

SHENANDOAH ENERGY INC.

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

November 14, 2002

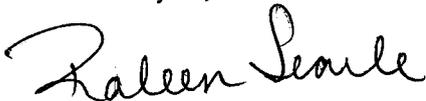
Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3 Shenandoah Energy Inc. OU GB 4W-4-8-22 is an exception to this rule due to section being lotted with extra acreage.

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

Thank you,



Raleen Searle
Regulatory Affairs Analyst

RECEIVED

NOV 18 2002

DIVISION OF
OIL, GAS AND MINING

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DEC 02 2002

001

APPLICATION FOR PERMIT TO DRILL OR REENTER DIVISION OF OIL, GAS AND MINING

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL		5. Lease Serial No. UTU-02510-A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone				6. If Indian, Allottee or Tribe Name
2. Name of Operator SHENANDOAH ENERGY INC.		Contact: JOHN BUSCH E-Mail: john.busch@questar.com		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 11002 E. 17500 S. VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323		8. Lease Name and Well No. OU GB 4W-4-8-22
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWNW Lot 5 1447FNL 768FWL 4446184 Y 40.15757 At proposed prod. zone 1172' 631820X -109.45222				9. API Well No. 43-047-34807
14. Distance in miles and direction from nearest town or post office* 10 +/- MILES SOUTHWEST OF REDWASH, UTAH				10. Field and Pool, or Exploratory WHITE RIVER
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 768' +/-		16. No. of Acres in Lease 907.83		11. Sec., T., R., M., or Blk. and Survey or Area Sec 4 T8S R22E Mer SLB
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 700' +/-		19. Proposed Depth 8325 MD 8325 TVD		12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5258 KB		22. Approximate date work will start		13. State UT
				17. Spacing Unit dedicated to this well 40.00
				20. BLM/BIA Bond No. on file UT-1237
				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:

- 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 	Name (Printed/Typed) JOHN BUSCH	Date Nov 19-02
Title OPERATIONS		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 12-09-02
Title ENVIRONMENTAL SCIENTIST III	Office ENVIRONMENTAL SCIENTIST III	

Federal Approval of this Action is Necessary

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)

SHENANDOAH ENERGY INC.
OU GB 4W-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	3039
Mahogany Ledge	4039
Mesa	6609
TD (Wasatch)	8325

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	8325

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 3330.0 psi.

SHENANDOAH ENERGY INC.
OVER AND UNDER GLEN BENCH 4W-4-8-22
1172' FNL, 768' FWL, LOT # 5
NWNW, SECTION 4, T8S, R22E
UINTAH COUNTY, UTAH
LEASE # UTU-02510-A

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the OU GB 4W-4-8-22 on November 12, 2002 at 12:50 PM. Weather conditions were cool with a light breeze at the time of the onsite. In attendance at the inspection were the following individuals:

Dixie Sadlier	Bureau of Land Management
Stephanie Howard	Bureau of Land Management
Jan Nelson	Shenandoah Energy Inc.
Raleen Searle	Shenandoah Energy Inc.

1. **Existing Roads:**

The proposed well site is approximately 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 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 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 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 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 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 to 24 East.

6. **Source of Construction Materials:**

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 to 24 East.

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

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 to 24 East.

8. **Ancillary Facilities:**

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 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 #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 access road that travels off lease in section 5. The part of the road the goes off lease is 1,500' +/- in length, 30' in width, with and has a running surface of 18'. It will be crowned (2% - 3%) and ditched.

There is a Burrowing Owl Stipulation form April 1st to August 15th. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.

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

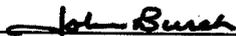
Certification:

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

19-Nov-02

Date

Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 8325' 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. agree 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 #4W-4-8-22

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

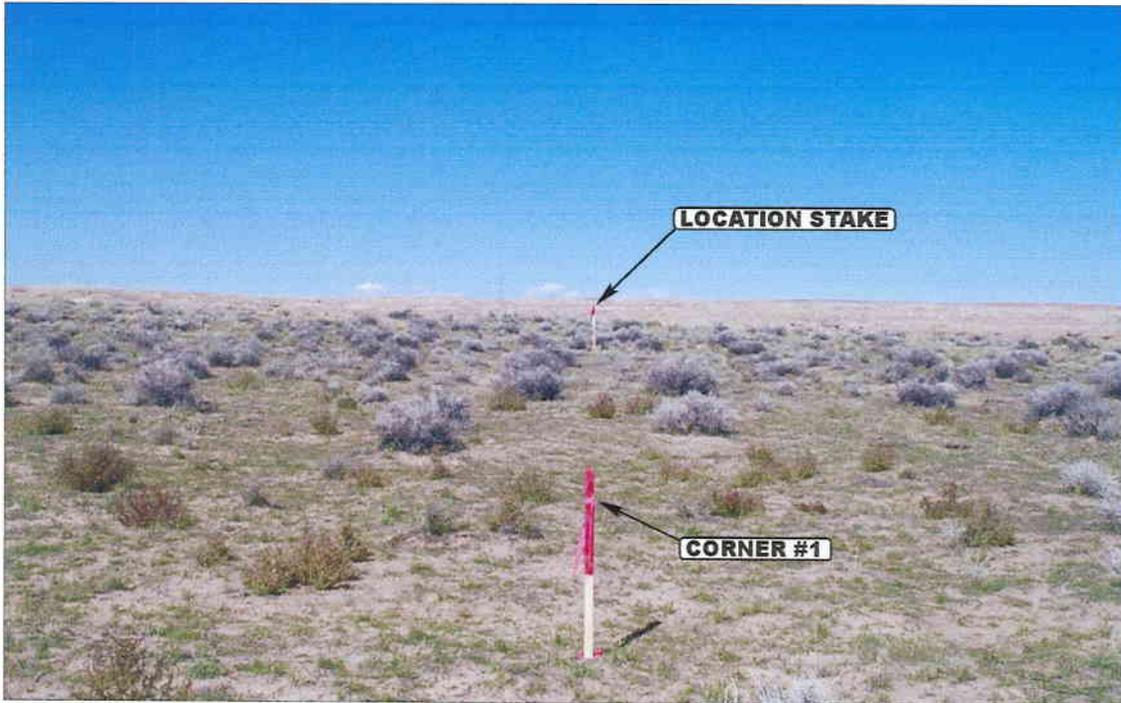


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS

10 16 02
MONTH DAY YEAR

PHOTO

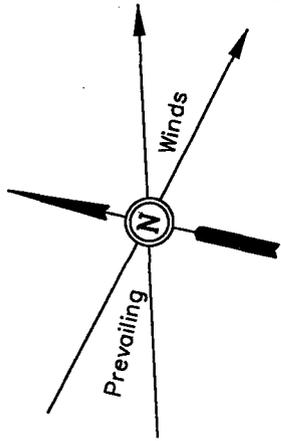
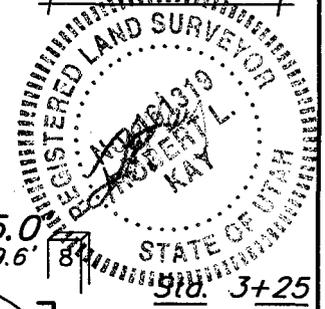
TAKEN BY: D.A. DRAWN BY: P.M. REVISED: 00-00-00

SHENANDOAH ENERGY, INC.

LOCATION LAYOUT FOR

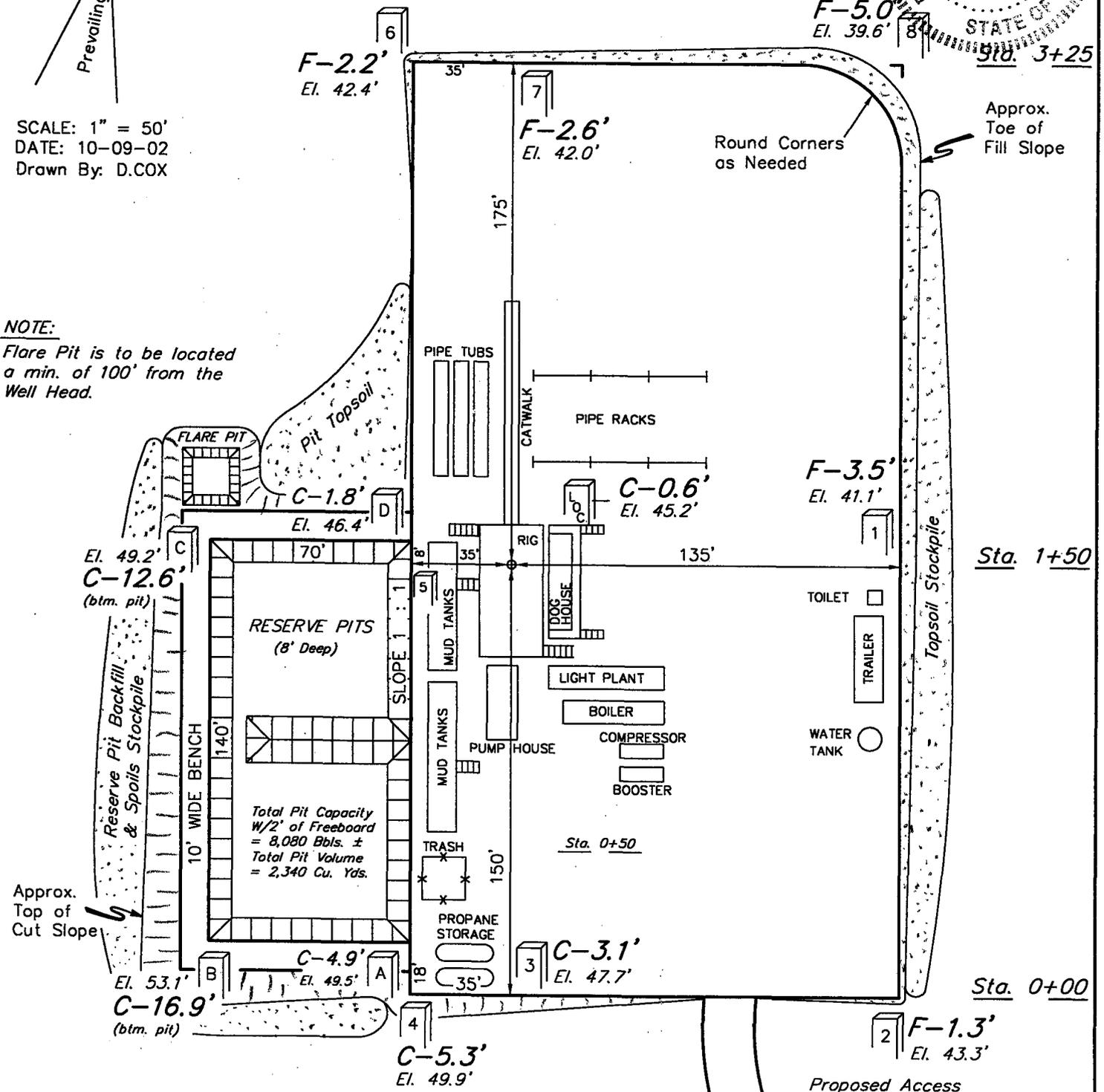
OU GB #4W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
1172' FNL 768' FWL

FIGURE #1



SCALE: 1" = 50'
DATE: 10-09-02
Drawn By: D.COX

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



NOTES:
Elev. Ungraded Ground At Loc. Stake = 5245.2'
FINISHED GRADE ELEV. AT LOC. STAKE = 5244.6'

SHENANDOAH ENERGY, INC.

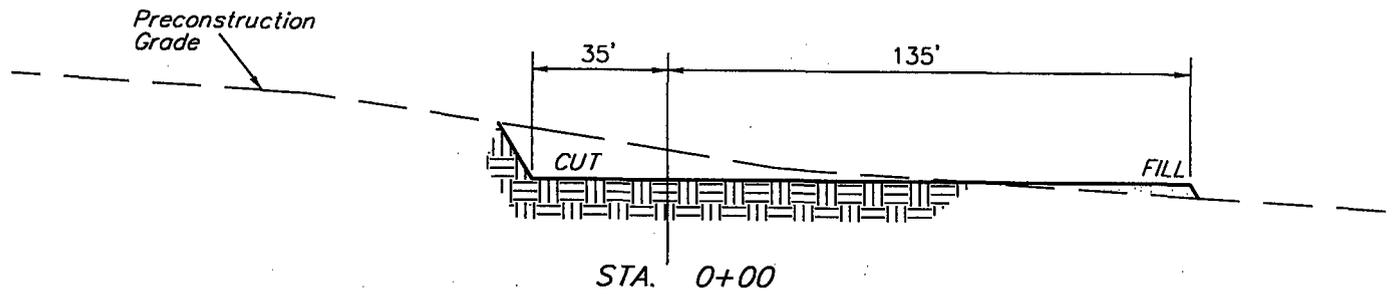
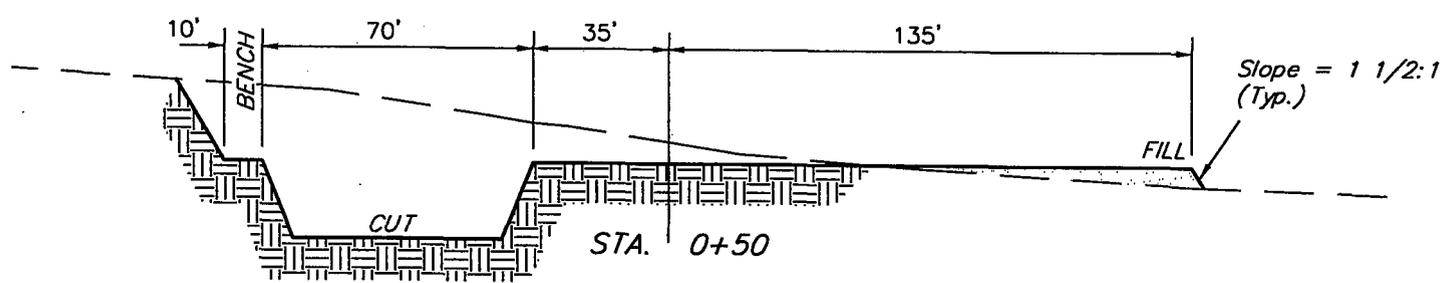
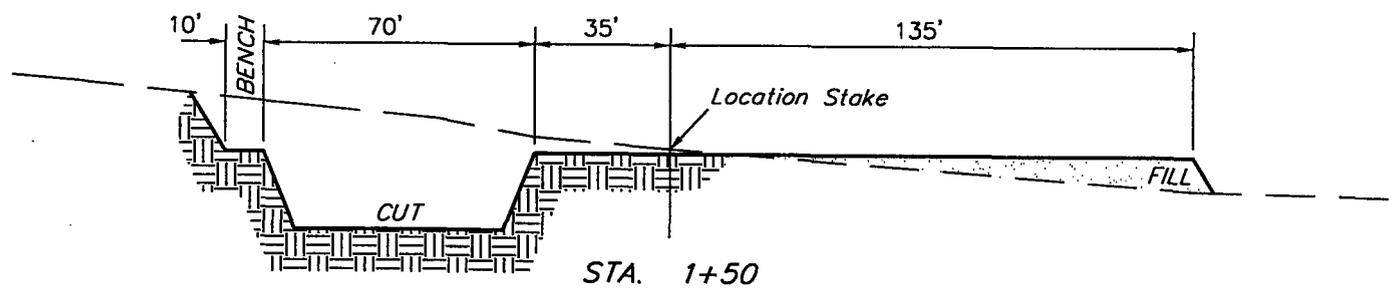
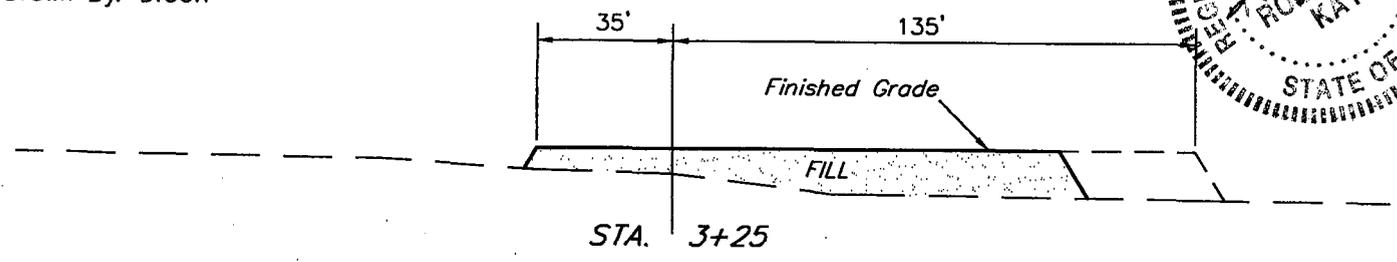
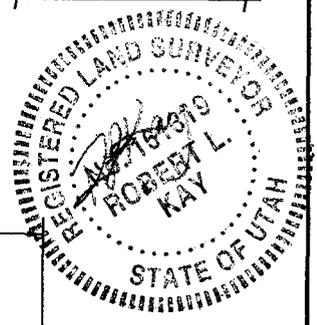
FIGURE #2

TYPICAL CROSS SECTIONS FOR

OU GB #4W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
1172' FNL 768' FWL

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

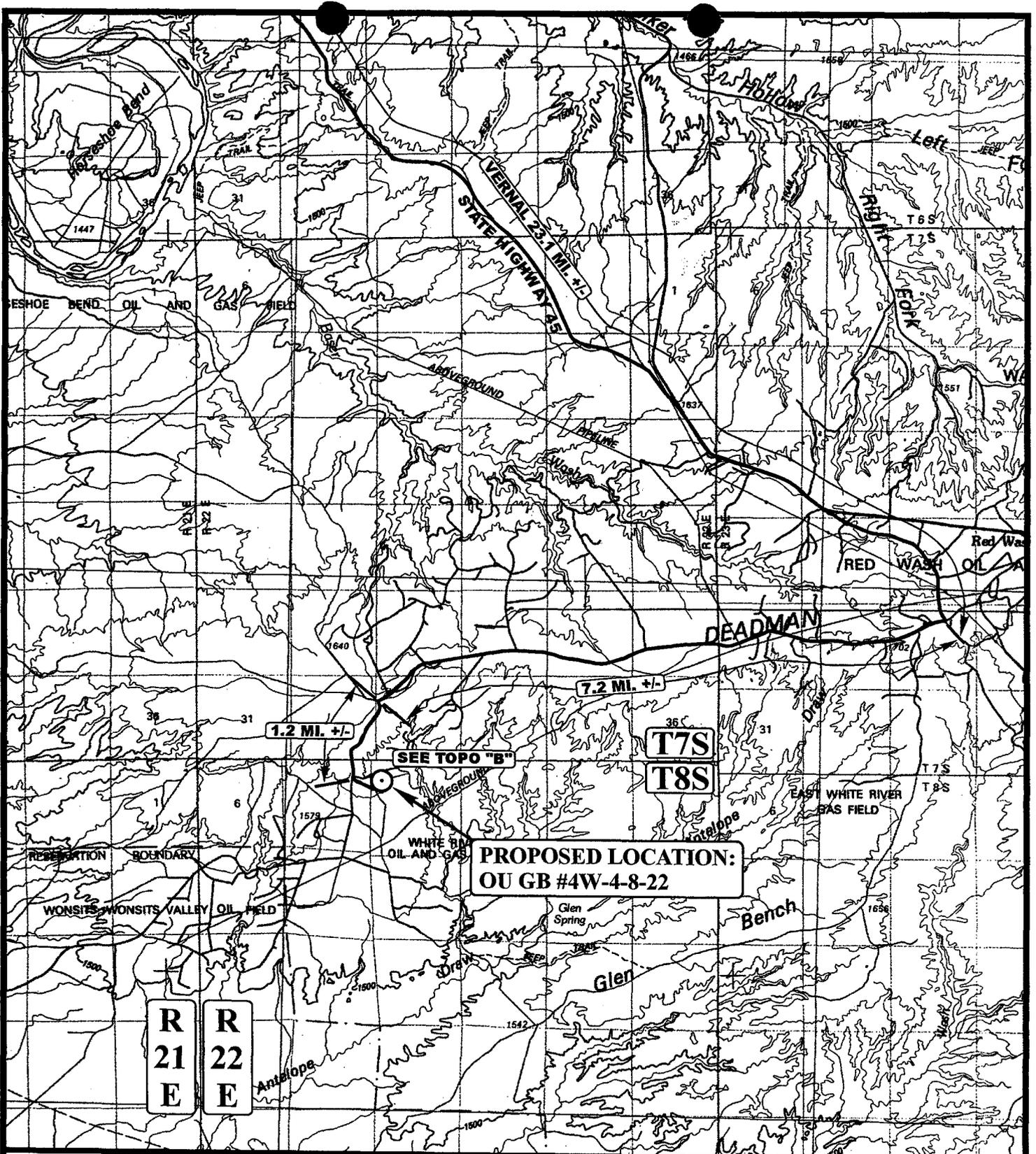
DATE: 10-09-02
Drawn By: D.COX



APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,260 Cu. Yds.
Remaining Location	= 5,580 Cu. Yds.
TOTAL CUT	= 6,840 CU.YDS.
FILL	= 4,190 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.



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

LEGEND:

⊙ PROPOSED LOCATION

N

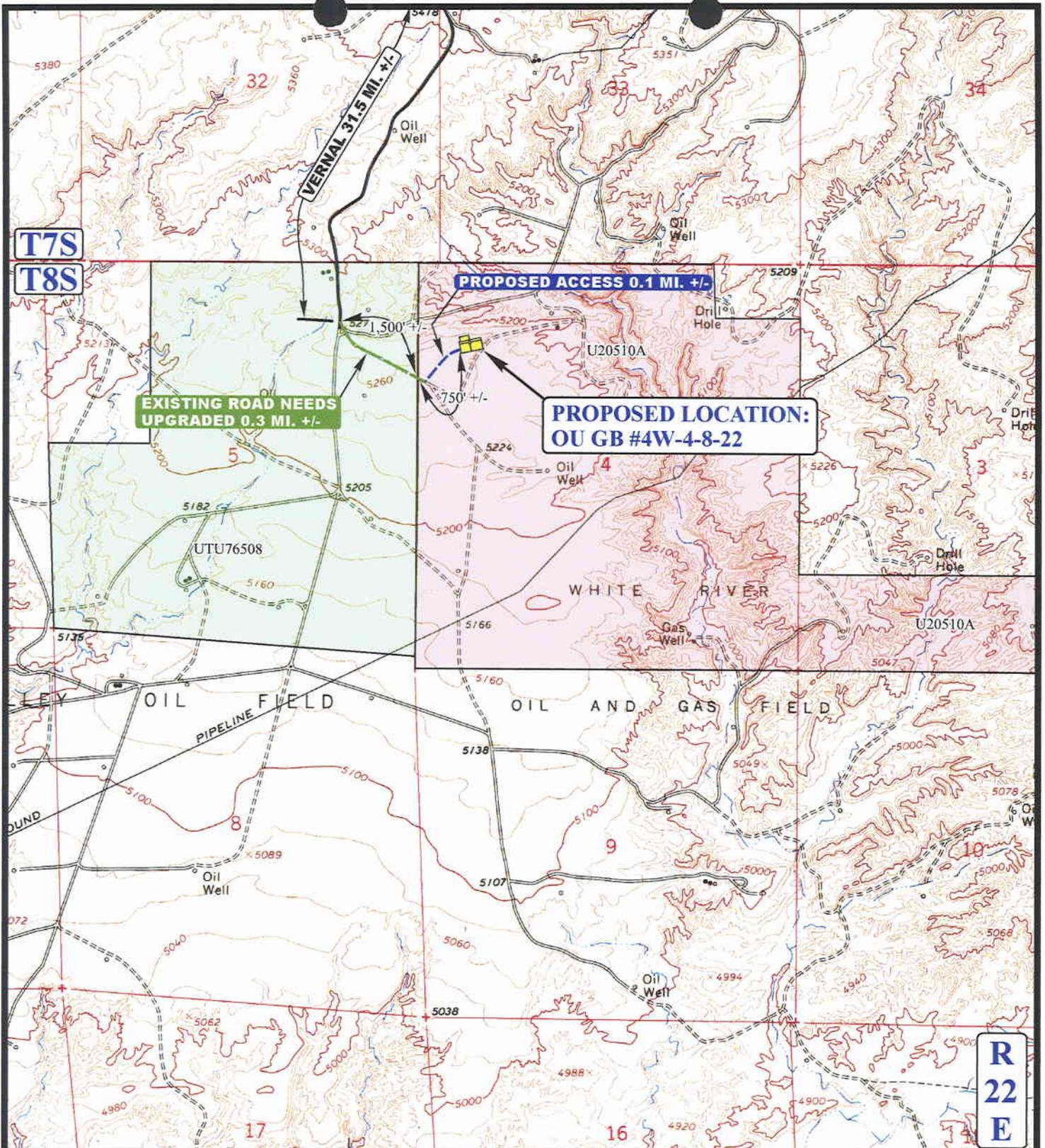
SHENANDOAH ENERGY, INC.

OU GB #4W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
1172' FNL 768' FWL

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

TOPOGRAPHIC 10 16 02
MAP MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING ROAD NEEDS UPGRADED

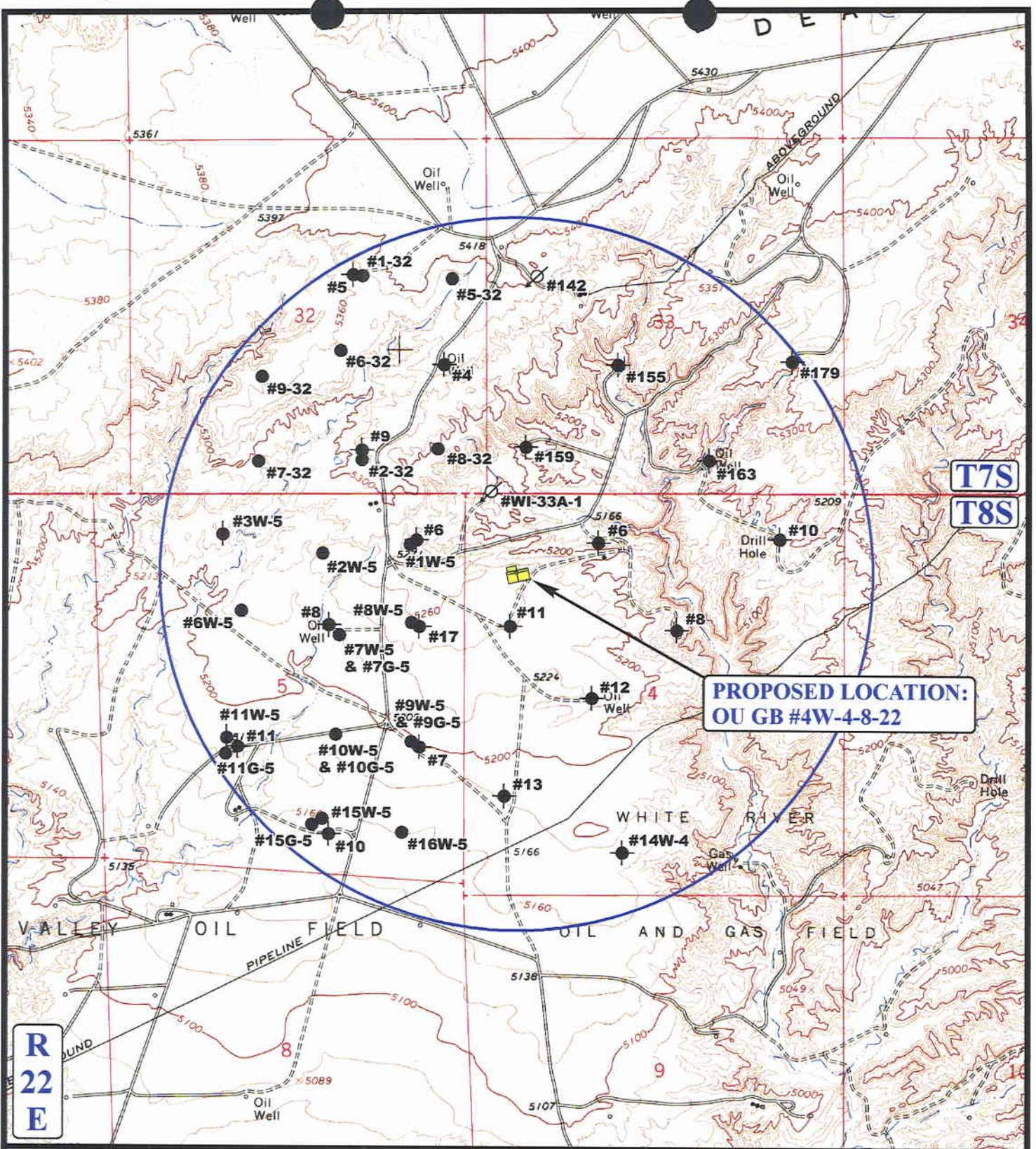
UEIS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



SHENANDOAH ENERGY, INC.

OU GB #4W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
1172' FNL 768' FWL

TOPOGRAPHIC MAP	10	16	02	B TOPO
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: P.M.		REVISED: 00-00-00



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

LEGEND:

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

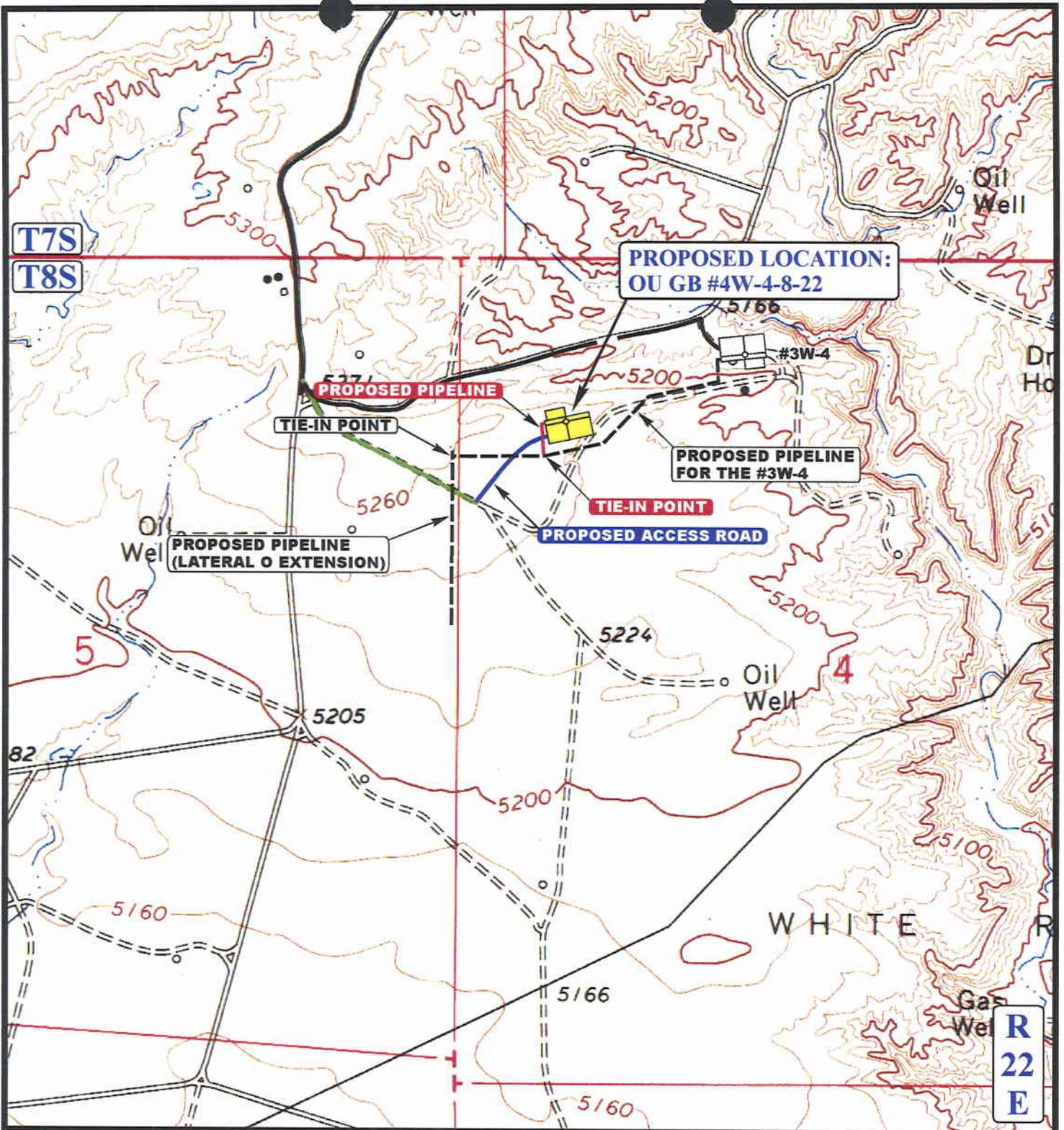
SHENANDOAH ENERGY, INC.

OU GB #4W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
1172' FNL 768' FWL

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

TOPOGRAPHIC MAP 10 16 02
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 250' +/-

LEGEND:

	PROPOSED ACCESS ROAD
	EXISTING PIPELINE
	PROPOSED PIPELINE

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



SHENANDOAH ENERGY, INC.
OU GB #4W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
1172' FNL 768' FWL

TOPOGRAPHIC	10	16	02	D TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 1000'	DRAWN BY: P.M.		REVISED: 00-00-00	

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/02/2002

API NO. ASSIGNED: 43-047-34807

WELL NAME: OU GB 4W-4-8-22

OPERATOR: SHENANDOAH ENERGY INC (N4235)

CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

NWNW 04 080S 220E
SURFACE: 1172 FNL 0768 FWL
BOTTOM: 1172 FNL 0768 FWL
UINTAH
WHITE RIVER (705)

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-02510-A

SURFACE OWNER: 1 - Federal

LATITUDE: 40.15757

PROPOSED FORMATION: WSTC

LONGITUDE: 109.45222

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WY-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: _____
- R649-3-1155. Directional Drill

COMMENTS: Sep, Separate file

STIPULATIONS: 1- federal approval
2- Spacing strip

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)

<date>

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)

43-047-34806 OU GB 3W-4-8-22 Sec. 4 T08S R22E 0663 FNL 2048 FWL
43-047-34807 OU GB 4W-4-8-22 Sec. 4 T08S R22E 1172 FNL 0768 FWL
43-047-34808 OU GB 5W-4-8-22 Sec. 4 T08S R22E 2116 FNL 0864 FWL
43-047-34809 OU GB 6W-4-8-22 Sec. 4 T08S R22E 1990 FNL 2024 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:<date>-<date>-<date>



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

Michael O. Leavitt
Governor
Robert L. Morgan
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 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

December 9, 2002

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

Re: Over and Under Glen Bench 4W-4-8-22 Well, 1172' FNL, 768' FWL, NW NW, 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.

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 43-047-34807.

Sincerely,

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

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 4W-4-8-22
API Number: 43-047-34807
Lease: UTU-02510-A

Location: NW NW **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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

007

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: JOHN BUSCH
E-Mail: jbusch@shenandoahenergy.com

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

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

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface: NWNW Lot 5 1172FNL 768FWL
At proposed prod. zone:

RECEIVED
NOV 20 2002

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

10. Field and Pool, or Exploratory
WHITE RIVER

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 4 T8S R22E Mer SLB

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
768' +/-

16. No. of Acres in Lease
907.83

12. County or Parish
UINTAH

13. State
UT

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.
500' +/-

19. Proposed Depth
8325 MD
8325 TVD

20. BLM/BIA Bond No. on file
UT-1237

21. Elevations (Show whether DF, KB, RT, GL, etc.)
5258 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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>John Busch</i>	Name (Printed/Typed) JOHN BUSCH	Date 11/14/2002
Title OPERATIONS		
Approved by (Signature) <i>Thomas B. Cleary</i>	Name (Printed/Typed)	Date 12/27/2002
Title Assistant Field Manager Mineral Resources	Office	

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.

NOTICE OF APPROVAL

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.

RECEIVED

Additional Operator Remarks (see next page)

JAN 03 2003

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

CBPSC0036AE 10/25/02

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy Inc.

Well Name & Number: OU GB #4W-4-8-22

API Number: 43-047-34807

Lease Number: U-02510A

Location: Lot 5 Sec. 4 T.8S R. 22E

Agreement: OU Glen Bench Unit (Proposed)

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

CONDITIONS OF APPROVAL

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.

Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend 200' above the top of the Green River Formation identified at $\pm 3044'$.

Coring, Logging and Testing Program

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

Other Information

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

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

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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

-No drilling or construction would occur from April 1 to August 15 to protect the burrowing owl reproductive season. If construction or drilling is proposed during that time frame, a burrowing owl survey would be required and no construction or drilling activities would be allowed within .5 mile of an active burrowing owl nest until the adults and any young produced have left the area.

-A plastic liner shall be used in the reserve pit. Felt would not be required unless rocks are encountered.

-A ROW would be required on the portion of the upgraded road that crosses out of section 4.

-Seed mix 4 would be required for seeding the topsoil, reserve pit, and for final abandonment.

-4 to 6 inches of topsoil should be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.

-The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.

-Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding could be done by broadcasting the seed and walking it in with a dozer. Seeding should take place immediately after the dirt work is completed.

-The seed mix for this location shall be:

Fourwing saltbush	<i>Atriplex canescens</i>	4 lbs./acre
Indian Ricegrass	<i>Oryzopsis hymenoides</i>	4 lbs./acre
Globemallow (scarlet or munroe)	<i>Sphaeralcea coccinea</i> or <i>munroana</i>	4 lbs./acre

-All poundages are in pure live seed.

-Reseeding may be required if first seeding is not successful.



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

1. GLH
2. CDW
3. FILE

OPERATOR CHANGE WORKSHEET

008

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	Seq	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

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.

009

CONFIDENTIAL

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator QEP - UINTA BASIN INC	Contact: RALEEN SEARLE E-Mail: raleen.searle@questar.com	5. Lease Serial No. UTU-02510-A
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329	8. Well Name and No. OU GB 4W-4-8-22	6. If Indian, Allottee or Tribe Name
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T8S R22E NWNW 1172FNL 768FWL	10. Field and Pool, or Exploratory WHITE RIVER	9. API Well No. 43-047-34807	7. If Unit or CA/Agreement, Name and/or No.
	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 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.)

QEP Uinta Basin, Inc. hereby requests a one year extension on this APD.

COPY SENT TO OPERATOR
Date: 1-6-04
Initials: C.H.D.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-05-04
By: *[Signature]*

RECEIVED

DEC 31 2003

DIV. OF OIL, GAS & MINING

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

Electronic Submission #26388 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 12/23/2003

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 **

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

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

API: 43-047-34807
Well Name: OU GB 4W-4-8-22
Location: NWNW, SECTION 4, T8S, R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued:

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

Raleen Stull
Signature

12/22/2003
Date

Title: REGULATORY AFFAIRS ANALYST

Representing: QEP UINTA BASIN, INC.



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

January 21, 2005

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

Re: APD Rescinded – OU GB 4W-4-8-22, Sec. 4, T. 8S, R. 22E
Uintah County, Utah API No. 43-047-34807

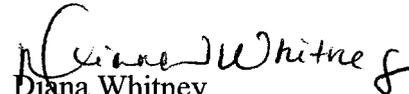
Dear Ms. Nelson:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 9, 2002. On January 5, 2004 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 5, 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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
 170 South 500 East
 Vernal, UT 84078
 (435) 781-4400 Fax: (435) 781-4410

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



IN REPLY REFER TO:
 3160
 UT08300

February 7, 2005

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

43,047,34807
 Re: Notification of Expiration
 Well No. OU ~~SO~~ 4W-4-8-22
 Lot 5, Sec. 4, T8S, R22E
 Uintah County, Utah
 Lease No. UTU-02510-A

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on December 27, 2002. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until December 31, 2004. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

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

Sincerely,

Leslie Wilcken

Leslie Wilcken
 Legal Instruments Examiner

RECEIVED
 FEB 14 2005

DIV. OF OIL, GAS & MINING

cc: UDOGM