

MASTER FIELD PERMIT

Merit Energy Company

Brown Cow POD

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

The Merit Energy Company Brown Cow Interim Development Coalbed Methane Project is located in Carbon County, Wyoming. The Brown Cow POD is one of nine PODS that comprise the Atlantic Rim Coalbed Methane Interim Drilling Project.

The primary targeted reservoir in the Brown Cow Area is coalbed methane from the coal seams within the Mesa Verde Group. Drill site locations will be on approved 80-acre spacing. All unproductive wells will be plugged and abandoned as soon as practical after the conclusion of production testing. Productive wells may be shut-in temporarily for installation of gas pipeline connections or construction of production facilities.

All proposed facilities including water lines, gas lines, electrical lines, access roads, well locations, compressor station, water injection/disposal wells and water transfer facilities will be located within the Brown Cow Unit and no rights of ways will be necessary.

1. EXISTING ROADS

- a. Access to the Brown Cow Project Area is provided by the two-lane paved Wyoming State Highway 789 from Interstate 80 at Creston Junction south towards Baggs, Wyoming, or north from Baggs, Wyoming.

General directions to the Brown Cow POD from Baggs, Wyoming are as follows:

From Baggs, proceed north on Highway 789 for approximately 7.7 miles, Turn right and proceed northeasterly along BLM Road 3309 for a distance of approximately 5.5 miles until entering the existing Browning Field, operated by Merit Energy Company.

- b. [Maps A](#) and [B](#) show specific directions to each well within the POD area.
- c. All existing roads within a 2-mile radius are shown on [Maps A & B](#). A total of 10.3 miles of existing roads will be utilized. Approximately 0.8 miles of existing road will be upgraded.
- d. Refer to [Map E](#) for lease boundaries. Two federal leases are located within

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the POD outline area. Lease descriptions are also included as attachments for reference. All wells are located on Federal surface managed by the Bureau of Land Management.

- e. Improvement to existing roads will not be necessary as they have been previously improved and are used daily for maintenance of production facilities within the Browning Unit.
- f. Existing roads will be maintained in the same or better condition as existed prior to the start of operations. Maintenance of existing roads used to access the drill locations will continue until final abandonment and reclamation of the well locations.
- g. Roads will not be flat bladed. Excessive rutting or other surface disturbance will be avoided. Operations will be suspended temporarily during adverse weather conditions if excessive rutting is occurring when access routes are wet, soft, or partially frozen.
- h. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency will be maintained in accordance with the standards of the SMA.
- i. All roads outside the Brown Cow Unit are covered under existing rights of ways held by Merit Energy Company for the Browning Field.
- j. All vehicles shall use only the authorized access road(s), as depicted in the approved APD's. Vehicles shall not use any other access route to the drill/well pad and any ancillary facilities including, but not limited to, any two-track roads or trails and pipeline rights-of-way.
- k. If snow removal outside the new and existing roadways is undertaken, equipment used for snow removal operations shall be equipped with shoes to keep the blade at least six inches off the ground surface. Special precautions shall be taken where the surface of the ground is uneven to ensure that equipment blades do not destroy the vegetation.
- l. Unless otherwise exempted, free and unrestricted public access shall be

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maintained on the access roads.

2. ACCESS ROADS TO BE CONSTRUCTED AND RECONSTRUCTED

- a. All new roads to be built, or reconstructed roads are shown on [Maps A & B](#). A total of 1.2 miles of new construction will be necessary. Of this, 0.8 miles of new construction will be designed.
- b. Short segments to each well pad will be constructed in accordance with BLM standards. Roads will be crowned and ditched and surfacing material (to a depth of approximately 4 inches) will be placed on the roads and pads prior to the first precipitation event following road construction/reconstruction, unless otherwise agreed to by the BLM Authorized officer.
- c. Roads will be built to a minimum running surface of 14 feet. Turnouts will be installed where necessary along the proposed access routes.
- d. Road designs have been requested by the BLM on two road segments leading to the #12-13 and the #32-13. These designs will be prepared by Uintah Engineering and Land Surveying and will be submitted under separate cover.
- e. All new access will be maintained year-round so that environmentally-sound access can be achieved. Merit Energy Company will be responsible for limiting access of field personnel to times when rutting and other resource impacts won't occur. Merit Energy Company will be responsible for performing any remediation and/or necessary road upgrading (elevating, surfacing, culverts, low-water crossings, water-wings, etc.) as directed by the BLM Authorized Officer, resulting from untimely access.
- f. The maximum grade of the proposed access routes will be approximately 6-10%.
- g. Cuts and fills along the access road will be kept to a minimum. Balanced cut and fill techniques shall be utilized. Fill slopes shall be compacted in 1 foot lifts. If soils are dry during construction, a water truck shall be used to periodically water the working material.
- h. A total of 19 culverts will be installed throughout the field. All culverts

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needed, (and their sizes) are shown on [Map B](#). No low water crossings will be necessary. All culverts will have a minimum of 12" fill or ½ the pipe diameter of fill, whichever is greater, placed on top of the culvert, and shall be of length sufficient to allow at least 24" of culvert to extend from the fill slope face (on both the inlet and outlet sides). The inlet and outlet shall be set at the gradient of the native ground or existing channel. If the culvert is being placed in an existing watercourse channel, the culvert shall be aligned with the existing channel. The entire length of pipe shall be bedded on native material before backfilling,. Backfilling shall be completed using unfrozen material and rocks no larger than two inches in diameter. Care shall be exercised to thoroughly compact the backfill around and under the culvert. The backfill shall be brought up evenly in 6" lifts on both sides of the culvert and compacted. The permanent marker shall be installed at the inlet and outlet of the culvert to prevent vehicles from damaging the culvert.

- i. Any other culverts, not previously identified, or other road drainage control structures, such as drainage dips, ditches, or water bars, will be installed at specific locations as specified by the BLM. Drainage structures will be designed to pass run off from 50-year storm events, as specified by the BLM. Where needed, rip-rap will be placed at the outlets of culverts to minimize erosion.
- j. Where needed, a Merit representative will conduct a "Plans in Hand" review with contractors to review the access routes to well locations. Where needed, directional markers will be temporarily placed to mark access routes. All markers will be removed as soon as they are no longer needed.
- k. After wells are completed and equipment is installed, travel to wells generally would be limited to one visit every other day. A light truck or utility vehicle would be used to check on operations, read meters, and provide light service during the life of the project. Well service trips could be rescheduled or postponed during periods of wet weather when vehicle traffic could cause rutting.

Compressor Site and Water Injection/Disposal Well Access

- l. All access roads to the compressor site and water injection/disposal facilities

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have been crowned and ditched and previously surfaced. These roads will be kept in good repair throughout the life of the project.

- m. Water turnouts will be installed where deemed necessary by the dirt contractor. If water turnouts appear to be insufficient to prevent erosion, additional water turnouts may be required by the BLM.
- n. All cattle guards are existing. No additional cattle guards will be necessary. Cattleguards will be maintained in good working condition.
- o. 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.
- p. If there is snow on the ground when construction begins, the operator will remove it before the soil is disturbed, and pile it downhill from the topsoil stockpile location.
- q. The compressor station and water injection/disposal well sites shall be surrounded by an impervious dike of sufficient size to hold the entire storage capacity of the largest tank in the facility and still allow one foot or freeboard or 110% of the capacity of the largest tank in the facility.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION. SEE MAP "C".

- a. Water Wells - none
- b. Injection/Disposal Wells - none
- c. Producing Wells - six
- d. Drilling Wells - none
- e. Abandoned or Temporarily Abandoned - twelve

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- f. Shut In Wells - seven
- g. Disposal Wells - none

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES IF THE WELL IS PRODUCTIVE.

- a. No production facilities will be located at the wellhead. Only a meter containment structure will be located at each well. V-cone meters with electronic flow meters are being used.
- b. Proposed Water Disposal Wells: The #1-2 well (currently shut-in) is proposed as the primary disposal site. The #3-12 and #4-12 will be added as needed, based on water flow rates. See [Map D](#) for location of proposed disposal sites.
- c. Compressor Facilities: Currently, the gas from the Browning Field enters a low pressure gathering system that ties into a sales meter at the #1-12 location. The gas enters an existing gas line that goes to the Wild Cow compressor located in the SW NE Sec. 23, T15N - R91W. Initially, Brown Cow CBM will be gathered in the same fashion (without compression). At some point, it will necessary to add compression to lower the pressures at the well head and boost the gas to the Wild Cow Compressor. The proposed compressor site would be located on the #3-12 well pad. See Typical Compressor Facility - Exhibit #1, attached.
- d. All permanent above-the-ground structures that will remain longer than six months will be painted Carlsbad Canyon (color 2.5Y 6/2 of the Standard Environmental Colors). The exception being that Wyoming Occupation Health and Safety Act Rules and Regulations are to be complied with where special safety colors are required.
- e. Wells will be shut-in temporarily until all pipelines and disposal facilities are authorized and constructed. Working pits on the well pads will be closed once the contents have dried. Once the wells become operational, produced water will be separated from the gas and collected in a buried polyethylene

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flow line for transportation to an approved produced water disposal location.

- f. The primary objectives for water disposal are the Deep Creek and/or Cherokee Creek Sandstone. The Deep Creek and/or Cherokee Creek formations are isolated above and below by competent shale barriers that will prevent the initiation and propagation of fractures through overlying strata to any fresh water zones. Where possible, produced water flowlines and gas flowlines will be co-located with the road. Areas have been identified where it is uneconomical to co-locate water and/or gas lines within the access roads. See [Map "D"](#).
- g. The surface equipment at the well will consist of the wellhead and an insulated wellhead cover. See attached schematic diagram of a typical coalbed natural gas well site - Exhibit #2. After drilling, the well site will be reduced to approximately 1/4 acre (104' x 104') with deadmen anchors set at 160' x 160' as shown on the attached exhibit.
- h. Existing compression facilities will be used. If production exceeds current compression capability a compressor site facility will be constructed. The site will encompass approximately one acre (200' x 200'). A drawing of a typical compression site is attached. See Exhibit #1. About one-half of the compressor site will be affected by the construction, maintenance and operation of the facility. The compressor site facility will be of all-weather construction having a thick layer of gravel over the pad site. If feasible, topsoil will be removed and conserved for later reclamation activities.
- i. The compressor site will consist of an insulated header building containing allocation meters for each well and a single sales meter. The header building will also contain a de-hydrator that will remove water from the wet gas stream. If different production facilities are required, plans will be submitted in a Sundry Notice. The holder shall muffle and /or house the compressors so that noise levels are less than 60 decibels, as measured, one-quarter mile from the project site.
- j. Water injection/disposal facilities are expected to be constructed within an approximate area of 150' x 150'. A drawing of a typical water disposal facility

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- Exhibit #3 is attached. The injection/disposal facility will be of all weather construction having a thick layer of gravel over the pad site. If feasible, topsoil will be removed and conserved for later reclamation activities.
- k. Approximately 3 water transfer pumping facilities would be utilized during production operations to transfer produced water from the coal bed methane wells(s) to the injection/disposal well in areas where elevation differences require supplemental pumping to transfer the produced water. Each pumping station would be constructed within an approximate area of 125' x 125'. See Exhibit #4. An approximate 3' berm would be constructed around the perimeter of the pumping station area to contain any potential spills. Water facilities will be located near proposed areas of disturbance and will not be located within known cultural resources sites or sensitive wildlife areas. Water transfer facilities will be located at existing or proposed well sites. The proposed locations are at the #32-13, the #23-12 and the #3-12. The location of water transfer facilities is shown on [Map D](#). The total disturbed area for the #3-12 well site will be approximately 360' x 360' because it will contain the water transfer facility, the water disposal facility and the compressor facility.
- l. A typical pumping station would consist of one (2) 400 barrel water tanks and a small centrifugal water pump. A small pump house would be constructed immediately outside of the bermed area to house the centrifugal pump.
- m. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- n. The reserve pits shall be fenced on three sides during drilling, and the working side shall be fenced immediately after the drilling rig is released. The reserve pit shall remain adequately fenced until the reserve pit is reclaimed.
- o. All appropriate permits will be filed with the Wyoming DEQ for re-injection of produced water, and approved prior to water disposal operations.
- p. The location of proposed gas lines is shown on [Map D](#). Any power lines will be buried following the same alignment as gas lines, (where possible) , but will be contained in a separate trench. Approximately 5.2 miles of pipeline will be constructed. See [Map D](#) for location of pipelines. Refer to [Pipeline](#)

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[Attachment](#) regarding pipeline specifications.

- q. All site security guidelines identified in 43 CFR 3162.7 will be adhered to.

Pipelines and Flowlines

- r. Pipeline construction shall not block nor change the natural course of any drainage.
- s. Pipeline trenches shall be compacted during backfilling. Pipeline trenches shall be maintained in order to correct settlement and erosion.
- t. Waterbars are to be constructed at least one (1) foot deep, on the contour, with approximately two (2) feet of drop per 100 feet of water bar, to ensure drainage. Water bars are to be extended into established vegetation. All water bars are to be constructed with a berm on the downhill side of the water bar, to prevent soft material from silting in the trench. The initial water bars should be constructed at the top of the back slope.

Subsequent water bars should follow the following general spacing guidelines:

<i>% Slope</i>	<i>Spacing Interval (feet)</i>
2 or <	200
2 - 4	100
4 - 5	75
5 or >	50

5. LOCATION AND TYPE OF WATER SUPPLY

- a. Drilling water will be hauled from the municipal source in Baggs, WY.
- b. Water will be hauled by truck to each wellsite.

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- c. No water wells are to be drilled.
- d. The source of water is located federal lands.
- e. The water volume needed for drilling operations is dependent upon the depth of the well and any losses that might occur during drilling.

6. CONSTRUCTION MATERIALS

- a. Surface and subsoil materials in the immediate area (those areas which will be disturbed by pad construction or road construction) will be utilized.
- b. No construction materials will be removed from Federal lands.
- c. Gravel, stone and sand will be purchased from a local supplier having a permitted source of materials for the area. This material will be used for road construction to access wells, compressor and injection/disposal facilities.
- d. Any materials to be used which are under BLM jurisdiction shall be approved in advance, as per CFR 3610.2-3.

7. METHODS FOR HANDLING WASTE DISPOSAL

- a. No hazardous substance as defined by CERCLA will be used in the drilling of the wells and/or construction of the well sites and access roads. Commercial preparations, which may contain hazardous substances, may be used in testing and production operations and will be transported over the ROW and within the project area. These materials, which may contain hazardous substances, will be handled in the appropriate manner to minimize potential for leaks or spills to the environment. No RCRA hazardous wastes will be generated in well drilling or production operations. Exempt reserve pit contents will be buried on-site.
- b. Drill cuttings and drilling fluids will be contained and buried in the reserve pit.

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- c. The reserve pit will be fenced around 3 sides during drilling. A sheep tight woven wire will be used on the bottom with 2 strands of barbed wire above it. The fourth side of the reserve pit will be fenced as soon as the rig leaves the location. The pit will be backfilled within 2 to 3 weeks following completion of drilling or when sufficient drying has occurred. Then topsoil will be replaced.
- d. All trash will be picked up and disposed of on a daily basis. No trash or empty barrels will be placed in the reserve pit.
- e. No oil, salt water or other noxious fluids will be produced during drilling and completion operations.
- f. Drilling operations will normally be conducted 24 hours a day for approximately 6 days.
- g. A portable, self-contained chemical toilet will be provided on location during drilling and completion operations. Upon completion of operations, or as required, the contents of the toilet holding tanks will be disposed of at an authorized sewage treatment and disposal facility. Disposal will be in accordance with the State of Wyoming, Carbon County and BLM requirements regarding sewage treatment and disposal.
- h. Garbage and non-flammable waste materials will be contained in a portable dumpster or similar unit. Upon completion of operations, or as needed, the accumulated trash will be hauled off-site to an approved sanitary landfill. No trash will be placed in the reserve pit.
- i. Immediately after removal of the drilling rig, all debris and other waste materials not contained will be cleaned up and removed from the well location. No potentially adverse materials or substances will be left on the location.
- j. Any spills of oil, gas, salt water or any other potentially hazardous substance will be reported immediately to the BLM and other responsible parties, and will be mitigated immediately, as appropriate, through cleanup or removal to an approved disposal site.

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- k. Any produced water will be dealt with as addressed in the water management plan.
- l. The reserve pit and drilling fluids contained in the pit will be allowed to dry. The pit will then be backfilled.
- m. The operator and their contractors shall ensure that all use, production, storage, transport and disposal of hazardous and extremely hazardous materials associated with the drilling, completion and production of these wells will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines. All project related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. A file will be maintained containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds and/or substances which are used in the course of construction, drilling, completion and production operations.

8. ANCILLARY FACILITIES

Self-contained travel-type trailers may be used on-site during drilling operations. No facilities other than those described in this Master Surface Use Plan will be constructed to support the operations associated with the wells. No camps, airstrips or other facilities will be necessary.

9. WELLSITE LAYOUT

- a. The well pad will occupy an area approximately 240' x 190'. The reserve pit dimensions will be 100' x 65' x 10' deep. Where possible, the rig will be located on level ground, or following the contour of the surface. When possible, the reserve pit will be constructed on the uphill side of location.
- b. Cuts and fills on the location will be kept to a minimum where possible (other than the reserve pits). When possible, a small truck mounted rig will be utilized for drilling operations.

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- c. The top 6 inches of top soil (or maximum available) will be removed from the reserve pit area (and any other areas with surface disturbance) and stockpiled for future use in reclamation.
- d. Sagebrush will be stockpiled separately from the topsoil material adjacent to the well pad exterior.
- e. The operator will not push soil material and overburden over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved and where it doesn't impede watershed and drainage flows.
- f. A 20' undisturbed vegetative border will be maintained between the toe of fill on the pad and/or pit areas and the edge of adjacent drainages.
- g. The reserve pit will be oriented to prevent collection of surface runoff.
- h. Ditches will be constructed, where necessary, around the well pads to divert water away from the pad.
- i. The reserve pit will be constructed with a minimum of one-half ($\frac{1}{2}$) the total depth below the original ground surface on the lowest point within the pit.
- j. Only fresh water will be contained within the reserve pit. No liner will be necessary. If a liner is used, it will be cut off at ground level before backfilling takes place.
- k. A complete copy of the approved APD will be at the drill site during construction of the roads and drillpad, the drilling of the well, and the completion of the well.

10. PLANS FOR RECLAMATION OF THE SURFACE

The following surface reclamation will be done as requested by the surface owner.

- a. Should the well become productive, all disturbed areas not required for production operations and facilities will be reclaimed (partial reclamation) as soon as possible, but no longer than within 2 years from the date production facilities are completed. The reclaimed area will be recontoured and landscaped to approximate the original topography.
- b. The reserve pit will be allowed to dry, backfilled and then the topsoil will be

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put back. No depressions will be left that trap water or form ponds. The fluids and mud must be dry in the reserve pit before the pit area is recontoured. The operator will be responsible for recontouring any subsidence areas that develop as a result of closing a pit before it is completely dry.

- c. After (1) recontouring all disturbed areas of the project to the original topography and (2) final grading and replacement of topsoil, the entire surface of the well site and access road shall be ripped to a depth of 18 to 24 inches on 18 to 24 inch centers. The operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seed bed and prevent soil and seed losses. To maintain quality and purity, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used.

One of the following seed mixtures will be used depending on the type of vegetation at the site. The Dry Loamy/Sandy Seed mix will be used on grassy areas. The Mountain Shrub Seed mix will be used in areas with dense sagebrush cover.

DRY LOAMY/SANDY SITES	
Species of Seed	Lbs. PLS
Grasses	
Thickspike wheatgrass (Critana)	4
Western wheatgrass (Rosanna)	2
Indian ricegrass	2
Needleandthread	2
Bottlebrush squirreltail	2
Slender wheatgrass	2
Sand dropseed	0.5
Shrubs	

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Rubber rabbitbrush	1
Big sagebrush	0.5
Gardner's saltbrush	1
Shadscale	1
Fourwing saltbush	1
Antelope bitterbrush	1
Common winterfat	1
Forbs	
Scarlet globemallow	1
Lewis' flax (Appar)	1

MOUNTAIN SHRUB SITES	
Species of Seed	Lbs. PLS
Grasses	
Blubunch wheatgrass	4
Slender wheatgrass	2
Basin wildrye	2
Green needlegrass	2
Western wheatgrass (Rosana)	2
Mountain Brome (Bromar)	2
Thickspike wheatgrass	2
Indian ricegrass	2
Shrubs	

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Wyoming big sagebrush	0.5
Antelope bitter brush	1
Snowberry	1
Serviceberry	1
<i>Forbs</i>	
Lewis flax (Appar)	1

- d. Dry Hole - In the event of a dry hole, all equipment and debris will be removed from the location. Any improvements to the access road, such as culverts and gravel, will be removed. The drainages will be restored to their approximate original bank configuration and depth. Topsoil will be replaced over all cut areas. All disturbed areas will be seeded as indicated below. Such reclamation shall be completed no more than 1 year following drilling operations.
- e. Seeding - All disturbed areas will be reclaimed by replacing topsoil, grading and seeding with a mixture agreed upon by the BLM and Merit. Seeding would occur during the spring months after ground frost, or in the fall prior to ground frost. Seed would be applied as directed by the BLM, either drilled, broadcast, or a combination thereof. Mulching may be required to insure seedling establishment.
- f. The seed mix will be planted (subject to approval by the Bureau of Land Management) with a drill equipped with a depth regulator. The seed mix will be uniformly planted over the disturbed area. Where drilling is not possible, seed will be broadcast and the area will be raked or chained to cover the seed. Seeding will be repeated until a satisfactory stand is established as determined by the BLM.
- g. All disturbed areas associated with well drilling and associated facilities (pipelines, access roads, etc.) will be seeded during the first fall or spring season following construction.
- h. Fall seeding will be completed after September 15 and prior to ground frost. To be effective, the spring seeding will be done after the frost has left the ground and prior to May 15.

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- i. The operator will control noxious weeds on the location and along the access roads.
- j. The operator will reshape abandoned access roads by pushing fill material back into the cuts.
- k. All rehabilitation work, including seeding, will be completed as soon as feasible following plugging.
- l. BLM will not release the performance bond until the areas have been successfully revegetated (evaluation will be made after the second growing season) and has met all other reclamation goals of the surface owner.
- m. Waste materials will be disposed of as stated in #7 of this Surface Use Plan.
- n. A Notice of Intent to Abandon and a Subsequent Report of Abandonment will be submitted for abandonment approval.
- o. Please contact the Area Manager, Bureau of Land Management, Rawlins, Wyoming if there are any questions concerning the above rehabilitation stipulations (307/328-4200).

11. SURFACE OWNERSHIP

Wellsites - The surface of the interim development project area is entirely under federal ownership.

Roads - All roads are located on Federal surface.

12. OTHER INFORMATION

- a. A Class III Cultural Resource Inventory of the proposed drillsites, access roads and pipelines has been completed by Pronghorn Archaeological Services. A copy of these reports are on file with the BLM, Rawlins Field Office. Additional Archeological work will be completed on the pipeline routes that have been re-located. These will be submitted under separate cover by Pronghorn Archeological Services.

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- b. If archaeological, historical or vertebrate fossil materials are discovered during the course of any construction activities, Merit will suspend all operations that further disturb such materials and immediately contact the BLM, Rawlins Field Office (307-328-4200). Operations in the area of discovery will not resume until written authorization to proceed has been issued by the BLM Authorized Officer.
- c. Merit will be fully responsible for the actions of their subcontractors. A copy of the approved APD and the Conditions of Approval will be on location during drilling and completion operations.
- d. A comprehensive water disposal plan is attached to this Master Surface Plan that addresses how produced water will be handled during the testing and production of the CBM wells.
- e. "Sundry Notice and Report of Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 32 CFR 3164.
- f. The operator shall be responsible for the prevention and suppression of fires on public lands caused by its employees, contractors or subcontractors. During conditions of extreme fire danger, surface use operations may be limited or suspended in specific areas.
- g. All applicable local, state and/or federal laws, regulations, and/or statutes will be complied with.

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

Permit Matters

PERMITCO INC.
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Lisa L. Smith
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Drilling & Completions Matters

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972/740-2784 (Cell)

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Merit Energy Company

Brown Cow POD

Sections 1, 2, 12, 13,

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Baggs Wyoming Field Office

Merit Energy Company

P.O. Box 336

Baggs, Wyoming 82321

Don Baucum - Production Foreman

307/383-6794 (Office)

307/380-8300 (Cell)

307/383-6793 (Fax)

CERTIFICATION

I certify that Merit shall use its best efforts to conduct its approved operations in a manner that avoids adverse effects on any properties which are listed, or may be eligible for listing, in the National Register of Historic Places (NRHP). If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the authorized officer (or his/her representative) at the BLM Rawlins Field Office. Any paleontological resources or fossils discovered as a result of operations associated with these wells will be brought to the attention of the authorized officer or his/her representative immediately. All activities in the vicinity of such discoveries will be suspended until notified to proceed by the authorized officer.

Merit certifies that:

- a. Merit has applied for a Permit to Appropriate Ground water from the Wyoming State Engineer's Office, concurrently with the Application for Permit to Drill.

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 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 the operations proposed herein will be performed by Merit Energy Company and its contractors and subcontractors in conformity with this 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.

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September 19, 2003

Date

Lisa L. Smith - Permitco Inc.
Authorized Agent For:
MERIT ENERGY COMPANY