



EnCana Oil & Gas (USA) Inc.

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

www.encana.com

February 5, 2009

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

RE: Middle Mesa Fed 31-44-29-25
Section 31, T29S R25E
San Juan County, UT

Dear Ms. Mason:

EnCana Oil & Gas (USA) Inc. is requesting approval to directionally drill the subject well per the Utah Department of Natural Resources, Division of Oil, Gas and Mining Applicable Rules R649-3-11. Please find the following information as required for our proposed Middle Mesa Fed 31-44-29-25 well:

- EnCana Oil & Gas (USA) Inc., owns all oil & gas within 460' of the intended well bore.
- Surface and Bottom Hole are located on Federal Lease No. UTU-76335 and within the Middle Mesa Unit.
- SESE, Section 31, T29S R25E, San Juan County, Utah.
- Location plat with surface and bottom hole locations attached.
- Proposed Directional Report attached.

EnCana is drilling this well as a directional well do to geologic conditions above the bottom hole target.

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

Sincerely,

Jévin Croteau
Regulatory Analyst

Attachment

RECEIVED
FEB 11 2009
DIV. OF OIL, GAS & MINING

CONFIDENTIAL TIGHT HOLE

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: UTU-76335	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 31-44-29-25	
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 WILDCAT: South Pine Ridge 457
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 587' FSL & 1207' FEL AT PROPOSED PRODUCING ZONE: 620' FSL & 612' FEL		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 31 29S 25E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 6.0 Miles Southeast of La Sal, Utah		12. COUNTY: San Juan	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 612'	16. NUMBER OF ACRES IN LEASE: 160	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1723'	19. PROPOSED DEPTH: 6,391	20. BOND DESCRIPTION: RLB0001191	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6694.5' GR	22. APPROXIMATE DATE WORK WILL START: 6/1/2009	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#	2,600	Class G + 2% gel	750sx	2.09 cuft/sx	12.5#
8 3/4	5 1/2	I-80	17#	6,391	Class G 50/50 Poz	1000sx	1.43 cuft/sx	13#

ATTACHMENTS

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

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

NAME (PLEASE PRINT) Jevin Croteau TITLE Regulatory Analyst
SIGNATURE [Signature] DATE 2/5/09

(This space for State use only)

API NUMBER ASSIGNED: 43-037-31906

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

APPROVAL:

Date: 02-15-09
By: [Signature]

**RECEIVED
FEB 11 2009**

DIV. OF OIL, GAS & MINING

**Federal Approval of this
Action is Necessary**

R. 25 E.

N 87°28'59" E 5331.18'

MIDDLE MESA
FED

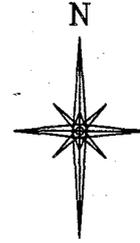
31-44-29-25

UNGRADED ELEVATION:
6694.5'

BHL
LATITUDE (NAD27)
NORTH 38.232078 DEG.
LONGITUDE (NAD27)
WEST 109.200955 DEG.

LATITUDE (NAD83)
NORTH 38.232067 DEG.
LONGITUDE (NAD83)
WEST 109.201620 DEG.

NORTHING
578113
EASTING
2660346



SCALE: 1" = 1000'

T. 29 S.

LATITUDE (NAD27)
NORTH 38.231989 DEG.
LONGITUDE (NAD27)
WEST 109.203026 DEG.

LATITUDE (NAD83)
NORTH 38.231978 DEG.
LONGITUDE (NAD83)
WEST 109.203692 DEG.

NORTHING
578065.70
EASTING
2659751.97

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)

N 00°53'20" W 2638.30'

N 01°46'33" W 2649.02'

S 88°08'13" W 2021.40'

S 88°29'24" W 646.86'

(1330.40')

S 88°40'10" W 2660.79'

1000

500

0

1000

2000

SCALE FEET

SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 27, 2008, and it correctly shows the location of MIDDLE MESA FEDERAL 31-44-29-25.

NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT (BC)
- ▲ PREVIOUSLY FOUND MONUMENT
- APPROX. BOTTOM HOLE LOCATION

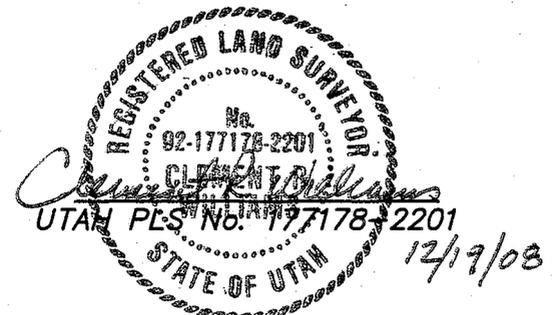


EXHIBIT 1



GRIFFIN & ASSOCIATES, INC.

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

SCALE: 1" = 1000'

JOB No. 15803

REVISED: 12/19/08 - MMM

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

**587' F/SL & 1207' F/EL, SECTION 31,
T. 29 S., R. 25 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH**



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.

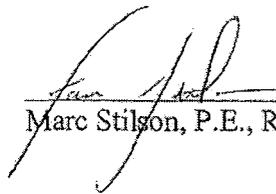
Inasmuch as this application proposes to divert water from a surface source, the applicant is required to contact the Stream Alteration Section of the Division of Water Rights at 801-538-7240 to obtain a Stream Alteration permit in addition to this Temporary Change Application.

ORDER OF THE STATE ENGINEER
Temporary Change Application Number
05-6 (t34402)
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

Drilling Program

Page 1

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

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

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

Formation	Depth (TVD)	Subsea
Burro Canyon	Surface	6695
Entrada	1026	5689
Navajo	1289	5426
Kayenta	1826	4889
Wingate	2042	4673
Chinle	2349	4366
Cutler	2657	4058
Honaker Trail	4505	2210
La Sal	5915	800
La Sal Shale	6256	459
Hatch	6341	374
TD	6391	324

2. ANTICIPATED DEPTH OF WATER, OIL & GAS

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

Substance	Formation	Depth (TVD)
Gas	Honaker Trail	4505
Gas	La Sal	5915
Gas	La Sal Shale	6256

Drilling Program

Page 2

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.

Drilling Program

Page 3

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

Drilling Program

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'-2626'	12-1/4"	9-5/8"	36#	J-55	ST&C	New
Production	0'-6440'	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
0-2626'	Lead: 550 sx Class G 50/50 Poz + 2% gel, 2.09 cuft/sx yield, 12.5 ppg Tail: 200 sx Class G, 1.15 cuft/sx yield, 15.8 ppg
Production	Type and Amount
4000'-6440'	1000 sx Class G 50/50 Poz, 1.43 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
0-4500'	Water	+/- 8.5	+/- 27	N.C.
4500'-TD	LSND	+/- 9.0	+/- 40-50	+/- 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 andPh.
- 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

Drilling Program

Page 6

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 two runs. The first will consist of a GR/AIT/NEUT-DEN w/ PE from TD to base of the surface casing. The second will consist of a Dipole Sonic 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 (well is located approx. 2 miles northwest of the proposed location).
- b. No hydrogen sulfide gas is anticipated; no abnormal pressures or temperatures are anticipated.
- c. As per Onshore Order No. 6, III.A.2.b., if hydrogen sulfide is present the "operator shall initially test the H2S concentration of the gasstream for each well or production facility ..." Submit the results of this test within 30 days of filing Form 31604, "Well Completion or Recompletion Report and Log".

Drilling Program

Page 7

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

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

Drilling Program

Page 8

90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

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

- i. The BLM in Moab (435-259-2100) shall be notified within 5 business days of production start-up if either of the following two conditions occur:
 1. The well is placed on production, or
 2. The well resumes production after being off of production for more than 90 days."Placed on production" means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities
Notification may be written or verbal with written follow-up within 15 days.
- j. Drilling is planned to commence upon approval. Completion will begin approximately 30 days after drilling is completed.
- k. It is anticipated that the drilling of this well will take approximately 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

ONSHORE ORDER No. 1

EnCana Oil & Gas (USA), Inc.

Middle Mesa Fed 31-44-29-25

587' FSL & 1207' FEL (surface)

Section 31-T29S-R25E

620' FSL & 612' FEL (bottom hole)

Section 31-T29S-R25E

San Juan County, Utah

Lease No. UTU-76335

Drilling Program

Page 9

work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

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

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

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

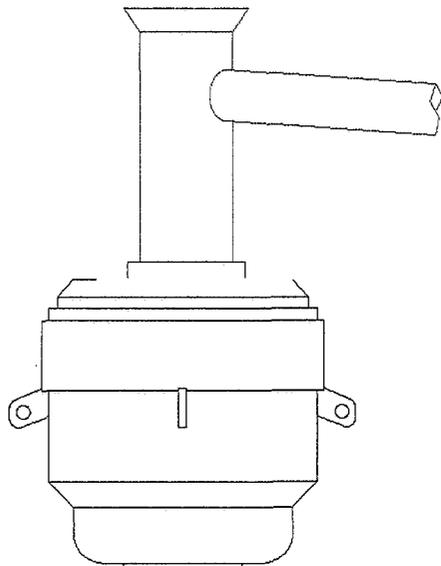
Moab, Utah 84532

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

After Hours:

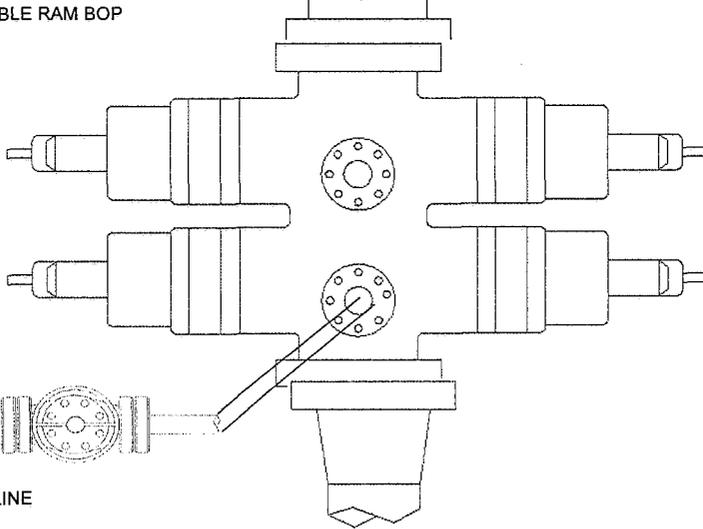
Jack Johnson	Engineering Technician	435-259-2129
Eric Jones	Petroleum Engineer	435-259-2117

3M ANNULAR

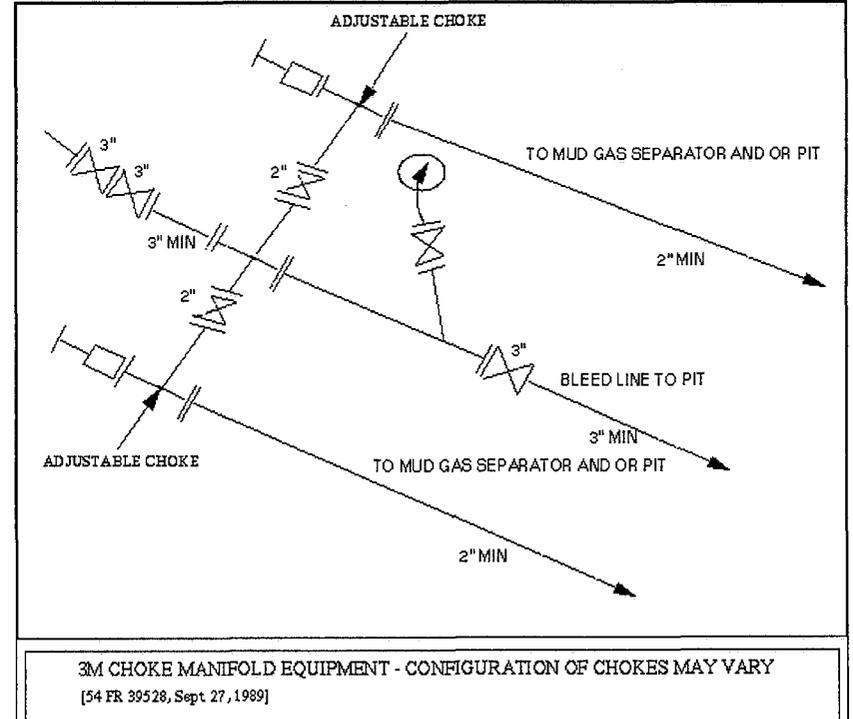


3" CHOKE LINE FROM
OUTLET ON BOTTOM
SIDE OF RAMS

3M DOUBLE RAM BOP



2" KILL LINE



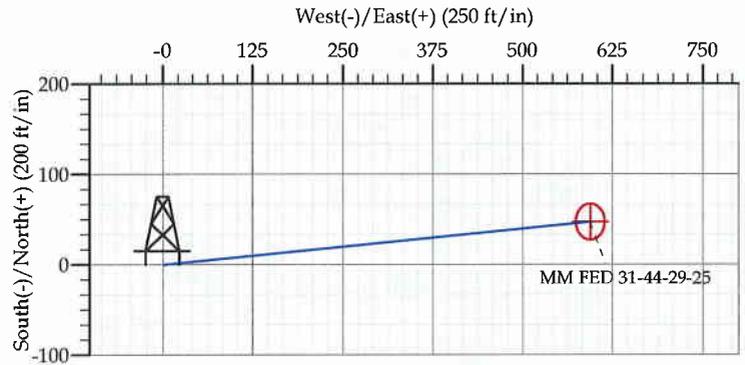
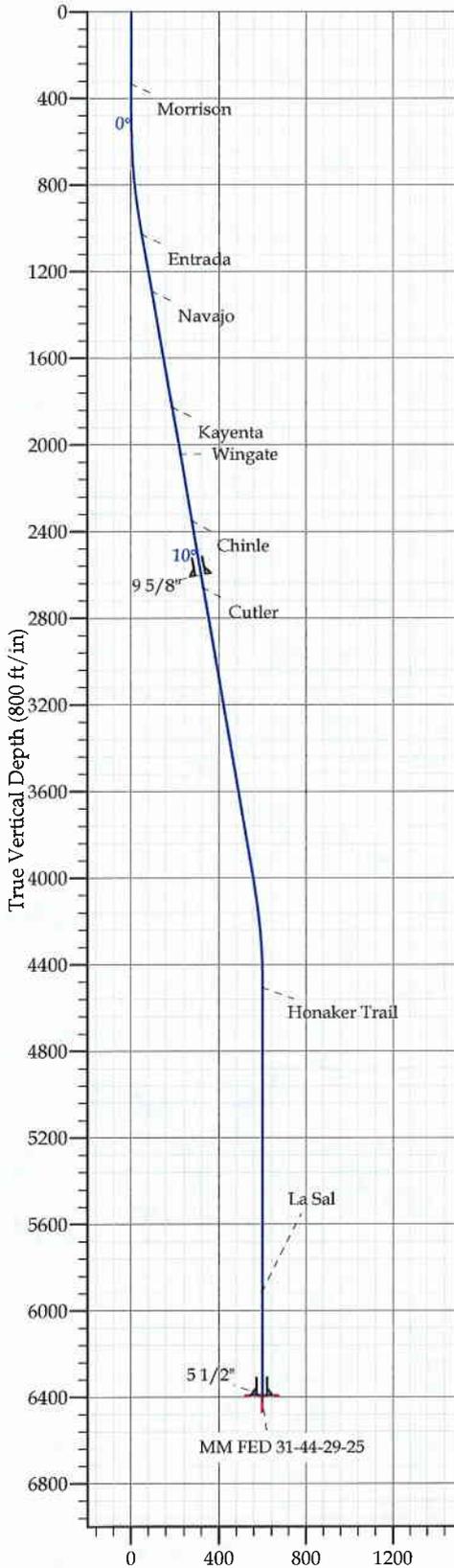
Co-ordinate (N/E) Reference: Well #1, Grid North
 Vertical (TVD) Reference: RKB @ 6715.0ft (TBD)
 Section (VS) Reference: Slot - (0.0N, 0.0E)
 Measured Depth Reference: RKB @ 6715.0ft (TBD)
 Calculation Method:

WELL DETAILS: Well #1

+N/-S	+E/-W	Northing	Ground Level: Easting	6695.0 Latitude	Longitude	Slot
0.0	0.0	578065.70	2659751.9711	58° 36.494' N	108° 54' 10.982" 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	500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.0	
3	982.1	9.64	85.45	979.8	3.2	40.3	2.00	85.45	40.5	
4	4056.9	9.64	85.45	4011.2	44.1	553.7	0.00	0.00	555.4	
5	4539.0	0.00	0.00	4491.0	47.3	594.0	2.00	180.00	595.9	
6	6439.0	0.00	0.00	6391.0	47.3	594.0	0.00	0.00	595.9	MM FED 31-44-29-25



FORMATION TOP DETAILS

TVDPATH	MDPATH	FORMATION
332.0	332.0	Morrison
1026.0	1028.9	Entrada
1289.0	1295.7	Navajo
1826.0	1840.4	Kayenta
2042.0	2059.5	Wingate
2349.0	2370.9	Chinle
2657.0	2683.3	Cutler
4505.0	4553.0	Honaker Trail
5915.0	5963.0	La Sal
6256.0	6304.0	La Sal Shale
6341.0	6389.0	Hatch

CASING DETAILS

TVD	MD	Name	Size
2600.0	2625.5	9 5/8"	9.625
6391.0	6439.0	5 1/2"	5.500

EnCana Corporation
Planning Report

Database: EDM
Company: DJ/Paradox/WTX
Project: La Sal
Site: Middle Mesa Fed 31-44-29-25
Well: Well #1
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well Well #1
TVD Reference: RKB @ 6715.0ft (TBD)
MD Reference: RKB @ 6715.0ft (TBD)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

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

Site	Middle Mesa Fed 31-44-29-25				
Site Position:		Northing:	578,065.70 ft	Latitude:	11° 58' 36.494 N
From:	Map	Easting:	2,659,751.97 ft	Longitude:	108° 54' 10.982 W
Position Uncertainty:	ft	Slot Radius:	in	Grid Convergence:	1.59 °

Well	Well #1					
Well Position	+N/-S	0.0 ft	Northing:	578,065.70 ft	Latitude:	11° 58' 36.494 N
	+E/-W	0.0 ft	Easting:	2,659,751.97 ft	Longitude:	108° 54' 10.982 W
Position Uncertainty		ft	Wellhead Elevation:	ft	Ground Level:	6,695.0 ft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	01/12/2009	8.24	34.22	36,045

Design	Design #1			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	85.45

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.00	0.00	
982.1	9.64	85.45	979.8	3.2	40.3	2.00	2.00	0.00	85.45	
4,056.9	9.64	85.45	4,011.2	44.1	553.7	0.00	0.00	0.00	0.00	
4,539.0	0.00	0.00	4,491.0	47.3	594.0	2.00	-2.00	0.00	180.00	
6,439.0	0.00	0.00	6,391.0	47.3	594.0	0.00	0.00	0.00	0.00	MM FED 31-44-29-25

EnCana Corporation
Planning Report

Database: EDM
Company: DJ/Paradox/WTX
Project: La Sal
Site: Middle Mesa Fed 31-44-29-25
Well: Well #1
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well Well #1
TVD Reference: RKB @ 6715.0ft (TBD)
MD Reference: RKB @ 6715.0ft (TBD)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
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
332.0	0.00	0.00	332.0	0.0	0.0	0.0	0.00	0.00	0.00
Morrison									
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	2.00	85.45	600.0	0.1	1.7	1.7	2.00	2.00	0.00
700.0	4.00	85.45	699.8	0.6	7.0	7.0	2.00	2.00	0.00
800.0	6.00	85.45	799.5	1.2	15.6	15.7	2.00	2.00	0.00
900.0	8.00	85.45	898.7	2.2	27.8	27.9	2.00	2.00	0.00
982.1	9.64	85.45	979.8	3.2	40.3	40.5	2.00	2.00	0.00
1,000.0	9.64	85.45	997.5	3.5	43.3	43.5	0.00	0.00	0.00
1,028.9	9.64	85.45	1,026.0	3.8	48.2	48.3	0.00	0.00	0.00
Entrada									
1,100.0	9.64	85.45	1,096.1	4.8	60.0	60.2	0.00	0.00	0.00
1,200.0	9.64	85.45	1,194.6	6.1	76.7	77.0	0.00	0.00	0.00
1,295.7	9.64	85.45	1,289.0	7.4	92.7	93.0	0.00	0.00	0.00
Navajo									
1,300.0	9.64	85.45	1,293.2	7.4	93.4	93.7	0.00	0.00	0.00
1,400.0	9.64	85.45	1,391.8	8.8	110.1	110.5	0.00	0.00	0.00
1,500.0	9.64	85.45	1,490.4	10.1	126.8	127.2	0.00	0.00	0.00
1,600.0	9.64	85.45	1,589.0	11.4	143.5	144.0	0.00	0.00	0.00
1,700.0	9.64	85.45	1,687.6	12.8	160.2	160.7	0.00	0.00	0.00
1,800.0	9.64	85.45	1,786.2	14.1	176.9	177.5	0.00	0.00	0.00
1,840.4	9.64	85.45	1,826.0	14.6	183.6	184.2	0.00	0.00	0.00
Kayenta									
1,900.0	9.64	85.45	1,884.8	15.4	193.6	194.2	0.00	0.00	0.00
2,000.0	9.64	85.45	1,983.3	16.7	210.3	211.0	0.00	0.00	0.00
2,059.5	9.64	85.45	2,042.0	17.5	220.2	220.9	0.00	0.00	0.00
Wingate									
2,100.0	9.64	85.45	2,081.9	18.1	227.0	227.7	0.00	0.00	0.00
2,200.0	9.64	85.45	2,180.5	19.4	243.7	244.4	0.00	0.00	0.00
2,300.0	9.64	85.45	2,279.1	20.7	260.4	261.2	0.00	0.00	0.00
2,370.9	9.64	85.45	2,349.0	21.7	272.2	273.1	0.00	0.00	0.00
Chinle									
2,400.0	9.64	85.45	2,377.7	22.1	277.1	277.9	0.00	0.00	0.00
2,500.0	9.64	85.45	2,476.3	23.4	293.8	294.7	0.00	0.00	0.00
2,600.0	9.64	85.45	2,574.9	24.7	310.5	311.4	0.00	0.00	0.00
2,625.5	9.64	85.45	2,600.0	25.1	314.7	315.7	0.00	0.00	0.00
9 5/8"									
2,683.3	9.64	85.45	2,657.0	25.8	324.4	325.4	0.00	0.00	0.00
Cutler									
2,700.0	9.64	85.45	2,673.5	26.0	327.2	328.2	0.00	0.00	0.00
2,800.0	9.64	85.45	2,772.0	27.4	343.8	344.9	0.00	0.00	0.00
2,900.0	9.64	85.45	2,870.6	28.7	360.5	361.7	0.00	0.00	0.00
3,000.0	9.64	85.45	2,969.2	30.0	377.2	378.4	0.00	0.00	0.00
3,100.0	9.64	85.45	3,067.8	31.4	393.9	395.2	0.00	0.00	0.00
3,200.0	9.64	85.45	3,166.4	32.7	410.6	411.9	0.00	0.00	0.00
3,300.0	9.64	85.45	3,265.0	34.0	427.3	428.7	0.00	0.00	0.00
3,400.0	9.64	85.45	3,363.6	35.4	444.0	445.4	0.00	0.00	0.00
3,500.0	9.64	85.45	3,462.2	36.7	460.7	462.2	0.00	0.00	0.00

EnCana Corporation
Planning Report

Database: EDM
Company: DJ/Paradox/WTX
Project: La Sal
Site: Middle Mesa Fed 31-44-29-25
Well: Well #1
Wellbore: Wellbore #1
Design: Design #1

Local Co-ordinate Reference: Well Well #1
TVD Reference: RKB @ 6715.0ft (TBD)
MD Reference: RKB @ 6715.0ft (TBD)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
3,600.0	9.64	85.45	3,560.7	38.0	477.4	478.9	0.00	0.00	0.00
3,700.0	9.64	85.45	3,659.3	39.3	494.1	495.7	0.00	0.00	0.00
3,800.0	9.64	85.45	3,757.9	40.7	510.8	512.4	0.00	0.00	0.00
3,900.0	9.64	85.45	3,856.5	42.0	527.5	529.2	0.00	0.00	0.00
4,000.0	9.64	85.45	3,955.1	43.3	544.2	545.9	0.00	0.00	0.00
4,056.9	9.64	85.45	4,011.2	44.1	553.7	555.4	0.00	0.00	0.00
4,100.0	8.78	85.45	4,053.7	44.6	560.6	562.3	2.00	-2.00	0.00
4,200.0	6.78	85.45	4,152.8	45.7	574.1	575.9	2.00	-2.00	0.00
4,300.0	4.78	85.45	4,252.3	46.5	584.1	585.9	2.00	-2.00	0.00
4,400.0	2.78	85.45	4,352.1	47.0	590.7	592.5	2.00	-2.00	0.00
4,500.0	0.78	85.45	4,452.0	47.3	593.8	595.6	2.00	-2.00	0.00
4,539.0	0.00	0.00	4,491.0	47.3	594.0	595.9	2.00	-2.00	0.00
4,553.0	0.00	0.00	4,505.0	47.3	594.0	595.9	0.00	0.00	0.00
Honaker Trail									
4,600.0	0.00	0.00	4,552.0	47.3	594.0	595.9	0.00	0.00	0.00
4,700.0	0.00	0.00	4,652.0	47.3	594.0	595.9	0.00	0.00	0.00
4,800.0	0.00	0.00	4,752.0	47.3	594.0	595.9	0.00	0.00	0.00
4,900.0	0.00	0.00	4,852.0	47.3	594.0	595.9	0.00	0.00	0.00
5,000.0	0.00	0.00	4,952.0	47.3	594.0	595.9	0.00	0.00	0.00
5,100.0	0.00	0.00	5,052.0	47.3	594.0	595.9	0.00	0.00	0.00
5,200.0	0.00	0.00	5,152.0	47.3	594.0	595.9	0.00	0.00	0.00
5,300.0	0.00	0.00	5,252.0	47.3	594.0	595.9	0.00	0.00	0.00
5,400.0	0.00	0.00	5,352.0	47.3	594.0	595.9	0.00	0.00	0.00
5,500.0	0.00	0.00	5,452.0	47.3	594.0	595.9	0.00	0.00	0.00
5,600.0	0.00	0.00	5,552.0	47.3	594.0	595.9	0.00	0.00	0.00
5,700.0	0.00	0.00	5,652.0	47.3	594.0	595.9	0.00	0.00	0.00
5,800.0	0.00	0.00	5,752.0	47.3	594.0	595.9	0.00	0.00	0.00
5,900.0	0.00	0.00	5,852.0	47.3	594.0	595.9	0.00	0.00	0.00
5,963.0	0.00	0.00	5,915.0	47.3	594.0	595.9	0.00	0.00	0.00
La Sal									
6,000.0	0.00	0.00	5,952.0	47.3	594.0	595.9	0.00	0.00	0.00
6,100.0	0.00	0.00	6,052.0	47.3	594.0	595.9	0.00	0.00	0.00
6,200.0	0.00	0.00	6,152.0	47.3	594.0	595.9	0.00	0.00	0.00
6,300.0	0.00	0.00	6,252.0	47.3	594.0	595.9	0.00	0.00	0.00
6,304.0	0.00	0.00	6,256.0	47.3	594.0	595.9	0.00	0.00	0.00
La Sal Shale									
6,389.0	0.00	0.00	6,341.0	47.3	594.0	595.9	0.00	0.00	0.00
Hatch									
6,400.0	0.00	0.00	6,352.0	47.3	594.0	595.9	0.00	0.00	0.00
6,439.0	0.00	0.00	6,391.0	47.3	594.0	595.9	0.00	0.00	0.00
5 1/2"									

Design Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
MM FED 31-44-29-25 - hit/miss target - Shape - Circle (radius 20.0)	0.00	0.00	6,391.0	47.3	594.0	578,113.00	2,660,346.00	11° 58' 36.772 N	108° 54' 5.525 W

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/11/2009

API NO. ASSIGNED: 43-037-31906

WELL NAME: MIDDLE MESA FED 31-44-29-25
 OPERATOR: ENCANA OIL & GAS (USA) (N2175)
 CONTACT: JEVIN CROTEAU

PHONE NUMBER: 720-876-5339

PROPOSED LOCATION:

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

SESE 31 290S 250E
 SURFACE: 0587 FSL 1207 FEL
 BOTTOM: 0620 FSL 0612 FEL
 COUNTY: SAN JUAN
 LATITUDE: 38.23191 LONGITUDE: -109.2030
 UTM SURF EASTINGS: 657288 NORTHINGS: 4232867
 FIELD NAME: SOUTH PINE RIDGE (457)

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-76335
 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
- R649-3-2. . General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- R649-3-11. Directional Drill

COMMENTS: _____

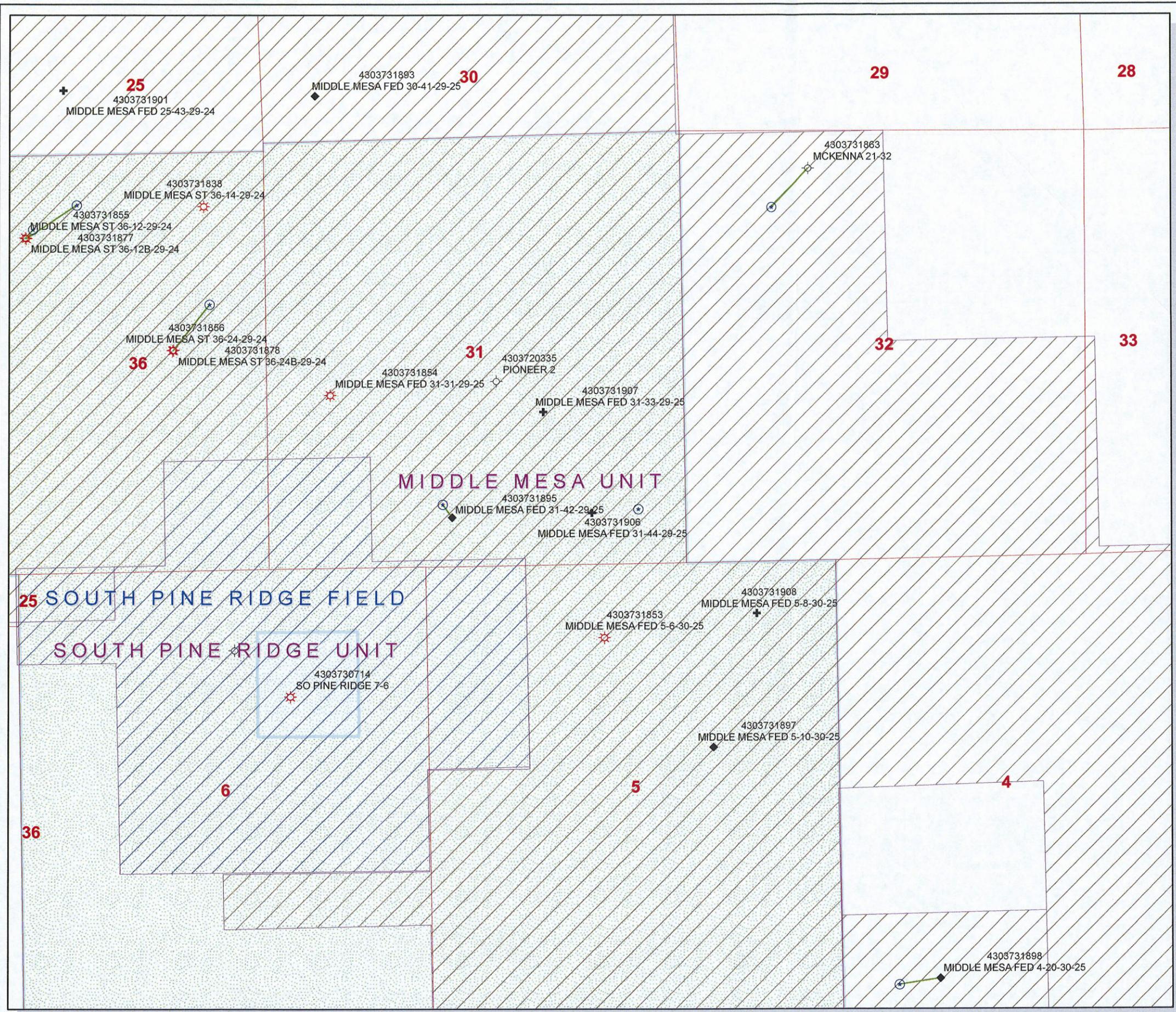
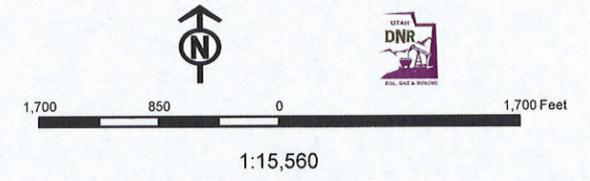
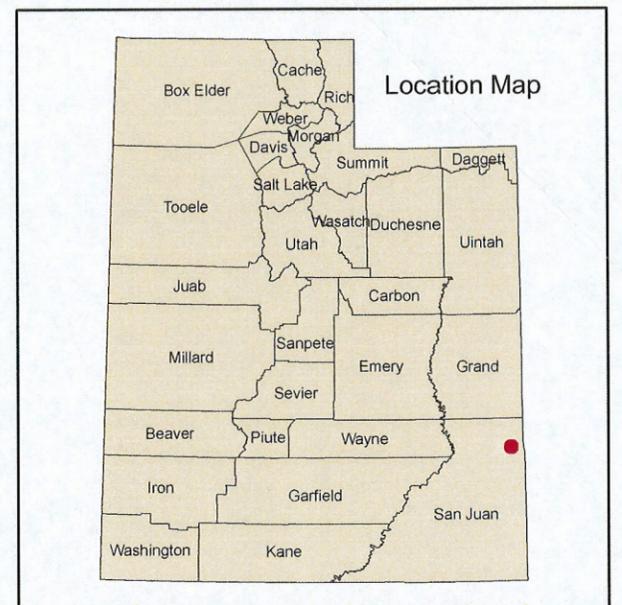
STIPULATIONS: _____

1- Federal Approval
2- Spacing Strip

API Number: 4303731906
Well Name: MIDDLE MESA FED 31-44-29-25
 Township 29.0 S Range 25.0 E Section 31
 Meridian: SLBM
 Operator: ENCANA OIL & GAS (USA) INC

Map Prepared:
 Map Produced by Diana Mason

- | | |
|---------------|---------------------------|
| Units | Wells Query Events |
| STATUS | X <all other values> |
| ACTIVE | GIS_STAT_TYPE |
| EXPLORATORY | <Null> |
| GAS STORAGE | APD |
| NF PP OIL | DRL |
| NF SECONDARY | GI |
| PI OIL | GS |
| PP GAS | LA |
| PP GEOTHERML | NEW |
| PP OIL | OPS |
| SECONDARY | PA |
| TERMINATED | PGW |
| Fields | POW |
| STATUS | RET |
| ACTIVE | SGW |
| COMBINED | SOW |
| Sections | TA |
| | TW |
| | WD |
| | WI |
| | WS |



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:

3160
(UT-922)

February 17, 2009

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2009 Plan of Development Middle Mesa Unit, San Juan
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2009 within the Middle Mesa Unit, San Juan County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Hatch)		
43-037-31901	Middle Mesa Fed 25-43-29-24	Sec 25 T29S R24E 0759 FSL 2531 FEL
43-037-31902	Middle Mesa Fed 25-41-29-24	Sec 25 T29S R24E 0360 FSL 0960 FWL
43-037-31903	Middle Mesa Fed 25-31-29-24	Sec 25 T29S R24E 2361 FSL 0900 FWL
		BHL Sec 25 T29S R24E 2422 FSL 1133 FWL
43-037-31904	Middle Mesa Fed 26-34-29-24	Sec 26 T29S R24E 2011 FSL 0789 FEL
		BHL Sec 26 T29S R24E 1961 FSL 0782 FEL
43-037-31905	Middle Mesa Fed 26-23-29-24	Sec 26 T29S R24E 2157 FNL 2036 FEL
		BHL Sec 26 T29S R24E 1970 FNL 2057 FEL
43-037-31906	Middle Mesa Fed 31-44-29-25	Sec 31 T29S R25E 0587 FSL 1207 FEL
		BHL Sec 31 T29S R25E 0620 FSL 0612 FEL
43-037-31907	Middle Mesa Fed 31-33-29-25	Sec 31 T29S R25E 1873 FSL 1795 FEL
43-037-31908	Middle Mesa Fed 05-08-30-25	Sec 05 T30S R25E 0722 FNL 1034 FEL

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

/s/ Michael L. Coulthard

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



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 18, 2009

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

Re: Middle Mesa Federal 31-44-29-25 Well, Surface Location 587' FSL, 1207' FEL, SE SE,
Sec. 31, T. 29 South, R. 25 East, Bottom Location 620' FSL, 612' FEL, SE SE,
Sec. 31, T. 29 South, R. 25 East, San Juan County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31906.

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 31-44-29-25
API Number: 43-037-31906
Lease: UTU-76335

Surface Location: SE SE Sec. 31 T. 29 South R. 25 East
Bottom Location: SE SE Sec. 31 T. 29 South R. 25 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284

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

- Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

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

**CONFIDENTIAL
TIGHT HOLE**

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

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

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-76335
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 EnCana Oil & Gas (USA) Inc.		7. If Unit or CA Agreement, Name and No. Middle Mesa, UTU-82680X
3a. Address 370 17th St., Suite 1700, Denver CO 80202		8. Lease Name and Well No. Middle Mesa Fed 31-44-29-25
3b. Phone No. (include area code) 720-876-5339		9. API Well No. 4303731906
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 587' FSL & 1207' FEL At proposed prod. zone 620' FSL & 612' FEL		10. Field and Pool, or Exploratory South Pine Ridge
14. Distance in miles and direction from nearest town or post office* Approximately 6.0 Miles Southeast of La Sal, UT		11. Sec., T., R., M., or Blk. And Survey or Area Sec. 31, T29S-R25E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)		12. County or Parish San Juan
16. No. of Acres in lease 160.00		13. State Utah
17. Spacing Unit dedicated to this well 40 acres		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1723' BHL		20. BLM/ BIA Bond No. on file UT1005
19. Proposed Depth 6391' TVD		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6694.5' GR		22. Aproximate date work will start* 01-Jun-09
		23. Estimated Duration 30 Days

24. Attachments

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

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

25. Signature 	Name (Printed/ Typed) Jevin Croteau	Date 2/5/09
Title Regulatory Analyst		
Approved By (Signature) 	Name (Printed/ Typed) Assistant Field Manager	Date 1/5/2010
Title Assistant Field Manager, Division of Resources	Office Division of Resources Moab Field Office	

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

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

(Continued on page 2)

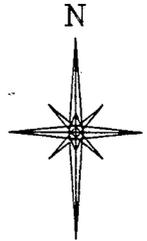
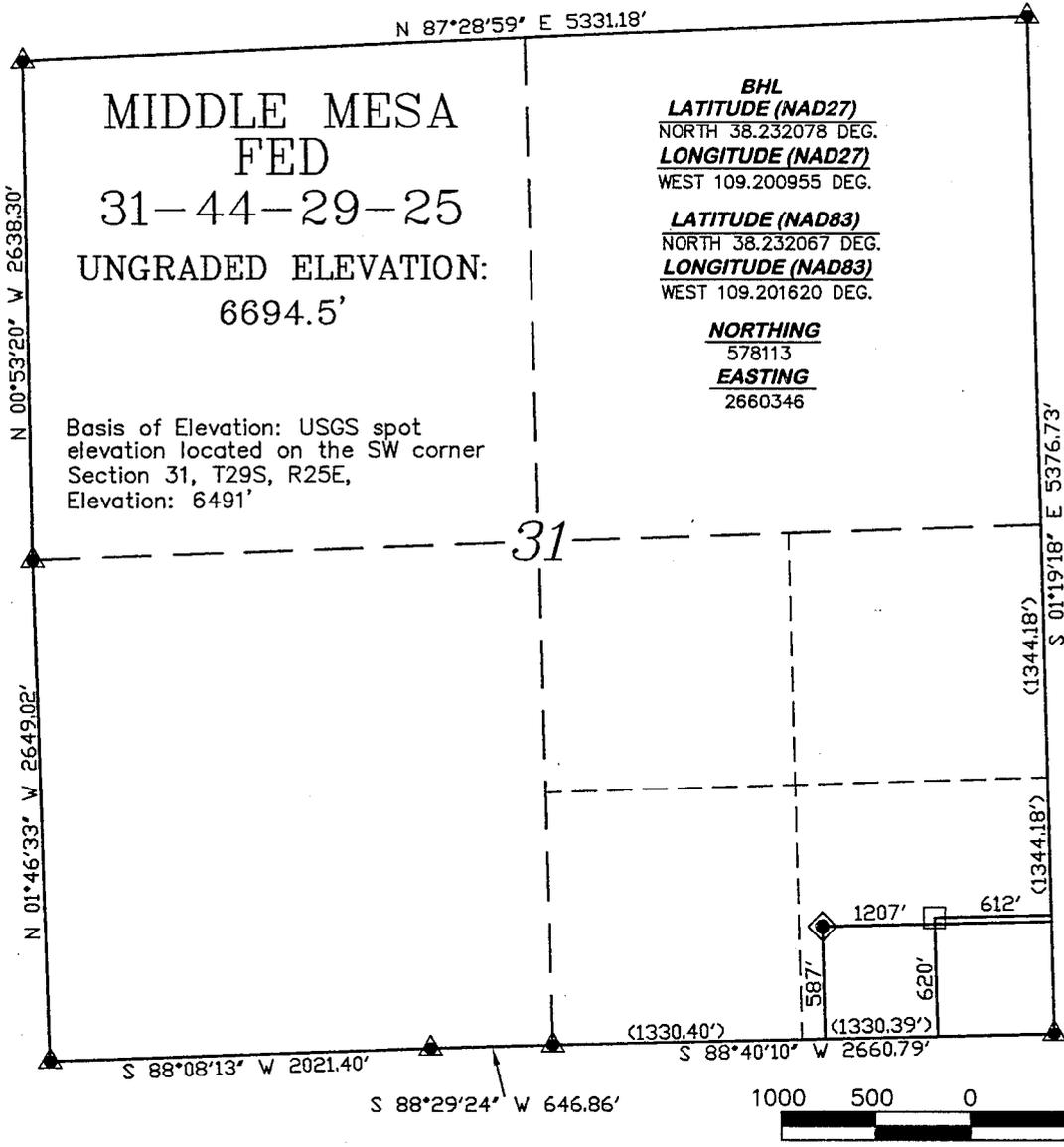
(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

**RECEIVED
JAN 11 2010**

DIV. OF OIL, GAS & MINING

R. 25 E.



SCALE: 1" = 1000'

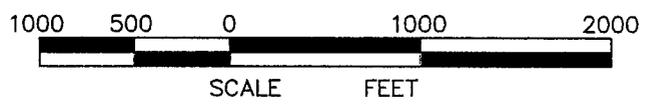
T. 29 S.

LATITUDE (NAD27)
NORTH 38.231989 DEG.
LONGITUDE (NAD27)
WEST 109.203026 DEG.

LATITUDE (NAD83)
NORTH 38.231978 DEG.
LONGITUDE (NAD83)
WEST 109.203692 DEG.

NORTHING
578065.70
EASTING
2659751.97

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)



SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 27, 2008, and it correctly shows the location of MIDDLE MESA FEDERAL 31-44-29-25.

NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT (BC)
- ▲ PREVIOUSLY FOUND MONUMENT
- APPROX. BOTTOM HOLE LOCATION

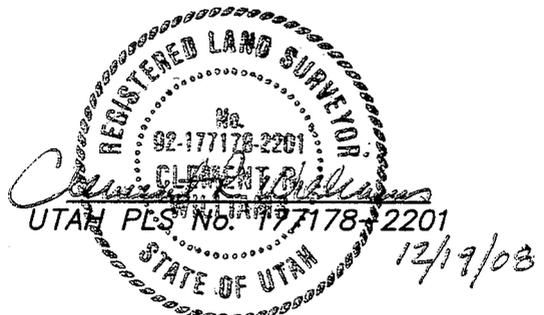


EXHIBIT 1

		PLAT OF DRILLING LOCATION FOR ENCANA OIL & GAS (USA) INC.	
		587' F/SL & 1207' F/EL, SECTION 31, T. 29 S., R. 25 E., SALT LAKE B.M. SAN JUAN COUNTY, UTAH	
		1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	SCALE: 1" = 1000' JOB No. 15803 REVISED: 12/19/08 - MMM

EnCana Oil & Gas (USA), Inc.
Middle Mesa Federal 31-44-29-25
Lease UTU-76335
Middle Mesa Unit (UTU-82680-X)
SE/SE Section 31, T29S, R25E
San Juan County, Utah

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

CONDITIONS OF APPROVAL

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

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

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

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

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

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

A. DRILLING PROGRAM

1. The proposed 3M BOP system is adequate for anticipated conditions. Testing to 2M standards is acceptable. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGGM) is required before conducting any surface disturbing activities.
3. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to our understanding of drilling conditions.
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:

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

*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

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU-76335

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Middle Mesa Unit

8. WELL NAME and NUMBER:

Middle Mesa Fed 31-44-29-25

9. API NUMBER:

4303731906

10. FIELD AND POOL, OR WLD CAT:

South Pine Ridge

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

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

2. NAME OF OPERATOR:

EnCana Oil & Gas (USA) Inc.

3. ADDRESS OF OPERATOR:

370 17th Street, Suite 1700 CITY Denver

STATE CO ZIP 80202

PHONE NUMBER:

(720) 876-5339

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 587' FSL 7 1207' FEL

COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 31 29S 25E S

STATE:

UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>6/1/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Request APD Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

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

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

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-20-10
By: [Signature]

COPY SENT TO OPERATOR

Date: 1.21.2010

Initials: KS

NAME (PLEASE PRINT) Jevin Croteau

TITLE Regulatory Analyst

SIGNATURE [Signature]

DATE 1/13/10

(This space for State use only)

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JAN 19 2010

DIV. OF OIL, GAS & MINING

RESET

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

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

API: 4303731906
Well Name: Middle Mesa Fed 31-44-29-25
Location: 587' FSL & 1207' FEL, Sec. 31, T29S, R25E, SLPM
Company Permit Issued to: EnCana Oil & Gas (USA) Inc.
Date Original Permit Issued: 2/18/2009

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

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

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

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

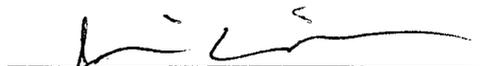
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

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

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

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



Signature

1/13/10

Date

Title: Regulatory Analyst

Representing: EnCana Oil & Gas (USA) Inc.

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

ROUTING
CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

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

5/14/2010

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

CA No. **Unit: MIDDLE MESA**

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/11/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/11/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/11/2010
- 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. *RFB 0013207 + B 006008*

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

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

NAME (PLEASE PRINT) 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)

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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 17th Street, Suite 1345
Denver, CO 80293

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

Dear Mr. Laramie:

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

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

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

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

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

Sincerely,

/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure

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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

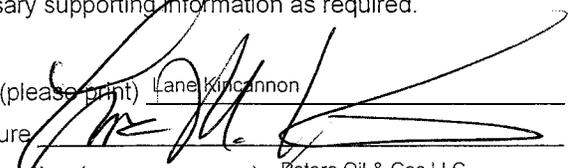
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Middle Mesa Fed 31-44-29-25
API number:	4303731906
Location:	Qtr-Qtr: SESE Section: 31 Township: 29S Range: 25E
Company that filed original application:	EnCana Oil & Gas (USA) Inc.
Date original permit was issued:	02/18/2009
Company that permit was issued to:	EnCana Oil & Gas (USA) Inc.

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

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
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 Kinnannon Title Vice-President, Land & Business Development
 Signature  Date 5/4/10
 Representing (company name) Patara Oil & Gas LLC

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

(3/2004)

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76335
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: MIDDLE MESA FED 31-44-29-25
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC	9. API NUMBER: 43037319060000
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202	PHONE NUMBER: 303 825-0685 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0587 FSL 1207 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 31 Township: 29.0S Range: 25.0E Meridian: S	9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE COUNTY: SAN JUAN STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/1/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <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 checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

Patara Oil & Gas, LLC requests the extension of the above mentioned APD for the maximum time allowable. The federal approval is valid until January 5, 2012. Please contact Christopher A. Noonan at Banko Petroleum Management, Inc. at 303-820-4480, or at bob@banko1.com with any questions or concerns.

Thank you.

Approved by the Utah Division of Oil, Gas and Mining

Date: 02/15/2011

By: 

NAME (PLEASE PRINT) Christopher A. Noonan	PHONE NUMBER 303 820-4480	TITLE Permit Agent
SIGNATURE N/A	DATE 2/10/2011	



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 43037319060000

API: 43037319060000

Well Name: MIDDLE MESA FED 31-44-29-25

Location: 0587 FSL 1207 FEL QTR SESE SEC 31 TWP 290S RNG 250E MER S

Company Permit Issued to: PATARA OIL & GAS, LLC

Date Original Permit Issued: 2/18/2009

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

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

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

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

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

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

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

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

Signature: Christopher A. Noonan

Date: 2/10/2011

Title: Permit Agent

Representing: PATARA OIL & GAS, LLC

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76335
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: MIDDLE MESA FED 31-44-29-25
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC	9. API NUMBER: 43037319060000
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202	PHONE NUMBER: 303 825-0685 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0587 FSL 1207 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 31 Township: 29.0S Range: 25.0E Meridian: S	9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE COUNTY: SAN JUAN STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 9/16/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Change to APD"/>

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

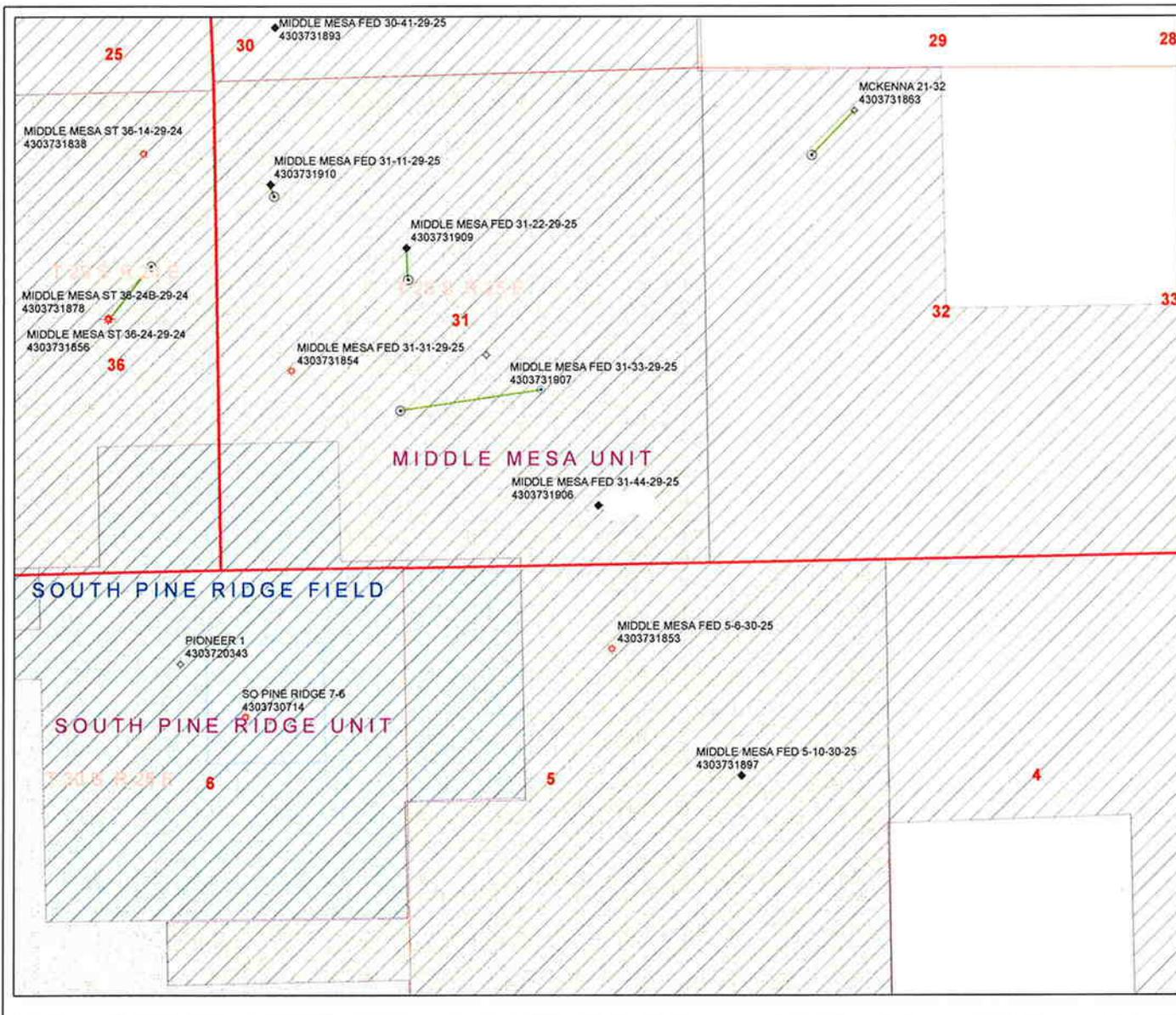
Patara Oil & Gas LLC proposes to make the following changes to the Drilling/Casing/Cement Program for the subject well. Please see the attached documents for clarification of the revised wellsite layout and new bottom hole location. The revised cement and casing program are also included on the first page of the attachments. This well is being changed from a directional hole to a vertical hole. This well will be drilled with a closed loop mud system and thus the elimination of both a solids and reserve pit. Solids will be piled into the depicted solids pile and used during interim reclamation. Patara intends to spud this well on September 16, 2011. Your timely attention to this sundry is greatly appreciated.

Approved by the Utah Division of Oil, Gas and Mining

Date: 09/07/2011

By: 

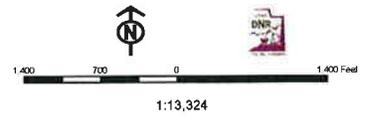
NAME (PLEASE PRINT) Danielle Gavito	PHONE NUMBER 303 820-4480	TITLE Permit Agent
SIGNATURE N/A	DATE 8/26/2011	



API Number: 4303731906
 Well Name: MIDDLE MESA FED 31-44-29-25
 Township T2.9 . Range R2.5 . Section 31
 Meridian: SLBM
 Operator: PATARA OIL & GAS, LLC

Map Prepared:
 Map Produced by Diana Mason

Units	Wells Query
STATUS	Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DKS - Spud (Drilling Commenced)
GAS STORAGE	DWI - Gas Injection
HP PP OIL	GS - Gas Storage
HP SECONDARY	LA - Location Abandoned
PI OIL	LDC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERMAL	PA - Plugged Abandoned
PP OIL	POW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Fields	SDW - Shut-in Gas Well
Unknown	SDW - Shut-in Oil Well
ABANDONED	TA - Temp. Abandoned
ACTIVE	TW - Test Well
COMBINED	WOW - Water Deceler.
INACTIVE	WOW - Water Injection Well
STORAGE	WOW - Water Supply Well
TERMINATED	
Sections	
Township	





Patara Oil & Gas LLC

600 17th Street, Suite 1900 S, Denver, CO 80202

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

September 1, 2011

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

RE: Rule R649-3-2. Location and Siting of Vertical Wells
Middle Mesa #31-44-29-25 Well
Middle Mesa 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 587' FSL and 1,207' FEL of Section 31, T29S, R25E (Please see enclosed plat). The surface location for this well targeting the Honaker Trail formation is located outside the 400 feet square "window" provided for under state rule R649-3-2. In accordance with state rule R649-3-3, Patara hereby respectfully requests an exception to said Location and Siting Wells rule, and provides the following information in support thereof:

- 1.) Patara holds 100% of the oil and gas leasehold interest within a 460 feet radius of the surface location. Said leasehold is covered under Federal Oil and Gas Lease bearing serial number UTU-76335, which lease covers the SE4 of said Section 31. The surface estate to the drillsite tract and mineral estate covered by said leases are part of the Federal Public Domain.
- 2.) Said leasehold, and other lands, is committed to the Middle Mesa Federal Exploratory Unit (UTU-82680X) effective November 17, 2005. The Unit Agreement unitizes all formations, including the Honaker Trail. The separate unitized tracts are pooled to form one Unit Area to effectively and efficiently develop the Unitized Zones.

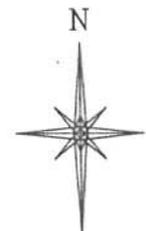
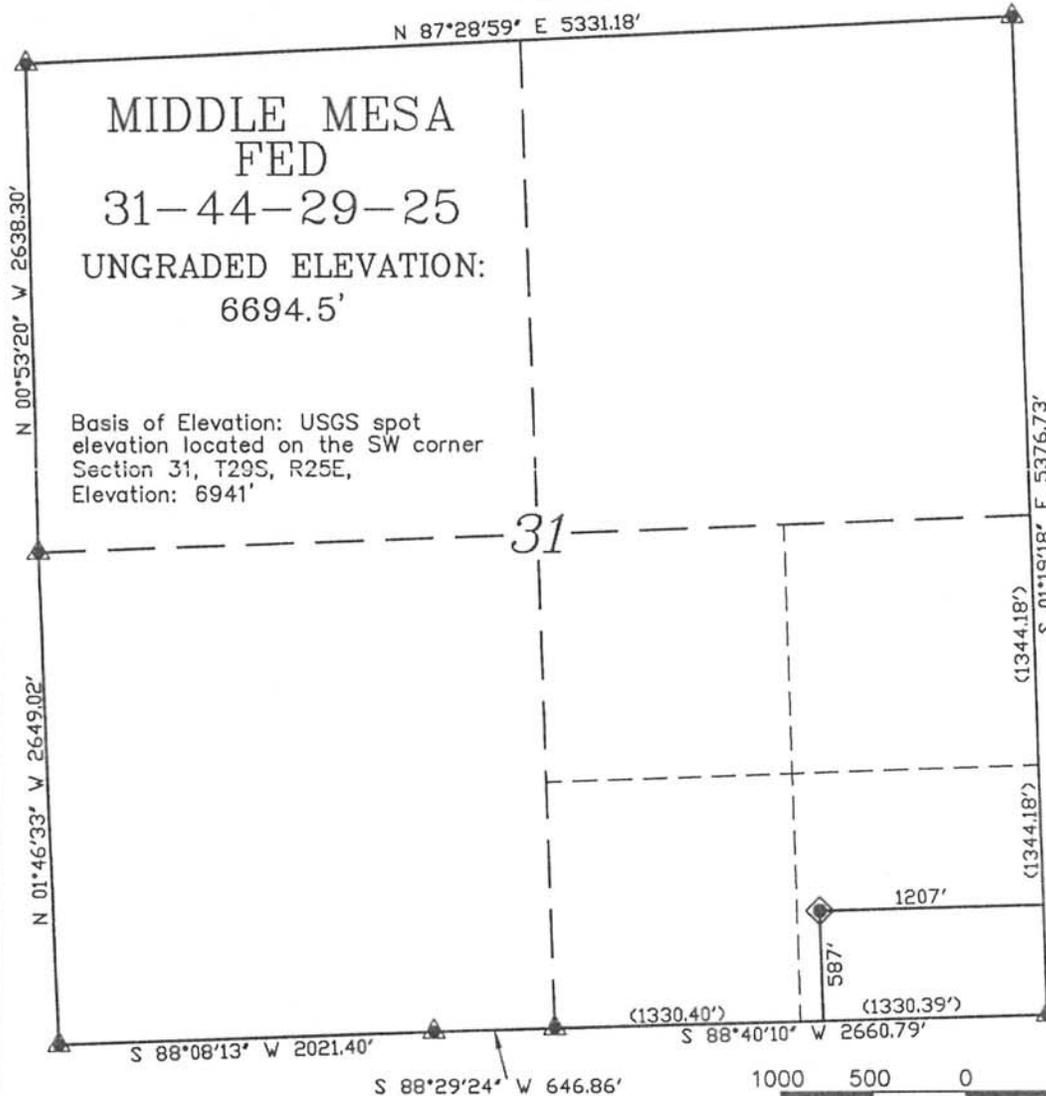
In consideration of the foregoing, we therefore respectfully request an exception to rule R649-3-2 for purposes of drilling the captioned well with a surface location as set forth in the APD. Should you have any questions, regarding this matter, please do not hesitate to give me a call at 303-563-5362.

Sincerely,

Patara Oil & Gas LLC

R. G. Davis, CPL
Vice President, Land

R. 25 E.



SCALE: 1" = 1000'

T. 29 S.

LATITUDE (NAD27)
NORTH 38.231989 DEG.
LONGITUDE (NAD27)
WEST 109.203026 DEG.

LATITUDE (NAD83)
NORTH 38.231978 DEG.
LONGITUDE (NAD83)
WEST 109.203692 DEG.

NORTHING
578065.70
EASTING
2659751.97

BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)

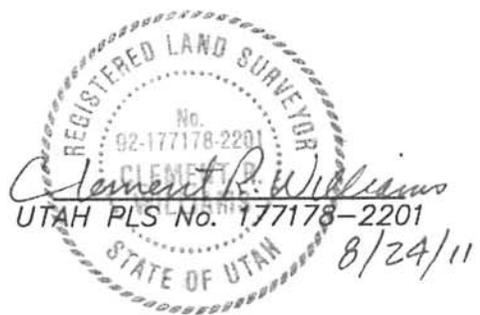


SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 27, 2008, and it correctly shows the location of MIDDLE MESA FED 31-44-29-25.

NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT (BC)
- ▲ PREVIOUSLY FOUND MONUMENT
- APPROX. BOTTOM HOLE LOCATION



 DRG RIFFIN & ASSOCIATES, INC. (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901	
DRAWN: 9/10/07	SCALE: 1" = 1000'
REVISED: 8/23/11 - DEH	DRG JOB No. 15803
REMOVED BHL	EXHIBIT 1

**PLAT OF DRILLING LOCATION
FOR
PATARA OIL & GAS, LLC.**

**587' F/SL & 1207' F/EL, SESE SECTION 31,
T. 29 S., R. 25 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH**

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3160
(UT-922)

September 2, 2011

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2011 Plan of Development Middle Mesa Unit,
San Juan County, Utah.

Pursuant to email between Eric Jones, Moab Field Office, and Mickey Coulthard, Utah State Office, the following changes are being proposed to previously permitted wells in the Middle Mesa Unit (please see our memorandums dated February 17, 2009 and July 5, 2011)

API#	WELL NAME	LOCATION
(Proposed PZ Honaker Trail)		
43-037-31906	Middle Mesa Fed	31-44-29-25 Sec 31 T29S R25E 0587 FSL 1207 FEL BHL Sec 31 T29S R25E 0587 FSL 1207 FEL
(Proposed PZ Ismay/Desert Creek)		
43-037-50010	Middle Mesa Fed	04-20-30-25 Sec 04 T30S R25E 5406 FNL 1255 FWL Approximate BHL Sec 05 T29S R24E 5550 FNL 0200 FEL

This office recommends **not** approving downhole commingling between the Ismay/Deseret Creek and the Honaker Trail until outstanding participating areas have been established.

Michael L. Coulthard

Digitally signed by Michael L. Coulthard
DN: cn=Michael L. Coulthard, o=Bureau of Land Management,
ou=Branch of Minerals, email=Michael_Coulthard@blm.gov, c=US
Date: 2011.09.02 10:13:32 -06'00'

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

MCoulthard:mc:9-2-11

RECEIVED Aug. 26, 2011

**Middle Mesa Fed 31-44-29-25 Drilling Plan Changes for Sundry Notice
8/22/11
Ryan Calhoun**

Hole Size Change

Production Hole to 7000' MD/TVD
8-3/4" to 7-7/8"

Casing Changes

Surface Casing
9-5/8" 36# J-55 ST&C to 8-5/8" 32# ST&C

Production Casing

5-1/2" 17# L-80 LT&C to 4-1/2" 11.60# N-80 LT&C

Cement Volumes and Tops

Surface Cement

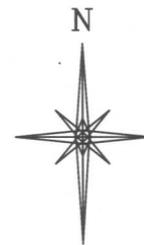
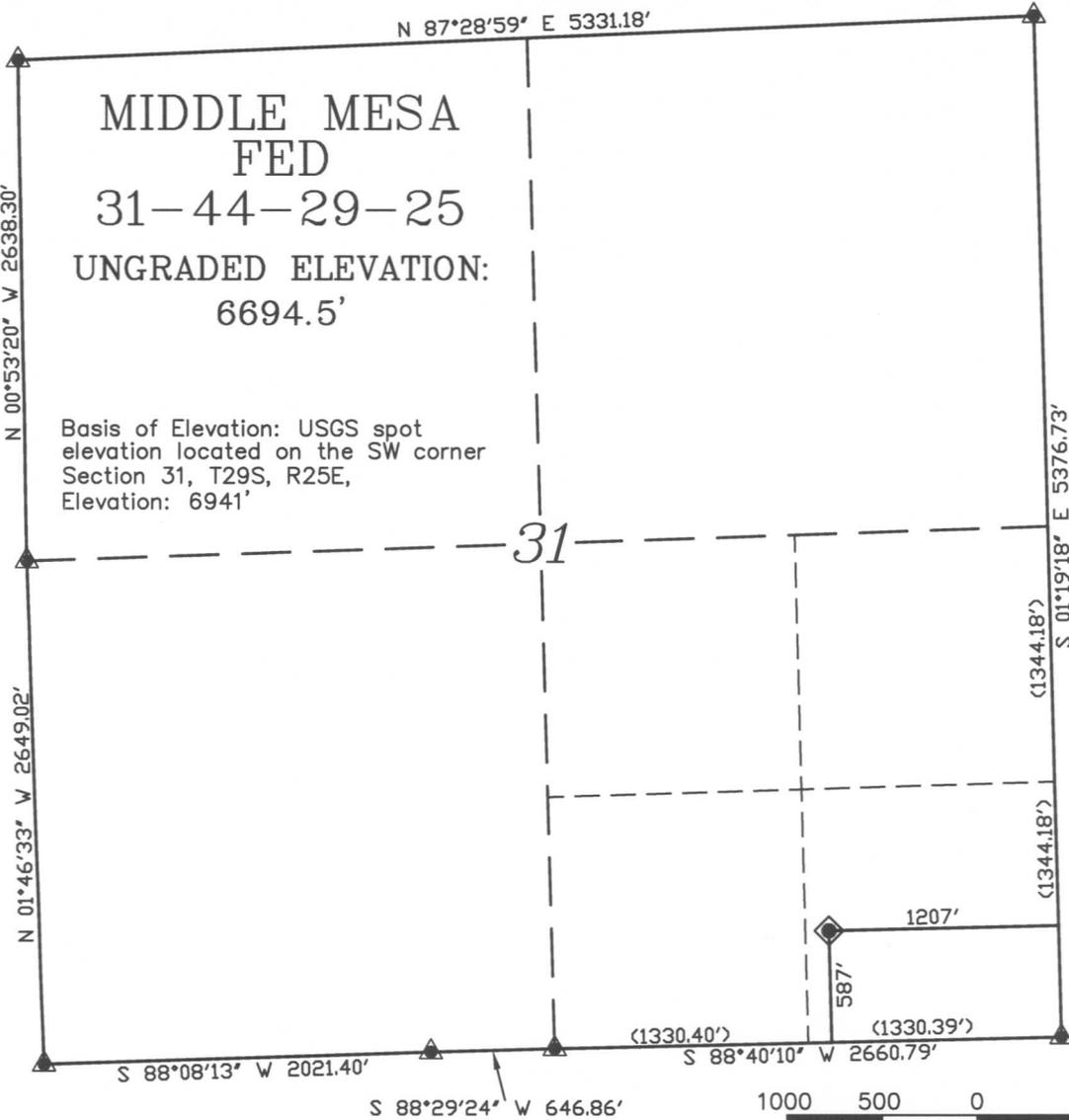
Lead - 260 sxs of Type III, 35/65 Poz, 11.6 ppg, 2.81 cuft/sx yield (TOC @ Surface)

Tail - 75 sxs of Type III, 1% CaCl, 14.2 ppg, 1.47 cuft/sx yield (TOC @ 2326')

Production Cement

560 sxs of Type III 35/65 Poz + 6% Gel, 12.5 ppg, 2.16 cuft/sx yield (TOC @ 2376', 250' above 8-5/8" surface csg shoe)

R. 25 E.



SCALE: 1" = 1000'

T. 29 S.

LATITUDE (NAD27)
NORTH 38.231989 DEG.
LONGITUDE (NAD27)
WEST 109.203026 DEG.

LATITUDE (NAD83)
NORTH 38.231978 DEG.
LONGITUDE (NAD83)
WEST 109.203692 DEG.

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EASTING
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BASIS OF BEARING/DATUM
SPCS UT SOUTH (NAD 27)

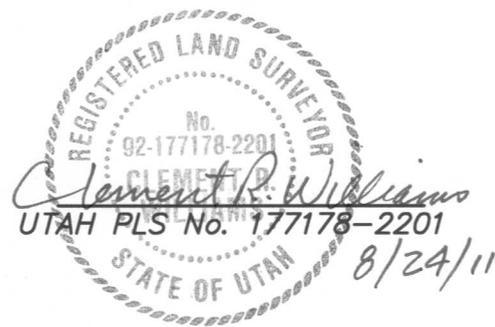


SURVEYOR'S STATEMENT

I, Clement R. Williams, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on OCTOBER 27, 2008, and it correctly shows the location of MIDDLE MESA FED 31-44-29-25.

NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT (BC)
- ▲ PREVIOUSLY FOUND MONUMENT
- APPROX. BOTTOM HOLE LOCATION



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

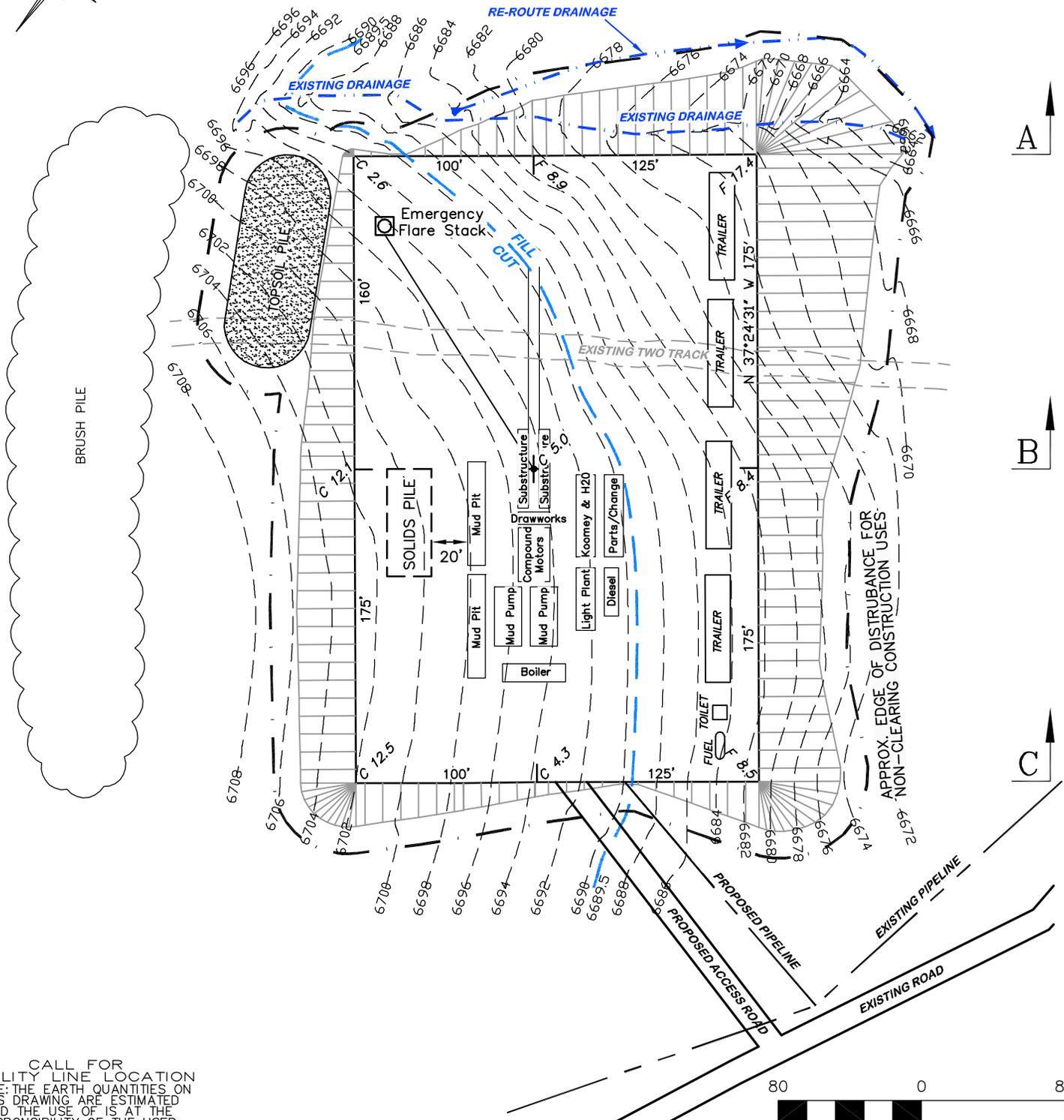
**PLAT OF DRILLING LOCATION
FOR
PATARA OIL & GAS, LLC.**

**587' F/SL & 1207' F/EL, SESE SECTION 31,
T. 29 S., R. 25 E., SALT LAKE B.M.
SAN JUAN COUNTY, UTAH**

DRAWN: 9/10/07	SCALE: 1" = 1000'
REVISED: 8/23/11 - DEH	DRG JOB No. 15803
REMOVED BHL	EXHIBIT 1

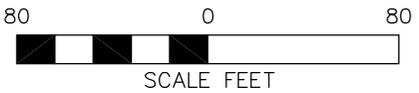
RECEIVED

UNGRADED ELEVATION: 6694.5'
FINISHED ELEVATION: 6689.5'
DRAINS TO COYOTE WASH
APPROXIMATE DISTURBED AREA: 3.4± ACRES



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.

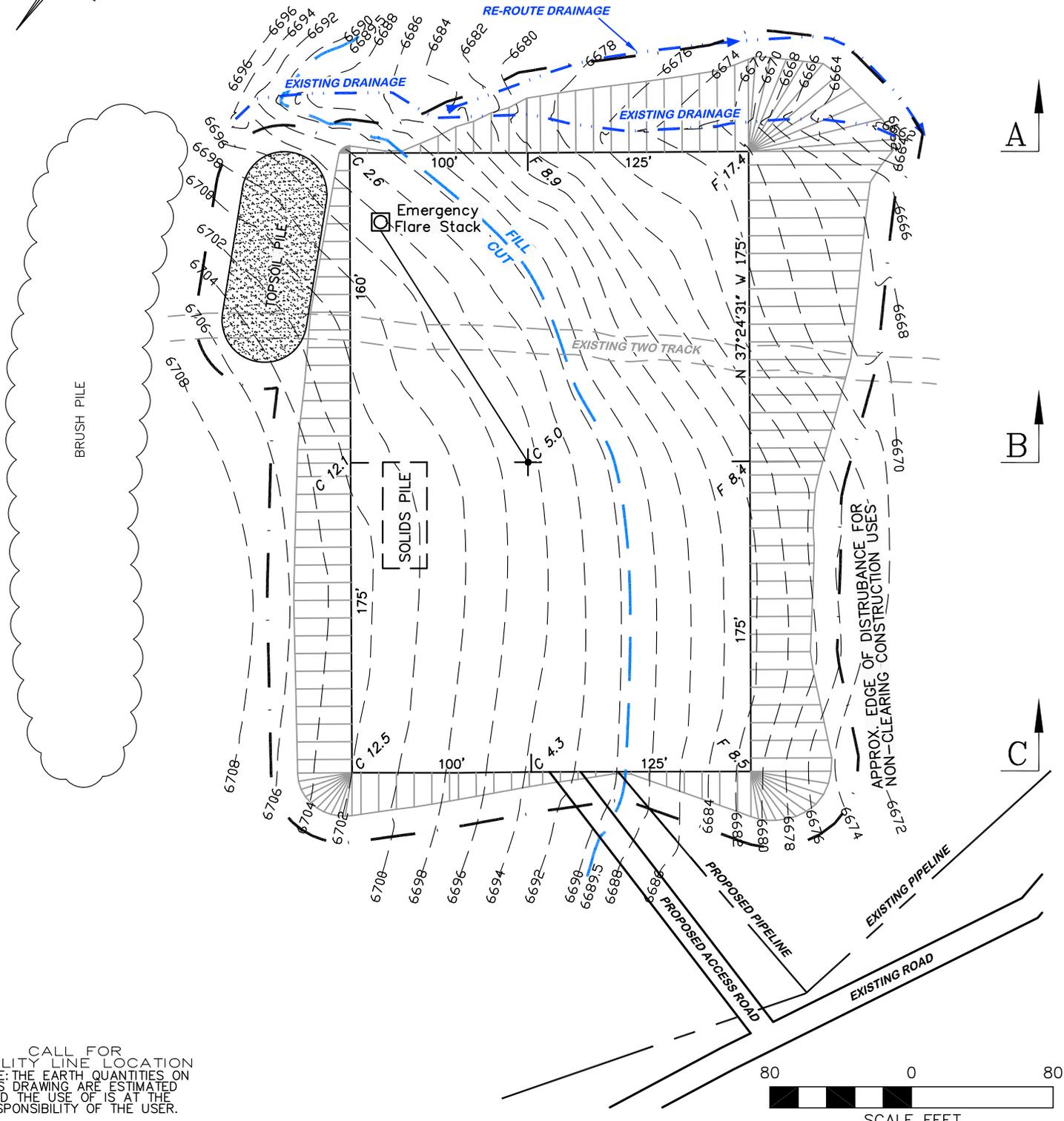
MIDDLE MESA FED 31-44-29-25



 (307) 362-5028 1414 ELK ST., ROCK SPRINGS, WY 82901		PATARA OIL & GAS, LLC. MIDDLE MESA FED 31-44-29-25 SECTION 31, T. 29 S., R. 25 E.				
		ESTIMATED EARTHWORK				
DRAWN: 9/10/07	SCALE: 1" = 80'	ITEM	CUT	FILL	TOPSOIL	EXCESS
REVISED: 8/23/11 - DEH	DRG JOB No. 15802	PAD	9,784 CY	8,206 CY	1,458 CY	120 CY
REVISED COMPANY/PIT	EXHIBIT 2	PIT	NONE			
		TOTALS	9,784 CY	8,206 CY	1,458 CY	120 CY

RECEIVED Aug. 26, 2011

UNGRADED ELEVATION: 6694.5'
FINISHED ELEVATION: 6689.5'
DRAINS TO COYOTE WASH
APPROXIMATE DISTURBED AREA: 3.4± ACRES



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.

MIDDLE MESA FED 31-44-29-25

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

PATARA OIL & GAS, LLC.
MIDDLE MESA FED 31-44-29-25
SECTION 31, T. 29 S., R. 25 E.

DRAWN: 9/10/07
REVISED: 8/23/11 - DEH
REVISED BHL/RIG/PIT

SCALE: 1" = 80'
DRG JOB No. 15802
EXHIBIT 2A

UNGRADED ELEVATION: 6810.5'
FINISHED ELEVATION: 6806.5'

RECEIVED Aug. 26, 2011

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: PATARA OIL & GAS, LLC

Well Name: MIDDLE MESA FED 31-44-29-25

Api No: 43-037-31906 Lease Type FEDERAL

Section 31 Township 29S Range 25E County SAN JUAN

Drilling Contractor _____ RIG # _____

SPUDDED:

Date 09/11/2011

Time _____

How DRY

Drilling will Commence: _____

Reported by JIM

Telephone # (713) 581-1126

Date 09/13/2011 Signed CHD

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76335
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: MIDDLE MESA FED 31-44-29-25	
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC	9. API NUMBER: 43037319060000	
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202	PHONE NUMBER: 303 825-0685 Ext	9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0587 FSL 1207 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 31 Township: 29.0S Range: 25.0E Meridian: S		COUNTY: SAN JUAN
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input 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: 9/11/2011 <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input 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 spud the Middle Mesa Fed 31-44-29-25 with Frontier Rig 4 at 10:15 AM on September 11, 2011. Thank you.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 9/12/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76335
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		8. WELL NAME and NUMBER: MIDDLE MESA FED 31-44-29-25
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		9. API NUMBER: 43037319060000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0587 FSL 1207 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 31 Township: 29.0S Range: 25.0E Meridian: S		9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE
		COUNTY: SAN JUAN
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<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"/> SUBSEQUENT REPORT Date of Work Completion:	<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"/> SPUD REPORT Date of Spud:	<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"/>	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 9/19/2011		
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 Frontier Rig 4 on September 18, 2011. TD is 6,675 feet. Thank you.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 9/19/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76335
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: MIDDLE MESA FED 31-44-29-25
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC	9. API NUMBER: 43037319060000
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202	PHONE NUMBER: 303 825-0685 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0587 FSL 1207 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 31 Township: 29.0S Range: 25.0E Meridian: S	9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE COUNTY: SAN JUAN STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 9/8/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <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 checked="" 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: 50px;" type="text"/>

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

Patara Oil & Gas requests a change to the production casing of this well. Current plans call for 7,000 feet of 4.5 inch 11.6lb N-80. Patara requests a change to 7,000 feet of 4.5 inch 11.6lb E-80. All other information remains the same. Please contact Christopher Noonan with Patara at 303.563.5377 any questions or concerns. Thank you.

Accepted by the Utah Division of Oil, Gas and Mining

Date: 09/20/2011

By: *Dark K. Quist*

NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 9/8/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76335
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		8. WELL NAME and NUMBER: MIDDLE MESA FED 31-44-29-25
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		9. API NUMBER: 43037319060000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0587 FSL 1207 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 31 Township: 29.0S Range: 25.0E Meridian: S		9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE
		COUNTY: SAN JUAN
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<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"/> SUBSEQUENT REPORT Date of Work Completion:	<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 style="width: 50px;" type="text"/>	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<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	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 9/30/2011		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Please find the attached monthly drilling summary for the subject well, covering the dates from spud to rig release. Please contact Christopher Noonan with Patara with any questions. Thank you.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A		DATE 9/30/2011



Patara Oil & Gas LLC

Daily Activity and Cost Summary

Well Name: Middle Mesa Fed 31-44-29-25

API/UWI 43-037-31906	Surface Legal Location Sec. 31 T29S R25E	Field Name Pine Ridge South	License # UTU-76335	State/Province Utah	Well Configuration Type Vertical
Ground Elevation (ft) 6,694.00	Casing Flange Elevation (ft) 6,693.00	KB-Ground Distance (ft) 14.00	KB-Casing Flange Distance (ft) 15.00	Spud Date 9/11/2011 10:15	Rig Release Date 9/21/2011 18:00

Job Category Drilling	Primary Job Type Drilling - original	Secondary Job Type	Status 1 In Progress
Start Date 9/9/2011	End Date 9/21/2011	AFE Number 1203	Total AFE + Supp Amount (Cost)

Objective

Summary

Contractor Frontier Drilling	Rig Number 4	Rig Type Drilling - Double
---------------------------------	-----------------	-------------------------------

Rpt #	Start Date	End Date	Day Total (Cost)	Cum To Date (Cost)	Summary
1.0	9/10/2011	9/11/2011			Move Rig F/Mmf, 4-20-30-25 & Rig Up Rig Up Floor & Pason Pick Up Kelly Weld Conductor
2.0	9/11/2011	9/12/2011			Strap Bha Rig Up Survey Machine Change Shaker Screens Drilled 65'-782' Surveys at 191', 346', 530', 714'
3.0	9/12/2011	9/13/2011			Drill f/ 782' t/1248', Rig service, Run deviation survey @ 1247' 2 deg, Drill f/ 1248' t/ 1751', Repair rotary drive line, Deviation Survey @ 1751' 1/2 deg, Drill f/ 1751' t/ 2004'
4.0	9/13/2011	9/14/2011			Drill f/ 2004' t/ 2258', Run Deviation Survey @ 2258 survey depth @ 2218' 1 deg, Drill f/ 2258' t/ 2312', Rig Service, Drill f/ 2321' t/ 2622' TD Surface 02:30 9 -14-11, Circulate pump Hi Vis Sweep, Deviation survey @ 2554' .5 deg, Short trip Tight @ 2087', 2029' 1955' trip t/1800', TIH t/ 1955' Kelly up Wash and Ream Tight spot, TIH.
5.0	9/14/2011	9/15/2011			TIH T/ 2622', Kelly up Circulate pump hi vis sweep, P.O.O.H, Held Safety Meeting and R/U Casing crew, Ran 61 jts J-55 32# ST&C 8 RD Casing filling every 20 jts t/ 2620' float @ 2572' total csg 2623', Hole depth 2622' Rig KB 14' Set Csg below ground level @ 2606', Circulate pump LCM sweep, R/D Casing crew and Held Safety Meeting R/U Cementers, Test lines t/ 5300 psi, Pump 20 bbl fresh water spacer, Batch and pump lead slurry 412sx @ 11.6 ppg, yld 2.81, mix 16.15 gps total 210 bbl's, Pump tail slurry 125 sx 14.2 ppg, yld 1.47, mix 7.35 gps, Total 34 bbl's, Drop plug and Displace w/ 157 bbl's fresh water, 60 bbl's cement to surface Bump plug 1100 psi, check float .5 bbl's flow back, Wait 1 hr watch cement level in annular no fall back, R/D, WOC 1 more hr slack off csg wait 30 min, Cut Conductor and Casing dress cut off weld on Csg head test weld 1000 psi, Test well head 2500 psi 15 min, NU BOP 06:00
6.0	9/15/2011	9/16/2011			Clean Pits & Nipple up change out HyDrill Rubber, Test kelly and kelly valve also floor valves, Test BOP 250 low 5 min, 3000 Hi 10 min, Test Annular 1500 Hi, Test Csg 1650 psi + hydrostatic 1137 psi equivalent to 2787 psi 70% of burst, Change liner and swabs back to 5.5", P/U Dir. Tools and orient tools, and test, TIH T/ 2563' wash to float @ 2572' drill, wash t/ 2620' drill shoe, Drill f/ 2622' t/ 2880' taking 90' surveys.
7.0	9/16/2011	9/17/2011			Drill f/ 2880' t/ 3449' 94 fph, Circulate hole clean and change shaker screens, Drill f/ 3449' t/ 3639' 63 fph, Rig Service, Drill f/ 3669' t/ 3734' 32 fph, Avg ROP 77.63 fph w/ 90' Surveys, Drill f/ 3734' t/ 4463' 60.75 fph, Total 1583' Avg Daily ROP 68.82 fph.
8.0	9/17/2011	9/18/2011			Drill f/4463' t/ 5000', Rig Service, Drill f/ 5000' t/ 5063' 11.5 hrs Avg rop 52.17 fph total drilled 600' w/ 90' Surveys holding under 5 deg with dir. control, Drill f/ 5063' t/ 5633' 12 hrs Avg rop 47.5 fph, total 570', Total drill 23.5 hrs 1170' avg rop 49.78 fph.
9.0	9/18/2011	9/19/2011			Drill & Slide f/ 5633' t/ 6077', Rig Service, Drill & Slide f/ 6077' t/ 6675' TD Well, Circulate pump Hi Vis sweep and Check Samples, Short Trip t/ 5175',
10.0	9/19/2011	9/20/2011			C&C, Short Trip 25 stds, C&C mud, TOOH for Logs, SLM out of hole, LD Directional Tools, RU Loggers, Log. Loggers TD 6676'.
11.0	9/20/2011	9/21/2011			RD Weatherford Wireline, TIH, LDDP, Run 4.5" casing to 6655', RU BJ Cementers, Cement 4.5" csg.
12.0	9/21/2011	9/22/2011			Pump Cement Job (Pump 10 bbls surfactant wash spacer, 20 bbl Mud Clean I spacer, 10 bbl surfactant wash spacer, Batch and pump cement 550 sx 12.5 ppg, yld 2.15, 11.36 gps, total 211 bbls slurry, 149 bbls mix water, Drop plug displace w 103 bbls fresh water. Bump plug at 1790 psi check floats 0.75 bbl flow back, Floats held). RD Cementers, ND BOP & set slips, install tbg head, RD & clean pits, Rig Released @ 1800 hrs on 9/21/11.

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
4303731906	Middle Mesa Fed 31-44-29-25		SESE	31	29S	25E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	18213	9/11/2011		9/20/11		
Comments: Please assign this well to the Middle Mesa Unit. The well is targeting the Honaker Trail Formation. HATCH = HNKRT							

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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 Technician

Title

9/12/2011

Date

RECEIVED

SEP 12 2011

DIV. OF OIL, GAS & MINING

C

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
4303731906	Middle Mesa Fed 31-44-29-25		SESE	31	29S	25E	San Juan
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>AE</i>	<i>18213</i>	<i>18213</i>	9/11/2011		10/15/2011		
Comments: This well is producing the Ismay Formation.							CONFIDENTIAL

12/21/11

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 Technician

Title

12/20/2011

Date

RECEIVED

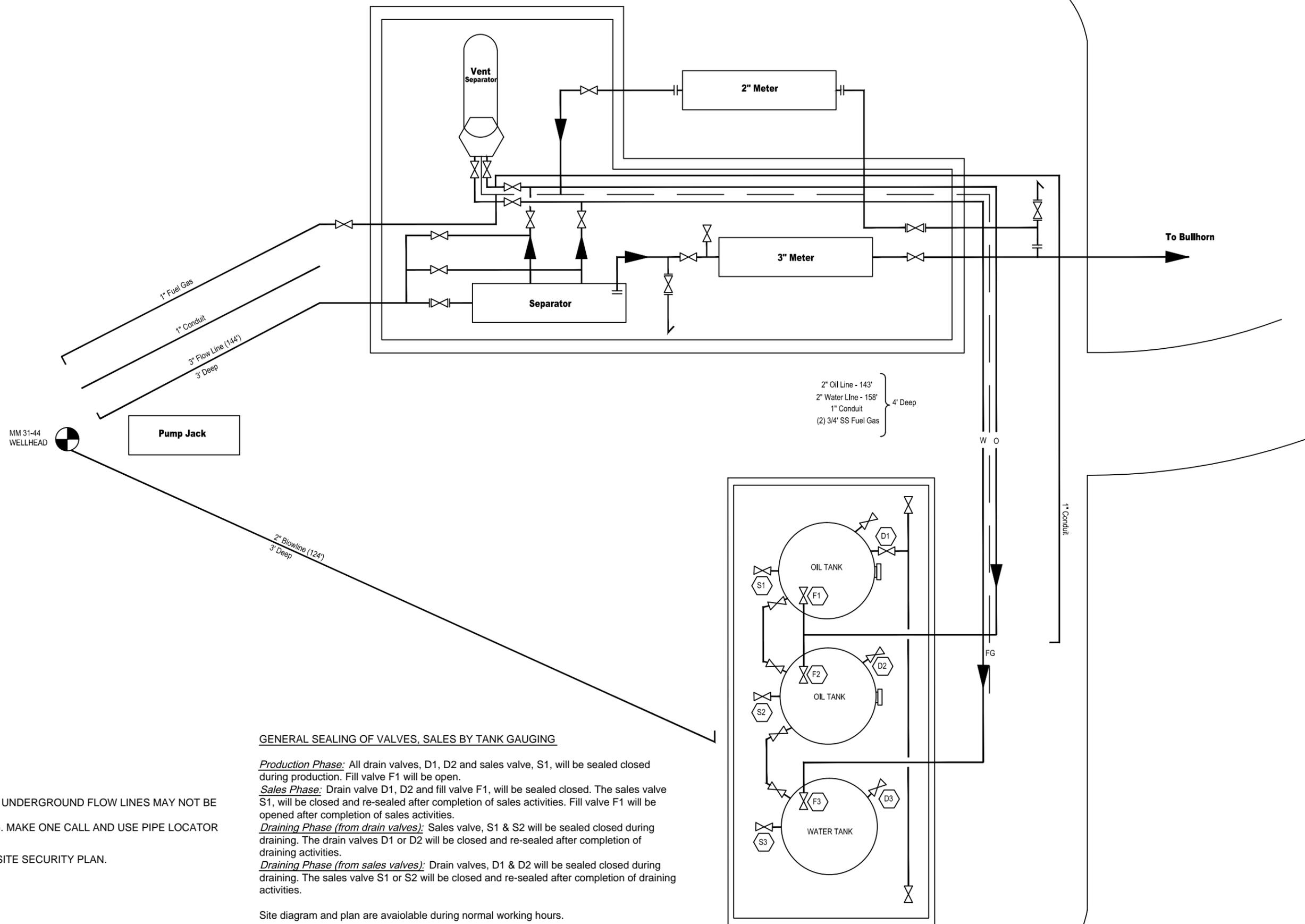
DEC 20 2011

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76335
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: PATARA OIL & GAS, LLC		7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
3. ADDRESS OF OPERATOR: 600 17th Street Ste 1900S , Denver, CO, 80202		8. WELL NAME and NUMBER: MIDDLE MESA FED 31-44-29-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0587 FSL 1207 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 31 Township: 29.0S Range: 25.0E Meridian: S		9. API NUMBER: 4303731906000
PHONE NUMBER: 303 563-5364 Ext		9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE
COUNTY: SAN JUAN		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<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 checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 1/13/2012	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="Site Security"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <p>Patara Oil & Gas has completed the placement of surface production equipment on the subject well, and the well is now, and/or has been, producing a continuous flow of hydrocarbons. Clean produced water is being hauled via truck to the disposal well located at Patara's Lisbon Gas Plant in La Sal, UT. Dirty produced water is being hauled via truck to the Ream's Construction 80 Ponds Treatment and Recycling Facility located in Naturita, CO. Any produced oil from the well is trucked off lease to a sales point and is sold to market. Please retain the attached site security diagrams and water haul maps for your records. Please contact Christopher Noonan with Patara with any questions or concerns.</p>		
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY January 13, 2012</p>		
NAME (PLEASE PRINT) Christopher Noonan	PHONE NUMBER 303 563-5377	TITLE Production Technician
SIGNATURE N/A	DATE 1/13/2012	



PATARA OIL & GAS LLC
Site Security Diagram
Wellsite: Middle Mesa 31-44
Sec. 31, T29S, R25E
San Juan County, Utah
API#
Latitude: 38.231978 N
Longitude: 109.203692 W
Lease# UTU - 76335
Date Updated: 12/08/2011
Filename: MM 31-44 SSD.dwg



NOTE:

1. DRAWING IS NOT TO SCALE
2. ACTUAL PHYSICAL LOCATION OF UNDERGROUND FLOW LINES MAY NOT BE ACCURATELY REPRESENTED ON THIS DRAWING. MAKE ONE CALL AND USE PIPE LOCATOR PRIOR TO DIGGING.

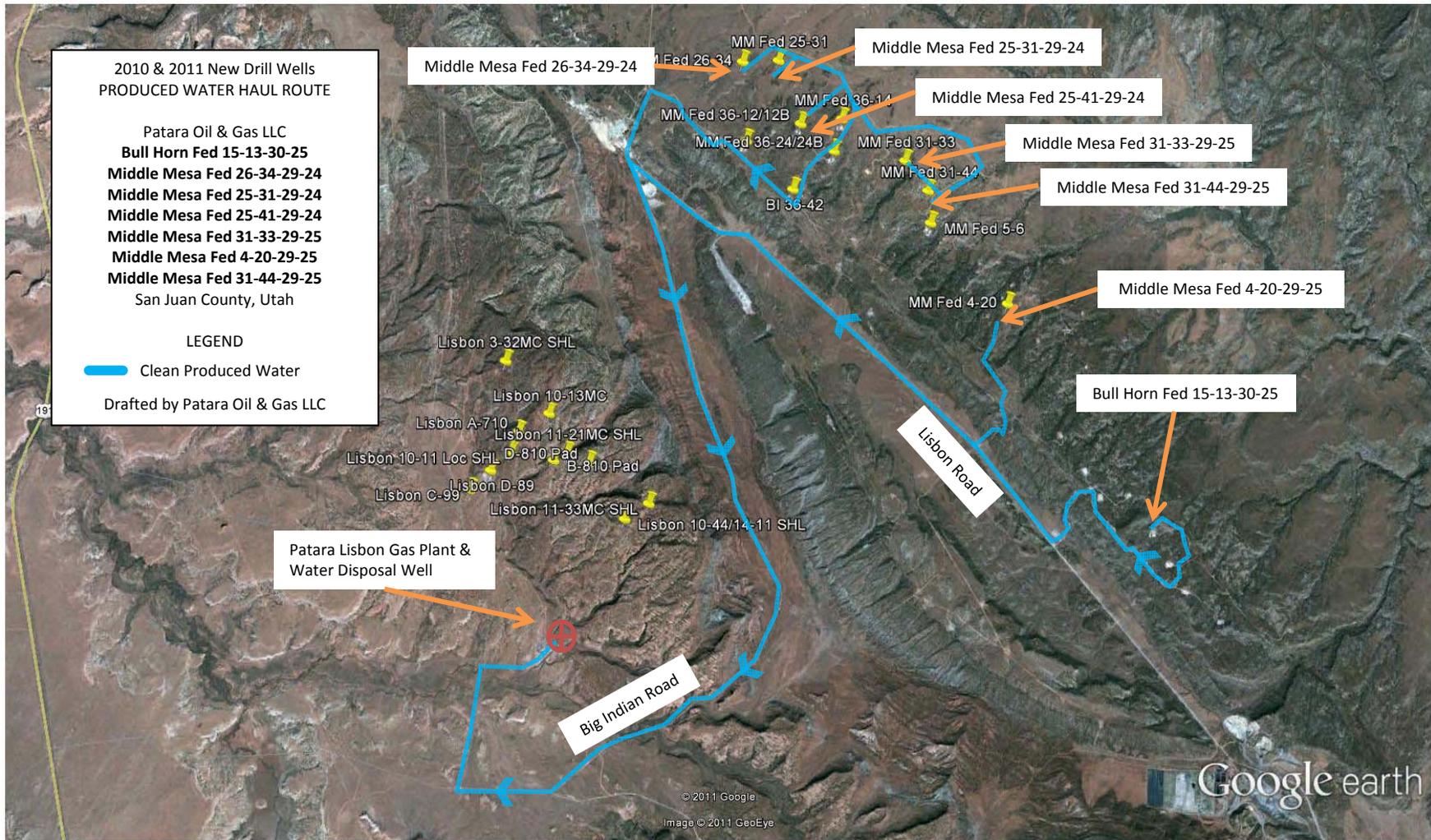
THIS LEASE IS SUBJECT TO THE SITE SECURITY PLAN.
 THE PLAN IS LOCATED AT:

Patara Oil & Gas LLC
 Lisbon Plant
 7 Rankine Road
 La Sal, Utah 84530

GENERAL SEALING OF VALVES, SALES BY TANK GAUGING

Production Phase: All drain valves, D1, D2 and sales valve, S1, will be sealed closed during production. Fill valve F1 will be open.
Sales Phase: Drain valve D1, D2 and fill valve F1, will be sealed closed. The sales valve S1, will be closed and re-sealed after completion of sales activities. Fill valve F1 will be opened after completion of sales activities.
Draining Phase (from drain valves): Sales valve, S1 & S2 will be sealed closed during draining. The drain valves D1 or D2 will be closed and re-sealed after completion of draining activities.
Draining Phase (from sales valves): Drain valves, D1 & D2 will be sealed closed during draining. The sales valve S1 or S2 will be closed and re-sealed after completion of draining activities.

Site diagram and plan are available during normal working hours.



Patara Oil & Gas LLC





Patara Oil & Gas LLC

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

CONFIDENTIAL

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU76335

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____

7. UNIT or CA AGREEMENT NAME

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

8. WELL NAME and NUMBER:
Middle Mesa Fed 31-44-29-25

2. NAME OF OPERATOR:
Patara Oil & Gas LLC

9. API NUMBER:
4303731906

3. ADDRESS OF OPERATOR:
600 17th St., Ste 1900S CITY Denver STATE CO ZIP 80202 PHONE NUMBER: **(303) 536-5377**

10 FIELD AND POOL, OR WILDCAT
Pine Ridge South

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **587 FSL 1207 FEL Sec. 31T29S R25E**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **394 FSL 1415 FEL Sec. 31 T29S R25E**
AT TOTAL DEPTH: **380 FSL 1431 FEL Sec. 31 T29S R25E** *swuse BHL by HSM*

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SESE 4 30S 25E S

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

14. DATE SPUNNED: **9/11/2011** 15. DATE T.D. REACHED: **9/18/2011** 16. DATE COMPLETED: **10/15/2011** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
6708-KB

18. TOTAL DEPTH: MD **6675** TVD **6665** 19. PLUG BACK T.D.: MD **6490** TVD **6470** 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)
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	60		G 60		0 - CIR	
12.25	8.626 J-55	32	0	2,665		Type III 537		0 - CIR	
7.875	4.5 N-80	11.6	0	6,655		Type III 550		1670 - 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	6,590							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) Ismay	6,394	6,535			6,394 6,398	.34	8	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)					6,493 6,508	.34	30	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)					6,515 6,522	.34	12	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)					6,530 6,535	.34	10	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6394 - 6535	ACID FRAC W/ 18,464 GAL FOAMED 20% HCL

RECEIVED
NOV 29 2011
DIV. OF OIL, GAS & MINING

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:
Producing

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 10/24/2011	TEST DATE: 10/23/2011	HOURS TESTED: 24	TEST PRODUCTION RATES: →	OIL – BBL: 249	GAS – MCF: 0	WATER – BBL: 87	PROD. METHOD: Lift
CHOKE SIZE: 32/64	TBG. PRESS. 100	CSG. PRESS.	API GRAVITY 30.00	BTU – GAS	GAS/OIL RATIO 249	24 HR PRODUCTION RATES: →	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: →	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: →	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: →	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)
Ismay	6,394	9,535		Cutler	2,642
				Honaker Trail	4,219
				La Sal	5,653
				Hatch	6,050
				Ismay	6,383
				Hovenweep	6,539

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 Technician
 SIGNATURE  DATE 11/18/2011

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

WELLBORE DIAGRAM

Operator: Patara Oil & Gas, LLC
 Well Name: Middle Mesa 31-44-29-25
 Lease Number: UTU76335
 Location: SE SE Section 31, T29S, R25E
 Field: Pine Ridge South
 County: San Juan
 API Number: 4303731906
 Diagram Date: 11/16/2011 J. Warren

Surface Loc:

Pumping tee w/ back-pressure regulator
 GE 11" x 7" 10K tbg head

Pumping Unit:
 Maximizer 320-305-100
 Stroke lengths:
 100', 84" and 72"

Pumping Unit Engine:
 Ajax E-42

KB 6708'

GL 6694'

8 5/8" J-55 32#/ft ST&C 8rd csg
 Set @ 2606'
 Cmt w/ 412 sks 11.6 ppg Type III
 tail w/ 125 sks 14.2 ppg Type III
 Circulate cmt to surface

Well History

Spud Date 9/11/2011
 TD Reached 9/18/2011
 Rig Released 09/21/2011
 Completion Date 11/23/2011
 First Sales: 10/25/2011

Ismay Oil Well w/ Honaker Trail Behind Pipe

Tubing Detail:

Depth:

10' - 2 3/8" tbg sub (adjust as needed)	10
207 jts 2 3/8" J-55 4.7#/ft tbg	6427
2 3/8" x 4 1/2" tbg anchor catcher	6429
4 jts 2 3/8" tbg	6553
Seating Nipple	6554
4' perforated nipple	6558
1jt 2 3/8" tbg (mud anchor)	6589
Bullplug	6590

Rod Detail:

1 1/2" x 26' x 20' Center Spray SM Polish Rod w 7/8" pins
 7/8" S-67 Pony Rods (spaced as needed)
 94 7/8" S-67 Sucker Rods w/ SHSM Couplings & (4) Paraffin Scrapers per rod
 w/ 3 reciprocators per rod (total length 2350')
 70 3/4" S-67 Sucker Rods w/ FHSM Couplings & (4) Paraffin Scrapers per rod
 w/ 3 reciprocators per rod (total length 1750')
 88 3/4" S-67 Sucker Rods w/ FHSM Couplings & (3) Paraffin Scrapers per rod
 w/ 2 reciprocators per rod (total length 2200')
 10 1 1/4" x 25' Grade K Sinker Bars (250')
 2" x 1 1/2" x 14' RWBC .003" plunger, double standing and traveling valve SS pump
 10' - 1" gas anchor on btm of pump
Total length rods, bars, pump delivered to location = 6564'

Note: Should be able to laydown two 3/4" sucker rods w/ 2 scrapers per rod and space out with the polish rod without having to pick up pony rods if the seating nipple is placed as shown on the diagram.

1 1/2" Btm holddown rod pump
 w/ 10' gas anchor on btm

Ismay Carbonate

2 spf @ 120 degree phasing
 6493 - 6508'
 6516 - 6522'
 6530 - 6535'

207 jts 2 3/8" J-55 tbg

Tbg anchor catcher @ 6429'

4 jts tbg

SN @ 6554'
 4' Perforated sub @ 6558'

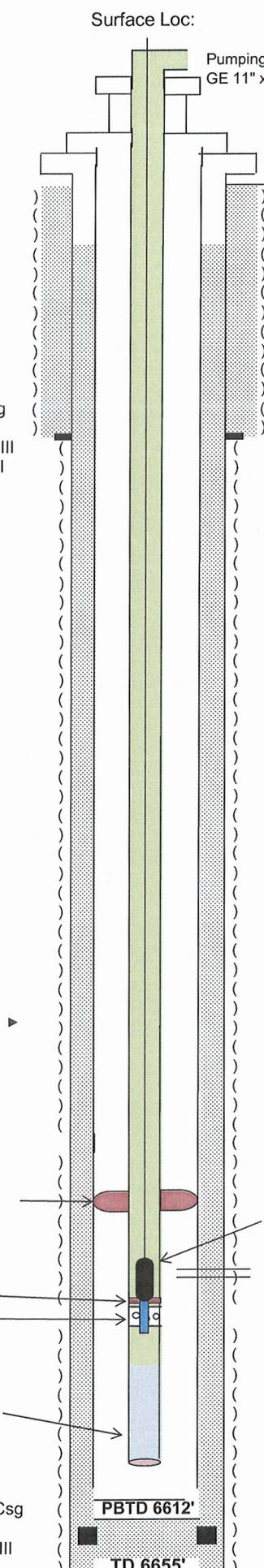
1 jt mud anchor w/ bullplug

EOT @ 6590'

4 1/2" N-80 11.6#/ft LT&C 8rd Csg
 Set @ 6655'
 Cmt w/ 560 sks 12.5 ppg Type III
 TOC 1670'

PBTD 6612'

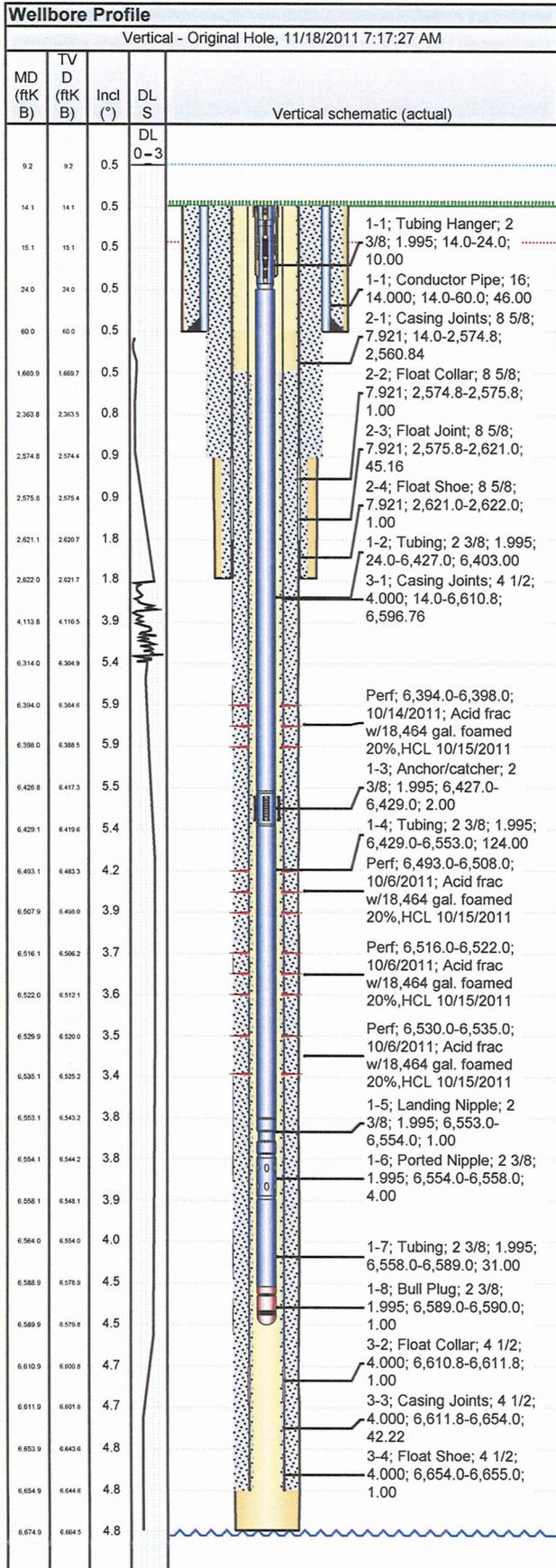
TD 6655'





Well Name: Middle Mesa Fed 31-44-29-25

API/UWI 43-037-31906	Surface Legal Location SESE Sec. 31 T29S R25E	Lease Middle Mesa Federal	Field Name Pine Ridge South	State/Province Utah	Well Configuration Type Vertical
Original KB Elevation (ft) 6,708.00	KB-Ground Distance (ft) 14.00	Spud Date 9/11/2011 10:15	Rig Release Date 9/21/2011 18:00	PBTD (All) (ftKB) Original Hole - 6,633.0	Total Depth All (TVD) (ftKB) Original Hole - 6,664.7



Wellbore Drilling Summary

Section Des	Size (in)	Act Top (ftKB)	Act Btm (ftKB)	Start Date	End Date	Act Top (TVD) (ftKB)	Act Btm (TVD) (ftKB)
Conductor	20	14.0	60.0	9/9/2011	9/10/2011		
Surface	12 1/4	60.0	2,622.0	9/11/2011	9/15/2011		2,621.6
Production	7 7/8	2,622.0	6,675.0	9/15/2011	9/19/2011	2,621.6	6,664.7

Casing Strings

Csg Des	OD (in)	Wt/Len (lb/ft)	Grade	Set Depth (ftKB)	Set Depth (TVD) (ftKB)
Conductor	16	0.25	Cond	60.0	
Surface	8 5/8	32.00	J-55	2,622.0	2,621.6
Production	4 1/2	11.60	N-80	6,655.0	6,644.7

Cement

Conductor Cement, Casing, 9/9/2011 06:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Top (TVD) (ftKB)	Est Btm (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Lead	0.0	60.0			G	60		

Surface Casing Cement, Casing, 9/14/2011 22:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Top (TVD) (ftKB)	Est Btm (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Lead	0.0	2,326.0		2,325.7	Type III	412	2.81	11.60
Tail	2,326.0	2,626.0	2,325.7	2,625.6	Type III	125	1.47	14.20

Production Casing Cement, Casing, 9/21/2011 05:00

Fluid	Est Top (ftKB)	Est Btm (ftKB)	Est Top (TVD) (ftKB)	Est Btm (TVD) (ftKB)	Class	Amount (sacks)	Yield (ft³/sack)	Dens (lb/gal)
Lead	1,670.0	6,655.0	1,669.7	6,644.7	Type III	550	2.15	12.50

Tested Zones (Inter-formation designations for Patara G&G in-house use only)

Zone Name	Wellbore	Top Depth (ftKB)	Bottom Depth (ftKB)	Btm - Top (ftKB)
Upper Ismay Carbonate	Original Hole	6,394.0	6,535.0	141.0

Status Date: 10/24/2011 **Status:** Pumping - Rod **Fluid Type:** Oil

Perforation & Frac Summary

Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...
10/14/2011	6,394.0	6,398.0	Upper Ismay Carbonate, Original Hole	2.0	9

Comment: Acid frac w/18,464 gal. foamed 20%,HCL 10/15/2011

Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...
10/6/2011	6,493.0	6,508.0	Upper Ismay Carbonate, Original Hole	2.0	31

Comment: Acid frac w/18,464 gal. foamed 20%,HCL 10/15/2011

Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...
10/6/2011	6,516.0	6,522.0	Upper Ismay Carbonate, Original Hole	2.0	13

Comment: Acid frac w/18,464 gal. foamed 20%,HCL 10/15/2011

Date	Top (ftKB)	Btm (ftKB)	Zone	Shot Dens (s...)	Calculated...
10/6/2011	6,530.0	6,535.0	Upper Ismay Carbonate, Original Hole	2.0	11

Comment: Acid frac w/18,464 gal. foamed 20%,HCL 10/15/2011

Tubing Strings

Tubing Description	Run Date	String Length (ft)	Set Depth (ftKB)
Tubing - Production	11/16/2011	6,576.00	6,590.0

Item Des	Jts	Make	Model	OD (in)	Wt (lb/ft)	Grade	Len (ft)
Tubing Hanger	1		T&C Upset	2 3/8	4.70	J-55	10.00
Tubing	207		T&C Upset	2 3/8	4.70	J-55	6,403.00
Anchor/catcher	1		T&C Upset	2 3/8	4.70	J-55	2.00
Tubing	4		T&C Upset	2 3/8	4.70	J-55	124.00
Landing Nipple	1		T&C Upset	2 3/8	4.70	J-55	1.00
Ported Nipple	1		T&C Upset	2 3/8	4.70	J-55	4.00
Tubing	1		T&C Upset	2 3/8	4.70	J-55	31.00
Bull Plug	1			2 3/8	4.70	J-55	1.00

Rod Strings

Rod Description	Run Date	String Length (ft)	Set Depth (ftKB)
Rod	11/16/2011	6,550.00	6,564.0

Item Des	Jts	Make	Model	OD (in)	Wt (lb/ft)	Grade	Len (ft)
Polished Rod		Norris	Sprayloy	1 1/2			
Pony Rod				1 1/2			
Sucker Rod	94	Norris	Grade 30	7/8	2.22	C	2,350.00
Sucker Rod	70	Norris	Grade 30	3/4	1.63	C	1,750.00
Sucker Rod	88	Norris	Grade 30	3/4	1.63	C	2,200.00
Sinker Bar	10	Norris		1 1/4	4.17		250.00

Other In Hole

Description	Top (ftKB)	Btm (ftKB)	Run Date	Comment

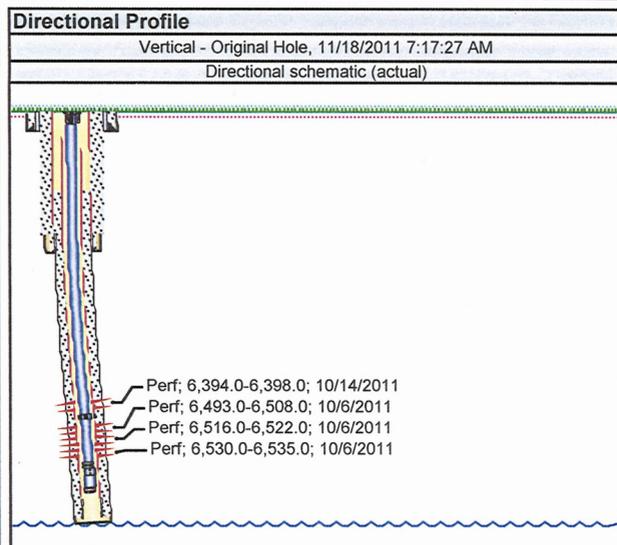
Production Volumes Test Date
Start Date: 10/23/2011 End Date: 10/24/2011

Gas Volume Over Test Date
Product Type: Reservoir Gas Volume (MCF): 0.000

Liquid Volumes Over Test Date
Production Type: Oil Volume (bbl): 249.0
Production Type: Water Volume (bbl): 87.0

API Gas Gravity
Comment: n/a

API Oil Gravity
Comment: 30



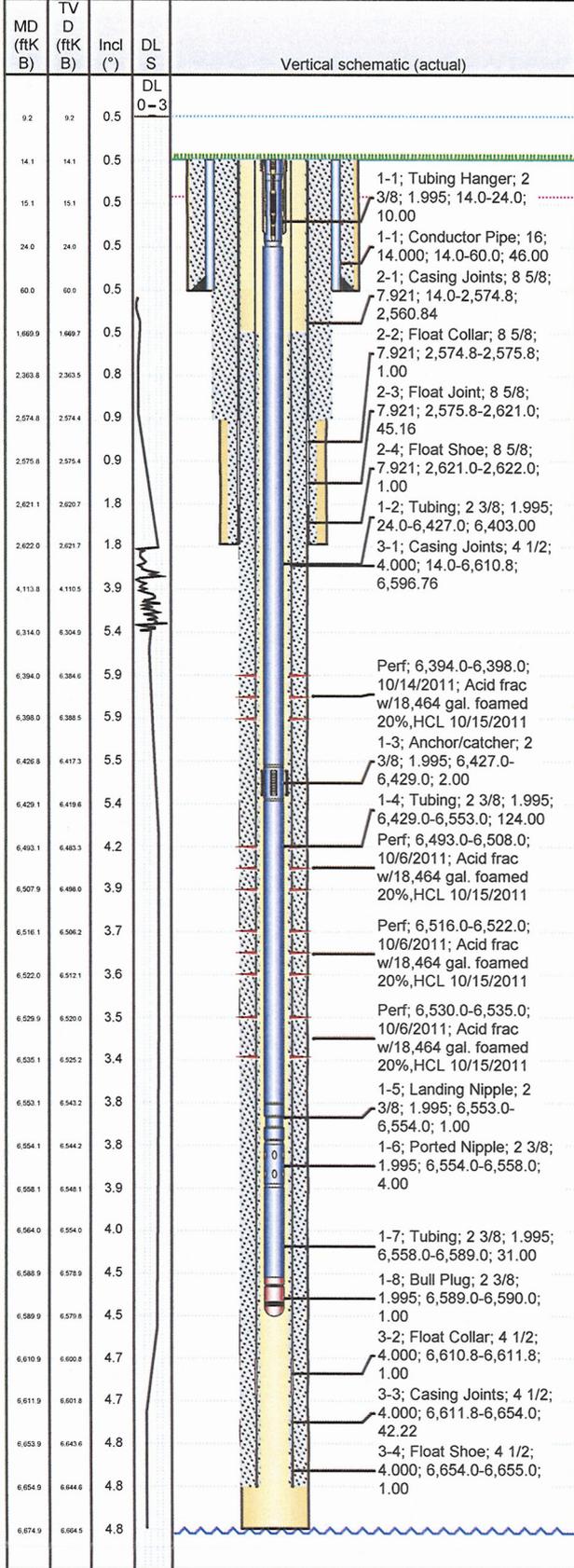


Well Name: Middle Mesa Fed 31-44-29-25

API/UWI 43-037-31906	Surface Legal Location SESE Sec. 31 T29S R25E	Lease Middle Mesa Federal	Field Name Pine Ridge South	State/Province Utah	Well Configuration Type Vertical
Original KB Elevation (ft) 6,708.00	KB-Ground Distance (ft) 14.00	Spud Date 9/11/2011 10:15	Rig Release Date 9/21/2011 18:00	PBTD (All) (ftKB) Original Hole - 6,633.0	Total Depth All (TVD) (ftKB) Original Hole - 6,664.7

Wellbore Profile

Vertical - Original Hole, 11/18/2011 7:17:27 AM

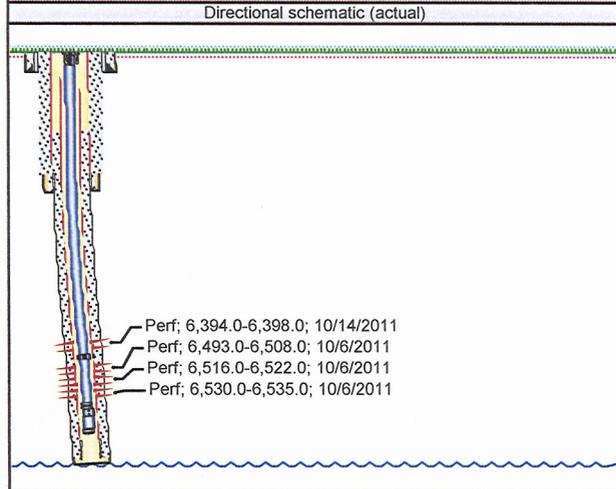


Date of First Sales

On Production Date: 10/24/2011

Directional Profile

Vertical - Original Hole, 11/18/2011 7:17:28 AM



Patara Oil & Gas, LLC

San Juan County, UT

Sec 31-T29S-R25E

Middle Mesa 31-44-29-25

Frontier #4

Survey: Final Survey Report

Standard Survey Report

20 September, 2011

CRESCENT
DIRECTIONAL DRILLING

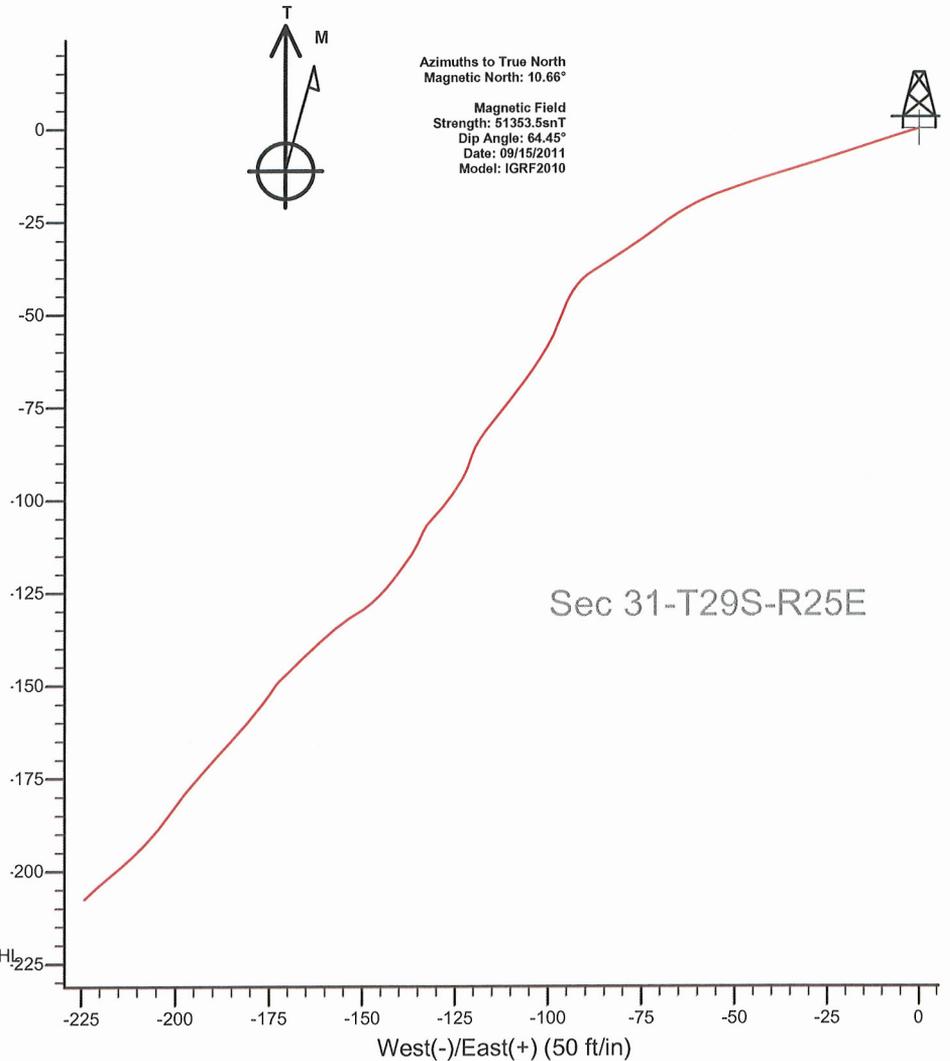
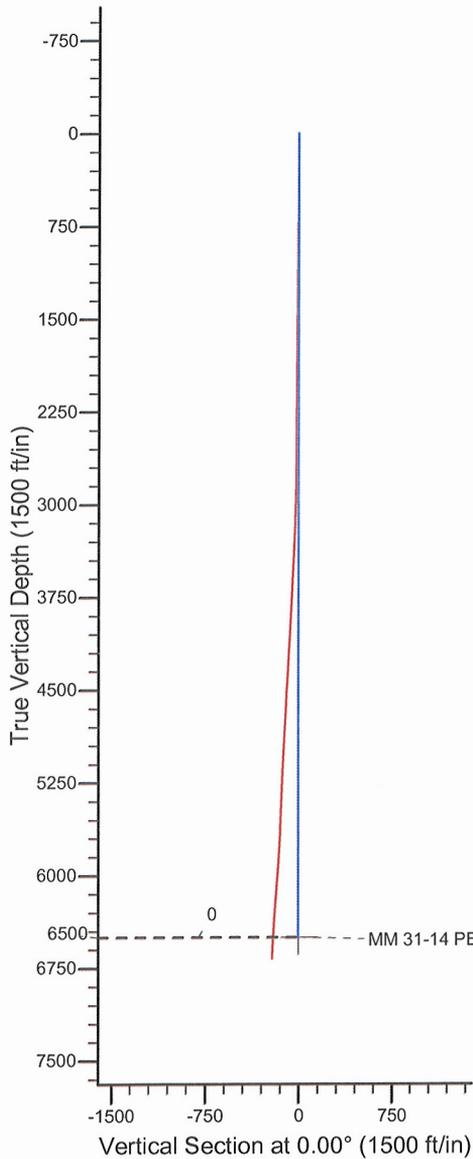
Patara Oil & Gas, LLC
 Middle Mesa 31-44-29-25
 San Juan County, UT

Geodetic System: US State Plane 1927 (Exact solution)
 Zone: Utah South 4303
 WELL @ 6706.0ft (Frontier #4 (12' KB))
 Ground Level: 6694.0
 Latitude: 38° 13' 55.160 N
 Longitude: 109° 12' 10.894 W
 Magnetic North is 10.66° East of True North (Magnetic Declination)



WELLBORE TARGET DETAILS (LAT/LONG)

Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
MM 31-14 PBHL	6500.0	0.0	0.0	38° 13' 55.160 N	109° 12' 10.894 W	Point



Crescent Directional Drilling, LP

Survey Report



Company: Patara Oil & Gas, LLC	Local Co-ordinate Reference: Well Middle Mesa 31-44-29-25
Project: San Juan County, UT	TVD Reference: WELL @ 6706.0ft (Frontier #4 (12' KB))
Site: Sec 31-T29S-R25E	MD Reference: WELL @ 6706.0ft (Frontier #4 (12' KB))
Well: Middle Mesa 31-44-29-25	North Reference: True
Wellbore: Frontier #4	Survey Calculation Method: Minimum Curvature
Design: Frontier #4	Database: EDM 2003.16 Single User Db

Project San Juan County, UT	
Map System: US State Plane 1927 (Exact solution)	System Datum: Mean Sea Level
Geo Datum: NAD 1927 (NADCON CONUS)	
Map Zone: Utah South 4303	

Site Sec 31-T29S-R25E			
Site Position:	Northing: 578,065.55ft	Latitude:	38° 13' 55.160 N
From: Lat/Long	Easting: 2,659,752.09ft	Longitude:	109° 12' 10.894 W
Position Uncertainty: 0.0 ft	Slot Radius: "	Grid Convergence:	1.41 °

Well Middle Mesa 31-44-29-25			
Well Position	+N/-S 0.0 ft	Northing: 578,065.55 ft	Latitude: 38° 13' 55.160 N
	+E/-W 0.0 ft	Easting: 2,659,752.09 ft	Longitude: 109° 12' 10.894 W
Position Uncertainty	0.0 ft	Wellhead Elevation: 6,706.0 ft	Ground Level: 6,694.0 ft

Wellbore Frontier #4					
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF2010	09/15/11	(°) 10.66	(°) 64.45	(nT) 51,353

Design Frontier #4					
Audit Notes:					
Version: 1.0	Phase: ACTUAL	Tie On Depth:	0.0		
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction	
	(ft)	(ft)	(ft)	(°)	
	0.0	0.0	0.0	0.00	

Survey Program Date 09/20/11					
From	To	Survey (Wellbore)	Tool Name	Description	
(ft) 191.0	(ft) 6,675.0	Final Survey Report (Frontier #4)	MWD		

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
191.0	0.50	252.30	191.0	-0.3	-0.8	-0.3	0.26	0.26	0.00
346.0	0.50	252.30	346.0	-0.7	-2.1	-0.7	0.00	0.00	0.00
530.0	0.50	252.30	530.0	-1.2	-3.6	-1.2	0.00	0.00	0.00
714.0	0.50	252.30	714.0	-1.6	-5.1	-1.6	0.00	0.00	0.00
1,208.0	2.00	252.30	1,207.8	-4.9	-15.4	-4.9	0.30	0.30	0.00
1,683.0	0.50	252.30	1,682.7	-8.1	-25.3	-8.1	0.32	-0.32	0.00
2,218.0	1.00	252.30	2,217.7	-10.2	-32.0	-10.2	0.09	0.09	0.00
2,554.0	0.50	252.30	2,553.6	-11.5	-36.1	-11.5	0.15	-0.15	0.00
Surveys from 191 to 2554 Interpolated from Inc Only Surveys									
2,672.0	2.80	252.30	2,671.6	-12.6	-39.4	-12.6	1.95	1.95	0.00
2,735.0	2.80	255.20	2,734.5	-13.4	-42.3	-13.4	0.22	0.00	4.60
2,798.0	3.10	249.00	2,797.4	-14.4	-45.4	-14.4	0.69	0.48	-9.84

Crescent Directional Drilling, LP

Survey Report



Company:	Patara Oil & Gas, LLC	Local Co-ordinate Reference:	Well Middle Mesa 31-44-29-25
Project:	San Juan County, UT	TVD Reference:	WELL @ 6706.0ft (Frontier #4 (12' KB))
Site:	Sec 31-T29S-R25E	MD Reference:	WELL @ 6706.0ft (Frontier #4 (12' KB))
Well:	Middle Mesa 31-44-29-25	North Reference:	True
Wellbore:	Frontier #4	Survey Calculation Method:	Minimum Curvature
Design:	Frontier #4	Database:	EDM 2003.16 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)	
2,861.0	3.20	253.30	2,860.3	-15.5	-48.7	-15.5	0.41	0.16	6.83	
2,925.0	3.30	250.10	2,924.2	-16.7	-52.1	-16.7	0.32	0.16	-5.00	
2,988.0	3.20	247.40	2,987.1	-18.0	-55.5	-18.0	0.29	-0.16	-4.29	
3,051.0	3.50	246.40	3,050.0	-19.4	-58.8	-19.4	0.49	0.48	-1.59	
3,178.0	4.30	235.30	3,176.7	-23.7	-66.3	-23.7	0.86	0.63	-8.74	
3,241.0	4.70	233.40	3,239.5	-26.6	-70.3	-26.6	0.68	0.63	-3.02	
3,304.0	4.70	235.00	3,302.3	-29.6	-74.5	-29.6	0.21	0.00	2.54	
3,368.0	5.00	235.60	3,366.1	-32.7	-79.0	-32.7	0.48	0.47	0.94	
3,431.0	4.80	238.70	3,428.9	-35.6	-83.5	-35.6	0.53	-0.32	4.92	
3,494.0	4.20	237.80	3,491.7	-38.2	-87.7	-38.2	0.96	-0.95	-1.43	
3,558.0	3.80	221.90	3,555.5	-41.0	-91.1	-41.0	1.84	-0.62	-24.84	
3,621.0	3.90	210.20	3,618.4	-44.4	-93.6	-44.4	1.25	0.16	-18.57	
3,684.0	2.70	200.40	3,681.3	-47.7	-95.1	-47.7	2.10	-1.90	-15.56	
3,747.0	2.50	201.30	3,744.2	-50.3	-96.2	-50.3	0.32	-0.32	1.43	
3,810.0	2.50	201.50	3,807.1	-52.9	-97.2	-52.9	0.01	0.00	0.32	
3,873.0	2.70	204.00	3,870.1	-55.5	-98.3	-55.5	0.36	0.32	3.97	
3,937.0	3.10	210.00	3,934.0	-58.4	-99.7	-58.4	0.78	0.62	9.37	
4,001.0	3.30	213.40	3,997.9	-61.4	-101.6	-61.4	0.43	0.31	5.31	
4,065.0	3.50	213.30	4,061.8	-64.6	-103.7	-64.6	0.31	0.31	-0.16	
4,127.0	4.00	216.50	4,123.6	-67.9	-106.0	-67.9	0.87	0.81	5.16	
4,191.0	4.10	218.80	4,187.5	-71.5	-108.8	-71.5	0.30	0.16	3.59	
4,254.0	4.60	217.90	4,250.3	-75.3	-111.8	-75.3	0.80	0.79	-1.43	
4,317.0	5.10	218.50	4,313.1	-79.4	-115.1	-79.4	0.80	0.79	0.95	
4,381.0	4.20	213.00	4,376.9	-83.6	-118.1	-83.6	1.57	-1.41	-8.59	
4,445.0	3.90	199.10	4,440.7	-87.7	-120.1	-87.7	1.60	-0.47	-21.72	
4,508.0	2.80	199.60	4,503.6	-91.1	-121.3	-91.1	1.75	-1.75	0.79	
4,571.0	3.70	210.60	4,566.5	-94.3	-122.9	-94.3	1.73	1.43	17.46	
4,634.0	4.40	215.20	4,629.3	-98.1	-125.3	-98.1	1.22	1.11	7.30	
4,697.0	4.00	219.00	4,692.2	-101.7	-128.1	-101.7	0.77	-0.63	6.03	
4,760.0	4.10	224.10	4,755.0	-105.1	-131.0	-105.1	0.59	0.16	8.10	
4,824.0	3.60	203.90	4,818.9	-108.5	-133.4	-108.5	2.24	-0.78	-31.56	
4,887.0	2.80	205.70	4,881.8	-111.7	-134.9	-111.7	1.28	-1.27	2.86	
4,950.0	3.10	212.00	4,944.7	-114.6	-136.5	-114.6	0.70	0.48	10.00	
5,013.0	4.00	217.80	5,007.6	-117.8	-138.7	-117.8	1.54	1.43	9.21	
5,076.0	4.70	219.20	5,070.4	-121.5	-141.7	-121.5	1.12	1.11	2.22	
5,139.0	4.30	222.00	5,133.2	-125.2	-144.9	-125.2	0.72	-0.63	4.44	
5,203.0	3.40	231.90	5,197.1	-128.2	-148.0	-128.2	1.74	-1.41	15.47	
5,266.0	2.50	238.90	5,260.0	-130.1	-150.6	-130.1	1.54	-1.43	11.11	
5,329.0	3.80	237.40	5,322.9	-131.9	-153.6	-131.9	2.07	2.06	-2.38	
5,392.0	3.90	229.00	5,385.7	-134.4	-157.0	-134.4	0.91	0.16	-13.33	
5,456.0	3.50	229.40	5,449.6	-137.1	-160.1	-137.1	0.63	-0.62	0.62	
5,520.0	2.50	225.80	5,513.5	-139.4	-162.6	-139.4	1.59	-1.56	-5.62	
5,583.0	3.60	228.30	5,576.4	-141.6	-165.0	-141.6	1.76	1.75	3.97	
5,647.0	4.20	223.90	5,640.3	-144.7	-168.2	-144.7	1.05	0.94	-6.87	
5,710.0	3.20	229.40	5,703.1	-147.5	-171.1	-147.5	1.68	-1.59	8.73	
5,773.0	2.40	212.20	5,766.1	-149.7	-173.1	-149.7	1.83	-1.27	-27.30	
5,836.0	3.40	214.90	5,829.0	-152.4	-174.9	-152.4	1.60	1.59	4.29	
5,900.0	5.20	219.10	5,892.8	-156.2	-177.8	-156.2	2.85	2.81	6.56	
5,963.0	5.20	220.00	5,955.5	-160.6	-181.5	-160.6	0.13	0.00	1.43	
6,027.0	5.80	221.90	6,019.2	-165.2	-185.5	-165.2	0.98	0.94	2.97	
6,090.0	4.80	221.70	6,082.0	-169.6	-189.4	-169.6	1.59	-1.59	-0.32	
6,153.0	5.80	220.90	6,144.7	-173.9	-193.2	-173.9	1.59	1.59	-1.27	
6,217.0	5.70	218.60	6,208.4	-178.9	-197.3	-178.9	0.39	-0.16	-3.59	
6,280.0	5.00	214.50	6,271.1	-183.6	-200.8	-183.6	1.27	-1.11	-6.51	

Crescent Directional Drilling, LP

Survey Report



Company: Patara Oil & Gas, LLC
Project: San Juan County, UT
Site: Sec 31-T29S-R25E
Well: Middle Mesa 31-44-29-25
Wellbore: Frontier #4
Design: Frontier #4

Local Co-ordinate Reference: Well Middle Mesa 31-44-29-25
TVD Reference: WELL @ 6706.0ft (Frontier #4 (12' KB))
MD Reference: WELL @ 6706.0ft (Frontier #4 (12' KB))
North Reference: True
Survey Calculation Method: Minimum Curvature
Database: EDM 2003.16 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)	
6,343.0	5.70	216.40	6,333.8	-188.3	-204.2	-188.3	1.15	1.11	3.02	
6,406.0	5.90	225.60	6,396.5	-193.1	-208.4	-193.1	1.51	0.32	14.60	
6,470.0	4.60	226.50	6,460.2	-197.2	-212.6	-197.2	2.04	-2.03	1.41	
6,489.4	4.23	227.22	6,479.6	-198.2	-213.7	-198.2	1.93	-1.91	3.70	
MM 31-14 PBHL										
6,533.0	3.40	229.40	6,523.1	-200.2	-215.8	-200.2	1.93	-1.90	5.01	
6,596.0	4.60	230.90	6,585.9	-203.0	-219.2	-203.0	1.91	1.90	2.38	
6,625.0	4.70	228.30	6,614.8	-204.5	-221.0	-204.5	0.80	0.34	-8.97	
6,675.0	4.80	223.80	6,664.7	-207.4	-224.0	-207.4	0.77	0.20	-9.00	

Targets

Target Name

- hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- Shape									
MM 31-14 PBHL	0.00	0.00	6,500.0	0.0	0.0	578,065.55	2,659,752.09	38° 13' 55.160 N	109° 12' 10.894 W
- survey misses target center by 292.2ft at 6487.3ft MD (6477.5 TVD, -198.1 N, -213.6 E)									
- Point									

Survey Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
2,554.0	2,553.6	-11.5	-36.1	Surveys from 191 to 2554 Interpolated from Inc Only Surveys

Checked By: _____ Approved By: _____ Date: _____

CEMENT JOB REPORT



CUSTOMER Patara Oil & Gas, LLC		DATE 21-SEP-11	F.R. # 725310006	SERV. SUPV. FRANCISCO P CASTILLO						
LEASE & WELL NAME MIDDLE MESA FEDERAL #31-44-29-25 - API 430373		LOCATION 31-29S-25E		COUNTY-PARISH-BLOCK San Juan Utah						
DISTRICT Grand Junction		DRILLING CONTRACTOR RIG # Frontier 4		TYPE OF JOB Long String						
SIZE & TYPE OF PLUGS		LIST-CSG-HARDWARE		PHYSICAL SLURRY PROPERTIES						
4-1/2" Top Cem Plug, Nitrile cvr, Phe		Float Collar, Auto Fill, 4-1/2 - 8rd		SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT³	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER
		Float Shoe/Circ Dif 4-1/2 - 8rd								
MATERIALS FURNISHED BY BJ										
Surfactant Wash				0	8.34	0	0	00:00	10	
Mud Clean I				0	8.4	0	0	00:00	20	
Surfactant Wash				0	8.34	0	0	00:00	10	
PL+.04#/skSF+.4%R3+.3%FL63+.25#/skCF+3#/skKS+.3%BA				550	12.5	2.15	11.36	04:00	211	149.04
59+10lbs/skCSE-2+6%Bentonite II				0	0	0	0	00:00	0	
Fresh Water				0	8.34	0	0	00:00	103	
Available Mix Water <u>800</u> Bbl.		Available Displ. Fluid <u>800</u> Bbl.		TOTAL					<u>354</u>	<u>149.04</u>

HOLE			TBG-CSG-D.P.				COLLAR DEPTHS			
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAGE
7.875	15	6675	4.5	11.6	CSG	6659	N-80	6659	6615	0

LAST CASING				PKR-CMT RET-BR PL-LINER			PERF. DEPTH		TOP CONN		WELL FLUID	
SIZE	WGT	TYPE	DEPTH	BRAND & TYPE		DEPTH	TOP	BTM	SIZE	THREAD	TYPE	WGT.
8.625	32	CSG	2622	NO PACKER		0	0	0	4.5	8RD	WATER BASED MU	9.6

DISPL. VOLUME		DISPL. FLUID		CAL. PSI	CAL. MAX PSI	OP. MAX	MAX TBG PSI		MAX CSG PSI		MIX WATER
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SQ. PSI	RATED	Operator	RATED	Operator	
103	BBLs	Fresh Water	8.34	1790	0	0	0	0	7780	6224	RIG TANK

Circulation Prior to Job

Circulated Well: Rig BJ Circulation Time: 1 Circulation Rate: BPM

Mud Density In: 9.6 LBS/GAL Mud Density Out: 9.6 LBS/GAL PV & YP Mud In: 36 PV & YP Mud Out: 36

Gas Present: NO YES Units: Solids Present at End of Circulation: NO YES

Displacement And Mud Removal

Displaced By: Rig BJ Amount Bled Back After Job: BBLs

Returns During Job: NONE PARTIAL FULL Method Used to Verify Returns: VISUAL

Cement Returns at Surface: YES NO Were Returns Planned at Surface: NO YES

Pipe Movement: ROTATION RECIPROICATION NONE UNABLE DUE TO STUCK PIPE

Centralizers: NO YES Quantity: 50 Type: BOW RIGID

Job Pumped Through: CHOKE MANIFOLD SQUEEZE MANIFOLD MANIFOLD NO MANIFOLD

Plugs

Number of Attempts by BJ: Competition: Wiper Balls Used: NO YES Quantity:

Plug Catcher Used: NO YES Parabow Used: NO YES

Was There a Bottom: NO YES Top of Plug: FT Bottom of Plug: FT

Squeezes (Update Original Treatment Report for Primary Job)

BLOCK SQUEEZE SHOE SQUEEZE TOP OF LINER SQUEEZE PLANNED UNPLANNED

Liner Packer: NO YES Bond Log: NO YES PSI Applied: Fluid Weight: LBS/GAL

Casing Test (Update Original Treatment Report for Primary Job)

Casing Test Pressure: PSI With LBS/GAL Mud Time Held: Hours Minutes

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: NONE

PRESSURE/RATE DETAIL	EXPLANATION

CEMENT JOB REPORT



Shoe Test (Update Original Treatment Report for Primary Job)

Depth Drilled out of Shoe: FT Target EMW: LBS/GAL Actual EMW: LBS/GAL

Number of Times Tests Conducted: Mud Weight When Test was Conducted: LBS/GAL

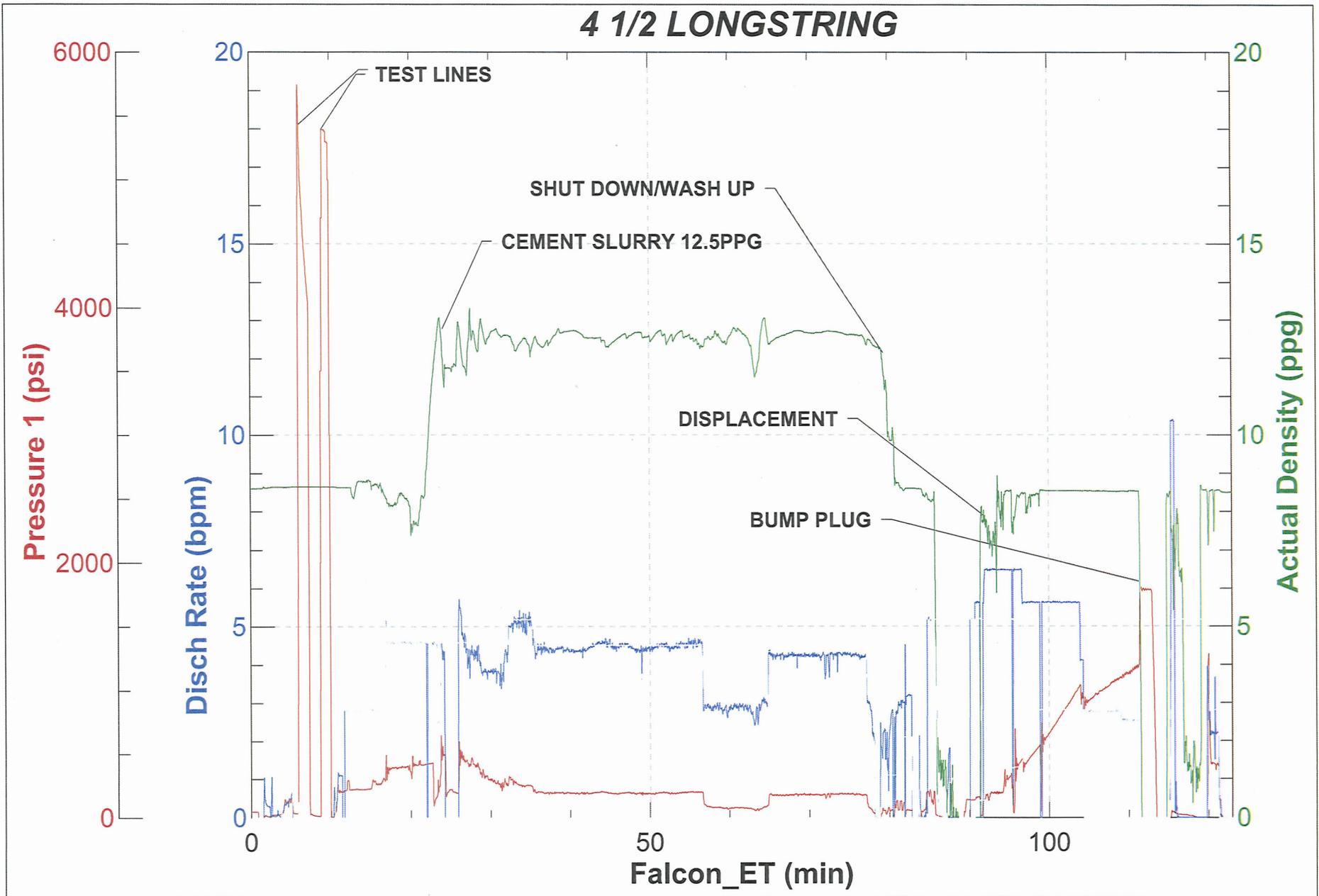
Problems Before Job (I.E. Running Casing, Circulating Well, ETC)

Problems During Job (I.E. Lost Returns, Equipment Failure, Bulk Delivery, Foaming, ETC)

Problems After Job (I.E. Gas at Surface, Float Equipment Failed, ETC)

PRESSURE/RATE DETAIL						EXPLANATION	
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input type="checkbox"/>	
	PIPE	ANNULUS				TEST LINES	5395 PSI
						CIRCULATING WELL - RIG <input checked="" type="checkbox"/>	BJ <input type="checkbox"/>
19:15	0	0	0	0	0	CONVOY SAFETY MEETING	
19:30	0	0	0	0	0	LEAVE THE YARD	
23:30	0	0	0	0	0	ARRIVE ON LOCATION	
03:00	0	0	0	0	0	RIG UP SAFETY MEETING/RIG UP	
04:30	0	0	0	0	0	PRE-JOB SAFETY MEETING	
05:00	5395	0	1	2	WATER	TEST LINES	
05:05	370	0	4.5	10	WATER	SURFACTANT WASH SPACER	
05:09	408	0	4.5	20	WATER	MUD CLEAN I SPACER	
05:14	423	0	4.5	10	WATER	SURFACTANT WASH SPACER	
05:17	0	0	0	0	0	BATCH AND PUMP CEMENT SLURRY 12.5PPG	
05:44	181	0	4.5	110	CEMENT	CEMENT SLURRY 12.5PPG	
06:09	181	0	4.5	205	CEMENT	CEMENT SLURRY	
06:13	0	0	0	211	CEMENT	SHUT DOWN/WASH UP/DROP PLUG	
06:24	0	0	0	0	0	BEGIN DISPLACEMENT	
06:33	500	0	6	50	WATER	DISPLACEMENT	
06:40	1175	0	2.5	90	WATER	SLOW RATE	
06:46	1790	0	2.5	103	WATER	BUMP PLUG	
06:08	0	0	0	0	0	CHECK FLOATS/0.75BBL FLOW BACK	
06:30	0	0	0	0	0	RIG DOWN SAFETY MEETING/RIG DOWN	
07:30	0	0	0	0	0	BLOW DOWN SILO	
00:00	0	0	0	0	0	THANK YOU FOR YOUR BUSINESS FROM BHI CEMENT CREW	
08:00	0	0	0	0	0	POST JOB SAFETY MEETING/NO INJURIES TO REPORT	
08:30	0	0	0	0	0	LEAVE LOCATION	
12:15	0	0	0	0	0	ARRIVE AT THE YARD	

BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL.CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	Service Supervisor Signature:
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	2000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	0	353	0	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	



BJ Services Company



CUSTOMER (COMPANY NAME) Patara Oil & Gas, LLC					CREDIT APPROVAL NO.		PURCHASE ORDER NO.		CUSTOMER NUMBER 20007222 - 00237887			INVOICE NUMBER	
MAIL INVOICE TO		STREET OR BOX NUMBER 333 Clay Street Suite 3960					CITY Houston		STATE Texas		ZIP CODE 77002		
DATE WORK COMPLETED	MO.	DAY	YEAR	BJ REPRESENTATIVE			WELL API NO:		WELL TYPE :				
09	21	2011	FRANCISCO P CASTILLO			43037319060000		New Well					
BJ SERVICES DISTRICT					JOB DEPTH(ft)			WELL CLASS :					
Grand Junction					6,675			Gas					
WELL NAME AND NUMBER					TD WELL DEPTH(ft)			GAS USED ON JOB :					
MIDDLE MESA FEDERAL #31-44-29-25					6,675			No Gas					
WELL LOCATION :		LEGAL DESCRIPTION			COUNTY/PARISH		STATE		JOB TYPE CODE :				
31-29S-25E		31-29S-25E			San Juan		Utah		Long String				
PRODUCT CODE	DESCRIPTION				UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT			
100283	R-3				lbs	191	3.490	666.59	60%	266.64			
100295	Cello Flake				lbs	138	4.850	669.30	60%	267.72			
100317	Poz (Fly Ash)				sacks	192	20.350	3,907.20	60%	1,562.88			
398110	Mud Clean I				gals	840	1.610	1,352.40	60%	540.96			
423729	NE-118, 330 gal tote				gals	2	102.500	205.00	60%	82.00			
424509	FP-13L				gals	5	178.500	892.50	60%	357.00			
428086	BA-59				lbs	144	34.200	4,924.80	60%	1,969.92			
488353	CSE-2				lbs	5500	1.610	8,855.00	60%	3,542.00			
488430	InFlo 250W				gals	6	95.000	570.00	60%	228.00			
488449	Bentonite II				lbs	2871	0.410	1,177.11	60%	470.84			
499632	Granulated Sugar				lbs	100	3.490	349.00	60%	139.60			
499634	Kol-Seal				lbs	1650	1.130	1,864.50	60%	745.80			
499680	Static Free				lbs	22	38.700	851.40	60%	340.56			
499702	ClayCare, tote				gals	8	140.000	1,120.00	60%	448.00			
499703	Type III Cement				sacks	358	48.600	17,398.80	60%	6,959.52			
499767	FL-63				lbs	144	68.500	9,864.00	60%	3,945.60			
86706-1	4-1/2" Top Cem Plug, Nitrile cvr, Phen				ea	1	143.500	143.50	60%	57.40			
ARRIVE LOCATION :		MO.	DAY	YEAR	TIME	SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER.				SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER.			
JIM HOGUE		09	20	2011	23:45								
CUSTOMER REP.					CUSTOMER AUTHORIZED AGENT				<input checked="" type="checkbox"/> CUSTOMER AUTHORIZED AGENT				
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS									<input checked="" type="checkbox"/> BJ SERVICES APPROVED				



CUSTOMER (COMPANY NAME) Patara Oil & Gas, LLC					CREDIT APPROVAL NO.	PURCHASE ORDER NO.	CUSTOMER NUMBER 20007222 - 00237887	INVOICE NUMBER		
MAIL INVOICE TO		STREET OR BOX NUMBER 333 Clay Street Suite 3960			CITY Houston	STATE Texas	ZIP CODE 77002			
DATE WORK COMPLETED	MO. 09	DAY 21	YEAR 2011	BJ REPRESENTATIVE FRANCISCO P CASTILLO	WELL API NO: 43037319060000	WELL TYPE : New Well				
BJ SERVICES DISTRICT Grand Junction				JOB DEPTH (ft) 6,675	WELL CLASS : Gas					
WELL NAME AND NUMBER MIDDLE MESA FEDERAL #31-44-29-25				TD WELL DEPTH(ft) 6,675	GAS USED ON JOB : No Gas					
WELL LOCATION :		LEGAL DESCRIPTION 31-29S-25E	COUNTY/PARISH San Juan	STATE Utah	JOB TYPE CODE : Long String					
PRODUCT CODE	DESCRIPTION				UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
	SUB-TOTAL FOR Product Material							54,811.10	60%	21,924.44
A152	Personnel Per Diem Chrg - Cement Svc				ea	1	161.500	161.50	0%	161.50
M100	Bulk Materials Service Charge				cu ft	823	4.170	3,431.91	60%	1,372.76
	SUB-TOTAL FOR Service Charges							3,593.41	57.30%	1,534.26
F065A	Cement Pumping, 6001 - 7000 ft				6hrs	1	6,900.000	6,900.00	60%	2,760.00
J050	Cement Head				job	1	635.000	635.00	60%	254.00
J225	Data Acquisition, Cement, Standard				job	1	1,635.000	1,635.00	60%	654.00
J390	Mileage, Heavy Vehicle				miles	290	9.100	2,639.00	60%	1,055.60
J391	Mileage, Auto, Pick-Up or Treating Van				miles	290	5.150	1,493.50	60%	597.40
K371	Field Storage Bin, Up To 5 Days				job	1	1,270.000	1,270.00	60%	508.00
	SUB-TOTAL FOR Equipment							14,572.50	60%	5,829.00
J401	Bulk Delivery, Dry Products				ton-mi	4261	3.030	12,910.83	60%	5,164.33
	SUB-TOTAL FOR Freight/Delivery Charges							12,910.83	60.00%	5,164.33
ARRIVE LOCATION :	MO. 09	DAY 20	YEAR 2011	TIME 23:45	SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER.			SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER.		
CUSTOMER REP. JIM HOGUE					CUSTOMER AUTHORIZED AGENT			X CUSTOMER AUTHORIZED AGENT		
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS								X BJ SERVICES APPROVED		

BJ Services Company



CUSTOMER (COMPANY NAME) Patara Oil & Gas, LLC				CREDIT APPROVAL NO.		PURCHASE ORDER NO.		CUSTOMER NUMBER 20007222 - 00237887		INVOICE NUMBER	
MAIL INVOICE TO		STREET OR BOX NUMBER 333 Clay Street Suite 3960				CITY Houston		STATE Texas		ZIP CODE 77002	
DATE WORK COMPLETED	MO. 09	DAY 21	YEAR 2011	BJ REPRESENTATIVE FRANCISCO P CASTILLO		WELL API NO: 43037319060000		WELL TYPE : New Well			
BJ SERVICES DISTRICT Grand Junction				JOB DEPTH (ft) 6,675			WELL CLASS : Gas				
WELL NAME AND NUMBER MIDDLE MESA FEDERAL #31-44-29-25				TD WELL DEPTH(ft) 6,675			GAS USED ON JOB : No Gas				
WELL LOCATION :		LEGAL DESCRIPTION 31-29S-25E		COUNTY/PARISH San Juan		STATE Utah		JOB TYPE CODE : Long String			

PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
	FIELD ESTIMATE				85,887.84	59.89%	34,452.03

ARRIVE LOCATION :	MO. 09	DAY 20	YEAR 2011	TIME 23:45	SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER.	SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER.
CUSTOMER REP. JIM HOGUE					<input checked="" type="checkbox"/> CUSTOMER AUTHORIZED AGENT	
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS					<input checked="" type="checkbox"/> BJ SERVICES APPROVED	
CUSTOMER AUTHORIZED AGENT						

BJ Services
CONDITIONS OF CONTRACT
Effective 08/19/96

CUSTOMER AND BJ SERVICES AGREE THAT THE SERVICES DESCRIBED ON THE FACE OF THIS SERVICE ORDER AND FIELD RECEIPT ARE TO BE PERFORMED SUBJECT TO AND IN CONSIDERATION OF THE FOLLOWING TERMS AND CONDITIONS:

1. CUSTOMER. For the purpose of this contract, the term Customer shall include agents, subsidiaries, joint venturers and partners of customers.
2. WELL CONDITION. Customer warrants that the well described on the face of this service order and field receipt is in proper condition to receive the products, supplies, materials, and services described herein.
3. INDEPENDENT CONTRACTOR. BJ Services is and shall be an independent contractor with respect to the performance of this contract and neither BJ Services nor anyone employed by BJ Services shall be the agent, representative, employee or servant of Customer in the performance of this contract or any part hereof.
4. PRICE. Customer agrees to pay BJ Services for the products, supplies, materials, and services described herein in accordance with BJ Services' current price list. In the event that BJ Services has agreed to charge Customer other than as set forth in such price list, the charges agreed upon by Customer and BJ Services shall be those set forth on the face of this service order and field receipt and the agreement of Customer thereto shall be conclusively established by its execution of the receipt set forth on the face of this service order and field receipt.
5. TERMS. Cash in advance unless BJ Services has approved credit prior to the sale. Credit terms for approved accounts are total invoice amount due on or before the 30th day from the date of the invoice at the address set forth therein. Past due accounts shall pay interest on the balance due at the rate of 1½% per month or the maximum allowable under applicable state law if such law limits interest to a lesser amount. In the event it is necessary to employ a third party to effect collection of said account, Customer agrees to pay all fees of such third party directly or indirectly incurred for such collection.
6. TAXES. Customer agrees to pay all taxes based on or measured by the charges set forth on the face of this service order and field receipt.
7. AMENDMENTS AND MODIFICATIONS. No field employee of BJ Services shall be empowered to alter the terms and conditions of this contract and BJ Services shall not be bound by any changes or modifications in this contract unless made in writing by a duly authorized executive officer of BJ Services. By requesting the goods and services set forth herein, Customer agrees to all the terms and conditions contained on both sides of this service order and field receipt, which constitutes the entire agreement between the parties, unless Customer and BJ Services have entered into a master service agreement or master work contract applicable to the services performed and products, supplies and materials furnished by BJ Services hereunder, in which event any term or provision of this service order and field receipt in conflict with the provisions thereof shall be deemed invalid to such extent. Subject only to the preceding sentence BJ Services hereby objects to any term of any purchase order, delivery ticket or receipt or other document that varies from or conflicts with the terms of this contract.
8. SEVERABILITY. It is understood and agreed by Customer and BJ Services that any term or provision of this contract prohibited by law shall be deemed invalid to the extent of such prohibition and shall be modified to the extent necessary to conform to such rule of law. Any term or provision of this contract not deemed invalid and modified pursuant to the preceding sentence shall remain in full force and effect without regard to such invalidity and modification.
9. LIMITED WARRANTY. BJ SERVICES WARRANTS ONLY TITLE TO PRODUCTS, SUPPLIES AND MATERIALS FURNISHED PURSUANT TO THIS CONTRACT AND THAT THE SAME WILL CONFORM TO THE DESCRIPTION SPECIFIED HEREIN AND ARE FREE FROM DEFECTS IN WORKMANSHIP AND MATERIALS. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. BJ SERVICES' LIABILITY AND CUSTOMERS EXCLUSIVE REMEDY IN ANY CAUSE OF ACTION (WHETHER IN CONTRACT, TORT, BREACH OR WARRANTY OR OTHERWISE) ARISING OUT OF THE SALE OR USE OF ANY PRODUCTS, SUPPLIES OR MATERIALS IS EXPRESSLY LIMITED TO THE REPLACEMENT OF SUCH PRODUCTS, SUPPLIES OR MATERIALS OR, AT BJ SERVICES' OPTION, TO THE ALLOWANCE TO THE CUSTOMER OF CREDIT FOR THE COST OF SUCH ITEMS. BJ SERVICES MAKES NO WARRANTIES FOR ANY EQUIPMENT, MATERIALS OR PRODUCTS MANUFACTURED BY THIRD PARTIES, BUT WILL PASS ON TO CUSTOMER ALL WARRANTIES OF THE MANUFACTURERS OF SUCH EQUIPMENT, MATERIALS OR PRODUCTS. BJ SERVICES IS UNABLE TO, AND DOES NOT, GUARANTEE THE ACCURACY OF ANY JOB RECOMMENDATION, RESEARCH ANALYSIS, DATA INTERPRETATION, OR OTHER INFORMATION FURNISHED TO CUSTOMER BY BJ SERVICES IN VIEW OF THE UNCERTAINTY OF WELL CONDITIONS AND THE RELIANCE BY BJ SERVICES AND CUSTOMER UPON INFORMATION AND SERVICES FURNISHED BY THIRD PARTIES. THEREFORE, NO WARRANTY EXPRESS OR IMPLIED IS GIVEN CONCERNING THE EFFECTIVENESS OF THE PRODUCTS, SUPPLIES OR MATERIALS USED, RECOMMENDATIONS GIVEN, OR SERVICES PERFORMED BY BJ SERVICES. CUSTOMER AGREES THAT BJ SERVICES SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES ARISING FROM THE USE OF DATA FURNISHED BY BJ SERVICES. CUSTOMER ACCEPTS FULL RESPONSIBILITY FOR RETURNING THE WELL DESCRIBED ON THE FACE OF THIS SERVICE ORDER AND FIELD RECEIPT TO PRODUCTION. BJ SERVICES DOES NOT GUARANTEE THE EFFECTIVENESS OF THE PRODUCTS, SUPPLIES OR MATERIALS FURNISHED PURSUANT TO THIS CONTRACT NOR THE RESULTS OF ANY TREATMENT OR SERVICE IT PERFORMS HEREUNDER.
10. FORCE MAJEURE. Any delays or failure by BJ Services in the performance of this contract shall be excused if and to the extent caused by war, fire, flood, strike or other labor trouble, accident, riot, acts of God, or any other cause beyond the reasonable control of BJ Services.
11. CHEMICAL DISPOSAL. Customer agrees that all chemicals used in performance of this contract which are not removed from the location of the well by BJ Services shall be disposed of by Customer in accordance with all applicable federal, state and local laws and regulations.

12. LIABILITY AND INDEMNITY OBLIGATIONS.

- (A) BJ SERVICES SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE CUSTOMER, ITS PARENT, SUBSIDIARY AND AFFILIATED COMPANIES AND ITS AND THEIR OFFICERS, DIRECTORS AND EMPLOYEES ("CUSTOMER GROUP") FROM AND AGAINST ALL CLAIMS, DEMANDS, LOSSES, LIABILITIES, PENALTIES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER (COLLECTIVELY, "CLAIMS") ARISING IN FAVOR OF (I) BJ SERVICES' EMPLOYEES OR THE EMPLOYEES OF BJ SERVICES' SUBCONTRACTORS ON ACCOUNT OF BODILY INJURY, DEATH OR DAMAGE TO PROPERTY OR (II) BJ SERVICES ON ACCOUNT OF DAMAGE TO BJ SERVICES' PROPERTY, EXCEPT AS OTHERWISE PROVIDED BELOW, INCLUDING, IN EACH CASE, CLAIMS CAUSED BY THE SOLE, JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF CUSTOMER GROUP.
 - (B) CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS AND RELEASE BJ SERVICES, ITS PARENT, SUBSIDIARY AND AFFILIATED COMPANIES AND ITS AND THEIR OFFICERS, DIRECTORS AND EMPLOYEES ("BJ SERVICES GROUP") FROM AND AGAINST ALL CLAIMS ARISING IN FAVOR OF (I) CUSTOMER'S EMPLOYEES OR THE EMPLOYEES OF CUSTOMER'S OTHER CONTRACTORS OR THEIR SUBCONTRACTORS ON ACCOUNT OF BODILY INJURY, DEATH OR DAMAGE TO PROPERTY, OR (II) CUSTOMER ON ACCOUNT OF LOSS OR DAMAGE TO CUSTOMER'S PROPERTY, EXCEPT AS OTHERWISE PROVIDED BELOW, INCLUDING, IN EACH CASE, CLAIMS CAUSED BY THE SOLE, JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF BJ SERVICES GROUP.
 - (C) CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE BJ SERVICES GROUP FROM AND AGAINST ANY CLAIMS FOR POLLUTION OR CONTAMINATION, INCLUDING THE CLEANUP OR REMOVAL THEREOF ARISING OUT OF OR CONNECTED WITH THE PERFORMANCE BY BJ SERVICES OF SERVICES FOR THE CUSTOMER (AND NOT ASSUMED BY BJ SERVICES IN THE FOLLOWING SENTENCE) INCLUDING BUT NOT LIMITED TO CLAIMS THAT MAY RESULT FROM WELL FIRE, BLOWOUT, CRATERING, SEEPAGE OR ANY OTHER UNCONTROLLABLE FLOW OF OIL, GAS, WATER OR OTHER SUBSTANCES, INCLUDING CLAIMS CAUSED BY THE SOLE, JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF BJ SERVICES GROUP. BJ SERVICES SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS CUSTOMER GROUP FROM AND AGAINST ANY CLAIMS FOR POLLUTION OR CONTAMINATION, INCLUDING THE REMOVAL THEREOF, ORIGINATING ABOVE THE SURFACE OF THE EARTH FROM SPILLS, LEAKS OR DISCHARGES OF FUELS, LUBRICANTS, MOTOR OILS, PIPE DOPE, PAINT, SOLVENTS, SLUDGE OR GARBAGE IN THE POSSESSION AND CONTROL OF BJ SERVICES AND ASSOCIATED WITH CONTRACTORS' EQUIPMENT AND FACILITIES, EXCEPTING ANY POLLUTION IN RESERVE PITS FROM FLOWBACK INCIDENT TO B.J. SERVICES' OPERATIONS.
 - (D) CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE BJ SERVICES GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING IN FAVOR OF CUSTOMER OR ANY THIRD PARTY INCLUDING, BUT NOT LIMITED TO, ANY GOVERNMENTAL ENTITY OR PARTY FOR WHOM CUSTOMER IS ACTING (INCLUDING CUSTOMER'S CO-WORKING INTEREST OWNERS) FOR ALL DAMAGES OR LOSSES RESULTING FROM PRODUCTS, SERVICES OR EQUIPMENT PROVIDED BY BJ SERVICES ON ACCOUNT OF (I) LOSS OF THE HOLE, (II) DAMAGE OR INJURY TO ANY DOWNHOLE PROPERTY OR ANY PROPERTY RIGHT IN OR TO OIL, GAS OR OTHER SUBSTANCES OR WATER (III) LOSS OR DAMAGE TO, OR CONTAMINATION OF, ANY FORMATIONS, STRATA OR RESERVOIRS BENEATH THE EARTH'S SURFACE, (IV) SUBSURFACE TRESPASS OR (V) ANY OTHER SIMILAR LOSSES OR DAMAGES, AND WITHOUT REGARD TO THE NEGLIGENCE OF ANY PARTY OR PARTIES, INCLUDING, IN EACH CASE, CLAIMS CAUSED BY THE SOLE JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF BJ SERVICES GROUP.
 - (E) CUSTOMER WILL ASSUME LIABILITY FOR BJ SERVICES' EQUIPMENT WHICH MAY BE LOST OR DAMAGED IN THE HOLE, REGARDLESS OF ANY NEGLIGENCE OF ANY PARTY, AND WILL AT ITS OWN EXPENSE AND RISK ATTEMPT TO RECOVER SUCH EQUIPMENT. THE VALUE OF ANY UNRECOVERABLE, LOST OR DAMAGED EQUIPMENT SHALL BE REIMBURSED BY CUSTOMER AT THE FAIR MARKET VALUE ON THE DATE OF LOSS OF SUCH EQUIPMENT, BUT IN NO EVENT AT A VALUE LESS THAN 50% OF THE THEN CURRENT REPLACEMENT COST.
 - (F) BJ SERVICES AND CUSTOMER AGREE TO SUPPORT THEIR INDEMNITY OBLIGATIONS HEREIN BY FURNISHING LIABILITY INSURANCE COVERAGE OR QUALIFIED SELF INSURANCE IN AN AMOUNT OF NO LESS THAN \$2,000,000. HOWEVER BJ SERVICES AND CUSTOMER AGREE AND INTEND THAT, TO THE FULLEST EXTENT ALLOWED FROM TIME TO TIME BY APPLICABLE LAW, THEIR RESPECTIVE INDEMNITIES UNDER THESE TERMS AND CONDITIONS ARE TO APPLY WITHOUT LIMIT, AND ARE NOT TO BE LIMITED TO THE AMOUNT OF INSURANCE EITHER OF THEM MAY FROM TIME TO TIME MAINTAIN OR AGREE TO MAINTAIN. IF IT SHOULD BE DETERMINED THAT THE INDEMNITY OBLIGATIONS ASSUMED HEREUNDER THAT ARE TO BE SUPPORTED EITHER BY INSURANCE OR SELF INSURANCE EXCEEDS THAT WHICH IS PERMITTED UNDER APPLICABLE LAW, THEN SUCH INDEMNITIES SHALL AUTOMATICALLY BE AMENDED TO CONFORM TO THE MONETARY LIMITS PERMITTED UNDER SUCH LAW.
13. CONFIDENTIAL INFORMATION. Customer and BJ Services will use their best efforts to maintain the confidentiality of all records and proprietary information obtained by either party in the performance of any services by BJ Services. Such information will not be disclosed by either party to its employees unless it is necessary in order to perform or evaluate such services, or to any third parties without the prior consent of the other party.
 14. WAIVER. (A) Neither BJ Services nor Customer will be liable to the other for special, incidental, indirect or consequential damages resulting from or arising out of the products or equipment provided or the services performed by BJ Services hereunder, including but not limited to, loss of profit or revenue or business interruption losses, whether or not arising under an alleged breach of warranty or caused by the sole, joint and/or comparative negligence, strict liability or other fault of either party. (B) Customer represents that it is a business consumer purchasing products and services from BJ Services for commercial use, that it has experience in business matters that enable it to evaluate the merits and risks of the purchase of such products and services, and that it is not in a significantly disparate bargaining position. Customer waives the provisions of the Texas Deceptive Trade Practices Act (other than section 17), as from time to time amended.
 15. GOVERNING LAW. This contract shall be governed by the law of the State of Texas.

CEMENT JOB REPORT



CUSTOMER Patara Oil & Gas, LLC		DATE 14-SEP-11	F.R. # 1001852509	SERV. SUPV. FRANCISCO P CASTILLO								
LEASE & WELL NAME MIDDLE MESA FEDERAL #31-44-29-25 - API 430373		LOCATION 31-29S-25E		COUNTY-PARISH-BLOCK San Juan Utah								
DISTRICT Grand Junction		DRILLING CONTRACTOR RIG # FRONTIER 4		TYPE OF JOB Surface								
SIZE & TYPE OF PLUGS		LIST-CSG-HARDWARE		PHYSICAL SLURRY PROPERTIES								
8-5/8" Top Cem Plug, Nitrile cvr, Phe		Float Collar, Ball Valve, 8-5/8 - 8rd		SACKS OF CEMENT	SLURRY WGT PPG	SLURRY YLD FT³	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER		
		Float Shoe 8-5/8 - 8rd										
MATERIALS FURNISHED BY BJ												
Fresh Water				0	8.34	0	0	00:00	20			
PL+.25#/skCF+2#/skKS+5%A-10+5%SMS+1#/skPS+10#CSE-2				412	11.6	2.81	16.15	03:17	210	161.44		
Typell+1%Cacl2				125	14.2	1.47	7.35	01:37	34	22.71		
Fresh Water				0	8.34	0	0	00:00	157			
Available Mix Water <u>800</u> Bbl.		Available Displ. Fluid <u>800</u> Bbl.		TOTAL				421	184.15			
HOLE			TBG-CSG-D.P.				COLLAR DEPTHS					
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAGE		
12.25	20	2622	8.625	32	CSG	2623	J-55	2623	2576	0		
LAST CASING			PKR-CMT RET-BR PL-LINER			PERF. DEPTH		TOP CONN		WELL FLUID		
SIZE	WGT	TYPE	DEPTH	BRAND & TYPE		DEPTH	TOP	BTM	SIZE	THREAD	TYPE	WGT.
16	42.05	CSG	60	NO PACKER			0	0	8.625	8RD	WATER BASED MU	8.4
DISPL. VOLUME		DISPL. FLUID		CAL. PSI	CAL. MAX PSI	OP. MAX	MAX TBG PSI		MAX CSG PSI		MIX WATER	
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SQ. PSI	RATED	Operator	RATED	Operator		
157	BBLS	Fresh Water	8.34	1100	0	0	0	0	2860	2288	RIG TANK	
Circulation Prior to Job												
Circulated Well: Rig <input checked="" type="checkbox"/> BJ <input type="checkbox"/>				Circulation Time:				Circulation Rate: BPM				
Mud Density In: 8.4 LBS/GAL				Mud Density Out: 8.4 LBS/GAL				PV & YP Mud In: 24		PV & YP Mud Out: 24		
Gas Present: NO <input checked="" type="checkbox"/> YES <input type="checkbox"/>				Units:				Solids Present at End of Circulation: NO <input checked="" type="checkbox"/> YES <input type="checkbox"/>				
Displacement And Mud Removal												
Displaced By: Rig <input type="checkbox"/> BJ <input checked="" type="checkbox"/>				Amount Bled Back After Job: .5 BBLS								
Returns During Job: <input type="checkbox"/> NONE <input type="checkbox"/> PARTIAL <input checked="" type="checkbox"/> FULL				Method Used to Verify Returns: VISUAL								
Cement Returns at Surface: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				Were Returns Planned at Surface: <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES								
Pipe Movement: <input type="checkbox"/> ROTATION <input type="checkbox"/> RECIPROICATION <input type="checkbox"/> NONE <input type="checkbox"/> UNABLE DUE TO STUCK PIPE												
Centralizers: <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES				Quantity: 29				Type: <input type="checkbox"/> BOW <input type="checkbox"/> RIGID				
Job Pumped Through: <input type="checkbox"/> CHOKE MANIFOLD <input type="checkbox"/> SQUEEZE MANIFOLD <input checked="" type="checkbox"/> MANIFOLD <input type="checkbox"/> NO MANIFOLD												
Plugs												
Number of Attempts by BJ:				Competition:				Wiper Balls Used: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES				Quantity:
Plug Catcher Used: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES				Parabow Used: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES								
Was There a Bottom: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES				Top of Plug: FT				Bottom of Plug: FT				
Squeezes (Update Original Treatment Report for Primary Job)												
BLOCK SQUEEZE <input type="checkbox"/>		SHOE SQUEEZE <input type="checkbox"/>		TOP OF LINER SQUEEZE <input type="checkbox"/>		PLANNED <input type="checkbox"/>		UNPLANNED <input type="checkbox"/>				
Liner Packer: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES				Bond Log: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES				PSI Applied: Fluid Weight: LBS/GAL				
Casing Test (Update Original Treatment Report for Primary Job)												
Casing Test Pressure: PSI				With LBS/GAL Mud				Time Held: Hours Minutes				
Shoe Test (Update Original Treatment Report for Primary Job)												
Depth Drilled out of Shoe: FT				Target EMW: LBS/GAL				Actual EMW: LBS/GAL				
Number of Times Tests Conducted:				Mud Weight When Test was Conducted: LBS/GAL								
EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: NONE												

CEMENT JOB REPORT



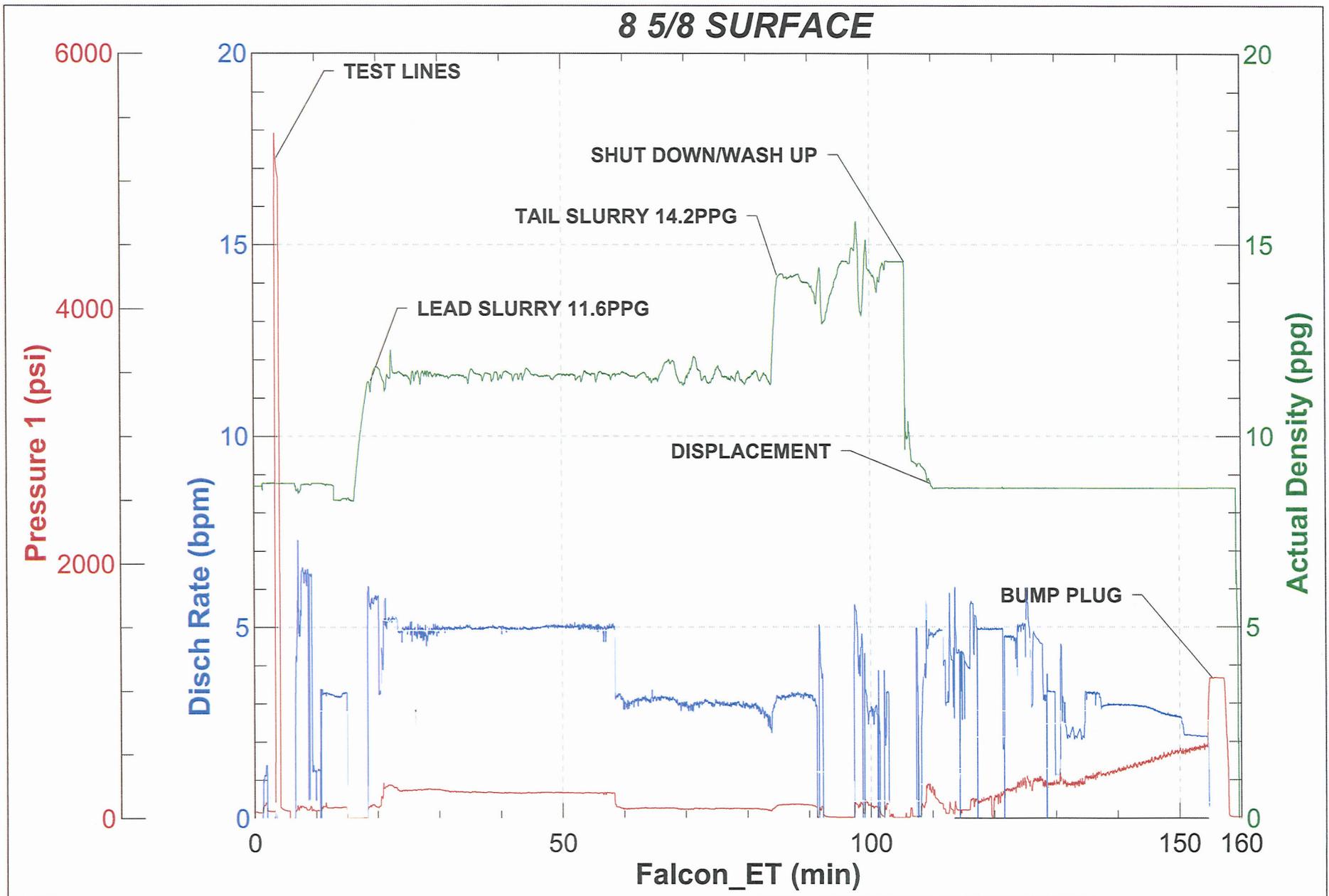
Problems Before Job (I.E. Running Casing, Circulating Well, ETC)

Problems During Job (I.E. Lost Returns, Equipment Failure, Bulk Delivery, Foaming, ETC)

Problems After Job (I.E. Gas at Surface, Float Equipment Failed, ETC)

PRESSURE/RATE DETAIL						EXPLANATION	
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input type="checkbox"/>	
	PIPE	ANNULUS				TEST LINES	5300 PSI
						CIRCULATING WELL - RIG <input checked="" type="checkbox"/>	BJ <input type="checkbox"/>
11:50	0	0	0	0	0	CONVOY SAFETY MEETING	
12:00	0	0	0	0	0	LEAVE THE YARD	
15:00	0	0	0	0	0	ARRIVE ON LOCATION	
15:25	0	0	0	0	0	RIG UP SAFETY MEETING/RIG UP	
20:45	0	0	0	0	0	PRE-JOB SAFETY MEETING	
21:20	5300	0	1	2	WATER	TEST LINES	
21:25	83	0	4	20	WATER	FRESH WATER SPACER	
21:30	0	0	0	0	0	BATCH AND PUMP LEAD SLURRY 11.6PPG	
21:55	205	0	5	100	CEMENT	LEAD SLURRY	
22:42	235	0	3	210	CEMENT	LEAD SLURRY	
22:43	67	0	2.5	33	CEMENT	TAIL SLURRY	
23:01	0	0	0	0	0	SHUT DOWN/DROP PLUG	
23:06	0	0	0	0	0	BEGIN DISPLACEMENT	
23:19	166	0	5	50	WATER	DISPLACEMENT	
23:33	324	0	3	100	WATER	DISPLACEMENT/CIRCULATE CEMENT TO SURFACE	
23:46	470	0	2.8	140	WATER	DISPLACEMENT	
23:49	527	0	2	150	WATER	DISPLACEMENT	
23:54	1100	0	2	157	WATER	BUMP PLUG	
23:56	0	0	0	0	0	CHECK FLOATS/0.5BBL FLOW BACK	
00:00	0	0	0	0	0	WAIT AN HOUR TO WATCH CEMENT LEVEL	
01:05	0	0	0	0	0	RIG DOWN SAFETY MEETING/RIG DOWN	
00:00	0	0	0	0	0	THANK YOU FOR YOUR BUSINESS FROM BHI CEMENT CREW	
01:45	0	0	0	0	0	POST JOB SAFETY MEETING/NO INJURIES TO REPORT	
02:00	0	0	0	0	0	LEAVE LOCATION	
05:00	0	0	0	0	0	ARRIVE AT THE YARD	

BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL.CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	Service Supervisor Signature:
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	1100	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	60	420	<input type="checkbox"/> 0	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	



BJ Services Company



CUSTOMER (COMPANY NAME) Patara Oil & Gas, LLC				CREDIT APPROVAL NO.	PURCHASE ORDER NO.	CUSTOMER NUMBER 20007222 - 00237887	INVOICE NUMBER
MAIL INVOICE TO		STREET OR BOX NUMBER 333 Clay Street Suite 3960		CITY Houston	STATE Texas	ZIP CODE 77002	
DATE WORK COMPLETED	MO. 09	DAY 14	YEAR 2011	BJ REPRESENTATIVE FRANCISCO P CASTILLO	WELL API NO: 43037319060000	WELL TYPE : New Well	
BJ SERVICES DISTRICT Grand Junction				JOB DEPTH (ft) 2,575	WELL CLASS : Oil		
WELL NAME AND NUMBER MIDDLE MESA FEDERAL #31-44-29-25				TD WELL DEPTH(ft) 2,622	GAS USED ON JOB : No Gas		
WELL LOCATION :		LEGAL DESCRIPTION 31-29S-25E	COUNTY/PARISH San Juan	STATE Utah	JOB TYPE CODE : Surface		

PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
100112	Calcium Chloride	lbs	118	1.220	143.96	60%	57.58
100275	Sodium Metasilicate	lbs	1792	3.900	6,988.80	60%	2,795.52
100295	Cello Flake	lbs	103	4.850	499.55	60%	199.82
100317	Poz (Fly Ash)	sacks	144	20.350	2,930.40	60%	1,172.16
100318	A-10	lbs	1792	0.880	1,576.96	60%	630.78
411222	Pheno Seal	lbs	412	4.040	1,664.48	60%	665.79
424509	FP-13L	gals	5	178.500	892.50	60%	357.00
488353	CSE-2	lbs	4120	1.610	6,633.20	60%	2,653.28
499632	Granulated Sugar	lbs	100	3.490	349.00	60%	139.60
499634	Kol-Seal	lbs	824	1.130	931.12	60%	372.45
499703	Type III Cement	sacks	393	48.600	19,099.80	60%	7,639.92
86718-1	8-5/8" Top Cem Plug, Nitrile cvr, Phen	ea	1	292.000	292.00	60%	116.80
SUB-TOTAL FOR Product Material					42,001.77	60.00%	16,800.70

ARRIVE LOCATION :	MO. 09	DAY 14	YEAR 2011	TIME 15:00	SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER.	SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER.
CUSTOMER REP. JIM HOGUE					<input checked="" type="checkbox"/> CUSTOMER AUTHORIZED AGENT	
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS					<input checked="" type="checkbox"/> BJ SERVICES APPROVED	
CUSTOMER AUTHORIZED AGENT						

BJ Services Company



CUSTOMER (COMPANY NAME) Patara Oil & Gas, LLC				CREDIT APPROVAL NO.		PURCHASE ORDER NO.		CUSTOMER NUMBER 20007222 - 00237887		INVOICE NUMBER	
MAIL INVOICE TO		STREET OR BOX NUMBER 333 Clay Street Suite 3960				CITY Houston		STATE Texas		ZIP CODE 77002	
DATE WORK COMPLETED	MO. 09	DAY 14	YEAR 2011	BJ REPRESENTATIVE FRANCISCO P CASTILLO		WELL API NO: 43037319060000		WELL TYPE : New Well			
BJ SERVICES DISTRICT Grand Junction				JOB DEPTH (ft) 2,575		WELL CLASS : Oil					
WELL NAME AND NUMBER MIDDLE MESA FEDERAL #31-44-29-25				TD WELL DEPTH(ft) 2,622		GAS USED ON JOB : No Gas					
WELL LOCATION :		LEGAL DESCRIPTION 31-29S-25E		COUNTY/PARISH San Juan		STATE Utah		JOB TYPE CODE : Surface			
PRODUCT CODE	DESCRIPTION					UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
A152	Personnel Per Diem Chrg - Cement Svc					ea	1	161.500	161.50	0%	161.50
M100	Bulk Materials Service Charge					cu ft	732	4.170	3,052.44	60%	1,220.98
R798	Automatic Density System					job	1	1,530.000	1,530.00	60%	612.00
	SUB-TOTAL FOR Service Charges								4,743.94	57.96%	1,994.48
F057A	Cement Pumping, 2001 - 3000 ft					4hrs	1	4,375.000	4,375.00	60%	1,750.00
F088	Cement Pumping, Additional hrs					hrs	5	750.000	3,750.00	60%	1,500.00
J050	Cement Head					job	1	635.000	635.00	60%	254.00
J225	Data Acquisition, Cement, Standard					job	1	1,635.000	1,635.00	60%	654.00
J390	Mileage, Heavy Vehicle					miles	280	9.100	2,548.00	60%	1,019.20
J391	Mileage, Auto, Pick-Up or Treating Van					miles	280	5.150	1,442.00	60%	576.80
K371	Field Storage Bin, Up To 5 Days					job	1	1,270.000	1,270.00	60%	508.00
	SUB-TOTAL FOR Equipment								15,655.00	60%	6,262.00
J401	Bulk Delivery, Dry Products					ton-mi	3980	3.030	12,059.40	60%	4,823.76
	SUB-TOTAL FOR Freight/Delivery Charges								12,059.40	60%	4,823.76
ARRIVE LOCATION :		MO. 09	DAY 14	YEAR 2011	TIME 15:00	SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER.				SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER.	
CUSTOMER REP. JIM HOGUE		SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS				CUSTOMER AUTHORIZED AGENT				<input checked="" type="checkbox"/> CUSTOMER AUTHORIZED AGENT	
										<input checked="" type="checkbox"/> BJ SERVICES APPROVED	

BJ Services Company



CUSTOMER (COMPANY NAME) Patara Oil & Gas, LLC				CREDIT APPROVAL NO.	PURCHASE ORDER NO.	CUSTOMER NUMBER 20007222 - 00237887	INVOICE NUMBER
MAIL INVOICE TO		STREET OR BOX NUMBER 333 Clay Street Suite 3960		CITY Houston	STATE Texas	ZIP CODE 77002	
DATE WORK COMPLETED	MO. 09	DAY 14	YEAR 2011	BJ REPRESENTATIVE FRANCISCO P CASTILLO	WELL API NO: 43037319060000	WELL TYPE : New Well	
BJ SERVICES DISTRICT Grand Junction				JOB DEPTH (ft) 2,575	WELL CLASS : Oil		
WELL NAME AND NUMBER MIDDLE MESA FEDERAL #31-44-29-25				TD WELL DEPTH(ft) 2,622	GAS USED ON JOB : No Gas		
WELL LOCATION :		LEGAL DESCRIPTION 31-29S-25E	COUNTY/PARISH San Juan	STATE Utah	JOB TYPE CODE : Surface		

PRODUCT CODE	DESCRIPTION	UNIT OF MEASURE	QUANTITY	LIST PRICE UNIT	GROSS AMOUNT	PERCENT DISC.	NET AMOUNT
	FIELD ESTIMATE				74,460.11	59.87%	29,880.94

ARRIVE LOCATION :	MO. 09	DAY 14	YEAR 2011	TIME 15:00	SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER.	SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER.		
CUSTOMER REP. JIM HOGUE						X	CUSTOMER AUTHORIZED AGENT	
SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS						X	BJ SERVICES APPROVED	
CUSTOMER AUTHORIZED AGENT								

BJ Services
CONDITIONS OF CONTRACT
Effective 08/19/96

CUSTOMER AND BJ SERVICES AGREE THAT THE SERVICES DESCRIBED ON THE FACE OF THIS SERVICE ORDER AND FIELD RECEIPT ARE TO BE PERFORMED SUBJECT TO AND IN CONSIDERATION OF THE FOLLOWING TERMS AND CONDITIONS:

1. CUSTOMER. For the purpose of this contract, the term Customer shall include agents, subsidiaries, joint venturers and partners of customers.
2. WELL CONDITION. Customer warrants that the well described on the face of this service order and field receipt is in proper condition to receive the products, supplies, materials, and services described herein.
3. INDEPENDENT CONTRACTOR. BJ Services is and shall be an independent contractor with respect to the performance of this contract and neither BJ Services nor anyone employed by BJ Services shall be the agent, representative, employee or servant of Customer in the performance of this contract or any part hereof.
4. PRICE. Customer agrees to pay BJ Services for the products, supplies, materials, and services described herein in accordance with BJ Services' current price list. In the event that BJ Services has agreed to charge Customer other than as set forth in such price list, the charges agreed upon by Customer and BJ Services shall be those set forth on the face of this service order and field receipt and the agreement of Customer thereto shall be conclusively established by its execution of the receipt set forth on the face of this service order and field receipt.
5. TERMS. Cash in advance unless BJ Services has approved credit prior to the sale. Credit terms for approved accounts are total invoice amount due on or before the 30th day from the date of the invoice at the address set forth therein. Past due accounts shall pay interest on the balance due at the rate of 1 1/2% per month or the maximum allowable under applicable state law if such law limits interest to a lesser amount. In the event it is necessary to employ a third party to effect collection of said account, Customer agrees to pay all fees of such third party directly or indirectly incurred for such collection.
6. TAXES. Customer agrees to pay all taxes based on or measured by the charges set forth on the face of this service order and field receipt.
7. AMENDMENTS AND MODIFICATIONS. No field employee of BJ Services shall be empowered to alter the terms and conditions of this contract and BJ Services shall not be bound by any changes or modifications in this contract unless made in writing by a duly authorized executive officer of BJ Services. By requesting the goods and services set forth herein, Customer agrees to all the terms and conditions contained on both sides of this service order and field receipt, which constitutes the entire agreement between the parties, unless Customer and BJ Services have entered into a master service agreement or master work contract applicable to the services performed and products, supplies and materials furnished by BJ Services hereunder, in which event any term or provision of this service order and field receipt in conflict with the provisions thereof shall be deemed invalid to such extent. Subject only to the preceding sentence BJ Services hereby objects to any term of any purchase order, delivery ticket or receipt or other document that varies from or conflicts with the terms of this contract.
8. SEVERABILITY. It is understood and agreed by Customer and BJ Services that any term or provision of this contract prohibited by law shall be deemed invalid to the extent of such prohibition and shall be modified to the extent necessary to conform to such rule of law. Any term or provision of this contract not deemed invalid and modified pursuant to the preceding sentence shall remain in full force and effect without regard to such invalidity and modification.
9. LIMITED WARRANTY. BJ SERVICES WARRANTS ONLY TITLE TO PRODUCTS, SUPPLIES AND MATERIALS FURNISHED PURSUANT TO THIS CONTRACT AND THAT THE SAME WILL CONFORM TO THE DESCRIPTION SPECIFIED HEREIN AND ARE FREE FROM DEFECTS IN WORKMANSHIP AND MATERIALS. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. BJ SERVICES' LIABILITY AND CUSTOMERS EXCLUSIVE REMEDY IN ANY CAUSE OF ACTION (WHETHER IN CONTRACT, TORT, BREACH OR WARRANTY OR OTHERWISE) ARISING OUT OF THE SALE OR USE OF ANY PRODUCTS, SUPPLIES OR MATERIALS IS EXPRESSLY LIMITED TO THE REPLACEMENT OF SUCH PRODUCTS, SUPPLIES OR MATERIALS OR, AT BJ SERVICES' OPTION, TO THE ALLOWANCE TO THE CUSTOMER OF CREDIT FOR THE COST OF SUCH ITEMS. BJ SERVICES MAKES NO WARRANTIES FOR ANY EQUIPMENT, MATERIALS OR PRODUCTS MANUFACTURED BY THIRD PARTIES, BUT WILL PASS ON TO CUSTOMER ALL WARRANTIES OF THE MANUFACTURERS OF SUCH EQUIPMENT, MATERIALS OR PRODUCTS. BJ SERVICES IS UNABLE TO, AND DOES NOT, GUARANTEE THE ACCURACY OF ANY JOB RECOMMENDATION, RESEARCH ANALYSIS, DATA INTERPRETATION, OR OTHER INFORMATION FURNISHED TO CUSTOMER BY BJ SERVICES IN VIEW OF THE UNCERTAINTY OF WELL CONDITIONS AND THE RELIANCE BY BJ SERVICES AND CUSTOMER UPON INFORMATION AND SERVICES FURNISHED BY THIRD PARTIES. THEREFORE, NO WARRANTY EXPRESS OR IMPLIED IS GIVEN CONCERNING THE EFFECTIVENESS OF THE PRODUCTS, SUPPLIES OR MATERIALS USED, RECOMMENDATIONS GIVEN, OR SERVICES PERFORMED BY BJ SERVICES. CUSTOMER AGREES THAT BJ SERVICES SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES ARISING FROM THE USE OF DATA FURNISHED BY BJ SERVICES. CUSTOMER ACCEPTS FULL RESPONSIBILITY FOR RETURNING THE WELL DESCRIBED ON THE FACE OF THIS SERVICE ORDER AND FIELD RECEIPT TO PRODUCTION. BJ SERVICES DOES NOT GUARANTEE THE EFFECTIVENESS OF THE PRODUCTS, SUPPLIES OR MATERIALS FURNISHED PURSUANT TO THIS CONTRACT NOR THE RESULTS OF ANY TREATMENT OR SERVICE IT PERFORMS HEREUNDER.
10. FORCE MAJEURE. Any delays or failure by BJ Services in the performance of this contract shall be excused if and to the extent caused by war, fire, flood, strike or other labor trouble, accident, riot, acts of God, or any other cause beyond the reasonable control of BJ Services.
11. CHEMICAL DISPOSAL. Customer agrees that all chemicals used in performance of this contract which are not removed from the location of the well by BJ Services shall be disposed of by Customer in accordance with all applicable federal, state and local laws and regulations.

12. LIABILITY AND INDEMNITY OBLIGATIONS.

(A) BJ SERVICES SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE CUSTOMER, ITS PARENT, SUBSIDIARY AND AFFILIATED COMPANIES AND ITS AND THEIR OFFICERS, DIRECTORS AND EMPLOYEES ("CUSTOMER GROUP") FROM AND AGAINST ALL CLAIMS, DEMANDS, LOSSES, LIABILITIES, PENALTIES, COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER (COLLECTIVELY, "CLAIMS") ARISING IN FAVOR OF (I) BJ SERVICES' EMPLOYEES OR THE EMPLOYEES OF BJ SERVICES' SUBCONTRACTORS ON ACCOUNT OF BODILY INJURY, DEATH OR DAMAGE TO PROPERTY OR (II) BJ SERVICES ON ACCOUNT OF DAMAGE TO BJ SERVICES' PROPERTY, EXCEPT AS OTHERWISE PROVIDED BELOW, INCLUDING, IN EACH CASE, CLAIMS CAUSED BY THE SOLE, JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF CUSTOMER GROUP.

(B) CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS AND RELEASE BJ SERVICES, ITS PARENT, SUBSIDIARY AND AFFILIATED COMPANIES AND ITS AND THEIR OFFICERS, DIRECTORS AND EMPLOYEES ("BJ SERVICES GROUP") FROM AND AGAINST ALL CLAIMS ARISING IN FAVOR OF (I) CUSTOMER'S EMPLOYEES OR THE EMPLOYEES OF CUSTOMER'S OTHER CONTRACTORS OR THEIR SUBCONTRACTORS ON ACCOUNT OF BODILY INJURY, DEATH OR DAMAGE TO PROPERTY, OR (II) CUSTOMER ON ACCOUNT OF LOSS OR DAMAGE TO CUSTOMER'S PROPERTY, EXCEPT AS OTHERWISE PROVIDED BELOW, INCLUDING, IN EACH CASE, CLAIMS CAUSED BY THE SOLE, JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF BJ SERVICES GROUP.

(C) CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE BJ SERVICES GROUP FROM AND AGAINST ANY CLAIMS FOR POLLUTION OR CONTAMINATION, INCLUDING THE CLEANUP OR REMOVAL THEREOF ARISING OUT OF OR CONNECTED WITH THE PERFORMANCE BY BJ SERVICES OF SERVICES FOR THE CUSTOMER (AND NOT ASSUMED BY BJ SERVICES IN THE FOLLOWING SENTENCE) INCLUDING BUT NOT LIMITED TO CLAIMS THAT MAY RESULT FROM WELL FIRE, BLOWOUT, CRATERING, SEEPAGE OR ANY OTHER UNCONTROLLABLE FLOW OF OIL, GAS, WATER OR OTHER SUBSTANCES, INCLUDING CLAIMS CAUSED BY THE SOLE, JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF BJ SERVICES GROUP. BJ SERVICES SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS CUSTOMER GROUP FROM AND AGAINST ANY CLAIMS FOR POLLUTION OR CONTAMINATION, INCLUDING THE REMOVAL THEREOF, ORIGINATING ABOVE THE SURFACE OF THE EARTH FROM SPILLS, LEAKS OR DISCHARGES OF FUELS, LUBRICANTS, MOTOR OILS, PIPE DOPE, PAINT, SOLVENTS, SLUDGE OR GARBAGE IN THE POSSESSION AND CONTROL OF BJ SERVICES AND ASSOCIATED WITH CONTRACTORS' EQUIPMENT AND FACILITIES, EXCEPTING ANY POLLUTION IN RESERVE PITS FROM FLOWBACK INCIDENT TO B.J. SERVICES' OPERATIONS.

(D) CUSTOMER SHALL PROTECT, DEFEND, INDEMNIFY, HOLD HARMLESS AND RELEASE BJ SERVICES GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING IN FAVOR OF CUSTOMER OR ANY THIRD PARTY INCLUDING, BUT NOT LIMITED TO, ANY GOVERNMENTAL ENTITY OR PARTY FOR WHOM CUSTOMER IS ACTING (INCLUDING CUSTOMER'S CO-WORKING INTEREST OWNERS) FOR ALL DAMAGES OR LOSSES RESULTING FROM PRODUCTS, SERVICES OR EQUIPMENT PROVIDED BY BJ SERVICES ON ACCOUNT OF (I) LOSS OF THE HOLE, (II) DAMAGE OR INJURY TO ANY DOWNHOLE PROPERTY OR ANY PROPERTY RIGHT IN OR TO OIL, GAS OR OTHER SUBSTANCES OR WATER (III) LOSS OR DAMAGE TO, OR CONTAMINATION OF, ANY FORMATIONS, STRATA OR RESERVOIRS BENEATH THE EARTH'S SURFACE, (IV) SUBSURFACE TRESPASS OR (V) ANY OTHER SIMILAR LOSSES OR DAMAGES, AND WITHOUT REGARD TO THE NEGLIGENCE OF ANY PARTY OR PARTIES, INCLUDING, IN EACH CASE, CLAIMS CAUSED BY THE SOLE JOINT AND/OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF BJ SERVICES GROUP.

(E) CUSTOMER WILL ASSUME LIABILITY FOR BJ SERVICES' EQUIPMENT WHICH MAY BE LOST OR DAMAGED IN THE HOLE, REGARDLESS OF ANY NEGLIGENCE OF ANY PARTY, AND WILL AT ITS OWN EXPENSE AND RISK ATTEMPT TO RECOVER SUCH EQUIPMENT. THE VALUE OF ANY UNRECOVERABLE, LOST OR DAMAGED EQUIPMENT SHALL BE REIMBURSED BY CUSTOMER AT THE FAIR MARKET VALUE ON THE DATE OF LOSS OF SUCH EQUIPMENT, BUT IN NO EVENT AT A VALUE LESS THAN 50% OF THE THEN CURRENT REPLACEMENT COST.

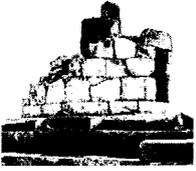
(F) BJ SERVICES AND CUSTOMER AGREE TO SUPPORT THEIR INDEMNITY OBLIGATIONS HEREIN BY FURNISHING LIABILITY INSURANCE COVERAGE OR QUALIFIED SELF INSURANCE IN AN AMOUNT OF NO LESS THAN \$2,000,000. HOWEVER BJ SERVICES AND CUSTOMER AGREE AND INTEND THAT, TO THE FULLEST EXTENT ALLOWED FROM TIME TO TIME BY APPLICABLE LAW, THEIR RESPECTIVE INDEMNITIES UNDER THESE TERMS AND CONDITIONS ARE TO APPLY WITHOUT LIMIT, AND ARE NOT TO BE LIMITED TO THE AMOUNT OF INSURANCE EITHER OF THEM MAY FROM TIME TO TIME MAINTAIN OR AGREE TO MAINTAIN. IF IT SHOULD BE DETERMINED THAT THE INDEMNITY OBLIGATIONS ASSUMED HEREUNDER THAT ARE TO BE SUPPORTED EITHER BY INSURANCE OR SELF INSURANCE EXCEEDS THAT WHICH IS PERMITTED UNDER APPLICABLE LAW, THEN SUCH INDEMNITIES SHALL AUTOMATICALLY BE AMENDED TO CONFORM TO THE MONETARY LIMITS PERMITTED UNDER SUCH LAW.

13. CONFIDENTIAL INFORMATION. Customer and BJ Services will use their best efforts to maintain the confidentiality of all records and proprietary information obtained by either party in the performance of any services by BJ Services. Such information will not be disclosed by either party to its employees unless it is necessary in order to perform or evaluate such services, or to any third parties without the prior consent of the other party.

14. WAIVER. (A) Neither BJ Services nor Customer will be liable to the other for special, incidental, indirect or consequential damages resulting from or arising out of the products or equipment provided or the services performed by BJ Services hereunder, including but not limited to, loss of profit or revenue or business interruption losses, whether or not arising under an alleged breach of warranty or caused by the sole, joint and/or comparative negligence, strict liability or other fault of either party.

(B) Customer represents that it is a business consumer purchasing products and services from BJ Services for commercial use, that it has experience in business matters that enable it to evaluate the merits and risks of the purchase of such products and services, and that it is not in a significantly disparate bargaining position. Customer waives the provisions of the Texas Deceptive Trade Practices Act (other than section 17), as from time to time amended.

15. GOVERNING LAW. This contract shall be governed by the law of the State of Texas.



Patara Oil & Gas LLC

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

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

January 28, 2012

VIA EXPRESS 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

RECEIVED

JAN 30 2012

DIV. OF OIL, GAS & MINING

RE: Rule R649-3-11. Directional Drilling
Middle Mesa No. 31-44-29-25 Well (API # 4303731906)
Middle Mesa 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 587' FSL and 1207' FEL of Section 31, T29S, R25E, and bottomhole located 380' FSL and 1431' FEL of said Section 31, in San Juan County, Utah (surveyor plats enclosed). The bottomhole location for this step out well targeting the Hermosa Group formations is located outside the 400 foot square "window" provided for under state rule R649-3-2. In accordance with state rule R649-3-11, Patara hereby respectfully requests an exception to said Location and Siting Wells rule and provides the following information in support thereof:

- 1.) Surface location is covered under Federal Oil and Gas Lease bearing the serial number UTU-84218 and the bottomhole under UTU-84063
- 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

In consideration of the foregoing, we therefore respectfully submit this notification of the well's directionally drilled 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
Cassandra Squyres
Landman

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

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

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

11/1/2012

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

Effective 11/1/2012

Middle Mesa Unit

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

RECEIVED

JAN 23 2013

FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

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

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Patara Oil & Gas LLC (Patara) hereby requests the transfer of operating rights and responsibilities for the subject wells, listed herein, to the new owner/operator of the assets, being effective November 1, 2012; CCI Paradox Upstream LLC (CCI).
Please see Exhibit I for a detailed list of upstream assets considered for transfer. Patara midstream assets will be transferred via a separate letter, enclosed.

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

(This space for State use only)
APPROVED
FEB 12 2013
BY Rachel Medina

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

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

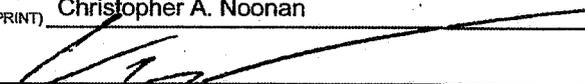
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT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

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

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

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

Bond Number:
Blm: 105865919
State: 105865922

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

(This space for State use only)

APPROVED

FEB 12 2013

DIV. OIL GAS & MINING

BY: Rachel Medina

RECEIVED

FEB 07 2013

Div. of Oil, Gas & Mining

Exhibit I

BLM Form 3160-5 Transfer of Operator

Utah Form 9 Transfer of Operator

State of Utah Upstream Assets

01/09/2013

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

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

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

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

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

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-76335
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: MIDDLE MESA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: MIDDLE MESA FED 31-44-29-25
2. NAME OF OPERATOR: CCI PARADOX UPSTREAM, LLC	9. API NUMBER: 43037319060000
3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1900S , Denver, CO, 80202	PHONE NUMBER: 303 728-2222 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0587 FSL 1207 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 31 Township: 29.0S Range: 25.0E Meridian: S	9. FIELD and POOL or WILDCAT: SOUTH PINE RIDGE COUNTY: SAN JUAN STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 7/25/2014 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <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 checked="" 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.

CCI intends to recomplete into the Honaker Trail#1 Zone in order to increase the producibility of this well. Well is currently pumping from the Ismay formation. Currently due to PA regulations, the Ismay zone cannot be commingled with upper formations. CCI will shut off current production below a composite plug. CCI then intends to perforate from 5488-5514' @ 3 spf. The zone will be stimulated with 70Q N2 foam and approximately 85,000# 20/40 sand. Please contact John Warren at 303-728-2226 with any questions.

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

Date: July 22, 2014
 By: *Derek Quist*

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Pamella Hill	PHONE NUMBER 303 728-2228	TITLE Reservoir Technician
SIGNATURE N/A	DATE 7/16/2014	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43037319060000

Permanent plugback of the Ismay will require a 100' cement plug immediately above the open perfs in the Ismay (R649-3-24-3.2).

WELLBORE DIAGRAM

Proposed Recompletion Pumping WBD

Operator: CCI Paradox Upstream, LLC
 Well Name: Middle Mesa 31-44-29-25
 Lease Number: UTU76335
 Location: SE SE Section 31, T29S, R25E
 Field: Pine Ridge South
 County: San Juan
 API Number: 4303731906
 Diagram Date: **07/15/2014** John Warren

Pumping Unit:
 Maximizer 320-305-100
 Stroke lengths:
 100', 84" and 72"

Pumping Unit Engine:
 Ajax E-42

8 5/8" J-55 32#/ft ST&C 8rd csg
 Set @ 2606'
 Cmt w/ 412 sks 11.6 ppg Type III
 tail w/ 125 sks 14.2 ppg Type III
 Circulate cmt to surface

2 3/8" J-55 4.7#/ft 8rd EUE tbg
 See Tbg detail

Tbg anchor catcher @ 5381'

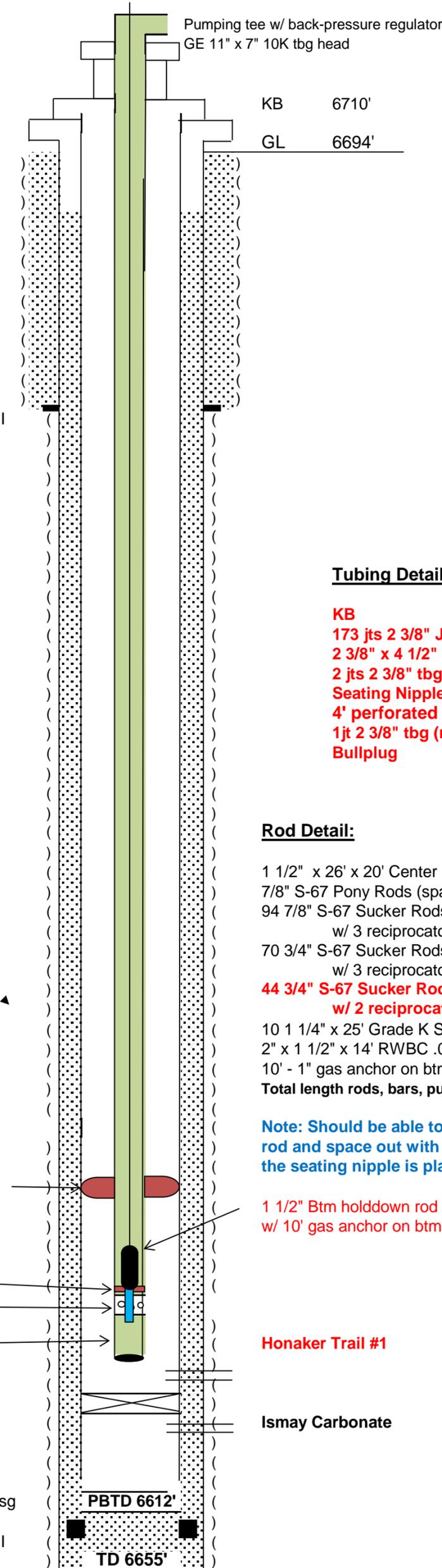
SN @ 5445'
 4' Perforated sub @ 5449'

1 jt mud anchor w/ bullplug
 EOT 5481'

Composite plug at 5660'

EOT @ 6590'

4 1/2" N-80 11.6#/ft LT&C 8rd Csg
 Set @ 6655'
 Cmt w/ 560 sks 12.5 ppg Type III
 TOC 1670'



Well History

Spud Date 9/11/2011
 TD Reached 9/18/2011
 Rig Released 09/21/2011
 Completion Date 11/23/2011
 First Sales: 10/25/2011

Recomplete into Honaker Trail #1 7/25/2014

Tubing Detail:

Length:

Depth:

Tubing Detail	Length	Depth
KB	16	16
173 jts 2 3/8" J-55 4.7#/ft tbg	5363	5379
2 3/8" x 4 1/2" tbg anchor catcher	3	5381
2 jts 2 3/8" tbg	62	5444
Seating Nipple	1	5445
4' perforated nipple	4	5449
1jt 2 3/8" tbg (mud anchor)	31	5480
Bullplug	1	5481

Rod Detail:

1 1/2" x 26' x 20' Center Spray SM Polish Rod w 7/8" pins
 7/8" S-67 Pony Rods (spaced as needed)
 94 7/8" S-67 Sucker Rods w/ SHSM Couplings & (4) Paraffin Scrapers per rod
 w/ 3 reciprocators per rod (total length 2350')
 70 3/4" S-67 Sucker Rods w/ FHSM Couplings & (4) Paraffin Scrapers per rod
 w/ 3 reciprocators per rod (total length 1750')
**44 3/4" S-67 Sucker Rods w/ FHSM Couplings & (3) Paraffin Scrapers per rod
 w/ 2 reciprocators per rod (total length 1100')**
 10 1 1/4" x 25' Grade K Sinker Bars (250')
 2" x 1 1/2" x 14' RWBC .003" plunger, double standing and traveling valve SS pump
 10' - 1" gas anchor on btm of pump
Total length rods, bars, pump delivered to location = 6564'

Note: Should be able to laydown 44 of the 3/4" sucker rods w/ 2 scrapers per rod and space out with the polish rod without having to pick up pony rods if the seating nipple is placed as shown on the diagram.

1 1/2" Btm holddown rod pump
 w/ 10' gas anchor on btm

**Honaker Trail #1 3 spf @ 120 degree phasing
 5488 - 5514'**

**Ismay Carbonate 2 spf @ 120 degree phasing
 6493 - 6508'
 6516 - 6522'
 6530 - 6535'**



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

RECEIVED

FEB 11 2015

DIV. OF OIL, GAS & MINING

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

Ms. Kelsey Silipo
CCI Paradox Upstream, LLC
600 17th 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 17th 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