



370 17th Street  
Suite 1700  
Denver, CO 80202

tel: (303) 623 2300  
fax: (303) 623-2400  
www.encana.com

**EnCana Oil & Gas (USA) Inc.**

*Sent Certified Mail -7003168000232649643*

April 30, 2007

Cabot Oil & Gas Corp.  
600 17<sup>th</sup> Street, Suite 900 N  
Denver, CO 80202  
Attn: Dan Rowe

**Re: Exception Location Request to Rule 649-3-2  
Bull Horn Fed 10-42-30-25  
BHL - 586' FSL, 1715' FWL.  
Section 10-T30S-R25E  
San Juan County, Utah**

**Mr. Rowe:**

EnCana Oil & Gas (USA) Inc. has proposed the drilling of the above captioned well. Due to the nature of the well, the location of the well will require an exception to the Utah Oil & Gas Conservation Commission Rule 649-3-2.

The well does fall within the unit boundaries of the Bull Horn Unit, and as such, production will be allocated under the terms of that agreement. The location of the well is based upon our geologic understanding of the area as well as topographic reasons.

In accordance with Rule 649-3-3, please indicate your consent to the location exception of the Bull Horn Fed 10-42-30-25 well by signing in the space provided below and returning one signed original to the undersigned. For your convenience, and also to expedite this process, please also send a copy via fax to (720) 876-6361. Please call me at (720) 876-5361 if you have any questions or concerns.

Very truly yours,  
ENCANA OIL & GAS (USA) INC.

Oscar Duarte  
Land Negotiator

Exception Location for the Bull Horn Fed 10-42-30-25 well is hereby approved this 1 day of May, 2007.

By:

Title: Land Negotiator

Phone: 303 226 9416



EnCana Oil & Gas (USA) Inc.

EnCana Oil & Gas (USA) Inc.  
370 – 17<sup>th</sup> Street  
Suite 1700  
Denver, CO 80202

tel: 720-876-5339

fax: 720-876-6339

[www.encana.com](http://www.encana.com)

May 2, 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: Bull Horn Fed 10-42-30-25  
Section 10, T30S R25E  
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 Bull Horn Fed 10-42-30-25 application:

- EnCana Oil & Gas (USA) Inc. & Cabot Oil & Gas own all oil & gas within 460' of the intended well bore.
- Surface and Bottom Hole located on BLM Lease No. UTU-73190 and within the Bull Horn Unit and the Big Indian (South) Field.
- SESW, Section 10, T30S R25E, San Juan County, Utah.
- Location plat with surface and bottom hole locations attached.
- Request for an Exception Location, Cabot's letter of consent, Lease and federal unit map attached.
- Proposed Directional Report attached.

EnCana is drilling this well as a directional well do to topographical and geologic conditions above the bottom hole target The BLM is in agreement with both EnCana's surface and bottom hole locations as proposed for the subject well.

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

Sincerely,

Jevin Croteau  
Regulatory Analyst

Attachment

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: UTU-73190	6. SURFACE: Federal
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 checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Bull Horn Unit	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.			9. WELL NAME and NUMBER: Bull Horn Fed 10-42-30-25	
3. ADDRESS OF OPERATOR: 370 - 17th St, Suite 1700 CITY Denver STATE CO ZIP 80202		PHONE NUMBER: (720) 876-5339	10. FIELD AND POOL, OR WILDCAT: <del>Big Horn (S-4)</del> <i>W. Ideal</i>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1128' FSL & 1665' FWL AT PROPOSED PRODUCING ZONE: 586' FSL & 1715' FWL			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 10 30S 25E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 9.5 miles SE of La Sal, UT			12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 586'	16. NUMBER OF ACRES IN LEASE: 1878.03	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 578'	19. PROPOSED DEPTH: 4,205	20. BOND DESCRIPTION: RLB0001191		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6814.8' <i>GR</i>	22. APPROXIMATE DATE WORK WILL START: 6/15/2007	23. ESTIMATED DURATION: 20 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#	749	Class G + 2% gel	240sx	2.09 cuft/sx	12.5#
7 7/8	5 1/2	J-55	17#	4,505	Class G + 2% gel	930sx	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 *Jevin Croteau* DATE 5/2/07

(This space for State use only)

API NUMBER ASSIGNED: 4303731861

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

APPROVAL:

**RECEIVED**  
**MAY 03 2007**

(11/2001)

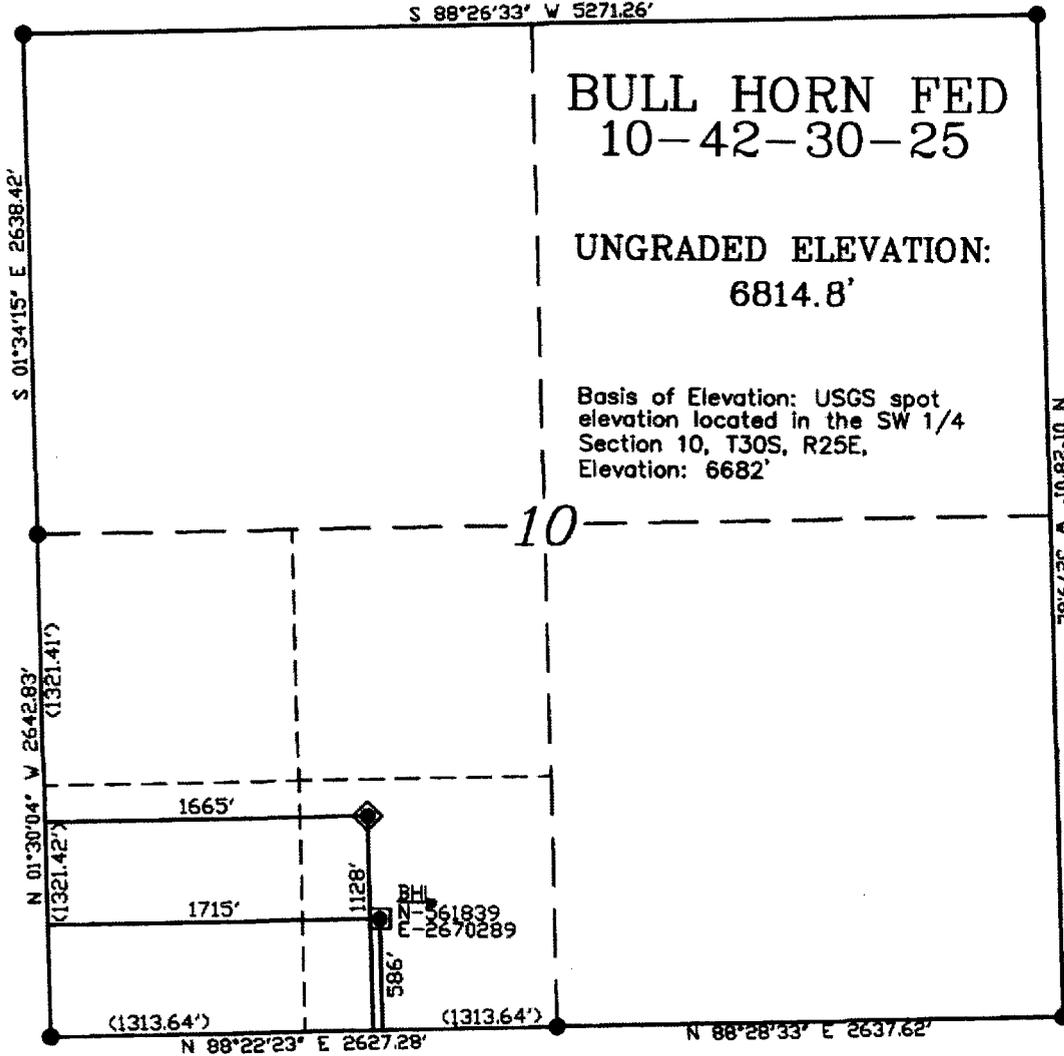
**Federal Approval of this  
Action is Necessary**

Date: 05-07-07  
(See Instructions on Reverse Side)  
By: *[Signature]*

DIV. OF OIL, GAS & MINING

# R. 25 E.

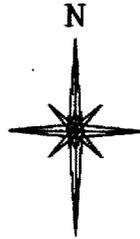
S 88°26'33" W 5271.26'



**BULL HORN FED**  
10-42-30-25

**UNGRADED ELEVATION:**  
6814.8'

Basis of Elevation: USGS spot  
elevation located in the SW 1/4  
Section 10, T30S, R25E,  
Elevation: 6682'



SCALE: 1" = 1000'

**T. 30 S.**

LATITUDE  
NORTH 38.188215 DEG.  
LONGITUDE  
WEST 109.167943 DEG.

NORTHING  
562379.14  
EASTING  
2670224.14

DATUM  
SPCS UT SOUTH (NAD 27)



**SURVEYOR'S STATEMENT**

I, *Clement R. Williams*, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on APRIL 11, 2007, and it correctly shows the location of BULL HORN FED 10-42-30-25.

**NOTES**

- ◆ WELL LOCATION
- FOUND MONUMENT (BC)
- APPROXIMATE BHL

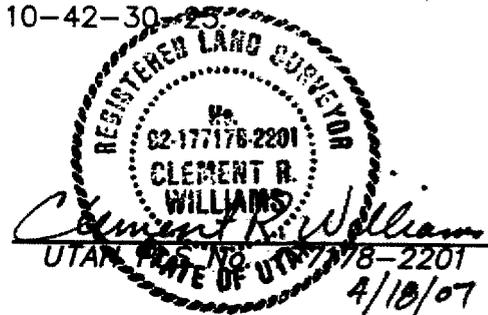


EXHIBIT 1

**DR** 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. 15046  
REVISED: 4/18/07

**1128' F/SL & 1665' F/WL, SECTION 10,  
T. 30 S., R. 25 E., SALT LAKE B.M.  
SAN JUAN COUNTY, UTAH**

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA), Inc.  
**Bull Horn Federal 10-42-30-25**  
1128' FSL & 1665' FWL (surface)  
Section 10-T30S-R25E  
586' FSL & 1715' FWL (bottom hole)  
Section 10-T30S-R25E  
San Juan County, Utah

Lease No. UTU-73190

**Drilling Program**

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

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

**1. FORMATION TOPS**

The estimated tops of important geologic markers are as follows:

<b>Formation</b>	<b>Depth (TVD)</b>	<b>Subsea</b>
Burro Canyon	Surface	+6810'
Morrison	699'	+6131'
Entrada	963'	+5867'
Navajo	1197'	+5633'
Kayenta	1686'	+5144'
Wingate	1979'	+4851'
Chinle/Cutler	2139'	+4691'
HKTR MKR 5	3230'	+3600'
HKTR MKR 1	4030'	+2800'
Total Depth	4205'	+2625'

**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:

<b>Substance</b>	<b>Formation</b>	<b>Depth (TVD)</b>
Gas	HKTR MKR 5	3230'
Gas	HKTR MKR 1	4030'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All indications of usable water (10,000 ppm or less TDS) shall be reported to the Durango Field Office prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

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EnCana Oil & Gas (USA), Inc.  
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San Juan County, Utah

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If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

**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.

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 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

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the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Moab, Utah shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- 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**

- a. The BLM in Moab, Utah shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.
- b. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- c. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- d. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).
- e. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- f. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- g. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- h. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- i. All indication of usable water shall be reported to the authorized officer prior to running the

**Drilling Program**

next string of casing or before plugging orders are requested, whichever occurs first.

- j. Surface casing shall have centralizers on the bottom 3 joints of casing (a minimum of one centralizer per joint starting with the shoe joint).
- k. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- l. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective actions shall be taken.
- m. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- n. The proposed casing program will be as follows:

Purpose	Depth (MD)	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0'-749'	12 1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-4505'	7-7/8"	5-1/2"	17#	J-55	LT&C	New

- o. Casing design subject to revision based on geologic conditions encountered.
- p. The cement program will be as follows:

Surface	Type and Amount
0-749'	Lead: 140 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 100 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
749'-4505'	930 sx Class G 50/50 Poz, 1.43 cuft/sx yield, 13 ppg

- q. The BLM in Moab, Utah should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- r. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- s. The following reports shall be filed with the District Manager within 30 days after the work is

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586' FSL & 1715' FWL (bottom hole)  
Section 10-T30S-R25E  
San Juan County, Utah

Lease No. UTU-73190

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completed.

1. Progress reports, Form 3160-5, "Sundry Notices and Reports on Wells", must include complete information concerning:

- i. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
- ii. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

t. Auxiliary equipment to be used is as follows:

- 1. Kelly cock
- 2. No bit float is deemed necessary.
- 3. A sub with a full opening valve.

**5. MUD PROGRAM**

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

Interval (MD)	Mud Type	Mud Wt.	Visc.	F/L
0-2930'	Water	+/- 8.5	+/- 28	N.C.
2930'-TD	LSND	+/- 8.5-9.0	+/- 55-60	+/- 8

b. 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.

c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

**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, however, if DST's are run, the following requirements will be adhered to:

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

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begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

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

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

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

- b. The logging program will consist of a DIL/CNL/LDT/GR/SP 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.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program is as follows:
  - Perforate zones of interest, fracture stimulate as necessary and place on production.

**7. ABNORMAL PRESSURES AND H2S GAS**

- a. The maximum expected bottom hole pressure is 1400 psi (pressure gradient of 0.33 psi/ft). Source of pressure estimate was from data obtained for the Honaker Trail geological formation via pressures obtained in the Big Indian Unit #3 and #4 wells (#4 well is located within 1 mile of the proposed location).
- b. No hydrogen sulfide gas is anticipated, no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2.b., if hydrogen sulfide is present the "operator shall initially test the H2S concentration of the gas stream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

**8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS**

- a. The BLM in Moab (435-259-2100) shall be notified at least 24 hours prior to:
  - 1. Spudding the well
  - 2. Running the casing strings and cementing

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3. BOP tests/casing pressured tests.
- b. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions operations will be filed with a Completion Report (Form 3160-4), in triplicate. Submit casing/cementing reports and other subsequent reports via Sundry Notice Form 3160-5.
  - c. In accordance with 43 CFR 3162.4-3, this well shall be reported on MMS Form 3160, "Monthly Report of Operations", starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.
  - d. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
  - e. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day authorized period.
  - f. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d), shall be submitted to the appropriate District Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).
  - g. Off-lease measurement and commingling of production must be approved by the authorized officer.
  - h. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5<sup>th</sup> business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43

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CFR 3162.4-1(b)(5)(ii).

- i. The BLM in Moab (435-259-2100) shall be notified within 5 business days of production start-up if either of the following two conditions occur:
  1. The well is placed on production, or
  2. The well resumes production after being off of production for more than 90 days."Placed on production" means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities. Notification may be written or verbal with written follow-up within 15 days.
- j. Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.
- k. It is anticipated that the drilling of this well will take approximately 10-15 days.
- l. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- m. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- n. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- o. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

If underground injection is proposed, an EPA or State UIC permit shall also be required and submitted to this office.
- p. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5 will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.
- q. As per 43 CFR 3162.6, each drilling producing or abandoned well shall be identified with the operator's name, the lease serial number, the well number, and the surveyed description of the well (either footages or the quarter-quarter section, the section, township and range). The Indian lessor's name may also be required. All markings shall

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA), Inc.  
**Bull Horn Federal 10-42-30-25**  
1128' FSL & 1665' FWL (surface)  
Section 10-T30S-R25E  
586' FSL & 1715' FWL (bottom hole)  
Section 10-T30S-R25E  
San Juan County, Utah

Lease No. UTU-73190

**Drilling Program**  
Page 9

be legible and in a conspicuous place.

r. Bureau of Land Management, Moab Field Office Address and Contacts:

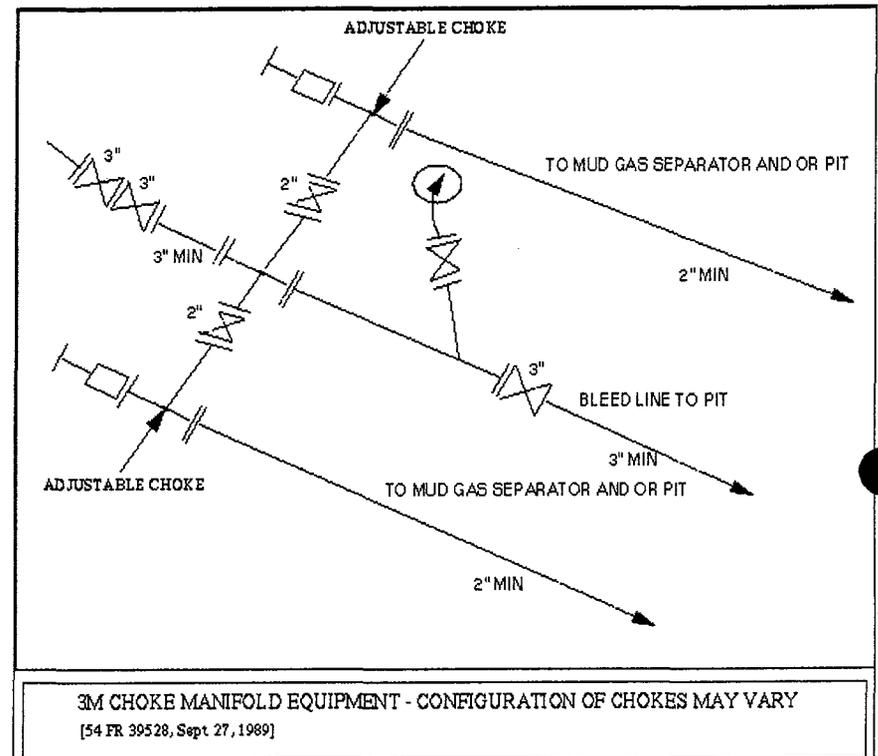
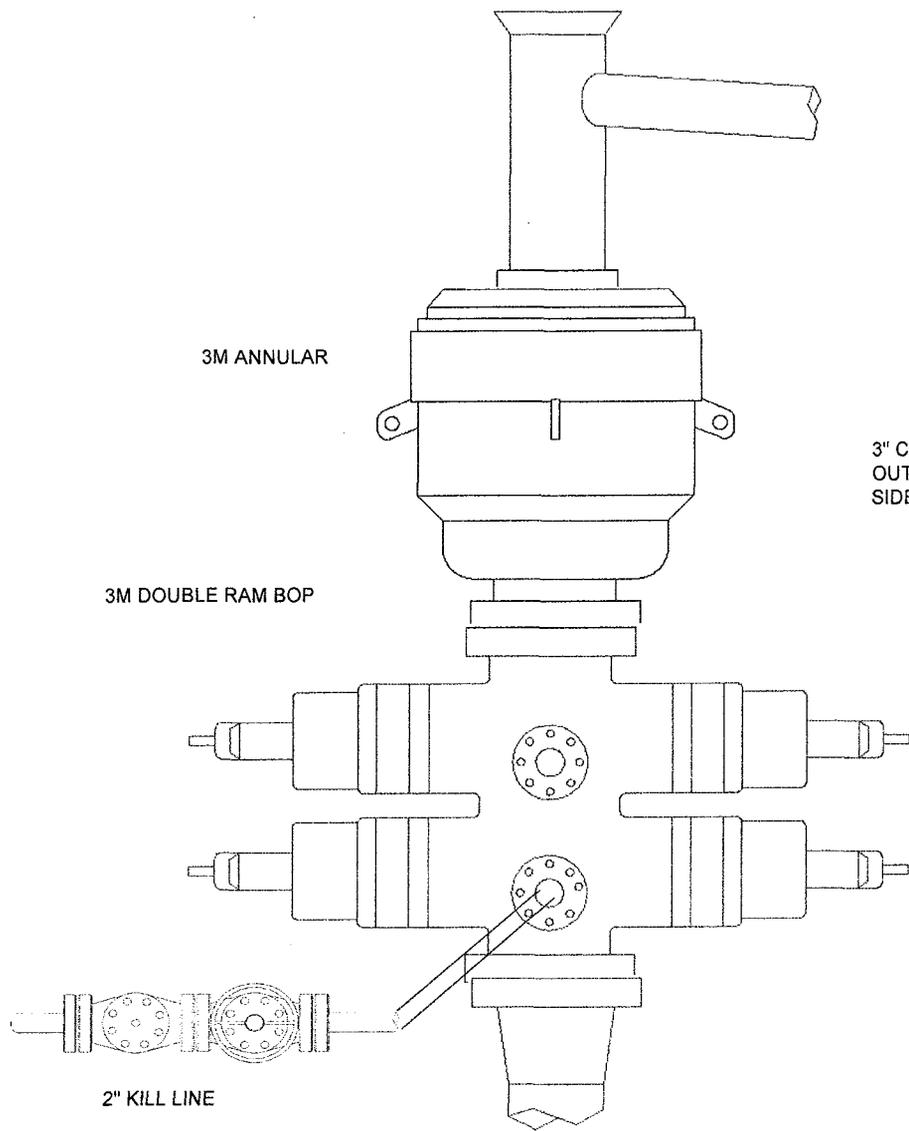
Address: 82 East Dogwood Ave. Phone: 435-259-2100

Moab, Utah 84532

Business Hours: 7:45 a.m. to 4:30 p.m. (Mountain Time), Mon-Fri.

After Hours:

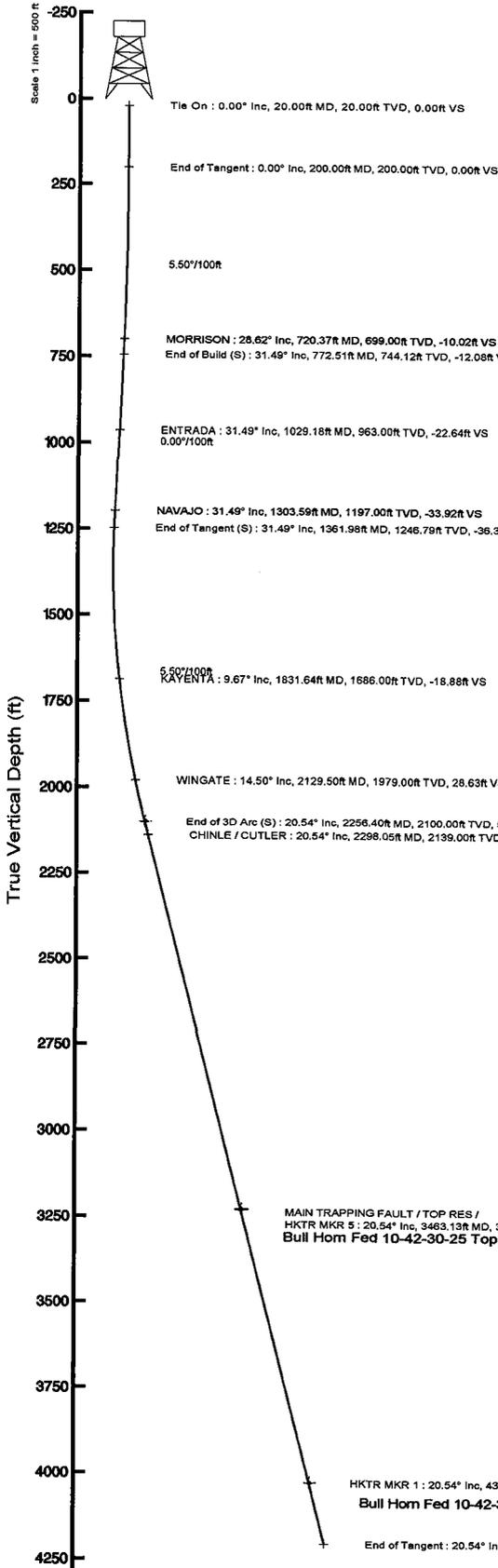
Eric Jones	Petroleum Engineer	435-259-2117
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# ENCANA OIL & GAS (USA) INC



Location: UTAH Slot: Slot #1 Bull Horn Fed 10-42-30-25 (1128FSL & 1665FWL)  
 Field: SAN JUAN COUNTY (True) Well: Bull Horn Fed 10-42-30-25  
 Facility: SEC-10-T308-R25E Wellbore: Bull Horn Fed 10-42-30-25 PWB



Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	20.00	0.000	85.210	20.00	0.00	0.00	0.00	0.00
End of Tangent	200.00	0.000	85.210	200.00	0.00	0.00	0.00	0.00
End of Build (S)	772.51	31.488	85.210	744.12	12.81	152.86	5.50	-12.08
End of Tangent (S)	1361.98	31.488	85.210	1246.79	38.52	459.68	0.00	-36.32
End of 3D Arc (S)	2256.40	20.541	227.517	2100.00	-53.69	584.49	5.50	56.48
End of Tangent	3463.13	20.541	227.517	3230.00	-339.65	272.23	0.00	340.95
End of Tangent	4317.44	20.541	227.517	4030.00	-542.10	51.16	0.00	542.34
End of Tangent	4504.33	20.541	227.517	4205.00	-586.39	2.80	0.00	586.40

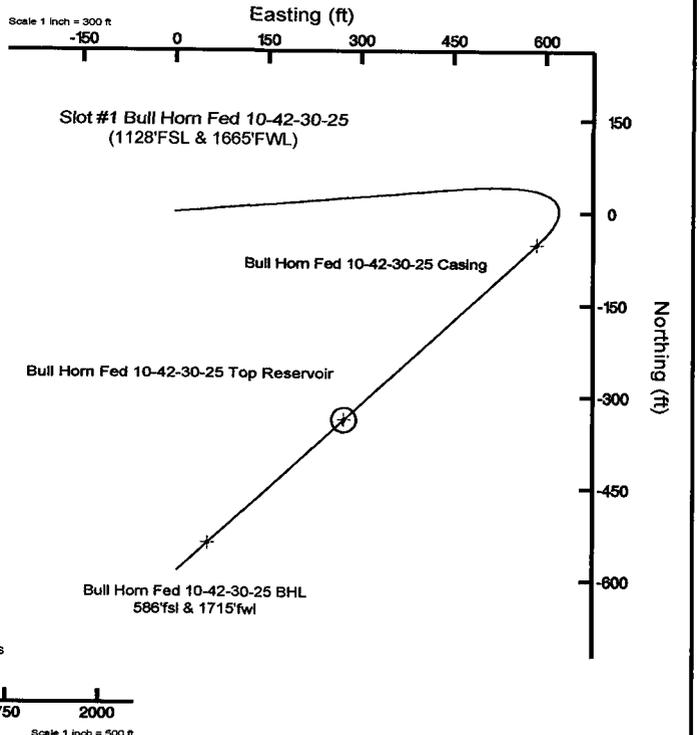
Name	MD (ft)	TVD (ft)	Local N (ft)	Local E (ft)	Grid East (USRT)	Grid North (USRT)	Latitude	Longitude
Bull Horn Fed 10-42-30-25 Casing	2256.40	2100.00	-83.89	954.49	2670909.90	562340.14	38° 11' 17.043"N	109° 08' 57.274"W
Bull Horn Fed 10-42-30-25 Top Reservoir	3463.13	3230.00	-339.65	272.23	2670504.88	562046.48	38° 11' 14.216"N	109° 10' 01.185"W
Bull Horn Fed 10-42-30-25 BHL	4030.00	4030.00	-542.10	51.16	2670289.94	561838.59	38° 11' 12.215"N	109° 10' 03.954"W

Facility Name	Grid East (USRT)	Grid North (USRT)	Latitude	Longitude		
SEC-10-T308-R25E	2670224.274	562379.232	38° 11' 17.574"N	109° 10' 04.599"W		
Slot	Local N (ft)	Local E (ft)	Grid East (USRT)	Grid North (USRT)	Latitude	Longitude
Slot #1 Bull Horn Fed 10-42-30-25 (1128FSL & 1665FWL)	0.00	0.00	2670224.274	562379.232	38° 11' 17.574"N	109° 10' 04.599"W
Rig on Slot #1 Bull Horn Fed 10-42-30-25 (1128FSL & 1665FWL) (RT) to Mud line (Facility - SEC-10-T308-R25E)	8630R					
Mean Sea Level to Mud line (Facility - SEC-10-T308-R25E)	0ft					
Rig on Slot #1 Bull Horn Fed 10-42-30-25 (1128FSL & 1665FWL) (RT) to Mean Sea Level	6230R					

Plot reference wellpath is Bull Horn Fed 10-42-30-25 PWB  
 True vertical depths are referenced to Rig on Slot #1 Bull Horn Fed 10-42-30-25 (1128FSL & 1665FWL) (RT)  
 Measured depths are referenced to Rig on Slot #1 Bull Horn Fed 10-42-30-25 (1128FSL & 1665FWL) (RT)  
 Rig on Slot #1 Bull Horn Fed 10-42-30-25 (1128FSL & 1665FWL) (RT) to Mean Sea Level 6630 feet  
 Mean Sea Level to Mud line (Facility - SEC-10-T308-R25E) 0 feet  
 Coordinates are in feet referenced to Slot  
 Grid System: NAD27 / Lambert Utah State Planes, Southern Zone (4303), US feet  
 North Reference: True north  
 Scale: True distance  
 Depth are in feet  
 Created by: L. Doubar on 4/28/2007



BGGM (1945.0 to 2008.0) Dip: 04.55° Field: 51828.8 nT  
 Magnetic North is 11.22 degrees East of True North (at 04/28/07)  
 To correct azimuth from Magnetic to True add 11.22 degrees



Vertical Section (ft) Azimuth 179.73° with reference 0.00 N, 0.00 E from wellhead



# Planned Wellpath Report

Bull Horn Fed 10-42-30-25 PWP  
Page 1 of 3



INTEQ

## REFERENCE WELLPATH IDENTIFICATION

Operator	ENCANA OIL & GAS (USA) INC	Slot	Slot #1 Bull Horn Fed 10-42-30-25 (1128'FSL & 1665'FWL)
Area	UTAH	Well	Bull Horn Fed 10-42-30-25
Field	SAN JUAN COUNTY (True)	Wellbore	Bull Horn Fed 10-42-30-25 PWB
Facility	SEC.10-T30S-R25E		

## REPORT SETUP INFORMATION

Projection System	NAD27 / Lambert Utah State Planes, Southern Zone (4303), US feet	Software System	WellArchitect™ 1.2
North Reference	True	User	L. Doubek
Scale	0.999976	Report Generated	04/26/07 at 12:46:20
Wellbore last revised	04/26/07	Database/Source file	WA_Denver/Bull Horn

## WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North [feet]	East [feet]	Easting [US feet]	Northing [US feet]	Latitude [°]	Longitude [°]
Slot Location	0.00	0.00	2670224.27	562379.23	38 11 17.574N	109 10 04.595W
Facility Reference Pt			2670224.27	562379.23	38 11 17.574N	109 10 04.595W
Field Reference Pt			2674299.58	558893.86	38 10 42.121N	109 09 14.663W

## WELLPATH DATUM

Calculation method	Minimum curvature	Rig on SSlot #1 Bull Horn Fed 10-42-30-25 (1128'FSL & 1665'FWL) (RT) to Facility Vertical Datum
Horizontal Reference Pt	Slot	Rig on SSlot #1 Bull Horn Fed 10-42-30-25 (1128'FSL & 1665'FWL) (RT) to Mean Level
Vertical Reference Pt	Rig on SSlot #1 Bull Horn Fed 10-42-30-25 (1128'FSL & 1665'FWL) (RT)	Facility Vertical Datum to Mud Line (F)
MD Reference Pt	Rig on SSlot #1 Bull Horn Fed 10-42-30-25 (1128'FSL & 1665'FWL) (RT)	Section Origin
Field Vertical Reference	Mean Sea Level	Section Azimuth



# Planned Wellpath Report

Bull Horn Fed 10-42-30-25 PWP

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INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	ENCANA OIL & GAS (USA) INC	Slot	Slot #1 Bull Horn Fed 10-42-30-25 (1128'FSL & 1665'FWL)
Area	UTAH	Well	Bull Horn Fed 10-42-30-25
Field	SAN JUAN COUNTY (True)	Wellbore	Bull Horn Fed 10-42-30-25 PWB
Facility	SEC.10-T30S-R25E		

WELLPATH DATA (53 stations) † = interpolated/extrapolated station							
MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]
0.00†	0.000	85.210	0.00	0.00	0.00	0.00	0.00
20.00	0.000	85.210	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
200.00	0.000	85.210	200.00	0.00	0.00	0.00	0.00
220.00†	1.100	85.210	220.00	-0.02	0.02	0.19	5.50
320.00†	6.600	85.210	319.73	-0.54	0.58	6.88	5.50
420.00†	12.100	85.210	418.37	-1.82	1.93	23.06	5.50
520.00†	17.600	85.210	514.99	-3.84	4.07	48.59	5.50
620.00†	23.100	85.210	608.71	-6.58	6.97	83.23	5.50
720.00†	28.600	85.210	698.67	-10.01	10.61	126.67	5.50
772.51	31.488	85.210	744.12	-12.08	12.81	152.86	5.50
820.00†	31.488	85.210	784.62	-14.03	14.88	177.58	0.00
920.00†	31.488	85.210	869.90	-18.14	19.24	229.63	0.00
1020.00†	31.488	85.210	955.17	-22.26	23.60	281.68	0.00
1120.00†	31.488	85.210	1040.45	-26.37	27.97	333.73	0.00
1220.00†	31.488	85.210	1125.72	-30.48	32.33	385.78	0.00
1320.00†	31.488	85.210	1211.00	-34.60	36.69	437.83	0.00
1361.98	31.488	85.210	1246.79	-36.32	38.52	459.68	0.00
1420.00†	28.441	87.108	1297.05	-38.15	40.48	488.58	5.50
1520.00†	23.271	91.433	1387.02	-38.65	41.19	532.15	5.50
1620.00†	18.282	98.008	1480.50	-35.80	38.51	567.45	5.50
1720.00†	13.673	109.040	1576.63	-29.62	32.46	594.18	5.50
1820.00†	9.986	129.293	1674.53	-20.18	23.11	612.07	5.50
1920.00†	8.518	162.829	1773.30	-7.57	10.53	620.98	5.50
2020.00†	10.268	195.339	1872.03	8.12	-5.15	620.81	5.50
2120.00†	14.084	214.433	1969.80	26.72	-23.79	611.56	5.50
2220.00†	18.744	224.888	2065.72	48.06	-45.23	593.33	5.50
2256.40	20.541	227.517	2100.00 <sup>†</sup>	56.48	-53.69	584.49	5.50
2320.00†	20.541	227.517	2159.55	71.47	-68.76	568.03	0.00
2420.00†	20.541	227.517	2253.19	95.05	-92.46	542.16	0.00
2520.00†	20.541	227.517	2346.84	118.62	-116.15	516.28	0.00
2620.00†	20.541	227.517	2440.48	142.19	-139.85	490.40	0.00
2720.00†	20.541	227.517	2534.12	165.77	-163.55	464.53	0.00
2820.00†	20.541	227.517	2627.76	189.34	-187.25	438.65	0.00
2920.00†	20.541	227.517	2721.40	212.91	-210.94	412.77	0.00
3020.00†	20.541	227.517	2815.05	236.49	-234.64	386.90	0.00
3120.00†	20.541	227.517	2908.69	260.06	-258.34	361.02	0.00
3220.00†	20.541	227.517	3002.33	283.63	-282.04	335.14	0.00
3320.00†	20.541	227.517	3095.97	307.21	-305.73	309.27	0.00
3420.00†	20.541	227.517	3189.61	330.78	-329.43	283.39	0.00



# Planned Wellpath Report

Bull Horn Fed 10-42-30-25 PWP

Page 3 of 3



INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	ENCANA OIL & GAS (USA) INC	Slot	Slot #1 Bull Horn Fed 10-42-30-25 (1128'FSL & 1665'FWL)
Area	UTAH	Well	Bull Horn Fed 10-42-30-25
Field	SAN JUAN COUNTY (True)	Wellbore	Bull Horn Fed 10-42-30-25 PWB
Facility	SEC.10-T30S-R25E		

WELLPATH DATA (53 stations) † = interpolated/extrapolated station							
MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]
3463.13	20.541	227.517	3230.00 <sup>2</sup>	340.95	-339.65	272.23	0.00
3520.00†	20.541	227.517	3283.26	354.36	-353.13	257.51	0.00
3620.00†	20.541	227.517	3376.90	377.93	-376.83	231.64	0.00
3720.00†	20.541	227.517	3470.54	401.50	-400.52	205.76	0.00
3820.00†	20.541	227.517	3564.18	425.08	-424.22	179.88	0.00
3920.00†	20.541	227.517	3657.82	448.65	-447.92	154.00	0.00
4020.00†	20.541	227.517	3751.47	472.22	-471.62	128.13	0.00
4120.00†	20.541	227.517	3845.11	495.80	-495.31	102.25	0.00
4220.00†	20.541	227.517	3938.75	519.37	-519.01	76.37	0.00
4317.44	20.541	227.517	4030.00 <sup>3</sup>	542.34	-542.10	51.16	0.00
4320.00†	20.541	227.517	4032.39	542.94	-542.71	50.50	0.00
4420.00†	20.541	227.517	4126.03	566.52	-566.41	24.62	0.00
4504.33	20.541	227.517	4205.00	586.40	-586.39	2.80	0.00

TARGETS										
Name	MD [feet]	TVD [feet]	North [feet]	East [feet]	Grid East [us survey feet]	Grid North [us survey feet]	Latitude [°]	Longitude [°]	Shape	
1) Bull Horn Fed 10-42-30-25 Casing	2256.40	2100.00	-53.69	584.49	2670809.90	562340.14	38 11 17.043N	109 09 57.274W	point	
2) Bull Horn Fed 10-42-30-25 Top Reservoir	3463.13	3230.00	-339.65	272.23	2670504.88	562046.48	38 11 14.216N	109 10 01.185W	circle	
3) Bull Horn Fed 10-42-30-25 BHL		4030.00	-542.10	51.16	2670288.94	561838.59	38 11 12.215N	109 10 03.954W	point	

SURVEY PROGRAM				
Ref Wellbore: Bull Horn Fed 10-42-30-25 PWB		Ref Wellpath: Bull Horn Fed 10-42-30-25 PWP		
Start MD [feet]	End MD [feet]	Positional Uncertainty Model	Log Name/Comment	Wellbore
20.00	4504.33	MTC (Collar, pre-2000) (Standard)		Bull Horn Fed 10-42-30-25 PWB

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 10-42-30-25  
SESW Section 10, T30S-R25E  
1128' FSL & 1665' FWL  
San Juan County, Utah

Surface Use Plan

Lease No. UTU-73190

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

**Thirteen Point Surface Use Plan**

The onsite inspection for the subject location was conducted on March 21, 2007. In attendance at the onsite inspection were the following individuals:

<u>Name</u>	<u>Position</u>	<u>Organization</u>
Rich McClure	Natural Resource Specialist	Bureau of Land Management
Ron Krist	Construction Supervisor	EnCana Oil & Gas (USA) Inc.
Jevin Croteau	Regulatory Analyst	EnCana
Ron Rennke	Surveyor	D.R. Griffin & Assoc.
Carol S. DeFrancia	Archaeologist	4-Corners Archaeological Svs.
Mike Shumway	Construction	K-SUE Corporation
Chuck Zimmerman	Construction	K-SUE
Ward Priestley	Construction	Williams Construction
George Sanders	Construction	Ebberts Construction

**1. EXISTING ROADS**

- a. The proposed well site is located approximately 9.5 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 6.6 miles. Turn right on Lisbon Road travel south southeast for approximately 11.8 miles. Turn left on an existing Road (CR 357); travel northeast approximately 0.9 miles. Turn right and travel southeast 0.2 miles to the proposed access road. Turn right and travel southerly for approximately 93' feet to the proposed 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, refer to Topo Maps A and B.
- b. There will be approximately 93' feet of new access road to be constructed.
- c. Some Improvement to existing roads may be necessary.
- d. The new access will be constructed initially for drilling purposes to a maximum width of 25 feet. If production is established the maximum total disturbed width will be 40 feet and the maximum travel surface width will be 25 feet.

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 10-42-30-25  
SESW Section 10, T30S-R25E  
1128' FSL & 1665' FWL  
San Juan County, Utah

Surface Use Plan

Lease No. UTU-73190

- e. The maximum grade of the new access road will be approximately 4%.
- f. No turnouts will be necessary.
- g. 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.).
- h. The roads shall be maintained reasonably smooth, and free of ruts, soft spots, chuckholes, rocks, slides and washboards. The BLM "Gold" book shall be followed for specifications on road design and culvert installation. All weather surfacing will be required if the well becomes a producer. A regular maintenance program shall include blading, ditching, sign replacement, surfacing, and culvert maintenance. All vehicles servicing the well are restricted to use of the approved access road and well pad.
- i. Culverts or low water crossings will be installed where deemed necessary by the dirt contractor.
- j. No fence cuts or cattle guards will be necessary unless specified by the BLM.
- k. A road and pipeline right-of-way will not be required from the BLM. Both the access road and pipeline will be on lease and within the Bull Horn Unit. The pipeline will be installed parallel and 25' from the center of the access road to the tie-in located in the SESW of section 10. See the attached Topo Maps B and C.
- l. Surface disturbance and vehicle travel will be limited to the approved location and approved pipeline/access road route. Any additional area needed will be approved by the BLM in advance.
- m. No surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. EnCana will adhere to the conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.
- n. If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.
- o. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligations determined by the BLM.
- p. 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. If this time frame cannot be met, the Filed Office Manager will be notified so that temporary

drainage control can be installed along the access road.

- q. All brush, limbs, and other woody material will be stockpiled separately from the topsoil along the roadway, or near the well pad. If any topsoil can be salvaged it 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.
- r. 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 TOPO MAP A.**

- a. Water Wells - 0
- b. Injection or Disposal Wells - 0
- c. Producing Wells - 5
- d. Drilling Wells - 2
- e. Shut In Wells - 0
- f. Plugged and Abandoned Wells - 2

**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. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM - Moab Field Office.
- c. The proposed gas gathering line will be buried from the well head to the battery site then laid on the surface to the tie-in point in the SW of Section 10, T30S R25E. The total length of the pipeline is approximately 109'. See the attached Topo Map C.
- d. 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 Juniper Green or one specified by the Bureau of Land Management in the approved permit to drill.
- e. All site security guidelines identified in 43 CFR 3162.7-5 and specified in Onshore Order No. 3 shall be adhered to.
- f. 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. A copy of the meter calibration reports will be submitted to the BLM - Moab Field Office. All gas production and measurement shall comply with the

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 10-42-30-25  
SESW Section 10, T30S-R25E  
1128' FSL & 1665' FWL  
San Juan County, Utah

Surface Use Plan

Lease No. UTU-73190

provisions of 43 CFR 3162.7, Onshore Oil and Gas Order No. 5 and the American Gas Association (AGA) Report No. 3.

- g. 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. All oil production and measurement shall conform to the provisions of 43 CFR 3162.7 and Onshore Oil and Gas Order No. 4.
- h. Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Oil and Gas Order No. 7. If water is produced from the well, an application in conformance with Order No. 7 must be submitted.

**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 SW/4 of Section 8, 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.
- c. No gravel or other related minerals from new or existing pits on Federal land will be used in the construction of roads, well pads, etc., without prior approval from the BLM.

**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 30 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 SE 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

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 10-42-30-25  
SESW Section 10, T30S-R25E  
1128' FSL & 1665' FWL  
San Juan County, Utah

**Surface Use Plan**

Lease No. UTU-73190

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. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.
- e. The reserve pit will be designed to prevent the collection of surface runoff.
- f. 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.
- g. 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.
- h. 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.
- i. 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.

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 10-42-30-25  
SESW Section 10, T30S-R25E  
1128' FSL & 1665' FWL  
San Juan County, Utah

Surface Use Plan

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- a. Where topsoil material is available it 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, or at a time specified by the BLM. 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 the BLM will be used. Seed labels from each bag shall be available for inspection while seeding is 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

- l. The abandonment marker will be one of the following, as specified by the BLM:
  - 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

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 10-42-30-25  
SESW Section 10, T30S-R25E  
1128' FSL & 1665' FWL  
San Juan County, Utah

**Surface Use Plan**

Lease No. UTU-73190

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. BLM shall be responsible for determining when reclamation efforts are successful.
- 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". Fence shall be maintained in place for a minimum of 3 years, and will be removed by EnCana when so instructed by the BLM.

**11. SURFACE OWNERSHIP**

**Well site** - Bureau of Land Management

**Roads** - All access roads are located or maintained by the State and County Road Departments or are on lands managed by the Bureau of Land Management.

**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 be sent under separate cover.
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the BLM Field Office. Within five (5) working days, the BLM will inform the operator as to:
  - Whether the materials appear eligible for the National Register of Historic Places;
  - The mitigation measures the will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
  - A time frame for the BLM to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the BLM are correct and that mitigation is appropriate.

If the operator wishes, at the time, to relocate activities to avoid the expenses of mitigation and/or the delays associated with this process, the BLM will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The BLM will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the BLM that the required mitigation has been completed, the operator

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EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 10-42-30-25  
SESW Section 10, T30S-R25E  
1128' FSL & 1665' FWL  
San Juan County, Utah

**Surface Use Plan**

Lease No. UTU-73190

will then be allowed to resume construction.

- c. The BLM would conduct U.S. Fish and Wildlife Service (USFWS) consultation and coordination as necessary for all mitigation activities relating to T&E, candidate species and their habitats. In areas that have not been previously surveyed or cleared for these species, a qualified biologist/botanist would conduct surveys for these species in areas of potential habitat prior to disturbance. If T&E, candidate, or sensitive species are found, consultation with the USFWS would be initiated, as necessary, and construction activities would be curtailed until the BLM, USFWS, and Operators concur on which activities can be authorized.
- d. The BLM, Moab Field Office will be contacted no earlier than 15 days and no later than three (3) working days prior to commencement of construction activities.
- e. "Sundry Notice and Report of Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

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

Permit Matters

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

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 10-42-30-25  
SESW Section 10, T30S-R25E  
1128' FSL & 1665' FWL  
San Juan County, Utah

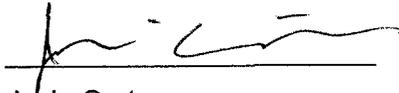
Surface Use Plan

Lease No. UTU-73190

**CERTIFICATION**

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

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



Jevin Croteau

Regulatory Analyst

Date: 5/2/07



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.

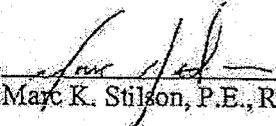
The applicant is advised to contact the Stream Alteration Section of the Division of Water Rights to ascertain if a Stream Alteration permit is required for this Temporary Change Application.

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 (131522)  
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.

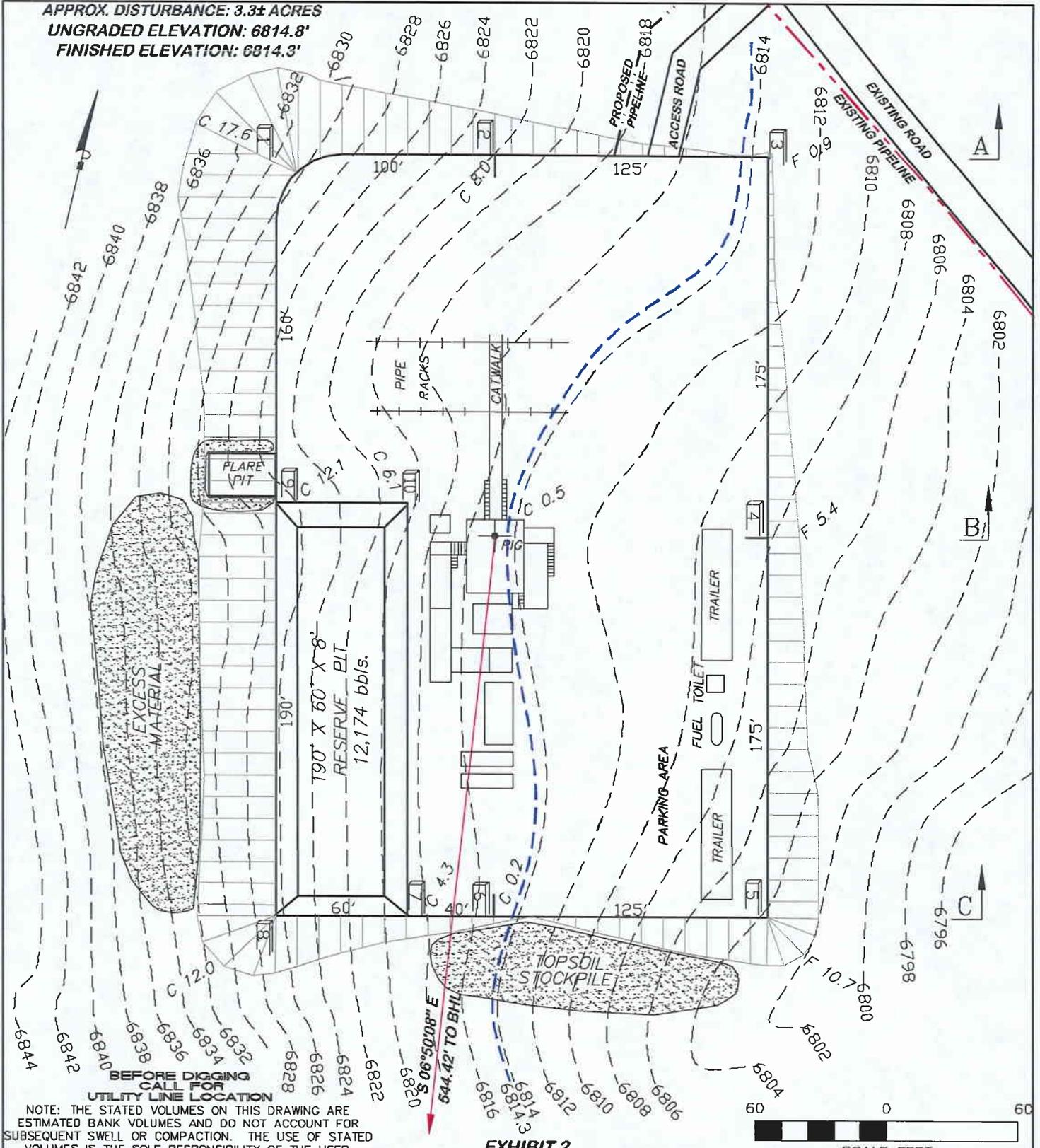
  
\_\_\_\_\_  
Marc K. Stilson, P.E., Regional Engineer

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

APPROX. DISTURBANCE: 3.3± ACRES  
 UNGRADED ELEVATION: 6814.8'  
 FINISHED ELEVATION: 6814.3'



BEFORE DIGGING  
 CALL FOR  
 UTILITY LINE LOCATION

NOTE: THE STATED VOLUMES ON THIS DRAWING ARE ESTIMATED BANK VOLUMES AND DO NOT ACCOUNT FOR SUBSEQUENT SWELL OR COMPACTION. THE USE OF STATED VOLUMES IS THE SOLE RESPONSIBILITY OF THE USER.

EXHIBIT 2



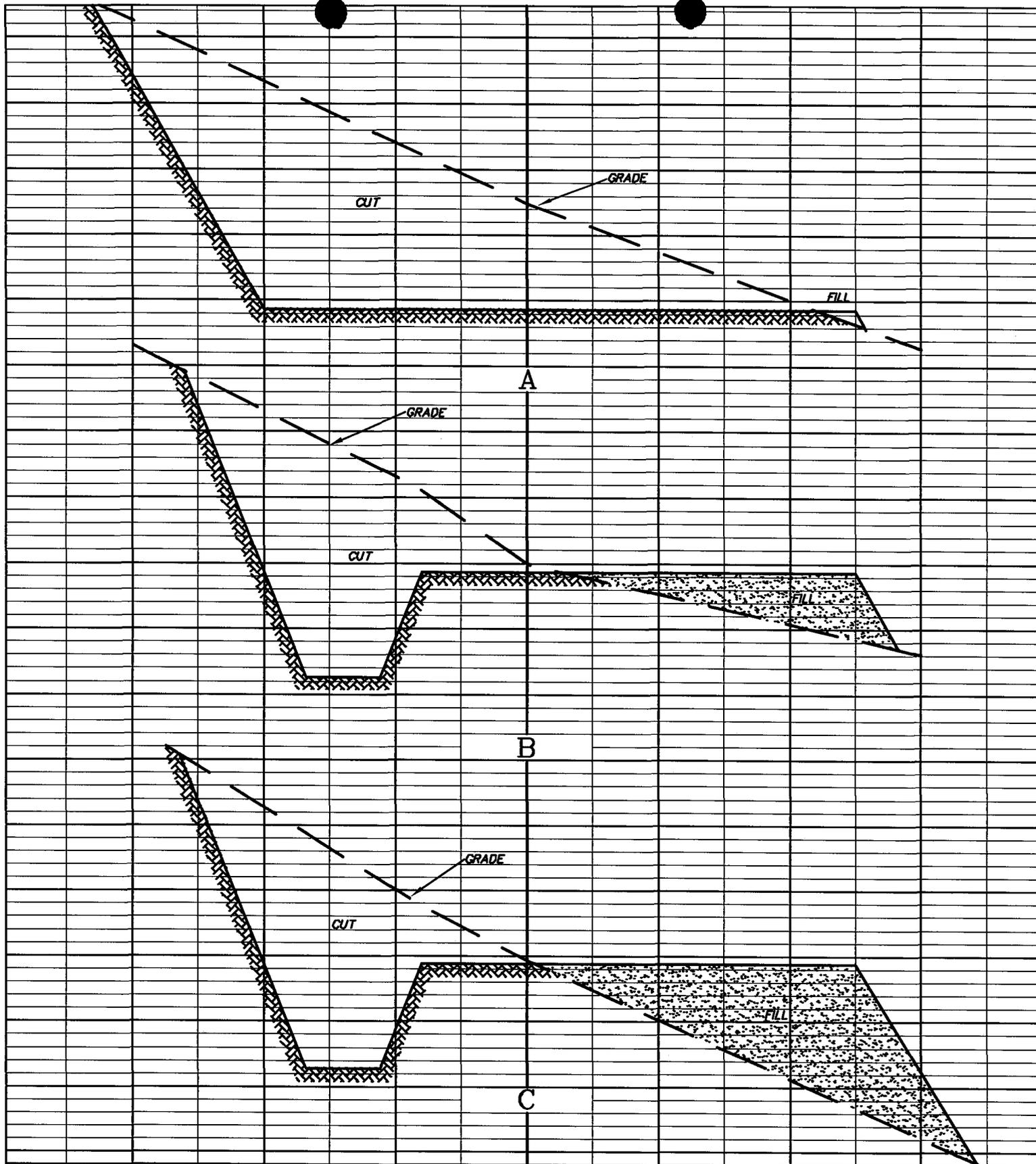
**DRG** RIFFIN & ASSOCIATES, INC.

**ENCANA OIL & GAS (USA) INC.**  
**BULL HORN FED 10-42-30-25**

ESTIMATED EARTHWORK

1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	SCALE: 1" = 60'	ITEM	CUT	FILL	TOPSOIL	EXCESS
	JOB No. 15046	PAD	10412 CY	3544 CY	1459 CY	5409 CY
	REVISED: 4/23/07	PIT	2532 CY			2532 CY
		TOTALS	12944 CY	3544 CY	1459 CY	7941 CY





**DRG** RIFFIN & ASSOCIATES, INC.

**ENCANA OIL & GAS (USA) INC.  
BULL HORN FED 10-42-30-25**

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

JOB No. 15046

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

REVISED: 4/19/07

UNGRADED ELEVATION: 6814.8'  
FINISHED ELEVATION: 6814.3'

EXHIBIT 3



**DRG** RIFFIN & ASSOCIATES, INC.

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

SCALE: 1" = 1 MILE

JOB No. 15046

REVISED: 4/19/07

**PROPOSED ACCESS FOR  
 ENCANA OIL & GAS (USA) INC.  
 BULL HORN FED 10-42-30-25**

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

**TOPO MAP  
 A**



**DRG** RIFFIN & ASSOCIATES, INC.

**PROPOSED ACCESS ROAD FOR  
ENCANA OIL & GAS (USA) INC.  
BULL HORN FED 10-42-30-25**

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

SCALE: 1" = 2000'  
JOB No. 15046  
REVISED: 4/23/07

TOTAL PROPOSED LENGTH: 92±  
EXISTING ROAD   
PROPOSED ROAD 

**TOPO MAP  
B**



**DRG** RIFFIN & ASSOCIATES, INC.

**PROPOSED PIPELINE FOR  
ENCANA OIL & GAS (USA) INC.  
BULL HORN FED 10-42-30-25**

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

SCALE: 1" = 2000'  
JOB No. 15046  
REVISED: 4/23/07

TOTAL PROPOSED LENGTH: 109±  
EXISTING ROAD —————  
PROPOSED PIPELINE - - - - -

**TOPO MAP  
C**



**WELL LOCATION LOOKING NORTH**



**WELL LOCATION LOOKING SOUTH**



**WELL LOCATION LOOKING EAST**



**WELL LOCATION LOOKING WEST**



**ACCESS ROAD AT PAD**



**ACCESS ROAD AT TAKEOFF**

**D&G** RIFFIN & ASSOCIATES, INC.

**ENCANA OIL & GAS (USA) INC.  
BULL HORN FED 10-42-30-25**

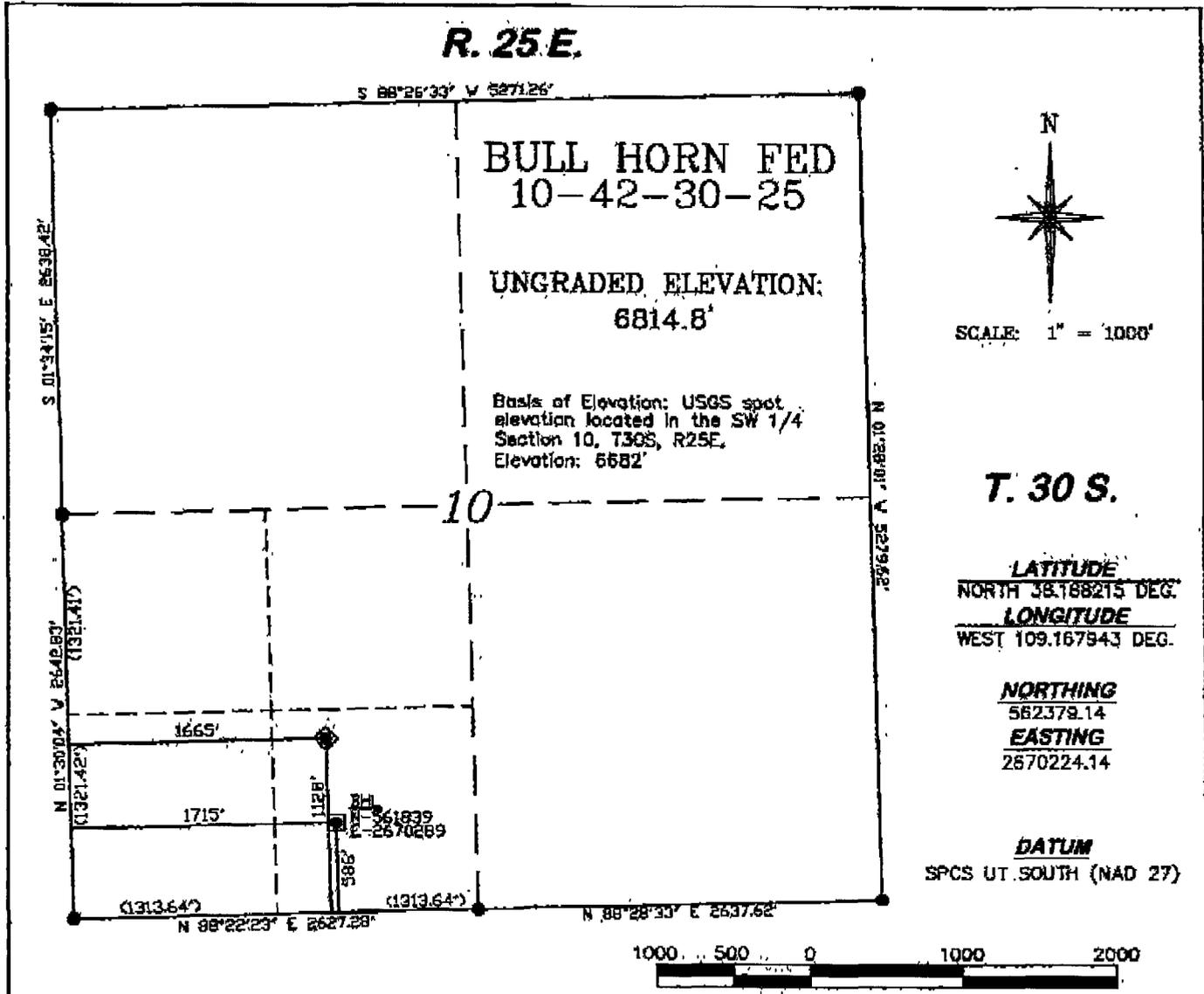
1414 ELK ST., SUITE 202  
ROCK SPRINGS, WY 82901  
(307) 362-5028

JOB No. 15046

REVISED: 4/19/07

EXHIBIT 6





**SURVEYOR'S STATEMENT**

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on APRIL 11, 2007, and it correctly shows the location of BULL HORN FED 10-42-30-25.

**NOTES**

- ◆ WELL LOCATION
- FOUND MONUMENT (BC)
- ⊠ APPROXIMATE BHL

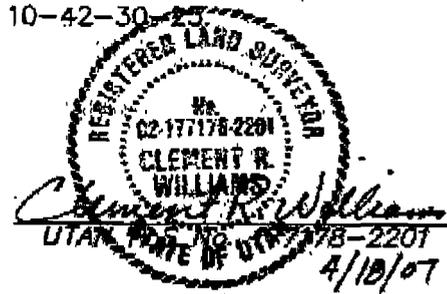


EXHIBIT. 1

 <p><b>RIFFIN &amp; ASSOCIATES, INC.</b></p>	<p>1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028</p>	<p>SCALE: 1" = 1000'</p>	<p><b>PLAN OF DRILLING LOCATION FOR ENCANA OIL &amp; GAS (USA) INC.</b></p> <p><b>1128' F/SL &amp; 1665' F/WL, SECTION 10, T. 30 S., R. 25 E., SALT LAKE B.M. SAN JUAN COUNTY, UTAH</b></p>
		<p>JOB No. 15046</p>	
		<p>REVISED: 4/18/07</p>	



**EnCana Oil & Gas (USA) Inc.**

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

[www.encana.com](http://www.encana.com)

May 2, 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  
Bull Horn Fed 10-42-30-25  
586' FSL and 1715' FWL (Bottom Hole)  
SESW Sec 10, T30S, R25E  
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 outside the center of the SESW of Section 10, T30S, R25E. 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 due to topographic and geologic reasons. The Four Hundred Sixty foot (460') radius of the proposed location is on Federal Lease UTU-73190 and is within the established Bull Horn Unit, UTU-81301X. Lease UTU-73190 is owned 100% by EnCana Oil & Gas (USA) Inc. and Cabot Oil and Gas Corporation. The proposed location has been approved by Cabot as indicated by the enclosed letter of consent.

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

Sincerely,

Jevin Croteau  
Regulatory Analyst

Attachment

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/03/2007

API NO. ASSIGNED: 43-037-31861

WELL NAME: BULL HORN FED 10-42-30-25  
 OPERATOR: ENCANA OIL & GAS (USA) ( N2175 )  
 CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

SESW 10 300S 250E  
 SURFACE: 1128 FSL 1665 FWL  
 BOTTOM: 0586 FSL 1715 FWL  
 COUNTY: SAN JUAN  
 LATITUDE: 38.18815 LONGITUDE: -109.1681  
 UTM SURF EASTINGS: 660440 NORTHINGS: 4228071  
 FIELD NAME: WILDCAT ( 1 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-73190  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: HNKRT  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. RLB0001191 )
- 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)

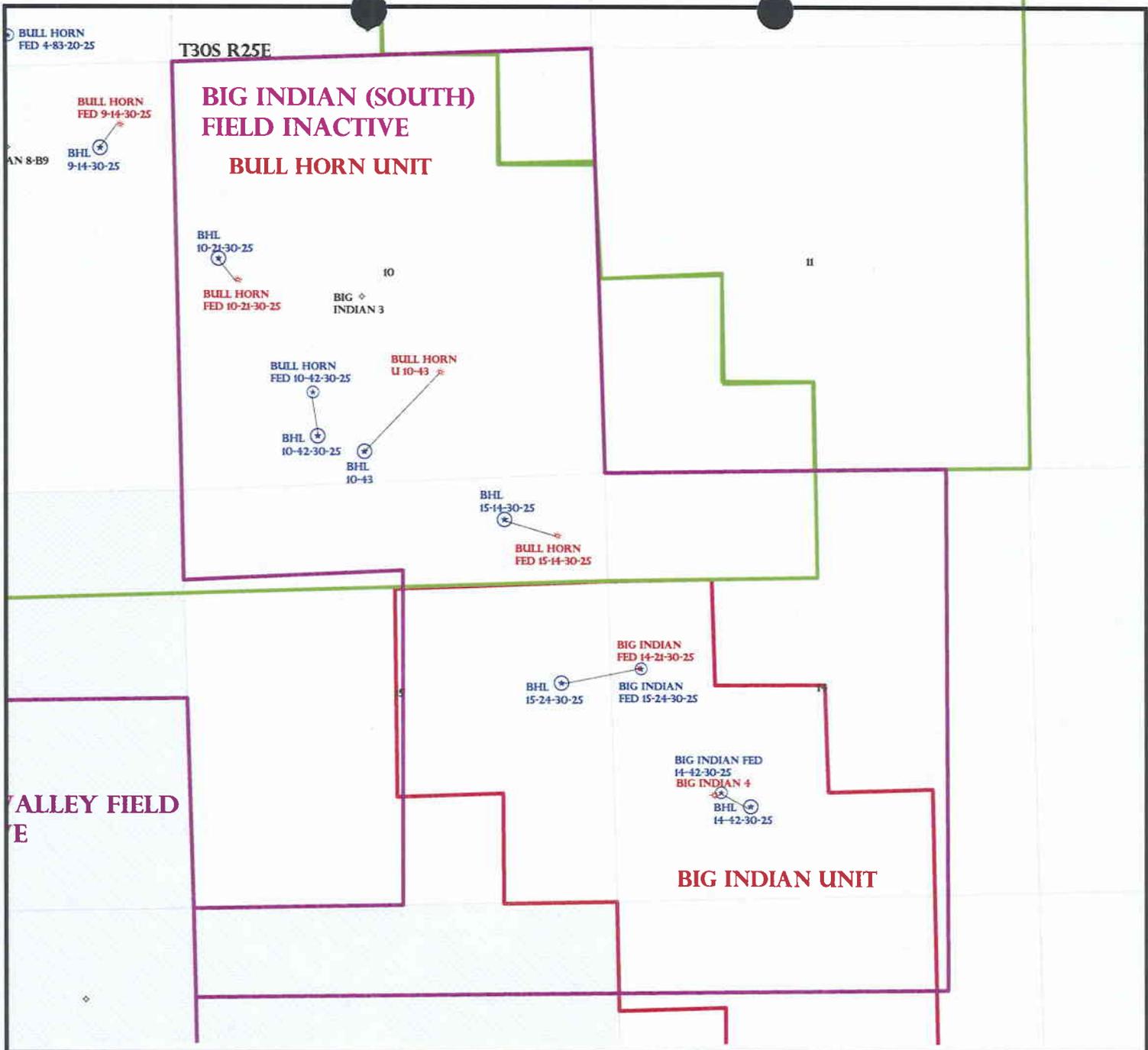
LOCATION AND SITING:

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

COMMENTS: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

*1- Sealed Approval  
2- Spacing Slip*



OPERATOR: ENCAN A O&G USA INC (N2175)

SEC: 10,14 T.30S R. 25E

FIELD: WILDCAT (001)

COUNTY: SAN JUAN

SPACING: R649-3-11 / DIRECTIONAL DRILLING

**Field Status**

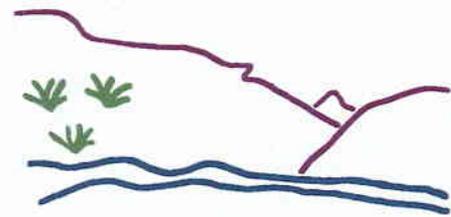
ABANDONED
ACTIVE
COMBINED
INACTIVE
PROPOSED
STORAGE
TERMINATED

**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: 7-MAY-2007

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/03/2007

API NO. ASSIGNED: 43-037-31861

WELL NAME: BULL HORN FED 10-42-30-25  
 OPERATOR: ENCANA OIL & GAS (USA) ( N2175 )  
 CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

SESW 10 300S 250E  
 SURFACE: 1128 FSL 1665 FWL  
 BOTTOM: 0855 FSL 2008 FWL  
 COUNTY: SAN JUAN  
 LATITUDE: 38.18815 LONGITUDE: -109.1681  
 UTM SURF EASTINGS: 660440 NORTHINGS: 4228071  
 FIELD NAME: BIG INDIAN (HERMOSA) ( 290 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-73190  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: HNKRT  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

\_\_\_ Plat  
 \_\_\_ Bond: Fed[1] Ind[] Sta[] Fee[]  
 (No. RLB0001191 )  
 \_\_\_ 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: BULL HORN  
 \_\_\_ 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: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

T30S R25E

## BIG INDIAN (SOUTH) FIELD BULL HORN UNIT

BULL HORN  
FED 9-14-30-25  
BHL 9-14-30-25

BHL 10-21-30-25  
BULL HORN FED 10-31-30-25  
BULL HORN FED 10-21-30-25  
BHL 10-31-30-25

10  
BIG INDIAN 3

BULL HORN FED 10-42-30-25  
BHL 10-42-30-25  
BULL HORN U 10-43  
BHL 10-43

BHL 15-14-30-25  
BULL HORN FED 15-14-30-25

OPERATOR: ENCANA O&G (USA) INC (N2175)

SEC: 10 T.30S R. 25E

FIELD: BIG INDIAN (SOUTH) (290)

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



PREPARED BY: DIANA MASON  
DATE: 04-OCTOBER-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)

May 7, 2007

Memorandum

To: Assistant Field Office Manager Resources,  
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2007 Plan of Development Bull Horn 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 Bull Horn Unit, San Juan County, Utah.

API#	WELL NAME	LOCATION
	(Proposed PZ Honaker Trail)	
43-037-31862	Bull Horn Fed 4-83-30-25 Sec 4 T30S R25E 0340 FSL 2030 FEL	BHL Sec 4 T30S R25E 0239 FSL 2405 FEL
43-037-31861	Bull Horn Fed 10-42-30-25 Sec 10 T30S R25E 1128 FSL 1665 FWL	BHL Sec 10 T30S R25E 0586 FSL 1715 FWL

Please be advised that these are modifications to the POD sent in by EnCana Oil and Gas (USA) Inc. dated February 27, 2007 approved by this office on March 1, 2007.

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:5-7-07



**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*

May 7, 2007

Encana Oil & Gas (USA) Inc.  
370 17th St., Ste. 1700  
Denver, CO 80202

Re: Bull Horn Federal 10-42-30-25 Well, Surface Location 1128' FSL, 1665' FWL, SE SW, Sec. 10, T. 30 South, R. 25 East, Bottom Location 586' FSL, 1715' FWL, SE SW, Sec. 10, T. 30 South, R. 25 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 43-037-31861.

Sincerely,

  
Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: Encana Oil & Gas (USA) Inc.  
Well Name & Number Bull Horn Federal 10-42-30-25  
API Number: 43-037-31861  
Lease: UTU-73190

Surface Location: SE SW      Sec. 10      T. 30 South      R. 25 East  
Bottom Location: SE SW      Sec. 10      T. 30 South      R. 25 East

### Conditions of Approval

#### 1. General

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

#### 2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284

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

- Contact Dustin Doucet at (801) 538-5281

#### 3. Reporting Requirements

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

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
6. 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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
UTU 73190

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** – Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. Bull Horn Unit
2. Name of Operator EnCana Oil & Gas (USA) Inc.		8. Well Name and No. Bull Horn Fed 10-42-30-25
3a. Address 370 17th Street Suite 1700 Denver, CO 80202	3b. Phone No. (include area code) 720-876-3219	9. API Well No. 43-037-31861
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) SESW Sec 10 T30S R25E		10. Field and Pool or Exploratory Area Wildcat
		11. Country or Parish, State San Juan County <b>UT</b>

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

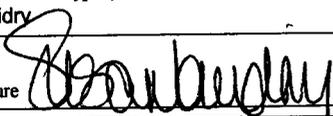
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Make well</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>confidential</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Please mark this well as confidential.

**CONFIDENTIAL  
TIGHT HOLE**

**RECEIVED  
SEP 04 2007**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Susan Guidry	DIV. OF OIL, GAS & MINING	
Signature 	Title Operations Tech	Date 08/30/2007

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

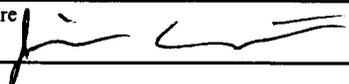
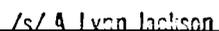
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT RECEIVED  
APPLICATION FOR PERMIT TO DRILL OR REENTER MOAB FIELD OFFICE**

5. Lease Serial No. <b>UTU-73190</b>	
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No. <b>Bull Horn Unit #UTU-81301X</b>	
8. Lease Name and Well No. <b>Bull Horn Fed 10-42-30-25</b>	
9. API Well No. <b>4303731861</b>	
1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, or Exploratory <b>Big Indian (South)</b>
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	11. Sec., T., R., M., or Blk. And Survey or Area <b>Sec. 10, T30S-R25E</b>
2. Name of Operator <b>EnCana Oil &amp; Gas (USA) Inc.</b>	
3a. Address <b>370 17th St., Suite 1700, Denver CO 80202</b>	3b. Phone No. (include area code) <b>303-623-2300</b>
12. County or Parish <b>San Juan</b>	
13. State <b>Utah</b>	
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface <b>1128' FSL &amp; 1665' FWL</b> At proposed prod. zone <b>586' FSL &amp; 1715' FWL</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>Approximately 9.5 Miles SE of La Sal, UT</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)	16. No. of Acres in lease <b>1878.03</b>
<b>586' BHL</b> <b>1907' Unit line</b>	17. Spacing Unit dedicated to this well <b>40 acres</b>
18. Distance from proposed location* to nearest well, drilling completed, applied for, on this lease, ft. <b>578'</b>	19. Proposed Depth <b>4205' TVD</b>
20. BLM/ BIA Bond No. on file <del>RLB0004733</del> <b>UT1005</b>	21. Elevations (Show whether DF, RT, GR, etc.) <b>6814.8' GR</b>
22. Aproximate date work will start* <b>15-Jun-07</b>	23. Estimated Duration <b>20 Days</b>

24. Attachments
- The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:
- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).        |
| 2. A Drilling Plan.  | 5. Operator certification.  |
| 3. A Surface Use Plan ( if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the authorized officer. |

I hereby certify that EnCana Oil & Gas (USA) Inc. is responsible under the terms and conditions of the lease to conduct lease operations.  
Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by RLB0004733.

25. Signature 	Name (Printed/ Typed) <b>Jevin Croteau</b>	Date <b>5/2/07</b>
Title <b>Regulatory Analyst</b>		
Approved By (Signature) 	Name (Printed/ Typed) <b>/s/ A. Lynn Jackson</b>	Date <b>8/31/07</b>
Title <b>Assistant Field Manager, Division of Resources</b>	Office <b>Division of Resources Moab Field Office</b>	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

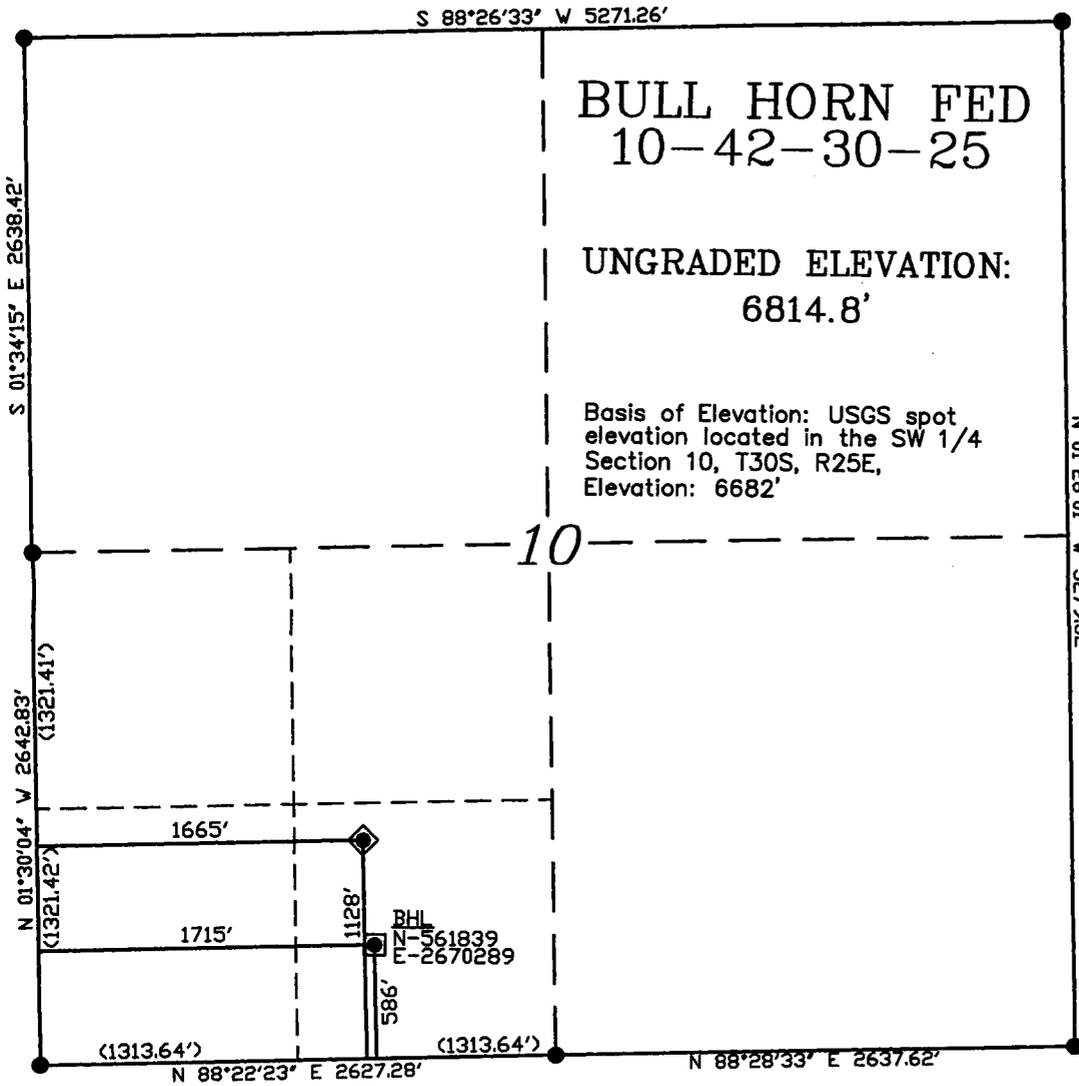
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\* (Instructions on page 2)

**RECEIVED**  
**SEP 07 2007**  
**DIV. OF OIL, GAS & MINING**

**CONDITIONS OF APPROVAL ATTACHED**

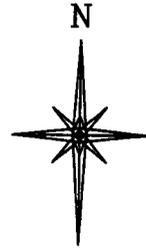
# R. 25 E.



**BULL HORN FED**  
10-42-30-25

UNGRADED ELEVATION:  
6814.8'

Basis of Elevation: USGS spot  
elevation located in the SW 1/4  
Section 10, T30S, R25E,  
Elevation: 6682'



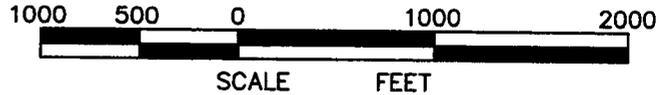
SCALE: 1" = 1000'

**T. 30 S.**

LATITUDE  
NORTH 38.188215 DEG.  
LONGITUDE  
WEST 109.167943 DEG.

NORTHING  
562379.14  
EASTING  
2670224.14

DATUM  
SPCS UT SOUTH (NAD 27)



## SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on APRIL 11, 2007, and it correctly shows the location of BULL HORN FED 10-42-30-25.

## NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT (BC)
- ⊙ APPROXIMATE BHL

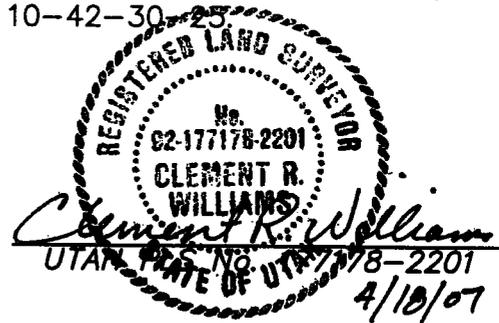


EXHIBIT 1

**DRG** 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. 15046  
REVISED: 4/18/07

**1128' F/SL & 1665' F/WL, SECTION 10,  
T. 30 S., R. 25 E., SALT LAKE B.M.  
SAN JUAN COUNTY, UTAH**

EnCana Oil & Gas (USA), Inc.  
**Bull Horn Federal 10-42-30-25**  
Lease, Surface: UTU-73190  
Bottom-hole: UTU-73190  
Bull Horn Unit (UTU-81301-X)  
Location, Surface: SE/SW Section 10, T30S, R25E  
Bottom-hole: SE/SW Section 10, T30S, R25E  
San Juan County, Utah

**A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.**

#### CONDITIONS OF APPROVAL

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

Be advised that EnCana Oil & Gas (USA), Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by **UT1005** (Principal – EnCana Oil & Gas (USA), Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of two years from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

#### A. DRILLING PROGRAM

1. The proposed 3M BOP system is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOG M) is required before conducting any surface disturbing activities.
3. The surface casing shall extend at least 50 feet into the Chinle Formation, and shall be cemented to surface.

## B. SURFACE

1. Cultural resource sites identified in the inventory reports prepared by Four Corners Archaeological Services, will be avoided during all phases of the project.
2. In order to avoid impacts to the sites identified in the cultural resources inventory report several actions will be implemented during construction operations:
  - a. An approved archaeologist will monitor fencing, berming, and construction near the cultural resource sites as identified in the inventory report.
  - b. An approved archaeologist will select the boundaries of construction zones and areas for flagging, fencing, constructing soil berms to identify the areas to be avoided during construction. The operator will be responsible for assuring that these areas are identified to construction personnel and that the sites are not impacted during the road construction.
  - c. The operator will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts.
  - d. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public or Federal land will be immediately reported to the authorized officer. Operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator will be responsible for the cost of evaluation of the discovery and proper mitigation measures. Any decision as to proper mitigation shall be made by the authorized officer after consulting with the operator.
3. In order to protect watershed values, no road/well pad construction or drilling operations will be authorized between November 1 and April 30. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
4. In order to protect wintering big game animals, no road/well pad construction or drilling operations will be authorized between November 1 and May 15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
5. The operator will be responsible for weed control on the disturbed areas within the limits of the well pad and road construction. The operator will be responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods.

## C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the BLM, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spud. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spud, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Moab Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Moab Field Office or the appropriate surface managing agency.

## TABLE 1

## NOTIFICATIONS

Notify Jeff Brown (435-587-1525) BLM Monticello Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spud;

50 feet prior to reaching the surface casing setting depth;

3 hours prior to testing BOPE.

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214



EnCana Oil & Gas (USA) Inc.

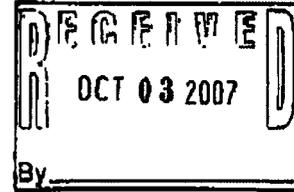
370 17th Street  
Suite 1700  
Denver, CO 80202

tel: (303) 623-2300  
fax: (303) 623-2400  
www.encana.com

September 28, 2007

Sent via Certified Mail - 70631680000232644303

Cabot Oil & Gas Corp.  
600 17<sup>th</sup> Street, Suite 900 N  
Denver, CO 80202  
Attn: Dan Rowe



Re: Directional Drilling Consent  
Bull Horn Fed 10-42-30-25  
1,128' FSL, 1,665' FWL (SHL)  
855' FSL, 2,008' FWL (BHL)  
Section 10-T30S-R25E  
San Juan County, Utah

Mr. Rowe:

As you are aware, EnCana Oil & Gas (USA) Inc. has proposed the drilling of the above captioned well. Due to topographical concerns, the location for this well will require a directional drilling consent pursuant to the requirements of the Utah Oil & Gas Conservation Rules R649-3-11.

We propose the surface location at 1,128' FSL and 1,665' FWL, and bottom hole location at 855' FSL and 2,008' FWL, in Section 10, Township 30 South, Range 25 East, San Juan County, Utah.

In accordance with the above referenced rules, please indicate your consent to the directional drilling of the Bull Horn Fed 10-42-30-25 well by signing in the space provided below and returning one signed original to the undersigned. For your convenience, and also to expedite this process, please also send a copy via fax to (720) 876-6361. Please call me at (720) 876-5361 if you have any questions or concerns.

Very truly yours,  
ENCANA OIL & GAS (USA) INC.

Oscar Duarte  
Land Negotiator

Directional Drilling Consent for the Bull Horn Fed 10-42-30-25 well is hereby approved this 9th day of October, 2007.

By: [Signature]  
Title: [Signature]  
Phone: 3032269418

CONFIDENTIAL

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  GAS WELL  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: 1128' FSL & 1665' FWL, Sec. 10, T30S R25E

COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW ~~28~~ 10 30S 25E S

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>10/5/2007</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 checked="" 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 BHL</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 move the BHL & change the casing design for the subject well to the following:

Surface casing will be set at least 50' into the Chinle from surface to 2,250' (MD) and cemented full length.  
Production hole will be changed from 7-7/8" to 8-3/4". Production casing will be set at 4,235' (MD) & cemented from TD to 2,000' and change from J-55 to I-80.

New BHL will be 855' FSL & 2008' FWL

660545x 38.187416  
4227992y -109.166859

Attached are copies of the revised Plat & a revised 9-Point Drilling Program with the changes highlighted.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 10-10-07  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 10-11-07  
Initials: RM

NAME (PLEASE PRINT) Jevin Croteau

TITLE Regulatory Analyst

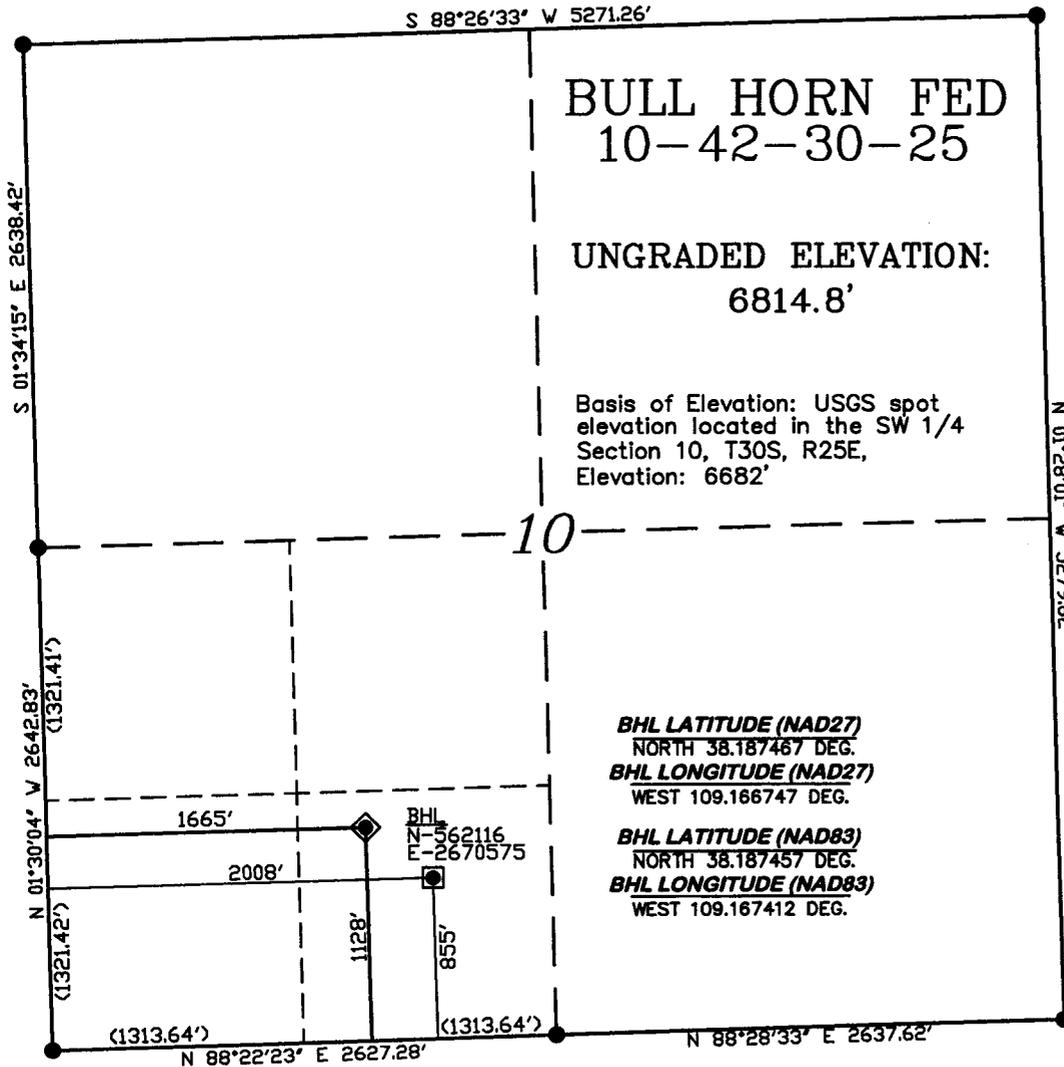
SIGNATURE [Signature]

DATE 10/1/07

(This space for State use only)

RECEIVED  
OCT 03 2007

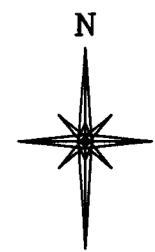
# R. 25 E.



**BULL HORN FED  
10-42-30-25**

**UNGRADED ELEVATION:  
6814.8'**

Basis of Elevation: USGS spot elevation located in the SW 1/4 Section 10, T30S, R25E, Elevation: 6682'



SCALE: 1" = 1000'

**T. 30 S.**

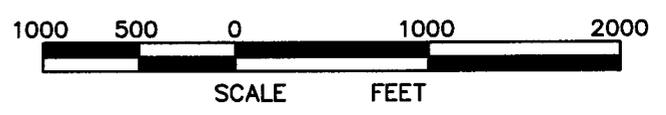
**LATITUDE (NAD27)**  
NORTH 38.188215 DEG.  
**LONGITUDE (NAD27)**  
WEST 109.167943 DEG.

**LATITUDE (NAD83)**  
NORTH 38.188205 DEG.  
**LONGITUDE (NAD83)**  
WEST 109.168609 DEG.

**NORTHING**  
562379.14  
**EASTING**  
2670224.14

**BHL LATITUDE (NAD27)**  
NORTH 38.187467 DEG.  
**BHL LONGITUDE (NAD27)**  
WEST 109.166747 DEG.  
**BHL LATITUDE (NAD83)**  
NORTH 38.187457 DEG.  
**BHL LONGITUDE (NAD83)**  
WEST 109.167412 DEG.

**DATUM**  
SPCS UT SOUTH (NAD 27)



**SURVEYOR'S STATEMENT**

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on APRIL 11, 2007, and it correctly shows the location of BULL HORN FED 10-42-30-25.

**NOTES**

- ◆ WELL LOCATION
- FOUND MONUMENT (BC)
- APPROXIMATE BHL



EXHIBIT 1

 <b>DRIFIN &amp; ASSOCIATES, INC.</b>	<b>PLAT OF DRILLING LOCATION FOR ENCANA OIL &amp; GAS (USA) INC.</b>	
	1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	SCALE: 1" = 1000' JOB No. 15046 REVISED: 9/25/07

ONSHORE ORDER No. 1

EnCana Oil & Gas (USA), Inc.

**Bull Horn Federal 10-42-30-25**

1128' FSL & 1665' FWL (surface)

Section 10-T30S-R25E

1128' FSL & 1665' FWL (bottom hole)

Section 10-T30S-R25E

San Juan County, Utah

Lease No. UTU-73190

**Drilling Program**

Page 1

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

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

**1. FORMATION TOPS**

The estimated tops of important geologic markers are as follows:

<b>Formation</b>	<b>Depth (TVD)</b>	<b>Subsea</b>
Burro Canyon	Surface	+6810'
Morrison	699'	+6131'
Entrada	963'	+5867'
Navajo	1197'	+5633'
Kayenta	1686'	+5144'
Wingate	1979'	+4851'
Chinle/Cutler	2139'	+4691'
HKTR MKR 5	3230'	+3600'
HKTR MKR 1	4030'	+2800'
Total Depth	4205'	+2625'

**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:

<b>Substance</b>	<b>Formation</b>	<b>Depth (TVD)</b>
Gas	HKTR MKR 5	3230'
Gas	HKTR MKR 1	4030'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All indications of usable water (10,000 ppm or less TDS) shall be reported to the Durango Field Office prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA), Inc.  
**Bull Horn Federal 10-42-30-25**  
1128' FSL & 1665' FWL (surface)  
Section 10-T30S-R25E  
1128' FSL & 1665' FWL (bottom hole)  
Section 10-T30S-R25E  
San Juan County, Utah

Lease No. UTU-73190

**Drilling Program**

Page 2

If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

**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.

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 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

**Drilling Program**

Page 3

the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Moab, Utah shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- 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**

- a. The BLM in Moab, Utah shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.
- b. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- c. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- d. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).
- e. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- f. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- g. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- h. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- i. All indication of usable water shall be reported to the authorized officer prior to running the

**Drilling Program**

next string of casing or before plugging orders are requested, whichever occurs first.

- j. Surface casing shall have centralizers on the bottom 3 joints of casing (a minimum of one centralizer per joint starting with the shoe joint).
- k. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- l. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective actions shall be taken.
- m. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- n. The proposed casing program will be as follows:

Purpose	Depth (MD)	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0'-2250'	12 1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-4235'	8-3/4"	5-1/2"	17#	I-80	LT&C	New

Grade	Burst (Psi)	Burst Safety Factor	Collapse (Psi)	Collapse Safety Factor	Body Yield (1000 lbs.)	Joint Strength (1000 lbs.)	Tension Safety Factor
J-55 36#	3520	1.25	2020	1.0	564	394	1.8
I-80 17#	7740	1.25	6290	1.0	397	320	1.8

- o. Casing design subject to revision based on geologic conditions encountered.

- p. The cement program will be as follows:

Surface	Type and Amount
0-2250'	Lead: 550 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 100 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
2000'-4235'	500 sx Class G 50/50 Poz, 1.43 cuft/sx yield, 13 ppg

- q. The BLM in Moab, Utah should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- r. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- s. The following reports shall be filed with the District Manager within 30 days after the work is completed.
  - 1. Progress reports, Form 3160-5, "Sundry Notices and Reports on Wells", must include complete information concerning:
    - i. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
    - ii. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- t. Auxiliary equipment to be used is as follows:
  - 1. Kelly cock
  - 2. No bit float is deemed necessary.
  - 3. A sub with a full opening valve.

**5. MUD PROGRAM**

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

Interval (MD)	Mud Type	Mud Wt.	Visc.	F/L
0-2930'	Water	+/- 8.5	+/- 28	N.C.
2930'-TD	LSND	+/- 8.5-9.0	+/- 55-60	+/- 8

- b. 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.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

**6. EVALUATION PROGRAM – TESTING, LOGGING AND CORING**

**Drilling Program**

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

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

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

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

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

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

- b. The logging program will consist of a DIL/CNL/LDT/GR/SP 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.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program is as follows:

Perforate zones of interest, fracture stimulate as necessary and place on production.

**7. ABNORMAL PRESSURES AND H<sub>2</sub>S GAS**

- a. The maximum expected bottom hole pressure is 1400 psi (pressure gradient of 0.33 psi/ft). Source of pressure estimate was from data obtained for the Honaker Trail geological formation via pressures obtained in the Big Indian Unit #3 and #4 wells (#4 well is located within 1 mile of the proposed location).
- b. No hydrogen sulfide gas is anticipated, no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2.b., if hydrogen sulfide is present the "operator shall initially test the H<sub>2</sub>S concentration of the gas stream for each well or production facility

..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

**8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS**

- a. The BLM in Moab (435-259-2100) shall be notified at least 24 hours prior to:
  1. Spudding the well
  2. Running the casing strings and cementing
  3. BOP tests/casing pressured tests.
- b. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions operations will be filed with a Completion Report (Form 3160-4), in triplicate. Submit casing/cementing reports and other subsequent reports via Sundry Notice Form 3160-5.
- c. In accordance with 43 CFR 3162.4-3, this well shall be reported on MMS Form 3160, "Monthly Report of Operations", starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.
- d. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- e. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day authorized period.
- f. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d), shall be submitted to the appropriate District Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).
- g. Off-lease measurement and commingling of production must be approved by the authorized officer.
- h. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5<sup>th</sup> business day after any well begins

**Drilling Program**

production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

- i. The BLM in Moab (435-259-2100) shall be notified within 5 business days of production start-up if either of the following two conditions occur:
  1. The well is placed on production, or
  2. The well resumes production after being off of production for more than 90 days."Placed on production" means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities. Notification may be written or verbal with written follow-up within 15 days.
- j. Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.
- k. It is anticipated that the drilling of this well will take approximately 10-15 days.
- l. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- m. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- n. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- o. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

If underground injection is proposed, an EPA or State UIC permit shall also be required and submitted to this office.

- p. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5 will be filed with the AO within 30 days following completion of the well for

ONSHORE ORDER No. 1

EnCana Oil & Gas (USA), Inc.

**Bull Horn Federal 10-42-30-25**

1128' FSL & 1665' FWL (surface)

Section 10-T30S-R25E

1128' FSL & 1665' FWL (bottom hole)

Section 10-T30S-R25E

San Juan County, Utah

Lease No. UTU-73190

**Drilling Program**

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abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

q. As per 43 CFR 3162.6, each drilling producing or abandoned well shall be identified with the operator's name, the lease serial number, the well number, and the surveyed description of the well (either footages or the quarter-quarter section, the section, township and range). The Indian lessor's name may also be required. All markings shall be legible and in a conspicuous place.

r. Bureau of Land Management, Moab Field Office Address and Contacts:

Address: 82 East Dogwood Ave. Phone: 435-259-2100  
Moab, Utah 84532

Business Hours: 7:45 a.m. to 4:30 p.m. (Mountain Time), Mon-Fri.

After Hours:

Eric Jones	Petroleum Engineer	435-259-2117
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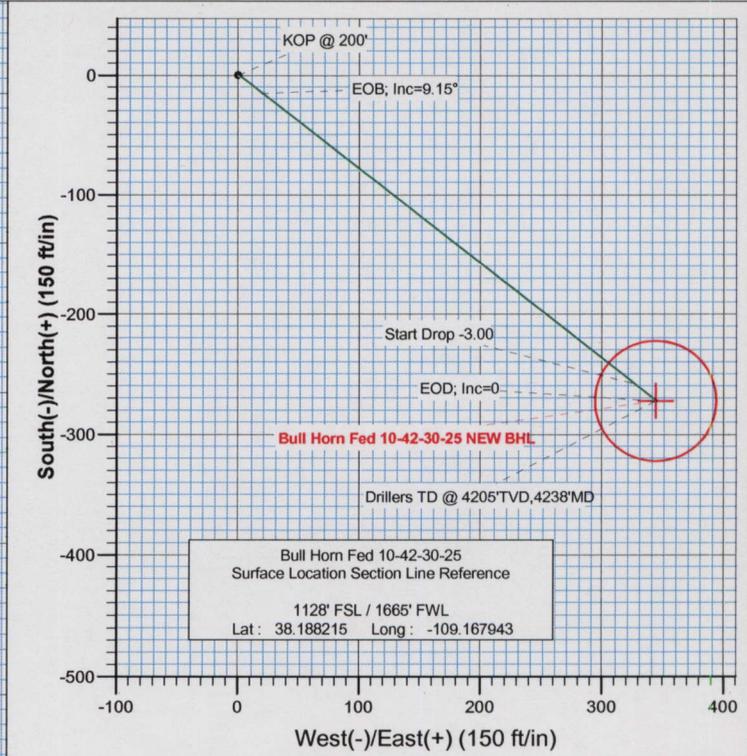
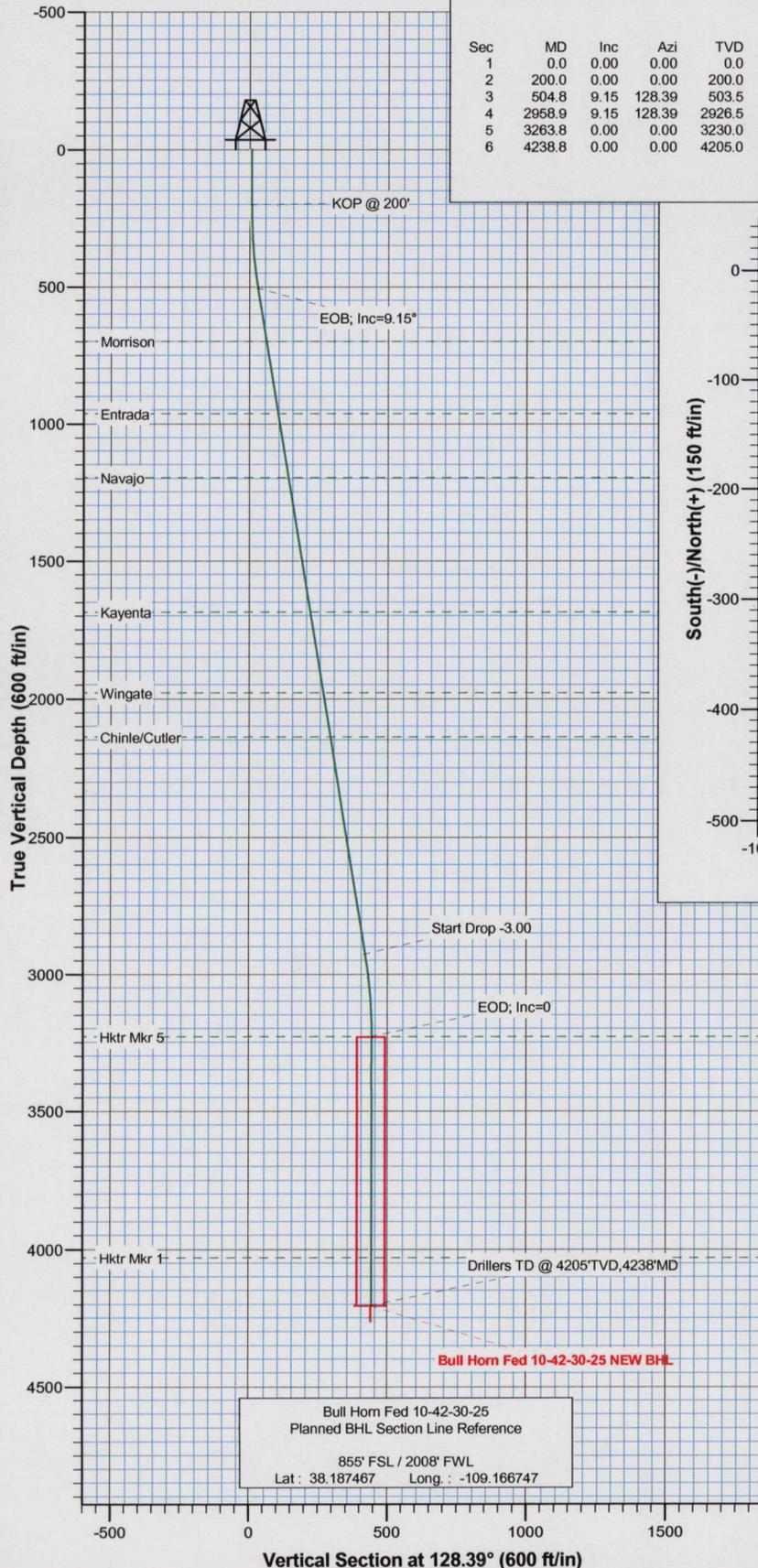


Project: Paradox (Nad 27)  
 Site: NWSW Sec 10-T30S-R25E  
 Well: Bull Horn Fed 10-42-30-25  
 Wellbore: DD  
 Plan: Plan #3



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	200.0	0.00	0.00	200.0	0.0	0.0	0.00	0.00	0.0	
3	504.8	9.15	128.39	503.5	-15.1	19.0	3.00	128.39	24.3	
4	2958.9	9.15	128.39	2926.5	-257.3	324.7	0.00	0.00	414.3	
5	3263.8	0.00	0.00	3230.0	-272.4	343.8	3.00	180.00	438.6	
6	4238.8	0.00	0.00	4205.0	-272.4	343.8	0.00	0.00	438.6	Bull Horn Fed 10-42-30-25 NEW BHL



Bull Horn Fed 10-42-30-25  
 Surface Location Section Line Reference  
 1128' FSL / 1665' FWL  
 Lat : 38.188215 Long : -109.167943

Bull Horn Fed 10-42-30-25  
 Planned BHL Section Line Reference  
 855' FSL / 2008' FWL  
 Lat : 38.187467 Long : -109.166747

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
699.0	702.8	Morrison
963.0	970.2	Entrada
1197.0	1207.2	Navajo
1686.0	1702.5	Kayenta
1979.0	1999.3	Wingate
2139.0	2161.3	Chinle/Cutler
3230.0	3263.8	Hktr Mkr 5
4030.0	4063.8	Hktr Mkr 1



Azimuths to True North  
 Magnetic North: 11.12°  
 Magnetic Field  
 Strength: 51748.0snT  
 Dip Angle: 64.52°  
 Date: 9/18/2007  
 Model: IGRF200510

DESIGN DETAILS: Plan #3

Job# 75392; LR  
 WELL @ 6834.0ft (Original Well Elev)

Target	Azimuth	Origin Type	N/S	E/W	From TVD
Bull Horn Fed 10-42-30-25 NEW BHL	128.39	Slot	0.0	0.0	0.0

## Cathedral Energy Services Planning Report

<b>Database:</b> EDM 2003.16 US Multi Users DB	<b>Local Co-ordinate Reference:</b> Well Bull Horn Fed 10-42-30-25
<b>Company:</b> EnCana Oil & Gas (USA) Inc	<b>TVD Reference:</b> WELL @ 6834.0ft (Original Well Elev)
<b>Project:</b> Paradox (Nad 27)	<b>MD Reference:</b> WELL @ 6834.0ft (Original Well Elev)
<b>Site:</b> NWSW Sec 10-T30S-R25E	<b>North Reference:</b> True
<b>Well:</b> Bull Horn Fed 10-42-30-25	<b>Survey Calculation Method:</b> Minimum Curvature
<b>Wellbore:</b> DD	
<b>Design:</b> Plan #3	

<b>Project</b> Paradox (Nad 27)	
<b>Map System:</b> US State Plane 1927 (Exact solution)	<b>System Datum:</b> Mean Sea Level
<b>Geo Datum:</b> NAD 1927 (NADCON CONUS)	
<b>Map Zone:</b> Utah South 4303	

<b>Site</b> NWSW Sec 10-T30S-R25E		
<b>Site Position:</b>	<b>Northing:</b> 562,379.23 ft	<b>Latitude:</b> 38.188215
<b>From:</b> Lat/Long	<b>Easting:</b> 2,670,224.27 ft	<b>Longitude:</b> -109.167943
<b>Position Uncertainty:</b> 0.0 ft	<b>Slot Radius:</b> "	<b>Grid Convergence:</b> 1.43 °

<b>Well</b> Bull Horn Fed 10-42-30-25			
<b>Well Position</b>	<b>+N/-S</b> 0.0 ft	<b>Northing:</b> 562,379.22 ft	<b>Latitude:</b> 38.188215
	<b>+E/-W</b> 0.0 ft	<b>Easting:</b> 2,670,224.27 ft	<b>Longitude:</b> -109.167943
<b>Position Uncertainty</b>	0.0 ft	<b>Wellhead Elevation:</b> ft	<b>Ground Level:</b> 6,814.0 ft

<b>Wellbore</b> DD					
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF200510	9/18/2007	11.12	64.52	51,748

<b>Design</b> Plan #3				
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b> PLAN	<b>Tie On Depth:</b> 0.0		
<b>Vertical Section:</b>	<b>Depth From (TVD) (ft)</b>	<b>+N/-S (ft)</b>	<b>+E/-W (ft)</b>	<b>Direction (°)</b>
	0.0	0.0	0.0	128.39

<b>Plan Sections</b>										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.00	0.00	0.00	0.00	
504.8	9.15	128.39	503.5	-15.1	19.0	3.00	3.00	0.00	128.39	
2,958.9	9.15	128.39	2,926.5	-257.3	324.7	0.00	0.00	0.00	0.00	
3,263.8	0.00	0.00	3,230.0	-272.4	343.8	3.00	-3.00	0.00	180.00	
4,238.8	0.00	0.00	4,205.0	-272.4	343.8	0.00	0.00	0.00	0.00	Bull Horn Fed 10-42-30-25

## Cathedral Energy Services Planning Report

<b>Database:</b>	EDM 2003.16 US Multi Users DB	<b>Local Co-ordinate Reference:</b>	Well Bull Horn Fed 10-42-30-25
<b>Company:</b>	EnCana Oil & Gas (USA) Inc	<b>TVD Reference:</b>	WELL @ 6834.0ft (Original Well Elev)
<b>Project:</b>	Paradox (Nad 27)	<b>MD Reference:</b>	WELL @ 6834.0ft (Original Well Elev)
<b>Site:</b>	NWSW Sec 10-T30S-R25E	<b>North Reference:</b>	True
<b>Well:</b>	Bull Horn Fed 10-42-30-25	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	DD		
<b>Design:</b>	Plan #3		

### Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	KOP @ 200'
300.0	3.00	128.39	300.0	-1.6	2.1	2.6	3.00	3.00	
400.0	6.00	128.39	399.6	-6.5	8.2	10.5	3.00	3.00	
500.0	9.00	128.39	498.8	-14.6	18.4	23.5	3.00	3.00	
504.8	9.15	128.39	503.5	-15.1	19.0	24.3	3.00	3.00	EOB; Inc=9.15°
600.0	9.15	128.39	597.5	-24.5	30.9	39.4	0.00	0.00	
700.0	9.15	128.39	696.2	-34.3	43.3	55.3	0.00	0.00	
702.8	9.15	128.39	699.0	-34.6	43.7	55.7	0.00	0.00	Morrison
800.0	9.15	128.39	795.0	-44.2	55.8	71.2	0.00	0.00	
900.0	9.15	128.39	893.7	-54.1	68.3	87.1	0.00	0.00	
970.2	9.15	128.39	963.0	-61.0	77.0	98.2	0.00	0.00	Entrada
1,000.0	9.15	128.39	992.4	-63.9	80.7	103.0	0.00	0.00	
1,100.0	9.15	128.39	1,091.1	-73.8	93.2	118.9	0.00	0.00	
1,200.0	9.15	128.39	1,189.9	-83.7	105.6	134.8	0.00	0.00	
1,207.2	9.15	128.39	1,197.0	-84.4	106.5	135.9	0.00	0.00	Navajo
1,300.0	9.15	128.39	1,288.6	-93.6	118.1	150.7	0.00	0.00	
1,400.0	9.15	128.39	1,387.3	-103.4	130.5	166.5	0.00	0.00	
1,500.0	9.15	128.39	1,486.1	-113.3	143.0	182.4	0.00	0.00	
1,600.0	9.15	128.39	1,584.8	-123.2	155.5	198.3	0.00	0.00	
1,700.0	9.15	128.39	1,683.5	-133.0	167.9	214.2	0.00	0.00	
1,702.5	9.15	128.39	1,686.0	-133.3	168.2	214.6	0.00	0.00	Kayenta
1,800.0	9.15	128.39	1,782.2	-142.9	180.4	230.1	0.00	0.00	
1,900.0	9.15	128.39	1,881.0	-152.8	192.8	246.0	0.00	0.00	
1,999.3	9.15	128.39	1,979.0	-162.6	205.2	261.8	0.00	0.00	Wingate
2,000.0	9.15	128.39	1,979.7	-162.7	205.3	261.9	0.00	0.00	
2,100.0	9.15	128.39	2,078.4	-172.5	217.7	277.8	0.00	0.00	
2,161.3	9.15	128.39	2,139.0	-178.6	225.4	287.6	0.00	0.00	Chinle/Cutler
2,200.0	9.15	128.39	2,177.2	-182.4	230.2	293.7	0.00	0.00	
2,300.0	9.15	128.39	2,275.9	-192.3	242.7	309.6	0.00	0.00	
2,400.0	9.15	128.39	2,374.6	-202.1	255.1	325.5	0.00	0.00	
2,500.0	9.15	128.39	2,473.3	-212.0	267.6	341.4	0.00	0.00	
2,600.0	9.15	128.39	2,572.1	-221.9	280.0	357.3	0.00	0.00	
2,700.0	9.15	128.39	2,670.8	-231.7	292.5	373.2	0.00	0.00	
2,800.0	9.15	128.39	2,769.5	-241.6	304.9	389.1	0.00	0.00	
2,900.0	9.15	128.39	2,868.3	-251.5	317.4	404.9	0.00	0.00	
2,958.9	9.15	128.39	2,926.5	-257.3	324.7	414.3	0.00	0.00	Start Drop -3.00
3,000.0	7.91	128.39	2,967.1	-261.1	329.5	420.4	3.00	-3.00	
3,100.0	4.91	128.39	3,066.4	-268.0	338.3	431.6	3.00	-3.00	
3,200.0	1.91	128.39	3,166.2	-271.7	342.9	437.5	3.00	-3.00	
3,263.8	0.00	0.00	3,230.0	-272.4	343.8	438.6	3.00	-3.00	EOD; Inc=0 - Hktr Mkr 5
3,300.0	0.00	0.00	3,266.2	-272.4	343.8	438.6	0.00	0.00	
3,400.0	0.00	0.00	3,366.2	-272.4	343.8	438.6	0.00	0.00	
3,500.0	0.00	0.00	3,466.2	-272.4	343.8	438.6	0.00	0.00	
3,600.0	0.00	0.00	3,566.2	-272.4	343.8	438.6	0.00	0.00	
3,700.0	0.00	0.00	3,666.2	-272.4	343.8	438.6	0.00	0.00	
3,800.0	0.00	0.00	3,766.2	-272.4	343.8	438.6	0.00	0.00	
3,900.0	0.00	0.00	3,866.2	-272.4	343.8	438.6	0.00	0.00	
4,000.0	0.00	0.00	3,966.2	-272.4	343.8	438.6	0.00	0.00	
4,063.8	0.00	0.00	4,030.0	-272.4	343.8	438.6	0.00	0.00	Hktr Mkr 1
4,100.0	0.00	0.00	4,066.2	-272.4	343.8	438.6	0.00	0.00	

## Cathedral Energy Services Planning Report

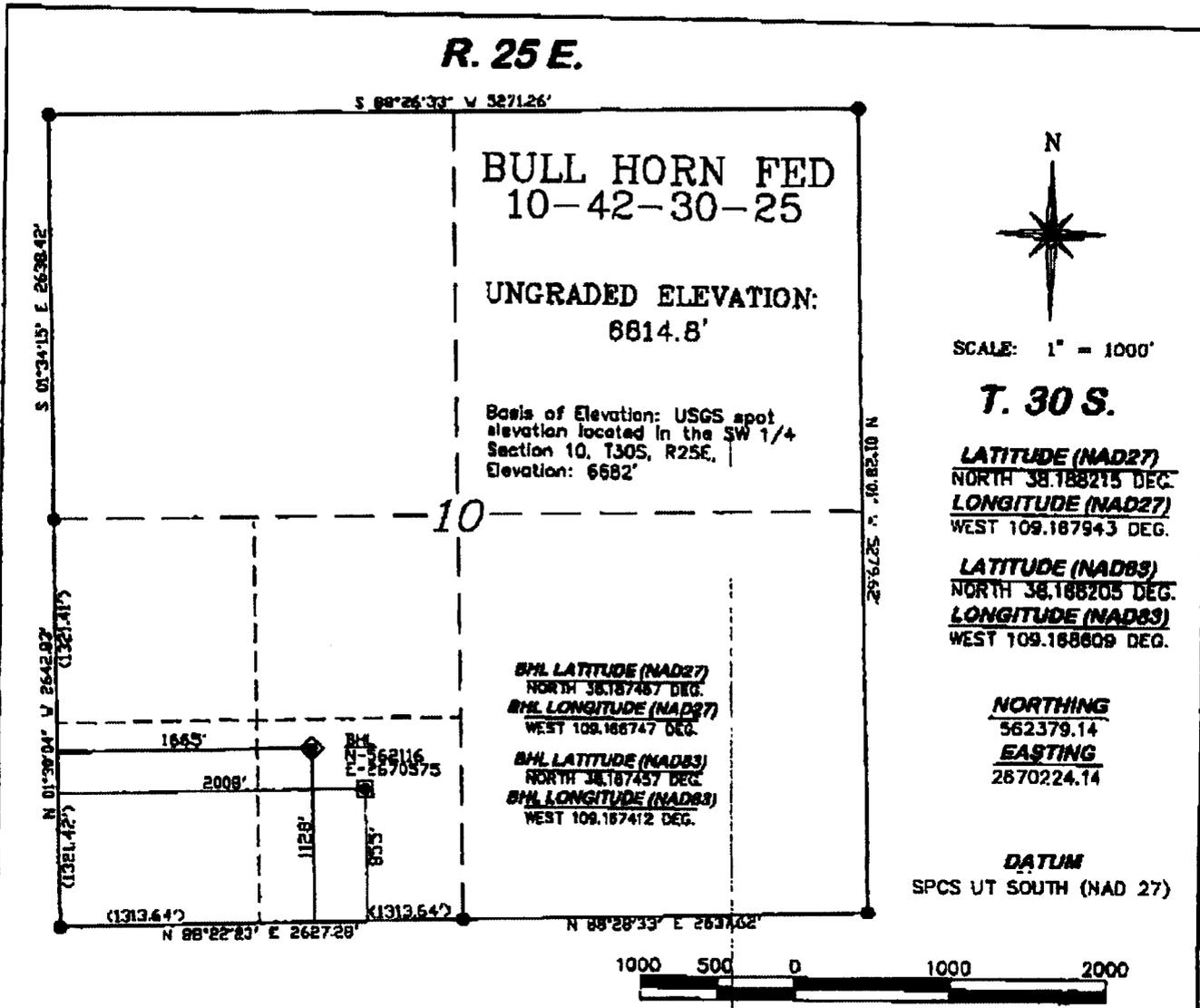
<b>Database:</b> EDM 2003.16 US Multi Users DB	<b>Local Co-ordinate Reference:</b> Well Bull Horn Fed 10-42-30-25
<b>Company:</b> EnCana Oil & Gas (USA) Inc	<b>TVD Reference:</b> WELL @ 6834.0ft (Original Well Elev)
<b>Project:</b> Paradox (Nad 27)	<b>MD Reference:</b> WELL @ 6834.0ft (Original Well Elev)
<b>Site:</b> NWSW Sec 10-T30S-R25E	<b>North Reference:</b> True
<b>Well:</b> Bull Horn Fed 10-42-30-25	<b>Survey Calculation Method:</b> Minimum Curvature
<b>Wellbore:</b> DD	
<b>Design:</b> Plan #3	

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
4,200.0	0.00	0.00	4,166.2	-272.4	343.8	438.6	0.00	0.00	
4,238.8	0.00	0.00	4,205.0	-272.4	343.8	438.6	0.00	0.00	Drillers TD @ 4205'TVD,4238'MD - Bull Horn Fed

Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Bull Horn Fed 10-42-30- - hit/miss target - Shape - Circle (radius 50.0)	0.00	0.00	4,205.0	-272.4	343.8	562,115.50	2,670,574.72	38.187467	-109.166747

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
702.8	699.0	Morrison		0.00		
970.2	963.0	Entrada		0.00		
1,207.2	1,197.0	Navajo		0.00		
1,702.5	1,686.0	Kayenta		0.00		
1,999.3	1,979.0	Wingate		0.00		
2,161.3	2,139.0	Chinle/Cutler		0.00		
3,263.8	3,230.0	Hktr Mkr 5		0.00		
4,063.8	4,030.0	Hktr Mkr 1		0.00		

Plan Annotations				
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
200.0	200.0	0.0	0.0	KOP @ 200'
504.8	503.5	-15.1	19.0	EOB; Inc=9.15°
2,958.9	2,926.5	-257.3	324.7	Start Drop -3.00
3,263.8	3,230.0	-272.4	343.8	EOD; Inc=0
4,238.8	4,205.0	-272.4	343.8	Drillers TD @ 4205'TVD,4238'MD



**SURVEYOR'S STATEMENT**

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on APRIL 11, 2007, and it correctly shows the location of BULL HORN FED 10-42-30-25.

**NOTES**

- ◆ WELL LOCATION
- FOUND MONUMENT (BC)
- APPROXIMATE BHL

REGISTERED LAND SURVEYOR  
Clement R. Williams  
UTAH PLS No. 177178-2201  
9/26/07

EXHIBIT 1

**DRG** 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. 15048  
REVISED: 9/25/07

**1128' F/SL & 1665' F/WL, SECTION 10,  
T. 30 S., R. 25 E., SALT LAKE B.M.  
SAN JUAN COUNTY, UTAH**

# 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)

October 4, 2007

Memorandum

To: Assistant Field Office Manager Resources,  
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2007 Plan of Development Bull Horn 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 bottom hole has changed. The wells are planned for calendar year 2007 within the Bull Horn Unit, San Juan County, Utah (for previous locations refer to our memorandums of 5/7/2007 and 6/4/2007).

API#	WELL NAME	LOCATION
(Proposed PZ Honaker Trail)		
43-037-31864	Bull Horn Fed 10-31-30-25	Sec 10 T30S R25E 2554 FSL 0738 FWL BHL Sec 10 T30S R25E 2134 FSL 0777 FWL
43-037-31861	Bull Horn Fed 10-42-30-25	Sec 10 T30S R25E 1128 FSL 1665 FWL BHL Sec 10 T30S R25E 0855 FSL 2008 FWL

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

/s/ Michael L. Coulthard

bcc: File - Bull Horn Unit



**EnCana Oil & Gas (USA) Inc.**

**EnCana Oil & Gas (USA) Inc.** tel: 720-876-5339  
370 – 17<sup>th</sup> Street  
Suite 1700 fax: 720-876-6339  
Denver, CO 80202  
[www.encana.com](http://www.encana.com)

October 4, 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: New BHL Bull Horn Fed 10-42-30-25**  
Section 10, T30S R25E  
San Juan County, UT

**Dear Ms. Mason:**

**EnCana Oil & Gas (USA) Inc. is requesting approval to directionally drill the subject well to a new BHL 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 approved Bull Horn Fed 10-42-30-25 application:**

- **EnCana Oil & Gas (USA) Inc. & Cabot Oil & Gas own all oil & gas within 460' of the intended well bore.**
- **Surface and Bottom Hole located on BLM Lease No. UTU-73190 and within the Bull Horn Unit and the Big Indian (South) Field.**
- **SESW, Section 10, T30S R25E, San Juan County, Utah.**
- **Location plat with surface and bottom hole locations attached.**
- **Cabot's letter of consent attached.**
- **Proposed Directional Report attached.**

**EnCana is drilling this well as a directional well do to topographical and geologic conditions above the bottom hole target. The BLM has been notified of our request to move the BHL for our approved Bull Horn Fed 10-42-30-25 well.**

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

**Sincerely,**

A handwritten signature in black ink, appearing to read "Jevin Croteau".

**Jevin Croteau**  
Regulatory Analyst

**Attachment**

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

FORM 6

**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
4303731861	Bull Horn Fed 10-42-30-25		SESW	10	30S	25E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	14393	10/27/2007			11/20/07	
Comments: <u>HNKRT = CTUSA</u> <u>BHL = SESW</u>							

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**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 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

Operations Tech

10/29/2007

Title

Date

**RECEIVED**

**OCT 31 2007**

DIV. OF OIL, GAS & MINING



**CONFIDENTIAL**

**pason systems usa corp.**

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

43-037-31861  
10 30s 25e

November 1, 2007

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

**RE: ENCANA OIL & GAS (USA), INC.  
BULL HORN FEDERAL 10-42-20-25  
SEC. 10, T30S, R25E 30  
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,

Bill Nagel  
Geology Manager  
Pason Systems USA  
BN/gdr

Encl: 1 Computer Colored Log.

Cc: Chris Amador, EnCana Oil & Gas (USA), Inc., Denver, CO.

**RECEIVED**  
**NOV 05 2007**  
**DIV. OF OIL, GAS & MINING**

43-037-31861

10 30s 25e



# REGULATORY DRILLING SUMMARY

Well : Bull Horn Federal 10-42-30-25      API # : 4303731861      Operations Date : 10/31/2007  
 Surface Location : SESW Sec 10 T30S - R25E 6th PM      Area : Bull Horn      Report # : 11  
 Spud Date :      Days From Spud : 9      Depth At 06:00 :  
 Morning Operations : Rig down & move rig off location      Estimated Total Depth : 4200

Remarks :  
 Rig released @ 12:00 hrs 10/30/07

Time To	Description
12:00 PM	Install & test tubing head
3:00 PM	Load out rental equipment

Well : Bull Horn Federal 10-42-30-25      API # : 4303731861      Operations Date : 10/31/2007  
 Surface Location : SESW Sec 10 T30S - R25E 6th PM      Area : Bull Horn      Report # : 11  
 Spud Date :      Days From Spud : 9      Depth At 06:00 :  
 Morning Operations : Rig down & move rig off location      Estimated Total Depth : 4200

Remarks :  
 Rig released @ 12:00 hrs 10/30/07

Time To	Description
12:00 PM	Install & test tubing head
3:00 PM	Load out rental equipment

Well : Bull Horn Federal 10-42-30-25      API # : 4303731861      Operations Date : 10/31/2007  
 Surface Location : SESW Sec 10 T30S - R25E 6th PM      Area : Bull Horn      Report # : 11  
 Spud Date :      Days From Spud : 9      Depth At 06:00 :  
 Morning Operations : Rig down & move rig off location      Estimated Total Depth : 4200

Remarks :  
 Rig released @ 12:00 hrs 10/30/07

Time To	Description
12:00 PM	Install & test tubing head
3:00 PM	Load out rental equipment

Well : Bull Horn Federal 10-42-30-25      API # : 4303731861      Operations Date : 10/30/2007  
 Surface Location : SESW Sec 10 T30S - R25E 6th PM      Area : Bull Horn      Report # : 10  
 Spud Date :      Days From Spud : 8      Depth At 06:00 : 4415  
 Morning Operations : Nipple down BOP      Estimated Total Depth : 4200

Remarks :  
 Plug down @ 04:30 hrs 10/30/07

Time To	Description
11:00 AM	Wireline logging
3:30 PM	RIH to lay down pipe
5:00 PM	Circulate
11:00 PM	Lay down pipe
2:30 AM	Run 5.5" casing
3:30 AM	Circulate
4:30 AM	Mix & pump cement
6:00 AM	Set slips nipple down BOP

# REGULATORY DRILLING SUMMARY



Well : Bull Horn Federal 10-42-30-25	API # : 4303731861	Operations Date : 10/29/2007
Surface Location : SESW Sec 10 T30S - R25E 6th PM	Area : Bull Horn	Report # : 9
Spud Date :	Days From Spud : 7	Depth At 06:00 : 4415
Morning Operations : Logging		Estimated Total Depth : 4200

Remarks :

Time To	Description
7:00 AM	Drilling
7:30 AM	Service rig
5:30 PM	Directional drilling 8.75" hole
6:30 AM	Circulate
10:30 PM	Wiper trip to casing shoe
12:00 AM	Circulate
5:00 AM	POH & lay down directional tools
6:00 AM	Logging

Well : Bull Horn Federal 10-42-30-25	API # : 4303731861	Operations Date : 10/28/2007
Surface Location : SESW Sec 10 T30S - R25E 6th PM	Area : Bull Horn	Report # : 8
Spud Date :	Days From Spud : 6	Depth At 06:00 : 4020
Morning Operations : Drilling		Estimated Total Depth : 4200

Remarks :

Time To	Description
11:00 AM	Drilling
11:30 AM	Service rig
6:00 AM	Directional drilling 8.75" hole

Well : Bull Horn Federal 10-42-30-25	API # : 4303731861	Operations Date : 10/27/2007
Surface Location : SESW Sec 10 T30S - R25E 6th PM	Area : Bull Horn	Report # : 7
Spud Date :	Days From Spud : 5	Depth At 06:00 : 3060
Morning Operations : Drilling		Estimated Total Depth : 4200

Remarks :

Time To	Description
11:00 AM	Test BOP & choke manifold
4:00 PM	Pick up tools, RIH
4:30 PM	Drill plug & cement
6:00 AM	Directional drilling 8.75" hole

# REGULATORY DRILLING SUMMARY



<b>Well :</b> Bull Horn Federal 10-42-30-25	<b>API # :</b> 4303731861	<b>Operations Date :</b> 10/26/2007
<b>Surface Location :</b> SESW Sec 10 T30S - R25E 6th PM	<b>Area :</b> Bull Horn	<b>Report # :</b> 6
<b>Spud Date :</b>	<b>Days From Spud :</b> 4	<b>Depth At 06:00 :</b> 2320
<b>Morning Operations :</b> Test BOP		<b>Estimated Total Depth :</b> 4200

Remarks :

Time To	Description
7:00 AM	POH, lay down directional tools
11:30 AM	Run 54 jts 9.625" surface casing landed @ 2307'
12:30 PM	Circulate
2:30 PM	Mix & pump cement
5:30 PM	Cut off conductor, weld on & test well head
10:30 PM	Nipple up BOP
6:00 AM	Test casing & BOP

<b>Well :</b> Bull Horn Federal 10-42-30-25	<b>API # :</b> 4303731861	<b>Operations Date :</b> 10/25/2007
<b>Surface Location :</b> SESW Sec 10 T30S - R25E 6th PM	<b>Area :</b> Bull Horn	<b>Report # :</b> 5
<b>Spud Date :</b>	<b>Days From Spud :</b> 3	<b>Depth At 06:00 :</b> 2320
<b>Morning Operations :</b> POH, lay down tools		<b>Estimated Total Depth :</b> 4200

Remarks :

Time To	Description
6:30 AM	Circulate, pump sweep
11:00 AM	Trip for bit
1:30 PM	Drilling
2:00 PM	Service rig
10:30 PM	Drilling
11:30 PM	Circulate
3:00 AM	Wiper trip
4:00 AM	Circulate
6:00 AM	POH, lay down directional tools

<b>Well :</b> Bull Horn Federal 10-42-30-25	<b>API # :</b> 4303731861	<b>Operations Date :</b> 10/24/2007
<b>Surface Location :</b> SESW Sec 10 T30S - R25E 6th PM	<b>Area :</b> Bull Horn	<b>Report # :</b> 4
<b>Spud Date :</b>	<b>Days From Spud :</b> 2	<b>Depth At 06:00 :</b> 1785
<b>Morning Operations :</b> Drilling		<b>Estimated Total Depth :</b> 4200

Remarks :

Time To	Description
8:30 AM	Drilling
9:00 AM	Service rig
9:30 AM	Drilling
10:00 AM	Lost circulation / mix LCM
3:30 AM	Drilling
4:00 AM	Move & prime transfer pump
6:00 AM	Directional drilling 12.25" surface hole

Lost circulation @ 950', lost aprox 300 bbls. Regained returns continued to lose aprox 50 bbls per hr until 1700'.

# REGULATORY DRILLING SUMMARY



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Well : Bull Horn Federal 10-42-30-25      API # : 4303731861      Operations Date : 10/23/2007  
Surface Location : SESW Sec 10 T30S - R25E 6th PM      Area : Bull Horn      Report # : 3  
Spud Date :      Days From Spud : 1      Depth At 06:00 : 775  
Morning Operations : Drilling      Estimated Total Depth : 4200

Remarks :  
Spud @ 1400 hrs 10/22/07

Time To	Description
12:00 PM	Rig up
2:00 PM	Pick up & calibrate directional tools
6:00 AM	Directional drilling 12.25" surface hole

---

Well : Bull Horn Federal 10-42-30-25      API # : 4303731861      Operations Date : 10/22/2007  
Surface Location : SESW Sec 10 T30S - R25E 6th PM      Area : Bull Horn      Report # : 2  
Spud Date :      Days From Spud : 0      Depth At 06:00 :  
Morning Operations : Rig up      Estimated Total Depth : 4200

Remarks :

Time To	Description
6:00 AM	Move in & rig up

---

Well : Bull Horn Federal 10-42-30-25      API # : 4303731861      Operations Date : 10/21/2007  
Surface Location : SESW Sec 10 T30S - R25E 6th PM      Area : Bull Horn      Report # : 1  
Spud Date :      Days From Spud : -1      Depth At 06:00 :  
Morning Operations : Move rig      Estimated Total Depth : 4200

Remarks :

Time To	Description
6:00 AM	Move rig

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Well : Bull Horn Federal 10-42-30-25      API # : 4303731861      Operations Date : 10/20/2007  
Surface Location : SESW Sec 10 T30S - R25E 6th PM      Area : Bull Horn      Report # :  
Spud Date :      Days From Spud : -2      Depth At 06:00 :  
Morning Operations : Move rig      Estimated Total Depth : 4200

Remarks :

Time To	Description
6:00 AM	Rig down, prepare to move rig

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires: July 1, 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. Reserv.,  
 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)\*  
 1128' FSL & 1665' FWL  
 At surface  
 At top prod. interval reported below  
 At total depth **818 fsl 1995 fwl**

14. Date Spudded 10/22/2007  
 15. Date T.D. Reached 10/28/2007  
 16. Date Completed 11/10/2007  
 D & A  Ready to Prod.

18. Total Depth: MD 4415'  
TVD 4374.04'  
 19. Plug Back T.D.: MD 4372'  
TVD 4332'  
 20. Depth Bridge Plug Set: MD  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
**CBL MUD, SD, DSN, HRI**  
 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	2307'	2307'	770		Surface	
8.75	5.5"	17#	Surface	4402'	4415'	610		1850'	

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 7/8"	4140'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Honaker Trail	3658'		3660'-3700'	3 3/8"	80	
B)			3792'-3834'	3 3/8"	66	
C)			4055'-4165'	3 3/8"	76	
D)			4300'-4320'	3 3/8"	40	

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

Depth Interval	Amount and Type of Material
4300'-4320'	SLB 30000 gal slickwater N2, 4157 gal slickwater flush 45000# 20/40 Jordan-unimin sand
4055'-4165'	SLB 34000 gal slickwater N2 3917 gal of slickwater flush 44000# 20/40 Jordan unimin sand
3792'-3834'	SLB 30000 gal slickwater N2 3661 gal of slickwater 45000# 20/40 Jordan-unimin sand
3660'-3700'	SLB 34000 gal slickwater N2 3532 gal of slickwater 54000# 20/40 Jordan-unimin sand

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
11/13/07	11/13/07	18	→	5	1048	5			
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
32/64	SI		→	5	1048	5		P	

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	
	SI		→						

*Chgs. per eng. review by DKD*

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

FORM 3160-4  
(August, 1999)

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**REVISED**

FORM APPROVED  
OMB NO. 1004-0137  
Expires: November 30, 2000

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG \***

1a. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Dry <input type="checkbox"/> Other: _____		5. Lease Serial No. <b>UTU 73190</b>
1b. Type of Completion: New Well <input type="checkbox"/> Workover <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Reserv. <input type="checkbox"/> Other: _____		6. If Indian, Allottee or Tribe Name _____
2. Name of Operator <b>EnCana Oil &amp; Gas (USA) Inc.</b>		7. Unit or CA Agreement Name and No. <b>Bull Horn</b>
3. Address <b>370 Seventeenth Street, Suite 1700, Denver, CO 80202</b>		8. Lease Name and Well No. <b>Bull Horn Fed 10-42-30-25</b>
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At Surface 1128' FSL & 1665' FWL At top prod. interval reported below  At total depth		9. API Well No. <b>43-037-31861</b>
14. Date Spudded <b>10/22/2007</b>		10. Field and Pool, or Exploratory <b>Wildcat</b>
15. Date T.D. Reached <b>10/28/2007</b>		11. Sec., T., R., M., on Block and Survey or Area <b>10 T30S R25E SESW</b>
16. Date Completed. (prod) <input type="checkbox"/> D&A <input checked="" type="checkbox"/> Ready to Prod.		12. County/Parish <b>San Juan</b>
17. Elevations (DF, RKB, RT, GL)* <b>6798.0 GL</b>		13. State <b>UT</b>

18. Total Depth: MC MD <b>4415'</b> TVD <b>4374.04'</b>	19. Plug Back T.D.: MD <b>4372'</b> TVD _____	20. Depth Bridge Plug Set: MD _____ TVD <b>MD</b>
--	--	--

21. Type Electric & Other Mechanical Logs Run (Submit Copy of each) <b>CBL</b>	22. Was Well Cored? <input type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)
	Was DST run? <input type="checkbox"/> No <input type="checkbox"/> Yes (Submit report)
	Directional Survey? <input type="checkbox"/> No <input type="checkbox"/> 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 Skis & Type of Cement	Slurry vol. (BBL)	Cement Top*	Amount Pulled
12.25	9.625"	36#	Surface	2307'	2307'	770		Surface	
8.75	5.5"	17#	Surface	4402'	4415'	610		1850'	

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 7/8"	414							

25. Producing Intervals			26. Perforation Record			
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf Status
<b>A) Honaker Trail</b>	3658'		2829'-3196'	3 3/8"	80	
<b>B)</b>			3660'-3700'	3 3/8"	66	
<b>C)</b>			3792'-3834'	3 3/8"	76	
<b>D)</b>			4055'-4165'	3 3/8"	40	
<b>E)</b>			4300'-4320'	3 3/8"	336	
<b>F)</b>						
<b>G)</b>						

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

Depth Interval	Amount and Type of Material
<b>4300'-4320'</b>	SLB 30000 gal slickwater N2, 4157 gal slickwater flush 45000# 20/40 Jordan unimin sand
<b>4055'-4165'</b>	SLB 34000 gal slickwater N2, 3917 gal slickwater flush 44000# 20/40 Jordan unimin sand
<b>3792'-3834'</b>	SLB 30000 gal slickwater N2, 3661 gal slickwater flush 45000# 20/40 Jordan unimin sand
<b>3660'-3700'</b>	SLB 34000 gal slickwater N2, 3532 gal slickwater flush 54000# 20/40 Jordan unimin sand

28. Production - Interval A

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Corr.	Gas Gravity	Production Method
<b>11/13/2007</b>	<b>11/13/2007</b>	<b>18</b>		<b>5</b>	<b>1048</b>	<b>5</b>	<b>API</b>		
Choke Size	Tbg Press. Pwng./SI	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	
<b>32/64</b>				<b>5</b>	<b>1048</b>	<b>5</b>			

28a. Productin - Interval B

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Corr.	Gas Gravity	Production Method
							<b>API</b>		
Choke Size	Tbg Press. Pwng./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 reverse side)

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28b. Production - Interval C

Date First Prod	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 Prod	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 ( Sold, 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

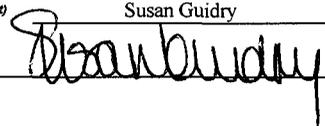
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Honaker Trail	3658'

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. 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  Date May 28, 2008

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.

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 DIV. OF OIL, GAS & MINING

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

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

CA No.		Unit:		BULL HORN				
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
- Is the new operator registered in the State of Utah: Business Number: 7655540-0161
- (R649-9-2) Waste Management Plan has been received on: \* \* requested 9/27/10
- Inspections of LA PA state/fee well sites complete on: \* \* requested 9/27/10
- 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
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number RLB0013207 & B006008
- 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		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached List		8. WELL NAME and NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		9. API NUMBER:
PHONE NUMBER: (303) 623-2300		10. FIELD AND POOL, OR WMLDCAT:
COUNTY:		<b>UTAH</b>
STATE:		

**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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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.

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. *RLB 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) Ricardo D. Gallegos TITLE Attorney-in-Fact  
SIGNATURE *[Signature]* DATE 5/4/2010

(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  
 BULL HORN

well_name	sec	twp	rng	api	entity	lease	well	stat	C
BULL HORN U 10-43	10	300S	250E	4303731831	14393	Federal	GW	S	
BULL HORN FED 9-14-30-25	09	300S	250E	4303731843	14393	Federal	GW	S	
BULL HORN FED 15-14-30-25	15	300S	250E	4303731848	14393	Federal	GW	P	
BULL HORN FED 10-21-30-25	10	300S	250E	4303731849	14393	Federal	GW	P	
BULL HORN FED 10-42-30-25	10	300S	250E	4303731861	14393	Federal	GW	P	
BULL HORN FED 10-31-30-25	10	300S	250E	4303731864	14393	Federal	GW	S	
BULL HORN FED 15-13-30-25	15	300S	250E	4303731891		Federal	GW	APD	
BULL HORN FED 9-24-30-25	09	300S	250E	4303731894		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

September 2, 2010

Robert G. Davis, CPL  
Patara Oil & Gas, LLC.  
600 17<sup>th</sup> Street, Suite 1900 S  
Denver, CO 80202

Re: Successor Operator  
Bull Horn Unit UTU81301X  
San Jaun County, Utah

Dear Mr. Davis:

On August 30, 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 Bull Horn 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 September 2, 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 Bull Horn Unit Agreement.

Your statewide oil and gas bond, 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 Field Office, with the remaining copies returned herewith.

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

Sincerely,

*/s/ Roger L. Bankert*

Roger L. Bankert  
Chief, Branch of Minerals

**RECEIVED**

**SEP 07 2010**

**DIV. OF OIL, GAS & MINING**

Enclosure

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**

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

WELL NAME	CA No.			Unit:	Bull Horn			
	SEC	TWN	RNG	API NO	ENTITY NO	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  
 Bull Horn Unit

Well Name	Section	TWN	RNG	API Number	Entity	Lease Type	Well Type	Well Status
BULL HORN FED 9-14-30-25	09	300S	250E	4303731843	14393	Federal	GW	P
BULL HORN FED 10-21-30-25	10	300S	250E	4303731849	14393	Federal	GW	P
BULL HORN FED 10-42-30-25	10	300S	250E	4303731861	14393	Federal	GW	P
BULL HORN FED 10-31-30-25	10	300S	250E	4303731864	14393	Federal	GW	P
BULL HORN FED 15-13-30-25	15	300S	250E	4303731891	14393	Federal	GW	P
BULL HORN U 10-43	10	300S	250E	4303731831	14393	Federal	GW	S
BULL HORN FED 15-14-30-25	15	300S	250E	4303731848	14393	Federal	GW	S

RECEIVED

JAN 23 2013

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND 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
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S Denver CO 80202
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, and various actions like ACIDIZE, ALTER CASING, OPERATOR CHANGE, etc.

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)

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
COUNTY: <u>San Juan, UT</u>		10. FIELD AND POOL, OR WILDCAT: n/a
STATE: <u>UTAH</u>		

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

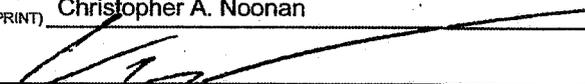
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT 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 &amp; 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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-73190
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b> BULL HORN
<b>2. NAME OF OPERATOR:</b> CCI PARADOX UPSTREAM, LLC		<b>8. WELL NAME and NUMBER:</b> BULL HORN FED 10-42-30-25
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street, Suite 1900S , Denver, CO, 80202		<b>9. API NUMBER:</b> 43037318610000
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1128 FSL 1665 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESW Section: 10 Township: 30.0S Range: 25.0E Meridian: S		<b>9. FIELD and POOL or WILDCAT:</b> BIG INDIAN (HERMOSA)
		<b>COUNTY:</b> SAN JUAN
		<b>STATE:</b> 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"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 5/30/2013	<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 type="text"/>

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

CCI resumed production on this well on 5/30/2013, producing 135 Mcf of gas, 0 bbls of oil and 0 bbls of water, with a ftp of 219 psi, fcp of 387 psi. Please contact the undersigned with any questions. Thank you.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
June 19, 2013**

<b>NAME (PLEASE PRINT)</b> Christopher Noonan	<b>PHONE NUMBER</b> 303 563-5377	<b>TITLE</b> Regulations Supervisor
<b>SIGNATURE</b> N/A	<b>DATE</b> 6/18/2013	