



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

RECEIVED

MAR 13 2000

**PENDRAGON ENERGY
PARTNERS, INC.**

March 8, 2000

Pendragon Resources II, L.P.
621 17th Street
Suite 750
Denver, CO 80293

Gentlemen:

1/2 ML-45175 per 1-24-01 (SITLA OK) [Signature]

RE: ML 45174—Oil, Gas, and Hydrocarbon

The Director, on January 26, 2000, approved the assignment of 50% interest in operating rights from surface to Base of Green River Formation (4822') in and to the above-numbered lease to you by Williams Production Rocky Mountain Company. No override, but subject to previous overrides as reserved.

The Trust Lands Administration assumes no responsibility in collecting or distributing overriding royalty. No override.

Our records have been noted, and we herewith enclose the original assignment.

Yours very truly,
Becky Pritchett
BECKY PRITCHETT
RESEARCH ANALYST

bp
Enclosure

7/1/94

State of Utah
School & Institutional Trust Lands Administration

MINERAL LEASE ASSIGNMENT FORM

MINERAL LEASE NO. SEE EXHIBIT "A"

RECORD TITLE ASSIGNMENTS:

- TOTAL
- INTEREST
- PARTIAL
- OVERRIDING ROYALTY
- OPERATING RIGHTS ASSN. X

The undersigned, as owner of interest as hereinafter specified in and to ML See Exhibit "A" as designated, for good and valuable consideration and ten DOLLARS does hereby apply for approval of this assignment and hereby assigns to Pendragon Resources II, L.P.

ADDRESS: 621 17th Street, Suite 750, Denver, CO 80293

the rights, title, and interest in rights and privileges as lessee in such lands, to the extent indicated subject to the reservation of overriding royalties as herein noted:

1. Land affected by this assignment in County of Duchesne and Uintah, State of Utah, as described herein:

_____ ACRES

2. Interest of assignor in such lands (Note % of 100%) SEE EXHIBIT "A"
3. Extent of such interest conveyed to Assignee (Note % of 100%) SEE EXHIBIT "A"
4. Extent of interest retained by Assignor after assignment (Note % of 100%) SEE EXHIBIT "A"
5. Overriding royalty reserved herein to Assignor (Note percentage only) NONE
6. Overriding royalty previously reserved (Note percentage only) SEE EXHIBIT "A"

It is hereby certified that the statements made herein are true, complete, and correct to the best of the undersigned's knowledge and belief and are made in good faith. Approval of this application and assignment should be considered approval only under such rights, interests, and title as held by assignor.

Williams Production Rocky Mountain Company

Executed this 17th day of December, 19 99.

Effective October 1, 1999



[Signature]
(Lessee - Assignor)

Bryan K. Gudarian, Vice President

LESSEE-ASSIGNOR'S ACKNOWLEDGEMENT **ASSIGNMENT APPROVED**

STATE OF _____)
) :ss
COUNTY OF _____)

JAN 26 2000

SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

On the _____ day of _____, 19 _____, personally appeared _____, signer(s) of the above instrument, who duly acknowledged to me that _____ executed the same.

Given under my hand and seal this _____ day of _____, 19 _____.

My Commission Expires: _____

NOTARY PUBLIC, residing at: _____

*This document may be duplicated

INSTRUCTIONS: Assignments must be submitted in duplicate. Total Assignment--\$30, Interest, Operating Rights, and Overriding Royalty Assignments--\$30, and Partial Assignment--\$50.

**INDIVIDUAL'S ACCEPTANCE OF ASSIGNMENT (ASSIGNEE)
AFFIDAVIT OF CITIZENSHIP OF ASSIGNEE**

I, (we) _____ on oath, do solemnly swear that I am (we are) at the present time (a) * _____ Citizen(s) of the United States of America and of legal age, and I (we) hereby assume and agree to perform all of the covenants and obligations of said lease on the part of lessee(s) to be kept and performed, and accept the foregoing instrument.

Subscribed and sworn to before me this _____ day of _____, 19____, BY: _____

My Commission Expires: _____

NOTARY PUBLIC, residing at:

ACCEPTANCE OF ASSIGNMENT--CORPORATE (Assignee)

Comes now Pendragon Energy Partners, as General Partner for Pendragon Resources II, L.P., a corporation of Colorado and hereby accepts the assignment from Williams Production Rocky Mountain Company of Delaware ML No. See Exhibit "A", which assignment is dated December, 1999, subject to all of the covenants and obligations of said Lessee.

IN WITNESS WHEREOF, ALAN B. NICOL has executed this acceptance this 21 day of Dec, 1999.

(Assignee) Pendragon Resources II, L.P.
BY: Alan B. Nicol
(Officer, Agent, Attorney-in-Fact)

ASSIGNEES ACKNOWLEDGEMENT (Corporate)

STATE OF COLORADO)
 :SS
COUNTY OF Archuleta)

On the 21st day of December, 1999, personally appeared before me Alan B. Nicol, who being duly sworn did say, each for himself, that (he, she, or they) is an officer, agent or Attorney-in-Fact for the assignee and is authorized to accept this assignment and has executed the same and the seal affixed is the seal of said corporation.

My Commission Expires: 8-31-03



Cheryl C. Martindale
NOTARY PUBLIC, residing at:
7750 E. Prentice Ave.
Suite 100
Englewood, CO 80111

NOTE: a* Insert here whether native born or naturalized. If naturalized, it will be necessary to file with this office Proof of Citizenship or Declaration of Intention to become a citizen in the form of a letter of certificate of verification from Court of Issuance, and registration fee of \$1.00.

Corporate Acknowledgment

STATE OF OKLAHOMA)
) ss
 COUNTY OF TULSA)

The foregoing instrument was acknowledged before me this 17th day of December, 1999, by Bryan K. Guderian as Vice President of Williams Production Rocky Mountain Company, a Delaware corporation, on behalf of said corporation.

Witness my hand and official seal.

My Commission Expires:

10/10/2001

Shirley A. Davis

 NOTARY PUBLIC

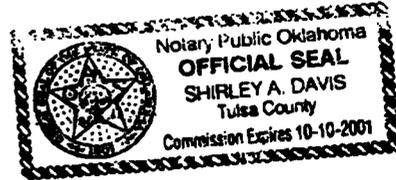


EXHIBIT "A"
TO MINERAL LEASE ASSIGNMENT FORM

State Lease Number	Land Description	County	Acres	Percent of Interest			Percent of ORRI	
				Owned	Conveyed	Retained	Reserved	Previously Reserved
ST ML-45174	<u>TOWNSHIP 10 SOUTH RANGE 17 EAST</u> Section 16: S/2, S/2NE/4, NW/4NE/4, NW/4 Surface to base of Green River Formation	Duchesne	600.00	50.00%	50.00%	None	None	Those of record
ST ML-45175	<u>TOWNSHIP 10 SOUTH RANGE 18 EAST</u> Section 16: N/2; S/2 Surface to the base of Green River Formation	Uintah	640.00	50.00%	50.00%	None	None	Those of record

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

ML 45175

5. Lease Designation and Serial No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. If Indian, Allottee or Tribe Name

1a. Type of Work

DRILL DEEPEN PLUG BACK

7. Unit Agreement Name

b. Type of Well

Oil Well Gas Well Other Single Zone Multiple Zone

N/a

2. Name of Operator

Pendragon Energy Partners, Inc

8. Farm or Lease Name

State

3. Address of Operator

621 17th Street, Suite 750, Denver CO 80293 Phone

9. Well No.

1-16-10-18

4. Location of Well (Report location clearly and in accordance with any State Requirement*)

At surface 748.9' FNL, 709.2' FEL Sec 16, T10S, R18E

4422489 N

594928 E

10. Field and Pool, or Wildcat

Wildcat

At proposed prod. zone

Same

11. Sec., T., R., M., or Blk

S16, T10S, R18E, S.L.B. & M.

14. Distance in miles and direction from nearest town or post office*

12. County or Parrish

Utah

13. State

Utah

15. Distance from proposed * location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)

748.9' FNL Sec 16

16. No. of acres in lease
640

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, f t.

None

19. Proposed depth
5,000

20. Rotary or cable tools
Rotary

21. Elevations (Show whether DF, RT, GR, etc.)
5,132.8 GR

22. Approx. date work will start*
January 15, 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12 1/4"	8 5/8"	24#	250	150 cf Lite + 100 cf of premium
7 7/8"	5 1/2"	15.5#	5,000	sufficient volume to 600' above pay.

Proposed Procedure:

1. Level location and construct reserve pit.
2. Drill conductor hole, set conductor casing @ +/- 60' and cement to surface.
3. Move in and rig up rotary drilling equipment, tanks and associated equipment.
4. Drill surface hole to +/- 250', run 8 5/8" casing and cement to surface.
5. Nipple up BOP, pressure test BOP, manifold and floor valve etc.
6. Drill 7 7/8" hole to +/- 5,000', log and or drill stem test if necessary.
7. If commercial oil production is indicated, run and cement 5 1/2" casing.
8. Move off rotary drilling equipment.
9. Move in completion rig, test zones of interest and prepare production facilities.

Exhibits:

- A - Survey Plat
- B - Vicinity Map A
- C - Vicinity Map B
- D - Location Layout
- E - Elevations
- F - Cut & Fill Plan
- G - Surface Use Plan

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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. John Luchetta

Agent

(303) 278-3347

Dec 1, 2000

Signed

J. Luchetta

Title

Date

(This space for Federal or State office use)

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Permit No.

43-047-33807

Approval Date

DEC 1 2000

Approved by

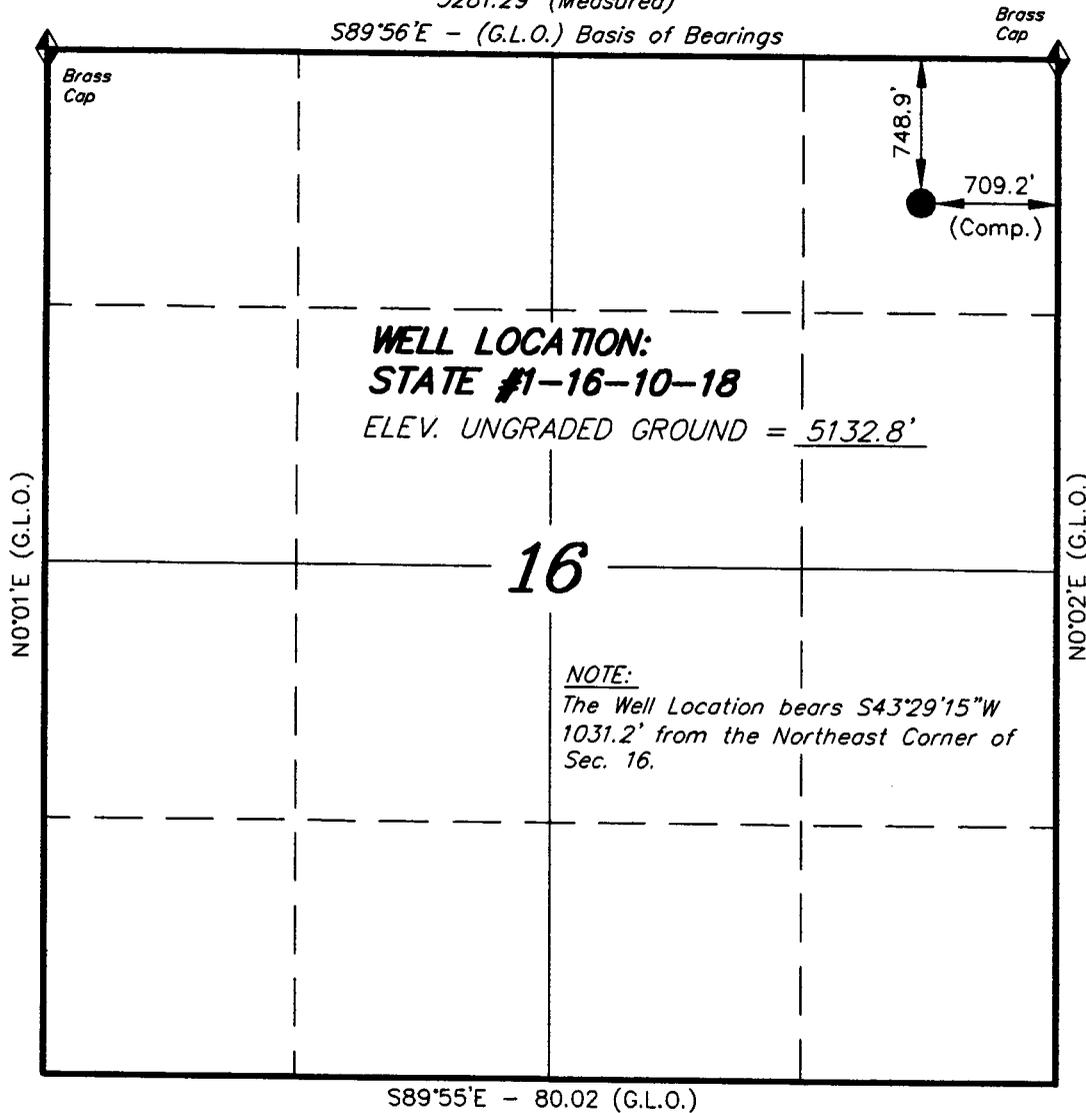
Title

DIVISION OF
OIL, GAS AND MINING

EXHIBIT A

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

5281.29' (Measured)
S89°56'E - (G.L.O.) Basis of Bearings



WELL LOCATION:
STATE #1-16-10-18
ELEV. UNGRADED GROUND = 5132.8'

16

NOTE:
The Well Location bears S43°29'15"W
1031.2' from the Northeast Corner of
Sec. 16.

PENDRAGON ENERGY PARTNERS, INC.

WELL LOCATION, STATE #1-16-10-18,
LOCATED AS SHOWN IN THE NE 1/4
NE 1/4 OF SECTION 16, T10S, R18E,
S.L.B.&M. UTAH COUNTY, UTAH.

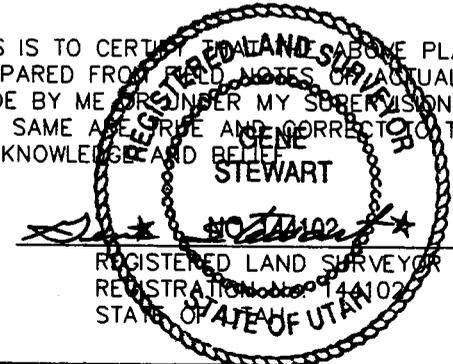


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DEC 11 2008

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 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: L.D.T.

DATE: 10-11-00

WEATHER: FAIR

NOTES:

FILE #

◆ = SECTION CORNERS LOCATED

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

Pendragon Energy Partners Inc.
STATE #1-16-10-18

Multi-Point Surface Use and Operations Plan

PENDRAGON ENERGY PARTNERS INC.
STATE #1-16-10-18
NE NE SEC. 16, T10S, R18E
UINTAH COUNTY, UTAH

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

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

Approximately 1000 feet 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.

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 - none.
- 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. The proposed access road has been centerline flagged.
- J. 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

None Known

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES OWNED BY PENDRAGON ENERGY PARTNERS INC. WITHIN A ONE MILE RADIUS:

- A. Existing
 - 1. Tank batteries - none
 - 2. Production facilities - none

- 3. Oil gathering lines – none**
- 4. Gas gathering lines - none**
- 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. Pendragon Energy Partners Inc. 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.**
- 8. 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.**
- 9. 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.**
- 10. 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 Carlsbad Canyon (2.5Y 6/2).

- 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. Pendragon Energy Partners Inc. will be responsible for road maintenance from the beginning to completion of operations.

5. Location and Type of Water Supply

- A. Water well in Sec. 34, T3S, R2W, USM operated by Nebeker Trucking, Permit #43-1721

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.

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 Pendragon Energy Partners Inc.

The reserve pit will be constructed so as not to allow discharge and if required will be lined with a 12 mil 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 Onshore Order 7, 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.
- H. Hazardous materials: 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 Desert Spring 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.

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 reserve pit will be fenced on three (3) sides using 39 inch net wire with at least one strand of barbed wire on top of the net wire.
 - 1. 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 fence shall be at least 42-inches.
 - 2. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times
 - 3. 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.
 - 4. 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, Pendragon 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 area outside the work area according to the BLM recommended seed mixture.

If the well is abandoned/dry hole, Pendragon 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.

- 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, Pendragon Energy Partners Inc. 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: 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 following completion of reclamation operations.**

11. Surface Ownership:

The well site and proposed access road are situated on surface lands administered by State of Utah.

12. Other Information:

A. Topographic features of the area (reference Topographic Map #A)

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, greasewood, four-wing saltbush, Gambel scrub oak, willow, tamarack, shadscale, indian rice grass, cheatgrass, wheatgrass, curly grass, crested wheatgrass, foxtail, Russian thistle, Kochia, 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 Green 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:

John Luchetta
Agent for
Pendragon Energy Partners Inc.
2020 Foothills Road
Golden, CO 80401
(303) 278-3347

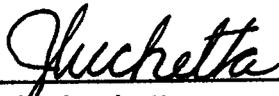
Certification:

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.

Pendragon Energy Partners 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 Pendragon Energy Partners 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 Luchetta
Agent

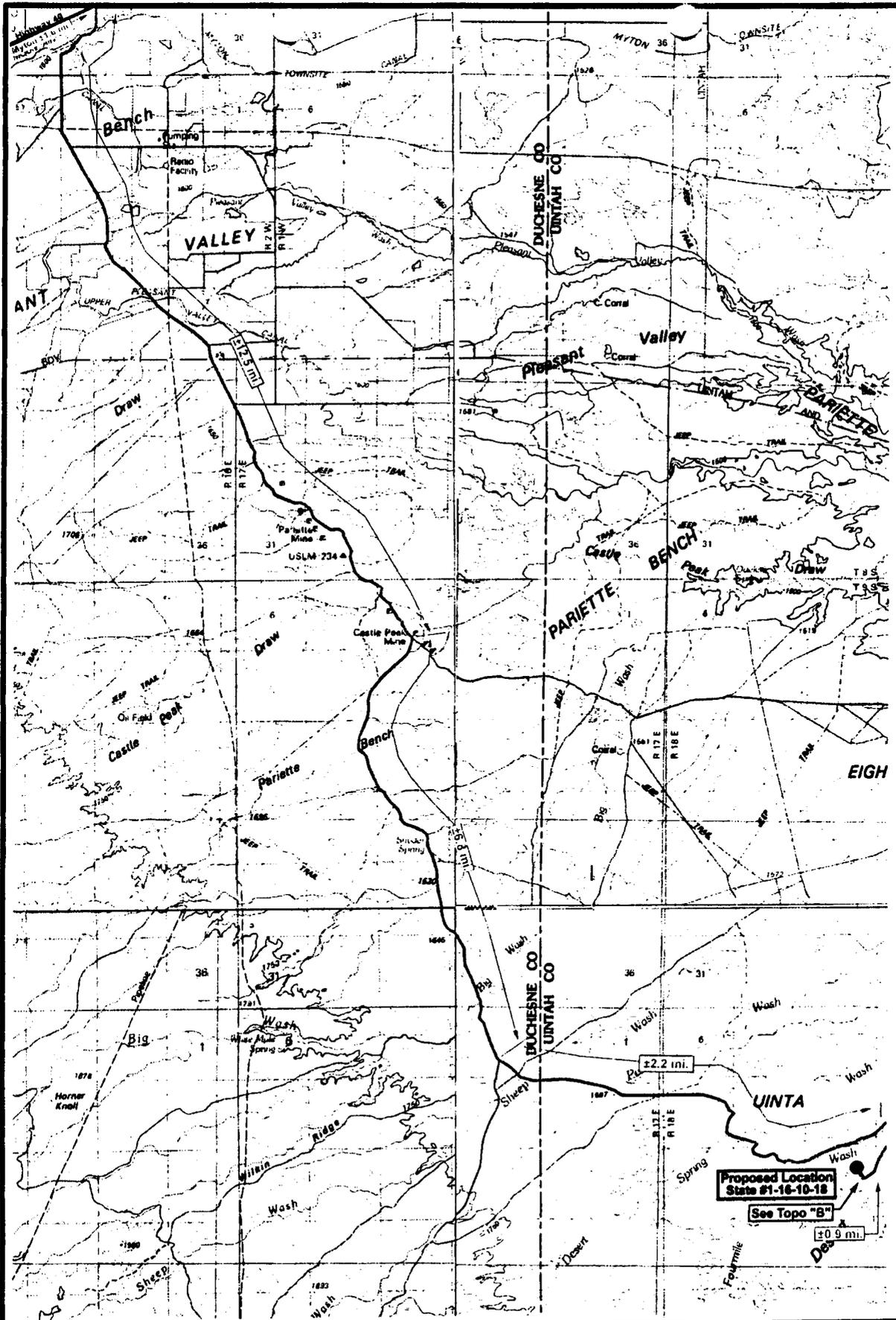
Dec 5, 2000

Date

RECEIVED

DEC 1 2000

DIVISION OF
OIL, GAS AND MINING



PENDRAGON ENERGY PARTNERS, INC.

State #1-16-10-18

SEC. 16, T108, R18E, S.L.B.&M.

TOPOGRAPHIC MAP "A"

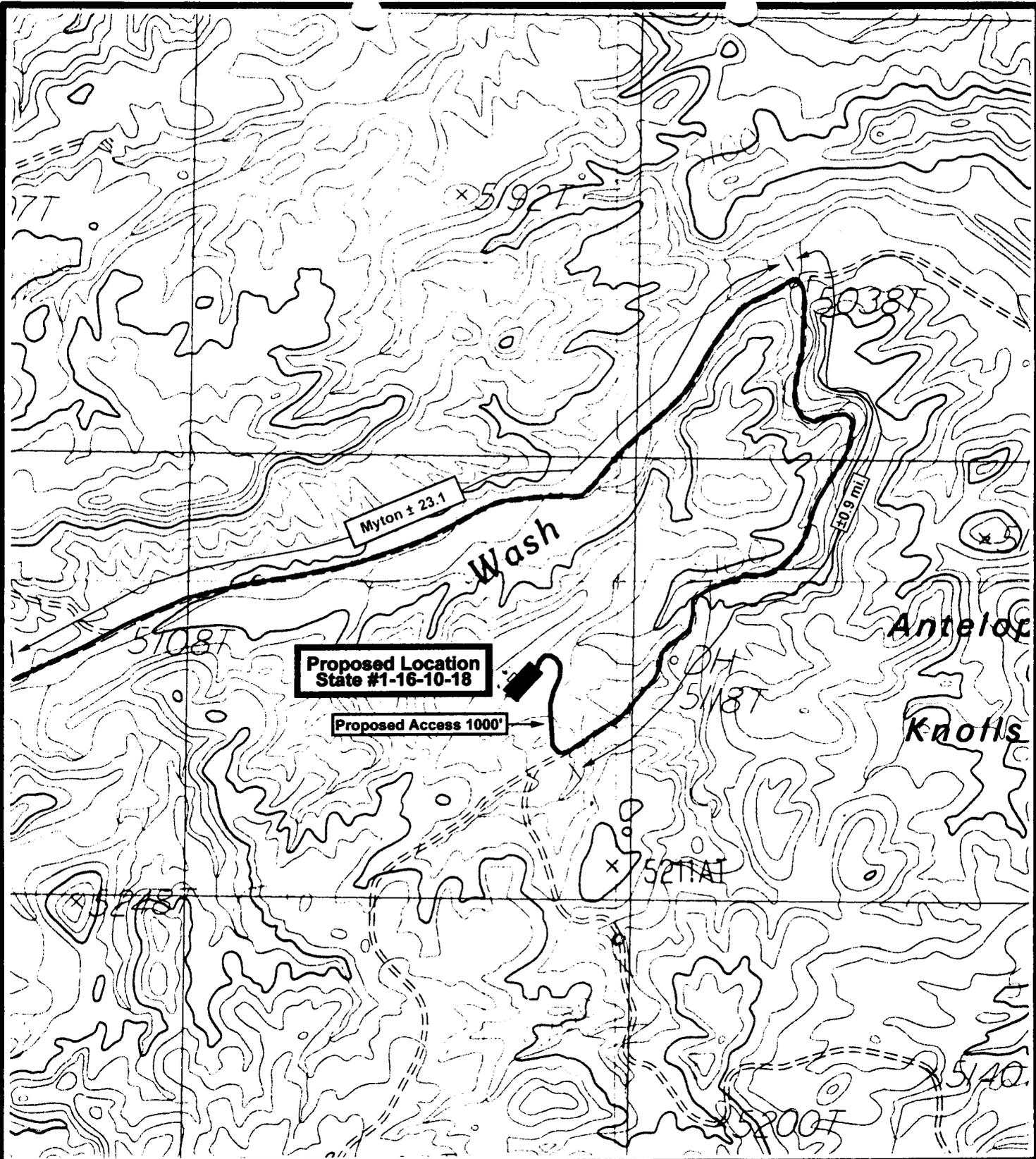


Drawn By: SS	Revision:
Scale: 1 : 100,000	File:
Date: 10-18-00	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 435-781-2501 Fax 435-781-2518	

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DIVISION OF
OIL, GAS AND MINING



PENDRAGON ENERGY PARTNERS, INC.

State #1-16-10-18

SEC. 16, T10S, R18E, S.L.B.&M.

TOPOGRAPHIC MAP "B"

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Drawn By: SS

Revision:

Scale: 1" = 1000'

File:

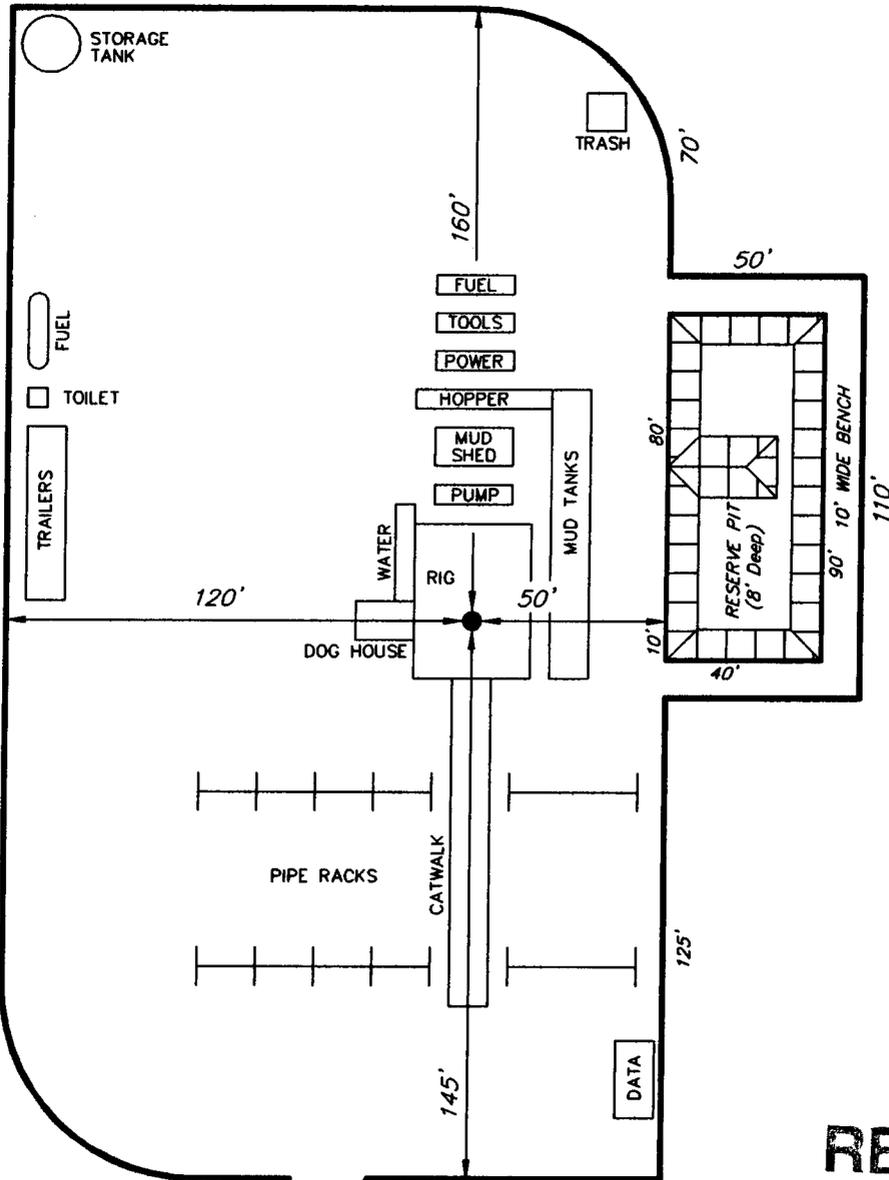
Date: 10-17-00

Tri-State Land Surveying Inc.
P.O. Box 533, Vernal, UT 84078
435-781-2501 Fax 435-781-2518

PENDRAGON ENERGY PARTNERS, INC.

TYPICAL RIG LAYOUT

STATE #1-16-10-18



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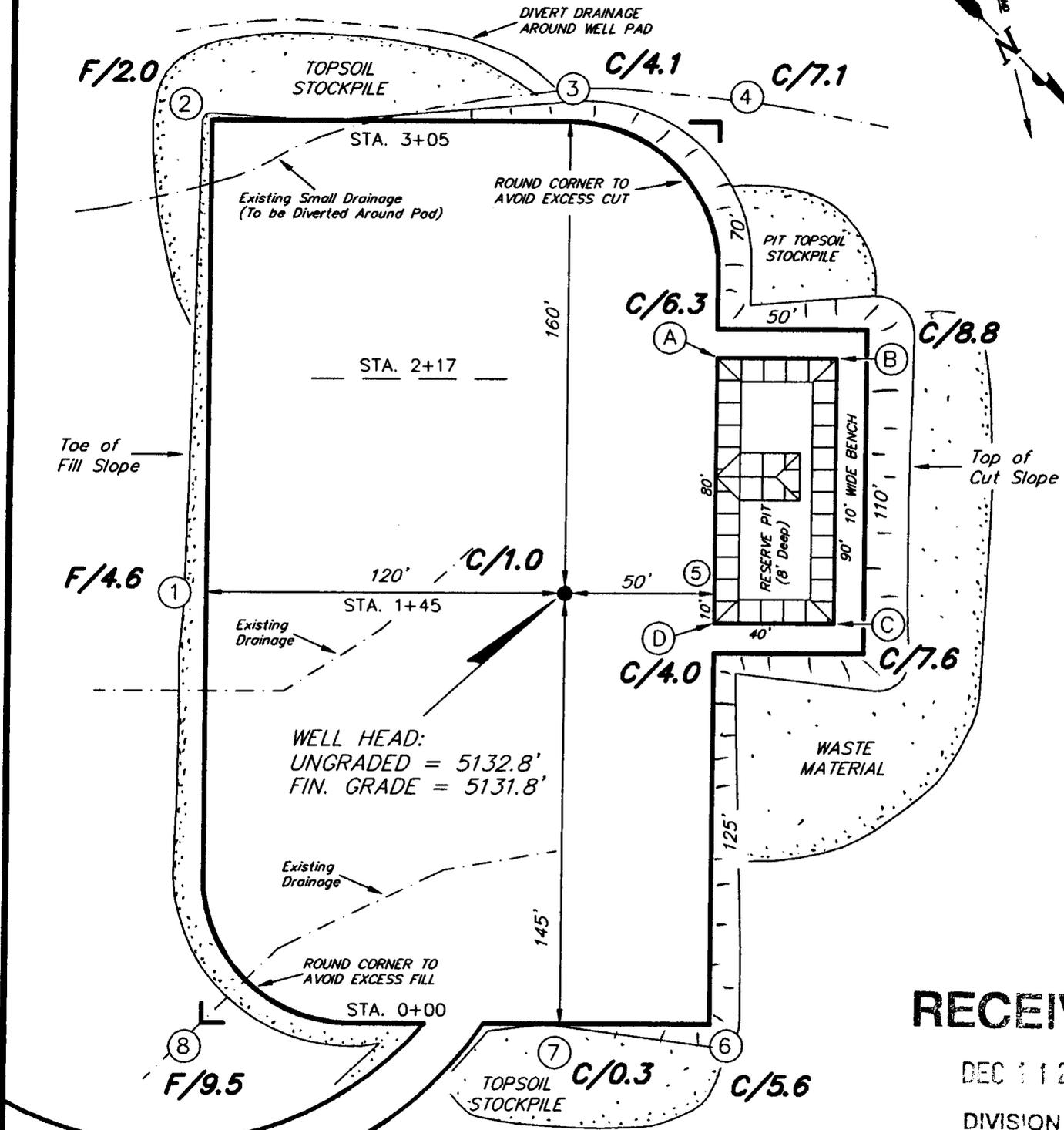
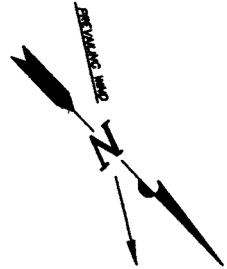
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DIVISION OF
OIL, GAS AND MINING

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

PENDRAGON ENERGY PARTNERS, INC.

STATE #1-16-10-18
 SEC. 16, T10S, R18E, S.L.B.&M.



WELL HEAD:
 UNGRADED = 5132.8'
 FIN. GRADE = 5131.8'

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REFERENCE POINTS

- 170' SOUTHEASTERLY = 5124.9'
- 220' SOUTHEASTERLY = 5127.8'
- 210' SOUTHWESTERLY = 5136.9'
- 260' SOUTHWESTERLY = 5138.4'

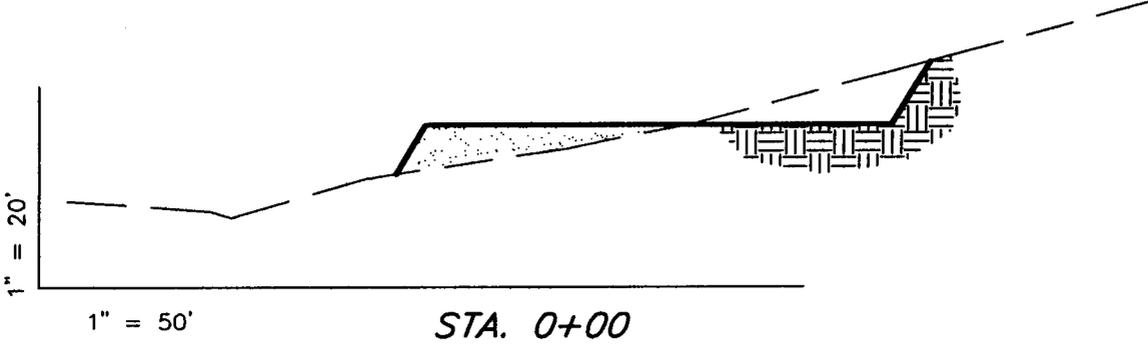
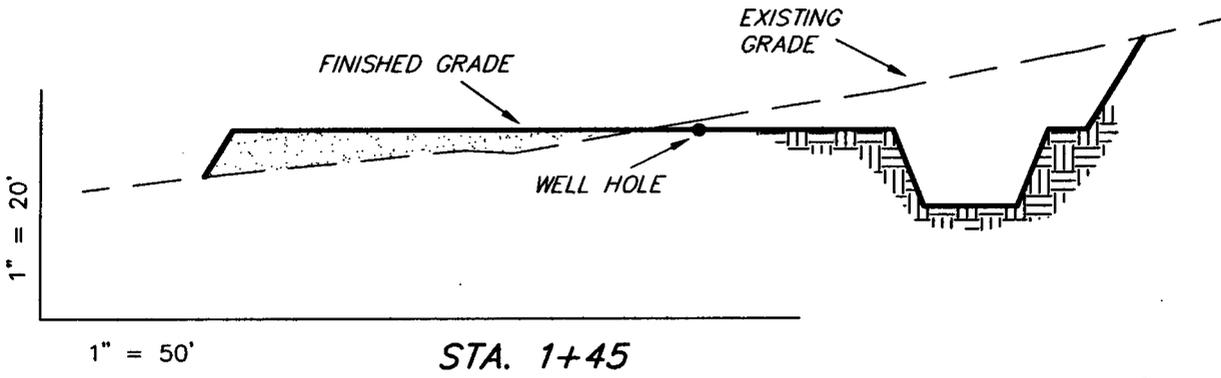
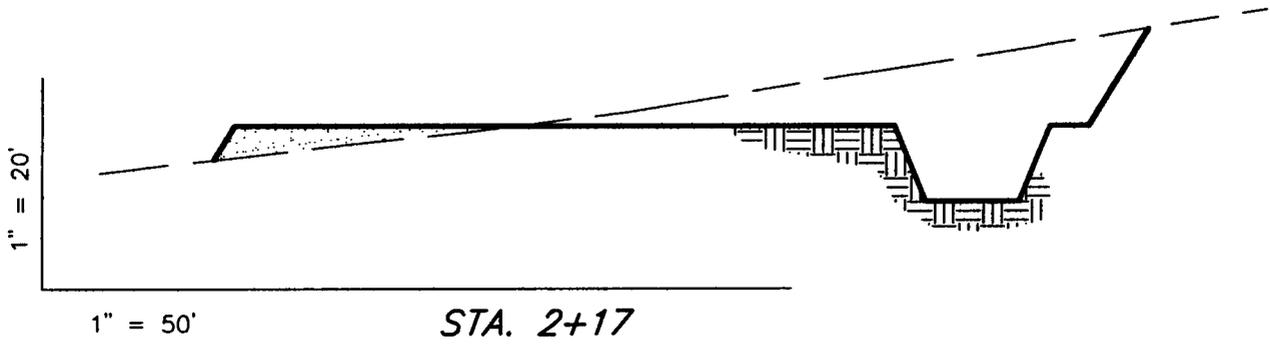
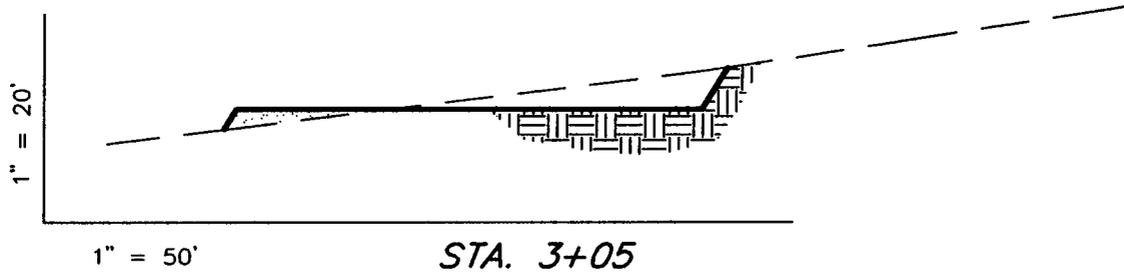
SURVEYED BY: L.D.T.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 10-11-00

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

PENDRAGON ENERGY PARTNERS, INC.

CROSS SECTIONS

STATE #1-16-10-18



APPROXIMATE YARDAGES

- CUT = 3,580 Cu. Yds.
- FILL = 3,580 Cu. Yds.
- PIT = 920 Cu. Yds.
- 6" TOPSOIL = 1,010 Cu. Yds.

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OIL, GAS AND MINING

SURVEYED BY: L.D.T.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 10-11-00

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

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/11/2000

API NO. ASSIGNED: 43-047-33807

WELL NAME: STATE 1-16-10-18
 OPERATOR: PENDRAGON ENERGY PTNRS (N2965)
 CONTACT: JOHN LUCHETTA

PHONE NUMBER: 303-278-3347

PROPOSED LOCATION:

NENE 16 100S 180E
 SURFACE: 0749 FNL 0709 FEL
 BOTTOM: 0749 FNL 0709 FEL
 UINTAH
 UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	RAM	2/7/01
Geology		
Surface		

LEASE TYPE: 3-State
 LEASE NUMBER: ML-45175
 SURFACE OWNER: 3-State

PROPOSED FORMATION: GR-WS

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. RLB0002714 dt. 12-20-2000.)
- Potash (Y/N)
- Oil Shale (Y/N) *190-5 (B) or 190-3
- Water Permit
(No. 43-1721)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

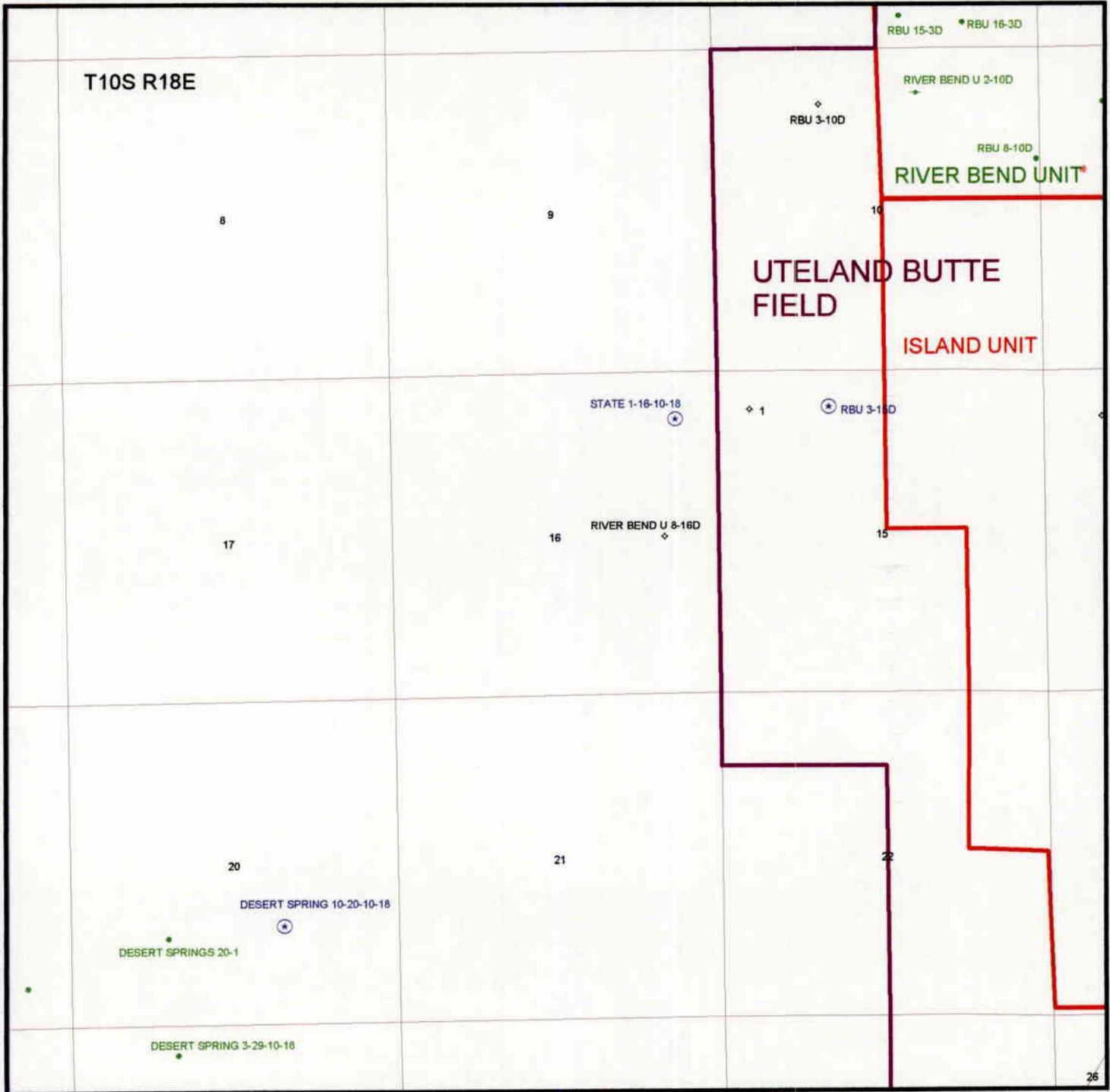
- R649-2-3. Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Need Presite. (Conducted 2-6-01)

STIPULATIONS: ① STATEMENT OF BASIS
② ENSURE COMOUT FOR THE 5 1/2" PRODUCTION
CASING COVERS THE TOP OF MODERATELY SALINE WATERS AT
+ 3000'. THIS WILL ISOLATE FRESH WATER IN BIRDSNEST
AQUIFER AT THE TOP OF THE GREEN RIVER.



OPERATOR: PENDRAGON ENERGY (N2965)
 FIELD: UNDESIGNATED (002)
 SEC. 16, T10S, R18E,
 COUNTY: UINTAH SPACING: R649-3-2/GEN ST



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

SUBMIT IN TRIP DATE*
(other instructions on
reverse side)

Addendum to APD

ML 45175

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL DEEPEN PLUG BACK

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

2. Name of Operator
Pendragon Energy Partners, Inc

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

4. Location of Well (Report location clearly and in accordance with any State Requirement.)
At surface 748.9' FNL, 709.2' FEL Sec 16, T10S, R18E
At proposed prod. zone Same

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name
N/a

8. Farm or Lease Name
State

9. Well No.
1-16-10-18

10. Field and Pool, or Wildcat
Wildcat Undesignated

11. Sec., T., R., M., or Blk
S16, T10S, R18E, S.L.B. & M.

14. Distance in miles and direction from nearest town or post office*
12. County or Parish
13. State
Utah Utah

15. Distance from proposed * location to nearest property or lease line, ft. (Also to nearest drig. line, if any) 748.9' FNL Sec 16
16. No. of acres in lease 640
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. None
19. Proposed depth 5,000
20. Rotary or cable tools Rotary

21. Elevations (Show whether DF, RT, GR, etc.) 5,132.8 GR
22. Approx. date work will start* March 1, 2001

PROPOSED CASING AND CEMENTING PROGRAM				
Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12 1/4"	8 5/8"	24#	250	150 cf Lite + 100 cf of premium
7 7/8"	5 1/2"	15.5#	5,000	sufficient volume to 600' above pay.

Proposed Procedure:

1. Level location and construct reserve pit.
2. Drill conductor hole, set conductor casing @ +/- 60' and cement to surface.
3. Move in and rig up rotary drilling equipment, tanks and associated equipment.
4. Drill surface hole to +/- 250', run 8 5/8" casing and cement to surface.
5. Nipple up BOP, pressure test BOP, manifold and floor valve etc.
6. Drill 7 7/8" hole to +/- 5,000', log and or drill stem test if necessary.
7. If commercial oil production is indicated, run and cement 5 1/2" casing.
8. Move off rotary drilling equipment.
9. Move in completion rig, test zones of interest and prepare production facilities.

Exhibits:

- H - Drilling Plan
- J - BOP Diagram

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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. John Luchetta
Signed *John Luchetta* Title Agent Date Jan 10, 2001

(This space for Federal or State office use)

Permit No. 43-047-33807 Approval Date 02-07-01 JAN 16 2001

Approved by *[Signature]* Title **REGULATORY SPECIALIST III** Date GIL, GAS AND MINING

**EXHIBIT "H"
PROPOSED DRILLING PROGRAM**

**ONSHORE ORDER NO.1
Pendragon Energy Partners, Inc.
Desert Spring State No. 1-16-10-18
NE NE-Sec 16 -T10S - R18E
Uintah County, Utah**

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

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

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

1. ESTIMATED FORMATION TOPS : (Elevation - 5394')			
FORMATION	DRILLED (ft) SUBSEA		PORE PRESSURE (psi/ft)
Green River	680	+4,453	Normal
Wasatch /Green River	4,800	+ 333	Normal
Total Depth	5,000	+ 194	Normal

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* Offset pressure data supports pore pressure gradient @ 0.42 psi/ft in the Green River.

2. ESTIMATED DEPTH OF OIL, GAS, WATER OR OTHER MINERALS:		
SUBSTANCE	FORMATION	DEPTH (ft)
Water	None anticipated	
Gas	None	
Oil	Green River	4,800 – 5,000

3. PRESSURE CONTROL EQUIPMENT & SPECIFICATIONS :

- **Anticipated maximum surface shut-in pressure gradient:**
 - . $P_s = \text{BHP} - (0.22 * 5,000) = (0.42 * 5,000) - (0.22 * 5,000) = 1,000 \text{ psi.}$
 - . **If a pressure anomaly occurs, API pressure control methods will be immediately imposed.**
 - . **Drilling fluid density materials will be available on location.**
 - . **Poison gas is not known to exist in the area.**
- **BOP EQUIPMENT: (See Exhibit "J")**
 - . **Type: Nominal 10" hydraulic double ram, 2,000 psi working pressure.**
 - . **Ram type preventers shall be installed after the prescribed WOC time has expired. The casing will be cut off and a weld-on companion flange fastened.**
 - . **Pipe & blank rams will be used.**
 - . **The BOP will be inspected, operated daily and on trips with the drill string. All tests will be recorded on the daily drilling log.**
- **CHOKE MANIFOLD EQUIPMENT: (See Exhibit "J")**
 - . **The hydraulic closing unit will be located @ least 100' upwind from the BOP stack.**
 - . **A remote BOP closing unit will be positioned near the driller's operating station.**

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

4. TEST PRESSURES AND OTHER SPECIFICATIONS ANTICIPATED:

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

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

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

• **CASING SPECIFICATIONS AND CONDITIONS:**

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

• **CEMENTING PROGRAM:**

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

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- . **SURFACE CASING: Cement to surface w/150 cuft "Lite" tailed w/100 cuft premium.**
- . **PRODUCTION CASING: Will be cemented from TD to 600' above top pay zone. Volume of cement will be determined from caliper log.**

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

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

7. EVALUATION OF OPERATIONS WHILE DRILLING:

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

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

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

• **LOGGING PROGRAM:**

- . The following open hole logs are anticipated:

Run #1 @ TD

- (1) GR - DLL ----- TD to base of Surface casing.
- (2) CNL - Density - Caliper --- TD to base of surface casing.

- . The following cased hole logs are anticipated:

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

• **SAMPLING PROGRAM:**

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

CORING: Not anticipated.

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8. ANTICIPATED PORE PRESSURES & HAZARDOUS MATERIALS:

- **PORE PRESSURE:**
 - In the surface hole – normal to subnormal pressures are anticipated.
 - In the Green River – normal to subnormal pore pressures are anticipated (0.420 psi per ft.).
- **HAZARDOUS MATERIALS:** None anticipated.

9. OTHER INFORMATION, NOTIFICATION & REPORTING:

OPERATION	DATE OR ANTICIPATED TIME
Proposed start time	Feb 15, 2001
Drill pad & road construction time	2 - 4 days
Drilling operations & formation evaluation	8 - 10 days
Completion & testing time	5 - 10 days
Facilities installation	5 - 10 days
Initial restoration start time	180 days or as weather permits
Final restoration time	5 - 10 days

• **INFORMATION & REPORTING PLAN:**

• **DRILLERS LOG:**

- BOP, manifold, casing pressure tests - as done.
- BOP mechanical test – as done.
- Blowout prevention drills – as done.
- Casing installation & cementing – as done.
- WOC time – as done.
- Incidents of lost circulation or pressure anomalies – as occurs.

• **REGULATORY REPORTING :**

- Notification of location construction - 24 hours prior to start up.
- Notification of spud – prior to spud and/or within 48 hours after.

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- . Notification of BOP test – at least 24 hours prior to testing.
- . P&A – Utah State OGMC will be contacted prior to plugging .
- . Form OGCC-1b Sundry - monthly.
- . Form OGCC-3 - within 30 days after P&A or completion of the well.
- . Facilities diagram – per CFR 43 Part 3162.7-2 and 3162.7-4.
- . Undesirable events will be reported immediately. All other significant events will be reported within 15 days.

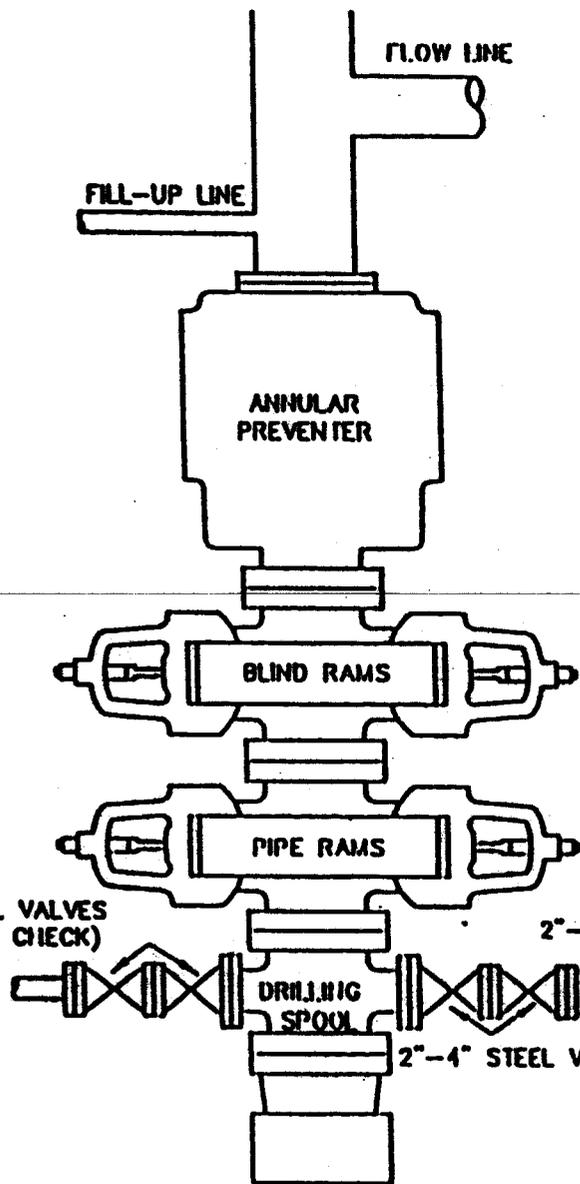
10. OPERATOR'S REPRESENTATIVES AND CERTIFICATION:

ADDRESS	PHONE	PHONE
621 17 th Street, Suite 750 Denver, CO 80293	303 286 9482	303 425 4115
2020 Foothills Rd. Golden, CO 80401	303 278 3347	303 278 3347

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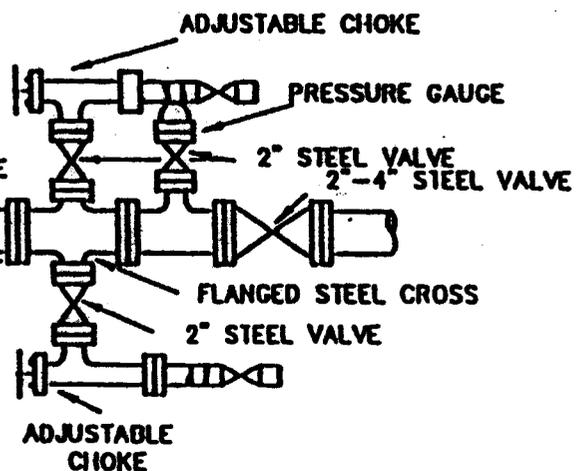


LUCHETTA OPERATING CO., INC.
 2020 FOOTHILLS RD. • GOLDEN, CO 80401

EXHIBIT "J"

BOP & MANIFOLD SPECIFICATIONS
 (MEETS 43 CFR, PARTS 3160 DESIGN)
 SERIES 600 2,000 PSI RATING

CHOKE MANIFOLD



2"-4" STEEL VALVES
(OUTSIDE IS CHECK)

2"-4" LINE

2"-4" STEEL VALVES

ADJUSTABLE CHOKE

PRESSURE GAUGE

2" STEEL VALVE

2"-4" STEEL VALVE

FLANGED STEEL CROSS

2" STEEL VALVE

ADJUSTABLE CHOKE

1987



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

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

Michael O. Leavitt
 Governor
 Lowell P. Braxton
 Division Director

**UTAH DIVISION OF OIL, GAS AND MINING
 FACSIMILE COVER SHEET**

DATE: 1-24-2001

FAX#: (801)355-0922

ATTN: ED BONNER

COMPANY: SITLA

DEPARTMENT: _____

NUMBER OF PAGES:(INCLUDING THIS ONE) 7

From: LISHA

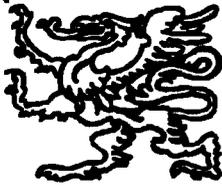
If you do not receive all of the pages, or if they are illegible, please call (801)538-5340.
 We are sending from a sharp facsimile machine. Our telecopier number is (801)359-3940.

MESSAGES:

RE: ML-45174 & ML-45175 (SEE EXHIBIT "A")

** 1:10 SITLA/Ed Lease Assignment updated w/ SITLA
 50% Pendregon & 50% Shenandoah
 Ok to proceed with APD/Presite, etc.*

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.



PENDRAGON ENERGY PARTNERS, INC.
621 17th Street, Suite 750 • Denver, CO 80293 • (303) 296-9402 Fax (303) 296-9410

FACSIMILE TRANSMITTAL
COVER SHEET

DATE: 1/24/01 TIME: 11:45

TO: Lisa Cordova

COMPANY: _____

FAX #: 801-359-3940

FROM: Al Nicol

COMPANY: _____

FAX #: (303) 296-9410

NO. OF PAGES (including cover): 6

MESSAGE: _____

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

Janeen
Signature

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: PENDRAGON ENERGY PARTNERS, INC.

WELL NAME & NUMBER: STATE 1-16-10-18

API NUMBER: 43-047-33807

LEASE: ML-45175 **FIELD/UNIT:** UNDESIGNATED

LOCATION: 1/4,1/4 NE/NE SEC:16 TWP:10S RNG: 18E
709' F E L 749' F N L

LEGAL WELL SITING: Statewide 400 foot window in center of 40
acre tract and no closer than 920 feet from
another well.

GPS COORD (UTM): 12594684E 4422702N

SURFACE OWNER: STATE OF UTAH

PARTICIPANTS: BRIDGER MURRAY, STACY STEWART, (TRI-STATE LAND
SURVEYING INC.) ED BONNER, (SITLA) DAVID HACKFORD, DOGM).

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

SITE IS IN AN AREA OF ROLLING HILLS AND SHALLOW DRAWS ON THE
WEST SIDE OF A SMALL BOWL. THIS BOWL IS THE HEAD OF A SHALLOW,
DRY WATER COURSE RUNNING TO THE NORTH TOWARD FOUR MILE WASH.

SURFACE USE PLAN:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.
HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 305' BY 210'
AND ACCESS ROAD WOULD BE 1,000 FEET.

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

LOCATION OF PRODUCTION FACILITIES AND PIPELINES:
ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED
AFTER DRILLING WELL. NO PIPELINES HAVE BEEN SURVEYED.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL
WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, GREASEWOOD, PRICKLY PEAR, SHADSCALE, SALTBRUSH: RODENTS, COYOTES, SONGBIRDS, RAPTORS, PRONGHORN.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY WITH LIGHT BROWN SHALE ROCKS.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT:

CHARACTERISTICS: 110' BY 50' AND EIGHT FEET DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN:

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE HAS BEEN INSPECTED BY MONTGOMERY ARCHAEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS:

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A COLD WINTER DAY WITH PARTIAL SNOW COVER.

ATTACHMENTS:

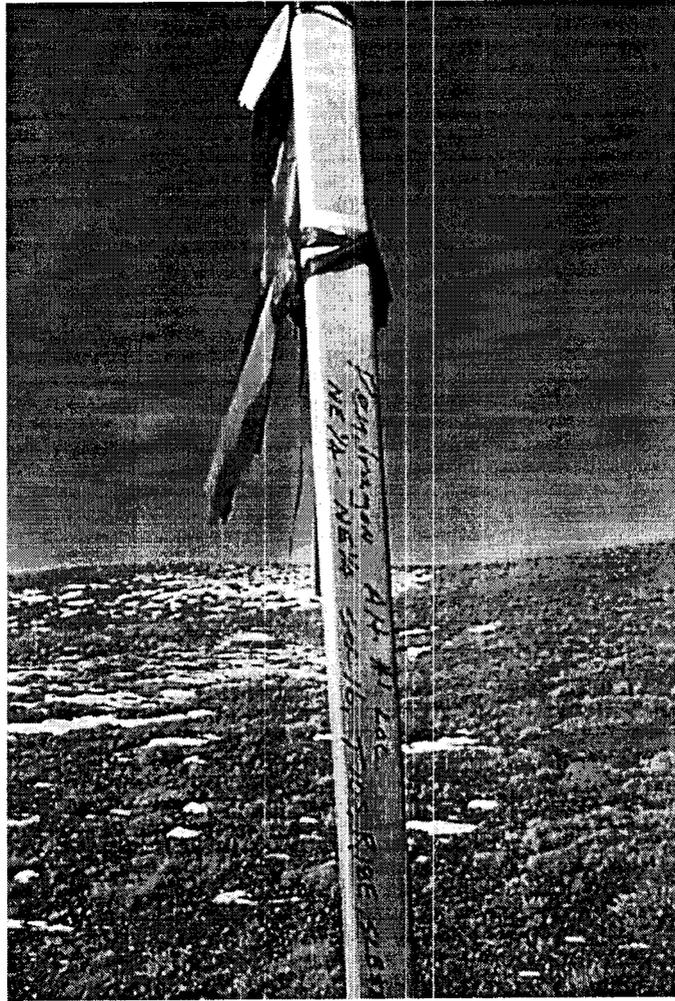
PHOTOS OF SITE WILL BE PLACED ON FILE.

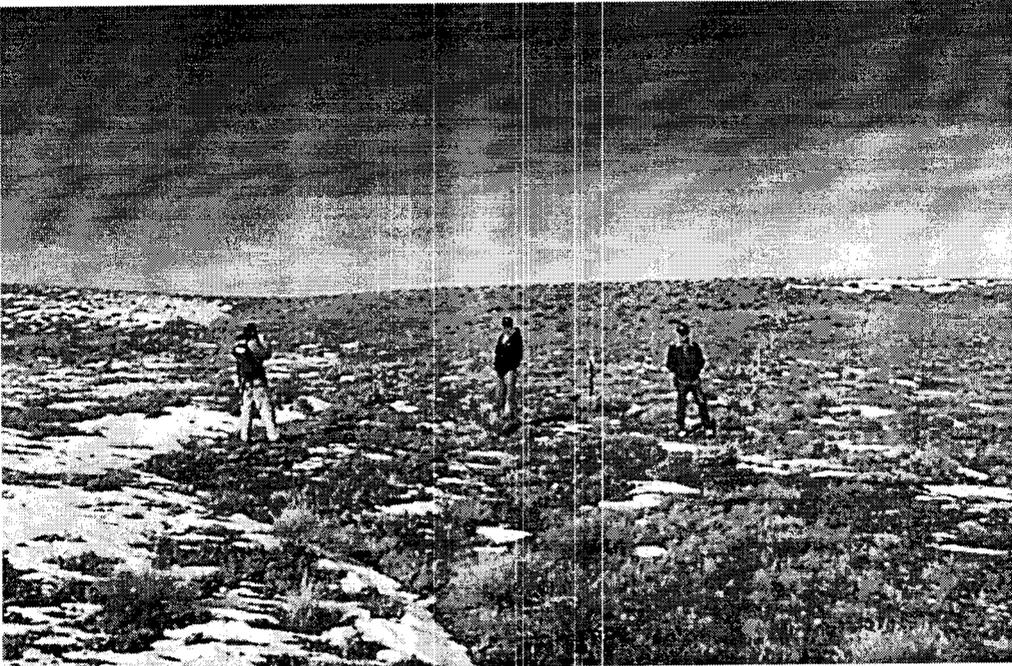
DAVID W. HACKFORD
DOGM REPRESENTATIVE

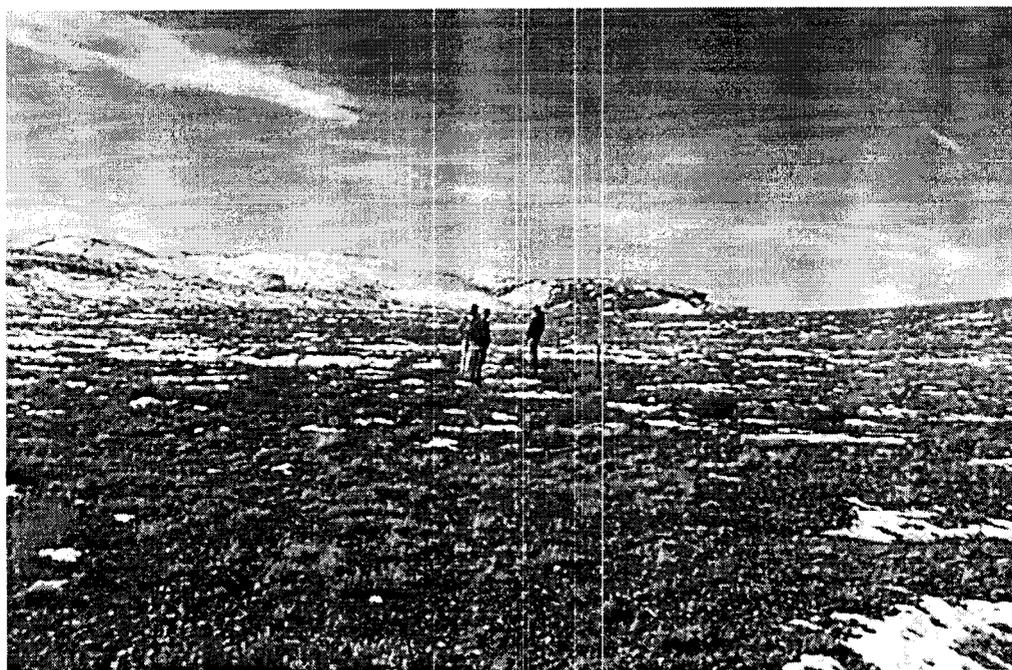
2/06//01 10:00 AM
DATE/TIME

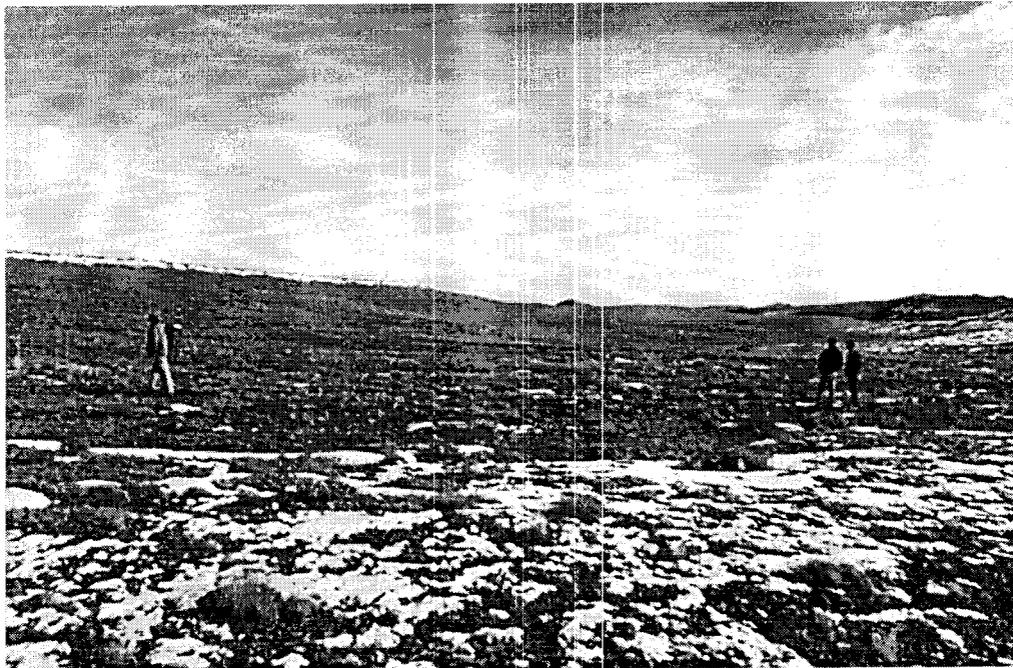
**Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements**

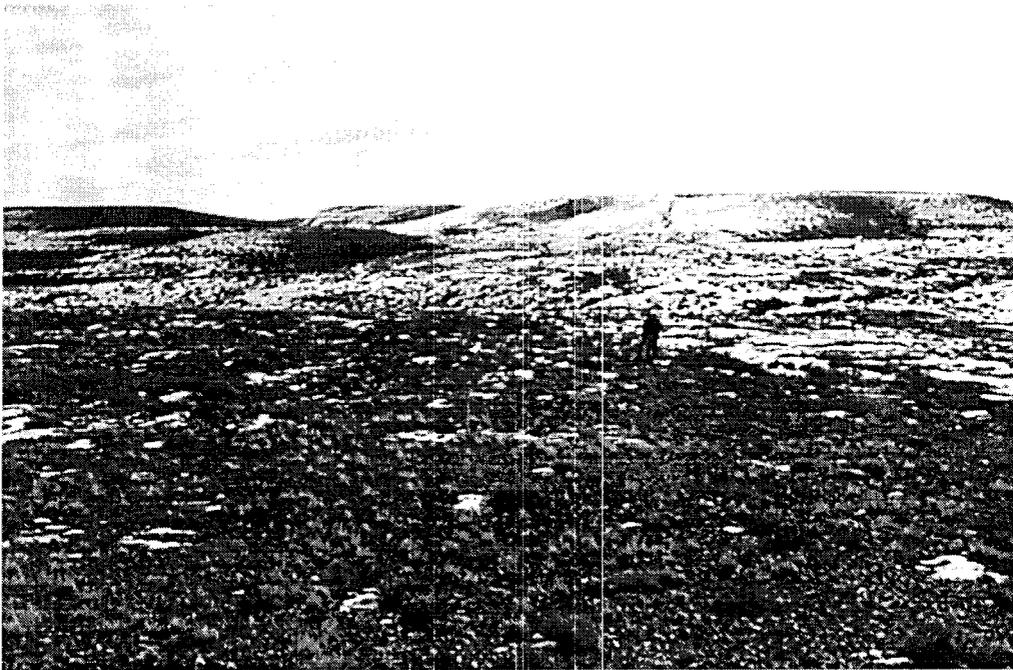
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest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











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

Operator Name: PENDRAGON ENERGY PARTNERS, INC.
Well Name & Number: STATE 1-16-10-18
API Number: 43-047-33807
Location: 1/4,1/4 NE/NE Sec. 16 T. 10S R. 18E

Geology/Ground Water:

Pendragon has proposed setting 250 feet of surface casing at this location. The depth to the base of the moderately saline ground water is estimated to be at 3,000 feet. A search of Division of Water Rights records indicates that no water wells are located within a 10,000 foot radius of the center of Section 16. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of interbedded sandstones and shales. The sandstones are not generally continuous over a large area and should not constitute a significant aquifer. The proposed cement for the production casing should come up above the estimated base of the moderately saline ground water. The proposed casing and cementing program should adequately protect any useable ground water.

Reviewer: Brad Hill
Date: 02/07/2000

Surface:

The pre-drill investigation of the surface was performed on 2/06/2001. Surface owner is State of Utah. Ed Bonner with S.I.T.L.A. was present and stated site was a good place for a location. Jack Lytle with D.W.R. was notified of this investigation on 1/29/2001. D.W.R. did not have a representative present. Site appears to be the best spot for a location in the immediate area. Stacy Steward with Tri-State Surveying represented Pendragon at this investigation. The last several miles of existing road to this site will need some improvement in order to move in drilling rig.

Reviewer: David W. Hackford
Date: 2/07/2001

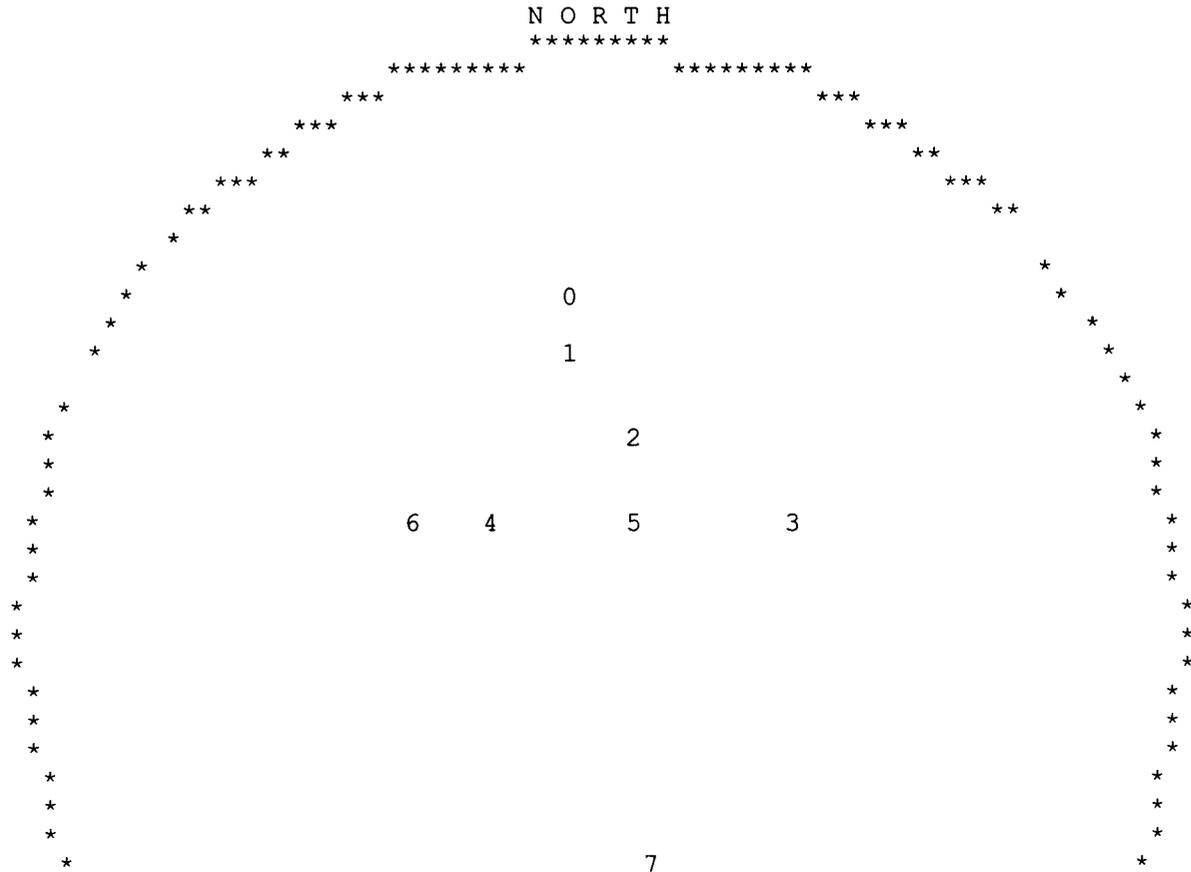
Conditions of Approval/Application for Permit to Drill:

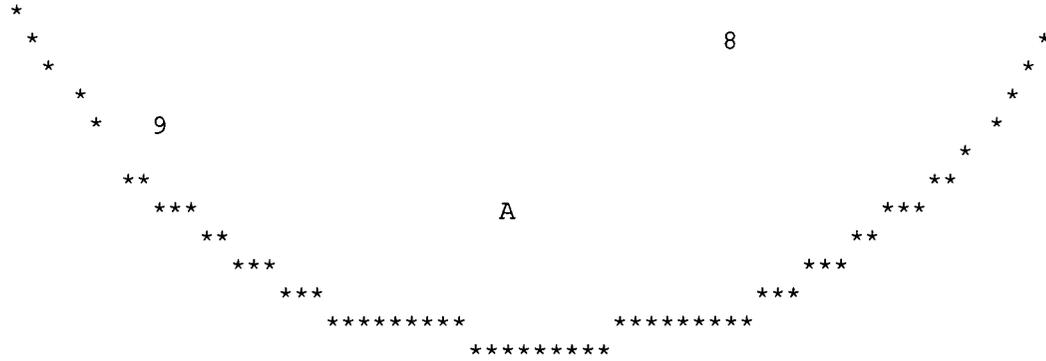
None.

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED WED, FEB 7, 2001, 2:20 PM
PLOT SHOWS LOCATION OF 11 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT
FEET, FEET OF THE CT CORNER,
SECTION 16 TOWNSHIP 10S RANGE 18E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET





UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	QUANTITY AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH	POINT OF DIVERSION DESCRIPTION YEAR LOG NORTH EAST	CNR SEC TWN RNG B&M
0	<u>47 1576</u>	.0000	.00	unnamed stream		
				WATER USE(S): STOCKWATERING USA Bureau of Land Management	170 South 500 East	PRIORITY DATE: 00/00/188 Vernal
1	<u>47 1589</u>	.0000	.00	unnamed stream		
				WATER USE(S): STOCKWATERING USA Bureau of Land Management	170 South 500 East	PRIORITY DATE: 00/00/188 Vernal
2	<u>47 1316</u>	.0000	.00	Four Mile Creek		
				WATER USE(S): STOCKWATERING USA Bureau of Land Management	2370 South 2300 West	PRIORITY DATE: 00/00/188 Salt Lake City
3	<u>47 1574</u>	.0000	.00	unnamed spring		
				WATER USE(S): STOCKWATERING USA Bureau of Land Management	170 South 500 East	PRIORITY DATE: 00/00/188 Vernal
4	<u>47 1186</u>	.0000	.00	Four Mile Creek		

	WATER USE(S): STOCKWATERING							PRIORITY DATE: 00/00/188
	State of Utah School & Institutional Tru	675 East 500 South, 5th Floor						Salt Lake City
5	<u>47 1186</u>	.0000	.00 Four Mile Creek					
	WATER USE(S): STOCKWATERING							PRIORITY DATE: 00/00/188
	State of Utah School & Institutional Tru	675 East 500 South, 5th Floor						Salt Lake City
6	<u>47 1315</u>	.0000	.00 Four Mile Creek					
	WATER USE(S): STOCKWATERING							PRIORITY DATE: 00/00/188
	USA Bureau of Land Management	2370 South 2300 West						Salt Lake City
7	<u>47 1757</u>	.0000	6.20 Little Desert Reservoir # 3	S	1000	W	1880	NE 21 10S 18E SL
	WATER USE(S): STOCKWATERING OTHER							PRIORITY DATE: 01/02/198
	USA Bureau of Land Management	(Vernal Di 170 South 500 East						Vernal
8	<u>47 1573</u>	.0000	.00 unnamed stream					
	WATER USE(S): STOCKWATERING							PRIORITY DATE: 00/00/188
	USA Bureau of Land Management	170 South 500 East						Vernal
9	<u>47 1765</u>	.0000	.17 Little Desert Reservoir #7	N	1812	W	3725	SE 20 10S 18E SL
	WATER USE(S): STOCKWATERING OTHER							PRIORITY DATE: 10/24/198
	USA Bureau of Land Management	170 South 500 East						Vernal
A	<u>47 1767</u>	.0000	.36 Little Desert Reservoir #5	N	402	E	2181	SW 21 10S 18E SL
	WATER USE(S): STOCKWATERING OTHER							PRIORITY DATE: 10/24/198
	USA Bureau of Land Management	170 South 500 East						Vernal

Well name: **02-01 Pendragon ST 1-16-10-18**
 Operator: **Pendragon Energy Partners**
 String type: **Production** Project ID: **43-047-33807**
 Location: **Uintah County**

Design parameters:

Collapse

Mud weight: 9.000 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 135 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top:

~~4115 ft~~
 2810'
 W R O W
 H O L E
 S I Z E
 ATM

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP 2,338 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 4,319 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5000	5.5	15.50	J-55	ST&C	5000	5000	4.825	156.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2338	4040	1.73	2338	4810	2.06	78	202	2.61 J

CEMENT

LEAD w/ LITE
 TAIL w/ 'G'

1.97 Δ / Δ x 3 AS HIGH AS * WILL
 1.15 Δ / Δ x 2 POSSIBLE COVER
 + 600 ABOVE WASATER
 + 4200

Prepared by: R.A.McKee
 Utah Dept. of Natural Resources

Phone:
 FAX:

Date: February 7, 2001
 Salt Lake City, Utah

ENGINEERING STIPS: NONE.

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	02-01 Pendragon ST 1-16-10-18	
Operator:	Pendragon Energy Partners	Project ID:
String type:	Surface	43-047-33807
Location:	Uintah County	

Design parameters:

Collapse

Mud weight: 8.330 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 68 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 60 ft

Cement top: 107 ft

SFC
WRONG HOLE SIZE RAN

Non-directional string.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP 117 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 219 ft

Re subsequent strings:

Next setting depth: 5,000 ft
 Next mud weight: 9.000 ppg
 Next setting BHP: 2,338 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 250 ft
 Injection pressure 250 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	250	8.625	24.00	J-55	ST&C	250	250	7.972	12
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	108	1370	12.66	117	2950	25.24	6	244	40.67 J

Prepared by: R.A.McKee
 Utah Dept. of Natural Resources

Phone:
 FAX:

Date: February 7, 2001
 Salt Lake City, Utah

ENGINEERING STIPS: NONE.

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

02-01 Pendragon ST 1-16-16-18

Casing Schematic

Surface

16"
MW 8.3

8-5/8"
MW 8.3
Frac 19.3

TOC @
0.
Surface
250. MD

TOC @
Conductor
60. MD

20%

WITHOUT #3/sx #/gd

150 #3 'LITE' 1.97 11.0
100 #3 'G' 1.15 15.8

BOP

$$.052(9) 5000 = 2340 \text{ psi}$$

$$.12 \frac{5000}{1740 \text{ psi}}$$

SURFACE PRESSURE

2M BOP Adequate

RAM
2/7/01

TOC @
2810.

200 sx 'LITE'
? BIRDSEAR @ TOP OF
GRAN ± 600'
+ 300' TOP OF MORTAR & STUD
WATER. FROM COVER
ABOUT IT.
'G' 600' ABOVE
WATER
± 4200'

4206 w 195 sx 'G'

5-1/2"
MW 9.

Production
5000. MD



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)

February 7, 2001

Pendragon Energy Partners, Inc.
621 - 17th St, Suite 1750
Denver CO 80293

Re: State 1-16-10-18 Well, 749' FNL, 709' FEL, NE NE, Sec. 16, T. 10 South, R. 18 East,
Uintah County, Utah

Gentlemen:

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

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 43-047-33807.

Sincerely,

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

John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
SITLA

Operator: Pendragon Energy Partners, Inc.
Well Name & Number State 1-16-10-18
API Number: 43-047-33807
Lease: ML 45175

Location: NE NE **Sec.** 16 **T.** 10 South **R.** 18 East

Conditions of Approval

1. **General**
Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.
2. **Notification Requirements**
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
 - 24 hours prior to cementing or testing casing
 - 24 hours prior to testing blowout prevention equipment
 - 24 hours prior to spudding the well
 - within 24 hours of any emergency changes made to the approved drilling program
 - prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

 - Dan Jarvis at (801) 538-5338
 - Carol Daniels at (801) 538-5284 (spud)
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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. Ensure cement for the 5-1/2' production casing covers the top of moderately saline waters at $\pm 3000'$. This will isolate fresh water in the Birdsnest Aquifer at the top of the Green River.

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

FORM 6

ENTITY ACTION FORM

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

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-33807	STATE #1-16-10-18		NE NE	16	10 S	18E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	13103	3/2/2001			3/2/2001	
Comments: 4-25-01							

Well 2

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

ALAN B. NICOL
 Name (Please Print)

 Signature
 PRESIDENT
 Title
 4/23/01
 Date

RECEIVED

APR 25 2001

DIVISION OF
OIL, GAS AND MINING

STATE OF UT
OIL & GAS CONSERVATION COMMISSION

SUBMIT IN TRIPLICATE
(Other instructions on re-verse side)

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO.
2. NAME OF OPERATOR Pendragon Energy Partners, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 621 17th Street, Suite 750, Denver CO 80293		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements* At surface 748.9' FNL, 709.2 FEL Sec 16, T10S-R18E		8. FARM OR LEASE NAME State
14. PERMIT NO. 43-047-33807		9. WELL NO. 1-16-10-18
15. ELEVATIONS (Show whether DF, RT, OR ETC.) 5,132.8' GR		10. FIELD AND POOL, OR WILDCAT Wildcat
		11. SEC., T., R., M., OR BLK, AND SURVEY AREA Sec16 T10S-R18E-S.L.B
		12. COUNTY OR PARISH Uintah
		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	MULTIPLE COMPLETE	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	ABANDON*	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(Other)	<input type="checkbox"/>		<input type="checkbox"/>

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ABANDONMENT*	<input type="checkbox"/>
(Other)	<input type="checkbox"/>		<input type="checkbox"/>

Drilling history

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

17. 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 measure and true vertical depths for all markers and zones pertinent to this work.)*

<u>Date</u>	<u>Operations</u>
March 1, 2001:	Finish location construction, pit liner in place, 8 5/8" surface casing set & cemented.
March 2, 2001:	MIRU, test BOP & lines, spud 7 7/8" hole and commence drilling.
March 11, 2001:	Finish drilling to TD, RU logger and run logs.
March 12, 2001:	Run 5 1/2" production casing & set @ 4,975' KB. Cement w/330 sxs lit + 460 Pozmix.
March 20, 2001:	Prepare location for completion operations.
March 28, 2001:	MIRU completion rig and associated equipment.
March 30, 2001:	Pick up and RIH w/ 2 7/8" tubing and circulate casing full of KCl water.
March 31, 2001:	RU wirlline unit, GIH w/4" casing gun 4874-78' & 4880-86'. Swab test w/ no recovery.

RECEIVED

APR 27 2001

DIVISION OF
OIL, GAS AND MINING

18. I hereby certify that the forgoing is true and correct.

SIGNED John Luchetta *Luchetta* TITLE Agent DATE April 20-01

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Pendragon Energy Partners, Inc.		7. UNIT AGREEMENT NAME 8. FARM OR LEASE NAME State
3. ADDRESS OF OPERATOR 621 17th Street, Suite 750, Denver CO 80293		9. WELL NO. 1-16-10-18
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements* At surface 748.9' FNL, 709.2 FEL Sec 16, T10S-R18E		10. FIELD AND POOL, OR WILDCAT Wildcat 11. SEC., T., R., M., OR BLK, AND SURVEY AREA Sec16 T10S-R18E-S.L.B
14. PERMIT NO. 43-047-33807	15. ELEVATIONS (Show whether DF, RT, OR ETC.) 5,132.8' GR	12. COUNTY OR PARISH Uintah 13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> SHOOT OR ACIDIZE <input type="checkbox"/> REPAIR WELL <input type="checkbox"/> (Other) <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETE <input type="checkbox"/> ABANDON* <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>
--	---

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/> FRACTURE TREATMENT <input type="checkbox"/> SHOOTING OR ACIDIZING <input type="checkbox"/> (Other) <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> ABANDONMENT* <input type="checkbox"/>
--	--

Completion history April, 01.

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

17. 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 measure and true vertical depths for all markers and zones pertinent to this work.)*

Date

Operations

- April 1, 2001: RU pumper and break down perforations 4874-86' w/ KCl water & ball sealers. Swab test.
- April 3, 2001: RU pumper and frac perforations 4874-86' w/12,485 gals and 25,000 # 20/40 sand.
- April 4, 2001: Swab test @ approximately 6 BOPD.
- April 5, 2001: Set RBP @ 4820', GIH w/ 4" casing gun & perforate the interval 4780-82'.
RU pumper, set pressure element @ perforations and break down perforations w/ KCl water. Record pressure fall-off data.
- April 6, 2001: RU pumper and frac perforations 4880-82' w/ 8,100 gals fluid w/25,000 # 20-40 sand.
GIH w/ RBP and set @ 4700'. GIH w/ 4" casing gun and perforate the interval 4652-59'.
- April 7, 2001: RU pumper and sand frac perforations 4652-59' w/ 13,500 gals fluid w/45,000# sand.
- April 8, 2001: Recover 2 - RBP and swab test all perforations:
- 11, 2001: Swab test. Install down hole production equipment, shut down and wait on equipment.

RECEIVED

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

SIGNED John Luchetta *Luchetta* TITLE Agent DATE APR 27 2001 April 24-01

(This space for Federal or State office use)

DIVISION OF
OIL, GAS AND MINING

APPROVED BY _____ TITLE _____ DATE _____

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

AMENDED REPORT **FORM 8**
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 45175

8. IF INDIAN, ALLOTTEE OR TRIBE NAME:
43-047-33807

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF WORK: NEW WELL HORIZ LATS DEEP EN RE-ENTRY DIFF. RESER/ OTHER _____

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME AND NUMBER: **1-16-10-18**
State

9. API NUMBER:

2. NAME OF OPERATOR: **Pendragon Energy Partners, Inc.**

3. ADDRESS OF OPERATOR: **Denver Colorado 80293** PHONE NUMBER: **303 296 9402**

10. FIELD AND POOL, OR WILDCAT: **Wildcat**

4. LOCATION OF WELL (FOOTAGES)
 AT SURFACE: **749' FNL 709' FEL Sec 16, T10S, R18E**

AT TOP PRODUCING INTERVAL REPORTED BELOW:
Same

AT TOTAL DEPTH:

11. QTR/QTR, SECTION TOWNSHIP, RANGE MERIDIAN: **NE NE S16, T10S, R18**

12. COUNTY **Uintah** 13. STATE **UTAH**

14. DATE SPUDDED: **Feb 27, 01** 15. DATE T.D. REACHED: **Mar 11, 01** 16. DATE COMPLETED: **April 15, 01**

17. ELEVATIONS: (DF, RKB, RT, GL) **5133' GL**

19. PLUG BACK T.D.: MD **4938'** TVD **4938'**

20. MULTIPLE COMPLETIONS, HOW MANY? _____

21. DEPTH BRIDGE PLUG SET: MD _____ TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
HRIDE - SDL - DSN - GR (Copies mailed under separate cover). 3-22-01

23. WAS WELL CORED? NO YES (Submit analysis)

WAS DST RUN? NO YES (Submit analysis)

DIRECTIONAL SURVEY? NO YES (Submit analysis)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT#/ft	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP (ft)	AMOUNT PULLED
12 1/4"	8 5/8"	24 ppf	-0-	265'		145 A	28	Surface	
7 7/8"	5 1/2"	15.5 ppf	-0-	4975'		330 Lite	120 bbls		
						460 prem	82 bbls		

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8"	4683'							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL ((Top/Bot-MD)	SIZE	NO. HOLES	PERFORATION STATUS	
Green River	4600	4950'			4874 - 4886'	.32	8	Open	<input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
A. <i>CR/BGH</i>					4780 - 4782'	.32	16	Open	<input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
B.					4652 - 4659'	.32	15	Open	<input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
C.								Open	<input type="checkbox"/> Squeezed <input type="checkbox"/>
D.									

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4874-4886'	Pump KCl water w/ ball sealers. Pump 12,485 gal w/10K # sand @ 16.8 BPM @ 1745 psi.
4780-4782'	Pump 2500 gal w/25,000 # 20-40 sand @ 2200 psi @ 14 BPM.
4652-4659'	Pump 13,500 gal w/45,000 # 20-40 sand @ 2400 psi @ 25 BPM.

29. ENCLOSED ATTACHMENTS: **Note: All logs were submitted under separate cover.**

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT

SUNDRY NOTICES FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER _____

30. WELL STATUS:
Pumping

31. INITIAL PRODUCTION

INTERVAL A (As shown in item 26)

DATE FIRST PRODUCED: 5-1-2001	TEST DATE:	HOURS TESTED: 24	TEST PRODUCTION RATES: >	OIL-BBLS:	GAS-MCF:	WATER-BBLS:	PROD METHOD:			
CHOKESIZE:	TBG. PRESS:	CSG. PRESS:	API GRAVITY: 30	BTU-GAS	GAS/OIL RATIO 100	24 HR PRODUCTION RATES: >	OIL-BBLS: 100	GAS-MCF: TSTM	WATER-BBLS: -0-	INTERVAL STATUS: 4874-4652

INITIAL PRODUCTION

INTERVAL B (As shown in item 26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: >	OIL-BBLS:	GAS-MCF:	WATER-BBLS:	PROD METHOD:			
CHOKESIZE:	TBG. PRESS:	CSG. P	API GRAVITY:	BTU-GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: >	OIL-BBLS:	GAS-MCF:	WATER-BBLS:	INTERVAL STATUS

INITIAL PRODUCTION

INTERVAL C (As shown in item 26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: >	OIL-BBLS:	GAS-MCF:	WATER-BBLS:	PROD METHOD:			
CHOKESIZE:	TBG. PRESS:	CSG. PRESS:	API GRAVITY:	BTU-GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: >	OIL-BBLS:	GAS-MCF:	WATER-BBLS:	INTERVAL STATUS

INITIAL PRODUCTION

INTERVAL D (As shown in item 26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: >	OIL-BBLS:	GAS-MCF:	WATER-BBLS:	PROD METHOD:			
CHOKESIZE:	TBG. PRESS:	CSG. PRESS:	API GRAVITY:	BTU-GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: >	OIL-BBLS:	GAS-MCF:	WATER-BBLS:	INTERVAL STATUS

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

34. FORMATION MARKERS:

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

Formation	Top (MD)	Bottom (MD)	Description, Contents, etc.	Name	Top Measured Depth
Green River	4600	4900'	Oil.		

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) **John Luchetta** TITLE **Agent**
 SIGNATURE *John Luchetta* DATE **July 15, 2001**

This report must be submitted within 30 days of:

- reentering a previously plugged and abandoned well
- completing or plugging a new well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling horizontal laterals from an existing well bore
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests
- recompleting to a different producing formation

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top-Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TBS).

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340
 1594 West North Temple, Suite 1210
 Box 145801 Fax: 801-359-3940
 Salt Lake City, Utah, 84114-5801

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

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

12/15/2009

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/24/2009
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 12/24/2009
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/20/2010
- Is the new operator registered in the State of Utah: Business Number: 764611-0143
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: 1/12/2010 ok per DJJ
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 1/12/2010

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

Pendragon (N2965) to Questar Exploration Production (N5085)

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-45175
2. NAME OF OPERATOR: Questar Exploration & Production Company N5085		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1050 17th Street Suite 500 CITY Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748.9' FNL, 709.2' FEL		8. WELL NAME and NUMBER: State 1-16-10-18
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 10S 18E S		9. API NUMBER: 4304733807
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Uteland Butte
STATE: UTAH		

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Effective 12/15/09 Questar Exploration & Production Company was appointed operator of this well and agrees to be responsible under the terms and conditions of the lease for all oil and gas operations conducted on this lease. Bond coverage is provided by our bond # 965-003-033.

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

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

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

(This space for State use only)

APPROVED 01/20/2010 RECEIVED

See Instructions on Reverse Side
Earlene Russell DEC 24 2009
 Division of Oil, Gas and Mining
 Earlene Russell, Engineering Technician DIV. OF OIL, GAS & MINING

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

ROUTING
 CDW

Change of Operator (Well Sold)

X - Operator Name Change

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

6/14/2010

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

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

DATA ENTRY:

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

BOND VERIFICATION:

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

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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

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

Bonds: BLM = ESB000024
 BIA = 956010693
 State = 965010695

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

FORM 9

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

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

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

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

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

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

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

(This space for State use only)

RECEIVED
JUN 28 2010

DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

APPROVED 6/30/2009
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO:
3100
(UT-922)

JUL 28 2010

Memorandum

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

From: Chief, Branch of Minerals

Robert Bankert

Subject: Name Change Recognized

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

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

cc: MMS
UDOGM

RECEIVED

AUG 16 2010

DIV. OF OIL, GAS & MINERALS