

# 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 23-13-30-25  
340' FNL, 1,889' FEL (SHL)  
404' FNL, 2,110' 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 340' FNL and 1,889' FEL, and bottom hole location at 404' FNL and 2,110' 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 23-13-30-25 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 23-13-30-25 well is hereby approved this 18<sup>th</sup> day of Dec, 2007.

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



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

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

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

January 21, 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 23-13-30-25  
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 23-13-30-25 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

# ENCANA™

## EnCana Oil & Gas (USA) Inc.

December 14, 2007

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

Re: Directional Drilling Consent  
Big Indian Fed 23-13-30-25  
340' FNL, 1,889' FEL (SHL)  
404' FNL, 2,110' FEL (BHL)  
Section 23-T30S-R25E  
San Juan County, Utah

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 340' FNL and 1,889' FEL, and bottom hole location at 404' FNL and 2,110' 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 23-13-30-25 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 23-13-30-25 well is hereby approved this 7<sup>th</sup> day of Jan, 2007.8

By: Todd M. Yocham  
Title: Sr. Vice President  
Phone: 432-686-7136 ext. 1121

370 17th Street  
Suite 1700  
Denver, CO 80202

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

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: UTU-012451	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Big Indian Unit	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.			9. WELL NAME and NUMBER: Big Indian Fed 23-13-30-25	
3. ADDRESS OF OPERATOR: 370 17th Street, Suite 1700 <small>CITY</small> Denver <small>STATE</small> CO <small>ZIP</small> 80202			10. FIELD AND POOL, OR WILDCAT: Big Indian (South)	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 340' FNL & 1889' FEL AT PROPOSED PRODUCING ZONE: 404' FNL & 2110' 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) 404' 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: 3,285	20. BOND DESCRIPTION: RLB0001191		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6639.4' GR	22. APPROXIMATE DATE WORK WILL START: 6/1/2008	23. ESTIMATED DURATION: 30 Days		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4	9 5/8	J-55	36#	861	Class G + 2% gel	330sx	2.09 cuft/sx	12.5#
7 7/8	5 1/2	J-55	17#	3,369	Class G + 2% gel	1100sx	1.43 cuft/sx	13#

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst

SIGNATURE  DATE 1/22/08

(This space for State use only)

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

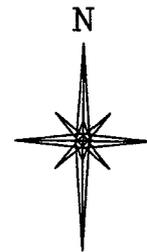
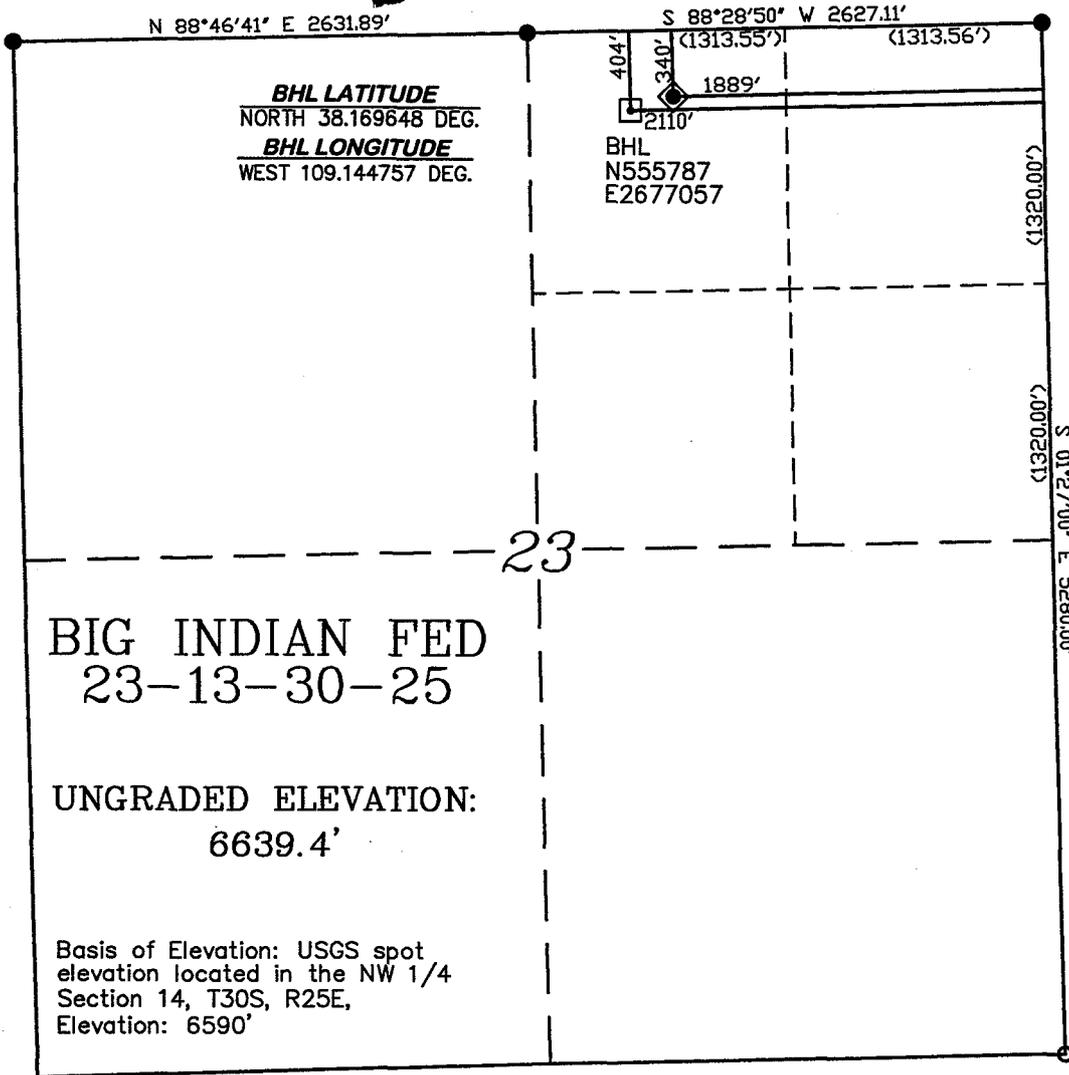
API NUMBER ASSIGNED: 43037-31885

APPROVAL:   
Date: 01-28-08  
By:

**RECEIVED**  
**JAN 23 2008**  
DIV. OF OIL, GAS & MINING

(11/2001) **Federal Approval of this  
Action is Necessary**

**R. 25 E.**



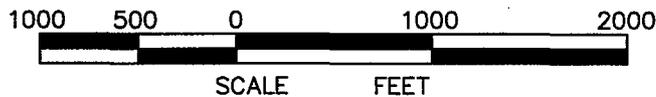
SCALE: 1" = 1000'

**T. 30 S.**

LATITUDE  
NORTH 38.169826 DEG.  
LONGITUDE  
WEST 109.143988 DEG.

NORTHING  
555857.52  
EASTING  
2677276.05

DATUM  
SPCS UT SOUTH (NAD 27)



**SURVEYOR'S STATEMENT**

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

**NOTES**

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

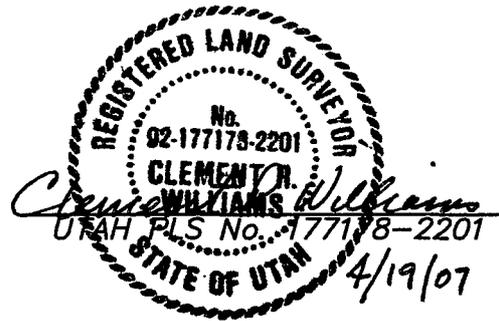


EXHIBIT 1

**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. 15044  
REVISED: 4/18/07

**340' F/NL & 1889' 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 23-13-30-25**  
 340' FNL & 1889' FWL (surface)  
 Section 23-T30S-R25E  
 404' FNL & 2110' FWL (bottom hole)  
 Section 23-T30S-R25E  
 San Juan County, Utah

Lease No. UTU-12451

**Drilling Program**

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

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

**1. FORMATION TOPS**

The estimated tops of important geologic markers are as follows:

<b>Formation</b>	<b>Depth (TVD)</b>	<b>Subsea</b>
Burro Canyon	Surface	+6829'
Morrison	811'	+5929'
Entrada	1098'	5642'
Navajo	1304'	5436'
Kayenta	1939'	4801'
Wingate	2176'	4564'
Chinle/Cutler	F/O	F/O
Honaker Trail	3055'	3685'
HKTR MKR 5	3215'	3505'
Total Depth	3285'	3455'

**2. ANTICIPATED DEPTH OF WATER, OIL & GAS**

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

<b>Substance</b>	<b>Formation</b>	<b>Depth (TVD)</b>
Gas	Honaker Trail	3055'
Gas	HKTR MKR 5	3215'

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.

Drilling Program

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

**Big Indian Fed 23-13-30-25**  
 340' FNL & 1889' FWL (surface)  
 Section 23-T30S-R25E  
 404' FNL & 2110' FWL (bottom hole)  
 Section 23-T30S-R25E  
 San Juan County, Utah

**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'-861'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-3369'	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.

**Big Indian Fed 23-13-30-25**

340' FNL & 1889' F~~WL~~ (surface)

Section 23-T30S-R25E~~7~~

404' FNL & 2110' F~~WL~~ (bottom hole)

Section 23-T30S-R25E

San Juan County, Utah

**Drilling Program**

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**5. CEMENTING PROGRAM**

a. The cement program will be as follows:

Surface	Type and Amount
0-861' MD	Lead: 160 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 170 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
861'-3369' MD	1100 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
0-2250'	Water	+/- 8.5	+/- 28	N.C.
2250'-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.

ONSHORE ORDER No. 1

EnCana Oil & Gas (USA), Inc.

**Big Indian Fed 23-13-30-25**

340' FNL & 1889' FWL (surface)

Section 23-T30S-R25E

404' FNL & 2110' FWL (bottom hole)

Section 23-T30S-R25E

San Juan County, Utah

Lease No. UTU-12451

**Drilling Program**

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

- a. The maximum expected bottom hole pressure is 1111 psi (pressure gradient of 0.33 psi/ft). Source of pressure estimate was from data obtained for the Honaker Trail geological formation via pressures obtained in the Big Indian Unit #3 and #4 wells (#4 well is located within 1 mile of the proposed location).
- b. No hydrogen sulfide gas is anticipated, no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2.b., if hydrogen sulfide is present the "operator shall initially test the H<sub>2</sub>S concentration of the gas stream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

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

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

**Big Indian Fed 23-13-30-25**

340' FNL & 1889' FWL (surface)

Section 23-T30S-R25E

404' FNL & 2110' FWL (bottom hole)

Section 23-T30S-R25E

San Juan County, Utah

**Drilling Program**

- 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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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.**

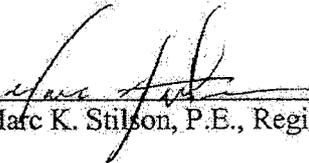
The applicant is advised to contact the Stream Alteration Section of the Division of Water Rights to ascertain if a Stream Alteration permit is required for this Temporary Change Application.

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 (t32868)  
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.

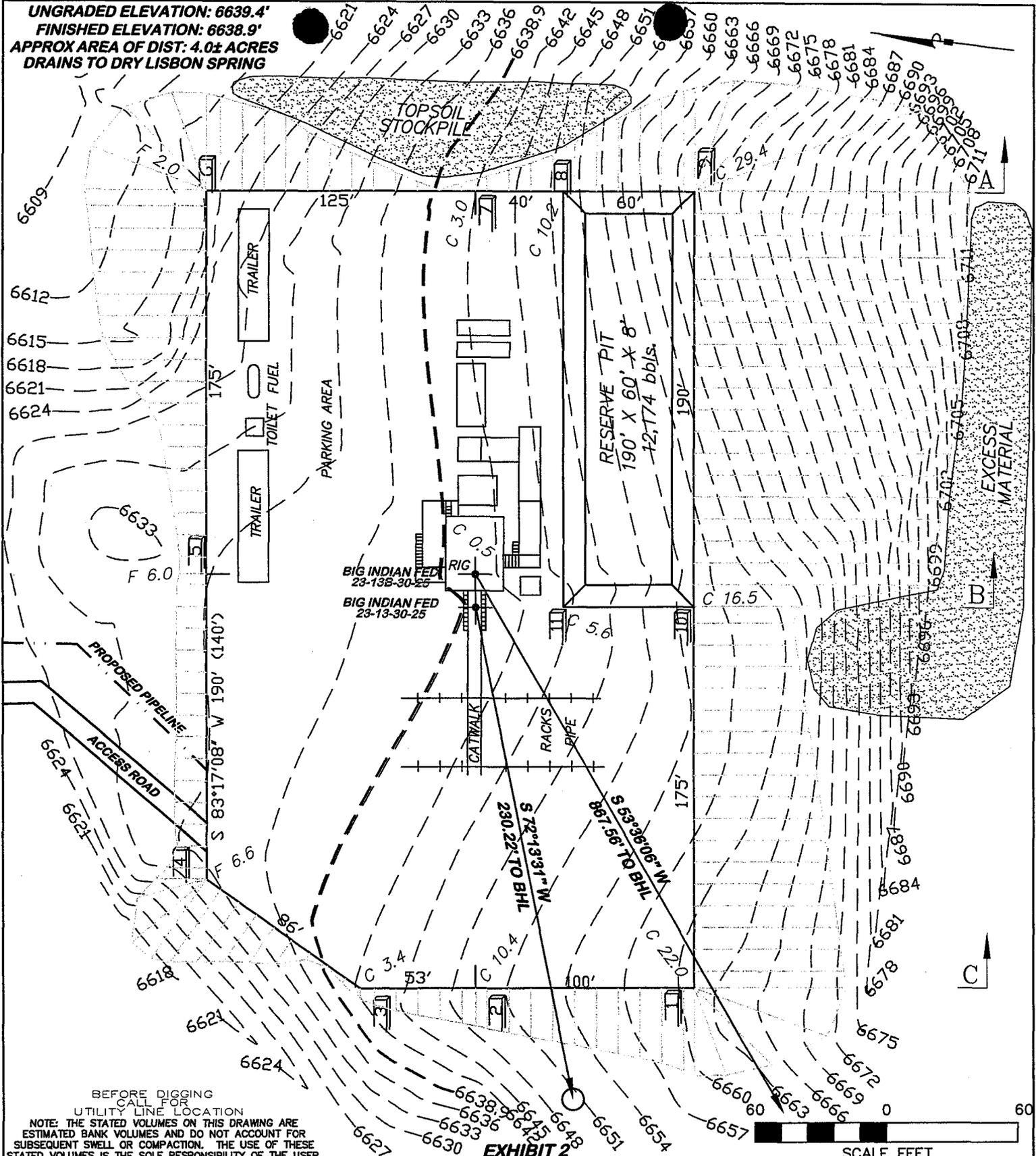
  
\_\_\_\_\_  
Marc K. Stilson, P.E., Regional Engineer

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



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.

EXHIBIT 2

**DRG** RIFFIN & ASSOCIATES, INC.

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

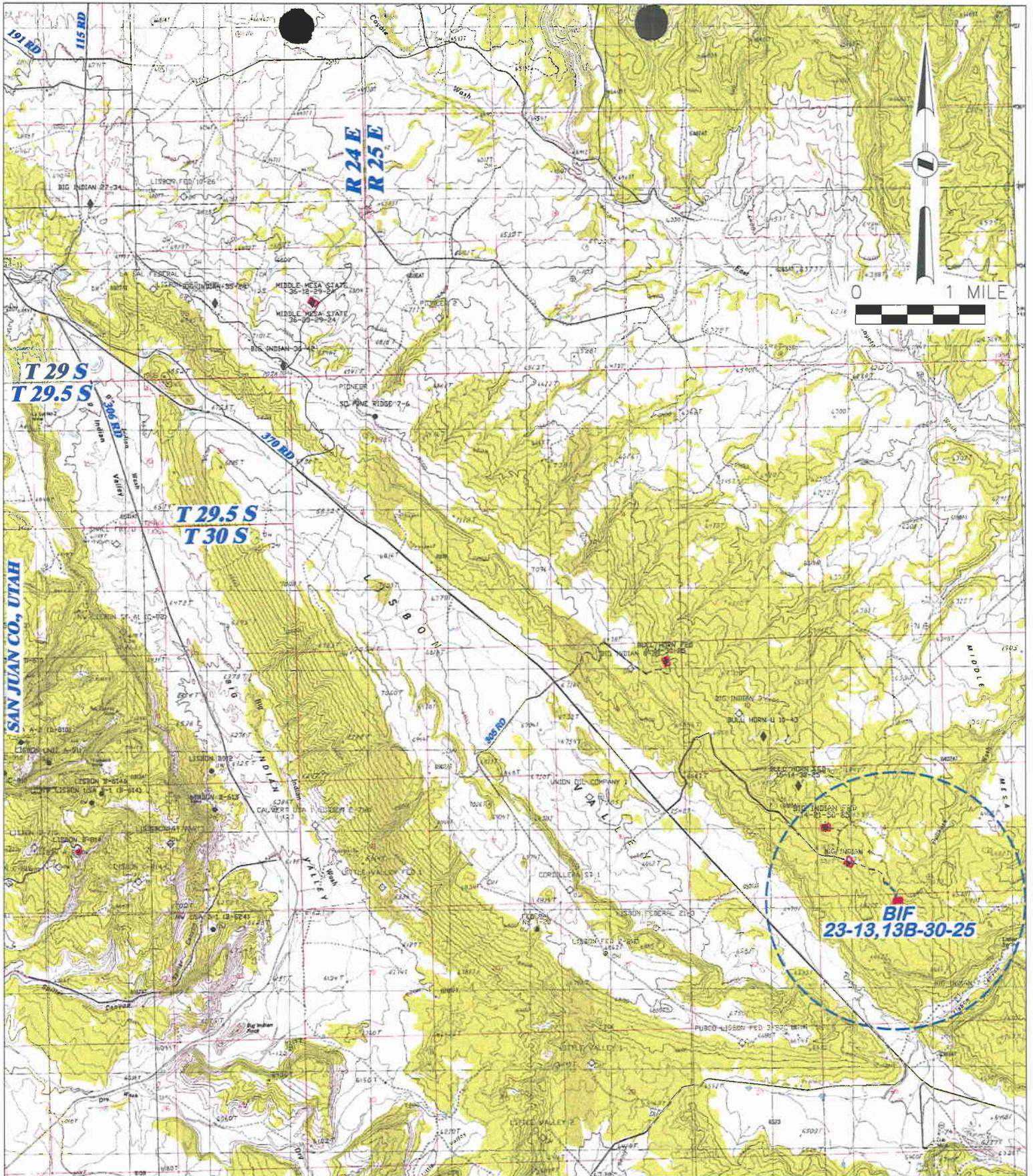
ESTIMATED EARTHWORK

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	16567 CY	5742 CY	1474 CY	9351 CY
PIT	2532 CY			2532 CY
TOTALS	19099 CY	5742 CY	1474 CY	11883 CY

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

SCALE: 1" = 60'  
 JOB No. 15044  
 REVISED: 4/18/07





**DRG** RIFFIN & ASSOCIATES, INC.

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

SCALE: 1" = 1 MILE

JOB No. 15044

REVISED: 4/23/07

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

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

**TOPO MAP  
 A**



**DRG** 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**



**DRG** RIFFIN & ASSOCIATES, INC.

**PROPOSED PIPELINE 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

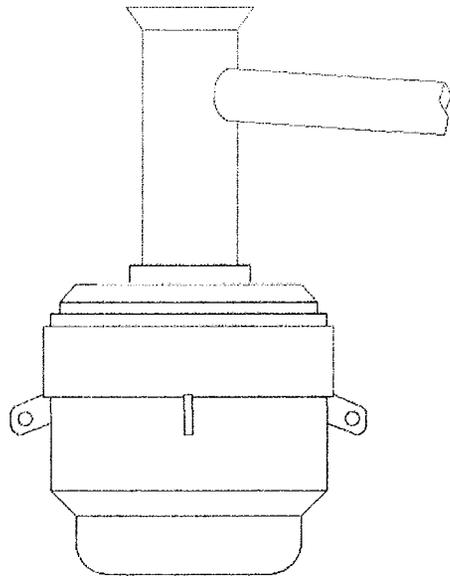
REVISED: 5/22/07

TOTAL PROPOSED LENGTH: 3,027±

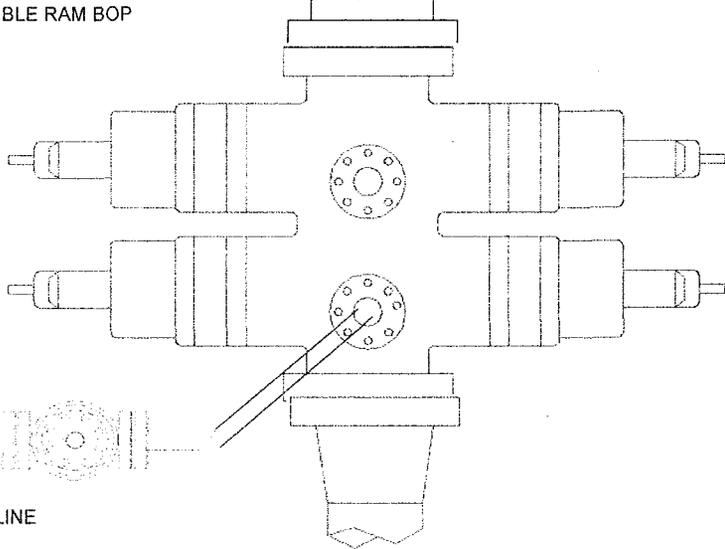
EXISTING ROAD   
PROPOSED PIPELINE 

**TOPO MAP  
C**

3M ANNULAR

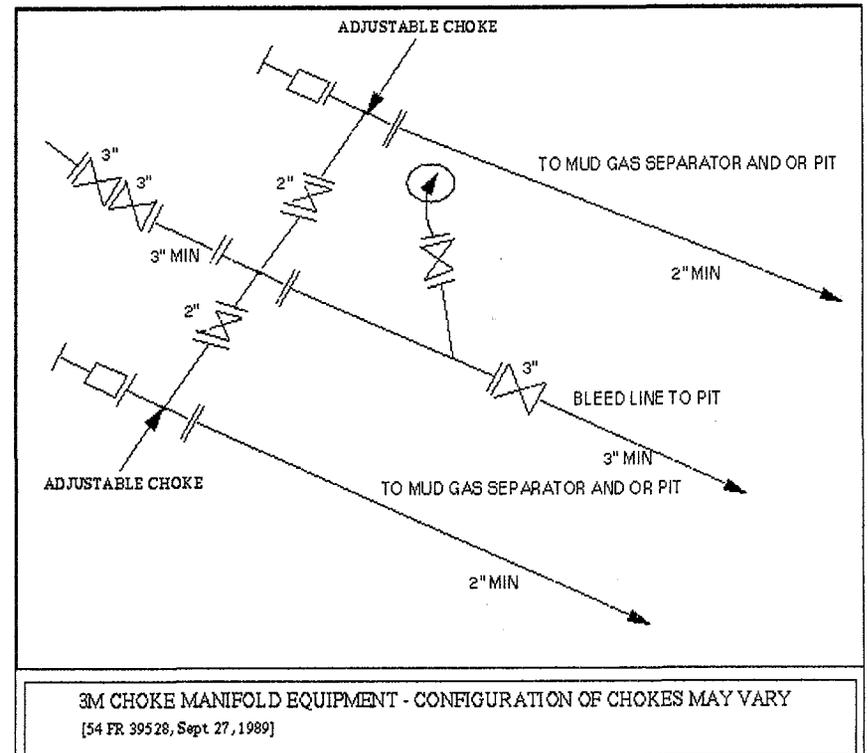


3M DOUBLE RAM BOP

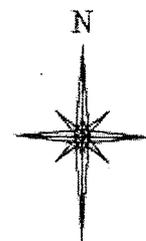
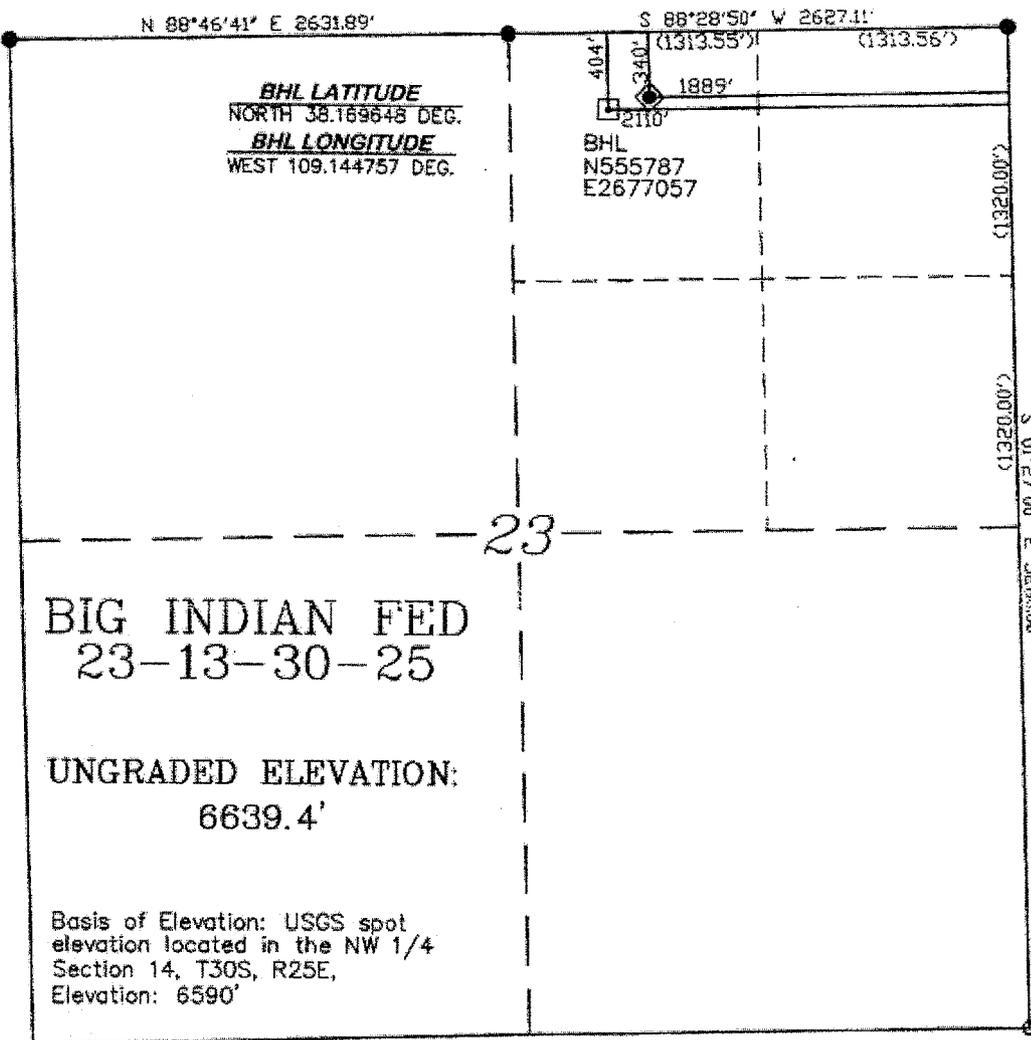


2" KILL LINE

3" CHOKE LINE FROM  
OUTLET ON BOTTOM  
SIDE OF RAMS



**R. 25 E.**



SCALE: 1" = 1000'

**T. 30 S.**

LATITUDE  
NORTH 38.169826 DEG.  
LONGITUDE  
WEST 109.143988 DEG.

NORTHING  
555857.52  
EASTING  
2677276.05

DATUM  
SPCS UT SOUTH (NAD 27)



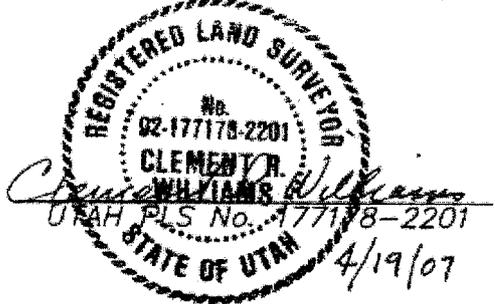
**SURVEYOR'S STATEMENT**

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

**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. 15044  
REVISED: 4/18/07

**340' F/NL & 1889' F/EL, SECTION 23,  
T. 30 S., R. 25 E., SALT LAKE B.M.  
SAN JUAN COUNTY, UTAH**



## Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	20.00	0.000	29.504	20.00	0.00	0.00	0.00	0.00
End of Tangent	961.00	0.000	29.504	961.00	0.00	0.00	0.00	0.00
End of Build (S)	1443.70	19.426	29.504	1434.50	70.54	39.92	4.02	-58.15
End of Tangent (S)	1518.00	19.426	29.504	1504.57	92.05	52.09	0.00	-75.88
End of 3D Arc (S)	2467.72	19.424	229.751	2435.00	128.84	7.68	4.02	-43.61
End of Tangent	3369.02	19.424	229.751	3285.00	-64.82	-221.09	0.00	230.40



## ENCANA OIL & GAS (USA) INC

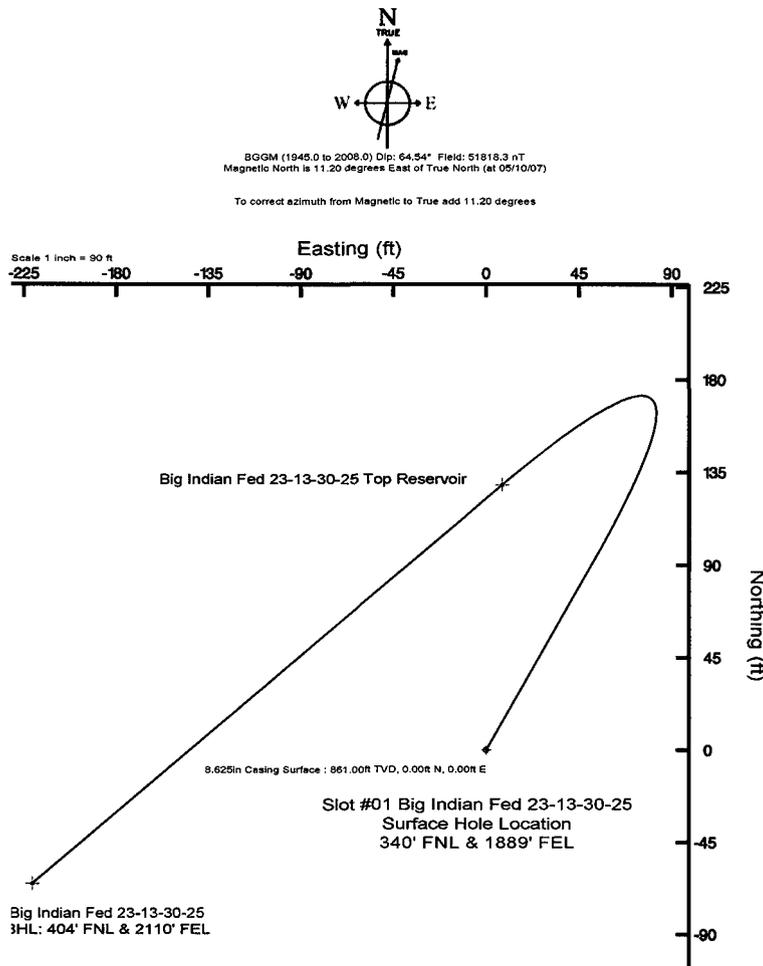
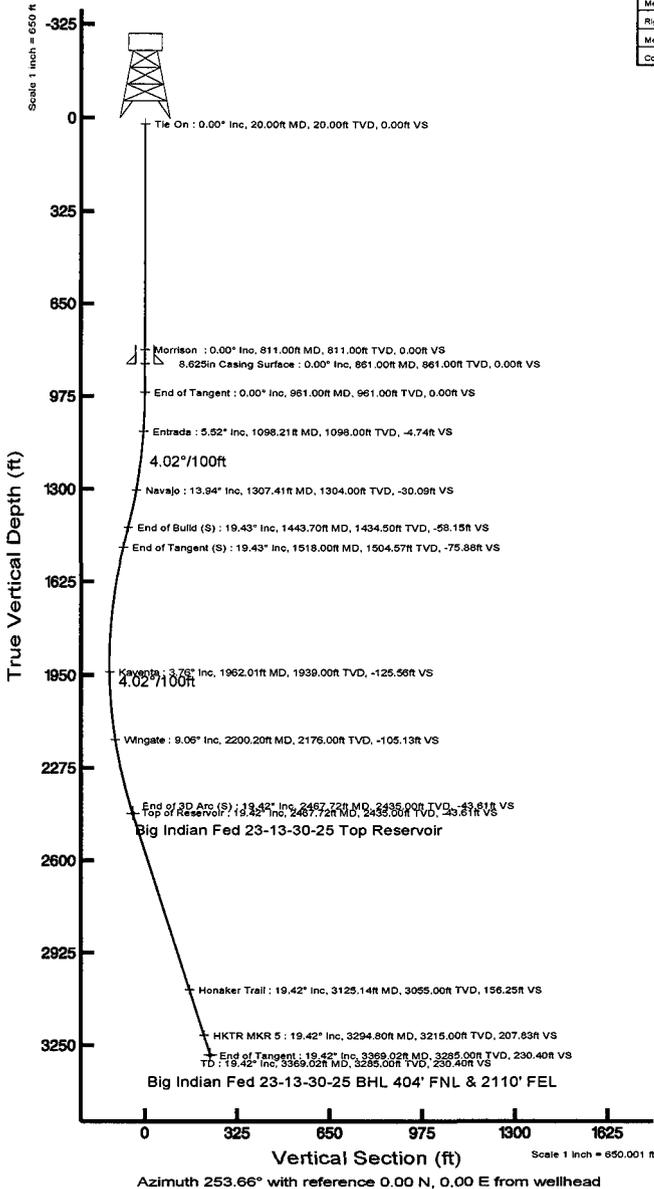
Location: UTAH Slot: Slot #01 Big Indian Fed 23-13-30-25  
 Field: SAN JUAN COUNTY (True) Well: Big Indian Fed 23-13-30-25  
 Facility: SEC.23-T30S-R25E Wellbore: Big Indian Fed 23-13-30-25 PWB

### Targets

Name	MD (ft)	TVD (ft)	Local N (ft)	Local E (ft)	Grid East (USRT)	Grid North (USRT)	Latitude	Longitude
Big Indian Fed 23-13-30-25 Top Reservoir	2467.72	2435.00	128.84	7.68	267726.52	555857.48	38° 10' 12.647"N	109° 08' 38.261"W
Big Indian Fed 23-13-30-25 BHL 404' FNL & 2110' FEL	3369.02	3285.00	-64.82	-221.09	267706.71	555782.11	38° 10' 10.723"N	109° 08' 41.120"W

### Location Information

Facility Name	Grid East (USRT)	Grid North (USRT)	Latitude	Longitude		
SEC.23-T30S-R25E	267726.526	555857.948	38° 10' 11.428"N	109° 08' 38.350"W		
Slot	Local N (ft)	Local E (ft)	Grid East (USRT)	Grid North (USRT)	Latitude	Longitude
Slot #01 Big Indian Fed 23-13-30-25	-5.45	-9.58	267726.061	555857.473	38° 10' 11.374"N	109° 08' 38.357"W
Rig on Slot #01 Big Indian Fed 23-13-30-25 (RT) to Mud line (Facility - SEC.23-T30S-R25E)					6740ft	
Mean Sea Level to Mud line (Facility - SEC.23-T30S-R25E)					0ft	
Rig on Slot #01 Big Indian Fed 23-13-30-25 (RT) to Mean Sea Level					6740ft	
Plot reference wellpath is Big Indian Fed 23-13-30-25 PWP						
True vertical depths are referenced to Rig on Slot #01 Big Indian Fed 23-13-30-25 (RT)			Grid System: NAD27 / Lambert Utah State Planes, Southern Zone (4303), U.S. feet			
Measured depths are referenced to Rig on Slot #01 Big Indian Fed 23-13-30-25 (RT)			North Reference: True North			
Rig on Slot #01 Big Indian Fed 23-13-30-25 (RT) to Mean Sea Level: 6740 feet			Scale: True distance			
Mean Sea Level to Mud line (Facility - SEC.23-T30S-R25E): 0 feet			Depths are in feet			
Coordinates are in feet referenced to Slot			Created by: willena on 5/14/2007			





# Planned Wellpath Report

Big Indian Fed 23-13-30-25 PWP  
Page 1 of 3



## REFERENCE WELLPATH IDENTIFICATION

Operator	ENCANA OIL & GAS (USA) INC	Slot	Slot #01 Big Indian Fed 23-13-30-25
Area	UTAH	Well	Big Indian Fed 23-13-30-25
Field	SAN JUAN COUNTY (True)	Wellbore	Big Indian Fed 23-13-30-25 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 13:54:50
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	-5.46	-0.58	2677276.09	555857.47	38 10 11.374N	109 08 38.357W
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 #01 Big Indian Fed 23-13-30-25 (RT) to Facility Vertical Datum	6740.00 feet
Horizontal Reference Pt	Slot	Rig on Slot #01 Big Indian Fed 23-13-30-25 (RT) to Mean Sea Level	6740.00 feet
Vertical Reference Pt	Rig on Slot #01 Big Indian Fed 23-13-30-25 (RT)	Facility Vertical Datum to Mud Line (Facility)	0.00 feet
MD Reference Pt	Rig on Slot #01 Big Indian Fed 23-13-30-25 (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	253.66°



# Planned Wellpath Report

Big Indian Fed 23-13-30-25 PWP

Page 2 of 3



INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	ENCANA OIL & GAS (USA) INC	Slot	Slot #01 Big Indian Fed 23-13-30-25
Area	UTAH	Well	Big Indian Fed 23-13-30-25
Field	SAN JUAN COUNTY (True)	Wellbore	Big Indian Fed 23-13-30-25 PWB
Facility	SEC.23-T30S-R25E		

WELLPATH DATA (47 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	29.504	0.00	0.00	0.00	0.00	0.00	
20.00	0.000	29.504	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	
720.00†	0.000	0.000	720.00	0.00	0.00	0.00	0.00	
811.00†	0.000	29.504	811.00	0.00	0.00	0.00	0.00	Morrison
820.00†	0.000	0.000	820.00	0.00	0.00	0.00	0.00	
920.00†	0.000	0.000	920.00	0.00	0.00	0.00	0.00	
961.00	0.000	29.504	961.00	0.00	0.00	0.00	0.00	
1020.00†	2.374	29.504	1019.98	-0.88	1.06	0.60	4.02	
1098.21†	5.522	29.504	1098.00	-4.74	5.75	3.25	4.02	Entrada
1120.00†	6.399	29.504	1119.67	-6.36	7.72	4.37	4.02	
1220.00†	10.423	29.504	1218.57	-16.86	20.45	11.57	4.02	
1307.41†	13.941	29.504	1304.00	-30.09	36.50	20.65	4.02	Navajo
1320.00†	14.448	29.504	1316.21	-32.30	39.19	22.17	4.02	
1420.00†	18.472	29.504	1412.09	-52.63	63.84	36.13	4.02	
1443.70	19.426	29.504	1434.50	-58.15	70.54	39.92	4.02	
1518.00	19.426	29.504	1504.57	-75.88	92.05	52.09	0.00	
1520.00†	19.347	29.459	1506.46	-76.35	92.62	52.41	4.02	
1620.00†	15.411	26.632	1601.88	-97.29	118.93	66.52	4.02	
1720.00†	11.534	21.945	1699.11	-112.55	140.09	76.22	4.02	
1820.00†	7.806	12.744	1797.68	-122.05	156.00	81.45	4.02	
1920.00†	4.602	349.261	1897.10	-125.75	166.57	82.20	4.02	
1962.01†	3.758	328.947	1939.00	-125.56	169.40	81.18	4.02	Kayenta
2020.00†	3.711	292.515	1996.87	-123.62	171.75	78.47	4.02	
2120.00†	6.222	254.274	2096.51	-115.67	171.52	70.26	4.02	
2200.20†	9.061	242.499	2176.00	-105.13	167.42	60.47	4.02	Wingate
2220.00†	9.799	240.659	2195.53	-101.96	165.88	57.62	4.02	
2320.00†	13.626	234.442	2293.43	-82.54	154.85	40.61	4.02	
2420.00†	17.540	230.936	2389.74	-57.50	138.50	19.32	4.02	
2467.72	19.424	229.751	2435.00 <sup>1</sup>	-43.61	128.84	7.68	4.02	Top of Reservoir
2520.00†	19.424	229.751	2484.30	-27.72	117.61	-5.59	0.00	
2620.00†	19.424	229.751	2578.61	2.68	96.12	-30.97	0.00	
2720.00†	19.424	229.751	2672.92	33.08	74.63	-56.36	0.00	
2820.00†	19.424	229.751	2767.23	63.48	53.15	-81.74	0.00	
2920.00†	19.424	229.751	2861.53	93.89	31.66	-107.12	0.00	



# Planned Wellpath Report

Big Indian Fed 23-13-30-25 PWP  
Page 3 of 3



REFERENCE WELLPATH IDENTIFICATION			
Operator	ENCANA OIL & GAS (USA) INC	Slot	Slot #01 Big Indian Fed 23-13-30-25
Area	UTAH	Well	Big Indian Fed 23-13-30-25
Field	SAN JUAN COUNTY (True)	Wellbore	Big Indian Fed 23-13-30-25 PWB
Facility	SEC.23-T30S-R25E		

WELLPATH DATA (47 stations) † = interpolated/extrapolated station								
MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Path Comment
3020.00†	19.424	229.751	2955.84	124.29	10.17	-132.50	0.00	
3120.00†	19.424	229.751	3050.15	154.69	-11.31	-157.89	0.00	
3125.14†	19.424	229.751	3055.00	156.25	-12.42	-159.19	0.00	Honaker Trail
3220.00†	19.424	229.751	3144.46	185.09	-32.80	-183.27	0.00	
3294.80†	19.424	229.751	3215.00	207.83	-48.87	-202.25	0.00	HKTR MKR 5
3320.00†	19.424	229.751	3238.77	215.49	-54.29	-208.65	0.00	
3369.02	19.424	229.751	3285.00 <sup>2</sup>	230.40	-64.82	-221.09	0.00	TD

HOLE & CASING SECTIONS									
Ref Wellbore: Big Indian Fed 23-13-30-25 PWB      Ref Wellpath: Big Indian Fed 23-13-30-25 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	861.00	841.00	20.00	861.00	0.00	0.00	0.00	0.00
8.625in Casing Surface	20.00	861.00	841.00	20.00	861.00	0.00	0.00	0.00	0.00
7.75in Open Hole	861.00	3369.02	2508.02	861.00	3285.00	0.00	0.00	-64.82	-221.09

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 23-13-30-25 Top Reservoir	2467.72	2435.00	128.84	7.68	2677280.52	555986.46	38 10 12.647N	109 08 38.261W	point	
2) Big Indian Fed 23-13-30-25 BHL 404' FNL & 2110' FEL	3369.02	3285.00	-64.82	-221.09	2677056.71	555787.11	38 10 10.733N	109 08 41.125W	point	

SURVEY PROGRAM				
Ref Wellbore: Big Indian Fed 23-13-30-25 PWB      Ref Wellpath: Big Indian Fed 23-13-30-25 PWP				
Start MD [feet]	End MD [feet]	Positional Uncertainty Model	Log Name/Comment	Wellbore
20.00	3369.02	MTC (Collar, pre-2000) (Standard)		Big Indian Fed 23-13-30-25 PWB

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/23/2008

API NO. ASSIGNED: 43-037-31885

WELL NAME: BIG INDIAN FED 23-13-30-25  
 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: 0340 FNL 1889 FEL  
 BOTTOM: 0404 FNL 2110 FEL  
 COUNTY: SAN JUAN  
 LATITUDE: 38.16974 LONGITUDE: -109.1436  
 UTM SURF EASTINGS: 662619 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:

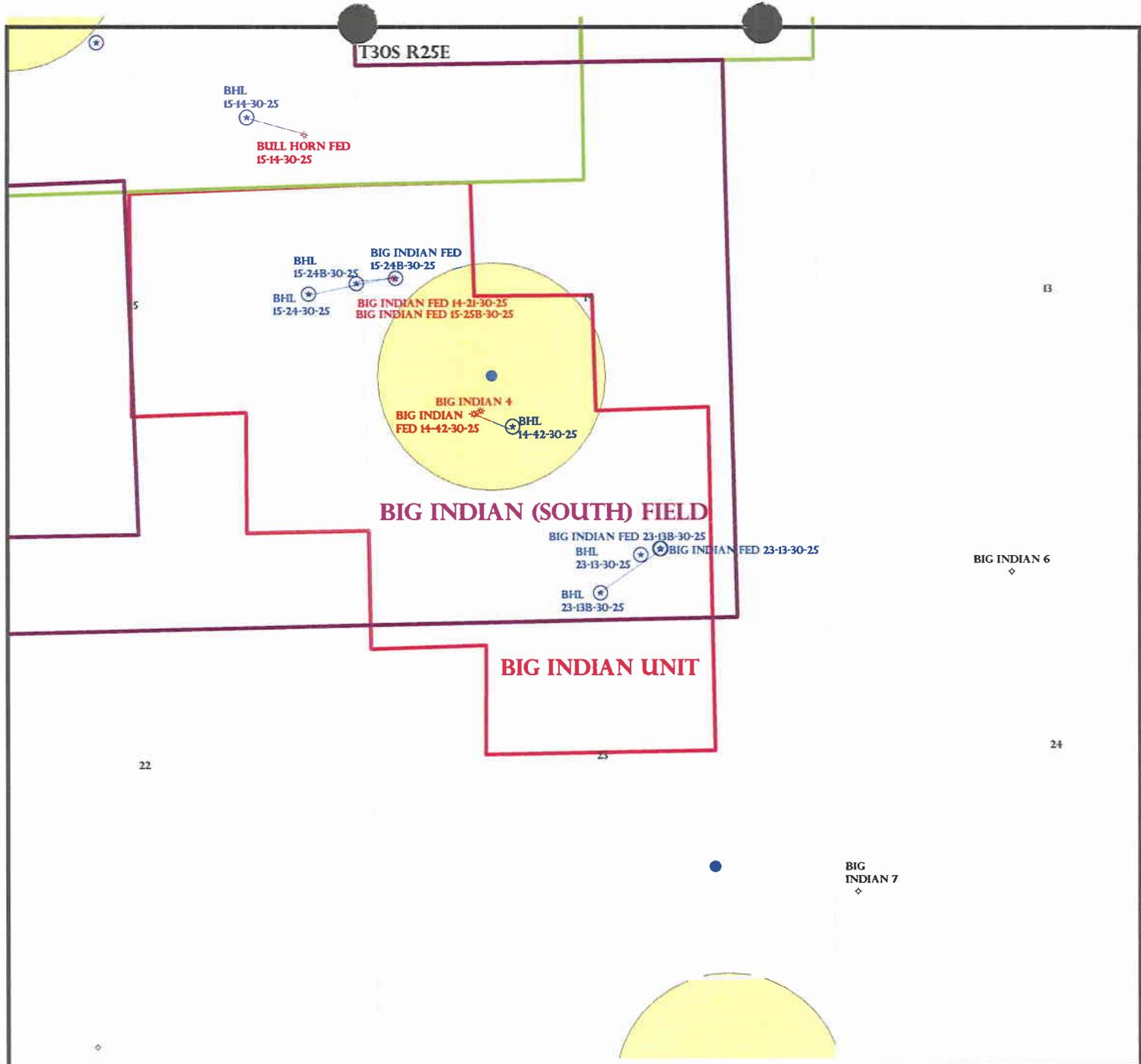
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. RLB0001191 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 05-6 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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. Federal Approval  
2. Spacing Strip  
 \_\_\_\_\_  
 \_\_\_\_\_



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



OIL, GAS & MINING



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 23-13-30-25 Well, Surface Location 340' FNL, 1889' FEL, NW NE, Sec. 23, T. 30 South, R. 25 East, Bottom Location 404' FNL, 2110' 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 43-037-31885.

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 23-13-30-25  
**API Number:** 43-037-31885  
**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  
T30S R25E S-23  
43-039-31885

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**

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

5. Lease Serial No. **UTU-124573**

6. If Indian, Allottee or Tribe Name  
**Big Indian, UTU-063039X**

1a. Type of Work  DRILL  REENTER  
1b. Type of Well  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

7. If Unit or CA Agreement, Name and No.  
**Big Indian, UTU-063039X**

8. Lease Name and Well No.  
**Big Indian Fed 23-13-30-25**

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

9. API Well No.  
**4303731885**

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  
**340' FNL & 1889' FEL**  
At proposed prod. zone **404' FNL & 2110' 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.  
**404'**  
(Also to nearest drlg unit line, if any) **797'**

16. No. of Acres in lease  
**1000.00**

17. Spacing Unit dedicated to this well  
**40 acres**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.  
**641'**

19. Proposed Depth  
**3285'** TVD

20. BLM/ BIA Bond No. on file  
**UT1005**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**6639.4' GR**

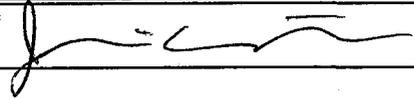
22. Aproximate date work will start\*  
**June, 2008**

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:

- |  |  |
|--|--|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. 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)  Name (Printed/ Typed) **/s/ A. Lynn Jackson** Date **1/22/08**  
Title **Assistant Field Manager, Division of Resources** Office **Division of Resources Mcab 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)

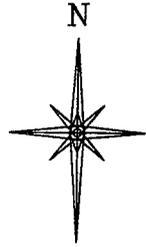
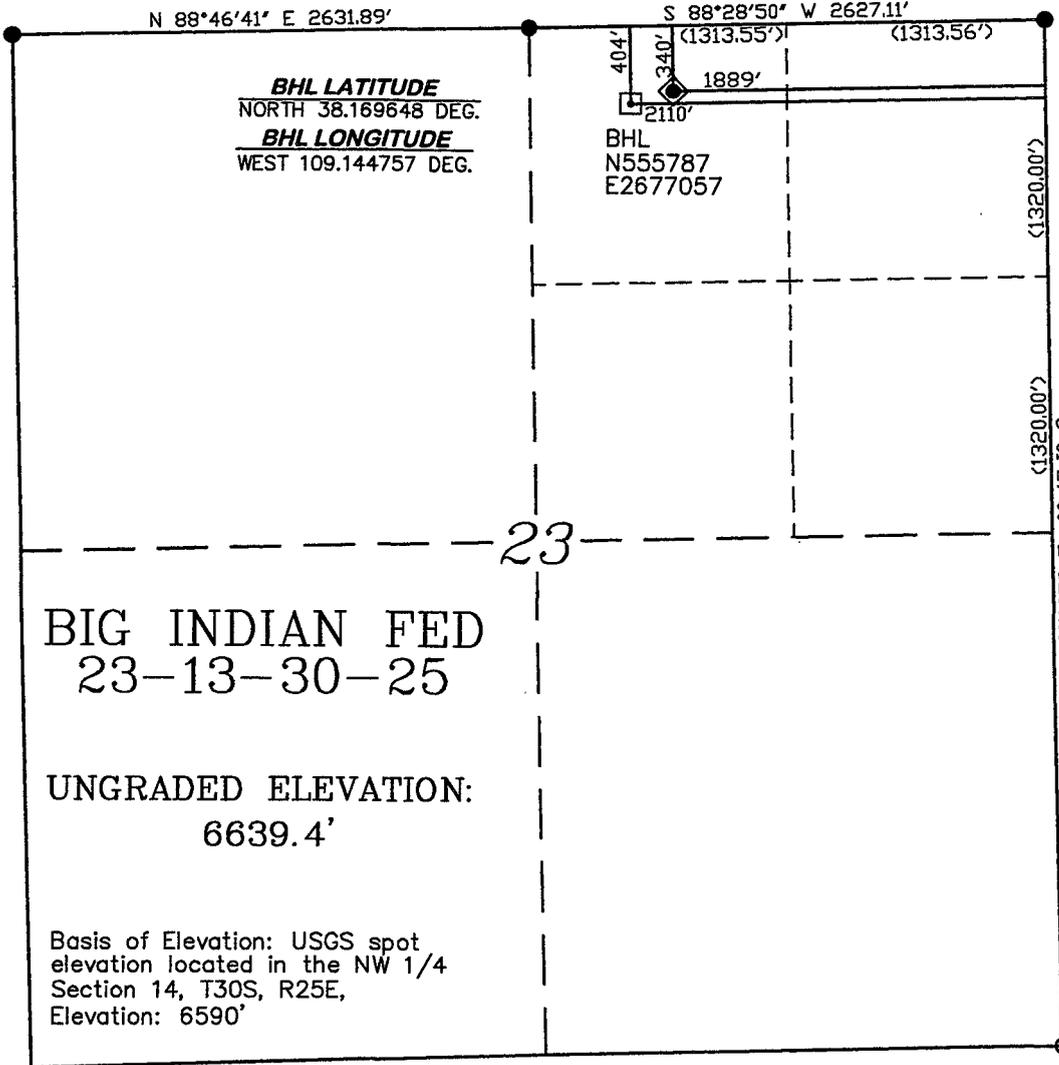
(Instructions on page 2)

**CONDITIONS OF APPROVAL ATTACHED  
RECEIVED**

**JUN 12 2008**

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

**R. 25 E.**



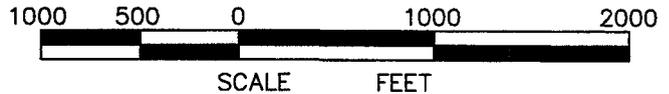
SCALE: 1" = 1000'

**T. 30 S.**

LATITUDE  
NORTH 38.169826 DEG.  
LONGITUDE  
WEST 109.143988 DEG.

NORTHING  
555857.52  
EASTING  
2677276.05

DATUM  
SPCS UT SOUTH (NAD 27)



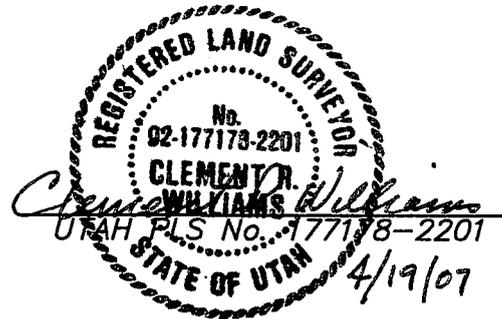
**SURVEYOR'S STATEMENT**

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

**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. 15044  
REVISED: 4/18/07

**340' F/NL & 1889' 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 23-13-30-25**  
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**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
UTU-12451

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:  
Big Indian #3 Unit

8. WELL NAME and NUMBER:  
Big Indian Fed 23-13-30-25

9. API NUMBER:  
4303731885

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  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
EnCana Oil & Gas (USA) Inc.

3. ADDRESS OF OPERATOR:  
370 17th Street, Suite 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (720) 876-5339

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 340' FNL & 1889' FEL COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 23 30S 25E S STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<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: 404' FNL & 2110' FEL, Sec. 23, T30S, R25E

To: 402' FNL & 2142' 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

662542x  
4226051y  
38.169575  
- 109.144515

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

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst

SIGNATURE [Signature] DATE 12/1/08

(This space for State use only)

COPY SENT TO OPERATOR

Date: 12.9.2008

Initials: JCS

RECEIVED

DEC 03 2008



EnCana Oil & Gas (USA) Inc.

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

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

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 23-13-30-25  
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 23-13-30-25 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



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 23-13-30-25  
340' FNL, 1889' FEL (SHL) Section 23  
402' FNL, 2142' 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 340' FNL, 1889' FEL (SHL) Section 23, and bottom hole location at 402' FNL, 2142' 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 23-13-30-25 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 23-13-30-25 well is hereby approved this 31<sup>st</sup> day of October, 2008.

By: [Signature]  
Title: Pres. Margarita Corp - G.P.  
Phone: 432-557-5636 (cell)

# ENCANA

EnCana Oil & Gas (USA) Inc.

370 17th Street  
Suite 1700  
Denver, CO 80202

tel: (303) 823-2300  
fax: (303) 823-2400  
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 23-13-30-25  
340' FNL, 1889' FEL (SHL) Section 23  
402' FNL, 2142' 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 340' FNL, 1889' FEL (SHL) Section 23, and bottom hole location at 402' FNL, 2142' 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 23-13-30-25 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

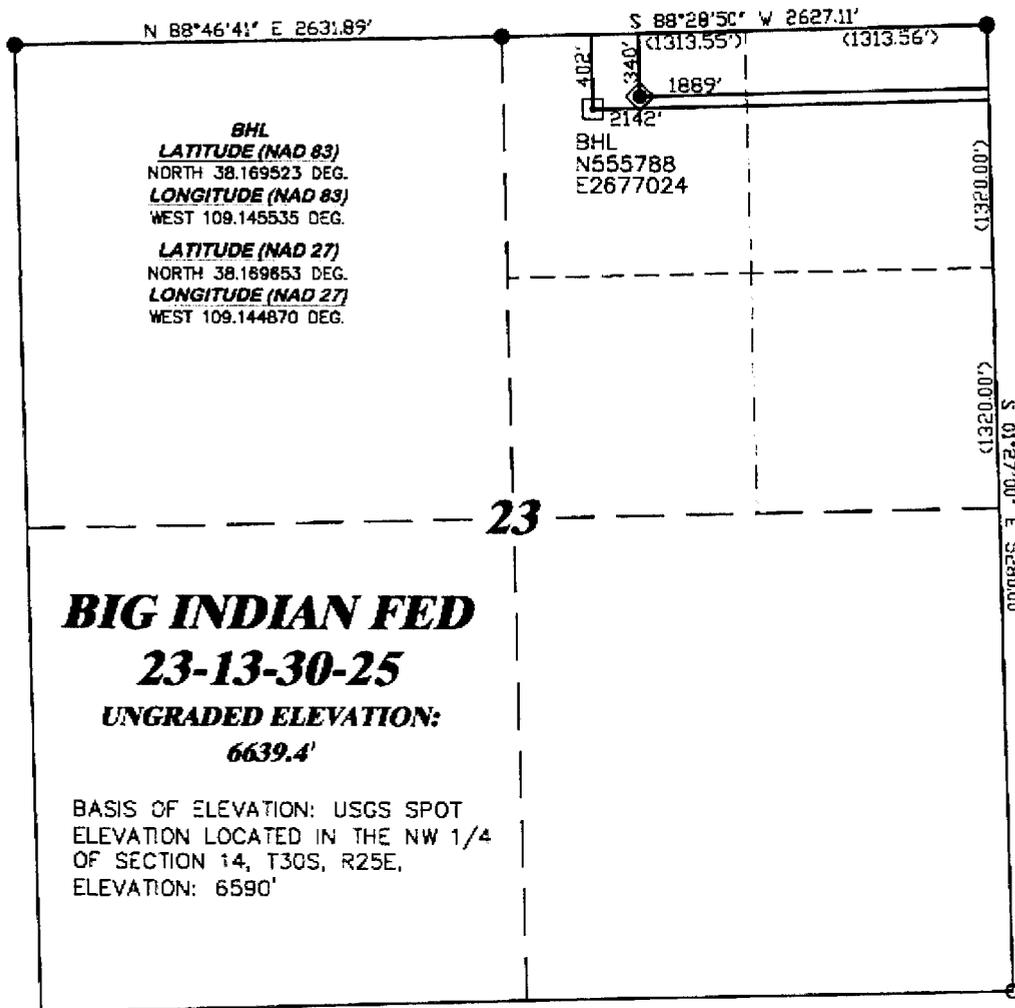
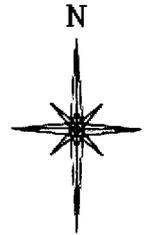
Directional Drilling Consent for the Big Indian Fed 23-13-30-25 well is hereby approved this 26<sup>th</sup> day of Nov., 2008.

By: Todd M. Yocham Todd M. Yocham

Title: Petroleum Engineer

Phone: 432-686-7136 ext. 322

**R. 25 E.**



SCALE 1" = 1000'

**T. 30 S.**

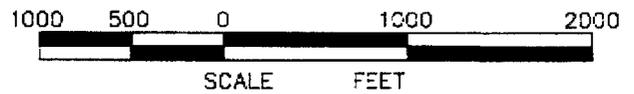
**BIG INDIAN FED**  
**23-13-30-25**  
**UNGRADED ELEVATION:**  
**6639.4'**

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

**LATITUDE (NAD 83)**  
 NORTH 38.169816 DEG.  
**LONGITUDE (NAD 83)**  
 WEST 109.144653 DEG.  
**LATITUDE (NAD 27)**  
 NORTH 38.169826 DEG.  
**LONGITUDE (NAD 27)**  
 WEST 109.143988 DEG.

**NORTHING**  
 555857.52  
**EASTING**  
 2677276.05

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



**SURVEYOR'S STATEMENT**

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

**LEGEND**

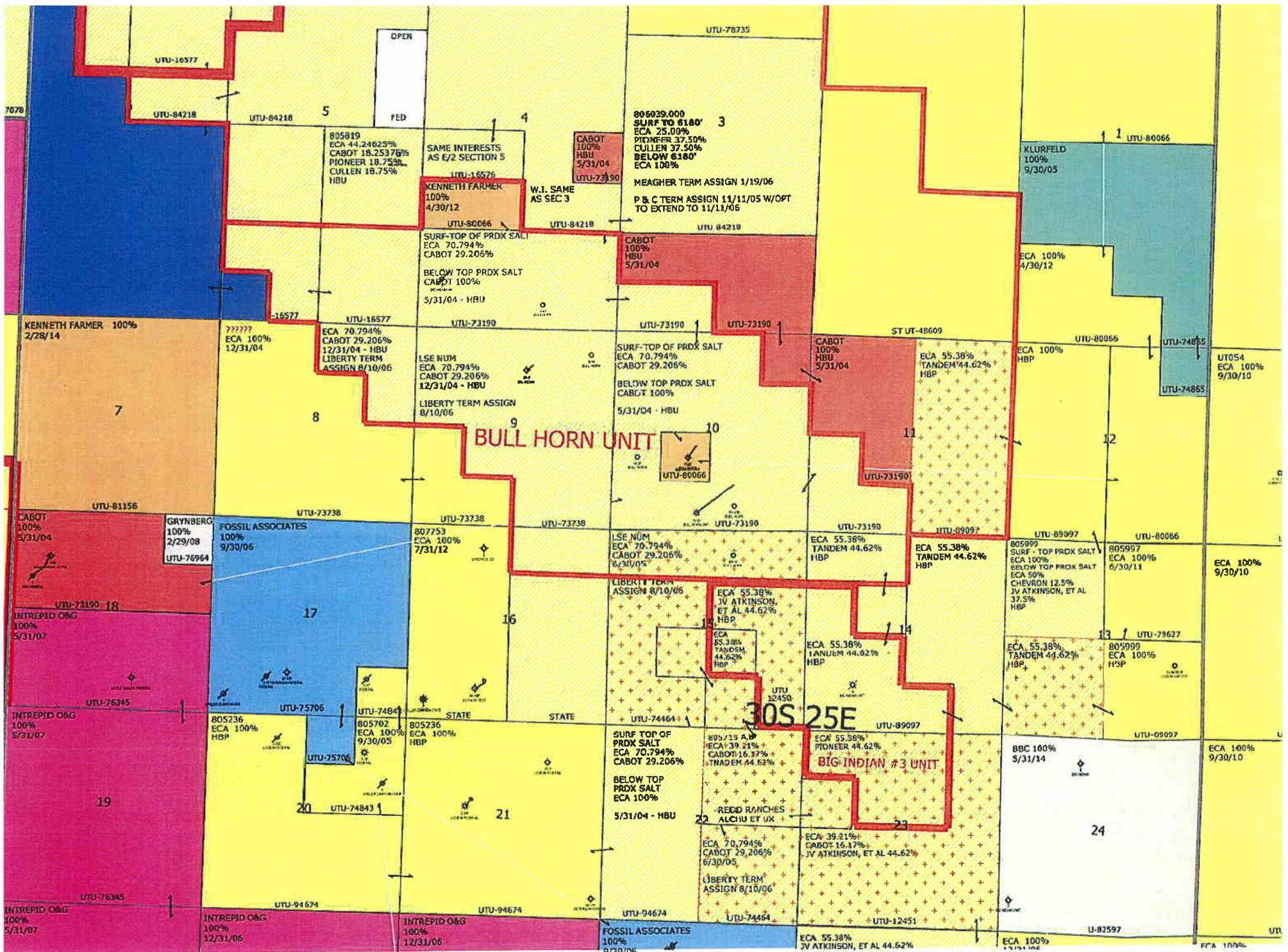
- ◆ WELL LOCATION
- BOTTOM HOLE LOC. (APPROX)
- FOUND MONUMENT
- CALCULATED CORNER



**DRG** RIFFIN & ASSOCIATES, INC.  
 (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901

DRAWN: 4/18/07	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.**  
**340' F/NL & 1889' F/EL, SECTION 23,**  
**T. 30 S., R. 25 E., SALT LAKE B.M.**  
**SAN JUAN COUNTY, UTAH**



**BULL HORN UNIT**

**30S 25E**

**BIG INDIAN #3 UNIT**

7078

UTU-16577

UTU-84218

UTU-84218

5

OPEN

FED

4

805819  
ECA 44.24625%  
CABOT 18.25375%  
PIONEER 18.75%  
CULLEN 18.75%  
HBU

SAME INTERESTS  
AS E/2 SECTION 5

CABOT  
100%  
HBU  
5/31/04

806039.000  
SURF TO 6180'  
ECA 25.00%  
PIONEER 37.50%  
CULLEN 37.50%  
BELOW 6180'  
ECA 100%

MEAGHER TERM ASSIGN 1/19/06  
P.B.C TERM ASSIGN 11/11/05 W/OPT  
TO EXTEND TO 11/11/06

UTU-16576  
KENNETH FARMER  
100%  
4/30/12

W.I. SAME  
AS SEC 3

UTU-73190

UTU-84218

UTU-84218

SURF-TOP OF PRDX SALT  
ECA 70.794%  
CABOT 29.206%

BELOW TOP PRDX SALT  
CABOT 100%  
5/31/04 - HBU

CABOT  
100%  
HBU  
5/31/04

KLURFELD  
100%  
9/30/05

UTU-80066

ECA 100%  
4/30/12

KENNETH FARMER 100%  
2/28/14

??????  
ECA 100%  
12/31/04

UTU-16577  
ECA 70.794%  
CABOT 29.206%  
12/31/04 - HBU  
LIBERTY TERM  
ASSIGN 8/10/06

UTU-73190  
LSE NUM  
ECA 70.794%  
CABOT 29.206%  
12/31/04 - HBU  
LIBERTY TERM ASSIGN  
8/10/06

UTU-73190  
SURF-TOP OF PRDX SALT  
ECA 70.794%  
CABOT 29.206%

BELOW TOP PRDX SALT  
CABOT 100%  
5/31/04 - HBU

CABOT  
100%  
HBU  
5/31/04

ST UT-48609  
ECA 55.38%  
TANDEM 44.62%  
HBP

ECA 100%  
HBP

UTU-80066

UTU-74865

UT054  
ECA 100%  
9/30/10

**BULL HORN UNIT**

UTU-80066

UTU-73190

UTU-73190

UTU-80066

UTU-74865

UTU-81156  
CABOT  
100%  
5/31/04

GRYNBERG  
100%  
2/29/08

UTU-76964

UTU-73738  
FOSSIL ASSOCIATES  
100%  
9/30/06

UTU-73738  
807753  
ECA 100%  
7/31/12

UTU-73738

UTU-73190  
LSE NUM  
ECA 70.794%  
CABOT 29.206%  
6/30/05

UTU-73190  
ECA 55.38%  
TANDEM 44.62%  
HBP

UTU-73190  
ECA 55.38%  
TANDEM 44.62%  
HBP

UTU-89097  
805999  
SURF - TOP PRDX SALT  
ECA 100%  
BELOW TOP PRDX SALT  
ECA 50%  
CHEVRON 12.5%  
JV ATKINSON, ET AL  
37.5%  
HBP

UTU-80066  
805997  
ECA 100%  
6/30/11

ECA 100%  
9/30/10

UTU-73190 18  
INTREPID O&G  
100%  
5/31/07

17

16

UTU-74464

UTU-12450  
ECA 55.38%  
TANDEM 44.62%  
HBP

UTU-89097  
ECA 55.38%  
TANDEM 44.62%  
HBP

UTU-89097  
ECA 55.38%  
TANDEM 44.62%  
HBP

UTU-79627  
805999  
ECA 100%  
HBP

ECA 100%  
9/30/10

UTU-76345  
INTREPID O&G  
100%  
5/31/07

UTU-75706  
805236  
ECA 100%  
HBP

UTU-74843  
805702  
ECA 100%  
9/30/05

UTU-74843  
805236  
ECA 100%  
HBP

STATE

STATE

UTU-74464  
SURF TOP OF  
PRDX SALT  
ECA 70.794%  
CABOT 29.206%

UTU-89097  
ECA 55.38%  
PIONEER 16.17%  
CABOT 16.37%  
TANDEM 44.62%

UTU-89097  
ECA 55.38%  
PIONEER 16.17%  
CABOT 16.37%  
TANDEM 44.62%

UTU-09097  
BBC 100%  
5/31/14

UTU-09097  
ECA 100%  
9/30/10

19

20

UTU-74843

21

UTU-94674  
SURF TOP OF  
PRDX SALT  
ECA 70.794%  
CABOT 29.206%

UTU-74464  
805713 A/B  
ECA 39.21%  
CABOT 16.37%  
TANDEM 44.62%

UTU-12451  
ECA 39.21%  
CABOT 16.17%  
JV ATKINSON, ET AL  
44.62%

UTU-12451  
ECA 55.38%  
JV ATKINSON, ET AL  
44.62%

UTU-82597

UTU-82597  
ECA 100%

UTU-76345  
INTREPID O&G  
100%  
5/31/07

UTU-94674  
INTREPID O&G  
100%  
12/31/06

UTU-94674  
INTREPID O&G  
100%  
12/31/06

UTU-94674  
INTREPID O&G  
100%  
12/31/06

UTU-94674  
FOSSIL ASSOCIATES  
100%  
9/30/06

UTU-94674  
FOSSIL ASSOCIATES  
100%  
9/30/06

UTU-12451  
ECA 55.38%  
JV ATKINSON, ET AL  
44.62%

UTU-12451  
ECA 55.38%  
JV ATKINSON, ET AL  
44.62%

UTU-12451  
ECA 55.38%  
JV ATKINSON, ET AL  
44.62%

UTU-82597  
ECA 100%

UTU-82597  
ECA 100%

UTU-82597  
ECA 100%

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA), Inc.  
**Big Indian Fed 23-13-30-25**  
340' FNL & 1889' FEL (surface)  
Section 23-T30S-R25E  
402' FNL & 2142' 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:

<b>Formation</b>	<b>Depth (TVD)</b>	<b>Subsea</b>
Burro Canyon	Surface	6640'
Morrison	711'	5929'
Entrada	998'	5642'
Navajo	1204'	5436'
Kayenta	1839'	4801'
Wingate	2076'	4564'
Chinle/Cutler	2099'	4541'
Honaker Trail	2962'	3678'
HKTR MKR 5	3160'	3480'
Total Depth	3210'	3430'

**2. ANTICIPATED DEPTH OF WATER, OIL & GAS**

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

<b>Substance</b>	<b>Formation</b>	<b>Depth (TVD)</b>
Gas	Honaker Trail	2962'
Gas	HKTR MKR 5	3160'

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.  
**Big Indian Fed 23-13-30-25**  
340' FNL & 1889' FEL (surface)  
Section 23-T30S-R25E  
402' FNL & 2142' FEL (bottom hole)  
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

ONSHORE ORDER No. 1  
 EnCana Oil & Gas (USA), Inc.  
Big Indian Fed 23-13-30-25  
 340' FNL & 1889' FEL (surface)  
 Section 23-T30S-R25E  
 402' FNL & 2142' FEL (bottom hole)  
 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'-2213'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-3226'	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.

ONSHORE ORDER No. 1  
 EnCana Oil & Gas (USA), Inc.  
Big Indian Fed 23-13-30-25  
 340' FNL & 1889' FEL (surface)  
 Section 23-T30S-R25E  
 402' FNL & 2142' FEL (bottom hole)  
 Section 23-T30S-R25E  
 San Juan County, Utah

Lease No. UTU-12451

**Drilling Program**

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**5. CEMENTING PROGRAM**

a. The cement program will be as follows:

Surface	Type and Amount
0-2213' MD	Lead: 258 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 223 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
1913'-3226' MD	267 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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Section 23-T30S-R25E  
San Juan County, Utah

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**Drilling Program**

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- 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.

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA), Inc.  
**Big Indian Fed 23-13-30-25**  
340' FNL & 1889' FEL (surface)  
Section 23-T30S-R25E  
402' FNL & 2142' FEL (bottom hole)  
Section 23-T30S-R25E  
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**Drilling Program**

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

- a. The maximum expected bottom hole pressure is 1111 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 H<sub>2</sub>S concentration of the gas stream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 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 5<sup>th</sup> 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 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.

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA), Inc.  
**Big Indian Fed 23-13-30-25**  
340' FNL & 1889' FEL (surface)  
Section 23-T30S-R25E  
402' FNL & 2142' FEL (bottom hole)  
Section 23-T30S-R25E  
San Juan County, Utah

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**Drilling Program**

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- 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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## REFERENCE INFORMATION

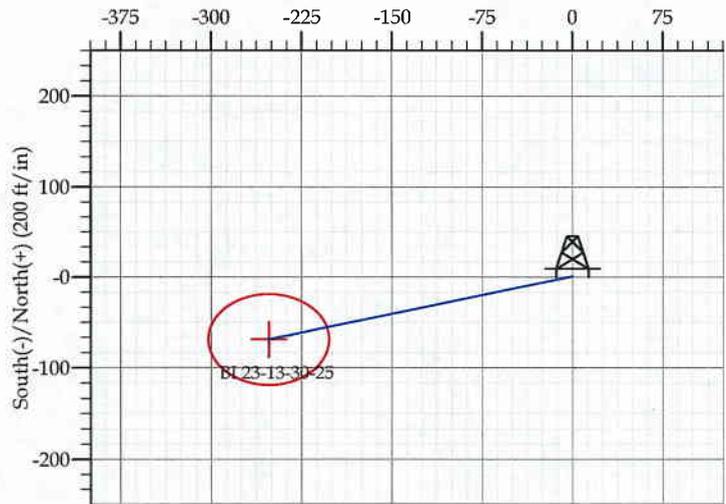
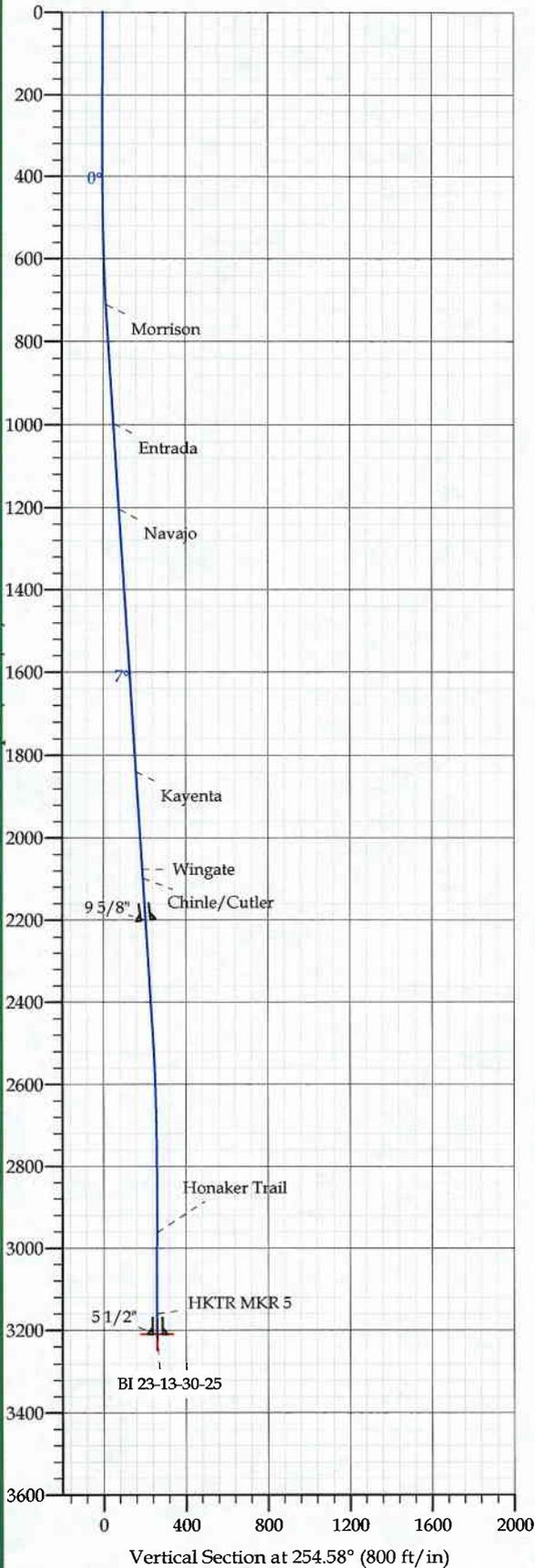
Co-ordinate (N/E) Reference: Well 23-13-30-25, Grid North  
 Vertical (TVD) Reference: RKB @ 6654.4ft (Badger #2)  
 Section (VS) Reference: Slot - (0.0N, 0.0E)  
 Measured Depth Reference: RKB @ 6654.4ft (Badger #2)  
 Calculation Method:

## WELL DETAILS: 23-13-30-25

+N/-S	+E/-W	Northing	Ground Level:	6639.4	Longitude	Slot
0.0	0.0	555857.52	Easting	2677276.0511° 55'	11.673 108° 51' 36.090 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	764.3	7.29	254.58	763.3	-6.1	-22.3	2.00	254.58	23.1	
4	2461.4	7.29	254.58	2446.7	-63.4	-229.8	0.00	0.00	238.3	
5	2825.7	0.00	0.00	2810.0	-69.5	-252.1	2.00	180.00	261.5	
6	3225.7	0.00	0.00	3210.0	-69.5	-252.1	0.00	0.00	261.5	BI 23-13-30-25



## FORMATION TOP DETAILS

TVDPPath	MDPath	Formation
711.0	711.6	Morrison
998.0	1000.9	Entrada
1204.0	1208.6	Navajo
1839.0	1848.7	Kayenta
2076.0	2087.7	Wingate
2099.0	2110.9	Chinle/Cutler
2962.0	2977.7	Honaker Trail
3160.0	3175.7	HKTR MKR 5
3210.0	3225.7	Formation 10

## CASING DETAILS

TVD	MD	Name	Size
2200.0	2212.7	9 5/8"	9.625
3210.0	3225.7	5 1/2"	5.500

# EnCana Corporation

## Planning Report

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

**Local Co-ordinate Reference:** Well 23-13-30-25  
**TVD Reference:** RKB @ 6654.4ft (Badger #2)  
**MD Reference:** RKB @ 6654.4ft (Badger #2)  
**North Reference:** Grid  
**Survey Calculation Method:** Minimum Curvature

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

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

<b>Well</b>	23-13-30-25					
<b>Well Position</b>	<b>+N/-S</b>	0.0 ft	<b>Northing:</b>	555,857.52 ft	<b>Latitude:</b>	11° 55' 11.673 N
	<b>+E/-W</b>	0.0 ft	<b>Easting:</b>	2,677,276.05 ft	<b>Longitude:</b>	108° 51' 36.090 W
<b>Position Uncertainty</b>		ft	<b>Wellhead Elevation:</b>	ft	<b>Ground Level:</b>	6,639.4 ft

<b>Wellbore</b>	Wellbore #1				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF200510	09/02/2008	8.26	34.14	36,074

<b>Design</b>	Design #1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.0
<b>Vertical Section:</b>	<b>Depth From (TVD) (ft)</b>	<b>+N/-S (ft)</b>	<b>+E/-W (ft)</b>	<b>Direction (°)</b>
	0.0	0.0	0.0	254.58

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	
764.3	7.29	254.58	763.3	-6.1	-22.3	2.00	2.00	0.00	254.58	
2,461.4	7.29	254.58	2,446.7	-63.4	-229.8	0.00	0.00	0.00	0.00	
2,825.7	0.00	0.00	2,810.0	-69.5	-252.1	2.00	-2.00	0.00	180.00	
3,225.7	0.00	0.00	3,210.0	-69.5	-252.1	0.00	0.00	0.00	0.00	0.00 BI 23-13-30-25

# EnCana Corporation

## Planning Report

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

**Local Co-ordinate Reference:** Well 23-13-30-25  
**TVD Reference:** RKB @ 6654.4ft (Badger #2)  
**MD Reference:** RKB @ 6654.4ft (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
711.6	6.23	254.58	711.0	-4.5	-16.3	16.9	2.00	2.00	0.00
<b>Morrison</b>									
764.3	7.29	254.58	763.3	-6.1	-22.3	23.1	2.00	2.00	0.00
1,000.9	7.29	254.58	998.0	-14.1	-51.2	53.1	0.00	0.00	0.00
<b>Entrada</b>									
1,208.6	7.29	254.58	1,204.0	-21.1	-76.6	79.5	0.00	0.00	0.00
<b>Navajo</b>									
1,848.7	7.29	254.58	1,839.0	-42.7	-154.9	160.6	0.00	0.00	0.00
<b>Kayenta</b>									
2,087.7	7.29	254.58	2,076.0	-50.8	-184.1	190.9	0.00	0.00	0.00
<b>Wingate</b>									
2,110.9	7.29	254.58	2,099.0	-51.6	-186.9	193.9	0.00	0.00	0.00
<b>Chinle/Cutler</b>									
2,212.7	7.29	254.58	2,200.0	-55.0	-199.4	206.8	0.00	0.00	0.00
<b>9 5/8"</b>									
2,461.4	7.29	254.58	2,446.7	-63.4	-229.8	238.3	0.00	0.00	0.00
2,825.7	0.00	0.00	2,810.0	-69.5	-252.1	261.5	2.00	-2.00	0.00
2,977.7	0.00	0.00	2,962.0	-69.5	-252.1	261.5	0.00	0.00	0.00
<b>Honaker Trail</b>									
3,175.7	0.00	0.00	3,160.0	-69.5	-252.1	261.5	0.00	0.00	0.00
<b>HKTR MKR 5</b>									
3,225.7	0.00	0.00	3,210.0	-69.5	-252.1	261.5	0.00	0.00	0.00
<b>Formation 10 - 5 1/2"</b>									

### Design Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
BI 23-13-30-25	0.00	0.00	3,210.0	-69.5	-252.1	555,788.00	2,677,024.00	11° 55' 11.110 N	108° 51' 38.417 W
- hit/miss target									
- Shape									
- plan hits target									
- Circle (radius 50.0)									

### Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
2,212.7	2,200.0	9 5/8"	9.625	12.250
3,225.7	3,210.0	5 1/2"	5.500	8.750

# EnCana Corporation

## Planning Report

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

**Local Co-ordinate Reference:** Well 23-13-30-25  
**TVD Reference:** RKB @ 6654.4ft (Badger #2)  
**MD Reference:** RKB @ 6654.4ft (Badger #2)  
**North Reference:** Grid  
**Survey Calculation Method:** Minimum Curvature

### Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
711.6	711.0	Morrison		0.00	
1,000.9	998.0	Entrada		0.00	
1,208.6	1,204.0	Navajo		0.00	
1,848.7	1,839.0	Kayenta		0.00	
2,087.7	2,076.0	Wingate		0.00	
2,110.9	2,099.0	Chinle/Cutler		0.00	
2,977.7	2,962.0	Honaker Trail		0.00	
3,175.7	3,160.0	HKTR MKR 5		0.00	
3,225.7	3,210.0	Formation 10		0.00	

# CONFIDENTIAL TIGHT HOLE

FORM 9

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-12451</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: <b>Big Indian #3 Unit</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>Big Indian Fed 23-13-30-25</b>	
2. NAME OF OPERATOR: <b>EnCana Oil &amp; Gas (USA) Inc.</b>		9. API NUMBER: <b>4303731885</b>
3. ADDRESS OF OPERATOR: 370 17th St. Suite 1700 CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>	PHONE NUMBER: <b>(720) 876-5339</b>	10. FIELD AND POOL, OR WLD CAT: <b>Big Indian (South)</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>340' FNL &amp; 1889' FEL</b>		COUNTY: <b>San Juan</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNE 23 30S 25E S</b>		STATE: <b>UTAH</b>

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

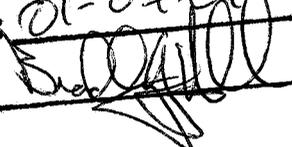
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> 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 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: <b>APD Extension</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

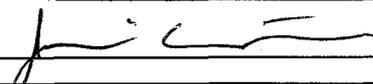
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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: 01-02-09  
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

**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:** 4303731885  
**Well Name:** Big Indian Fed 23-13-30-25  
**Location:** 340' FNL & 1889' 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**

## SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:  
**Big Indian #3 Unit**

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.

8. WELL NAME and NUMBER:  
**Big Indian Fed 23-13-30-25**

1. TYPE OF WELL      OIL WELL       GAS WELL       OTHER \_\_\_\_\_

9. API NUMBER:  
**4303731885**

2. NAME OF OPERATOR:  
**EnCana Oil & Gas (USA) Inc.**

3. ADDRESS OF OPERATOR:  
**370 17th Street, Suite 1700      CITY Denver      STATE CO      ZIP 80020**

PHONE NUMBER:  
**(720) 876-5339**

10. FIELD AND POOL, OR WILDCAT:  
**Big Indian (South)**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **340' FNL & 1889' FEL**

COUNTY: **San Juan**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWNE 23 30S 25E S**

STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<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"/> 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 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: <b>APD Extension Request</b>
	<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 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: [Signature]

**COPY SENT TO OPERATOR**  
Date: 1.4.2010  
Initials: KS

NAME (PLEASE PRINT) Jevin Croteau

TITLE Regulatory Analyst

SIGNATURE [Signature]

DATE 12/21/09

(This space for State use only)

**RECEIVED  
DEC 24 2009**

# CONFIDENTIAL TIGHT HOLE

RESEI

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

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

**API:** 4303731885  
**Well Name:** Big Indian Fed 23-13-30-25  
**Location:** 340' FNL & 1889' 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

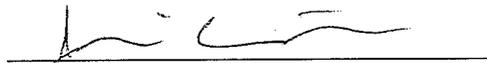
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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.

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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**

<b>FROM:</b> (Old Operator): N2175-EnCana Oil & Gas (USA) Inc. 370 17th Street, Suite 1700 Denver, CO 80202 Phone: 1 (303) 623-2300	<b>TO:</b> ( 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	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED					NO			

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/11/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/11/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/11/2010
- Is the new operator registered in the State of Utah: Business Number: 7655540-0161
- (R649-9-2)Waste Management Plan has been received on: \* \* requested 9/27/10
- Inspections of LA PA state/fee well sites complete on: \* \* requested 9/27/10
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 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
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number RLB0013207 & B006008
- The **FORMER** operator has requested a release of liability from their bond on: not yet

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

COUNTY:

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 type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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

Bond coverage for all activities will be covered by Patara's BLM Statewide Oil & Gas Bond No. UTB000428 and UDOGM Bond No. Pending. *R130013207 + 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

(5/2000)

(See Instructions on Reverse Side)

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

ENCANA O-G (N2175) to PATARA O-G (N3670)  
 effective May 4, 2010  
 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 23-13-30-25
API number:	4303731885
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:
	<b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>
	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"/>	<b>Transfer approved Application for Permit to Drill to new operator</b>
	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?		✓
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
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?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0013207</u>	<input checked="" type="checkbox"/>	<input checked="" 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 Kincannon 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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-012451
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> BIG INDIAN
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> BIG INDIAN FED 23-13-30-25
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC	<b>9. API NUMBER:</b> 43037318850000
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 825-0685 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0340 FNL 1889 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNE Section: 23 Township: 30.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> BIG INDIAN (HERMOSA)
	<b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH

11.

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 4/1/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<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 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: 

<b>NAME (PLEASE PRINT)</b> Christopher A. Noonan	<b>PHONE NUMBER</b> 303 820-4480	<b>TITLE</b> Permit Agent
<b>SIGNATURE</b> N/A	<b>DATE</b> 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 43037318850000**

**API:** 43037318850000

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

**Location:** 0340 FNL 1889 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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-012451																														
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> BIG INDIAN																														
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> BIG INDIAN FED 23-13-30-25																															
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC	<b>9. API NUMBER:</b> 43037318850000																															
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 825-0685 Ext	<b>9. FIELD and POOL or WILDCAT:</b> BIG INDIAN (HERMOSA)																														
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0340 FNL 1889 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNE Section: 23 Township: 30.0S Range: 25.0E Meridian: S	<b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH																															
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																																
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>																															
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 6/1/2012  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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"/> <b>APD EXTENSION</b></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"/> <b>APD EXTENSION</b>	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text" value="APD Extension"/>
<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR																														
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<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b> Patara Oil & Gas LLC requests an extension to the approved APD for the maximum allowable time. The State approval is valid until January 28, 2012. The Federal approval is valid until June 6, 2012. We anticipate requesting an extension to the Federal APD as we do not anticipate being able to commence drilling operations until after June 1, 2012. Please contact Danielle Gavito at (303) 563-5378 or at dgavito@pataraog.com with any questions or concerns. Thank you.																																
<b>NAME (PLEASE PRINT)</b> Danielle Gavito		<b>PHONE NUMBER</b> 303 563-5378																														
<b>SIGNATURE</b> N/A		<b>TITLE</b> Regulatory Technician  <b>DATE</b> 12/12/2011																														

Approved by the  
 Utah Division of  
 Oil, Gas and Mining

Date: 12/19/2011

By: 



**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 43037318850000**

**API:** 43037318850000

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

**Location:** 0340 FNL 1889 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:** Danielle Gavito

**Date:** 12/12/2011

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9  <b>5.LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-012451
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  7.UNIT or CA AGREEMENT NAME: BIG INDIAN
<b>1. TYPE OF WELL</b> Gas Well		<b>8. WELL NAME and NUMBER:</b> BIG INDIAN FED 23-13-30-25
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC		<b>9. API NUMBER:</b> 43037318850000
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202		<b>9. FIELD and POOL or WILDCAT:</b> BIG INDIAN (HERMOSA)
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0340 FNL 1889 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNE Section: 23 Township: 30.0S Range: 25.0E Meridian: S		<b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 7/13/2013	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> 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
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	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> <b>APD EXTENSION</b> OTHER: <input type="text" value="Extension"/>
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	

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 APD for the maximum allowable time. We do not anticipate being able to commence drilling activity until after July 1, 2013. Please contact Danielle Gavito at 303-563-5378 or at dgavito@pataraog.com with any questions or concerns. Thank you.

**Approved by the Utah Division of Oil, Gas and Mining**  
**Date:** January 07, 2013  
**By:**

<b>NAME (PLEASE PRINT)</b> Danielle Gavito	<b>PHONE NUMBER</b> 303 563-5378	<b>TITLE</b> Regulatory Technician
<b>SIGNATURE</b> N/A	<b>DATE</b> 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 43037318850000**

API: 43037318850000

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

Location: 0340 FNL 1889 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: 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**

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

WELL NAME	CA No.	SEC	TWN	RNG	API NO	Unit:	Entity	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List						Big Indian	NO			

**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

RECEIVED

JAN 23 2013

FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

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

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

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

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

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

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

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

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

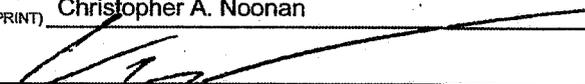
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT 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 &amp; Production Reporting Supervisor</u>
SIGNATURE 	DATE <u>2/6/2012</u>

(This space for State use only)

**APPROVED**

FEB 12 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

**RECEIVED**

FEB 07 2013

Div. of Oil, Gas & Mining

## Exhibit I

BLM Form 3160-5 Transfer of Operator

Utah Form 9 Transfer of Operator

State of Utah Upstream Assets

01/09/2013

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

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

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

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

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

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

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

**Request to Transfer Application or Permit to Drill**

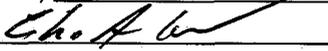
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

<b>Well name:</b>	Big Indian Fed 23-13-30-25
<b>API number:</b>	4303731885
<b>Location:</b>	Qtr-Qtr: NWNE Section: 23 Township: 30S Range: 25E
<b>Company that filed original application:</b>	Patara Oil & Gas LLC
<b>Date original permit was issued:</b>	01/07/2013
<b>Company that permit was issued to:</b>	Patara Oil & Gas LLC

Check one	Desired Action:
	<b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>
	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"/>	<b>Transfer approved Application for Permit to Drill to new operator</b>
	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.

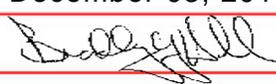
<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-012451	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	
<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
<b>7. UNIT or CA AGREEMENT NAME:</b> BIG INDIAN	
<b>8. WELL NAME and NUMBER:</b> BIG INDIAN FED 23-13-30-25	
<b>9. API NUMBER:</b> 43037318850000	
<b>9. FIELD and POOL or WILDCAT:</b> BIG INDIAN (HERMOSA)	
<b>9. API NUMBER:</b> 43037318850000	
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street, Suite 1900S , Denver, CO, 80202	
<b>PHONE NUMBER:</b> 303 563-5364 Ext	
<b>9. FIELD and POOL or WILDCAT:</b> BIG INDIAN (HERMOSA)	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0340 FNL 1889 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNE Section: 23 Township: 30.0S Range: 25.0E Meridian: S	
<b>COUNTY:</b> SAN JUAN	
<b>STATE:</b> UTAH	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 9/1/2014	<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 style="width: 100px;" type="text"/>
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:			
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:			
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:			

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:** 

<b>NAME (PLEASE PRINT)</b> Chrissy Lawson	<b>PHONE NUMBER</b> 303 563-5378	<b>TITLE</b> Regulatory Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 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 43037318850000**

API: 43037318850000

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

Location: 0340 FNL 1889 FEL QTR NWNE SEC 23 TWP 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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-012451	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	
<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
<b>7. UNIT or CA AGREEMENT NAME:</b> BIG INDIAN	
<b>8. WELL NAME and NUMBER:</b> BIG INDIAN FED 23-13-30-25	
<b>9. API NUMBER:</b> 43037318850000	
<b>9. FIELD and POOL or WILDCAT:</b> BIG INDIAN (HERMOSA)	
<b>9. FIELD and POOL or WILDCAT:</b> BIG INDIAN (HERMOSA)	
<b>COUNTY:</b> SAN JUAN	
<b>STATE:</b> UTAH	
<b>1. TYPE OF WELL</b> Gas Well	
<b>2. NAME OF OPERATOR:</b> CCI PARADOX UPSTREAM, LLC	
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street, Suite 1900S , Denver, CO, 80202	
<b>PHONE NUMBER:</b> 303 728-2222 Ext	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0340 FNL 1889 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> 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"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 9/1/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> 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) WOULD LIKE TO REQUEST AN EXTENSION TO THE APPROVED STATE APD. CCI WOULD LIKE TO EXTEND THIS STATE APD FOR THE MAXIMUM ALLOWABLE TIME. THANK YOU.

**Approved by the**  
**January 12, 2015**  
**Oil, Gas and Mining**

**Date:** \_\_\_\_\_  
**By:**

<b>NAME (PLEASE PRINT)</b> Ashley Noonan	<b>PHONE NUMBER</b> 303 728-2232	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/9/2015	



**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 43037318850000**

API: 43037318850000

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

Location: 0340 FNL 1889 FEL QTR NWNE SEC 23 TWP 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: Ashley Noonan

Date: 1/9/2015

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 23-13-30-25, Sec. 23, T.30S, R.25E  
San Juan County, Utah API No. 43-037-31885

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 12, 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