

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

U-02025

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

1a. TYPE OF WORK

DRILL

DEEPEN

CONFIDENTIAL

7. UNIT AGREEMENT NAME

RED WASH UNIT

b. TYPE OF WELL

OIL WELL  GAS WELL

OTHER

SINGLE ZONE  MULTIPLE ZONE

8. FARM OR LEASE NAME, WELL NO.

RWU #13-30B

2. NAME OF OPERATOR

Shenandoah Energy Inc.

9. API WELL NO.

3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341

11002 East 17500 South

Fax: 435-781-4329

Vernal, Utah 84078

10. FIELD AND POOL, OR WILDCAT

RED WASH UNIT

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

At surface

793' FWL, 1950' FSL NWSW

At proposed prod. Zone

4448656 N  
638329 E

11. SEC., T., R., M., OR BLK AND SURVEY OR AREA

Sec. 30, T7S, R23E, SLB&M

Same

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

3 miles West of Redwash Utah

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST

793' ±

16. NO. OF ACRES IN LEASE

1920

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

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

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

1000' ±

19. PROPOSED DEPTH

5930'

20. ROTARY OR CABLE TOOLS

Rotary

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

5512.4' GR

22. APPROX. DATE WORK WILL START\*

A.S.A.P

23. PROPOSED CASING AND CEMENTING PROGRAM

REFER TO S.O.P

Shenandoah Energy Inc. proposes to drill a well to 5930' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

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

See Onshore Order No. 1 attached.

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

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

RECEIVED

DEC 13 2000

DIVISION OF OIL, GAS AND MINING

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

24

SIGNED John Busch John Busch TITLE Red Wash Operations Representative DATE 12/5/00

(This space for Federal or State office use)

PERMIT NO. 43-047-33809 APPROVAL DATE \_\_\_\_\_

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

APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE 12/19/00

\*See Instructions On Reverse Side

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



DRILLING PROGRAM

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

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

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	3055'	
Mahogany Ledge	3985'	
Mesa	5755'	
TD (Green River)	5930'	Oil

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

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Green River	5930'

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

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

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 2372.0 psi.

4. Surface Ownership

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

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DIVISION OF  
OIL, GAS AND MINING

Shenandoah Energy Inc.  
RWU #13-30B

MULTI-POINT SURFACE USE & OPERATIONS PLAN

SHENANDOAH ENERGY INC.  
REDWASH #13-30B  
NWSW, SEC. 30, T7S, R23E, SLB&M  
UINTAH COUNTY, UTAH

1. Plans for Reclamation of the Surface

As per the onsite on November 29 with Greg Darlington Vernal BLM, Byron Tolman Vernal BLM, Steve Madsen Vernal BLM, Bob Specht Vernal BLM, Raleen Searle Shenandoah Energy Inc., John Busch Shenandoah Energy Inc. the following stipulations were determined: There will be a pit liner. There will be a seed mix of 12lbs per acre consisting of:

- 4lbs – Gardiner Saltbush
- 4lbs – Western Wheat Grass
- 4lbs – Indian Rice Grass

2. Other Information

Refer to the attached maps:

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

**RECEIVED**

DEC 13 2000

DIVISION OF  
OIL, GAS AND MINING

**Lessee's or Operator's Representative:**

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

**Certification:**

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

Shenandoah Energy Inc. will be fully responsible for the actions of their subcontractors.

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

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Shenandoah Energy Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

John Busch

John Busch  
Red Wash Operations Representative

December 5, 2000

Date

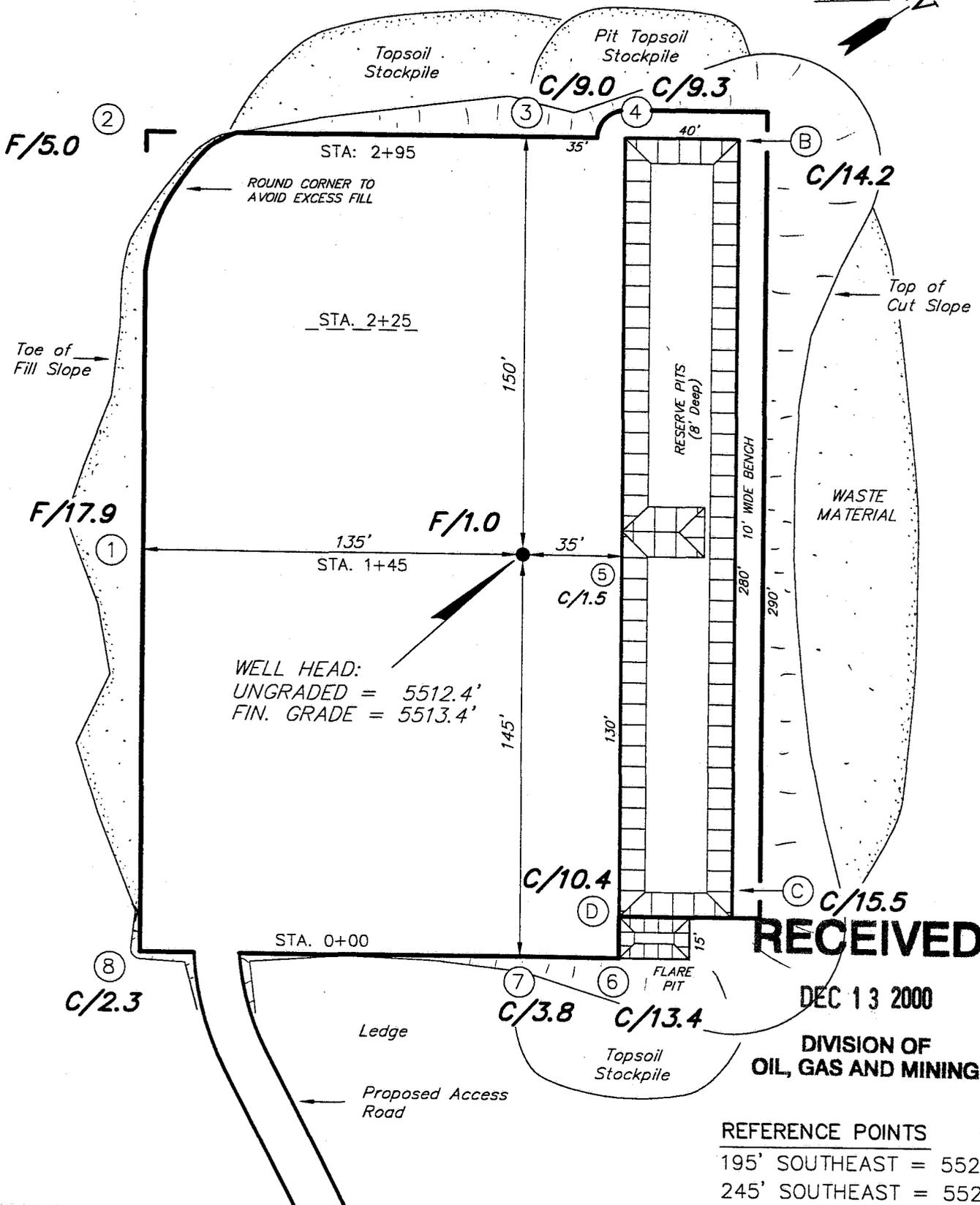
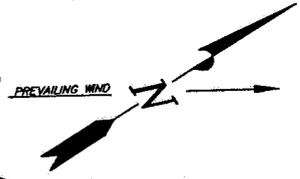
**RECEIVED**

DEC 13 2000

DIVISION OF  
OIL, GAS AND MINING

# SHONANDOAH ENERGY, INC.

RED WASH #13-30B  
 SEC. 30, T7S, R23E, S.L.B.&M.



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DEC 13 2000

DIVISION OF OIL, GAS AND MINING

REFERENCE POINTS  
 195' SOUTHEAST = 5526.3'  
 245' SOUTHEAST = 5520.7'

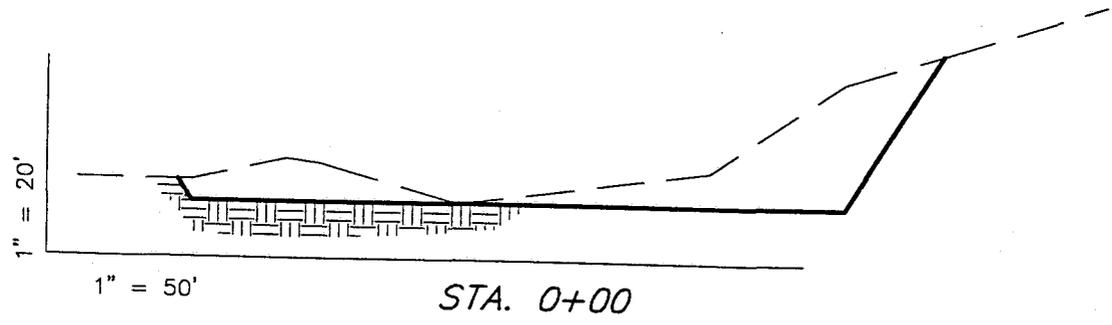
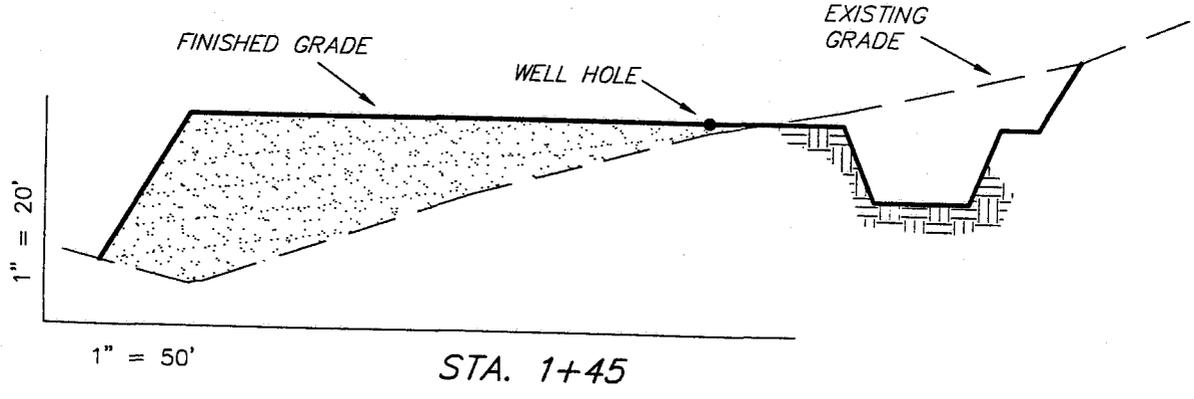
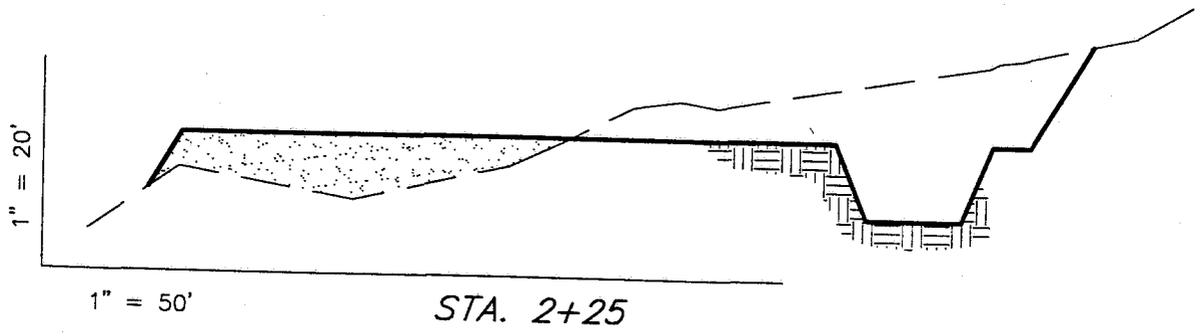
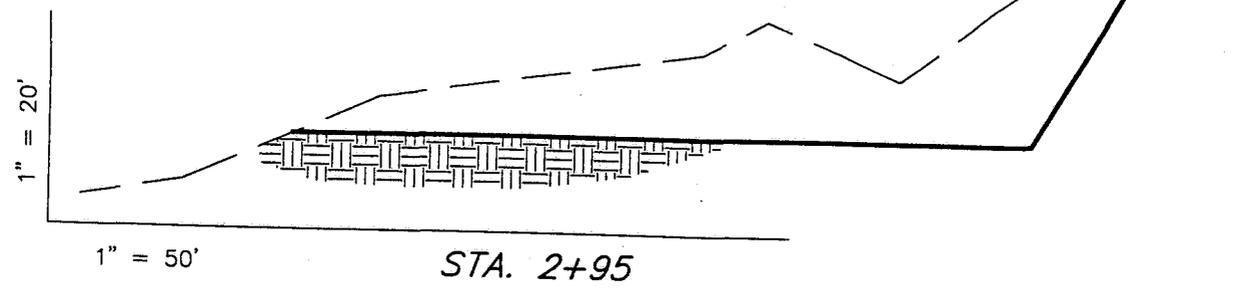
SURVEYED BY: D.J.S.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 12-4-00

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

**HENANDOAH ENERGY, INC.**

**CROSS SECTIONS**

**RED WASH #13-30B**



**APPROXIMATE YARDAGES**

- CUT = 7,970 Cu. Yds.
- FILL = 7,960 Cu. Yds.
- PIT = 2,410 Cu. Yds.
- 6" TOPSOIL = 1,260 Cu. Yds.

**RECEIVED**

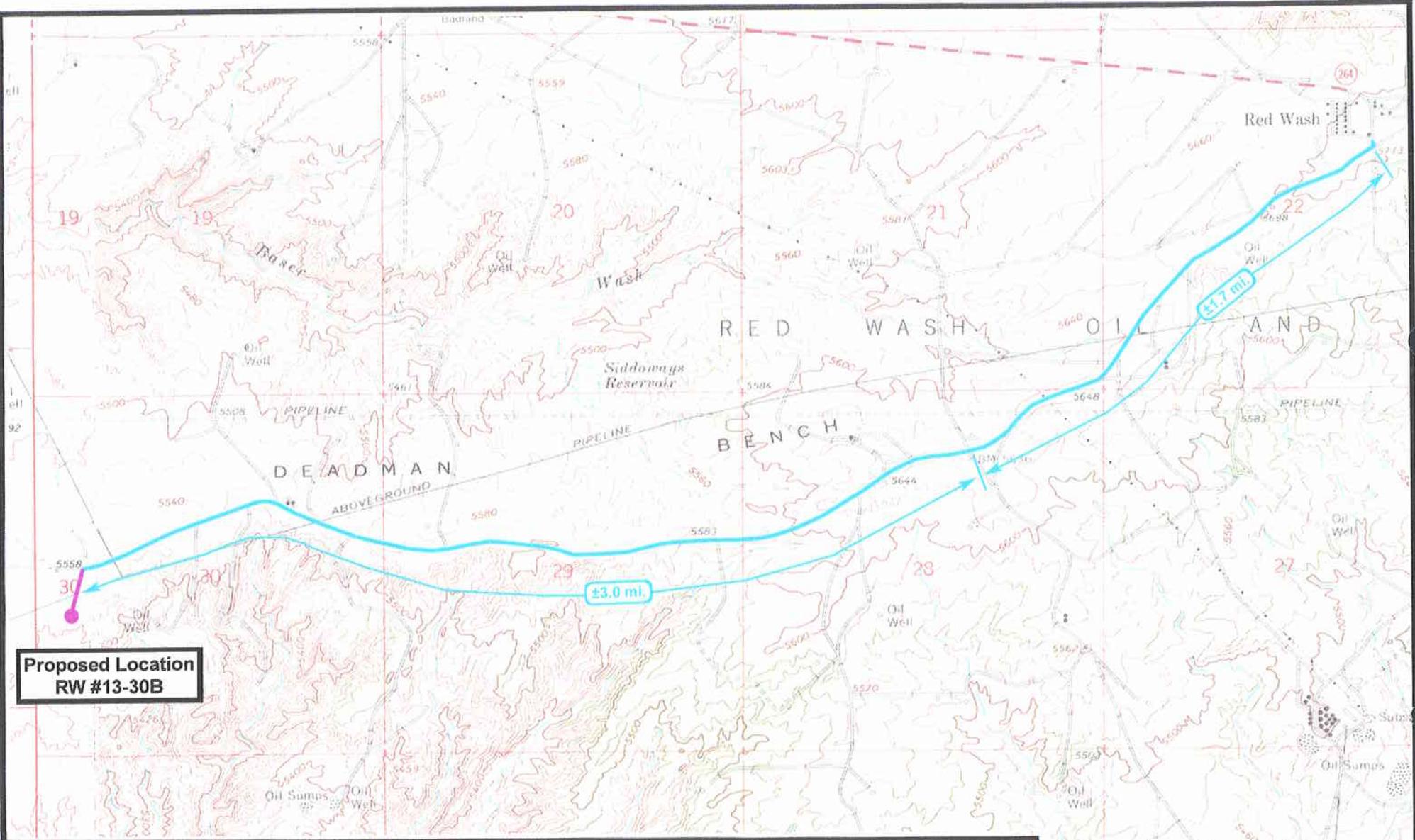
DEC 13 2000

DIVISION OF  
OIL, GAS AND MINING

SURVEYED BY: D.J.S.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 12-4-00

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



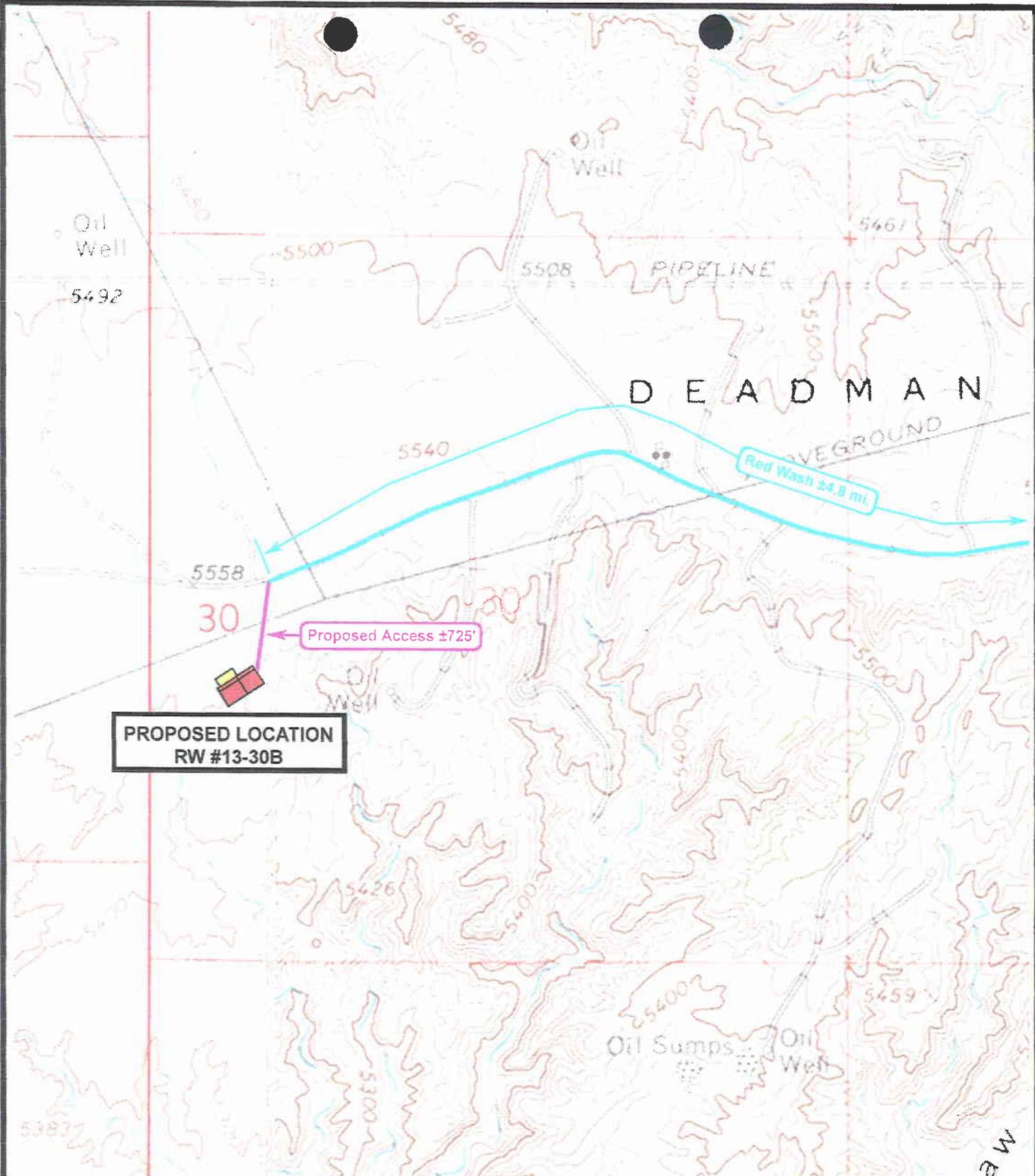


**Proposed Location  
RW #13-30B**

**SHENANDOAH ENERGY INC.**  
  
**RED WASH #13-30B**  
**SEC. 30, T7S, R23E, S.L.B.&M.**  
  
**TOPOGRAPHIC MAP "A"**



Drawn By: bgm	Revision:
Scale: 1" = 2000'	File:
Date: 11-10-00	
<b>Tri-State Land Surveying Inc.</b> <b>P.O. Box 533, Vernal, UT 84078</b> <b>435-781-2501 Fax 435-781-2518</b>	



**PROPOSED LOCATION  
RW #13-30B**

Proposed Access ±725'

Red Wash 24.8 mi.

DEADMAN

PIPELINE

Oil Well

Oil Well

Oil Well

Oil Sumps

Oil Well

M.P.

**SHENANDOAH ENERGY INC.**

**RED WASH #13-30B  
SEC. 30, T7S, R23E, S.L.B.&M.**

**TOPOGRAPHIC MAP "B"**



Drawn By: bgm

Revision:

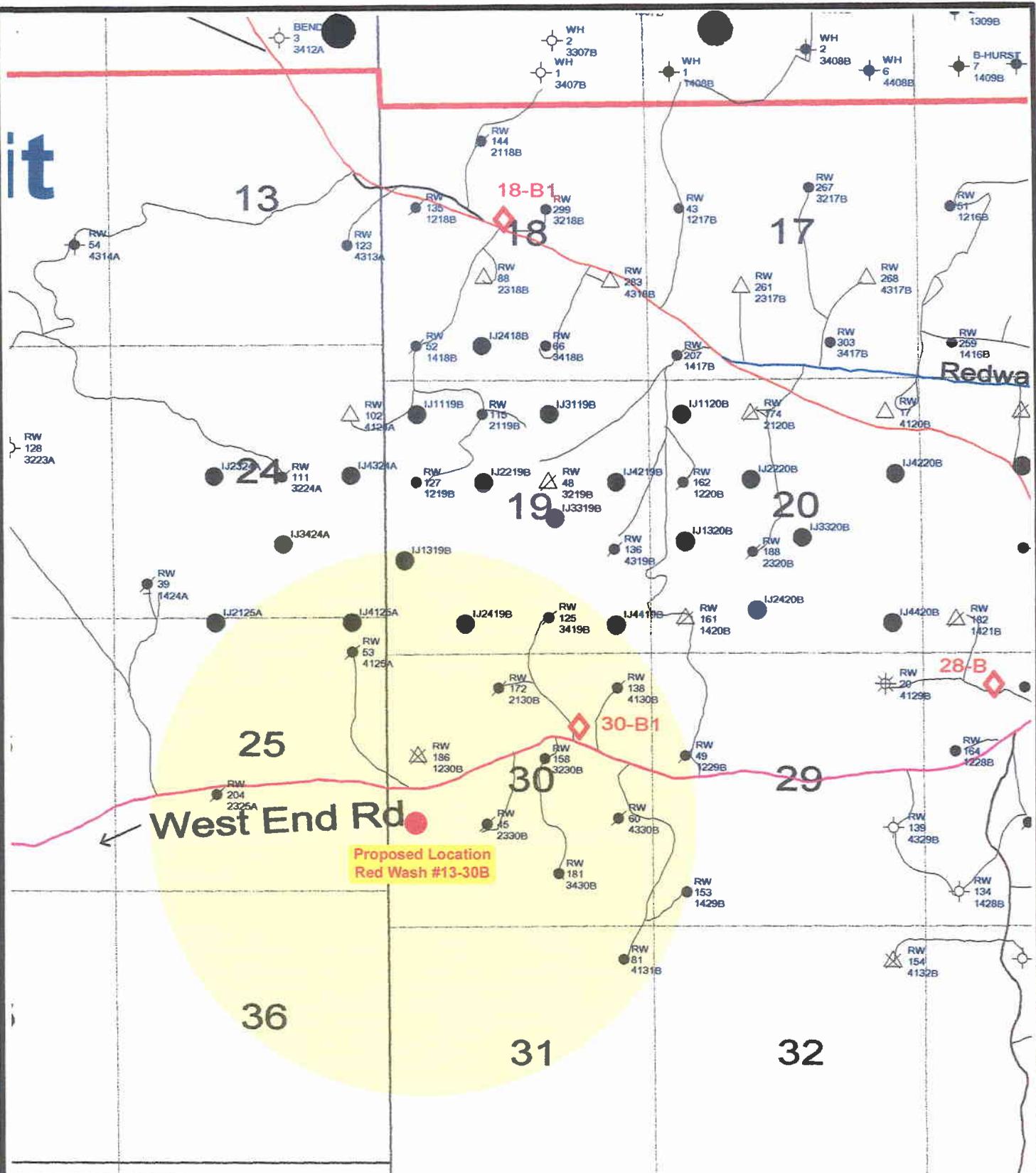
Scale: 1" = 1000'

File:

Date: 12-04-2000

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

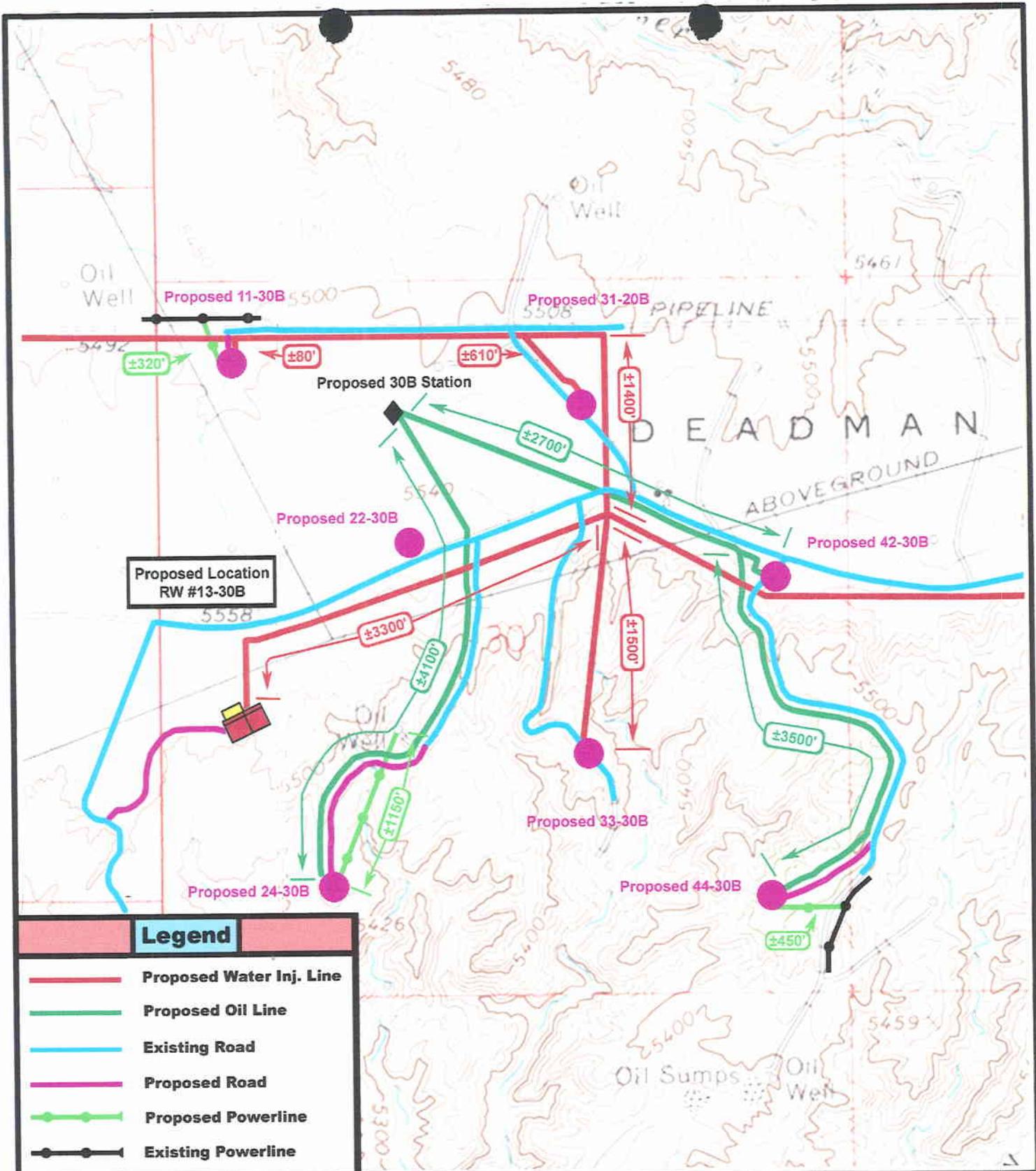
it



**SHENANDOAH ENERGY INC.**  
**RED WASH #13-30A**  
**SEC. 30, T7S, R23E, S.L.B.&M.**  
**TOPOGRAPHIC MAP "C"**



Drawn By: bgm	Revision:
Scale: 1" = 2000'	File:
Date: 11-09-2000	
<b>Tri-State Land Surveying Inc.</b> <b>P.O. Box 533, Vernal, UT 84078</b> <b>435-781-2501 Fax 435-781-2518</b>	



**Legend**

- Proposed Water Inj. Line
- Proposed Oil Line
- Existing Road
- Proposed Road
- Proposed Powerline
- Existing Powerline

**SHENANDOAH ENERGY INC.**

**RED WASH #13-30B  
SEC. 30, T7S, R23E, SLB&M.  
TOPOGRAPHIC MAP "D"**



Drawn By: bgm	Revision:
Scale: 1" = 1000'	File:
Date: 11-13-00	
<b>Tri-State Land Surveying Inc.</b> <b>P.O. Box 533, Vernal, UT 84078</b> <b>435-781-2501 Fax 435-781-2518</b>	

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/13/2000

API NO. ASSIGNED: 43-047-33809
--------------------------------

WELL NAME: RWU 13-30B  
 OPERATOR: SHENANDOAH ENERGY INC ( N4235 )  
 CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:  
 NWSW 30 070S 230E  
 SURFACE: 1950 FSL 0793 FWL  
 BOTTOM: 1950 FSL 0793 FWL  
 UINTAH  
 RED WASH ( 665 )

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

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

PROPOSED FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

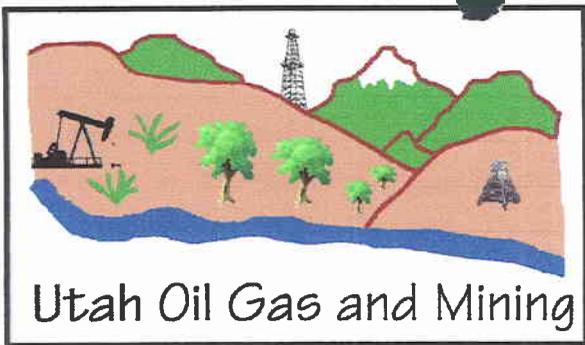
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UT-0969 )
- Potash (Y/N)
- Oil Shale (Y/N) \*190-5 (B) or 190-3
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

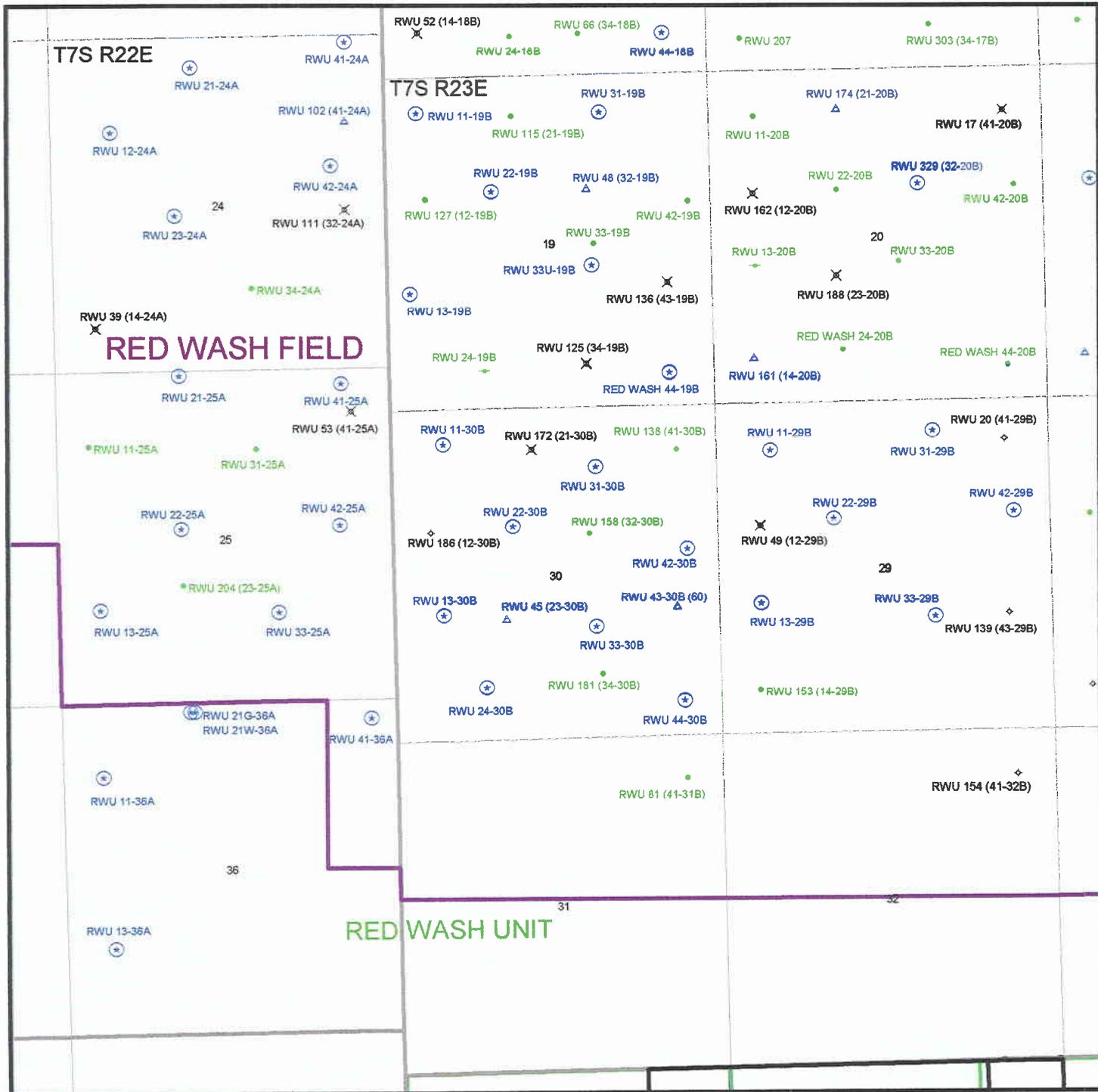
- R649-2-3. Unit RED WASH
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS: RWU SOL, separate file.

STIPULATIONS: ① FEDERAL APPROVAL



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





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)

December 19, 2000

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

Re: Red Wash Unit 13-30B Well, 1950' FSL, 793' FWL, NW SW, Sec. 30, T. 7 South,  
R. 23 East, Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33809.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza  
Associate Director

er

Enclosures

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

**Operator:** Shenandoah Energy Inc.  
**Well Name & Number** Red Wash Unit 13-30B  
**API Number:** 43-047-33809  
**Lease:** U 02025

**Location:** NW SW      **Sec.** 30      **T.** 7 South      **R.** 23 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

**SUBMIT IN TRIPPLICATE\***  
(Other instructions on reverse side)

**FORM APPROVED**  
FORM NO. 1004-0138  
Expires: February 28, 1995

<b>APPLICATION FOR PERMIT TO DRILL OR DEEPEN</b>			5. LEASE DESIGNATION AND SERIAL NO. <p align="center"><b>U-02030</b></p>	
1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME <p align="center"><b>N/A</b></p>	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME <p align="center"><b>RED WASH UNIT</b></p>	
2. NAME OF OPERATOR <b>Shenandoah Energy Inc.</b>			8. FARM OR LEASE NAME, WELL NO. <p align="center"><b>RWU #13-30B</b></p>	
3. ADDRESS AND TELEPHONE NO. Phone: <b>435-781-4341</b> <b>11002 East 17500 South</b> Fax: <b>435-781-4329</b> <b>Vernal, Utah 84078</b>			9. API WELL NO.	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface <b>793' FWL, 1950' FSL NWSW LOT 3</b> At proposed prod. Zone <b>Same</b>			10. FIELD AND POOL, OR WILDCAT <p align="center"><b>RED WASH UNIT</b></p>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>3 miles West of Redwash Utah</b>			12. COUNTY OR PARISH <p align="center"><b>Uintah</b></p>	13. STATE <p align="center"><b>Utah</b></p>
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. Unit line if any) <b>793' ±</b>	16. NO. OF ACRES IN LEASE <p align="center"><b>1920</b></p>	17. NO. OF ACRES ASSIGNED TO THIS WELL <p align="center"><b>40</b></p>		
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. <b>1000' ±</b>	19. PROPOSED DEPTH <p align="center"><b>5930'</b></p>	20. ROTARY OR CABLE TOOLS <p align="center"><b>Rotary</b></p>		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>5512.4' GR</b>			22. APPROX. DATE WORK WILL START* <p align="center"><b>A.S.A.P</b></p>	
23. PROPOSED CASING AND CEMENTING PROGRAM <b>REFER TO S.O.P</b>				

Shenandoah Energy Inc. proposes to drill a well to 5930' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

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

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

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

See Onshore Order No. 1 attached.

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

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

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

24

SIGNED John Busch John Busch TITLE Red Wash Operations Representative DATE 12/5/00

**RECEIVED**  
**MAR 26 2001**  
**RECEIVED**  
**DIVISION OF**  
**OIL, GAS AND MINING**

**NOTICE OF APPROVAL      CONDITIONS OF APPROVAL ATTACHED**

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

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE Assistant Field Manager Mineral Resources DATE 03/19/2001

\*See Instructions On Reverse Side

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

*DOGIM*

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy, Inc.

Well Name & Number: RWU #13-30B

API Number: 43-047-33809

Lease Number: U - 02030

Location: LOT 3 (NWSW) Sec. 30 T. 7S R. 23E

Agreement: Red Wash GR Unit

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

### CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

A. DRILLING PROGRAM

1. Casing Program and Auxiliary Equipment

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at 2,990 ft.

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

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

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

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

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

The location shall be rotated approximately 15 to 20 degrees clock wise and the access road shall enter the location from the east instead of the west to avoid excessive cut and fill as well as eliminate drainage crossings. About 600 feet of the road will now be adjacent to part of the proposed buried water injection line.

The reserve pit shall be long and narrow to allow the location to fit into the existing topography of the area without excessive cuts and fills. The reserve pit shall be lined due to rocky soils.

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

The pipeline disturbance will be kept to 30' width except where it follows the access road where it will be 15 feet wide since the road can be used as a working surface/staging area. The topsoil shall be stripped and windowed along the edge of the cleared area, then replaced prior to seeding the disturbed area. Care shall be taken not to mix the topsoil with the subsoil from the trench.

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

Gardner saltbush	Atriplex gardneri	6 lbs/acre
Indian ricegrass	Stipa comata	6 lbs/acre

All poundages are in pure live seed.

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

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

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

**CONFIDENTIAL**

OPERATOR El Paso Production O&G Company  
 ADDRESS P.O. Box 1148  
 Vernal, Utah 84078

OPERATOR ACCT. NO. N 1845

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	13406	43-047-33409	Wyasket #33-106	SESE	33	8S	20E	Utah	1/11/2002	1-17-02 <del>1/11/2002</del>

WELL 1 COMMENTS:  
 MIRU SKI Air Rig  
 SPUD on 1/11/02 at 8 a.m.

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 2 COMMENTS:

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 3 COMMENTS:

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 4 COMMENTS:

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		

WELL 5 COMMENTS:

**ACTION CODES** (See instructions on back of form)

- 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
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was used (3/89)

Post-it® Fax Note 7671

To: JIM THOMPSON	From: SHEILA UPCHEGO	Date:	# of pages: 1
Co./Dept: UTDOGM	Co: EL PASO	Phone: (901) 538-5334	Phone: (435) 781-7024
Fax: (901) 359-3940	Fax: (435) 781-7024	JAN 16 2002	

*Sheila Upchego*  
 Signature  
 Regulatory Analyst. 01/16/02  
 Title Date  
 Phone No. (435) 781-7024

P. 01

FAX NO. 4357817094

JAN-16-2002 WED 12:49 PM EL PASO PRODUCTION

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

**SUBMIT IN TRIPPLICATE**

**CONFIDENTIAL**

1. Type of Well  
 Oil  Gas  
 Well  Well  Other

2. Name of Operator  
**SHENANDOAH ENERGY INC**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**793' FW 1950' FSL NWSW LOT 3 Sec. 30 T15 R23E**

5. Lease Designation and Serial No.  
**U-02030**

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

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

8. Well Name and No.  
**RWU 13-30B**

9. API Well No.  
**43-047-33809**

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

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

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

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

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

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

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 13-30B.

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

**COPY SENT TO OPERATOR**  
 Date: 03-06-02  
 Initials: CHD

Date: 03-05-02  
 By: [Signature]

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

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

(This space for Federal or State office use)

Approved by: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any \_\_\_\_\_

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir  
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.  
**U-02030**

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

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

8. Well Name and No.  
**RWU 13-30B**

9. API Well No.  
**43-047-33809**

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

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

**SUBMIT IN TRIPLICATE**

1. Type of Well  
Oil Gas  
 Well  Well  Other

2. Name of Operator  
**SHENANDOAH ENERGY INC**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**793' FW 1950' FSL NWSW LOT 3**

RECEIVED  
FEB 28 2002

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

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

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

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

**Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 13-30B.**

RECEIVED  
MAR 19 2002  
DIVISION OF  
OIL, GAS AND MINING

**CONDITIONS OF APPROVAL ATTACHED**

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

(This space for Federal or State office use)  
Approved by: Kirk Johnson Title **Petroleum Engineer** Date **3/13/02**  
Conditions of approval, if any

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

\*See instruction on Reverse Side

~~DOG~~ DOGM

Shenandoah Energy Inc.  
APD Extension

Well: RWU 13-30B

Location: Lot 3 T7S, R23E

Lease: UTU 02030

**CONDITIONS OF APPROVAL**

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

---

1. The extension will expire 3/19/03
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood of this office at (435) 781-4486



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

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340 telephone  
(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

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

March 11, 2003

Raleen Searle  
Shenandoah Energy Inc.  
11002 East 17500 South  
Vernal, Utah 84078

Re: APD Rescinded – RWU 13-30B, Sec. 30, T. 7S, R. 23E – Uintah County, Utah  
API No. 43-047-33809

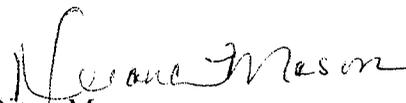
Dear Mrs. Searle:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 19, 2000. On March 5, 2002 the Division granted a one-year APD extension. On March 11, 2003, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 11, 2003.

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

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

Sincerely,

  
Diana Mason  
Engineering Technician

cc: Well File  
Gil Hunt, Technical Services Manager  
Bureau of Land Management, Vernal



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

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

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

April 10, 2003

Raleen Searle  
Shenandoah Energy Inc.  
11002 East 17500 South  
Vernal, UT 84078

Re: Notification of Expiration  
Well No. RWU 13-30B  
NWSW, Sec. 30, T7S, R23E  
Uintah County, Utah  
Lease No. UTU-02030  
Red Wash GR

Dear Raleen:

The Application for Permit to Drill the above-referenced well was approved on March 19, 2001. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until March 19, 2003. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker  
Legal Instruments Examiner

cc: UDOGM – Diana Mason

RECEIVED

APR 15 2003

DIV. OF OIL, GAS & MINING