



EnCana Oil & Gas (USA) Inc.

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

www.encana.com

November 19, 2007

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

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

To Whom It May Concern:

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

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

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

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

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

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

Sincerely,

Jevin Croteau
Regulatory Analyst

Enclosure

RECEIVED

NOV 20 2007

DIV. OF OIL, GAS & MINING

**CONFIDENTIAL
TIGHT HOLE**

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ST-UT-37067	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Middle Mesa Unit	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.			9. WELL NAME and NUMBER: Middle Mesa State 36-24B-29-24	
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: South Pine Ridge <i>South Pine Ridge</i>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <i>655656x 4233494Y 38.237842 -109.221449</i> 2562' FNL & 1172' FEL			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 36 29S 24E S	
AT PROPOSED PRODUCING ZONE: 1993' FNL & 704' FEL <i>655796x 4233671Y 38.239416 -109.219810</i>				
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 7.5 miles southeast of La Sal, UT			12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 704' BHL	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 750'	19. PROPOSED DEPTH: 5,650	20. BOND DESCRIPTION: RLB0001191		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6847.3'	22. APPROXIMATE DATE WORK WILL START: 3/1/2008	23. ESTIMATED DURATION: 15 Days		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	J-55	36#	600	Class G + 2% gel	200sx	2.09 cuft/sx	12.5#
8 3/4	5 1/2	I-80	17#	5,650	50/50 poz: Class G	1300sx	1.43 cuft/sx	13#

25. **ATTACHMENTS**

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

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst

SIGNATURE *[Signature]* DATE 11/19/07

(This space for State use only)

API NUMBER ASSIGNED: 43-037-31878

Approved by the
Utah Division of
Oil, Gas and Mining

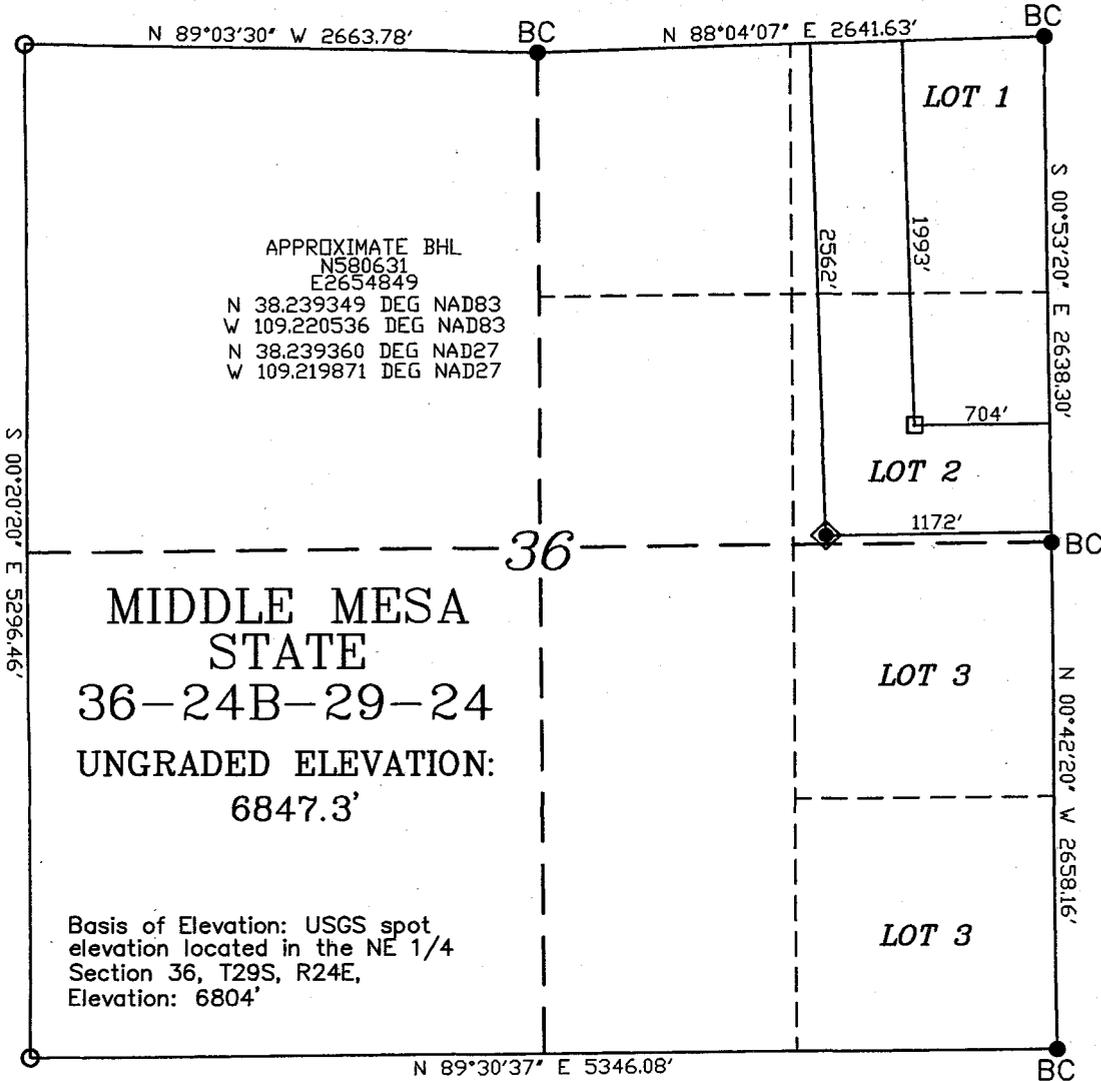
RECEIVED
NOV 20 2007

APPROVAL:

Date: 02-04-08
By: *[Signature]*

DIV. OF OIL, GAS & MINING

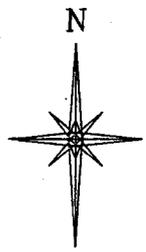
R. 24 E.



APPROXIMATE BHL
 N580631
 E2654849
 N 38,239349 DEG NAD83
 W 109,220536 DEG NAD83
 N 38,239360 DEG NAD27
 W 109,219871 DEG NAD27

MIDDLE MESA STATE
36-24B-29-24
 UNGRADED ELEVATION:
 6847.3'

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



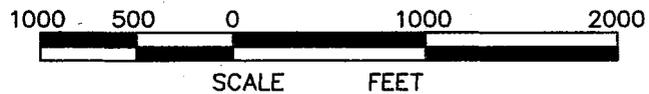
SCALE: 1" = 1000'

T. 29 S.

LATITUDE (NAD 27)
 NORTH 38.237787 DEG.
LONGITUDE (NAD 27)
 WEST 109.221519 DEG.
LATITUDE (NAD 83)
 NORTH 38.237776 DEG.
LONGITUDE (NAD 83)
 WEST 109.222184 DEG.

NORTHING
 580046.35
EASTING
 2654390.04

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 OCTOBER 15, 2007, and it correctly shows the location of MIDDLE MESA STATE 36-24B-29-24.

NOTES

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

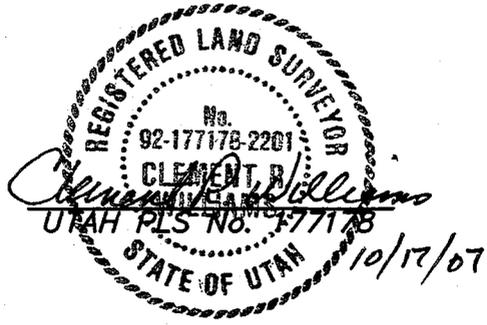


EXHIBIT 1

	PLAT OF DRILLING LOCATION FOR ENCANA OIL & GAS (USA) INC.	
	2562' F/NL & 1172' F/EL, SECTION 36, T. 29 S., R. 24 E., SALT LAKE P.M. SAN JUAN COUNTY, UTAH	
	1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	SCALE: 1" = 1000' JOB No. 15014 DATE: 10/15/07



ION 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 (t32868)

Temporary Change Application Number 05-6 (t32868) in the name of Charles Hardison Redd was filed on April 19, 2007, to change the point of diversion, place of use, and change the 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; Sections 2, 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 water is to be used for drilling 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 2, 8, 11, 14, 27, T29S, R24E, SLB&M; Section 8, T29S, R26E, SLB&M; Section 4, 9, 10, 14, 15, T30S, R25E, 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.

In evaluating the various elements of the underlying rights, it is not the intention of the State Engineer to adjudicate the extent of these rights, but rather to provide sufficient definition of the rights to assure that other vested rights are not impaired by the change and/or no enlargement occurs. If, in a subsequent action, the court adjudicates that this right is entitled to either more or less water, the State Engineer will adjust the figures accordingly.

It is, therefore, **ORDERED** and Temporary Change Application Number 05-6 (t32868) 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.

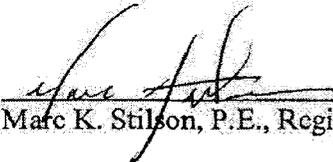
The applicant is advised to contact the Stream Alteration Section of the Division of Water Rights to ascertain if a Stream Alteration permit is required for this Temporary Change Application.

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 (132868)
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 26 day of April, 2007.



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

Mailed a copy of the foregoing Order this 26 day of April, 2007 to:

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

Stream Alteration Section
Division of Water Rights

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

1. EXISTING ROADS

- a. The proposed well site is located on an existing well pad approximately 7.5 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 8.5 miles. Turn right on Coppermill Road travel South for approximately 4.3 miles. Turn left travel easterly approximately 2 miles. Turn left on an existing road and travel northeasterly for approximately 0.6 miles to the proposed road and travel easterly for 830 feet to the location.
- c. EnCana will obtain any permits needed from the San Juan County Road Department before any construction activities begin.
- d. Existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well as per the road use agreement.
- e. Dust control measures will be implemented during dry weather when necessary. These may include mag chloride or other palliative.

2. PLANNED ACCESS ROADS

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

by vehicles operated by EnCana or its contractors, on roads not identified as access routes in the APD, will not be allowed.

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

- a. Water Wells - 0
- b. Injection or Disposal Wells - 0
- c. Producing Wells – 6
- d. Drilling Wells – 0
- 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. The proposed gas gathering line will be buried from the well head to the battery site then to the tie-in point on location.
- c. All permanent structures (onsite for six months or longer) constructed or installed will be painted a flat, non-reflective earth tone color which will match the adjacent vegetation. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. The actual color will be specified by the Bureau of Land Management in the approved permit to drill.
- d. All site security guidelines identified in 43 CFR 3162.7-5 and specified in Onshore Order No. 3 shall be adhered to.
- e. The oil and gas measurement facilities will be installed on the well location. The gas flowline will be buried from the wellhead to the meter and downstream until it leaves the pad. Meter runs will be housed. Oil and gas meters will be calibrated prior to first sales and quarterly thereafter.
- f. If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery.
- g. Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Oil and Gas Order No. 7.

5. LOCATION AND TYPE OF WATER SUPPLY

- a. The source of water for drilling and completion purposes will be obtained from the La Sal Creek located in the 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.

7. METHODS FOR HANDLING WASTE DISPOSAL

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

8. ANCILLARY FACILITIES

No camps, airstrips or other facilities will be necessary.

9. WELLSITE LAYOUT

- a. The survey plats are attached.

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

10. PLANS FOR RECLAMATION OF THE SURFACE

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

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

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

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

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

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

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

11. SURFACE OWNERSHIP

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

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

12. OTHER INFORMATION

- a. A Class III archeological survey has been conducted by SWCA Environmental Consultants & 4 Corners Archaeological Services for the surface location, access road and pipeline right-of-way and has been sent under separate cover.

EnCana Oil & Gas (USA) Inc.
Middle Mesa State 36-24B-29-24
SENE, Section 36, T29S-R24E
2562' FNL & 1172' FEL
San Juan County, Utah

Lease No. STUT37067

The operator is responsible for informing all persons in the area who are associated with this project that they will be subjected to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the State of Utah Trust Lands Administration.

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

Permit Matters

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

Drilling & Completion Matters

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

Drilling Program

The proposed wellsite is located on State Surface/State Minerals

1. FORMATION TOPS/GEOLOGIC MARKERS

The estimated tops of important geologic markers are as follows:

Formation	Depth	Subsea
Dakota/Burro Canyon	Surface	+6847'
Navajo	1242'	+5605'
Wingate	1995'	+4852'
Chinle	2302'	+4545'
Cutler	2302'	+4545'
Honaker Trail	4102'	+2745'
La Sal	5522'	+1325'
TD	5572'	+1275'

2. ANTICIPATED DEPTH OF WATER, OIL & GAS

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

Substance	Formation	Depth
Gas	Honaker Trail	4102'
Gas	La Sal	5522'

3. BOP EQUIPMENT/REQUIREMENTS

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

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

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

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a

Drilling Program

Page 2

test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

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

As a minimum, the above test shall be performed:

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

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

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

Annular preventers (if used) shall be functionally operated at least weekly.

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

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

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

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

- a. The size and rating of the BOP stack is shown on the attached diagram.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. CASING AND CEMENTING PROGRAMS

The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0-600'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0-5650'	8-3/4"	5-1/2"	17#	I-80	LT&C	New

Casing design subject to revision based on geologic conditions encountered.

The cement program will be as follows:

Conductor	Type and Amount
Surface	Type and Amount
0-600'	200 sx Class 'G' 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg
Production	Type and Amount
600'-5650' MD	1300 sx Class 'G' 50/50 Poz 1.43 cuft/sx yield, 13 ppg

5. **MUD PROGRAM**

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

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

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

1. There will be sufficient mud on location to ensure well control.
2. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and Ph.

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

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

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

Application for Permit to Drill
EnCana Oil & Gas (USA), Inc.
Middle Mesa State 36-24B-29-24
2562' FNL & 1172' FEL (surface)
1993' FNL & 704' FEL (bottomhole)
Section 36-T29S-R24E
San Juan County, Utah

Lease No. ST-UT-37067

Drilling Program

Page 4

sidewall cores may be obtained in formations of interest.

7. ABNORMAL PRESSURES AND H₂S GAS

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

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

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

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

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

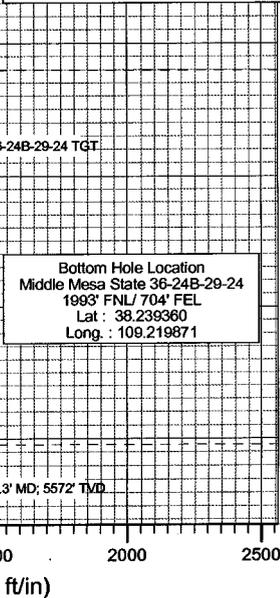
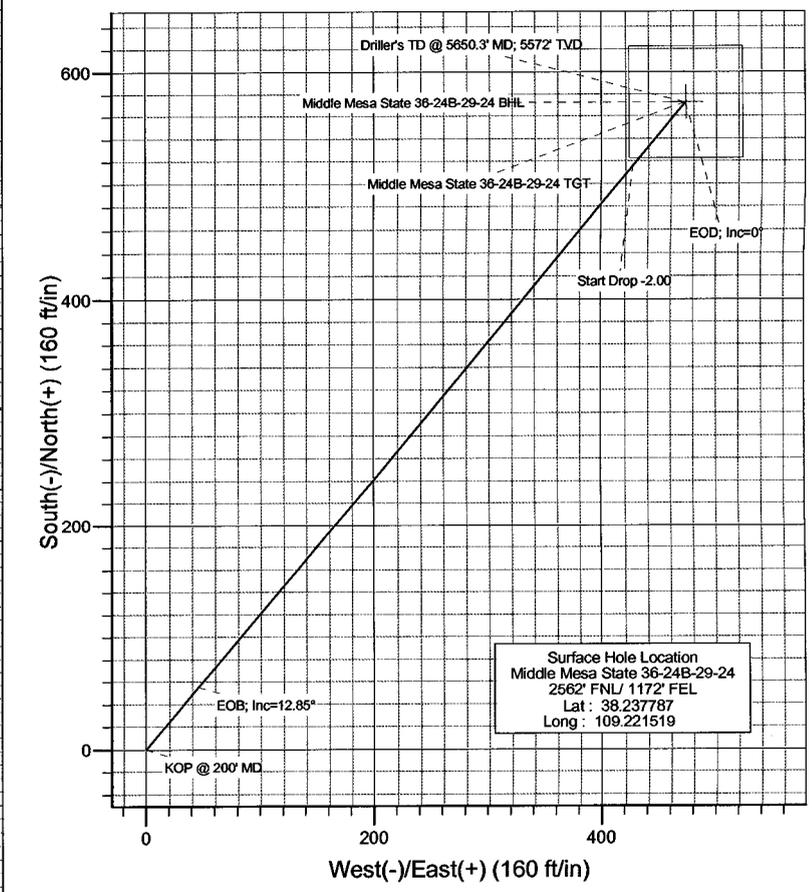
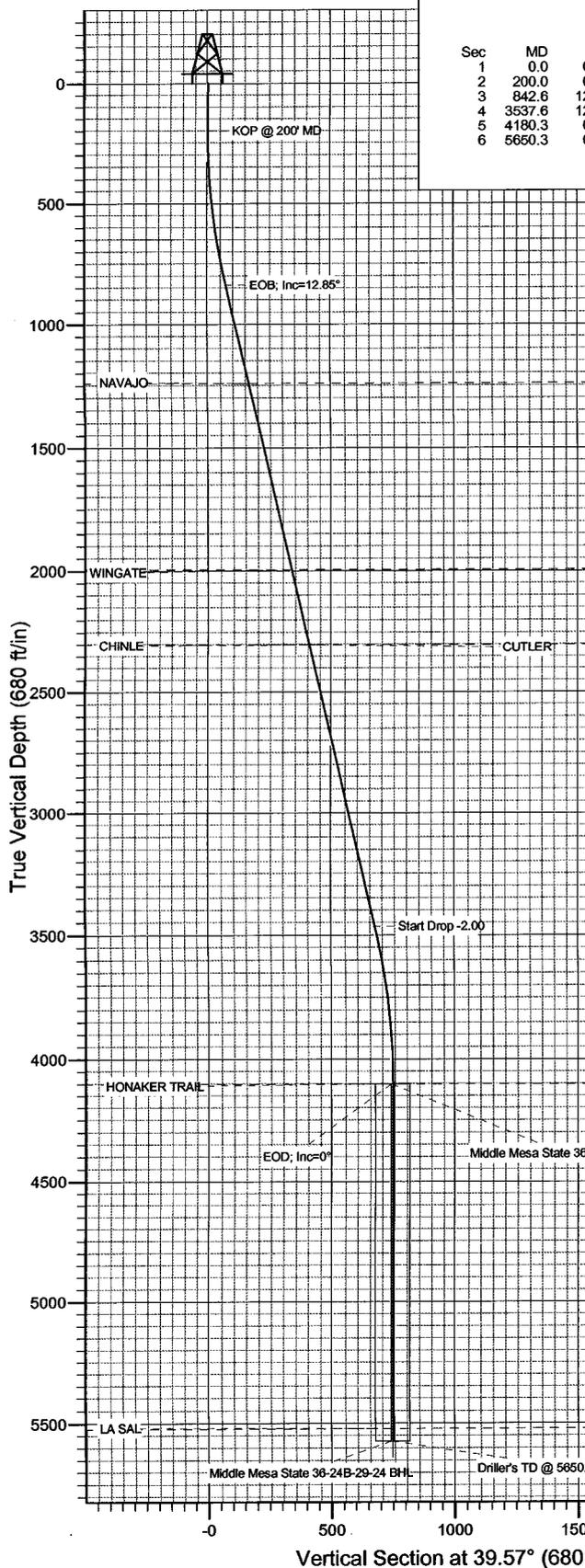


Project: Paradox (Nad 27)
 Site: NENW Sec36-T29S-R24E
 Well: Middle Mesa State 36-24B-29-24
 Wellbore: DD
 Design: Plan #1



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	842.6	12.85	39.57	837.3	55.3	45.7	2.00	39.57	71.8	
4	3537.6	12.85	39.57	3464.7	517.5	427.6	0.00	0.00	671.3	
5	4180.3	0.00	0.00	4102.0	572.8	473.3	2.00	180.00	743.0	Middle Mesa State 36-24B-29-24 TGT
6	5650.3	0.00	0.00	5572.0	572.8	473.3	0.00	0.00	743.0	Middle Mesa State 36-24B-29-24 BHL



Azimuths to True North
 Magnetic North: 11.13°
 Magnetic Field
 Strength: 51756.4snT
 Dip Angle: 64.55°
 Date: 11/2/2007
 Model: IGRF200510

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1242.0	1257.8	NAVAJO
1995.0	2030.1	WINGATE
2302.0	2345.0	CHINLE
2302.0	2345.0	CUTLER
4102.0	4180.3	HONAKER TRAIL
5522.0	5600.3	LA SAL

DESIGN DETAILS: Plan #1

75XXX; BAO
 KBE @ 6862.0ft (Original Well Elev)

Target	Azimuth	Origin	N/S	E/W	From TVD
Middle Mesa State 36-24B-29-24 BHL	39.57	Slot	0.0	0.0	0.0

Cathedral Energy Services Planning Report

Database: EDM 2003.16 US Multi User Db	Local Co-ordinate Reference: Well Middle Mesa State 36-24B-29-24	
Company: EnCana Oil & Gas (USA) Inc	TVD Reference: KBE @ 6862.0ft (Original Well Elev)	
Project: Paradox (Nad 27)	MD Reference: KBE @ 6862.0ft (Original Well Elev)	
Site: NENW Sec36-T29S-R24E	North Reference: True	
Well: Middle Mesa State 36-24B-29-24	Survey Calculation Method: Minimum Curvature	
Wellbore: DD		
Design: Plan #1		

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

Site	NENW Sec36-T29S-R24E				
Site Position:		Northing:	581,460.71 ft	Latitude:	38.241799
From:	Lat/Long	Easting:	2,652,453.04 ft	Longitude:	-109.228141
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence:	1.39 °

Well	Middle Mesa State 36-24B-29-24					
Well Position	+N/-S	0.0 ft	Northing:	580,046.39 ft	Latitude:	38.237787
	+E/-W	0.0 ft	Easting:	2,654,390.03 ft	Longitude:	-109.221519
Position Uncertainty		0.0 ft	Wellhead Elevation:	ft	Ground Level:	6,847.0 ft

Wellbore	DD				
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF200510	11/2/2007	(°)	(°)	(nT)
			11.14	64.55	51,756

Design	Plan #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(ft)	(ft)	(ft)	(°)
	0.0	0.0	0.0	39.57

Plan Sections										
Measured	Inclination	Azimuth	Vertical	+N/-S	+E/-W	Dogleg	Build	Turn	TFO	Target
Depth	(°)	(°)	Depth	(ft)	(ft)	Rate	Rate	Rate	(°)	
(ft)			(ft)			(°/100ft)	(°/100ft)	(°/100ft)		
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	
842.6	12.85	39.57	837.3	55.3	45.7	2.00	2.00	0.00	39.57	
3,537.6	12.85	39.57	3,464.7	517.5	427.6	0.00	0.00	0.00	0.00	
4,180.3	0.00	0.00	4,102.0	572.8	473.3	2.00	-2.00	0.00	180.00	Middle Mesa State 36
5,650.3	0.00	0.00	5,572.0	572.8	473.3	0.00	0.00	0.00	0.00	Middle Mesa State 36

Cathedral Energy Services Planning Report

Database: EDM 2003.16 US Multi User Db
Company: EnCana Oil & Gas (USA) Inc
Project: Paradox (Nad 27)
Site: NENW Sec36-T29S-R24E
Well: Middle Mesa State 36-24B-29-24
Wellbore: DD
Design: Plan #1

Local Co-ordinate Reference: Well Middle Mesa State 36-24B-29-24
TVD Reference: KBE @ 6862.0ft (Original Well Elev)
MD Reference: KBE @ 6862.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

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' MD
300.0	2.00	39.57	300.0	1.3	1.1	1.7	2.00	2.00	
400.0	4.00	39.57	399.8	5.4	4.4	7.0	2.00	2.00	
500.0	6.00	39.57	499.5	12.1	10.0	15.7	2.00	2.00	
600.0	8.00	39.57	598.7	21.5	17.8	27.9	2.00	2.00	
700.0	10.00	39.57	697.5	33.6	27.7	43.5	2.00	2.00	
800.0	12.00	39.57	795.6	48.3	39.9	62.6	2.00	2.00	
842.6	12.85	39.57	837.3	55.3	45.7	71.8	2.00	2.00	EOB; Inc=12.85°
900.0	12.85	39.57	893.2	65.2	53.8	84.5	0.00	0.00	
1,000.0	12.85	39.57	990.7	82.3	68.0	106.8	0.00	0.00	
1,100.0	12.85	39.57	1,088.2	99.5	82.2	129.0	0.00	0.00	
1,200.0	12.85	39.57	1,185.7	116.6	96.4	151.3	0.00	0.00	
1,257.8	12.85	39.57	1,242.0	126.5	104.5	164.1	0.00	0.00	NAVAJO
1,300.0	12.85	39.57	1,283.2	133.8	110.5	173.5	0.00	0.00	
1,400.0	12.85	39.57	1,380.7	150.9	124.7	195.8	0.00	0.00	
1,500.0	12.85	39.57	1,478.2	168.1	138.9	218.0	0.00	0.00	
1,600.0	12.85	39.57	1,575.6	185.2	153.0	240.2	0.00	0.00	
1,700.0	12.85	39.57	1,673.1	202.4	167.2	262.5	0.00	0.00	
1,800.0	12.85	39.57	1,770.6	219.5	181.4	284.7	0.00	0.00	
1,900.0	12.85	39.57	1,868.1	236.6	195.5	307.0	0.00	0.00	
2,000.0	12.85	39.57	1,965.6	253.8	209.7	329.2	0.00	0.00	
2,030.1	12.85	39.57	1,995.0	259.0	214.0	335.9	0.00	0.00	WINGATE
2,100.0	12.85	39.57	2,063.1	270.9	223.9	351.5	0.00	0.00	
2,200.0	12.85	39.57	2,160.6	288.1	238.0	373.7	0.00	0.00	
2,300.0	12.85	39.57	2,258.1	305.2	252.2	396.0	0.00	0.00	
2,345.0	12.85	39.57	2,302.0	313.0	258.6	406.0	0.00	0.00	CHINLE - CUTLER
2,400.0	12.85	39.57	2,355.6	322.4	266.4	418.2	0.00	0.00	
2,500.0	12.85	39.57	2,453.1	339.5	280.6	440.4	0.00	0.00	
2,600.0	12.85	39.57	2,550.6	356.7	294.7	462.7	0.00	0.00	
2,700.0	12.85	39.57	2,648.1	373.8	308.9	484.9	0.00	0.00	
2,800.0	12.85	39.57	2,745.6	391.0	323.1	507.2	0.00	0.00	
2,900.0	12.85	39.57	2,843.1	408.1	337.2	529.4	0.00	0.00	
3,000.0	12.85	39.57	2,940.6	425.3	351.4	551.7	0.00	0.00	
3,100.0	12.85	39.57	3,038.1	442.4	365.6	573.9	0.00	0.00	
3,200.0	12.85	39.57	3,135.6	459.6	379.7	596.2	0.00	0.00	
3,300.0	12.85	39.57	3,233.1	476.7	393.9	618.4	0.00	0.00	
3,400.0	12.85	39.57	3,330.6	493.9	408.1	640.6	0.00	0.00	
3,500.0	12.85	39.57	3,428.0	511.0	422.2	662.9	0.00	0.00	
3,537.6	12.85	39.57	3,464.7	517.5	427.6	671.3	0.00	0.00	Start Drop -2.00
3,600.0	11.61	39.57	3,525.7	527.7	436.0	684.5	2.00	-2.00	
3,700.0	9.61	39.57	3,624.0	541.8	447.7	702.9	2.00	-2.00	
3,800.0	7.61	39.57	3,722.8	553.4	457.2	717.8	2.00	-2.00	
3,900.0	5.61	39.57	3,822.2	562.2	464.6	729.3	2.00	-2.00	
4,000.0	3.61	39.57	3,921.8	568.4	469.7	737.4	2.00	-2.00	
4,100.0	1.61	39.57	4,021.7	571.9	472.6	741.9	2.00	-2.00	
4,180.3	0.00	0.00	4,102.0	572.8	473.3	743.0	2.00	-2.00	EOD; Inc=0° - HONAKER TRAIL - Middle Mesa
4,200.0	0.00	0.00	4,121.7	572.8	473.3	743.0	0.00	0.00	
4,300.0	0.00	0.00	4,221.7	572.8	473.3	743.0	0.00	0.00	
4,400.0	0.00	0.00	4,321.7	572.8	473.3	743.0	0.00	0.00	
4,500.0	0.00	0.00	4,421.7	572.8	473.3	743.0	0.00	0.00	

Cathedral Energy Services

Planning Report

Database: EDM 2003.16 US Multi User Db
Company: EnCana Oil & Gas (USA) Inc
Project: Paradox (Nad 27)
Site: NENW Sec36-T29S-R24E
Well: Middle Mesa State 36-24B-29-24
Wellbore: DD
Design: Plan #1

Local Co-ordinate Reference: Well Middle Mesa State 36-24B-29-24
TVD Reference: KBE @ 6862.0ft (Original Well Elev)
MD Reference: KBE @ 6862.0ft (Original Well Elev)
North Reference: True
Survey Calculation Method: Minimum Curvature

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
4,600.0	0.00	0.00	4,521.7	572.8	473.3	743.0	0.00	0.00	
4,700.0	0.00	0.00	4,621.7	572.8	473.3	743.0	0.00	0.00	
4,800.0	0.00	0.00	4,721.7	572.8	473.3	743.0	0.00	0.00	
4,900.0	0.00	0.00	4,821.7	572.8	473.3	743.0	0.00	0.00	
5,000.0	0.00	0.00	4,921.7	572.8	473.3	743.0	0.00	0.00	
5,100.0	0.00	0.00	5,021.7	572.8	473.3	743.0	0.00	0.00	
5,200.0	0.00	0.00	5,121.7	572.8	473.3	743.0	0.00	0.00	
5,300.0	0.00	0.00	5,221.7	572.8	473.3	743.0	0.00	0.00	
5,400.0	0.00	0.00	5,321.7	572.8	473.3	743.0	0.00	0.00	
5,500.0	0.00	0.00	5,421.7	572.8	473.3	743.0	0.00	0.00	
5,600.0	0.00	0.00	5,521.7	572.8	473.3	743.0	0.00	0.00	
5,600.3	0.00	0.00	5,522.0	572.8	473.3	743.0	0.00	0.00	LA SAL
5,650.3	0.00	0.00	5,572.0	572.8	473.3	743.0	0.00	0.00	Driller's TD @ 5650.3' MD; 5572' TVD - Middle

Targets

Target Name

hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Middle Mesa State 36-24B-29-24 - plan hits target - Rectangle (sides W100.0 H100.0 D0.0)	0.00	0.00	4,102.0	572.8	473.3	580,630.55	2,654,849.23	38.239360	-109.219871
Middle Mesa State 36-24B-29-24 - plan hits target - Rectangle (sides W100.0 H100.0 D0.0)	0.00	0.00	5,572.0	572.8	473.3	580,630.58	2,654,849.28	38.239360	-109.219871

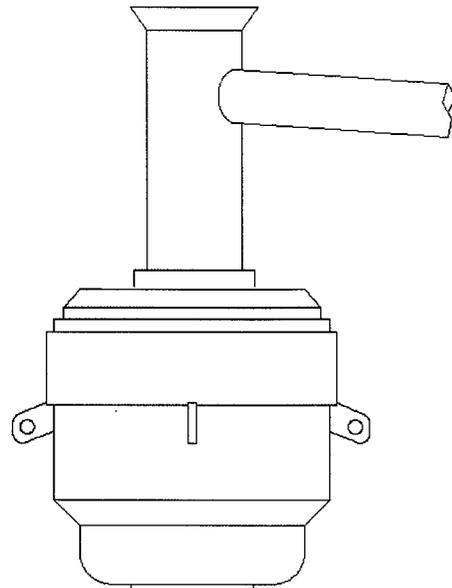
Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,257.8	1,242.0	NAVAJO			
2,030.1	1,995.0	WINGATE			
2,345.0	2,302.0	CHINLE			
2,345.0	2,302.0	CUTLER			
4,180.3	4,102.0	HONAKER TRAIL			
5,600.3	5,522.0	LA SAL			

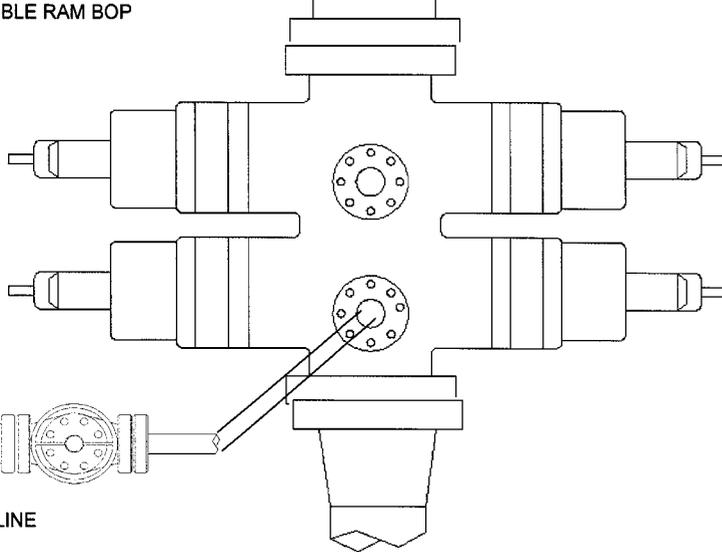
Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	+E/-W (ft)	Comment
200.0	200.0	0.0	0.0	KOP @ 200' MD
842.6	837.3	55.3	45.7	EOB; Inc=12.85°
3,537.6	3,464.7	517.5	427.6	Start Drop -2.00
4,180.3	4,102.0	572.8	473.3	EOD; Inc=0°
5,650.3	5,572.0	572.8	473.3	Driller's TD @ 5650.3' MD; 5572' TVD

3M ANNULAR

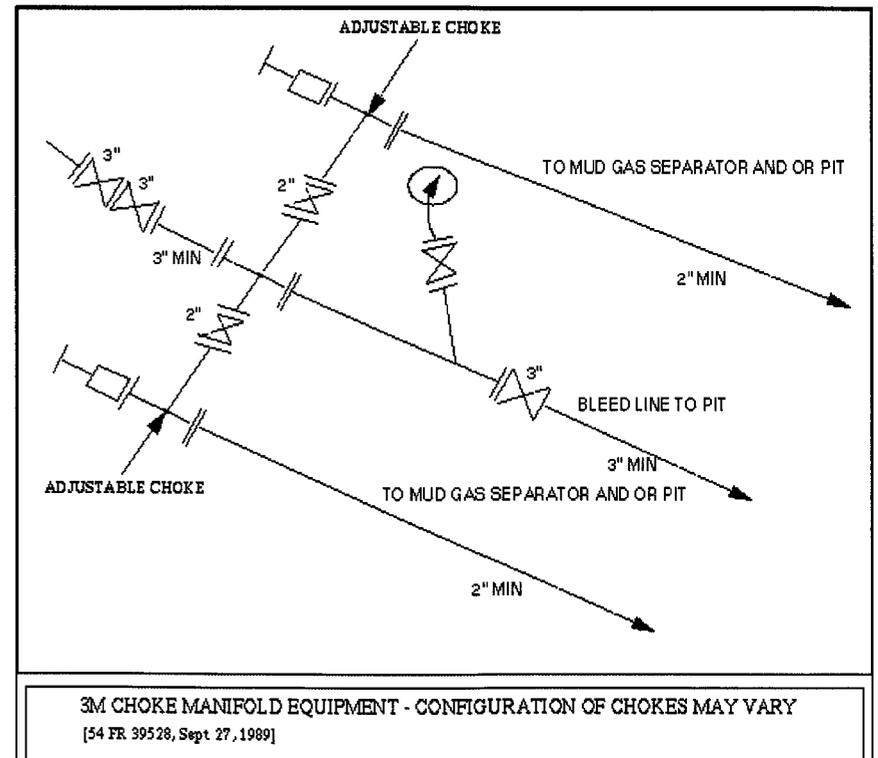


3M DOUBLE RAM BOP

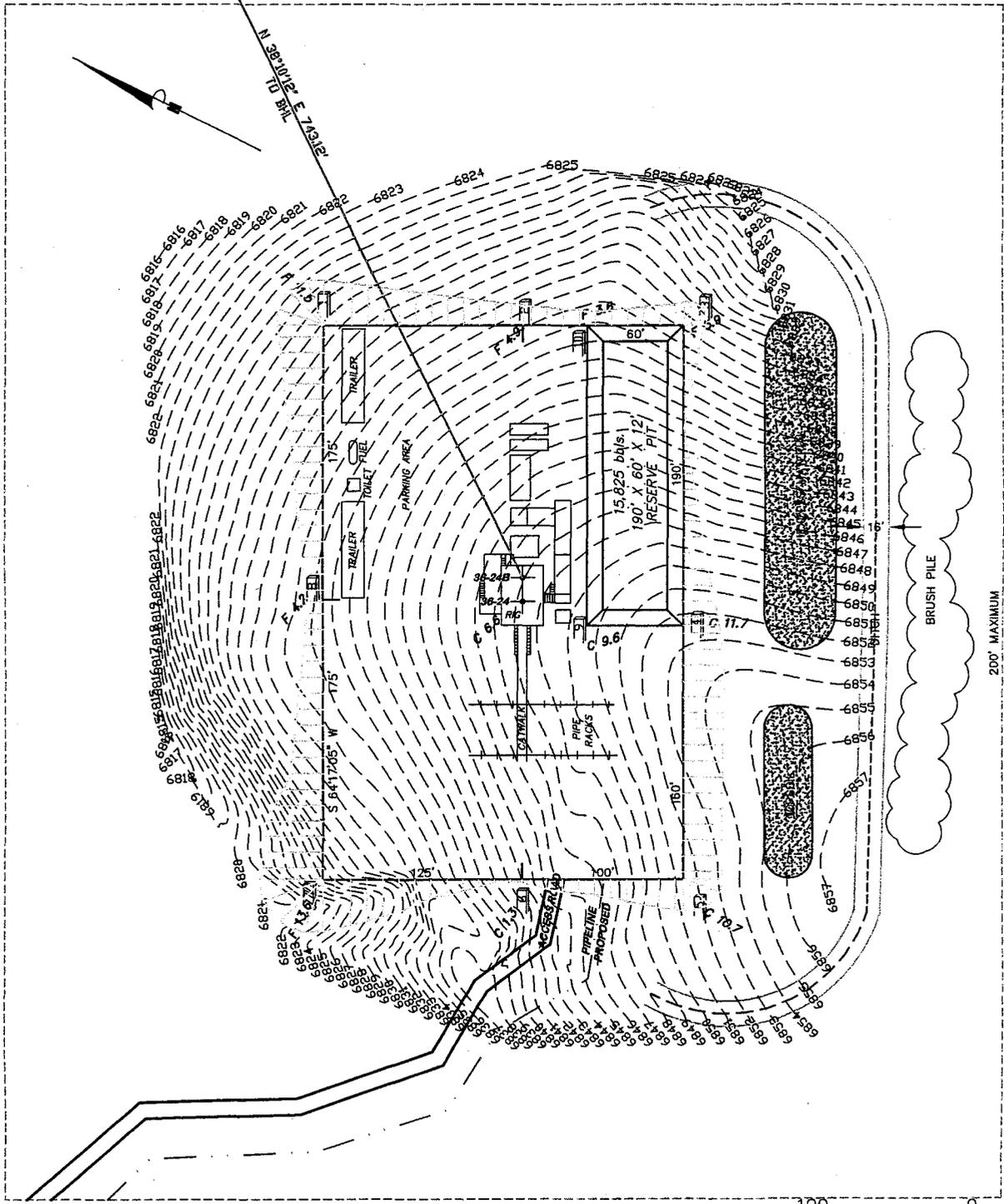


2" KILL LINE

3" CHOKE LINE FROM
OUTLET ON BOTTOM
SIDE OF RAMS



UNGRADED ELEVATION: 6847.3'
 FINISHED ELEVATION: 6840.7'
 APPROX. PAD DISTURBANCE: 5.6± ACRES
 DRAINS TO HAMILTON CREEK



BEFORE DIGGING
 CALL FOR
 UTILITY LINE LOCATION

NOTE: THE EARTH QUANTITIES ON
 THIS DRAWING ARE ESTIMATED
 AND THE USE OF IS AT THE
 RESPONSIBILITY OF THE USER.

EXHIBIT 2



SCALE FEET

**ENCANA OIL & GAS (USA) INC.
 MIDDLE MESA STATE 36-24, 24B-29-24
 ESTIMATED EARTHWORK**

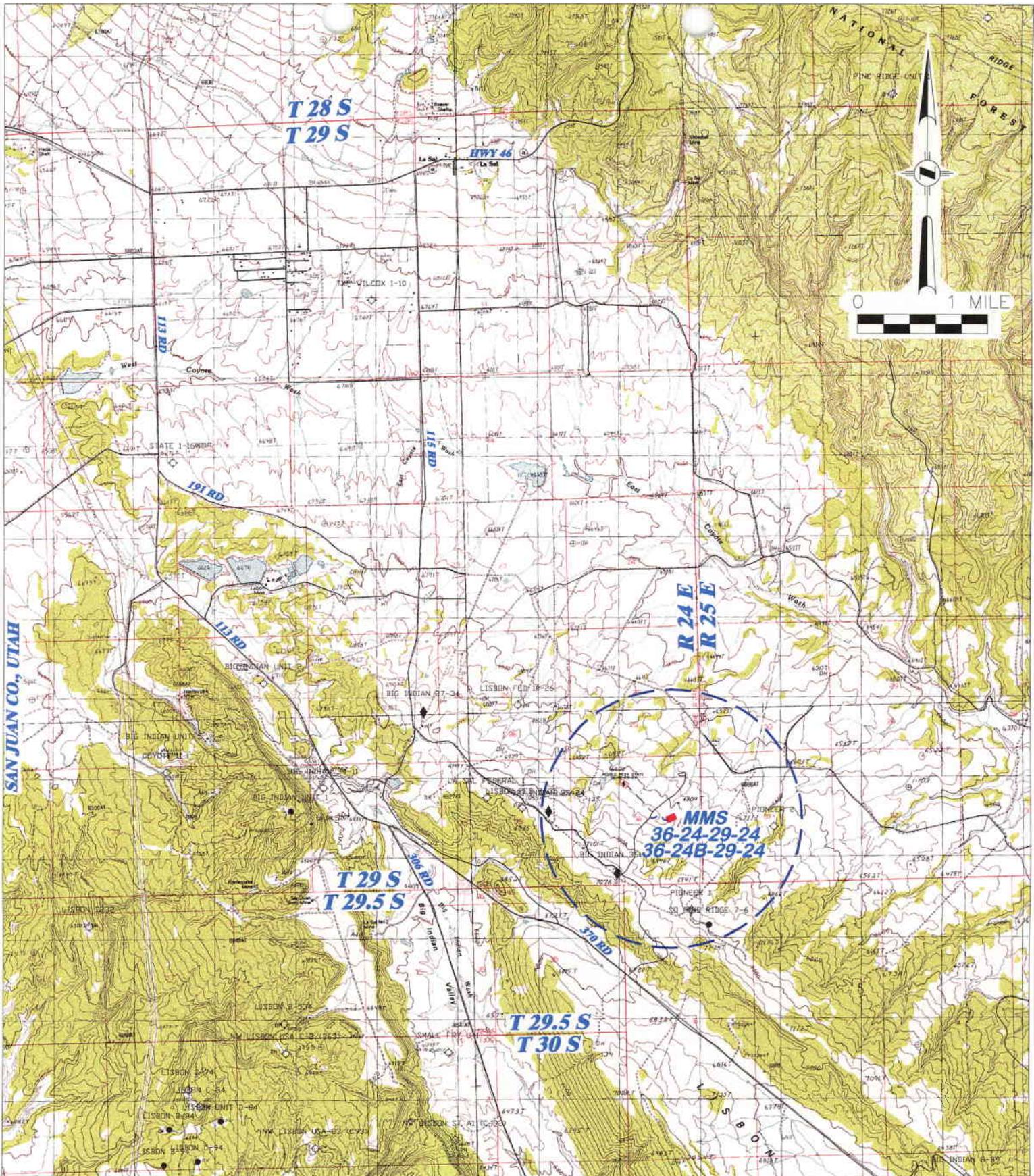
ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	7732 CY	5905 CY	1458 CY	369 CY
PIT	3291 CY			3291 CY
TOTALS	11023 CY	5905 CY	1458 CY	3660 CY

DRG RIFFIN & ASSOCIATES, INC.

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

SCALE: 1" = 100'
 JOB No. 15014
 REVISED: 1/10/07

REVISED: 10/15/07 - ADDED WELL MMS 36-24B



DRG RIFFIN & ASSOCIATES, INC.

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

SCALE: 1" = 1 MILE

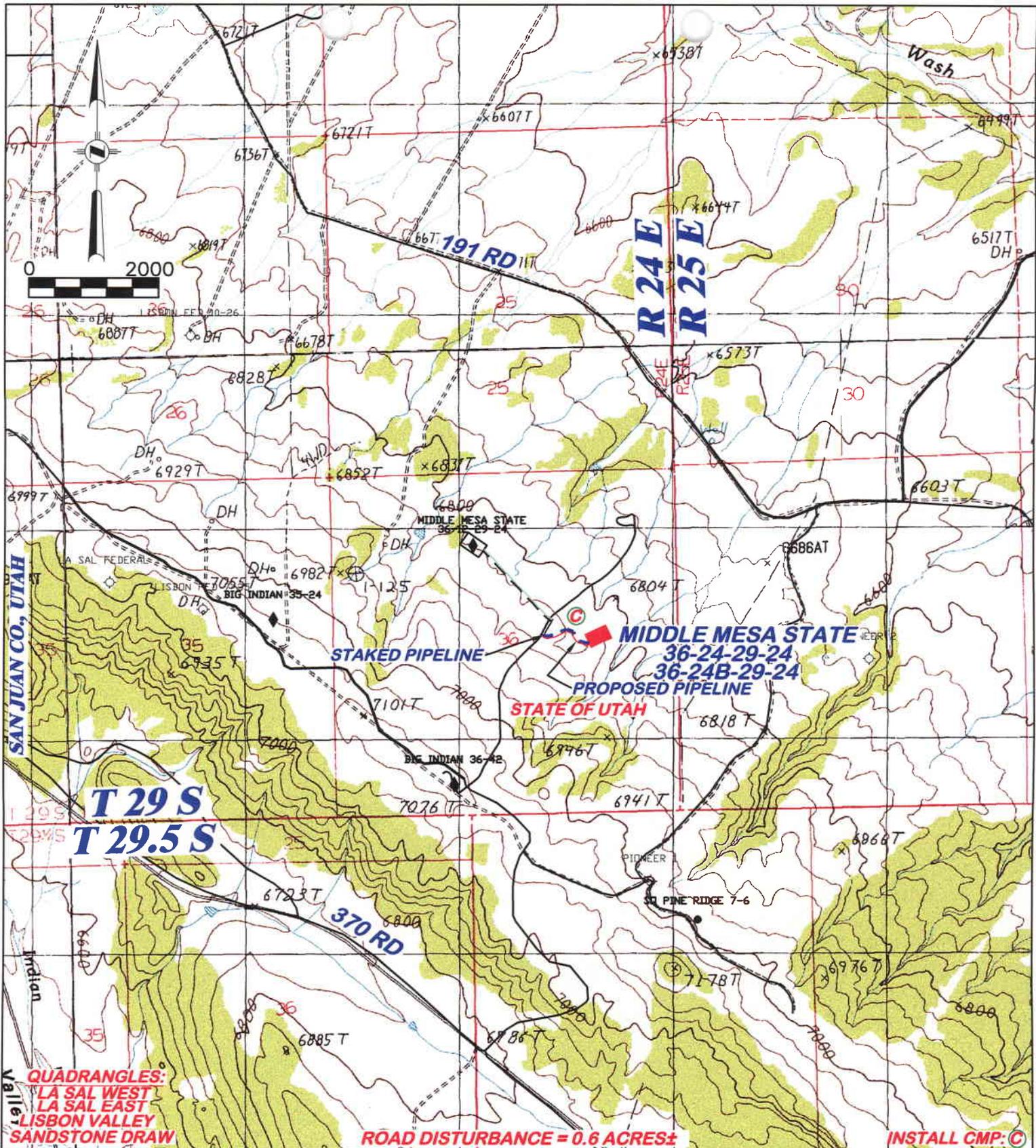
JOB No. 15014

REVISED: 10/15/07

**PROPOSED ACCESS FOR
 ENCANA OIL & GAS (USA) INC.
 MIDDLE MESA STATE 36-24, 24B-29-24**

EXISTING ROAD 
 PROPOSED ACCESS 

**TOPO
 A**



DRG RIFFIN & ASSOCIATES, INC.

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

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

SCALE: 1" = 2000'

JOB No. 15014

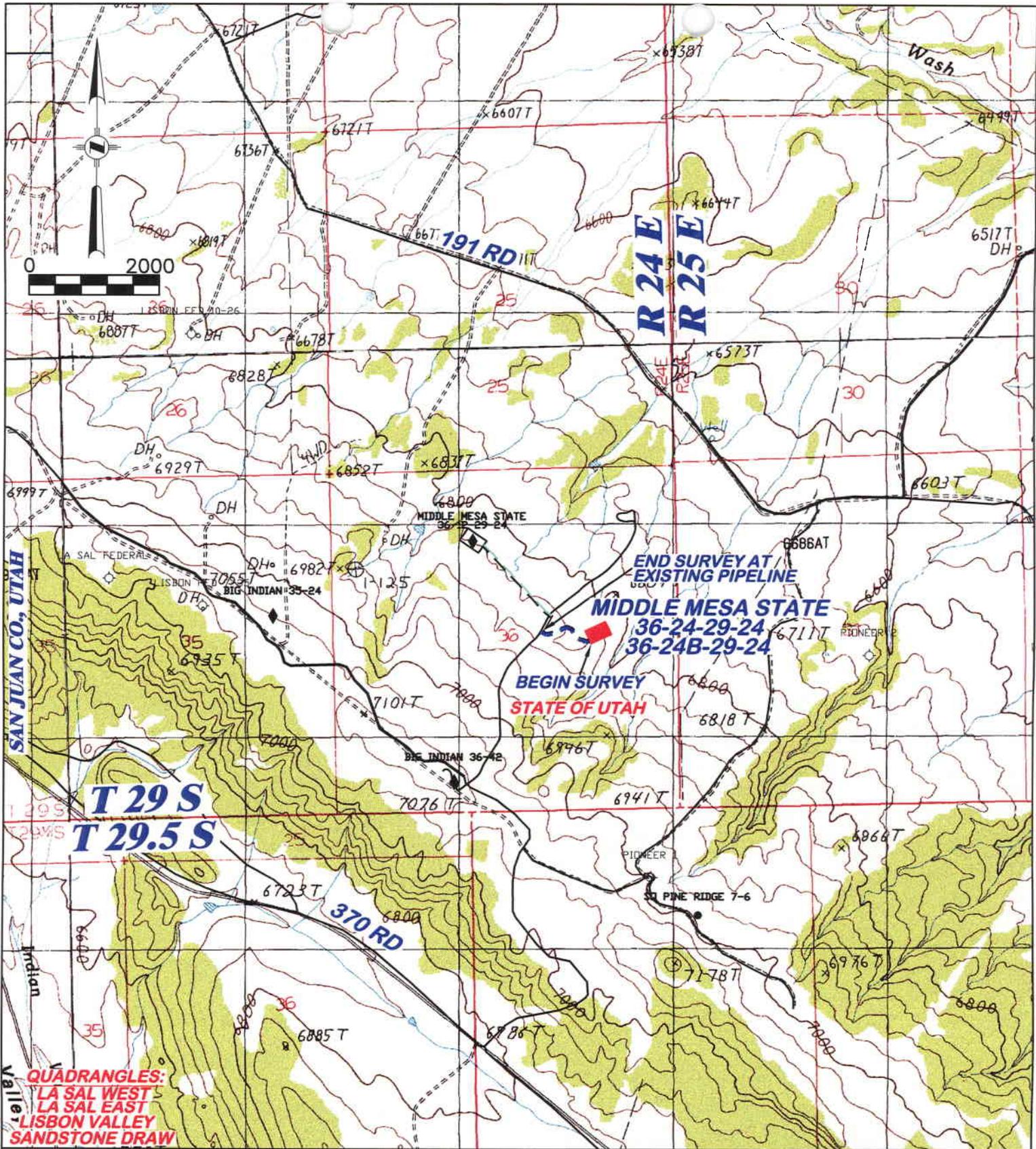
REVISED: 1/10/07

TOTAL PROPOSED LENGTH: 830'

EXISTING ROAD 
 PROPOSED ROAD 

**TOPO MAP
 B**

REVISED: 10/15/07 - ADDED WELL MMS 36-24B



DRG RIFFIN & ASSOCIATES, INC.

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

SCALE: 1" = 2000'

JOB No. 15014

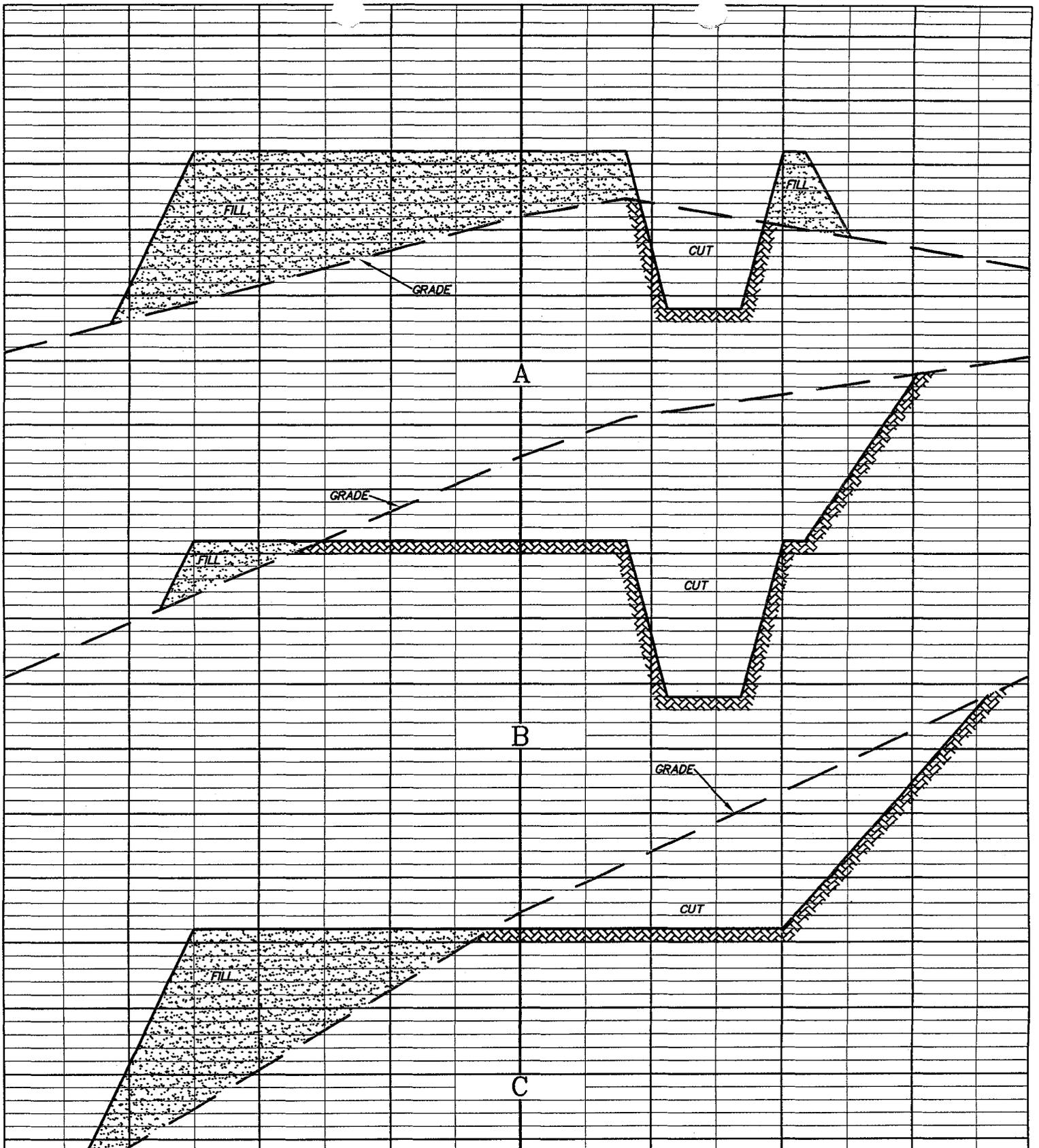
REVISED: 1/10/07

REVISED: 10/15/07 - ADDED WELL MMS 36-24B

TOTAL PROPOSED LENGTH: 886.3'

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

**TOPO MAP
 C**



DRG RIFFIN & ASSOCIATES, INC.

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

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

JOB No. 15014

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

REVISED: 10/15/07

UNGRADED ELEVATION: 6847.3'
FINISHED ELEVATION: 6840.7'

EXHIBIT 3

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/20/2007

API NO. ASSIGNED: 43-037-31878

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

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:
 SENE 36 290S 240E
 SURFACE: 2562 FNL 1172 FEL
 BOTTOM: 1993 FNL 0704 FEL
 COUNTY: SAN JUAN
 LATITUDE: 38.23784 LONGITUDE: -109.2215
 UTM SURF EASTINGS: 655656 NORTHINGS: 4233494
 FIELD NAME: SOUTH PINE RIDGE (457)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DJD	1/4/08
Geology		
Surface		

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

PROPOSED FORMATION: HNKRT
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[] Ind[] Sta[] Fee[]
 (No. RLB0007875)

Potash (Y/N)

Oil Shale 190-5 (B) or 190-3 or 190-13

Water Permit
 (No. 05-6)

RDCC Review (Y/N)
 (Date: _____)

Fee Surf Agreement (Y/N)

Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: MIDDLE MESA

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit

Board Cause No: _____

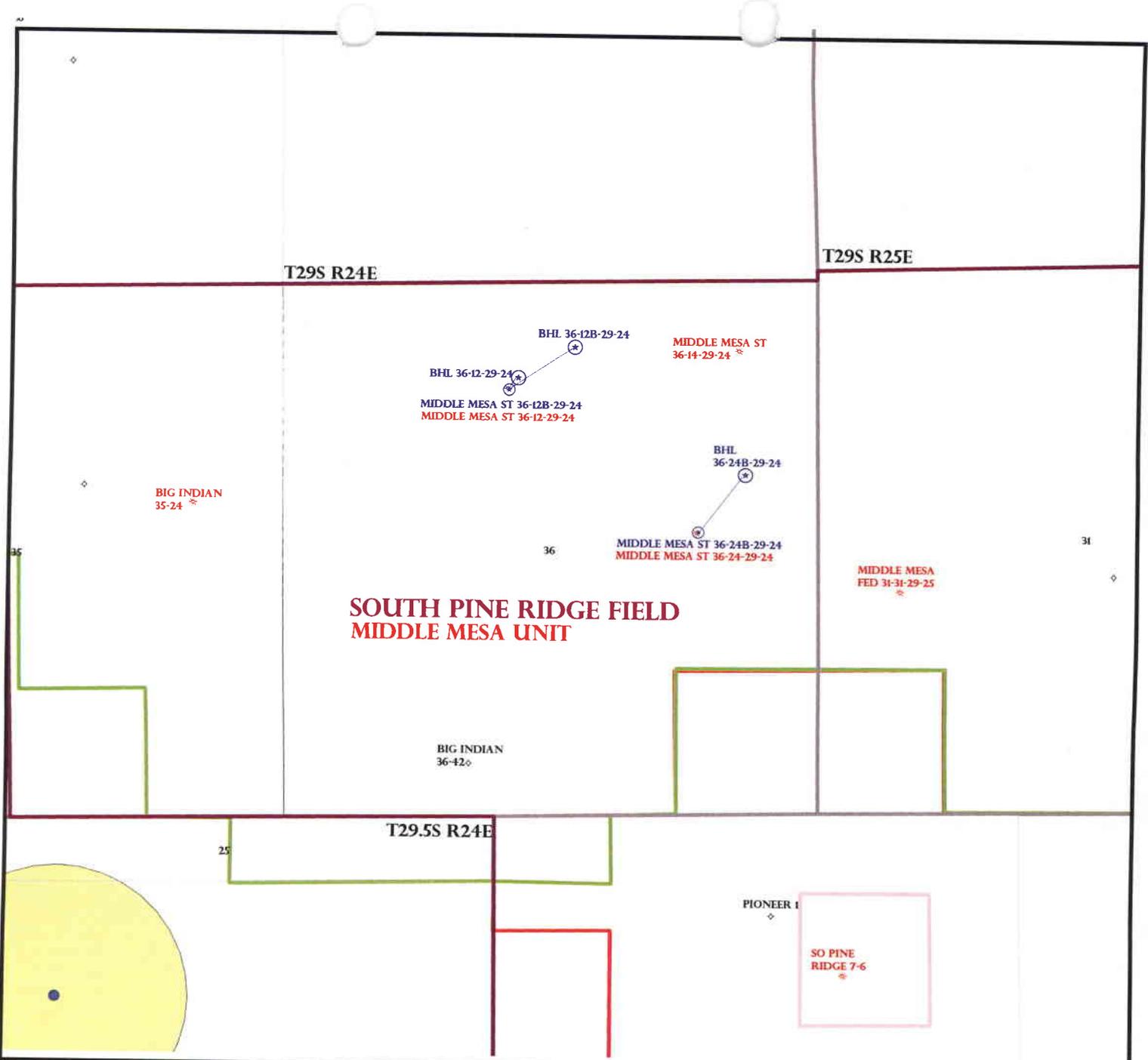
Eff Date: _____

Siting: _____

R649-3-11. Directional Drill

COMMENTS: Nuds Post (12-07-07)

STIPULATIONS: 1- Spacing Strip
2- STATEMENT OF BASIS



OPERATOR: ENCANNA O&G (USA) INC (N2175)
 SEC: 36 T.29S R. 24E
 FIELD: SOUTH PINE RIDGE (457)
 COUNTY: SAN JUAN
 SPACING: R649-3-11 / DIRECTIONAL DRILLING

Field Status	Unit Status
ABANDONED	EXPLORATORY
ACTIVE	GAS STORAGE
COMBINED	NF PP OIL
INACTIVE	NF SECONDARY
PROPOSED	PENDING
STORAGE	PI OIL
TERMINATED	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: 30-NOVEMBER-2007

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[Business](#)

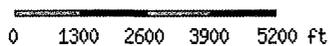
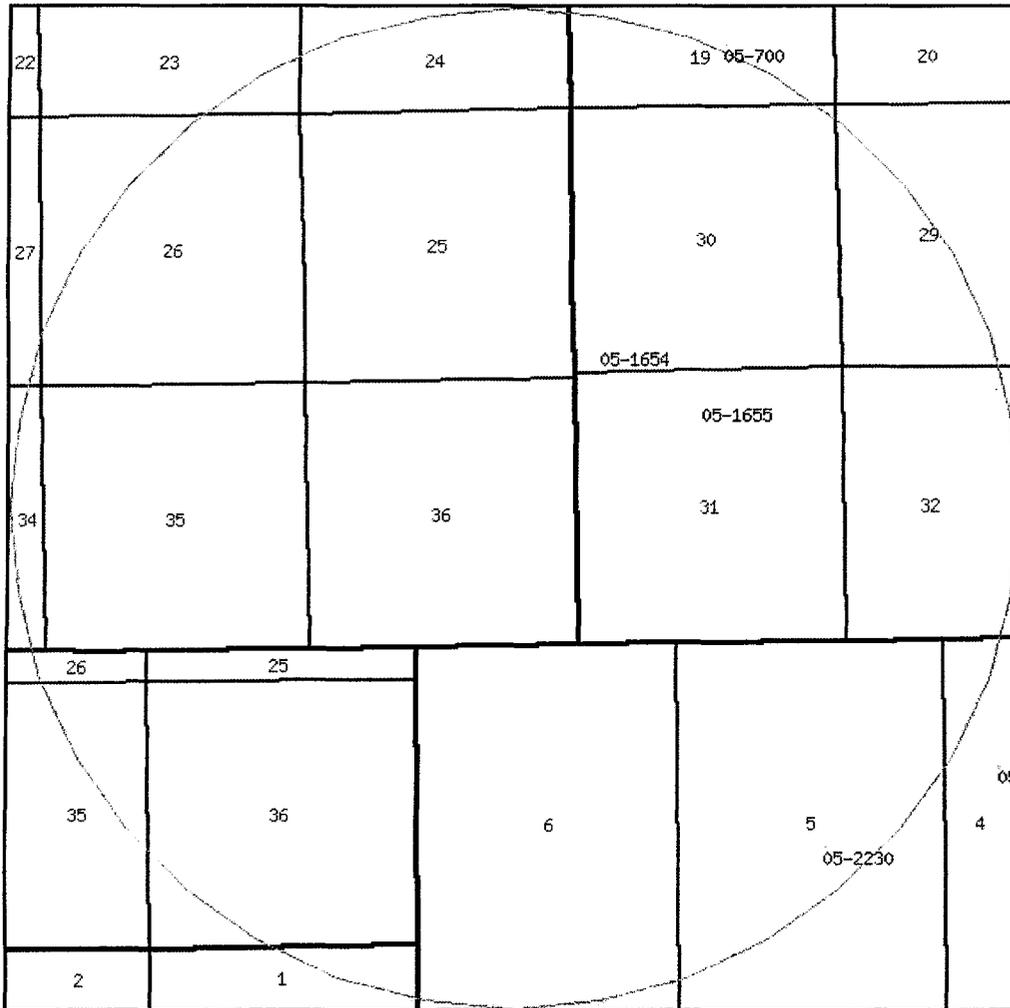
Utah Division of Water Rights

DNR

WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 12/18/2007 02:03 PM

Radius search of 10000 feet from a point S2562 W1172 from the NE corner, section 36, Township 29S, Range 24E, SL b&m Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
05-1268	Underground S1452 E3132 W4 19 29S 25E SL		A	19680214	O	4.500	0.000	CHARLES HARDISON REDD P.O. BOX 247
05-1654	Underground		P	19790607	S	0.012	0.000	MOAB DISTRICT USA BUREAU OF

	S2150 E580 W4 30 29S 25E SL					LAND MANAGEMENT P.O. BOX 970
<u>05-1655</u>	Underground	P	19860826 S	0.012 0.000		MOAB DISTRICT USA BUREAU OF LAND MANAGEMENT P.O. BOX 970
	S594 E2557 NW 31 29S 25E SL					
<u>05-1656</u>	Underground	P	19790607 S	0.012 0.000		USA BUREAU OF LAND MANAGEMENT 2370 SOUTH 2300 WEST
	S2584 E1095 NW 04 30S 25E SL					
<u>05-2230</u>	Surface	P	19880408 OS	0.000 0.500		MOAB DISTRICT USA BUREAU OF LAND MANAGEMENT P.O. BOX 970
	S4200 W2340 NE 05 30S 25E SL					
<u>05-700</u>	Underground	P	19680214 O	0.446 0.000		CHARLES HARDISON REDD P.O. BOX 247
	S1452 E3132 W4 19 29S 25E SL					

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Select Related Information

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 12/18/2007

WATER RIGHT: **05-1654** APPLICATION/CLAIM NO.: A53251 CERT. NO.:

OWNERSHIP*****

NAME: Moab District USA Bureau of Land Management
 ADDR: P.O. Box 970
 Moab UT 84532

DATES, ETC.*****

LAND OWNED BY APPLICANT? Yes
 FILED: 06/07/1979|PRIORITY: 06/07/1979|PUB BEGAN: |PUB ENDED: |NEWSPAPER:
 ProtestEnd: |PROTESTED: {No }|HEARNG HLD: |SE ACTION: []|ActionDate:12/07/1979|PROOF DUE:
 EXTENSION: |ELEC/PROOF:[Election]|ELEC/PROOF:01/13/1982|CERT/WUC: 11/29/1982|LAP, ETC: |LAPS LETTER:
 RUSH LETTR: |RENOVATE: 06/21/2004|RECON REQ: |TYPE: []
 PD BOOK: [05-]|MAP: []|PUB DATE:
 Type of Right: Application to Appropriate Source of Info: Water User's Claim Status: Water User's Claim

LOCATION OF WATER RIGHT*** (Points of Diversion: Click on Location to access PLAT Program.)*****[POD Map Viewer](#)*****

FLOW: 0.012 cfs SOURCE: Underground Water Well
 COUNTY: San Juan COMMON DESCRIPTION: 5 Miles SE of LaSal

POINT OF DIVERSION -- UNDERGROUND: (Click Well ID# link for more well data.)
 (1) S 2150 ft E 580 ft from W4 cor, Sec 30, T 29S, R 25E, SLBM
 DIAMETER OF WELL: 6 ins. DEPTH: 260 to ft. YEAR DRILLED: WELL LOG? NO WELL ID#:
 Comment:

USES OF WATER RIGHT***** ELU -- Equivalent Livestock Unit (cow, horse, etc.) ***** EDU -- Equivalent Domestic Unit or 1 Family

SUPPLEMENTAL GROUP NO. 830.
 STOCKWATER: Sole Supply: 0.0 ELUs of the Group Total of 150.0000 Div Limit: PERIOD OF USE: 01/01 TO 12/31

PLACE OF USE for STOCKWATERING*****

	NORTH-WEST ^¼	NORTH-EAST ^¼	SOUTH-WEST ^¼	SOUTH-EAST ^¼
	NW NE SW SE			
Sec 30 T 29S R 25E SLBM	* : : : *	* : : : *	* : : X: *	* : : : *

***** E N D O F D A T A *****

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Utah Division of Water Rights



Select Related Information

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 12/18/2007

WATER RIGHT: 05-1655 APPLICATION/CLAIM NO.: A53252 CERT. NO.:

OWNERSHIP*****

NAME: Moab District USA Bureau of Land Management
ADDR: P.O. Box 970
Moab UT 84532

DATES, ETC.*****

LAND OWNED BY APPLICANT? Yes
FILED: 06/07/1979|PRIORITY: 08/26/1986|PUB BEGAN: |PUB ENDED: |NEWSPAPER:
ProtestEnd: |PROTESTED: [No]|HEARNG HLD: |SE ACTION: []|ActionDate:12/07/1979|PROOF DUE: 02/28/1989
EXTENSION: 08/26/1986|ELEC/PROOF:[Election]|ELEC/PROOF:02/09/1989|CERT/WUC: |LAP, ETC: |LAPS LETTER:
RUSH LETTR: |RENOVATE: 06/21/2004|RECON REQ: |TYPE: []
PD BOOK: [05-]|MAP: []|PUB DATE:
Type of Right: Application to Appropriate Source of Info: Water User's Claim Status: Water User's Claim

LOCATION OF WATER RIGHT*** (Points of Diversion: Click on Location to access PLAT Program.)*****POD Map Viewer*****

FLOW: 0.012 cfs SOURCE: East Coyote Well #3
COUNTY: San Juan COMMON DESCRIPTION: 5.5 Miles SE of LaSal

POINT OF DIVERSION -- UNDERGROUND: (Click Well ID# link for more well data.)
(1) S 594 ft E 2557 ft from NW cor, Sec 31, T 29S, R 25E, SLBM
DIAMETER OF WELL: 6 ins. DEPTH: 405 to ft. YEAR DRILLED: WELL LOG? NO WELL ID#:
Comment:

USES OF WATER RIGHT***** ELU -- Equivalent Livestock Unit (cow, horse, etc.) ***** EDU -- Equivalent Domestic Unit or 1 Family

SUPPLEMENTAL GROUP NO. 831.
STOCKWATER: Sole Supply: 0.0 ELUs of the Group Total of 150.0000 Div Limit: PERIOD OF USE: 01/01 TO 12/31

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Utah Division of Water Rights



Select Related Information

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 12/18/2007

WATER RIGHT: 05-2230 APPLICATION/CLAIM NO.: A63165 CERT. NO.:

OWNERSHIP*****

NAME: Moab District USA Bureau of Land Management
ADDR: P.O. Box 970
Moab UT 84532

DATES, ETC.*****

LAND OWNED BY APPLICANT? Yes
FILED: 04/08/1988|PRIORITY: 04/08/1988|PUB BEGAN: 04/21/1988|PUB ENDED: |NEWSPAPER: The Times-Independent
ProtestEnd:06/04/1988|PROTESTED: [No]|HEARNG HLD: |SE ACTION: [Approved]|ActionDate:08/12/1988|PROOF DUE: 02/28/1992
EXTENSION: |ELEC/PROOF:[Election]|ELEC/PROOF:08/11/1989|CERT/WUC: 01/24/1991|LAP, ETC: |LAPS LETTER:
RUSH LETTR: |RENOVATE: |RECON REQ: |TYPE: []
PD BOOK: [05-]|MAP: []|PUB DATE:
Type of Right: Application to Appropriate Source of Info: Water User's Claim Status: Water User's Claim

LOCATION OF WATER RIGHT***(Points of Diversion: Click on Location to access PLAT Program.)*****POD Map Viewer*****

FLOW: 0.5 acre-feet SOURCE: Unnamed Stream
COUNTY: San Juan COMMON DESCRIPTION: 12.5 mi. NE of Church Rock

POINT OF DIVERSION -- SURFACE:
(1) S 4200 ft W 2340 ft from NE cor, Sec 05, T 30S, R 25E, SLBM
Diverting Works: Source:

Stream Alt Required?: No

USES OF WATER RIGHT***** ELU -- Equivalent Livestock Unit (cow, horse, etc.) ***** EDU -- Equivalent Domestic Unit or 1 Family

SUPPLEMENTAL GROUP NO. 1410.

STOCKWATER: Sole Supply: 0.0 ELUs of the Group Total of 190.0000 Div Limit: PERIOD OF USE: 01/01 TO 12/31
East Coyote Allotment

WILDLIFE: 34 Deer PERIOD OF USE: 01/01 TO 12/31
Acre Feet Contributed by this Right for this Use: Unevaluated

Storage from 01/01 to 12/31, inclusive, in East Coyote Rock Tank with a maximum capacity of 0.810 acre-feet, located in:

Height of Dam: NORTH-WEST¼ NORTH-EAST¼ SOUTH-WEST¼ SOUTH-EAST¼
Area Inundated: NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE
Sec 05 T 30S R 25E SLBM *LOT 13

Small Dam Required?: No

*****END OF DATA*****

Application for Permit to Drill

Statement of Basis

12/19/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
604	43-037-31878-00-00		GW	S	No
Operator	ENCANA OIL & GAS (USA) INC	Surface Owner-APD			
Well Name	MIDDLE MESA ST 36-24B-29-24	Unit			
Field	UNDESIGNATED	Type of Work			
Location	SENE 36 29S 24E S 2562 FNL 1172 FEL GPS Coord (UTM) 655656E 4233494N				

Geologic Statement of Basis

This location is situated on moderately permeable soil formed on the Cretaceous age Burro Canyon Formation. Two underground water rights (260' and 405' wells) and one surface right have been issued to the Moab District BLM for stock watering within 2 miles of the proposed well. The subject well will use a benign water based mud system to 2,200' (Top of Triassic – age Chinle Formation) and subsequently convert to a low solids non-dispersed mud system below that depth. Surface pipe will likely be set into the Morrison Formation (~ 600'). The subject location is near the Lisbon Valley fault system so the area may present fracture permeability, lost circulation and a significant quantity of high quality groundwater may be encountered. The proposed surface casing and cementing program should adequately isolate any zones of fresh water that may be penetrated.

Clint Dworshak
APD Evaluator

12/19/2007
Date / Time

Surface Statement of Basis

On-site evaluation not conducted due to proposed project utilizing existing well pad. Completing evaluation: Bart Kettle-Division of Oil Gas and Mining (DOGGM). Verbal consultation conducted with Ed Bonner-School and Institutional Trust Lands Administration (SITLA), Kyle Beagley-Division of Wildlife Resources (DWR)

Reserve pit shall be lined and kept in proper functioning condition. If at anytime it is determined liner is in unsatisfactory condition, reserve pit shall be reclaimed immediately.. DOGM requires that all activities associated with constructing, drilling, completion and production of well be restricted to permitted access route and well pad.

DWR classifies project site as crucial mule deer winter range, as such is recommending no drilling or construction activities occur between Dec 1 and April 15.

Bart Kettle
Onsite Evaluator

12/7/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator ENCANA OIL & GAS (USA) INC
Well Name MIDDLE MESA ST 36-24B-29-24
API Number 43-037-31878-0 **APD No** 604 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 SENE **Sec** 36 **Tw** 29S **Rng** 24E 2562 FNL 1172 FEL
GPS Coord (UTM) **Surface Owner**

Participants

Proposed well on existing well pad, no on-site evaluation performed.

Regional/Local Setting & Topography

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

Surface Use Plan

Current Surface Use

Existing Well Pad

New Road

Miles	Well Pad		Src Const Material	Surface Formation
	Width	Length		

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland

Flora / Fauna

Soil Type and Characteristics

Erosion Issues

Sedimentation Issues

Site Stability Issues

Drainage Diversion Required

Berm Required?

Erosion Sedimentation Control Required?

Paleo Survey Run?

Paleo Potential Observed?

Cultural Survey Run?

Cultural Resources?

Reserve Pit

Site-Specific Factors

Site Ranking

- Distance to Groundwater (feet)**
- Distance to Surface Water (feet)**
- Dist. Nearest Municipal Well (ft)**
- Distance to Other Wells (feet)**
- Native Soil Type**
- Fluid Type**
- Drill Cuttings**
- Annual Precipitation (inches)**
- Affected Populations**
- Presence Nearby Utility Conduits**

Final Score

Sensitivity Level

Characteristics / Requirements

Closed Loop Mud Required?

Liner Required?

Liner Thickness

Pit Underlayment Required?

Other Observations / Comments

Bart Kettle
Evaluator

12/7/2007
Date / Time

2007-12 EnCana Middle Mesa ST 36-24B-29-24

Casing Schematic

Surface

127'

187'

BHP $0.052(5572)9.1 = 2637 \text{ psi}$
anticipate - 22400 psi

Gas $.12(5572) = 669$
1968 psi, MASP
9-5/8" MW 8.5
Frac 19.3

BOPE 3M ✓

Burst 3520
70% 2464 psi

Max P@ surf. shoe
 $.22(4973) = 1094$
1543 psi

Test to 1500 psi ✓

✓ Adequate DAD 1/4/08



TOC @ 0. Burro Canyon ✓

TOC @ 469. to surf w/ 9%
Surface 600. MD
599. TVD

1242' Navajo

1995' Wingate

2302' Chinle/Cutler



4102' Honaker Trail

5522' La Sal

5-1/2" MW 9.1

Production 5650. MD
5572. TVD

Well name:	2007-12 EnCana Middle Mesa ST 36-24B-29-24	
Operator:	EnCana Oil & Gas (USA) Inc.	Project ID:
String type:	Surface	43-037-31878
Location:	San Juan County	

Design parameters:

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

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Environment:

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

Cement top: Surface

Burst

Max anticipated surface pressure: 527 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 599 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)
Tension is based on buoyed weight.
Neutral point: 524 ft

Directional well information:

Kick-off point 200 ft
Departure at shoe: 28 ft
Maximum dogleg: 2 °/100ft
Inclination at shoe: 8 °

Re subsequent strings:

Next setting depth: 5,572 ft
Next mud weight: 9.100 ppg
Next setting BHP: 2,634 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 599 ft
Injection pressure: 599 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	600	9.625	36.00	J-55	ST&C	599	600	8.796	260.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	264	1974	7.470	599	3520	5.88	19	394	20.91 J

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

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

Date: December 31, 2007
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 599 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

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

Well name:	2007-12 EnCana Middle Mesa ST 36-24B-29-24	
Operator:	EnCana Oil & Gas (USA) Inc.	Project ID:
String type:	Production	43-037-31878
Location:	San Juan County	

Design parameters:

Collapse

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

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 143 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: 469 ft

Burst

Max anticipated surface pressure: 1,408 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP 2,634 psi

No backup mud specified.

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 4,881 ft

Directional well information:

Kick-off point 200 ft
 Departure at shoe: 743 ft
 Maximum dogleg: 2 °/100ft
 Inclination at shoe: 0 °

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5650	5.5	17.00	L-80	LT&C	5572	5650	4.767	737.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2634	6290	2.388	2634	7740	2.94	82	338	4.14 J

> 2

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

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

Date: December 31, 2007
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 5572 ft, a mud weight of 9.1 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

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

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)

December 3, 2007

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

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

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

API#	WELL NAME	LOCATION
(Proposed PZ Honaker Trail)		
43-037-31877	Middle Mesa St	36-12B-29-24 Sec 36 T29S R24E 1105 FNL 2228 FWL BHL Sec 36 T29S R24E 0695 FNL 2381 FEL
43-037-31878	Middle Mesa St	36-24B-29-24 Sec 36 T29S R24E 2562 FNL 1172 FEL BHL Sec 36 T29S R24E 1993 FNL 0704 FEL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:12-3-07

From: Ed Bonner
To: Mason, Diana
Date: 2/1/2008 3:00 PM
Subject: Well Clearance

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Jarvis, Dan

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

Bill Barrett Corporation

Peters Point State 1-2D-13-16 Deep (API 43 007 31333)
State 7-16-14-13 (API 43 007 31336)
State 2-32-14-13 (API 43 007 31337)

EnCana Oil & Gas (USA) Inc

Middle Mesa State 36-12B-29-24 (API 43 037 31877)
Middle Mesa State 36-24B-29-24 (API 43 037 31878)

EOG Resources, Inc

Natural Buttes Unit 639-13E (API 43 047 50019)
Natural Buttes Unit 664-24E (API 43 047 39867)

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



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

February 4, 2008

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

Re: Middle Mesa State 36-24B-29-24 Well, 2562' FNL, 1172' FEL, SE NE, Sec. 36,
T. 29 South, R. 24 East, Bottom Location 1993' FNL, 704' FEL, SE NE, Sec. 36,
T. 29 South, R. 24 East, San Juan County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

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 43-037-31878.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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



Operator: Encana Oil & Gas (USA) Inc.
Well Name & Number Middle Mesa State 36-24B-29-24
API Number: 43-037-31878
Lease: ST-UT-37067

Location: SE NE Sec. 36 T. 29 South R. 24 East
Bottom Location: SE NE Sec. 36 T. 29 South R. 24 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

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. 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.
7. 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.



EnCana Oil & Gas (USA) Inc.

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

www.encana.com

November 19, 2007

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

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

Dear Ms. Mason:

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

- EnCana Oil & Gas (USA) Inc., owns all oil & gas within 460' of the intended well bore.
- Surface and Bottom Hole are located on State Lease No. ST-UT-37067 and within the Middle Mesa Unit.
- Lot 2, Section 36, T29S R24E, San Juan County, Utah.
- Location plat with surface and bottom hole locations is attached.
- Proposed Directional Report attached.

EnCana is drilling this well as a directional well do to geologic reasons and to use existing surface disturbance.

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
4303731878	Middle Mesa State 36-24B-29-24		SENE	36	29S	24E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	16834	4/14/2008			5/08/08	
Comments: <u>HNKRT</u>							

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

Title

4/28/2008

Date

RECEIVED

MAY 02 2008

CONFIDENTIAL

Corrected well name for spud – was given Middle Mesa St 6-12B-29-24

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: ENCANA OIL & GAS (USA) INC

Well Name: MIDDLE MESA ST 36-24B-29-24

Api No: 43-037-31878 Lease Type: STATE

Section 36 Township 29S Range 24E County SAN JUAN

Drilling Contractor PETE MARTIN DRLG RIG # RATHOLE

SPUDDED:

Date 04/14/08

Time _____

How DRY

Drilling will Commence: _____

Reported by RON

Telephone # (435) 260-1893

Date 05/08/08 Signed CHD

Daily Drilling Report

Well: Middle Mesa State 36-24B-29-24

Area: Middle Mesa

AFE #: 08106618



API #: 43037318780000

Formation:

24hr. Summary : L/D D/P & BHA, Rig Service, Run 5" Casing, Circ, Cement W/No Problems, N/D Bops & Set Slips, Nipr Am Ops : Nipple Down & Clean Pits Ops Forecast : Finish Nipple Down, Clean Pits, Rig Release, Rig Down For Move Today										Ops. Date : 05/19/2008 Report # : 29 Surf. Sec. Spud: 05/03/2008 Days f.S. Spud : 16 Resumed Drill : 05/08/2008 Days f.Resume: 11 Total Drilling Days : 14.3 Rig On Loc. : 29 Est. TD : 6800 MD at 6AM : 6100 TVD at 6AM : 6024 Progress : 0 Day : \$194,662 To Date : \$1,844,843 AFE : \$1,380,000	
Mud Record										Geis	
Depth MW VIS PV YP 10 Sec 10 Min WL pH Solids Liquid Sand CL Ca Pf Mf											
Mud Additives			Deviation Record			BHA				BHA Length : 1104.67	
Mud Item Used Rec.			Depth Angle Dir.			# Of Item		O.D. Length			
						1 Bit 8.750 1.00 1 Motor 6.500 28.20 1 NM DC 6.500 29.08 1 Gap Sub 6.500 5.75 1 NM Flex DC 6.000 31.09 6 DC 6.000 186.74 27 HWDP 4.500 822.81					
Daily Mud Cost (\$) : \$0						DC OD : 6.500 Total BHA Hours : 221.5 DP OD : 4.500 Drill Jar Hours :					
Bit Record										Hook Loads	
# Size Manufacturer Model Serial # Made Hours ROP Made Hours ROP Depth Out WOB Condition										Up : Down : Rotating : Torque(ft lbs) : Torque(Amps) :	
Mud Motor											
# Mud Motor Motor Table RPM Manufacturer Serial Num											
Hydraulics											
# Nozzles Model Stroke Liner Spm Pump#1 Pump#2 Flow AV Mud											
Model Stroke Liner Spm Model Stroke Liner Spm Press. Rate (DC) (DP) Density HSI											
Last Casing										Section : Surface Hole Depth : 2423 Casing Size : 9.625 Casing Set At : 2405	
Time Breakdown										Start Time : 6:00 AM Total Hours : 24.00 Rotating Hours : 0.00 Total Rotating Hours : 220.50	
Start Time End Code Description Activity Sub Code Trouble Sub Code											
6:00 AM 8:00 AM 06 Cont. L/D DP											
8:00 AM 9:00 AM 06 L/D BHA											
9:00 AM 10:00 AM 07 Rig Service											
10:00 AM 11:00 AM 12 R/U Casing Crew											
11:00 AM 11:30 AM 12 Pre Job Safety Meeting											
11:30 AM 7:00 PM 12 Run 5" Casing											
7:00 PM 7:30 PM 12 R/D Casing Crew											
7:30 PM 8:00 PM 12 R/U Cementers											
8:00 PM 8:30 PM 12 Pre-Job Safety Meeting											
8:30 PM 11:30 PM 12 Pressure Test Lines. Cement W/10 bbls H2O, 30 bbl Chemical Wash, 5 Bbl Spacer, 930 sks 13# Tail, 140 bbls Displacement.											
11:30 PM 12:00 AM 12 Rig Down Cement Crew											
12:00 AM 6:00 AM 14 Nipple Down Bops, Set Slips & Cut Off Casing, Cont N/D Bops & Flowlines.											
Comments											
Safety Meeting W/ Casing Crew, Cementers & Rig Hands. No problems with casing.											
Mud Log										Formation : Background : Connection : Trip : Flare Length :	
Rig(s) for today : Nabors M13										Superintendent : Kevin Brakovec Phone # : 720-876-3668 Supervisor : Daniel Martinez Phone # : 720-876-6937	

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Rig Service, Drill F/6017-T/6100, Circ, TOOH, R/U and Log Well, TIH, Circ, L/D Dp Am Ops : L/D DP Ops Forecast : Continue L/D Dp, Run Casing, Cement, N/D Bops.												Ops. Date : 05/18/2008 Report # : 28 Surf. Sec. Spud: 05/03/2008 Days f.S.Spud : 15 Resumed Drill : 05/08/2008 Days f.Resume: 10 Total Drilling Days : 14.3 Rig On Loc. : 28 Est. TD : 6800 MD at 6AM : 6100 TVD at 6AM : 6024 Progress : 83 Day : \$77,170 To Date : \$1,650,181 AFE : \$1,380,000			
Mud Record															
Gels															
Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf
6100	9.2	41	16	12	6	11	8.8	9.0	7	93	0.00	34000	400	0.1	0.9
Mud Additives				Deviation Record				BHA							
Mud Item	Used	Rec.	Depth	Angle	Dir.	# Of	Item	O.D.	Length	BHA Length : 1104.67					
Castic Soda	3		5930.00	4.50	180.0	1	Bit	8.750	1.00						
Pac LV	15		5880.00	4.00	189.1	1	Motor	6.500	28.20						
Xan-Plex D	10		5831.00	3.80	188.6	1	NM DC	6.500	29.08						
Potassium Chk	18		5745.00	2.50	179.7	1	Gap Sub	6.500	5.75						
Cal Carb 20	163		5649.00	2.40	170.0	1	NM Flex DC	6.000	31.09						
Bio Loss	3		5554.00	1.70	137.6	6	DC	6.000	186.74						
			5458.00	1.00	159.1	27	HWDP	4.500	822.81						
			5362.00	0.90	231.9										
			5267.00	0.40	244.9										
			5171.00	0.40	250.4										
Daily Mud Cost (\$): \$5,079				DC OD : 6.500 Total BHA Hours : 221.5						DP OD : 4.500 Drill Jar Hours :					
Bit Record															
#	Size	Manufacturer	Model	Serial #	Made	Hours	ROP	Made	Hours	ROP	Depth	WOB	Condition		
6	8.750	Reed	R30P	10d357-72'	83	5.00	16.6	170	10.00	17.0	6100	40	1-2-NO-A-E-I-NO-TD		
Mud Motor															
#	Mud Motor	RPM		Manufacturer	Serial Num										
6	7/8 M/L 2.9 Stg 1.83	90	63	Winzal	650/24/055										
Hydraulics															
#	Nozzles	Pump#1			Pump#2			Flow		AV	Mud				
6	22,22,22	Model	Stroke	Liner	Spm	Model	Stroke	Liner	Spm	Press.	Rate	(DC)	(DP)	Density	HSI
		H&H	12.0	6.00	70	H&H	12.0	6.00	70	1850	586	419	255	9.2	1.8
Last Casing															
Section : Surface		Hole Depth : 2423		Casing Size : 9.625		Casing Set At : 2405									
Time Breakdown															
Start Time : 6:00 AM		Total Hours : 24.00		Rotating Hours : 5.00		Total Rotating Hours : 220.50									
Start Time	End	Code	Description	Activity	Sub Code	Trouble	Sub Code								
6:00 AM	6:30 AM	07	Rig Service												
6:30 AM	11:30 AM	02	Drill F/6017-T/6100												
11:30 AM	1:00 PM	05	Circ. & Pump Pill												
1:00 PM	5:30 PM	06	TOOH F/Logs												
5:30 PM	9:00 PM	11	Rig up and Log Well, Platform Express Triple Combo												
9:00 PM	12:00 AM	06	TIH												
12:00 AM	1:30 AM	05	Circ.												
1:30 AM	2:00 AM	05	Pump Pill												
2:00 AM	6:00 AM	06	L/D DP												
Comments															
Safety Meeting on Logging, L/D Dp. Logs went to 6099'. No tight spots.															
Mud Log															
Formation : Lasal		Background :		40 Connection :		Trip :		Flare Length :							
Rig(s) for today : Nabors M13				Superintendent : Kevin Brakovec				Phone # : 720-876-3668							
				Supervisor : Daniel Martinez				Phone # : 720-876-6937							

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Drill F/5859-T/5930, Circ, Tooh, L/D Dir. Tools, Install motor & bit, TIH, Drill F/5930-T/6017 Am Ops : Drilling Ops Forecast : Drill T/6100, Circ, TOOH F/Logs, Log Well, Tih, L/D DP.														Ops. Date : 05/17/2008 Report # : 27 Surf. Sec. Spud: 05/03/2008 Days f.S.Spud : 14 Resumed Drill : 05/08/2008 Days f.Resume: 9 Total Drilling Days : 14.3 Rtg On Loc. : 27 Est. TD : 6800 MD at 6AM : 6017 TVD at 6AM : 5941 Progress : 158 Day : \$38,553 To Date : \$1,573,011 AFE : \$1,380,000																																																																																																																																																																																						
Mud Record														Hook Loads Up : 157 Down : 144 Rotating : 150 Torque(ft lbs) : 7820.000 Torque(Amps) :																																																																																																																																																																																						
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="14">Gels</th> </tr> <tr> <th>Depth</th> <th>MW</th> <th>VIS</th> <th>PV</th> <th>YP</th> <th>10 Sec</th> <th>10 Min</th> <th>WL</th> <th>pH</th> <th>Solids</th> <th>Liquid</th> <th>Sand</th> <th>CL</th> <th>Ca</th> <th>Pf</th> <th>Mf</th> </tr> </thead> <tbody> <tr> <td>5890</td> <td>9.2</td> <td>39</td> <td>13</td> <td>10</td> <td>9</td> <td>12</td> <td>8.0</td> <td>9.0</td> <td>7</td> <td>93</td> <td>0.00</td> <td>37000</td> <td>400</td> <td>0.2</td> <td>1.1</td> </tr> </tbody> </table>														Gels														Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf	5890	9.2	39	13	10	9	12	8.0	9.0	7	93	0.00	37000	400	0.2	1.1																																																																																																																																									
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



Rig(s) for today : Nabors M13

Superintendent : Kevin Brakovec

Phone # : 720-876-3868

Supervisor : Daniel Martinez

Phone # : 720-876-6937

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : TIH, Drill F/5424-T/5859 Am Ops : Drilling Ops Forecast : Cont. Drill T/ 5990', Short trip, Circ, TOOH F/ Logs												Ops. Date : 05/16/2008 Report # : 26 Surf. Sec. Spud: 05/03/2008 Days f.S.Spud : 13 Resumed Drill : 05/08/2008 Days f.Resume: 8 Total Drilling Days : 14.3 Rig On Loc. : 26 Est. TD : 6800 MD at 6AM : 5859 TVD at 6AM : 5783 Progress : 435 Day : \$66,338 To Date : \$1,534,457 AFE : \$1,380,000																																																																																																	
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Drlg, Rig Service, Drlg, Circ. TOOH, Tight @ 4950', C/O Bit/Batteries, TIH Am Ops : TIH With New Bit. Ops Forecast : Finish TIH, Drlg W/Directional Control to TD												Ops. Date : 05/15/2008 Report # : 25 Surf.Sec.Spud: 05/03/2008 Days f S.Spud : 12 Resumed Drll : 05/08/2008 Days f Resume: 7 Total Drilling Days : 14.3 Rig On Loc. : 25 Est. TD : 6800 MD at 6AM : 5424 TVD at 6AM : 5348 Progress : 194 Day : \$44,906 To Date : \$1,468,119 AFE : \$1,380,000																																																																																																																	
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Mud Record</th> <th colspan="12">Gels</th> </tr> <tr> <th>Depth</th> <th>MW</th> <th>VIS</th> <th>PV</th> <th>YP</th> <th>10 Sec</th> <th>10 Min</th> <th>WL</th> <th>pH</th> <th>Solids</th> <th>Liquid</th> <th>Sand</th> <th>CL</th> <th>Ca</th> <th>Pf</th> <th>Mf</th> </tr> </thead> <tbody> <tr> <td>5400</td> <td>9.1</td> <td>48</td> <td>20</td> <td>10</td> <td>9</td> <td>16</td> <td>7.6</td> <td>9.3</td> <td>0</td> <td>0</td> <td>0.00</td> <td>37000</td> <td>300</td> <td>0.2</td> <td>0.9</td> </tr> </tbody> </table>														Mud Record		Gels												Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf	5400	9.1	48	20	10	9	16	7.6	9.3	0	0	0.00	37000	300	0.2	0.9																																																																		
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6:00 AM	6:00 PM	02	Drill F/5230-T/5412																																																																																																																										
6:00 PM	7:00 PM	07	Rig Service, C/O Oil in TD, Draworks																																																																																																																										
7:00 PM	8:30 PM	02	Drill F/5412-T/5424																																																																																																																										
8:30 PM	10:00 PM	05	Circ. & Spot Pill																																																																																																																										
10:00 PM	1:30 AM	06	TOOH, Tight @ 4950																																																																																																																										
1:30 AM	2:00 AM	14	Pull Rotating Head																																																																																																																										
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2:30 AM	3:00 AM	06	C/O Bit																																																																																																																										
3:00 AM	4:00 AM	20	C/O Batteries & Test																																																																																																																										
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Comments TOOH for Bit.																																																																																																																													
Mud Log		Formation : Honaker Trail		Background : 60		Connection :		Trip :		Flare Length :																																																																																																																			
Rig(s) for today : Nabors M13				Superintendent : Kevin Brakovec				Phone # : 720-876-3668																																																																																																																					
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Drlg, BOP Drill, Drlg, Rig Service, BOP Drill, Drlg. Am Ops : Drlg @ 5230' Progress 616' 22.5hrs drlg. Ops Forecast : Drlg W/ Directional Control holding a Vertical well bore to TD approx 5975"														Ops. Date : 05/14/2008 Report # : 24 Surf. Sec. Spud: 05/03/2008 Days f.S.Spud : 11 Resumed Drill : 05/08/2008 Days f.Resume: 6 Total Drilling Days : 14.3 Rig On Loc. : 24 Est. TD : 6800 MD at 6AM : 5230 TVD at 6AM : 5154 Progress : 616 Day : \$140,946 To Date : \$1,423,213 AFE : \$1,380,000									
Mud Record																							
<u>Gels</u>																							
Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf								
5230	9.2	44	17	8	5	11	8.4	9.0	0	93		35000	300	0.2	0.8								
Mud Additives				Deviation Record				BHA				BHA Length : 1104.67											
Mud Item	Used	Rec.	Depth		Angle	Dir.	# Of	Item	O.D.	Length													
Castic Soda	4		5171.00		0.40	250.4	1	Bit	8.750	1.00													
Pac LV	6		5075.00		1.40	172.7	1	Motor	6.500	28.20													
Xan-Plex D	16		4979.00		2.50	123.3	1	NM DC	6.500	29.08													
Potassium Chk	48		4883.00		1.70	118.7	1	Gap Sub	6.500	5.75													
Cal Carb 20	136		4787.00		1.60	97.0	1	NM Flex DC	6.000	31.09													
Bio Loss	21		4692.00		0.40	185.4	6	DC	6.000	188.74													
Engineering Se	1		4596.00		0.30	218.6	27	HWDP	4.500	822.81													
Trucking	1		4500.00		0.60	201.1																	
			4404.00		0.70	78.2																	
			4308.00		1.20	50.8																	
Daily Mud Cost (\$) : \$6,890								DC OD : 6.500 Total BHA Hours : 221.5															
								DP OD : 4.500 Drill Jar Hours :															
Bit Record																							
<u>Daily</u>														<u>Cumulative</u>		<u>Depth</u>							
#	Size	Manufacturer	Model	Serial #	Made	Hours	ROP	Made	Hours	ROP	Out	WOB	Condition										
4	8.750	Reed	R27P	A73274	616	22.50	27.4	1240	47.00	28.4	40		-----										
Mud Motor																							
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#	Mud Motor	Motor	Table	Manufacturer				Serial Num															
4	7/8 M/L 2.9 Stg 1.83	93	60	Winzal				650/24/055															
Hydraulics																							
<u>Pump#1</u>														<u>Pump #2</u>				<u>Flow</u>		<u>AV</u>		<u>Mud</u>	
#	Nozzles		Model	Stroke	Liner	Spm	Model	Stroke	Liner	Spm	Press.	Rate	(DC)	(DP)	Density	HSI							
4	22,22,22		H&H	12.0	6.00	70	H&H	12.0	6.00	70	1500	586	419	255	9.2	1.8							
Last Casing																							
Section : Surface														Hole Depth : 2423		Casing Size : 9.625		Casing Set At : 2405					
Time Breakdown																							
Start Time : 6:00 AM														Total Hours : 24.00		Rotating Hours : 22.50		Total Rotating Hours : 220.50					
Start Time	End	Code	Description				Activity	Sub Code	Trouble	Sub Code													
6:00 AM	12:00 PM	02	Drlg F/ 4614' to 4837'																				
12:00 PM	12:30 PM	21	BOP Drill																				
12:30 PM	11:00 PM	02	Drlg F/ 4837' to 5125'																				
11:00 PM	11:30 PM	07	Rig Service																				
11:30 PM	12:00 AM	21	BOP Drill																				
12:00 AM	6:00 AM	02	Drlg F/ 5125' to 5230'																				
Comments																							
Mud Log																							
Formation : Honaker Trail			Background :			22 Connection :			Trip :			Flare Length :											
Rig(s) for today : Nabors M13						Superintendent : Kevin Brakovec						Phone # : 720-876-3668											
						Supervisor : Steve Record						Phone # : 720-876-6937											

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Drlg, Safety Stand Down, Drlg, Safety Stand down, Drlg. Am Ops : Drlg @4614' Progress 607' 23hrs drlg. Ops Forecast : Drlg W/ Directional Control holding a Vertical well bore to TD.												Ops. Date : 05/13/2008 Report # : 23 Surf. Sec. Spud : 05/03/2008 Days f.S.Spud : 10 Resumed Drill : 05/08/2008 Days f Resume : 5 Total Drilling Days : 14.3 Rig On Loc. : 23 Est. TD : 6800 MD at 6AM : 6014 TVD at 6AM : 5938 Progress : 607 Day : \$46,769 To Date : \$1,282,267 AFE : \$1,380,000																																																																																																																																																																																															
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : TIH, PU Rotating Head, Rig Service, Trouble shoot Top Drive, Trip out plugged BHA, LD & Clean out D Am Ops : Drlg @4007' Progress 17' 1.5 hrs drlg Ops Forecast : Drlg W/ Directional Control Back to Vertical and hold to TD.												Ops. Date : 05/12/2008 Report # : 22 Surf. Sec. Spud: 05/03/2008 Days f.S.Spud : 9 Resumed Drill : 05/08/2008 Days f.Resume: 4 Total Drilling Days : 14.3 Rig On Loc. : 22 Est. TD : 6800 MD at 6AM : 4007 TVD at 6AM : 3918 Progress : 17 Day : \$42,225 To Date : \$1,235,498 AFE : \$1,380,000																																																																																																									
Mud Record <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="14">Cels</th> </tr> <tr> <th>Depth</th> <th>MW</th> <th>VIS</th> <th>PV</th> <th>YP</th> <th>10 Sec</th> <th>10 Min</th> <th>WL</th> <th>pH</th> <th>Solids</th> <th>Liquid</th> <th>Sand</th> <th>CL</th> <th>Ca</th> <th>Pf</th> <th>Mf</th> </tr> </thead> <tbody> <tr> <td>3986</td> <td>9.1</td> <td>37</td> <td>13</td> <td>4</td> <td>5</td> <td>10</td> <td>12.0</td> <td>9.0</td> <td></td> <td></td> <td></td> <td>32000</td> <td>200</td> <td>0.1</td> <td>0.6</td> </tr> </tbody> </table>														Cels														Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf	3986	9.1	37	13	4	5	10	12.0	9.0				32000	200	0.1	0.6																																																										
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Last Casing Section : Surface Hole Depth : 2423 Casing Size : 9.625 Casing Set At : 2405																																																																																																																					
Time Breakdown Start Time : 6:00 AM Total Hours : 24.00 Rotating Hours : 1.50 Total Rotating Hours : 220.50																																																																																																																					
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Drlg, Rig Service, Drlg, Circ & Cond, Trip, Pull Bell Nipple, Install Wear Bushing, Trip / Mu Bit. Am Ops : TIH Orientate tools, Progress 573' 17.5hrs drlg. Ops Forecast : Finish TIH, Wash & Ream, Drlg W/ Directional Control Back to Vertical and hold to TD.												Ops. Date : 05/11/2008 Report # : 21 Surf. Sec. Spud : 05/03/2008 Days f.S. Spud : 8 Resumed Drill : 05/08/2008 Days f. Resume. 3 Total Drilling Days : 14.3 Rig On Loc. : 21 Est. TD : 6800 MD at 6AM : 3985 TVD at 6AM : 3909 Progress : 573 Day : \$44,657 To Date : \$1,193,273 AFE : \$1,380,000			
Mud Record															
Gels															
Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf
3582	9.2	40	13	10	5	10	0.0	9.6	0			34000	180	0.2	0.8
Mud Additives				Deviation Record				BHA				BHA Length : 1115.50			
Mud Item	Used	Rec.		Depth	Angle	Dir.	# Of	Item	O.D.	Length					
Bicarbonate Of	10			3925.00	5.40	28.7	1	Bit	8.750	1.00					
Cal Carb 40x14	10			3830.00	6.60	22.9	1	Motor	6.500	28.20					
Pac LV	7			3734.00	7.60	33.8	1	Shock sub	6.500	10.83					
Xan-Plex D	8			3638.00	8.90	45.4	1	NM DC	6.500	29.08					
Potassium Chlc	133			3542.00	9.90	49.6	1	Gap Sub	6.500	5.75					
Bio Loss	12			3447.00	9.90	41.3	1	NM Flex DC	6.000	31.09					
Engineering Se	1			3352.00	9.80	38.7	6	DC	6.000	186.74					
				3256.00	9.20	43.1	27	HWDP	4.500	822.81					
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				3064.00	9.60	34.5									
Daily Mud Cost (\$) : \$7,710				DC OD : 6.500 Total BHA Hours : 221.5 DP OD : 4.500 Drill Jar Hours :											
Bit Record															
#	Size	Manufacturer	Model	Serial #	Made	Hours	ROP	Made	Hours	ROP	Depth Out	WOB	Condition		
3	8.750	SEC	EQH23R	11080225	573	17.50	32.7	1562	51.00	30.6	3985	35	4-4-WT-A-E-I-NO-FM		
4	8.750	Reed	R27P	A73274			0.0	0	0.00	0.0			-----		
Mud Motor															
#	Mud Motor	Motor	RPM	Table	Manufacturer	Serial Num									
3	7/8 M/L 2.9Stg 1.83	80	50		Winzal	650-24-029									
4	7/8 M/L 2.9Stg 1.83				Winzal	650-24-029									
Hydraulics															
#	Nozzles	Model	Stroke	Liner	Spm	Model	Stroke	Liner	Spm	Press.	Rate	AV	Mud	HSI	
3	22,22,22	H&H	12.0	6.00	60	H&H	12.0	6.00	60	1190	502	359	219	9.2	
4	22,22,22									0	0	0		0.0	
Last Casing															
Section : Surface		Hole Depth : 2423		Casing Size : 9.625		Casing Set At : 2405									
Time Breakdown															
Start Time : 6:00 AM		Total Hours : 24.00		Rotating Hours : 17.50		Total Rotating Hours : 220.50									
Start Time	End	Code	Description	Activity	Sub Code	Trouble	Sub Code								
6:00 AM	11:00 AM	02	Drig F/ 3412' to 3602'												
11:00 AM	11:30 AM	07	Rig Service												
11:30 AM	12:00 AM	02	Drig F/ 3602' to 3985'												
12:00 AM	12:30 AM	05	Circ & Cond pump slug.												
12:30 AM	4:30 AM	06	Trip												
4:30 AM	5:00 AM	14	NU Pull bell nipple												
5:00 AM	5:30 AM	06	Install Wear Bushing												
5:30 AM	6:00 AM	06	Trip MU Bit Orientate tools.												
Comments															
Safety Meeting: Fork Lift Operation															
Mud Log															
Formation : Cutler		Background :		Connection :		Trip :		Flare Length :							

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



Rig(s) for today : Nabors M13	Superintendent : Kevin Brakovec	Phone # : 720-876-3668
	Supervisor : Steve Record	Phone # : 720-876-6937

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Test BOP, NU BOP, PU Tools, TIH, NU PU Bell Nipple, Drig Float & Cement, Drig, Shoe test, Drig. Am Ops : Drig @ 2742' Progress 319' 9.5hrs drig. Ops Forecast : Drig W/ Directional Control.												Ops. Date : 05/09/2008 Report # : 19 Surf. Sec. Spud: 05/03/2008 Days f.S. Spud : 6 Resumed Drill : 05/08/2008 Days f.Resume: 1 Total Drilling Days : 14.3 Rig On Loc. : 19 Est. TD : 6800 MD at 6AM : 2742 TVD at 6AM : 2685 Progress : 319 Day : \$53,845 To Date : \$1,087,225 AFE : \$1,380,000																																																																																																																																																																									
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Drlg, Circ & Cond, Trip, Circ & Cond, Trip LD 8" tools, RU Casing Crew, Run 2410' csg, RD Csg crew, (Am Ops : RU Cementers, Depth 2423' Progress 85' 6hrs drlg. Ops Forecast : Cement, WOC, Cut csg weld on csg head, NU BOP, Test BOP, PU 6.5" Dir. Tools, Trip, Ream, Drlg.												Ops. Date : 05/07/2008 Report # : 6 Surf. Sec. Spud : 05/03/2008 Days f.S. Spud : 4 Resumed Drill : 05/08/2008 Days f Resume : -1 Total Drilling Days : 14.3 Rig On Loc. : 17 Est. TD : 6800 MD at 6AM : 2423 TVD at 6AM : 2376 Progress : 85 Day : \$62,590 To Date : \$982,736 AFE : \$1,380,000																																																																																																																																																																																															
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Drlg & Slide, Rig Service, Drlg & Slide. Am Ops : Drlg @ 2336' Progress 958' 23.5 hrs drlg. Ops Forecast : Drlg & Slide to 2464' TD Surface, Circ & Cond, Wiper Trip, Circ & Cond, Trip LD 8" Tools, Run Csg, CN										Ops. Date : 05/06/2008 Report # : 16 Surf. Sec.Spud: 05/03/2008 Days f.S.Spud : 3 Resumed Drill : 05/08/2008 Days f.Resume: -2 Total Drilling Days : 14.3 Rig On Loc. : 16 Est. TD : 6800 MD at 6AM : 2336 TVD at 6AM : 2289 Progress : 958 Day : \$34,086 To Date : \$920,146 AFE : \$1,380,000									
Mud Record										Gels									
Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf				
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			1728.00	12.80	40.6	1	DC	8.000	30.88										
			1632.00	12.70	41.8	1	XO	8.000	4.04										
			1536.00	13.30	43.4	6	DC	6.000	186.74										
			1441.00	14.30	44.8	27	HWDP	4.500	822.81										
			1345.00	13.80	43.1														
Daily Mud Cost (\$): \$921						DC OD : 8.000 Total BHA Hours : 221.5 DP OD : 4.500 Drill Jar Hours :													
Bit Record										Daily		Cumulative		Depth					
#	Size	Manufacturer	Model	Serial #	Made	Hours	ROP	Made	Hours	ROP	Out	WOB	Condition						
2	12.250	SEC	XS315	10735176	958	23.50	40.8	1489	34.00	43.8	50		---						
Mud Motor										RPM									
#	Mud Motor	Motor	Table	Manufacturer	Serial Num														
2	7/8 M/L 4Stg 2.12	113	50	Winzal	775-24-038														
Hydraulics										Pump #1		Pump #2		Flow		AV		Mud	
#	Nozzles	Model	Stroke	Liner	Spm	Model	Stroke	Liner	Spm	Press.	Rate	(DC)	(DP)	Density	HSI				
2	22,22,22	H&H	12.0	6.00	80	H&H	12.0	6.00	80	175	670	191	126	9.2	1.4				
Last Casing										Section : Conductor		Hole Depth : 16		Casing Size : 16.000		Casing Set At : 80			
Time Breakdown										Start Time : 6:00 AM		Total Hours : 24.00		Rotating Hours : 23.50		Total Rotating Hours : 220.50			
Start Time	End	Code	Description	Activity		Sub Code		Trouble		Sub Code									
6:00 AM	4:00 PM	02	Drlg F/ 1378' to 1888'																
4:00 PM	4:30 PM	07	Rig Service																
4:30 PM	6:00 AM	02	Drlg F/ 1888' TO 2338'																
Comments																			
(Empty comment box)																			
Mud Log										Formation : Chinle		Background :		Connection :		Trip :		Flare Length :	
Rig(s) for today : Nabors M13										Superintendent : Kevin Brakovec		Supervisor : Steve Record		Phone # : 720-876-3668		Phone # : 720-876-6937			

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Drlg & Slide, Rig Service, Circ & Cond, Trip, LD & PU New Bit and Motor, TIH, Drlg & Slide. Am Ops : Drlg @ 1378' Progress 703' 18hrs drlg Ops Forecast : Drlg w/ Dir. Control, and TD surface @ 2400'												Ops. Date : 05/05/2008 Report # : 15 Surf. Sec. Spud : 05/03/2008 Days f.S. Spud : 2 Resumed Drill : 05/08/2008 Days f.Resume : -3 Total Drilling Days : 14.3 Rig On Loc. : 15 Est. TD : 6800 MD at 6AM : 1378 TVD at 6AM : 1271 Progress : 703 Day : \$33,565 To Date : \$886,060 AFE : \$1,380,000																			
Mud Record												Gels																			
Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf																
720	8.7	27						9.4	0			300	40	0.2	0.3																
Mud Additives				Deviation Record				BHA				BHA Length : 1122.84																			
Mud Item	Used	Rec.	Depth	Angle	Dir.	# Of	Item	O.D.	Length																						
Mil-Plug Midium		100	1249.00	14.10	36.7	1	Bit	12.250	1.50																						
Pac LV		36	1153.00	14.10	34.7	1	Motor	8.000	28.07																						
Potassium Chk		637	1057.00	13.90	35.5	1	Shock sub	8.000	13.00																						
S.A.P.P		6	966.00	13.50	30.0	1	NM DC	8.000	30.60																						
Sawdust		525	875.00	13.50	31.8	1	Gap Sub	8.000	5.20																						
Xan-Plex D		80	788.00	13.10	35.6	1	DC	8.000	30.88																						
Engineering Se	1		696.00	12.00	37.9	1	XO	8.000	4.04																						
			605.00	9.30	40.3	6	DC	6.000	186.74																						
			514.00	7.10	42.6	18	HWDP	4.500	822.81																						
			422.00	4.80	40.4																										
Daily Mud Cost (\$) : \$400								DC OD : 8.000 Total BHA Hours : 221.5 DP OD : 4.500 Drill Jar Hours :																							
Bit Record												Daily				Cumulative				Depth											
#	Size	Manufacturer	Model	Serial #	Made	Hours	ROP	Made	Hours	ROP	Out	WOB	Condition																		
1	12.250	HTC	MX30H	Z367KT	172	7.50	22.9	787	28.50	27.6	847	25	3-3-FC-M-E-I-WT-DMF																		
2	12.250	SEC	XS31S	10735176	531	10.50	50.6	531	10.50	50.6		35	-----																		
Mud Motor												RPM																			
#	Mud Motor	Motor	Table	Manufacturer				Serial Num																							
1	7/8 M/L 4 Stg 2.1	113	55	Winzal				775-24-503																							
2	7/8 M/L 4Stg 2.12	113	55	Winzal				775-24-038																							
Hydraulics												Pump #1				Pump #2				Flow											
#	Nozzles	Model	Stroke	Liner	Spm	Model	Stroke	Liner	Spm	Press.	Rate	AV	DC	DP	Mud	HSI															
1	28,28,28	H&H	12.0	6.00	85	H&H	12.0	6.00	85	950	712	203	134	8.7	0.6																
2	22,22,22											0	0	0	0.0																
Last Casing												Section : Conductor				Hole Depth : 16				Casing Size : 16.000 Casing Set At : 80											
Time Breakdown												Start Time : 6:00 AM				Total Hours : 24.00				Rotating Hours : 18.00				Total Rotating Hours : 220.50							
Start Time	End	Code	Description				Activity				Sub Code				Trouble				Sub Code												
6:00 AM	1:30 PM	02	Drlg & Slide F/ 675' to 847'																												
1:30 PM	2:00 PM	07	Rig Service																												
2:00 PM	2:30 PM	05	Circ & Cond Hi Vis Sweep												Equipment		BHA														
2:30 PM	3:30 PM	06	Trip												Equipment		BHA														
3:30 PM	6:00 PM	20	Dir.Work LD Locked up Motor and Bit PU Same												Equipment		BHA														
6:00 PM	7:30 PM	06	TIH												Equipment		BHA														
7:30 PM	6:00 AM	02	Drlg & Slide F/847' to 1378'												Equipment		BHA														
Comments												Trip for mud motor bearing locked up W/28hrs and 787'																			
Mud Log												Formation : Dakota/Burro Cany				Background :				Connection :				Trip :				Flare Length :			

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



Rig(s) for today : Nabors M13

Superintendent : Kevin Brakovec

Phone # :

Supervisor : Steve Record

Phone # : 720-876-6937

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08105618



API # : 43037318780000

Formation :

24hr. Summary : Drlg, MU Dir. Tools set motor bend to 2.12 orientat tools, TIH, Drlg & Slide, Trip, Drlg & Slide. Am Ops : Drlg @675' Progress 600' 18hrs Rotating Ops Forecast : Drlg & Slide, Building 2deg/per100' to 800' EOB 12.39deg and hold to td csg point @ 2400'												Ops. Date : 05/04/2008 Report # : 14 Surf. Sec. Spud: 05/03/2008 Days f.S. Spud : 1 Resumed Drill : 05/08/2008 Days f. Resume: -4 Total Drilling Days : 14.3 Rig On Loc. : 14 Est. TD : 6800 MD at 6AM : 675 TVD at 6AM : 672 Progress : 600 Day : \$41,397 To Date : \$852,495 AFE : \$1,380,000					
Mud Record												Gels					
Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf		
160	8.4	27						9.2	0			250	60	0.1	0.1		
Mud Additives				Deviation Record				BHA				BHA Length: 756.45					
Mud Item	Used	Rec.		Depth	Angle	Dir.	# Of	Item	O.D.	Length							
Barite		160		514.00	7.10	42.6	1	Bit	12.250	1.50							
Bicarbonate Of		59		422.00	4.80	40.4	1	Motor	8.000	27.70							
Bio Loss		150		331.00	2.50	52.7	1	Shock sub	8.000	13.00							
Cal Carb 40x14		539		237.00	2.00	60.7	1	NM DC	8.000	30.60							
Castic Soda		60		145.00	0.20	60.2	1	Gap Sub	8.000	5.20							
CF Desco II		30					1	DC	8.000	30.88							
Gel		224					1	XO	8.000	4.04							
Mica Coarse		48					6	DC	6.000	185.64							
Mil-Ceder Fiber		130					15	HWDP	4.500	457.89							
Engineering Se	1																
Pallets	56																
Shrinkwrap	53																
Trucking	3																
Daily Mud Cost (\$): \$5,864								DC OD : 8.000 Total BHA Hours : 221.5									
								DP OD : 4.500 Drill Jar Hours :									
Bit Record												Hook Loads					
#	Size	Manufacturer	Model	Serial #	Made	Hours	ROP	Made	Hours	ROP	Depth	Out	WOB	Condition			
1	12.250	HTC	MX30H	Z367KT	600	20.50	29.3	615	21.00	29.3		25					
Mud Motor												Up : 65000 Down : 60000 Rotating : 62000 Torque(ft lbs) : 2500.000 Torque(Amps) :					
#	Mud Motor	Motor	RPM Table	Manufacturer	Serial Num												
1	7/8 M/L 4 Stg 2.1	114	55	Winzal	775-24-503												
Hydraulics																	
#	Nozzles	Model	Stroke	Liner	Spm	Model	Stroke	Liner	Spm	Press.	Rate	AV (DC)	DP (DP)	Mud Density	HSI		
1	28,28,28	H&H	12.0	6.00	85	H&H	12.0	6.00	0	950	356	101	67	8.4	0.1		
Last Casing												Section : Conductor Hole Depth : 16 Casing Size : 16.000 Casing Set At : 80					
Time Breakdown												Start Time : 6:00 AM Total Hours : 24.00 Rotating Hours : 20.00 Total Rotating Hours : 220.50					
Start Time	End	Code	Description	Activity	Sub Code	Trouble	Sub Code										
6:00 AM	8:30 AM	02	Drig F/ 75' to 138'														
8:30 AM	10:30 AM	06	Trip PU Dir. Tools and bend 8" Motor to 2.12														
10:30 AM	11:00 AM	20	Dir. Work orientated MWD to Motor														
11:00 AM	11:30 AM	06	Trip														
11:30 AM	1:00 PM	02	Drig F/ 138' to 205'														
1:00 PM	1:30 PM	06	Trip, MU 3-6" DC														
1:30 PM	4:30 PM	02	Drig & Slide F/ 205' to 267' Building 2deg per 100' with 40' slides														
4:30 PM	5:00 PM	06	Trip MU 2- 6" DC														
5:00 PM	6:00 AM	02	Drig & Slide F/ 267' to 675' Building 2deg per 100' with 40' slides														
Comments																	
Had a 60bbl loss @ 200'																	
Mud Log												Formation : Dakota/Burro Canyc Background : Connection : Trip : Flare Length :					

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



Rig(s) for today : Nabors M13

Superintendent : Kevin Brakovec

Phone # :

Supervisor : Steve Record

Phone # : 720-876-6937

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08105618



API # : 43037318780000

Formation :

24hr. Summary : Finish Hooking up Riser, RU Floor, PU Tools, Spud @ 5:30am 5/3/08 Am Ops : Drlg @75' Ops Forecast : Drlg surface to 200' start building 2deg/per100' to 800' EOB 12.39deg and hold to td csg point @ 2400'												Ops. Date : 05/03/2008 Report # : 13 Surf. Sec. Spud: 05/03/2008 Days f.S. Spud : 0 Resumed Drllt : 05/08/2008 Days f Resume: -5 Total Drilling Days : 14.3 Rig On Loc. : 13 Est. TD : 6800 MD at 6AM : 75 TVD at 6AM : 75 Progress : 15 Day : \$48,931 To Date : \$811,098 AFE : \$1,380,000																																																											
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">Mud Record</th> <th colspan="12">Gels</th> </tr> <tr> <th>Depth</th> <th>MW</th> <th>VIS</th> <th>PV</th> <th>YP</th> <th>10 Sec</th> <th>10 Min</th> <th>WL</th> <th>pH</th> <th>Solids</th> <th>Liquid</th> <th>Sand</th> <th>CL</th> <th>Ca</th> <th>Pf</th> <th>Mf</th> </tr> <tr> <td>60</td> <td>8.3</td> <td>27</td> <td></td> </tr> </table>														Mud Record		Gels												Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf	60	8.3	27																									
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Daily Mud Cost (\$): 50				<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">Bit Record</th> <th colspan="6">Daily</th> <th colspan="3">Cumulative</th> <th colspan="2">Depth</th> <th rowspan="2">Condition</th> </tr> <tr> <th>#</th> <th>Size</th> <th>Manufacturer</th> <th>Model</th> <th>Serial #</th> <th>Made</th> <th>Hours</th> <th>ROP</th> <th>Made</th> <th>Hours</th> <th>ROP</th> <th>Out</th> <th>WOB</th> </tr> <tr> <td>1</td> <td>12.250</td> <td>HTC</td> <td>MX30H</td> <td>Z367KT</td> <td>15</td> <td>0.50</td> <td>30.0</td> <td>15</td> <td>0.50</td> <td>30.0</td> <td>13</td> <td></td> </tr> </table>										Bit Record		Daily						Cumulative			Depth		Condition	#	Size	Manufacturer	Model	Serial #	Made	Hours	ROP	Made	Hours	ROP	Out	WOB	1	12.250	HTC	MX30H	Z367KT	15	0.50	30.0	15	0.50	30.0	13																			
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Last Casing Section : Conductor		Hole Depth : 16		Casing Size : 16.000		Casing Set At : 80																																																																	
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Comments																																																																							
Mud Log Formation : Dakota		Background :		Connection :		Trip :		Flare Length :																																																															
Rig(s) for today : Nabors M13				Superintendent : Kevin Brakovec Supervisor : Steve Record				Phone # : Phone # : 720-876-6937																																																															

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Retract derrick raising cylinders, Scope out Derrick, Manually lock in safety locks on Derrick, Install rise
 Am Ops : Safety Meeting
 Ops Forecast : Finish Hooking up Riser, Rig up Floor, PU Tools, Spud.

Ops. Date : 05/02/2008
 Report # : 12
 Surf. Sec. Spud : 05/03/2008
 Days f.S. Spud : -1
 Resumed Drill : 05/08/2008
 Days f. Resume : -6
 Total Drilling Days : 14.3
 Rig On Loc. : 12
 Est. TD : 6800
 MD at 6AM :
 TVD at 6AM :
 Progress : 0
 Day : \$45,233
 To Date : \$762,167
 AFE : \$1,380,000

Mud Record															
Gels															
Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf

Mud Additives			Deviation Record			BHA		BHA Length : 0.00	
Mud Item	Used	Rec.	Depth	Angle	Dir.	# Of	Item	O.D.	Length
Daily Mud Cost (\$): \$0						DC OD : 0.000 Total BHA Hours : 221.5			
						DP OD : 0.000 Drill Jar Hours :			

Hook Loads	
Up :	
Down :	
Rotating :	
Torque(ft lbs) :	
Torque(Amps) :	

Bit Record													
#	Size	Manufacturer	Model	Serial #	Daily			Cumulative			Depth		Condition
					Made	Hours	ROP	Made	Hours	ROP	Out	WOB	

Mud Motor					
#	Mud Motor	RPM		Manufacturer	Serial Num
		Motor	Table		

Hydraulics													
#	Nozzles	Pump #1			Pump #2			Flow		AV		Mud	
		Model	Stroke	Liner	Spm	Model	Stroke	Liner	Spm	Press.	Rate	(DC)	(DP)

Last Casing Section : Conductor Hole Depth : 16 Casing Size : 16.000 Casing Set At : 80

Time Breakdown							
Start Time	End	Code	Description	Activity	Sub Code	Trouble	Sub Code
6:00 AM	1:00 PM	01	Spool drig line on drum, Retract Mast Raising cylinders, Install floor plates, Ready derrick to Scope out,				
1:00 PM	1:30 PM	21	Safety Meeting & JSA Scoping up derrick mast.				
1:30 PM	6:00 PM	01	Scope up mast, Bleed off line for mast locking cylinders, Hook up lights and derrick climb assist, also escape lines.				
6:00 PM	9:00 PM	01	Set in riser pipe				
9:00 PM	6:00 AM	21	Wait on daylight				

Comments
 Both Crews worked all day morning tour was short two men and they could not work more then 16hrs so had to shut down @ 10:00 pm.

Mud Log	Formation :	Background :	Connection :	Trip :	Flare Length :
Rig(s) for today	Nabors IM13	Superintendent :	Kevin Brakovec	Phone # :	
		Supervisor :	Steve Record	Phone # :	720-876-6937

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037316780000

Formation :

24hr. Summary : Finish Repairs on Derrick, Stab Derrick on Subs, Prepare to raise, Derrick Board, String Up, Etc, Safety Am Ops : Prepare to raise subs. Ops Forecast : Raise Subs, Prepare Derrick, Scope Derrick Up, Rig Up Floor, Rig Up Flowline, Rig Inspection, P/U Tool												Ops. Date : 04/30/2008 Report # : 10 Surf Sec.Spud: 05/03/2008 Days f.S.Spud : -3 Resumed Drill : 05/08/2008 Days f.Resume : -8 Total Drilling Days : 14.3 Rig On Loc. : 10 Est. TD : 6800 MD at 6AM : TVD at 6AM : Progress : 0 Day : \$47,421 To Date : \$691,434 AFE : \$1,380,000							
<u>Mud Record</u>																			
<u>Gels</u>																			
Depth	MW	VIS	PV	YP	10 Sec	10 Min	WL	pH	Solids	Liquid	Sand	CL	Ca	Pf	Mf				
<u>Mud Additives</u>																			
Mud Item	Used	Rec.	<u>Deviation Record</u>					<u>BHA</u>		BHA Length : 0.00									
			Depth	Angle	Dir.	# Of	Item	O.D.	Length										
Daily Mud Cost (\$) : \$0												DC OD : 0.000 Total BHA Hours : 221.5		DP OD : 0.000 Drill Jar Hours :					
<u>Bit Record</u>																			
#	Size	Manufacturer	Model	Serial #	Made	Hours	ROP	Made	Hours	ROP	Depth	Out	WOB	Condition					
<u>Mud Motor</u>																			
#	Mud Motor	<u>RPM</u>		Manufacturer		Serial Num													
<u>Hydraulics</u>																			
#	Nozzles	<u>Pump#1</u>			<u>Pump #2</u>			<u>Flow</u>		<u>AV</u>		<u>Mud</u>							
		Model	Stroke	Liner	Spm	Model	Stroke	Liner	Spm	Press.	Rate	(DC)	(DP)	Density	HSI				
<u>Last Casing</u>																			
Section :		Hole Depth :		Casing Size :		Casing Set At :													
<u>Time Breakdown</u>																			
Start Time : 6:00 AM		Total Hours : 24.00		Rotating Hours : 0.00		Total Rotating Hours : 220.50													
Start Time	End	Code	Description	Activity	Sub Code	Trouble	Sub Code												
6:00 AM	9:00 AM	01	Finish Repairs to Derrick																
9:00 AM	4:30 PM	01	Stab Derrick onto subs. Install Derrick board. String up and unstring cables.																
4:30 PM	5:00 PM	21	Pre-Job Safety Meeting.																
5:00 PM	5:30 PM	01	Raise Derrick																
5:30 PM	6:00 PM	01	Dress out Derrick																
6:00 PM	7:00 PM	01	Attempt to retract cylinders. Repair Hydraulic Balance Valve																
7:00 PM	8:00 PM	01	Rig Derrick, Unstring Tied up cables																
8:00 PM	6:00 AM	21	Wait on Daylight.																
<u>Comments</u>																			
Safety Meeting on Raising Derrick. Clint with loadmaster was here all day to spot any area's that possibly could be mechanically improved to help get rig move times down. Goal of 5.5 days.																			
<u>Mud Log</u>																			
Formation :		Background :		Connection :		Trip :		Flare Length :											
Rig(s) for today : Nabors M13		Superintendent : Kevin Brakovec		Phone # :		Supervisor : Daniel Martinez		Phone # : 720-876-6937											

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Finished R/U of Subs, Installed Lights Poles, R/U Gas Buster, Pit Lighting, Started Generators, Ready I Am Ops : R/U Ops Forecast : R/U Boiler System, Repair Derrick, Install on Subs & Raise, Raise Subs, Possibly Scope Derrick Up To										Ops. Date : 04/28/2008 Report # : 8 Surf. Sec.Spud: 05/03/2008 Days f.S.Spud : -5 Resumed Drill : 05/08/2008 Days f.Resume: -10 Total Drilling Days : 14.3 Rig On Loc. : 8 Est. TD : 6800 MD at 6AM : TVD at 6AM : Progress : 0 Day : \$27,690 To Date : \$605,471 AFE : \$1,380,000																																																												
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Forklift Safety Stand Down in Parachute. Continue to R/U for a few hours in the afternoon. Unload truck Am Ops : R/U, Setting Matting boards for subs. Subs arrived over night. All loads off N. Parachute Location. Ops Forecast : Set & R/U Subs. Crane here @ 9:00 am. Derrick in Grand Junction.												Ops. Date : 04/26/2008 Report # : 6 Surf.Sec.Spud: 05/03/2008 Days f.S.Spud : -7 Resumed Drill : 05/08/2008 Days f Resume: -12 Total Drilling Days : 14.3 Rig On Loc. : 6 Est. TD : 6800 MD at 6AM : TVD at 6AM : Progress : 0 Day : \$45,204 To Date : \$550,366 AFE : \$1,380,000																																																																																									
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Lowered Derrick, Took apart and get road read, R/D Subs, Dolly Broke for Derrick had to disassemble to Am Ops : Travel to Parachute for Forklift Safety Stand Down. Ops Forecast : Forklift Safety Stand Down in Parachute. Continue to RU after return.							Ops. Date : 04/25/2008 Report # : 5 Surf. Sec. Spud : 05/03/2008 Days f.S. Spud : -8 Resumed Drill : 05/08/2008 Days f. Resume : -13 Total Drilling Days : 14.3 Rig On Loc. : 5 Est. TD : 6800 MD at 6AM : TVD at 6AM : Progress : 0 Day : \$26,765 To Date : \$505,162 AFE : \$1,380,000																																
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Hook Loads				------------------	----------------	------------		Up :	Down :	Rotating :		Torque(ft lbs) :	Torque(Amps) :							Bit Record															------------	------	--------------	-------	----------	-------	-------	-----	------------	-------	-----	-------	-----	-----------		#	Size	Manufacturer	Model	Serial #	Daily			Cumulative			Depth		Condition							Made	Hours	ROP	Made	Hours	ROP	Out	WOB														
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Rig(s) for today : Nabors M13			Superintendent : **Kevin Brakovec**			Phone # :			Phone # : **720-876-6937**																																																																																		
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Lowered Subs and Continued to Rig Down, Unable to lower derrick due to high winds. Am Ops : Rigging Down. Ops Forecast : Lower Derrick and Remove from subs. Get subs & derrick road ready. Finish Cleaning off Location.							Ops. Date : 04/24/2008 Report # : 4 Surf. Sec. Spud : 05/03/2008 Days f.S. Spud : -9 Resumed Drill : 05/08/2008 Days f. Resume : -14 Total Drilling Days : 14.3 Rig On Loc. : 4 Est. TD : 6800 MD at 6AM : TVD at 6AM : Progress : 0 Day : \$25,415 To Date : \$478,397 AFE : \$1,380,000																																																																						
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Rig(s) for today : Nabors M13							Superintendent : Kevin Brakovec Supervisor : Daniel Martinez			Phone # : Phone # : 720-876-6937																																																																			

Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

<p>24hr. Summary : Rig Down & Load Out, Attempted to lower subs. Hydraulic problems and unable to lower. Had to raise ba Am Ops : Hopefully repairs will work and we can lower subs and derrick. Continue to Rig Down. Ops Forecast : Rig Down & Lower Subs and Derrick.</p>										<p>Ops. Date : 04/23/2008 Report # : 3 Surf. Sec. Spud: 05/03/2008 Days f.S.Spud : -10 Resumed Drill : 05/08/2008 Days f.Resume: -15 Total Drilling Days : 14.3 Rig On Loc. : 3 Est. TD : 6800 MD at 6AM : TVD at 6AM : Progress : 0 Day : \$24,605 To Date : \$452,982 AFE : \$1,380,000</p>					
<u>Mud Record</u>															
<u>Gels</u>															
<u>Depth</u>	<u>MW</u>	<u>VIS</u>	<u>PV</u>	<u>YP</u>	<u>10 Sec</u>	<u>10 Min</u>	<u>WL</u>	<u>pH</u>	<u>Solids</u>	<u>Liquid Sand</u>	<u>CL</u>	<u>Ca</u>	<u>Pf</u>	<u>Mf</u>	
<u>Mud Additives</u>				<u>Deviation Record</u>				<u>BHA</u>				BHA Length : 0.00			
<u>Mud Item</u>	<u>Used</u>	<u>Rec.</u>	<u>Depth</u>	<u>Angle</u>	<u>Dir.</u>	<u># Of</u>	<u>Item</u>	<u>O.D.</u>	<u>Length</u>						
Daily Mud Cost (\$) : \$0								DC OD : 0.000 Total BHA Hours : 221.5				DP OD : 0.000 Drill Jar Hours :			
<u>Bit Record</u>															
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<u>#</u>	<u>Size</u>	<u>Manufacturer</u>	<u>Model</u>	<u>Serial #</u>	<u>Made</u>	<u>Hours</u>	<u>ROP</u>	<u>Made</u>	<u>Hours</u>	<u>ROP</u>	<u>Depth</u>	<u>Out</u>	<u>WOB</u>	<u>Condition</u>	
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<u>Casing Set At :</u>															
<u>Time Breakdown</u>															
Start Time : 6:00 AM Total Hours : 0.00 Rotating Hours : 0.00 Total Rotating Hours : 220.50															
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Rig(s) for today : Nabors M13				Superintendent : Kevin Brakovec				Phone # :							
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Daily Drilling Report

Well : Middle Mesa State 36-24B-29-24

Area : Middle Mesa

AFE # : 08106618



API # : 43037318780000

Formation :

24hr. Summary : Begin R/D, Crane, Forklift & 1 Bed Truck, Begin Hauling DP to Dawns Yard Am Ops : R/D Pits. Ops Forecast : Rig Down Pits & Back Yard, Haul Off, Hopefully Scope Derrick Down.										Ops. Date : 04/21/2008 Report # : 1 Surf. Sec. Spud : 05/03/2008 Days f.S. Spud : -12 Resumed Drill : 05/08/2008 Days f. Resume : -17 Total Drilling Days : 14.3 Rig On Loc. : 1 Est TD : 6800 MD at 6AM : 102 TVD at 6AM : Progress : 0 Day : \$404,237 To Date : \$404,237 AFE : \$1,380,000					
<u>Mud Record</u>										<u>Gels</u>					
<u>Depth</u>	<u>MW</u>	<u>VIS</u>	<u>PV</u>	<u>YP</u>	<u>10 Sec</u>	<u>10 Min</u>	<u>WL</u>	<u>pH</u>	<u>Solids</u>	<u>Liquid</u>	<u>Sand</u>	<u>CL</u>	<u>Ca</u>	<u>Pf</u>	<u>Mf</u>
<u>Mud Additives</u>			<u>Deviation Record</u>			<u>BHA</u>			BHA Length : 0.00						
<u>Mud Item</u>	<u>Used</u>	<u>Rec.</u>	<u>Depth</u>	<u>Angle</u>	<u>Dir.</u>	<u># Of</u>	<u>Item</u>	<u>O.D.</u>	<u>Length</u>						
Daily Mud Cost (\$):		\$0				DC OD :		Total BHA Hours :		221.5					
						DP OD :		Drill Jar Hours :							
<u>Bit Record</u>										<u>Depth</u>					
<u>#</u>	<u>Size</u>	<u>Manufacturer</u>	<u>Model</u>	<u>Serial #</u>	<u>Daily</u>			<u>Cumulative</u>			<u>Out</u>	<u>WOB</u>	<u>Condition</u>		
					<u>Made</u>	<u>Hours</u>	<u>ROP</u>	<u>Made</u>	<u>Hours</u>	<u>ROP</u>					
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<u>Start Time</u>	<u>End</u>	<u>Code</u>	<u>Description</u>			<u>Activity</u>	<u>Sub Code</u>	<u>Trouble</u>	<u>Sub Code</u>						
<u>Comments</u>															
Sent 13 loads from D31 pad; scoped the derrick down; rigged down the mud pits. Today will load out all of the trailer houses; rig down the generator package; lay down the derrick. Schedule is to have D31 pad clear of the rig by Thursday.															
<u>Mud Log</u>		<u>Formation :</u>			<u>Background :</u>			<u>Connection :</u>		<u>Trip :</u>		<u>Flare Length :</u>			
Rig(s) for today : Nabors M13						Supervisor :			Phone # :						
						Supervisor :			Phone # :						

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

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. Type of Well: Oil Well Gas Well Dry Other: _____

5. Lease Serial No.
ST-UT-37067

1b. Type of Completion: New Well Workover Deepen Plug Back Diff. Reserv. Other: _____

6. If Indian, Allottee or Tribe Name

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

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

3. Address
370 Seventeenth Street, Suite 1700, Denver, CO 80202

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At Surface **2562' FNL & 1172' FEL**

9. API Well No.
43-037-31878-00

At top prod. interval reported below
1993' FNL & 704' FEL

10. Field and Pool, or Exploratory
Middle Mesa

At total depth **2019 fml 1695 fel**

11. Sec., T., R., M., on Block and Survey or Area
SENE Sec 36 T29S R24E 6th PM

12. County/Parish
San Juan County

13. State
UTAH

14. Date Spudded **05/03/08**

15. Date T.D. Reached **05/17/2008**

16. Date Completed. (prod)
 D&A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
6847' GL 6869' KB

18. Total Depth: MC MD **6100'** 19. Plug Back T.D.: MD
TVD **6024'** TVD

20. Depth Bridge Plug Set: **MD**
TVD

21. Type Electric & Other Mechanical Logs Run (Submit Copy of each)
CBL/Gamma Ray/CCL and Triple Combo

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 Sks & Type of Cement	Slurry vol. (BBL)	Cement Top*	Amount Pulled
24	16	54	surface	80					
12.25	9.625"	36	2358.88	2405		587 2%F079	195.96	Surface	
8.75	5.0"	17	4042.24	6080'		930 50/50 Poz G	305.52	2205'	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8"	5365'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf Status
A) Honaker Trail	4200	6100	4854'-4905'	3 3/8"	148	
B)			5133'-5149'	3 3/8"	32	
C)			5452'-5462'	3 3/8"	20	
D)			5973'-5978'	3 3/8"	20	

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

Depth Interval	Amount and Type of Material
5452'-5462'	10,000# 20/40 Ottow sand 311,070 scf N2
5133'-5149'	30,000# Ottow sand 562,050 scf N2

**RECEIVED
JUL 02 2008
DIV. OF OIL, GAS & MINING**

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
06/06/2008	06/06/2008	24		15	3708		2	API # 61	
Choke Size	Tbg Press. Fhwg./SI	Csg Press.	24 Hr. Rate	Oil (BBL)	Gas (MCF)	Water (BBL)	Gas:Oil Ratio	Well Status	
		1250		15	3708		2	producing	

28a. Production - Interval B

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Corr.	Gas Gravity	Production Method
								API	
Choke Size	Tbg Press. Fhwg./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)

28b. Production - Interval C

Date First Prod	Test Date	Hours Tested	Test Production	Oil (BBL)	Gas (MCF)	Water (BBL)	Oil Gravity Cor. API	Gas Gravity	Production Method
Choke Size	Thg 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 Cor. API	Gas Gravity	Production Method
Choke Size	Thg 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

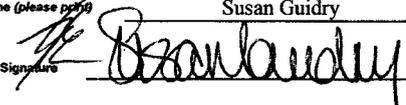
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Honaker Trail	4200
				TD	6100

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 30 June 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.

Downhole Schematic for Middle Mesa State 36-24B-29-24



Project : Paradox

API # : 43037318780000

Surface Location : SENE Sec 36 T29S - R24E 6th PM

Area : Middle Mesa

County :

BHL : SENE-36-29S-24 E 6th PM

As Of : 06/06/2008

GL : 6847.0 ft

KB to GL : 22.0 ft

KB : 6869.0 ft

Set @ 80

Casing Details

Section	Hole	Casing	Mass	Set At	Length	Thread	Grade	Description
Conductor	24.000	16	54	80	80			16" Casing
Surface	12.250	9.625	36	2,405	1	ST&C	J-55	Guide Shoe
		9.625	36	2,404	43	ST&C	J-55	Jt Casing
		9.625	36	2,361	2	ST&C	J-55	Float Collar
		9.625	36	2,359	2,364	ST&C	J-55	Jt Casing
Production	8.750		0	6,080	2			Float Shoe
		5	17	6,079	46	LT&C	I-80	Shoe Joint
			0	6,032	2			Float Collar
		5	17	6,031	1,960	LT&C	I-80	Casing
		5	17	4,071	29	LT&C	I-80	Marker Joint
		5	17	4,042	4,048	LT&C	I-80	Casing

Set @ 2405

DC @ 2205

Cement Details

Section	Sequence	Top	Density	Blend / Additives
Production	Tail	2,205	13.0	50/50 Poz G /
Surface	Lead	0	12.5	Class G+ / 2% D079 + 0.25#/SACK D29+0.2% D046
	Tail	2,041	15.8	Class G+ / 2% S001 + 0.25 #/SACK D29

Tubing and Downhole Equipment

O.D.	Length	Depth	Description
0.000	22.00	22.00	KB
2.375	5,304.85	5,326.85	169 jts 2-3/8 j-55 4.7# jtb
0.000	1.00	5,327.85	1- 1.87 F/N
2.375	31.50	5,359.35	1- jt 2-3/8 tbg
0.000	1.00	5,360.35	1- 1.81 F/N
2.375	0.65	5,365.00	1- 2-3/8 tbg collar
2.375	4.00	6,364.35	1- 4' x 2-3/8 pup jt

Perforations

Stage	LaSal	From	To	Shots	Stage	Date	From	To	Shots
	06/09/2008	5,973	5,978	20	Stage 2	06/02/2008	5,133	5,149	32
Stage	stage 1				Date				
	Date	From	To	Shots					

Frac Summary

Stage LaSal : No Frac
 Stage stage 1 : 5,452 - 5,462, 20 - 0.000" shots Report Date: 06/03/2008
 Stage Stage 2 : 5,133 - 5,149, 32 - 0.000" shots Report Date: 06/09/2008

Bridge Plug Details

Depth	Date Set	Plug Type	Sacks Cement
5,500.0	06/02/2008	CBP	0
5,250.0	06/02/2008	CBP	0

CBP at 5,500.0 drilled out 06/03/2008
 CBP at 5,250.0 drilled out 06/03/2008

-5000 ft

Stage Stage 2

Stage stage 1

-5500 ft

Stage LaSal

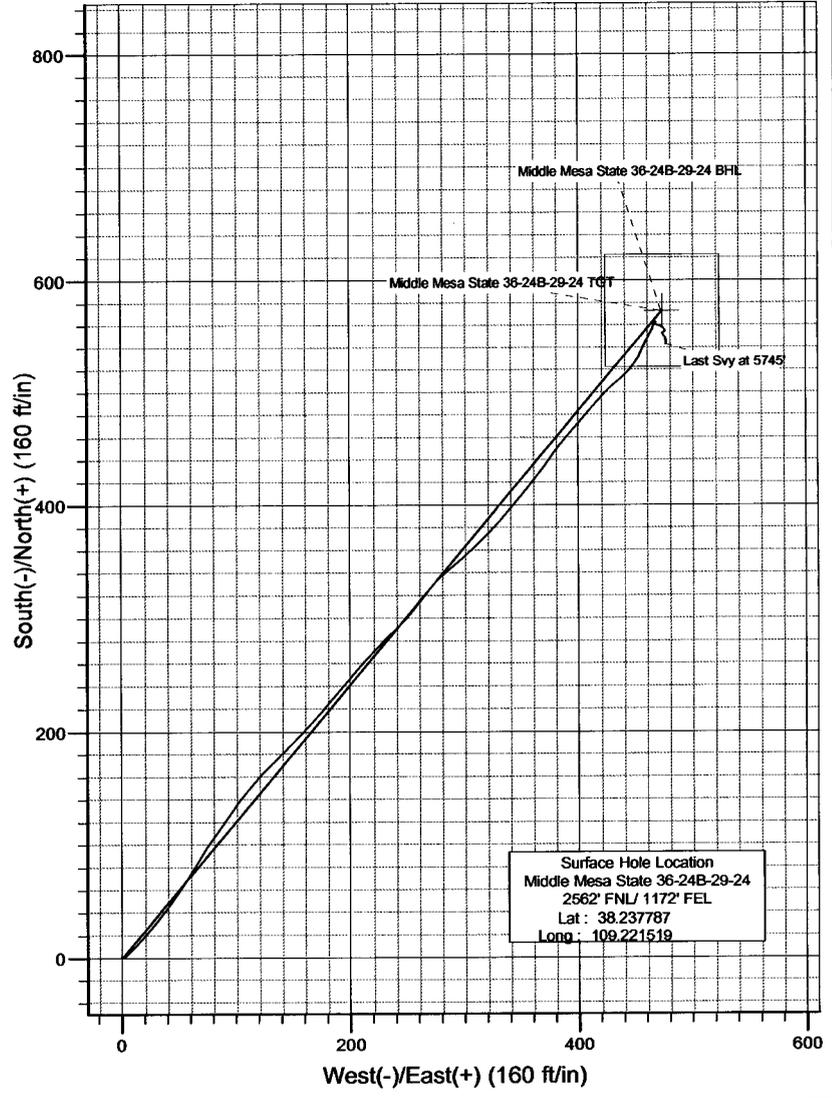
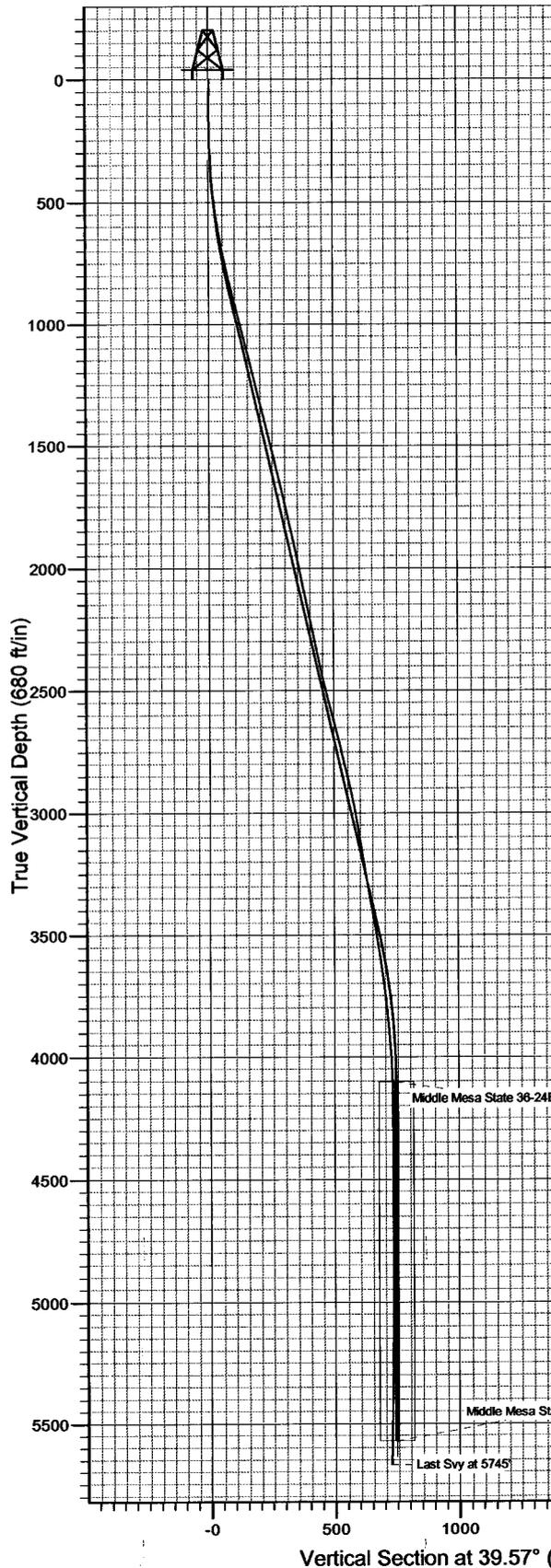
-6000 ft

Set @ 6080

TD @ 6100



Project: Paradox (Nad 27)
 Site: NENW Sec36-T29S-R24E(Middle Mesa)
 Well: Middle Mesa State 36-24B-29-24
 Design: DD Final Survey



Bottom Hole Location
 Middle Mesa State 36-24B-29-24
 1993' FNL/ 704' FEL
 Lat : 38.239360
 Long : 109.219871



Azimuths to True North
 Magnetic North: 11.08°
 Magnetic Field
 Strength: 51711.2snT
 Dip Angle: 64.54°
 Date: 4/25/2008
 Model: IGRF200510

DESIGN DETAILS: DD
 85218; BAO
 KBE @ 6862.0ft (Nabors M13)

Target	Azimuth	Origin	N/S	E/W	From TVD
No Target (Freehand)	39.57	Slot	0.0	0.0	0.0

Directional Plus

Survey Report

Company: EnCana Oil & Gas (USA) Inc
Project: Paradox (Nad 27)
Site: NENW Sec36-T29S-R24E(Middle Mesa)
Well: Middle Mesa State 36-24B-29-24
Wellbore: DD
Design: DD

Local Co-ordinate Reference: Well Middle Mesa State 36-24B-29-24
TVD Reference: KBE @ 6862.0ft (Nabors M13)
MD Reference: KBE @ 6862.0ft (Nabors M13)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.21 US Multi User Db

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

Site	NENW Sec36-T29S-R24E(Middle Mesa)				
Site Position:		Northing:	177,229.57 m	Latitude:	38° 14' 30.476 N
From:	Lat/Long	Easting:	808,469.30 m	Longitude:	109° 13' 41.308 W
Position Uncertainty:	0.0 ft	Slot Radius:	in	Grid Convergence:	1.39 °

Well	Middle Mesa State 36-24B-29-24					
Well Position	+N/-S	0.0 ft	Northing:	176,798.49 m	Latitude:	38° 14' 16.033 N
	+E/-W	0.0 ft	Easting:	809,059.70 m	Longitude:	109° 13' 17.468 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	ft	Ground Level:	6,847.0 ft

Wellbore	DD				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	4/25/2008	11.08	64.54	51,711

Design	DD				
Audit Notes:					
Version:	1.0	Phase:	ACTUAL	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)	
	0.0	0.0	0.0	39.57	

Survey Program	Date	5/16/2008			
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description	
145.0	5,745.0	Survey #1 (DD)	MWD	Geolink MWD	

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Formations / Comments
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	
145.0	0.20	60.20	145.0	0.1	0.2	0.2	0.14	0.14	
237.0	2.00	60.70	237.0	1.0	1.8	1.9	1.96	1.96	
331.0	2.50	52.70	330.9	3.0	4.8	5.4	0.63	0.53	
422.0	4.80	40.40	421.7	7.1	8.9	11.2	2.66	2.53	
514.0	7.10	42.60	513.2	14.3	15.2	20.7	2.51	2.50	
605.0	9.30	40.30	603.3	24.0	23.8	33.6	2.44	2.42	
696.0	12.00	37.90	692.7	37.1	34.3	50.5	3.01	2.97	
788.0	13.10	35.60	782.5	53.1	46.3	70.4	1.31	1.20	
875.0	13.50	31.80	867.2	69.8	57.4	90.3	1.10	0.46	
966.0	13.50	30.00	955.7	88.0	68.3	111.3	0.46	0.00	
1,057.0	13.90	35.50	1,044.1	106.1	79.9	132.7	1.50	0.44	
1,153.0	14.10	34.70	1,137.2	125.1	93.3	155.9	0.29	0.21	

Directional Plus

Survey Report

Company: EnCana Oil & Gas (USA) Inc
Project: Paradox (Nad 27)
Site: NENW Sec36-T29S-R24E(Middle Mesa)
Well: Middle Mesa State 36-24B-29-24
Wellbore: DD
Design: DD

Local Co-ordinate Reference: Well Middle Mesa State 36-24B-29-24
TVD Reference: KBE @ 6862.0ft (Nabors M13)
MD Reference: KBE @ 6862.0ft (Nabors M13)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.21 US Multi User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Formations / Comments
1,249.0	14.10	36.70	1,230.3	144.1	106.9	179.2	0.51	0.00	
1,345.0	13.80	43.10	1,323.5	161.8	121.8	202.3	1.64	-0.31	
1,441.0	14.30	44.80	1,416.6	178.6	137.9	225.5	0.68	0.52	
1,536.0	13.30	43.40	1,508.9	194.8	153.7	248.1	1.11	-1.05	
1,632.0	12.70	41.80	1,602.4	210.7	168.3	269.7	0.73	-0.62	
1,728.0	12.80	40.60	1,696.1	226.7	182.3	290.9	0.29	0.10	
1,824.0	12.70	39.60	1,789.7	242.9	195.9	312.0	0.25	-0.10	
1,920.0	13.10	40.70	1,883.3	259.3	209.8	333.5	0.49	0.42	
2,015.0	11.50	43.40	1,976.1	274.3	223.3	353.7	1.79	-1.68	
2,111.0	11.10	46.10	2,070.2	287.7	236.5	372.4	0.69	-0.42	
2,207.0	11.60	41.30	2,164.4	301.3	249.5	391.2	1.11	0.52	
2,303.0	12.30	36.60	2,258.3	316.8	262.0	411.1	1.25	0.73	
2,363.0	10.70	38.10	2,317.1	326.3	269.3	423.0	2.71	-2.67	
2,492.0	13.90	51.20	2,443.1	345.4	288.7	450.2	3.28	2.48	
2,586.0	14.80	45.40	2,534.2	360.9	306.1	473.2	1.80	0.96	
2,682.0	13.50	44.70	2,627.3	377.5	322.7	496.6	1.37	-1.35	
2,778.0	14.30	38.50	2,720.5	394.8	338.0	519.6	1.76	0.83	
2,873.0	13.40	39.70	2,812.7	412.4	352.3	542.3	0.99	-0.95	
2,968.0	12.70	36.90	2,905.3	429.2	365.6	563.8	0.99	-0.74	
3,064.0	9.60	34.50	2,999.4	444.3	376.5	582.3	3.26	-3.23	
3,160.0	9.80	37.90	3,094.1	457.3	386.0	598.4	0.63	0.21	
3,256.0	9.20	43.10	3,188.7	469.4	396.3	614.3	1.09	-0.62	
3,352.0	9.80	38.70	3,283.4	481.4	406.6	630.1	0.98	0.62	
3,447.0	9.90	41.30	3,377.0	493.8	417.1	646.3	0.48	0.11	
3,542.0	9.90	49.60	3,470.6	505.2	428.7	662.5	1.50	0.00	
3,638.0	8.90	45.40	3,565.3	515.8	440.3	678.1	1.26	-1.04	
3,734.0	7.60	33.80	3,660.3	526.3	449.1	691.8	2.19	-1.35	
3,830.0	6.60	22.90	3,755.6	536.6	454.8	703.4	1.74	-1.04	
3,925.0	5.40	28.70	3,850.1	545.6	459.0	713.0	1.41	-1.26	
4,021.0	5.00	25.80	3,945.7	553.3	463.0	721.5	0.50	-0.42	
4,116.0	2.80	19.40	4,040.5	559.2	465.6	727.7	2.36	-2.32	
4,212.0	0.90	258.10	4,136.4	561.3	465.6	729.3	3.50	-1.98	
4,308.0	1.20	50.80	4,232.4	561.8	465.7	729.7	2.13	0.31	
4,404.0	0.70	78.20	4,328.4	562.5	467.0	731.1	0.69	-0.52	
4,500.0	0.60	201.10	4,424.4	562.2	467.4	731.1	1.19	-0.10	
4,596.0	0.30	218.60	4,520.4	561.5	467.1	730.4	0.34	-0.31	
4,692.0	0.40	185.40	4,616.4	561.0	466.9	729.9	0.23	0.10	
4,787.0	1.60	97.00	4,711.4	560.5	468.2	730.3	1.72	1.26	
4,883.0	1.70	118.70	4,807.3	559.6	470.8	731.3	0.66	0.10	
4,979.0	2.50	123.30	4,903.3	557.8	473.8	731.8	0.85	0.83	
5,075.0	1.40	172.70	4,999.2	555.5	475.7	731.2	1.99	-1.15	
5,171.0	0.40	250.40	5,095.2	554.2	475.5	730.1	1.43	-1.04	
5,267.0	0.40	244.90	5,191.2	554.0	474.9	729.5	0.04	0.00	
5,362.0	0.90	231.90	5,286.2	553.4	474.0	728.5	0.55	0.53	
5,458.0	1.00	159.10	5,382.2	552.1	473.7	727.4	1.18	0.10	
5,554.0	1.70	137.60	5,478.2	550.3	475.0	726.7	0.89	0.73	
5,649.0	2.40	170.00	5,573.1	547.3	476.3	725.3	1.40	0.74	
5,745.0	2.50	179.70	5,669.0	543.2	476.6	722.3	0.44	0.10	Last Svy at 5745'

Directional Plus

Survey Report

Company: EnCana Oil & Gas (USA) Inc
Project: Paradox (Nad 27)
Site: NENW Sec36-T29S-R24E(Middle Mesa)
Well: Middle Mesa State 36-24B-29-24
Wellbore: DD
Design: DD

Local Co-ordinate Reference: Well Middle Mesa State 36-24B-29-24
TVD Reference: KBE @ 6862.0ft (Nabors M13)
MD Reference: KBE @ 6862.0ft (Nabors M13)
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.21 US Multi User Db

Targets

Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	(ft)	(ft)	(m)	(m)		
- Shape									
Middle Mesa State 36-24	0.00	0.00	4,102.0	572.8	473.3	176,976.55	809,199.66	38° 14' 21.696 N	109° 13' 11.536 W
- survey misses target center by 13.8ft at 4177.8ft MD (4102.3 TVD, 561.1 N, 466.0 E)									
- Rectangle (sides W100.0 H100.0 D0.0)									
Middle Mesa State 36-24	0.00	0.00	5,572.0	572.8	473.4	176,976.56	809,199.68	38° 14' 21.696 N	109° 13' 11.536 W
- survey misses target center by 25.7ft at 5647.1ft MD (5571.2 TVD, 547.4 N, 476.2 E)									
- Rectangle (sides W100.0 H100.0 D0.0)									

Survey Annotations

Measured Depth	Vertical Depth	Local Coordinates		Comment
		+N/-S	+E/-W	
(ft)	(ft)	(ft)	(ft)	
5,745.0	5,669.0	543.2	476.6	Last Svy at 5745'

Checked By: _____ Approved By: _____ Date: _____

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

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

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

5/14/2010

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

CA No.

Unit:

MIDDLE MESA

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

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

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

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

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

Bond coverage for all activities will be covered by Patara's BLM Statewide Oil & Gas Bond No. UTB000428 and UDOGM Bond No. Pending. *RLB0013207 + B006008*

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

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

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

(This space for State use only)

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

(See Instructions on Reverse Side)

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

(5/2000)

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

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO
3180
UT-922

June 28, 2010

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

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

Dear Mr. Laramie:

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

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

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

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

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

Sincerely,

/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure

RECEIVED

JUL 06 2010

DIV. OF OIL, GAS & MINING

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

FORM 6

ENTITY ACTION FORM

Operator: Patara Oil & Gas LLC Operator Account Number: N 3670
 Address: 600 17th Street, Suite 1900S
city Denver
state CO zip 80202 Phone Number: (303) 825-0685

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303731878	Middle Mesa State 36-24B-29-24		SESE	36	29S	24E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
B	16834	15076	5/3/2008			10/1/2006	
Comments: Per request of Rachel Medina 5/8/2012. HNKRT							5/21/2012

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)

Christopher A. Noonan

Name (Please Print)



Signature

Supervisor: Regulations

5/14/2012

Title

Date

RECEIVED
MAY 17 2012

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

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

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

11/1/2012

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

Effective 11/1/2012

Middle Mesa Unit

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

RECEIVED

JAN 23 2013

FORM 9

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

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

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

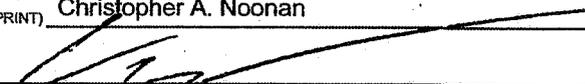
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT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

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

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

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

Bond Number:
Blm: 105865919
State: 105865922

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

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

RECEIVED

FEB 07 2013

Div. of Oil, Gas & Mining

Exhibit I

BLM Form 3160-5 Transfer of Operator

Utah Form 9 Transfer of Operator

State of Utah Upstream Assets

01/09/2013

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

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

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

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

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

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ST-UT-37067
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: MIDDLE MESA ST 36-24B-29-24	
2. NAME OF OPERATOR: CCI PARADOX UPSTREAM, LLC	9. API NUMBER: 43037318780000	
3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1900S , Denver, CO, 80202	PHONE NUMBER: 303 563-5364 Ext	9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2562 FNL 1172 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 36 Township: 29.0S Range: 24.0E Meridian: S		COUNTY: SAN JUAN
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/11/2013 <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="Cleanout"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>CCI completed operations to restore production to subject well. Ran cutting tools into hole to cleanout wellbore due to scale and salt buildup, swabbed on well and restored plunger operation. Well came back on making 9 Bo/d, 20 Mcf/d.</p>		
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 24, 2014</p>		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Regulations Supervisor
SIGNATURE N/A	DATE 3/24/2014	



Daily Activity and Cost Summary

Well Name: Middle Mesa State 36-24B-29-24

API/UWI 43-037-31878-00	Surface Legal Location SENE Sec. 36 T29S R24E	Field Name Pine Ridge South	License #	State/Province Utah	Well Configuration Type
Original KB Elevation (ft) 6,869.00	KB-Tubing Head Distance (ft)	Spud Date 5/3/2008 00:00	Rig Release Date 5/20/2008 00:00	PBTD (All) (ftKB)	Total Depth All (TVD) (ftKB)

Job Category Completion/Workover	Primary Job Type Clean-out	Secondary Job Type	Status 1
AFE Number 13EXPWOMM3624B	Start Date 12/3/2013	End Date	Total AFE Amount (Cost)

Objective

Summary

Contractor	Rig Number	Rig Type
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Rpt #	Start Date	End Date	Day Total (Cost)	Cum To Date (Cost)	Summary
1.0	12/3/2013	12/4/2013			MIRU PWS 66. Spot equipment. Lay kill and blow down lines. Nipple down well head. Nipple up BOPE. Pull Tbg Hanger. SDFN
2.0	12/4/2013	12/5/2013			Safety meeting. POH with tbg and tally. Remove plunger and bumper spring. EOT 5362', 170 jnts. PU 4 3/4" mill. PU 18 jnts tag at 5933'. Rig up N2 Unit. Pull tbg to 4800'. SDFN
3.0	12/5/2013	12/6/2013			Safety meeting. RIH to 5933'. Establish circulation. Clean out to 6022', 191 jnts. Pull 19 jnts to 5423'. Drain equipment. SDFN.
4.0	12/6/2013	12/7/2013			Safety meeting. SICP 550 psi. Bleed well down. RIH. Tag sand @ 5968', 189 jnts. Rig up N2 Unit. Clean out to 6022'. Pump three 5 bbl sweeps with N2 Unit. POH. Run back in hole with 4' sub with notched collar, 1.81 F Nipple with bumper spring in place, 170 jnts, EOT 5361'. Nipple down BOPE. Nipple up well head. Drop Plunger. Blow plunger up with N2 Unit. SDFN
5.0	12/9/2013	12/10/2013			Safety meeting. Csg Pressure 400 psi. Tbg pressure 20 psi. Plunger would not come up. Rig up Phoenix Services. Pull plunger and bumper spring. Run TD. Slick line tagged at 5937'. Retrieved sample. Appears to be crushed sand. Rig down wire line. Blow well down. Nipple down Well Head. Nipple up BOPE. RIH with tbg. Tag @ 5939'. Clean out with N2 Unit to 6001'. Circulate clean. Pull to 5361'. SDFN
6.0	12/10/2013	12/11/2013			Safety meeting. SICP 190 psi. Start equipment. RIH with TBG to 6001'. No ill. Lay down to 5361'. Kill tbg with 3 bbls of water with clay stay. Nipple down BOPE. Nipple up Well Head. Rig up to swab. Beginning fluid level 4700'. Ending fluid level dry. Made 6 runs. Recovered 15 bbls (3 bbls of kill fluid, 12 bbls of oil). Dropped plunger. Shut in for 30 mins. Trip plunger to tank 3 times. Recovered 3 bbls. Leave well tripping to tank. SDFN
7.0	12/11/2013	12/12/2013			Safety meeting. SICP 213 psi. SITP 190 psi. Open well to tank. Plunger would not come up. PU swab. Beginning fluid level 4900'. Made 5 runs Plunger came up. Cycled plunger 3x's to tank. RDMO

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 Gas Well	5. LEASE DESIGNATION AND SERIAL NUMBER: ST-UT-37067
2. NAME OF OPERATOR: CCI PARADOX UPSTREAM, LLC	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1900S , Denver, CO, 80202	7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2562 FNL 1172 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 36 Township: 29.0S Range: 24.0E Meridian: S	8. WELL NAME and NUMBER: MIDDLE MESA ST 36-24B-29-24
PHONE NUMBER: 303 563-5364 Ext	9. API NUMBER: 43037318780000
9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE	COUNTY: SAN JUAN
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/23/2014	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Set Surf Eqpt"/>

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

CCI intends to run inhole and set a downhole pump, rod string and production tubing in this well. A Weatherford 228 pumping unit will be set on surface and activated. The gas from this well will flow to the Lisbon Plant, oil will be sold at the tank batteries. Anticipate operations to commence on 4/23/2014. Please contact John Warren at 303.563.5369 with any questions.

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

Date: April 23, 2014

By: 

NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Regulations Supervisor
SIGNATURE N/A	DATE 4/9/2014	