

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. UTU 0806	
6. If Indian, Allottee or Tribe Name UTE TRIBAL	
7. If Unit or CA Agreement, Name and No. WONSITS VALLEY	
8. Lease Name and Well No. WONSITS VALLEY 7W-11-8-21	
9. API Well No. 43-047-34273	
10. Field and Pool, or Exploratory WONSITS VALLEY	
11. Sec., T., R., M., or Blk. and Survey or Area Sec 11 T8S R21E Mer SLB	
12. County or Parish UINTAH	13. State UT
17. Spacing Unit dedicated to this well 40.00	
20. BLM/BIA Bond No. on file U-0969	
23. Estimated duration 10 DAYS	

1a. Type of Work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
SHENANDOAH ENERGY INC. Contact: JOHN BUSCH
E-Mail: jbusch@shenandoahenergy.com

3a. Address
11002 E. 17500 S.
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 435.781.4341 Fx: 435.781.4323

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface SWNE 2094FNL 2092FEL
At proposed prod. zone

14. Distance in miles and direction from nearest town or post office*
15 MILES SOUTHWEST OF REDWASH UTAH

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
2092

16. No. of Acres in Lease
2480.00

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
1250

19. Proposed Depth
7870 MD
7870 TVD

21. Elevations (Show whether DF, KB, RT, GL, etc.)
4915 KB

22. Approximate date work will start
08/22/2001

CONFIDENTIAL

4444121 N
626146 E

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>John Busch</i>	Name (Printed/Typed) JOHN BUSCH	Date 08/24/2001
Title OPERATIONS		
Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 09-05-01
Title	Office RECLAMATION SPECIALIST III	

Application approval does not warrant or certify 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, are attached.

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.

Additional Operator Remarks (see next page)

RECEIVED

Electronic Submission #6280 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC., sent to the Vernal

AUG 29 2001

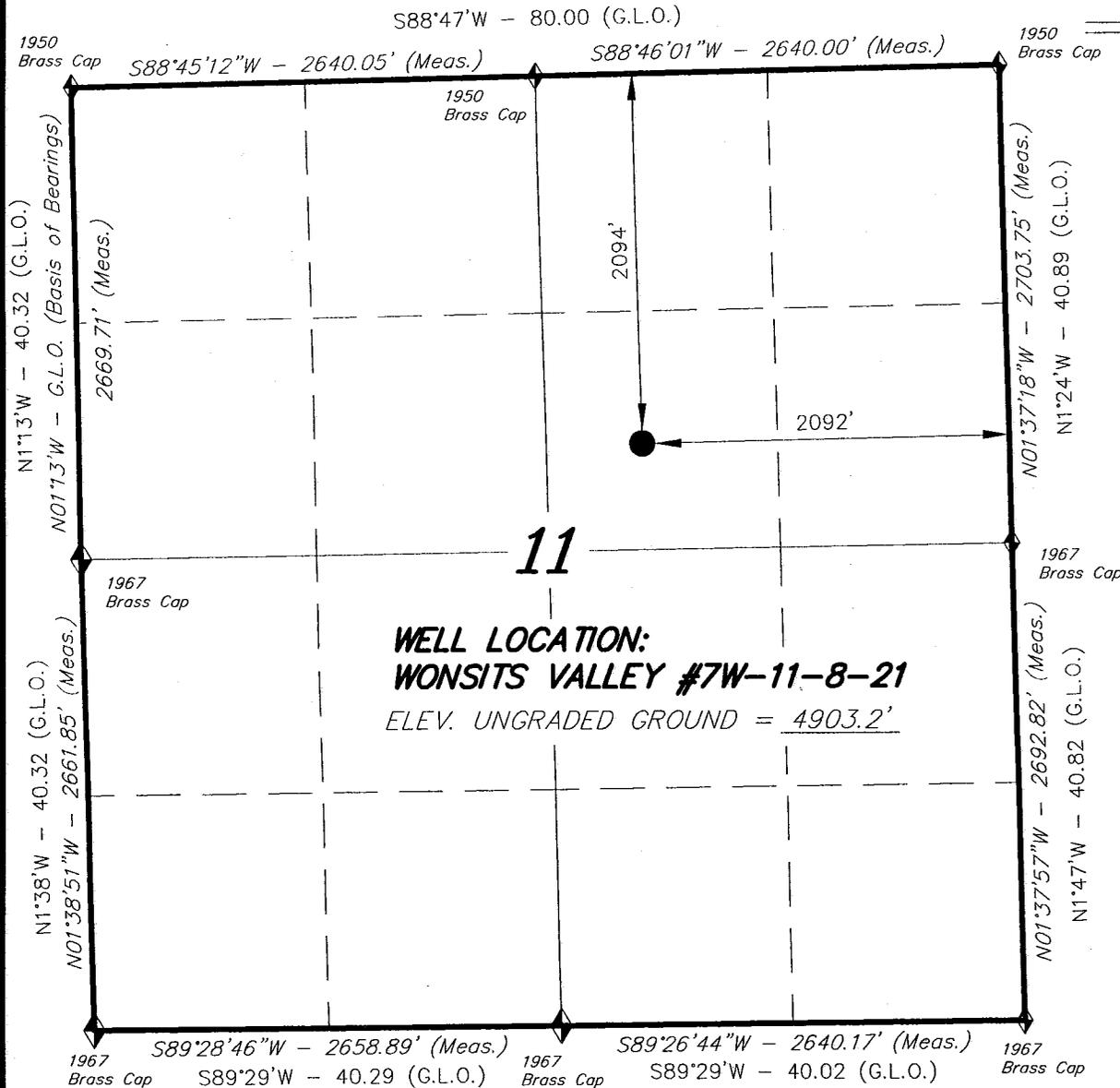
DIVISION OF
OIL, GAS AND MINING

Federal Approval of this
Action is Necessary

** ORIGINAL **

T8S, R21E, S.L.B.&M.

SHENANDOAH ENERGY, INC.

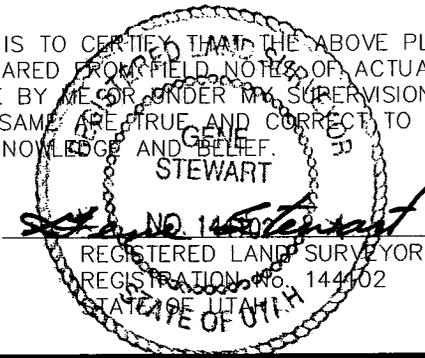


WELL LOCATION, WONSITS VALLEY #7W-11-8-21, LOCATED AS SHOWN IN THE SW 1/4 NE 1/4 OF SECTION 11, T8S, R21E, S.L.B.&M. UINTAH COUNTY, UTAH.



WELL LOCATION:
WONSITS VALLEY #7W-11-8-21
 ELEV. UNGRADED GROUND = 4903.2'

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:	8-14-01	WEATHER:	HOT
DRAWN BY:	J.R.S.	FILE #	

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

WONSITS VALLEY #7W-11-8-21
 LATITUDE = 40° 08' 23.60"
 LONGITUDE = 109° 31' 12.03"

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Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 7870' to test the Wasatch. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Operation will be according to the Standard Operating Practices for the Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in T7S, R21-24E and T8S, R21-24E.

See Onshore Order No. 1 attached.

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

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

SHENANDOAH ENERGY INC.

WV #7W-11-8-21

**LOCATED IN UINTAH COUNTY, UTAH
SECTION 11, T8S, R21E, S.L.B.&M.**



PHOTO: VIEW OF PROPOSED LOCATION

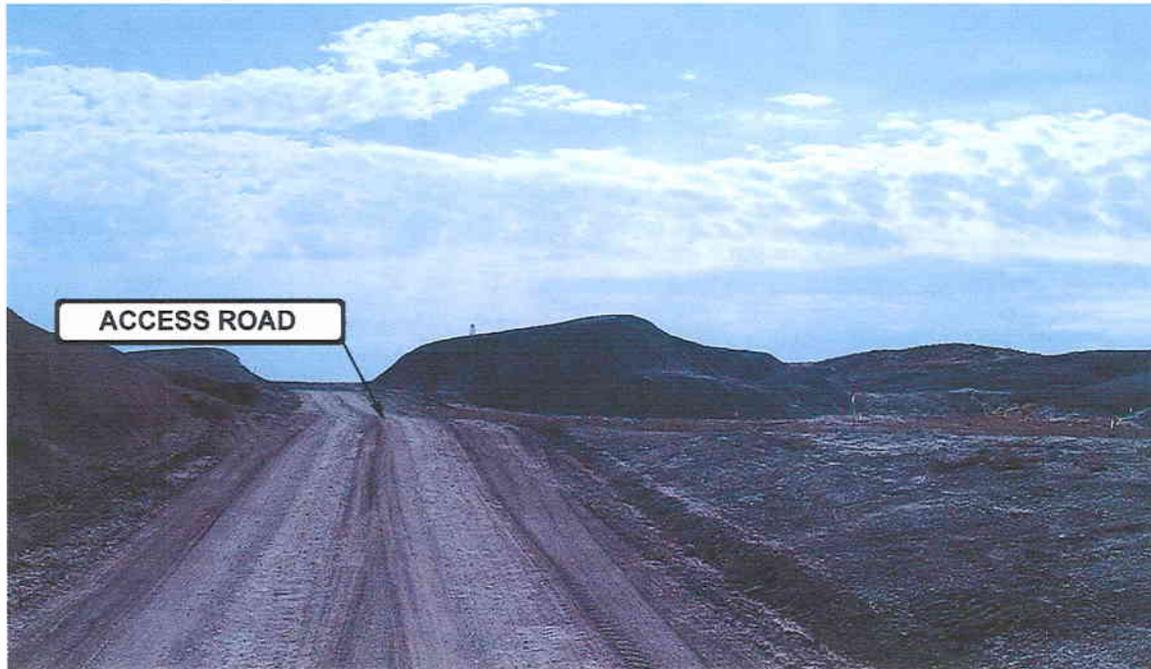


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

Tri-State Land Surveying Inc.
38 West 100 North, Vernal, UT 84078
435-781-2501 tristate@caslink.com

LOCATION PHOTOS

Drawn By: D.R.J.

Date: 8-16-01

CONFIDENTIAL

SHENANDOAH ENERGY INC.
WELL # WV 7W-11-8-21

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

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

1. Formation Tops

The estimated tops of important geologic markers are as follows:

Formation	Depth	Prod. Phase Anticipated
Uinta	Surface	
Green River	2740'	
Mahogany Ledge	3565'	
Wasatch	6165'	
TD (Wasatch)	7870'	Gas

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

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

Substance	Formation	Depth
Oil/Gas	Wasatch	7870'

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

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

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 3148.0 psi.

SHENANDOAH ENERGY INC.
WONSITS VALLEY UNIT #7W-11-8-21
2094' FNL 2092' FEL SWNE
SECTION 11, T8S, R21E, SLB&M
UINTAH COUNTY, UTAH
LEASE # UTU-0806

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

There will be no improvements made to existing access roads.

2. **Planned Access Roads:**

Please see the Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench and undesignated fields in T7S, R21-24E and T8S, R21-24E Standard Operating Practices (SOP).

Refer to Topo Map B for the location of the proposed access road.

3. **Location of Existing Wells Within a 1 – Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

Please see the Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench and undesignated fields in T7S, R21-24E and T8S, R21-24E Standard Operating Practices (SOP).

Refer to Topo Map D for the location of the proposed pipeline.

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

Please see the Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench and undesignated fields in T7S, R21-24E and T8S, R21-24E Standard Operating Practices (SOP).

6. **Source of Construction Materials:**

Please see the Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench and undesignated fields in T7S, R21-24E and T8S, R21-24E Standard Operating Practices (SOP).

7. **Methods of Handling Waste Materials:**

Please see the Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench and undesignated fields in T7S, R21-24E and T8S, R21-24E Standard Operating Practices (SOP).

8. **Ancillary Facilities:**

Please see the Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench and undesignated fields in T7S, R21-24E and T8S, R21-24E Standard Operating Practices (SOP).

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

10. **Plans for Reclamation of the Surface:**

Please see the Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench and undesignated fields in T7S, R21-24E and T8S, R21-24E Standard Operating Practices (SOP).

11. **Surface Ownership:**

The well pad and access road are located on lands owned by:

Ute Indian Tribe
P.O. Box 143
Ft. Duchesne, UT 84026

12. **Other Information**

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

Lessee's or Operator's Representative:

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

Certification:

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

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

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

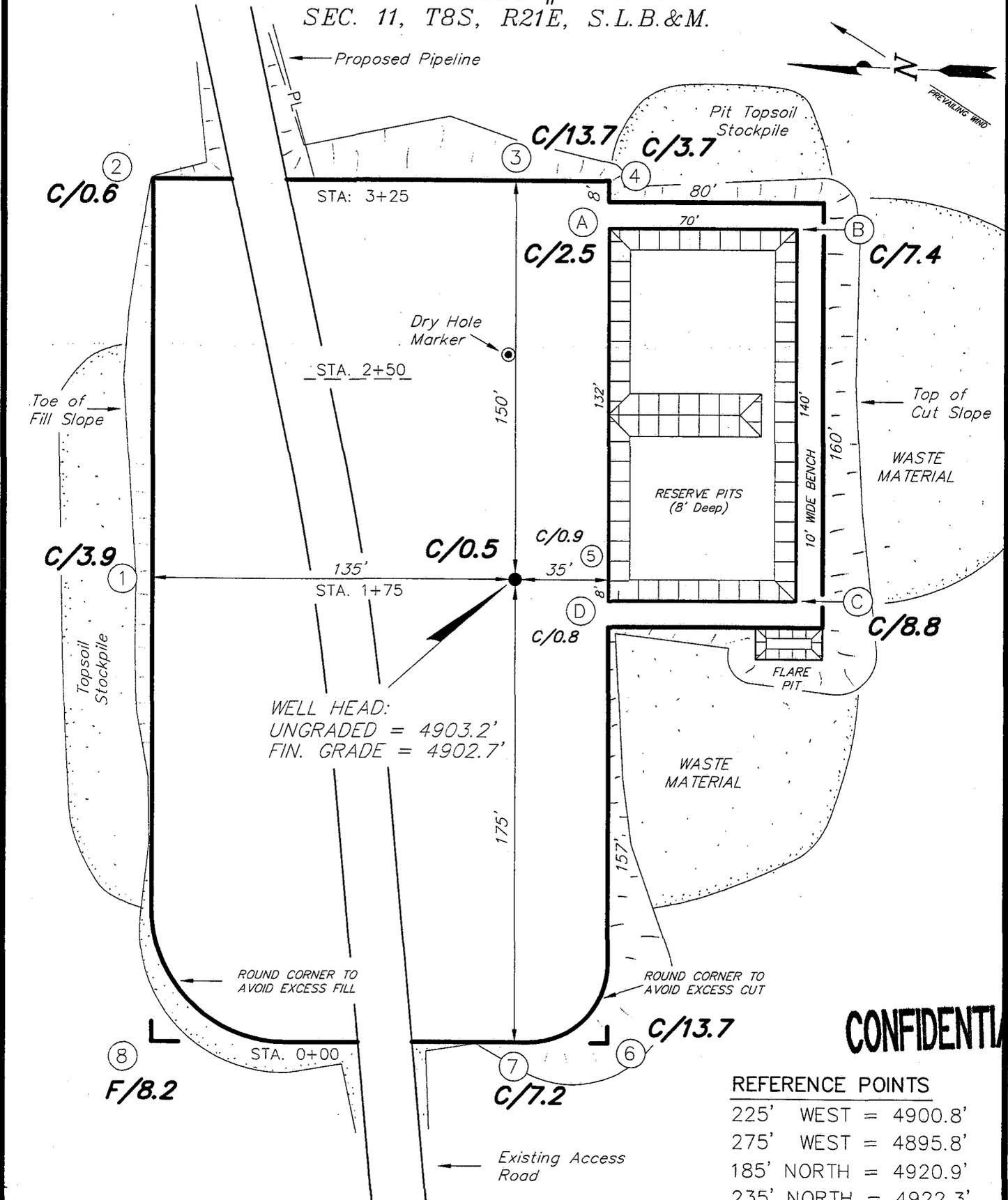
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated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

John Busch
John Busch
Red Wash Operations Representative

Aug 22-01
Date

SHENANDOAH ENERGY, INC.

WONSITS VALLEY #7W-11-8-21
 SEC. 11, T8S, R21E, S.L.B.&M.



WELL HEAD:
 UNGRADED = 4903.2'
 FIN. GRADE = 4902.7'

CONFIDENTIAL

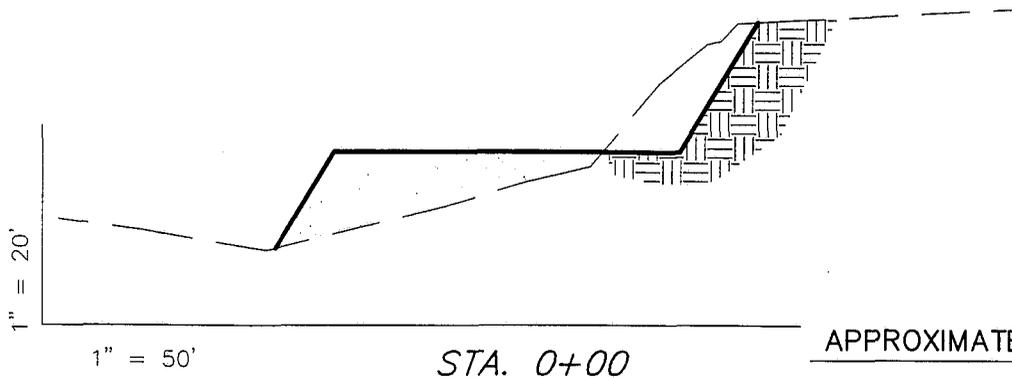
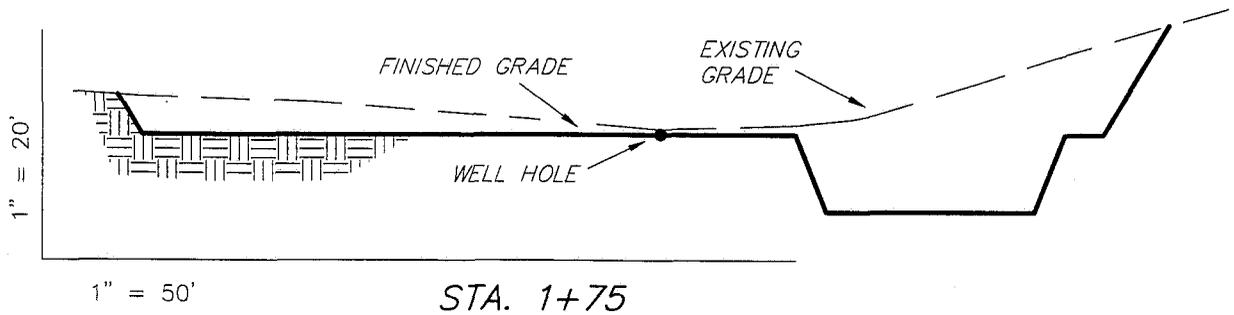
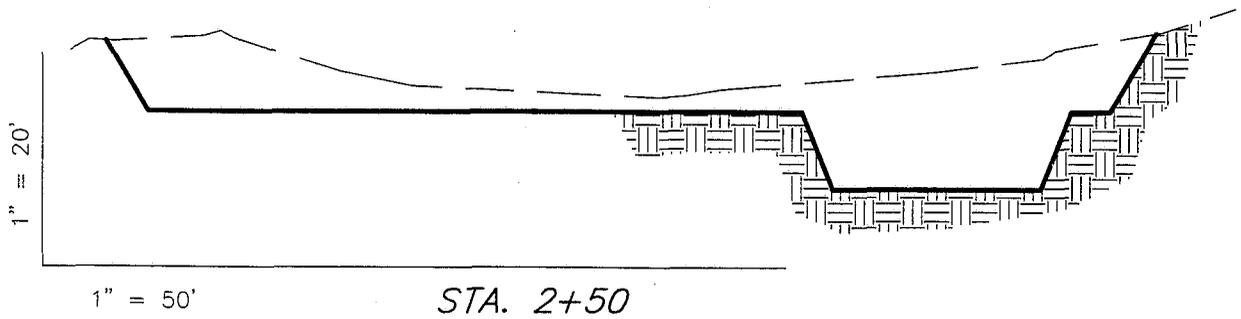
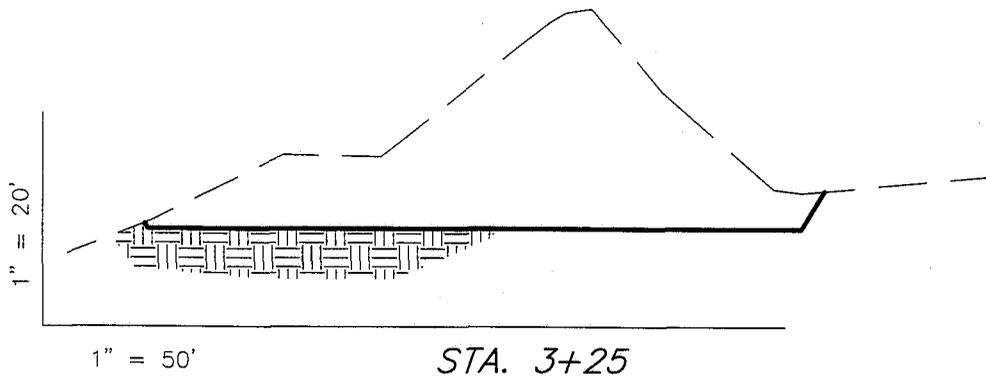
- REFERENCE POINTS**
- 225' WEST = 4900.8'
 - 275' WEST = 4895.8'
 - 185' NORTH = 4920.9'
 - 235' NORTH = 4922.3'

SURVEYED BY: D.J.S.	SCALE: 1" = 50'	<p style="font-size: 0.8em;">(435) 781-2501</p>
DRAWN BY: J.R.S.	DATE: 8-14-01	

SHENANDOAH ENERGY, INC.

CROSS SECTIONS

WONSITS VALLEY #7W-11-8-21



CONFIDENTIAL

APPROXIMATE YARDAGES

CUT = 6,930 Cu. Yds.

FILL = 1,710 Cu. Yds.

PIT = 2,370 Cu. Yds.

12" TOPSOIL = 2,520 Cu. Yds.

SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

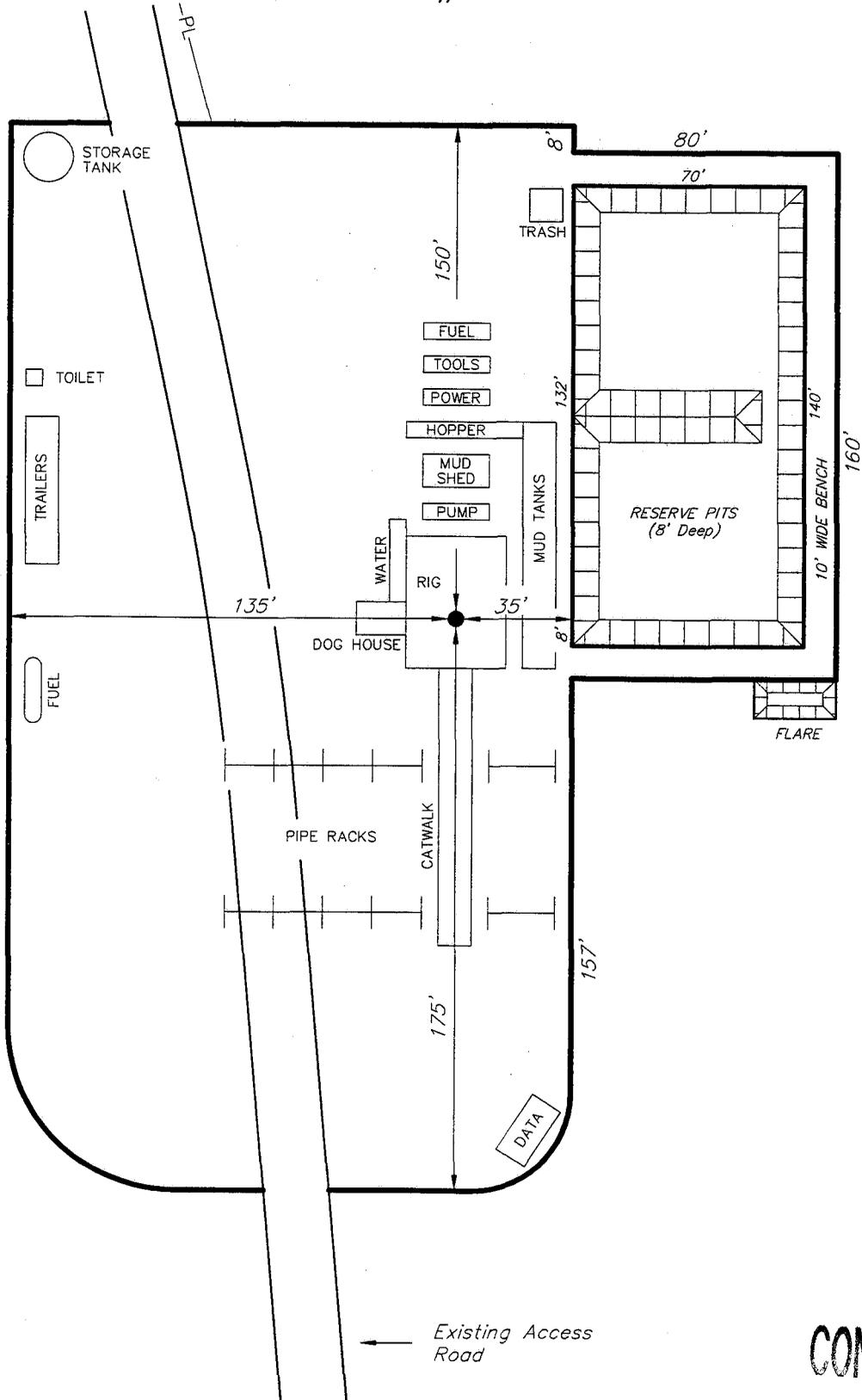
DATE: 8-14-01

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

SHENANDOAH ENERGY, INC.

TYPICAL RIG LAYOUT

WONSITS VALLEY #7W-11-8-21



CONFIDENTIAL

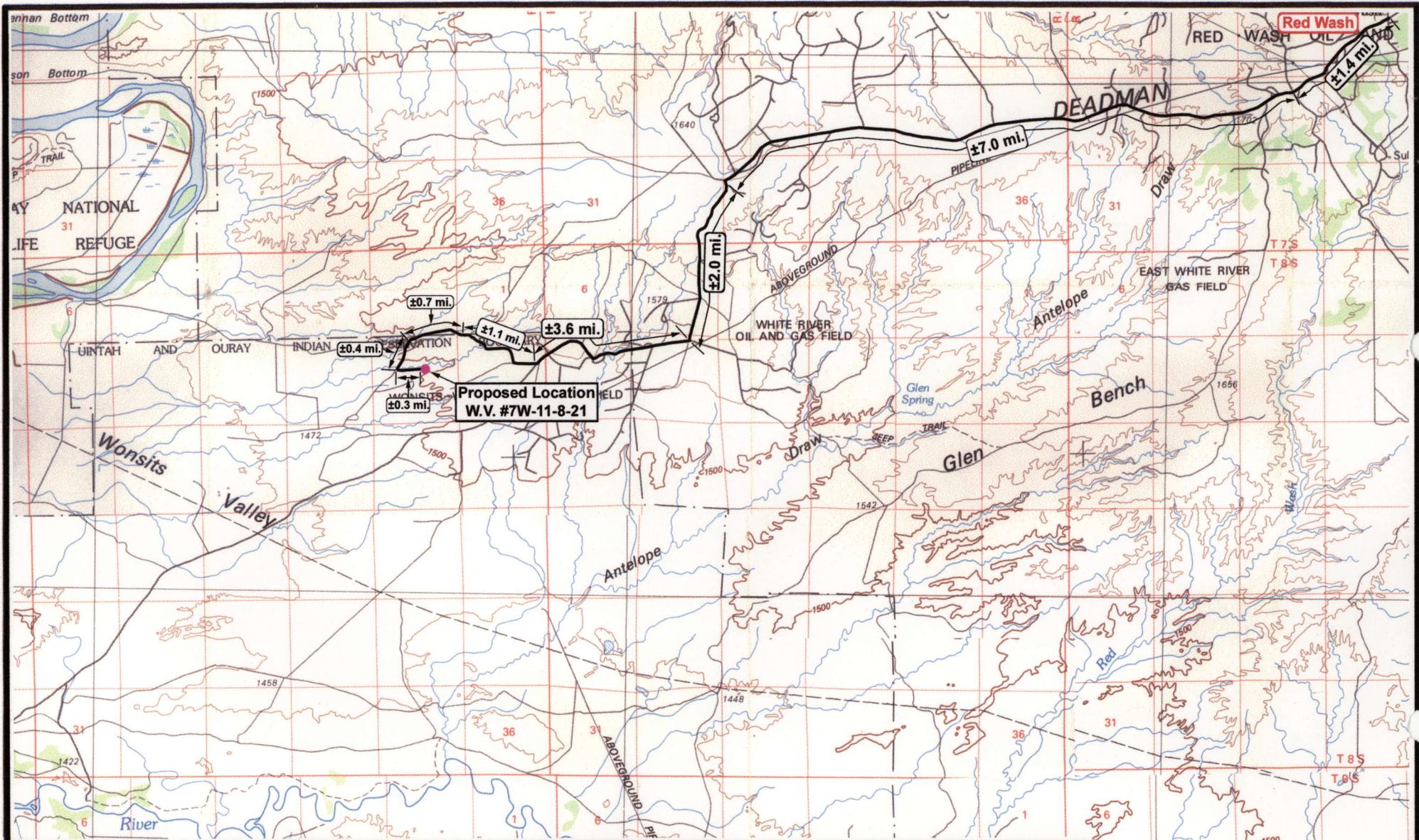
SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 8-14-01

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



SHENANDOAH ENERGY INC.

CONFIDENTIAL

**Wonsits Valley #7W-11-8-21
SEC. 11, T8S, R21E, S.L.B.&M.**



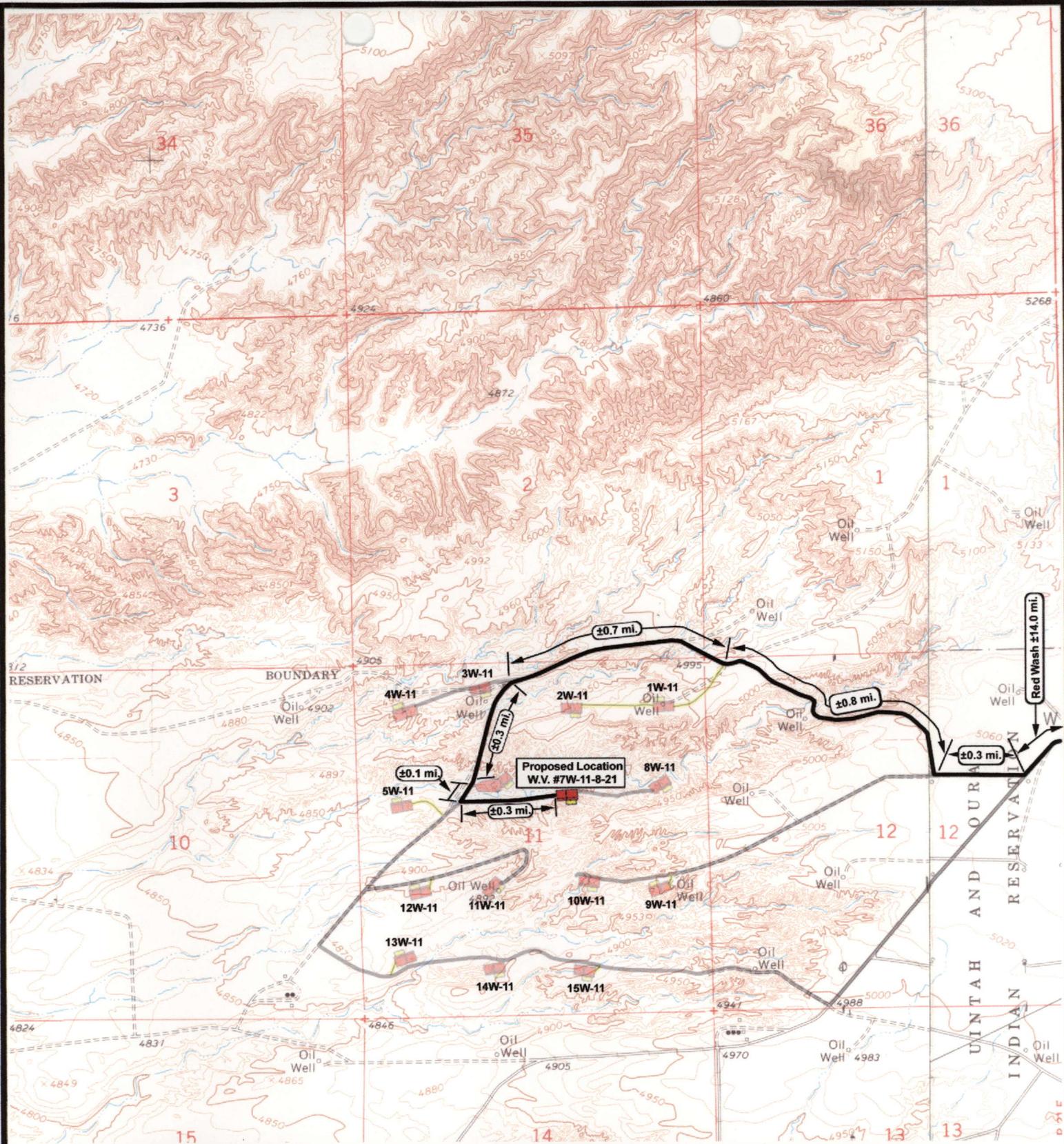
Tri-State Land Surveying Inc.
(435) 781-2501
38 West 100 North Vernal, Utah 84078

SCALE: 1" = 100,000'
DRAWN BY: D.R.J.
DATE: 08-15-2001

Legend
Existing Road
Proposed Access

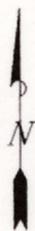
TOPOGRAPHIC MAP

"A"



**SHENANDOAH
ENERGY INC.**

**Wonsits Valley #7W-11-8-21
SEC. 11, T8S, R21E, S.L.B.&M.**



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

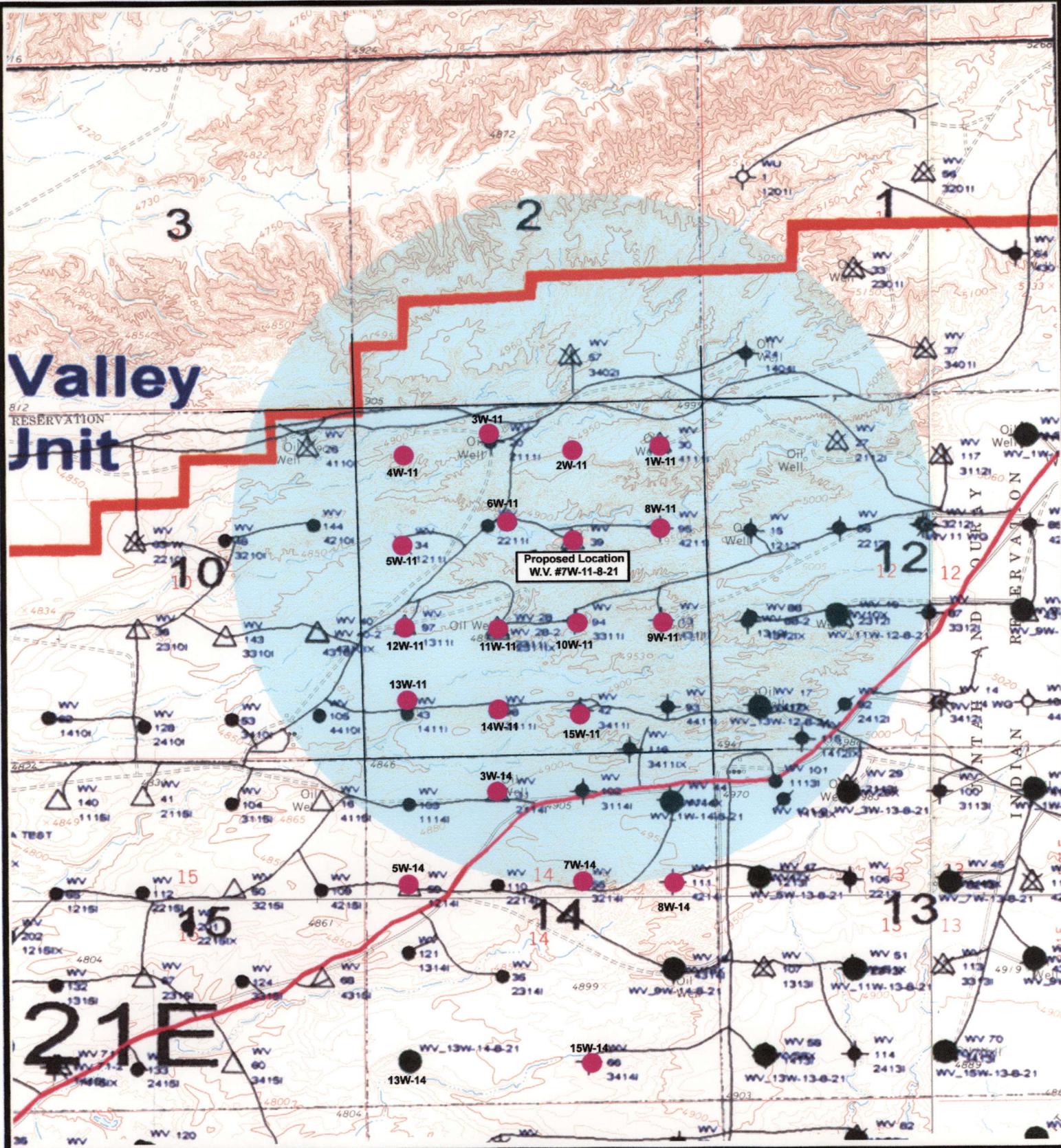
SCALE: 1" = 2000'
DRAWN BY: D.J.
DATE: 08-21-2001

Legend
— Existing Road
— Proposed Access

TOPOGRAPHIC MAP

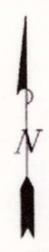
"B"

CONFIDENTIAL



SHENANDOAH ENERGY INC.

**Wonsits Valley #7W-11-8-21
SEC. 11, T8S, R21E, S.L.B.&M.**



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

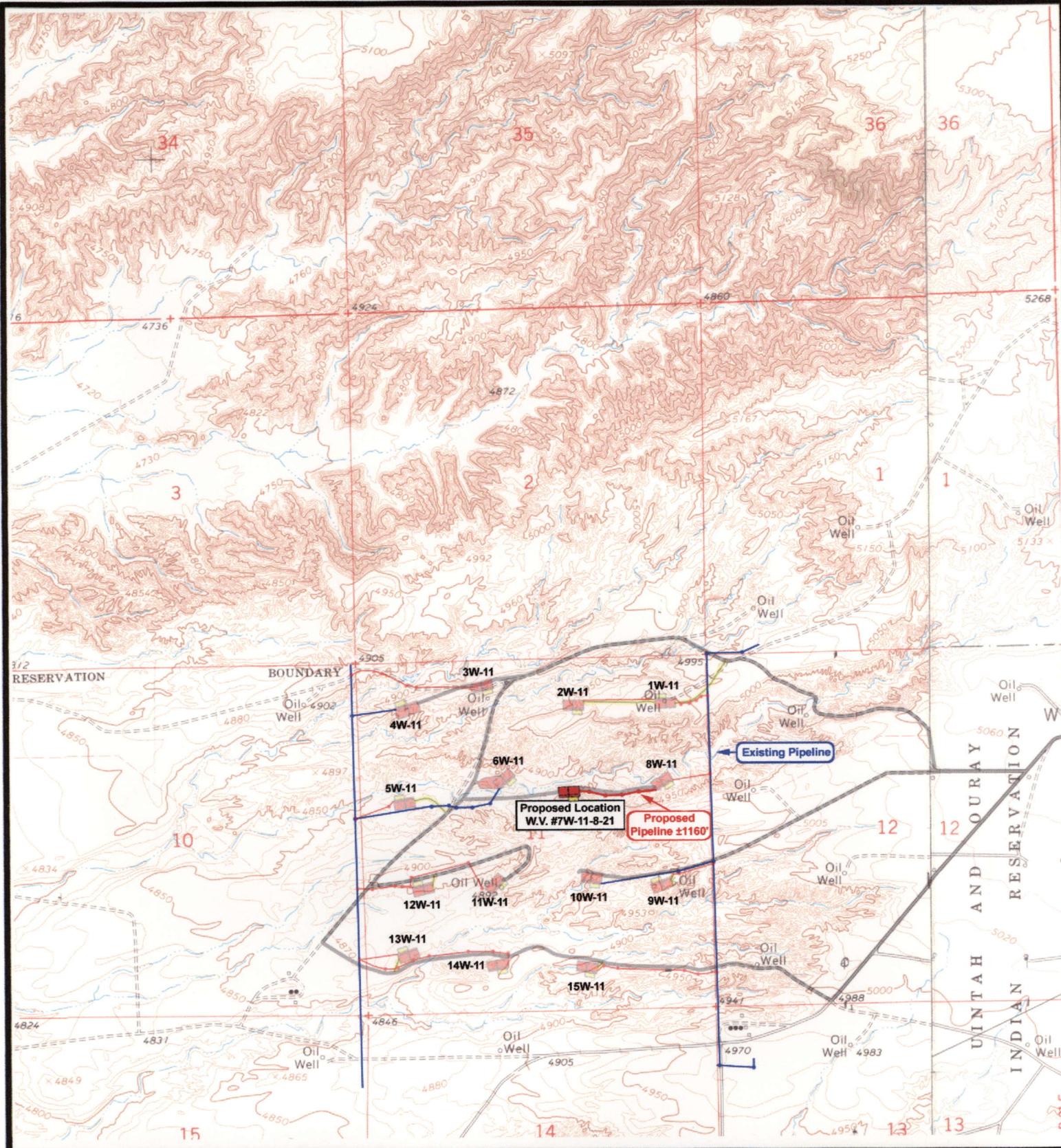
SCALE: 1" = 2000"
DRAWN BY: D.J.
DATE: 08-22-2001

Legend

- Existing Location
- Proposed Location
- One Mile Radius

TOPOGRAPHIC MAP
"C"

CONFIDENTIAL



**SHENANDOAH
ENERGY INC.**

**Wonsits Valley #7W-11-8-21
SEC. 11, T8S, R21E, S.L.B.&M.**



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

38 West 100 North Vernal, Utah 84078

SCALE: 1" = 2000'

DRAWN BY: D.J.

DATE: 08-21-2001

Legend	
	Existing Road
	Proposed Access
	Proposed Pipeline
	Existing Pipeline

TOPOGRAPHIC MAP

"D"

CONFIDENTIAL

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/29/2001

API NO. ASSIGNED: 43-047-34273

WELL NAME: WV 7W-11-8-21

OPERATOR: SHENANDOAH ENERGY INC (N4235)

CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

SWNE 11 080S 210E
SURFACE: 2094 FNL 2092 FEL
BOTTOM: 2094 FNL 2092 FEL
UINTAH
WONSITS VALLEY (710)

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-0806

SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

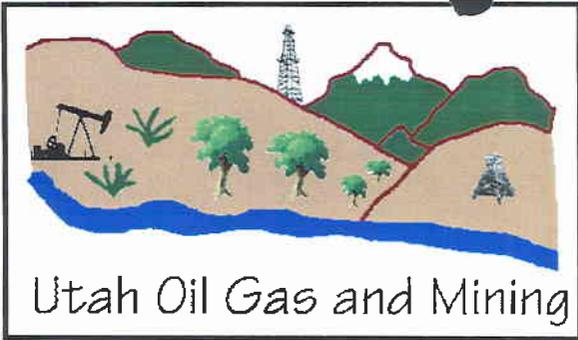
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. U-0969)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

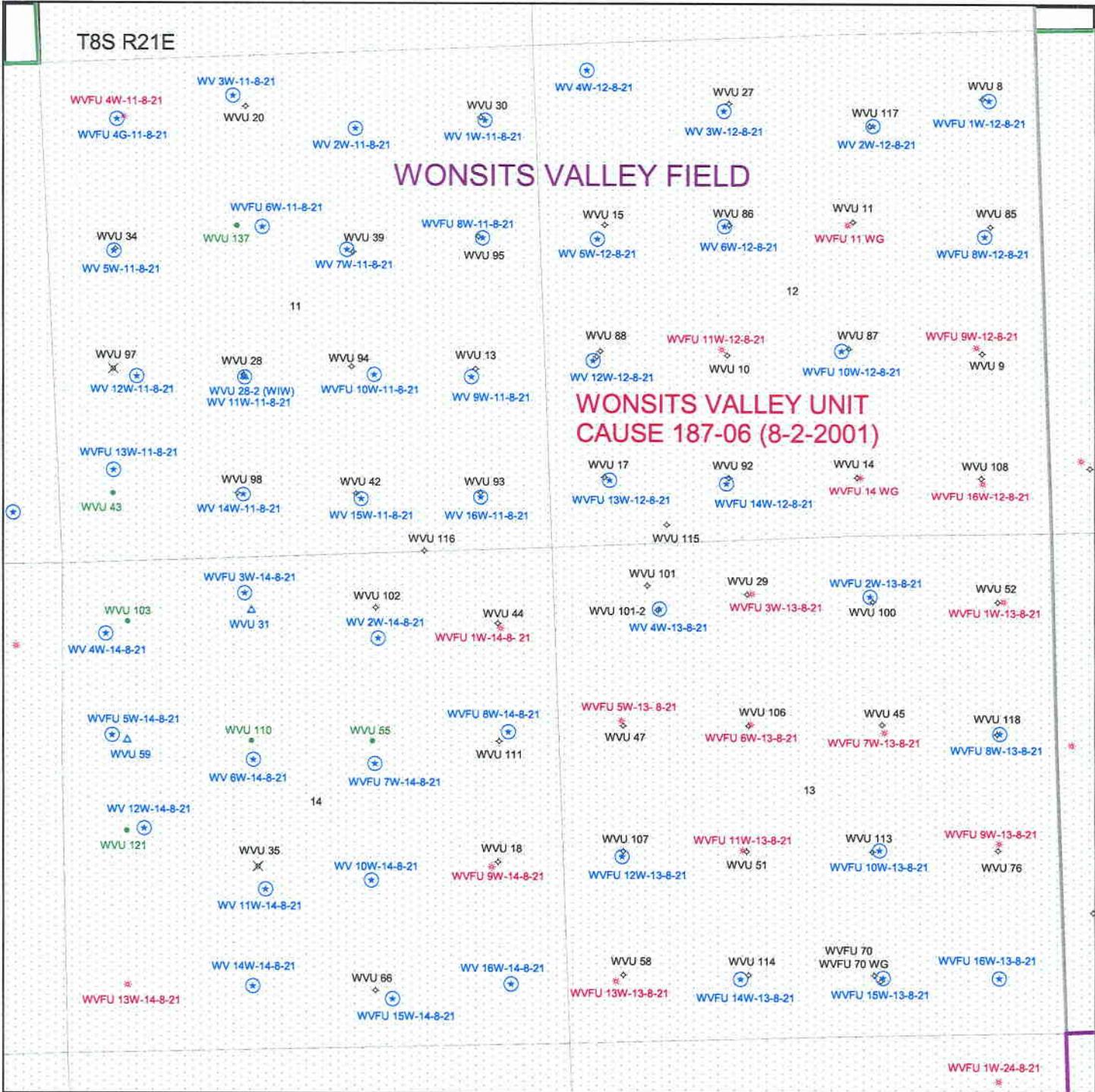
- R649-2-3. Unit WONSITS VALLEY
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 187-06
Eff Date: 8-2-2001
Siting: 460' fr. Unit Boundary
- R649-3-11. Directional Drill

COMMENTS: WV Field Sol, separate file.

STIPULATIONS: 1-Fed. Appl.



OPERATOR: SHENANDOAH ENERGY (N4235)
 SEC. 11,12 & 14, T8S, R21E
 FIELD: WONSITS VALLEY (710)
 COUNTY: UINTAH UNIT: WONSITS VALLEY
 CAUSE: 187-06



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

006

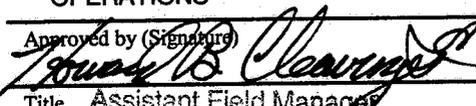
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			
2. Name of Operator SHENANDOAH ENERGY INC.		Contact: JOHN BUSCH E-Mail: jbusch@shenandoahenergy.com	
3a. Address 11002 E. 17500 S. VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SWNE 2094FNL 2092FEL At proposed prod. zone		RECEIVED AUG 27 2001	
14. Distance in miles and direction from nearest town or post office* 15 MILES SOUTHWEST OF REDWASH UTAH		12. County or Parish UINTAH	13. State UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2092	16. No. of Acres in Lease 2480.00	17. Spacing Unit dedicated to this well 40.00	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1250	19. Proposed Depth 7870 MD 7870 TVD	20. BLM/BIA Bond No. on file U-0969	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4915 KB	22. Approximate date work will start 08/22/2001	23. Estimated duration 10 DAYS	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|--|--|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature		Name (Printed/Typed) JOHN BUSCH		Date 08/24/2001	
Title OPERATIONS					
Approved by (Signature) 		Name (Printed/Typed)		Date 10/04/2001	
Title Assistant Field Manager Mineral Resources		Office NOTICE OF APPROVAL			

Application approval does not warrant or certify 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, are attached.

CONDITIONS OF APPROVAL ATTACHED

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.

Additional Operator Remarks (see next page)

Electronic Submission #6280 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC., sent to the Vernal
Committed to AFMSS for processing by LESLIE CRINKLAW on 08/27/2001

RECEIVED

OCT 10 2001
DIVISION OF
OIL, GAS AND MINING

** ORIGINAL **

DOGm

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy, Inc.

Well Name & Number: WVFU 7W-11-8-21

API Number: 43-047-34273

Lease Number: U - 0806

Location: SWNE Sec. 11 T. 8S R. 21E

Agreement: Wonsits Valley Unit

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

DRILLING PROGRAM

None

Coring, Logging and Testing Program

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

Casing Program and Auxiliary Equipment

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

Other Information

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

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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

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

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

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

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

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

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

A corridor ROW, 30 feet wide and 1497 feet long, shall be granted for the pipeline. A ROW presently exists for the proposed access road which is the existing road to the Wonsits Valley Unit 39 abandoned well.

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

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

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

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

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

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

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

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

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

Surface pipelines will be constructed to lay on the soil surface. The ROW will not be bladed or cleared of vegetation without authorization of the BIA. Surface pipelines shall be welded in place at well sites or on access roads and on other existing roads then pulled into place with suitable equipment. Vehicles shall not use pipeline ROWs as access roads unless specifically authorized.

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

Soil erosion will be mitigated by reseeded all disturbed areas.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

September 5, 2001

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

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

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

Api Number	Well	Location
(Proposed PZ Wasatch)		
43-047-34263	WV 1W-11-8-21	Sec. 11, T8S, R21E 0699 FNL 0615 FEL
43-047-34264	WV 2W-11-8-21	Sec. 11, T8S, R21E 0791 FNL 1996 FEL
43-047-34265	WV 2W-12-8-21	Sec. 12, T8S, R21E 0948 FNL 1818 FEL
43-047-34266	WV 3W-11-8-21	Sec. 11, T8S, R21E 0440 FNL 1946 FWL
43-047-34267	WV 3W-12-8-21	Sec. 12, T8S, R21E 0788 FNL 1941 FWL
43-047-34268	WV 4W-12-8-21	Sec. 12, T8S, R21E 0356 FNL 0475 FWL
43-047-34269	WV 5W-11-8-21	Sec. 11, T8S, R21E 2109 FNL 0676 FWL
43-047-34270	WV 5W-12-8-21	Sec. 12, T8S, R21E 2167 FNL 0586 FWL
43-047-34271	WV 6W-14-8-21	Sec. 14, T8S, R21E 2194 FNL 2012 FWL
43-047-34273	WV 7W-11-8-21	Sec. 11, T8S, R21E 2094 FNL 2092 FEL
43-047-34274	WV 9W-11-8-21	Sec. 11, T8S, R21E 1921 FSL 0758 FEL
43-047-34275	WV 10W-14-8-21	Sec. 14, T8S, R21E 1787 FSL 2028 FEL
43-047-34276	WV 11W-11-8-21	Sec. 11, T8S, R21E 1911 FSL 2075 FWL
43-047-34277	WV 11W-14-8-21	Sec. 14, T8S, R21E 1690 FSL 2145 FWL
43-047-34278	WV 12W-11-8-21	Sec. 11, T8S, R21E 1919 FSL 0917 FWL
43-047-34279	WV 12W-14-8-21	Sec. 14, T8S, R21E 2341 FSL 0841 FWL
43-047-34280	WV 14W-11-8-21	Sec. 11, T8S, R21E 0657 FSL 2058 FWL
43-047-34281	WV 14W-14-8-21	Sec. 14, T8S, R21E 0662 FSL 2002 FWL
43-047-34282	WV 15W-11-8-21	Sec. 11, T8S, R21E 0607 FSL 1933 FEL
43-047-34283	WV 16W-14-8-21	Sec. 14, T8S, R21E 0684 FSL 0537 FEL

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

/s/ Michael L. Coulthard

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



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)

September 5, 2001

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

Re: Wonsits Valley 7W-11-8-21 Well, 2094' FNL, 2092' FEL, SW NE, Sec. 11, T. 8 South,
R. 21 East, Uintah County, Utah

Gentlemen:

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

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 43-047-34273.

Sincerely,

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

John R. Baza
Associate Director

dm

Enclosures

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

Operator: Shenandoah Energy Inc.
Well Name & Number Wonsits Valley 7W-11-8-21
API Number: 43-047-34273
Lease: UTU 0806

Location: SW NE Sec. 11 T. 8 South R. 21 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

CONFIDENTIAL

5. Lease Serial No.
UTU-0806

6. If Indian, Allottee or Tribe Name
UTE TRIBE

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

8. Well Name and No.
WONSITS VALLEY 7W-11-8-21

9. API Well No.
43-047-34273

10. Field and Pool, or Exploratory
WONSITS VALLEY

11. County or Parish, and State
UINTAH COUNTY, UT

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
SHENANDOAH ENERGY INC. Contact: RALEEN SEARLE
E-Mail: rsearle@shenandoahenergy.com

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 11 T8S R21E SWNE 2094FNL 2092FEL

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

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

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

Shenandoah Energy Inc. hereby requests an 1 year extension on the APD for WV 7W-11-8-21.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-26-02
By: *[Signature]*

RECEIVED

SEP 23 2002

DIVISION OF
OIL, GAS AND MINING

COPY SENT TO OPERATOR
Date: 9-27-02
Initials: CJD

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

**Electronic Submission #14399 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC., will be sent to the Vernal**

Name (Printed/Typed) RALEEN SEARLE Title REGULATORY AFFAIRS ANALYST

Signature *Raleen Searle* Date 09/19/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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

Office _____

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

**** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ****

007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU0806
2. Name of Operator SHENANDOAH ENERGY INC		6. If Indian, Allottee or Tribe Name
Contact: RALEEN SEARLE E-Mail: raleen.searle@questar.com		7. If Unit or CA/Agreement, Name and/or No. UTU63043C
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078-8526	3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329	8. Well Name and No. WVFU 7W-11-8-21
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T8S R21E SWNE 2094FNL 2092FEL		9. API Well No. 43-047-34273-00-X1
		10. Field and Pool, or Exploratory WONSITS VALLEY
		11. County or Parish, and State UINTAH COUNTY, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original APD
	<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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Shenandoah Energy Inc. hereby requests an 1 year extension on the APD for WV 7W-11-8-21.

RECEIVED

OCT 18 2002 *email*

**DIVISION OF
OIL, GAS AND MINING**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #14399 verified by the BLM Well Information System For SHENANDOAH ENERGY INC, sent to the Vernal Committed to AFMSS for processing by LESLIE WALKER on 10/10/2002 (03LW0077SE)	
Name (Printed/Typed) RALEEN SEARLE	Title REGULATORY AFFAIRS ANALYST
Signature (Electronic Submission)	Date 10/02/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>KIRK FLEETWOOD</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>10/18/2002</u>
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 <u>Vernal</u>

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.

**** REVISED ** REVISED ****

Revisions to Operator-Submitted EC Data for Sundry Notice #14399

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OTHER NOI	APDCH NOI
Lease:	UTU-0806	UTU0806
Agreement:	WONSITS VALLEY	UTU63043C
Operator:	SHENANDOAH ENERGY INC. 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435.781.4309 Fx: 435.781.4323	SHENANDOAH ENERGY INC 11002 EAST 17500 SOUTH VERNAL, UT 84078-8526 Ph: 435.781.4300 Fx: 435.781.4329
Admin Contact:	RALEEN SEARLE REGULATORY AFFAIRS ANALYST E-Mail: rsearle@shenandoahenergy.com Ph: 435.781.4309 Fx: 435.781.4329	RALEEN SEARLE REGULATORY AFFAIRS ANALYST E-Mail: raleen.searle@questar.com Ph: 435.781.4309 Fx: 435.781.4329
Tech Contact:		
Location:		
State:	UT	UT
County:	UINTAH	UINTAH
Field/Pool:	WONSITS VALLEY	WONSITS VALLEY
Well/Facility:	WONSITS VALLEY 7W-11-8-21 Sec 11 T8S R21E SWNE 2094FNL 2092FEL	WVFU 7W-11-8-21 Sec 11 T8S R21E SWNE 2094FNL 2092FEL

Shenandoah Energy Inc.
APD Extension

Well: Wonsits Valley 7W-11-8-21

Location: SWNE Sec. 11, T8S, R21E

Lease: UTU 0806

CONDITIONS OF APPROVAL

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

1. The extension will expire 10/04/03
2. No other extensions beyond that time frame will be granted or allowed.

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (435) 781-4400
Fax: (435) 781-4410

IN REPLY REFER TO:
3160
UT08300

June 2, 2003

Raleen Searle
Shenandoah Energy Inc.
11002 East 175000 South
Vernal, Utah 84078

Re: Wells: WV 2W-11-8-21,
WV 7W-11-8-21
W2NE, Sec. 11, T8S, R21E
Uintah County, Utah
Lease No. U-0806
Wonsits Valley Unit

Dear Raleen:

The Applications for Permit to Drill (APDs) the above referenced wells have been rescinded as per your letter of May 1, 2003. If you intend to drill at these locations at a future date, new APDs must be submitted.

No drilling activity at these locations has been reported to this office. Therefore, approval to drill the wells is hereby rescinded, effective June 2, 2003.

If you have any questions concerning APD processing, please contact me at (435) 781-4497.

Sincerely,

Leslie Walker
Legal Instruments Examiner

cc: UDOGM – Diana Mason

RECEIVED

JUN 11 2003

DEPT. OF OIL, GAS & 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)

June 18, 2003

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

Re: APD Rescinded – Wonsits Valley 7W-11-8-21, Sec. 11, T.8S, R.21E – Uintah
County, Utah, API No. 43-047-34273

Dear Ms. Searle:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 5, 2001. On September 26, 2002, the Division granted a one-year APD extension. On June 11, 2003 the Division received a letter from the Bureau of Land Management (BLM), which states that the permit filed with the BLM was being returned unapproved as per your request. I contacted you at that time and you requested that the APD filed with the Division be rescinded. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 11, 2003, as requested.

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

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

Sincerely,

Diana Mason
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal