

001

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: UTU-76042	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER <u>Tight Hole</u> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: NA	
2. NAME OF OPERATOR: EnCana Oil & Gas (USA) Inc.			9. WELL NAME and NUMBER: Federal 22-35	
3. ADDRESS OF OPERATOR: 950 17th St., Suite 2600 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (720) 956-3702	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1955' FNL, 2042' FWL 4437923Y 40, 08095 645290X -109, 29598 AT PROPOSED PRODUCING ZONE: same as above			10. FIELD AND POOL, OR WILDCAT: North Chapita Field <i>Underdrilled</i>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 32.3 miles from Vernal, UT			11. QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 35 8S 23E	12. COUNTY: Uintah
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 660' EAST			16. NUMBER OF ACRES IN LEASE: 1880	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2.5 MILES (Approx. 15,840')			19. PROPOSED DEPTH: 8,046	20. BOND DESCRIPTION: RLB0004733
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5034' GR			22. APPROXIMATE DATE WORK WILL START: 11/15/2003	23. ESTIMATED DURATION: 15 days

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12-1/4"	8-5/8" J-55 STC 24#	525	"G", 275 sxs 1.18cft/sx Wt.15.6 ppg
7-7/8"	4-1/2' N-80 LTC 11.6#	8,046	Lite Poz, 300 sxs 3.9 cft/sk Wt.11ppg
			Poz G, 920 sxs 1.31 cft/sk Wt.14.3 ppg

RECEIVED  
OCT 01 2003

DIV. OF OIL, GAS & MINING

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Judith A. Walter TITLE Regulatory Analyst

SIGNATURE *Judith A. Walter* DATE 9/29/2003

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35259

APPROVAL:

*Federal Approval of this Action is Necessary*

Approved by the  
Utah Division of  
Oil, Gas and Mining

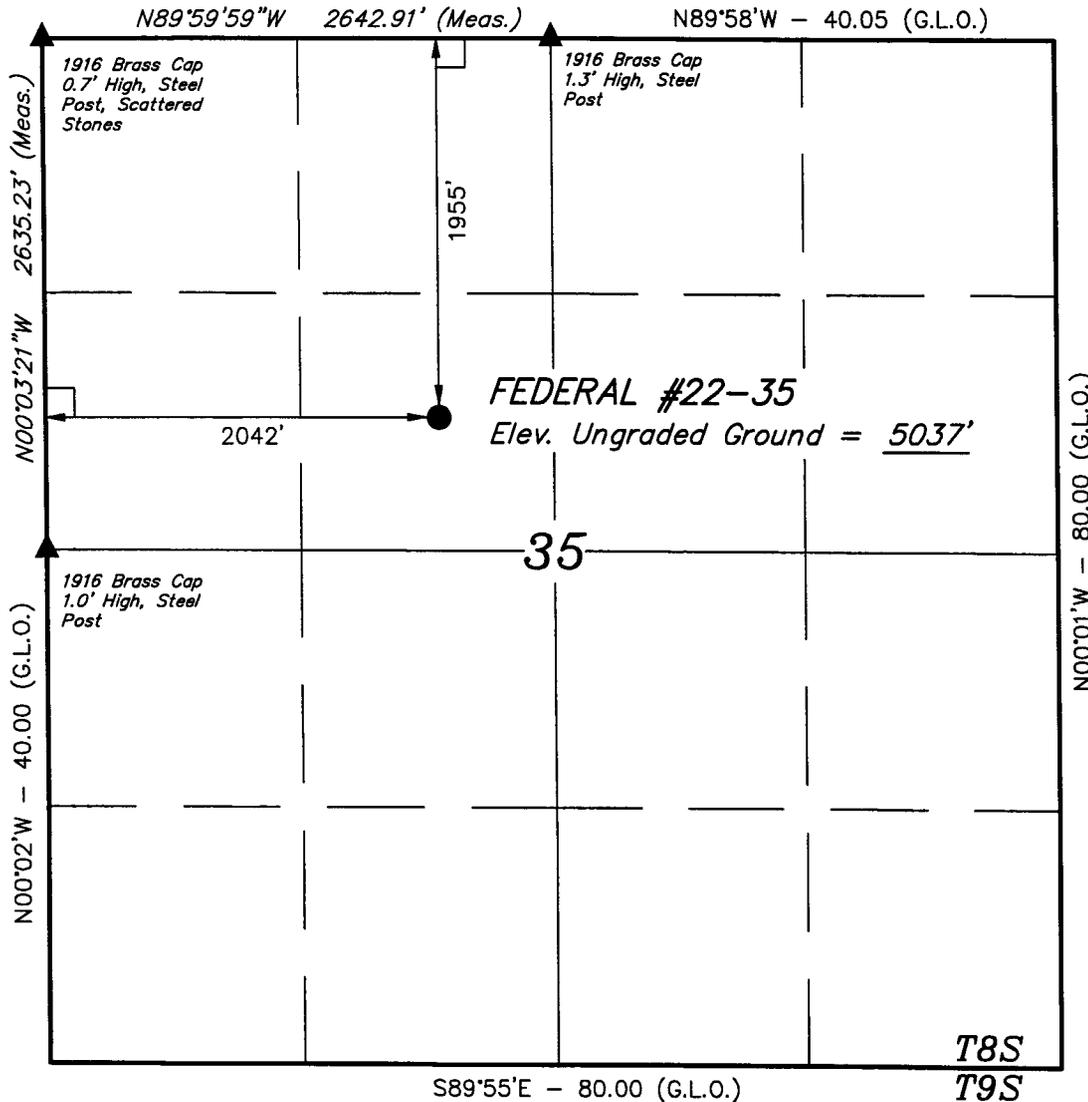
Date: 10-27-03

By: *[Signature]*

# T8S, R23E, S.L.B.&M.

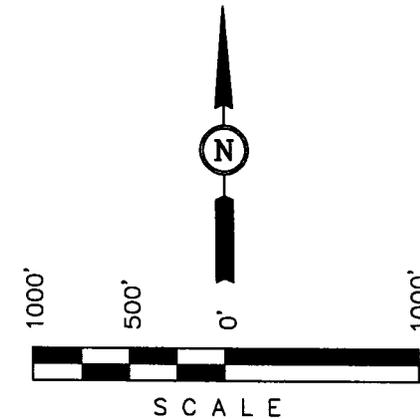
## EnCana OIL & GAS (USA) INC.

Well location, FEDERAL #22-35, located as shown in the SE 1/4 NW 1/4 of Section 35, T8S, R23E, S.L.B.&M., Uintah County, Utah.



### BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 3, T9S, R23E, S.L.B.&M., TAKEN FROM THE RED WASH SE QUADRANGLE, UTAH, UINAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4992 FEET.



### CERTIFICATE

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

*Robert A. Hoke*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 111179  
 STATE OF UTAH

### LEGEND:

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

### BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)  
 LATITUDE = 40°04'51.81" (40.081058)  
 LONGITUDE = 109°17'47.41" (109.296503)

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 08-14-03	DATE DRAWN: 08-26-03
PARTY B.B. J.W. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EnCana OIL & GAS (USA) INC.	

**ATTACHMENT TO FORM 3160-3  
TEN POINT DRILLING PLAN  
North Chapita Federal #22-35**

1. **OPERATOR:** EnCana Oil & Gas (USA) Inc  
**WELL NAME:** North Chapita Federal # 22-35  
**LOCATION (SL):** SE NW, Sec 35, T8S, R23E  
1955' FNL & 2042' FWL  
Uintah County, UT  
**BHL:** Same

2. **ESTIMATED TOPS OF GEOLOGICAL MARKERS (TVD)**

<u>Formation</u>	<u>TVD</u>
GREEN RIVER	1931
DOUGLAS CREEK	4124
CARBONATE MARKER	4388
WASATCH	4899
MESAVERDE	7596
TD	8046

NOTE: Based on elevation of 5,037' GL; 5,049' RKB.

3. **ESTIMATED TOPS OF POSSIBLE WATER, OIL, GAS OR MINERALS**

The estimated depths at which possible water, oil, gas or minerals will be encountered are as follows:

	<u>TVD</u>
GREEN RIVER	1931
DOUGLAS CREEK	4124
WASATCH	4899
MESAVERDE	7596
TD	8046

4. **OPERATOR'S SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT**

- a. Minimum working pressure on rams and BOPE will be 3,000 psi.
- b. Function test and visual inspection of the BOP will be conducted daily and noted in the IADC Daily Drilling Report.
- c. Both high and low pressure tests of the BOPE will be conducted.
- d. The Annular BOP will be pressure tested to a minimum of 50% of its rated working pressure.
- e. Blind and Pipe Rams/BOP will be tested to a minimum of 100% of rated working pressure (against a test plug).
- f. Surface casing will be tested from surface to TD (float collar) at 1,500 psi surface pressure (prior to drilling out the float collar).
- g. All other casing will be pressure tested to 0.22 psi/ft or 1,500 psi, whichever is greater, but not to exceed 70% of the internal yield.
- h. BOP testing procedures and testing frequency will conform to Onshore Order No. 2.
- i. BOP remote controls shall be located on the rig floor at a location readily accessible to the driller. Master controls shall be on the ground at the accumulator and shall have the capability to function all preventors.
- j. The kill line shall be 2" minimum and contain two kill line valves, one of which shall be a check valve.
- k. The choke line shall be 3" minimum and contain two choke line valves (3" minimum).
- l. The choke and manifold shall contain two adjustable chokes.
- m. Hand wheels shall be installed on all ram preventors.,
- n. Safety valves and wrenches (with subs for all drill string connections) shall be available on the rig floor at all times.
- o. Inside BOP or float sub shall also be available on the rig floor at all times.

**ATTACHMENT TO FORM 3160-3  
TEN POINT DRILLING PLAN  
North Chapita Federal #22-35**

- p. Upper kelly cock valve (with handle) shall be available at all times.

**Note: Special Drilling Operations if Air Drilling\***

- q. Properly lubricated and maintained rotating head for normal drilling operations
- r. Spark arresters on engines or water cooled exhaust\*
- s. Blooie line discharge 100 feet from well bore and securely anchored
- t. Straight run on blooie line unless otherwise approved
- u. Deduster equipment\*
- v. All cuttings and circulating medium shall be directed into a reserve or blooie pit\*
- w. Float valve above bit\*
- x. Automatic igniter or continuous pilot light on the blooie line\*
- y. Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore
- z. Mud circulating equipment, water, and mud materials (does not have to be premixed) sufficient to maintain the capacity of the hole and circulating tanks or pits

Shown in Exhibit I is the proposed BOP and Choke Manifold arrangements.

**5. PROPOSED CASING AND CEMENTING PROGRAM (Measured Depths)**

DEPTH (MD)	HOLE SIZE	SIZE	WEIGHT	CSG	GRADE/ THREAD	CEMENT VOLUME
0-40'+/-	13-1/2"	14"	N/A	Conductor	N/A	N/A
0-525'	12-1/4"	8-5/8"	24 ppf	Surface	J-55, STC (New)	± 275 sxs 'G' w/ 2% CaCl <sub>2</sub> + ¼ lbs/sx Flocele (wt 15.6 ppg; yield 1.18 cft/sx)
0-8046'	7-7/8"	4-1/2"	11.6 ppf	Production	N-80, LTC (New)	± 300 sxs LitePoz + FL/Extender additives; ( wt 11 ppg, yield 3.9 cft/sk) ± 920 sxs 50:50 Poz'G' + additives; (wt 14.3 ppg, yield 1.31 cft/sk)

**Cementing Volume Design Assumptions:**

Surface Casing

1. Designed to surface assuming gauge hole plus 50% excess.

Production Casing

1. Lead Slurry designed to 4000' from surface assuming gauge hole plus 30% excess.
2. Tail Slurry designed to 4000' from TD assuming gauge hole plus 30% excess.
3. Actual volumes pumped to be calculated from log caliper data plus 10% excess and may vary depending on additional field and/or logging data.

**6. DIRECTIONAL DRILLING PROGRAM**

Directional control will be maintained by drift shot surveys every 500', bit trips, and at TD.

**7. PROPOSED DRILLING FLUIDS PROGRAM**

**ATTACHMENT TO FORM 3160-3 -  
TEN POINT DRILLING PLAN  
North Chapita Federal #22-35**

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<b>DEPTH</b>	<b>MUD TYPE</b>	<b>DENSITY lbs/gal</b>	<b>VISCOSITY (sec/qt)</b>	<b>FLUID LOSS (cc)</b>
0' – 525'	FW mud w/gel or Air Mist (FW, polymer, and soap)	8.4-8.6	N/A	N/A
525' – 6500'	FW mud w/ gel	8.4-8.8	N/A	NC to <20
6500' - TD	LSND w/ LCM	8.6-9.1	25-40	<15 to 6-8

**8. TESTING, CORING AND LOGGING**

- a. Drill Stem Testing – none anticipated
- b. Coring – none anticipated.
- c. Mud Logging: Optional from 1,800' to TD
- d. Logging Program:

Open Hole  
AIT-SP-GR  
FDC-CNL-GR

Logging Interval  
From TD to Surface Casing  
“ “

Cased Hole  
GR-CCL

From TD to surface casing

Note: Will also run CBL on production casing if no cement is circulated to surface.

**9. ABNORMAL PRESSURES OR TEMPERATURES; POTENTIAL HAZARDS**

There are no known abnormal pressures, temperatures, or potential hazards in the area.

Anticipated maximum BHP is 3,490 psi.

**10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS**

Location construction is to begin immediately upon receiving the approved drilling permit or as allowed by winter and wildlife stipulations. The spud date is flexible, and could be accelerated or delayed as required to fit rig schedules.

The drilling operation is anticipated to require ± 15 days per well.  
Completion operations are anticipated to begin within one week of end of drilling operations.

**EnCana OIL & GAS (USA) INC.**  
**FEDERAL #22-35**  
 LOCATED IN UTAH COUNTY, UTAH  
 SECTION 35, T8S, R23E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

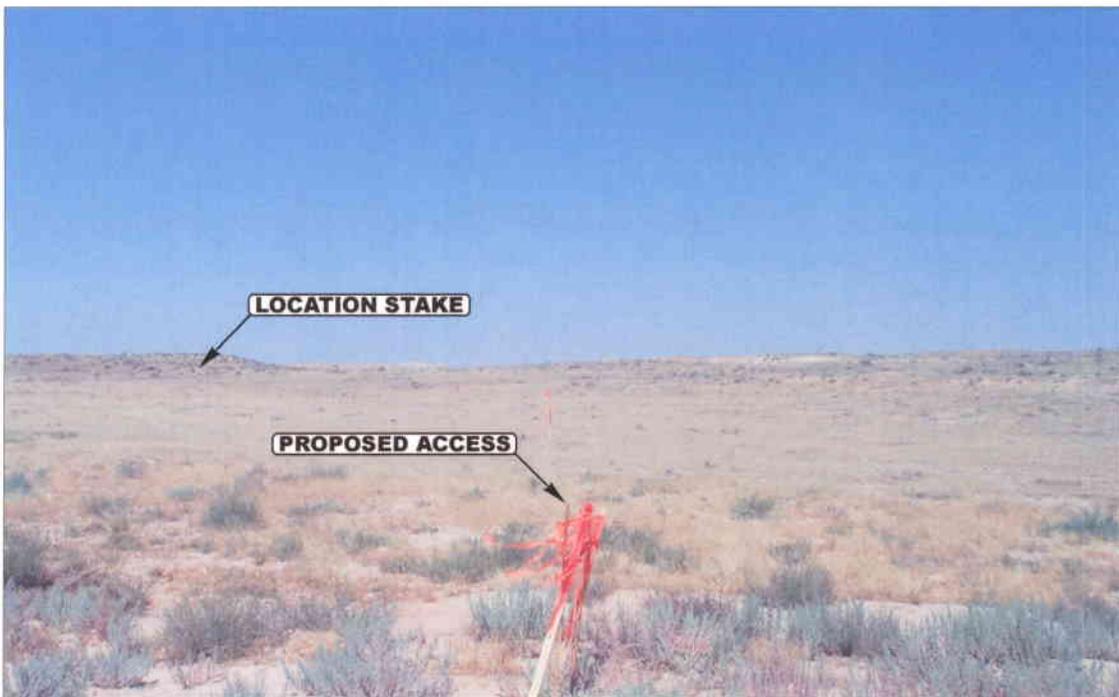


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

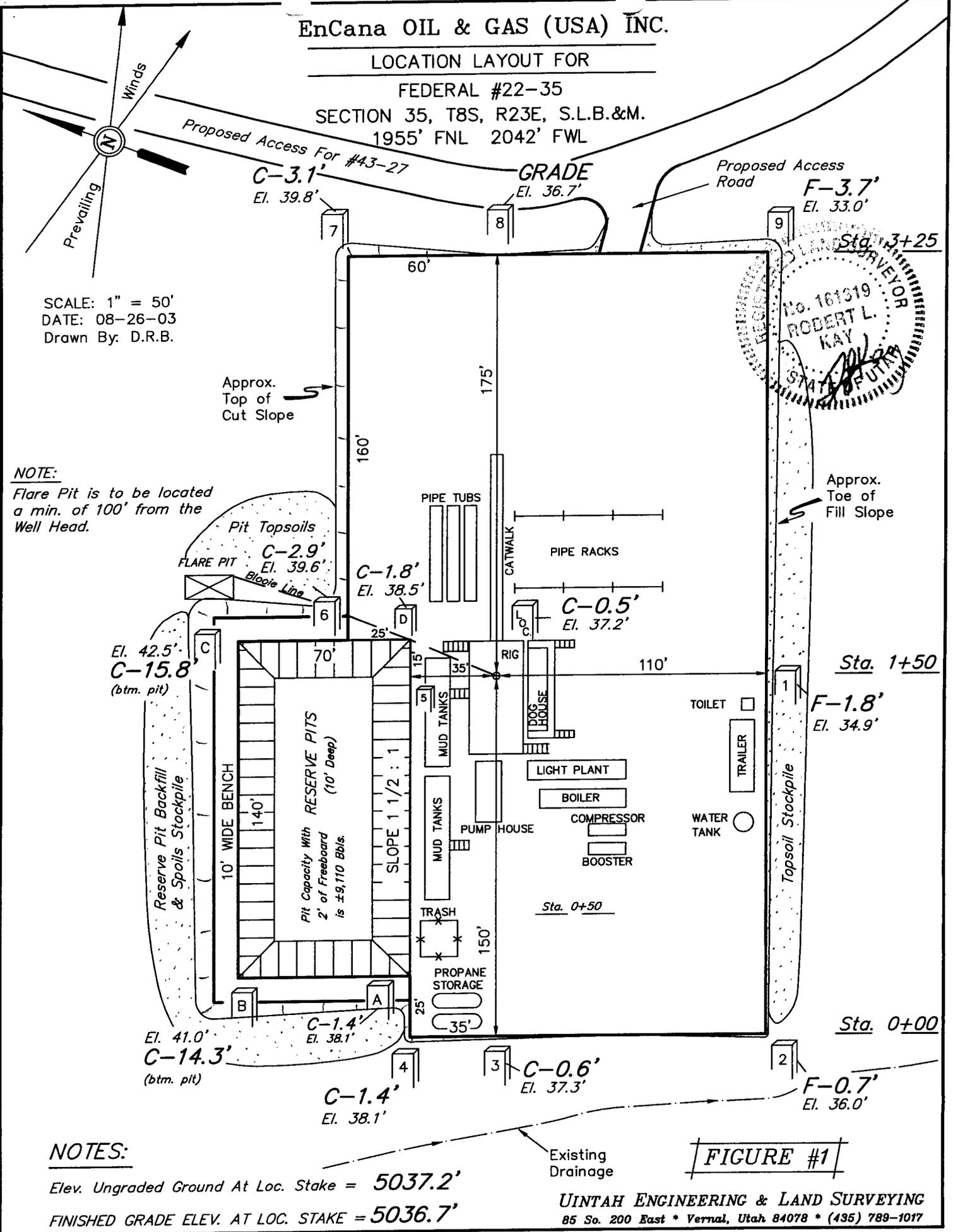
**UELS** Uintah Engineering & Land Surveying  
 85 South 200 East Vernal, Utah 84078  
 435-789-1017 uels@uelsinc.com

<b>LOCATION PHOTOS</b>			<b>08</b>	<b>26</b>	<b>03</b>	<b>PHOTO</b>
			MONTH	DAY	YEAR	
TAKEN BY: B.B.	DRAWN BY: P.M.	REVISED: 09-04-03				

EnCana OIL & GAS (USA) INC.

LOCATION LAYOUT FOR

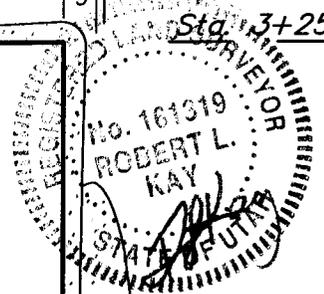
FEDERAL #22-35  
SECTION 35, T8S, R23E, S.L.B.&M.  
1955' FNL 2042' FWL



SCALE: 1" = 50'  
DATE: 08-26-03  
Drawn By: D.R.B.

**NOTE:**

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



**NOTES:**

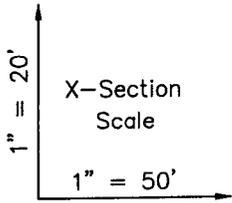
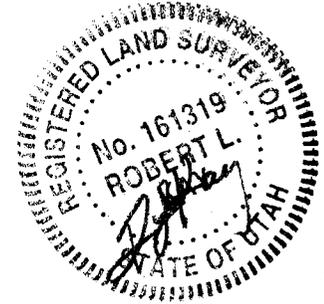
Elev. Ungraded Ground At Loc. Stake = 5037.2'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5036.7'

**FIGURE #1**

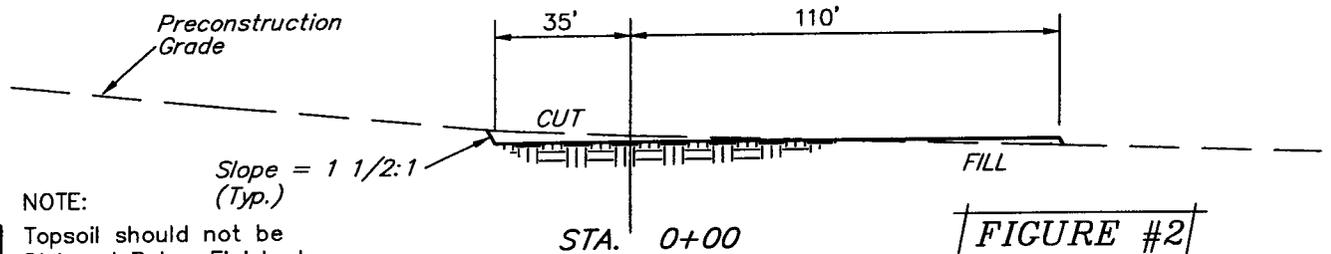
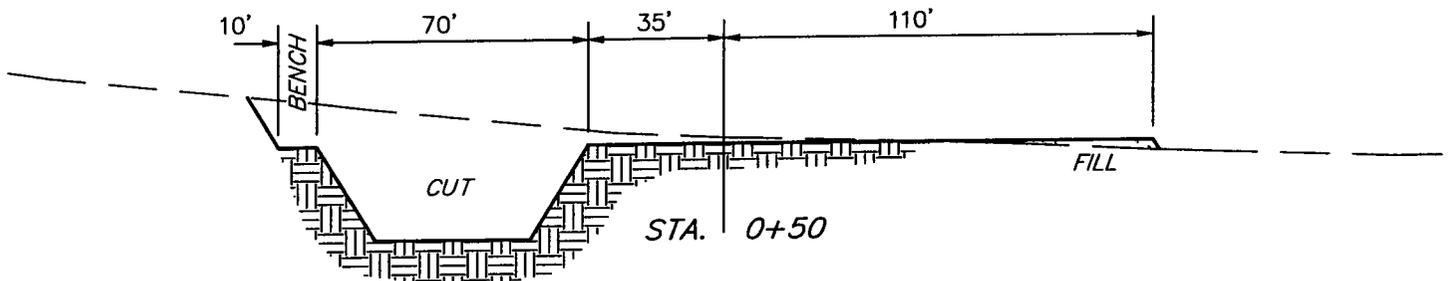
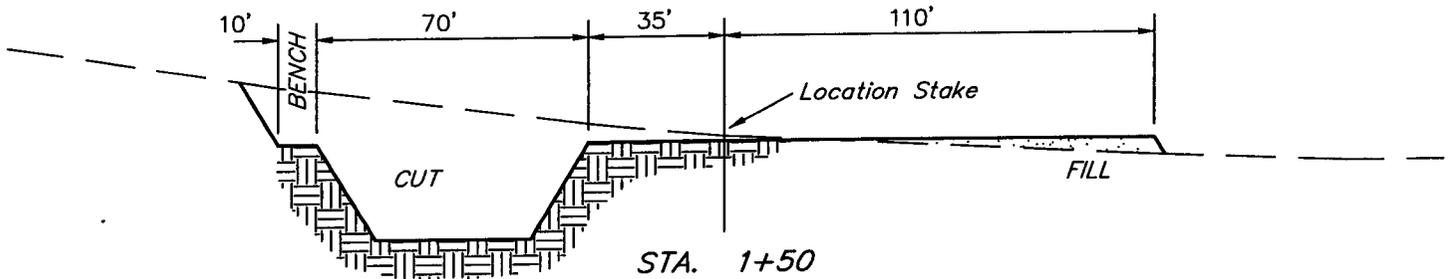
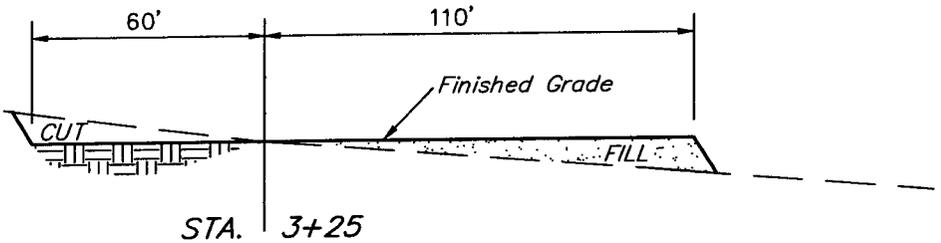
EnCana OIL & GAS (USA) INC.

TYPICAL CROSS SECTIONS FOR

FEDERAL #22-35  
SECTION 35, T8S, R23E, S.L.B.&M.  
1955' FNL 2042' FWL



DATE: 08-26-03  
Drawn By: D.R.B.



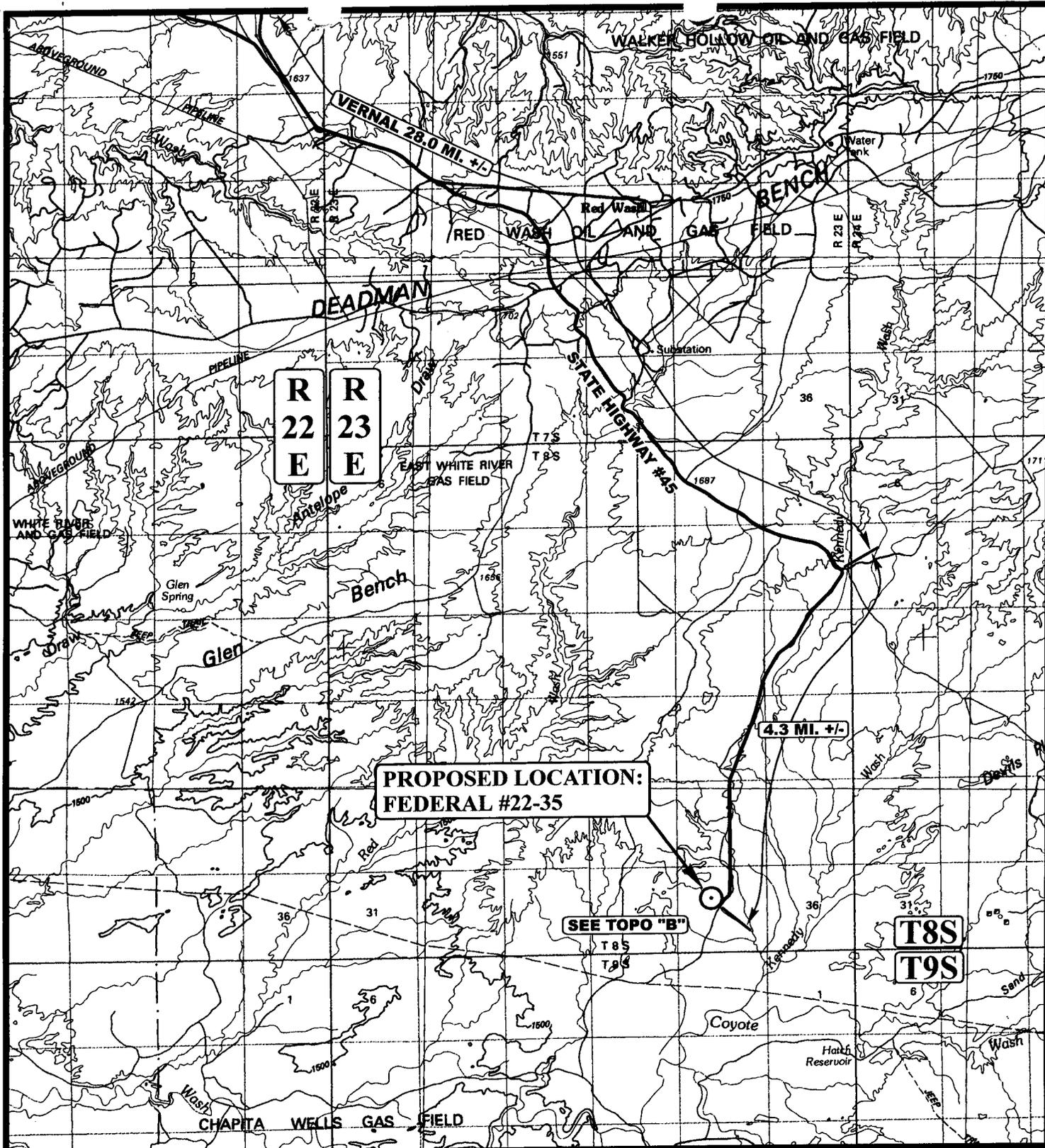
NOTE:  
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

**FIGURE #2**

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,180 Cu. Yds.
Remaining Location	= 4,700 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 5,880 CU.YDS.</b>
<b>FILL</b>	<b>= 1,730 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,060 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,470 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 1,590 Cu. Yds.



**LEGEND:**

⊙ EXISTING LOCATION



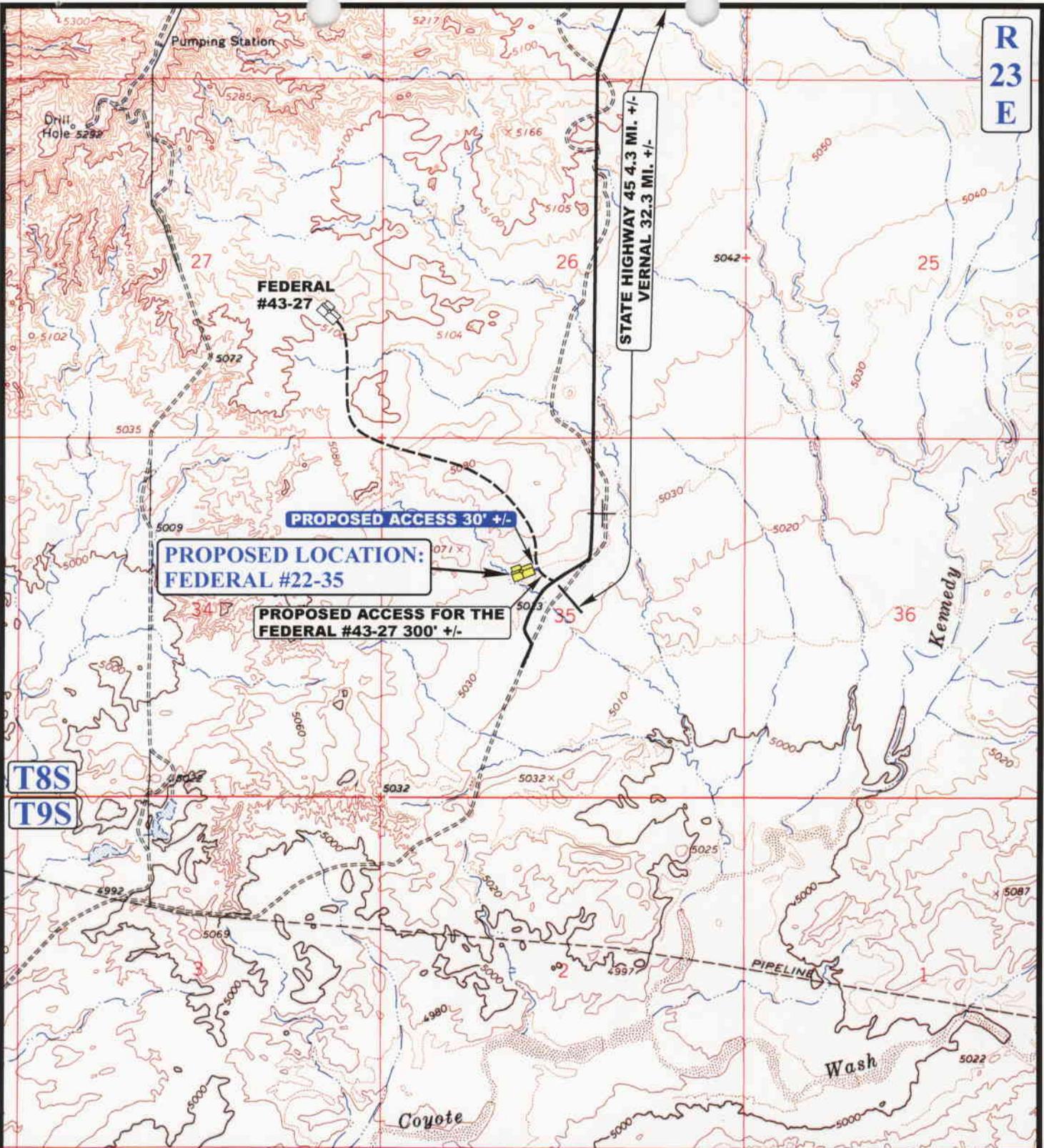
**EnCana OIL & GAS (USA) INC.**

**FEDERAL #22-35**  
**SECTION 35, T8S, R23E, S.L.B.&M.**  
**1955' FNL 2042' FWL**

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

**TOPOGRAPHIC MAP** 08 26 03  
 MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00 **A TOPO**

R  
23  
E



T8S  
T9S

**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



**EnCana OIL & GAS (USA) INC.**

**FEDERAL #22-35**  
**SECTION 35, T8S, R23E, S.L.B.&M.**  
**1955' FNL 2042' FWL**

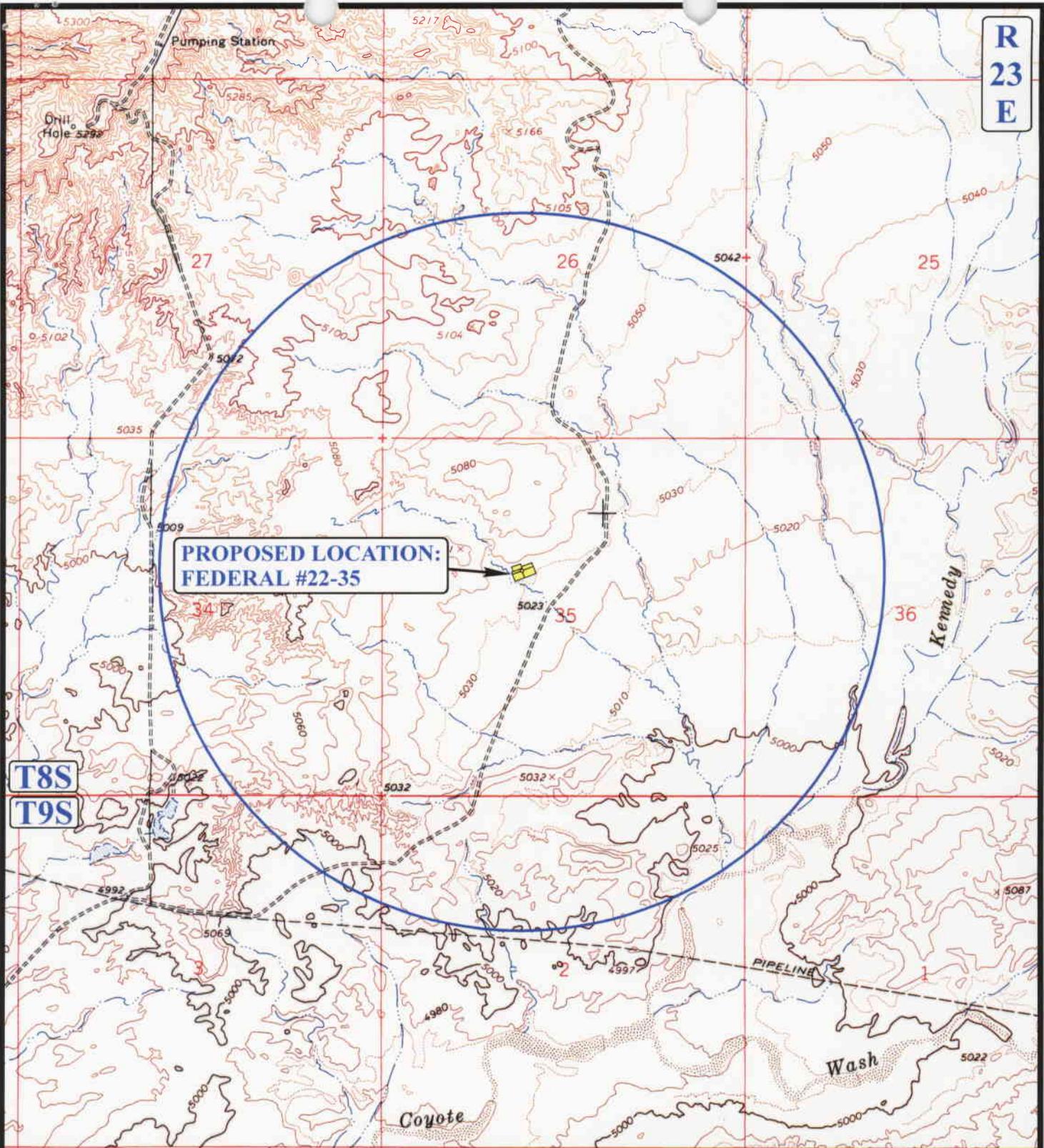


**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

<b>TOPOGRAPHIC</b>	<b>08</b>	<b>26</b>	<b>03</b>
	MONTH	DAY	YEAR
SCALE: 1" = 2000'		DRAWN BY: P.M.	
		REVISED: 00-00-00	



R  
23  
E



**PROPOSED LOCATION:  
FEDERAL #22-35**

T8S  
T9S

**LEGEND:**

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



**EnCana OIL & GAS (USA) INC.**  
**FEDERAL #22-35**  
**SECTION 35, T8S, R23E, S.L.B.&M.**  
**1955' FNL 2042' FWL**



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

**TOPOGRAPHIC** 08 26 03  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



003

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/01/2003

API NO. ASSIGNED: 43-047-35259

WELL NAME: FEDERAL 22-35  
OPERATOR: ENCANA OIL & GAS INC ( N2175 )  
CONTACT: JUDITH WALTER

PHONE NUMBER: 720-956-3702

PROPOSED LOCATION:

SENW 35 080S 230E  
SURFACE: 1955 FNL 2042 FWL  
BOTTOM: 1955 FNL 2042 FWL  
UINTAH  
UNDESIGNATED ( 2 )

LEASE TYPE: 1 - Federal  
LEASE NUMBER: UTU-76042  
SURFACE OWNER: 1 - Federal  
PROPOSED FORMATION: MVRD

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

LATITUDE: 40.08095  
LONGITUDE: 109.29598

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. RLB0004733 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 49-2162 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- NA Fee Surf Agreement (Y/N)

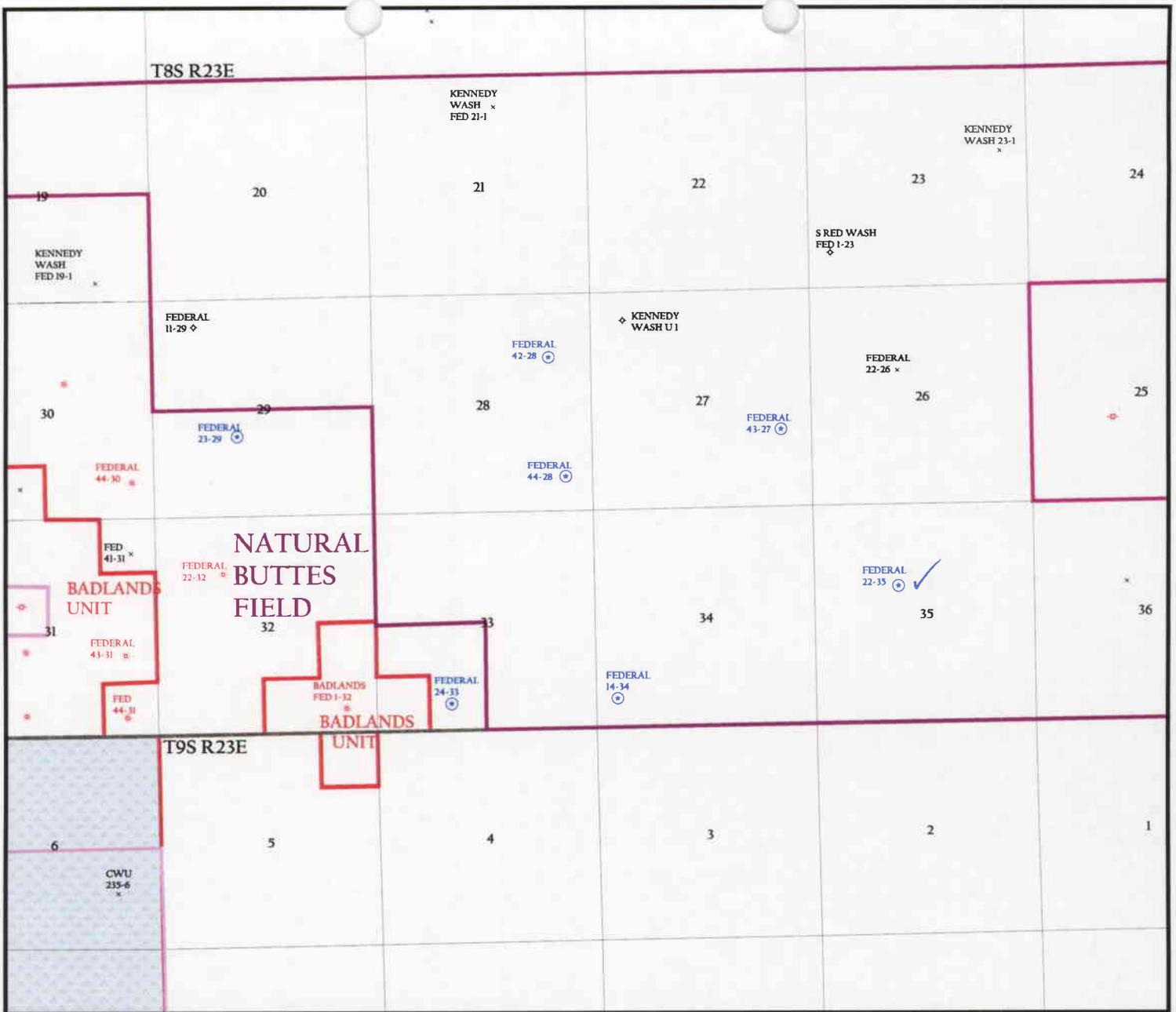
LOCATION AND SITING:

- 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: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

*1- Federal approval*  
*2- Spring Stip*



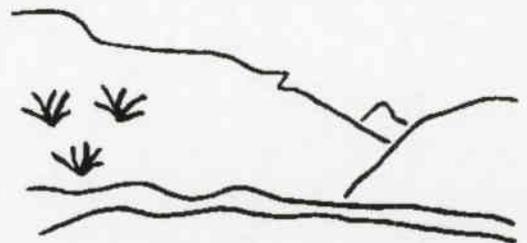
OPERATOR: ENCANA O&G INC (N2175)

SEC. 35 T.8S, R.23E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

SPACING: R649-3-2/ GENERAL SITING



Utah Oil Gas and Mining

**Wells**

- ✓ GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- ⊙ NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- WATER SUPPLY
- ♣ WATER DISPOSAL

**Unit Status**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

**Field Status**

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA MASON  
DATE: 3-OCTOBER-2003



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

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340 telephone  
(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

Michael O. Leavitt  
Governor  
Robert L. Morgan  
Executive Director  
Lowell P. Braxton  
Division Director

October 27, 2003

EnCana Oil & Gas (USA) Inc.  
950 17th St., Suite 2600  
Denver, CO 80202

Re: Federal 22-35 Well, 1955' FNL, 2042' FWL, SE NW, Sec. 35, T. 8 South, R. 23 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 43-047-35259.

Sincerely,

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

John R. Baza  
Associate Director

pab  
Enclosures

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

**Operator:** EnCana Oil & Gas (USA) Inc.

**Well Name & Number** Federal 22-35

**API Number:** 43-047-35259

**Lease:** UTU-76042

**Location:** SE NW                      **Sec.** 35                      **T.** 8 South                      **R.** 23 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.

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

005

5. LEASE DESIGNATION AND SERIAL NUMBER:  
UTU-76042

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
NA

7. UNIT or CA AGREEMENT NAME:  
NA

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

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
Federal 22-35

2. NAME OF OPERATOR:  
EnCana Oil & Gas (USA) Inc.

9. API NUMBER:  
4304735259

3. ADDRESS OF OPERATOR:  
950 17th St., #2600 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:  
(720) 956-3702

10. FIELD AND POOL, OR WILDCAT:  
Undesignated

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 1955' FNL, 2042' FWL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 35 8S 23E

STATE: UTAH

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

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

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

Per the on-site inspection with the BLM on Sept. 30, 2003, the layout was changed please see the attached Location Layout & Typical Cross Section (cut & fill diagram) for the above mentioned well.

They are different from what was originally filed with the APD.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY**

**RECEIVED  
DEC 11 2003  
DIV. OF OIL, GAS & MINING**

NAME (PLEASE PRINT) Judith A. Walter

TITLE Regulatory/Permitting Anayst

SIGNATURE *Judith A. Walter*

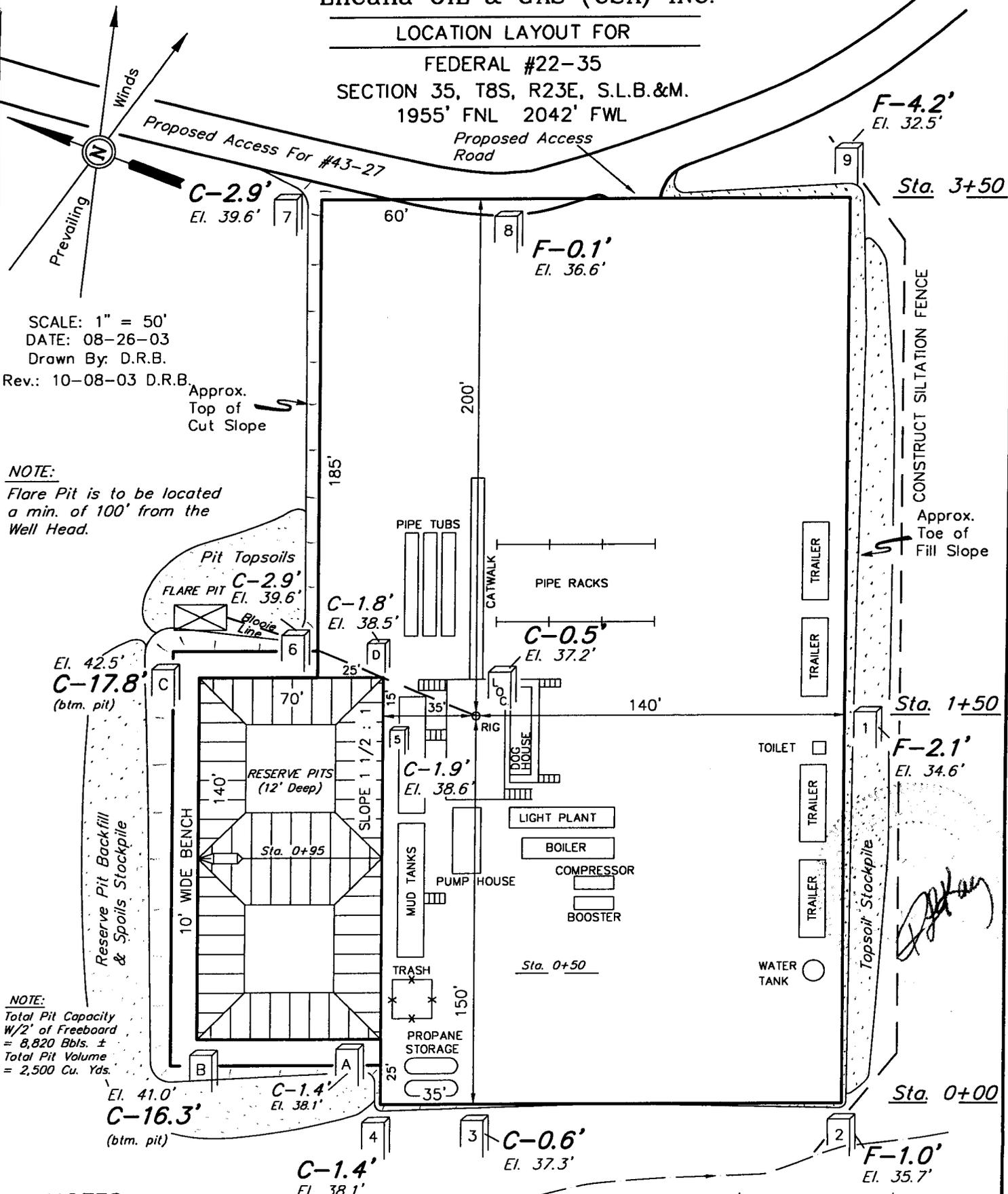
DATE 12/8/2003

(This space for State use only)

EnCana OIL & GAS (USA) INC.

LOCATION LAYOUT FOR

FEDERAL #22-35  
SECTION 35, T8S, R23E, S.L.B.&M.  
1955' FNL 2042' FWL



SCALE: 1" = 50'  
DATE: 08-26-03  
Drawn By: D.R.B.  
Rev.: 10-08-03 D.R.B.

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

**NOTE:**  
Total Pit Capacity  
W/2' of Freeboard  
= 8,820 Bbls. ±  
Total Pit Volume  
= 2,500 Cu. Yds.

**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5037.2'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5036.7'

**FIGURE #1**

# EnCana OIL & GAS (USA) INC.

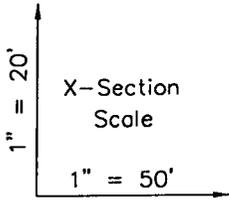
## TYPICAL CROSS SECTIONS FOR

FEDERAL #22-35

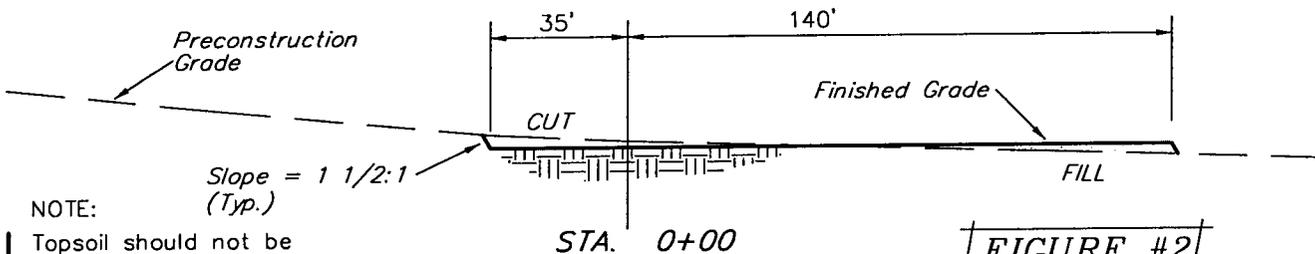
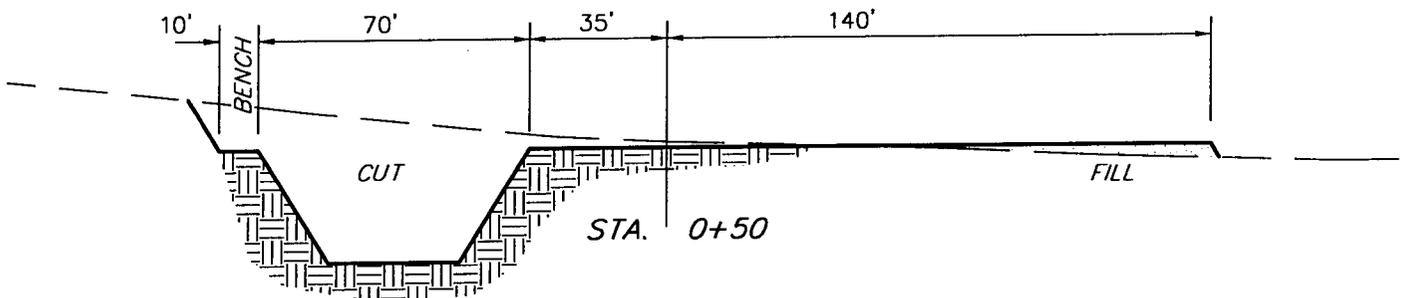
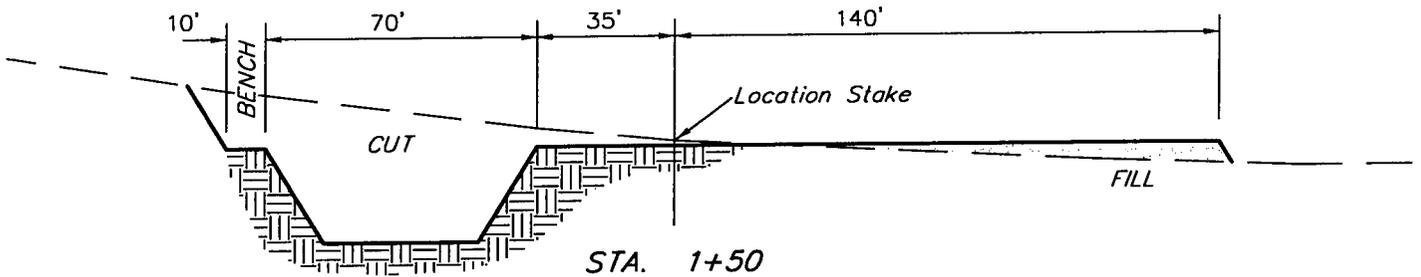
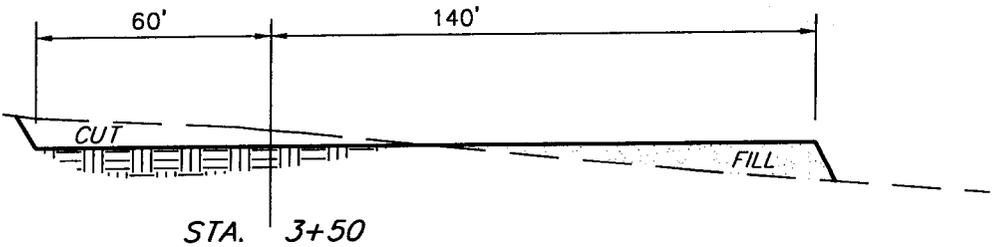
SECTION 35, T8S, R23E, S.L.B.&M.

1955' FNL 2042' FWL

*[Handwritten Signature]*



DATE: 08-26-03  
Drawn By: D.R.B.  
Rev.: 10-08-03 D.R.B.



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

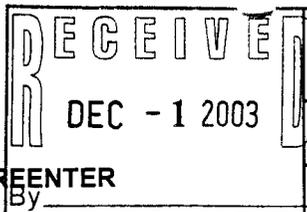
**FIGURE #2**

### APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,450 Cu. Yds.
Remaining Location	= 4,690 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 6,140 CU.YDS.</b>
<b>FILL</b>	<b>= 3,000 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,980 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,700 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 280 Cu. Yds.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



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

006

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-76042
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator ENCANA OIL & GAS (USA) INC. Contact: JUDITH A. WALTER E-Mail: Judith.Walter@encana.com		7. If Unit or CA Agreement, Name and No.
3a. Address 950 17TH ST., SUITE 2600 DENVER, CO 80202	3b. Phone No. (include area code) Ph: 720.956.3702 Fx: 720.956.3600	8. Lease Name and Well No. FEDERAL 22-35
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW 1955FNL 2042FWL 40.08106 N Lat, 109.29650 W Lon At proposed prod. zone		9. API Well No. 43-047-35259
14. Distance in miles and direction from nearest town or post office* APPROX. 32.3 MILES FROM VERNAL, UTAH		10. Field and Pool, or Exploratory UNDESIGNATED
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660' EAST	16. No. of Acres in Lease 1880.00	11. Sec., T., R., M., or Blk. and Survey or Area Sec 35 T8S R23E Mer SLB
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROX. 15,840'	19. Proposed Depth 8046 MD	12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5037 GL	22. Approximate date work will start 01/01/2004	13. State UT
		17. Spacing Unit dedicated to this well
		20. BLM/BIA Bond No. on file CO1461
		23. Estimated duration 15-20 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 (Electronic Submission)	Name (Printed/Typed) JUDITH A. WALTER	Date 12/01/2003
Title PERMITTING/REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) DIV. OF OIL, GAS & MINING	Date 07/09/2004
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.

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 #25563 verified by the BLM Well Information System  
For ENCANA OIL & GAS (USA) INC., sent to the Vernal  
Committed to AFMSS for processing by LESLIE WALKER on 12/04/2003 ()

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

LDOM

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

04P50888A

105 9/8/05

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Encana oil & Gas (USA) inc.  
Well Name & Number: Federal 22-35  
API Number: 43-047-35259  
Lease Number: UTU - 76042  
Location: SENW Sec. 35 TWN: 08S RNG: 23E  
Agreement: N/A

**NOTIFICATION REQUIREMENTS**

- |                                 |   |
|---------------------------------|---|
| Location Construction           | - At least forty-eight hours prior to construction of the location or access roads.   |
| Location Completion             | - Prior to moving on the drilling rig.  |
| Spud Notice                     | - At least twenty-four (24) hours prior to spudding the well.   |
| Casing String and Cementing     | - At least twenty-four (24) hours prior to running casing and cementing all casing strings.   |
| BOP and Related Equipment Tests | - At least twenty-four (24) hours prior to initiating pressure tests.   |
| First Production Notice         | - Within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

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

### **CONDITIONS OF APPROVAL FOR NOTICE TO DRILL**

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

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

#### **A. DRILLING PROGRAM**

##### **1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered**

Report ALL water shows and water-bearing sands encountered while drilling 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 (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

##### **2. 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 **3M** 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. If a mist system is being utilized then the requirement for a deduster shall be waived.

##### **3. Casing Program and Auxiliary Equipment**

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

If conductor or drive pipe is utilized in the drilling of this well, it must be cemented in place or pulled prior to setting surface casing if it exceeds twenty (20) feet in length.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at 1,925 ft. If gilsonite is encountered while

drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

5. 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 the 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.

6. Notifications of Operations

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

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 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).

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will

have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

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.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please 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

## EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids.

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

**CONDITIONS OF APPROVAL**  
for the Sundry Notice for the  
Badlands 43-31 Buried Water Line

Company/Operator: Encana Gas Gathering Services USA  
Well Name & Number: 22-35  
Lease Number: UTU76042  
Location: Sec. 35, T8S, R23E

API Number: 43-047-35259  
Surface Ownership: BLM  
Date APD Received: 12/1/03  
Date NOS Received: 9/8/03

- No construction or drilling would be allowed from April 1 to August 15 to protect burrowing owls during their reproductive season. If construction is proposed during that time frame, a burrowing owl survey would be required and no construction activities would be allowed within 0.5 mile of an active burrowing owl nest until the adults and any young produced have left the area.
- Because black footed ferrets have been documented within the area during previous surveys, Encana should contact a BLM wildlife biologist one week prior to construction so the area can be surveyed for ferrets. If black footed ferrets were documented during the survey, they would be trapped and removed from the construction area.
- Paint the facilities Carlsbad Canyon.
- No pit liner is necessary unless blasting is required. If the pit is blasted, use 12 mil plastic liner with a felt pad.
- Surface disturbance may be prohibited during wet or muddy periods to minimize watershed damage.
- The following seed mix should be used to seed the disturbed area once the pipeline has been installed and the area recontoured. All poundage is in pure live seed. Reseeding may be required if the first seeding is not successful. The seed should be broadcast over the area and then dragged with a chain or raked or walked in with a cat.

Crested wheatgrass	<i>Agropyron cristatum</i>	1 lbs. /acre
Scarlet globemallow	<i>Sphaeralcea coccinea</i>	5 lbs. /acre
Shadscale	<i>Atriplex confertifolia</i>	4 lbs. /acre
Galleta grass	<i>Hilaria jamesii</i>	2 lbs. /acre



## State of Utah

Department of  
Natural ResourcesROBERT L. MORGAN  
*Executive Director*Division of  
Oil, Gas & MiningMARY ANN WRIGHT  
*Acting Division Director*OLENE S. WALKER  
*Governor*GAYLE F. McKEACHNIE  
*Lieutenant Governor*

January 14, 2005

Judith Walter  
Encana Oil & Gas Inc.  
950 17<sup>TH</sup> Street  
Suite 2600  
Denver CO 80202Re: APD Rescinded – Federal 22-35, Sec. 35, T. 8S, R. 23E –  
Uintah County, Utah API No. 43-047-35259

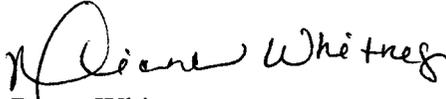
Dear Ms. Walter:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 27, 2003. On January 13, 2005, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 13, 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

August 12, 2005

Judith Walter  
Encana Oil & Gas (USA) Inc.  
950 17<sup>th</sup> Street, Suite 2600  
Denver, CO 80202

43-047-35259

Re: Notification of Expiration  
Well No. Federal 22-35  
SENW, Sec. 35, T8S, R23E  
Uintah County, Utah  
Lease No. UTU-76042

Dear Ms. Walter:

The Application for Permit to Drill the above-referenced well was approved on July 9, 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  
Legal Instruments Examiner

cc: UDOGM

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