

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FEB 03 2003

APPLICATION FOR PERMIT TO DRILL OR REENTER

DIV. OF OIL, GAS & MINING

Certification: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route; that I am familiar with the conditions which recently 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 proposed operations herein will be performed by Pendragon Energy Partners, Inc., its contractors and subcontractors, Pendragon Energy Partners, Inc. will operate the lease under Flood & Peterson Federal Bond UT1167. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No. <b>UTU74408</b>
6. If Indian, Allottee or Tribe Name <b>N/A</b>
7. If Unit or CA Agreement, Name and No. <b>N/A</b>
8. Lease Name and Well No. <b>Federal No. 7-19-10-18</b>
9. API Well No. <b>43-047-33244</b>
10. Field and Pool, or Exploratory <b>Uteland Butte</b>
11. Sec., T., R., M. or Blk. and Survey or Area <b>Sec. 19, T10S, 18E, SLB&amp;M SW NE</b>
12. County or Parish <b>Utah</b>
13. State <b>Utah</b>

1a. Type of Work :  DRILL  REENTER

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name Of Operator  
**Pendragon Energy Partners, Inc.**

3a. Address  
**621 17th Street, Suite 750, Denver CO 80293**

3 b. Phone No. (include area code)  
**303 296 9402**

4. Location of Well (Report location clearly & in accordance w/State requirements\*)  
At Surface **1572' FNL 2119 FEL, Sec 20** *4420590Y 39.93242*  
*591085X - 109.93402*  
At proposed prod zone

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12. County or Parish <b>Utah</b>
13. State <b>Utah</b>

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 drlg. unit line, if any) <b>1572' FNL</b>	16. No. of Acres in lease <b>1720</b>	17. Spacing Unit dedicated to this well <b>40</b>
18. Distance from proposed location to nearest well drilling, completed, applied for in this lease, ft. <b>-</b>	19. Proposed Depth <b>4,900'</b>	20. BLM/BIA Bond No. on file <b>UT1167</b>
21. Elevations ( Show whether D, KDB, RT, GL etc.) <b>5,415' GR</b>	22. Approximate date work will start* <b>ASAP</b>	23. Estimated Duration <b>60 days</b>

24. Attachments

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

- 1. Well plat certified by a registered surveyor. **Utah Engineering-attached**
- 2. A Drilling Plan **Exhibit B**
- 3. A Surface Use Plan (if the location is on National forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). **UT1167**
- 5. Operator certification. **See Surface Use Plan**
- 6. Such other site specific information and attachments may be required by the authorized officer. **See Exhibits (attached)**

25. Signature <i>[Signature]</i>	Name (Printed /Typed) <b>John Luchetta</b>	Date <b>1-15-03</b>
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Title <b>Agent</b>		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) <b>BRADLEY G. HILL</b>	Date <b>03-25-03</b>
Title <i>[Signature]</i>	<b>ENVIRONMENTAL SCIENTIST III</b>	

**Federal Approval of this Action is Necessary**

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

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

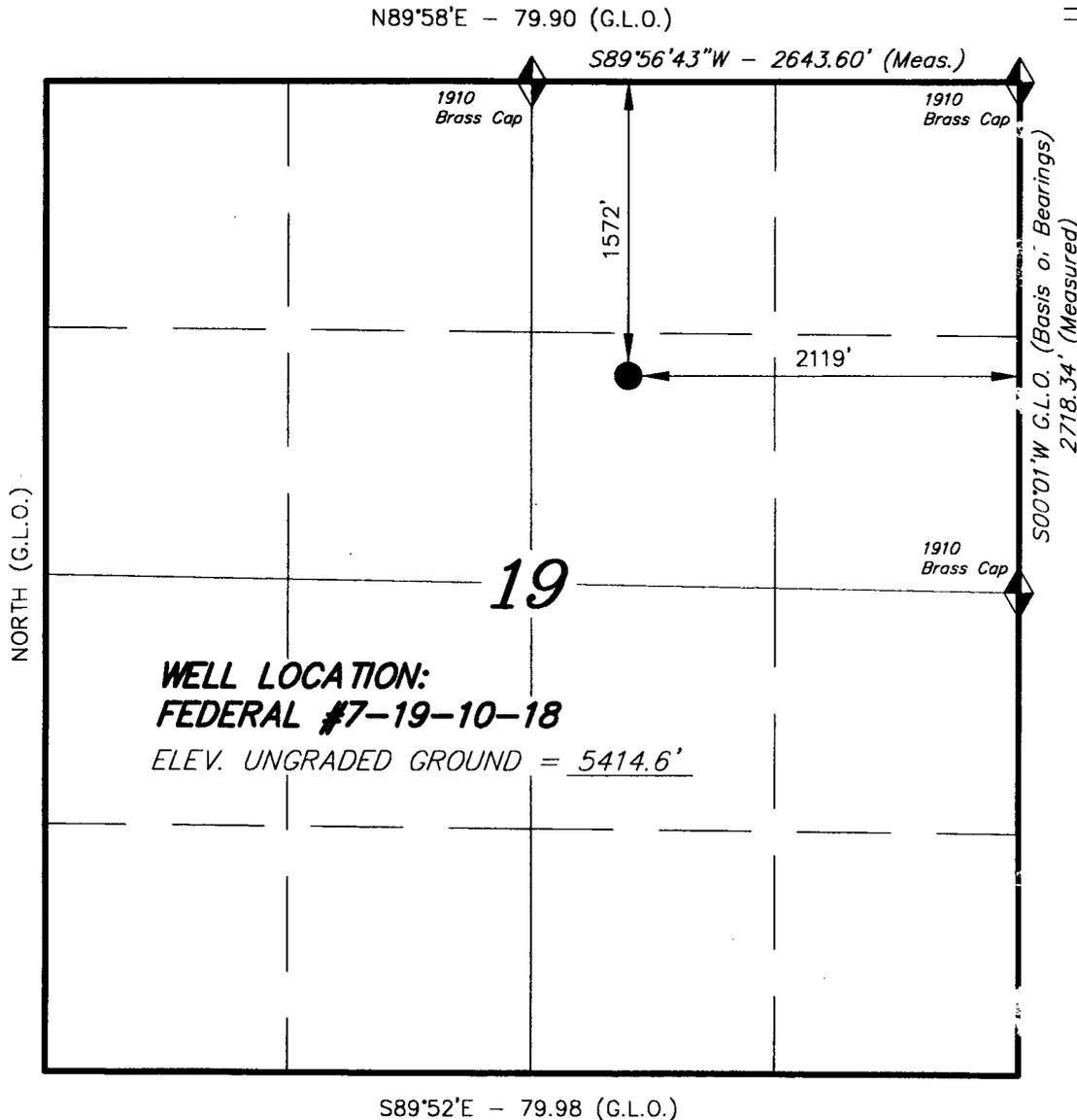
\* Instructions on reverse side

- Exhibits:**
- |                         |                           |                                       |                      |
|-------------------------|---------------------------|---------------------------------------|----------------------|
| <b>A: Survey Plat</b>   | <b>E: Topo Map A</b>      | <b>G: Rig &amp; Layout</b>            | <b>K1 Facilities</b> |
| <b>B: 10-Point Plan</b> | <b>E2:Topo Map B</b>      | <b>G2:Cut &amp; Fill Diagram</b>      | <b>K2 Facilities</b> |
| <b>C: BOP Diagram</b>   | <b>F: Location Layout</b> | <b>H: Existing Well Map</b>           |                      |
|                         |                           | <b>K: Cultural report (To Follow)</b> |                      |

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

**PENDRAGON ENERGY PARTNERS, INC.**

WELL LOCATION, FEDERAL #7-19-10-18,  
 LOCATED AS SHOWN IN THE SW 1/4 NE  
 1/4 OF SECTION 19, T10S, R18E, S.L.B.&M.  
 UTAH COUNTY, UTAH.



N0°01'E (G.L.O.)



**WELL LOCATION:**  
**FEDERAL #7-19-10-18**  
 ELEV. UNGRADED GROUND = 5414.6'

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
 PREPARED FROM FIELD NOTES OF ACTUAL SURVEY  
 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  
 No. 18937  
**STACY W. STEWART**  
 REGISTERED LAND SURVEYOR  
 REGISTRATION No. 18937  
 STATE OF UTAH

**TRI STATE LAND SURVEYING & CONSULTING**  
 38 WEST 100 NORTH - VERNAL, UTAH 84078  
 (435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: C.D.S.
DATE: 12-3-02	DRAWN BY: R.V.C.
NOTES:	FILE #

◆ = SECTION CORNERS LOCATED  
 BASIS OF ELEV; U.S.G.S.  
 7-1/2 min QUAD (CROW KNOLL)

**FEDERAL #7-19-10-18 (NAD 83)**  
 LATITUDE = 39° 55' 56.68"  
 LONGITUDE = 109° 56' 03.44"

**EXHIBIT "B"**  
**PROPOSED DRILLING PROGRAM**

**ONSHORE ORDER NO.1**  
**Pendragon Energy Partners, Inc.**  
**Desert Spring Federal #7-19-10-18**  
**SW NE Sec 19 -T10S - R18E SLB & M**  
**Uintah County, Utah**

**OIL & GAS ORDER NO. 1 (APPROVAL OF OPERATIONS ON ONSHORE, FEDERAL AND INDIAN OIL AND GAS LEASES).**

All lease and/or unit operations will be conducted in a manner so that full compliance is made with the applicable laws, regulations (CFR 43, Part 3160) and the approved Application for Permit to Drill. The operator assumes full responsibility for the actions of its contractors and subcontractors. A copy of the approved APD will be on location during construction, drilling and completion operations.

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

<b>1. ESTIMATED FORMATION TOPS : (Elevation – 5,415')</b>			
<b>FORMATION</b>	<b>DRILLED (ft) SUBSEA</b>		<b>PORE PRESSURE (psi/ft)</b>
<b>Green River</b>	<b>1,485</b>	<b>+3,930</b>	<b>Normal</b>
<b>Wasatch Tongue of Green River</b>	<b>4,785</b>	<b>+ 630</b>	<b>Normal</b>
<b>Total Depth</b>	<b>5,000</b>	<b>+ 415</b>	<b>Normal</b>

\* Offset pressure data supports pore pressure gradient @ 0.42 psi/ft.

2. ESTIMATED DEPTH OF OIL, GAS, WATER OR OTHER MINERALS:		
SUBSTANCE	FORMATION	DEPTH (ft)
Water	None anticipated	
Gas	None	
Oil	Green River	4,750 to +/- 4,900

**3. PRESSURE CONTROL EQUIPMENT & SPECIFICATIONS :**

- **Anticipated maximum surface shut-in pressure gradient:**
  - .  $P_s = BHP - (0.22 * 4,900) = (0.42 * 4,900) - (0.22 * 4,900) = 980 \text{ psi.}$
  - . **If a pressure anomaly occurs, API pressure control methods will be immediately imposed.**
  - . **Drilling fluid density materials will be available on location.**
  - . **Poison gas is not known to exist in the area.**
- **BOP EQUIPMENT: (See Exhibit "C")**
  - . **Type: Nominal 10" hydraulic double ram, 2,000 psi working pressure.**
  - . **Ram type preventers shall be installed after the prescribed WOC time has expired. The casing will be cut off and a weld-on companion flange fastened.**
  - . **Pipe & blank rams will be used.**
  - . **The BOP will be inspected, operated daily and on trips with the drill string. All tests will be recorded on the daily drilling log.**
- **CHOKE MANIFOLD EQUIPMENT: ( See Exhibit "C")**
  - . **The hydraulic closing unit will be located @ least 100' upwind from the BOP stack.**
  - . **A remote BOP closing unit will be positioned near the driller's operating station.**

- . Burst pressure rating – 2,000 psi.
- . The choke manifold, BOP extension rods and hand wheels will be located outside the substructure.
- . The kill line will be 2” nominal rated @ 2,000 psi.
- **BOP TESTING:**
  - . Upon installation.
  - . If any seal subject to pressure is broken.
  - . Every 30 days if drilling operations continue beyond anticipated 10 days.
  - . A test plug will not be used since testing can be accomplished w/o exposing surface casing to excess pressures (70% of internal yield).

**4. TEST PRESSURES AND OTHER SPECIFICATIONS ANTICIPATED:**

UNIT	PROPOSED TEST PRESSURE (psi)
Pipe rams	2,000
Blind rams	2,000
Manifold	2,000
Surface casing	1,500 (or .70 x rated burst)
Floor valve	2,000
Annular	2,000

- . Upper & lower kelly cock will be maintained in the drill string.
- . Drill string float will not be used.
- . The floor valve will be available in the open position @ all times and will be operated daily.
- . BLM agent will be notified at least 24 hours before all BOP tests.
- . BOP & pressure control drills will be conducted.

<b>5. PROPOSED CASING &amp; CEMENTING PROGRAM:</b>								
PROPOSED CASING	HOLE SIZE	CASING SIZE	TOP OF SECTION (ft)	SECTION LENGTH (ft)	PHYSICAL DATA	Pressure Rating (psi)		Cement Top
						Burst	Collapse	
Conductor	17 1/2"	16"	0	60	Steel			Surface.
Surface	12 1/4"	8 5/8"	0	250	24# J55 STC	2,950	2,210	Surface
Production	7 7/8"	5 1/2"	0	5,000'	15.5# J55 STC	4,800	4,040	NA

Note: All casing will be new.

• CASING SPECIFICATIONS AND CONDITIONS:

- . Stage cementing is not anticipated.
- . The production casing will be tested @ 2,000 psi or 70% of minimum yield for a period of 30 minutes with not more than 10% drop.
- . Formation Pore Pressure (from offset pressure data) -- 0.420 psi/ft.
- . Formation Fracturing Gradient ----- 0.700 psi/ft.
- . Mud Density (Max lbs/gal) ----- 9 ppg @ 5,000'.
- . Collapse ----- 1.120.
- . Burst ----- 1.000.
- . Tension ----- 1.800.
- . Casing joints will be torqued according to API standards.
- . Three centralizers will be placed on collars of the bottom 3 joints (Surface and Intermediate casing).
- . A centralizer will be placed on each collar through production zones and every joint 300' above and below production zones (Production casing).

• CEMENTING PROGRAM:

- . CONDUCTOR CASING: Cement to surface w/ ready mix.

- . **SURFACE CASING: Cement to surface w/150 cuft "Lite" tailed w/100 cuft premium or equivalent.**
- . **PRODUCTION CASING: Will be cemented from TD to 600' above the water sand @ approximately 3,500' (or as indicated by logs). zone. Volume of cement will be determined from caliper log.**

<b>6. PROPOSED DRILLING FLUID SPECIFICATIONS:</b>					
<b>DEPTH INTERVAL</b>	<b>TYPE</b>	<b>DENSITY Lbs/gal</b>	<b>VISCOSITY</b>	<b>FLUID LOSS</b>	<b>MAKE UP WATER</b>
<b>0 - 250'</b>	<b>Gel</b>	<b>8.7 – 9.0</b>	<b>26-40</b>	<b>NC</b>	<b>Fresh</b>
<b>250' - TD</b>	<b>Gel</b>	<b>8.4 – 9.0</b>	<b>26-50</b>	<b>NC</b>	<b>KCl Water</b>

- **OTHER DRILLING FLUID SPECIFICATIONS AND CONDITIONS:**
  - . **LCM will be present on location @ all times during drilling.**
  - . **Fluids parameters to be measured daily - density, viscosity, fluid loss, pH, solids, chlorides, bicarbonate and carbonates.**
  - . **Concentration of hazardous substances in the reserve pit will not exceed standards set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA).**
  - . **Oil & gas related CERCLA hazardous waste substances will be removed from location and will be disposed of according to EPA approved methods.**

<b>7. EVALUATION OF OPERATIONS WHILE DRILLING:</b>
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- **MUD MONITORING SYSTEMS (Swaco):**
  - . **Pit level indicator, flow sensor w/alarms, PVT and stroke counter will not be used.**
  - . **A trip tank will not be used.**
  - . **Gas detection equipment (mud logger) will not be used.**
  - . **A mud-gas separator will not be used.**

• **DRILL STEM TESTS:** None anticipated.

- . If it becomes necessary to conduct a drill stem test, initial opening of the test will be restricted to daylight hours.
- . If a test is initiated during daylight hours, it will be allowed to continue assuming OSHA considerations are strictly met.
- . The DST string will not be pulled out of the hole after dark unless recovered fluids have first been reverse circulated to a suitable closed steel tank placed at least 100' down wind from the wellhead.
- . Smoking will not be allowed on the rig floor or within 100' upwind from the rig floor during test operations.
- . Only rig engines will be allowed to run during testing. All others will be moved at least 100' upwind from the rig floor.

• **LOGGING PROGRAM:**

- . The following open hole logs are anticipated:

**Run #1 @ TD**

- (1) GR - DLL ----- TD to base of Surface casing.
- (2) CNL - Density – Caliper --- TD to 3,500' (Or minimum run).

- . The following cased hole logs are anticipated:

- (1) GR-CCL ----- PBTD to 500' above the pay zone.
- (2) CBL (Cement Bond Log) ----- PBTD to cement top.

• **SAMPLING PROGRAM:**

- . 250 to +/- 4,000' ----- 30' samples will be collected.
- . 4,000' to TD ----- 10' samples may be collected as necessary.

**CORING:** Not anticipated.

<b>8. ANTICIPATED PORE PRESSURES &amp; HAZARDOUS MATERIALS:</b>
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- **PORE PRESSURE:**
  - In the surface hole – normal to subnormal pressures are anticipated.
  - In the Green River – normal to subnormal pore pressures are anticipated (0.420 psi per ft.).
- **HAZARDOUS MATERIALS:** None anticipated.

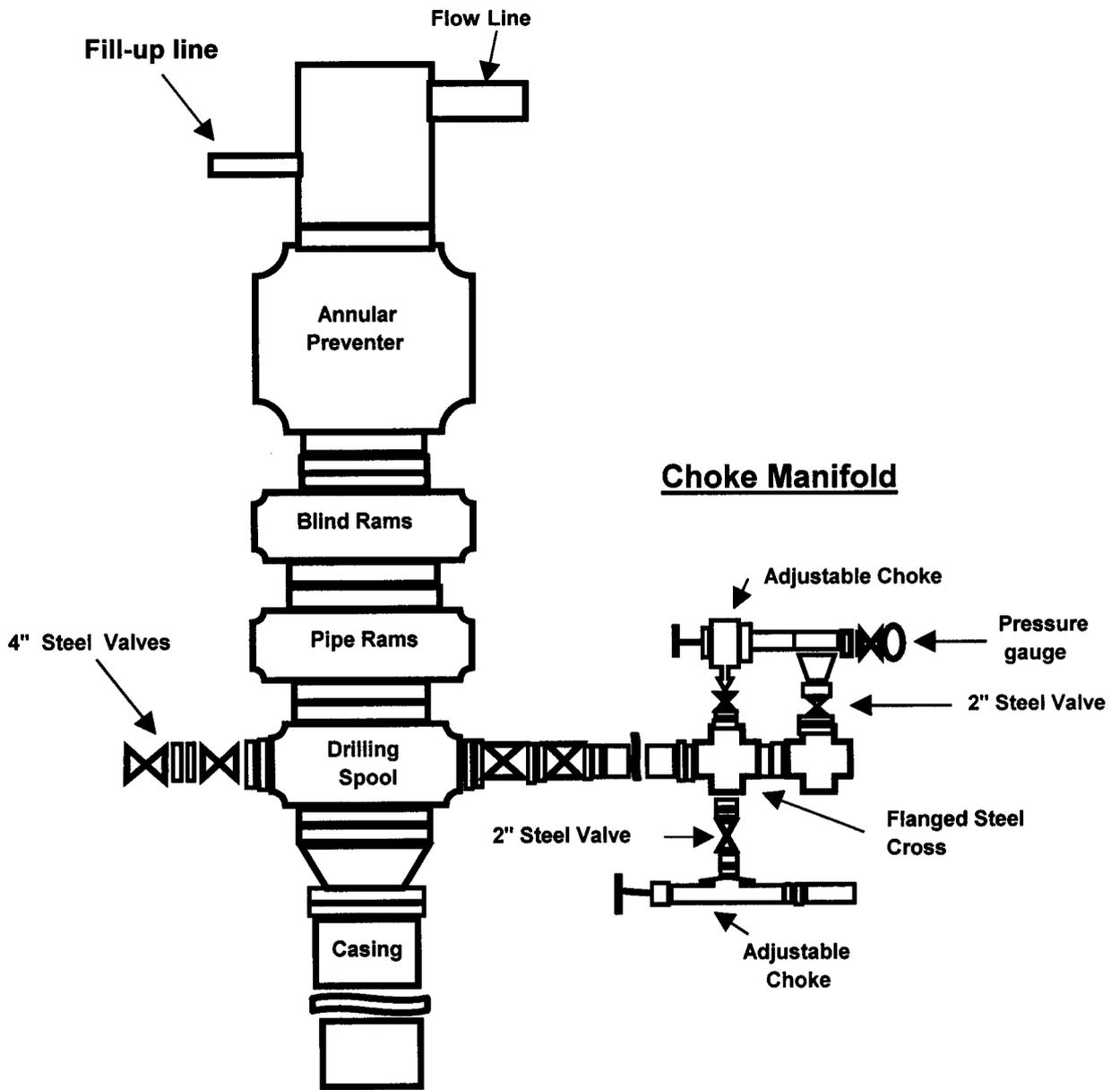
<b>9. OTHER INFORMATION, NOTIFICATION &amp; REPORTING:</b>
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OPERATION	DATE OR ANTICIPATED TIME
Proposed start time	Feb 15, 2003
Drill pad & road construction time	2 - 4 days
Drilling operations & formation evaluation	8 - 10 days
Completion & testing time	5 - 10 days
Facilities installation	5 - 10 days
Initial restoration start time	180 days or as weather permits
Final restoration time	5 - 10 days

- **INFORMATION & REPORTING PLAN:**
  - **DRILLERS LOG:**
    - BOP, manifold, casing pressure tests - as done.
    - BOP mechanical test – as done.
    - Blowout prevention drills – as done.
    - Casing installation & cementing – as done.
    - WOC time – as done.
    - Incidents of lost circulation or pressure anomalies – as occurs.
  - **REGULATORY REPORTING :**
    - Notification of location construction - 24 hours prior to start up.
    - Notification of spud – prior to spud and/or within 48 hours after.

- . **Notification of BOP test – at least 24 hours prior to testing.**
- . **P&A - the Vernal Resource Office will be contacted prior to plugging .**
- . **Form 3160-4 - monthly.**
- . **Form 3160-5 - within 30 days after P&A or completion of the well.**
- . **Facilities diagram – as required by CFR 43 Part 3162.7-2 and 3162.7-4.**
- . **Undesirable events will be reported as specified in NTL-3A.  
Major events will be reported verbally within 24 hours. Minor events will be reported within 15 days. Other events will be reported in the monthly report of operations.**

**Exhibit C**



**BOP and Manifold**

Specifications meet 43 CFR, Parts 3160  
Design Series 600, 2000 psi rating

**EXHIBIT "D"**  
**PROPOSED SURFACE USE PROGRAM**

**ONSHORE ORDER NO. 1**  
**PENDRAGON ENERGY PARTNERS, INC.**  
**FEDERAL #7-19-10-18, SW NE Sec 19-T10S-R18E**  
**Uintah County, Utah**

- **SURFACE OWNER (BLM)**
- **SURFACE LOCATION: (See Exhibit "A"). SW NE Sec 19-T10S-R18E.**
- **Distance : 25.9 miles from Myton, Utah (See Exhibits "E").**
- **Directions to location: South from Myton 12.5 miles to Castle Peak then 6.8 miles to Sheep Creek then 4.7 miles to Spring Wash then 1.9 miles to lease road, then left on lease road 0.11 mile'.**

**1. EXISTING ACCESS ROADS: (See maps "A" & "B")**

- **All existing access roads will be maintained as is with repairs or maintenance as needed.**
- **No improvements or changes to existing roads are anticipated.**
- **Map "A" is the vicinity map showing access routes from Myton, Utah.**
- **Topo Map "B" shows the proposed access road to the pad.**
- **Occasional maintenance blading and storm repairs will keep roads in good condition.**
- **There shall be no mud blading on the access road. Vehicles may be towed through the mud provided they stay on the roadway.**
- **All road construction and maintenance will conform to standards identified in "Surface Operating Standards for Oil and Gas Exploration and Development" (Gold Book) U.S. Department of the Interior-BLM and U.S. Department of Agriculture-Forest Service; January 1989.**

**2. ACCESS ROADS TO BE CONSTRUCTED:**

- **Road Specifications For Drilling Operations:**
  - **Approximately 615' of new road construction will be required.**
  - **Width – maximum 30-foot overall right-of-way with an 18-foot running crown & ditched and/or sloped and dipped.**
  - **Construction standard – the access road will be constructed to standards normal to the area with anticipated traffic flow and weather requirements considered. Ditching, crowning, capping, sloping, and dipping will be done to provide a safe roadway.**
  - **Off-road travel of the 30 foot right-of-way will not be allowed.**
  - **Road drainage crossings – will be designed so they will not cause siltation or the accumulation of debris. Erosion will be prevented by properly designed cutouts.**
  - **Upgrading – will not be allowed during muddy conditions. Mud holes will be repaired as they occur.**
  - **Maximum grade – will be less than 8%.**
  - **Drainage design – as stated above.**
  - **Turnouts – none anticipated.**
  - **Culverts – none anticipated.**
  - **Surface materials – any materials if required will be purchased from a local supplier having a permitted source.**
  - **Gates, cattle guards or fence cuts – none required.**
  - **The proposed access road has been centerline flagged.**

- . Burst pressure rating – 2,000 psi.
- . The choke manifold, BOP extension rods and hand wheels will be located outside the substructure.
- . The kill line will be 2" nominal rated @ 2,000 psi.
- **BOP TESTING:**
  - . Upon installation.
  - . If any seal subject to pressure is broken.
  - . Every 30 days if drilling operations continue beyond anticipated 10 days.
  - . A test plug will not be used since testing can be accomplished w/o exposing surface casing to excess pressures (70% of internal yield).

**4. TEST PRESSURES AND OTHER SPECIFICATIONS ANTICIPATED:**

UNIT	PROPOSED TEST PRESSURE (psi)
Pipe rams	2,000
Blind rams	2,000
Manifold	2,000
Surface casing	1,500 (or .70 x rated burst)
Floor valve	2,000
Annular	2,000

- . Upper & lower kelly cock will be maintained in the drill string.
- . Drill string float will not be used.
- . The floor valve will be available in the open position @ all times and will be operated daily.
- . BLM agent will be notified at least 24 hours before all BOP tests.
- . BOP & pressure control drills will be conducted.

- **Proposed new facilities to be installed:**
  - . **A facilities diagram will be provided in the event oil production is established and will outline the following:**
    - a. **Proposed location and attendant lines – will be flagged if off the well pad.**
    - b. **Dimensions of the layout.**
    - c. **Construction methods and materials.**
    - d. **Protective measures and devices to protect livestock and wildlife.**
    - e. **Pipelines – will be buried a minimum of 3-feet except at road crossings which will be buried 4-feet.**
    - f. **Road and pipeline will be restricted to 50-feet of disturbance. Vehicular travel will be restricted to that necessary to service drips and the need to use valves.**
    - g. **Only native materials will be used. If necessary appropriate materials will be purchased from private or commercial sources.**
    - h. **A dike to contain the volume of the largest tank + 10% will be constructed around the facility.**
    - i. **All above ground facilities will be painted a flat non-reflective, earthtone color (Carlsbad Canyon – 2.5Y 6/2) as determine by the Five State Rocky Mountain Interagency Committee within six months of installation except where OSHA regulations require safety approved colors.**

**4. LOCATION OF WATER SUPPLY TYPE & OWNERSHIP:**

**Owner: Water source: Spring. Nebeker Trucking. Permit #43-1721.**

**Location: Sec 34 T3S-R2W, USM.**

**Method of transportation: Trucking operated by Nebeker Trucking, Permit No. 43-1723.**

**6. SOURCE OF CONSTRUCTION MATERIALS:**

- No construction materials are anticipated for drilling operations.
- If commercial production is indicated small amounts of gravel materials will be trucked from local gravel pits over existing roads.
- No materials from Indian or federal lands will be disturbed.

**7. METHODS FOR HANDLING WASTE DISPOSAL:**

- **Drilling fluids** – including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, liquid contents of the reserve pit will be removed and disposed of in an approved disposal facility within 90 days. In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request.
- The reserve pit will be constructed to prevent any discharge to the surroundings or underlying formations. If necessary the pit will be lined with a 12 mil plastic liner.
- **Produced fluids:**
  - Liquid hydrocarbon produced during completion operations will be placed in test tanks on location and transferred to the production facility when it is ready for use. After completion and testing operations are complete production will be routed through buried pipelines to be processed in the newly constructed facility
  - Waste water produced into a test tank or the reserve pit during completion and testing operations will be removed to an approved disposal facility within 90 days. In accordance with Onshore Order #7 an application for a permanent disposal method and site will be submitted for the Authorized Officer's approval.
  - Spills of oil, gas, salt water or other noxious fluids will be immediately removed to an approved disposal site.

- **Used motor oil** will be stored in closed containers and disposed of at an authorized disposal site.
- **Trash pit** will be constructed and totally enclosed with fine mesh wire to prevent scatter. No trash will be directed to the reserve pit. The contents of the pit will be disposed of in a WDEQ approved sanitary landfill.
- **Test tanks** will be moved in if such becomes necessary for an impending drill stem test or during completion testing.
- **Steel drilling fluids tanks** will be part of rotary drilling equipment (approximately 1,000 bbl capacity).
- **Flare pit** will be located a minimum of 120' down wind from the well bore if needed.
- **Human wastes** will be contained in portable chemical toilets. Upon completion of operations, the holding tanks will be removed by the sanitation contractor. Disposal will be in conformance with Utah Department of Environmental Quality (UDEQ).
- **Drill cuttings** will be transferred over shale shaker equipment to the reserve pit. After drilling and completion operations are completed, excess liquids will be removed to disposal and drill cuttings will be buried in the reserve pit per approved pit restoration procedures.
- **Garbage and trash** collected in the trash pit during restoration proceedings will be removed to an approved disposal facility.
- **Sewage** collection units installed prior to drilling start up will be serviced daily.
- **Hazardous materials** the operator will comply with all applicable Federal laws and regulations existing or hereafter enacted. EPA's consolidated list of chemicals is subject to reporting under Title III of the Superfund amendments and Re-authorization Act (SARA) of 1986, as identified (EPA's list of extremely hazardous substances as defined in 40 CFR 355, as amended). Substances that may be used in the project are as follows:

USE	CHEMICAL	CAT (2)	EHC (3)
Stimulation	Acid	None	None
Mud	AlSi	None	None
Mud	BaSo4	None	None
Mud	CaOH	None	None
Increase vis	HMW add	None	None
Cement	Insol Ca Salt	None	None
Mud	Caustic	None	None
Mud/Cement	None	None	None
Mud/Cement	None	None	None
Mud/Cement	None	None	None
Set casing	Lime	None	None
Thinner	None	None	None
Mud	None	None	None
Fuel	Benzene	RCRA	None
Mud	None	None	None
None	None	None	None
Mud/Cement	None	None	None
Mud	None	None	None
Mud	None	Fiber	None
Mud	Ca	None	None
Mud (LCM)	Fiber	None	None
Lubricant	Zinc	None	None
Fuel	None	None	None
None	None	None	None
Maintenance	Lead	Fine Min	None
Mud	None	None	None
Mud (LCM)	Fiber	None	None

#### 8. ANCILLARY FACILITIES:

- Airstrips: None
- Camp: Two portable units will be on location:
  1. Toolpusher's living quarters.
  2. Company supervisor's living quarters.

**9. WELL SITE LAYOUT: (See Exhibit "G")**

- **Location orientation:**
  - **Top soil: Approximately 6 inches will be stripped from the surface including areas of cut and fill. Topsoil and subsoil will be stockpiled for future reclamation requirements. The stockpiles will be seeded as required by the BLM.**
  - **Location Size: 170' x 290'.**
  - **Reserve pit size: 110' x 50' x 8'.**
  - **Pit liner – 12 mm plastic if needed.**
  - **Pit fencing: Three sides will be fenced prior to drilling . The fourth side will be fenced after drilling equipment is removed from the well site. Fencing materials will consist of 39-inch wire with at least one strand of barbed wire on top of the net wire placed no more than 3-inches above the net wire. The net wire will be no more than 3-inches above the ground. Corner posts will be cemented and braced to impose a tight fence. Standard steel, wood or pipe posts will be placed on 16' centers. All wire will be stretched with a stretching devise.**
- **Rig layout: (See Exhibit "G").**
  - **There may be two temporary living quarters on location during drilling operations. These will be occupied by the rig superintendent and company representatives.**
- **Production facilities:**
  - **A diagram showing proposed production facilities will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) after completion and testing is finished.**

**10. PLANS FOR RECLAMATION OF THE SURFACE:**

- **Due to drilling and completion:**
  - **The rat hole, and mouse hole will be filled and compacted from bottom to top immediately upon release of the drilling rig.**

- . Floating hydrocarbons etc will be removed as soon as possible after drilling operations are complete in accordance with 43 CFR 3162.7-1.
- . Drill cuttings and mud will remain in the reserve pit until dry. The reserve pit will not be "squeezed", "crowded" or "cut". When the reserve pit is reclaimed, at least three feet of earth will be placed on top of the drilling fluids and cuttings.
- . If the reserve pit does not dry within the prescribed time, alternate methods will be investigated.
- **Dry hole (Commercial production not established):**
  - . A Notice of Intent to Abandon will be filed . Final recommendations for surface reclamation will be specified by the BLM.
  - . The drill site will be restored to its original condition.
  - . The wellbore will be P&A'd according to the approved program.
  - . An approved marker will be positioned as directed.
  - . Spoil will be replaced to original conditions.
  - . Top soil will be replaced and smoothed.
  - . If necessary, water bars will be constructed according to BLM Conditions of Approval.
  - . All disturbed surface under the jurisdiction of the BLM will be seeded using the following mixtures:

SPECIES OF SEED	VARIETY	LBS/ACRE	PLS
Western wheat grass		4	
Green needle grass		4	
Stream ban wheat grass		3	
Blue bunch wheat grass		3	
Oats		1	
PLS formula	% germination * % purity	x	100%

- **Seeding Procedure:**
  - . **The BLM designated Authorizing Officer will be notified prior to seeding operations.**
  - . **The seed will be applied with a regulator equipped drill.**
  - . **Planting depth shall not exceed ½ ”.**
  - . **If possible, seeding will be done in the months of September or October, providing all preliminary work is done by that time.**
  - . **Where drilling is not possible, the seed will be broadcast and the area raked or chained to cover the seed.**
  - . **Seeding will be repeated until a satisfactory stand, as determined by the BLM Authorized Officer, is established.**
  - . **Where seed is broadcast, the mixture will be doubled.**
  - . **There will be no primary or secondary noxious weeds in the mix.**
  - . **Seed will be tested for purity and germination. Viability testing of seed will be done in accordance to state law 9 months prior to purchase or sooner.**
  - . **Commercial seed will be certified.**
  - . **The seed mixture container will be tagged in accordance with Utah state law. Copies of seed test results and certification will be forwarded to the BLM.**
  - . **Weeds will be controlled on disturbed areas within the exterior limits of the permit.**
- **In the event production is established:**
  - . **Those areas not required for production will be re-contoured and the cut and fill slopes will be reduced to 4:1, if applicable.**
  - . **Topsoil will be distributed evenly and seeded as above.**
  - . **All topsoil stockpiles will be seeded with annual ryegrass.**

- . **If a plastic or nylon reinforced pit liner is used, it will be torn and perforated before backfilling of the reserve pit.**
- . **Prior to restoration of the reserve pit, it will be completely dry and all cans, barrels, pipe etc. will be removed. Other waste materials will be disposed of immediately upon completion of drilling and completion activities.**
- . **The flare pit and that portion of the access road not needed for production facilities or operations will be reclaimed within ninety days from the date of completion.**
- . **The access road will be upgraded and maintained as needed for production operations.**
- **Pesticide use:**
  - . **The use of pesticides will comply with federal and state laws governing its proper use, storage, and disposal.**
  - . **The use of pesticides will occur within limitations imposed by the Secretary of the Interior.**
- **All procedures listed above for a dry hole will also be applied to a well completed for production as follows:**
  - . **A facilities diagram and plan will be submitted for approval.**
  - . **Flowline route will be outlined on a suitable map of the area.**
  - . **Produced water will be temporarily disposed of in the reserve pit according to Onshore Order No 7 (90 day limit).**
  - . **If more time is needed, an extension will be requested.**
  - . **Sundry notice form 3160-5 (Application for permanent disposal) will be filed if necessary.**

**11. SURFACE OWNERSHIP:**

- . **Name: BLM**
- . **Address: Vernal, Utah**

**12. OTHER INFORMATION:**

**A. General description: Utah grazing and ranch land.**

**B. Surface use activities: Cattle grazing and other typical ranch activity.**

**C. Proximity of water, occupied dwelling, archaeological or paleontological sites:**

- 1. The majority of the numerous washes and draws in the area are of a non-perennial nature, flowing during the early spring run-off and heavy rain storms.**
- 2. The flora of the area includes pinion and juniper trees, sagebrush, greasewood, four-wing saltbush, cheatgrass, gambel scrub oak, willow, tamarack, shadscale, indian ricegrass, wheatgrass, curly grass, crested wheatgrass, foxtail, russian thistle, kochia, and cacti.**
- 3. Fauna includes cattle, horses, elk, deer, coyotes, rabbits, rodents, lizards, bull snakes, rattle snakes, water snakes and horned toads. Birds include ground sparrows, bluejays, bluebirds, magpies, ravens, raptors, morning doves, swallows, nighthawks, hummingbirds and chukar.**
- 4. The nearest live water is the Green River.**
- 5. There are no dwellings in the area.**
- 6. An archaeological survey has been completed and mailed to the BLM under separate cover. No significant archaeological or historical cultural sites were found.**
- 7. There are no reported restrictions or reservations note on the oil and gas lease.**

**13. OPERATOR'S REPRESENTATIVES AND CERTIFICATION:**

	<b>ADDRESS</b>	<b>PHONE #</b>	<b>FAX #</b>	<b>HOME #</b>
Al Nicol	621 17 <sup>th</sup> Street, Suite 750 Denver, CO 80293	303 296 9402	303 296 9410	303 425 4115
John Luchetta	2020 Foothills Rd. Golden, CO 80401	303 278 3347	303 278 9506	303 278 3347

**14. GOVERNMENT CONTACTS:**

	<b>ADDRESS</b>	<b>PHONE #</b>		
Stanely R. Olmstead	170 South 500 East Vernal, Utah	435 781 4400		435 781 4410

- **Certification:**

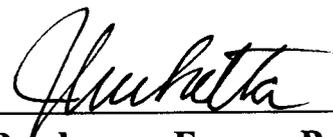
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the proposed operations herein will be performed by Pendragon Energy Partners, Inc. , its contractors and subcontractors. Pendragon Energy Partners, Inc. will operate the lease under BLM Bond No. UT1167. This statement is subject to the provisions of rule 18 U. S. C. 1001 for the filing of a false statement.

A complete copy of the approved Application for Permit to Drill will be furnished to the operator's field representative to ensure compliance and will be on location during all construction, drilling and completion operations.

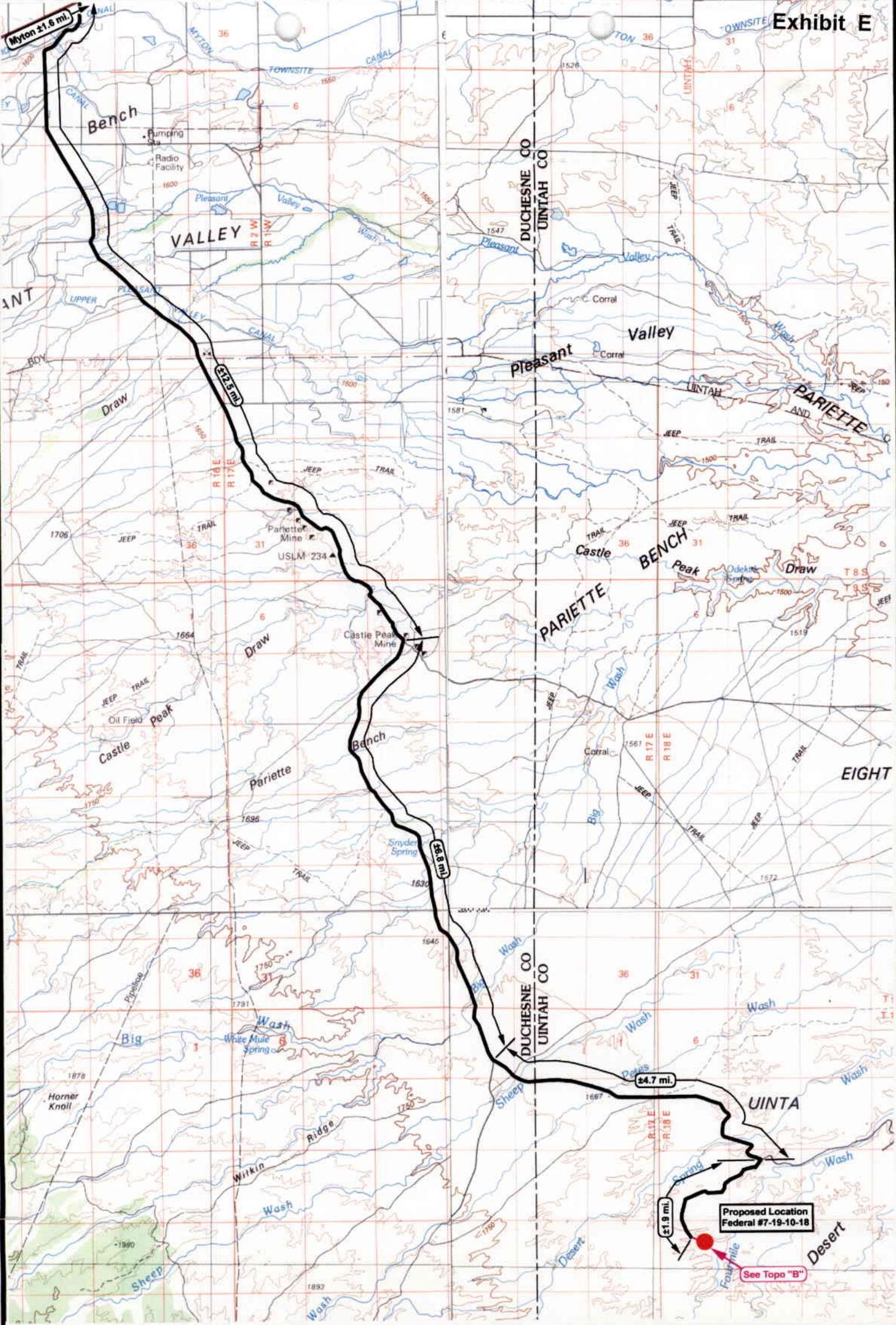
Please be advised that Pendragon Energy Partners, Inc. is considered to be the operator of Well No. 7-19-10-18 SW NE Sec 19, T10S, R18E; Lease Uteland Butte Federal ; Uintah County, Utah; and is responsible under the terms and conditions of the lease.

Jan 20, 2003

\_\_\_\_\_  
Date



\_\_\_\_\_  
Pendragon Energy Partners, Inc.  
John Luchetta, Agent



**PENDRAGON**  
**ENERGY PARTNERS INC.**

**Federal #7-19-10-18**  
**SEC. 19, T10S, R18E, S.L.B.&M.**

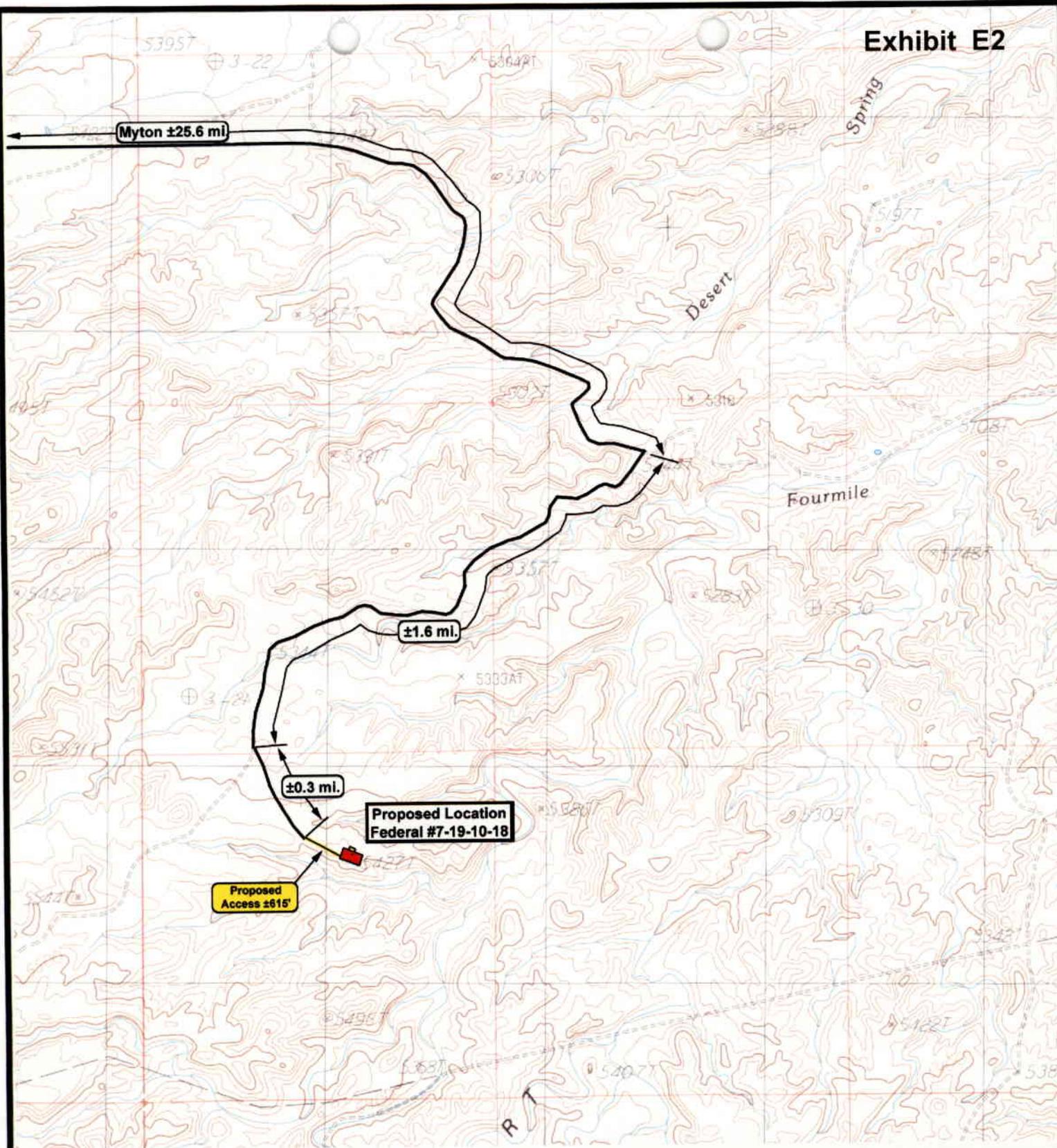


**Tri-State**  
*Land Surveying Inc.*  
 (435) 781-2501  
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1 = 100,000  
 DRAWN BY: R.A.B.  
 DATE: 12-10-2002

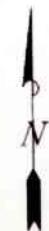
**Legend**  
 Existing Road  
 Proposed Access

TOPOGRAPHIC MAP  
**"A"**



**PENDRAGON**  
**ENERGY PARTNERS INC.**

**Federal #7-19-10-18**  
**SEC. 19, T10S, R18E, S.L.B.&M.**



**Tri-State**  
*Land Surveying Inc.*  
 (435) 781-2501  
 180 North Vernal Ave. Vernal, Utah 84078

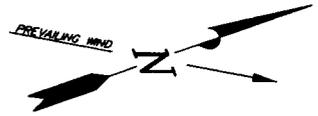
SCALE: 1" = 2,000'  
 DRAWN BY: R.A.B.  
 DATE: 12-10-2002

Legend	
	Existing Road
	Proposed Access

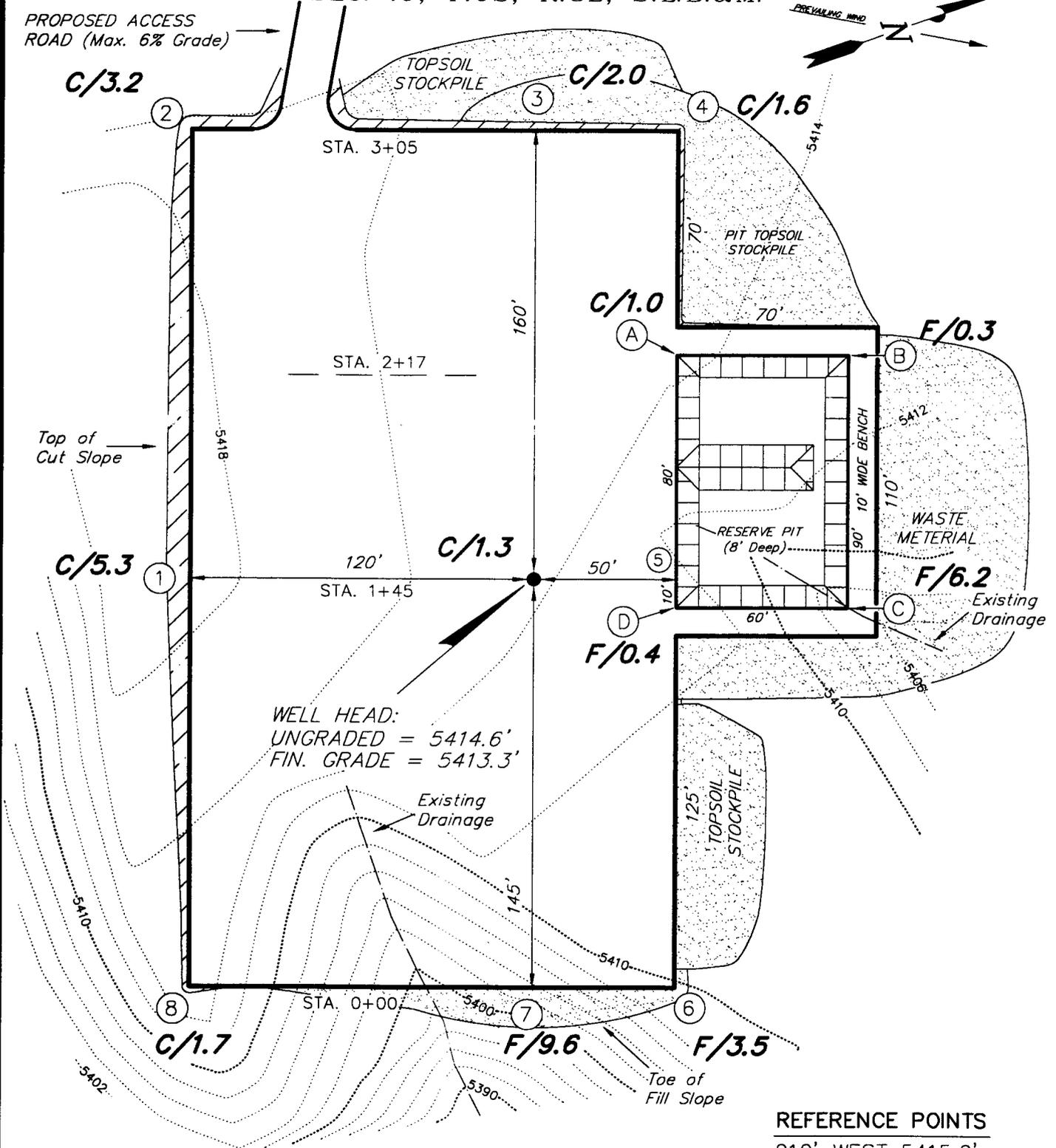
TOPOGRAPHIC MAP  
**"B"**

**PENDRAGON ENERGY PARTNERS, INC.**

FEDERAL #7-19-10-18  
 SEC. 19, T10S, R18E, S.L.B.&M.



PROPOSED ACCESS ROAD (Max. 6% Grade)

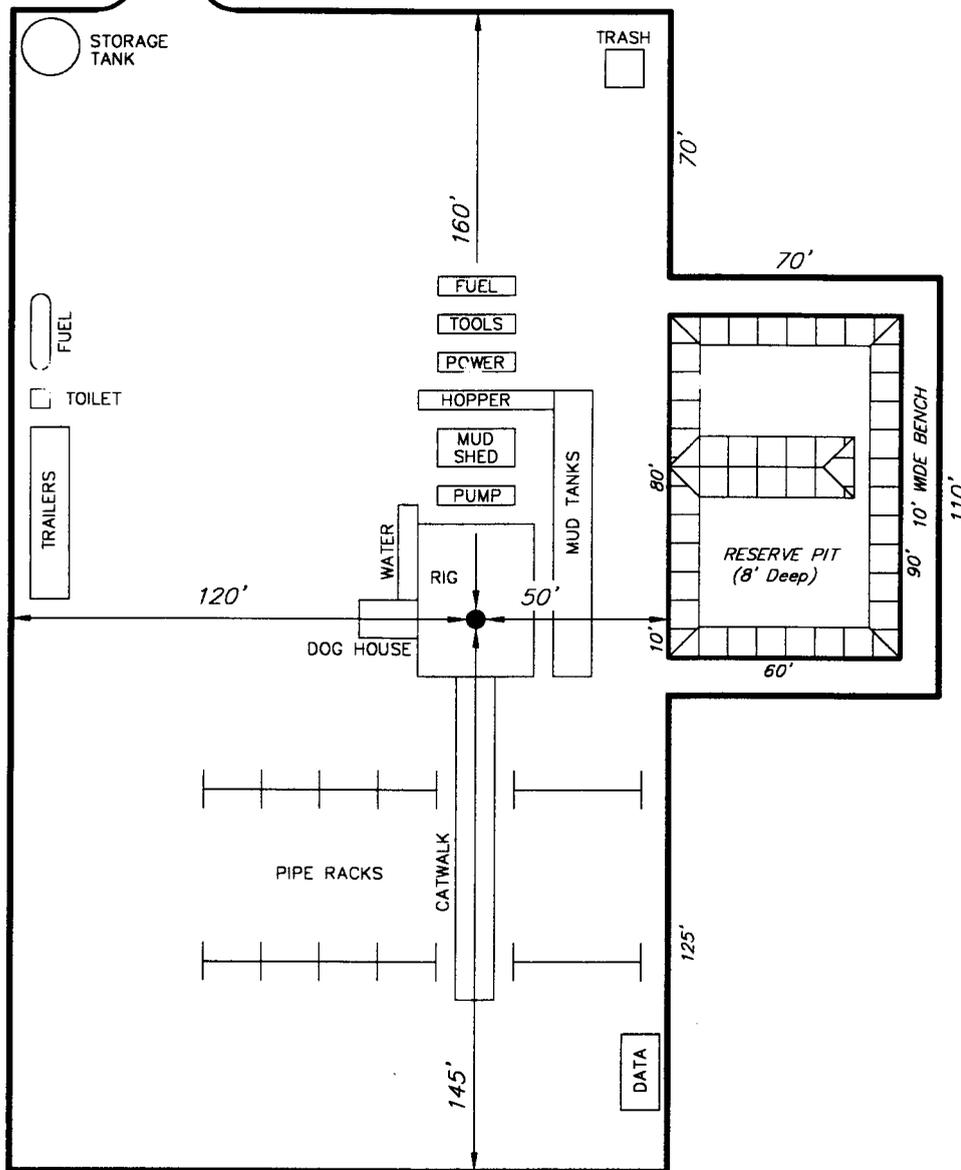


REFERENCE POINTS  
 210' WEST 5415.0'  
 260' WEST 5414.6'

SURVEYED BY: C.D.S.	SCALE: 1" = 50'
DRAWN BY: R.V.C.	DATE: 12-3-02

**Tri State** (435) 781-2501  
 Land Surveying, Inc.  
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

*PENDRAGON ENERGY PARTNERS, INC.*  
*TYPICAL RIG LAYOUT*  
*FEDERAL #7-19-10-18*



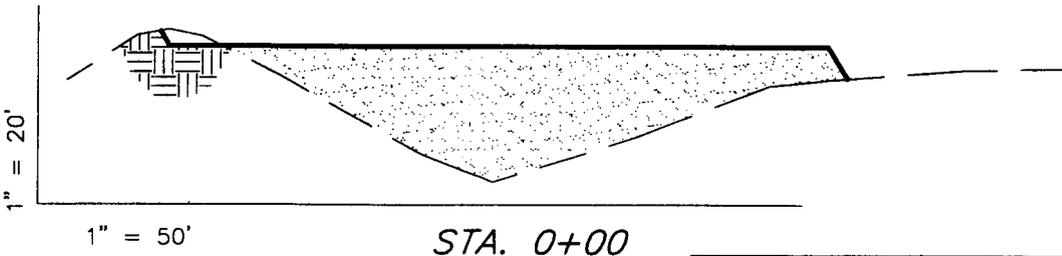
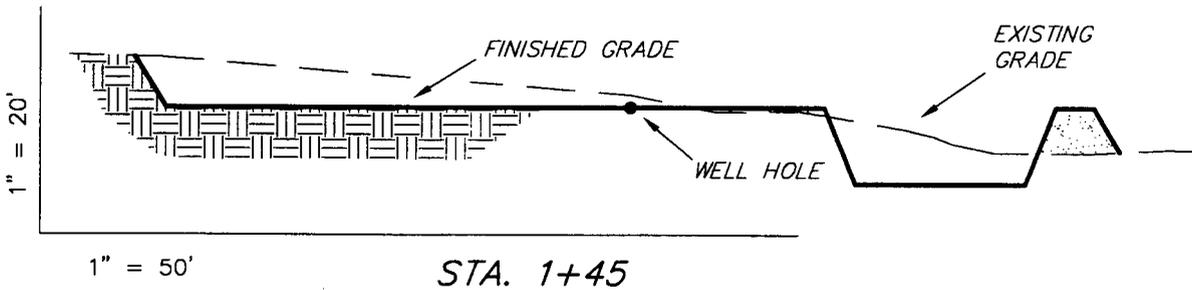
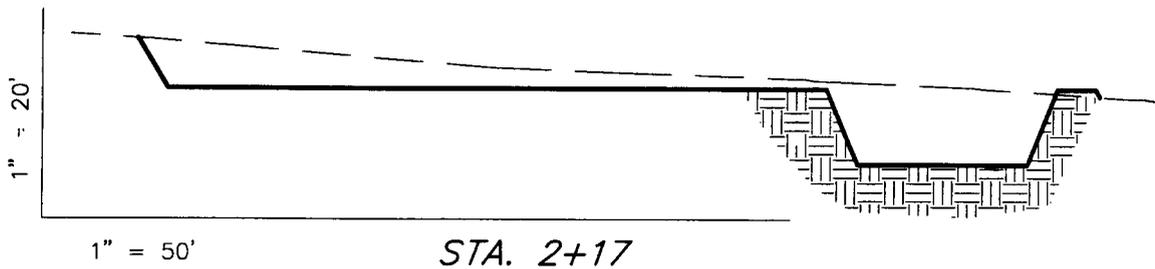
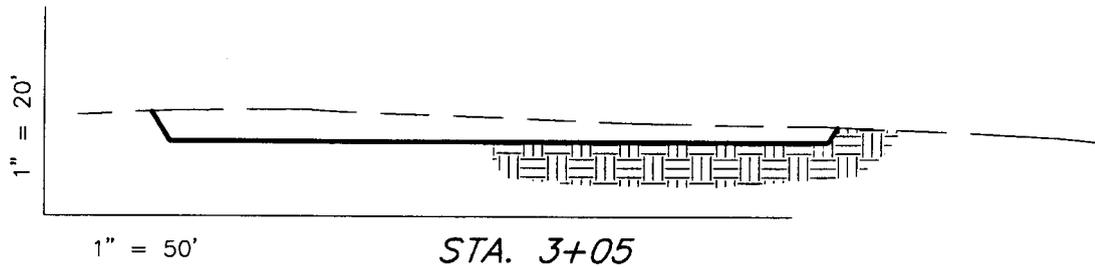
SURVEYED BY: C.D.S.	SCALE: 1" = 50'
DRAWN BY: R.V.C.	DATE: 12-3-02

**Tri State** Land Surveying, Inc. (435) 781-2501  
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

**PENDRAGON ENERGY PARTNERS, INC.**

**CROSS SECTIONS**

**FEDERAL #7-19-10-18**



NOTE:  
UNLESS OTHERWISE NOTED  
ALL CUT/FILL SLOPES ARE  
AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES				
(Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	2,560	2,560	Topsoil is not included in Pad Cut	0
PIT	1,170	0		1,170
TOTALS	3,730	2,560	1,100	1,170

SURVEYED BY: C.D.S.	SCALE: 1" = 50'
DRAWN BY: R.V.C.	DATE: 12-3-02

**Tri State** (435) 781-2501  
**Land Surveying, Inc.**  
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

R 17 E

R 18 E

**Explanation**

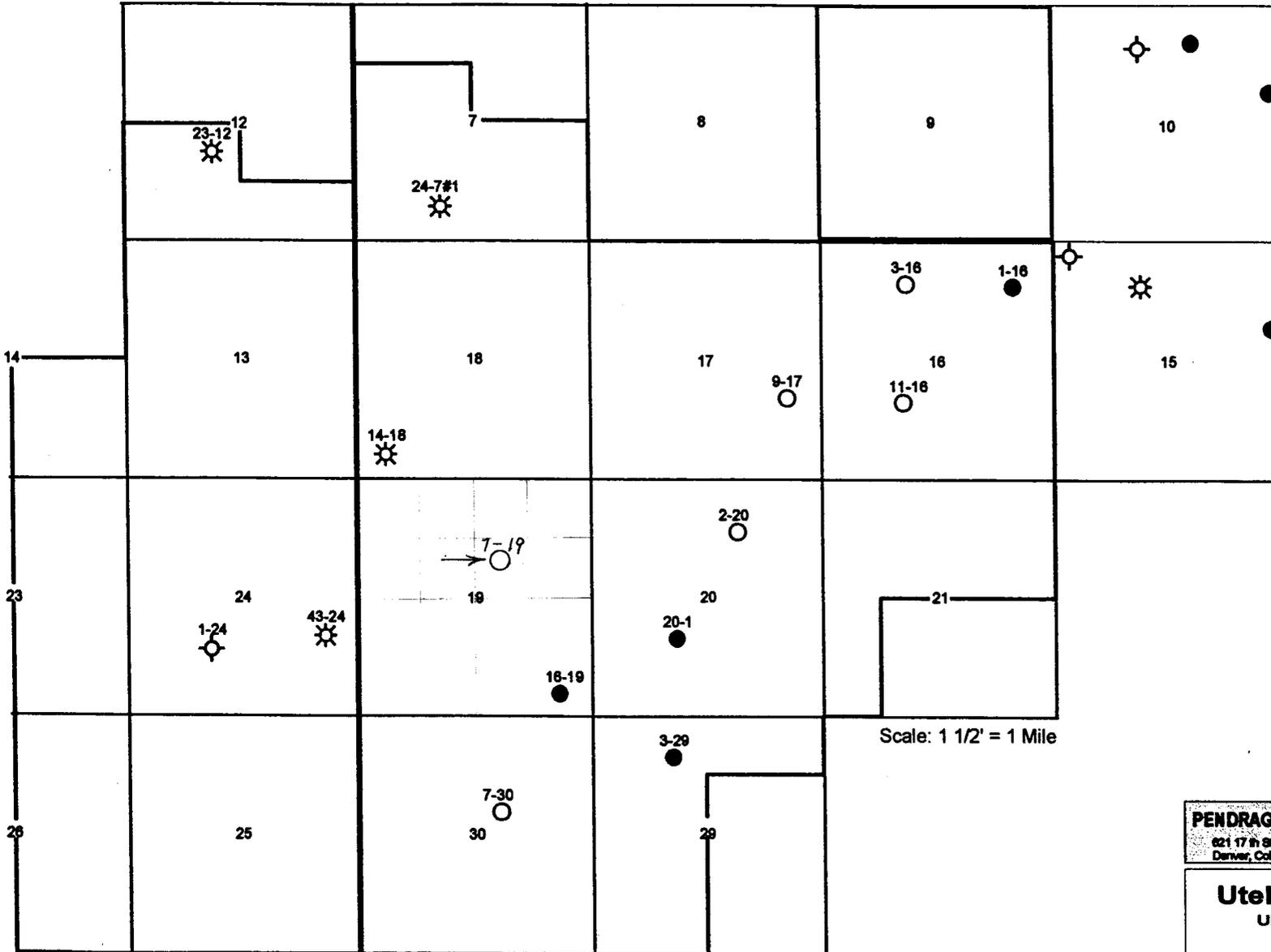
- ☼ Producing Gas Well
- Producing Oil Well
- Proposed Location
- ⊕ Old Dry Hole

**Leasehold**

Pendragon/Shenandoah  
25/25 W. I.

Pendragon/Shenandoah  
50/50 W. I.

T  
10  
S



Scale: 1 1/2' = 1 Mile

**PENDRAGON ENERGY PARTNERS, INC.**  
 621 17th Street, Suite 750      Bus: 303.298.9402  
 Denver, Colorado 80293 USA      Fax: 303.298.0410

**Uteland Butte Field**  
 Uintah County, Utah

ABN

10/02

R 17 E

R 18 E

Exhibit H

**PENDRAGON ENERGY PARTNERS, INC.**  
**Site Security Diagram**  
**Desert Spring 20-1**  
**NESW Sec. 20, T10S, R18E**  
**Lease #UTU74836**  
**Uintah County, Utah**

- 1 - Wellhead
  - 2 - Pumping unit & engine
  - 3 - Flow line bundle
  - 4 - Propane tank
  - 5 - Line heater
  - 6 - Pit tank
  - 7 - welded steel production tanks
  - 8 - Sales line
- \*Oil production, gas, glycol trace and water drains are all in the bundle.

- V1 - Production valve for oil tank #1
- V2 - Production valve for oil tank #2
- V3 - Sales valve for oil tank #1
- V4 - Sales valve for oil tank #2

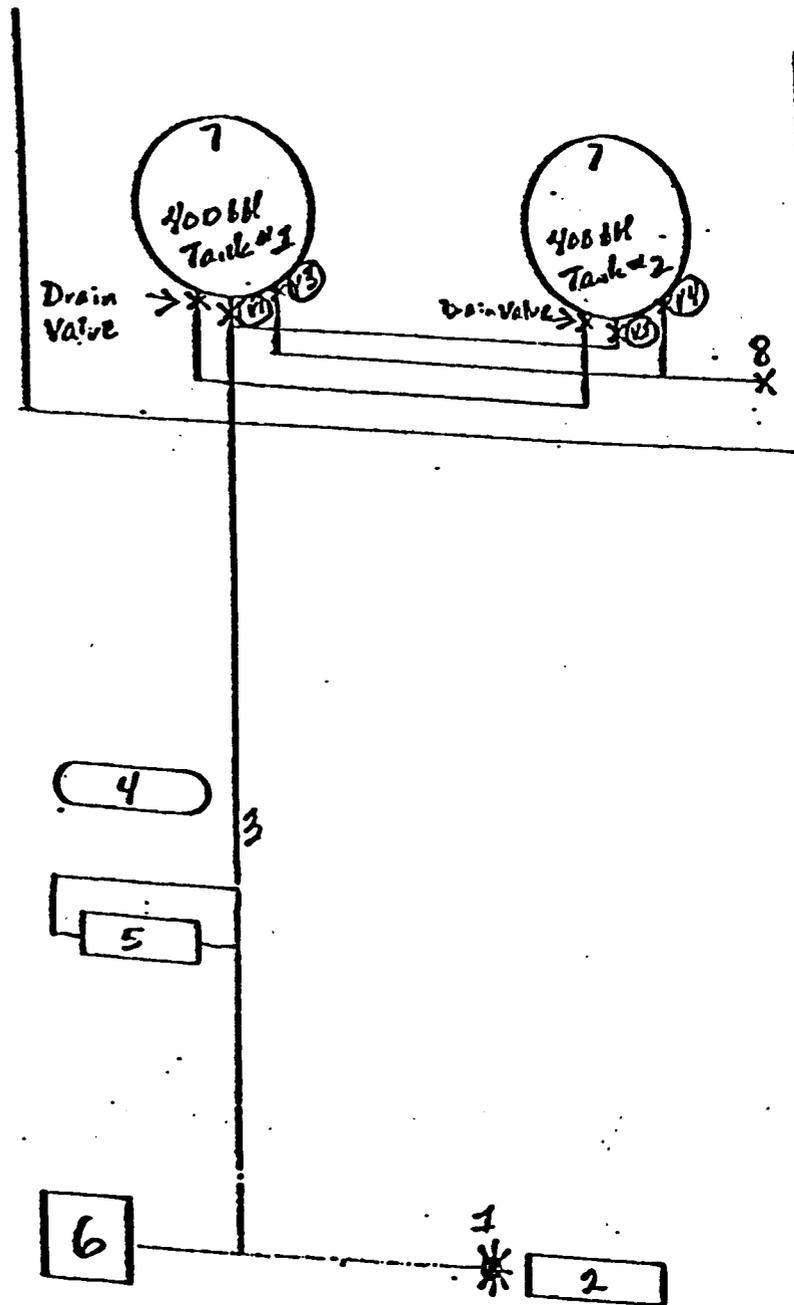
Normal Operations:

Tank #1 - Prod. Phase	OP	CL	CL	O/C
Sales Phase	CL	OP	OP	CL
Tank #2 - Prod. Phase	CL	OP	O/C	CL
Sales Phase	OP	CL	CL	OP

OP - Open Valve    CL - Closed Valve  
O/C - Can be open or closed

**Note:** The production system is closed with access through sealed valves. The site security plan is available and on file in Denver, CO.

4-28-99  
Field work: JAS  
Drawing: JEP  
No Scale



Pendragon Energy Partners, Inc.  
 Site Facility Diagram  
 Desert Spring 16-19-10-18 Well  
 UTU74408  
 Uintah County, Utah

- 1= Wellhead
- 2= Pumping Unit 7 Engine
- 3= Flow Line Bundle\*
- 4= Propane Tank
- 5= Line Heater
- 6= Pit Tank
- 7= Welded Steel Production Tanks
- 8= Sales Line
  - Bundle includes oil & gas production, glycol trace, water drains.

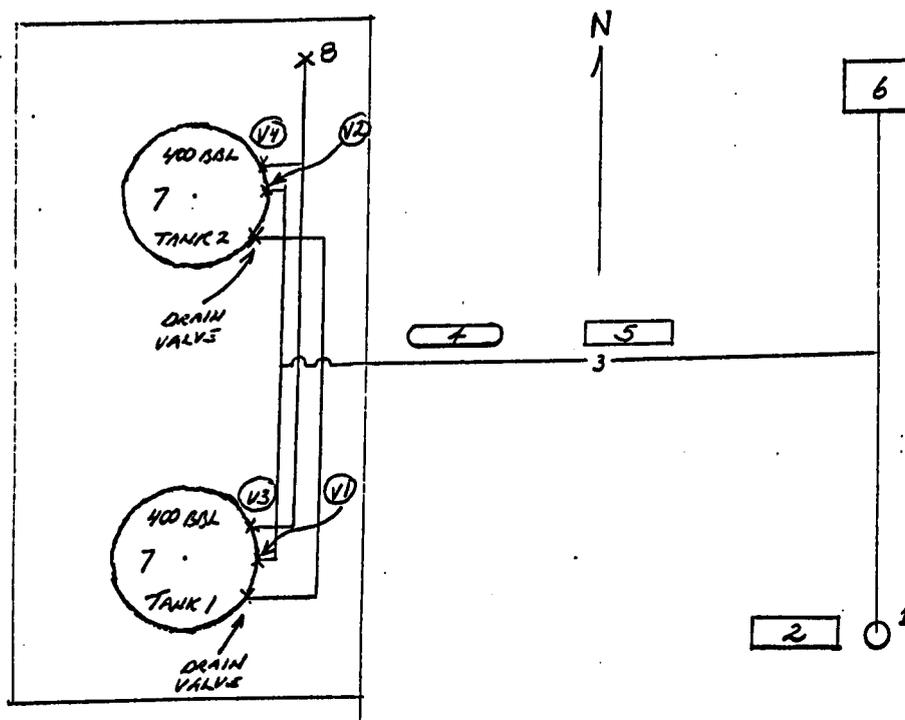
- V1=Production Valve, Tank #1
- V2=Production Valve, Tank #2
- V3= Sales Valve, Tank #1
- V4=Sales valve, Tank #2

Normal Operations:

	V1	V2	V3	V4
Tank #1 PROD	OP	CL	CL	O/C
Tank #1 SALES	CL	OP	OP	CL
Tank #2 PROD	CL	OP	O/C	CL
Tank #2 SALES	OP	CL	CL	OP

The production system is closed with access  
 Through sealed valves.

Abn 7/24/02



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/03/2003

API NO. ASSIGNED: 43-047-33244

WELL NAME: FEDERAL 7-19-10-18  
OPERATOR: PENDRAGON ENERGY PTNRS ( N2965 )  
CONTACT: JOHN LUCHETTA

PHONE NUMBER: 303-296-9402

PROPOSED LOCATION:

SWNE 19 100S 180E  
SURFACE: 1572 FNL 2119 FEL  
BOTTOM: 1572 FNL 2119 FEL  
UINTAH  
UTELAND BUTTE ( 695 )

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

LEASE TYPE: 1 - Federal  
LEASE NUMBER: UTU74408  
SURFACE OWNER: 1 - Federal

LATITUDE: 39.93242  
LONGITUDE: 109.93402

PROPOSED FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UT1167 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-1721 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

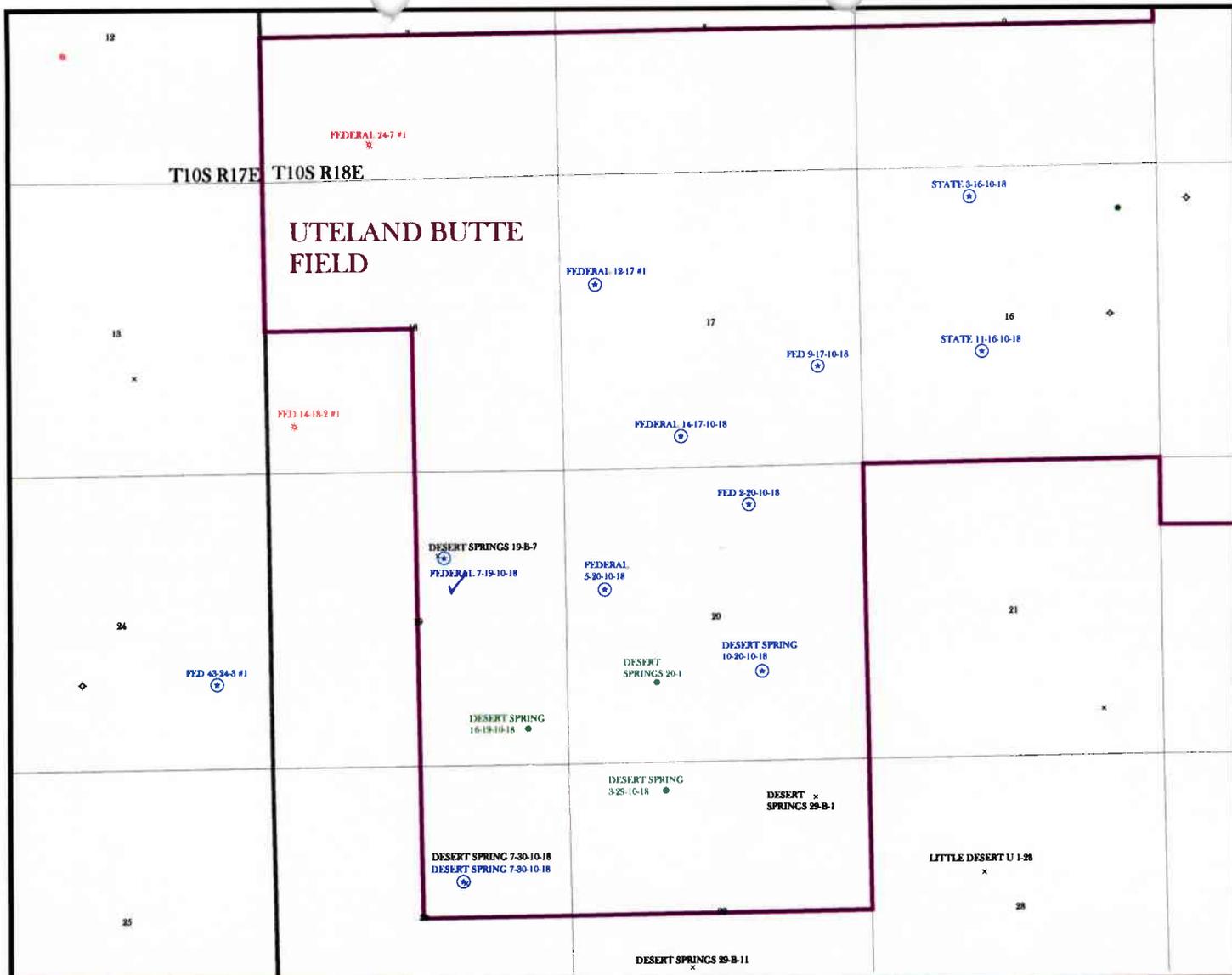
LOCATION AND SITING:

- R649-2-3.  
Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception  
Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

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

STIPULATIONS: 1- federal approval

2- Spacing Strip



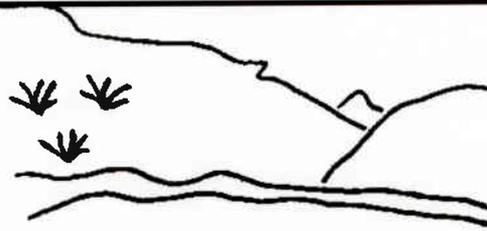
OPERATOR: PENDRAGON ENERGY (N2965)

SEC. 19 T10S, R18E

FIELD: UTELAND BUTTE (695)

COUNTY: UINTAH

SPACING: R649-3-3 / EX LOCATION



Utah Oil Gas and Mining

**WELLS**

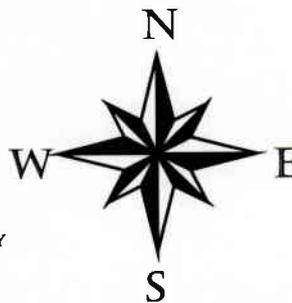
- ⚡ GAS INJECTION
- GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ✦ PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- ⊖ SHUT-IN GAS
- ⊖ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- ⊙ WATER INJECTION
- ⊙ WATER SUPPLY
- ⊙ WATER DISPOSAL

**UNIT STATUS**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

**FIELD STATUS**

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- COUNTY BOUNDARY
- SECTION LINES
- TOWNSHIP LINES



PREPARED BY: DIANA MASON  
DATE: 04-FEBRUARY-2003

008

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/03/2003

API NO. ASSIGNED: 43-047-33244

WELL NAME: FEDERAL 7-19-10-18

OPERATOR: PENDRAGON ENERGY PTNRS ( N2965 )

CONTACT: JOHN LUCHETTA

PHONE NUMBER: 303-278-3347

PROPOSED LOCATION:

SWNE 19 100S 180E  
SURFACE: 1443 FNL 2412 FEL  
BOTTOM: 1443 FNL 2412 FEL  
UINTAH  
UTELAND BUTTE ( 695 )

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU74408

SURFACE OWNER: 1 - Federal

LATITUDE: 39.93278

PROPOSED FORMATION: GRRV

LONGITUDE: 109.93505

RECEIVED AND/OR REVIEWED:

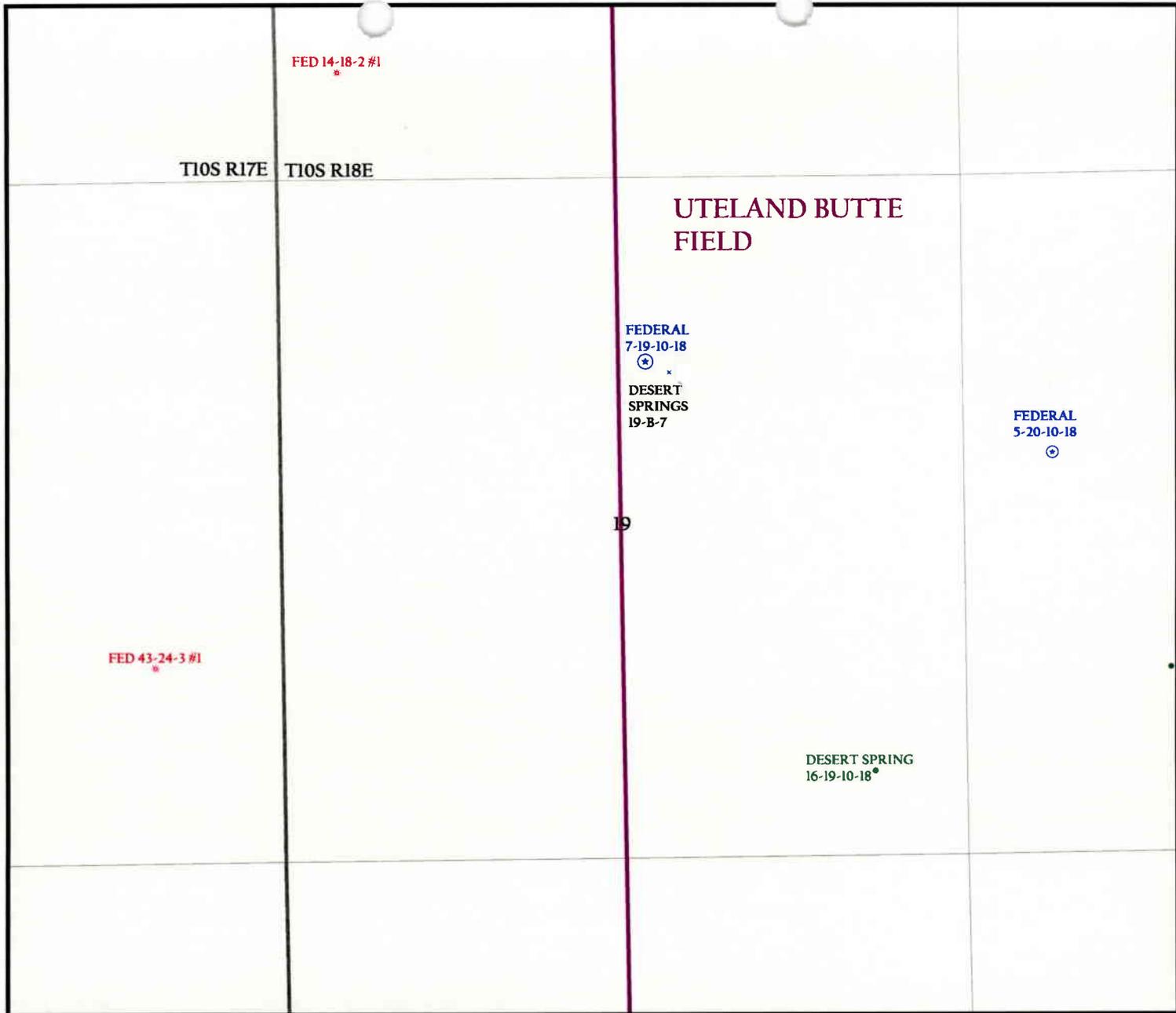
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UT1167 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-1721 )
- RDCC Review (Y/N)  
(Date: )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

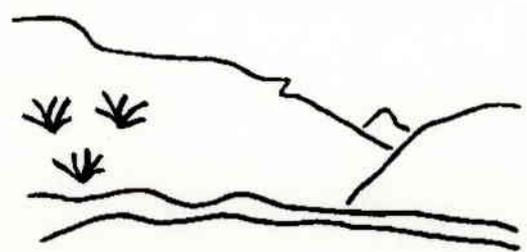
- R649-2-3.  
Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. **Exception**  
Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

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

STIPULATIONS: \_\_\_\_\_



OPERATOR: PENDRAGON ENERGY (N2965)  
 SEC. 19 T.10S, R.18E  
 FIELD: UTELAND BUTTE (695)  
 COUNTY: UINTAH  
 SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

- Wells**
- GAS INJECTION
  - GAS STORAGE
  - LOCATION ABANDONED
  - NEW LOCATION
  - PLUGGED & ABANDONED
  - PRODUCING GAS
  - PRODUCING OIL
  - SHUT-IN GAS
  - SHUT-IN OIL
  - TEMP. ABANDONED
  - TEST WELL
  - WATER INJECTION
  - WATER SUPPLY
  - WATER DISPOSAL

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED



PREPARED BY: DIANA MASON  
 DATE: 18-JULY-2003

007



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  
(801) 538-5340 telephone  
(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

Michael O. Leavitt  
Governor  
Robert L. Morgan  
Executive Director  
Lowell P. Braxton  
Division Director

March 25, 2003

Pendragon Energy Partners, Inc.  
621 17th St, Suite 750  
Denver, CO 80293

Re: Federal 7-19-10-18 Well, 1572' FNL, 2119' FEL, SW NE, Sec. 19, T. 10 South,  
R. 18 East, 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.

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33244.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza'.

John R. Baza  
Associate Director

er  
Enclosures

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

**Operator:** Pendragon Energy Partners, Inc.  
**Well Name & Number** Federal 7-19-10-18  
**API Number:** 43-047-33244  
**Lease:** UTU74408

**Location:** SW NE      **Sec.** 19      **T.** 10 South      **R.** 18 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



**PENDRAGON ENERGY PARTNERS, INC.**

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

24 February, 2003

Mr. Phil Shepardson  
III Exploration Company  
410 17<sup>th</sup> Street #1230  
Denver, Colorado 80202

Mr. Frank Nielsen  
Questar Exploration & Production Company  
1050 17<sup>th</sup> Street #500  
Denver, Colorado 80265

SUBJ: Consent to Exception Location  
Federal # 7-19-10-18 Well  
1572' FNL & 2119' FEL  
Section 19 - T10S - R18E, Uintah County, Utah

**RECEIVED**  
**MAR 25 2003**  
**PENDRAGON ENERGY PARTNERS, INC.**

Gentlemen:

As part of the development of our jointly owned leasehold in the Uteland Butte Field area, Pendragon has staked the subject well and initiated the permitting process. The location was chosen in keeping with our plan to develop this area initially on a 160-acre pattern. Enclosed are a map of this and other locations and wells showing the practical need to keep this well in the SW/NE of Section 19 to comply with our development plan, and a copy of the topographic map showing the difficulty in locating the well farther south.

The proposed location is 208 feet north of the 200-foot window from the center of the quarter-quarter section normally allowed by the Utah DOGM. Thus we are required to provide consent from all Owners within 460 feet of the location.

III Exploration, Questar and Pendragon jointly own the Green River Formation rights in consistent proportions throughout all of Section 19, and are the only Owners in that section down through the depths to be tested by the #7-19 Well.

Please indicate your consent to this location by executing and returning one copy of this letter.

Alan B. Nicol  
President

Consented to by: III Exploration Co.

-----  
Title  
-----

Questar Exploration & Production Co.

  
-----  
Title  
-----  
*General Manager*

005

R 17 E

R 18 E

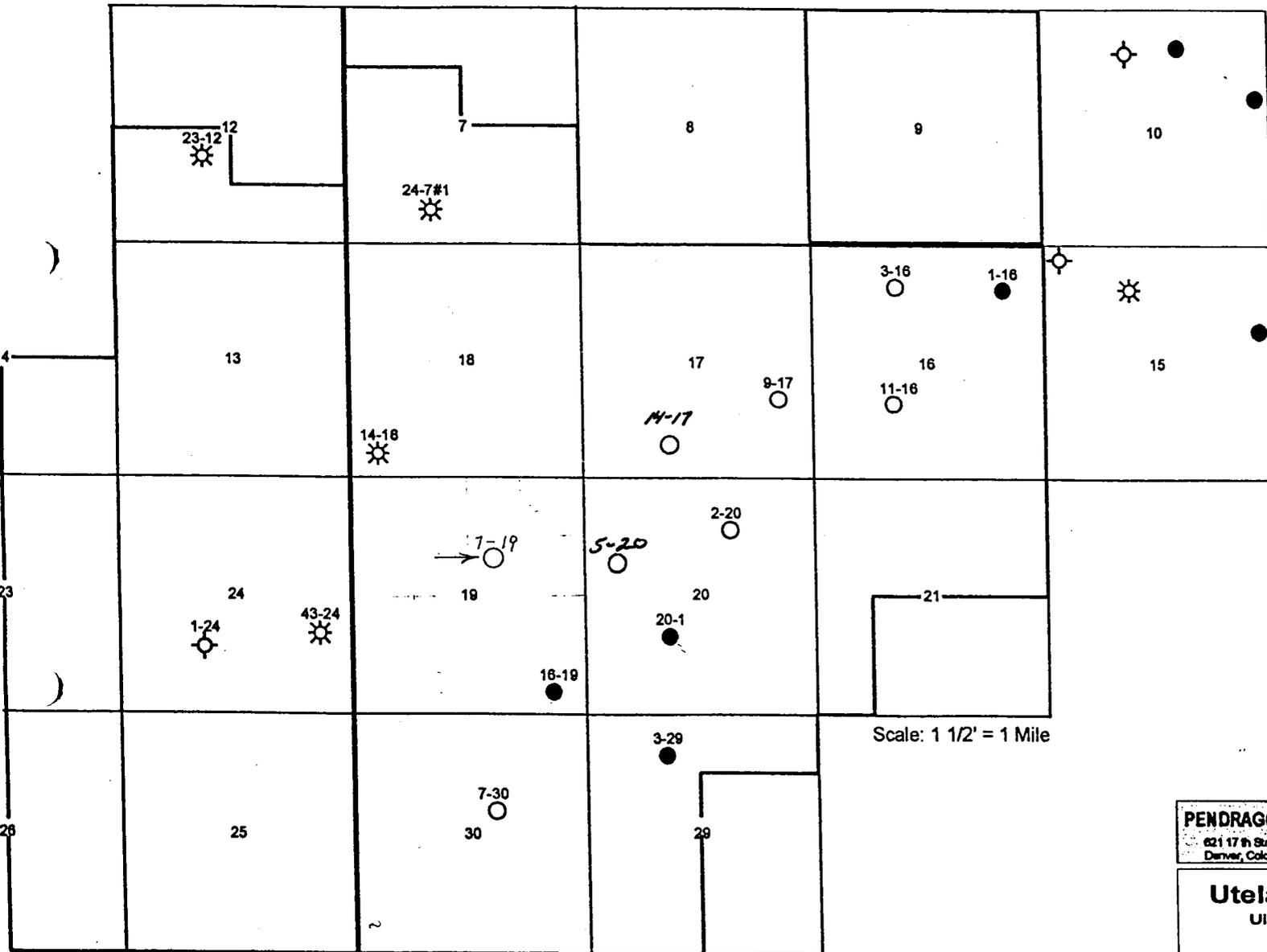
**Explanation**

- ☼ Producing Gas Well
- Producing Oil Well
- Proposed Location
- ⊕ Old Dry Hole

**Leasehold**

- Pendragon/Shenandoah  
25/25 W. I.
- Pendragon/Shenandoah  
50/50 W. I.

T  
10  
S



Scale: 1 1/2" = 1 Mile

R 17 E

R 18 E

**PENDRAGON ENERGY PARTNERS, INC.**  
 621 17th Street, Suite 750      Box 303,298,9402  
 Denver, Colorado 80293 USA      Fax: 303.298.9410

**Uteland Butte Field**  
 Uintah County, Utah

ABN

10/02

Exhibit H



**PENDRAGON**  
**ENERGY PARTNERS INC.**

**Federal #7-19-10-18**  
**SEC. 19, T10S, R18E, S.L.B.&M.**



**Tri-State**  
*Land Surveying Inc.*  
 (435) 781-2501  
 180 North Vernal Ave. Vernal, Utah 84078

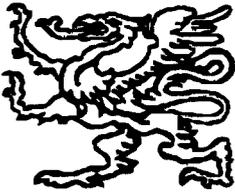
SCALE: 1" = 2,000'  
 DRAWN BY: R.A.B.  
 DATE: 12-10-2002

**Legend**

— Existing Road  
 - - - Proposed Access

TOPOGRAPHIC MAP  
**"B"**

003



**PENDRAGON ENERGY PARTNERS, INC.**

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

Mr. Phil Shepardson  
III Exploration Company  
410 17<sup>th</sup> Street #1230  
Denver, Colorado 80202

24 February, 2003

Mr. Frank Nielsen  
Questar Exploration & Production Company  
1050 17<sup>th</sup> Street #500  
Denver, Colorado 80265

**RECEIVED**

MAR 15 2003

**PENDRAGON ENERGY  
PARTNERS, INC.**

SUBJ: Consent to Exception Location  
Federal # 7-19-10-18 Well  
1572' FNI. & 2119' FEL  
Section 19 - T10S - R18E, Uintah County, Utah

Gentlemen:

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The proposed location is 208 feet north of the 200-foot window from the center of the quarter-quarter section normally allowed by the Utah DOGM. Thus we are required to provide consent from all Owners within 460 feet of the location.

III Exploration, Questar and Pendragon jointly own the Green River Formation rights in consistent proportions throughout all of Section 19, and are the only Owners in that section down through the depths to be tested by the #7-19 Well.

Please indicate your consent to this location by executing and returning one copy of this letter.

Alan B. Nicol  
President

Consented to by:

III Exploration Co.

Questar Exploration & Production Co.

Title

Title

EUP-COO

**RECEIVED**

MAR 26 2003

DIV. OF OIL, GAS & MINING

002



PENDRAGON ENERGY PARTNERS, INC.

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

---

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114  
Attn: Ms. D. Mason

25 March, 2003

Subj: Exception Location for Terrain Reasons  
Pendragon Federal #7-19-10-18 Well  
1572' FNL & 2119' FEL  
Section 19 – T10S – R18E  
Uintah County, Utah

Ladies and Gentlemen:

This location was selected for terrain reasons, and consents of the offset owners within 460 feet of the drillsite were required. The offset owners to the base of the Green River Formation, which, because of an ownership change below that formation, is the limit of objective zones for this well, are Pendragon Energy Partners, Inc., Questar Exploration and Production Company, and III Exploration Company. These are also the owners in the drillsite.

Enclosed are originals of the executed consents to the location from Questar and III Exploration.

Please call me if you need anything further

A handwritten signature in black ink, appearing to read "Alan B. Nicol".

Alan B. Nicol  
President

CC: Mr. Stan Olmstead  
BLM Vernal

RECEIVED

MAR 26 2003

DIV. OF OIL, GAS & MINING

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

RECEIVED

FEB 03 REC'D

**014 APPLICATION FOR PERMIT TO DRILL OR REENTER**

Certification: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route; that I am familiar with the conditions which recently 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 proposed operations herein will be performed by Pendragon Energy Partners, Inc., its contractors and subcontractors, Pendragon Energy Partners, Inc. will operate the lease under Flood & Peterson Federal Bond UT1167. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No.  
**UTU74408**

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

7. If Unit or CA Agreement, Name and No.  
**N/A**

8. Lease Name and Well No.  
**Federal No. 7-19-10-18**

9. API Well No.

1a. Type of Work :  DRILL                       REENTER

1b. Type of Well:  Oil Well     Gas Well     Other     Single Zone     Multiple Zone

2. Name Of Operator  
**Pendragon Energy Partners, Inc.**

3a. Address  
**621 17th Street, Suite 750, Denver CO 80293**

3 b. Phone No. (include area code)  
**303 296 9402**

10. Field and Pool, or Exploratory  
**Uteland Butte**

4. Location of Well (Report location clearly & in accordance w/State requirements\*)  
At Surface <sup>1443</sup> ~~1572~~ <sup>2412</sup> ~~2119~~ <sup>19</sup> ~~20~~ **FNL FEL, Sec 19**  
At proposed prod zone

11. Sec., T., R., M. or Blk. and Survey or Area  
**Sec. 19, T10S, 18E, SLB&M  
SW NE**

14. Distance in miles and direction from nearest town or post office \*  
**See Topo Map "A" (Attached)**

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JUN 18 2003  
DIV. OF OIL, GAS & MINING

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)  
**1572' FNL**

16. No. of Acres in lease  
**1720**

17. Spacing Unit dedicated to this well  
**40**

18. Distance from proposed location to nearest well drilling, completed, applied for in this lease, ft.

19. Proposed Depth  
**4,900'**

20. BLM/BIA Bond No. on file  
**UT1167**

21. Elevations ( Show whether D, KDB, RT, GL etc.)  
**5,415' GR**

22. Approximate date work will start\*  
**ASAP**

23. Estimated Duration  
**60 days**

**24. Attachments**

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

**Uintah Engineering-attached**

- Well plat certified by a registered surveyor.
- A Drilling Plan **Exhibit B**
- A Surface Use Plan (if the location is on National forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

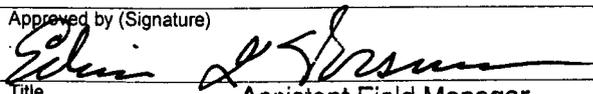
4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).  
**UT1167**

5. Operator certification.                      **See Surface Use Plan**

6. Such other site specific information and analyses may be required by the authorized officer. **See Exhibits (attached)**

25. Signature   
Title **Agent**

Name (Printed / Typed) **John Luchetta**                      Date **1-15-03**

Approved by (Signature)   
Title **Assistant Field Manager  
Mineral Resources**  
*acting*

Name (Printed/Typed) **Edwin J. FORSMAN**                      Date **6/16/03**  
Office

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

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

\* Instructions on reverse side

- Exhibits:** *03450291A*
- A: Survey Plat**
  - B: 10-Point Plan**
  - C: BOP Diagram**

- D: 13 Point Surface Use**
- E: Topo Map A**
- E2: Topo Map B**
- F: Location Lavout**

- G: Rig & Layout**
- G2: Cut & Fill Diagram**
- H: Existing Well Map**
- K: Cultural report (To Follow)**

- K1 Facilities**
- K2 Facilities**

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Pendragon Energy Partners, Inc.

Well Name & Number: Federal 7-19-10S-18E

API Number: 43-047-33244

Lease Number: U-74408

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

Agreement: N/A

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

CONDITIONS OF APPROVAL

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

Be 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 John Mayers 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.

3. Casing Program and Auxiliary Equipment

As a minimum requirement the cement behind the production casing must extend a minimum of 200' above the top of the Mahogany Oil Shale, which has been identified at +1766' ft. The surface casing must be cemented from TD to surface with cement that will achieve a compressive strength of at least 500 psi prior to drilling out the casing shoe.

4. Mud Program and Circulating Medium

None

5. Coring, Logging and Testing Program

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

**Please submit an electronic copy of all logs run on this well in LAS format. This submission will supercede the requirement for submittal of paper logs to the BLM.**

6. Notifications of Operations

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

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 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.

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 and tested for meter accuracy 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, you must contact one of the following individuals:

Ed Forsman (435) 828-7874  
Petroleum Engineer

Kirk Fleetwood (435) 828-7875  
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.

**CONDITIONS OF APPROVAL  
FOR THE SURFACE USE PROGRAM OF THE  
APPLICATION FOR PERMIT TO DRILL**

-The dirt contractor shall contact Byron Tolman with the Vernal Field Office of Bureau of Land Management (435-781-4482) prior to starting construction to arrange a pre-construction meeting.

-The reserve pit shall be lined first with a felt liner, then lined with a nylon reinforced plastic liner at least 12 mils in thickness.

-The reserve pit topsoil should be piled separate from the location topsoil.

-The location topsoil pile will be seeded immediately after the soil is piled by broadcasting the seed, then walking the topsoil pile with the dozer to plant the seed. The following seed mix shall be used to seed the topsoil, reserve pit and for final reclamation instead of the mix show in the APD:

Gardner saltbush	Atriplex gardneri	4 lbs/acre
Shadscale	Atriplex confertifolia	4 lbs/acre
Galleta grass	Hilaria jamesii	4 lbs/acre

All poundages are in Pure Live Seed.

**Topsoil will not be used for the construction of tank dikes or any other location needs. It shall be left in place for use in the final reclamation process.**

Once the reserve pit is dry, it should be filled, recontoured, topsoil spread, and seeded in the same manner discussed above.

The operator will control noxious weeds along the access road and on the well location. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

Drilling rigs and / or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.



**PENDRAGON ENERGY PARTNERS, INC.**

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

Mr. Phil Shepardson  
III Exploration Company  
410 17<sup>th</sup> Street, # 1230  
Denver, Colorado 80202

27 May, 2003

Mr. Frank Nielsen  
Questar Exploration & Production Company  
1050 17<sup>th</sup> Street, # 500  
Denver, Colorado 80265

SUBJ: Consent To Exception Location  
Federal # 7-19-10-18 Well  
1443' FNL & 2412' FEL  
Section 19 T10S – R18E, Uintah County, Utah

Gentlemen:

In February, 2003 we solicited and received your consents to an exception location for the subject well for terrain reasons. The location you approved had a potential historical site within the drillsite, and to avoid additional permitting delays we have re-staked it 293 feet farther west and 129 feet farther north. This location was examined by a representative of the BLM during staking, and we believe it will stand.

We are required to re-solicit approvals for this location from all owners within 460 feet. Your timely consent to this revised location would be most appreciated.

Alan B. Nicol  
President

Consented to by:

III Exploration Company

Questar Exploration & Production Company

Title

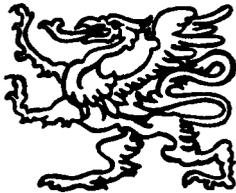
Title

Executive Vice President/COO

RECEIVED

JUL 07 2003

DIV. OF OIL, GAS & MINING



**PENDRAGON ENERGY PARTNERS, INC.**

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

Mr. Phil Shepardson  
III Exploration Company  
410 17<sup>th</sup> Street, # 1230  
Denver, Colorado 80202

27 May, 2003

Mr. Frank Nielsen  
Questar Exploration & Production Company  
1050 17<sup>th</sup> Street, # 500  
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1443' FNL & 2412' FEL  
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Alan B. Nicol  
President

Consented to by:

III Exploration Company

Questar Exploration & Production Company

-----  
Title  
-----

Title: J. A. General Manager  
MB

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JUL 07 2003

DIV. OF OIL, GAS & MINING



**PENDRAGON ENERGY PARTNERS, INC.**

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

---

2 July, 2003

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114  
Attn: Ms. D. Mason

Subj: Exception Location for Cultural Reasons  
Pendragon Federal #7-19-10-18 Well  
1443' FNL & 2412' FEL  
Section 19 – T10S – R18E  
Uintah County, Utah

Ladies and Gentlemen:

The location previously approved for this well was selected for terrain reasons, and consents of the offset owners within 460 feet of the drillsite were obtained. However, the location has been moved to the footages shown above to avoid a potential cultural site. Your approval of this new location is respectfully requested.

The offset owners to the base of the Green River Formation, which, because of an ownership change below that formation, is the limit of objective zones for this well, are Pendragon Energy Partners, Inc., Questar Exploration and Production Company, and III Exploration Company. These are also the owners in the drillsite.

Enclosed are originals of the executed consents to the location from Questar and III Exploration.

Please call me if you need anything further

Alan B. Nicol  
President

CC: BLM Vernal

**RECEIVED**

**JUL 07 2003**

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

FORM 8

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

009

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial Number:

UTU 74408

6. If Indian, Aluttoo or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

FEDERAL #7-19-10-18

9. API Well Number:

43-047-33244

10. Field and Pool, or Wildcat:

UTELAND BUTTE

1. Type of Well: OIL  GAS  OTHER:

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

3. Address and Telephone Number: 621 17th Street, Suite #750  
Denver, CO 80293 (303) 296-9402

4. Location of Well  
Footages: 1443' FNL, 2412' FEL 4426630 Y 39.43278  
590996 X -109.93565  
OO, Sec., T., R., M.: SW/4 NE/4 Section 19, T10S - R18E

County: UINTAH

State: UTAH

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 8/01/03

SUBSEQUENT REPORT  
(Submit Original Form Only)

- Abandon \*
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other \_\_\_\_\_
- 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 subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

LOCATION MOVED TO AVOID CULTURAL ARTIFACTS. APPROVALS OF NON-STANDARD LOCATION BY OFFSET OPERATORS WERE PREVIOUSLY SENT UNDER SEPARATE COVER.

13.

Name & Signature:

*[Signature]*  
ALAN B. NICOL

Title:

PRESIDENT

Date: 7/11/03

(This space for State use only)

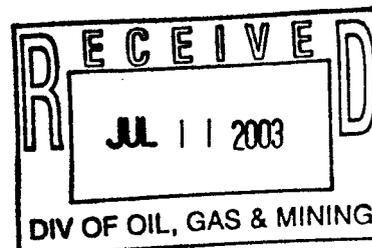
Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 07-21-03  
By: *[Signature]*

Federal Approval of this  
Action is Necessary

(See Instructions on Reverse Side)

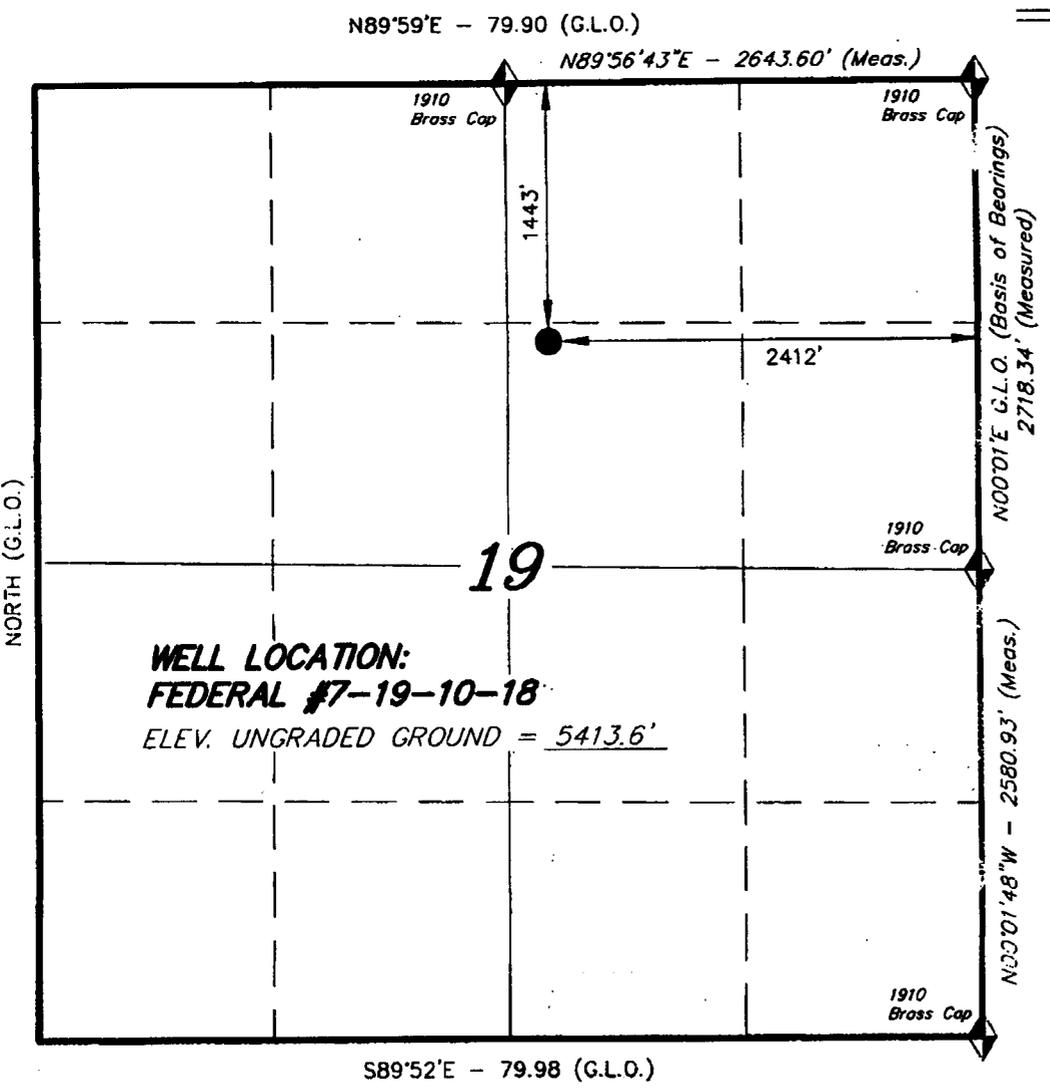
COPY SENT TO OPERATOR  
Date: 7-22-03  
Initials: CHD



07/11/03 FRI 12:47 FAX 303 296 9410 PENDRAGON ENERGY

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

**PENDRAGON ENERGY PARTNERS, INC.**



WELL LOCATION, FEDERAL #7-19-10-18,  
 LOCATED AS SHOWN IN THE SW 1/4 NE  
 1/4 OF SECTION 19, T10S, R18E, S.L.B.&M.  
 UTAH COUNTY, UTAH.



**WELL LOCATION:**  
**FEDERAL #7-19-10-18**  
 ELEV. UNGRADED GROUND = 5413.6'

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

*Stacy W. Stewart*  
 STACY W. STEWART  
 REGISTERED LAND SURVEYOR  
 REGISTRATION No. 189377  
 STATE OF UTAH

<b>TRI STATE LAND SURVEYING &amp; CONSULTING</b>	
38 WEST 100 NORTH - VERNAL, UTAH 84078 (435) 781-2501	
SCALE: 1" = 1000'	SURVEYED BY: K.G.S.
DATE: 5-21-03	DRAWN BY: R.V.C.
NOTES:	FILE #

◆ = SECTION CORNERS LOCATED  
 BASIS OF ELEV; U.S.G.S.  
 7-1/2 min QUAD (CROW KNOLL)

**FEDERAL #7-19-10-18 (NAD 83)**  
 LATITUDE = 39° 55' 57.96"  
 LONGITUDE = 109° 56' 07.20"

015

ENTITY ACTION FORM

Operator: PENDRAGON ENERGY PARTNERS, INC.  
Address: 621 17th Street, Ste. #750  
Denver, CO 80293

Operator Account Number: N 2965

Phone Number: 303-296-9402

Well 1

*not correct*

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-33712	Federal #14-17-10-18		SE/SW	17	10S	18E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13860	* 8/17/03		* 8/22/03		
Comments: GRV							

Well 2

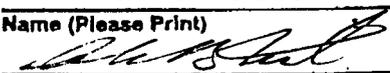
API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-33244	FEDERAL #7-19-10-18		SW/NE	19	10S	18E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13853	* 8/5/03		* 8/14/03		
Comments: GRV							

Well 3

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

ACTION CODES:

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

ALAN B. NICOL  
Name (Please Print)  
  
Signature  
PRESIDENT  
Title  
7/23/03  
Date

RECEIVED

JUL 28 2003

**DIVISION OF OIL, GAS AND MINING****SPUDDING INFORMATION**Name of Company: PENDRAGON ENERGY PTNRS INCWell Name: FEDERAL 7-19-10-18Api No: 43-047-33244 Lease Type: FEDERALSection 19 Township 10S Range 18E County UINTAHDrilling Contractor UNION DRILLING RIG # 14**SPUDDED:**Date 08/05/03Time 5:00 AMHow ROTARY**Drilling will commence:** \_\_\_\_\_Reported by JOHN LUCHETTATelephone # 1-303-278-3347Date 08/07/2003 Signed: CHD

**SUNDRY NOTICES AND REPORT ON WELLS**  
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

011

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. <b>U74408</b>
2. Name of Operator <b>Pendragon Energy Partners, Inc.</b>	6. If Indian, Allottee or Tribe Name
3. Address of Operator <b>621 17th Street, Suite 750, Denver CO 80293</b>	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>1443' FNL-2412' FEL - Sec 19. T10S-R18E SLB&amp;M</b>	8. Well Name and No. <b>Federal 7-19-10-18</b>
	9. API Well No. <b>43-047-33244</b>
	10. Field and Pool or Exploratory Area <b>Uteland Butte</b>
	11. County or Parish, State <b>Uintah                      Utah</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Drilling</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

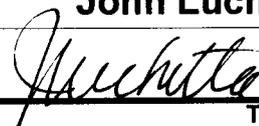
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection).

- July 7, 03      Drill 12 1/4" Surface hole to 285'. Set 8 5/8" casing & cement to surface w/58 bbls cement.**
- Aug 5, 03      MIRU Union Rig 14 and begin drilling 7 7/8" hole.**
- Aug 15, 03     TD 7 7/8" hole. Run logs.**
- Aug 16, 03     Run 5 1/2" casing and cement w/ 413 sxs of cement. Theoretical top @ +/- 1000'.**
- Aug 17, 03     RDMO. Wait on completion operations.**

**RECEIVED**  
**AUG 21 2003**

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>John Luchetta</b>	Title <b>Agent</b>
Signature 	Date <b>Aug 18, 2003</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice 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.	Office	

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

012

**SUNDRY NOTICES AND REPORT ON WELLS**  
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. **U74408**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**Federal 7-19-10-18**

9. API Well No.  
**43-047-33244**

10. Field and Pool or Exploratory Area  
**Uteland Butte**

11. County or Parish, State  
**Uintah Utah**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
**Pendragon Energy Partners, Inc.**

3. Address of Operator  
**621 17th Street, Suite 750, Denver CO 80293**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1443' FNL-2412' FEL - Sec 19. T10S-R18E SLB&M**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Drilling</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection).

- July 7, 03: Drill 12 1/4" Surface hole to 285'. Set 8 5/8" casing & cement to surface w/58 bbls cement.**
- Aug 5, 03: MIRU Union Rig 14 and begin drilling 7 7/8" hole.**
- Aug 15, 03: TD 7 7/8" hole. Run logs.**
- Aug 16, 03: Run 5 1/2" casing and cement w/ 413 sxs of cement. Theoretical top @ +/- 1000'.**
- Aug 17, 03: RDMO. Wait on completion operations.**
- Oct 06, 03: MIRU Completion equipment and tools.**
- Oct 08, 03: Perforate "C" Shoal @ 4788-4798' 4 spf. Frac w 10,000 lbs 16-30 sand in 368 bbls treated water**
- Oct 25, 03: Finish installation of pumping equipment and treating facilities.. Pump test = 8 bopd.**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>John Luchetta</b>	Title <b>Agent</b>
Signature 	Date <b>Nov 5, 2003</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice 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.	Office	

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
WELL COMPLETION OR RECOMPLETION REPORT & LOG**

FORM APPROVED  
OMB NO. 1004-0137  
Expires: November 30, 2000

**013**

5. Lease Serial No. **UTU74408**

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

7. Unit or CA Agreement Name and No.  
**N/A**

8. Lease Name and Well No.  
**Federal 7-19-10-18**

9. API Well No.  
**43-047-33244**

10. Field and Pool, or Exploratory  
**Uteland Butte**

11. Sec., T., R., M., on Block and Survey or Area  
**SW NE S19-10S-18E**

12. County or Parish **Uintah** 13. State **Utah**

1a. Type of Well:  Oil Well  Gas Well  Dry  Other

b. Type of completion:  New Well  Work Over  Deepen  Plug Back  Diff Resrv.,  
**Other**

2. Name of Operator **Pendragon Energy Partners, Inc.**

3. Address **621 17th Street, Suite 750, Denver CO 80293** 3a. Phone No. (include area code)  
**303 296 9402**

4. Location of Well (Report location clearly and in accordance with any State requirements) \*  
At surface **1443' FNL/2412' Sec 19 T10S-R18E- SLB&M**  
At top prod. interval reported below  
At total depth

14. Date Spudded **Aug 5, 2003** 15. Date T. D. Reached **Aug 15, 2003** 16. Date Completed **Sep 08, 2003**  
 D & A  Ready to Prod.

18. Total Depth **4925** MD **4933** TVD PBDT **4880'** TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
**HRI, SDDSN, CBL-GR**  
*Rec 8-21-03*

22. Was well cored?  No  Yes (Submit analysis)  
Was DST run?  No  Yes (Submit report)  
Directional Survey?  No  Yes (Submit Copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
<b>12 1/4"</b>	<b>8 5/8" J</b>	<b>24</b>	<b>0</b>	<b>313'</b>		<b>200</b>	<b>40</b>	<b>0</b>	
<b>7 7/8"</b>	<b>5 1/2" J</b>	<b>17</b>	<b>0</b>	<b>4933'</b>		<b>105 V</b>	<b>135 V</b>		
						<b>408 Poz</b>	<b>378Poz</b>	<b>+/- 500'</b>	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
<b>2 7/8"</b>	<b>4854'</b>	<b>Anchor 4696'</b>	<b>5 1/2"</b>					

25. Producing Intervals

Formation	Top	Bottom	Perforated	Size	No. Holes	Perf.
A) <b>"C" Shoal</b>	<b>4790</b>	<b>4794'</b>	<b>4790-4794</b>	<b>0.4"</b>	<b>21</b>	<b>4 spf</b>
B)						
C)						

27. Acid, Fracture Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
<b>4790-4794'</b>	<b>Pump 21360 lbs 16-30 frac sand in 368 bbls treated water.</b>

**NOV 10 2003**  
DIV. OF OIL, GAS & MINING

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
<b>Oct 25 03</b>	<b>Oct 25</b>	<b>24</b>	<b>8</b>	<b>8</b>					<b>Pumping</b>
Choke Size	Tbg Press Flwg. Sl	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. Sl.	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

(See instructions and spaces for additional data on reverse side)

**28b. Production - Interval C**

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio		Well Status

**28c. Production - Interval D**

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			24Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio		Well Status

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Descriptions, Contents, etc.	Name	Name	Measured Depth
"C" Shoal	4790'	Dolomite			

32. Additional remarks (include plugging procedure):

*TD 4933 per James A. Rodriguez*

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd)
- 2. Geological Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (Please Print) John Luchetta Title Agent  
 Signature *J. Luchetta* Date Nov 3, 2003

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



300 E. Mineral Ave., Suite 10  
Littleton, Colorado 80122-2631  
303/781-8211 303/781-1167 Fax

December 15, 2003

Mr. Dan Jackson  
Groundwater Program  
Groundwater Program, Mail Code 8P-W-GW  
U.S. Environmental Protection Agency  
999 18<sup>th</sup> Street, Suite 500  
Denver, Colorado 80202-2466

RE: Pendragon Energy Partners  
Federal 7-19-10-18, UIC Permit Application  
1443' FNL & 2114' FEL, Sec. ~~17~~<sup>19</sup>, T10S, R18E  
Uintah County, Utah

43.047.33244

Dear Mr. Jackson:

Attached is the permit application and supporting documents to convert the existing oil well to an injection well for enhanced recovery. This well is located in the Uteland Butte Field which falls within the Uncompahgre portion of the Uintah and Ouray Indian Reservation.

Geologically this area is very similar to the Greater Monument Butte Unit in which the EPA has permitted hundreds of injection wells. Please contact me with any questions you may have.

Sincerely,  
BUYS & ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read 'Martin W. Buys', is written over a horizontal line.

Martin W. Buys  
Agent for Pendragon Energy Partners

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY



**United States Environmental Protection Agency**  
**Underground Injection Control**  
**Permit Application**  
*(Collected under the authority of the Safe Drinking Water Act, Sections 1421, 1422, 40 CFR 144)*

I. EPA ID Number		
	T/A	C
U		

*Read Attached Instructions Before Starting  
For Official Use Only*

Application approved mo day year	Date received mo day year	Permit Number	Well ID	FINDS Number

II. Owner Name and Address			III. Operator Name and Address		
Owner Name <b>Pendragon Energy Partners</b>			Operator Name		
Street Address <b>621 17th Street</b>		Phone Number <b>303-296-9402</b>	Street Address		Phone Number
City <b>Denver</b>	State <b>Co.</b>	ZIP CODE <b>80202</b>	City	State	ZIP CODE

IV. Commercial Facility	V. Ownership	VI. Legal Contact	VII. SIC Codes
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Private <input type="checkbox"/> Federal <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Operator	

VIII. Well Status (Mark "x")			
<input type="checkbox"/> A. Operating	Date Started mo day year	<input checked="" type="checkbox"/> B. Modification/Conversion	<input type="checkbox"/> C. Proposed

IX. Type of Permit Requested (Mark "x" and specify if required)			
<input checked="" type="checkbox"/> A. Individual	<input type="checkbox"/> B. Area	Number of Existing Wells	Number of Proposed Wells
			<b>Uteland Butte</b>

X. Class and Type of Well (see reverse)			
A. Classes(es) (enter codes(s))	B. Types(s) (enter codes(s))	C. If class is "other" or type is code 'x,' explain	D. Number of wells per type (if area permit)
<b>II</b>	<b>R</b>	<b>N/A</b>	<b>N/A</b>

XI. Location of Well(s) or Approximate Center of Field or Project										XII. Indian Lands (Mark "x")		
Latitude			Longitude			Township and Range				<input checked="" type="checkbox"/> Yes Uncompahgre <input type="checkbox"/> No Ouray		
Deg	Min	Sec	Deg	Min	Sec	Sec	Twp	Range	1/4 Sec		Feet From Line	Feet From Line
						19	10S	18E	NE	1443	N 2412	E

XIII. Attachments

*(Complete the following questions on a separate sheet(s) and number accordingly; see instructions)*  
 For Classes I, II, III, (and other classes) complete and submit on a separate sheet(s) Attachments A--U (pp 2-6) as appropriate. Attach maps where required. List attachments by letter which are applicable and are included with your application.

XIV. Certification	
I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32)	
A. Name and Title (Type or Print) <b>Alan Nicol, President</b>	B. Phone No. (Area Code and No.) <b>303-296-9402</b>
C. Signature 	D. Date Signed <b>Dec. 6, 2003</b>

**UNDERGROUND INJECTION CONTROL**

**PERMIT APPLICATION**

**Federal 7-19-10-18 WELL  
1443' FNL & 2412' FEL  
SEC. 19, T10S, 18E  
Uintah County, Utah  
API # 43-047-33244**

December 15, 2003

Prepared for:

Mr. Dan Jackson  
Groundwater Program, Mail Code 8P-W-GW  
U.S. Environmental Protection Agency  
999 18<sup>th</sup> Street, Suite 500  
Denver, Colorado 80202-2466

Prepared by:

**BUYS & ASSOCIATES, INC.**  
300 E. Mineral Ave., Suite 10  
Littleton, Colorado 80122  
(303) 781-8211  
FAX (303) 781-1167

## **Federal 7-19**

### **LIST OF ATTACHMENTS**

Attachment No. 1	Area Map
Attachment No. 2	Site Map, Site Map with 1/4 mile radius
Attachment No. 3	Cross-Section, Structure Map,
Attachment No. 4	Summary Sheet of Casing and Cement Jobs
Attachment No. 5	Water Analysis
Attachment No. 6	List of Producing Wells
Attachment No. 7	Ownership Map & List of Owners, Affidavit Notification
Attachment No. 8	Fracture Gradient Review
Attachment No. 9	Cement Bond Log
Attachment No. 10	Open Hole Log
Attachment No. 11	Summary of Completion Data
Attachment No. 12	Injection Wellbore Diagram
Attachment No. 13	P&A Procedure
Attachment No. 14	MIT Procedure

SUMMARY DOCUMENT  
UIC WELL APPLICATION  
Federal 7-19-10-18  
API # 43-047-33244

The following document contains information provided in support of the application for the conversion of the Federal 7-19-10-18 Well to a water injection well in the Green River Formation in the Uteland Butte Field, Uintah County, Utah.

The Uteland Butte field falls within the Uncompahgre portion of the Uintah and Ouray Indian reservation and is within Indian Country. Therefore, for facilities located in the Uncompahgre portion of the reservation, only EPA-issued UIC permits are necessary for compliance with SDWA UIC regulations.

- (1) Pendragon Energy Partners (Pendragon) is the operator and major working interest owner of wells located in the Uteland Butte Field, Uintah County, Utah. Pengragon's business address is provided below:

Pendragon Energy Partners  
621 17<sup>th</sup> Street  
Denver, CO 80293  
303.296.9402

- (2) Enclosed as Attachment No. 1 (Area Map), is a plat of the southern portion of the Uteland Butte Field, identifying all wells located in this area. The legal location for the Federal 7-19-10-18 Well is 1443' FNL & 2412' FEL, SEC. 19, T10S, 18E.
- (3) Attachment No. 2 is a plat of the well. Shown on the plat is a circle of one-quarter mile radius centered on the Federal 7-19 Well. The 1/4 mile radius encompasses the area of the review, within which Pendragon is required to investigate all wells for mechanical integrity. The 1/4 mile radius also identifies those lands, the owners there of, who must be provided notice of this application. There are no other wells in this 1/4 mile radius.
- (4) Pendragon proposes to utilize the Federal 7-19 as an injection well for enhanced recovery in the Uteland Butte Field.
- (5) Structure - The Uteland Butte field is near the center of the broad, gently northward-dipping south flank of the Uintah Basin. The beds dip about 200 ft./mile. There are no folds or faults in the beds at the surface.

Stratigraphy - Lower part of the Uintah Formation (Eocene)

The lower 600-800 feet of the Uintah Formation forms the surface in the Uteland Butte field.

It consists of brown, lenticular fluvial sandstones, 5 to 20 feet thick, interbedded with varicolored shales, some of which are limey. The alluvial deposits of the Uintah are intertongued with the upper beds of the Green River Formation.

#### Green River Formation (Eocene)

The Green River Formation is approximately 3700 feet thick in the Uteland Butte field. It consists of lacustrine shales and marginal lacustrine sandstones and limestones. These beds were deposited on the broad, level floor of Lake Uintah as the lake expanded and contracted many times across the nearly level, broad margins of the lake basin.

Some of the marker beds in the Green River Formation in the Uteland Butte field are:

Horse Bench sandstone, occurs at a depth of about 1200 feet.

Mahogany Oil Shale Bed, occurs at a depth of about 1650 feet.

H Marker, occurs at a depth of about 2650 feet.

X Marker, occurs at a depth of about 3200 feet.

Top of the Douglas Creek member and the Black Shale member occurs at a depth of about 3900 feet.

Top of the Uteland Butte limestone occurs at a depth of about 4500 feet and it is about 180 feet thick. It contains limestone, shale and some sandstone.

The "A sand" is replaced by shale in well #7-19 (log on Cross Section A-B) and water will not be injected into it in that well.

The "C shoal" limestone, into which it is proposed to inject water, occurs at the base of the Uteland Butte limestone in the Uteland Butte field as shown on Cross Sections A-B.

Pendragon cut a core through the "C shoal" limestone in well #14-17 (SE/SW Sec. 17, T.10 S., R. 18 E.) as shown on Cross Section C-D. The core is 30 feet long and started at 4675ft. The description by Roger Hively is summarized as follows:

- 1.4 ft. black Shale
- 2.1 ft. limestone, ostracodal
- 0.5 ft. coal, alginiate
- 4.9 ft. sandstone, tight with calcareous
- 4.3 ft. shale, black
- 4.7 ft. sandstone, tight
- 1.2 ft. shale, black
- 1.6 ft. limestone, ostracodal
- 0.4 ft. shale, brown with ostracodes
- "C shoal" 4.1 ft. limestone, ostracodal
- 0.8 ft. sandstone, tight
- 0.5 ft. silstone

The contact between Green River Formation and the Wasatch Formation is an intertonguing of red shales and lacustrine shales and limestones. The "C shoal" limestone is the basal unit

of the Green River formation in the Uteland Butte field.

Wasatch Formation (Eocene and Paleocene)

The Wasatch Formation is approximately 2400 feet thick in Uteland Butte and consists of red alluvial shales and siltstones with scattered lenticular fluvial sandstones usually 10-50 feet thick.

The Wasatch is underlain in gradational contact by the North Horn Formation which overlies the Mesaverde Group, about 3000 feet thick, and the Mancos Shale, about 5000 feet thick.

- (6) Confining Zones - Cross Sections A-B and C-D show the logs of the proposed water injection wells and the oil wells southwest and northeast of them. The water will be injected into the A sand and the C shoal. These beds are in the lower part of the Green River Formation which is about 3700 feet thick in the field and consists of shales, sandstones and limestones that were deposited in lake Uintah and on its shores. These beds cover the entire modern Uinta Basin as the lake repeatedly expanded and contracted across the board, nearly flat southern flank of the basin.

The marginal lacustrine sandstones were deposited as streams meandered across the margins and flowed into the deeper part of the basin, north of Uteland Butte. These sands are lenticular as exemplified by the A sand. On the Cross Sections the interval can be correlated, but the sand is absent in wells #7-19 and #2-20 on Cross Section A-B. The sands are enclosed by shales which confine the oil within them. The beds beginning about 20 feet above A sand are predominantly black shale with thin interbedded tight sandstones. These impervious beds are continuous across the entire field and fall beyond. They provide confining zones for water that will be injected into the A sand.

The 110-120 foot interval between the A sand and the C shoal contains 2 to 3 porous sandstones enclosed by black shale. These sandstones do not contact the A sand or the C shoal, they are confined within the shales which also form confining zones for the A sand and the C shoal. The A sand and the C shoal stay in their respective stratigraphic positions and do not cut across bedding to contact other possibly permeable beds. Similar sedimentary environment existed in the Greater Monument Butte field north of Uteland Butte in T 8-9 S. There numerous water injection projects have shown that the injected water stays in the sandstones and does not escape because of the confining lacustrine shales.

Below the C shoal the beds are predominantly shales and siltstones of the Wasatch Formation. These impervious beds provide an excellent confining zone below the C shoal.

The shales and limestones are made up of very fine particles of clay and precipitates that

formed continuous beds over very large areas on the nearly flat lake bottom and provide excellent permeability barriers, in aggregate confining zones.

- (7) The injection interval in this area the Federal 7-19 will be from 4789-4793 ( C shoal ). This area is the oil and gas productive zone in this well bore. The perforations are at a rate of 4 shots per foot

Attachment No. 4 is a summary sheet for the casing and cement jobs for this well.

- (8) USDW - There are no sources of underground drinking water near the Federal 7-19 Well. The Green River is about 5 miles southeast of the Federal 7-19.

Enclosed as Attachment No. 5 are standard analyses of produced water from currently producing wells in this field. The analysis of the Green River formation water from the State 1-16 is 29,530 mg/L of total dissolved solids and from the Federal 3-29 is 37,511 mg/L of the total dissolved solids. This is above the 10,000 ppm value utilized as the upper threshold for "fresh water."

Gwynn2 reports analyses of waters from five drill stem tests in the Green River Formation from well in NW/NW Sec. 14, T. 10 S., R 18 E., two miles ENE of the wells on Cross Section C-D (see index Map on Cross Section). In this well the top of Green River Formation is at 470 feet and the Mahogany Bed is at 1900 feet. The top of Wasatch is at 4865 feet.

The DSTs were at depths of 3676-3681 ft., 3681-3746 ft., 3877-3915 ft, 4045-4080 ft., and 4275-4287 ft. The Total Dissolved Solids in the waters from those tests ranged from 62,784 to 76,590 ppm. The waters contained about 50% chloride, 30% sodium and 5% sulfate. These waters are typical of waters from Green River Formation throughout the Uintah Basin, and these test intervals are about the same depth in the Uteland Butte field.

- (9) A summary of completion data from the Federal 7-19 Well is included in Attachment No. 11.
- (10) The Cement Bond Log is included in Attachment No. 9. The CBL log shows 80%-90% or better bond from 4300' to 4838'.
- (11) The open hole log for the Federal 7-19 is included in Attachment No. 10
- (12) The sundries for the completion of the Federal 7-19 are included in Attachment No. 12.
- (13) Initially, the source of water for injection will come from a water well to be drilled within the field. The well will be drilled to about 4000' into the Green River Formation. This part

1 Howells, L, M.S. Longson and G.L. Hunt, 1987, U.S. Geological Survey Open File Report 87-394 and State of Utah Department of Natural Resources Publication No. 92, 59 p., 2 pls.

2 Gwynn, J.W., 1995, Resistivities and Chemical Analyses of Selected Oil and Gas Field, water well and spring waters, Utah; Utah Geological Survey Circular 87, 142p.

of the formation yields water that is about 10,000 to 80,000 ppm TDS.

Once the water flood is underway, the volume of produced water will increase in the producing wells. This increased produced water will also be used in the flood injection operations.

Once the water source well is drilled and completed, compatibility testing will be conducted between the formation water and source water.

(14) A list of wells that may use the Federal 7-19 Well for disposal is included in Attachment No.6.

(15) Enclosed as Attachment No. 7 is a list of all the owners, operators, and surface interest owners located within 1/4 mile radius of the Federal 7-19

Also included is a signed affidavit certifying that Pendragon has notified all of the operators, and surface interest owners located within 1/4 mile radius of the Federal 7-19Well.

(16) A fracture gradient review is contained in Attachment No. 8. Pendragon proposes to inject water, to enhance oil production, into subsurface beds in the Federal 5-20 Well. The water will be injected into the "A sand" (where present) and the "C shoal" limestone. The table in the discussion summarizes the depths of these beds and the "fracture gradient" as determined by Halliburton from hydraulic fracturing conducted to improve the permeability of the beds.

The average fracture gradient is 0.89 to 0.90 psi/ft. Pendragon is requesting an injection pressure of 1300 psi and an injection rate of 400 BWPD per zone.

(17) An injection wellbore diagram is contained in Attachment No. 12.

(18) The P&A procedure for this well is contained in Attachment No. 13.

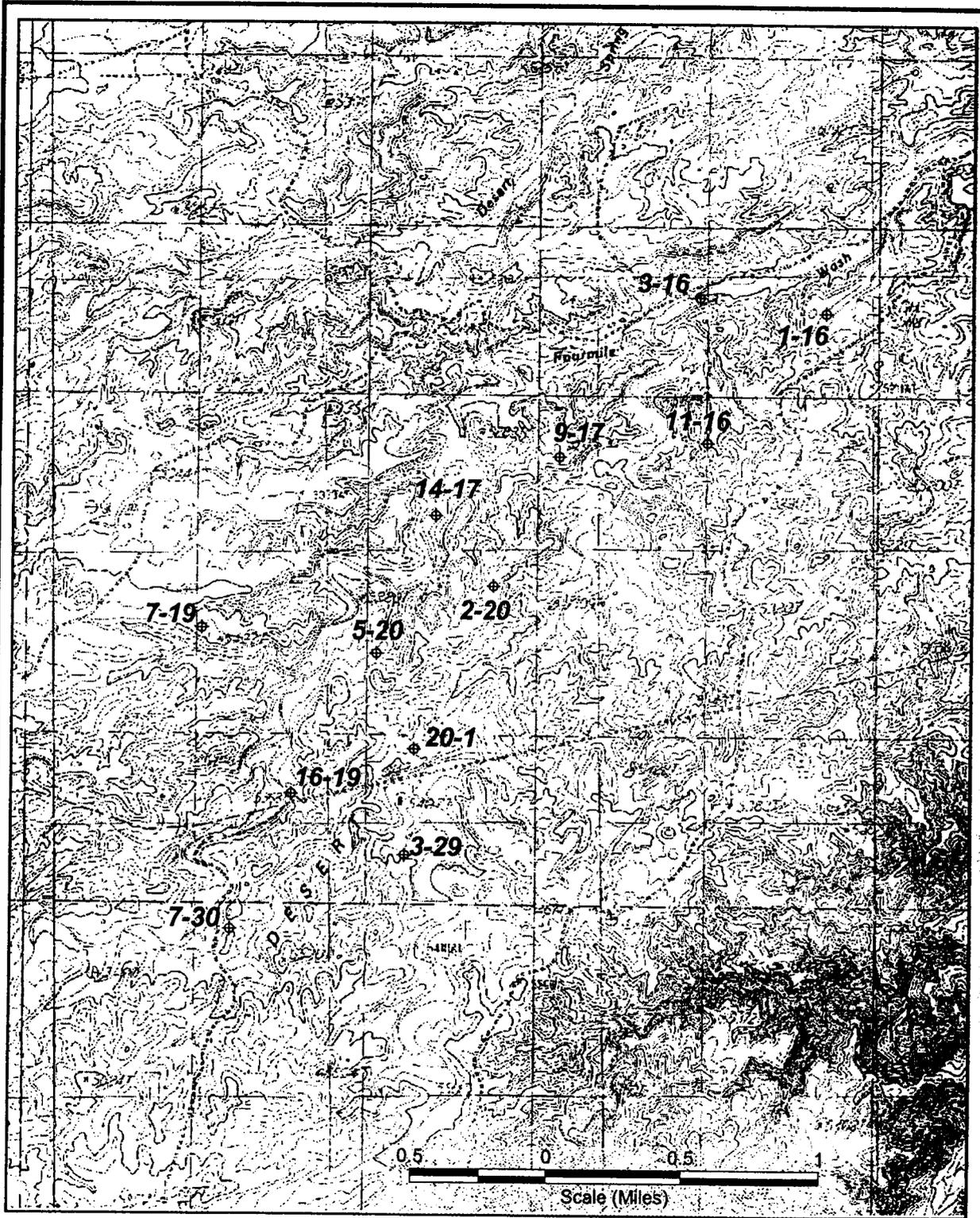
(19) Once the draft permit is issued, Pendragon will conduct an MIT test and a static bottom-hole pressure test. The conversion work will be completed and submitted on EPA Form 7520-12. A wellbore schematic will be included with this form.

(20) Pendragon will post a surety bond to demonstrate financial responsibility. The amount of the bond will be provided by the EPA once the permit is approved.

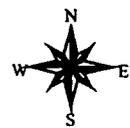
(21) Pendragon will install various gauges on the well so that the injection pressure and the tubing casing annulus pressures can be measured. The well will be equipped with a flow meter with a cumulative volume recorder.

**ATTACHMENT NO. 1**

**AREA MAP**



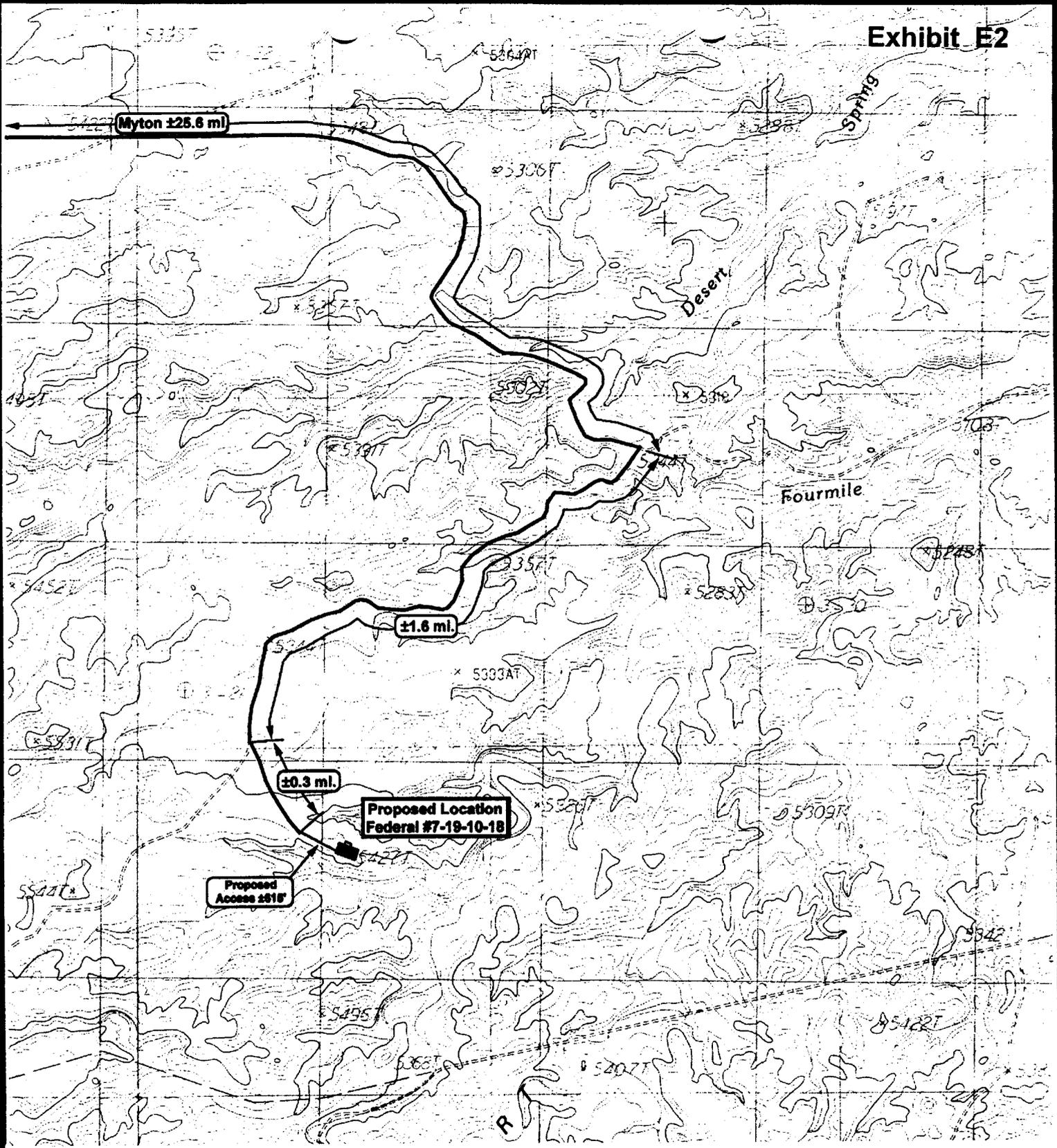
**Uteland Butte Field**  
Sec. 16, 17, 19, 20, 29, 30 T10S R18E  
Uintah County, Utah



**ATTACHMENT NO. 2**

**SITE DIAGRAM**

**RADIUS MAP OF  
ADJACENT WELLS**



**PENDRAGON**  
**ENERGY PARTNERS INC.**

**Federal #7-19-10-18**  
**SEC. 19, T10S, R18E, S.L.B.&M.**



**Tri-State**  
*Land Surveying Inc.*  
 (435) 781-2501  
 180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'  
 DRAWN BY: R.A.B.  
 DATE: 12-10-2002

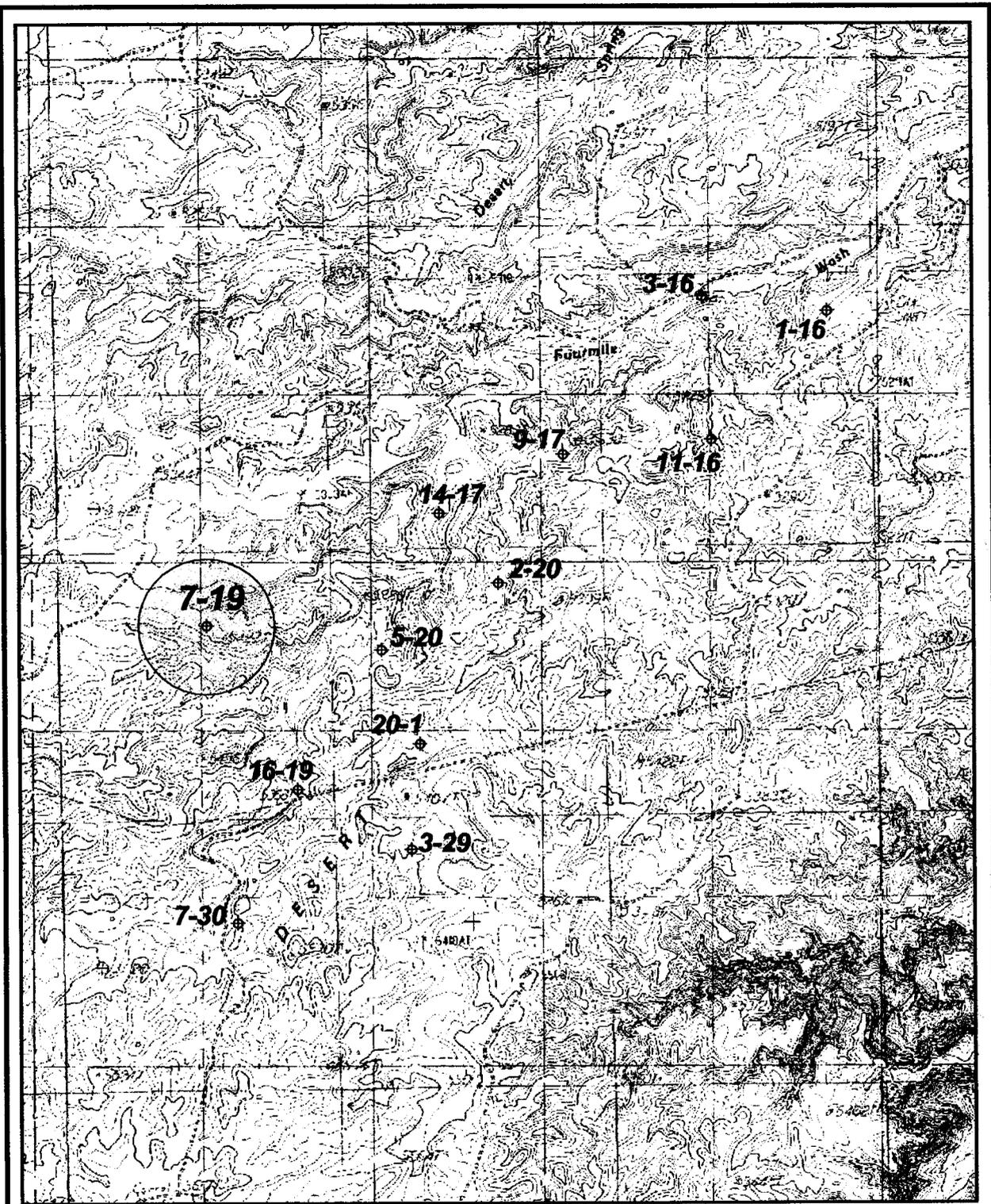
**Legend**

Existing Road

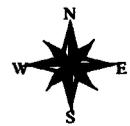
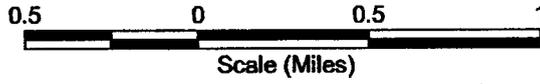
Proposed Access

TOPOGRAPHIC MAP

**"B"**



Well, with 1/4  
Mile Radius Buffer



Federal 7-19-10-18 SE/NW Sec. 19 T10S R18E

**ATTACHMENT NO. 3**  
**CROSS-SECTION, STRUCTURE MAP**

***THE CROSS SECTION MAPS ARE THE SAME  
FOR ALL FOUR WELLS***

**ATTACHMENT NO. 4**

**SUMMARY SHEET OF CASING  
AND CEMENT JOBS**

WELL	SURFACE CASING				PRODUCTION CASING			
	SIZE	DEPTH	CEMENT AMOUNT	CEMENT TOP	SIZE	DEPTH	CEMENT AMOUNT	ESTIMATED CEMENT TOP
FEDERAL 7-19	8 5/8, 24#	0-313'	150 CF Lite 100CF premium	SURFACE	5 1/2, 15.5#	0-4838'	105 sx type V, 408 sx Pozmix, 513 sx Total	2100'

)

WELL	A SAND PERFORATIONS	C SHOAL PERFORATIONS	CBL	LOGGED INTERVAL	CEMENT BOND
FEDERAL 7-19	none	4789-4793'	YES	200-4838'	90%-4300-4418', 90%-4424-4510', 90%- 4514-4590', 90%-4596-4796', 80%-4796-4838'

)

**ATTACHMENT NO. 5**

**WATER ANALYSIS**

Analytical Laboratory Report for:

Pendragon



BJ Unichem  
Chemical Services

UNICHEM Representative: S.L. Hoopes

## Production Water Analysis

Listed below please find water analysis report from: ~~91-T, WH~~ <sup>1-16</sup>

This is the 1-16 well. It was read upside down when it was done originally.

Lab Test No: 2003402623

Sample Date:

09/21/2003

Specific Gravity: 1.020

TDS: 29530

pH: 7.80

**Cations:**

mg/L

as:

Calcium 320 (Ca<sup>++</sup>)

Magnesium 97.00 (Mg<sup>++</sup>)

Sodium 12443 (Na<sup>+</sup>)

Iron 3.60 (Fe<sup>++</sup>)

Manganese 0.40 (Mn<sup>++</sup>)

**Anions:** mg/L as:

Bicarbonate 366 (HCO<sub>3</sub><sup>-</sup>)

Sulfate 0 (SO<sub>4</sub><sup>-2</sup>)

Chloride 16300 (Cl<sup>-</sup>)

**Gases:**

Carbon Dioxide (CO<sub>2</sub>)

Hydrogen Sulfide 0 (H<sub>2</sub>S)



**DownHole SAT™ Scale Prediction  
@ 160 deg. F**

Mineral Scale	Saturation Index	Momentary Excess (lbs/1000 bbls)
Calcite (CaCO <sub>3</sub> )	10.15	2.04
Aragonite (CaCO <sub>3</sub> )	8.29	1.99
Witherite (BaCO <sub>3</sub> )	0	-15.35
Strontianite (SrCO <sub>3</sub> )	0	-7
Magnesite (MgCO <sub>3</sub> )	5.15	1.53
Anhydrite (CaSO <sub>4</sub> )	0	-603.49
Gypsum (CaSO <sub>4</sub> *2H <sub>2</sub> O)	0	-880.99
Barite (BaSO <sub>4</sub> )	0	-12.06
Celestite (SrSO <sub>4</sub> )	0	-216.88
Silica (SiO <sub>2</sub> )	0	-108.84
Brucite (Mg(OH) <sub>2</sub> )	.0202	-1.27
Magnesium silicate	0	-157.43
Siderite (FeCO <sub>3</sub> )	239.89	1.92
Halite (NaCl)	.00266	-204136
Thenardite (Na <sub>2</sub> SO <sub>4</sub> )	0	-64972
Iron sulfide (FeS)	0	-.00927

**Interpretation of DHSat Results:**

The Saturation Index is calculated for each mineral species independently and is a measure of the degree of supersaturation (driving force for precipitation) under the conditions modeled. This value ranges from 0 to infinity with 1.0 representing a condition of equilibrium where scale will neither dissolve nor precipitate. Values less than 1.0 are undersaturated and values greater than 1.0 are supersaturated. The scale is logarithmic, i.e. a Saturation Index of 3 is 10 times more saturated than a value of 2.

The Momentary excess is a measure of how much scale would have to precipitate to bring the system back to a non-scaling condition. This value ranges from negative (dissolving) infinity to positive (precipitating) infinity. The Momentary Excess represents the amount of scale possible while the Saturation Level represents the probability that scale will form.

Analytical Laboratory Report for:

**Pendragon**



**BJ Unichem  
Chemical Services**

UNICHEM Representative: S.L. Hoopes

## Production Water Analysis

Listed below please find water analysis report from: 3-29, WH

Lab Test No: 2003402822      Sample Date: 09/21/2003  
Specific Gravity: 1.025  
TDS: 37511  
pH: 6.30

Cations:	mg/L	as:
Calcium	480	(Ca <sup>++</sup> )
Magnesium	146	(Mg <sup>++</sup> )
Sodium	13961	(Na <sup>+</sup> )
Iron	1.40	(Fe <sup>++</sup> )
Manganese	0.20	(Mn <sup>++</sup> )
Anions:	mg/L	as:
Bicarbonate	122	(HCO <sub>3</sub> <sup>-</sup> )
Sulfate	100	(SO <sub>4</sub> <sup>-2</sup> )
Chloride	22700	(Cl <sup>-</sup> )
Gases:		
Carbon Dioxide		(CO <sub>2</sub> )
Hydrogen Sulfide	0	(H <sub>2</sub> S)



**DownHole SAT™ Scale Prediction  
@ 160 deg. F**

Mineral Scale	Saturation Index	Momentary Excess (lbs/1000 bbls)
Calcite (CaCO <sub>3</sub> )	.19	-.124
Aragonite (CaCO <sub>3</sub> )	.155	-.158
Witherite (BaCO <sub>3</sub> )	0	-18.26
Strontianite (SrCO <sub>3</sub> )	0	-8.9
Magnesite (MgCO <sub>3</sub> )	.0986	-.223
Anhydrite (CaSO <sub>4</sub> )	.0285	-538.83
Gypsum (CaSO <sub>4</sub> *2H <sub>2</sub> O)	.0179	-811.03
Barite (BaSO <sub>4</sub> )	0	-2.8
Celestite (SrSO <sub>4</sub> )	0	-208.25
Silica (SiO <sub>2</sub> )	0	-107.73
Brucite (Mg(OH) <sub>2</sub> )	< 0.001	-1.2
Magnesium silicate	0	-158.87
Siderite (FeCO <sub>3</sub> )	1.44	.0101
Halite (NaCl)	.0034	-203609
Thenardite (Na <sub>2</sub> SO <sub>4</sub> )	< 0.001	-66816
Iron sulfide (FeS)	0	-.398

**Interpretation of DHSat Results:**

The Saturation Index is calculated for each mineral species independently and is a measure of the degree of supersaturation (driving force for precipitation) under the conditions modeled. This value ranges from 0 to infinity with 1.0 representing a condition of equilibrium where scale will neither dissolve nor precipitate. Values less than 1.0 are undersaturated and values greater than 1.0 are supersaturated. The scale is logarithmic, i.e., a Saturation Index of 3 is 10 times more saturated than a value of 2.

The Momentary excess is a measure of how much scale would have to precipitate to bring the system back to a non-scaling condition. This value ranges from negative (dissolving) infinity to positive (precipitating) infinity. The Momentary Excess represents the amount of scale possible while the Saturation Level represents the probability that scale will form.

**ATTACHMENT NO. 6**

**LIST OF PRODUCING WELLS**

**PROPOSED DESERT SPRING UNIT**

List of Existing Wells (All are oil wells with associated gas)

All in Uintah County, Utah

<b>Well Name</b>	<b>Qtr/Qtr</b>	<b>Section</b>	<b>T&amp;R</b>
Pendragon State 1-16-10-18	NE/NE	16	10S-18E
Pendragon State 3-16-10-18	NE/NW	16	10S-18E
Pendragon State 11-16-10-18	NE/SW	16	10S-18E
Pendragon Federal 9-17-10-18	NE/SE	17	10S-18E
Pendragon Federal 14-17-10-18	SE/SW	17	10S-18E
Pendragon Federal 7-19-10-18	SW/NE	19	10S-18E
Pendragon Federal 16-19-10-18	SE/SE	19	10S-18E
Pendragon Federal 2-20-10-18	NW/NE	20	10S-18E
Pendragon Federal 5-20-10-18	SW/NW	20	10S-18E
Pendragon Federal 20-1	NE/SW	20	10S-18E
Pendragon Federal 3-29-10-18	NE/NW	29	10S-18E
Pendragon Federal 7-30-10-18	SW/NE	30	10S-18E

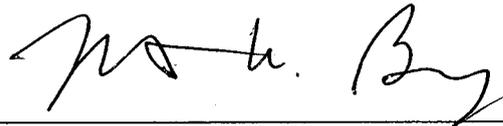
**ATTACHMENT NO. 7**

**OWNERSHIP MAP &  
LIST OF OWNERS,  
AFFIDAVIT NOTIFICATION**

## AFFIDAVIT OF MAILING

I, Martin W. Buys, President, Buys & Associates, Inc., being first duly sworn, depose and state as follows; On December 15, 2003, I caused to be mailed by certified mail, postage prepaid, return receipt requested, a copy of the Application to convert the Federal 7-19-10-18 well to water injection for enhanced recovery. It was sent to all parties who have an interest within 1/4 mile from this well. The attached list contains the names of all parties who were notified.

Dated this 15<sup>th</sup> day of December, 2003



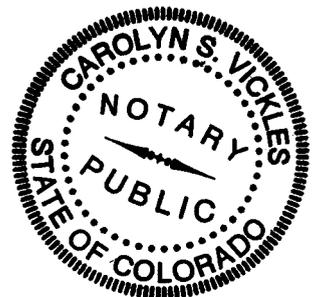
\_\_\_\_\_  
Martin W. Buys  
President  
Buys & Associates, Inc.

The forgoing affidavit was subscribed and sworn to before me by Martin W. Buys.  
This 15 day of December, 2003



\_\_\_\_\_, Notary Public

My Commission expires: 30 day of October, 2006



December 6, 2003

**CERTIFIED MAIL NO.**

**Mineral, Surface and Working Interest Owners**

RE: Notification of Water Injection  
Federal 7-19-10-18  
1443' FNL, 2412' FEL, Section 19, T10S, R18E  
Uintah County, Utah

To Whom it May Concern;

On December 6, 2003, Pendragon Energy Partners submitted to the Environmental Protection Agency an application requesting approval to convert the above mentioned well to a water injection well in an enhanced recovery program.

Anyone who would be directly and adversely affected by the authorization of the underground disposal into the Green River (4589'-4724') may file a written request for a public hearing before the EPA. Logs and additional information on the subject well are on file with the EPA, Groundwater Program, Mail Code 8P-W-GW, 999 18<sup>th</sup> Street, Suite 500, Denver, Colorado 80202-2466.

Please contact Marty Buys at 303.781.8211 if you have any questions.

Sincerely,

Martin W. Buys  
Agent for Pendragon Energy Partners

Enclosure

DIVISION OF INTERESTS  
 Pendragon 5-20-10-18 Well  
 Section 20-T10S-R18E  
 Uintah County, Utah  
 REVISED  
 As of 10/1/03  
 SHOWING QUESTAR JOINDER

OWNER	W.I.BPO	N.R.I.BPO	W.I. APO	N.R.I. APO	TYPE
Pendragon Energy Partners, Inc. 621 17 <sup>th</sup> Street, Suite 750 Denver, Co. 80293 84-1419088	.05000	.04250	0.05000	0.04250	W.I.
Questar Exploration & Production Company 1050 17 <sup>th</sup> Street #500 Denver, Co. 80265 84-1310390 (Billing address)	0.21875	0.1815625	0.21875	0.1815625	W.I.
III Exploration Company P.O. Box 7608 Boise, Idaho 83707	0.28125	0.2334375	0.28125	0.2334375	W.I.
Patriot Exploration Co., Inc. 45 Rockefeller Plaza, Suite 2090 New York, New York 10111	0.36750	0.312375	0.36750	0.312375	W.I.
Robert Bomar 2821 W. Shandon Midland, Texas 79705 457-78-8837	0.0125	0.010625	0.01250	0.010625	W.I.
Joseph Deitch 12 Claridge Drive Weston Mass. 02493 027-38-6672	0.028125	0.02390625	0.028125	0.02390625	W.I.
O. Alan & Molly W. Jared 58009 Morton Marathon, Florida 33050 417-54-2570	0.006875	0.00584375	0.006875	0.00584375	W.I.
Steven Rooney & Gail Queeney 930 Emerald Row Gulfstream, Florida 33483 173-46-5715	0.02125	0.0180625	0.02125	0.0180625	W.I.
Peter T. Wheeler 111 Rolling Lane Weston, Mass. 02193 - 2474 014-36-3557	0.01375	0.0116875	0.01375	0.0116875	W.I.
Minerals Management Service			0.125	0.125	ROY

Royalty Management Program  
P.O. Box 5810 T.A.  
Denver, Colorado 80217

Patina Oil & Gas Corporation 1625 Broadway, Suite 2000 Denver, Co. 80202 75-2629477	0.025	0.025	ORRI
--	-------	-------	------

Roger Hively 6745 W. 3 <sup>rd</sup> Place Lakewood, Co. 80226 275-52-5969	0.005	0.005	ORRI
---	-------	-------	------

Patricia McDonald Chandler P.O. Box 5005 Rancho Mirage, Calif. 92270 519-34-4711	0.005	0.005	ORRI
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**ATTACHMENT NO. 8**

**FRACTURE GRADIENT REVIEW**

## FRACTURE GRADIENT

Pendragon proposes to inject water, to enhance oil production, into subsurface beds in the following four wells in the Uteland Butte field, T10S, R18E:

1. #5-20
2. #11-16
3. #9-17
4. #7-19

The water will be injected into the "A sand" (where present) and the "C shoal" limestone. The following table summarizes the depths of these beds and the "fracture gradient" as determined by Halliburton from hydraulic fracturing conducted to improve the permeability of the beds.

Well	"A sand" Depth Perforated	Fracture Gradient psi/ft	"C shoal" Depth Perforated	Fracture Gradient psi/ft
1. #5-20	4588-4596	0.90	4718-4724	0.90
2. #11-16	4617-4623	0.89	4743-4747	0.89
3. #9-17	4670-4677	0.64	4800-4803	sanded out
4. #7-19	not present		4788-4792	sanded out

The "A sand" and the "C shoal" were hydraulically fractured in four wells, in the Uteland Butte field, into which water will not be injected. The fracture gradient as determined by Halliburton from those procedures are given in the table below.

5. #7-30	not present		4623-4628	0.91
6. #2-20	not present		4779-4782	0.88
7. #3-16	not present		4800-4808	sanded out
8. #14-17	4564-4575	0.91	4694-4698	0.84

Assuming a frac gradient of 0.90 psi/ft and depths of 4588 ft. to 4803 ft. for the points of injection, pressures of 4129 psi to 4323 psi would fracture the A sand and the C shoal in the four injection wells. Water columns to those depths will place pressures of 1973 psi to 2065 psi on the injection formations. Injection pressures up to 1956 psi into the A sand and 2058 psi into the C shoal will place pressures on the injected beds of 200 psi less than the pressure that would fracture the beds.

**ATTACHMENT NO. 9**

**CEMENT BOND LOG**

***CEMENT BOND LOGS CAN BE FOUND AT***

***PENDRAGON ENERGY PARTNERS  
621 17<sup>TH</sup> STREET, SUITE 750  
DENVER, CO. 80202***

***AND***

***U.S. ENVIRONMENTAL PROTECTION AGENCY  
999 18<sup>TH</sup> STREET, SUITE 500  
DENVER, CO. 80202***

**ATTACHMENT NO. 10**

**OPEN HOLE LOG**

***OPEN HOLE LOGS CAN BE FOUND AT***

***PENDRAGON ENERGY PARTNERS  
621 17<sup>TH</sup> STREET, SUITE 750  
DENVER, CO. 80202***

***AND***

***U.S. ENVIRONMENTAL PROTECTION AGENCY  
999 18<sup>TH</sup> STREET, SUITE 500  
DENVER, CO. 80202***

**ATTACHMENT NO. 11**

**COMPLETION DATA**

# Pendragon Energy Partners Daily Completion/Workover Report

Well: FEDERAL #7-19

Date: 10/06/03

Section: 20

Township: 10S

Range: 18E

County: Uintah State: UT

TD:

KB:

GL:

Casing Size:

Wt Range - #/Ft.

TOC:

Perfs: "C" SHOAL 4788-92', "A" SAND 4790-94'

PBTD: 4880'

## Present Operation:

Details: MI & RU COMPLETION UNIT. FLUSH ANNULUS W / 50 BBLs & TBG W / 40

BBLs HOT WTR. TLTR NOW IS 245.11 BBLs. RAN PMP & RODS FROM TOP TO

## BTM AS FOLLOWS:

1-1/2" X 22' POLISH ROD

ONE 3/4" X 4' & ONE 3/4" X 6' PONY RODS

191 3/4" X 25' RODS

2-1/2" X 1-1/2" X 16' RHAC TOP HOLD DOWN PUMP

NU PMPG TEE & STUFFING BOX. RU HORSEHEAD & HUNG WELL OFF. RD,

RELEASED & MOVED OFF COMPLETION RIG.

Operations Supervisor: IB LUECK

## Pendragon Energy Partners Daily Completion/Workover Report

**Well: Federal 7-19**

**Date: 9-11-03**

<b>Section: 19</b>	<b>Township: 10</b>	<b>Range: 18</b>	<b>County: Uintah</b>	<b>State: UT</b>
--------------------	---------------------	------------------	-----------------------	------------------

<b>TD:</b>	PBTD: 4880'	KB:	GL:	Casing Size:	Wt Range - #/Ft.
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<b>TOC:</b>	"C" SHOAL 4788' - 92' (CBL) & 4790' - 94' (CNL / FDC)	<b>Depth:</b>
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**Present Operation:**

**Details: SITP SLI VAC. CP 50 PSI. FL 3900'. HAD 800' MOSTLY ALL OIL. SWBD AS FOLLOWS:**

		CUM	LOAD TO		
TIME	LEVEL	BBL	BBL	RECOVER	REMARKS
7:15 AM	3900		294.1	184.9	
8:15 AM	4500	17.5	311.6	167.4	70% OIL
9:15 AM	4700	7.5	319.1	159.9	70% OIL
10:15 AM	4700	3.0	322.1	156.9	
2:15 PM	4500	1.8	323.9	155.1	

**AT 10:30 STARTED ND BOPs & 5000 PSI TBGHD. NU PROD TBGHD, SET ANCHOR IN TENSION. RAN SWB @ 2:15 PM. FL 4500'. RD COMPLETION UNIT. PREP TO RUN PRESSURE TEST.**

**Operations Supervisor: IB LUECK**

## Pendragon Energy Partners Daily Completion/Workover Report

**Well: Federal 7-19**

**Date: 9/10/03**

**Section: 19**

**Township: 10**

**Range: 18**

**County: Uintah**

**State: UT**

**TD: PBTD: 4880' KB: GL: Casing Size: Wt Range - #/Ft.**

**TOC: "C" SHOAL 4788' - 92' (CBL) & 4790' - 94' (CNL / FDC) Depth:**

**Present Operation:**

**Details: SITP 60 PSI, SICP 30 PSI. FL 3100'. NU SWAB & SWBD AS FOLLOWS:**

FLUID		CUM		LOAD TO	
TIME	LEVEL	BBL	BBL	RECOVER	REMARKS
7:30 AM	3100		243.0	236.0	HAD 800' OF OIL ON TOP
8:30 AM	3600	25.0	268.0	211.0	10% OIL, CHANGED CUPS, NO SAND
9:30 AM	4200	10.0	278.0	201.0	20% OIL
10:30 AM	4600	7.5	285.5	193.5	NO SAND
11:30 AM	4700	2.5	288.0	191.0	70% OIL, NO SAND
12:30 AM	4500	1.5	289.5	189.5	70% OIL
1:30 PM	4600	.8	290.3	188.7	70% OIL
5:15 PM	4500	3.8	294.1	184.9	

**AT 1:45 PM TAGGED BTM @ 4880' PBTD, NO FILL. TOOH W / TBG ON NOTCHED COLLAR.**

**TIH AS FOLLOWS:**

**Operations Supervisor: IB LUECK**

## Pendragon Energy Partners Daily Completion/Workover Report

**Well: Federal 7-19 (CONTINUED)**

**Date: 9/10/03**

Section: 19	Township: 10	Range: 18	County: Uintah	State: UT	
TD:	PBTD: 4880'	KB:	GL:	Casing Size:	Wt Range - #/Ft.
TOC:	"C" SHOAL 4788' - 92' (CBL) & 4790' - 94' (CNL / FDC)			Depth:	

**Present Operation:**

**Details: TIH AS FOLLOWS:**

ITEM	LENGTH	SET TO
KB	10.00	10.00
TUBING STRETCH	1.40	11.40
152 JTS 2-7/8" 6.5# 8 RD EUE TBG	4682.18	4693.58
TUBING ANCHOR / CATCHER	2.74	4696.32
4 JTS TBG	124.72	4821.04
SN	1.10	4822.14
1 JT TBG	31.25	4853.39
NOTCHED COLLAR	.40	4853.79

AT 5:15 PM RAN SWB. FL 4500'.      SION

**Operations Supervisor: IB LUECK**

## Pendragon Energy Partners Daily Completion/Workover Report

**Well: Federal 7-19**

**Date: 9/09/03**

Section: 19	Township: 10	Range: 18	County: Uintah	State: UT
-------------	--------------	-----------	----------------	-----------

TD:	PBTD: 4880'	KB:	GL:	Casing Size:	Wt Range - #/Ft.
-----	-------------	-----	-----	--------------	------------------

TOC:	Perfs: "C" SHOAL 4788' - 92' & 4790' - 94'	Depth:
------	--	--------

**Present Operation:**

**Details: CP 150 PSI. FLARED BACK 2.5 BBLs. TOTAL LOAD NOW 348.5 BBLs. PU NOTCHED**

**COLLAR, SN & TIH W / TBG. TAGGED SAND @ 4600'. HAVE 262' OF SAND FILL (3640#).**

**CLEANED OUT SAND TO PBTD 4880'. NU SWAB.**

	FLUID		CUM	LOAD TO	
TIME	LEVEL	BBL	BBL	RECOVER	REMARKS
1:30 PM			130.5	348.5	
2:30 PM	1400	47.5	178.0	301.0	
3:30 PM	2600	22.5	200.5	278.5	
4:30 PM	3500	17.5	218.0	261.0	
5:30 PM	3800	25.0	243.0	236.0	2% OIL & GOOD GAS

**SION**

**Operations Supervisor: IB LUECK**

## Pendragon Energy Partners Daily Completion/Workover Report

**Well: Federal 7-19**

**Date: 9/08/03**

**Section: 19**

**Township: 10**

**Range: 18**

**County: Uintah**

**State: UT**

**TD:**

**PBTD: 4880'**

**KB:**

**GL:**

**Casing Size:**

**Wt Range - #/Ft.**

**TOC:**

**Perfs:**

**Depth:**

**Present Operation:**

**Details: RU HOWCO Stimulation Services. Set btm of tbg @ 4807' & spotted 500 gal 7-1/2% HCl**

**acid. TOOH w / tbg, csg scraper & bit. RU HOWCO Wireline. Perf'd "C" Shoal 4788' - 92'**

**(CBL-PDC log) 4790' - 94' (Density-Neutron log). Acidized: pmpd 500 gal acid (12 bbls),**

**4 bbls @ 1 BPM @ 1400 psi, 4 bbls @ 2 BPM @ 1540 psi & 4 bbls @ 1700 psi, broke to 1600 psi.**

**Frac'd: pmpd csg. Volume of wtr 111 bbls in FM 2100 psi - 2250 psi; pad @ 24 BPM 2250 - 2350**

**psi, 1 - 4 ppg & 4 ppg and flush @ 20 BPM. Pressure went fr 2350 - 1950 psi (hydrostatic of sand)**

**then 1950 - 2250 psi (reduced hydrostatic of flush). Frac started to screen off shortly after 4 ppg**

**hit Fm & screened off w / 5000# of 4 ppg in Fm. Pressure went to 4650 psi. Tried unsuccessfully**

**to re-establish entry into Fm. Left 3640# (262') sand in csg. ISIP 3400 psi, 5 min 2700 psi, 10 min**

**1900 psi, 15 min 1700 psi. Put total 21,360# 16-30 mesh sand in Fm. Pmpd 368 bbls fluid. Total**

**fluid in hole 368 & 111 = 479 bbls. Started flowing well back.**

**Operations Supervisor: IB LUECK**

## Pendragon Energy Partners Daily Completion/Workover Report

**Well: Federal 7-19 (CONTINUED)**

**Date: 9/08/03**

**Section: 19      Township: 10      Range: 18      County: Uintah      State: UT**

**TD:      PBTD: 4800'      KB:      GL:      Casing Size:      Wt Range - #/Ft.**

**TOC:      Perfs:      Depth:**

**Present Operation:**

**Details:**

			CUM	LOAD TO	
TIME	PRESSURE	BBL	BBLS	RECOVER	REMARKS
12:30	1700	-	1	479.0	
1:00	1400	12.5	12.5	466.5	
1:30	1350	10.4	22.9	456.01	
2:00	1200	13.8	36.7	442.3	
2:30	850	31.5	69.2	409.8	
3:00	850	15.0	84.2	394.8	
3:30	650	12.5	96.7	382.3	Started making some sand
4:00	100	17.5	114.2	364.8	
4:30	0	10.0	124.2	354.8	No sand or gel
5 :00	0	3.8	128.0	351.0	Well dead, SION

**Operations Supervisor: IB LUECK**

# Pendragon Energy Partners Daily Completion/Workover Report

**Well: FEDERAL #7-19**

**Date: 9-3,4 2003**

**Section: 19**

**Township: 10S**

**Range: 18E**

**County: Uintah**

**State: UT**

**TD:**

**PBTD:**

**KB:**

**GL:**

**Casing Size:**

**Wt Range - #/Ft.**

**TOC:**

**Perfs/Open Hole:**

**Depth:**

**Present Operation:**

**Details: 9-3-03 Moved Key Energy Corporation Unit to location.**

**9-4-03 - RU Completion Unit. NU 5000 psi WP tbghd & 5000 psi WP BOP. PU**

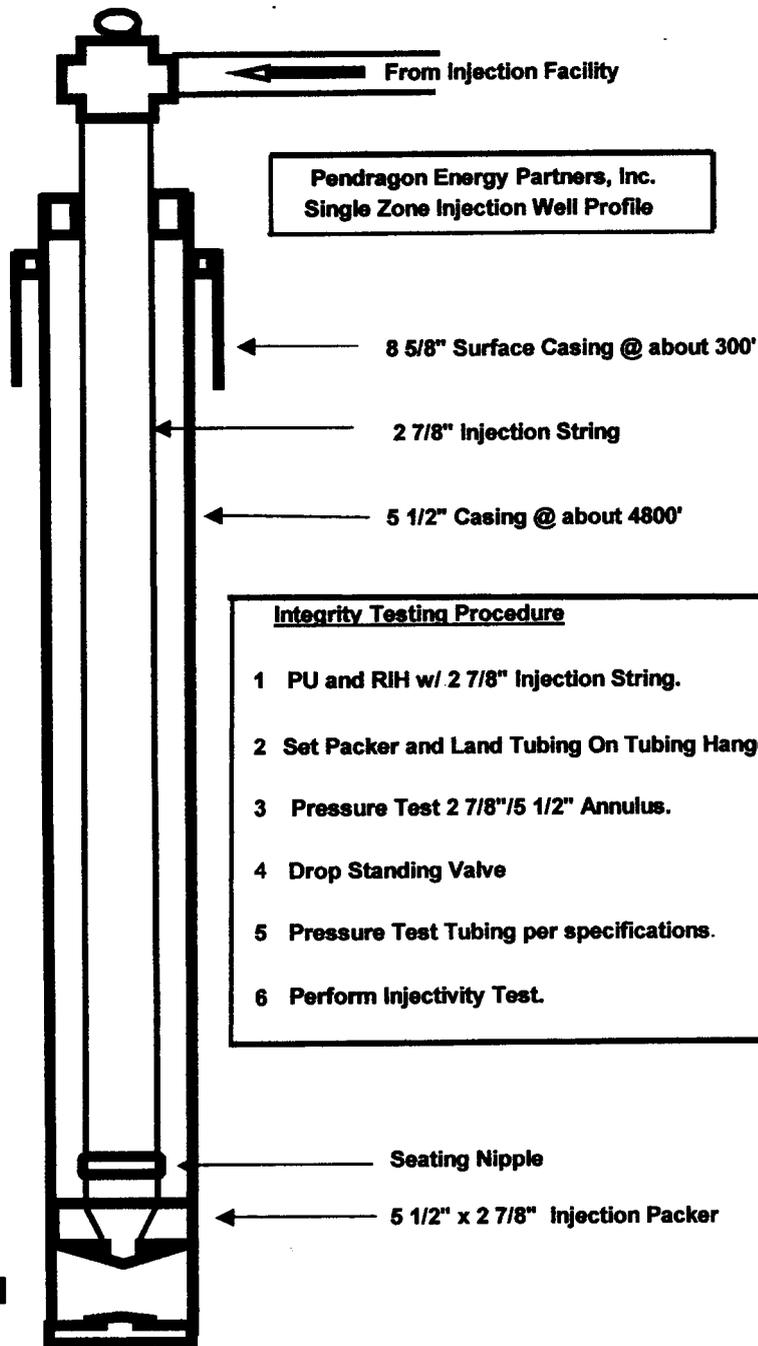
**4-3/4" bit & casing scraper & TIH w / 2-7/8" 6.5# 8 rd tbg. Ran 159 jts. Tagged btm @**

**4880' PBTD. Circ hole w / 2% KCl wtr. Tsts csg, BOPs & tbghd to 4600 psi for 5 min.**

**LD 3 jts tbg. Btm of string @ 4814'. SION**

**Operations Supervisor: IB LUECK**

**ATTACHMENT NO. 12**  
**INJECTION WELLBORE DIAGRAM**



**Pendragon Energy Partners, Inc.  
Single Zone Injection Well Profile**

- ← 8 5/8" Surface Casing @ about 300'
- ← 2 7/8" Injection String
- ← 5 1/2" Casing @ about 4800'

- Integrity Testing Procedure**
- 1 PU and RIH w/ 2 7/8" Injection String.
  - 2 Set Packer and Land Tubing On Tubing Hanger.
  - 3 Pressure Test 2 7/8"/5 1/2" Annulus.
  - 4 Drop Standing Valve
  - 5 Pressure Test Tubing per specifications.
  - 6 Perform Injectivity Test.

- ← Seating Nipple
- ← 5 1/2" x 2 7/8" Injection Packer
- ← Injection Zone

**ATTACHMENT # 13**

**P&A PROCEDURE**

## P & A PROCEDURE

PENDRAGON ENERGY PARTNERS  
FEDERAL 7-19-10-18  
1443' FNL & 2412' FEL  
SECTION 19, T10S - R18E  
UINTAH COUNTY, UTAH  
TD - 4,784'

Surface Casing: 8 5/8", 24#, 0-315'  
Casing : 5 1/2", 15.5# 0' - 250'  
Perforations: (Not present) A Sand  
4789-4793' C Shoal

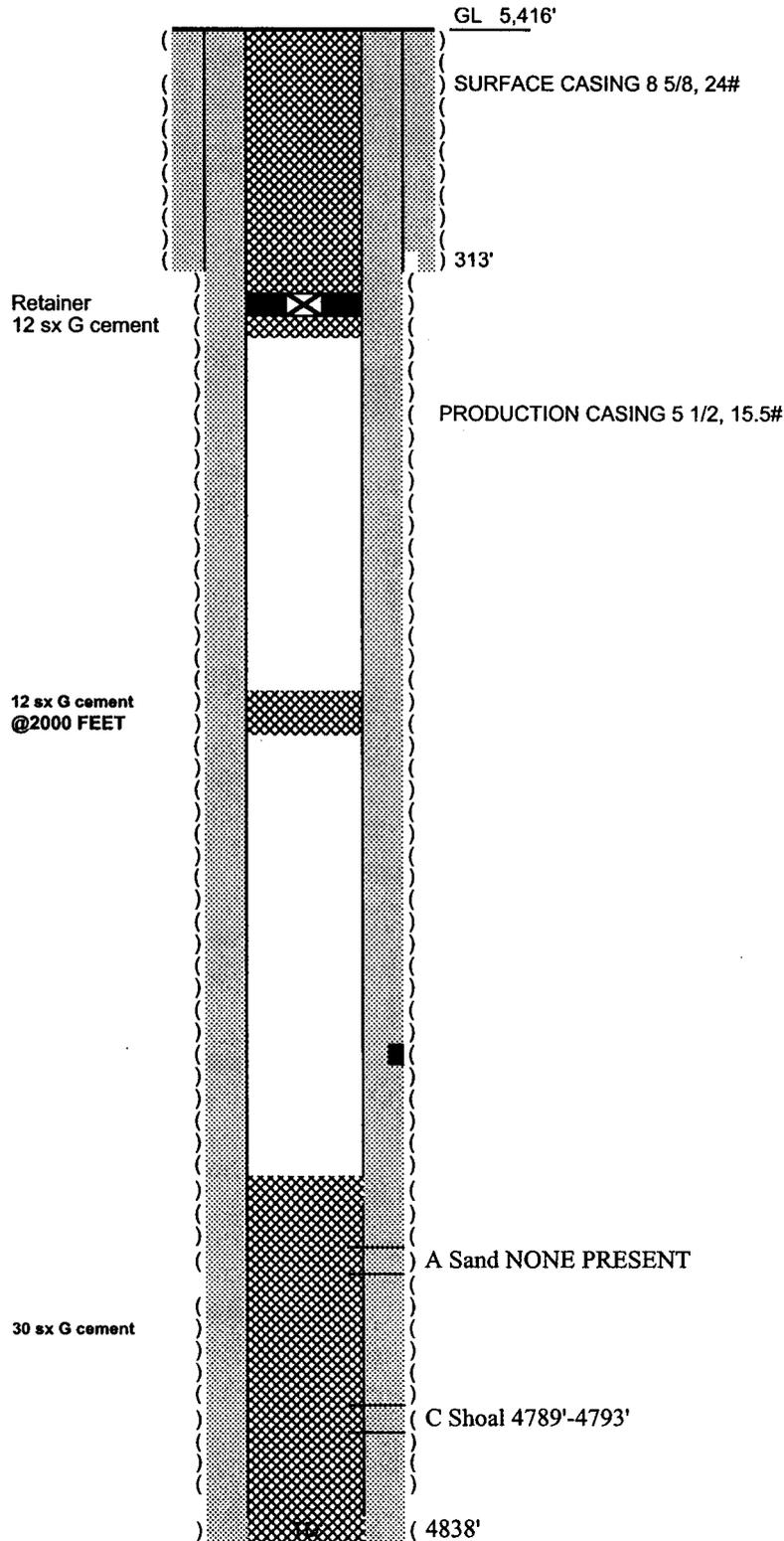
### PLUG AND ABANDONMENT PROCEDURE

1. Obtain authorization from regulatory agencies for P&A procedures.
2. Rig up pulling unit. Install BOP. Release packers. Trip out of hole with both strings of tubing.
3. Trip in hole with 2-7/8" tubing and set at 4800'. Establish pump rate, pump and squeeze with 30 sxs Class G cement at 15.8#/gal. This will come to 100' above the top perforations.
4. Raise the tubing to 2000' and pump 12 sx of Class G cement.
5. Set a retainer 20' below surface casing shoe and perforate 10 feet below that shoe. Squeeze 12 sx of Class G cement into the perforations and bring cement back to the surface.
6. Cut off wellhead and install plate and identification P&A post marker. Weld to casing.
7. File reports with the agencies and reclaim surface location.

WELLBORE DIAGRAM

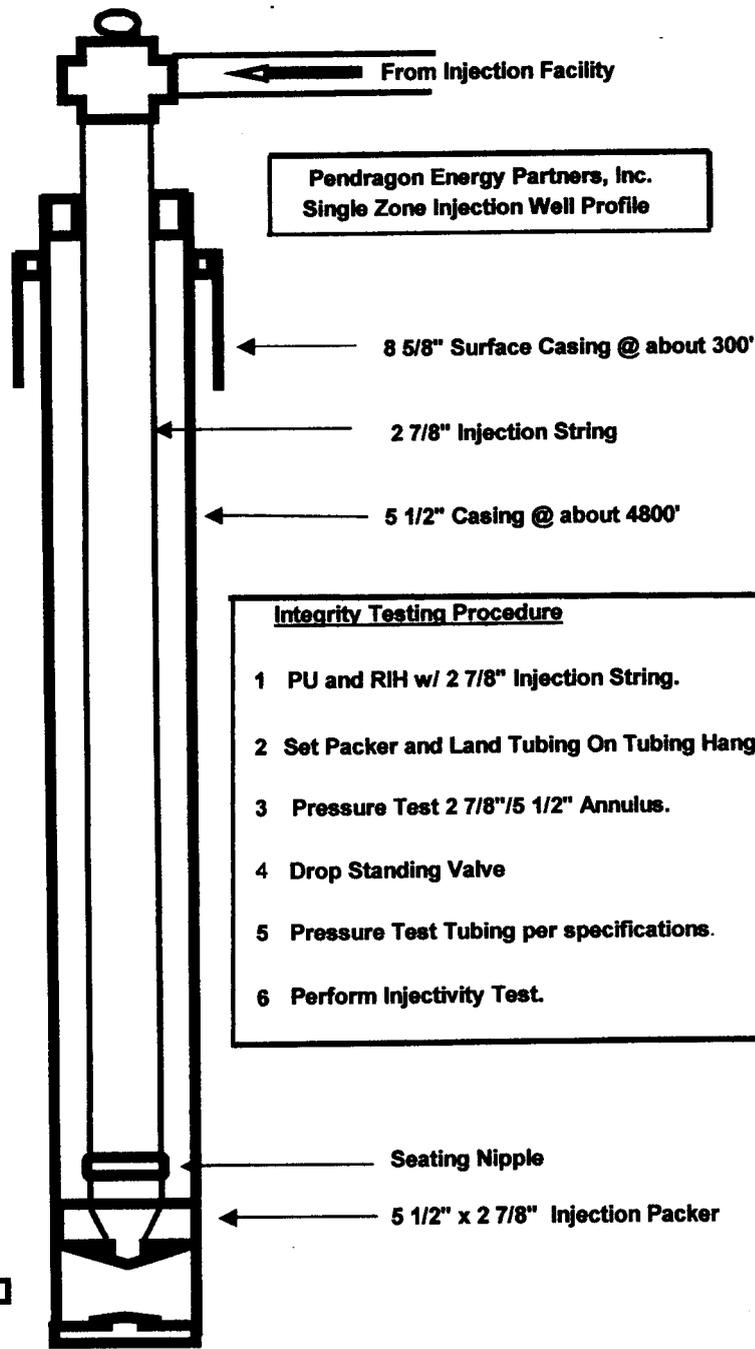
Company: PENDRAGON  
Well name: Federal 7-19-10-18  
Lease Number: UTU 74408  
Location: SWNE, Sec. 19, T10S  
County: Uintah  
Date: 12/6/2003

**P&A DIAGRAM**



**ATTACHMENT # 14**

**MIT PROCEDURE**



**Pendragon Energy Partners, Inc.  
Single Zone Injection Well Profile**

- ← 8 5/8" Surface Casing @ about 300'
- ← 2 7/8" Injection String
- ← 5 1/2" Casing @ about 4800'

- Integrity Testing Procedure**
- 1 PU and RIH w/ 2 7/8" Injection String.
  - 2 Set Packer and Land Tubing On Tubing Hanger.
  - 3 Pressure Test 2 7/8"/5 1/2" Annulus.
  - 4 Drop Standing Valve
  - 5 Pressure Test Tubing per specifications.
  - 6 Perform Injectivity Test.

- ← Seating Nipple
- ← 5 1/2" x 2 7/8" Injection Packer

**Injection Zone**  
←

## MECHANICAL INTEGRITY TEST PROCEDURE

The proposed concentric tubing arrangement for water injection is, for the purpose of mechanical integrity testing, identical to a single-zone injector. The Baker Model R packer (or equivalent) set just above the A-Sand provides the isolation of the tubing-casing annulus. Below that packer, there is no isolation required, just as there would not be if the two sets of perforations were being injected into with no separation between them. Integrity of the 3-1/2 inch tubing and casing integrity above the upper packer are the two parameters of importance, and the integrity of the 1-1/2 inch tubing, while of importance to the operator, has no bearing on these parameters.

Integrity testing can be accomplished by pressuring up the annulus between the casing and the 3-1/2 inch tubing. The pressure and duration of test will be as required by the EPA.

Should repair of the 3-1/2 inch tubing be necessary, it can readily be pulled simply by first pulling the 1-1/2 inch tubing and then stinging out of the upper packer with the 3-1/2 inch tubing and coming out just as if it were the only tubing string in the hole.

Should a casing repair be necessary, once the 3-1/2 inch tubing is out of the hole, repairs such as cement squeezing can be accomplished normally after setting a plug in the upper packer and protecting it with 2-3 sacks of sand. The casing can then be re-tested prior to circulating the hole clean and re-running the tubing and/or after it is run, as directed by the EPA.

### Test Procedure Details:

- 1) MIRU Service Unit.
- 2) Bleed off pressure, if any, on 1-1/2 inch tubing and 3-1/2 inch tubing.
- 3) ND wellhead & NU BOP.
- 4) Pressure up casing – 3-1/2 inch tubing annulus to 1500 psi for 15 minutes (or per EPA instructions).
- 5) If pressure holds, ND BOP & NU wellhead. Resume injection.
- 6) If pressure does not hold, bleed off pressure & sting out and POOH with 1-1/2 inch tubing.
- 7) Set standing valve in bottom of 3-1/2 inch tubing.
- 8) Pressure up 3-1/2 inch tubing to 1500 psi for 15 minutes (or per EPA instructions).
- 9) If tubing pressure does not hold, retrieve plug and round trip 3-1/2 inch tubing hydrotesting to 4000 psi on each stand.
- 10) Re-run 1-1/2 inch tubing and return well to injection.

Form 3160-3  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

5. Lease Serial No.  
UTU74408

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
UTU 81306X

8. Well Name and No.  
FEDERAL #7-19-10-18

9. API Well No.  
43-047-33244

10. Field and Pool, or Exploratory Area  
UTELAND BUTTE

11. County or Parish, State  
UINTAH, UT.

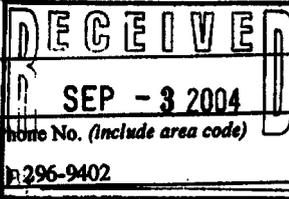
**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
PENDRAGON ENERGY PARTNERS, INC.

3a. Address  
621 17TH STREET, SUITE #750, DENVER, CO 80293

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)  
1443' FNL, 2412' FEL  
SW/4 NE/4 SECTION 19, T 10 S - R 18 E



3b. Phone No. (include area code)  
303 296-9402

**12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>CONVERT TO</u>	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>WATER SOURCE</u>	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>WELL</u>	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS WELL WILL BE CONVERTED TO A WATER SOURCE WELL FOR THE UTELAND BUTTE (LOWER GREEN RIVER) WATERFLOOD UNIT. THIS WELL AND LEASE ARE WITHIN THE UNIT, WHICH BECAME EFFECTIVE 9/1/04.

PROCEDURE: SET CIBP @ 4700' (ABOVE CURRENT PERFORATION)  
PERFORATE GREEN RIVER WATER-BEARING SANDS W / 4 SPF IN THE GROSS INTERVAL 2960' - 4275'

THERE ARE NUMEROUS SANDS IN THIS GROSS INTERVAL. THEY WILL BE TESTED IN GROUPS OF 2-3 SANDS AT A TIME UNTIL A SUFFICIENT WATER PRODUCTION RATE IS ACHIEVED.

COPY SENT TO OPERATOR  
DATE: 8-22-05  
INITIALS: CTH

**CONDITIONS OF APPROVAL ATTACHED**

**RECEIVED**

OCT 27 2004

PENDRAGON ENERGY  
PARTNERS, INC.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

ALAN B. NICOL

Title  
PRESIDENT

Signature

Date  
AUGUST 25, 2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Name (Printed/Typed)

Petroleum Engineer

Office

Date

10/19/04

Conditions of approval, if any, are attached. Approval of this notice 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.

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

(Continued on next page)

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Federal Approval Of This  
Action Is Necessary

OPERATOR

RECEIVED

AUG 17 2005

DIV. OF OIL, GAS & MINING

Date: 8/19/05  
By: [Signature]

**Pendragon Energy Partners Inc.  
Conversion to Water Source Well Notice of Intent**

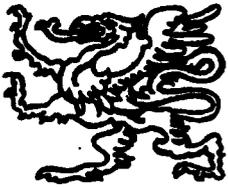
Well: Federal 7-19-10-18

Location: SWNE Sec. 19 T10S, R18E

Lease: UTU 74408

**CONDITIONS OF APPROVAL**

1. The CIBP proposed at 4700' does not meet the minimum requirements for permanent abandonment of open perforations. The CIBP must be set within 50' of the top perf and prior to permanent abandonment of this well, must be capped with a minimum of 35' of cement.
2. No additional surface disturbance is to occur without prior approval from this office.
3. Following completion operations, submit in duplicate, Form 3160-4 (formerly Form 9-330), Well completion or Recompletion Report and Log. This report must be filed within 30 days after the culmination of downhole recompletion operations.



PENDRAGON ENERGY PARTNERS, INC.

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

FACSIMILE TRANSMITTAL

COVER SHEET

DATE: 8/17/05 TIME: 11:23

TO: Carolyn Johnson

COMPANY: \_\_\_\_\_

FAX #: 801-359-3940

FROM: Janeen

COMPANY: \_\_\_\_\_

FAX #: \_\_\_\_\_

NO. OF PAGES (including cover): 11

MESSAGE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If you have any questions regarding the facsimile you have just received, please call us at (303) 296-9402.

Janeen  
Signature

303 296-9410

Form 3160-5  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

*Well file*

5. Lease Serial No.  
UTU74408

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
UTU81306X

8. Well Name and No.  
FEDERAL #7-19-10-18

9. API Well No.  
43-047-33244

10. Field and Pool, or Exploratory Area  
UTELAND BUTTE

11. County or Parish, State  
UINTAH, UT.

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
PENDRAGON ENERGY PARTNERS, INC.

3a. Address  
621 17TH STREET, SUITE #750, DENVER, CO 80293

3b. Phone No. (include area code)  
303) 296-9402

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)  
1443' FNL, 2412' FEL  
SW/4 NE/4 SECTION 19, T 10 S - R 18 E

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>CONVERT TO</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>WATER SOURCE</u>
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>WELL</u>

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SET PERMANENT BRIDGE PLUG AT 4650' (140' ABOVE TOP PERFORATION IN NON-COMMERCIAL "C" SHOAL OIL ZONE). DUMPED 35' OF CEMENT ON BRIDGE PLUG.

RECEIVED

DEC 27 2004

PENDRAGON ENERGY PARTNERS, INC.

RECEIVED  
OCT 25 2004  
By \_\_\_\_\_

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

ALAN B. NICOL

Title PRESIDENT

Signature

Date OCTOBER 21, 2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

NOTED

Name (Printed/Typed)

Title

Office

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

DEC 07 2004

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

(Continued on next page)

OPERATOR

Form 3160-5  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

SEP 03 2004

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

BLM VERNAL, UTAH

5. Lease Serial No.  
U74408, UTU74836, U018260A, U74407

6. Indian, Allottee or Tribe Name

---

7. If Unit or CA/Agreement, Name and/or No.  
UTU 81306X

---

8. Well Name and No.

---

9. API Well No.

---

10. Field and Pool, or Exploratory Area  
UTELAND BUTTE (LGR) UNIT

---

11. County or Parish, State  
UINTAH, UT

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
PENDRAGON ENERGY PARTNERS, INC.

3a. Address  
621 17TH STREET, SUITE #750, DENVER, CO 80293

3b. Phone No. (include area code)  
303) 296-9402

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)  
SEE ATTACHED SURVEYS

**12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

LAY BURIED 2" WRAPPED STEEL WATER INJECTION LINES UNDER EXISTING LEASE ROADS AND R. O. W., FROM THE PENDRAGON FEDERAL #7-19 WELLSITE TO THE PENDRAGON FEDERAL #5-20 AND #9-17 WELLS (SEE ATTACHED MAP.) THESE LINES WILL BE BURIED AT LEAST 2 FEET DEEP AND MAY LIE UNDER THE ROADS AND/OR UNDER THE ADJACENT DITCHES. NO NEW SURFACE DISTURBANCE IS REQUIRED OR REQUESTED.

**CONDITIONS OF APPROVAL ATTACHED**

VERNAL DIST.  
ENG. \_\_\_\_\_  
GEOL. \_\_\_\_\_  
E.S. \_\_\_\_\_  
PET. \_\_\_\_\_  
A.M. \_\_\_\_\_

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **ALAN B. NICOL** Title **PRESIDENT**

Signature *[Signature]* Date **AUGUST 25, 2004**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

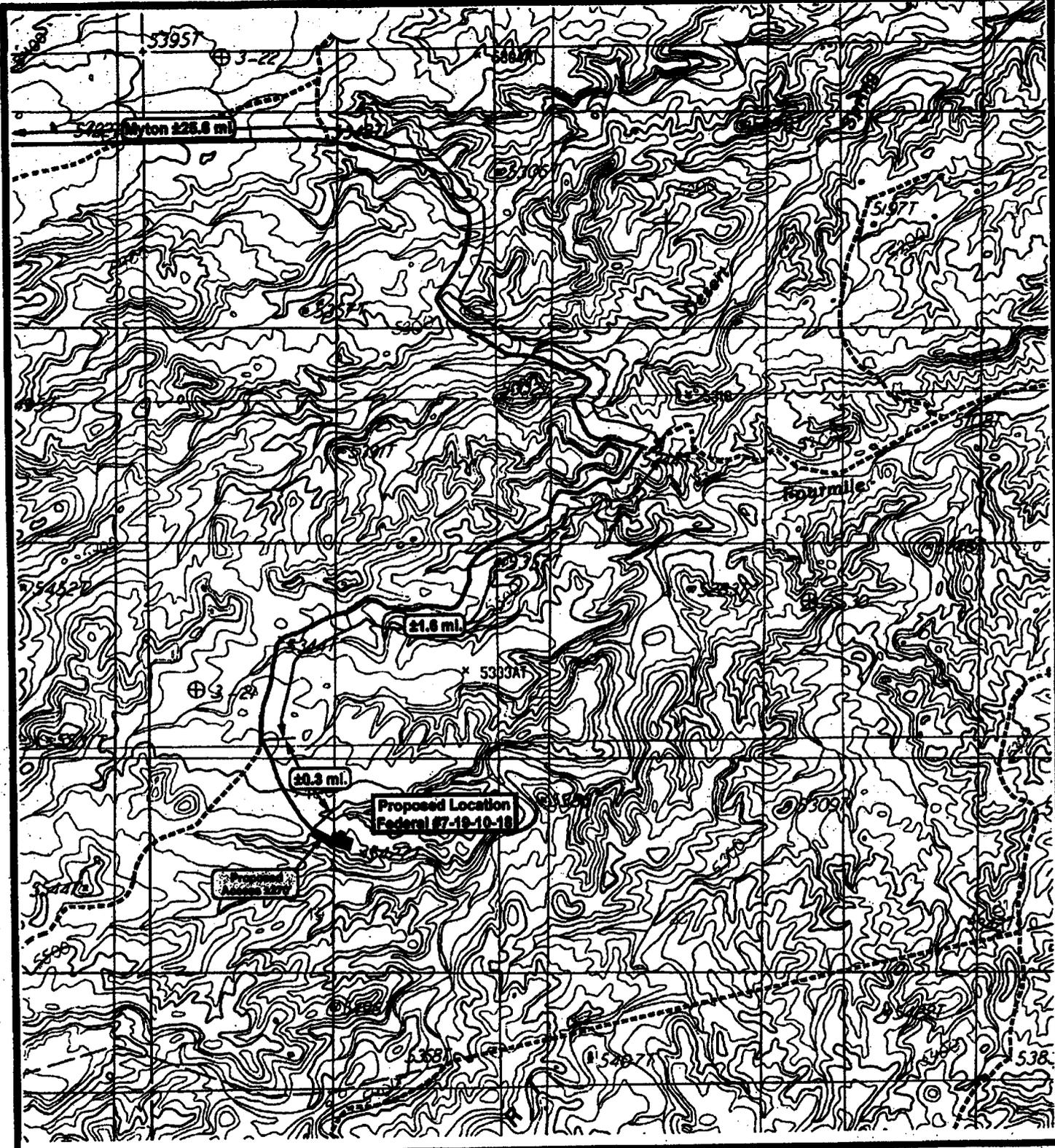
Approved by (Signature) *[Signature]* Name (Printed/Typed) **David J. [Name]** Title **Asst. [Title]**

Conditions of approval, if any, are attached. Approval of this notice 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.

Office \_\_\_\_\_ Date **1/21/05**

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

(Continued on next page)  
**OPERATOR**



**PENDRAGON**  
**ENERGY PARTNERS INC.**

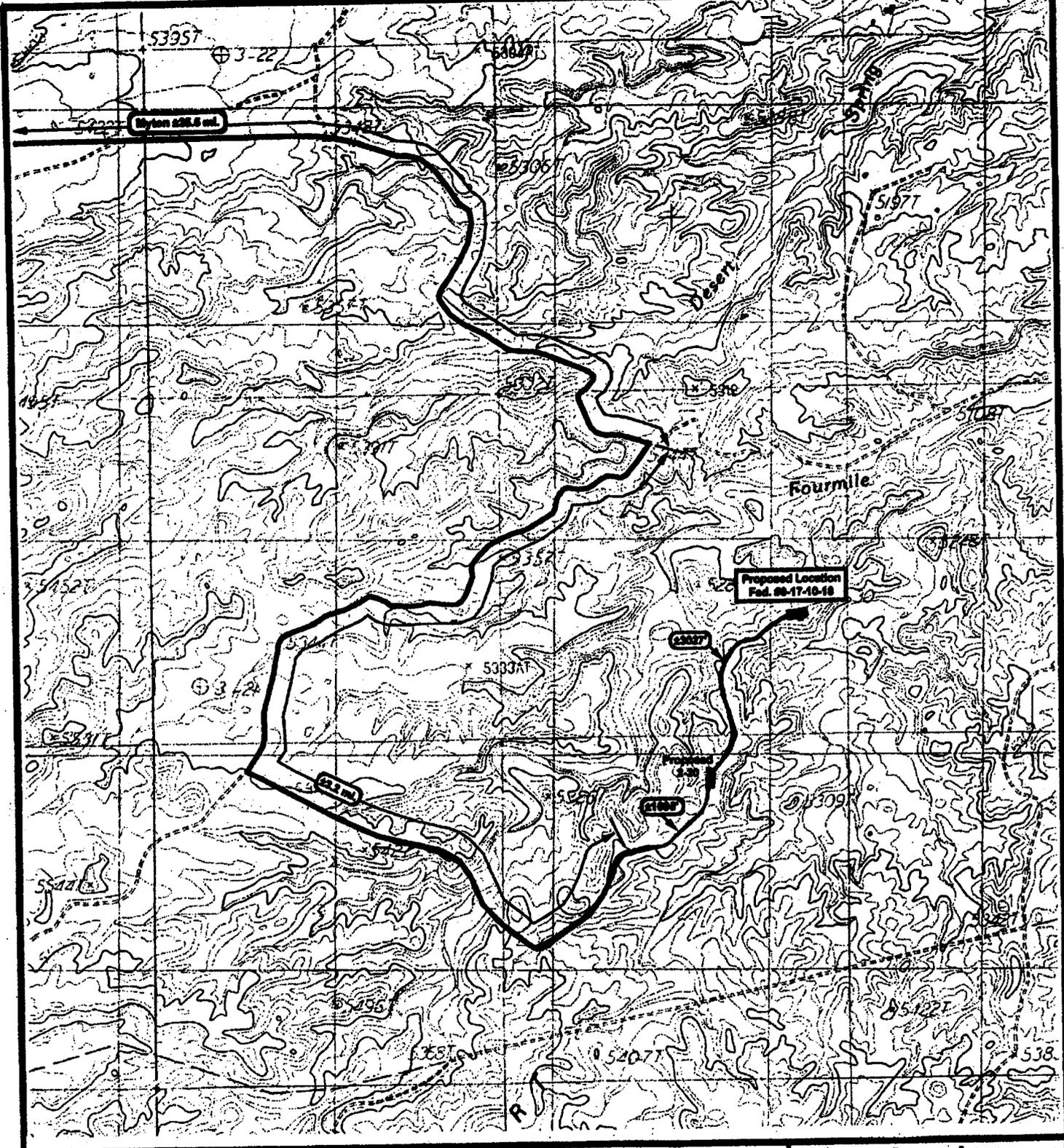
**Federal #7-19-10-18**  
**SEC. 19, T10S, R18E, S.L.B.&M.**

*Tri-State*  
*Land Surveying Inc.*  
 (435) 781-2501  
 180 North Vernal Ave. Vernal, Utah 84078

SCALE 1" = 2,000'  
 DRAWN BY R.A.B.  
 DATE 12-30-2002

**Legend**  
 Existing Road  
 Proposed Access  
 Rev. 01-22-03 (Move West)

LOCAL PUBLIC ROAD  
**"B"**



**PENDRAGON**  
**ENERGY PARTNERS INC.**

**Federal #9-17-10-18**  
**SEC. 17, T10S, R18E, S.L.B.&M.**



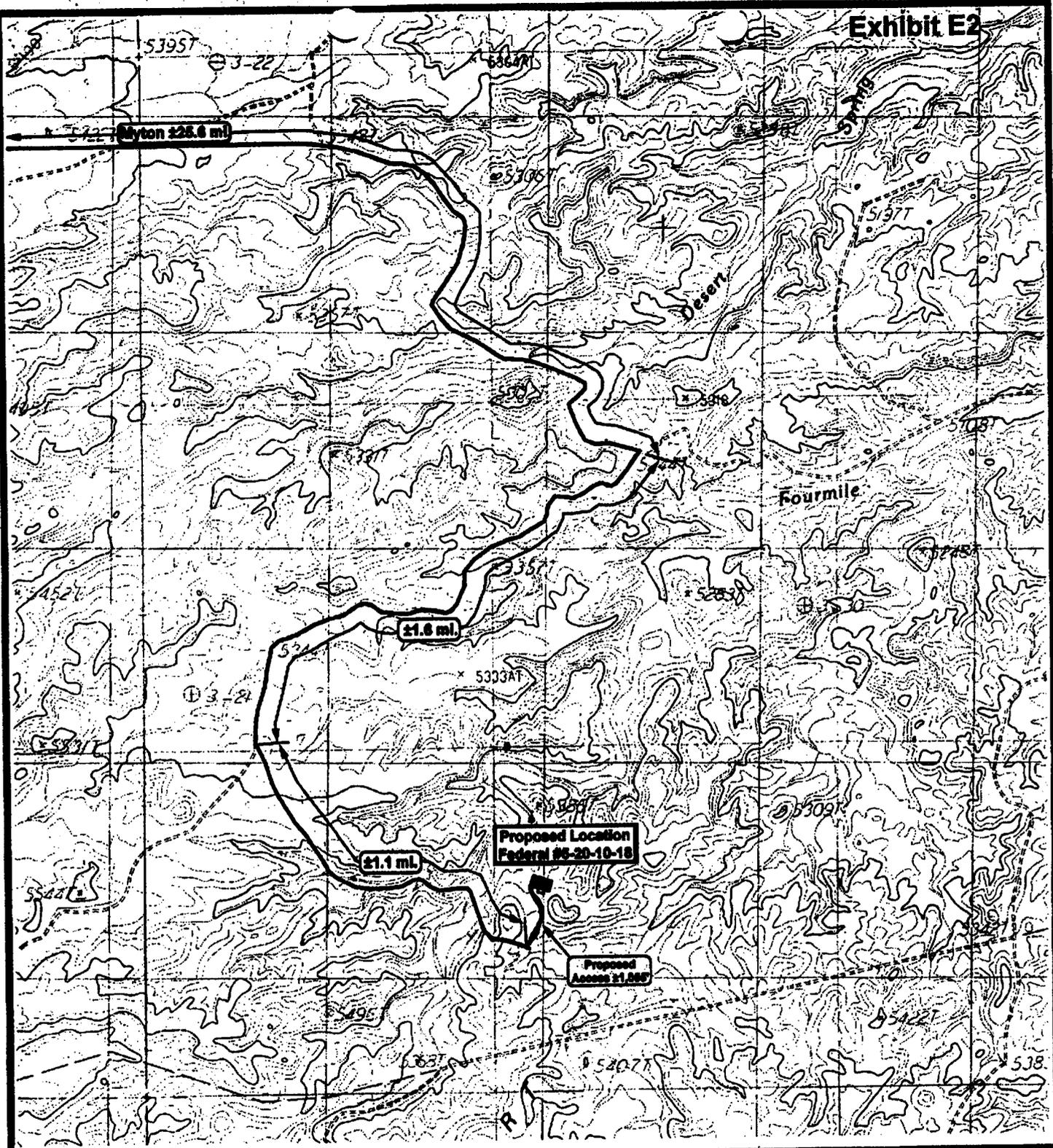
*Tri-State*  
*Land Surveying Inc.*  
 (435) 781-2501  
 28 West 100 North Vernal, Utah 84078

SCALE: 1" = 200'  
 DRAWN BY: DMB  
 DATE: 08-17-2005

**Legend**  
 Existing Road  
 Proposed Access

FOOTING: 100' WIDE  
**"B"**

Exhibit E2



**PENDRAGON**  
**ENERGY PARTNERS INC.**

**Federal #5-20-10-18**  
**SEC. 20, T10S, R18E, S.L.B.&M.**



*Tri-State*  
*Land Surveying Inc.*  
 (435) 781-2501  
 180 North Vernal Ave. Vernal, Utah 84078

SCALE 1" = 2,000'  
 DRAWN BY R.A.B.  
 DATE 12/10/2002

**Legend**  
 Existing Road  
 Proposed Access

TOPOGRAPHIC MAP

**"B"**

January 19, 2005

Re: Sundry Notice request: Installation of water flood plant and 2" buried water injection from Pendragon's existing well #7-19-10-18 to their State well #11-16-10-18 for water injection and secondary recovery of oil.

Location: Sections 16, 17, 19 & 20, T10S, R18E.

CONDITIONS OF APPROVAL

1. All vehicular traffic, personnel movement, construction and restoration operations will be confined to the defined areas approved for disturbance examined for this Sundry Notice or to existing roadways. All workers and contractors will be notified that off route travel will not be allowed.
2. All disturbed areas will be re-contoured to near natural appearance to be free of equipment cuts, fills or berms. Berms developed over the pipeline after trench filling, will not be noticeable at the time that the disturbed area is reseeded. Disturbance along roadways will have after reclamation a re-worked borrow ditch and road berm developed to identify the road way from the waterline reclamation. At termination of the use of the line the pipeline will be left in place for those buried portions of the line. All disturbed surfaces will receive reclamation as required by the authorized officer.
3. To re-vegetate the area of surface disturbance for the reclaimed waterline, reseeding will be performed with the following seed mixture, pounds of seed per acre, and methodology. Drilling of the seed is preferred but if the seed is broadcasted then the pounds of seed application will be double. Seeding will be performed within seven days from the time the surface has been properly re-contoured.

<u>Pure Live Seed(PLS)</u>	<u>lbs/acre</u>
shadscale ( <i>Atriplex confertifolia</i> )	4
Gardners salt bush ( <i>Atriplex gardneri</i> )	4
galleta grass ( <i>Hilaria jamesii</i> )	4

4. Installation of the buried water line shall not occur March 1 thru July 15 due to ferruginous hawk nesting in the area, unless a qualified wildlife biologist acceptable to the authorized officer determines that the species is not nesting in the area at this time.
5. A copy of the approved Sundry Notice and Conditions of Approval will be onsite with the construction crews during the installation of this water injection line.

Form 3160-5-  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.  
**UTU74408**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
**UTU 81306X**

8. Well Name and No.  
**FEDERAL #7-19-10-18**

9. API Well No.  
**43-047-33244**

10. Field and Pool, or Exploratory Area  
**UTELAND BUTTE**

11. County or Parish, State  
**UINTAH, UT.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

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

3a. Address  
**621 17TH STREET, SUITE #750, DENVER, CO 80293**

3b. Phone No. (include area code)  
**303) 296-9402**

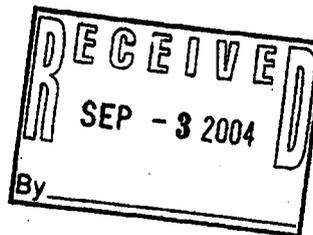
4. Location of Well (Footage, Sec., T, R., M., or Survey Description)  
**1443' FNL, 2412' FEL  
SW/4 NE/4 SECTION 19, T 10 S - R 18 E**

**12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS WELLSITE PAD WILL BE THE LOCATION OF THE UTELAND BUTTE (LOWER GREEN RIVER) WATERFLOOD PLANT. THE PLANT WILL CONSIST OF A 14' X 50' BUILDING HOUSING THE INJECTION PUMP, FILTER AND CONTROLS. EXISTING OIL TANKS WILL BE CONVERTED TO WATER STORAGE TANKS. A TAKE POINT WITH A METER TO PURCHASE GAS FROM GASCO WILL ALSO BE LOCATED ON THE PAD, ALONG WITH A GAS POWERED 350 KWH ELECTRICAL GENERATOR TO RUN THE PLANT. NO NEW SURFACE DISTURBANCE IS REQUIRED OR REQUESTED.



**CONDITIONS OF APPROVAL ATTACHED**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **ALAN B. NICOL** Title **PRESIDENT**

Signature *[Signature]* Date **AUGUST 25, 2004**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by (Signature) *[Signature]* Name (Printed/Typed) **David E. Keenan** Title **Acting Area Supervisor**

Conditions of approval, if any, are attached. Approval of this notice 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.

Office \_\_\_\_\_ Date **1/21/05**

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

(Continued on next page)

**OPERATOR**

January 19, 2005

Re: Sundry Notice request: Installation of water flood plant and 2" buried water injection from Pendragon's existing well #7-19-10-18 to their State well #11-16-10-18 for water injection and secondary recovery of oil.

Location: Sections 16, 17, 19 & 20, T10S, R18E.

CONDITIONS OF APPROVAL

1. All vehicular traffic, personnel movement, construction and restoration operations will be confined to the defined areas approved for disturbance examined for this Sundry Notice or to existing roadways. All workers and contractors will be notified that off route travel will not be allowed.
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<u>Pure Live Seed (PLS)</u>	<u>lbs/acre</u>
shadscale ( <i>Atriplex confertifolia</i> )	4
Gardners salt bush ( <i>Atriplex gardneri</i> )	4
galleta grass ( <i>Hilaria jamesii</i> )	4

4. Installation of the buried water line shall not occur March 1 thru July 15 due to ferruginous hawk nesting in the area, unless a qualified wildlife biologist acceptable to the authorized officer determines that the species is not nesting in the area at this time.
5. A copy of the approved Sundry Notice and Conditions of Approval will be onsite with the construction crews during the installation of this water injection line.



PENDRAGON ENERGY PARTNERS, INC.

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

FACSIMILE TRANSMITTAL

COVER SHEET

DATE: 8/18/05 TIME: 8:47

TO: Austin Doucet

COMPANY: \_\_\_\_\_

FAX #: \_\_\_\_\_

FROM: Janeen

COMPANY: \_\_\_\_\_

FAX #: \_\_\_\_\_

NO. OF PAGES (including cover): 16

MESSAGE: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

If you have any questions regarding the facsimile you have just received, please call us at (303) 296-9402.

Janeen  
Signature



OLENE S. WALKER  
Governor  
GAYLE F. MCKEACHNIE  
Lieutenant Governor

State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
Division of Water Rights

ROBERT L. MORGAN  
Executive Director

JERRY D. OLDS  
State Engineer/Division Director

October 6, 2004

PENDRAGON ENERGY PARTNERS INC.  
ALAN B. NICOL, PRESIDENT  
621 17TH STREET, SUITE 750  
DENVER, CO 80293

**RECEIVED**

OCT - 8 2004

PENDRAGON ENERGY  
PARTNERS, INC.

Dear Applicant:

RE: APPROVED APPLICATION  
NUMBER 47-1815 (F75413)

This is your authority to develop the water under the above referenced application which under Sections 73-3-10 and 73-3-12, Utah Code Annotated, 1953, as amended, must be diligently prosecuted to completion. The water must be put to beneficial use and proof of beneficial use must be made to the State Engineer on or before the **PROOF-DUE DATE** of October 31, 2009; otherwise, the application will be **LAPSED**.

Proof of beneficial use is evidence to the State Engineer that the water has been put to its full intended beneficial use. By law, proof must be prepared by a registered engineer or land surveyor, who will certify to the location and uses for the water. Your proof of beneficial use will become the basis for the extent of your water right.

Failure on your part to comply with the requirement of the statutes may result in forfeiture of this application. It is the applicant's obligation to maintain a current address with this office. Please notify this office immediately of any change.

Your contact with this office, should you need it, is with the Vernal Regional Office. The telephone number is (435)781-5327.

Sincerely,

For **JERRY D. OLDS**  
Jerry D. Olds, P.E.  
State Engineer

JDO:kkh

Encl.: Memorandum Decision

BEFORE THE STATE ENGINEER OF THE STATE OF UTAH

IN THE MATTER OF FIXED-TIME )  
 )  
APPLICATION NUMBER 47-1815 (F75413) )

MEMORANDUM DECISION

Fixed-Time Application Number 47-1815 (F75413), in the name of Pendragon Energy Partners Inc., was filed on June 1, 2004, to appropriate 0.15 cfs of water from a well 2900 to 4000 feet deep, located South 1443 feet and West 2412 feet from the NE Corner of Section 19, T10S, R18E, SLB&M, to be used for a pilot waterflood of two oil-producing zones. The Uteland Butte Waterflood Unit project encompasses portions of Sections 16,17,19,20,29 and 30, T10S, R18E, SLB&M. The application was advertised in The Vernal Express on June 23 and June 30, 2004, and was not protested.

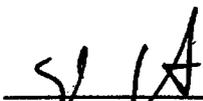
It is the opinion of the State Engineer that there is water that can be appropriated under this fixed-time application. However, this right will not be granted in perpetuity. The fixed-time nature of this application has been discussed with the applicant and the applicant is willing to accept the conditions of such an approval.

It is, therefore, **ORDERED** and Fixed-Time Application Number 47-1815 (F75413) is hereby **APPROVED** subject to all prior rights. This application is also approved subject to Section 73-3-8, Utah Code Annotated, 1953, as revised, for a Fixed-Time, not to exceed ten years, at which time this application will permanently lapse, except as noted in Section 73-3-8, paragraph #2, Utah Code Annotated.

The applicant still has the responsibility of utilizing the water and for showing diligence to develop this right and for preparing and submitting proof of beneficial use of the water as required under Sections 73-3-12 and 73-3-16 of the Utah Code Annotated.

This Decision is subject to the provisions of Rule R655-6-17 of the Division of Water Rights and to Sections 63-46b-13 and 73-3-14 of the Utah Code Annotated, 1953, which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Decision. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Decision, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 6<sup>th</sup> day of October, 2004.

FOR  BOND CLAYTON  
Jerry D. Olds, P.E., State Engineer

**MEMORANDUM DECISION  
FIXED-TIME APPLICATION NUMBER  
47-1815 (F75413)  
PAGE -2-**

JDO:RWL:kkh

Mailed a copy of the foregoing Memorandum Decision this 6<sup>th</sup> day of October, 2004, to:

Pendragon Energy Partners Inc.  
Alan B. Nicol, President  
621 17th Street, Suite 750  
Denver, CO 80293

BY: Kelly K. Horne  
Kelly K. Horne, Secretary



OLENE S. WALKER  
Governor  
GAYLE F. McKEACHNIE  
Lieutenant Governor

State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
Division of Water Rights

ROBERT L. MORGAN  
Executive Director

JERRY D. OLDS  
State Engineer/Division Director

May 25, 2004

**RECEIVED**

MAY 27 2004

**PENDRAGON ENERGY  
PARTNERS, INC.**

Alan B. Nicol, President  
Pendragon Energy Partners Inc.  
621 17<sup>th</sup> Street, Suite 750  
Denver, CO 80293

Dear Mr. Nicol:

Enclosed please find enclosed, the Fixed Time Application to Appropriate Water which you requested by your letter dated May 18, 2004. Please peruse the application and if it meets with your approval, please sign it on the back where indicated and also on the map. If you need any minor corrections, please make them in ink and initial them.

The signed documents need to be returned to this office with a check made payable to Division of Water Rights in the amount of \$100.00 to cover cost of filing. Although you will probably need the water for 20 years, our policy for oil exploration and recovery has been 10 years. That way, you may file an extension at the end of five years and then file a new application for another 10 years.

The application will be advertised in the Vernal Express for two consecutive weeks, after which there will be a 20-day protest period. Following that time and presuming there will be no protests, the application can be approved.

If you have any questions or if we can be of further assistance, please feel free to contact our office at (435) 781-5327.

Sincerely,

Billie M. White  
Secretary

Enclosures

# FIXED TIME APPLICATION TO APPROPRIATE WATER

Rec. by \_\_\_\_\_

Fee Paid \$100.00

Receipt # \_\_\_\_\_

## STATE OF UTAH

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3, Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER:

(00432BWHITE)

FIXED TIME APPLICATION NUMBER:

\*\*\*\*\*

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: Pendragon Energy Partners Inc.  
ADDRESS: Alan B. Nicol, President  
621 17th Street, Suite 750  
Denver, CO 80293

B. PRIORITY DATE:

FILING DATE:

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 0.15 cfs

B. SOURCE: producing oil well #7-19

COUNTY: Uintah

C. POINT OF DIVERSION -- UNDERGROUND:

(1) S 1,443 feet W 2,412 feet from NE corner, Section 19, T 10S, R 18E, SLBM

WELL DIAMETER: inches

WELL DEPTH: 2,900 to 4,000 feet

COMMENT: see explanatory

D. COMMON DESCRIPTION: 20 miles southeast of Myton

3. WATER USE INFORMATION:

OIL RECOVERY: from Jan 1 to Dec 31 Water will be used for a pilot waterflood of two oil-producing zones.

The Uteland Butte Waterflood Unit project encompasses portions of Sections 16, 17, 19, 20, 29 & 30, T10S, R18E, SLM. This application is for a fixed-time not to exceed 10 years.

\*-----\*

4. EXPLANATORY:

This Fixed-Time Application is for right to use water contained in the Green River Formation at depths between 2900 and 4000 feet. The waterflood will be at depths of approximately 4600-4800 feet. The #7-19 well is currently a producing oil well from the Green River Formation with perforations at 4790-4794 feet. Casing is cemented from total depth to 2130 feet from surface. The zones to be recompleted for water source are a series of sandstone beds ranging from 5 to 20 feet thick.

APPLICATION TO APPROPRIATE for Water Right:

continued\*\* (00432BWHITE) Page: 2

## 5. SIGNATURE OF APPLICANT(S):

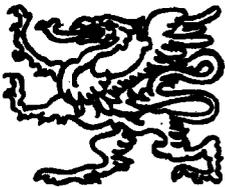
The applicant(s) hereby acknowledge(s) that he/she/they are citizen(s) of the United States of America or intend(s) to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of information contained herein, at the time of filing, rests with the applicant(s).



---

Pendragon Energy Partners Inc.





**PENDRAGON ENERGY PARTNERS, INC.**

621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

---

Ms. Billie M. White  
State of Utah  
Division of Water Rights  
State and County Building  
152E 100N, Vernal, Utah 84078-2126

27 May, 2004

Dear Ms. White:

Our signed application and check are enclosed. Your prompt attention and assistance in getting this application prepared is most appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan B. Nicol". The signature is fluid and cursive, written over a light background.

Alan B. Nicol  
President

PENDRAGON ENERGY PARTNERS, INC.  
621 17TH ST. STE 750  
DENVER, CO 80203

3846

23-2/1020 285

DATE 5/27/04

© HARLAND STEEL, INC.

PAY TO THE ORDER OF

*Division of Water Rights*  
*One Hundred and 00/100*

\$ 100.00

DOLLARS



**usbank.**

usbank.com

The Star Service Company

*Filing Fee for Fixed Time*

FOR

*app. to appropriate water #7-19*

*[Signature]*

⑈0000003846⑈ ⑆10200002⑆ ⑆22701677462⑈

**Pendragon Energy Partners, Inc.**

**CONVERSION TO WATER SUPPLY**

**Well: FEDERAL #7-19-10-18**

**Date: 11/20/04**

<b>Section:</b>	<b>Township: 10S</b>	<b>Range: 18E</b>	<b>County: Uintah</b>	<b>State: UT</b>
-----------------	----------------------	-------------------	-----------------------	------------------

<b>TD:</b>	<b>KB:</b>	<b>GL:</b>	<b>Casing Size:</b>	<b>Wt Range - #/Ft.</b>
------------	------------	------------	---------------------	-------------------------

<b>TOC:</b>	<b>Perfs:</b>	<b>PBTD:</b>
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**Present Operation: INSTALLATION OF SUBMERSIBLE PUMP**

**Details: MI & RU TEMPLES WELL SERVICE. TAGGED BTM - PBTD 4622' (NO**

**APPARENT SAND FILL AFTER SWABBING WTR SOURCE ZONES.) TOOH**

**W / TBG, LD 52 JTS. ND WELLHEAD. NU WHI 5-1/2" X 2-7/8" X #4 RD CABLE**

**SUBMERSIBLE PUMP WELLHEAD. PU WOOD GROUP ESP PUMP & MOTOR.**

**LENGTH 52.20'. TIH W / PUMP, CABLE & 96 JTS 2-7/8" TBG PLUS ONE 4'**

**2-1/2" TBG SUB. BTM @ 3023.04' W / PUMP INTAKE @ 3001.24'. HAD CABLE KINK**

**WHEN 1740' IN HOLE W / ASSEMBLY, REPAIRED SAME & FINISHED RIH. CABLE**

**TSTD NO LEAKS. NU WELLHEAD. RD & MO TEMPLES WELL SERVICE.**

**SUPERVISOR: IB LUECK**

**Pendragon Energy Partners, Inc.**

**CONVERSION TO WATER SUPPLY**

**Well: FEDERAL #7-19-10-18**

**Date: 10/09/04**

**Section: 19**

**Township: 10S**

**Range: 18E**

**County: Uintah**

**State: UT**

**TD:**

**KB:**

**GL:**

**Casing Size:**

**Wt Range - #Ft.**

**TOC:**

**Perfs:**

**PBTD:**

**Present Operation:**

**Details: FLUID LEVEL @ 500'. SWBD AS FOLLOWS:**

	FLUID	TODAY CUM		
TIME	LEVEL	BBLs	BBLs	REMARKS
7:00 AM	500	-	-	
8:00 AM	1300	39	39	5 PULLS
9:00 AM	1800	48	87	"
10:00 AM	1800	45	132	"
11:00 AM	1800	52	184	"
12:00 NOON	1800	42	226	"

**CAUGHT 6 (+1 QUART) WATER SAMPLES. RD & MO PULLING UNIT.**

**SUPERVISOR: IB LUECK**

**Pendragon Energy Partners, Inc.**

**CONVERSION TO WATER SUPPLY**

**Well: FEDERAL #7-19-10-18**

**Date: 10/08/04**

**Section: 19**

**Township: 10S**

**Range: 18E**

**County: Uintah**

**State: UT**

**TD:**

**KB:**

**GL:**

**Casing Size:**

**Wt Range - #/Ft.**

**TOC:**

**Perfs:**

**PBTD:**

**Present Operation:**

**Details: RU WELLSERV WIRELINE SERVICE. RIH W / PERF GUN. CP 0#. HIT**

**FLUID @ 490'. GUN WOULD NOT GO. POOH W / GUN. RAN BIT & 1200' OF TBG.**

**CIRC EST + 5 BBLS OIL OUT OF HOLE. TOOH W / TBG. RIH W / PERF GUN & SHOT**

**3495' - 3513'. RIH W / SECOND GUN & SHOT 3457' - 3467'. TWO HIGHER ZONES.**

**GUN DID NOT SHOOT. POOH W / GUN, RAN BACK IN HOLE W / GUN. GUN**

**MISFIRED AGAIN. POOH W / GUN. RIH W / GUN & PERF 3359' - 3367' & 3342'-3352'.**

**POOH W / GUN, SHOT ALL ZONES W / 4 SPF USING A 4" CSG GUN. TIH W / TBG.**

**CIRC HOLE W / HOT WATER. MADE 1 SWB RUN. SION**

**SUPERVISOR: IB LUECK**

**Pendragon Energy Partners, Inc.**

**CONVERSION TO WATER SUPPLY**

**Well: FEDERAL #7-19-10-18**

**Date: 10/07/04**

**Section: 19**      **Township: 10S**      **Range: 18E**      **County: Uintah**      **State: UT**

**TD:**      **KB:**      **GL:**      **Casing Size:**      **Wt Range - #/Ft.**

**TOC:**      **Perfs:**      **PBTD:**

**Present Operation:**

**Details: BEGAN SWBG AT 7:00 AM. FL @ 400', SITP 0#, SICP 0#. SWBD AS**

**FOLLOWS:**

	FLUID	FLUID ABOVE	CUM		
TIME	LEVEL	PERFS	BBLs	BBLs	REMARKS
7:00 AM	400	2800	-	-	
8:00 AM	1400	1000	35.6	35.6	4 PULLS
9:00 AM	1800	1400	35.6	71.2	4 PULLS-DRAINED TANK
10:00 AM	2000	1200	55.1	126.3	EXTRA PULL - 5 PULLS
11:00 AM	2000	1200	38.9	165.2	4 PULLS, CHANGE CUPS
12:00 PM	2200	1000	48.6	213.8	5 PULLS
1:00 PM	2000	1200	32.4	246.2	4 PULLS
1:30 PM	2000	1200	25.9	272.1	2 PULLS

**PULL TBG, PREPARE TO PERF MIDDLE (BLUE) ZONES IN AM. SION**

**SUPERVISOR: IB LUECK**

**Pendragon Energy Partners, Inc.**

**CONVERSION TO WATER SUPPLY**

**Well: FEDERAL #7-19-10-18**

**Date: 10/06/04**

**Section: 19**

**Township: 10S**

**Range: 18E**

**County: Uintah**

**State: UT**

**TD:**

**KB:**

**GL:**

**Casing Size:**

**Wt Range - #Ft.**

**TOC:**

**Perfs:**

**PBTD:**

**Present Operation:**

**Details: RU WELLSERV WIRELINE SERVICE. SET PERMANENT BP @ 4650'.**

**RAN DUMP BAILER TWICE PUTTING 35' OF CEMENT ON TOP OF BP. PERF**

**3243' - 3264', HIT FLUID @ 1400'. WENT IN HOLE W / SECOND GUN, HIT FLUID @**

**1150'. PERF 3210' - 3230', WIH W / THIRD GUN, HIT FLUID @ 700'. PERF**

**3096' - 3106'. CHECKED FLUID LEVEL AT END, FLUID @ 700'. PERF ALL ZONES**

**W / 4 SPF USING A 4" CSG GUN, TIH W / TBG. RU SWAB. FL @ SFC. MADE 1**

**SWB RUN. SION**

**SUPERVISOR: IB LUECK**

**Pendragon Energy Partners, Inc.**

**CONVERSION TO WATER SUPPLY**

**Well: FEDERAL #7-19-10-18**

**Date: 10/05/04**

**Section: 19**

**Township: 10S**

**Range: 18E**

**County: Uintah**

**State: UT**

**TD:**

**KB:**

**GL:**

**Casing Size:**

**Wt Range - #/Ft.**

**TOC:**

**Perfs:**

**PBTD:**

**Present Operation:**

**Details: MI & RU TEMPLE WELL SERVICE PULLING UNIT. HOT WATER WELL.**

**LD RODS & PUMP. NU BOPs. TOO H W / TBG & ANCHOR. CALLED ED FORSMAN**

**W / BLM & GOT VERBAL PERMISSION TO SET BP TOMORROW AM. SION**

**SUPERVISOR: IB LUECK**

017

FORM 6

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
047-33244	FEDERAL #7-19-10-18	SWNE	19	10S	18E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
E	13853	14366			11/4/04	
Comments: EFFECTIVE 9/1/04 PART OF UTELAND BUTTE WATERFLOOD <i>Secondary Recovery Unit (GREV) eff 9/1/04</i>						

K

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
047-34760	FREDERAL #7-30-10-18	SWNE	30	10S	18E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
E	13731	14366			11/4/04	
Comments: EFFECTIVE 9/1/04 PART OF UTELAND BUTTE WATERFLOOD <i>GREV eff 9/1/04</i>						

K

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
047-34135	FEDERAL #9-17-10-18	NESE	17	10S	18E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
E	13732	14366			11/4/04	
Comments: EFFECTIVE 9/1/04 PART OF UTELAND BUTTE WATERFLOOD <i>GREV 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  
ADMIN SECY  
Title  
11/04/04  
Date

RECEIVED  
NOV 04 2004

DIV. OF OIL & GAS

**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

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. LEASE DESIGNATION AND SERIAL NUMBER:  
**U-74408**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
**Federal 7-19-10-18**

9. API NUMBER:  
**4304733244**

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

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 Water Source Well

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

3. ADDRESS OF OPERATOR:  
**1050 17th Street Suite 500 CITY Denver STATE CO ZIP 80265** PHONE NUMBER: **(303) 672-6900**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1443' FNL, 2412' FEL** COUNTY: **Uintah**

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

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

NAME (PLEASE PRINT) Chad Matney TITLE Landman  
SIGNATURE [Signature] DATE 12-15-2009

(This space for State use only)

APPROVED 01/20/2010  
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



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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
See attached

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
See attached

7. UNIT or CA AGREEMENT NAME:  
See attached

8. WELL NAME and NUMBER:  
See attached

9. API NUMBER:  
Attached

10. FIELD AND POOL, OR WILDCAT:  
See attached

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

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

3. ADDRESS OF OPERATOR:  
1050 17th Street, Suite 500 Denver STATE CO ZIP 80265 PHONE NUMBER: (303) 672-6900

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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>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~~  
 Fee Land Bond Number: ~~965003033~~ *965010695*  
 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) Morgan Anderson TITLE Regulatory Affairs Analyst

SIGNATURE *Morgan Anderson* DATE 6/23/2010

(This space for State use only)

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

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

**APPROVED** *6/13/2010 2009*  
*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

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

UIC FORM 5

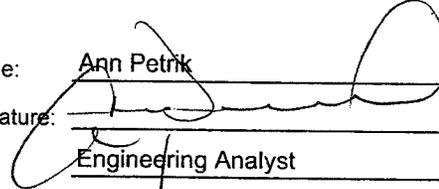
TRANSFER OF AUTHORITY TO INJECT

Well Name and Number See Attached List		API Number Attached
Location of Well		Field or Unit Name Attached
Footage : Attached	County :	Lease Designation and Number Attached
QQ, Section, Township, Range:	State : UTAH	

EFFECTIVE DATE OF TRANSFER: 6/14/2010

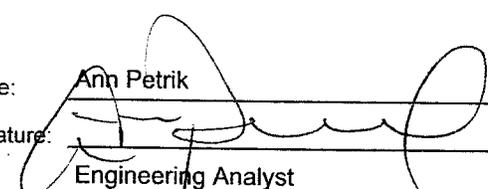
CURRENT OPERATOR

Company: Questar Exploration and Production Company  
Address: 1050 17th Street, Suite 500  
city Denver state CO zip 80265  
Phone: (303) 672-6900  
Comments:

Name: Ann Petrik  
Signature:   
Title: Engineering Analyst  
Date: 6/28/2010

NEW OPERATOR

Company: QEP Energy Company  
Address: 1050 17th Street, Suite 500  
city Denver state CO zip 80265  
Phone: (303) 672-6900  
Comments:

Name: Ann Petrik  
Signature:   
Title: Engineering Analyst  
Date: 6/28/2010

(This space for State use only)

Transfer approved by: \_\_\_\_\_

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

Title: \_\_\_\_\_

Comments:

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

*EPA approved well*

Date: 6/29/10

By: D. [Signature]

RECEIVED

JUN 28 2010