

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.: UTU-19266	6. SURFACE: BLM
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Gasco Production Company		9. WELL NAME and NUMBER: Sheep Wash Federal #21-26-9-18	
3. ADDRESS OF OPERATOR: 8 Inverness Drive East, Suite 100, Englewood, CO 80112		PHONE NUMBER: 303/483-0044	10. FIELD AND POOL, OR WILDCAT: [REDACTED] Equinox Flat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 838' FNL and 2061' FWL AT PROPOSED PRODUCING ZONE: NE NW		597113X 40.006742 4428938Y -109.263242	11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN: Section 26, T9S - R18E
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 25.8 miles southeast of Myton, UT		12. COUNTY: Uintah	13. STATE: UT
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 838'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 Acres: NE NW	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): Approx. 4700'	19. PROPOSED DEPTH: 13,085'	20. BOND DESCRIPTION: Bond No. UT-1233	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4917' GL	22. APPROXIMATE DATE WORK WILL START: ASAP	23. ESTIMATED DURATION: 35 Days	

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
17-1/2"	13-3/8", H-40, 48#	200'	200 sx Premium Type 5, 15.6 ppg, 1.18 yield
12-1/4"	8-5/8", J-55, 32#	3,538'	593 sx Hi-Lift, 11 ppg, 3.91 yield + 185 sx 10-2 RFC, 14.2 ppg, 1.63 yield
7-7/8"	4-1/2", P-110, 13.5#	13,085'	523 sx Hi-Lift, 11.5 ppg, 3.05 yield + 1353 sx 50-50 Poz, 14.1 ppg, 1.28 yield

25. **ATTACHMENTS**

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

AGENT: **PermitCo Inc., 14421 County Road 10, Fort Lupton, CO 80621** AGENT'S PHONE NO.: **303/857-9999**

NAME (PLEASE PRINT) **Venessa Langmacher** TITLE **Agent for Gasco Production Company**

SIGNATURE *Venessa Langmacher* DATE **August 8, 2006**

(This space for State use only)

API NUMBER ASSIGNED: **43-047-38464**

(11/2001)

Federal Approval of this Action is Necessary

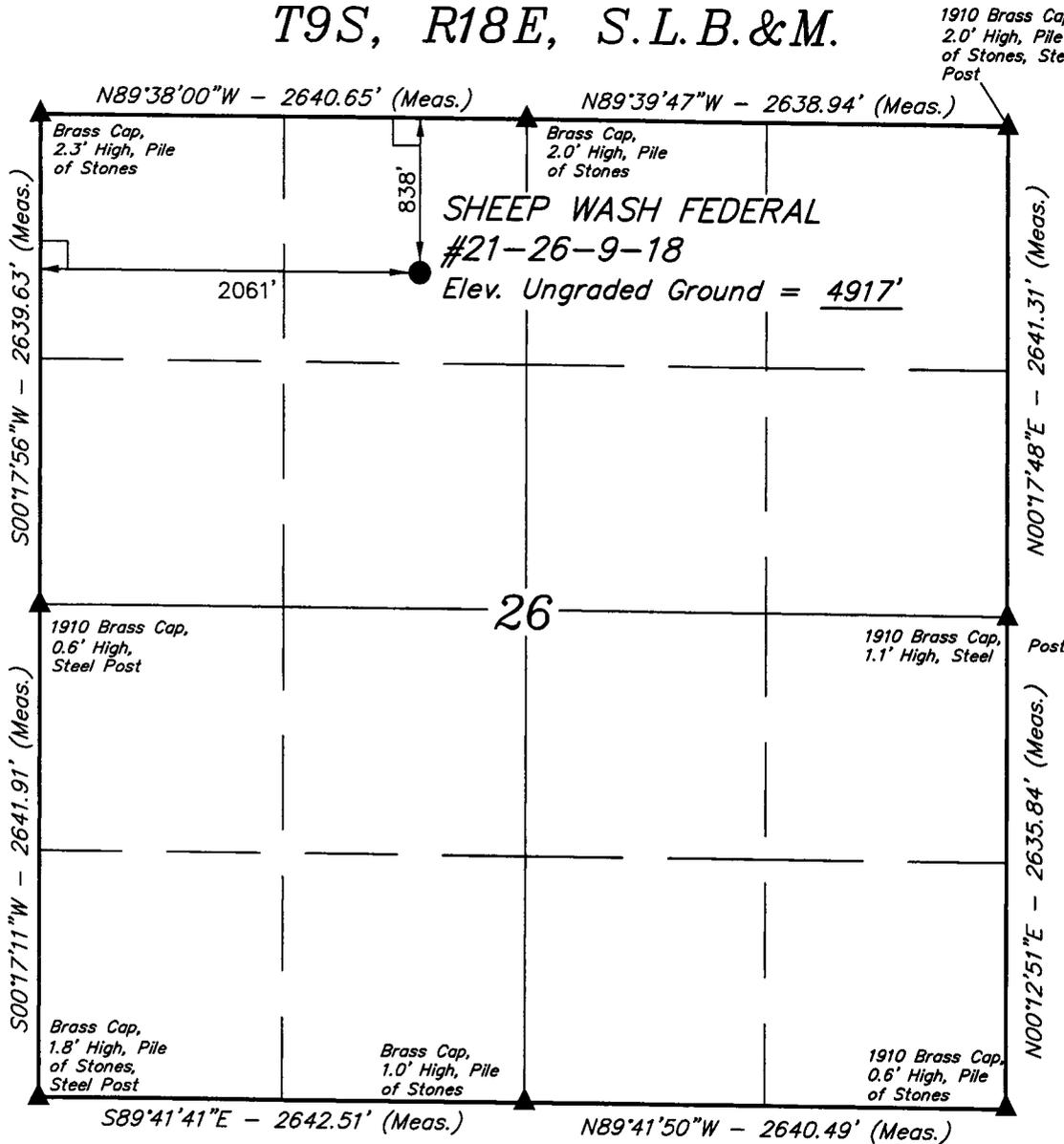
Approved by the
Division of
Oil, Gas and Mining
Date: **08-17-06**
By: *[Signature]*

RECEIVED
AUG 10 2006
DIV. OF OIL, GAS & MINING

T9S, R18E, S.L.B.&M.

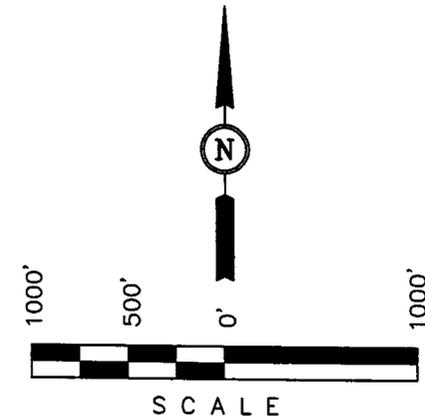
GASCO PRODUCTION COMPANY

Well location, SHEEP WASH FEDERAL #21-26-9-18, located as shown in the NE 1/4 NW 1/4 of Section 26, T9S, R18E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHWEST CORNER OF SECTION 31, T9S, R19E, S.L.B.&M. TAKEN FROM THE MOON BOTTOM, 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 4838 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.

John A. [Signature]
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 78179
 STATE OF UTAH

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LEGEND:

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

(AUTONOMOUS NAD 83)
 LATITUDE = 40°00'24.72" (40.006867)
 LONGITUDE = 109°51'46.51" (109.862919)
 (AUTONOMOUS NAD 27)
 LATITUDE = 40°00'24.85" (40.006903)
 LONGITUDE = 109°51'44.00" (109.862222)

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 01-02-06	DATE DRAWN: 01-12-06
PARTY B.H. J.T. L.K.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE GASCO PRODUCTION COMPANY	



14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

August 8, 2006

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801
Attn: Minerals

Re: **Gasco Production Company**
Sheep Wash Federal #21-26-9-18
838' FNL and 2061' FWL
NE NW Section 26, T9S - R18E
Uintah County, Utah

Gentlemen:

Enclosed please find one copy of the Application for Permit to Drill, along with one copy of the Onshore Order No. 1 which was filed with the BLM in Vernal, Utah.

If you should need additional information, please don't hesitate to contact me. Approved copies of the A.P.D. should be sent to Permitco Inc. at the address shown above.

Sincerely,

PERMITCO INC.

Venessa Langmacher
Consultant for
Gasco Production Company

Enc.

cc: **Gasco Production Company - Englewood, CO**
Shawn Elworthy - Roosevelt, UT

RECEIVED
AUG 10 2006
DIV. OF OIL, GAS & MINING

CONFIDENTIAL - TIGHT HOLE

ONSHORE OIL & GAS ORDER NO. 1

**Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases**

**Sheep Wash Federal #21-26-9-18
838' FNL and 2061' FWL
NE NW Section 26, T9S - R18E
Uintah County, Utah**

Prepared For:

Gasco Production Company

By:

**PERMITCO INC.
14421 County Road 10
Ft. Lupton, Colorado 80621
303/857-9999**

CONFIDENTIAL - TIGHT HOLE

Copies Sent To:

- 3 - Bureau of Land Management - Vernal, UT**
- 1 - Utah Division of Oil, Gas & Mining - SLC, UT**
- 2 - Gasco Production Company - Englewood, CO**
- 1 - Shawn Elworthy - Roosevelt, UT**



APPLICATION FOR PERMIT TO DRILL OR REENTER

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.
Attached.
2. A Drilling Plan
Attached.
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.
See Surface Use Plan Attached.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20).
Bond coverage for this well is provided by Gasco Production Company under their BLM Bond No. UT-1233.
5. Operator certification.
Please be advised that Gasco Production Company is considered to be the operator of the above mentioned well. Gasco Production Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.
6. Such other site specific information and/or plans as may be required by the authorized officer.

**ONSHORE OIL & GAS ORDER NO. 1
 Approval of Operations on Onshore
 Federal and Indian Oil and Gas Leases**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. **ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS**

<i>Formation</i>	<i>Depth</i>	<i>Subsea</i>
Wasatch	5,410'	-475'
Mesaverde	9,345'	-4,410'
Castlegate	11,855'	-6,920'
Blackhawk	12,100'	-7,165'
Spring Canyon	12,785'	-7,850'
T.D.	13,085'	-8,150'

2. **ESTIMATED DEPTH OF ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS:**

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Gas	Wasatch	5,700'-9,345'
Gas	Mesaverde	9,345'-11,855'
Gas	Blackhawk	12,100'-12,785'

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.



3. PRESSURE CONTROL EQUIPMENT

Gasco Production Company's minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double with annular, 5000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.



BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 5000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. **PROPOSED CASING AND CEMENTING PROGRAM:**

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.



- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.



m. The proposed casing program will be as follows:

<i>Purpose</i>	<i>Depth</i>	<i>Hole Size</i>	<i>O.D.</i>	<i>Weight</i>	<i>Grade</i>	<i>Type</i>	<i>New/Used</i>
Conductor	0-200'	17-1/2"	13-3/8"	48#	H-40	---	New
Surface	0-3,538'	12-1/4"	8-5/8"	32#	J-55	ST&C	New
Production	0-13,085'	7-7/8"	4-1/2"	13.5#	P-110	LT&C	New

n. Casing design subject to revision based on geologic conditions encountered.

o. The cement program will be as follows:

<i>Conductor</i>	<i>Type and Amount</i>
0' - 200'	200 sx Premium Type 5 @ 15.6 ppg, 1.18 cu ft/sk yield
<i>Surface</i>	<i>Type and Amount</i>
TOC @ Surface	Lead: 593 sx Hi-Lift @ 11 ppg, 3.91 cu ft/sk yield Tail: 185 sx 10-2 RFC @ 14.2 ppg, 1.63 cu ft/sk yield
<i>Production</i>	<i>Type and Amount</i>
TOC @ 2,500'	Lead: 523 sx Hi-Lift @ 11.5 ppg, 3.05 cu ft/sk yield Tail: 1353 sx 50:50 Poz @ 14.1 ppg, 1.28 cu ft/sk yield

p. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

r. The following reports shall be filed with the District Manager within 30 days after the work is completed.



1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
 - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- s. Auxiliary equipment to be used is as follows:
 1. Kelly cock
 2. No bit float is deemed necessary.
 3. A sub with a full opening valve.

5. MUD PROGRAM

- a. The proposed circulating mediums to be employed in drilling are as follows:

<i>Interval</i>	<i>Mud Type</i>	<i>Mud Wt.</i>	<i>Visc.</i>	<i>F/L</i>	<i>PH</i>
0' - 200'	Fresh Water	8.33	1	---	7
200' - 3,538'	Fresh Water	8.33	1	---	7-8
3,538' - TD	Fresh Water & DAP	9.0-11.5	30-40	12-20	8

There will be sufficient mud on location to control a blowout should one occur.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

- b. Mud monitoring equipment to be used is as follows:
 1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.



- c. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or 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.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

6. EVALUATION PROGRAM

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of a Schlumberger Platform Express (or equivalent) to be run from base of surface casing to T.D.



- c. No cores are anticipated.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program will be as follows: Perforate multistage fracs and complete all productive Blackhawk, Mesaverde and Wasatch zones present in wellbore. Produce all zones commingled.
- f. Daily drilling and completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

7. ABNORMAL TEMPERATURES OR PRESSURES

- a. The expected bottom hole pressure is 7328 psi. The maximum bottom hole temperature will be 222 degrees Fahrenheit.
- b. No hydrogen sulfide gas is anticipated. Abnormal Pressures will be controlled with the mud weight.

8. ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS

- a. Drilling is planned to commence upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 35 days.
- c. The BLM in Vernal, Utah shall be notified of the anticipated date of location construction commencement and of anticipated spud date.



- d. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.
- g. 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.
- h. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

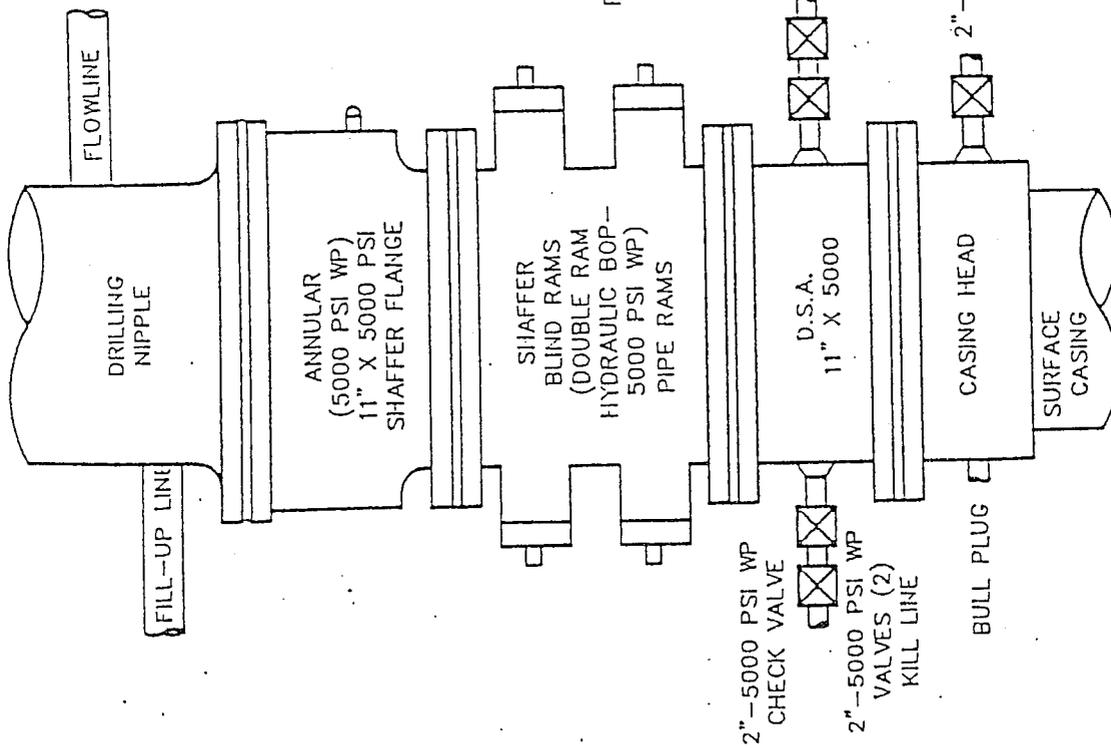


- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.).
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.
- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

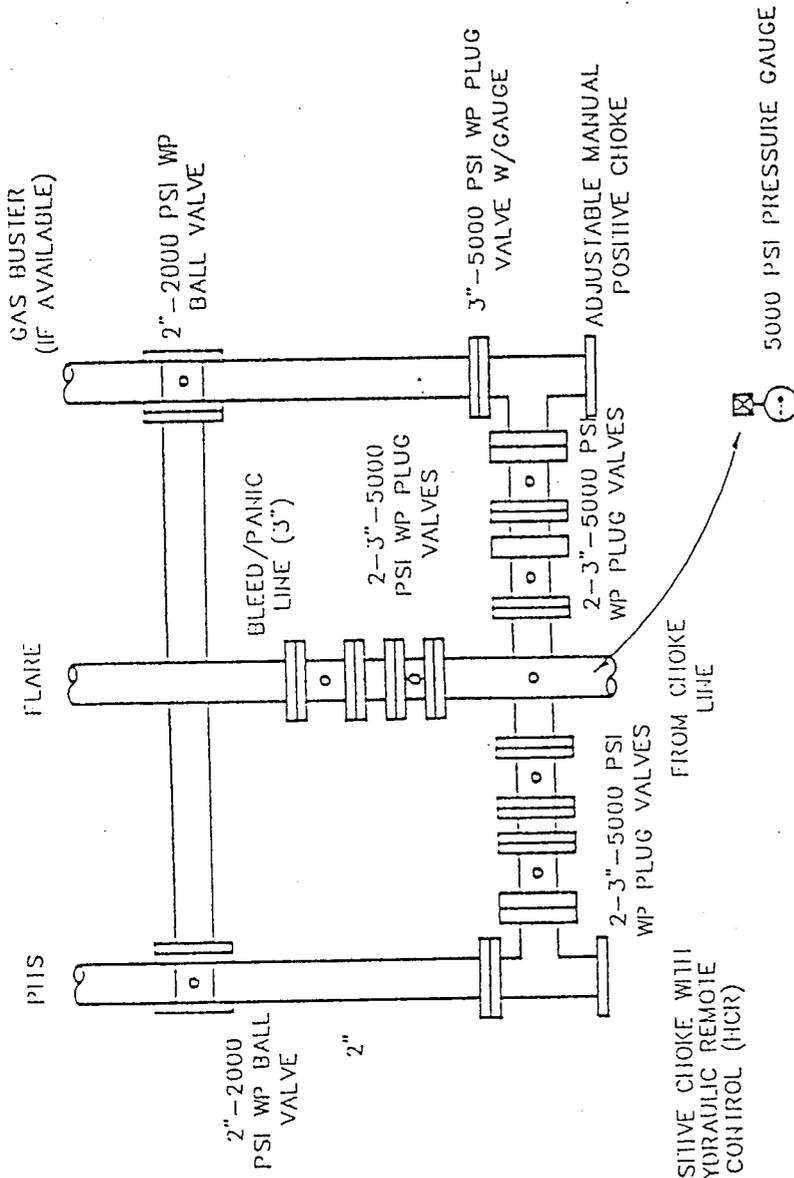
Bureau of Land Management 170 South 500 East Vernal, Utah 84078		
Phone: 435/781-4400		Fax: 435/781-4410
After Hours:		
Matt Baker	Petroleum Engineer	435/828-4470
Michael Lee	Petroleum Engineer	435/828-7875



**BOP SCHEMATIC
5000 PSI WORKING PRESSURE**



PLAN VIEW CHOKER MANIFOLD



THE HYDRAULIC CLOSING UNIT WILL BE LOCATED MORE THAN 30' FROM THE WELLHEAD. CHOKER AND BLEED/PANIC LINES WILL GO TO THE PIT AND FLARE. ALL CONNECTIONS IN CHOKER LINES AND MANIFOLD WILL BE FLANGED OR WELDED. ALL FLANGES SHOULD BE RING JOINT GASKET TYPE. ALL TURNS IN LINES SHALL BE CONSTRUCTED USING TARGETING 90° TEES OR ELLS. ALL LINES SHALL BE ANCHORED.

**ONSHORE OIL & GAS ORDER NO. 1
NOTIFICATION REQUIREMENTS**

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

The onsite inspection for the subject well site was conducted on Tuesday, March 14, 2006 at approximately 11:00 a.m. Weather conditions were clear and cool. In attendance at the onsite inspection were the following individuals:

Chris Carusona	Natural Resource Specialist	Bureau of Land Management
Charlie Sharp	Botanist	Bureau of Land Management
Brandon McDonald	Wildlife Biologist	Bureau of Land Management
Bekee McGown	T & E Biologist	U.S. Fish & Wildlife
Lisa Smith	Permitting Agent	Permitco Inc.
Randy Smith	Field Assistant	Permitco Inc.
Caleb Rounsaville	Production Superintendent	Gasco Production Company
Shawn Elworthy	Field Supervisor	Gasco Production Company
Shawn Hawk	Surveyor	Uintah Engineering and Land Surveying

1. EXISTING ROADS

- a. The proposed well site is located approximately 25.8 miles southeast of Myton, Utah.



- b. Directions to the location from Myton, Utah are as follows:

Proceed southwesterly on Highway 40 for 1.5 miles. Turn left and proceed southeasterly for approximately 11 miles to the Castle Peak Mine. Turn left and proceed east for approximately 6.7 miles on the 8 mile flat road. Turn right and proceed southeasterly on an improved road for 4.8 miles. Turn right and proceed southerly for 0.3 miles to a fork in the road. Turn right and proceed westerly for 0.5 miles. Turn right onto the proposed access for the #41-26-9-18 and proceed northwesterly 0.4 miles. Turn left onto the proposed access and proceed westerly 0.6 miles until reaching the proposed location.

- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to existing main roads will not be required.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. PLANNED ACCESS ROADS

- a. Approximately 0.6 miles of new construction will be necessary.
- b. The maximum grade of the new construction will be approximately 4%.
- c. No turnouts are planned.
- d. Low water crossings will be constructed as deemed necessary at the time of construction. No culverts will be necessary.
- e. The last 0.6 miles of new access road was centerline flagged at the time of staking.
- f. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.
- g. No cattle guards will be necessary.



- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- i. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- j. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
- k. No chemicals subject to reporting under SARA Title III in an amount equal to or 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.
- l. Road right of way is requested for the portion of access road crossing Section 25, T9S-R18E until reaching the County Road. We are requesting that this APD be used as our request for ROW. Please notify us once a category determination fee has been made so that we may send the necessary filing fees.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION.

(See Map "C")

- a. Water wells - none
- b. Injection wells - none
- c. Producing wells - one
- d. Drilling wells - none



- e. Shut-in wells - none
- f. Temporarily abandoned wells - none
- g. Disposal wells -none
- h. Abandoned wells - three
- i. Dry Holes - none

4. **LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES.**

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Carlsbad Canyon. 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.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. If production is established a production facility layout will be submitted via Sundry Notice.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the separator. Meter runs will be housed and/or fenced.
- f. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.



- g. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- h. Any necessary pits will be properly fenced to prevent any wildlife entry.
- i. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- j. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- k. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- l. The road will be maintained in a safe useable condition.
- m. Produced water will be stored in a 300 bbl heated, insulated tank, then hauled to a commercial disposal site such as Disposal Inc., or Brennan Bottom.
- n. Pipelines will follow the route shown on Map D. See Pipeline detail attached. We are requesting that this APD be used as our pipeline ROW application. ROW is requested for the portion of pipeline located in Section 25, T9S-R18E. Please notify us of the required filing fees.

5. LOCATION AND TYPE OF WATER SUPPLY

- a. The proposed water source will be the Nebecker Water Service at the Nebecker Water Station in Myton, permit #43-1721.
- b. Water will be hauled by Nebecker Water Service to the location over the access roads shown on Maps A and B.
- c. No water well will be drilled on this lease.



6. SOURCE OF CONSTRUCTION MATERIAL

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. Any gravel used will be obtained from a commercial source.
- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.

7. METHODS OF HANDLING WASTE DISPOSAL

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. At the request of the BLM, the reserve pit will be lined with a 12 mil liner. If fractured rock is encountered, the pit will be first lined with sufficient bedding (either straw or dirt) 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, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- d. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- e. Drill cuttings are to be contained and buried in the reserve pit.
- f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.



- g. A chemical porta-toilet will be furnished with the drilling rig.
- h. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. WELL SITE LAYOUT

- a. The operator or his/her contractor shall contact the BLM Office at 435/781-4400 forty-eight (48) hours prior to construction activities.
- b. The reserve pit will be located on the south side of the location.
- c. The flare pit will be located on the west side of the reserve pit, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the south side of the location, between Corners 6 and 7 near the wellpad. Topsoil along the access route will be wind rowed on the uphill side.
- e. Access to the well pad will be from the east as shown on the Pit & Pad Layout.
- f. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.
- g. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Location Layout.
- h. All pits will be fenced according to the following minimum standards:
 - 1. 39 inch net wire shall be used with at least one strand or 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).



2. The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.
 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- i. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. **PLANS FOR RESTORATION OF SURFACE**

Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. If a plastic nylon reinforced liner is used it shall be torn and perforated before backfilling of the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities or operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.



- e. Reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer. A seed mixture will be specified by the Bureau of Land Management in their Conditions of Approval for the subject well.

Seeding will be performed immediately after the location has been reclaimed and the pit has been backfilled, regardless of the time of year. Seed will be broadcast and walked in with a dozer.

- f. The topsoil stockpile will be seeded as soon as the location has been constructed with the same recommended seed mix. The seed will be walked in with a cat.
- g. The following seed mixture has been recommended by the BLM.

<i>Species</i>	<i>#/s per Acre</i>
Western Wheatgrass	6
Galletta	6
TOTAL	12

Dry Hole

- h. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Access Roads - The majority of the access roads are maintained by the County Road Department or the Bureau of Land Management.

Well pad - The well pad is located on lands managed by the BLM.



12. OTHER INFORMATION

- a. A Class III archeological survey was previously conducted by Grand River Institute. A copy of this report is attached.
- b. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
 - a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.
- c. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- d. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure.



- e. 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 is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- f. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- g. There will be no deviation from the proposed drilling and/or work over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- h. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- i. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period. After permit termination, a new application will be filed for approval for any future operations.
- j. The operator or his contractor shall contact the BLM Offices at 435/781-4400 48 hours prior to construction activities.
- k. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

13. **LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION**

Permit Matters

PERMITCO INC.
14421 County Road 10
Ft. Lupton, CO 80621
303/857-9999 (O)
303/857-0577 (F)
Lisa Smith

Drilling & Completion Matters

Gasco Production Company
8 Inverness Drive East, Suite 100
Englewood, CO 80112
John Longwell
303/483-0044 (O)
303/483-0011(F)



ONSHORE ORDER NO. 1
Gasco Production Company
Sheep Wash Federal #21-26-9-18
838' FNL and 2061' FWL
NE NW Section 26, T9S - R18E
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-19266

SURFACE USE PLAN

Page 12

Shawn Elworthy - Field Superintendent
Roosevelt, UT
435-823-4272 (cell)

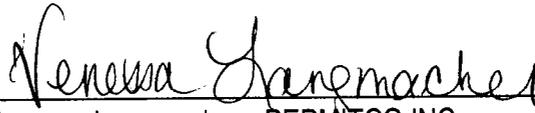
CERTIFICATION

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

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

April 5, 2006

Date:



Venessa Langmacher - PERMITCO INC.

Authorized Agent for:

Gasco Production Company



PIPELINE INFORMATION
Sheep Wash Federal #21-26-9-18

1. The type of pipeline is a single well flow line.
2. The outside diameter (O.D.) of all will be 8 inches maximum.
3. The anticipated production through the line is approximately 2000 MCF per day.
4. The anticipated maximum test pressure is 1000 psi.
5. The anticipated operating pressure is 100-200 psi.
6. The type of pipe is steel.
7. The method of coupling is welded.
8. The pipeline will be laid on surface because of the extremely rocky surface.
9. There are no other pipelines to be associated in same right of way.
10. There will be other objects to be associated in the same right of way. (Risers, Pig Launchers Pig Traps, meters and other appurtenances as required.)
11. The total length of pipeline is approximately 8600 feet - see Map D.
12. The line will be laid on surface as shown on Map D. Where possible, the pipeline will follow existing or proposed roads.
13. The construction width for total surface disturbing activities is 30 feet.
14. The estimated total acreage involving all surface disturbing activities is 5.92 acres.
15. Any surface disturbance created as a result of the pipeline construction will be reclaimed utilizing the reclamation procedures and seed mixture specified by the Bureau of Land Management.
16. The line will be tested with gas pressure to 1000 psi.



FEDERAL STIPULATIONS AND TIMING RESTRICTIONS

The following timing stipulations apply:

Burrowing Owl	April 1 st - June 15 th
Mountain Plover	May 15 th - June 15 th
Possible Raptor	To be Determined by the BLM



✦ Grand River Institute ✦

P.O. Box 3543 ✦ Grand Junction, CO 81502 ✦ 970/245-7868 FAX 970/245-6317

March 9, 2006

Gasco, Inc.
8 Inverness Drive East
Suite 100
Englewood, CO 80112

Attn: Mike Decker

Re: GRI Project No. 2613 – Class III cultural resources inventory for Gasco Production Company of eleven proposed well locations (Sheep Wash Fed. #21-26-9-18, Sheep Wash Fed. #23-26-9-18, Sheep Wash Fed. #32-26-9-18, Fed. #23-18-9-19, Fed. #34-21-9-19, Fed. #14-30-9-19, Uteland Fed. #41-3-10-18, Fed. #14-12-10-18, Fed. #23-12-10-18, Fed. #32-12-10-18, and Fed. #34-12-10-18) and 6.0 miles of linear routes (roads and/or pipelines) in Uintah County, Utah

Dear Mike:

Enclosed is one copy of our final report for the above cited project. Copies have been distributed as indicated below. Also enclosed is our invoice. Please call me if you have any questions or comments.

Sincerely,



Carl E. Conner
Director

Enc.

Distribution:

2 – Blaine Phillips, BLM-VFO
✓ – Lisa Smith, Permitco



**Summary Report of Cultural
Resources Inspection**

**Project No.: U06-GB-0119b
[GRI Project No. 2613]**

1. Report Title: **Class III cultural resources inventory for Gasco Production Company of eleven proposed well locations (Sheep Wash Fed. #21-26-9-18, Sheep Wash Fed. #23-26-9-18, Sheep Wash Fed. #32-26-9-18, Fed. #23-18-9-19, Fed. #34-21-9-19, Fed. #14-30-9-19, Uteland Fed. #41-3-10-18, Fed. #14-12-10-18, Fed. #23-12-10-18, Fed. #32-12-10-18, and Fed. #34-12-10-18) and 6.0 miles of linear routes (roads and/or pipelines) in Uintah County**

2. Report Date: **03/09/2006** 3. Date(s) of Survey: **03/2, 3 and 4/2006**

4. Development Company: **Gasco Production Company**

5. Responsible Institution: **BLM Vernal Field Office**

6. Responsible Individuals Principal Investigator: Field Supervisor: **Carl E. Conner**

Report Author(s): **Carl E. Conner and Barbara J. Davenport**

7. BLM Field Office: **Vernal Field Office**

8. County(ies): **Uintah**

9. Fieldwork Location: **T. 9 S., R. 18 E., Section 26; T. 9 S., R. 19 E., Sections 18, 21 and 30; T. 10 S., R. 18 E., Sections 3, 11 and 12; S.L.B.M.**

10. Record Search:

Location of Records Searched for BLM: **BLM Vernal, UDSH** Date: **02/27/2006**

11. Description of Proposed Project: **Eleven well locations and 6.0 miles of linear routes**

12. Description of Examination Procedures: **A Class III, 100% pedestrian, cultural resources survey of the proposed well location was made by walking a series of concentric circles around the flagged center to a diameter of 750 feet. The linear routes were surveyed by walking four parallel transects spaced at 15m intervals and centered on the flagged lines to cover 200 foot-wide corridors.**

13. Area Surveyed:	BLM	OTHER FED	STATE	PRI.
Linear Miles Intensive:	6.0			
Recon/Intuitive:				
Acreage Intensive:	110			
Recon/Intuitive:				

14. Sites Recorded:

Smithsonian Site Numbers	#	BLM	OTHER FED	STATE	PRI.
Revisits NR Eligible	0				
(no IMACS form) Not Eligible	0				
Revisits NR Eligible	0				
updated IMACS) Not Eligible	0				
New Recordings NR Eligible	0				
Not Eligible	2	42UN5201 42UN5202			
Total Number of Archaeological Sites	0				
Historic Structures (USHS Form)	0				
Total National Register Eligible Sites	0				

15. Description of Findings: (see attached report) **No significant historic properties were identified within the areas of direct impact.**

16. Collection Yes No

(If Yes) Curation Facility:

Accession Number(s):

17. Conclusion/Recommendations: **Clearance is recommended.**

UTAH STATE COVER PAGE

Must Accompany All Project Reports
Submitted to Utah SHPO

Project Name: Class III cultural resources inventory for Gasco Production Company of eleven proposed well locations (Sheep Wash Fed. #21-26-9-18, Sheep Wash Fed. #23-26-9-18, Sheep Wash Fed. #32-26-9-18, Fed. #23-18-9-19, Fed. #34-21-9-19, Fed. #14-30-9-19, Uteland Fed. #41-3-10-18, Fed. #14-12-10-18, Fed. #23-12-10-18, Fed. #32-12-10-18, and Fed. #34-12-10-18) and 6.0 miles of linear routes (roads and/or pipelines) in Uintah County, Utah

State Proj. No. **U06-GB-0119b**

Report Date: **3/09/2006**

County(ies): **Uintah**

Principal Investigator: **Carl E. Conner**

Field Supervisor(s): **Carl E. Conner**

Records search completed at: **BLM and UDSH**

Record search date(s): **2/27/06**

Acreage Surveyed ~ Intensive: **255.45**

Recon/Intuitive: **0 acres**

7.5' Series USGS Map Reference(s): **Moon Bottom 1985, Uteland Butte 1964**

Sites Reported	Count	Smithsonian Site Numbers
Archaeological Sites Revisits (no inventory form update)	0	
Revisits (updated IMACS site inventory form attached)	0	
New recordings (IMACS site inventory form attached)	2	42UN5201 and 42UN5202
Total Count of Archaeological Sites	2	
Historic Structures (USHS 106 site info form attached)	0	
Total National Register Eligible Sites	0	

-----Checklist of Required Items-----

1. Copy of the Final Report
2. Copy of 7.5' Series USGS Map with Surveyed/Excavated Area Clearly Identified.
3. Completed IMACS Site Inventory Forms, Including
 - Parts A and B or C, The IMACS Encoding Form,
 - Site Sketch Map, Photographs
 - Copy of the appropriate 7.5' Series USGS Map w/ the Site Location Clearly Marked and Labeled with the Smithsonian Site Number
4. Completed "Cover Sheet" Accompanying Final Report and Survey Materials (Please make certain all of your checked items are attached.)

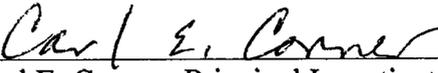
**Class III Cultural Resource Inventory Report
For
Eleven Proposed Well Locations and Related Linear Routes (6.0 miles)
In the Eightmile Area of Uintah County, Utah
for
Gasco Production Company**

Declaration of Positive Findings

GRI Project No. 2613
9 March 2006

Prepared by

Grand River Institute
P.O. Box 3543
Grand Junction, Colorado 81502
BLM Antiquities Permit No.05UT54939
UDSH Project Authorization No. U06-GB-0119b



Carl E. Conner, Principal Investigator

Submitted to

The Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

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Abstract

Grand River Institute conducted a Class III cultural resources inventory for Gasco Production Company of eleven proposed well locations (Sheep Wash Fed. #21-26-9-18, Sheep Wash Fed. #23-26-9-18, Sheep Wash Fed. #32-26-9-18, Fed. #23-18-9-19, Fed. #34-21-9-19, Fed. #14-30-9-19, Uteland Fed. #41-3-10-18, Fed. #14-12-10-18, Fed. #23-12-10-18, Fed. #32-12-10-18, and Fed. #34-12-10-18) and 6.0 miles of linear routes (roads and/or pipelines) in Uintah County, Utah, under BLM Antiquities Permit No. 05UT-54939 and Utah Division of State History (UDSH) Project Authorization No. U06-GB-0119b. This work was done to meet requirements of Federal laws that protect cultural resources.

Files searches conducted through the BLM Vernal Field Office (BLM) and through Utah Division of State History indicated no sites were previously recorded in the project areas. Field work was performed on the 2nd, 3rd and 4th of March 2006. A total of about 255.45 acres (BLM) was inspected.

As a result two prehistoric sites were encountered. A large lithic procurement site (42UN5201) and one small, prehistoric lithic scatter (42UN5202) were newly recorded in association with the inventory. Both were field evaluated as non-significant and no further work is advised. Accordingly, no significant historical properties were identified within the areas of direct impact and archaeological clearance is recommended for the proposed wells and linear routes.

Introduction

At the request of Gasco, Inc. and the Bureau of Land Management Vernal Field Office (BLM), Grand River Institute (GRI) conducted a Class III cultural resources inventory for Gasco Production Company of eleven proposed well locations (Sheep Wash Fed. #21-26-9-18, Sheep Wash Fed. #23-26-9-18, Sheep Wash Fed. #32-26-9-18, Fed. #23-18-9-19, Fed. #34-21-9-19, Fed. #14-30-9-19, Uteland Fed. #41-3-10-18, Fed. #14-12-10-18, Fed. #23-12-10-18, Fed. #32-12-10-18, and Fed. #34-12-10-18) and 6.0 miles of linear routes (roads and/or pipelines) in Uintah County, Utah, under BLM Antiquities Permit No. 05UT-54939 and Utah Division of State History (UDSH) Project Authorization No. U06-GB-0119b. A files search was conducted at BLM on 28 February 2006 and through UDSH. Field work was performed on the 2nd, 3rd and 4th of March 2006. A total of about 255.45 acres (BLM) was inspected. The file searches, survey and report were completed by Carl E. Conner (Principal Investigator) and Barbara J. Davenport of GRI.

The survey was done to meet requirements of the Federal Land Policy and Management Act of 1976, the National Historic Preservation Act as amended in 1992, and the National Environmental Policy Act (NEPA) of 1969. These laws are concerned with the identification, evaluation, and protection of fragile, non-renewable evidences of human activity, occupation and endeavor reflected in districts, sites, structures, artifacts, objects, ruins, works of art, architecture, and natural features that were of importance in human events. Such resources tend to be localized and highly sensitive to disturbance.

Location of Project Area

The study area's discrete units lie southwest of Vernal, Utah, Uintah County. The 10-acre blocks surveyed for the proposed new well locations, and the 200-foot-wide corridors for the proposed new access roads and/or pipeline routes are listed in Table 1 and shown in Figures 1, 2 and 3. Notably, the linear distances of the inventoried access and pipeline routes are calculated outside the 10-acre block inventory areas.

Table 1. List of well locations and linear routes.

Well Designation	Location
Sheep Wash Fed. #21-26-9-18	T. 9 S., R. 18 E., Section 26 (3342' access)
Sheep Wash Fed. #23-26-9-18	T. 9 S., R. 18 E., Section 26 (2808' access)
Sheep Wash Fed. #32-26-9-18	T. 9 S., R. 18 E., Section 26 (465' access)
Fed. #23-18-9-19	T. 9 S., R. 19 E., Section 18 (6391' access)

Well Designation	Location
Fed. #34-21-9-19	T. 9 S., R. 19 E., Section 21 (2460' access)
Fed. #14-30-9-19	T. 9 S., R. 19 E., Section 30
Uteland Fed. #41-3-10-18	T. 10 S., R. 18 E., Section 3 (711' access)
Fed. #14-12-10-18	T. 10 S., R. 18 E., Section 12 (1478' access)
Fed. #23-12-10-18	T. 10 S., R. 18 E., Section 12 (4645' access)
Fed. #32-12-10-18	T. 10 S., R. 18 E., Sections 11 and 12 (8267' access)
Fed. #34-12-10-18	T. 10 S., R. 18 E., Sections 12 (1285' access)

Environment

The project areas are within the major geologic subdivision of the Colorado Plateau known as the Uinta Basin Section. In Utah, this section extends from the Uinta Mountains on the north to the Book Cliffs on the south. It is a broad downwarp into which Quaternary- and Tertiary-age deposits were made from the surrounding mountains which include Holocene and Pleistocene pediment deposits, and Eocene-age fluvial and lacustrine sedimentary rocks (Rigby 1976:xi). Physiographically, the basin includes the Uinta basin in the north portion and the Book Cliffs/Roan Plateau in the south portion. The lower Uinta Formation is the bedrock of the study area. Holocene and Pleistocene-age alluvium and colluvium occur as a veneer over the Uinta. It consists of channel and flood-plain stream deposits. Soils encountered were rocky, shaley, silty, and sandy loams, which are in general formed in residuum from the underlying formation. However, dunes are common in this region as well.

Elevations in the project area range from 4700-to-5120 feet. The terrain is characterized as bench land that is cut by dendritic washes. Vegetation is a shadscale desert community. Regional faunal inhabitants include deer, antelope, elk, black bear, coyote, mountain lion, cottontails, jack rabbits, and various raptors.

A cool, mid-latitude steppe climate prevails. Annual precipitation of this elevation range is between 7 and 10 inches. Temperatures range from 100°F in the summer to -40°F in January. Paleoenvironmental data are scant, but it is generally agreed that gross climatic conditions have remained fairly constant over the last 12,000 years. However, changes in effective moisture, and cooling-warming trends probably affected the prehistoric occupation of the region.

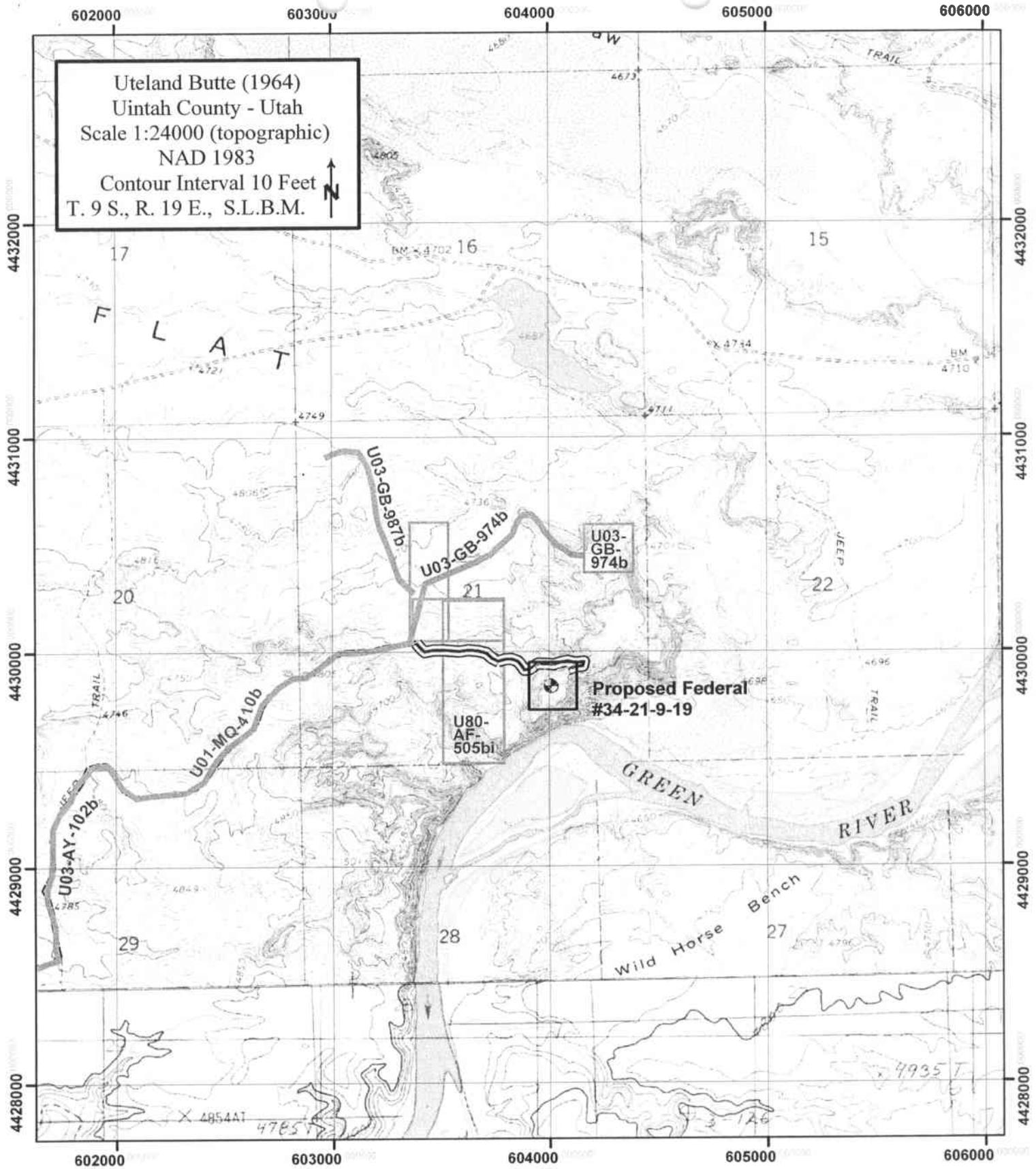


Figure 1. Project area map (1 of 3) for the Class III cultural resources inventory of eleven proposed well locations and short linear routes (access and/or pipeline) in the Eightmile Area of Uintah County, Utah, for Gasco Production Co. Areas inventoried are highlighted. [GRI Project # 2613, 3/9/06, U06-GB-0119b]

Files Search

Files searches were conducted through BLM and UDSH. Previous projects in the areas near the inventory blocks and linear routes are numerous and generally relate to oil and gas development. Those that are adjacent to the project areas are listed below (Table 2).

Table 2. List of previous projects near or adjacent to project's discrete areas.

Well Designation	Associated Previous Project Reference
Sheep Wash Fed. #21-26-9-18	U89-BL-558b, U05-ST-441bs
Sheep Wash Fed. #23-26-9-18	U00-AF-576bs, U01-AY-319bs
Sheep Wash Fed. #32-26-9-18	U81-AF-0731b
Fed. #23-18-9-19	U82-UB-592b, U94-SJ-096b, U05-ST-441bs, U05-GB-236b
Fed. #34-21-9-19	U80-AF-505bi, U01-MM-401b, U03-GB-974b
Fed. #14-30-9-19	U00-AF-0206b, U05-GB-236b
Uteland Fed. #41-3-10-18	U96-SJ-379bs, U06-GB-0118s
Fed. #14-12-10-18 Fed. #23-12-10-18 Fed. #32-12-10-18 Fed. #34-12-10-18	U00-AF-976bs, U00-AY-804b

The files search indicated site 42UN2843 was previously recorded near the new access route to the proposed Fed. #34-21-9-19 well location. That site was previously tested and evaluated as non-significant and not eligible for listing on the NRHP. It was subsequently destroyed by the construction of the Fed. #23-21 well location, as reported in Project No. U01-MM-0410b (Pennefather-O'Brian 2001).

Few other sites are recorded within a mile of the project area. Of those that are, one is a large open lithic procurement area focused on a local gravel deposit (42UN1181), and two others are small, lithic reduction areas (42UN872 and 42UN873).

Regional archaeological studies suggest nearly continuous human occupation of northeastern Utah for the past 12,000 years. Evidence of the Paleoindian Tradition, the Archaic Tradition, Fremont Culture, and Protohistoric/Historic Utes has been found.

Historic records suggest occupation or use by EuroAmerican trappers, settlers, miners, and ranchers as well. Overviews of the prehistory and history of the region are provided in the Utah BLM Cultural Resource Series No. 11, "Archaeological Inventory in the Seep Ridge Cultural Study Tract, Uintah County, Northeastern Utah with a Regional Predictive Model for Site Locations" (Larralde and Chandler 1980), and in "Cultural Resources Existing Data Inventory Vernal District, Utah" (Jones and Mackay 1980).

Study Objectives

The purpose of the study was to identify and record all cultural resources within the areas of potential impact and to assess their significance and eligibility to the National Register of Historic Places (NRHP). The statements of significance included in this report are field assessments made in support of recommendations to the BLM and State Historic Preservation Officer (SHPO), and the final determination of site significance is made by the BLM in consultation with the SHPO.

Paleontological resources were also considered in the inspection. However, a final evaluation of those resources must be provided by a paleontologist permitted by Utah.

Field Methods

A Class III, 100% pedestrian, cultural resources survey of the proposed well locations was made by walking a series of concentric circles around the flagged centers to diameters of 750 feet. The related access and pipeline routes not included within the 10-acre study plots were surveyed by walking four parallel transects spaced at 15m intervals and centered on the flagged lines to cover corridors 200 feet wide.

Cultural resources were sought as surface exposures and were characterized as sites or isolated finds. Sites were defined by the presence of six or more artifacts and/or significant feature(s) indicative of patterned human activity. Isolated finds were defined by the presence of 1 to 5 artifacts apparently of surficial nature. Cultural resources encountered were to be recorded to standards set by the Preservation Office of the Utah Division of State History (UDSH).

The basic approach to the data collection was the continuous mapping of observed artifacts and features by recording UTM coordinates (NAD 83 Datum) using a Trimble Geo XT. Site maps were created using corrected data and ARCMAP. Photographs were taken at each site and included general views and specific artifacts or features. Field notes and photo negatives are filed at Grand River Institute, while the photographs are submitted to the BLM and UDSH. No artifacts were collected.

Study Findings

As expected, cultural resources were encountered during the survey. This portion of the report presents a discussion of site significance evaluation, describes the sites and provides their field evaluations. Appendix A contains the resources' location data and the IMACS site forms.

Site Significance

The National Historic Preservation Act of 1966 (NHPA) directs federal agencies to ensure that federally-initiated or authorized actions do not inadvertently disturb or destroy significant cultural resource values. Significance is a quality of cultural resource properties that qualifies them for inclusion in the NRHP. The statements of significance included in this report are field assessments to support recommendations to the BLM and State Historic Preservation Officer (SHPO). The final determination of site significance is made by the controlling agencies in consultation with the SHPO and the Keeper of the Register.

The Code of Federal Regulations was used as a guide for the in-field site evaluations. Titles 36 CFR 50, 36 CFR 800, and 36 CFR 64 are concerned with the concepts of significance and (possible) historic value of cultural resources. Titles 36 CFR 65 and 36 CFR 66 provide standards for the conduct of significant and scientific data recovery activities. Finally, Title 36 CFR 60.4 establishes the measure of significance that is critical to the determination of a site's NRHP eligibility, which is used to assess a site's research potential:

The quality of significance in American history, architecture, archaeology, and culture is present in districts, sites, buildings, structures, and objects of State and local importance that possess integrity of location, design, setting, materials, workmanship, feeling, and association, and a) that are associated with events that have made a significant contribution to the broad patterns of history; or b) that are associated with the lives of persons significant in our past; or c) that embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or d) that have yielded, or may be likely to yield, information important in the prehistory or history.

Site Descriptions

Site **42UN5201** is a large lithic procurement locality that occurs wherever pediment deposits are exposed. It is close in proximity and similar in attributes to site 42UN1181. As presently mapped, the veneer of small to large cobbles that make up the gravel deposits cover an area approximately 500m by 300m. Elevations of the site range from 4750 in the alluvial basin to 4850 feet on the butte in the east portion of the site. Desert saltbush community is predominant.

The gravel deposits generally pond in low areas or where sandstone bedrock exposures occur, and on the top of the butte. Most of the gravels are quartzite, quartz, chert, and mudstone cobbles with no evidence of alteration. However, about five percent of these lithic materials show evidence of splitting and flaking, possibly for evaluation of the quality of the material or for creation of primary flakes for immediate use or later refinement into formal tools. Most artifacts are quartzite primary and secondary flakes and cores. Two types of cores are evident: a cobble with bifacial flakes taken off bifacially and a cobble with one end knocked off and subsequent flakes removed.

No features were observed other than the apparent grounded remains of two crude, roughly circular, drylaid walls or cairns on the west edge of a butte located on the east side of the site. The scatters are recognizable by their concentration of cobbles larger than those in the surrounding area. The north-most one measures 4.6m x 3.0m, and the one to the south is 3.3m x 2m. The cultural function of these possible features is unclear, but they may have served as windbreaks or blinds.

Evaluation and Management Recommendation

There is no evidence of depth of cultural fill or well defined concentrations of culturally altered materials. Accordingly, the site is field evaluated as non-significant and not eligible for listing on the National Register of Historic Places. No further work is recommended.

Site 42UN5202 is a low density open lithic scatter situated on a low bench in an alluvial basin. The elevation is 4750 feet and vegetation on site is a sparse shadscale community.

A few artifacts are spread across an area that measures approximately 60 meters (E-W) by 25 meters. Six items are flakes of yellow tan chert in a concentration that represents a core reduction. One core is present as is a hammerstone and six other flakes (primary and secondary) of other materials including white and grey chert. Two artifacts were classified as scrapers, which were made from large natural flakes of quartzite. Their presence suggest that faunal processing occurred here, as well as lithic reduction, and it may have been the primary activity. No features or cultural fill in the shallow soils were noted.

Evaluation and Management Recommendation

This site is unlikely to contribute significant information concerning the prehistoric occupation of the Uinta Basin area of Northeastern Utah. Accordingly, it is field evaluated as non-significant and not eligible for listing on the National Register of Historic Places. No further work is recommended.

Summary of Site Evaluations and Management Recommendations

The eligibility determination and consultation process is guided by Section 106 of the NHPA (36 CFR 60, 63, and 800). Inventory to identify, evaluate, and mitigate potential effects to cultural resources affected by an undertaking is the first step in the Section 106 process. BLM actions cannot be authorized until the Section 106 process is completed (36 CFR 800.3). In brief, the inventory recorded two prehistoric sites. Neither were considered significant resources and are field evaluated as not eligible for nomination to the National Register of Historic Places. Accordingly, archaeological clearance is recommended for the proposed wells, new roads, and pipelines

References

Jones, Kevin T. and K.L. Mackay

1980 Cultural Resources Existing Data Inventory Vernal District, Utah. Report of Investigations 80-18, University of Utah, Salt Lake City.

Larralde, Signa L. and Susan M. Chandler

1980 Archaeological inventory in the Seep Ridge Cultural Study Tract, Uintah County, Utah. In: Utah BLM Cultural Resource Series No. 11. Bureau of Land Management, Salt Lake City.

Rigby, J. Keith

1976 Northern Colorado Plateau. Kendall/Hunt Publishing Company. Dubuque.

APPENDIX A: Cultural Resources Location Data and IMACS Forms



Bureau of Land Management
Vernal Field Office
170 S. 500 E.
Vernal, UT 84078

Attn: Minerals

Re: All Wells
Uintah County, Utah

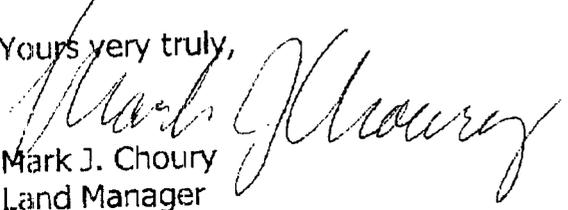
Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Gasco Production Company, a wholly owned subsidiary of Gasco Energy, Inc. when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Gasco Production Company agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Yours very truly,


Mark J. Choury
Land Manager

GASCO PRODUCTION COMPANY
SHEEP WASH FEDERAL #21-26-9-18
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 26, T9S, R18E, S.L.B.&M.

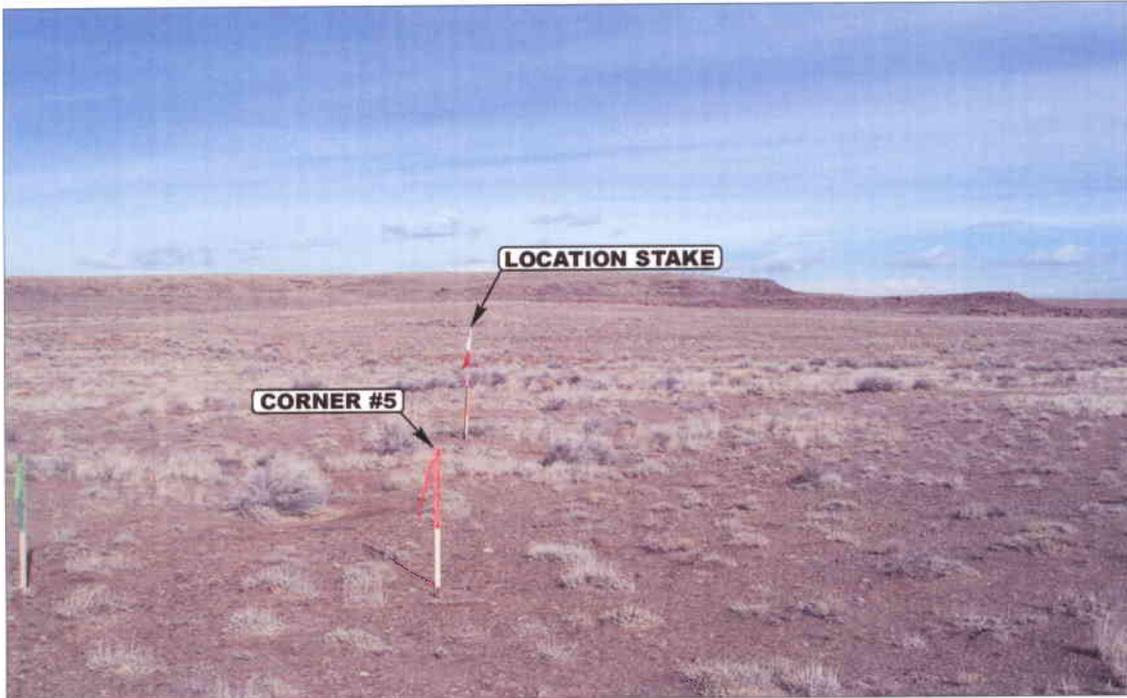


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

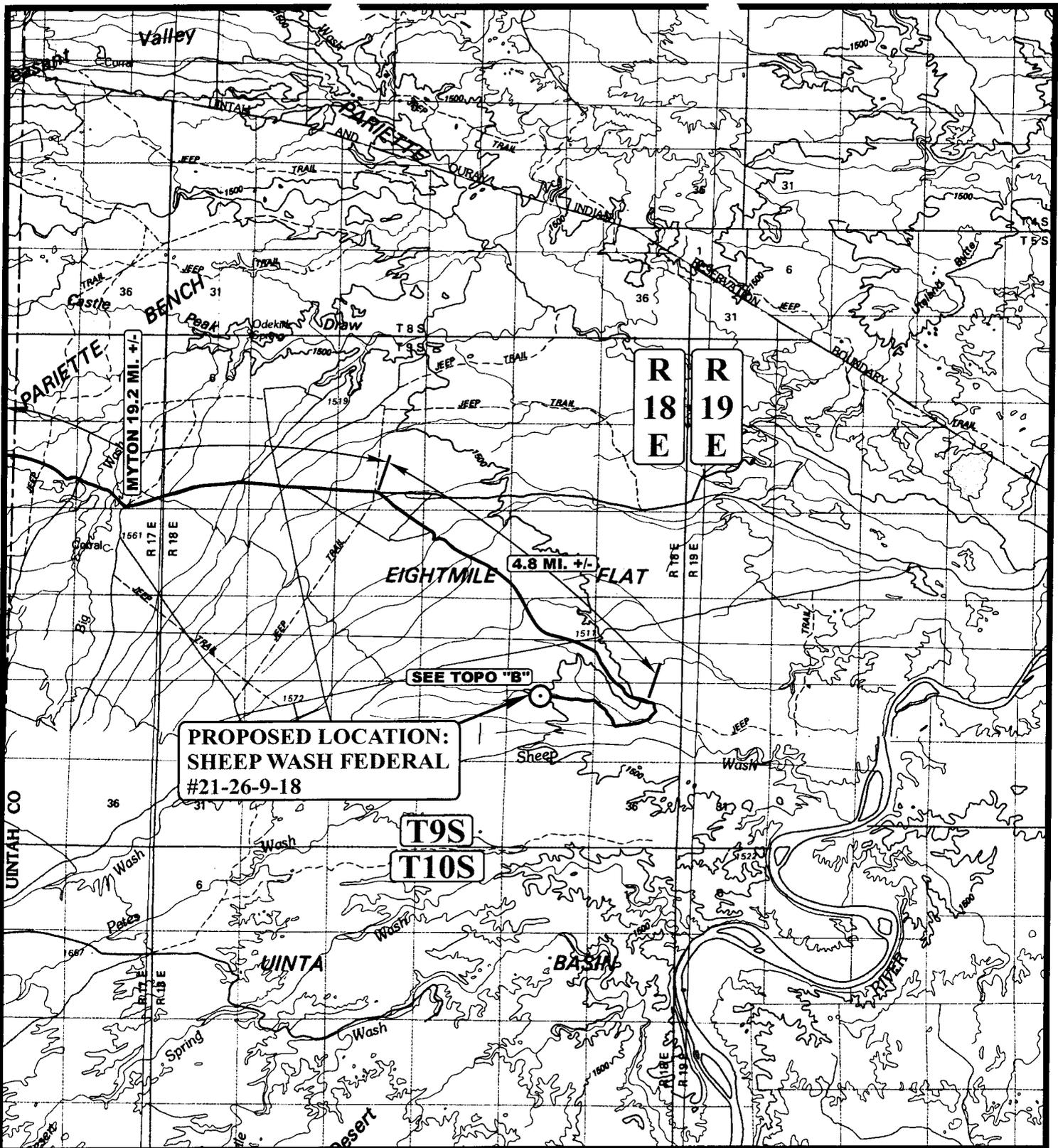
CAMERA ANGLE: WESTERLY



- Since 1964 -

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

LOCATION PHOTOS			01	09	06	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: G.O.	DRAWN BY: C.H.	REVISED: 00-00-00				



LEGEND:

○ PROPOSED LOCATION



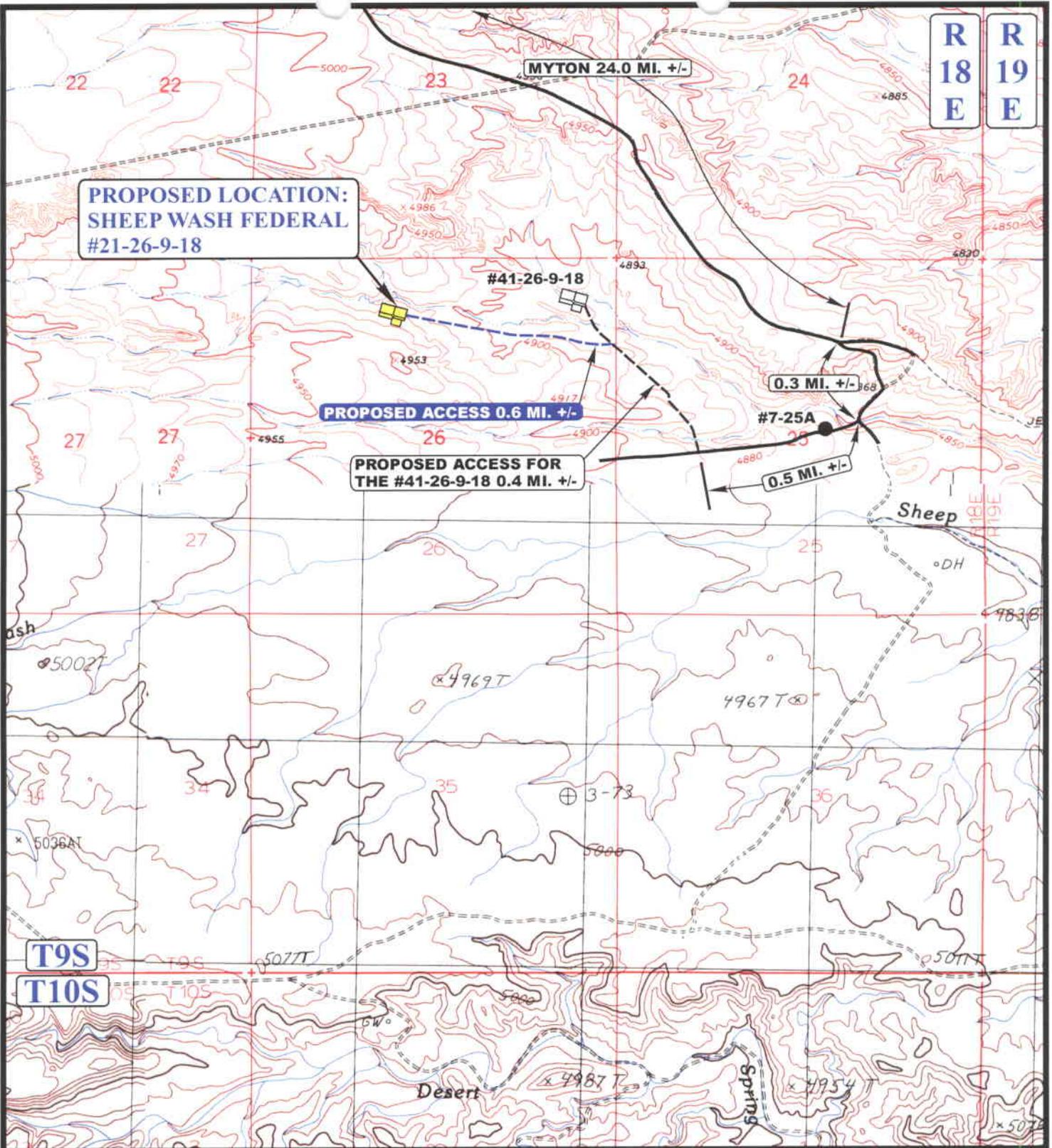
GASCO PRODUCTION COMPANY

SHEEP WASH FEDERAL #21-26-9-18
SECTION 26, T9S, R18E, S.L.B.&M.
838' FNL 2061' FWL

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

TOPOGRAPHIC 01 09 06
MAP MONTH DAY YEAR
 SCALE: 1:100,000 | DRAWN BY: C.H. | REVISED: 00-00-00





R 18 E
R 19 E

**PROPOSED LOCATION:
SHEEP WASH FEDERAL
#21-26-9-18**

MYTON 24.0 MI. +/-

#41-26-9-18

PROPOSED ACCESS 0.6 MI. +/-

**PROPOSED ACCESS FOR
THE #41-26-9-18 0.4 MI. +/-**

0.3 MI. +/-

#7-25A

0.5 MI. +/-

Sheep Ridge

T9S

T10S

LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

GASCO PRODUCTION COMPANY

**SHEEP WASH FEDERAL #21-26-9-18
SECTION 26, T9S, R18E, S.L.B.&M.
838' FNL 2061' FWL**

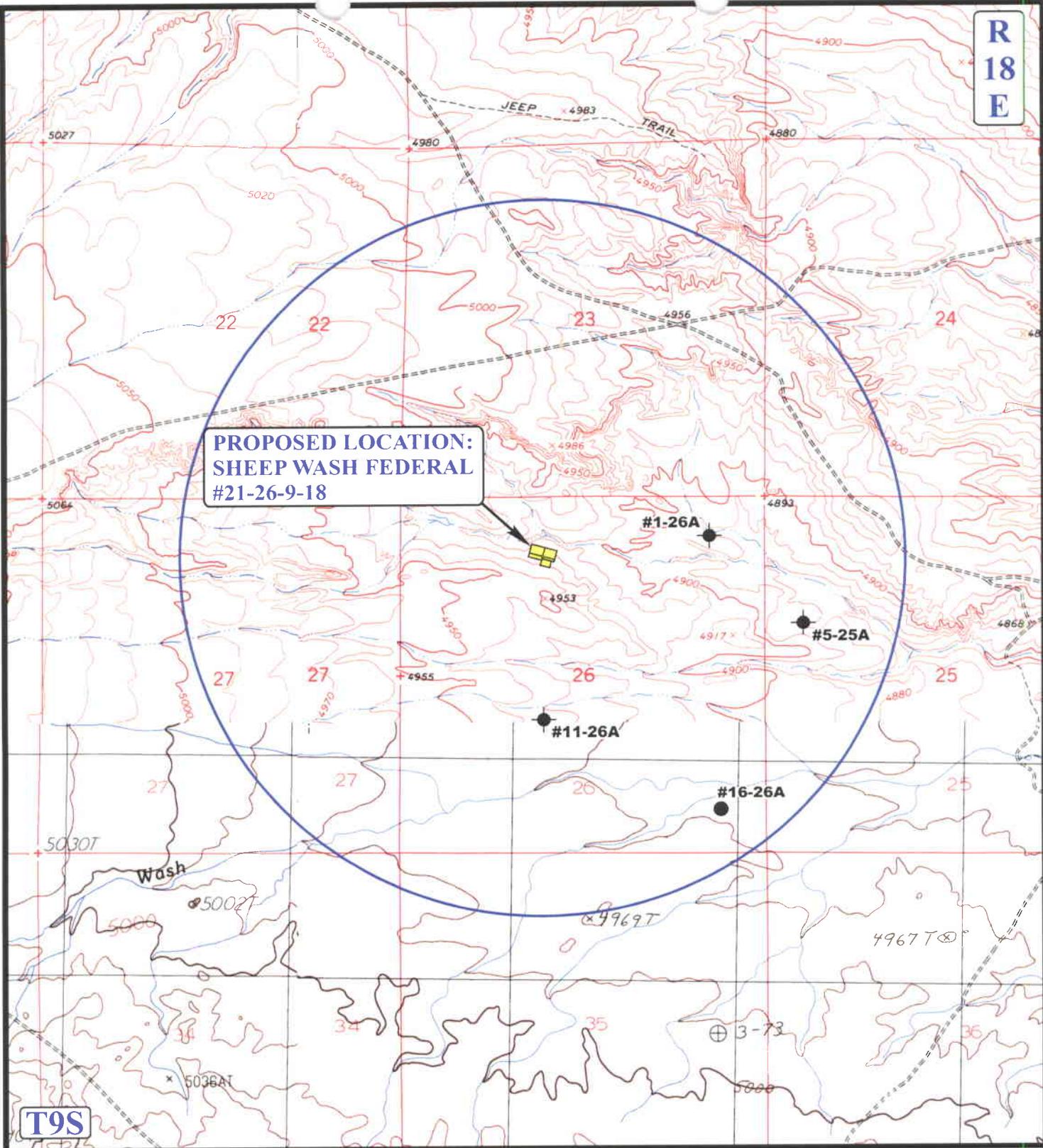


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 01 09 06
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00



R
18
E



**PROPOSED LOCATION:
SHEEP WASH FEDERAL
#21-26-9-18**

#1-26A

#5-25A

#11-26A

#16-26A

T9S

LEGEND:

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

GASCO PRODUCTION COMPANY

**SHEEP WASH FEDERAL #21-26-9-18
SECTION 26, T9S, R18E, S.L.B.&M.
838' FNL 2061' FWL**



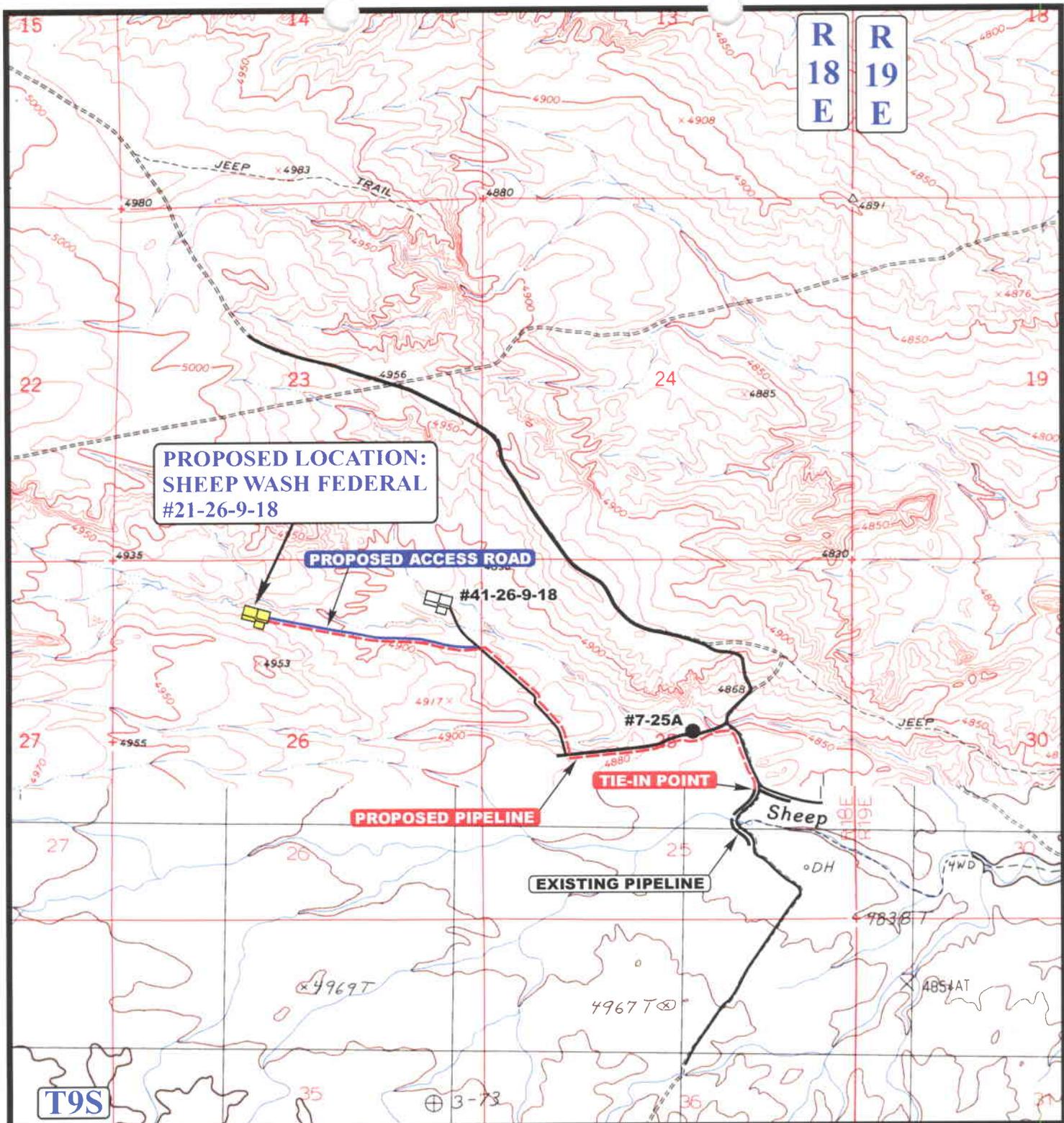
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

01 09 06
MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 8600' +/-

LEGEND:

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



GASCO PRODUCTION COMPANY

SHEEP WASH FEDERAL #21-26-9-18
SECTION 26, T9S, R18E, S.L.B.&M.
838' FNL 2061' FWL



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

TOPOGRAPHIC 01 09 06
MAP MONTH DAY YEAR

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



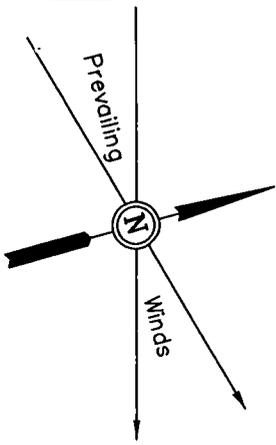
GASCO PRODUCTION COMPANY

LOCATION LAYOUT FOR

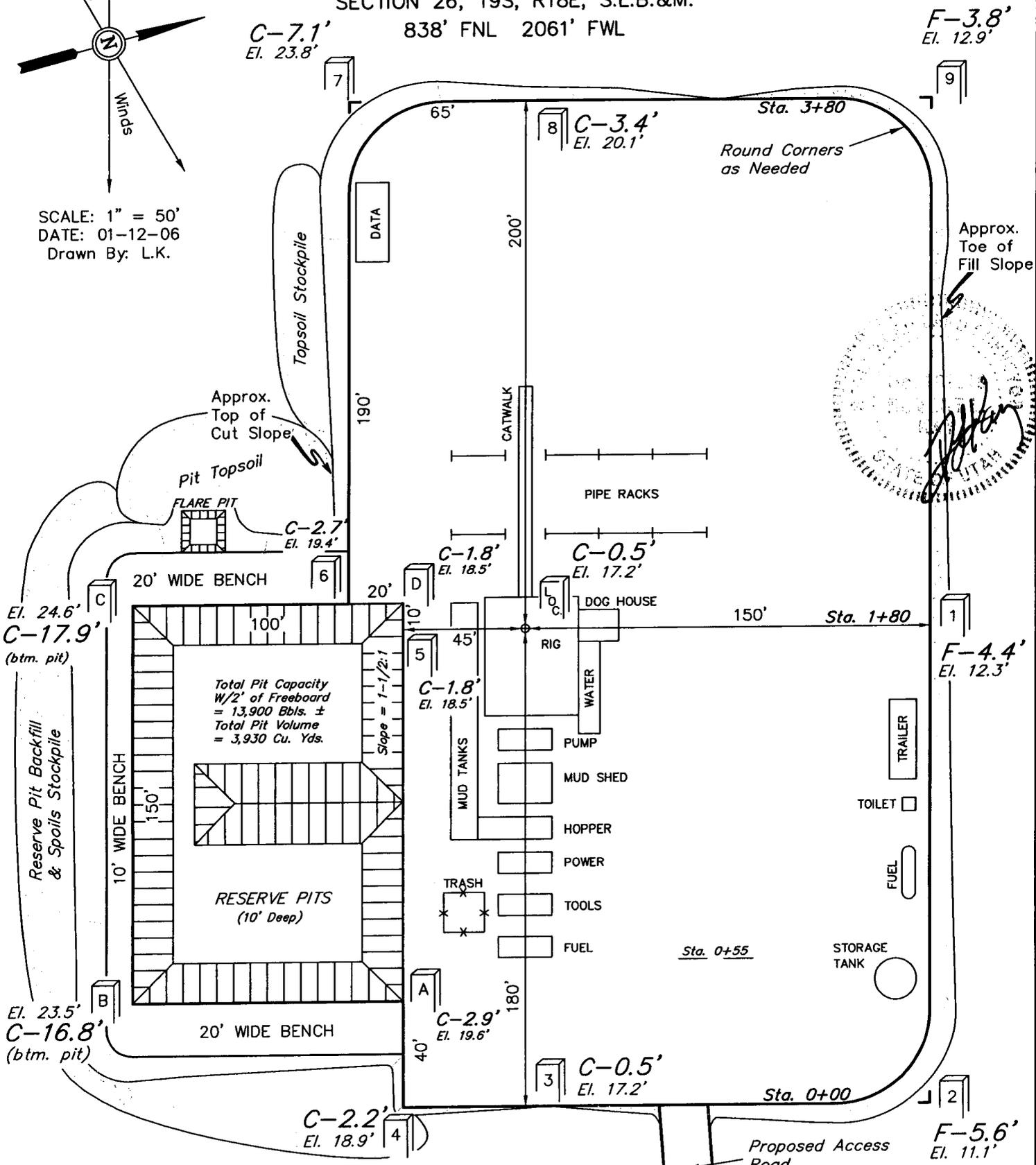
SHEEP WASH FEDERAL #21-26-9-18

SECTION 26, T9S, R18E, S.L.B.&M.

838' FNL 2061' FWL



SCALE: 1" = 50'
DATE: 01-12-06
Drawn By: L.K.



Elev. Ungraded Ground at Location Stake = 4917.2'
Elev. Graded Ground at Location Stake = 4916.7'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

CASCO PRODUCTION COMPANY

TYPICAL CROSS SECTIONS FOR

SHEEP WASH FEDERAL #21-26-9-18

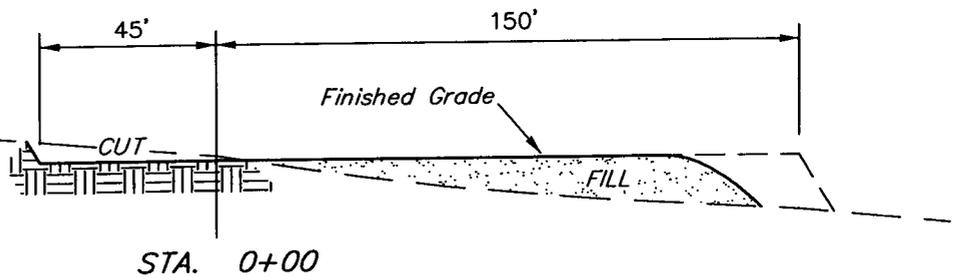
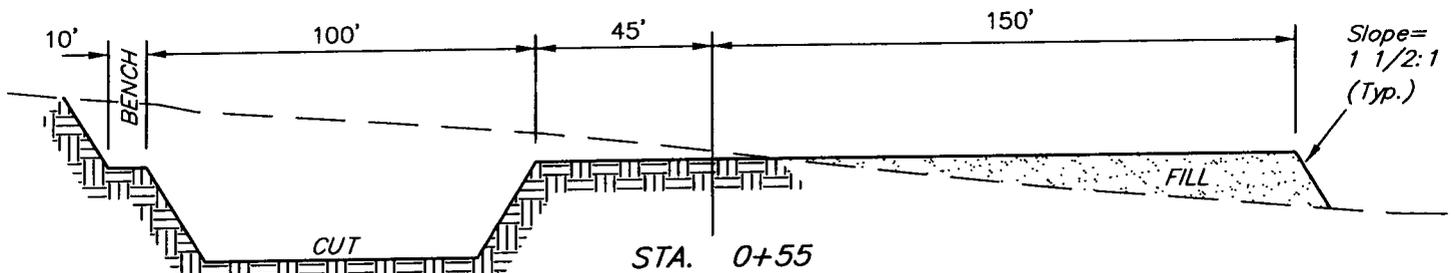
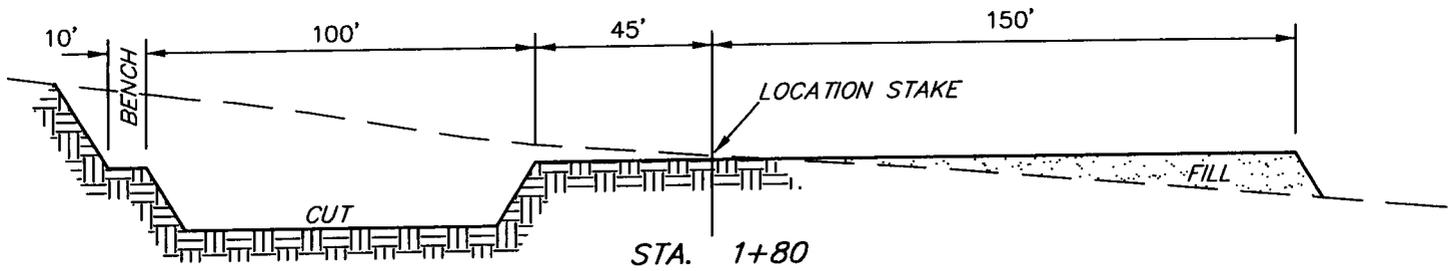
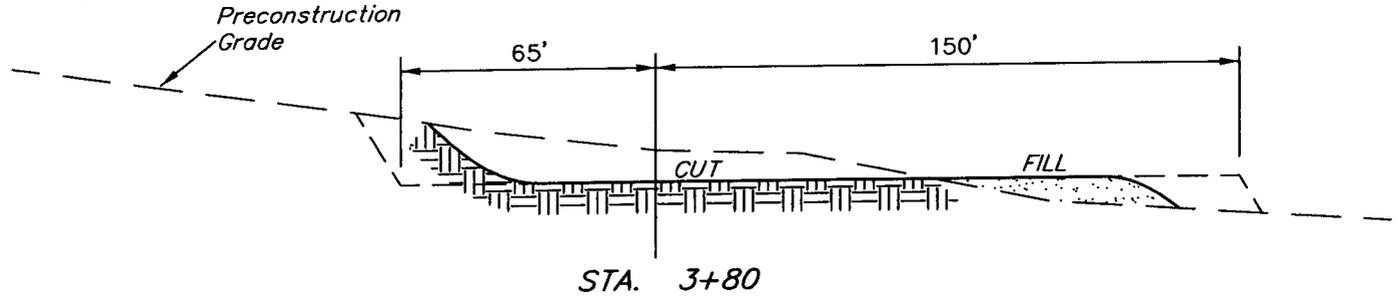
SECTION 26, T9S, R18E, S.L.B.&M.

838' FNL 2061' FWL



1" = 20'
X-Section Scale
1" = 50'

DATE: 01-12-06
Drawn By: L.K.



NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	2,050 Cu. Yds.
Remaining Location	=	9,880 Cu. Yds.
TOTAL CUT	=	11,930 CU.YDS.
FILL	=	5,140 CU.YDS.

EXCESS MATERIAL	=	6,790 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	4,020 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	2,770 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/10/2006

API NO. ASSIGNED: 43-047-38464

WELL NAME: SHEEP WASH FED 21-26-9-18
 OPERATOR: GASCO PRODUCTION (N2575)
 CONTACT: VENESSA LANGMACHER

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:

NENW 26 090S 180E
 SURFACE: 0838 FNL 2061 FWL
 BOTTOM: 0838 FNL 2061 FWL
 COUNTY: UINTAH
 LATITUDE: 40.00695 LONGITUDE: -109.8622
 UTM SURF EASTINGS: 597113 NORTHINGS: 4428938
 FIELD NAME: 8 MILE FLAT NORTH (590)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-19266
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: BLKHK
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT-1233)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-1721)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

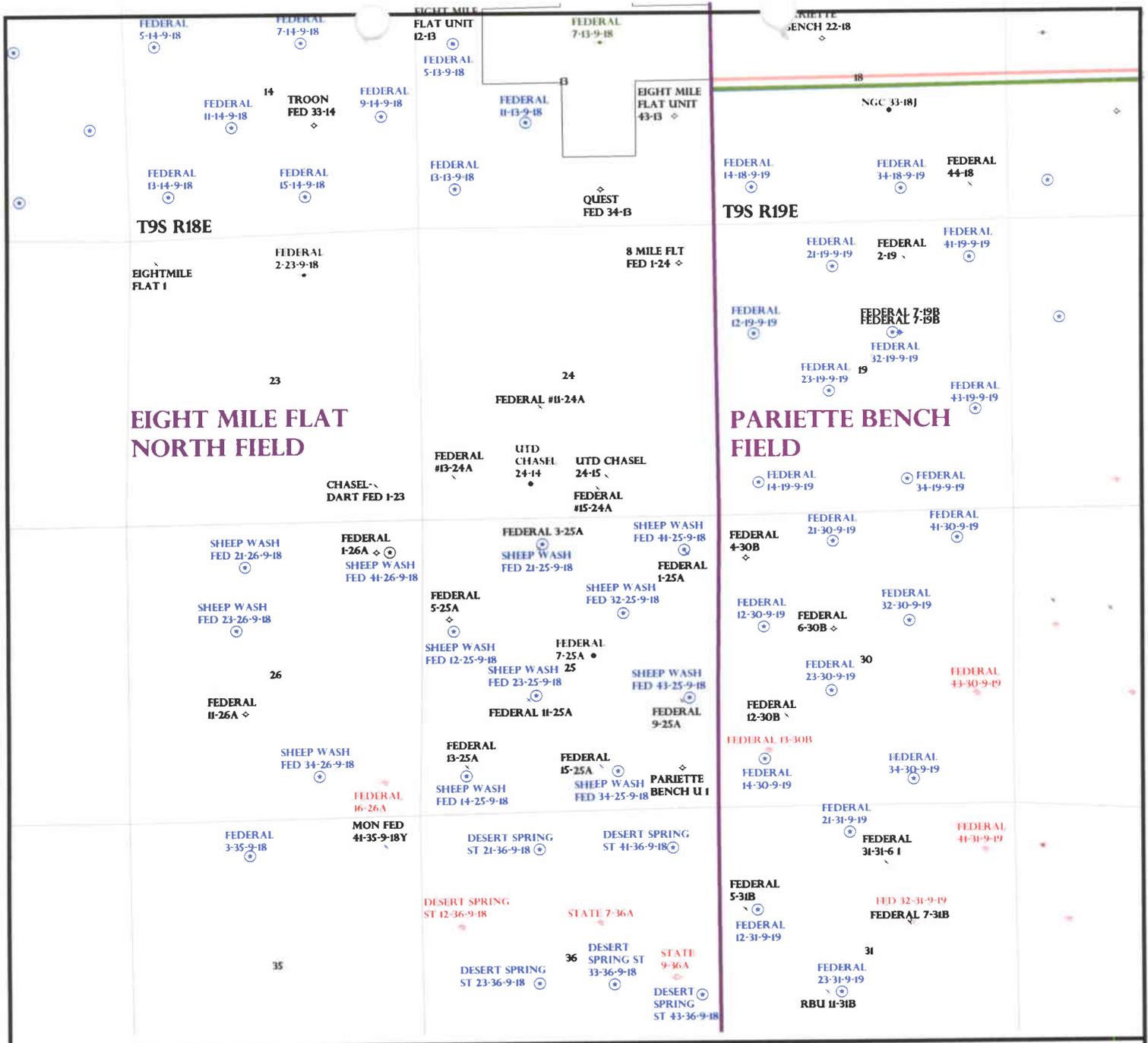
LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: 1- Conduct Approval

2- Spacing Slip



OPERATOR: GASCO PROD CO (N2750)

SEC: 25,26 T.9S R. 18E

FIELD: EIGHT MILE FLAT (590)

COUNTY: UINTAH

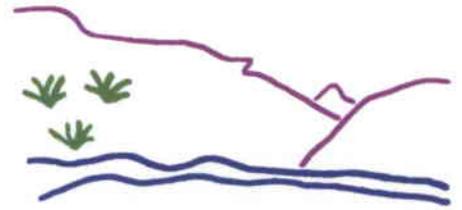
SPACING: R649-3-2 / GENERAL SITING

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

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

Wells Status

- * GAS INJECTION
- * GAS STORAGE
- X LOCATION ABANDONED
- O NEW LOCATION
- ◇ PLUGGED & ABANDONED
- * PRODUCING GAS
- * PRODUCING OIL
- * SHUT-IN GAS
- * SHUT-IN OIL
- X TEMP. ABANDONED
- O TEST WELL
- △ WATER INJECTION
- * WATER SUPPLY
- * WATER DISPOSAL
- * DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 15-AUGUST-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 17, 2006

Gasco Production Company
8 Inverness Drive East, Suite 100
Englewood, CO 80112

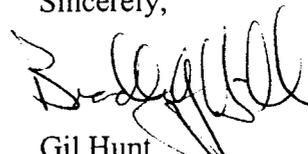
Re: Sheep Wash Federal 21-26-9-18 Well, 838' FNL, 2061' FWL, NE NW,
Sec. 26, T. 9 South, R. 18 East, Uintah County, Utah

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 43-047-38464.

Sincerely,


for Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Gasco Production Company
Well Name & Number Sheep Wash Federal 21-26-9-18
API Number: 43-047-38464
Lease: UTU-19266

Location: NE NW Sec. 26 T. 9 South R. 18 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

RECEIVED

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 07 2006

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-19266
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 N/A
2. Name of Operator Gasco Production Company		7. If Unit or CA Agreement, Name and No. N/A
303/483-0044 8 Inverness Drive East, Suite 100		8. Lease Name and Well No. Sheep Wash Federal #21-26-9-18
3. Name of Agent PermitCo Inc. - Agent		9. API Well No. 43,147,38464
303/857-9999 14421 County Road 10		10. Field and Pool, or Exploratory Riverbend
4. Location of Well (Report location clearly and in accordance with any State requirements. *)		11. Sec., T., R., M., or Blk, and Survey or Area Section 26, T9S - R18E
At surface 838' FNL and 2061' FWL		12. County or Parish Uintah
At proposed prod. zone NE NW		
14. Distance in miles and direction from nearest town or post office* Approximately 25.8 miles southeast of Myton, UT		13. State UT
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 838'	16. No. of Acres in lease 640	17. Spacing Unit dedicated to this well 40 Acres: NE NW
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 4700'	19. Proposed Depth 13,085'	20. BLM/BIA Bond No. on file Bond No. UT-1233
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4917' GL	22. Approximate date work will start* ASAP	23. Estimated duration 35 Days

24. Attachments

~~CONFIDENTIAL-TIGHT HOLE~~

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

- | | |
|--|---|
| <ul style="list-style-type: none"> 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). | <ul style="list-style-type: none"> 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 officer. |
|--|---|

25. Signature <i>Venessa Langmacher</i>	Name (Printed/Typed) Venessa Langmacher	Date 4/5/2006
Title Authorized Agent for Gasco Production Company		
Approved by (Signature) <i>Jerry Henzka</i>	Name (Printed/Typed) Jerry Henzka	Date 3-16-2007
Title Assistant Field Manager Lands & Mineral Resources		
Office VERNAL FIELD OFFICE		

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)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
MAR 30 2007

DIV. OF OIL, GAS & MINING



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE**

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Gasco Production Company
Well No: Sheep Wash Federal 21-26-9-18
API No: 43-047-38464

Location: NENW, Sec 26, T9S, R18E
Lease No: UTU-19266
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	435-781-4490	435-828-4470
Petroleum Engineer:	Michael Lee	435-781-4432	435-828-7875
Petroleum Engineer:	James Ashley	435-781-4470	435-828-7874
Petroleum Engineer:	Ryan Angus	435-781-4430	
Supervisory Petroleum Technician:	Jamie Sparger	435-781-4502	435-828-3913
NRS/Enviro Scientist:	Paul Buhler	435-781-4475	435-828-4029
NRS/Enviro Scientist:	Karl Wright	435-781-4484	
NRS/Enviro Scientist:	Holly Villa	435-781-4404	
NRS/Enviro Scientist:	Melissa Hawk	435-781-4476	435-828-7381
NRS/Enviro Scientist:	Chuck MacDonald	435-781-4441	
NRS/Enviro Scientist:	Jannice Cutler	435-781-3400	
NRS/Enviro Scientist:	Michael Cutler	435-781-3401	
NRS/Enviro Scientist:	Anna Figueroa	435-781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	435-781-3402	
NRS/Enviro Scientist:	Darren Williams	435-781-4447	
NRS/Enviro Scientist:	Nathan Packer	435-781-3405	

Fax: 435-781-4410

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify NRS/Enviro Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify NRS/Enviro Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings
BOP & Related Equipment Tests (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to initiating pressure tests
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days

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

General Surface COA

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.
- Surface Conditions of Approval or monitoring are listed in the Surface Use Plan of the APD.
- The operator shall install and maintain an appropriate cattle-guard where the access road intersects an existing range fence. Care and maintenance shall continue up to final reclamation of the well pad, access road and pipeline.
- A timing restriction on construction and drilling (including completion) from April 1 – August 15, is in order to protect nesting burrowing owls. If the operator wishes to construct from April 1 to August 15 a qualified biologist may conduct a burrowing owl survey. If no birds are present at the time of survey, Gasco may begin construction.
- A timing restriction on construction and drilling (including completion) from May 15 – June 15, is in order to protect nesting mountain plovers. If the operator wishes to construct from May 15 to June 15 a qualified biologist may conduct a mountain plover survey. If no birds are present at the time of survey, Gasco may begin construction.
- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. The following seed mix shall be used:

Type		lbs./acre
Western Wheat grass	<i>Agropyron smithii</i>	4
Needle and Thread grass	<i>Stipa comata</i>	4
Hy-crest Crested wheat grass	<i>Agropyron cristatum</i>	4
** Seed should be drilled; but if broadcasted double the pounds per acre used and work the solids mechanically to cover the seed.		

- Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil respread over the surface; and, the surface revegetated. The surface of approved staging areas where construction activities did not occur may require disking or ripping and reseeded. The following seed mix shall be used, unless BLM personnel determine that conditions have changed and another mix would be more suitable:

Type		lbs./acre
Shadscale	<i>Atriplex confertifolia</i>	3
Winterfat	<i>Eurotia lanata</i>	3
Galleta grass	<i>Hilaria jamesii</i>	3
Indian Rice Grass	<i>Oryzopsis hymenoides</i>	3
** Seed should be drilled; but if broadcasted double the pounds per acre used and work the solids mechanically to cover the seed.		

DOWNHOLE CONDITIONS OF APPROVAL

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200 ft above the surface casing shoe.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person

making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and

a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-19266

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
NA

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.

7. UNIT or CA AGREEMENT NAME:
NA

1. TYPE OF WELL **OIL WELL** **GAS WELL** **OTHER** _____

8. WELL NAME and NUMBER:
Sheep Wash Federal 21-26-9-18

2. NAME OF OPERATOR:
Gasco Production Company

9. API NUMBER:
4304738464

3. ADDRESS OF OPERATOR:
8 Inverness Dr E, Ste 100 Englewood Co 80112

PHONE NUMBER:
(303) 483-0044

10. FIELD AND POOL, OR WILDCAT:
8 Mile Flat North

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **838' FNL & 2061' FWL**

COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENW 26 9S 18E**

STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extend Permit
	<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.

Gasco Production Company would like to request a one year extension on this APD from the date it is due to expire (8/17/2007)

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

Date: 08-13-07
By: [Signature]

NAME (PLEASE PRINT) **Beverly Walker**

TITLE **Engineering Technician**

SIGNATURE [Signature]

DATE **7/31/2007**

(This space for State use only)

COPY SENT TO OPERATOR
Date: 08-15-07
Initials: BM

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
AUG 08 2007

DIV. OF OIL, GAS & MINING

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

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

API: 4304738464
Well Name: Sheep Wash Federal 21-26-9-18
Location: NE NW Section 26-T9S-R18E Uintah County Utah
Company Permit Issued to: Gasco Production Company
Date Original Permit Issued: 8/17/2006

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

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

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

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

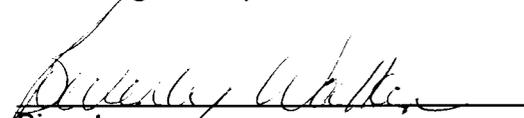
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

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

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

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


Signature

7/31/2007

Date

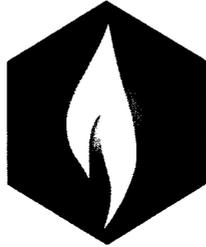
Title: Engineering Technician

Representing: Gasco Production Company

RECEIVED
AUG 08 2007

DIV. OF OIL, GAS & MINING

GASCO
Energy Inc



GASCO Energy, Inc.

8 Inverness Drive East

Suite 100

Englewood, CO 80112

(303) 483-0044

www.gascoenergy.com

September 13, 2007

State of Utah
Division of Natural Resources
P.O. Box 145801
Salt Lake City, Utah 84078

To Whom It May Concern:

Please find attached a copy of the permit extensions that will be expiring in September. Also, during the month of August we received only about half of them back – so I have enclosed another copy of the ones that we did not receive back. Thank-you for your help with these.

Sincerely,
Gasco Production Company

A handwritten signature in black ink, appearing to read 'Beverly Walker'.

Beverly Walker
Engineering Technician

encl

RECEIVED

SEP 1 / 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: **Gasco Production Company**

3. ADDRESS OF OPERATOR: 8 Inverness Dr E, Ste 100 CITY Englewood STATE Co ZIP 80112 PHONE NUMBER: (303) 483-0044

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 838' FNL & 2061' FWL COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 26 9S 18E STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-19266

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

7. UNIT or CA AGREEMENT NAME: NA

8. WELL NAME and NUMBER: Sheep Wash Federal 21-26-9-18

9. API NUMBER: 4304738464

10. FIELD AND POOL, OR WILDCAT: 8 Mile Flat North

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Gasco Production Company would like to request a one year extension on this APD from the date it is due to expire (8/13/2008)

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: 08-12-08
 By: [Signature]

NAME (PLEASE PRINT) Beverly Walker TITLE Engineering Technician

SIGNATURE [Signature] DATE 8/6/2008

(This space for State use only)

COPY SENT TO OPERATOR
 Date: 8-14-2008
 Initials: KS

(See Instructions on Reverse Side)

RECEIVED
 AUG 11 2008

DIV. OF OIL, GAS & MINING

RECEIVED

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

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

API: 4304738464
Well Name: Sheep Wash Federal 21-26-9-18
Location: NE NW Section 26-T9S-R18E Uintah County Utah
Company Permit Issued to: Gasco Production Company
Date Original Permit Issued: 8/17/2006

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

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

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

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

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

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

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

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

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

Dorothy Walk
Signature

8/6/2008
Date

Title: Engineering Technician

Representing: Gasco Production Company

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AUG 11 2008
DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/ut/st/en/fo/vernal.html>

IN REPLY REFER TO:
3160
UTG011

July 8, 2009

Roger Knight
Gasco Production Company
8 Inverness Drive East, Suite 100
Englewood, CO 80112

43 047 3846A

Re: Notice of Expiration
Well No. Sheep Wash Federal 21-26-9-18
NENW, Sec. 26, T9S, R18E
Uintah County, Utah
Lease No. UTU-19266

Dear Mr. Knight:

The Application for Permit to Drill (APD) for the above-referenced well was approved on March 16, 2007. No extension of the original APD was requested. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

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

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM
Shon McKinnon

RECEIVED
JUL 13 2009
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 20, 2009

Gasco Production Company
8 Inverness Dr. East, Ste. 100
Englewood, CO 80112

Re: APD Rescinded – Sheep Wash Fed 21-26-9-18, Sec. 26 T. 9S, R. 18E
Uintah County, Utah API No. 43-047-38464

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 17, 2006. On August 13, 2007 and August 12, 2008, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 20, 2009.

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 Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

