

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. UTU-76508 / Blm Surf.

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

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

8. Lease Name and Well No.  
WONSITS VALLEY 12G-5-8-22

9. API Well No.  
43-047-34398

1a. Type of Work:  DRILL  REENTER

**CONFIDENTIAL**

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

2. Name of Operator **SHENANDOAH ENERGY INC.** Contact: **JENNY MOORE**  
E-Mail: jmoore@shenandoahenergy.com

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

3b. Phone No. (include area code)  
Ph: 435.781.4352

10. Field and Pool, or Exploratory  
WONSITS VALLEY

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface **NWSW 1519FSL 1031FWL** 4445286 N  
At proposed prod. zone 630262 E

11. Sec., T., R., M., or Blk. and Survey or Area  
Sec 5 T8S R22E Mer SLB

14. Distance in miles and direction from nearest town or post office\*  
8 +/- MILES FROM 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)  
1031' +/-

16. No. of Acres in Lease  
40.00

17. Spacing Unit dedicated to this well  
585.25

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.  
1000' +/-

19. Proposed Depth  
6650 MD  
6650 TVD

20. BLM/BIA Bond No. on file  
U-0969

21. Elevations (Show whether DF, KB, RT, GL, etc.)  
5155 KB

22. Approximate date work will start

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"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>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).</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification</li> <li>6. Such other site specific information and/or plans as may be required by the authorized officer.</li> </ul> |
|--|--|

25. Signature (Electronic Submission) John Burch

Name (Printed/Typed)  
JENNY MOORE

Date  
11/19/2001

Title  
PREPARER

**Federal Approval of this Action is Necessary**

Approved by (Signature) [Signature]

Name (Printed/Typed)  
**BRADLEY G. HILL**  
Office  
**RECLAMATION SPECIALIST III**

Date  
12-18-01

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 #8734 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

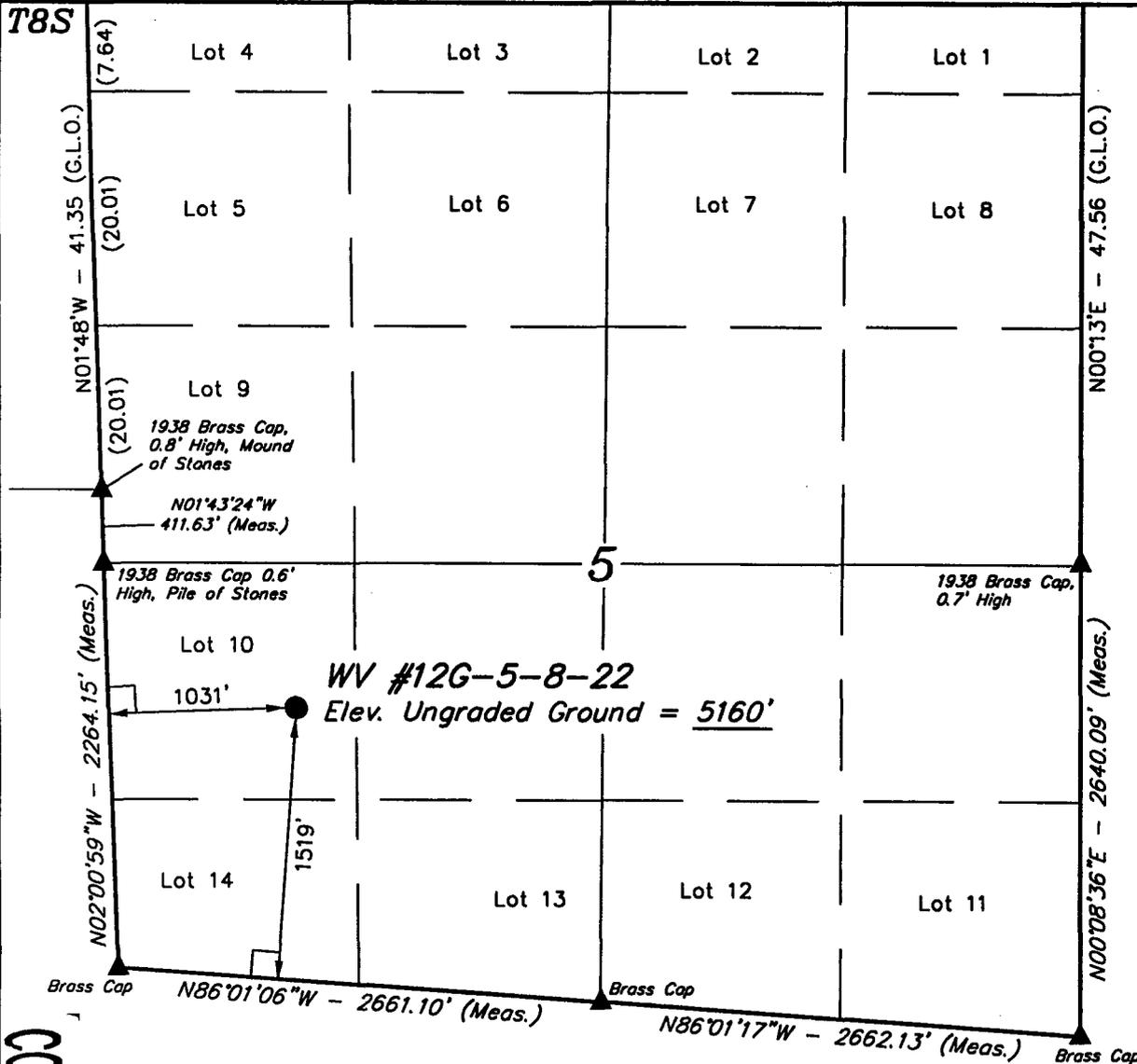
\*\* ORIGINAL \*\*

**CONFIDENTIAL**

# T8S, R22E, S.L.B.&M.

32

T7S (8.49) WEST - (G.L.O.) (5.15) (5.15)



LATITUDE = 40°09'00"  
 LONGITUDE = 109°28'12"

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END:  
 90° SYMBOL  
 = PROPOSED WELL HEAD.  
 = SECTION CORNERS LOCATED.

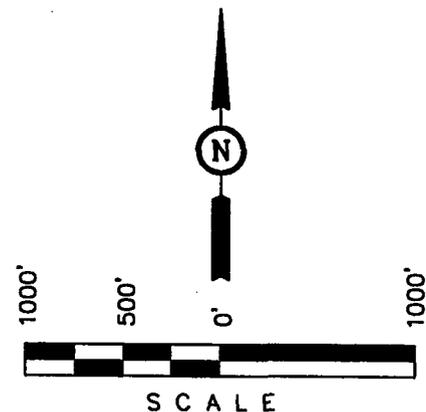
BASIS OF BEARINGS IS THE EAST LINE OF THE NE 1/4 SECTION 13, T8S, R21E, S.L.B.&M. WHICH IS ASSUMED FROM G.L.O. INFORMATION TO BEAR N0°49'W.

## SHENANDOAH ENERGY, INC.

Well location, WV #12G-5-8-22, located as shown in the NW 1/4 SW 1/4 (LOT 10) of Section 5, T8S, R22E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

BENCH MARK (45 EAM) LOCATED IN THE N 1/2 OF SECTION 5, T8S, 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 4689 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.

*Robert H. Gray*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 1161319  
 STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 10-3-01	DATE DRAWN: 10-8-01
PARTY D.A. J.A. 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 6650' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Please see Shenandoah Energy Inc. Standard Practices for Green River 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.

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# SHENANDOAH ENERGY, INC.

WV #12G-5-8-22

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 5, T8S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

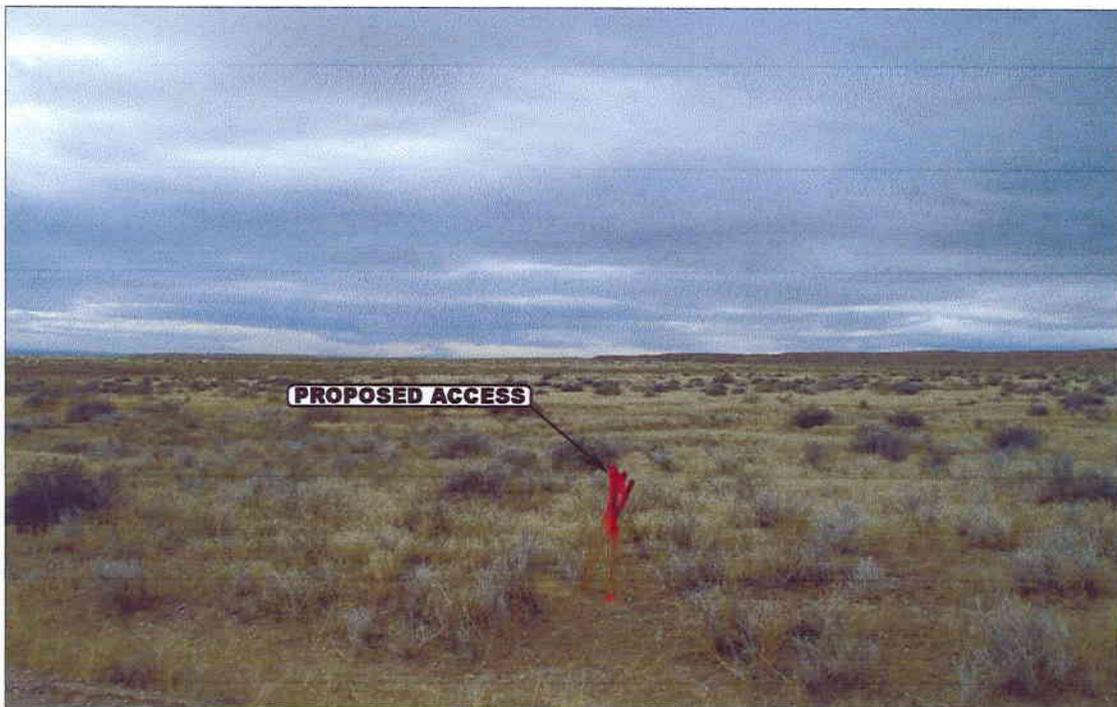


PHOTO: VIEW OF BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

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

CONFIDENTIAL

SHENANDOAH ENERGY INC.  
WV 12G-5-8-22

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:

<b>Formation</b>	<b>Depth</b>
Uinta	Surface
Green River	3030
Mahogany Ledge	3930
Mesa	6600
TD (Wasatch)	6650

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:

<b>Substance</b>	<b>Formation</b>	<b>Depth</b>
Oil/Gas	Green River	6150

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 2660.0 psi.

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SHENANDOAH ENERGY INC.  
WONSITS VALLEY 12G-5-8-22  
1519' FSL, 1031' FWL  
NWSW, SECTION 5, T8S, R22E  
UINTAH COUNTY, UTAH  
LEASE # UTU-76508

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the WV 12G-5-8-22 on November 6, 2001 at 1:50 PM. Weather conditions were sunny with a light breeze and a temperature of 65 degrees at the time of the onsite. In attendance at the inspection were the following individuals:

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

1. **Existing Roads:**

The proposed well site is approximately 8 miles southwest 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.

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**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.

**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.

A pit liner is required.

**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.

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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.

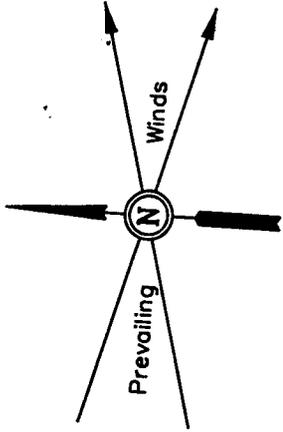
FIGURE #1

LOCATION LAYOUT FOR

WV #12G-5-8-22

SECTION 5, T8S, R22E, S.L.B.&M.

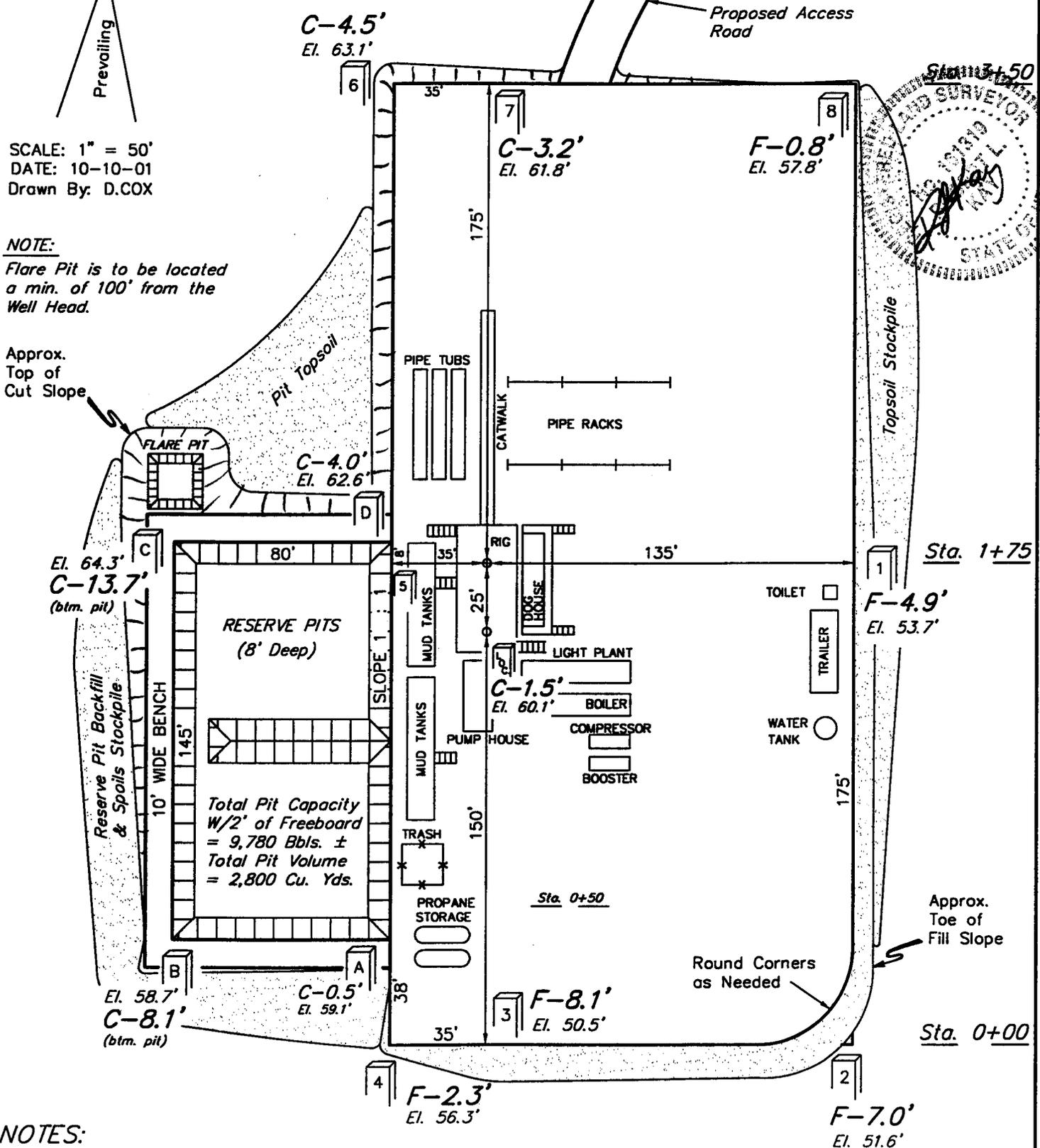
1519' FSL 1031' FWL



SCALE: 1" = 50'  
DATE: 10-10-01  
Drawn By: D.COX

**NOTE:**  
Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Top of Cut Slope



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5160.1'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5158.6'

SHENANDOAH ENERGY, INC.

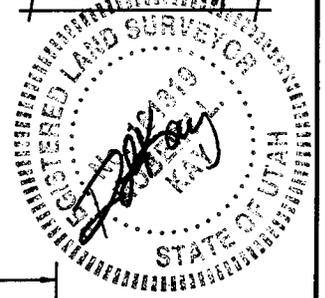
TYPICAL CROSS SECTIONS FOR

WV #12G-5-8-22

SECTION 5, T8S, R22E, S.L.B.&M.

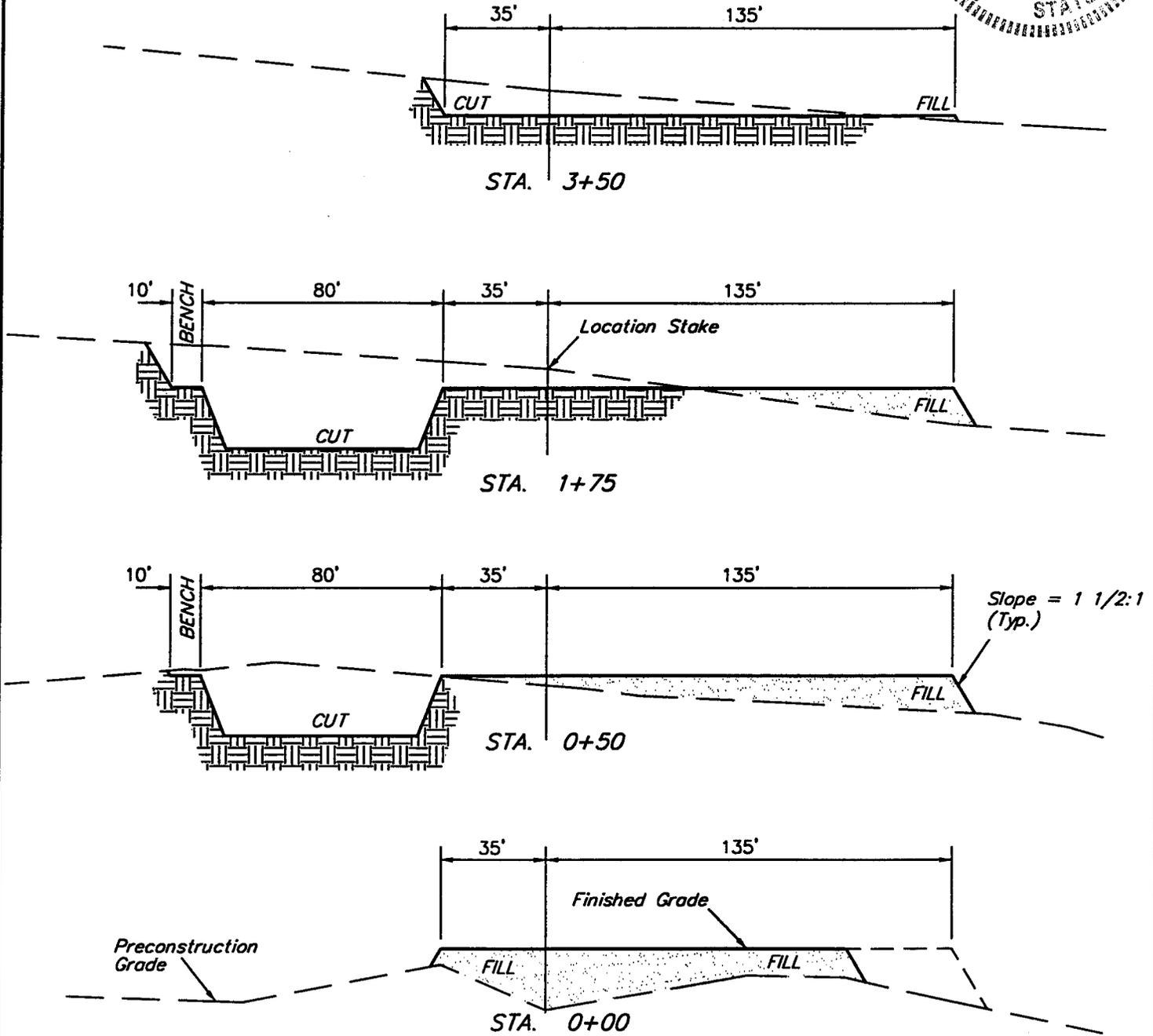
1519' FSL 1031' FWL

FIGURE #2



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

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



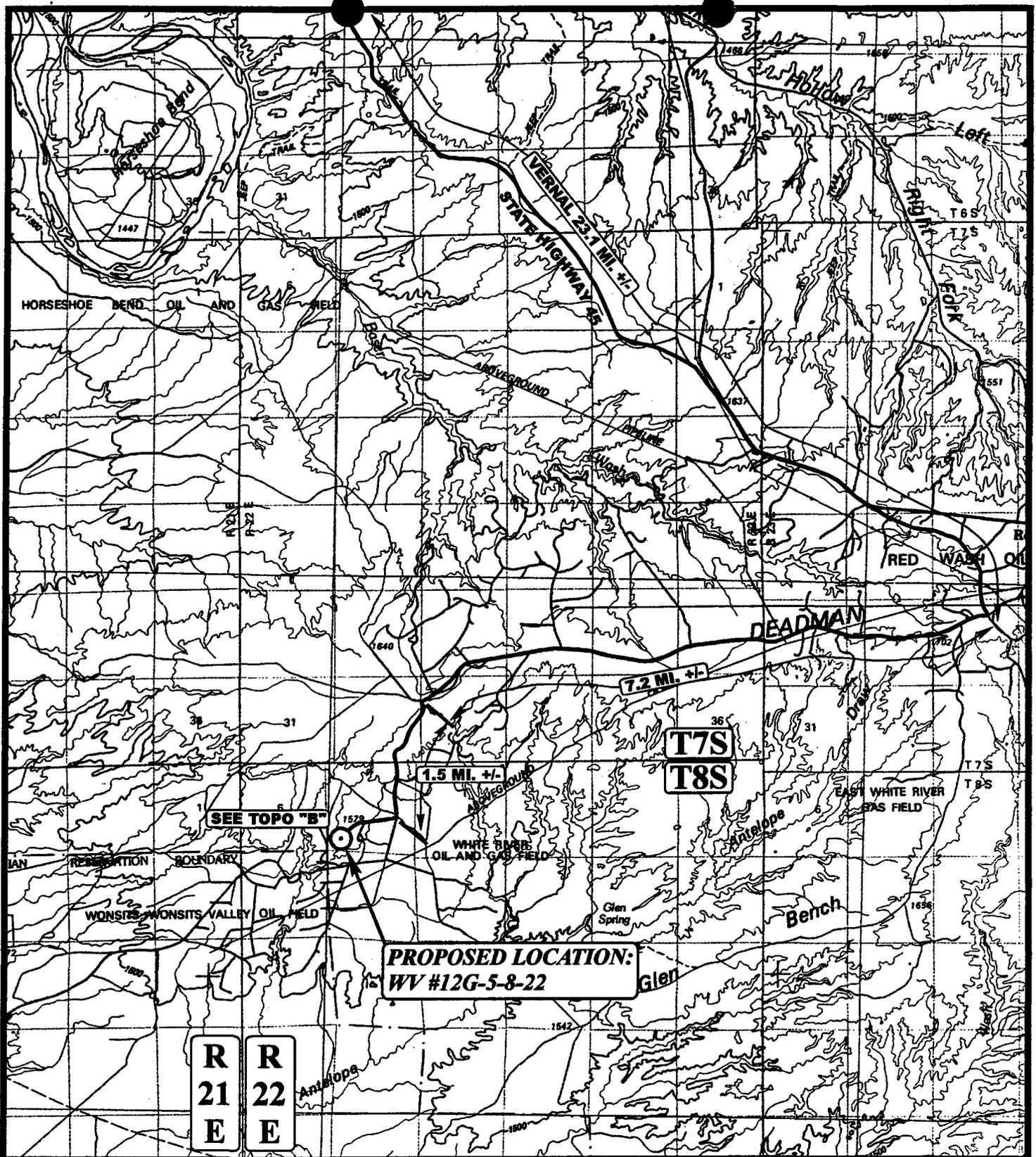
APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,380 Cu. Yds.
Remaining Location	= 6,050 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 7,430 CU.YDS.</b>
<b>FILL</b>	<b>= 4,420 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,780 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,780 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East • Vernal, Utah 84401

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**LEGEND:**

⊙ PROPOSED LOCATION



**SHENANDOAH ENERGY, INC.**

**WV #12G-5-8-22**  
**SECTION 5, T8S, R22E, S.L.B.&M.**  
**1519' FSL 1031' FWL**

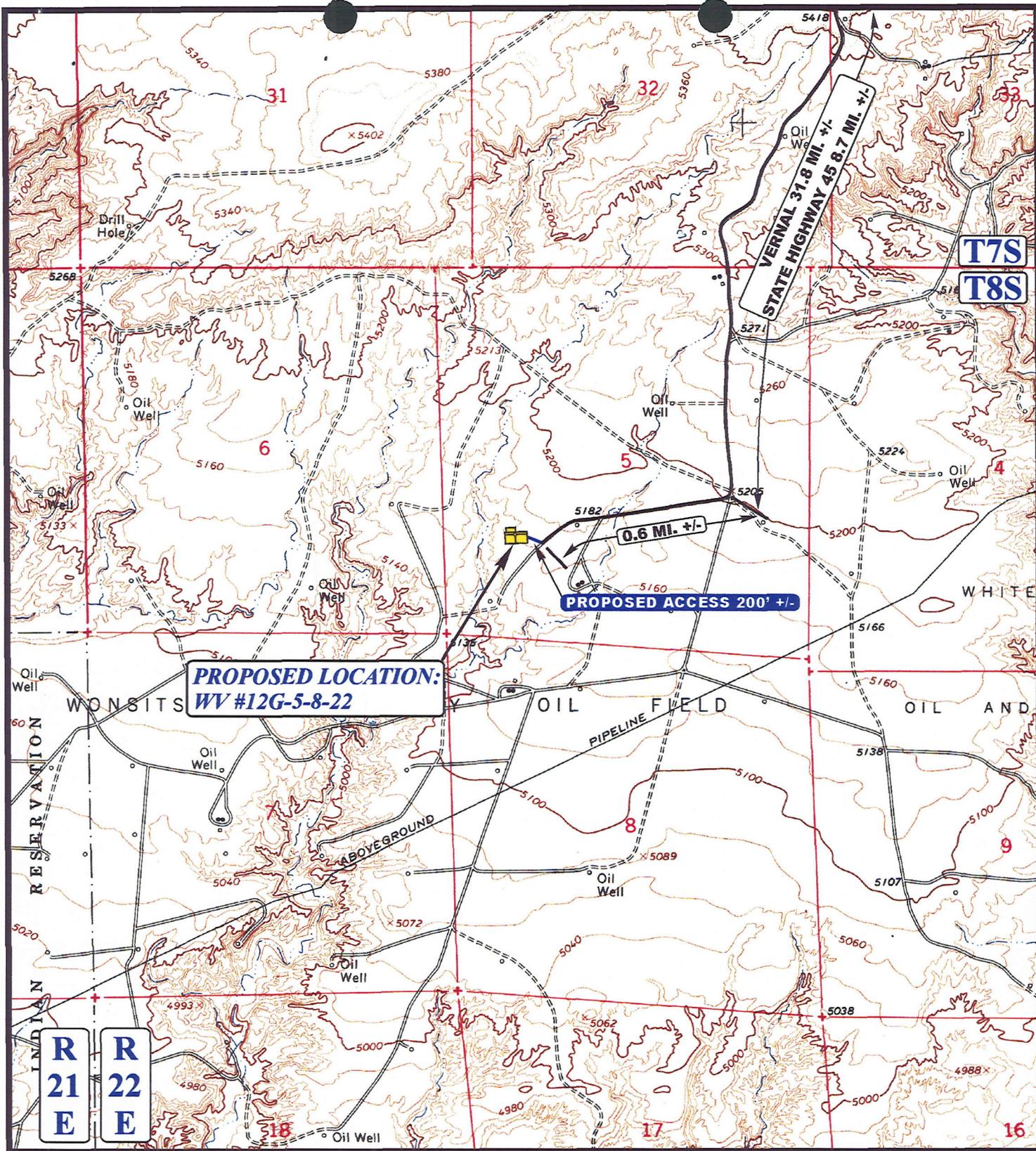


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

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



**CONFIDENTIAL**



**PROPOSED LOCATION:  
WV #12G-5-8-22**

**PROPOSED ACCESS 200' +/-**

**0.6 MI. +/-**

**STATE HIGHWAY 45 8.7 MI. +/-  
VERNAL 31.8 MI. +/-**

**T7S  
T8S**

**R  
21  
E**   **R  
22  
E**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD

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



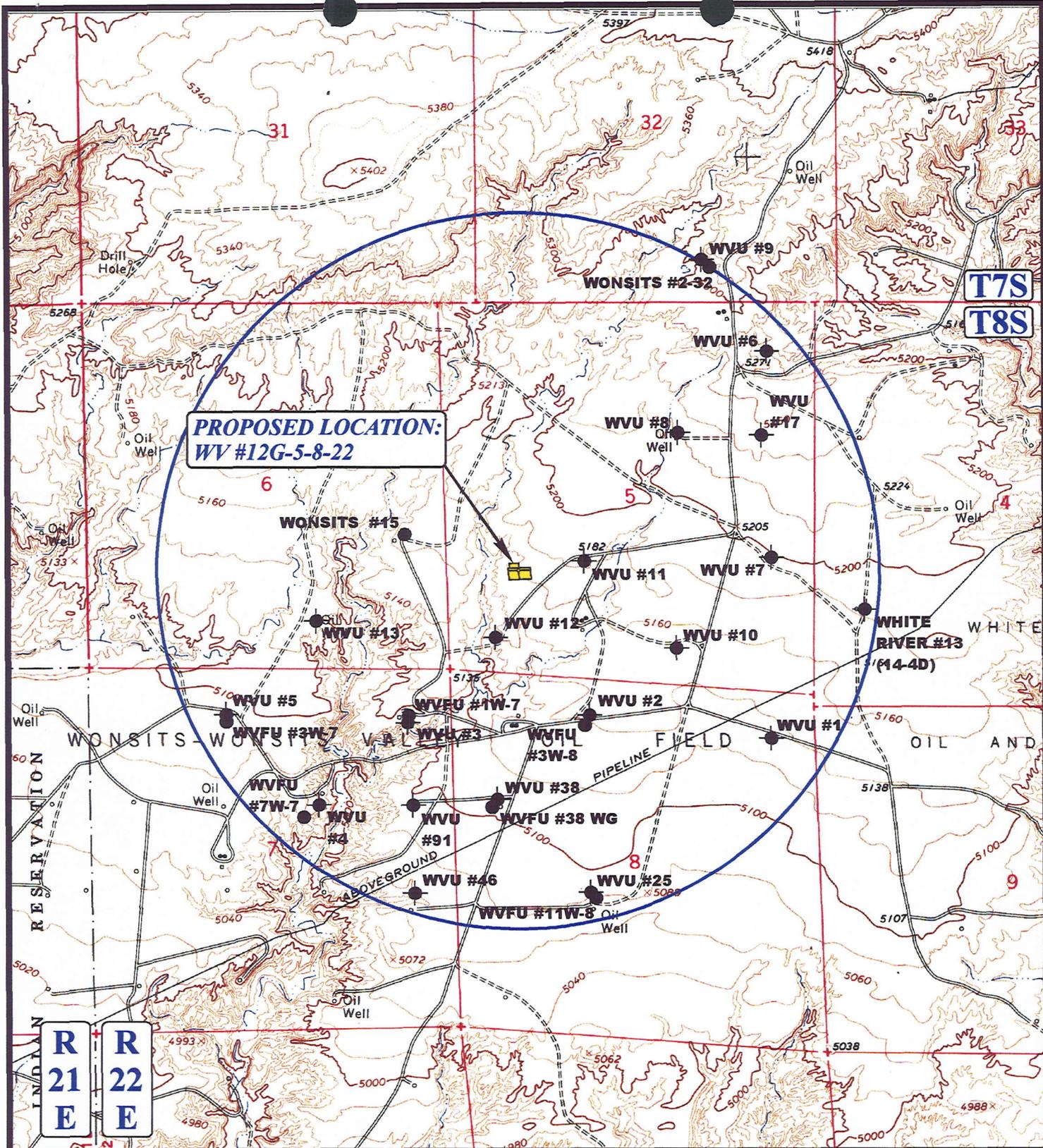
**SHENANDOAH ENERGY, INC.**

**WV #12G-5-8-22  
SECTION 5, T8S, R22E, S.L.B.&M.  
1519' FSL 1031' FWL**

**TOPOGRAPHIC MAP**   **10** MONTH   **10** DAY   **01** YEAR  
SCALE: 1" = 2000'   DRAWN BY: K.G.   REVISED: 00-00-00

**B**  
TOPO

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**PROPOSED LOCATION:  
WV #12G-5-8-22**

**T7S  
T8S**

**WONSITS #15**

**WVU #13**

**WVU #12**

**WVU #11**

**WVU #7**

**WHITE RIVER #13  
(14-4D)**

**WVU #5**

**WVU #1W-7**

**WVU #2**

**WVU #1**

**WONSITS- WONSITS**

**WVU #3**

**WVU #38**

**WVU #10**

**WHITE RIVER OIL AND**

**WVU #7W-7**

**WVU #3W-8**

**WVU #38 WG**

**PIPELINE FIELD**

**OIL AND**

**WVU #4**

**WVU #91**

**WVU #46**

**WVU #25**

**5100**

**WVU #11W-8**

**5107**

**R  
21  
E**

**R  
22  
E**

**LEGEND:**

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



**SHENANDOAH ENERGY, INC.**

**WV #12G-5-8-22  
SECTION 5, T8S, R22E, S.L.B.&M.  
1519' FSL 1031' FWL**



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

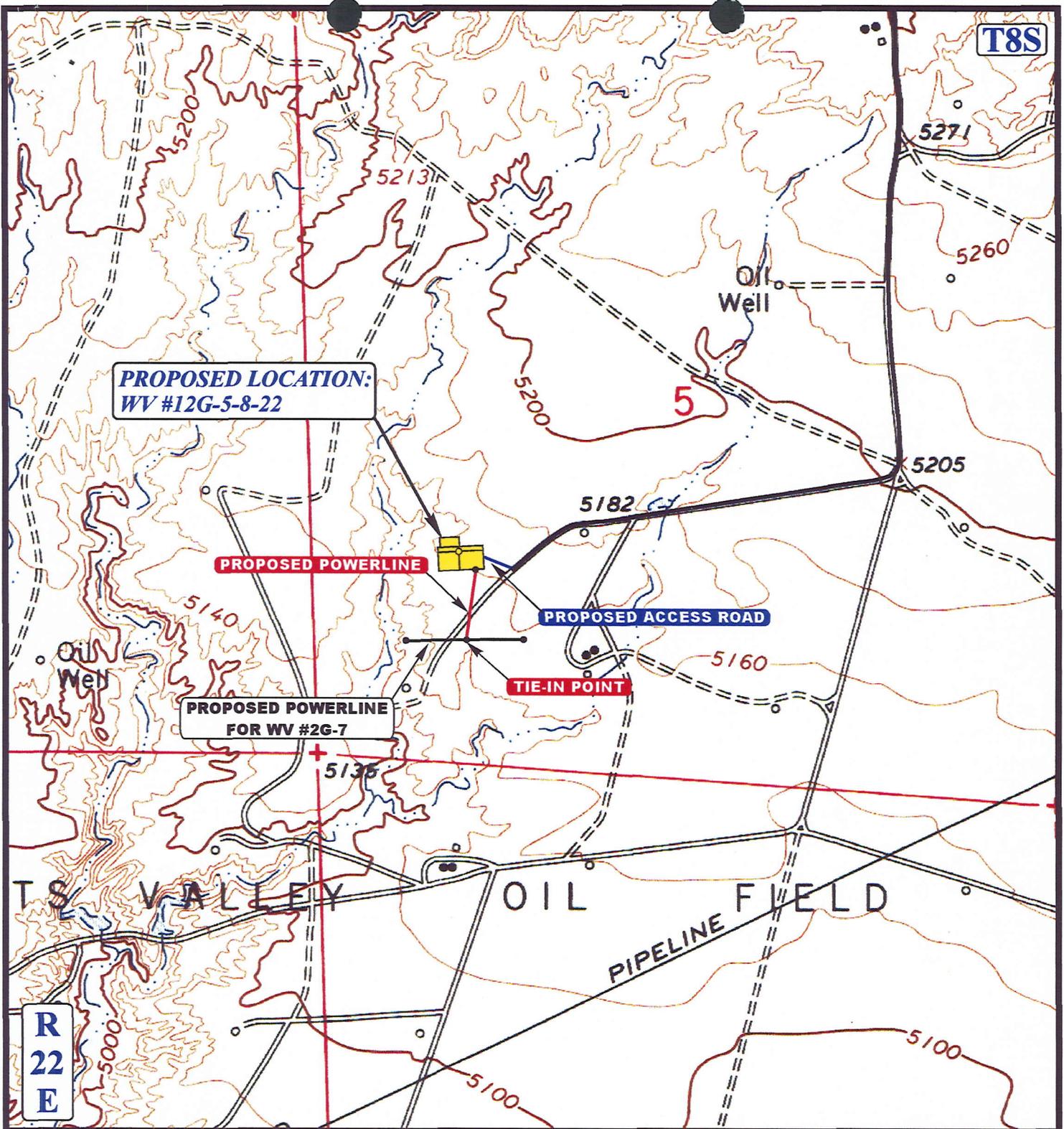
**TOPOGRAPHIC  
MAP**

**10 10 01**  
MONTH DAY YEAR

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



**CONFIDENTIAL**



**APPROXIMATE TOTAL POWERLINE DISTANCE = 400' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- PROPOSED POWERLINE
- EXISTING ROAD
- - - EXISTING POWERLINE

**SHENANDOAH ENERGY, INC.**

**WV #12G-5-8-22**  
**SECTION 5, T8S, R22E, S.L.B.&M.**  
**1519' FSL 1031' FWL**



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



**TOPOGRAPHIC MAP** **10 10 01**  
MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: K.G. REVISED: 00-00-00



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/30/2001

API NO. ASSIGNED: 43-047-34398

WELL NAME: WV 12G-5-8-22

OPERATOR: SHENANDOAH ENERGY INC ( N4235 )

CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

NWSW 05 080S 220E  
SURFACE: 1519 FSL 1031 FWL  
BOTTOM: 1519 FSL 1031 FWL  
UINTAH  
WONSITS VALLEY ( 710 )

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-76508

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: GRRV

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:

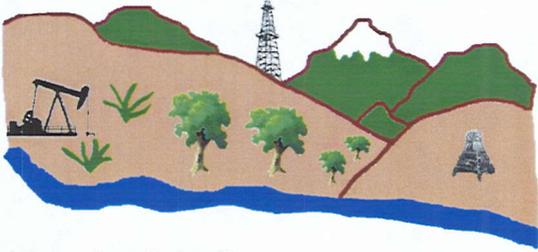
- R649-2-3. Unit \_\_\_\_\_
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: \_\_\_\_\_
- Eff Date: \_\_\_\_\_
- Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS:

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

STIPULATIONS:

*1- Fed. Approval  
2- Spacing Stip.*



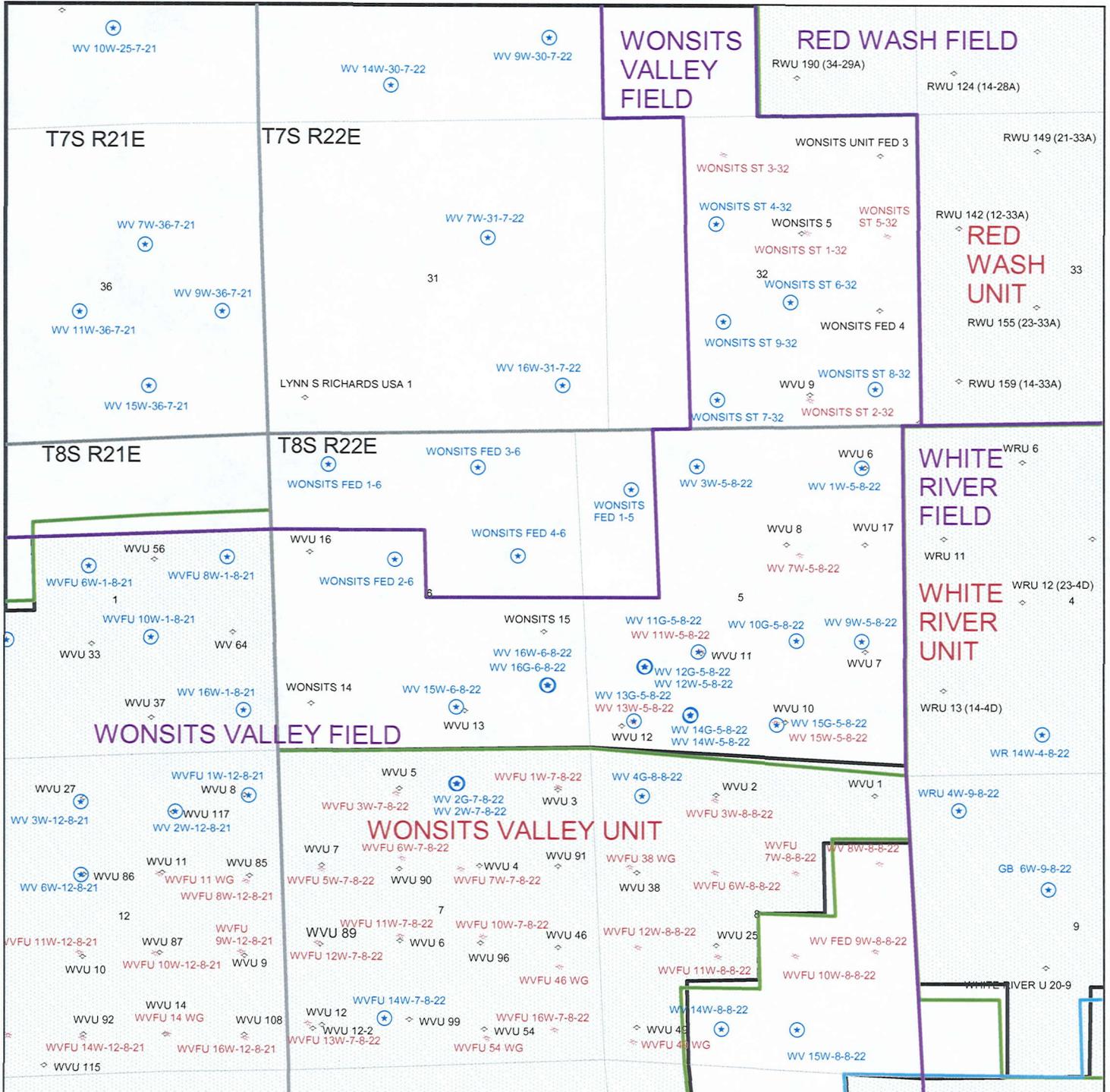
Utah Oil Gas and Mining

OPERATOR: SHENANDOAH ENERGY (N4235)

SEC. 5 & 6, T8S, R22E

FIELD: WONSITS VALLEY (710)

COUNTY: UINTAH



002

**SHENANDOAH ENERGY INC.**

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

December 13, 2001

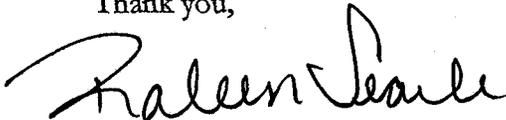
Division of Oil, Gas & Mining  
1594 W. N. Temple STE 1210  
Salt Lake City, UT 84114-5801

To Whom It May Concern:

Shenandoah Energy Inc. Wonsits Valley 12G-5-8-22 Lease # UTU-76508, is an exception location due to the setting of the WV 12W-5-8-22.

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 12G-5-8-22 Well, 1519' FSL, 1031' FWL, NW SW, Sec. 5, T. 8 South,  
R. 22 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 43-047-34398.

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 12G-5-8-22

API Number: 43-047-34398

Lease: UTU-76508

Location: NW SW      Sec. 5      T. 8 South      R. 22 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 #12G-5-8-22

API Number: 43-047-34398

Lease Number: U - 76508

Location: LOT 10 (NWSW) Sec. 05 T. 8S R. 22E

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 top of the Green River Formation, identified at  $\pm 3,134$  ft.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

006

**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.*

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		5. Lease Serial No. UTU76508
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. WONSITS VALLEY 12G-5-8-22	
2. Name of Operator SHENANDOAH ENERGY INC	Contact: RALEEN SEARLE E-Mail: raleen.searle@questar.com	9. API Well No. 43-047-34398-00-X1
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078-8526	3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329	10. Field and Pool, or Exploratory WONSITS VALLEY
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T8S R22E Lot 10 1519FSL 1031FWL		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 PD
	<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. has need to file an 1 year extension on the APD for the SU 12G-5-8-22.

**RECEIVED**

**JAN 28 2003**

**DIVISION OF  
OIL, GAS AND MINING**

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #17956 verified by the BLM Well Information System For SHENANDOAH ENERGY INC, sent to the Vernal Committed to AFMSS for processing by LESLIE WALKER on 01/24/2003 (03LW0795SE)</b>	
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>01/28/2003</u>
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Shenandoah Energy Inc.  
APD Extension

Well: Wonsits Valley 12G-5-8-22

Location: Lot 10 Sec. 5, T8S, R22E

Lease: UTU 76508

**CONDITIONS OF APPROVAL**

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

---

1. The extension will expire 1/29/04
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

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.  
UTU-76508

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
STIRRUP UNIT 12G-5-8-22

9. API Well No.  
43-047-34398

10. Field and Pool, or Exploratory  
WONSITS VALLEY

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

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

**CONFIDENTIAL**

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 5 T8S R22E NWSW 1519FSL 1031FWL

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

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<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 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 recomplate 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 SU 12G-5-8-22.

**COPY SENT TO OPERATOR**  
Date: 03-13-03  
Initials: CWS

**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 #17956 verified by the BLM Well Information System  
For SHENANDOAH ENERGY INC., sent to the Vernal  
Committed to AFMSS for processing by LESLIE WALKER 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 \_\_\_\_\_

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

Office \_\_\_\_\_

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

**\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\***



## 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: Well No. WV 12G-5-8-22  
Lot 10, Sec. 5, T8S, R22E  
Uintah County, Utah  
Lease No. U-76508

Dear Raleen:

The Application for Permit to Drill (APD) the above referenced well has been rescinded as per your letter of May 1, 2003. If you intend to drill at this location at a future date, a new APD must be submitted.

No drilling activity at this location has been reported to this office. Therefore, approval to drill the well 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*  
Leslie Walker  
Legal Instruments Examiner

cc: UDOGM – Diana Mason

RECEIVED

JUN 11 2003

DIV. OF OIL, GAS & MINING

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.  
UTU-76508

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
STIRRUP UNIT 12G-5-8-22

9. API Well No.  
43-047-34398

10. Field and Pool, or Exploratory  
WONSITS VALLEY

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

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

CONFIDENTIAL

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
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<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
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Shenandoah Energy Inc. has need to file an 1 year extension on the APD for the SU 12G-5-8-22.

COPY SENT TO OPERATOR  
Date: 03-13-03  
Initials: CWS

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 #17956 verified by the BLM Well Information System  
For SHENANDOAH ENERGY INC., sent to the Vernal  
Committed to AFMSS for processing by LESLIE WALKER on 01/24/2003 ()

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

Signature [Signature] Date 01/23/2003

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 \_\_\_\_\_

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\*\* ORIGINAL \*\*



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 12G-5-8-22, Sec. 5, T.8S, R.22E – Uintah County, Utah, API No. 43-047-34398

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 December 18, 2001. On March 12, 2003, 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,

A handwritten signature in black ink that reads "Diana Mason".

Diana Mason  
Engineering Technician

cc: Well File  
Bureau of Land Management, Vernal