

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-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 12W-5-8-22

9. API Well No.
43-047-34399

10. Field and Pool, or Exploratory
WONSITS VALLEY

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

12. County or Parish
UINTAH

13. State
UT

17. Spacing Unit dedicated to this well
585.25

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: 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

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface NWSW 1522FSL 1056FWL 4445287N
At proposed prod. zone 630269E

14. Distance in miles and direction from nearest town or post office*
8 +/- MILES FROM REDWASH, UTAH

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1056' +/-

16. No. of Acres in Lease
40.00

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

19. Proposed Depth
8300 MD
8300 TVD

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

22. Approximate date work will start

CONFIDENTIAL

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 (Electronic Submission) *John Burch* Name (Printed/Typed) JENNY MOORE Date 11/16/2001

Title PREPARER

Approved by (Signature) *Bradley Hill* Name (Printed/Typed) BRADLEY G. HILL Date 01-28-02

Title 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 #8730 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

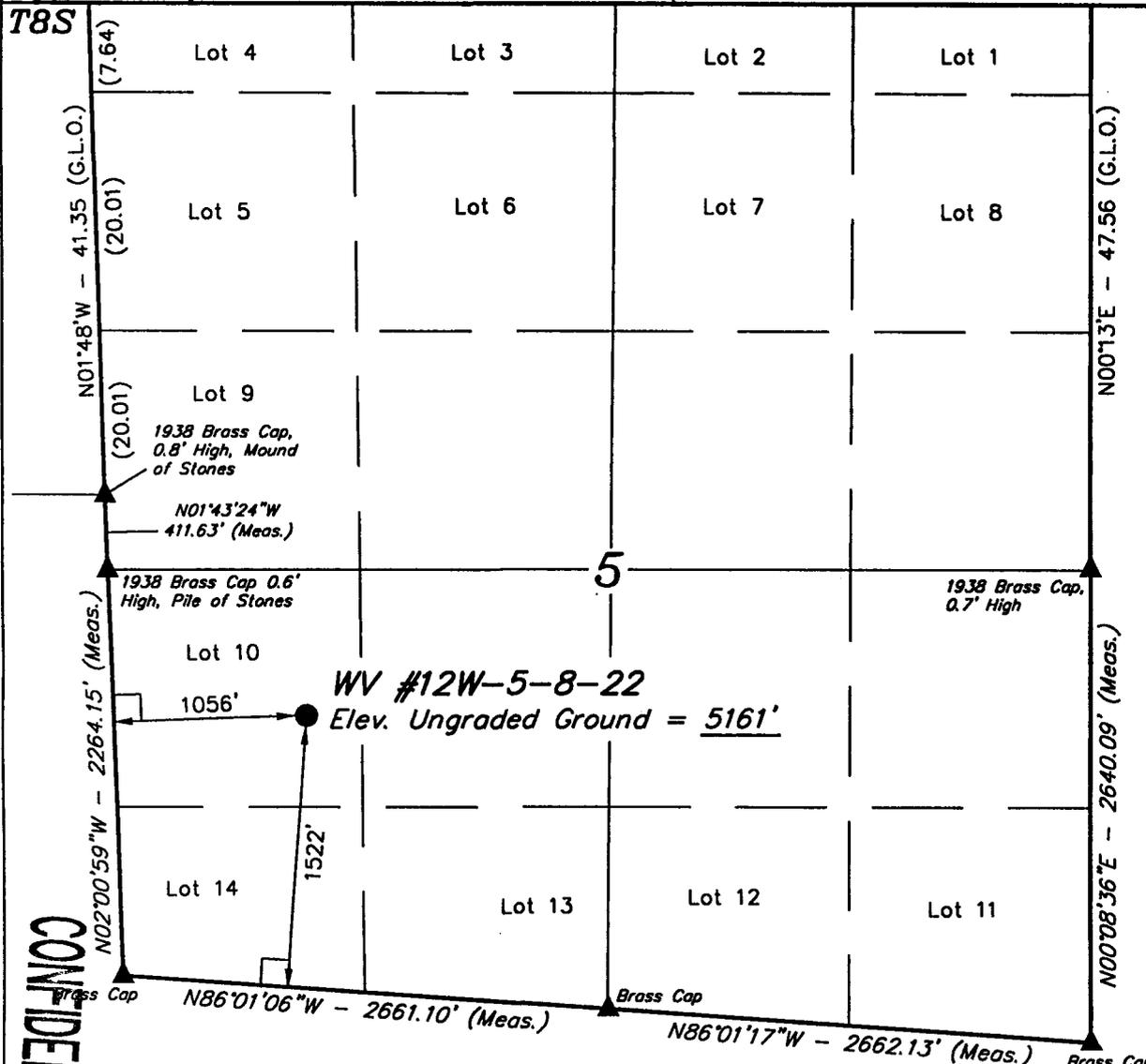
** ORIGINAL **

CONFIDENTIAL

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

32

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



CONFIDENTIAL

- = 90° SYMBOL
 ● = PROPOSED WELL HEAD.
 ▲ = SECTION CORNERS LOCATED.

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

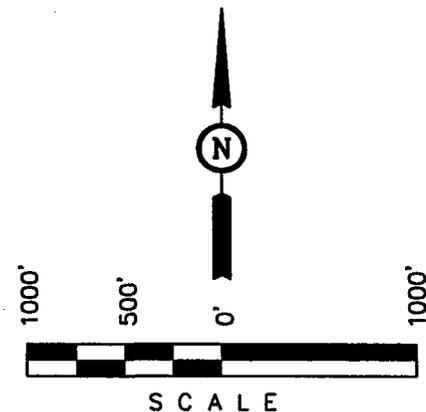
BASIS OF BEARINGS IS THE EAST LINE OF THE NE 1/4 SECTION 13, T8S, R21E, S.L.B.&M. WHICH IS ASSUMED FROM G.L.O. INFORMATION TO BEAR N0°49'W.

SHENANDOAH ENERGY, INC.

Well location, WV #12W-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.



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.


 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 10-9-01	DATE DRAWN: 10-10-01
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 8300' 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.

CONFIDENTIAL

SHENANDOAH ENERGY, INC.

WV #12W-5-8-22

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

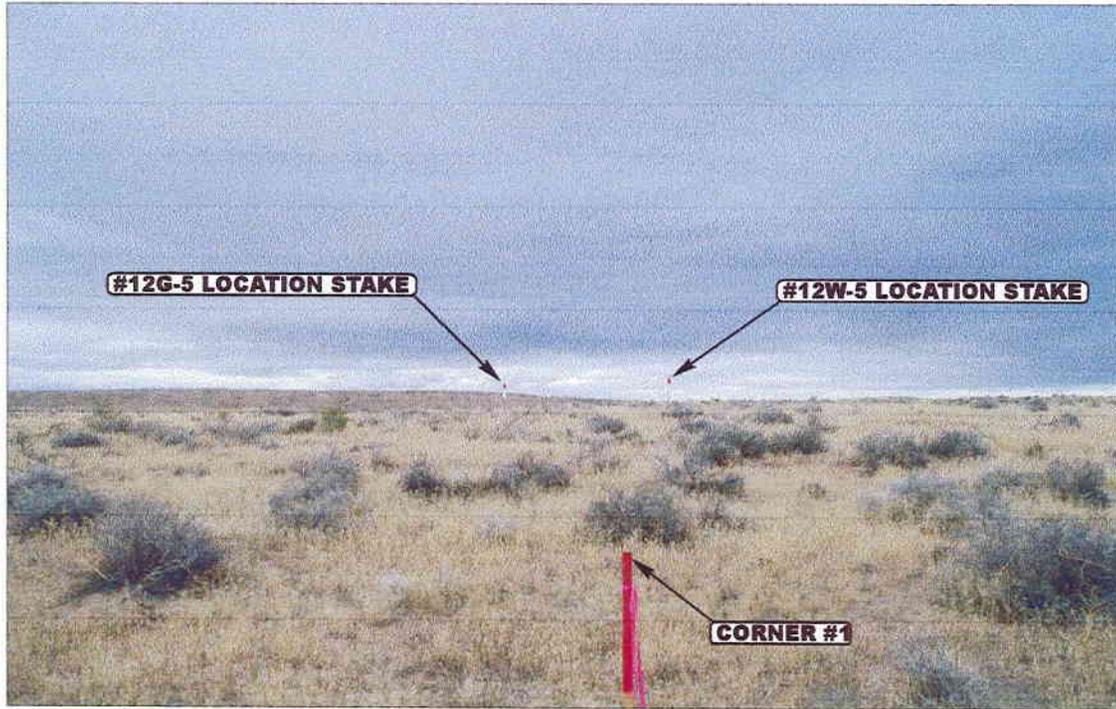


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

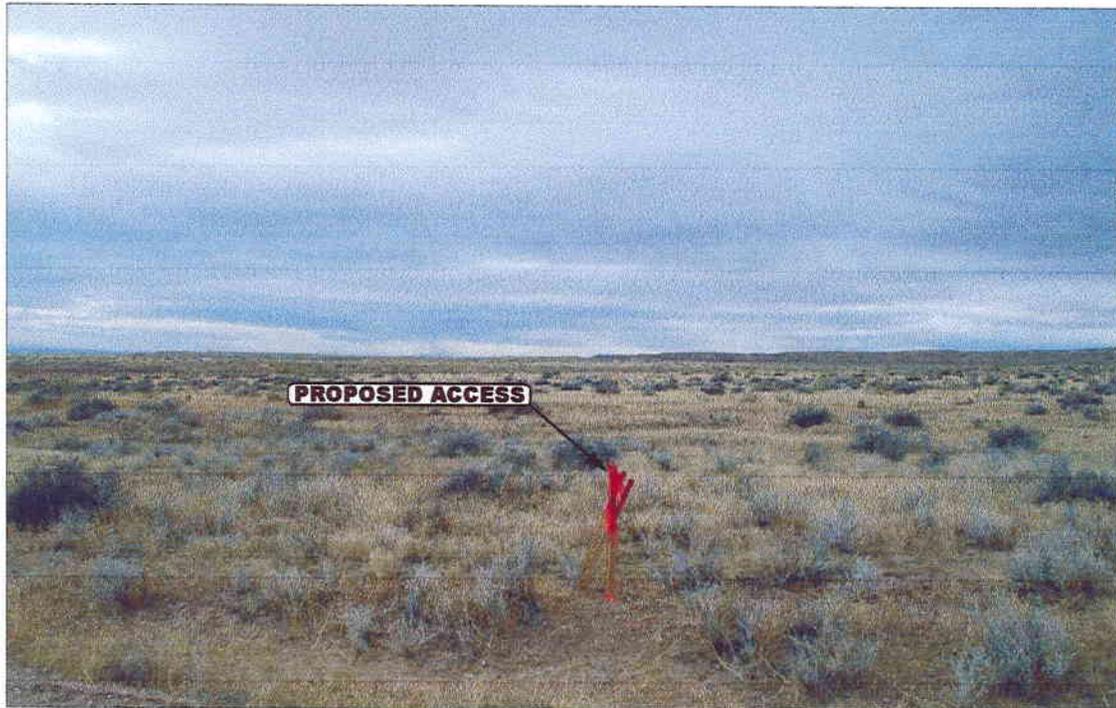


PHOTO: VIEW OF BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

UELS 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 12W-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:

Formation	Depth
Uinta	Surface
Green River	3125
Mahogany Ledge	3955
Mesa	6600
TD (Wasatch)	8300

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	8300

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 3320.0 psi.

CONFIDENTIAL

SHENANDOAH ENERGY INC.
WONSITS VALLEY 12W-5-8-22
1522' FSL, 1056' 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 12W-5-8-22 on November 6, 2001 at 1:50 PM. Weather conditions were sunny and breezy with temperatures 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.

CONFIDENTIAL

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.

CONFIDENTIAL

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

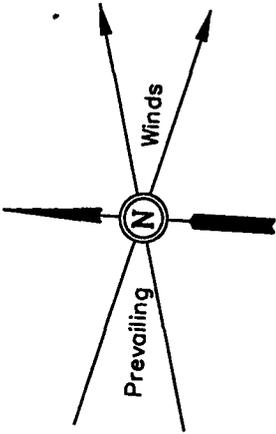
CONFIDENTIAL

SHENANDOAH ENERGY, INC.

FIGURE #1

LOCATION LAYOUT FOR

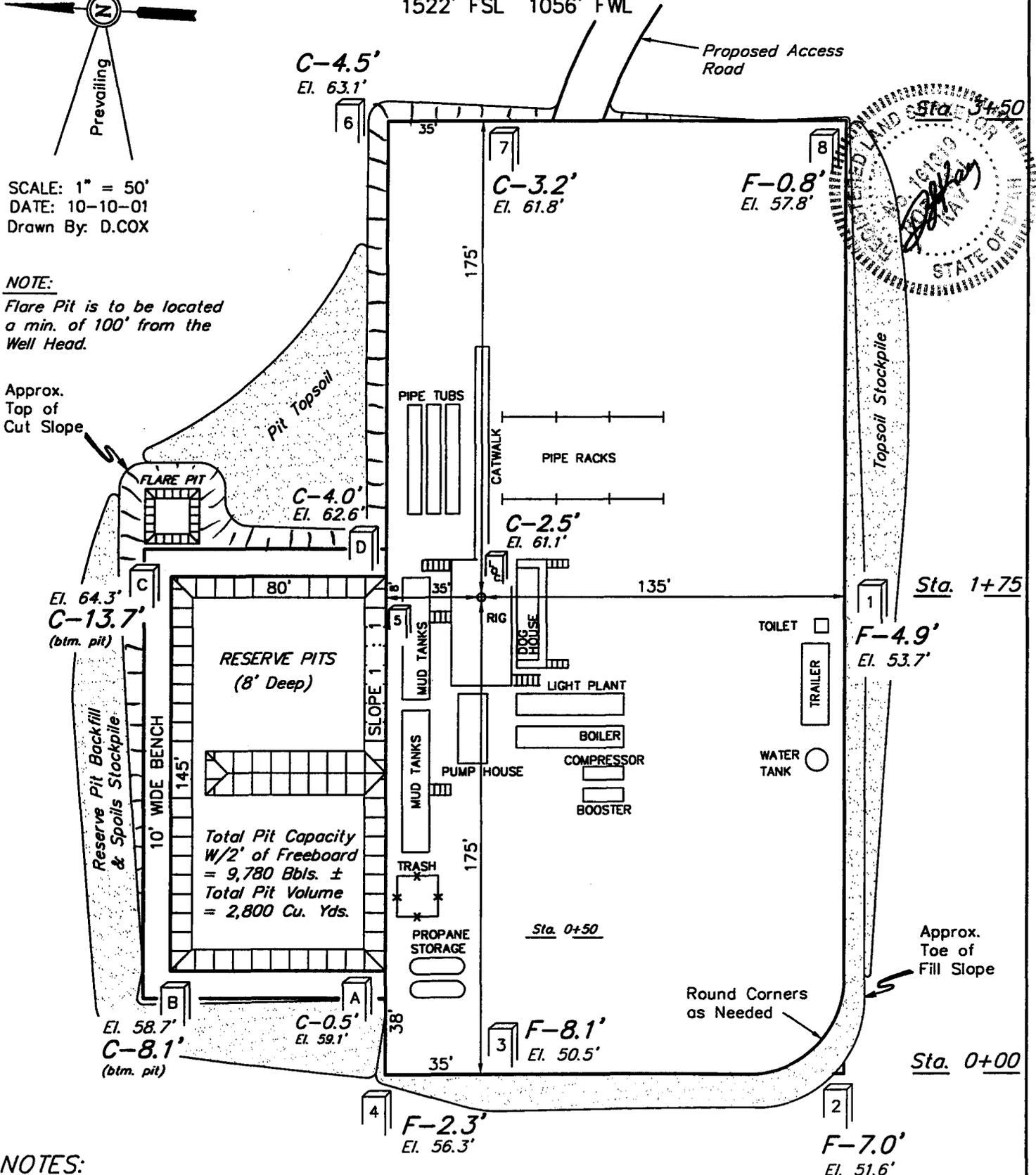
WV #12W-5-8-22
SECTION 5, T8S, R22E, S.L.B.&M.
1522' FSL 1056' FWL



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 = 5161.1'
FINISHED GRADE ELEV. AT LOC. STAKE = 5158.6'

CONFIDENTIAL

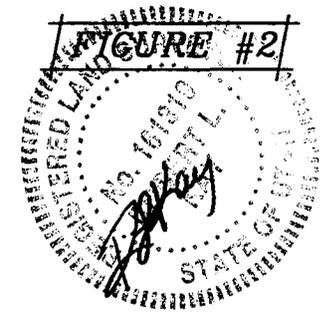
SHENANDOAH ENERGY, INC.

TYPICAL CROSS SECTIONS FOR

WV #12W-5-8-22

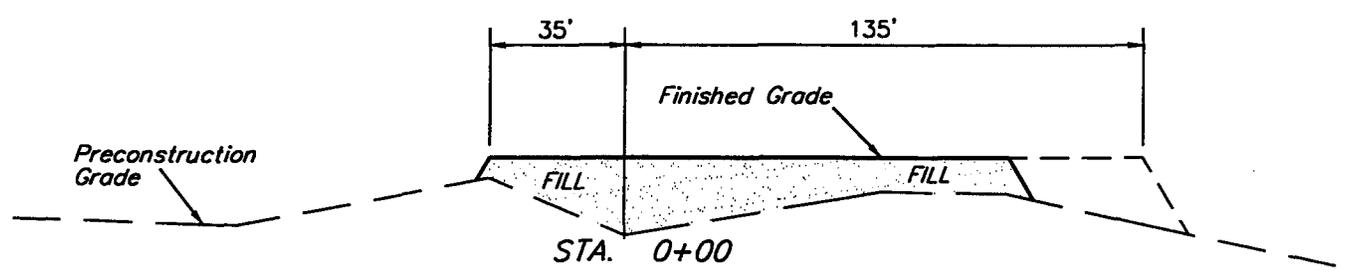
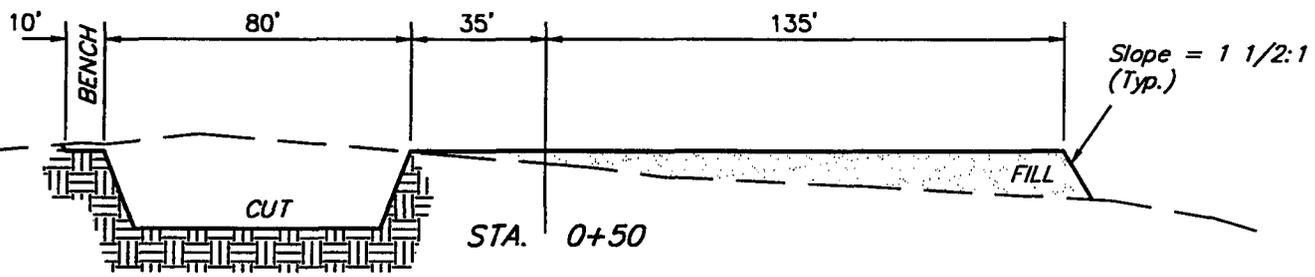
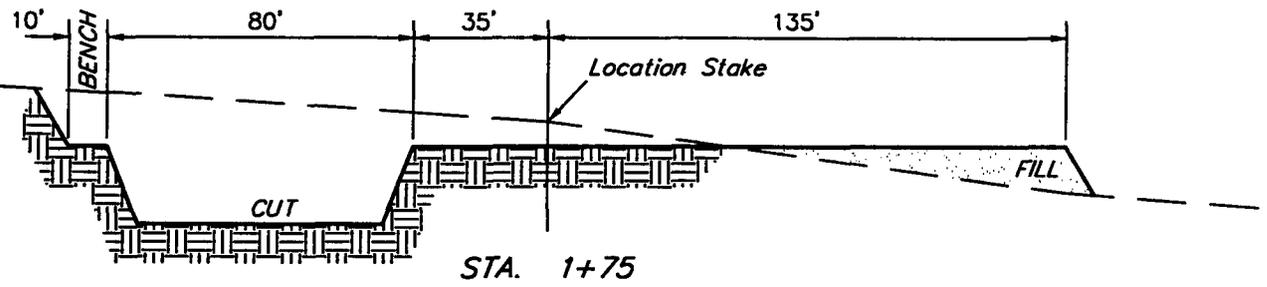
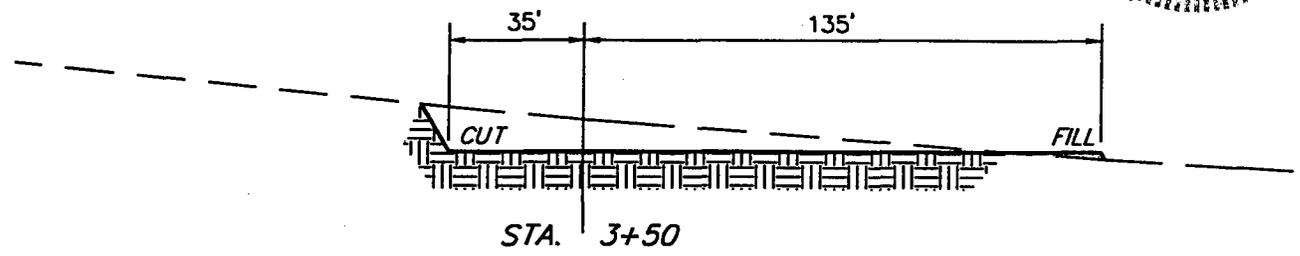
SECTION 5, T8S, R22E, S.L.B.&M.

1522' FSL 1056' FWL



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

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



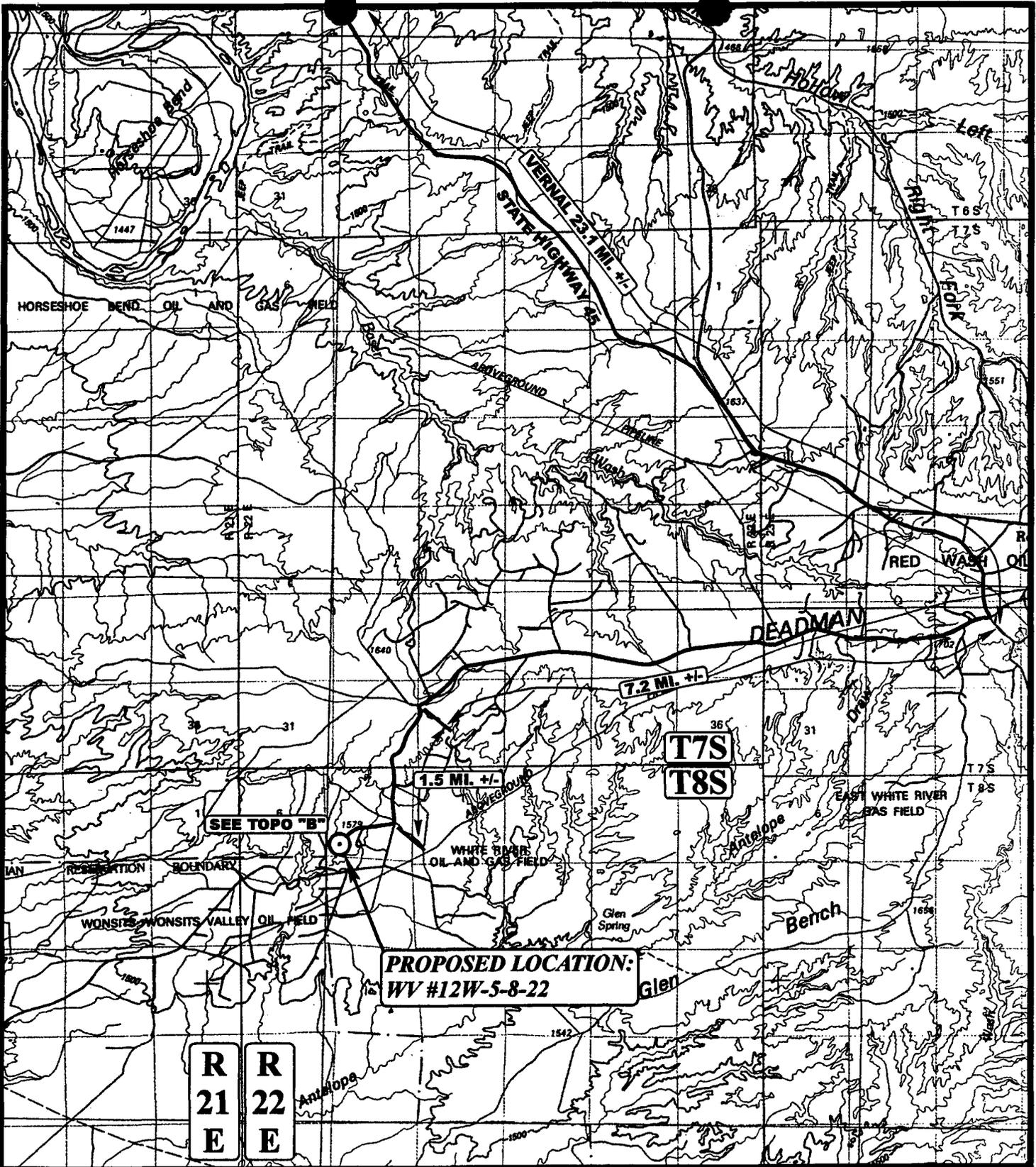
APPROXIMATE YARDAGES

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

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 84078 • (435) 788-1017

CONFIDENTIAL



PROPOSED LOCATION:
WV #12W-5-8-22

**R
21
E** **R
22
E**

T7S
T8S

LEGEND:

⊙ PROPOSED LOCATION



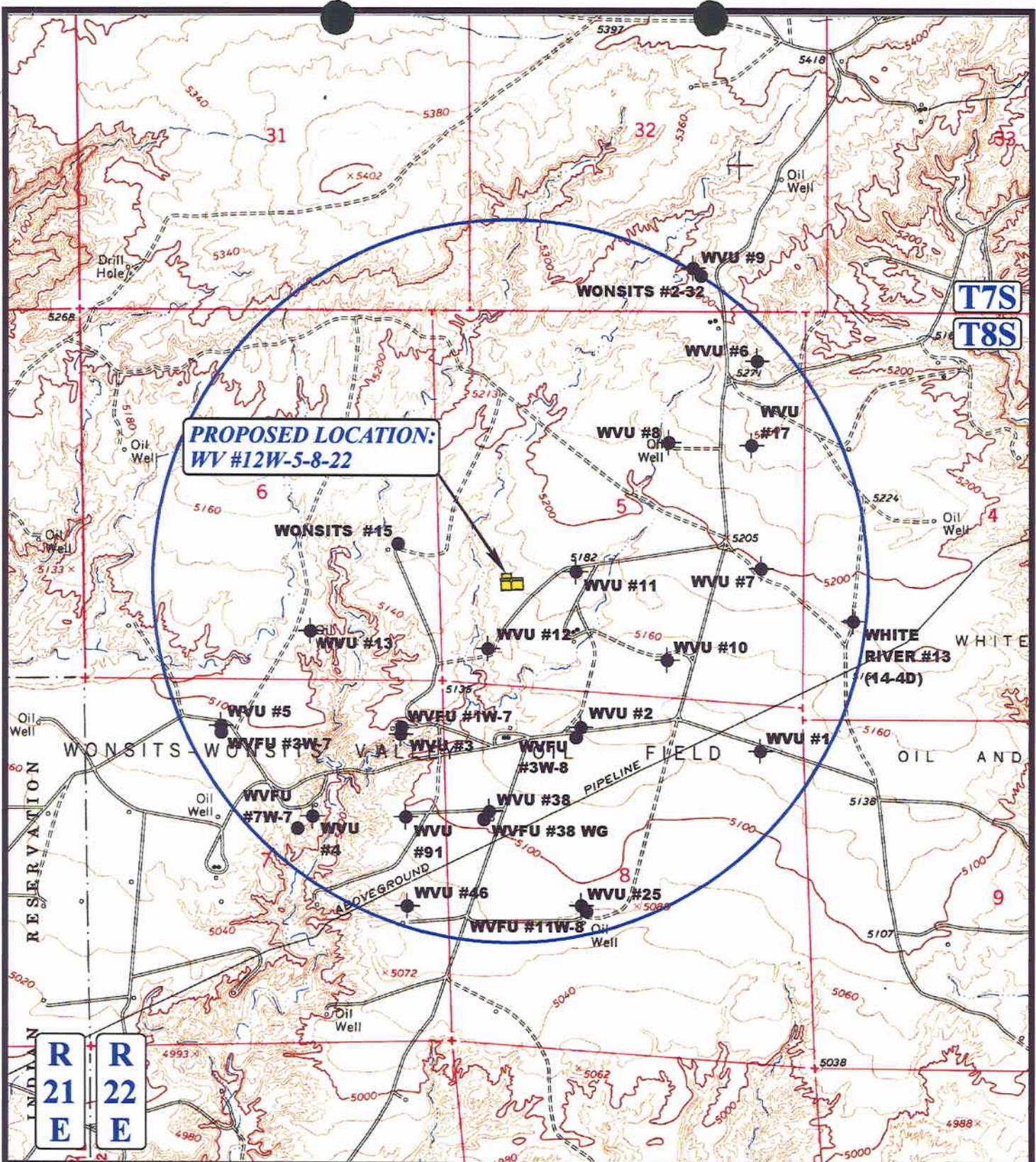
SHENANDOAH ENERGY, INC.

WV #12W-5-8-22
SECTION 5, T8S, R22E, S.L.B.&M.
1522' FSL 1056' FWL

UES 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 **A**
 TOPO

CONFIDENTIAL



PROPOSED LOCATION:
WV #12W-5-8-22

LEGEND:

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



SHENANDOAH ENERGY, INC.

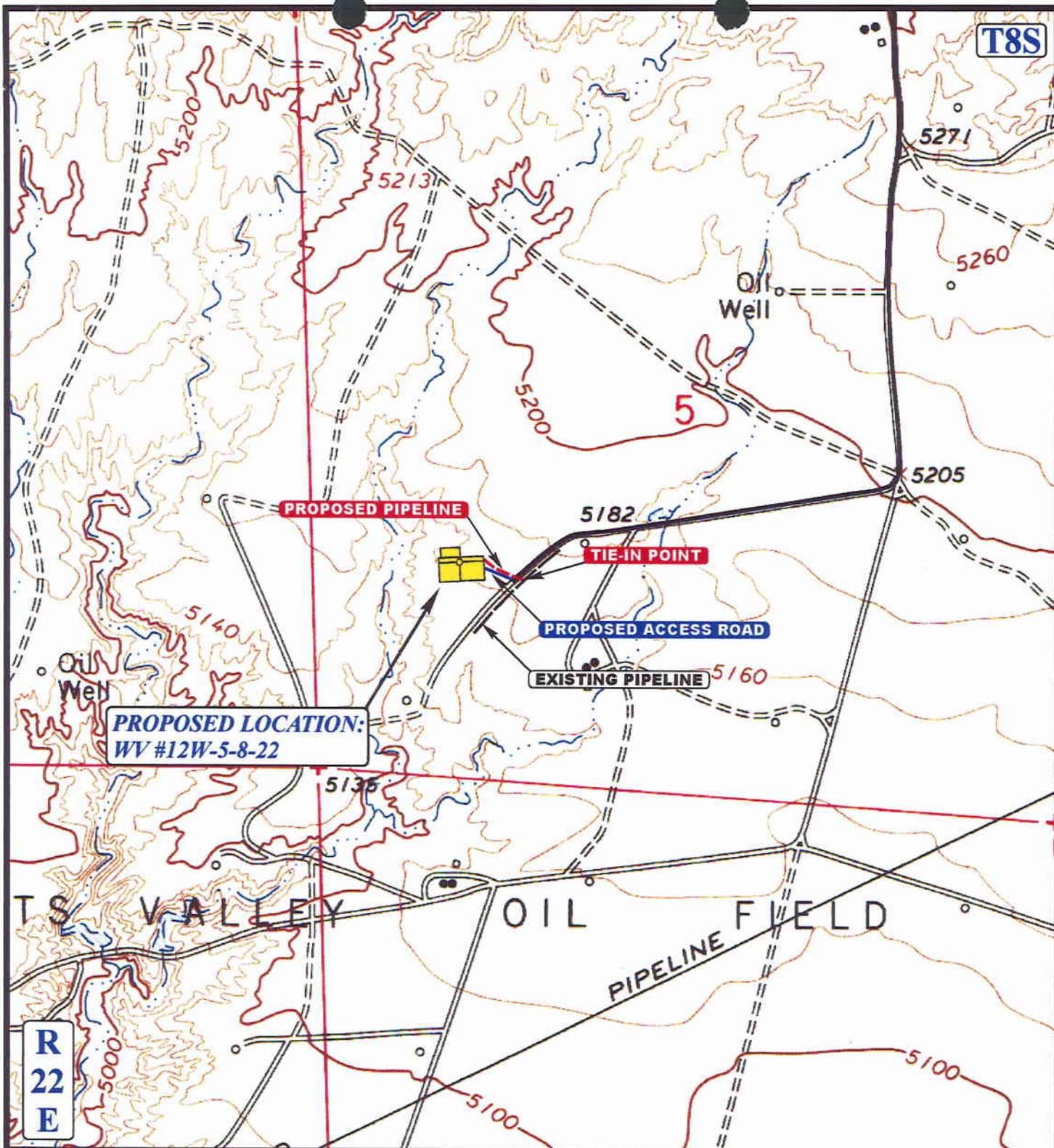
WV #12W-5-8-22
SECTION 5, T8S, R22E, S.L.B.&M.
1522' FSL 1056' FWL



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

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

CONFIDENTIAL



APPROXIMATE TOTAL PIPELINE DISTANCE = 300' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

SHENANDOAH ENERGY, INC.

**WV #12W-5-8-22
SECTION 5, T8S, R22E, S.L.B.&M.
1522' FSL 1056' 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

**D
TOPO**

CONFIDENTIAL

002

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/30/2001

API NO. ASSIGNED: 43-047-34399

WELL NAME: WV 12W-5-8-22
OPERATOR: SHENANDOAH ENERGY INC (N4235)
CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

NWSW 05 080S 220E
SURFACE: 1522 FSL 1056 FWL
BOTTOM: 1522 FSL 1056 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: WSTC

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. U-0969)
- N Potash (Y/N)
- N Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- N RDCC Review (Y/N)
(Date: _____)
- N/A 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: SOP, separate file.
Need "Ex Loc" info. (Rec'd 12-17-01) (1-22-02)

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

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 12W-5-8-22 Lease # UTU-76508, is an exception location due to the closure between Section 4 and 5 T8S, R22E.

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

SHENANDOAH ENERGY INC.

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

January 16, 2002

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 12W-5-8-22 Lease # UTU-76508, is an exception location due to the section being uneven.

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

JAN 22 2002

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)

January 28, 2002

Shenandoah Energy Inc
11002 E 17500 S
Vernal UT 84078

Re: Wonsits Valley 12W-5-8-22 Well, 1522' FSL, 1056' 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 43-047-34399.

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 12W-5-8-22
API Number: 43-047-34399
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 12W-5-8-22

API Number: 43-047-34399

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.

DRILLING PROGRAM

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 $\pm 3,136$ ft.

005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
Well Well Other

2. Name of Operator
SHENANDOAH ENERGY INC

3. Address and Telephone No
11002 E. 17500 S. VERNAL, UT 84078-8526 (801) 781-4341

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1522' FSL, 1056' FWL, SWSE OF SECTION 5, T8S, R22E, SLB&M

CONFIDENTIAL

5. Lease Designation and Serial No.
UTU-76508

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

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

8. Well Name and No.
WV 12W-5-8-22

9. API Well No.
43-047-34399

10. Field and Pool, or Exploratory Area
WONSITS VALLEY

11. County or Parish, State
UINTAH, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Name Change</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)
Shenandoah Energy Inc. proposes to change the name of Wonsits Valley 12W-5-8-22 to Stirrup Unit 12W-5-8-22.

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 2/7/02
By: [Signature]

Federal Approval Of This
Action Is Necessary

COPY SENT TO OPERATOR
Date: 02-07-02
Initials: CTD

RECEIVED

FEB 06 2002

DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.
Signed JOHN BUSCH [Signature] Title OPERATIONS REPRESENTATIVE Date 1/31/02

(This space for Federal or State office use)

Approved by: _____ Title _____ Date _____

Conditions of approval, if any _____

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

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.

5. Lease Serial No.
UTU76508

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. STIRUP UNIT 12W-5-8-22
2. Name of Operator SHENANDOAH ENERGY INC		9. API Well No. 43-047-34399-00-X1
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078-8526		10. Field and Pool, or Exploratory WONSITS VALLEY
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 5 T8S R22E Lot 10 1522FSL 1056FWL		

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 12W-5-8-22.

RECEIVED

JAN 28 2003 *email*

**DIVISION OF
OIL, GAS AND MINING**

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

**Electronic Submission #17955 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 (03LW0794SE)**

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 PETROLEUM ENGINEER	Date 01/28/2003
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Vernal

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 #17955

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OTHER NOI	APDCH NOI
Lease:	UTU-76508	UTU76508
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:	WONSITS VALLEY	WONSITS VALLEY
Well/Facility:	STIRRUP UNIT 12W-5-8-22 Sec 5 T8S R22E NWSW 1522FSL 1056FWL	STIRUP UNIT 12W-5-8-22 Sec 5 T8S R22E Lot 10 1522FSL 1056FWL

Shenandoah Energy Inc.
APD Extension

Well: Wonsits Valley 12W-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 1/30/04
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

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. Stirrup 12W-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 request. 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



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 – Stirrup Unit 12W-5-8-22, Sec. 5, T.8S, R.22E – Uintah County, Utah, API No. 43-047-34399

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 January 28, 2002. 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 cursive script that reads "Diana Mason".
Diana Mason
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal