



EnCana Oil & Gas (USA) Inc.

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

tel: 720-876-5339

fax: 720-876-6339

www.encana.com

June 2, 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: Bull Horn Fed 9-24-30-25  
Section 9, T30S R25E  
San Juan County, UT

Dear Ms. Mason:

EnCana Oil & Gas (USA) Inc. is requesting approval to directionally drill the subject well per the Utah Department of Natural Resources, Division of Oil, Gas and Mining Applicable Rules R649-3-11. Please find the following information as required for our proposed Bull Horn Fed 9-24-30-25 application:

- EnCana Oil & Gas (USA) Inc. & Cabot Oil & Gas own all oil & gas within 460' of the intended well bore.
- Surface and Bottom Hole located on BLM Lease No. UTU-73738 within the Bull Horn Unit and the Big Indian (South) Field.
- NE, Section 9, T30S R25E, San Juan County, Utah.
- Location plat with surface and bottom hole locations attached.
- Cabot's letter of consent, Lease and federal unit map attached.
- Proposed Directional Report attached.

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

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

Sincerely,

Jevin Croteau  
Regulatory Analyst

Attachment

RECEIVED

JUN 02 2008

DIV. OF OIL, GAS & MINING

**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: <b>UTU-73738</b>	6. SURFACE: <b>Federal</b>
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: <b>OIL</b> <input type="checkbox"/> <b>GAS</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input type="checkbox"/> <b>MULTIPLE ZONE</b> <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: <b>Bull Horn Unit</b>	
2. NAME OF OPERATOR: <b>EnCana Oil &amp; Gas (USA) Inc.</b>				9. WELL NAME and NUMBER: <b>Bull Horn Fed 9-24-30-25</b>	
3. ADDRESS OF OPERATOR: <b>370 17th Street, Suite 1700 Denver</b> CITY STATE <b>CO</b> ZIP <b>80202</b>			PHONE NUMBER: <b>(720) 876-5339</b>	10. FIELD AND POOL, OR WILDCAT: <b>Big Indian (South) 290</b>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>834' FNL &amp; 659' FEL</b> AT PROPOSED PRODUCING ZONE: <b>1657' FNL &amp; 738' FEL SENE</b>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENE 9 30S 25E S</b>	
4. LOCATION OF WELL (FOOTAGES) <b>659713X 42290764 38.197334 -109.174105</b> <b>659693X 42288254 38.195074 -109.174394</b>					
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>Approximately 14.0 Miles SE of La Sal, Utah</b>				12. COUNTY: <b>San Juan</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>738' BHL</b>		16. NUMBER OF ACRES IN LEASE: <b>1360.00</b>		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40</b>	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>607' BHL</b>		19. PROPOSED DEPTH: <b>4,120</b>		20. BOND DESCRIPTION: <b>RLB0001191</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6809.6' GR</b>		22. APPROXIMATE DATE WORK WILL START: <b>7/1/2008</b>		23. ESTIMATED DURATION: <b>30 Days</b>	

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#	2,250	Class G + 2% gel	600sx 2.11 cuft/sx	12.5#
8 3/4	5 1/2	I-80	17#	4,258	Class G 50/50 Poz	600sx 1.44 cuft/sx	13#

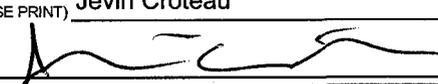
CONFIDENTIAL  
TIGHT HOLE

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 6/2/08

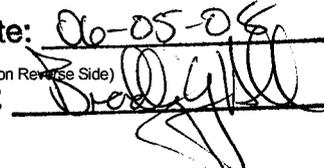
(This space for State use only)

API NUMBER ASSIGNED: 43-037-31894

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

APPROVAL:

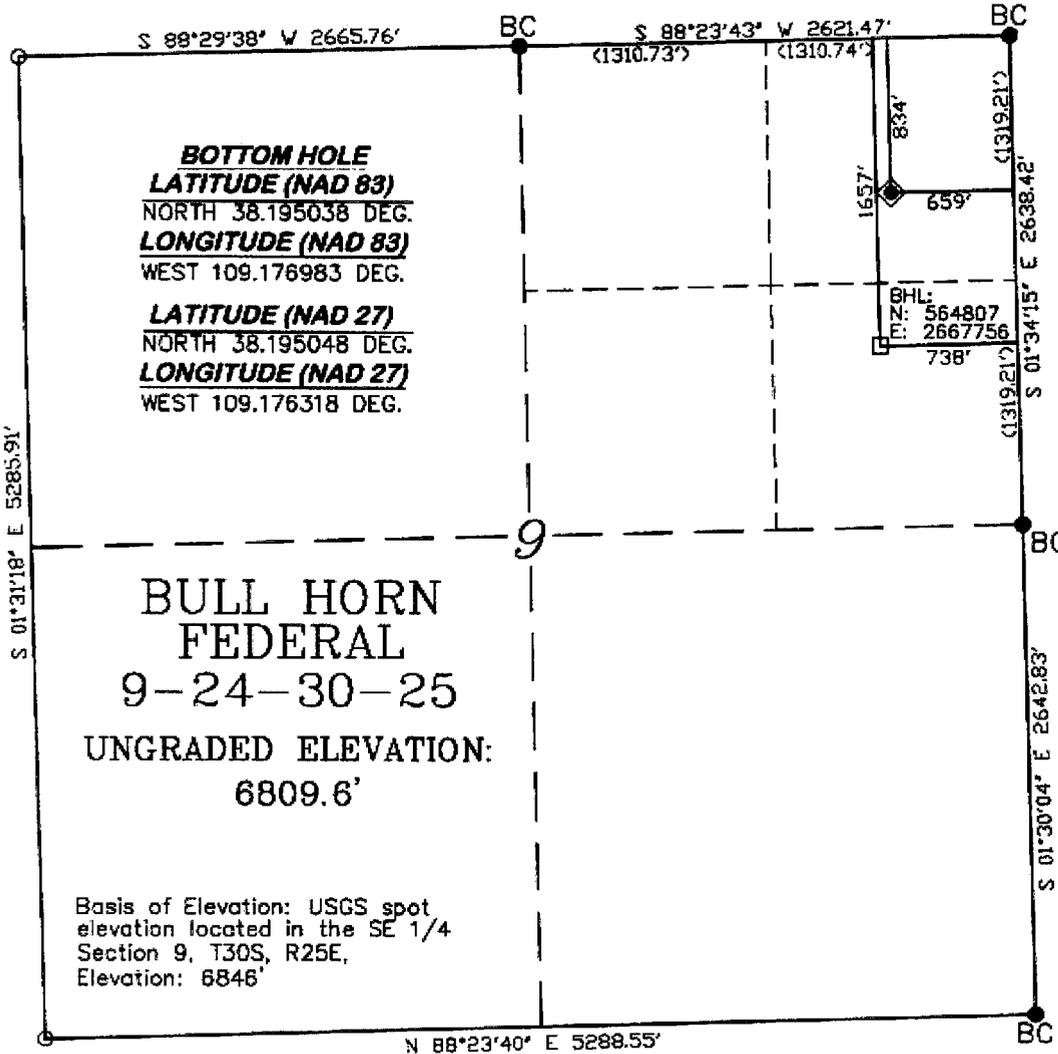
Date: 06-05-08

By: 

RECEIVED  
JUN 02 2008  
DIV. OF OIL, GAS & MINING

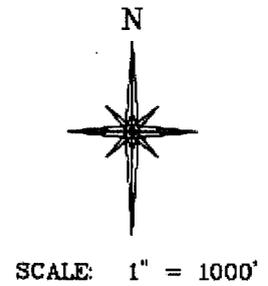
(11/2001) (See Instructions on Reverse Side)

**R. 25 E.**



**BOTTOM HOLE**  
**LATITUDE (NAD 83)**  
 NORTH 38.195038 DEG.  
**LONGITUDE (NAD 83)**  
 WEST 109.176983 DEG.

**LATITUDE (NAD 27)**  
 NORTH 38.195048 DEG.  
**LONGITUDE (NAD 27)**  
 WEST 109.176318 DEG.



**T. 30 S.**

**LATITUDE (NAD 83)**  
 NORTH 38.197298 DEG.  
**LONGITUDE (NAD 83)**  
 WEST 109.176715 DEG.

**LATITUDE (NAD 27)**  
 NORTH 38.197309 DEG.  
**LONGITUDE (NAD 27)**  
 WEST 109.176050 DEG.

**BULL HORN  
 FEDERAL  
 9-24-30-25**  
 UNGRADED ELEVATION:  
 6809.6'

Basis of Elevation: USGS spot  
 elevation located in the SE 1/4  
 Section 9, T30S, R25E,  
 Elevation: 6846'

**NORTHING**  
 565631.73  
**EASTING**  
 2667812.46

**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 28, 2008 and it correctly shows the location of BULL HORN FEDERAL 9-24-30-25, as staked on the ground.

**NOTES**

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

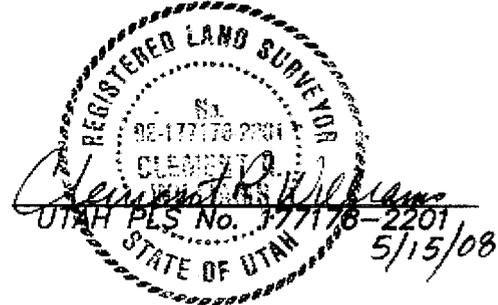


EXHIBIT 1

**DG** RIFFIN & ASSOCIATES, INC.

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

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

SCALE: 1" = 1000'  
 JOB No. 13399  
 REVISED: 5/15/08 - KRH

**834' F/NL & 659' F/EL, SECTION 9,  
 T. 30 S., R. 25 E., SALT LAKE B.M.  
 SAN JUAN COUNTY, UTAH**

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA), Inc.  
**Bull Horn Federal 9-24-30-25**  
834' FNL & 659' FEL (surface)  
Section 9-T30S-R25E  
1657' FNL & 738' FEL (bottom hole)  
Section 9-T30S-R25E  
San Juan County, Utah

Lease No. UTU-73738

**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	+6830'
Morrison	480'	+6350'
Entrada	725'	+6105'
Navajo	967'	+5863'
Kayenta	1496'	+5334'
Wingate	1803'	+5027'
Chinle	1980'	+4850'
Cutler	1980'	+4850'
Main Trapping Fault	3255'	+3575'
Honaker Trail Mrk. 5	3255'	+3575'
Honaker Trail Mrk. 1	4030'	+2800'
Total Depth	4080'	+2750'

**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 Mrk. 5	5495'
Gas	Honaker Trail Mrk. 1	5836'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA), Inc.  
**Bull Horn Federal 9-24-30-25**  
834' FNL & 659' FEL (surface)  
Section 9-T30S-R25E  
1657' FNL & 738' FEL (bottom hole)  
Section 9-T30S-R25E  
San Juan County, Utah

Lease No. UTU-73738

**Drilling Program**

Page 2

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

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

**Drilling Program**

Page 3

daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

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

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

**4. CASING AND CEMENTING PROGRAMS**

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

**Drilling Program**

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

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

Purpose	Depth (MD)	Hole Size	O.D.	Weight	Grade	Type	New/Used
Surface	0'-2250'	12 1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-4258'	8-3/4"	5-1/2"	17#	I-80	LT&C	New

Size	Burst (Psi)	Burst Safety Factor	Collapse (Psi)	Collapse Safety Factor	Body Yield (1000 lbs)	Joint Strength (1000 lbs)	Tension Safety Factor
9-5/8"	3520	1.0	2020	1.00	564	394	1.0
5-1/2"	7740	1.0	6290	1.00	397	320	1.0

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

Surface	Type and Amount
0-2250'	Lead: 500 sx. Class G 50/50 Poz + 2% gel, 2.11 cuft/sx. yield, 12.5 ppg Tail: 100 sx. Class G, 1.17 cuft/sx yield, 15.8 ppg
Production	Type and Amount
1950'-4258'	600 sx. Class G 50/50 Poz, 1.44 cuft/sx. yield, 13 ppg

834' FNL & 659' FEL (surface)  
Section 9-T30S-R25E  
1657' FNL & 738' FEL (bottom hole)  
Section 9-T30S-R25E  
San Juan County, Utah

**Drilling Program**

Page 5

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

**5. MUD PROGRAM**

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

Interval (MD)	Mud Type	Mud Wt.	Visc.	F/L
0-2250'	Water	+/- 8.5	+/- 28	N.C.
2250'-TD	6 % KCL, polymer LSND	8.5-9.0	+/- 45-50	+/- 8

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

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

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

**Drilling Program**

Page 6

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

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

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

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

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

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

**7. ABNORMAL PRESSURES AND H2S GAS**

- a. The maximum expected bottom hole pressure is 1300 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 ( #3 well is located within 1 mile of the proposed location).
- b. No hydrogen sulfide gas is anticipated, no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2.b., if hydrogen sulfide is present the "operator shall initially test the H2S concentration of the gas stream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

**Drilling Program**

Page 7

**8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS**

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

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA), Inc.  
**Bull Horn Federal 9-24-30-25**  
834' FNL & 659' FEL (surface)  
Section 9-T30S-R25E  
1657' FNL & 738' FEL (bottom hole)  
Section 9-T30S-R25E  
San Juan County, Utah

Lease No. UTU-73738

**Drilling Program**

Page 8

has begun or resumed.”

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

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

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

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

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

ONSHORE ORDER No. 1

EnCana Oil & Gas (USA), Inc.

**Bull Horn Federal 9-24-30-25**

834' FNL & 659' FEL (surface)

Section 9-T30S-R25E

1657' FNL & 738' FEL (bottom hole)

Section 9-T30S-R25E

San Juan County, Utah

Lease No. UTU-73738

**Drilling Program**

Page 9

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
------------	--------------------	--------------

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 9-24-30-25  
NENE Section 9, T30S-R25E  
834' FNL & 659' FEL  
San Juan County, Utah

Surface Use Plan

Lease No. UTU-73738

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

**Thirteen Point Surface Use Plan**

The onsite inspection for the subject location was conducted on July 6, 2005 for the existing Bull Horn Fed 9-14-30-25. In attendance at the onsite inspection were the following individuals:

<u>Name</u>	<u>Position</u>	<u>Organization</u>
Rich McClure	Natural Resource Specialist	Bureau of Land Management
Rick Costanza	Production Supervisor	EnCana Oil & Gas (USA) Inc.
Ron Krist	Construction Supervisor	EnCana
Jevin Croteau	Regulatory Analyst	EnCana
Marty Miller	Landman	Consultant
Jack Benson	Surveyor	ForeRunner Corp.
Jacob Benson	Surveyor	ForeRunner
Sharyl Kinnear-Ferris	Archaeologist	4-Corners Archaeological Svs.
Mike Shumway	Construction	K-SUE Corporation

**1. EXISTING ROADS**

- a. The proposed well site is located on the existing Bull Horn Fed 9-14-30-25 well pad located approximately 14 miles Southeast of La Sal, Utah.
- b. Directions from La Sal, Utah are as follows:

From La Sal Junction travel State Highway 46 westerly for 2.3 miles. Turn left on Lisbon (113) Road travel south southeasterly for approximately 5.7 miles to the 370 Road. Stay to the left and travel southeasterly for 4.8 miles to an existing staked road. Turn left travel northeasterly then southeasterly for 1.0 mile to the proposed access road. Turn left and travel northeasterly for 0.3 miles to the proposed location.

- c. Existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well as per the road use agreement.
- d. Dust control measures will be implemented during dry weather when necessary. These may include mag chloride or other palliative.

**2. PLANNED ACCESS ROADS**

- a. For access roads, refer to Topo Maps A and B.
- b. No Improvements to existing roads will be necessary.
- c. No turnouts will be necessary.
- d. All surface materials needed for construction will be procured from a commercial source, except those materials that will be generated during the construction of this well (excess fill, etc.).
- e. The roads shall be maintained reasonably smooth, and free of ruts, soft spots, chuckholes, rocks, slides and washboards. The BLM "Gold" book shall be followed

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 9-24-30-25  
NENE Section 9, T30S-R25E  
834' FNL & 659' FEL  
San Juan County, Utah

Surface Use Plan

Lease No. UTU-73738

for specifications on road design and culvert installation. All weather surfacing will be required if the well becomes a producer. A regular maintenance program shall include blading, ditching, sign replacement, surfacing, and culvert maintenance. All vehicles servicing the well are restricted to use of the approved access road and well pad.

- f. No new Culverts or low water crossings will be necessary unless specified by the BLM.
- g. No fence cuts or cattle guards are necessary unless specified by the BLM.
- h. A road and pipeline right-of-way will not be required from the BLM. Both the existing access road and pipeline will be used and are on lease and entirely within the Bull Horn Unit. See the attached Topo Map B.
- i. Surface disturbance and vehicle travel will be limited to the approved location and approved pipeline/access road route. Any additional area needed will be approved by the BLM in advance.
- j. No surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. EnCana will adhere to the conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.
- k. If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.
- l. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligations determined by the BLM.
- m. If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Filed Office Manager will be notified so that temporary drainage control can be installed along the access road.
- n. All brush, limbs, and other woody material will be stockpiled separately from the topsoil along the roadway, or near the well pad. The upper six inches of topsoil will be stockpiled near the well pad for future reclamation. If the soil stockpile is not used within six months it will be seeded to ensure topsoil integrity and prevent erosion.
- o. No pullouts or off-road parking will be allowed unless specifically authorized. "Keep vehicles on road surface" signs will be installed to assist with compliance. Shortcutting by vehicles operated by EnCana or its contractors, on roads not identified as access routes in the APD, will not be allowed.

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 9-24-30-25  
NENE Section 9, T30S-R25E  
834' FNL & 659' FEL  
San Juan County, Utah

Surface Use Plan

Lease No. UTU-73738

**3. LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS OF THE PROPOSED LOCATION. SEE TOPO MAP A.**

- a. Water Wells - 0
- b. Injection or Disposal Wells - 0
- c. Producing Wells – 4
- d. Drilling Wells – 0
- e. Shut In Wells - 1
- f. Plugged and Abandoned Wells - 3

**4. LOCATION OF PRODUCTION FACILITIES**

- a. If the well is productive all production facilities will be located on the well pad. The proposed facilities to be located on the well pad will be a typical tank battery, which include a separator, meter building (with tube and meter), two 400 hundred bbl tanks and if needed one 500 gal tank and methanol pump or deh'y equipment.
- b. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM - Moab Field Office.
- c. The proposed gas gathering line will be buried from the well head to the battery site then tied into the existing pipeline on location.
- d. All permanent structures (onsite for six months or longer) constructed or installed will be painted a flat, non-reflective earth tone color which will match the adjacent vegetation. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. The actual color will be Juniper Green or one specified by the Bureau of Land Management in the approved permit to drill.
- e. All site security guidelines identified in 43 CFR 3162.7-5 and specified in Onshore Order No. 3 shall be adhered to.
- f. The oil and gas measurement facilities will be installed on the well location. The gas flowline will be buried from the wellhead to the meter and downstream until it leaves the pad. Meter runs will be housed. Oil and gas meters will be calibrated prior to first sales and quarterly thereafter. A copy of the meter calibration reports will be submitted to the BLM - Moab Field Office. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7, Onshore Oil and Gas Order No. 5 and the American Gas Association (AGA) Report No. 3.
- g. If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR 3162.7 and Onshore Oil and Gas Order No. 4.
- h. Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Oil and Gas Order No. 7. If water is produced from the well, an

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 9-24-30-25  
NENE Section 9, T30S-R25E  
834' FNL & 659' FEL  
San Juan County, Utah

**Surface Use Plan**

Lease No. UTU-73738

application in conformance with Order No. 7 must be submitted.

**5. LOCATION AND TYPE OF WATER SUPPLY**

- a. The source of water for drilling and completion purposes will be obtained from the La Sal Creek located in the SW/4 of Section 8, T28S R28E, San Juan County, Utah.
- b. This water source is permitted under the State of Utah, Department of Natural Resources, Division of Water Rights. Water Right Number 05-6.
- c. Water will be hauled to the location over the existing access roads outlined in this SUP.

**6. CONSTRUCTION MATERIALS**

- a. All materials needed for construction will be procured from a commercial source, except those materials that will be generated during the construction of this well (excess fill, etc.).
- b. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.
- c. No gravel or other related minerals from new or existing pits on Federal land will be used in the construction of roads, well pads, etc., without prior approval from the BLM.

**7. METHODS FOR HANDLING WASTE DISPOSAL**

- a. Drill cuttings are to be contained and buried in the reserve pit.
- b. The reserve pit will be sealed in such a manner as to prevent leakage of the fluids. Methods available to insure containment of drilling fluids in the reserve pit include lining the inside of the pit with at least a 30 mil plastic liner. If a plastic liner is used, the bottom of the pit shall be smooth and free of any sharp rocks. If the pit has a rocky bottom, it shall be bedded with a material such as soil, sand, straw or hay to avoid the possibility of puncturing the liner. A minimum of not less than a 2 foot freeboard will be maintained in the pit at all times. All oil or floating debris will be removed from the pit immediately after the drilling and after the stimulation phase of the well.
- c. The reserve pit will be located on the SW corner of the disturbed pad, and the pit walls will be sloped at no greater than 1 1/2 to 1.
- d. The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.
- e. Garbage is to be contained in the trash cage. The trash cage will be totally enclosed with small mesh wire to prevent wind scattering and wildlife entry. All garbage will be hauled to an approved disposal site at the end of drilling/completion operations.
- f. Sewage will be disposed of in accordance with State and County regulations. No sewage boreholes will be allowed. Chemical porta-toilets will be furnished and their contents hauled to an approved disposal site.

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 9-24-30-25  
NENE Section 9, T30S-R25E  
834' FNL & 659' FEL  
San Juan County, Utah

**Surface Use Plan**

Lease No. UTU-73738

- g. The produced fluids (produced water, frac fluid and possibly condensate), while testing the well will be flowed back to a 400 Bbl. test tank. Any condensate will be skimmed and transferred to production tanks. Sand and produced fluids other than condensate will be transferred to the reserve pit until such time as the well is cleaned up sufficiently to produce pipeline quality gas. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

**8. ANCILLARY FACILITIES**

No camps, airstrips or other facilities will be necessary.

**9. WELLSITE LAYOUT**

- a. The survey plats are attached.
- b. The well pad plan is attached with the location of the reserve pit and access road onto the well pad.
- c. A cross section of the well pad with the cut and fill diagram is attached.
- d. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.
- e. The reserve pit will be designed to prevent the collection of surface runoff.
- f. The reserve pit liner shall remain intact until the reserve pit is reclaimed. Flare pits must be located a sufficient distance from the reserve pit to prevent the liner from being damaged during flaring operations.
- g. Prior to rigging up, a one-foot high berm will be constructed around the perimeter of the well pad to contain all storm events/spills from going downstream of the well pad. A lined sump pit may be utilized to contain the fluids. The need for the berm will be reassessed upon completion of the well and after production is established.
- h. Compaction and construction of the berms surrounding the tank or tank batteries will be designed to prevent lateral movement of fluids through the berm, prior to any storage of fluids. All load lines and valves shall be placed inside the bermed areas.
- i. There shall be a sign or marker on location with the name of the operator, lease serial number, well number, and legal location of the well.

**10. PLANS FOR RECLAMATION OF THE SURFACE**

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

- a. The top six inches of topsoil material will be removed from the location, saved and stockpiled separately on the edge of the pad to be used for reclamation purposes.
- b. Topsoil along the access road will be reserved in place adjacent to the road.
- c. Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.
- d. When the reserve pit has dried naturally or by enhanced evaporation the reserve pit and that portion of the location not needed for production will be reclaimed within 6 months

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 9-24-30-25  
NENE Section 9, T30S-R25E  
834' FNL & 659' FEL  
San Juan County, Utah

**Surface Use Plan**

Lease No. UTU-73738

- or well completion or abandonment (weather-permitting).
- e. All road surfacing will be removed prior to the rehabilitation of roads.
  - f. Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.
  - g. All disturbed areas will be recontoured to replicate the natural slope.
  - h. The stockpiled topsoil will be evenly distributed over the disturbed area.
  - i. Prior to reseeding, all disturbed areas, including the access roads will be scarified and left with a rough surface.
  - j. Seed will be broadcast or drilled between September and October, or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.
  - k. The following seed mixture or one approved by the BLM will be used. Seed labels from each bag shall be available for inspection while seeding is being accomplished. In the event grasses and native vegetation is not established after the first seeding application, subsequent applications will be performed until grasses and/or native vegetation is established.

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

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

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

- m. Vegetation or soil disturbance by the operator will be held to the minimum consistent with practical construction operations and the operator will smooth all disturbed areas to conform as nearly as practical to the adjacent terrain.
- n. To the degree it is feasible, natural drainage will not be altered.
- o. Reclamation will be considered successful when the desired vegetative species are established, erosion is controlled, weeds are considered a minimal threat, and it is likely that ground cover will return to a desirable condition. EnCana will continue revegetation efforts until this standard is met. BLM shall be responsible for determining when reclamation efforts are successful.

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 9-24-30-25  
NENE Section 9, T30S-R25E  
834' FNL & 659' FEL  
San Juan County, Utah

**Surface Use Plan**

Lease No. UTU-73738

- p. A fence shall be installed around the perimeter of the area undergoing reclamation. The fence shall be maintained in a manner to prevent cattle from entering the area, and shall be constructed as follows: Posts to be no more than 16' apart; fence wire: four wires of at least 12.5 gauge, double strand twisted; two stays between posts; wire stretched taut between brace panels, wire spacing from the ground up: 14", 22", 30", 42". Fence shall be maintained in place for a minimum of 3 years, and will be removed by EnCana when so instructed by the BLM.

**11. SURFACE OWNERSHIP**

**Well site** - Bureau of Land Management

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

**12. OTHER INFORMATION**

- a. A Class III archeological survey has been conducted by 4 Corners Archaeological Services for the surface location, access road and pipeline right-of-way and was sent under separate cover.
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the BLM Field Office. Within five (5) working days, the BLM will inform the operator as to:
- Whether the materials appear eligible for the National Register of Historic Places;
  - The mitigation measures the will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
  - A time frame for the BLM to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the BLM are correct and that mitigation is appropriate.

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

- c. The BLM would conduct U.S. Fish and Wildlife Service (USFWS) consultation and coordination as necessary for all mitigation activities relating to T&E, candidate species and their habitats. In areas that have not been previously surveyed or cleared for these species, a qualified biologist/botanist would conduct surveys for these species in areas of potential habitat prior to disturbance. If T&E, candidate, or sensitive species are found, consultation with the USFWS would be initiated, as necessary, and construction activities would be curtailed until the BLM, USFWS, and Operators concur on which activities can

ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Bull Horn Fed 9-24-30-25  
NENE Section 9, T30S-R25E  
834' FNL & 659' FEL  
San Juan County, Utah

**Surface Use Plan**

Lease No. UTU-73738

be authorized.

- d. The BLM, Moab Field Office will be contacted no earlier than 15 days and no later than three (3) working days prior to commencement of construction activities.
- e. "Sundry Notice and Report of Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

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

Permit Matters

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

Drilling & Completion Matters

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



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES Division of Water Rights

MICHAEL R. STYLER  
*Executive Director*

JERRY D. OLDS  
*State Engineer/Division Director*

### ORDER OF THE STATE ENGINEER

#### For Temporary Change Application Number 05-6 (t32868)

Temporary Change Application Number 05-6 (t32868) in the name of Charles Hardison Redd was filed on April 19, 2007, to change the point of diversion, place of use, and change the nature of use of 20.00 acre-feet of water as evidenced by Water Right Number 05-6. Heretofore, the water has been diverted from a surface source located North 3420 feet and West 2851 feet from the SE Corner of Section 7, T28S, R25E, SLB&M. The water has been used for the irrigation of 5.00 acres from April 1 to October 31. The water was used in all or portion(s) of Section 35, T28S, R25E, SLB&M; Sections 2, 11, T29S, R24E, SLB&M.

Hereafter, it is proposed to divert 20.00 acre-feet of water from a surface source located North 712 feet and East 627 feet from the SW Corner of Section 8, T28S, R25E, SLB&M. The water is to be used for drilling for oil and gas wells, road construction and maintenance. The place of use of the water is being changed to all or parts of Section 2, 8, 11, 14, 27, T29S, R24E, SLB&M; Section 8, T29S, R26E, SLB&M; Section 4, 9, 10, 14, 15, T30S, R25E, SLB&M.

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

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

It is, therefore, **ORDERED** and Temporary Change Application Number 05-6 (t32868) is hereby **APPROVED** subject to prior rights.

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

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

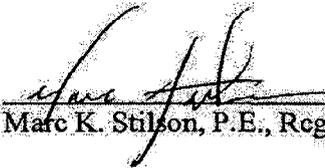
The applicant is advised to contact the Stream Alteration Section of the Division of Water Rights to ascertain if a Stream Alteration permit is required for this Temporary Change Application.

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

ORDER OF THE STATE ENGINEER  
Temporary Change Application Number  
05-6 (132868)  
Page 2

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

Dated this 26 day of April, 2007.

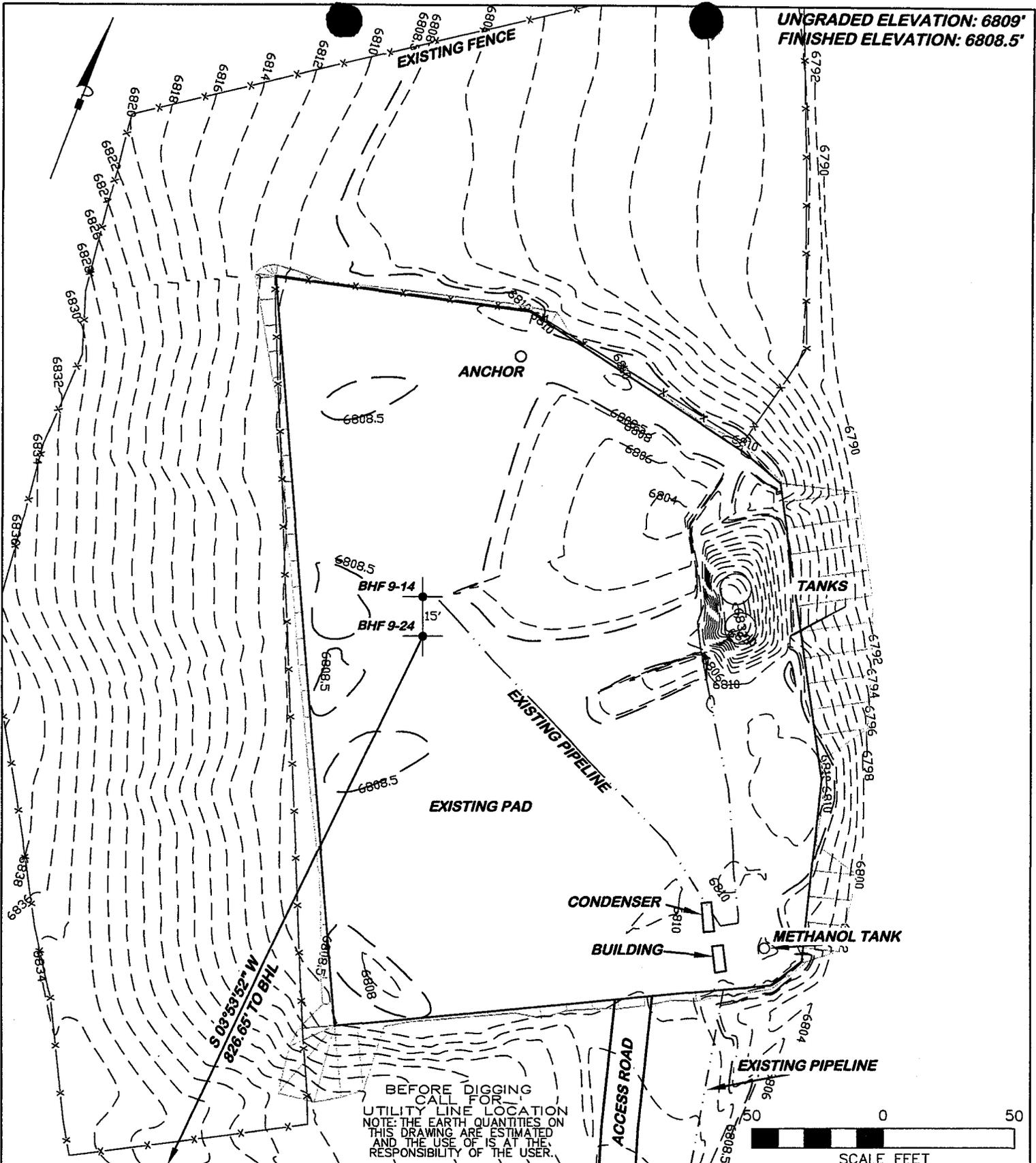
  
\_\_\_\_\_  
Marc K. Stilson, P.E., Regional Engineer

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

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

Stream Alteration Section  
Division of Water Rights

UNGRADED ELEVATION: 6809'  
FINISHED ELEVATION: 6808.5'



**DRG** RIFFIN & ASSOCIATES, INC.

**ENCANA OIL & GAS (USA) INC.**  
**BULL HORN FEDERAL 9-14-30-25,**  
**9-24-30-25**

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

JOB No. 13399

SCALE: 1" = 50'

DATE: 5/5/08 - MML

EXHIBIT 2A



**DRG** RIFFIN & ASSOCIATES, INC.

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

SCALE: 1" = 1 MILE

JOB No. 13399

DATE: 5/5/08 - MML

**EXISTING ACCESS FOR  
 ENCANA OIL & GAS (USA) INC.  
 BULL HORN FEDERAL 9-14-30-25,  
 9-24-30-25**

EXISTING ROAD   
 EXISTING ACCESS 

**TOPO  
 A**



**DRG** RIFFIN & ASSOCIATES, INC.

**EXISTING ACCESS ROAD FOR  
ENCANA OIL & GAS (USA) INC.  
BULL HORN FEDERAL 9-14-30-25, 9-24-30-25**

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

SCALE: 1" = 2000'  
JOB No. 13399  
REVISED: 5/5/08 - MML

TOTAL EXISTING LENGTH: 1439±  
EXISTING ROAD —————  
EXISTING ACCESS ROAD - - - - -

**TOPO MAP  
B**



**ACCESS ROAD AT PAD**



**WELL LOCATION LOOKING SOUTH**



**WELL LOCATION LOOKING EAST**



**WELL LOCATION LOOKING WEST**



**WELL LOCATION LOOKING NORTH**



**ACCESS ROAD AT TAKEOFF**

**DRG** RIFFIN & ASSOCIATES, INC.

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

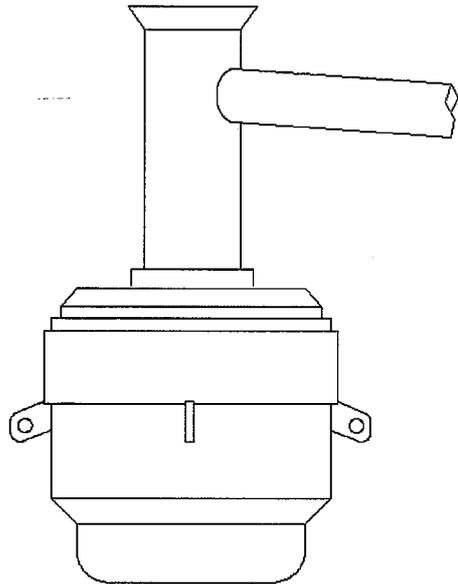
JOB No. 13399

DATE: 5/5/08 - MML

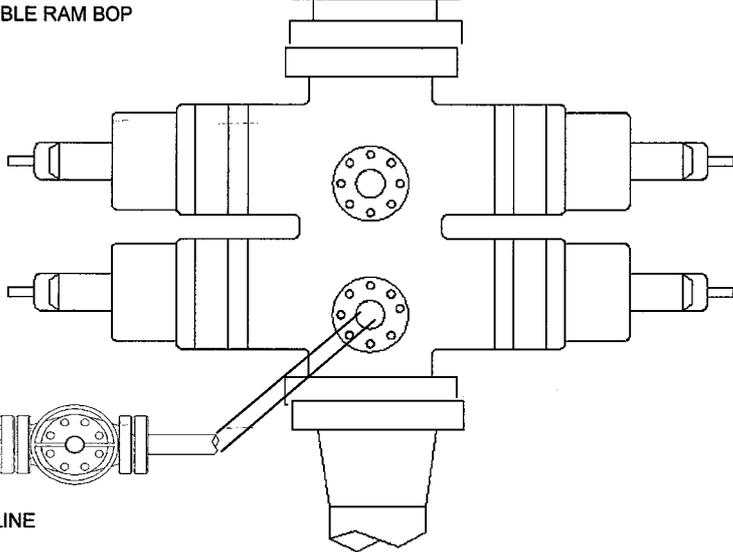
**ENCANA OIL & GAS (USA) INC.**  
**BULL HORN FEDERAL 9-14-30-25,**  
**9-24-30-25**

**EXHIBIT 6**

3M ANNULAR

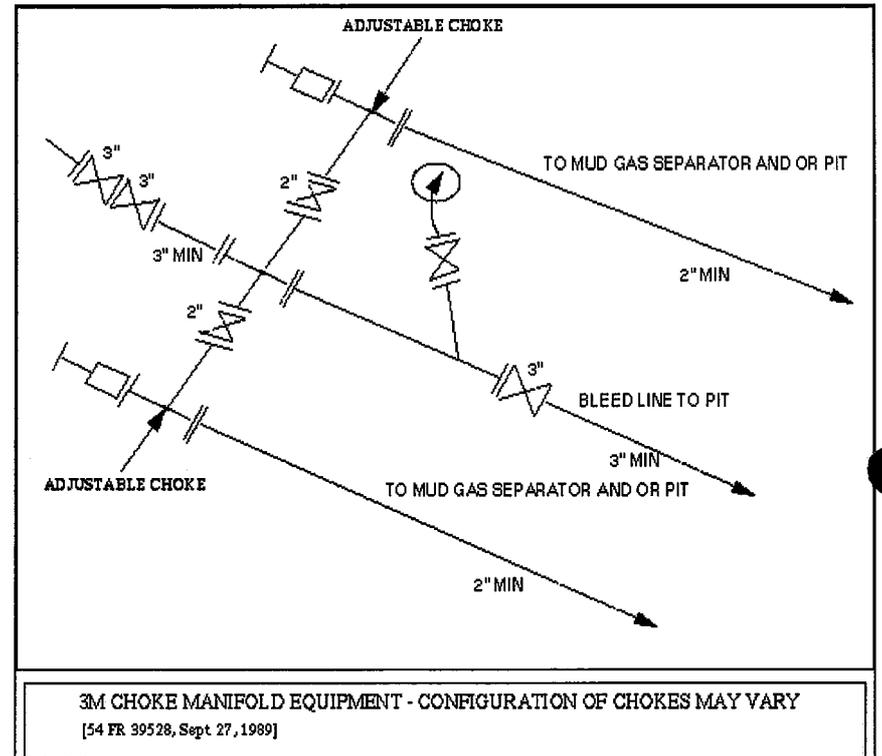


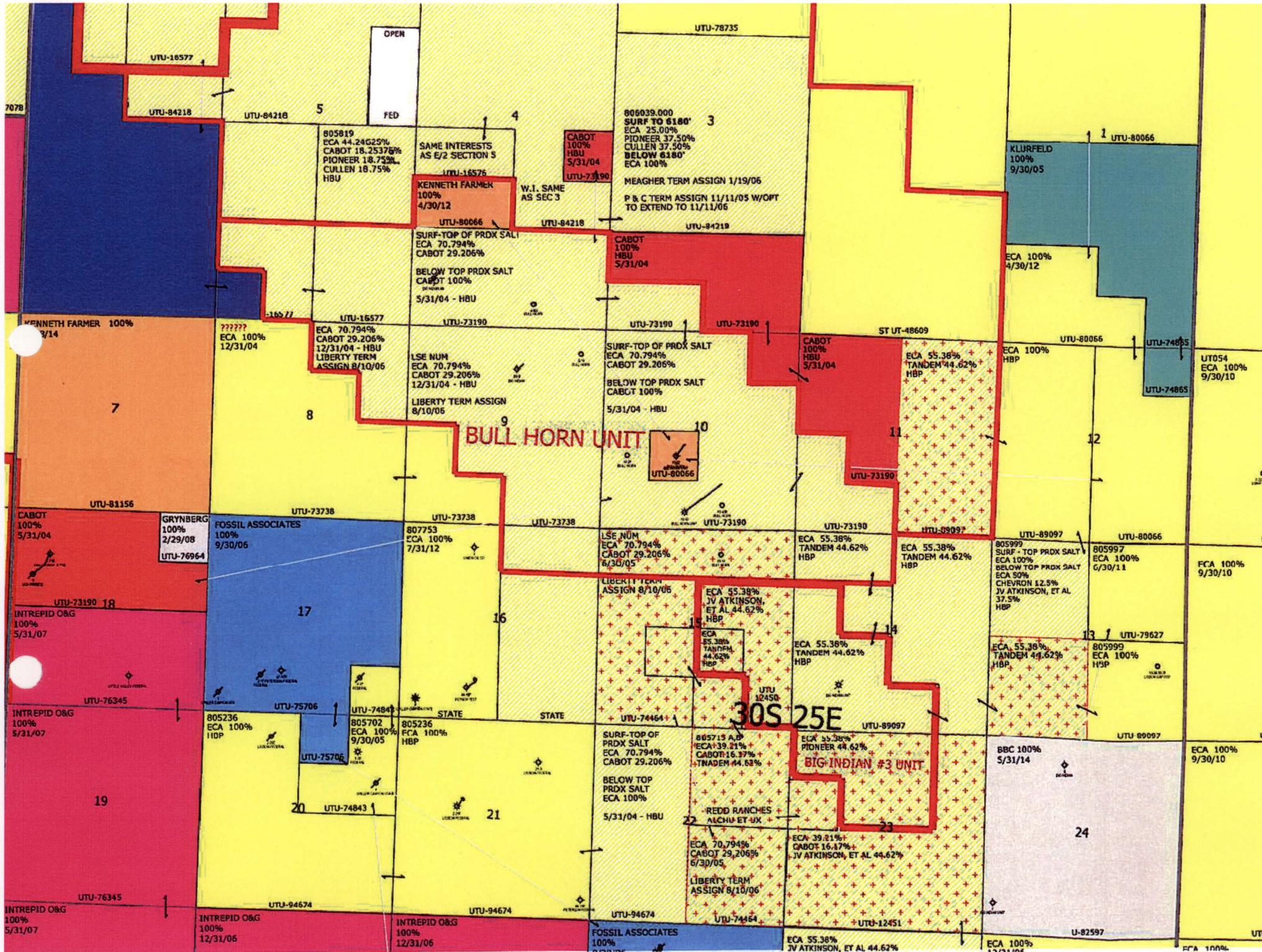
3M DOUBLE RAM BOP



2" KILL LINE

3" CHOKE LINE FROM  
OUTLET ON BOTTOM  
SIDE OF RAMS





7078

UTU-16577

UTU-84218

UTU-84218

5

OPEN

FED

4

805819  
ECA 44.24625%  
CABOT 18.25376%  
PIONEER 18.75%  
CULLEN 18.75%  
HBU

SAME INTERESTS  
AS E/2 SECTION 5

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

W.I. SAME  
AS SEC 3

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 & C TERM ASSIGN 11/11/05 W/OPT  
TO EXTEND TO 11/11/06

UTU-78735

UTU-80066

KLIRFELD  
100%  
9/30/05

ECA 100%  
4/30/12

UTU-16577

UTU-16577  
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

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

ECA 55.38%  
TANDEM 44.62%  
HBP

ECA 100%  
HBP

UT054  
ECA 100%  
9/30/10

KENNETH FARMER 100%  
3/14

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

7

8

BULL HORN UNIT

10

11

12

UTU-81156

UTU-73738

UTU-73738

UTU-73738

UTU-73190

UTU-73190

UTU-73190

UTU-89097

UTU-89097

UTU-80066  
805997  
SURF - TOP PRDX SALT  
ECA 100%  
BELOW TOP PRDX SALT  
ECA 50%  
CHEVRON 12.5%  
JV ATKINSON, ET AL  
37.5%  
HBP

ECA 100%  
9/30/10

CABOT  
100%  
5/31/04

GRYNBERG  
100%  
2/29/08  
UTU-76964

FOSSIL ASSOCIATES  
100%  
9/30/06

807753  
ECA 100%  
7/31/12

LSE NUM  
ECA 70.794%  
CABOT 29.206%  
6/30/05

ECA 55.38%  
TANDEM 44.62%  
HBP

ECA 55.38%  
TANDEM 44.62%  
HBP

ECA 55.38%  
TANDEM 44.62%  
HBP

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

17

16

14

13

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

805236  
ECA 100%  
HBP

805702  
ECA 100%  
9/30/05

805236  
ECA 100%  
HBP

SURF-TOP OF  
PRDX SALT  
ECA 70.794%  
CABOT 29.206%  
BELOW TOP  
PRDX SALT  
ECA 100%  
5/31/04 - HBU

805715 A.D.  
ECA 39.21%  
CABOT 16.37%  
TANDEM 44.62%

ECA 55.38%  
PIONEER 44.62%

BBC 100%  
5/31/14

ECA 100%  
9/30/10

19

20

21

30S 25E

BIG INDIAN #3 UNIT

24

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

INTREPID O&G  
100%  
12/31/06

INTREPID O&G  
100%  
12/31/06

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

ECA 55.38%  
JV ATKINSON, ET AL 44.62%

ECA 100%

ECA 100%

19

20

21

30S 25E

BIG INDIAN #3 UNIT

24

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

INTREPID O&G  
100%  
12/31/06

INTREPID O&G  
100%  
12/31/06

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

ECA 55.38%  
JV ATKINSON, ET AL 44.62%

ECA 100%

ECA 100%

# ENCANA™



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

370 17th Street  
Suite 1700  
Denver, CO 80202

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

May 21, 2008

*Sent via Certified Mail - 70062760000228878094*

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

Re: Directional Drilling Consent - Bull Horn Fed 9-24-30-25  
834' FNL, 659' FEL (SHL)  
1,657' FNL, 738' FEL (BHL)  
Section 9-T30S-R25E  
San Juan County, Utah

Mr. Rowe:

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

The proposed surface location is at 834' FNL and 659' FEL, and bottom hole location at 1,657' FNL and 738' FEL, in Section 9, Township 30 South, Range 25 East, San Juan County, Utah.

In accordance with the above referenced rules, please indicate your consent to the directional drilling of the Bull Horn Fed 9-24-30-25 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) 876-6026. Please call me at (720) 876-5026 if you have any questions or concerns.

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

Emily Conrad  
Land Negotiator

Directional Drilling Consent for the Bull Horn Fed 9-24-30-25 well is hereby approved this 30 day of May, 2008.

By:

Title: LANDMAN

Phone: 303 226 9418

RECEIVED  
JUN 02 2008  
DIV. OF OIL, GAS & MINING

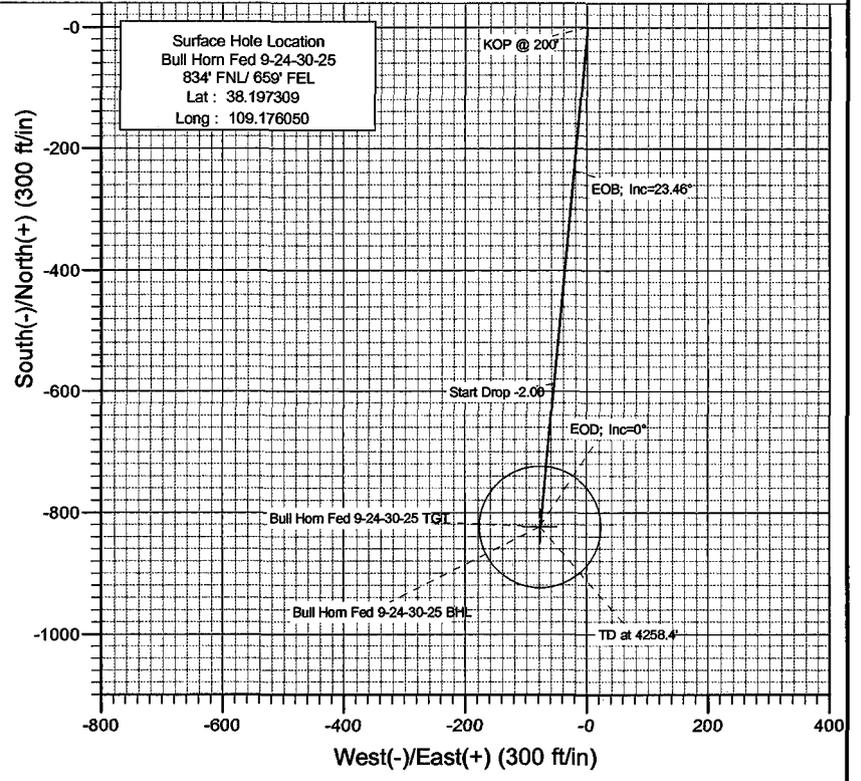
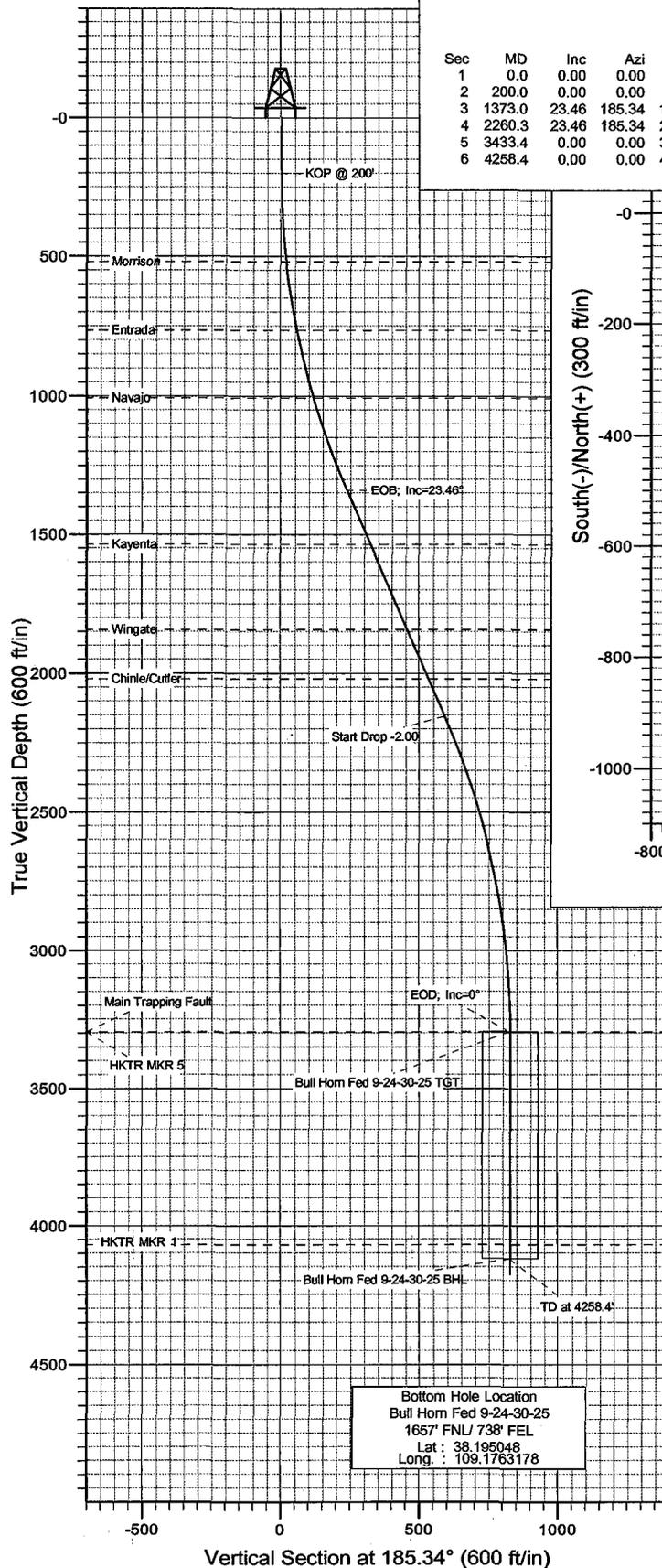


Project: Paradox  
 Site: SENE S9-24-30-25  
 Well: Bull Horn Fed 9-24-30-25  
 Wellbore: DD  
 Design: Plan #2



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	200.0	0.00	0.00	200.0	0.0	0.0	0.00	0.00	0.0	
3	1373.0	23.46	185.34	1340.5	-235.8	-22.1	2.00	185.34	236.8	
4	2260.3	23.46	185.34	2154.5	-587.5	-54.9	0.00	0.00	590.1	
5	3433.4	0.00	0.00	3295.0	-823.3	-77.0	2.00	180.00	826.9	Bull Horn Fed 9-24-30-25 TGT
6	4258.4	0.00	0.00	4120.0	-823.3	-77.0	0.00	0.00	826.9	Bull Horn Fed 9-24-30-25 BHL



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
520.0	520.7	Morrison
765.0	768.7	Entrada
1007.0	1018.1	Navajo
1536.0	1586.1	Kayenta
1843.0	1920.8	Wingate
2020.0	2113.7	Chinle/Cutler
3295.0	3433.4	HKTR MKR 5
3295.0	3433.4	Main Trapping Fault
4070.0	4208.4	HKTR MKR 1



Azimuths to True North  
 Magnetic North: 11.04°  
 Magnetic Field  
 Strength: 51688.5nT  
 Dip Angle: 64.51°  
 Date: 5/20/2008  
 Model: IGRF200510

DESIGN DETAILS: Plan #2

85XXX; BAO  
 KBE @ 6870.0ft (Original Well Elev)

Target	Azimuth	Origin	N/S	E/W	From TVD
Bull Horn Fed 9-24-30-25 BHL	185.34	Slot	0.0	0.0	0.0

# Directional Plus Planning Report

**Database:** EDM 2003.21 US Multi User Db  
**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** Paradox (Nad 27)  
**Site:** SENE S9-24-30-25  
**Well:** Bull Horn Fed 9-24-30-25  
**Wellbore:** DD  
**Design:** Plan #2

**Local Co-ordinate Reference:** Well Bull Horn Fed 9-24-30-25  
**TVD Reference:** KBE @ 6870.0ft (Original Well Elev)  
**MD Reference:** KBE @ 6870.0ft (Original Well Elev)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

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

<b>Site</b>	SENE S9-24-30-25				
<b>Site Position:</b>		<b>Northing:</b>	564,847.52 ft	<b>Latitude:</b>	38.195159
<b>From:</b>	Lat/Long	<b>Easting:</b>	2,667,766.49 ft	<b>Longitude:</b>	-109.176278
<b>Position Uncertainty:</b>	0.0 ft	<b>Slot Radius:</b>	"	<b>Grid Convergence:</b>	1.42 °

<b>Well</b>	Bull Horn Fed 9-24-30-25					
<b>Well Position</b>	<b>+N/-S</b>	0.0 ft	<b>Northing:</b>	565,631.83 ft	<b>Latitude:</b>	38.197309
	<b>+E/-W</b>	0.0 ft	<b>Easting:</b>	2,667,812.54 ft	<b>Longitude:</b>	-109.176050
<b>Position Uncertainty</b>		0.0 ft	<b>Wellhead Elevation:</b>	ft	<b>Ground Level:</b>	6,850.0 ft

<b>Wellbore</b>	DD				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF200510	5/20/2008	11.04	64.51	51,688

<b>Design</b>	Plan #2			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PLAN	<b>Tie On Depth:</b>	0.0
<b>Vertical Section:</b>	<b>Depth From (TVD) (ft)</b>	<b>+N/-S (ft)</b>	<b>+E/-W (ft)</b>	<b>Direction (°)</b>
	0.0	0.0	0.0	185.34

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	
200.0	0.00	0.00	200.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,373.0	23.46	185.34	1,340.5	-235.8	-22.1	2.00	2.00	0.00	185.34	
2,260.3	23.46	185.34	2,154.5	-587.5	-54.9	0.00	0.00	0.00	0.00	
3,433.4	0.00	0.00	3,295.0	-823.3	-77.0	2.00	-2.00	0.00	180.00	Bull Horn Fed 9-24-30
4,258.4	0.00	0.00	4,120.0	-823.3	-77.0	0.00	0.00	0.00	0.00	Bull Horn Fed 9-24-30

# Directional Plus

## Planning Report

**Database:** EDM 2003.21 US Multi User Db  
**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** Paradox (Nad 27)  
**Site:** SENE S9-24-30-25  
**Well:** Bull Horn Fed 9-24-30-25  
**Wellbore:** DD  
**Design:** Plan #2

**Local Co-ordinate Reference:** Well Bull Horn Fed 9-24-30-25  
**TVD Reference:** KBE @ 6870.0ft (Original Well Elev)  
**MD Reference:** KBE @ 6870.0ft (Original Well Elev)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

### Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	KOP @ 200'
300.0	2.00	185.34	300.0	-1.7	-0.2	1.7	2.00	2.00	
400.0	4.00	185.34	399.8	-6.9	-0.6	7.0	2.00	2.00	
500.0	6.00	185.34	499.5	-15.6	-1.5	15.7	2.00	2.00	
520.7	6.41	185.34	520.0	-17.9	-1.7	17.9	2.00	2.00	Morrison
600.0	8.00	185.34	598.7	-27.8	-2.6	27.9	2.00	2.00	
700.0	10.00	185.34	697.5	-43.3	-4.1	43.5	2.00	2.00	
768.7	11.37	185.34	765.0	-56.0	-5.2	56.3	2.00	2.00	Entrada
800.0	12.00	185.34	795.6	-62.3	-5.8	62.6	2.00	2.00	
900.0	14.00	185.34	893.1	-84.7	-7.9	85.1	2.00	2.00	
1,000.0	16.00	185.34	989.6	-110.5	-10.3	111.0	2.00	2.00	
1,018.1	16.36	185.34	1,007.0	-115.5	-10.8	116.0	2.00	2.00	Navajo
1,100.0	18.00	185.34	1,085.3	-139.6	-13.1	140.2	2.00	2.00	
1,200.0	20.00	185.34	1,179.8	-172.0	-16.1	172.8	2.00	2.00	
1,300.0	22.00	185.34	1,273.2	-207.7	-19.4	208.6	2.00	2.00	
1,373.0	23.46	185.34	1,340.5	-235.8	-22.1	236.8	2.00	2.00	EOB; Inc=23.46°
1,400.0	23.46	185.34	1,365.3	-246.5	-23.1	247.6	0.00	0.00	
1,500.0	23.46	185.34	1,457.0	-286.1	-26.8	287.4	0.00	0.00	
1,586.1	23.46	185.34	1,536.0	-320.3	-30.0	321.7	0.00	0.00	Kayenta
1,600.0	23.46	185.34	1,548.7	-325.8	-30.5	327.2	0.00	0.00	
1,700.0	23.46	185.34	1,640.5	-365.4	-34.2	367.0	0.00	0.00	
1,800.0	23.46	185.34	1,732.2	-405.0	-37.9	406.8	0.00	0.00	
1,900.0	23.46	185.34	1,823.9	-444.7	-41.6	446.6	0.00	0.00	
1,920.8	23.46	185.34	1,843.0	-452.9	-42.4	454.9	0.00	0.00	Wingate
2,000.0	23.46	185.34	1,915.7	-484.3	-45.3	486.4	0.00	0.00	
2,100.0	23.46	185.34	2,007.4	-524.0	-49.0	526.2	0.00	0.00	
2,113.7	23.46	185.34	2,020.0	-529.4	-49.5	531.7	0.00	0.00	Chinle/Cutter
2,200.0	23.46	185.34	2,099.1	-563.6	-52.7	566.1	0.00	0.00	
2,260.3	23.46	185.34	2,154.5	-587.5	-54.9	590.1	0.00	0.00	Start Drop -2.00
2,300.0	22.67	185.34	2,191.0	-603.0	-56.4	605.6	2.00	-2.00	
2,400.0	20.67	185.34	2,283.9	-639.7	-59.8	642.5	2.00	-2.00	
2,500.0	18.67	185.34	2,378.1	-673.2	-63.0	676.2	2.00	-2.00	
2,600.0	16.67	185.34	2,473.3	-703.5	-65.8	706.5	2.00	-2.00	
2,700.0	14.67	185.34	2,569.6	-730.4	-68.3	733.5	2.00	-2.00	
2,800.0	12.67	185.34	2,666.8	-753.9	-70.5	757.2	2.00	-2.00	
2,900.0	10.67	185.34	2,764.7	-774.0	-72.4	777.4	2.00	-2.00	
3,000.0	8.67	185.34	2,863.3	-790.7	-74.0	794.2	2.00	-2.00	
3,100.0	6.67	185.34	2,962.4	-804.0	-75.2	807.5	2.00	-2.00	
3,200.0	4.67	185.34	3,061.9	-813.8	-76.1	817.4	2.00	-2.00	
3,300.0	2.67	185.34	3,161.7	-820.2	-76.7	823.8	2.00	-2.00	
3,400.0	0.67	185.34	3,261.6	-823.1	-77.0	826.7	2.00	-2.00	
3,433.4	0.00	0.00	3,295.0	-823.3	-77.0	826.9	2.00	-2.00	EOD; Inc=0° - Main Trapping Fault - HKTR MKF
3,500.0	0.00	0.00	3,361.6	-823.3	-77.0	826.9	0.00	0.00	
3,600.0	0.00	0.00	3,461.6	-823.3	-77.0	826.9	0.00	0.00	
3,700.0	0.00	0.00	3,561.6	-823.3	-77.0	826.9	0.00	0.00	
3,800.0	0.00	0.00	3,661.6	-823.3	-77.0	826.9	0.00	0.00	
3,900.0	0.00	0.00	3,761.6	-823.3	-77.0	826.9	0.00	0.00	
4,000.0	0.00	0.00	3,861.6	-823.3	-77.0	826.9	0.00	0.00	
4,100.0	0.00	0.00	3,961.6	-823.3	-77.0	826.9	0.00	0.00	
4,200.0	0.00	0.00	4,061.6	-823.3	-77.0	826.9	0.00	0.00	

# Directional Plus

## Planning Report

**Database:** EDM 2003.21 US Multi User Db  
**Company:** EnCana Oil & Gas (USA) Inc  
**Project:** Paradox (Nad 27)  
**Site:** SENE S9-24-30-25  
**Well:** Bull Horn Fed 9-24-30-25  
**Wellbore:** DD  
**Design:** Plan #2

**Local Co-ordinate Reference:** Well Bull Horn Fed 9-24-30-25  
**TVD Reference:** KBE @ 6870.0ft (Original Well Elev)  
**MD Reference:** KBE @ 6870.0ft (Original Well Elev)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature

### Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
4,208.4	0.00	0.00	4,070.0	-823.3	-77.0	826.9	0.00	0.00	HKTR MKR 1
4,258.4	0.00	0.00	4,120.0	-823.3	-77.0	826.9	0.00	0.00	TD at 4258.4' - Bull Horn Fed 9-24-30-25 BHL

### Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Bull Horn Fed 9-24-30-2 - plan hits target center - Circle (radius 100.0)	0.00	0.00	4,120.0	-823.3	-77.0	564,806.83	2,667,756.00	38.195048	-109.176318
Bull Horn Fed 9-24-30-2 - plan hits target center - Point	0.00	0.00	3,295.0	-823.3	-77.0	564,806.87	2,667,756.03	38.195048	-109.176318

### Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
520.7	520.0	Morrison			
768.7	765.0	Entrada			
1,018.1	1,007.0	Navajo			
1,586.1	1,536.0	Kayenta			
1,920.8	1,843.0	Wingate			
2,113.7	2,020.0	Chinle/Cutler			
3,433.4	3,295.0	Main Trapping Fault			
3,433.4	3,295.0	HKTR MKR 5			
4,208.4	4,070.0	HKTR MKR 1			

### Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
200.0	200.0	0.0	0.0	KOP @ 200'
1,373.0	1,340.5	-235.8	-22.1	EOB; Inc=23.46°
2,260.3	2,154.5	-587.5	-54.9	Start Drop -2.00
3,433.4	3,295.0	-823.3	-77.0	EOD; Inc=0°
4,258.4	4,120.0	-823.3	-77.0	TD at 4258.4'

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/02/2008

API NO. ASSIGNED: 43-037-31894

WELL NAME: BULL HORN FED 9-24-30-25  
 OPERATOR: ENCANA OIL & GAS (USA) ( N2175 )  
 CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

NENE 09 300S 250E  
 SURFACE: 0834 FNL 0659 FEL  
 BOTTOM: 1657 FNL 0738 FEL  
 COUNTY: SAN JUAN  
 LATITUDE: 38.19733 LONGITUDE: -109.1761  
 UTM SURF EASTINGS: 659713 NORTHINGS: 4229076  
 FIELD NAME: BIG INDIAN (HERMOSA) ( 290 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-73738  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: HNKRT  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

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

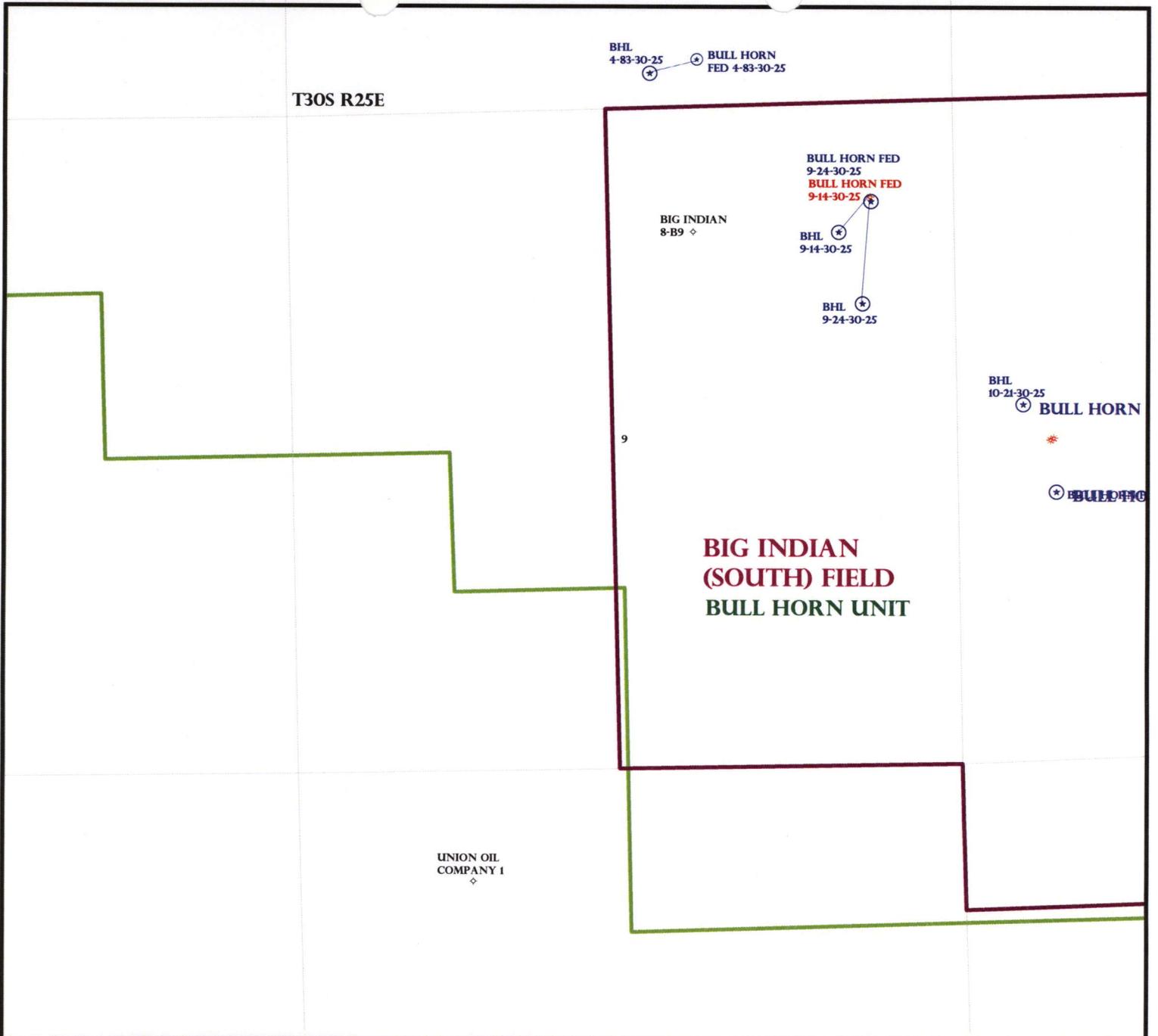
LOCATION AND SITING:

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

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

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

*1- Federal Approval*  
*2- Spacing Strip*



OPERATOR: ENCANA O&G USA (N2175)

SEC: 9 T.30S R. 25E

FIELD: BIG INDIAN (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: 04-JUNE-2008



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

June 5, 2008

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

Re: Bull Horn Federal 9-24-30-25 Well, Surface Location 834' FNL, 659' FEL, NE NE,  
Sec. 9, T. 30 South, R. 25 East, Bottom Location 1657' FNL, 738' FEL, SE NE,  
Sec. 9, 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 43-037-31894.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: EnCana Oil & Gas (USA) Inc.  
Well Name & Number Bull Horn Federal 9-24-30-25  
API Number: 43-037-31894  
Lease: UTU-73738

Surface Location: NE NE Sec. 9 T. 30 South R. 25 East  
Bottom Location: SE NE Sec. 9 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.

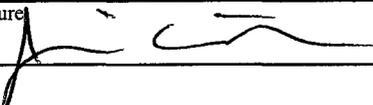
UNITED STATES RECEIVED  
 DEPARTMENT OF THE INTERIOR FIELD OFFICE  
 BUREAU OF LAND MANAGEMENT  
 APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>UTU-73738</b>
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>EnCana Oil &amp; Gas (USA) Inc.</b>		7. If Unit or CA Agreement, Name and No. <b>Bull Horn, UTU-81301X</b>
3a. Address <b>370 17th St., Suite 1700, Denver CO 80202</b>		8. Lease Name and Well No. <b>Bull Horn Fed 9-24-30-25</b>
3b. Phone No. (include area code) <b>720-876-5339</b>		9. API Well No. <b>4303731894</b>
4. Location of well (Report location clearly and in accordance with any State requirements.)* At surface <b>834' FNL &amp; 659' FEL</b> At proposed prod. zone <b>1657' FNL &amp; 738' FEL</b>		10. Field and Pool, or Exploratory <b>Big Indian (South)</b>
14. Distance in miles and direction from nearest town or post office* <b>Approximately 14.0 Miles SE of La Sal, UT</b>		11. Sec., T., R., M., or Blk. And Survey or Area <b>Sec. 9, T30S-R25E</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)	16. No. of Acres in lease <b>1360.00</b>	12. County or Parish <b>San Juan</b>
<b>738' BHL</b> <b>2741' BHL</b>	17. Spacing Unit dedicated to this well <b>40 acres</b>	13. State <b>Utah</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>607' BHL</b>	19. Proposed Depth <b>4120' TVD</b>	20. BLM/ BIA Bond No. on file <b>UT1005</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6809.6' GR</b>	22. Aproximate date work will start* <b>01-Jul-08</b>	23. Estimated Duration <b>30 Days</b>

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>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).</li> </ol> | <ol style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).</li> <li>5. Operator certification.</li> <li>6. Such other site specific information and/ or plans as may be required by the BLM.</li> </ol> |
|--|--|

25. Signature 	Name (Printed/ Typed) <b>Jevin Croteau</b>	Date <b>6/2/08</b>
Title <b>Regulatory Analyst</b>		
Approved By (Signature) <i>/s/ A. Lynn Jackson</i>	Name (Printed/ Typed) <i>/s/ A. Lynn Jackson</i>	Date <b>8/12/08</b>
Title <b>Assistant Field Manager, Division of Resources</b>	Office <b>Division of Resources Mcab Field Office</b>	

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

Conditions of approval, if any, are attached.

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

(Continued on page 2)

(Instructions on page 2)

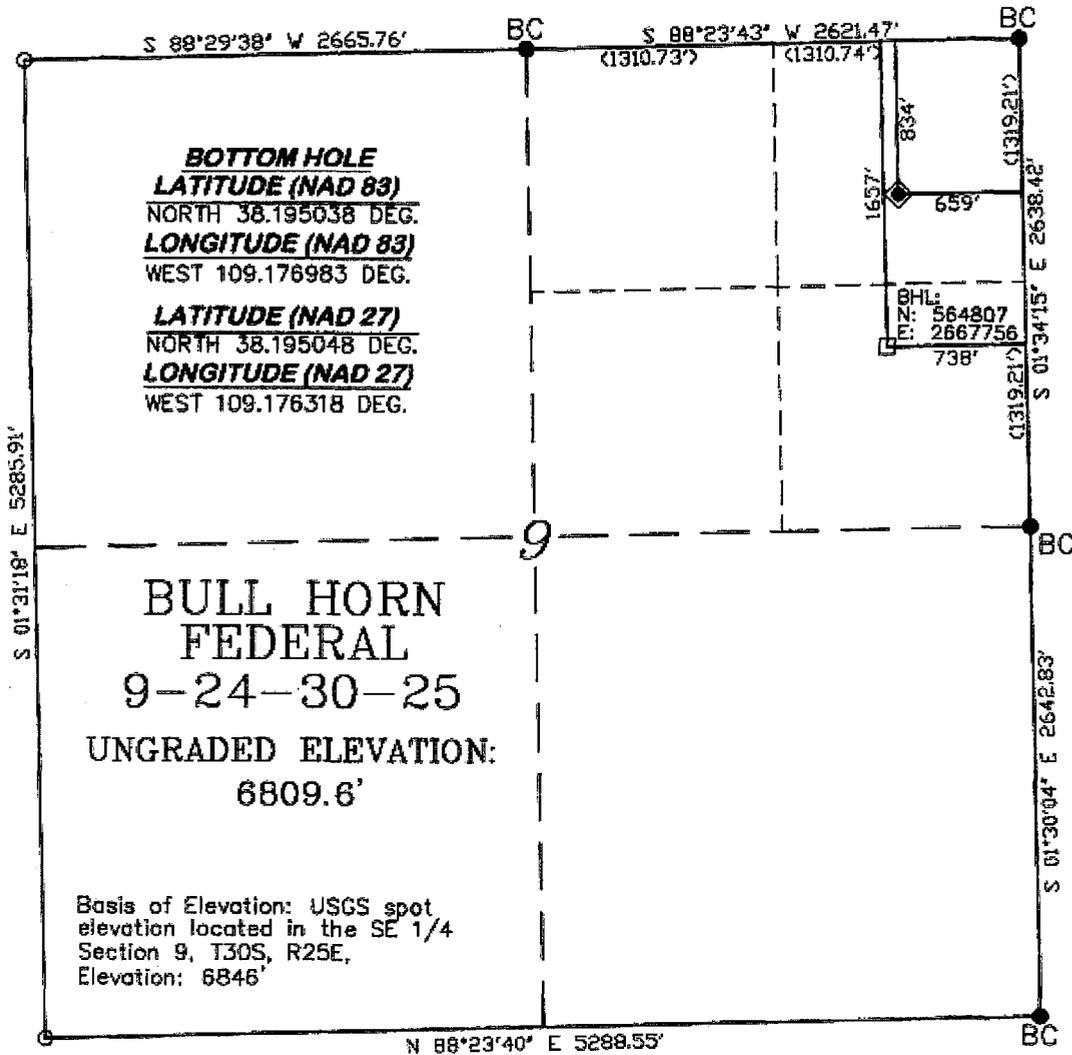
CONDITIONS OF APPROVAL ATTACHED  
 RECEIVED

AUG 18 2008

DIV. OF OIL, GAS & MINING

**CONFIDENTIAL**  
**TIGHT HOLE**

**R. 25 E.**

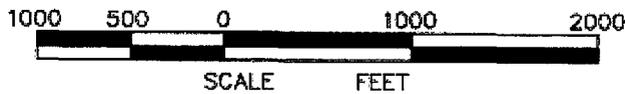


**BOTTOM HOLE**  
**LATITUDE (NAD 83)**  
 NORTH 38.195038 DEG.  
**LONGITUDE (NAD 83)**  
 WEST 109.176983 DEG.  
**LATITUDE (NAD 27)**  
 NORTH 38.195048 DEG.  
**LONGITUDE (NAD 27)**  
 WEST 109.176318 DEG.

**T. 30 S.**  
**LATITUDE (NAD 83)**  
 NORTH 38.197298 DEG.  
**LONGITUDE (NAD 83)**  
 WEST 109.176715 DEG.  
**LATITUDE (NAD 27)**  
 NORTH 38.197309 DEG.  
**LONGITUDE (NAD 27)**  
 WEST 109.176050 DEG.  
**NORTHING**  
 565631.73  
**EASTING**  
 2667812.46  
**DATUM**  
 SPCS UT SOUTH (NAD 27)

**BULL HORN FEDERAL**  
**9-24-30-25**  
 UNGRADED ELEVATION:  
 6809.6'

Basis of Elevation: USGS spot elevation located in the SE 1/4 Section 9, T30S, R25E, Elevation: 6846'



**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 28, 2008 and it correctly shows the location of BULL HORN FEDERAL 9-24-30-25, as staked on the ground.

**NOTES**

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

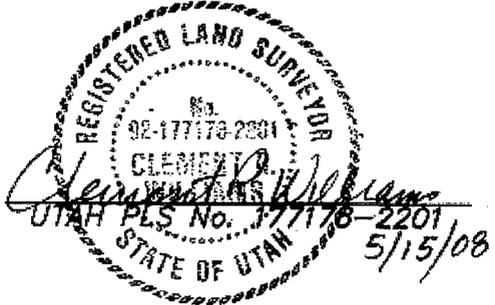


EXHIBIT 1



**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. 13399  
 REVISED: 5/15/08 - KRH

**834' F/NL & 659' F/EL, SECTION 9, T. 30 S., R. 25 E., SALT LAKE B.M. SAN JUAN COUNTY, UTAH**

EnCana Oil & Gas (USA), Inc.  
**Bull Horn Federal 9-24-30-25**  
Lease, Surface: UTU-73738  
Bottom-hole: UTU-73738  
Bull Horn Unit (UTU-81301-X)  
Location, Surface: NE/NE Section 9, T30S, R25E  
Bottom-hole: SE/NE Section 9, 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 (DOGGM) is required before conducting any surface disturbing activities.
3. 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. The operator will not be able to request a drilling extension past **August 5, 2011**. If the well has not been spudded by **August 5, 2011**, this APD will expire and the operator is to cease all operations related to preparing to drill the well.
2. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the operator.
3. In order to protect watershed values, no road/well pad construction or drilling operations will be authorized between November 1 and April 30. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
4. In order to protect wintering big game animals, no road/well pad construction or drilling operations will be authorized between November 1 and May 15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
5. The operator will be responsible for weed control on the disturbed areas within the limits of the well pad and road construction. The operator will be responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods.
6. In order to protect nesting raptors, no road or well pad construction, drilling or well completion operations, or construction of production facilities will be authorized between March 1 and August 31. No permanent facilities or construction activities that could cause permanent abandonment of established nest sites and kit fox natal dens if facility or construction removed a nest or den or permanently interfered with nesting or dening activity would be allowed. Most raptors typically require a ½ mile buffer except burrowing owls which require a ¼ mile buffer to protect nest site and nest activity. Raptor and kit fox surveys would be required during breeding and nesting season by a qualified biologist. The restriction would reduce potential impacts to other bird species, prairie dogs and kit fox when the young would be raised. The limitation does not apply to maintenance and operation of producing wells. Exceptions will be granted to this limitation and will be specified in writing by the Moab Field Office.

### 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) or Dave Skinner (435-259-2145) 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 spud;

50 feet prior to reaching the surface casing setting depth;

3 hours prior to testing BOPE.

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

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

Eric Jones, Petroleum Engineer      Office: 435-259-2117  
Home: 435-259-2214

**CONFIDENTIAL**

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73738
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17th St, Suite 1700 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Bull Horn Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 834' FNL & 659' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 9 30S 25E S		8. WELL NAME and NUMBER: Bull Horn Fed 9-24-30-25
PHONE NUMBER: (720) 876-5339		9. API NUMBER: 4303731894
COUNTY: San Juan		10. FIELD AND POOL, OR WLD CAT: Big Indian (South)
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request APD Extension
	<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 our approved Application for Permit to Drill for the subject well. Nothing has changed on the approved application.

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

Approved by the  
Utah Division of  
Oil, Gas and Mining

**COPY SENT TO OPERATOR**

Date: 6.8.2009

Initials: KS

Date: 06-24-09

By: [Signature]

NAME (PLEASE PRINT) <u>Jevin Croteau</u>	TITLE <u>Regulatory Analyst</u>
SIGNATURE <u>[Signature]</u>	DATE <u>6/1/09</u> <b>RECEIVED</b>

(This space for State use only)

**JUN 04 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:** 43-037-31894  
**Well Name:** Bull Horn Fed 9-24-30-25  
**Location:** 834' FNL & 659' FEL, Sec. 9, T30S, R25E, SLPM  
**Company Permit Issued to:** EnCana Oil & Gas (USA) Inc.  
**Date Original Permit Issued:** 6/5/2008

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

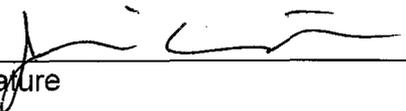
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

6/11/09  
\_\_\_\_\_  
Date

Title: Regulatory Analyst

Representing: EnCana Oil & Gas (USA) Inc.

**RECEIVED**  
**JUN 04 2009**  
DIV. OF OIL, GAS & MINING

**CONFIDENTIAL**

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-73738</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:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: <b>Bull Horn Unit</b>
2. NAME OF OPERATOR: <b>EnCana Oil &amp; Gas (USA) Inc.</b>			8. WELL NAME and NUMBER: <b>Bull Horn Fed 9-24-30-25</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>	9. API NUMBER: <b>4303731894</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>834' FNL &amp; 659' FEL</b>			10. FIELD AND POOL, OR WILDCAT: <b>Big Indian (South)</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENE 9 30S 25E S</b>			COUNTY: <b>San Juan</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"/> 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"/> 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>Request APD Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

EnCana Oil & Gas (USA) Inc. is requesting an extension on the approved Application for Permit to Drill for the subject well. Nothing has changed on the approved application.

Please find attached a copy of the APD Request for Permit Extension Validation checklist.

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

Date: 05-03-10  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 5.4.2010  
Initials: KS

NAME (PLEASE PRINT) <u>Jevin Croteau</u>	TITLE <u>Regulatory Analyst</u>
SIGNATURE <u>[Signature]</u>	DATE <u>4/23/10</u>

(This space for State use only)

**RECEIVED  
APR 27 2010**

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

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

**API:** 4303731894  
**Well Name:** Bull Horn Fed 9-24-30-25  
**Location:** 834' FNL & 659' FEL, Sec. 9, T30S, R25E, SLPM  
**Company Permit Issued to:** EnCana Oil & Gas (USA) Inc.  
**Date Original Permit Issued:** 6/5/2008

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

4/23/10  
\_\_\_\_\_  
Date

Title: Regulatory Analyst

Representing: EnCana Oil & Gas (USA) Inc.

**RECEIVED**

**APR 27 2010**

**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:

BULL HORN

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

**DATA ENTRY:**

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

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

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. *RIB 0013207 + B 006008*

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

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

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

(This space for State use only)

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

(See Instructions on Reverse Side)

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

ENCANA O-G (N2175) to PATARA O-G (N3670)  
 effective May 4, 2010  
 BULL HORN

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



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO  
3180  
UT-922

September 2, 2010

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

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

Dear Mr. Davis:

On August 30, 2010, we received an indenture dated May 4, 2010, whereby EnCana Oil & Gas (USA), Inc. resigned as Unit Operator and Patara Oil & Gas, LLC was designated as Successor Unit Operator for the Bull Horn Unit, San Juan County, Utah. The indenture was executed by both parties and the signatory parties (working interest owners) have complied with Sections 5 and 6 of the unit agreement.

The instrument is hereby approved effective September 2, 2010. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Bull Horn Unit Agreement.

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

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate Field Office, with the remaining copies returned herewith.

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

Sincerely,

*/s/ Roger L. Bankert*

Roger L. Bankert  
Chief, Branch of Minerals

**RECEIVED**

**SEP 07 2010**

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

Enclosure

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>	Bull Horn Fed 9-24-30-25
<b>API number:</b>	4303731894
<b>Location:</b>	Qtr-Qtr: NENE Section: 9 Township: 30S Range: 25E
<b>Company that filed original application:</b>	EnCana Oil & Gas (USA) Inc.
<b>Date original permit was issued:</b>	06/05/2008
<b>Company that permit was issued to:</b>	EnCana Oil & Gas (USA) Inc.

Check one	Desired Action:
<input type="checkbox"/>	<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 type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0013207</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

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

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

(3/2004)

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

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-73738</b>
2. NAME OF OPERATOR: <b>Patara Oil &amp; Gas LLC</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St. Suite 1900S CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>		7. UNIT or CA AGREEMENT NAME: <b>Bull Horn Unit</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>834FNL 659FEL</b>		8. WELL NAME and NUMBER: <b>Bull Horn Fed 9-24-30-25</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENE 9 30S 25E S</b>		9. API NUMBER: <b>4303731897</b>
PHONE NUMBER: <b>(303) 825-0685</b>		10. FIELD AND POOL, OR WILDCAT: <b>Big Indian South</b>
COUNTY: <b>San Juan</b>		STATE: <b>UTAH</b>

**CONFIDENTIAL**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: <u>7/22/2011</u>	<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: <u>APD Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

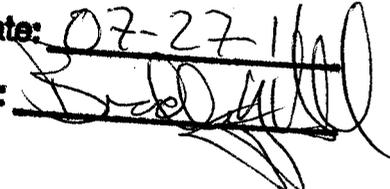
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

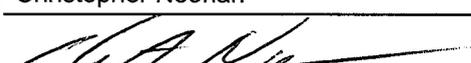
Patara Oil & Gas LLC requests the extension of the above mentioned APD for the maximum time allowable. The federal approval is valid until August 5, 2011, and Patara intends to renew the federal APD, drill, and complete the subject well. Please contact Christopher A. Noonan with Patara Oil & Gas LLC at 303-563-5377, or at bnoonan@pataraog.com with any questions or concerns. Thank you.

**COPY SENT TO OPERATOR**

Date: AUG 01 2011  
Initials: KS

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 07-27-11  
By: 

NAME (PLEASE PRINT) <u>Christopher Noonan</u>	TITLE <u>Production Technician</u>
SIGNATURE 	DATE <u>7/22/2011</u>

(This space for State use only)

**RECEIVED**

**JUL 26 2011**

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

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

**API:** 4303731894  
**Well Name:** Bull Horn Fed 9-24-30-25  
**Location:** 834' FNL 659' FEL Sec 9 T30S R25E SLPM  
**Company Permit Issued to:** Patara Oil & Gas LLC  
**Date Original Permit Issued:** 6/5/2008

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

7/22/2011  
\_\_\_\_\_  
Date

**Title:** Production Technician

**Representing:** Patara Oil & Gas LLC



GARY R. HERBERT  
Governor

GREG BELL  
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

August 14, 2012

Patara Oil & Gas, LLC  
600 17<sup>TH</sup> St. Suite 1900  
Denver, CO 80202

Re: APD Rescinded – Bull Horn Fed 9-24-30-25 Sec. 9, T.30S, R. 25E  
San Juan County, Utah API No. 43-037-31894

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 June 5, 2008. On June 4, 2009, May 3, 2010 and July 27, 2011 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 August 14, 2012.

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, Moab

