



EnCana Oil & Gas (USA) Inc.

EnCana Oil & Gas (USA) Inc. tel: 720-876-5339
370 – 17th Street
Suite 1700 fax: 720-876-6339
Denver, CO 80202

www.encana.com

January 17, 2007

Mr. John Baza
Utah Division of Oil, Gas & Mining
1594 North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Exception Location
Middle Mesa State 36-12-29-24 Well
1097' FNL and 2216' FWL
NENW Sec 36, T29S, R24E
San Juan County, Utah

Dear Mr. Baza;

Pursuant to Rule R649-3-3 of the Oil & Gas Rules and Regulations of the State of Utah, EnCana Oil & Gas (USA) Inc. hereby requests an exception location for the drilling of the captioned well. Rule R649-3-2 requires a well to be located in the center of a forty (40) acre quarter-quarter section, or a substantially equivalent lot or tract, with a tolerance of two hundred (200) feet in any direction from the center.

The above referenced bottom hole location is an exception location under Rule R649-3-2, being Four Hundred Eighty-Nine feet (489') southeast from the center of the NENW of Section 36, T29S, R24E. The attached plat depicts the location for which EnCana wishes permission to drill as well as the deviation from the location which would be in accordance with Rule R649-3-2.

The requested location has been chosen for geologic reasons. It is on State Lease UT-37067 and is within the established Middle Mesa Unit Area, #UTU82680X. The drillsite lease and all surrounding acreage within a Four Hundred Sixty foot (460') radius of the proposed location is owned One Hundred percent (100%) by EnCana Oil & Gas (USA) Inc. at 370 17th Street, Suite 1700, Denver, CO 80202. The map indicates EnCana's ownership.

If you have any questions or need additional information, please contact me at (720) 876-5339.

Sincerely,

Jevin Croteau
Regulatory Analyst

Attachment



EnCana Oil & Gas (USA) Inc.

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370 – 17th Street
Suite 1700 fax: 720-876-6339
Denver, CO 80202

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January 18, 2007

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RE: Middle Mesa State 36-12-29-24
NENW, Section 36, T29S R24E
San Juan County, UT

To Whom It May Concern:

Enclosed please find two copies of the following forms for our subject well:

Complete signed Form 3
Location plat, Vicinity map, Topo map, Well pad and profile diagram
Copy of Water Right Number 05-6 approval
Request for Exception Location
Surface Use Plan of Operations
Complete drilling plan containing:

Estimated geologic markers
Estimated top & bottom of water, oil & gas
BOP program and schematic
Casing & cementing program
Mud program
Evaluation program
Anticipated BH pressure & hazards
Deviated drilling plan

The surface and mineral owner for the proposed well site is:

State of Utah, School & Institutional Trust Lands Administration
Lease No. ST-UT-37067

If you have any questions or need additional information, I can be reached at (720) 876-5339.

Sincerely,

Jeyin Croteau
Regulatory Analyst

Enclosure

FRECHER

JAN 18 2007

DIVISION OF OIL, GAS & MINING

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: ST-UT-37067	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: Middle Mesa Unit	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.		9. WELL NAME and NUMBER: Middle Mesa State 36-12-29-24	
3. ADDRESS OF OPERATOR: 370 17th Street CITY Denver STATE CO ZIP 80202		PHONE NUMBER: (720) 876-5339	10. FIELD AND POOL, OR WLDGAT: Wildcat <i>Undesignated</i>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1097' FNL & 2216' FWL <i>655078X 38.241836</i> AT PROPOSED PRODUCING ZONE: 1097' FNL & 2216' FWL <i>4233926Y - 109.227963</i>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 29S 24E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 7 miles southeast of La Sal, UT		12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1097'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2468'	19. PROPOSED DEPTH: 5,750	20. BOND DESCRIPTION: RLB0001191	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6845.2'	22. APPROXIMATE DATE WORK WILL START: 3/1/2007	23. ESTIMATED DURATION: 15 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		
12 1/4	9 5/8	J-55	36#	600	Class G + 2% gel	200sx	2.09 cuft/sx 12.5#
8 3/4	5 1/2	J-55	15.5#	5,739	50/50 poz: Class G	600sx	1.43 cuft/sx 13#

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 |

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst
SIGNATURE *[Signature]* DATE 1/18/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-037-31855

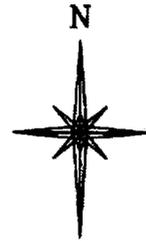
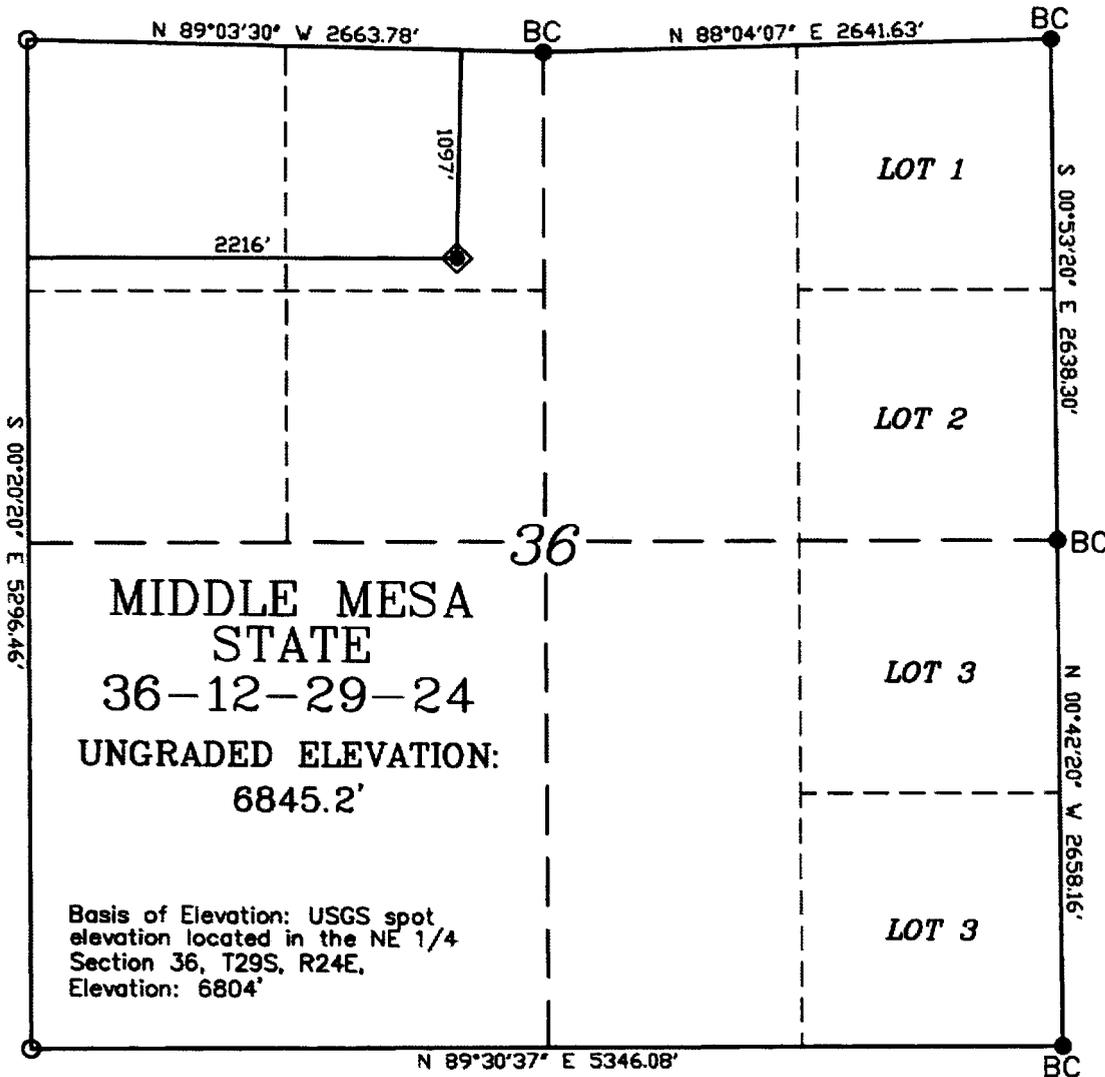
APPROVAL:

RECEIVED

JAN 19 2007

DIV. OF OIL, GAS & MINING

R. 24 E.



SCALE: 1" = 1000'

T. 29 S.

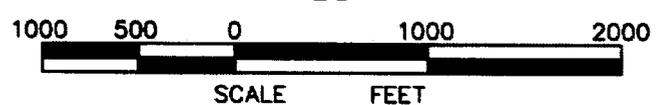
LATITUDE
NORTH 38.241823 DEG.
LONGITUDE
WEST 109.228183 DEG.

NORTHING
581469.16
EASTING
2652440.73

DATUM
SPCS UT SOUTH (NAD 27)

MIDDLE MESA
STATE
36-12-29-24
UNGRADED ELEVATION:
6845.2'

Basis of Elevation: USGS spot
elevation located in the NE 1/4
Section 36, T29S, R24E,
Elevation: 6804'



SURVEYOR'S STATEMENT

I, Brian L. Forbes, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on DECEMBER 16, 2006, and it correctly shows the location of MIDDLE MESA STATE 36-12-29-24.

NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT
- CALCULATED CORNER

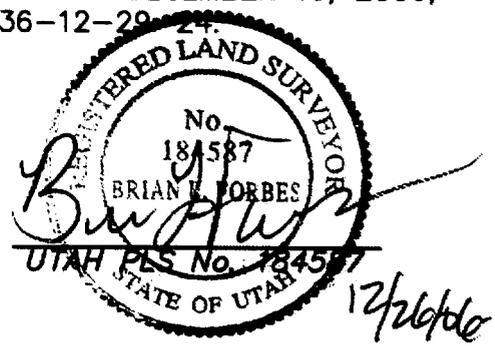


EXHIBIT 1

DR GRIFFIN & ASSOCIATES, INC.

**PLAT OF DRILLING LOCATION
FOR
ENCANA OIL & GAS (USA) INC.**

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 1000'
JOB No. 15013
DATE: 12/22/06

**1097' F/NL & 2216' F/WL, SECTION 36,
T. 29 S., R. 24 E., SALT LAKE P.M.
SAN JUAN COUNTY, UTAH**

ENCANA OIL & GAS (USA) INC.
Surface Use & Plan of Operations

1. EXISTING ROADS

- a. The proposed well site is located approximately 7 miles Southeast of La Sal, Utah.
- b. Directions from La Sal, Utah are as follows:

From La Sal Junction, US Highway 191 and State Highway 46, travel East on State Highway 46 for approximately 8.5 miles. Turn right on Coppermill Road travel South for approximately 4.3 miles. Turn left travel easterly approximately 2 miles. Turn left on an existing road and travel northeasterly for approximately 0.6 miles to the proposed road and travel northwesterly for 0.3 miles to the location.
- c. EnCana will obtain any permits needed from the San Juan County Road Department before any construction activities begin.
- d. Existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well as per the road use agreement.
- e. Dust control measures will be implemented during dry weather when necessary. These may include mag chloride or other palliative.

2. PLANNED ACCESS ROADS

- a. For access roads, see Topo Map and Vicinity Map.
- b. Some Improvement to existing roads may be necessary.
- c. No turnouts will be necessary.
- d. All surface materials needed for construction will be procured from a commercial source, except those materials that will be generated during the construction of this well (excess fill, etc.).
- e. No fence cuts or cattle guards will be necessary.
- f. Surface disturbance and vehicle travel will be limited to the approved location and approved pipeline/access road route.
- g. If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned.
- h. All brush, limbs, and other woody material will be stockpiled separately from the topsoil along the roadway, or near the well pad. The upper six inches of topsoil will be stockpiled near the well pad for future reclamation. If the soil stockpile is not used within six months it will be seeded to ensure topsoil integrity and prevent erosion.
- i. No pullouts or off-road parking will be allowed unless specifically authorized. "Keep vehicles on road surface" signs will be installed to assist with compliance. Shortcutting by vehicles operated by EnCana or its contractors, on roads not identified as access

routes in the APD, will not be allowed.

3. LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS OF THE PROPOSED LOCATION. SEE GATHERING PIPELINE TOPO.

- a. Water Wells - 0
- b. Injection or Disposal Wells - 0
- c. Producing Wells – 3
- d. Drilling Wells – 0
- e. Shut In Wells - 0
- f. Plugged and Abandoned Wells - 3

4. LOCATION OF PRODUCTION FACILITIES

- a. If the well is productive all production facilities will be located on the well pad. The proposed facilities to be located on the well pad will be a typical tank battery.
- b. The proposed gas gathering line will be buried from the well head to the battery site then to the tie-in point in the SWNE of Section 36, T29S R24E. The total length of the pipeline is approximately 1,498'.
- c. All permanent structures (onsite for six months or longer) constructed or installed will be painted a flat, non-reflective earth tone color which will match the adjacent vegetation. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. The actual color will be specified by the Bureau of Land Management in the approved permit to drill.
- d. All site security guidelines identified in 43 CFR 3162.7-5 and specified in Onshore Order No. 3 shall be adhered to.
- e. The oil and gas measurement facilities will be installed on the well location. The gas flowline will be buried from the wellhead to the meter and downstream until it leaves the pad. Meter runs will be housed. Oil and gas meters will be calibrated prior to first sales and quarterly thereafter.
- f. If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery.
- g. Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Oil and Gas Order No. 7.

5. LOCATION AND TYPE OF WATER SUPPLY

- a. The source of water for drilling and completion purposes will be obtained from the La Sal Creek located in the SE/4 of Section 7, T28S R25E, San Juan County, Utah.
- b. This water source is permitted under the State of Utah, Department of Natural Resources, Division of Water Rights. Water Right Number 05-6.
- c. Water will be hauled to the location over the proposed access roads outlined in the

SUP.

6. CONSTRUCTION MATERIALS

- a. All materials needed for construction will be procured from a commercial source, except those materials that will be generated during the construction of this well (excess fill, etc.).
- b. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

7. METHODS FOR HANDLING WASTE DISPOSAL

- a. Drill cuttings are to be contained and buried in the reserve pit.
- b. The reserve pit will be sealed in such a manner as to prevent leakage of the fluids. Methods available to insure containment of drilling fluids in the reserve pit include lining the inside of the pit with at least a 12 mil plastic liner. If a plastic liner is used, the bottom of the pit shall be smooth and free of any sharp rocks. If the pit has a rocky bottom, it shall be bedded with a material such as soil, sand, straw or hay to avoid the possibility of puncturing the liner. A minimum of not less than a 2 foot freeboard will be maintained in the pit at all times. All oil or floating debris will be removed from the pit immediately after the drilling and after the stimulation phase of the well.
- c. The reserve pit will be located on the SW corner of the disturbed pad, and the pit walls will be sloped at no greater than 1 1/2 to 1.
- d. The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.
- e. Garbage is to be contained in the trash cage. The trash cage will be totally enclosed with small mesh wire to prevent wind scattering and wildlife entry. All garbage will be hauled to an approved disposal site at the end of drilling/completion operations.
- f. Sewage will be disposed of in accordance with State and County regulations. No sewage boreholes will be allowed. Chemical porta-toilets will be furnished and their contents hauled to an approved disposal site.
- g. The produced fluids (produced water, frac fluid and possibly condensate), while testing the well will be flowed back to a 400 Bbl. test tank. Any condensate will be skimmed and transferred to production tanks. Sand and produced fluids other than condensate will be transferred to the reserve pit until such time as the well is cleaned up sufficiently to produce pipeline quality gas. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

No camps, airstrips or other facilities will be necessary.

9. WELLSITE LAYOUT

- a. The survey plats are attached.

- b. The well pad plan is attached with the location of the reserve pit and access road onto the well pad.
- c. A cross section of the well pad with the cut and fill diagram is attached.
- d. The reserve pit will be designed to prevent the collection of surface runoff.
- e. The reserve pit liner shall remain intact until the reserve pit is reclaimed. Flare pits must be located a sufficient distance from the reserve pit to prevent the liner from being damaged during flaring operations.
- f. Prior to rigging up, a one-foot high berm will be constructed around the perimeter of the well pad to contain all storm events/spills from going downstream of the well pad. A lined sump pit may be utilized to contain the fluids. The need for the berm will be reassessed upon completion of the well and after production is established.
- g. Compaction and construction of the berms surrounding the tank or tank batteries will be designed to prevent lateral movement of fluids through the berm, prior to any storage of fluids. All load lines and valves shall be placed inside the bermed areas.
- h. There shall be a sign or marker on location with the name of the operator, lease serial number, well number, and legal location of the well.

10. PLANS FOR RECLAMATION OF THE SURFACE

The following surface reclamation will be done upon completion of the drilling operations.

- a. The top six inches of topsoil material will be removed from the location, saved and stockpiled separately on the edge of the pad to be used for reclamation purposes.
- b. Topsoil along the access road will be reserved in place adjacent to the road.
- c. Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.
- d. When the reserve pit has completely dried the reserve pit and that portion of the location not needed for production will be reclaimed.
- e. All road surfacing will be removed prior to the rehabilitation of roads.
- f. Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.
- g. All disturbed areas will be recontoured to replicate the natural slope.
- h. The stockpiled topsoil will be evenly distributed over the disturbed area.
- i. Prior to reseeding, all disturbed areas, including the access roads will be scarified and left with a rough surface.
- j. Seed will be broadcast or drilled between September and October. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.
- k. The following seed mixture or one approved by UDOGM, SITLA or San Juan County will be used. Seed labels from each bag shall be available for inspection while seeding is

EnCana Oil & Gas (USA) Inc.
Middle Mesa State 36-12-29-24
NENW Section 36, T29S-R24E
1097' FNL & 2216' FWL
San Juan County, Utah

Lease No. STUT37067

being accomplished. In the event grasses and native vegetation is not established after the first seeding application, subsequent applications will be performed until grasses and/or native vegetation is established.

<u>Common Name</u>	<u>Pure Live Seed (PLS) lbs /acre</u>
Indian ricegrass	4.0
Crested wheatgrass	4.0
Four-wing saltbush	4.0
Alfalfa	0.5
	12.5 lbs/acre

- i. The abandonment marker will be one of the following, as specified by the UDOGM:
- 1) at least four feet above ground level,
 - 2) at restored ground level, or
 - 3) below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

- m. Vegetation or soil disturbance by the operator will be held to the minimum consistent with practical construction operations and the operator will smooth all disturbed areas to conform as nearly as practical to the adjacent terrain.
- n. To the degree it is feasible, natural drainage will not be altered.
- o. Reclamation will be considered successful when the desired vegetative species are established, erosion is controlled, weeds are considered a minimal threat, and it is likely that ground cover will return to a desirable condition. EnCana will continue revegetation efforts until this standard is met.
- p. A fence shall be installed around the perimeter of the area undergoing reclamation. The fence shall be maintained in a manner to prevent cattle from entering the area, and shall be constructed as follows: Posts to be no more than 16' apart; fence wire: four wires of at least 12.5 gauge, double strand twisted; two stays between posts; wire stretched taut between brace panels, wire spacing from the ground up: 14", 22", 30", 42".

11. SURFACE OWNERSHIP

Well site - State of Utah School & Institutional Trust Lands Administration

Roads - All access roads are located or maintained by the State and County Road Departments or are on lands owned by the State of Utah.

12. OTHER INFORMATION

- a. A Class III archeological survey will be conducted by 4 Corners Archaeological Services for the surface location, access road and pipeline right-of-way and will be sent under separate cover.

EnCana Oil & Gas (USA) Inc.
Middle Mesa State 36-12-29-24
NENW Section 36, T29S-R24E
1097' FNL & 2216' FWL
San Juan County, Utah

Lease No. STUT37067

The operator is responsible for informing all persons in the area who are associated with this project that they will be subjected 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 State of Utah Trust Lands Administration.

13. **LESSEE'S OR OPERATOR'S REPRESENTATIVES**

Permit Matters

EnCana Oil & Gas (USA) INC.
370 17TH Street, Suite 1700
Denver, CO 80202
Jevin Croteau
Office: (720) 876-5339
Cell: (720) 273-6427

Drilling & Completion Matters

EnCana Oil & Gas (USA) INC.
370 17th Street, Suite 1700
Denver, CO 80202
Kevin Brakovec – Drilling Engineer
Office: (720) 876-3668
Cell: (303) 710-0983

Drilling Program

The proposed wellsite is located on State Surface/State Minerals

1. FORMATION TOPS/GEOLOGIC MARKERS

The estimated tops of important geologic markers are as follows:

Formation	Depth	Subsea
Dakota/Burro Canyon	Surface	+6865'
Navajo	1180'	+5685'
Wingate	1933'	+4932'
Chinle	2240'	+4625'
Cutler	2240'	+4625'
Honaker Trail	4065'	+2800'
La Sal	5265'	+1600'
La Sal Shale	5605'	+1260'
Hatch	5689'	+1176'
TD	5739'	+1126'

2. ANTICIPATED DEPTH OF WATER, OIL & GAS

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations as expected to be encountered are as follows:

Substance	Formation	Depth
Gas	Honaker Trail	4065'
Gas	La Sal	5265'
Gas	La Sal Shale	5605'
Gas	Hatch	5689'

3. BOP EQUIPMENT/REQUIREMENTS

EnCana Oil & Gas (USA), Inc.'s minimum specification for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

EnCana Oil & Gas (USA), Inc. will comply with all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

Drilling Program

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% 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% 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% 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) shall be held open or the ball removed.

Annular preventers (if used) 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.

The BOP and related equipment shall meet the minimum requirements of Federal Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

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.

- a. The size and rating of the BOP stack is shown on the attached diagram.
- 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. CASING AND CEMENTING PROGRAMS

The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0-600'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0-5739'	8-3/4"	5-1/2"	15.5#	J-55	LT&C	New

Casing design subject to revision based on geologic conditions encountered.

The cement program will be as follows:

Conductor	Type and Amount
Surface	Type and Amount
0-600'	200 sx Class 'G' 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg
Production	Type and Amount
3500'-5739' MD	600 sx Class 'G' 50/50 Poz 1.43 cuft/sx yield, 13 ppg

5. MUD PROGRAM

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

Interval	Mud Type	Mud Wt.	Visc.	F/L
0-600'	Water	+/- 8.5	+/- 28	N.C.
600'-2200'	Water	+/- 8.5	+/- 28	N.C.
2200'-TD	LSND	+/- 8.8-9.1	+/- 40-50	+/- 8-10

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

1. There will be sufficient mud on location to ensure well control.
2. 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.

6. EVALUATION PROGRAM – TESTING, LOGGING AND CORING

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

- a. No drill stem tests are anticipated.
- b. The logging program will consist of a Platform Express: Neutron Density, Laterolog, Gamma

Ray and Caliper from TD to base of the surface casing.

- c. No whole cores are anticipated. Depending upon evaluation of the open hole logs, several sidewall cores may be obtained in formations of interest.

7. ABNORMAL PRESSURES AND H₂S GAS

- a. The maximum anticipated bottom hole pressure is 2400 psi (pressure gradient of 0.396 psi/ft). Source of pressure estimate was from data obtained for the La Sal geologic formation in the Middle Mesa State 36-14-29-24 (well is located within 1 mile of the proposed location).
- b. No hydrogen sulfide gas is anticipated, no abnormal pressures or temperatures are anticipated.

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.

It is anticipated that the drilling of this well will take approximately 15 days.

Following drilling and completion, portions of the pad not needed for production facilities will be reclaimed. If the well is plugged and abandoned, the entire wellsite will be reclaimed.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Water Rights

MICHAEL R. STYLER
Executive Director

JERRY D. OLDS
State Engineer/Division Director

ORDER OF THE STATE ENGINEER
For Temporary Change Application Number 05-6 (t31522)

Temporary Change Application Number 05-6 (t31522) in the name of Charles Hardison Redd was filed on May 1, 2006, to change the point of diversion, place of use, and nature of use of 20.00 acre-feet of water as evidenced by Water Right Number 05-6. Heretofore, the water has been diverted from a surface source located North 3420 feet and West 2851 feet from the SE Corner of Section 7, T28S, R25E, SLB&M. The water has been used for the irrigation of 5.00 acres from April 1 to October 31. The water was used in all or portion(s) of Section 35, T28S, R25E, SLB&M; Section 2, T29S, R24E, SLB&M; and Section 11, T29S, R24E, SLB&M.

Hereafter, it is proposed to divert 20.00 acre-feet of water from a surface source located North 712 feet and East 627 feet from the SW Corner of Section 8, T28S, R25E, SLB&M. The nature of use of the water is being changed. The water will now be used for drilling work for oil and gas wells, road construction, and maintenance. The place of use of the water is being changed to all or parts of Section 02, 08, 11, 14, 27, T29S, R24E, SLB&M; Section 08, T29S, R26E, SLB&M; Section 04, 09, 10, 14, 15, T30S, 25E, SLB&M.

Notice of this temporary change application was not published in a newspaper. It is the opinion of the State Engineer that it meets the criteria of Section 73-3-3 of the Utah Code for the approval of temporary change applications.

It is the opinion of the State Engineer that this change application can be approved without adversely affecting existing rights. The applicant is put on notice that diligence must be shown in pursuing the development of this application which can be demonstrated by the completion of the project as proposed in the change application.

It is, therefore, **ORDERED** and Temporary Change Application Number 05-6 (t31522) is hereby **APPROVED** subject to prior rights.

This temporary change application shall expire one year from the date hereof.

It is the applicant's responsibility to maintain a current address with this office and to update ownership of their water right. Please notify this office immediately of any change of address or for assistance in updating ownership.

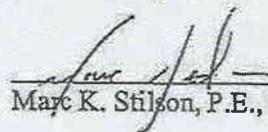
The applicant is advised to contact the Stream Alteration Section of the Division of Water Rights to ascertain if a Stream Alteration permit is required for this Temporary Change Application.

Your contact with this office, should you need it, is with the Southeastern Regional Office. The telephone number is 435-637-1303.

ORDER OF THE STATE ENGINEER
Temporary Change Application Number
05-6 (t31522)
Page 2

This Order is subject to the provisions of Administrative Rule R655-6-17 of the Division of Water Rights and to Sections 63-46b-13 and 73-3-14 of the Utah Code which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Order. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Order, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 31 day of May, 2006.



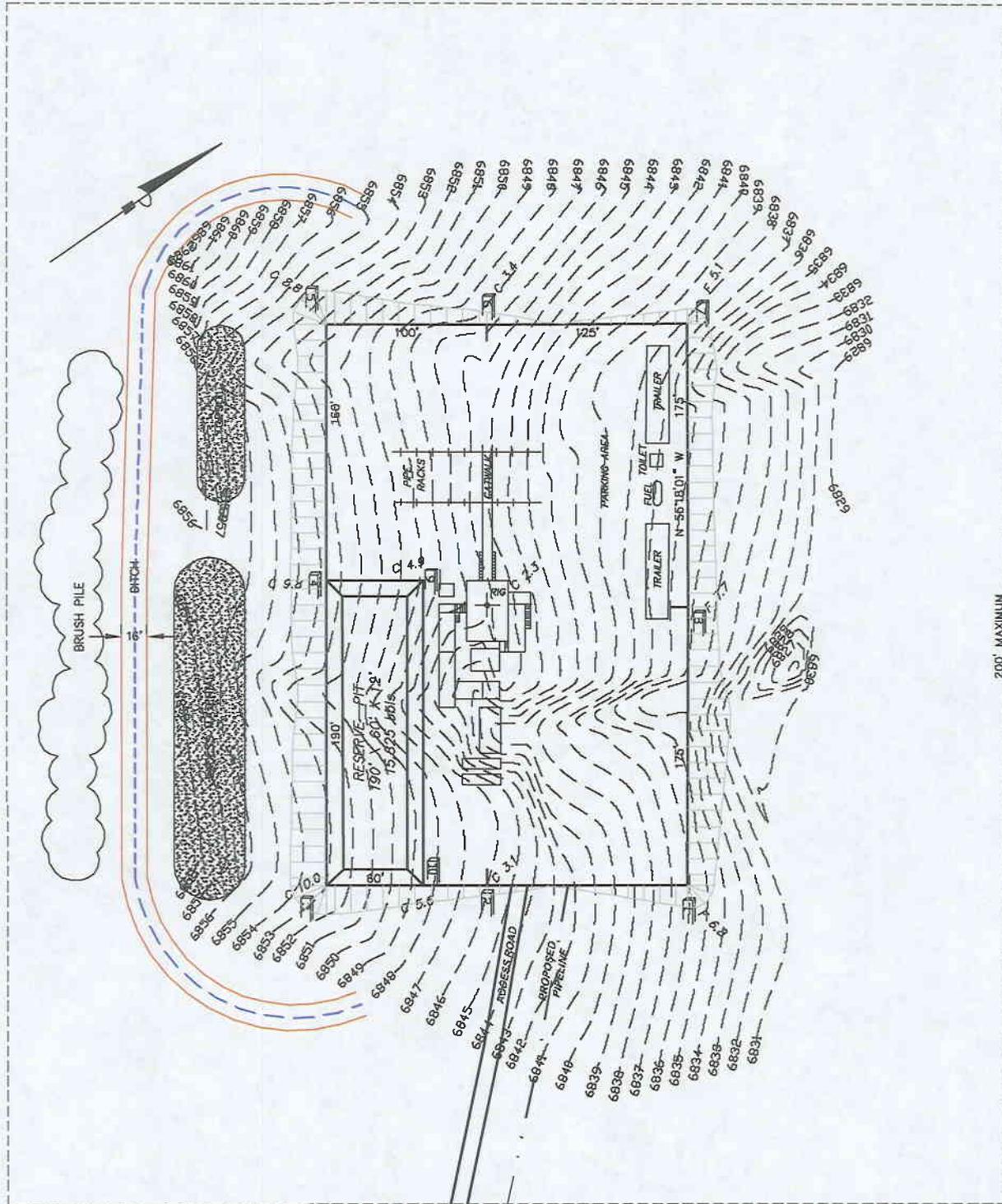
Marc K. Stilson, P.E., Regional Engineer

Mailed a copy of the foregoing Order this 31 day of May, 2006 to:

Charles Hardison Redd
P.O.Box 247
La Sal UT 84530

Stream Alteration Section
Division of Water Rights

UNGRADED ELEVATION: 6845.2'
 FINISHED ELEVATION: 6842.9'
 APPROX. PAD DISTURBANCE: 5.6± ACRES
 DRAINS TO HAMILTON CREEK



BEFORE DIGGING
 CALL FOR
 UTILITY LINE LOCATION
 NOTE: THE EARTH QUANTITIES ON
 THIS DRAWING ARE ESTIMATED
 AND THE USE OF IS AT THE
 RESPONSIBILITY OF THE USER.

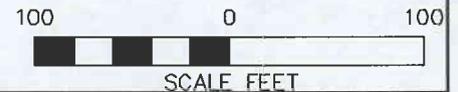


EXHIBIT 2

SCALE FEET



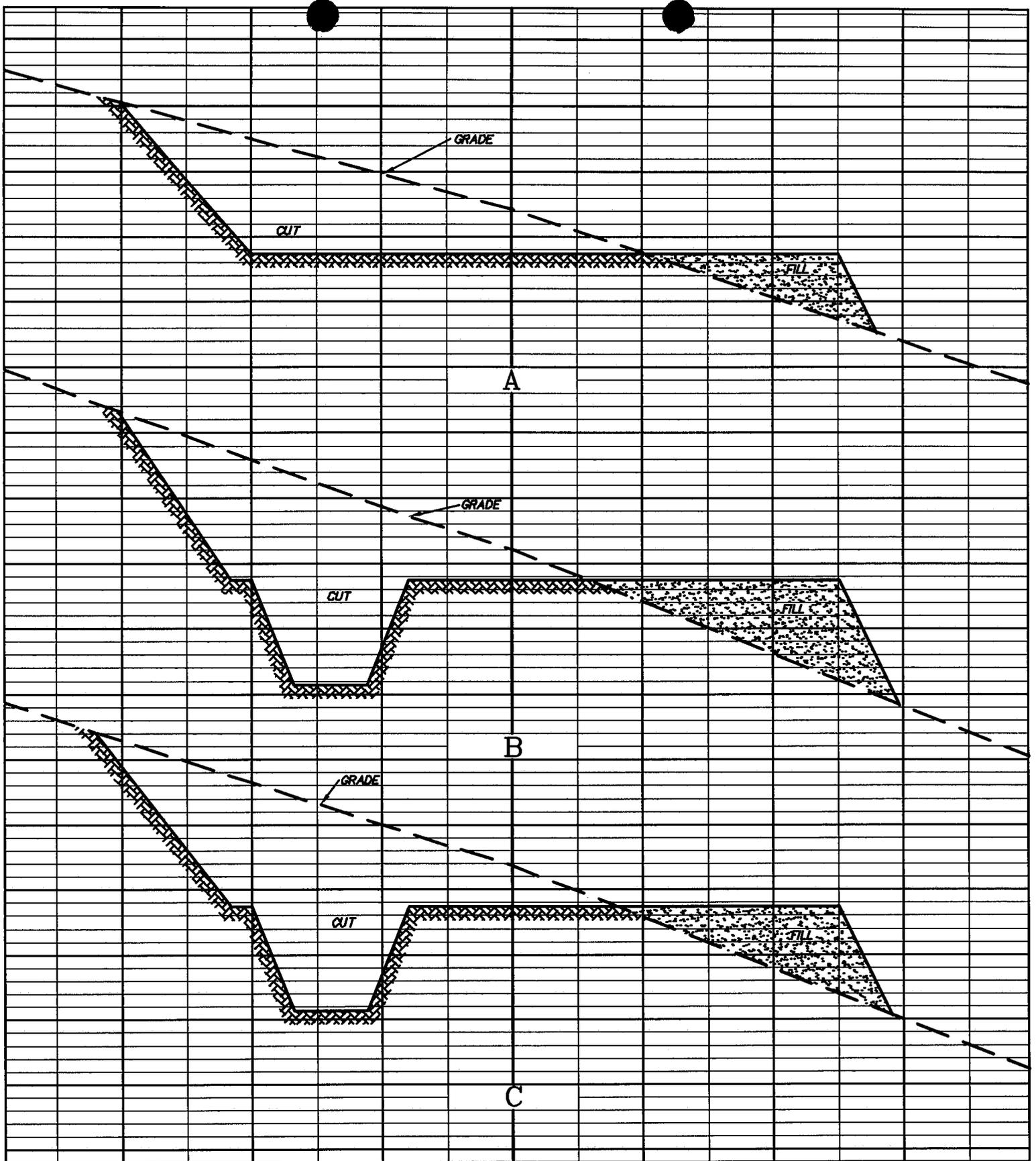
**ENCANA OIL & GAS (USA) INC.
 MIDDLE MESA STATE 36-12-29-24**

ESTIMATED EARTHWORK

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	7072 CY	5429 CY	1463 CY	180 CY
PIT	3291 CY			3291 CY
TOTALS	10363 CY	5429 CY	1463 CY	3471 CY

1414 ELK ST., SUITE 202
 ROCK SPRINGS, WY 82901
 (307) 362-5028

SCALE: 1" = 100'
 JOB No. 15013
 DATE: 12/22/06



DRG RIFFIN & ASSOCIATES, INC.

**ENCANA OIL & GAS (USA) INC.
MIDDLE MESA STATE 36-12-29-24**

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

JOB No. 15013

DATE: 12/22/06

HORZ. 1" = 50' VERT. 1" = 10'

UNGRADED ELEVATION: 6845.2'
FINISHED ELEVATION: 6842.9'

EXHIBIT 3



QUADRANGLES:
 LA SAL WEST
 LA SAL EAST
 LISBON VALLEY
 SANDSTONE DRAW

ROAD DISTURBANCE = 1.04 ACRES±

INSTALL CMP: C

DRG RIFFIN & ASSOCIATES, INC.

**PROPOSED ACCESS ROAD FOR
 ENCANNA OIL & GAS (USA) INC.
 MIDDLE MESA STATE 36-12-29-24**

1414 ELK ST., SUITE 202
 ROCK SPRINGS, WY 82901
 (307) 362-5028

SCALE: 1" = 2000'
 JOB No. 15013
 DATE: 12/22/06

TOTAL PROPOSED LENGTH: 1512'

EXISTING ROAD —————
 PROPOSED ROAD - - - - -

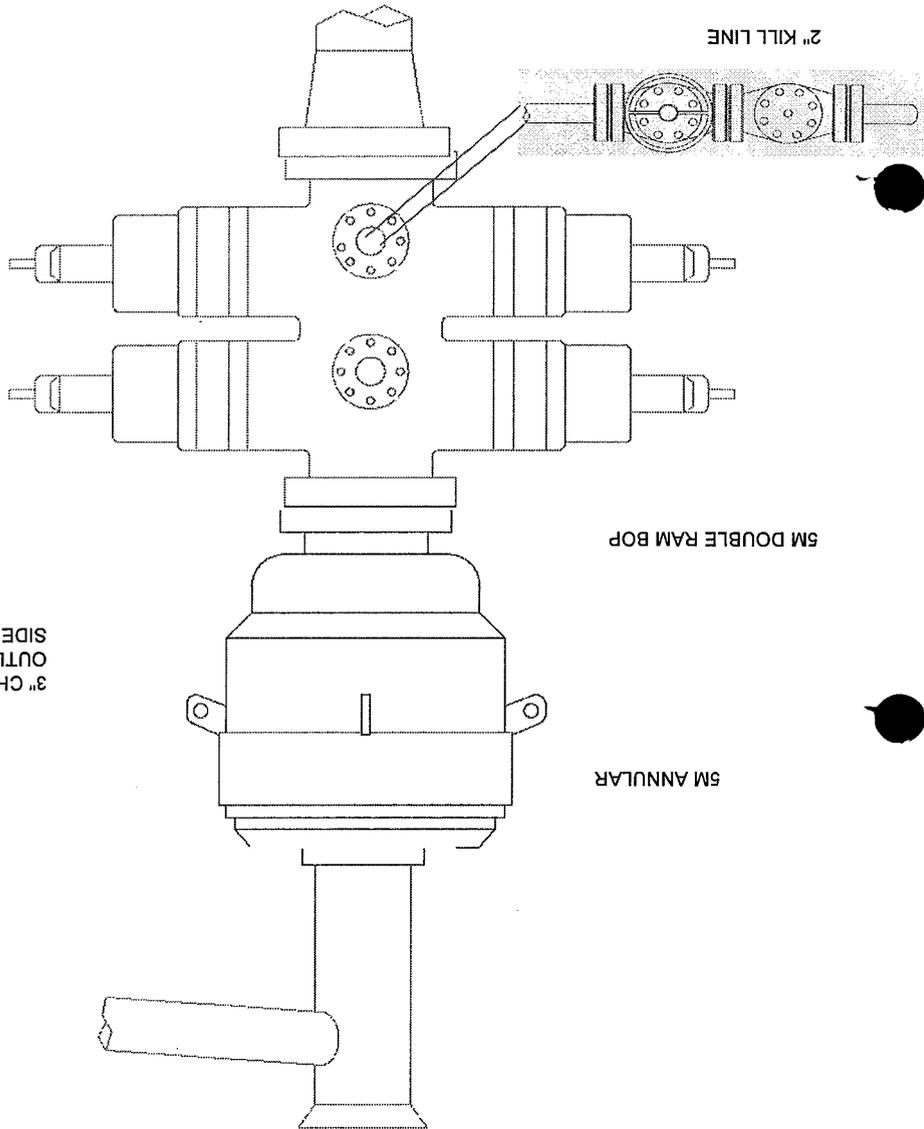
**TOPO MAP
 B**



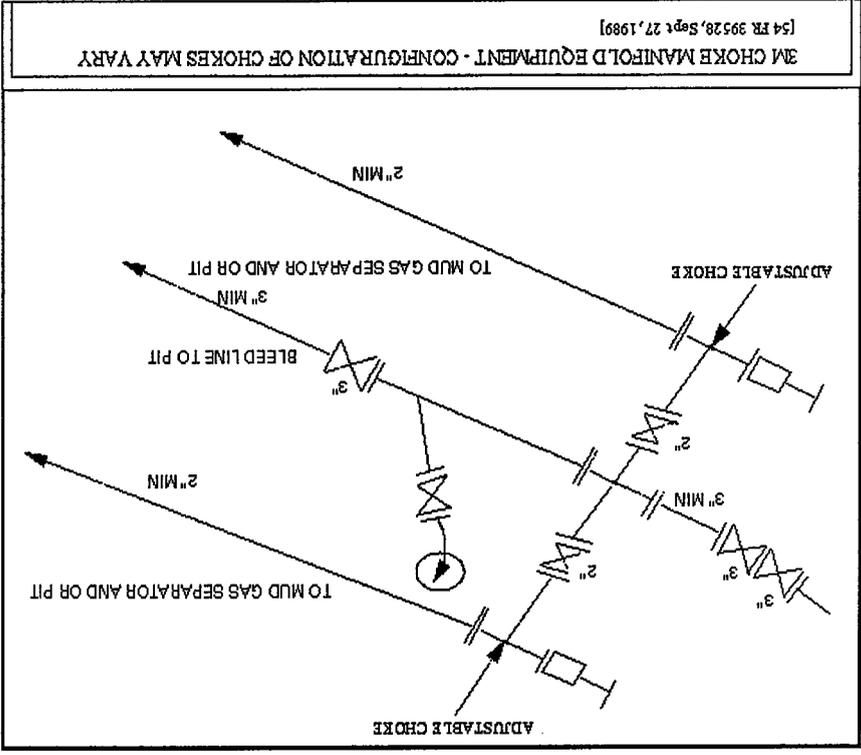
QUADRANGLES:
 LA SAL WEST
 LA SAL EAST
 LISBON VALLEY
 SANDSTONE DRAW

DRG RIFFIN & ASSOCIATES, INC.	PROPOSED PIPELINE FOR ENCANNA OIL & GAS (USA) INC. MIDDLE MESA STATE 36-12-29-24
--------------------------------------	---

1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	SCALE: 1" = 2000' JOB No. 15013 DATE: 12/26/06	TOTAL PROPOSED LENGTH: 1498.2' EXISTING ROAD PROPOSED PIPELINE 	TOPO MAP C
---	--	---	-----------------------------



3" CHOKE LINE FROM OUTLET ON BOTTOM SIDE OF RAMS



3M CHOKER MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY [54 FR 39528, Sept 27, 1989]

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/19/2007

API NO. ASSIGNED: 43-037-31855

WELL NAME: MIDDLE MESA ST 36-12-29-24
 OPERATOR: ENCANA OIL & GAS (USA) (N2175)
 CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

NENW 36 290S 240E
 SURFACE: 1097 FNL 2216 FWL
 BOTTOM: 1097 FNL 2216 FWL
 COUNTY: SAN JUAN
 LATITUDE: 38.24184 LONGITUDE: -109.2280
 UTM SURF EASTINGS: 655078 NORTHINGS: 4233926
 FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWD	3/26/07
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ST-UT-37067
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: HNKRT
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

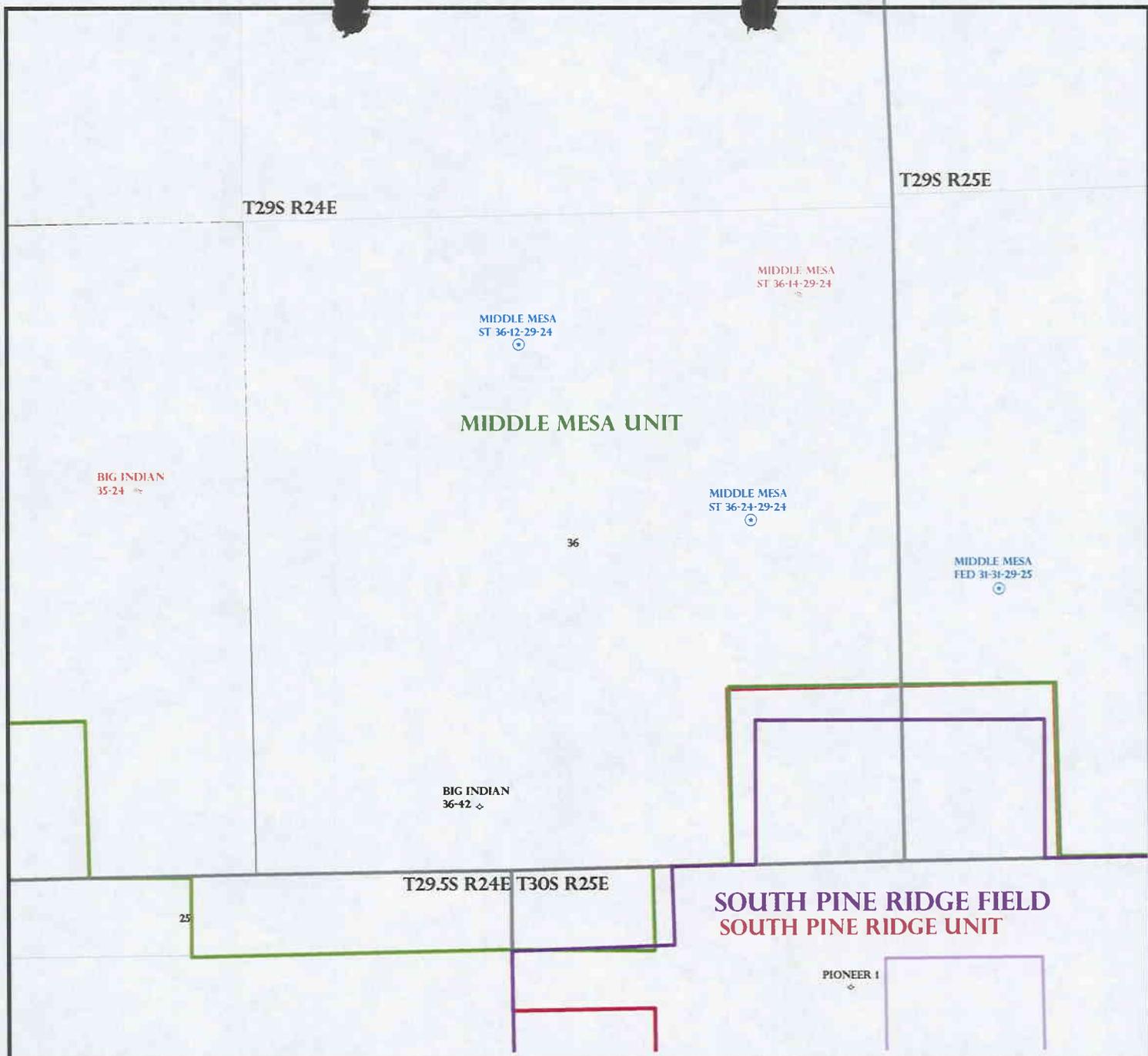
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0007875)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 05-6)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- ____ R649-2-3.
- Unit: MIDDLE MESA
- ____ 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: Needs Permit (02-08-07)

STIPULATIONS: 1- Spacing 150'
2- STATEMENT OF BASIS

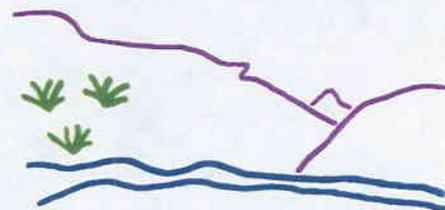


OPERATOR: ENCANA O&G INC (N2175)
 SEC: 36 T.29S R. 24E
 FIELD: UNDESIGNATED (002)
 COUNTY: SAN JUAN
 SPACING: R649-3-3 / EXCEPTION LOCATION

- 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
 - ✂ LOCATION ABANDONED
 - ⊙ NEW LOCATION
 - ✂ PLUGGED & ABANDONED
 - ✂ PRODUCING GAS
 - PRODUCING OIL
 - ✂ SHUT-IN GAS
 - SHUT-IN OIL
 - ✂ TEMP. ABANDONED
 - ⊙ TEST WELL
 - ⊙ WATER INJECTION
 - ⊙ WATER SUPPLY
 - ⊙ WATER DISPOSAL
 - ⊙ DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
 DATE: 22-JANUARY-2007

Application for Permit to Drill

Statement of Basis

2/14/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
210	43-037-31855-00-00		GW	S	No
Operator	ENCANA OIL & GAS (USA) INC	Surface Owner-APD			
Well Name	MIDDLE MESA ST 36-12-29-24	Unit			
Field	UNDESIGNATED	Type of Work			
Location	NENW 36 29S 24E S 0 FL 0 FL GPS Coord (UTM) 655078E 4233926N				

Geologic Statement of Basis

This location is situated on moderately permeable soil formed on the Cretaceous age Burro Canyon Formation. One underground water right has been filed covering a water well (260' deep) within a mile of this location. The Moab District BLM operates this well for stock watering. The subject well will use a benign water based mud system to 2,200' (Top of Triassic – age Chinle Formation) and subsequently convert to a low solids non-dispersed mud system below that depth. Surface pipe will likely be set into the Morrison Formation. The subject location is near the Lisbon Valley fault system so the area may present fracture permeability, lost circulation and a significant quantity of high quality groundwater may be encountered. The proposed surface casing and cementing program should adequately isolate any zones of fresh water that may be penetrated.

Chris Kierst
APD Evaluator

2/14/2007
Date / Time

Surface Statement of Basis

On-site conducted February 8, 2007. In attendance: Bart Kettle-Division of Oil Gas and Mining (DOGM), Ed Bonner-School and Institutional Trust Lands Administration (SITLA), Ron Krist EnCana Oil & Gas (USA) Inc., bidding dirt contractors, DRGriffin & Associates, Inc. Invited and choosing not to attend Leroy Mead-Division of Wildlife Resources (DWR), Bruce Adams San Juan County.

DOGM recommends drainage be diverted around well pad. Reserve pit shall be lined and kept in proper functioning condition. DOGM requires that all activities associated with constructing, drilling, completion and production of well be restricted to permitted access route and well pad.

Bart Kettle
Onsite Evaluator

2/8/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator ENCANA OIL & GAS (USA) INC
Well Name MIDDLE MESA ST 36-12-29-24
API Number 43-037-31855-0 **APD No** 210 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NENW **Sec** 36 **Tw** 29S **Rng** 24E 0 FL 0 FL
GPS Coord (UTM) 655058 4233927 **Surface Owner**

Participants

Bart Kettle (DOGM), Ed Bonner (SITLA), Ron Krist (EnCana)

Regional/Local Setting & Topography

Project site is located ~7 miles southeast of LaSal, in San Juan County Utah. On a regional setting the project site is located in what is generally referred to as the Canyonlands Region of the Colorado Plateau. Topography is a series of alternating ledgey outcrops and huge valleys along fault lines created during the formation of the LaSal Mountains to the north. The climate within this region is arid, and vegetation is often sparse at lower elevations. Annual precipitation at the project site is a 14-16" zone, and vegetation would be described as Pinion/Juniper woodlands and Wyoming sage grassland. Water drainage is to the southeast entering the Dolores River ~20 miles. No perennial surface water was observed in close proximity to the project area.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat
Deer Winter Range

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0.25	Width 225	Length 350 Onsite	DKTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Grass: Crested wheatgrass
Forbs: None noted
Shrubs: Wyoming sage, gray horse brush, Utah service berry
Other: Harrison yucca

Soil Type and Characteristics

Orange silty/clay/loam tan sandstone outcrops.

Erosion Issues Y

Highly erosive soils when disturbed

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

Will use material from reserve pit construction to divert was on southwest corner of well pad.

Berm Required? N

Erosion Sedimentation Control Required? Y

Prompt reclamation following drilling

Paleo Survey Run? N

Paleo Potential Observed? Y

Cultural Survey Run? N

Cultural Resources?

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 25 1 **Sensitivity Level**

Characteristics / Requirements

Liner recommended for reserve pit.

Closed Loop Mud Required? N

Liner Required? Y

Liner Thickness 12

Pit Underlayment Required? N

Other Observations / Comments

Per comments received from DWR prior to on-site evaluation project area is considered to be crucial mule deer winter range. SITLA provided no comments. DOGM recommended that EnCana use material excavated to build reserve pit to route drainage located on the southwest side of location until reserve pit is backfilled. At time of on-site evaluation Cultural Resource inventories had not been completed due to snow cover.

Bart Kettle
Evaluator

2/8/2007
Date / Time



Online Services

Agency List

Business



Search Utah.gov **GO**

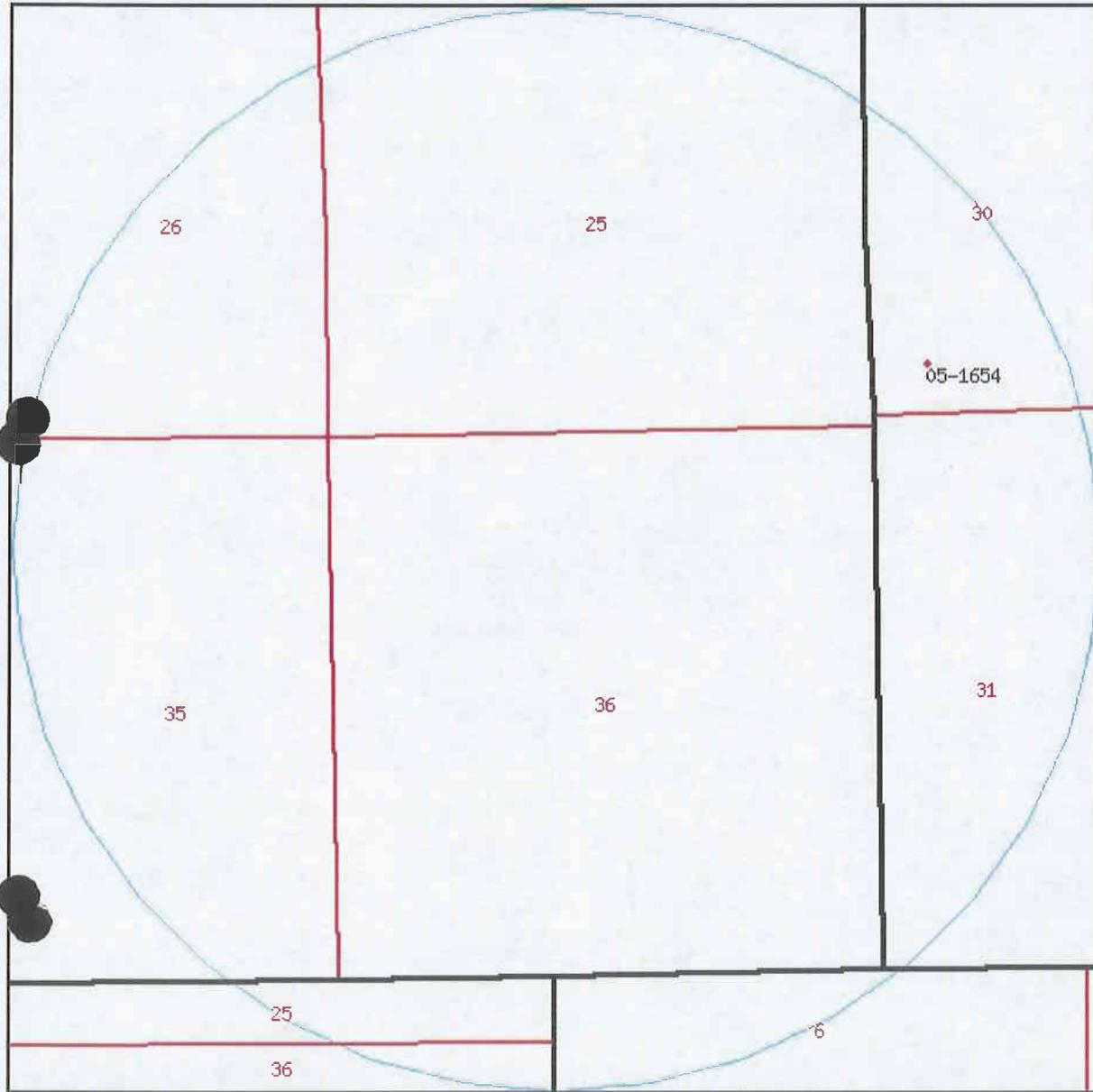
Utah Division of Water Rights



WRPLAT Program Output Listing

Version: 2006.11.17.00 Rundate: 02/14/2007 03:02 PM

Radius search of 5280 feet from a point S1097 E2216 from the NW corner, section 36, Township 29S, Range 24E, SL b&m Criteria:wrtypes=W,C,E podtypes=S,U,D,Sp,P status=U,A,P usetypes=all



Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
05-1654	Underground S2150 E580 W4 30 29S 25E SL		P	19790607	S	0.012	0.000	MOAB DISTRICT USA BUREAU OF LAND MANAGEMENT P.O. BOX 970

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Casing Schematic

BHP $0.052(5739)9.1 = 2716 \text{ psi}$
anticipate 2400 psi

9-5/8"
MW 8.5
Frac 19.3

Gas $.12(5739) = 687$
 $2716 - 687 = 2027 \text{ psi, MASP}$

BOPE 5M ✓

Burst 3520
70% 2464 psi

Max P @ surf. shoe
 $.22(5739) = 1131$
 $2716 - 1131 = 1585 \text{ psi}$

test to 1585 psi ✓

Adequate ✓
Dad 3/26/07

5-1/2"
MW 9.1

Surface

1270
1870

TOC @ Dakota 0. ✓

TOC @ 259.

Surface 600. MD

1180' Navajo

1933' Wingate

2240' Caine/Cutter

4065' Honaker Trail

5265' La Sal

5605' La Sal Shale

5689' Hatch

Production 5739. MD

Well name:	2007-02 EnCana Middle Mesa ST 36-12-29-24		
Operator:	EnCana Oil & Gas (USA) Inc.		
String type:	Surface	Project ID:	43-037-31855
Location:	San Juan County		

Design parameters:

Collapse

Mud weight: 8.500 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 73 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 528 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 600 psi

No backup mud specified.

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 525 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 5,739 ft
 Next mud weight: 9.100 ppg
 Next setting BHP: 2,713 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 600 ft
 Injection pressure: 600 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	600	9.625	36.00	J-55	ST&C	600	600	8.796	260.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	265	2020	7.625	600	3520	5.87	19	394	20.87 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 801-538-5357
 FAX: 810-359-3940

Date: February 20, 2007
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 600 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	2007-02 EnCana Middle Mesa ST 36-12-29-24		
Operator:	EnCana Oil & Gas (USA) Inc.		
String type:	Production	Project ID:	43-037-31855
Location:	San Juan County		

Design parameters:

Collapse

Mud weight: 9.100 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,450 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP: 2,713 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 4,949 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 145 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: 259 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5739	5.5	15.50	J-55	LT&C	5739	5739	4.825	767
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2713	4040	1.489	2713	4810	1.77	77	217	2.83 J

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 801-538-5357
 FAX: 810-359-3940

Date: March 23, 2007
 Salt Lake City, Utah

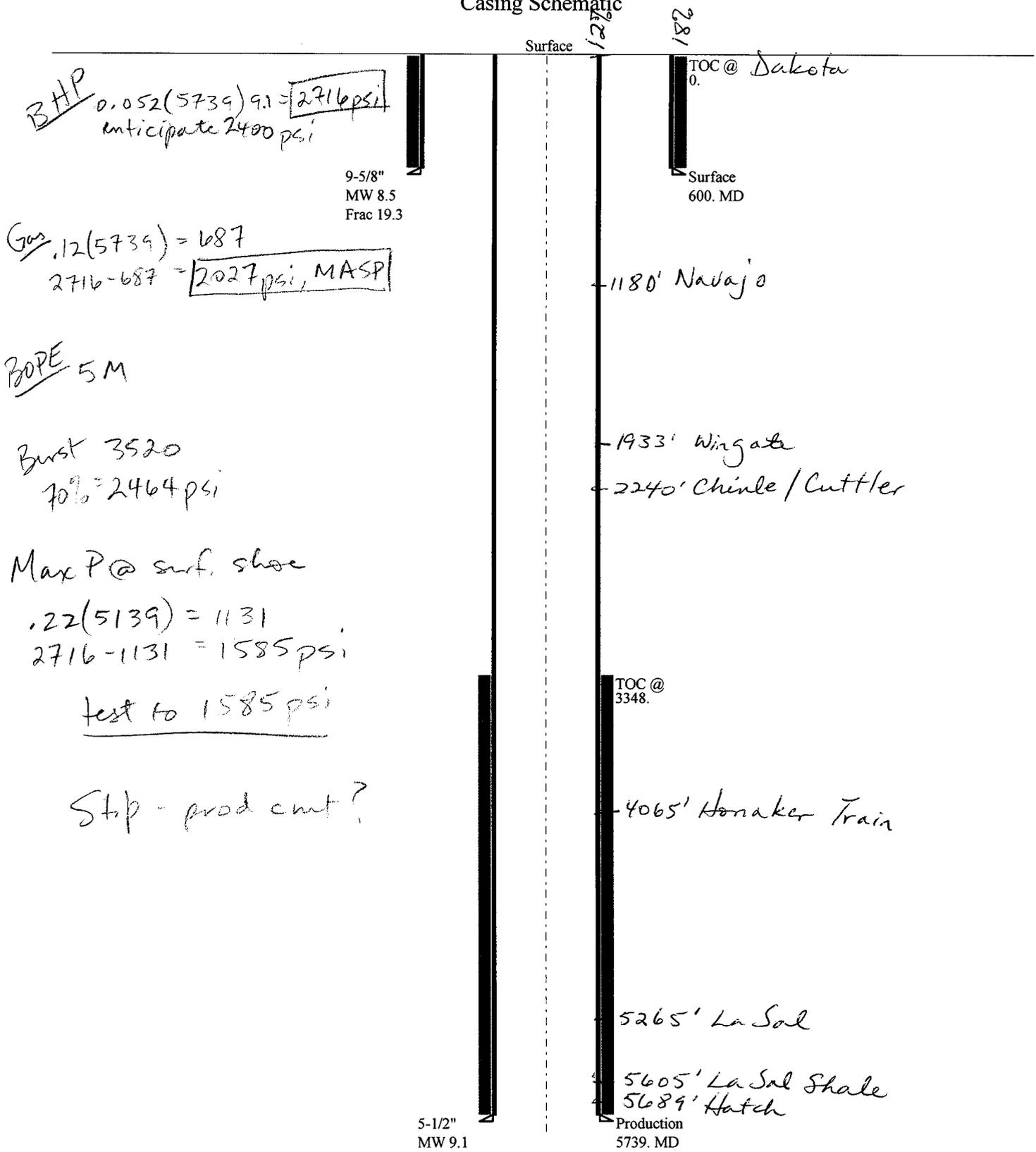
Remarks:

Collapse is based on a vertical depth of 5739 ft, a mud weight of 9.1 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Casing Schematic



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

January 29, 2007

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2007 Plan of Development Middle Mesa Unit,
San Juan County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Middle Mesa Unit, San Juan County, Utah.

API#	WELL NAME	LOCATION
------	-----------	----------

(Proposed PZ Honaker Trail)

43-037-31855	Middle Mesa St	36-12-29-24 Sec 36 T29S R24E 1097 FNL 2216 FWL
43-037-31856	Middle Mesa St	36-24-29-24 Sec 36 T29S R24E 2568 FNL 1186 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Middle Mesa Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:1-29-07

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: ST-UT-37067	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: Middle Mesa Unit	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.				9. WELL NAME and NUMBER: Middle Mesa State 36-12-29-24	
3. ADDRESS OF OPERATOR: 370 17th Street #1700 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (720) 876-5339	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1097' FNL & 2216' FWL AT PROPOSED PRODUCING ZONE: 1097' FNL & 2216' FWL				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 29S 24E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 7 miles southeast of La Sal, UT				12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1097'		16. NUMBER OF ACRES IN LEASE: 640		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2468'		19. PROPOSED DEPTH: 5,750		20. BOND DESCRIPTION: RLB0001191	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6845.2'		22. APPROXIMATE DATE WORK WILL START: 3/23/2007		23. ESTIMATED DURATION: 15 Days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	J-55	36#	600	Class G + 2% gel	200sx	2.09 cuft/sx	12.5#
8 3/4	5 1/2	J-55	15.5#	5,739	50/50 poz: Class G	1975sx	1.43 cuft/sx	13#

ATTACHMENTS

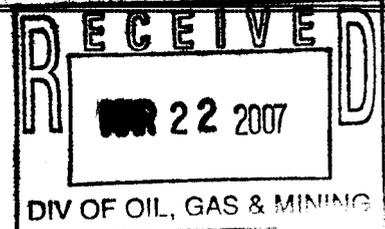
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <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 |

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst
SIGNATURE [Signature] DATE 3/22/2007

(This space for State use only)

Approved by the
Utah Division of
Oil, Gas and Mining



API NUMBER ASSIGNED: _____ APPROVAL: _____

Date: 04-24-07
By: [Signature] (See Instructions on Reverse Side)

From: Ed Bonner
To: Mason, Diana
Date: 4/23/2007 3:38 PM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

Bill Barrett Corporation
Peters Point State 8-2D-13-16 (API 43 007 31280)

EnCana Oil & Gas (USA) Inc
Middle Mountain State 36-12-29-24 (API 43 037 31855)

EOG Resources, Inc
East Chapita 60-16 (API 43 047 39150)
East Chapita 57-16 (API 43 047 39151)
East Chapita 58-16 (API 43 047 39152)

Kerr McGee Oil & Gas Onshore LP
NBU 1021-13N (API 43 047 39107)
NBU 1021-13H (API 43 047 39108)
NBU 1021-16D (API 43 047 39109)
NBU 1022-19P (API 43 047 39139)

If you have any questions regarding this matter please give me a call.



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

April 24, 2007

EnCana Oil & Gas (USA), Inc.
370 17th Street, #1700
Denver, CO 80202

Re: Middle Mesa State 36-12-29-24 Well, 1097' FNL, 2216' FWL, NE NW,
Sec. 36, T. 29 South, R. 24 East, San Juan 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-037-31855.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: San Juan County Assessor
Bureau of Land Management, Moab Office
SITLA

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. 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.
6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: Encana Oil & Gas USA, Inc

Well Name: Middle Mesa St 36-12-29-24

API No: 43-037-31855 Lease Type: State

Section 36 Township 29S Range 24E County San Juan

Drilling Contractor _____ Rig # _____

SPUDDED:

Date 6-13-07

Time _____

How Dry

Drilling will Commence: _____

Reported by Danny White

Telephone # 970-739-8894

Date 6-14-07 Signed RM

JUN 20 2007

DIV. OF OIL, GAS & MINING

ENTITY ACTION FORM

Operator: EnCana Oil & Gas (USA) Inc.
Address: 370 17th Street Suite 1700
city Denver
state CO zip 80202

Operator Account Number: N 2175
Phone Number: (720) 876-3219

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303731856	Middle Mesa State 36-24-29-24		NENW	36	29S	24E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	16186	5/30/2007		6/21/07		
Comments: <u>HNKRT = HRMS</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303731855	Middle Mesa State 36-12-29-24		NENW	36	29S	24E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	16187	6/13/2007		6/21/07		
Comments: <u>HNKRT = HRMS</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

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

Susan Guidry

Name (Please Print)

Susan Guidry

Signature

Operation Tech

6/18/2007

Title

Date

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/19/2007

API NO. ASSIGNED: 43-037-31855

WELL NAME: MIDDLE MESA ST 36-12-29-24
 OPERATOR: ENCANA OIL & GAS (USA) (N2175)
 CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

NENW 36 290S 240E
 SURFACE: 1097 FNL 2216 FWL
 BOTTOM: 0992 FNL 2321 FWL
 COUNTY: SAN JUAN
 LATITUDE: 38.24184 LONGITUDE: -109.2280
 UTM SURF EASTINGS: 655078 NORTHINGS: 4233926
 FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	7/25/07
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ST-UT-37067
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: HNKRT
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

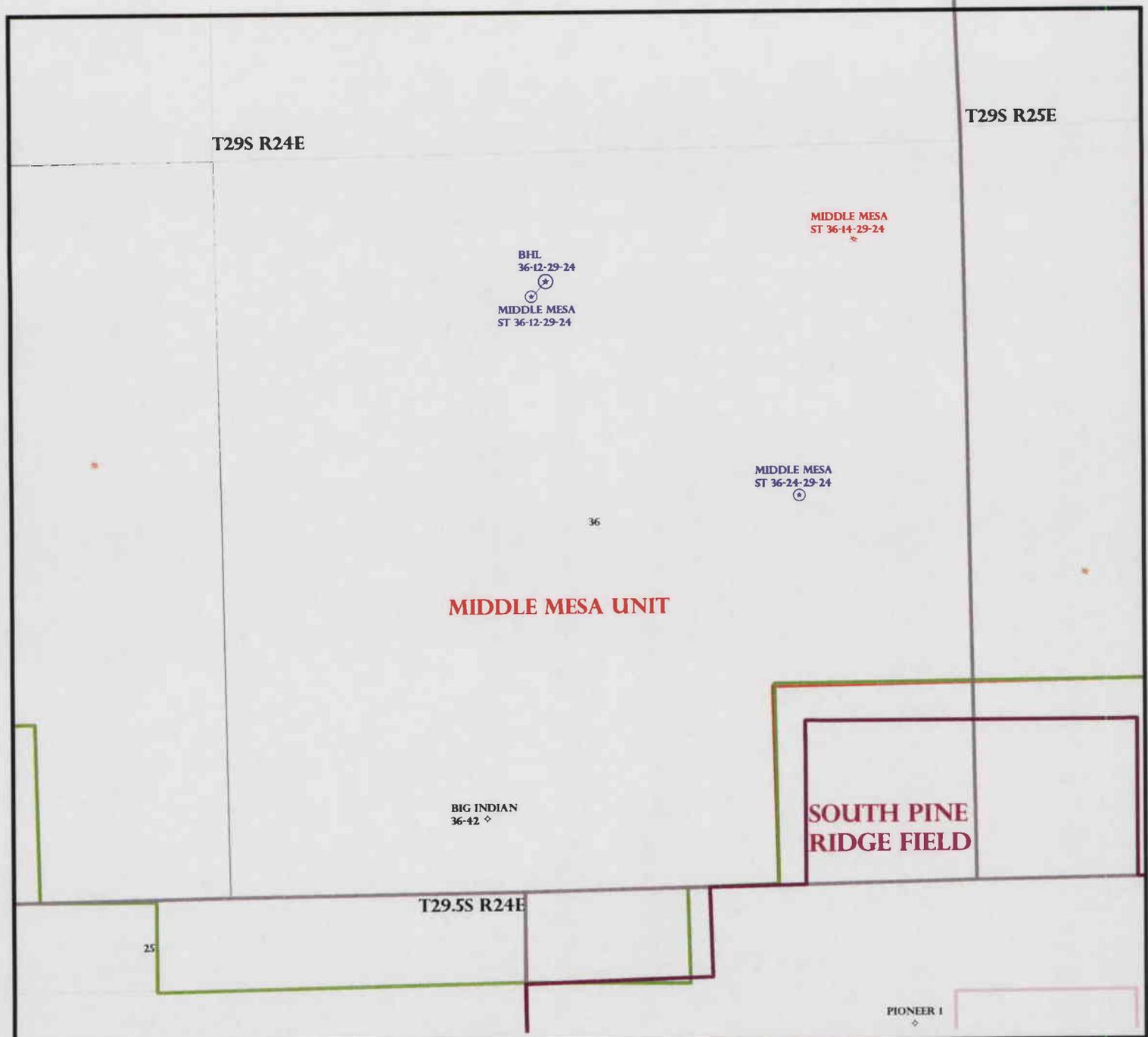
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0007875)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 05-6)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- ___ R649-2-3.
- Unit: MIDDLE MESA
- ___ 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: _____



OPERATOR: ENCANA O&G INC (N2175)

SEC: 36 T.29S R. 24E

FIELD: UNDESIGNATED (002)

COUNTY: SAN JUAN

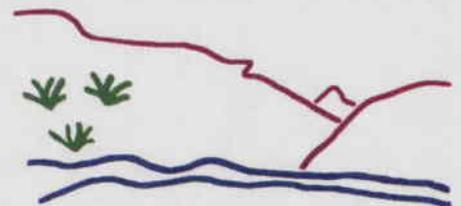
SPACING: R649-3-11 / DIRECTIONAL DRILLING

- 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
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 20-JULY-2007

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

July 23, 2007

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2007 Plan of Development Middle Mesa Unit, San Juan
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well planned for calendar year 2007 within the Middle Mesa Unit, San Juan County, Utah will now be directionally drilled as follows. Please refer to our original memorandum dated January 29, 2007.

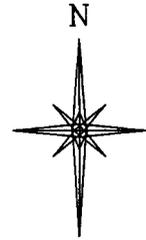
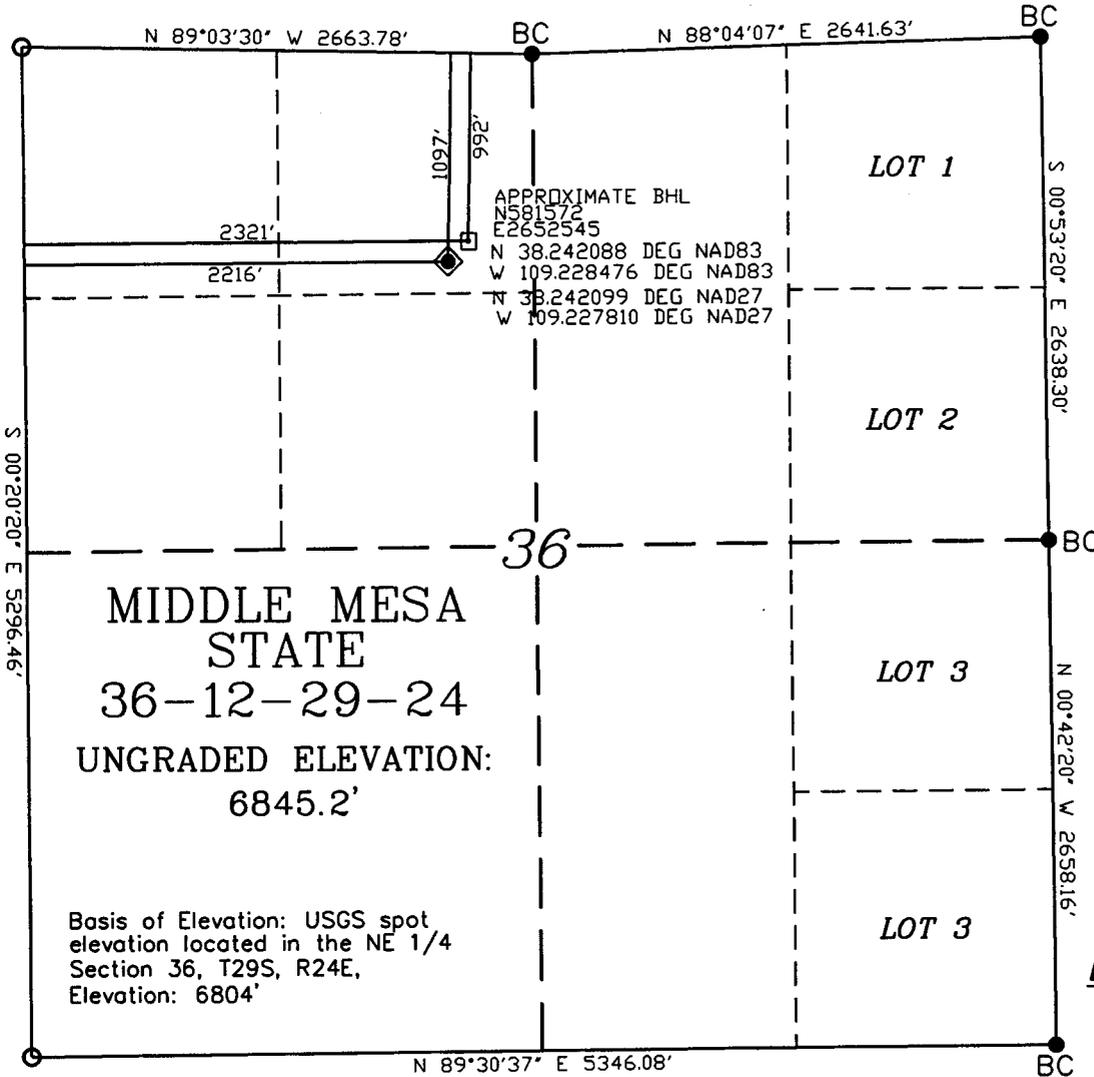
API#	WELL NAME	LOCATION
(Proposed PZ Honaker Trail)		
43-037-31855	Middle Mesa St	36-12-29-24 Sec 36 T29S R24E 1097 FNL 2216 FWL BHL Sec 36 T29S R24E 0992 FNL 2321 FWL

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File – Middle Mesa Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron

R. 24 E.



SCALE: 1" = 1000'

T. 29 S.

LATITUDE (NAD27)
NORTH 38.241823 DEG.
LONGITUDE (NAD27)
WEST 109.228183 DEG.

LATITUDE (NAD83)
NORTH 38.241812 DEG.
LONGITUDE (NAD83)
WEST 109.228849 DEG.

NORTHING
581469.16
EASTING
2652440.73

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)

MIDDLE MESA
STATE
36-12-29-24
UNGRADED ELEVATION:
6845.2'

Basis of Elevation: USGS spot
elevation located in the NE 1/4
Section 36, T29S, R24E,
Elevation: 6804'



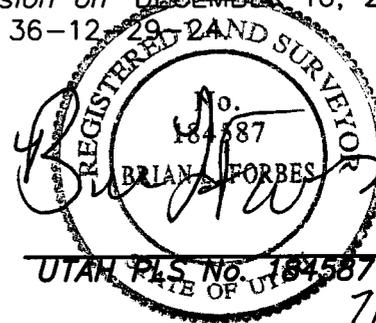
SURVEYOR'S STATEMENT

I, Brian L. Forbes, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on DECEMBER 16, 2006, and it correctly shows the location of MIDDLE MESA STATE 36-12-29-24.

NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT
- CALCULATED CORNER
- APPROXIMATE BHL

EXHIBIT 1



7/17/07

D&G RIFFIN & ASSOCIATES, INC.

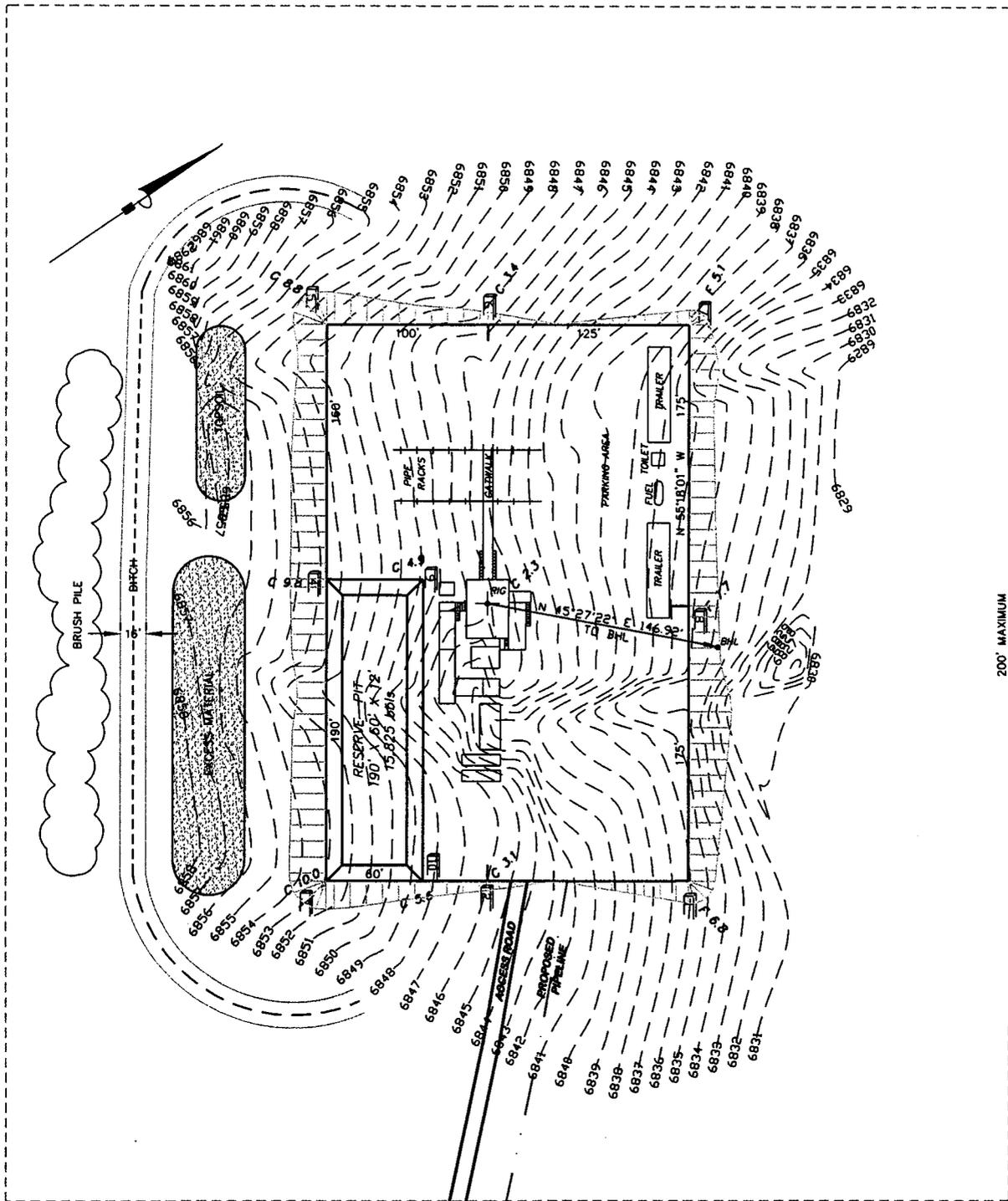
**PLAT OF DRILLING LOCATION
FOR
ENCANA OIL & GAS (USA) INC.**

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 1000'
JOB No. 15013
REVISED: 7/17/07

**1097' F/NL & 2216' F/WL, SECTION 36,
T. 29 S., R. 24 E., SALT LAKE P.M.
SAN JUAN COUNTY, UTAH**

UNGRADED ELEVATION: 6845.2'
 FINISHED ELEVATION: 6842.9'
 APPROX. PAD DISTURBANCE: 5.6± ACRES
 DRAINS TO HAMILTON CREEK



BEFORE DIGGING
 CALL FOR
 UTILITY LINE LOCATION
 NOTE: THE EARTH QUANTITIES ON
 THIS DRAWING ARE ESTIMATED
 AND THE USE OF IS AT THE
 RESPONSIBILITY OF THE USER.

EXHIBIT 2

SCALE FEET

ENCANA OIL & GAS (USA) INC.
 MIDDLE MESA STATE 36-12-29-24

ESTIMATED EARTHWORK

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	7072 CY	5429 CY	1463 CY	180 CY
PIT	3291 CY			3291 CY
TOTALS	10363 CY	5429 CY	1463 CY	3471 CY

DRG RIFFIN & ASSOCIATES, INC.

1414 ELK ST., SUITE 202
 ROCK SPRINGS, WY 82901
 (307) 362-5028

SCALE: 1" = 100'

JOB No. 15013

REVISED: 7/17/07



EnCana Oil & Gas (USA) Inc.

EnCana Oil & Gas (USA) Inc. tel: 720-876-5339
370 – 17th Street
Suite 1700 fax: 720-876-6339
Denver, CO 80202

www.encana.com

July 18, 2007

Diana Mason
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RE: Middle Mesa State 36-12-29-24
Section 36, T29S R24E
San Juan County, UT

Dear Ms. Mason:

EnCana Oil & Gas (USA) Inc. is requesting approval to directionally drill the subject well per the Utah Department of Natural Resources, Division of Oil, Gas and Mining Applicable Rules R649-3-11. Please find the following information as required for our proposed Middle Mesa State 36-12-29-24 well:

- EnCana Oil & Gas (USA) Inc., own all oil & gas within 460' of the intended well bore.
- Surface and Bottom Hole located on State Lease No. ST-UT-37067 and within the Middle Mesa Unit.
- NENW, Section 36, T29S R24E, San Juan County, Utah.
- Location plat with surface and bottom hole locations attached.
- Proposed Directional Report attached.

EnCana is drilling this well as a directional well do to geologic conditions above the bottom hole target.

If you have any questions or need additional information, I can be reached at (720) 876-5339.

Sincerely,

Jevin Croteau
Regulatory Analyst

Attachment

Application for Permit to Drill
EnCana Oil & Gas (USA), Inc.
Middle Mesa State 36-12-29-24
1097' FNL & 2216' FWL (surface)
NE NW Section 36-T29S-R24E
992' FNL & 2321' FWL (bottom hole)
NE NW Section 36-T29S-R24E
San Juan County, Utah

Lease No. UT37067

Drilling Program

Page 1

The proposed wellsite is located on State Surface/State Minerals

1. FORMATION TOPS/GEOLOGIC MARKERS

The estimated tops of important geologic markers are as follows:

Formation	Depth	Subsea
Dakota/Burro Canyon	Surface	+6865'
Navajo	1180'	+5685'
Wingate	1933'	+4932'
Chinle	2240'	+4625'
Cutler	2240'	+4625'
Honaker Trail	4065'	+2800'
La Sal	5265'	+1600'
La Sal Shale	5605'	+1260'
Hatch	5689'	+1176'
TD	5739'	+1126'

2. ANTICIPATED DEPTH OF WATER, OIL & GAS

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations as expected to be encountered are as follows:

Substance	Formation	Depth
Gas	Honaker Trail	4065'
Gas	La Sal	5265'
Gas	Hatch	5689'

3. BOP EQUIPMENT/REQUIREMENTS

EnCana Oil & Gas (USA), Inc.'s minimum specification for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

EnCana Oil & Gas (USA), Inc. will comply with all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

Application for Permit to Drill
EnCana Oil & Gas (USA), Inc.
Middle Mesa State 36-12-29-24
1097' FNL & 2216' FWL (surface)
NE NW Section 36-T29S-R24E
992' FNL & 2321' FWL (bottom hole)
NE NW Section 36-T29S-R24E
San Juan County, Utah

Lease No. UT37067

Drilling Program

Page 2

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% 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% 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% 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) shall be held open or the ball removed.

Annular preventers (if used) 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.

The BOP and related equipment shall meet the minimum requirements of Federal Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

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.

- a. The size and rating of the BOP stack is shown on the attached diagram.
- 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

Application for Permit to Drill
 EnCana Oil & Gas (USA), Inc.
Middle Mesa State 36-12-29-24
 1097' FNL & 2216' FWL (surface)
 NE NW Section 36-T29S-R24E
 992' FNL & 2321' FWL (bottom hole)
 NE NW Section 36-T29S-R24E
 San Juan County, Utah

Lease No. UT37067

Drilling Program

rig floor while drilling operations are in progress.

4. CASING AND CEMENTING PROGRAMS

The proposed casing program will be as follows:

Purpose	Depth (MD)	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0-2300'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0-5746'	8-3/4"	5-1/2"	15.5#	J-55	LT&C	New

Casing design subject to revision based on geologic conditions encountered.

The cement program will be as follows:

Surface	Type and Amount
0-2300' MD	Lead: 550 sx Class 'G' 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 200 sx Class 'G' , 1.15 cuft/sk yield, 15.8 ppg
Production	Type and Amount
2000'-5746' MD	900 sx Class 'G' 50/50 Poz 1.43 cuft/sx yield, 13 ppg

5. MUD PROGRAM

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

Interval	Mud Type	Mud Wt.	Visc.	F/L
0'-2300'	Water	+/- 8.5	+/- 28	N.C.
2300'-TD	Aerated 6% KCl inhibited water with light polymer	+/- 5.5	+/- 40-50	+/- 8-10

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

1. There will be sufficient mud on location to ensure well control.
2. A mud test shall be performed every 24 hours after mudding up to determine, as

Application for Permit to Drill
EnCana Oil & Gas (USA), Inc.
Middle Mesa State 36-12-29-24
1097' FNL & 2216' FWL (surface)
NE NW Section 36-T29S-R24E
992' FNL & 2321' FWL (bottom hole)
NE NW Section 36-T29S-R24E
San Juan County, Utah

Lease No. UT37067

Drilling Program

Page 4

applicable: density, viscosity, gel strength, static filtration loss and Ph.

6. EVALUATION PROGRAM – TESTING, LOGGING AND CORING

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

- a. No drill stem tests are anticipated.
- b. The logging program will consist of a Platform Express: Neutron Density, Laterolog, Gamma Ray and Caliper from TD to base of the surface casing.
- c. No whole cores are anticipated. Depending upon evaluation of the open hole logs, several sidewall cores may be obtained in formations of interest.

7. ABNORMAL PRESSURES AND H2S GAS

- a. The maximum anticipated bottom hole pressure is 2400 psi (pressure gradient of 0.396 psi/ft). Source of pressure estimate was from data obtained for the La Sal geologic formation in the Middle Mesa State 36-14-29-24 (well is located within 1 mile of the proposed location).
- b. No hydrogen sulfide gas is anticipated, no abnormal pressures or temperatures are anticipated.

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.

It is anticipated that the drilling of this well will take approximately 15 days.

Following drilling and completion, portions of the pad not needed for production facilities will be reclaimed. If the well is plugged and abandoned, the entire wellsite will be reclaimed.

ENCANA OIL & GAS (USA) INC

Location: UTAH Slot: 36-12-29-24 (1097'FNL & 2216'FWL)
 Field: SAN JUAN COUNTY (NAD 83 TRUE) Well: Middle Mesa State 36-12-29-24
 Facility: SEC.36-T29S-R24E Wellbore: Middle Mesa State 36-12-29-24 PWB



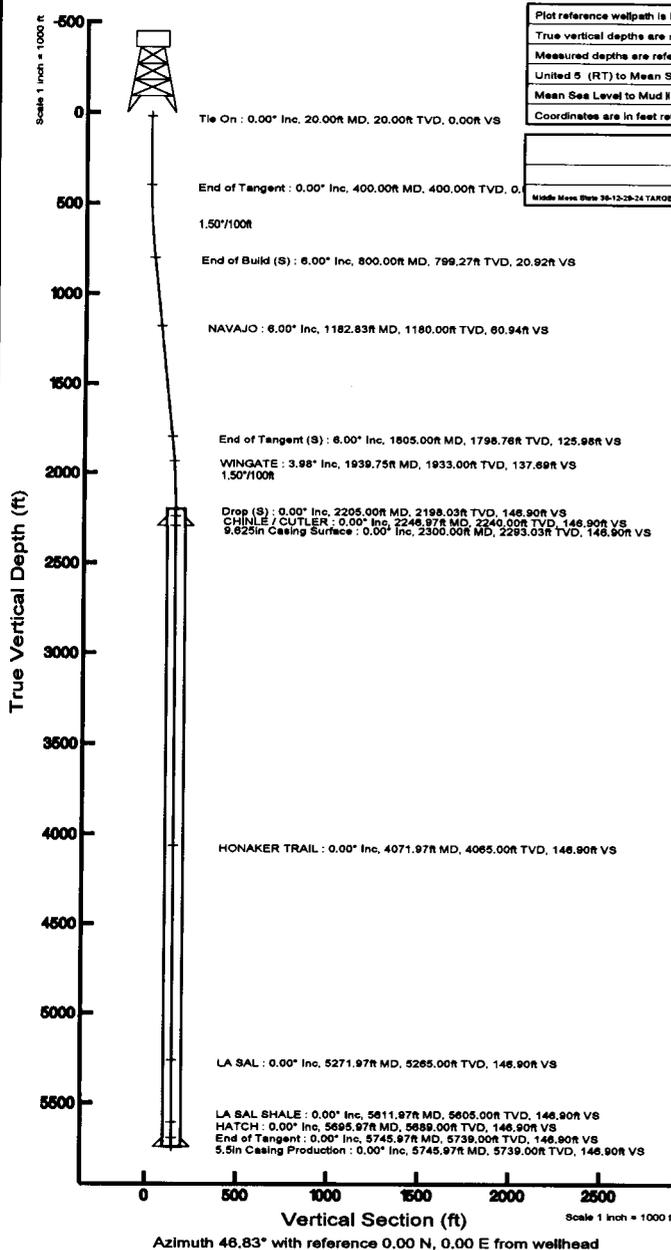
UNITED 5

Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	20.00	0.000	46.825	20.00	0.00	0.00	0.00	0.00
End of Tangent	400.00	0.000	46.825	400.00	0.00	0.00	0.00	0.00
End of Build (S)	800.00	6.000	46.825	799.27	14.32	15.26	1.50	20.92
End of Tangent (S)	1805.00	6.000	46.825	1798.76	86.20	91.87	0.00	125.98
Drop (S)	2205.00	0.000	46.825	2198.03	100.51	107.13	1.50	146.90
End of Tangent	5745.97	0.000	46.825	5739.00	100.51	107.13	0.00	146.90

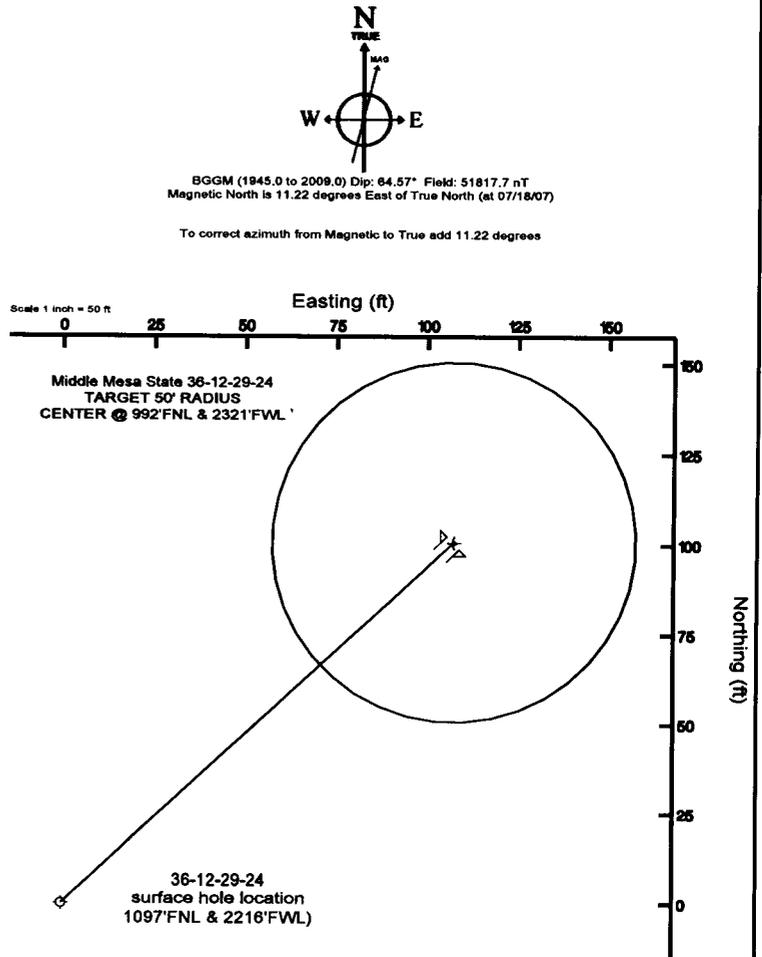
Location Information

Facility Name		Grid East (ft)	Grid North (ft)	Latitude	Longitude	
SEC.36-T29S-R24E		2292654.489	10423994.107	38° 14' 30.523"N	109° 13' 43.856"W	
Slot	Local N (ft)	Local E (ft)	Grid East (ft)	Grid North (ft)	Latitude	Longitude
36-12-29-24 (1097'FNL & 2216'FWL)	0.00	0.00	2292654.489	10423994.107	38° 14' 30.523"N	109° 13' 43.856"W
United 5 (RT) to Mud line (Facility - SEC.36-T29S-R24E)				6865ft		
Mean Sea Level to Mud line (Facility - SEC.36-T29S-R24E)				0ft		
United 5 (RT) to Mean Sea Level				6865ft		



Plot reference wellpath is Middle Mesa State 36-12-29-24 PWB	
True vertical depths are referenced to United 5 (RT)	Grid System: NAD83 / Lambert Utah State Planes, Southern Zone (4303), feet
Measured depths are referenced to United 5 (RT)	North Reference: True north
United 5 (RT) to Mean Sea Level: 6865 feet	Scale: True distance
Mean Sea Level to Mud line (Facility - SEC.36-T29S-R24E): 0 feet	Depths are in feet
Coordinates are in feet, referenced to Slot	Created by: L. Doubek on 7/18/2007

Targets								
Name	MD (ft)	TVD (ft)	Local N (ft)	Local E (ft)	Grid East (ft)	Grid North (ft)	Latitude	Longitude
Middle Mesa State 36-12-29-24 TARGET 50' RADIUS CENTER @ 992'FNL & 2216'FWL	2200.00	188.51	107.13	2292786.18	10423997.19	38° 14' 31.617"N	109° 13' 43.814"W	





Planned Wellpath Report

Middle Mesa State 36-12-29-24 PWP

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INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	ENCANA OIL & GAS (USA) INC	Slot	36-12-29-24 (1097'FNL & 2216'FWL)
Area	UTAH	Well	Middle Mesa State 36-12-29-24
Field	SAN JUAN COUNTY (NAD 83 TRUE)	Wellbore	Middle Mesa State 36-12-29-24 PWB
Facility	SEC.36-T29S-R24E		

REPORT SETUP INFORMATION			
Projection System	NAD83 / Lambert Utah State Planes, Southern Zone (4303), feet	Software System	WellArchitect™ 1.2
North Reference	True	User	L. Doubek
Scale	0.999985	Report Generated	07/18/07 at 09:21:11
Wellbore last revised	07/18/07	Database/Source file	WA_Denver/Middle_Mesa_5

WELLPATH LOCATION						
	Local coordinates		Grid coordinates		Geographic coordinates	
	North [feet]	East [feet]	Easting [feet]	Northing [feet]	Latitude [°]	Longitude [°]
Slot Location	0.00	0.00	2292654.49	10423994.11	38 14 30.523N	109 13 43.856W
Facility Reference Pt			2292654.49	10423994.11	38 14 30.523N	109 13 43.856W
Field Reference Pt			2292654.49	10423994.11	38 14 30.523N	109 13 43.856W

WELLPATH DATUM			
Calculation method	Minimum curvature	United 5 (RT) to Facility Vertical Datum	6865.00 feet
Horizontal Reference Pt	Slot	United 5 (RT) to Mean Sea Level	6865.00 feet
Vertical Reference Pt	United 5 (RT)	Facility Vertical Datum to Mud Line (Facility)	0.00 feet
MD Reference Pt	United 5 (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	46.83°



Planned Wellpath Report

Middle Mesa State 36-12-29-24 PWP

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INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	ENCANA OIL & GAS (USA) INC	Slot	36-12-29-24 (1097'FNL & 2216'FWL)
Area	UTAH	Well	Middle Mesa State 36-12-29-24
Field	SAN JUAN COUNTY (NAD 83 TRUE)	Wellbore	Middle Mesa State 36-12-29-24 PWB
Facility	SEC.36-T29S-R24E		

WELLPATH DATA (64 stations) † = interpolated/extrapolated station

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]
0.00†	0.000	46.825	0.00	0.00	0.00	0.00	0.00
20.00	0.000	46.825	20.00	0.00	0.00	0.00	0.00
120.00†	0.000	0.000	120.00	0.00	0.00	0.00	0.00
220.00†	0.000	0.000	220.00	0.00	0.00	0.00	0.00
320.00†	0.000	0.000	320.00	0.00	0.00	0.00	0.00
400.00	0.000	46.825	400.00	0.00	0.00	0.00	0.00
420.00†	0.300	46.825	420.00	0.05	0.04	0.04	1.50
520.00†	1.800	46.825	519.98	1.88	1.29	1.37	1.50
620.00†	3.300	46.825	619.88	6.33	4.33	4.62	1.50
720.00†	4.800	46.825	719.63	13.40	9.17	9.77	1.50
800.00	6.000	46.825	799.27	20.92	14.32	15.26	1.50
820.00†	6.000	46.825	819.16	23.02	15.75	16.78	0.00
920.00†	6.000	46.825	918.61	33.47	22.90	24.41	0.00
1020.00†	6.000	46.825	1018.06	43.92	30.05	32.03	0.00
1120.00†	6.000	46.825	1117.52	54.37	37.20	39.65	0.00
1220.00†	6.000	46.825	1216.97	64.83	44.36	47.28	0.00
1320.00†	6.000	46.825	1316.42	75.28	51.51	54.90	0.00
1420.00†	6.000	46.825	1415.87	85.73	58.66	62.52	0.00
1520.00†	6.000	46.825	1515.33	96.19	65.81	70.15	0.00
1620.00†	6.000	46.825	1614.78	106.64	72.96	77.77	0.00
1720.00†	6.000	46.825	1714.23	117.09	80.12	85.39	0.00
1805.00	6.000	46.825	1798.76	125.98	86.20	91.87	0.00
1820.00†	5.775	46.825	1813.68	127.51	87.25	92.99	1.50
1920.00†	4.275	46.825	1913.30	136.27	93.24	99.38	1.50
2020.00†	2.775	46.825	2013.11	142.42	97.45	103.86	1.50
2120.00†	1.275	46.825	2113.04	145.96	99.87	106.44	1.50
2205.00	0.000	46.825	2198.03 ¹	146.90	100.51	107.13	1.50
2220.00†	0.000	0.000	2213.03	146.90	100.51	107.13	0.00
2320.00†	0.000	0.000	2313.03	146.90	100.51	107.13	0.00
2420.00†	0.000	0.000	2413.03	146.90	100.51	107.13	0.00
2520.00†	0.000	0.000	2513.03	146.90	100.51	107.13	0.00
2620.00†	0.000	0.000	2613.03	146.90	100.51	107.13	0.00
2720.00†	0.000	0.000	2713.03	146.90	100.51	107.13	0.00
2820.00†	0.000	0.000	2813.03	146.90	100.51	107.13	0.00
2920.00†	0.000	0.000	2913.03	146.90	100.51	107.13	0.00
3020.00†	0.000	0.000	3013.03	146.90	100.51	107.13	0.00
3120.00†	0.000	0.000	3113.03	146.90	100.51	107.13	0.00
3220.00†	0.000	0.000	3213.03	146.90	100.51	107.13	0.00
3320.00†	0.000	0.000	3313.03	146.90	100.51	107.13	0.00
3420.00†	0.000	0.000	3413.03	146.90	100.51	107.13	0.00



Planned Wellpath Report

Middle Mesa State 36-12-29-24 PWP

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INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	ENCANA OIL & GAS (USA) INC	Slot	36-12-29-24 (1097'FNL & 2216'FWL)
Area	UTAH	Well	Middle Mesa State 36-12-29-24
Field	SAN JUAN COUNTY (NAD 83 TRUE)	Wellbore	Middle Mesa State 36-12-29-24 PWB
Facility	SEC.36-T29S-R24E		

WELLPATH DATA (64 stations) † = interpolated/extrapolated station							
MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]
3520.00†	0.000	0.000	3513.03	146.90	100.51	107.13	0.00
3620.00†	0.000	0.000	3613.03	146.90	100.51	107.13	0.00
3720.00†	0.000	0.000	3713.03	146.90	100.51	107.13	0.00
3820.00†	0.000	0.000	3813.03	146.90	100.51	107.13	0.00
3920.00†	0.000	0.000	3913.03	146.90	100.51	107.13	0.00
4020.00†	0.000	0.000	4013.03	146.90	100.51	107.13	0.00
4120.00†	0.000	0.000	4113.03	146.90	100.51	107.13	0.00
4220.00†	0.000	0.000	4213.03	146.90	100.51	107.13	0.00
4320.00†	0.000	0.000	4313.03	146.90	100.51	107.13	0.00
4420.00†	0.000	0.000	4413.03	146.90	100.51	107.13	0.00
4520.00†	0.000	0.000	4513.03	146.90	100.51	107.13	0.00
4620.00†	0.000	0.000	4613.03	146.90	100.51	107.13	0.00
4720.00†	0.000	0.000	4713.03	146.90	100.51	107.13	0.00
4820.00†	0.000	0.000	4813.03	146.90	100.51	107.13	0.00
4920.00†	0.000	0.000	4913.03	146.90	100.51	107.13	0.00
5020.00†	0.000	0.000	5013.03	146.90	100.51	107.13	0.00
5120.00†	0.000	0.000	5113.03	146.90	100.51	107.13	0.00
5220.00†	0.000	0.000	5213.03	146.90	100.51	107.13	0.00
5320.00†	0.000	0.000	5313.03	146.90	100.51	107.13	0.00
5420.00†	0.000	0.000	5413.03	146.90	100.51	107.13	0.00
5520.00†	0.000	0.000	5513.03	146.90	100.51	107.13	0.00
5620.00†	0.000	0.000	5613.03	146.90	100.51	107.13	0.00
5720.00†	0.000	0.000	5713.03	146.90	100.51	107.13	0.00
5745.97	0.000	46.825	5739.00	146.90	100.51	107.13	0.00

HOLE & CASING SECTIONS									
Ref Wellbore: Middle Mesa State 36-12-29-24 PWB Ref Wellpath: Middle Mesa State 36-12-29-24 PWP									
String/Diameter	Start MD [feet]	End MD [feet]	Interval [feet]	Start TVD [feet]	End TVD [feet]	Start N/S [feet]	Start E/W [feet]	End N/S [feet]	End E/W [feet]
12.25in Open Hole	20.00	2300.00	2280.00	20.00	2293.03	0.00	0.00	100.51	107.13
9.625in Casing Surface	20.00	2300.00	2280.00	20.00	2293.03	0.00	0.00	100.51	107.13
8.75in Open Hole	2300.00	5745.97	3445.97	2293.03	5739.00	100.51	107.13	100.51	107.13
5.5in Casing Production	20.00	5745.97	5725.97	20.00	5739.00	0.00	0.00	100.51	107.13



Planned Wellpath Report

Middle Mesa State 36-12-29-24 PWP

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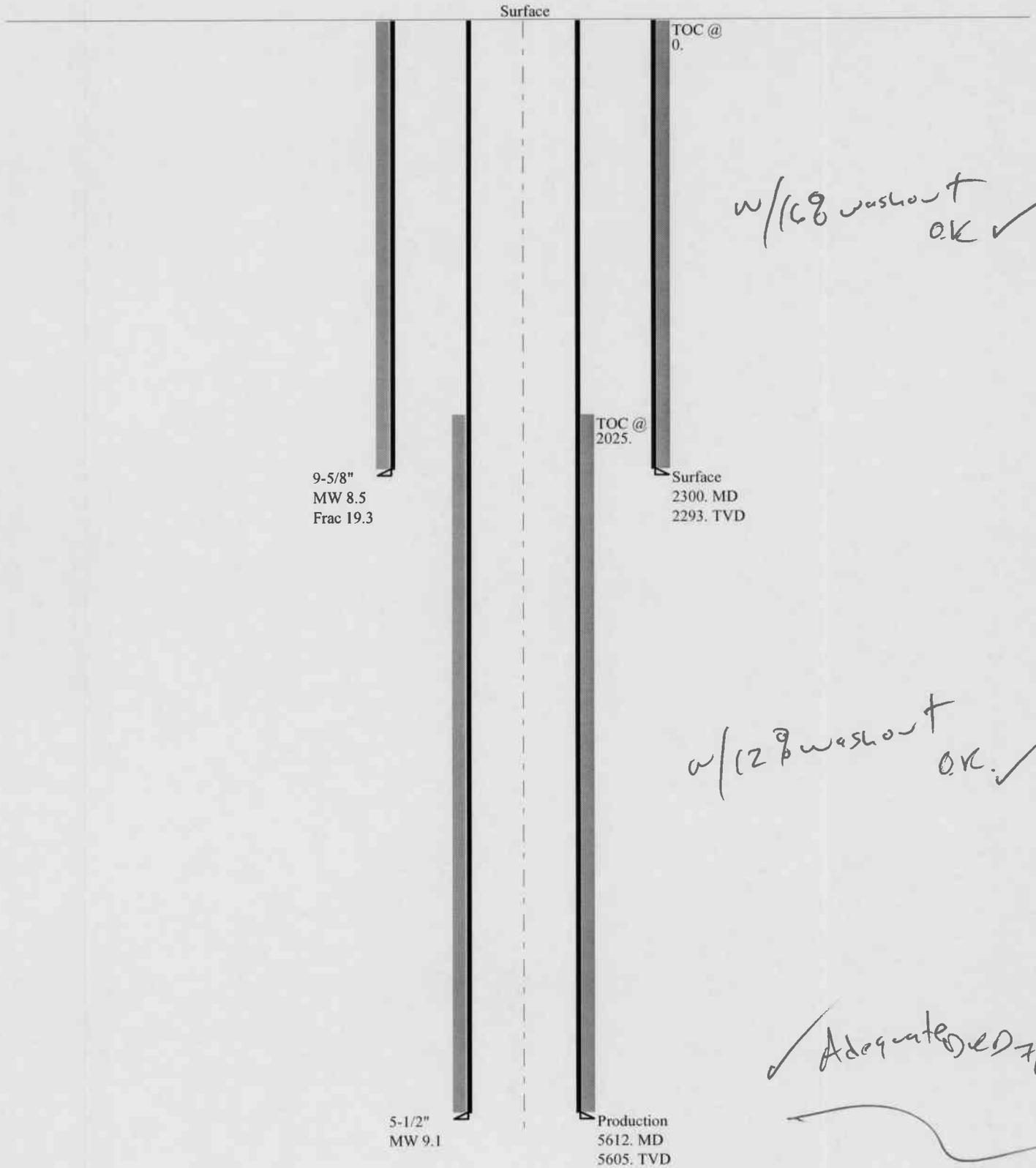
INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	ENCANA OIL & GAS (USA) INC	Slot	36-12-29-24 (1097'FNL & 2216'FWL)
Area	UTAH	Well	Middle Mesa State 36-12-29-24
Field	SAN JUAN COUNTY (NAD 83 TRUE)	Wellbore	Middle Mesa State 36-12-29-24 PWB
Facility	SEC.36-T29S-R24E		

TARGETS									
Name	MD [feet]	TVD [feet]	North [feet]	East [feet]	Grid East [feet]	Grid North [feet]	Latitude [°]	Longitude [°]	Shape
1) Middle Mesa State 36-12-29-24 TARGET 50' RADIUS CENTER @ 992'FNL & 2321'FWL		2200.00	100.51	107.13	2292759.15	10424097.19	38 14 31.517N	109 13 42.514W	circle

SURVEY PROGRAM				
Ref Wellbore: Middle Mesa State 36-12-29-24 PWB		Ref Wellpath: Middle Mesa State 36-12-29-24 PWP		
Start MD [feet]	End MD [feet]	Positional Uncertainty Model	Log Name/Comment	Wellbore
20.00	5745.97	MTC (Collar, pre-2000) (Standard)		Middle Mesa State 36-12-29-24 PWB

2007-02 EnCana Middle Mesa ST 36-12-29-24rev.
Casing Schematic



Well name:	2007-02 EnCana Middle Mesa ST 36-12-29-24rev.	
Operator:	EnCana Oil & Gas (USA) Inc.	
String type:	Production	Project ID: 43-037-31855
Location:	San Juan County	

Design parameters:	Minimum design factors:	Environment:
<u>Collapse</u>	<u>Collapse:</u>	H2S considered? No
Mud weight: 9.100 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 143 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 1,500 ft
	<u>Burst:</u>	Cement top: 2,025 ft
	Design factor 1.00	
<u>Burst</u>		
Max anticipated surface pressure: 1,417 psi	<u>Tension:</u>	Directional well information:
Internal gradient: 0.220 psi/ft	8 Round STC: 1.80 (J)	Kick-off point 400 ft
Calculated BHP 2,650 psi	8 Round LTC: 1.80 (J)	Departure at shoe: 147 ft
No backup mud specified.	Buttress: 1.60 (J)	Maximum dogleg: 1.5 °/100ft
	Premium: 1.50 (J)	Inclination at shoe: 0 °
	Body yield: 1.50 (B)	
	Tension is based on buoyed weight.	
	Neutral point: 4,840 ft	

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5612	5.5	15.50	J-55	LT&C	5605	5612	4.825	750
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2650	4040	1.525 ✓	2650	4810	1.82 ✓	75	217	2.90 J ✓

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 810-359-3940

Date: July 25, 2007
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 5605 ft, a mud weight of 9.1 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

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

Well name:	2007-02 EnCana Middle Mesa ST 36-12-29-24rev.	
Operator:	EnCana Oil & Gas (USA) Inc.	Project ID:
String type:	Surface	43-037-31855
Location:	San Juan County	

Design parameters:

Collapse

Mud weight: 8.500 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 97 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 2,018 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 2,293 psi

No backup mud specified.

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 2,012 ft

Directional well information:

Kick-off point 400 ft
 Departure at shoe: 147 ft
 Maximum dogleg: 1.5 °/100ft
 Inclination at shoe: 0 °

Re subsequent strings:

Next setting depth: 5,739 ft
 Next mud weight: 9.100 ppg
 Next setting BHP: 2,713 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 2,293 ft
 Injection pressure: 2,293 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2300	9.625	36.00	J-55	ST&C	2293	2300	8.796	998.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1013	2020	1.995 ✓	2293	3520	1.54 ✓	72	394	5.46 J ✓

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Minerals

Phone: 801-538-5357
 FAX: 810-359-3940

Date: July 25, 2007
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2293 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ST-UT-37067
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Middle Mesa Unit
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.		8. WELL NAME and NUMBER: Middle Mesa State 36-12-29-24
3. ADDRESS OF OPERATOR: 370 - 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4303731855
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1097' FNL & 2216' FWL		10. FIELD AND POOL, OR WILDCAT: Undesignated
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 29S 24E S		COUNTY: San Juan
		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: <u>7/9/2007</u>	<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>Change Drilling Mud Plans</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.

EnCana Plans to change the drilling mud program from a LSND mud to a Aerated 6% KCL Inhibited Water with Light Polymer. Attached is a copy of the revised Drilling Program with the changes highlighted. A Gas Buster will be used for additional safety equipment.

COPY SENT TO OPERATOR
Date: 7-16-07
Initials: RM

NAME (PLEASE PRINT) <u>Jevin Croteau</u>	TITLE <u>Regulatory Analyst</u>
SIGNATURE	DATE <u>7/5/07</u>

(This space for State use only)

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**

DATE: 7/13/07
BY: [Signature]

**RECEIVED
JUL 06 2007
DIV. OF OIL, GAS & MINING**

The proposed wellsite is located on State Surface/State Minerals

1. FORMATION TOPS/GEOLOGIC MARKERS

The estimated tops of important geologic markers are as follows:

Formation	Depth	Subsea
Dakota/Burro Canyon	Surface	+6865'
Navajo	1180'	+5685'
Wingate	1933'	+4932'
Chinle	2240'	+4625'
Cutler	2240'	+4625'
Honaker Trail	4065'	+2800'
La Sal	5265'	+1600'
La Sal Shale	5605'	+1260'
Hatch	5689'	+1176'
TD	5739'	+1126'

2. ANTICIPATED DEPTH OF WATER, OIL & GAS

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations as expected to be encountered are as follows:

Substance	Formation	Depth
Gas	Honaker Trail	4065'
Gas	La Sal	5265'
Gas	La Sal Shale	5605'
Gas	Hatch	5689'

3. BOP EQUIPMENT/REQUIREMENTS

EnCana Oil & Gas (USA), Inc.'s minimum specification for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

EnCana Oil & Gas (USA), Inc. will comply with all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% 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% 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% 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) shall be held open or the ball removed.

Annular preventers (if used) 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.

The BOP and related equipment shall meet the minimum requirements of Federal Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

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.

- a. The size and rating of the BOP stack is shown on the attached diagram.
- 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. CASING AND CEMENTING PROGRAMS

The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0-600'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0-5739'	8-3/4"	5-1/2"	15.5#	J-55	LT&C	New

Casing design subject to revision based on geologic conditions encountered.

The cement program will be as follows:

Conductor	Type and Amount
Surface	Type and Amount
0-600'	200 sx Class 'G' 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg
Production	Type and Amount
600'-5739' MD	1375 sx Class 'G' 50/50 Poz 1.43 cuft/sx yield, 13 ppg

5. MUD PROGRAM

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

Interval	Mud Type	Mud Wt.	Visc.	F/L
0-600'	Water	+/- 8.5	+/- 28	N.C.
600'-2200'	Water	+/- 8.5	+/- 28	N.C.
2200'-TD	Aerated 6% KCl Inhibited Water with Light Polymer	+/- 5.5	+/- 40-50	+/- 8-10

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

1. There will be sufficient mud on location to ensure well control.
2. 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.

6. EVALUATION PROGRAM – TESTING, LOGGING AND CORING

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

- a. No drill stem tests are anticipated.

Application for Permit to Drill
EnCana Oil & Gas (USA), Inc.
Middle Mesa State 36-12-29-24
1097' FNL & 2216' FWL (surface/bottomhole)
NE NW Section 36-T29S-R24E
San Juan County, Utah

Lease No. UT37067

Drilling Program

Page 4

- b. The logging program will consist of a Platform Express: Neutron Density, Laterolog, Gamma Ray and Caliper from TD to base of the surface casing.
- c. No whole cores are anticipated. Depending upon evaluation of the open hole logs, several sidewall cores may be obtained in formations of interest.

7. ABNORMAL PRESSURES AND H₂S GAS

- a. The maximum anticipated bottom hole pressure is 2400 psi (pressure gradient of 0.396 psi/ft). Source of pressure estimate was from data obtained for the La Sal geologic formation in the Middle Mesa State 36-14-29-24 (well is located within 1 mile of the proposed location).
- b. No hydrogen sulfide gas is anticipated, no abnormal pressures or temperatures are anticipated.

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.

It is anticipated that the drilling of this well will take approximately 15 days.

Following drilling and completion, portions of the pad not needed for production facilities will be reclaimed. If the well is plugged and abandoned, the entire wellsite will be reclaimed.



43-037-31855

pason systems usa corp.

16100 Table Mountain Parkway • Ste. 100 • Golden • CO • 80403
Telephone (720) 880-2000 • Fax (720) 880-0016
www.pason.com

August 8, 2007

Utah Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

**RE: ENCANA OIL & GAS (USA), INC.
MIDDLE MESA 36-12-29-24
SEC. 36, T29S, R24E
SAN JUAN COUNTY, UT**

To Whom It May Concern:

Enclosed is the final computer colored log for the above referenced well.

We appreciate the opportunity to be of service to you and look forward to working with you in the near future.

If you have any questions regarding the enclosed data, please contact us.

Sincerely,

A handwritten signature in black ink that reads "Bill Nagel". The signature is written in a cursive, slightly slanted style.

Bill Nagel
Geology Manager
Pason Systems USA
BN/gdr

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AUG 10 2007

DIV. OF OIL, GAS & MINING

Encl: 1 Computer Colored Log.

Cc: Stephen Schurger, Encana Oil & Gas (USA), Inc., Denver, CO.

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

SUNDRY NOTICES AND REPORTS ON WELLS
5. LEASE DESIGNATION AND SERIAL NUMBER: ST-UT-37067
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Middle Mesa Unit
8. WELL NAME and NUMBER: Middle Mesa State 36-12-29-24
9. API NUMBER: 4303731855
10. FIELD AND POOL, OR WILDCAT: Undesignated
1. TYPE OF WELL: OIL WELL [] GAS WELL [X] OTHER
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (720) 876-5339
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1097' FNL & 2216' FWL COUNTY: San Juan QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 29S 24E S STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA
TYPE OF SUBMISSION: [X] NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 7/19/2007 [] SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:
TYPE OF ACTION: [X] DEEPEN [] REPERFORATE CURRENT FORMATION [] ALTER CASING [] FRACTURE TREAT [] SIDETRACK TO REPAIR WELL [] CASING REPAIR [] NEW CONSTRUCTION [] TEMPORARILY ABANDON [] CHANGE TO PREVIOUS PLANS [] OPERATOR CHANGE [] TUBING REPAIR [] CHANGE TUBING [] PLUG AND ABANDON [] VENT OR FLARE [] CHANGE WELL NAME [] PLUG BACK [] WATER DISPOSAL [] CHANGE WELL STATUS [] PRODUCTION (START/RESUME) [] WATER SHUT-OFF [] COMMINGLE PRODUCING FORMATIONS [] RECLAMATION OF WELL SITE [] OTHER [] CONVERT WELL TYPE [] RECOMPLETE - DIFFERENT FORMATION

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

EnCana Oil & Gas (USA) Inc. is currently drilling the subject well and plans to drill an additional 450' beyond the permitted depth of 5,750'. EnCana plans to drill the well to 6,200'. EnCana is still targeting the Honaker Trail sands and the La Sal Shale.

9-4-07 RM

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst
SIGNATURE [Signature] DATE 8/1/07

(This space for State use only) APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING DATE: 8/30/07 BY: [Signature] (See Instructions on Reverse Side)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
 Other: _____

2. Name of Operator
EnCana Oil & Gas (USA) Inc.

3. Address 370 17th Street Suite 1700 Denver, CO 80202

3a. Phone No. (include area code)
720-876-3219

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

1097' FNL & 2216' FWL

At surface

At top prod. interval reported below

At total depth **1605 FNL 3304 FWL**

14. Date Spudded
07/19/2007

15. Date T.D. Reached
08/04/2007

16. Date Completed 09/04/2007
 D & A Ready to Prod.

5. Lease Serial No.
ST-UT-37067

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
Middle Mesa Unit

8. Lease Name and Well No.
Middle Mesa State 36-12-29-24

9. AFI Well No.
43-037-31855

10. Field and Pool or Exploratory
Wildcat

11. Sec., T., R., M., on Block and
Survey or Area NENW Sec 36 T29S R24E

12. County or Parish
San Miguel

13. State
Ut

17. Elevations (DF, RKB, RT, GL)*

18. Total Depth: MD 6111'
TVD 6103'

19. Plug Back T.D.: MD
TVD

20. Depth Bridge Plug Set: MD 5900'
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

CBL/PE/TC/GR, MUDLOG

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit report)
 Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.25	9.625"	36#	Surface	2322'	2322'	740 sx class G		Surface	None
8.75	5.5"	17#	Surface	6093'	6093'	862 sx 50:50 po		2000'	None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	5645'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Hermosa			5682'-5690'	3 3/8"	32	Open
B)			5705'-5717'	3 3/8"	48	Open
C)			5979' - 5992'	3 3/8"	52	Open
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
09/04/07	09/04/07	24	→	0	3000	0			Flow
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						Prod

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

*(See instructions and spaces for additional data on page 2)

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28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Honaker Trail	4189'
				LaSal	5344'
				LaSal Shale	5673'
				Hatch	5749'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Susan Guidry Title Operations Tech
 Signature *Susan Guidry* Date 10/01/2007

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.

(Continued on page 3)

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(Form 3160-4, page 2)

WELLBORE DIAGRAM

Operator: EnCana Oil & Gas (USA) Inc.
 Well Name: Middle Mesa State 36-12-29-24
 Lease Number: ST-UT-37067
 Location: Sec 36 T29S R24E
 Field: Wildcat
 County: San Juan
 API Number: 43-037-31855
 Diagram Date: 09/26/2007

Surface Loc:

FORMATIONS

Honaker Trail 4189'
 LaSal 5344'
 LaSal Shale 5673'
 Hatch 5749'

KB 6873'

GL 6845'

Well History

Spud Date 07/19/2007
 TD Reached 08/04/2007
 Rig Released 09/04/2007
 Completion Date
 First Sales: 08/27/2007

56 jts 9.5/8" 36# J-55 ST&C
 csg @ 2322', cmt w/ 540 sx
 Type III lead; 200 sx Type III tail

Top of Honaker Trail 4189'

Tubing Detail:

	Depth:
KB	12.00
177 jts 2 3/8" 4.7# J-55 tbg	5600.00
1.87 F/N	5601.00
1 jt 2 3/8" 4.7# J-55	5633.00
1.81 F/N	5634.00
1 10' pup jy x 2 3/8	5644.00
1 notched collar	5645.00
EOT	5645.00

Top of LaSal 5344'

EOT @5645'

5682'-5690' LaSal Perfs shot 8/21/07 32 holes
 3-3/8", 4 SPF, 90° phasing

5705'-5717' LaSal Perfs shot 08/21/07 48 holes
 3-3/8", 4 SPF, 90° phasing

Top of Hatch 5749'

CIBP @ 5900'

5979'-5992' Hermosa Perfs shot 08/21/07 85 holes
 3-3/8", 4 SPF, 90° phasing

141 jts 5.5" 17# I-80 LT&C csg @ 6093'
 Cmt w/ 862 sx G 50/50 Poz

6111'

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MM 36-12

Depth	TVD	Eastings	Northings	Angle	Direction
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
235.00	234.99	-0.40	1.23	0.63	342.07
318.00	317.98	-0.48	2.57	1.25	3.52
413.00	412.93	0.88	5.02	2.32	42.51
507.00	506.80	4.01	8.62	3.50	40.10
601.00	600.55	8.61	13.50	4.70	45.70
694.00	693.13	14.94	19.51	6.07	47.10
787.00	785.62	21.89	26.25	5.89	44.62
882.00	880.15	28.78	32.72	5.54	49.19
977.00	974.64	36.69	38.49	6.33	58.00
1072.00	1068.99	45.82	44.70	7.03	53.76
1167.00	1163.29	55.06	51.52	6.86	53.41
1263.00	1258.69	63.12	58.44	5.89	44.62
1358.00	1353.18	70.08	65.37	5.98	45.67
1453.00	1447.70	76.84	72.09	5.54	44.62
1548.00	1542.26	83.83	77.97	5.54	55.17
1643.00	1636.86	90.54	83.51	5.01	45.32
1739.00	1732.57	95.16	89.16	3.78	31.26
1834.00	1827.36	98.31	94.66	3.87	28.45
1929.00	1922.20	101.46	98.88	2.59	49.19
2024.00	2017.15	103.73	100.41	0.79	78.37
2119.00	2112.15	104.37	100.39	0.18	180.67
2214.00	2207.15	104.13	100.06	0.36	231.65
2290.00	2283.14	103.36	100.02	0.89	280.52
2340.00	2333.14	102.79	100.03	0.45	252.39
2435.00	2428.14	102.43	99.92	0.00	301.60
2530.00	2523.14	102.36	99.91	0.09	264.70
2625.00	2618.14	102.27	99.83	0.09	192.30
2720.00	2713.14	102.32	99.73	0.09	113.20
2816.00	2809.14	102.39	99.70	0.00	11.10
2911.00	2904.14	102.44	99.64	0.09	138.80
3006.00	2999.14	102.49	99.58	0.00	321.70
3101.00	3094.14	102.44	99.53	0.09	227.40
3259.00	3252.10	101.63	97.08	1.79	196.85
3355.00	3348.04	100.54	93.98	2.14	201.42
3450.00	3442.99	99.62	91.02	1.61	191.57
3545.00	3537.97	99.38	89.64	0.09	156.80
3609.00	3601.97	99.40	89.64	0.09	4.90
3704.00	3696.97	99.31	89.35	0.45	195.00
3800.00	3792.97	99.28	89.01	0.09	71.34
3895.00	3887.97	99.23	89.13	0.18	308.64
4090.00	4082.97	98.09	89.15	0.54	259.07
4180.00	4172.97	97.61	89.05	0.09	254.50
4275.00	4267.97	97.40	88.99	0.18	252.80
4402.00	4394.97	96.83	88.61	0.45	229.92
4473.00	4465.97	96.31	88.17	0.65	230.00
4505.00	4497.96	95.84	87.78	1.54	230.00
4530.00	4522.95	95.25	87.36	1.79	237.63
4632.00	4624.88	92.91	84.64	2.38	208.10

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4727.00	4719.84	92.11	82.44	0.58	164.86
4822.00	4814.84	92.41	81.77	0.32	139.54
4917.00	4909.84	92.58	81.81	0.29	0.00
5012.00	5004.84	92.58	82.23	0.22	0.00
5108.00	5100.84	92.58	82.46	0.06	0.00
5203.00	5195.84	92.58	82.87	0.44	0.00
5298.00	5290.84	92.58	83.67	0.53	0.00
5395.00	5387.84	92.30	83.90	0.42	232.00
5498.00	5490.84	92.00	84.22	0.61	0.00
5578.00	5570.84	92.00	84.70	0.08	0.00
5673.00	5665.84	92.00	85.12	0.43	0.00
5768.00	5760.84	92.00	85.75	0.33	0.00
5864.00	5856.84	92.00	86.35	0.39	0.00
5959.00	5951.84	92.00	86.96	0.34	0.00
6054.00	6046.84	92.00	87.48	0.29	0.00
6086.00	6078.84	92.00	87.71	0.53	0.00

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

5/14/2010

FROM: (Old Operator): N2175-EnCana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202 Phone: 1 (303) 623-2300	TO: (New Operator): N3670-Patara Oil & Gas, LLC 333 Clay Street, Suite 3960 Houston, TX 77002 Phone: 1 (713) 357-7171
---	---

CA No.

Unit:

MIDDLE MESA

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/11/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/11/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/11/2010
- a. Is the new operator registered in the State of Utah: Business Number: 7655540-0161
- 5a. (R649-9-2)Waste Management Plan has been received on: * * requested 9/27/10
- 5b. Inspections of LA PA state/fee well sites complete on: * * requested 9/27/10
- 5c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 6/28/2010 & 9/2/2010
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 6/29/2010
Lisbon B-816 only

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/14/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/14/2010
- Bond information entered in RBDMS on: 9/14/2010
- Fee/State wells attached to bond in RBDMS on: 9/14/2010
- Injection Projects to new operator in RBDMS on: 9/14/2010
- Receipt of Acceptance of Drilling Procedures for APD/New on: 5/11/2010

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000428
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number RLB0013207 & B006008
- b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

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 <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: ENCANA OIL & GAS (USA) INC. <i>N2175</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 623-2300		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached List COUNTY:		8. WELL NAME and NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		9. API NUMBER:
		10. FIELD AND POOL, OR WLDGAT:

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

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

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

Effective May 4, 2010 Patara Oil & Gas LLC, 333 Clay Street, Suite 3960, Houston, TX 77002, will take over completions and operations and is designated as agent operator for the subject wells on the attached list.

Bond coverage for all activities will be covered by Patara's BLM Statewide Oil & Gas Bond No. UTB000428 and UDOGM Bond No. Pending. *RFB 0013207 + B 006008*

Patara Oil & Gas LLC, Lane M. Kincannon, Vice-President, Land & Business Development *N3670*

Signature *[Signature]* Date 5/4/2010

NAME (PLEASE PRINT) <u>Ricardo D. Gallegos</u>	TITLE <u>Attorney-in-Fact</u>
SIGNATURE <i>[Signature]</i>	DATE <u>5/4/2010</u>

(This space for State use only)

APPROVED 9/14/2010
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
May 11 2010 ER
DIV. OF OIL, GAS & MINING

ENCANA O-G (N2175) to PATARA O-G (N3670)
effective May 4, 2010
MIDDLE MESA

well_name	sec	twp	rng	api	entity	lease	well	stat	C
BIG INDIAN 35-24	35	290S	240E	4303731829	14409	Federal	GW	S	
MIDDLE MESA ST 36-14-29-24	36	290S	240E	4303731838	15076	State	GW	P	
MIDDLE MESA FED 5-6-30-25	05	300S	250E	4303731853	16375	Federal	GW	P	
MIDDLE MESA FED 31-31-29-25	31	290S	250E	4303731854	15721	Federal	GW	P	
MIDDLE MESA ST 36-12-29-24	36	290S	240E	4303731855	16187	State	GW	P	
MIDDLE MESA ST 36-24-29-24	36	290S	240E	4303731856	16186	State	GW	S	
MIDDLE MESA ST 36-12B-29-24	36	290S	240E	4303731877	15076	State	GW	P	
MIDDLE MESA ST 36-24B-29-24	36	290S	240E	4303731878	16834	State	GW	P	
MIDDLE MESA FED 30-41-29-25	30	290S	250E	4303731893		Federal	GW	APD	C
MIDDLE MESA FED 31-42-29-25	31	290S	250E	4303731895		Federal	GW	APD	C
MIDDLE MESA FED 5-10-30-25	05	300S	250E	4303731897		Federal	GW	APD	
MIDDLE MESA FED 4-20-30-25	04	300S	250E	4303731898		Federal	GW	APD	C
MIDDLE MESA FED 25-43-29-24	25	290S	240E	4303731901		Federal	GW	APD	C
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903		Federal	GW	APD	C
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904		Federal	GW	APD	C
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905		Federal	GW	APD	C
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906		Federal	GW	APD	C
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907		Federal	GW	APD	C
MIDDLE MESA FED 5-8-30-25	05	300S	250E	4303731908		Federal	GW	APD	C
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909		Federal	GW	APD	
MIDDLE MESA FED 31-11-29-25	31	290S	250E	4303731910		Federal	GW	APD	
**Moved 7/14/2010									
MIDDLE MESA FED 25-41-29-24	25	290S	240E	4303731902		Federal	GW	APD	C



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO
3180
UT-922

June 28, 2010

David M. Laramie
Patara Oil & Gas, LLC
621 17th Street, Suite 1345
Denver, CO 80293

Re: Successor Operator
Middle Mesa Unit
UTU82680X
San Juan County, Utah

Dear Mr. Laramie:

On June 25, 2010, we received an indenture dated May 4, 2010, whereby EnCana Oil & Gas (USA), Inc. resigned as Unit Operator and Patara Oil & Gas, LLC was designated as Successor Unit Operator for the Middle Mesa Unit, San Juan County, Utah. The indenture was executed by both parties and the signatory parties (working interest owners) have complied with Sections 5 and 6 of the unit agreement.

The instrument is hereby approved effective June 28, 2010. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Middle Mesa Unit Agreement.

Your statewide oil and gas BLM Bond No. UTB000428 will be used to cover unit operations.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate Federal offices, with one copy returned herewith.

If you have any questions, contact Leslie Wilcken of this office at (801) 539-4112.

Sincerely,

/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure

RECEIVED

JUL 06 2010

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ST-UT-37067
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Middle Mesa Unit
2. NAME OF OPERATOR: Patara Oil & Gas, LLC.		8. WELL NAME and NUMBER: Middle Mesa State 36-12-29-24
3. ADDRESS OF OPERATOR: 600 17th St., Suite 1900S CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4303731855
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1097' FNL & 2216' FWL		10. FIELD AND POOL, OR WILDCAT: Middle Mesa
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 29S 24E		COUNTY: San Juan
		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: 5/13/2011	<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 type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Patara Oil & Gas, LLC proposes to add two (2) additional uphole zones in the La Sal and Honaker Trail formations to increase productivity and revenue from the Middle Mesa State 36-12-29-24 well. The current intervals producing from the La Sal at 205 mcf/d will be temporarily isolated below a CIBP until the flowing pressure from the new intervals doesn't present a potential cross flow problem. At that time all of the zones will be commingled.

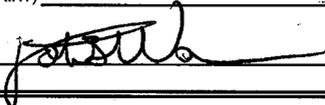
The La Sal limestone will be perforated 5386 - 5406' and acidized.

The Honaker Trail formation will be perforated 5192 - 5200' and will be fracture stimulated with a 70 quality CO2 foam and 20/40 sand.

A current wellbore diagram, proposed recompletion procedure, production history curves, cross section of offset wells and the log sections of the proposed intervals are attached for reference.

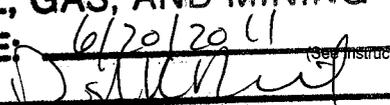
Patara intends to begin work approximately mid May, 2011.

COPY SENT TO OPERATOR
Date: 6.22.2011
Initials: KS

NAME (PLEASE PRINT) <u>John B. Warren</u>	TITLE <u>Production Manager</u>
SIGNATURE <u></u>	DATE <u>5/6/2011</u>

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 6/20/2011
BY: 

(See Instructions on Reverse Side)

RECEIVED
MAY 10 2011
DIV. OF OIL, GAS & MINING

**Middle Mesa 36-12-29-24
Section 36-T29S-R24E
San Juan County, Utah**

Recompletion Procedure to Add Additional Pay Intervals

Date 4/17/11 John Warren

Current Status:

The Middle Mesa 36-12 is currently producing from two (2) LaSal sections at a rate of 206 mcfd. Both intervals were completed in 2007 and were fracture stimulated.

Proposal:

It is proposed to add the LaSal Limestone 5386 – 5406' which will be perforated and acidized. A temporary plug will be set over the LaSal and the Honaker Trail Sand 5192 – 5200' will be perforated and fracture stimulated. All work will be done down the 5 1/2" casing. Zones will be cleaned up together but tested individually.

Well Data:

Spud Date: 7/30/2007 Rig Release Date: 8/7/2007

KB to GL: 12' GL elevation: 6861'
TD: 6111' PBTd: 6061'

Surface Casing: 9 5/8" 36# J-55 ST&C set @ 2322'.
Cmt'd w/ 540 sx 12.5# Type Poz f/b
200 sx 15.8# Type G w/ 1/4 pps celloflakes
(12.1/4" hole) Cement to surface

Production Casing: 5-1/2" 17# I-80 LTC, set @ 6092'
Cmt'd w/ 862 sx 13.0# 50/50 Poz (8 3/4" hole)

Casing properties: ID: 4.892" Drift ID: 4.767"
Collapse: 6280 psi Burst: 7740 psi
Joint Yield Strength: 487,000 lbs Capacity: 0.0232 bbls/ft

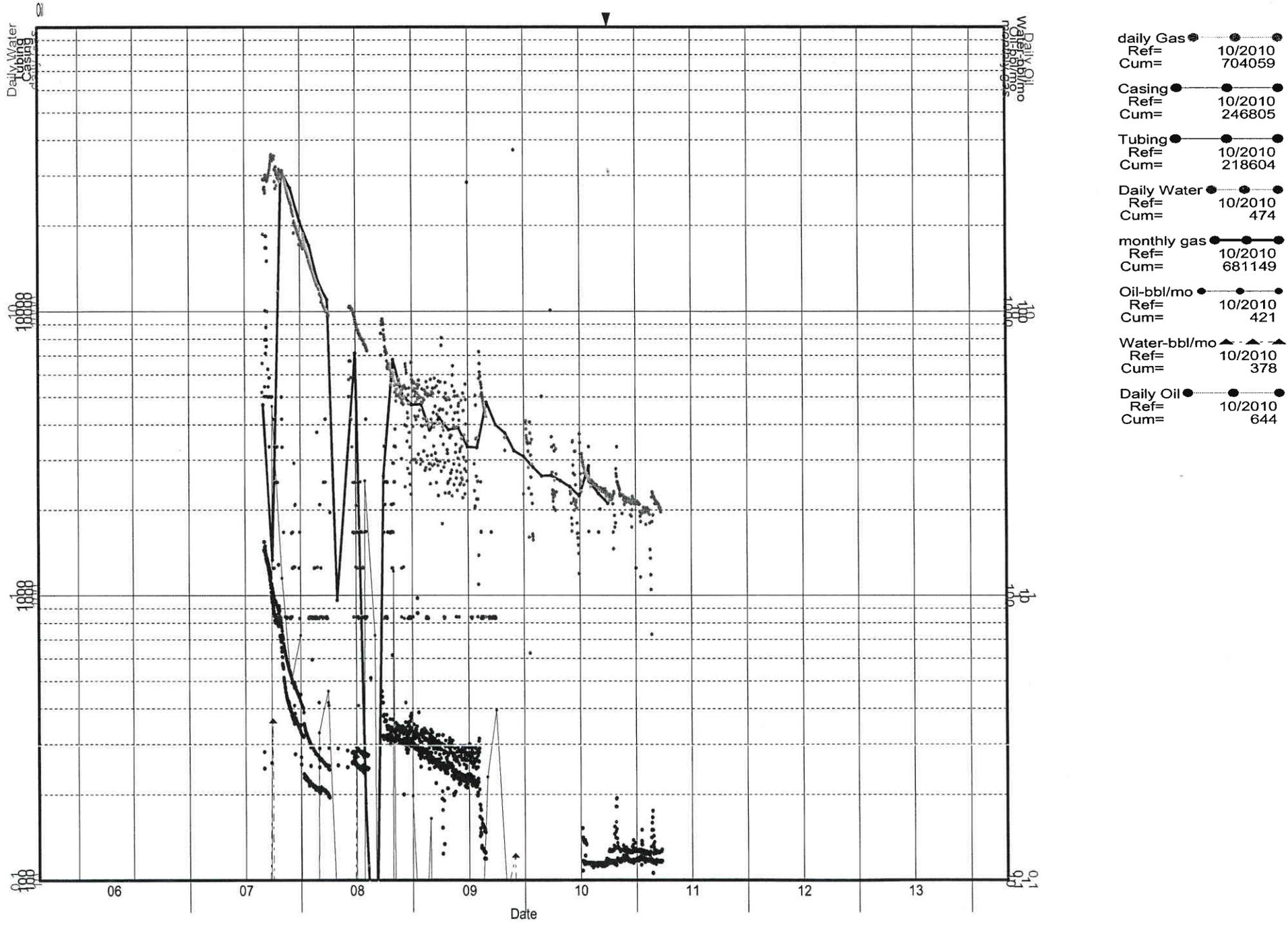
Tubing: 2-3/8" 6.4# J-55 EUE 8rd
ID: 1.995" Drift ID: 1.901"
Collapse: 8100 psi Burst: 7700 psi
Joint Yield Strength: 71,300 lbs Capacity: 0.00387 bbls/ft

Recommended Recompletion Procedure:

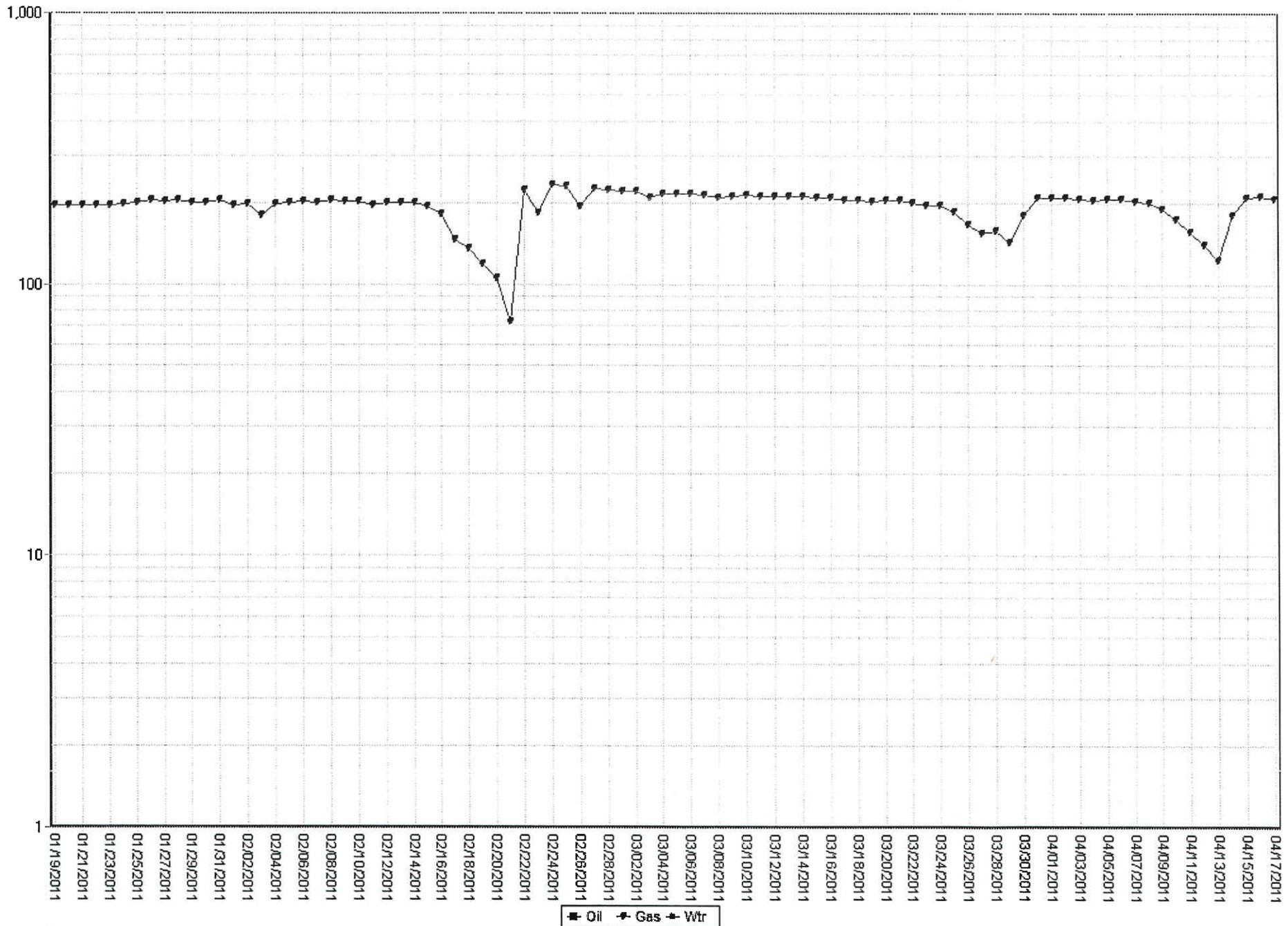
1. RU rig. ND tree and NU BOPs. Strip out of hole laying down tubing. Dig flow back pit and burn pit for testing.
2. RU Lone Wolf Wireline. RIH and set a CIBP at 5630'. Dump 2 sacks cement on top of the CIBP.
3. RIH w/ Hollow Carrier guns and perforate the LaSal Limestone 3 spf at 180 degree phasing from 5386 – 5406'. ND BOPs and NU frac head. RD rig. Flow well to sales if possible while WO frac. Set frac tanks and CO2 vessels and fill according to the volumes outlined in the BJ Services proposal.
4. RU BJ Services. Perform acidization of LaSal Limestone per the BJ Services recommendation. Trace w/ Scandium. Flush to the perms using CO2. Obtain 5 min, 10 min, 15 min pressure readings. Place BJ on standby.
5. RIH w/ CIBP and set it at 5280' and dump 2 sacks of sand on top of it. RIH w/ Hollow Carrier guns and perforate the Honaker Trail Sand 4 spf at 180 degree phasing from 5192 – 5200'. RD Lone Wolf.
6. Fracture stimulate the Honaker Trail section using CO2 and 20/40 sand per the BJ Services recommendation. Trace w/ Iridium. Flush to perms w/ CO2. Obtain 5 min, 10 min, 15 min pressure readings. RD BJ.
7. Open well to flowback tank. RU rig. Set kill plug and ND frac head. NU BOPs.
8. MU bit, SN, 1 jt tbg, SN and TIH. Drill out the CIBP at 5280'. Flow back well to clean up both zones. If well flowing on own, RD rig and leave well to test crew until cleaned up.
9. After cleaning up, RU rig. POOH w/ tbg and lay down bit. MU RBP, retrieving tool, SN, 4' pup jt, Model R packer, 1 jt tbg, SN and TIH. Set RBP at 5550' and set packer at 5310'. Test interval LaSal Limestone 5386 - 5406'.
10. Release packer and RBP. Reset the RBP at 5230' and the packer at 5160'. Test the Honaker Trail interval 5192 – 5200'.
11. Release the RBP and packer. POOH and LD RBP and packer.
12. MU notched collar, SN, 1 jt tbg, SN and TIH. Land tbg at 5160'.
13. ND BOPs and NU tree. Return well to sales. Plan to run Scanalog and Production Log at a later date.

MIDDLE MESA 36-12

LASAL
SAN JUAN, UT
1PDP



Production Totals For Selected Wells



Remarks:

WELLBORE DIAGRAM

Operator: EnCana Oil & Gas (USA) Inc.
 Well Name: Middle Mesa State 38-12-29-24
 Lease Number: ST-UT-37067
 Location: Sec 38 T29S R24E
 Field: Wildcat
 County: San Juan
 API Number: 43-037-31855
 Diagram Date: 03/28/2007

Surface Loc:

FORMATIONS

Honaker Trail 4189'
 LaSal 5344'
 LaSal Shale 5673'
 Hatch 5749'

KB 6873'
 GL 6845'

Well History

Spud Date 07/19/2007
 TD Reached 08/04/2007
 Rig Released 09/04/2007
 Completion Date
 First Sales: 08/27/2007

56 jts 9.5/8" 36# J-55 ST&C
 csg @ 2322'; cmt w/ 540 sx
 Type III lead; 200 sx Type III tail

Top of Honaker Trail 4189'

Tubing Detail:

Depth:

KB	12.00
177 jts 2 3/8" 4.7# J-55 tbg	5600.00
1.87 F/N	5601.00
1 jt 2 3/8" 4.7# J-55	5633.00
1.81 F/N	5634.00
1 10' pup jy x 2 3/8	5644.00
1 notched collar	5645.00
EOT	5645.00

Top of LaSal 5344'

EOT @ 5645'

5682'-5690' LaSal Perfs shot 8/21/07 32 holes
 3-3/8", 4 SPF, 90° phasing

5705'-5717' LaSal Perfs shot 08/21/07 48 holes
 3-3/8", 4 SPF, 90° phasing

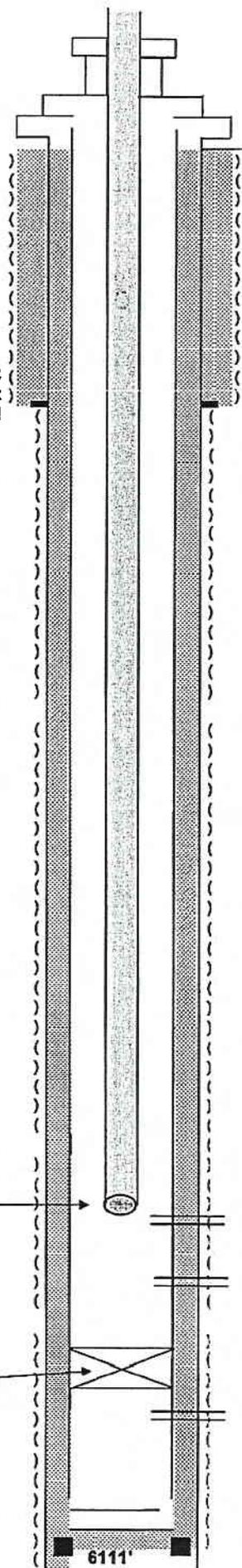
Top of Hatch 5749'

CIBP @ 5900'

5979'-5992' Hermosa Perfs shot 08/21/07 85 holes
 3-3/8", 4 SPF, 90° phasing

141 jts 5.5" 17# I-80 LT&C csg @ 6093'
 Cmt w/ 662 sx G 50/50 Poz

6111'

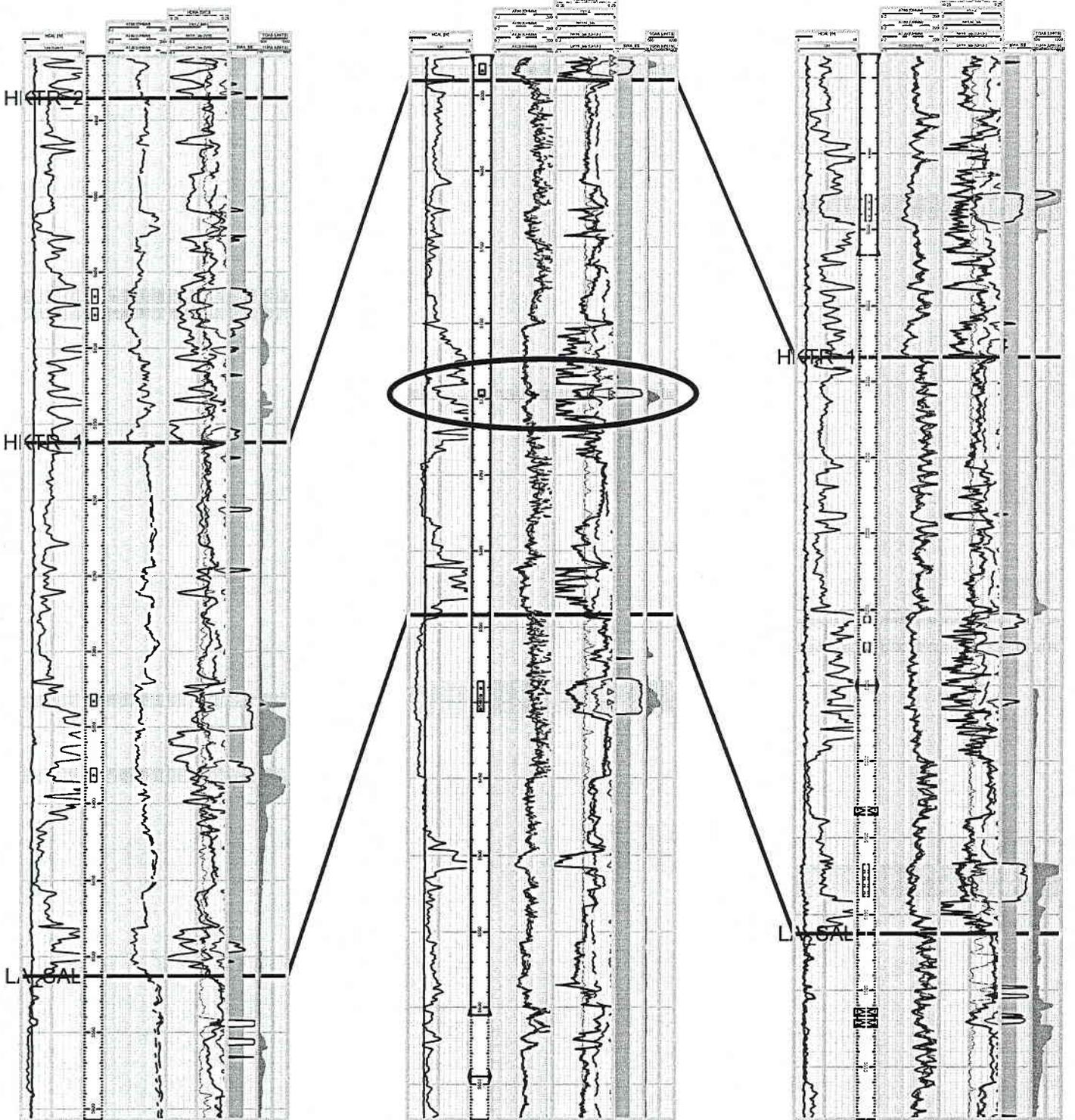


Paradox Basin

MIDDLE MESA FEDERAL 25-41-29-2
PATARA OIL & GAS LLC

MIDDLE MESA STATE 36-12-29-2
PATARA OIL & GAS LLC

MIDDLE MESA UNIT 31-31-29-2
PATARA OIL & GAS LLC



San Juan County, Utah

Elevation: G.L.

6861

Elevation: K.B.

6873

Logs

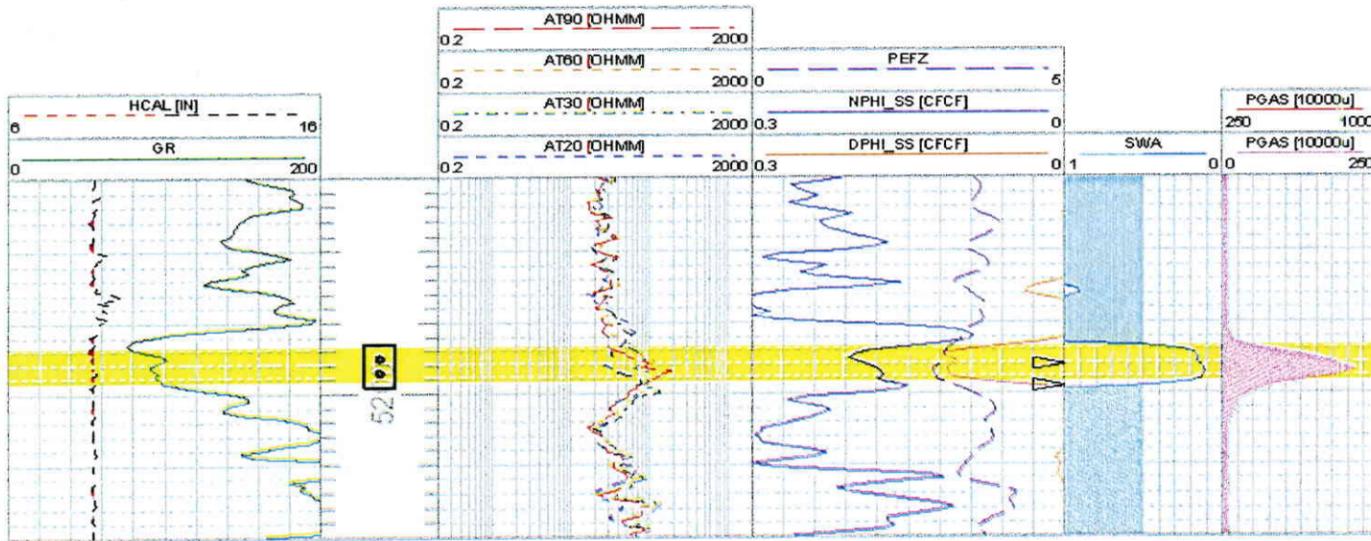
SLB: Triple Combo - AIT MSCT DSI

Geologist

Rob Swartwout

Well	Zones	Proposed		Net Pay 9% Cutoff	Φ	Sw	Comments
		Perfs (MD)					
Middle Mesa 36-24							
	5192-5200	5194-5198	4	4	11.0%	14%	Fig. C - OK porosity, good resistivity, very good show
	La Sal LS	5386-5406	21	21	12.0%	11%	Fig. D - Good porosity, excellent show, low Sw
Total Pay			25	25			

Cont. Figure C



Continued. Figure C - Although thin, both of these HKTR sands exhibit decent reservoir quality. Both calculate low water saturations and have great mudlog shows.

D. La Sal LS

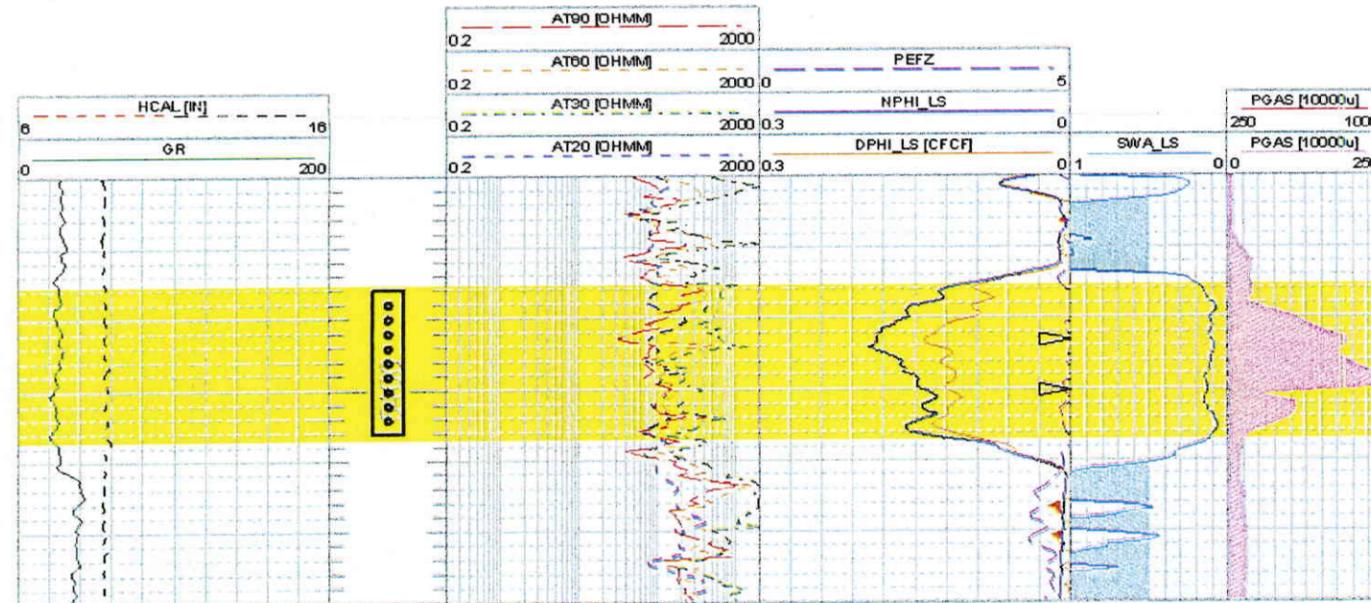


Figure D - This La Sal limestone interval has been seen before with good mudlog shows like this one. However, porosity reservoir quality has never been seen like this. If no flow after perforating consider acidizing.

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

FORM 9

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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ST-UT-37067
2. NAME OF OPERATOR: Patara Oil & Gas LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St., Suite 1900S CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Middle Mesa Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1097' FNL & 2216' FWL		8. WELL NAME and NUMBER: Middle Mesa State 36-12-29-24
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 36 29S 24E 6		9. API NUMBER: 4303731855
COUNTY: San Juan		10. FIELD AND POOL, OR WILDCAT: Middle Mesa
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"/> 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/15/2011	<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>Equipment Installation</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.

Patara Oil and Gas, LLC has completed workover operations on the subject well, however, the well did not flow with natural lift, and Patara has chosen to install a gas lift system to bring the well back to production. The well is configured with 2-3/8" tubing hung at 5,666', and a packer at 5,161'.

Please review attached wellbore schematic, gas lift installation proposal and lift system design parameters. If there are any questions or concerns, please contact Christopher Noonan with Patara at 303-563-5377. Thank you.

COPY SENT TO OPERATOR
Date: AUG 08 2011
Initials: KS

NAME (PLEASE PRINT) <u>Christopher Noonan</u>	TITLE <u>Production Technician</u>
SIGNATURE	DATE <u>7/21/2011</u>

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 8/2/2011

BY: (See Instructions on Reverse Side)

RECEIVED
JUL 26 2011
DIV. OF OIL, GAS & MINING

* Injection Gas should be measured and accounted for separately

**Middle Mesa State 36-12-29-24
Section 36-T29S-R24E
San Juan County, Utah
AFE 1141**

Gas Lift Installation

Current Status:

The 2 3/8" tbg has been hung at 5666'. Fluid level raises to 3500' but well will not flow. Previous workover had just finished adding the Honaker Trail oil zone at 5192 – 5200' and well swab tests approximately 40 BOPD. Lower zones are older and have less than 200 mcf/d and little pressure. Artificial lift is needed. Have chosen to install a rental gas compressor and gas lift the well.

Recommended Procedure:

1. RU Monument workover rig. ND tree and NU BOPE. Order out Weatherford packer and gas lift valves per the attached quote.
2. POOH w/ tbg. MU No-go SN, 1 jt tbg, SN, 15 jts tbg, Weatherford packer followed with 166 jts of tbg with gas lift valves spaced at 5121', 4650', 4150' and 3400' per the gas lift design (be sure valves are run in order of pressure settings per Weatherford).
3. Set packer at 5161'. EOT should be approximately 5659'.
4. ND BOPE and NU tree. Final hookup will wait on rental compressor installation to supply lift gas.
5. RD workover rig.

WELLBORE DIAGRAM

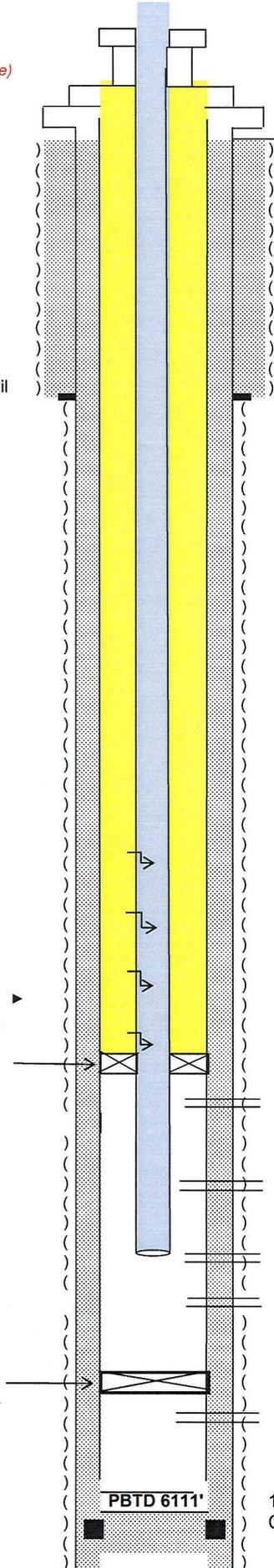
Operator: Patara Oil & Gas, LLC
 Well Name: Middle Mesa State 36-12-29-24
 Lease Number: ST-UT-37097
 Location: Section 36-T29S-R24E
 Field: Middle Mesa
 County: San Juan, UT
 API Number: 41-037-31855
 Diagram Date: 07/01/2011 J. Warren

Proposed Gas Lift WBD

FORMATIONS

(List formations)	(Footage)
Honaker Trail	4189'
LaSal	5344'
LaSal Shale	5673'
Hatch	5749'

KB	6873'
GL	6845'



55 jts 9 5/8" 36#/ft J-55 ST&C
 csg @ 2322'; cmt w/ 540 sx
 Type III lead; 200 sx Type III tail

Gas Lift Valves installed at:
 3400', 4150', 4650' and 5121'

2 3/8" 4.7#/ft J-55 8rd EUE tbg

Packer @ 5161'

EOT @ 5659'

CIBP @ 5900'

PBTD 6111'

141 jts 5/5" 17#/ft I-80 LT&C csg @ 6093'
 Cmt w/ 862 sx G 50/50 Poz

Well History

Spud Date 7/19/2007
 TD Reached 8/4/2007
 Rig Released 09/04/2007
 Completion Date 08/27/2007
 First Sales: 8/27/2007
 Recompletion: 6/15/2011

Tubing Detail:

KB
 166 jts 2 3/8" 4.7#/ft J-55 tbg
 Packer
 15 jts 2 3/8" tbg
 SN
 1 jt tbg
 No-go SN

Depth:

12'
 5158'
 5161'
 5626'
 5627'
 5658'
 5659'

5192 - 5200' Honaker Trail shot 6/2011, 4 spf, frac'd w/ 70Q CO2
 Medallion, 40M lbs 20/40, 80 tons CO2
Oil

5386 - 5406' LaSal Limestone shot 6/2011, 3 spf, acidize w/
 20% HCL and gelled water
Non productive

5682 - 5690' LaSal Perfs shot 8/21/07 4 spf, 90 degree phasing
Gas

5705 - 5717' LaSal Perfs shot 8/21/07 48 holes, 4 spf, 90 degree phasing
Gas

5979 - 5992' Hermosa Perfs shot 8/21/07 3 3/8" gun, 4 spf, 90 degree phasing

TERMS & CONDITIONS

GENERAL

All Weatherford Artificial Lift Systems, Inc. (WALS) products and services are sold in accordance with these General Terms and Conditions. These Terms and Conditions supersede all prior Terms and Conditions and shall be the sole Terms and Conditions which

QUOTATIONS

On products to be manufactured by WALS, unless otherwise specified, all quotations are firm for thirty (30) days, and all orders received during the thirty (30) day period will be invoiced at the price quoted with the exception of third party increases for

Prices quoted will be honored within the thirty (30) days if the order received is for the total quantity previously quoted.

On products from existing inventory, WALS prices are not firm and are subject to change without notice unless otherwise expressly stipulated. Prices will be WALS's prices in effect at the time of shipment.

In the event a Purchase Order received differs from the original quotation in quantity, specifications, including third party inspections and non-destructive testing procedures, or any other terms or is received after the thirty (30) days, WALS reserves the right to

WARRANTY & WARRANTY LIMITATIONS

Except as otherwise provided herein and subject to the limitations and conditions herein, WALS warrants its products and services to be free from defects in workmanship and material under normal use and service for a period of one year from the date of shipment

Learnco-Ruthco™ Pumping Unit Services – notwithstanding the preceding, the following products and services are warranted as follows: PTFE PUMPING UNIT BEARING ASSEMBLIES, when installed by WALS, will carry a 5 year pro-rated warranty. REBUILT PUMPING UNITS

Warranties will not apply and be void if the product or service has been subject to or suffered misuse, negligence, abuse, neglect, accident, or has not been installed or operated or repaired in accordance with applicable published instructions or has been

WALS does not warrant that any of the products sold by it, if used or sold in combination with other equipment or used in the practice of methods or processes, will not, by virtue of such combination or use, infringe patents of others and WALS shall not be

CLAIMS

Notice of defective products or services must be given in writing to WALS by the customer. The customer or user of the products must keep the products in unaltered condition for examination by WALS representative. Any machining, binding, welding, heat treatment

CHANGES TO ORDER

Purchase orders once placed and accepted can be canceled or changed only with WALS's written consent. In no event shall the customer be permitted to cancel any order without payment to WALS for costs incurred to date of cancellation, for costs and actual

WALS reserves the right to make substitutions or design and construction modifications to products or services provided these changes do not affect the performance of those products or services.

PROPRIETARY RIGHTS

WALS retains for itself all proprietary rights to all engineering designs, construction details, manufacturing procedures, and other data relating to all products and services it manufactures, leases, or otherwise provides.

TAXES/OTHER CHARGES

Any taxes or charges imposed by law on the sale or production of products or the performance of services shall be paid by the customer unless Federal or State law specifically provides that such payment shall be made by WALS.

DAMAGED PROPERTY

WALS's liability for damage to or loss of property belonging to the customer, the user, or others is limited solely to the price received by WALS for its work performed on the property lost or damaged.

DELIVERY AND FORCE MAJEURE

WALS will make delivery of products F.O.B. the shipping point designated in the quotation, or ex-factory, Houston, Texas, if no shipping point is designated, with title to all products passing to the customer upon delivery to the carrier, regardless of when

WALS will not be liable for failure or delay in delivery directly or indirectly due to acts of God, acts of nature, accident, labor disruptions, acts of the customer, hostilities, shortage of transportation, failure or suspension or curtailment of product

In no event shall WALS be liable for any consequential damages or claims resulting from failure or delay in delivery, the customer recognizing that all statements of prospective dates of shipment are estimated.

PAYMENT

Unless specified otherwise on WALS invoices, payment shall be net thirty (30) days. WALS reserves the right, at the sole discretion of its Credit Department, to require receipt of satisfactory security or cash prior to shipment. For any and all accounts

RETURN POLICY

Products purchased from WALS may be returned for credit provided the returned item is unused, in substantially new condition, and considered by WALS to be a normally stocked item and WALS gives its written consent. A minimum restocking fee of 15% of list

MECHANICAL PROPERTIES, CHEMICAL ANALYSIS

Data referring to mechanical properties or chemical analysis are the result of tests performed on specimens obtained from specific locations of the products in accordance with prescribed sampling procedures. There is no warranty with respect to the value

The diagrams and illustrations used in brochures and other literature are for explanatory purposes, and are generally typical of the products described; however, individual products may differ from these diagrams and illustrations. Therefore, such diagrams

CONFLICTING PROVISIONS OFFERED BY BUYER

Any terms and conditions of any purchase order or other instrument issued by the customer, which are in addition to or modifications of or limitations of or inconsistent with this WALS document, will not be binding on WALS in any manner whatsoever unless

Weatherford

McMurry-Macco Lift Systems

Company:	Patara Oil & Gas	Date:	7/5/2011
Field:	Middle Mesa	Designed By:	Luke Wallace
Well:	State 36-12-39-24	Design For:	
Lease:	ST-UT-37097		

Design Parameters

Injection Gas

Kickoff Pressure:	800.0	psig
Operating Pressure:	750.0	psig
Gas Gravity:	0.76	
Gas Injection Rate:	400.0	MSCF/day

Tubing/Casing

Tubing O.D.:	2.375	inches
Tubing I.D.:	1.995	inches
Threads:	4.7# EUE 8rd	
Tubing Depth:	5659.0	TVD
Casing I.D.:	4.892	inches

Well

Well Depth:	0.0	TVD
Packer Depth:	5161.0	TVD
MID Perforations:	5660.0	TVD
Surface Temperature:	62.0	deg F
Bottomhole Temperature:	135.0	deg F

Flowing Conditions

Flow Type:	Tubing	
Tubing Back Pressure:	130.0	psig
Bottomhole Pressure:	0.0	psig
Oil Gravity:	45.5	deg API
Water Gravity:	1.07	
Water Cut (%):	99.0 / 99.0	
PI:	0.00	BLPD/psi
Total GLR:	6000.0	scf/bbl
Total Fluid Production:	50.0	bbl/day

Static Conditions

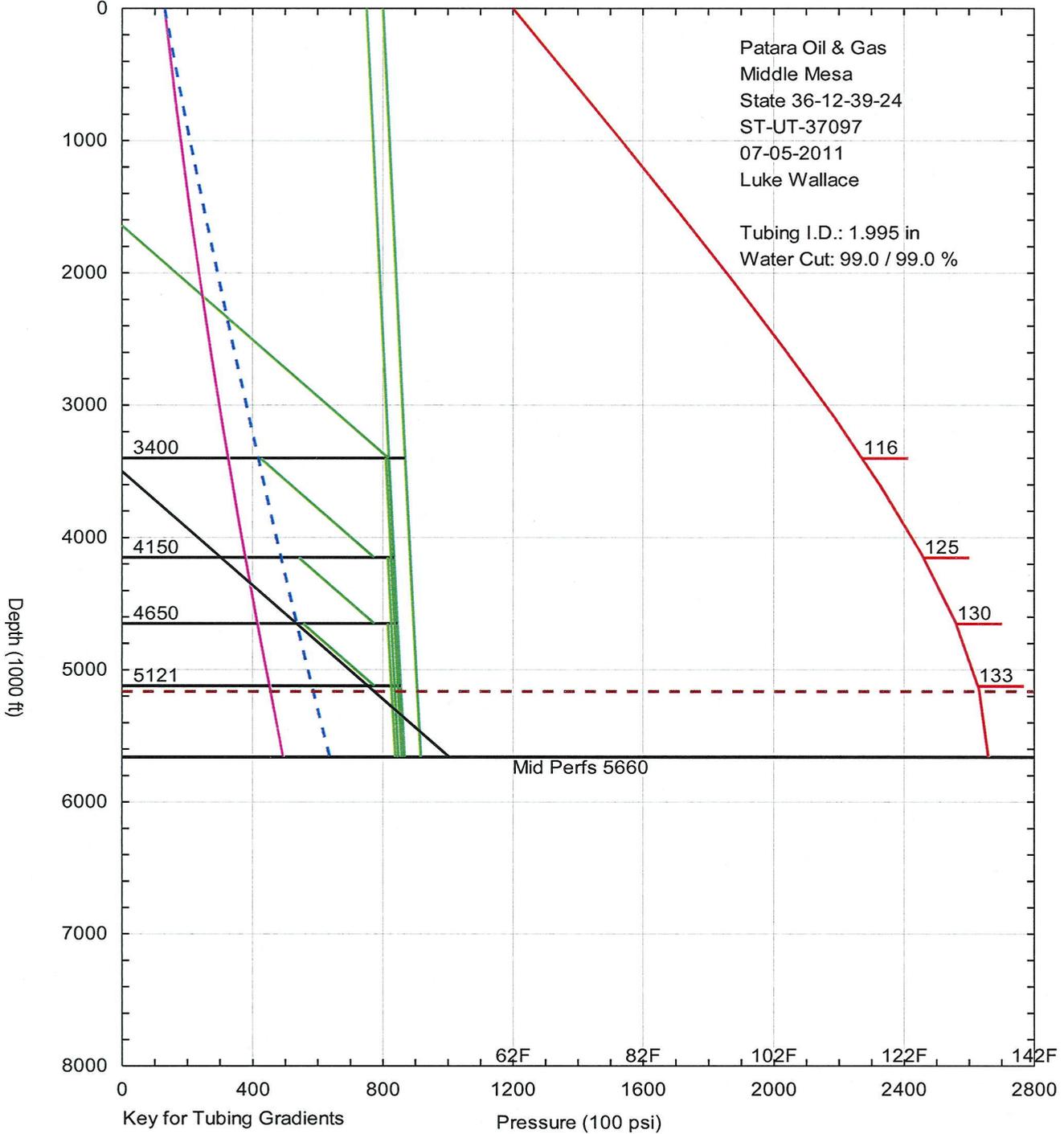
Kill Fluid Gradient:	0.465	psi/ft
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Correlations

Injection Gas Gradient:	Standing & Katz
Multiphase Flow:	Hagedorn & Brown
Temperature of Valves:	Modified Shui
Kill Fluid Gradient:	Sage and Lacey

Weatherford

McMurry-Macco Lift Systems



- PWH=130 Rate=50 GLR=6000 WC=99 %
- - PWH=130 Rate=100 GLR=3000 WC=99 %
- - Packer @ 5161'
- 3500' SFL w/ .465 Grad.

Weatherford

McMurry-Macco Lift Systems Pressure Valve Gas Lift Design Calculations

Company:	Patara Oil & Gas	Date:	7/5/2011
Field:	Middle Mesa	Designed By:	Luke Wallace
Well:	State 36-12-39-24	Design For:	
Lease:	ST-UT-37097		

Valve #	Depth TVD	Depth MD	TV	TCF	Port Size	R	DPC	PT	PTR	PSC	PVC	OP	PSO	PD at 60F	PTRO
4	3400	3400	116	0.895	16	0.066	68	425	28	772	840	869	800	752	805
3	4150	4150	126	0.880	16	0.066	84	542	36	728	812	831	747	714	765
2	4650	4650	131	0.872	16	0.066	95	556	37	720	814	833	738	710	760
1	5121	5121	134	0.866	16	0.066	105	546	36	520	625	631	526	542	580

TV : Temperature of Valve
 TCF : Temperature correction Factor
 R : Ap/Ab
 DPC : Casing Press. at Depth - Casing Press. at Surface
 PT : Tubing Pressure
 PSC : Closing Pressure at Surface
 PVC : Closing Pressure at Depth [PVC = PSC + DPC]
 OP : Opening Pressure at Depth [OP = (PVC - PTR) / (1 - R)]
 PSO : Surface Opening Pressure [PSO = OP - DPC]
 PD AT F : Bellows Pressure at Base Temperature [PD AT F = TCF X PVC]
 PTRO : Test Rack Opening Pressure [PTRO = (PD AT F) / (1 - R)]

Shipping Date:
 Ship Via: WFT Truck
 Shipping Ticket:

Setup By:
 Final Test By:

Weatherford

McMurry-Macco Lift Systems Shop Order

Company: Patara Oil & Gas
 Field: Middle Mesa
 Well: State 36-12-39-24
 Lease: ST-UT-37097

Date: 7/5/2011
 Ordered By: Luke Wallace
 District: Rock Springs, WY
 Rig Name:

Valves

Qty	New	Rec.	Exc.
4	4	0	0

Checks

Qty	New	Rec.	Exc.
4	4	0	0

Latches

Qty	New	Rec.	Exc.
0	0	0	0

Valve #	Valve Type	Test Rack Pressure	Port Size	Depth TVD	Depth MD	Special Instructions
4	C-2	805	16	3400	3400	C-2 Valve & CV-2 Check
3	C-2	765	16	4150	4150	C-2 Valve & CV-2 Check
2	C-2	760	16	4650	4650	C-2 Valve & CV-2 Check
1	C-2	580	16	5121	5121	Flagged C-2 Valve & CV-2 Check

Mandrel Specification

Qty	Type & Size	Thread	Grade	New/Rec	Coating
4	2.375" CM-2	4.7# EUE 8rd	J-55	New	None

Shipping Date:

Ship Via: WFT Truck

Shipping Ticket:

File: Middle Mesa State 36-12-29-24.val

Setup By:

Final Test By:

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ST-UT-37067
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: MIDDLE MESA ST 36-12-29-24
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC	9. API NUMBER: 43037318550000
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202	PHONE NUMBER: 303 825-0685 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1097 FNL 2216 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 36 Township: 29.0S Range: 24.0E Meridian: S	9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE COUNTY: SAN JUAN 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 Approximate date work will start: 9/9/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Equipment Install"/>

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

Patara Oil & Gas, LLC intends to set a gas compressor on the above mentioned well. Location of compressor will conform to all applicable regulations. Patara is in possession of an exemption permit for allowable emissions levels due to the low horsepower of this particular compressor, which falls under allowable limits. The compressor is a VRG 330. If there any questions or concerns, please contact Christopher Noonan with Patara 303-563-5377. Thank you.

Accepted by the
 Utah Division of
 Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 9/9/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: ST-UT-37067
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
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2. NAME OF OPERATOR: PATARA OIL & GAS, LLC	9. API NUMBER: 43037318550000	
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202	PHONE NUMBER: 303 825-0685 Ext	9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1097 FNL 2216 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 36 Township: 29.0S Range: 24.0E Meridian: S	COUNTY: SAN JUAN STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/22/2011	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER: <input style="width: 50px;" type="text"/>	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <p>The subject well resumed production on September 22, 2011, after the installation and start up of a compressor on the pipeline leading from the wellhead. The initial flow rates recorded were 13 bbls oil, 67 mcf gas, 0 bbls water. Please contact Christopher Noonan at Patara Oil & Gas with any questions. Thank you.</p>		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 10/3/2011	

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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.		5. LEASE DESIGNATION AND SERIAL NUMBER: ST-UT-37067
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		8. WELL NAME and NUMBER: MIDDLE MESA ST 36-12-29-24
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		9. API NUMBER: 43037318550000
PHONE NUMBER: 303 563-5364 Ext		9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1097 FNL 2216 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 36 Township: 29.0S Range: 24.0E Meridian: S		COUNTY: SAN JUAN
		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 Approximate date work will start: 3/1/2012	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input checked="" type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>

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

Patara intends to modify the existing gas lift set up on the subject well to allow the well to better utilize gas lift gas from the La Sal Formation to raise oil from the Honaker Trail Formation. Please see attached WBDs for proposed set up. Operations are as follows: TIH, clean csg, POOH. MU bullplug, IM gas lift valve, 18jts 2-3/8inch tubing, packer XO tool, SN, 2-3/8inch tbg w/ gas lift mandrels spaced at 5000, 4250 and 3400ft. RIH and set packer at 5163ft. Return well to sales. Please contact the undersigned with any questions. Thank you.

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

Date: March 07, 2012By: *Derek Duff*

NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Supervisor: Regulations & Production
SIGNATURE N/A	DATE 3/1/2012	

WELLBORE DIAGRAM

Operator: Patara Oil & Gas, LLC
 Well Name: Middle Mesa State 36-12-29-24
 Lease Number: ST-UT-37097
 Location: Section 36-T29S-R24E
 Field: Middle Mesa
 County: San Juan, UT
 API Number: 41-037-31855
 Diagram Date: 02/28/2012 J. Warren
 Revised Gas Lift Design

Proposed Gas Lift WBD to GL Below Perfs

FORMATIONS

(List formations)	(Footage)
Honaker Trail	4189'
LaSal	5344'
LaSal Shale	5673'
Hatch	5749'

KB	6873'
GL	6845'

55 jts 9 5/8" 36#/ft J-55 ST&C
 csg @ 2322'; cmt w/ 540 sx
 Type III lead; 200 sx Type III tail

2 3/8" 4.7#/ft J-55 8rd EUE tbg

SN above XO Tool

Gas Lift Valves installed at:
 3400', 4250', 5000'
 Gas Lift XO Tool at Pkr Depth

Weatherford 10K Pkr @ 5163'

IM Valve at EOT
 EOT @ 5725' w/ bullplug

CIBP @ 5900'

PBTD 6111'

141 jts 5/5" 17#/ft I-80 LT&C csg @ 6093'
 Cmt w/ 862 sx G 50/50 Poz

Well History

Spud Date: 7/19/2007
 TD Reached: 8/4/2007
 Rig Released: 09/04/2007
 Completion Date: 08/27/2007
 First Sales: 8/27/2007
 Recompletion: 6/15/2011

Tubing Detail:

Depth:

KB	12'
166 jts 2 3/8" 4.7#/ft J-55 tbg	5158'
Gas Lift Mandrels installed in tbg as shown	
SN above XO Mandrel	5162'
Gas Lift XO Mandrel at packer depth	
Packer	5163'
18 jts 2 3/8" tbg	5725'
Gas Lift IM valve installed	
Bullplug	5727'

Gas Lift is designed to inject down annulus, XO into tbg at packer depth and inject down tubing below all perforations.

5192 - 5200'	Honaker Trail shot 6/2011, 4 spf, frac'd w/ 70Q CO2 Medallion, 40M lbs 20/40, 80 tons CO2 Oil
5386 - 5406'	LaSal Limestone shot 6/2011, 3 spf, acidize w/ 20% HCL and gelled water Non productive
5682 - 5690'	LaSal Perfs shot 8/21//07 4 spf, 90 degree phasing Gas
5705 - 5717'	LaSal Perfs shot 8/21/07 48 holes, 4 spf, 90 degree phasing Gas
5979 - 5992'	Hermosa Perfs shot 8/21/07 3 3/8" gun, 4 spf, 90 degree phasing

WELLBORE DIAGRAM

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 Well Name: Middle Mesa State 36-12-29-24
 Lease Number: ST-UT-37097
 Location: Section 36-T29S-R24E
 Field: Middle Mesa
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 API Number: 41-037-31855
 Diagram Date: 07/01/2011 J. Warren

Existing Gas Lift WBD

FORMATIONS

(List formations)	(Footage)
Honaker Trail	4189'
LaSal	5344'
LaSal Shale	5673'
Hatch	5749'

KB	6873'
GL	6845'

55 jts 9 5/8" 36#/ft J-55 ST&C
 csg @ 2322'; cmt w/ 540 sx
 Type III lead; 200 sx Type III tail

Well History

Spud Date: 7/19/2007
 TD Reached: 8/4/2007
 Rig Released: 09/04/2007
 Completion Date: 08/27/2007
 First Sales: 8/27/2007
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Tubing Detail:

Depth:

KB	12'
166 jts 2 3/8" 4/7#/ft J-55 tbg	5158'
Packer	5163'
15 jts 2 3/8" tbg	5626'
SN	5627'
1 jt tbg	5659'
No-go SN	5659'

Gas Lift Valves installed at:
 3407', 4153', 4647' and 5124'

2 3/8" 4.7#/ft J-55 8rd EUE tbg

Packer @ 5163'

EOT @ 5659'

CIBP @ 5900'

PBTD 6111'

141 jts 5/5" 17#/ft I-80 LT&C csg @ 6093'
 Cmt w/ 862 sx G 50/50 Poz

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STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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		COUNTY: SAN JUAN
		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/3/2012	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Patara has completed operations to modify the existing gas lift set up on the subject well to allow the well to better utilize gas lift gas from the La Sal Formation to raise oil from the Honaker Trail Formation. Please see attached WBD for as built set up. Operations were completed on 3/3/2012: Returned well to sales making 200MCFD, 10bbls oil, 0bbls water. Please contact the undersigned with any questions. Thank you.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
May 14, 2012**

NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Supervisor: Regulations & Production
SIGNATURE N/A	DATE 5/14/2012	

WELLBORE DIAGRAM

Operator: Patara Oil & Gas, LLC
 Well Name: Middle Mesa State 36-12-29-24
 Lease Number: ST-UT-37097
 Location: Section 36-T29S-R24E
 Field: Middle Mesa
 County: San Juan, UT
 API Number: 41-037-31855
 Diagram Date: 05/14/2012 B. Noonan
 Revised to As Built

As Built Gas Lift WBD to GL Below Perfs

FORMATIONS

(List formations)	(Footage)
Honaker Trail	4189'
LaSal	5344'
LaSal Shale	5673'
Hatch	5749'

KB 6873'
 GL 6845'

55 jts 9 5/8" 36#/ft J-55 ST&C
 csg @ 2322'; cmt w/ 540 sx
 Type III lead; 200 sx Type III tail

2 3/8" 4.7#/ft J-55 8rd EUE tbg

SN above XO Tool

Gas Lift Valves installed at:
 3409', 4264', 4997', 5670'
 Gas Lift XO Tool at Pkr Depth

Weatherford 10K Pkr @ 5163'

IM Valve at EOT
 EOT @ 5702' w/ bullplug

CIBP @ 5900'

PBTD 6111'

141 jts 5/5" 17#/ft I-80 LT&C csg @ 6093'
 Cmt w/ 862 sx G 50/50 Poz

Well History

Spud Date 7/19/2007
 TD Reached 8/4/2007
 Rig Released 09/04/2007
 Completion Date 08/27/2007
 First Sales 8/27/2007
 Recompletion 6/15/2011
 Gas Lift Installation 3/2/2012

Tubing Detail:

Depth:

KB	12'
107 jts 2-3/8" 4.7#/ft J-55 tbg	3397'
Gas Lift Mandrel #4	3409'
27 jts tbg	
Gas Lift Mandrel #3	4264'
23 jts tbg	
Gas Lift Mandrel #2	4997'
4 jts tbg	
1.81 F nipple	5123'
1 jt tbg	
By-Pass Packer	5159'
1 jt tbg	
15 jts tbg, shear sub (30K)	5191'
Gas Lift Mandrel #1	5670'
1 jt tbg with bull plug	5707'

Gas Lift is designed to inject down annulus, XO into tbg at packer depth and inject down tubing below all perforations.

5192 - 5200'	Honaker Trail shot 6/2011, 4 spf, frac'd w/ 70Q CO2 Medallion, 40M lbs 20/40, 80 tons CO2 Oil
5386 - 5406'	LaSal Limestone shot 6/2011, 3 spf, acidize w/ 20% HCL and gelled water Non productive
5682 - 5690'	LaSal Perfs shot 8/21/07 4 spf, 90 degree phasing Gas
5705 - 5717'	LaSal Perfs shot 8/21/07 48 holes, 4 spf, 90 degree phasing Gas
5979 - 5992'	Hermosa Perfs shot 8/21/07 3 3/8" gun, 4 spf, 90 degree phasing



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:
3180 (UTU82680A)
UT-922100

JUL 30 2012

Cassandra Squyres
Patara Oil & Gas, LLC
600 17th Street, Suite 1900S
Denver, CO 80202

Re: 2nd Revision of the Honaker Trail PA
Middle Mesa Unit, San Juan County, Utah

Dear Ms. Squyres:

The 2nd Revision of the Honaker Trail Participating Area (PA), Middle Mesa Unit, CRS No. UTU82680A, San Juan County, Utah, is hereby approved effective as of September 1, 2007, pursuant to Section 11 of the Middle Mesa Unit Agreement.

This revision results in the addition of 120.00 acres to the Initial Honaker Trail PA for a total of 359.76 acres and is based upon the completion of Well No. 36-12-29-24, API No. 43-037-31855, located in NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, Township 29 South, Range 24 East, State Tract No. 20, Lease No. ML-37067, as a well capable of producing unitized substances in paying quantities.

For production and accounting reporting purposes, all submissions pertaining to the Honaker Trail PA shall refer to UTU82680A.

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 2nd Revision of the Honaker Trail PA, Middle Mesa Unit, and its effective date.

Please direct any questions concerning this approval to Judy Nordstrom of this office at (801) 539-4108.

Sincerely,



Roger L. Bankert
Chief, Branch of Minerals

Enclosure

cc: UDOGM
SITLA
ONRR w/Exhibit B (Attn: Leona Reilly)
BLM FOM - Moab w/enclosure



Patara Oil & Gas LLC

Dominion Towers • 600 17th Street, Suite 1900S • Denver, CO 80202

Phone (303) 825-0685 • Fax: (720) 235-4360

BLM - UT - 950
2012 JUL 23 AM 8:36

July 17, 2012

United States Department of the Interior
Bureau of Land Management
Utah State Office
440 West 200 South, Ste 500
Salt Lake City, UT 84145

Attn: Kent Hoffman
Deputy State Director Lands & Minerals

Re: 2nd Revision to Honaker Trail PA
Middle Mesa Unit
San Juan County, Utah

Dear Mr. Hoffman,

Patara Oil & Gas, LLC (Patara), as unit operator for the Middle Mesa Unit Agreement, pursuant to Section 11 thereof, respectfully submits for your approval the following described lands for inclusion in the Honaker Trail formation participating area (PA) in the Middle Mesa Unit:

Township 29 South, Range 24 East, SLM.
Section 36: W2NE4, NE4NW4
San Juan County, Utah
Containing 120 acres, more or less

This revision of 120 acres is to be added to the existing PA resulting in a total of 359.76 acres. A map has been attached reflecting the changes being proposed to the Middle Mesa PA.

This proposed expansion is predicated upon the data obtained from the completion in paying quantities under the terms of the unit agreement of the Middle Mesa Unit well No. 36-12-29-24, located in the NENW of Section 36, Township 29 South, Range 24 East.

In support of this application, the following numbered items are attached and made a part hereof:

- 1) A paying well determination from your offices in which the Middle Mesa Unit well No. 36-12-29-24 is deemed to be capable of producing unitized substances in paying quantities;

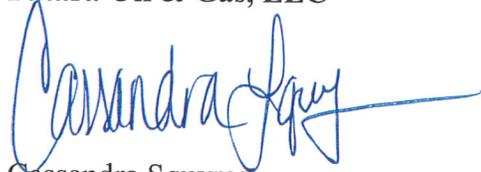
- 2) An ownership map (Exhibit A) showing thereon the boundaries of the unit area and the proposed participating area expansion;
- 3) Approval for the proposed revision of the PA from our working interest partners in the unit;
- 4) A lease/tract schedule showing the lands entitled to participation in the unitized substances produced from the Honaker Trail formation, with the percentage of participation of each lease or tract indicated thereon;
- 5) A geological analysis and engineering report for the Middle Mesa Unit well No. 36-12-29-24 supporting and justifying the proposal of the PA expansion.

Patara proposes the effective date of the expansion to be September 1, 2007, pursuant to Section 11 of the unit agreement.

Patara respectfully requests your approval of the above selection of lands to be included in the Honaker Trail formation participating area within the Middle Mesa Unit. Should you have any questions or require any additional information, please contact me at 303-563-5375 or via email at csquyres@pataraog.com

Sincerely,

Patara Oil & Gas, LLC



Cassandra Squyres
Landman



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3160
(U-922)

CONFIDENTIAL
m/c 5/1/2008

May 1, 2008

EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202
Attn: Emily Conrad

Re: Paying Well Determination
36-~~12~~-29-24, Middle Mesa Unit
San Juan County, Utah

Gentlemen:

Pursuant to your request of April 14, 2008, it has been determined by this office that under existing conditions the Middle Mesa Unit well No. 36-12-29-24 located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of section 36, Township 29 South, Range 24 East, San Juan County, Utah, is capable of producing unitized substances in paying quantities as defined in Section 9 of the unit agreement.

Please file an appropriate Participating Area application for this well at your earliest convenience. If you have any questions please contact Mickey Coulthard of this office at (801) 539-4042.

Sincerely,

/s/ Becky J. Hammond

Becky J. Hammond
Chief, Branch of Fluid Minerals

bcc: DM Moab
Middle Mesa Unit File
Central Files
Agr. Sec. Chron.
Fluid Chron
Tickler (July, 2008)

MCoulthard:mc:5-1-08

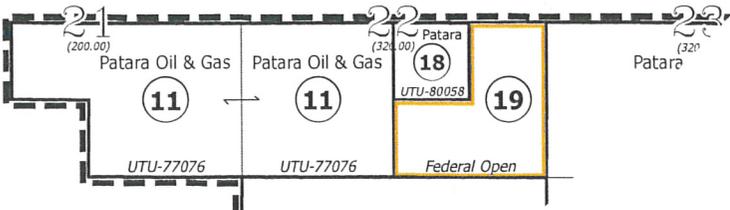
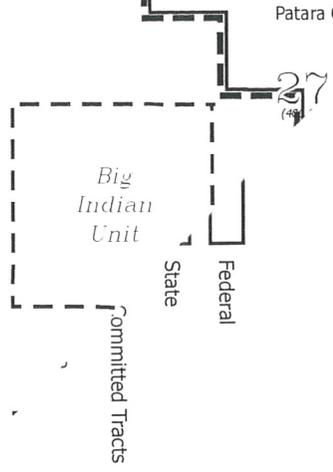


EXHIBIT "A"
 MIDDLE MESA UNIT
 San Juan county, Utah



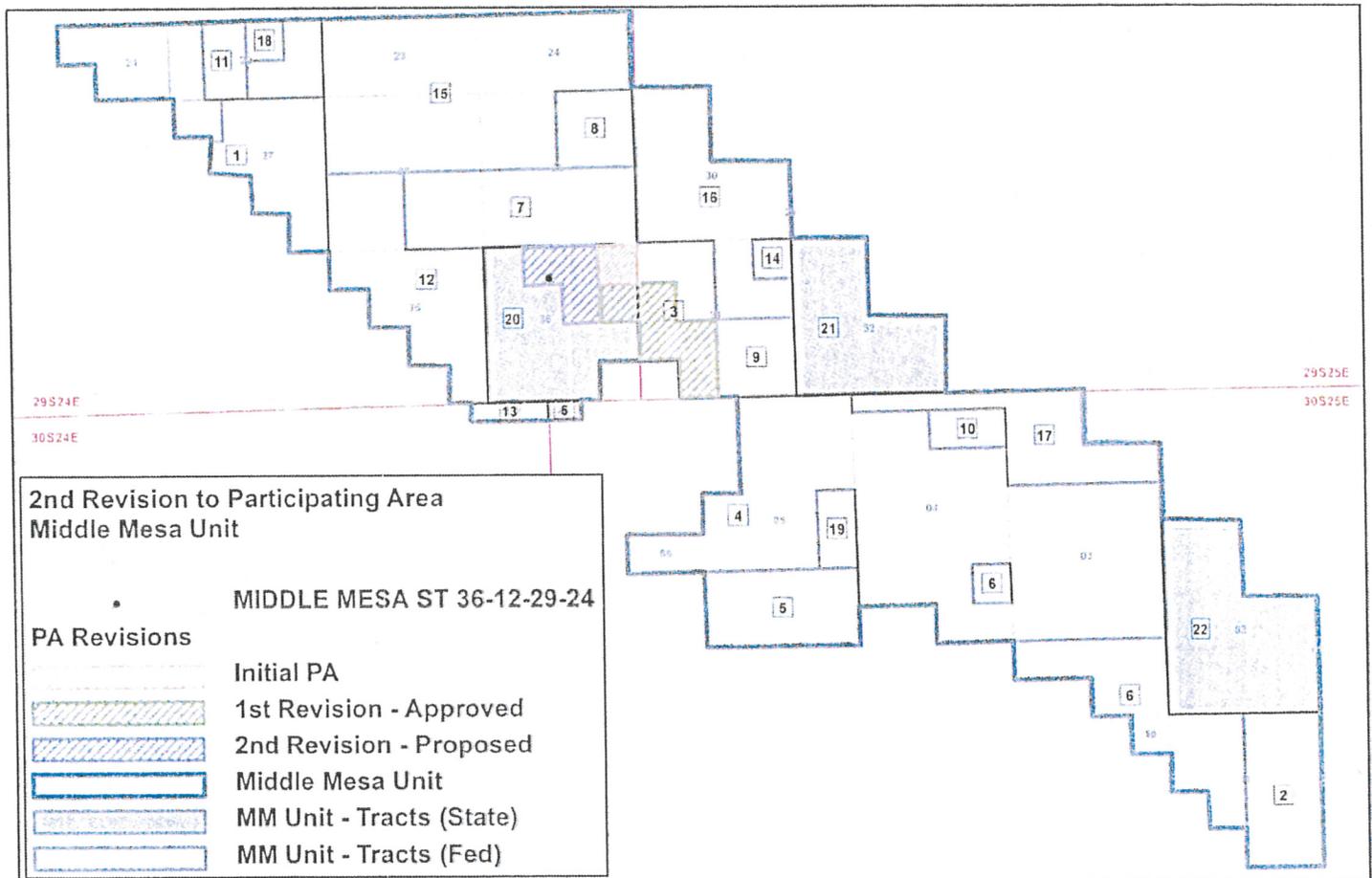
RE: Second Revision to Participating Area
 Honaker Trail Formation
 Middle Mesa Unit well # 36-12-29-24
 Middle Mesa Unit
 San Juan County, Utah

June 7, 2012

Company/Individual: Harry H. Cullen hereby agrees to the revision of the Middle Mesa Honaker Trail PA to include the additional lands as proposed herein.

By: Harry H. Cullen Date: 6-27-12

Title: _____



Tract No.	Ownership	Serial Number	Description of Land	Gross Working Interest and Percentage	Initial PA (39.95 ac)		Revision 1 (239.76 ac)		Revision 2 (359.76)		
					Acres	Participation %	Acres	Participation %	Acres	Participation %	
3(a)	Federal	UTU 84217 (Formerly UTU 16575)	<u>T29S-R25E, S.L.M.</u> Sec 31: Lot 2	Patara Oil & Gas LLC	62.50%	-	-	40.13	16.7376%	40.13	11.1547%
				Harry H. Cullen	18.75%						
				Pioneer Oil & Gas	18.75%						
3(b)	Federal	UTU 84217 (Formerly UTU 16575)	<u>T29S-R25E, S.L.M.</u> Sec 31: Lot 3, E2SW	Patara Oil & Gas LLC	85.00%	-	-	120.08	50.0834%	120.08	33.3778%
				Harry H. Cullen	7.50%						
				Pioneer Oil & Gas	7.50%						
20	State	ML 37067	<u>T29S-R24E, S.L.M.</u> Sec 36: NENW, NE	Patara Oil & Gas LLC	100.00%	39.95	100.00	79.55	33.1790%	199.55	55.4675%
Total Acres and Percent:						39.95	100.00	239.76	100.0000%	359.76	100.0000%

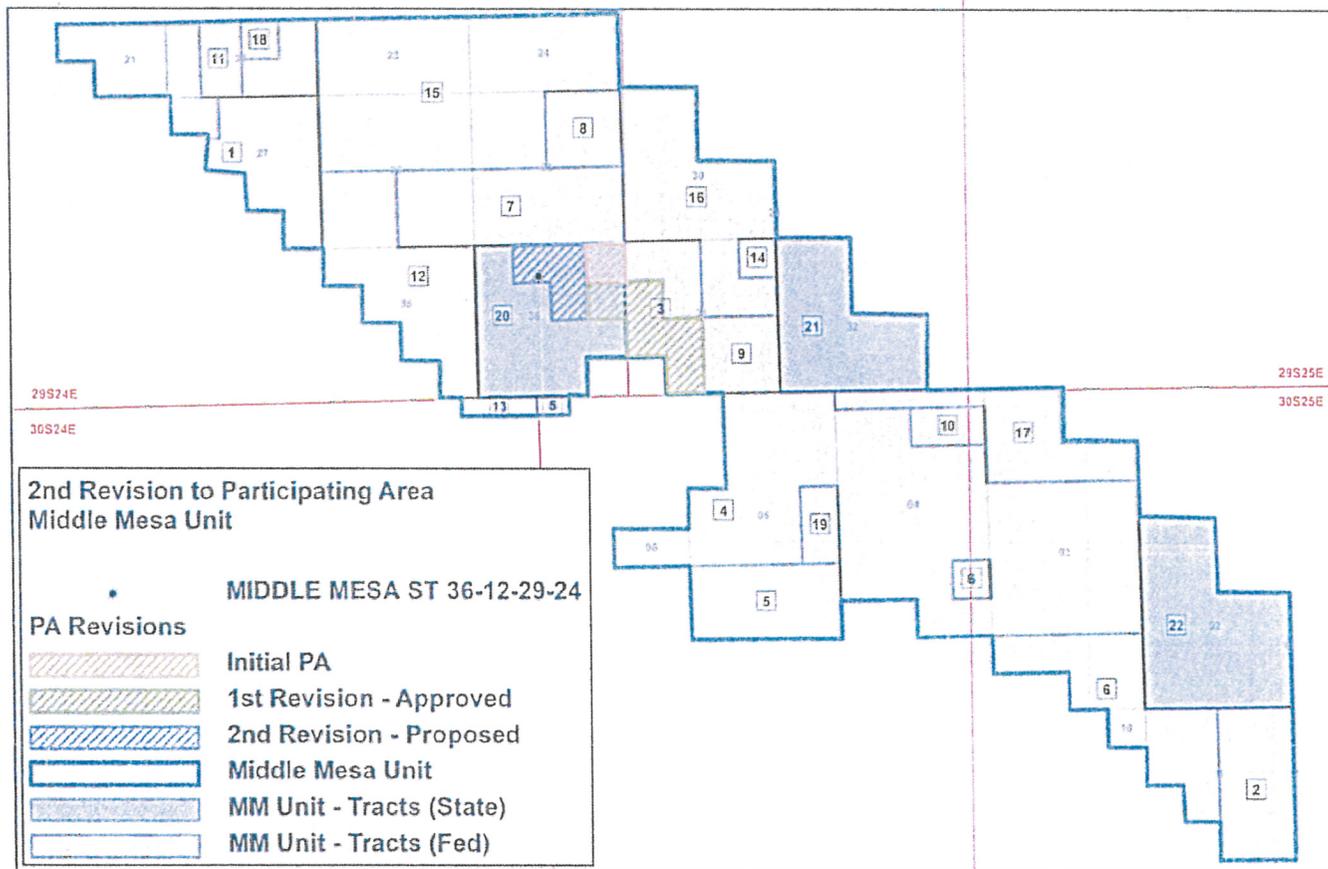
RE: Second Revision to Participating Area
 Honaker Trail Formation
 Middle Mesa Unit well # 36-12-29-24
 Middle Mesa Unit
 San Juan County, Utah

June 7, 2012

Company/Individual: Pioneer Oil and Gas hereby agrees to the revision of the Middle Mesa Honaker Trail PA to include the additional lands as proposed herein.

By: Gregg B. Cat
 Title: Vice President

Date: June 18, 2012



Tract No.	Ownership	Serial Number	Description of Land	Gross Working Interest and Percentage	Initial PA (39.95 ac)		Revision 1 (239.76 ac)		Revision 2 (359.76)		
					Acres	Participation %	Acres	Participation %	Acres	Participation %	
3(a)	Federal	UTU 84217 (Formerly UTU 16575)	T29S-R25E, S.L.M. Sec 31: Lot 2	Patara Oil & Gas LLC	62.50%	-	-	40.13	16.7376%	40.13	11.1547%
				Harry H. Cullen	18.75%						
				Pioneer Oil & Gas	18.75%						
3(b)	Federal	UTU 84217 (Formerly UTU 16575)	T29S-R25E, S.L.M. Sec 31: Lot 3, E25W	Patara Oil & Gas LLC	85.00%	-	-	120.08	50.0834%	120.08	33.3778%
				Harry H. Cullen	7.50%						
				Pioneer Oil & Gas	7.50%						
20	State	ML 37067	T29S-R24E, S.L.M. Sec 36: NENW, NE	Patara Oil & Gas LLC	100.00%	39.95	100.00	79.55	33.1790%	199.55	55.4675%
Total Acres and Percent:					39.95	100.00	239.76	100.0000%	359.76	100.0000%	

											Revision 2 (359.76)	
Tract No.	Ownership	Serial Number	Description of Land	Acres	Effective Date	Expiration Date	Basic Royalty and Percentage	Working Interest and Percentage	Tract Acres	Participation %		
3	Federal	UTU 84217 (Formerly UTU 16575)	T29S-R25E, S.L.M. Sec 31: Lot 2	120.3200	10/1/1971	HBP	U.S.A. - All	Patara Oil & Gas LLC Harry H. Cullen Pioneer Oil & Gas	40.13	11.1547%		
3	Federal	UTU 84217 (Formerly UTU 16575)	T29S-R25E, S.L.M. Sec 31: Lot 3, E2SW	160.0800	10/1/1971	HBP	U.S.A. - All	Patara Oil & Gas LLC Harry H. Cullen Pioneer Oil & Gas	120.08	33.3778%		
20	State	ML 37067	T29S-R24E, S.L.M. Sec 36: NENW, NE	599.1100	9/10/1979	HBP	State of Utah - All	Patara Oil & Gas LLC	199.55	55.4675%		
									Total Acres and Percent:		359.76	100.0000%

Reservoir Stratigraphy

The Middle Mesa 36-12 well contains pay from the Hermosa group (Fig. 1). An estimated 102' of net pay was encountered within the formations, of which 67' is currently producing.

Honaker Trail Formation

The Honaker Trail Formation ranges in thickness from 1,900-2400'. The source for these sediments was the emerging Uncompahgre uplift to the northeast (Fig. 2). Variable thickness is due to local truncation related to salt movement on the Lisbon salt anticline. The Honaker trail is highly heterolithic and is composed of sandstone, siltstone, mudstone, organic rich shale, limestone, and dolomite. During Honaker trail deposition, the greater Bull Horn area was part of a vast shallow shelf lying to the southwest of the Uncompahgre uplift. The Honaker Trail records an overall shallowing-up sequence as the shoreline prograded from northeast to southwest. Sands within the Honaker Trail represent marine upper shoreface, marginal marine, distributary-channels, and fluvial environments. The reservoir sand has average porosity of 12-18%.

Reservoir Structure

The reservoir structure is located on the northeastern flank of the Lisbon Valley Anticline. The primary trap for the reservoirs is a 3-way closure against an antithetic fault of the larger Lisbon Fault. This antithetic fault is dipping to the southwest, and cuts across the Cutler and Honaker Trail formations, which dip off to the northeast at roughly 20 degrees. Stratigraphic trapping within some sands may also contribute to the accumulation of gas in the Middle Mesa area. The enclosed structure map is on the top of the La Sal formation, which is widespread throughout the area, providing a good representation of the structure of the pay interval (Fig 3).

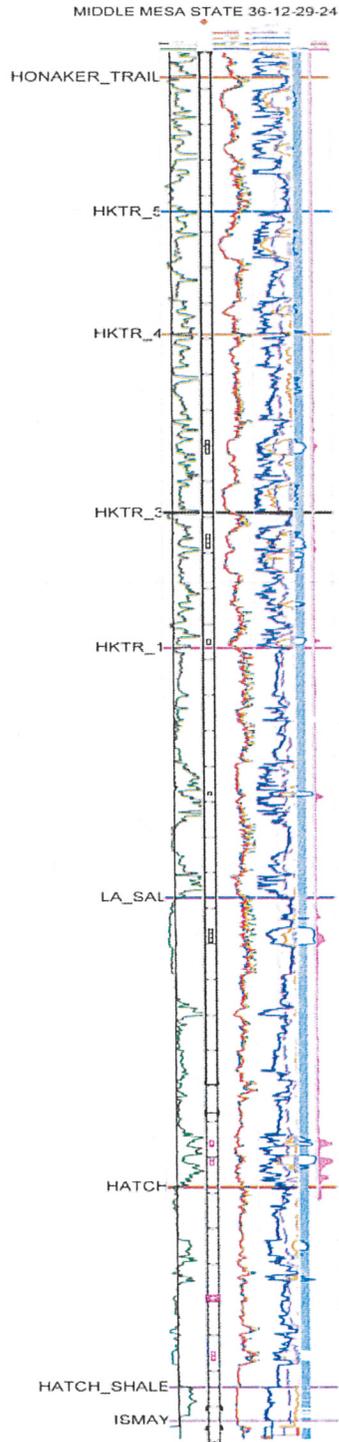


Fig. 1

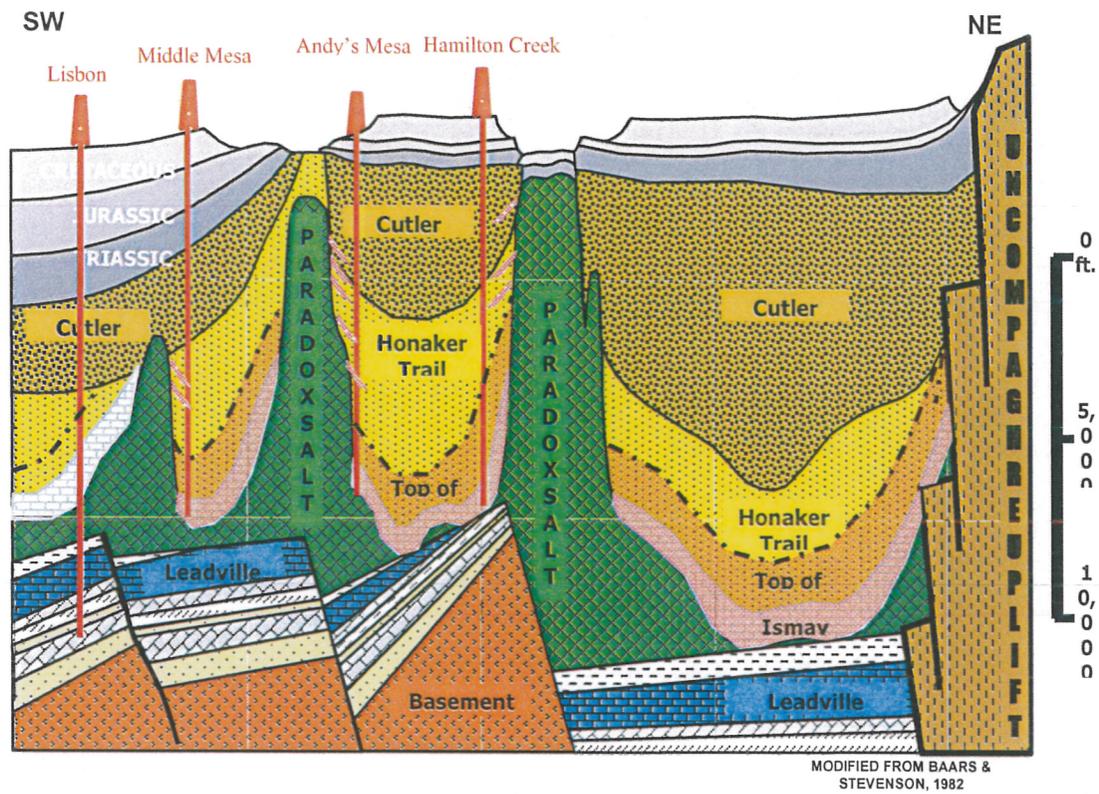


Fig. 2

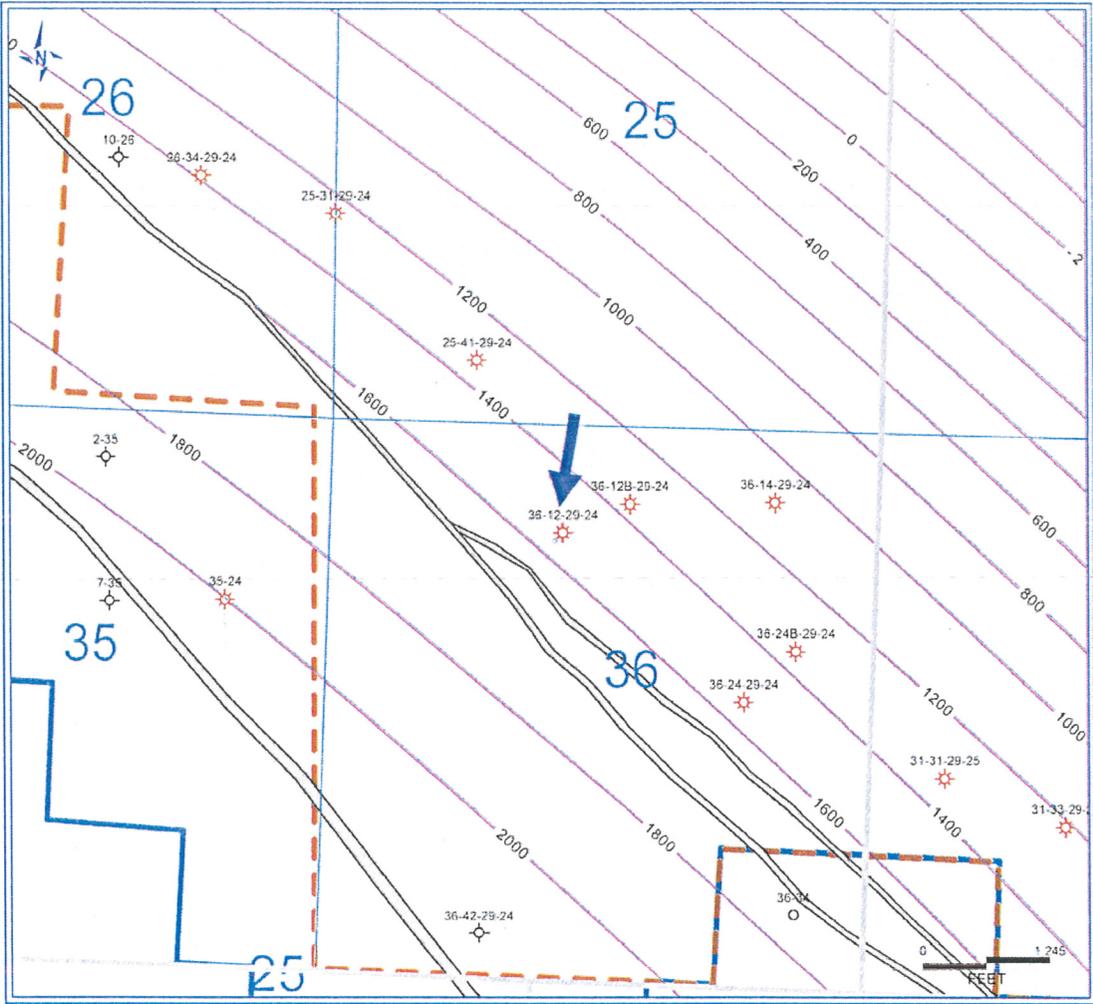


Fig. 3

Drainage area calculations for Middle Mesa 36-12

The input parameters are:

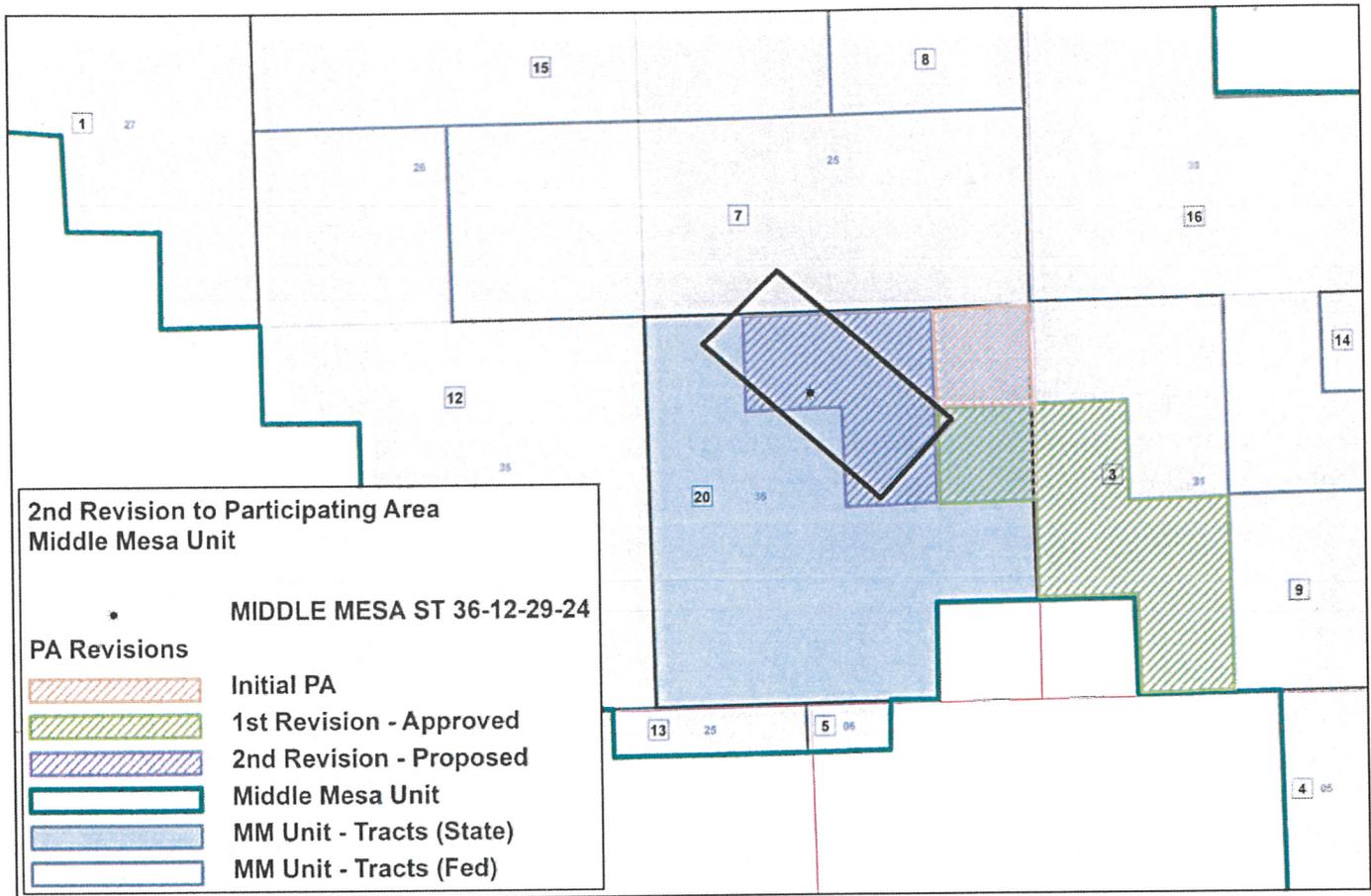
➤ Upper Honaker Trail

- Cumulative Production (LaSal Sand Cum to 6/1/12)* = 750 MMCF
- OGIP (based on 60% Recovery Efficiency to date) = 1250 MMCF
- porosity = 12.%
- Sw = 24%
- Net thickness = 17 ft
- Pressure (based on build-up 08/22/07) = 2297 psi
- Temperature = 115 degrees F
- Z factor = 0.80

- Drainage Area

$$= \frac{\text{OGIP} \times 14.7 \times \text{Temperature} \times Z}{43560 \times (1-S_w) \times \text{porosity} \times h \times \text{Pressure} \times 520}$$

$$= 104 \text{ acres}$$



Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

11/1/2012

FROM: (Old Operator): N3670- Patara Oil & Gas, LLC 600 17th Street, Suite 1900S Denver, CO 80202 Phone: 1 (303) 825-0685	TO: (New Operator): N3645- CCI Paradox Upstream, LLC 600 17th Street, Suite 1900S Denver, CO 80202 Phone: 1 (303) 825-0685
---	--

WELL NAME	CA No.	SEC	TWN	RNG	Unit:	API NO	ENTITY NO	Middle Mesa	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List											

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/23/2013
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/7/2013
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/12/2013
- Is the new operator registered in the State of Utah: _____ Business Number: 8523441-0161
- (R649-9-2) Waste Management Plan has been received on: Not Yet
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: 2/12/2013
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 2/12/2013
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/12/2013
- Bond information entered in RBDMS on: 2/7/2013
- Fee/State wells attached to bond in RBDMS on: 2/12/2013
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: 2/4/2013

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 105865919
- Indian well(s) covered by Bond Number: N/A
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 105865922
- The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

Patara Oil Gas, LLC (N3670) to CCI Paradox Upstream, LLC (N3945)

Effective 11/1/2012

Middle Mesa Unit

Well Name	Section	TWN	RNG	API Number	Entity	Lease Type	Well Type	Well Status
MIDDLE MESA FED 30-41-29-25	30	290S	250E	4303731893		Federal	GW	APD
MIDDLE MESA FED 25-43-29-24	25	290S	240E	4303731901		Federal	GW	APD
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905		Federal	GW	APD
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909		Federal	GW	APD
MIDDLE MESA FED 31-11-29-25	31	290S	250E	4303731910		Federal	GW	APD
Middle Mesa Fed 31-42-29-25	31	290S	250E	4303750021		Federal	GW	APD
Middle Mesa Federal 5-8-30-25	05	300S	250E	4303750026		Federal	GW	APD
BIG INDIAN 35-24	35	290S	240E	4303731829	14409	Federal	GW	P
MIDDLE MESA ST 36-14-29-24	36	290S	240E	4303731838	15076	State	GW	P
MIDDLE MESA FED 5-6-30-25	05	300S	250E	4303731853	16375	Federal	GW	P
MIDDLE MESA FED 31-31-29-25	31	290S	250E	4303731854	15076	Federal	GW	P
MIDDLE MESA ST 36-12-29-24	36	290S	240E	4303731855	15076	State	GW	P
MIDDLE MESA ST 36-24-29-24	36	290S	240E	4303731856	15076	State	GW	P
MIDDLE MESA ST 36-12B-29-24	36	290S	240E	4303731877	15076	State	GW	P
MIDDLE MESA ST 36-24B-29-24	36	290S	240E	4303731878	15076	State	GW	P
MIDDLE MESA FED 5-10-30-25	05	300S	250E	4303731897	18802	Federal	GW	P
MIDDLE MESA FED 25-41-29-24	25	290S	240E	4303731902	17717	Federal	GW	P
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903	18159	Federal	GW	P
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904	18118	Federal	GW	P
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906	18213	Federal	GW	P
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907	18170	Federal	GW	P
MIDDLE MESA FED 4-20-30-25	04	300S	250E	4303750010	18193	Federal	GW	P

RECEIVED

JAN 23 2013

FORM 9

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

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 Multiple Well Transfer
2. NAME OF OPERATOR: Patara Oil & Gas LLC N3670
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S Denver CO 80202 PHONE NUMBER: (303) 825-0685
4. LOCATION OF WELL: FOOTAGES AT SURFACE: n/a COUNTY: San Juan, UT STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: n/a
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
7. UNIT or CA AGREEMENT NAME: n/a
8. WELL NAME and NUMBER: Multiple
9. API NUMBER: n/a
10. FIELD AND POOL, OR WILDCAT: n/a

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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, ACIDIZE, ALTER CASING, CASING REPAIR, CHANGE TO PREVIOUS PLANS, CHANGE TUBING, CHANGE WELL NAME, CHANGE WELL STATUS, COMMINGLE PRODUCING FORMATIONS, CONVERT WELL TYPE, DEEPEN, FRACTURE TREAT, NEW CONSTRUCTION, OPERATOR CHANGE, PLUG AND ABANDON, PLUG BACK, PRODUCTION (START/RESUME), RECLAMATION OF WELL SITE, RECOMPLETE - DIFFERENT FORMATION, REPERFORATE CURRENT FORMATION, SIDETRACK TO REPAIR WELL, TEMPORARILY ABANDON, TUBING REPAIR, VENT OR FLARE, WATER DISPOSAL, WATER SHUT-OFF, OTHER.

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

Patara Oil & Gas LLC (Patara) hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, being effective November 1, 2012; CCI Paradox Upstream LLC (CCI).

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

NAME (PLEASE PRINT) Christopher A. Noonan TITLE Regulations & Production Reporting Supervisor
SIGNATURE [Signature] DATE 1/18/13

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

(5/2000)

BY: Rachel Medina

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

FORM 9

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 <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Multiple Well Transfer</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: n/a
2. NAME OF OPERATOR: CCI Paradox Upstream LLC <u>N3945</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>		7. UNIT or CA AGREEMENT NAME: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: <u>n/a</u>		8. WELL NAME and NUMBER: <u>Multiple</u>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		9. API NUMBER: n/a
		10. FIELD AND POOL, OR WILDCAT: n/a
		COUNTY: <u>San Juan, UT</u>
		STATE: <u>UTAH</u>

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

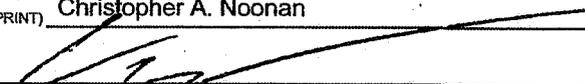
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>11/1/2012</u>	<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 checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

CCI Paradox Upstream LLC (CCI), hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, CCI, being effective November 1, 2012. The assets were previously operated by Patara Oil & Gas LLC (Patara) prior to sale.

Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

Bond Number:
BLM: 105865919
State: 105865922

NAME (PLEASE PRINT) <u>Christopher A. Noonan</u>	TITLE <u>Regulations & Production Reporting Supervisor</u>
SIGNATURE 	DATE <u>2/6/2012</u>

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

RECEIVED

FEB 07 2013

Div. of Oil, Gas & Mining

Exhibit I

BLM Form 3160-5 Transfer of Operator

Utah Form 9 Transfer of Operator

State of Utah Upstream Assets

01/09/2013

API Well Number	Operator	Well Name	Well Status	Well Type	Field Name	County	Qtr/Qtr	Section	Township-Range)
✓ 43-037-15049-00-00	PATARA OIL & GAS LLC	LISBON D-616	Shut-In	Oil Well	LISBON	SAN JUAN	NENE	16	30S-24E 1
✓ 43-037-15123-00-00	PATARA OIL & GAS LLC	LISBON B-615	Producing	Oil Well	LISBON	SAN JUAN	NENW	15	30S-24E 2
✓ 43-037-15769-00-00	PATARA OIL & GAS LLC	LISBON B912	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	12	30S-24E 3
✓ 43-037-16219-00-00	PATARA OIL & GAS LLC	BIG INDIAN UNIT 1	Shut-In	Oil Well	BIG INDIAN (MADISON)	SAN JUAN	SENE	33	29S-24E 4
✓ 43-037-16221-00-00	PATARA OIL & GAS LLC	BIG INDIAN 4	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSW	14	30S-25E 5
✓ 43-037-16237-00-00	PATARA OIL & GAS LLC	LISBON A-715	Inactive	Water Disposal Well	LISBON	SAN JUAN	SWNW	15	30S-24E 6
✓ 43-037-16240-00-00	PATARA OIL & GAS LLC	LISBON B-613	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	13	30S-24E 7
✓ 43-037-16242-00-00	PATARA OIL & GAS LLC	LISBON B-616	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	16	30S-24E 8
✓ 43-037-16244-00-00	PATARA OIL & GAS LLC	BELCO ST 4 (LISBON B-816)	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	16	30S-24E 9
✓ 43-037-16245-00-00	PATARA OIL & GAS LLC	LISBON C-69	Shut-In	Oil Well	LISBON	SAN JUAN	NWNE	9	30S-24E 10

✓ 43-037-16247-00-00	PATARA OIL & GAS LLC	LISBON C-94	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	4	30S-24E 11
✓ 43-037-16250-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	4	30S-24E 12
✓ 43-037-16251-00-00	PATARA OIL & GAS LLC	LISBON D-89	Shut-In	Oil Well	LISBON	SAN JUAN	NESE	9	30S-24E 13
43-037-16469-00-00	PATARA OIL & GAS LLC	LISBON U B-610	Producing	Oil Well	LISBON	SAN JUAN	NENW	10	30S-24E 14
43-037-16471-00-00	PATARA OIL & GAS LLC	NW LISBON USA A-2 (D-810)	Producing	Gas Well	LISBON	SAN JUAN	NESE	10	30S-24E 15
43-037-30054-00-00	PATARA OIL & GAS LLC	LISBON B-84	Shut-In	Oil Well	LISBON	SAN JUAN	NESW	4	30S-24E 16
43-037-30082-00-00	PATARA OIL & GAS LLC	LISBON B-814	Active	Water Disposal Well	LISBON	SAN JUAN	NESW	14	30S-24E 17
43-037-30317-00-00	PATARA OIL & GAS LLC	FEDERAL 15-25	Shut-In	Gas Well	WILSON CANYON	SAN JUAN	SWSE	25	29S-23E 18
43-037-30693-00-00	PATARA OIL & GAS LLC	LISBON C-99	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	9	30S-24E 19
43-037-30694-00-00	PATARA OIL & GAS LLC	LISBON U D-610	Shut-In	Gas Well	LISBON	SAN JUAN	NENE	10	30S-24E 20
43-037-30695-00-00	PATARA OIL & GAS LLC	LISBON B-94	Shut-In	Oil Well	LISBON	SAN JUAN	SESW	4	30S-24E 21
43-037-31014-00-00	PATARA OIL & GAS LLC	LISBON UNIT A-911	Producing	Gas Well	LISBON	SAN JUAN	SWSW	11	30S-24E 22
43-037-31034-00-00	PATARA OIL & GAS LLC	LISBON UNIT D-716	Shut-In	Oil Well	LISBON	SAN JUAN	SENE	16	30S-24E 23
43-037-31323-00-00	PATARA OIL & GAS LLC	LISBON C-910	Shut-In	Oil Well	LISBON	SAN JUAN	SWSE	10	30S-24E 24
43-037-31351-00-00	PATARA OIL & GAS LLC	LISBON B-614A	Shut-In	Oil Well	LISBON	SAN JUAN	NENW	14	30S-24E 25
43-037-31433-00-00	PATARA OIL & GAS LLC	LISBON B-810	Producing	Oil Well	LISBON	SAN JUAN	NESW	10	30S-24E 26

43-037-31829-00-00	PATARA OIL & GAS LLC	BIG INDIAN 35-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	35	29S-24E 7
43-037-31831-00-00	PATARA OIL & GAS LLC	BULL HORN U 10-43	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWSE	10	30S-25E 8
43-037-31838-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-14-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	36	29S-24E 9
43-037-31843-00-00	PATARA OIL & GAS LLC	BULL HORN FED 9-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	9	30S-25E 30
43-037-31848-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-14-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E 1
43-037-31849-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 2
43-037-31850-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-21-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 3
43-037-31853-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-6-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LOT6	5	30S-25E 4
43-037-31854-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-31-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	31	29S-25E 5
43-037-31855-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12-29-24	Shut-In	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 6
43-037-31856-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E 7
43-037-31859-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 8
43-037-31860-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 14-42-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	14	30S-25E 9
43-037-31861-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-42-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SESW	10	30S-25E 40
43-037-31864-00-00	PATARA OIL & GAS LLC	BULL HORN FED 10-31-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWSW	10	30S-25E 1
43-037-31877-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-12B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENW	36	29S-24E 2

43-037-31878-00-00	PATARA OIL & GAS LLC	MIDDLE MESA ST 36-24B-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENE	36	29S-24E 3
43-037-31883-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 15-24B-30-25	Shut-In	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	SWNW	14	30S-25E 4
43-037-31884-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13B-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	30S-25E 5
43-037-31885-00-00	PATARA OIL & GAS LLC	BIG INDIAN FED 23-13-30-25	Approved permit (APD); not yet spudded	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NWNE	23	30S-25E 6
43-037-31891-00-00	PATARA OIL & GAS LLC	BULL HORN FED 15-13-30-25	Producing	Gas Well	BIG INDIAN (HERMOSA)	SAN JUAN	NENE	15	30S-25E 7
43-037-31893-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 30-41-29-25	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSW	30	29S-25E 8
43-037-31897-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 5-10-30-25	Spudded (Drilling commenced: Not yet completed)	Gas Well	SOUTH PINE RIDGE	SAN JUAN	LT10	5	30S-25E 9
43-037-31901-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-43-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWSE	25	29S-24E 10
43-037-31902-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-41-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWSW	25	29S-24E 1
43-037-31903-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 25-31-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSW	25	29S-24E 2
43-037-31904-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-34-29-24	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NESW	26	29S-24E 3

43-037-31905-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 26-23-29-24	Approved permit (APD); not yet spudded	Gas Well	UNDESIGNATED	SAN JUAN	SWNE	26	29S-24E 4
43-037-31906-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-44-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESE	31	29S-25E 5
43-037-31907-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-33-29-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWSE	31	29S-25E 4
43-037-31909-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-22-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SENW	31	29S-25E 7
43-037-31910-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 31-11-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NWNW	31	29S-25E 8
43-037-50008-00-00	PATARA OIL & GAS LLC	CISCO STATE 36-13	Temporarily-Abandoned	Gas Well	WILDCAT	SAN JUAN	NWNE	36	31S-24E 9
43-037-50010-00-00	PATARA OIL & GAS LLC	MIDDLE MESA FED 4-20-30-25	Producing	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SWNW	4	30S-25E 60
43-037-50012-00-00	PATARA OIL & GAS LLC	Lisbon 11-32MC	Returned APD (Unapproved)	Oil Well	UNDESIGNATED	SAN JUAN	SWNE	11	30S-24E 1
43-037-50013-00-00	PATARA OIL & GAS LLC	Lisbon 14-11MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E 2
43-037-50014-00-00	PATARA OIL & GAS LLC	Lisbon 10-44MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NWNW	14	30S-24E 3

43-037-50015-00-00	PATARA OIL & GAS LLC	Lisbon 3-32MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NESE	4	30S-24E	4
43-037-50016-00-00	PATARA OIL & GAS LLC	Lisbon 11-33MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	NENW	14	30S-24E	5
43-037-50017-00-00	PATARA OIL & GAS LLC	Lisbon 11-21MC	Approved permit (APD); not yet spudded	Gas Well	LISBON	SAN JUAN	NWSE	10	30S-24E	6
43-037-50018-00-00	PATARA OIL & GAS LLC	Lisbon 3-43MC	Approved permit (APD); not yet spudded	Oil Well	LISBON	SAN JUAN	SESE	3	30S-24E	7
43-037-50019-00-00	PATARA OIL & GAS LLC	Lisbon 10-33MC	Spudded (Drilling commenced: Not yet completed)	Oil Well	LISBON	SAN JUAN	NWSE	10	30S-24E	8
43-037-50021-00-00	PATARA OIL & GAS LLC	Middle Mesa Fed 31-42-29-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	SESW	31	29S-25E	9
43-037-50026-00-00	PATARA OIL & GAS LLC	Middle Mesa Federal 5-8-30-25	Approved permit (APD); not yet spudded	Gas Well	SOUTH PINE RIDGE	SAN JUAN	NENE	5	30S-25E	10

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

FORM 6

ENTITY ACTION FORM

Operator: Patara Oil & Gas LLC Operator Account Number: N 3670
 Address: 600 17th Street, Suite 1900S
city Denver
state CO zip 80202 Phone Number: (303) 563-5377

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303731855	Middle Mesa State 36-12-29-24		NENW	36	29S	24E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
E	16187	15076				9/1/2007	
Comments: Change per UDOGM request to coincide with BLM letter dated 7/30/2012. <i>8/29/2012</i>							
<i>HRMS = HDRRT</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

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

Div. of Oil, Gas & Mining

Christopher A. Noonan

Name (Please Print)

Signature

Regulations Supervisor

Title

8/21/2012

Date

RECEIVED
AUG 28 2012