

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No. WHITE RIVER	
2. Name of Operator SHENANDOAH ENERGY INC.		8. Lease Name and Well No. OU GB 13W-4-8-22	
Contact: JOHN BUSCH E-Mail: jbusch@shenandoahenergy.com		9. API Well No. 43-047-34752	
3a. Address 11002 E. 17500 S. VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323	10. Field and Pool, or Exploratory WHITE RIVER	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSW Lot 11 592FSL 860FWL 4444906 Y 40.14605 At proposed prod. zone 631869 X - 109.45191		11. Sec., T., R., M., or Blk. and Survey or Area Sec 4 T8S R22E Mer SLB	
14. Distance in miles and direction from nearest town or post office* 10 +/- 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) 592' +/-	16. No. of Acres in Lease 907.83	17. Spacing Unit dedicated to this well 40.00	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 700' +/-	19. Proposed Depth 8225 MD 8225 TVD	20. BLM/BIA Bond No. on file UT-1237	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5184 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"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature 	Name (Printed/Typed) JOHN BUSCH	Date 10/14/2002
Title OPERATIONS	Federal Approval of this Action is Necessary	
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 10-28-02
Title	Office ENVIRONMENTAL SCIENTIST III	

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

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

Additional Operator Remarks (see next page)

RECEIVED

Electronic Submission #14736 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC., sent to the Vernal

OCT 16 2002

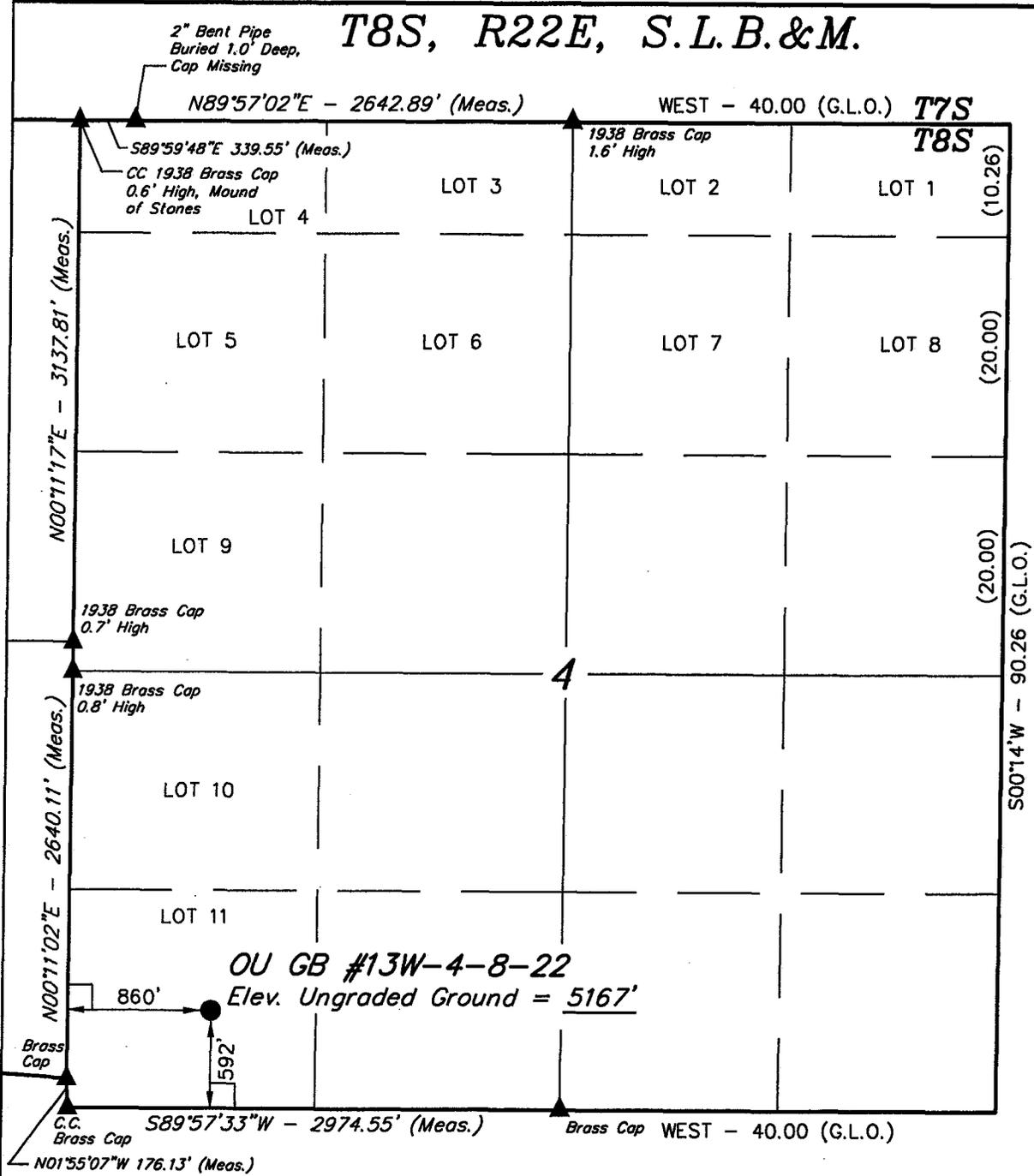
DIVISION OF
OIL, GAS AND MINING

** ORIGINAL **

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

SHENANDOAH ENERGY, INC.

Well location, OU GB #13W-4-8-22, located as shown in the SW 1/4 SW 1/4 of Section 4, T8S, R22E, S.L.B.&M. Uintah County, Utah.

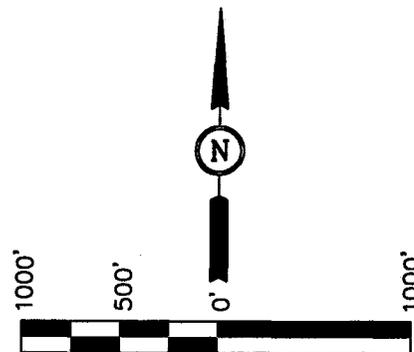


BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHEAST CORNER OF SECTION 25, T8S, R21E, S.L.B.&M. TAKEN FROM THE RED WASH SW 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 4731 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

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

ROBERT L. COX
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161349
 STATE OF UTAH

LEGEND:

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

(NAD 83)
 LATITUDE = 40°08'45.70" (40.146028)
 LONGITUDE = 109°27'09.48" (109.452633)

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 09-18-02	DATE DRAWN: 09-19-02
PARTY D.A. J.A. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE SHENANDOAH ENERGY, INC.	

SHENANDOAH ENERGY INC.
OU GB 13W-4-8-22

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	2949
Mahogany Ledge	3969
Mesa	6514
TD (Wasatch)	8225

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	8225

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 3290.0 psi.

SHENANDOAH ENERGY INC.
OVER AND UNDER GLEN BENCH 13W-4-8-22
592' FSL, 860' FWL
SWSW, SECTION 4, T8S, R22E, LOT #11
UINTAH COUNTY, UTAH
LEASE # UTU-02510A

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the OU GB 13W-4-8-22 on October 10, 2002 at approximately 12:55 PM. Weather conditions were sunny with a light breeze 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
Paul Buehler	Bureau of Land Management
Jan Nelson	Shenandoah Energy Inc.
Raleen Searle	Shenandoah Energy Inc.

1. Existing Roads:

The proposed well site is approximately 11 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.

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. A felt liner will be required if bedrock is encountered.

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 #4.

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 that travels off lease in Section 9. The part that goes off lease is 1,000' +/- in length with 30' in width with a running surface of 18' it will be crowned (2% -3%) and ditched.

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

Red Wash Operations Representative

14-Oct-02

Date

Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 8225' 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 Operating 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. UT-1237. The principal is Shenandoah Energy Inc. via surety as consent as provided for the 43 CFR 3104.2.

SHENANDOAH ENERGY, INC.

OU GB #13W-4-8-22

LOCATED IN UINTAH COUNTY, UTAH
SECTION 4, T8S, R22E, S.L.B.&M.

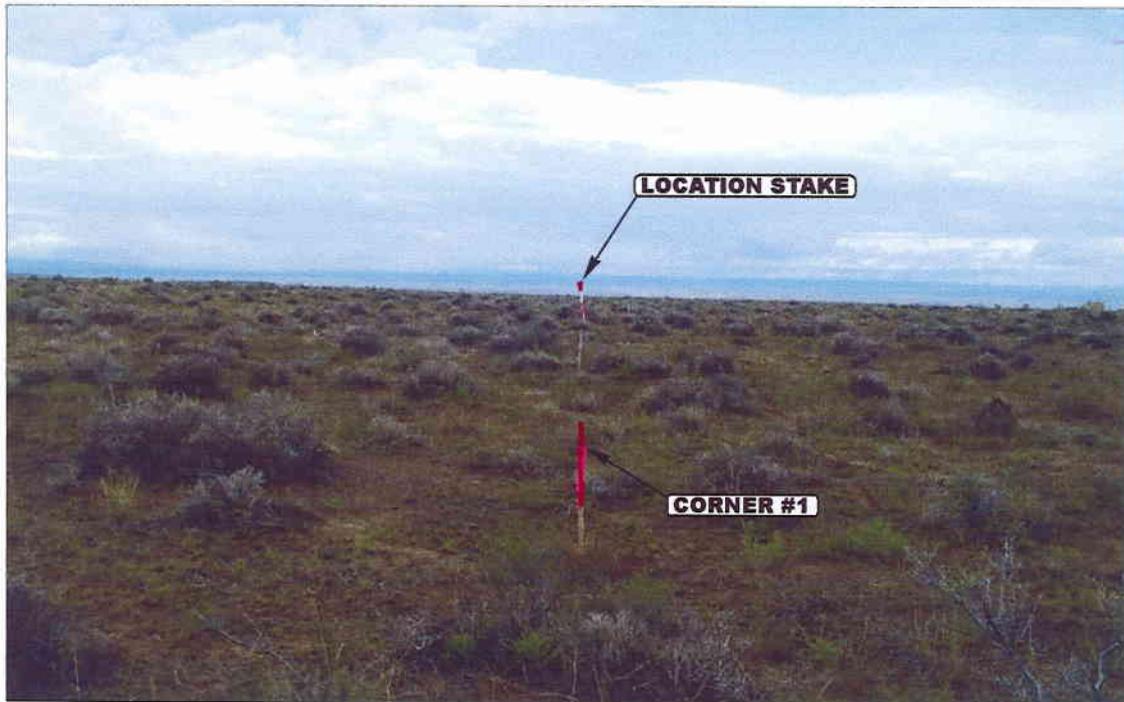


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM 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

9 23 02
MONTH DAY YEAR

PHOTO

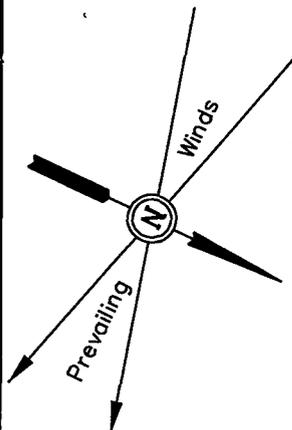
TAKEN BY: D.A. DRAWN BY: P.M. REVISED: 00-00-00

SHENANDOAH ENERGY, INC.

FIGURE #1

LOCATION LAYOUT FOR

OU GB #13W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
592' FSL 860' FWL

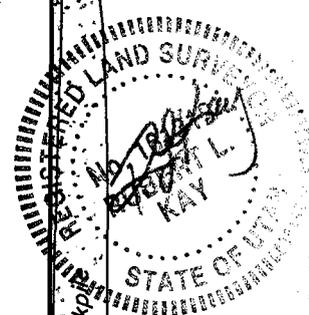


SCALE: 1" = 50'
DATE: 09-19-02
Drawn By: D.COX

NOTE:

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

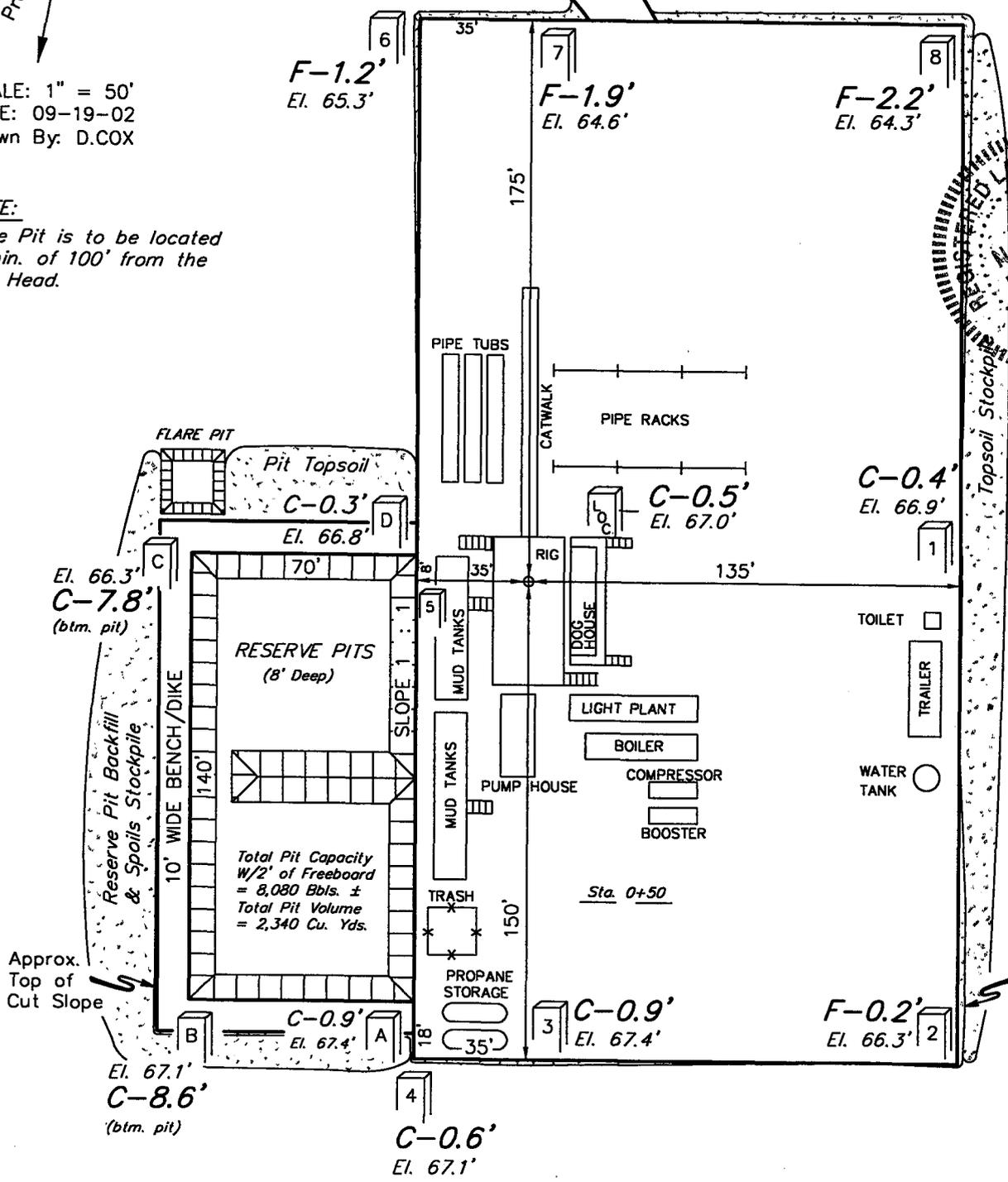
Sta. 3+25



Sta. 1+50

Approx. Toe of Fill Slope

Sta. 0+00



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5167.0'
FINISHED GRADE ELEV. AT LOC. STAKE = 5166.5'

SHENANDOAH ENERGY, INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

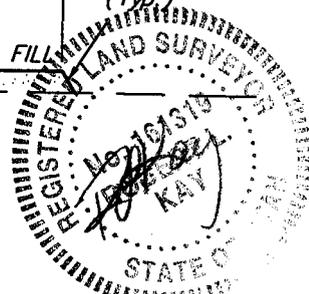
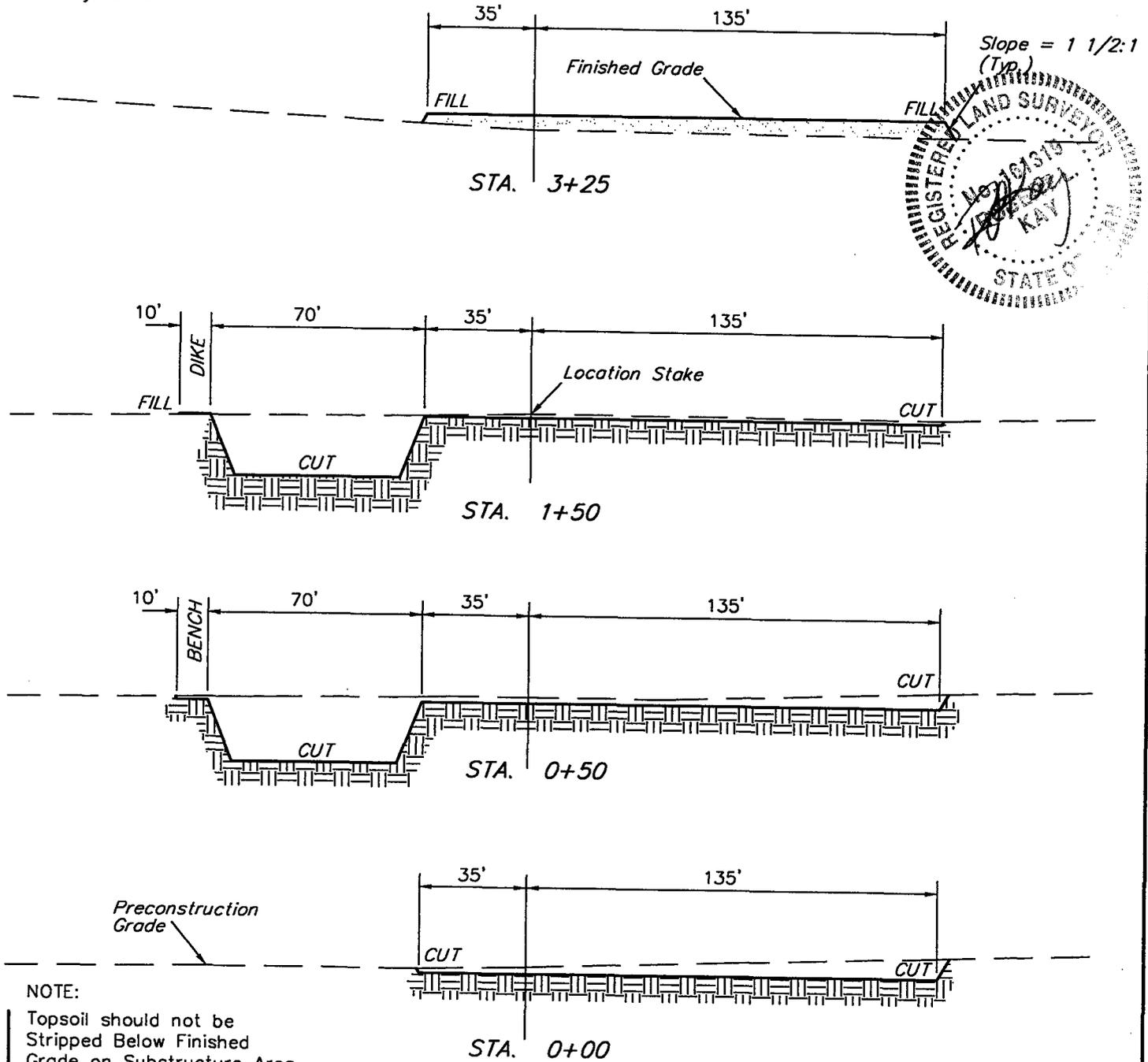
OU GB #13W-4-8-22

SECTION 4, T8S, R22E, S.L.B.&M.

592' FSL 860' FWL

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

DATE: 09-19-02
Drawn By: D.COX



NOTE:

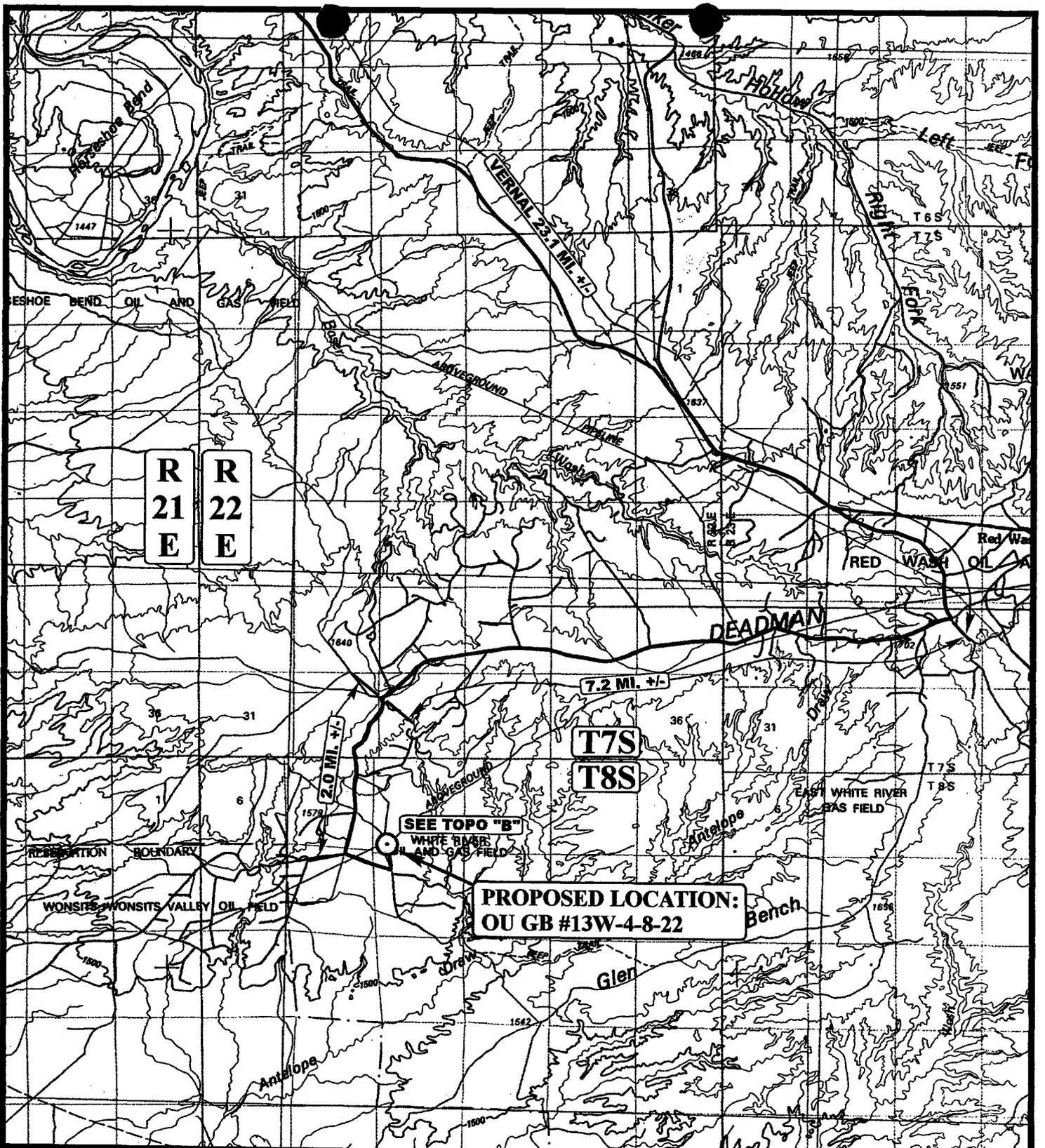
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,260 Cu. Yds.
Remaining Location	= 2,710 Cu. Yds.
TOTAL CUT	= 3,970 CU.YDS.
FILL	= 1,460 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 • (435) 789-1017



LEGEND:

⊙ PROPOSED LOCATION



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



SHENANDOAH ENERGY, INC.

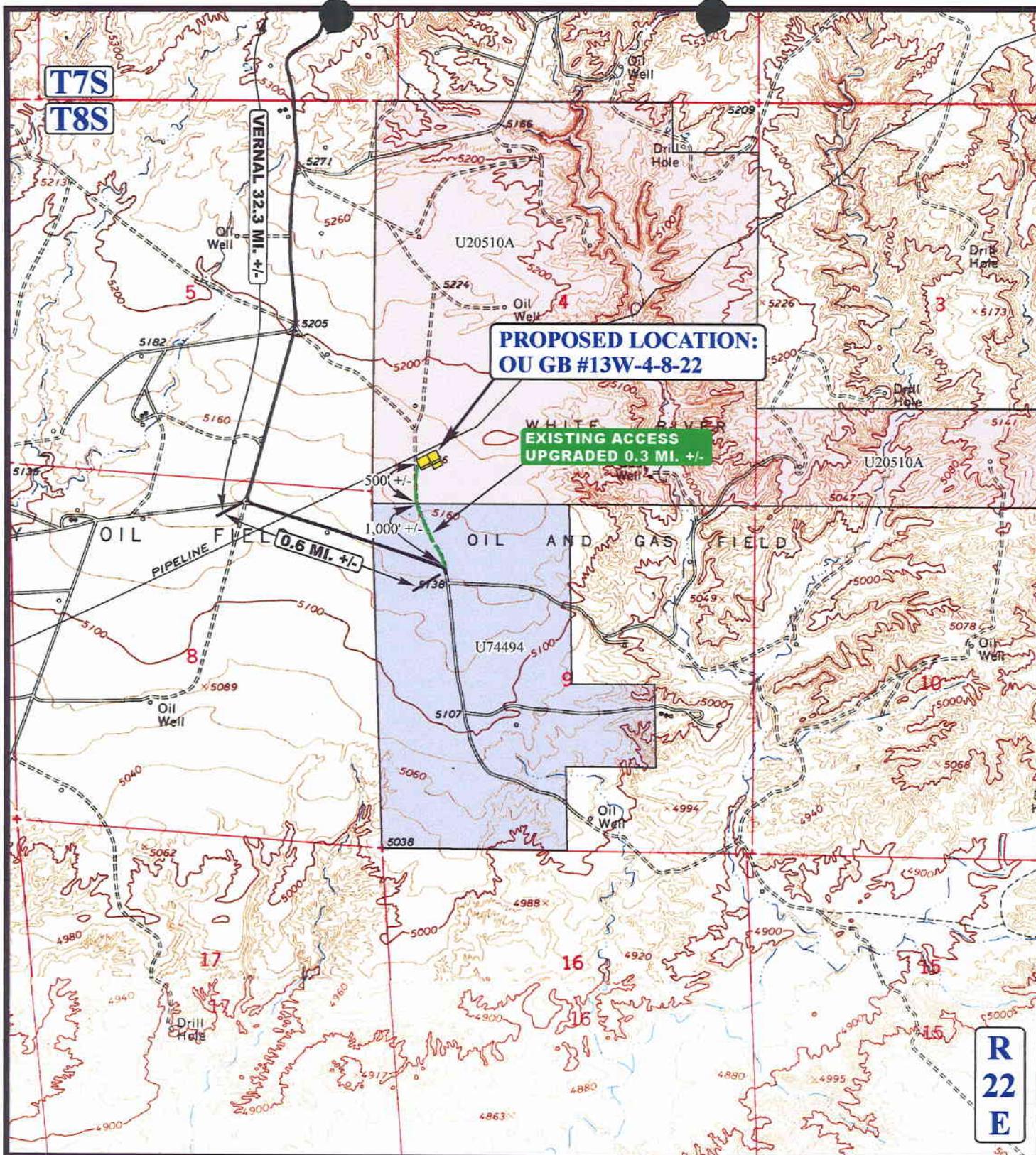
OU GB #13W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
592' FSL 860' FWL

TOPOGRAPHIC
MAP

9	23	02
MONTH	DAY	YEAR

SCALE: 1:100,000 | DRAWN BY: P.M. | REVISED: 00-00-00





**PROPOSED LOCATION:
OU GB #13W-4-8-22**

**EXISTING ACCESS
UPGRADED 0.3 MI. +/-**

PIPELINE FUEL 0.6 MI. +/-

OIL AND GAS FIELD

WHITE RIVER

VERNAL 32.3 MI. +/-

LEGEND:

-  EXISTING ROAD
-  EXISTING ACCESS NEEDS UPGRADED



SHENANDOAH ENERGY, INC.

**OU GB #13W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
592' FSL 860' FWL**



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

**TOPOGRAPHIC
MAP**

9 23 02
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

**B
TOPO**

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/16/2002

API NO. ASSIGNED: 43-047-34752

WELL NAME: OU GB 13W-4-8-22
OPERATOR: SHENANDOAH ENERGY INC (N4235)
CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:
SWSW 04 080S 220E
SURFACE: 0592 FSL 0860 FWL
BOTTOM: 0592 FSL 0860 FWL
UINTAH
WHITE RIVER (705)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: UT-02510A
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: WSTC

LATITUDE: 40.14605
LONGITUDE: 109.45191

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT-1237)

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 WHITE RIVER ✓

R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

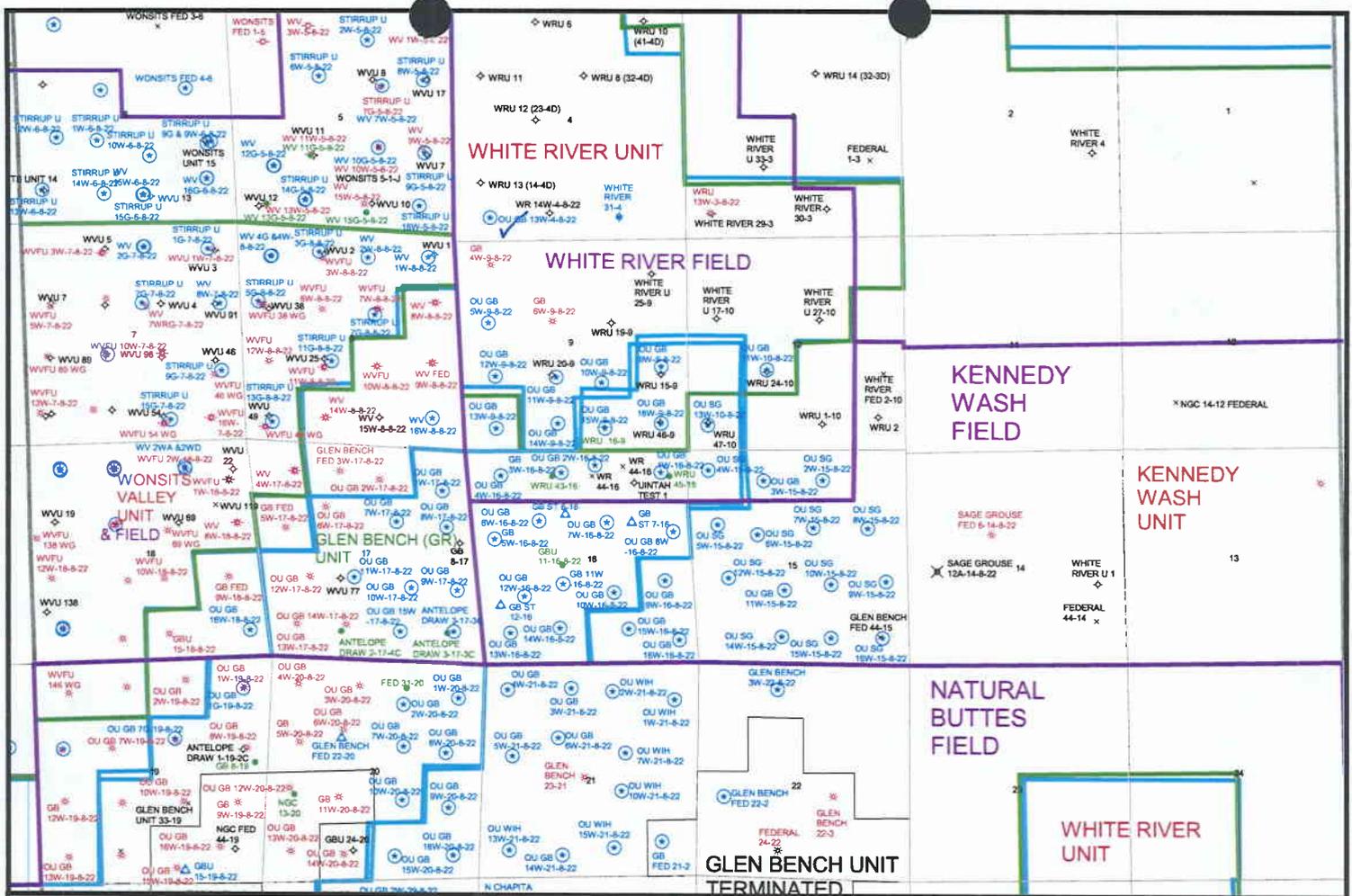
___ R649-3-3. Exception

___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____

___ R649-3-11. Directional Drill

COMMENTS: Sop, Separate file

STIPULATIONS: 1- federal approval
2- Spacing strip



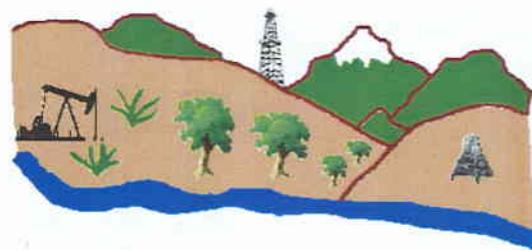
OPERATOR: SHENANDOAH ENERGY (N4235)

SEC. 4 T8S R22E

FIELD: WHITE RIVER (705)

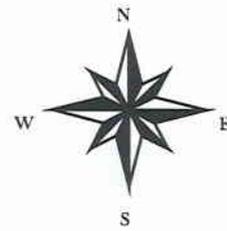
COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Well Status	Unit Status	Field Status
GAS INJECTION	EXPLORATORY	ABANDONED
GAS STORAGE	GAS STORAGE	ACTIVE
LOCATION ABANDONED	NF PP OIL	COMBINED
NEW LOCATION	NF SECONDARY	INACTIVE
PLUGGED & ABANDONED	PENDING	PROPOSED
PRODUCING GAS	PI OIL	STORAGE
PRODUCING OIL	PP GAS	TERMINATED
SHUT-IN GAS	PP GEOTHERML	Section Lines
SHUT-IN OIL	PP OIL	Township Lines
TEMP. ABANDONED	SECONDARY	County Boundaries
TEST WELL	TERMINATED	
WATER INJECTION		
WATER SUPPLY		
WATER DISPOSAL		



PREPARED BY: DIANA MASON
DATE: 21-OCTOBER-2002

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3160
(UT-922)

October 25, 2002

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2002 Plan of Development White River Unit,
Uintah County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2002 within the White River Unit, Uintah County, Utah.

Api Number	Well	Location
(Proposed PZ Wasatch)		
43-047-34752	OU GB 13W-4-8-22	Sec. 4 T8S R22E 0592 FSL 0860 FWL
43-047-34753	OU GB 5W-9-8-22	Sec. 9 T8S R22E 1980 FNL 0827 FWL

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

/s/ Michael L. Coulthard

bcc: File - White River Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:10-25-02

RECEIVED
OCT 28 2002
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

October 28, 2002

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

Re: Over and Under Glen Bench 13W-4-8-22 Well, 592' FSL, 860' FWL, SW SW, Sec. 4,
 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.

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 43-047-34752.

Sincerely,

John R. Baza
 Associate Director

pb

Enclosures

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

Operator: Shenandoah Energy Inc.
Well Name & Number Over and Under Glen Bench 13W-4-8-22
API Number: 43-047-34752
Lease: UT-02510A

Location: SW SW Sec. 4 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: OU GB 13W-4-8-22

API Number: 43-047-34752

Lease Number: UTU - 02510-A

Location: LOT 11 (SWSW) Sec. 04 TWN: 08S RNG: 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.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM

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 $\pm 3,082$ ft.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO
UT-922

June 9, 2003

QEP Uinta Basin, Inc.
1050 17th Street, Suite 500
Denver, Colorado 80265

Re: White River Unit
Uintah County, Utah

Gentlemen:

On May 30, 2003, we received an indenture dated February 1, 2003, whereby Shenandoah Energy, Inc. changed its name and QEP Uinta Basin, Inc. was designated as Successor Unit Operator for the White River Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective June 9, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under White River Unit Agreement.

Your nationwide (Eastern States) oil and gas bond No. B000024 will be used to cover all operations within the White River Unit.

It is requested that you notify all interested parties of the name change of unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
Minerals Adjudication Group
File – White River Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:6/9/03

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW
3. FILE

007

Change of Operator (Well Sold)

Designation of Agent/Operator

X Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:		2/1/2003
FROM: (Old Operator):	TO: (New Operator):	
N4235-Shenandoah Energy Inc 11002 E 17500 S Vernal, UT 84078-8526 Phone: (435) 781-4341	N2460-QEP Uinta Basin Inc 11002 E 17500 S Vernal, UT 84078-8526 Phone: (435) 781-4341	

CA No. Unit: WHITE RIVER UNIT

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	Confid
OU GB 13W-4-8-22	04	080S	220E	4304734752		Federal	GW	APD	C
OU GB 11W-4-8-22	04	080S	220E	4304734761		Federal	GW	APD	C
OU GB 3W-4-8-22	04	080S	220E	4304734806		Federal	GW	APD	C
OU GB 4W-4-8-22	04	080S	220E	4304734807		Federal	GW	APD	C
OU GB 5W-4-8-22	04	080S	220E	4304734808		Federal	GW	APD	C
OU GB 6W-4-8-22	04	080S	220E	4304734809		Federal	GW	APD	C
OU GB 9W-9-8-22	09	080S	220E	4304734650		Federal	GW	APD	C
OU GB 10W-9-8-22	09	080S	220E	4304734651	13730	Federal	GW	P	C
OU GB 12W-9-8-22	09	080S	220E	4304734652	13712	Federal	GW	TA	C
OU GB 11W-9-8-22	09	080S	220E	4304734653		Federal	GW	APD	C
OU GB 16W-9-8-22	09	080S	220E	4304734679	13729	Federal	GW	P	C
OU GB 5W-9-8-22	09	080S	220E	4304734753		Federal	GW	APD	C
OU GB 3W-9-8-22	09	080S	220E	4304734763		Federal	GW	APD	C
OU GB 11W-10-8-22	10	080S	220E	4304734691		Federal	GW	APD	C
OU GB 12W-10-8-22	10	080S	220E	4304734769	13864	Federal	GW	DRL	C
WRU EIH 14W-26-8-22	26	080S	220E	4304734835	12528	Federal	GW	DRL	C
WRU EIH 11W-26-8-22	26	080S	220E	4304734836		Federal	GW	APD	C
WRU EIH 6W-35-8-22	35	080S	220E	4304734684	13544	Federal	GW	DRL	C

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 6/2/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/2/2003
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/19/2003
- Is the new operator registered in the State of Utah: YES Business Number: 5292864-0151
- If **NO**, the operator was contacted contacted on: _____

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 7/21/2003

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 7/21/2003

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

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

DATA ENTRY:

- 1. Changes entered in the **Oil and Gas Database** on: 9/11/2003
- 2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/11/2003
- 3. Bond information entered in RBDMS on: n/a
- 4. Fee wells attached to bond in RBDMS on: n/a

STATE WELL(S) BOND VERIFICATION:

- 1. State well(s) covered by Bond Number: 965-003-032

FEDERAL WELL(S) BOND VERIFICATION:

- 1. Federal well(s) covered by Bond Number: ESB000024

INDIAN WELL(S) BOND VERIFICATION:

- 1. Indian well(s) covered by Bond Number: 799446

FEE WELL(S) BOND VERIFICATION:

- 1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 965-003-033
- 2. The **FORMER** operator has requested a release of liability from their bond on: n/a
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

SEI (N4235) to QEP (N2460)

well name	Sec	R	api DOGM	Entity		stat		unit name		
OU GB 9W-9-8-22	09	080S	220E	4304734650		Federal	GW	APD	C	WHITE RIVER
OU GB 10W-9-8-22	09	080S	220E	4304734651	13730	Federal	GW	P	C	WHITE RIVER
OU GB 12W-9-8-22	09	080S	220E	4304734652	13712	Federal	GW	TA	C	WHITE RIVER
OU GB 11W-9-8-22	09	080S	220E	4304734653		Federal	GW	APD	C	WHITE RIVER
OU GB 16W-9-8-22	09	080S	220E	4304734679	13729	Federal	GW	P	C	WHITE RIVER
WRU EIH 6W-35-8-22	35	080S	220E	4304734684	13544	Federal	GW	DRL	C	WHITE RIVER
OU GB 11W-10-8-22	10	080S	220E	4304734691		Federal	GW	APD	C	WHITE RIVER
OU GB 13W-4-8-22	04	080S	220E	4304734752		Federal	GW	APD	C	WHITE RIVER
OU GB 5W-9-8-22	09	080S	220E	4304734753		Federal	GW	APD	C	WHITE RIVER
OU GB 11W-4-8-22	04	080S	220E	4304734761		Federal	GW	APD	C	WHITE RIVER
OU GB 3W-9-8-22	09	080S	220E	4304734763		Federal	GW	APD	C	WHITE RIVER
OU GB 12W-10-8-22	10	080S	220E	4304734769	13864	Federal	GW	DRL	C	WHITE RIVER
OU GB 3W-4-8-22	04	080S	220E	4304734806		Federal	GW	APD	C	WHITE RIVER
OU GB 4W-4-8-22	04	080S	220E	4304734807		Federal	GW	APD	C	WHITE RIVER
OU GB 5W-4-8-22	04	080S	220E	4304734808		Federal	GW	APD	C	WHITE RIVER
OU GB 6W-4-8-22	04	080S	220E	4304734809		Federal	GW	APD	C	WHITE RIVER
WRU EIH 14W-26-8-22	26	080S	220E	4304734835	12528	Federal	GW	DRL	C	WHITE RIVER
WRU EIH 11W-26-8-22	26	080S	220E	4304734836		Federal	GW	APD	C	WHITE RIVER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

008

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

CONFIDENTIAL

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UT-02510A
2. Name of Operator QEP - UINTA BASIN INC		6. If Indian, Allottee or Tribe Name
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		7. If Unit or CA/Agreement, Name and/or No. WHITE RIVER
3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329		8. Well Name and No. OU GB 13W-4-8-22
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T8S R22E SWSW 592FSL 860FWL		9. API Well No. 43-047-34752
		10. Field and Pool, or Exploratory WHITE RIVER
		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	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

QEP Uinta Basin, Inc. hereby requests a one year extension on the APD for the OU GB 13W-4-8-22.

COPY SENT TO OPERATOR
Date: 11-1-03
Initials: CJO

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 11-25-03
By: [Signature]

RECEIVED
NOV 25 2003
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #25358 verified by the BLM Well Information System
For QEP - UINTA BASIN INC, sent to the Vernal

Name (Printed/Typed) RALEEN SEARLE	Title REGULATORY AFFAIRS ANALYST
Signature <i>Raleen Searle</i> (Electronic Submission)	Date 11/20/2003

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.

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-34752
Well Name: OU GB 13W-4-8-22
Location: 592' FSL, 860' FWL, SWSW, SECTION 4, T8S, R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 1/23/2003

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No


Signature

11/20/2003
Date

Title: REGULATORY AFFAIRS ANALYST

Representing: QEP UINTA BASIN, INC.

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

009

6. LEASE DESIGNATION AND SERIAL NUMBER:
~~UTU-74494~~ **UT-02510A**

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

7. UNIT or CA AGREEMENT NAME:
UTU63021X

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
OUGB 13W-4-8-22

2. NAME OF OPERATOR:
QEP UINTA BASIN, INC.

9. API NUMBER:
4304734752

3. ADDRESS OF OPERATOR:
11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-4341

10. FIELD AND POOL, OR WILDCAT:
WHITE RIVER

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 592' FSL 860' FWL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 4 8S 22E

STATE: UTAH

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

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

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

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the APD for the OUGB 13W-4-8-22.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 08-30-04
By: [Signature]

COPY SENT TO OPERATOR
Date: 9-1-04
Initials: CHD

NAME (PLEASE PRINT) John Busch

TITLE Operations

SIGNATURE [Signature]

DATE 8/24/2004

(This space for State use only)

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-34752
Well Name: OUGB 13W-4-8-22
Location: 592' FSL 860' FWL SWSW SEC 4 T8S R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 10/28/2002

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

John Burch
Signature

8/24/2004
Date

Title: OPERATIONS

Representing: QEP UINTA BASIN, INC.

RECEIVED

AUG 27 2004

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No. UTU63021X	
2. Name of Operator SHENANDOAH ENERGY INC		9. API Well No. 43-047-34752-00-X1	
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078-8526		3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface Lot 11 592FSL 860FWL At proposed prod. zone		10. Field and Pool, or Exploratory WHITE RIVER	
14. Distance in miles and direction from nearest town or post office* 10 +/- 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) 592' +/-	16. No. of Acres in Lease 907.83	17. Spacing Unit dedicated to this well 40.00	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 700' +/-	19. Proposed Depth 8225 MD 8225 TVD	20. BLM/BIA Bond No. on file ESB000024	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5184 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"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature (Electronic Submission)		Name (Printed/Typed) JOHN BUSCH		Date 10/14/2002	
Title OPERATIONS REPRESENTATIVE					
Approved by (Signature) EXPIRED		Name (Printed/Typed) EXPIRED		Date 01/23/2005	
Title EXPIRED		Office Vernal			

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 #14736 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC, sent to the Vernal
Committed to AFMSS for processing by PAT SUTTON on 10/15/2002 (03PS0003AE)**

Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 8225' 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 Operating 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. UT-1237. The principal is Shenandoah Energy Inc. via surety as consent as provided for the 43 CFR 3104.2.

Revisions to Operator-Submitted EC Data for APD #14736

Operator Submitted

Lease: UT-02510A
Agreement: WHITE RIVER
Operator: SHENANDOAH ENERGY INC.
11002 E. 17500 S.
VERNAL, UT 84078
Ph: 435.781.4341
Fx: 435.781.4323

Admin Contact: JOHN BUSCH
OPERATIONS
11002 E. 17500 S.
VERNAL, UT 84078
Ph: 435.781.4341
Fx: 435.781.4323
E-Mail: jbusch@shenandoahenergy.com

Tech Contact:

Well Name: OU GB
Number: 13W-4-8-22
Location:
State: UT
County: UINTAH
S/T/R: Sec 4 T8S R22E Mer SLB
Surf Loc: SWSW Lot 11 592FSL 860FWL
Field/Pool: WHITE RIVER

Bond: UT-1237

BLM Revised (AFMSS)

UTU02510A
UTU63021X
SHENANDOAH ENERGY INC
11002 EAST 17500 SOUTH
VERNAL, UT 84078-8526
Ph: 435.781.4300
Fx: 435.781.4329

JOHN BUSCH
OPERATIONS REPRESENTATIVE
11002 EAST 17500 SOUTH
VERNAL, UT 84078-8526
Ph: 435.781.4341
Fx: 435.781.4323
Cell: 435.828.8736
E-Mail: john.busch@questar.com

OU GB
13W-4-8-22

UT
UINTAH
Sec 4 T8S R22E Mer SLB
Lot 11 592FSL 860FWL

WHITE RIVER

ESB000024



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 18, 2005

Jan Nelson
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: APD Rescinded – OU GB 13W-4-8-22, Sec. 4, T. 8S, R. 22E
Uintah County, Utah API No. 43-047-34752

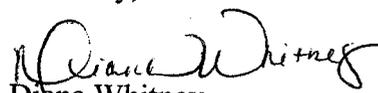
Dear Ms. Nelson:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 28, 2002. On November 25, 2003 and August 30, 2004 the Division granted a one-year APD extension. On February 18, 2005, 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 February 18, 2005.

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 Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal