

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE **X** WATER SANDS _____ LOCATION INSP _____ SUB. REPORT/abd. _____

990902 APD EXT TO 4/8/2000!

DATE FILED **MARCH 16, 1998**
 LAND: FEE & PATENTED STATE LEASE NO. **ML-3037** PUBLIC LEASE NO. _____ INDIAN _____

DRILLING APPROVED: **APRIL 8, 1998**

SPUDED IN: _____
 COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____
 GRAVITY A.P.I. _____

GOR: _____
 PRODUCING ZONES: _____

TOTAL DEPTH: _____
 WELL ELEVATION: _____

DATE ABANDONED: _____
 FIELD: **RED WASH**
 UNIT: **RED WASH**
 COUNTY: **UINTAH**

WELL NO. **RWU 325 (32-16B)** API NO. **43-047-33083**
 LOCATION **1593 FNL** FT. FROM (N) (S) LINE, **1837 FEL** FT. FROM (E) (W) LINE, **SW NE** 1/4 - 1/4 SEC. **16**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
7S	23E	16	CHEVRON USA PRODUCTION				





Chevron Pre site

Red Wash 324

16 75 23E

Looking South



Chevron Pre site

Red Wash 324

16 75 23E

Looking West



Chevron Pre site

Red Wash: 324

16 75 23E

Looking East



Chevron Pre site

Red Wash 324

16 75 23E

Looking North





Chevron Pre site

Red Wash 325

16 75 23E

Looking East



chevron Pre site

Red Wash 325

16 75 23E

Looking West



Chevron Pre site

Red wash 325

16 75 23E

Looking North



Chevron Pre site

Red Wash 325

16 75 23E

Looking South

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

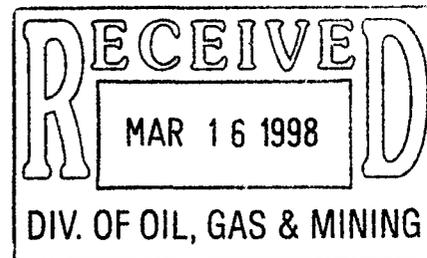
APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. LEASE DESIGNATION AND SERIAL NO. ML-3037
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		7. UNIT AGREEMENT NAME RED WASH UNIT
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS-WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. FARM OR LEASE NAME, WELL NO. RWU #325 (32-16B)
2. NAME OF OPERATOR CHEVRON USA PRODUCTION CO., INC.		9. API WELL NO.
3. ADDRESS AND TELEPHONE NO. 11002 EAST 17500 SOUTH, VERNAL, UT 84078-8526 (801) 781-4300		10. FIELD AND POOL, OR WILDCAT RED WASH - GREEN RIVER
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1593' FNL, 1837' FEL, SWNE <i>445 560</i> At proposed prod. Zone SAME		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SEC. 16-T7S-R23E, SLBM
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* ~20.1 MILES FROM VERNAL, UT		12. COUNTY OR PARISH 13. STATE UINTAH UTAH
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any) 1593'	16. NO. OF ACRES IN LEASE 640	17. NO. OF ACRES ASSIGNED TO THIS WELL NA
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, approx. 1500' OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 5450'	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5198' GL		22. APPROX. DATE WORK WILL START* 10/15/98

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55	24#	360'	130 SX. CLASS G
7-7/8"	5-1/2" K-55	15.5#	5450'	286 SX. HI-FILL CLASS G; 242 SX. CLASS G

Chevron proposes to drill a new oil producer at the location above. Attachments:

- Certified plat
- Self certification statement
- Thirteen point surface use plan
- Eight point drilling plan



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *[Signature]* TITLE Operations Rep. DATE 3/11/98

(This space for Federal or State office use)

PERMIT NO. 43-047-33083 APPROVAL DATE 4/8/98

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

CONDITIONS OF APPROVAL, IF ANY:
 APPROVED BY *[Signature]* TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE 4/8/98

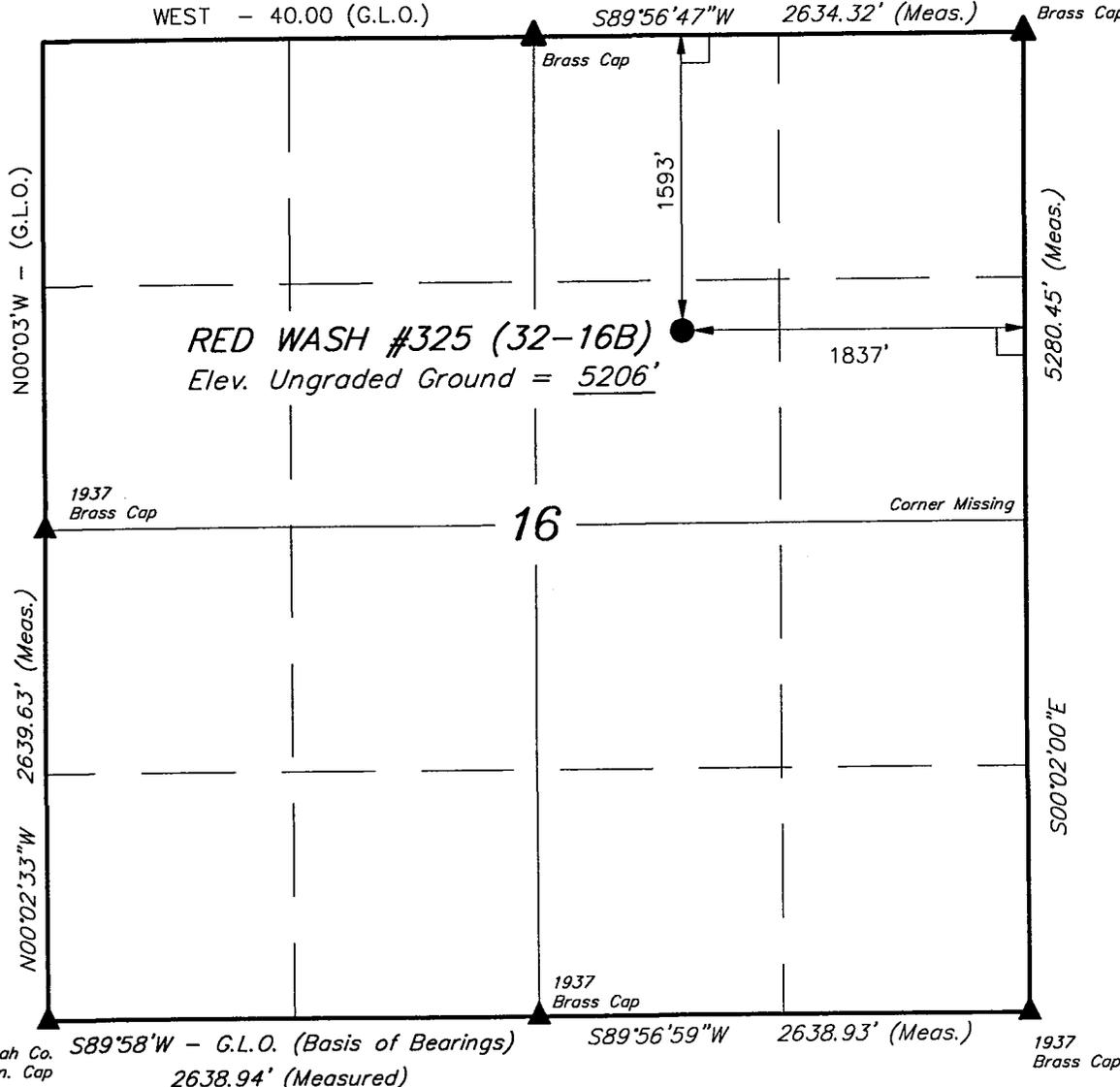
*See Instructions On Reverse Side

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

T7S, R23E, S.L.B.&M.

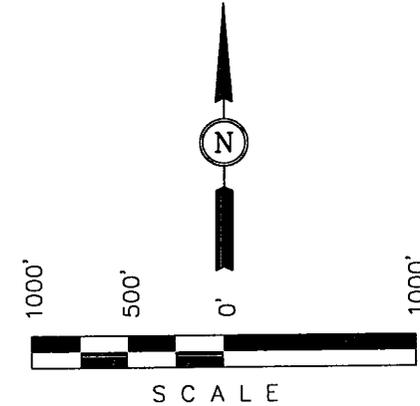
CHEVRON U.S.A., INC.

Well location, RED WASH #325 (32-16B), located as shown in the SW 1/4 NE 1/4 of Section 16, T7S, R23E, S.L.B.&M. Uintah County, Utah



BASIS OF ELEVATION

SPOT ELEVATION IN THE SE 1/4 SE 1/4 OF SECTION 17, T7S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5617 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT, WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 11613
STATE OF UTAH

ROBERT J. RUCKAY

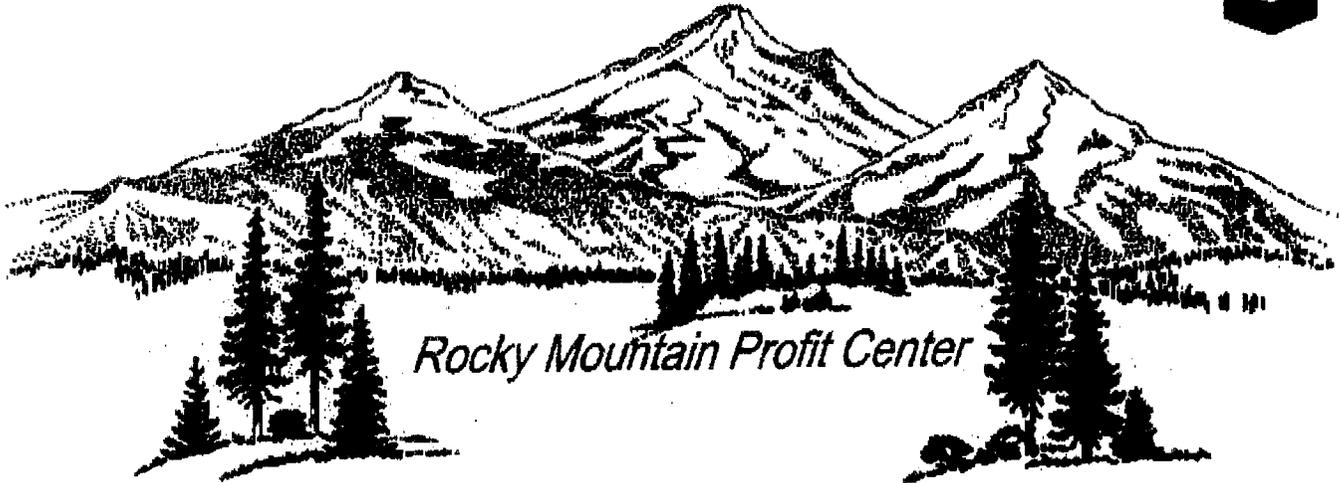
UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE SURVEYED: 9-29-97	DATE DRAWN: 10-21-97
PARTY B.B. D.R. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CHEVRON U.S.A., INC.	

Chevron U.S.A. Production Company



Rocky Mountain Profit Center

11002 East 17500 South, Vernal, UT 84078

(801) 781-4300 (Office)

(801) 781-4329 Panafax)

(801) 781-4300 (Confirm)

CTN numbers are the same.

SENT TO: Utah Division of Oil, Gas and Mining
FAX: 801 538 5294 (Attention Lisha)
4745
PHONE: _____

FROM: Michael Alexander
PHONE: 435 781 4307

TOTAL NUMBER OF PAGES BEING SENT (including this one) 3

NOTE: _____

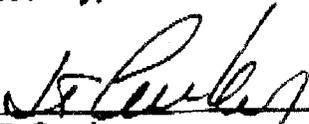
United States Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 West
Vernal, UT 84078

SELF-CERTIFICATION STATEMENT

Be advised that Chevron USA Production Company is considered to be the operator of Red Wash Unit #325 (32-16B), SWNE-Sec.16-T7S-R23E, Uintah County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Nationwide Bond #U-89-75-80-59 (Standard Oil Co. of California and its wholly owned subsidiary Chevron USA Production Co., as co-principals) via surety consent as provided for in 43 CFR 3104.2.

Sincerely,



J. T. Conley
Red Wash Area Team Leader

DATE: 4-2-98

United States Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 West
Vernal, UT 84078

SELF-CERTIFICATION STATEMENT

Be advised that Chevron USA Production Company is considered to be the operator of Red Wash Unit #325 (32-16B), SWNE-Sec.16-T7S-R23E, Uintah County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Nationwide Bond #U-89-75-81-34 (Standard Oil Co. of California and its wholly owned subsidiary Chevron USA Production Co., as co-principals) via surety consent as provided for in 43 CFR 3104.2.

Sincerely,



J. T. Conley
Red Wash Area Team Leader

DATE: 3-11-98

CHEVRON USA PRODUCTION CO.

**RED WASH UNIT #325
1593' FNL, 1837' FEL
SWNE-SEC. 16-T7S-R23E
UINTAH COUNTY, UTAH**

EIGHT POINT DRILLING PLAN

1. ESTIMATED FORMATION TOPS:

Uinta	Surface
Green River	~2718'
Oil Shale	~3473'
Green River "F"	~4448'

2. ESTIMATED DEPTHS OF TOP AND BOTTOM OF WATER, OIL, GAS, OR OTHER MINERAL BEARING FORMATIONS AND PLAN FOR PROTECTION:

Deepest Fresh Water: ~2718', top of Green River Formation. The Green River Formation is classified by the EPA as an exempt aquifer in the vicinity of the proposed well.

Oil Shale: Oil shale is expected between the depths of ~3473-3500'.

Oil and Gas: Gas possible in the Uinta Formation. Oil and gas expected in intervals of the Green River Formation from ~4448' to TD.

Protection of oil, gas, water, or other mineral bearing formations: Protection shall be accomplished by cementing surface casing and production casing back to the surface or to depths sufficient to isolate required formations. Please refer to casing and cement information for protection plans.

3. PRESSURE CONTROL EQUIPMENT:

For drilling surface hole to 360': No BOP equipment required.

For drilling through 8.625" surface casing to TD:

Maximum anticipated surface pressure is <1200 psi.

RWU #325(32-16B) - EIGHT POINT DRILLING PLAN

Pressure control equipment shall be in accordance with BLM minimum standards for 2000 psi equipment.

A casing head with an 11", 3000 psi flange will be screwed or welded onto the 8.625" surface casing.

BOP stack will consist of a double gate and annular preventer. The double gate will be equipped with pipe rams on bottom and blind rams on top. The choke and kill lines will be connected to outlets between the bottom and top rams, utilizing either the ram body outlet or a drilling spool with side outlets. The BOP stack will be 9" or 11" bore, 2000 or 3000 psi working pressure. The choke and kill lines will be 2" or 3" bore, 2000 or 3000 psi working pressure. Please refer to attached schematics.

A rotating head may be used while drilling below surface casing for control of gas cut mud.

Test procedure and frequency shall be in accordance with BLM minimum standards for 2000 psi equipment.

4. SUPPLEMENTAL DRILLING EQUIPMENT AND CASING INFORMATION:

Casing Information: All casing will be new pipe and tested to 1500 psi.

Casing	Weight	Grade	Conn.	Stage	Centralizers
8.625"	24.0 #/ft.	K-55	STC	No	*
5.5"	15.5 #/ft.	K-55	LTC	No	As Needed

* Centralizers will be placed 10' above shoe, on 1st and 3rd collars.

Casing	Cement
8.625"	Oilfield type cement circulated in place. Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Fill to surface with 160 cf (130 sx) calculated. Tail plug used. Allowed to set under pressure.
5.500"	Lead/Tail oilfield type cement circulated in place, 50% excess assumed.

RWU #325(32-16B) - EIGHT POINT DRILLING PLAN

Tail slurry: Class G + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Fill to 4200' ($\pm 300'$ above top of Lower Green River) with ~325 cuft (242 sx.).

Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Fill to surface with ~1092 cuft (286 sx.). Tail plug used. Allowed to set under pressure.

Drilling Equipment:

Drilling of the surface hole will be with a small rotary rig equipped to use air, fluid or a combination of both. Hole size will be in the 12 1/4" - 11" range at the discretion of the drilling contractor.

Drilling below surface casing will be with conventional rotary equipment utilizing fresh water mud. Hole size will be 7 7/8".

A rotating head may be used while drilling below surface casing for control of gas cut mud.

5. CIRCULATING MEDIUM, MUD TYPE, MINIMUM QUANTITIES OF WEIGHT MATERIAL, AND MONITORING EQUIPMENT:

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash, and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is ± 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

6. ANTICIPATED TYPE AND AMOUNT OF TESTING, LOGGING, AND CORING:

Logging: (Base of surface casing to TD)

RWU #325(32-16B) - EIGHT POINT DRILLING PLAN

Mud logging - 4500' to TD
GR-SP-Induction
Neutron-Density
MRIL

Coring:

None planned.

Testing:

None planned.

7. EXPECTED BOTTOM HOLE PRESSURE AND ANY ANTICIPATED ABNORMAL PRESSURE, TEMPERATURES, OR OTHER HAZARDS (H₂S, STEAM, ETC.) AND ASSOCIATED CONTINGENCY PLANS:

Maximum expected BHP:	~2360 psi.
Maximum expected BHT:	~140° F.

No other abnormal hazards are anticipated and no contingency plans are required.

8. OTHER:

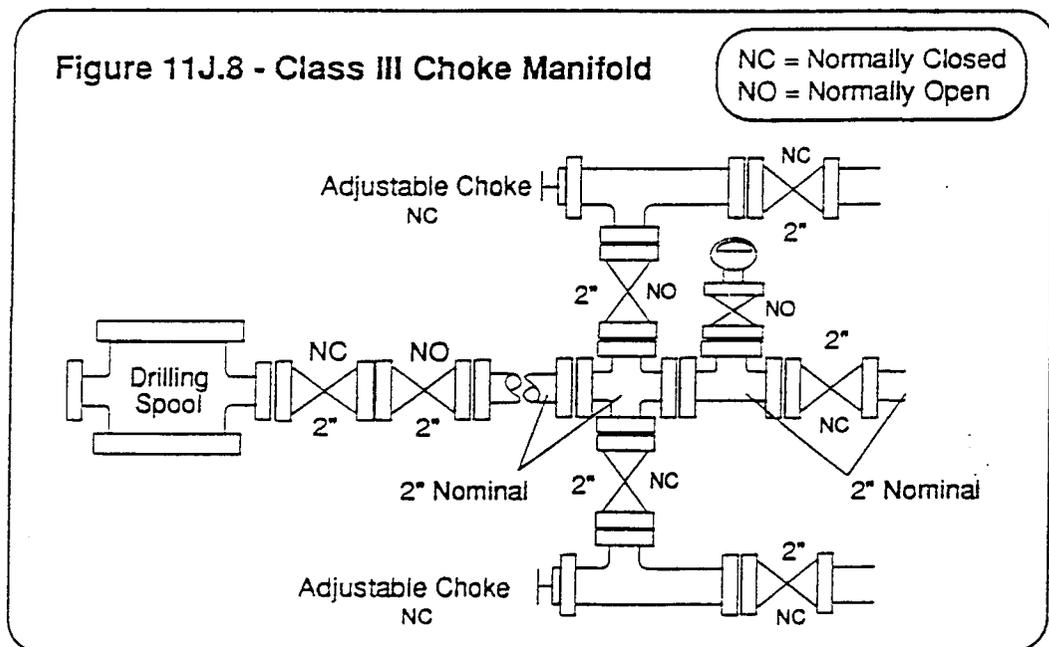
None.

CHEVRON DRILLING REFERENCE SERIES
 VOLUME ELEVEN
 WELL CONTROL AND BLOWOUT PREVENTION

D. CLASS III CHOKE MANIFOLD

The Class III choke manifold is suitable for Class III workovers and drilling operations. The Standard Class III choke manifold is shown in Figure 11J.8 below. Specific design features of the Class III manifold include:

1. The manifold is attached to a drilling spool or the top ram preventer side outlet.
2. The minimum internal diameter is 2" (nominal) for outlets, flanges, valves and lines.
3. Includes two steel gate valves in the choke line at the drilling spool outlet. The inside choke line valve may be remotely controlled (HCR).
4. Includes two manually adjustable chokes which are installed on both side of the manifold cross. Steel isolation gate valves are installed between both chokes and the cross, and also downstream of both chokes.
5. Includes a bleed line which runs straight through the cross and is isolated by a steel gate valve.
6. Includes a valve isolated pressure gauge suitable for drilling service which can display the casing pressure within view of the choke operator.
7. Returns through the choke manifold must be divertible through a mud-gas separator and then be routed to either the shale shaker or the reserve pit through a buffer tank or manifold arrangement.
8. If the choke manifold is remote from the wellhead, a third master valve should be installed immediately upstream of the manifold cross.

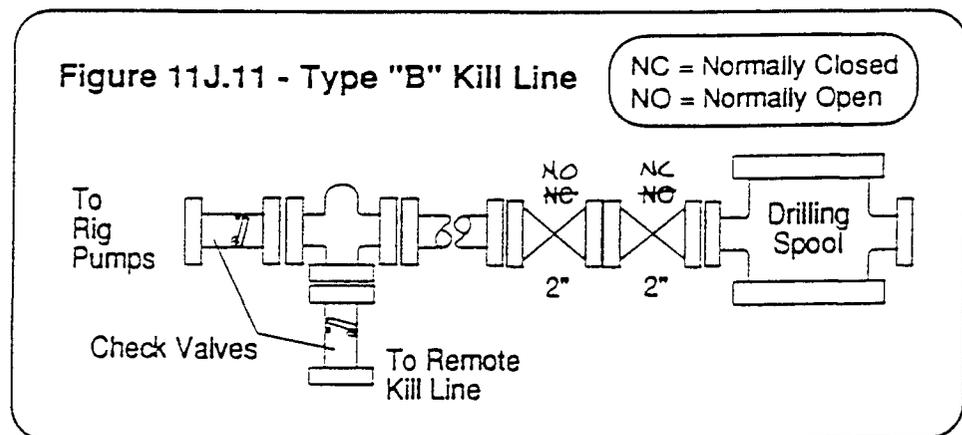


CHEVRON DRILLING REFERENCE SERIES
VOLUME ELEVEN
WELL CONTROL AND BLOWOUT PREVENTION

D. TYPE "B" KILL LINE — CLASS III, IV , AND V WELLS

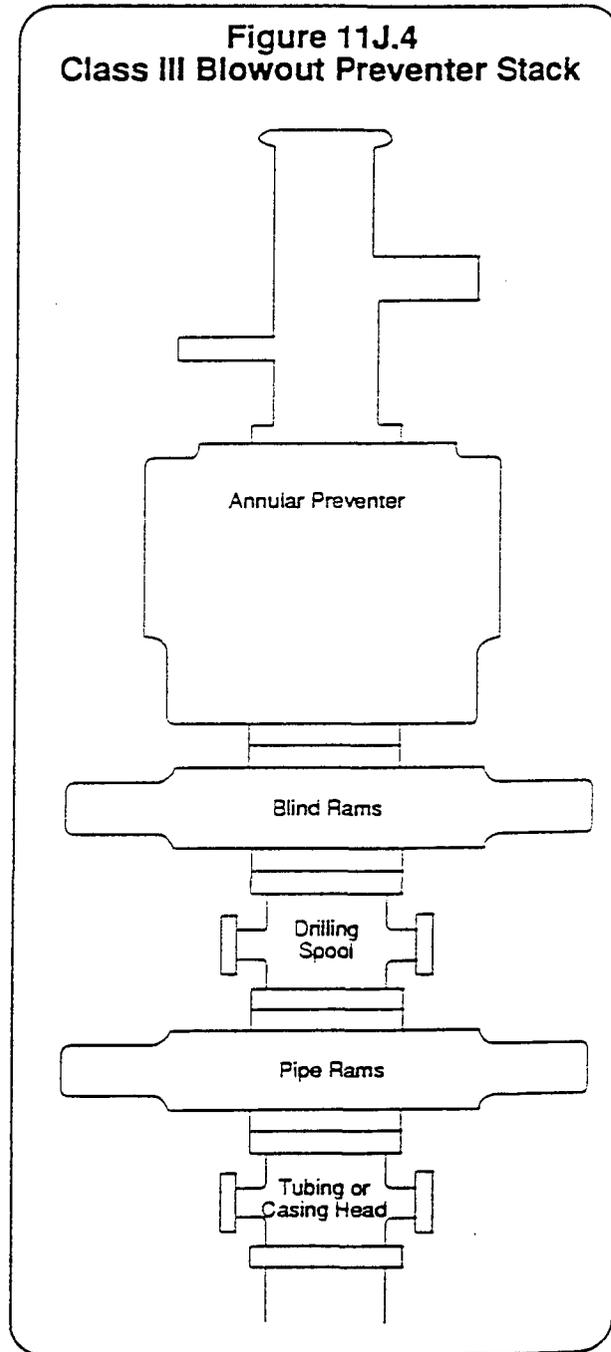
The type B kill line described below in Figure 11J.11 is the minimum recommended hookup for installation on all Class III, Class IV and Class V wells. Specific design features of the type B kill line include:

1. The preferred kill line connection to the well is at the drilling spool, however, a preventer side outlet may be used when space restrictions exclude the use of a drilling spool. In all cases, the kill line must be installed below the uppermost blind rams so the well can be pumped into with no pipe in the hole.
2. The arrangement includes two - 2" (nominal) gate valves installed at the drilling spool and an upstream fluid cross. The outside valve may be hydraulically remote controlled.
3. Two pump-in lines should be attached to the fluid cross. The **primary kill line** should be routed to the rig standpipe where it can be manifolded to the rig pumps. The **remote kill line** should be run to a safe location away from the rig or to the rig cementing unit. The remote kill line should have a loose end connection for rigging-up a high pressure pumping unit.
4. Both the primary kill line and the remote kill line must include a 2" check valve which is in working condition while drilling. If a check valve is crippled for testing purposes, the flapper or ball must be re-installed and tested before drilling resumes.
5. The primary kill line must include a pressure gauge which can display the pump-in pressure on the rig floor.
6. Any lines which are installed at the wellhead are designated as "**emergency kill lines**" and should only be used if the primary and remote kill lines are inoperable.



E. CLASS III BLOWOUT PREVENTER STACK:

The Class III preventer stack is designed for drilling or workover operations. It is composed of a single hydraulically operated annular preventer on top, then a blind ram preventer, a drilling spool, and a single pipe ram preventer on bottom. The choke and kill lines are installed onto the drilling spool and must have a minimum internal diameter of 2". All side outlets on the preventers or drilling spool must be flanged, studded, or clamped. An emergency kill line may be installed on the wellhead. A double ram preventer should only be used when space limitations make it necessary to remove the drilling spool. In these instances, the choke manifold should be connected to a flanged outlet between the preventer rams only. In this hookup, the pipe rams are considered master rams only, and cannot be used to routinely circulate out a kick. The Class III blowout preventer stack is shown to the right in Figure 11J.4.



CHEVRON USA PRODUCTION CO.

**RED WASH UNIT #325 (32-16B)
1593' FNL & 1837' FEL
A. SWNE-S16-T7S-R23E, SLB&M
UINTAH COUNTY, UTAH**

THIRTEEN POINT SURFACE USE PLAN

1. EXISTING ROADS:

- A. See Topographic Map A. There are no plans to change, alter or improve upon any existing state or county road.
- B. See Topographic Map A & B. Proposed access road begins approximately 22.5 miles from Vernal, UT.

2. ACCESS ROADS TO BE CONSTRUCTED OR RECONSTRUCTED:

- A. See Topographic Maps A and B. An access road approximately 0.6 mile in length is proposed.

3. LOCATION OF EXISTING WELLS WITHIN ONE MILE:

- A. See Topographic Map B.

4. LOCATION OF EXISTING OR PROPOSED FACILITIES IF WELL IS PRODUCTIVE:

- A. See Topographic Map B.
- B. Rod pumping equipment, a line heater, surface heat trace flowline and fuel gas line connected to existing facilities will be installed. The fuel gas line will parallel the access road.
- C. Disturbed areas no longer needed for operations will be graded back to as near original state as possible. Drainage channels will be returned to original state and the areas will be reseeded as prescribed by the State of Utah.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Red Wash Unit fresh water supply, Application #A17791, Water Right Number 49-2153. Water will be trucked ~5 miles from existing Red Wash Unit facilities.

RWU #325 (32-16B) - THIRTEEN POINT SURFACE USE PLAN

6. CONSTRUCTION MATERIALS:

- A. Native dirt and gravel will be used as construction materials.

7. METHODS FOR HANDLING WASTE DISPOSAL:

- A. A lined reserve pit will be constructed to contain excess drilling fluids.
- B. Excess reserve pit fluid will be disposed of via evaporation, percolation at pit abandonment or haul-off to a commercial disposal facility.
- C. Drill cuttings will be caught and settled in the reserve pit and buried when the pit is backfilled.
- D. Commercial service will provide portable toilets and haul-off to a commercial disposal facility.
- E. Trash will be stored in trash containers and hauled to commercial or municipal facility for disposal.
- F. It is not anticipated that any salt or chemicals will need to be disposed of. If required, disposal will be by commercial disposal facility.
- G. In the event fluids are produced, any oil will be transferred to existing facilities within Red Wash Unit and sold. Any water will be transferred to Red Wash Unit disposal facilities.
- H. Hazardous chemicals 10,000lb. of which will most likely be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the hazardous chemicals in quantities of 10,000 lb. or more will be associated with these operations.
- I. Extremely hazardous substances threshold quantities of which will be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the extremely hazardous substances in threshold quantities per 40 CFR 355 will be associated with these operations.

8. ANCILLARY FACILITIES:

- A. None.

RWU #325 (32-16B) - THIRTEEN POINT SURFACE USE PLAN

9. WELLSITE LAYOUT:

- A. See Figures 1 and 2.
- B. Burn pit will not be lined.
- C. Access to the well pad will be as shown on Topographic Map B.

10. PLAN FOR RESTORATION OF SURFACE:

- A. All surface areas not required for production operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum. Any rock encountered in excavation will be disposed of beneath backfill to return surface to its present appearance and provide soil for seed growth.
- B. The topsoil will be evenly distributed over the disturbed areas. Reseeding will be performed as directed by the State of Utah.
- C. Pits that would present a hazard to wildlife or livestock will be backfilled when the rig is released and removed.
- D. Completion of the well is planned during 1998. Rehabilitation will commence following completion of the well. If the wellsite is to be abandoned, all disturbed areas will be recontoured to the natural contour as soon as possible.

11. SURFACE OWNERSHIP:

- A. The wellsite, access roads and production facilities are constructed on state lands. The operator shall contact the State of Utah at (801) 538-5277 between 24 and 48 hours prior to construction activities.

12. OTHER INFORMATION:

- A. The well is located in steep hilly terrain. Vegetation consists of sagebrush and natural grasses around the location. The soil is a poorly developed, semi-arid, thin topsoil layer over the Uintah Formation.
- B. Surface use activities other than the oil and gas well facilities consist of grazing.
- C. There are no occupied dwellings near the wellsite.

RWU #325 (32-16B) - THIRTEEN POINT SURFACE USE PLAN

- D. Archeological clearance has been recommended per Senco-Phenix Report SPUT-208, dated 11/7/97.
- E. Paleontological clearance was recommended by Uinta Paleontological Associates, 11/12/97.

13. COMPANY REPRESENTATIVE:

Mr. J. T. Conley
11002 East 17500 South
Vernal, UT 84078
(435) 781-4301

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Chevron USA Production Co., Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

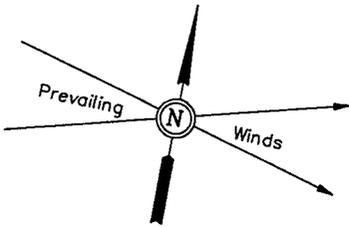
3-11-98
Date

J. T. Conley for JTC
J. T. Conley
Red Wash Asset Team Leader

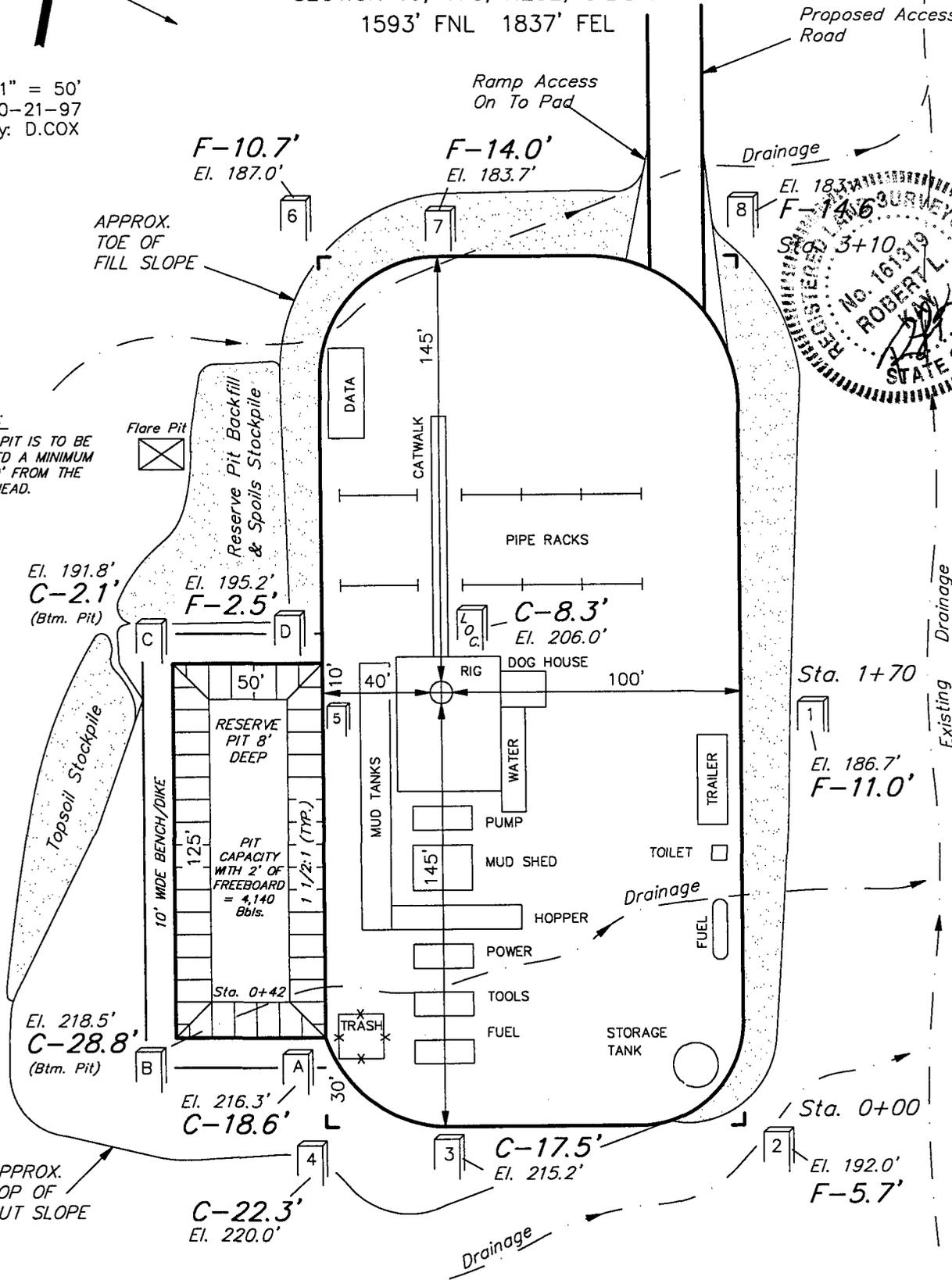
CHEVRON USA., INC.

LOCATION LAYOUT FOR

RED WASH #325 (32-16B)
SECTION 16, T7S, R23E, S.L.B.&M.
1593' FNL 1837' FEL



SCALE: 1" = 50'
DATE: 10-21-97
Drawn By: D.COX



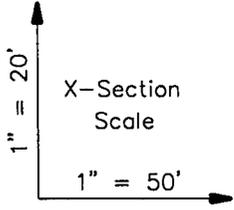
Elev. Ungraded Ground at Location Stake = 5206.0'
Elev. Graded Ground at Location Stake = 5197.7'

FIGURE #1

CHEVRON USA., INC.

TYPICAL CROSS SECTIONS FOR

RED WASH #325 (32-16B)
SECTION 16, T7S, R23E, S.L.B.&M.
1593' FNL 1837' FEL



DATE: 10-21-97
Drawn By: D.COX

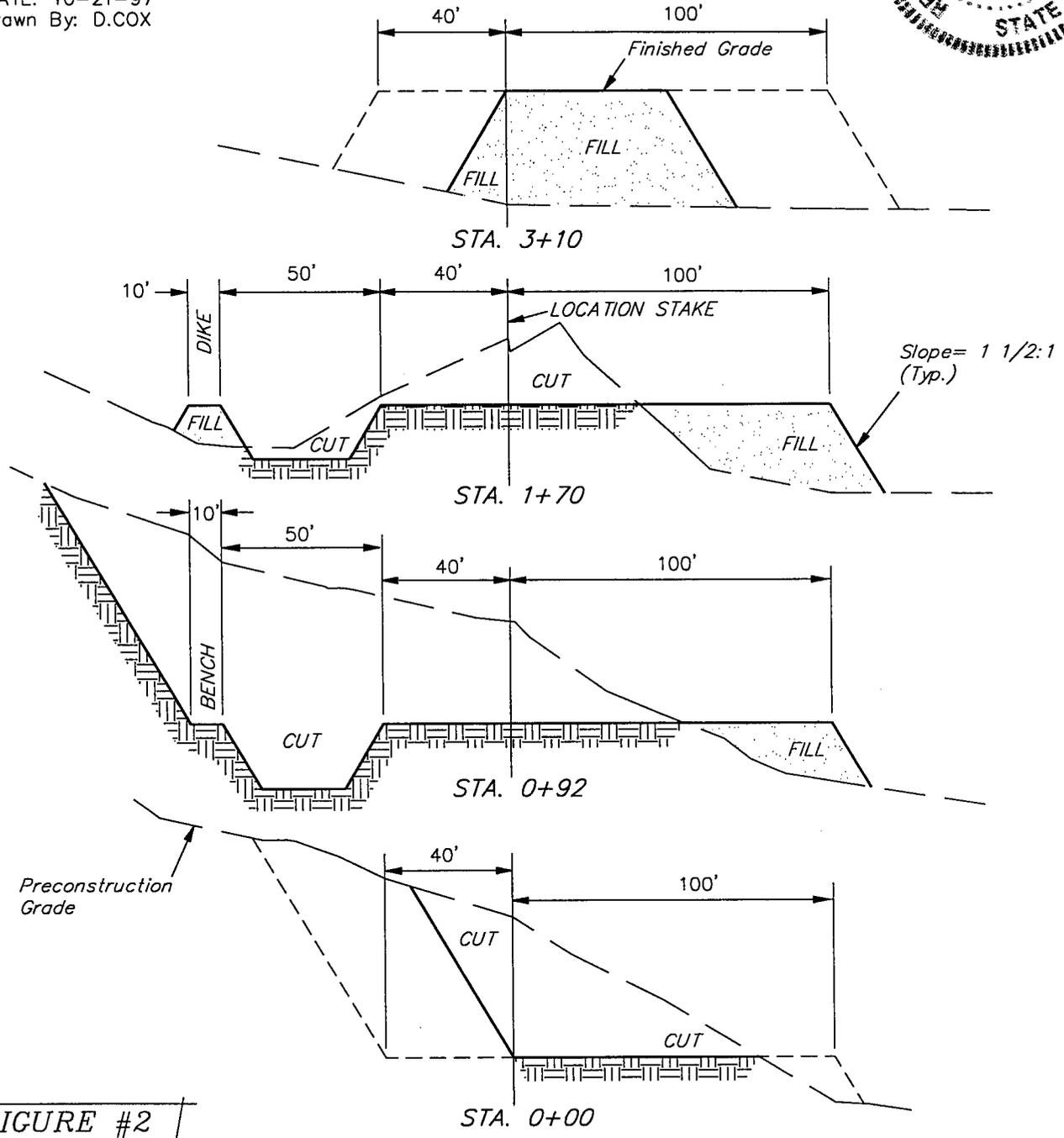


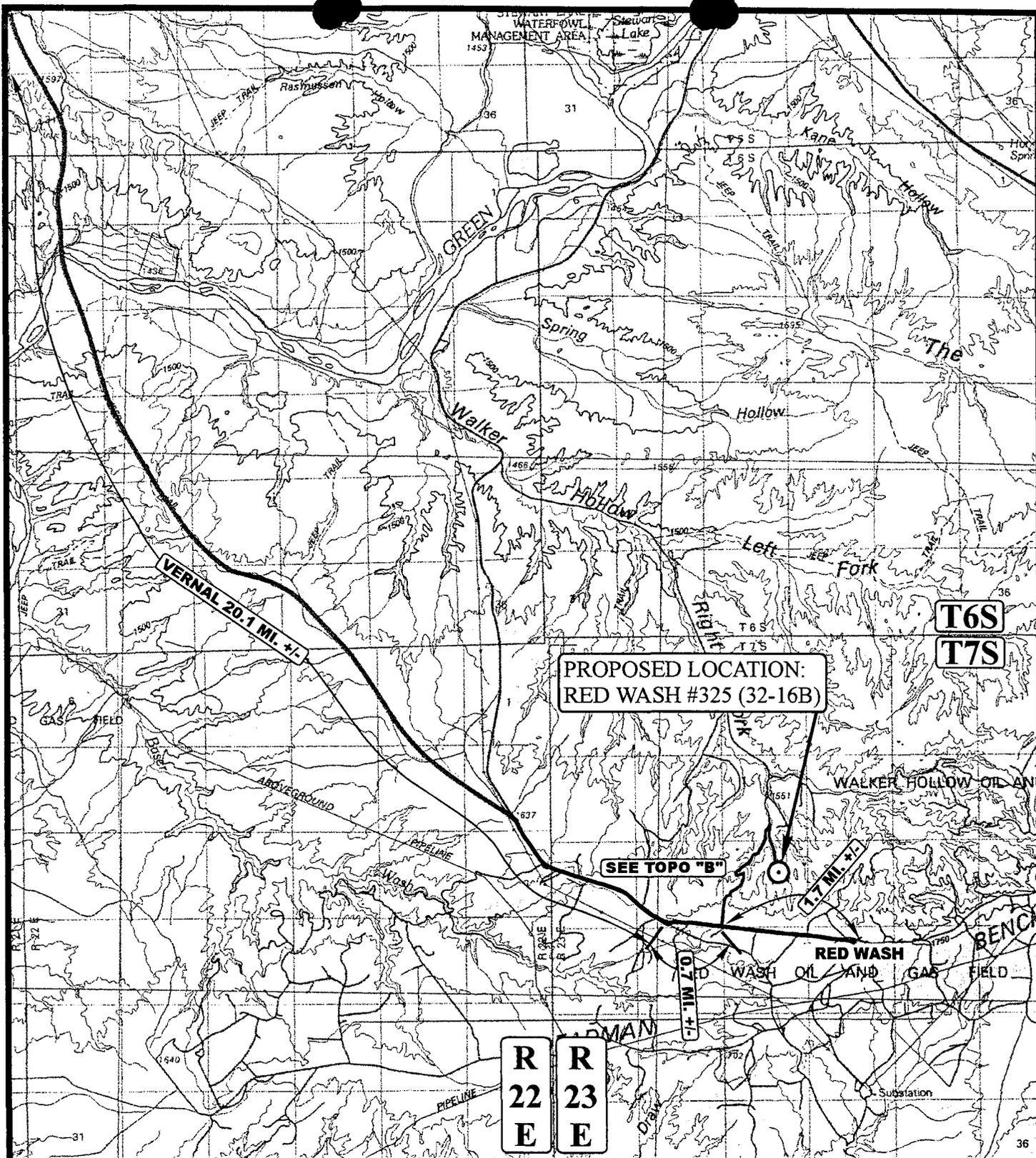
FIGURE #2

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 870 Cu. Yds.
Remaining Location	= 11,350 Cu. Yds.
TOTAL CUT	= 12,220 CU.YDS.
FILL	= 10,170 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,520 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,520 Cu. Yds.
EXCESS CUT MATERIAL	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017



LEGEND:

⊙ PROPOSED LOCATION

CHEVRON U.S.A., INC.

RED WASH #325 (32-16B)
SECTION 16, T7S, R23E, 6th P.M.
1593' FNL 1837' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easilink.com

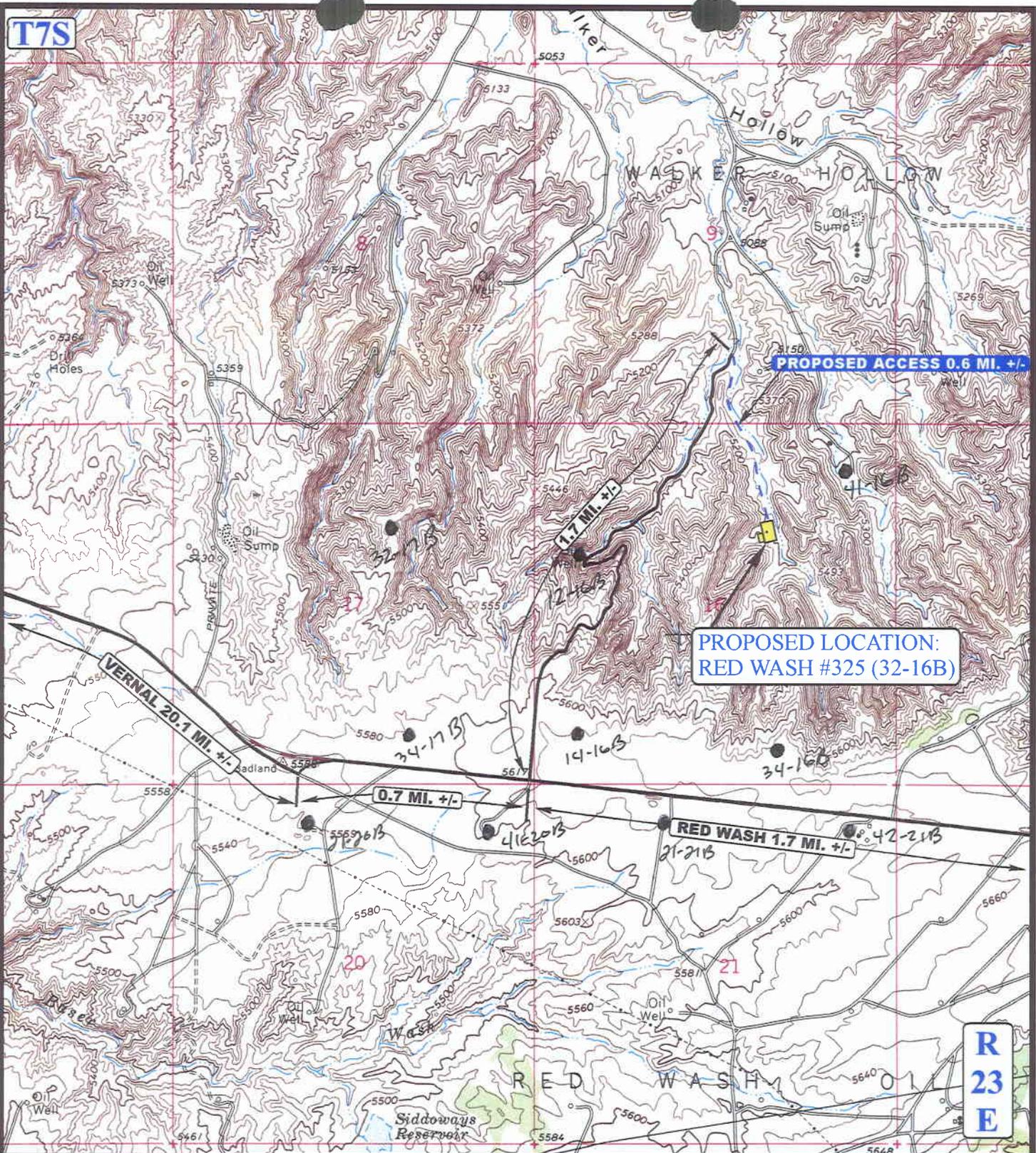


TOPOGRAPHIC **10 27 97**
MAP MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: C.G. REVISED: 00-00-00



T7S

R
23
E



LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



CHEVRON U.S.A., INC.

RED WASH #325 (32-16B)
SECTION 16, T7S, R23E, 6th P.M.
1593' FNL 1837' FEL



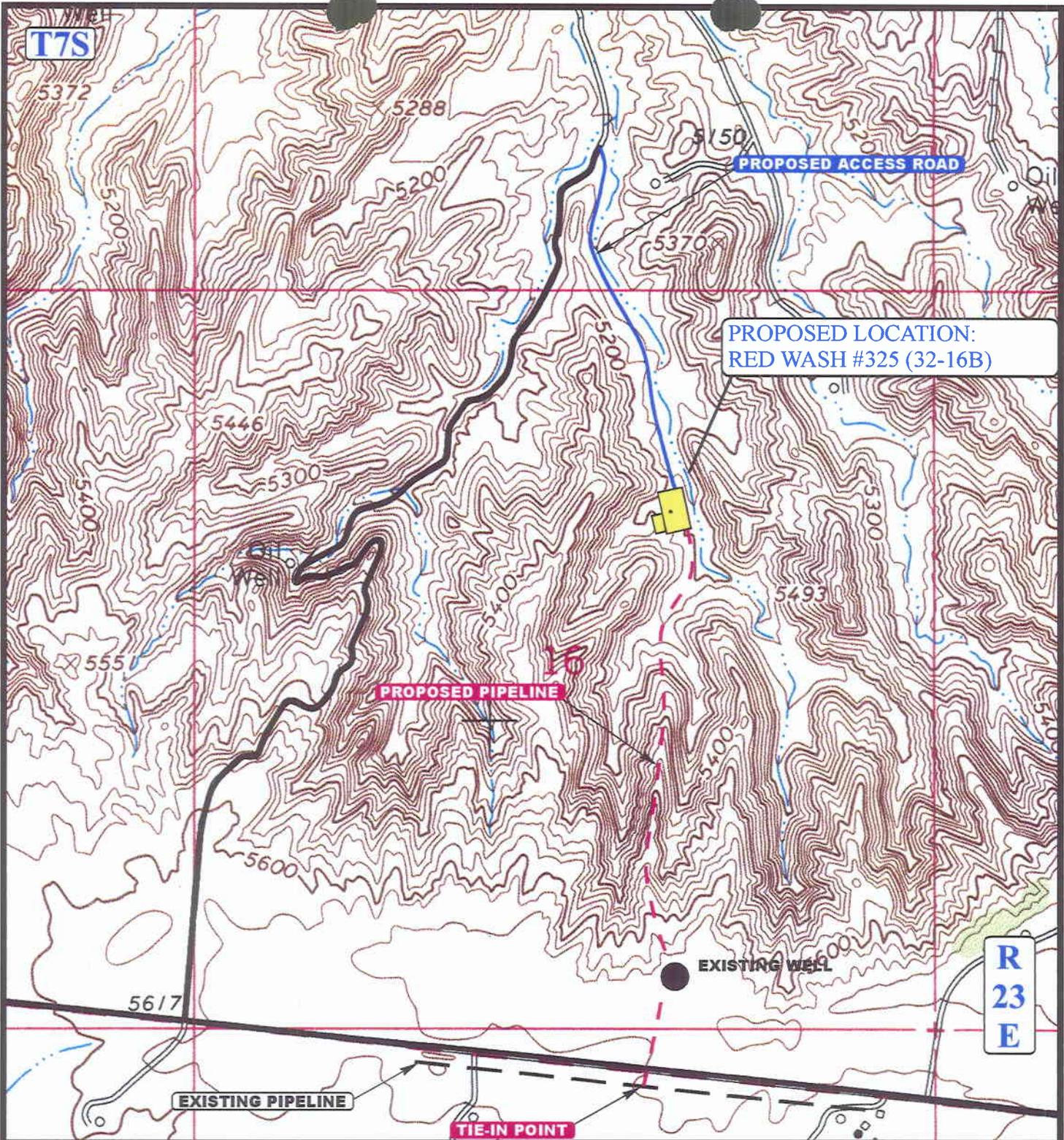
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easilink.com

**TOPOGRAPHIC
MAP**

10 27 97
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 4000' +/-

LEGEND:

- — — — — EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- PROPOSED ACCESS

CHEVRON U.S.A., INC.

**RED WASH #325 (32-16B)
SECTION 16, T7S, R23E, 6th P.M.
1593' FNL 1837' FEL**



UELS
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easilink.com

TOPOGRAPHIC MAP **10 27 97**
 MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: C.G. REVISED: 00-00-00 **C TOPO**

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/16/98

API NO. ASSIGNED: 43-047-33083

WELL NAME: RWU 325 (32-16B)
 OPERATOR: CHEVRON USA INC (N0210)

PROPOSED LOCATION:
 SWNE 16 - T07S - R23E
 SURFACE: 1593-FNL-1837-FEL
 BOTTOM: 1593-FNL-1837-FEL
 UINTAH COUNTY
 RED WASH FIELD (665)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: STA
 LEASE NUMBER: ML-3037

PROPOSED PRODUCING FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

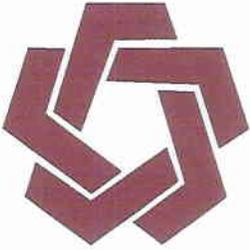
- Plat
- Bond: Federal State Fee
 (Number U-89-75-80-59)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit
 (Number A17791/49-2153)
- RDCC Review (Y/N)
 (Date: _____)

LOCATION AND SITING:

- R649-2-3. Unit: Red Wash
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
 Board Cause no: _____
 Date: _____

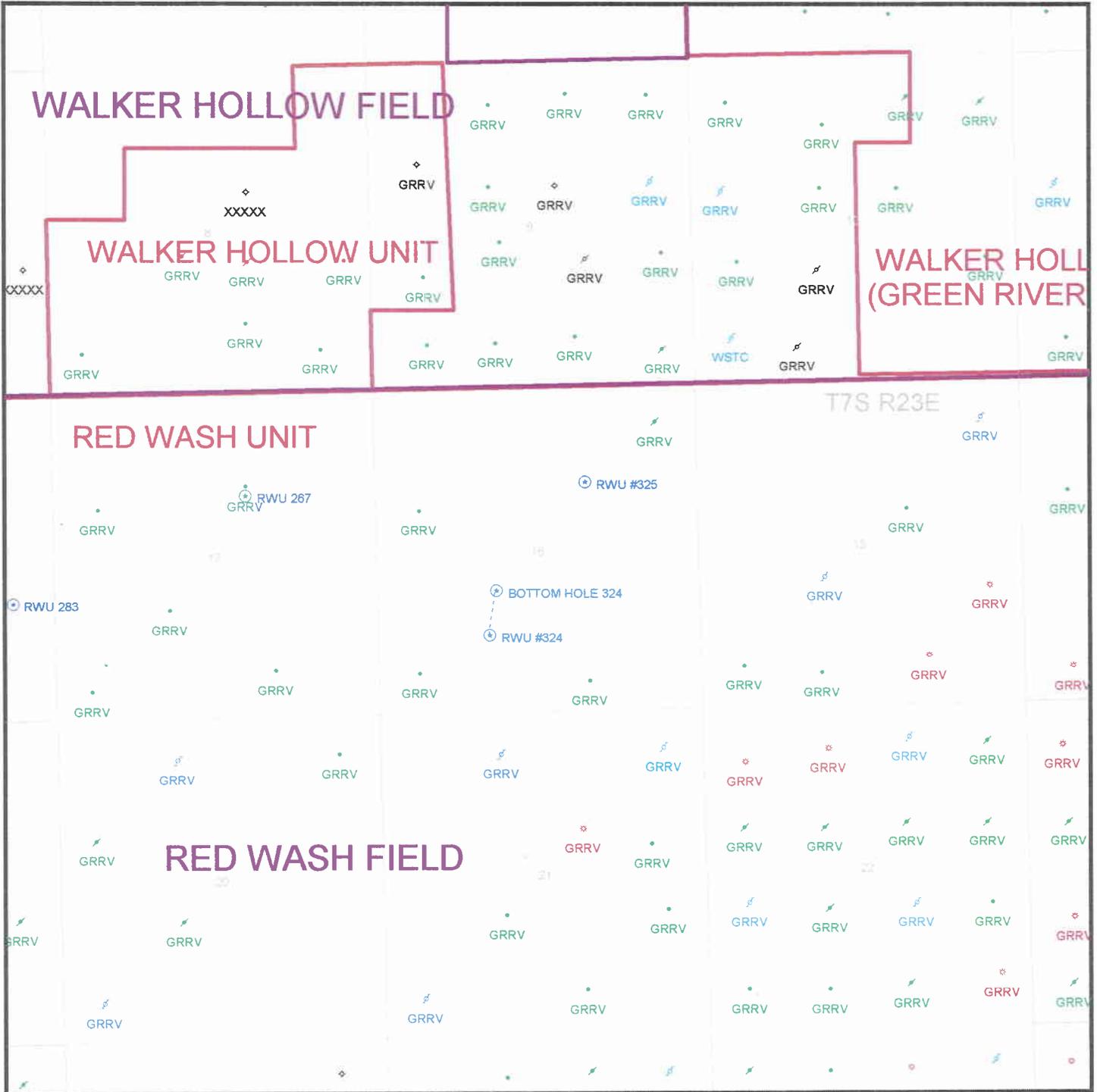
COMMENTS: * Bond referenced to APD not for State Minerals.
* Surface / State

STIPULATIONS: STATEMENT OF BASIS



DIVISION OF OIL, GAS & MINING

OPERATOR: CHEVRON PRODUCTION (N0210)
FIELD: RED WASH FIELD (665)
SEC. 16, TWP. 7S, RNG. 23E,
COUNTY: UINTAH UAC: R649-2-3 RED WASH UNIT



DATE PREPARED:
26-MAR-1998

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

Operator Name: CHEVRON U.S.A. INC.

Name & Number: RED WASH 325

API Number: 43-047-33083

Location: 1/4, 1/4 SW/NE Sec. 16 T. 7S R. 23E

Geology/Ground Water:

The base of moderately saline water is in excess of 5200 feet in this area (Technical Publication # 92). The base of the moderately saline water is probably in the lower Green River Formation. The Green River Formation is classified as an Exempt Aquifer in this area. This location is not in a designated oil shale area, and the oil shale is located below what would be considered a minable depth. Fresh water zones may be encountered in sands throughout the Uinta Formation. These zones are generally discontinuous and not subject to direct recharge. The proposed surface casing should adequately protect these zones. The proposed cement program for the production casing should adequately protect and isolate any productive zones from fresh water zones above.

Reviewer: Brad Hill

Date: 4/6/98

Surface:

The presite investigation of the surface was performed by field personnel on 12/10/97. All applicable surface management agencies and landowners have been notified and their concerns accommodated where reasonable and possible. One edge of the reserve pit will be in fill and a 12 mil liner will be required to protect the pit from erosion. A shallow gully crossing the north edge of the site will be re-routed to the north.

Reviewer: David W. Hackford

Date: 12/12/97

Conditions of Approval/Application for Permit to Drill:

1. Reserve pit shall be constructed southwest of the well bore.
2. The reserve pit shall be lined with a synthetic liner with a minimum thickness of 12 mils.

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: CHEVRON U.S.A. INC.
WELL NAME & NUMBER: RED WASH 325
API NUMBER: 43-047-33083
LEASE: ML-3037 FIELD/UNIT: RED WASH FIELD
LOCATION: 1/4, 1/4 SW/NE Sec: 16 TWP: 7S RNG: 23E 1593' FNL 1837' FEL
GPS COORD (UTM) NO READING
SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

JOHN BUSH, MIKE ALEXANDER, (CHEVRON U.S.A. INC.)
DAVID W. HACKFORD (DOGM).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS ON THE BOTTOM OF WALKER HOLLOW WITHIN A NARROW, BADLAND VALLEY. THERE ARE SOME SANDSTONE BEDROCK EXPOSURES IN THE VALLEY AREA. DRAINAGE IS TO THE NORTH.

SURFACE USE PLAN

CURRENT SURFACE USE: LIVESTOCK AND WILDLIFE GRAZING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 290' X 190.
ACCESS ROAD WILL BE 0.6 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: PRODUCTION FACILITIES WILL BE ON LOCATION. FUEL GAS LINE WILL FOLLOW ACCESS ROAD. EMULSION LINE AND TRACE LINES WILL GO TO THE SOUTH FOR 0.7 MILES TO THE RED WASH 260.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM THIS SITE DURING CONSTRUCTION AND IS NATIVE.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: GREASEWOOD, SAGEBRUSH, SHADSCALE, INDIAN RICEGRASS,
GALLETA GRASS, HORSEBRUSH, PRICKLY PEAR. RODENTS, COYOTES, BIRDS,
DEER, PRONGHORN.

SOIL TYPE AND CHARACTERISTICS: RED AND TAN CLAYS WITH POCKETS OF SANDY
SOILS.

SURFACE FORMATION & CHARACTERISTICS: SITE IS SITUATED IN MINOR AMOUNTS
OF QUATERNARY ALLUVIUM DEPOSITED ON THE EOCENE DUCHESNE RIVER
FORMATION. (ROWLEY, ET AL. 1985).

EROSION/SEDIMENTATION/STABILITY: MINOR SEDIMENTATION, NO STABILITY PROBLEMS
ANTICIPATED. EROSION COULD BE A SERIOUS PROBLEM IF LOCATION IS NOT
PROTECTED.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: 100' BY 50' AND 8' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER WILL
BE REQUIRED.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER STATE OF UTAH, TRUST LANDS.

SURFACE AGREEMENT: STATE OF UTAH, TRUST LANDS.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY
SENCO-PHENIX, ARCHEOLOGICAL CONSULTING SERVICES. A REPORT OF THIS
INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS

INVESTIGATION WAS DONE ON A COLD WINDY DAY WITH 4" SNOW COVER.

ATTACHMENTS:

PHOTOS OF PROPOSED SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

12/10/97 11:00 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>10</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score (Level II Sensitivity)		<u>25</u>



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

April 8, 1998

Chevron U.S.A., Inc.
11002 East 17500 South
Vernal, Utah 84078-8526

Re: RWU 325 (32-16B) Well, 1593' FNL, 1837' FEL, SW NE, Sec. 16,
T. 7 S., R. 23 E., Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33083.

Sincerely,

A handwritten signature in cursive script, appearing to read 'John R. Baza'.

for John R. Baza
Associate Director

lwp

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Chevron U.S.A. Production, Inc.
Well Name & Number: RWU 325 (32-16B)
API Number: 43-047-33083
Lease: ML-3037
Location: SW NE Sec. 16 T. 7 S. R. 23 E.

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or John R. Baza at (801)538-5334.

3. Reporting Requirements

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

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis dated April 6, 1998 (copy attached).

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well Oil <input type="checkbox"/> Gas <input type="checkbox"/> <input checked="" type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. ML -3037
2. Name of Operator CHEVRON U.S.A. PRODUCTION COMPANY	6. If Indian, Allottee or Tribe Name Red Wash Unit
3. Address and Telephone No. 11002 E. 17500 S., VERNAL, UT 84078-8526 (801) 781-4300	7. If Unit or CA, Agreement Designation Red Wash Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1593' FNL, 1837' FEL, SW/NE, Sec. 16, T7S, R23E.	8. Well Name and No. RWU #325(32-16B)
	9. API Well No. 43-047-33083
	10. Field and Pool, or Exploratory Area Red Wash - Green River
	11. County or Parish, State Uintah, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>APD Extension</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Chevron hereby requests an extension of 1 year to the expiration date of the APD for RWU #325(32-16B) submitted on January 8, 1998 and approved on February 6, 1998.

COPY SENT TO OPERATOR
Date: 9-2-99
Initials: CHD

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 9/2/99
By: [Signature]

RECEIVED
SEP - 2 1999
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Signed: [Signature] Title: Operations Supervisor Date: 8/31/99

Approved by: Accepted by the Utah Division of Oil, Gas and Mining Title: _____ Date: _____

Title 18 U.S.C. Section 1011, in that I am hereby and willfully making to any department or agency of the United States a representation as to any matter within its jurisdiction.

FOR RECORD ONLY



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED

FEB 07 2000

DIVISION OF
OIL, GAS AND MINING

IN REPLY REFER TO
UT-931

February 4, 2000

Shenandoah Energy Inc.
Attn: Rae Cusimano
475 17th Street, Suite 1000
Denver, Colorado 80202

Re: Red Wash Unit
Uintah County, Utah

Gentlemen:

On December 30, 1999, we received an indenture whereby Chevron U.S.A. Inc. resigned as Unit Operator and Shenandoah Energy Inc. was designated as Successor Unit Operator for the Red Wash Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 4, 2000. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Red Wash Unit Agreement.

Your statewide (Utah) oil and gas bond No. 0969 will be used to cover all operations within the Red Wash Unit.

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

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

cc: Chevron U.S.A. Inc.

bcc: Field Manager - Vernal (w/enclosure)
Division of Oil, Gas & Mining
Minerals Adjudication Group U-932
File - Red Wash Unit (w/enclosure)
MMS - Data Management Division
Agr. Sec. Chron
Fluid Chron

UT931:TAThompson:tt:2/4/00

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS
2. CDW	✓	5- CD
3. JLT		6-FILE

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

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

01-01-2000

FROM: (Old Operator):

CHEVRON USA INC
 Address: 11002 E. 17500 S.
 VERNAL, UT 84078-8526

Phone: 1-(435)-781-4300

Account No. N0210

TO: (New Operator):

SHENANDOAH ENERGY INC
 Address: 11002 E. 17500 S.
 VERNAL, UT 84078

Phone: 1-(435)-781-4300

Account N4235

CA No.

Unit: RED WASH

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
RWU 54 (43-14A)	43-047-15180	5670	14-07S-22E	FEDERAL	OW	PA
RWU 113 (34-15A)	43-047-15231	5670	15-07S-22E	FEDERAL	OW	PA
RWU 89 (23-15A)	43-047-16486	99998	15-07S-22E	FEDERAL	OW	PA
RWU WI 3A (34-16A)	43-047-16481	99996	16-07S-22E	FEDERAL	WI	PA
RWU 100 (43-21A)	43-047-10203	99998	21-07S-22E	FEDERAL	OW	PA
RWU 73 (22-21A)	43-047-15195	5670	21-07S-22E	FEDERAL	OW	PA
RWU 32 (32-22A)	43-047-15159	5670	22-07S-22E	FEDERAL	GW	PA
RWU 258 (34-22A)	43-047-30458	5670	22-07S-22E	FEDERAL	OW	TA
RWU 118 (12-23A)	43-047-15235	99998	23-07S-22E	FEDERAL	OW	PA
RWU 217 (31-29A)	43-047-30105	99998	29-07S-22E	FEDERAL	OW	PA
RWU WI 33A-1	43-047-16484	99998	33-07S-22E	FEDERAL	WI	PA
RWU 151 (42-14B)	43-047-15264	5670	14-07S-23E	FEDERAL	OW	P
RWU 325 (32-16B)	43-047-33083	99999	16-07S-23E	STATE	OW	APD
RWU 329 (32-20B)	43-047-33225	99999	20-07S-23E	FEDERAL	OW	APD
RWU 328 (12-21B)	43-047-33224	99999	21-07S-23E	FEDERAL	OW	APD
RWU 200 (32-33B)	43-047-10207	99998	33-07S-23E	FEDERAL	OW	PA
RWU 249 (14-33C)	43-047-30390	5670	33-07S-24E	FEDERAL	GW	PA
RWU 211 (32-35C)	43-047-10209	99998	35-07S-24E	FEDERAL	OW	PA
RWU 304 (24-2F)	43-047-32106	11341	02-08S-24E	STATE	GW	PA

OPERATOR CHANGES DOCUMENTATION

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12-30-1999
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 08-09-2000

3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 08-23-2000
4. Is the new operator registered in the State of Utah: YES Business Number: 224885
5. If **NO**, the operator was contacted on: _____
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 02/04/2000
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 02/04/2000
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC") Proj:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 09/26/2000
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 09/26/2000
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: _____

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on:

FILMING:

1. All attachments to this form have been **MICROFILMED** on: 03-09-01

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: _____

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
ML-3037

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
RED WASH UNIT

8. Well Name and No.
WU #325 (32-16B)

9. API Well No.
43-047-33083

10. Field and Pool, or Exploratory Area
RED WASH - GREEN RIVER

11. County or Parish, State
UINTAH, UTAH

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
 Well Well Other

2. Name of Operator
SHENANDOAH ENERGY INC

3. Address and Telephone No
11002 E. 17500 S. VERNAL, UT 84078-8526 (801) 781-4341

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1593' FNL, 1837' FEL SW/NE, Sec. 16, T7S, R23E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>APD Extension</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU #325 (32-16B).

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

COPY SENT TO OPERATOR
Date: 10-12-00
Initials: CAD

Date: 10/13/00
By: [Signature]

RECEIVED
SEP 29 2000
DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.
Signed JOHN BUSCH [Signature] Title OPERATIONS REPRESENTATIVE Date 9/27/00

(This space for Federal or State office use)

Approved by: _____ Title _____ Date _____

Conditions of approval, if any _____

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

SHENANDOAH ENERGY INC.

11002 East 17500 South
Vernal, UT 84078
Phone: (435) 781-4300
Fax (435) 781-4329

October 5, 2000

Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

To Whom It May Concern:

Shenandoah Energy Inc. Red Wash Unit #32-16B is an exception location due to the pre-existing water flood grid. This lease #(ML-3037) is under the Red Wash Unit Agreement and all owners are committed under the Unit Agreement.

There are no additional lease owners within 460' of this proposed well. If you have any question please contact Raleen Searle @ (435) 781-4309.

Thank you,



Raleen Searle
Administrative Assistant

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OCT 10 2000

DIVISION OF
OIL, GAS AND MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
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1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

October 23, 2001

Raleen Searle
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078-8526

Re: APD Rescinded – RWU 325 (32-16B), Sec. 16, T7S, R23E, Uintah County, Utah, API 43-047-33083

Dear Mrs. Searle:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on April 8, 1998. The Division approved one-year APD extensions on September 2, 1999, and October 12, 2000. No drilling activity at this location has been reported to the Division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective October 12, 2001.

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,

Lisha Cordova
Eng. Technician

cc: Well File
Bureau of Land Management, Vernal