

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

U-0807

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

UTE TRIBAL

1a. TYPE OF WORK

DRILL

DEEPEN

7. UNIT AGREEMENT NAME

WONSITS VALLEY FEDERAL UNIT

b. TYPE OF WELL

OIL WELL

GAS WELL

OTHER

SINGLE ZONE

MULTIPLE ZONE

8. FARM OR LEASE NAME, WELL NO.

WVFU #3W-14-8-21

2. NAME OF OPERATOR

Shenandoah Energy Inc.

9. API WELL NO.

3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341
Fax: 435-781-4329

11002 East 17500 South
Vernal, Utah 84078

10. FIELD AND POOL, OR WILDCAT

WONSITS VALLEY

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

At surface

406' FNL, 1918' FWL, NENW

At proposed prod. Zone

4443001 N
625812 E

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

SEC. 14, T8S, R21E, SLB&M

Same

12. COUNTY OR PARISH
Utah

13. STATE
Utah

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

11 miles West of Redwash Utah

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST

406' ±

16. NO. OF ACRES IN LEASE

1280

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.

500' ±

19. PROPOSED DEPTH

7800'

20. ROTARY OR CABLE TOOLS

Rotary

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

4876' 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 7800' to test the Wasatch. 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.

Operation will be according to the Standard Operating Procedures for the Wonsits Valley Federal Unit, the Gypsum Hills Unit and surrounding areas Wasatch 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.

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

2/9/01

(This space for Federal or State office use)

PERMIT NO.

43-047-33952

APPROVAL DATE

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

APPROVED BY

Bradley G. Hill

BRADLEY G. HILL
RECLAMATION SPECIALIST

DATE 02-05-01

*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.

CONFIDENTIAL

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	2780'	
Mahogany Ledge	3535'	
Mesa	6100'	
TD (Wasatch)	7800'	Gas

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	Wasatch	7800'

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 3120.0 psi.

4. Surface Ownership

The well pad and access road are located on lands owned by the Ute Tribe.

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Shenandoah Energy Inc.
WVFU #3W-14-8-21

MULTI-POINT SURFACE USE & OPERATIONS PLAN

SHENANDOAH ENERGY INC.
WONSITS VALLEY FEDERAL UNIT #3W-14-8-21
NENW, SECTION 14, T8S, R21E, SLB&M
UINTAH COUNTY, UTAH

See attached maps

Topo map A- Access routes

Topo map B- Proposed Access road

Topo map C- Location of wells within a one mile radius

Topo map D- Proposed pipeline

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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

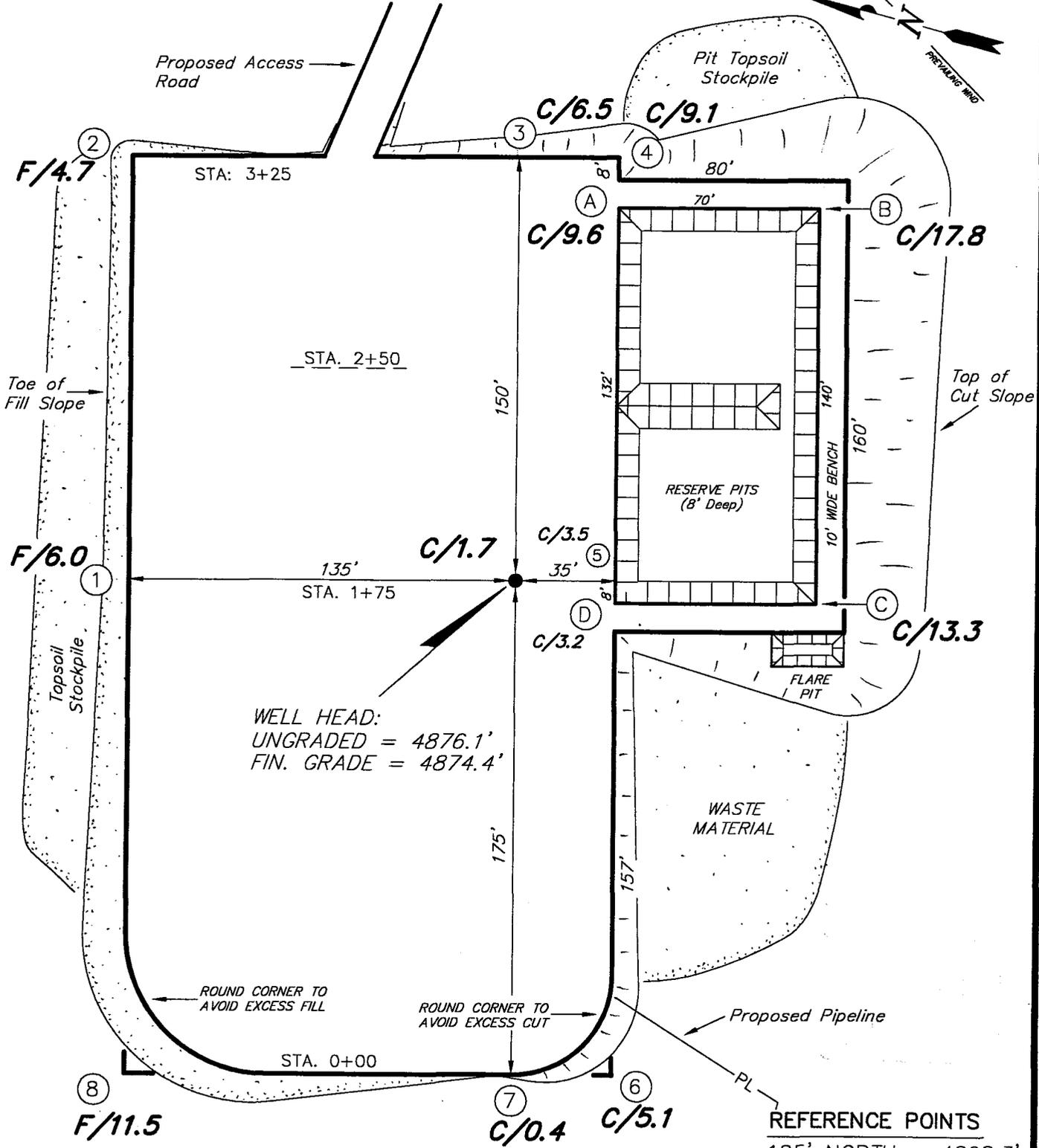
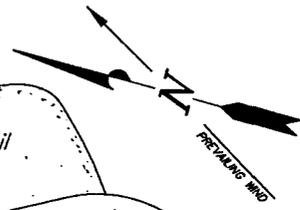
FEBRUARY 9, 2001

Date

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SHENANDOAH ENERGY, INC.

WVFU #3W-14-8-21
SEC. 14, T8S, R21E, S.L.B.&M.



WELL HEAD:
UNGRADED = 4876.1'
FIN. GRADE = 4874.4'

REFERENCE POINTS

185' NORTH = 4868.3'
235' NORTH = 4864.1'
200' EAST = 4881.6'
250' EAST = 4882.3'

SURVEYED BY: D.J.S.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 1-12-01

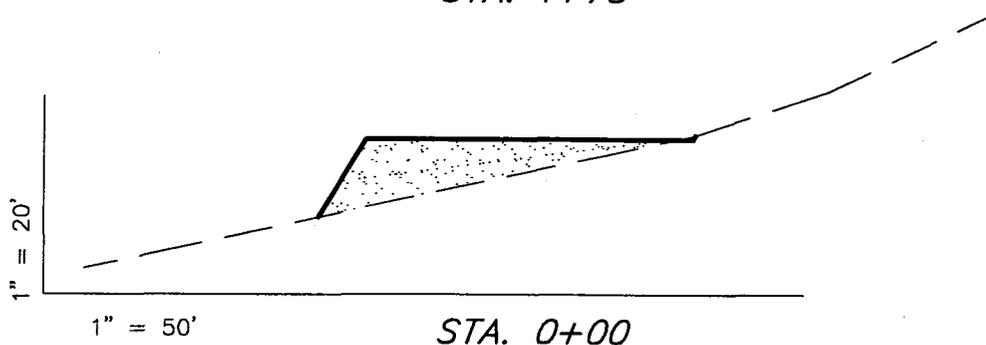
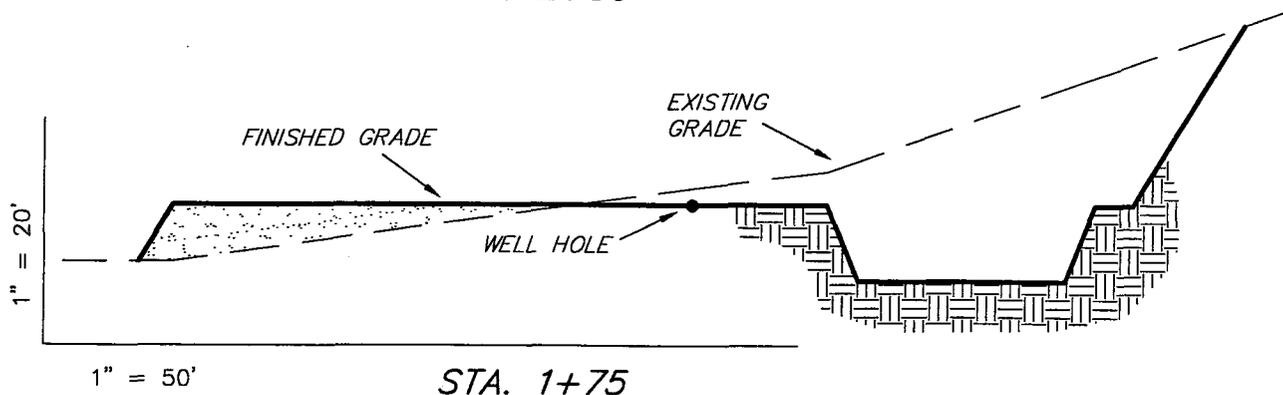
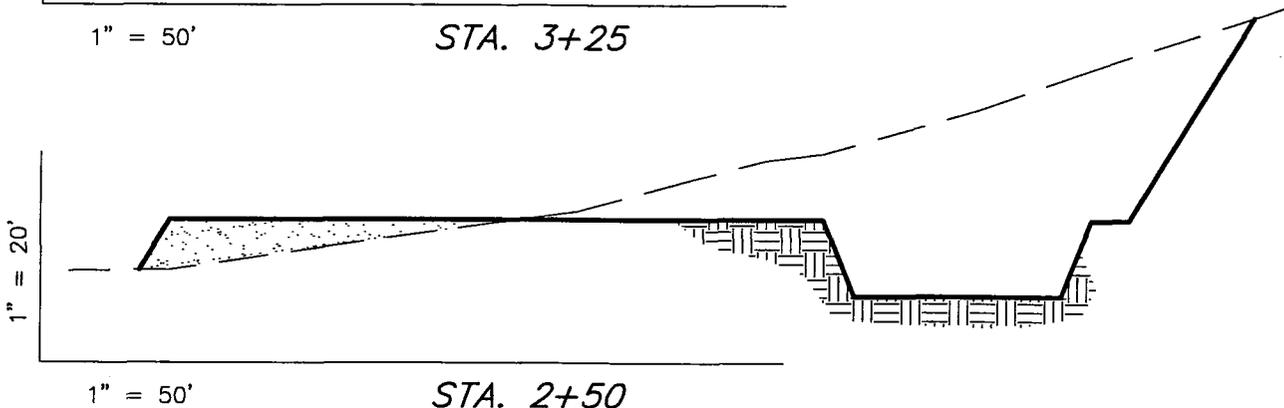
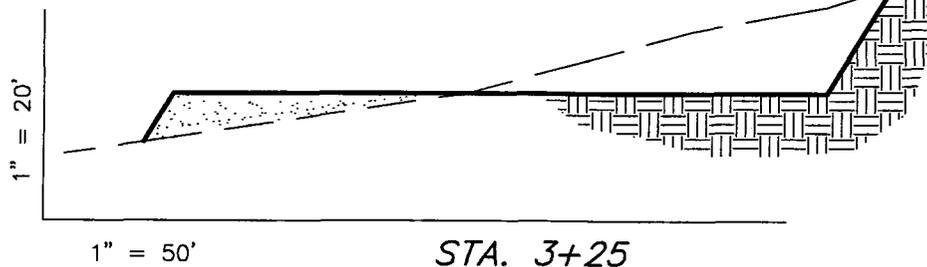
Tri State
Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078
(435) 781-2501

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SHENANDOAH ENERGY, INC.

CROSS SECTIONS

WVFU #3W-14-8-21



APPROXIMATE YARDAGES

CUT = 7,890 Cu. Yds.

FILL = 7,890 Cu. Yds.

PIT = 2,370 Cu. Yds.

12" TOPSOIL = 2,520 Cu. Yds.

SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 1-12-01

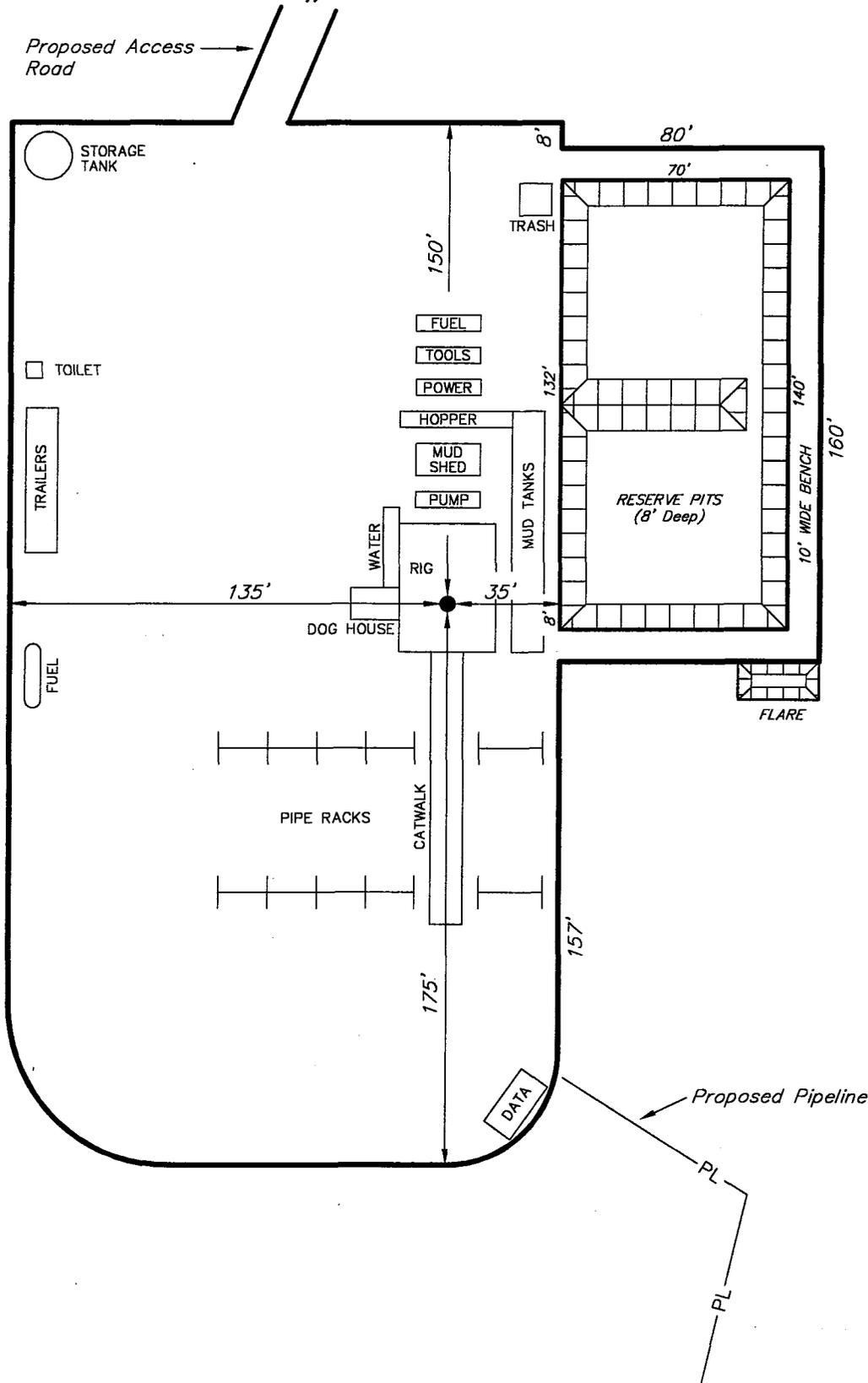
Tri State Land Surveying, Inc. (435) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

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SHEMANDOAH ENERGY, INC.

TYPICAL RIG LAYOUT

WVFU #3W-14-8-21



SURVEYED BY: D.J.S.

SCALE: 1" = 50'

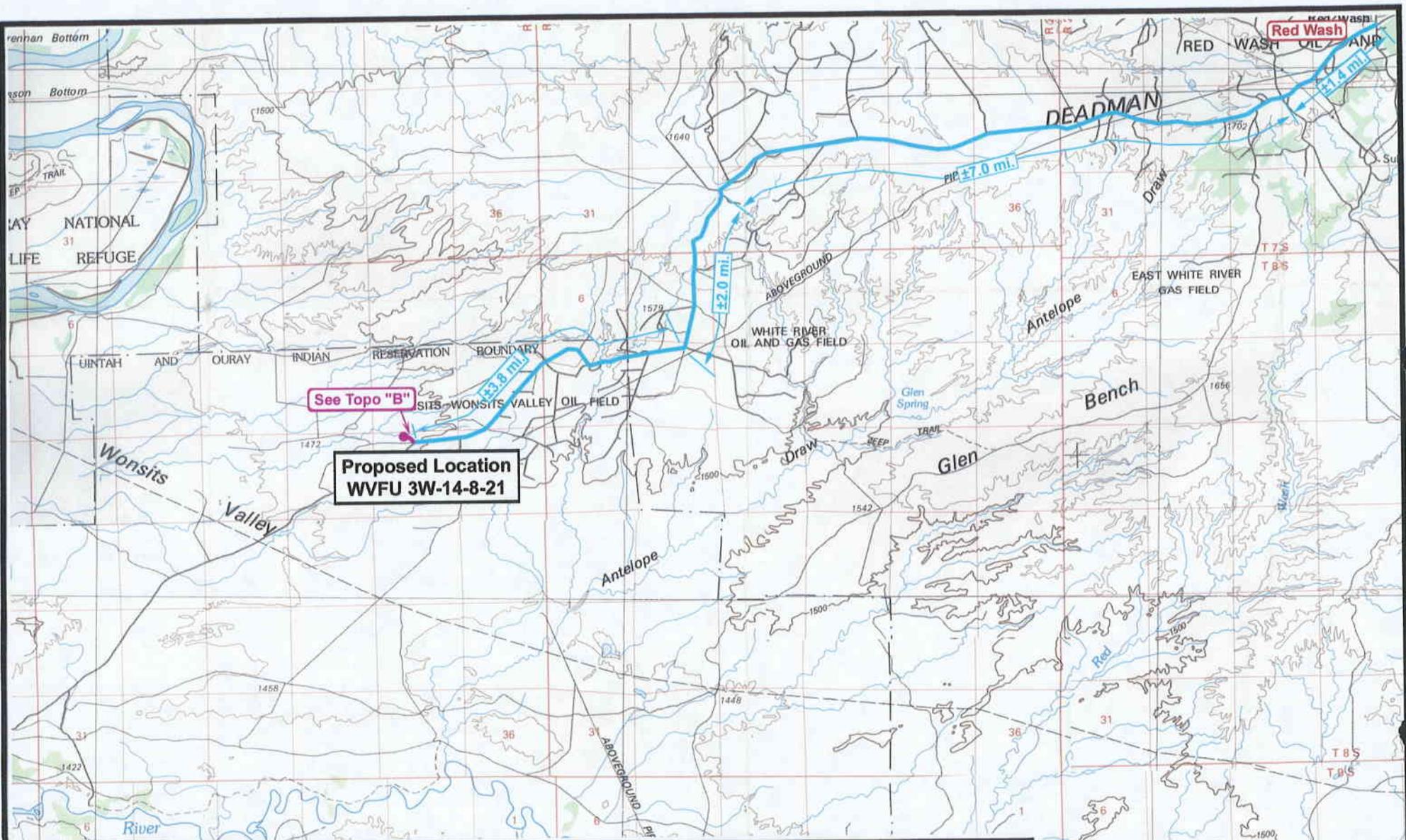
DRAWN BY: J.R.S.

DATE: 1-12-01

Tri State
Land Surveying, Inc.
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(435) 781-2501

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See Topo "B"

**Proposed Location
WVFU 3W-14-8-21**

SHENANDOAH ENERGY INC.

**WONSITS VALLEY FED. UNIT #3W-14-8-21
SEC 14, T8S, R21E, S.L.B.&M.**

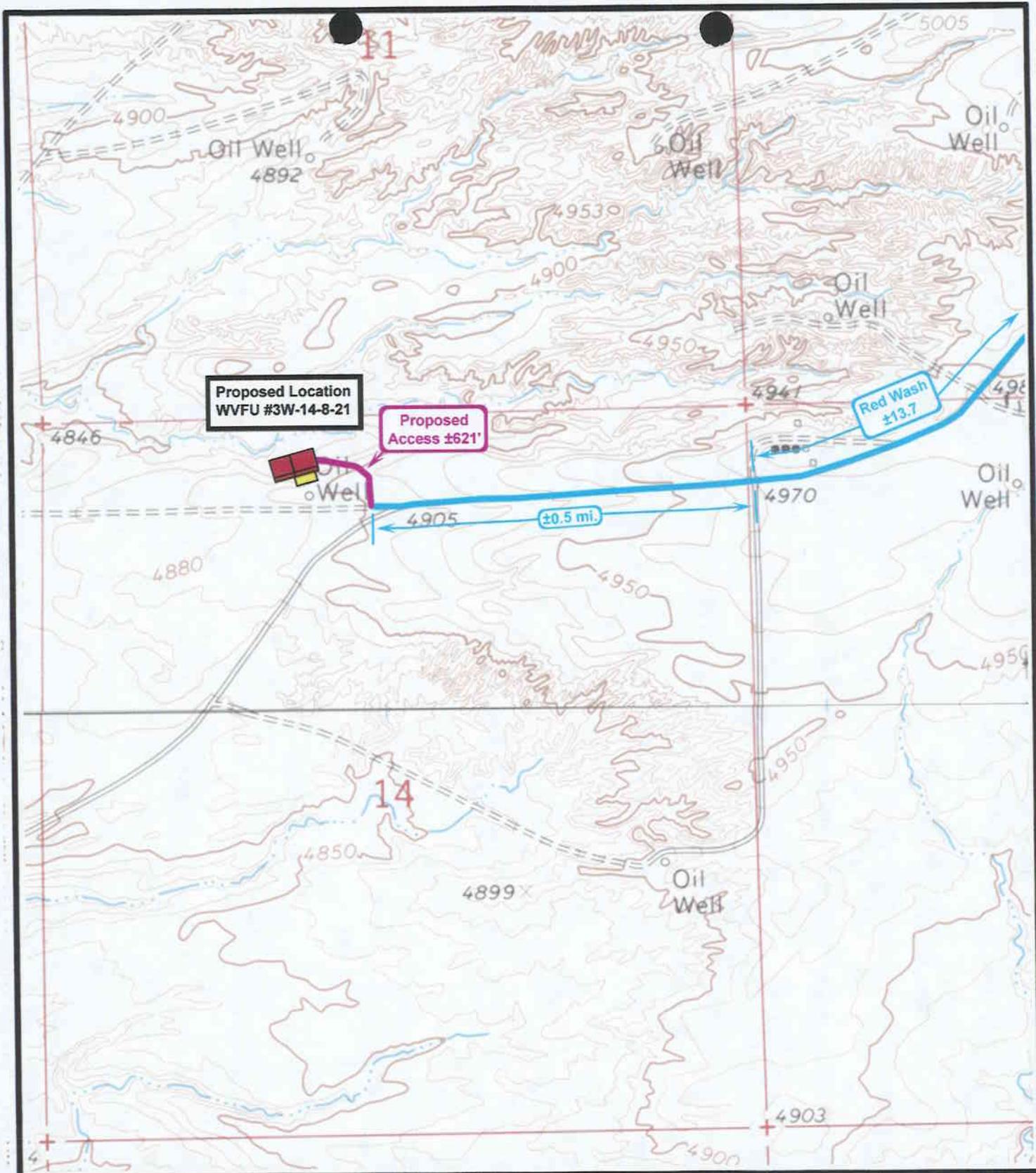
TOPOGRAPHIC MAP "A"

CONFIDENTIAL



Drawn By: bgm	Revision:
Scale: 1 : 100,000	File:
Date: 01-12-2001	
Tri-State Land Surveying Inc.	
P.O. Box 533, Vernal, UT 84078	
435-781-2501 Fax 435-781-2518	





SHENANDOAH ENERGY INC.
WONSITS VALLEY FED. UNIT #3W-14-8-21
SEC. 14, T8S, R21E, S.L.B.&M.

TOPOGRAPHIC MAP "B"

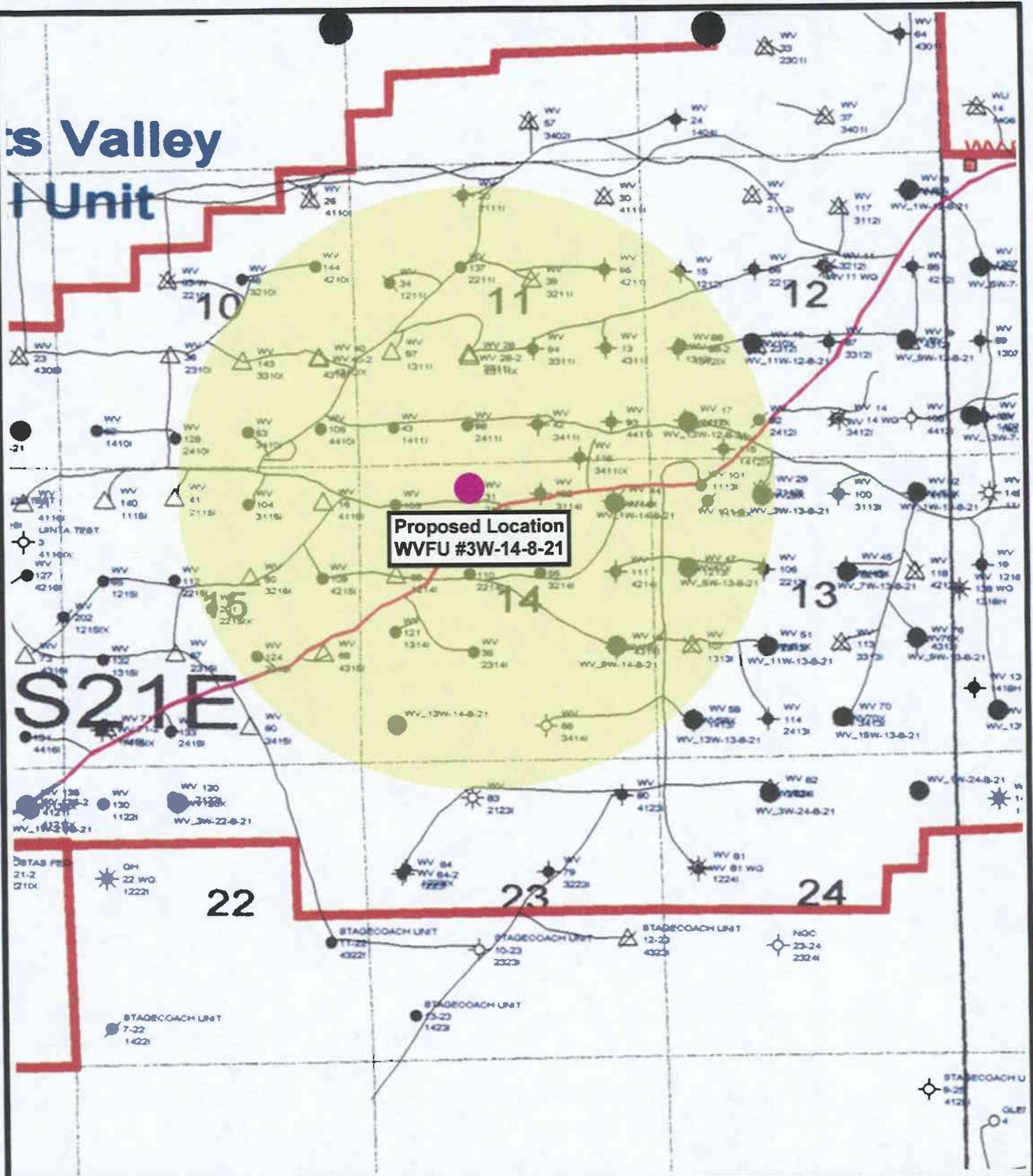


Drawn By: bgm	Revision:
Scale: 1" = 1000'	File:
Date: 01-12-2001	

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

CONFIDENTIAL

Wonsits Valley FED. Unit



**Proposed Location
WVFU #3W-14-8-21**

S21E

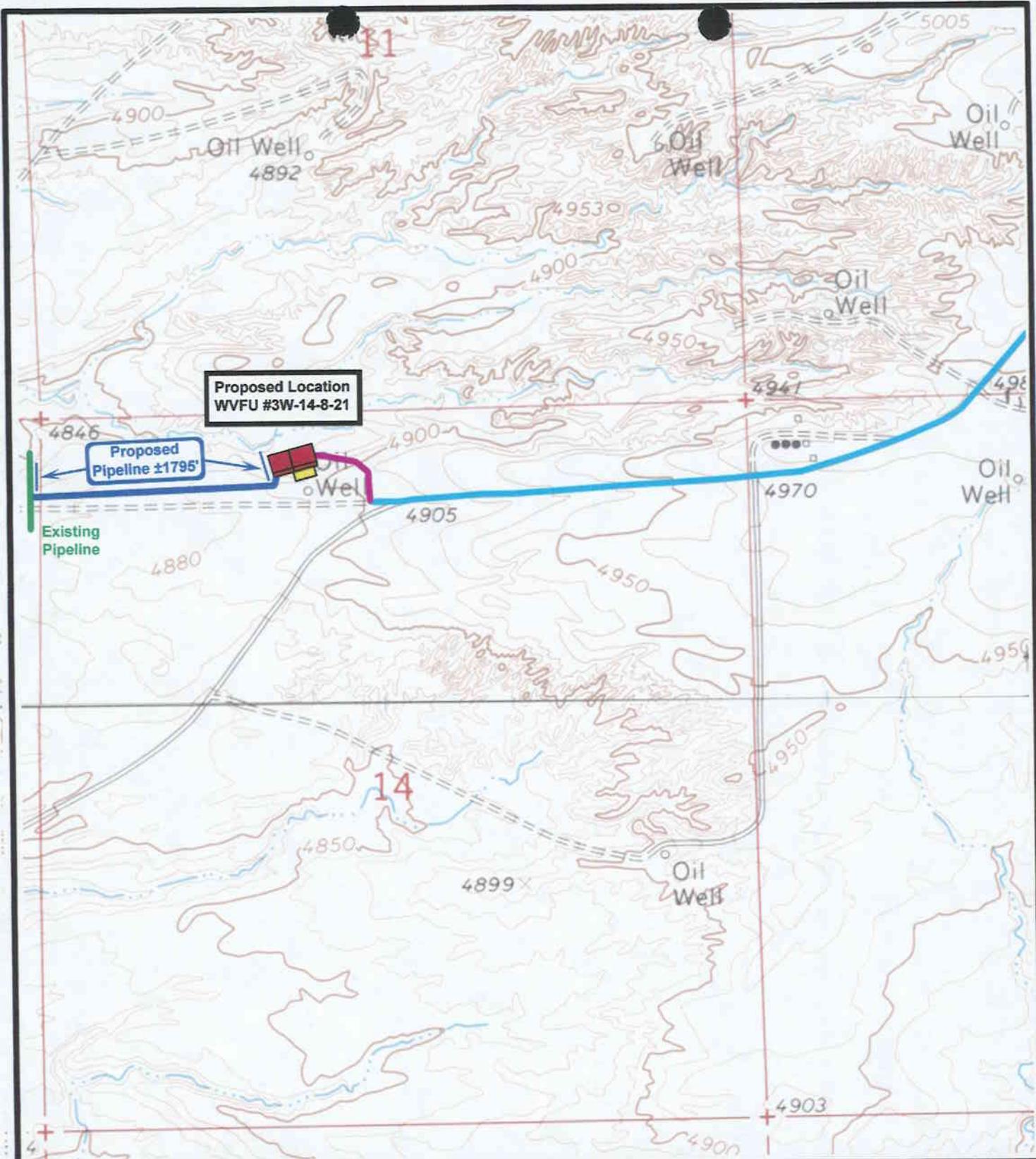
SHENANDOAH ENERGY INC.
WONSITS VALLEY FED. UNIT #3W-14-8-21
SEC. 14, T8S, R21E, S.L.B.&M.

TOPOGRAPHIC MAP "C"



Drawn By: bgm	Revision:
Scale:	File:
Date: 01-12-2001	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 435-781-2501 Fax 435-781-2518	

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SHENANDOAH ENERGY INC.
WONSITS VALLEY FED. UNIT #3W-14-8-21
SEC. 14, T8S, R21E, S.L.B.&M.

TOPOGRAPHIC MAP "D"



Drawn By: bgm

Revision:

Scale: 1" = 1000'

File:

Date: 01-12-2001

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

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**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/14/2001

API NO. ASSIGNED: 43-047-33952

WELL NAME: WVFU 3W-14-8-21
 OPERATOR: SHENANDOAH ENERGY INC (N4235)
 CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:
 NEW 14 080S 210E
 SURFACE: 0406 FNL 1918 FWL
 BOTTOM: 0406 FNL 1918 FWL
 UINTAH
 WONSITS VALLEY (710)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-0807
 SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

- Flat
- Bond: Fed 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:

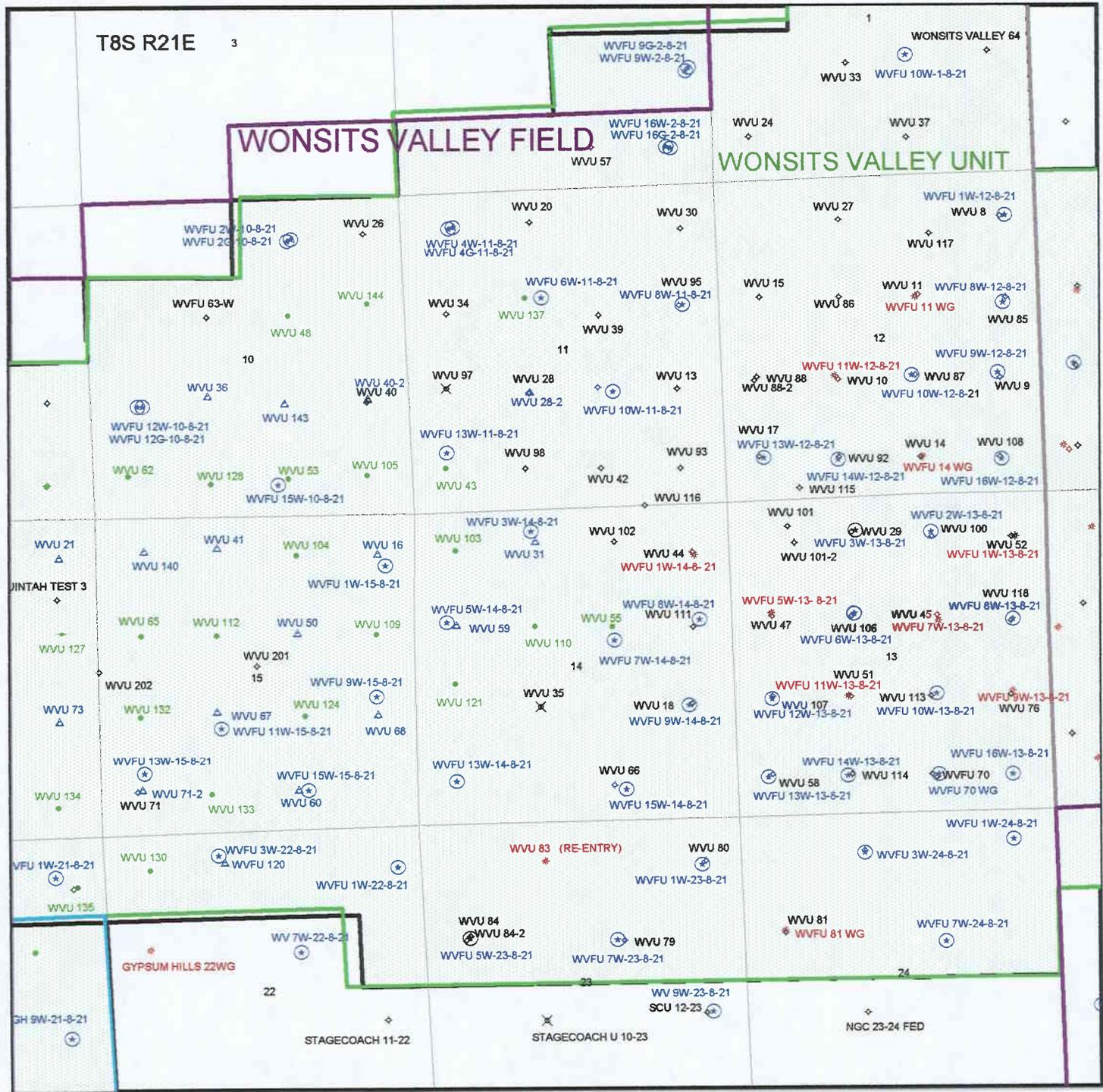
- R649-2-3. Unit WONSITS VALLEY
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Need add'l info. "Ex. Loc." (Rec'd 3-1-01)

STIPULATIONS: ① FEDERAL APPROVAL



OPERATOR: SHENANDOAH ENERGY (N4235)
 FIELD: WONSITS VALLEY (710)
 SEC. 14, T8S, R21E,
 COUNTY: UINTAH UNIT: WONSITS VALLEY



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3160
(UT-922)

February 22, 2001

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2001 Plan of Development Wonsits Valley Unit,
Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2001 within the Wonsits Valley Unit, Uintah County, Utah.

Api Number	Well	Location
(Proposed PZ Wasatch)		
43-047-33952	WVFU 3W-14-8-21	Sec. 14, T8S, R21E 0406 FNL 1918 FWL
43-047-33953	WVFU 5W-14-8-21	Sec. 14, T8S, R21E 1930 FNL 0500 FWL
43-047-33955	WVFU 7W-14-8-21	Sec. 14, T8S, R21E 2231 FNL 1988 FEL
43-047-33957	WVFU 8W-11-8-21	Sec. 11, T8S, R21E 1965 FNL 0643 FEL
43-047-33958	WVFU 8W-14-8-21	Sec. 14, T8S, R21E 1887 FNL 0560 FEL
43-047-33959	WVFU 9W-15-8-21	Sec. 15, T8S, R21E 2242 FSL 0681 FEL
43-047-33961	WVFU 12W-13-8-21	Sec. 13, T8S, R21E 1925 FSL 0653 FWL
43-047-33962	WVFU 14W-13-8-21	Sec. 13, T8S, R21E 0624 FSL 1920 FWL
43-047-33963	WVFU 15W-14-8-21	Sec. 14, T8S, R21E 0524 FSL 1800 FEL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:2-22-1

SHENANDOAH ENERGY INC.

11002 East 17500 South
Vernal, UT 84078
Phone: (435) 781-4300
Fax (435) 781-4329

February 28, 2001

Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

To Whom It May Concern:

Shenandoah Energy Inc. Wonsits Valley Federal Unit #3W-14-8-21 is an exception location due to the location of the existing WV #31. This lease #(U-0807) is under the Wonsits Valley Federal Unit Agreement and all owners are committed under the Unit Agreement.

There are no additional lease owners within 460' of this proposed well. If you have any question please contact Raleen Searle @ (435) 781-4309.

Thank you,


Raleen Searle
Administrative Assistant

RECEIVED

MAR 01 2001

DIVISION OF
OIL, GAS AND MINING



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)

March 5, 2001

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

Re: Wonsits Valley Federal Unit 3W-14-8-21 Well, 406' FNL, 1918' FWL, NE NW, Sec. 14, T. 8 South, R. 21 East, Uintah County, Utah

Gentlemen:

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

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33952.

Sincerely,

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

John R. Baza
Associate Director

er

Enclosures

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

Operator: Shenandoah Energy, Inc.

Well Name & Number Wonsits Valley Federal Unit 3W-14-8-21

API Number: 43-047-33952

Lease: U-0807

Location: NE NW Sec. 14 T. 8 South R. 21 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**

5. LEASE DESIGNATION AND SERIAL NO.

U-0807

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

UTE TRIBAL

1a. TYPE OF WORK

DRILL **DEEPEN**

7. UNIT AGREEMENT NAME

WONSITS VALLEY FEDERAL UNIT

b. TYPE OF WELL

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

8. FARM OR LEASE NAME, WELL NO.

WVFU #3W-14-8-21

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

WONSITS VALLEY

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

At surface
406' FNL, 1918' FWL, NENW
At proposed prod. Zone
Same

**RECEIVED
FEB 13 2001**

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

SEC. 14, T8S, R21E, SLB&M

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

11 miles West of Redwash Utah

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST

406' ±

16. NO. OF ACRES IN LEASE

1280

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.

500' ±

19. PROPOSED DEPTH

7800'

20. ROTARY OR CABLE TOOLS

Rotary

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

4876' GR

22. APPROX. DATE WORK WILL START*

A.S.A.P

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REFER TO S.O.P.

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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.

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24
SIGNED John Busch John Busch TITLE Red Wash Operations Representative DATE 2/9/01

(This space for Federal or State office use)

PERMITTED BY **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 05/09/2001

*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.

006m

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy, Inc.

Well Name & Number: WVFU #3W-14-8-21

API Number: 43-047-33952

Lease Number: U - 0807

Location: NENW Sec. 14 T. 8S R. 21E

Agreement: Wonsits Valley 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 base of the usable water zone, identified at \pm 625 ft.

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

Shenandoah Energy, Inc. (Shenandoah) will assure the Ute Tribe that any/all contractors and subcontractors have acquired a current Tribal Business License and have updated "Access Permits" prior to construction. All Shenandoah personnel, contractors and subcontractors will have these permits in their vehicles at all times. Companies that have not complied with this COA will be in violation of the Ute Tribal Business License Ordinance, and will be subject to fines and penalties.

Shenandoah employees, representatives, and/or authorized personnel (subcontractors) shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

Shenandoah employees and/or authorized personnel (subcontractors) in the field will have approved applicable APDs and/or ROW permits/authorizations on their person(s) during all phases of construction.

Shenandoah will notify the Ute Tribe and Bureau of Indian Affairs (BIA) in writing of any requested modification of APDs or Rights-Of-Way (ROW). Shenandoah shall receive written notification of authorization or denial of the requested modification. Without authorization, Shenandoah will be subject to fines and penalties.

The Ute Tribe Energy & Minerals Department shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday. A Tribal Technician is to routinely monitor construction. Shenandoah shall make arrangements with the Ute Energy & Minerals Department for all monitoring that will exceed regular working hours for Tribal Technicians. A qualified Archaeologist accompanied by a Tribal Technician will monitor any trenching required for the construction of the pipeline. Shenandoah is to inform contractors to maintain construction of the pipelines within approved 30 foot ROW.

Shenandoah shall maintain cattleguards and fence integrity as originally constructed for any access roads or pipeline routes which cross the Ute Indian Reservation Boundary Fence.

A ROW, 30 feet wide, shall be granted for the pipeline and a ROW, 30 feet wide, shall be granted for the access road. The constructed travel width of the access road will be limited to 18 feet. Upon authorization by the Ute Tribe Energy & Minerals Department, the ROW may be wider where sharp curves, deep cuts and fills occur; or, where intersections with other roads are required.

Upon completion of the pertinent APD and ROWs, Shenandoah will notify the Ute Tribe Energy & Minerals Department for a Tribal Technician to verify the Affidavit of Completion. When each pipeline has been constructed and completed as built descriptions will be filed with the Ute Tribal Energy & Minerals Department.

Production waters, oil, and other byproducts shall not be placed on access roads or the well pad.

All vehicular traffic, personnel movement, construction and restoration operations will be confined to the areas examined and approved and to the existing roadways and/or evaluated access routes.

Shenandoah will implement "Safety and Emergency Plan" and ensure plan compliance.

Shenandoah shall stop construction activities and notify personnel from the Ute Tribe Energy & Minerals Department and BIA if cultural remains including paleontologic resources (vertebrate fossils) are exposed or identified during construction. The Ute Tribe Department of Cultural Rights and Protection and the BIA will provide mitigation measures prior to allowing construction.

Shenandoah employees and/or authorized personnel (subcontractors) will not be allowed to collect artifacts and paleontologic fossils. No significant cultural resources shall be disturbed.

Shenandoah will control noxious weeds on the well site and ROWs. Shenandoah will be responsible for noxious weed control if weeds spread from the project area onto adjoining land.

Reserve pits will be lined with an impervious synthetic liner. About 17 rods of fence will be constructed around the reserve pit until it is backfilled. Prior to backfilling the reserve pit, all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are backfilled, the surplus oil and mud, etc., will be buried a minimum of 3 feet below the surface of the soil.

A closed system will be used during production. This means that production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites.

Surface pipelines will be constructed to lay on the soil surface. The ROW will not be bladed or cleared of vegetation without authorization of the BIA. Where surface pipelines do not parallel roads but cross country between stations, they shall be welded in place at well sites or on access roads. They shall be pulled between stations with suitable equipment. Vehicles shall not use pipeline ROWs as access roads unless specifically authorized.

Before the site is abandoned, Shenandoah will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Soil erosion will be mitigated by reseeded all disturbed areas.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

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

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

5. Lease Designation and Serial No.
U-0807

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

7. If Unit or CA, Agreement Designation
Wonsits Valley Federal Unit

8. Well Name and No.
WVFU 3W 14 8 21

9. API Well No.
43-047-33952

10. Field and Pool, or Exploratory Area
Wonsits Valley - Wasatch

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) 781-4306

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
406' FNL, 1918' FWL, NE NW, SECTION 14, T8S, R21E, SLBM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" 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>SPUD DATE</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)

THIS WELL WAS SPUD 5/20/01. DRILL 12 1/2" HOLE TO 467'. RAN 10 JTS 9 5/8" CSG TO 459'.

[Faint handwritten notes and stamps]

14. I hereby certify that the foregoing is true and correct.
Signed **D. C. Beaman** *[Signature]* Title **Office Manager** Date **05/22/01**

(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.

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OPERATOR: **Shenandoah Energy, Inc.**
ADDRESS: **11002 East 17500 South
Vernal, Utah 84078-8526**

OPERATOR ACCT. No. 4235
(801)781-4300

ENTITY ACTION FORM - FORM 6

Action Code	Current Entity No.	New Entity No.	API Number	Well Name	QQ	SC	TP	RG	County	Spud Date	Effective Date
B	99999	12436	43-047-33952	WVFU 3W 14 8 21	NE NW	14	8S	21E	Uintah	05/20/01	5-29-01
WELL 1 COMMENTS: New well to be drilled in Wonsits Valley. 5-29-01											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
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 entity
- 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 selected

(3/89)

Doris C. Beaman
Signature

Office Manager. 05/22/01
Title Date

Phone No. (801) 781-4306

RECEIVED
MAY 24 2001
DIVISION OF
OIL, GAS AND MINING

28b. Production - Interval C

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

28c. Production - Interval D

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

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

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				GREEN RIVER MAHOGANY WASATCH	2804 3559 6124

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32. Additional remarks (include plugging procedure):

CONFIDENTIAL - TITE HOLE
Do not release well information without permission from Shenandoah Energy Inc.

33. Circle enclosed attachments:

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

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

Electronic Submission #9983 Verified by the BLM Well Information System.
For SHENANDOAH ENERGY INC, sent to the Vernal

Name (please print) J.T. CONLEY Title DIVISION MANAGER

Signature _____ (Electronic Submission) Date 01/07/2002

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

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Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: UNKNOWN OTH		5. Lease Serial No. U-0807
2. Name of Operator SHENANDOAH ENERGY		6. If Indian, Allottee or Tribe Name UTE TRIBE
3a. Address 11002 E. 17500 S. VERNAL, UT 84078		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 435.781.4359 Fx: 435.828.8765		8. Well Name and No. WONSITS VALLEY 3W 14-8-21
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T8S R21E NENW 406FNL 1918FWL		9. API Well No. 43-047-33952
		10. Field and Pool, or Exploratory WONSITS VALLEY
		11. County or Parish, and State UINTAH COUNTY, UT

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

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

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

WELL DRY & ABANDONED ON 6/03/01.
WELL WAS DRILLED & LOGGED, EVALUATED & PLUGGED. DRL TO TD @ 7820', SET FOUR (4) OPEN HOLE PLUGS AS FOLLOWS:
PLUG #1 6006' - 6206' W/ 150 SXS PREM 300 CMT W/ 2% CaCl
PLUG #2 2639' - 2839' W/ 95 SXS PREM 300 NEAT CMT
PLUG #3 359' - 716' W/ 130 SXS PREM 300 NEAT CMT
PLUG #4 0' - 60' W/ 50 SXS PREM 300 NEAT CMT

RECEIVED
DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #10096 verified by the BLM Well Information System For SHENANDOAH ENERGY, sent to the Vernal

Name (Printed/Typed) DAHN CALDWELL	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 01/18/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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

** ORIGINAL **

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

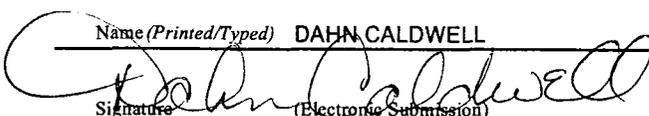
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[Faint, illegible text or stamp]

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**Electronic Submission #10096 verified by the BLM Well Information System
For SHENANDOAH ENERGY, sent to the Vernal**

Name (Printed/Typed) DAHN CALDWELL	Title AUTHORIZED REPRESENTATIVE
 Signature (Electronic Submission)	Date 01/18/2002

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