

001

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	5. Lease Serial No. U-71407 / <i>Blm Surf.</i>
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			6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator SHENANDOAH ENERGY INC.		Contact: JENNY MOORE E-Mail: jmoore@shenandoahenergy.com	7. If Unit or CA Agreement, Name and No. N/A
3a. Address 11002 E 17500 S VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435.781.4352		8. Lease Name and Well No. WONSITS VALLEY 8W-24-7-21
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENE 1561FNL 782FEL At proposed prod. zone		4450838N 627993E	9. API Well No. 43-047-34395
14. Distance in miles and direction from nearest town or post office* 10 +/- MILES FROM REDWASH, UTAH			10. Field and Pool, or Exploratory UNDESIGNATED FIELD <i>Wildcat</i>
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 782' +/-	16. No. of Acres in Lease 120.00		11. Sec., T., R., M., or Blk. and Survey or Area Sec 24 T7S R21E Mer SLB
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 6200' +/-	19. Proposed Depth 8825 MD 8825 TVD		12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5065 KB	22. Approximate date work will start		13. State UT
			17. Spacing Unit dedicated to this well 40.00
			20. BLM/BIA Bond No. on file U-0960
			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:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer |

25. Signature (Electronic Submission) <i>John Burch</i>	Name (Printed/Typed) JENNY MOORE	Date 11/20/2001
Title PREPARER	Federal Approval of this Action is Necessary	
Approved by (Signature) <i>Bradley G. Hill</i>		
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)

Electronic Submission #8257 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC., sent to the Vernal

RECEIVED

NOV 30 2001

DIVISION OF
OIL, GAS AND MINING

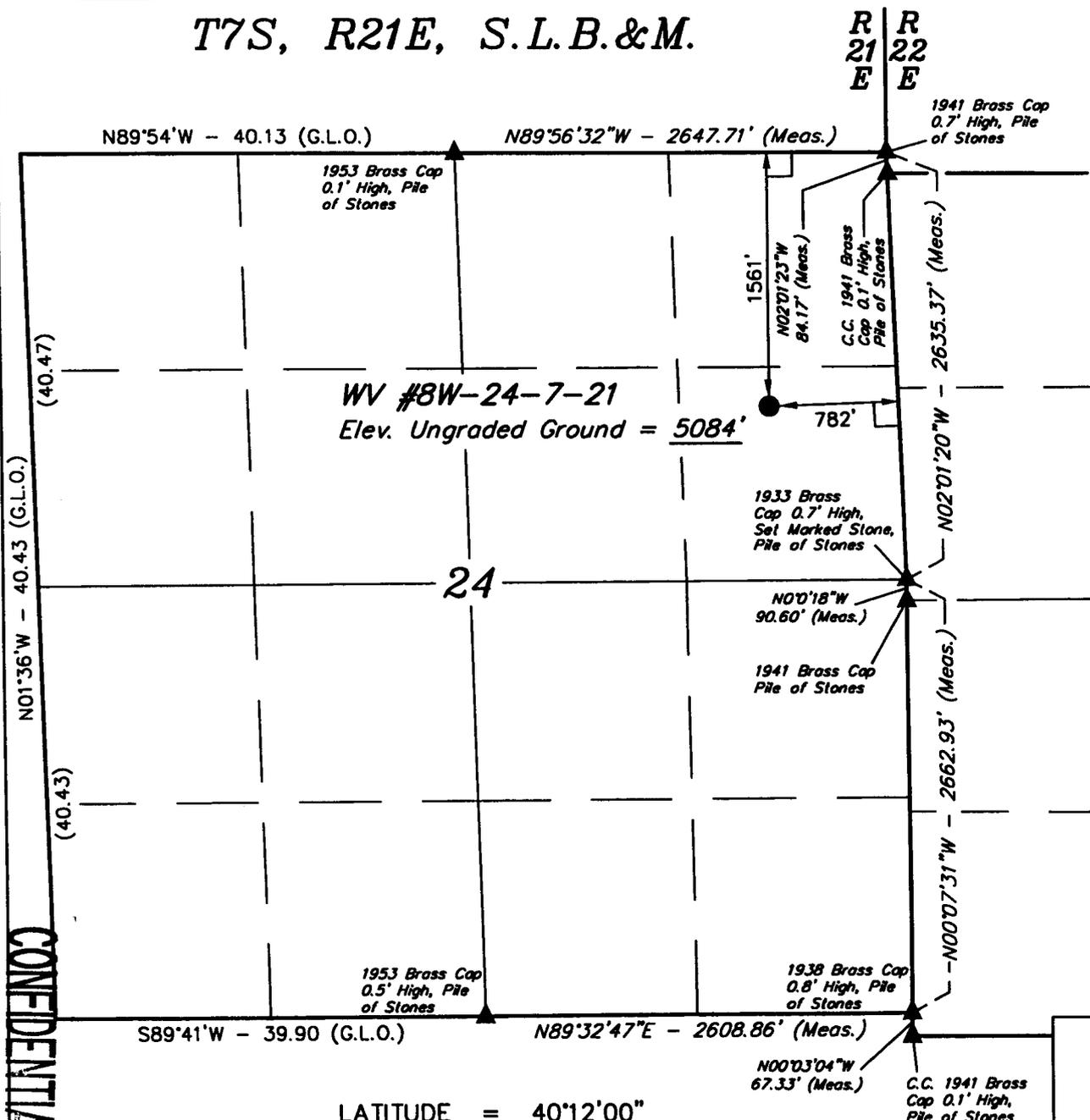
** ORIGINAL **

CONFIDENTIAL

T7S, R21E, S.L.B.&M.

SHENANDOAH ENERGY, INC.

Well location, WV #8W-24-7-21, located as shown in the SE 1/4 NE 1/4 of Section 24, T7S, R21E, S.L.B.&M. Uintah County, Utah.



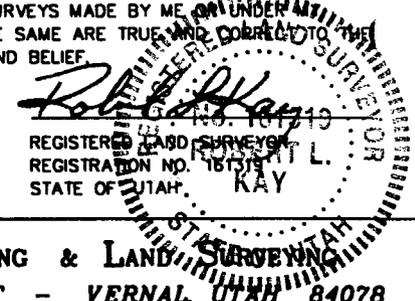
BASIS OF ELEVATION

BENCH MARK (41 EAM) BY AN INTERSECTION LOCATED IN THE SW 1/4 NW 1/4 OF SECTION 13, T7S, R21E, S.L.B.&M. TAKEN FROM THE BRENNAN BASIN QUADRANGLE, UTAH, UINTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4999 FEET.



SCALE
CERTIFICATE

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.



UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

LATITUDE = 40°12'00"
LONGITUDE = 109°29'47"

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS IS THE EAST LINE OF THE SE 1/4 OF SECTION 16, T7S, R21E, S.L.B.&M. WHICH IS ASSUMED FROM G.L.O. INFORMATION TO BEAR N0°28'E.

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SCALE 1" = 1000'	DATE SURVEYED: 10-1-01	DATE DRAWN: 10-4-01
PARTY G.S. K.S. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE SHENANDOAH ENERGY, INC.	

Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 8825' 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.

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 and 24 East.

See Onshore Order No. 1 attached

Please be advised that 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 the 43 CFR 3104.2.

OU-71407 - 120 A0

SHENANDOAH ENERGY, INC.

WV #8W-24-7-21

LOCATED IN UINTAH COUNTY, UTAH
SECTION 24, T7S, R21E, S.L.B.&M.

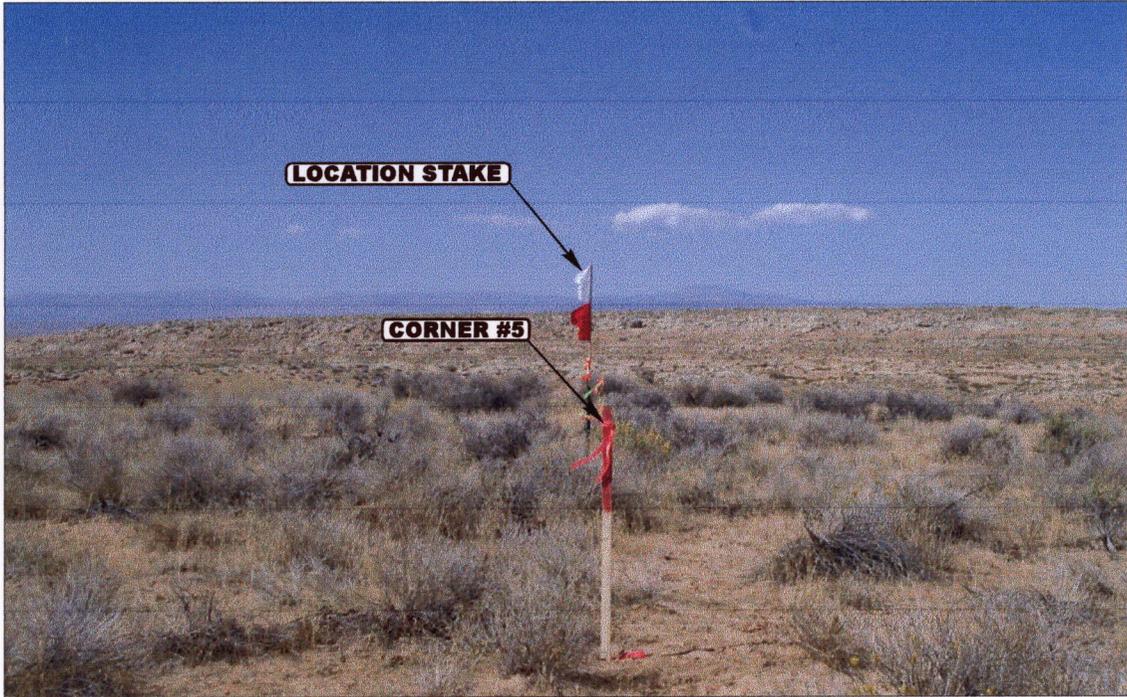


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	10	7	01	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: G.S.	DRAWN BY: K.G.	REVISED: 00-00-00		

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SHENANDOAH ENERGY INC.
WV 8W-24-7-21

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	3800	
Mahogany Ledge	4415	
Mesa	6825	
TD (Wasatch)	8825	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	8825

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 3530.0 psi.

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SHENANDOAH ENERGY INC.
WONSITS VALLEY 8W-24-7-21
1561' FNL, 782' FEL
SENE, SECTION 24, T7S, R21E
UINTAH COUNTY, UTAH
LEASE # U-71407

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the W/ 8W-24-7-21 on October 23, 2001 at approximately 3:20 PM. Weather conditions were windy with a temperature of about 60 degrees at the time of the onsite. In attendance at the inspection were the following individuals:

Byron Tolman	Bureau of Land Management
Dixie Sadler	Bureau of Land Management
Raleen Searle	Shenandoah Energy Inc.

1. Existing Roads:

The proposed well site is approximately 10 miles southeast of Red Wash, Utah.

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 Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

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 Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

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

5. Location and Type of Water Supply:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

6. Source of Construction Materials:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

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7. Methods of Handling Waste Materials:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

8. Ancillary Facilities:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

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.

Pit will be lined with felt and then a synthetic liner.

10. Plans for Reclamation of the Surface:

Please see Shenandoah energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Township 07 and 08 South, Ranges 21 to 24 East.

Seed mix #1

11. Surface Ownership:

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

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

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.

A rights-of-way will be required for the part of the road and pipeline that travels off lease in Section 18 and 19. The part of the road that goes off lease in Section 18 is +/- 800' in Section 17 and is +/- 2,600' in length and 30' in width with a running surface of 18' it will be crowned (2%-3%) and ditched. The part of the pipeline that goes off lease is +/- 5,450 in length 20' in width, 3" steel zaplocked gas surface line. Pipeline will be zaplocked on location then pulled into place.

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Lessee's or Operator's Representative:



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

Certification:

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

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

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

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

John Busch
John Busch
Red Wash Operations Representative

Nov 19-01
Date

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SHENANDOAH ENERGY, INC.

TYPICAL CROSS SECTIONS FOR

WV #8W-24-7-21

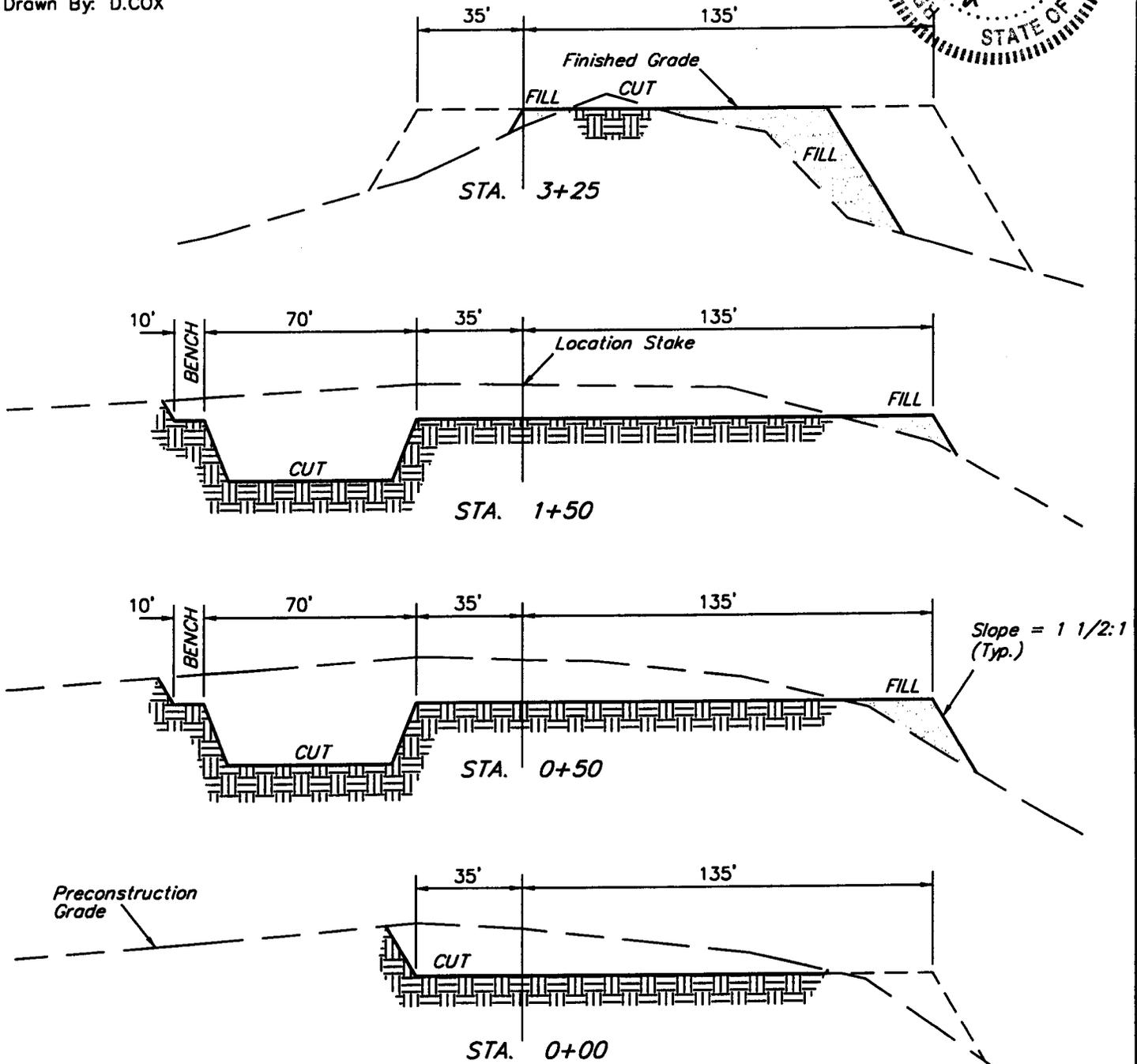
SECTION 24, T7S, R21E, S.L.B.&M.

1561' FNL 782' FEL

FIGURE #2

1" = 20'
X-Section Scale
1" = 50'

DATE: 10-4-01
Drawn By: D.COX



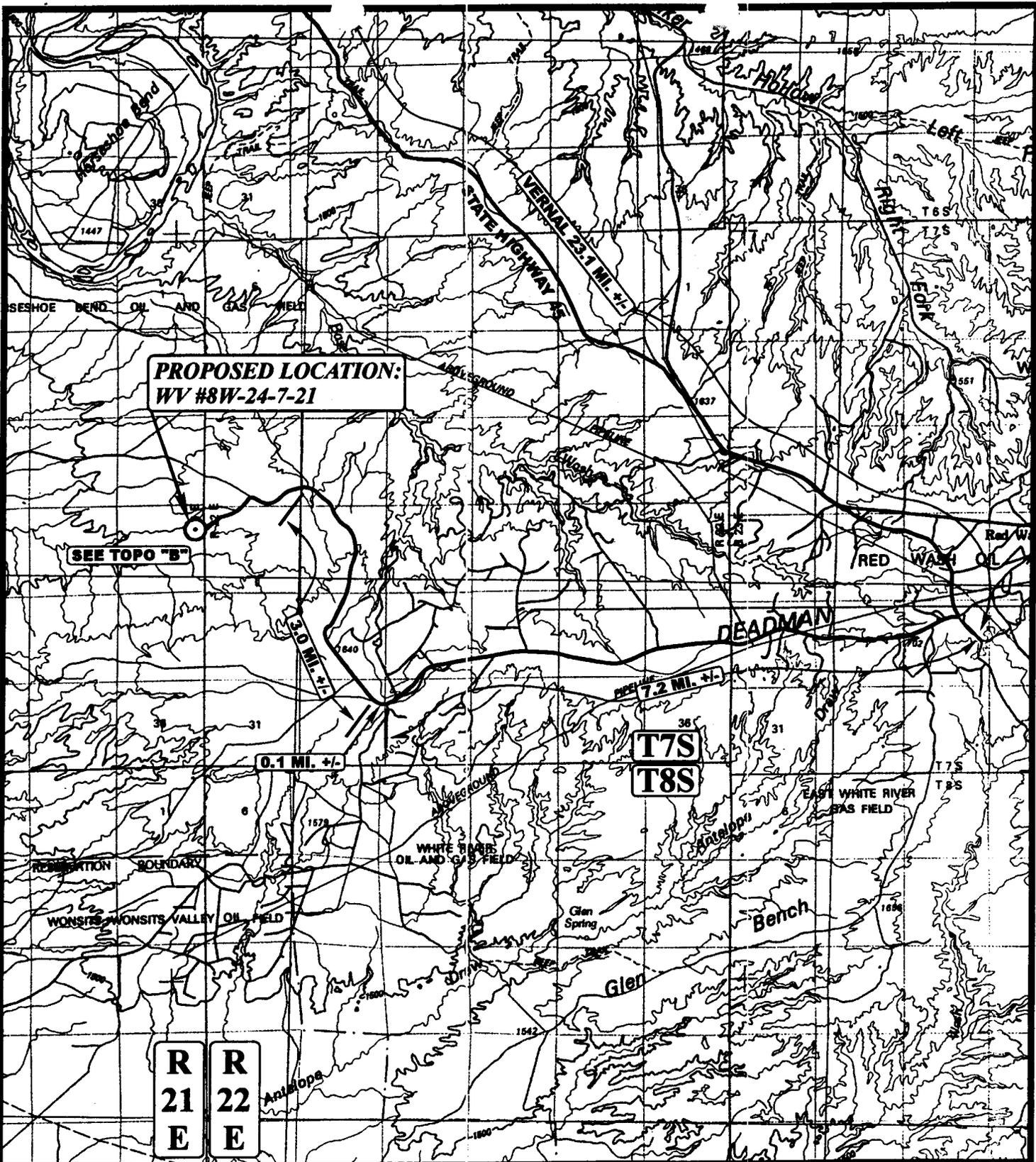
APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,260 Cu. Yds.
Remaining Location	= 8,180 Cu. Yds.
TOTAL CUT	= 9,440 CU.YDS.
FILL	= 6,660 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,430 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,430 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (35) 789-1017

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LEGEND:

○ PROPOSED LOCATION

SHENANDOAH ENERGY, INC.

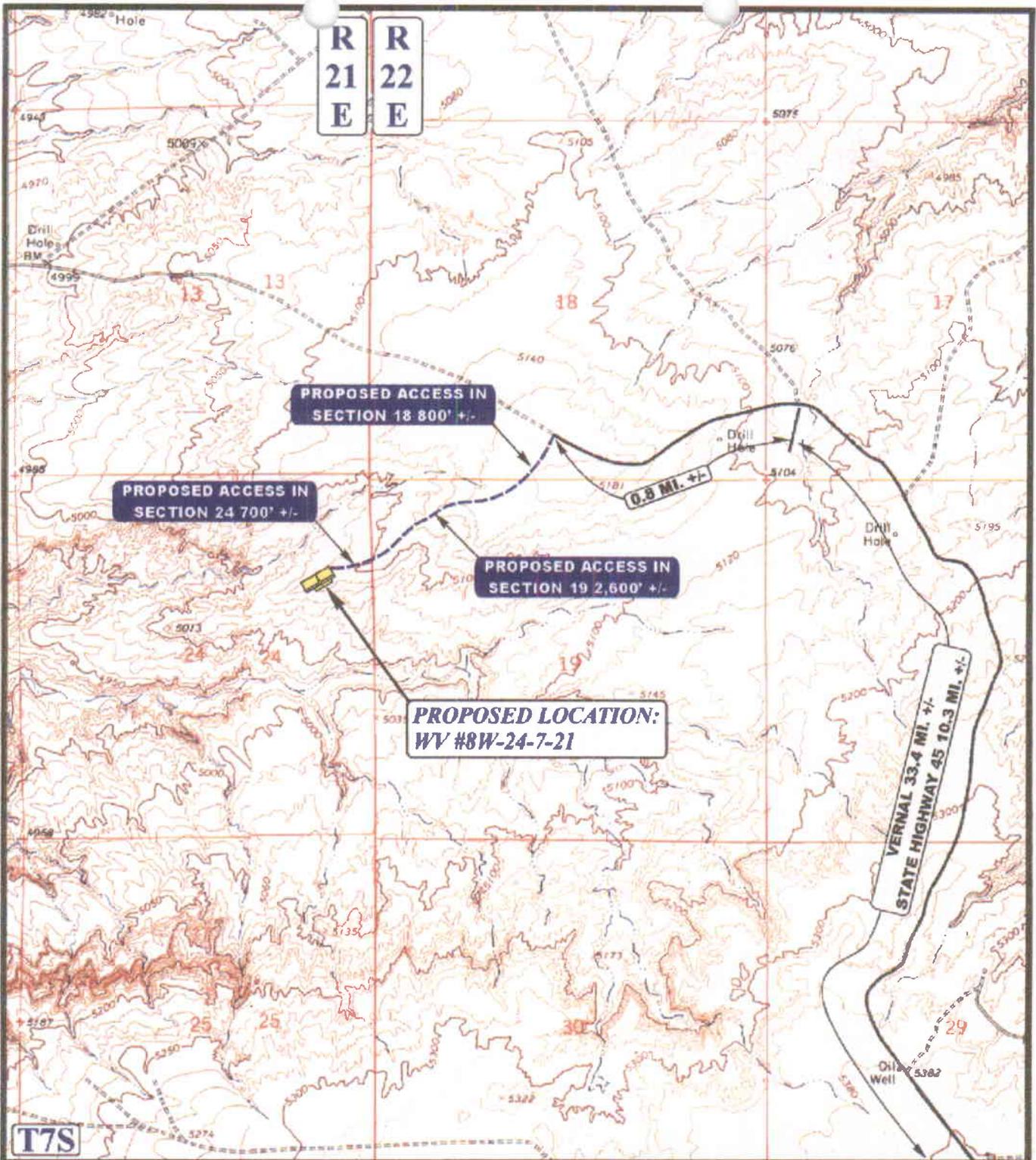
WV #8W-24-7-21
SECTION 24, T7S, R21E, S.L.B.&M.
1561' FNL 782' FEL

U E L S **Utah Engineering & Land Surveying**
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **10 7 01**
 MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: K.G. REVISED: 00-00-00

A
 TOPO

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LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



SHENANDOAH ENERGY, INC.

WV #8W-24-7-21
 SECTION 24, T7S, R21E, S.L.B.&M.
 1561' FNL 782' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

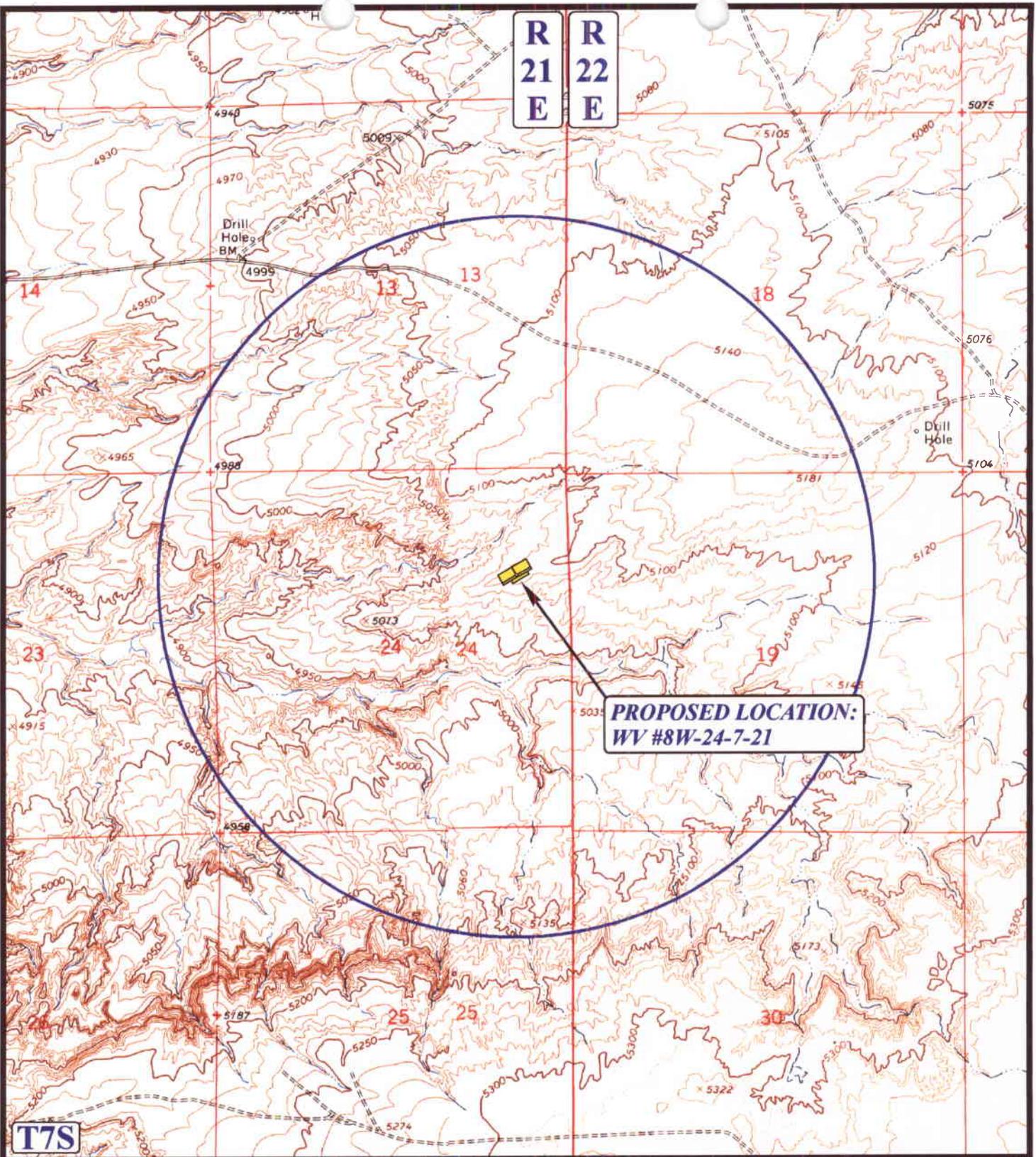
**TOPOGRAPHIC
 MAP**

10	7	01
MONTH	DAY	YEAR



SCALE: 1" = 2000' DRAWN BY: K.G. REVISED: 11-14-01

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LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



SHENANDOAH ENERGY, INC.

WV #18W-24-7-21
SECTION 24, T7S, R21E, S.L.B.&M.
1561' FNL 782' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

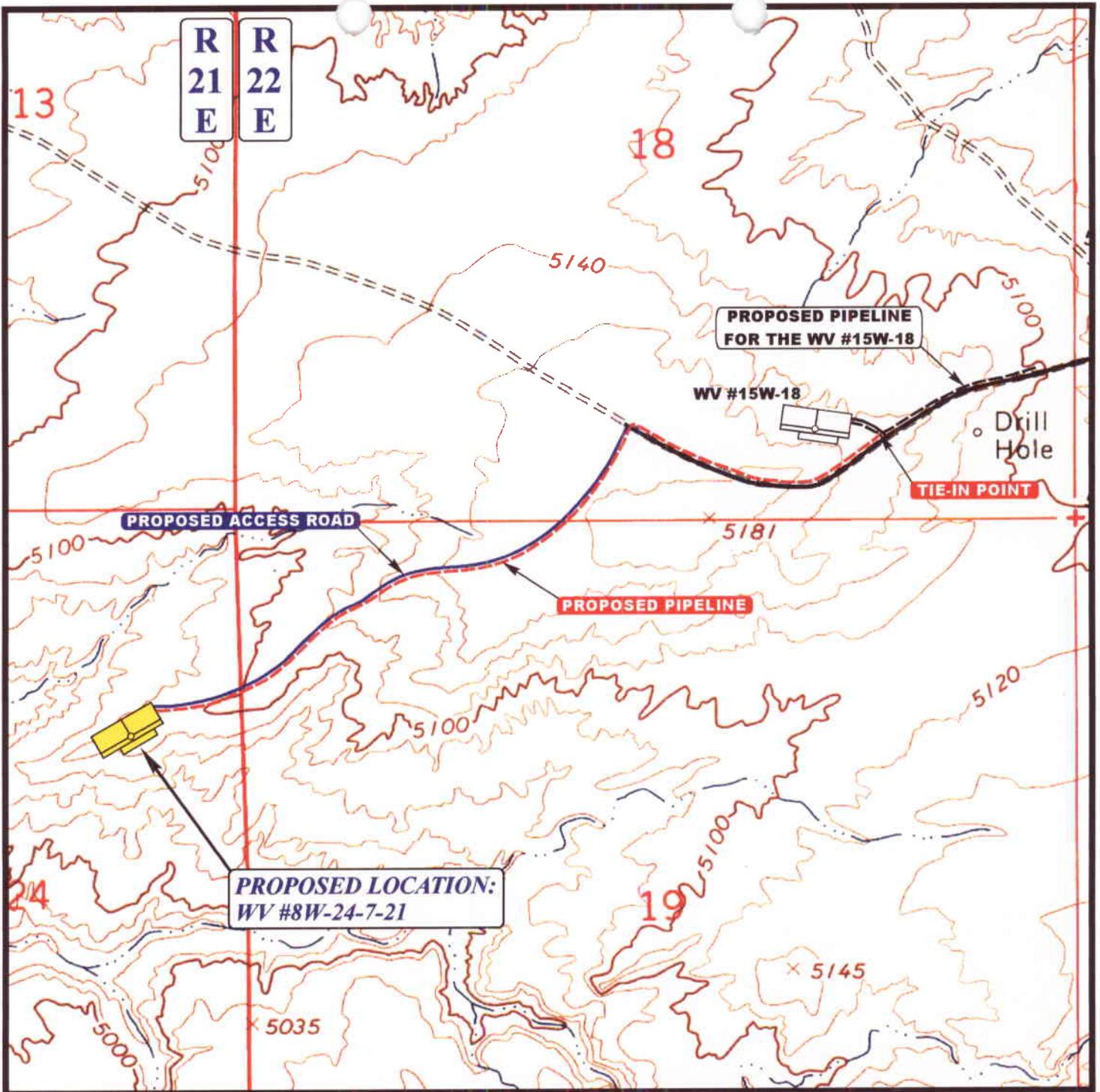
TOPOGRAPHIC
MAP

10 7 01
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: K.G. REVISED: 00-00-00



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APPROXIMATE TOTAL PIPELINE DISTANCE IN SECTION 18 = 2,800' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE IN SECTION 19 = 2,650' +/-

APPROXIMATE TOTAL PIPELINE DISTANCE IN SECTION 24 = 650' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS



SHENANDOAH ENERGY, INC.

WV #8W-24-7-21

SECTION 24, T7S, R21E, S.L.B.&M.

1561' FNL 782' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

10	7	01
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: K.G. REVISED: 10-29-01

D
TOPO

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**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

004

APD RECEIVED: 11/30/2001

API NO. ASSIGNED: 43-047-34395

WELL NAME: WV 8W-24-7-21
 OPERATOR: SHENANDOAH ENERGY INC (N4235)
 CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:
 SENE 24 070S 210E
 SURFACE: 1561 FNL 0782 FEL
 BOTTOM: 1561 FNL 0782 FEL
 UINTAH
 WILDCAT (1)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-71407
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

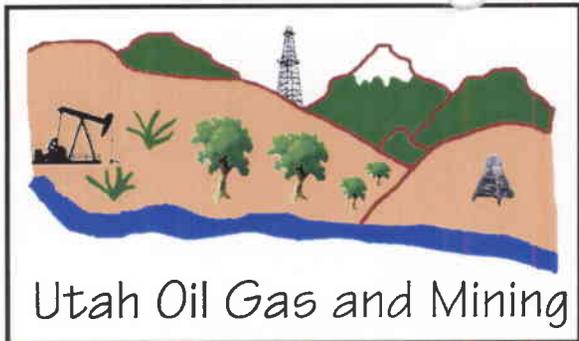
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. U-0969)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

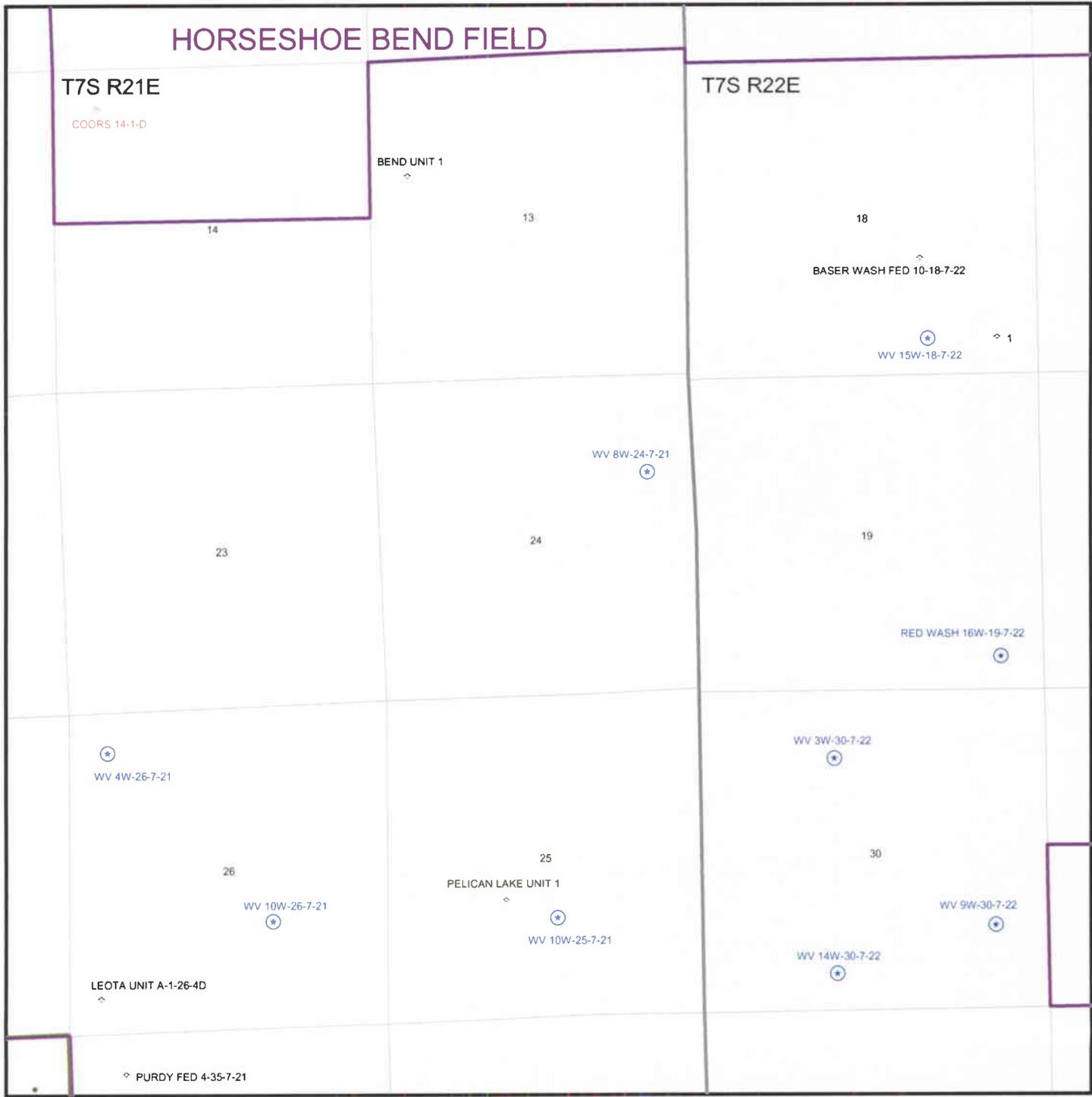
- R649-2-3. Unit _____
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception,**
- Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Need "Ex. Loc" info. (Rec'd 12-17-01)
Sol, separate file.

STIPULATIONS: 1- Fed. Approval
2- Spacing Stip.



OPERATOR: SHENANDOAH ENERGY (N4235)
 SEC. 24, T7S, R21E
 FIELD: WILDCAT (001)
 COUNTY: UINTAH SPACING: R649-3-3/EX LOC



SHENANDOAH ENERGY INC.

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

December 13, 2001

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

To Whom It May Concern:

Shenandoah Energy Inc. Wonsits Valley 8W-24-7-21 Lease # U-71407, is an exception location due to severe topography.

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

Thank you,



Raleen Searle
Administrative Assistant

RECEIVED

DEC 17 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)

December 18, 2001

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

Re: Wonsits Valley 8W-24-7-21 Well, 1561' FNL, 782' FEL, SE NE, Sec. 24, T. 7 South,
R. 21 East, Uintah County, Utah

Gentlemen:

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

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34395.

Sincerely,

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

John R. Baza
Associate Director

er

Enclosures

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

Operator: Shenandoah Energy Inc.
Well Name & Number Wonsits Valley 8W-24-7-21
API Number: 43-047-34395
Lease: U-71407

Location: SE NE **Sec.** 24 **T.** 7 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.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy Inc.

Well Name & Number: WV #8W-24-7-21

API Number: 43-047-34395

Lease Number: U - 71407

Location: SENE Sec. 24 T. 07S R. 21E

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 FOR NOTICE TO DRILL

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

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

A. **DRILLING PROGRAM**

1. **Casing Program and Auxiliary Equipment**

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at $\pm 1,880$ ft.

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy Inc.

API Number 43-047-34395

Well Name & Number: WV 8W-24-7-21

Lease Number: U-71407

Location: SE NE Sec. 24 T. 7 S. R. 21E.

Surface Ownership: BLM

Date NOS Received: 10-11-01

Date APD Received: 11-20-01

-Due to paleontological concerns, the construction of the reserve pit shall be monitored by a certified paleontologist.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

007

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.

5. Lease Serial No.
UTU71407

6. If Indian, Allottee or Tribe Name

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

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		8. Well Name and No. WONSITS VALLEY 8W-24-7-21
2. Name of Operator SHENANDOAH ENERGY INC		9. API Well No. 43-047-34395-00-X1
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078-8526		10. Field and Pool, or Exploratory UNDESIGNATED UNKNOWN
3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329		11. County or Parish, and State UINTAH COUNTY, UT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T7S R21E SENE 1561FNL 782FEL		

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 Change to Original PD
	<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 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. has need to file an 1 year extension on the APD for the WV 8W-24-7-21.

RECEIVED

JAN 24 2003 *email*

**DIVISION OF
OIL, GAS AND MINING**

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

**Electronic Submission #17961 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC, sent to the Vernal
Committed to AFMSS for processing by KIRK FLEETWOOD on 01/24/2003 (03KLF0052SE)**

Name (Printed/Typed) RALEEN SEARLE	Title REGULATORY AFFAIRS ANALYST
Signature (Electronic Submission)	Date 01/23/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>KIRK FLEETWOOD</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>01/24/2003</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.

Revisions to Operator-Submitted EC Data for Sundry Notice #17961

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OTHER NOI	APDCH NOI
Lease:	UTU-71407	UTU71407
Agreement:		
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: raleen.searle@questar.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:	UNDESIGNATED	UNDESIGNATED UNKNOWN
Well/Facility:	WONSITS VALLEY 8W-24-7-21 Sec 24 T7S R21E SENE 1561FNL 782FEL	WONSITS VALLEY 8W-24-7-21 Sec 24 T7S R21E SENE 1561FNL 782FEL

Shenandoah Energy Inc.
APD Extension

Well: Wonsits Valley 8W-24-7-21

Location: SENE Sec. 24, T7S, R21E

Lease: UTU 71407

CONDITIONS OF APPROVAL

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

1. The extension will expire 2/19/04
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

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OMB NO. 1004-0135
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UTU-71407

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
WONSITS VALLEY 8W-24-7-21

CONFIDENTIAL

9. API Well No.
43-047-34395

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
SHENANDOAH ENERGY INC. Contact: RALEEN SEARLE
E-Mail: raleen.searle@questar.com

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

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

10. Field and Pool, or Exploratory
UNDESIGNATED

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 24 T7S R21E SENE 1561FNL 782FEL

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

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

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Shenandoah Energy Inc. has need to file an 1 year extension on the APD for the WV 8W-24-7-21.

COPY SENT TO OPERATOR
Date: 03-13-03
Initials: [Signature]

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-12-03
By: [Signature]

RECEIVED

MAR 11 2003

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #17961 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC., sent to the Vernal
Committed to AFMSS for processing by KIRK FLEETWOOD on 01/24/2003 ()

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

Signature Raleen Searle Date 01/23/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

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Office _____

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

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

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

July 9, 2003

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

Re: Notification of Expiration
Well No. WV 8W-24-7-21
SENE, Sec. 24, T7S, R21E
Uintah County, Utah
Lease No. UTU-71407

Dear Raleen:

The Application for Permit to Drill the above-referenced well was approved on February 19, 2002. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until February 19, 2004. However, due to the expiration of Lease No. UTU-71407 on March 31, 2003; this office is notifying you that the approval of the referenced application has expired.

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

Sincerely,

Leslie Walker
Legal Instruments Examiner

cc: UDOGM – Diana Mason

RECEIVED

JUL 14 2003

DIV. OF OIL, GAS & MINING



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

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

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

July 17, 2003

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

Re: APD Rescinded – WV 8W-24-7-21, Sec. 24, T. 7S, R. 21E – Uintah County, Utah API No. 43-047-34395

Dear Mrs. Searle:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 18, 2001. The division received a letter, dated July 14, 2003 from the Bureau of Land Management, Vernal office, stating that the APD was being returned due to the expiration of the lease. On July 17, 2003, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 17, 2003.

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

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

Sincerely,

Diana Mason
 Engineering Technician

cc: Well File
 Bureau of Land Management, Vernal