

**BALLARD**  
**PETROLEUM LLC**

April 2, 2001

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

RE: Application for Permit to Drill  
North Chapita Federal 22-32

Enclosed you will find a copy of the Federal Application for Permit to Drill on well North Chapita Federal 22-32 along with a copy of the Archaeological Report done by Montgomery Archaeological Consultants.

Sincerely,

  
Jan Harmon  
Operations Assistant

Enclosures

**RECEIVED**

APR 04 2001

DIVISION OF  
OIL, GAS AND MINING

Form 3160-3  
(July 1992)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED  
OMB NO. 1004-0134  
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. LEASE DESIGNATION AND SERIAL NO.  
U-56965

2. TYPE OF WORK  
DRILL  DEEPEN

3. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER

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

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

6. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface  
1416' FNL 1601' FWL  
At proposed prod. zone  
Same

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

8. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.  
(Also to nearest dip, well line if any)  
1416'

9. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR ABANDONED FOR ON THIS LEASE, FT.  
±3600'

10. ELEVATIONS (Show whether DS, RT, OR, etc.)  
4919.4'

11. NO. OF ACRES IN LEASE  
640

12. PROPOSED DEPTH  
8500'

13. NO. OF ACRES ASSIGNED TO THIS WELL  
40

14. ROTARY OR CABLE TOOLS  
Rotary

15. APPROX. DATE WORK WILL START\*  
June 1, 2001

16. COUNTY OR PARISH  
Utah

17. STATE  
Utah

4438015 N  
640345 E

23. PROPOSED CASING AND CEMENTING PROGRAM

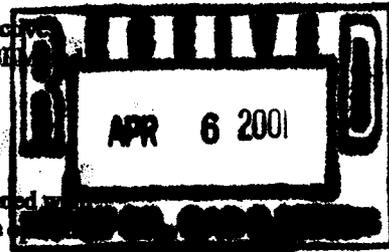
SIZE OF HOLES	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	K55 8 5/8"	24#	250'	180 sx - circulated to surface
7 7/8"	L35 4 1/2"	11.6#	8400'	950 sx - top of cement @ 3500'

Ballard Petroleum LLC proposes to drill a well to 8500' to test the Mesaverde Formation. If productive casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM State of Utah requirements.

See Onshore Order No. 1 attached.

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

Federal Approval of this  
Action is Necessary



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 prevention program if any.

24. \_\_\_\_\_  
Stacy Stewart  
Consultant for:  
Ballard Petroleum LLC  
DATE 4-6-01

PERMIT NO. 43-047-34016 APPROVAL DATE \_\_\_\_\_

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

CONDITIONS OF APPROVAL, IF ANY:  
APPROVED BY: [Signature] BRADLEY G. HILL  
TITLE: RECLAMATION SPECIALIST III DATE: 04-30-01

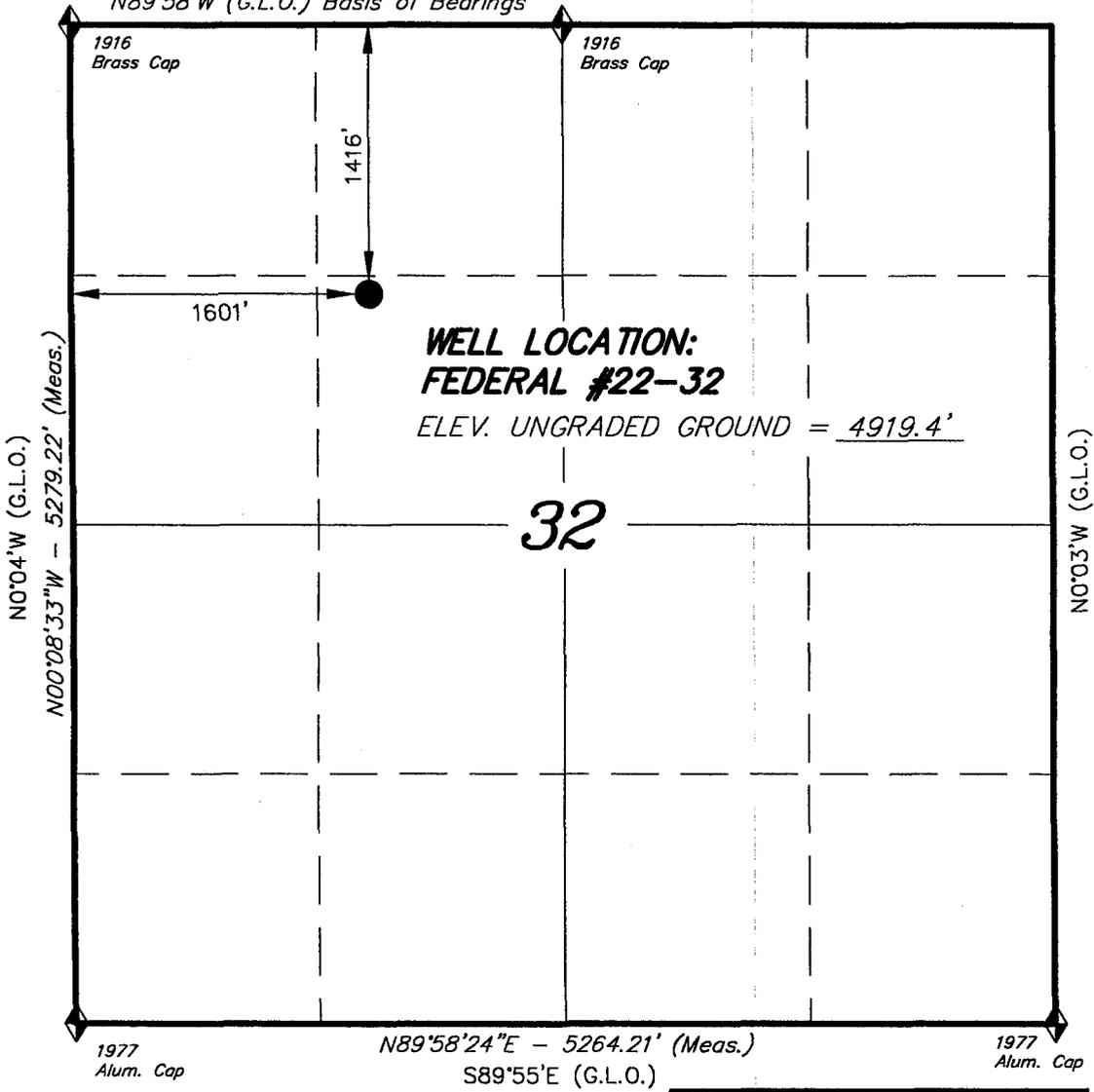
\*See Instructions On Reverse Side  
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

N89°58'W - 79.98 (G.L.O.)

2642.80' (Measured)

N89°58'W (G.L.O.) Basis of Bearings



**WELL LOCATION:**  
**FEDERAL #22-32**  
 ELEV. UNGRADED GROUND = 4919.4'

**32**

## BALLARD PETROLEUM LLC

WELL LOCATION, FEDERAL #22-32,  
 LOCATED AS SHOWN IN THE SE 1/4  
 NW 1/4 OF SECTION 32, T8S, R23E,  
 S.L.B.&M. UINTAH COUNTY, UTAH.



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



### TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078  
 (435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 3-19-01	WEATHER: COOL
NOTES:	FILE #

**FEDERAL #22-32**  
 LATITUDE = 40° 04' 57.44"  
 LONGITUDE = 109° 21' 16.84"

◆ = SECTION CORNERS LOCATED

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

CULTURAL RESOURCE INVENTORY OF  
BALLARD PETROLEUM'S FEDERAL #22-32  
WELL LOCATION IN UINTAH COUNTY, UTAH

Sharyl Kinnear-Ferris



**MONTGOMERY ARCHAEOLOGICAL CONSULTANTS**

Box 147, 322 East 100 South, Moab, Utah 84532 (435) 259-5764 Fax (435) 259-5608

CULTURAL RESOURCE INVENTORY OF BALLARD PETROLEUM'S  
FEDERAL #22-32 WELL LOCATION IN  
UINTAH COUNTY, UTAH

By

Sharyl Kinnear-Ferris

Prepared For:

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

Prepared Under Contract With:

Ballard Petroleum LLC  
845 12 Street West  
Billings, Montana

Prepared By:

Montgomery Archaeological Consultants  
P.O. Box 147  
Moab, Utah 84532

February 28, 2001

United States Department of Interior (FLPMA)  
Permit No. 00-UT-60122

State of Utah Antiquities Project (Survey)  
Permit No. U-01-MQ-0064b

TABLE OF CONTENTS

TABLE OF CONTENTS ..... i  
LIST OF FIGURE ..... i  
INTRODUCTION ..... 1  
DESCRIPTION OF PROJECT AREA ..... 2  
    Environmental Setting ..... 2  
    Cultural-Historical Overview ..... 2  
SURVEY METHODOLOGY ..... 6  
INVENTORY RESULTS AND MANAGEMENT RECOMMENDATION ..... 6  
REFERENCES CITED ..... 7

LIST OF FIGURE

1. Inventory Area of Ballard Petroleum's Federal #22-32 Well Location, Uintah County, Utah ..... 3

## INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in February 2001, for Ballard Petroleum's Federal #22-32 well location. The project area is located in the Red Wash locality approximately 20 miles south of Jensen, Uintah County, Utah. The project is situated on public lands administered by the Bureau of Land Management (BLM), Vernal Field Office.

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to attain compliance with a number of federal and state mandates, including the National Historic Preservation Act of 1966 (as amended), the National Environmental Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1992).

The fieldwork was performed on February 22, 2001 by Sharyl Kinnear-Ferris and Sarah Ball. The project was carried out under the auspices of U.S.D.I. (FLPMA) Permit No. 00-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-01-MQ-0064b issued to Montgomery Archaeological Consultants, Moab, Utah.

On February 22, 2001, a file search for previous cultural resource inventories and archaeological sites was conducted by the author at the BLM Vernal Field Office. This consultation indicated that numerous archaeological projects have been completed in the project area. Nickens and Associates conducted a sample survey in 1979 of 320 sample units in the Red Wash study tract (Larralde and Nickens 1980). One prehistoric site, 42Un816, was recorded in T8S, R23E, S. 31. In 1989, La Plata Archaeological Consultants conducted an archaeological survey of Quintana Petroleum's Badlands Federal 1-32 Well Pad and access road (Fuller 1989). No archaeological sites were documented. In 1990, Archeological-Environmental Research Corporation (AERC) conducted a cultural resource evaluation of approximately 3200 acres in the Red Wash Project locality for Quintana Petroleum Corporation (Hauck, Beaty and Weder 1990). The evaluation area included the current project area. No archaeological sites were documented within the current project area, but 20 sites were documented in the vicinity of the area (42Un1749 through 42Un1768). The majority of the sites consisted of hearth cobble scatters and lithic scatters of chert detritus. Montgomery Archaeological Consultants conducted a cultural resource inventory in 1999 for four Ballard Petroleum well locations in the North Chapita Field (Montgomery 1999). This inventory resulted in the finding of seven previously documented sites (42Un816, 42Un1751, 42Un1753, 42Un1755, 42Un1756, 42Un1757, and 42Un1758). No new cultural resources were documented. All of the sites are temporary camps situated within or adjacent to sand dunes. Most of the sites contained chipped stone and/or ground stone implements. One site contained a temporal indicator (42Un816) consisting of a projectile point base cross-dating to the Archaic stage (McKean Complex: ca. 5000-3500 B.P.).

In summary, numerous archaeological studies have been conducted within or near the current project area, resulting in the documentation of 21 sites. The sites tend to be temporary camps consisting of deflated hearths, hearth cobble scatters, and lithic scatters. None of the documented archaeological sites have been documented in the project area.

## DESCRIPTION OF PROJECT AREA

The project area is located along the east side of Red Wash, approximately 20 miles south of Jensen, Utah. The undertaking will consist of the construction of Ballard Petroleum's Federal #22-32 well location with an access road. The legal description is Township 8 South, Range 23 East, Sections 31 and 32 (Figure 1).

### Environmental Setting

In general this area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Specifically, the survey area is situated along the White River floodplain and the adjacent benches. The geology consists of recent alluvial deposits, the older alluvial terrace deposits, and rock outcrops of the Upper Eocene Uinta Formation. The Uinta Formation occurs as eroded outcrops formed by fluvial deposited stream laid interbedded sandstone and mudstone, and is known for its fossil vertebrate turtles, crocodilians, and occasional fish remains. Interspersed within this formation are Quaternary gravel surfaces and terraces associated with the drainage channels. The elevation of the project area ranges from 4860 to 5020 feet a.s.l. The project occurs within the Upper Sonoran Desert Shrub Community which includes shadscale, Indian ricegrass, cactus, and other grasses.

### Cultural-Historical Overview

The cultural-chronological sequence represented in the study area includes the Paleoindian, Archaic, Fremont, Protohistoric, and Euro-American stages. The earliest inhabitants of the region are representative of the Paleoindian stage (ca. 12,000-8,000 B.P.). This stage is characterized by the adaptation to terminal Pleistocene environments and characterized by the exploitation of big game fauna. The presence of Paleoindian hunters in the Uinta Basin region is implied by the discovery of Clovis and Folsom fluted points (ca. 12,000 B.P. - 10,000 B.P.), as well as the more recent Plano Complex lanceolate projectile points (ca. 10,000 B.P. - 7,000 B.P.). Investigations in the area have documented an unstemmed lanceolate projectile point classified as Hell Gap type which dates to the Plano Complex (Larralde and Nickens 1980:31).

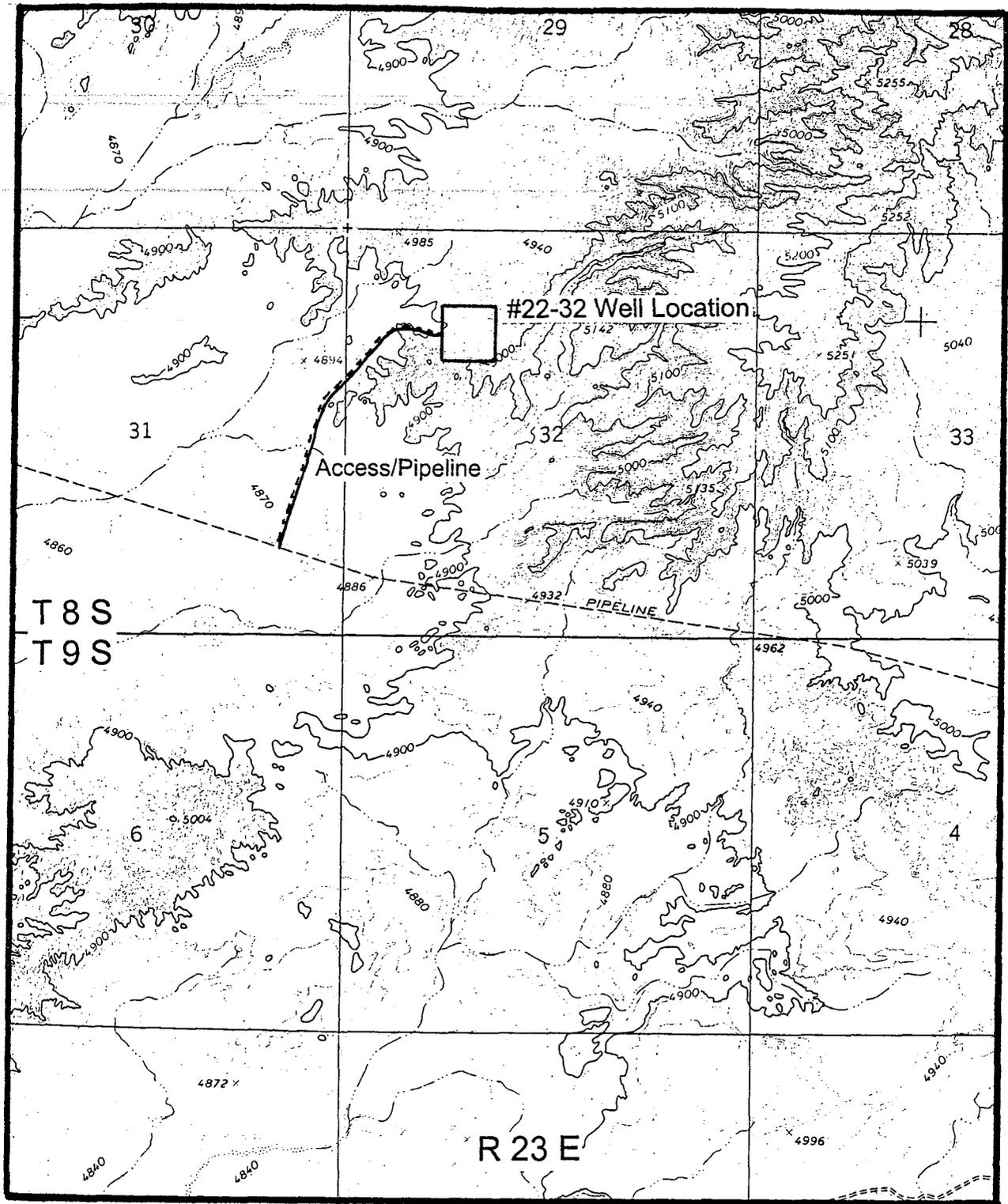


Figure 1. Inventory Area of Ballard Petroleum's Federal #22-32 Well Location, Uintah County, Utah. USGS 7.5' Red Wash SE, Utah 1968. Scale 1:24000.

The Archaic stage (ca. 8,000 B.P. - 1,500 B.P.) is characterized by a foraging subsistence strategy, seasonally exploiting a wide spectrum of plant and animal species. In the Uinta Basin, evidence of widespread Early Archaic exploitation is relatively sparse compared to the subsequent Middle and Late Archaic periods. Early Archaic (ca. 6000 to 3000 B.C.) sites in the basin include sand dune sites and rockshelters clustered mainly in the lower White River drainage as well as along the Green River in the Browns Park and Flaming Gorge area (Spangler 1995:373). Projectile points recovered from Uinta Basin contexts include Pinto Series, Humboldt, Elko Series, Northern Side-notched, Hawken Side-notched, Sudden Side-notched and Rocker Base Side-notched points. The Middle Archaic period (ca. 3000 to 500 B.C.) is characterized by improved climatic conditions and increased human populations on the northern Colorado Plateau. Several stratified Middle Archaic sites have been excavated and dozens of sites have been documented in the Uinta Basin. Middle Archaic sites in the area reflect cultural influences from the Plains, although a Great Basin and/or northern Colorado Plateau influence is represented in the continuation of the Elko Series projectile points. The Late Archaic period (ca. 500 B.C. to A.D. 550) in the Uinta Basin is distinguished by the continuation of Elko Series atlatl points with the addition of semi-subterranean residential structures at base camps. By about A.D. 100, maize horticulture and Rose Springs arrow points had been added to the Archaic lifeway.

The Formative stage (A.D. 500-1300) is recognized in the area by the Uinta Fremont, as first termed by Marwitt (1970). This stage is characterized by reliance upon domesticated corn and squash, increasing sedentism, and in its later periods, substantial habitation structures, pottery, and bow and arrow weapon technology. Based on the evidence from Caldwell Village, Boundary Village, Deluge Shelter, Mantles Cave and others, the temporal range of the Uinta Fremont appears to be from A.D. 650 to 950 (Spangler 1995). This variant is characterized by shallow, saucer-shaped pithouse surface structures with randomly placed postholes and off-center firepits, some of which were adobe-rimmed. Traits considered unique or predominate to the Uinta Basin include calcite-tempered pottery, two-handled wide-mouth vessels, Uinta type metates, the use of gilsonite for pottery repair, settlement on tops of buttes and large-shouldered bifaces (Shields 1970).

Following the Fremont abandonment of the area, a largely nomadic hunting and gathering lifeway resumed. This occupation is attributed to the Numic-speaking peoples, a diverse group that was present throughout much of Utah upon the arrival of Europeans in the 18th century. Historic records indicate that the Ute were the primary occupants of eastern Utah and western Colorado since the late eighteenth century. Numic expansion in the archaeological records appears at approximately A.D. 1100 based on the distribution of chronometric dates associated with brown ware sherds (Reed 1994:188). The archaeological evidence of the Numic-speaking peoples consists primarily of lithic scatters, low density ceramic scatters, and the occasional wickiup. Most of the artifact scatters are in open settings, although a small number are in rockshelters. Diagnostic artifacts include Desert Side-notched, tri-notched, and Cottonwood Triangular projectile points, a fairly crude micaceous tempered pottery and distinctive rock art (Jennings 1978). On the

Colorado Plateau eighteenth and nineteenth century Ute sites may also contain varying quantities of Euroamerican artifacts, such as sheet metal cone tinklers, tin cans, weaponry, and equestrian tack (Horn 1988).

The early Utes in Uintah County were Uinta-ats, a small band of a few hundred members (Burton 1996:20). In pre-horse days, Ute family groups lived largely independently of others with important gathering, hunting, and fishing sites being communal and granted to all, within both the local and extralocal Ute communities (Ibid 340). According to Smith's (1974) informants, both deer and buffalo were important game for the White River Ute band. Before the buffalo became extinct in the Uintah Basin in the 1830s, the Ute would make trips northeast of Fort Bridger, in the vicinity of what is now Rock Springs and Green River, Wyoming, using the horse to surround and drive the buffalo over a precipice (Smith 1974; Callaway, Janetski, and Stewart 1986). All Ute groups made tripod or conical houses with a three- or four-pole foundation and a circular ground plan some 10-15 feet in diameter with a covering of brush or bark, and cooking or heating fires in shallow pits both inside and outside of the huts. On May 5, 1864, Congress passed a law confirming the 1861 executive order setting up the Uintah Reservation (Burton 1996:24). This treaty provided that the Ute people give up their land in central Utah and move within one year to the Uintah Reservation without compensation for loss of land and independence. The Uinta-ats (later called Tavaputs), PahVant, Tumpanawach, and some Cumumba and Sheberetch of Utah were gathered together at the Uintah agency during the late 1860s and early 1870s to form the Uintah Band (Burton 1996:18-19). In the 1880 treaty council, the White River Utes, who had participated in the Meeker Massacre, were forced to sell all of their land in Colorado and were moved under armed escort to live on the Uintah Reservation (Callaway, Janetski, and Stewart 1986:339). Shortly thereafter, 361 Uncompahgre Utes were forced to sell their lands, and were relocated to the Ouray Reservation adjacent to the southern boundary of the Uintah Reservation. This area embraced a tract of land to the south of the Uintah Reservation below Ouray and east of the Green River. A separate Indian Agency was established in 1881 with headquarters at Ouray, erected across the river from where the first military post, Fort Thornburgh was located. The infantry who participated in the relocation of the Colorado Indians ensured that the Uncompahgre and White River Utes remained on the two reservations (Burton 1996:28). The Dawes Severalty Act of 1887, opened the reservation to mineral exploration. When gilsonite was discovered in the Uintah Basin in the late 1800s, Congress was persuaded to apportion 7,040 acres from the reservation so the mineral could be mined.

Cattle raising was the first industry in northeastern Utah with large herds from Texas established as early as 1950 in Brown's Park (Burton 1996:108). When the Uintah Railway was built to Dragon (1904) and later extended to Watson (1911), livestock were shipped from the county to market, thus ending the long cattle drives. Sheep were first introduced to the Uintah Basin in 1879 and survived the hard winters better than cattle (Burton 1996). Wool soon became one of the region's most important industries as the sheep herds multiplied. In 1906 the Uintah Railway Company built shearing pens on the Green River to encourage shipping of wool by train. Between 1912 and 1929 the sheep shearing industry increased with additional corrals established at Bonanza, Dragon, Jensen, and by 1929 Watson had a large shearing plant (Burton 1996:111).

## SURVEY METHODOLOGY

The majority of the project area has been previously inventoried by AERC (Hauck, Beaty, and Weder 1990). For the current project, an intensive pedestrian survey was performed which is considered 100% coverage. At the proposed well locations, a 10 acre square was defined, centered on the well pad center stake. The interior of the well location was examined for cultural resources by the archaeologists walking parallel transects spaced no more than 10 meters (30 feet) apart. The access road was approximately 4000 ft long and located in T 8S, R 22E, S. 31 and 32 (Figure 1). A 100 foot wide corridor was inspected along the proposed access route by the archaeologists walking transects spaced no more than 10 meters (30 feet) apart. Ground visibility was considered good, with approximately 20% of the area covered with snow, mostly on the north-facing slopes. Modern disturbances include livestock grazing, roads, and oil/gas development. A total of 19 acres was inventoried on BLM administered lands, Vernal Field Office.

## INVENTORY RESULTS AND MANAGEMENT RECOMMENDATION

The inventory of Ballard Petroleum's proposed Federal #22-32 well location and access road resulted in the location of no cultural resources. Based on the finding, a determination of "no historic properties affected" is recommended for the project pursuant to Section 106, CFR 800.

## REFERENCES CITED

- Burton, D.K.  
1996 *A History of Uintah County: Scratching the Surface*. Utah Centennial County History Series. Utah State Historical Society and Uintah County Commission.
- Callaway, D., J. Janetski, and O.C. Stewart  
1986 Ute. In *Great Basin*, edited by Warren L. D'Azevedo, pp. 336-367. Handbook of North American Indians, Volume II: Great Basin, edited by William C. Sturtevant, Smithsonian Institution, Washington.
- Fuller, S.L.  
1989 Archaeological Survey of Quintana Petroleum's Badlands Federal 1-32 Well Pad and Access Road Uintah County, Utah. La Plata Archaeological Consultants, Dolores, Colorado. Project No. U-89-LA-293b,s. On file at the BLM Vernal Field Office.
- Hauck, F.R., R. Beaty, and D.G. Weder  
1990 Prehistoric Occupations in the Red Wash Project Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Report No. 44.
- Horn, J. C.  
1988 Euro-American Goods in the Material Culture of the Ute prior to 1882. In *Archaeology of the Eastern Ute: A Symposium*, edited by Paul R. Nickens, pp. 54-61. Colorado Council of Professional Archaeologists Occasional Papers No. 1, Denver, Colorado.
- Horn, J.C., A. D. Reed, and S. M. Chandler  
1994 Grand Resource Area Class I Cultural Resource Inventory. Alpine Archaeological Consultants, Inc. Montrose. Bureau of Land Management, Moab, Utah.
- Jennings, J. D.  
1978 Prehistory of Utah and the Eastern Great Basin. *University of Utah Anthropological Papers* No. 98. Salt Lake City, Utah.

- Larraide, S.L., and P.R. Nickens  
1980 Archaeological Inventory in the Red Wash Cultural Study Tract, Uintah County, Utah. In *Sample Inventories of Oil & Gas Fields in Eastern Utah, 1978-79, Bureau of Land Management Cultural Resource Series, No. 5*, Salt Lake City.
- Marwitt, J.P.  
1970 Median Village and Fremont Culture Regional Variation. *University of Utah Anthropological Papers* No. 95. Salt Lake City.
- Montgomery, K.R.  
1999 Cultural Resource Inventory of Ballard Petroleum's Four Well Locations in the North Chapita Field, Uintah County. Montgomery Archaeological Consultants, Moab, Utah. Project No. U-99-MQ-0627b. On file at the BLM Vernal Field Office.
- Reed, A.D.  
1988 Ute Cultural Chronology. In *Archaeology of the Eastern Ute: A Symposium* edited by Paul R. Nickens, pp 79-101. Colorado Council of Professional Archaeologists Occasional Papers No. 1. Denver.
- 1994 The Numic Occupation of Western Colorado and Eastern Utah during the Prehistoric and Protohistoric Periods. In *Across the West: Human Population Movement and the Expansion of the Numa*, edited by D.B. Madsen and D. Rhode. University of Utah Press.
- Shields, W.F.  
1970 The Fremont Culture in the Uinta Basin. Paper presented at the Fremont Culture Symposium, 35<sup>th</sup> Annual Meeting of the Society for American Archaeology, Mexico City.
- Smith, A.M.  
1974 *Ethnography of the Northern Utes*. Papers in Anthropology No. 17. Museum of New Mexico Press.
- Spangler, J.D.  
1995 Paradigms and Perspectives: A Class I Overview of Cultural Resources in the Uinta Basin and Tavaputs Plateau.
- Stokes, W.L.  
1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

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

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

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Uinta	Surface	
Green River	1762	3122
H Marker	3512	1372
Douglas Creek	4114	770
Carbonate Marker	4486	398
Wasatch Tongue	4552	332
Wasatch	5014	-130
Mesa Verde	7084	-2200
TD	8500	

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

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

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

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

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

3. BOP Equipment/Requirements

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

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

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

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

As a minimum, the above test shall be performed:

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

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

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

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

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

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

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

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request. Pressure tests shall apply to all related well control equipment.

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

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

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

#### 4. Casing and Cementing Program

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

---

including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.

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

N. The proposed casing program will be s follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New orUsed</u>
Conductor	0-40'	18"	N.A.	N.A.	N.A.	N.A.	N.A.
Surface	0-250'	12-1/4"	8-5/8"	24	J-55	ST&C	New
Production	0-8400'	7-7/8"	4-1/2"	11.6	N-80	ST&C	New

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

P. The cement program will be as follows:

Surface            Type and Amount

Conductor        Ready mix cement – cemented to surface

0-250            180 sx Class "G" with 2% CaCL<sup>2</sup>, 0.25#/sx Cello flakes. Yield = 1.15 cft/sk @15.8 ppg. Volume equals 100% excess.

Production        Type and Amount

(Top of cement at 3500') Cement to be calculated off of open hole logs and 20% excess. Approximate volumes are 200 sks of Premium Lite cement with fluid loss additives and gas check material followed by 750 sks of "G" cement with additives. Yields = 2.5 cft/sk @12 ppg and 1.15 cft/sk @ 15.8 ppg.

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

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

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

1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

- A. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
- B. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

T. Auxiliary equipment to be used is as follows:

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

5. Drilling Fluid Program

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

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>
40'-250'	Fresh Water Mud w/ Gel	8.4-9.0	N/A	N/A
250-5,000	Fresh Water & Light Mud	8.6-8.8	26-28	N/A
5,000-8,500	LSND w/ LCM	8.6-9.0	42-46	8-11

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

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

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

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

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

6. Evaluation Program - Testing, Logging and Coring

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

- A. No drill stem test will be ran on this well.
- B. The logging program will consist of a DIL-TD to surface, LDT/CNL TD to 2,500.
- C. No cores are anticipated on this well.
- D. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by authorized officer (AO).
- E. The anticipated completion program is as follows:

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

7. Anticipated Pressure and H.S

- A. Abnormal pressures are not anticipated  
Anticipated bottom hole pressure is 3560 psi.
- B. No hydrogen sulfide gas is anticipated.

8. Other Information and Notification Requirements

- A. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date that the well is placed on production.
- B. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- C. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which the hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run

ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

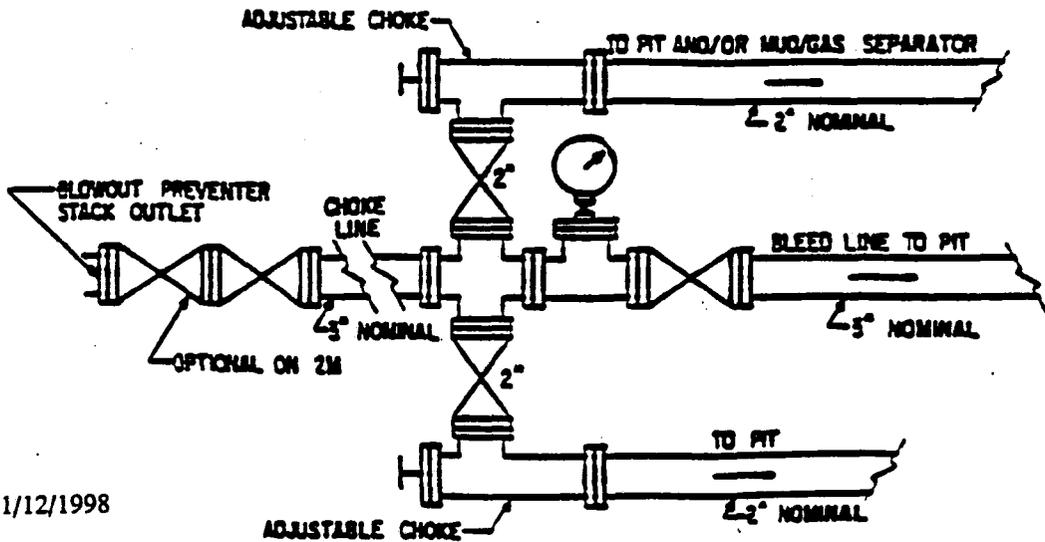
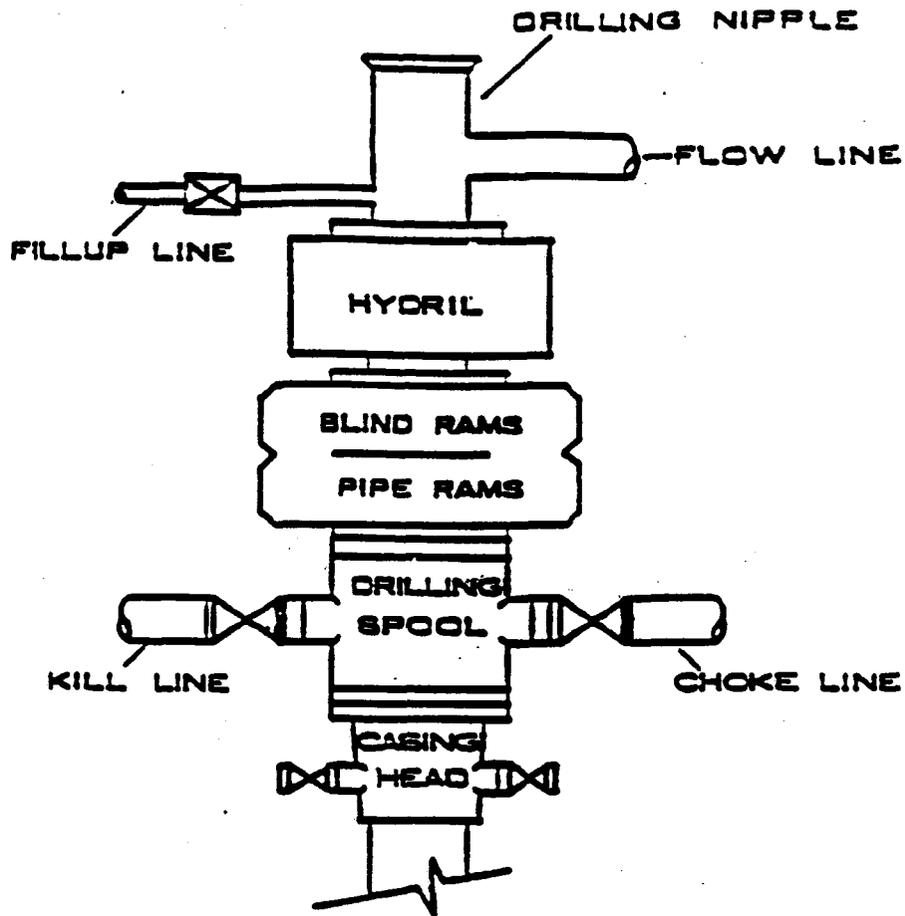
- D. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flare of gas beyond the initial 30 day or authorized test period.
- E. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the gas can be captured or the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.
- F. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4
- G. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5 or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."
- If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 316.2.4-1(b)(5)(ii).
- H. Drilling is planned to commence on June 1, 2001.
- I. It is anticipated that the drilling of this well will take approximately 14 days.
- J. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed on a suspended

---

status without prior approval of the AO. If operations are to be suspended, prior approval will be obtained and notification given before resumption of operations.

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

# SCHEMATIC DIAGRAM OF 2,000 PSI BOP STACK



Revised 01/12/1998

## Multi-Point Surface Use and Operations Plan

BALLARD PETROLEUM LLC  
FEDERAL #22-32  
SE NW SEC. 32, T8S, R23E  
UINTAH COUNTY, UTAH

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

- A. Map "A" is the vicinity map showing the Access routes from Red Wash, 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 4200' 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**

Please refer to map "C".

### **4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES OWNED BY BALLARD PETROLEUM LLC WITHIN A ONE MILE RADIUS:**

#### **A. Existing**

- 1. Tank batteries - see Map "C"
- 2. Production facilities - see Map "C"
- 3. Oil gathering lines – see Map "C"

4. Gas gathering lines - see Map "C"
5. Injection lines – see Map "C"
6. Disposal lines – see Map "C"

**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. Ballard Petroleum LLC shall condition pipeline right-of-ways in a manner to preclude vehicular travel upon said rights-of-way, except for access to pipeline drips and valves.
10. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable arrangements will be made to acquire appropriate materials from private sources.
11. A dike will be constructed completely around any of those production facilities which contain fluids (i.e. production tanks, produced water tanks etc.). These dikes will be constructed of compacted subsoil, be impervious, hold 110% of the capacity of the largest tank and be independent of the back cut.
12. All permanent (onsite for six months or longer) above-the-ground constructed or installed, including pumping units, will be painted a flat non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Five State Rocky Mountain Interagency Committee. All production facilities will be painted within six months of installation. Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

The required paint color is 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. A proposed oil gathering surface pipeline has been flagged and is shown on Map "D".
- G. A proposed power line has been flagged and is shown on Map "D">
- H. Ballard Petroleum LLC will be responsible for road maintenance from the beginning to completion of operations.

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

- A. Water well in Ouray operated by A-1 Tank and Brine, Permit #43-8496

**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 Ballard Petroleum LLC

The reserve pit will be constructed so as not to allow discharge and 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 Red Wash 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, Ballard will: Upgrade and maintain access roads as necessary prevent soil erosion, and accommodate year traffic. Reshape areas unnecessary to operations. distribute topsoil, disk and seed all disturbed area outside the work area according to the BLM recommended seed mixture.

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

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

Fall seeding will be completed after September 1 and prior to prolonged ground frost.

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

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

#### **B. Dry Hole/Abandoned Location**

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

Bureau of Land Management  
Vernal, 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 White River.**

2. There are no dwellings in the area. No significant archaeological, historical or cultural sites are known to be present.

3. An archaeological report will be forwarded upon completion.

4. There are no reported restrictions or reservations noted on the oil and gas lease.

**13. Lessee's or Operator's Representative:  
Drilling & Completion**

**Permit**

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

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

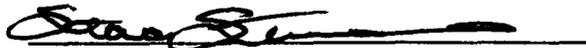
**Certification:**

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

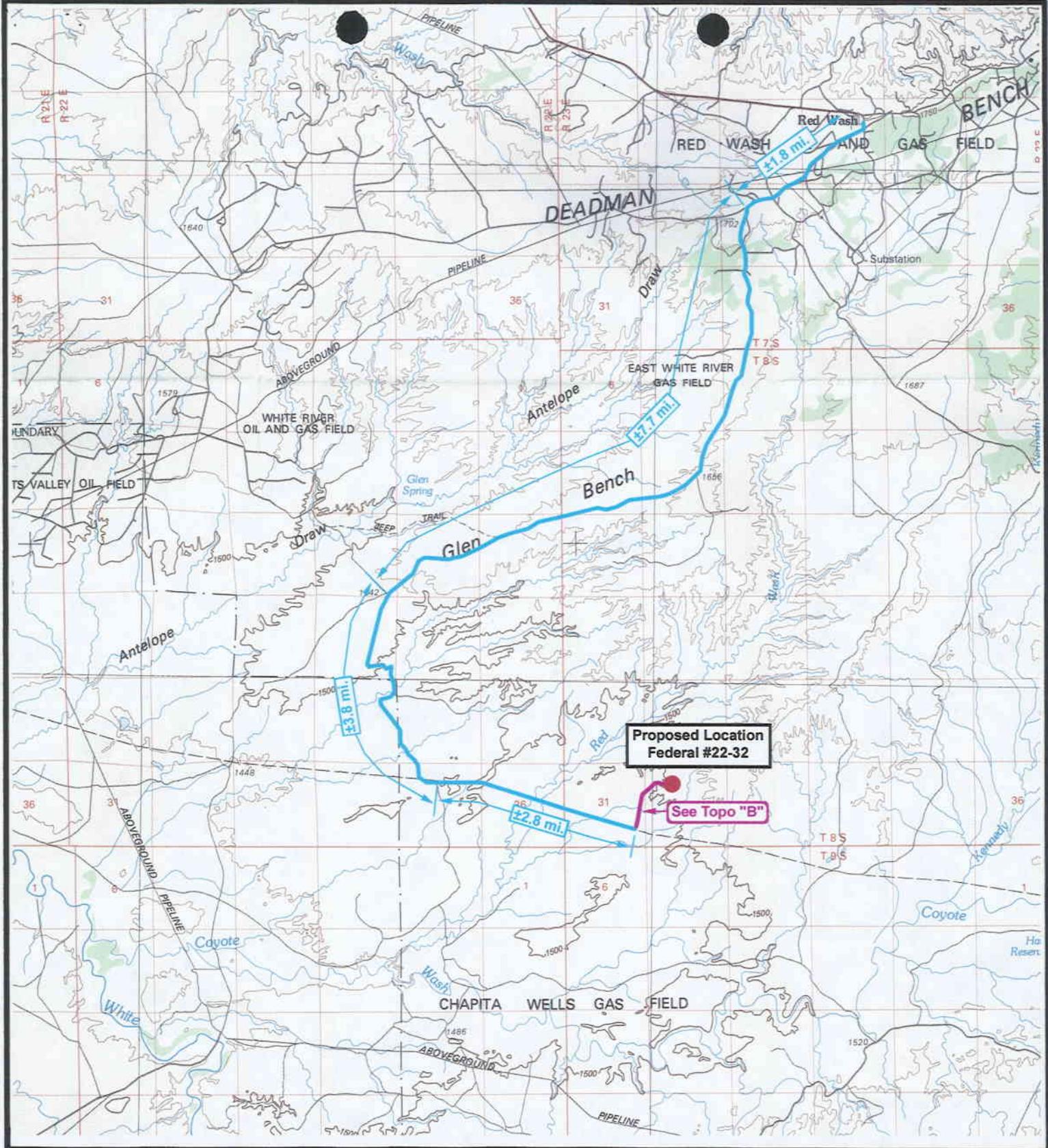
Ballard Petroleum LLC will be fully responsible for the actions of their subcontractors.

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

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

  
Stacy Stewart  
Authorized Agent for:  
Ballard Petroleum LLC

3-22-01  
Date



**BALLARD**  
PETROLEUM LLC

**Federal #22-32**  
**SEC. 32, T8S, R23E, S.L.B.&M.**



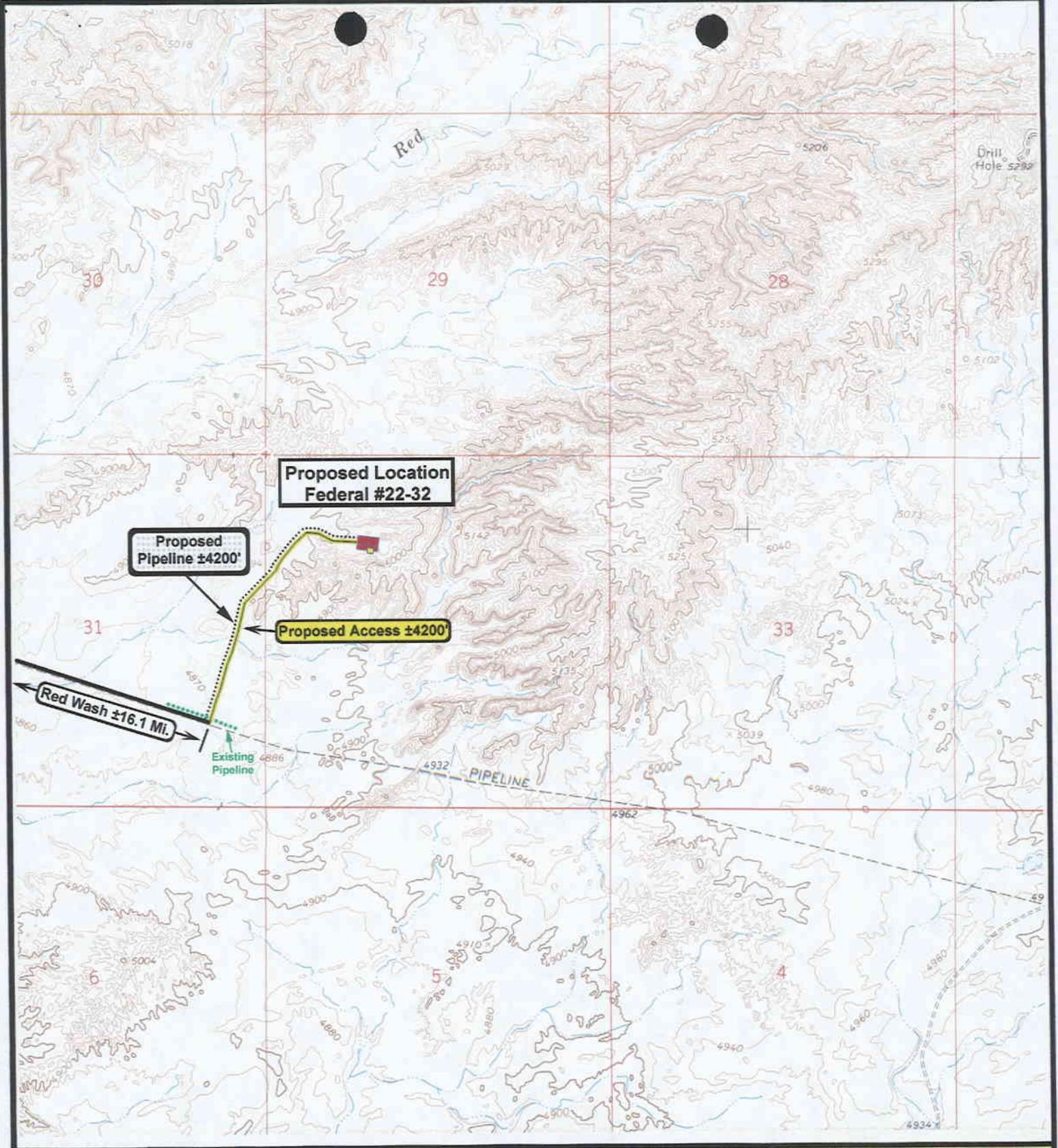
*Tri-State*  
*Land Surveying Inc.*  
(435) 781-2501  
38 West 100 North Vernal, Utah 84078

SCALE: 1 : 100,000  
DRAWN BY: bgm  
DATE: 03-21-2001

**Legend**

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP  
**"A"**



**BALLARD**  
PETROLEUM LLC

**FEDERAL #22-32**  
**SEC. 32, T8S, R23E, S.L.B.&M.**



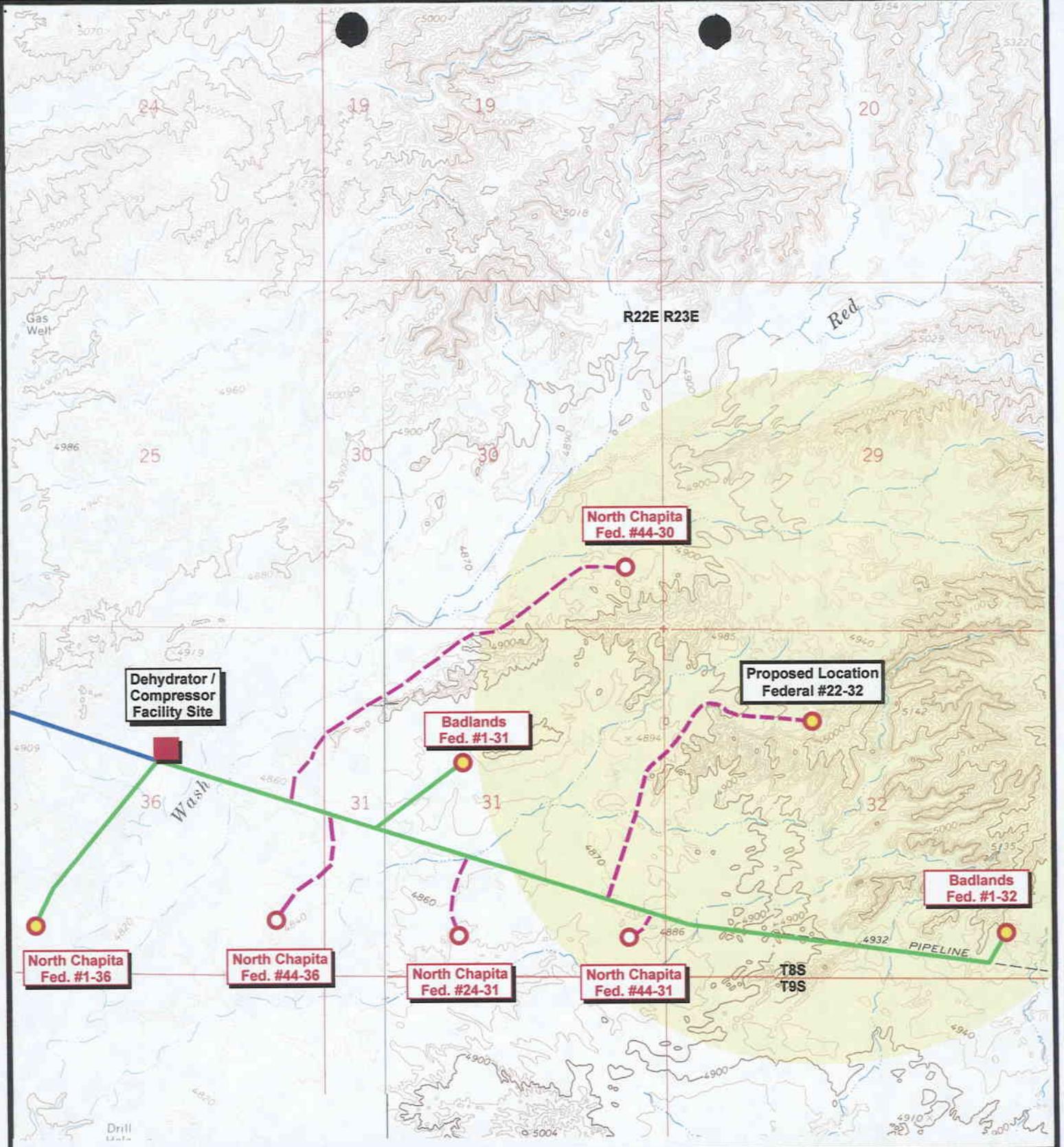
*Tri-State*  
*Land Surveying Inc.*  
(435) 781-2501  
38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'  
DRAWN BY: SS/bgm  
DATE: 3/20/00

**Legend**

- ..... Proposed Pipeline
- ..... Existing Pipeline
- Existing Road
- Proposed Access

TOPOGRAPHIC MAP  
**"B"**



**BALLARD**  
PETROLEUM LLC

**Federal #22-32**  
**SEC. 32, T8S, R23E, S.L.B.&M.**



*Tri-State*  
*Land Surveying Inc.*  
(435) 781-2501  
38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'

DRAWN BY: bgm

DATE: 03-21-2001

**Legend**

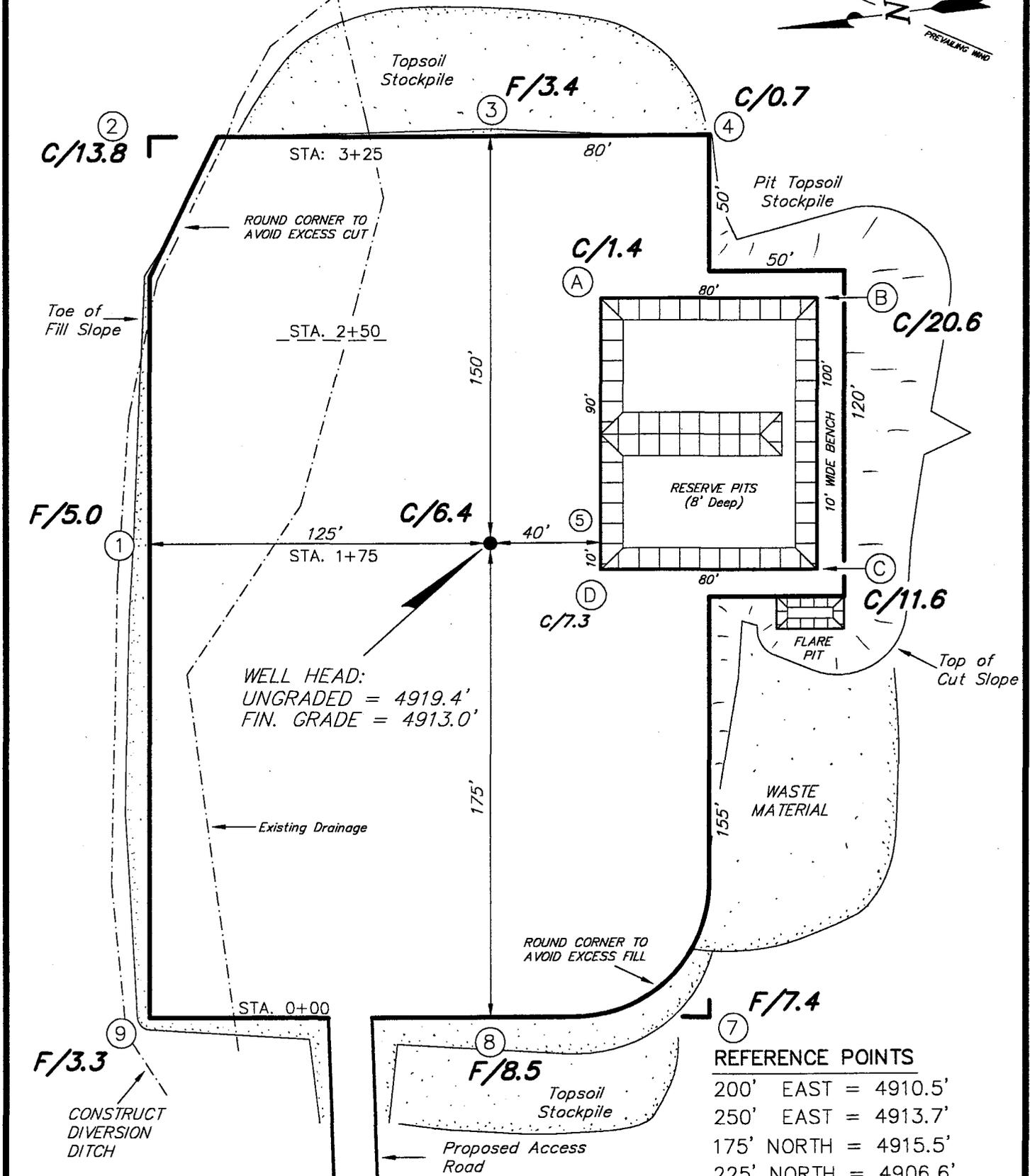
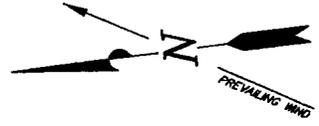
- = Existing Well
- = Proposed Well
- = 2" Surface Line
- = 3" Surface Line
- = Proposed Pipeline

TOPOGRAPHIC MAP

**"C"**

# BALLARD PETROLEUM INC

**FEDERAL #22-32**  
**SEC. 32, T8S, R23E, S.L.B.&M.**



**REFERENCE POINTS**

- 200' EAST = 4910.5'
- 250' EAST = 4913.7'
- 175' NORTH = 4915.5'
- 225' NORTH = 4906.6'

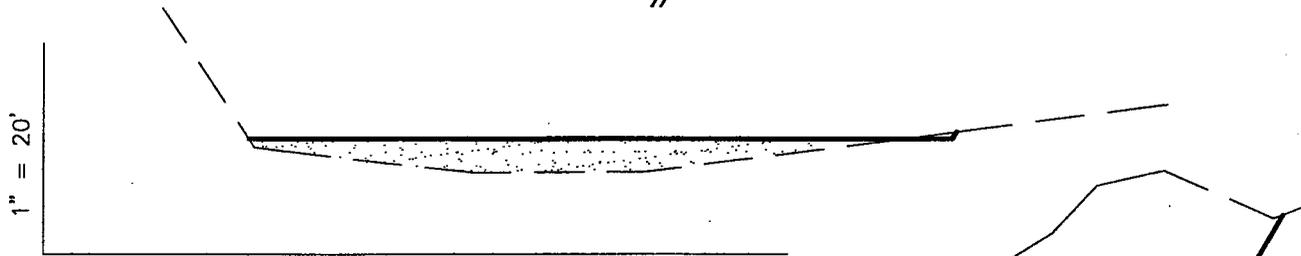
SURVEYED BY: D.J.S.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 3-19-01

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

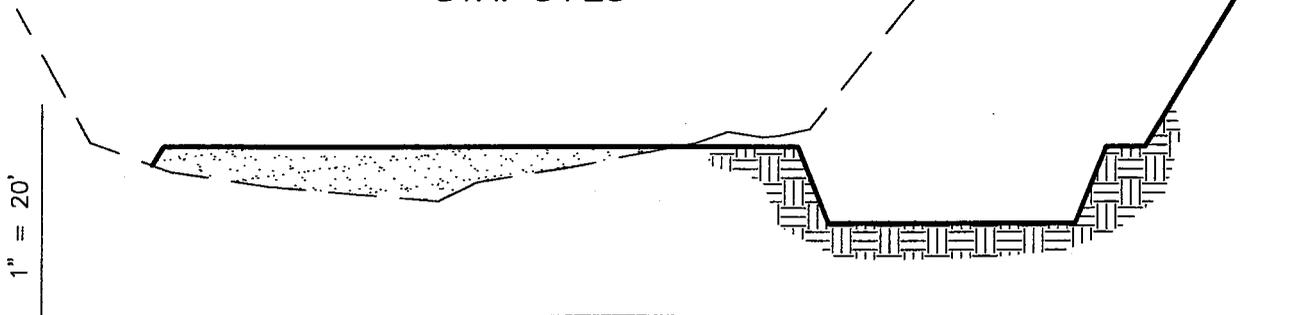
**BALLARD PETROLEUM LLC**

**CROSS SECTIONS**

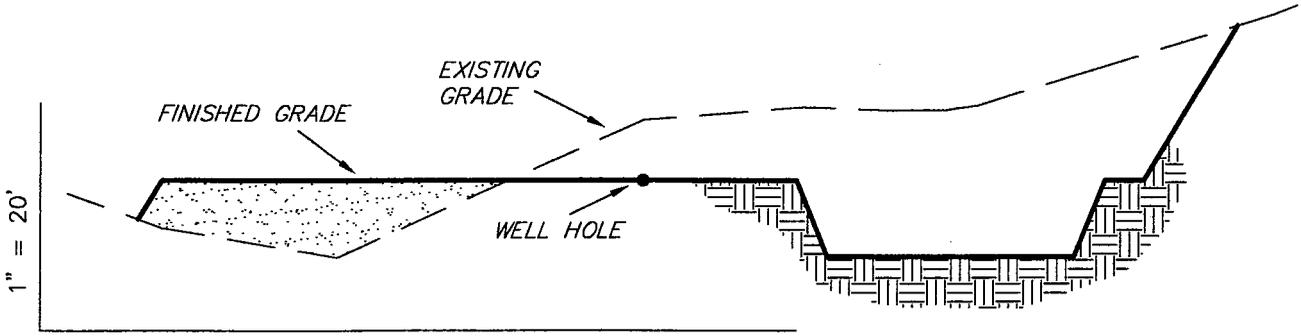
**FEDERAL #22-32**



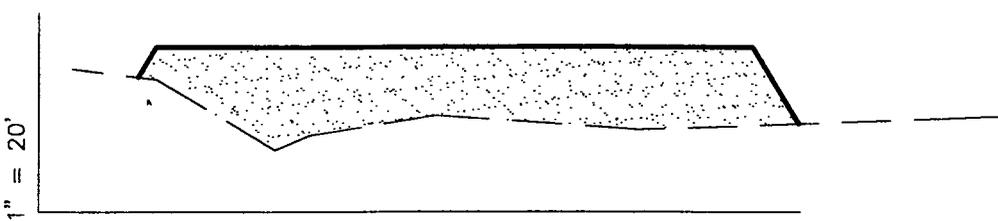
1" = 50' STA. 3+25



1" = 50' STA. 2+50



1" = 50' STA. 1+75



1" = 50' STA. 0+00

**APPROXIMATE YARDAGES**

CUT = 7,890 Cu. Yds.

FILL = 7,890 Cu. Yds.

PIT = 1,800 Cu. Yds.

12" TOPSOIL = 1,340 Cu. Yds.

SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

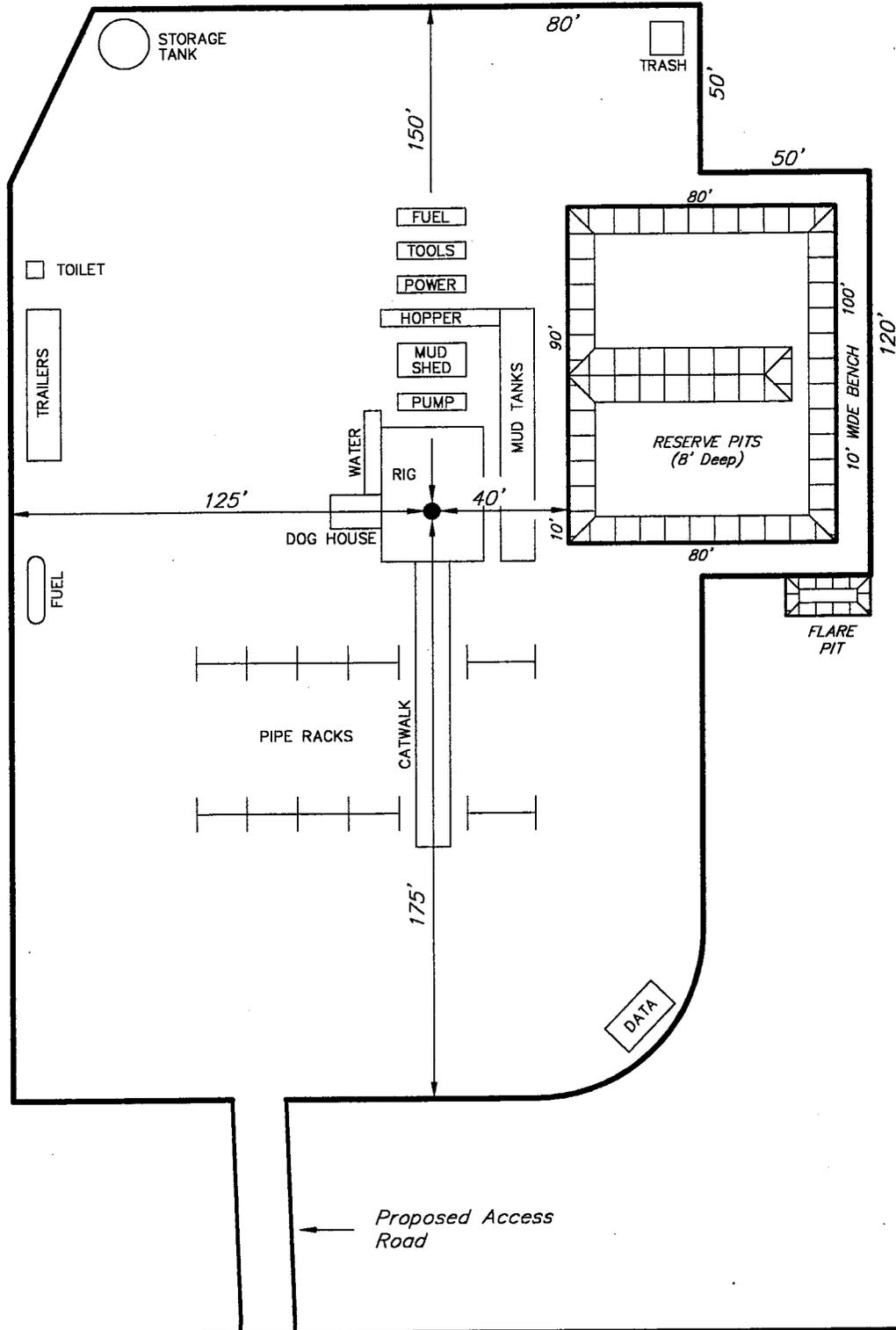
DATE: 3-19-01

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

# BALLARD PETROLEUM INC

## TYPICAL RIG LAYOUT

### FEDERAL #22-32



SURVEYED BY: D.J.S.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 3-19-01

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

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/04/2001

API NO. ASSIGNED: 43-047-34016

WELL NAME: FEDERAL 22-32  
 OPERATOR: BALLARD PETROLEUM LLC ( N2310 )  
 CONTACT: STACY STEWART

PHONE NUMBER: 435-781-2501

PROPOSED LOCATION:

SENW 32 080S 230E  
 SURFACE: 1416 FNL 1601 FWL  
 BOTTOM: 1416 FNL 1601 FWL  
 Uintah  
 UNDESIGNATED ( 2 )

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

LEASE TYPE: 1-Federal  
 LEASE NUMBER: U-56965  
 SURFACE OWNER: 1-Federal  
 PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[ ] Sta[ ] Fee[ ]  
(No. UT-1005 )
- 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:

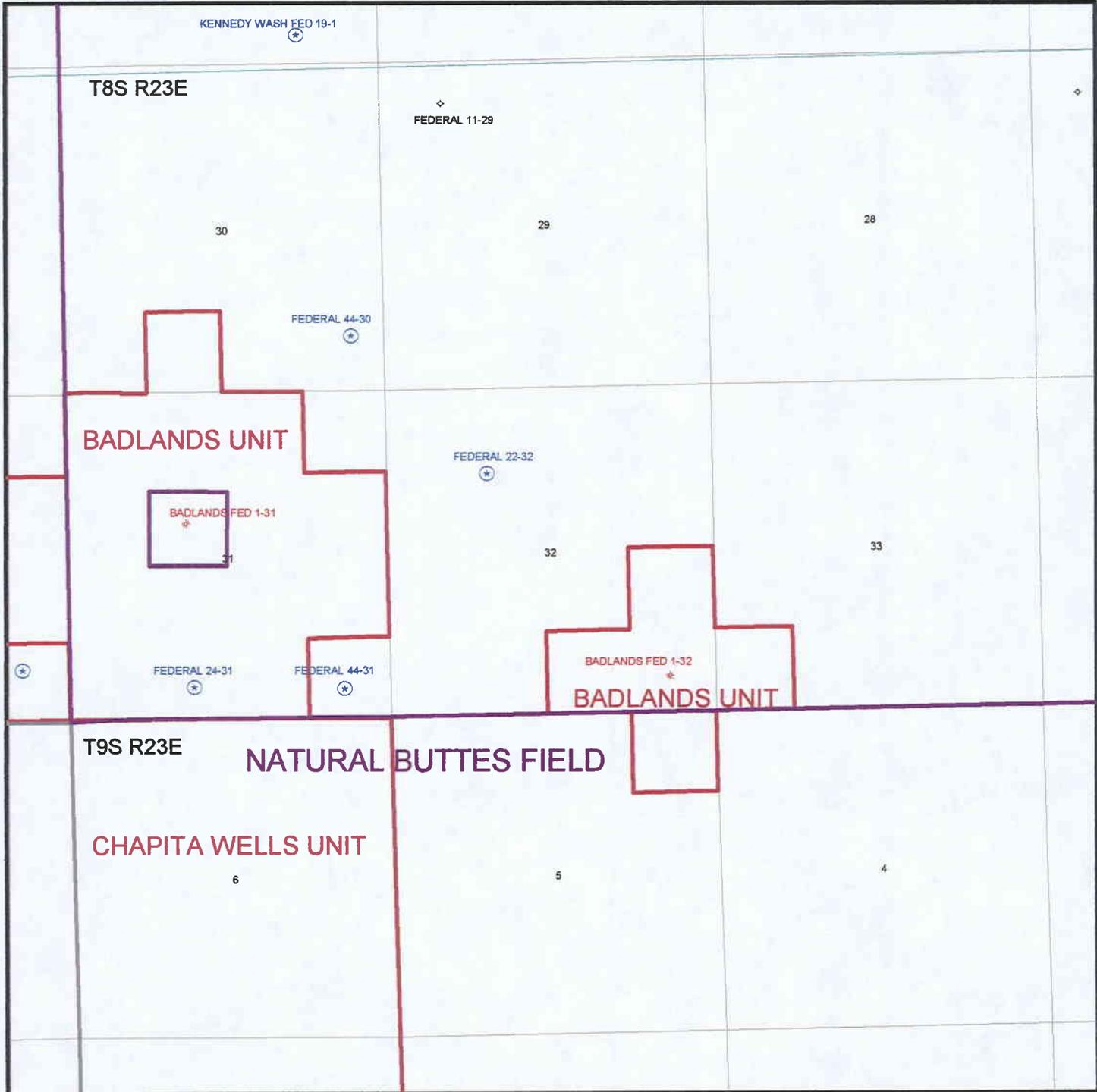
- R649-2-3. Unit \_\_\_\_\_
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: \_\_\_\_\_
- Eff Date: \_\_\_\_\_
- Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS: Need add'l "Ex. Loc" info. (Rec'd 4-27-01)

STIPULATIONS: ① FEDERAL APPROVAL



OPERATOR: BALLARD PETROLEUM (N2310)  
 SEC. 32, T8S, R23E  
 FIELD: UNDESIGNATED (002)  
 COUNTY: UINTAH SPACING: R649-3-3/EX LOC



# BALLARD

PETROLEUM LLC

April 25, 2001

Ms. Lisha Cordova  
State of Utah  
Division of Oil & Gas Mining  
PO Box 145801  
Salt Lake City, UT 84114-5801

Re: Federal 22-32  
T8S,R23E-Sec. 32  
1416' FNL & 1601' FWL  
Uintah County, UT

Dear Ms. Cordova,

Pursuant to our conversation 4-24-01, Ballard Petroleum LLC hereby requests to permit the above referenced well as an exception to location. The moving of this location is due to topographical reasons.

There are no other owners with 460 feet of the proposed location.

If you should need further information, please feel free to contact me at the letterhead address.

Sincerely,



William R. Givan  
Exploration Landman

**RECEIVED**

APR 27 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)

April 30, 2001

Ballard Petroleum, LLC  
PO Box 20174  
Billings, MT 59104

Re: Federal 22-32 Well, 1416' FNL, 1601' FWL, SE NW, Sec. 32, T. 8 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.

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 43-047-34016.

Sincerely,

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

John R. Baza  
Associate Director

er

Enclosures

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

**Operator:** Ballard Petroleum, LLC

**Well Name & Number** Federal 22-32

**API Number:** 43-047-34016

**Lease:** U 56965

**Location:** SE NW      **Sec.** 32      **T.** 8 South      **R.** 23 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

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

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

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. <b>U-56965</b>	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>N/A</b>	
2. NAME OF OPERATOR <b>Ballard Petroleum LLC</b>			7. UNIT AGREEMENT NAME <b>N/A</b>	
3. ADDRESS AND TELEPHONE NO. <b>Tri-State Land Surveying Inc.</b>			8. FARM OR LEASE NAME, WELL NO. <b>Federal</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At surface <b>1416' FNL 1601' FWL</b> At proposed prod. zone <b>Same</b>			9. API WELL NO. <b>#22-32</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>11 miles South of Redwash Utah</b>			10. FIELD AND POOL, OR WILDCAT <b>North Chapita Wells</b>	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. <b>1416'</b>		16. NO. OF ACRES IN LEASE <b>640</b>	17. NO. OF ACRES ASSIGNED TO THIS WELL <b>40</b>	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. <b>±3600'</b>		19. PROPOSED DEPTH <b>8500'</b>	20. ROTARY OR CABLE TOOLS <b>Rotary</b>	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>4919.4'</b>			22. APPROX. DATE WORK WILL START* <b>June 1, 2001</b>	

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	K55 8 5/8"	24#	250'	180 sx - circulated to surface
7 7/8"	L55 4 1/2"	11.6#	8400'	950 sx - top of cement @ 3500'

Ballard Petroleum LLC proposes to drill a well to 8500' to test the Mesaverde Formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Order No. 1 attached.

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

**RECEIVED**

JUN 21 2001

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 prevention program if any.

24. Stacy Stewart Consultant for: Ballard Petroleum LLC DATE 4-6-01

(This space for Federal or State office use)

**NOTICE OF APPROVAL**

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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

APPROVED BY: Thomas B. Clavette Assistant Field Manager  
Mineral Resources DATE 06/11/2001

\*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.

**CONDITIONS OF APPROVAL ATTACHED**

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Ballard Petroleum LLC.

Well Name & Number: #22-32

API Number: 43-047-34016

Lease Number: U-56965

Location: SENW Sec. 32 T.8S R.23E

Agreement: N/A

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

**CONDITIONS OF APPROVAL**

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

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

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Pete Sokolosky of this office prior to setting the next casing string or requesting plugging orders.

2. Pressure Control Equipment

None

3. Casing Program and Auxiliary Equipment

Surface casing setting depths are based on ground level elevations only.

As a minimum, the usable water 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  $\pm 4375$  ft.

If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

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

5. Coring, Logging and Testing Program

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

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

6. Notifications of Operations

None

7. Other Information

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

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

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

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

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

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

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

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

Ed Forsman                   (435) 789-7077 (HOME)           (435) 646-1685 (PAGER)  
Petroleum Engineer

Kirk Fleetwood           (435) 789-6858 (HOME)           (435) 646-1678 (PAGER)  
Petroleum Engineer

BLM FAX Machine       (435) 781-4410

## EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM  
Conditions of Approval (COA)

Location of Existing and/or Proposed Facilities

1. Surface lines for gas gathering will follow roadways and will be as close to road surfaces as is practical without interfering with normal travel and or maintenance.
2. Surface lines for gas gathering will be either black or brown in color.

Methods for Handling Waste Disposal

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

Pits will be fenced according to the following minimum standards:

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

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

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

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

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

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

Plans For Reclamation Of Location

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

gardner saltbush	Atriplex gardneri	4 lbs/acre
mat saltbush	Atriplex corrugata	4 lbs/acre
Indian rice grass	Oryzopsis hymenoides	4 lbs/acre

2. If the seed mixture is to be aurally broadcasted, the pounds per acre shall be doubled. All seed poundages are in Pure Live Seed.
3. Immediately after construction the stockpiled top soil will be seeded and the seed worked into the soil by "walking" the pile with caterpillar tracks.
4. For final abandonment all topsoil shall be spread over the recontoured surface and the soils seeded.
5. Seeding for all reclamation work will be performed immediately after the spreading of the topsoil (within 7 days).
6. If fill material is used on the location and access road to prevent water saturated soils, those materials may be required to be removed if it is determined by the authorized officer.

Other Information

1. If invasive weeds developed on areas of development the operator will be required to take action to eradicate the invasive weeds to the satisfaction of the authorized officer.
2. If fill material is needed to improve the road due to water saturated soil the operator may be required to remove this material at the time of reclamation.

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

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
A MERGER BETWEEN BALLARD PETROLEUM LLC AND AEC OIL & GAS (USA) INC. BECAME EFFECTIVE ON 12-31-01. A COPY OF THE CERTIFICATE OF MERGER IS ATTACHED. THE NAME OF THE SURVIVING CORPORATION IS AEC OIL & GAS (USA) INC., A DELAWARE CORPORATION, WHICH WILL CONTINUE TO OPERATE UNDER BOND RLB0002902 (UT-1005).

ATTACHED IS A LIST OF THE UTAH WELLS AFFECTED BY THIS MERGER. IT IS REQUESTED THE OPERATOR NAME BE CHANGED TO AEC OIL & GAS (USA) INC.

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

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

(This space for State use only)

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

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



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

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

FEB 01 2002

### NOTICE

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

#### Merger Recognized

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

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

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

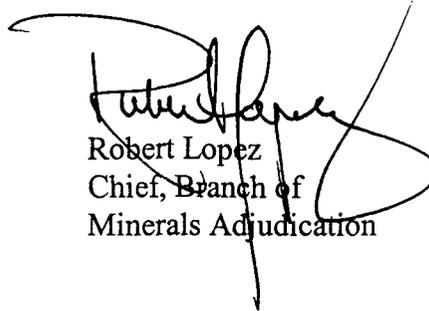
A cross reference was accomplished with our records and found that the lease UTU-58726 was not identified on your listing. We will appropriately document those files with a copy of this Notice.

**RECEIVED**

FEB 04 2002

DIVISION OF  
OIL, GAS AND MINING

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



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

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

Exhibit of Leases

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

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

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

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

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

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

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

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

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

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

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

AEC OIL & GAS (USA) INC.

By: Mary A. Viviano

Mary A. Viviano, Secretary



## State of Delaware

010674344

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

9343315

12-28-2001

WELBORN SULLIVAN MECK &amp; TOOLE, P.C.

821 17TH STREET

STE 500

DENVER

CO 80202

ATTN: AMY MANG X#

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

BOND RIDER NO. 2

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

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

AEC Oil & Gas (USA) Inc.

All other conditions and terms to remain as originally written.

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

AEC Oil & Gas (USA) Inc.

Principal

Mac

By

Jonathan L. Grannis, Vice President,  
Rockies Exploration

RLI Insurance Company

Surety

By

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

  
Mary A. Giviano, Secretary



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

RLB0002902

# POWER OF ATTORNEY

## RLI Insurance Company

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

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

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

\$50,000.00

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

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

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

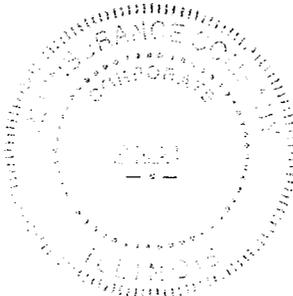
(Blue shaded areas above indicate authenticity)

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

ATTEST:

Camille J. Hensey

Corporate Secretary



RLI INSURANCE COMPANY

By: Jonathan E. Michael

President

State of Illinois )  
                          ) SS  
County of Peoria  )

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

Cherie L. Montgomery  
Notary Public



**OPERATOR CHANGE WORKSHEET**

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

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

**X** Merger

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

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

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

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

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

7. **Federal and Indian Units:**

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

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

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

9. **Underground Injection Control ("UIC")**

The Division has approved UIC Form 5, **Transfer of Authority to Inject,**

for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 02/04/2002

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 02/04/2002

3. Bond information entered in RBDMS on: N/A

4. Fee wells attached to bond in RBDMS on: N/A

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

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

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

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

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

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

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

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A

2. The **FORMER** operator has requested a release of liability from their bond on: N/A

The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

---

---

---

---

---

---

---

---



In Reply To:

# United States Department of the Interior



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

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

(922.EK)

May 10, 2002

## NOTICE

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

### CORPORATE MERGERS AND NAME CHANGES RECOGNIZED

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

#### **Merger:**

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

#### **Name Changes:**

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

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

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

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

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

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

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

/s/ Karen L. Johnson

Karen L. Johnson, Chief  
Fluids Adjudication Section

3 Enclosures

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

cc: (w/encl)

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

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

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

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

FM, North Dakota

FM, Miles City

Great Falls Oil & Gas Field Station

MT-922 (RM&O Section)

MT-930 (Cashier)

SMA

Merger/Name Change File

cc: (without enclosure)

All State Offices (electronic)

MT-921

MT-924

Bureau of Indian Affairs, Regional Director Rocky Mountain Region, Real  
Estate Services, 316 North 26<sup>th</sup> Street, Billings, MT 59101

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

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



**RECEIVED**

MAY 17 2002

**DIVISION OF  
OIL, GAS AND MINING**

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

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

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

To Whom It May Concern:

⇒ **US E&P Notice**

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

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

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

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

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

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

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

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

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

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

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-56965
2. NAME OF OPERATOR: AEC OIL & GAS (USA) INC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 950 17TH ST, #2600 CITY DENVER STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: NA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1416' FNL 1601' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 32 8S 23E M		8. WELL NAME and NUMBER: FEDERAL 22-32
		9. API NUMBER: 4304734016
		10. FIELD AND POOL, OR WILDCAT: NORTH CHAPITA
		COUNTY: UINTAH
		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 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>APD EXTENSION</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.  
AEC OIL & GAS (USA) INC REQUESTS THE APD FOR THE WELL REFERENCED ABOVE BE EXTENDED FOR ONE YEAR.

COPY SENT TO OPERATOR  
Date: 6-13-02  
Initials: CHD

**RECEIVED**

Approved by the  
Utah Division of  
Oil, Gas and Mining

MAY 30 2002

Date: 06-11-02  
By: [Signature]

DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>RUTHANN MORSS</u>	TITLE <u>PERMITTING AGENT</u>
SIGNATURE <u>[Signature]</u>	DATE <u>5/24/2002</u>

(This space for State use only)

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Name Change</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

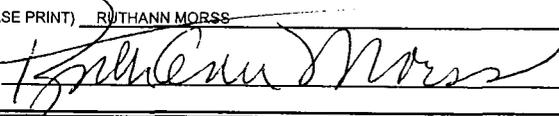
Effective 4-8-02 the name of AEC Oil & Gas (USA) Inc. was changed to EnCana Oil & Gas (USA) Inc. A copy of the Bond No. RLB0002902 is enclosed. The name of the Principal has been changed under this bond to read EnCana Oil & Gas (USA) Inc.

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

**RECEIVED**

JUN 19 2002

DIVISION OF  
OIL, GAS AND MINING

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

(This space for State use only)

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

FAX NO. 3038322366  
STATE OF DELAWARE  
SECRETARY OF STATE 02  
DIVISION OF CORPORATIONS  
FILED 04:12 PM 04/05/2002  
020221516 - 2137895

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

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

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

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

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

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

AEC OIL & GAS (USA) INC.

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

Date: 4-5-02

**RECEIVED**

JUN 19 2002

DIVISION OF  
OIL, GAS AND MINING

BOND RIDER NO. 3

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

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

EnCana Oil & Gas (USA) Inc.

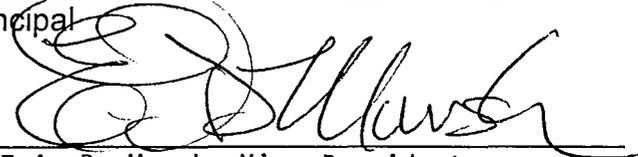
All other conditions and terms to remain as originally written.

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

EnCana Oil & Gas (USA) Inc.

Principal

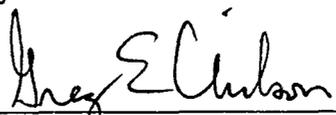
By

  
Eric D. Marsh, Vice President

RLI Insurance Company

Surety

By

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

**RECEIVED**

JUN 19 2002

**DIVISION OF  
OIL, GAS AND MINING**



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

RLB0002902

# POWER OF ATTORNEY

RLI Insurance Company

### Know All Men by These Presents:

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

in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:  
\$50,000.00

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

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

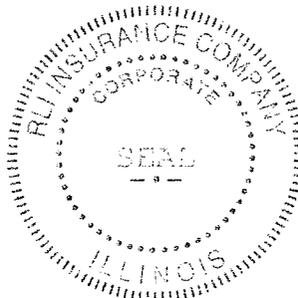
"All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize.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

(Blue shaded areas above indicate authenticity)

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

ATTEST:

Camille J. Hensey  
Corporate Secretary



RLI INSURANCE COMPANY

By: Jonathan E. Michael  
President

State of Illinois )  
                          ) SS  
County of Peoria )

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

Cherie L. Montgomery  
Notary Public



# RECEIVED

JUN 19 2002

DIVISION OF  
OIL, GAS AND MINING

API	WELL NAME	LEASE	QUARTER QUARTER	SEC- TOWNSHIP- RANGE	COUNTY	WELL STATUS
43-037-30909	HORSEHEAD POINT 16-44	UTU40754	SESE	18-36S-25E	SAN JUAN	SI
43-037-31293	DEADMAN CANYON 1-20	UTU57469	NWSE	20-37S-24E	SAN JUAN	INJ
43-037-31303	DEADMAN CANYON 2-20	UTU57469	SESE	20-37S-24E	SAN JUAN	PROD
43-037-31304	DEADMAN CANYON 3-20	UTU57469	SESE	20-37S-24E	SAN JUAN	P&A
43-037-31306	DEADMAN CANYON 1-28	UTU49678	SESE	28-37S-24E	SAN JUAN	SI
43-037-31403	1-15 CABALLO UNIT	UTU62953	NWNW	15-36S-23E	SAN JUAN	PROD
43-047-31795	NORTH CHAPITA 1-36	UTU56590	SWSW	36-8S-22E	UINTAH	PROD
43-037-31857	BADLANDS 1-31	UTU61401	SESE	31-8S-23E	UINTAH	P&A
43-047-31869	BADLANDS 1-32	UTU56965	SESE	32-8S-23E	UINTAH	PROD
43-047-33451	NORTH CHAPITA 24-31	UTU61401	SESW	31-8S-23E	UINTAH	PROD
43-047-33452	NORTH CHAPITA 44-30	UTU61400	SESE	30-8S-23E	UINTAH	PROD
43-047-33454	NORTH CHAPITA 44-36	UTU56960	SESE	35-8S-22E	UINTAH	PROD
43-049-30018	OIL HOLLOW 5-1	UTU77275	NWSW	5-11S-5E	UTAH	P&A
43-047-34084	FEDERAL 22-36	UTU56960	SESW	36-8S-22E	UINTAH	PROD
43-047-34085	FEDERAL 32-30	UTU61400	SWNE	30-8S-23E	UINTAH	PROD
43-047-33453	FEDERAL 44-31	UTU61401	SESE	31-8S-23E	UINTAH	PROD
43-047-34128	FEDERAL 24-36	UTU56960	SESW	36-8S-22E	UINTAH	APD
43-047-34180	FEDERAL 33-20	UTU77300	NWSE	20-8S-24E	UINTAH	APD
43-047-34182	FEDERAL 42-25	UTU65471	SENE	25-8S-22E	UINTAH	APD
43-047-34130	FEDERAL 41-36	UTU56960	NENE	36-8S-22E	UINTAH	APD
43-047-34016	FEDERAL 22-32	UTU56965	SESW	32-8S-23E	UINTAH	APD
43-047-34132	FEDERAL 43-36	UTU56960	NESE	36-8S-22E	UINTAH	APD
43-047-34181	FEDERAL 33-25	UTU65472	NWSE	25-8S-22E	UINTAH	APD
43-047-34179	FEDERAL 24-30	UTU61400	SESW	30-8S-23E	UINTAH	APD
43-047-34131	FEDERAL 43-31	UTU61401	NESE	31-8S-23E	UINTAH	APD
43-047-34127	FEDERAL 23-36	UTU56960	NESW	36-8S-22E	UINTAH	APD
43-047-34125	FEDERAL 22-36E	UTU78025	SESW	36-8S-23E	UINTAH	APD
43-047-34126	FEDERAL 23-31	UTU61401	NESW	31-8S-23E	UINTAH	APD
43-047-34178	FEDERAL 22-26	UTU76042	SESW	26-8S-23E	UINTAH	APD
43-047-34129	FEDERAL 41-31	UTU61401	NENE	31-8S-23E	UINTAH	APD

**RECEIVED**

JUN 19 2002

**DIVISION OF  
OIL, GAS AND MINING**

API	WELL NAME	LEASE	QUARTER/ QUARTER	SEC- TOWNSHIP- RANGE	COUNTY	WELL STATUS
43-037-30909	HORSEHEAD POINT 16-44	UTU40754	SESE	18-36S-25E	SAN JUAN	SI
43-037-31293	DEADMAN CANYON 1-20	UTU57469	NWSE	20-37S-24E	SAN JUAN	INJ
43-037-31303	DEADMAN CANYON 2-20	UTU57469	SESE	20-37S-24E	SAN JUAN	PROD
43-037-31304	DEADMAN CANYON 3-20	UTU57469	SESW	20-37S-24E	SAN JUAN	P&A
43-037-31306	DEADMAN CANYON 1-28	UTU49678	NWNW	28-37S-24E	SAN JUAN	SI
43-037-31403	1-15 CABALLO UNIT	UTU62953	NWNW	15-36S-23E	SAN JUAN	PROD
43-047-31795	NORTH CHAPITA 1-36	UTU56590	SWSW	36-8S-22E	UINTAH	PROD
43-037-31857	BADLANDS 1-31	UTU61401	SESW	31-8S-23E	UINTAH	P&A
43-047-31869	BADLANDS 1-32	UTU56965	SESE	32-8S-23E	UINTAH	PROD
43-047-33451	NORTH CHAPITA 24-31	UTU61401	SESW	31-8S-23E	UINTAH	PROD
43-047-33452	NORTH CHAPITA 44-30	UTU61400	SESE	30-8S-23E	UINTAH	PROD
43-047-33454	NORTH CHAPITA 44-36	UTU56960	SESE	35-8S-22E	UINTAH	PROD
43-049-30018	OIL HOLLOW 5-1	UTU77275	NWSW	5-11S-5E	UTAH	P&A
43-047-34084	FEDERAL 22-36	UTU56960	SESW	36-8S-22E	UINTAH	PROD
43-047-34085	FEDERAL 32-30	UTU61400	SWNE	30-8S-23E	UINTAH	PROD
43-047-33453	FEDERAL 44-31	UTU61401	SESE	31-8S-23E	UINTAH	PROD
43-047-34128	FEDERAL 24-36	UTU56960	SESW	36-8S-22E	UINTAH	APD
43-047-34180	FEDERAL 33-20	UTU77300	NWSE	20-8S-24E	UINTAH	APD
43-047-34182	FEDERAL 42-25	UTU65471	SENE	25-8S-22E	UINTAH	APD
43-047-34130	FEDERAL 41-36	UTU56960	NENE	36-8S-22E	UINTAH	APD
43-047-34016	FEDERAL 22-32	UTU56965	SESW	32-8S-23E	UINTAH	APD
43-047-34132	FEDERAL 43-36	UTU56960	NESE	36-8S-22E	UINTAH	APD
43-047-34181	FEDERAL 33-25	UTU65472	NWSE	25-8S-22E	UINTAH	APD
43-047-34179	FEDERAL 24-30	UTU61400	SESW	30-8S-23E	UINTAH	APD
43-047-34131	FEDERAL 43-31	UTU61401	NESE	31-8S-23E	UINTAH	APD
43-047-34127	FEDERAL 23-36	UTU56960	NESW	36-8S-22E	UINTAH	APD
43-047-34125	FEDERAL 22-36E	UTU78025	SESW	36-8S-23E	UINTAH	APD
43-047-34126	FEDERAL 23-31	UTU61401	NESW	31-8S-23E	UINTAH	APD
43-047-34178	FEDERAL 22-26	UTU76042	SESW	26-8S-23E	UINTAH	APD
43-047-34129	FEDERAL 41-31	UTU61401	NENE	31-8S-23E	UINTAH	APD

**RECEIVED**

JUN 19 2002

**DIVISION OF  
OIL, GAS AND MINING**

**OPERATOR CHANGE WORKSHEET**

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

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

**X** Merger

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

CA No. Unit:

WELL(S)	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
HORSEHEAD POINT 18-44	18-36S-25E	43-037-30909	6031	FEDERAL	GW	S
FEDERAL 42-25	25-08S-22E	43-047-34182	99999	FEDERAL	GW	APD
FEDERAL 33-25	25-08S-22E	43-047-34181	99999	FEDERAL	GW	APD
FEDERAL 44-36	35-08S-22E	43-047-33454	13075	FEDERAL	GW	P
FEDERAL 22-36	36-08S-22E	43-047-34084	13173	FEDERAL	GW	P
FEDERAL 41-36	36-08S-22E	43-047-34130	99999	FEDERAL	GW	APD
FEDERAL 23-36	36-08S-22E	43-047-34127	99999	FEDERAL	GW	APD
FEDERAL 22-26	26-08S-23E	43-047-34178	99999	FEDERAL	GW	APD
FEDERAL 44-30	30-08S-23E	43-047-33452	13137	FEDERAL	GW	P
FEDERAL 32-30	30-08S-23E	43-047-34085	13172	FEDERAL	GW	P
FEDERAL 44-31	31-08S-23E	43-047-33453	13091	FEDERAL	GW	P
FEDERAL 41-31	31-08S-23E	43-047-34129	99999	FEDERAL	GW	APD
FEDERAL 22-32	32-08S-23E	43-047-34016	99999	FEDERAL	GW	APD
FEDERAL 22-36E	36-08S-23E	43-047-34125	99999	FEDERAL	GW	APD
FEDERAL 33-20	20-08S-24E	43-047-34180	99999	FEDERAL	GW	APD

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

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

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

---

**7. Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 05/10/2002

---

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

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

---

**9. Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

---

**DATA ENTRY:**

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

---

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

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

---

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

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

---

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

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

---

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

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

---

**LEASE INTEREST OWNER NOTIFICATION:**

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

---

**COMMENTS:**

---

---

---

---

---

---

---

---

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

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

July 2, 2002

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

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

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

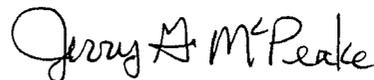
**Re: AEC Oil & Gas (USA) Inc. name change to EnCana Oil & Gas (USA) Inc.** Of Counsel  
Robert F. Welborn

Dear Mr. Thompson:

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

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

Very truly yours,



Jerry G. McPeake  
Paralegal

/jm  
Enclosures

**RECEIVED**

JUL 05 2002

**DIVISION OF  
OIL, GAS AND MINING**

---

*The First State*

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



2137895 8100

020418994

*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 1858569

DATE: 06-27-02

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

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

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

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

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

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

AEC OIL & GAS (USA) INC.

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

Date: 4-5-02

Affected Leases (state)

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

**GRAND COUNTY:**

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

**SAN JUAN COUNTY:**

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

JUL 10 2002

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

*SUBMIT IN TRIPLICATE*

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. U-56965
2. Name of Operator ENCANA OIL & GAS (USA) INC.	6. If Indian, Allottee or Tribe Name NA
3. Address and Telephone No. 950 17th Street, Suite 2600 Denver, CO 80202 303-389-5060	7. If Unit or CA, Agreement Designation NA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SENW SECTION 32 T8S-R23E 1416' FNL 1601' FWL	8. Well Name and No. FEDERAL 22-32
	9. API Well No. 43-047-34016
	10. Field and Pool, or Exploratory Area NORTH CHAPITA
	11. County or Parish, State UINTAH

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.)\*

ENCANA OIL & GAS (USA) INC. REQUESTS THE APD FOR THE WELL REFERENCED ABOVE BE EXTENDED FOR ONE YEAR.

RECEIVED

AUG 12 2002

DIVISION OF  
OIL, GAS AND MINING

**CONDITIONS OF APPROVAL ATTACHED**

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

Signed *William Moss* Title PERMITTING AGENT Date 7/8/02

(This space for Federal or State office use)

Approved by *Kirk Johnson* Title Petroleum Engineer Date 7/26/02

Conditions of approval, if any:

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

\* See Instructions on Reverse Side

Encana Oil and Gas (USA) Inc.  
APD Extension

Well: Badlands Federal 22-32

Location: SENW Sec. 32, T8S, R23E

Lease: UTU 56965

**CONDITIONS OF APPROVAL**

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

---

1. The extension will expire June 11, 2003
2. No other extensions beyond that time frame will be granted or allowed.

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

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: ENCANA OIL & GAS INC

Well Name: FEDERAL 22-32

Api No: 43-047-34016 Lease Type: FEDERAL

Section 32 Township 08S Range 23E County UINTAH

Drilling Contractor BILL MARTIN RIG # RATHOLE

**SPUDDED:**

Date 06/27/03

Time 10:00 AM

How DRY

**Drilling will commence:** \_\_\_\_\_

Reported by MARK CUTRIGHT

Telephone # 1-720-635-5260

Date 06/30/2003 Signed: CHD

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

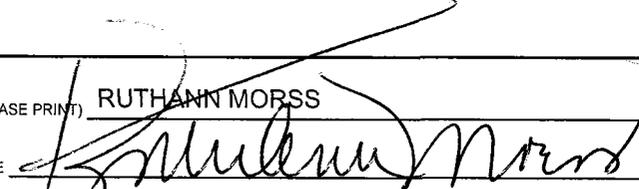
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-56965
2. NAME OF OPERATOR: ENCANA OIL & GAS (USA) INC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 950 17TH ST, #2600 CITY DENVER STATE CO ZIP 80534		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1416' FNL 1601' FWL		8. WELL NAME and NUMBER: FEDERAL 22-32
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 32 8S 23E		9. API NUMBER: 4304734016
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NORTH CHAPITA
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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>SPUD</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.  
 THE FEDERAL 22-32 WAS SPUD 6-27-2003. 513' OF 8.625", J-55, ST&C CASING WAS SET. CEMENTED WITH 360 SKS PREMIUM CEMENT WITH 2% CACL, 1/4# FLOCELE.

NAME (PLEASE PRINT) <u>RUTHANN MORSS</u>	TITLE <u>PERMITTING AGENT</u>
SIGNATURE 	DATE <u>7/14/2003</u>

(This space for State use only)

**RECEIVED**  
**JUL 17 2003**  
DIV. OF OIL, GAS & MINING

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

FORM 6

**ENTITY ACTION FORM**

Operator: ENCANA OIL & GAS (USA) INC Operator Account Number: N 2175  
 Address: 950 17TH ST, STE 2600  
city DENVER  
state CO zip 80202 Phone Number: (303) 389-5060

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304734016	FEDERAL 22-32		SENW	32	8S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13839	6/27/2003				
Comments: <i>outside PA MSURD</i>							

**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)

*Ruthann Morss*  
 RUTHANN MORSS  
 Name (Please Print)  
*Ruthann Morss*  
 Signature  
 PERMITTING AGENT 7/14/2003  
 Title Date

**RECEIVED**

**JUL 17 2003**

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:  
U-56965

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:  
FEDERAL #22-32

9. API NUMBER:  
4304734016

10. FIELD AND POOL, OR WILDCAT  
NORTH CHAPITA

11. QTR/QTR, SECTION, TOWNSHIP, RANGE,  
MERIDIAN:  
SEW 32 8S 23E

12. COUNTY  
UINTAH

13. STATE  
UTAH

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. RESVR.  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
ENCANA OIL & GAS (USA) INC.

3. ADDRESS OF OPERATOR: 950 17TH ST, STE 2600 CITY DENVER STATE CO ZIP 80123  
PHONE NUMBER: (303) 623-2300

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 1416' FNL & 1601' FWL

AT TOP PRODUCING INTERVAL REPORTED BELOW:

AT TOTAL DEPTH:

14. DATE SPUDED: 7/5/2003  
15. DATE T.D. REACHED: 7/19/2003  
16. DATE COMPLETED: 8/17/2003  
ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
4919 GL/4931 KB

18. TOTAL DEPTH: MD 6,824  
TVD

19. PLUG BACK T.D.: MD 6,723  
TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? \*  
21. DEPTH BRIDGE MD  
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
CBL/RST MUD LOG - Rec 9-29-03  
Rec 9-29-03

23. WAS WELL CORED? NO  YES  (Submit analysis)  
WAS DST RUN? NO  YES  (Submit report)  
DIRECTIONAL SURVEY? NO  YES  (Submit copy)

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 **	AMOUNT PULLED
12.25	8.625 J	24	0	513		360		0	
7.875	4.5 N80	11.6	0	6,823		268		5400 CB	

RECEIVED  
SEP 29 2003  
DIV. OF OIL, GAS & MINING

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 3/8"	5,678							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) WASATCH	5,690	6,476		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
5,690 - 5,870		31	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
6,098 - 6,192		26	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
6,310 - 6,476		25	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6310-6476	ACID - 1500 GAL 7.5% HCL, FRAC - 2927 BBL SLICKWATER, 121,560# SD
6098-6192	ACID - 1500 GAL 7.5% HCL + 50 BALLS, FRAC - 5072 BBL SLICKWATER, 201,069# SD
5690-5870	ACID - 1500 GAL 7.5% HCL + 50 BALLS, FRAC - 4775 BBL SLICKWATER, 202,120# SD

29. ENCLOSED ATTACHMENTS:

- ELECTRICAL/MECHANICAL LOGS  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  
 GEOLOGIC REPORT  
 CORE ANALYSIS  
 DST REPORT  
 OTHER: \_\_\_\_\_  
 DIRECTIONAL SURVEY

30. WELL STATUS:

PROD

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 8/8/2003		TEST DATE: 8/31/2003		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 1,248	WATER - BBL: 150	PROD. METHOD: FLOW
CHOKE SIZE: OPEN	TBG. PRESS. 639	CSG. PRESS. 850	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 1,248	WATER - BBL: 150	INTERVAL STATUS: PROD	

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

SOLD

33. 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.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				GREEN RIVER	2,075
				GREEN RIVER MKR	2,968
				GREEN RIVER MKR 2	3,611
				DOUGLAS CREEK	4,079
				CARBONATE MKR	4,563
				WASATCH	5,106

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) KAREN ACHTEN

TITLE ENGINEERING TECH

SIGNATURE *Karen E Achten*

DATE 9/26/2003

This report must be submitted within 30 days of

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

\* 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 (TS)).

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

Phone: 801-538-5340  
Fax: 801-359-3940



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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

		5. LEASE DESIGNATION AND SERIAL NUMBER:
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>NA</b>
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>See attached Exhibit "A"</b>
2. NAME OF OPERATOR: <b>ENCANA OIL &amp; GAS (USA) INC</b> <i>N2175</i>		9. API NUMBER:
3. ADDRESS OF OPERATOR: 370 17th St., Suite 1700 <small>CITY</small> <b>Denver</b> <small>STATE</small> <b>CO</b> <small>ZIP</small> <b>80202</b>		PHONE NUMBER: <b>(303) 623-2300</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>SEE ATTACHED EXHIBIT "A"</b>		COUNTY: <b>UINTAH</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT <small>(Submit in Duplicate)</small> Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> 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 checked="" type="checkbox"/> SUBSEQUENT REPORT <small>(Submit Original Form Only)</small> Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Effective Date: May 1, 2006

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

EOG RESOURCES, INC.

Name **Kurt D. Doerr**

Title **Agent or Attorney-in-Fact**

Signature \_\_\_\_\_

Date **7/11/2006**

NAME (PLEASE PRINT) **Douglas W. Jones**

TITLE **Attorney-in-Fact**

SIGNATURE \_\_\_\_\_

DATE **7/11/2006**

(This space for State use only)

**APPROVED** 7/19/2006

(5/2000)

*Earlene Russell*  
**Division of Oil, Gas and Mining**  
**Earlene Russell, Engineering Technician**

(See Instructions on Reverse Side)

**RECEIVED**

**JUL 13 2006**

DIV. OF OIL, GAS & MINING

**EXHIBIT "A"**

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

**UINTAH COUNTY, UTAH**

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

RECEIVED

SUNDRY NOTICES AND REPORTS ON WELLS

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

JUL 13 2006

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

6. If Indian, Allottee or Tribe Name  
NA

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

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

9. API Well No.

10. Field and Pool, or Exploratory Area  
Natural Buttes

11. County or Parish, State  
Uintah, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well  
Oil  Well  Gas Well  Other

2. Name of Operator  
ENCANA OIL & GAS (USA) INC.

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

3b. Phone No.  
303-623-2300

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

See attached Exhibit "A"

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input 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 checked="" type="checkbox"/> Other: <b>Change of Operator</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

Effective Date: 5/1/2006

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

*Sheila Singer 7/11/06*  
Regulatory Supervisor

SEE ATTACHMENT

RECEIVED  
SEP 01 2006

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Douglas W. Jones		Title DIV. OF OIL, GAS & MINING Attorney-in-Fact
Signature <i>Douglas W. Jones</i>		Date 7/11/06
<p style="text-align: center;"><b>RETURNED TO OPERATOR</b></p> Approved by <i>[Signature]</i> 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.		Title Date Office

UDOGM

**EXHIBIT "A"**

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

**UINTAH COUNTY, UTAH**

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

### **Reason for Return**

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

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

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

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

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

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



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office  
170 South 500 East  
Vernal, UT 84078  
(435) 781-4400 Fax: (435) 781-4410  
<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:

3160  
UT08300

October 1, 2007

Mary A. Maestas  
EOG Resources, Inc.  
600 17<sup>th</sup> Street, Suite 1000N  
Denver, CO 80202

*43-047-34016*  
Re: Well No. Federal 22-32  
SENW, Sec. 32, T8S, R23E  
Uintah County, Utah  
Lease No. UTU-56965

Dear Ms. Maestas:

This correspondence is in regard to the self-certification statement submitted requesting a change of operator for the referenced well. After a review by this office, the change of operator request is approved. Effective immediately, EOG Resources, Inc., is responsible for all operations performed on the above referenced well. All liability will now fall under your bond, BLM Bond No. NM2308, for all operations conducted on the referenced well on the leased land.

If you have any other questions concerning this matter, please contact Cindy Severson of this office at (435) 781-4455.

Sincerely,

Matt Baker  
Petroleum Engineer

Enclosure

cc: UDOGM  
EnCana Oil & Gas (USA), Inc.

RECEIVED  
NOV 07 2007  
DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
VERNAL FIELD OFFICE

FORM APPROVED  
OM B No. 1004-0137  
Expires: March 31, 2007

2007 AUG 31 PM 1:11

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

5. Lease Serial No. **U-56965**

6. Indian, Allottee or Tribe Name

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

8. Well Name and No. **Federal 22-32**

9. API Well No. **43-047-34016**

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**Uintah County, Utah**

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

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator **Encana Oil & Gas (USA) Inc.**

3a. Address **370 17th Street, Suite 1700, Denver, CO 80202**

3b. Phone No. (include area code) **303-623-2300**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1416' FNL & 1601' FWL (SENW)  
 Sec. 32-T8S-R23E 40.08262 LAT 109.35394 LON**

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

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

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

**Please be advised that EOG Resources, Inc. is considered to be the operator of the above referenced well and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. The effective date of change is May 1, 2006.**

EOG Resources, Inc.  
600 17th St., Suite 1000N  
Denver, CO 80202

**BLM Bond No. NM2308**

*Mary A. Maestas*  
Mary A. Maestas, Regulatory Assistant

Date 8/30/2007

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**Ricardo D. Gallegos**

Title **Attorney-in-Fact**

Signature

*Ricardo D. Gallegos*

Date

8/27/07

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

Approved by

*Matt Baker*

**Petroleum Engineer**

Date **OCT 01 2007**

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 **VERNAL FIELD 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.

(Instructions on page 2)

NOV 07 2007

DIV. OF OIL, GAS & MINING

**UDOGM**