

001

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML-22051	6. SURFACE: Indian
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: 9C-000205	
2. NAME OF OPERATOR: El Paso Production Oil & Gas Company		9. WELL NAME and NUMBER: State #11-36	
3. ADDRESS OF OPERATOR: P.O. B ox 1148 CITY Vernal STATE UT ZIP 84078		PHONE NUMBER: (435) 781-7023	10. FIELD AND POOL, OR WILDCAT: Natural Buttes
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1980' FSL & 1980' FWL AT PROPOSED PRODUCINGZONE: CONFIDENTIAL 4439257 Y 627625 X		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 36 8S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 39.4 Miles Northwest of Vernal, UT		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1980'	16. NUMBER OF ACRES IN LEASE: 400	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) Refer to Topo C	19. PROPOSED DEPTH: 7,900	20. BOND DESCRIPTION: 400JU0705	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4757.9' GL	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION: To Be Determined	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4	8 5/8 24# K-55	450	230 sx Class G
7 7/8	4 1/2 11.6 K-55	7,900	450 sx Hilift Lead
			830 sx 50/50 Poz Tail

RECEIVED

25. **ATTACHMENTS** FEB 12 2002

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

DIVISION OF OIL, GAS AND MINING

NAME (PLEASE PRINT) Cheryl Cameron TITLE Operations

SIGNATURE *Cheryl Cameron* DATE 2/11/2002

(This space for State use only)

API NUMBER ASSIGNED: 43-047-34505

APPROVAL:

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 04-29-02

By: *[Signature]*

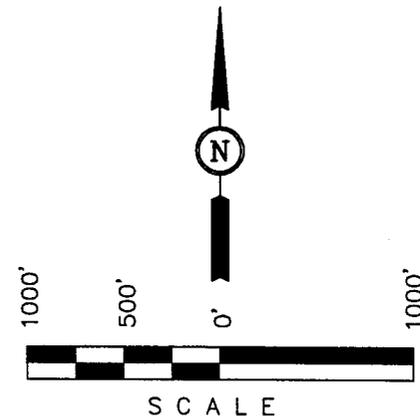
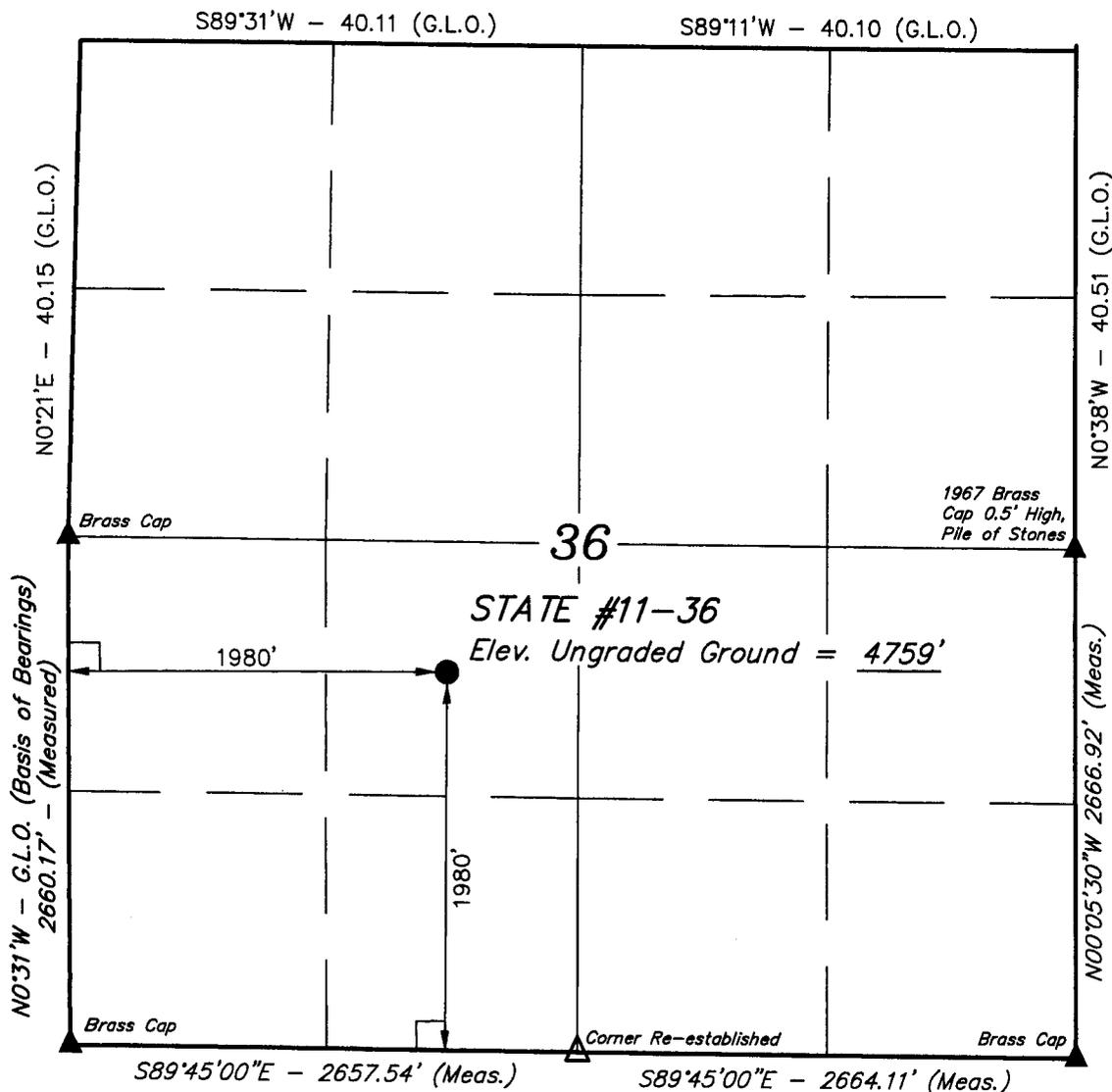
T8S, R21E, S.L.B.&M.

EL PASO PRODUCTION OIL & GAS COMPANY

Well location, STATE #11-36, Located as shown in the NE 1/4 SW 1/4 of Section 36, T8S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20 EAM 1964 LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5830 FEET.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 10139
STATE OF UTAH

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

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground)

LATITUDE = 40°04'41"
LONGITUDE = 109°30'12"

SCALE	1" = 1000'	DATE SURVEYED:	12-20-01	DATE DRAWN:	12-27-01
PARTY	D.A. J.A. C.G.	REFERENCES	G.L.O. PLAT		
WEATHER	COLD	FILE	EL PASO PRODUCTION OIL & GAS COMPANY		

EL PASO PRODUCTION OIL & GAS COMPANY

STATE #11-36

LOCATED IN UINTAH COUNTY, UTAH
SECTION 36, T8S, R21E, S.L.B.&M.

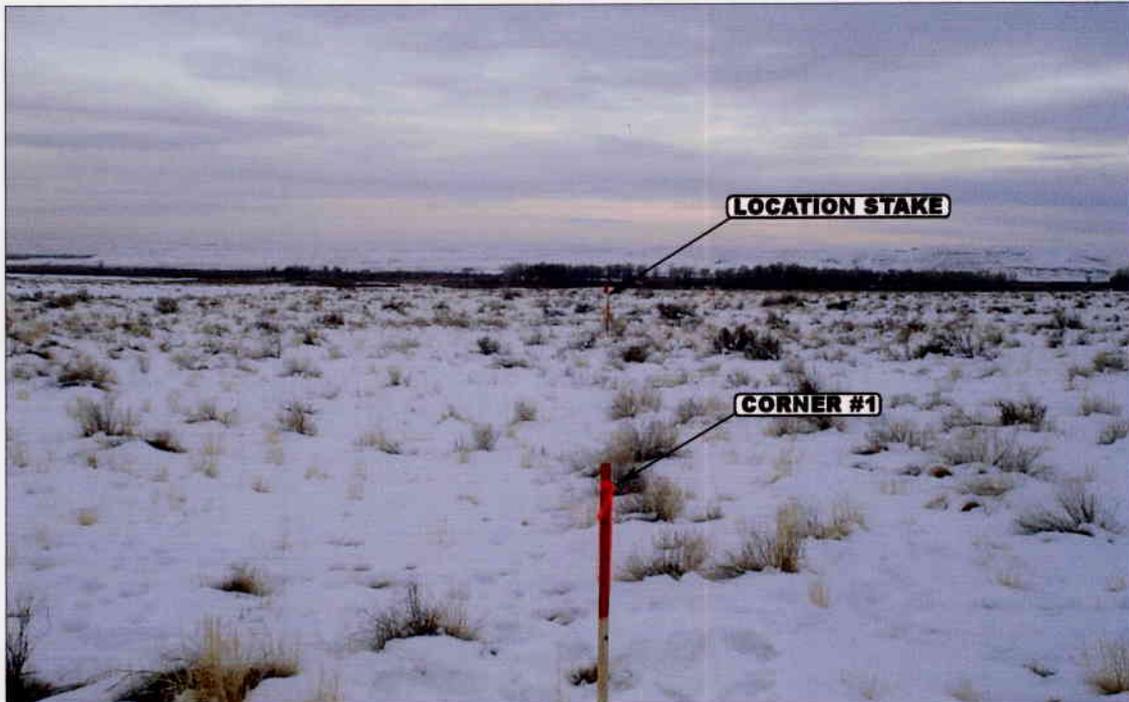


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

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

LOCATION PHOTOS

12 21 01
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: P.M.

REVISED: 00-00-00

EL PASO PRODUCTION OIL & GAS COMPANY

STATE #11-36

SECTION 36, T8S, R21E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 19.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 3.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 9.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 2.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 100' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 39.4 MILES.

**STATE #11-36
NESW Sec. 36, T8S-R21E
Uintah County, UT
ML-22051**

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

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
KB	4760'
Green River	2110'
Wasatch	5410'
Total Depth	7400'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	2110'
Gas	Wasatch	5410'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

The BOP stack will consist of one 11" 3,000 psi annular BOP, one 11" 3,000 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 3,000 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 3,000 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 @ 7400 TD approximately equals 2960 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1332 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

**STATE #11-36
NESW Sec. 36, T8S-R21E
Uintah County, UT
ML-22051**

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 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.

Refer to Topo Map D for the proposed pipeline placement.

A Tribal Technician accompanied by a qualified Archaeologist shall monitor the construction of the pipeline ditches, as discussed during the on-site inspection.

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.

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:

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.

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 with felt shall 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:**

The wellpad, access road, and pipeline corridor are located on lands owned by the Ute Indian Tribe.

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 has been conducted by Metcalf Archaeological Consultants. Copies of this report were submitted to the Ute Indian Tribe and the Bureau of Indian Affairs prior to the on-site, conducted on January 30, 2002.

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

* Non HBK well, cause 173-13 applicable. *je*

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

Cheryl Cameron
Senior 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 El Paso Production Company Bond No. 400JU0705, and BIA Bond No. 103601473. *(Suff)*

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.

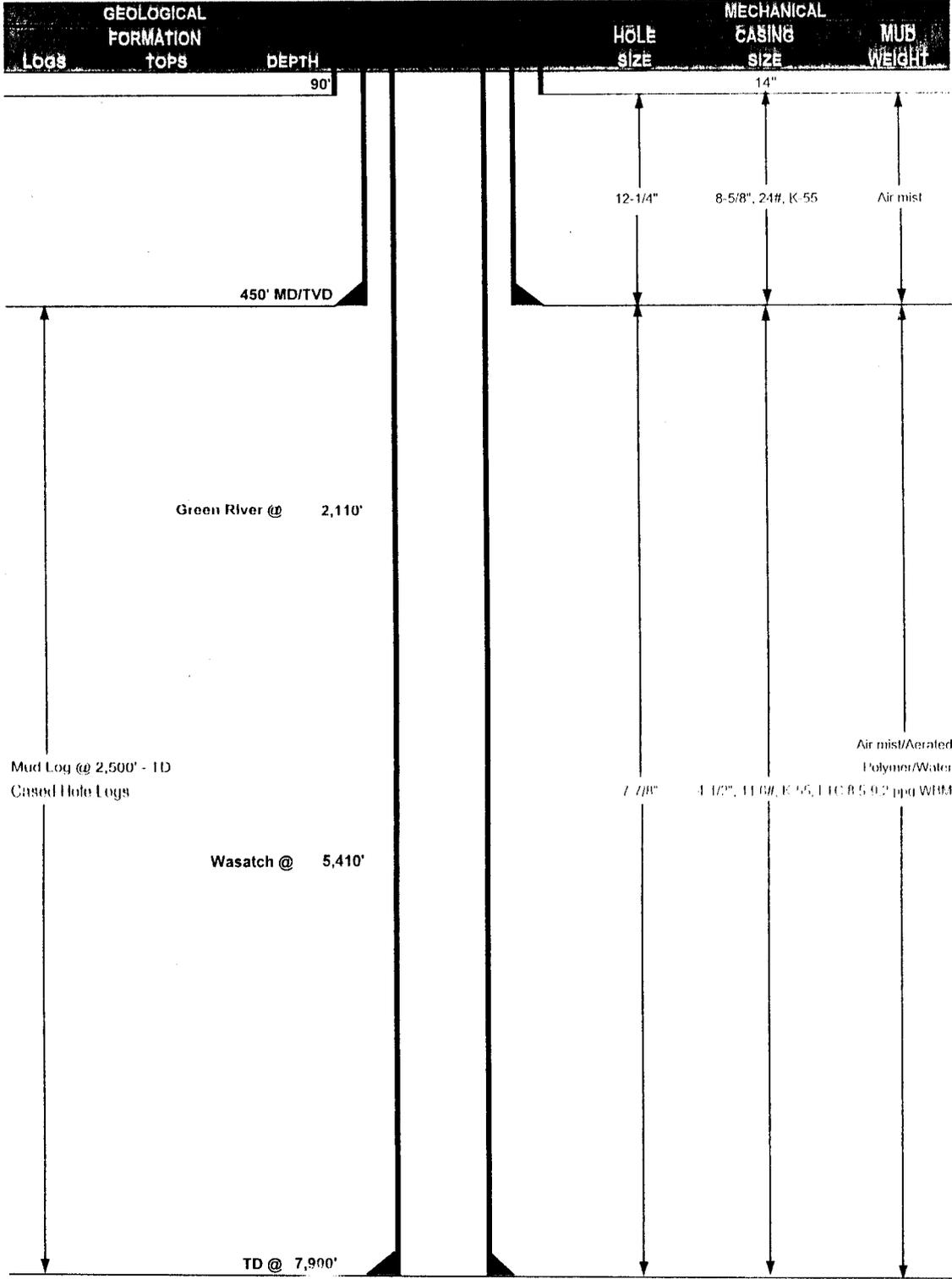

Cheryl Cameron

2/11/01

Date

DRILLING PROGRAM FOR APD

COMPANY NAME	El Paso Production Company	DATE	January 21, 2002
WELL NAME	State 11-36	TD	7,900' MD/TVD
FIELD	Ouray	COUNTY	Uintah
		STATE	Utah
		ELEVATION	4,760' KB
SURFACE LOCATION	1980' FSL, 1980' FWL, NE/SW, SEC. 36, T8S, R21E		BHL Straight Hole
OBJECTIVE ZONE(S)	Lower Green River, Wasatch		
ADDITIONAL INFO	Regulatory Agencies: BLM, BIA, UDOGM, Tri-County Health Dept.		



elpaso Production DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2950	1370	263000
SURFACE	8-5/8"	0-450'	24.00	K-55	STC	11.69	6.51	4.33
PRODUCTION	4-1/2"	0-1D	11.60	K-55	LTC	5350	4960	180000
						1.92	1.21	1.27

- 1) Maximum Anticipated Surface Pressure (MASP) (Conductor and Surface Casings) = (Fluid Gradient at Shoe) + (Gas Gradient (0.115 psg/ft)(TVD))
 - 2) MASP (Int Casing) = Pore Pressure at Next Casing Point - (Gas Gradient x TVD of Next Casing Point x 0.67) - (Mud Weight x TVD x 0.052 x 0.33)
 - 3) MASP (Prod Casing) = Pore Pressure - (Gas Gradient x TVD of Production Interval)
- (Burst Assumptions: FG @ 8-5/8" shoe = 13.0 ppg, Max Pore Pressure = 9.0 ppg EMW)
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing, 50000 lbs overpull)

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE		450	Class G + 2% CaCl ₂ + 0.2% lb/sk Cello Flake	230	35%	15.60	1.18
PRODUCTION	LEAD	4,910'	Hilift + 12% gel + 3% salt + 1% D79 + 0.5% D112 + 0.2% D46	450	60%	11.00	3.91
	TAIL	2,990'	50/50 Poz/G + 10% salt + 2% gel + 0.2% D46	830	60%	14.10	1.33

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

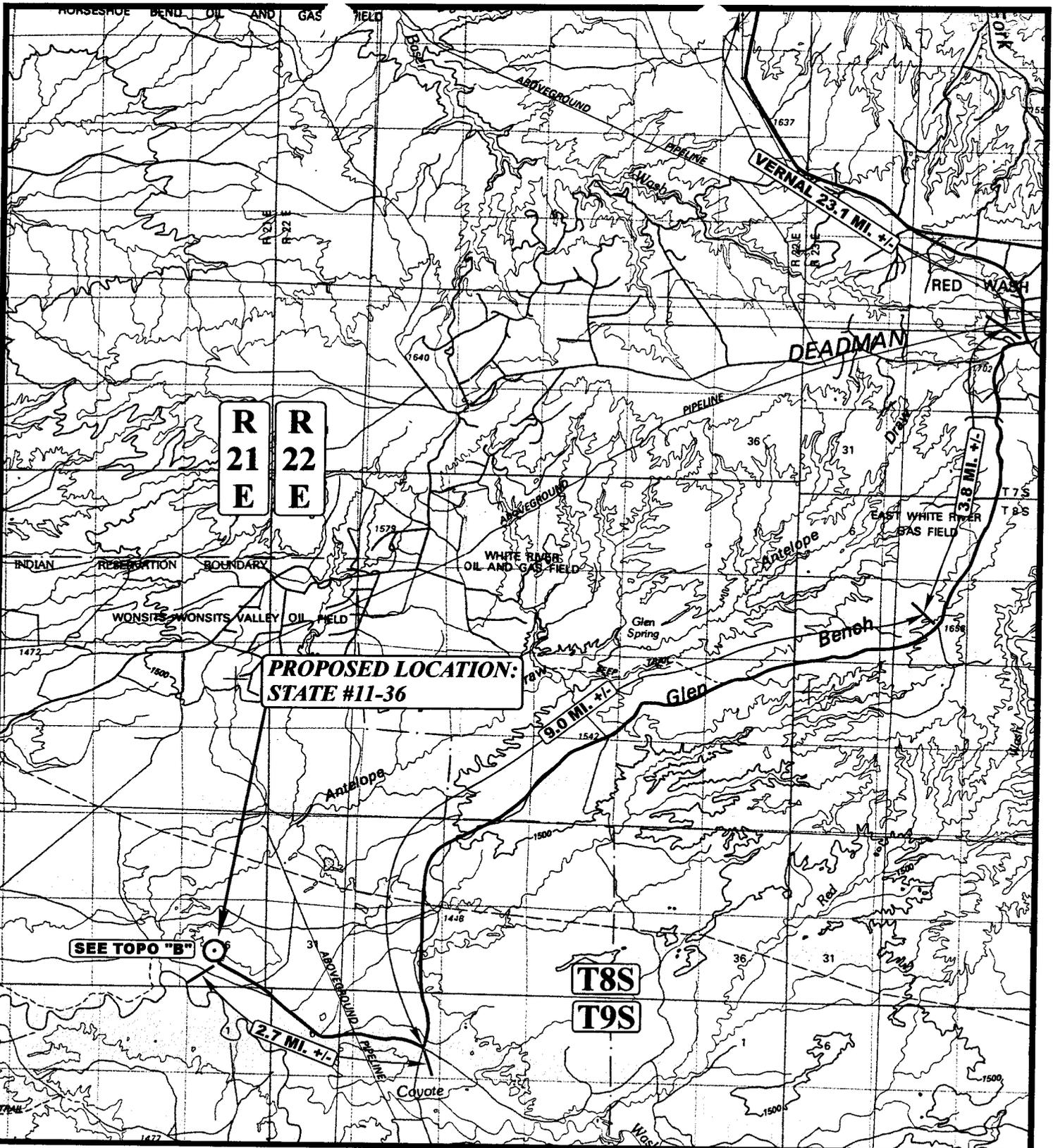
Run Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

DRILLING ENGINEER: _____
 Dan Lindsey

DATE: _____

DRILLING SUPERINTENDANT: _____
 Larry Strasheim

DATE: _____



R 21 E
R 22 E

**PROPOSED LOCATION:
STATE #11-36**

SEE TOPO "B"

T8S
T9S

LEGEND:

⊙ PROPOSED LOCATION



EL PASO PRODUCTION OIL & GAS COMPANY

STATE #11-36
SECTION 36, T8S, R21E, S.L.B.&M.
1980' FSL 1980' FWL



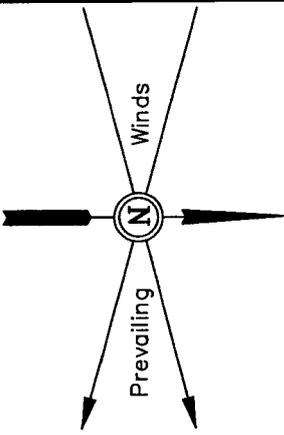
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 12 21 01
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00



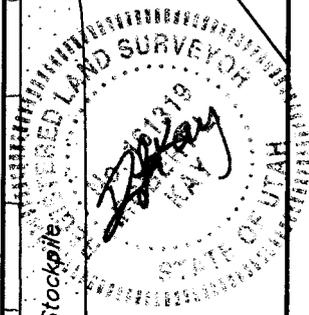
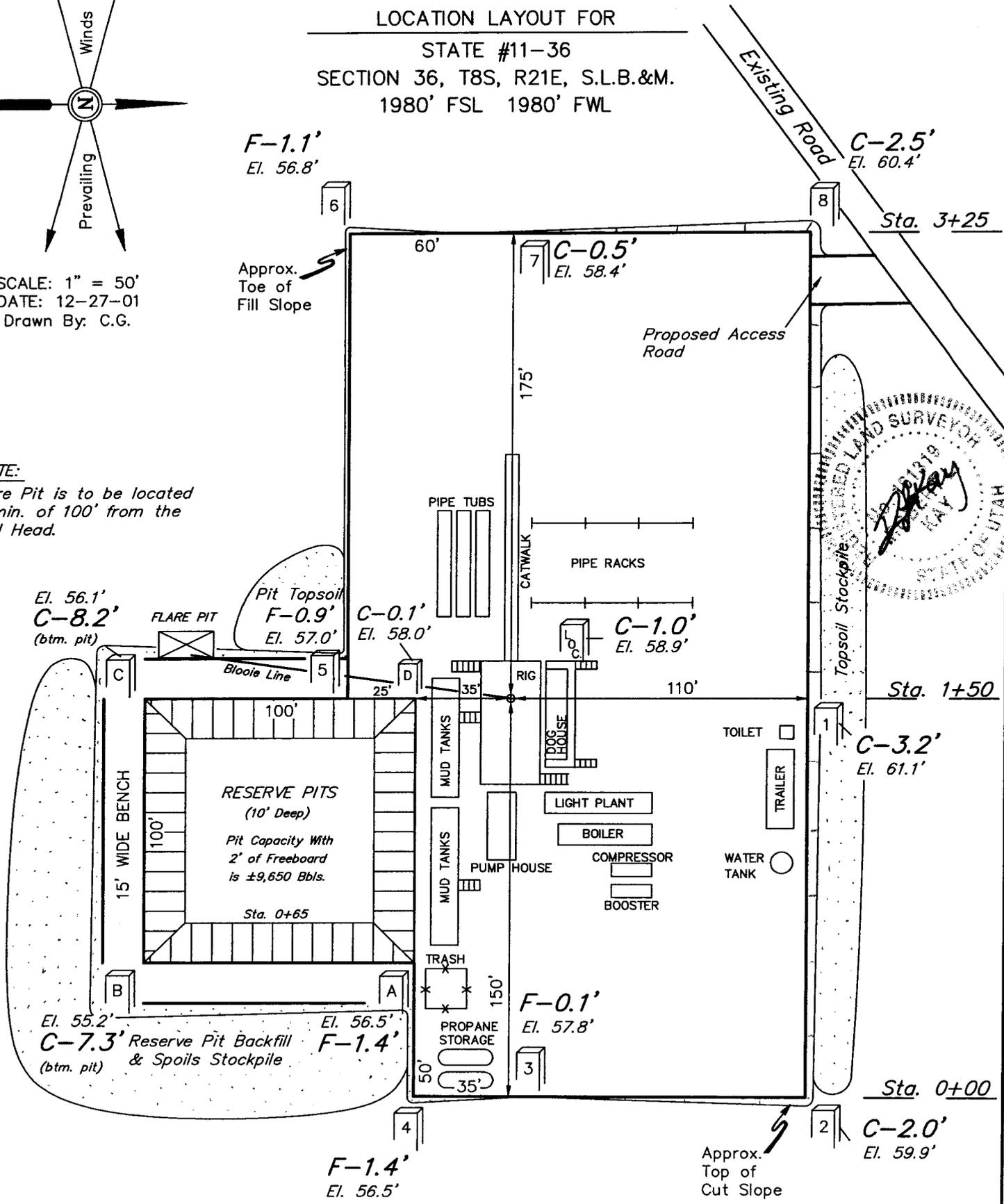
EL PASO PRODUCTION OIL & GAS COMPANY

LOCATION LAYOUT FOR
 STATE #11-36
 SECTION 36, T8S, R21E, S.L.B.&M.
 1980' FSL 1980' FWL



SCALE: 1" = 50'
 DATE: 12-27-01
 Drawn By: C.G.

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



NOTES:

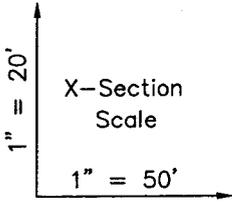
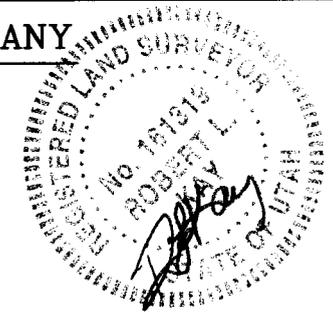
Elev. Ungraded Ground At Loc. Stake = 4758.9'
 FINISHED GRADE ELEV. AT LOC. STAKE = 4757.9'

FIGURE #1

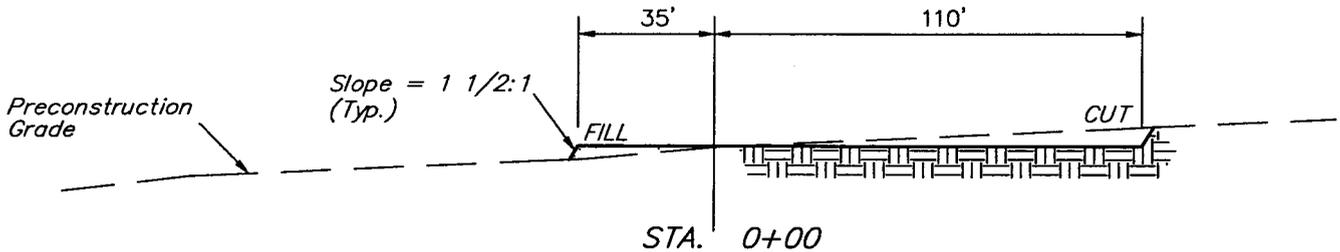
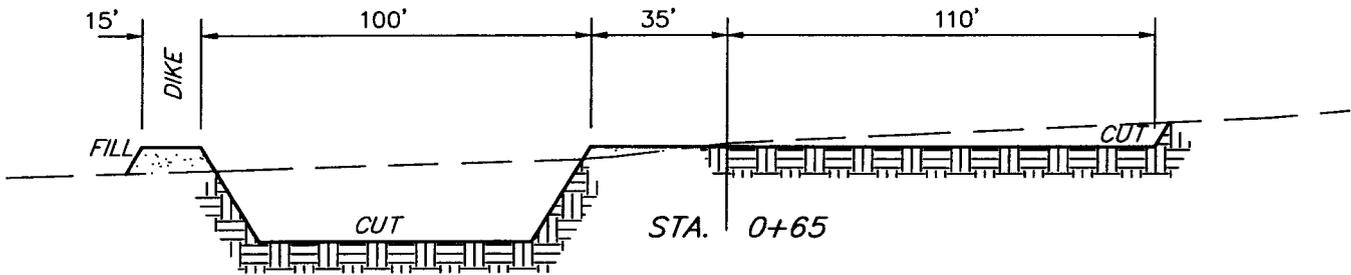
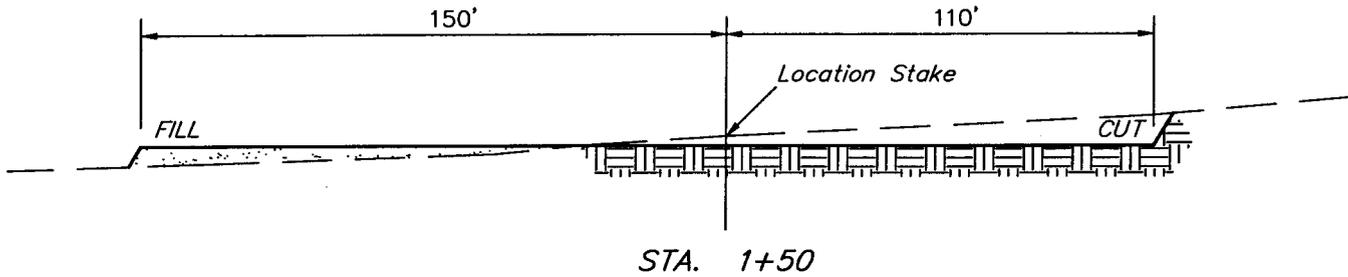
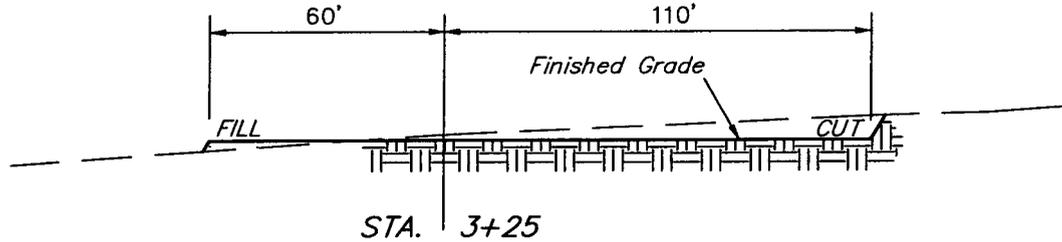
EL PASO PRODUCTION OIL & GAS COMPANY

TYPICAL CROSS SECTIONS FOR

STATE #11-36
SECTION 36, T8S, R21E, S.L.B.&M.
1980' FSL 1980' FWL



DATE: 12-27-01
Drawn By: C.G.



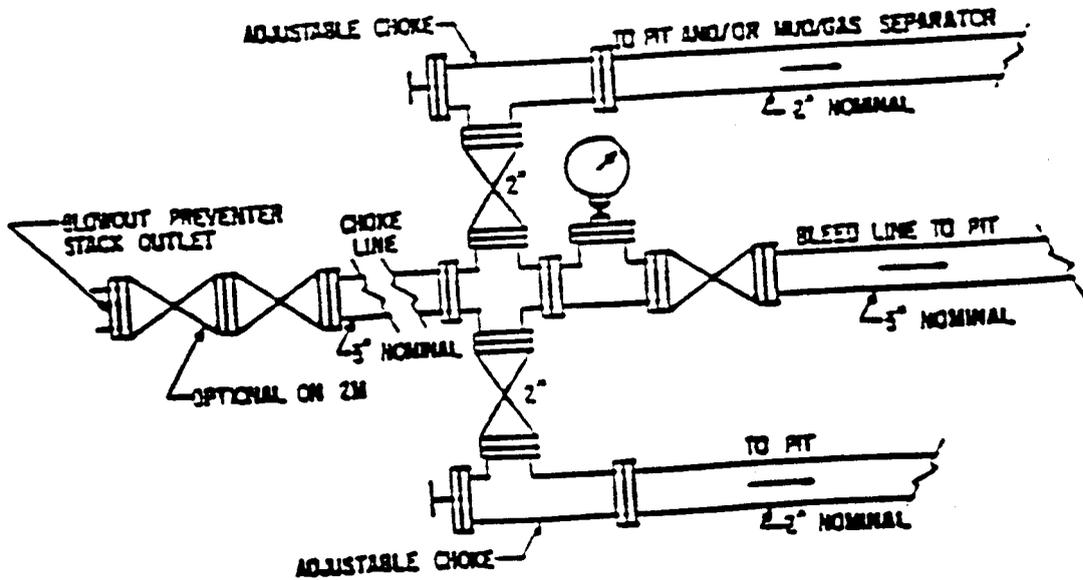
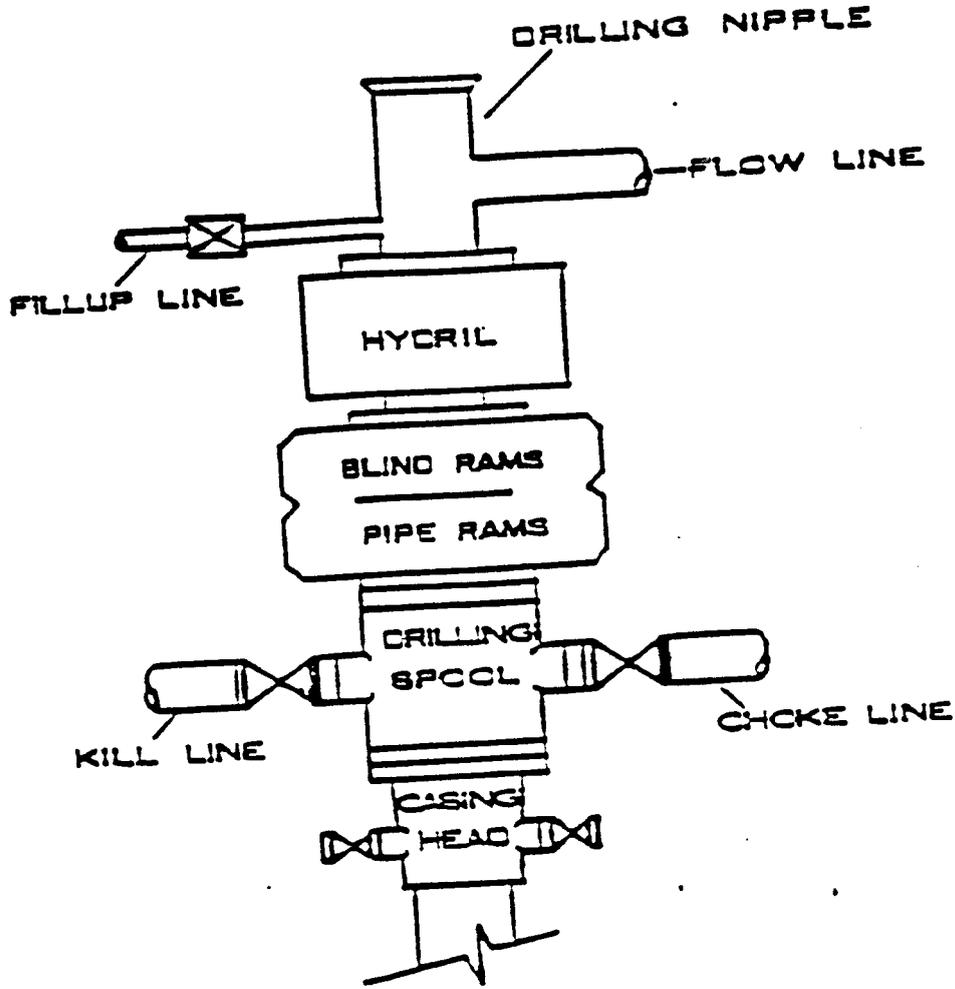
APPROXIMATE YARDAGES

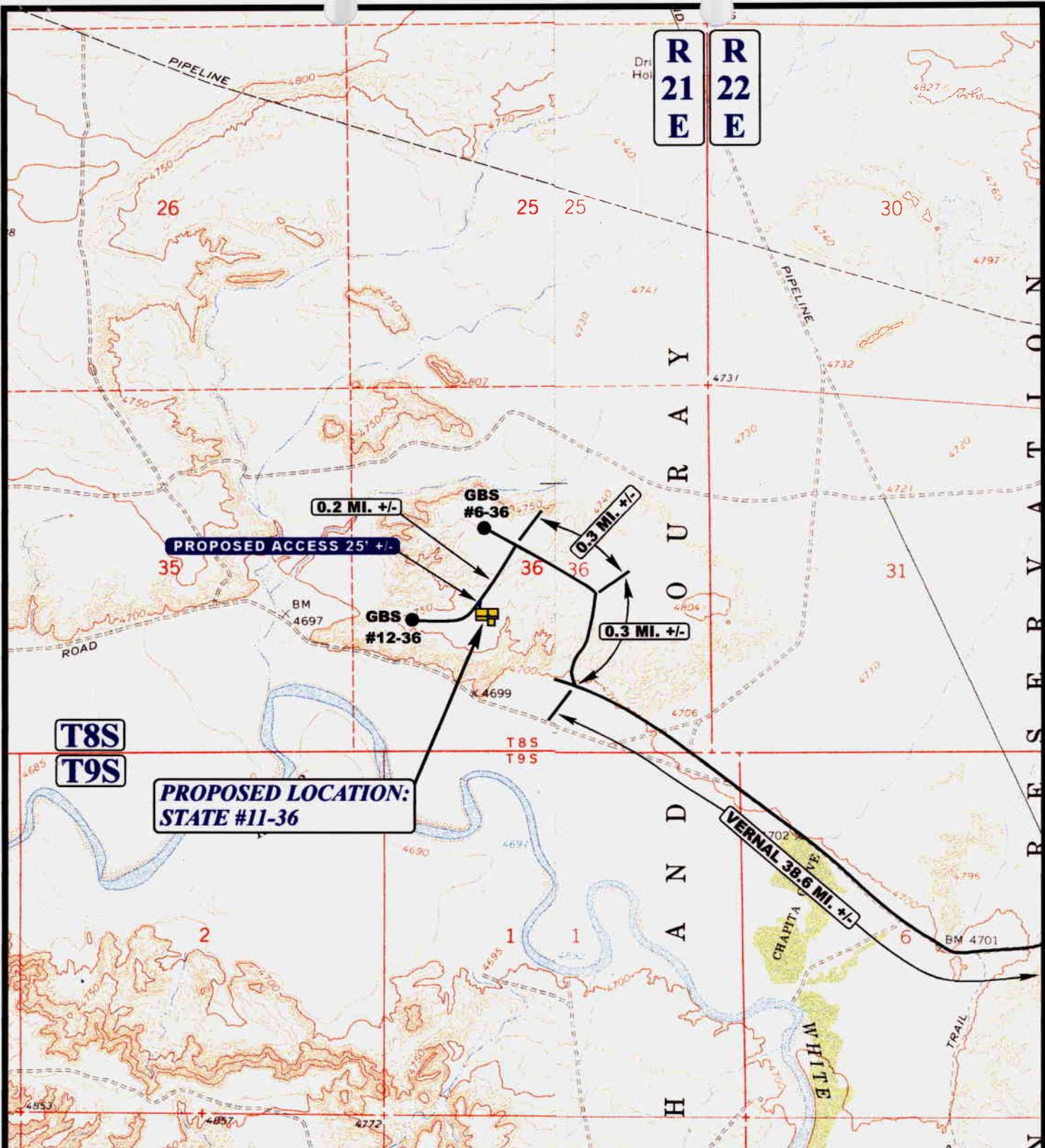
CUT	
(12") Topsoil Stripping	= 2,450 Cu. Yds.
Remaining Location	= 2,920 Cu. Yds.
TOTAL CUT	= 5,370 CU.YDS.
FILL	= 1,500 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,790 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,790 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

3,000 PSI

EOP STACK





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

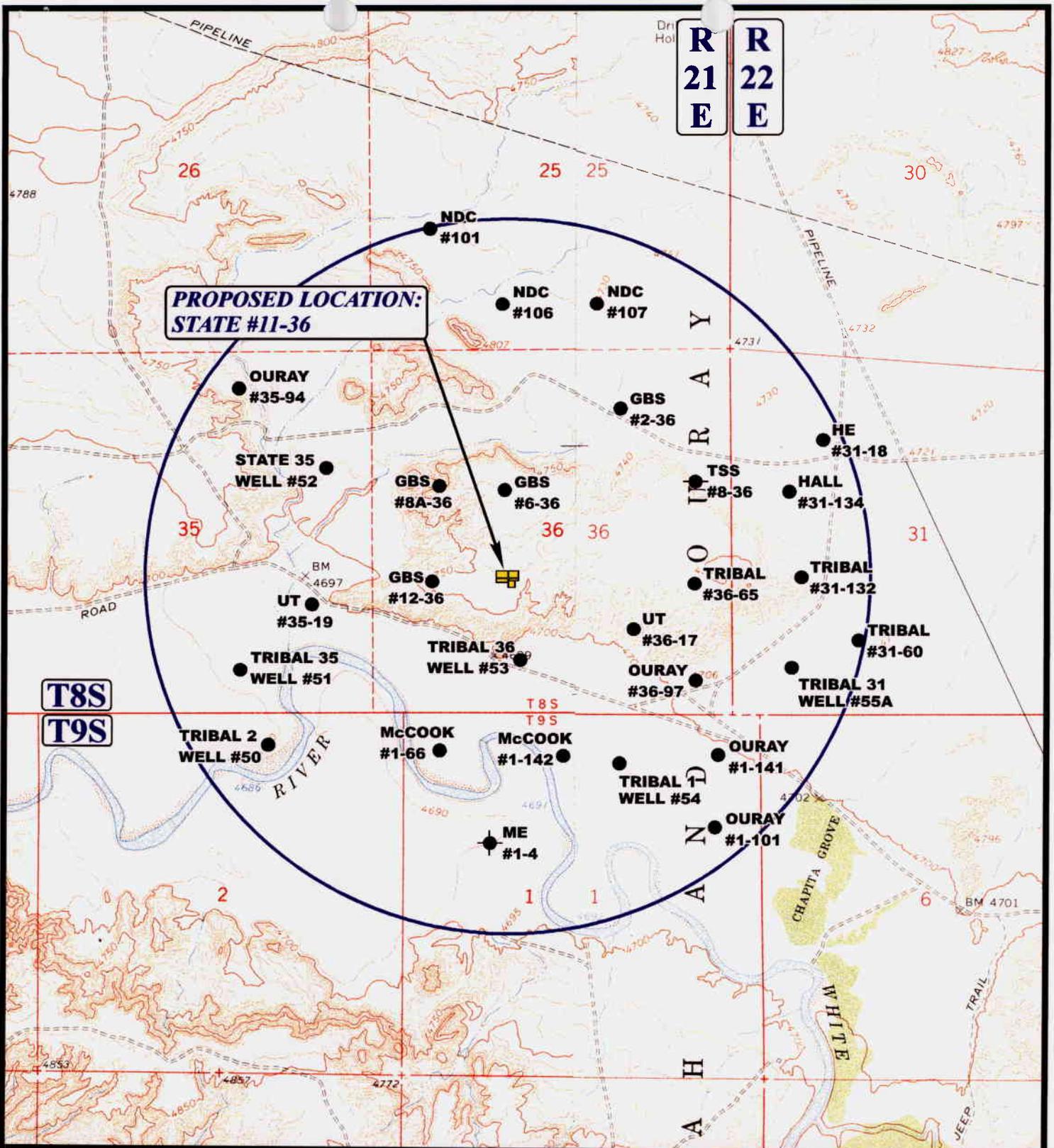
UEIS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



EL PASO PRODUCTION OIL & GAS COMPANY

STATE #11-36
SECTION 36, T8S, R21E, S.L.B.&M.
1980' FSL 1980' FWL

TOPOGRAPHIC	12 21 01	B TOPO
MAP	MONTH DAY YEAR	
SCALE: 1" = 2000'	DRAWN BY: P.M.	REVISED: 00-00-00



**PROPOSED LOCATION:
STATE #11-36**

LEGEND:

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

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

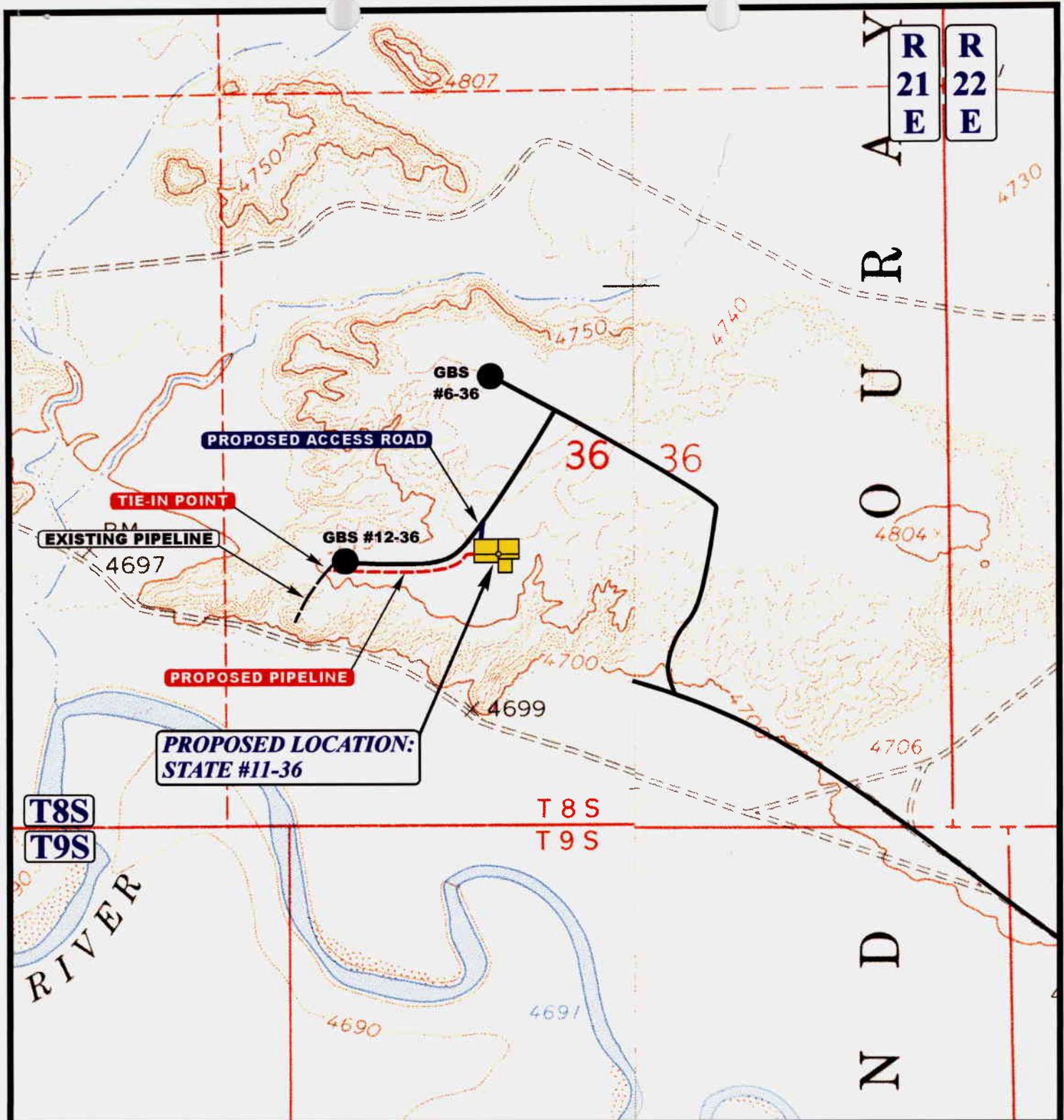


EL PASO PRODUCTION OIL & GAS COMPANY

STATE #11-36
SECTION 36, T8S, R21E, S.L.B.&M.
1980' FSL 1980' FWL

TOPOGRAPHIC MAP **12 21 01**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,360' +/-

LEGEND:

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

EL PASO PRODUCTION OIL & GAS COMPANY

**STATE #11-36
SECTION 36, T8S, R21E, S.L.B.&M.
1980' FSL 1980' FWL**

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



TOPOGRAPHIC MAP 12 21 01
MONTH DAY YEAR
SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00

D
TOPO

002

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/12/2002

API NO. ASSIGNED: 43-047-34505

WELL NAME: STATE 11-36
OPERATOR: EL PASO PROD OIL & GAS (N1845)
CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:
NESW 36 080S 210E
SURFACE: 1980 FSL 1980 FWL
BOTTOM: 1980 FSL 1980 FWL
UINTAH
NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DrD	2/15/02
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: ML-22051
SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 400JU0705)
- 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:

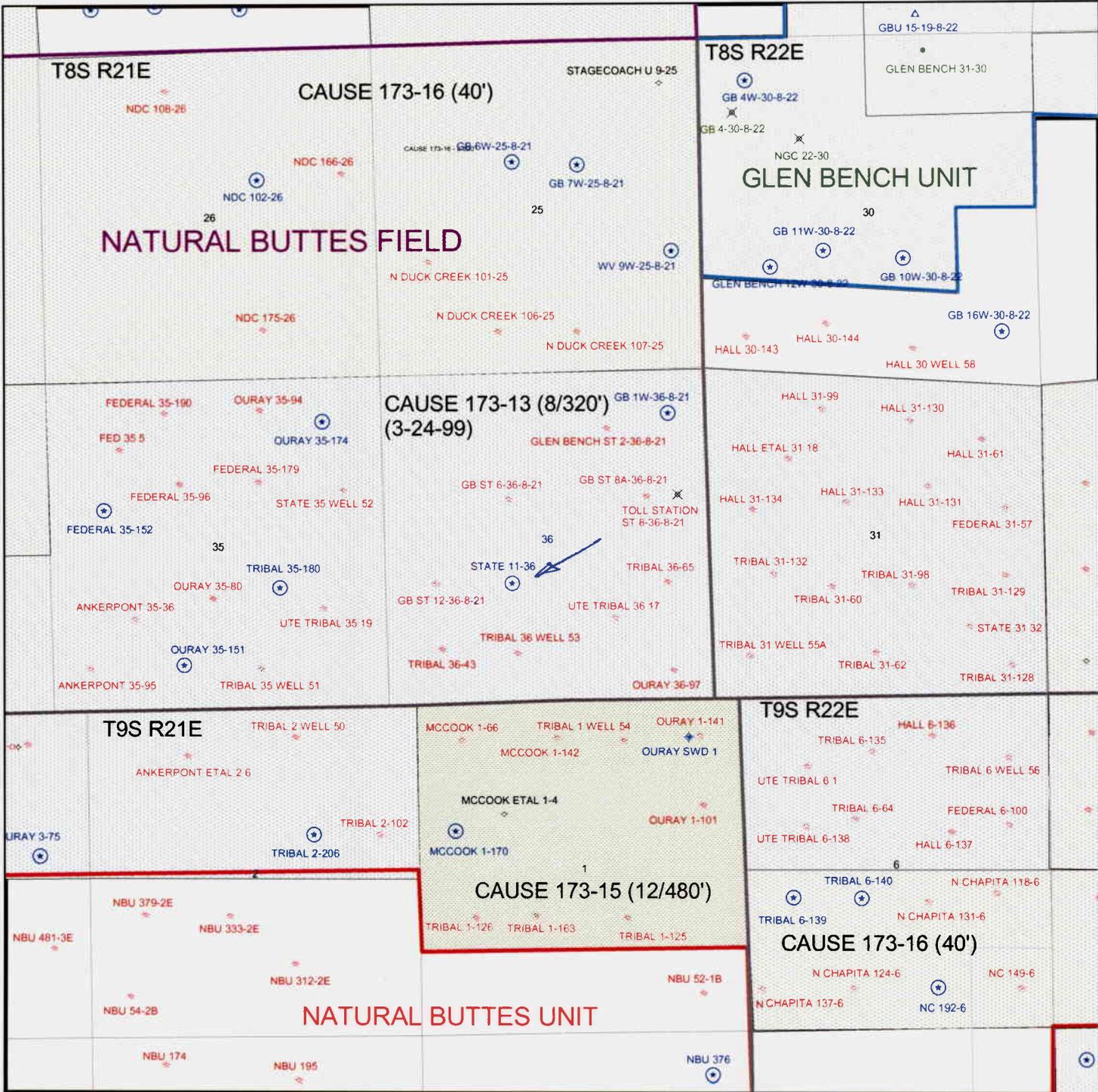
- R649-2-3. Unit
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-13 (8/320')
Eff Date: 3-24-99
Siting: 460' fr. Oil Unit Boundary & 920' between wells.
- R649-3-11. Directional Drill

COMMENTS: Need BIA Row. (Rec'd 2-15-02 / H62-98-59)
Lease 77.4 SLevendach, 22.6 III Explor. Co. (Rec'd Desig. Op. 4-25-02)

STIPULATIONS: ① STATEMENT OF BASIS



OPERATOR: EL PASO PROD O&G (N1845)
 SEC. 36, T8S, R21E
 FIELD: NATURAL BUTTES (630)
 COUNTY: UINTAH CAUSE: 173-13 (8/320')



**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: EL PASO PRODUCTION OIL AND GAS COMPANY

Well Name & Number: State #11-36

API Number: 43-047-34505

Location: 1/4,1/4 NE/SW Sec. 36 T. 8S R. 21E

Geology/Ground Water:

El Paso proposes to set 450' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 200'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 36. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The Proposed surface casing should be adequate to protect any useable groundwater in this area.

Reviewer: Brad Hill

Date: 04/29/02

Surface:

Surface rights at the proposed location are owned by the Ute Indian Tribe. EOG Resources is responsible for obtaining any rights-of-way or surface permits needed from the Ute Tribe.

Reviewer: Brad Hill

Date: 04/29/02

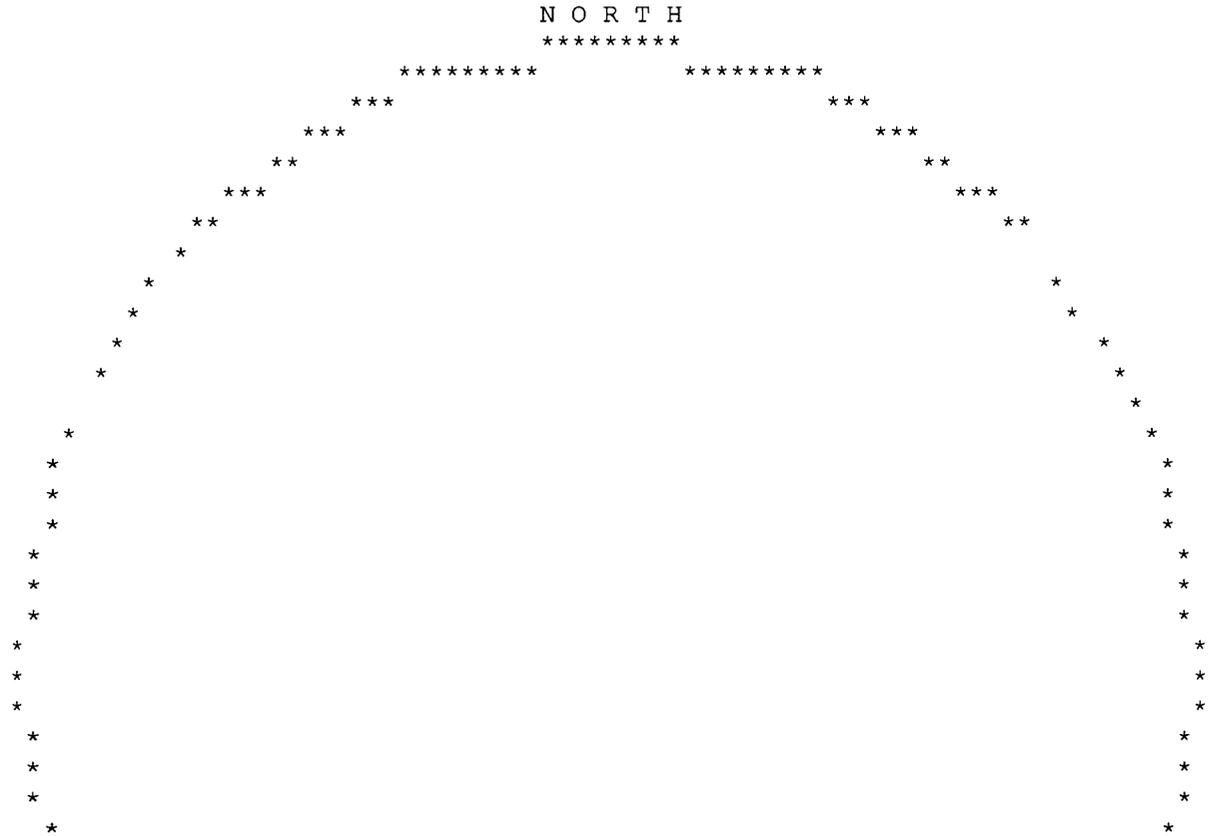
Conditions of Approval/Application for Permit to Drill:

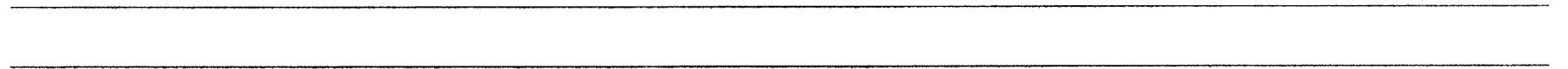
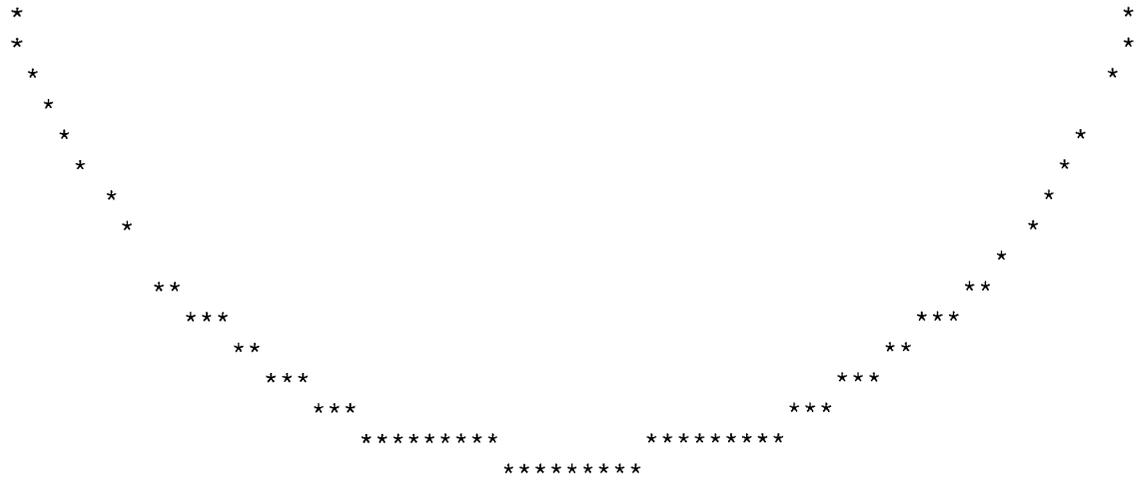
None.

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED MON, APR 29, 2002, 10:14 AM
PLOT SHOWS LOCATION OF 0 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT
FEET, FEET OF THE CT CORNER,
SECTION 36 TOWNSHIP 8S RANGE 21E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET





02-02 El Paso State 11-3f
Casing Schematic

Surface

8-5/8"
MW 8.3
Frac 19.3

TOC @ 0.
TOC @ 0.
Surface 450. MD

w/11% washout

2110' -
Green River

BOP

BHP

$$(0.052)(9.2)(7900) = 3779 \text{ psi}$$

$$\text{Anticipated} = 2960 \text{ psi}$$

Gas

$$(0.12)(7900) = 948 \text{ psi}$$

$$\text{MASP} = 2831 \text{ psi}$$

3M BOP proposed

Adequate

OKD 2/15/02 5410' -
washout

w/ 18% washout

4-1/2"
MW 9.2

Production
7900. MD

02-02 El Paso State 11-36

Well name:

Operator: **El Paso Production Company**

String type: **Surface**

Project ID:

43-047-34505

Location: **Uintah County**

Design parameters:

Collapse

Mud weight: 8.330 ppg

Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 71 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 200 ft

Cement top: Surface

Burst

Max anticipated surface pressure:

0 psi

Internal gradient: 0.478 psi/ft

Calculated BHP 215 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 394 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,900 ft
 Next mud weight: 9.200 ppg
 Next setting BHP: 3,776 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 450 ft
 Injection pressure: 450 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	450	8.625	24.00	K-55	ST&C	450	450	7.972	21.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	195	1370	<u>7.04</u>	215	2950	<u>13.72</u>	11	263	<u>24.35 J</u>

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

Phone: 801-538-5281
 FAX: 801-359-3940

Date: February 15, 2002
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: None

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 450 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

02-02 El Paso State 11-36

Well name:

Operator: **El Paso Production Company**

String type: **Production**

Project ID:
43-047-34505

Location: **Uintah County**

Design parameters:

Collapse

Mud weight: 9.200 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 176 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: **Surface**

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.478 psi/ft
Calculated BHP: **3,776 psi**

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 6,813 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7900	4.5	11.60	K-55	LT&C	7900	7900	3.875	183.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3776	4960	1.31	3776	5350	1.42	92	180	1.96 J

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

Phone: 801-538-5281
FAX: 801-359-3940

Date: February 15, 2002
Salt Lake City, Utah

ENGINEERING STIPULATIONS: None

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 7900 ft, a mud weight of 9.2 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

EL PASO PRODUCTION COMPANY
1368 S. 1200 E., PO Box 1148
VERNAL, UT 84078
PHONE: 435-789-4433 FAX: 435-789-4436, 435-781-7095



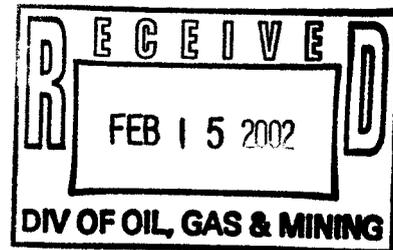
Fax Transmittal

To:	<i>Lisha Ardova</i>	FAX:	
COMPANY:		DATE:	
FROM:	<i>Cheryl Ames</i>	PHONE:	
RE:		PAGES:	

Urgent
 For Review
 Please Comment
 Please Reply
 Please Recycle

Comments:

Row for State 11-36



ROW Serial No. H62-98-59

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

ASSIGNMENT OF GRANT OF EASEMENT

Whereas, the Secretary of the Interior or his authorized representative has heretofore approved Grant of Easement for Right-of-Way dated March 26, 1998 entered into by and between the United States of America, as trustee for UTE INDIAN TRIBE acting by and through the Superintendent of the Uintah and Ouray Agency, "Grantor" and Chandler & Associates Inc., "Grantee", covering the following described lands in the Uintah and Ouray Reservation in Uintah County, Utah:

- A drill site = 2.070 acres;
- An access road = 1.521 acres, being approximately 1,103.92 feet in length, 30 feet in width;
- Total acreage being 3.591 acres, m/l, located in the W/2 of Sectio 36, Township 8South, Range 21East, SLB&M.

Now, therefore, for and in consideration of ten dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, Chandler & Associates, LLC as successor in interest to Chandler & Associates, Inc., the owner of the above-described Grant of Easement, hereby bargains, sells, transfers, assigns, and conveys all of its right, title and interest in and to said Grant of Easement, subject to the approval of the Secretary of the Interior or his authorized representative to Coastal Oil & Gas Corporation, of Nine Greenway Plaza, Houston, Texas 77046.

Said assignment to be effective from date of approval hereby by the Secretary of the Interior or his authorized representative.

In witness whereof, said assignor has hereunto set its hand and seal, this 7th day of January, 1999.

Chandler & Associates LLC

by: Mitchell L. Solich
Mitchell L. Solich
title: President

Department of the Interior
Bureau of Indian Affairs

by: [Signature]
date: _____

ACKNOWLEDGMENT OF CORPORATION

State of COLORADO)
AND CITY) ss:
County/of DENVER)

Before me a notary public in and for the said county and State on this 7th day of January, 1999, personally appeared identical person who subscribed the name of the maker thereof to the foregoing instrument as its President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act of such corporation, for the uses and purposes there in set forth.

Patricia A. King
Notary Public

My commission expires 9/17/2001



GRANT OF EASEMENT FOR RIGHT-OF-WAY**ROW Serial No. H62-98- 59**Drill Site/Access Rd/Pipeline
Glen Bench 11-368-21**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 BLAM 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, (25 U.S.C. 323-328), and Part 169, Title 25, Code of Federal Regulations, in consideration of:

Four Thousand, Seven Hundred Fifty-Eight Dollars and Eight Cents (\$7,748.08) based on \$1325.00 per acre for consideration, the receipt of which is acknowledged does hereby grant to:

CHANDLER & ASSOCIATES INC., 475 SEVENTEENTH SUITE 1000, DENVER CO 80202

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

In accordance with the attached survey plat: G.L.O. Plat No. 41132, dated 02/16/98 - For the Glen Bench State 11-36-8-21

A drill site = 2.070 acres!

An access road = 1.521 acres, being approximately 1,103.92 feet in length, 30 feet in width.

Total acreage being 3.591 acres, m/l, located in the W/2 of Section 36, Township 8 South, Range 21 East, SLB&M.
for the following purposes namely: The construction, maintenance, repair, inspection, protection, operation and removal of the Access road pipeline (corridor ROW) and Drill Site for the Glen Bench 11-36-8-21 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 the right of ingress and egress for the purpose described above for which said easement is granted. This easement is subject to any prior existing right or adverse claim and is for a twenty (20) year period beginning March 26, 1998, so long as said 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 of the Grantee within said notice period to correct the basis of termination. (25 CFR 169:20)

- A. Failure to comply with any term or condition of the grant or the applicable regulations.
- B. A nonuse of the right-of-way for a consecutive two-year period for the purpose for which it was granted.
- C. An abandonment of the right-of-way.
- D. 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 inure 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 require 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 26th day of March 1998.

UNITED STATES OF AMERICA

By: _____

[Signature]
Superintendent
U.S. Department of the Interior
Uintah and Ouray Agency
Fort Duchesne, UT 84026

EL PASO PRODUCTION COMPANY
1368 S. 1200 E., PO Box 1148
VERNAL, UT 84078
PHONE: 435-789-4433 FAX: 435-789-4436, 435-781-7095



Fax Transmittal

To:	<i>Lisba Cordova</i>	FAX:	
COMPANY:		DATE:	
FROM:	<i>Charles J. Cameron</i>	PHONE:	
RE:		PAGES:	<i>3</i>

- Urgent
 For Review
 Please Comment
 Please Reply
 Please Recycle

Comments:

*Designation of Agent or Operator
State 11-36*

RECEIVED

DIVISION OF
OIL, GAS AND MINING



February 26, 2001

State of Utah
School and Institutional Trust Lands Administration
675 East 5000 South, Suite 500
Salt Lake City, Utah 84102

VIA FEDERAL EXPRESS

Attn: Mr. Ed Bonner

**RE: ML-22051
State 11-36 well
State of Utah Designation of Agent or Operator
OurayField
Unitah County, Utah**

Dear Mr. Bonner:

Enclosed for your review and approval is State of Utah DOGM Form 5 Designation of Agent or Operator. Shenandoah Operating Company, LLC has designated El Paso Production Oil & Gas Company, Operator, of State of Utah Lease number ML-22051 effective 11/28/01.

We will be furnishing you with Designation of Agent or Operator for III Exploration Company's interest in the referenced lease in the near future. If you have any questions, please call me at (832) 676-6514.

Your assistance in this matter is greatly appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Elizabeth R. Williams".

Elizabeth R. Williams
Consultant

Cc: Henry J. Hansen
Nanis Wallace
Cheryl Cameron

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

FORM 5

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: State Land Board, State of Utah

LEASE NUMBER: ML 22051

and hereby designates

NAME: El Paso Production Oil & Gas Company

ADDRESS: Nine Greenway Plaza

city Houston state TX zip 77046-0995

as his (check one) agent / operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

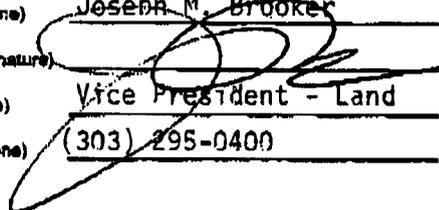
(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)
State 11-36 Well
NE/4SW/4 Sec. 36-8S-21E
API # 43-047-33062
Uintah County, Utah

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 11/28/01

BY: (Name) Joseph M. Brooker
(Signature) 
(Title) Vice President - Land
(Phone) (303) 295-0400

OF: (Company) Shenandoah Operating Company, LLC
(Address) 475 17th Street, Suite 1000
city Denver
state CO zip 80202

UNITED STATES GOVERNMENT MEMORANDUM

DATE: APR 01 2002

REPLY TO
ATTN OF:  Superintendent, Uintah & Ouray Agency

SUBJECT: APD Concurrence for El Paso 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 drillsite, access road and pipeline with required stipulations:

ROW H62-2002-104- State 11-36, N/2SW/4, Sec. 36, T8S, R21E., SLB&M -Pipeline Corridor
ROW H62-2002-102- Bayless State 2-1, SW/4SE/4 & S/2 SW/4 Sec. 1 T9S, R20E, & the S/2 SE/4 Sec 2, T9S, R20E., SLB&M- Pipeline ROW
ROW H62-2002 101- Bayless State 2-1, SW/4SE/4, Sec. 2, T9S, R20E., SLB&M- Drillsite/Access Road
ROW H62-2002-103, Ute Tribal 31-31, N/2 SE/4 Sec. 25, T4S, R1E., W/2SW/4, E/2SW/4 Sec. 30, T4S, R2E and the NW/4 NE/4 Sec. 31, T4S, R2E., USB&M.- Access Road & Pipeline Corridor

Based on available information received 03-13-02 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 Bureau of Indian Affairs, Environmental Analysis (EA) concurred and signed by the Ute Indian Tribe. Please refer to item 6.0 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.



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) 722-4322

April 1, 2002

El Paso Production Oil & Gas Company
Coastal Tower, Nine Greenway Plaza
Houston, TX 77046-0995

Dear Sirs:

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

ROW NO.	LOCATION	Sec. - T.R.	ROW TYPE	LEGALS
2002-104	State 11-36	36, 8S, R21E	Pipeline Corridor	N/2SW/4
2002-102	Bayless State 2-1	1, 9S, R20E 2, 9S, R20E	Pipeline ROW	SW/4SE/4 & S/2SW S/2SE/4
2002-101	Bayless State 2-1	2, 9S, R20E	Drillsite/Access Road	SW/4SE/4
2002-103	Ute Tribal 31-31	25, T4S, R1E 30, T4S, R2E 31, T4S, R2E	Pipeline Corridor/Access Road	N/2SE/4 W/2SW/4, E/2SW/4 NW/4NE/4

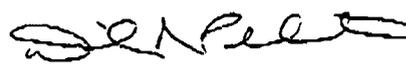
Enclosed is your file copy of the Bureau of Indian Affairs, Environmental Analysis Report(s) (EA). The Tribal stipulations and concurrences signatures are listed on the back of this report. Please adhere to all stipulations for both entities.

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,


 Superintendent

cc: UTT Energy & Minerals
file
chrono

GRANT OF EASEMENT FOR RIGHT-OF-WAY

ROW Serial No. H62-2002-104
Pipeline Corridor- **STATE 11-36**

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:

ONE THOUSAND FIVE HUNDREDFORTY FOUR DOLLARS (\$1,544.00)

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

EL PASO PROD. OIL & GAS CO. COASTAL TOWER, NINE GREEWAY PLZA. HOUSTON TX 77046

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

In accordance with the attached survey plat: For STATE #11-36

G.L.O. Plat #42512 Dated 12/27/01, Section 36, Township 8 South, Range 21 East, SLB&M for the following:

Pipeline: Located in the N/2SW/4 Sec 36, being approximately 805.85 feet in length, 60 feet in width, 1.110 acres m/1
Total ROW acreage 1.110 m/1

within the exterior boundaries of the Uncompahgre Reservation for the following purposes namely: The construction, maintenance, repair, inspection, protection, operation and removal of the STATE 11-36 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 April 1, 2002, 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)

- A. Failure to comply with any term or condition of the grant or appli
- B. cable regulations.
- C. A nonuse of the right-of-way for a consecutive two-year period for the purpose for which it was granted.
- D. An abandonment of the right-of-way.
- E. 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 1ST day of April 1, 2002 .

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



Superintendent

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease, ML 22051:

and hereby designates

NAME: El Paso Production Oil & Gas Company

ADDRESS: Nine Greenway Plaza, Houston, TX 77046

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

State #11-36 Well

Township 8 South, Range 21 East, SIM

Section 36: NE/4SW/4

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

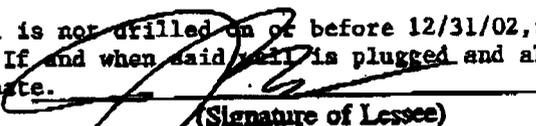
In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representative.

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

In the event the State #11-36 well is not drilled on or before 12/31/02, this Designation of Operator shall terminate. If and when said well is plugged and abandoned this Designation of Operator shall terminate.

4/23/02
(Date)

4/24/02
(Date)


(Signature of Lessee)
Shenandoah Operating Company
415 17th Street, #1000
Denver, CO 8202
(Address)


(Signature of Operator)

RECEIVED

APR 24 2002

DIVISION OF
OIL, GAS AND MINING

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease, ML 22051

and hereby designates

NAME: El Paso Production Oil & Gas Company

ADDRESS: Nine Greenway Plaza, Houston, TX 77046

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

State #11-36 Well

Township 8 South, Range 21 East, 51M

Section 36: NE/4SW/4

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representative.

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

In the event the State #11-36 well is not drilled on or before 12/31/02, this Designation of Operator shall terminate. If and when said well is plugged and abandoned this Designation of Operator shall terminate.

[Signature]
(Signature of Lessee)

III Exploration Company
355 South Cole Road
Boise, ID 83707

(Address)

04/19/02
(Date)

4/24/02
(Date)

[Signature]
(Signature of Operator)

RECEIVED

APR 25 2002

DIVISION OF
OIL, GAS AND MINERALS

EL PASO PRODUCTION COMPANY
1368 S. 1200 E., PO Box 1148
VERNAL, UT 84078
PHONE: 435-789-4433 FAX: 435-789-4436, 435-781-7095



Fax Transmittal

To:	<i>Reba Cochran</i>	FAX:	<i>(801) 359-3940</i>
COMPANY:		DATE:	
FROM:	<i>Cheryl Cameron</i>	PHONE:	
RE:		PAGES:	<i>3 incl cover</i>

Urgent
 For Review
 Please Comment
 Please Reply
 Please Recycle

Comments: *Designation of Operator*
State 11-36

RECEIVED

APR 25 2002

DIVISION OF
OIL, GAS AND MINING

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)

April 29, 2002

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

Re: State 11-36 Well, 1980' FSL, 1980' FWL, NE SW, Sec. 36, T. 8 South, R. 21 East,
Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34505.

Sincerely,

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

John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
SITLA

Operator: El Paso Production Oil & Gas Company
Well Name & Number State 11-36
API Number: 43-047-34505
Lease: ML 22051

Location: NE SW **Sec.** 36 **T.** 8 South **R.** 21 East

Conditions of Approval

1. General

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

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

004

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: EL PASO PRODUCTION O & G COMPANY

Well Name: STATE 11-36

Api No: 43-047-34505 Lease Type: STATE

Section 36 Township 08S Range 21E County DUCHESNE

Drilling Contractor SKI DRILLING Rig# BUCKET

SPUDDED:

Date 08/09/02

Time 8:00 AM

How DRY

Drilling will commence: _____

Reported by JIM MURRAY

Telephone # 1-435-828-1730

Date 08/13/2002 Signed: CHD

005

CONFIDENTIAL

OPERATOR El Paso Production O&G Co.
ADDRESS P.O. Box 1148
Vernal, UT 84078

OPERATOR ACCT. NO. N 1845

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	13561	43-047-34505	State 11-36	NESW	36	8S	21E	Uintah	8/9/2002	8-13-02 8/9/2002

WELL 1 COMMENTS:
Spud w/ Ski Bucket Rig @ 8:00 am

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

WELL 2 COMMENTS:

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

WELL 3 COMMENTS:

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

WELL 4 COMMENTS:

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

WELL 5 COMMENTS:

ACTION CODES (See instructions on back of form)

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

NOTE: Use COMMENT section to explain why each Action Code is used.
(3/89)

Post-It® Fax Note 7671

Date	# of pages
To: <u>Jim Thompson</u>	From:
Co. Dept: <u>Carol Daniels</u>	Co.:
Phone #	Phone #
Fax #	Fax #

[Signature]
Signature

Operations 08/12/02
Title _____ Date _____
Phone No. (435) 781-7023

AUG 12 2002
DIVISION OF
OIL, GAS AND MINING

P. 01
FAX NO. 4357817094
AUG-12-2002 MON 03:52 PM EL PASO PRODUCTION

CONFIDENTIAL

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

006

6. Lease Designation and Serial Number
ML-22051

7. Indian Allottee or Tribe Name
Tribal Surface

8. Unit or Communitization Agreement
9C-000205

9. Well Name and Number
State 11-36

10. API Well Number
43-047-34505

11. Field and Pool, or Wildcat
Natural Buttes

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT -- for such proposals

1. Type of Well
Oil Well [] Gas Well [x] Other (specify) []

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

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

5. Location of Well
Footage : 1980' FSL & 1980' FWL
County : Uintah
QQ, Sec. T., R., M : NESW Sec.36, T8S, R21E
State : UT

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

NOTICE OF INTENT
(Submit in Duplicate)
Abandonment [] Casing Repair [] Change of Plans [] Conversion to Injection [] Fracture Treat [] Multiple Completion [] Other []
New Construction [] Pull or Alter Casing [] Recompletion [] Shoot or Acidize [] Vent or Flare [] Water Shut-Off []

SUBSEQUENT REPORT
(Submit Original Form Only)
Abandonment * [] Casing Repair [] Change of Plans [] Conversion to Injection [] Fracture Treat [] Other Well Spud [x]
New Construction [] Pull or Alter Casing [] Shoot or Acidize [] Vent or Flare [] Water Shut-Off []
Date of Work Completion 8/9/02
Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

MIRU Ski Bucket Rig. Spud 24" conductor hole @ 8:00 am 8/9/02 & dril to 30'. Run 30' of 14" conductor pipe & cmt w/ 85 sx Ready-Mix.

MIRU Ski Air Rig & dril 12 1/4" Surface hole to 485'. RIH w/ 478' of 9 5/8" 40# K-55 LT&C csg. Cmt slurry 192 sx Class G mixed @ 15.8 ppg w/ 1.17 yield.

w/o El Paso Rig #2.

RECEIVED

AUG 19 2002

DIVISION OF OIL, GAS AND MINING

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

Name & Signature Cheryl Cameron Title Operations Date 08/13/02

(State Use Only)

007

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

CONFIDENTIAL

<p align="center">SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals</p>		6. Lease Designation and Serial Number ML-22051
		7. Indian Allottee or Tribe Name Tribal Surface
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		8. Unit or Communitization Agreement 9C-000205
2. Name of Operator El Paso Production Oil & Gas Company		9. Well Name and Number State #11-36
3. Address of Operator P.O. Box 1148 Vernal, Utah 84078		10. API Well Number 43-047-34505
4. Telephone Number (435) 781-7024		11. Field and Pool, or Wildcat Natural Buttes
5. Location of Well Footage : 1980'FSL & 1980'FWL County : Uintah QQ, Sec, T., R., M. : NESW Section 36-T8S-R21E State : Utah		

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																											
<p align="center">NOTICE OF INTENT (Submit in Duplicate)</p> <table border="0"> <tr><td><input type="checkbox"/> Abandonment</td><td><input type="checkbox"/> New Construction</td></tr> <tr><td><input type="checkbox"/> Casing Repair</td><td><input type="checkbox"/> Pull or Alter Casing</td></tr> <tr><td><input type="checkbox"/> Change of Plans</td><td><input type="checkbox"/> Recompletion</td></tr> <tr><td><input type="checkbox"/> Conversion to Injection</td><td><input type="checkbox"/> Shoot or Acidize</td></tr> <tr><td><input type="checkbox"/> Fracture Treat</td><td><input type="checkbox"/> Vent or Flare</td></tr> <tr><td><input type="checkbox"/> Multiple Completion</td><td><input type="checkbox"/> Water Shut-Off</td></tr> <tr><td><input type="checkbox"/> Other _____</td><td></td></tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p align="center">SUBSEQUENT REPORT (Submit Original Form Only)</p> <table border="0"> <tr><td><input type="checkbox"/> Abandonment *</td><td><input type="checkbox"/> New Construction</td></tr> <tr><td><input type="checkbox"/> Casing Repair</td><td><input type="checkbox"/> Pull or Alter Casing</td></tr> <tr><td><input type="checkbox"/> Change of Plans</td><td><input type="checkbox"/> Shoot or Acidize</td></tr> <tr><td><input type="checkbox"/> Conversion to Injection</td><td><input type="checkbox"/> Vent or Flare</td></tr> <tr><td><input type="checkbox"/> Fracture Treat</td><td><input type="checkbox"/> Water Shut-Off</td></tr> <tr><td><input checked="" type="checkbox"/> Other <u>Final Drilling Summary</u></td><td></td></tr> </table> <p>Date of Work Completion <u>8/30/02</u></p> <p>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Final Drilling Summary</u>	
<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off																										
<input type="checkbox"/> Other _____																											
<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off																										
<input checked="" type="checkbox"/> Other <u>Final Drilling Summary</u>																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

FINISHED DRLG F/478' TO 7653'. RAN 4 1/2" 1.6# J-55 CSG.
CMT W/680 SX PREM LITE @11.0 PPG 3.38 YIELD. TAILED W/1025 SX 50/50 POZ
@14.3 PPG 1.31 YIELD. FLOATS HELD. GOOD RETURNS. NO CMT TO SURFACE.

RELEASED RIG ON 8/30/02 AT 0300 HRS.

RECEIVED
SEP 03 2002
DIVISION OF
OIL, GAS AND MINING

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

Name & Signature Sheila Upchego *Sheila Upchego* Title Regulatory Analyst Date 08/30/02

(State Use Only)

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

008

6. Lease Designation and Serial Number ML-22051
7. Indian Allottee or Tribe Name Ute
8. Unit or Communitization Agreement 9C-000205
9. Well Name and Number State 11-36
10. API Well Number 43-047-34505
11. Field and Pool, or Wildcat Natural Buttes

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
 Use APPLICATION FOR PERMIT -- for such proposals

1. Type of Well
 Oil Well Gas Well Other (specify)

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

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

4. Telephone Number
 (435) 781-7023

5. Location of Well
 Footage : 1980' FSL & 1980' FWL County : Uintah
 QQ, Sec, T., R., M : NESW Sec. 36, T8S, R21E State : UT

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

<p align="center">NOTICE OF INTENT (Submit in Duplicate)</p> <table border="0"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p align="center">SUBSEQUENT REPORT (Submit Original Form Only)</p> <table border="0"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other <u>Production Start-Up</u></td> <td></td> </tr> </table> <p>Date of Work Completion <u>9/8/02</u></p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</small></p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Production Start-Up</u>	
<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off																										
<input type="checkbox"/> Other _____																											
<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction																										
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing																										
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize																										
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off																										
<input checked="" type="checkbox"/> Other <u>Production Start-Up</u>																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The subject well was placed on sales @ 11:00 am, 9/11/02. Attached is the Chronological Drilling & Completion Report.

Any produced water from the subject well will be contained in a water tank and 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.

RECEIVED

SEP 23 2002

DIVISION OF OIL, GAS AND MINING

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

Name & Signature Cheryl Ames Title Operator Date 09/17/02

(State Use Only)

9/10/02 SI WO FACILITIES.

9/11/02 SI WO FACILITIES.

9/12/02 **ON SALES**
PLACE ON SALES @ 11:00 AM 9/11/02. SPOT PROD DATA: CHK: 20/64", FTP:
998#, CP: 1766#, 10 BWPH, 1500 MCFPD.

9/13/02 **ON SALES**
FLWD 709 MCF, 60 BW, FTP: 182#, CP: 488#, 20/64" CHK, 20 HRS, LP: 105#.
TLTR: 2634 BBLS, TLR: 1257 BBLS, LLTR: 1377 BBLS.

9/16/02 **ON SALES**
9/14/02: FLWD 687 MCF, 50 BW, FTP: 161#, CP: 422#, 30/64" CHK, 24 HRS, LP:
111#.
9/15/02: FLWD 591 MCF, 29 BW, FTP: 150#, CP: 378#, 30/64" CHK, 24 HRS, LP:
105#.
9/16/02: FLWD 538 MCF, 23 BW, FTP: 141#, CP: 347#, 64/64" CHK, 24 HRS, LP:
105#, TLTR: 2634 BBLS, TLR: 1359 BBLS, LLTR: 1275 BBLS. **FINAL REPORT IP**
DATE: 9/13/02 FLWD 687 MCF, 50 BW, FTP: 161#, CP: 422#, 30/64" CHK, 24 HRS,
LP: 111#.

**EL PASO
PRODUCTION REPORT**

CHRONOLOGICAL HISTORY

STATE 11-36

DRILLING REPORT:

Ouray, Uintah, UT Rig: El Paso 2 WI: 100% AFE: 057995 ATD: 7,400' SD: 8/16/02
Wasatch @ 5,410' DHC: 368 /CWC: 673 /DC: 43/CC: 95 9 5/8" @ 485'

8/16/02 TD: 485 MW: mist MIRU. NU & test BOP's. Drill cement & float equip.
8/19/02 TD: 4,458 MW: Air/Water 1,116'/23.5 hrs Drilling to present depth.
8/20/02 TD: 5,380 MW: Air/Water 922'/23.5 hrs Drilling to present depth.
8/21/02 TD: 5,895 MW: 8.6 515'/16.5 hrs Drill to 5,710'. Trip for
bit & motor. Drilling to present depth.
8/22/02 TD: 6,875 MW: 8.6 980'/23.5 hrs Drilling to present depth.
8/23/02 TD: 7,241 MW: 9.3 366'/16 hrs Drill to 7,164'. Trip for
mud motor. Drilling to present depth.
8/26/02 TD: 7,653 MW: 9.4 137'/15.5 hrs TIH. Drill to TD. Wiper
trip to 6,600'. C & C mud.
8/27/02 TD: 7,653 MW: 9.4 137'/15.5 hrs C & C mud. POOH.
RU Schlumberger & run PEX – sat down @ 6,288'. TIH w/ bit.
8/28/02 TD: 7,653 MW: 9.8 0'/0 hrs TIH w/ bit. Wash & Ream
from 6,408' to T.D. C & C mud.
8/29/02 TD: 7,653 MW: 9.8 C & C mud. Wiper trip to 6,100'. Circ
bottoms up. POOH. Schlumberger run PEX to TD. TIH. Circ bottoms up. LDDP.
8/30/02 TD: 7,653 MW: 8.4 LDDP. Run & cement 4 1/2" prod casing.
Set casing hanger. ND BOP's. NU well cap. Rig released @ 0300, 8/30/02. Move to
NBU 425 today.

FORMATION: WASATCH

9/4/02 **PREP TO LOG & PERF**
MIRU. PU & SIH W/2 3/8" TBG.

9/5/02 **PREP TO FRAC**
PROG: FIN RIH W/TBG. TAG PBTD @ 7575'. CIRC HOLE CLEAN. RAN CBL-
CCL-GR LOGS FROM PBTD TO 5000' & 200' ABV & BELOW CMT TOP @ 1230'.
POOH. PERF WASATCH FROM 7342'-7348', 4 SPF, 24 HOLES. BRK DN PERFS
W/3800# @ 1 1/2 BPM, ISIP: 2000#, FG: 0.71. SDFD.

9/6/02 **PREP TO DO CBP'S**
STAGE 1: FRAC PERFS 7342'-7348' W/432 BBLS YF115ST LIQ GEL & 37,000#
20/40 SD. ISIP: 1820#, NPI: 0, FG: 0.68, MTP: 3544#, ATP: 2481#, MTR: 25.5 BPM,
ATR: 21.5 BPM. PU & RIH W/CBP & PERF GUN. SET CBP @ 7280'.
STAGE 2: PERF WASATCH 6963'-6973', 3 SPF, 30 HOLES. BRK DN PERFS
W/2020#, ISIP: 950#, FG: 0.57. FRAC W/632 BBLS YF115ST LIQ GEL & 60,500#
20/40 SD. ISIP: 1348#, NPI: 398#, FG: 0.63, MTP: 2270#, ATP: 1705#, MTR: 25.3
BPM, ATR: 24 BPM. PU & RIH W/CBP & PERF GUN. SET CBP @ 6910'.
STAGE 3: PERF WASATCH 6484'-6494', 3 SPF, 30 HOLES. BRK DN PERFS
W/1399#, ISIP: 700#, FG: 0.54. FRAC W/749 BBLS YF113ST LIQ GEL & 74,500#
20/40 SD. ISIP: 1555#, NPI: 855#, FG: 0.67, MTP: 2249#, ATP: 1667#, MTR: 25.3
BPM, ATR: 23.9 BPM. RIH W/CBP & PERF GUN. SET CBP @ 6430'.
STAGE 4: PERF WASATCH 6268'-6278', 3 SPF, 30 HOLES. BRK DN PERFS
W/1100#, ISIP: 520#, FG: 0.52. FRAC W/501 BBLS YF113ST LIQ GEL & 48,860#
20/40 SD. ISIP: 1450#, NPI: 930#, FG: 0.67, MTP: 2003# ATP: 1671#, MTR: 25.2
BPM, ATR: 22.9 BPM. RIH & SET CBP @ 6210'. PU 3 7/8" MILL TOOTH BIT &
SIH. EOT @ 6200'.

9/9/02 **SI WO FACILITIES**
DO CBP'S @ 6210', 6430', 6910', & 7280'. CO TO PBTD @ 7574' W/AIR-FOAM. PU
& LAND TBG @ 7001', SN @ 6968'. PMP OFF BIT SUB & OPEN TO FBT ON
64/64" CHK. FLOW BACK 20 HRS ON FULL OPEN CHK. CP: 1000# TO 600#, FTP:
200# TO 80#, 38 BWPH TO 2 BWPH, LIGHT SD TO TRACE. GAS EST: 750
MCFPD. TLTR: 2634 BBLS, TLR: 1197 BBLS, LLTR: 1437 BBLS.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NO.
ML-22051

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Tribal Surface

1a. TYPE OF WELL

OIL WELL [] GAS WELL [X] DRY [] Other []

1b. TYPE OF COMPLETION

NEW WELL [X] WORK OVER [] DEEP-EN [] PLUG BACK [] DIFF. RESVR. [] Other []

7. UNIT AGREEMENT NAME
9C-000205

8. FARM OR LEASE NAME, WELL NO.
State

2. NAME OF OPERATOR

El Paso Production Oil & Gas Company

9. WELL NO.
11-36

3. ADDRESS AND TELEPHONE NO.

P.O. Box 1148 Vernal, UT

10. FIELD AND POOL OR WILDCAT
Natural Buttes

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements)

At Surface
NESW 1980' FSL & 1980 FWL
At top prod. Interval reported below

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA
Sec. 36, T8S,R21E

At total depth

14. API NO. 43-047-34505 DATE ISSUED 4/29/02

12. COUNTY Uintah 13. STATE UTAH

15. DATE SPUNDED 8/9/02 16. DATE T.D. REACHED 8/25/02 17. DATE COMPL. (Ready to prod. or Plug & 9/8/02 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 4757 GL 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 7653 MD 21. PLUG. BACK T.D., MD & TVD 7574 MD 22. IF MULTIPLE COMPL., HOW MANY 23. INTERVALS DRILLED BY [X] 24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD) WASATCH 6268-7348

25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN CBL-CCL-GR-9-13-02, C.V. CALIPER, BHS-9-3-02 27. WAS WELL CORED YES [] NO [X] (Submit analysis) DRILL STEM TEST YES [] NO [X] (See reverse side)

23. CASING RECORD (Report all strings set in well)

Table with columns: CASING SIZE, WEIGHT, LB/FT, DEPTH SET (MD), HOLE SIZE, CEMENTING RECORD, AMOUNT PULLED. Rows include 8 5/8, 4 1/2 casing sizes.

29. LINER RECORD

Table with columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT*, SCREEN (MD). Rows include 2 3/8 size.

30. TUBING RECORD

Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD). Rows include 2 3/8 size, 7001 depth.

31. PERFORATION RECORD (Interval, size and number)

Table with columns: INTERVAL, SIZE, NUMBER. Rows include 6268-6278, 6484-6494, 6963-6973, 7342-7348 intervals.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Table with columns: DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED. Rows include 6268-6278, 6484-6494, 6963-6973, 7342-7348 intervals.

33.* PRODUCTION

Table with columns: DATE FIRST PRODUCTION, PRODUCTION METHOD, WELL STATUS, DATE OF TEST, HOURS TESTED, CHOKER SIZE, PROD'N. FOR TEST PERIOD, OIL--BBL., GAS--MCF., WATER--BBL., GAS-OIL RATIO, FLOW. TUBING PRESS., CASING PRESSURE, CALCULATED 24-HOUR RATE, OIL-BBL., GAS--MCF., WATER--BBL., OIL GRAVITY-API (CORR.).

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold & Used For Fuel

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

OCT 15 2002

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

SIGNED Cheryl Cameron

TITLE Operations

DIVISION OF OIL, GAS AND MINING DATE 10/7/2002

See Spaces for Addition Data on Reverse Side

INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments. ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

	38. GEOLOGIC MARKERS						
37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.	Top	Bottom	Description, contents, etc.	Name	Meas. Depth	Top	True Vert. Depth
Formation Green River Wasatch	2110 5224	5224					

JAN. 17. 2003 3:34PM

.TPORT

NO. 173 P. 2

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

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

February 1, 2002

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

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

Dear Ms. Maxwell:

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

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

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

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

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

Debby J. Black
Engineer Technician

Encl:

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.

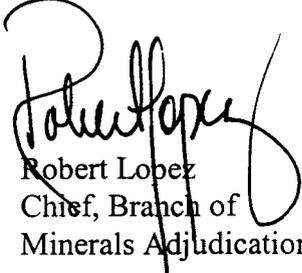
We appreciate your concern, and hope that these comments are timely enough for consideration in the revision process.

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



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)



IN REPLY REFER TO:
Real Estate Services

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, D.C. 20240

FEB 10 2003

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

Dear Mr. Wilson:

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

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

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

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

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure



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.

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

FORM 9

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

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

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

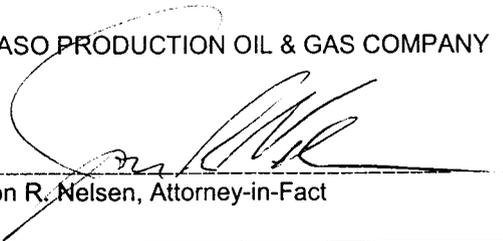
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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

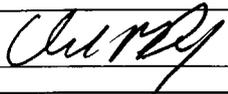
BOND # _____

State Surety Bond No. RLB0005236
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

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

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

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

(This space for State use only)

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

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

6. If Indian, Allottee or Tribe Name

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

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

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

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> 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

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 then. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zc. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed if testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

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

RECEIVED

MAR 04 2003

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

Name (Printed/Typed)

CHERYL CAMERON

Title

OPERATIONS

Signature

Date

March 4, 2003

BUREAU OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

Office

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

(Instructions on reverse)

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW ✓
3. FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

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

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

CA No. Unit:

WELL(S)						
NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
TRIBAL 36 51	35-08S-21E	43-047-32696	11848	INDIAN	GW	P
FEDERAL 35-52 (STATE) (NRM-1604)	35-08S-21E	43-047-32697	11856	FEE	GW	P
OURAY 35-94 (NRM-1604)	35-08S-21E	43-047-33053	12710	FEE	GW	P
OURAY 35-80	35-08S-21E	43-047-33292	12548	INDIAN	GW	P
ANKERPONT 35-95	35-08S-21E	43-047-33387	12841	INDIAN	GW	P
FEDERAL 35-96 (NRM-1604)	35-08S-21E	43-047-33377	12715	FEDERAL	GW	P
OURAY 35-174	35-08S-21E	43-047-33248	99999	FEE	GW	APD
FEDERAL 35-179 (NRM-1604)	35-08S-21E	43-047-33877	13207	FEDERAL	GW	P
FEDERAL 35-190 (NRM-1604)	35-08S-21E	43-047-33918	13219	FEDERAL	GW	P
FEDERAL 35-151	35-08S-21E	43-047-33849	99999	FEDERAL	GW	APD
FEDERAL 35-152 (NRM-1604)	35-08S-21E	43-047-33981	13394	FEDERAL	GW	P
TRIBAL 35-180	35-08S-21E	43-047-34434	13428	INDIAN	GW	P
STATE 11-36	36-08S-21E	43-047-34505	13561	STATE	GW	P
OURAY 36-97	36-08S-21E	43-047-33397	12740	FEE	GW	P
UTE TRIBAL 36-43	36-08S-21E	43-047-33718	13243	INDIAN	GW	P
GLEN BENCH ST 12-36-8-21	36-08S-21E	43-047-33287	12549	STATE	GW	P
TRIBAL 36-65	36-08S-21E	43-047-33293	12682	INDIAN	GW	P
TRIBAL 31 55A	31-08S-22E	43-047-32717	11858	INDIAN	GW	P
TRIBAL 31-60	31-08S-22E	43-047-33340	12563	STATE	GW	P
HALL 31-61 (NRM-1887)	31-08S-22E	43-047-33341	12607	FEDERAL	GW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

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

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

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

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: 01/09/2003

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

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 03/26/2003
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/26/2003
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:

WELL	LEGALS	STF LEASE NO	CA NUMBER	API NO
ARCHY BENCH STATE 1-2	NENE SEC 2, T11S, R22E	ML22348A		4304731489
BAYLESS STATE 02-01	SWSE SEC 2, T9S, R20E	ML47044		4304734540
BONANZA 1023-2A	NENE SEC. 2, T10S, R23E	ML47062		4304735347
BONANZA 1023-2C	NENW SEC. 2, T10S, R23E	ML47062		4304735346
BONANZA 1023-2E	SWNW SEC. 2, T10S, R23E	ML47062		4304735345
KENNEDY WASH STATE 16-1	NWNW SEC 16, T8S, R23E	ML47212		4304733589
MORGAN STATE 01-36	SENE SEC 36, T9S, R21E	ML22265		4304730600
MORGAN STATE 02-36	NWNE SEC 36, T9S, R21E	ML22265		4304732585
MORGAN STATE 03-36	NWNE SEC 36, T9S, R21E	ML22265		4304732589
MORGAN STATE 04-36	NWSW SEC 36, T9S, R21E	ML22265		4304732729
MORGAN STATE 05-36	NWSE SEC 36, T9S, R21E	ML22265		4304732735
MORGAN STATE 06-36	SWNW SEC 36, T9S, R21E	ML22265		4304732810
MORGAN STATE 07-36	NENW SEC 36, T9S, R21E	ML22265		4304732811
MORGAN STATE 08-36	NENE SEC 36, T9S, R21E	ML22265		4304732812
MORGAN STATE 09-36	SWNE SEC 36, T9S, R21E	ML22265		4304732815
MORGAN STATE 10-36	SENE SEC 36, T9S, R21E	ML22265		4304732816
MORGAN STATE 11-36	NESW SEC 36, T9S, R21E	ML22265		4304732813
MORGAN STATE 12-36	NESE SEC 36, T9S, R21E	ML22265		4304732814
MORGAN STATE 13-36	SESE SEC 36, T9S, R21E	ML22265		4304732817
MORGAN STATE 14-36	SWSW SEC 36, T9S, R21E	ML22265		4304733092
MORGAN STATE 15-36	SESW SEC 36, T9S, R21E	ML22265		4304733094
MORGAN STATE 16-36	SWSE SEC 36, T9S, R21E	ML22265		4304733093
STATE 01-32	NESW SEC 32, T10S, R22E	ML22798	891008900A	4304734317
STATE 02-32	SESW SEC 32, T10S, R22E	ML22798		4304734831
STATE 03-32	NWSW SEC 32, T10S, R22E	ML22798		4304734832
STATE 1022-32A	NENE SEC. 32, T10S, R22E	ML22798		4304735096
STATE 1022-32J	NWSE SEC 32, T10S, R22E	ML22798		4304735095
STATE 1022-32M	SWSW SEC 32, T10S, R22E	ML-22798		
STATE 1022-32O	SWSE SEC. 32, T10S, R22E	ML22798		4304735315
STATE 11-36	NESW SEC 36, T8S, R21E	ML22051	9C-205	4304734505
STATE 14-16	SWSW SEC 16, T7S, R21E	ML40904		4304731417
STATE 31-32	SESE SEC 31, T8S, R22E	ML28048	VR49I-84688C	4304730906
STATE 32-21	NESE SEC 32, T8S, R21E	ML22052	9C-204	4304730754
STIRRUP STATE 32-1	NWNE SEC 32, T6S, R21E	ML22036	UTU76783X	4304731557
STIRRUP STATE 32-1-J	NWSE SEC 32, T6S, R21E	ML40226		4304731646
STIRRUP STATE 32-2	SENE SEC 32, T6S, R21E	ML22036	UTU76783X	4304731626
STIRRUP STATE 32-6 SWD	NENE SEC 32, T6S, R21E	ML22036	UTU76783X	4304732784
UTE TRIBAL 31-060	NESW SEC 31, T8S, R22E	ML28048	VR49I-84688C	4304733340
WONSITS STATE 01-32	SWNE SEC 32, T7S, R22E	ML47780		4304732820
WONSITS STATE 02-32	SWSE SEC 32, T7S, R22E	ML47780		4304732819
WONSITS STATE 05-32	SENE SEC 32, T7S, R22E	ML47780		4304733678
WONSITS STATE 09-32	NESW SEC 32, T7S, R22E	ML47780		4304734060

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

6. Lease Designation and Serial Number
MULTIPLE WELLS- SEE ATTACHED

7. Indian Allottee or Tribe Name

8. Unit or Communitization Agreement
MULTIPLE WELLS- SEE ATTACHED

9. Well Name and Number
MULTIPLE WELLS- SEE ATTACHED

10. API Well Number
MULTIPLE WELLS- SEE ATTACHED

11. Field and Pool, or Wildcat
MULTIPLE WELLS- SEE ATTACHED

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
 Use APPLICATION FOR PERMIT – for such proposals

1. Type of Well
 Oil Well Gas Well Other (specify)

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

3. Address of Operator
1368 SOUTH 1200 EAST, VERNAL, UTAH 84078

4. Telephone Number
435-781-7060

5. Location of Well
 Footage : **MULTIPLE WELLS- SEE ATTACHED** County : **UINTAH**
 QQ, Sec, T., R., M : **MULTIPLE WELLS- SEE ATTACHED** State : **UTAH**

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

NOTICE OF INTENT
 (Submit in Duplicate)

SUBSEQUENT REPORT
 (Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>VARIANCE</u> | |

- | | |
|--|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate Date Work Will Start _____

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

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

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

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

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

Name & Signature Debra Domenici Title Environmental Assistant Date 07/12/04

(State Use Only)
Utah Division of Oil, Gas and Mining

Federal Approval Of This
 Action Is Necessary

RECEIVED

JUL 14 2004

Date: 7/15/04
 By: [Signature]

Westport Oil & Gas, L.P.
Project Economics Workst

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

Project Name: **Condensate Shrinkage Economics**

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

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

Increased OPX Per Year

Investment Breakdown:

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

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

Production & OPX Detail:

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

Project Life:

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

Internal Rate of Return:

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

AT Cum Cashflow:

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

Payout Calculation:

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

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

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

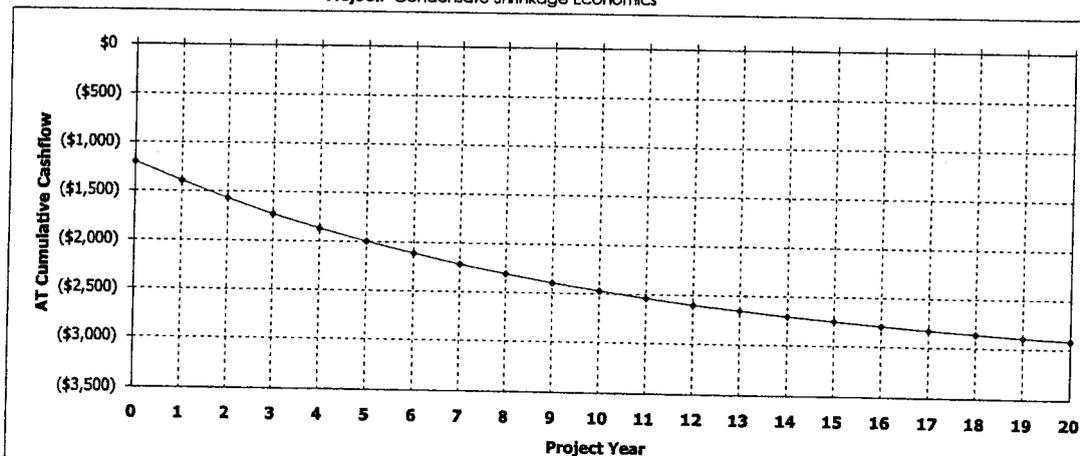
Gross Reserves:

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

Notes/Assumptions:

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

Project: Condensate Shrinkage Economics



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

COMPARISON OF FLASH BACK PRESSURES

Calculated by Characterized Equation-of-State

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

Calculated at Laboratory Flash Conditions

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

Calculated Flash with Backpressure using Tuned EOS

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

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

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

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

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

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **1/6/2006**

FROM: (Old Operator): N2115-Westport Oil & Gas Co., LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024	TO: (New Operator): N2995-Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078 Phone: 1-(435) 781-7024
---	--

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- b. If **NO**, the operator was contacted on:
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: ok

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet

7. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006

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

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

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

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

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

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

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006. RECEIVED
 KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237. MAY 10 2006
 DIV. OF OIL, GAS & MINING

BLM BOND = C01203
 BIA BOND = RLB0005239
APPROVED 5/16/06
Earlene Russell

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

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

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

THIS SPACE FOR FEDERAL OR STATE USE

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No.
MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.

2. Name of Operator

MUTIPLE WELLS

WESTPORT OIL & GAS COMPANY L.P.

9. API Well No.

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

10. Field and Pool, or Exploratory Area

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

SEE ATTACHED

11. County or Parish, State

UINTAH COUNTY, UTAH

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

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

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

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

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

RECEIVED
MAY 10 2006

DIV OF OIL, GAS & MINING

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

Name (Printed/Typed)

BRAD LANEY

Title

ENGINEERING SPECIALIST

Signature

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Brad Laney

Title

Date

5-9-06

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

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.