

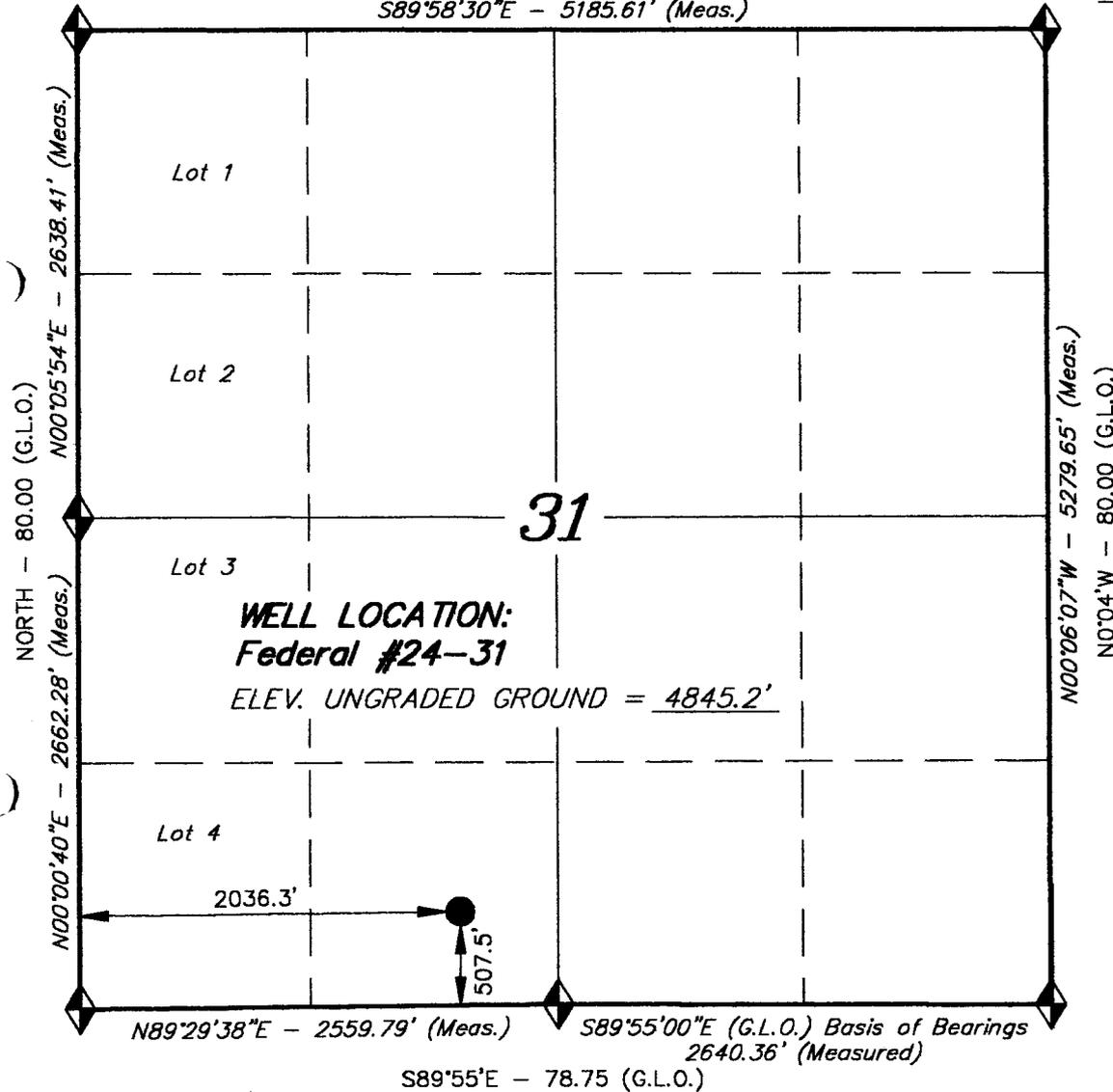


# T8S, R23E, S.L.B.&M.

**BALLARD PETROLEUM LLC**

S89°55'E - 78.75 (G.L.O.)  
S89°58'30"E - 5185.61' (Meas.)

WELL LOCATION, FEDERAL #24-31, LOCATED AS SHOWN IN THE SW 1/4 SE 1/4 OF SECTION 31, T8S, R23E, S.L.B.&M. UINTAH COUNTY, UTAH.



**WELL LOCATION:**  
**Federal #24-31**

ELEV. UNGRADED GROUND = 4845.2'

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

*Gene Stewart*  
**GENE STEWART**  
REGISTERED LAND SURVEYOR  
REGISTRATION No. 44402  
STATE OF UTAH

REVISED: 12-6-99

**TRI STATE LAND SURVEYING & CONSULTING**

38 WEST 100 NORTH - VERNAL, UTAH 84078  
(801) 781-2501

SCALE: 1" = 1000'

SURVEYED BY: G.S. D.S.

DATE: 10-12-99

WEATHER: FAIR

NOTES:

FILE #

◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (REDWASH SE)

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
3160  
(UT-922)

January 6, 2000

### Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2000 Plan of Development Badlands Unit Uintah  
County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following well is planned for calendar year 2000 within the Badlands Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
43-047-33451 FEDERAL 24-31		0508-FSL 2036-FWL 31 08S 23E

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

/s/ Michael L. Coulthard

bcc: File - Badlands Unit  
Division of Oil Gas and Mining  
Agr. Sec. Chron  
Fluid Chron

MCoulthard:mc:1-6-0



December 30, 1999

Division of Oil Gas & Mining

Attn: Leesha Cordova

Dear Ms. Cordova,

As per our telephone conversation on December 30, please process these permits as soon as possible. The federal permits are ready to be approved pending state approval.

If you have any questions please call me at 435-781-2501.

Thank you,

Stacy Stewart  
Agent for  
Ballard Petroleum LLC

RECEIVED  
JAN 01 2000  
DIVISION OF OIL, GAS & MINING

**BALLARD**  
PETROLEUM LLC

October 28, 1999

Bureau of Land Management  
Utah State Office  
Attn: Minerals  
PO Box 45155  
Salt Lake City, UT 84145

RE: Federal #24-31  
SESW, Sec. 31, T8S, R23E  
Uintah County, Utah  
Authorization to Act as Agent

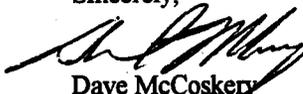
Gentlemen:

This letter is to inform you that Tri-State Land and Surveying & Consulting is authorized to act as Agent and to sign documents on behalf of Ballard Petroleum LLC when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Tri-State Land Surveying & Consulting is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Ballard Petroleum LLC agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Sincerely,

  
Dave McCoskery  
Operations Manager

RECEIVED

JAN 01 2000

DIVISION OF OIL, GAS & MINING



November 10, 1999

Bureau of Land Management  
170 South 500 East  
Vernal, Utah 84078

Attn: Pat Sutton

Re: 3160  
UTO8300

Dear Pat

In Response to your above referenced correspondence, below please find the information you requested.

1. Water Use Authorization, Water will be purchased from Dalbo / A-1 Tanks, this water will be hauled from a well located East 400 feet and North 200 feet from the South ¼ corner of Sec. 32, T4S, R3E, U.S.M. This well is permitted as a permanent water right belonging to A-1 Tanks, Permit #53617.
2. Hazardous Material Declaration should read as follow: No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000# will be used, produced, stored, transported or disposed of annually in association with the drilling, testing or completing of wells within the North Chapita Wells area. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored transported or disposed of in association with the drilling, testing or completing of wells within this area. Specific APDs shall address any modifications from this policy.
3. Expected bottom hole pressure will be 3700 psi.

Also please be advised that there are errors on page one and page two of the BOP Information as submitted. On page one, surface casing program should read, Length = 250', Size = 8 5/8", Grade = J55, Weight = 24#, depth = 250'. On page two casing program should read, Length = 8750, Size = 4 1/2", Grade = N80, Weight = 11.6#, Depth = 8750'.

The changes listed above pertain to four separate APDs that were submitted 11/8/99. These APDs are Fed. #44-30, Fed. #24-31, Fed. #44-31 and Fed. #44-36.

If you have any questions please call me at 781-2501.

Sincerely,

Stacy Stewart  
Agent for Ballard  
Petroleum LLC

CC. Dave McCoskery  
845 12<sup>th</sup> Street West  
Billings, MT 59102

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

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

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Uinta	Surface	
Green River	1765	3092
H Marker	3515	1342
Douglas Creek	4117	740
Carbonate Marker	4489	368
Wasatch Tongue	4555	302
Wasatch	5017	-160
Mesa Verde	7207	-2350
TD	8500	

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Mesa Verde	8,500'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. BOP Equipment/Requirements

Ballard Petroleum LLC's minimum specifications for pressure control equipment are as follows:

Ram Type: 10" Hydraulic double, 2000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more the 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- A. When initially installed
- B. Whenever any seal subject to test pressure is broken
- C. Following related repairs; and
- D. At 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

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

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. 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. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing under strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The Vernal field office shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- A. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 2000 psi working pressure blowout preventer.
- B. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- C. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- D. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. Casing and Cementing Program

- A. The Vernal field office shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.
- B. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all unsafe water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors,

- including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- C. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- D. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).
- E. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- F. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- G. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- H. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- I. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging order are requested, whichever occurs first.
- J. Three centralizers will be run on the bottom three joints of surface casing (minimum of one centralizer per joint starting with the shoe joint).
- K. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. Shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- L. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- M. On all exploratory wells, and on that portion of any well approved for a 5MBOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

N. The proposed casing program will be as follows:

<u>Purpose Used</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or</u>
Surface	0-250'	12-1/4"	8-5/8"	24	J-55	ST&C	New
Production	0-8500'	7-7/8"	4-1/2"	11.6	N-80	ST&C	New

O. Casing design subject to revision based on geologic conditions encountered.

P. The cement program will be as follows:

<u>Surface</u>	<u>Type and Amount</u>
0-250	110 sx Class "G" with 2% CaCl <sub>2</sub> , 0.25#/sx Cello flakes. Cement will be circulated to surface.
<u>Production</u>	<u>Type and Amount</u>
	250 sacks BJ Premium Lite II mixed at 12.0 PPG (Yield = 2.7 Cu. Ft./sk) Tailed with 800 sx Class "G" with fluid loss additives, gas check and friction reducer. Mixed at 15.80 PPG (Yield = 1.15 Cu. Ft./sk) Cement top will be 3500' Actual volumes to be determined from Caliper log.

Q. The Vernal Field Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

R. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

S. The following reports shall be filed with the District Manager within 30 days after the work is completed.

1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
  - A. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of

cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.

- B. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

T. Auxiliary equipment to be used is as follows:

1. Kelly cock
2. No bit float is deemed necessary
3. A sub with a full opening valve

5. Drilling Fluid Program

A. The proposed circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-250	Air & Airmist	N/A	N/A	N/A	N/A
250-5,000	Fresh Water & Gel Sweeps	8.5-8.8	43	N/A	N/A
5,000-8,4000	LSND w/ LCM	8.6-9.0	36-38	12-15	N/A

There will be sufficient mud on location to control a blowout should one occur.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and ph.

B. Mud monitoring equipment to be used is as follows:

1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.

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

6. Evaluation Program - Testing, Logging and Coring

The anticipated type and amount of testing, logging and coring are as follows:

- A. No drill stem test will be ran on this well.

- B. The logging program will consist of a DIL-TD to surface, LDT/CNL TD to 2,500.
- C. 1 core, 24 sidewall.
- D. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by authorized officer (AO).
- E. The anticipated completion program is as follows:

Perforate the Mesa Verde Formation through 4-1/2" cemented casing.

7. Anticipated Pressure and H.S

- A. Abnormal pressures are not anticipated.
- B. No hydrogen sulfide gas is anticipated.

8. Other Information and Notification Requirements

- A. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date that the well is placed on production.
- B. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- C. 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 the 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.
- D. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production

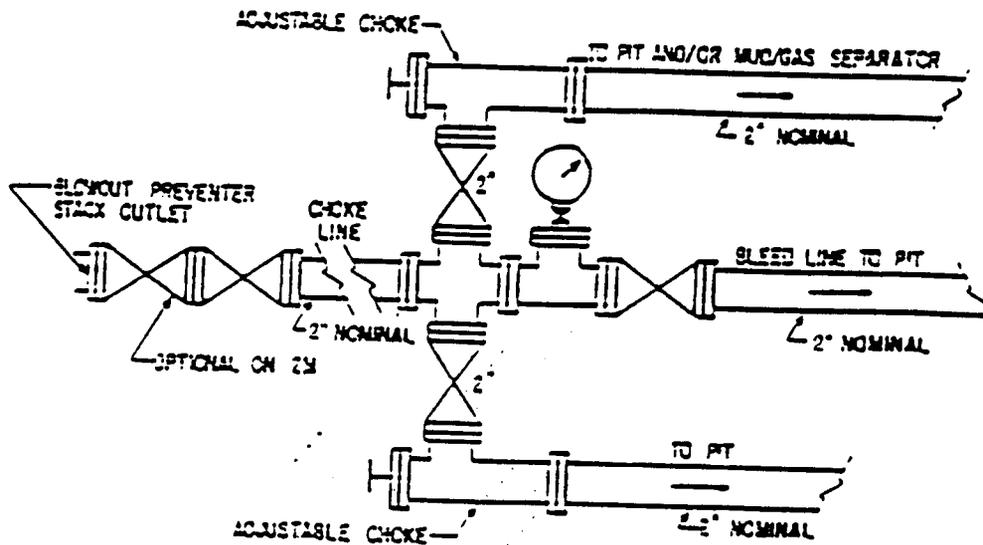
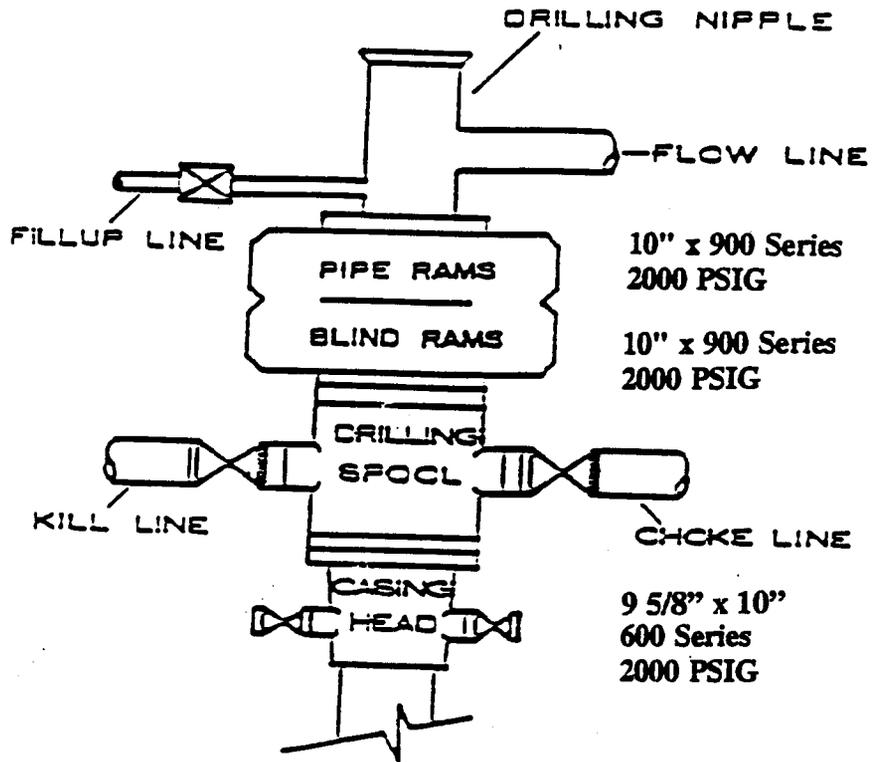
of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flare of gas beyond the initial 30 day or authorized test period.

- E. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the gas can be captured or 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.
- F. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4
- G. 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 316.2.4-1(b)(5)(ii).
- H. Drilling is planned to commence on Dec. 20, 1999.
- I. It is anticipated that the drilling of this well will take approximately 14 days.
- J. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed on a suspended status without prior approval of the AO. If operations are to be suspended, prior approval will be obtained and notification given before resumption of operations.

- 
- K. **Immediate Report:** Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- L. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of the approved plan are applicable during all operations conducted with the replacement rig.
- M. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- N. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

# EOF STACK

2,000 PSI



2,000 PSI CHOKE MANIFOLD

# BALLARD PETROLEUM LLC

<b>Operator:</b> BALLARD PETROLEUM LLC	<b>Well Name:</b> Federal #24-31
<b>Project ID:</b>	<b>Location:</b> Uintah County, Utah

Design Parameters:

Mud weight (8.30 ppg) : 0.431 psi/ft  
 Shut in surface pressure : 360 psi  
 Internal gradient (burst) : 0.100 psi/ft  
 Annular gradient (burst) : 0.431 psi/ft  
 Tensile load is determined using air weight  
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125  
 Burst : 1.00  
 8 Round : 1.80 (J)  
 Buttress : 1.60 (J)  
 Body Yield : 1.50 (B)

Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost
1	400	9-5/8"	36.00	J-55	ST&C	400	8.765

	Collapse			Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension		
	Load (psi)	Strgth (psi)	S.F.				Load (kips)	Strgth (kips)	S.F.
1	172	2020	9.999	360	3520	9.78	14.40	394	27.36 J

Prepared by : *McCoskery, Billings, Montana*  
 Date : 11-05-1998  
 Remarks :

Design is for a Surface string.  
 Minimum segment length for the 400 foot well is 400 feet.  
 Additional details regarding deeper string(s):

Next string will set at 5,500 ft. with 9.30 ppg mud (pore pressure of 2,657 psi.) The frac gradient of 1.000 at the casing seat results in an injection pressure of 400 psi. Effective BHP (for burst) is 400 psi, the BHP load is 228 psi (using an annular mud of 8.00 ppg) and the differential gradient is -0.330 psi/ft.

**NOTE :** The design factors used in this casing string design are as shown above. As a general guideline, Loss Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.  
 Costs for this design are based on a 1987 pricing model. (Version 1.07)

# BALLARD PETROLEUM LLC

<b>Operator:</b> BALLARD PETROLEUM LLC	<b>Well Name:</b> Federal #24-31
<b>Project ID:</b>	<b>Location:</b> Uintah County, Utah

**Design Parameters:**

Mud weight (9.30 ppg) : 0.483 psi/ft  
 Shut in surface pressure : 2107 psi  
 Internal gradient (burst) : 0.100 psi/ft  
 Annular gradient (burst) : 0.483 psi/ft  
 Tensile load is determined using air weight  
 Service rating is "Sweet"

**Design Factors:**

Collapse : 1.125  
 Burst : 1.00  
 8 Round : 1.80 (J)  
 Buttress : 1.60 (J)  
 Body Yield : 1.50 (B)

Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost			
1	5,500	5-1/2"	15.50	J-55	ST&C	5,500	4.825			
		Collapse Load (psi)	Strgth (psi)	S.F.	Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load (kips)	Strgth (kips)	S.F.
1		2657	4040	1.521	2107	4810	2.28	85.25	202	2.37 J

Prepared by : *McCoskery, Billings, Montana*

Date : 11-04-1998

Remarks :

Design is for a Production string.

Minimum segment length for the 5,500 foot well is 400 feet.

An annular mud weight of 9.000 ppg was used for burst purposes. The differential mud gradient below any lost-circulation depth is -0.383 psi/ft and the bottom hole pressure load is 0 psi.

**NOTE:** The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.  
 Costs for this design are based on a 1987 pricing model. (Version 1.07)

**Multi-Point Surface Use and Operations Plan**

BALLARD PETROLEUM LLC  
FEDERAL #24-31  
SE SW SEC. 31, T8S, R23E, SLB&M  
UINTAH COUNTY, UTAH

**1. EXISTING ROADS: Refer to maps "A" & "B"**

- A. The proposed wellsite is staked and four reference stakes are present. 240' & 280' East and 200' & 240' South.
- B. The Federal #24-31 is located 11 miles South of Redwash Utah in the SE1/4 SW1/4 Sec. 31, T8S, R23E, S.L.B.&M. Uintah County, Utah. To reach the 24-31 location proceed South from Red Wash on the Deadman Bench road for 1.8 miles to the intersection of this road and the Glen Bench road. Turn left and continue along the Glen Bench road 7.7 miles to the Fantasy Canyon road intersection. Turn left and proceed 3.8 miles to a road intersection. Turn left and continue 2.4 miles to the proposed access road sign, follow flags 0.25 mile to location.
- C. Access roads - refer to maps "A" and "B"
- D. Access roads within a one mile radius - refer to map "B"
- E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.

**2. PLANNED ACCESS ROADS: Refer to Map "B"**

Approximately 0.25 mile of new road construction will be required for access to the proposed location.

- A. Width - maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned & ditched and/or sloped and dipped.
- B. Construction standard - the access road will be constructed to same standards as previously accepted in this area.

The road will be constructed to meet the standards of the anticipated traffic flow and all weather requirements. Construction will include ditching, draining, crowning and capping or sloping and dipping the roadbed as necessary to provide a well constructed and safe road.

Prior to construction/upgrading, the roadway shall be cleared of any snow cover and allowed to dry completely.

Traveling off of the thirty (30) foot right-of-way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or the accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of the drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts.

Upgrading shall not be allowed during muddy conditions.

Should mud holes develop, they will be filled in and detours around them avoided.

- C. Maximum grade - grade will be less than 8%.
- D. Drainage design - the access road will be crowned and ditched or sloped and dipped, and water turnouts installed as necessary to provide proper drainage along the access road route.
- E. Turnouts - turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic.
- F. Culverts - none
- G. Surface materials - any surfacing materials required will be purchased from a local contractor having a permitted source of materials in the area. None are anticipated at this time.
- H. Gates, cattleguards or fence cuts - none required

- I. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. The access road right-of-way will be kept free of trash during operations.
- J. The proposed access road has been centerline flagged.
- K. Dust will be controlled on the roads and locations during construction and drilling by periodic watering of the roads and locations.

**3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS**

Please refer to map "C".

- A. Water wells - none known
- B. Abandoned wells - see Map "C"
- C. Temporarily abandoned wells - none known
- D. Disposal wells - none known
- E. Drilling wells - none known
- F. Producing wells - see Map "C"
- G. Shutin wells - see Map "C"
- H. Injection wells - none known
- I. Monitoring wells - none known

**4. Location of Existing and/or Proposed Facilities Owned by Ballard Petroleum LLC Within a One Mile Radius:**

A. Existing

- 1. Tank batteries - see Map "C"
- 2. Production facilities - see Map "C"
- 3. Oil gathering lines - none
- 4. Gas gathering lines - see Map "C"
- 5. Injection lines - none
- 6. Disposal lines - none

B. New Facilities Contemplated: in the event of production the following will be shown.

- 1. Proposed location and attendant lines, by flagging, if off well pad.
- 2. Dimensions of facilities.

3. Construction methods and materials.
4. Protective measures and devices to protect livestock and wildlife.
5. All buried pipelines will be buried to depth of 3 feet except at road crossings where they will be buried to a depth of 4 feet.
6. Construction width of the right-of-way/pipeline route shall be restricted to 50 feet of disturbance.
7. Pipeline location warning signs shall be installed within 90 days after construction is completed.
8. Ballard Petroleum LLC shall condition pipeline right-of-ways in a manner to preclude vehicular travel upon said rights-of-way, except for access to pipeline drips and valves.
9. In the event production is established at this well, it will be connected to an existing gas gathering system.
10. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable arrangements will be made to acquire appropriate materials from private sources.
11. A dike will be constructed completely around any those production facilities which contain fluids (i.e. production tanks, produced water tanks etc.). These dikes will be constructed of compacted subsoil, be impervious, hold 110% of the capacity of the largest tank and be independent of the back cut.
12. All permanent (onsite for six months or longer) above-the-ground constructed or installed, including pumping units, will be painted a flat non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Five State Rocky Mountain Interagency Committee. All production facilities will be painted within six months of installation. Facilities required to comply with Occupational Health

and Safety Act Rules and Regulations will be excluded from this painting requirement.

The required paint color is Spinach Green (12-D-32 SOL Komac Colorizer) or equivalent.

- C. The production (emergency) pit will be fenced.
- D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.
- E. Reclamation of disturbed areas no longer needed for operation will be accomplished by grading, leveling and seeding as recommended by the Bureau of Land Management.
- F. A proposed gas gathering pipeline has been flagged along the proposed access road and is shown on Map "B".
- G. Ballard Petroleum LLC will be responsible for road maintenance from the beginning to completion of operations.

#### **5. Location and Type of Water Supply**

- A. Water to be used for the drilling of these wells will be purchased from an approved source and hauled by truck over the roads described in item #1 and item #2.
- B. No water well will be drilled on this location.

#### **6. Source of Construction Materials**

- A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads to the area. No special access other than for drilling operations and pipeline construction is needed.
- B. All access roads crossing Federal land are described under item #2, and shown on Map #A.

All construction material for these location sites and

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

C. There are no trees on this location

**7. Methods of Handling Waste Materials:**

- A. Cuttings - the cuttings will be deposited in the reserve/blooiie pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve/blooiie pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities.

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 from Ballard Petroleum LLC.

The reserve pit will be constructed so as not or allow discharge and will be lined with a plastic liner.

- C. Produced fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

- D. Sewage - self-contained, chemical toilets will be provided for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are backfilled.
- G. The reserve and/or production pit will be constructed on the existing location and will not be located in natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls. All pits will be constructed so as not to leak, break, or allow the discharge of liquids therefrom.

**8. Ancillary Facilities:** None anticipated

**9. Wellsite Layout:**

- A. Plat #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. An average minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Topsoil stockpile will be seeded with a seed mixture to be recommended by the B.L.M. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles.

- B. Plat #2 is a diagram showing the rig layout. No permanent living facilities are planned. There will be one (1) trailer on location during drilling operation for the toolpusher.
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval of subsequent operations.
- D. Prior to the commencement of drilling operations, the flare pit will be fenced on three (3) sides using three strands of barbed wire according to the following minimum standards:
  - 1. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
  - 2. Standard steel, wood, or pipe posts shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
  - 3. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The fourth side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

- F. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

#### **10. Plans for Reclamation of the Surface:**

The B.L.M. will be contacted prior to commencement of any reclamation operations.

##### **A. Production**

- 1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all debris, materials, trash and junk not required for production.
- 2. Immediately upon well completion, any hydrocarbons in

the pit shall be removed in accordance with 43 CFR 3162.7-1.

3. If a plastic or nylon reinforced pit liner is used, it shall be torn and perforated before backfilling of the reserve pit.
4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed.

Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.

5. The flare pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
6. If the well is a producer, Ballard will:  
Upgrade and maintain access roads as necessary prevent soil erosion, and accommodate year traffic. Reshape areas unnecessary to operations. distribute topsoil, disk and seed all disturbed areas outside the work area according to the BLM recommended seed mixture.

If the well is abandoned/dry hole, Ballard will:  
Restore the access road and location to approximately the original contours. During reclamation of the site, push the fill material into cuts and up over the backslope. Leave no depressions that will trap water or form ponds. Distribute topsoil evenly over the location, and seed according to the above seed mixture. The access road and location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.

Seedbed will be prepared by disking. Seed will be drilled on contours at a depth no greater than one-half inch (1/2"). In areas that cannot be drilled, seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed will be used

whenever available.

Fall seeding will be completed after September 1 and prior to prolonged ground frost. Spring seeding, to be effective, will be completed after the frost has left the ground and prior to May 15th.

7. Upon completion of backfilling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, all disturbed surfaces will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces will be reseeded with a seed mixture to be recommended by the Bureau of Land Management.

Seed will be drilled on the contour to a approximate depth of one-half (1/2) inch. All seeding will be conducted after September 1 and prior to ground frost. Spring seeding will be done after the frost leaves the ground and no later than May 15. If the seeding is unsuccessful, Ballard Petroleum LLC may be required to make subsequent seedings.

B. Dry Hole/Abandoned Location

1. On lands administered by the Bureau of Land Management, abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include:

- (c) ensuring revegetation of the disturbed areas to the specifications of the Bureau of Land Management at the time of abandonment.

2. All disturbed surfaces will be recontoured to the approximate natural contours and reseeded according to BLM specifications. Reclamation of the well pad and access road will be performed as soon as practical after final abandonment and reseeding operations will be performed in the fall or spring following completion of reclamation operations.

**11. Surface Ownership:**

The well site and proposed access road are situated on

surface lands administered by:  
Bureau of Land Management  
Vernal, Utah

**12. Other Information:**

- A. Topographic and geologic features of the area (reference Topographic Map #A) are:

The North Chapita Wells area is located North of the Chapita Wells Gas Field and South of Glen Bench

Red Wash, a perennial stream, drains the area from the top of Deadman Bench to the North southwesterly to the White River. This area has a steep gradient and is highly eroded, typical of the semi-arid rimrock and canyon regions of Southeastern Utah.

The Area is accessed via the Glen Bench Road from the North. (See Maps #A and #B).

The area slopes from the rim of Deadman Bench to the North to the White River to the South. The area is interlaced with numerous canyons and ridges which are steep with numerous ledges formed in sandstone, conglomerates and shale deposits.

The soils in the semi-arid area of the Williams Fork Formation (Upper Cretaceous) and Wasatch Formation (Eocene) consist of light brownish gray clay (OL) to sand soil (SM-ML) type with poorly graded gravels.

Outcrops of sandstone ledges, conglomerate deposits and shale are common in this area.

The topsoils in the area range from a sandy clay (SM-ML) type soil to a clayey (OL) soil.

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 of long duration which are rare as the normal annual rainfall in the area is only 8".

The flora of the area includes pinon and juniper trees, sagebrush, mountain mahogany, serviceberry, rabbit brush,

greasewood, four-wing saltbush, Gambel scrub oak, willow, tamarack, shadscale, Spanish bayonet, indian rice grass, cheatgrass, wheatgrass, curly grass, crested wheatgrass, sweet clover, gum weed, foxtail, mustard, Canadian thistle, Russian thistle, Kochia, sunflowers and cacti.

The fauna of the area includes cattle, horses, elk, deer, coyotes, rabbits, rodents, lizards, bull snakes, rattle snakes, water snakes and horned toads. Birds of the area are ground sparrows, bluejays, bluebirds, magpies, ravens, raptors, morning doves, swallows, nighthawks, hummingbirds, and chukar.

- B. The surface ownership is federal. The surface use is grazing and petroleum production.
- C.
  - 1. The nearest live water is the White River.
  - 2. There are no dwellings in the area. No significant archaeological, historical or cultural sites are known to be present.
  - 3. An archaeological report will be forwarded upon completion.
  - 4. There are no reported restrictions or reservations noted on the oil and gas lease.

13. Lessee's or Operator's Representative:

Drilling & Completion

David M. McCoskery  
Operations Manager  
Ballard Petroleum LLC  
845 12<sup>th</sup> Street West  
Billings, Montana 59102  
(406) 259-8790

Permit

Stacy Stewart  
Tri-State Land Surveying  
P.O. Box 533  
Vernal, Utah 84078  
435-781-2501

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

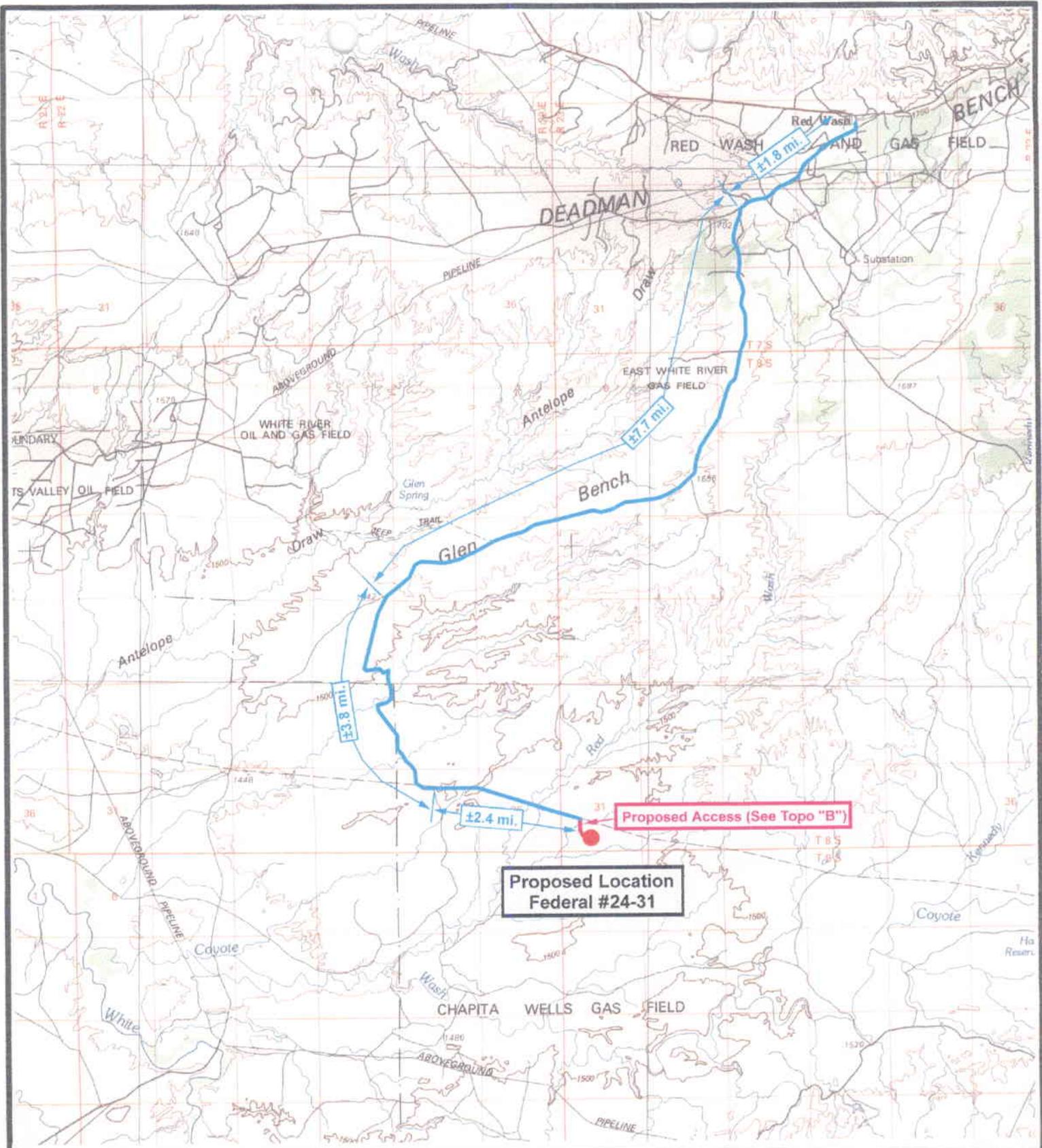
Ballard Petroleum LLC will be fully responsible for the actions of their subcontractors.

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

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 currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Ballard Petroleum LLC its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

  
\_\_\_\_\_  
Stacy Stewart  
Authorized Agent for:  
Ballard Petroleum LLC

12-28-99  
\_\_\_\_\_  
Date

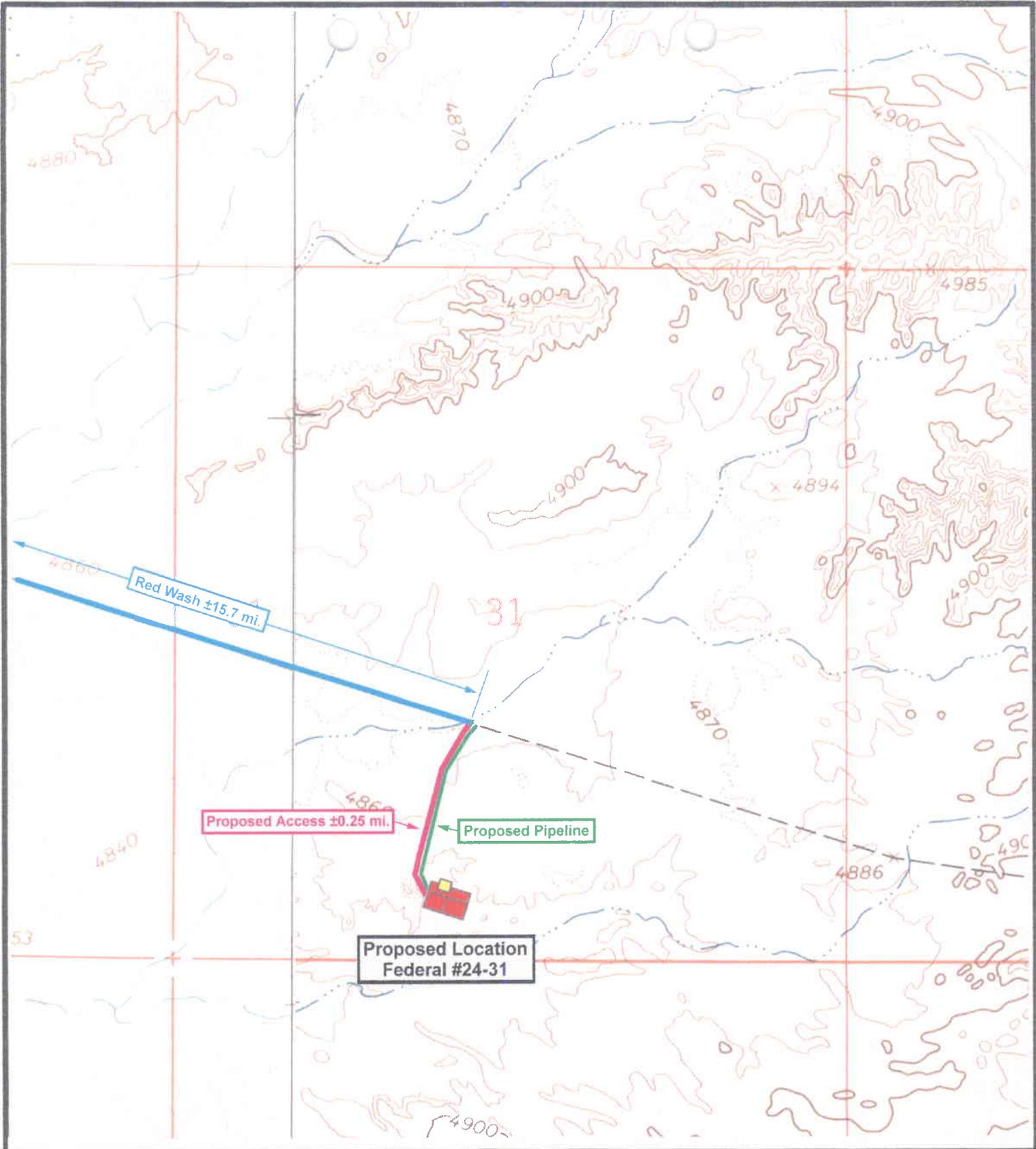


**BALLARD**  
 PETROLEUM LLC

**FEDERAL #24-31**  
**SEC. 31, T8S, R23E, S.L.B.&M.**  
**TOPOGRAPHIC MAP "A"**



*Tri-State*  
*Land Surveying Inc.*  
 (801) 781-2501  
 38 WEST 100 NORTH VERNAL, UTAH 84078



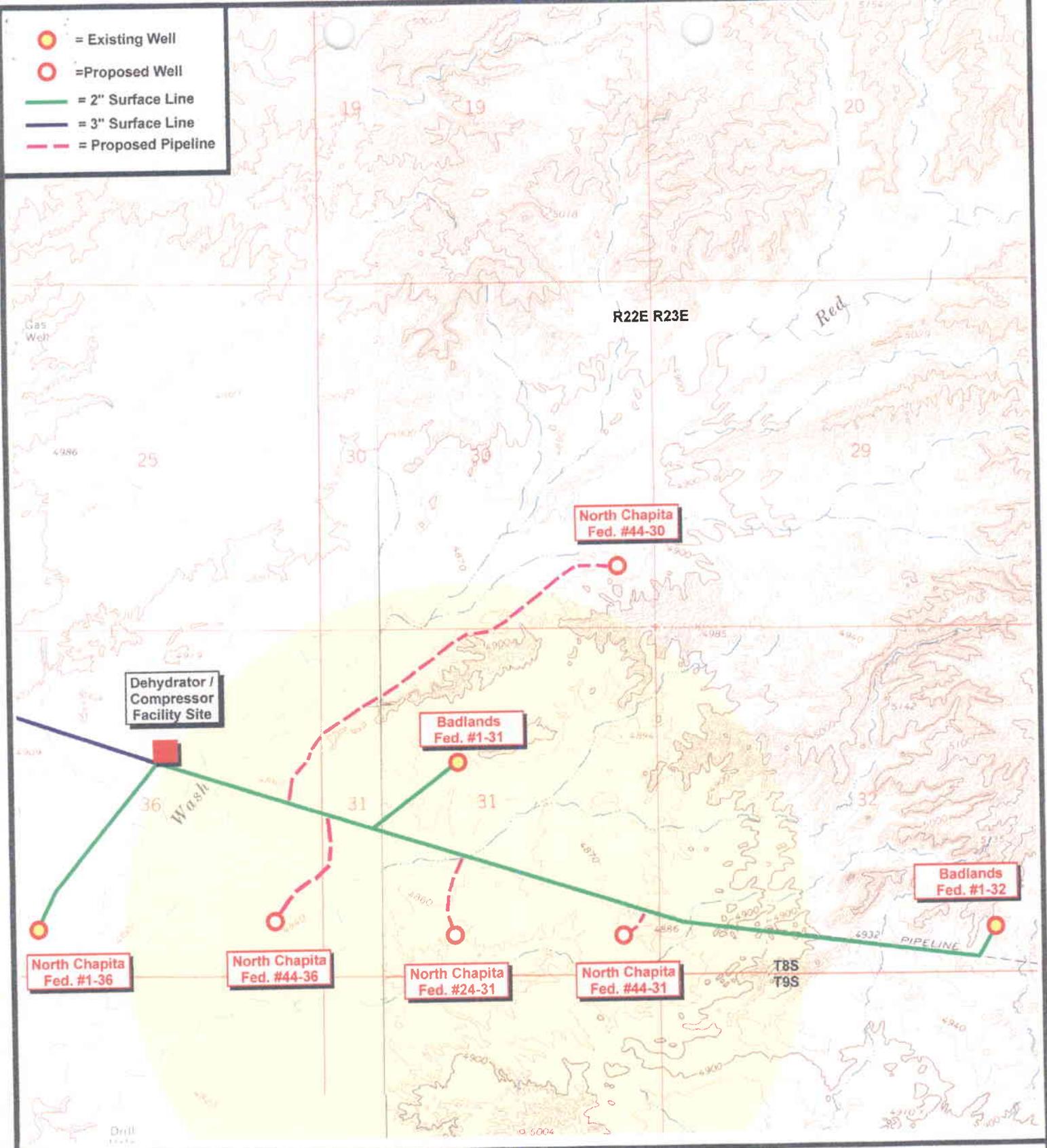
**BALLARD**  
 PETROLEUM LLC

**FEDERAL #24-31**  
**SEC. 31, T8S, R23E, S.L.B.&M.**  
**TOPOGRAPHIC MAP "B"**



*Tri-State*  
*Land Surveying Inc.*  
 (801) 781-2501  
 38 WEST 100 NORTH VERNAL, UTAH 84078

- = Existing Well
- = Proposed Well
- = 2" Surface Line
- = 3" Surface Line
- - - = Proposed Pipeline



**BALLARD**  
PETROLEUM LLC

FEDERAL #24-31

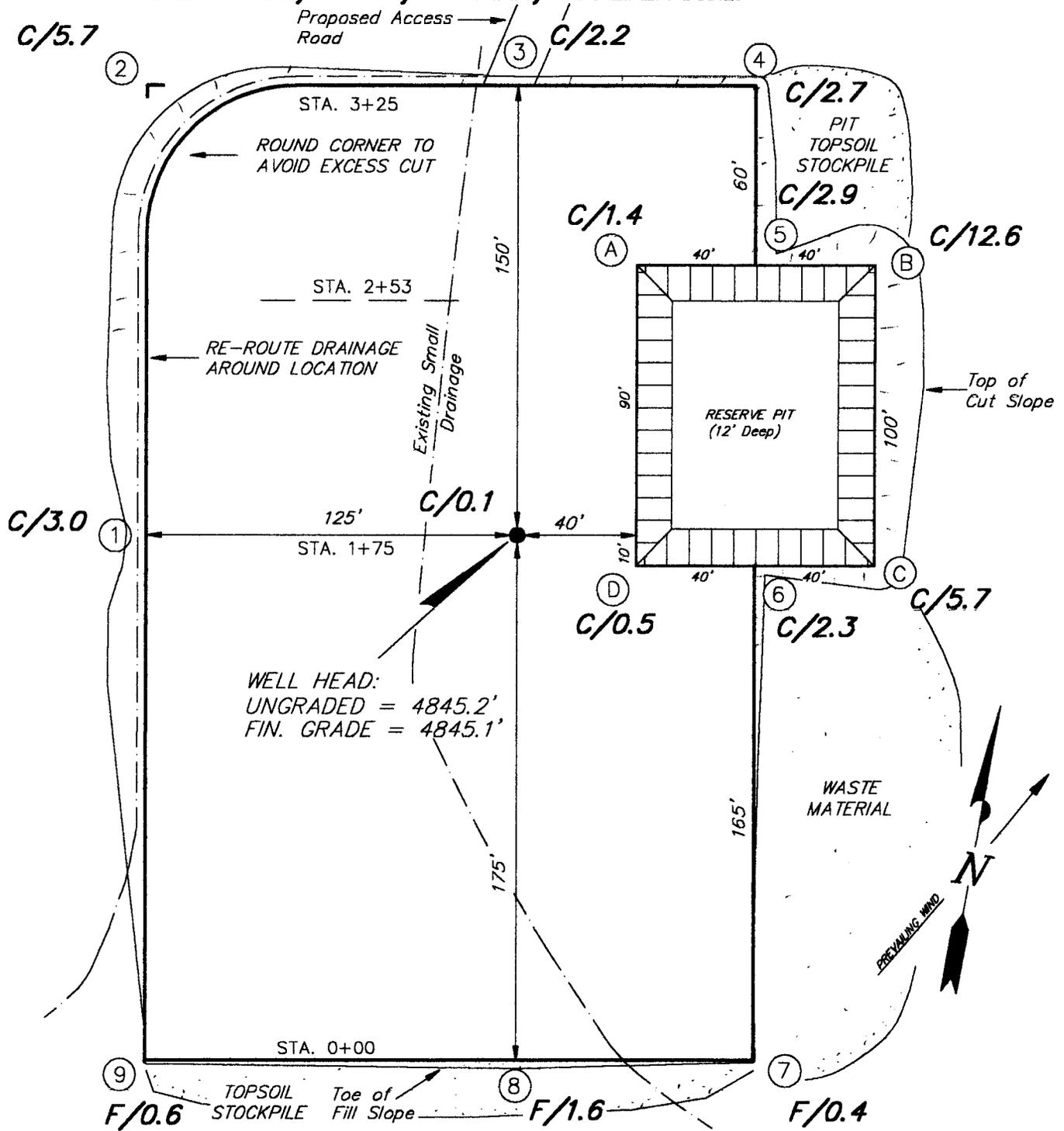
SECTION 31, T8S, R23E, S.L.B.&M.  
MAP "C"



*Tri-State*  
*Land Surveying Inc.*  
(801) 781-2501  
38 WEST 100 NORTH VERNAL, UTAH 84078

# BALLANTRAE PETROLEUM LLC

**Federal #24-31**  
**SEC. 31, T8S, R23E, S.L.B.&M.**



**REFERENCE POINTS**

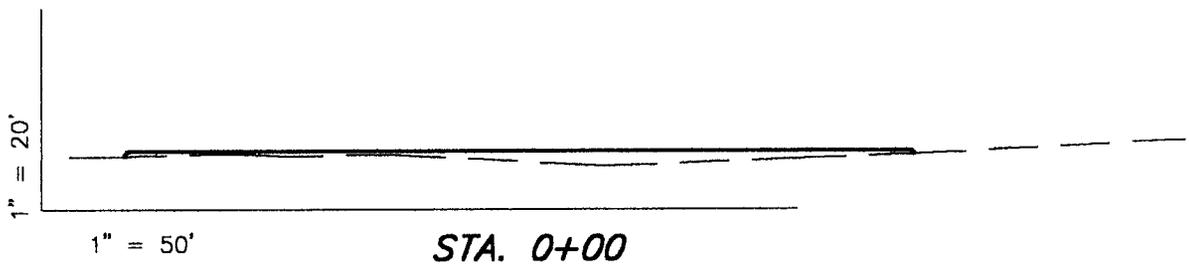
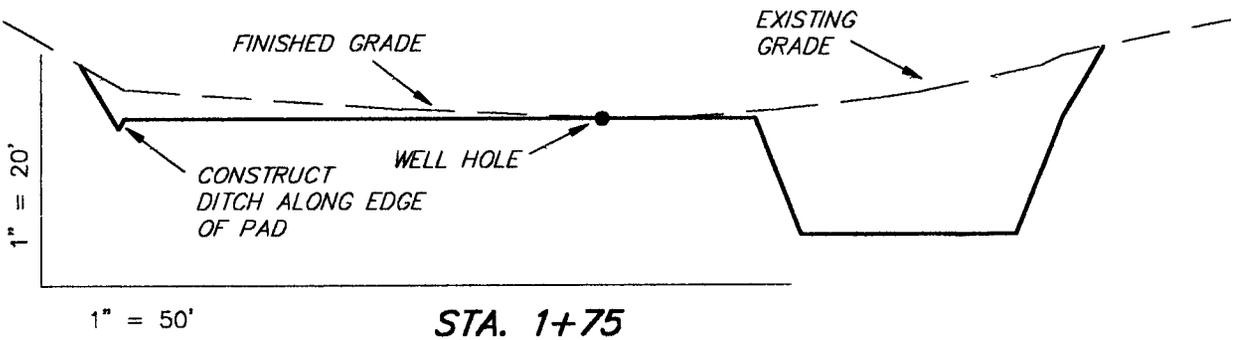
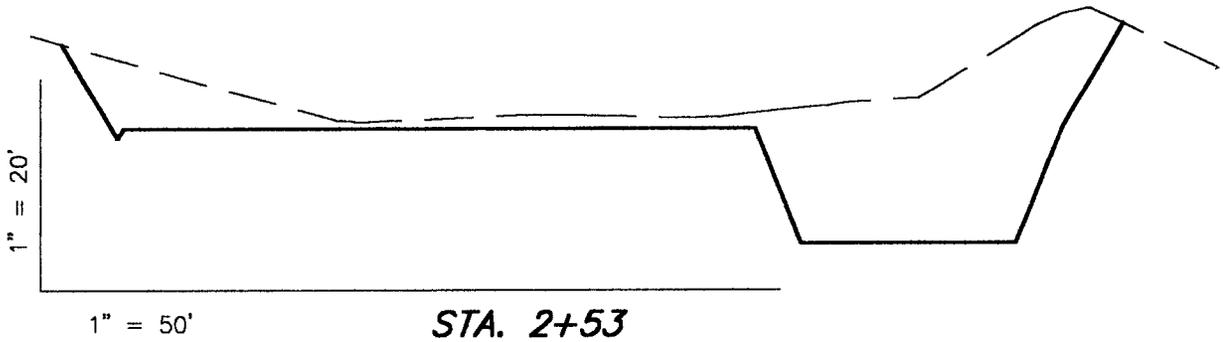
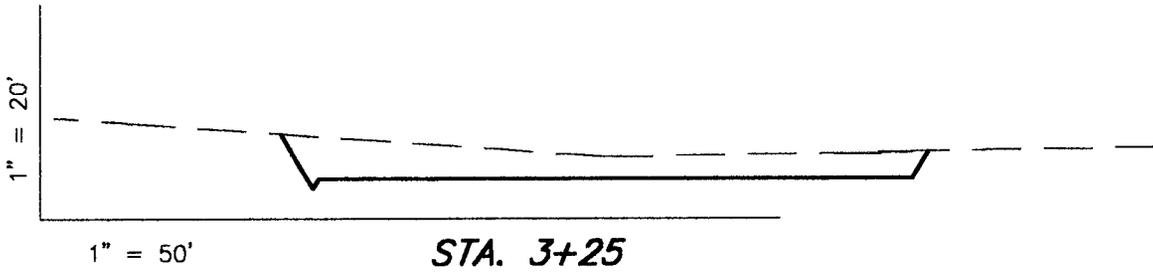
225' SOUTH = 4844.4'  
 275' SOUTH = 4843.0'

SURVEYED BY:	G.S.
DRAWN BY:	J.R.S.
DATE:	12-6-99
SCALE:	1" = 50'
REVISIONS:	

**Tri State**  
 Land Surveying, Inc.  
 (435) 781-2501  
 38 WEST 100 NORTH VERNAL, UTAH 84078

CROSS SECTIONS

Federal #24-31



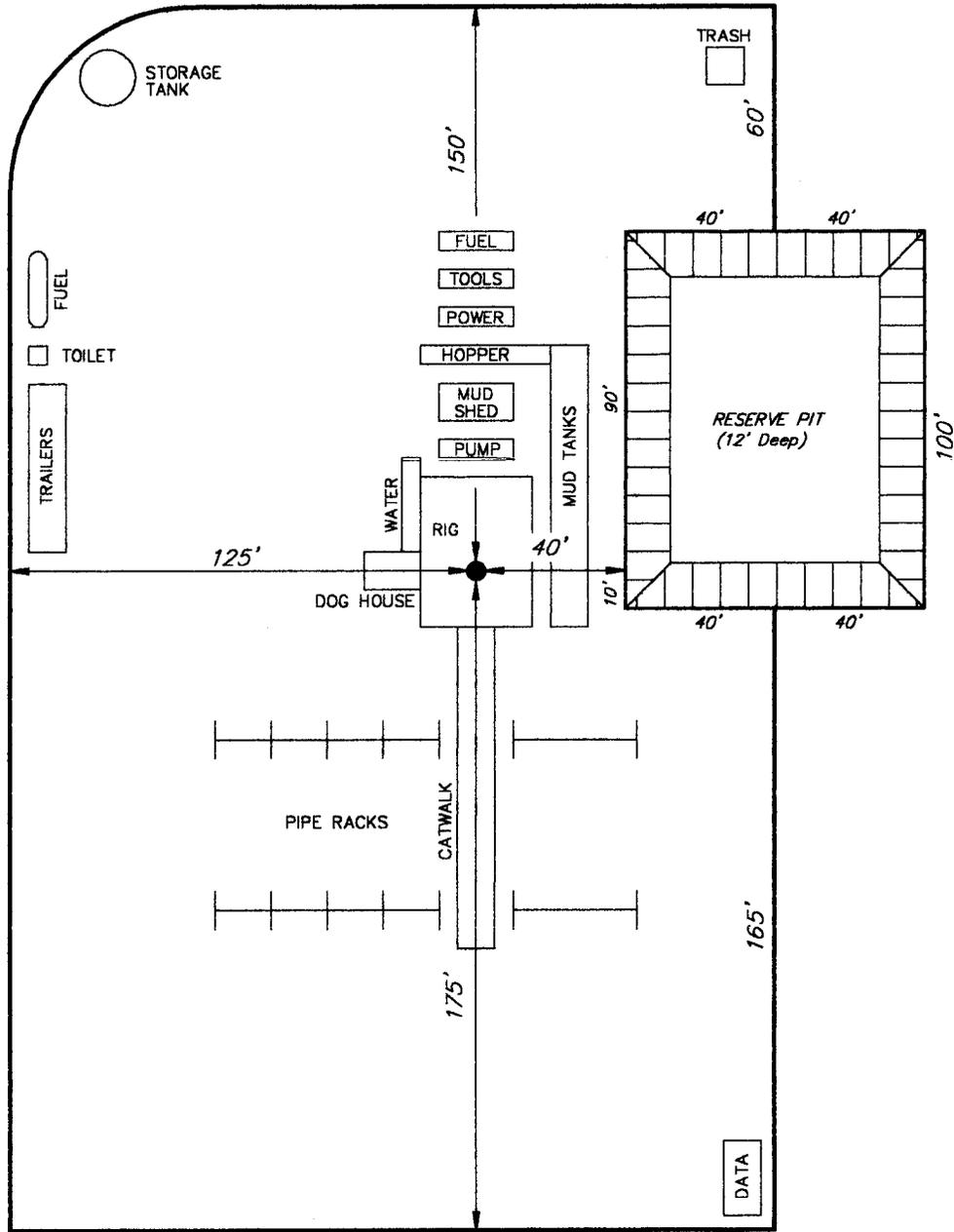
APPROXIMATE YARDAGES

- CUT = 4,180 Cu. Yds.
- FILL = 600 Cu. Yds.
- PIT = 2,660 Cu. Yds.
- 6" TOPSOIL = 1,310 Cu. Yds.

**Tri State**  
Land Surveying, Inc.  
(801) 781-2501  
38 WEST 100 NORTH VERNAL, UTAH 84078

# TYPICAL RIG LAYOUT

## Federal #24-31



**Tri State**  
Land Surveying, Inc.  
(801) 781-2501  
38 WEST 100 NORTH, VERNAL, UTAH 84078

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/03/2000

API NO. ASSIGNED: 43-047-33451

WELL NAME: FEDERAL 24-31  
 OPERATOR: BALLARD PETROLEUM LLC ( N2310 )  
 CONTACT: STACY STEWART/AGENT

PHONE NUMBER: 435-781-2501

PROPOSED LOCATION:  
 SESW 31 080S 230E  
 SURFACE: 0508 FSL 2036 FWL  
 BOTTOM: 0508 FSL 2036 FWL  
 UINTAH  
 UNDESIGNATED ( 2 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-61401  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

Plat  
 Bond: Fed[1] Ind[] Sta[] Fee[]  
 (No. UT1005 )

Potash (Y/N)  
 Oil Shale (Y/N) \*190 - 5 (B)  
 Water Permit  
 (No. 53617 )

RDCC Review (Y/N)  
 (Date: \_\_\_\_\_ )

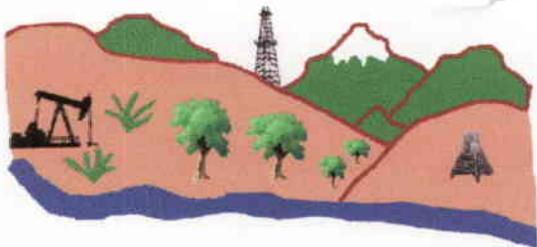
Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit Badlands  
 R649-3-2. General  
 Siting: \_\_\_\_\_  
 R649-3-3. Exception  
 Drilling Unit  
 Board Cause No: \_\_\_\_\_  
 Eff Date: \_\_\_\_\_  
 Siting: \_\_\_\_\_  
 R649-3-11. Directional Drill

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

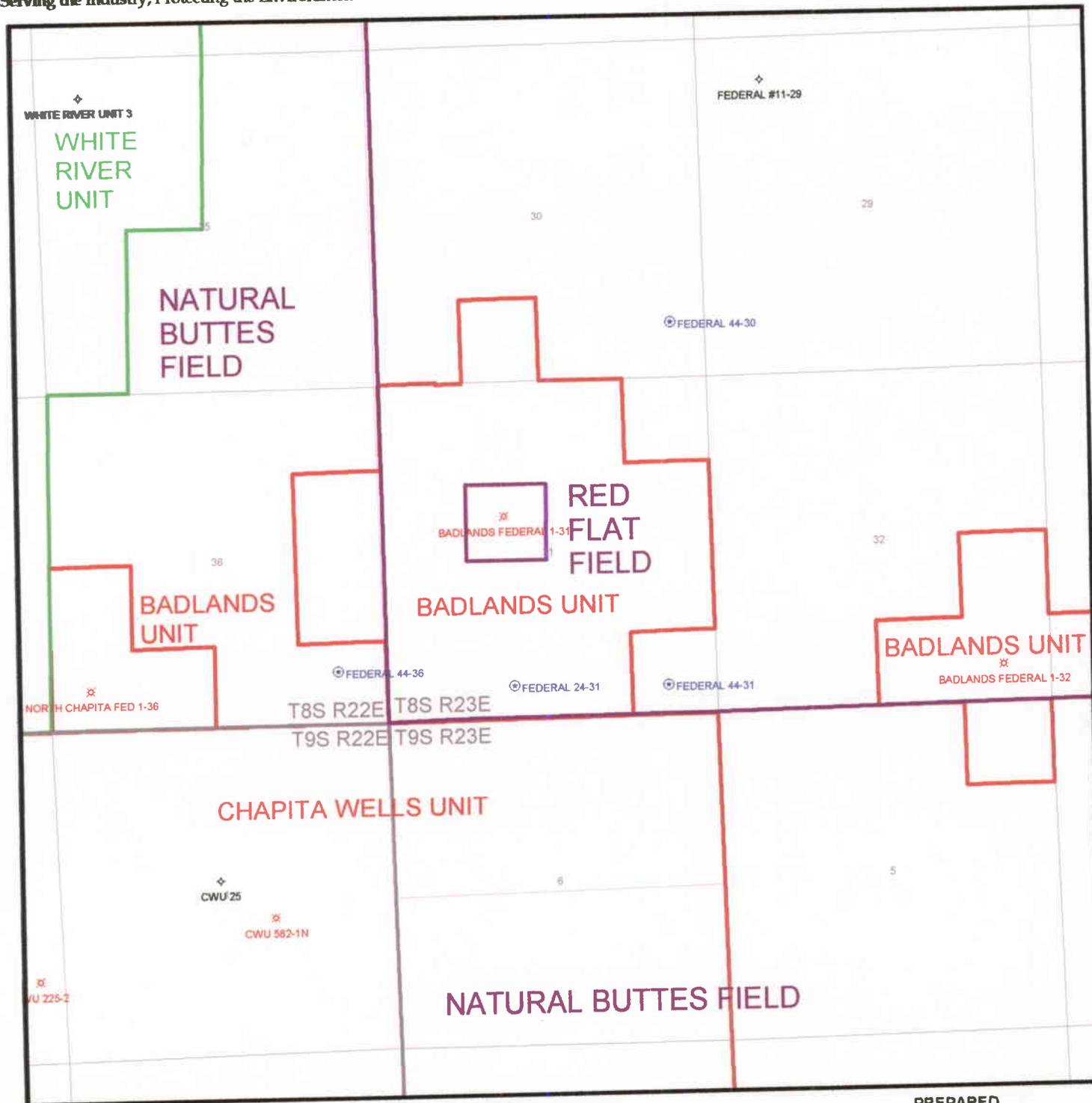
STIPULATIONS: ① FEDERAL APPROVAL  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



# Utah Oil Gas and Mining

Serving the Industry, Protecting the Environment

OPERATOR: BALLARD PETROLEUM (N2310)  
 FIELD: NATURAL BUTTES (630) & UNDESIGNATED (002)  
 SEC. 36, T 8S, R 22E & SEC. 30 & 31 T 8S, R 23E  
 COUNTY: UINTAH UNIT: BADLANDS



PREPARED  
 DATE: 5-Jan-2000



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

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

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

January 10, 2000

Ballard Petroleum LLC  
P.O. Box 20174  
Billings, MT. 59104

Re: Federal 24-31 Well, 508' FSL, 2036' FWL, SE SW, Sec. 31, T. 8 S., R. 23 E., Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33451.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza".

John R. Baza  
Associate Director

ecc

Enclosures

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

**Operator:** Ballard Petroleum LLC  
**Well Name & Number:** Federal 24-31  
**API Number:** 43-047-33451  
**Lease:** Federal **Surface Owner:** Federal  
**Location:** SE SW **Sec.** 31 **T.** 8 S. **R.** 23 E.

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours 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 or Robert Krueger at (801) 538-5274.

3. Reporting Requirements

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

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

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

2. NAME OF OPERATOR  
 Ballard Petroleum LLC Phone: 406-259-8790 P.O. Box 20174  
 Billings, MT 59104  
 Fax: 406-259-3884

3. ADDRESS AND TELEPHONE NO.  
 Tri-State Land Surveying Inc. Phone: 435-781-2501 P.O. Box 533  
 Vernal, UT 84078  
 Fax: 435-781-2518

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface: ~~417.2' FSL~~ 2087.2' FSL 507.5' FSL \* 2036.3' FWL  
 At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 11 miles South of Redwash Utah

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

16. NO. OF ACRES IN LEASE  
 629.44

17. NO. OF ACRES ALLOTTED TO THIS WELL  
 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.  
 ±2600'

19. PROPOSED DEPTH  
 8500'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 4844.8'

22. APPROX. DATE WORK WILL START\*  
 December 20, 1999

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU-61401

6. INDIAN, ALLOTTEE OR TRIBE NAME  
 N/A

7. UNIT AGREEMENT NAME  
 N/A

8. FARM OR LEASE NAME, WELL NO.  
 Federal

9. APT WELL NO.  
 #24-31

10. FIELD AND POOL, OR WILDCAT  
 North Chapita Wells

11. SEC. T., R., M., OR BLK AND SURVEY OR AREA  
 Sec. 31, T8S, R23E, SLB&M

12. COUNTY OR PARISH  
 Uintah

13. STATE  
 Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J55 8 5/8"	24#	250'	110 BX - circulated to surface
7 7/8"	N80 4 1/2"	11.6#	8500'	1050 BX - top of cement @ 3500'

Ballard Petroleum LLC proposes to drill a well to 8600' to test the Mesaverde Formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Order No. 1 attached.

Please be advised that Ballard Petroleum LLC is considered to be the operator of the above mentioned well. Ballard Petroleum LLC agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

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

24. Consultant for:  
 SIGNED Stacy Stewart TITLE Ballard Petroleum LLC DATE 11-5-99

(This space for Federal or State office use)

PERMIT NO. 43047-33451 APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE \_\_\_\_\_ DATE 1-3-00

\*See Instructions On Reverse Side

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

DOG+M



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DIVISION OF  
OIL, GAS AND MINING

November 10, 1999

Bureau of Land Management  
170 South 500 East  
Vernal, Utah 84078

Attn: Pat Sutton

Re: 3160  
UTO8300

Dear Pat

In Response to your above referenced correspondence, below please find the information you requested.

1. Water Use Authorization, Water will be purchased from Dalbo / A-1 Tanks, this water will be hauled from a well located East 400 feet and North 200 feet from the South ¼ corner of Sec. 32, T4S, R3E, U.S.M. This well is permitted as a permanent water right belonging to A-1 Tanks, Permit #53617.

2. Hazardous Material Declaration should read as follows: No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000# will be used, produced, stored, transported or disposed of annually in association with the drilling, testing or completing of wells within the North Chapita Wells area. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored transported or disposed of in association with the drilling, testing or completing of wells within this area. Specific APDs shall address any modifications from this policy.

3. Expected bottom hole pressure will be 3700 psi.

Also please be advised that there are errors on page one and page two of the BOP Information as submitted. On page one, surface casing program should read, Length = 250', Size = 8 5/8", Grade = J55, Weight = 24#, depth = 250'. On page two casing program should read, Length = 8750, Size = 4 1/2", Grade = N80, Weight = 11.6#, Depth = 8750'.

The changes listed above pertain to four separate APDs that were submitted 11/8/99. These APDs are Fed. #44-30, Fed. #24-31, Fed. #44-31 and Fed. #44-36.

If you have any questions please call me at 781-2501.

Sincerely,

Stacy Stewart  
Agent for Ballard  
Petroleum LLC

CC. Dave McCoskery  
845 12<sup>th</sup> Street West  
Billings, MT 59102

**CONDITIONS OF APPROVAL**  
**APPLICATION FOR PERMIT TO DRILL**

Company/Operator: BALLARD PETROLEUM LLC  
Well Name & Number: Federal 24-31  
API Number: 43047-33451  
Lease Number: U - 61401  
Location: SESW Sec. 31 T.08S R. 23E  
Agreement: N/A

**NOTIFICATION REQUIREMENTS**

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

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

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## CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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 **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

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

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

#### 3. Casing Program and Auxiliary Equipment

As a minimum, the usable water resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Wasatch Formation, identified at  $\pm 1,774$  ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

#### 4. Mud Program and Circulating Medium

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

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DIVISION OF  
OIL, GAS AND MINING

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COAs Page 3 of 7  
Well No.: Federal 24-31

JAN 21 2000

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OIL, GAS AND MINING

5. Coring, Logging and Testing Program

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

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

6. Notifications of Operations

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.

7. Other Information

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

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

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

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

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

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

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

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

Ed Forsman (435) 789-7077  
Petroleum Engineer

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

Jerry Kenczka (435) 781-1190  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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**SURFACE USE PROGRAM  
Conditions of Approval (COA)**

**Existing Roads and Planned Access Road**

1. 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. If the road for the right-of-way or the access road crosses Chevron's petroleum pipeline Ballard will assure that a good road base is provided with adequate compaction and stability to the area.
3. The road base will be a minimum of 3 feet of cover over the existing ground cover and provide a minimum of 5 feet of soil over the top of the pipe for the surface of the road. This 5 feet cover area will be placed to cover both pipelines completely. Cover material to elevate the road over the pipelines may be native material from the proposed road route or other materials from an approved source contact the authorized office to identify your source or material.
4. Chevron Pipe line personnel will be notified 24 hours prior to the project of increasing the road cover to enable Chevron personnel to properly inspect the project area.

**Location of Existing and/or Proposed Facilities**

1. Surface lines for gas gathering will follow roadways and will be as close to road surfaces as is practical without interfering with normal travel and or maintenance.
2. All production facilities shall be painted an earthtone Carlsbad Canyon (2.5Y 6/2) to blend with the surrounding vegetation within six (6) months of well completion.
3. Surface lines for gas gathering will be either black or brown in color.
4. The material for construction of the containment dike around the tank battery shall be nonpermeable subsoils and at no time shall top soils be used for this construction.

**Location and Type of Water Supply**

1. Water used to assist in drilling this location will be that identified in the letter from Tri-State Land Surveying Inc. dated November 10, 1999; from Dalbo/A-1 Tanks; Section 32, T4S, R3E, Permit #53617.

**Methods for Handling Waste Disposal**

1. The reserve pit shall have a liner, and it will be a minimum of 12 mil thickness with sufficient bedding (weed free) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc. will be disposed of in the pit.

2. Produce fluids will be disposed of in accordance with Onshore Order 7.

Wellsite Layout

1. All pits will be fenced according to the following minimum standards:

a) 39-inch net wire shall be used with at least one strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).

b) The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.

c) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

d) Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.

e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

2. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Plans For Reclamation Of Location

1. In addition to the stockpiled topsoil windrowed on the east & west side of the location a small pile of topsoil will be stockpiled near the reserve pit for the reclamation of the pit and when reclaimed the pit will be seeded with the seed mixture provided.

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

galleta grass	Hilaria jamessi	3 lbs/acre
gardner saltbush	Atriplex gardneri	4 lbs/acre
shadscale	Atriplex confertifolia	3 lbs/acre
fourwing saltbush	Atriplex canescens	2 lbs/acre

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

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

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5. Upon final abandonment if additional recontouring is needed for previously reclaimed areas, the topsoil in each of these areas shall be removed prior to the final recontouring and utilized for the entire location.

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

7. Seeding for all reclamation work will be performed immediately after the spreading of the topsoil (within 7 days).

Other Information

1. If invasive weeds developed on areas of development the operator will be required to take action to eradicate the invasive weeds to the satisfaction of the authorized officer.

2. Archeology: Construction of all roadways and the location shall be monitored by a qualified archeologist to determine if protected materials are being impacted.

3. Burrowing Owl: No new construction or surface disturbing activities will be allowed within a 0.5 mile radius of an active burrowing owl nest from April 1 through July 15. Contact the authorized office if surface disturbing activities will occur during this time period.

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JAN 21 2000  
DIVISION OF  
OIL, GAS AND MINING

Form 3160-5  
(August 1999)

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 November 30, 2000

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

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator **BALLARD PETROLEUM LLC**  
**CONTACT: JAN HARMON OPERATIONS**  
**EMAIL: jharmon@ballardpetroleum.com**

3a. Address **845 12TH STREET WEST**  
**BILLINGS, MT 59102**

3b. Phone No. (include area code)  
**TEL: 406.259.8790 EXT: 232**  
**FAX: 406.259.0178**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**Sec 31 T8S R23E SESW 508FSL 2036FWL**

5. Lease Serial No.  
**UTU-61401**

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.  
**N CHAPITA FEDERAL 24-31**

9. API Well No.  
**4304733451**

10. Field and Pool, or Exploratory  
**NORTH CHAPITA**

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

**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"/> <b>OTHER SUNDRY NOTICE</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		

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 the 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 the BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of involved operations. If the operation results in 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.)

**BALLARD PETROLEUM REQUESTS AN EXTENSION FOR THE APPLICATION FOR PERMIT TO DRILL ON THIS WELL.**

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 11/28/00  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 11-29-00  
Initials: CHB

Name (Printed/Typed) Jan Harmon Title Operations Asst.  
 Signature [Signature] Date 11-20-00

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

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Office \_\_\_\_\_

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

**ELECTRONIC SUBMISSION #2020 VERIFIED BY THE BLM WELL INFORMATION SYSTEM FOR BALLARD PETROLEUM LLC SENT TO THE VERNAL FIELD OFFICE**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

NOV 21 2000

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**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.*

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

1. Type of Well  Oil Well  Gas Well  Other

2. Name of Operator  
BALLARD PETROLEUM LLC

3a. Address 845 12TH STREET WEST  
BILLINGS, MT 59102

3b. Phone No. (include area code)  
406.259.8790 Ext 232

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
2036FWL 508FSL

5. Lease Serial No.  
UTU-61401

6. If Indian, Allottee or Tribe Name

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

*Badlands Unit*

8. Well Name and No.

N CHAPITA FEDERAL 24-31

9. API Well No.

4304733451

10. Field and Pool, or Exploratory Area

NORTH CHAPITA

11. County or Parish, and State

UINTAH UT

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
	<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 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 files 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.)  
BALLARD PETROLEUM REQUESTS AN EXTENSION FOR THE APPLICATION FOR PERMIT TO DRILL ON THIS WELL.

**CONDITIONS OF APPROVAL ATTACHED**

Electronic Submission #2020 verified by the BLM Well Information System for BALLARD PETROLEUM LLC Sent to the Vernal Field Office  
Committed to AFMSS for processing by LESLIE CRINKLAW on 11/21/2000

Name (Printed/Typed) **JAN HARMON** Title **OPERATIONS**  
Signature \_\_\_\_\_ Date **11/20/2000**

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

Approved By *Kyle [Signature]* Petroleum Engineer Date **11/10/01**  
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 \_\_\_\_\_

*DOG M*

Ballard Petroleum LLC  
APD Extension

Well: Chapita Federal 24-31

Location: SESW Sec. 31, T8S, R23E

Lease: UTU 61401

**CONDITIONS OF APPROVAL**

An extension for the referenced APD is granted with the following conditions:

---

1. The extension will expire January 6, 2002
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood or Ed Forsman of this office at (435) 781-4400.

ENTITY ACTION FORM

Operator: Ballard Petroleum LLC Operator Account Number: N 2310  
 Address: 370 17th Street, #3050  
 city Denver  
 state CO zip 80202 Phone Number: 3033895060

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-33452	N. Chapita Federal 44-30		SESE	30	8S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13137	4-5-01		5-16-01		
Comments:							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-33451	N. Chapita Federal 24-31		SESW	31	8S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13138	5-9-01		5-16-01		
Comments:							

Well 3

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

ACTION CODES:

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

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MAY 15 2001

RuthAnn Morss  
 Name (Please Print)  
RuthAnn Morss  
 Signature  
Production Asst. Title  
5.14.01 Date



www.pason.com  
16080 Table Mountain Parkway Ste 500 • Golden • CO • 80403  
720-880-2000 • FAX: 720-880-0016

Wednesday, June 27, 2001

Utah Division Of Oil, Gas, & Mining  
1594 West N. Temple  
Suite 1210  
Salt Lake City, UT 84114-5801

RE: **BALLARD PETROLEUM LLC.  
FEDERAL #24-31  
SECTION 31, T8S, R23E  
UINTAH COUNTY, UT**

43-047-33451

To Whom It May Concern:

Enclosed is the final computer colored log for the above referenced well.

We appreciate the opportunity to be of service to you and look forward to working with you again in the near future.

If you have any questions regarding the enclosed data, please contact us.

Sincerely,

Bill Nagel  
Geological Manager

BN/alb

Encl: 1 Final Computer Colored Log.

Cc: Dave Uhl, AEC Oil & Gas (USA), Inc., Denver, CO.

**RECEIVED**

JUL 02 2001

DIVISION OF  
OIL, GAS AND MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

FORM APPROVED

OMB NO. 1004-0157

Expires February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

UTU-61400

6. INDIAN ALLOTTEE OR TRIBE NAME

NA

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

7. UNIT AGREEMENT

NA

TYPE OF WELL

OIL WELL

GAS WELL

DRY

OTHER \_\_\_\_\_

TYPE OF COMPLETION

NEW WELL

WORK OVER

DEEPEEN

PLUG BACK

DIFF. RES.

OTHER \_\_\_\_\_

8. FARM OR LEASE NAME

FEDERAL

2. NAME OF OPERATOR

Ballard Petroleum LLC

9. API WELL NO.

24-31

3. ADDRESS OF OPERATOR

950 17th Street, Suite 2600 Denver, CO 80202

10. FIELD NAME

NORTH CHAPITA

4. LOCATION OF WELL. Show quarter-quarter description and footage measurements

At surface

507.5' FSL 2036.3' FWL SESW

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

SEC. 31 T8S-R23E, SLB&M

At top prod. interval, reported below

At total depth

SAME

14. PERMIT NO.

43-047-33451

DATE ISSUED

1-10-99

12. COUNTY OR PARISH

UINTAH

13. STATE

UT

15. DATE SPUDDED

5-9-01

16. DATE T.D. REACHED

6-25-01

17. DATE COMPL. (Ready to Prod.)

6-23-01

18. ELEVATIONS (DF, RKB, RT, GR, etc.)

4,878 GR

4,892 KB

19. ELEV. CASING HEAD

20. Total Depth (MD & TVD)

8,350 md

tvd

21. Plug back T.D. (MD & TVD)

7635 md

tvd

22. If Multiple Compl., How Many?

-

23. ROTARY TOOLS

0 - TD

CABLE TOOLS

24. PRODUCING INTERVAL (S); THIS COMPLETION, TOP, BOTTOM, NAME (MD & TVD)

MESAVERDE6174'-8240'

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN (Circle those filed)

CNL GR/CBL (PAI/SP) 11-7-01

ML-7-2-01

27. Was Well Cored

No

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

CASING SIZE	WEIGHT LIFT	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PUTTED
8 5/8	24#	267'	12.25"	190 SKS + 2% CACL+1/4 #/SK CELLOFLAKE	-
4 1/2"	11.6#	8345'	7.875"	1077 SK PREMIUM LITE + ADDITIVES TAILED W/	-
				2170 SK 50:50 POZ G W/ADDITIVES	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	7418'	

31. PERFORATION RECORD (Interval, size, and number)

8230'-8240', 20 HOLES, .32

7964' - 7706', 22 HOLES, .32

7505'-7203', 24 HOLES, .32

6174' - 6293', 26 HOLES, .32

32. ACID, SHOT, FRAC., CEMENT SQUEEZE, Etc. Depth Set (MD)

DEPTH INTERVAL (MD)	Am't & Kind of Material Used
8230'-8240'	844 BBL YH125LG, 92100# 20/40 WHITE SAND
7964'-7706'	1790 BBL YF125, 191840# 20/40 WHITE SAND
7505' - 7203'	1592 BBL YF125, 184,000# 20/40 WHITE SAND
6174'-6293'	900 BBL YF125, 102,980# 20/40 WHITE SAND

33. PRODUCTION

DATE FIRST PRODUCTION	Producing Method (Flowing, gas, lift, pumping- size & type of pump)	WELL STATUS (pic prod. or shut-in)					
7-24-01	FLOWING	PRODUCING					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL, BBLs	GAS, MCF	WATER- BBL	GAS-OIL RATIO
7-24-01	24	16/64	>>>->	3	1309	150	436.333
FLOW TUBING PRESS	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL, BBLs	GAS, MCF	WATER- BBL	THREE PHASE	
1025	1325	>>>->	3	1309	150		

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

sold

Test Witnessed By:

OCT 22 2001

35. LIST OF ATTACHMENTS

WELLBORE DIAGRAM, LOGS, CASING/CEMENTING REPORTS

DIVISION OF  
OIL, GAS AND MINING

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

SIGNED

*William M. Moss*

TITLE PERMITTING AGENT

DATE

10/17/01

17. SUMMARY OF POROUS ZONES. (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries).

TOP	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
MESAVERDE	4270		

38. GEOLOGIC MARKERS

NAME	MEAS. DEPTH	TRUE VERT. DEPTH
CARBONATE	4,518	

# Ballard Petroleum LLC

## Well Mechanics and Work History

Well Name & No.:	N, CHAPITA FED. 24-31
Field:	NORTH CHAPITA
Spud date:	5/9/01

County:	UINTAH
State:	UTAH
Elevations:	4878' GL 4892' KB

Location:	SESW
Section, Twp., Rge.:	SEC. 31 T8S-R23E
Completion Date:	6/23/01

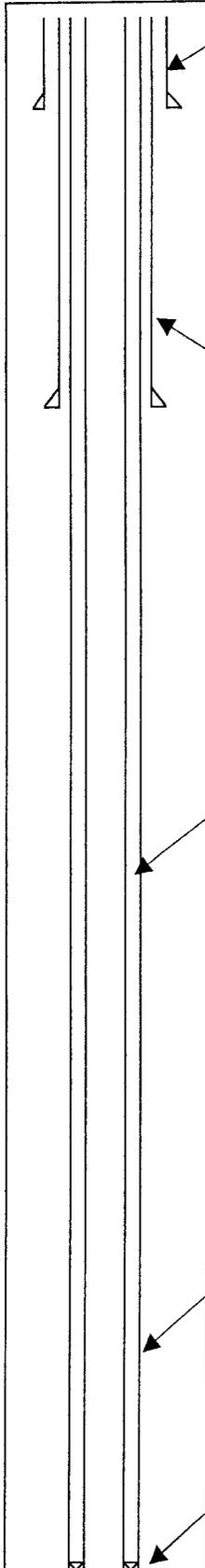
D.S.T.#/Depth/Recovery:

Log Type / Interval:
CNL/GR: 100'-8347'
CBL/GR: 1200'-8289.5'
PAI/GR/SP: 100'-8347'

Acid Job / Breakdown:

Frac Job:
STAGE 1: 8230' - 8240' 20 HOLES, .32 844 BBL YH125LG, 92100# 20/40 SAND. STAGE 2: 7964'-7706', 22 HOLES, .32, 1790 BBL YF125 191840# 20/40 SAND. STAGE 3: 7505' 7203' 24 HOLES, .32, 1592 BBL YF125, 184,000# 20/40 SAND. STAGE 4: 6174' - 6293', 26 HOLES, .32, 900 BBL YF125, 102,980# 20/40 SAND.

Zone / Perforations:
MESAVERDE/6174' - 8240'



Surface Casing:	
Bit/Csg O.D.:	12 1/4" / 8 5/8"
Depth:	267'
#/ft / Grade:	24# / J-55
Thread:	8 rd
Cement:	190 SACKS 15.8 LB/GAL
	1.17 CU. FT/SK
Cement Top:	SURFACE

Intermediate Casing:	
Bit/Csg O.D.:	
Depth:	
#/ft / Grade:	
#/ft / Grade:	
Cement:	
Cement Top:	

Production Casing	
Bit / Csg. O.D.:	7 7/8" / 4 1/2"
#/ft / Grade:	11.6# / I-80
#/ft / Grade:	
#/ft / Grade:	
D.V. Depth:	
Depth:	8345'
Cement Data:	1077 SK PREMIUM LITE
	+ADDITIVES, TAILED WITH 2170 SK 50:50
	POZ G W/ADDITIVES
Cement Top:	

Tubing	
O.D.:	2 3/8"
#/Ft./Grade:	4.7# / J-55
No. Jts.:	175
Length:	7418'
Seat Nipple @	
End of Tubing:	

Packer / Anchor	
Type:	
Depth:	

**RECEIVED**

OCT 22 2001

DIVISION OF  
OIL, GAS AND MINING



**CEMENT JOB REPORT**

CUSTOMER Ballard Petroleum LLC		DATE 26-JUN-01	F.R. # 281810250	SERV. SUPV. Scott Timothy					
LEASE & WELL NAME NORTH CHAPITA FED 24-31 - API 430473451C		LOCATION SEC 31 T 8S R 23E		COUNTY-PARISH-BLOCK Uintah Utah					
DISTRICT Jermal		DRILLING CONTRACTOR RIG # WOLVERINE # 55			TYPE OF JOB Long String				
SIZE & TYPE OF PLUGS Cement Plug, Rubber, Top 4-1/2 in		LIST-CSG-HARDWARE Float Collar, Dif Fill, 4-1/2 - Brd Guide Shoe, Cement Nose, 4-1/2 in		PHYSICAL SLURRY PROPERTIES					
				SLURRY WGT PPG	SLURRY YLD FT <sup>3</sup>	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER
MATERIALS FURNISHED BY BJ									
MUD CLEAN I				8.4				40	
KCL EQUIVELENT				8.4				30	
1077SX PL II+ 1%R3+3%KCL+.25#SK CELLO F+3#SK KOL									
SEAL+.5%FL52+10%GEL+.5%SOD META+.05#SK STATIC FREE				11.5	2.8	18.41	06:00	537	420.74
2170SX50:50POZ+2%BA90+3%KCL+.25#SK CELLOFLAKE+2#SK									
KDLSEAL+.7%FL25+.05#SK STATIC FREE				14.2	1.29	5.62	05:35	498.5	290.33
KCL EQUIVELENT				8.4				120.8	
Available Mix Water 1500 Bbl.		Available Displ. Fluid 600 Bbl.		TOTAL				1234.3	711.07

HOLE			TBG-CSG-D.P.					COLLAR DEPTHS			
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAGE	
7.825	12	8350	4.5	11.6	CSG	8354	N-80	8354	8311	0	

LAST CASING				PKR-CMT RET-BR PL-LINER		PERF. DEPTH		TOP CONN		WELL FLUID	
SIZE	WGT	TYPE	DEPTH	BRAND & TYPE	DEPTH	TOP	BTM	SIZE	THREAD	TYPE	WGT.
8.625	24	CSG	168	NO PACKER	0	0	0	4.5	8 RD	WATER BASED MUD	9.3

DISPL VOLUME		DISPL FLUID		CAL. PSI	CAL. MAX PSI	OP. MAX	MAX TDG PSI		MAX CSG PSI		MIX WATER SOURCE
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SL. PSI	RATED	Operator	RATED	Operator	
128.8	BBLs	KCL EQUIV	8.4	1970	0	0	0	0	7780	6224	RIG

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: CIRCULATED LAST JOINT OF CASING DOWN

PRESSURE/RATE DETAIL						EXPLANATION			
TIME HR:MIN.	PRESSURE - PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: DJ CREW <input checked="" type="checkbox"/> CO. REP. <input checked="" type="checkbox"/>			
	PIPE	ANNULUS				TEST LINES	4500 PSI		
						CIRCULATING WELL - RIG	<input checked="" type="checkbox"/>	BJ	
10:30						ARRIVE LOCATION			
11:15						RIG UP TO CIRCULATE			
13:50						RIG CIRCULATE WELL 11:40 TO 13:45			
14:02						PRE JOB SAFTY MEETING - RIG UP TO CEMENT			
14:05					H2O	TEST LINES			
14:05	300		5.7	40	MUDCLEAN	START MUDCLEAN 1 + KCL EQUIVELENT			
14:12	329		5	30	KCL	END MUDCLEAN START KCL EQUIVELENT + NE110			
14:18	420		6.1	537	CMT	END KCL EQUIVELENT START LEAD CEMENT @ 11.5 PPG			
15:48	500		5.3	498.5	CMT	END LEAD CEMENT START TAIL CEMENT @ 14.2 PPG			
17:19	0					END TAIL CEMENT SHUT DOWN WASH UP DROP PLUG			
17:21	600		7.4	118.8	KCL	START KCL EQUIVELENT DISPLACEMENT			
17:37	2150		3.3	10	KCL	SLOW DISPLACEMENT TO BUMP PLUG			
17:40	2250					END DISPLACEMENT BUMP PLUG 830 PSI OVER ON PLUG			
17:41	3080					CHECK FLOAT & HELD			
						LOST RETURNS 450 BBLs INTO TAIL CEMENT			
						NO RETURNS DURING DISPLACEMENT			
						THANK YOU LARRY SCOTT & CREW			

BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL. CMT RETURNS/ REVERSED	TOTAL BBL. PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	SERV. SUPV.
<input checked="" type="checkbox"/>	N 2250	<input checked="" type="checkbox"/>	N 0	1234.3	0	Y <input checked="" type="checkbox"/>	Scott Timothy



**CEMENT JOB REPORT**

CUSTOMER Ballard Petroleum LLC		DATE 10-MAY-01	P.R. # 294910030	SERV. SUPV. Jerry Meyer					
LEASE & WELL NAME NORTH CHAPA FED 24-31 - API 4304733451001		LOCATION SEC31T85R23E		COUNTY-PARISH-BLOCK Ulrich, Utah					
DISTRICT Jemel		DRILLING CONTRACTOR RIG # WOLVERINE 50		TYPE OF JOB Surface					
SIZE & TYPE OF PLUGS Cement Plug, Rubber, Top 8-5/8 In		LIST-CSG-HARDWARE Centralizer, with Pins, 8-5/8 In Float Collar, Pop Valve, 8-5/8 - BRD		SLURRY WGT PPG	SLURRY YLD FT <sup>3</sup>	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER
<b>MATERIALS FURNISHED BY BJ</b>									
GELL SPACER				8.6				20	
FRESH WATER				8.34				10	
1SD SKS G +2%CaCl2+1/4 #SK C.F.				15.8	1.17	5		39.6	22.62
FRESH WATER				8.34				16.2	
Available Mix Water 110 Bbl.		Available Displ. Fluid 77 Bbl.		<b>TOTAL</b>				85.8	22.62

HOLE			TBG-CSG-D.P.				COLLAR DEPTHS			
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	GRADE	SHOE	FLOAT	STAB
12.225	100	260	8.625	24	CSG	255	J-55			0

LAST CASING				PKR-CMT RET-BR PL-LINER		PERF. DEPTH		TOP CONN		WELL FLUID	
SIZE	WGT.	TYPE	DEPTH	BRAND & TYPE	DEPTH	TOP	BTM	SIZE	THREAD	TYPE	WGT.
				NO PACKER	0	0	0	8.625	BRD	FRESH WATER	8.34

DISPL. VOLUME		DISPL. FLUID		CAL. PSI	CAL. MAX PSI	OP. MAX	MAX TBG PSI		MAX CSG PSI		MIX WATER SOURCE
VOLUME	UOM	TYPE	WGT.	BUMP PLUG	TO REV.	SG. PSI	RATED	Operator	RATED	Operator	
16.2	BBLs	FRESH W	8.34	300	0	0	0	0	2950	2360	TRUCK

EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: N/A

PRESSURE/RATE DETAIL						EXPLANATION	
TIME HR:MIN.	PRESSURE - PSI		RATE DPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CD. REP. <input checked="" type="checkbox"/>	
	PIPE	ANNULUS				TEST LINES	2000 PSI
10:44							
11:29							
11:38	20		3.2	20	GELL		
11:42	20		3	10	H2O		
11:45	30		3.5	39.6	CEMENT		
12:02	0						
12:04	50		3	2			
12:05	50		3	8	H2O		
12:11	80		2	4.2	H2O		
12:16	440						
12:17	150						

BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	BBL CMT RETURNS/ REVERSED	TOTAL BBL PUMPED	PSI LEFT ON CSG	SPOT TOP OUT CEMENT	SERV. SUPV.
<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	440	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	16	85.8	150	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	<i>Jerry Meyer</i>

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. GLH
2. CDW <input checked="" type="checkbox"/>
3. FILE

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

**X** Merger

The operator of the well(s) listed below has changed, effective: **12-31-2001**

<b>FROM: (Old Operator):</b>	<b>TO: ( New Operator):</b>
BALLARD PETROLEUM LLC	AEC OIL & GAS (USA) INC
Address: 950 17TH STREET STE 2600	Address: 950 17TH STREET STE 2600
DENVER, CO 80202	DENVER, CO 80202
Phone: 1-(303)-389-5015	Phone: 1-(303)-389-5015
Account No. N2310	Account No. N2085

**CA No.**                      **Unit:**

<b>WELL(S)</b>						
NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
HORSEHEAD POINT 18-44	18-36S-25E	43-037-30909	6031	FEDERAL	GW	S
FEDERAL 42-25	25-08S-22E	43-047-34182	99999	FEDERAL	GW	APD
FEDERAL 33-25	25-08S-22E	43-047-34181	99999	FEDERAL	GW	APD
FEDERAL 22-36	36-08S-22E	43-047-34084	13173	FEDERAL	GW	P
FEDERAL 23-36	36-08S-22E	43-047-34127	99999	FEDERAL	GW	APD
FEDERAL 24-36	36-08S-22E	43-047-34128	99999	FEDERAL	GW	APD
FEDERAL 41-36	36-08S-22E	43-047-34130	99999	FEDERAL	GW	APD
FEDERAL 43-36	36-08S-22E	43-047-34132	99999	FEDERAL	GW	APD
FEDERAL 44-36	36-08S-22E	43-047-33454	13075	FEDERAL	GW	P
FEDERAL 22-26	26-08S-23E	43-047-34178	99999	FEDERAL	GW	APD
FEDERAL 32-30	30-08S-23E	43-047-34085	13172	FEDERAL	GW	P
FEDERAL 24-30	30-08S-23E	43-047-34179	99999	FEDERAL	GW	APD
FEDERAL 44-30	30-08S-23E	43-047-33452	13137	FEDERAL	GW	P
FEDERAL 23-31	31-08S-23E	43-047-34126	99999	FEDERAL	GW	APD
<del>FEDERAL 24-31</del>	31-08S-23E	43-047-33451	13138	FEDERAL	GW	P
FEDERAL 41-31	31-08S-23E	43-047-34129	99999	FEDERAL	GW	APD
FEDERAL 43-31	31-08S-23E	43-047-34131	99999	FEDERAL	GW	APD
FEDERAL 44-31	31-08S-23E	43-047-33453	13091	FEDERAL	GW	P
FEDERAL 22-32	32-08S-23E	43-047-34016	99999	FEDERAL	GW	APD
FEDERAL 22-36E	36-08S-23E	43-047-34125	99999	FEDERAL	GW	APD
FEDERAL 33-20	20-08S-24E	43-047-34180	99999	FEDERAL	GW	APD

**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: 02/04/2002
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 02/04/2002
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 02/04/2002
- Is the new operator registered in the State of Utah: YES Business Number: 764413-0143
- If **NO**, the operator was contacted on: N/A

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 12/28/2001

7. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 12/28/2001

8. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

9. **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: N/A

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 02/04/2002
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 02/04/2002
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: N/A

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: RLB0002902

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: N/A

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

In Reply Refer To:  
3106  
UTU-20544 et al  
(UT-924)

FEB 01 2002

### NOTICE

AEC Oil & Gas (USA) Inc. : Oil and Gas  
950 17<sup>th</sup> Street :  
Suite 2600 :  
Denver, Colorado 80202 :

### Merger Recognized

Acceptable evidence has been received in this office concerning the Merger of Ballard Petroleum LLC into AEC Oil & Gas (USA) Inc. with AEC Oil & Gas (USA) Inc. being the surviving entity.

For our purposes, the name change is recognized effective December 28, 2001.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the merger. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

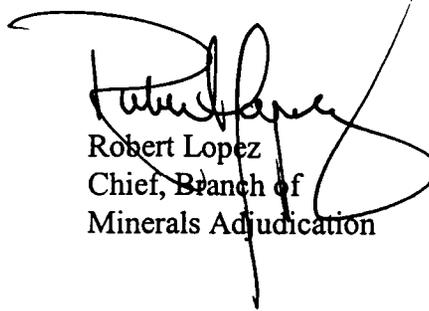
A cross reference was accomplished with our records and found that the lease UTU-58726 was not identified on your listing. We will appropriately document those files with a copy of this Notice.

**RECEIVED**

FEB 04 2002

DIVISION OF  
OIL, GAS AND MINING

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Ballard Petroleum LLC to AEC Oil & Gas (USA) Inc.. You may accomplish this either by consent of surety rider on the original bond or by submitting a bond under the new name. The statewide bond is held in Utah.



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

**Exhibit of Leases**

UTU-20544	UTU-73495
UTU-40754	UTU-73498
UTU-49678	UTU-73717
UTU-54017	UTU-73942
UTU-56960	UTU-74437
UTU-56965	UTU-74439
UTU-57469	UTU-74988
UTU-58726	UTU-76042
UTU-61400	UTU-76043
UTU-61401	UTU-76475
UTU-62252	UTU-76584
UTU-62953	UTU-76705
UTU-63182	UTU-76730
UTU-64422	UTU-76816
UTU-65471	UTU-76817
UTU-65472	UTU-76850
UTU-72045	UTU-77075
UTU-72047	UTU-77267
UTU-72644	UTU-77268
UTU-72645	UTU-77269
UTU-73038	UTU-77270
UTU-73193	UTU-77271
UTU-73417	UTU-77272
UTU-73418	UTU-77273
UTU-73419	UTU-77274
UTU-73426	UTU-77275
UTU-73426	UTU-77276
UTU-73427	UTU-77277
UTU-73428	UTU-77278
UTU-73429	UTU-77300
UTU-73430	UTU-77335
UTU-73431	UTU-77540
UTU-73432	UTU-77862
UTU-73484	UTU-78025
UTU-73446	UTU-78176
UTU-73447	UTU-78223
UTU-73448	UTU-78736
UTU-73454	UTU-78987
UTU-73485	UTU-78988
UTU-73486	UTU-79020
UTU-73487	UTU-79186
UTU-73489	
UTU-73490	

**CERTIFICATE OF MERGER OF  
MAPLELEAF TRANSACTIONS, INC. AND BALLARD PETROLEUM LLC  
INTO AEC OIL & GAS (USA) INC.**

The undersigned corporation, formed and existing under and by virtue of the Delaware General Corporation Law, does hereby certify:

FIRST: The name and jurisdiction of incorporation of each of the entities which is to merge are as follows:

<u>Name</u>	<u>Jurisdiction of Incorporation</u>
AEC Oil & Gas (USA) Inc.	Delaware
Mapleleaf Transactions, Inc.	Delaware
Ballard Petroleum LLC	Delaware

SECOND: An Agreement and Plan of Merger has been approved, adopted, certified, executed and acknowledged by AEC Oil & Gas (USA) Inc. and Mapleleaf Transactions, Inc. in accordance with Section 264 of the Delaware General Corporation Law and by Ballard Petroleum LLC in accordance with Section 209 of the Delaware Limited Liability Company Act

THIRD: The name of the surviving corporation is AEC Oil & Gas (USA) Inc., a Delaware corporation.

FOURTH: The Certificate of Incorporation of the surviving corporation shall be the Certificate of Incorporation of AEC Oil & Gas (USA) Inc. as in effect immediately preceding the merger.

FIFTH: The merger of Mapleleaf Transactions, Inc. and Ballard Petroleum LLC into AEC Oil & Gas (USA) Inc. shall be effective on (i) 11:59 pm EST, December 31, 2001; and (ii) the day and hour of the filing of this Certificate of Merger in the office of the Secretary of State of Delaware.

SIXTH: The executed Agreement and Plan of Merger is on file at the principal place of business of the surviving corporation, which is AEC Oil & Gas (USA) Inc., 950 17<sup>th</sup> Street, Suite 2600, Denver, Colorado 80202.

SEVENTH: A copy of the Agreement and Plan of Merger will be furnished by the surviving corporation, on request and without cost, to any stockholder of Mapleleaf Transactions, Inc. and AEC Oil & Gas (USA) Inc. and to any member of Ballard Petroleum LLC.

AEC OIL & GAS (USA) INC.

By: Mary A. Viviano

Mary A. Viviano, Secretary



# State of Delaware

010674344

SECRETARY OF STATE  
 DIVISION OF CORPORATIONS  
 P.O. BOX 898  
 DOVER, DELAWARE 19903

9343315  
 WELBORN SULLIVAN MECK & TOOLE, P.C.  
 821 17TH STREET  
 STE 500  
 DENVER CO 80202  
 ATTN: AMY MANG X#

12-28-2001

DESCRIPTION	AMOUNT
BALLARD PETROLEUM LLC	
3056340 0250N Merger; Non-Survivor	
Merger	50.00
Franchise Tax Balance	100.00
FILING TOTAL	150.00
MAPLELEAF TRANSACTIONS, INC.	
3340722 0250N Merger; Non-Survivor	
Franchise Tax Balance	30.00
FILING TOTAL	30.00
AEC OIL & GAS (USA) INC.	
2137895 0250S Merger; Survivor	
Merger	75.00
Receiving/Indexing	50.00
Data Entry Fee	20.00
Surcharge Assessment-New Castle	6.00
Page Assessment-New Castle Count	18.00
Expedite Fee, Same Day	200.00
FILING TOTAL	369.00
TOTAL CHARGES	549.00
TOTAL PAYMENTS	549.00
SERVICE REQUEST BALANCE	.00

BOND RIDER NO. 2

Attaching to and forming part of Oil and Gas or Geothermal Lease Bond, Bond No. RLB0002902, effective February 20, 2001, on behalf of Ballard Petroleum, LLC as Principal, in favor of the United States of America as Obligee, in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00).

It is understood and agreed that effective January 15, 2002, the name of the Principal has been changed under this bond to read:

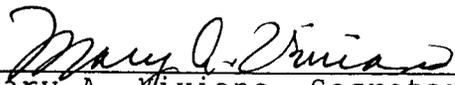
AEC Oil & Gas (USA) Inc.

All other conditions and terms to remain as originally written.

Signed, Sealed and dated this 15<sup>th</sup> day of January, 2002

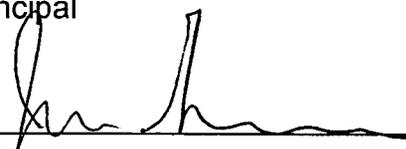
AEC Oil & Gas (USA) Inc.

Principal

  
\_\_\_\_\_  
Mary A. Viviano, Secretary

Mac

By

  
\_\_\_\_\_  
Jonathan L. Grannis, Vice President,  
Rockies Exploration

RLI Insurance Company

Surety

By

  
\_\_\_\_\_  
Greg E. Chilson, Attorney-in-Fact  
8 Greenway Plaza, Suite 400  
Houston, Texas 77046



9025 North Lindbergh Dr. • Peoria, IL 61615  
(309) 692-1000 or (800) 645-2402

RLB0002902

# POWER OF ATTORNEY

## RLI Insurance Company

### **Know All Men by These Presents:**

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: GREG E. CHILSON

in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

**\$50,000.00**

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity; policies indemnifying employers against loss or damage caused by the misconduct of their employees; official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company, and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

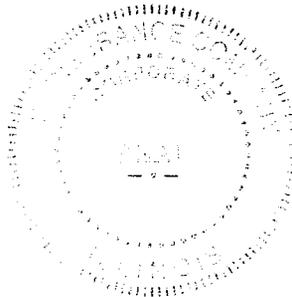
"All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT with its corporate seal affixed this

ATTEST:

Camille J. Hensey  
Corporate Secretary



RLI INSURANCE COMPANY

By: Jonathan E. Michael  
President

State of Illinois )  
                          ) SS  
County of Peoria  )

On this 15 day of Jan., 2002 before me, a Notary Public, personally appeared Jonathan E. Michael and Camille J. Hensey, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Cherie L. Montgomery  
Notary Public



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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

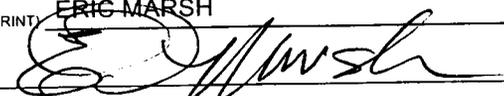
		5. LEASE DESIGNATION AND SERIAL NUMBER
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
		7. UNIT or CA AGREEMENT NAME
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>CHANGE OF OPERATOR</u>		8. WELL NAME and NUMBER:
2. NAME OF OPERATOR: <b>BALLARD PETROLEUM LLC</b>		9. API NUMBER:
3. ADDRESS OF OPERATOR: <b>950 17TH ST, #2600</b> CITY <b>DENVER</b> STATE <b>CO</b> ZIP <b>80202</b>		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE:		COUNTY:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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.  
 A MERGER BETWEEN BALLARD PETROLEUM LLC AND AEC OIL & GAS (USA) INC. BECAME EFFECTIVE ON 12-31-01. A COPY OF THE CERTIFICATE OF MERGER IS ATTACHED. THE NAME OF THE SURVIVING CORPORATION IS AEC OIL & GAS (USA) INC., A DELAWARE CORPORATION, WHICH WILL CONTINUE TO OPERATE UNDER BOND RLB0002902 (UT-1005).  
  
 ATTACHED IS A LIST OF THE UTAH WELLS AFFECTED BY THIS MERGER. IT IS REQUESTED THE OPERATOR NAME BE CHANGED TO AEC OIL & GAS (USA) INC.

NAME ERIC MARSH TITLE: VICE PRESIDENT, BALLARD PETROLEUM LLC  
 SIGNATURE  DATE: 1/29/02

NAME (PLEASE PRINT) ERIC MARSH TITLE: TEAM LEADER, AEC OIL & GAS (USA) INC.  
 SIGNATURE  DATE: 1/29/02

(This space for State use only)

**RECEIVED**  
  
 FEB 04 2002  
  
 DIVISION OF  
 OIL, GAS AND MINING

API	WELL NAME	LEASE	QUARTER/ QUARTER	SEC- TOWNSHIP- RANGE	COUNTY	WELL STATUS
43-037-30909	HORSEHEAD POINT 18-44	UTU40754	SESE	18-36S-25E	SAN JUAN	SI
43-037-31293	DEADMAN CANYON 1-20	UTU57469	NWSE	20-37S-24E	SAN JUAN	INJ
43-037-31303	DEADMAN CANYON 2-20	UTU57469	SESE	20-37S-24E	SAN JUAN	PROD
43-037-31304	DEADMAN CANYON 3-20	UTU57469	SENE	20-37S-24E	SAN JUAN	P&A
43-037-31306	DEADMAN CANYON 1-28	UTU49678	NWNW	28-37S-24E	SAN JUAN	SI
43-037-31403	1-15 CABALLO UNIT	UTU62953	NWNW	15-36S-23E	SAN JUAN	PROD
43-047-31795	NORTH CHAPITA 1-36	UTU56590	SWSW	36-8S-22E	UINTAH	PROD
43-037-31857	BADLANDS 1-31	UTU61401	SENE	31-8S-23E	UINTAH	P&A
43-047-31869	BADLANDS 1-32	UTU56965	SESE	32-8S-23E	UINTAH	PROD
43-047-33451	NORTH CHAPITA 24-31	UTU61401	SESW	31-8S-23E	UINTAH	PROD
43-047-33452	NORTH CHAPITA 44-30	UTU61400	SESE	30-8S-23E	UINTAH	PROD
43-047-33454	NORTH CHAPITA 44-36	UTU56960	SESE	35-8S-22E	UINTAH	PROD
43-049-30018	OIL HOLLOW 5-1	UTU77275	NWSW	5-11S-5E	UTAH	P&A
43-047-34084	FEDERAL 22-36	UTU56960	SENE	36-8S-22E	UINTAH	PROD
43-047-34085	FEDERAL 32-30	UTU61400	SWNE	30-8S-23E	UINTAH	PROD
43-047-33453	FEDERAL 44-31	UTU61401	SESE	31-8S-23E	UINTAH	PROD
43-047-34128	FEDERAL 24-36	UTU56960	SESW	36-8S-22E	UINTAH	APD
43-047-34180	FEDERAL 33-20	UTU77300	NWSE	20-8S-24E	UINTAH	APD
43-047-34182	FEDERAL 42-25	UTU65471	SENE	25-8S-22E	UINTAH	APD
43-047-34130	FEDERAL 41-36	UTU56960	NENE	36-8S-22E	UINTAH	APD
43-047-34016	FEDERAL 22-32	UTU56965	SENE	32-8S-23E	UINTAH	APD
43-047-34132	FEDERAL 43-36	UTU56960	NESE	36-8S-22E	UINTAH	APD
43-047-34181	FEDERAL 33-25	UTU65472	NWSE	25-8S-22E	UINTAH	APD
43-047-34179	FEDERAL 24-30	UTU61400	SESW	30-8S-23E	UINTAH	APD
43-047-34131	FEDERAL 43-31	UTU61401	NESE	31-8S-23E	UINTAH	APD
43-047-34127	FEDERAL 23-36	UTU56960	NESW	36-8S-22E	UINTAH	APD
43-047-34125	FEDERAL 22-36E	UTU78025	SENE	36-8S-23E	UINTAH	APD
43-047-34126	FEDERAL 23-31	UTU61401	NESW	31-8S-23E	UINTAH	APD
43-047-34178	FEDERAL 22-26	UTU76042	SENE	26-8S-23E	UINTAH	APD
43-047-34129	FEDERAL 41-31	UTU61401	NENE	31-8S-23E	UINTAH	APD



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
Montana State Office  
5001 Southgate Drive, P.O. Box 36800  
Billings, Montana 59107-6800  
<http://www.mt.blm.gov/>

In Reply To:

MTBIL 027549 et al  
BLM Bond Nos. MT1009  
WY1380  
UT1005  
CO1384

(922.EK)

May 10, 2002

## NOTICE

EnCana Energy Resources Inc.  
EnCana Oil & Gas (USA) Inc.  
600 South Excelsior  
Butte, Montana 59701

### CORPORATE MERGERS AND NAME CHANGES RECOGNIZED

You have filed acceptable evidence confirming the following corporate merger and resulting name changes.

#### **Merger:**

PanCanadian Energy Corporation and Alberta Energy Company Ltd. with a name change to EnCana Corporation - April 8, 2002

#### **Name Changes:**

PanCanadian Resources to EnCana Resources - April 9, 2002  
PanCanadian Heritage Lands to EnCana Heritage Lands - April 9, 2002  
PanCanadian Energy Services Inc. to EnCana Energy Services Inc. -  
April 8, 2002  
PanCanadian Energy Resources Inc. to EnCana Energy Resources Inc. -  
April 3, 2002  
PanCanadian Gulf of Mexico Inc. to EnCana GOM Inc. - April 8, 2002  
PanCanadian Midstream Inc. to EnCana Midstream Inc. - April 8, 2002  
PanCanadian Midstream Limited to EnCana Midstream Limited -  
April 8, 2002  
PanCanadian Energy Holdings Inc. to EnCana Energy Holdings Inc. -  
April 8, 2002  
  
AEC Gathering Services (USA) Inc. to EnCana Gathering Services (USA)  
Inc. - April 5, 2002  
AEC Gulf of Mexico Inc. to EnCana Gulf of Mexico Inc. - April 8, 2002  
AEC International(USA) Inc. to EnCana International (USA) Inc. -  
April 8, 2002  
AEC Marketing (USA) Inc. to EnCana Marketing (USA) Inc. - April 8, 2002  
AEC Oil & Gas (USA) Inc. to EnCana Oil & Gas (USA) Inc. - April 5, 2002  
AEC Oil & Gas Co. Ltd. to EnCana Oil & Gas Co. Ltd. - April 5, 2002  
AEC Oil & Gas Partnership to EnCana Oil & Gas Partnership -  
April 8, 2002  
AEC Pipelines (USA) Inc. to EnCana Pipelines (USA) Inc. - April 8, 2002  
  
AEC Storage and Hub Services Inc. to EnCana Gas Storage Inc. -

April 8, 2002  
AEC West Ltd. to EnCana West Ltd. - April 5, 2002  
AEC Pipelines Ltd. to EnCana Pipelines Ltd. - April 8, 2002

For our purpose we are recognizing the merger and name changes effective as shown above, as certified by the various Secretary of the States or the Canadian Office of Register. The principal automatically changes by operation of law from PanCanadian Energy Resources Inc. to EnCana Energy Resources Inc. on bond no. 055 S103356131BCM (BLM Bond No. MT1009) with Travelers Casualty & Surety Company of America as surety. The principal automatically changes by operation of law from AEC Oil & Gas (USA) Inc. to EnCana Oil & Gas (USA) Inc. on the following bonds:

Bond No. SLRC6413968 (BLM Bond No. WY1380) - The American Insurance Company as surety.  
Bond No. RLB0002901 (BLM Bond No. CO1384) - RLI Insurance Company as surety.  
BLM Bond No. UT1005 backed by a Letter of Credit.

We updated the oil and gas lease files identified on the enclosed exhibits A, B and C to reflect the new names. We compiled the exhibit from leases shown on our automated records system and the list you submitted. We are notifying the Minerals Management Service and applicable Bureau of Land Management offices of the change so they can update their records. If our field offices require additional documentation for changes of operator, they will contact you.

If you identify additional leases affected by the name change, please contact this office and we will document the files under our jurisdiction with a copy of this notice. If the leases are under the jurisdiction of another State Office, we will notify them.

If you have any questions, please contact Elaine at (406) 896-5108, or FAX (406) 896-5292.

/s/ Karen L. Johnson

Karen L. Johnson, Chief  
Fluids Adjudication Section

3 Enclosures

- 1-Exhibit A - BLM automated records report
- 2-Exhibit B - List of leases submitted by PanCanadian Energy Res.
- 3-Exhibit C - BLM automated records report for AEC OG (USA), AEC O&G (USA) INC, AEC OIL & GAS (USA) INC, AEC OIL & GAS USA INC,

cc: (w/encl)

Travelers Casualty & Surety Company of America, One Tower Square, Hartford,  
CT 06183-6014

RLI Insurance Company, 9025 N. Lindbergh Drive, Peoria, IL 61615

The American Insurance Company, 777 San Marin Drive, Novato, CA 94998

MMS, MRM, Attn: Gail Ryer, P.O. Box 5760, MS357B1, Denver, CO 80217

FM, North Dakota

FM, Miles City

Great Falls Oil & Gas Field Station

MT-922 (RM&O Section)

MT-930 (Cashier)

SMA

Merger/Name Change File

cc:(without enclosure)

All State Offices (electronic)

MT-921

MT-924

Bureau of Indian Affairs, Regional Director Rocky Mountain Region, Real

Estate Services, 316 North 26<sup>th</sup> Street, Billings, MT 59101

Bureau of Indian Affairs, Regional Director Great Plains Regional Office, 115  
4<sup>th</sup> Ave. S.E. Aberdeen SD 57401

922.Ekaufman:cs:5/10/02:X5108:pancanadian.elk.doc



MAY 17 2002

DIVISION OF  
OIL, GAS AND MINING

EnCana Oil & Gas (USA) Inc.  
950 17th Street  
Suite 2600  
Denver CO USA 80202

tel: (303) 623-2300  
fax: (303) 623-2400

[www.encana.com](http://www.encana.com)

To Whom It May Concern:

⇒US E&P Notice

On April 5, 2002 the Canadian merger transaction between PanCanadian Energy Corporation (PanCanadian) and Alberta Energy Company Ltd. (AEC) took effect and we began operating as **EnCana Corporation** on April 8, 2002.

As a result of the merger, several former PanCanadian affiliates have changed their names:

- PanCanadian Energy Corporation has become **EnCana Corporation**
- PanCanadian Resources has become **EnCana Resources**
- PanCanadian Heritage Lands has become **EnCana Heritage Lands**
- PanCanadian Energy Services Inc. has become **EnCana Energy Services Inc.**
- PanCanadian Energy Resources Inc. has become **EnCana Energy Resources Inc.**
- PanCanadian Gulf of Mexico Inc. has become **EnCana GOM Inc.**
- PanCanadian Midstream Inc. has become **EnCana Midstream Inc.**
- PanCanadian Midstream Limited has become **EnCana Midstream Limited**
- PanCanadian Energy Holdings Inc. has become **EnCana Energy Holdings Inc.**

Also, as a result of the merger AEC became an indirect subsidiary of EnCana Corporation. *AEC's name has not changed and if you dealt with AEC in the past you should continue to deal with AEC in the normal fashion.* The following AEC affiliates have, however, changed their names:

- ⇒ **AEC Gathering Services (USA) Inc. has become EnCana Gathering Services (USA) Inc.**
  - AEC Gulf of Mexico Inc. has become **EnCana Gulf of Mexico Inc.**
  - AEC International (USA) Inc. has become **EnCana International (USA) Inc.**
  - AEC Marketing (USA) Inc. has become **EnCana Marketing (USA) Inc.**
- ⇒ **AEC Oil & Gas (USA) Inc. has become EnCana Oil & Gas (USA) Inc.**
  - AEC Oil & Gas Co. Ltd. has become **EnCana Oil & Gas Co. Ltd.**
  - AEC Oil & Gas Partnership has become **EnCana Oil & Gas Partnership**
  - AEC Pipelines (USA) Inc. has become **EnCana Pipelines (USA) Inc.**
  - AEC Storage and Hub Services Inc. has become **EnCana Gas Storage Inc.**
  - AEC West Ltd. has become **EnCana West Ltd.**
  - AEC Pipelines Ltd. has become **EnCana Pipelines Ltd.**

Please address all future notices, invoices, payments, correspondence and other communications to the appropriate EnCana entity. The mailing address for the entity you have been dealing with will remain the same until you are notified otherwise.

If you have outstanding contract(s) with any of the above-noted entities, no changes or amendments are required at this time.

⇒If you are dealing with any other former PanCanadian or AEC affiliates which are not listed above, **such as McMurry Oil Company and Fort Collins Consolidated Royalties, Inc.**, you may assume that such affiliate's name has not changed and you should continue to do business with that affiliate in the normal fashion until further notice.

If you require the *Proof of Filing* or the effective date of the respective name changes, you can download them from our web site at [www.encana.com/Doing business with us](http://www.encana.com/Doing business with us).

EnCana Corporation and its affiliates look forward to a continued business relationship with you.

API	WELL NAME	LEASE	QUARTER QUARTER	SEC- TOWNSHIP- RANGE	COUNTY	WELL STATUS
43-037-30909	HORSEHEAD POINT 18-44	UTU40754	SESE	18-36S-25E	SAN JUAN	SI
43-037-31293	DEADMAN CANYON 1-20	UTU57469	NWSE	20-37S-24E	SAN JUAN	INJ
43-037-31303	DEADMAN CANYON 2-20	UTU57469	SESE	20-37S-24E	SAN JUAN	PROD
43-037-31304	DEADMAN CANYON 3-20	UTU57469	SENE	20-37S-24E	SAN JUAN	P&A
43-037-31306	DEADMAN CANYON 1-28	UTU49678	NWNW	28-37S-24E	SAN JUAN	SI
43-037-31403	1-15 CABALLO UNIT	UTU62953	NWNW	15-36S-23E	SAN JUAN	PROD
43-047-31795	NORTH CHAPITA 1-36	UTU56590	SWSW	36-8S-22E	UINTAH	PROD
43-037-31857	BADLANDS 1-31	UTU61401	SENE	31-8S-23E	UINTAH	P&A
43-047-31869	BADLANDS 1-32	UTU56965	SESE	32-8S-23E	UINTAH	PROD
43-047-33451	NORTH CHAPITA 24-31	UTU61401	SESW	31-8S-23E	UINTAH	PROD
43-047-33452	NORTH CHAPITA 44-30	UTU61400	SESE	30-8S-23E	UINTAH	PROD
43-047-33454	NORTH CHAPITA 44-36	UTU56960	SESE	35-8S-22E	UINTAH	PROD
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43-047-34085	FEDERAL 32-30	UTU61400	SWNE	30-8S-23E	UINTAH	PROD
43-047-33453	FEDERAL 44-31	UTU61401	SESE	31-8S-23E	UINTAH	PROD
43-047-34128	FEDERAL 24-36	UTU56960	SESW	36-8S-22E	UINTAH	APD
43-047-34180	FEDERAL 33-20	UTU77300	NWSE	20-8S-24E	UINTAH	APD
43-047-34182	FEDERAL 42-25	UTU65471	SENE	25-8S-22E	UINTAH	APD
43-047-34130	FEDERAL 41-36	UTU56960	NENE	36-8S-22E	UINTAH	APD
43-047-34016	FEDERAL 22-32	UTU56965	SENE	32-8S-23E	UINTAH	APD
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43-047-34181	FEDERAL 33-25	UTU65472	NWSE	25-8S-22E	UINTAH	APD
43-047-34179	FEDERAL 24-30	UTU61400	SESW	30-8S-23E	UINTAH	APD
43-047-34131	FEDERAL 43-31	UTU61401	NESE	31-8S-23E	UINTAH	APD
43-047-34127	FEDERAL 23-36	UTU56960	NESW	36-8S-22E	UINTAH	APD
43-047-34125	FEDERAL 22-36E	UTU78025	SENE	36-8S-23E	UINTAH	APD
43-047-34126	FEDERAL 23-31	UTU61401	NESW	31-8S-23E	UINTAH	APD
43-047-34178	FEDERAL 22-26	UTU76042	SENE	26-8S-23E	UINTAH	APD
43-047-34129	FEDERAL 41-31	UTU61401	NENE	31-8S-23E	UINTAH	APD

**RECEIVED**

JUN 19 2002

**DIVISION OF  
OIL, GAS AND MINING**

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <u>NAME CHANGE</u>		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>EnCana Oil &amp; Gas (USA) Inc.</b>		8. WELL NAME and NUMBER:
3. ADDRESS OF OPERATOR: <b>950 17th Street, #2600</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		9. API NUMBER:
PHONE NUMBER: <b>(303) 389-5060</b>		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL		
FOOTAGES AT SURFACE:		COUNTY:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>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 4-8-02 the name of AEC Oil & Gas (USA) Inc. was changed to EnCana Oil & Gas (USA) Inc. A copy of the Bond No. RLB0002902 is enclosed. The name of the Principal has been changed under this bond to read EnCana Oil & Gas (USA) Inc.

Attached is a list of Utah wells affected by this name change. It is requested the Operator Name be changed from AEC Oil & Gas (USA) Inc. to EnCana Oil & Gas (USA) Inc.

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JUN 19 2002

DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>RUTHANN MORSS</u>	TITLE <u>PERMITTING AGENT</u>
SIGNATURE	DATE _____

(This space for State use only)

APR-05-2002 FRI 02:09 PM WSM&T

FAX NO. 3038322366  
STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FILED 04:12 PM 04/05/2002  
020221516 - 2137895

**CERTIFICATE OF AMENDMENT  
OF CERTIFICATE OF INCORPORATION  
OF AEC OIL & GAS (USA) INC.**

AEC Oil & Gas (USA) Inc., a Delaware corporation (the "Corporation") hereby certifies as follows:

1. The Board of Directors and Sole Stockholder of the Corporation have adopted the following resolution in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended:

RESOLVED, that the Corporation's Certificate of Incorporation is hereby amended by deleting the FIRST paragraph of said certificate in its entirety and by substituting the following therefor:

"FIRST. The name of the Corporation is EnCana Oil & Gas (USA) Inc."

2. The capital of the Corporation shall not be reduced under or by reason of said amendment.

AEC OIL & GAS (USA) INC.

By: Mary A. Viviano  
Mary A. Viviano, Secretary

Date: 4-5-02

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DIVISION OF  
OIL, GAS AND MINING

BOND RIDER NO. 3

Attaching to and forming part of Oil and Gas or Geothermal Lease Bond, Bond No. RLB0002902, effective February 20, 2001, on behalf of AEC Oil & Gas (USA) Inc. as Principal, in favor of the United States of America as Obligee, in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00).

It is understood and agreed that effective June 1, 2002, the name of the Principal has been changed under this bond to read:

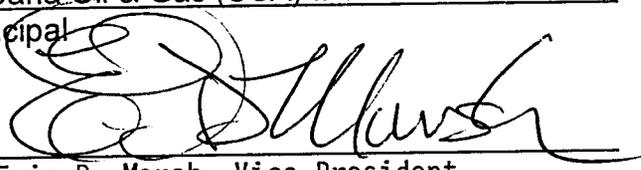
EnCana Oil & Gas (USA) Inc.

All other conditions and terms to remain as originally written.

Signed, Sealed and dated this 31st day of May, 2002.

EnCana Oil & Gas (USA) Inc.

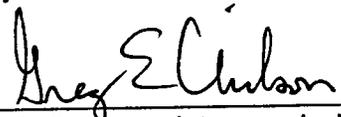
Principal

By 

Eric D. Marsh, Vice President

RLI Insurance Company

Surety

By 

Greg E. Chilson, Attorney-in-Fact  
8 Greenway Plaza, Suite 400  
Houston, Texas 77046

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**DIVISION OF  
OIL, GAS AND MINING**



9025 North Lindbergh Dr. • Peoria, IL 61615  
(309) 692-1000 or (800) 645-2402

RLB0002902

# POWER OF ATTORNEY

## RLI Insurance Company

### Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: GREG E. CHILSON

in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

\$50,000.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity; policies indemnifying employers against loss or damage caused by the misconduct of their employees; official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company, and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT with its corporate seal affixed this

ATTEST:

Camille J. Hensey

Corporate Secretary



By:

Jonathan E. Michael

President

State of Illinois )  
County of Peoria ) SS

On this 31 day of May 2002 before me, a Notary Public, personally appeared Jonathan E. Michael and Camille J. Hensey, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Cherie L. Montgomery

Notary Public



# RECEIVED

JUN 19 2002

DIVISION OF  
OIL, GAS AND MINING

SPA026 (10/01)

API	WELL NAME	LEASE	QUARTER: QUARTER	SEC- TOWNSHIP- RANGE	COUNTY	WELL STATUS
43-037-30909	HORSEHEAD POINT 18-44	UTU40754	SESE	18-36S-25E	SAN JUAN	SI
43-037-31293	DEADMAN CANYON 1-20	UTU57469	NWSE	20-37S-24E	SAN JUAN	INJ
43-037-31303	DEADMAN CANYON 2-20	UTU57469	SESE	20-37S-24E	SAN JUAN	PROD
43-037-31304	DEADMAN CANYON 3-20	UTU57469	SENE	20-37S-24E	SAN JUAN	P&A
43-037-31306	DEADMAN CANYON 1-28	UTU49678	NWNW	28-37S-24E	SAN JUAN	SI
43-037-31403	1-15 CABALLO UNIT	UTU62953	NWNW	15-36S-23E	SAN JUAN	PROD
43-047-31795	NORTH CHAPITA 1-36	UTU56590	SWSW	36-8S-22E	UINTAH	P&A
43-037-31857	BADLANDS 1-31	UTU61401	SENE	31-8S-23E	UINTAH	PROD
43-047-31869	BADLANDS 1-32	UTU56965	SESE	32-8S-23E	UINTAH	PROD
43-047-33451	NORTH CHAPITA 24-31	UTU61401	SESW	31-8S-23E	UINTAH	PROD
43-047-33452	NORTH CHAPITA 44-30	UTU61400	SESE	30-8S-23E	UINTAH	PROD
43-047-33454	NORTH CHAPITA 44-36	UTU56960	SESE	35-8S-22E	UINTAH	PROD
43-049-30018	OIL HOLLOW 5-1	UTU77275	NWSW	5-11S-5E	UTAH	P&A
43-047-34084	FEDERAL 22-36	UTU56960	SENE	36-8S-22E	UINTAH	PROD
43-047-34085	FEDERAL 32-30	UTU61400	SWNE	30-8S-23E	UINTAH	PROD
43-047-34085	FEDERAL 32-30	UTU61400	SENE	31-8S-23E	UINTAH	PROD
43-047-34128	FEDERAL 24-36	UTU56960	SESW	36-8S-22E	UINTAH	APD
43-047-34180	FEDERAL 33-20	UTU77300	NWSE	20-8S-24E	UINTAH	APD
43-047-34182	FEDERAL 42-25	UTU65471	SENE	25-8S-22E	UINTAH	APD
43-047-34130	FEDERAL 41-36	UTU56960	NENE	36-8S-22E	UINTAH	APD
43-047-34016	FEDERAL 22-32	UTU56965	SENE	32-8S-23E	UINTAH	APD
43-047-34132	FEDERAL 43-36	UTU56960	NESE	36-8S-22E	UINTAH	APD
43-047-34181	FEDERAL 33-25	UTU65472	NWSE	25-8S-22E	UINTAH	APD
43-047-34179	FEDERAL 24-30	UTU61400	SESW	30-8S-23E	UINTAH	APD
43-047-34131	FEDERAL 43-31	UTU61401	NESE	31-8S-23E	UINTAH	APD
43-047-34127	FEDERAL 23-36	UTU56960	NESE	36-8S-22E	UINTAH	APD
43-047-34125	FEDERAL 22-36E	UTU78025	SENE	36-8S-23E	UINTAH	APD
43-047-34126	FEDERAL 23-31	UTU61401	NESE	31-8S-23E	UINTAH	APD
43-047-34178	FEDERAL 22-26	UTU76042	SENE	26-8S-23E	UINTAH	APD
43-047-34129	FEDERAL 41-31	UTU61401	NENE	31-8S-23E	UINTAH	APD

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**JUN 19 2002**

**DIVISION OF  
OIL, GAS AND MINING**

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. GLH
2. CDW ✓
3. FILE

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

**X** Merger

The operator of the well(s) listed below has changed, effective: <b>04-08-2002</b>	
<b>FROM: (Old Operator):</b>	<b>TO: (New Operator):</b>
AEC OIL & GAS USA INC	ENCANA OIL & GAS INC
Address: 950 17TH STREET, STE 2600	Address: 950 17TH STREET, STE 2600
DENVER, CO 80202	DENVER, CO 80202
Phone: 1-(406)-628-4164	Phone: 1-(303)-623-2300
Account No. N2085	Account No. N2175
<b>CA No.</b>	<b>Unit: BADLANDS</b>

<b>WELL(S)</b>						
NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NORTH CHAPITA FEDERAL 1-36	36-08S-22E	43-047-31795	10745	FEDERAL	GW	P
FEDERAL 24-36	36-08S-22E	43-047-34128	99999	FEDERAL	GW	APD
FEDERAL 43-36	36-08S-22E	43-047-34132	99999	FEDERAL	GW	APD
FEDERAL 24-30	30-08S-23E	43-047-34179	99999	FEDERAL	GW	APD
BADLANDS FEDERAL 1-31	31-08S-23E	43-047-31857	10960	FEDERAL	GW	TA
FEDERAL 23-31	31-08S-23E	43-047-34126	99999	FEDERAL	GW	APD
<b>FEDERAL 24-31</b>	31-08S-23E	43-047-33451	13138	FEDERAL	GW	P
FEDERAL 43-31	31-08S-23E	43-047-34131	99999	FEDERAL	GW	APD
BADLANDS FEDERAL 1-32	32-08S-23E	43-047-31869	11627	FEDERAL	GW	P

**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: 06/19/2002
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 05/17/2002
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/20/2002
- Is the new operator registered in the State of Utah: YES Business Number: 5053175-0143
- If **NO**, the operator was contacted on: N/A
- (R649-9-2) Waste Management Plan received on: IN PLACE

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6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 05/10/2002

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7. **Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: 05/10/2002

---

**8. Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on:           N/A          

---

**9. 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:           N/A          

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**DATA ENTRY:**

- 1. Changes entered in the **Oil and Gas Database** on:           06/20/2002
- 2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on:           06/20/2002
- 3. Bond information entered in RBDMS on:           N/A
- 4. Fee wells attached to bond in RBDMS on:           N/A

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**STATE WELL(S) BOND VERIFICATION:**

- 1. State well(s) covered by Bond Number:           N/A

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**FEDERAL WELL(S) BOND VERIFICATION:**

- 1. Federal well(s) covered by Bond Number:           UT1005

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**INDIAN WELL(S) BOND VERIFICATION:**

- 1. Indian well(s) covered by Bond Number:           N/A

---

**FEE WELL(S) BOND VERIFICATION:**

- 1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number           N/A
- 2. The **FORMER** operator has requested a release of liability from their bond on:           N/A            
The Division sent response by letter on:           N/A

---

**LEASE INTEREST OWNER NOTIFICATION:**

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

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**COMMENTS:**

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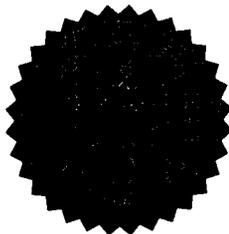
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# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "AEC OIL & GAS (USA) INC.", CHANGING ITS NAME FROM "AEC OIL & GAS (USA) INC." TO "ENCANA OIL & GAS (USA) INC.", FILED IN THIS OFFICE ON THE FIFTH DAY OF APRIL, A.D. 2002, AT 4:12 O'CLOCK P.M.



*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 1858569

DATE: 06-27-02

2137895 8100

020418994

**CERTIFICATE OF AMENDMENT  
OF CERTIFICATE OF INCORPORATION  
OF AEC OIL & GAS (USA) INC.**

AEC Oil & Gas (USA) Inc., a Delaware corporation (the "Corporation") hereby certifies as follows:

1. The Board of Directors and Sole Stockholder of the Corporation have adopted the following resolution in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended:

RESOLVED, that the Corporation's Certificate of Incorporation is hereby amended by deleting the FIRST paragraph of said certificate in its entirety and by substituting the following therefor:

"FIRST. The name of the Corporation is EnCana Oil & Gas (USA) Inc."

2. The capital of the Corporation shall not be reduced under or by reason of said amendment.

AEC OIL & GAS (USA) INC.

By: Mary A. Viviano  
Mary A. Viviano, Secretary

Date: 4-5-02

Affected Leases (state)

AEC Oil & Gas (USA) Inc. changed its name to EnCana Oil & Gas (USA) Inc. effective, April 5, 2002. This name change affects all state land leases held in Utah by AEC Oil & Gas (USA) Inc. including the following:

**GRAND COUNTY:**

<u>AEC Lease No.</u>	<u>Lessor</u>	<u>Lessee</u>	<u>Description</u>
10601.000	ST UT ML 46758	Sonja V McCormick	Township 21 South, Range 18 East, SLM Section 32: All
10616.000	ST UT ML 46662	Sonja V McCormick	Township 21 South, Range 17 East, SLM Section 2: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, S/2N/2, S/2 (All) Section 16: All Section 17: S/2SE/4 Section 36: All
10617.000	ST UT ML 46663	Sonja V McCormick	Township 21 South, Range 17 East, SLM Section 4: SE/4SW/4 Section 5: SW/4, W/2SE/4 Section 6: Lots 8, 9, 15, 16, SE/4 Section 7: Lots 1, 2, 3, E/NW/4, NE/4, NE/ Section 8: NW/4, NE/4SW/4
10622.000	ST UT ML 46664	Sonja V McCormick	Township 22 South, Range 18 East, SLM Section 9: Lot 1 Section 16: All
10853.000	ST UT ML 47575	Ballard Petroleum LLC	Township 21 South, Range 18 East, SLB&M Section 16: All
11768.000	ST UT 48143	Vern Jones	Township 22 South, Range 17 East, SLB&M Section 2: Lots 1, 2, 3, 4, S/2N/2, S/2
11769.000	ST UT 48144	Vern Jones	Township 22 South, Range 17 East, SLB&M Section 16: All
10686.000	ST UT ML 45868	Sonja V. McCormick	Township 23 South, Range 16 East, SLM Section 3: All - Bed of Green River Section 11: All - Bed of Green River Section 12: All - Bed of Green River

**SAN JUAN COUNTY:**

<b><u>AEC Lease No.</u></b>	<b><u>Lessor</u></b>	<b><u>Lessee</u></b>	<b><u>Description</u></b>
11318.000	ST UT ML 47813	Ballard Petroleum LLC	Township 36 South, Range 25 East, SLB&M Section 16: All
11319.000	ST UT ML 47815	Ballard Petroleum LLC	Township 37 South, Range 25 East, SLB&M Section 16: All
11320.000	ST UT ML 47805	Ballard Petroleum LLC	Township 22 South, Range 17 East, SLB&M Section 36: All



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

July 1, 2004

Judy Walter  
EnCana Oil & Gas Inc  
950 17<sup>th</sup> St, Suite 2600  
Denver, CO 80202

RE: Entity Number Corrections for API 43-047-33451, 43-047-34131  
and 43-047-34126

Dear Ms. Walter:

Enclosed in a Form 6, Entity Action Form showing corrections necessitated by your company's request to BLM for wells to be part of the Badlands Unit.

Please change your records to show the "New Entity Number". You will then need to amend your production and disposition reporting back to the "Entity Assignment Effective Date". This may also affect the royalty distributions and other reports.

If you have any questions, please call me at (801) 538-5336.

Sincerely,

Earlene Russell  
Engineering Technician

Enclosures

Cc: Steve Schneider  
Carolyn Williams  
Badlands Unit File  
Well Files

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

FORM

**ENTITY ACTION FORM**

Operator: Encana Oil & Gas Inc Operator Account Number: N 2175  
 Address: 950 17th St, Suite 2600  
city Denver  
state CO zip 80202 Phone Number: (303) 623-2300

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304733451	Federal 24-31		SESW	31	08S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
C	13138	10960				7/1/2001	
<b>Comments:</b> 7/1/2004 DOGM correction per BLM & Unit Map; this should have been part of unit since first production. Mesaverde formation							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304734131	Federal 43-31		NESE	31	08S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
D	13934	14206				5/1/2003	
<b>Comments:</b> 7/1/2004 DOGM Correction per BLM approval letter of 5/6/2004 - effective 5/1/2003. Wasatch PA "A"							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304734126	Federal 23-31		NESW	31	08S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
D	13933	14206				5/1/2003	
<b>Comments:</b> 7/1/2004 DOGM Correction per BLM approval letter of 5/6/2004 - effective 5/1/2003. Wasatch PA "A"							

**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)

Earlene Russell For DOGM

Name (Please Print)

*Earlene Russell*

Signature

Engineering Tech

7/1/2004

Title

Date

## INSTRUCTIONS

An Entity is a 5 digit identifying number assigned to wells by the Division of Oil, Gas and Mining. The division uses entity numbers to record oil and gas disposition data. It is used by other state agencies for tracking ownership information of oil and gas sales.

**This form shall be submitted by the well operator within five working days of**

- spudding a new well;
- changing physical operations or interests such that a well is added to or removed from a group of wells that:
  - have identical division of interest,
  - have product sales from a common tank, LACT meter, or gas meter, and
  - have the same operator;
- changing interests or boundaries such that a well is added to or removed from a participating area of a properly designated unit;
- converting a service well to an oil or gas well;
- recompleting a well to a different producing formation.

**This form is to be used solely for the purpose of accurately setting up well information in the division's computer system. It does not replace Form 9, Sundry Notices and Reports on Wells, which is to be used to provide detailed accounts of physical operations on wells.**

### Action codes:

- A** Used to establish a new Entity number for a single **new well**. The spud date will be the Entity assignment effective date.
- B** Used to add a **new well** to an existing Entity number when
- the well will be physically attached to an existing group of wells that
    - have identical division of interest,
    - have product sales from a common tank, LACT meter, or gas meter, and
    - have the same operator, or
  - the well is being drilled within the boundaries of a properly designated unit (each participating area within the unit will usually have its own Entity number) and will produce from the formation covered by the participating area.
- Show the Entity number to which the well is to be added in "New Entity Number." The spud date will be the Entity assignment effective date.
- C** Used to re-assign an **existing well** from one Entity number to another existing Entity number when
- the well becomes physically attached to a group of wells that meet the criteria described for code B above, or
  - the well is brought into the participating area of a unit through a boundary change or recompletion.
- Show the well's current Entity in "Current Entity Number" and the Entity number to which the well should be reassigned in "New Entity Number." Show the date on which the reassignment should be made in "Effective Date."
- D** Used to re-assign an **existing well** from one Entity number to a new Entity number when
- the well is no longer physically attached to a group of wells, or
  - the well is still physically attached to a group of wells, but the owner(s) or operator of the well has become different than that of the remaining wells, or
  - the well is still physically attached to a group of wells, but is recompleted into another producing formation which has a different division of interest, or
  - the well is no longer located within a unit or a participating area of a unit due to a change in boundaries, or the well is recompleted to a producing formation not included in the participating area
- E** Used for situations that do not fall under any of the other codes. Explain the situation in the comment section.

Send to:

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

Phone: 801-538-5340

Fax: 801-359-3940

**WELBORN SULLIVAN MECK & TOOLEY, P.C.**  
ATTORNEYS AT LAW

821 17th Street, Suite 500  
Denver, Colorado 80202  
Telephone: 303-830-2500  
Facsimile: 303-832-2366  
E-mail: wsmt@wsmtlaw.com

July 2, 2002

Mr. Jim Thompson  
State of Utah  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Post Office Box 145801  
Salt Lake City, UT 84114-5801

Stephen J. Sullivan  
John F. Meck  
Keith D. Tooley  
Kendor P. Jones  
Brian S. Tooley  
Thomas C. McKee  
Stephen A. Bain  
Molly Sommerville  
William R. Rapson  
Kathryn Haight  
Kristen L. Mix  
Amy E. Seneshen  
Danielle V. Wiletsky  
Rebecca N. Welborn

Special Counsel  
John F. Welborn  
Norman S. Early, Jr.

**Re: AEC Oil & Gas (USA) Inc. name change to EnCana Oil & Gas (USA) Inc.** Of Counsel  
Robert F. Welborn

Dear Mr. Thompson:

Enclosed for filing with the Utah Division of Oil, Gas and Mining is a Certificate of Name Change from the Secretary of State of the State of Delaware certifying that AEC Oil & Gas (USA) Inc. changed its name to EnCana Oil & Gas (USA) Inc. on April 5, 2002, along with a list of the affected leases. Also enclosed is an additional copy of same which I would appreciate you stamping "filed" and returning to me in the enclosed self-addressed, stamped envelope provided for your convenience.

Thank you for your assistance in this matter. Should you have any questions concerning this letter or the enclosed, please do not hesitate to contact me at 303-376-4468.

Very truly yours,



Jerry G. McPeake  
Paralegal

/jm  
Enclosures

**RECEIVED**

JUL 05 2002

**DIVISION OF  
OIL, GAS AND MINING**



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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER:
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>NA</b>
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>See attached Exhibit "A"</b>
2. NAME OF OPERATOR: <b>ENCANA OIL &amp; GAS (USA) INC</b> <i>N2175</i>		9. API NUMBER:
3. ADDRESS OF OPERATOR: 370 17th St., Suite 1700 CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>SEE ATTACHED EXHIBIT "A"</b>		COUNTY: <b>UINTAH</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" 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	

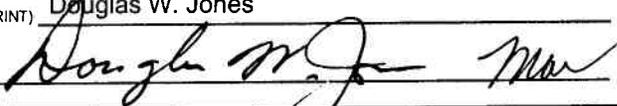
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective Date: **May 1, 2006**

New Operator: **EOG Resources, Inc.** *N9550*  
600 17th St., Suite 1000N **EOG Resources, Inc.'s contact is Sheila Singer.**  
Denver, CO 80202

**EOG RESOURCES, INC.**

Name **Kurt D. Doerr** Title **Agent or Attorney-in-Fact**  
Signature  Date **7/11/2006**

NAME (PLEASE PRINT) <b>Douglas W. Jones</b>	TITLE <b>Attorney-in-Fact</b>
SIGNATURE 	DATE <b>7/11/2006</b>

(This space for State use only)

**APPROVED** *7/19/2006*  
*Earlene Russell*  
**Division of Oil, Gas and Mining**  
**Earlene Russell, Engineering Technician**

(See Instructions on Reverse Side)

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**JUL 13 2006**  
DIV. OF OIL, GAS & MINING

EXHIBIT "A"

Attached to State of Utah Form 9 - Sundry Notices and Reports on Wells

UINTAH COUNTY, UTAH

Lease Serial Number	Encana's Well ID	API No.	Unit or CA Agreement Name	Well Name	Field and Pool	Twp	Rng	Sec	Qtr	Footages at Surface
UTU 56960	765010	047-34084		NORTH CHAPITA FEDERAL 22-36(W)	NATURAL BUTTES	8S	22E	36	SENW	1980 N 1750 W
	764998	047-31795	BADLANDS UNIT-UTU-60917A	NORTH CHAPITA FEDERAL 1-36	NATURAL BUTTES	8S	22E	36	SWSW	600 S 640 W
	765005	047-33454		FEDERAL 44-36	NATURAL BUTTES	8S	22E	36	SESE	836 S 738 E
UTU 56965	764997	047-31869	BADLANDS UNIT-UTU-60917B	BADLANDS FEDERAL 1-32	NATURAL BUTTES	8S	23E	32	SESE	613 S 704 E
	765009	047-34016		NORTH CHAPITA FEDERAL 22-32	NATURAL BUTTES	8S	23E	32	SENW	1416 N 1601 W
UTU 61400	765008	047-33452		FEDERAL 44-30	NATURAL BUTTES	8S	23E	30	SESE	900 S 500 E
	765011	047-34085		NORTH CHAPITA FEDERAL 32-30	NATURAL BUTTES	8S	23E	30	SWNE	1986 N 2148 E
UTU 61401	764996	047-31857	BADLANDS UNIT-UTU-60917A	BADLANDS FEDERAL 1-31	NATURAL BUTTES	8S	23E	31	SENW	2110 N 1910 W
	765006	047-33453		FEDERAL 44-31	NATURAL BUTTES	8S	23E	31	SESE	478 S 712 E
	765007	047-33451	BADLANDS UNIT UTU-60917A	FEDERAL 24-31	NATURAL BUTTES	8S	23E	31	SESW	508 S 2036 W
	765017	047-34131	BADLANDS UNIT UTU-60917A	NORTH CHAPITA FEDERAL 43-31	NATURAL BUTTES	8S	23E	31	NESE	1987 S 753 E
	765018	047-34126	BADLANDS UNIT UTU-60917A	NORTH CHAPITA FEDERAL 23-31	NATURAL BUTTES	8S	23E	31	NESW	2062 S 2006 W

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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**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.

JUL 13 2006

5. Lease Designation and Serial No. See attached Exhibit "A"

6. If Indian, Allottee or Tribe Name NA

7. If Unit or CA, Agreement Designation N/A

8. Well Name and No. See attached Exhibit "A"

9. API Well No.

10. Field and Pool, or Exploratory Area Natural Buttes

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  
 ENCANA OIL & GAS (USA) INC.

3a. Address  
 370 17TH STREET SUITE 1700, DENVER CO 80202

3b. Phone No.  
 303-623-2300

4. Location of Well (Footage, Sec., T., R., M., or Survey)  
 See attached Exhibit "A"

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

13. Describe Proposed or Completed Operations (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 operations result in a multiple complete or recompletion in a new interval, a Form 3160-4 shall be filed on the day testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has

Effective Date: 5/1/2006

New Operator: EOG Resources, Inc.  
 600 17th St., Suite 1000N  
 Denver, CO 80202  
 EOG Contact is Sheila Singer  
 EOG Bond No. NM-2308

*Sheila Singer 7/11/06*  
 Regulatory Supervisor

**SEE ATTACHMENT**

**RECEIVED**  
 SEP 01 2006

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

Name (Printed/Typed) Douglas W. Jones Title DIV. OF OIL, GAS & MINING Attorney-in-Fact

Signature *Douglas W. Jones* Date 7/11/06

APPROVED BY: *[Signature]* RETURNED TO OPERATOR

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date AUG 14 2006

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 \_\_\_\_\_

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

**UDOGM**

**EXHIBIT "A"**

Attached to BLM Form 3160-5 - Sundry Notices and Reports on Wells

**UINTAH COUNTY, UTAH**

Lease Serial Number	Encana's Well ID	API No.	Unit or CA Agreement Name	Well Name	Field and Pool	Twp	Rng	Sec	Qtr	Footages at Surface
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	765005	047-33454		FEDERAL 44-36	NATURAL BUTTES	8S	22E	36	SESE	836 S 738 E
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	765009	047-34016		NORTH CHAPITA FEDERAL 22-32	NATURAL BUTTES	8S	23E	32	SENW	1416 N 1601 W
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	765007	047-33451	BADLANDS UNIT UTU-60917A	FEDERAL 24-31	NATURAL BUTTES	8S	23E	31	SESW	508 S 2036 W
	765017	047-34131	BADLANDS UNIT UTU-60917A	NORTH CHAPITA FEDERAL 43-31	NATURAL BUTTES	8S	23E	31	NESE	1987 S 753 E
	765018	047-34126	BADLANDS UNIT UTU-60917A	NORTH CHAPITA FEDERAL 23-31	NATURAL BUTTES	8S	23E	31	NESW	2062 S 2006 W

### **Reason for Return**

The Sundry Notice for Change of Operator has been reviewed and returned for the following reasons.

1. Wells that are on Lease Basis Only will need to be submitted one well per Original Sundry with two copies by the New Operator (EOG) which will include the following Self-Certification Statement:

**"Please be advised that EOG Resources, Inc. is considered to be the operator of Well No. \_\_\_\_\_; \_\_\_ 1/4 \_\_\_ 1/4, Section \_\_\_, Township \_\_\_, Range \_\_\_; Lease \_\_\_\_\_; \_\_\_\_\_ County,; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by \_\_\_\_\_."**

2. The remainder of the wells are in the Badlands Unit (UTU-60917X), a Federal Unit. Therefore, EOG Resources, Inc. will need to submit a change in operator, in triplicate, for the unit to Teresa Thompson, Bureau of Land Management State Office, P O Box 45155, Salt Lake City, Utah 84145-0155, and receive approval to become the new operator.

Please be aware that EnCana Oil & Gas (USA), Inc. is still considered the unit operator and is held responsible for the wells until approval is given to EOG Resources, Inc. from the Utah State Office of the Bureau of Land Management.

If you have any questions concerning this matter, please contact Leslie Wilcken of this office at (435) 781-4497.