

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

FORM APPROVED
GSM NO. 1984-0138
Expires February 28, 1998

5. LEASE DESIGNATION AND SERIAL NO.
U-02025

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

7. UNIT AGREEMENT NAME
RED WASH UNIT

8. FARM OR LEASE NAME, WELL NO.
RWU #13-29B

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
RED WASH UNIT

11. SEC., T., R., M., OR BLK AND SURVEY OR AREA
Sec. 29, T7S, R23E, SLB&M

12. COUNTY OR PARISH
Utah

13. STATE
Utah

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
Shenandoah Energy Inc.

3. ADDRESS AND TELEPHONE NO. Phone: **435-781-4341** 11002 East 17500 South
Fax: **435-781-4329** Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
673.1' FWL, 2040' FSL, NWSW
At proposed prod. Zone
Same
4448713 N
639859 E

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest dry, unit line if any)
673' ±

16. NO. OF ACRES IN LEASE
1920

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.
1000' ±

19. PROPOSED DEPTH
5789'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DP, RT, GR, etc.)
5515.7'

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

23. PROPOSED CASING AND CEMENTING PROGRAM
REFER TO S.O.P

Shenandoah Energy Inc. proposes to drill a well to 5789' to test the Green River. 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.

Operations will be according to the Standard Operating Procedures for the Redwash Unit, the Wonsits Valley Federal Unit and surrounding areas Green River Wells.

See Onshore Order No. 1 attached.

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

Bond coverage for this well is provided by Bond No. 0969. The principal is Shenandoah Energy Inc. via surety as consent as provided for in 43 CFR 3104.2.

CONFIDENTIAL

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

24
SIGNED John Busch John Busch TITLE Red Wash Operations Representative DATE 11/18/00

(This space for Federal or State office use)
PERMIT NO. 43-047-33764 APPROVAL DATE _____

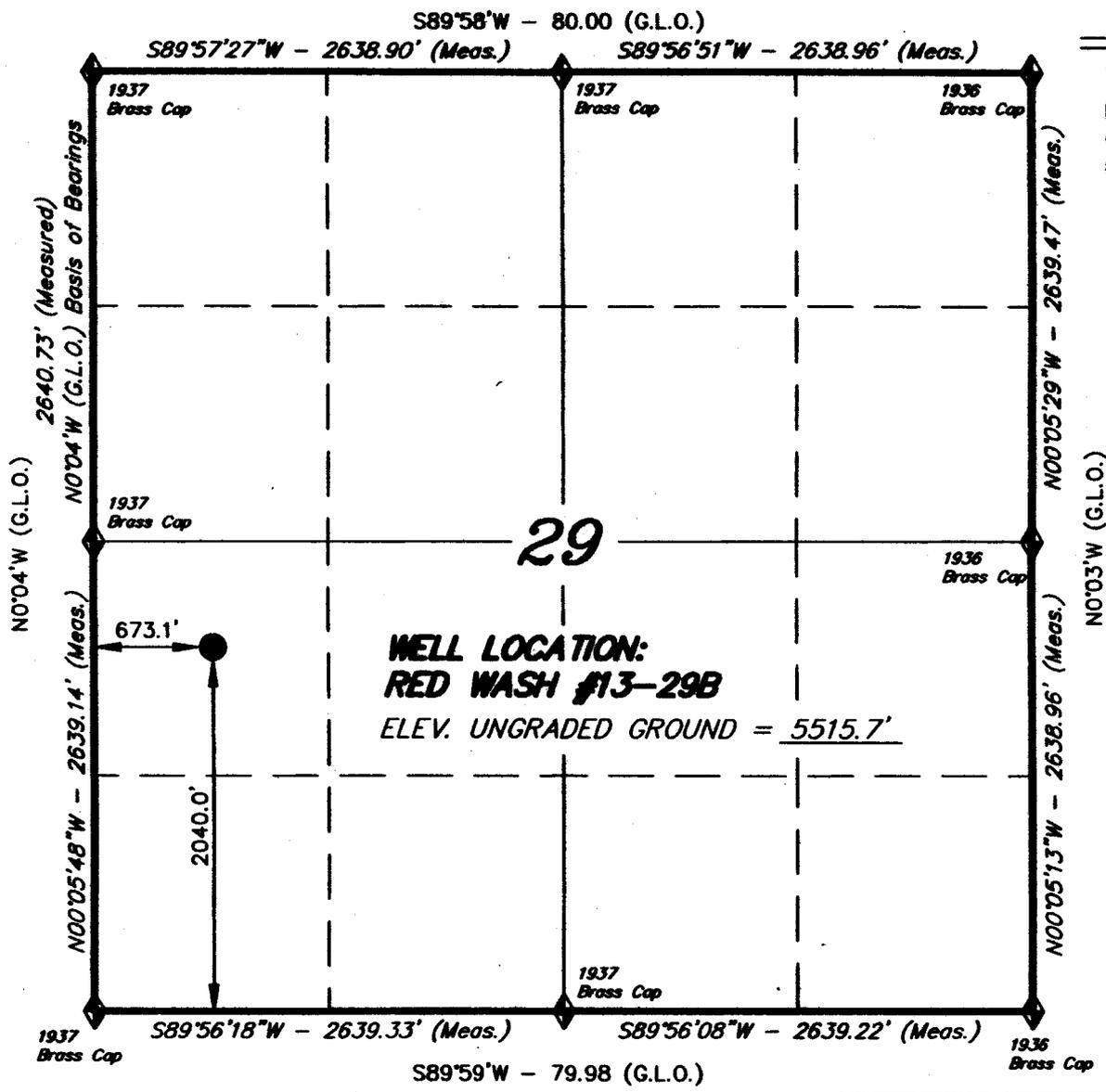
Application approval does not warrant or certify that the applicant holds legal title to these rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Bradley G Hill **BRADLEY G. HILL** RECLAMATION SPECIALIST-III DATE 11/18/00 RECEIVED
*See Instructions On Reverse Side
NOV 21 2000

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

SHENANDOAH ENERGY, INC.

WELL LOCATION, RED WASH #13-29B,
LOCATED AS SHOWN IN THE NW 1/4 SW 1/4
OF SECTION 29, T7S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH.



**WELL LOCATION:
RED WASH #13-29B**
ELEV. UNGRADED GROUND = 5515.7'

RED WASH #13-29B
LATITUDE = 40° 10' 44.19"
LONGITUDE = 109° 21' 28.88"

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

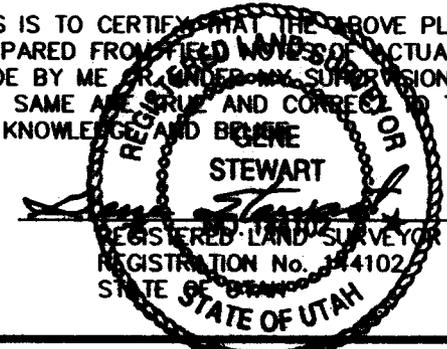


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NOV 21 2000

DIVISION OF
OIL, GAS AND MINING

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



TRI STATE LAND SURVEYING & CONSULTING		
38 WEST 100 NORTH - VERNAL, UTAH 84078 (435) 781-2501		
SCALE:	1" = 1000'	SURVEYED BY: C.D.S.
DATE:	11-1-00	WEATHER: COOL
DRAWN BY:	J.R.S.	FILE #

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal 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>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	2999'	
Mahogany Ledge	3844'	
Mesa	5614'	
TD (Green River)	5789'	Oil

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	Green River	5789'

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. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 2315.6 psi.

4. Surface Ownership

The well pad and access road are located on lands owned by the Federal Government.

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DIVISION OF
OIL, GAS AND MINING

Shenandoah Energy Inc.
RW #13-29B

MULTI-POINT SURFACE USE & OPERATIONS PLAN

SHENANDOAH ENERGY INC.
REDWASH #13-29B
NWSW, SEC. 29, T7S, R23E, SLB&M
UINTAH COUNTY, UTAH

1. **Site Specific Stipulations**

As per the onsite on November 15 with Greg Darlington Vernal BLM, Byron Tolman Vernal BLM, Raleen Searle Shenandoah Energy Inc., John Busch Shenandoah Energy Inc. the following stipulations were determined:

Once the location has been built Byron Tolman will revisit to see if pit needs a liner. There will be a seed mix of 12lbs per acre consisting of:

- 6lbs per acre – Matt Salt brush
- 6lbs per acre – Indian Rice Grass

2. **Other Information**

Refer to the attached maps:

- Topo map A- Access routes
- Topo map B- Proposed Access road
- Topo map C- Location of wells within a one mile radius
- Topo map D- Proposed pipeline

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DIVISION OF
OIL, GAS AND MINING

Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

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.

Shenandoah Energy Inc. 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 Shenandoah Energy Inc. 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.

John Busch

John Busch
Red Wash Operations Representative

November 16, 2000

Date

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DIVISION OF
OIL, GAS AND MINING

Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

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John Busch
John Busch
Red Wash Operations Representative

November 16, 2000

Date

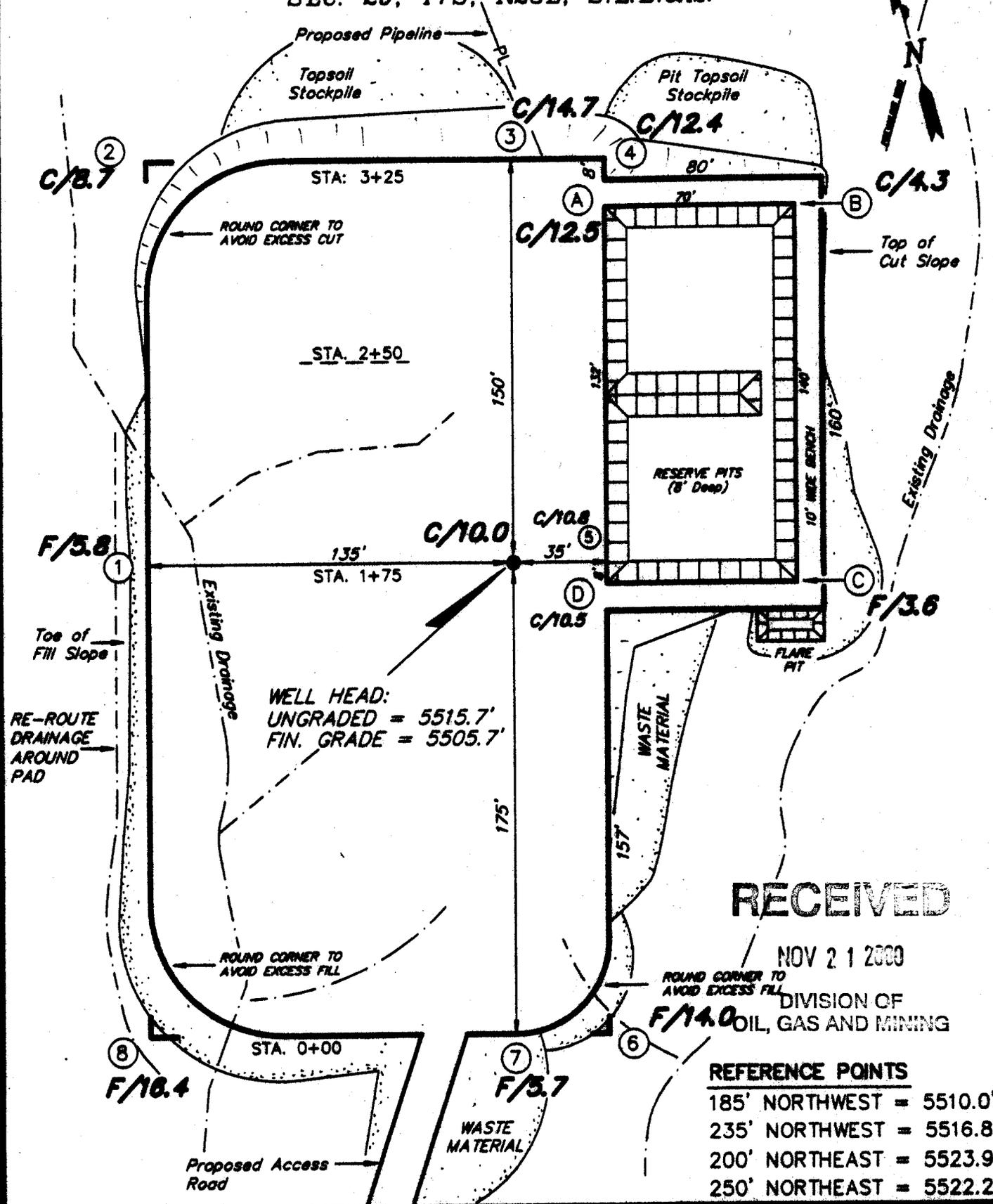
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DIVISION OF
OIL, GAS AND MINING

SHENANDOAH ENERGY, INC.

RED WASH #13-29B
SEC. 29, T7S, R23E, S.L.B.&M.



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DIVISION OF
F/14.0 OIL, GAS AND MINING

- REFERENCE POINTS**
- 185' NORTHWEST = 5510.0'
 - 235' NORTHWEST = 5516.8'
 - 200' NORTHEAST = 5523.9'
 - 250' NORTHEAST = 5522.2'

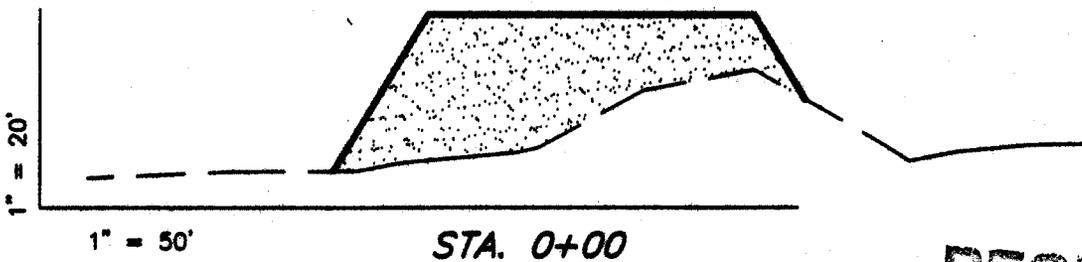
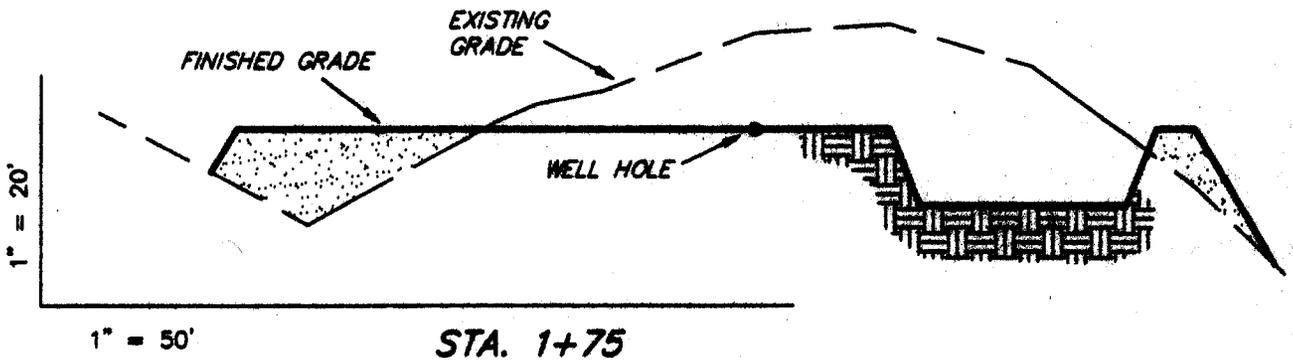
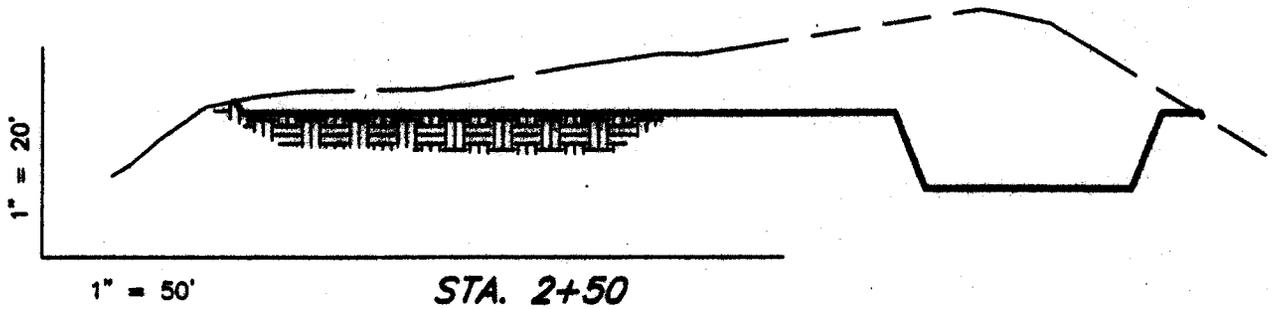
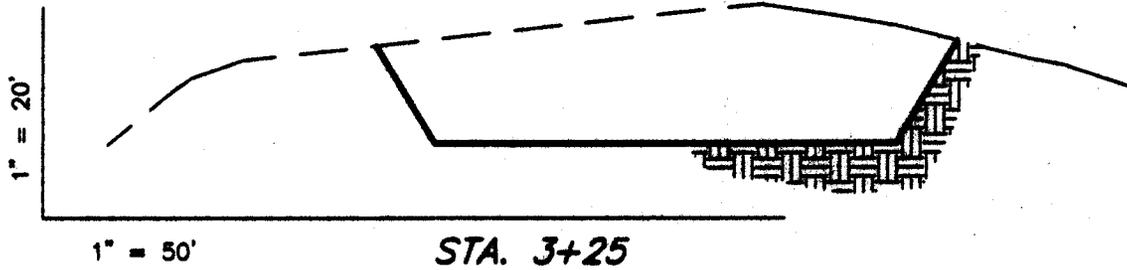
SURVEYED BY: C.D.S.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 11-1-00

Tri State
Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078 (435) 781-2901

SHENANDOAH ENERGY, INC.

CROSS SECTIONS

RED WASH #13-29B



APPROXIMATE YARDAGES

- CUT = 10,270 Cu. Yds.
- FILL = 10,270 Cu. Yds.
- PIT = 2,370 Cu. Yds.
- 6" TOPSOIL = 1,260 Cu. Yds.

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OIL, GAS AND MINING

SURVEYED BY: C.D.S.

SCALE: 1" = 50'

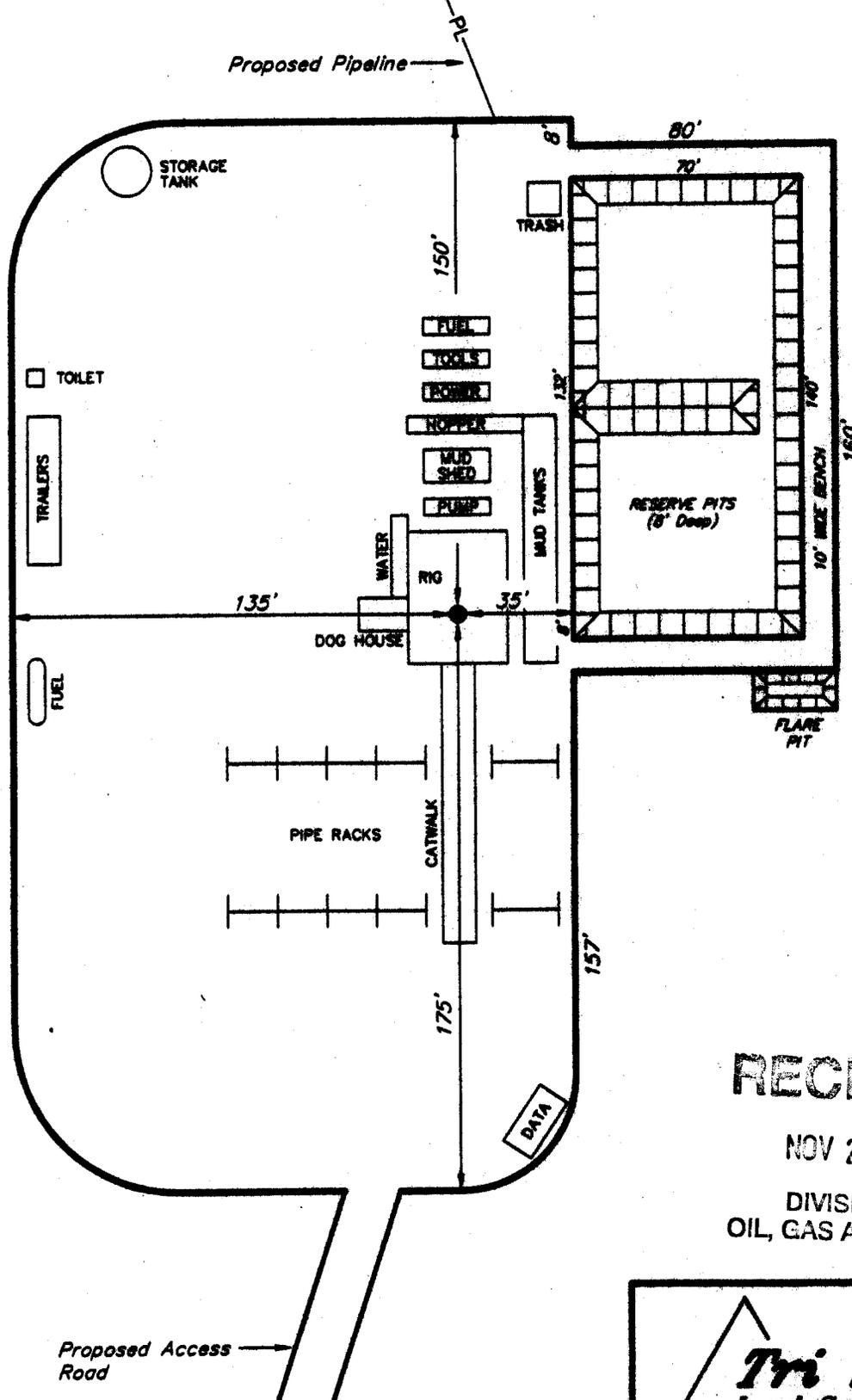
DRAWN BY: J.R.S.

DATE: 11-1-00

Tri State (435) 787-2501
Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078

SHENANDOAH ENERGY, INC.

**TYPICAL RIG LAYOUT
RED WASH #13-29B**

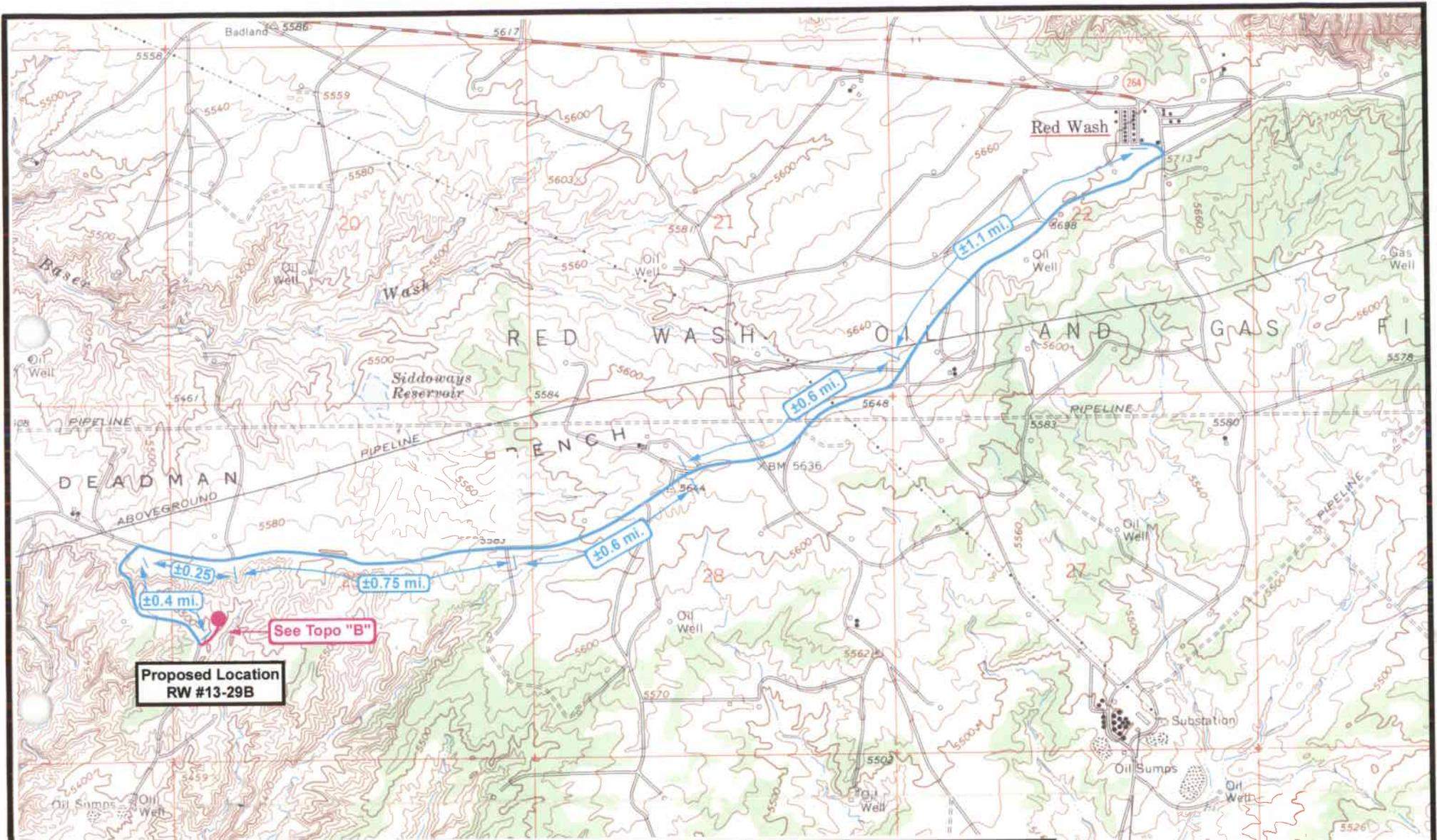


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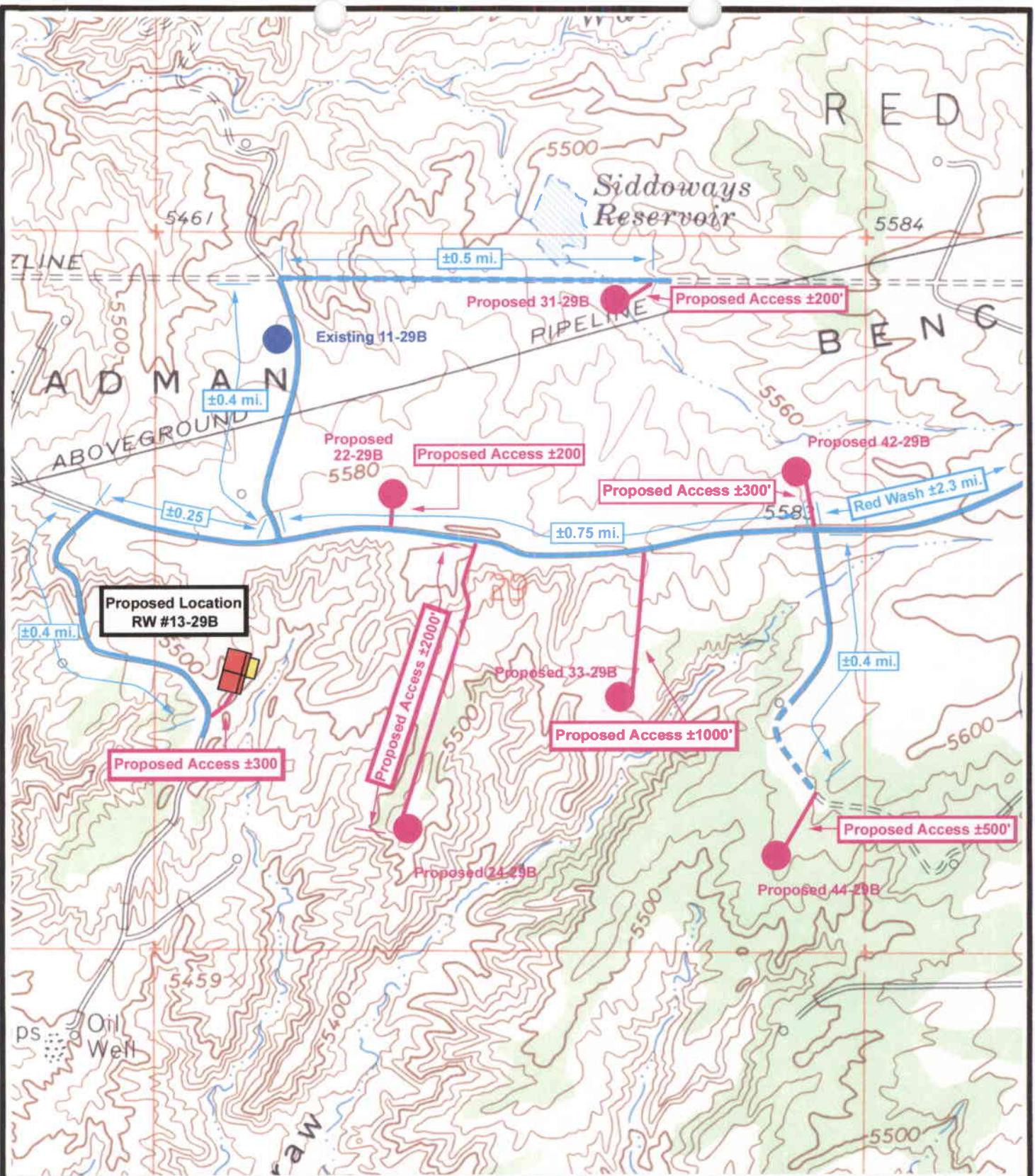
**Proposed Location
RW #13-29B**

See Topo "B"

SH ENANDOAH ENERGY INC.
RED WASH #13-29B
SEC. 29, T7S, R23E, S.L.B.&M.
TOPOGRAPHIC MAP "A"



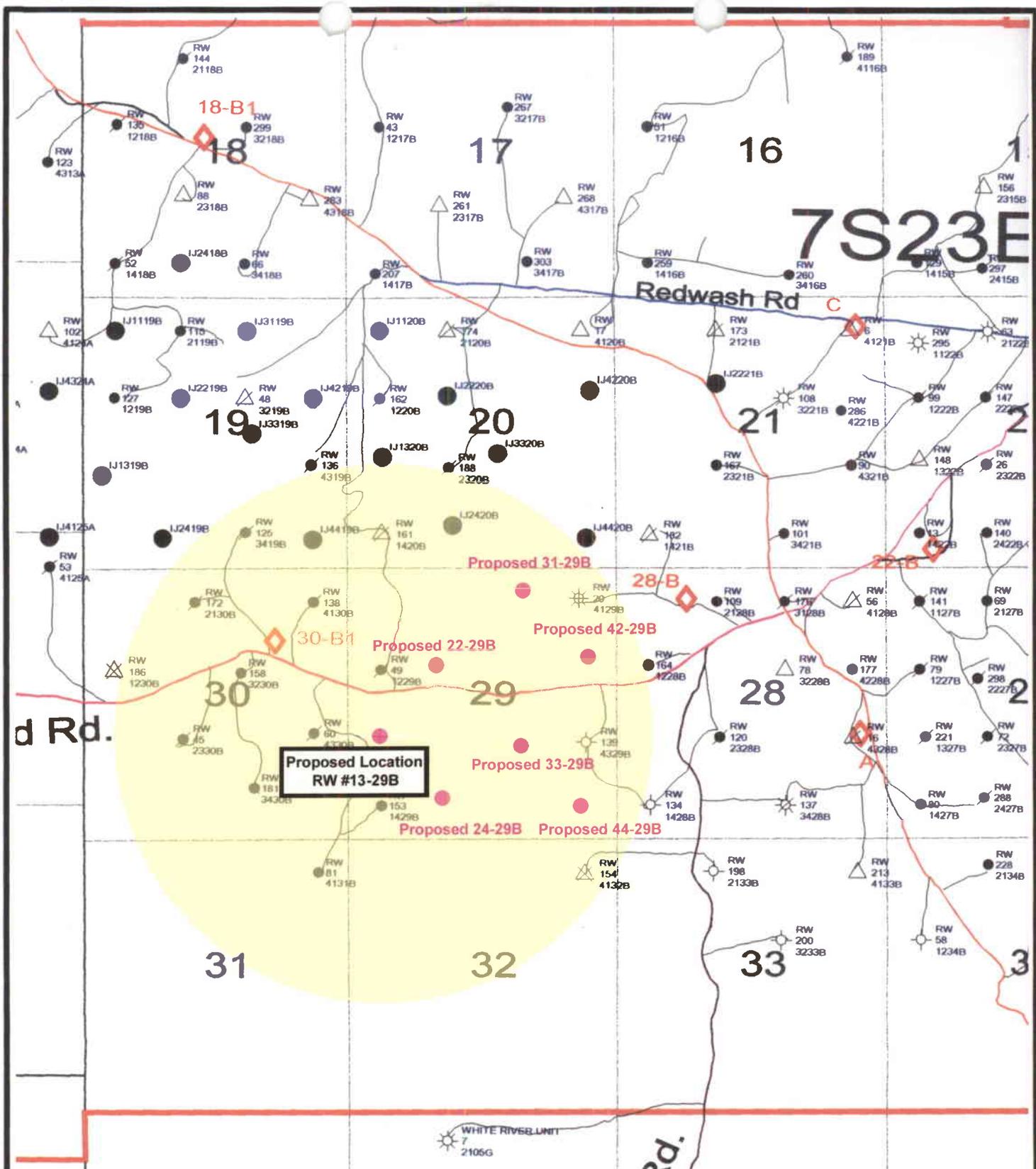
Drawn By: bgm	Revision:
Scale: 1" = 2000'	File:
Date: 11-06-2000	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 4 35-781-2501 Fax 43881-2518	



SHENANDOAH ENERGY INC.
RED WASH #13-29B
SEC. 29, T7S, R23E, S.L.B.&M.
TOPOGRAPHIC MAP "B"



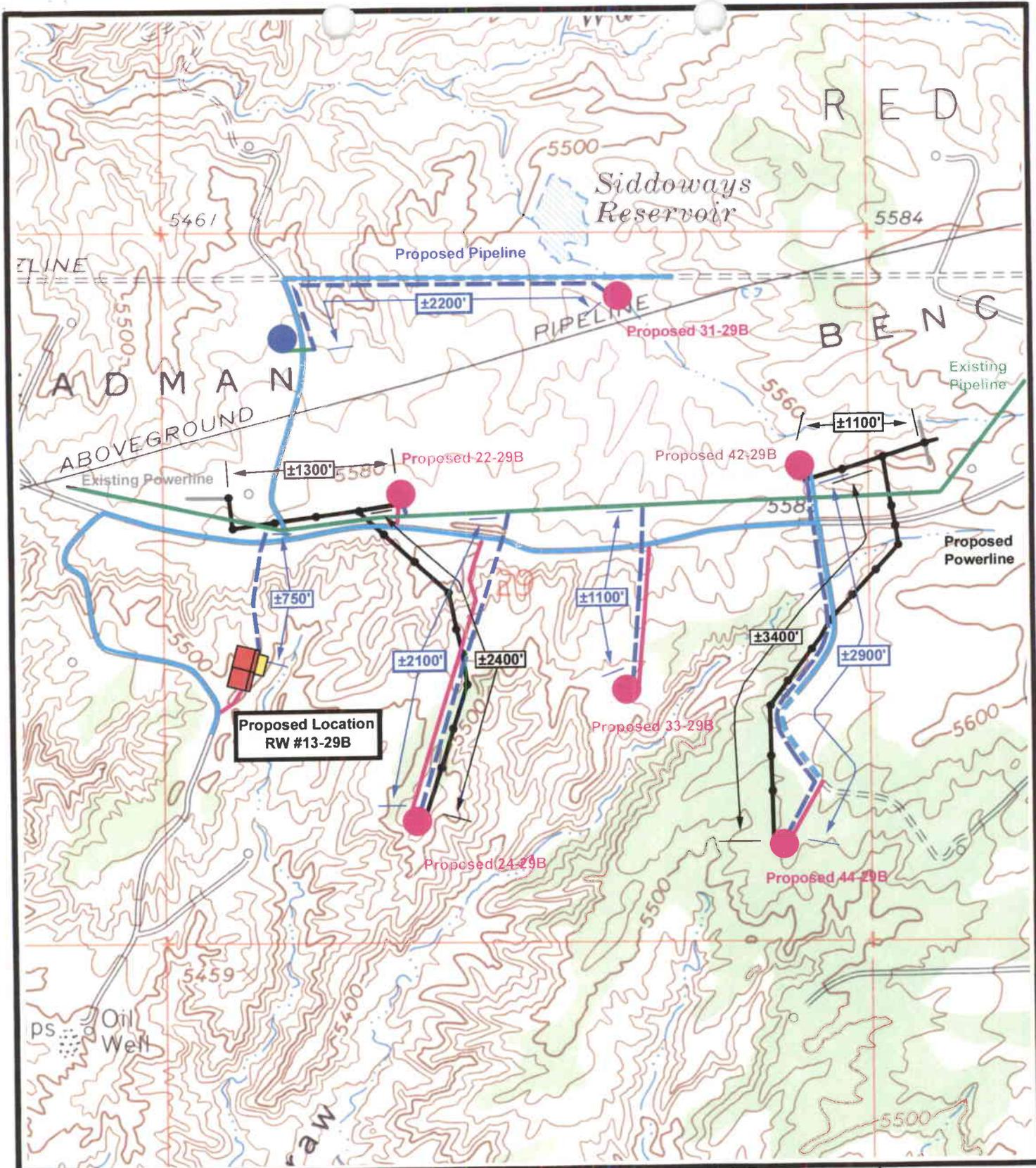
Drawn By: bgm	Revision:
Scale: 1" = 1000'	File:
Date: 11-03-2000	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 435-781-2501 Fax 435-781-2518	



SHENANDOAH ENERGY INC.
RED WASH #13-29B
SEC. 29, T7S, R23E, S.L.B.&M.
TOPOGRAPHIC MAP "C"



Drawn By: bgm	Revision:
Scale: 1" = 2000'	File:
Date: 11-06-2000	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 435-781-2501 Fax 435-781-2518	



SHENANDOAH ENERGY INC.
RED WASH #13-29B
SEC. 29, T7S, R23E, S.L.B.&M.
TOPOGRAPHIC MAP "D"



Drawn By: bgm	Revision:
Scale: 1" = 1000'	File:
Date: 11-03-2000	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 435-781-2501 Fax 435-781-2518	

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 11/21/2000

API NO. ASSIGNED: 43-047-33764

WELL NAME: RWU 13-29B
 OPERATOR: SHENANDOAH ENERGY INC (N4235)
 CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

NWSW 29 070S 230E
 SURFACE: 2040 FSL 673 FWL
 BOTTOM: 2040 FSL 0673 FWL
 Uintah
 RED WASH (665)

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

LEASE TYPE: 1-Federal
 LEASE NUMBER: U-02025
 SURFACE OWNER: 1-Federal

PROPOSED FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT-0969)
- Potash (Y/N)
- Oil Shale (Y/N) *190-5 (B) or 190-3
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

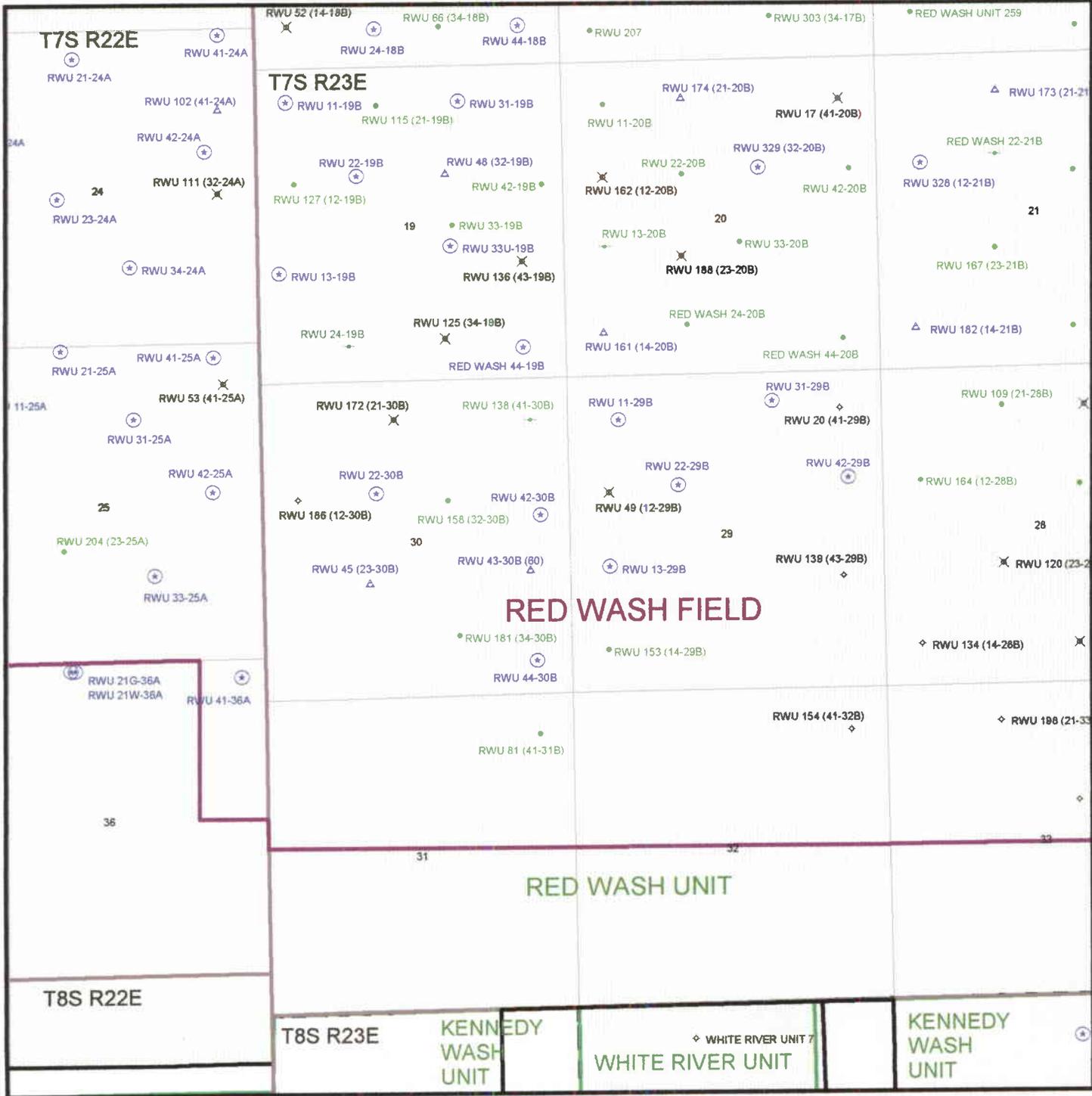
- R649-2-3. Unit RED WASH
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Redwash Sol, separate file.

STIPULATIONS: ① FEDERAL APPROVAL



OPERATOR: SHENANDOAH ENERGY (N4235)
 FIELD: RED WASH (665)
 SEC. 29 & 30, T7S, R23E,
 COUNTY: UINTAH UNIT: RED WASH
 SPACING: R649-3-2 & R649-3-3



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)

November 29, 2000

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2000 Plan of Development Red Wash 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 wells are planned for calendar year 2000 within the Red Wash Unit, Uintah County, Utah.

Api Number	Well	Location
(Proposed Green River Completions)		
43-047-33764	RWU 13-29B	Sec. 29, T7S, R23E 2040 FSL 0673 FWL
43-047-33765	RWU 22-13A	Sec. 13, T7S, R22E 2600 FNL 1866 FWL *
43-047-33766	RWU 22-29B	Sec. 29, T7S, R23E 1874 FNL 1820 FWL
43-047-33767	RWU 22-30B	Sec. 30, T7S, R23E 1896 FNL 1891 FWL
43-047-33768	RWU 31-29B	Sec. 29, T7S, R23E 0481 FNL 1873 FEL
43-047-33769	RWU 41-24A	Sec. 24, T7S, R22E 0095 FNL 0659 FEL
43-047-33770	RWU 42-29B	Sec. 29, T7S, R23E 1755 FNL 0593 FEL
43-047-33771	RWU 42-30B	Sec. 30, T7S, R23E 2249 FNL 0497 FEL
43-047-33772	RWU 44-30B	Sec. 30, T7S, R23E 0586 FSL 0542 FEL

* Well currently not within an existing participating area

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:11-29-0



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)

November 30, 2000

Shenandoah Energy Inc.
11002 E 17500 S
Vernal, UT 84078

Re: Red Wash Unit 13-29B Well, 2040' FSL, 673' FWL, NW SW, Sec. 29, T. 7 South,
R. 23 East, Uintah County, Utah

Gentlemen:

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

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 43-047-33764.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza". The signature is fluid and cursive.

John R. Baza
Associate Director

er

Enclosures

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

Operator: Shenandoah Energy Inc.
Well Name & Number Red Wash Unit 13-29B
API Number: 43-047-33764
Lease: U 02025

Location: NW SW **Sec.** 29 **T.** 7 South **R.** 23 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OBM NO. 1064-0136
Expires February 23, 1998

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

Shenandoah Energy Inc.

**3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341 11002 East 17500 South
Fax: 435-781-4329 Vernal, Utah 84078**

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

At surface
673.1' FWL, 2040' FSL, NWSW
At proposed prod. Zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

2 miles South West of Redwash Utah

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST

673' ±

PROPERTY OR LEASE LINE, FT. (Also to nearest drpg. Unit line if any)

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

1000' ±

16. NO. OF ACRES IN LEASE

1920

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

19. PROPOSED DEPTH

5789'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, OR, etc.)

5515.7'

22. APPROX. DATE WORK WILL START*

A.S.A.P

23. PROPOSED CASING AND CEMENTING PROGRAM

REFER TO S.O.P

Shenandoah Energy Inc. proposes to drill a well to 5789' to test the Green River. 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.

Operations will be according to the Standard Operating Procedures for the Redwash Unit, the Wenasits Valley Federal Unit and surrounding areas Green River Wells.

This well is in our desired water flood pattern and is slated to become an injection well after initial production.

The injection line will be buried 4', using 3" schedule 80, synergy coated pipe.

See Onshore Order No. 1 attached.

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

Bond coverage for this well is provided by Bond No. 0969. The principal is Shenandoah Energy Inc. via surety as consent as provided for in 43 CFR 3164.2.

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 location and measured and true vertical depths. Give blowout prevention program if any.

24

SIGNED John Busch **John Busch** **TITLE** Red Wash Operations Representative **DATE** 11/16/00

(This space for Federal or State office use)

NOTICE OF APPROVAL **CONDITIONS OF APPROVAL ATTACHED**

Application approved 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** Assistant Field Manager Mineral Resources **DATE** 08/15/2001

*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.

DOGMA

RECEIVED
AUG 20 2001
DIVISION OF OIL, GAS AND MINING
RECEIVED
AUG 26 2001

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy, Inc.

Well Name & Number: RWU #13-29B

API Number: 43-047-33764

Lease Number: U - 02025

Location: NWSW Sec. 29 T. 7S R. 23E

Agreement: Red Wash GR Unit

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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. **Casing Program and Auxiliary Equipment**

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at 2,999 ft.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

-Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-Of-Way (ROW) will not be allowed. Should mud holes develop, they shall be filled in to prevent detours. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainage be blocked by the roadbed. Erosion of 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. When snow is removed from the road during the winter months, the snow shall be pushed outside of the burrow ditches and the turn outs shall be kept clear so that when the snow melts the water will be channeled away from the road.

Shenandoah Energy, Inc. (Shenandoah) will control noxious weeds along the ROW for roads, pipelines, well sites or other applicable facilities. If noxious weeds spread from disturbed areas onto adjoining lands, Shenandoah shall be responsible for control of the infestation. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

If cultural resources or paleontological resources are found, the BLM Authorized Officer shall be notified. Procedures described in the Standard Operating Practices for Red Wash Unit Green River Formation Wells will be followed as such finds are evaluated.

No construction and drilling activities shall be allowed on this location during the ferruginous hawk nesting season of March 1 through July 15. The construction activities regarding conversion of this well to a water injection well are also subject to this limitation. This requirement may be waived after May 31, if a qualified wildlife biologist determines that no hawk nesting activity is occurring on nests within one half mile of the project by May 31.

The reserve pit shall be inspected after construction to determine if a pit liner will be necessary.

Four to six inches of topsoil shall be stripped from the location and windowed as shown on the cut sheet. This topsoil shall be seeded as described in the standard operating plan with the recommended seed mix shown below.

The pipeline disturbance will be kept to a 30 foot width. The topsoil shall be stripped and windowed along the edge of the cleared area, then replaced prior to seeding the disturbed area. Care shall be taken not to mix the topsoil with the subsoil from the trench.

The following seed mix shall be used to seed the topsoil pile, pipeline disturbance, reserve pit and for final abandonment:

Matt saltbush	Atriplex corrugate	6 lbs/acre
Indian ricegrass	Stipa comata	6 lbs/acre

All poundages are in pure live seed.

The seeding of the reserve pit shall be done in the same manner as the seeding of the topsoil pile. However, seeding of the pipeline disturbance and location after final abandonment can be completed by drilling the seed, broadcasting the seed and dragging the disturbed area to cover the seed; or by broadcasting the seed then walking it in with a dozer.

All seeding shall be done immediately after the dirt work has been completed.

Water bars shall be constructed at 30 foot intervals along the pipeline where it traverses steep slopes.

Initial oil production at the location will be either collected in a tank/s on location or produced into a temporary oil line. If Shenandoah chooses to use a temporary oil line, the temporary oil line will be required to follow the new access road to well 13-29B and other existing roads in the area or the new road to recently approved proposed oil well 44-30B. Any temporary oil production line will be placed adjacent to roads and not have a cross-country route segment between roads. When the well is converted to a water injection well, the buried injection line will be constructed along the route proposed in the APD.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
 Well Well Other

2. Name of Operator
SHENANDOAH ENERGY INC

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2040' FSL, 673' FWL NWSW T09S R23E SEC 29

CONFIDENTIAL

5. Lease Designation and Serial No.
U-02025

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

7. If Unit or CA, Agreement Designation
Red Wash Unit

8. Well Name and No.
RWU 13-29B

9. API Well No.
43-047-33764

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

11. County or Parish, State
UINTAH, UTAH

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

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

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

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

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 13-29B.

Approved by the Utah Division of Oil, Gas and Mining
Date: 03-14-02
By: [Signature]

COPY SENT TO OPERATOR
Date: 03-15-02
Initials: CHD

RECEIVED
MAR 14 2002
DIVISION OF OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.
Signed JOHN BUSCH John Busch Title OPERATIONS REPRESENTATIVE Date 2/28/02

(This space for Federal or State office use)
Approved by: _____ Title _____ Date _____
Conditions of approval, if any _____

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
U-02025

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

7. If Unit or CA, Agreement Designation
Red Wash Unit

8. Well Name and No.
RWU 13-29B

9. API Well No.
43-047-33764

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

11. County or Parish, State
UINTAH, UTAH

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
 Well Well Other

2. Name of Operator
SHENANDOAH ENERGY INC

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2040' FSL, 673' FWL NWSW

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

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

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

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

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 13-29B.

RECEIVED
SEP 12 2002
DIVISION OF
OIL, GAS AND MINING

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct.
Signed JOHN BUSCH *John Busch* Title OPERATIONS REPRESENTATIVE Date 8-24-02

(This space for Federal or State use)
Approved by: *Paul Fulwood* Title Petroleum Engineer Date 9/1/02

Conditions of approval, if any

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

*See instruction on Reverse Side

UDDGm

Shenandoah Energy Inc.
APD Extension

Well: RWU 13-29B

Location: NWSW Sec 29 T7S, R23E

Lease: U-02025

CONDITIONS OF APPROVAL

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

1. The extension will expire 8/14/03
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 of this office at (435) 781-4486

RECEIVED
SEP 12 2002
DIVISION OF
OIL, GAS AND MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
U-02025

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

CONFIDENTIAL

8. Well Name and No.
RED WASH 13-29B

2. Name of Operator
SHENANDOAH ENERGY INC.

Contact: RALEEN SEARLE
E-Mail: raleen.searle@questar.com

9. API Well No.
43-047-33764

3a. Address
11002 EAST 17500 SOUTH
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 435.781.4309
Fx: 435.781.4329

10. Field and Pool, or Exploratory
RED WASH

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

Sec 29 T7S R23E NWSW 2040FSL 673FWL

11. County or Parish, and State
UINTAH COUNTY, 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 filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Shenandoah Energy Inc. hereby requests an one year extension on the APD for the RW 13-29B.

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 03-31-03
[Signature]

RECEIVED
MAR 27 2003
DIV OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 03-31-03
Initials: CHD

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #19957 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC., will be sent to the Vernal

Name (Printed/Typed) RALEEN SEARLE

Title REGULATORY AFFAIRS ANALYST

Signature *Raleen Searle*

Date 03/25/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____

Title

Date

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

Office

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.



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
UT-922

June 9, 2003

QEP Uinta Basin, Inc.
1050 17th Street, Suite 500
Denver, Colorado 80265

Re: Red Wash Unit
Uintah County, Utah

Gentlemen:

On May 30, 2003, we received an indenture dated February 1, 2003, whereby Shenandoah Energy, Inc. changed its name and QEP Uinta Basin, Inc. was designated as Successor Unit Operator for the Red Wash Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective June 9, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under Red Wash Unit Agreement.

Your nationwide (Eastern States) oil and gas bond No. B000024 will be used to cover all operations within the Red Wash Unit.

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

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

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

UT922:TAThompson:tt:6/9/03

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **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: 7/21/2003

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 7/21/2003

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **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: 9/11/2003

2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 9/11/2003

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: 965-003-032

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: ESB000024

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: 799446

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 965-003-033

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:

SEI (N4235) to QEP (N2460)

well_name	Sec	R	api DOGM	Entity	stat	unit_name
RWU 21W-36A	36	070S	220E	4304733730	State	GW APD C RED WASH
RWU 21G-36A	36	070S	220E	4304733731	State	OW APD C RED WASH
RWU 41-36A	36	070S	220E	4304733732	State	OW APD C RED WASH
RWU 43-16B	16	070S	230E	4304733733	State	OW APD C RED WASH
RWU 21-16B	16	070S	230E	4304733734	State	OW APD C RED WASH
RWU 11-36A	36	070S	220E	4304733736	State	OW APD C RED WASH
RWU 13-36A	36	070S	220E	4304733737	State	OW APD C RED WASH
RWU 13-29B	29	070S	230E	4304733764	Federal	OW APD C RED WASH
RWU 33-29B	29	070S	230E	4304733789	Federal	OW APD C RED WASH
RWU 14-13A	13	070S	220E	4304733950	Federal	OW APD C RED WASH
RWU 11W-34-7-22	34	070S	220E	4304734360	Federal	GW APD C RED WASH



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

January 23, 2004

Raleen Searle
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: APD Rescinded – Red Wash Unit 13-29B, Sec. 29, T. 7S, R. 23E
Uintah County, Utah API No. 43-047-33764

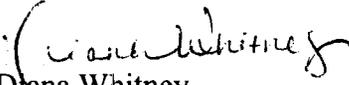
Dear Ms. Searle:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 30, 2000. On March 14, 2002 and on March 31, 2003, the Division granted a one-year APD extension. On January 22, 2004 you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 22, 2004.

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

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

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal