

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 14-20-H62-3004
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name UTE INDIAN TRIBE
2. Name of Operator WESTPORT OIL & GAS COMPANY L.P.		7. If Unit or CA Agreement, Name and No. CR-168
3A. Address P.O. BOX 1148 VERNAL, UT 84078	3b. Phone No. (include area code) (435)-781-7024	8. Lease Name and Well No. KURIP #1-229
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW 2159'FNL & 2086'FWL At proposed prod. Zone 4435791Y 40.06602 617932X - 109.61714		9. API Well No. 43-047-35196
14. Distance in miles and direction from nearest town or post office* 8.1 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2159'	16. No. of Acres in lease 320.00	11. Sec., T., R., M., or Blk, and Survey or Area SECTION 1-T9S-R20E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	17. Spacing Unit dedicated to this well 318.34	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4666'GL	19. Proposed Depth 7100'	13. State UTAH
22. Approximate date work will start* UPON APPROVAL		20. BLM/BIA Bond No. on file RLB0005239
23. Estimated duration TO BE DETERMINED		

24. Attachments

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

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

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 9/8/2003
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 09-16-03
Title ENVIRONMENTAL SCIENTIST III	Office ENVIRONMENTAL SCIENTIST III	

Federal Approval of this Action is Necessary

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

Conditions of approval, if any, are attached.

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

*(Instructions on reverse)

RECEIVED
SEP 15 2003
DIV. OF OIL, GAS & MINING

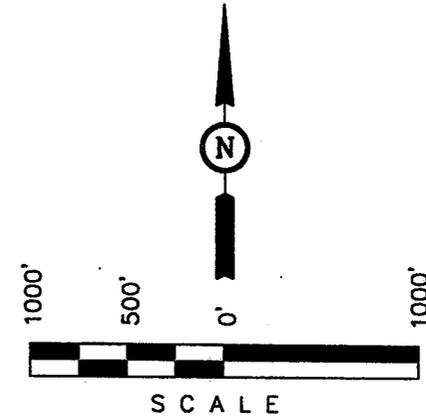
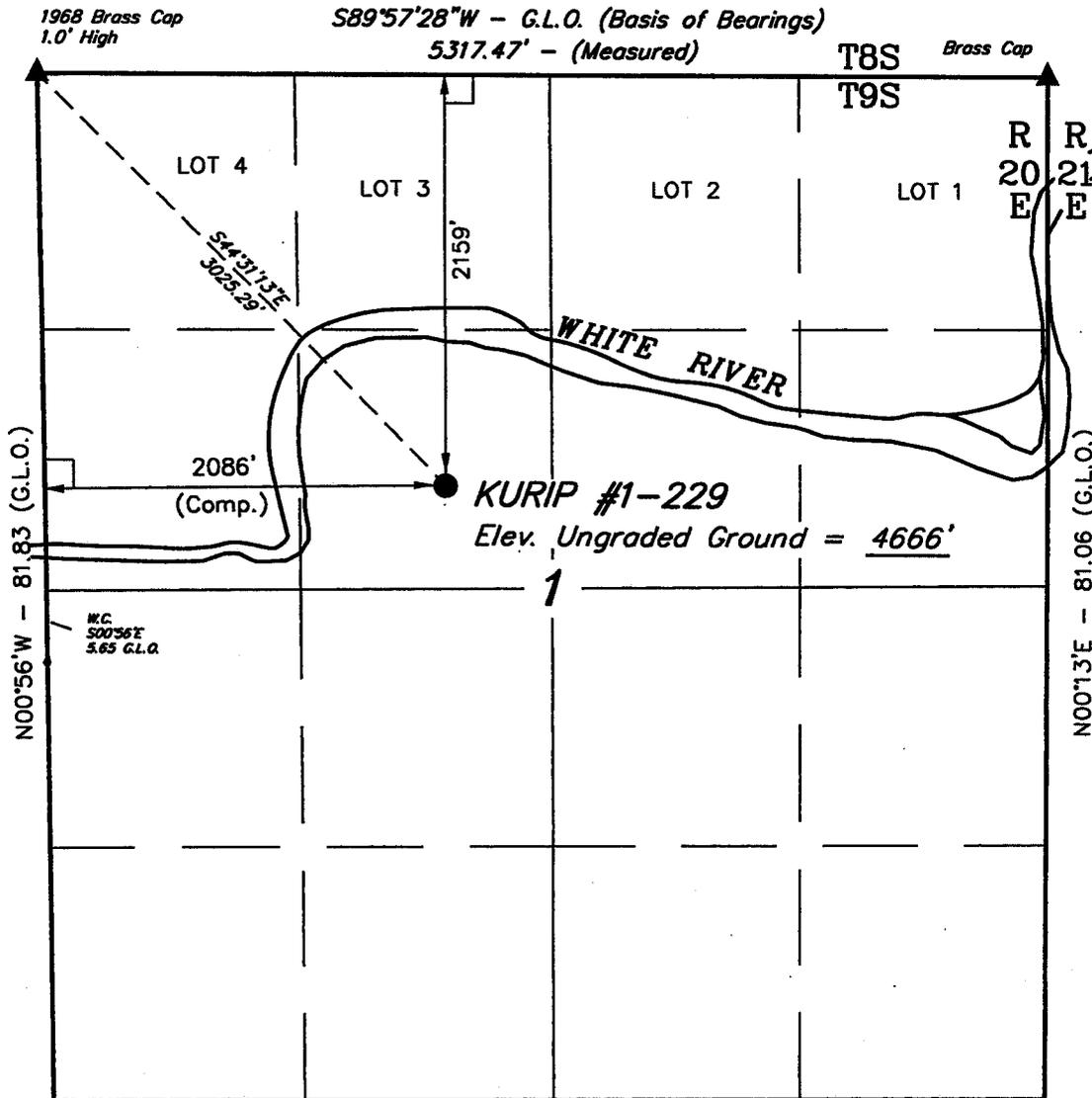
WESTPORT OIL AND GAS COMPANY L.P.

T9S, R20E, S.L.B.&M.

Well location, KURIP #1-229, located as shown in the SE 1/4 NW 1/4 of Section 1, T9S, R20E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 17EAM LOCATED IN THE W 1/2 OF SECTION 36, T8S, R20E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4684 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.

Robert H. ...
REGISTERED LAND SURVEYOR
REGISTRATION NO. 1813
STATE OF UTAH

REVISED: 4-1-03

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 4-29-02	DATE DRAWN: 5-10-02
PARTY D.K. W.L. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE WESTPORT OIL AND GAS COMPANY L.P.	

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

AUTONOMOUS (NAD 83)
 LATITUDE = 40°03'58.19" (40.066164)
 LONGITUDE = 109°37'02.49" (109.617358)

**KURIP #1-229
SE/NW SEC. 1, T9S, R20E
UINTAH COUNTY, UTAH
LEASE NUMBER: 14-20-H62-3004
ONSHORE ORDER NO. 1**

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
KB	4666'
Green River	1950'
Wasatch	5530'
Total Depth	7100'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1950'
Gas	Wasatch	5530'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment:

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

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure at 7600' TD approximately equals 2,840 psi (calculated at 0.4 psi/foot). Maximum anticipated surface pressure equals approximately 1,278 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates & Notification of Operations:**

Please see the Natural Buttes Unit SOP.

9. **Variations:**

Please see the Natural Buttes Unit SOP.

10. **Other Information:**

Please see the Natural Buttes Unit SOP.

KURIP #1-229
SE/NW Sec. 1, T9S, R20E
UINTAH COUNTY, UTAH
LEASE NUMBER: 14-20-H62-3004

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the Kurip #1-229 on 3/3/03, and second on-site was scheduled on 5/5/03, for the re-route of the road. It was determined that the proposed location, access road, and pipeline ROW fell within the "Flood Plain Area" and operations are to be conducted as stated in the *Final Ouray Environmental Assessment*.

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.

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:

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

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; culverts are to be installed as needed to improve natural water drainage.

The access road was centerline flagged during time of staking.

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

Production facilities will consist of a conventional wellhead and allocation gas metering. The wellhead controls will be elevated to allow for a continuous production during seasonal high water conditions, as stated in the *Final Ouray Environmental Assessment 2.1.3, Production Operation*.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon (2.5Y 6/2), a non-reflective earthtone.

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

Approximately 1221' of pipeline is proposed. The fence will be replaced after pipeline is installed, as discussed at the on-site inspection. Refer to Topo D.

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

Please see the Natural Buttes Unit SOP.

Water for drilling purposes will be contained 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 road marked on Maps A and B.

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

Please see the Natural Buttes Unit SOP.

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

Any gravel will be obtained from a commercial source.

Construction will not occur during the period of April 1 – July 15, unless it is determined by the USF&WLS and the Bureau of Reclamation that the flooding forecast evaluation has changed for the current year; as stated in the Final Formal Sec. 7 Consultation, page 37, Item #8.

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

Drill cuttings will be removed from the *Closed-Loop Circulating System* and transported by truck to an approved disposal site outside of the floodplain area. Please refer to "Typical Rig Layout" and the "Typical Solids Control System" attachments.

Drilling fluids, including salts and chemicals, will be contained in the *Closed-Loop System*. Upon termination of drilling and completion operations, the liquid contents will be removed and disposed of at an approved waste disposal facility after drilling is terminated.

The *Closed-Loop System* will be utilized and set-up in the area normally utilized for a reserve pit. Refer to the Location Layout, and Figure 4-22.

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 removing of the drilling rig.

No chemicals subject to reporting under SARA Title II (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 hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E; NBU #159, Sec. 35, T9S, R21E; Ace Oilfield, Sec. 2, T6S R20E; MC&MC, Sec. 12, T6S, R19E. (*Request is in lieu of filing Form 3160-5, after initial production*).

8. **Ancillary Facilities:**

None are Anticipated

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

The location is at least 460' away from the river, thus meaning the requirements set forth by the USF&WLS. Please refer to the attached "Typical Rig Layout".

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

USF&WLS Shall be notified within 48 hours prior to construction.

Culverts are to be installed where needed.

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). *This section has been modified as a result of the on-site inspection. A Closed-Loop System shall be utilized. Refer to Figure 4-22.*

Trees are to be avoided when possible if tree removal is necessary; Westport will notify the AO with the tree count, and Westport is to replace four trees for every tree removed.

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

10. Plans for Reclamation of the Surface:

Please see the Natural Buttes Unit SOP.

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.

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

Dry Hole/Abandoned Location:

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

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

11. Surface Ownership:

Ute Indian Tribe
P.O. Box 190
Fort Duchesne, Utah 84026
(435) 722-5141

12. Other Information:

A Class III archaeological survey has been conducted. A copy of this report was submitted to the Ute Indian Tribe, prior to the on-site inspection.

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

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

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

Sheila Upchego
Regulatory Analyst
Westport Oil & Gas Company L.P.
P.O. Box 1148
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Westport Oil & Gas Company L.P.
P.O. Box 1148
Vernal, UT 84078
(435) 781-7018

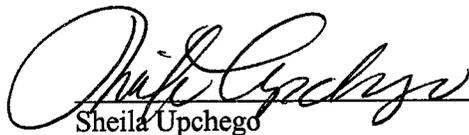
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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.

Westport Oil & Gas Company L.P. is considered to be the operator of the subject well. Westport Oil & Gas Company L.P. 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 Westport Oil & Gas Company L.P. #2115, BLM Nationwide Bond # CO-1203, and BIA Nationwide Bond #RLB0005239.

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


Sheila Upchego

9/8/03

Date

WESTPORT OIL AND GAS COMPANY

KURIP #1-229

SECTION 1, T9S, R20E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 3.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY THEN NORTHERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY THEN NORTHERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE PROPOSED LOCATION.

WESTPORT OIL AND GAS COMPANY L.P.

KURIP #1-229

LOCATED IN UINTAH COUNTY, UTAH
SECTION 1, T9S, R20E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

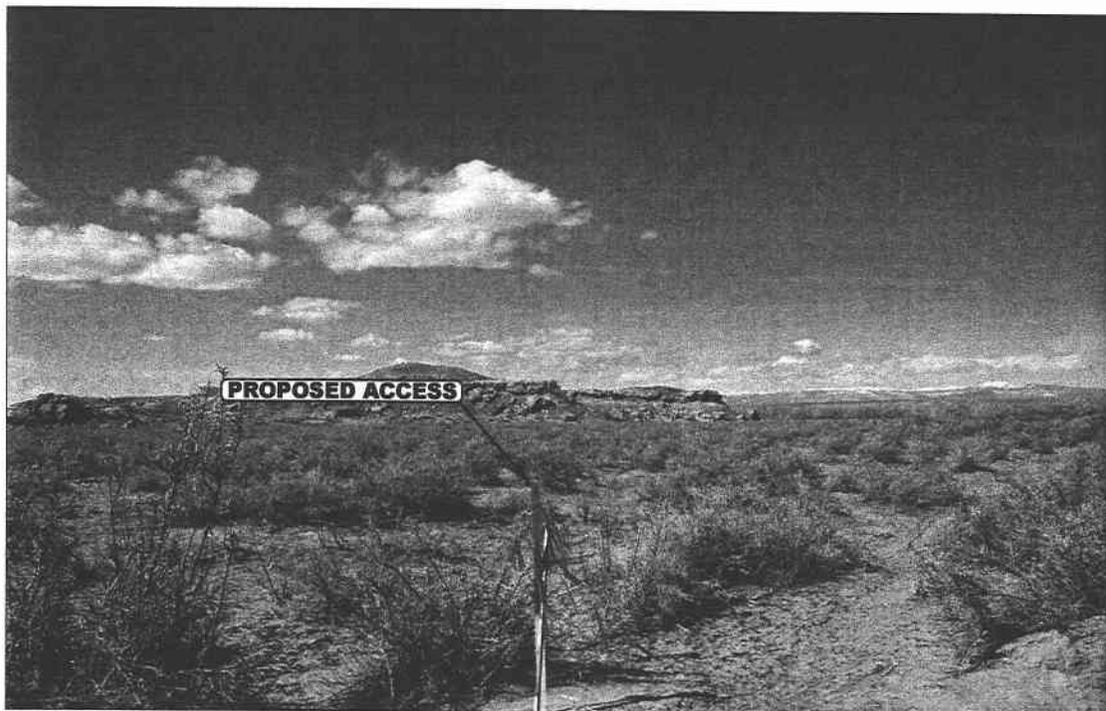


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS

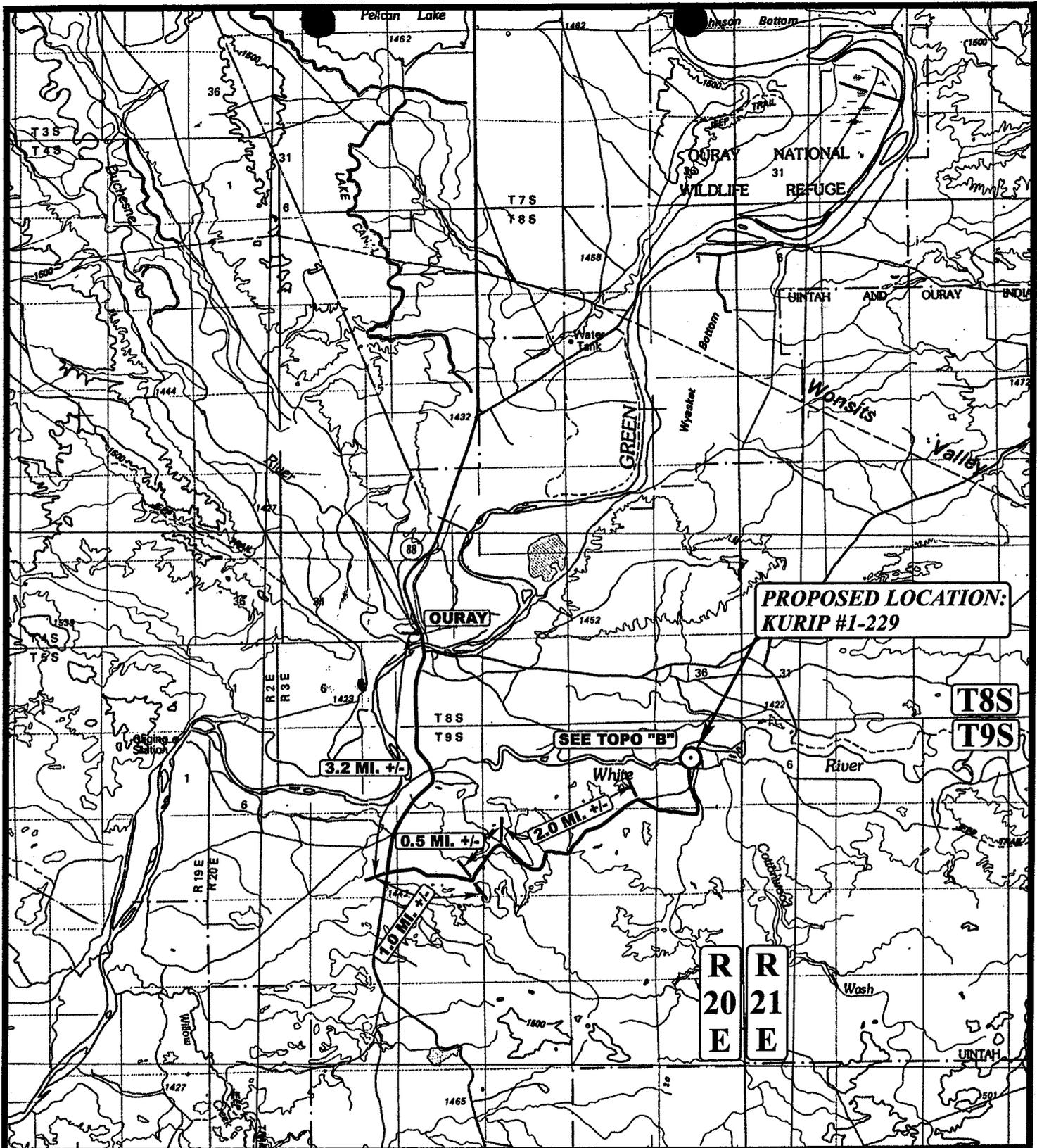
5 9 02
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: K.G.

REV: 3-13-03 C.G.



LEGEND:

○ PROPOSED LOCATION



WESTPORT OIL AND GAS COMPANY L.P.

KURIP #1-229

SECTION 1, T9S, R20E, S.L.B.&M.

2159' FNL 2086' FWL



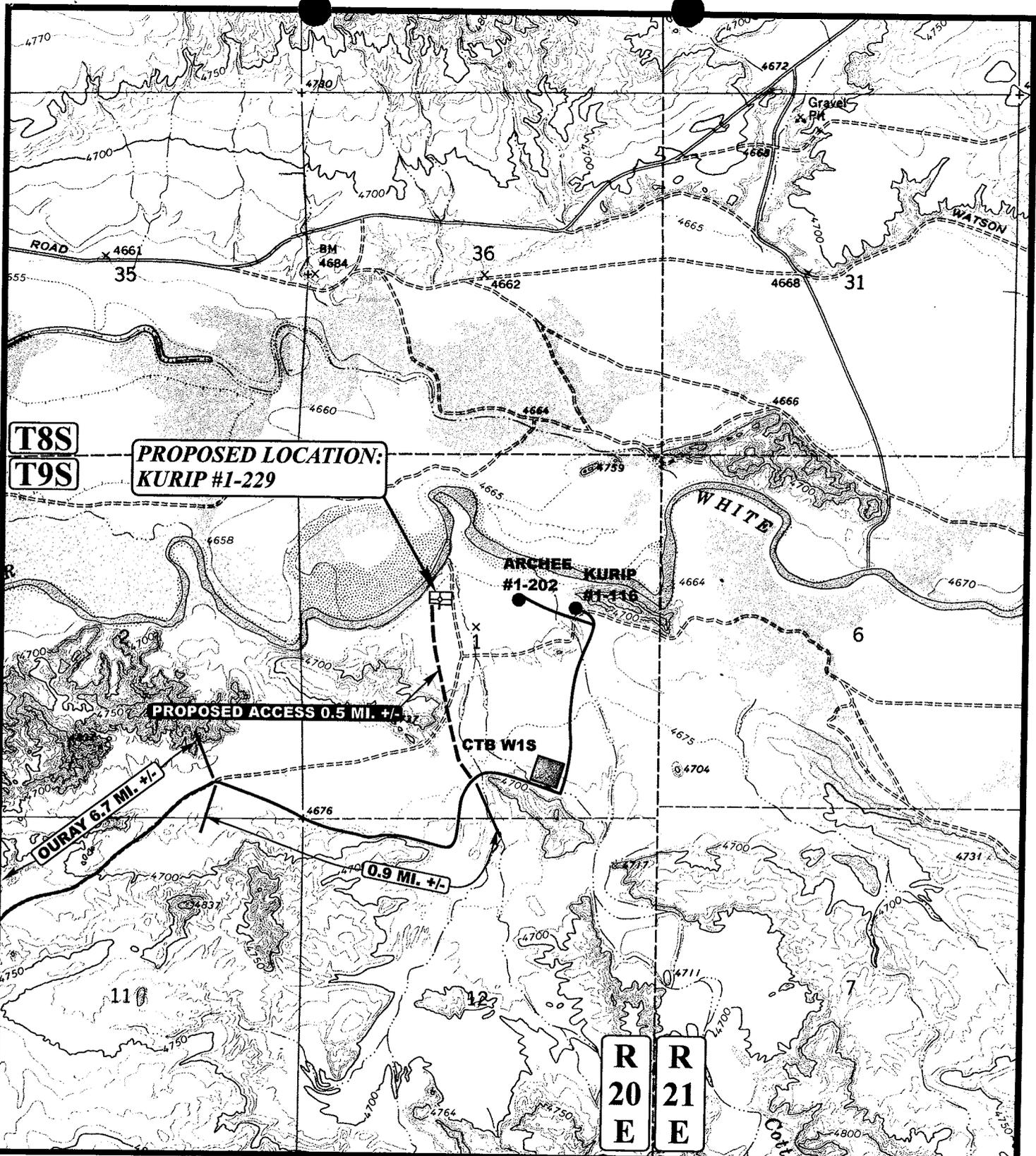
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

5	7	02
MONTH	DAY	YEAR

SCALE: 1: 100,000 DRAWN BY: K.G. REV: 9-10-03 C.G.





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

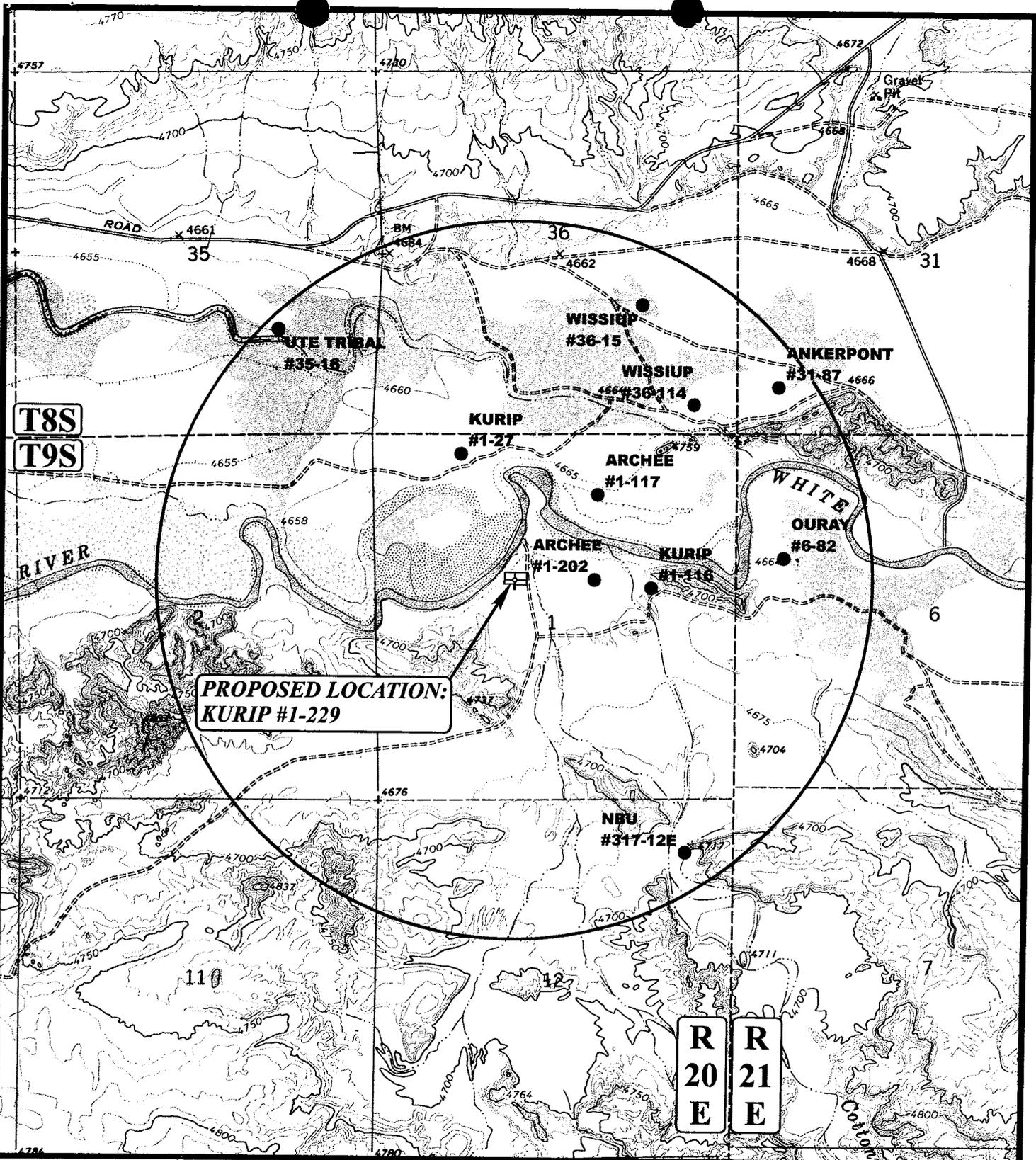


WESTPORT OIL AND GAS COMPANY L.P.

KURIP #1-229
SECTION 1, T9S, R20E, S.L.B.&M.
2159' FNL 2086' FWL

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

TOPOGRAPHIC MAP	5 MONTH	7 DAY	02 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: K.G.	REV: 9-10-03 C.G.		



LEGEND:

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



WESTPORT OIL AND GAS COMPANY L.P.

KURIP #1-229
SECTION 1, T9S, R20E, S.L.B.&M.
2159' FNL 2086' FWL



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

TOPOGRAPHIC
MAP

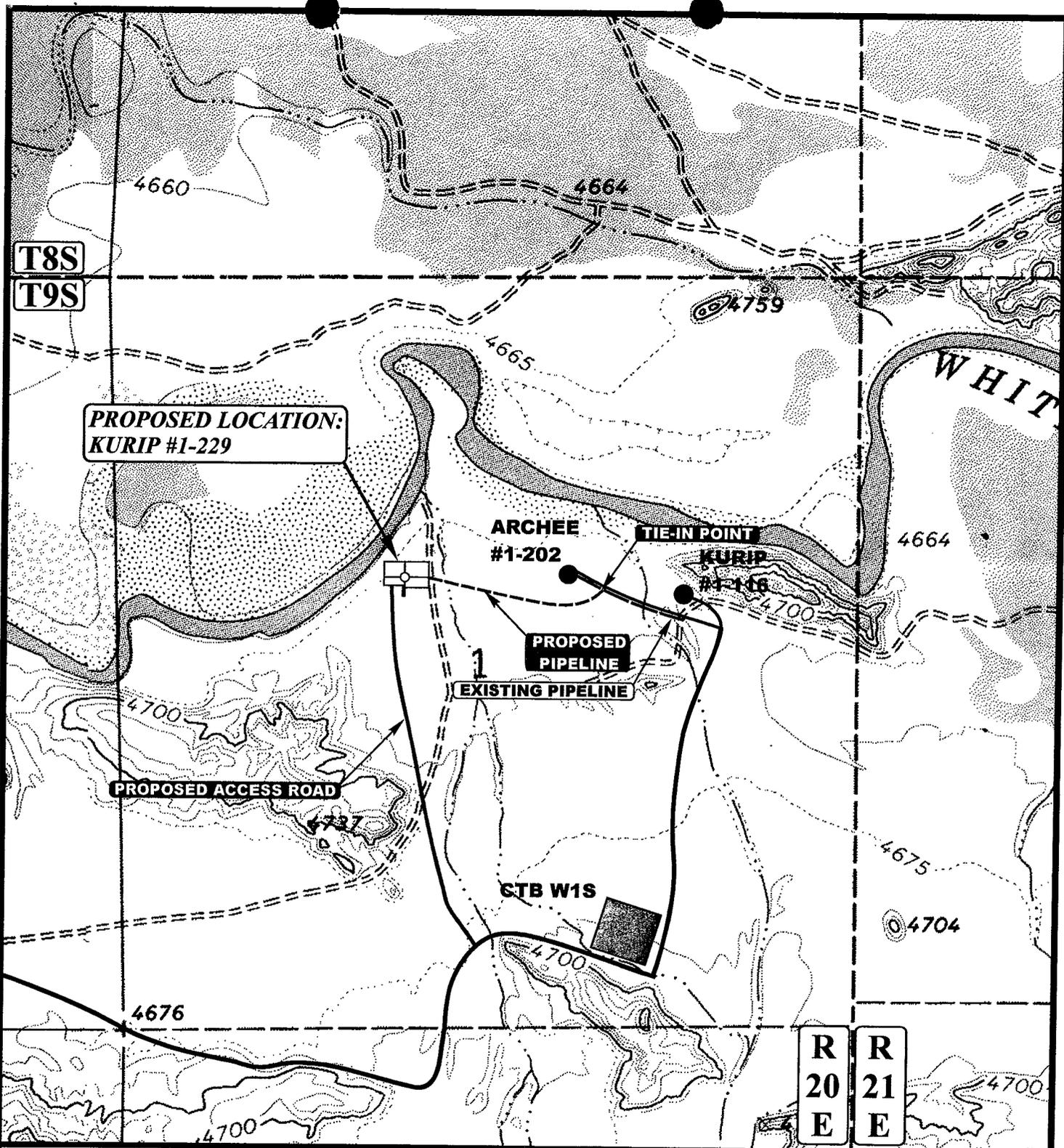
5 7 02
 MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: K.G.

REV: 9-10-03 C.G.





APPROXIMATE TOTAL PIPELINE DISTANCE = 1221' +/-

LEGEND:

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

WESTPORT OIL AND GAS COMPANY L.P.

KURIP #1-229

SECTION 1, T9S, R20E, S.L.B.&M.

2159' FNL 2086' FWL



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



TOPOGRAPHIC MAP
SCALE: 1" = 1000' DRAWN BY: K.G. REV: 9-10-03 C.G.

5	7	02
MONTH	DAY	YEAR



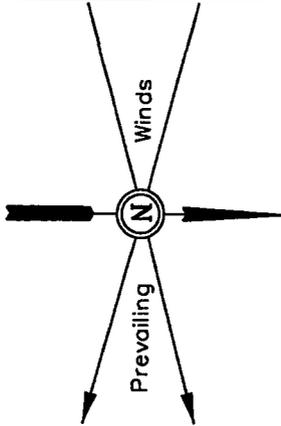
EL PASO PRODUCTION OIL & GAS COMPANY

LOCATION LAYOUT FOR

KURIP #1-229

SECTION 1, T9S, R20E, S.L.B.&M.

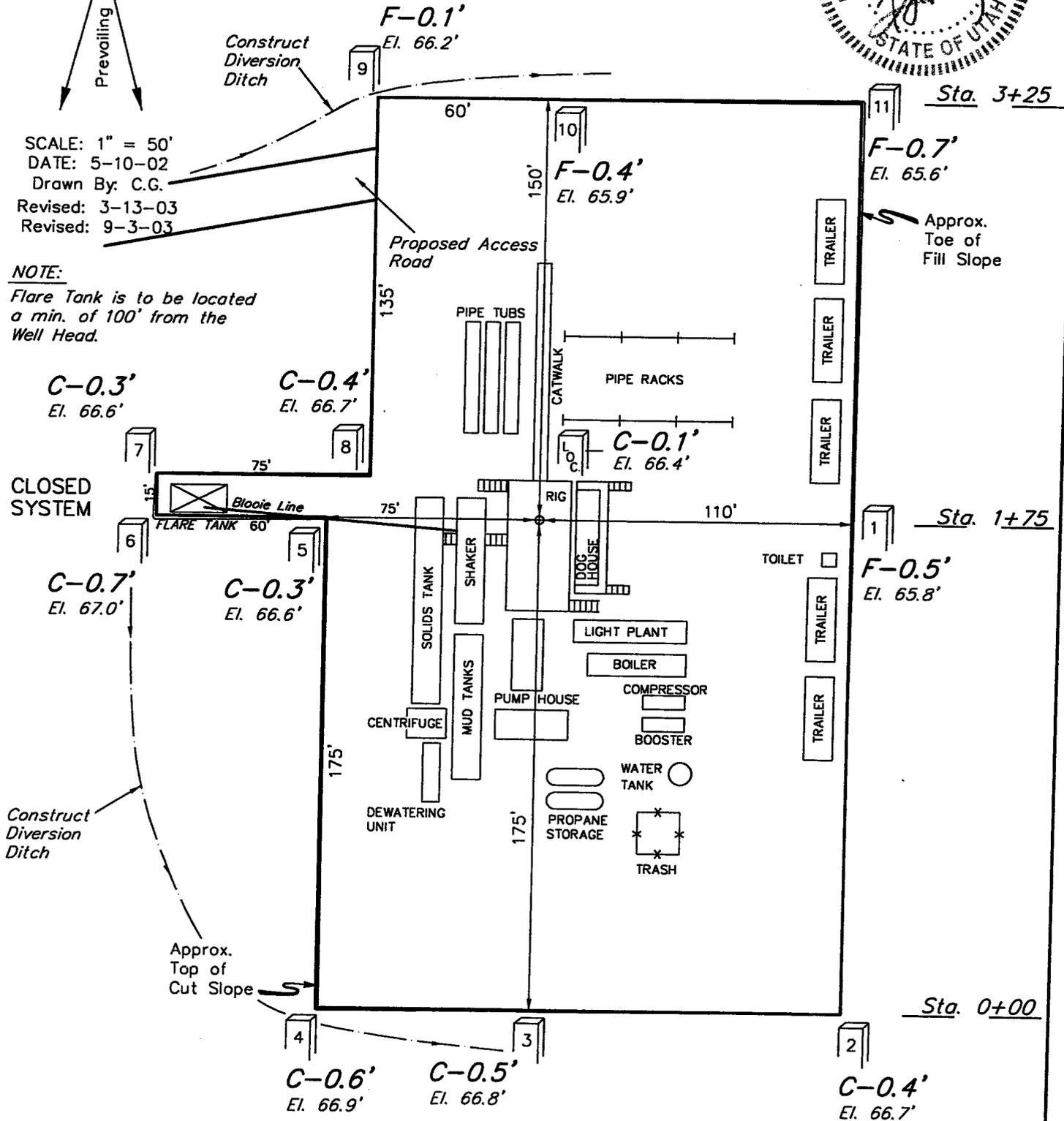
2159' FNL 2086' FWL



SCALE: 1" = 50'
 DATE: 5-10-02
 Drawn By: C.G.
 Revised: 3-13-03
 Revised: 9-3-03

NOTE:

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4666.4'
 FINISHED GRADE ELEV. AT LOC. STAKE = 4666.3'

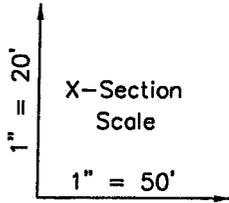
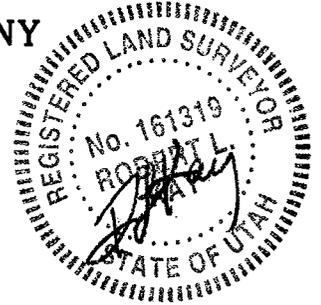
EL PASO PRODUCTION OIL & GAS COMPANY

TYPICAL CROSS SECTIONS FOR

KURIP #1-229

SECTION 1, T9S, R20E, S.L.B.&M.

2159' FNL 2086' FWL



DATE: 5-10-02
Drawn By: C.G.
Revised: 9-3-03

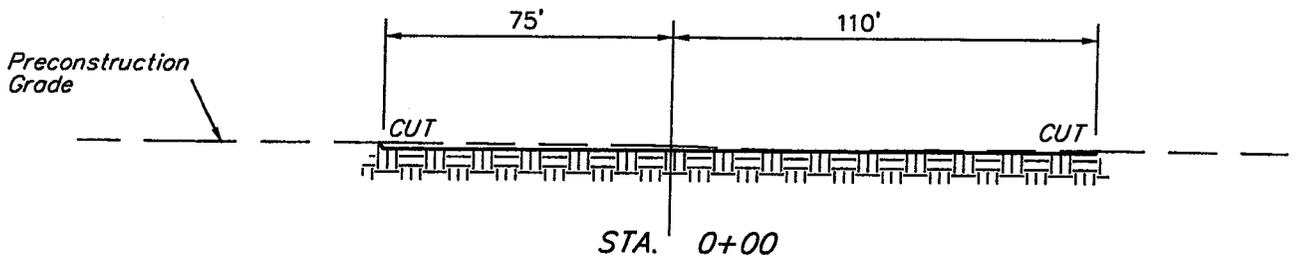
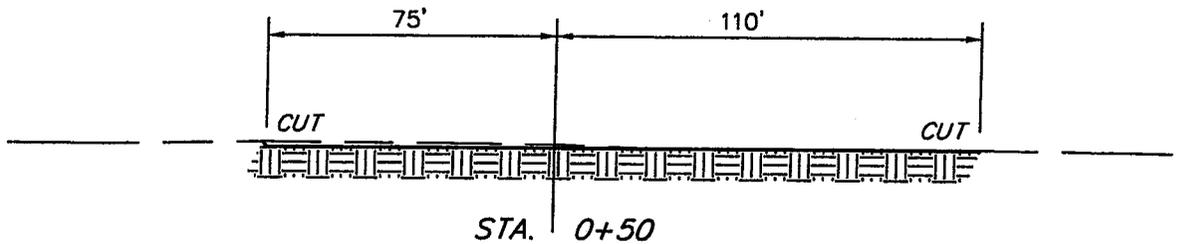
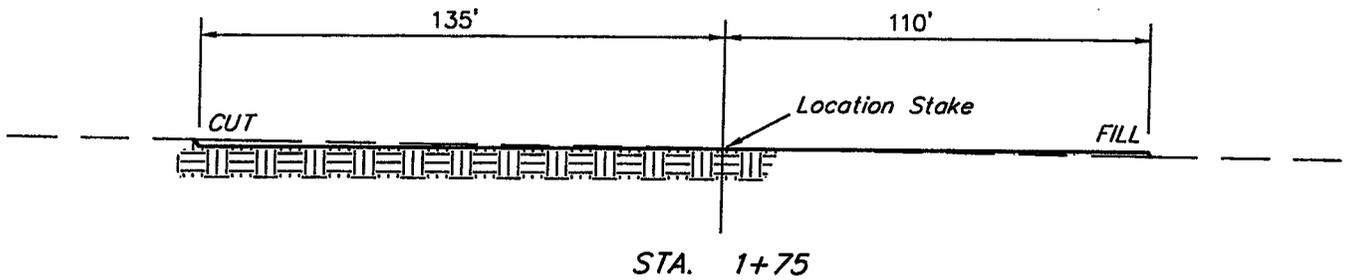
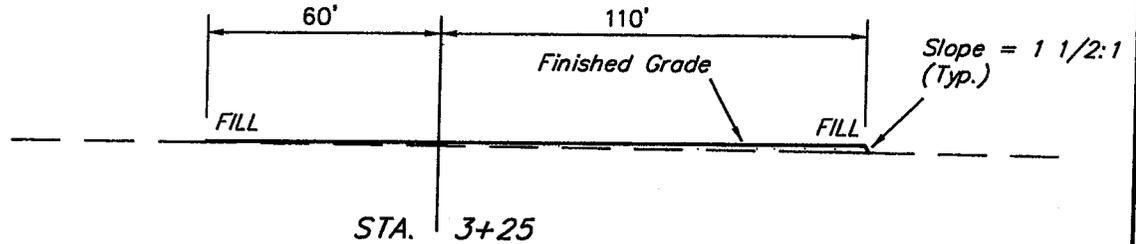


FIGURE #2

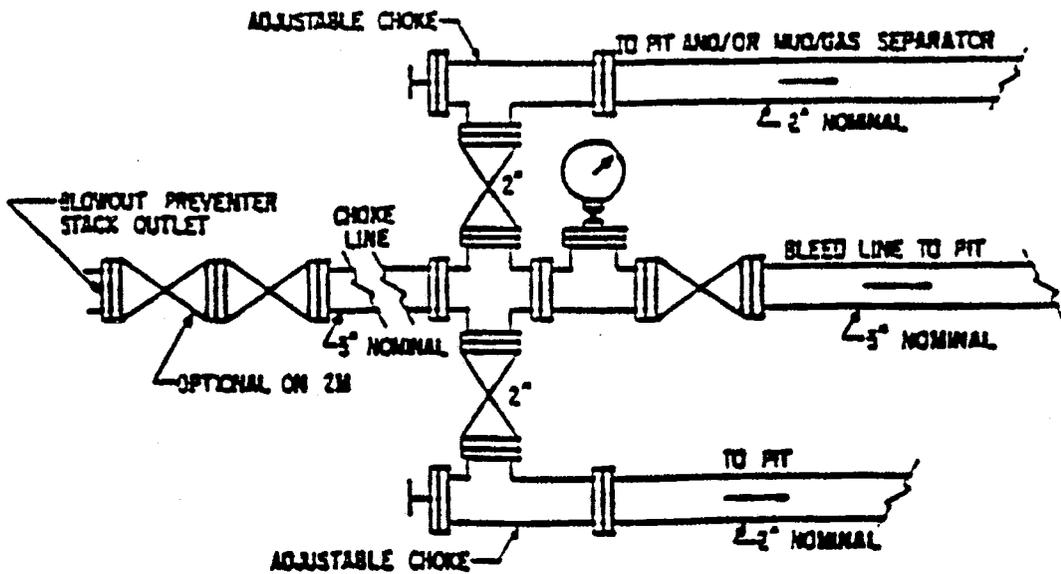
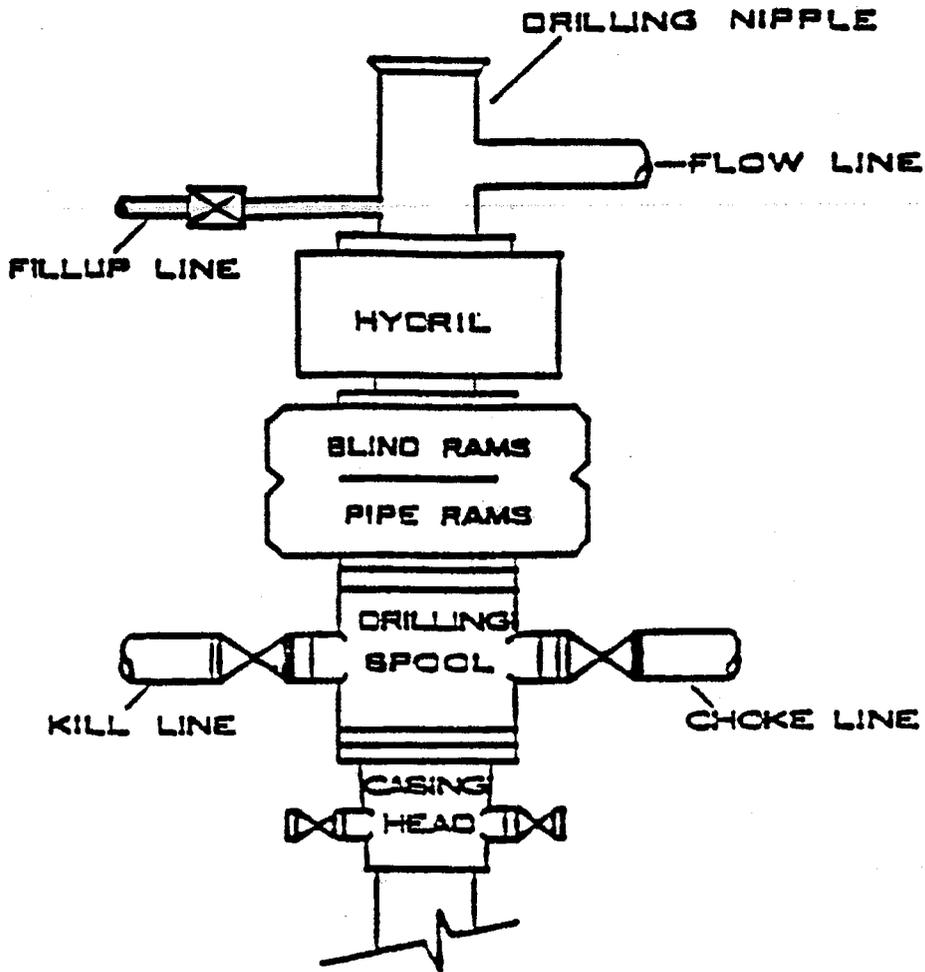
APPROXIMATE YARDAGES

TOTAL CUT = 280 CU.YDS.

TOTAL FILL = 280 CU.YDS.

3,000 PSI

BOP STACK



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/15/2003

API NO. ASSIGNED: 43-047-35196

WELL NAME: KURIP 1-229

OPERATOR: WESTPORT OIL & GAS CO (N2115)

CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

PROPOSED LOCATION:

SENW 01 090S 200E
SURFACE: 2159 FNL 2086 FWL
BOTTOM: 2159 FNL 2086 FWL
UINTAH
NATURAL BUTTES (630)

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

LEASE TYPE: 2 - Indian
LEASE NUMBER: 14-20-H62-3004
SURFACE OWNER: 2 - Indian

LATITUDE: 40.06602
LONGITUDE: 109.61714

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[2] Sta[] Fee[]
(No. RLB0005239)
- N Potash (Y/N)
- Y Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- N RDCC Review (Y/N)
(Date: _____)
- NA Fee Surf Agreement (Y/N)

LOCATION AND SITING:

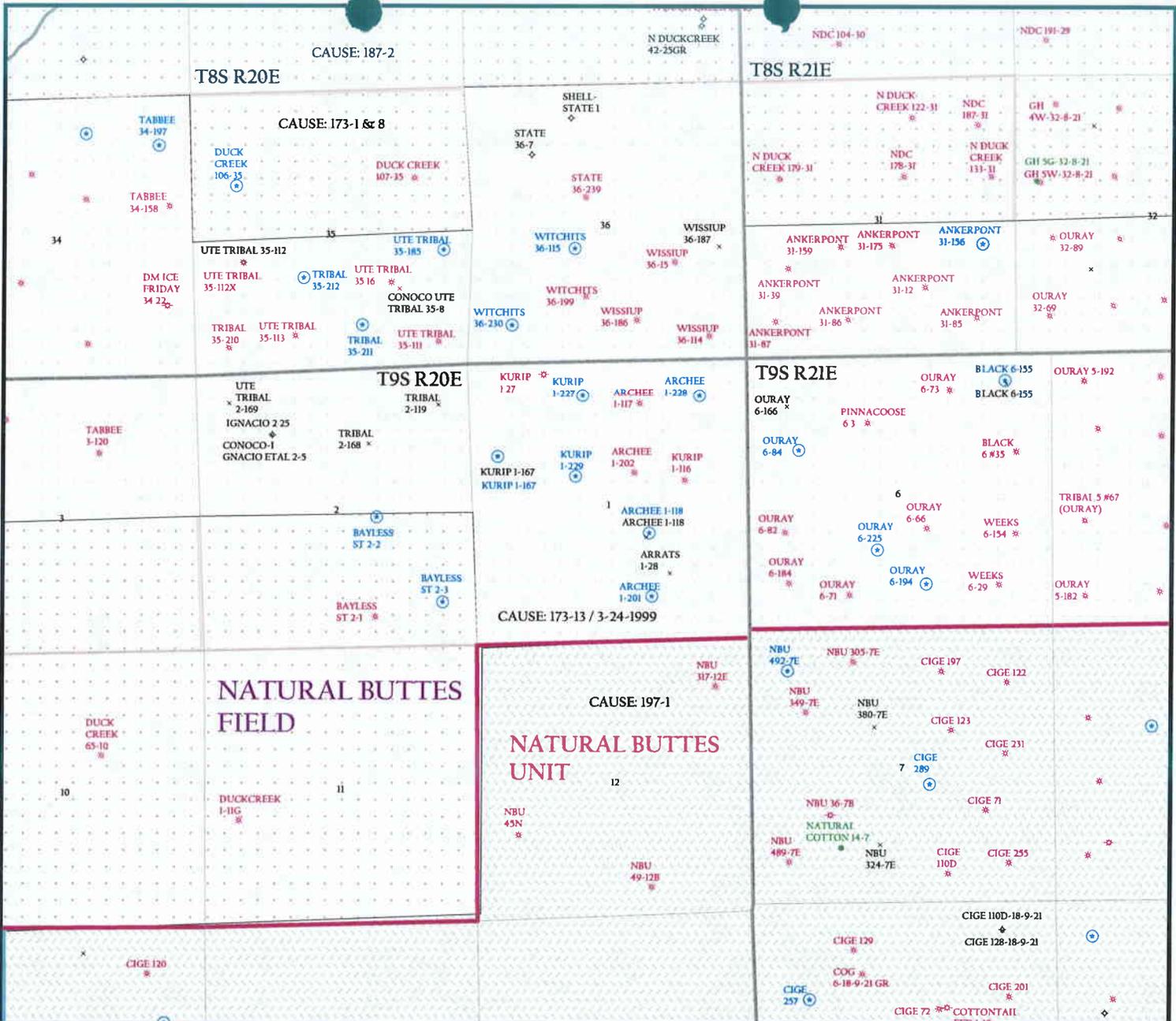
- ___ R649-2-3.
Unit _____
- ___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-13 (8/520')
Eff Date: 3-24-1999
Siting: 460' fr drl u boundary & 920' fr other wells
- ___ R649-3-11. Directional Drill

COMMENTS:

Sop, Separate file

STIPULATIONS:

1- Federal approval
2- Oil SHALE

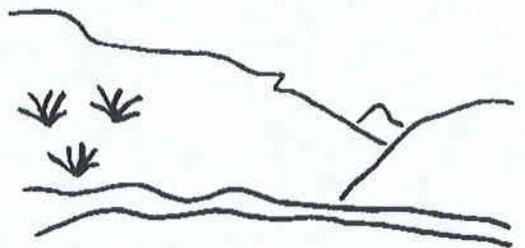


OPERATOR: WESTPORT O&G CO (2115)
SEC. 1 T. 9S, R. 20E
FIELD: NATURA BUTTES (630)
COUNTY: UINTAH
CAUSE: 173-13 / 3-24-1999

- Wells**
- GAS INJECTION
 - GAS STORAGE
 - LOCATION ABANDONED
 - ⊙ NEW LOCATION
 - PLUGGED & ABANDONED
 - PRODUCING GAS
 - PRODUCING OIL
 - SHUT-IN GAS
 - SHUT-IN OIL
 - × TEMP. ABANDONED
 - TEST WELL
 - ▲ WATER INJECTION
 - WATER SUPPLY
 - ↘ WATER DISPOSAL

- Unit Status**
- EXPLORATORY
 - GAS STORAGE
 - NF PP OIL
 - NF SECONDARY
 - PENDING
 - PI OIL
 - PP GAS
 - PP GEOTHERML
 - PP OIL
 - SECONDARY
 - TERMINATED

- Field Status**
- ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - PROPOSED
 - STORAGE
 - TERMINATED



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
 DATE: 16-SEPTEMBER-2003



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

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

September 16, 2003

Westport Oil & Gas Company
P O Box 1148
Vernal, UT 84078

Re: Kurip 1-229 Well, 2159' FNL, 2086' FWL, SE NW, Sec. 1, T. 9 South, R. 20 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 43-047-35196.

Sincerely,

A handwritten signature in cursive script, appearing to read "John R. Baza".

for

John R. Baza
Associate Director

pab
Enclosures

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

Operator: Westport Oil & Gas Company

Well Name & Number Kurip 1-229

API Number: 43-047-35196

Lease: 14-20-H62-3004

Location: SE NW **Sec.** 1 **T.** 9 South **R.** 20 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338.

3. Reporting Requirements

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

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

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

SEP 12 2003

BLM VERNAL, UTAH

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

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

005

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
14-20-H62-3004
6. If Indian, Allottee or Tribe Name
UTE INDIAN TRIBE
7. If Unit or CA Agreement, Name and No.

CR-168
8. Lease Name and Well No.
KURIP #1-229
9. API Well No.

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Blk, and Survey or Area
SECTION 1-T9S-R20E

12. County or Parish
UINTAH
13. State
UTAH

1a. Type of Work: DRILL REENTER
b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

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)-781-7024

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **SENW 2159'FNL & 2086'FWL**
At proposed prod. Zone

14. Distance in miles and direction from nearest town or post office*
8.1 MILES SOUTHEAST OF OURAY, UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **2159'**
16. No. of Acres in lease **320.00**
17. Spacing Unit dedicated to this well **318.34**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **REFER TO TOPO C**
19. Proposed Depth **7100'**
20. BLM/BIA Bond No. on file **RLB0005239**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **4666'GL**
22. Approximate date work will start* **UPON APPROVAL**
23. Estimated duration **TO BE DETERMINED**

24. Attachments

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

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

25. Signature *[Signature]* Name (Printed/Typed) **SHEILA UPCHEGO** Date **9/8/2003**

Title **REGULATORY ANALYST**
Approved by (Signature) *[Signature]* Name (Printed/Typed) Office Date **12/08/2003**
Title **Assistant Field Manager Mineral Resources**

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

NOTICE OF APPROVAL

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

*(Instructions on reverse)

CONDITIONS OF APPROVAL ATTACHED RECEIVED
DEC 15 2003
DIV. OF OIL, GAS & MI

04LW2351A

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Westport Oil and Gas Company LP.

Well Name & Number: Kurip 1-229

Lease Number: 14-20-H62-3004

Location: SENW Sec. 1 T.9S R. 20E

API Number: 43-047-35196

Agreement: CA - CR-168

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

CONDITIONS OF APPROVAL

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

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

A. DRILLING PROGRAM

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

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

2. Pressure Control Equipment

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

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

3. Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend at least 200' above the top of the Green River which has been identified at $\pm 2030'$.

4. Mud Program and Circulating Medium

None

5. Coring, Logging and Testing Program

Cement Bond Logs will be required from TD to the top of cement.

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

Please submit to this office, in LAS format, an electronic copy of all logs run on this well. This submission will replace the requirement for submittal of paper logs to the BLM.

6. Notifications of Operations

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

7. Other Information

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

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

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

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

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

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

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

The Ute Tribe Energy & Minerals Department shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday. A Tribal Technician is to routinely monitor construction. Westport shall make arrangements with the Ute Energy & Minerals Department for all monitoring that will exceed regular working hours for Tribal Technicians. A qualified Archaeologist accompanied by a Tribal Technician will monitor any trenching required for the construction of the pipeline. Westport is to inform contractors to maintain construction of the pipelines within approved 60 foot right of ways.

A corridor ROW, 60 feet wide and 1206 feet long, shall be granted for the pipeline and a ROW, 30 feet wide and 2673 feet long, shall be granted for the new access road. The constructed travel width of the access road will be limited to 18 feet. Upon authorization by the Ute Tribe Energy & Minerals Department, the road ROW may be wider where sharp curves; deep cuts and fills occur; or, where intersections with other roads are required. Upon completion of each pipeline in the corridor an adequate description of the pipeline will be filed with the Ute Tribe Energy & Minerals Department.

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

Production waters, oil, and other byproducts shall not be placed on access roads or the well pad.

At any locations where the produced water is hauled for drilling purposes, the reserve pits must have adequate liners or clay soils and the produced water may not be injected down the annulus of a well location after drilling has been completed.

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

Westport will implement "Safety and Emergency Plan" and ensure plan compliance.

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

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

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

A closed loop drilling system will be used for the drilling of this well.

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

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

Before the site is abandoned, Westport will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Soil erosion will be mitigated, by reseeded all disturbed areas.

The following Surface Protection / Rehabilitation conditions apply for Westport wells in the floodplains and have been included in the site specific Environmental Analysis for this location: These have been incorporated into the APD.

- Westport will strictly follow the procedures approved for down hole drilling operations.
- Westport's Construction activities will be monitored by Tribal Technicians and BIA.
- Westport will not conduct drilling operations or construction activities in the 100 year floodplains during seasonal high water conditions.
- Westport will design and construct well pads and roads so as not to impede surface water flow or interfere with fish movements during high water seasons. Also locations shall have drainage designed and installed to allow for natural flow movement of receding floodwaters. A gravel base will be installed across floodplain areas for well pads and well locations and excess gravel will be removed by Westport or Westport's subcontractors, prior to seasonal high water conditions. Location is to be built to grade and gravel used as necessary.
- Westport will periodically pressure test all buried pipelines which cross floodplain habitat to ensure that the buried pipelines are free of leaks and are in good condition.
- If the river channel moves within 100 feet of the well head, the Westport shall shut the well in and plug it immediately unless geologic or hydro-morphology survey determines that the well head is not of risk for damage from the river.
- Westport shall conduct production sampling and report quarterly gas production.
- The Westport Floodplain Wells shall have a dual pipeline system consisting of a flow line and a pressure relief line. The installation of the pipeline system for each of these wells is limited to a one time excavation.
- All Westport central tank batteries must be constructed outside of the flood plain.
- Westport shall use a closed loop drilling system.
- Westport shall build and maintain well pads and roads at natural ground level.
- Westport will elevate above ground well heads and Westport will use telemetry to control flow and shut down of production in emergency situations.
- Westport will conduct or have subcontractors conduct routine monitoring of soil and water quality for contamination.
- Westport will maintain daily surveillance of the production operations through the use of Electronic flow meters.

006



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

October 15, 2004

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

Re: APD Rescinded – Kurip 1-229, Sec. 1, T. 9S, R. 20E
Uintah County, Utah API No. 43-047-35196

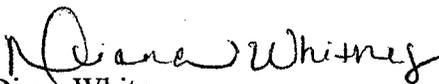
Dear Ms. Upchego:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 16, 2003. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 15, 2004.

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

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

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
Bureau Of Land Management, Vernal



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

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

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



IN REPLY REFER TO:

3160

UT08300

December 22, 2004

Sheila Upchego
Westport Oil & Gas Co.
1368 South 1200 East
Vernal, UT 84078

Re: Notification of Expiration
Well No. Kurip 1-229
SENW, Sec. 1, T9S, R20E
Uintah County, Utah
Lease No. 1420-H62-3004
CA No. CR-168

Dear Ms. Upchego:

The Application for Permit to Drill the above-referenced well was approved on December 8, 2003. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

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

Sincerely,

Leslie Walker

Leslie Walker

Legal Instruments Examiner

cc: UDOGM
BIA

RECEIVED

DEC 27 2004

DIV. OF OIL, GAS & MINING