located on BIA Lease #14-20-H62-4911.

El Paso respectfully requests that you approve our permit to drill this well at this staked location.

Thank you for your consideration and request.

Sincerely,

Deborah Null  
Landman

cc:

Henry Hansen  
Joel Degenstein  
Cheryl Cameron

**RECEIVED**

JAN 11 2002

**DIVISION OF  
OIL, GAS AND MINING**

January 9, 2001

El Paso Production Oil & Gas Company

Re: Letter of Exception Location

Attn: Deborah Null

Dear Deborah;

Uintah Engineering & Land Surveying Inc. respectfully submits the following information for an Exception Location on the below mention well location.

The Ute Tribal #31-22 located 2183' FNL, 2022' FWL of Section 31, T4S, R2E, U.S.B.&M. was moved southerly & westerly out of the window due to the topographic relief which is present on the north side of the well pad. We have moved the well to the first available area which will be suitable to construct. The Requested position of this well was 1986' FNL & 2093' FWL of Section 31, T4S, R2E, U.S.B.&M.

If you have any questions concerning this matter please feel free to call me at (435) 789-1017.

Thank you,

Tracy D. Henline  
Uintah Engineering & Land Surveying, Inc.

004

# CONFIDENTIAL

RECEIVED  
DEC 19 2001  
BLM VERNAL, UTAH

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 14-20-H62-4911
b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Ute
2. Name of Operator El Paso Production Oil & Gas Company		7. If Unit or CA Agreement, Name and No.
3A. Address P.O. Box 1148 Vernal, UT 84078	3b. Phone No. (include area code) (435) 781-7023	8. Lease Name and Well No. Ute Tribal #31-22
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW 2183' FNL & 2022' FWL At proposed prod. Zone		9. API Well No.
14. Distance in miles and direction from nearest town or post office* 23 Miles Northeast of Ft. Duchesne, UT		10. Field and Pool, or Exploratory Undesignated
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2022'		11. Sec., T., R., M., or Blk, and Survey or Area Sec. 31, T4S, R2E
16. No. of Acres in lease 640	17. Spacing Unit dedicated to this well	12. County or Parish Uintah
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Refer to Topo C	19. Proposed Depth 15,600'	13. State UT
20. BLM/BIA Bond No. on file BIA No. 103601473	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4911.8' GL	22. Approximate date work will start* Upon Approval
23. Estimated duration To Be Determined	24. Attachments	

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

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

25. Signature <i>Cheryl Cameron</i>	Name (Printed/Typed) Cheryl Cameron	Date 12/18/2001
Title Regulatory Analyst		
Approved by (Signature) <i>Howard R. Savage</i>	Name (Printed/Typed)	Date 01/25/2002
Title Assistant Field Manager Mineral Resources	Office <b>NOTICE OF APPROVAL</b>	

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

### CONDITIONS OF APPROVAL ATTACHED

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

\*(Instructions on reverse)

RECEIVED  
JAN 29 2002  
DIVISION OF  
OIL, GAS AND MINING

DOGm

JAN. 17. 2003 3:34PM

WESTPORT

NO. 173 P. 2

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

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

February 1, 2002

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

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

Dear Ms. Maxwell:

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

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

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

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

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

*Debby J. Black*  
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.

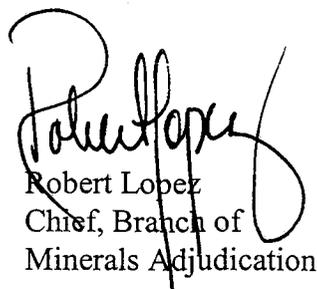
For our purposes, the name change is recognized effective December 31, 2001.

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

006

**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.  
14-20-H62-4911

6. If Indian, Allottee or Tribe Name

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

**CONFIDENTIAL**

1. Type of Well  
 Oil Well  Gas Well  Other

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

8. Well Name and No.  
UTE TRIBAL 31-22

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

9. API Well No.  
43-047-34437

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

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

10. Field and Pool, or Exploratory  
UNDESIGNATED

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 31 T4S R2E SENW 2183FNL 2022FWL

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

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

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

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

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

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
Date: 01-29-03  
By: [Signature]

**RECEIVED**  
JAN 28 2003  
DIV. OF OIL, GAS & MINING  
COPY SENT TO OPERATOR  
Date: 02-03-03  
Initials: CHO

14. I hereby certify that the foregoing is true and correct.  
**Electronic Submission #17850 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 [Signature] (Electronic Submission) Date **01/21/2003**

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

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

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



# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Washington, D.C. 20240

FEB 1 0 2003

IN REPLY REFER TO:  
Real Estate Services

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

Dear Mr. Wilson:

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

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

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

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

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER \_\_\_\_\_

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

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

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

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

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

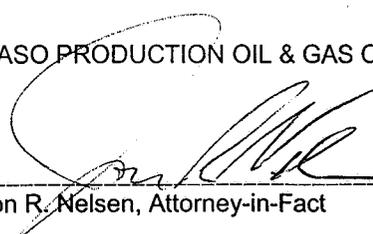
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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

BOND # \_\_\_\_\_

State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

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

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

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

(This space for State use only)

Form 3160-5  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

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

1. Type of Well  
 Oil Well  Gas Well  Other

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

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

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

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

SEE ATTACHED EXHIBIT "A"

5. Lease Serial No.  
**SEE ATTACHED EXHIBIT "A"**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**SEE ATTACHED EXHIBIT "A"**

9. API Well No.  
**SEE ATTACHED EXHIBIT "A"**

10. Field and Pool, or Exploratory Area

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

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

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

**SUCCESSOR OF OPERATOR**

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

DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed)  
**CHERYL CAMERON**

Title  
**OPERATIONS**

Signature  
*Cheryl Cameron*

Date  
**March 4, 2003**

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)

**ROUTING**

**OPERATOR CHANGE WORKSHEET**

1. GLH	
2. CDW	✓
3. FILE	

007

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

Designation of Agent/Operator

Operator Name Change

Merger

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

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

**CA No. Unit:**

WELL(S)	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
UTE TRIBAL 26-32	26-04S-02E	43-047-34665	13574	INDIAN	GW	DRL
UTE TRIBAL 31-22	31-04S-02E	43-047-34437	99999	INDIAN	GW	APD
UTE TRIBAL 31-31	31-04S-02E	43-047-34527	13490	INDIAN	GW	DRL
LELAND BENCH 35-22	35-04S-02E	43-047-34158	13377	FEE	GW	P
E GUSHER 2-1A	03-06S-20E	43-047-31431	11333	FEDERAL	OW	P
EAST GUSHER UNIT 3	10-06S-20E	43-047-15590	10341	FEDERAL	OW	P
FEDERAL 11-1-M	11-06S-20E	43-047-32333	11443	FEDERAL	OW	S
E GUSHER 15-1-A	15-06S-20E	43-047-31900	11122	FEDERAL	OW	P
GOSE FED 3-18	18-06S-21E	43-047-33691	13244	FEDERAL	OW	P
FEDERAL 21-1-P (86C701)	21-06S-21E	43-047-31647	1316	FEDERAL	GW	P
HORSESHOE BEND FED 26-2	26-06S-21E	43-047-33871	13127	FEDERAL	GW	S
HORSESHOE BEND FED 26-3	26-06S-21E	43-047-33872	13128	FEDERAL	GW	S
STIRRUP FEDERAL 29-2	29-06S-21E	43-047-31508	11055	FEDERAL	OW	S
L. C. K. 30-1-H (86C689)	30-06S-21E	43-047-31588	10202	FEE	OW	P
COTTON CLUB 1	31-06S-21E	43-047-31643	10380	FEDERAL	OW	P
ANNA BELLE 31-2-J	31-06S-21E	43-047-31698	10510	FEE	OW	P
STIRRUP 32-1-J	32-06S-21E	43-047-31646	9614	STATE	OW	S
FEDERAL 33-1-I	33-06S-21E	43-047-31468	9615	FEDERAL	OW	P
FEDERAL 33-2-B	33-06S-21E	43-047-31621	9616	FEDERAL	OW	PA
FEDERAL 34-2-K	34-06S-21E	43-047-31467	10550	FEDERAL	OW	P

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

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

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

8. **Federal and Indian Units:**

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

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

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

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

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 03/25/2003
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/25/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: RLB 0005236

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 158626364

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: RLB 0005239

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

---

---

---

---

---

---

005



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:

3160

UT08300

March 9, 2004

Debra Domenici  
Westport Oil & Gas Co.  
1368 South 1200 East  
Vernal, UT 84078

Re: Notification of Expiration  
Well No. Ute Tribal 31-22  
SENW, Sec. 31, T4S, R2E  
Uintah County, Utah  
Lease No. 14-20-H62-4911

Dear Ms. Domenici:

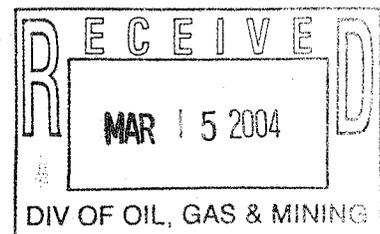
The Application for Permit to Drill the above-referenced well was approved on January 25, 2002. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until January 25, 2004. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker  
Legal Instruments Examiner

cc: UDOGM  
BIA  
Ute Tribe





State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

MICHAEL O. LEAVITT  
*Governor*

OLENE S. WALKER  
*Lieutenant Governor*

March 10, 2004

Sheila Upchego  
Westport Resources Corp.  
1368 South 1200 East  
Vernal UT 84078

Re: APD Rescinded – Ute Tribal 31-22, Sec. 31, T. 4S, R. 2E Uintah County,  
Utah API No. 43-047-34437

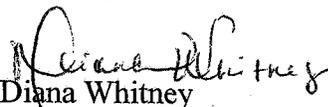
Dear Ms. Upchego:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 10, 2002. On January 29, 2003 the Division granted a one-year APD extension. On March 9, 2004 you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 9, 2004.

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

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

Sincerely,

  
Diana Whitney  
Engineering Technician

cc: Well File  
Bureau of Land Management, Vernal