

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

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

**1a. TYPE OF WORK**  
 DRILL  DEEPEN

**b. TYPE OF WELL**  
 OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

**2. NAME OF OPERATOR**  
 Chandler & Associates, Inc. (303) 295-0400

**3. ADDRESS AND TELEPHONE NO.**  
 475 Seventeenth Street, Suite 1000 Denver, CO 80202

**4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\***  
 At surface 104 206  
 669' FSL 682' FEL  
 At proposed prod. zone

**14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\***  
 See Topo Map "A" (attached)

**15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)** 682'

**16. NO. OF ACRES IN LEASE** 1720

**17. NO. OF ACRES ASSIGNED TO THIS WELL** 40

**18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.** -

**19. PROPOSED DEPTH** 4900'

**20. ROTARY OR CABLE TOOLS** Rotary

**21. ELEVATIONS (Show whether DF, RT, GR, etc.)** 5401' GR

**22. APPROX. DATE WORK WILL START\*** A.S.A.P.

**5. LEASE DESIGNATION AND SERIAL NO.**  
 U-74408

**6. IF INDIAN, ALLOTTEE OR TRIBE NAME**  
 N/A

**7. UNIT AGREEMENT NAME**  
 N/A

**8. FARM OR LEASE NAME, WELL NO.**  
 Desert Spring #16-19-10-18

**9. AP WELL NO.**

**10. FIELD AND POOL, OR WILDCAT**  
 Desert Spring

**11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA**  
 Sec. 19, T10S, R18E, SLB&M

**12. COUNTY OR PARISH** Uintah **13. STATE** Utah

**23. 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"	24#	250'	(See attached drilling plan)
7 7/8"	5 1/2"	15.5#	4900'	(See attached drilling plan)

- M.I.R.U.
- Drill to T.D. 4900'
- Run 5 1/2" casing if commercial production is indicated.
- If dry hole, well will be plugged and abandoned as instructed by the B.L.M.
- Well will be drilled with water; KCL water, LSND as needed to T.D.

I hereby certify that I am responsible by the terms and conditions of the lease to conduct least operations. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Chandler & Associates, Inc., B.L.M. Bond #124290364 with CNA.

**Federal Approval of this Action is Necessary**

591531.5  
4419670.3

**RECEIVED**  
 AUG 04 1998  
 DIV. OF OIL, GAS & MINING  
 DATE AUG. 3, 1998

**24. 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.

**SIGNER** Tracy D. Henline **TITLE** Agent

(This space for Federal or State office use)

**PERMIT NO.** 43-047-33164 **APPROVAL DATE**

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** Bradley G. Hill **TITLE** RECLAMATION SPECIALIST III **DATE** 8/13/98

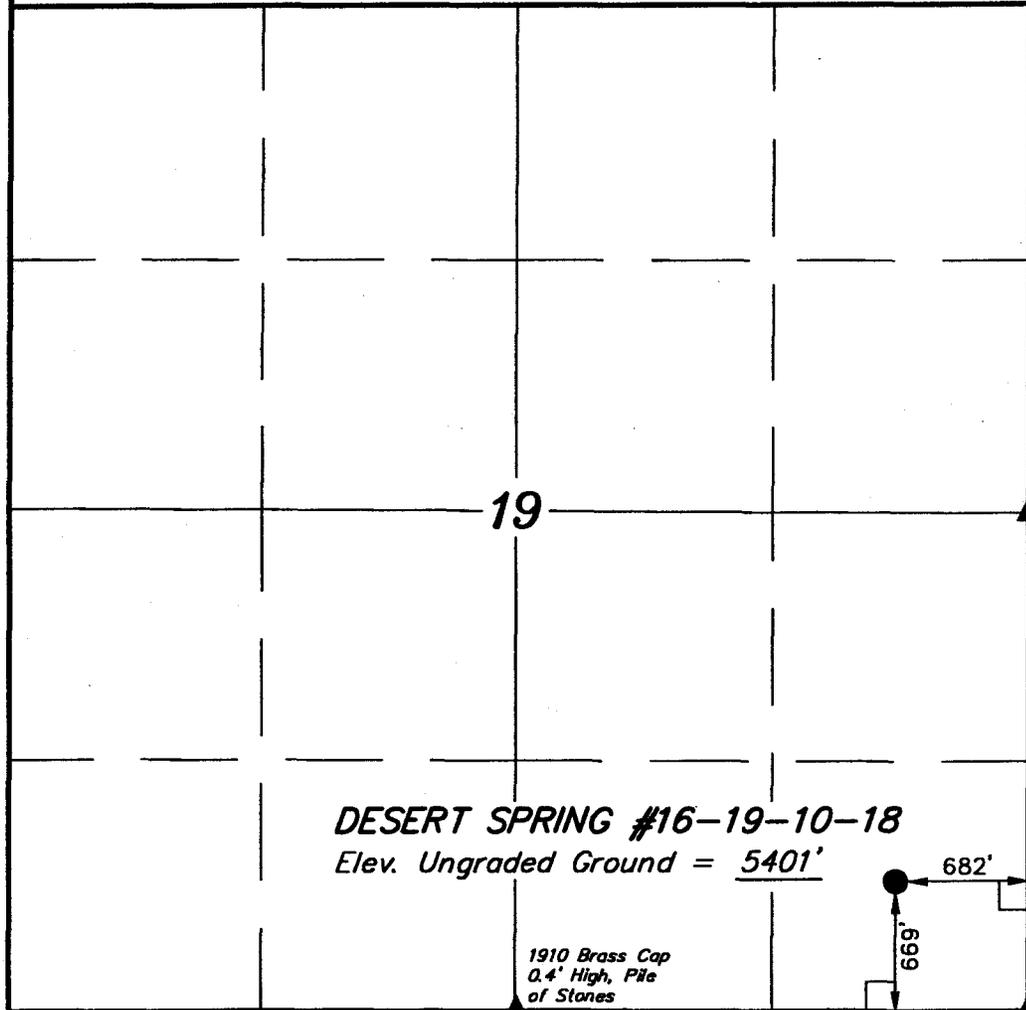
\*See Instructions On Reverse Side

R R  
17 18  
E E

T10S, R18E, S.L.B.&M.

N89°59'E - 79.90 (G.L.O.)

NORTH - (G.L.O.)



DESERT SPRING #16-19-10-18  
Elev. Ungraded Ground = 5401'

1910 Brass Cap  
0.4' High, Pile  
of Stones

N00°01'E - (G.L.O.)

N00°01'E - G.L.O. (Basis of Bearings)  
2581.06' (Measured)

1910 Brass Cap  
1.0' High, Pile  
of Stones

S89°52'E - 39.99 (G.L.O.)

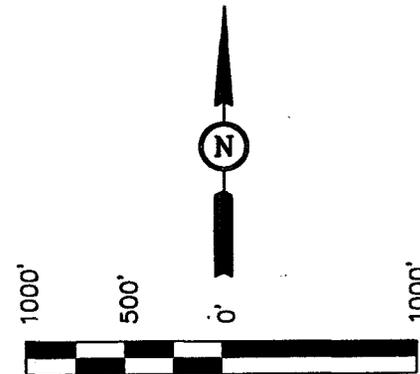
N89°51'36"W 2632.79' (Meas.)

**CHANDLER & ASSOCIATES, INC.**

Well location, DESERT SPRING #16-19-10-18 located as shown in the SE 1/4 SE 1/4 of Section 19, T10S, R18E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

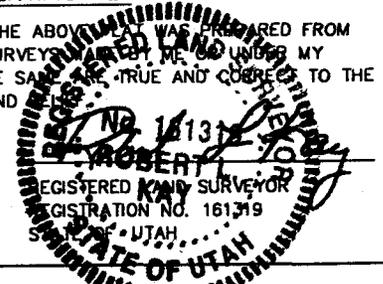
BENCH MARK LOCATED IN THE SE 1/4 OF SECTION 32, T9S, R18E, S.L.B.&M. TAKEN FROM THE CROW KNOLL, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5244 FEET.



SCALE

**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYING DONE UNDER MY SUPERVISION AND THAT THE SAID ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND



**UINTAH ENGINEERING & LAND SURVEYING**  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

**LEGEND:**

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE SURVEYED: 6-19-98	DATE DRAWN: 6-23-98
PARTY K.K. J.K. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CHANDLER & ASSOCIATES, INC.	

**CHANDLER & ASSOCIATES, INC.  
DRILLING PLAN FOR THE  
DESERT SPRING #16-19-10-18**

I. DRILLING PLAN:

1. Geological Surface Formation: Uintah
2. Estimated Tops:

<u>Name</u>	<u>Top</u>	<u>Prod. Phase Anticipated</u>
Green River	1375'	
Uteland Butte	4500'	Gas/Oil
Wasatch	4700'	

3. CASING PROGRAM:

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg. Size</u>	<u>Type</u>	<u>Weight</u>
Surface	250'	12-1/4"	8-5/8"	J-55 (ST&C)	24#/ft (new)
Prod.	4900'	7-7/8"	5-1/2"	K-55 (LT&C)	15.5#/ft (new)

4. Operator's Specification for Pressure Control Equipment:

- A. 2,000 psi W.P. Double Gate BOP or Single Gate BOP (Schematic attached).
- B. Functional test daily.
- C. All casing strings shall be pressure-tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. All ram-type preentors and related control equipment shall be tested at the rated working pressure of the stack assembly or at 70 percent of the minimum internal yield pressure of the casing, whichever is less. Tests shall be done at the time of installation, prior to drilling out, and weekly. All tests shall be for a period of 15 minutes.

Chandler & Associates, Inc.  
Desert Spring #16-19-10-18

5. Auxiliary Equipment:

- A. Kelly Cock - yes.
- B. Float at the bit - no.
- C. Monitoring equipment on the mud system - visually.
- D. Full opening safety valve on rig floor - yes.
- E. Rotating head - yes.

6. Proposed Circulating Medium:

<u>Depth</u>	<u>Mud Type</u>	<u>Density (lb./gal)</u>	<u>Viscosity</u>	<u>Water Loss</u>
0'- T.D.	Water; KCL Water; LSND	as needed		

7. Testing, Logging, and Coring Program:

- A. Cores - None anticipated.
- B. DST - none anticipated.
- C. Logging - CNL/FDC PE GR CAL (TD to base of surface casing).  
Induction SP (TD to base of surface casing).

Chandler & Associates, Inc.  
Desert Spring #16-19-10-18

- D. Formation and Completion Interval: Uteland Butte member of the Green River interval, final determination of completion will be made by analysis of logs.  
Stimulation - Stimulation will be designed for the particular area of interest as encountered.
- E. Frac gradient - approximately .80 psi/ft.

8. Cementing Program:

<u>Casing</u>	<u>Volume</u>	<u>Type &amp; Additives</u>
Surface	180 sx	Class "G" w/2% CaCl <sub>2</sub> (based on 100% access)
Production	800 sx*	450 sx "Lite" followed by 415 sx 50/50 poz. mix.

Cement Characteristics:

Class "G" - yield = 1.18 cu.ft. per. sack  
weight = 15.8 lb./gal  
strength = 3200 psi in 72 hrs @135 degrees

\* Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

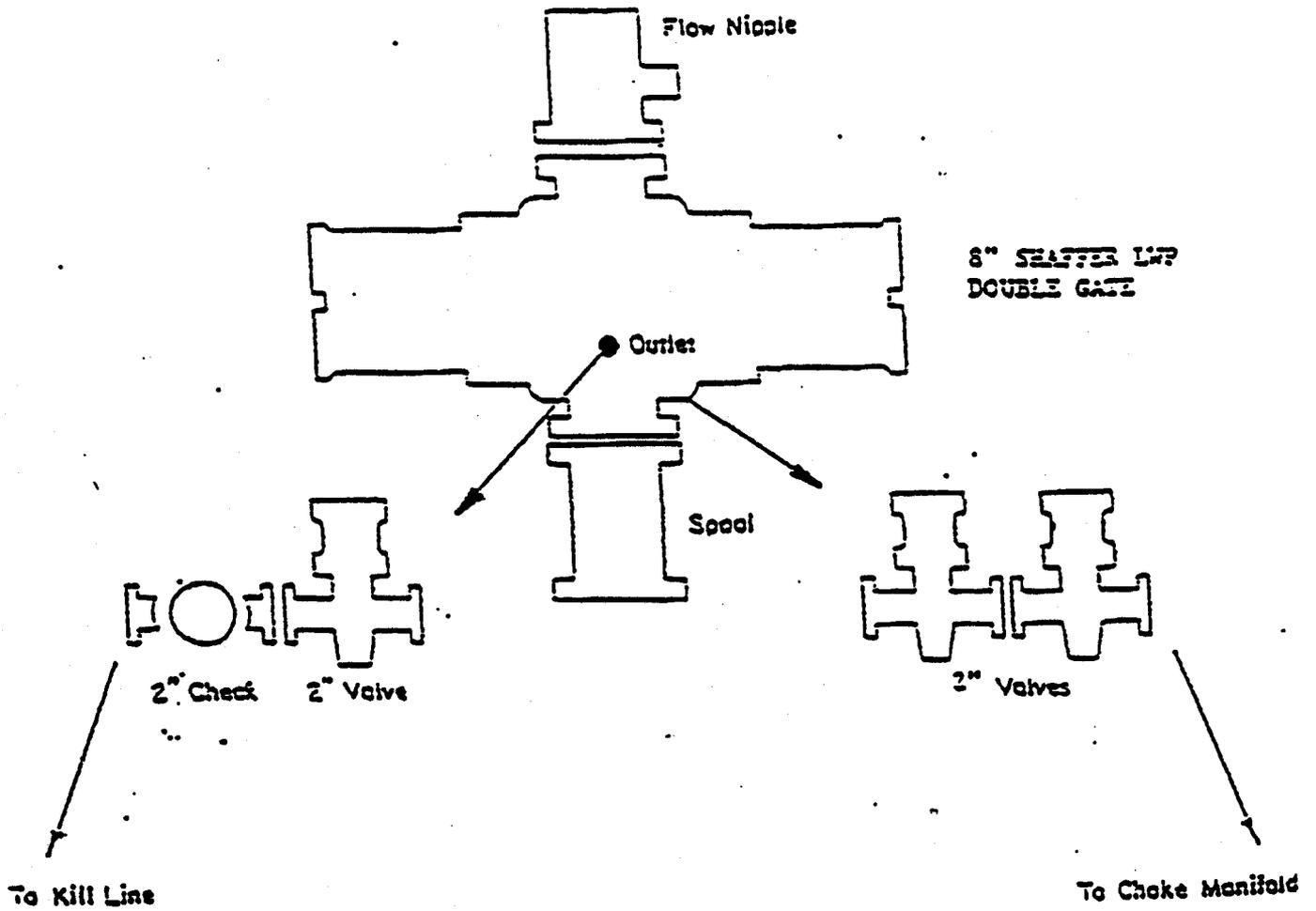
Chandler & Associates, Inc.  
Desert Spring #16-19-10-18

9. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards:

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 1,600 psi (calculated at 0.327 psi/ft) and maximum anticipated surface pressure equals approximately 522 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft).

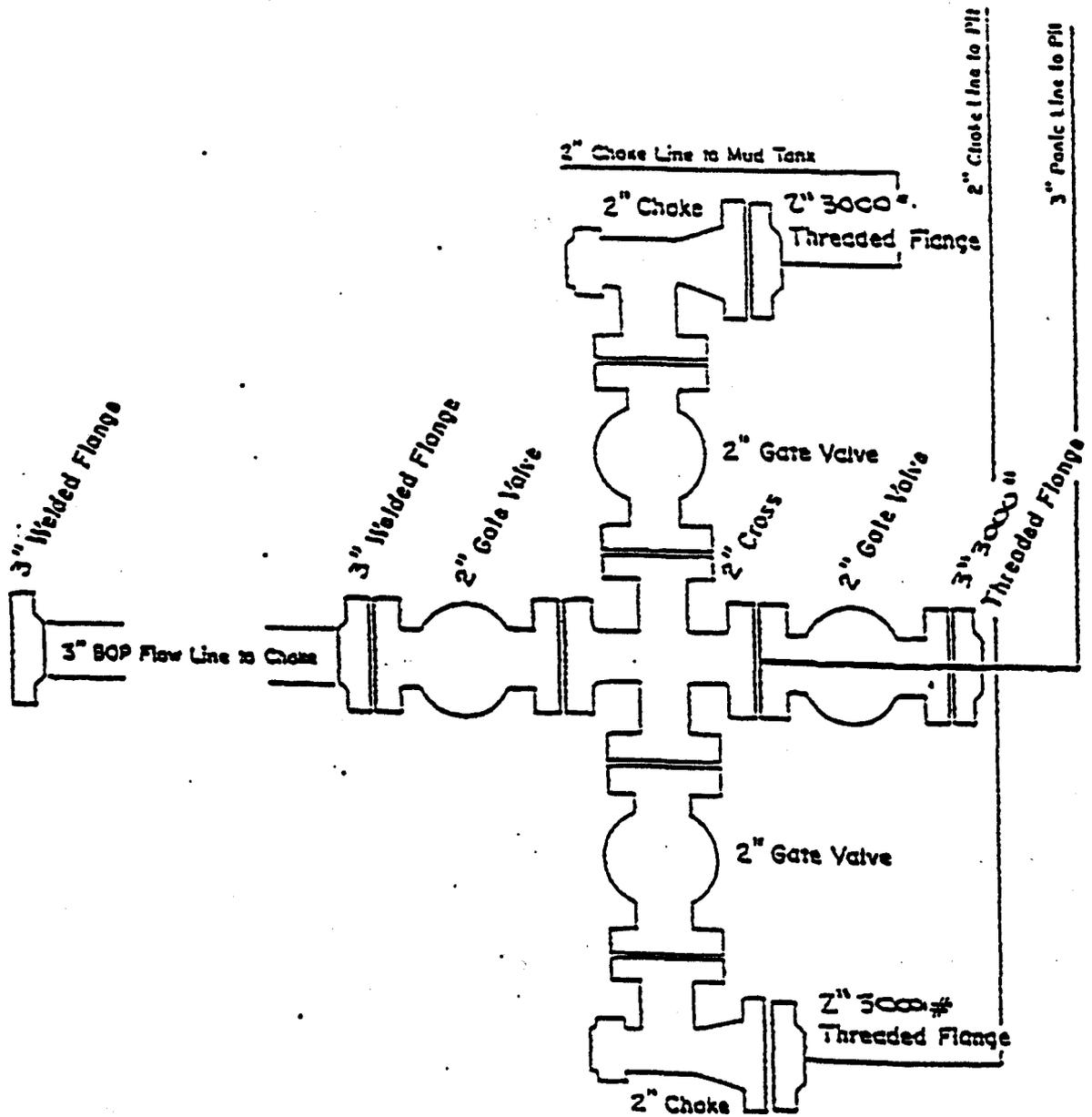
CHANDLER DRILLING

RIG NO.7



# CHANDLER DRILLING

RIG NO.7



**II. SURFACE USE PLAN  
CHANDLER & ASSOCIATES, INC.  
DESERT SPRING #16-19-10-18**

1. Existing Road:

- A. Topo Map "A" is the vicinity map, showing the access routes from Myton, Utah.
- B. Topo Map "B" shows the proposed access road to each individual well. It also shows existing roads in the immediate area.
- C. Occasional maintenance blading and storm repairs will keep roads in good condition.
- D. There shall be no mud blading on the access road. Vehicles may be towed through the mud provided they stay on the roadway.

2. Planned Access Roads:

The proposed access road, will be crowned, ditched, and dipped.

- A. Maximum grade will be 8% or less, unless otherwise stated.
- B. No turnouts will be required.
- C. Road surface material will be that native to the area.
- D. No cattle guard will be required.
- E. The proposed access road was flagged at the time the location was staked.
- F. The area authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.

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- G. The back slopes of the proposed access roads will be no steeper than vertical or 1/4:1 in rock; and 2:1, elsewhere.

The operator or his contractor will notify the areas authorized officer at least 48 hours prior to commencement of any work on these locations, roadways, or pipelines.

3. Location of Existing Wells:

See Topo Map "C"

4. Location of Existing and/or Proposed Facilities:

- A. All Petroleum Production Facilities are to be contained within the proposed location sites.
- B. In the event that production of these wells is established, the following will be shown:
1. Proposed location and attendant lines, by flagging, if off well pad.
  2. Dimensions of facilities.
  3. Construction methods and materials.
- C. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.
- D. All permanent facilities placed on the locations shall be painted a non-reflective color which will blend with the natural environment.
- E. A dike shall be constructed around the tank battery, of sufficient capacity to adequately contain at least 110 percent of the storage capacity of the largest tank within the dike.
- F. All buried pipelines shall be covered to a depth of 3 feet except at road crossings where they shall be covered to a depth of 4 feet.

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- G. Construction width of the right-of way/pipeline route shall be restricted to 30 feet of disturbance.
- H. Pipeline location warning signs shall be installed within 90 days upon completion of construction.

5. Location and Type of Water Supply:

Water will be obtained from a Spring located in Section 34, T3S, R2W, U.S.B.&M. which is Operated by Nebeker Trucking (Permit #43-1723) and transported by Nebeker Trucking Co. along the access roads which are shown on the attached maps.

6. Source of Construction Materials:

- A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads from the area. No special access other than for drilling operations and pipeline construction is needed.

- B. All disturbance for this well site is located on B.L.M. Lands.

All Construction material for these location sites and access roads shall be borrow material accumulated during the construction of the location sites and access roads. No additional construction material from other sources is anticipated at this time, but if it is required, the appropriate actions will be taken to acquire it from private sources.

7. Methods for Handling Waste Disposal:

- A. Drill cuttings will be buried in the reserve pit when covered.
- B. Drilling fluids will be contained in the reserve pit.
- C. Any hydrocarbon liquids produced while production testing will be contained in a test tank. Any unavoidable spills of oil or other adverse substances or materials will be removed immediately during drilling

**Chandler & Associates, Inc.**  
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**progress or during completion operations.**

- D. Portable chemical toilets will be provided and serviced by a local commercial sanitary service.**

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- E. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill.

All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the authorized officer.

- F. Prior to commencement of drilling, the reserve pit will be fenced on three sides using 39-inch net wire with at least one (1) strand of barbed wire. All wire is to be stretched before attaching to corner posts. When drilling activities are completed it will be fenced on the fourth side and allowed to dry (if liquids are present). After drying, the fences will be removed and the pit shall be buried. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

8. Ancillary Facilities:

No air strips, camps, or other living facilities will be built off the location. Housing and office trailers will be on the location as seen on the location layout.

9. Well Site Layout:

- A. See attached cutsheet.
- B. The areas authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.
- C. The reserve pit will be lined with a 12ml. liner prior to any drilling activity.
- D. Topsoil shall be stripped to a depth of 6 inches and stockpiled as shown on the location layout plat. (Windrow along north side of pad).
- E. The back slopes of the locations will be no steeper than vertical or 1/4:1 in rock, and 2:1 elsewhere.
- F. The upper edges of all cut banks on the access roads and well pads will be rounded.

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10. Plans for Restoration:

- A. Immediately upon completion, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.
- B. Before any dirt work to restore the location takes place, the reserve pit must be completely dry. The reserve pit will be reclaimed within 90 days from the date of well completion.
- C. The area officer shall be notified at least 48 hours prior to commencing reclamation work.
- D. All disturbed areas will be seeded with the a mixture which is found suitable by the B.L.M.
- E. The seed bed will be prepared by discing, following the natural contour. Drill seed on contour at a depth no greater than  $\frac{1}{2}$  inch. In areas that cannot be drilled, the seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed is recommended.
- F. Fall seeding will be completed after September, and prior to prolonged ground frost.
- G. If the well is a producer, access roads will be upgraded and maintained as necessary to prevent soil erosion, and accommodate year round traffic. Areas unnecessary to operations will be reshaped, topsoil distributed, and seed distributed according to the above mixtures. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.

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- H. If the well is abandoned or is a dry hole, the access road and location will be restored to approximate the original contours. During reclamation of the site the fill material will be pushed into cuts and up over the backslope. No depressions will be left that would trap water or form ponds. Topsoil will be distributed evenly over the location and seeded according to the above mixture. The access road and the location shall be ripped or disced prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- I. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by an approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application proposals must be approved. Application of herbicides must be under direct field supervision of an EPA certified pesticide applicator.

11. Other Information:

- A. The area is used by man for the primary purpose of grazing domestic livestock.

All activity shall cease when soils or road surfaces become saturated to a depth of three inches, unless otherwise approved by the Authorized Officer.

If any fossils are discovered during construction, the operator shall cease construction immediately and notify the Authorized Officer so as to determine the significance of the discovery.

- B. A Class III cultural resource inventory has been completed prior to disturbance by a qualified professional Archaeologist.
- C. The State considers the development of groundwater resources to be necessary and frequently indispensable to effective land management. Therefore, any groundwater intercepted by the party conducting mineral exploration shall be reported to the authorized officer immediately including approximate quantities and a sample in a sealed quart container. The State shall have the first opportunity to file State water rights for the intercepted groundwater. The undersigned may file for water rights only with a written waiver from the State.

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- D. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

whether the materials appear eligible for the National Register of Historic Places;

the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and a time frame for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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

- E. Less than 10,000 pounds of any chemical(s) from EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, and less than threshold planning quantity (TPQ) of any extremely hazardous substances(s), as defined in 40 CFR, would be used, produced, transported, stored, disposed, or associated with the proposed action.

Chandler & Associates, Inc.  
Desert Spring #16-19-10-18

12. Lessee's or Operator's Representative:

Mr. Terry J. Cox  
Vice President of Operations/Production  
Chandler & Associates, Inc.  
475 Seventeenth Street  
Suite 1000  
Denver, Colorado 80202  
Telephone #(303)295-0400

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite(s) and access route(s); 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 **Chandler & Associates, Inc.**, and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provision of 18 U.S.C. 1001 for the filing of a false statement.

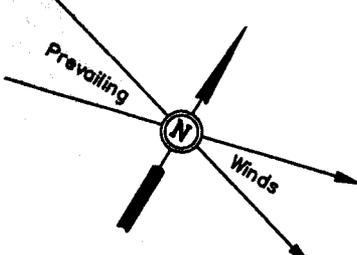
8-3-98  
Date

  
Tracy D. Henline  
Agent

# CHANDLER & ASSOCIATES, INC.

## LOCATION LAYOUT FOR

DESERT SPRING #16-19-10-18  
SECTION 19, T10S, R18E, S.L.B.&M.  
669' FSL 682' FEL



SCALE: 1" = 50'  
DATE: 7-29-98  
Drawn By: C.B.T.

**NOTE:**

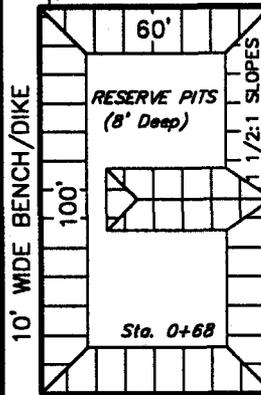
Flare Pit is to be located a min. of 100' from the Well Head.

Flare Pit

Reserve Pit Backfill C-3.4' El. 402.3'  
Topsoil Stockpile  
C-8.0' (btm. pit) El. 398.9'

Pit Capacity With 2' of Freeboard is ±3,420 Bbls.

EXISTING DRAINAGE



10' WIDE BENCH/DIKE

100'

1/2:1 SLOPES

Sta. 0+68

El. 406.4' C-15.5' (btm. pit)

El. 406.0' C-7.1'

Reserve Pit Backfill & Spoils Stockpile

El. 408.0' C-9.1'

Approx. Top of Cut Slope

C-7.8' El. 406.7'

Proposed Access Road

F-3.2' Topsoil Stockpile El. 395.7'

F-4.2' El. 394.7'

F-11.5' El. 387.4'

Sta. 3+00

Round Corners as Needed

PIPE RACKS

C-2.3' El. 401.2'

F-4.3' El. 394.6'

Sta. 1+50

Approx. Toe of Fill Slope

C-3.3' El. 402.2'

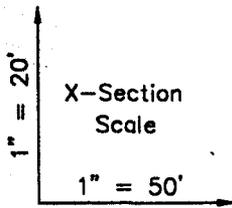
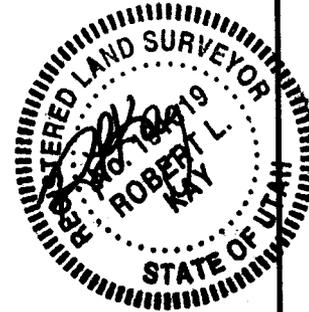
Sta. 0+00

Elev. Ungraded Ground at Location Stake = 5401.2'

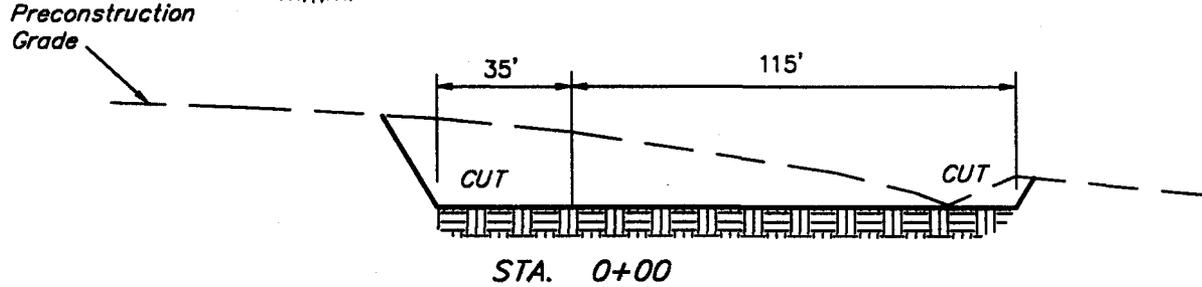
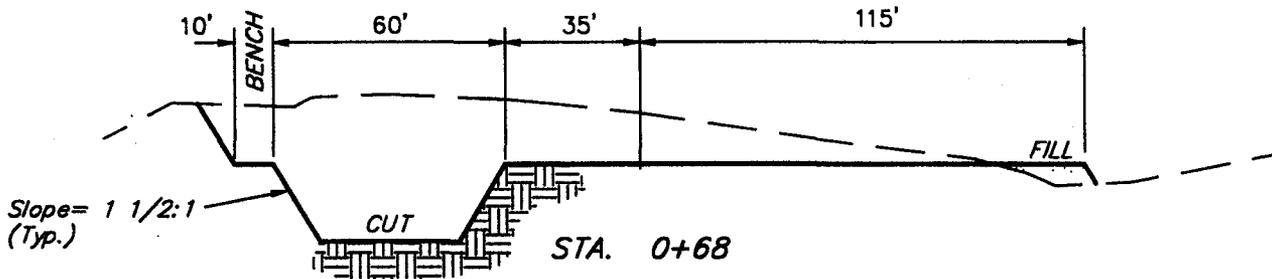
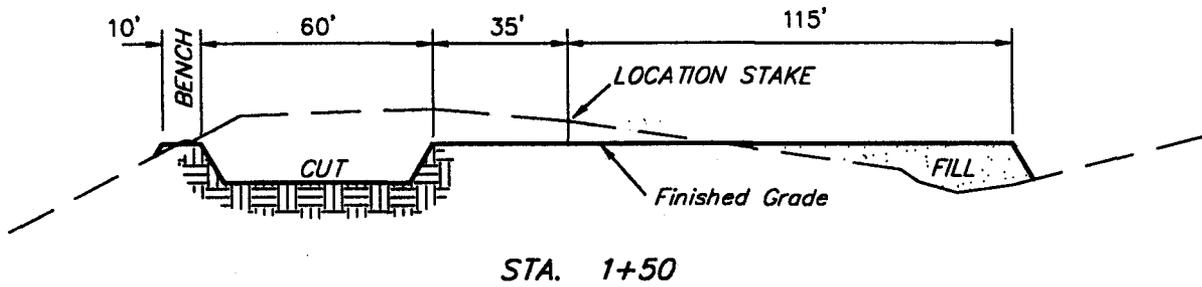
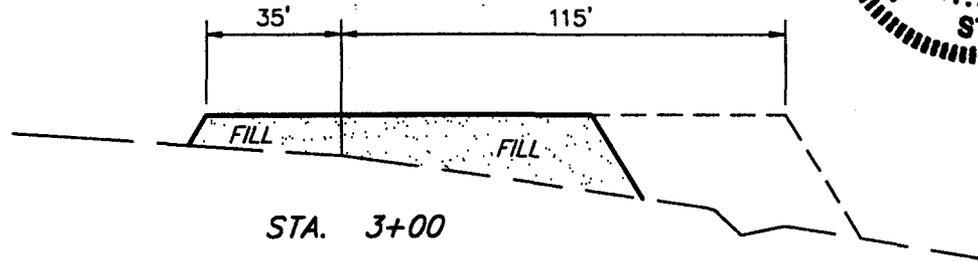
Elev. Graded Ground at Location Stake = 5398.9'

# CHANDLER & ASSOCIATES, INC.

TYPICAL CROSS SECTIONS FOR  
 DESERT SPRING #16-19-10-18  
 SECTION 19, T10S, R18E, S.L.B.&M.  
 669' FSL 682' FEL



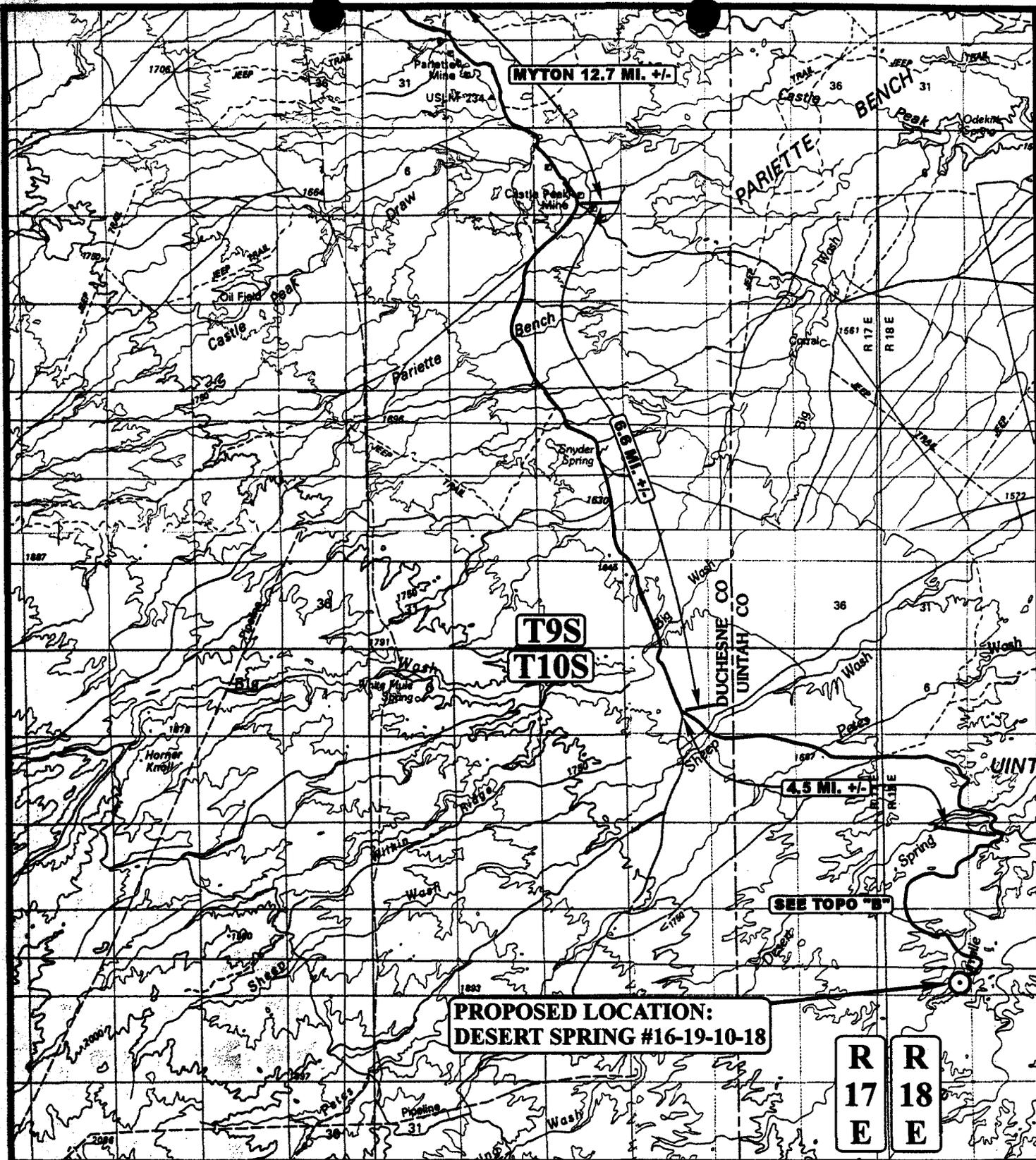
DATE: 7-29-98  
 Drawn By: C.B.T.



## APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	940 Cu. Yds.
Remaining Location	=	4,980 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>5,920 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>4,210 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,490 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,490 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.



**PROPOSED LOCATION:  
DESERT SPRING #16-19-10-18**

<b>R</b>	<b>R</b>
<b>17</b>	<b>18</b>
<b>E</b>	<b>E</b>

**LEGEND:**

⊙ PROPOSED LOCATION

**CHANDLER & ASSOCIATES, INC.**

**DESERT SPRING #16-19-10-18  
SECTION 19, T10S, R18E, S.L.B.&M.  
669' FSL 682' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

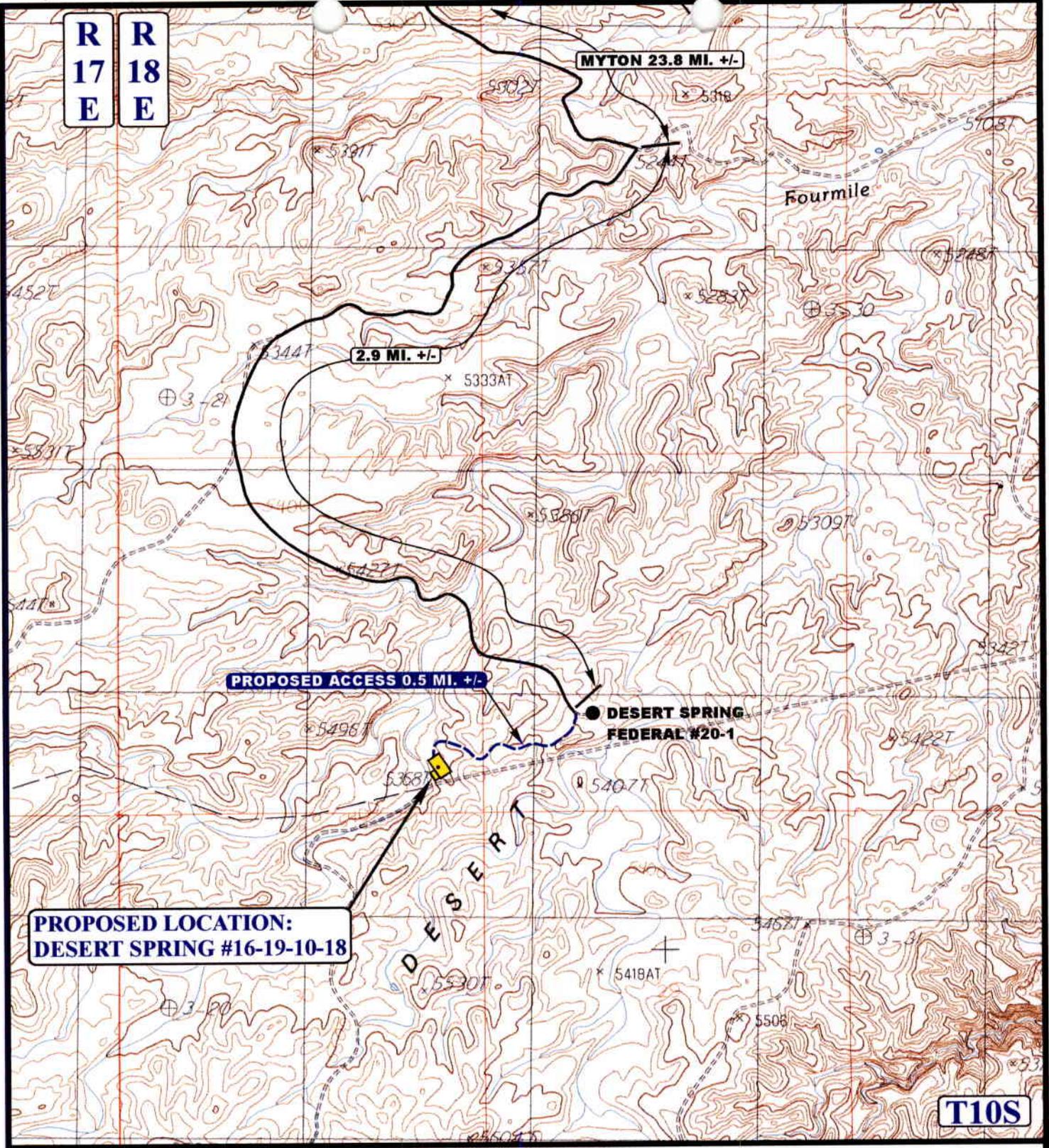


**TOPOGRAPHIC MAP**    **6** **23** **98**  
MONTH    DAY    YEAR  
SCALE: 1:100,000    DRAWN BY: D.COX    REVISED: 00-00-00



R  
17  
E

R  
18  
E



**PROPOSED LOCATION:  
DESERT SPRING #16-19-10-18**

**T10S**

**LEGEND:**

- - - - - PROPOSED ACCESS ROAD
- EXISTING ROAD



**CHANDLER & ASSOCIATES, INC.**

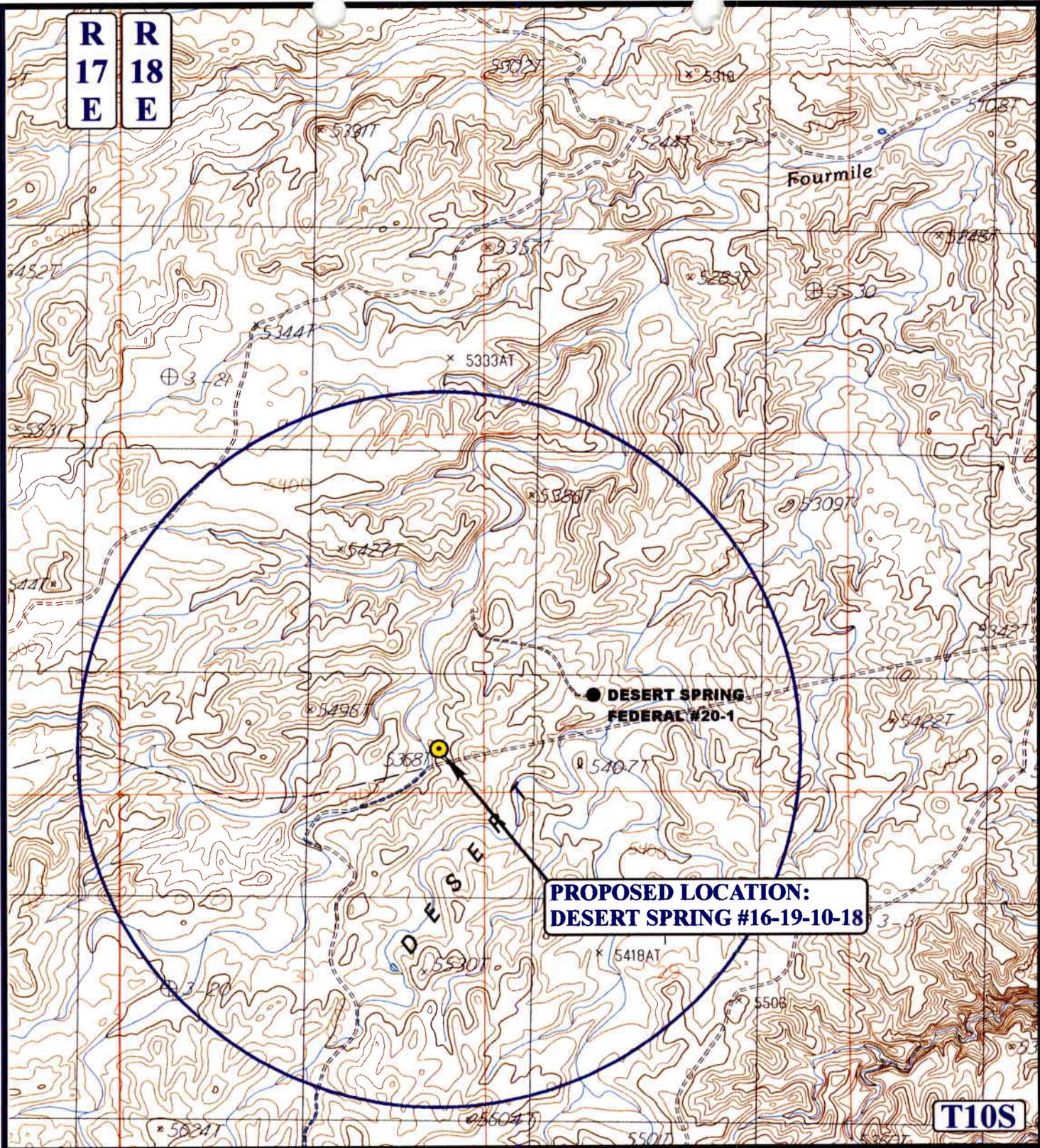
**DESERT SPRING #16-19-10-18  
SECTION 19, T10S, R18E, S.L.B.&M.  
669' FSL 682' FEL**

**UEIS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC MAP** **6 23 98**  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00

**B**  
TOPO

R 17 E  
R 18 E



**PROPOSED LOCATION:  
DESERT SPRING #16-19-10-18**

**T10S**

**LEGEND:**

- ∅ DISPOSAL WELLS
- PRODUCING WELLS
- ⬮ SHUT IN WELLS
- ⊕ WATER WELLS
- ⬮ ABANDONED WELLS
- ⬮ TEMPORARILY ABANDONED

**CHANDLER & ASSOCIATES, INC.**

**DESERT SPRING #16-19-10-18  
SECTION 19, T10S, R18E, S.L.B.&M.  
669' FSL 682' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC MAP**  
6 23 98  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/04/98

API NO. ASSIGNED: 43-047-33164

WELL NAME: DESERT SPRING 16-19-10-18  
 OPERATOR: CHANDLER & ASSOCIATES INC (N3320)  
 CONTACT: Terry Cox (303) 295-0400

PROPOSED LOCATION:  
 SESE 19 - T10S - R18E  
 SURFACE: 0669-FSL-0682-FEL  
 BOTTOM: 0669-FSL-0682-FEL  
 UINCAH COUNTY  
 WILDCAT FIELD (001)

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

LEASE TYPE: FED  
 LEASE NUMBER: U-74408  
 SURFACE OWNER: Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

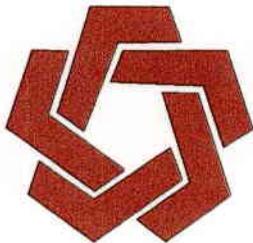
Plat  
 Bond: Federal  State  Fee   
 (No. 124290364)  
 Potash (Y/N)  
 Oil Shale (Y/N) \*190-5(B)  
 Water Permit  
 (No. 43-1723)  
 RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)  
 St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

\_\_\_ R649-2-3. Unit \_\_\_\_\_  
 R649-3-2. General  
 \_\_\_ R649-3-3. Exception  
 \_\_\_ Drilling Unit  
 Board Cause No: \_\_\_\_\_  
 Date: \_\_\_\_\_

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

STIPULATIONS: ① FEDERAL APPROVAL  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



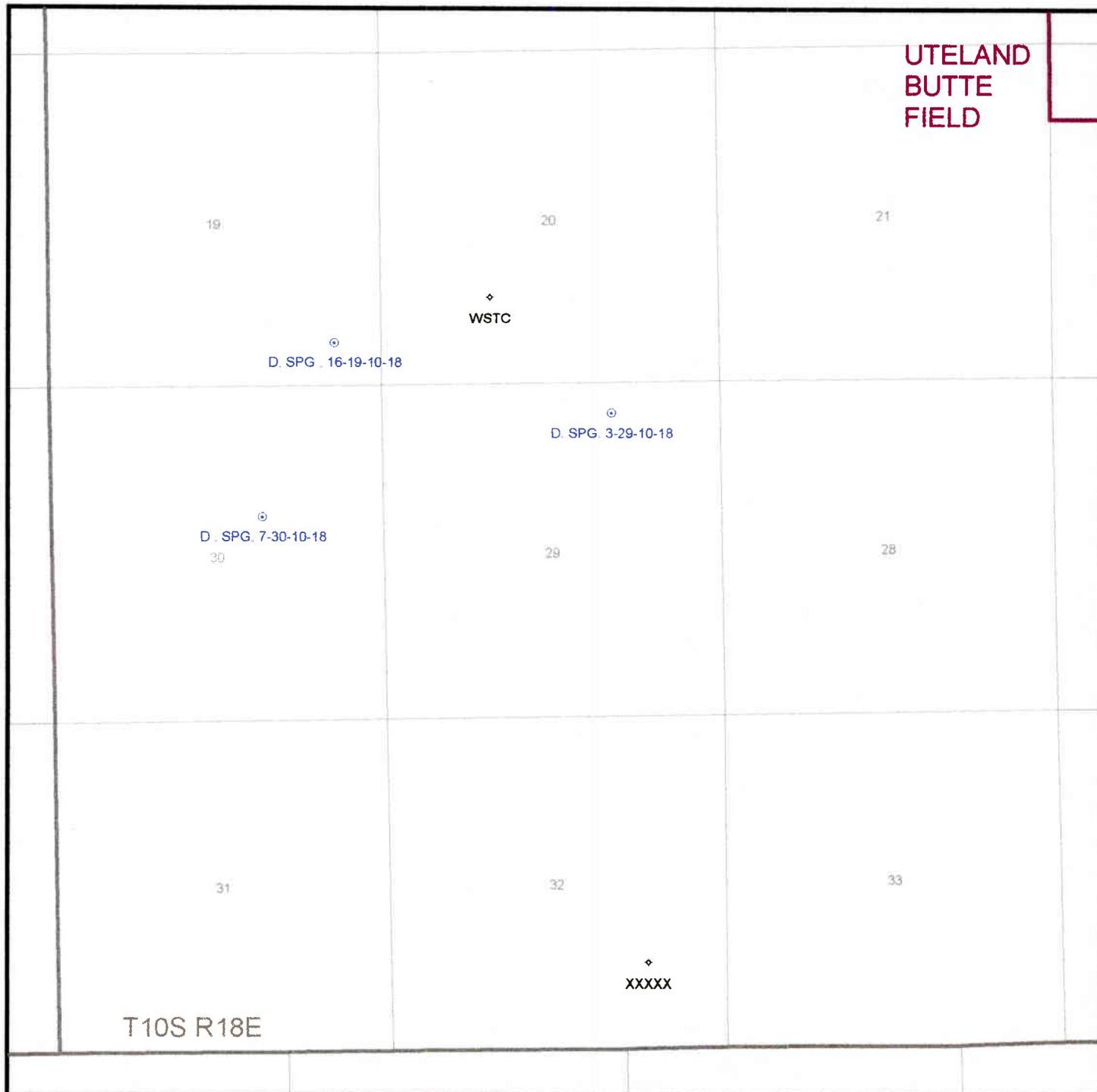
DIVISION OF OIL, GAS & MINING

OPERATOR: CHANDLER & ASSOCIATES (N3320)

FIELD: WILDCAT FIELD (001)

SEC. 19, 20, & 30, TWP 10S, RNG 18E

COUNTY: UINTAH UAC: R649-3-2 STATEWIDE SPACING



DATE PREPARED:  
5-AUG-1998



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)

August 13, 1998

Chandler & Associates, Inc.  
475 Seventeenth Street, Suite 1000  
Denver, Colorado 80202

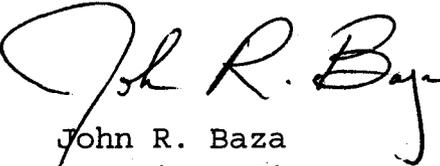
Re: Desert Spring 16-19-10-18 Well, 669' FSL, 682' FEL, SE SE,  
Sec. 19, T. 10 S., R. 18 E., Uintah County, Utah

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 43-047-33164.

Sincerely,

  
John R. Baza  
Associate Director

lwp

Enclosures

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

Operator: Chandler & Associates, Inc.  
Well Name & Number: Desert Spring 16-19-10-18  
API Number: 43-047-33164  
Lease: U-74408  
Location: SE SE Sec. 19 T. 10 S. R. 18 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 prior to spudding the well. 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 Robert Krueger at (801) 538-5274.
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. State approval of this well does not supersede the required federal approval which must be obtained prior to drilling.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
DRILL  DEEPEN

b. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
Chandler & Associates, Inc. (303) 295-0400

3. ADDRESS AND TELEPHONE NO.  
475 Seventeenth Street, Suite 1000 Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface 669' FSL 682' FEL  
At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.  
U-74408

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
N/A

7. UNIT AGREEMENT NAME  
N/A

8. FARMOR/LEASE NAME, WELL NO.  
Desert Spring #16-19-10-18

9. AN WELL NO.

10. FIELD AND POOL, OR WILDCAT  
Desert Spring

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 19, T10S, R18E, SLB&M

12. COUNTY OR PARISH  
Uintah

13. STATE  
Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
See Topo Map "A" (attached)

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
682'

16. NO. OF ACRES IN LEASE  
1720

17. NO. OF ACRES ASSIGNED TO THIS WELL  
40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
-

19. PROPOSED DEPTH  
4900'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5401' GR

22. APPROX. DATE WORK WILL START\*  
A.S.A.P.

23. 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"	24#	250'	(See attached drilling plan)
7 7/8"	5 1/2"	15.5#	4900'	(See attached drilling plan)

- M.I.R.U.
- Drill to T.D. 4900'
- Run 5 1/2" casing if commercial production is indicated.
- If dry hole, well will be plugged and abandoned as instructed by the B.L.M.
- Well will be drilled with water; KCL water, LSND as needed to T.D.

I hereby certify that I am responsible by the terms and conditions of the lease to conduct least operations. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Chandler & Associates, Inc., B.L.M. Bond #124290364 with CNA.



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. SIGNER Tracy D. Hanline TITLE Agent DATE Aug. 3, 1998

(This space for Federal or State office use)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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.

APPROVED BY Jerry Kershner ACTING Assistant Field Manager  
TITLE Mineral Resources DATE AUG 24 1998

\*See Instructions On Reverse Side

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Chandler & Associates, Inc.

Well Name & Number: Desert Spring 16-19-10-18

API Number: 43-047-33164

Lease Number: U - 74408

Location: SESE Sec. 19 T. 10S R. 18E

**NOTIFICATION REQUIREMENTS**

- |                                 |   |   |
|---------------------------------|---|---|
| Location Construction           | - | at least forty-eight (48) hours prior to construction of location and access roads.   |
| Location Completion             | - | prior to moving on the drilling rig.  |
| Spud Notice                     | - | at least twenty-four (24) hours prior to spudding the well.   |
| Casing String and Cementing     | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings.   |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests.   |
| First Production Notice         | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

### CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

#### A. DRILLING PROGRAM

##### 1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

##### 2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **2M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale zone, identified at 1,703 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

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

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 789-7077  
Petroleum Engineer

Wayne P. Bankert (435) 789-4170  
Petroleum Engineer

Jerry Kenczka (435) 781-1190  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

**EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES**

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

**SURFACE USE PROGRAM**

**Conditions of Approval (COA)**

Location of Existing and/or Proposed Facilities

All production facilities shall be painted an earthtone Desert Brown (10YR 6/3) to blend with the surrounding vegetation within six (6) months of well completion.

The material for construction of the containment dike around the tank battery shall be nonpermeable subsoils and at no time shall top soils be used for this construction.

If a pipeline is requested for this location additional authorization will be necessary.

Plans For Reclamation Of Location

All seeding for reclamation operations at this location shall use the following seed mixture:

nuttals saltbush	Atriplex nuttalli v. cuneata	3 lbs/acre
squirreltail	Atriplex canescens	3lbs/acre
fourwing saltbush	Atriplex canescens	4 lbs/acre
shadscale	Atriplex confertifolia	3 lbs/acre

If the seed mixture is to be aially broadcasted, the pounds per acre shall be doubled. All seed poundages are in Pure Live Seed.

Immediately after construction the stockpiled top soil will be seeded and the seed worked into the soil by "walking" the pile with caterpillar tracks.

When reclaiming the reserve pit, the pit liner will be torn and perforated before backfilling the reserve pit and the torn liner will be buried a minimum of four (4) feet deep. The reserve pit and those portions of the location not needed for production facilities and/or operations shall be reclaimed and recontoured in accordance with the APD. A portion of the stockpiled topsoil shall then be spread over the rehabilitated areas to approximate the original topsoil thickness and the area seeded.

Upon final abandonment if additional recontouring is needed for previously reclaimed areas, the topsoil shall be removed prior to the final recontouring.

For final abandonment all topsoil shall be spread over the recontoured surface and the soils seeded.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CHANDLER & ASSOCIATES

Well Name: DESERT SPRINGS 16-19-10-18

Api No. 43-047-33164 Lease Type: FEDERAL

Section 19 Township 10S Range 18E County UINTAH

Drilling Contractor CHANDLER RIG # 7

SPUDDED:

Date 9/2/98

Time \_\_\_\_\_

How DRY HOLE

Drilling will commence \_\_\_\_\_

Reported by JIM S.

Telephone # \_\_\_\_\_

Date: 9/2/98 Signed: JLT



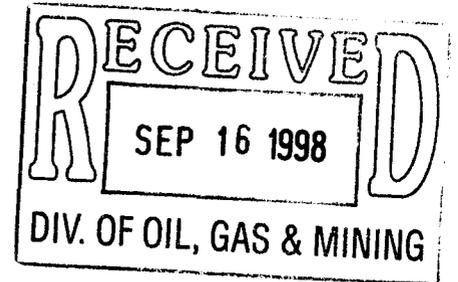
**CHANDLER & ASSOCIATES, LLC**

475 17TH ST. • SUITE 1000 • DENVER, COLORADO 80202 • 303 295-0400

OIL & GAS EXPLORATION AND PRODUCTION

FAX 303 295-0222

September 14, 1998



STATE OF UTAH  
Divison of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

**RE: Well Information Confidentiality**

Chandler & Associates, Inc., as operator of the well listed below, respectively requests that all information and logs regarding this well be held confidential.

Desert Spring #16-19-10-18  
SESE Section 19, T10S R18E  
Uintah County, Utah  
API #43 047 33164

Should you have any questions or need any additional information, please feel free to contact me at (303) 295-0400.

Sincerely,

Thomas D. Taylor  
Production Geologist

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
ENTITY ACTION FORM - FORM 6

OPERATOR Chandler & Assoc., LLC  
ADDRESS 475 17th Street, Suite 1000  
Denver, CO 80202-4016

OPERATOR ACCT. NO. N 3320

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					CR	SC	TR	RG			
A	12003		43-047-32754	Flu Knolls 23-3	NESW	3	10S	18E	Uintah	9-23-96	10-30-98

WELL 1 COMMENTS:  
*entity already added 9-27-96*

A	99999	12490	43-047-33164	Desert Spring 16-19-10-18	SESE	19	10S	18E	Uintah	9-3-98	10-30-98
---	-------	-------	--------------	---------------------------	------	----	-----	-----	--------	--------	----------

WELL 2 COMMENTS:  
*98110S entity added. KDR*

A	99999	12497	43-013-31888	W. River Bend 3-12-10-15	NENW	12	10S	15E	Duchesne	7-2-98	10-30-98
---	-------	-------	--------------	--------------------------	------	----	-----	-----	----------	--------	----------

WELL 3 COMMENTS:  
*98110S entity added (W. River Bend W) KDR*

A	99999	12497	43-013-32057	W. River Bend 16-17-10-17	SESE	17	10S	17E	Duchesne	6-25-98	10-30-98
---	-------	-------	--------------	---------------------------	------	----	-----	-----	----------	---------	----------

WELL 4 COMMENTS:  
*98110S Entity added (W. River Bend U) KDR*

Post-It® Fax Note	7671	Date	11-2-98	# of pages	1
To	Cristin Ruzbeck	From	Jane Fennell		
Co./Dept.		Co.	Chandler & Assoc.		
Phone #		Phone #	970-675-8451		
Fax #	801-359-3940	Fax #			

ACTION CODES:

- A - Add new well to existing entity (same or diff well)
- B - Add new well to existing entity (same or diff well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

*Jane Fennell*  
Signature  
Oper. Supervisor 11-2-98  
Date  
Phone No. 970, 675-8451

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
SUBMIT INFO WITH  
FEB 22 1999  
instructions on  
reverse side

FORM APPROVED  
OMB NO. 1004-0137

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

U-74408

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WORK

OIL WELL  GAS WELL  DRY

1b. TYPE OF WELL

NEW WORK DEEP- PLUG DIFF. WELL  OVER  EN  BACK  RESVR  Other \_\_\_\_\_

**CONFIDENTIAL**

7. UNIT AGREEMENT NAME

N/A

8. FARM OR LEASE NAME, WELL NO.

Desert Spring 16-19-10-18

2. NAME OF OPERATOR

Chandler & Associates, LLC

9. API WELL NO.

43-047-33164

3. ADDRESS AND TELEPHONE NO.

475 17th Street, Suite 1000, Denver, Colorado 80202 Rangely 970-675-8451

10. FIELD AND POOL OR WILDCAT

Desert Spring

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)\*

At Surface  
669' FSL, 682' FEL, SESE

11. SEC., T., R., M., OR BLOCK AND SURVEY

OR AREA  
Sec. 19, T10S, R18E  
SLB&M

At top prod. Interval reported below

Same

At total depth

Same

14. PERMIT NO.

DATE ISSUED

08/24/98

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

15. DATE SPUDDED

08/31/98

16. DATE T.D. REACHED

09/08/98

17. DATE COMPL. (Ready to prod.)

10/07/98

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\*

5401' GR, 5413' KB

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

4855' MD

21. PLUG, BACK T.D., MD & TVD

4758' MD

22. IF MULTIPLE COMPL.,

HOW MANY\*

23. INTERVALS

DRILLED BY

ROTARY TOOLS

0-TD

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)\*

Green River 4516' - 4525', 4640' - 4650'

**CONFIDENTIAL PERIOD EXPIRED**  
11-7-99

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Spectral Density DSN, HR, CBL

9-23-98

27. WAS WELL CORED

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB/FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENT RECORD	AMOUNT PULLED
8-5/8" J-55	24#	263'	12-1/4"	w/205 sx Class G & 2% CaCl2	None
5-1/2"	15.5#	4800'	7-7/8"	w/150 sx Hi-Fill & 500 sx Class G	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	4679'	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4515' - 4525'		40
4605' - 4648'		26

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4515' - 4525'	Fracced w/45,000E 20/40
4605' - 4648'	Acidized w/150 gals. 7-1/2% HCl
	Fracced w/55,600# 20/40

33.\* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in)					
10/16/98	Pumping	Producing					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PRODN. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
10/16/98	24			80	15		31
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)	
0#	50#		80	15	31		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Used on lease

TEST WITNESSED BY  
Jim Simonton

35. LIST OF ATTACHMENTS

Wellbore diagram

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

SIGNED Jim Simonton TITLE Operations/Production Supervisor DATE 02/19/99

\*(See Instructions and Spaces for Additional Data on Reverse Side)

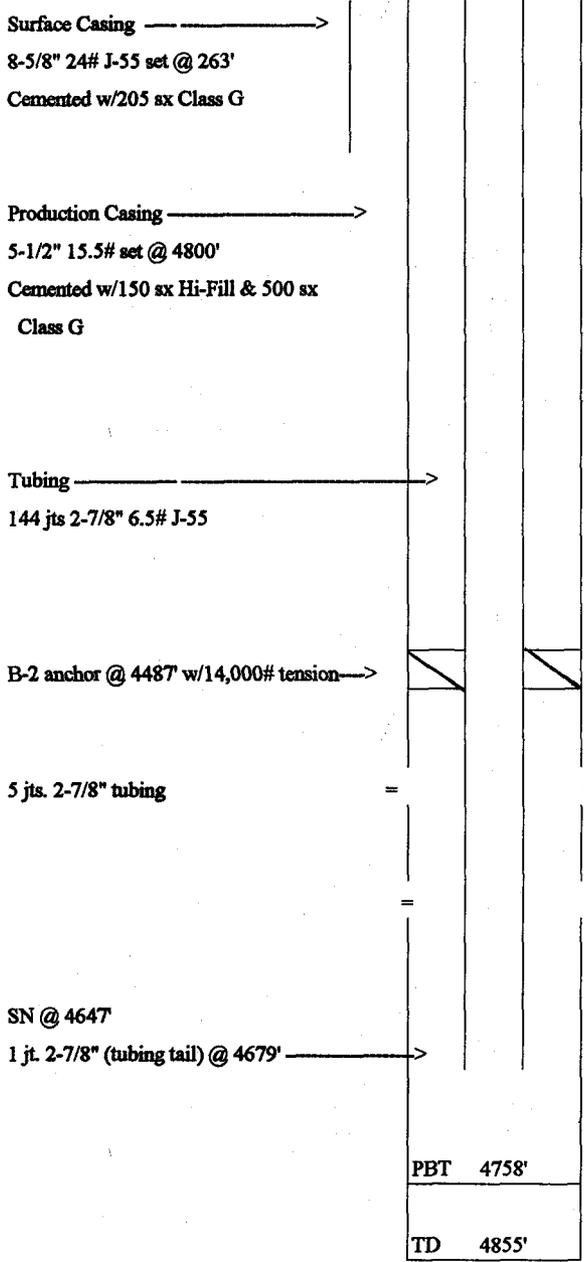
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries).		38. GEOLOGIC MARKERS				
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Green River	4516'	4525'	SS, wh-lt gy, vf-fg, sub ang-sub md, mod srt, slty matrix ip	Uintah		Surface
Green River	4640'	4650'	LS lt brn, foss.	Green River Wasatch		1362' 4650'

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 FEB 22 1999  
 DIV. OF OIL, GAS & MINING

Well Name: **Desert Spring 16-19-10-18**  
 Location: **SESE Sec. 19, T10S, R18E**  
 Field: **Desert Spring**  
 Spud Date: **8-31-98**  
 Completed: **10-7-98**

Date: **10-16-98**  
 County: **Uintah**  
 State: **Utah**  
 Elev.-KB: **5413'**  
 Elec.-GR: **5401'**

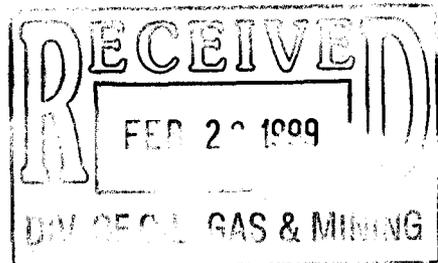


**Rod & Pump Detail: 10-7-98**  
 1-1/4" x 26' polish rod w/1-1/2" liner  
 2 - 8' x 7/8" pony rods  
 1 - 4' x 7/8" pony rod  
 62 - 7/8" rods (1550')  
 122 - 3/4" rods (3050')

**Perfs:**  
 4515' - 4525' w/4 jpf (40 holes)  
 Fraced w/45,000# 20/40

4605' - 4608', 4611' - 4613, 4640' - 4648' w/2 jpf  
 (26 holes)  
 Acidized w/750 gals. 7-1/2% HCl  
 Fraced w/55,600# 20/40

IP: **10-16-98**  
**80 BOD, 31 BWD, 15 MCFD**



**CONFIDENTIAL**



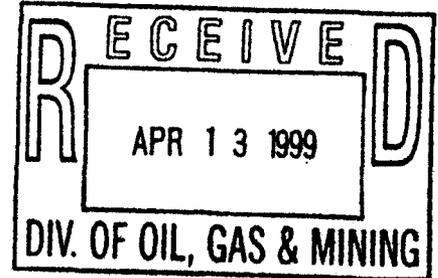
**CHANDLER & ASSOCIATES, LLC**

475 17TH ST. SUITE 1000 DENVER, COLORADO 80202 303 295-0400

OIL & GAS EXPLORATION AND PRODUCTION

FAX 303 295-0222

April 9, 1999



State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801

*J. 10SR 18E - Sec 19  
43-047-3316H*

RE: Well Logs

Enclosed are copies of Spectral Density DSN for 16-19-10-18. Cement Bond Log and Spectral Density DSN for 16-17-10-17. Cement Bond Log for 3-12-10-15. Dual Induction Guard Log Gamma Ray and Compensated Density Compensated Neutron Gamma Ray for 11-20-10-17. Spectral Density Dual Spaced Neutron, High Resolution Induction, and Cement Bond Log for 13-23-10-16 that you requested. If you have any questions, please contact me at 303 295-0400.

Sincerely,

CHANDLER AND ASSOCIATES, LLC

Robin L. Sydnor  
Production Technician

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

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FEB 28 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to recover plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes.

DIVISION OF  
OIL, GAS AND MINING

3. Lease Designation and Serial Number:  
UTU - 74408

6. If Inlet, Allow or Title Name:

7. Unit Agreement Name

8. Well Name and Number:  
DESERT SPRINGS #16-19

9. API Well Number:  
43-047-33164

10. Field and Pool, or Wellcap  
LONE MOUNTAIN (GREEN RIVER)

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:  
PENDRAGON ENERGY PARTNERS, INC.

3. Address and Telephone Number:  
621 17TH STREET, #750, DENVER, CO 80293 (303) 296-9402

4. Location of Well  
Postage: 669' FSL, 682' FEL  
Co. Sec., T., R., AL: NW SE SE SECTION 19, T10S - R18E

County: UINTAH  
State: UTAH

FIELD

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

Abandon  
 Repair Casing  
 Change of Plans  
 Convert to Injection  
 Fracture Treat or Acidize  
 Multiple Completion  
 Other

New Construction  
 Pull or Alter Casing  
 Recomplete  
 Reperforate  
 Vent or Flare  
 Water Shut-Off

Approximate date work will start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

Abandon  
 Repair Casing  
 Change of Plans  
 Convert to Injection  
 Fracture Treat or Acidize  
 Other CHANGE OF OPERATOR

New Construction  
 Pull or Alter Casing  
 Reperforate  
 Vent or Flare  
 Water Shut-Off

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.  
\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give surface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

OPERATOR CHANGED FROM SHENANDOAH ENERGY, INC. (FORMERLY CHANDLER & ASSOCIATES, INC.) TO PENDRAGON ENERGY PARTNERS, INC. EFFECTIVE MARCH 1, 2000.

BE ADVISED THAT PENDRAGON ENERGY PARTNERS, INC. IS CONSIDERED TO BE THE OPERATOR OF THE ABOVE DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASES FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF. BOND COVERAGE FOR THESE LEASES IS PROVIDED BY STATEWIDE BOND RLBO001758, PRINCIPAL, PENDRAGON ENERGY PARTNERS, INC.

13. Name & Signature: ALAN E. NICOL Title: PRESIDENT Date: 2-17-00

(This space for State use only)

(See instructions on Reverse Side)

<p>STATE OF UTAH DEPARTMENT OF COMMERCE</p> <p>REGISTRATION</p> <p>PENDRAGON RESOURCES II, L.P.</p> <p>EFFECTIVE 01/20/2000</p> <p>EXPIRATION *RENEWAL</p>	<p>REFERENCE NUMBER(S), CLASSIFICATION(S) &amp; DETAIL(S)</p> <p>Limited Partnership - Foreign 3106986-0181</p>
--	---

C T CORPORATION SYSTEM  
 PENDRAGON RESOURCES II, L.P.  
 1209 ORANGE ST  
 Wilmington DE 19801

STATE OF UTAH  
 DEPARTMENT OF COMMERCE  
 DIVISION OF CORPORATIONS & COMMERCIAL CODE  
 REGISTRATION

EFFECTIVE DATE: 01/20/2000

EXPIRATION DATE: \*RENEWAL

ISSUED TO: PENDRAGON RESOURCES II, L.P.



REFERENCE NUMBER(S), CLASSIFICATION(S) & DETAIL(S)

3106986-0181 Limited Partnership - Foreign

**\*RENEWAL**

You will need to renew your registration each anniversary date of the effective date.

Exceptions: DBAs and Business Trusts renew every three (3) years from the effective date.  
 Trademarks renew every ten (10) years from the effective date.



# CHANDLER & ASSOCIATES, INC.

475 17TH ST. • SUITE 1000 • DENVER, COLORADO 80202 • 303 295-0400

OIL & GAS EXPLORATION AND PRODUCTION

FAX 303 295-0222

Mr. Jim Thompson  
Department of Natural Resources  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Fax: 801-539-3940

Subject: Resignation of Operator,  
West River Bend Project Area

Effective January 31, 2000, Chandler & Associates, LLC resigned as Operator under the West River Bend Project Area. Pendragon Energy Partners Inc. shall be the new Operator of the April 1, 1997 JOA.

Wells included in the West River Bend project Area:

A.P.I. #	ENTITY	WELL NAME	WELL #	LOCATION	FIELD NAME
43-047-33164-00	12496	DESERT SPRING	#16-19-10-18	SESE 19, 10S-18E	DESERT SPRING
43-047-3316200	12523	DESERT SPRING	#3-29-10-18	NWNE 29, 10S-18E	DESERT SPRING
43-013-3147700	12248	UTD WALTON	#26-03	NENW 26, 9S-16E	MONUMENT BUTTE
43-047-3275400	12003	FLU KNOLLS FED.	#23-3	NESW 3, 10S-18E	UTELAND BUTTE
43-047-32052-00	11468	DESERT SPRINGS FED.	#20-1	NESW 20, 10S-18E	WILDCAT
43-047-33163-00		DESERT SPRING	#7-30-10-18	SWNE 30, 10S-18-E	WILDCAT
43-013-32088-00	12497	W. DESERT SPRING	#11-20	NESW 20, 10S-17E	WILDCAT
43-013-32057-00	12497	W. RIVER BEND	#16-17-10-17	SESE 17, 10S-17E	WILDCAT
43-013-31888-00	12497	W. RIVER BEND	#3-12-10-15	NENW 12, 10S-15E	WILDCAT
43-013-32084-00	12497	WILKIN RIDGE	#13-23	SWSW 23, 10S-16E	WILDCAT

Please advise should you require more specific information.

Thanks,  
Tom Taylor

CC: Pendragon Energy Partners Inc.

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JUN 30 2000

DIVISION OF  
OIL, GAS AND MINING



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal District Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3162.3

UT08300

June 23, 2000

Pendragon Energy Partners, Inc.  
621 17th Street, Ste 750  
Denver, CO 80293

Re: Well No. Desert Spring 16-19-10-18  
SESE, Sec. 19, T10S, R18E  
Lease UTU-74408  
Uintah County, Utah

Gentlemen:

This correspondence is in regard to the self-certification statement submitted requesting a change in operator for the referenced well. After a review by this office, the change in operator request is approved. Effective immediately, Pendragon Energy Partners, Inc. is responsible for all operations performed on the referenced well. All liability will now fall under your bond, BLM Bond No. UT1167, for all operations conducted on the referenced well on the leased land.

If you have any other questions concerning this matter, please contact Margie Herrmann or Leslie Crinklaw of this office at (435) 781-4410.

Sincerely,

Ed Forsman  
Petroleum Engineer  
Minerals Resources

cc: Division Oil, Gas & Mining

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JUL 03 2000

DIVISION OF  
OIL, GAS AND MINING

**OPERATOR CHANGE WORKSHEET**

<input type="checkbox"/>	4-KAS ✓
2-CDW ✓	5-SJ
3-JLT	6-FILE

Check each listed item when completed. Write N/A if item is not applicable.

**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:** 3-1-00

**TO:**(New Operator) PENDRAGON ENERGY PARTNERS INC      **FROM:**(Old Operator) CHANDLER & ASSOCIATES INC

Address: 621 17<sup>TH</sup> STREET, STE 750  
DENVER, CO 80293

Address: 475 17<sup>TH</sup> STREET, STE 1000  
DENVER, CO 80202

Phone: 1-(303)-296-9402

Phone: 1-(303)-295-0400

Account No. N2965

Account No. N3320

WELL(S):	CA Nos.	or	Unit	
Name: <u>W. DESERT SPRING 11-20</u>	API: <u>43-013-32088</u>	Entity: <u>12497</u>	S <u>20</u> T <u>10S</u> R <u>17E</u>	Lease: <u>U-75083</u>
Name: <u>UTD WALTON 26-03</u>	API: <u>43-013-31477</u>	Entity: <u>12248</u>	S <u>26</u> T <u>09S</u> R <u>16E</u>	Lease: <u>UTU-67844</u>
Name: <u>DESERT SPRING 16-19-10-18</u>	API: <u>43-047-33164</u>	Entity: <u>12496</u>	S <u>19</u> T <u>10S</u> R <u>18E</u>	Lease: <u>U-74408</u>
Name: <u>DESERT SPRING 3-29-10-18</u>	API: <u>43-047-33162</u>	Entity: <u>12523</u>	S <u>29</u> T <u>10S</u> R <u>18E</u>	Lease: <u>U-74836</u>
Name: <u>FLU KNOLLS FEDERAL 23-3</u>	API: <u>43-047-32754</u>	Entity: <u>12003</u>	S <u>03</u> T <u>10S</u> R <u>18E</u>	Lease: <u>U-68620</u>
Name: <u>DESERT SPRING FED 20-1</u>	API: <u>43-047-32052</u>	Entity: <u>11468</u>	S <u>20</u> T <u>10S</u> R <u>18E</u>	Lease: <u>U-64420</u>
Name: <u>DESERT SPRING 7-30-10-18</u>	API: <u>43-047-33163</u>	Entity: _____	S <u>30</u> T <u>10S</u> R <u>18E</u>	Lease: <u>U-74408</u>

**OPERATOR CHANGE DOCUMENTATION**

- YES 1. A **pending operator change file** has been set up.
- YES 2. (R649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator on 6-30-00.
- YES 3. (R649-8-10) Sundry or other legal documentation has been received from the **NEW** operator on 2-28-00.
- YES 4. The new company has been looked up in the **Department of Commerce, Division of Corporations Database** if the new operator above is not currently operating any wells in Utah. Is the operator registered with the State? **Yes/No** If yes, the company file number is SEE ATTACHED. If no, Division letter was mailed to the new operator on \_\_\_\_\_.
- YES 5. **Federal and Indian Lease Wells.** The BLM or the BIA has approved the merger, name change or **operator change** for all wells listed above involving Federal or Indian leases on 6-23-00.
- N/A 6. **Federal and Indian Units.** The BLM or the BIA has approved the successor of unit operator for all wells listed above involving unit operations on \_\_\_\_\_.
- N/A 7. **Federal and Indian Communitization Agreements ("CA").** The BLM or the BIA has approved the operator change for all wells listed above involved in the CA on \_\_\_\_\_.

- N/A 8. **Underground Injection Control ("UIC") Program.** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project and/or for the water disposal well(s) listed above.
- YES 9. Changes have been entered in the **Oil and Gas Information System** for each well listed on 7-6-00.
- YES 10. Changes have been included on the **Monthly Operator Change letter** on 7-6-00.

---

### STATE BOND VERIFICATION

- N/A 1. State Well(s) covered by Bond No. \_\_\_\_\_.

---

### FEE WELLS - BOND VERIFICATION / LEASE INTEREST OWNER NOTIFICATION

- N/A 1. (R649-3-1) The **NEW** operator of any fee lease well(s) listed above has furnished a proper bond.
- N/A 2. A **copy of this form** has been placed in the **new and former operator's bond files** on \_\_\_\_\_.
- N/A 3. The **FORMER** operator has requested a release of liability from their bond as of today's date \_\_\_\_\_? If yes, Division response was made to this request by letter dated \_\_\_\_\_. (see bond file).
- N/A 4. (R649-2-10) The **Former** operator of any Fee lease wells listed above has been contacted and informed by letter dated \_\_\_\_\_, of their responsibility to notify all interest owners of this change.
- N/A 5. Bond information added to **RBDMS** on \_\_\_\_\_.
- N/A 6. Fee wells attached to bond in **RBDMS** on \_\_\_\_\_.

---

### FILMING

- \_\_\_\_ 1. All attachments to this form have been **microfilmed** on 3-26-01.

---

### FILING

- \_\_\_\_ 1. **Originals/Copies** of all attachments pertaining to each individual well have been filed in each **well file**.
- \_\_\_\_ 2. The **original of this form** has been filed in the operator file and a copy in the old operator file.

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### COMMENTS

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

**ENTITY ACTION FORM**

Operator: PENDRAGON ENERGY PARTNERS, INC. Operator Account Number: N 2965  
 Address: 621 17 TH STREET, STE. 750  
city DENVER  
state CO zip 80293 Phone Number: (303) 296-9402

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-33164	DESERT SPRING #16-19-10-18		SESE	19	10S	18E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
E	12496	143166				11/4/04	
Comments: EFFECTIVE 9/1/04 PART OF UTELAND BUTTE WATERFLOOD <i>GRRV eff 9/1/04</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-32052	DESERT SPRING #20-1-10-18		NESW	20	10S	18E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
E	11468	143166				11/4/04	
Comments: EFFECTIVE 9/1/04 PART OF UTELAND BUTTE WATERFLOOD <i>GRRV eff 9/1/04</i>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
047-33162	DESERT SPRING #3-29-10-18		NWNE	29	10S	18E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
E	12523	143166				11/4/04	
Comments: EFFECTIVE 9/1/04 PART OF UTELAND BUTTE WATERFLOOD <i>GRRV eff 9/1/04</i>							

**ACTION CODES:**

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

JANEEN FRITTS

Name (Please Print) Janeen Fritts  
 Signature *Janeen Fritts*  
 ADMIN SECY  
 Title ADMIN SECY Date 11/04/04

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NOV 04 2004

DIV. OF OIL, GAS & MINING

**Division of Oil, Gas and Mining**  
**OPERATOR CHANGE WORKSHEET**

<b>ROUTING</b>
1. DJJ
2. CDW

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

Operator Name Change/Merger

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

**12/15/2009**

<b>FROM:</b> (Old Operator): N2965-Pendragon Energy Partners, Inc. 468 South Reed St. Lakewood, CO 80226  Phone: 1 (303) 296-9402	<b>TO:</b> (New Operator): N5085-Questar E&P Company 1050 17th St, Suite 500 Denver, CO 80265  Phone: 1 (303) 672-6900
--	---

<b>CA No.</b>		<b>Unit:</b>		<b>UTELAND BUTTE (GRRV)</b>				
<b>WELL NAME</b>	<b>SEC</b>	<b>TWN</b>	<b>RNG</b>	<b>API NO</b>	<b>ENTITY NO</b>	<b>LEASE TYPE</b>	<b>WELL TYPE</b>	<b>WELL STATUS</b>
SEE ATTACHED LIST								

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/24/2009
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 12/24/2009
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/20/2010
- Is the new operator registered in the State of Utah:          Business Number: 764611-0143
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: 1/12/2010 ok per DJJ
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** 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: 1/12/2010

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 1/20/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 1/20/2010
- Bond information entered in RBDMS on: 1/20/2010
- Fee/State wells attached to bond in RBDMS on: 1/20/2010
- Injection Projects to new operator in RBDMS on: 1/20/2010
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: ESB000024
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 965003033
- The **FORMER** operator has requested a release of liability from their bond on: not yet

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

Pendragon (N2965) to Questar Exploration Production (N5085)

DESERT SPRINGS 20-1	20	100S	180E	4304732052	14366	FEDERAL	OW	S	UTU-74836
DESERT SPRING 3-29-10-18	29	100S	180E	4304733162	14366	FEDERAL	OW	P	U-74836
DESERT SPRING 16-19-10-18	19	100S	180E	4304733164	14366	FEDERAL	OW	P	U-74408
FEDERAL 7-19-10-18	19	100S	180E	4304733244	14366	FEDERAL	WS	A	UTU74408
FEDERAL 5-20-10-18	20	100S	180E	4304733245	14366	FEDERAL	WI	A	UTU74836
FEDERAL 14-17-10-18	17	100S	180E	4304733712	14366	FEDERAL	OW	S	UTU74407
FED 2-20-10-18	20	100S	180E	4304734134	14366	FEDERAL	OW	P	UTU-0182660-A
FED 9-17-10-18	17	100S	180E	4304734135	14366	FEDERAL	WI	A	UTU-77407
DESERT SPRING 7-30-10-18	30	100S	180E	4304734760	14366	FEDERAL	OW	S	U74408
STATE 1-16-10-18	16	100S	180E	4304733807	14366	STATE	OW	P	ML-45175
STATE 3-16-10-18	16	100S	180E	4304734766	14366	STATE	OW	P	ML 45175
STATE 11-16-10-18	16	100S	180E	4304734767	14366	STATE	OW	P	ML 45175

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

**U-74408**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**Desert Spring 16-19-10-18**

2. NAME OF OPERATOR:  
**Questar Exploration & Production Company N5085**

9. API NUMBER:  
**4304733164**

3. ADDRESS OF OPERATOR:  
**1050 17th Street Suite 500 | CITY Denver STATE CO ZIP 80265**

PHONE NUMBER:  
**(303) 672-6900**

10. FIELD AND POOL, OR WILDCAT:  
**Uteland Butte**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **669' FSL, 682' FEL** COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESE 19 10S 18E S** STATE: **UTAH**

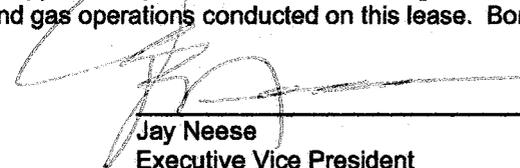
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

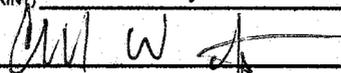
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT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

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

Effective 12/15/09 Questar Exploration & Production Company was appointed operator of this well and agrees to be responsible under the terms and conditions of the lease for all oil and gas operations conducted on this lease. Bond coverage is provided by our bond # 965-003-033.

  
Alan B. Nicol  
President  
Pendragon Energy Partners, Inc. N2965  
468 South Reed Street  
Lakewood, CO 80226  
(303) 296-9402  
Date: 12/15/09

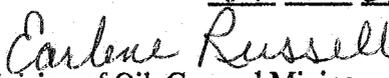
  
Jay Neese  
Executive Vice President  
Questar Exploration and Production Company  
1050 17th Street, Suite 500  
Denver, CO 80265  
Date: 12/15/2009

NAME (PLEASE PRINT) Chad Matney TITLE Landman  
SIGNATURE  DATE 12/15/2009

(This space for State use only)

APPROVED 01/20/2010

(5/2000)

  
Earlene Russell  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

DEC 24 2009

DIV. OF OIL, GAS & MINING

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

**ROUTING**  
 CDW

Change of Operator (Well Sold)

**X - Operator Name Change**

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

**6/14/2010**

<b>FROM:</b> (Old Operator): N5085-Questar Exploration and Production Company 1050 17th St, Suite 500 Denver, CO 80265  Phone: 1 (303) 308-3048	<b>TO:</b> ( New Operator): N3700-QEP Energy Company 1050 17th St, Suite 500 Denver, CO 80265  Phone: 1 (303) 308-3048
--	---

WELL NAME	CA No.			Unit:		UTELAND BUTTE (GRRV)		
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED								

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/28/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/28/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/24/2010
- Is the new operator registered in the State of Utah: Business Number: 764611-0143
- (R649-9-2) Waste Management Plan has been received on: Requested
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 8/16/2010 BIA not yet
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 8/16/2010
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 6/29/2010

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 6/30/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 6/30/2010
- Bond information entered in RBDMS on: 6/30/2010
- Fee/State wells attached to bond in RBDMS on: 6/30/2010
- Injection Projects to new operator in RBDMS on: 6/30/2010
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: ESB000024
- Indian well(s) covered by Bond Number: 965010693
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 965010695
- The **FORMER** operator has requested a release of liability from their bond on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

Questar Exploration Production Company (N5085) to QEP Energy Company (N3700)  
 UTELAND BUTTE (GRRV)  
 effective June 14, 2010

well_name	sec	twp	rng	api	entity	mineral lease	type	stat
DESERT SPRINGS 20-1	20	100S	180E	4304732052	14366	Federal	OW	P
DESERT SPRING 3-29-10-18	29	100S	180E	4304733162	14366	Federal	OW	P
DESERT SPRING 16-19-10-18	19	100S	180E	4304733164	14366	Federal	OW	P
FEDERAL 14-17-10-18	17	100S	180E	4304733712	14366	Federal	OW	P
STATE 1-16-10-18	16	100S	180E	4304733807	14366	State	OW	P
FED 2-20-10-18	20	100S	180E	4304734134	14366	Federal	OW	P
DESERT SPRING 7-30-10-18	30	100S	180E	4304734760	14366	Federal	OW	P
STATE 3-16-10-18	16	100S	180E	4304734766	14366	State	OW	P
STATE 11-16-10-18	16	100S	180E	4304734767	14366	State	OW	P

Bonds: BLM = ESB000024  
 BIA = 956010693  
 State = 965010695

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: See attached
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: See attached
		7. UNIT or CA AGREEMENT NAME: See attached
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: See attached	
2. NAME OF OPERATOR: Questar Exploration and Production Company <i>N5085</i>		9. API NUMBER: Attached
3. ADDRESS OF OPERATOR: 1050 17th Street, Suite 500 Denver	STATE CO ZIP 80265	10. FIELD AND POOL, OR WILDCAT: See attached
4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached		COUNTY: Attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: UTAH

11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: <u>6/14/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Operator Name Change</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Effective June 14, 2010 Questar Exploration and Production Company changed its name to QEP Energy Company. This name change involves only an internal corporate name change and no third party change of operator is involved. The same employees will continue to be responsible for operations of the properties described on the attached list. All operations will continue to be covered by bond numbers:

Federal Bond Number: 965002976 (BLM Reference No. ESB000024) *N3700*  
 Utah State Bond Number: ~~965003033~~ *965010695*  
 Fee Land Bond Number: ~~965003033~~  
 BIA Bond Number: ~~799446~~ *965010693*

The attached document is an all inclusive list of the wells operated by Questar Exploration and Production Company. As of June 14, 2010 QEP Energy Company assumes all rights, duties and obligations as operator of the properties as described on the list

NAME (PLEASE PRINT) <u>Morgan Anderson</u>	TITLE <u>Regulatory Affairs Analyst</u>
SIGNATURE <i>Morgan Anderson</i>	DATE <u>6/23/2010</u>

(This space for State use only)

**RECEIVED**  
**JUN 28 2010**

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

**APPROVED** *613012009*  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO:  
3100  
(UT-922)

JUL 28 2010

### Memorandum

To: Vernal Field Office, Price Field Office, Moab Field Office

From: Chief, Branch of Minerals

*Roger L. Bankert*

Subject: Name Change Recognized

Attached is a copy of the Certificate of Name Change issued by the Texas Secretary of State and a decision letter recognizing the name change from the Eastern States Office. We have updated our records to reflect the name change in the attached list of leases.

The name change from **Questar Exploration and Production Company** into **QEP Energy Company** is effective June 8, 2010.

cc: MMS  
UDOGM

RECEIVED

AUG 16 2010

DIV. OF OIL, GAS & MINERALS