

ENCANA

370 17th Street
Suite 1700
Denver, CO 80202

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

EnCana Oil & Gas (USA) Inc.

December 14, 2007

JVA Operating Company, Inc.
P.O. Box 3634
Midland, TX 79702
Attn: Jerry V. Atkinson

Re: Directional Drilling Consent
Big Indian Fed 23-13B-30-25
338' FNL, 1,874' FEL (SHL)
834' FNL, 2,585' FEL (BHL)
Section 23-T30S-R25E
San Juan County, Utah

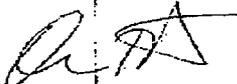
Mr. Atkinson:

EnCana Oil & Gas (USA) Inc. is proposing the drilling of the above captioned well. Due to topographical concerns and geologic reasons, the location for this well will require a directional drilling consent pursuant to the requirements of the Utah Oil & Gas Conservation Rules R649-3-11.

We propose the surface location at 338' FNL and 1,874' FEL, and bottom hole location at 834' FNL and 2,585' FEL, in Section 23, Township 30 South, Range 25 East, San Juan County, Utah.

In accordance with the above referenced rules, please indicate your consent to the directional drilling of the Big Indian Fed 23-13B-30-25 well by signing in the space provided below and returning one signed original to the undersigned. For your convenience, and also to expedite this process, please also send a copy via fax to (720) 876-6361. Please call me at (720) 876-5361 if you have any questions or concerns.

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

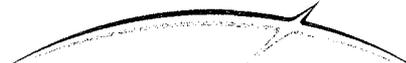


Oscar Duarte
Land Negotiator

Directional Drilling Consent for the Big Indian Fed 23-13B-30-25 well is hereby approved this 18th day of Dec, 2007.

By: [Signature]
Title: Pres. JVA/Guaka Super
Phone: 575-336-1136

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EnCana Oil & Gas (USA) Inc.

December 14, 2007

Tandem Energy Corporation
200 North Loraine, Suite 500
Midland, TX 79701
Attn: Todd M. Yocham

370 17th Street
Suite 1700
Denver, CO 80202

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

Re: Directional Drilling Consent
Big Indian Fed 23-13B-30-25
338' FNL, 1,874' FEL (SHL)
834' FNL, 2,585' FEL (BHL)
Section 23-T30S-R25E
San Juan County, Utah

Mr. Yocham:

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

Oscar Duarte
Land Negotiator

Directional Drilling Consent for the Big Indian Fed 23-13B-30-25 well is hereby approved this 7th day of Jan., 20078

By: Todd M. Yocham

Title: Sr. Vice President

Phone: 432-686-7136 ext. 1121



EnCana Oil & Gas (USA) Inc.

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

www.encana.com

January 22, 2008

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

RE: Big Indian Fed 23-13B-30-25
Section 23, T30S R25E
San Juan County, UT

Dear Ms. Mason:

EnCana Oil & Gas (USA) Inc. is requesting approval to directionally drill the subject well per the Utah Department of Natural Resources, Division of Oil, Gas and Mining Applicable Rules R649-3-11. Please find the following information as required for our proposed Big Indian Fed 23-13B-30-25 application:

- EnCana Oil & Gas (USA) Inc., JVA Operating Co. Inc. & Tandem Energy Corp. own all oil & gas within 460' of the intended well bore.
- Surface and Bottom Hole located on BLM Lease No. UTU-12451 and within the Big Indian #3 Unit and the Big Indian (South) Field.
- NWNE, Section 23, T30S R25E, San Juan County, Utah.
- Location plat with surface and bottom hole locations attached.
- Lease and Big Indian #3 Unit map attached.
- Proposed Directional Report attached.

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

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

Sincerely,

Jevin Croteau
Regulatory Analyst

Attachment

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: UTU-012451	6. SURFACE: Federal
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"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.		8. UNIT or CA AGREEMENT NAME: Big Indian Unit	
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202		9. WELL NAME and NUMBER: Big Indian Fed 23-13B-30-25	
PHONE NUMBER: (720) 876-5339		10. FIELD AND POOL, OR WILDCAT: Big Indian (South)	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 338' FNL & 1874' FEL AT PROPOSED PRODUCING ZONE: 834' FNL & 2585' FEL		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 23 30S 25E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 11.5 Miles SE of La Sal, Utah		12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 834' BHL	16. NUMBER OF ACRES IN LEASE: 1000	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 641'	19. PROPOSED DEPTH: 4,015	20. BOND DESCRIPTION: RLB0001191	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6639.9' GR	22. APPROXIMATE DATE WORK WILL START: 6/1/2008	23. ESTIMATED DURATION: 30 Days	

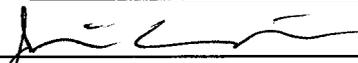
PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	J-55	36#	742	Class G + 2% gel	290sx	2.09 cuft/sx	12.5#
7 7/8	5 1/2	J-55	17#	4,148	Class G + 2% gel	1500sx	1.43 cuft/sx	13#

ATTACHMENTS

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

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

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst
SIGNATURE  DATE 1/22/08

(This space for State use only)

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

API NUMBER ASSIGNED: 43-013-31884

APPROVAL:

Date: 01-28-08

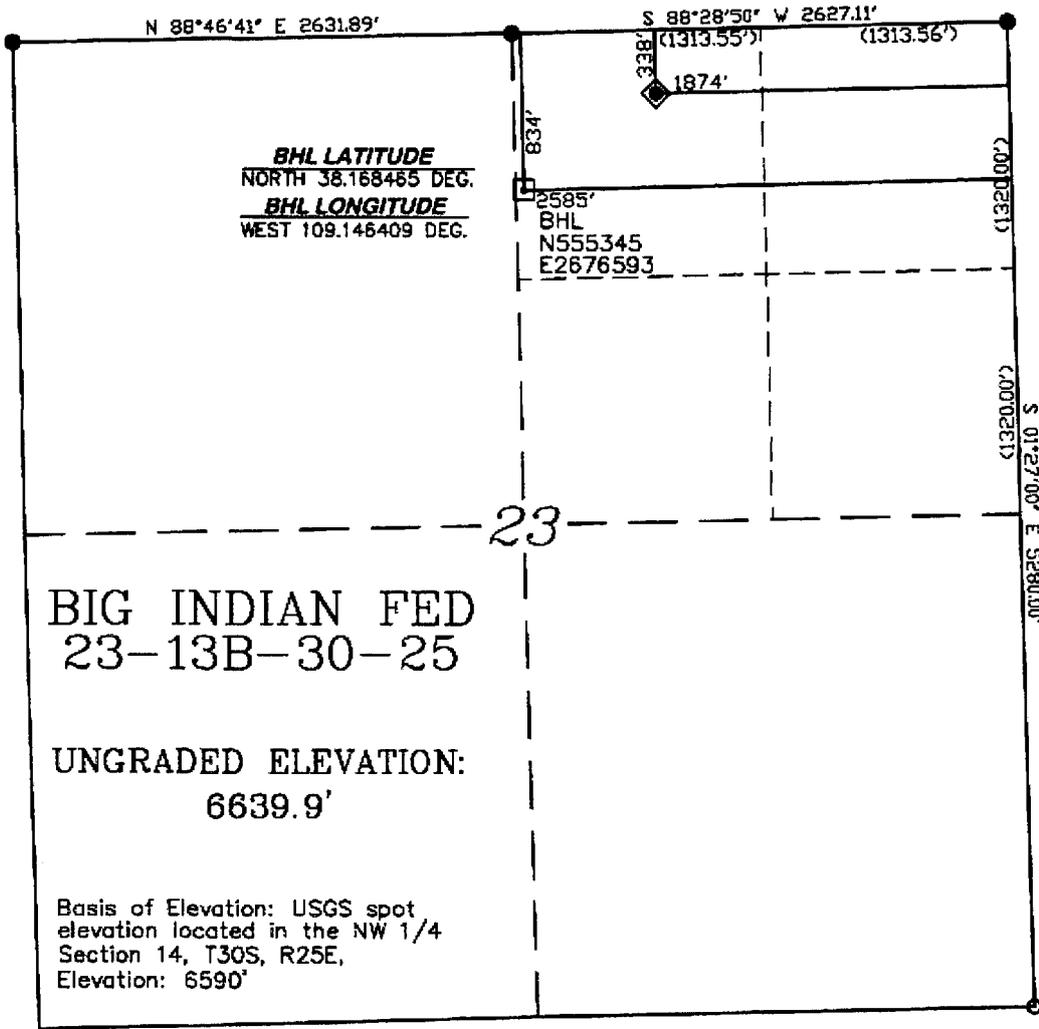
RECEIVED

JAN 23 2008

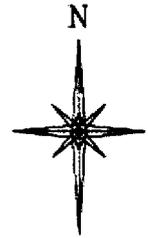
(See Instructions on Reverse Side)

By:  DIV. OF OIL, GAS & MINING

R. 25 E.



BHL LATITUDE
NORTH 38.168485 DEG.
BHL LONGITUDE
WEST 109.146409 DEG.



SCALE: 1" = 1000'

T. 30 S.

BIG INDIAN FED
23-13B-30-25

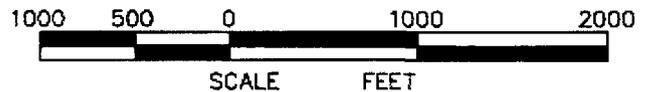
LATITUDE
NORTH 38.169830 DEG.
LONGITUDE
WEST 109.143936 DEG.

UNGRADED ELEVATION:
6639.9'

NORTHING
555859.40
EASTING
2677291.11

Basis of Elevation: USGS spot
elevation located in the NW 1/4
Section 14, T30S, R25E,
Elevation: 6590'

DATUM
SPCS UT SOUTH (NAD 27)



SURVEYOR'S STATEMENT

I, Louis A. Pence, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on JANUARY 17, 2007, and it correctly shows the location of BIG INDIAN FED 23-13B-30-25.

NOTES

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

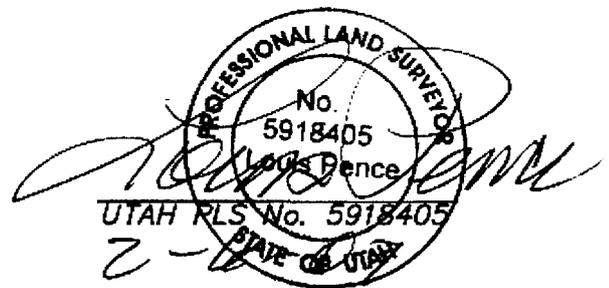


EXHIBIT 1

DRG RIFFIN & ASSOCIATES, INC.

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

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

SCALE: 1" = 1000'
JOB No. 15042
DATE: 2/1/07

**338' F/NL & 1874' F/EL, SECTION 23,
T. 30 S., R. 25 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH**

Big Indian Fed 23-13B-30-25

338' FNL & 1874' FWL (surface)

Section 23-T30S-R25E

834' FNL & 2585' FWL (bottom hole)

Section 23-T30S-R25E

San Juan County, Utah

Drilling Program

Page 1

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore

Federal and Indian Oil and Gas Leases

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

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

Formation	Depth (TVD)	Subsea
Burro Canyon	Surface	+6720'
Morrison	692'	+6048'
Entrada	980'	5760'
Navajo	1178'	5562'
Kayenta	1813'	4927'
Wingate	2051'	4689'
Chinle/Cutler	2340'	4400'
HKTR MKR 5	3140'	3600'
HKTR MKR 1	3965'	2775'
Total Depth	4015'	2725'

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 (TVD)
Gas	HKTR MKR 5	3140'
Gas	HKTR MKR 1	3965'

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

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338' FNL & 1874' FWL (surface)
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Section 23-T30S-R25E
San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 2

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

3. BOP EQUIPMENT/REQUIREMENTS

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

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

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

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

As a minimum, the above test shall be performed:

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

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

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

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

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

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

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

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

Drilling Program

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

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

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

4. CASING PROGRAMS

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

Drilling Program

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

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

Purpose	Depth (MD)	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0'-742'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-4148'	7-7/8"	5-1/2"	17#	J-55	LT&C	New

Grade	Burst (psi)	Burst Safety Factor	Collapse (psi)	Collapse Safety Factor	Body Yield (1000 lbs)	Joint Strength (1000 lbs)	Tension Safety Factor
J-55 36#	3520	1.0	2020	1.0	564	394	1.0
J-55 17#	5320	1.0	4910	1.0	273	247	1.0

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

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 Section 23-T30S-R25E
 San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 5

5. CEMENTING PROGRAM

a. The cement program will be as follows:

Surface	Type and Amount
0-742' MD	Lead: 140 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 150 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
742'-4148' MD	1500 sx Class G 50/50 Poz, 1.43 cuft/sx yield, 13 ppg

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

6. MUD PROGRAM

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

Interval (MD)	Mud Type	Mud Wt.	Visc.	F/L
0-2660'	Water	+/- 8.5	+/- 28	N.C.
2660'-TD	LSND	+/- 8.5-9.0	+/- 55-60	+/- 8

Drilling Program

- b. Mud monitoring equipment to be used is as follows: Periodic checks of the mud system will be made each tour. The mud level will be checked visually.
 - 1. There will be sufficient mud on location to ensure well control.
 - 2. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and Ph.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

7. EVALUATION PROGRAM – TESTING, LOGGING AND CORING

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

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

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

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

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

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

- b. The logging program will consist of a DIL/CNL/LDT/GR/SP from TD to base of the surface casing.
- c. No whole cores are anticipated. Depending upon evaluation of the open hole logs, several sidewall cores may be obtained in formations of interest.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program is as follows:
 - Perforate zones of interest, fracture stimulate as necessary and place on production.

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San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 7

8. ABNORMAL PRESSURES AND H₂S GAS

- a. The maximum expected bottom hole pressure is 1325 psi (pressure gradient of 0.33 psi/ft). Source of pressure estimate was from data obtained for the Honaker Trail geological formation via pressures obtained in the Big Indian Unit #3 and #4 wells (#4 well is located within 1 mile of the proposed location).
- b. No hydrogen sulfide gas is anticipated, no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2.b., if hydrogen sulfide is present the "operator shall initially test the H₂S concentration of the gas stream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

9. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

- a. The BLM in Moab (435-259-2100) shall be notified at least 24 hours prior to:
 1. Spudding the well
 2. Running the casing strings and cementing
 3. BOP tests/casing pressured tests.
- b. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions operations will be filed with a Completion Report (Form 3160-4), in triplicate. Submit casing/cementing reports and other subsequent reports via Sundry Notice Form 3160-5.
- c. In accordance with 43 CFR 3162.4-3, this well shall be reported on MMS Form 3160, "Monthly Report of Operations", starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.
- d. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- e. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day

Drilling Program

authorized period.

- f. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d), shall be submitted to the appropriate District Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).
- g. Off-lease measurement and commingling of production must be approved by the authorized officer.
- h. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

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

- i. The BLM in Moab (435-259-2100) shall be notified within 5 business days of production start-up if either of the following two conditions occur:
 - 1. The well is placed on production, or
 - 2. The well resumes production after being off of production for more than 90 days.

"Placed on production" means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities. Notification may be written or verbal with written follow-up within 15 days.

- j. Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.
- k. It is anticipated that the drilling of this well will take approximately 25 days.
- l. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- m. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- n. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

MICHAEL R. STYLER
Executive Director

JERRY D. OLDS
State Engineer/Division Director

ORDER OF THE STATE ENGINEER

For Temporary Change Application Number 05-6 (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.

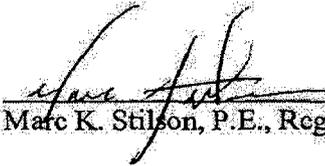
The applicant is advised to contact the Stream Alteration Section of the Division of Water Rights to ascertain if a Stream Alteration permit is required for this Temporary Change Application.

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.



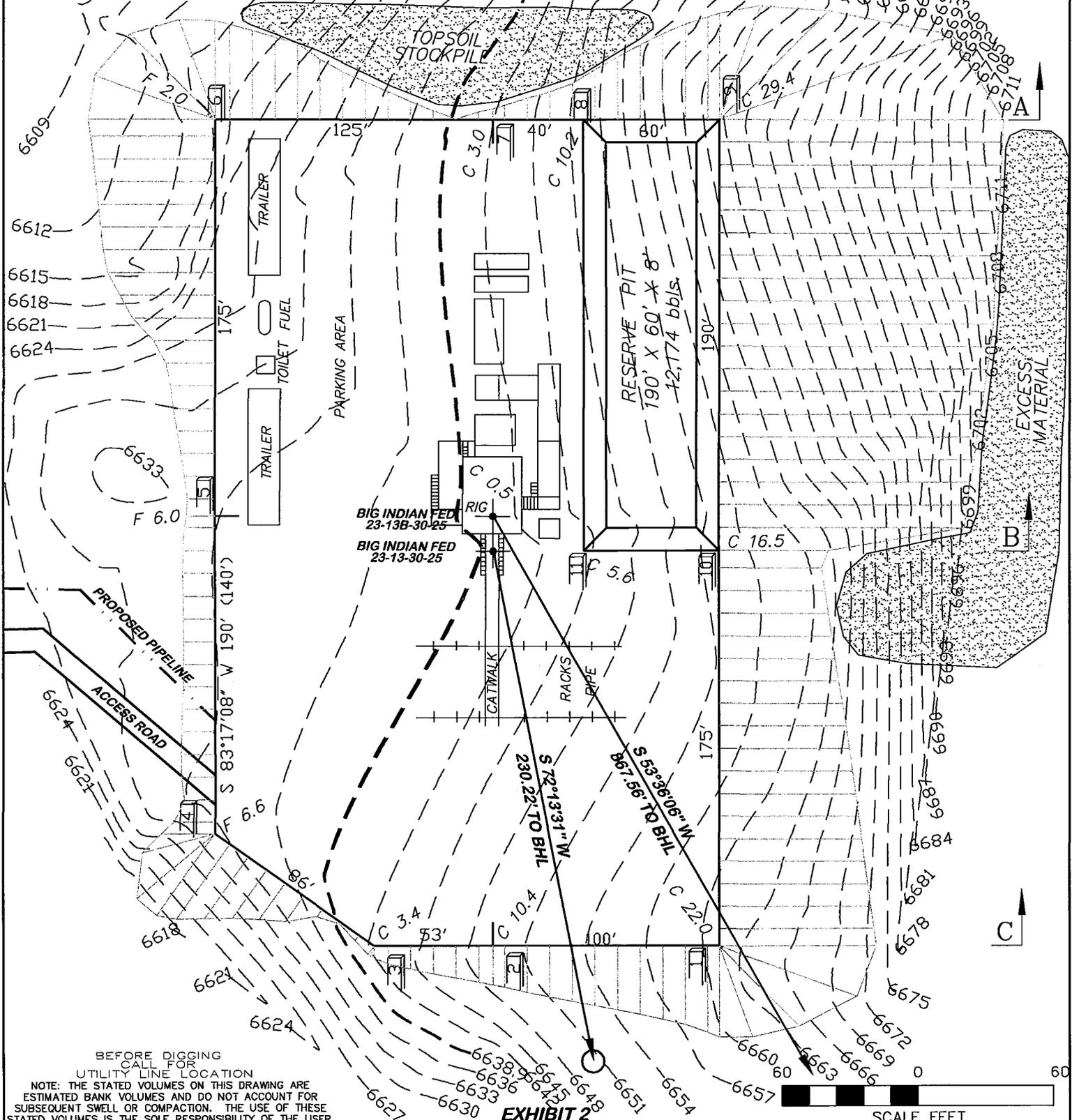
Marc K. Stilson, P.E., Regional Engineer

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

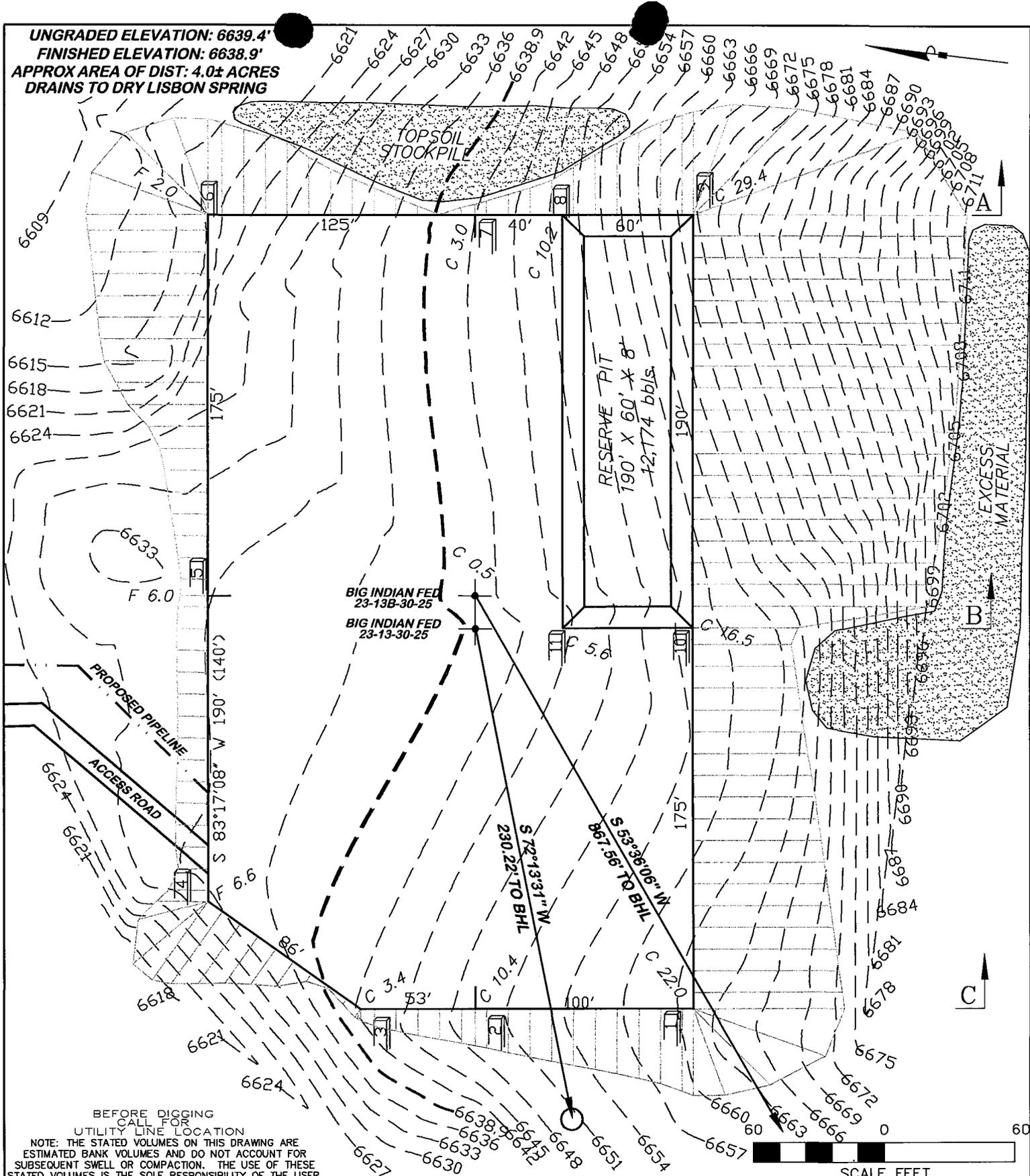
Charles Hardison Redd
P.O.Box 247
La Sal UT 84530

Stream Alteration Section
Division of Water Rights

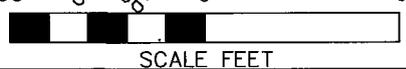
UNGRADED ELEVATION: 6639.4'
 FINISHED ELEVATION: 6638.9'
 APPROX AREA OF DIST: 4.0± ACRES
 DRAINS TO DRY LISBON SPRING



UNGRADED ELEVATION: 6639.4'
 FINISHED ELEVATION: 6638.9'
 APPROX AREA OF DIST: 4.0± ACRES
 DRAINS TO DRY LISBON SPRING



BEFORE DIGGING
 CALL FOR
 UTILITY LINE LOCATION
 NOTE: THE STATED VOLUMES ON THIS DRAWING ARE
 ESTIMATED BANK VOLUMES AND DO NOT ACCOUNT FOR
 SUBSEQUENT SWELL OR COMPACTION. THE USE OF THESE
 STATED VOLUMES IS THE SOLE RESPONSIBILITY OF THE USER.



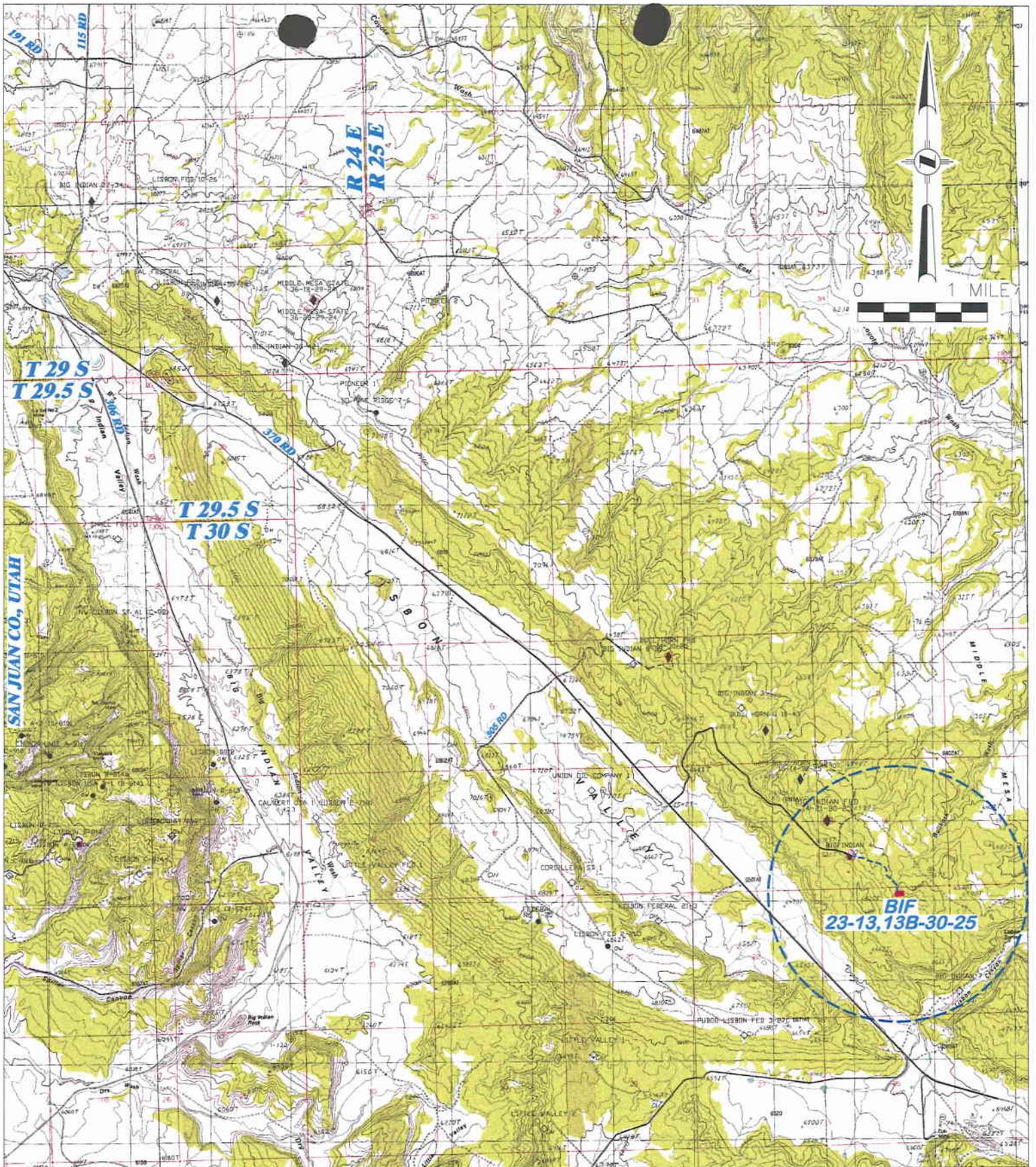
DRG RIFFIN & ASSOCIATES, INC.

ENCANA OIL & GAS (USA) INC.
BIG INDIAN FED 23-13,13B-30-25

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

JOB No. 15044
 REVISED: 4/18/07

SCALE: 1" = 60'
 EXHIBIT 2A



DRG RIFFIN & ASSOCIATES, INC.

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

SCALE: 1" = 1 MILE

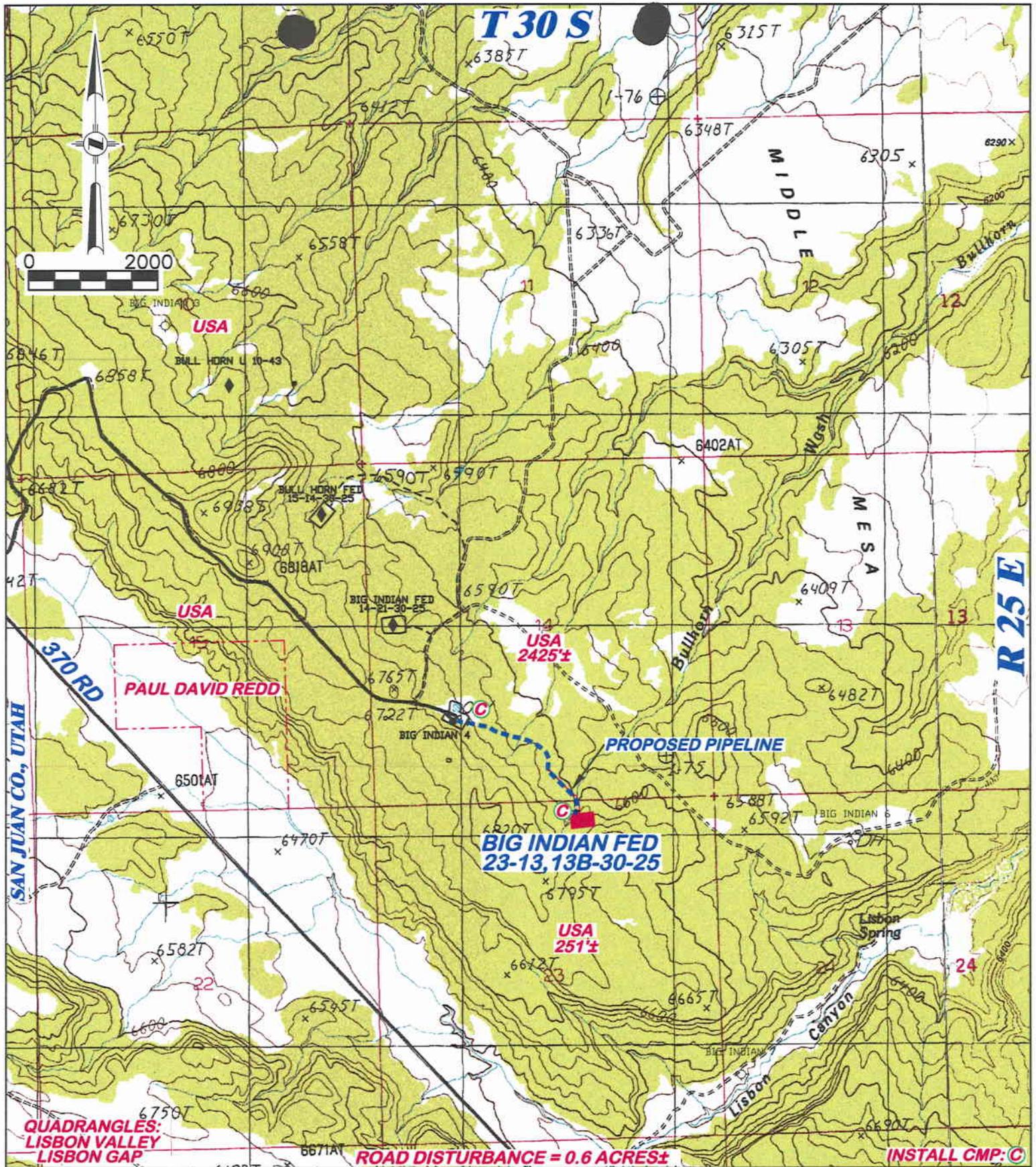
JOB No. 15044

REVISED: 5/22/07

**PROPOSED ACCESS FOR
 ENCANA OIL & GAS (USA) INC.
 BIG INDIAN FED 23-13, 13B-30-25**

EXISTING ROAD 
 PROPOSED ACCESS 

**TOPO MAP
 A**



PAUL DAVID REDD

**BIG INDIAN FED
23-13, 13B-30-25**

PROPOSED PIPELINE

ROAD DISTURBANCE = 0.6 ACRES±

INSTALL CMP: C



RIFFIN & ASSOCIATES, INC.

**PROPOSED ACCESS ROAD FOR
ENCANA OIL & GAS (USA) INC.
BIG INDIAN FED 23-13, 13B-30-25**

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

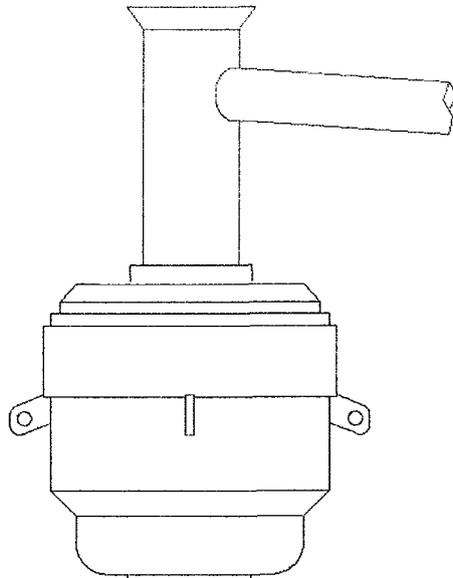
SCALE: 1" = 2000'
JOB No. 15044
REVISED: 5/21/07

TOTAL PROPOSED LENGTH: 2,676'±

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

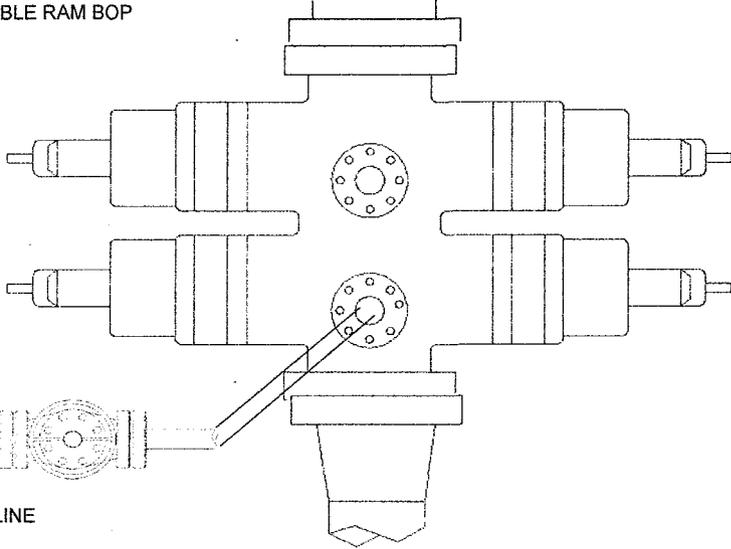
**TOPO MAP
B**

3M ANNULAR

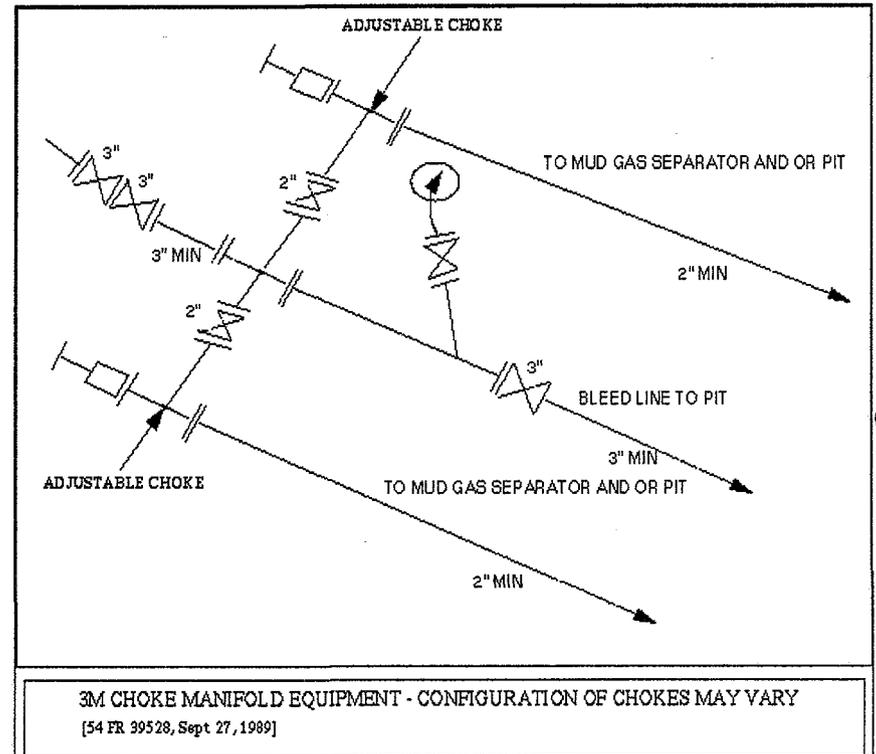


3" CHOKE LINE FROM
OUTLET ON BOTTOM
SIDE OF RAMS

3M DOUBLE RAM BOP

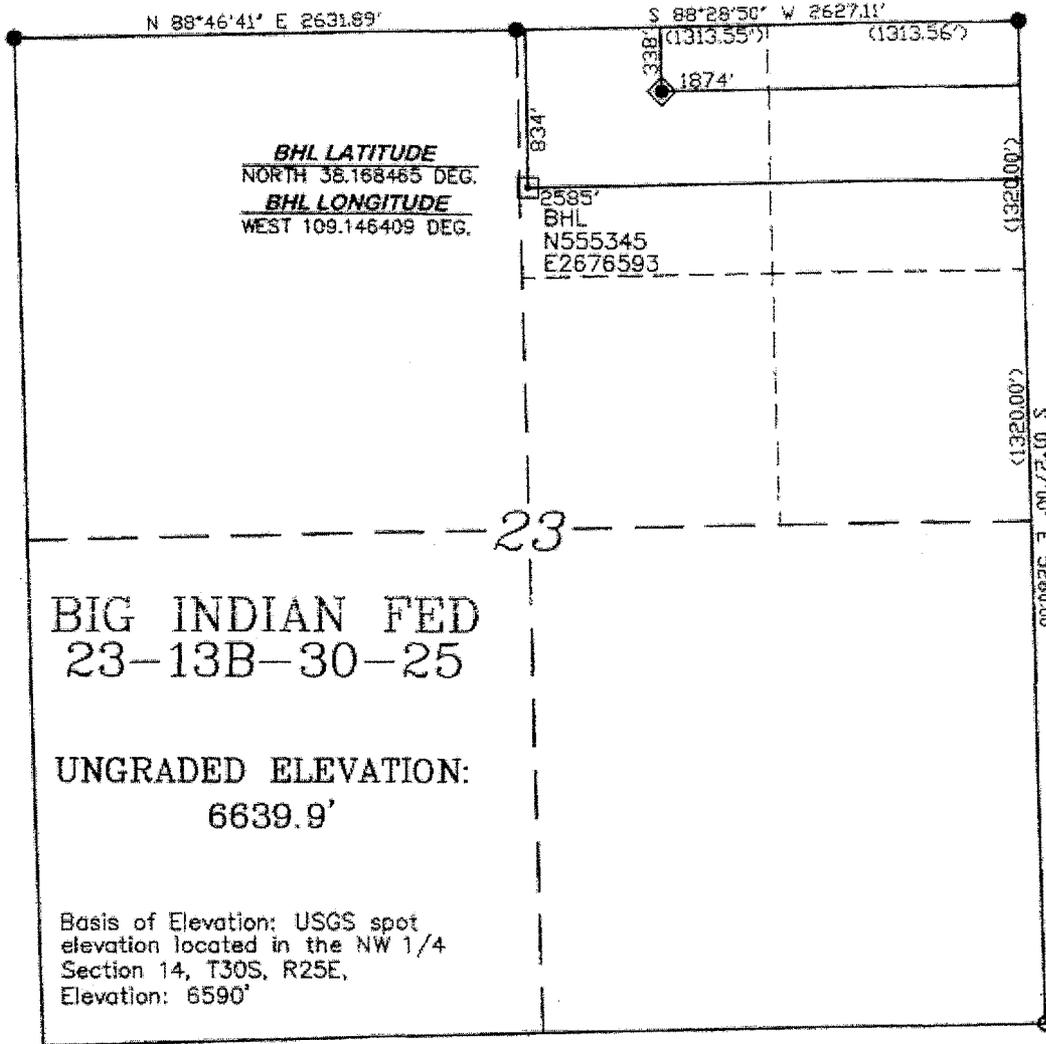


2" KILL LINE



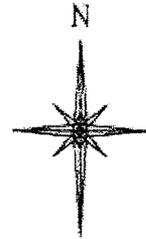
3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY
[54 FR 39528, Sept 27, 1989]

R. 25 E.



BHL LATITUDE
NORTH 38.168465 DEG.
BHL LONGITUDE
WEST 109.146409 DEG.

2585'
BHL
N555345
E2676593



SCALE: 1" = 1000'

T. 30 S.

BIG INDIAN FED
23-13B-30-25

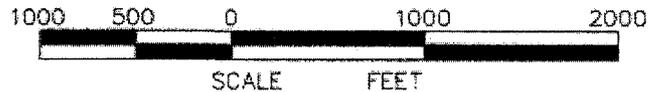
UNGRADED ELEVATION:
6639.9'

Basis of Elevation: USGS spot
elevation located in the NW 1/4
Section 14, T30S, R25E,
Elevation: 6590'

LATITUDE
NORTH 38.169830 DEG.
LONGITUDE
WEST 109.143936 DEG.

NORTHING
555859.40
EASTING
2677291.11

DATUM
SPCS UT SOUTH (NAD 27)



SURVEYOR'S STATEMENT

I, Louis A. Pence, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on JANUARY 17, 2007, and it correctly shows the location of BIG INDIAN FED 23-13B-30-25.

NOTES

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



EXHIBIT 1

DG RIFFIN & ASSOCIATES, INC.

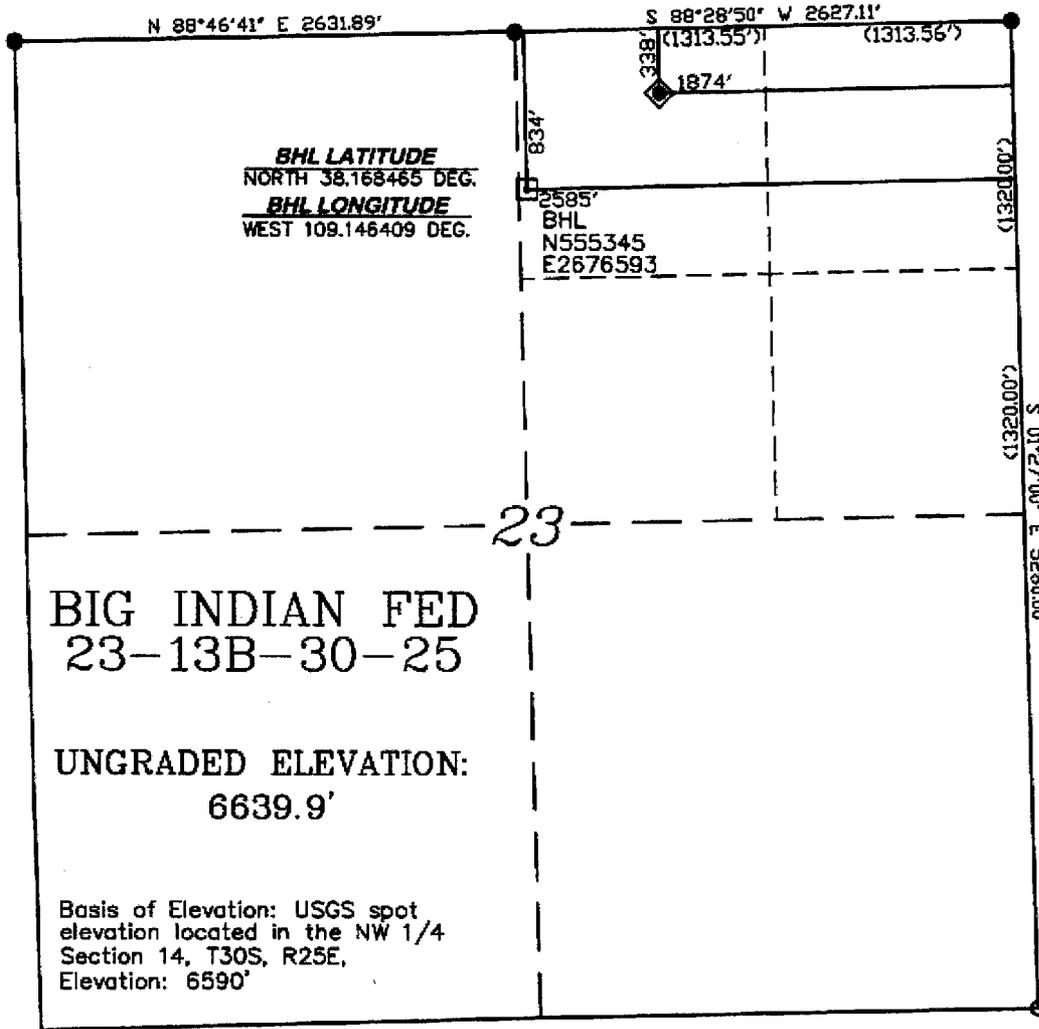
**PLAT OF DRILLING LOCATION
FOR
ENCANA OIL & GAS (USA) INC.**

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

SCALE: 1" = 1000'
JOB No. 15042
DATE: 2/1/07

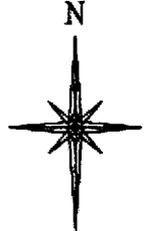
**338' F/NL & 1874' F/EL, SECTION 23,
T. 30 S., R. 25 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH**

R. 25 E.



BHL LATITUDE
NORTH 38.168465 DEG.
BHL LONGITUDE
WEST 109.146409 DEG.

2595'
BHL
N555345
E2676593



SCALE: 1" = 1000'

T. 30 S.

LATITUDE
NORTH 38.169830 DEG.
LONGITUDE
WEST 109.143936 DEG.

NORTHING
555859.40
EASTING
2677291.11

DATUM
SPCS UT SOUTH (NAD 27)

BIG INDIAN FED
23-13B-30-25

UNGRADED ELEVATION:
6639.9'

Basis of Elevation: USGS spot
elevation located in the NW 1/4
Section 14, T30S, R25E,
Elevation: 6590'



SURVEYOR'S STATEMENT

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NOTES

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

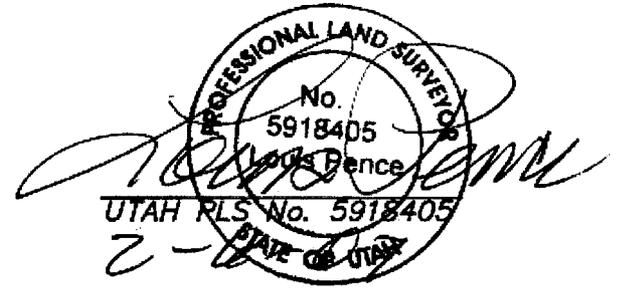


EXHIBIT 1

DRG RIFFIN & ASSOCIATES, INC.

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

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

SCALE: 1" = 1000'
JOB No. 15042
DATE: 2/1/07

338' F/NL & 1874' F/EL, SECTION 23,
T. 30 S., R. 25 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH



Planned Wellpath Report

Big Indian Fed 23-13B-30-25 PWP

Page 1 of 3



INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	ENCANA OIL & GAS (USA) INC	Slot	Slot #02 Big Indian Fed 23-13B-30-25
Area	UTAH	Well	Big Indian Fed 23-13B-30-25
Field	SAN JUAN COUNTY (True)	Wellbore	Big Indian Fed 23-13B-30-25 PWB
Facility	SEC.23-T30S-R25E		

REPORT SETUP INFORMATION

Projection System	NAD27 / Lambert Utah State Planes, Southern Zone (4303), US feet	Software System	WellArchitect™ 1.2
North Reference	True	User	Willeria
Scale	0.999974	Report Generated	05/14/07 at 14:13:23
Wellbore last revised	05/10/07	Database/Source file	WA_Denver/Big_Indian

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North [feet]	East [feet]	Easting [US feet]	Northing [US feet]	Latitude [°]	Longitude [°]
Slot Location	-4.01	14.38	2677291.00	555859.31	38 10 11.388N	109 08 38.170W
Facility Reference Pt			2677276.53	555862.95	38 10 11.428N	109 08 38.350W
Field Reference Pt			2674299.58	558893.86	38 10 42.121N	109 09 14.663W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on Slot #02 Big Indian Fed 23-13B-30-25 (RT) to Facility Vertical Datum	6740.00 feet
Horizontal Reference Pt	Slot	Rig on Slot #02 Big Indian Fed 23-13B-30-25 (RT) to Mean Sea Level	6740.00 feet
Vertical Reference Pt	Rig on Slot #02 Big Indian Fed 23-13B-30-25 (RT)	Facility Vertical Datum to Mud Line (Facility)	0.00 feet
MD Reference Pt	Rig on Slot #02 Big Indian Fed 23-13B-30-25 (RT)	Section Origin	N 0.00, E 0.00 f
Field Vertical Reference	Mean Sea Level	Section Azimuth	235.04°



Planned Wellpath Report

Big Indian Fed 23-13B-30-25 PWP

Page 2 of 3



INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	ENCANA OIL & GAS (USA) INC	Slot	Slot #02 Big Indian Fed 23-13B-30-25
Area	UTAH	Well	Big Indian Fed 23-13B-30-25
Field	SAN JUAN COUNTY (True)	Wellbore	Big Indian Fed 23-13B-30-25 PWB
Facility	SEC.23-T30S-R25E		

WELLPATH DATA (55 stations) † = interpolated/extrapolated station

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Path Comment
0.00†	0.000	235.647	0.00	0.00	0.00	0.00	0.00	
20.00	0.000	235.647	20.00	0.00	0.00	0.00	0.00	
120.00†	0.000	0.000	120.00	0.00	0.00	0.00	0.00	
220.00†	0.000	0.000	220.00	0.00	0.00	0.00	0.00	
320.00†	0.000	0.000	320.00	0.00	0.00	0.00	0.00	
420.00†	0.000	0.000	420.00	0.00	0.00	0.00	0.00	
520.00†	0.000	0.000	520.00	0.00	0.00	0.00	0.00	
620.00†	0.000	0.000	620.00	0.00	0.00	0.00	0.00	
692.00†	0.000	235.647	692.00	0.00	0.00	0.00	0.00	Morrison
720.00†	0.000	0.000	720.00	0.00	0.00	0.00	0.00	
820.00†	0.000	0.000	820.00	0.00	0.00	0.00	0.00	
850.00	0.000	235.647	850.00	0.00	0.00	0.00	0.00	
920.00†	1.058	235.647	920.00	0.65	-0.36	-0.53	1.51	
980.03†	1.966	235.647	980.00	2.23	-1.26	-1.84	1.51	Entrada
1020.00†	2.570	235.647	1019.94	3.81	-2.15	-3.15	1.51	
1120.00†	4.082	235.647	1119.77	9.61	-5.43	-7.94	1.51	
1178.41†	4.966	235.647	1178.00	14.22	-8.03	-11.74	1.51	Navajo
1220.00†	5.594	235.647	1219.41	18.05	-10.19	-14.90	1.51	
1320.00†	7.106	235.647	1318.80	29.11	-16.43	-24.03	1.51	
1420.00†	8.618	235.647	1417.85	42.79	-24.15	-35.33	1.51	
1520.00†	10.130	235.647	1516.51	59.07	-33.34	-48.77	1.51	
1620.00†	11.642	235.647	1614.71	77.96	-43.99	-64.36	1.51	
1720.00†	13.154	235.647	1712.38	99.43	-56.11	-82.09	1.51	
1820.00†	14.666	235.647	1809.44	123.47	-69.67	-101.94	1.51	
1823.68†	14.722	235.647	1813.00	124.40	-70.20	-102.71	1.51	Kayenta
1920.00†	16.178	235.647	1905.84	150.06	-84.68	-123.89	1.51	
2020.00†	17.690	235.647	2001.50	179.18	-101.12	-147.94	1.51	
2072.07†	18.478	235.647	2051.00	195.35	-110.24	-161.28	1.51	Wingate
2099.99	18.900	235.647	2077.44	204.29	-115.29	-168.67	1.51	
2120.00†	18.900	235.647	2096.38	210.77	-118.94	-174.02	0.00	
2220.00†	18.900	235.647	2190.98	243.16	-137.22	-200.76	0.00	
2320.00†	18.900	235.647	2285.59	275.55	-155.50	-227.50	0.00	
2377.51†	18.900	235.647	2340.00	294.18	-166.01	-242.88	0.00	Chinle/Cutler
2420.00†	18.900	235.647	2380.20	307.94	-173.78	-254.24	0.00	
2520.00†	18.900	235.647	2474.81	340.33	-192.06	-280.98	0.00	
2620.00†	18.900	235.647	2569.42	372.72	-210.33	-307.72	0.00	
2720.00†	18.900	235.647	2664.03	405.11	-228.61	-334.47	0.00	
2820.00†	18.900	235.647	2758.64	437.50	-246.89	-361.21	0.00	
2920.00†	18.900	235.647	2853.24	469.89	-265.17	-387.95	0.00	
3020.00†	18.900	235.647	2947.85	502.28	-283.45	-414.69	0.00	



Planned Wellpath Report

Big Indian Fed 23-13B-30-25 PWP

Page 3 of 3



REFERENCE WELLPATH IDENTIFICATION			
Operator	ENCANA OIL & GAS (USA) INC	Slot	Slot #02 Big Indian Fed 23-13B-30-25
Area	UTAH	Well	Big Indian Fed 23-13B-30-25
Field	SAN JUAN COUNTY (True)	Wellbore	Big Indian Fed 23-13B-30-25 PWB
Facility	SEC.23-T30S-R25E		

WELLPATH DATA (55 stations) † = interpolated/extrapolated station									
MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Path Comment	
3120.00†	18.900	235.647	3042.46	534.67	-301.73	-441.43	0.00		
3186.32	18.900	235.647	3105.21	556.15	-313.85	-459.17	0.00		
3220.00†	18.897	234.075	3137.07	567.06	-320.13	-468.09	1.51		
3223.10	18.898	233.930	3140.00†	568.06	-320.72	-468.90	1.51		HKTR MRK 5
3320.00†	18.898	233.930	3231.68	599.44	-339.19	-494.27	0.00		
3420.00†	18.898	233.930	3326.29	631.82	-358.26	-520.45	0.00		
3520.00†	18.898	233.930	3420.90	664.20	-377.33	-546.62	0.00		
3620.00†	18.898	233.930	3515.51	696.58	-396.40	-572.80	0.00		
3720.00†	18.898	233.930	3610.12	728.96	-415.47	-598.98	0.00		
3820.00†	18.898	233.930	3704.73	761.35	-434.54	-625.16	0.00		
3920.00†	18.898	233.930	3799.34	793.73	-453.61	-651.34	0.00		
4020.00†	18.898	233.930	3893.95	826.11	-472.68	-677.52	0.00		
4095.10†	18.898	233.930	3965.00	850.43	-487.00	-697.18	0.00		HKTR MRK 1
4120.00†	18.898	233.930	3988.56	858.49	-491.75	-703.70	0.00		
4147.95	18.898	233.930	4015.00†	867.54	-497.08	-711.01	0.00		ID

HOLE & CASING SECTIONS									
Ref Wellbore: Big Indian Fed 23-13B-30-25 PWB Ref Wellpath: Big Indian Fed 23-13B-30-25 PWP									
String/Diameter	Start MD [feet]	End MD [feet]	Interval [feet]	Start TVD [feet]	End TVD [feet]	Start N/S [feet]	Start E/W [feet]	End N/S [feet]	End E/W [feet]
12.25in Open Hole	20.00	742.00	722.00	20.00	742.00	0.00	0.00	0.00	0.00
8.625in Casing Surface	20.00	742.00	722.00	20.00	742.00	0.00	0.00	0.00	0.00
7.75in Open Hole	742.00	4147.95	3405.95	742.00	4015.00	0.00	0.00	-497.08	-711.01

TARGETS									
Name	MD [feet]	TVD [feet]	North [feet]	East [feet]	Grid East [us survey feet]	Grid North [us survey feet]	Latitude [°]	Longitude [°]	Shape
1) Big Indian Fed 23-13B-30-25 Top of Reservoir	3223.10	3140.00	-320.72	-468.90	2676830.34	555526.89	38 10 08.217N	109 08 44.041W	point
2) Big Indian Fed 23-13B-30-25 Target 834' FNL & 2585' FEL	4147.95	4015.00	-497.08	-711.01	2676592.75	555344.49	38 10 06.474N	109 08 47.072W	point

SURVEY PROGRAM				
Ref Wellbore: Big Indian Fed 23-13B-30-25 PWB Ref Wellpath: Big Indian Fed 23-13B-30-25 PWP				
Start MD [feet]	End MD [feet]	Positional Uncertainty Model	Log Name/Comment	Wellbore
20.00	4147.95	MTC (Collar, pre-2000) (Standard)		Big Indian Fed 23-13B-30-25 PWB

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/23/2008

API NO. ASSIGNED: 43-037-31884

WELL NAME: BIG INDIAN FED 23-13B-30-25
 OPERATOR: ENCANA OIL & GAS (USA) (N2175)
 CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

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

NWNE 23 300S 250E
 SURFACE: 0338 FNL 1874 FEL
 BOTTOM: 0834 FNL 2585 FEL
 COUNTY: SAN JUAN
 LATITUDE: 38.16975 LONGITUDE: -109.1436
 UTM SURF EASTINGS: 662623 NORTHINGS: 4226071
 FIELD NAME: BIG INDIAN (HERMOSA) (290)

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-012451
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: HNKRT
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

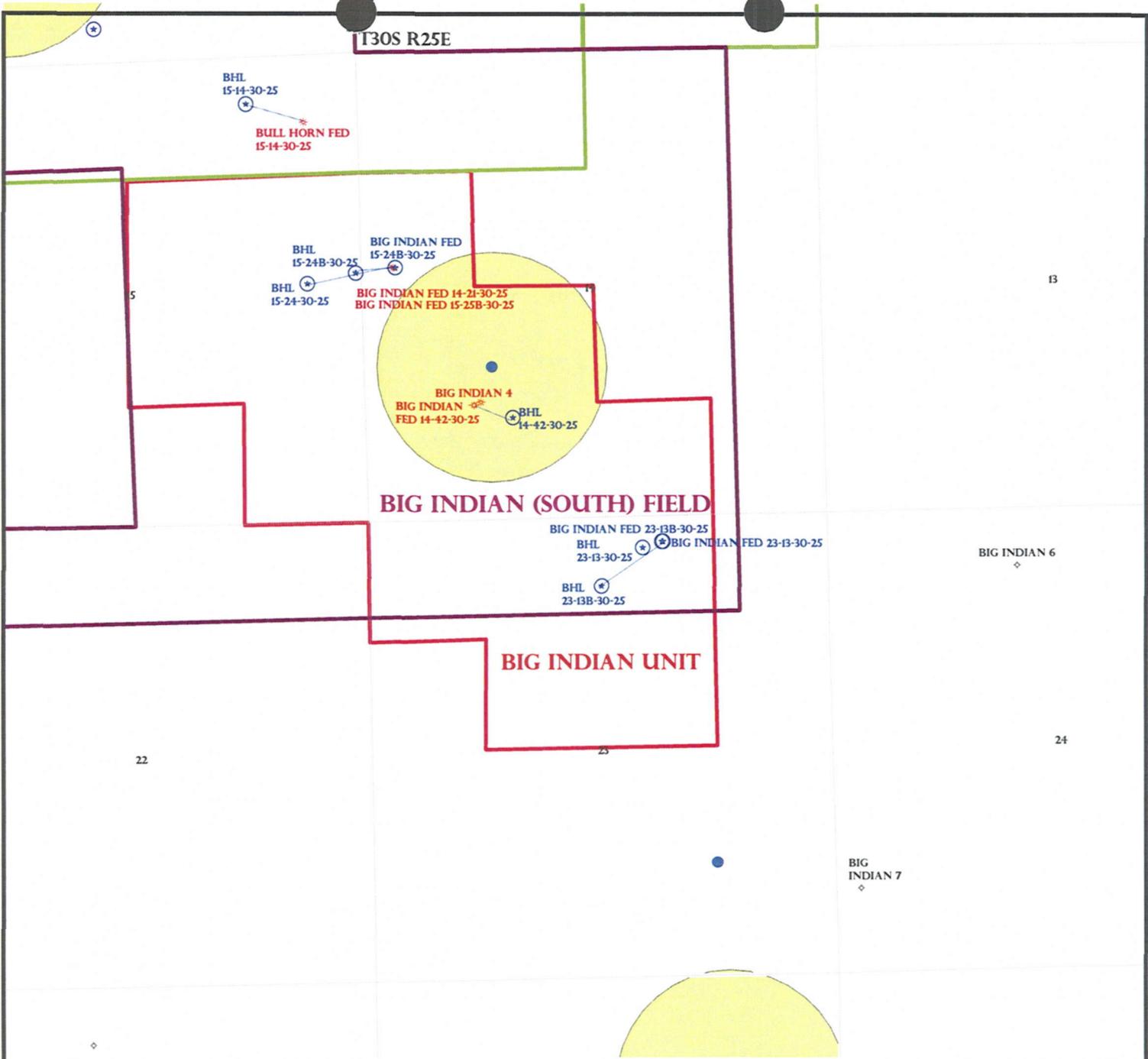
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB0001191)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 05-6)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: _____
 1. *Edwards Approval*
 2. *Spacing Slip*



OPERATOR: ENCANA O&G USA INC (N2175)

SEC: 14,23 T.30S R. 25E

FIELD: BIG INDIAN (SOUTH) (290)

COUNTY: SAN JUAN

SPACING: R649-3-11 / DIRECTIONAL DRILLING



- Field Status**
- ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - PROPOSED
 - STORAGE
 - TERMINATED

- Unit Status**
- EXPLORATORY
 - GAS STORAGE
 - NF PP OIL
 - NF SECONDARY
 - PENDING
 - PI OIL
 - PP GAS
 - PP GEOTHERML
 - PP OIL
 - SECONDARY
 - TERMINATED

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



PREPARED BY: DIANA MASON
DATE: 24-JANUARY-2008

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3160
(UT-922)

January 25, 2008

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2008 Plan of Development Big Indian 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 2008 within the Big Indian Unit, San Juan County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ Honaker Trail)		
43-037-31883	Big Indian Fed 15-24B-30-25	Sec 14 T30S R25E 2461 FNL 0417 FWL BHL Sec 15 T30S R25E 2523 FNL 0038 FEL
43-037-31884	Big Indian Fed 23-13B-30-25	Sec 23 T30S R25E 0338 FNL 1874 FEL BHL Sec 23 T30S R25E 0834 FNL 2585 FEL
43-037-31885	Big Indian Fed 23-13-30-25	Sec 23 T30S R25E 0340 FNL 1889 FEL BHL Sec 23 T30S R25E 0404 FNL 2110 FEL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:1-25-08



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

January 28, 2008

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

Re: Big Indian Fed 23-13B-30-25 Well, Surface Location 338' FNL, 1874' FEL, NW NE, Sec. 23, T. 30 South, R. 25 East, Bottom Location 834' FNL, 2585' FEL, NW NE, Sec. 23, T. 30 South, R. 25 East, San Juan County, Utah

Gentlemen:

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

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 43-037-31884.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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



Operator: Encana Oil & Gas (USA) Inc.

Well Name & Number Big Indian Fed 23-13B-30-25

API Number: 43-037-31884

Lease: UTU-012451

Surface Location: NW NE Sec. 23 T. 30 South R. 25 East

Bottom Location: NW NE Sec. 23 T. 30 South R. 25 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284

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

- Contact Dustin Doucet at (801) 538-5281 (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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

From: "Croteau, Jevin" <Jevin.Croteau@encana.com>
To: <caroldaniels@utah.gov>
Date: 2/6/2008 9:07 AM
Subject: FW: Big Indian Fed 23-13B-30-25 and 23-13-30-25

CONFIDENTIAL
T 30S R 25E S-23
43-037-31884

Carol,

This is the email as discussed, requesting confidential status for the subject wells.

Thank you very much for your help.

Jevin Croteau
EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202
Phone: (720)-876-5339
Fax: (720)-876-6339
jevin.croteau@encana.com

-----Original Message-----

From: Diana Mason [mailto:dianawhitney@utah.gov]
Sent: February 06, 2008 7:23 AM
To: Croteau, Jevin
Subject: RE: Big Indian Fed 23-13B-30-25 and 23-13-30-25

Jevin,

You will need to get with Carol Daniels on these since they have already been approved.

Diana

>>> "Croteau, Jevin" <Jevin.Croteau@encana.com> 2/5/2008 4:43 PM >>>
Diana,

Can I request that both Big Indian Fed 23-13-30-25 & 23-13B-30-25 APD's be held Confidential? I forgot to stamp them.

Thanks,

Jevin

-----Original Message-----

From: Diana Mason [mailto:dianawhitney@utah.gov]
Sent: January 25, 2008 11:37 AM
To: Croteau, Jevin
Subject: Big Indian Fed 23-13B-30-25 and 23-13-30-25

RECEIVED
FEB 06 2008
DIV. OF OIL, GAS & MINING

Hi Jevin,

Will you fix all of the pages that you have 1874 FWL, 2585 FWL, 1889 FWL and 2110 FWL

Thank you,
Diana

This email communication and any files transmitted with it may contain confidential and or proprietary information and is provided for the use of the intended recipient only. Any review, retransmission or dissemination of this information by anyone other than the intended recipient is prohibited. If you receive this email in error, please contact the sender and delete this communication and any copies immediately. Thank you.
<http://www.encana.com>

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

5. Lease Serial No. **UTU 2451**
6. If Indian, Allottee or Tribe Name **Big Indian**

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. Big Indian, UTU-063039X
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		8. Lease Name and Well No. Big Indian Fed 23-13B-30-25
2. Name of Operator EnCana Oil & Gas (USA) Inc.		9. API Well No. 4303731884
3a. Address 370 17th St., Suite 1700, Denver CO 80202	3b. Phone No. (include area code) 720-876-5339	10. Field and Pool, or Exploratory Big Indian (South)
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 338' FNL & 1874' FEL At proposed prod. zone 834' FNL & 2585' FEL		11. Sec., T., R., M., or Blk. And Survey or Area Sec. 23, T30S-R25E
14. Distance in miles and direction from nearest town or post office* Approximately 11.5 Miles SE of La Sal, UT		12. County or Parish San Juan
		13. State Utah
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)	16. No. of Acres in lease 1000.00	17. Spacing Unit dedicated to this well 40 acres
834' 1272'		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 641'	19. Proposed Depth 4015' TVD	20. BLM/ BIA Bond No. on file UT1005
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6639.9' GR	22. Approximate date work will start* June, 2008	23. Estimated Duration 30 Days

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

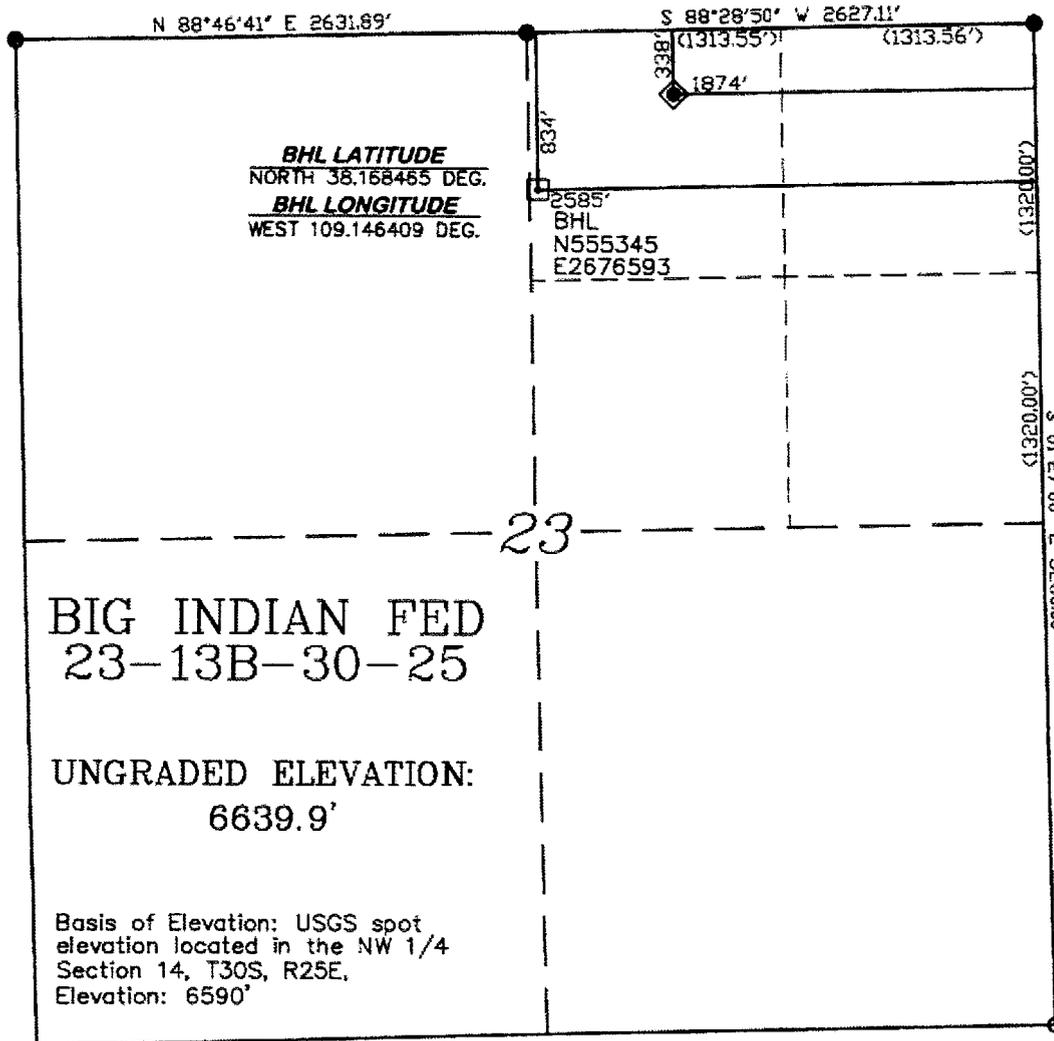
25. Signature 	Name (Printed/ Typed) Jevin Croteau	Date 1/22/08
Title Regulatory Analyst		
Approved By (Signature) /s/ A. Lynn Jackson	Name (Printed/ Typed) /s/ A. Lynn Jackson	Date 6/6/08
Title Assistant Field Manager, Division of Resources	Office Moab Field Office	

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.
(Continued on page 2) (Instructions on page 2)

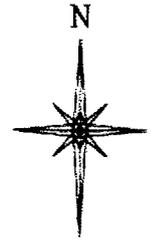
CONDITIONS OF APPROVAL ATTACHED
RECEIVED
JUN 12 2008
DIV. OF OIL, GAS & MINING

R. 25 E.



BHL LATITUDE
NORTH 38.168465 DEG.
BHL LONGITUDE
WEST 109.146409 DEG.

2585'
BHL
N555345
E2676593



SCALE: 1" = 1000'

T. 30 S.

BIG INDIAN FED
23-13B-30-25

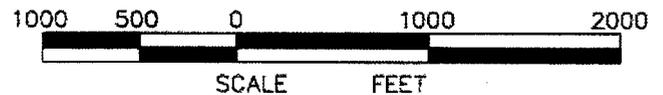
UNGRADED ELEVATION:
6639.9'

Basis of Elevation: USGS spot
elevation located in the NW 1/4
Section 14, T30S, R25E,
Elevation: 6590'

LATITUDE
NORTH 38.169830 DEG.
LONGITUDE
WEST 109.143936 DEG.

NORTHING
555859.40
EASTING
2677291.11

DATUM
SPCS UT SOUTH (NAD 27)



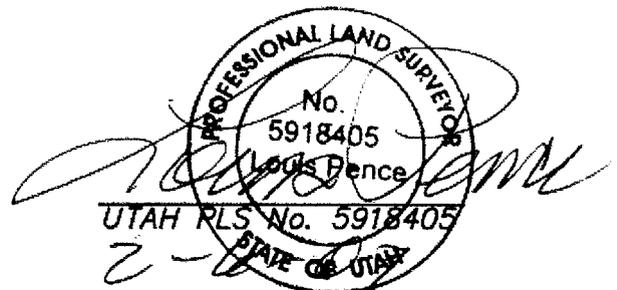
SURVEYOR'S STATEMENT

I, Louis A. Pence, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on JANUARY 17, 2007, and it correctly shows the location of BIG INDIAN FED 23-13B-30-25.

NOTES

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

EXHIBIT 1



DRG RIFFIN & ASSOCIATES, INC.

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

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

SCALE: 1" = 1000'
JOB No. 15042
DATE: 2/1/07

338' F/NL & 1874' F/EL, SECTION 23,
T. 30 S., R. 25 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH

EnCana Oil & Gas (USA), Inc.

Big Indian Federal 23-13B-30-25

Lease, Surface: UTU-012451

Bottom-hole: UTU-012451

Big Indian Unit (UTU-63039-X)

Location, Surface: NW/NE Section 23, T30S, R25E

Bottom-hole: NW/NE Section 23, T30S, R25E

San Juan County, Utah

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

CONDITIONS OF APPROVAL

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

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

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

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

This permit will be valid for a period of two years from the date of approval. An extension of this permit will be considered only if a written request is received prior to APD expiration. After permit termination, a new application must be filed for approval.

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

A. DRILLING PROGRAM

1. The proposed 3M BOP system is adequate for anticipated conditions. Testing to 2M standards is acceptable. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOG M) is required before conducting any surface disturbing activities.
3. The surface casing shall be increased to extend through the Entrada, Navajo, Kayenta and Wingate sandstones, and be set at least 50 feet into the Chinle Formation (if present) or Cutler Formation.
4. The surface casing shall be cemented to surface. The cement volume shall be increased to accommodate the increased surface casing length.
5. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to our understanding of drilling conditions.

B. SURFACE

1. Cultural resource sites identified in the inventory reports prepared by Four Corners Archaeological Services, will be avoided during all phases of the project.
2. In order to protect watershed values, no road/well pad construction or drilling operations will be authorized between November 1 and April 30. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
3. In order to protect wintering big game animals, no road/well pad construction or drilling operations will be authorized between November 1 and May 15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
4. The operator will be responsible for weed control on the disturbed areas within the limits of the well pad and road construction. The operator will be responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TABLE 1

NOTIFICATIONS

Notify Ben Kniola (435-259-2127) BLM Moab Field Office:

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

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

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth;

3 hours prior to testing BOPE.

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

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

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-12451
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Big Indian #3 Unit
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Big Indian Fed 23-13B-30-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 338' FNL & 1874' FEL COUNTY: San Juan		8. WELL NAME and NUMBER: Big Indian Fed 23-13B-30-25
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 23 30S 25E S STATE: UTAH		9. API NUMBER: 4303731884
		10. FIELD AND POOL, OR WLD/CAT: Big Indian (South)

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

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

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

EnCana Oil & Gas (USA) Inc. plans to move the BHL and change the approved directional drilling plan for the subject well:

From: 834' FNL & 2585' FEL, Sec. 23, T30S, R25E

To: 774' FNL & 2510' FEL, Sec. 23 T30S, R25E

Please find attached copies of the revised plat, a revised 9-Point Drilling Plan, a revised Directional Plan and a new request for Directional Drilling approval and letters of consent from all mineral owners.

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

662432X
42259354
38.168552
-109.145794

Date: 12-08-08
By: [Signature]

NAME (PLEASE PRINT) <u>Jevin Croteau</u>	TITLE <u>Regulatory Analyst</u>
SIGNATURE <u>[Signature]</u>	DATE <u>12/1/08</u>

(This space for State use only)

COPY SENT TO OPERATOR
Date: 12.9.2008
Initials: JS

RECEIVED
DEC 03 2008
DIV. OF OIL, GAS & MINING



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

December 1, 2008

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

RE: Big Indian Fed 23-13B-30-25
Section 23, T30S R25E
San Juan County, UT

Dear Ms. Mason:

EnCana Oil & Gas (USA) Inc. is requesting approval to directionally drill the subject well per the Utah Department of Natural Resources, Division of Oil, Gas and Mining Applicable Rules R649-3-11. Please find the following information as required for our proposed Big Indian Fed 23-13B-30-25 application:

- EnCana Oil & Gas (USA) Inc., Guadalupe Energy, Ltd. & Tandem Energy Corp. own all oil & gas within 460' of the intended well bore.
- Surface and Bottom Hole located on BLM Lease No. UTU-12451 and within the Big Indian #3 Unit and the Big Indian (South) Field.
- NWNE, Section 23, T30S R25E, San Juan County, Utah.
- Location plat with surface and bottom hole locations attached.
- Lease and Big Indian #3 Unit map attached.
- Proposed Directional Report attached.

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

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

Sincerely,

Jevin Croteau
Regulatory Analyst

Attachment

RECEIVED

DEC 03 2008

DIV. OF OIL, GAS & MINING



370 17th Street
Suite 1700
Denver, CO 80202

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

EnCana Oil & Gas (USA) Inc.

October 6, 2008

Guadalupe Energy, Ltd.
P.O. Box 1067
Alto, NM 88312
Attention: Jerry V. Atkinson
(505) 336-1137 Fax

Re: Directional Drilling Consent
Big Indian Fed 23-13B-30-25
338' FNL, 1874' FEL (SHL) Section 23
774' FNL, 2510' FEL (BHL) Section 23
Township 30 South, Range 25 East, SLM
San Juan County, Utah

Dear Jerry:

EnCana Oil & Gas (USA) Inc. is proposing the drilling of the above captioned well. Due to topographical concerns and geologic reasons, the location for this well will require a directional drilling consent pursuant to the requirements of the Utah Oil & Gas Conservation Rules R649-3-11.

We propose the surface location at 338' FNL, 1874' FEL (SHL) Section 23, and bottom hole location at 774' FNL, 2510' FEL (BHL) Section 23, both in Township 30 South, Range 25 East SLM, San Juan County, Utah.

In accordance with the above referenced rules, please indicate your consent to the directional drilling of the Big Indian Fed 23-13B-30-25 well by signing in the space provided below and returning one signed original to the undersigned. For your convenience, and also to expedite this process, please also send a copy via fax to (720) 876-6156. Please call me at (720) 876-5156 if you have any questions or concerns.

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

Rush Ray
Land Coordinator

Directional Drilling Consent for the Big Indian Fed 23-13B-30-25 well is hereby approved this 31st day of October, 2008.

By:

Title: Pres. Manganta Corp. G.P.

Phone: 432-557-5636 (cell)

ENCANA



EnCana Oil & Gas (USA) Inc.

370 17th Street
Suite 1700
Denver, CO 80202

Tel: (303) 623-2300
Fax: (303) 623-2400
www.encana.com

October 6, 2008

Tandem Energy Corporation
200 North Loraine, Suite 500
Midland, TX 79701
Attn: Todd M. Yocham

Re: Directional Drilling Consent
Big Indian Fed 23-13B-30-25
338' FNL, 1874' FEL (SHL) Section 23
774' FNL, 2510' FEL (BHL) Section 23
Township 30 South, Range 25 East, SLM
San Juan County, Utah

Dear Mr.: Yocham

EnCana Oil & Gas (USA) Inc. is proposing the drilling of the above captioned well. Due to topographical concerns and geologic reasons, the location for this well will require a directional drilling consent pursuant to the requirements of the Utah Oil & Gas Conservation Rules R649-3-11.

We propose the surface location at 338' FNL, 1874' FEL (SHL) Section 23, and bottom hole location at 774' FNL, 2510' FEL (BHL) Section 23, both in Township 30 South, Range 25 East SLM, San Juan County, Utah.

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

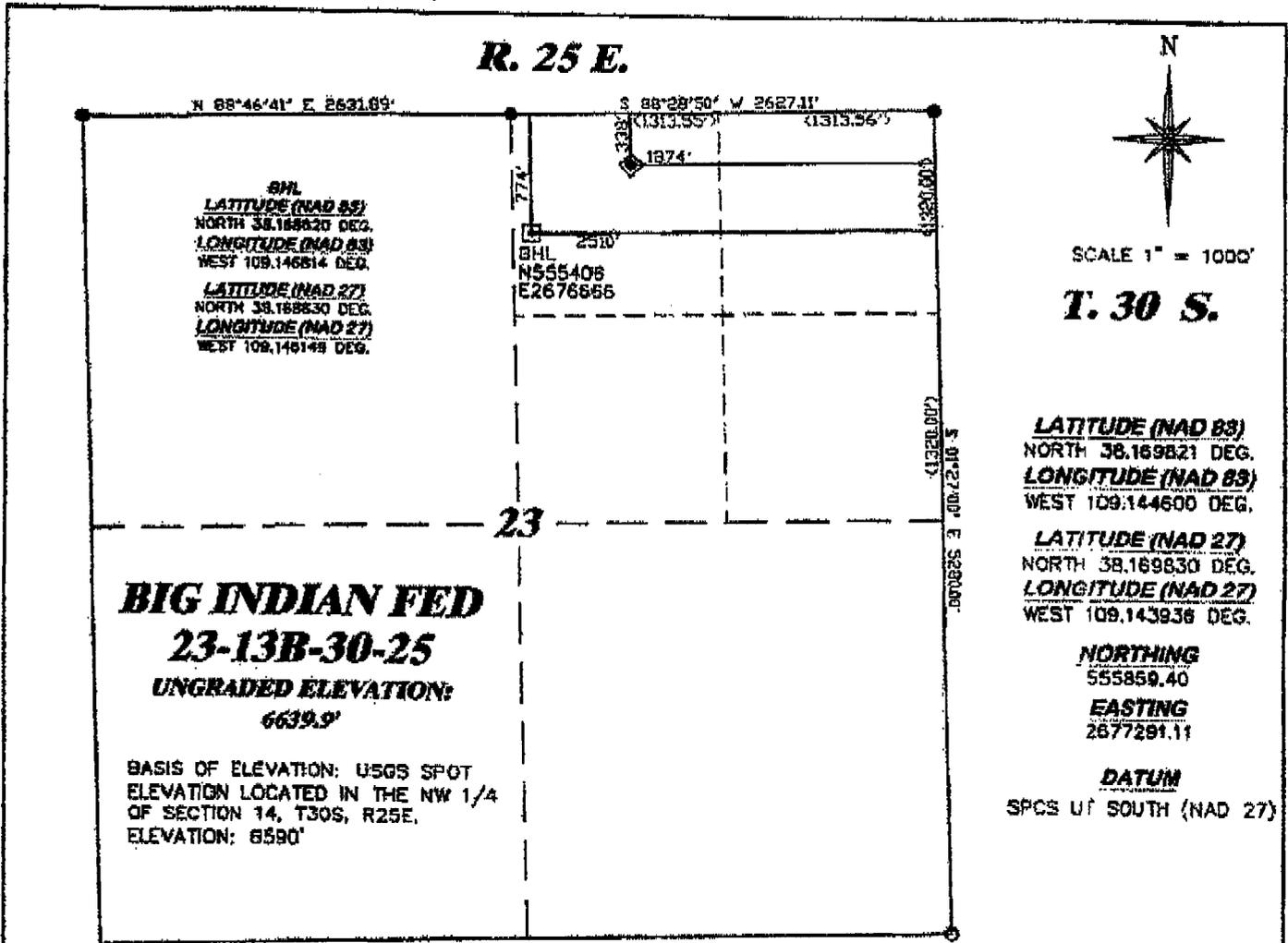

Rush Ray
Land Coordinator

Directional Drilling Consent for the Big Indian Fed 23-13B-30-25 well is hereby approved this 26th day of Nov., 2008.

By: Todd M. Yocham Todd M. Yocham

Title: Petroleum Engineer

Phone: 432-686-7136 ext. 322



SURVEYOR'S STATEMENT

I, CLEMENT R. WILLIAMS, OF ROCK SPRINGS, WYOMING, HEREBY STATE: THIS MAP WAS MADE FROM NOTES TAKEN DURING AN ACTUAL FIELD SURVEY DONE UNDER MY DIRECT SUPERVISION ON JANUARY 17, 2007 AND THAT THIS PLAT CORRECTLY SHOWS THE LOCATION OF BIG INDIAN FED 23-13B-30-25 AS STAKED ON THE GROUND.

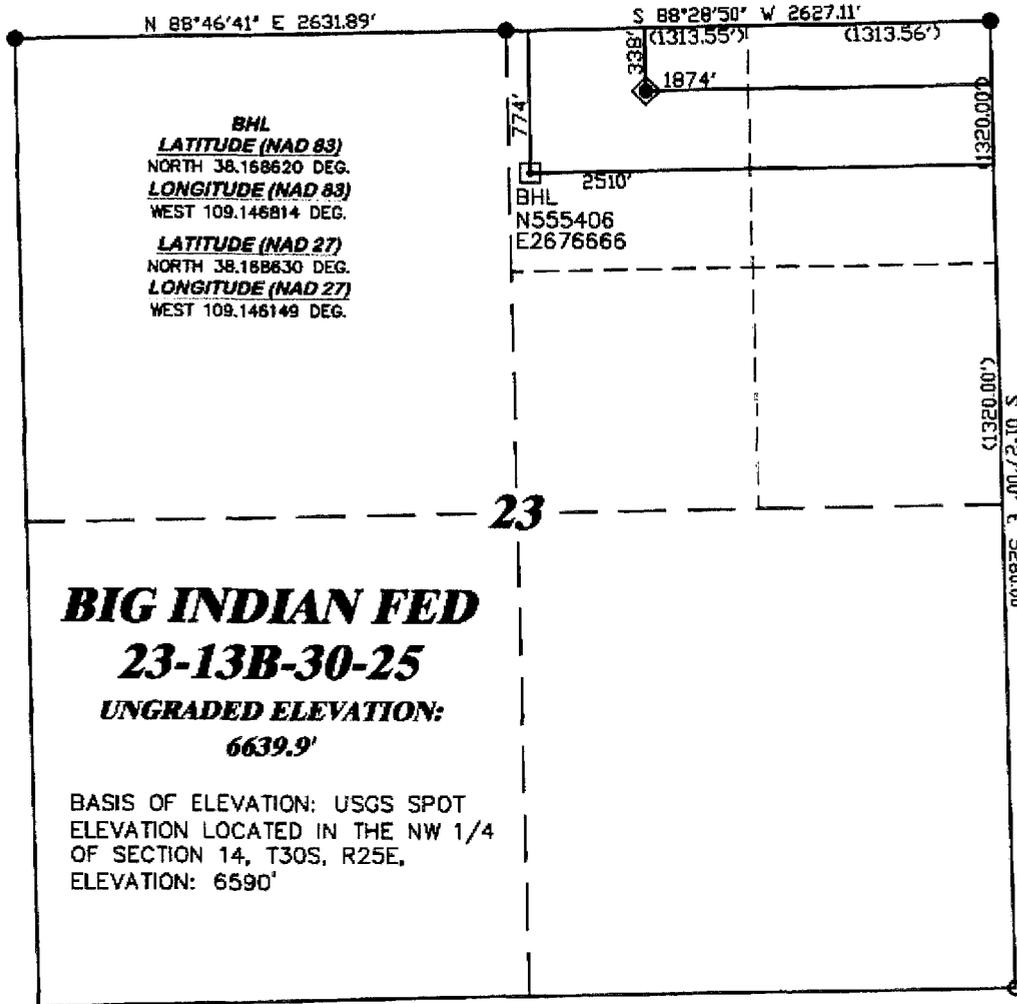
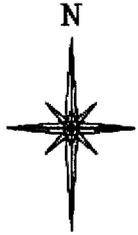
LEGEND

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX)
- FOUND MONUMENT
- CALCULATED CORNER

REGISTERED LAND SURVEYOR
Clement R. Williams
UTAH PLS No. 177178-2207
STATE OF UTAH
2/6/08

DRG RIFFIN & ASSOCIATES, INC. <small>(307) 322-8025</small> 1414 ELK ST., ROCK SPRINGS, WY 82801	PLAT OF DRILLING LOCATION FOR ENCANA OIL & GAS (USA) INC. 338' F/NL & 1874' F/RL, SECTION 23, T. 30 S., R. 25 E., SALT LAKE B.M. SAN JUAN COUNTY, UTAH
DRAWN: 2/1/07	SCALE: 1" = 1000'
REVISED: 2/8/08 - TWB	DRG JOB No. 15044
UPDATED BHL	EXHIBIT 1

R. 25 E.



SCALE 1" = 1000'

T. 30 S.

LATITUDE (NAD 83)
NORTH 38.169821 DEG.
LONGITUDE (NAD 83)
WEST 109.144600 DEG.

LATITUDE (NAD 27)
NORTH 38.169830 DEG.
LONGITUDE (NAD 27)
WEST 109.143936 DEG.

NORTHING
555859.40
EASTING
2677291.11

DATUM
SPCS UT SOUTH (NAD 27)

BIG INDIAN FED
23-13B-30-25
UNGRADED ELEVATION:
6639.9'

BASIS OF ELEVATION: USGS SPOT
ELEVATION LOCATED IN THE NW 1/4
OF SECTION 14, T30S, R25E,
ELEVATION: 6590'

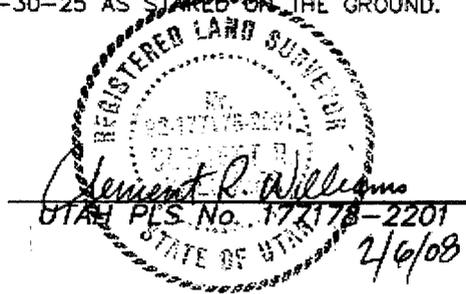


SURVEYOR'S STATEMENT

I, CLEMENT R. WILLIAMS, OF ROCK SPRINGS, WYOMING, HEREBY STATE: THIS MAP WAS MADE FROM NOTES TAKEN DURING AN ACTUAL FIELD SURVEY DONE UNDER MY DIRECT SUPERVISION ON JANUARY 17, 2007 AND THAT THIS PLAT CORRECTLY SHOWS THE LOCATION OF BIG INDIAN FED 23-13B-30-25 AS STAKED ON THE GROUND.

LEGEND

- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX)
- FOUND MONUMENT
- CALCULATED CORNER



DRG RIFFIN & ASSOCIATES, INC.
1414 ELK ST., ROCK SPRINGS, WY 82901
(307) 382-5020

DRAWN: 2/1/07	SCALE: 1" = 1000'
REVISED: 2/6/08 - TWB	DRG JOB No. 15044
UPDATED BHL	EXHIBIT 1

**PLAT OF DRILLING LOCATION
FOR
ENCANA OIL & GAS (USA) INC.**
**338' F/NL & 1874' F/EL, SECTION 23,
T. 30 S., R. 25 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH**

ONSHORE ORDER No. 1
EnCana Oil & Gas (USA), Inc.
Big Indian Fed 23-13B-30-25
338' FNL & 1874' FEL (surface)
Section 23-T30S-R25E
774' FNL & 2510' FEL (bottom hole)
Section 23-T30S-R25E
San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 1

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

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

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

Formation	Depth (TVD)	Subsea
Burro Canyon	Surface	6640'
Morrison	592'	+6048'
Entrada	880'	5760'
Navajo	1078'	5562'
Kayenta	1713'	4927'
Wingate	1951'	4689'
Chinle/Cutler	2330'	4310'
HKTR MKR 5	3010'	3630'
HKTR MKR 1	3863'	2777'
Total Depth	3915'	2727'

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 (TVD)
Gas	HKTR MKR 5	3140'
Gas	HKTR MKR 1	3863'

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

ONSHORE ORDER No. 1
EnCana Oil & Gas (USA), Inc.
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338' FNL & 1874' FEL (surface)
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San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 2

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

3. BOP EQUIPMENT/REQUIREMENTS

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

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

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

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

As a minimum, the above test shall be performed:

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

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

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

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

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

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

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

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

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Section 23-T30S-R25E
San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 3

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

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

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

4. CASING PROGRAMS

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

ONSHORE ORDER No. 1
 EnCana Oil & Gas (USA), Inc.
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 338' FNL & 1874' FEL (surface)
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 Section 23-T30S-R25E
 San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 4

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

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

Purpose	Depth (MD)	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0'-2640'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-4060'	8-3/4"	5-1/2"	17#	I-100	LT&C	New

Grade	Burst (psi)	Burst Safety Factor	Collapse (psi)	Collapse Safety Factor	Body Yield (1000 lbs)	Joint Strength (1000 lbs)	Tension Safety Factor
J-55 36#	3520	1.0	2020	1.0	564	394	1.0
I-100 17#	9670	1.0	7140	1.125	496	392	1.8

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

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 EnCana Oil & Gas (USA), Inc.
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 Section 23-T30S-R25E
 San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 5

5. CEMENTING PROGRAM

a. The cement program will be as follows:

Surface	Type and Amount
0-2640' MD	Lead: 258 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 357 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
2340'-4060' MD	350 sx Class G 50/50 Poz, 1.43 cuft/sx yield, 13 ppg

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

6. MUD PROGRAM

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

Interval (MD)	Mud Type	Mud Wt.	Visc.	F/L
0-2800'	Water	+/- 8.5	+/- 28	N.C.
2800'-TD	LSND	+/- 8.5-9.0	+/- 55-60	+/- 8

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San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 6

- b. Mud monitoring equipment to be used is as follows: Periodic checks of the mud system will be made each tour. The mud level will be checked visually.
 - 1. There will be sufficient mud on location to ensure well control.
 - 2. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and pH.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling testing or completion operations.

7. EVALUATION PROGRAM – TESTING, LOGGING AND CORING

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

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

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

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

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

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

- b. The logging program will consist of a DIL/CNL/LDT/GR/SP from TD to base of the surface casing.
- c. No whole cores are anticipated. Depending upon evaluation of the open hole logs, several sidewall cores may be obtained in formations of interest.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program is as follows:
Perforate zones of interest, fracture stimulate as necessary and place on production.

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San Juan County, Utah

Lease No. UTU-12451

Drilling Program

Page 7

8. ABNORMAL PRESSURES AND H2S GAS

- a. The maximum expected bottom hole pressure is 1325 psi (pressure gradient of 0.33 psi/ft). Source of pressure estimate was from data obtained for the Honaker Trail geological formation via pressures obtained in the Big Indian Unit #3 and #4 wells (#4 well is located within 1 mile of the proposed location).
- b. No hydrogen sulfide gas is anticipated, no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2b., if hydrogen sulfide is present the "operator shall initially test the H2S concentration of the gas stream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 31604, "Well Completion or Recompletion Report and Log".

9. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

- a. The BLM in Moab (435-259-2100) shall be notified at least 24 hours prior to:
 1. Spudding the well
 2. Running the casing strings and cementing
 3. BOP tests/casing pressured tests.
- b. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions operations will be filed with a Completion Report (Form 3160-4), in triplicate. Submit casing/cementing reports and other subsequent reports via Sundry Notice Form 3160-5.
- c. In accordance with 43 CFR 3162.4-3, this well shall be reported on MMS Form 3160, "Monthly Report of Operations", starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.
- d. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- e. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day

Drilling Program

authorized period.

- f. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d), shall be submitted to the appropriate District Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).
- g. Off-lease measurement and commingling of production must be approved by the authorized officer.
- h. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a leasesite or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

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

- i. The BLM in Moab (435-259-2100) shall be notified within 5 business days of production start-up if either of the following two conditions occur:
 - 1. The well is placed on production, or
 - 2. The well resumes production after being off of production for more than 90 days."Placed on production" means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities. Notification may be written or verbal with written follow-up within 15 days.
- j. Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.
- k. It is anticipated that the drilling of this well will take approximately 25 days.
- l. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended prior approval of the AO will be obtained and notification given before resumption of operations.
- m. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL3A or its revision.
- n. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

ONSHORE ORDER No. 1
EnCana Oil & Gas (USA), Inc.

Lease No. UTU-12451

Big Indian Fed 23-13B-30-25
338' FNL & 1874' FEL (surface)
Section 23-T30S-R25E
774' FNL & 2510' FEL (bottom hole)
Section 23-T30S-R25E
San Juan County, Utah

Drilling Program

Page 9

- o. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

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

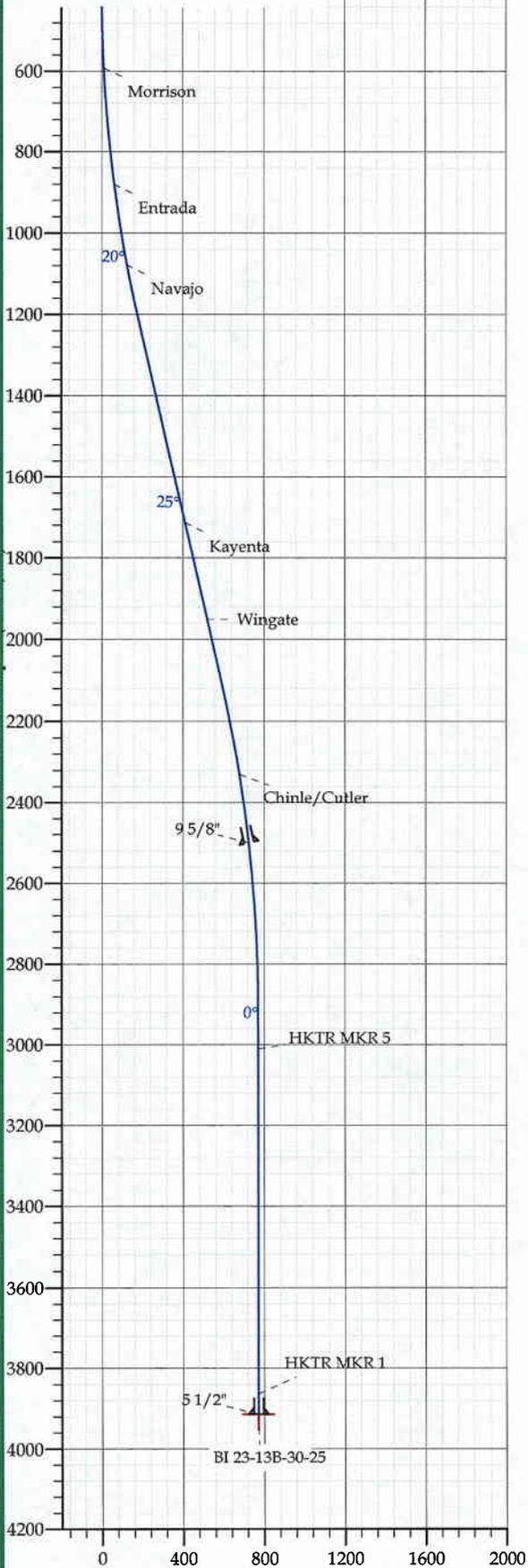
- p. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5 will be filed with the AO within 30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

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

Address: 82 East Dogwood Ave. Phone: 435-259-2100
Moab, Utah 84532
Business Hours: 7:45 a.m. to 4:30 p.m. (Mountain Time), Mon-Fri.

After Hours:

Eric Jones	Petroleum Engineer	435-259-2117
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Vertical Section at 234.05° (800 ft/in)

REFERENCE INFORMATION

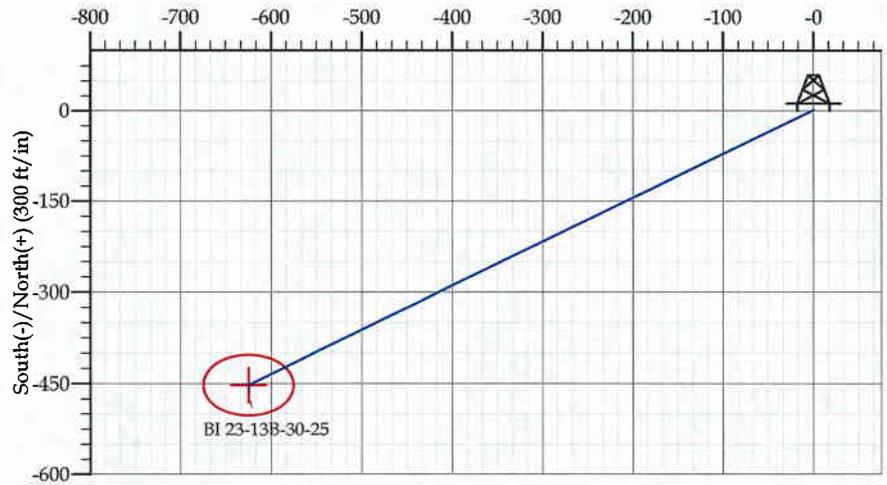
Co-ordinate (N/E) Reference: Well 23-13B-30-25, Grid North
 Vertical (TVD) Reference: RKB @ 6654.9ft (badger #2)
 Section (VS) Reference: Slot - (0.0N, 0.0E)
 Measured Depth Reference: RKB @ 6654.9ft (badger #2)
 Calculation Method:

WELL DETAILS: 23-13B-30-25

+N/-S	+E/-W	Northing	Ground Level: Easting	6639.9 Latitude	Longitude	Slot
0.0	0.0	555859.40	2677291.1111°	55° 11.686 N	8° 51' 35.952 W	

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	400.0	0.00	0.00	400.0	0.0	0.0	0.00	0.00	0.0	
3	1223.5	24.71	234.05	1198.3	-102.6	-141.5	3.00	234.05	174.8	
4	2234.6	24.71	234.05	2116.7	-350.8	-483.6	0.00	0.00	597.4	
5	3058.1	0.00	0.00	2915.0	-453.4	-625.1	3.00	180.00	772.2	
6	4058.1	0.00	0.00	3915.0	-453.4	-625.1	0.00	0.00	772.2	BI 23-13B-30-25



FORMATION TOP DETAILS

TVDPPath	MDPath	Formation
592.0	592.3	Morrison
880.0	885.2	Entrada
1078.0	1093.1	Navajo
1713.0	1790.2	Kayenta
1951.0	2052.1	Wingate
2330.0	2463.6	Chinle/Cutler
3010.0	3153.1	HKTR MKR 5
3863.0	4006.1	HKTR MKR 1

CASING DETAILS

TVD	MD	Name	Size
2500.0	2639.8	9 5/8"	9.625
3915.0	4058.1	5 1/2"	5.500

DJ/Paradox

La Sal

Big Indian Fed 23-13

23-13B-30-25

Wellbore #1

Plan: Design #1

Standard Planning Report

02 September, 2008

EnCana Corporation

Planning Report

Database: EDM	Local Co-ordinate Reference: Well 23-13B-30-25	
Company: DJ/Paradox	TVD Reference: RKB @ 6654.9ft (badger #2)	
Project: La Sal	MD Reference: RKB @ 6654.9ft (badger #2)	
Site: Big Indian Fed 23-13	North Reference: Grid	
Well: 23-13B-30-25	Survey Calculation Method: Minimum Curvature	
Wellbore: Wellbore #1		
Design: Design #1		

Project	La Sal		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	Utah Southern Zone		

Site	Big Indian Fed 23-13				
Site Position:		Northing:	555,857.52 ft	Latitude:	11° 55' 11.673 N
From:	Map	Easting:	2,677,276.05 ft	Longitude:	108° 51' 36.090 W
Position Uncertainty:	ft	Slot Radius:	in	Grid Convergence:	1.62 °

Well	23-13B-30-25					
Well Position	+N-S	1.9 ft	Northing:	555,859.40 ft	Latitude:	11° 55' 11.686 N
	+E-W	15.1 ft	Easting:	2,677,291.11 ft	Longitude:	108° 51' 35.952 W
Position Uncertainty		ft	Wellhead Elevation:	ft	Ground Level:	6,639.9 ft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	09/02/2008	8.26	34.14	36,038

Design	Design #1				
Audit Notes:					
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0	
Vertical Section:	Depth From (TVD) (ft)	+N-S (ft)	+E-W (ft)	Direction (°)	
	0.0	0.0	0.0	234.05	

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,223.5	24.71	234.05	1,198.3	-102.6	-141.5	3.00	3.00	0.00	234.05	
2,234.6	24.71	234.05	2,116.7	-350.8	-483.6	0.00	0.00	0.00	0.00	
3,058.1	0.00	0.00	2,915.0	-453.4	-625.1	3.00	-3.00	0.00	180.00	
4,058.1	0.00	0.00	3,915.0	-453.4	-625.1	0.00	0.00	0.00	0.00	BI 23-13B-30-25

EnCana Corporation

Planning Report

Database: EDM
Company: DJ/Paradox
Project: La Sal
Site: Big Indian Fed 23-13
Well: 23-13B-30-25
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well 23-13B-30-25
TVD Reference: RKB @ 6654.9ft (badger #2)
MD Reference: RKB @ 6654.9ft (badger #2)
North Reference: Grid
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)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
592.3	5.77	234.05	592.0	-5.7	-7.8	9.7	3.00	3.00	0.00
Morrison									
885.2	14.56	234.05	880.0	-36.0	-49.6	61.3	3.00	3.00	0.00
Entrada									
1,093.1	20.79	234.05	1,078.0	-73.0	-100.7	124.4	3.00	3.00	0.00
Navajo									
1,223.5	24.71	234.05	1,198.3	-102.6	-141.5	174.8	3.00	3.00	0.00
1,790.2	24.71	234.05	1,713.0	-241.7	-333.2	411.6	0.00	0.00	0.00
Kayenta									
2,052.1	24.71	234.05	1,951.0	-306.0	-421.9	521.1	0.00	0.00	0.00
Wingate									
2,234.6	24.71	234.05	2,116.7	-350.8	-483.6	597.4	0.00	0.00	0.00
2,463.6	17.84	234.05	2,330.0	-399.5	-550.8	680.4	3.00	-3.00	0.00
Chinle/Cutler									
2,639.8	12.55	234.05	2,500.0	-426.6	-588.2	726.6	3.00	-3.00	0.00
9 5/8"									
3,058.1	0.00	0.00	2,915.0	-453.4	-625.1	772.2	3.00	-3.00	0.00
3,153.1	0.00	0.00	3,010.0	-453.4	-625.1	772.2	0.00	0.00	0.00
HKTR MKR 5									
4,006.1	0.00	0.00	3,863.0	-453.4	-625.1	772.2	0.00	0.00	0.00
HKTR MKR 1									
4,058.1	0.00	0.00	3,915.0	-453.4	-625.1	772.2	0.00	0.00	0.00
5 1/2"									

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N-S (ft)	+E-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
BI 23-13B-30-25 - plan hits target - Circle (radius 50.0)	0.00	0.00	3,915.0	-453.4	-625.1	555,406.00	2,676,666.00	11° 55' 7.755 N	108° 51' 41.796 W

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
4,058.1	3,915.0	5 1/2"	5.500	8.750
2,639.8	2,500.0	9 5/8"	9.625	12.250

EnCana Corporation

Planning Report

Database: EDM
Company: DJ/Paradox
Project: La Sal
Site: Big Indian Fed 23-13
Well: 23-13B-30-25
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well 23-13B-30-25
TVD Reference: RKB @ 6654.9ft (badger #2)
MD Reference: RKB @ 6654.9ft (badger #2)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
592.3	592.0	Morrison		0.00	
885.2	880.0	Entrada		0.00	
1,093.1	1,078.0	Navajo		0.00	
1,790.2	1,713.0	Kayenta		0.00	
2,052.1	1,951.0	Wingate		0.00	
2,463.6	2,330.0	Chinle/Cutler		0.00	
3,153.1	3,010.0	HKTR MKR 5		0.00	
4,006.1	3,863.0	HKTR MKR 1		0.00	

CONFIDENTIAL TIGHT HOLE

FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-12451
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Big Indian #3 Unit
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.		8. WELL NAME and NUMBER: Big Indian Fed 23-13B-30-25
3. ADDRESS OF OPERATOR: 370 17th St. Suite 1700 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4303731884
4. LOCATION OF WELL FOOTAGES AT SURFACE: 338' FNL & 1874' FEL		10. FIELD AND POOL, OR WLDCAT: Big Indian (South)
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 23 30S 25E S		COUNTY: San Juan
		STATE: UTAH

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

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

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

EnCana Oil & Gas (USA) Inc. is requesting an extension on the approved Application for Permit to Drill for the subject well. Nothing has changed on the approved application other than the approved Sundry Notice for a new BHL.

Please find the APD Request for Permit Extension Validation Form attached as required.

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

Date: 01-07-09
By: 

NAME (PLEASE PRINT) <u>Jevin Croteau</u>	TITLE <u>Regulatory Analyst</u>
SIGNATURE 	DATE <u>1/5/09</u>

(This space for State use only)

COPY SENT TO OPERATOR

Date: 1.8.2009

Initials: KS

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

JAN 06 2009

DIV. OF OIL, GAS & MINING

RESET

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4303731884
Well Name: Big Indian Fed 23-13B-30-25
Location: 338' FNL & 1874' FEL, Sec. 23, T30S, R25E, SLMP
Company Permit Issued to: EnCana Oil & Gas (USA) Inc.
Date Original Permit Issued: 1/28/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No



Signature

1/5/09

Date

Title: Regulatory Analyst

Representing: EnCana Oil & Gas (USA) Inc.

RECEIVED

JAN 06 2009

DIV. OF OIL, GAS & MINING

CONFIDENTIAL TIGHT HOLE

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-12451
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Big Indian #3 Unit
7. UNIT or CA AGREEMENT NAME: Big Indian #3 Unit
8. WELL NAME and NUMBER: Big Indian Fed 23-13B-30-25
9. API NUMBER: 4303731884
10. FIELD AND POOL, OR WLD/CAT: Big Indian (South)

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	10. FIELD AND POOL, OR WLD/CAT: Big Indian (South)
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.	9. API NUMBER: 4303731884
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80020	10. FIELD AND POOL, OR WLD/CAT: Big Indian (South)
4. LOCATION OF WELL FOOTAGES AT SURFACE: 338' FNL & 1874' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 23 30S 25E S	PHONE NUMBER: (720) 876-5339 COUNTY: San Juan STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<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/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"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>APD Extension Request</u>

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

EnCana Oil & Gas (USA) Inc. is requesting an extension on the approved Application for Permit to Drill on the subject well.

Please find the APD Request for Permit Extension Validation Form attached as required.

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

Date: 12-28-09
By:

COPY SENT TO OPERATOR

Date: 1.4.2010

Initials: KS

NAME (PLEASE PRINT) <u>Jevin Croteau</u>	TITLE <u>Regulatory Analyst</u>
SIGNATURE	DATE <u>12/21/09</u>

(This space for State use only)

RECEIVED

DEC 24 2009

DIV. OF OIL, GAS & MINING



CONFIDENTIAL TIGHT HOLE

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 4303731884
Well Name: Big Indian Fed 23-13B-30-25
Location: 338' FNL & 1874' FEL, Sec. 23, T30S, R25E, SLPM
Company Permit Issued to: EnCana Oil & Gas (USA) Inc.
Date Original Permit Issued: 1/28/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

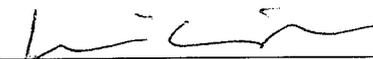
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No



Signature

12/21/09

Date

Title: Regulatory Analyst

Representing: EnCana Oil & Gas (USA) Inc.

RECEIVED

DEC 24 2009

DIV. OF OIL, GAS & MINING

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

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

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

5/14/2010

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:

BIG INDIAN

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
- 4a. 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: 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: 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
- 3a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number RLB0013207 & B006008
- 3b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: ENCANA OIL & GAS (USA) INC. <i>N2175</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached List		8. WELL NAME and NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		9. API NUMBER:
COUNTY:		10. FIELD AND POOL, OR WILDCAT:
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 (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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

Bond coverage for all activities will be covered by Patara's BLM Statewide Oil & Gas Bond No. UTB000428 and UDOGM Bond No. Pending. *RIB0013207 + 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
 BIG INDIAN

well_name	sec	twp	rng	api	entity	lease	well	stat	C
BIG INDIAN UNIT 1	33	290S	240E	4303716219	8122	Federal	OW	S	
BIG INDIAN 4	14	300S	250E	4303716221	8124	Federal	GW	S	
					8124				
BIG INDIAN FED 14-21-30-25	14	300S	250E	4303731850	16377	Federal	GW	P	
BIG INDIAN FED 15-24-30-25	14	300S	250E	4303731859	8124	Federal	GW	S	
BIG INDIAN FED 14-42-30-25	14	300S	250E	4303731860	8124	Federal	GW	P	
BIG INDIAN FED 15-24B-30-25	14	300S	250E	4303731883	8124	Federal	GW	S	
BIG INDIAN FED 23-13B-30-25	23	300S	250E	4303731884		Federal	GW	APD	C
BIG INDIAN FED 23-13-30-25	23	300S	250E	4303731885		Federal	GW	APD	C

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

Request to Transfer Application or Permit to Drill

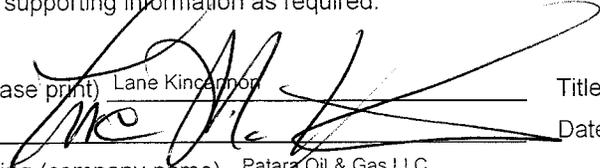
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Big Indian Fed 23-13B-30-25
API number:	4303731884
Location:	Qtr-Qtr: NWNE Section: 23 Township: 30S Range: 25E
Company that filed original application:	EnCana Oil & Gas (USA) Inc.
Date original permit was issued:	01/28/2008
Company that permit was issued to:	EnCana Oil & Gas (USA) Inc.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0013207</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Lane Kinghorn Title Vice-President, Land & Business Development
 Signature  Date 5/4/10
 Representing (company name) Patara Oil & Gas LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-012451
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: BIG INDIAN
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BIG INDIAN FED 23-13B-30-25
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC	9. API NUMBER: 43037318840000
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202	PHONE NUMBER: 303 825-0685 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0338 FNL 1874 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 23 Township: 30.0S Range: 25.0E Meridian: S	9. FIELD and POOL or WILDCAT: BIG INDIAN (HERMOSA)
	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: 4/1/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Patara Oil & Gas, LLC requests the extension of the above mentioned APD for the maximum time allowable. The federal approval is valid until June 6, 2012. Please contact Christopher A. Noonan at Banko Petroleum Management, Inc. at (303) 820-4480, or at bob@banko1.com with any questions or concerns.

Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: 01/24/2011

By: 

NAME (PLEASE PRINT) Christopher A. Noonan	PHONE NUMBER 303 820-4480	TITLE Permit Agent
SIGNATURE N/A	DATE 1/21/2011	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43037318840000

API: 43037318840000

Well Name: BIG INDIAN FED 23-13B-30-25

Location: 0338 FNL 1874 FEL QTR NWNE SEC 23 TWP 300S RNG 250E MER S

Company Permit Issued to: PATARA OIL & GAS, LLC

Date Original Permit Issued: 1/28/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

Signature: Christopher A. Noonan

Date: 1/21/2011

Title: Permit Agent

Representing: PATARA OIL & GAS, LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-012451																														
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: BIG INDIAN																														
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4. LOCATION OF WELL FOOTAGES AT SURFACE: 0338 FNL 1874 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 23 Township: 30.0S Range: 25.0E Meridian: S	COUNTY: SAN JUAN STATE: UTAH																															
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																																
TYPE OF SUBMISSION	TYPE OF ACTION																															
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/1/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;"><input type="checkbox"/> ACIDIZE</td> <td style="width: 33%; border: none;"><input type="checkbox"/> ALTER CASING</td> <td style="width: 33%; border: none;"><input type="checkbox"/> CASING REPAIR</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</td> <td style="border: none;"><input type="checkbox"/> CHANGE TUBING</td> <td style="border: none;"><input type="checkbox"/> CHANGE WELL NAME</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> CHANGE WELL STATUS</td> <td style="border: none;"><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</td> <td style="border: none;"><input type="checkbox"/> CONVERT WELL TYPE</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> DEEPEN</td> <td style="border: none;"><input type="checkbox"/> FRACTURE TREAT</td> <td style="border: none;"><input type="checkbox"/> NEW CONSTRUCTION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> OPERATOR CHANGE</td> <td style="border: none;"><input type="checkbox"/> PLUG AND ABANDON</td> <td style="border: none;"><input type="checkbox"/> PLUG BACK</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> PRODUCTION START OR RESUME</td> <td style="border: none;"><input type="checkbox"/> RECLAMATION OF WELL SITE</td> <td style="border: none;"><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> REPERFORATE CURRENT FORMATION</td> <td style="border: none;"><input type="checkbox"/> SIDETRACK TO REPAIR WELL</td> <td style="border: none;"><input type="checkbox"/> TEMPORARY ABANDON</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> TUBING REPAIR</td> <td style="border: none;"><input type="checkbox"/> VENT OR FLARE</td> <td style="border: none;"><input type="checkbox"/> WATER DISPOSAL</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> WATER SHUTOFF</td> <td style="border: none;"><input type="checkbox"/> SI TA STATUS EXTENSION</td> <td style="border: none;"><input checked="" type="checkbox"/> APD EXTENSION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> WILDCAT WELL DETERMINATION</td> <td style="border: none;"><input type="checkbox"/> OTHER</td> <td style="border: none;">OTHER: <input style="width: 100px;" type="text" value="APD Extension"/></td> </tr> </table>		<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE	<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 checked="" type="checkbox"/> APD EXTENSION	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text" value="APD Extension"/>
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Patara Oil & Gas LLC requests an extension to the approved State APD for the maximum time allowable. The State APD is valid until January 28, 2012. The Federal APD is valid until June 6, 2012. We anticipate requesting an extension to the Federal APD as do not anticipate being able to commence drilling operations prior to June 1, 2012. Please contact Danielle Gavito at (303)563-5378 or at dgavito@pataraog.com if you have any questions or concerns. Thank you.																																
		Approved by the Utah Division of Oil, Gas and Mining Date: <u>12/19/2011</u> By:																														
NAME (PLEASE PRINT) Danielle Gavito	PHONE NUMBER 303 563-5378	TITLE Regulatory Technician																														
SIGNATURE N/A	DATE 12/12/2011																															



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43037318840000

API: 43037318840000

Well Name: BIG INDIAN FED 23-13B-30-25

Location: 0338 FNL 1874 FEL QTR NWNE SEC 23 TWNP 300S RNG 250E MER S

Company Permit Issued to: PATARA OIL & GAS, LLC

Date Original Permit Issued: 1/28/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

Signature: Danielle Gavito

Date: 12/12/2011

Title: Regulatory Technician **Representing:** PATARA OIL & GAS, LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-012451	
SUNDRY NOTICES AND REPORTS ON WELLS	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME: BIG INDIAN	
8. WELL NAME and NUMBER: BIG INDIAN FED 23-13B-30-25	
9. API NUMBER: 43037318840000	
9. FIELD and POOL or WILDCAT: BIG INDIAN (HERMOSA)	
9. COUNTY: SAN JUAN	
9. STATE: UTAH	
1. TYPE OF WELL Gas Well	
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC	
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202	
PHONE NUMBER: 303 563-5364 Ext	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0338 FNL 1874 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 23 Township: 30.0S Range: 25.0E Meridian: S	

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: 7/1/2013	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input 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 checked="" type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="APD Extension"/>
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

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

Patara Oil & Gas LLC wishes to request an extension to the approved APD for the maximum allowable time. We do not anticipate being able to commence drilling operations until after July 1, 2013. Please contact Danielle Gavito at 303-563-5378 or at dgavito@pataraog.com if you have any questions or concerns. Thank you.

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

Date: January 07, 2013
By:

NAME (PLEASE PRINT) Danielle Gavito	PHONE NUMBER 303 563-5378	TITLE Regulatory Technician
SIGNATURE N/A	DATE 1/3/2013	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43037318840000

API: 43037318840000

Well Name: BIG INDIAN FED 23-13B-30-25

Location: 0338 FNL 1874 FEL QTR NWNE SEC 23 TWNP 300S RNG 250E MER S

Company Permit Issued to: PATARA OIL & GAS, LLC

Date Original Permit Issued: 1/28/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

Signature: Danielle Gavito

Date: 1/3/2013

Title: Regulatory Technician Representing: PATARA OIL & GAS, LLC

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	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List					Big Indian					

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

Big Indian Unit

Well Name	Section	TWN	RNG	API Number	Entity	Lease Type	Well Type	Well Status
BIG INDIAN FED 23-13B-30-25	23	300S	250E	4303731884		Federal	GW	APD
BIG INDIAN FED 23-13-30-25	23	300S	250E	4303731885		Federal	GW	APD
BIG INDIAN FED 14-42-30-25	14	300S	250E	4303731860	8124	Federal	GW	P
BIG INDIAN UNIT 1	33	290S	240E	4303716219	8122	Federal	OW	S
BIG INDIAN 4	14	300S	250E	4303716221	8124	Federal	GW	S
BIG INDIAN FED 14-21-30-25	14	300S	250E	4303731850	8124/16377	Federal	GW	S
BIG INDIAN FED 15-24-30-25	14	300S	250E	4303731859	8124	Federal	GW	S
BIG INDIAN FED 15-24B-30-25	14	300S	250E	4303731883	8124	Federal	GW	S

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JAN 23 2013

FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL: OIL WELL, GAS WELL, OTHER Multiple Well Transfer
2. NAME OF OPERATOR: Patara Oil & Gas LLC
3. ADDRESS OF OPERATOR: 600 17th St. Ste. 1900S Denver CO 80202
4. LOCATION OF WELL: FOOTAGES AT SURFACE: n/a, COUNTY: San Juan, UT, STATE: UTAH

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

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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, and various actions like ACIDIZE, ALTER CASING, OPERATOR CHANGE, etc.

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

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

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

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

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

BY: Rachel Medina

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

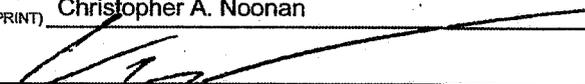
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT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

Request to Transfer Application or Permit to Drill

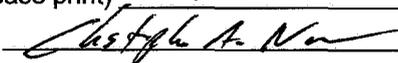
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Big Indian Fed 23-13B-30-25
API number:	4303731884
Location:	Qtr-Qtr: NWNE Section: 23 Township: 30S Range: 25E
Company that filed original application:	Patara Oil & Gas LLC
Date original permit was issued:	01/07/2013
Company that permit was issued to:	Patara Oil & Gas LLC

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>105865922</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Christopher Noonan Title Regulations & Production Reporting Supervisor
 Signature  Date 1/31/2013
 Representing (company name) CCI Paradox Upstream LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

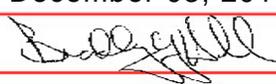
STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-012451	
SUNDRY NOTICES AND REPORTS ON WELLS	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	
1. TYPE OF WELL Gas Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: CCI PARADOX UPSTREAM, LLC	7. UNIT or CA AGREEMENT NAME: BIG INDIAN
3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1900S , Denver, CO, 80202	8. WELL NAME and NUMBER: BIG INDIAN FED 23-13B-30-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0338 FNL 1874 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 23 Township: 30.0S Range: 25.0E Meridian: S	9. API NUMBER: 43037318840000
PHONE NUMBER: 303 563-5364 Ext	9. FIELD and POOL or WILDCAT: BIG INDIAN (HERMOSA)
	COUNTY: SAN JUAN
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 9/1/2014	<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 checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

CCI Paradox Upstream LLC (CCI) wishes to request an extension to the already approved State APD which is set to expire on 1/28/14 for this well due to BLM timing stipulations. CCI wishes to receive an extension to the State APD for the maximum allowable time. Thank you.

Approved by the Utah Division of Oil, Gas and Mining
Date: December 03, 2013
By: 

NAME (PLEASE PRINT) Chrissy Lawson	PHONE NUMBER 303 563-5378	TITLE Regulatory Specialist
SIGNATURE N/A	DATE 11/29/2013	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43037318840000

API: 43037318840000

Well Name: BIG INDIAN FED 23-13B-30-25

Location: 0338 FNL 1874 FEL QTR NWNE SEC 23 TWNP 300S RNG 250E MER S

Company Permit Issued to: CCI PARADOX UPSTREAM, LLC

Date Original Permit Issued: 1/28/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

Signature: Chrissy Lawson

Date: 11/29/2013

Title: Regulatory Specialist Representing: CCI PARADOX UPSTREAM, LLC



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43037318840000

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- Is bonding still in place, which covers this proposed well? Yes No

Signature: Ashley Noonan

Date: 1/13/2015

Title: Regulatory Analyst Representing: CCI PARADOX UPSTREAM, LLC



GARY R. HERBERT
Governor

SPENCER J. COX
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

March 24, 2016

CCI Paradox Upstream, LLC
811 Main St. Ste. 3500
Houston, TX 77002

Re: APD Rescinded – Big Indian Fed 23-13B-30-25, Sec. 23, T.30S, R.25E
San Juan County, Utah API No. 43-037-31884

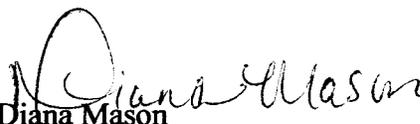
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 28, 2008. On January 7, 2009, December 28, 2009, January 24, 2011, December 19, 2011, January 7, 2013, December 3, 2013 and January 13, 2015 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 24, 2016.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Monticello