

# APPLICATION FOR TEMPORARY CHANGE OF WATER

## STATE OF UTAH

Rec. by PW

Fee Amt. \$ \$75.00

Receipt # 08-02400

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

CHANGE APPLICATION NUMBER: (+34402)  
(c6749TALLRED)

WATER RIGHT NUMBER: 05-6

\*\*\*\*\*  
This Change Application proposes to change the POINT(S) OF DIVERSION, PLACE OF USE, and NATURE OF USE.  
\*\*\*\*\*

### 1. OWNERSHIP INFORMATION.

A. NAME: Charles Hardison Redd  
ADDRESS: P.O. Box 278  
La Sal UT 84530

INTEREST: 100%

B. PRIORITY OF CHANGE:

FILING DATE:

C. EVIDENCED BY: 05-6 (A2585)

\*-----\*  
\* DESCRIPTION OF CURRENT WATER RIGHT: \*  
\*-----\*

### 2. SOURCE INFORMATION.

A. QUANTITY OF WATER: 20.0 acre-feet

B. SOURCE: La Sal Creek

COUNTY: San Juan

C. POINT(S) OF DIVERSION.

POINT OF DIVERSION -- SURFACE:

(1) N 3,420 feet W 2,851 feet from SE corner, Section 07, T 28S, R 25E., SLBM

### 3. WATER USE INFORMATION.

IRRIGATION: from Apr 1 to Oct 31.

IRRIGATING: 5.0000 acres.

\*-----\*

PRICE WATER RIGHTS

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MAY 05 2008

MAY 05 2008

RECEIVED

PRICE WATER RIGHTS

4. PLACE OF USE.

(Which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST 1/4				NORTH-EAST 1/4				SOUTH-WEST 1/4				SOUTH-EAST 1/4					
				NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE		
SL	28S	25E	35				***					***	X	X	X	X	***				
SL	29S	24E	02				***					***	X				***				
			11		X	X	***		X	X	X	***					***				

\*-----\*

THE FOLLOWING CHANGES ARE PROPOSED:

\*-----\*

5. SOURCE INFORMATION.

A. QUANTITY OF WATER: 20.0 acre-feet

B. SOURCE: La Sal Creek (existing)

COUNTY: San Juan

C. POINT(S) OF DIVERSION. Changed as Follows:

POINT OF DIVERSION -- SURFACE:

(1) N 712 feet E 627 feet from SW corner, Section 08, T 28S, R 25E, SLBM

DIVERT WORKS: Existing Earthen Dams and Ditches

D. COMMON DESCRIPTION: 4 Mi NE of La Sal

6. WATER USE INFORMATION. Changed as Follows:

OTHER: from May 1 to Apr 30.

Drilling Work for Oil and Gas Wells, Road Construction and Maintenance

7. PLACE OF USE. Changed as Follows:

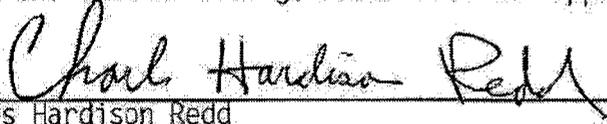
8. EXPLANATORY.

Proposed Wells in San Juan County for 2008

WELL	SEC.	T	RANGE	QQ
McKenna	02	29S	24E	SESE
NW Bullhorn 8-31	08	29S	24E	
Horn Fed	08	29S	26E	SENE
McKenna	11	29S	24E	SENE
McKenna 14-14	14	29S	24E	
Big Indian	27	29S	24E	NESE
Middle Mesa Fed	04	30S	25E	SESE of N2
Bull Horn Fed	09	30S	25E	NENE
Bull Horn Fed	10	30S	25E	NWSW
Big Horn Fed	14	30S	25E	SWNW
Bull Horn Fed	15	30S	25E	NENE

9. SIGNATURE OF APPLICANT(S).

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application, through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).



Charles Hardison Redd

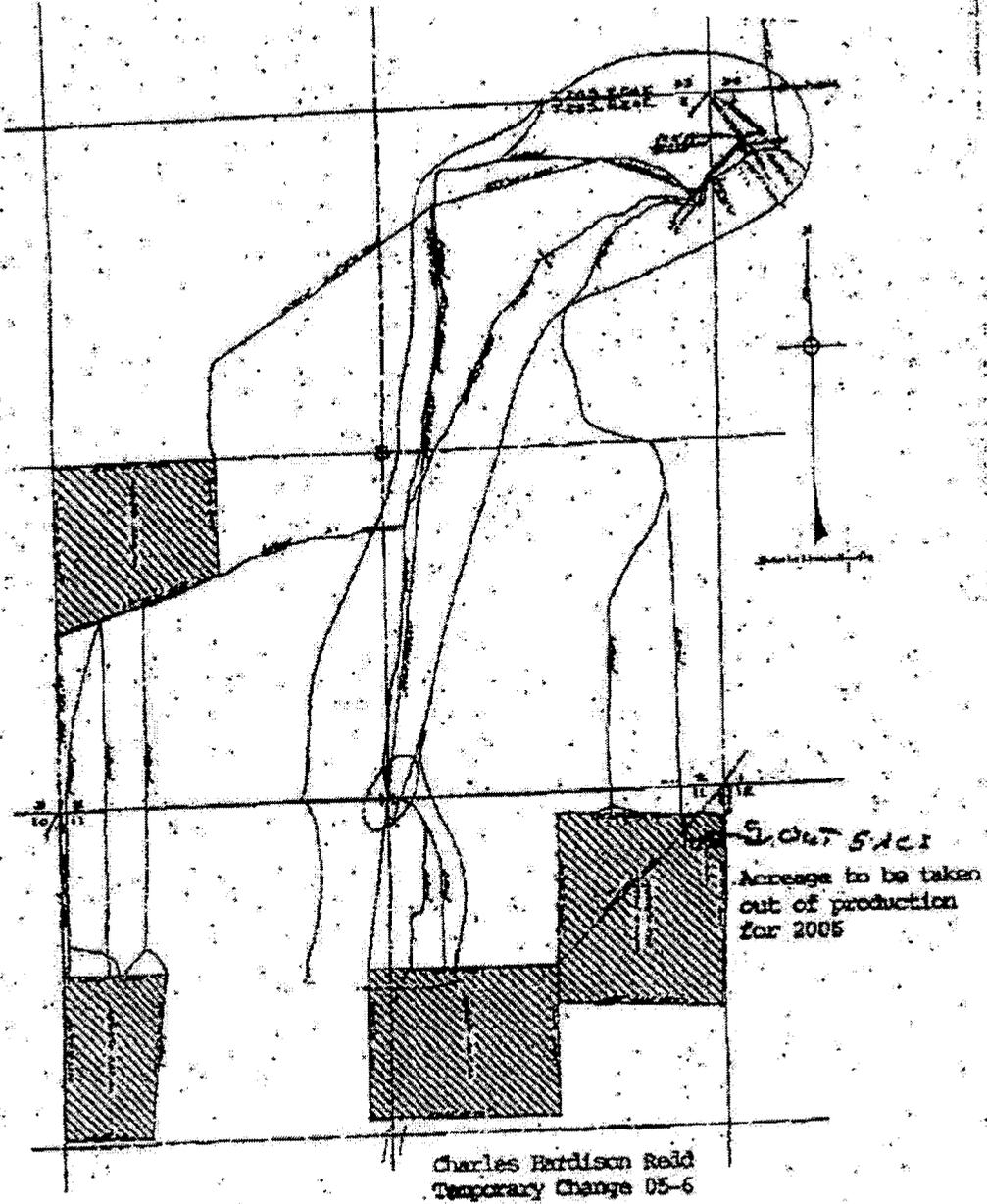
RECEIVED  
MAY 05 2008  
PRICE WATER RIGHTS

APPLICANTS MAP VERIFICATION STATEMENT

I/we, Charles Harrison Redd, hereby acknowledge that this map (or, the map attached to this application), consisting of 1 page(s) was prepared in support of Application Number C 6749TALLRED. I/we hereby accept and submit this map as a true representation of the facts shown thereon to the best of my/our knowledge and belief.

x Ch H Redd

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MAY 05 2008  
PRICE WATER RIGHTS



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 MAY 05 2008  
 PRICE WATER RIGHTS

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MAY 15 2007  
 WATER RIGHTS  
 PRICE

**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. MIN/FRAI. LEASE NO: <i>UWU-84218</i>	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: Middle Mesa Unit	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.				9. WELL NAME and NUMBER: Middle Mesa Fed 5-10-30-25	
3. ADDRESS OF OPERATOR: 370 17th St., Suite 1700 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (720) 876-5339	10. FIELD AND POOL, OR W/LDCAT: <i>South Pine Ridge Undesignated</i>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2410' FNL & 1629' FEL <i>657761X 38.223670</i> AT PROPOSED PRODUCING ZONE: <i>4231961Y -109.197751</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: L 10 5 30S 25E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 6.0 miles SE of La Sal, Utah				12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 845'		16. NUMBER OF ACRES IN LEASE: 2119.28		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1965'		19. PROPOSED DEPTH: 5,840		20. BOND DESCRIPTION: RLB0001191	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6661.8' GR		22. APPROXIMATE DATE WORK WILL START: 10/1/2008		23. ESTIMATED DURATION: 30 Days	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4	9 5/8	J-55	36#	2,400	Class G + 2% gel	1001sx 2.09 cuft/sx	12.5#
8 3/4	5 1/2	I-80	17#	5,840	Class G 50/50 Poz	771sx 1.41 cuft/sx	13#

**ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst  
SIGNATURE *[Signature]* DATE 8/7/08

(This space for State use only)

API NUMBER ASSIGNED: 43037-31897

Approved by the  
Utah Division of  
Oil, Gas and Mining  
APPROVAL:

Date: 11-20-08  
(See Instructions on Reverse Side)

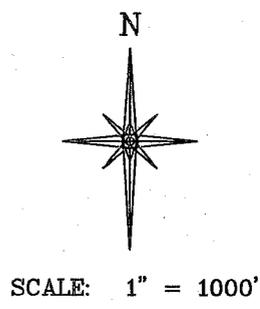
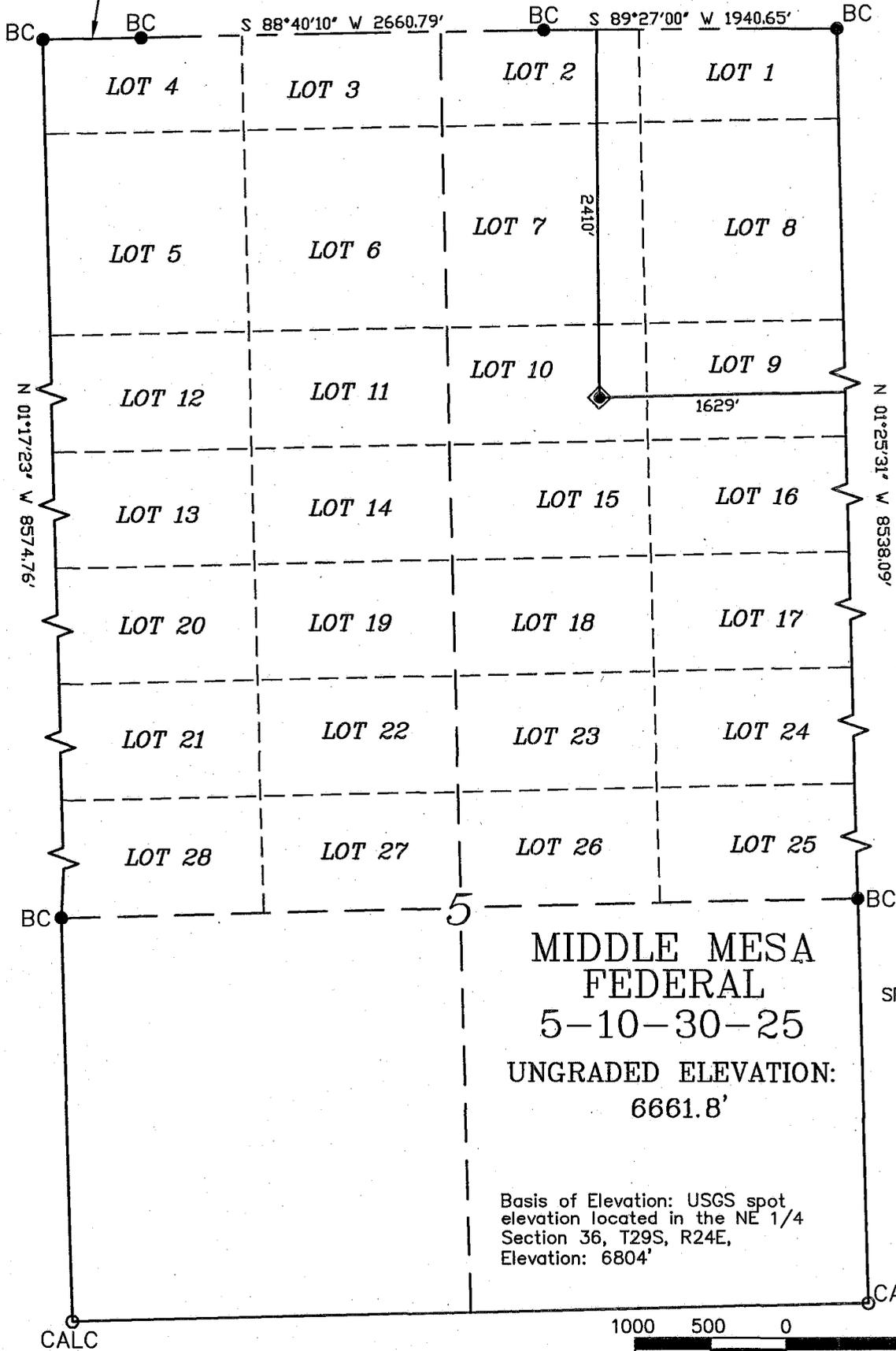
By: *[Signature]*

**RECEIVED**  
**AUG 11 2008**  
DIV. OF OIL, GAS & MINING

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

R. 25 E.

S 88°29'24" W 646.86'



T. 30 S.

**LATITUDE (NAD 27)**  
NORTH 38.223740 DEG.  
**LONGITUDE (NAD 27)**  
WEST 109.197741 DEG.

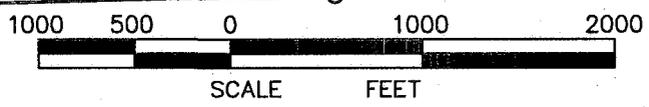
**LATITUDE (NAD 83)**  
NORTH 38.223729 DEG.  
**LONGITUDE (NAD 83)**  
WEST 109.198406 DEG.

**NORTHING**  
575099.80  
**EASTING**  
2661343.66

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

MIDDLE MESA  
FEDERAL  
5-10-30-25  
UNGRADED ELEVATION:  
6661.8'

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



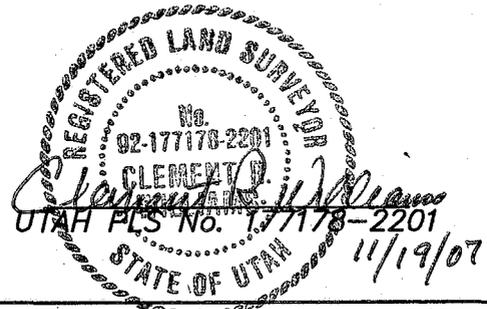
**SURVEYOR'S STATEMENT**

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 NOVEMBER 06, 2007, and it correctly shows the location of MIDDLE MESA FEDERAL 5-10-30-25.

**NOTES**

- ◆ WELL LOCATION
- FOUND MONUMENT
- CALCULATED CORNER

EXHIBIT 1



**DGR** 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. 16030  
DATE: 11/19/07

**2410' F/NL & 1629' F/EL, SECTION 5,  
T. 30 S., R. 25 E., SALT LAKE B.M.  
SAN JUAN COUNTY, UTAH**

ONSHORE ORDER No. 1  
 EnCana Oil & Gas (USA), Inc.  
Middle Mesa Fed 05-10-30-25  
 2,410' FNL & 1,629' FEL (surface)  
 Section 05-T30S-R25E  
 2,410' FNL & 1,629' FEL (bottom hole)  
 Section 05-T30S-R25E  
 San Juan County, Utah

Lease No. U-16576

**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	+6670'
Entrada	851'	+5829'
Navajo	1158'	+5522'
Kayenta	1602'	+5078'
Wingate	1850'	+4830'
Chinle	2162'	+4518'
Cutler	2285'	+4395'
Honaker Trail	3968'	+2712'
La Sal	5364'	+1316'
La Sal Shale	5705'	+975'
Hatch	5790'	+890'
TD	5840'	+840'

**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	3968'
Gas	La Sal	5364'
Gas	La Sal Shale	5705'

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Section 05-T30S-R25E

San Juan County, Utah

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

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.

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

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

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 San Juan County, Utah

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**Drilling Program**

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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 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	0-2400'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-5840'	8-3/4"	5-1/2"	17#	I-80	LT&C	New

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

- p. The cement program will be as follows:

Surface	Type and Amount
0-2400'	Lead: 450 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 551 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
2400'-5840'	771 sx Class G 50/50 Poz, 1.41 cuft/sx yield, 13 ppg

- q. The BLM in Moab, Utah should be notified, with sufficient lead time, in order to have a BLM

Drilling Program

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
0-3500'	Water	+/- 8.5	+/- 27	N.C.
3500'-TD	LSND	+/- 8.8-9.1	+/- 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:

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

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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 be made up of one run. The first run will consist of a GR/AIT/NEUT-DEN w/ PE 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 2400 psi (pressure gradient of 0.396 psi/ft). Source of pressure estimate was from data obtained for the La Sal geological formation in the Middle Mesa State 36-14-29-24
- b. No hydrogen sulfide gas is anticipated; no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2b., if hydrogen sulfide is present the "operator shall initially test the H2S concentration of the gasstream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

**8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS**

- a. The BLM in Moab (435-259-2100) shall be notified at least 24 hours prior to:
  1. Spudding the well
  2. Running the casing strings and cementing
  3. BOP tests/casing pressured tests.
- b. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, work over, and/or completions operations will be filed with a Completion Report (Form 3160-4), in triplicate. Submit casing/cementing reports and other subsequent reports via Sundry Notice Form 3160-5.
- c. In accordance with 43 CFR 3162.4-3, this well shall be reported on MMS Form 3160, "Monthly Report of Operations", starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.
- d. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- e. Pursuant to NTL-4A, lessees or operators are authorized to vent/bare 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

Drilling Program

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production has begun or resumed.”

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

- i. The BLM in Moab (435-259-2100) shall be notified within 5 business days of production start-up if either of the following two conditions occur:

1. The well is placed on production, or
2. The well resumes production after being off of production for more than 90 days.

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

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

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

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

ONSHORE ORDER No. 1

EnCana Oil & Gas (USA), Inc.

**Middle Mesa Fed 05-10-30-25**

2,410' FNL & 1,629' FEL (surface)

Section 05-T30S-R25E

2,410' FNL & 1,629' FEL (bottom hole)

Section 05-T30S-R25E

San Juan County, Utah

Lease No. U-16576

**Drilling Program**

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**Managing Agency.**

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

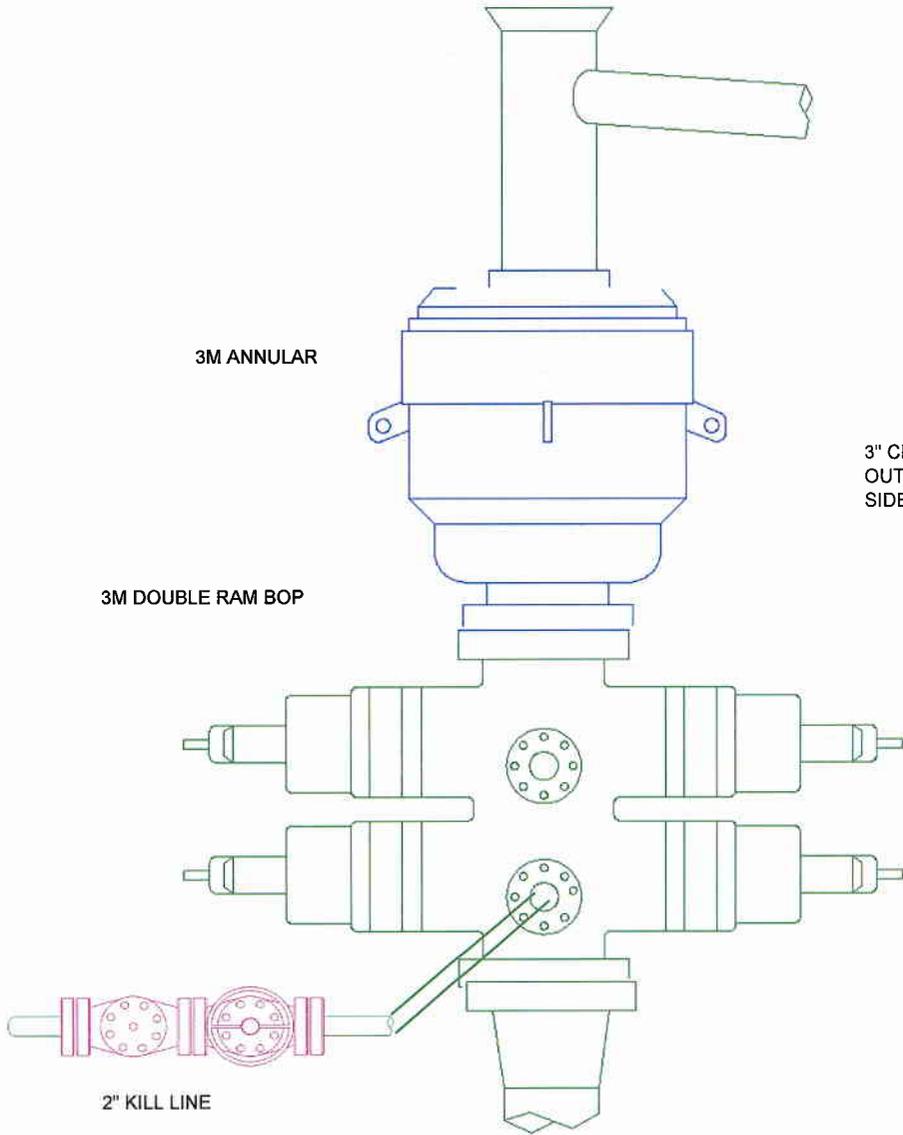
Address: 82 East Dogwood Ave. Phone: 435-259-2100

Moab, Utah 84532

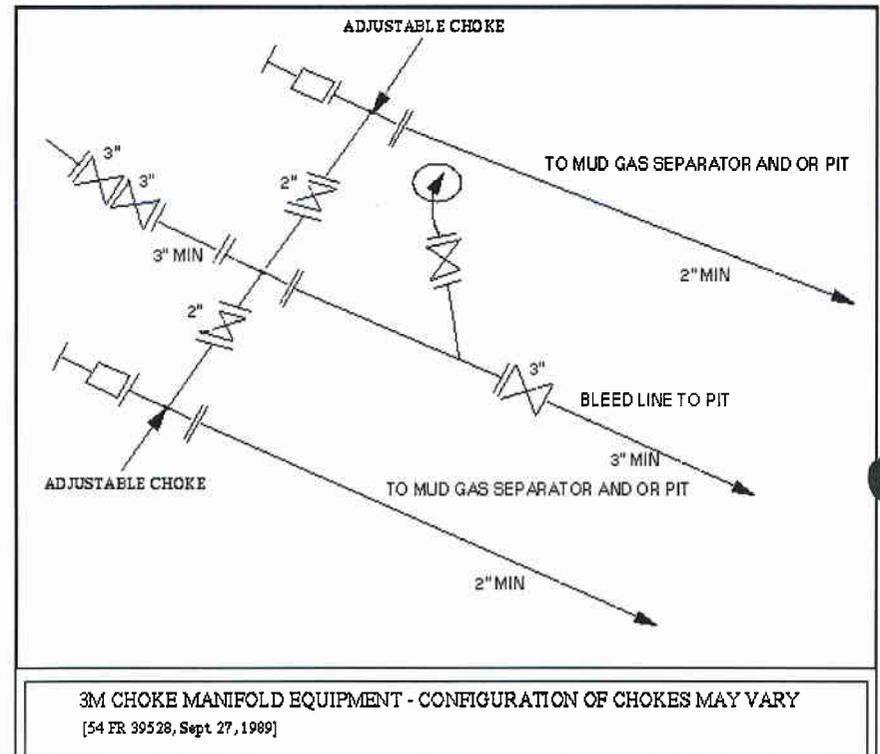
Business Hours: 7:45 a.m. to 4:30 p.m. (Mountain Time), Mon-Fri.

**After Hours:**

Jack Johnson	Engineering Technician	435-259-2129
Eric Jones	Petroleum Engineer	435-259-2117



3" CHOKE LINE FROM  
OUTLET ON BOTTOM  
SIDE OF RAMS



ONSHORE ORDER No. 1  
EnCana Oil & Gas (USA) Inc.  
Middle Mesa Fed 5-10-30-25  
Lot 10 Section 5, T30S-R25E  
San Juan County, Utah

Surface Use Plan

Lease No. U-16576

**ONSHORE OIL & GAS ORDER NO. 1**  
**Twelve Point Surface Use Plan of Operations**

The onsite inspection for the subject location was conducted on June 11, 2008. In attendance at the onsite inspection were the following individuals:

<u>Name</u>	<u>Position</u>	<u>Organization</u>
Ben Kniola	Natural Resource Specialist	Bureau of Land Management
Jevin Croteau	Regulatory Analyst	EnCana Oil & Gas (USA) Inc.
Ron Krist	Construction Supervisor	EnCana
Theresa Garcia	EHS Technician	EnCana
Danny White	Post-construction	EnCana
Carol S. DeFrancia	Archaeologist	4-Corners Archaeological Svs.
Ron Rennke	Surveyor	D.R. Griffin & Assoc., Inc.
George Sanders	Construction	Ebberts Construction

**1. EXISTING ROADS**

- a. The proposed well site is located approximately 6.7 miles Southeast of La Sal, Utah.
- b. Directions from La Sal, Utah are as follows:

From La Sal travel State Highway 46 westerly for 0.4 miles. Turn left on 115 Road and travel south for approximately 3.1 miles to the 191 Road. Turn left and travel easterly and southeasterly for 4.5 miles to the Middle Mesa 5-6-30-25 access road. Turn right and travel southwesterly for 0.5 miles to the proposed access road. Turn left and travel southeasterly for 0.5 miles. Turn right and travel southwesterly for 0.3 miles on an existing two-track road. Turn left and travel south for 0.3 miles to the proposed location.
- c. EnCana will obtain any permits needed from the San Juan County Road Department and approval from the State of Utah, School and Institutional Trust Lands administration before any construction activities begin.
- d. Existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well as per the road use agreement.
- e. Dust control measures will be implemented during dry weather when necessary. These may include mag chloride or other palliative.

**2. PLANNED ACCESS ROADS**

- a. For access roads, refer to Topo Maps A and B.
- b. There will be approximately 3,915' feet of new access road to be constructed and approximately 1,300' of existing two-track road re-construction.
- c. Some improvement to the existing road may be necessary.
- d. The new access will be constructed initially for drilling purposes to a maximum width of 25 feet and the maximum travel surface of 16 feet. If production is established the

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- maximum total disturbed width will be 40 feet and the maximum travel surface width will be 25 feet.
- e. The maximum grade of the new access road will be 8%.
  - f. No turnouts will be necessary.
  - g. All surface materials needed for construction will be procured from a commercial source, except those materials that will be generated during the construction of this well (excess fill, etc.).
  - h. The roads shall be maintained reasonably smooth, and free of ruts, soft spots, chuckholes, rocks, slides and washboards. The Engineered Road Design dated July 29, 2008 by Michael C. Lock and the BLM "Gold" book shall be followed for specifications on road design and culvert installation. All weather surfacing will be required if the well becomes a producer. A regular maintenance program shall include blading, ditching, sign replacement, surfacing, and culvert maintenance. All vehicles servicing the well are restricted to use of the approved access road and well pad.
  - i. Culverts or low water crossings will be installed where deemed necessary by the dirt contractor. See the attached Topo Map B for possible locations of culverts and low water crossings.
  - j. No fence cuts or cattle guards will be necessary unless specified by the BLM.
  - k. A road and pipeline right-of-way will not be required from the BLM. Both the access road and pipeline will be entirely within the Middle Mesa Unit. See the attached Topo Maps B and C.
  - l. Surface disturbance and vehicle travel will be limited to the approved location and approved pipeline/access road route. Any additional area needed will be approved by the BLM in advance.
  - m. No surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. EnCana will adhere to the Surface Use Program and the Conditions of Approval in the approved APD, relevant to any right-of-way facilities.
  - n. If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.
  - o. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligations determined by the BLM.

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- p. If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Field Office Manager will be notified so that temporary drainage control can be installed along the access road.
- q. All brush, limbs, and other woody material will be stockpiled separately from the topsoil along the roadway, or near the well pad. 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.
- r. No pullouts or off-road parking will be allowed unless specifically authorized. "Keep vehicles on road surface" signs will be installed to assist with compliance. Shortcutting by vehicles operated by EnCana or its contractors, on roads not identified as access routes in the APD, will not be allowed.

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

- a. Water Wells - 0
- b. Injection or Disposal Wells - 0
- c. Producing Wells - 2
- d. Proposed Wells - 1
- e. Shut In Wells - 0
- f. Plugged and Abandoned Wells - 1

**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 bbl tanks and if needed one 500 gal tank and methanol pump or dehy 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 laid on the surface from the pad until being buried under the Middle Mesa 5-6-30-25 access road to the tie-in point with the existing pipeline in the SESE of Section 31, T29S R25E. The total length of the pipeline is approximately 3,319' on BLM surface. See the attached Topo Map C.
- d. The pipeline will be left bare and allowed to rust in place to blend with the rock and natural soils on the surface. 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

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Bureau of Land Management

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

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

- a. The source of water for drilling and completion purposes will be obtained from the La Sal Creek located in the SW/4 of Section 8, T28S R25E, San Juan County, Utah.
- b. This water source will be permitted under the State of Utah, Department of Natural Resources, Division of Water Rights. Water Right Number 05-6.
- c. Water will be hauled to the location over the proposed access roads outlined in the SUP.

**6. CONSTRUCTION MATERIALS**

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

**7. METHODS FOR HANDLING WASTE DISPOSAL**

- a. Drill cuttings are to be contained and buried in the reserve pit.
- b. The reserve pit will be sealed in such a manner as to prevent leakage of the fluids. Methods available to insure containment of drilling fluids in the reserve pit include lining the inside of the pit with at least a 30 mil plastic liner. If a plastic liner is used, the bottom of the pit shall be smooth and free of any sharp rocks. If the pit has a rocky bottom, it shall be bedded with a material such as soil, sand, straw or hay to avoid the

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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 operations have been completed and shall remain until the pit is reclaimed. As soon as the reserve pit has dried or been sufficiently de-watered, all areas not needed for production will be rehabilitated. The reserve pit solids will not be squeezed out of the pit. The reserve pit will be backfilled and re-contoured to blend with the existing environment.
- e. Garbage is to be contained in the trash cage. The trash cage will be totally enclosed with small mesh wire to prevent wind scattering and wildlife entry. All garbage will be hauled to an approved disposal site at the end of drilling/completion operations.
- f. Sewage will be disposed of in accordance with State and County regulations. No sewage boreholes will be allowed. Chemical porta-toilets will be furnished and their contents hauled to an approved disposal site.
- g. The produced fluids (produced water, frac fluid and possibly condensate), while testing the well will be flowed back to a 400 bbl test tank. Any condensate will be skimmed and transferred to production tanks. Sand and produced fluids other than condensate will be transferred to the reserve pit until such time as the well is cleaned up sufficiently to produce pipeline quality gas. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

No camps, airstrips or other facilities will be necessary.

9. WELLSITE LAYOUT

- a. The survey plats are attached.
- b. The well pad plan is attached with the location of the reserve pit and access road onto the well pad.
- c. A cross section of the well pad with the cut and fill diagram is attached.
- d. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.
- e. The reserve pit will be designed to prevent the collection of surface runoff.
- f. The reserve pit liner shall remain intact until the reserve pit is reclaimed. Flare pits must be located a sufficient distance from the reserve pit to prevent the liner from being damaged during flaring operations.
- g. Prior to rigging up, a one-foot high berm will be constructed around the perimeter of the well pad to contain all storm events/spills from going downstream of the well pad.

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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. Where topsoil material is available it will be removed from the location, saved and stockpiled separately on the edge of the pad to be used for reclamation purposes.
- b. Topsoil along the access road will be reserved in place adjacent to the road.
- c. Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.
- d. When the reserve pit has 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 of 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 where available.
- i. Prior to reseeding, all disturbed areas, including the access roads will be scarified and left with a rough surface.
- j. Seed will be broadcast or drilled between September and October, or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.
- k. The following seed mixture or one approved by the BLM will be used. Seed labels from each bag shall be available for inspection while seeding is being accomplished. In the event grasses and native vegetation is not established after the first seeding application, subsequent applications will be performed until grasses and/or native vegetation is established.

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

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I. 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.
- 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 within the leased are either maintained by the State and County Road Departments or are on lands managed by the Bureau of Land Management or State of Utah, School and Institutional Lands Administration.

**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:

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- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures we 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 be authorized.
- d. A biological Raptor Breeding Season Survey will be conducted by Westwater Consulting for the surface location, access road and pipeline right-of-way and will be sent under separate cover.
- e. Wildlife surveys will be conducted as requested by the BLM Wildlife Biologist by Westwater Engineering and sent under separate cover.
- f. 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.
- g. "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.
- h. EnCana will remove the old existing stock tank near the SE corner of the pad and haul it to an approved disposal site.

**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      JERRY D. OLDS  
*Executive Director*      *State Engineer/Division Director*

## ORDER OF THE STATE ENGINEER

### For Temporary Change Application Number 05-6 (t34402)

Temporary Change Application Number 05-6 (t34402) in the name of Charles Hardison Redd was filed on May 5, 2008, to change the point of diversion, place of use and change the nature of use of 20.00 acre-feet (af) of water as evidenced by Water Right Number 05-6. Heretofore, the water has been diverted from a surface source located North 3,420 feet and West 2,851 feet from the SE Corner of Section 7, T28S, R25E, SLB&M. The water has been used for the irrigation of 5.00 acres from April 1 to October 31. The water was used in all or portion(s) of Section 35, T28S, R25E, SLB&M; Section 2 and 11, T29S, R24E, SLB&M.

Hereafter, it is proposed to divert 20.00 acre-feet of water from 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 work for oil and gas wells and road construction and maintenance. The place of use of the water is being changed to all or portion(s) of Sections 2, 8, 11, 14 and 27, T29S, R24E, SLB&M; Section 8, T29S, R26E, SLB&M and Sections 4, 9, 10, 14 and 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.

It is the opinion of the State Engineer that this change application can be approved without adversely affecting existing rights. The applicant is put on notice that diligence must be shown in pursuing the development of this application which can be demonstrated by the completion of the project as proposed in the change application.

It is, therefore, **ORDERED** and Temporary Change Application Number 05-6 (t34402) 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.**

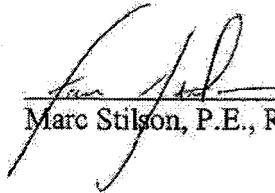
Inasmuch as this application proposes to divert water from a surface source, the applicant is required to contact the Stream Alteration Section of the Division of Water Rights at 801-538-7240 to obtain a Stream Alteration permit in addition to this Temporary Change Application.

ORDER OF THE STATE ENGINEER  
Temporary Change Application Number  
05-6 (134402)  
Page 2

Your contact with this office, should you need it, is with the Southeastern Regional Office. The telephone number is 435-613-3750.

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 9 day of June, 2008.

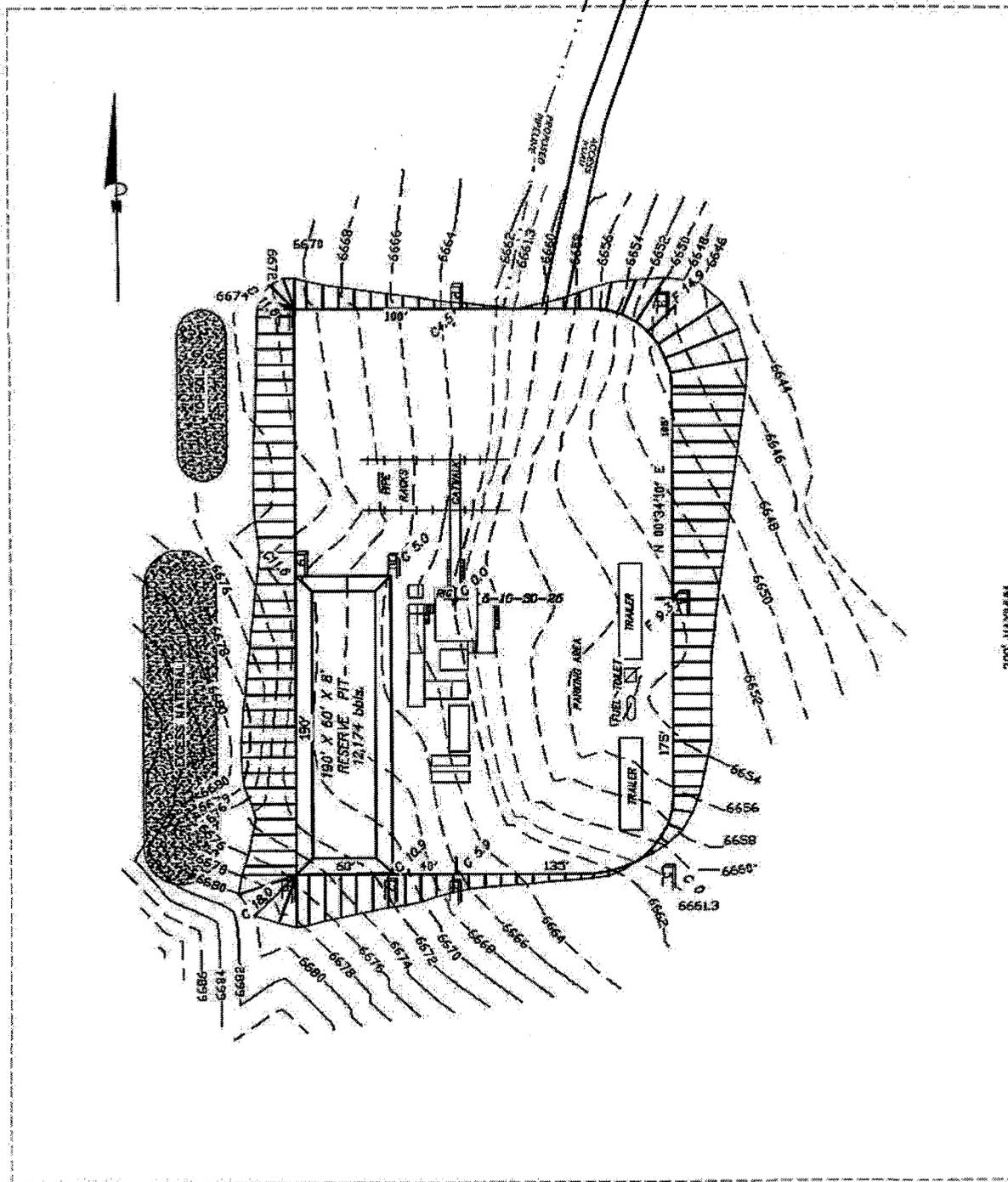
  
\_\_\_\_\_  
Marc Stilson, P.E., Regional Engineer

Mailed a copy of the foregoing Order this 9 day of June, 2008 to:

Charles Hardison Redd  
P.O.Box 278  
La Sal UT 84530

BY: \_\_\_\_\_  
Kelly K. Horne, Applications/Records Secretary

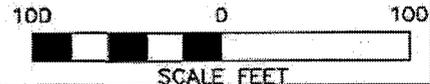
UNGRADED ELEVATION: 6661.8'  
 FINISHED ELEVATION: 6661.3'  
 APPROX. PAD DISTURBANCE: 4.3± ACRES  
 DRAINS TO COYOTE WASH



A  
 B  
 C

BEFORE DIGGING  
 CALL FOR  
 UTILITY LINE LOCATION  
 NOTE THE EARTH QUANTITIES ON  
 THIS DRAWING ARE ESTIMATED  
 AND THE USE OF IS AT THE  
 RESPONSIBILITY OF THE USER.

EXHIBIT 2



**DRG** GRIFFIN & ASSOCIATES, INC.

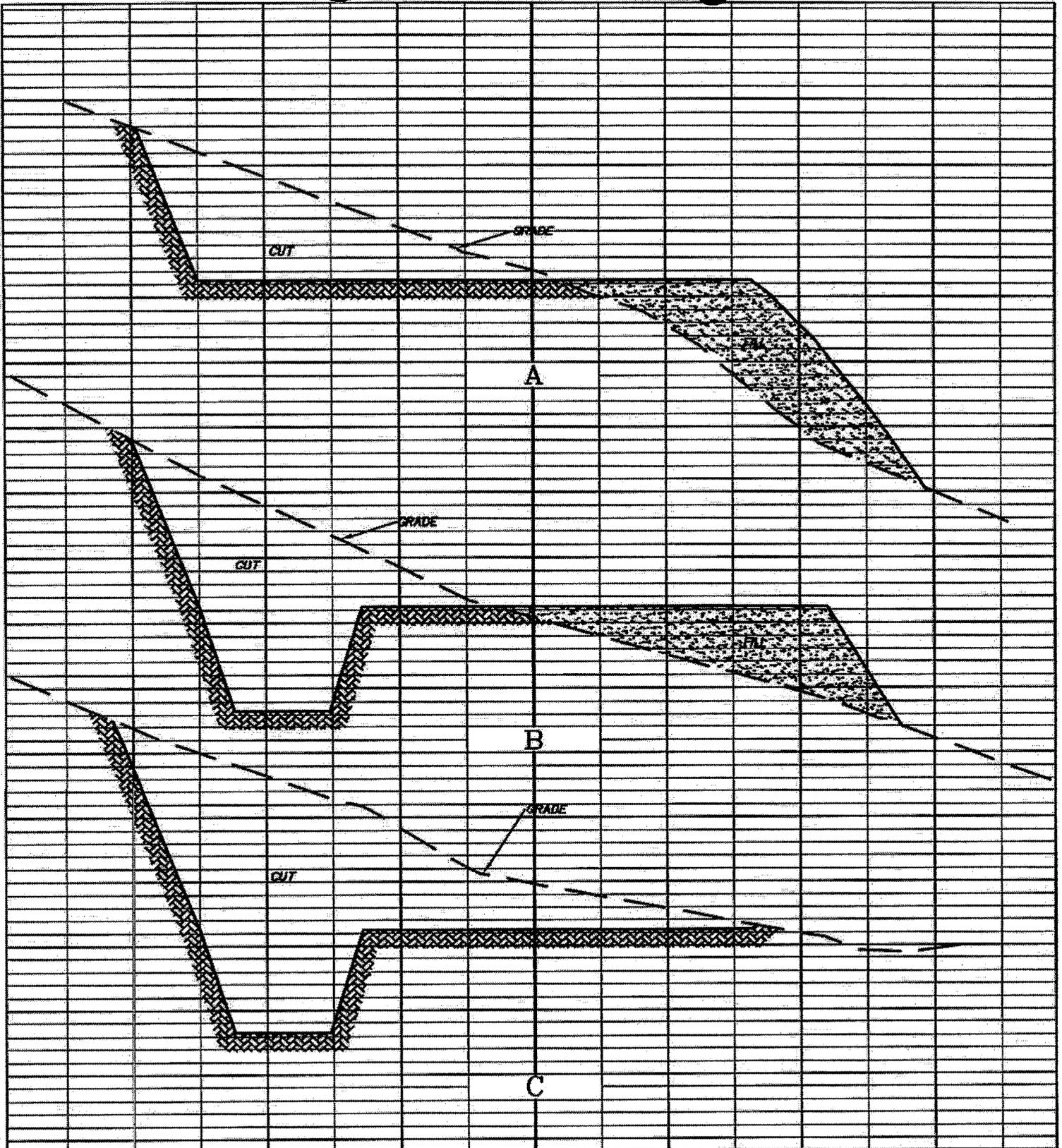
**ENCANA OIL & GAS (USA) INC.**  
**MIDDLE MESA FED 5-10-30-25**  
**ESTIMATED EARTHWORK**

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

SCALE: 1" = 100'  
 JOB No. 16030  
 REVISED: 06/24/08

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	12178 CY	8285 CY	2066 CY	1827 CY
PIT	3291 CY			3291 CY
TOTALS	15469 CY	8285 CY	2066 CY	3473 CY





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

**ENCANA OIL & GAS (USA) INC.  
MIDDLE MESA FEDERAL 5-10-30-25**

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

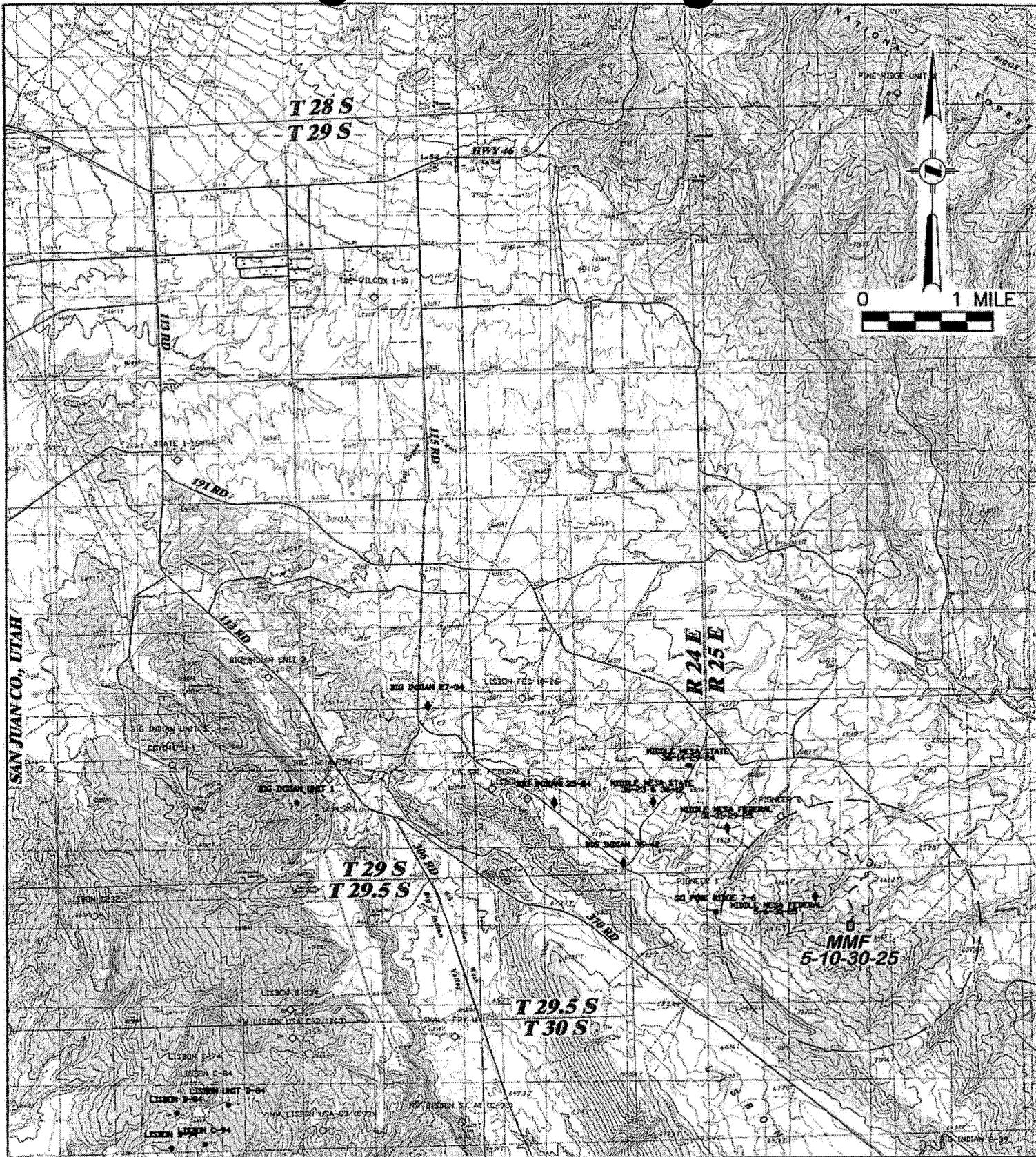
JOB No. 16030

REVISED: 06/24/08

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

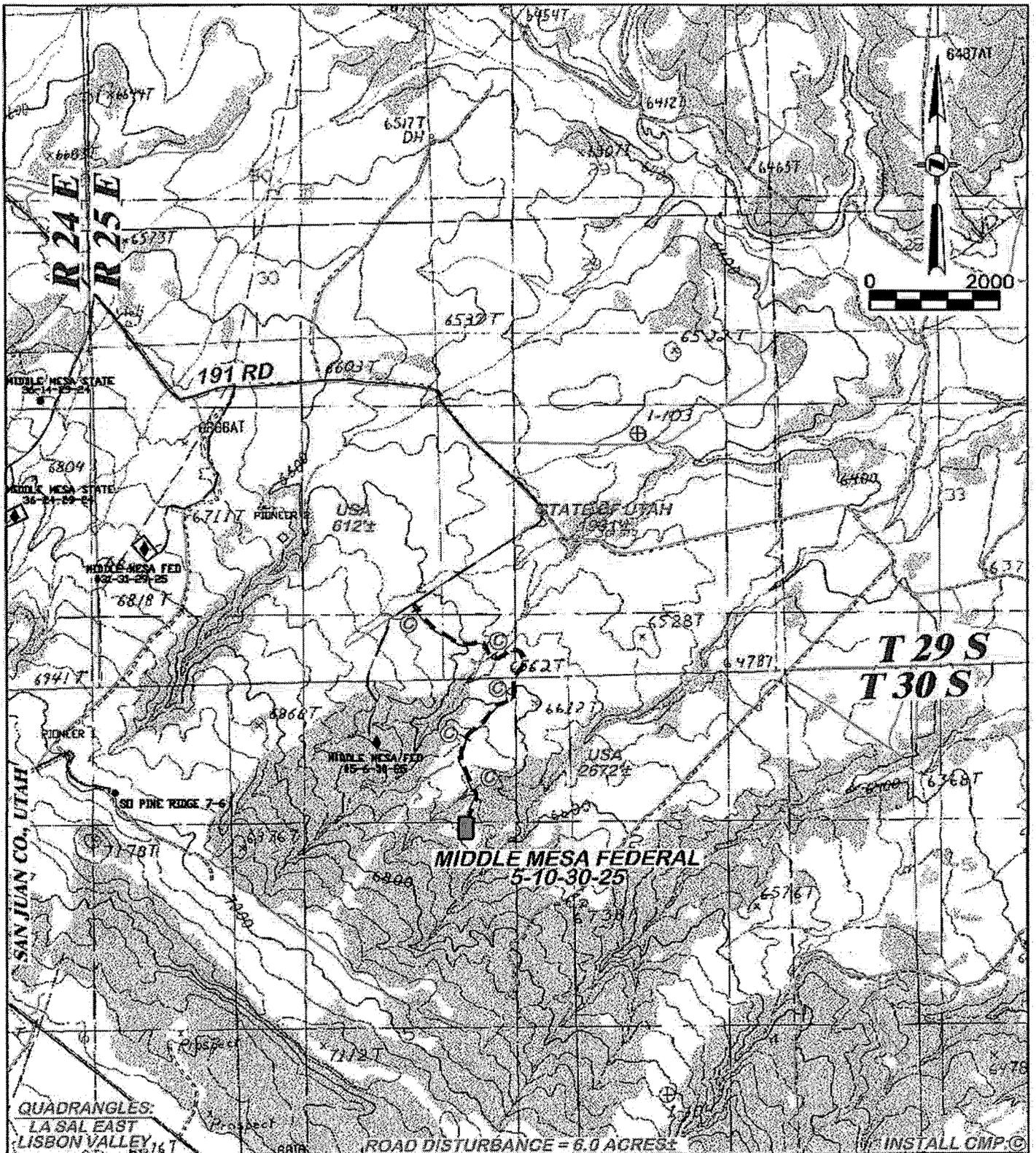
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FINISHED ELEVATION: 6661.3'

EXHIBIT 3

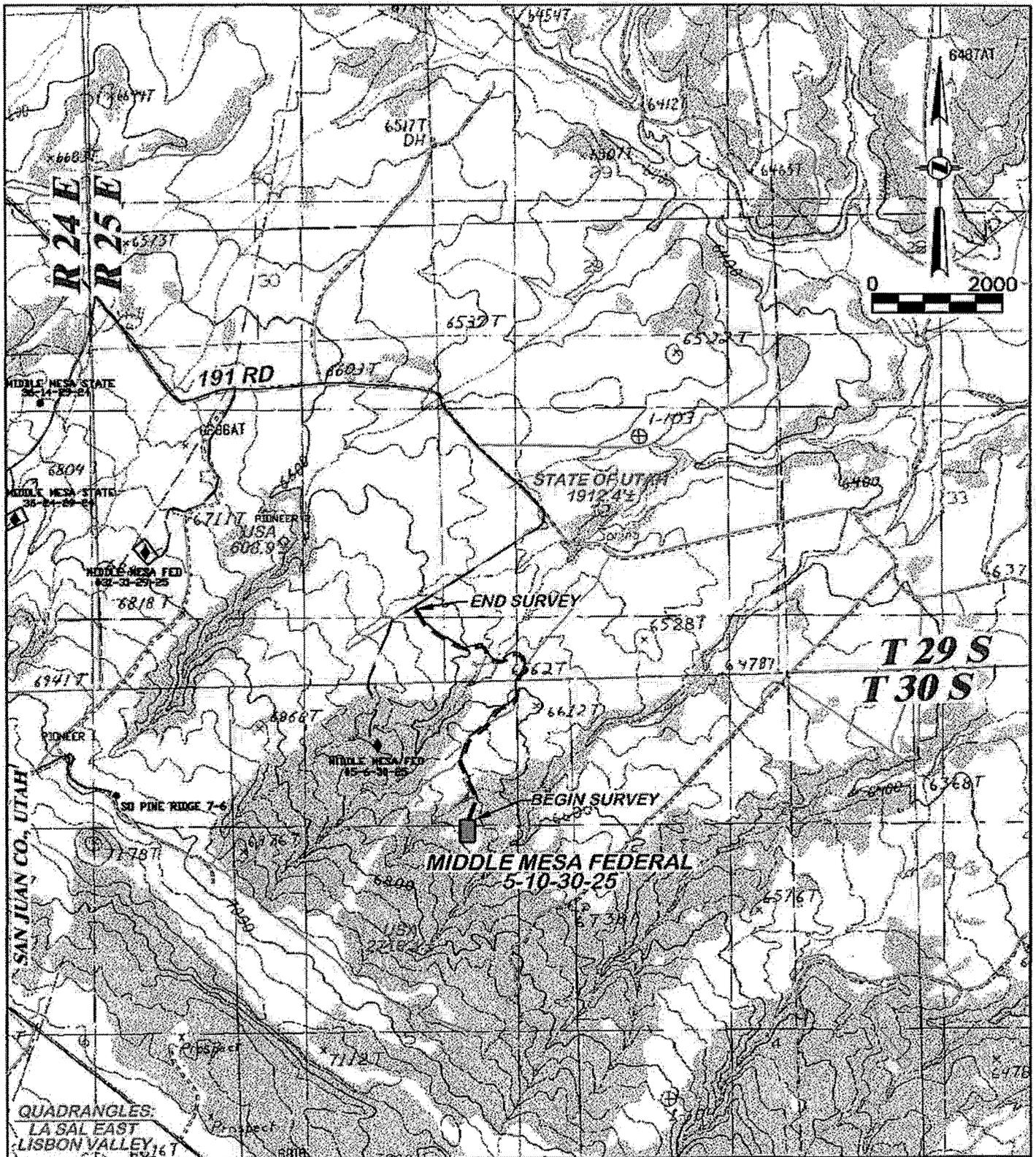


 <b>DRG</b> RIFFIN & ASSOCIATES, INC. 1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	SCALE: 1" = 1 MILE
	JOB No. 16030
	REVISED: 06/24/08

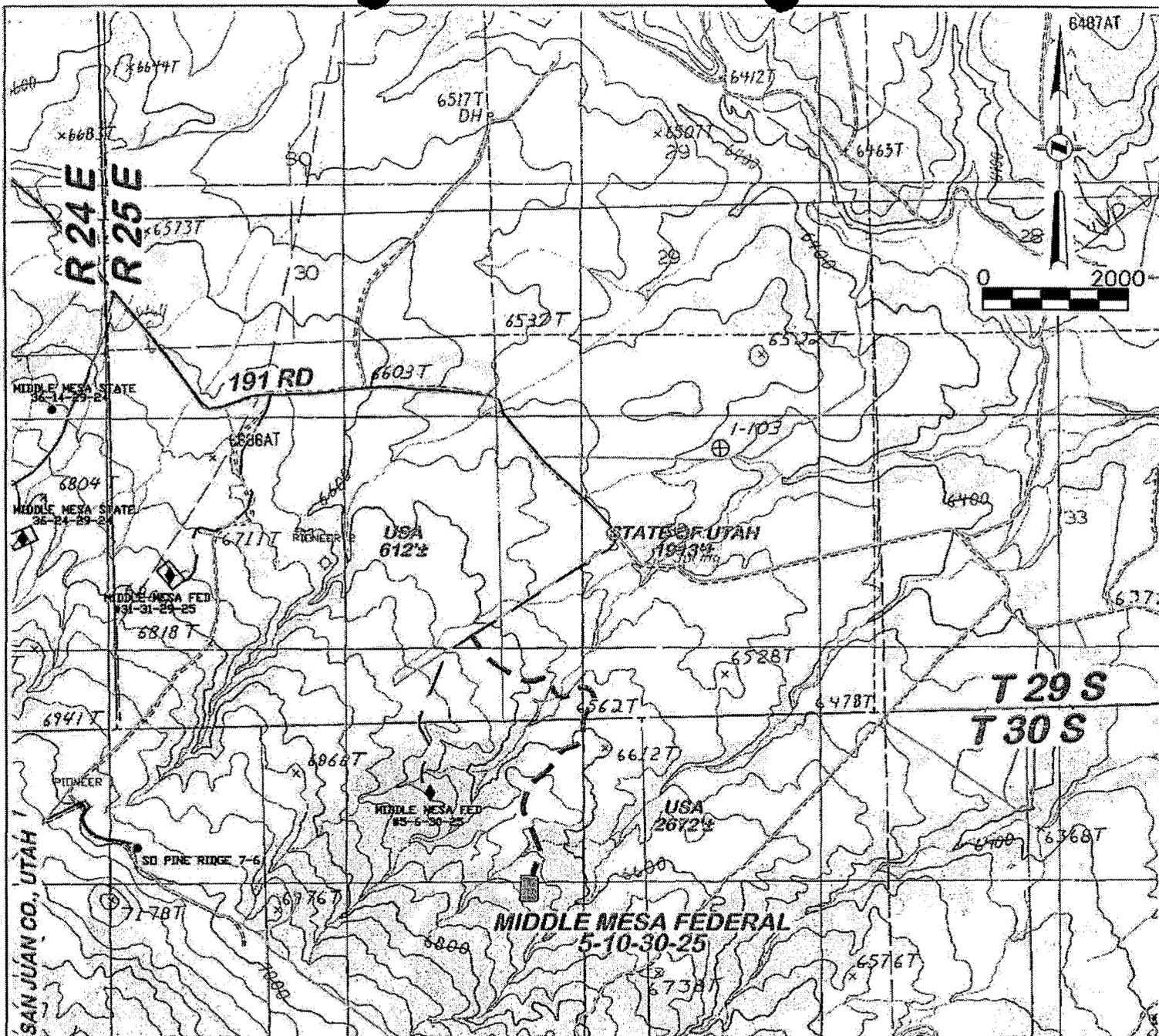
<b>PROPOSED ACCESS FOR          ENCANA OIL &amp; GAS (USA) INC.          MIDDLE MESA FEDERAL 5-10-30-25</b>	
EXISTING ROAD  PROPOSED ACCESS 	<b>TOPO          A</b>



 <b>DRG RIFFIN &amp; ASSOCIATES, INC.</b>	<b>PROPOSED ACCESS ROAD FOR ENCANA OIL &amp; GAS (USA) INC. MIDDLE MESA FEDERAL 5-10-30-25</b>	
	<b>TOTAL PROPOSED LENGTH: 5215'</b>	
1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	<b>SCALE: 1" = 2000'</b> <b>JOB No. 16030</b> <b>REVISED: 8/5/08</b>	<b>EXISTING ROAD</b> ————— <b>PROPOSED ROAD</b> - - - - -
		<b>TOPO MAP B</b>



		<b>PROPOSED PIPELINE FOR ENCANA OIL &amp; GAS (USA) INC. MIDDLE MESA FEDERAL 5-10-30-25</b>	
		TOTAL PROPOSED LENGTH: 5231.4'	
1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	SCALE: 1" = 2000'	EXISTING ROAD	<b>TOPO MAP C</b>
	JOB No. 16030 REVISED: 8/5/08		



I, Michael Claude Lock, a LICENSED PROFESSIONAL ENGINEER, in the State of Utah, certify that the road design depicted on this plat was designed to B.L.M. and Forest Service standards for geometry from the Surface Operating Standards for Oil and Gas Exploration and Development "Gold Book". This does not certify compliance with same by the owner or the contractor.

<b>DRG RIFFIN &amp; ASSOCIATES, INC.</b> (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901	
DRAWN: 07/29/08	SCALE: 1"=2000'
	DRG JOB No. 16030
	PAGE 1 of 11

PROPOSED ACCESS ROAD TO:  
 MIDDLE MESA FEDERAL 5-10-30-25  
 ENCANA OIL & GAS (USA) INC.  
 SEC 5, T30S, R25E,  
 SAN JUAN COUNTY, UTAH  
 AUTHORIZATION: JEVIN CROTEAU

NOTES

**LENGTH:** The approximate road length is 5215', with 612' being in Sec. 31 of Township 29 South, 1913' being in Sec. 32 of Township 29 South, and 2672' being in Sec.5 Township 30 South, Range 25 East, San Juan County Utah.

**DESIGN SPEED:** 15 MPH unless otherwise signed.

**SOILS:** The soils were conservatively estimated as silty, sand mixture. The erosion index for this road is on the order of 10.

**WATERING:** The contractor will need to water the soil as necessary during construction to promote proper compaction.

**STAKING:** The centerline, turnouts, curve widenings, signs, low water crossings, and culverts have been staked.

**CULVERTS:** The culverts specified are 18" for ditch relief and minor cross drainages. (NO beveled ends are required on these culverts.) The bedding will conform to the natural grade of the stream. (See page 5 for additional details.) Back fill material placed under, adjacent to, and over pipe conduit, shall be a fine, compactible, excavated soil or granular fill material. Back fill material shall not contain frozen lumps, chunks of highly plastic clay, or stones which would damage structure. Back fill will be placed in loose layers approximately eight inches thick, and each layer compacted. Back filling and compacting shall be done without damage to the structures, through unequal pressures exerted on the sides by back fill being dropped directly on or against the structure.

**LOW WATER CROSSINGS:** The low water crossing at STA 16+08 will include 3 - 24" x 30' long culverts. (Refer to installation instructions above for the culverts.) Armor the road from STA 15+50 to STA 16+25 with Rip Rap.

The low water crossing located at STA 47+27 will follow the ground elevation, be armored with rip rap where necessary, but will be generally constructed of the native cap rock.

**RIP RAP:** Rip Rap shall be placed at the inlet and outlet of all culverts and used to armor the low water crossing. The aggregate for rip rap shall be ANGULAR, hard, durable, crushed, quarried, natural stone, or broken concrete. The stone shall be of a quality that does not disintegrate on exposure to water or weathering.

**GRAVEL:** The gravel for the travel surface shall be 3 inch minus material compacted to a minimum thickness of 6 inches.

**SIGNS:** The signs should be 6' to 8' above the centerline of the road. They should be placed at the shoulder of the back slope. The following signs are required; on the right hand side - W1-5R and W7-1b (11%) @ STA 8+41, CAUTION LOW WATER CROSSING and DO NOT ENTER WHEN FLOODED @ STA 15+00; CAUTION LOW WATER CROSSING and DO NOT ENTER WHEN FLOODED @ STA 46+00; and on the left hand side - CAUTION LOW WATER CROSSING and DO NOT ENTER WHEN FLOODED @ STA 17+00, W7-1b (12%) @ STA 20+00, W1-5R @ STA 32+95, CAUTION LOW WATER CROSSING and DO NOT ENTER WHEN FLOODED @ STA 48+50, W7-1b (12%) @ STA 51+00. The signs must be reflectorized as per the current Manual on Uniform Traffic Control Devices and must be a minimum of 24" X 24". Newman Signs (1-800) 437-9770 may be contacted for pricing and availability.

**PIPELINE CROSSING:** This access road does not appear to cross an existing underground pipeline. However; it is the contractor's responsibility to call for utility locates prior to construction.



DRG GRIFFIN & ASSOCIATES, INC.  
1414 ELK ST., ROOK SPRINGS, WY 82901

(307) 362-5028

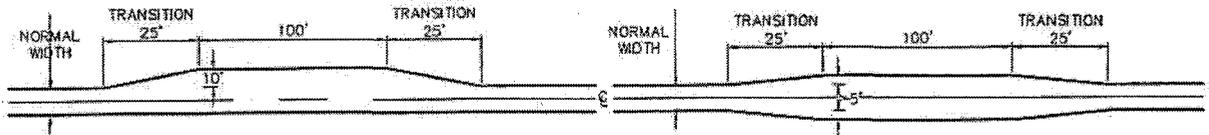
MIDDLE MESA FEDERAL 5-10-30-25  
ENCANA OIL & GAS (USA) INC.  
SEC 5, T30S, R25E,  
SAN JUAN COUNTY, UTAH

DRAWN: 07/29/08

SCALE: 1" = 2000'

DRG JOB No. 16030

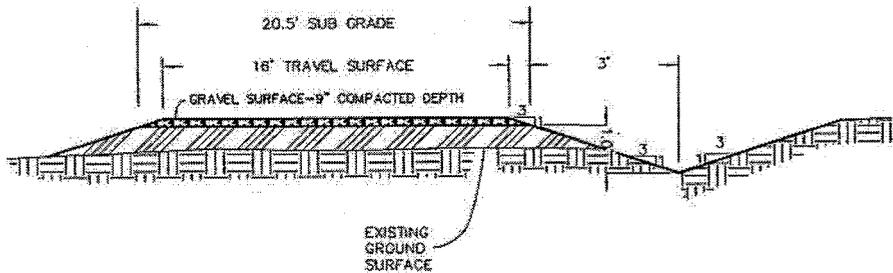
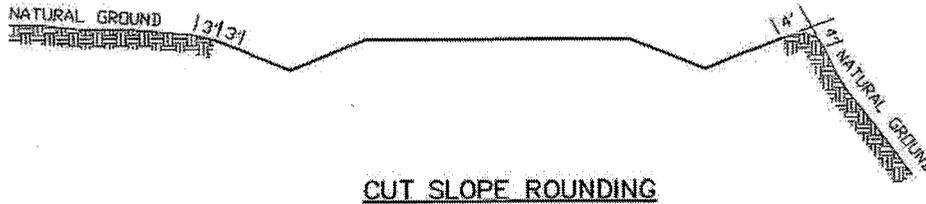
PAGE 2 of 11



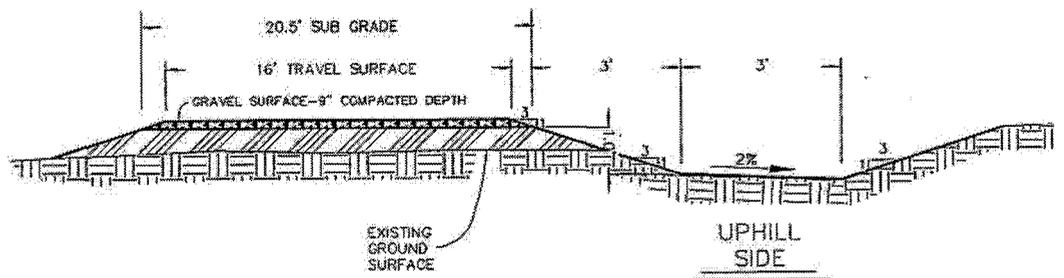
WIDEN SURFACE WIDTH AS SHOWN WHERE TURNOUTS ARE REQUIRED

PLAN  
TURNOUT-WIDENING ON ONE SIDE  
(DETAIL)

PLAN  
TURNOUT-WIDENING ON BOTH SIDES  
(DETAIL)



TYPICAL ROADWAY V-DITCH DETAIL



TYPICAL ROADWAY BAR DITCH DETAIL  
RESOURCE ROADS



**DRG GRIFFIN & ASSOCIATES, INC.**  
1414 ELK ST., ROCK SPRINGS, WY 82901

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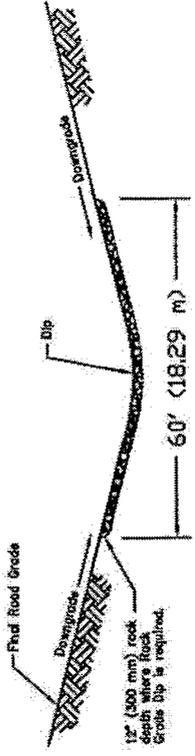
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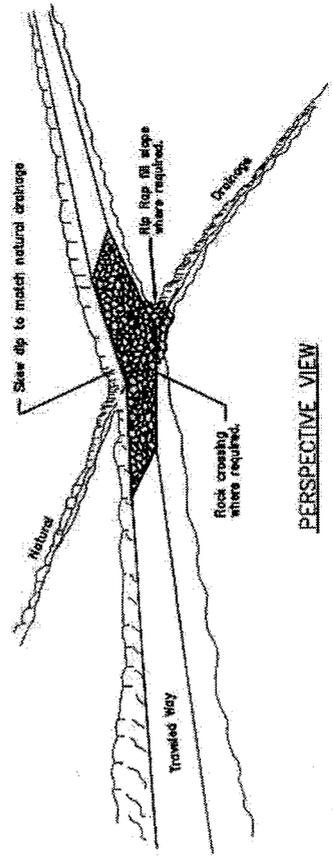
DRG JOB No. 16030

PAGE 3 of 11

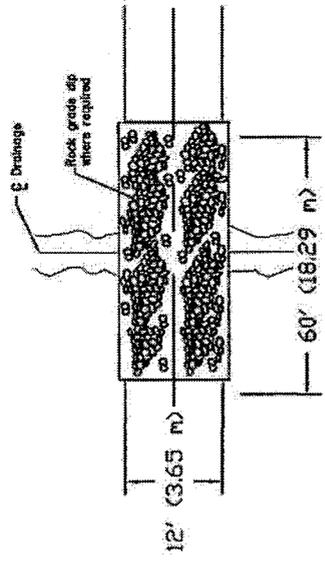
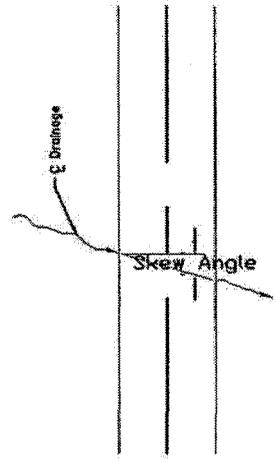
MIDDLE MESA FEDERAL 5-10-30-25  
ENCANA OIL & GAS (USA) INC.  
SEC 5, T30S, R25E,  
SAN JUAN COUNTY, UTAH



PROFILE VIEW



PERSPECTIVE VIEW



PLAN VIEW

NOTES:

1. Details shown are for an outside, inslope or flat roadbed without a ditch. Grade Dip shall be constructed in a ditch section by transitioning the ditch from normal depth to normal road grade elevation for a sufficient distance to provide drainage.
2. Grade Dips shall be outsloped a minimum of 2% and a maximum of 4%.
3. Grade Dip outlets will be constructed to drain freely away from the road. Any outlet ditching required will be constructed incidental to the construction of the dip unless otherwise specified.
- \*4. Rock for Rock Grade Dip shall be obtained from Columbine Gravel Pit. Rock shall be pit run & well graded with maximum particle size of 4" (100 mm). The Engineer will designate the area at Columbine Gravel Pit where pit run rock may be obtained.
5. Construct Grade Dip along  $\phi$  of existing drainage, not to exceed 30 degree skew angle.



RIFFIN & ASSOCIATES, INC.  
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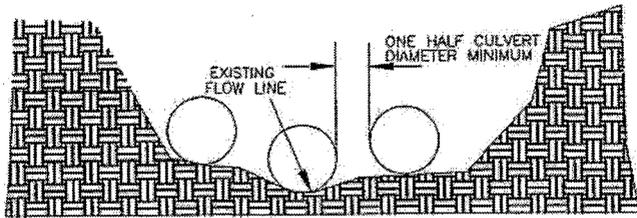
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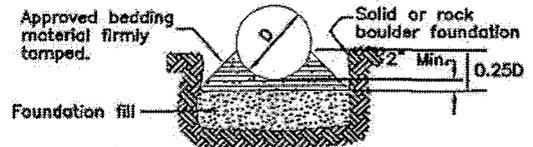
DRG JOB No. 16030

PAGE 4 of 11

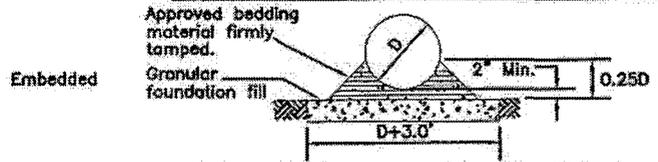
MIDDLE MESA FEDERAL 5-10-30-25  
ENCANA OIL & GAS (USA) INC.  
SEC 5, T30S, R25E,  
SAN JUAN COUNTY, UTAH



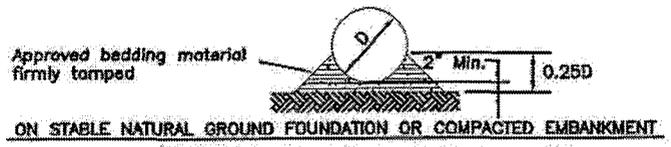
TYPICAL MULTIPLE CULVERT BEDDING DETAIL



ON ROCK HARDPAN OR OTHER UNYIELDING FOUNDATION

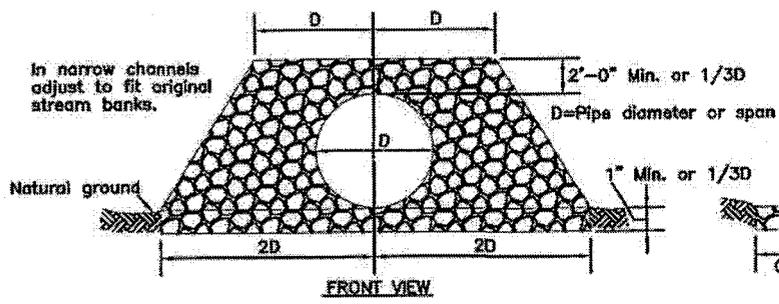


ON SOFT, SPONGY, OR UNSTABLE SOIL FOUNDATION

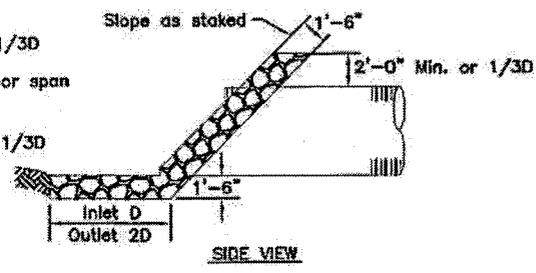


ON STABLE NATURAL GROUND FOUNDATION OR COMPACTED EMBANKMENT

**BEDDING OF CULVERTS**

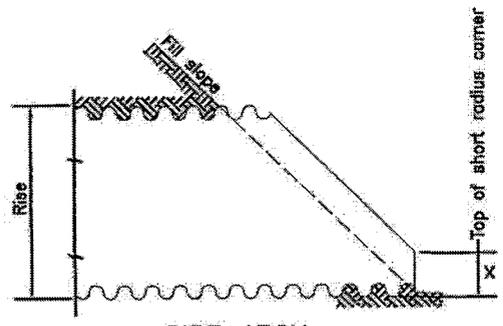


FRONT VIEW



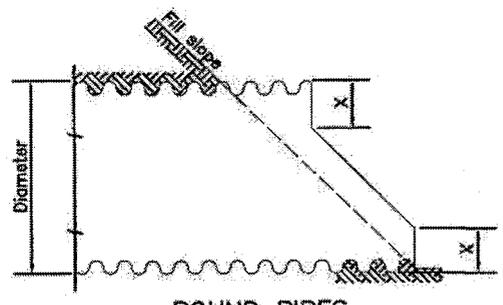
SIDE VIEW

**ROCK HEADWALLS**



PIPE-ARCH

Step-bevel when rise equals 40" or longer.



ROUND PIPES

Step-bevel when diameter equals 48" or larger.

**BEVELED END DETAILS**

**NOTES:**

1. Pipes as specified above shall be step-bevel.
2. Bevel of pipe to be on 1-1/2:1 slope unless otherwise shown on the plans.
3. X=1/4D or manufacturer's standard.
4. The bedding material shall be shaped to fit bottom of the pipe.



DRG RIFFIN & ASSOCIATES, INC.  
1414 ELK ST., ROCK SPRINGS, WY 82901

(307) 362-5028

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SEC 5, T30S, R25E,  
SAN JUAN COUNTY, UTAH

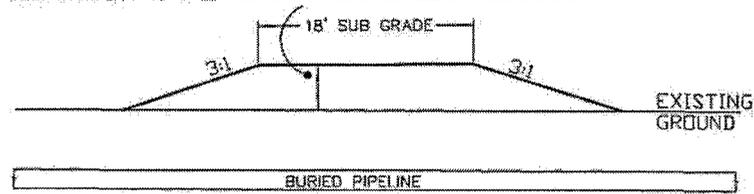
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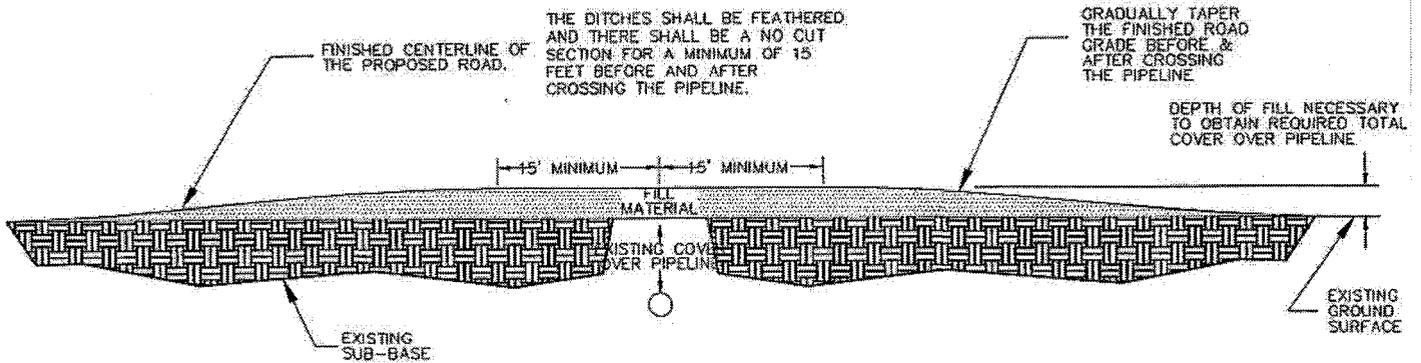
DRG JOB No. 16030

PAGE 5 of 11

THE DEPTH OF COVER OVER THE EXISTING GROUND SHALL BE AS REQUIRED BY THE OWNER OF THE PIPELINE (1 FOOT MINIMUM). THE DITCHES SHALL BE FEATHERED SO THERE IS NO DITCH CUT OVER THE PIPELINE. IT IS THE CONTRACTOR'S RESPONSIBILITY TO CALL FOR UTILITY LOCATES BEFORE CONSTRUCTION.



**TYPICAL PIPELINE CROSSING CROSS SECTION**



**TYPICAL PIPELINE CROSSING PROFILE**

**NOTES:**

THIS DETAIL SHOWS A SUGGESTED CROSSING METHOD. THIS METHOD MUST BE APPROVED AND/OR MODIFIED BY THE PIPELINE OWNER. ANY SUGGESTIONS OR CHANGES MADE BY THE PIPELINE OWNER WILL BE MADE IN WRITING OR SKETCHED UPON THIS DETAIL AND WILL SUPERSEDE INFORMATION ON THIS DETAIL.

PIPELINE OWNER MUST BE CONSULTED FOR THE MINIMUM COVER DEPTH.

EQUIPMENT SHALL NOT PASS OVER OR OPERATE OVER THE PIPELINE RIGHT-OF-WAY UNTIL THE FILL OVER THE PIPELINE IS IN PLACE.

THE OWNER OF THE PIPELINE SHALL BE CONTACTED A MINIMUM OF ONE WEEK BEFORE CONSTRUCTION IS TO BEGIN FOR APPROVAL AND VERIFICATION OF THE COVER AND OTHER REQUIREMENTS.

THE OWNER OF THE PIPELINE SHALL BE CONTACTED AGAIN A MINIMUM OF TWO WORKING DAYS PRIOR TO CONSTRUCTION TO ALLOW AN OWNER'S REPRESENTATIVE TO BE ONSITE DURING CONSTRUCTION.

THE DEPTH OF THE EXISTING PIPELINE WILL BE DETERMINED AT THE BEGINNING OF CONSTRUCTION.

SURFACE LINES ARE TO BE WRAPPED AND BURIED BEFORE ANY FILL OVER THE PIPE IS PLACED.

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

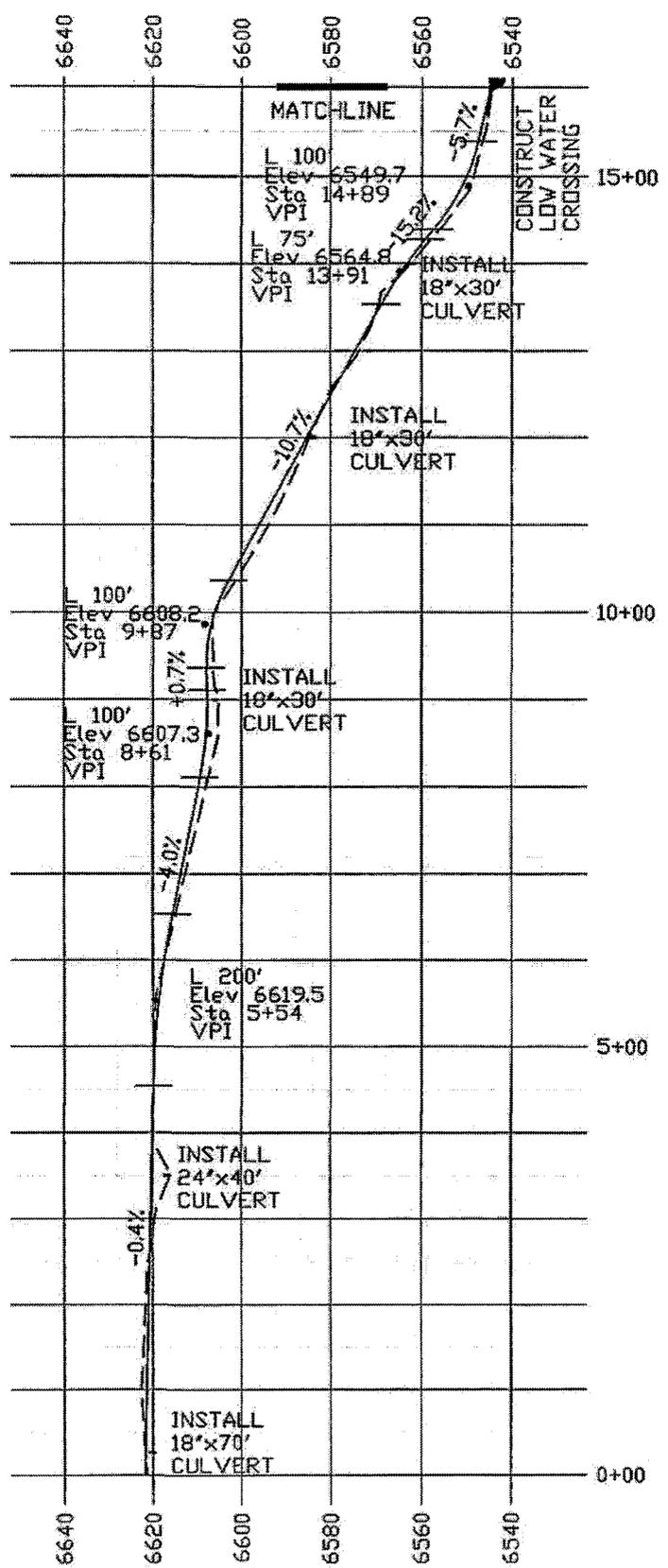
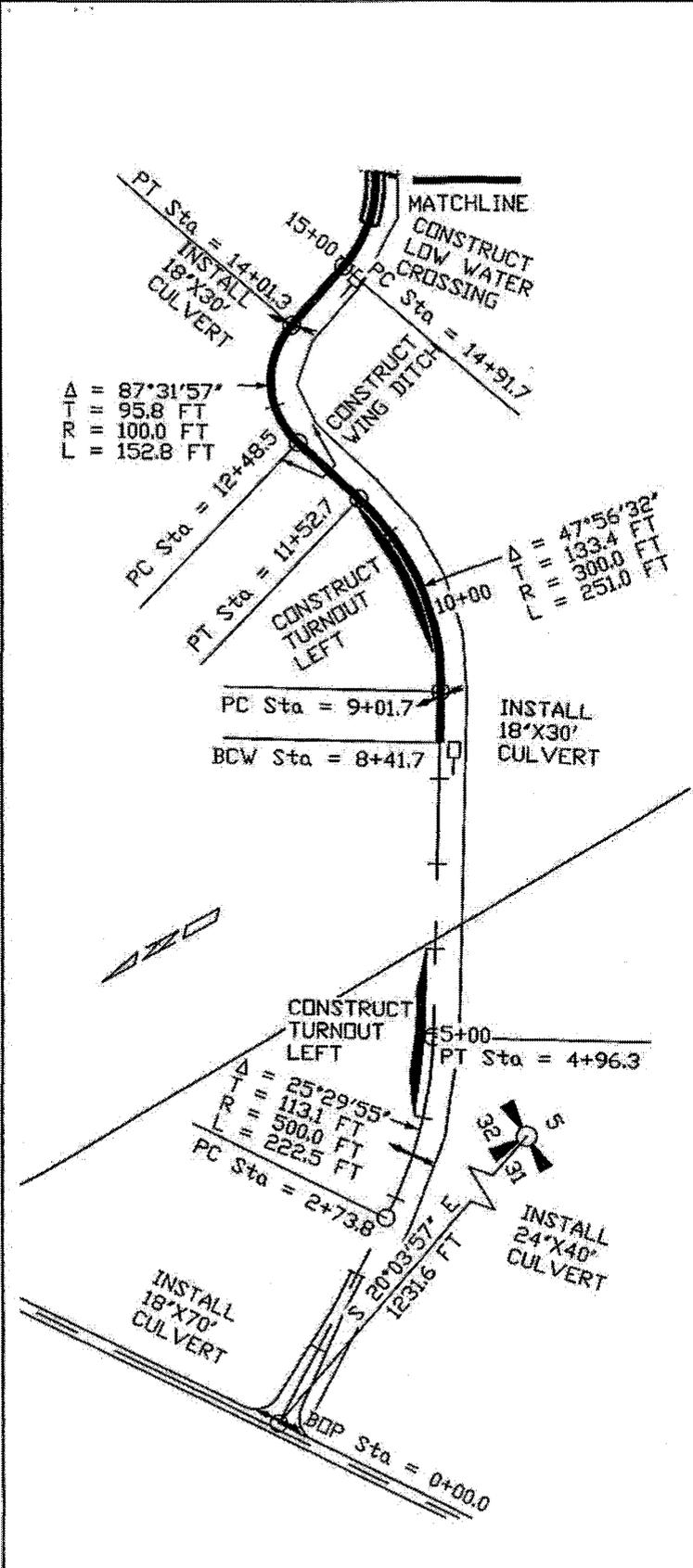
MIDDLE MESA FEDERAL 5-10-30-25  
 ENCANA OIL & GAS (USA) INC.  
 SEC 5, T30S, R25E,  
 SAN JUAN COUNTY, UTAH

DRAWN: 07/29/08

NOT TO SCALE

DRG JOB No. 16030

PAGE 6 of 11



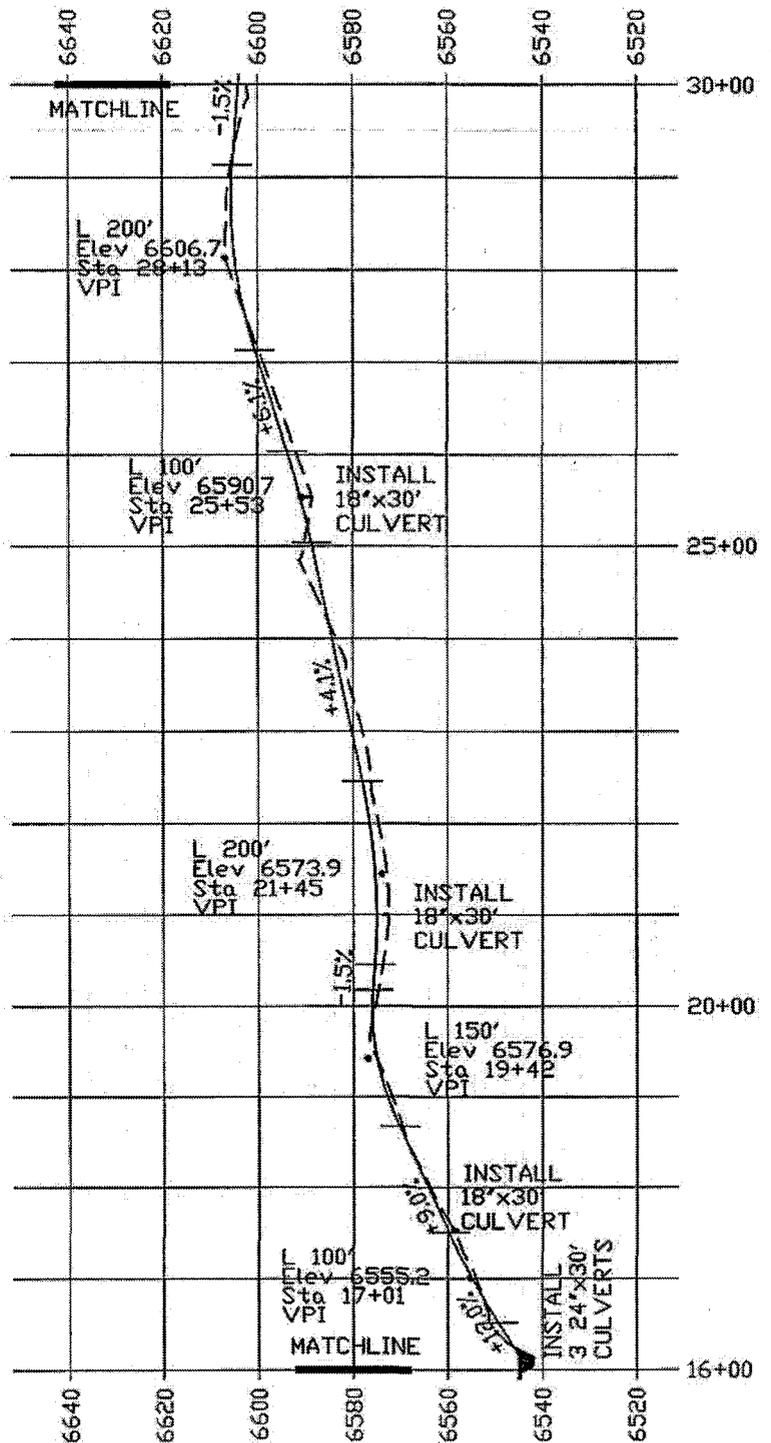
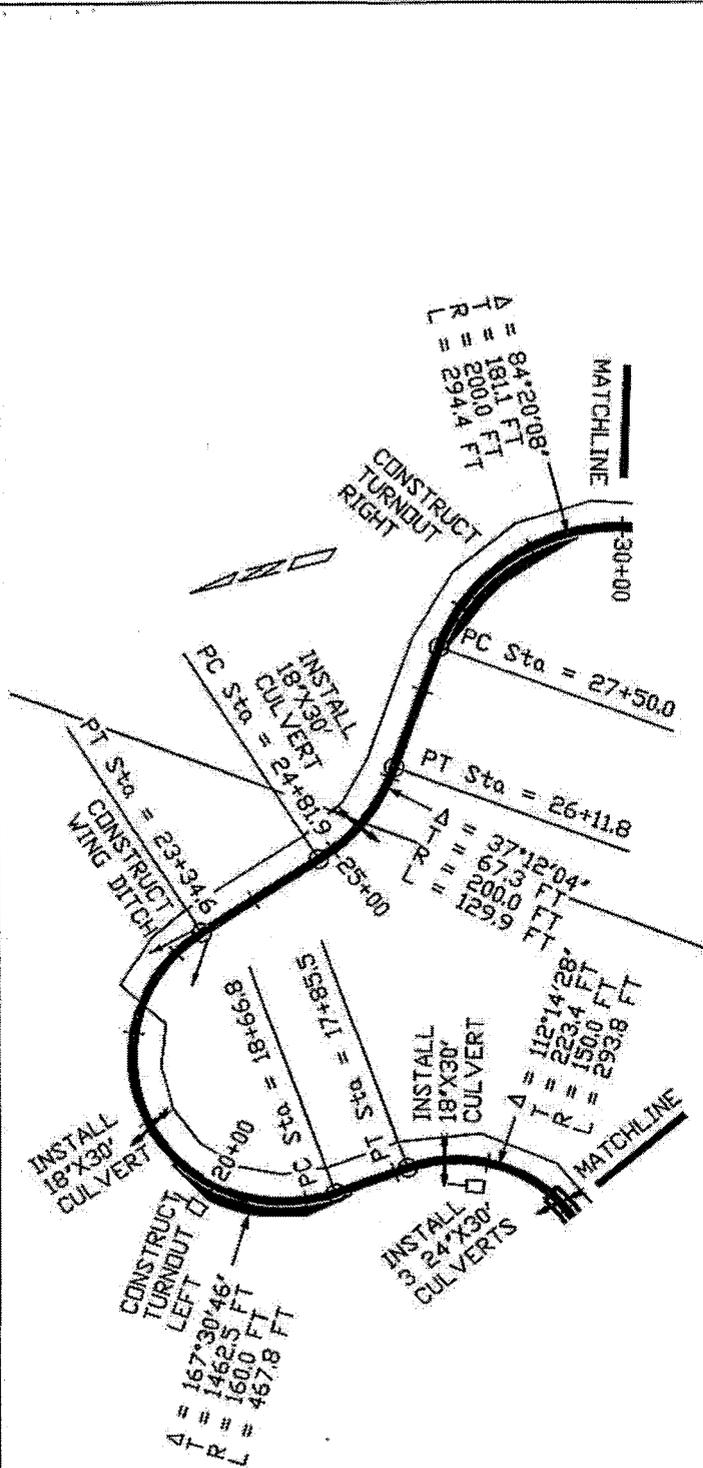
**DRG** RIFFIN & ASSOCIATES, INC.  
 (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901

DRAWN: 07/29/08 SCALE: 1"=2000'  
 DRG JOB No. 16030  
 PAGE 7 of 11

MIDDLE MESA FEDERAL 5-10-30-25  
 ENCANA OIL & GAS (USA) INC.  
 SEC 5, T30S, R25E,  
 SAN JUAN COUNTY, UTAH

SCALE  
 H: 1"=200'  
 V: 1"= 20'

LEGEND  
 - - - - - EXISTING GROUND PROFILE  
 ————— DESIGN ROAD PROFILE



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

MIDDLE MESA FEDERAL 5-10-30-25  
 ENCANA OIL & GAS (USA) INC.  
 SEC 5, T30S, R25E,  
 SAN JUAN COUNTY, UTAH

DRAWN: 07/29/08

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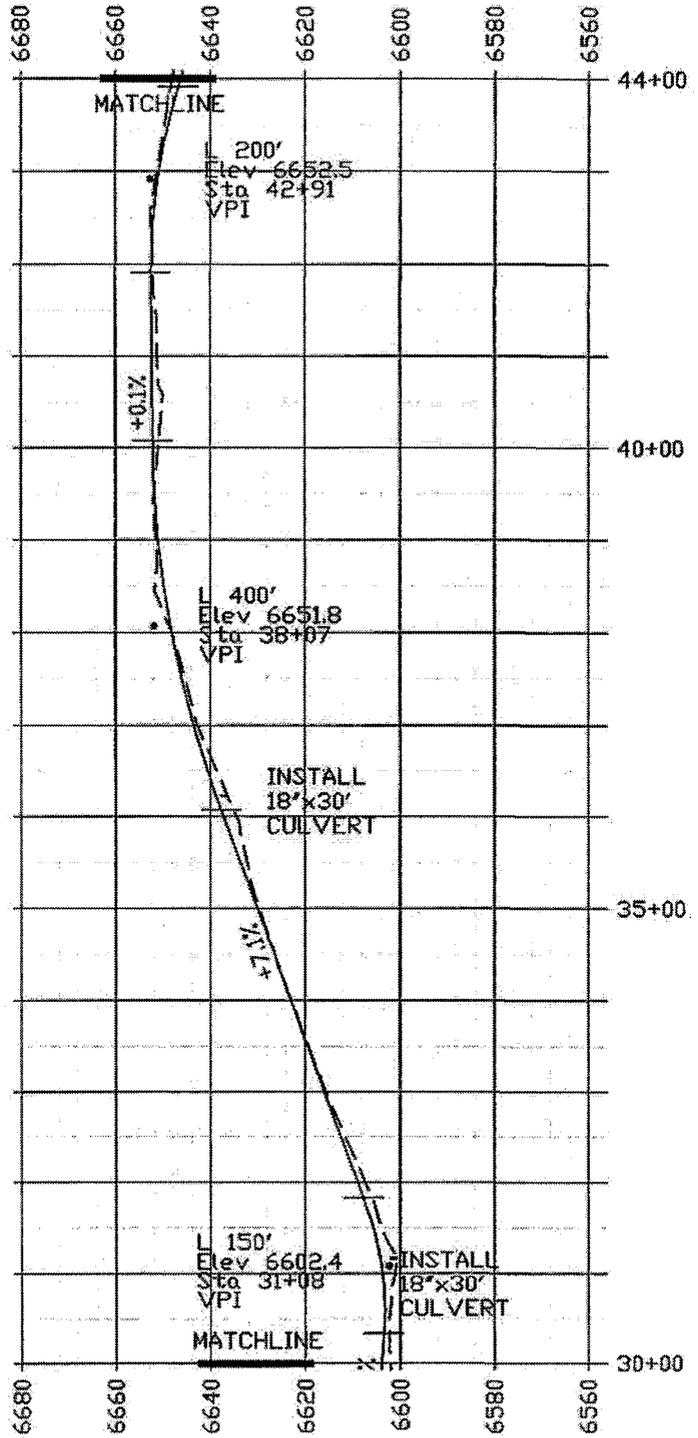
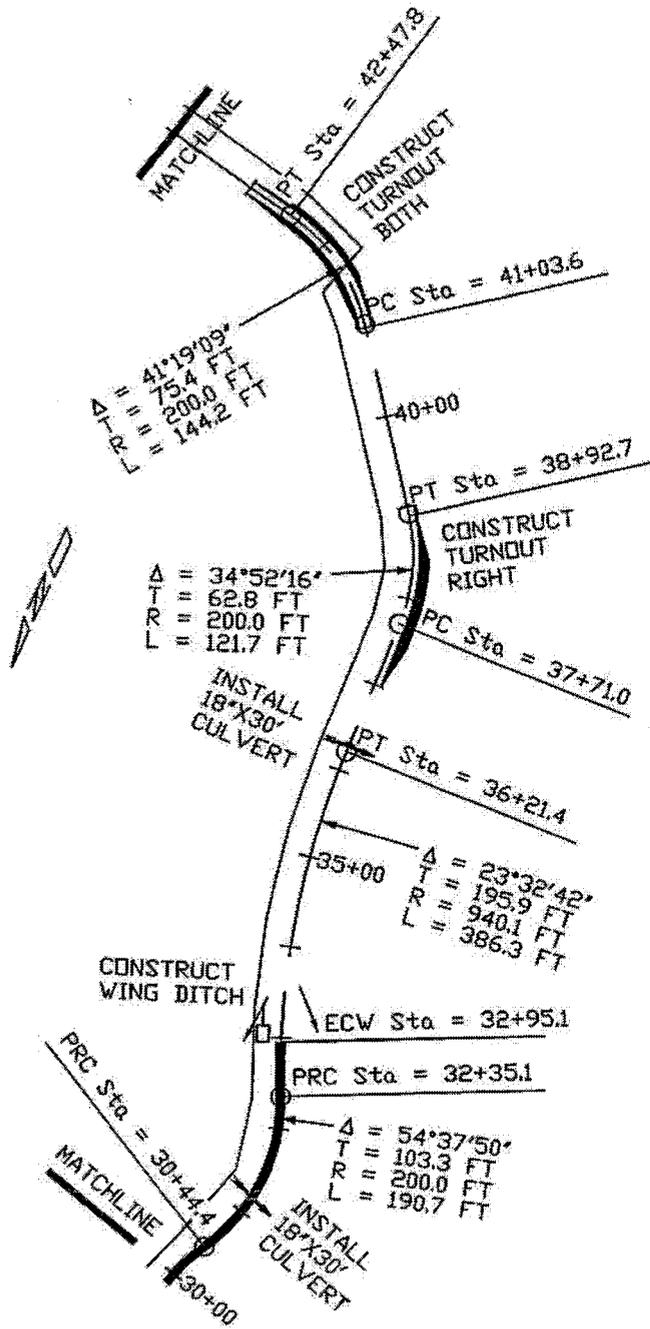
DRG JOB No. 16030

PAGE 8 of 11

SCALE  
 H: 1"=200'  
 V: 1"= 20'

**LEGEND**

- EXISTING GROUND PROFILE
- DESIGN ROAD PROFILE



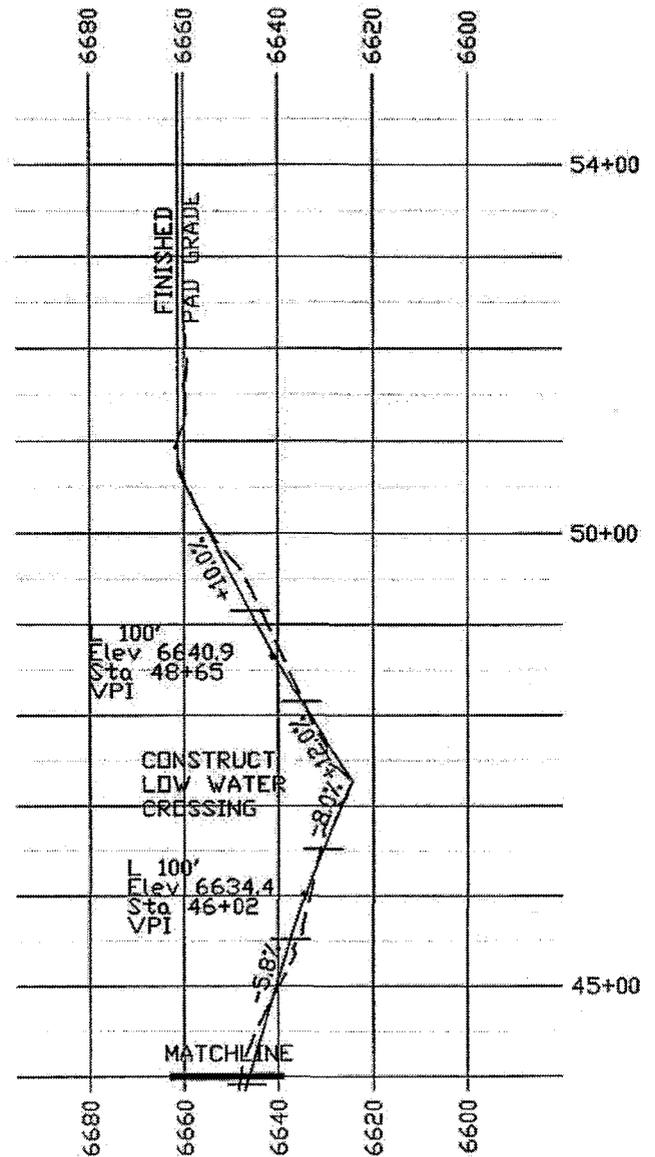
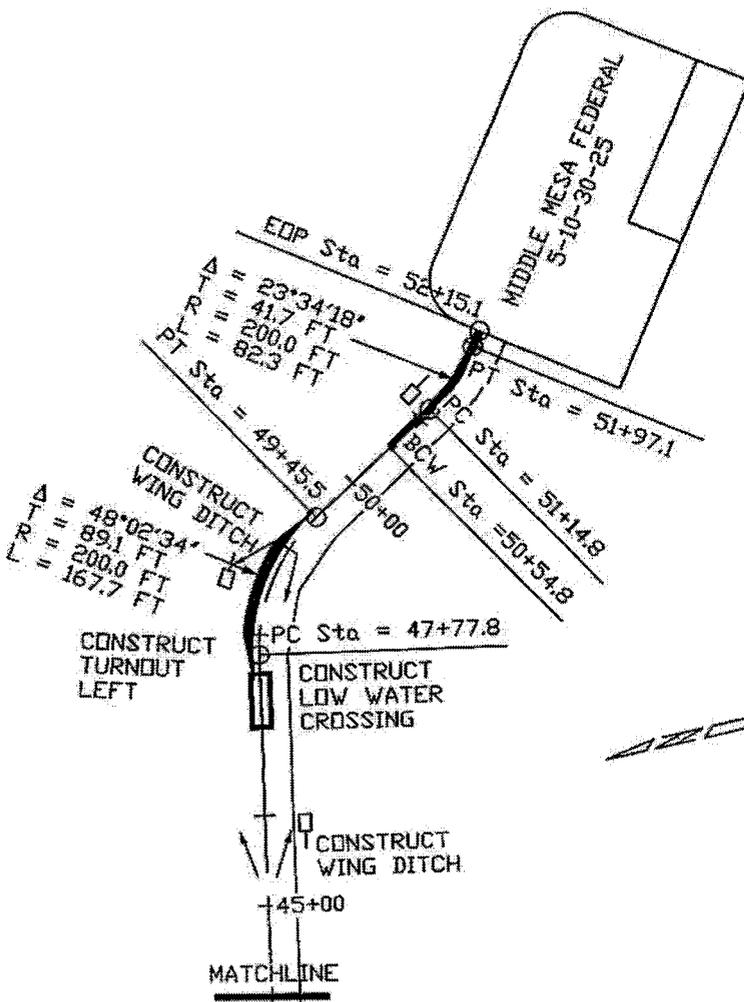
**DRG** RIFFIN & ASSOCIATES, INC.  
 (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901

MIDDLE MESA FEDERAL 5-10-30-25  
 ENCANA OIL & GAS (USA) INC.  
 SEC 5, T30S, R25E,  
 SAN JUAN COUNTY, UTAH

DRAWN: 07/29/08  
 SCALE: 1"=2000'  
 DRG JOB No. 16030  
 PAGE 9 of 11

SCALE  
 H: 1"=200'  
 V: 1"=20'

LEGEND  
 - - - - - EXISTING GROUND PROFILE  
 \_\_\_\_\_ DESIGN ROAD PROFILE



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

MIDDLE MESA FEDERAL 5-10-30-25  
 ENCANA OIL & GAS (USA) INC.  
 SEC 5, T30S, R25E,  
 SAN JUAN COUNTY, UTAH

DRAWN: 07/29/08

SCALE: 1"=2000'

SCALE  
 H: 1"=200'  
 V: 1"= 20'

LEGEND

----- EXISTING GROUND PROFILE  
 \_\_\_\_\_ DESIGN ROAD PROFILE

DRG JOB No. 16030

PAGE 10 of 11



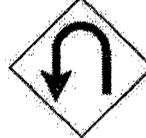
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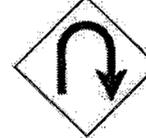
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W3-2a



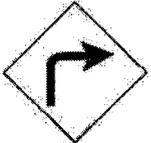
WUT-L



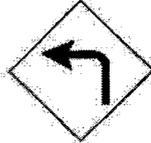
WUT-R



W10-1



W1-1R



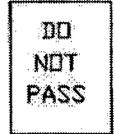
W1-1L



R1-1



W1-7



R4-1



W1-2R



W1-4R



W1-5R



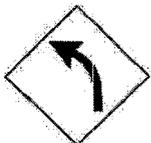
W7-1b  
(??)



W1-8



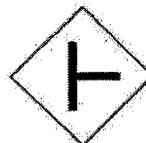
CAUTION  
LOW  
WATER  
CROSSING



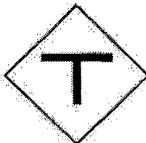
W1-2L



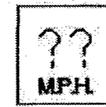
W1-4L



W2-2



W2-4



W13-1  
(?? M.P.H.)



DO NOT  
ENTER  
WHEN  
FLOODED



**DRG GRIFFIN & ASSOCIATES, INC.**  
1414 ELK ST., ROCK SPRINGS, WY 82901

(307) 362-5028

DRAWN: 07/29/08

SCALE: 1" = 2000'

DRG JOB No. 16030

PAGE 11 of 11

**MIDDLE MESA FEDERAL 5-10-30-25**  
**ENCANA OIL & GAS (USA) INC.**  
SEC 5, T30S, R25E,  
SAN JUAN COUNTY, UTAH

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/11/2008

API NO. ASSIGNED: 43-037-31897

WELL NAME: MIDDLE MESA FED 5-10-30-25  
 OPERATOR: ENCANA OIL & GAS (USA) ( N2175 )  
 CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

LT10 05 300S 250E  
 SURFACE: 2410 FNL 1629 FEL  
 BOTTOM: 2410 FNL 1629 FEL  
 COUNTY: SAN JUAN  
 LATITUDE: 38.22367 LONGITUDE: -109.1978  
 UTM SURF EASTINGS: 657761 NORTHINGS: 4231961  
 FIELD NAME: UNDESIGNATED ( 2 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UtU-84218  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: HATCH  
 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: MIDDLE MESA OK
- \_\_\_\_\_ 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 Str  
 \_\_\_\_\_  
 \_\_\_\_\_

42-29-25

T29S R2E

T30S R25E

MIDDLE MESA  
FED 5-6-30-25

PIONEER 1

SO PINE  
RIDGE 7-6

MIDDLE MESA  
FED 5-10-30-25

SOUTH PINE RIDGE FIELD

MIDDLE MESA UNIT

6

5

BIG INDIAN  
9-M4 x

BHL  
4-83-30-25 BULL H  
FED 4-8

BIG INDIAN  
8-B9

OPERATOR: ENCANA O&G USA INC (N2175)

SEC: 5 T.30S R. 25E

FIELD: UNDESINGATED (002)

COUNTY: SAN JUAN

SPACING: R649-3-3 / EXCEPTION LOCATION

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



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

PREPARED BY: DIANA MASON  
DATE: 12-AUGUST-2008



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office  
82 East Dogwood  
Moab, Utah 84532



3160  
UTU84218  
(UT-062)

Mr. Jevin Croteau  
EnCana Oil and Gas (USA), Inc.  
370 17<sup>th</sup> Street, Suite 1700  
Denver, Colorado 80202

Re: Application for Permit to Drill  
Well No. Middle Mesa 5-10-30-25  
Section 5, T30S, R25E  
Lease UTU84218  
San Juan County, Utah

AUG 26 2008

Dear Mr. Croteau:

The above referenced Application for Permit to Drill (APDs) was received August 11, 2008. The federal lease number was incorrectly identified on the APD. The correct lease number for the 5-10-30-25 proposed location is UTU84218 instead of UTU16576 as listed on the APD. Please note your copies of the permit with the correct lease number.

Should there be any engineering concerns, you will be contacted by the Moab Field Office Petroleum Engineer. Any surface use issues will be addressed by the Moab Field Office Natural Resource Specialist.

The final decision on your APD will be made when all concerns have been addressed and the required National Environmental Policy Act (NEPA) documentation is complete. If you have any questions, please contact Marie McGann at 435-259-2135.

Sincerely,

Assistant Field Manager  
Division of Resources



EnCana Oil & Gas (USA) Inc.

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

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

November 5, 2008

Mr. John Baza  
Utah Division of Oil, Gas & Mining  
1594 North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

Re: Exception Location  
Middle Mesa Fed 5-10-30-25  
Lot 10, Sec 5, T30S, R25E  
San Juan County, Utah

Dear Mr. Baza;

Pursuant to Rule R649-3-3 of the Oil & Gas Rules and Regulations of the State of Utah, EnCana Oil & Gas (USA) Inc. hereby requests an exception location for the drilling of the captioned well. Rule R649-3-2 requires a well to be located in the center of a forty (40) acre quarter-quarter section, or a substantially equivalent lot or tract, with a tolerance of two hundred (200) feet in any direction from the center.

The above referenced well location is an exception location under Rule R649-3-2, being outside the center of Lot 10 of Section 5, T30S, R25E. The attached plat depicts the location for which EnCana wishes permission to drill this well as the deviation from the location which would be in accordance with Rule R649-3-2.

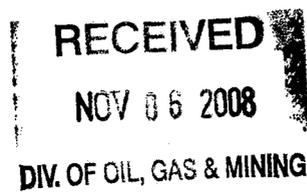
The requested location has been chosen due to topographic and geologic reasons. The Four Hundred Sixty foot (460') radius of the proposed location is on Federal Lease UTU-84218 and is within the established Middle Mesa Unit, UTU-82680X. Lease UTU-82418 is owned 100% by EnCana Oil & Gas (USA) Inc., HHC Exploration and Pioneer Oil and Gas. The proposed location has been approved by the BLM, Pioneer Oil and Gas and by HHC Exploration as indicated by the enclosed letters of consent.

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

Sincerely,

Jevin Croteau  
Regulatory Analyst

Attachment



NOV. 17. 2008 11:19AM HHC EXPLORATION  
2008-Nov-17 10:55 AM EnCana Oil & Gas USA 720-876-3217

NO. 9030 P. 2 2/3



870 17th Street  
Suite 1700  
Denver, CO 80202

tel (306) 825-2300  
fax (306) 823-2400  
www.encana.com

August 18, 2008

Mr. Harry H. Cullen  
HHC Exploration, Inc  
P.O. Box 3331  
Houston, TX 78621

Re: Exception Location  
Middle Mesa Pad 5-10-30-25  
Lot 10 Section 5, T30S, R23E  
San Juan County, Utah

Mr. Cullen:

Pursuant to Rule R649-3-3 of the Oil & Gas Rules and Regulations of the State of Utah, EnCana Oil & Gas (USA) Inc. (EnCana) hereby requests an exception location for the drilling of the captioned well. Rule R649-3-2 requires a well to be located in the center of a forty (40) acre quarter-quarter section, or a substantially equivalent lot or tract, with a tolerance of two hundred (200) feet in any direction from the center.

The above referenced bottom hole location is an exception location under Rule R649-3-2, being outside the center of the Lot 10 Section 5, T30S, R23E. The attached plat depicts the location that EnCana would like to drill the above captioned well.

The requested location has been chosen due to topographic and geologic reasons. It is on Federal Lease <sup>UTU-084218</sup> ~~UTU-46596~~ and is within the established Middle Mesa Unit, UTU-982680X. *HHC*

Please indicate your acceptance of the foregoing by signing two originals of this letter below and returning one copy in the enclosed envelope and fixing one copy to (720)876-4128. Should you have any questions, please contact the undersigned at (720) 876-3128.

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

Spencer Booth  
Land Negotiator

AGREED TO AND ACCEPTED THIS 27<sup>th</sup> DAY OF AUGUST, 2008.

Signature: Harry H. Cullen  
Name: HARRY H. CULLEN  
Phone: 713-651-8951

<sup>TM</sup> Trade-Mark of EnCana Corporation. Used Under License.

RECEIVED TIME NOV 17 11:19AM

# 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

August 18, 2008

Mr. Harry H. Cullen  
HHC Exploration, Inc  
P.O. Box 3331  
Houston, TX 78621

Re: Exception Location  
Middle Mesa Fed 5-10-30-25  
Lot 10 Section 5, T30S, R25E  
San Juan County, Utah

Mr. Cullen:

Pursuant to Rule R649-3-3 of the Oil & Gas Rules and Regulations of the State of Utah, EnCana Oil & Gas (USA) Inc. (EnCana) hereby requests an exception location for the drilling of the captioned well. Rule R649-3-2 requires a well to be located in the center of a forty (40) acre quarter-quarter section, or a substantially equivalent lot or tract, with a tolerance of two hundred (200) feet in any direction from the center.

The above referenced bottom hole location is an exception location under Rule R649-3-2, being outside the center of the Lot 10 Section 5, T30S, R25E. The attached plat depicts the location that EnCana would like to drill the above captioned well.

The requested location has been chosen due to topographic and geologic reasons. It is on Federal Lease UTU-16576 and is within the established Middle Mesa Unit, UTU-082680X.

Please indicate your acceptance of the foregoing by signing two originals of this letter below and returning one copy in the enclosed envelope and faxing one copy to (720)876-4128. Should you have any questions, please contact the undersigned at (720) 876-3128.

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

  
Spencer Booth  
Land Negotiator

AGREED TO AND ACCEPTED THIS 27<sup>th</sup> DAY OF AUGUST, 2008.

Signature: Harry H. Cullen  
Name: HARRY H. CULLEN  
Phone: 713-651-8951

**RECEIVED**  
**NOV 06 2008**  
**DIV. OF OIL, GAS & MINING**

11/18/2008 12:49 8814465508 PIONEER OIL  
2008-Nov-17 10:29 AM EnCana Oil & Gas USA 720-876-3217

PAGE 01  
3/4

11/08/2008 18:19 8814465508

PIONEER OIL  
ENCANA OIL & GAS (USA)

PAGE 02/03  
0002/008



870 17th Street  
Suite 1700  
Denver, CO 80202

tel: (303) 685-2600  
fax: (303) 685-2600  
www.ensco.com

September 18, 2008

Mr. Greg Colton  
Pioneer Oil and Gas  
1206 W. South Jordan Parkway, Unit B  
South Jordan, UT 84095-4871  
Pfx Fax 801-444-5300 and UPS Delivery

Re: Exception Location  
Middle Mesa Fed 5-10-80-28  
Lot 10 Section 4, T30N, R22E  
San Juan County, Utah

Mr. Colton:

Pursuant to Rule R549-3-3 of the Oil & Gas Rules and Regulations of the State of Utah, EnCana Oil & Gas (USA) Inc. (EnCana) hereby requests an exception location for the drilling of the captioned well. Rule R549-3-3 requires a well to be located in the center of a forty (40) acre quarter-quarter section, or a substantially equivalent lot or tract, with a tolerance of two hundred (200) feet in any direction from the center.

The above referenced bottom hole location is an exception location under Rule R549-3-2, being outside the center of the Lot 10 Section 4, T30N, R22E. The attached plat depicts the location that EnCana would like to drill the above captioned well.

The requested location has been shown due to topographic and geologic reasons. It is on Federal Lease 6745-10078 and is within the established Middle Mesa Unit, UTU-082630X.

UTU-084218 JJB

Please indicate your acceptance of the foregoing by signing two originals of this letter below and returning one copy in the enclosed envelope and mailing one copy to (720)876-6154. Should you have any questions, please contact the undersigned at (720) 876-6156.

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

*Rush Roy*  
Rush Roy  
Land Coordinator

AGREED TO AND ACCEPTED THIS 5th DAY OF November, 2008.

*Greg Colton*  
Greg Colton, U.P.  
Name: *Gregory B. Colton*  
Phone: *(801) 444-5300*

\*Trade-Mark of EnCana Corporation. Used under license.



EnCana Marketing (USA) Inc.

370 17th Street  
Suite 1700  
Denver, CO 80202

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

September 15, 2008

Mr. Greg Colton  
Pioneer Oil and Gas  
1206 W. South Jordan Parkway, Unit B  
South Jordan, UT 84095-4551  
Viva Fax 801-446-5500 and UPS Delivery

Re: Exception Location  
Middle Mesa Fed 5-10-30-25  
Lot 10 Section 5, T30S, R25E  
San Juan County, Utah

Mr. Colton:

Pursuant to Rule R649-3-3 of the Oil & Gas Rules and Regulations of the State of Utah, EnCana Oil & Gas (USA) Inc. (EnCana) hereby requests an exception location for the drilling of the captioned well. Rule R649-3-2 requires a well to be located in the center of a forty (40) acre quarter-quarter section, or a substantially equivalent lot or tract, with a tolerance of two hundred (200) feet in any direction from the center.

The above referenced bottom hole location is an exception location under Rule R649-3-2, being outside the center of the Lot 10 Section 5, T30S, R25E. The attached plat depicts the location that EnCana would like to drill the above captioned well.

The requested location has been chosen due to topographic and geologic reasons. It is on Federal Lease UTU-16576 and is within the established Middle Mesa Unit, UTU-082680X.

Please indicate your acceptance of the foregoing by signing two originals of this letter below and returning one copy in the enclosed envelope and faxing one copy to (720)876-6156. Should you have any questions, please contact the undersigned at (720) 876-5156.

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

*Rush Ray*  
Rush Ray  
Land Coordinator

AGREED TO AND ACCEPTED THIS 5th DAY OF November, 2008.

Signature: *Gregg B. Colton* U.P.  
Name: Gregg B. Colton  
Phone: (801) 566-3000

RECEIVED  
NOV 05 2008  
DIV. OF OIL, GAS & MINING



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

November 20, 2008

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

Re: Middle Mesa Federal 5-10-30-25 Well, 2410' FNL, 1629' FEL, LT10, Sec. 5,  
T. 30 South, R. 25 East, San Juan County, Utah

Gentlemen:

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

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31897.

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** Middle Mesa Federal 5-10-30-25  
**API Number:** 43-037-31897  
**Lease:** UTU-84218

**Location:** LT10                      **Sec.** 5                      **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. 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.

**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-84218</b>
2. NAME OF OPERATOR: <b>EnCana Oil &amp; Gas (USA) Inc.</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 370 17th St., Suite 1700 CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		7. UNIT or CA AGREEMENT NAME: <b>Middle Mesa Unit</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2410' FNL &amp; 1629' FEL</b>		8. WELL NAME and NUMBER: <b>Middle Mesa Fed 5-10-30-25</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>L10 5 30S 25E S</b>		9. API NUMBER: <b>4303731897</b>
COUNTY: <b>San Juan</b>		10. FIELD AND POOL, OR WILDCAT: <b>undesigned</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"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<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"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Request APD Extension</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

EnCana Oil & Gas (USA) Inc. is requesting an extension on our approved APD for the subject well.

Please find attached a copy of the APD Request for Permit Extension Validation form as required.

Approved by the  
Utah Division of  
Oil, Gas and Mining

**COPY SENT TO OPERATOR**  
Date: 11.24.2009  
Initials: KS

Date: 11-17-09  
By: [Signature]

NAME (PLEASE PRINT) <u>Jeivin Croteau</u>	TITLE <u>Regulatory Analyst</u>
SIGNATURE <u>[Signature]</u>	DATE <u>11/13/09</u>

(This space for State use only)

**RECEIVED**  
**NOV 17 2009**  
**DIV. OF OIL, GAS & MINING**

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

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

**API:** 43-037-31897  
**Well Name:** Middle Mesa Fed 5-10-30-25  
**Location:** 2410' FNL & 1629' FEL. :LT10, Sec. 5, T30S, R25E  
**Company Permit Issued to:** EnCana Oil & Gas (USA) Inc.  
**Date Original Permit Issued:** 11/20/2008

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

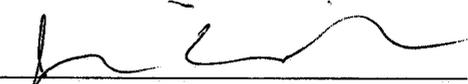
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

11/13/09  
\_\_\_\_\_  
Date

Title: Regulatory Analyst

Representing: EnCana Oil & Gas (USA) Inc.

**RECEIVED**  
**NOV 17 2009**  
DIV. OF OIL, GAS & MINING

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

RECEIVED  
 MOAB FIELD OFFICE  
 2008 AUG 11 AM 7:55

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <del>U-16576</del> <b>UTU8428</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>Middle Mesa, UTU-82680X</b>
3a. Address <b>370 17th St., Suite 1700, Denver CO 80202</b>		8. Lease Name and Well No. <b>Middle Mesa Fed 5-10-30-25</b>
3b. Phone No. (include area code) <b>720-876-5339</b>		9. API Well No. <b>4303731897</b>
4. Location of well (Report location clearly and in accordance with any State requirements.)* At surface <b>2410' FNL &amp; 1629' FEL (lot 10)</b> At proposed prod. zone		10. Field and Pool, or Exploratory <b>South Pine Ridge</b>
14. Distance in miles and direction from nearest town or post office* <b>Approximately 6.0 Miles SE of La Sal, UT</b>		11. Sec., T., R., M., or Blk. And Survey or Area <b>Sec. 5, 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 <del>2119.28</del> <b>2,019.18</b>	12. County or Parish <b>San Juan</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>1965'</b>	19. Proposed Depth <b>5840'</b> TVD	20. BLM/ BIA Bond No. on file <b>UT1005</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6661.8'</b> GR	22. Approximate date work will start* <b>01-Oct-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:

- |                                                                                                                                                 |                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 1. Well plat certified by a registered surveyor.                                                                                                | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above). |
| 2. A Drilling Plan.                                                                                                                             | 5. Operator certification.                                                                   |
| 3. A Surface Use Plan ( if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the BLM.         |

25. Signature 	Name (Printed/ Typed) <b>Jevin Croteau</b>	Date <b>8/7/08</b>
Title <b>Regulatory Analyst</b>		
Approved By (Signature) 	Name (Printed/ Typed) <b>Assistant Field Manager</b>	Date <b>1/5/2010</b>
Title <b>Assistant Field Manager, Division of Resources</b>	Office <b>Division of Resources, Moab Field Office</b>	

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

Conditions of approval, if any, are attached.

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

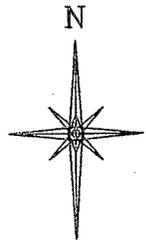
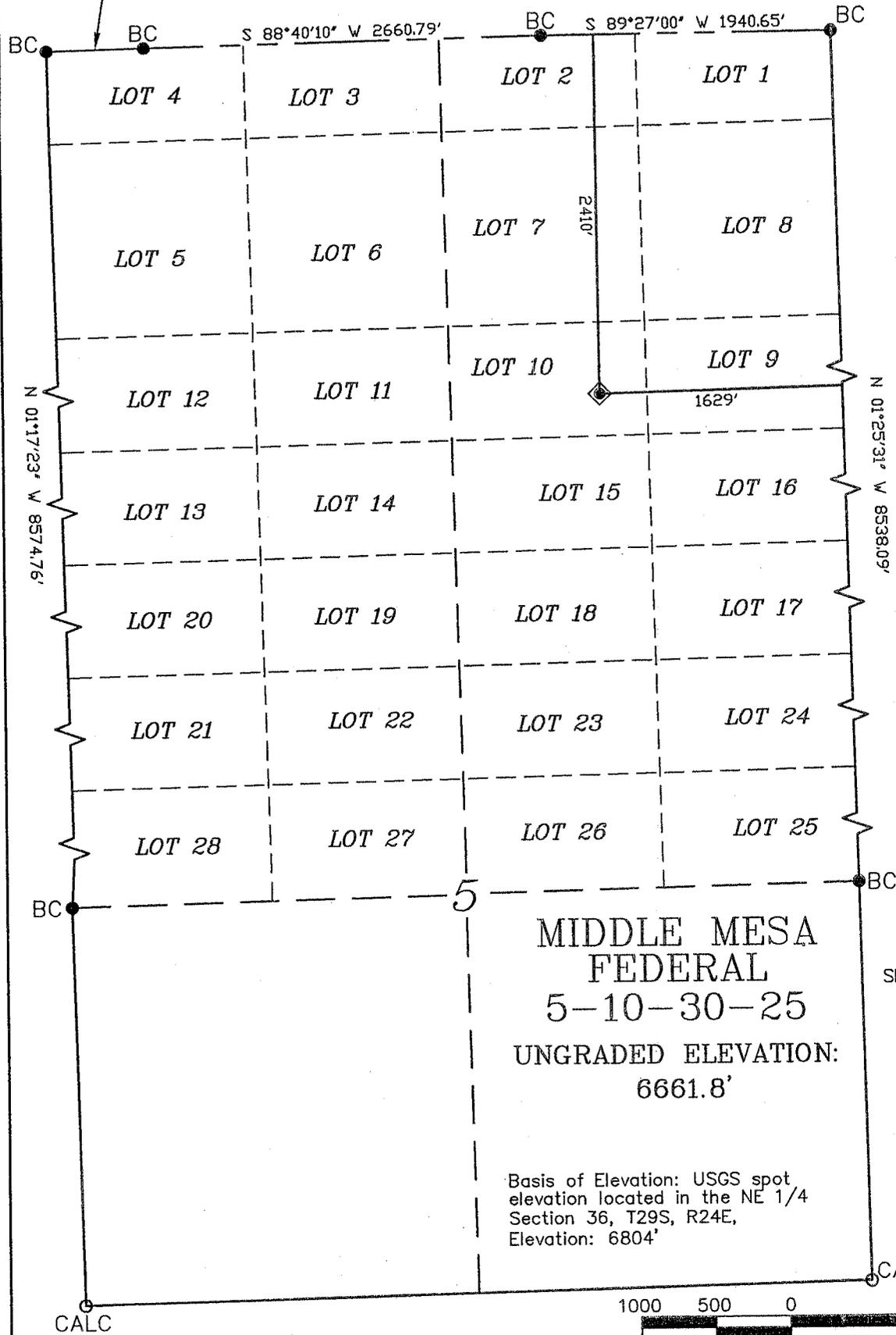
(Continued on page 2)

(Instructions on page 2)

**CONDITIONS OF APPROVAL ATTACHED**  
**RECEIVED**  
**JAN 11 2010**  
**DIV. OF OIL, GAS & MINING**  
**CONFIDENTIAL**  
**TIGHT HOLE**

S 88°29'24" W 646.86'

**R. 25 E.**



SCALE: 1" = 1000'

**T. 30 S.**

LATITUDE (NAD 27)  
NORTH 38.223740 DEG.  
LONGITUDE (NAD 27)  
WEST 109.197741 DEG.

LATITUDE (NAD 83)  
NORTH 38.223729 DEG.  
LONGITUDE (NAD 83)  
WEST 109.198406 DEG.

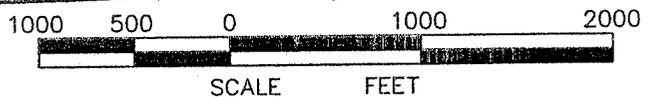
NORTHING  
575099.80  
EASTING  
2661343.66

DATUM  
SPCS UT SOUTH (NAD 27)

MIDDLE MESA  
FEDERAL  
5-10-30-25

UNGRADED ELEVATION:  
6661.8'

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



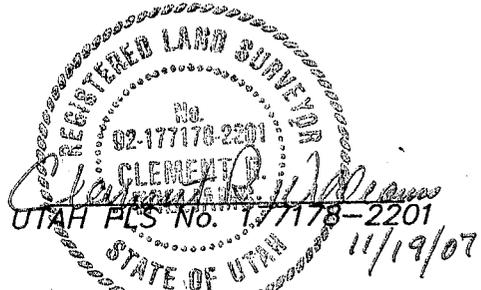
**SURVEYOR'S STATEMENT**

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 NOVEMBER 06, 2007, and it correctly shows the location of MIDDLE MESA FEDERAL 5-10-30-25.

**NOTES**

- ◆ WELL LOCATION
- FOUND MONUMENT
- CALCULATED CORNER

EXHIBIT 1



**DRG** RIFFIN & ASSOCIATES, INC.

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

SCALE: 1" = 1000'  
JOB No. 16030  
DATE: 11/19/07

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

**2410' F/NL & 1629' F/EL, SECTION 5,  
T. 30 S., R. 25 E., SALT LAKE B.M.  
SAN JUAN COUNTY, UTAH**

EnCana Oil & Gas (USA), Inc.  
**Middle Mesa Federal 5-10-30-25**  
Lease UTU-84218  
Middle Mesa Unit (UTU-82680-X)  
Lot 10 (NW/NE) Section 5, T30S, R25E  
San Juan County, Utah

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

#### CONDITIONS OF APPROVAL

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

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

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

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

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

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

#### A. DRILLING PROGRAM

1. The proposed 3M BOP system is adequate for anticipated conditions. Testing to 2M standards is acceptable. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOG M) is required before conducting any surface disturbing activities.
3. 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.
4. Submit a Well Completion Report (Form 3160-4) within 30 days of completing the well. Please invest the necessary energy to thoroughly and accurately describe the well completion.

## B. Surface

### Site Specific COAs

#### **Middle Mesa Federal 25-43-29-24**

1. Due to a raptor nest, no permanent facilities shall be constructed/installed on this location. Facilities shall be located on an adjacent or nearby location.

#### **Middle Mesa Federal 31-11-29-25**

1. The operator shall maintain a 50' undisturbed vegetated buffer from the drainage to the SE corner of the pad.

#### **Middle Mesa Federal 31-22-29-25**

1. All earth moving activities associated with construction of the access corridor servicing the well in T29S R25E Section 31 will be monitored by an archeologist who meets or exceed the qualification standards recommended by the Secretary of the Interior. The Bureau has identified this area as containing the potential for buried cultural deposits.

The archeologist shall notify the BLM, Moab Field Office of date they intend to monitor the aforementioned areas, no less than three days in advance. The BLM will require the submission of two copies of a monitoring report within 30 days of the completion of work.

In the event previously unidentified archaeological materials are identified within the project area the standard stipulations apply for documentation of archaeological deposits.

2. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
  - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
  - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

#### **Middle Mesa Federal 31-33-29-25**

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
  - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was

previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.

- If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

#### **Middle Mesa Federal 31-42-29-25**

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
  - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
  - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

#### **Middle Mesa Federal 31-44-29-25**

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
  - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
  - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

**Middle Mesa Federal 5-8-30-25**

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
  - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
  - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

**Middle Mesa Federal 5-10-30-25**

1. Due to a raptor nest, no permanent facilities shall be constructed/installed on this location. Facilities shall be located on an adjacent or nearby location.
2. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
  - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
  - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

**Middle Mesa Federal 4-20-30-25**

1. All earth moving activities that are associated with the initial construction of the well pad will be monitored by an archeologist who meets or exceeds the qualification standards recommended by the Secretary of the Interior. The Bureau has identified this area as containing the potential for buried cultural deposits. Additionally, a temporary fence will be erected on the southeast portion of this well pad during construction to eliminate damage to a sensitive area.

The archeologist shall notify the BLM, Moab Field Office of date they intend to monitor the aforementioned areas, no less than three days in advance. The BLM will require the submission of two copies of a monitoring report within 30 days of the completion of work.

In the event previously unidentified archaeological materials are identified within the project area the standard stipulations apply for documentation of archaeological deposits.

2. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
  - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
  - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

#### **Bull Horn Federal 9-13-30-25**

1. This well location is in a geologic formation that has yielded scientifically significant fossils. To minimize the possibility of damaging fossil remains, a paleontological survey or paleontological monitoring shall be performed.
  - A paleontological survey, if conducted, must include the well location and access road. The survey report must be submitted to the BLM for review prior to conducting surface disturbing activities (Note: A paleontological survey was previously conducted on the Middle Mesa No. 5-10 well and access, with negative findings). Depending on the findings of a paleontological survey, monitoring may also be needed.
  - If a paleontological survey is not conducted, monitoring must be performed. The monitor must be on-site during construction of the well pad and access road to identify any vertebrate paleontological remains that may be uncovered. If a discovery is made, work must stop in the vicinity of the find. Work may continue at a distance of 100 feet away from the discovery point. The BLM must be notified promptly upon discovery of paleontological remains. An assessment of the discovery will determine its significance, and the actions necessary for protection.

### **General COAs**

#### **Other required approvals**

1. This approval does not authorize non-federal actions. State and county permits may be required prior to any construction activity.

### **Cultural**

1. Should any cultural resources be unearthed, surface-disturbing activities would be re-routed to avoid or halted until the cultural sites/artifacts can be evaluated for significance, and a mitigation/salvage plan be formulated. These actions would successfully mitigate possible impacts to cultural resources such that detailed analysis is not required.

### **Paleontological Resources**

1. Paleontological resources are not likely to be encountered, except for those site listed previously, but could be discovered during construction. Because of this the operator shall; (1) with contractors, go over procedures for stopping work and notifying BLM if paleontological resources were found while working on the project, (2) notify the contractor of his responsibilities for informing employees/sub-contractors of the potential for prosecution if paleontological resources were disturbed.

### **Wildlife**

1. 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 would be allowed that could cause permanent abandonment of established nest sites if facility or construction removed a nest or permanently interfered with nesting activity. 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 surveys would be required during breeding and nesting season by a qualified biologist. Breeding season surveys must be updated each year prior to surface disturbing activities. The restriction would reduce potential impacts to other bird species 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.
2. In order to protect mule deer on crucial winter range no road or well pad construction, drilling or well completion operations, or construction of production facilities will be authorized between November 15 and April 15 to reduce the potential impacts to mule deer. The restriction would not apply to the maintenance and operation of producing wells. The dates and provisions for producing wells would be consistent with the oil and gas stipulation for deer winter range in the MFO RMP.

### **Well Pad/Road Construction/Maintenance**

1. All soil and gravel brought in from off site for road or pad construction need to come from a pit free of invasive, non-native species.
2. Impacts from new well pad and road construction would be minimized by appropriate drainage control (ie. water bars, low water crossings in ephemeral drainages, etc). If the wells go into production, mitigation of impacts to soils would include 1) upgrading roads to BLM Gold Book standards and 2) reclamation of any unused areas (ie. wellpads, unneeded road access). If the wells are not produced, then reclamation would mitigate and reduce impacts to soils.
3. The operator shall maintain the existing roads in a safe, usable condition, as directed by the Moab Field Office. The maintenance program shall include, but is not limited to, blading, ditching, installing culverts, and if needed, surfacing the road with rock materials. The operator shall conduct all activities associated with the San Juan County roads within the existing surface disturbances of the maintained roads. The operator

shall repair all damages to the county roads resulting from traffic associated with constructing, drilling, and producing the well.

4. The operator shall not block access to roads that intersect with the main roads being used to drill these wells. If blading the road for maintenance, the operator must make sure to remove any windrow that crosses another road.
5. The operator shall salvage the topsoil from entire disturbed area of the location prior to construction of the pad. This includes removal of topsoil from the areas where spoil piles will be stored.
6. Gates and cattle guards shall be maintained to at least existing condition or better.
7. New roads constructed shall be signed Administrative use Only.

#### **Wastes**

1. All Federal and State laws would be followed regarding use, storage and disposal of hazardous materials and solid wastes.
2. No produced water or other fluids will be disposed on the well pad or roads.

#### **Soils/Dust**

1. Dust control will be provided during construction and drilling operations by spraying fresh water on new road construction, roads being maintained or utilized, and the well pad as needed.

#### **Fuels/Fire**

1. During the activities of road maintenance, new road construction, or the construction of well pads, if any standing live or dead trees were damaged, cut down, or knocked over by grading or construction equipment; actions would be taken to mitigate the fuel loads from slash generated from these activities. In areas where reclamation of the site would be expected and slash would be utilized to help reclaim the site, temporary piling of slash until termination of activities would be acceptable. In areas where reclamation is not planned in the foreseeable future, disposal of slash would be required.

Acceptable disposal actions include the chipping of materials on site with dispersal along the road or pad edge. Hauling of materials would also be acceptable with the following stipulations:

- a. BLM would pre-approve the disposal location.
- b. Piled vegetation would not be within fifteen feet of standing live trees.
- c. Because downed trees would provide an opportunity for public firewood cutting and collection, piles must be located adjacent to and accessible by road.
- d. All burning of materials would be conducted by BLM specialists.

#### **Reclamation**

1. Drill pads and new roads to non-producing wells will be reclaimed. Reclamation will include removal of new road and the incorporation of a seed mix that will provide a vegetation structure as close to the existing plant community as possible.

2. At the end of drilling operations and prior to reclamation of the reserve pit, the top of the pit will be covered with netting of one inch or less to prevent access by birds while the pit is drying.
3. The pit will not be left open for more than 6 months from the completion of drilling activities. If necessary the pit fluids will be drained and then closed prior to the 1 year deadline.
4. Interim reclamation shall be commenced within 6 months of completion of the well. Interim reclamation will include the reclamation of all the portions of the pad not required for everyday production.
5. For Interim Reclamation the operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. Use the following seed mix:

<b>Species – Cultivar</b>	<b>% in Mix</b>	<b>Lbs PLS*</b>
Indian Ricegrass	50	5
Slender wheatgrass	40	4
Four-wing saltbush	40	4
<b>Totals</b>	<b>100%</b>	<b>10.00 lbs/acre</b>

\*PLS = pure live seed

\*Double this rate if broadcast seeding

6. Slopes too steep for machinery may be hand broadcast and raked with twice the specified amount of seed.

#### **Noxious/Invasive Weeds**

1. To reduce the opportunity to transport invasive and/or noxious weeds, the operator will be required to wash all vehicles and equipment before mobilizing into the project area to begin any dirt work or drilling activities.
2. 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.
3. The operator will monitor for noxious weeds that might move onto the location. If any are discovered an Integrated Pest Management Plan will be created and need BLM approval prior to beginning any treatment program.

#### **Air Quality**

1. All new and replacement internal combustion oil and gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 grams of NOx per horsepower-hour. This requirement does not apply to oil and gas field engines of less than or equal to 40 design-rated horsepower;

2. All new and replacement internal combustion oil and gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gram of NOx per horsepower-hour.

**Other**

1. Please contact Ben Kniola, Natural Resource Specialist, @ (435) 259-2127, Bureau of Land Management, Moab, if there are any questions concerning these surface use COAs.

### 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

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:**

**MIDDLE MESA**

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

**DATA ENTRY:**

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

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

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

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

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

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

Bond coverage for all activities will be covered by Patara's BLM Statewide Oil & Gas Bond No. UTB000428 and UDOGM Bond No. Pending. *RIB0013207 + B006008*

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

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

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

(This space for State use only)

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

(See Instructions on Reverse Side)

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

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

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



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO  
3180  
UT-922

June 28, 2010

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

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

Dear Mr. Laramie:

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

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

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

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

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

Sincerely,

*/s/ Roger L. Bankert*

Roger L. Bankert  
Chief, Branch of Minerals

Enclosure

RECEIVED

JUL 06 2010

DIV. OF OIL, GAS & MINING

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

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

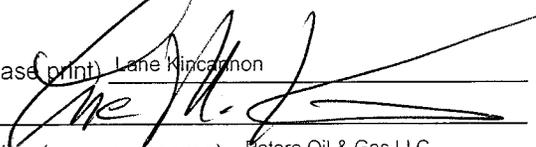
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Middle Mesa Fed 5-10-30-25
API number:	4303731897
Location:	Qtr-Qtr: LT10    Section: 5    Township: 30S    Range: 25E
Company that filed original application:	EnCana Oil & Gas (USA) Inc.
Date original permit was issued:	11/20/2008
Company that permit was issued to:	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?		✓
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0013207</u>	X	

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 Kinnaman                      Title Vice-President, Land & Business Development  
 Signature                       Date 5/4/10  
 Representing (company name) Palara Oil & Gas LLC

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

(3/2004)

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-84218
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> MIDDLE MESA
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> MIDDLE MESA FED 5-10-30-25
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC	<b>9. API NUMBER:</b> 43037318970000
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 825-0685 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2410 FNL 1629 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: LT10 Section: 05 Township: 30.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> SOUTH PINE RIDGE  <b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 3/1/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Patara Oil and Gas, LLC request the extension of the approved APD for the maximum allowable time. The federal approval for the APD is vaild until January 5, 2012. Please contact Christopher (Bob) Noonan at Banko Petroleum Management, Inc. at (303) 820-4480, or bob@banko1.com with any questions or concerns. Thank you.

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

Date: 01/13/2011  
By: 

<b>NAME (PLEASE PRINT)</b> Christopher A. Noonan	<b>PHONE NUMBER</b> 303 820-4480	<b>TITLE</b> Permit Agent
<b>SIGNATURE</b> N/A		<b>DATE</b> 1/13/2011



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43037318970000**

**API:** 43037318970000

**Well Name:** MIDDLE MESA FED 5-10-30-25

**Location:** 2410 FNL 1629 FEL QTR LT10 SEC 05 TWP 300S RNG 250E MER S

**Company Permit Issued to:** PATARA OIL & GAS, LLC

**Date Original Permit Issued:** 11/20/2008

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

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
- Has the approved source of water for drilling changed?  Yes  No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
- Is bonding still in place, which covers this proposed well?  Yes  No

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

**Signature:** Christopher A. Noonan

**Date:** 1/13/2011

**Title:** Permit Agent

**Representing:** PATARA OIL & GAS, LLC

**Date:** 01/13/2011

**By:**

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-84218																														
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> MIDDLE MESA																														
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> MIDDLE MESA FED 5-10-30-25																															
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<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2410 FNL 1629 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: LT10 Section: 05 Township: 30.0S Range: 25.0E Meridian: S	<b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH																															
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																																
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>																															
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 9/4/2012  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;"><input type="checkbox"/> ACIDIZE</td> <td style="width: 33%; border: none;"><input type="checkbox"/> ALTER CASING</td> <td style="width: 33%; border: none;"><input type="checkbox"/> CASING REPAIR</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</td> <td style="border: none;"><input type="checkbox"/> CHANGE TUBING</td> <td style="border: none;"><input type="checkbox"/> CHANGE WELL NAME</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> CHANGE WELL STATUS</td> <td style="border: none;"><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</td> <td style="border: none;"><input type="checkbox"/> CONVERT WELL TYPE</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> DEEPEN</td> <td style="border: none;"><input type="checkbox"/> FRACTURE TREAT</td> <td style="border: none;"><input type="checkbox"/> NEW CONSTRUCTION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> OPERATOR CHANGE</td> <td style="border: none;"><input type="checkbox"/> PLUG AND ABANDON</td> <td style="border: none;"><input type="checkbox"/> PLUG BACK</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> PRODUCTION START OR RESUME</td> <td style="border: none;"><input type="checkbox"/> RECLAMATION OF WELL SITE</td> <td style="border: none;"><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> REPERFORATE CURRENT FORMATION</td> <td style="border: none;"><input type="checkbox"/> SIDETRACK TO REPAIR WELL</td> <td style="border: none;"><input type="checkbox"/> TEMPORARY ABANDON</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> TUBING REPAIR</td> <td style="border: none;"><input type="checkbox"/> VENT OR FLARE</td> <td style="border: none;"><input type="checkbox"/> WATER DISPOSAL</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> WATER SHUTOFF</td> <td style="border: none;"><input type="checkbox"/> SI TA STATUS EXTENSION</td> <td style="border: none;"><input checked="" type="checkbox"/> APD EXTENSION</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> WILDCAT WELL DETERMINATION</td> <td style="border: none;"><input type="checkbox"/> OTHER</td> <td style="border: none;">OTHER: <input style="width: 100px;" type="text"/></td> </tr> </table>		<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Patara Oil & Gas LLC requests an extension to the approved APD for the maximum allowable time. The federal approval for the APD is valid until January 5, 2012. We will request an extension to the federal APD as well since we do not anticipate being able to commencing drilling operations until September 2012. Please contact Danielle Gavito at (303) 563-5378 or at dgavito@pataraog.com with any questions or concerns. Thank you.																																
		<b>Approved by the          Utah Division of          Oil, Gas and Mining</b>  <b>Date:</b> <u>11/01/2011</u> <b>By:</b>																														
<b>NAME (PLEASE PRINT)</b> Danielle Gavito	<b>PHONE NUMBER</b> 303 563-5378	<b>TITLE</b> Permit Agent																														
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/21/2011																															



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43037318970000**

**API:** 43037318970000

**Well Name:** MIDDLE MESA FED 5-10-30-25

**Location:** 2410 FNL 1629 FEL QTR LT10 SEC 05 TWNP 300S RNG 250E MER S

**Company Permit Issued to:** PATARA OIL & GAS, LLC

**Date Original Permit Issued:** 11/20/2008

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

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
  
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
  
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
  
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
  
- Has the approved source of water for drilling changed?  Yes  No
  
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
  
- Is bonding still in place, which covers this proposed well?  Yes  No

**Signature:** Danielle Gavito

**Date:** 10/21/2011

**Title:** Permit Agent **Representing:** PATARA OIL & GAS, LLC

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-84218
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> MIDDLE MESA
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> MIDDLE MESA FED 5-10-30-25
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC	<b>9. API NUMBER:</b> 43037318970000
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 563-5364 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2410 FNL 1629 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: LT10 Section: 05 Township: 30.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> SOUTH PINE RIDGE  <b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>10/1/2012</b>  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b> <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

Patara Oil & Gas LLC, (Patara) proposes the following changes to the approved Application for Permit to Drill: Patara will not utilize a reserve pit and will instead drill the well with a closed loop system. Patara wishes to stockpile drilled solids on a corner of the permitted pad, will allow cuttings to dry, and upon completion of the well, will spread the solids over the pad and utilize as a base for interim reclamation. Patara is also proposing a new bottom hole location and will directionally drill this well. Attachments included in this sundry notice are: direction drilling plan & plot, Exception to Location letter, revised complete survey plats including updated operator name, revised cement program. Please contact Danielle Gavito if you have any questions or concerns at 303-563-5378 or at dgavito@pataraog.com. Thank you.

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

**Date:** September 17, 2012

**By:** 

<b>NAME (PLEASE PRINT)</b> Danielle Gavito	<b>PHONE NUMBER</b> 303 563-5378	<b>TITLE</b> Regulatory Technician
<b>SIGNATURE</b> N/A	<b>DATE</b> 9/5/2012	



## Patara Oil & Gas LLC

Dominion Towers • 600 17th Street, Suite 1900S • Denver, CO 80202

Phone (303) 825-0685 • Fax: (720) 235-4560

September 4, 2012

### VIA OVERNIGHT DELIVERY

Ms. Diana Mason  
Utah Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84116

RE: Rule R649-3-11. Directional Drilling  
Rule R649-3-3. Exception to Location  
**Middle Mesa No. 5-10-30-25 Well**  
Middle Mesa Unit Federal Unit  
San Juan County, Utah

Dear Ms. Mason:

Reference is made to that certain application for permit to drill (APD) covering the captioned well, which well is presently surface located 2,410' FNL and 1,629' FEL of Section 5, T30S, R25E, and bottomhole located 3,138' FNL and 778' FEL of said Section 5, in San Juan County, Utah (surveyor plats enclosed). The bottomhole location for this step out well targeting the Honaker Trail, La Sal Sands, Hatch and Ismay formations will be directionally drilled and will be located outside the 400 feet square "window" provided for under state rule R649-3-2. In accordance with state rules R649-3-3 and R649-3-11, Patara hereby respectfully requests an exception to said Location and Siting Wells rule and approval to directionally drill. The following information is provided in support thereof:

- 1.) Surface and bottomhole locations are covered under Federal Oil and Gas Lease bearing the serial number UTU-84218
- 2.) All lands located within a 460' radius of the bottomhole location and all points along the intended wellbore are committed to the Middle Mesa Federal Exploratory Unit, case number UTU-82680X. The Unit Agreement serves to unitize all formations under the separate unit tracts forming one unit area to effectively and efficiently develop the unitized zones;
- 3.) Pursuant to the Unit Operating Agreement of the above referenced unit, Patara, as Unit Operator, is the designated agent for those lands committed to the unit area;

- 4.) The directional drilling of the well is required in order to encounter all targeted formations while tracking a fault present in the field

In consideration of the foregoing, we therefore respectfully request an approval to directionally drill the captioned well with a bottomhole at the location set forth in the revised APD. Should you have any questions, regarding this matter, please do not hesitate to give me a call at 303-563-5375.

Sincerely,

**Patara Oil & Gas LLC**

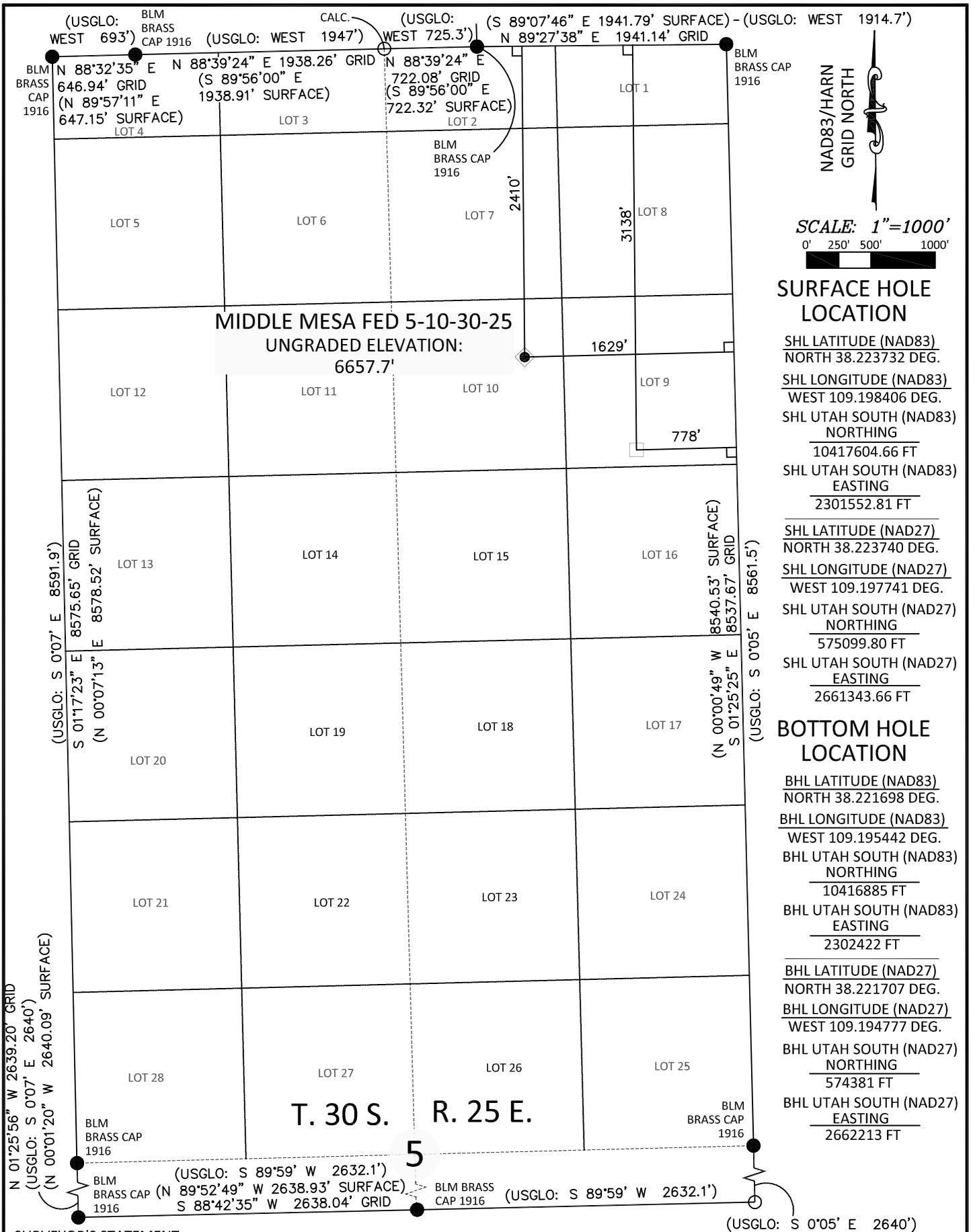
A handwritten signature in blue ink, appearing to read "Cassandra Squyres", with a long horizontal flourish extending to the right.

Cassandra Squyres  
Landman

Enclosure

---





**SCALE: 1"=1000'**  
 0' 250' 500' 1000'

**SURFACE HOLE LOCATION**

SHL LATITUDE (NAD83)  
 NORTH 38.223732 DEG.

SHL LONGITUDE (NAD83)  
 WEST 109.198406 DEG.

SHL UTAH SOUTH (NAD83)  
 NORTHING  
 10417604.66 FT

SHL UTAH SOUTH (NAD83)  
 EASTING  
 2301552.81 FT

SHL LATITUDE (NAD27)  
 NORTH 38.223740 DEG.

SHL LONGITUDE (NAD27)  
 WEST 109.197741 DEG.

SHL UTAH SOUTH (NAD27)  
 NORTHING  
 575099.80 FT

SHL UTAH SOUTH (NAD27)  
 EASTING  
 2661343.66 FT

**BOTTOM HOLE LOCATION**

BHL LATITUDE (NAD83)  
 NORTH 38.221698 DEG.

BHL LONGITUDE (NAD83)  
 WEST 109.195442 DEG.

BHL UTAH SOUTH (NAD83)  
 NORTHING  
 10416885 FT

BHL UTAH SOUTH (NAD83)  
 EASTING  
 2302422 FT

BHL LATITUDE (NAD27)  
 NORTH 38.221707 DEG.

BHL LONGITUDE (NAD27)  
 WEST 109.194777 DEG.

BHL UTAH SOUTH (NAD27)  
 NORTHING  
 574381 FT

BHL UTAH SOUTH (NAD27)  
 EASTING  
 2662213 FT

**SURVEYOR'S STATEMENT**

I, William H. Dolinar, Professional Land Surveyor, UT RLS #7200155-2201 hereby certify that (in accordance with a request from Danielle Gavito with Patara Oil & Gas, LLC) I and/or personnel under my direction made a survey on the 24th day of August 2012, for the Surface Hole Location and Elevation of platted well, being located within Lot 10 of Section 5, T30S, R25E of the Salt Lake Meridian, San Juan County, Utah of shown MIDDLE MESA FED 5-10-30-25 being staked on the ground as shown hereon.

**NOTES**

- (1.) Basis of Datum is the Utah State Plane Coordinate System, South Zone, NAD83/HARN from GPS observations derived from OPUS solution
- (2.) Vertical Datum used is of NAVD 88.
- (3.) The Basis of Bearings for this survey is Grid North and referenced to the west line of the shown NW4 of Section 5 monumented as shown and bearing S 1° 17' 23" E.

**LEGEND**

- SURFACE HOLE LOCATION
- BOTTOM HOLE LOCATION
- CALCULATED CORNER LOCATION
- FOUND CORNER MONUMENT

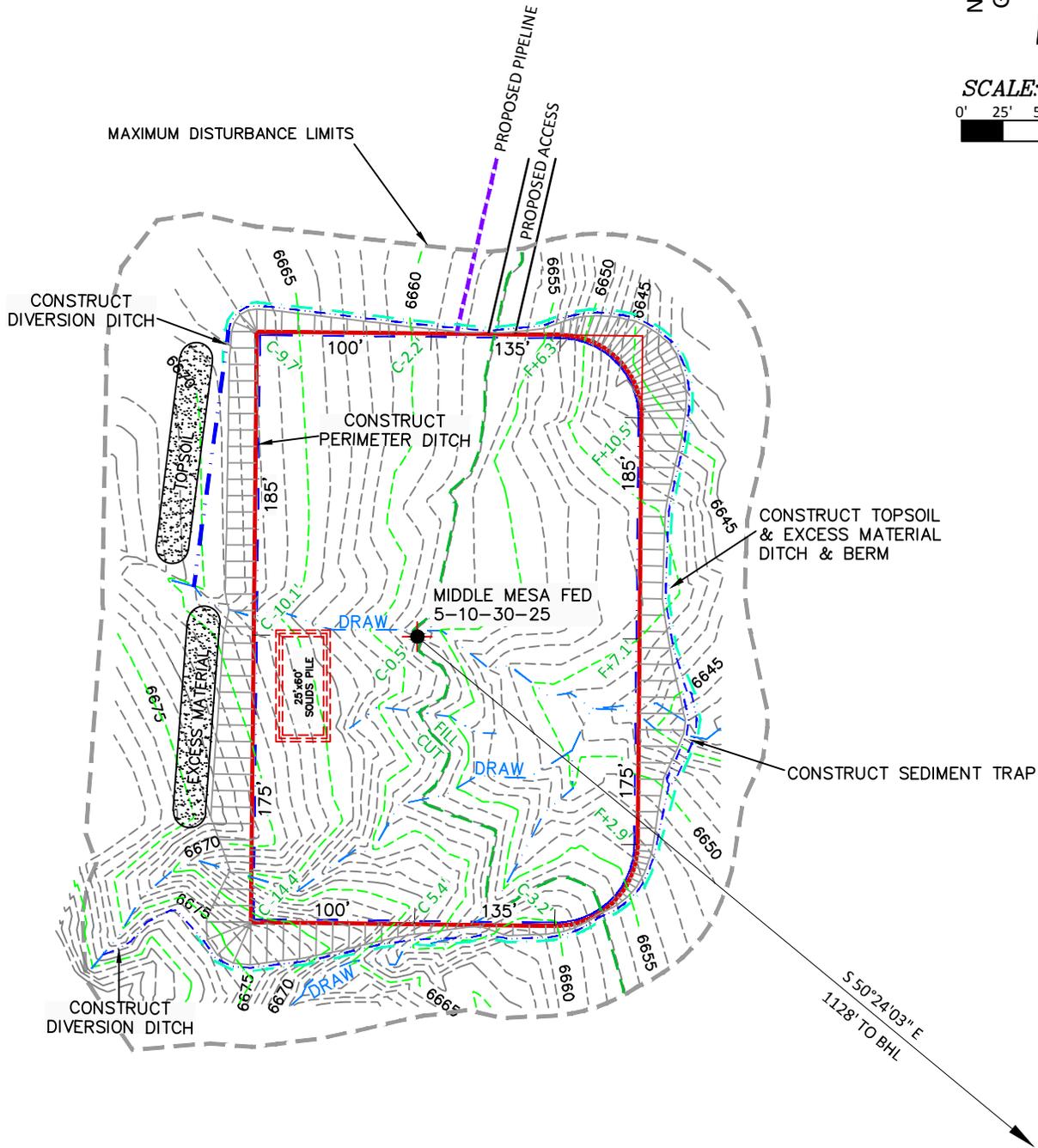
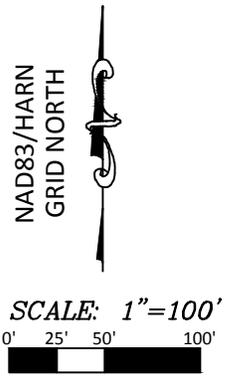


**CONFIDENTIALITY NOTES:**  
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**MMF 5-10-30-25 PAD**

 <p><b>WILLIAM H. SMITH &amp; ASSOCIATES P.C.</b>                  SURVEYING CONSULTANTS                  550 EAST SECOND NORTH      PHONE: 307-875-3638                  GREEN RIVER, WY                      307-875-3639                  www.whsmithpc.com</p>	<p><b>PLAT OF DRILLING LOCATION</b>                  FOR  <b>PATARA OIL &amp; GAS, LLC</b></p>
	<p>SHL IS 2410' F/NL &amp; 1629' F/EL, SECTION 5                  T. 30 S., R. 25 E., SALT LAKE P.M.                  SAN JUAN COUNTY, UTAH</p>
<p>JOB NO: 2011900.003      DATE DRAWN - BY: 08/28/12- rcr</p>	
<p>REVISIONS:      SCALE: 1" = 1000'                  EXHIBIT 1      PAGE 1 OF 1</p>	

UNGRADED NAVD 88 ELEVATION: 6657.7'  
 FINISHED NAVD 88 ELEVATION: 6657.2'  
 MAXIMUM AREA OF DISTURBANCE: 4.3± ACRES  
 DRAINS TOWARDS COYOTE WASH



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**MMF 5-10-30-25 PAD**



**WILLIAM H. SMITH & ASSOCIATES P.C.**  
 SURVEYING CONSULTANTS

550 EAST SECOND NORTH PHONE: 307-875-3638  
 GREEN RIVER, WY 307-875-3639

www.whsmithpc.com

LOT 10 SECTION 5, T30S, R25E, SLM. SAN JUAN COUNTY, UTAH  
 ESTIMATED EARTHWORK VOLUMES IN CUBIC YARDS

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	11,130 CY	7,317 CY	1,885 CY	1,928 CY
PIT	NONE			
<b>TOTAL</b>	<b>11,130 CY</b>	<b>7,317 CY</b>	<b>1,885 CY</b>	<b>1,928 CY</b>

JOB NO: 2011900.003

DATE DRAWN - BY: 08/28/12- rcr

REVISIONS: Add Solids Pile. 8/16/12 RR

SCALE: 1" = 100'

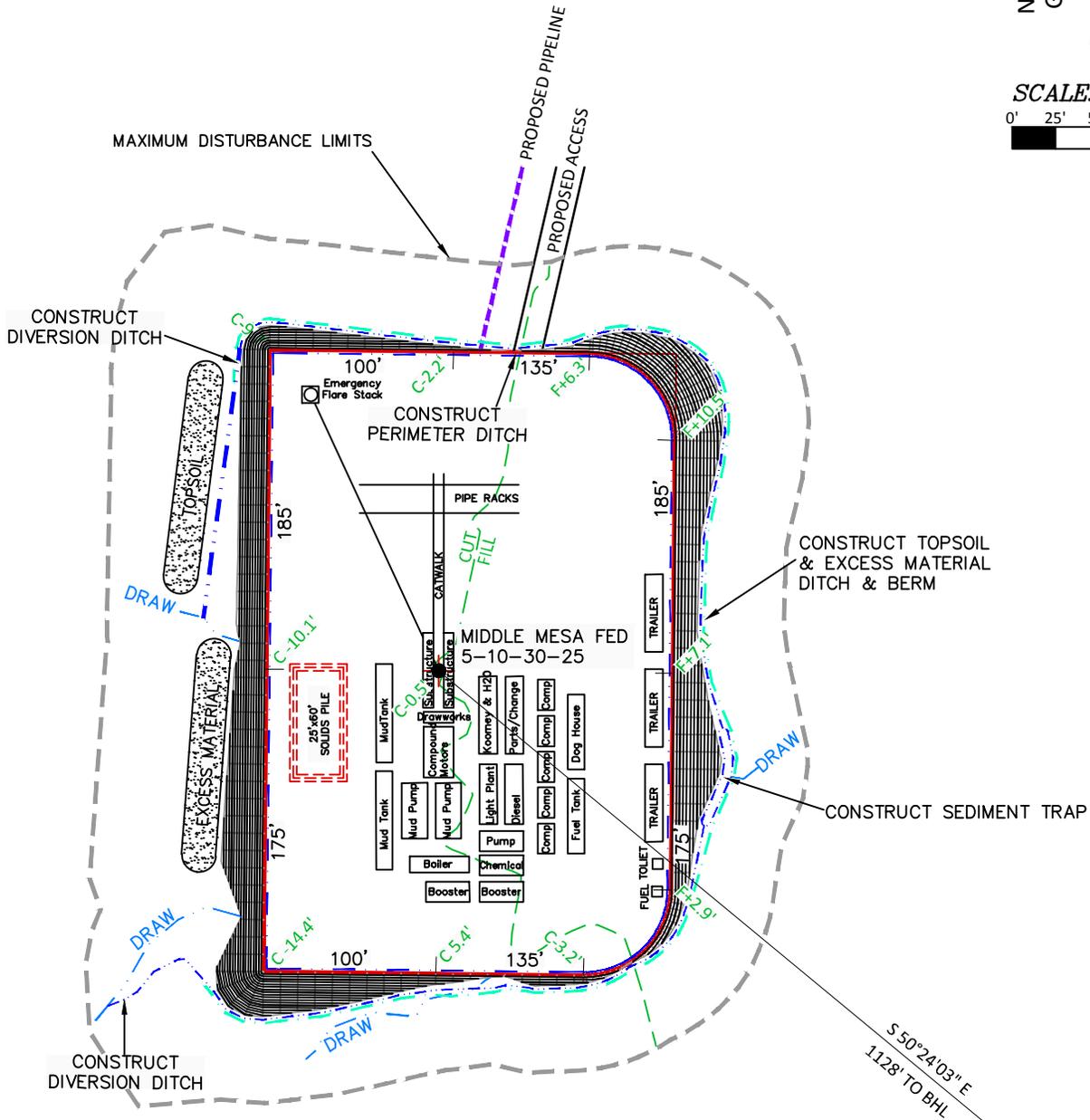
EXHIBIT 2

PAGE 1 OF 2

UNGRADED NAVD 88 ELEVATION: 6657.7'  
 FINISHED NAVD 88 ELEVATION: 6657.2'  
 MAXIMUM AREA OF DISTURBANCE: 4.3± ACRES  
 DRAINS TOWARDS COYOTE WASH



SCALE: 1"=100'  
 0' 25' 50' 100'



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**MMF 5-10-30-25 PAD**



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 SURVEYING CONSULTANTS  
 550 EAST SECOND NORTH PHONE: 307-875-3638  
 GREEN RIVER, WY 307-875-3639  
 www.whsmithpc.com

**RIG LAYOUT & DESIGN CONTOURS**  
 PATARA OIL & GAS, LLC  
 MIDDLE MESA FED 5-10-30-25  
 LOT 10, SECTION 5  
 T. 30 S., R. 25 E., SALT LAKE P.M.  
 SAN JUAN COUNTY, UTAH

JOB NO: 2011900.003

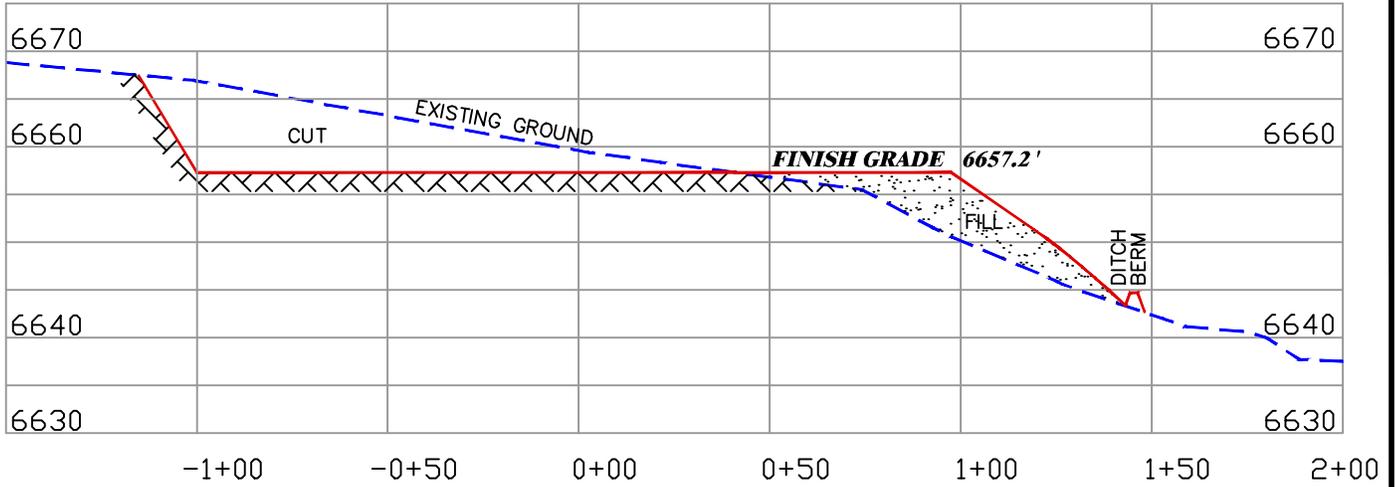
DATE DRAWN - BY: 08/28/12- rcr

REVISIONS: Revise to closed loop pad & add Emergency Flare Stake. 8/16/12 RR

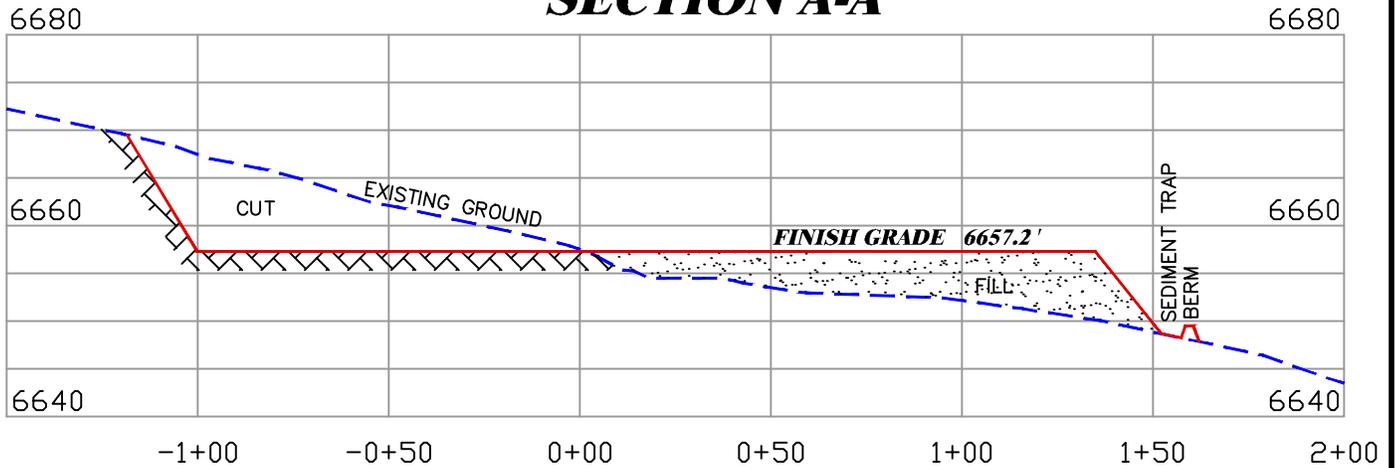
SCALE: 1" = 100'

EXHIBIT 2

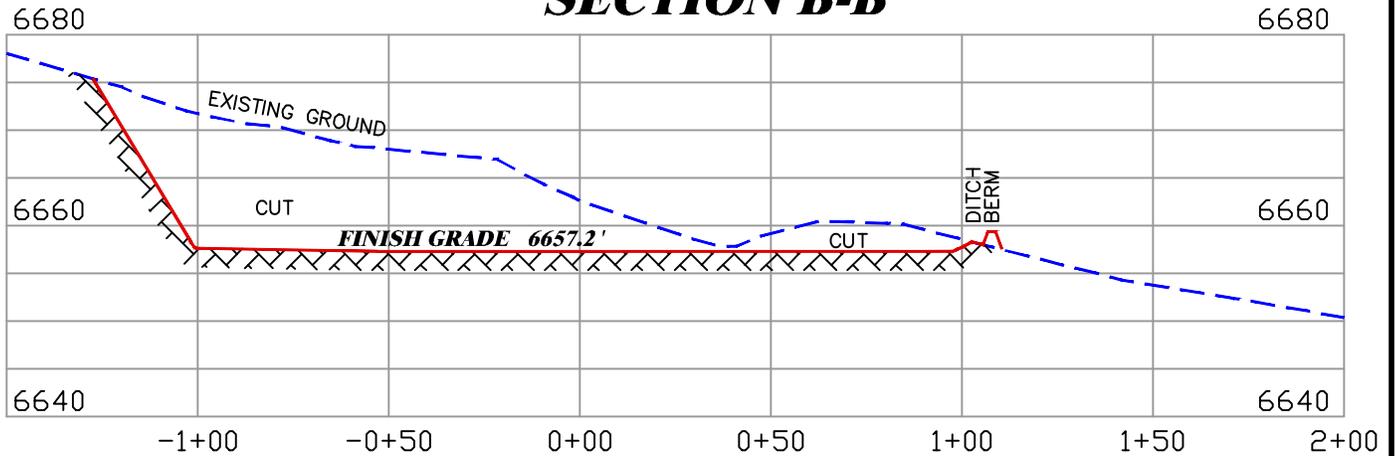
PAGE 2 OF 2



**SECTION A-A**



**SECTION B-B**



**SECTION C-C**

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**MMF 5-10-30-25 PAD**



**WILLIAM H. SMITH & ASSOCIATES P.C.**  
 SURVEYING CONSULTANTS  
 550 EAST SECOND NORTH      PHONE: 307-875-3638  
 GREEN RIVER, WY                      307-875-3639  
 www.whsmithpc.com

**PAD CROSS SECTIONS**  
**PATARA OIL & GAS, LLC**  
**MIDDLE MESA FED 5-10-30-25**  
**LOT 10, SECTION 5**  
**T. 30 S., R. 25 E., SALT LAKE P.M.**  
**SAN JUAN COUNTY, UTAH**

JOB NO: 2011900.003

DATE DRAWN - BY: 08/28/12-rcr

REVISIONS:

SCALE: 1" = 50' HORIZONTAL, 1" = 20' VERTICAL  
 EXHIBIT 3                      PAGE 1 OF 1



WELL LOCATION LOOKING NORTH  
AUGUST 24, 2012



WELL LOCATION LOOKING SOUTH  
AUGUST 24, 2012



WELL LOCATION LOOKING EAST  
AUGUST 24, 2012



WELL LOCATION LOOKING WEST  
AUGUST 24, 2012

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**MMF 5-10-30-25 PAD**



**WILLIAM H. SMITH & ASSOCIATES P.C.**  
SURVEYING CONSULTANTS  
550 EAST SECOND NORTH      PHONE: 307-875-3638  
GREEN RIVER, WY                      307-875-3639  
[www.whsmithpc.com](http://www.whsmithpc.com)

LOCATION PHOTOS  
PATARA OIL & GAS, LLC  
MIDDLE MESA FED 5-10-30-25  
LOT 10, SECTION 5  
T. 30 S., R. 25 E., SALT LAKE P.M.  
SAN JUAN COUNTY, UTAH

JOB NO: 2011900.003

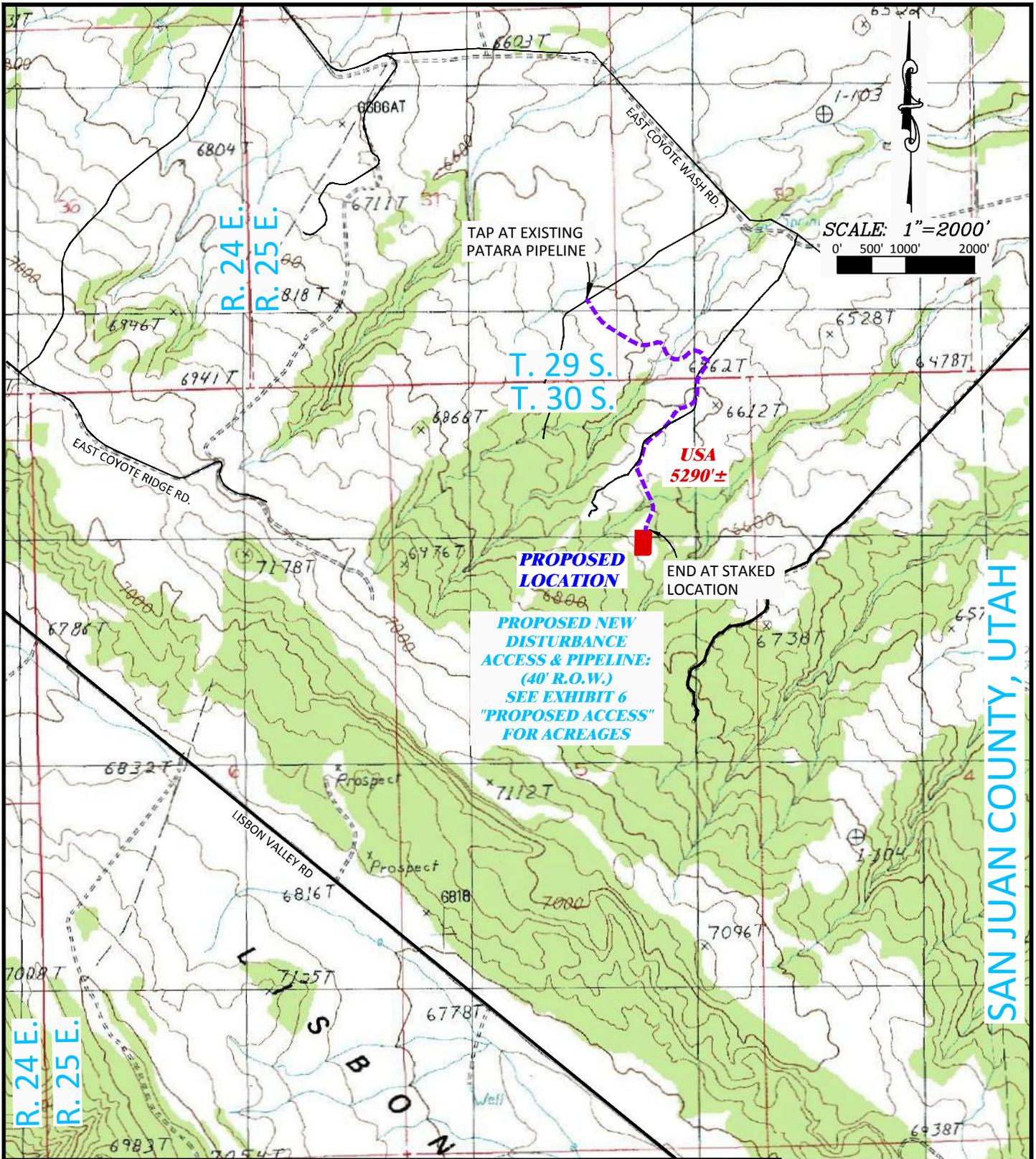
DATE DRAWN - BY: 08/28/12-rcr

REVISIONS:

SCALE: NOT TO SCALE

EXHIBIT 4

PAGE 1 OF 1



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**MMF 5-10-30-25 PAD**



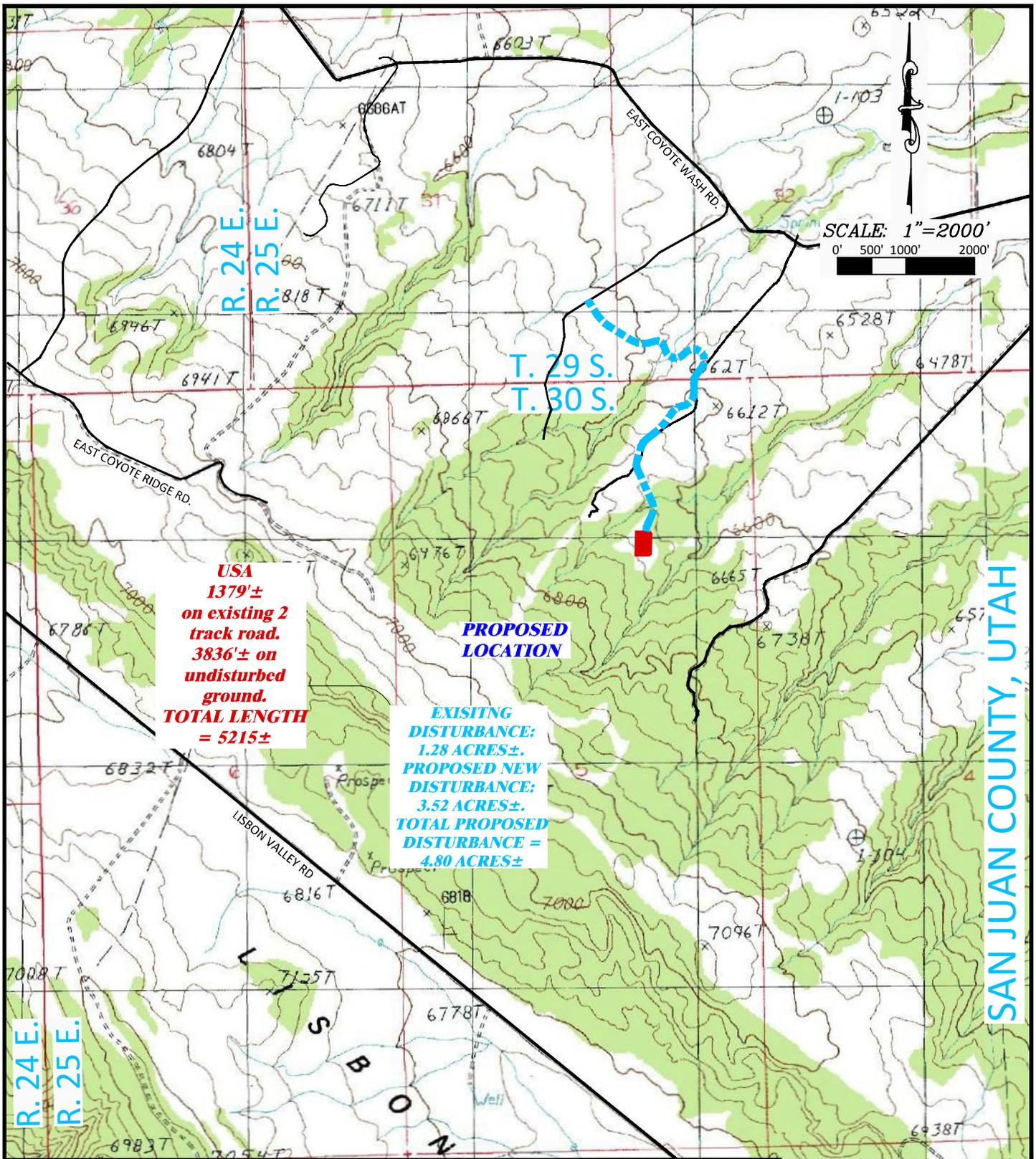
**WILLIAM H. SMITH & ASSOCIATES P.C.**  
 SURVEYING CONSULTANTS  
 550 EAST SECOND NORTH PHONE: 307-875-3638  
 GREEN RIVER, WY 307-875-3639  
 www.whsmithpc.com

**PROPOSED PIPELINE**  
 PATARA OIL & GAS, LLC  
 MIDDLE MESA FED 5-10-30-25  
 TOTAL PROPOSED LENGTH: 5290'

JOB NO: 2011900.003  
 REVISIONS:

DATE DRAWN - BY: 08/28/12- rcr  
 SCALE: 1" = 2000'  
 EXHIBIT 5 PAGE 1 OF 1

**LEGEND**  
 EXISTING ROAD \_\_\_\_\_  
 PROPOSED PIPELINE - - - - -



**CONFIDENTIALITY NOTES:**

The information contained in this plat is legally privileged and confidential information intended only for the use of the recipients. If you are not the intended recipients, you are hereby notified that any use, dissemination, distribution or copying of this information is strictly prohibited.

**MMF 5-10-30-25 PAD**



**WILLIAM H. SMITH & ASSOCIATES P.C.**  
 SURVEYING CONSULTANTS  
 550 EAST SECOND NORTH PHONE: 307-875-3638  
 GREEN RIVER, WY 307-875-3639  
 www.whsmithpc.com

**PROPOSED ACCESS**  
**PATARA OIL & GAS, LLC**  
**MIDDLE MESA FED 5-10-30-25**  
**TOTAL PROPOSED LENGTH: 5215'± (1379' on 2 track rd.)**

JOB NO: 2011900.003

DATE DRAWN - BY: 08/28/12- rcr

REVISIONS:

SCALE: 1" = 2000'

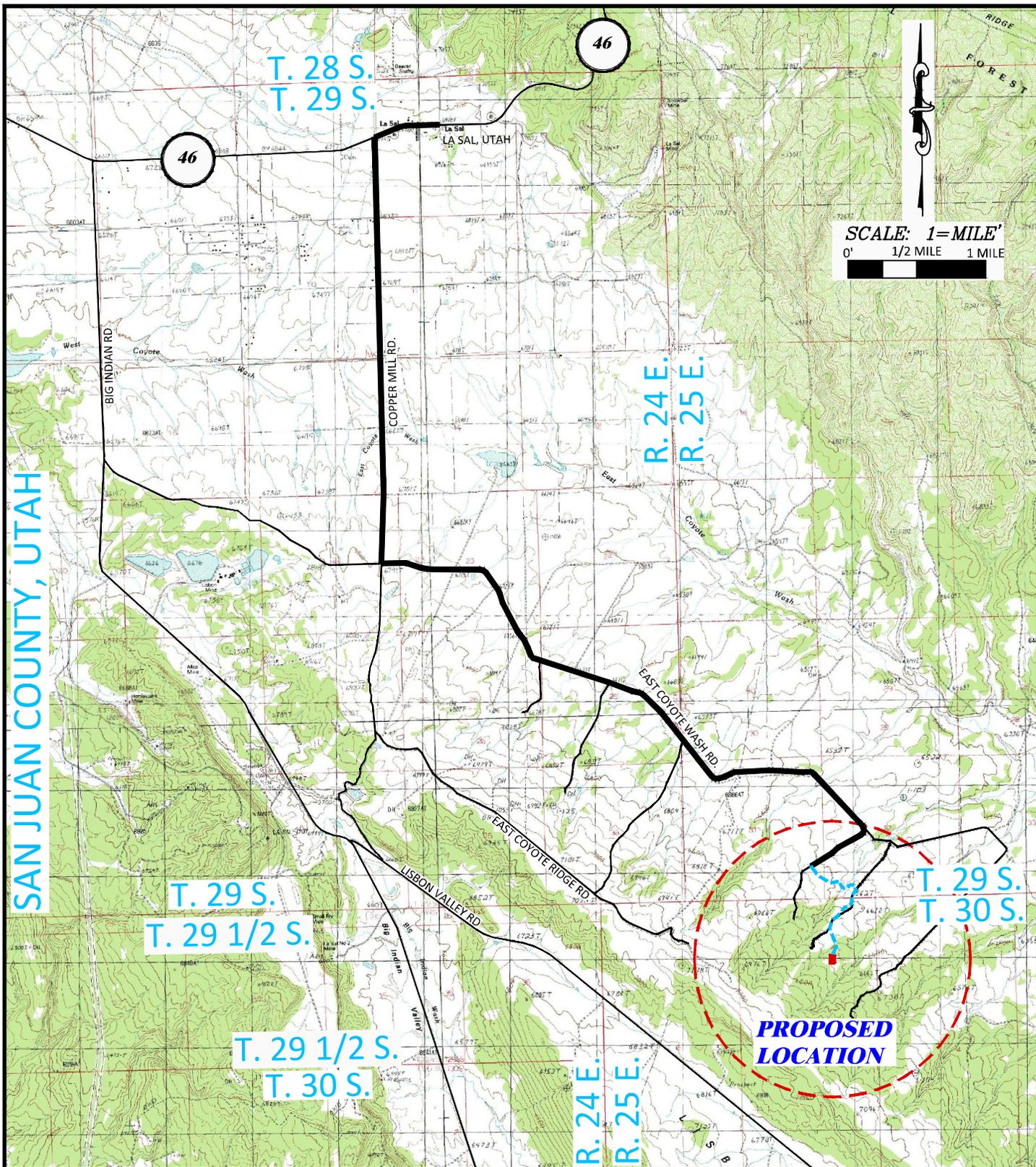
EXHIBIT 6

PAGE 1 OF 1

EXISTING ROAD  
 PROPOSED ACCESS

**LEGEND**





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**MMF 5-10-30-25 PAD**



**WILLIAM H. SMITH & ASSOCIATES P.C.**  
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**PROPOSED ACCESS**  
**PATARA OIL & GAS, LLC**  
**MIDDLE MESA FED 5-10-30-25**  
**TOTAL PROPOSED LENGTH: 5215' (1379' ON 2 TRACK RD.)**

JOB NO: 2011900.003  
 REVISIONS:

DATE DRAWN - BY: 08/28/12- rcr  
 SCALE: 1" = 1 MILE  
 EXHIBIT 7

**LEGEND**  
 EXISTING ROAD \_\_\_\_\_  
 PROPOSED ACCESS - - - - -

PATARA OIL & GAS, LLC  
MIDDLE MESA FED 5-10-30-25  
LOT 10 IN SECTION 5, T30S, R25E, SLM  
SAN JUAN COUNTY, UTAH  
AUGUST 24, 2012

Starting at the town of La Sal, Utah, travel westerly on State Highway no. 46 for 0.5 miles to its intersection with Copper Mill Road.

Then turn left and travel south on Copper Mill Road for 3.1 miles to its intersection with East Coyote Wash Road.

Then turn left and travel east, then southeasterly on East Coyote Wash Road for 4.5 miles to an intersection with a well service road.

Then turn right on the well service road and travel southwesterly for 0.4 mile to its intersection with the staked access road for the Middle Mesa Fed 5-10-30-25 well.

Then continue southeasterly on the staked access road for 1.0 mile to the location.

**MIDDLE MESA FEDERAL 5-10-30-25**

SHL: 2,410' FNL & 1,629' FEL, LOT 10

SEC 5-T30S-R25E

**NEW BHL TO:**

**3,138' FNL & 778' FEL**

**SEC 5-T30S-25E**

**HOLE SIZE CHANGE:**

FROM: PRODUCTION HOLE TO 5840' MD/TVD

**TO: 6926' MD 6696' TVD**

**SURFACE CASING:**

FROM: 9 5/8" 36# J-55 ST&C

**TO: 8 5/8" 32# J-55 ST&C**

**PRODUCTION CASING:**

FROM: 5 1/2" 17# I-80 LT&C

**TO: 4 1/2" 11.6# I-80 LT&C**

**CEMENT PROGRAM:**

**TO: 2400' of 8-5/8" 32# J-55 Surface csg**

**410 sks lead, 100 sks tail (calculated with 30% excess)**

**TO: 6926' of 4-1/2" 11.60# I-80**

**580 sks (15% excess)**

**DRILLING PROGRAM:**

PATARA OIL & GAS LLC (PATARA) WILL NOT UTILIZE A RESERVE PIT, AND WILL DRILL THE WELL WITH A CLOSED LOOP DRILLING SYSTEM. PATARA WISHES TO STOCKPILE DRILLED SOLIDS ON A CORNER OF THE PERMITTED PAD, WILL ALLOW CUTTINGS TO DRY, AND UPON COMPLETION OF THE WELL, WILL SPREAD THE SOLIDS OVER THE PAD AND UTILIZE AS A BASE FOR INTERIM RECLAMATION.

# Patara

Middle Mesa Field  
Middle Mesa 05-10 Site  
Middle Mesa 05-10

Wellbore #1

Plan: PreDrill Rev 2

## Standard Planning Report

28 August, 2012

**Amromco**  
Planning Report

<b>Database:</b>	ahrtoedm1	<b>Local Co-ordinate Reference:</b>	Well Middle Mesa 05-10
<b>Company:</b>	Patara	<b>TVD Reference:</b>	RIG @ 6671.8ft
<b>Project:</b>	Middle Mesa Field	<b>MD Reference:</b>	RIG @ 6671.8ft
<b>Site:</b>	Middle Mesa 05-10 Site	<b>North Reference:</b>	True
<b>Well:</b>	Middle Mesa 05-10	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	PreDrill Rev 2		

<b>Project</b>	Middle Mesa Field, San Juan County		
<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>	Colorado South 503		

<b>Site</b>	Middle Mesa 05-10 Site				
<b>Site Position:</b>		<b>Northing:</b>	179,217.22 m	<b>Latitude:</b>	38° 13' 25.464 N
<b>From:</b>	Lat/Long	<b>Easting:</b>	285,895.39 m	<b>Longitude:</b>	109° 11' 51.868 W
<b>Position Uncertainty:</b>	0.0 ft	<b>Slot Radius:</b>	13.200 in	<b>Grid Convergence:</b>	-2.27 °

<b>Well</b>	Middle Mesa 05-10					
<b>Well Position</b>	<b>+N/-S</b>	0.0 ft	<b>Northing:</b>	179,217.22 m	<b>Latitude:</b>	38° 13' 25.464 N
	<b>+E/-W</b>	0.0 ft	<b>Easting:</b>	285,895.39 m	<b>Longitude:</b>	109° 11' 51.868 W
<b>Position Uncertainty</b>		0.0 ft	<b>Wellhead Elevation:</b>		<b>Ground Level:</b>	6,661.8 ft

<b>Wellbore</b>	Wellbore #1				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	User Defined	8/15/2012	0.00	0.00	0

<b>Design</b>	PreDrill Rev 2			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.0
<b>Vertical Section:</b>	<b>Depth From (TVD) (ft)</b>	<b>+N/-S (ft)</b>	<b>+E/-W (ft)</b>	<b>Direction (°)</b>
	0.0	0.0	0.0	131.01

<b>Plan Sections</b>										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,750.0	0.00	0.00	2,750.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,115.6	27.31	131.01	4,064.4	-209.5	241.0	2.00	2.00	0.00	131.01	
5,415.8	27.31	131.01	5,219.7	-601.0	691.2	0.00	0.00	0.00	0.00	
6,326.2	0.00	0.00	6,096.0	-740.7	851.8	3.00	-3.00	0.00	180.00	BHL_Rev 2

**Amromco**  
Planning Report

<b>Database:</b>	ahrtoedm1	<b>Local Co-ordinate Reference:</b>	Well Middle Mesa 05-10
<b>Company:</b>	Patara	<b>TVD Reference:</b>	RIG @ 6671.8ft
<b>Project:</b>	Middle Mesa Field	<b>MD Reference:</b>	RIG @ 6671.8ft
<b>Site:</b>	Middle Mesa 05-10 Site	<b>North Reference:</b>	True
<b>Well:</b>	Middle Mesa 05-10	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	PreDrill Rev 2		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,750.0	0.00	0.00	2,750.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	1.00	131.01	2,800.0	-0.3	0.3	0.4	2.00	2.00	0.00
2,900.0	3.00	131.01	2,899.9	-2.6	3.0	3.9	2.00	2.00	0.00
3,000.0	5.00	131.01	2,999.7	-7.2	8.2	10.9	2.00	2.00	0.00
3,100.0	7.00	131.01	3,099.1	-14.0	16.1	21.4	2.00	2.00	0.00
3,200.0	9.00	131.01	3,198.2	-23.1	26.6	35.3	2.00	2.00	0.00
3,300.0	11.00	131.01	3,296.6	-34.5	39.7	52.6	2.00	2.00	0.00
3,400.0	13.00	131.01	3,394.4	-48.2	55.4	73.4	2.00	2.00	0.00
3,500.0	15.00	131.01	3,491.5	-64.1	73.7	97.6	2.00	2.00	0.00
3,600.0	17.00	131.01	3,587.6	-82.1	94.5	125.2	2.00	2.00	0.00
3,700.0	19.00	131.01	3,682.7	-102.4	117.8	156.1	2.00	2.00	0.00
3,800.0	21.00	131.01	3,776.6	-124.9	143.6	190.3	2.00	2.00	0.00
3,900.0	23.00	131.01	3,869.4	-149.4	171.9	227.7	2.00	2.00	0.00
4,000.0	25.00	131.01	3,960.7	-176.1	202.5	268.4	2.00	2.00	0.00
4,100.0	27.00	131.01	4,050.6	-204.9	235.6	312.2	2.00	2.00	0.00
4,115.6	27.31	131.01	4,064.4	-209.5	241.0	319.3	2.00	2.00	0.00
4,200.0	27.31	131.01	4,139.5	-235.0	270.2	358.1	0.00	0.00	0.00
4,300.0	27.31	131.01	4,228.3	-265.1	304.8	404.0	0.00	0.00	0.00
4,400.0	27.31	131.01	4,317.2	-295.2	339.5	449.9	0.00	0.00	0.00
4,500.0	27.31	131.01	4,406.0	-325.3	374.1	495.7	0.00	0.00	0.00
4,600.0	27.31	131.01	4,494.9	-355.4	408.7	541.6	0.00	0.00	0.00
4,700.0	27.31	131.01	4,583.7	-385.5	443.3	587.5	0.00	0.00	0.00
4,800.0	27.31	131.01	4,672.6	-415.6	478.0	633.4	0.00	0.00	0.00
4,900.0	27.31	131.01	4,761.4	-445.7	512.6	679.3	0.00	0.00	0.00
5,000.0	27.31	131.01	4,850.3	-475.8	547.2	725.1	0.00	0.00	0.00
5,100.0	27.31	131.01	4,939.1	-505.9	581.8	771.0	0.00	0.00	0.00

**Amromco**  
Planning Report

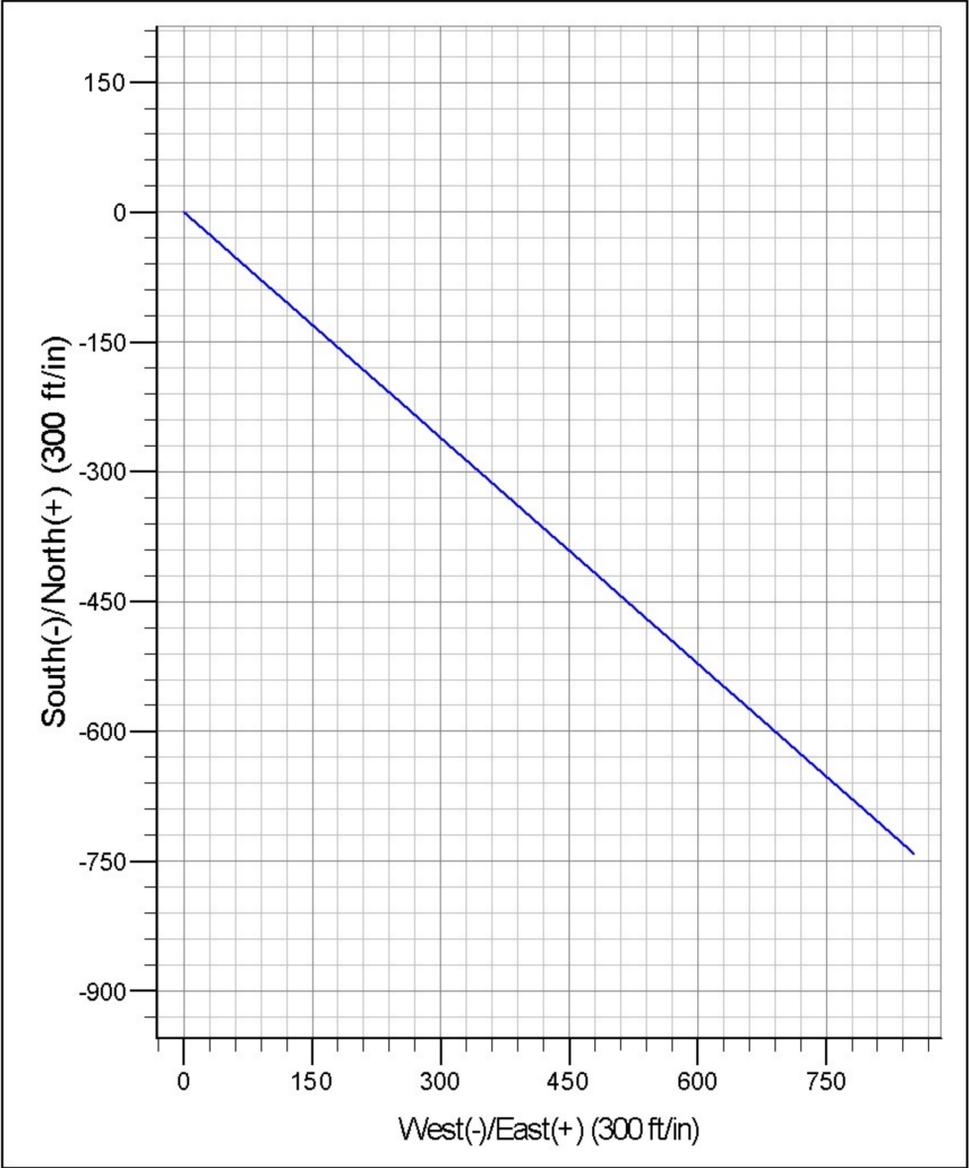
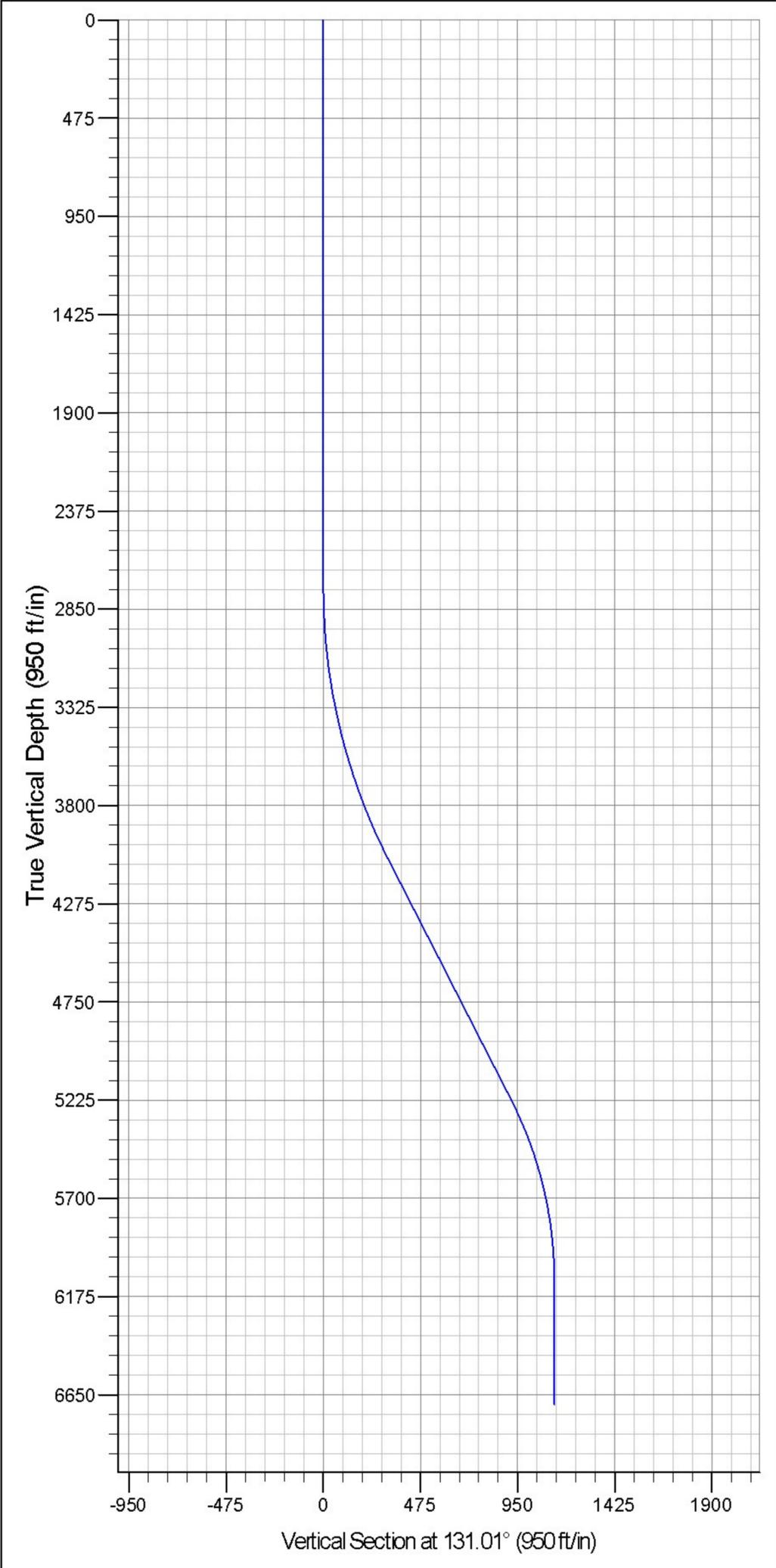
<b>Database:</b>	ahrtoedm1	<b>Local Co-ordinate Reference:</b>	Well Middle Mesa 05-10
<b>Company:</b>	Patara	<b>TVD Reference:</b>	RIG @ 6671.8ft
<b>Project:</b>	Middle Mesa Field	<b>MD Reference:</b>	RIG @ 6671.8ft
<b>Site:</b>	Middle Mesa 05-10 Site	<b>North Reference:</b>	True
<b>Well:</b>	Middle Mesa 05-10	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	PreDrill Rev 2		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,200.0	27.31	131.01	5,028.0	-536.0	616.5	816.9	0.00	0.00	0.00
5,300.0	27.31	131.01	5,116.8	-566.1	651.1	862.8	0.00	0.00	0.00
5,400.0	27.31	131.01	5,205.7	-596.2	685.7	908.7	0.00	0.00	0.00
5,415.8	27.31	131.01	5,219.7	-601.0	691.2	915.9	0.00	0.00	0.00
5,500.0	24.78	131.01	5,295.4	-625.3	719.1	952.9	3.00	-3.00	0.00
5,600.0	21.78	131.01	5,387.2	-651.2	748.9	992.4	3.00	-3.00	0.00
5,700.0	18.78	131.01	5,481.0	-673.9	775.1	1,027.1	3.00	-3.00	0.00
5,800.0	15.78	131.01	5,576.5	-693.4	797.5	1,056.8	3.00	-3.00	0.00
5,900.0	12.78	131.01	5,673.4	-709.6	816.1	1,081.5	3.00	-3.00	0.00
6,000.0	9.78	131.01	5,771.4	-722.5	830.9	1,101.0	3.00	-3.00	0.00
6,100.0	6.78	131.01	5,870.4	-731.9	841.7	1,115.4	3.00	-3.00	0.00
6,200.0	3.78	131.01	5,969.9	-737.9	848.7	1,124.6	3.00	-3.00	0.00
6,300.0	0.78	131.01	6,069.9	-740.6	851.7	1,128.6	3.00	-3.00	0.00
6,326.2	0.00	0.00	6,096.0	-740.7	851.8	1,128.8	3.00	-3.00	0.00
6,400.0	0.00	0.00	6,169.8	-740.7	851.8	1,128.8	0.00	0.00	0.00
6,500.0	0.00	0.00	6,269.8	-740.7	851.8	1,128.8	0.00	0.00	0.00
6,600.0	0.00	0.00	6,369.8	-740.7	851.8	1,128.8	0.00	0.00	0.00
6,700.0	0.00	0.00	6,469.8	-740.7	851.8	1,128.8	0.00	0.00	0.00
6,800.0	0.00	0.00	6,569.8	-740.7	851.8	1,128.8	0.00	0.00	0.00
6,900.0	0.00	0.00	6,669.8	-740.7	851.8	1,128.8	0.00	0.00	0.00
6,926.2	0.00	0.00	6,696.0	-740.7	851.8	1,128.8	0.00	0.00	0.00

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (m)	Easting (m)	Latitude	Longitude
BHL_Rev 2	0.00	0.00	6,096.0	-740.7	851.8	178,981.36	286,145.89	38° 13' 18.142 N	109° 11' 41.194 W
- hit/miss target - Shape - plan hits target center - Rectangle (sides W0.0 H0.0 D0.0)									

WELL DETAILS: Middle Mesa 05-10						
+N/S	+E/W	Northing	Ground Level:	6661.8	Longitude	Slot
0.0	0.0	179217.21	Easting	285895.40	38° 13' 25.464 N 109° 11' 51.868 W	

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/S	+E/W	Dleg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	2750.0	0.00	0.00	2750.0	0.0	0.0	0.00	0.00	0.0	
3	4115.6	27.31	131.01	4064.4	-209.5	241.0	2.00	131.01	319.3	
4	5415.8	27.31	131.01	5219.7	-601.0	691.2	0.00	0.00	915.9	
5	6326.2	0.00	0.00	6096.0	-740.7	851.8	3.00	180.00	1128.8	BHL_Rev 2
6	6926.2	0.00	0.00	6696.0	-740.7	851.8	0.00	0.00	1128.8	



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5.LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-84218
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7.UNIT or CA AGREEMENT NAME:</b> MIDDLE MESA
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> MIDDLE MESA FED 5-10-30-25
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC	<b>9. API NUMBER:</b> 43037318970000
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 563-5364 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2410 FNL 1629 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: LT10 Section: 05 Township: 30.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> SOUTH PINE RIDGE  <b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>10/15/2012</b>  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> <b>ALTER CASING</b>  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>

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

Patara Oil & Gas LLC wishes to change our approved casing design in the following ways: Surface Casing From: 8-5/8" 32# J-55 STC To: 9-5/8" 36# J-55 STC From: 410 sxs lead, 100 sxs tail To: 275 sxs lead, 100 sxs tail Production Hole Size From: 7-7/8" To: 8-3/4" Production Hole Cement Volumes From: 580 sxs To: 650 sxs Please contact Danielle Gavito at either 303-524-4651 or at dgavito@pataraog.com if you have any questions or concerns. Thank you.

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

**Date:** October 04, 2012

**By:** Derek Quist

<b>NAME (PLEASE PRINT)</b> Danielle Gavito	<b>PHONE NUMBER</b> 303 563-5378	<b>TITLE</b> Regulatory Technician
<b>SIGNATURE</b> N/A	<b>DATE</b> 9/26/2012	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-84218
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> MIDDLE MESA
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> MIDDLE MESA FED 5-10-30-25
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC	<b>9. API NUMBER:</b> 43037318970000
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 563-5364 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2410 FNL 1629 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: LT10 Section: 05 Township: 30.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> SOUTH PINE RIDGE  <b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>10/15/2012</b>  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b> <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

Patara Oil & Gas LLC (Patara) requests the following change to be made to our approved casing design. Patara wishes to change the production casing from 4.5" 11.6# I-80 LTC to 5.5" 17# L-80 LTC. Production casing will be set to 6926' TD. No other changes are being proposed and all other approved information remains the same. Patara proposes this change to better facilitate a successful oil well with higher productivity. Please contact Danielle Gavito if you have any questions or concerns at either 303-524-4651 or at dgavito@pataraog.com. Thank you.

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

**Date:** October 04, 2012  
**By:** Derek Quist

<b>NAME (PLEASE PRINT)</b> Danielle Gavito	<b>PHONE NUMBER</b> 303 563-5378	<b>TITLE</b> Regulatory Technician
<b>SIGNATURE</b> N/A	<b>DATE</b> 9/25/2012	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-84218
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>7. UNIT or CA AGREEMENT NAME:</b> MIDDLE MESA
<b>1. TYPE OF WELL</b> Gas Well		<b>8. WELL NAME and NUMBER:</b> MIDDLE MESA FED 5-10-30-25
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC		<b>9. API NUMBER:</b> 43037318970000
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 563-5364 Ext	<b>9. FIELD and POOL or WILDCAT:</b> SOUTH PINE RIDGE
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2410 FNL 1629 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: LT10 Section: 05 Township: 30.0S Range: 25.0E Meridian: S		<b>COUNTY:</b> SAN JUAN
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:  <input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 10/8/2012  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION  <input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
Patara Oil & Gas LLC spud the Middle Mesa Fed 5-10-30-25 at 14:30 on October 8, 2012 with Les Wilson Rig #30 Please contact the undersigned with any questions or concerns. Thank you.		
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY October 09, 2012</b>		
<b>NAME (PLEASE PRINT)</b> Christopher Noonan	<b>PHONE NUMBER</b> 303 563-5377	<b>TITLE</b> Supervisor: Regulations & Production
<b>SIGNATURE</b> N/A		<b>DATE</b> 10/9/2012

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-84218
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> MIDDLE MESA
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<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202	<b>PHONE NUMBER:</b> 303 563-5364 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2410 FNL 1629 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: LT10 Section: 05 Township: 30.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> SOUTH PINE RIDGE  <b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>11/10/2012</b>  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text" value="Surface Facilities"/>

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

Patara Oil & Gas LLC, wishes to request approval for the setting of a pumping unit equipped with a gas powered engine and a hospital grade muffler and a line heater on the location of the Middle Mesa Fed 5-10-30-25 well. Please see the attached letter further explaining our request. This sundry is being filed to keep Utah Division of Oil, Gas and Mining appraised of the situation since the Condition of Approval is associated with the Federal approved permit. Thank you.

**Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
 FOR RECORD ONLY  
 October 23, 2012**

<b>NAME (PLEASE PRINT)</b> Danielle Gavito	<b>PHONE NUMBER</b> 303 563-5378	<b>TITLE</b> Regulatory Technician
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/17/2012	



## Patara Oil & Gas LLC

600 17<sup>th</sup> Street, Suite 1900 S, Denver, CO 80202

Phone (303) 825-0685 Fax (720) 235-4560

October 17, 2012

### Utah Division of Oil, Gas and Mining

Division of Oil, Gas and Mining  
Attention: Dustin Doucet  
1594 West North Temple  
Salt Lake City, Utah 84116

Re: Sundry Notice for Exception to COA for No Surface Facilities

**MIDDLE MESA FED 5-10-30-25**

SHL: 2,410' FNL & 1,629' FEL

BHL: 3,138' FNL & 778' FEL

Sec. 5, T30S-R25E

Lease: UTU84218

San Juan County, Utah

Dear Mr. Doucet,

Attached please find the Sundry Notice (SN) – Form 9 requesting an exception to the Conditions of Approval in the originally approved Federal Application for Permit to Drill (APD) for the above referenced well. The specific exception being requested is for the installation of surface facilities on the location. Patara believes that this requirement will prevent our ability to effectively produce the well. A Cameron/Natco 500btu/hr line heater, similar to model number 99510005 and a Weatherford/Ampscot size 320 pumping unit will be installed on this location. Once the pumping unit and line heater are installed, a sound wall will be constructed around the engine on the pumping unit to further reduce the noise emissions. A 4" high pressure flow line will be run 1.5 miles back to the Middle Mesa Fed 31-44 where additional surface facilities are located. Parallel to the flow line, we will also run a 2" fuel line from the Middle Mesa Fed 31-44 back to the 5-10. Both lines will be laid on the surface within the existing ROW. Your prompt attention to this request is desired. Please contact either Danielle Gavito at 303-563-5378 or John Warren at 303-563-5369 if you have any questions or concerns.

This SN is being submitted via the ePermit portal.

Sincerely,

A handwritten signature in blue ink that reads "Danielle Gavito". The signature is fluid and cursive, with the first name being the most prominent part.

Danielle Gavito  
Regulatory & Permitting Supervisor  
Patara Oil & Gas LLC

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-84218
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b> MIDDLE MESA
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC		<b>8. WELL NAME and NUMBER:</b> MIDDLE MESA FED 5-10-30-25
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202		<b>9. API NUMBER:</b> 43037318970000
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2410 FNL 1629 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: LT10 Section: 05 Township: 30.0S Range: 25.0E Meridian: S		<b>9. FIELD and POOL or WILDCAT:</b> SOUTH PINE RIDGE
		<b>COUNTY:</b> SAN JUAN
		<b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
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<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 10/20/2012	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Patara Oil & Gas LLC reached Total Depth on the subject well with Les Wilson Rig 30 on October 20, 2012. TD is 6,650 feet. Thank you.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
October 25, 2012**

<b>NAME (PLEASE PRINT)</b> Christopher Noonan	<b>PHONE NUMBER</b> 303 563-5377	<b>TITLE</b> Supervisor: Regulations & Production
<b>SIGNATURE</b> N/A	<b>DATE</b> 10/22/2012	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-84218
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<b>1. TYPE OF WELL</b> Gas Well		<b>7. UNIT or CA AGREEMENT NAME:</b> MIDDLE MESA
<b>2. NAME OF OPERATOR:</b> PATARA OIL & GAS, LLC		<b>8. WELL NAME and NUMBER:</b> MIDDLE MESA FED 5-10-30-25
<b>3. ADDRESS OF OPERATOR:</b> 600 17th Street Ste 1900S , Denver, CO, 80202		<b>9. API NUMBER:</b> 43037318970000
<b>PHONE NUMBER:</b> 303 563-5364 Ext		<b>9. FIELD and POOL or WILDCAT:</b> SOUTH PINE RIDGE
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2410 FNL 1629 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: LT10 Section: 05 Township: 30.0S Range: 25.0E Meridian: S		<b>COUNTY:</b> SAN JUAN
		<b>STATE:</b> UTAH

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<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 11/5/2012	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Please find the attached report on the subject well.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
November 05, 2012**

<b>NAME (PLEASE PRINT)</b> Christopher Noonan	<b>PHONE NUMBER</b> 303 563-5377	<b>TITLE</b> Supervisor: Regulations & Production
<b>SIGNATURE</b> N/A	<b>DATE</b> 11/5/2012	



Patara Oil &amp; Gas LLC

## Daily Activity and Cost Summary

Well Name: Middle Mesa Federal 5-10-30-25

API/UWI 43-037-31897-00	Surface Legal Location Lot 10 Sec. 5 T30S R25E	Field Name Pine Ridge South	License #	State/Province Utah	Well Configuration Type Directional
Ground Elevation (ft) 6,662.00	Casing Flange Elevation (ft) 6,662.00	KB-Ground Distance (ft) 16.00	KB-Casing Flange Distance (ft) 16.00	Spud Date 10/8/2012 14:30	Rig Release Date 10/24/2012 09:10

Job Category Drilling	Primary Job Type Drilling - original	Secondary Job Type Drilling - original	Status 1 Completed
Start Date 10/7/2012	End Date 10/22/2012	AFE Number P12D29	Total AFE + Supp Amount (Cost)

Objective  
Drill and test Honaker Trail 2, La Sal & Ismay formations

Summary

Contractor Les Wilson Drilling	Rig Number 30	Rig Type Drilling - Double
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Rpt #	Start Date	End Date	Day Total (Cost)	Cum To Date (Cost)	Summary
1.0	8/27/2012	8/28/2012			Build location 5-10 M.M.
2.0	8/28/2012	8/29/2012			Culverts for access road build
3.0	8/29/2012	8/30/2012			Extra culverts for low water crossing on access
4.0	8/30/2012	8/31/2012			Drill and set 16"x60' of conductor, ream and set 6'x6' cellar, cement 7 yards.
5.0	8/31/2012	9/1/2012			Haul and install culverts on location.
6.0	9/2/2012	9/3/2012			Haul and install culverts on location.
7.0	9/4/2012	9/5/2012			Mob 330 to extend culverts at entrance
8.0	9/14/2012	9/15/2012			Clean up after conductor drill
9.0	10/1/2012	10/2/2012			Pete Martin for mouse hole drill after Trinity with rig 30 said they could and would drill. Extra costs incurred was mobe \$6842.50
10.0	10/4/2012	10/5/2012			Trailers and skids off loaded at location. Prepare for rig.
11.0	10/5/2012	10/6/2012			Move Rig in, Sub arrived @ 11:00 am, Drk @ 1:00 pm, Drwks @ 2:00 PM RURT, Trucks Released @ 7:00 PM, WOD 12 hrs
12.0	10/6/2012	10/7/2012			RURT, Fill tanks, Pits, Drk up @ 3:00 pm.
13.0	10/7/2012	10/8/2012			RURT, install top drive, change liners #3 pump to 6", Rig up
14.0	10/8/2012	10/9/2012			RURT, Strap BHA, Spud 14:30 hrs, Drlg 12 1/4 hole to 765'
15.0	10/9/2012	10/10/2012			DRLG 765'- 2081'
16.0	10/10/2012	10/11/2012			DRLG 2081'- 2425', TRIP OUT, RIG UP AND RUN CSG
17.0	10/11/2012	10/12/2012			RUN CSG, WASH CSG TO BTM, CIRC, RIG UP AND CMT, NO CMT TO SURFACE, WOC, WELD ON HEAD, TEST, TOP JOB @ 110', CMT TO SURFACE, NU BOP
18.0	10/12/2012	10/13/2012			NU BOP, BOND LOG, NU BOP, TEST BOPE
19.0	10/13/2012	10/14/2012			TEST BOPE, TRIP IN, MUD UP, DRLG OUT, DRLG 2425'- 2930'
20.0	10/14/2012	10/15/2012			DRLG 2930'- 3930'
21.0	10/15/2012	10/16/2012			DRLG 3930'- 4745'
22.0	10/16/2012	10/17/2012			DRLG 4745'- 5374'
23.0	10/17/2012	10/18/2012			DRLG 5374'- 5814'
24.0	10/18/2012	10/19/2012			DRLG 5814'- 6253'
25.0	10/19/2012	10/20/2012			DRLG 6253'- 6650', TD 6650' 10/20/2012 05:45 HRS MST, SHORT TRIP INTO CSG
26.0	10/20/2012	10/21/2012			SHORT TRIP INTO SURFACE CSG, CIRC, TRIP OUT, LOG
27.0	10/21/2012	10/22/2012			S-QUAD LOG, WOO, SIDE WALL CORE W/ WEATHERFORD, 25 CORES RECOVERED, TRIP IN
28.0	10/22/2012	10/22/2012			TRIP IN, CIRC, DRLG TO 6686', CIRC, LDDP, WO WEATHERFORD CSG CREW, RIG UP AND RUN CSG, CIRC CSG

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

FORM 6

**ENTITY ACTION FORM**

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

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303731897	Middle Mesa Fed 5-10-30-25		Lt10	5	30S	25E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	New	188002	10/8/2012			11/9/2012	
Comments: New well spud Hatch							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

**Well 3**

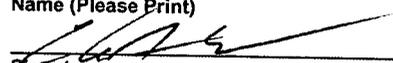
API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Christopher A. Noonan

Name (Please Print)

  
Signature

Production Supervisor

11/5/2012

Title

Date

**RECEIVED**  
NOV 07 2012

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**UTU84218**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

7. UNIT or CA AGREEMENT NAME  
**UTU82680X**

2. NAME OF OPERATOR:  
**Patara Oil & Gas LLC**

8. WELL NAME and NUMBER:  
**Middle Mesa Fed 5-10-30-25**

3. ADDRESS OF OPERATOR: **600 17th St., Ste 1900S** CITY **Denver** STATE **CO** ZIP **80202** PHONE NUMBER: **(303) 563-5377**

9. API NUMBER:  
**4303731897**

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: **2410 FNL 1629 FEL Sec. 5 L10 T30S R25E**  
AT TOP PRODUCING INTERVAL REPORTED BELOW: **2925 FNL 1138 FEL Sec. 5 L9 T30S R25E**  
AT TOTAL DEPTH: **3151 FNL 834 FEL Sec. 5 L9 T30S R25E** *BHL by HSM*

10 FIELD AND POOL, OR WILDCAT  
**Pine Ridge South**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**SESE 45 30S 25E S**

12. COUNTY **San Juan** 13. STATE **UTAH**

14. DATE SPUDED: **10/8/2012** 15. DATE T.D. REACHED: **10/20/2012** 16. DATE COMPLETED: **11/15/2012** ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
**6,678 Derrick Floor**

18. TOTAL DEPTH: MD **6,686** TVD **6,435.72**

19. PLUG BACK T.D.: MD **6,628** TVD **6,418.4**

20. IF MULTIPLE COMPLETIONS, HOW MANY? \* **1**

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**TRIPLE COMBO, SONIC - COPIES WILL BE SUBMITTED TO DOGM VIA UPS**

23. WAS WELL CORED? NO  YES  (Submit analysis)  
WAS DST RUN? NO  YES  (Submit report)  
DIRECTIONAL SURVEY? NO  YES  (Submit copy)

**24. CASING AND LINER RECORD (Report all strings set in well)**

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20	16	Cond	0	78		G 20		0 - CIR	
12.25	9.625 J-55	36	0	2,422		Type III 581		0 - CIR	
8.75	5.5 L-80	17	0	6,685		Type III 650		1850 - CBL	

**25. TUBING RECORD**

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.375	6,416							

**26. PRODUCING INTERVALS**

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Honaker Trail	4,990	5,011		
(B) La Sal	5,695	5,941		
(C) Upper Ismay	6,328	6,461		
(D)				

**27. PERFORATION RECORD**

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
4,990 5,011	.34	42	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
5,695 5,941	.34	58	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
6,328 6,461	.34	107	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

**28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.**

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4990 - 5011	65,394 LBS RESIN COATED 20/40 SAND & 70Q N2 FOAM
5695 - 5941	60,411 LBS RESIN COATED 20/40 SAND & 70Q N2 FOAM
6328 - 6461	95,560 LBS RESIN COATED 20/40 SAND & 70Q N2 FOAM

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**DEC 19 2012**

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

29. ENCLOSED ATTACHMENTS:  
 ELECTRICAL/MECHANICAL LOGS  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  
 GEOLOGIC REPORT  
 CORE ANALYSIS  
 DST REPORT  
 OTHER: \_\_\_\_\_  
 DIRECTIONAL SURVEY

30. WELL STATUS:  
**Producing**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 11/16/2012		TEST DATE: 11/16/2012		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 0	GAS – MCF: 1,100	WATER – BBL: 288	PROD. METHOD: Flow
CHOKE SIZE: 18/64	TBG. PRESS. 300	CSG. PRESS. 500	API GRAVITY	BTU – GAS 1,106	GAS/OIL RATIO 1,100	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 1,100	WATER – BBL: 288	INTERVAL STATUS: Flowing	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →		OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:	

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →		OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:	

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →		OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:	

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Honaker Trail	3,995	5,507			
La Sal	5,507	6,004			
Ismay	6,399	6,458			

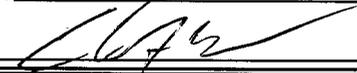
35. ADDITIONAL REMARKS (Include plugging procedure)

Test data representative of all productive, commingled zones.  
 Conductor and Surface tops measured by returns to surface. Production tops measured by CBL.  
 Please contact Christopher Noonan with Patara, with any questions or concerns. Thank you.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Christopher A. Noonan

TITLE Production Supervisor

SIGNATURE 

DATE 11/27/2012

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

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

Phone: 801-538-5340  
 Fax: 801-359-3940

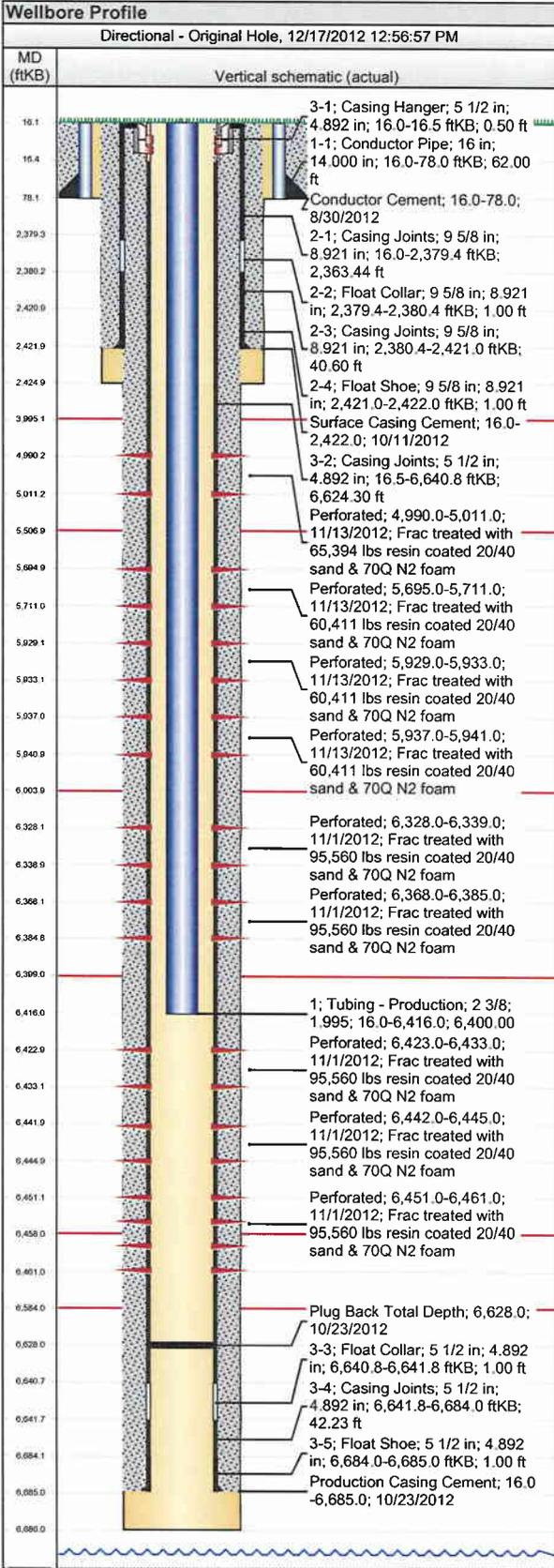




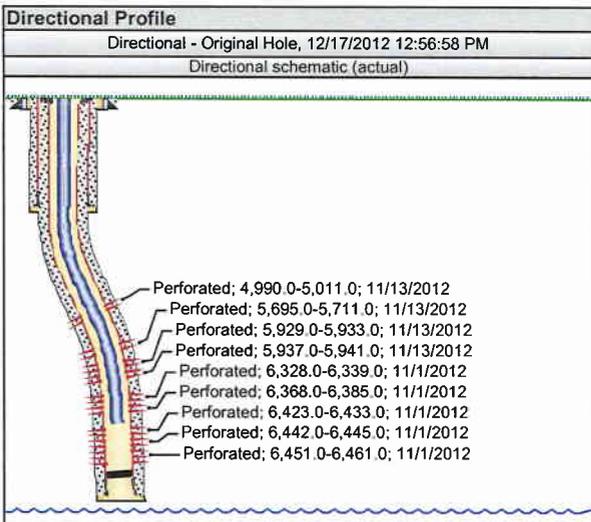
## Downhole Well Profile - Well Completion Report

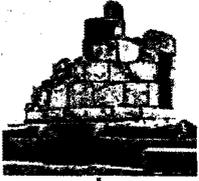
**Well Name: Middle Mesa Federal 5-10-30-25**

API/UWI 43-037-31897-00	Surface Legal Location Lot 10 Sec. 5 T30S R25E	Lease Middle Mesa Federal	Field Name Pine Ridge South	State/Province Utah	Well Configuration Type Directional
Original KB Elevation (ft) 6,678.00	KB-Ground Distance (ft) 16.00	Spud Date 10/8/2012 14:30	Rig Release Date 10/24/2012 09:10	PBTD (All) (ftKB) Original Hole - 6,628.0	Total Depth All (TVD) (ftKB)



Item Des	Jts	Make	Model	OD (in)	Wt (lb/ft)	Grade	Len (ft)
<b>Other In Hole</b>							
Description	Top (ftKB)	Btm (ftKB)	Run Date	Comment			
<b>Production Volumes Test Date (if zone is blank; commingled)</b>							
<b>Zone:</b>	<b>Start Date:</b> 11/16/2012		<b>End Date:</b> 11/17/2012				
<b>Gas Volume Over Test Date</b>							
<b>Zone Name:</b>	<b>Product Type:</b> Reservoir Gas		<b>Volume (MCF):</b> 1,100.000				
<b>Liquid Volumes Over Test Date</b>							
<b>Zone Name:</b>	<b>Production Type:</b> Oil		<b>Volume (bbl):</b> 0.0				
<b>Zone Name:</b>	<b>Production Type:</b> Water		<b>Volume (bbl):</b> 288.0				
<b>API Gas Gravity</b>							
<b>Comment:</b> 1106							
<b>API Oil Gravity</b>							
<b>Comment:</b>							
<b>Date of First Sales</b>							
<b>On Production Date:</b> 11/16/2012							





# **Patara Oil & Gas LLC**

**MIDDLE MESA FIELD - San Juan County, UT (NAD 27)**

**Middle Mesa 05-10 Site**

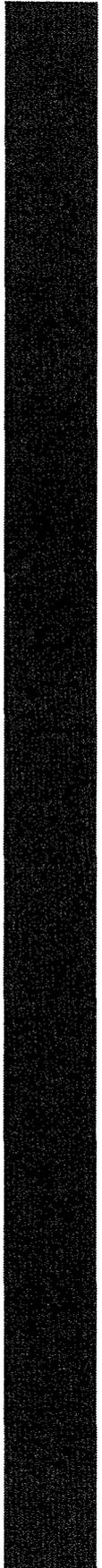
**Middle Mesa 05-10**

**Original Wellbore**

**Design: Original Wellbore**

## **Standard Survey Report**

**22 October, 2012**





# Survey Report

<b>Company:</b> Patara Oil & Gas LLC	<b>Local Co-ordinate Reference:</b> Well Middle Mesa 05-10
<b>Project:</b> MIDDLE MESA FIELD - San Juan County, UT (NAD 27)	<b>TVD Reference:</b> RIG @ 6671.8ft
<b>Site:</b> Middle Mesa 05-10 Site	<b>MD Reference:</b> RIG @ 6671.8ft
<b>Well:</b> Middle Mesa 05-10	<b>North Reference:</b> True
<b>Wellbore:</b> Original Wellbore	<b>Survey Calculation Method:</b> Minimum Curvature
<b>Design:</b> Original Wellbore	<b>Database:</b> EDM 5000.1 Single User Db

<b>Project</b> MIDDLE MESA FIELD - San Juan County, UT (NAD 27), San Juan County		
<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> Colorado South 503		

<b>Site</b> Middle Mesa 05-10 Site			
<b>Site Position:</b>	<b>Northing:</b>	179,217.22 m	<b>Latitude:</b> 38° 13' 25.464 N
<b>From:</b> Lat/Long	<b>Easting:</b>	285,895.39 m	<b>Longitude:</b> 109° 11' 51.868 W
<b>Position Uncertainty:</b> 0.0 ft	<b>Slot Radius:</b> 13.200 in		<b>Grid Convergence:</b> -2.27 °

<b>Well</b> Middle Mesa 05-10			
<b>Well Position</b>	<b>+N/-S</b> 0.0 ft	<b>Northing:</b> 179,217.22 m	<b>Latitude:</b> 38° 13' 25.464 N
	<b>+E/-W</b> 0.0 ft	<b>Easting:</b> 285,895.39 m	<b>Longitude:</b> 109° 11' 51.868 W
<b>Position Uncertainty</b>	0.0 ft	<b>Wellhead Elevation:</b> ft	<b>Ground Level:</b> 6,661.8 ft

<b>Wellbore</b> Original Wellbore					
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	User Defined	8/15/2012	0.00	0.00	0

<b>Design</b> Original Wellbore				
<b>Audit Notes:</b>				
<b>Version:</b> 1.0	<b>Phase:</b> ACTUAL	<b>Tie On Depth:</b>	0.0	
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	150.97

<b>Survey Program</b>		<b>Date</b> 10/22/2012
From (ft)	To (ft)	Survey (Wellbore)
2,445.0	6,582.0	Survey #1 (Original Wellbore)
		Tool Name
		Description

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.16	230.80	100.0	-0.1	-0.1	0.0	0.16	0.16	0.00
200.0	0.32	230.80	200.0	-0.4	-0.4	0.1	0.16	0.16	0.00
300.0	0.48	230.80	300.0	-0.8	-1.0	0.2	0.16	0.16	0.00
400.0	0.64	230.80	400.0	-1.4	-1.7	0.4	0.16	0.16	0.00
500.0	0.80	230.80	500.0	-2.2	-2.7	0.6	0.16	0.16	0.00
600.0	0.96	230.80	600.0	-3.2	-3.9	0.9	0.16	0.16	0.00
700.0	1.12	230.80	700.0	-4.3	-5.3	1.2	0.16	0.16	0.00
800.0	1.28	230.80	799.9	-5.6	-6.9	1.6	0.16	0.16	0.00
900.0	1.44	230.80	899.9	-7.1	-8.7	2.0	0.16	0.16	0.00



## Survey Report

<b>Company:</b>	Patara Oil & Gas LLC	<b>Local Co-ordinate Reference:</b>	Well Middle Mesa 05-10
<b>Project:</b>	MIDDLE MESA FIELD - San Juan County, UT (NAD 27)	<b>TVD Reference:</b>	RIG @ 6671.8ft
<b>Site:</b>	Middle Mesa 05-10 Site	<b>MD Reference:</b>	RIG @ 6671.8ft
<b>Well:</b>	Middle Mesa 05-10	<b>North Reference:</b>	True
<b>Wellbore:</b>	Original Wellbore	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Design:</b>	Original Wellbore	<b>Database:</b>	EDM 5000.1 Single User Db

### Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
1,000.0	1.60	230.80	999.9	-8.8	-10.8	2.5	0.16	0.16	0.00
1,100.0	1.75	230.80	1,099.8	-10.6	-13.1	3.0	0.16	0.16	0.00
1,200.0	1.91	230.80	1,199.8	-12.7	-15.5	3.5	0.16	0.16	0.00
1,300.0	2.07	230.80	1,299.7	-14.9	-18.2	4.2	0.16	0.16	0.00
1,400.0	2.23	230.80	1,399.6	-17.2	-21.1	4.8	0.16	0.16	0.00
1,500.0	2.39	230.80	1,499.6	-19.8	-24.3	5.5	0.16	0.16	0.00
1,600.0	2.55	230.80	1,599.5	-22.5	-27.6	6.3	0.16	0.16	0.00
1,700.0	2.71	230.80	1,699.4	-25.4	-31.2	7.1	0.16	0.16	0.00
1,800.0	2.87	230.80	1,799.2	-28.5	-34.9	8.0	0.16	0.16	0.00
1,900.0	3.03	230.80	1,899.1	-31.8	-38.9	8.9	0.16	0.16	0.00
2,000.0	3.19	230.80	1,999.0	-35.2	-43.1	9.8	0.16	0.16	0.00
2,100.0	3.35	230.80	2,098.8	-38.8	-47.6	10.8	0.16	0.16	0.00
2,200.0	3.51	230.80	2,198.6	-42.6	-52.2	11.9	0.16	0.16	0.00
2,300.0	3.67	230.80	2,298.4	-46.5	-57.0	13.0	0.16	0.16	0.00
2,400.0	3.83	230.80	2,398.2	-50.7	-62.1	14.1	0.16	0.16	0.00
2,500.0	4.41	229.20	2,498.0	-55.1	-67.5	15.4	0.59	0.58	-1.60
2,600.0	5.76	209.73	2,597.5	-62.5	-73.1	19.2	2.18	1.36	-19.47
2,700.0	3.50	194.12	2,697.2	-70.2	-76.6	24.2	2.57	-2.27	-15.61
2,800.0	1.61	146.11	2,797.1	-73.6	-76.5	27.2	2.70	-1.88	-48.01
2,900.0	4.67	141.57	2,896.9	-77.8	-73.0	32.6	3.07	3.06	-4.54
3,000.0	6.36	140.94	2,996.4	-85.5	-66.7	42.4	1.68	1.68	-0.63
3,100.0	6.96	139.05	3,095.8	-94.2	-59.5	53.5	0.64	0.60	-1.89
3,200.0	8.70	135.66	3,194.9	-104.0	-50.5	66.4	1.80	1.74	-3.39
3,300.0	10.30	132.66	3,293.5	-115.5	-38.6	82.3	1.67	1.60	-3.00
3,400.0	12.34	129.73	3,391.6	-128.4	-23.9	100.6	2.12	2.04	-2.93
3,500.0	14.32	126.83	3,488.9	-142.6	-5.7	121.9	2.09	1.98	-2.90
3,600.0	17.32	127.55	3,585.1	-159.1	16.0	146.9	3.00	3.00	0.71
3,700.0	19.78	127.51	3,679.8	-178.5	41.3	176.1	2.46	2.46	-0.04
3,800.0	22.29	126.14	3,773.1	-200.3	70.0	209.1	2.56	2.51	-1.37
3,900.0	23.61	124.95	3,865.2	-222.8	102.0	244.3	1.41	1.33	-1.20
4,000.0	24.97	127.23	3,956.3	-246.9	135.3	281.6	1.65	1.36	2.28
4,100.0	26.96	128.14	4,046.1	-273.9	169.9	321.9	2.02	1.99	0.91
4,200.0	27.29	127.62	4,135.0	-302.1	206.1	364.1	0.40	0.33	-0.52
4,300.0	27.25	127.72	4,223.9	-329.8	242.5	406.1	0.06	-0.03	0.10
4,400.0	27.04	127.90	4,312.9	-358.0	278.5	448.2	0.23	-0.21	0.18
4,500.0	26.63	125.67	4,402.1	-385.3	314.4	489.5	1.09	-0.42	-2.23
4,600.0	26.54	125.09	4,491.5	-411.0	351.1	529.8	0.28	-0.09	-0.58
4,700.0	25.71	125.52	4,581.2	-436.6	387.0	569.5	0.85	-0.83	0.43
4,800.0	25.81	125.89	4,671.5	-461.5	422.3	608.4	0.19	0.10	0.37
4,900.0	25.88	128.12	4,761.3	-488.0	457.3	648.6	0.97	0.07	2.23
5,000.0	25.59	128.51	4,851.6	-514.7	491.0	688.3	0.34	-0.29	0.39
5,100.0	26.22	125.47	4,941.5	-541.2	525.9	728.4	1.47	0.62	-3.04



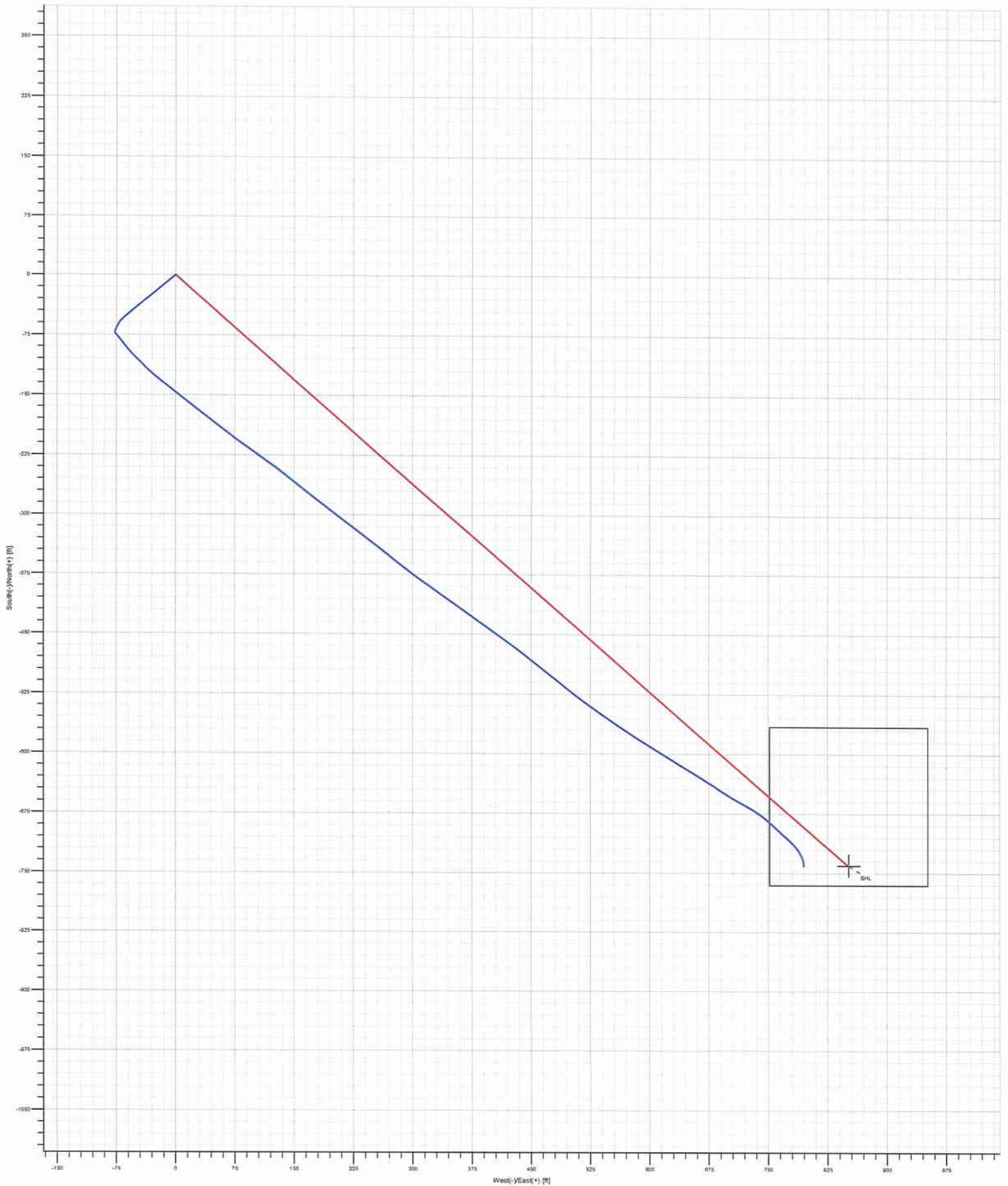
# Survey Report

<b>Company:</b> Patara Oil & Gas LLC	<b>Local Co-ordinate Reference:</b> Well Middle Mesa 05-10
<b>Project:</b> MIDDLE MESA FIELD - San Juan County, UT (NAD 27)	<b>TVD Reference:</b> RIG @ 6671.8ft
<b>Site:</b> Middle Mesa 05-10 Site	<b>MD Reference:</b> RIG @ 6671.8ft
<b>Well:</b> Middle Mesa 05-10	<b>North Reference:</b> True
<b>Wellbore:</b> Original Wellbore	<b>Survey Calculation Method:</b> Minimum Curvature
<b>Design:</b> Original Wellbore	<b>Database:</b> EDM 5000.1 Single User Db

Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
5,200.0	25.72	123.36	5,031.2	-566.1	562.3	767.8	1.05	-0.50	-2.10	
5,300.0	25.57	121.96	5,121.3	-589.6	598.8	806.2	0.63	-0.16	-1.40	
5,400.0	24.21	121.42	5,211.9	-611.7	634.9	843.0	1.37	-1.35	-0.54	
5,500.0	20.18	121.94	5,304.3	-631.6	667.3	876.1	4.03	-4.03	0.52	
5,600.0	19.12	122.17	5,398.8	-649.4	694.9	905.1	1.07	-1.06	0.23	
5,700.0	15.84	119.02	5,493.9	-664.9	721.5	931.5	3.42	-3.28	-3.15	
5,800.0	11.88	126.90	5,591.0	-677.6	741.8	952.4	4.37	-3.95	7.88	
5,900.0	9.97	133.01	5,689.2	-689.9	756.2	970.2	2.24	-1.92	6.11	
6,000.0	8.21	130.65	5,788.0	-700.4	767.3	984.7	1.79	-1.75	-2.36	
6,100.0	7.07	133.10	5,887.1	-708.9	777.5	997.2	1.18	-1.14	2.46	
6,200.0	5.78	139.36	5,986.5	-717.1	784.9	1,007.9	1.47	-1.30	6.26	
6,300.0	4.55	150.01	6,086.1	-724.3	790.1	1,016.7	1.56	-1.23	10.65	
6,312.8	4.43	151.22	6,098.9	-725.2	790.6	1,017.7	1.18	-0.92	9.37	
<b>BHL_Rev 2 - BHL</b>										
6,400.0	3.69	161.33	6,185.8	-730.9	793.1	1,024.0	1.18	-0.85	11.61	
6,500.0	2.96	167.87	6,285.7	-736.4	794.7	1,029.6	0.82	-0.73	6.54	
6,582.0	2.68	181.92	6,367.5	-740.7	794.8	1,033.4	0.90	-0.34	17.13	
6,686	46		6,472							
104										

Checked By: \_\_\_\_\_ Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

# Actual: Original Wellbore (Middle Mesa 05-10/Original Wellbore)



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

**ROUTING**  
 CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

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

**11/1/2012**

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

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

**DATA ENTRY:**

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

**BOND VERIFICATION:**

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

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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

Effective 11/1/2012

Middle Mesa Unit

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

RECEIVED

JAN 23 2013

FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

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

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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, ACIDIZE, ALTER CASING, CASING REPAIR, etc.

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

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

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

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

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

BY: Rachel Medina

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

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

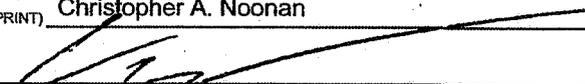
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT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

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

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

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

Bond Number:  
Blm: 105865919  
State: 105865922

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

(This space for State use only)

**APPROVED**

FEB 12 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

**RECEIVED**

FEB 07 2013

Div. of Oil, Gas & Mining

## Exhibit I

BLM Form 3160-5 Transfer of Operator

Utah Form 9 Transfer of Operator

State of Utah Upstream Assets

01/09/2013

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

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

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

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

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

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



# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101

<http://www.blm.gov/ut/st/en.html>

FEB 06 2015

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FEB 11 2015

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:  
3180 (UTU82680A)  
UT-922200

Ms. Kelsey Silipo  
CCI Paradox Upstream, LLC  
600 17<sup>th</sup> Street, Suite 1900S  
Denver, Colorado 80202

Re: 5th Revision of the Hermosa Group PA  
Middle Mesa Unit, San Juan County, Utah

Dear Ms. Silipo:

The 5th Revision of the Hermosa Group Participating Area (PA), Middle Mesa Unit, CRS No. UTU82680A, San Juan County, Utah, is hereby approved effective as of August 1, 2011 (the first of the month Well No. 26-34-29-24, API No. 43-037-31904, located in NE $\frac{1}{4}$ SE $\frac{1}{4}$ , of Section 26, Township 29 South, Range 24 East, Federal Lease No. UTU76053 had actual sales) pursuant to Section 11 of the Middle Mesa Unit Agreement.

This revision results in the addition of 200.00 acres to the 4th Revision of the Honaker Trail Participating Area for a total of 739.68 acres and is based upon the completion in the Honaker Trail and Ismay formations of Well No. 31-44-29-25, API No. 43-037-31906, located in SE $\frac{1}{4}$ SE $\frac{1}{4}$ , of Section 31, Township 29 South, Range 25 East, Federal Lease No. UTU76335 and the completion in the Honaker Trail formation of Well No. 26-34-29-24, API No. 43-037-31904, located in NE $\frac{1}{4}$ SE $\frac{1}{4}$ , of Section 26, Township 29 South, Range 24 East, Federal Lease No. UTU76053. The participating area now covers the entire Hermosa Group. Both wells are capable of producing unitized substances in paying quantities.

The following wells should be reported to the Hermosa Group Participating Area effective August 1, 2011.

API	WELL NAME	Surface Location	LEASE
4303731838	36-14-29-24	0756 FNL 0760 FEL 36 T29.0S R24.0E	ML-37067
4303731853	5-6-30-25	1002 FNL 2284 FWL 05 T30.0S R25.0E	UTU-84218
4303731854	31-31-29-25	2126 FSL 0810 FWL 31 T29.0S R25.0E	UTU-84217
4303731855	36-12-29-24	1097 FNL 2216 FWL 36 T29.0S R24.0E	ST-UT-37067
4303731856	36-24-29-24	2569 FNL 1183 FEL 36 T29.0S R24.0E	ML-37067
4303731877	36-12B-29-24	1105 FNL 2228 FWL 36 T29.0S R24.0E	ST-UT-37067
4303731878	36-24B-29-24	2562 FNL 1172 FEL 36 T29.0S R24.0E	ST-UT-37067
4303731902	25-41-29-24	0360 FSL 0960 FWL 25 T29.0S R24.0E	UTU-76053
4303731903	25-31-29-24	2361 FSL 0900 FWL 25 T29.0S R24.0E	UTU-76053
4303731904	26-34-29-24	2011 FSL 0789 FEL 26 T29.0S R24.0E	UTU-76053
4303731906	31-44-29-25	0587 FSL 1207 FEL 31 T29.0S R25.0E	UTU-76335
4303731907	31-33-29-25	1873 FSL 1795 FEL 31 T29.0S R25.0E	UTU-76335
4303750021	31-42-29-25	0557 FSL 2344 FWL 31 T29.0S R25.0E	UTU-84217

For production and accounting reporting purposes, all submissions pertaining to the Hermosa Group PA shall refer to UTU82680A.

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 5th Revision of the Hermosa Group PA, Middle Mesa Unit, and its effective date.

Please direct any questions concerning this approval to Judy Nordstrom of this office at (801) 539-4108.

Sincerely,



Roger L. Bankert  
Chief, Branch of Minerals

Enclosure

cc: UDOGM  
SITLA  
ONRR w/Exhibit B (Attn: Curtis Link)  
BLM FOM - Moab w/enclosure



# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101-1345

<http://www.blm.gov/ut/st/en.html>

IN REPLY REFER TO:  
3180 (UTU82680X)  
UT-922000

RECEIVED

APR 28 2015

Ms. Kelsey Silipo  
CCI Paradox Upstream, LLC N3945  
600 17<sup>th</sup> Street, Suite 1900S  
Denver, Colorado 80202

MAY 01 2015

DIV. OF OIL, GAS & MINING

Re: Automatic Contraction  
Middle Mesa Unit  
San Juan County, Utah

Dear Ms. Silipo:

Your letter of April 13, 2015, describes the lands automatically eliminated effective October 1, 2013, from the Middle Mesa Unit Area, located in San Juan County, Utah, pursuant to Section 2(e) of the unit agreement and requests our concurrence. The lands you have described contain 8,894.57 acres more or less, and constitute all legal subdivisions, no parts of which are included in the 5th Revision of the Hermosa Group Participating Area and the Initial Hermosa Participating Area "B". As a result of the automatic contraction, the unit is reduced to 899.68 acres.

The following Federal Leases are entirely eliminated from the unit area:

UTU16577	UTU 78735
UTU76327	UTU 80058
UTU76776	UTU 84215
UTU77076	UTU84216
UTU77077	UTU87212
UTU77372	UTU87222
UTU77539	UTU88837*

\*Indicates non-committed lease

The following Federal Leases are partially eliminated from the unit area.

UTU84217  
UTU84218  
UTU76053  
UTU76335  
UTU77538

You have complied with the requirements of Section 2(e), provided you promptly notify all interested parties.

If you have any questions, please contact Judy Nordstrom of this office at (801) 539-4108.

Sincerely,



*for* Roger L. Bankert  
Chief, Branch of Minerals

Enclosure

cc: UDOGM  
SITLA  
ONRR w/Exhibit "B" (Attn: Curtis Link)  
BLM Field Office Manager – Moab (UTY01) w/enclosure

Middle Mesa Unit Contraction  
Effective 4/30/2015

Well Name	Section	TWN	RNG	API Number	Type	Status
BIG INDIAN 35-24	35	290S	240E	4303731829	GW	P
MIDDLE MESA FED 26-34-29-24	26	290S	240E	4303731904	GW	P
MIDDLE MESA FED 25-31-29-24	25	290S	240E	4303731903	GW	P
MIDDLE MESA FED 31-33-29-25	31	290S	250E	4303731907	GW	P
MIDDLE MESA FED 4-20-30-25	4	300S	250E	4303750010	GW	P
MIDDLE MESA FED 31-44-29-25	31	290S	250E	4303731906	GW	P
MIDDLE MESA FED 5-10-30-25	5	300S	250E	4303731897	GW	P
MIDDLE MESA FED 26-23-29-24	26	290S	240E	4303731905	GW	P
MIDDLE MESA FED 31-22-29-25	31	290S	250E	4303731909	GW	APD