

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>						1. WELL NAME and NUMBER TOHONADLA 35-F							
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT TOHONADLA							
4. TYPE OF WELL Oil Well      Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME							
6. NAME OF OPERATOR NAVAJO NATION OIL & GAS CO						7. OPERATOR PHONE 303 534-8300							
8. ADDRESS OF OPERATOR P.O. Box 4439, Window Rock, AZ, 86515						9. OPERATOR E-MAIL LGerminario@nnogc.com							
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) 1420603229			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>							
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')							
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')							
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') NAVAJO NATION			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>							
20. LOCATION OF WELL		FOOTAGES		QTR-QTR		SECTION		TOWNSHIP		RANGE		MERIDIAN	
LOCATION AT SURFACE		2320 FNL 2526 FWL		SEnw		35		41.0 S		21.0 E		S	
Top of Uppermost Producing Zone		2320 FNL 2526 FWL		SEnw		35		41.0 S		21.0 E		S	
At Total Depth		2320 FNL 2526 FWL		SEnw		35		41.0 S		21.0 E		S	
21. COUNTY SAN JUAN			22. DISTANCE TO NEAREST LEASE LINE (Feet) 3432			23. NUMBER OF ACRES IN DRILLING UNIT 2560							
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 789			26. PROPOSED DEPTH MD: 6850 TVD: 6850							
27. ELEVATION - GROUND LEVEL 4741			28. BOND NUMBER RLB0006712			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 09-135							
<b>Hole, Casing, and Cement Information</b>													
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement			Sacks	Yield	Weight	
PROD	7.785	5.5	0 - 60	17.0	J-55 LT&C	10.0	Halliburton Light , Type Unknown			500	1.95	12.4	
							Premium Lite High Strength			305	1.26	15.2	
<b>ATTACHMENTS</b>													
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>													
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER						<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN							
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)						<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER							
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)						<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP							
NAME Lauren Germinario				TITLE Land Manager				PHONE 303 534-8300					
SIGNATURE				DATE 02/22/2012				EMAIL lgerminario@nnogc.com					
API NUMBER ASSIGNED 43037500240000				APPROVAL   Permit Manager									

**NNOGC Exploration and Production LLC**  
**Tohonadla 35-F**  
**2320' FNL & 2526' FWL**  
**Sec. 35, T. 41 S., R. 21 E.**  
**San Juan County, Utah**

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## Drilling Program

### 1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Carmel Sandstone	0'	15'	+4,666'
Navajo Sandstone	241'	256'	+4,425'
Kayenta Sandstone	616'	631'	+4,050'
Wingate Sandstone	641'	656'	+4,025'
Chinle Shale	1,061'	1,076'	+3,605'
Shinarump Sandstone	1,691'	1,706'	+2,975'
Moenkopi Sand & Mud Stones	1,801'	1,816'	+2,865'
Cutler Slt/Ss/Shale	1,971'	1,986'	+2,695'
Hermosa Group	4,056'	4,071'	+610'
Ismay Ls/Dolo/Marls/Shale	4,916'	4,931'	-250'
Lower Ismay Ls/Dolo/Marls/Shale	4,991'	5,006'	-325'
Paradox	5,043'	5,058'	-377'
Gothic Shale	5,056'	5,071'	-390'
Desert Creek Ls/Dolo/Marls/Shale	5,076'	5,091'	-410'
Akah Ls/Dolo/Anhy/Shale	5,281'	5,296'	-615'
Barker Creek Ls/Dolo/Anhy/Shale	5,416'	5,431'	-750'
Pinkerton Trail Ls/Dolo/Anhy/Shale	5,666'	5,681'	-1,000'
Molas Mudst/Slt/Ls/Shale	5,866'	5,871'	-1,200'
Leadville Limestone/Dolomite	5,991'	6,081'	-1,325'
Total Depth (TD)	6,800'	6,815'	-2,134'

### 2. NOTABLE ZONES

Desert Creek and Ismay oil production are the primary goals. Any oil and gas



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show which appears to the well geologist to be commercial will be tested. All fresh water and prospectively valuable minerals will be recorded by depth and protected with casing and cement. Likely fresh water zones are the Glen Canyon group of sandstones.

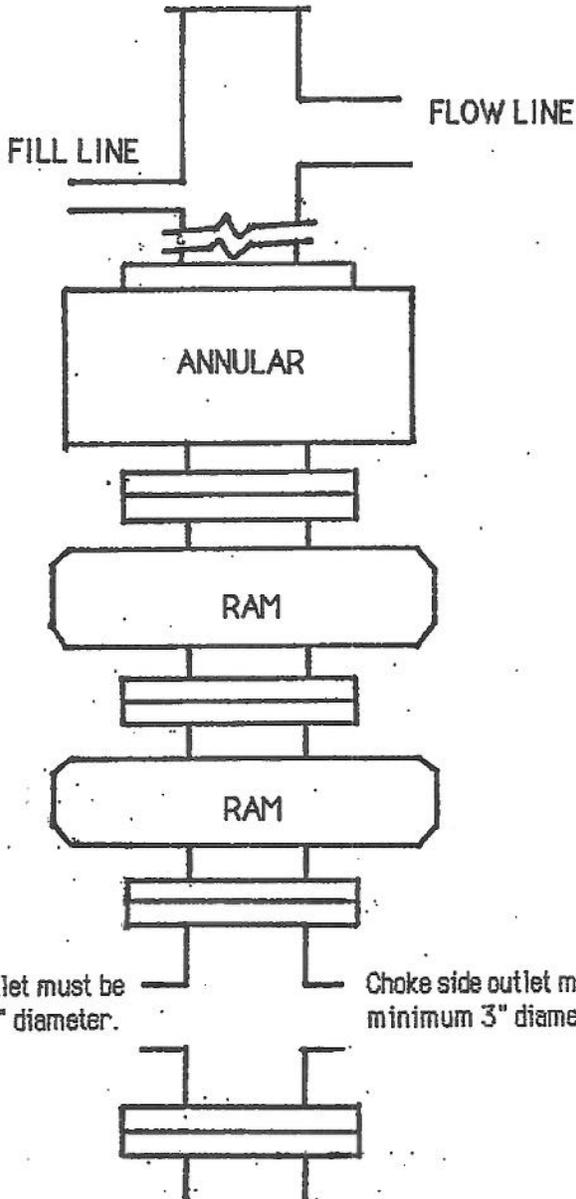
### 3. PRESSURE CONTROL

A 13-5/8" 3,000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used. A diagram of a typical BOP is on Page 3. Actual model will not be known until bid is let. Procedures are ...

- Nipple up BOP and all equipment
  - Test to 250 #/3,000#
  - Test Hydril to 2,000 psi
  - Log in I. A. D. C. book
- Drill 1/2 of shoe joint
  - Test to 1,500 psi for 30 minutes
  - Log in I. A. D. C. book
- Activate BOPs every 24 hours or on trips and log in I. A. D. C. book
- Install hand wheels and lay straight flare line before drilling out
- Conduct weekly BOP drills with each crew and log in I. A. D. C. book
- Have floor valve and wrench on floor at all times
  - Floor valve must be in open position
- Before drilling surface casing shoes, blind rams will be closed. BOP and surface casing will be pressure tested to 1,500 psi for a total test time of 30 minutes if not previously tested during cement job.
- Studs on all well head and BOP flanges will be checked for tightness weekly
- Hand wheels for locking screws will be installed and operational
- Entire BOP and well head assembly will be kept clean of mud
- A drill stem safety valve in the open position will be available
- Call Farmington BLM at (505 599-8900) and the Utah Division of Oil, Gas, & Mining at (801 538-5340) before testing BOPs

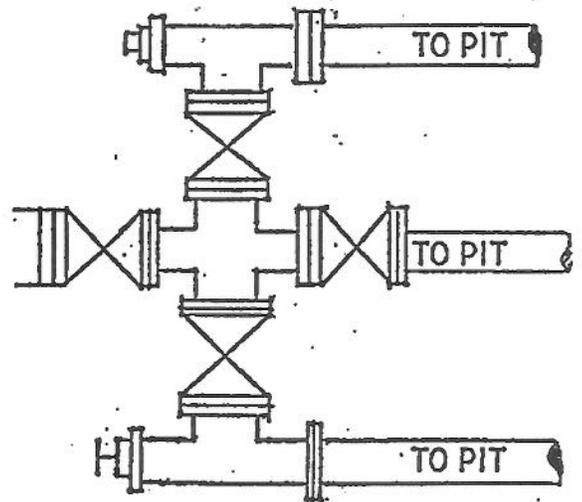


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TYPICAL BOP STACK  
 & CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

Upper kelly cock will have handle available.  
 Safety valve and subs will fit all drill string connections in use.  
 All BOPE connections subjected to well pressure will be flanged, welded, or clamped.



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#### 4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Age</u>	<u>Coupling</u>	<u>Burst/Collapse</u>	<u>Depth Set</u>
20"	16"		Conductor	New			60'
12-1/4"	8-5/8"	24#	J or K-55	New	S T & C	2,950/1,370	1,300'
7-7/8"	5-1/2"	17#	J or K-55	New	L T & C	5,320/4,910	6,800'

Conductor pipe will be cemented to the surface with ready-mix.

Surface casing will be cemented to the surface with  $\approx 50\%$  excess. Lead with  $\approx 305$  sacks ( $\approx 594$  cubic feet) Halliburton light with 5 pounds per sack gilsonite + 1/4 pound per sack cellophane mixed at 12.4 pounds per gallon and 1.95 cubic feet per sack. Tail with  $\approx 190$  sacks ( $\approx 226$  cubic feet) standard cement + 1%  $\text{CaCl}_2$  + 1/4 pound per sack cellophane mixed at 15.6 pounds per gallon and 1.19 cubic feet per sack. Centralizers will be placed  $\approx 5'$  off the bottom and on the first three joints and the fifth joint.

Production casing will be cemented with  $\approx 40\%$  excess to  $\approx 1,100'$  (i. e.,  $\geq 200'$  above surface casing shoe). Lead with  $\approx 505$  sacks ( $\approx 984$  cubic feet) Halliburton light with 5 pounds per sack gilsonite + 1/4 pound per sack cellophane mixed at 12.4 pounds per gallon and 1.95 cubic feet per sack. Tail with  $\approx 310$  sacks ( $\approx 390$  cubic feet) premium with 5 pounds per sack gilsonite + 0.6% Halad 9 + 0.25 CFR-3 mixed at 15.2 pounds per gallon and 1.26 cubic feet per sack. Centralizers will be set on the shoe joint, top of the second and third joints, and continue through and above pay zones at  $\approx 90'$  intervals.

#### 5. MUD PROGRAM

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Type</u>
0 - 1,300'	8.3 - 8.7	27 - 32	N/C	Fresh H <sub>2</sub> O gel lime spud mud, pH 9
1,300' - TD	8.4 - 10.0	38 - 40	8 cc	Fresh water gel & PHPA, SAPP, etc.



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Cuttings will be collected every  $\approx 30'$  from the surface to  $\approx 4,800'$ . Cuttings will be collected every  $\approx 10'$  from  $\approx 4,800'$  to TD.

#### 6. CORES, LOGS, & TESTS

Cores may be cut depending upon shows, most likely in the Desert Creek. GR - Sonic and DLL-Micro-SFL log suites will be run from TD to the surface. FDC-CNL logs will be run from TD to  $\approx 4,000'$ . No drill stem tests are currently planned.

A geologist or mud logger will be on site from  $\approx 4,000'$  to TD.

#### 7. DOWN HOLE CONDITIONS

No abnormal temperatures or abnormal pressures are expected. Maximum expected bottom hole pressure will be  $\approx 2,944$  psi. Hydrogen sulfide is expected in the Mississippian. A contingency plan is attached.

#### 8. OTHER INFORMATION

The anticipated spud date is May 1, 2011. It is expected it will take  $\approx 3$  weeks to drill and  $\approx 2$  weeks to complete the well.

NNOGC Exploration and Production LLC is requesting an exception due to geology. The location is based on seismic. The well is staked at 2320' FNL & 2526' FWL 35-41s-21e on 2,560 acre Tribal lease 14-20-603-229. The lease comprises all of Sections 25, 26, 35, and 36. Thus, the well is 2,526' from the closest lease line.

State Rule R649-3-2 mandates wells must be within 200' of the center of a



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**Tohonadla 35-F**

**2320' FNL & 2526' FWL**

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quarter-quarter and at least 920' from any other oil well. Thus, it is 140' too far south and 346' too far east toward quarter-quarter lines. It is staked 1,121' northeast of the closest producing well (Genesis' Tohonadla 23-35 oil well).

NNOGC Exploration and Production LLC is requesting permission to drill at 2320' FNL & 2526' FWL 35-41s-21e. This is the only well, existing or planned, in the quarter-quarter. The closest (1,121' southwest) existing or planned well is Genesis' existing Tohonadla 23-35 at 1981 FSL & 1978 FWL 35-41s-21e. Genesis is a partner in the Tohonadla 35-F.

Closest lease line is 2,526' west. NNOGC Exploration and Production LLC or Genesis is owner of all drilling units within a minimum 2,526' radius of the proposed exception. All 8 offset quarter-quarters are part of the same lease. The quarter-quarters (SWNE, NWSE, & NESW) Section 35) toward which the well encroaches are part of the same lease.



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### Surface Use Plan

#### 1. DIRECTIONS (See PAGES 12, 13, & 16)

From the junction of US 163 and US 191 west of Bluff ....

Go South 7-1/2 miles on US 191 to the equivalent of mile post 13.8\*

Then turn left and go Northeast 1/2 mile on dirt County Road 441

Then turn left and go North 1/5 mile on dirt County Road 4181

Then turn left and go West 250 yards on a dirt County Road 4181

Then turn right after the battery

Go North cross country 282.04' to the planned pad

\*this junction is 18.6 miles north of US 160

Roads will be maintained to at least equal to their present condition.

#### 2. ROAD WORK (See PAGE 16)

No upgrade is needed on the existing road. The 282.04' of new road will be built to BLM Gold Book standards. Road will have a  $\approx 14'$  wide running surface and will be rocked where needed. No culvert, vehicle turn out, or cattle guard is needed. Maximum disturbed width will be 20'. Maximum cut or fill = 3'. Maximum grade = 1%.

#### 3. EXISTING WELLS (See PAGE 14)

There are 4 oil wells, 7 plugged wells, 1 oil well being drilled, and 1 water well within a mile radius. There are no gas or injection wells within a mile radius.



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#### 4. PROPOSED PRODUCTION FACILITIES (See PAGE 16)

A well head and gas powered pump will be installed on the pad. Both will be painted a flat Carlsbad tan. A 14' long  $\approx 4$ " O. D. buried pipeline will be laid south to the existing Tohonadla battery. Maximum land use width will be 20'.

#### 5. WATER SUPPLY

Water will be trucked from Monument Resources' well on private land in 30-40s-22e near Bluff. Water right number is 09-135.

#### 6. CONSTRUCTION METHODS & MATERIALS (See PAGES 15 - 17)

The top 6" of soil and brush will be stripped and stockpiled west of the pad. The pit subsoil will be piled east of the pit and separate from the topsoil. A diversion ditch will be cut around the northeast corner of the pad. A minimum 12 mil plastic liner will be installed in the reserve pit. The reserve pit will be fenced sheep tight on 3 sides with woven wire fence topped with barbed wire. The fourth side will be fenced once the rig moves off. The fence will be kept in good repair while the pit dries. Once dry, contents of the reserve pit will be buried in place.

Rock will be bought and trucked from private land near Bluff.

#### 7. WASTE DISPOSAL

All trash will be placed in a portable trash cage and hauled to the county landfill. Human waste will be disposed of in chemical toilets. Toilet contents will be hauled to a state approved dump station off the reservation.



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## 8. ANCILLARY FACILITIES

There will be no air strip or camp. Camper trailers will be parked on the pad for the company man, tool pusher, and mud logger.

## 9. WELL SITE LAYOUT

See PAGES 15 - 17 for drawings of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

## 10. RECLAMATION

Reclamation starts once the reserve pit is dry, at which point it will be back filled. Liner top will be folded over contents and covered with  $\geq 24$ " of dirt. The reserve pit and any pad areas not needed for producing the well will be reclaimed as an interim measure. Once the well is plugged, the remainder of the pad and road will be reclaimed.

All reclamation will leave the terrain with a natural shape, slopes will be no steeper than 3 to 1, subsoil will be used to fill the reserve pit, all compacted areas will be ripped  $\geq 12$ " deep with the contour, topsoil will be spread across all compacted areas and harrowed with the contour. A seed mix will be drilled as prescribed by BLM, BIA, or the Navajo Nation. Weeds will be controlled in accordance with BLM, BIA, or Tribal requirements.

## 11. SURFACE OWNER

All construction will be on lease and on Navajo Tribal trust surface. Tribal



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Project Review Office phone is (928) 871-6447. Address is P. O. Box 2249, Window Rock, Arizona, 86515.

12. OTHER INFORMATION

Blue Mountain Hospital is a  $\approx 3/4$  hour drive away in Blanding at 802 South and 200 West. Hospital phone number is (435) 678-3993.

Bertha Spencer and Lyle Ben (BIA), Racheal Dahozy (NNOG), and Brian Wood (Permits West) conducted an on site inspection on February 15 15, 2011.

13. REPRESENTATION & CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U. S. C. 1001 for the filing of false statements. Executed this 9th day of March, 2011.



\_\_\_\_\_  
Brian Wood, Consultant  
37 Verano Loop, Santa Fe, NM 87508  
(505) 466-8120



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The field representatives will be:

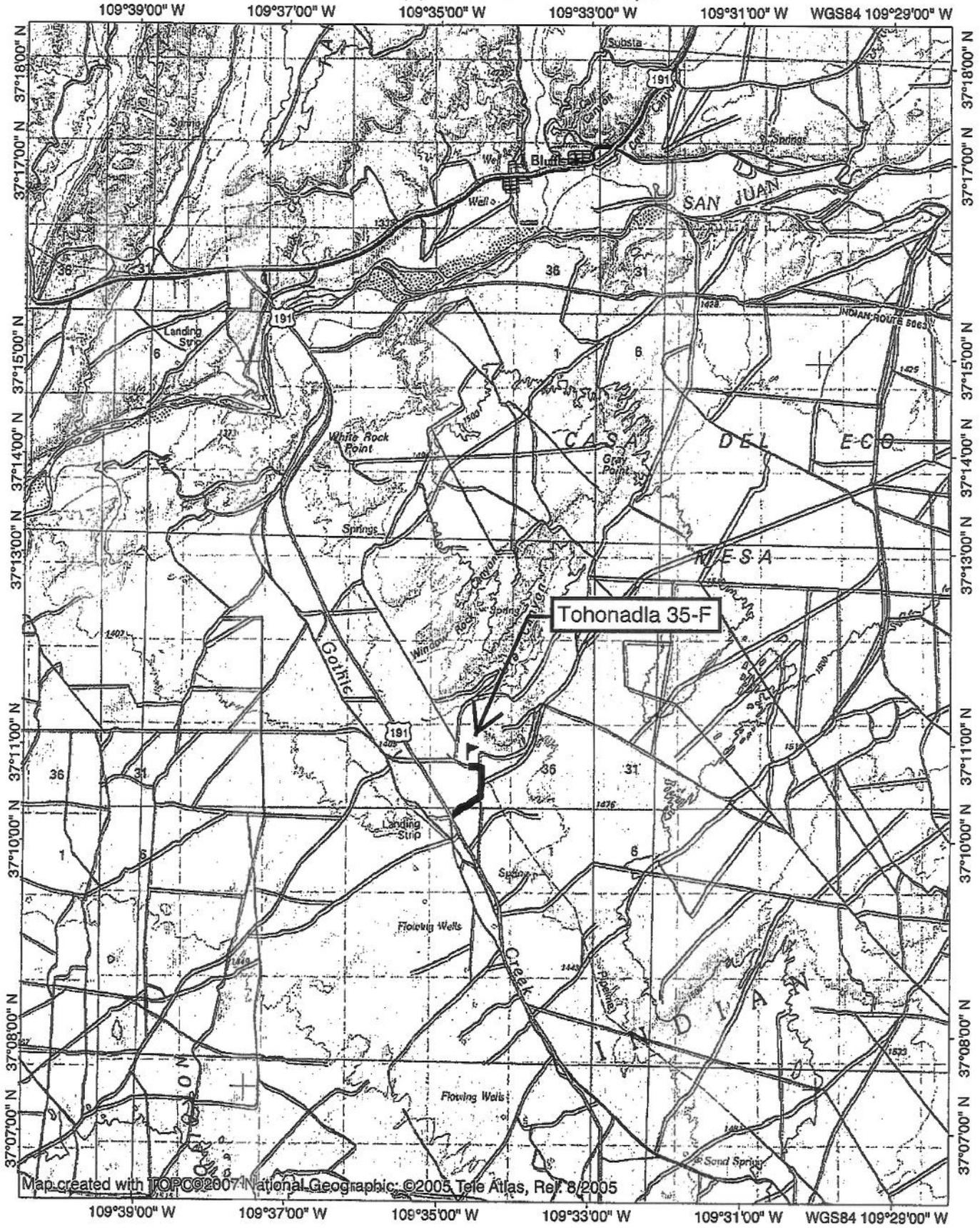
Al Zier or John Hatch  
NNOGC Exploration and Production LLC  
1675 Broadway, Suite 1100  
Denver, CO 80202  
(303) 534-8300

or

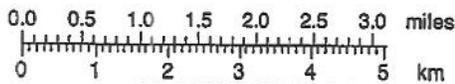
Paul Thompson or West Hahn  
Walsh Engineering & Production Corp.  
7415 East Main St.  
Farmington, NM 87402  
(505) 327-4892



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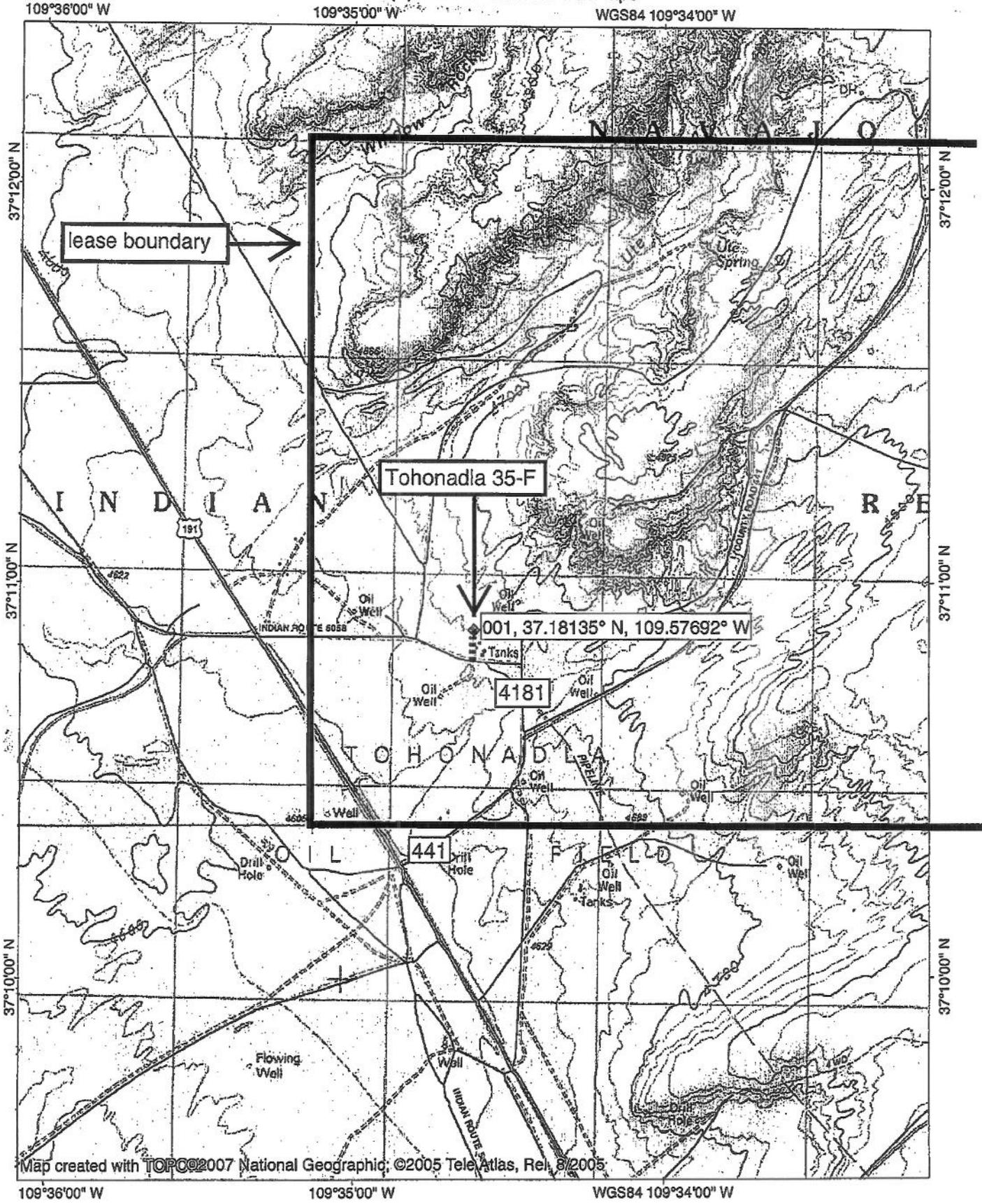


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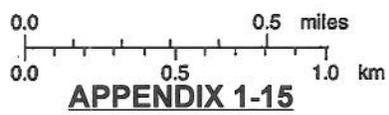
TN MN  
10.5°  
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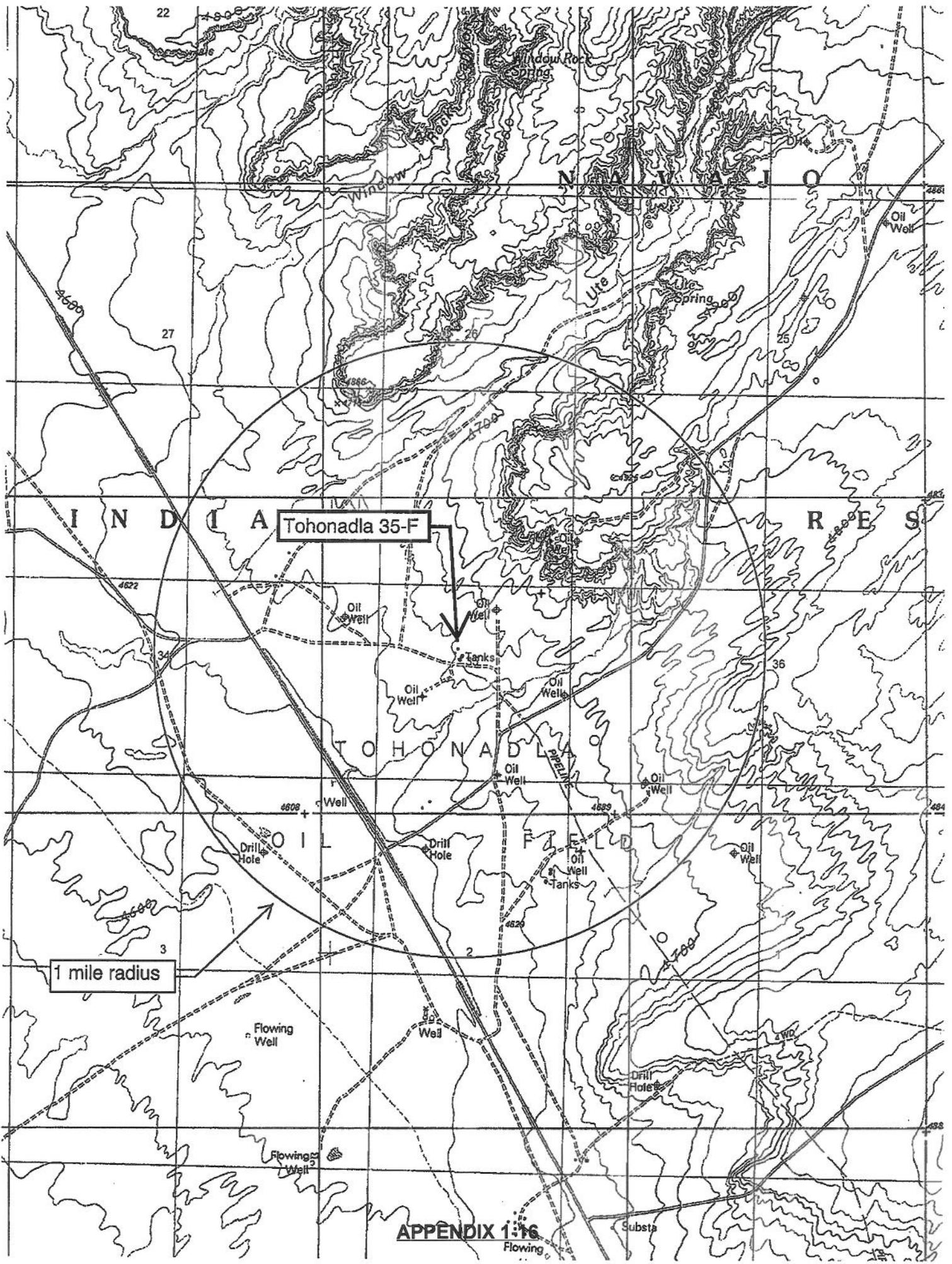


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109°36'00" W 109°35'00" W WGS84 109°34'00" W



TN MN  
10.5°  
03/05/11



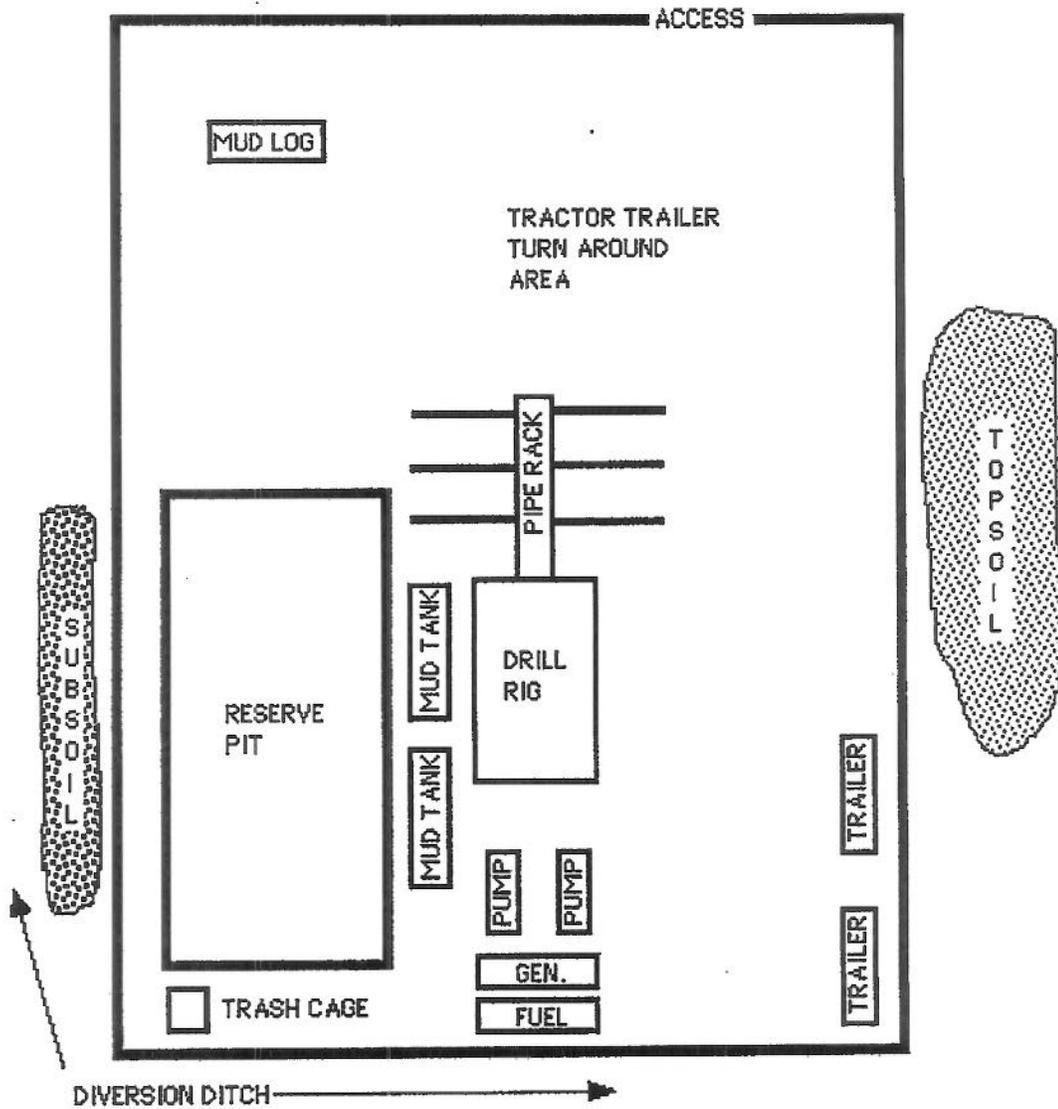
Tohonadla 35-F

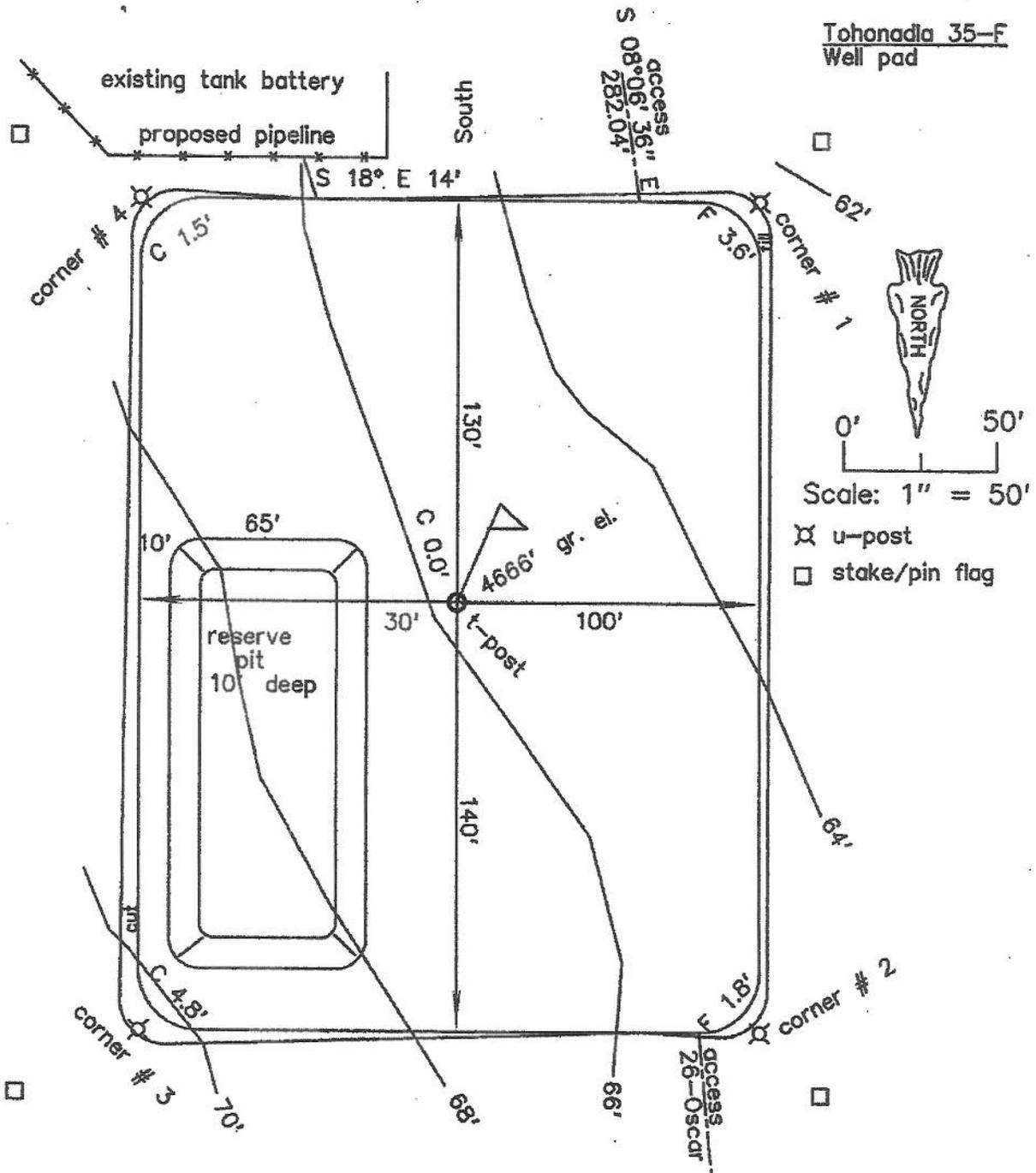
1 mile radius

APPENDIX 1:16  
Flowing

NNOGC Exploration and Production LLC  
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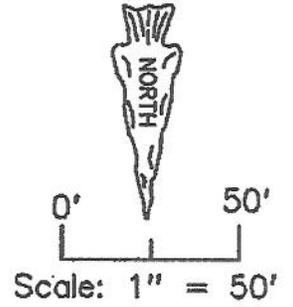
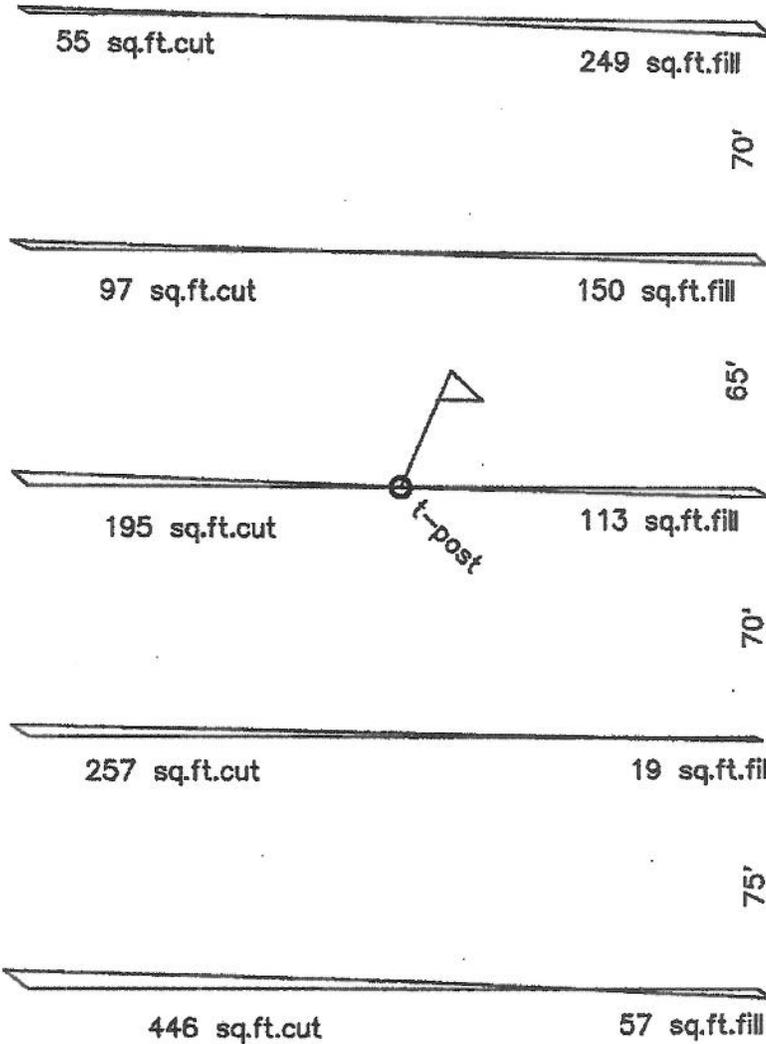
1" = 50'





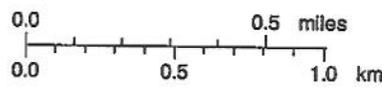
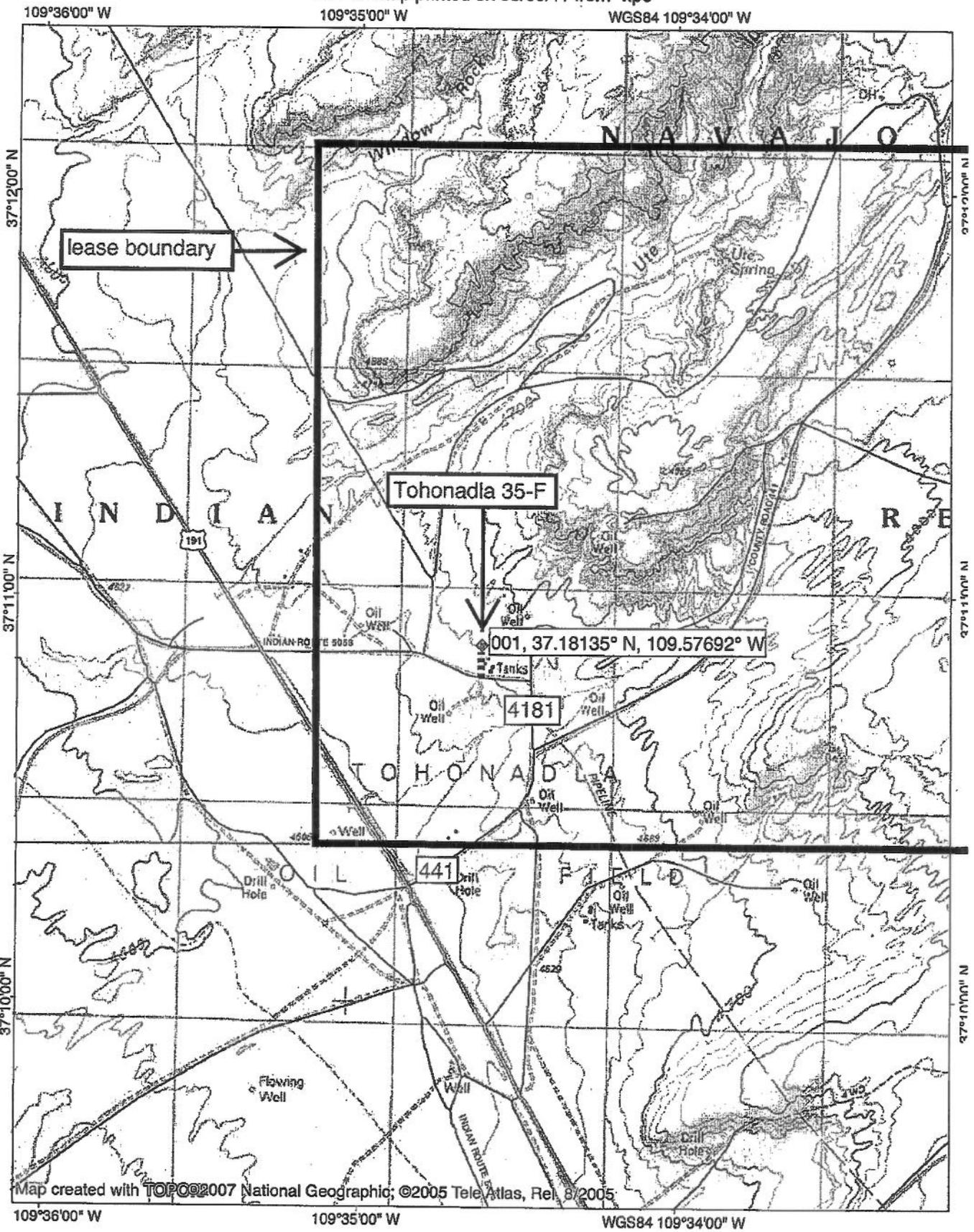
Pit & pad - 1.27 acres  
 296.04' feet new access & pipeline  
 References:  
 S 38°37' 58" W 192.13' 4661.8' elevation  
 N 36°52' 37" W 200.12' 4664.9' elevation  
 N 42°10' 26" E 216.01' 4671.7' elevation  
 S 44°01' 17" E 208.65' 4667.7' elevation

Tohonadla 35-F  
Cross sections



Approximate dirt quantities  
above reserve pit:  
2110 cys. cut  
1111 cys. fill  
999 cys. excess

TOPO! map printed on 03/05/11 from ".tpo"



**Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan**  
**NNOGC Exploration and Production LLC**

**Tohonadla 35-F**

**2320' FNL & 2526' FWL Section 35 T. 41 S., R. 21 E.**

**San Juan County, Utah**

**NNOGC Exploration and Production LLC**

**1675 Broadway, Suite 1100**

**Denver, CO 80202**



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### **Checklist for Drilling, Work Over, and Maintenance in H<sub>2</sub>S Environment**

1. Two safety briefing areas will be established at least 100 yards from the well head and arranged so that one briefing area will be upwind at all times. These sites should be located uphill whenever possible. (see Appendix 3.2)
2. Identify direction of prevailing winds (see Appendix 3.2)
3. At least two wind socks will be installed at all times
4. Primary and secondary emergency escape routes (flagged trail minimum)
5. Number, types, and storage location of H<sub>2</sub>S emergency respirators for personnel, and number of personnel to be present onsite at any one time.
6. H<sub>2</sub>S detector locations (3 minimum to include cellar or bell nipple and mud tanks at shale shaker). Type and location of visual and audible alarms to be used.
7. H<sub>2</sub>S evacuation and emergency training procedures and schedule (i.e. Contingency Plan)
8. List of area residents within a two-mile radius, evacuation plan, and contact list (including agencies and individuals)
9. Types and quantities of mud additives and scavengers to be available at location for H<sub>2</sub>S operations
10. Design features and operational procedures to be used to provide safe working environment (including a certification by the operator on the APD that all equipment meets standards for H<sub>2</sub>S service)
11. Appropriate warning signs and flags on all access roads
12. Provisions for blocking and monitoring access to location during critical incident
13. Ventilation fan under rig floor
14. In event of uncontrolled blowout, designation of local official who has authority to ignite flow
15. Swabbing or drill stem fluids containing H<sub>2</sub>S should be put through a separator to permit flaring of gas. Flare should have a continuous pilot light to ensure ignition of all such gas.

## 1.0 General

### 1.1 Description of Hydrogen Sulfide Gas

Hydrogen Sulfide ( $H_2S$ ) is a colorless, transparent gas with a distinct and characteristic rotten-egg odor at low concentrations. It is not detectable by odor at high concentrations.  $H_2S$  at higher concentrations and/or over longer periods of exposure paralyzes the olfactory sense for that specific odor. The gas is extremely toxic to humans and can easily become dangerous and lethal. Extreme care and caution is needed to prevent injury and/or death.  $H_2S$  has a specific gravity of 1.192 which is heavier than air. It tends, therefore, to accumulate in low places. This collection of gas can lead to dangerous concentrations in areas such as arroyos and drainages.  $H_2S$  from "down hole" is often warmer than surface air and will therefore tend to rise and therefore affect workers above the escaping source. Hydrogen Sulfide is explosive and water soluble.

### 1.2 Toxicity

American National Standards Institute standard: Z37.2-1972 Acceptable Concentrations of Hydrogen Sulfide describes  $H_2S$  toxicity in this way: Hydrogen Sulfide is an extremely toxic and irritating gas. Free hydrogen sulfide in the blood reduces its oxygen-carrying capacity, thereby depressing the nervous system. Hydrogen sulfide is oxidized quite rapidly to sulfates in the body, therefore no permanent aftereffects occur in cases of recovery from acute exposures unless oxygen deprivation of the nervous system is prolonged. There is no evidence that repeated exposures to hydrogen sulfide result in accumulative or systemic poisoning. Effects such as eye irritation, respiratory tract irritation, slow pulse rate, lassitude, digestive disturbances, and cold sweats may occur but these symptoms disappear in a relatively short time after removal from the exposure. Odors become detectable in concentrations as low as .008 parts per million (ppm) (California studies) but the sense of smell is lost after 2-15 minutes at 100 ppm.

### 1.3 H<sub>2</sub>S First Aid and Treatment Procedures

- Victim should be removed to fresh air immediately\*\*
- If victim is not breathing, rescue breathing or artificial breathing should be started immediately
- Treat for shock; keep victim warm and comfortable
- Call ambulance and/or doctor, take victim immediately to emergency room or other healthcare facility

**\*\*The rescuer(s) should always wear personal protective equipment when attempting to rescue a H<sub>2</sub>S victim. It is important to never increase the number of victims unnecessarily during a H<sub>2</sub>S emergency.**

## 2.0 Hydrogen Sulfide H<sub>2</sub>S Contingency Plan

### 2.1 Introduction

This plan provides required procedures to be followed to adequately provide for a safe H<sub>2</sub>S working environment. These required procedures include safety procedures, precautionary measures, and training for emergency and standard procedures. This document sets forth the responsibilities of the operator and all individuals and entities under employment or contract with the operator working in a sour oil or gas (H<sub>2</sub>S) area.

To make this contingency plan effective and in order to provide a safe working environment, cooperation from all individuals is a necessity. To this end each person onsite must understand normal and emergency operating procedures for this site. Each individual onsite must have adequate information, training, and practice with the specific procedures described in this Contingency Plan. It is the responsibility of both the operator to provide adequate equipment, training, and procedures, as well as the individual worker's responsibility to participate fully in all H<sub>2</sub>S procedures, to familiarize themselves with the location of all safety equipment and features, and to keep equipment and procedures in working order and up to date.

In order for NNOGC Exploration and Production LLC to provide a safe working environment for all workers and individuals in the vicinity of the well the safeguards are put in place. **Initiative lies with each and every individual for the safety of all. To this end the drilling foreman is required to and will enforce all safety procedures, for the benefit of all involved.**

### 2.2 Purpose

NNOGC Exploration and Production LLC will provide a safe working environment for all neighbors, employees, contractors, and others involved with the drilling of its wells. There exists the possibility of encountering toxic H<sub>2</sub>S gas during the drilling, completion, maintenance, and production of the well. This H<sub>2</sub>S contingency plan will be put into effect after surface casing is drilled or when it is deemed necessary by the BLM in consultation with the NNOGC Exploration and Production LLC.

Safety procedures are established for each person's safety connected with the operation and for the safety of the residents of the local area. The closest house is >2,500' northwest.

The NNOGC Exploration and Production LLC foreman will strictly enforce these procedures. Noncompliance may result in loss of pay or dismissal from the sight, job, or employment.

### 2.3 Operating Procedures

**Before this H<sub>2</sub>S contingency plan is operational, all personnel that are to be involved with operation will be thoroughly trained\* in the proper use of breathing apparatus\*\* (i. e. Self Contained Breathing Apparatus and Escape Units), emergency procedures, and H<sub>2</sub>S first aid and rescue methods. An approved list of trained personnel will be supplied by the safety company and stored with the drilling foreman.**

\*Required training for operation personnel will include, but not be limited to, H<sub>2</sub>S safety course from an approved training company, safety briefing on drill site of all safety equipment use and locations before the start of work for each and every person onsite, safety related training in-place, on-site 1,000 feet before the first H<sub>2</sub>S formation.

\*\*Throughout this contingency plan breathing apparatus shall be understood as

- a) A Self-Contained Breathing Apparatus (SCBA) manufactured such as Scott Industrial c100 or similar.
- b) Or an emergency Escape Unit such as the Scott SCRAM or Elsa (or similar) often referred to as hip packs, hoods, or pony bottles.

The two types of breathing apparatus will be differentiated as a SCBA or an Escape Unit as required.

#### 2.3.1 Safety Equipment

Personal H<sub>2</sub>S monitors - Every person onsite will be required to wear a personal H<sub>2</sub>S monitor at all times while onsite. Monitors will not be worn on hard hats, but should be worn on the waist belt or preferably near the chest in-front.

Breathing Apparatus - All personnel on the drill site will be assigned an individual breathing apparatus unit. This may be either an escape unit or a SCBA unit. A minimum of two SCBA type units will be onsite. These units will be used by the team whose duty it is to serve as the onsite rescue team.

Monitoring and Recording Devices - An experienced safety company (such as DXP Safety Alliance, Farmington, NM) will responsible for the installation and monitoring of H<sub>2</sub>S detectors placed on site. These units will be tested and recalibrated as the safety company requires. If H<sub>2</sub>S is detected, the monitors will be tested and

recalibrated at least every 12 hours. This monitoring system may or may not be integral to the required two stage alarm system on site. This two stage system (visual and audio) will have a minimum of three H<sub>2</sub>S detector locations. Monitors will be located 1), in the cellar or on the bell nipple, 2), at the mud tanks' shale shaker, and 3), to be determined by the safety company. Visual (light) and audio (siren) alarms will activate when H<sub>2</sub>S concentrations reach 10 ppm.

First-Aid and rescue equipment - Stored on-site, but ideally up-hill and up-wind from H<sub>2</sub>S sources a minimum of one "rescue pack" will contain at least:

- 1 backboard, straps, head blocks
- a set of cervical collars (s-xl)
- 1 bag valve mask
- 1 bottle of oxygen
- gauze and other standard first-aid items

suggested - 1 AED (automatic external defibrillator)

Gas Monitor - An appropriate monitor should be on-site that can measure for LLE, VOC, and other explosive or hazardous gasses.

### 2.3.2 Safety Procedures

Cascade System - Every person required to perform duties within "safety zones" (see list below) will be provided with breathing equipment attached to a cascade air system. These areas are as follows

- rig floor
- mud pit
- derrick
- shale shaker
- mud hopper and bulk hopper
- all hazardous locations will be accessible by hose and work pack (SCBA)

Escape Routes - Two escape routes will be at a minimum flagged and kept clear at all times.

Safety Briefing Areas - Two safety-briefing areas will be located at the end of escape routes (see above). The briefing areas will be clearly marked, at least one up-hill, and located so that one site is always up wind. Please see attached site map for safety briefing areas in Appendix 3.4.

Safety, first-aid, and rescue equipment - Will be stored properly onsite using best practices. This will include proper maintenance and scheduled testing, inspection, and training/practice.

Service companies - All service companies will be briefed regarding potential hazards of the well site including the presence (or potential for) H<sub>2</sub>S. These companies will be required to provide breathing apparatus and training to their employees. No service company personnel will be allowed onsite without meeting these requirements. In addition a safety briefing under the direction of the drill foreman regarding site specific H<sub>2</sub>S procedures will be provided to each new personnel member reporting on-site.

Drills and practice - Drills reviewing all and any safety procedures including evacuation, rescue, and proper procedures to shut-in a well, and identify source of H<sub>2</sub>S in instance of a leak will be practiced under the supervision of the safety company representative and company foreman. Proper use of breathing apparatus will be instructed during such drills. Drill schedule will be designed to familiarize new personnel with all safety procedures. Each crew should also be familiar with all operations. Drills should include a short work period in safety equipment.

Warning Signs - Warning signs will be posted at all access roads. "No smoking" signs will be posted at access points as well. Signs will be posted more than 200 feet and no more that 500 from well pad. When H<sub>2</sub>S is present at 10 ppm or greater a red flag shall be displayed on the warning sign. Gates, road barricades, and/or gate guards will be used if necessary to prevent access during critical or hazardous situations.

Wind Socks - A minimum of two windsocks should be installed at locations easily observable from all work areas. If more than two windsocks are needed in order to allow "workers" at all times to easily identify the wind direction; more windsock will be installed.

Vehicle Parking - Vehicles should be parked 200ft from well site with their noses pointing away from the well site. Preferably vehicles will be located up hill and up wind from the well along the escape route.

Testing Fluids - Swabbing and testing fluids containing H<sub>2</sub>S will be pass through a separator to permit flaring of the gas. There will be a pilot light in such instances.

Bug Blowers - Circulation will be provided by explosion proof electric fans at all critical locations when necessary.

Drills reviewing all and any safety procedures including evacuation, rescue, and proper procedures to shut-in a well, and identify source of H<sub>2</sub>S in instance of a leak will

be practiced under the supervision of the safety company representative and company foreman. Proper use of breathing apparatus will be instructed during such drills. Drill schedule will be designed to familiarize new personnel with all safety procedures. Each crew should also be familiar with all operations. Drills should include a short work period in safety equipment.

### 2.3.3 Working Conditions

Occupational Safety and Health Administration (OSHA) has set guidelines for Permissible Exposure Limits (PEL). The standard is to be considered the threshold **never to be exceeded** for the health and safety of all workers on this site. Ideally, exposure would never be this high.

#### 2.3.3.1 Exposure Limits

OSHA Permissible Exposure Limit (PEL) for General Industry: 29 CFR 1910.1000 Z-2 Table -- Exposures shall not exceed 20 ppm (ceiling) with the following exception: if no other measurable exposure occurs during the 8-hour work shift, exposures may exceed 20 ppm, but not more than 50 ppm (peak), for a single time period up to 10 minutes.

OSHA Permissible Exposure Limit (PEL) for Construction Industry: 29 CFR 1926.55 Appendix A -- 10 ppm, 15 mg/m<sup>3</sup> TWA (accessed via the internet at: [http://www.osha.gov/dts/chemicalsampling/data/CH\\_246800.html#exposure](http://www.osha.gov/dts/chemicalsampling/data/CH_246800.html#exposure) on 19 July 2007)

The maximum exposure limit for an 8 hour day is less than 10 ppm.

## 2.4 H<sub>2</sub>S Emergency Procedures

### 2.4.1 Incident

H<sub>2</sub>S alarm system activation. Light and siren warnings or personal H<sub>2</sub>S monitor activation for any one "worker."

### 2.4.2 Primary Emergency Procedure

- i. All rig crew personnel and all auxiliary personnel must **DON BREATHING APPARATUS IMMEDIATELY.**
- ii. Rig crew should mask up with SCBA type work packs preferentially
- iii. All auxiliary crew should move to safety briefing area, uphill and upwind.
- iv. All non-essential personal should continue to evacuate site.

### 2.4.3 Secondary Emergency Procedure

#### I. Supervisory Personnel

- i. Company Foreman
  - a. Proceed to cascade trailer and check for safe operation of cascade system
  - b. Proceed to active safety briefing areas and account for all personnel. If all personnel are not accounted, then initiate an appropriate search.
  - c. Return to drilling floor and supervise operations
- ii. Tool Pusher
  - a. Proceed to cascade trailer and check if Company Foreman is operating cascade system safely. If NOT ensure safe operations of the cascade system.
  - b. Proceed to drilling floor and supervise operations. Make sure all crew members are accounted for and institute buddy system. If all personnel are not accounted for, initiate appropriate search.

#### II. Rig Crew

- i. Driller
  - a. if drilling

1. after donning breathing apparatus proceed to console and raise Kelly to slip set position

2. shut down mud pumps

3. monitor well flow, remain at console

4. using hand signals verify all personnel are at stations, verify company man and toolpusher's position, initiate search if well is not flowing

b. If tripping

1. after donning breathing apparatus put pipe in the slip-set position

2. stab safety valve, close safety valve

3. monitor well flow-remain at console

4. watch derrick man descend from derrick, verify all personnel locations, verify company man and tool pusher's position, initiate search if well is not flowing

c. if well is flowing

1. after donning breathing apparatus, shut well in HARD

2. verify all personnel locations, verify company man and tool pusher's position, initiate search if necessary

3. obtain necessary pressures for well control

4. Proceed to safety briefing area with crew, plan well control operations with all personnel

ii. Derrick Man

- a. after donning breathing apparatus, go to pit side window on the floor whether drilling or tripping (descend derrick)

- b. maintain visual contact with driller and monitor flow

- c. if mud properties are needed, then proceed to the shaker with "buddy"

- d. monitor other hands on pit side of rig visually

- e. proceed to open manual well-head if necessary (with "buddy")

#### **APPENDIX 1-32**

- iii. Motorman
  - a. after donning breathing apparatus, go to the cascade system and ensure safe operation
  - b. maintain visual contact with chain hand on doghouse side of floor
- iv. Chain Hand
  - a. after donning breathing apparatus, stab safety valve if tripping
  - b. go to doghouse/pipe-rack and maintain visual contact with driller and motorman
- v. Floorman
  - a. after donning breathing apparatus, stab safety valve if tripping
  - b. aid driller while maintaining visual contact with driller, derrickman, and chainhand

### III. Auxiliary Personnel

- i. Mud engineer and Company man or geologist are to act as wardens. Wardens must account for all other auxiliary crew.
- ii. All auxiliary crew are to remain in safety briefing area unless evacuated by wardens.
- iii. Wardens organize search with notification from company. All searches are to be done with "buddy". Geologist warden should remain in safety briefing area.

### 2.4.4 Igniting the Well

#### I. Decision

- i. The Company Foreman holds the responsibility for the decision to ignite a well. In the case where he is incapacitated or absent authority passes to the tool pusher and then the contract driller
- ii. the decision to ignite the well is only to be made as a last resort safety measure when
  - a. there is threat human life and grave threat to public safety and equipment
  - b. there is no alternative way of containing the well given the emergency faced.
  - c. an attempt was made to contact area office (circumstances permitting)\*

**\*when human life is threatened no delay in decision making can be afforded**

## I. Instructions for Igniting the Well

- i. Two individuals are required for ignition
- ii. Both individuals will wear SCBAs & have 200-foot retrieval ropes tied to their waists
- iii. One individual will measure the atmosphere for explosive gasses with appropriate meter.
- iv. The other individual will remain in the safety briefing area
- v. Others in the briefing area are to remain aware of both individuals and aid as able. If either tethered individual is overcome by gas, he should be pulled to safety.
- vi. The well should be lit with a 25 mm meteor type flare gun when well conditions allow. The safest method of igniting the well should always be used.
- vii. Burning H<sub>2</sub>S will produce sulfur dioxide which is poisonous. The area therefore is not safe once the well has ignited. Continue to observe all emergency procedures and follow orders from supervisors and the area office. Notice of incident must be reported to all appropriate authorities.

### 3.0 Appendices

#### 3.1 Check List for Safety Equipment (designed for a maximum of 11 people)

- Safety Trailer housing cascade system at least ten 300 cu. ft. bottles of compressed air
- 7 SCBA type breathing apparatus with 45 cu. ft. bottles
- 5 breathing masks connected to the cascade system with 7 cu. ft. pony bottles
- 2 extra 300 cu. ft. bottles able to refill SCBA bottles to be placed at the safety briefing areas
- 2 Wind socks
- 1 Flare gun and flares
- 1 rescue pack (as described in section 2.3.1)
- Warning signs for access (flags for marking conditions)
- "Safety Briefing Area" signs, evacuation route flags
- H<sub>2</sub>S monitors (personnel and stationary)
- Alarm system (audio and visual—explosion proof)
- Gas Monitor

3.2 Emergency Phone Numbers

NNOGC Exploration and Production LLC Personnel to be Notified

Wilson Groen	President	Office: (928) 871-4880
		Cellular: (505) 879-6483
		Direct (928) 871-8501
Wayne Williams	Cell: 720-334-9920	Office: 303-534-8300
John Hatch	Cell: 303-887-3684	Office: 303-534-8300

Safety Company Personnel

(Name)	(Position)	(Number work)
		(Number home)
(Name)	(Position)	(Number work)
		(Number home)

Local Agencies

San Juan County Fire Department	(Monticello)	911
		(435) 587-3225
San Juan County Sheriff (Monticello)		911
		(435) 587-2237
San Juan County Emergency Management (Monticello)		(435)-587-3225
Blue Mountain Hospital		(435) 678-3993
802 South 200 West, Blanding, UT		
San Juan Hospital		(435) 587-2116
364 West 100 North, Monticello, UT		
Navajo Nation Police (Montezuma Creek)		(505) 368-1350
(Monument Valley)		(505) 325-0022

Other Government Agencies

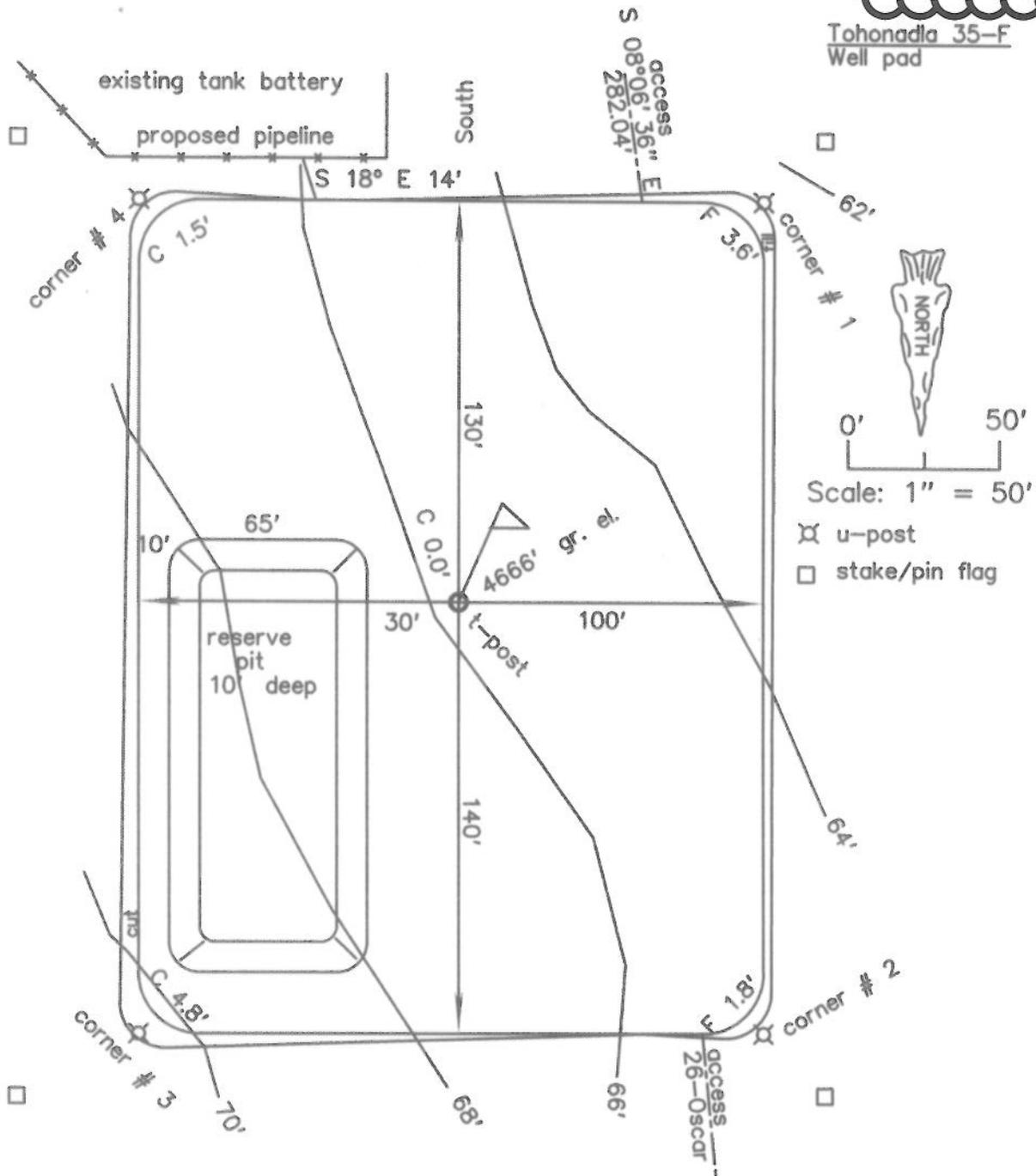
National Response Center		800-424-8802
BLM	Monticello Field Office	(435) 587-1500
	Jeff Brown	(435) 587-1525

	Mobile	(435) 459-4886
	Field Manager	(435) 587-1505
BLM	Farmington Field Office	(505) 599-8900
	Emergency line	(505) 599-8907
	Jim Lovato	(505) 599-6367
BIA, Gallup	Bertha Spencer	(505) 863-8336
Utah Division of Oil, Gas and Mining (SLC)		
	During Office Hours	(801) 538-5340
	After Hours	(801) 243-9466
Utah State Emergency Response Commission		(801) 536-4123
Utah Highway Patrol (Monticello)		(435) 587-2000
Mexican Water Chapter House		(928) 674-3641
Red Mea Chapter House		(928) 656-3655
Utah Health Department (Price)		(435) 637-3671
US EPA Region 8 (Denver)		(800) 227-8917
Navajo Nation Minerals Dept. (Window Rock, AZ)		(928) 871-6587
Veterinarian	Watkins, Clyde H. DVM	(435) 678-2414
Helicopter	New Air Helicopters (Durango)	(970) 259-6247
Helicopter	Heli NM (Albuquerque)	(866) 995 1058
Blanding Air Ambulance		(800) 742-8787
Classic Aviation		(800)-444-9220 ext 5

Residents within 2 miles

There are 5 groups of homes within 2 miles. Closest group is >3,000' northwest.

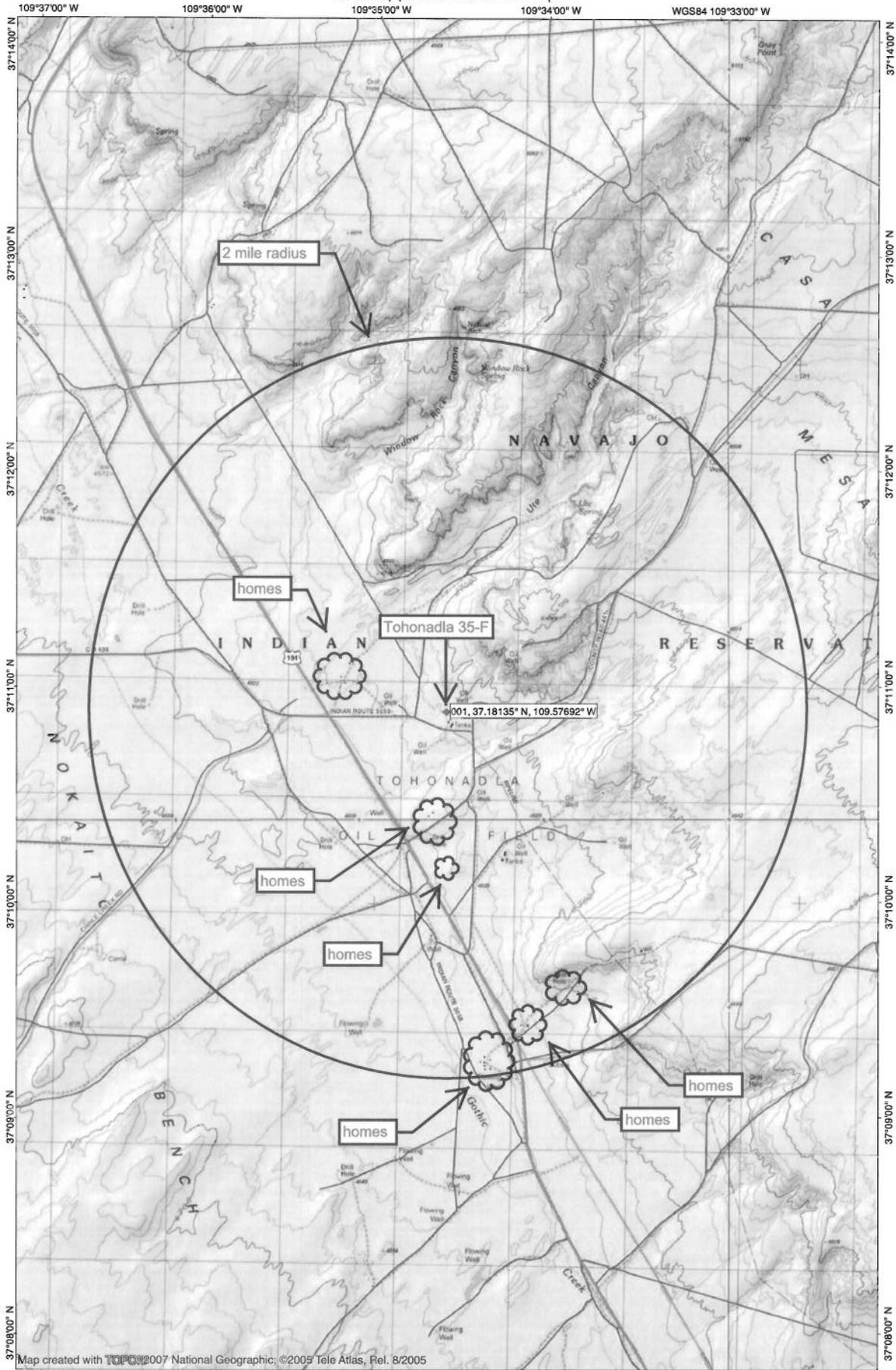
safety briefing area



Pit & pad - 1.27 acres  
 296.04' feet new access & pipeline  
 References:  
 S 38°37' 58" W 192.13' 4661.8' elevation  
 N 36°52' 37" W 200.12' 4664.9' elevation  
 N 42°10' 26" E 216.01' 4671.7' elevation  
 S 44°01' 17" E 208.65' 4667.7' elevation

safety briefing area

TOPOI map printed on 03/06/11 from ".tpo"



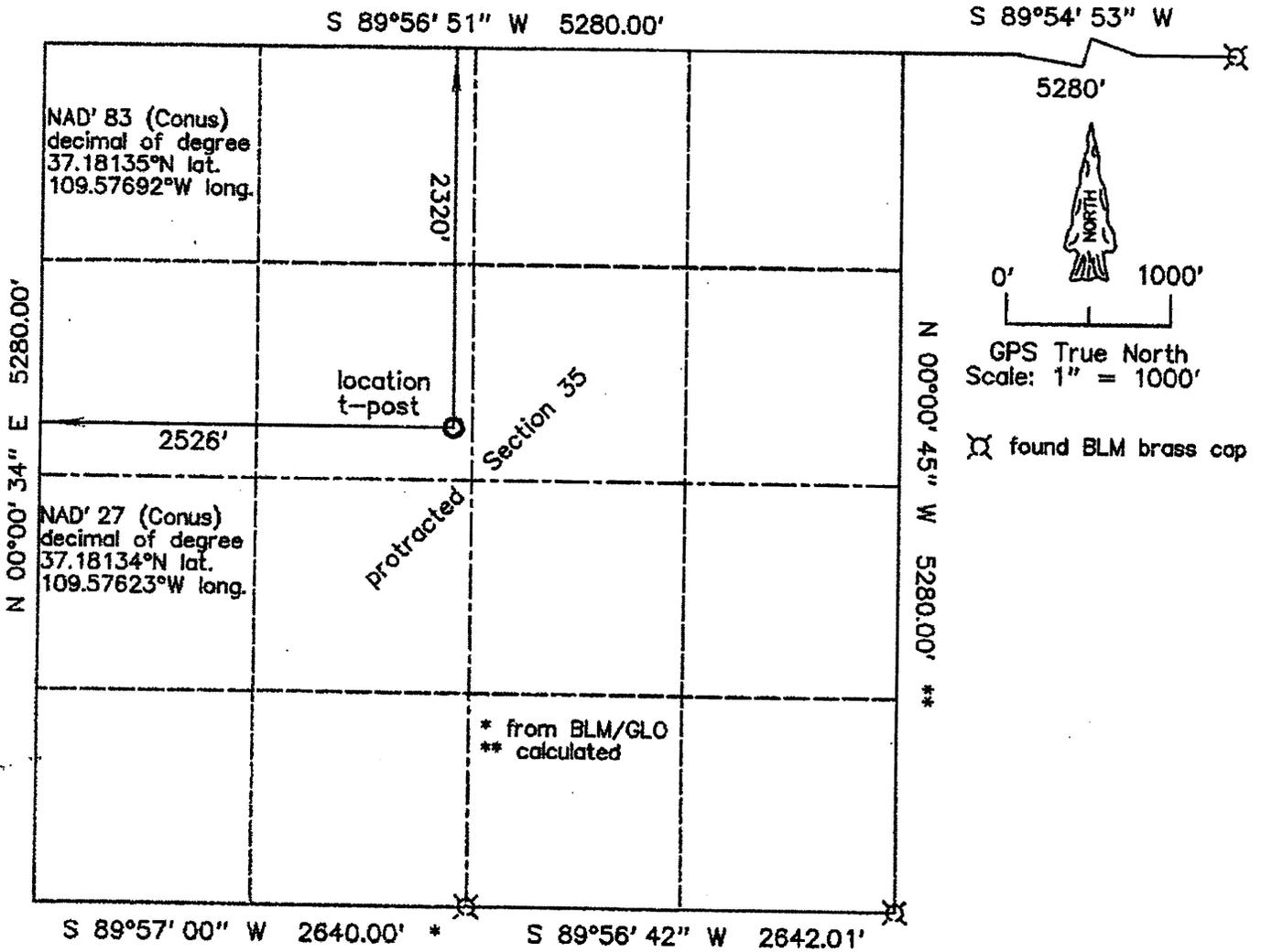
Map created with TOPOI ©2007 National Geographic, ©2005 Tele Atlas, Rel. 8/2005

NATIONAL GEOGRAPHIC

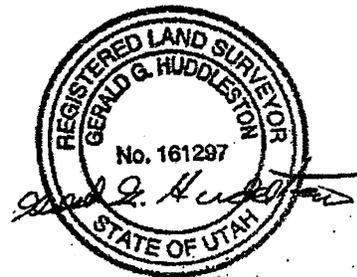
APPENDIX 139

TN/MN 10.5° 03/06/11

Well Location Plat



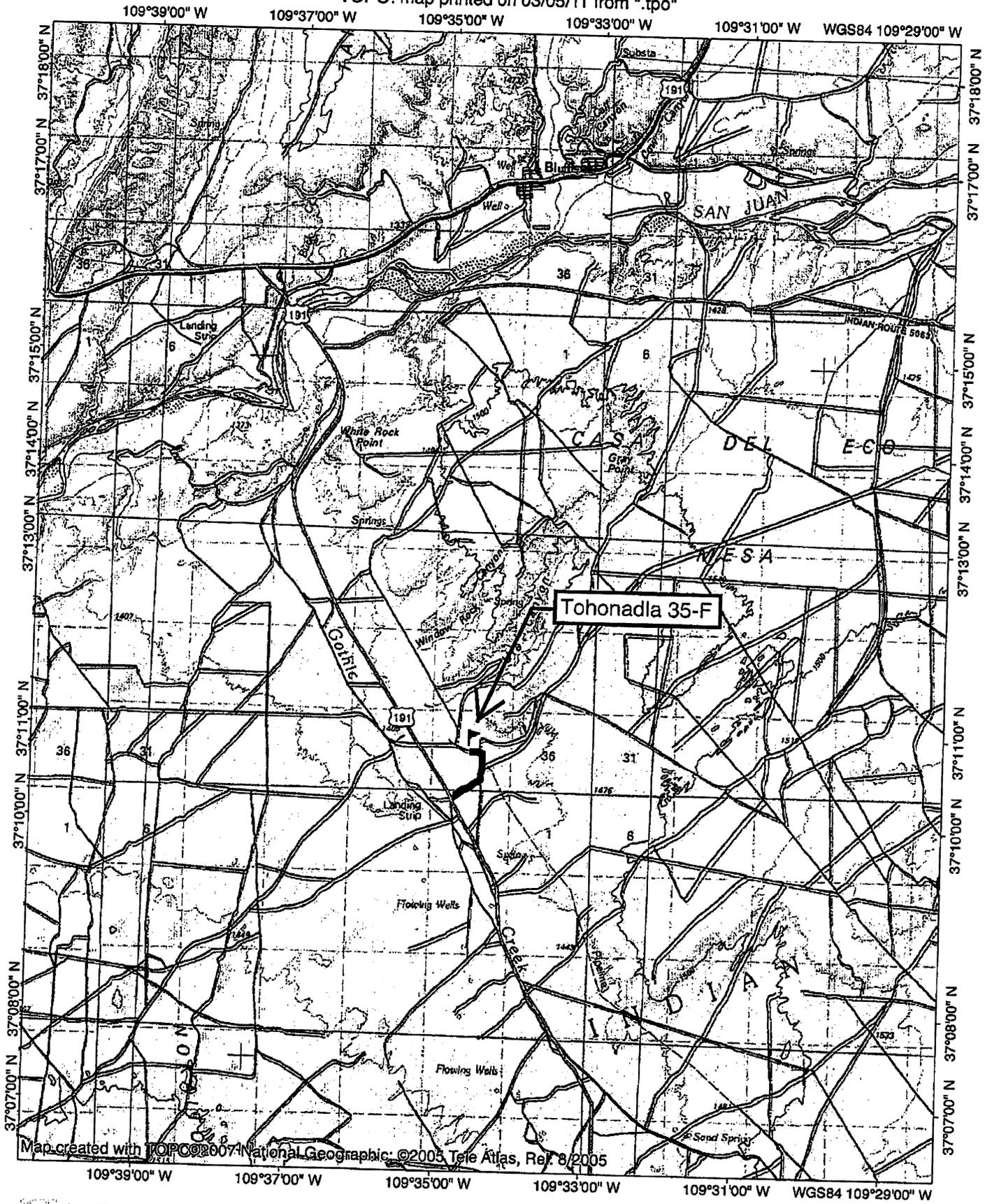
Location Description -  
Navajo Nation Oil & Gas Co., Inc.  
Tohonadla 35-F  
2320' FNL & 2526' FWL  
Section 35, T.41 S., R.21 E., SLM  
4666' ground elevation NAVD' 88  
San Juan County, UT



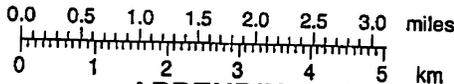
The above and plat is correct to my knowledge and belief  
Utah Land Surveyor 161297.

rev. date: 02/24/2011

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Map created with TOPO! 2007 National Geographic. ©2005 Tele Atlas, Ref. 8/2005



APPENDIX 1-14

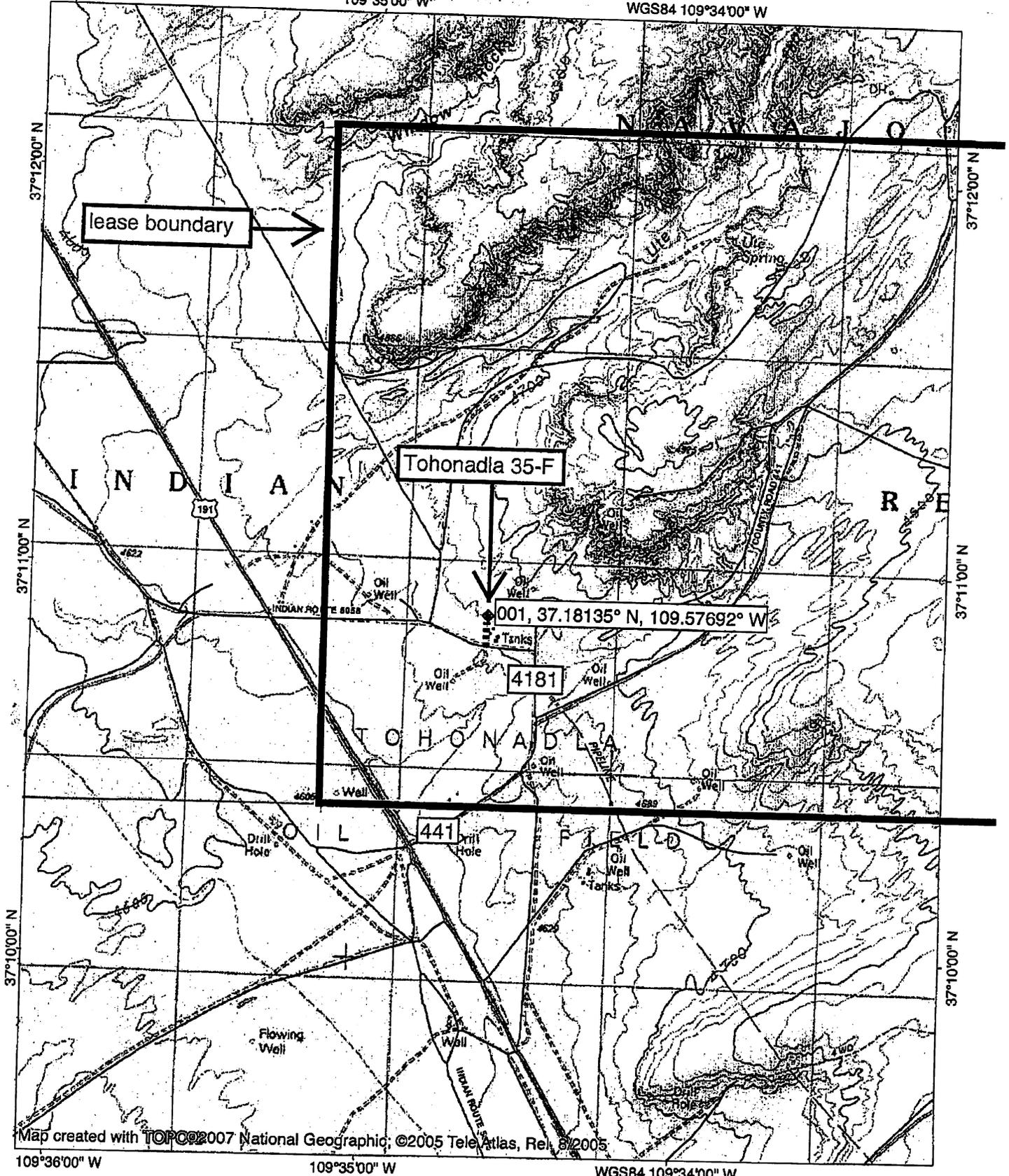
TN/MN 10.5°  
03/05/11

TOPOI map printed on 03/05/11 from ".tpo"

109°36'00" W

109°35'00" W

WGS84 109°34'00" W



lease boundary

Tohonadla 35-F

001, 37.18135° N, 109.57692° W

4181

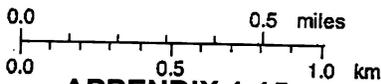
441

Map created with TOPOI 2007 National Geographic, ©2005 Tele Atlas, Rel. 8/2005

109°36'00" W

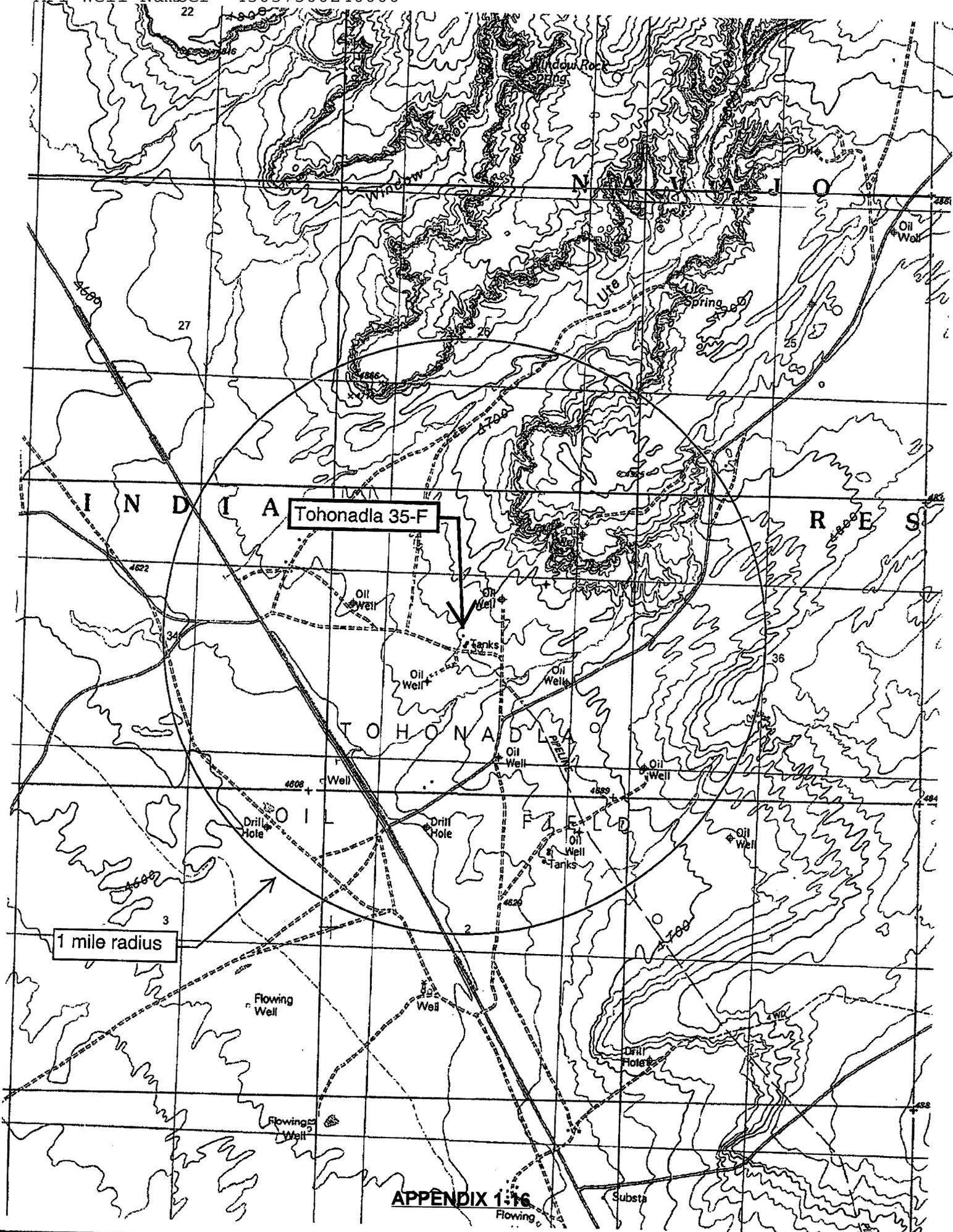
109°35'00" W

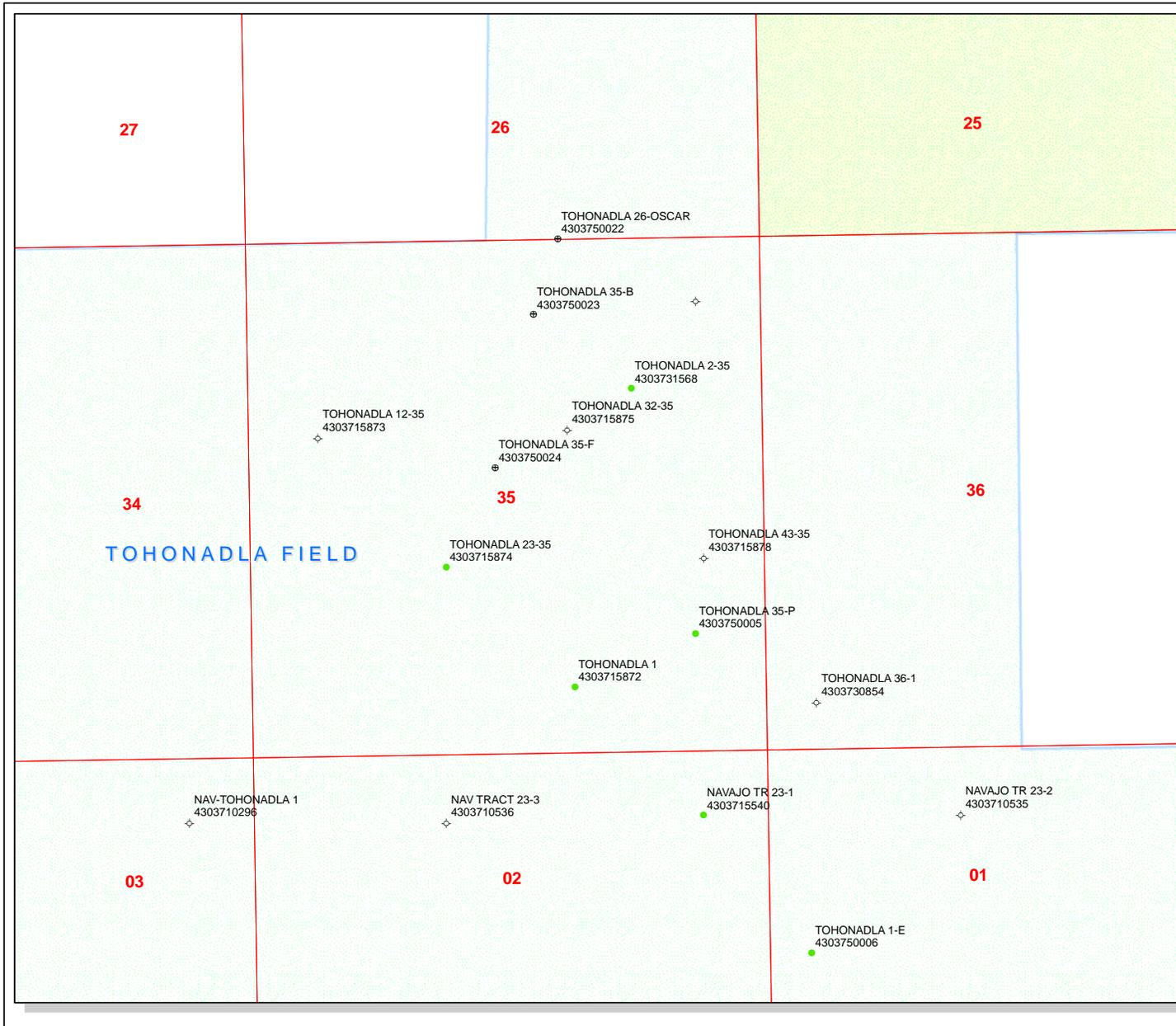
WGS84 109°34'00" W



APPENDIX 1-15

TN/MN 10.5° 03/05/11

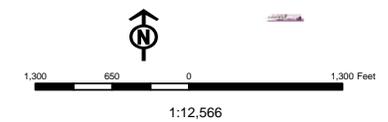




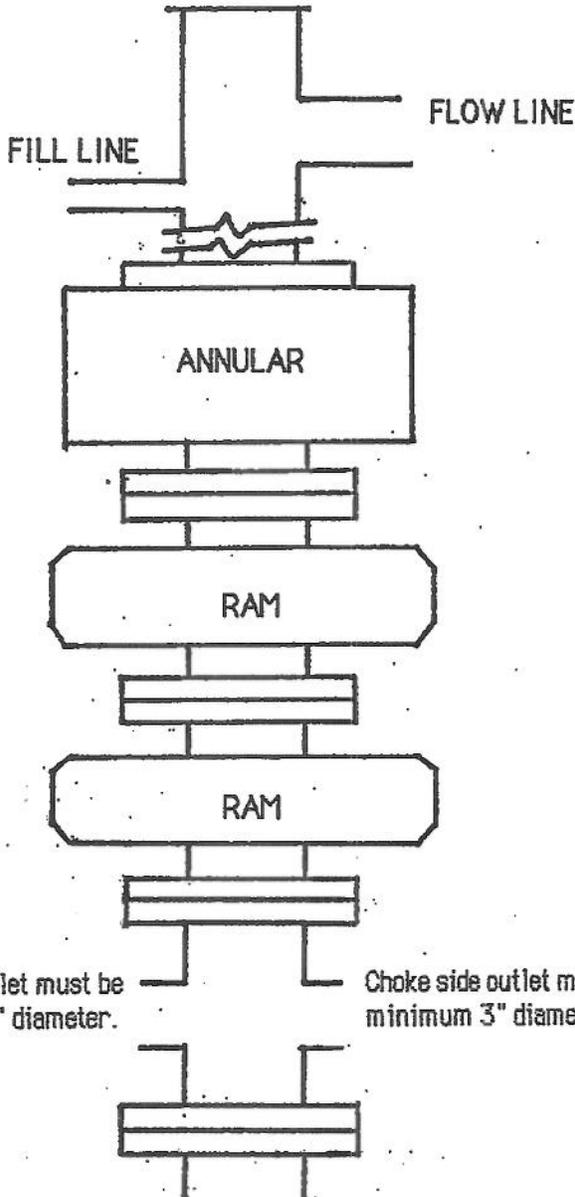
**API Number: 4303750024**  
**Well Name: TOHONADLA 35-F**  
 Township T4.1 . Range R2.1 . Section 35  
**Meridian: SLBM**  
 Operator: NAVAJO NATION OIL & GAS CO

Map Prepared:  
 Map Produced by Diana Mason

Units STATUS	Wells Query Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRIL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERM	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Unknown	SGW - Shut-in Gas Well
ABANDONED	SOW - Shut-in Oil Well
ACTIVE	TA - Temp. Abandoned
COMBINED	TW - Test Well
INACTIVE	WDW - Water Disposal
STORAGE	WW - Water Injection Well
TERMINATED	WSW - Water Supply Well

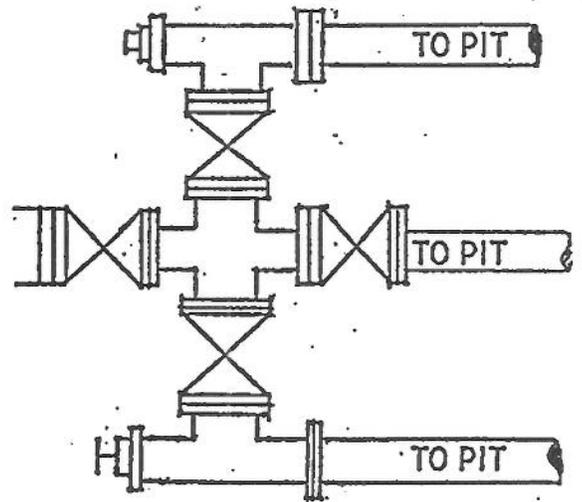


NNOGC Exploration and Production LLC  
 Tohonadla 35-F  
 2320' FNL & 2526' FWL  
 Sec. 35, T. 41 S., R. 21 E.  
 San Juan County, Utah



TYPICAL BOP STACK  
 & CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

Upper kelly cock will have handle available.  
 Safety valve and subs will fit all drill string connections in use.  
 All BOPE connections subjected to well pressure will be flanged, welded, or clamped.



## WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 2/22/2012

API NO. ASSIGNED: 43037500240000

WELL NAME: TOHONADLA 35-F

OPERATOR: NAVAJO NATION OIL &amp; GAS CO (N2550)

PHONE NUMBER: 303 534-8300

CONTACT: Lauren Germinario

PROPOSED LOCATION: SENW 35 410S 210E

Permit Tech Review: 

SURFACE: 2320 FNL 2526 FWL

Engineering Review: 

BOTTOM: 2320 FNL 2526 FWL

Geology Review: 

COUNTY: SAN JUAN

LATITUDE: 37.18128

LONGITUDE: -109.57685

UTM SURF EASTINGS: 626328.00

NORTHINGS: 4115931.00

FIELD NAME: TOHONADLA

LEASE TYPE: 2 - Indian

LEASE NUMBER: 1420603229

PROPOSED PRODUCING FORMATION(S): LEADVILLE

SURFACE OWNER: 2 - Indian

COALBED METHANE: NO

## RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: INDIAN - RLB0006712
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 09-135
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

## LOCATION AND SITING:

- R649-2-3.
- Unit:
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: R649-3-3
- Effective Date:
- Siting:
- R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 1 - Exception Location - dmason  
4 - Federal Approval - dmason  
14 - Commingling Temporary Denial - ddoucet  
23 - Spacing - dmason

RECEIVED: March 14, 2012



GARY R. HERBERT  
*Governor*

GREGORY S. BELL  
*Lieutenant Governor*

## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

### Permit To Drill

\*\*\*\*\*

**Well Name:** TOHONADLA 35-F

**API Well Number:** 43037500240000

**Lease Number:** 1420603229

**Surface Owner:** INDIAN

**Approval Date:** 3/14/2012

**Issued to:**

NAVAJO NATION OIL & GAS CO, P.O. Box 4439, Window Rock, AZ 86515

**Authority:**

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the LEADVILLE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

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

**Exception Location:**

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

**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.

**Conditions of Approval:**

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

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.

Downhole commingling between formations cannot occur until the provisions of Rule R649-3-22, Completion Into Two or More Pools, have been met.

**Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well contact Carol Daniels at 801-538-5284

(please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at <http://oilgas.ogm.utah.gov>

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) due prior to implementation
- Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
- Report of Water Encountered (Form 7) due within 30 days after completion
- Well Completion Report (Form 8) due within 30 days after completion or plugging

**Approved By:**



For John Rogers  
Associate Director, Oil & Gas



Navajo Nations Oil Gas Co. (N2550) to NNOGC Exploration Production, LLC (N3930)  
Effective 8/1/2012

Well Name	Sec	TWP	RNG	API	Entity	Lease	Well Type	Well Status
TOHONADLA 26-OSCAR	26	410S	210E	4303750022		Indian	OW	APD
TOHONADLA 35-F	35	410S	210E	4303750024		Indian	OW	APD
TOHONADLA 2-G	02	420S	210E	4303750027		Indian	OW	APD
TOHONADLA 2-B	02	420S	210E	4303750028		Indian	OW	APD
TOHONADLA 1-C	01	420S	210E	4303750029		Indian	OW	APD
TOHONADLA 2-BRAVO	02	420S	210E	4303750030		Indian	OW	APD
TOHONADLA 1-F	01	420S	210E	4303750031		Indian	OW	APD
TOHONADLA 2-H	02	420S	210E	4303750032		Indian	OW	APD
TOHONADLA 1-Delta	01	420S	210E	4303750033		Indian	OW	APD
TOHONADLA 35-INDIGO	35	410S	210E	4303750034		Indian	OW	APD
TOHONADLA 35-J	35	410S	210E	4303750035		Indian	OW	APD
UTE CANYON 25G-O	25	410S	210E	4303731913	18823	Indian	OW	DRL
TOHONADLA 35-B	35	410S	210E	4303750023	18824	Indian	OW	DRL
UTE CYN 23-INDIGO	23	410S	210E	4303731880		Indian	OW	LA
TOHONADLA 35-P	35	410S	210E	4303731886		Indian	OW	LA
TOHONADLA 1-E	01	420S	210E	4303731887		Indian	OW	LA
TOHONADLA 1-D	01	420S	210E	4303731888		Indian	OW	LA
TOHONADLA 26-O	26	410S	210E	4303731896		Indian	OW	LA
UTE CYN 23-INDIGO	23	410S	210E	4303731911		Indian	OW	LA
NAVAJO TR 23-1	02	420S	210E	4303715540	6230	Indian	OW	P
DESERT CREEK 2	35	410S	230E	4303715868	6270	Indian	OW	P
TOHONADLA 1	35	410S	210E	4303715872	11202	Indian	OW	P
TOHONADLA 23-35	35	410S	210E	4303715874	11202	Indian	OW	P
NAVAJO TRIBAL 23-13	13	400S	240E	4303730971	9420	Indian	OW	P
NAVAJO TRIBAL 14-10	10	400S	240E	4303730977	10130	Indian	OW	P
SAHGZIE 1	05	420S	240E	4303731472	11032	Indian	OW	P
ANASAZI 1	05	420S	240E	4303731478	11042	Indian	OW	P
CAJON MESA 8D-1	08	400S	250E	4303731497	11074	Indian	OW	P
MONUMENT 8N-2	08	400S	250E	4303731509	11087	Indian	OW	P
RUNWAY 10G-1	10	400S	250E	4303731515	11105	Indian	OW	P
LONE MOUNTAIN CREEK 12F-1	12	420S	240E	4303731545	11148	Indian	OW	P
RUNWAY 10E-2	10	400S	250E	4303731550	11128	Indian	GW	P
BLUE HOGAN 1J-1	01	420S	230E	4303731562	11161	Indian	OW	P
TOHONADLA 2-35	35	410S	210E	4303731568	11202	Indian	OW	P
ANASAZI 5L-3	05	420S	240E	4303731572	11207	Indian	OW	P
BROWN HOGAN 1A-2	01	420S	230E	4303731573	11215	Indian	OW	P
MULE 31K (N)	31	410S	240E	4303731617	11326	Indian	OW	P
BURRO 31I	31	410S	240E	4303731708	11496	Indian	OW	P
MULE 31M	31	410S	240E	4303731710	11498	Indian	OW	P
ANASAZI 6H-1	06	420S	240E	4303731744	11773	Indian	OW	P
TOHONADLA 35-P	35	410S	210E	4303750005	11202	Indian	OW	P
TOHONADLA 1-E	01	420S	210E	4303750006	6230	Indian	OW	P
NAVAJO TRIBAL 41-2	02	420S	240E	4303731041	9437	Indian	OW	PA
MONUMENT 17E-2	17	400S	250E	4303731547	11139	Indian	OW	S
RUNWAY 10C-5A	10	400S	250E	4303731597	11152	Indian	OW	S
UTE CYN 23-P	23	410S	210E	4303731881	17282	Indian	OW	S

**NAVAJO NATION OIL & GAS COMPANY**

**EXPLORATION & PRODUCTION LLC**

1675 Broadway, Suite 1100 • Denver, Colorado • 80202

Telephone (303) 534-8300 • FAX (303) 534-1405



September 18, 2012

Utah Division of Oil, Gas and Mining  
c/o Rachel Medina  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

RE: Change of Operator Name and Address for Wells

Dear Rachel,

I am including with this letter several original FORM 9 to change the operator on wells. This probably will be done in two steps.

1. (16 wells) Change of Operator from RIM Southwest Corporation to Navajo Nation Oil & Gas Co.
2. (Same 16 wells) Change of Operator from Navajo Nation Oil & Gas Co. to NNOGC Exploration and Production, LLC.

We have recently registered our LLC with the State of Utah. The Utah Entity Number for NNOGC Exploration and Production, LLC is: 8399948-0165. Also, a new DOGM No. has been applied for for the LLC.

The name and address change is as follows:

OLD: Navajo Nation Oil & Gas Co.  
1675 Broadway, Suite 1100  
Denver, CO 80202  
(DOGM Operator No. N2550)

NEW: NNOGC Exploration and Production, LLC  
1625 Broadway, Suite 1000  
Denver, CO 80202

Should you require any additional information please contact me at 303-534-8300.

Sincerely,

A handwritten signature in black ink that reads "Katie Hynes". The signature is written in a cursive, flowing style.

Katie Hynes  
Associate Landman

RECEIVED  
SEP 19 2012  
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: <b>See Attached</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>Navajo Nation</b>
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>See Attached</b>
2. NAME OF OPERATOR: <b>Navajo Nation Oil &amp; Gas Co.</b>		9. API NUMBER: <b>Various</b>
3. ADDRESS OF OPERATOR: <b>1675 Broadway, Suite 1100</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		10. FIELD AND POOL, OR WILDCAT: <b>Various</b>
PHONE NUMBER: <b>(303) 534-8300</b>		
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>See Attached List</b>		COUNTY: <b>San Juan</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

**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.

The Navajo Nation Oil and Gas Co. has registered its new entity with the State of Utah. The Operator Name and Address change applies to all wells currently operated by DOGM No. N2550 (see attachment).

The Utah Entity Number for the LLC is: 8399948-0165.

The new Entity is:

NNOGC Exploration and Production, LLC  
1625 Broadway, Suite 1000  
Denver, CO 80202

NEW DOGM No. : 3930

Bond No. RLB0006712

Effective: July 10, 2010

NAME (PLEASE PRINT) Lauren Germinario TITLE Land Manager  
SIGNATURE *Lauren Germinario* DATE 9/14/12  
**APPROVED**

(This space for State use only)

DEC 3 1 2012

RECEIVED

DIV. OIL GAS & MINING  
BY: Rachel Medina

SEP 17 2012

**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.

<b>1. TYPE OF WELL</b> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> See Attached
<b>2. NAME OF OPERATOR:</b> Navajo Nation Oil & Gas Co		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> Navajo Nation
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 5069                      CITY Window Rock                      STATE AZ                      ZIP 86515		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>4. LOCATION OF WELL</b> FOOTAGES AT SURFACE: _____		<b>8. WELL NAME and NUMBER:</b> See Attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		<b>9. API NUMBER:</b> Various
COUNTY: <b>San Juan</b>		<b>10. FIELD AND POOL, OR WILDCAT:</b> Various
STATE: <b>UTAH</b>		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> <b>NOTICE OF INTENT</b> (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"/> <b>SUBSEQUENT REPORT</b> (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.

The Navajo Nation Oil & Gas Co. has registered its new entity with the State of Utah. The name and address change applies to all the wells that have recently changed from RIM Southwest Corporation to Navajo Nation Oil & Gas Co. (DOGM No. N2550)

The Utah Entity Number for the LLC is: 8399948-0165

Note: A new DOGM No. has been applied for NNOGC Exploration and Production, LLC

Please see the attached list of wells that will now be operated by:

NNOGC Exploration and Production, LLC  
1625 Broadway, Suite 1000  
Denver, CO 80202

All of these work wells are covered by Bond No. RLB0006712

Effective: Aug 1, 2012

---

NAME (PLEASE PRINT) <u>Lauren Germinario</u>	TITLE <u>Land Manager</u>
SIGNATURE <u><i>Lauren Germinario</i></u>	DATE <u>9/18/2012</u>

This space for State use only) **APPROVED**

**DEC 31 2012**

DIV. OIL GAS & MINING

BY: Rachel Medina (See Instructions on Reverse Side)

RECEIVED  
SEP 19 2012  
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)

<b>Well name:</b>	See Attached
<b>API number:</b>	
<b>Location:</b>	Qtr-Qtr:                      Section:                      Township:                      Range:
<b>Company that filed original application:</b>	Navajo Nation Oil & Gas Co.
<b>Date original permit was issued:</b>	
<b>Company that permit was issued to:</b>	

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

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0006712</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

Name (please print) Lauren Germinario                      Title Land Manager  
 Signature *Lauren Germinario*                      Date 9/14/12  
 Representing (company name) NNOGC Exploration and Production, LLC

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: 1420603229
1. TYPE OF WELL Oil Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NAVAJO
2. NAME OF OPERATOR: NNOGC EXPLORATION & PRODUCTION, LLC	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1625 Broadway, Suite 1000 , Denver , CO, 80202	8. WELL NAME and NUMBER: TOHONADLA 35-F
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2320 FNL 2526 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 35 Township: 41.0S Range: 21.0E Meridian: S	9. API NUMBER: 43037500240000
9. FIELD and POOL or WILDCAT: TOHONADLA	COUNTY: SAN JUAN
9. STATE: UTAH	

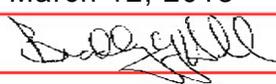
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <b>3/14/2013</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

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

**Date:** March 12, 2013

**By:** 

NAME (PLEASE PRINT) Lauren Germinario	PHONE NUMBER 303 538-8300	TITLE Land Manager
SIGNATURE N/A	DATE 3/6/2013	



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

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43037500240000**

API: 43037500240000

Well Name: TOHONADLA 35-F

Location: 2320 FNL 2526 FWL QTR SENW SEC 35 TWP 410S RNG 210E MER S

Company Permit Issued to: NNOGC EXPLORATION & PRODUCTION, LLC

Date Original Permit Issued: 3/14/2012

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: Lauren Germinario

Date: 3/6/2013

Title: Land Manager

Representing: NNOGC EXPLORATION & PRODUCTION, LLC

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 1420603229
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> NAVAJO  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> TOHONADLA 35-F
<b>2. NAME OF OPERATOR:</b> NNOGC EXPLORATION & PRODUCTION, LLC	<b>9. API NUMBER:</b> 43037500240000
<b>3. ADDRESS OF OPERATOR:</b> 1625 Broadway, Suite 1000 , Denver , CO, 80202	<b>PHONE NUMBER:</b> 303 910-9525 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2320 FNL 2526 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENW Section: 35 Township: 41.0S Range: 21.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> TOHONADLA  <b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>4/15/2013</b>  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>

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

Please see attached Drilling Program.

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

Date: April 16, 2013

By: David K. Quist

<b>NAME (PLEASE PRINT)</b> Lauren Germinario	<b>PHONE NUMBER</b> 303 538-8300	<b>TITLE</b> Land Manager
<b>SIGNATURE</b> N/A	<b>DATE</b> 4/10/2013	

NNOGC Exploration and Production, LLC  
 Tohonadla 35-F  
 2371' FNL & 2287' FWL  
 Sec. 1, T. 42 S., R. 21 E.  
 San Juan County, Utah

PAGE 1

Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

	KB = 4687	
	TVD	Subsea
Carmel	0	4687
Navajo	155	4532
Kayenta	555	4132
Wingate	600	4087
Chinle	1050	3637
Moenkope	2040	2647
De Chelly	2120	2567
Cutler	2312	2375
Hermosa	4066	621
Hatch Sh.	4908	-221
U. Ismay	4934	-247
Top Core #1	4990	-303
Hovenweep Sh.	4992	-305
L. Ismay	5010	-323
Gothic Lm.	5075	-388
Gothic Sh.	5087	-400
U. Desert Creek	5096	-409
Base Core #1	5136	-449
L. Desert Creek	5228	-541
Chimney Rock Sh.	5338	-651
Akah Anhydrite	5346	-659
Top Core #2	5570	-883
U. Barker Creek	5586	-899
M. Barker Creek	5656	-969
L. Barker Creek	5760	-1073
Pinkerton Trail	5840	-1153
Base Core #2	5900	-1213
Molas	6020	-1333
Leadville	6225	-1538
Projected TD	6500	-1813



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## 2. NOTABLE ZONES

Desert Creek and Ismay oil production is the primary goal. Upper Leadville oil production and Barker Creek oil is the secondary goal. Oil and gas shows which appear to the well geologist to be commercial will be tested. All fresh water and prospectively valuable minerals will be recorded by depth and protected with casing and cement. Likely fresh water zones are the Glen Canyon group of sandstones.

## 3. PRESSURE CONTROL

A 13-5/8" 3,000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used. A diagram of a typical BOP is on Page 3. Actual model will not be known until bid is let. Procedures are ...

- Nipple up BOP and all equipment
  - Test to 250 #/3,000#
  - Test Hydril to 2,000 psi
  - Log in I. A. D. C. book
- Drill 1/2 of shoe joint
  - Test to 1,500 psi for 30 minutes
  - Log in I. A. D. C. book
- Activate BOPs every 24 hours or on trips and log in I. A. D. C. book
- Install hand wheels and lay straight flare line before drilling out
- Conduct weekly BOP drills with each crew and log in I. A. D. C. book
- Have floor valve and wrench on floor at all times
  - Floor valve must be in open position
- Before drilling surface casing shoes, blind rams will be closed. BOP and surface casing will be pressure tested to 1,500 psi for a total test time of 30 minutes if not previously tested by Halliburton during cement job.
- Studs on all well head and BOP flanges will be checked for tightness weekly
- Hand wheels for locking screws will be installed and operational
- Entire BOP and well head assembly will be kept clean of mud
- A drill stem safety valve in the open position will be available
- Call BLM at (505 599-8900) and the Utah Division of Oil, Gas, & Mining at (801 538-5340) before testing BOPs



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#### 4. CASING & CEMENT

Hole Size	O. D.	Weight	Grade	Age	Coupling	Burst/Collapse	Depth Set
20"	16"		Conductor	New			60'
13-3/8"	9-5/8"	36#	J or K-55	New	S T & C	3,520/2,020	2,100'
8-3/4"	7"	26#	L-80	New	L T & C	7,240/5,410	6,850'

Conductor pipe will be cemented to the surface with ready-mix.

Surface casing will be cemented to the surface with  $\approx 50\%$  excess. Lead with  $\approx 400$  sacks ( $\approx 633$  cubic feet) Halliburton light with 5 pounds per sack gilsonite + 1/4 pound per sack cellophane mixed at 12.4 pounds per gallon and 1.95 cubic feet per sack. Tail with  $\approx 200$  sacks ( $\approx 238$  cubic feet) standard cement + 1%  $\text{CaCl}_2$  + 1/4 pound per sack cellophane mixed at 15.6 pounds per gallon and 1.19 cubic feet per sack. Centralizers will be placed  $\approx 5'$  off the bottom and on the first three joints and the fifth joint.

Production casing will be cemented with  $\approx 40\%$  excess to  $\approx 1,900'$  (i. e.,  $\geq 200'$  above surface casing shoe). Lead with  $\approx 600$  sacks ( $\approx 994$  cubic feet) Halliburton light with 5 pounds per sack gilsonite + 1/4 pound per sack cellophane mixed at 12.4 pounds per gallon and 1.95 cubic feet per sack. Tail with  $\approx 335$  sacks ( $\approx 422$  cubic feet) premium with 5 pounds per sack gilsonite + 0.6% Halad 9 + 0.25 CFR-3 mixed at 15.2 pounds per gallon and 1.26 cubic feet per sack. Centralizers will be set on the shoe joint, top of the second and third joints, and continue through and above pay zones at  $\approx 90'$  intervals.

#### 5. MUD PROGRAM

Interval	Weight	Viscosity	Fluid Loss	Type
0 - 1,400'	8.3 - 8.7	27 - 32	N/C	Fresh H <sub>2</sub> O gel lime spud mud, pH 9
1,400' - TD	8.4 - 10.0	38 - 40	8 cc	Fresh water gel & PHPA, SAPP, etc

Cuttings will be collected every  $\approx 30'$  from the surface to  $\approx 5,500'$ . Cuttings will be collected every  $\approx 10'$  from  $\approx 5,500'$  to TD.

#### 6. CORES, LOGS, & TESTS

Cores may be cut depending upon shows, most likely in the Desert Creek. GR - Sonic and DLL-Micro-SFL log suites will be run from TD to the surface. FDC-CNL logs will be run from TD to  $\approx 4,000'$ . No drill stem tests are currently planned.

A geologist or mud logger will be on site from  $\approx 4,000'$  to TD.



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Tohonadla 35-F  
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San Juan County, Utah

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## 7. DOWN HOLE CONDITIONS

No abnormal temperatures or abnormal pressures are expected. Maximum expected bottom hole pressure will be  $\approx$ 2,945 psi. Hydrogen sulfide is expected in the Mississippian, just below the Pinkerton. A contingency plan is attached.

## 8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take  $\approx$ 3 weeks to drill and  $\approx$ 2 weeks to complete the well.

### Surface Use Plan

#### 1. DIRECTIONS (See PAGES 11 - 13)

From the junction of US 163 and US 191 west of Bluff ....  
Go South 8-1/4 miles on US 191 to the equivalent of mile post 13.1  
Then turn left and go Northeast 3/4 miles on a sandy road  
Then turn right and go Southeast 0.2 mile on a sandy road  
Then turn left and go East 746.45' cross country to the proposed pad

Roads will be maintained to at least equal to their present condition.

#### 2. ROAD WORK (See PAGES 12 & 13)

No upgrade is needed for the existing road. The 746.45' of new road will be built to BLM Gold Book standards. Road will have a  $\approx$ 14' wide running surface and will be rocked where needed. No culvert, vehicle turn out, or cattle guard is needed. Maximum disturbed width will be 20'. Maximum cut or fill = 4'. Maximum grade = 3%.

#### 3. EXISTING WELLS (See PAGE 12)

One water, four oil, and five plugged wells within a mile radius. There are no gas or injection wells within a mile radius.



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Tohonadla 35-F  
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San Juan County, Utah

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#### 4. PROPOSED PRODUCTION FACILITIES (See PAGES 12 & 13)

A well head and gas powered pump will be installed on the pad. Both will be painted a flat Carlsbad tan. A 746.45' long  $\approx 4$ " O. D. steel pipeline will be laid west along the new road from the well to the existing Tohonadla 1-E pipeline. The pipeline will be buried  $\approx 36$ " deep.

#### 5. WATER SUPPLY

Water will be trucked from Monument Resources' well on private land in 30-40s-22e near Bluff. Water right number is 09-135.

#### 6. CONSTRUCTION METHODS & MATERIALS (See PAGES 14 & 15)

The top 6" of soil and brush will be stripped and stockpiled east of the pad. The pit subsoil will be piled east of the pit and separate from the topsoil. A diversion ditch will be cut north of the pad. A minimum 12 mil plastic liner will be installed in the reserve pit. The reserve pit will be fenced sheep tight on 3 sides with woven wire fence topped with barbed wire. The fourth side will be fenced once the rig moves off. The fence will be kept in good repair while the pit dries. Once dry, contents of the reserve pit will be buried in place. Rock will be bought and trucked from private land near Bluff.

#### 7. WASTE DISPOSAL

All trash will be placed in a portable trash cage and hauled to the county landfill. Human waste will be disposed of in chemical toilets. Toilet contents will be hauled to a state approved dump station off the reservation.

#### 8. ANCILLARY FACILITIES

There will be no air strip or camp. Camper trailers will be parked on the pad for the company man, tool pusher, and mud logger.

#### 9. WELL SITE LAYOUT

See PAGES 14 and 15 for drawings of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.



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Tohonadla 35-F  
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#### 10. RECLAMATION

Reclamation starts once the reserve pit is dry, at which point it will be back filled. Liner top will be folded over contents and covered with  $\geq 24$ " of dirt. The reserve pit and any pad areas not needed for producing the well will be reclaimed as an interim measure. Once the well is plugged, the remainder of the pad and road will be reclaimed.

All reclamation will leave the terrain with a natural shape, slopes will be no steeper than 3 to 1, subsoil will be used to fill the reserve pit, all compacted areas will be ripped  $\geq 12$ " deep with the contour, topsoil will be spread across all compacted areas and harrowed with the contour. A seed mix will be drilled as prescribed by BLM, BIA, or the Navajo Nation. Weeds will be controlled in accordance with BLM, BIA, or Tribal requirements.

#### 11. SURFACE OWNER

All construction will be on Navajo Tribal surface. Tribal Project Review Office phone is (928) 871-6447. Address is P. O. Box 2249, Window Rock, Arizona, 86515. Land use will be:

220' x 270' well site = 1.36 acres  
+ 40' x 746.45' road & pipeline = 0.69 acres  
total = 2.05 acres



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## 12. OTHER INFORMATION

Blue Mountain Hospital is a  $\approx$ 2/3 hour drive away in Blanding at 802 South and 200 West. Hospital phone number is (435) 678-3993.

Chuck Yarbrough (BIA) and Charles Black (Permits West) held an on site inspection on June 13, 2007. Well was previously approved (SAS DNR-12002), but never built or drilled. Approvals have since expired.

## 13. REPRESENTATION & CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U. S. C. 1001 for the filing of false statements. Executed this 3rd day of April, 2012.

  
Bill McCabe

NNOGC Exploration & Production, LLC  
1625 Broadway STE 1000  
Denver, CO 80202  
(303) 534-8300

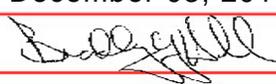
FAX: (303) 534-1405

Mobile: (303) 257-6303

The field representative will be:

Bill McCabe or John Hatch  
NNOGC Exploration and Production, LLC  
1625 Broadway, Suite 1000  
Denver, CO 80202  
(303) 534-8300



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> 1420603229
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> NAVAJO
<b>1. TYPE OF WELL</b> Oil Well		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>2. NAME OF OPERATOR:</b> NNOGC EXPLORATION & PRODUCTION, LLC		<b>8. WELL NAME and NUMBER:</b> TOHONADLA 35-F
<b>3. ADDRESS OF OPERATOR:</b> 1625 Broadway, Suite 1000, Denver, CO, 80202		<b>9. API NUMBER:</b> 43037500240000
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2320 FNL 2526 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENW Section: 35 Township: 41.0S Range: 21.0E Meridian: S		<b>9. FIELD and POOL or WILDCAT:</b> TOHONADLA
		<b>COUNTY:</b> SAN JUAN
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>3/14/2014</b>	<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"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:		<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"/> <b>APD EXTENSION</b>
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:		OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p style="color: red; font-weight: bold;">Approved by the Utah Division of Oil, Gas and Mining</p> <p style="color: red; font-weight: bold;">Date: <u>December 03, 2013</u></p> <p style="color: red; font-weight: bold;">By: <u></u></p>		
<b>NAME (PLEASE PRINT)</b> Racheal Dahozy	<b>PHONE NUMBER</b> 928-871-4880	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/3/2013	



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43037500240000**

API: 43037500240000

Well Name: TOHONADLA 35-F

Location: 2320 FNL 2526 FWL QTR SENW SEC 35 TWP 410S RNG 210E MER S

Company Permit Issued to: NNOGC EXPLORATION & PRODUCTION, LLC

Date Original Permit Issued: 3/14/2012

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: Racheal Dahozy

Date: 12/3/2013

Title: Regulatory Analyst Representing: NNOGC EXPLORATION & PRODUCTION, LLC

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
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<b>STATE:</b> UTAH	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 3/14/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Approved by the  
 February 02, 2015  
 Oil, Gas and Mining

Date: \_\_\_\_\_

By: 

<b>NAME (PLEASE PRINT)</b> Racheal Dahozy	<b>PHONE NUMBER</b> 928-871-4880	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/29/2015	



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

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Signature: Racheal Dahozy

Date: 1/29/2015

Title: Regulatory Analyst Representing: NNOGC EXPLORATION & PRODUCTION, LLC



GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

May 17, 2016

NNOGC Exploration & Production, LLC  
218 N Auburn  
Farmington, NM 87401

Re: APD Rescinded – Tohonadla 35-F, Sec. 35, T. 41S, R. 21E,  
San Juan County, Utah API No. 43-037-50024

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 14, 2012. On March 12, 2013, December 3, 2013 and February 2, 2015 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective May 17, 2016.

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

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

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Monticello

