

SURFACE USE AND OPERATING - 13 POINT PLAN

Attached to Form 3160-3
Bonnevillle Fuels Corporation
Federal #16 - 24 - 1N - 103W
600' FSL & 1956' FWL, Sec 16, T1N, R103W 6th PM
Rio Blanco County, Colorado



1. EXISTING ROADS:

- A. The proposed well site elevation (Exhibit #2a) and topographic elevation (Exhibit #2b and Exhibit #2c) plats are attached.
- B. To reach the wellsite, proceed from Rangely, Colorado WSW on Rio Blanco County Road #2 approximately 9.1 miles (0.9 miles past the end of pavement). An existing lease road, for the Federal #16-24-1N-103W well, located on the south side of the County Road will be utilized at this point. The proposed access road will depart south southwest from the existing lease road to access the wellsite.
- C. Existing roads, within a one-mile radius of the well are shown on Exhibit #3.
- D. Existing highways and roads in the area are either private home access drives, or roads under the jurisdiction of the BLM or the County of Rio Blanco. Access roads are identified on Exhibit #4.

2. PLANNED ACCESS ROADS:

- A. The proposed access road will depart an existing lease road and will continue for \pm .4 miles to the well location. (See Exhibits 2c, 3, and 4).
- B. One (1) low water crossing is anticipated.
- C. The access road will be crown and ditch construction. The general access road width will be a 15' traveling surface. The access road width on curves with impaired visibility, due to topography, will be a 20' traveling surface. The access road grade will average 0 to 4%. Away from the access approach a maximum disturbance width of 50' is currently anticipated, with most disturbance being confined to an area 30' wide on the bulk of the access road course.
- D. No turnouts are planned except at the access road entrance and at the location.
- E. Water bars will be placed if appropriate. None are anticipated.
- F. Surfacing materials will consist of native surface soil,

native alluvium where present, and 3/4" road-base crush from a commercial gravel pit if gravel is required by drilling, completion, or production operations.

G. Gates, cattle guards or fence cuts will be installed if appropriate. Currently, none are anticipated.

3. LOCATION OF EXISTING WELLS:

For the location of existing wells within a one-mile radius of this well, see Exhibit #3. The wells indicated on Exhibit #3 are all that BFC is aware of at this time.

- A. There are an estimated 7 domestic supply water wells (3 confirmed permits and 4 additional probable domestic supply wells) within a one-mile radius. All confirmed permits are shallower than 100', with a maximum water well depth of approximately 5,000' above sea-level.
- B. There are NO abandoned producing wells within a one-mile radius.
- C. There is 1 dry hole well within a one-mile radius.
- D. There is 1 well currently proposed to be drilled by BFC within a one-mile radius.

3. LOCATION OF EXISTING WELLS (CONTINUED):

- E. There are 3 producing wells within a one-mile radius.
- F. There are NO known injection wells within a one-mile radius.
- G. There are NO known monitoring or observation wells within a one mile radius.
- H. There are NO known disposal wells within a one-mile radius.

4. LOCATION OF EXISTING OR PROPOSED FACILITIES IF WELL IS PRODUCTIVE:

- A. If the well is productive, contemplated facilities will be as follows:
 - i. Production facilities will be located on solid ground of the cut area of the drill pad. All BFC facilities will be contained on the planned well pad.
 - ii. Refer to Exhibit #6 for the proposed production facility schematic.
 - iii. Dependent upon flow test results, a gas separator,

multiple 210 bbl tanks, and a meter house will be required. All flow lines and piping will be installed according to API specifications. Construction materials will consist of excavated alluvium, shale, and soils (except top-soils). Use of additional materials from outside sources is not anticipated at this time (with the exception of 3/4" crushed road-base gravel from a commercial pit).

iv. The gas sales line will extend Easterly to Federal #16-34-1N-103W well location.

B. In the event that production is established, plans for gas gathering lines will be submitted to the appropriate governmental agencies for approval. A proposed pipeline route has been center-line staked. Archaeological and paleontological surveys have been completed for this route. Construction will, of course, be contingent on well test results and permit approval/clearance by the BLM, State of Colorado, and Rio Blanco County authorities.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water will be purchased from a tank truck company in the Rangely, Colorado, area at a permitted fresh water source. These arrangements have NOT been secured yet.
- B. Water will be hauled by tank truck to the drilling site as needed. The access will conform to roads identified on Exhibit #4.
- C. No water well will be drilled on or near this well location.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. No construction materials are anticipated to be needed for drilling the well or constructing the access road onto the location. Compacted cut material will be utilized for the drilling site and access road (drill-site top-soil will be stockpiled for revegetation at the site).
- B. ONLY native construction materials in the permitted area of disturbance, outlined for use in construction herein, may be used from BLM administered lands.
- C. Native surface soil materials for construction of access roads are anticipated to be sufficient. If necessary, road surface materials (3/4" road-base) will be purchased from the dirt contractor. An appropriate crush will be specified.
- D. Exhibit #4 identifies the access roads. Rio Blanco County and Bureau of Land Management roads are involved. Care will be taken in maintaining the BLM road, and the County road entrance, to BLM and Rio Blanco County Standards.

- E. Exhibit #8 shows proposed cut & fill cross-sections for the location.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Cuttings not retained for evaluation purposes will be discharged into the reserve pit (see Exhibits #8 for reserve pit location).
- B. The reserve pit is not anticipated to require a liner. If bedrock is encountered and a liner is required, then a synthetic liner meeting BLM stipulations will be installed.

7. METHODS OF HANDLING WASTE DISPOSAL (CONTINUED):

- C. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain any excess flow from the well during mud drilling & cementing operations. The reserve pit will be an earthen pit, approximately 100' x 60' x 8' deep. The pit will be lined with liner that meets BLM specifications.
- D. The flare pit will receive cuttings, gas, and mud/water during planned air-drilling operations. The flare pit will be approximately 20' x 20' x 6' deep. The flare pit will be located at least 100' (nearest corner or edge) from the wellbore, at the NW corner of the reserve pit. A minimum 10' earthen back-stop of earth fill shall be the blooey line target at the far end of the flare pit. Earthen embankments shall be constructed so as to prevent fluid loss to surrounding lands. Flare pit fluids shall drain via a trench, by gravity, into the reserve pit (see Exhibit #8).
- E. Produced water if any, will be disposed of into tanks or a lined evaporation pit. Produced oil will be collected in tanks for sale. If the volume of oil is sufficient during drilling, it will be trucked from the location. Produced water will be disposed of by pit evaporation or hauled to an appropriate disposal facility.
- F. A portable chemical toilet will be provided on the location for human waste. Trailer septic tank facilities will be provided for trailer wastes. This sewage waste will be removed to an approved sewage disposal facility.
- G. Garbage and trash produced during drilling, completion and testing operations will be handled in a trash cage. This garbage will be hauled to an approved disposal site after drilling /completion operations are finished. Water and tailings will be disposed into the reserve pit. No toxic waste/chemicals will be produced by these proposed operations.
- H. After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. Any open pits will be fenced after drilling operations conclude, and these pits will remain fenced until they have dried. All pits will

be backfilled, recontoured and reseeded. This will occur when pits are dry enough to backfill, as weather permits. Only that part of the pad required for producing operations/facilities and well maintenance operations will be kept in use. All other drill pad areas will be recontoured and reseeded. In the event of a dry hole, only an appropriately specified dry hole marker will remain.

8. ANCILLARY FACILITIES:

No air strip, campsite or other facilities will be built during drilling and completion operations at this wellsite.

9. WELL SITE LAYOUT:

- A. Refer to Exhibits #8 for the Drill Pad layout as staked. Cuts and fills have been indicated per Exhibit #7 to show the planned cut and fill across the proposed location. Topsoil will be stockpiled at the southeast edge of the location for reclamation & recontouring.
- B. Refer to Exhibit #8 for a planned location diagram of the proposed rig and drilling equipment, reserve pit, and pipe racks. No permanent living facilities are planned. There will be trailers for supervision on the site. Sewage will be collected in septic facilities for disposal.
- C. The rig orientation, turn-around area, parking area, and access road entrance onto location are shown on Exhibit #8.
- D. The reserve pit is anticipated to require a liner. The reserve pit will be lined with a minimum synthetic liner thickness stipulated by the BLM.
- E. The reserve pit will be fenced on the three(3) exterior sides prior to the commencement of drilling operations. The flare pit will be fenced on all sides prior to the commencement of drilling operations.

10. PLANS FOR RESTORATION OF SURFACE:

- A. Upon completion of the proposed operations, and if the well is to be abandoned, the reserve and flare pits will be backfilled, and the location will be recontoured to as near the original topography as is possible - as soon as the pits have dried enough to support earth moving equipment. All produced fluids, refuse and sewage will be hauled to an approved disposal site after the drilling and completion operations have concluded. The pit liner (if required) will be appropriately removed and disposed of, or buried in place. The location and

access road will be recontoured to the original topography as nearly as possible, and revegetated/reseeded along contours. Seed specifications will be determined by the BLM.

B. If the well is productive:

The plan for rehabilitation of the disturbed area no longer needed for production operations after drilling and completion activities are finished is as follows:

- i. The reserve pit will be backfilled after the contents of the pit are dry. Pit liner (if required) will be appropriately removed and disposed of, or buried in place.
- ii. The area of the drill site not needed for producing operations/facilities and well maintenance operations will be recontoured to the original contours as nearly as possible and revegetated/reseeded along contours.

10. PLANS FOR RESTORATION OF SURFACE (CONTINUED):

- C. Revegetation and rehabilitation will be achieved by reseeded after recontouring the site. A seed mixture of native grasses specified by the BLM will be used.
- D. Prior to rig release, the reserve pit will be fenced to prevent livestock or wildlife from being entrapped. The fencing will be maintained until pit reclamation commences.
- E. If any oil or other adverse substance is on the pits and cannot be immediately removed after operations cease, the pit containing the oil or other adverse substances will be overhead flagged and fenced. The entire location will be inspected for trash and other refuse, and such trash/refuse if found, will be cleaned up.
- F. Time to complete rehabilitation depends upon the time necessary for pits to dry. Pit closure, recontouring, planting, and revegetation should occur by Fall 1998, if normal weather patterns ensue.

11. SURFACE OWNERSHIP:

The surface ownership of the access road and location is BLM.

12. OTHER INFORMATION:

A Cultural Resources Survey, by Montgomery Archaeological Consultants has been completed for the proposed site, access road, and pipeline route. A paleontological survey has also been completed by Uinta Paleontological Associates for the proposed site, access road, and pipeline route. No significant cultural or paleontological resources were identified at this proposed site, access road, and pipeline route. The archaeological and paleontological reports are attached to this permit.

An on-site inspection with Mr. Keith Whitaker, Natural Resource Specialist with the Bureau of Land Management White River Resource Area Office (under the NOS procedure) was conducted on November 14, 1997.

13. LESSEE'S AND OPERATOR'S REPRESENTATIVE:

Bonneville Fuels Corporation
1660 Lincoln, Suite #1800
Denver, Colorado 80264

Contact: Alan L. Merrill
Operations Engineer
phone: (303) 863-1555 office
phone: (303) 403-4195 home

CERTIFICATION:

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

Date:

12/3/97



Alan L. Merrill
Operations Engineer