

T8S, R21E, S.L.B.&M.

SHENANDOAH ENERGY, INC.

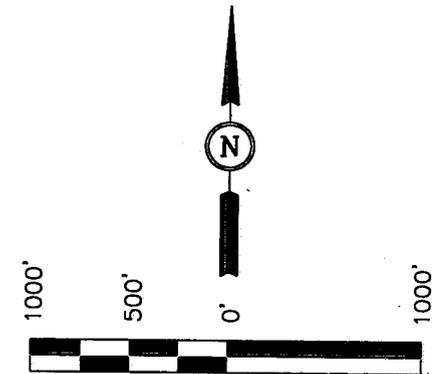
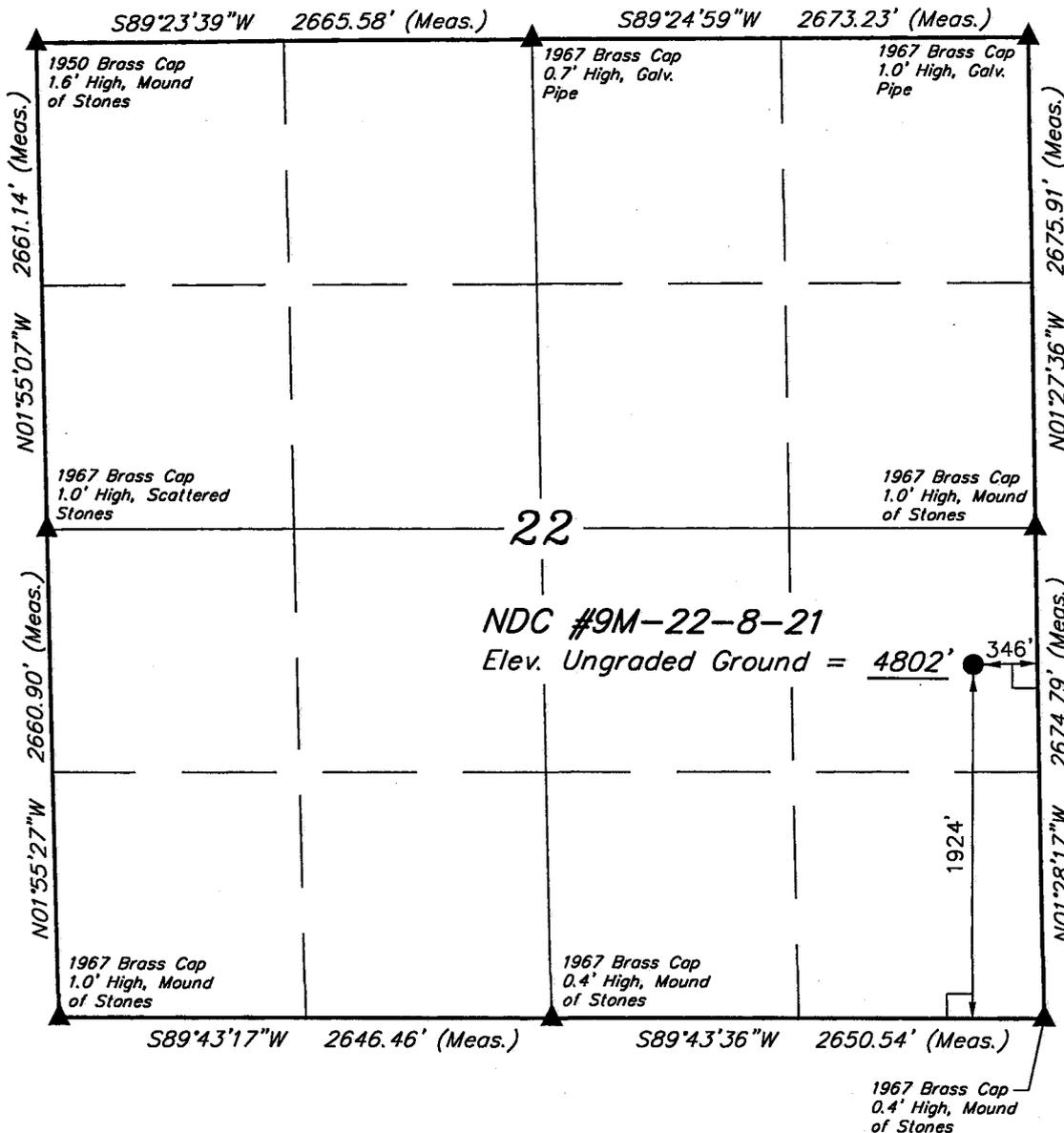
Well location, NDC #9M-22-8-21, located as shown in the NE 1/4 SE 1/4 of Section 22, T8S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, 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 4697 FEET.

BASIS OF BEARINGS

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



SCALE
CERTIFICATE

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

Robert A. Cox
REGISTERED LAND SURVEYOR
REGISTRATION NO. 1161319
STATE OF UTAH

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

LEGEND:

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

(NAD 83)
LATITUDE = 40°04'52.16" (40.081156)
LONGITUDE = 109°27'26.15" (109.457264)

SCALE 1" = 1000'	DATE SURVEYED: 02-04-03	DATE DRAWN: 02-05-03
PARTY S.H. J.A. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE EOG RESOURCES, INC.	

SHENANDOAH ENERGY INC.
NORTH DUCK CREEK 9M-22-8-21
1924' FSL, 346' FEL
NESE, SECTION 22, T8S, R21E, SLB&M
UINTAH COUNTY, UTAH
LEASE UTU-68219

ONSHORE ORDER NO. 1

MULTI - POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

The proposed well site is approximately 8 miles West of Ouray, 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:

Refer to Topo Map B for the location of the proposed access road.

New access roads on BLM surface will be 30' in width crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the road bed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

3. Location of Existing Wells Within a 1 - Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

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

A containment dike will be constructed completely around those production facilities which contains fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The use of topsoil of the construction of dikes will not be allowed. All loading lines will be placed inside the berm surrounding tank battery. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Desert Tan (174/FEB 141) unless the BLM/VFO AO determines that another color shall be used. Surface pipeline will be 3" zaplocked steel surface line. Pipeline will be zaplocked on location and then pulled into place using a rubber tired tractor.

5. **Location and Type of Water Supply:**

Fresh water for drilling purposes will be obtained from Wonsits Valley Water Right #36125, or Red Wash Right #49-2153.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized. Any gravel will be obtained from a commercial source. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

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

Drill cuttings will be contained and buried in the reserve pit. Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility with 120 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order #7, all produced water will be contained in tanks on location and then hauled to Wonsits Valley location in SWNW section 12, T8S, R21E; or Red Wash Disposal Well located in NESW, Section 28, T7S, R22E; or, Red Wash Central Battery Disposal located in SWSE, Section 27, T7S, R23E. Pit reclamation for lined pit will be ruptured when emptied to allow the remaining liquid to be adequately mixed and to promote additional drying of the pit area.

8. **Ancillary Facilities:**

None anticipated.

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.

10. **Plans for Reclamation of the Surface:**

Topsoil will be stripped and salvaged to provide for sufficient quantities to be respread to a depth of at least 4 to 6 inches over the disturbed areas to be reclaimed. Topsoil shall be stock piled separately from subsoil materials. Topsoil salvaged from the reserve pit shall be stockpiled separately near the reserve pit. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production. Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The reserve pit will be reclaimed within 120 days from the date of well completion, weather permitting.

11. Surface Ownership:

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

Ute Tribe
PO Box 190
FT. Duchesne, UT 84026
(435) 722-5141

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.

DRILLING PROGRAM

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:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	2532'	
Mahongy	3242'	
Wasatch	5842'	
Mesa Verde	8790'	
Black Hawk	11555'	
Mancos B	12370'	
TD	12700'	

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:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Mancos	12700'

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.

DRILLING PROGRAM

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. Fresh water will be obtained from Wonsits Valley water right #36125 or where possible a fresh water line (poly pipe) will be laid in the access road to each location to supply fresh water for drilling purposes.

3. Operator's Specification for Pressure Control Equipment:

- A. 5,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing whichever is less. Tests shall be done at the time of installation, prior to drilling out and weekly. All tests shall be for a period of 15 minutes

4. Casing Program

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg Size</u>	<u>Type</u>	<u>Weight</u>
Surface	700'	17-1/2"	13-3/8"	H-40	48lb/ft (new) ST&C
Intermediate	4400'	12 -1/4"	9-5/8"	N-80	40lb/ft (new) LT&C
Intermediate	5842'	12 -1/4"	9- 5/8"	S-95	40lb/ft (new) LT&C
Production (new)LT&C	11400'	8 -1/2"	4 -1/2"	HCP-110seamless	11.6lb/ft
Production LT&C	12700' -	8 -1/2"	4 -1/2"	P-110 seamless	13.5lb/ft (new)

5. Auxiliary Equipment

- A. Kelly Cock - yes
- B. Float at the bit - no
- C. Monitoring equipment on the mud system - visually

DRILLING PROGRAM

5. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').
- H. Compressor shall be tied directly to the blooie line through a manifold.
- I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

6. Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

DRILLING PROGRAM

6. Testing, logging and coring program

- A. Cores – none anticipated
- B. DST – none anticipated

Logging – Mud logging – 4500 to TD
GR-SP-Induction
Neutron Density
MRI

- C. Formation and Completion Interval: Mancos interval, final determination of completion will be made by analysis of logs.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

7. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
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See attached cement calculations

*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

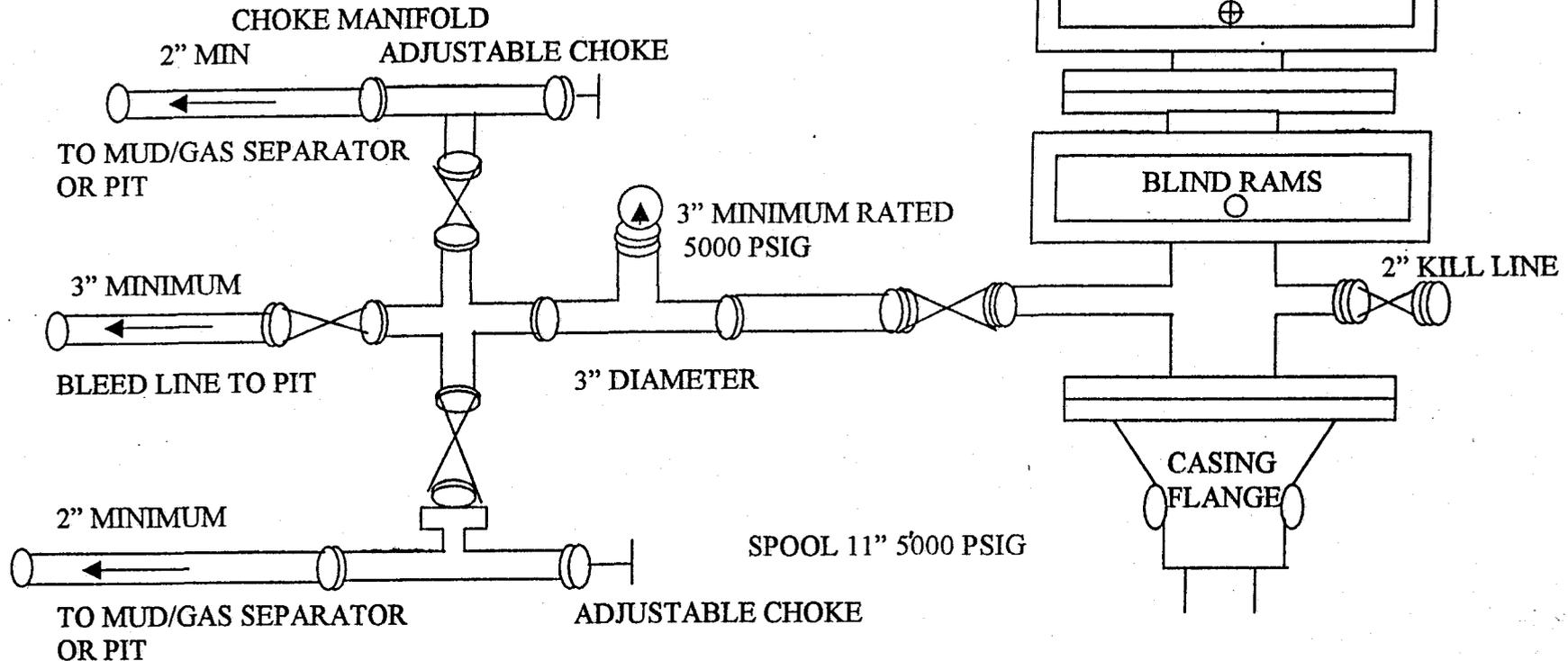
No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 5080.0 psi. Maximum anticipated bottom hole temperature is 140° F.

5000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 5000 PSIG RATED.
CASING FLANGE IS 11" 5000 PSIG RATED.
BOPE 11" 5000 PSIG

TESTING PROCEDURE:

1. BOPE's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 5000 psig.
3. Annular preventor will be tested to 50% of working pressure, 2500 psig.
4. Casing will be tested to 0.22 psi/ft. or 2500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure-tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 5000 psig BOPE specifications.



Lessee's or Operator's Representative:

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

Certification:

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

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

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

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

John Busch
John Busch
Red Wash Operations Representative

February 13, 2003
Date

Under the Federal regulations in effect as of June 15, 1988, an operator is now required to submit a self-certification statement to the appropriate Bureau office stating that said operator has the right to operate upon the leasehold premises. Said notification may be in the following format:

"Please be advised that SHENANDOAH ENERGY INC is considered to be the operator of Well No. NDC 9M-22-8-21 1/4 NESE1/4, Section 22 Township 8S Range 21E Lease UTU-68219; UINTAH County UT; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by UT-1237."

135-7

Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 12,700' to test the Mancos. 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.

See 8-point drilling program attached.

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 via surety as consent as provided for the 43 CFR 3104.2.



**Shenandoah Energy Inc.
475 17th Street, Suite 1000
Denver, Colorado 80202**

NDC 9M 22-8-21

Uintah County, Utah
United States of America

Cementing Recommendation

Prepared for: Mr. Darryl Knopp
February 13, 2003
Version: 1

Submitted by:
Rob Kruger
Halliburton Energy Services
Vernal Ut Us
1085 E Main
Vernal, Utah 84078
+435.789.2550

HALLIBURTON

*Halliburton appreciates the opportunity to present
this proposal and looks forward to being of service to you.*

Foreword

Enclosed is our recommended procedure for cementing the casing strings in the referenced well. The information in this proposal includes well data, calculations, materials requirements, and cost estimates. This proposal is based on information from our field personnel and previous cementing services in the area.

Halliburton Energy Services recognizes the importance of meeting society's needs for health, safety, and protection of the environment. It is our intention to proactively work with employees, customers, the public, governments, and others to use natural resources in an environmentally sound manner while protecting the health, safety, and environmental processes while supplying high quality products and services to our customers.

We appreciate the opportunity to present this proposal for your consideration and we look forward to being of service to you. Our Services for your well will be coordinated through the Service Center listed below. If you require any additional information or additional designs, please feel free to contact myself or our field representative listed below.

Prepared by: _____

John Jorgensen
Procedure Analyst

Submitted by: _____

Rob Kruger
Technical Advisor

SERVICE CENTER: Vernal Utah
SERVICE COORDINATOR: Dale Horrald
OPER. ENGINEER: Mike Stahl
PHONE NUMBER: (800)874-2550

Job Information

13 3/8" Surface

NDC 9M 22-8-21

Well Intervals:

17 1/2" Open Hole	0 - 700 ft (MD)
	0 - 700 ft (TVD)
Inner Diameter	17.500 in
Job Excess	50 %
13 3/8" Surface	0 - 700 ft (MD)
	0 - 700 ft (TVD)
Outer Diameter	13.375 in
Inner Diameter	12.615 in
Linear Weight	54.50 lbm/ft
Job Excess	0 %

Calculations**13 3/8" Surface**

Spacer:

$$\begin{aligned} \text{Total Spacer} &= 112.29 \text{ ft}^3 \\ &= 20.00 \text{ bbl} \end{aligned}$$

Cement : (700.00 ft fill)

$$\begin{aligned} 700.00 \text{ ft} * 0.6946 \text{ ft}^3/\text{ft} * 50 \% &= 729.37 \text{ ft}^3 \\ \text{Primary Cement} &= 729.37 \text{ ft}^3 \\ &= 129.91 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (42.00 ft fill)

$$\begin{aligned} 42.00 \text{ ft} * 0.868 \text{ ft}^3/\text{ft} &= 36.45 \text{ ft}^3 \\ &= 6.49 \text{ bbl} \\ \text{Tail plus shoe joint} &= 765.82 \text{ ft}^3 \\ &= 136.40 \text{ bbl} \\ \text{Total Tail} &= 649 \text{ sks} \end{aligned}$$

Total Pipe Capacity:

$$\begin{aligned} 700.00 \text{ ft} * 0.868 \text{ ft}^3/\text{ft} &= 607.58 \text{ ft}^3 \\ &= 108.21 \text{ bbl} \end{aligned}$$

Displacement Volume to Shoe Joint:

$$\begin{aligned} \text{Capacity of Pipe - Shoe Joint} &= 108.21 \text{ bbl} - 6.49 \text{ bbl} \\ &= 101.72 \text{ bbl} \end{aligned}$$

Job Recommendation

13 3/8" Surface

Fluid Instructions

Fluid 1: Water Based Spacer
Gel Water Ahead

Fluid Density: 8.40 lbm/gal
Fluid Volume: 20 bbl

Fluid 2: Primary Cement

Premium Plus Cement

94 lbm/sk Premium Plus Cement (Cement-api)
2 % Calcium Chloride (Accelerator)
0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 15.60 lbm/gal
Slurry Yield: 1.18 ft³/sk
Total Mixing Fluid: 5.25 Gal/sk
Top of Fluid: 0 ft
Calculated Fill: 700 ft
Volume: 136.40 bbl
Calculated Sacks: 649.00 sks
Proposed Sacks: 650 sks

Fluid 3: Water Spacer
Displacement

Fluid Density: 8.33 lbm/gal
Fluid Volume: 101.72 bbl

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	Gel Water Ahead	8.4	3.0	20 bbl
2	Cement	Premium Plus V	15.6	3.0	650 sks
3	Spacer	Displacement	8.3	3.0	101.72 bbl

HALLIBURTON

Cost Estimate

13 3/8" Surface

SAP Quote #0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Discount	Net Amt
7521	PSL - CMT SURFACE CASING - BOM	1	JOB	0.00	0.00	47%	0.00
1	"ZI-MILEAGE FROM NEAREST HES BASE,/UNIT"	80	MI	4.41	352.80	47%	186.98
	Number of Units	1					
2	MILEAGE FOR CEMENTING CREW,ZI	80	MI	2.60	208.00	47%	110.24
	Number of Units	1					
16091	ZI - PUMPING CHARGE	1	EA	2,405.00	2,405.00	47%	1,274.65
	DEPTH	700					
	FEET/METRES (FT/M)	FT					
	Equipment & Services						
	SubTotal			USD	2,965.80	47.0%	1,571.87
100003167	PLUG - CMTG - TOP PLASTIC - 13-3/8	1	EA	510.00	510.00	47%	270.30
100005048	HOWCO GEL	4	SK	26.44	105.76	47%	56.05
100003684	PREMIUM PLUS V CEMENT	650	SK	17.58	11,427.00	47%	6,056.31
100005053	CALCIUM CHLORIDE	16	SK	122.40	1,958.40	47%	1,037.95
100005049	FLOCELE	163	LB	2.71	441.73	47%	234.12
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN	40	MI	1.51	1,886.90	47%	1,000.05
	NUMBER OF TONS	31.24					
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI	680	CF	2.47	1,679.60	47%	890.19
	NUMBER OF EACH	1					
	Materials						
	SubTotal			USD	18,009.39	47.0%	9,544.97
100004730	SHOE,GID,13 3/8 8RD,CEM	1	EA	489.00	489.00	42%	283.62
100004705	V ASSY,INSR FLOAT,13 3/8,8RD	1	EA	689.00	689.00	42%	399.62
100004631	CLAMP - LIMIT - 13-3/8 - HINGED -	1	EA	38.00	38.00	42%	22.04
100004487	CENTRALIZER-13 3/8"-CSG-17 1/2"-HINGED	8	EA	186.90	1,495.20	42%	867.22
100005045	HALLIBURTON WELD-A KIT	1	EA	18.43	18.43	42%	10.69
	Float Equipment						
	SubTotal			USD	2,729.63	42.0%	1,583.19
7	ENVIRONMENTAL SURCHARGE,/JOB,ZI	1	JOB	66.24	66.24		66.24
8	IRON SAFETY INSPECTION SURCHARGE /JOB ZI	1	JOB	39.74	39.74		39.74
	Surcharges						
	SubTotal			USD	105.98	0.0%	105.98
	Total			USD			23,810.80
	Discount			USD			11,004.78
	Discounted Total			USD			12,806.01

Primary Plant: VERNAL, UT, USA
 Secondary Plant: VERNAL, UT, USA

Price Book Ref: 01 Western US
 Price Date: 4/1/2001

Job Information**9 5/8" Intermediate**

NDC 9M 22-8-21

Well Intervals:

13 3/8" Surface	0 - 700 ft (MD)
	0 - 700 ft (TVD)
Outer Diameter	13.375 in
Inner Diameter	12.615 in
Linear Weight	54.50 lbm/ft
Job Excess	0 %
12 1/4" Open Hole	700 - 5842 ft (MD)
	700 - 5842 ft (TVD)
Inner Diameter	12.250 in
Job Excess	50 %
9 5/8" Intermediate	0 - 5842 ft (MD)
	0 - 5842 ft (TVD)
Outer Diameter	9.625 in
Inner Diameter	8.921 in
Linear Weight	10.70 lbm/ft
Job Excess	0 %

Calculations**9 5/8" Intermediate**

Spacer:

$$\begin{aligned} \text{Total Spacer} &= 168.44 \text{ ft}^3 \\ &= 30.00 \text{ bbl} \end{aligned}$$

Cement : (3842.00 ft fill)

$$\begin{aligned} 700.00 \text{ ft} * 0.3627 \text{ ft}^3/\text{ft} * 0 \% &= 253.88 \text{ ft}^3 \\ 3142.00 \text{ ft} * 0.3132 \text{ ft}^3/\text{ft} * 50 \% &= 1476.05 \text{ ft}^3 \\ \text{Total Lead Cement} &= 1729.94 \text{ ft}^3 \\ &= 308.11 \text{ bbl} \\ \text{Sacks of Cement} &= 453 \text{ sks} \end{aligned}$$

Cement : (2000.00 ft fill)

$$\begin{aligned} 2000.00 \text{ ft} * 0.3132 \text{ ft}^3/\text{ft} * 50 \% &= 939.56 \text{ ft}^3 \\ \text{Tail Cement} &= 939.56 \text{ ft}^3 \\ &= 167.34 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (42.00 ft fill)

$$\begin{aligned} 42.00 \text{ ft} * 0.4341 \text{ ft}^3/\text{ft} &= 18.23 \text{ ft}^3 \\ &= 3.25 \text{ bbl} \\ \text{Tail plus shoe joint} &= 957.79 \text{ ft}^3 \\ &= 170.59 \text{ bbl} \\ \text{Total Tail} &= 764 \text{ sks} \end{aligned}$$

Total Pipe Capacity:

$$\begin{aligned} 5842.00 \text{ ft} * 0.4341 \text{ ft}^3/\text{ft} &= 2535.81 \text{ ft}^3 \\ &= 451.64 \text{ bbl} \end{aligned}$$

Displacement Volume to Shoe Joint:

$$\begin{aligned} \text{Capacity of Pipe - Shoe Joint} &= 451.64 \text{ bbl} - 3.25 \text{ bbl} \\ &= 448.40 \text{ bbl} \end{aligned}$$

Job Recommendation

9 5/8" Intermediate

Fluid Instructions

Fluid 1: Water Spacer
Water Ahead

Fluid Density: 8.33 lbm/gal
Fluid Volume: 30 bbl

Fluid 2: Lead Cement
Halliburton Hi-Fill

Fluid Weight 11 lbm/gal
Slurry Yield: 3.82 ft³/sk
Total Mixing Fluid: 22.92 Gal/sk
Top of Fluid: 0 ft
Calculated Fill: 3842 ft
Volume: 308.11 bbl
Calculated Sacks: 452.86 sks
Proposed Sacks: 455 sks

Fluid 3: Tail Cement
50/50 Poz Premium AG

2 % Total Bentonite (Light Weight Additive)
5 % Salt (Accelerator)
0.4 % Halad(R)-322 (Low Fluid Loss Control)
0.25 lbm/sk Flocele (Lost Circulation Additive)

Fluid Weight 14.20 lbm/gal
Slurry Yield: 1.25 ft³/sk
Total Mixing Fluid: 5.56 Gal/sk
Top of Fluid: 3842 ft
Calculated Fill: 2000 ft
Volume: 170.59 bbl
Calculated Sacks: 764.40 sks
Proposed Sacks: 765 sks

Fluid 4: Water Spacer
Displacement

Fluid Density: 8.33 lbm/gal
Fluid Volume: 448.40 bbl

Fluid 5: Top Out Cement
Premium Plus Cement

2 % Calcium Chloride (Accelerator)
(On The Side)

Fluid Weight 15.60 lbm/gal
Slurry Yield: 1.18 ft³/sk
Total Mixing Fluid: 5.26 Gal/sk
Proposed Sacks: 200 sks

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	Water Ahead	8.3	5.0	30 bbl
2	Cement	Hi Fill	11.0	5.0	455 sks
3	Cement	50/50 Poz	14.2	5.0	765 sks
4	Spacer	Displacement	8.3	5.0	448.40 bbl
5	Cement	Premium Plus V	15.6		200 sks

Cost Estimate

9 5/8" Intermediate

SAP Quote #0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Discount	Net Amt
7522	PSL - CMT INTERMEDIATE CASING - BOM	1	JOB	0.00	0.00	47%	0.00
1	"ZI-MILEAGE FROM NEAREST HES BASE,/UNIT"	80	MI	4.41	705.60	47%	373.97
	Number of Units	2					
2	MILEAGE FOR CEMENTING CREW,ZI	80	MI	2.60	208.00	47%	110.24
	Number of Units	1					
16091	ZI - PUMPING CHARGE	1	EA	3,556.00	3,556.00	47%	1,884.68
	DEPTH	5842					
	FEET/METRES (FT/M)	FT					
16115	FIELD STORAGE BIN ON SITE >8 HRS,DAY,ZI	1	EA	320.00	320.00	47%	169.60
	DAYS OR PARTIAL DAY(WHOLE NO.)	1					
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI	1	JOB	1,109.00	1,109.00	47%	587.77
	NUMBER OF UNITS	1					
132	PORT. DAS W/CEMWIN;ACQUIRE W/HES, ZI	1	JOB	916.00	916.00	47%	485.48
	NUMBER OF DAYS	1					
	Equipment & Services						
	SubTotal			USD	6,814.60	47.0%	3,611.74
100003164	PLUG - CMTG - TOP PLASTIC - 9-5/8	1	EA	239.00	239.00	47%	126.67
21832	HALLIBURTON HI-FILL	455	SK	29.43	13,390.65	47%	7,097.04
12302	SBM 50-50 POZ (PREMIUM)	765	SK	14.35	10,977.75	47%	5,818.21
100003652	SALT	1773	LB	0.22	390.06	47%	206.73
100003646	HALAD(R)-322	252	LB	9.21	2,320.92	47%	1,230.09
100005049	FLOCELE	192	LB	2.71	520.32	47%	275.77
100003684	PREMIUM PLUS V (TOP OUT SIDE)	200	SK	17.58	3,516.00	47%	1,863.48
100005053	CALCIUM CHLORIDE (TOP OUT)	5	SK	122.40	612.00	47%	324.36
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN	40	MI	1.51	4,281.15	47%	2,269.01
	NUMBER OF TONS	70.88					
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI	1735	CF	2.47	4,285.45	47%	2,271.29
	NUMBER OF EACH	1					
	Materials						
	SubTotal			USD	40,533.30	47.0%	21,482.65
100004728	SHOE,GID,9-5/8 8RD	1	EA	346.00	346.00	42%	200.68
100004823	CLR,FLOAT,9-5/8 8RD,29.3-40#/FT,2 3/4	1	EA	792.00	792.00	42%	459.36
100004629	COLLAR-STOP-9 5/8"-FRICTION-HINGED	1	EA	30.00	30.00	42%	17.40
100004485	CENTRALIZER-9-5/8"-CSG-12 1/4"-HINGED	12	EA	98.70	1,184.40	42%	686.95
100005045	HALLIBURTON WELD-A KIT	2	EA	18.43	36.86	42%	21.38
	Float Equipment						
	SubTotal			USD	2,389.26	42.0%	1,385.77
7	ENVIRONMENTAL SURCHARGE,/JOB,ZI	1	JOB	66.24	66.24		66.24
8	IRON SAFETY INSPECTION SURCHARGE /JOB ZI	1	JOB	39.74	39.74		39.74
	Surcharges						
	SubTotal			USD	105.98	0.0%	105.98
	Total			USD			49,843.14

HALLIBURTON

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>	<u>Discount</u>	<u>Net Amt</u>
	Discount			USD			23,257.00
	Discounted Total			USD			26,586.14

Primary Plant: VERNAL, UT, USA
Secondary Plant: VERNAL, UT, USA

Price Book Ref: 01 Western US
Price Date: 4/1/2001

Job Information

4 1/2" Production

NDC 9M 22-8-21

Well Intervals:

9 5/8" Intermediate

Outer Diameter
Inner Diameter
Linear Weight
Job Excess

0 - 5842 ft (MD)
0 - 5842 ft (TVD)
9.625 in
8.921 in
10.70 lbm/ft
0 %

7 7/8" Open Hole

Inner Diameter
Job Excess

5822 - 12700 ft (MD)
5822 - 12700 ft (TVD)
7.875 in
25 %

4 1/2" Production

Outer Diameter
Inner Diameter
Linear Weight
Job Excess

0 - 12700 ft (MD)
0 - 12700 ft (TVD)
4.500 in
4.000 in
11.60 lbm/ft
0 %

Calculations**4 1/2" Production**

Spacer:

$$\begin{aligned} 347.00 \text{ ft} * 0.3236 \text{ ft}^3/\text{ft} * 0 \% &= 112.30 \text{ ft}^3 \\ \text{Total Spacer} &= 112.29 \text{ ft}^3 \\ &= 20.00 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} 173.00 \text{ ft} * 0.3236 \text{ ft}^3/\text{ft} * 0 \% &= 55.99 \text{ ft}^3 \\ \text{Total Spacer} &= 56.15 \text{ ft}^3 \\ &= 10.00 \text{ bbl} \end{aligned}$$

Cement : (7358.00 ft fill)

$$\begin{aligned} 480.00 \text{ ft} * 0.3236 \text{ ft}^3/\text{ft} * 0 \% &= 155.34 \text{ ft}^3 \\ 20.00 \text{ ft} * 0.2278 \text{ ft}^3/\text{ft} * 25 \% &= 5.69 \text{ ft}^3 \\ 6858.00 \text{ ft} * 0.2278 \text{ ft}^3/\text{ft} * 25 \% &= 1952.78 \text{ ft}^3 \\ \text{Primary Cement} &= 2113.81 \text{ ft}^3 \\ &= 376.49 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (42.00 ft fill)

$$\begin{aligned} 42.00 \text{ ft} * 0.0873 \text{ ft}^3/\text{ft} &= 3.67 \text{ ft}^3 \\ &= 0.65 \text{ bbl} \\ \text{Tail plus shoe joint} &= 2117.48 \text{ ft}^3 \\ &= 377.14 \text{ bbl} \\ \text{Total Tail} &= 1648 \text{ sks} \end{aligned}$$

Total Pipe Capacity:

$$\begin{aligned} 12700.00 \text{ ft} * 0.0873 \text{ ft}^3/\text{ft} &= 1108.28 \text{ ft}^3 \\ &= 197.39 \text{ bbl} \end{aligned}$$

Displacement Volume to Shoe Joint:

$$\begin{aligned} \text{Capacity of Pipe - Shoe Joint} &= 197.39 \text{ bbl} - 0.65 \text{ bbl} \\ &= 196.74 \text{ bbl} \end{aligned}$$

Job Recommendation

4 1/2" Production

Fluid Instructions

Fluid 1: Reactive Spacer
Super Flush

Fluid Density: 9.20 lbm/gal
Fluid Volume: 20 bbl

Fluid 2: Water Spacer
Water Spacer

Fluid Density: 8.33 lbm/gal
Fluid Volume: 10 bbl

Fluid 3: Primary Cement
50/50 Poz Premium AG

2 % Total Bentonite (Light Weight Additive)
0.6 % Halad(R)-322 (Low Fluid Loss Control)
0.2 % HR-5 (Expander)
5 % Salt (Salt)BWOW
0.25 lbm/sk Flocele (Lost Circulation Additive)
0.3 % Super CBL (Expander)
2 % Microbond (Expander)

Fluid Weight 14.20 lbm/gal
Slurry Yield: 1.28 ft³/sk
Total Mixing Fluid: 5.70 Gal/sk
Top of Fluid: 5342 ft
Calculated Fill: 7358 ft
Volume: 377.14 bbl
Calculated Sacks: 1647.84 sks
Proposed Sacks: 1650 sks

Fluid 4: Water Spacer
Displacement

Fluid Density: 8.33 lbm/gal
Fluid Volume: 196.74 bbl

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	Super Flush	9.2	5.0	20 bbl
2	Spacer	Water Spacer	8.3	5.0	10 bbl
3	Cement	50/50 Poz	14.2	5.0	1650 sks
4	Spacer	Displacement	8.3	5.0	196.74 bbl

HALLIBURTON

Cost Estimate

4 1/2" Production

SAP Quote #0

Mtrl Nbr	Description	Qty	U/M	Unit Price	Gross Amt	Discount	Net Amt
7523	PSL - CMT PRODUCTION CASING - BOM	1	JOB	0.00	0.00	47%	0.00
1	"ZI-MILEAGE FROM NEAREST HES BASE,/UNIT"	80	MI	4.41	705.60	47%	373.97
	Number of Units	2					
2	MILEAGE FOR CEMENTING CREW,ZI	80	MI	2.60	208.00	47%	110.24
	Number of Units	1					
16091	ZI - PUMPING CHARGE	1	EA	10,687.00	10,687.00	47%	5,664.11
	DEPTH	12700					
	FEET/METRES (FT/M)	FT					
132	PORT. DAS W/CEMWIN;ACQUIRE W/HES, ZI	1	JOB	916.00	916.00	47%	485.48
	NUMBER OF DAYS	1					
139	ADC (AUTO DENSITY CTRL) SYS, /JOB,ZI	1	JOB	1,109.00	1,109.00	47%	587.77
	NUMBER OF UNITS	1					
16115	FIELD STORAGE BIN ON SITE >8 HRS,DAY,ZI	1	EA	320.00	320.00	47%	169.60
	DAYS OR PARTIAL DAY(WHOLE NO.)	1					
	Equipment & Services						
	SubTotal			USD	13,945.60	47.0%	7,391.17
100003140	PLUG - CMTG - TOP ALUM - 4-1/2	1	EA	110.00	110.00	47%	58.30
100003639	SUPER FLUSH	20	SK	147.76	2,955.20	47%	1,566.26
12302	SBM 50-50 POZ (PREMIUM AG)	1650	SK	14.35	23,677.50	47%	12,549.07
100003652	SALT	3918	LB	0.22	861.96	47%	456.84
100005050	HR-5	272	LB	5.39	1,466.08	47%	777.02
100003646	HALAD(R)-322	815	LB	9.21	7,506.15	47%	3,978.26
100005049	FLOCELE	413	LB	2.71	1,119.23	47%	593.19
100003668	SUPER CBL	408	LB	35.26	14,386.08	47%	7,624.62
100003669	MICROBOND	2715	LB	1.41	3,828.15	47%	2,028.92
76400	ZI MILEAGE,CMT MTLs DEL/RET MIN	40	MI	1.51	4,438.19	47%	2,352.24
	NUMBER OF TONS	73.48					
3965	HANDLE&DUMP SVC CHRg, CMT&ADDITIVES,ZI	1861	CF	2.47	4,596.67	47%	2,436.23
	NUMBER OF EACH	1					
	Materials						
	SubTotal			USD	64,945.21	47.0%	34,420.95
100004879	SHOE-FLOAT- 4-1/2 8RD - 2-3/4 SUPER	1	EA	292.00	292.00	42%	169.36
100004752	COLLAR-FLOAT- 4-1/2 8RD 9.5-13.5#/FT -	1	EA	341.00	341.00	42%	197.78
100004622	CLAMP - LIMIT - 4-1/2 - HINGED -	1	EA	21.00	21.00	42%	12.18
100004473	CENTRALIZER ASSY - API - 4-1/2 CSG X	25	EA	59.85	1,496.25	42%	867.82
100005045	HALLIBURTON WELD-A KIT	2	EA	18.43	36.86	42%	21.38
	Float Equipment						
	SubTotal			USD	2,187.11	42.0%	1,268.52
7	ENVIRONMENTAL SURCHARGE,/JOB,ZI	1	JOB	66.24	66.24		66.24
8	IRON SAFETY INSPECTION SURCHARGE /JOB ZI	1	JOB	39.74	39.74		39.74
	Surcharges						
	SubTotal			USD	105.98	0.0%	105.98

HALLIBURTON

<u>Mtrl Nbr</u>	<u>Description</u>	<u>Qty</u>	<u>U/M</u>	<u>Unit Price</u>	<u>Gross Amt</u>	<u>Discount</u>	<u>Net Amt</u>
	Total			USD			81,183.90
	Discount			USD			37,997.28
	Discounted Total			USD			43,186.62

Primary Plant: VERNAL, UT, USA
Secondary Plant: VERNAL, UT, USA

Price Book Ref: 01 Western US
Price Date: 4/1/2001

Conditions

The cost in this analysis is good for the materials and/or services outlined within. These prices are based on Halliburton being awarded the work on a first call basis. Prices will be reviewed for adjustments if awarded on 2nd or 3rd call basis and/or after 30 days of this written analysis. This is in an effort to schedule our work and maintain a high quality of performance for our customers.

The unit prices stated in the proposal are based on our current published prices. The projected equipment, personnel, and material needs are only estimates based on information about the work presently available to us. At the time the work is actually performed, conditions then existing may require an increase or decrease in the equipment, personnel, and/or material needs. Charges will be based upon unit prices in effect at the time the work is performed and the amount of equipment, personnel, and/or material actually utilized in the work. Taxes, if any, are not included. Applicable taxes, if any, will be added to the actual invoice.

It is understood and agreed between the parties that with the exception of the subject discounts, all services performed and equipment and materials sold are provided subject to Halliburton's General Terms and Conditions contained in our current price list, (which include LIMITATION OF LIABILITY and WARRANTY provisions), and pursuant to the applicable Halliburton Work Order Contract (whether or not executed by you), unless a Master Service and/or Sales Contract applicable to the services, equipment, or materials supplied exists between your company and Halliburton, in which case the negotiated Master Contract shall govern the relationship between the parties. A copy of the latest version of our General Terms and Conditions is available from your Halliburton representative or at:

http://www.halliburton.com/hes/general_terms_conditions.pdf for your convenient review, and we would appreciate receiving any questions you may have about them. Should your company be interested in negotiating a Master Contract with Halliburton, our Law Department would be pleased to work with you to finalize a mutually agreeable contract. In this connection, it is also understood and agreed that Customer will continue to execute Halliburton usual field work orders and/or tickets customarily required by Halliburton in connection with the furnishing of said services, equipment, and materials.

Any terms and conditions contained in purchase orders or other documents issued by the customer shall be of no effect except to confirm the type and quantity of services, equipment, and materials to be supplied to the customer.

If customer does not have an approved open account with Halliburton or a mutually executed written contract with Halliburton, which dictates payment terms different than those set forth in this clause, all sums due are payable in cash at the time of performance of services or delivery of equipment, products, or materials. If customer has an approved open account, invoices are payable on the twentieth day after date of invoice.

Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Halliburton employs an attorney for collection of any account, customer agrees to pay attorney fees of 20% of the unpaid account, plus all collection and court costs.

SHENANDOAH ENERGY, INC.

NDC #9M-22-8-21

LOCATED IN UINTAH COUNTY, UTAH
SECTION 22, T8S, R21E, S.L.B.&M.

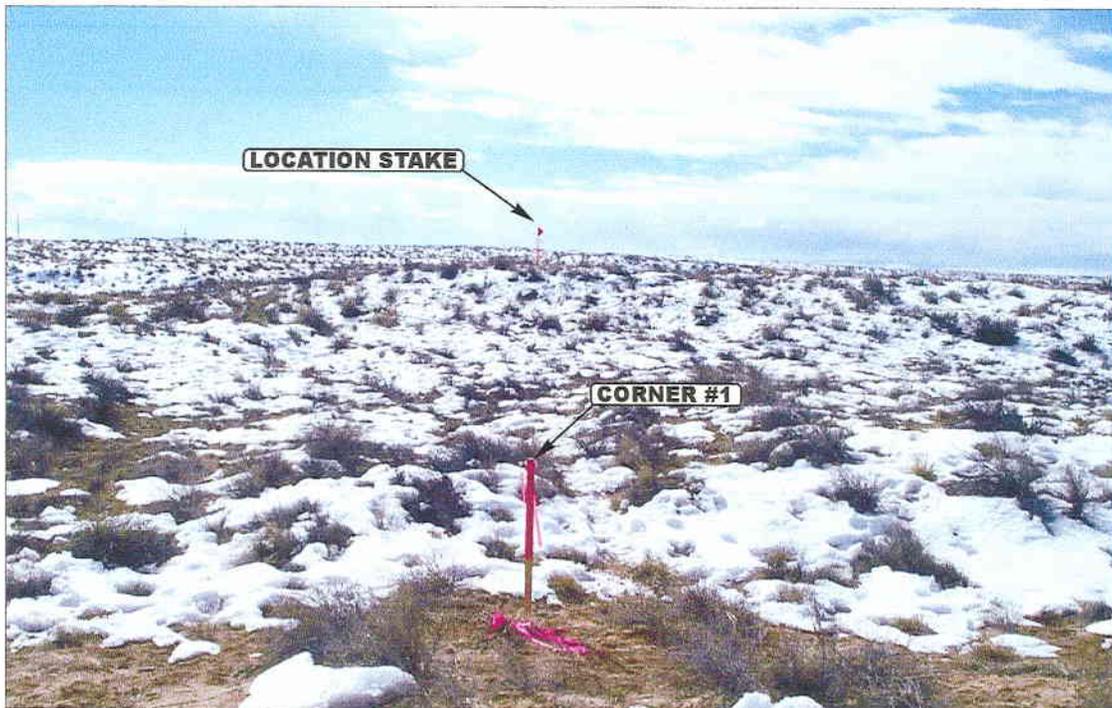


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY

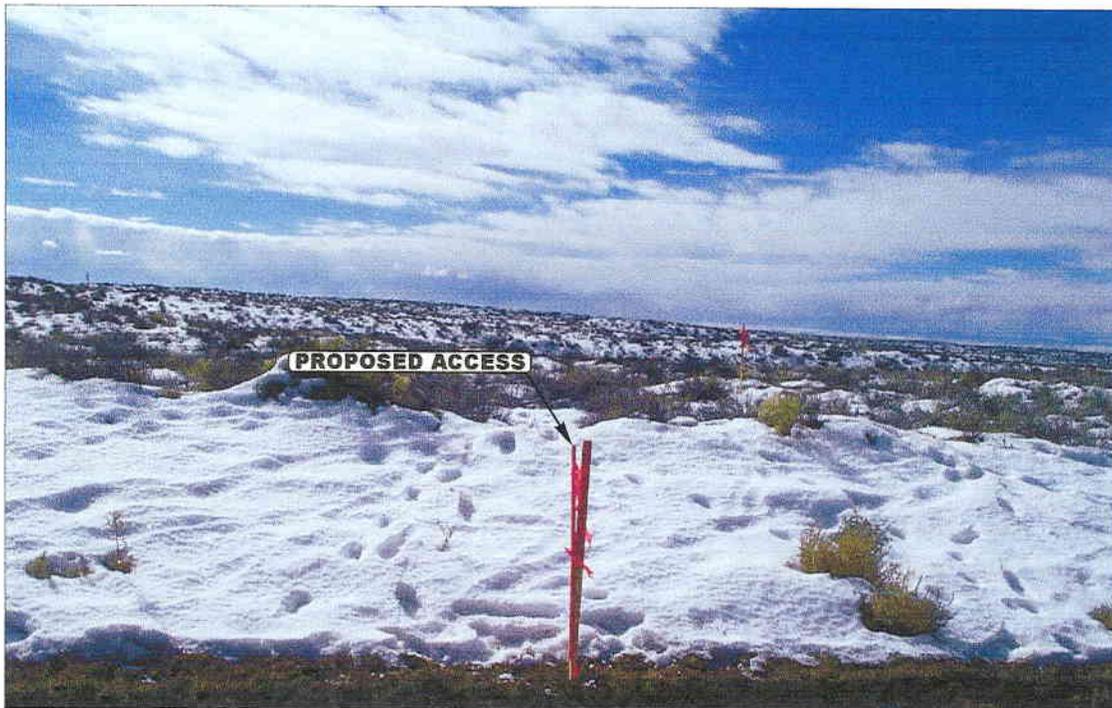


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

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

LOCATION PHOTOS

02 05 03
MONTH DAY YEAR

PHOTO

TAKEN BY: J.E.

DRAWN BY: P.M.

REVISED: 00-00-00

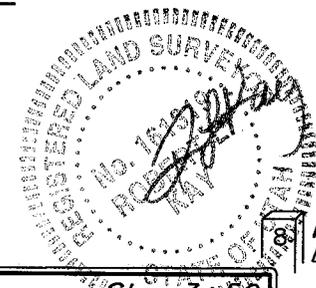
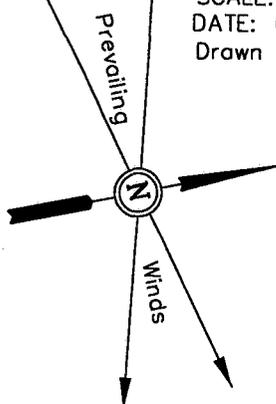
SCALE: 1" = 50'
 DATE: 02-05-03
 Drawn By: D.COX

SHENANDOAH ENERGY, INC.

FIGURE #1

LOCATION LAYOUT FOR

NDC #9M-22-8-21
 SECTION 22, T8S, R21E, S.L.B.&M.
 1924' FSL 346' FEL



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

Total Pit Capacity
 W/2' of Freeboard
 = 10,560 Bbls ±
 Total Pit Volume
 = 2,930 Cu. Yds.

Reserve Pit Backfill
 & Spoils Stockpile



Approx.
 Top of
 Fill Slope

Ei. 790.5'
C-7.3'
 (btm. pit)

C-1.9'
 Ei. 797.1'

RESERVE PITS
 (12' Deep)

10' WIDE BENCH/DIKE

SLOPE 1-1/2

70'

150'

Sta. 0+51

Ei. 791.9'
C-8.7'
 (btm. pit)

Pit Topsoil

F-2.1'
 Ei. 793.1'

F-0.9'
 Ei. 794.3'

Topsoil Stockpile

SAND DUNE

PIPE TUBS

CATWALK

PIPE RACKS

C-6.3'
 Ei. 801.5'

RIG

150'

Sta. 1+75

- TOILET
- TRAILER
- WATER TANK

C-0.5'
 Ei. 795.7'

LIGHT PLANT

BOILER

COMPRESSOR

BOOSTER

PUMP HOUSE

TRASH

PROPANE STORAGE

48'

C-0.7'
 Ei. 795.9'

Sta. 0+00

C-2.6'
 Ei. 797.8'

Proposed Access
 Road

Approx.
 Toe of
 Cut Slope

NOTES:

Elev. Ungraded Ground At Loc. Stake = 4801.5'
 FINISHED GRADE ELEV. AT LOC. STAKE = 4795.2'

SHENANDOAH ENERGY, INC.

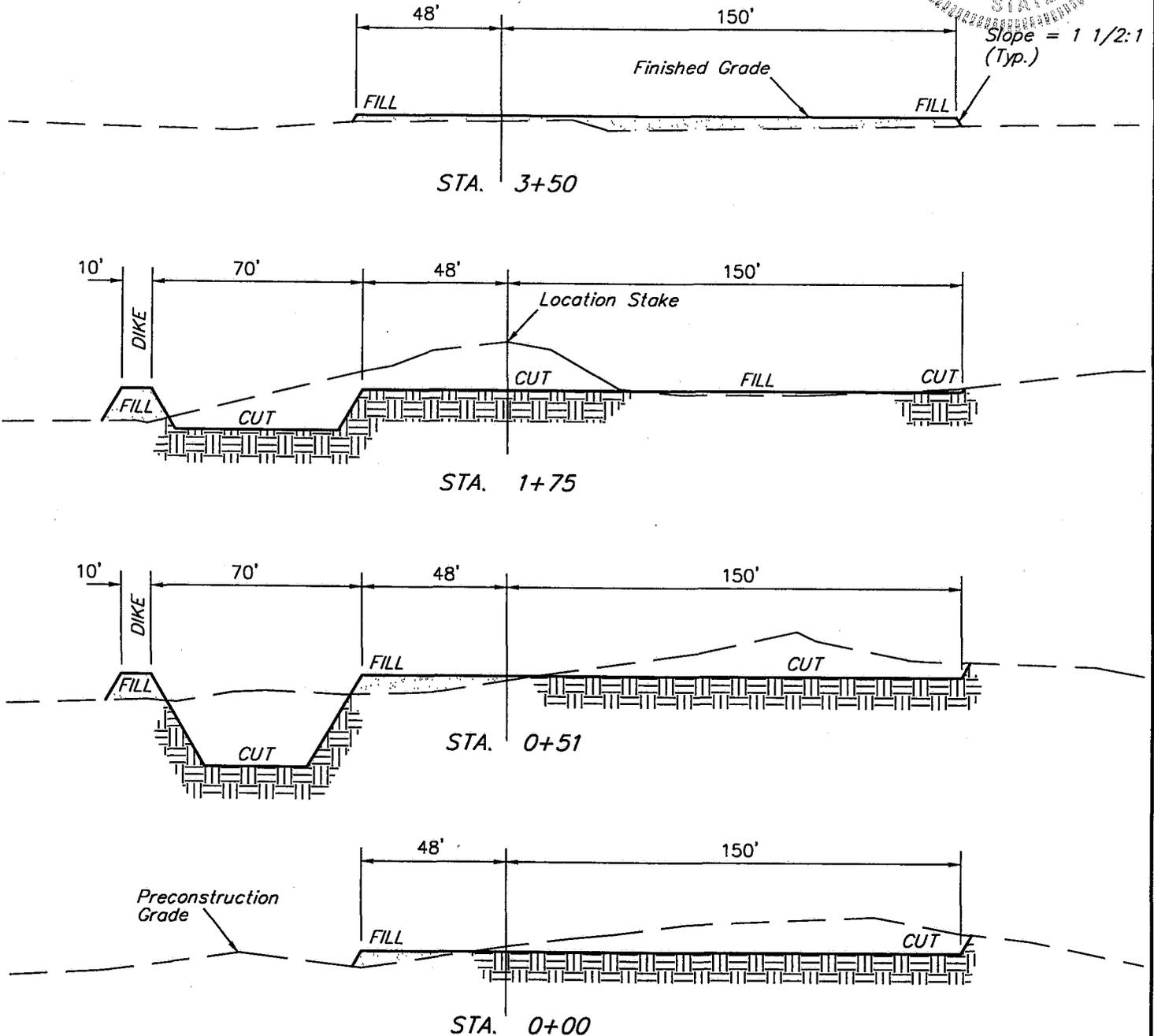
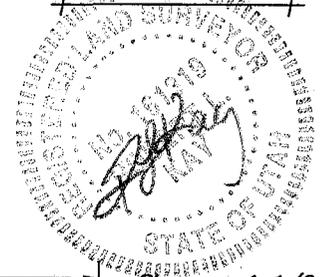
TYPICAL CROSS SECTIONS FOR

NDC #9M-22-8-21
SECTION 22, T8S, R21E, S.L.B.&M.
1924' FSL 346' FEL

FIGURE #2

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

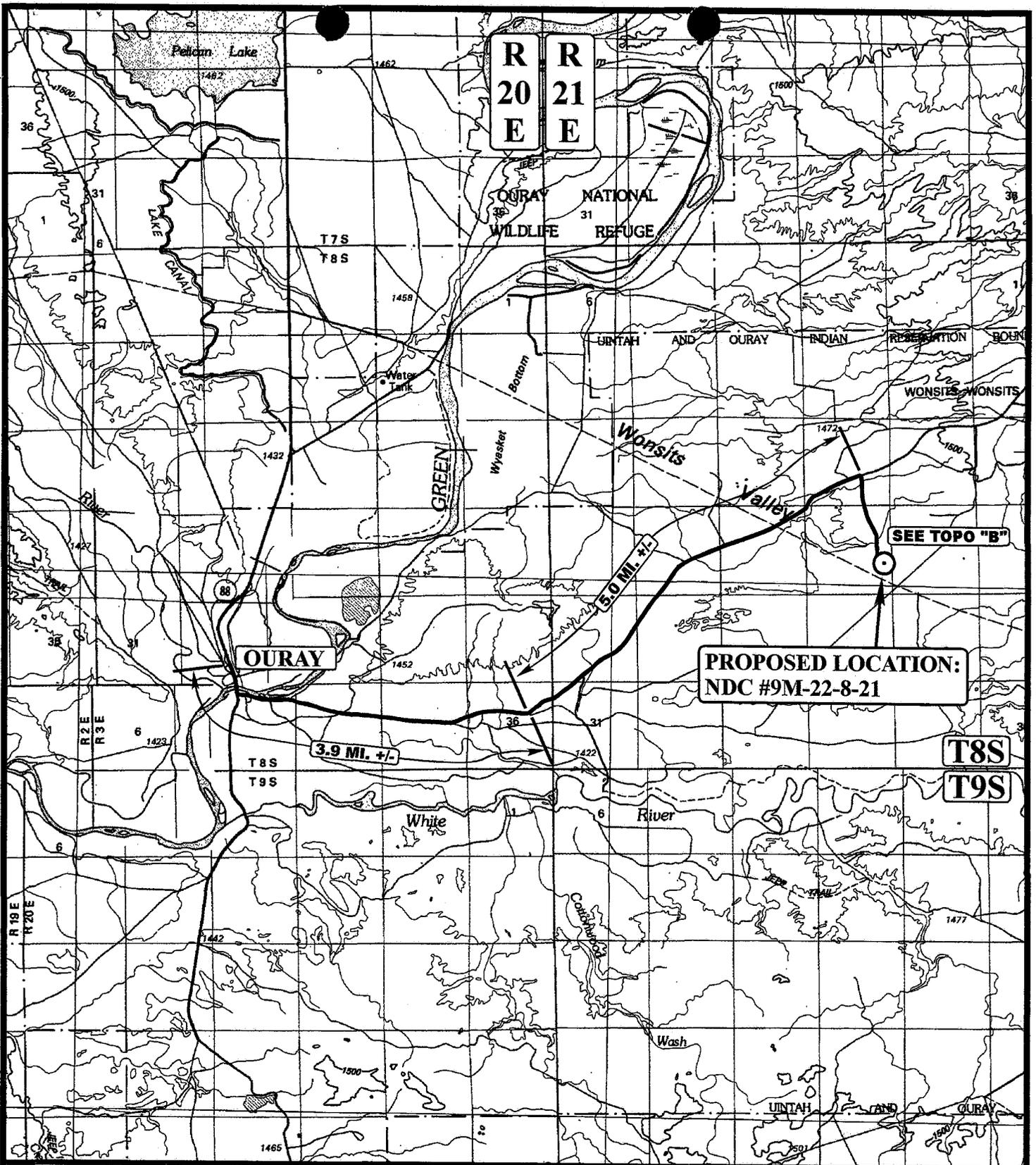
DATE: 02-05-03
Drawn By: D.COX



APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 3,070 Cu. Yds.
Remaining Location	= 4,790 Cu. Yds.
TOTAL CUT	= 7,860 CU.YDS.
FILL	= 3,160 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,530 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,530 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



LEGEND:

⊙ PROPOSED LOCATION



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



SHENANDOAH ENERGY, INC.

NDC #9M-22-8-21
 SECTION 22, T8S, R21E, S.L.B.&M.
 1924' FSL 346' FEL

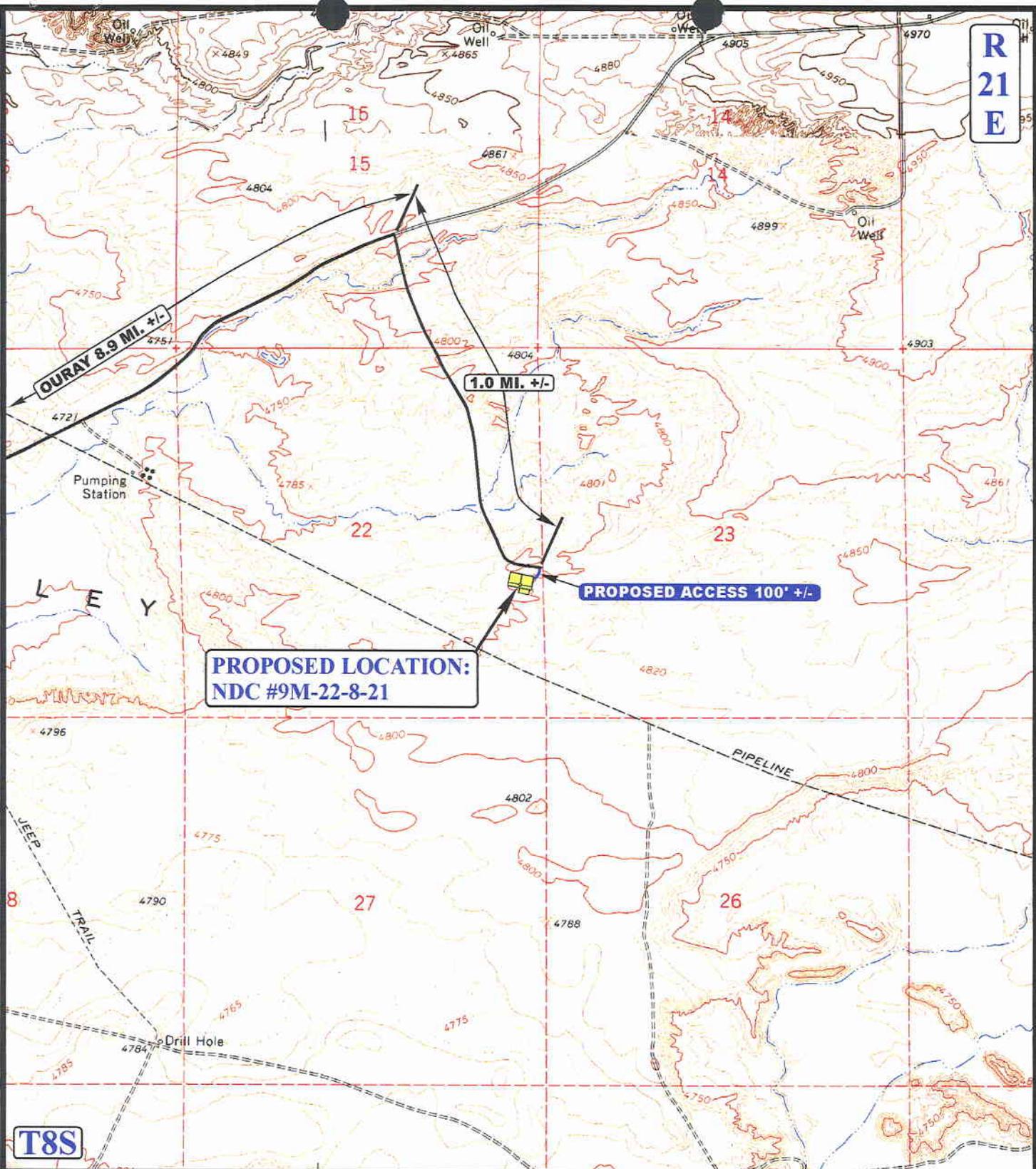
TOPOGRAPHIC
MAP

02	05	03
MONTH	DAY	YEAR

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



R
21
E



**PROPOSED LOCATION:
NDC #9M-22-8-21**

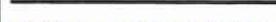
PROPOSED ACCESS 100' +/-

1.0 MI. +/-

OURAY 8.9 MI. +/-

T8S

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



SHENANDOAH ENERGY, INC.

NDC #9M-22-8-21
SECTION 22, T8S, R21E, S.L.B.&M.
1924' FSL 346' FEL

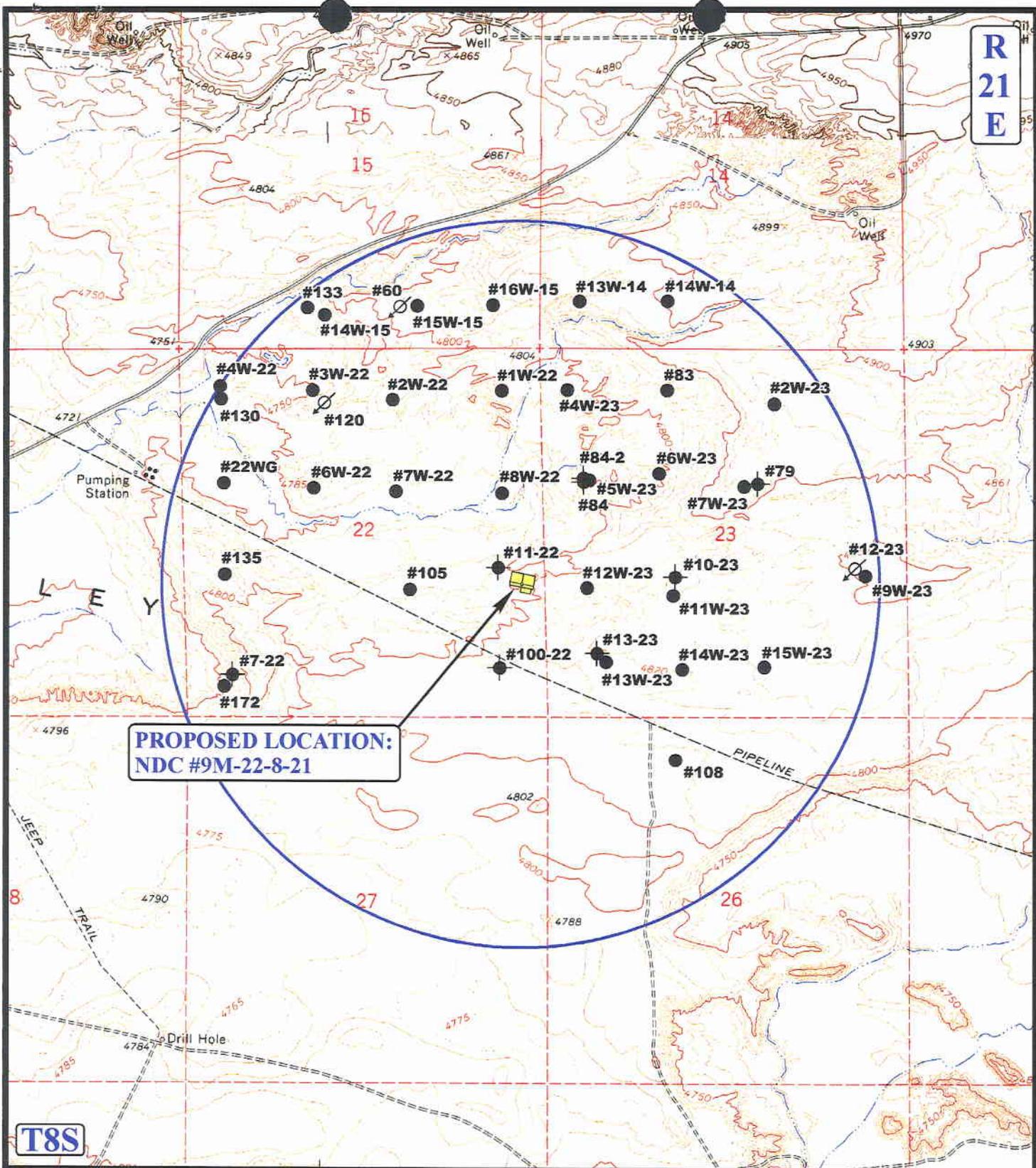


Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP
 02 MONTH 05 DAY 03 YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



R
21
E



**PROPOSED LOCATION:
NDC #9M-22-8-21**

T8S

LEGEND:

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



SHENANDOAH ENERGY, INC.

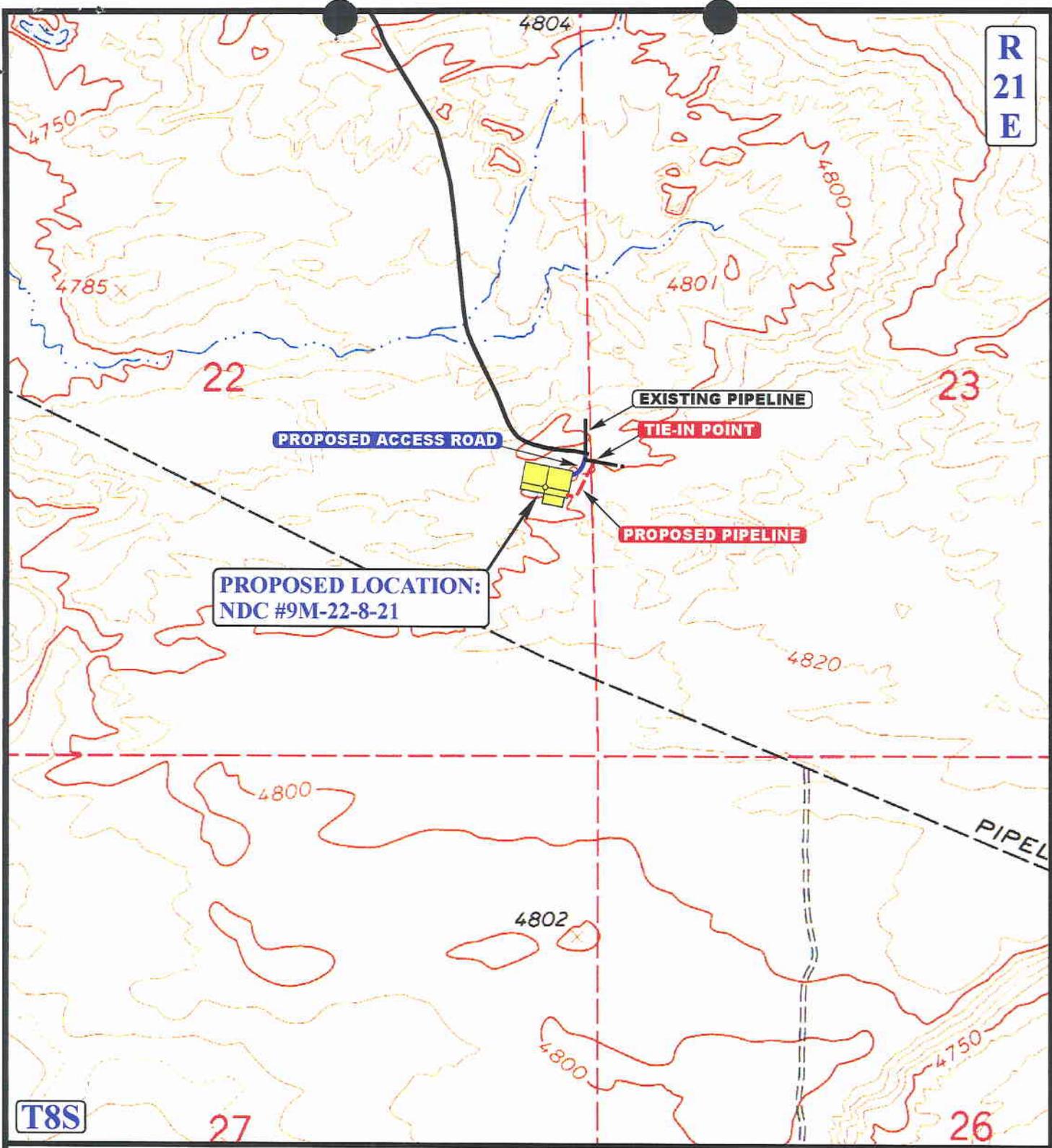
NDC #9M-22-8-21
 SECTION 22, T8S, R21E, S.L.B.&M.
 1924' FSL 346' FEL



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

TOPOGRAPHIC MAP 02 05 03
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 283' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- - - - - EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

SHENANDOAH ENERGY, INC.

NDC #9M-22-8-21
 SECTION 22, T8S, R21E, S.L.B.&M.
 1924' FSL 346' FEL



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

TOPOGRAPHIC MAP 02 05 03
MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/18/2003

API NO. ASSIGNED: 43-047-34901

WELL NAME: N DUCK CREEK 9M-22-8-21
OPERATOR: SHENANDOAH ENERGY INC (N4235)
CONTACT: RALEEN SEARLE

PHONE NUMBER: 435-781-4309

PROPOSED LOCATION:

NESE 22 080S 210E
SURFACE: 1924 FSL 0346 FEL
BOTTOM: 1924 FSL 0346 FEL
UINTAH
WONSITS VALLEY (710)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-68219
SURFACE OWNER: 2 - Indian
PROPOSED FORMATION: MNCS

LATITUDE: 40.10696
LONGITUDE: 109.53093

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT-1237)
- N Potash (Y/N)
- N Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2153)
- At RDCC Review (Y/N)
(Date: _____)
- NA Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 173-16 (8/320')
Eff Date: 1-13-00
Siting: 460' fr boundary & 920' fr other wells.
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1-Federal approved



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

February 26, 2003

Shenandoah Energy Inc
11002 E 17500 S
Vernal UT 84078

Re: North Duck Creek 9M-22-8-21 Well, 1924' FSL, 346' FEL, NE SE, Sec. 22, T. 8 South,
R. 21 East, Uintah County, Utah

Gentlemen:

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

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 43-047-34901.

Sincerely,

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

John R. Baza
Associate Director

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

Operator: Shenandoah Energy Inc
Well Name & Number North Duck Creek 9M-22-8-21
API Number: 43-047-34901
Lease: UTU68219

Location: NE SE **Sec.** 22 **T.** 8 South **R.** 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

005

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL		5. Lease Serial No. UTU68218
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: RALEEN SEARLE E-Mail: raleen.searle@questar.com		7. If Unit or CA Agreement, Name and No.
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078-8526		3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329		8. Lease Name and Well No. NORTH DUCK CREEK 9M-22-8-21
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NESE 1924FSL 346FEL At proposed prod. zone				9. API Well No. 43-047-34901-00-X1
14. Distance in miles and direction from nearest town or post office* 9 +/- MILES TO OURAY, UT				10. Field and Pool, or Exploratory WONSITS VALLEY
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 346' +/-		16. No. of Acres in Lease 320.00		11. Sec., T., R., M., or Blk. and Survey or Area Sec 22 T8S R21E Mer SLB SME: BIA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 500' +/-		19. Proposed Depth 12700 MD		12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4810 KB		22. Approximate date work will start		13. State UT
		23. Estimated duration 30 DAYS		17. Spacing Unit dedicated to this well 40.00
				20. BLM/BIA Bond No. on file UT1237

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) RALEEN SEARLE	Date 02/14/2003
Title REGULATORY AFFAIRS ANALYST		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) HOWARD B CLEAVINGER II	Date 05/30/2003
Title AFM FOR MINERAL RESOURCES		

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 #18511 verified by the BLM Well Information System
For SHENANDOAH ENERGY INC, sent to the Vernal
Committed to AFMS for processing by LESLIE WALKER on 02/19/2003 (03LW0910AE)

RECEIVED

JUN 03 2003

** BLM REVISED **

DIV. OF OIL, GAS & MINING

*Received by
E-mail*

Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 12,700' to test the Mancos. 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.

See 8-point drilling program attached.

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 via surety as consent as provided for the 43 CFR 3104.2.

Revisions to Operator-Submitted EC Data for APD #18511

Operator Submitted

Lease: UTU-68219
Agreement:
Operator: SHENANDOAH ENERGY INC.
11002 EAST 17500 SOUTH
VERNAL, UT 84078
Ph: 435.781.4309
Fx: 435.781.4323

Admin Contact: RALEEN SEARLE
REGULATORY AFFAIRS ANALYST
11002 EAST 17500 SOUTH
VERNAL, UT 84078
Ph: 435.781.4309
Fx: 435.781.4329
E-Mail: raleen.searle@questar.com

Tech Contact:

Well Name: NORTH DUCK CREEK
Number: 9M-22-8-21

Location:
State: UT
County: UINTAH
S/T/R: Sec 22 T8S R21E Mer SLB
Surf Loc: NESE 1924FSL 346FEL

Field/Pool: WONSITS VALLEY

Bond: UT-1237

BLM Revised (AFMSS)

UTU68218
SHENANDOAH ENERGY INC
11002 EAST 17500 SOUTH
VERNAL, UT 84078-8526
Ph: 435.781.4300
Fx: 435.781.4329

RALEEN SEARLE
REGULATORY AFFAIRS ANALYST
11002 EAST 17500 SOUTH
VERNAL, UT 84078-8526
Ph: 435.781.4309
Fx: 435.781.4329
E-Mail: raleen.searle@questar.com

NORTH DUCK CREEK
9M-22-8-21

UT
UINTAH
Sec 22 T8S R21E Mer SLB
NESE 1924FSL 346FEL

WONSITS VALLEY

UT1237

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy Inc.
Well Name & Number: NDC 9M-22-8-21
API Number: 43-047-34901
Lease Number: U-68218
Location: NESE Sec. 22 T. 8S R. 21E
Agreement: N/A

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

CONDITIONS OF APPROVAL

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.

Report ALL water shows and water-bearing sands to John Mayers of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable 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.

Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **5M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to.

Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

As a minimum requirement, the operator must bring the top of cement behind the production casing 200' above the top of the intermediate casing shoe.

Coring, Logging and Testing Program

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

A cement bond log (CBL) will be run from the production casing shoe to top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Written notification of such must be submitted to this office not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Other Information

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

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

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

Shenandoah Energy, Inc. (Shenandoah) will assure the Ute Tribe that any/all contractors and subcontractors have acquired a current Tribal Business License and have updated "Access Permits" prior to construction. All Shenandoah personnel, contractors and subcontractors will have these permits in their vehicles at all times. Companies that have not complied with this COA will be in violation of the Ute Tribal Business License Ordinance, and will be subject to fines and penalties.

Shenandoah employees, representatives, and/or authorized personnel (subcontractors) shall not carry firearms on their person or in their vehicles while working on the Uintah & Ouray Indian Reservation.

Shenandoah employees and/or authorized personnel (subcontractors) in the field will have approved applicable APDs and/or ROW permits/authorizations on their person(s) during all phases of construction.

Shenandoah will notify the Ute Tribe and Bureau of Indian Affairs (BIA) in writing of any requested modification of APDs or Rights-Of-Way (ROW). Shenandoah shall receive written notification of authorization or denial of the requested modification. Without authorization, Shenandoah will be subject to fines and penalties.

The Ute Tribe Energy & Minerals Department shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday. A Tribal Technician is to routinely monitor construction. Shenandoah shall make arrangements with the Ute Energy & Minerals Department for all monitoring that will exceed regular working hours for Tribal Technicians. A qualified Archaeologist accompanied by a Tribal Technician will monitor any trenching construction of the pipeline. Shenandoah is to inform contractors to maintain construction of the pipelines within the approved ROW.

A ROW, 30 feet wide and 164 feet long, was granted for the access road. A corridor ROW, 60 feet wide and 268 feet long was granted for the pipeline. The constructed travel width of the access road will be limited to 18 feet. Upon authorization by the Ute Tribe Energy & Minerals Department, the ROW may be wider where sharp curves, deep cuts and fills occur; or, where intersections with other roads are required.

Upon completion of the pertinent APD and ROWs, Shenandoah will notify the Ute Tribe Energy & Minerals Department for a Tribal Technician to verify the Affidavit of Completion. When each pipeline has been constructed and completed as built descriptions will be filed with the Ute Tribal Energy & Minerals Department.

Production waters, oil, and other byproducts shall not be placed on access roads or the well pad.

All vehicular traffic, personnel movement, construction and restoration operations will be confined to the areas examined and approved and to the existing roadways and/or evaluated access routes.

Shenandoah will implement "Safety and Emergency Plan" and ensure plan compliance.

Shenandoah shall stop construction activities and notify personnel from the Ute Tribe Energy & Minerals Department and BIA if cultural remains including paleontology resources (vertebrate fossils) are exposed or identified during construction. The Ute Tribe Department of Cultural Rights and Protection and the BIA will provide mitigation measures prior to allowing construction.

Shenandoah employees and/or authorized personnel (subcontractors) will not be allowed to collect artifacts and paleontology fossils. No significant cultural resources shall be disturbed.

Shenandoah will control noxious weeds on the well site and ROWs. Shenandoah will be responsible for noxious weed control if weeds spread from the project area onto adjoining land.

Reserve pits will be lined with an impervious synthetic liner to conserve fluids. A fence will be constructed around the reserve pit until it is backfilled. Prior to backfilling the reserve pit, all fluids will be pumped from the pit into trucks and hauled then to approved, disposal sites. When the reserve pits are backfilled, the surplus oil and mud, etc., will be buried a minimum of 3 feet below the surface of the soil.

A closed system will be used during production. This means that production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites. If any of the produced water is diverted to drilling activities then any reserve pits where this produced water is hauled must have a pit liner installed. This produced water may not be injected down the annulus of a well after the drilling has been completed.

Surface pipelines will be constructed to lay on the soil surface. The pipeline ROW will not be bladed or cleared of vegetation without authorization of the BIA. Surface pipelines shall be welded in place at well sites or on access roads and on other existing roads then pulled into place with suitable equipment. Vehicles shall not use pipeline ROWs as access roads unless specifically authorized.

Before the site is abandoned, Shenandoah will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Soil erosion will be mitigated, by reseeded all disturbed areas.



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:
3106
(UT-924)

July 21, 2003

Memorandum

To: Vernal Field Office
From: **ACTING** Chief, Branch of Minerals Adjudication
Subject: Name Change Approval

Attached is an approved copy of the name change from BLM-Eastern States, which is recognized by the Utah State Office. We have updated our records to reflect:

The name change from Shenandoah Energy Incorporated into QEP Uinta Basin, Incorporated is effective July 23, 1999. The BLM Bond Number is ESB000024.

Mary Higgins
Mary Higgins
Acting Chief, Branch of
Minerals Adjudication

Enclosure

1. Eastern States Letter
2. List of leases

cc: MMS, James Sykes, PO Box 25165, M/S 357 B1, Denver CO 80225
State of Utah, DOGM, Earlene Russell (Ste. 1210), Box 145801, SLC UT 84114
Teresa Thompson (UT-922)
Joe Incardine (UT-921)

RECEIVED

JUL 29 2003

DIV. OF OIL, GAS & MINING

Exhibit of Leases

UTSL-065342	UTU-0825	UTU-65472	UTU-74971
UTSL-065429	UTU-0826	UTU-65632	UTU-74972
UTSL-066409-A	UTU-0827	UTU-67844	UTU-75079
UTSL-066446	UTU-0828	UTU-68217	UTU-75080
UTSL-066446-A	UTU-0829	UTU-68218	UTU-75081
UTSL-066446-B	UTU-0830	UTU-68219	UTU-75082
UTSL-066791	UTU-0933	UTU-68220	UTU-75083
UTSL-069330	UTU-0971	UTU-68387	UTU-75084
UTSL-070932-A	UTU-0971-A	UTU-68620	UTU-75085
UTSL-071745	UTU-01089	UTU-69001	UTU-75086
UTSL-071963	UTU-02025	UTU-70853	UTU-75087
UTSL-071964	UTU-02030	UTU-70854	UTU-75088
UTSL-071965	UTU-02060	UTU-70855	UTU-75102
	UTU-02148	UTU-70856	UTU-75103
UTU-046	UTU-02149	UTU-71416	UTU-75116
UTU-055	UTU-02510-A	UTU-72066	UTU-75243
UTU-057	UTU-09613	UTU-72109	UTU-75503
UTU-058	UTU-09617	UTU-72118	UTU-75678
UTU-059	UTU-09809	UTU-72598	UTU-75684
UTU-080	UTU-011225-B	UTU-72634	UTU-76278
UTU-081	UTU-011226	UTU-72649	UTU-75760
UTU-082	UTU-011226-B	UTU-73182	UTU-75939
UTU-093	UTU-012457	UTU-73443	UTU-76039
UTU-0116	UTU-012457-A	UTU-73456	UTU-76482
UTU-0558	UTU-018260-A	UTU-73680	UTU-76507
UTU-0559	UTU-022158	UTU-73681	UTU-76508
UTU-0560	UTU-025960	UTU-73684	UTU-76721
UTU-0561	UTU-025962	UTU-73686	UTU-76835
UTU-0562	UTU-025963	UTU-73687	UTU-77063
UTU-0566	UTU-029649	UTU-73698	UTU-77301
UTU-0567	UTU-65471	UTU-73699	UTU-77308
UTU-0568	UTU-65472	UTU-73700	UTU-78021
UTU-0569	UTU-103144	UTU-73710	UTU-78028
UTU-0570	UTU-140740	UTU-73914	UTU-78029
UTU-0571	UTU-14219	UTU-73917	UTU-78214
UTU-0572	UTU-14639	UTU-74401	UTU-78215
UTU-0629	UTU-16551	UTU-74402	UTU-78216
UTU-0802	UTU-28652	UTU-74407	UTU-80636
UTU-0803	UTU-42050	UTU-74408	UTU-80637
UTU0804	UTU-43915	UTU-74419	UTU-80638
UTU0805	UTU-43916	UTU-74493	UTU-80639
UTU0806	UTU-43917	UTU-74494	UTU-80640
UTU0807	UTU-43918	UTU-74495	
UTU0809	UTU-56947	UTU-74496	
UTU0810	UTU-65276	UTU-74836	
UTU-0823	UTU-65404	UTU-74842	
UTU-0824	UTU-65471	UTU-74968	

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW
3. FILE

006

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): N4235-Shenandoah Energy Inc 11002 E 17500 S Vernal, UT 84078-8526 Phone: (435) 781-4341	TO: (New Operator): N2460-QEP Uinta Basin Inc 11002 E 17500 S Vernal, UT 84078-8526 Phone: (435) 781-4341
--	---

CA No.

Unit:

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	Confid
RED WASH U 34-27C	27	070S	240E	4304735045		Federal	GW	APD	C
WV EXT 1W-17-8-21	17	080S	210E	4304734927		Federal	GW	APD	C
WV EXT 8W-17-8-21	17	080S	210E	4304734929	13792	Federal	GW	DRL	C
N DUCK CREEK 9M-22-8-21	22	080S	210E	4304734901		Federal	GW	APD	C
N DUCK CREEK 11M-22-8-21	22	080S	210E	4304734902		Federal	GW	APD	C
NDC 10W-25-8-21	25	080S	210E	4304734923		Federal	GW	APD	C
N DUCK CREEK 3M-27-8-21	27	080S	210E	4304734900		Federal	GW	APD	C
NDC 11M-27-8-21	27	080S	210E	4304734952	13809	Federal	GW	DRL	C
NDC 9M-27-8-21	27	080S	210E	4304734956		Federal	GW	APD	C
NDC 1M-27-8-21	27	080S	210E	4304734957		Federal	GW	APD	C
NDC 15M-28-8-21	28	080S	210E	4304734958		Federal	GW	APD	C
GB 7W-36-8-21	36	080S	210E	4304734893		State	GW	APD	
GB 3W-36-8-21	36	080S	210E	4304734894	13791	State	GW	DRL	
GB 5W-36-8-21	36	080S	210E	4304734925	13808	State	GW	DRL	
GB 4W-36-8-21	36	080S	210E	4304734926		State	GW	APD	
WRU EIH 9W-26-8-22	26	080S	220E	4304735047		Federal	GW	APD	C
NC 8M-32-8-22	32	080S	220E	4304734897		State	GW	APD	
NC 3M-32-8-22	32	080S	220E	4304734899		State	GW	APD	
NC 11M-32-8-22	32	080S	220E	4304735040		State	GW	NEW	
WRU EIH 10W-35-8-22	35	080S	220E	4304735046	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 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	T	R	api DOGM	Entity	type	stat	
WV 14W-4-8-21	04	080S	210E	4304734040		Federal	GW	APD C
WV 16W-4-8-21	04	080S	210E	4304734041		Federal	GW	APD C
WV 5W-36-7-21	36	070S	210E	4304734099	13807	State	GW	DRL C
WV 16W-31-7-22	31	070S	220E	4304734257		Federal	GW	APD C
RED WASH 16W-19-7-22	19	070S	220E	4304734258		Federal	GW	APD C
WV 9W-16-7-21	16	070S	210E	4304734324		State	GW	APD
GH 6W-20-8-21	20	080S	210E	4304734331		Federal	GW	APD C
WV 10W-23-8-21	23	080S	210E	4304734341	13766	Federal	GW	PA C
WV 11W-23-8-21	23	080S	210E	4304734342		Federal	GW	APD C
WV 13W-23-8-21	23	080S	210E	4304734344		Federal	GW	APD C
WV 14W-23-8-21	23	080S	210E	4304734345		Federal	GW	APD C
WV 15W-23-8-21	23	080S	210E	4304734346		Federal	GW	APD C
WV 7W-31-7-22	31	070S	220E	4304734379		Federal	GW	APD C
WV 9W-30-7-22	30	070S	220E	4304734381		Federal	GW	APD C
WV 10W-25-7-21	25	070S	210E	4304734382		Federal	GW	APD C
WV 10W-26-7-21	26	070S	210E	4304734383		Federal	GW	APD C
WV 14W-30-7-22	30	070S	220E	4304734384	13750	Federal	GW	DRL C
WV 15W-27-7-21	27	070S	210E	4304734385		Federal	GW	APD C
GH 8W-20-8-21	20	080S	210E	4304734393		Federal	GW	APD C
SU PURDY 3W-30-7-22	30	070S	220E	4304734394		Federal	GW	APD C
STIRRUP UNIT 10G-5-8-22	05	080S	220E	4304734396		Federal	OW	APD C
WV 10W-35-7-21	35	070S	210E	4304734397		Federal	GW	APD C
WV 16G-6-8-22	06	080S	220E	4304734404		Federal	OW	APD C
SU 4W-26-7-21	26	070S	210E	4304734408		Federal	GW	APD C
STIRRUP U 12W-6-8-22	06	080S	220E	4304734449		Federal	GW	APD C
STIRRUP U 10W-6-8-22	06	080S	220E	4304734451		Federal	GW	APD C
STIRRUP U 8W-5-8-22	05	080S	220E	4304734453		Federal	GW	APD C
STIRRUP U 6W-5-8-22	05	080S	220E	4304734454		Federal	GW	APD C
WV EXT 10W-17-8-21	17	080S	210E	4304734561	13744	Federal	GW	P C
STIRRUP U 7G-5-8-22	05	080S	220E	4304734609		Federal	OW	APD C
STIRRUP U 9G-5-8-22	05	080S	220E	4304734610		Federal	OW	APD C
STIRRUP U 9G-6-8-22	06	080S	220E	4304734611		Federal	OW	APD C
OU GB 10W-16-8-22	16	080S	220E	4304734616		State	GW	APD C
OU GB 14W-16-8-22	16	080S	220E	4304734619		State	GW	APD C
OU GB 16W-20-8-22	20	080S	220E	4304734633		Federal	GW	APD C
OU WIH 15W-21-8-22	21	080S	220E	4304734634		Federal	GW	APD C
OU GB 8W-17-8-22	17	080S	220E	4304734647		Federal	GW	APD C
OU GB 11W-15-8-22	15	080S	220E	4304734648	13822	Federal	GW	DRL C
OU GB 16W-16-8-22	16	080S	220E	4304734655	13815	State	GW	DRL C
OU GB 1W-16-8-22	16	080S	220E	4304734656		State	GW	APD C
OU GB 8W-16-8-22	16	080S	220E	4304734660	13769	State	GW	DRL C
OU GB 3W-15-8-22	15	080S	220E	4304734677		Federal	GW	APD C
OU GB 4W-21-8-22	21	080S	220E	4304734685	13772	Federal	GW	P C
OU WIH 2W-21-8-22	21	080S	220E	4304734687	13837	Federal	GW	PA C
OU GB 9W-16-8-22	16	080S	220E	4304734692		State	GW	APD C
OU WIH 1W-21-8-22	21	080S	220E	4304734693		Federal	GW	APD C
OU GB 7G-19-8-22	19	080S	220E	4304734694		Federal	OW	APD C
OU GB 5G-19-8-22	19	080S	220E	4304734695	13786	Federal	OW	P C
OU GB 8W-20-8-22	20	080S	220E	4304734706		Federal	GW	APD C
OU SG 14W-15-8-22	15	080S	220E	4304734710	13821	Federal	GW	DRL C
OU SG 15W-15-8-22	15	080S	220E	4304734711	13790	Federal	GW	DRL C
OU SG 16W-15-8-22	15	080S	220E	4304734712	13820	Federal	GW	DRL C
OU SG 4W-15-8-22	15	080S	220E	4304734713	13775	Federal	GW	DRL C
OU SG 12W-15-8-22	15	080S	220E	4304734714	13828	Federal	GW	DRL C
OU SG 5W-15-8-22	15	080S	220E	4304734715		Federal	GW	APD C
OU SG 6W-15-8-22	15	080S	220E	4304734716	13865	Federal	GW	PA C
OU SG 8W-15-8-22	15	080S	220E	4304734717	13819	Federal	GW	DRL C

SEI (N4235) to QEP (N2460)

well name	Sec	T	R	api DOGM	Entity	type	stat	
OU SG 9W-15-8-22	15	080S	220E	4304734718	13773	Federal	GW	P C
OU SG 1W-15-8-22	15	080S	220E	4304734720		Federal	GW	APD C
OU SG 2W-15-8-22	15	080S	220E	4304734721		Federal	GW	APD C
OU SG 7W-15-8-22	15	080S	220E	4304734722		Federal	GW	APD C
GYP SUM HILLS 13HG-17-8-22	17	080S	210E	4304734723	13765	Federal	GW	DRL C
OU GB 14SG-29-8-22	29	080S	220E	4304734743		Federal	GW	APD C
OU GB 16SG-29-8-22	29	080S	220E	4304734744	13771	Federal	GW	DRL C
OU GB 13W-10-8-22	10	080S	220E	4304734754	13774	Federal	GW	P C
OU GB 6W-21-8-22	21	080S	220E	4304734755	13751	Federal	GW	P C
OU SG 10W-10-8-22	10	080S	220E	4304734764		Federal	GW	DRL C
OU SG 15W-10-8-22	10	080S	220E	4304734765	13849	Federal	GW	DRL C
OU GB 14W-10-8-22	10	080S	220E	4304734768	13781	Federal	GW	P C
OU SG 16W-10-8-22	10	080S	220E	4304734784	13777	Federal	GW	P C
OU GB 15G-16-8-22	16	080S	220E	4304734829		State	OW	DRL
BASER WASH 6W-7-7-22	07	070S	220E	4304734837		Federal	GW	APD C
GB 5G-15-8-22	15	080S	220E	4304734876		Federal	OW	APD C
GB 4G-21-8-22	21	080S	220E	4304734882		Federal	OW	APD C
W IRON HORSE 2W-28-8-22	28	080S	220E	4304734883		Federal	GW	APD C
OU GB 8WX-29-8-22	29	080S	220E	4304734884		Federal	GW	APD C
GB 7W-36-8-21	36	080S	210E	4304734893		State	GW	APD
GB 3W-36-8-21	36	080S	210E	4304734894	13791	State	GW	DRL
NC 8M-32-8-22	32	080S	220E	4304734897		State	GW	APD
NC 3M-32-8-22	32	080S	220E	4304734899		State	GW	APD
N DUCK CREEK 3M-27-8-22	27	080S	210E	4304734900		Federal	GW	APD C
N DUCK CREEK 9M-22-8-22	22	080S	210E	4304734901		Federal	GW	APD C
N DUCK CREEK 11M-22-8-22	22	080S	210E	4304734902		Federal	GW	APD C
NDC 10W-25-8-21	25	080S	210E	4304734923		Federal	GW	APD C
GB 5W-36-8-21	36	080S	210E	4304734925	13808	State	GW	DRL
GB 4W-36-8-21	36	080S	210E	4304734926		State	GW	APD
WV EXT 1W-17-8-21	17	080S	210E	4304734927		Federal	GW	APD C
WV EXT 8W-17-8-21	17	080S	210E	4304734929	13792	Federal	GW	DRL C
NDC 11M-27-8-21	27	080S	210E	4304734952	13809	Federal	GW	DRL C
NDC 9M-27-8-21	27	080S	210E	4304734956		Federal	GW	APD C
NDC 1M-27-8-21	27	080S	210E	4304734957		Federal	GW	APD C
NDC 15M-28-8-21	28	080S	210E	4304734958		Federal	GW	APD C
NC 11M-32-8-22	32	080S	220E	4304735040		State	GW	NEW
RED WASH U 34-27C	27	070S	240E	4304735045		Federal	GW	APD C
WRU EIH 10W-35-8-22	35	080S	220E	4304735046	13544	Federal	GW	DRL C
WRU EIH 9W-26-8-22	26	080S	220E	4304735047		Federal	GW	APD C
WRU EIH 15W-26-8-22	26	080S	220E	4304735048		Federal	GW	APD C
WRU EIH 1W-35-8-22	35	080S	220E	4304735049		Federal	GW	APD C
WRU EIH 9W-35-8-22	35	080S	220E	4304735050		Federal	GW	APD C
WRU EIH 7W-35-8-22	35	080S	220E	4304735051		Federal	GW	APD C
WRU EIH 2W-35-8-22	35	080S	220E	4304735052		Federal	GW	APD C

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

007

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

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

5. Lease Designation and Serial No.
UTU-68218⁹

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

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

8. Well Name and No.
NORTH DUCK CREEK 9M-22-8-21

9. API Well No.
43-047-34901

10. Field and Pool, or Exploratory Area
WONSITS VALLEY

11. County or Parish, State
UINTAH, UTAH

SUBMIT IN TRIPLICATE

CONFIDENTIAL

1. Type of Well
Oil Gas
 Well Well Other

2. Name of Operator
QEP UINTA BASIN, INC

3. Address and Telephone No
11002 E. 17500 S. VERNAL, UT 84078-8526 (435) 781-4309

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1924 FSL, 346 FEL, NESE, SECTION 22, T8S, R21E

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

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

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

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

QEP, Uinta Basin Inc. proposes to change the name of the North Duck Creek 9M-22-8-21 to WVX 9B-22-8-21.
6B 9B-22-8-21

REVISED 10-6-03 (NAME)

14. I hereby certify that the foregoing is true and correct.
Signed **RALEEN SEARLE** *Raleen Searle* Title **REGULATORY AFFAIRS ANALYST** Date **9/30/03**

(This space for Federal or State office use)

Approved by: _____ Title _____ Date _____

Conditions of approval, if any _____

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

*See instruction on Reverse Side

RECEIVED
OCT 14 2003

DIV. OF OIL, GAS & MINING

008



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

March 8, 2004

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

Re: APD Rescinded – WVX 9B-22-8-21, Sec. 22, T. 8S, R. 21E
Uintah County, Utah API No. 43-047-34901

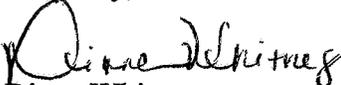
Dear Ms. Nelson:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 26, 2003. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 26, 2004.

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

43-047-34901

August 12, 2005

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

Re: Notification of Expiration
Well No. WVX 9B-22-8-21
NESE, Sec. 22, T8S, R21E
Uintah County, Utah
Lease No. UTU-68218

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on May 30, 2003. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until May 30, 2005. 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

cc: UDOGM

RECEIVED
AUG 22 2005
DIV. OF OIL, GAS & MINING