



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Jerry D. Olds
State Engineer

1584 West North Temple, Suite 220
PO Box 146300
Salt Lake City, Utah 84114-6300
(801) 538 7740 telephone
(801) 538 7487 fax
www.nr.utah.gov

July 23, 2003

Tu and Frum Inc
David Murray, Owner
P. O. Box 146
Lapoint, UT 84039

Dear Applicant:

RE: TEMPORARY APPLICATION
NUMBER 49-2162 (T74962)

This is your authority to construct your works under the above reference application and to divert the water for the uses described.

While this approved application does give you our permission to divert and use water, it does not grant easements through public or private lands in order to gain access to the source nor to convey the water to the place of use, nor does this approval eliminate the need for such other permits as may be required by this Division or any other agency in implementing your diversion.

This application will expire July 23, 2004, and it is expected that no diversion or use of the water will be done after that date unless another proposal has been made and approved.

Your contact with this office, should you need it, is with the Vernal Regional Office. The telephone number is (435)781-5327.

Sincerely,

Jerry D. Olds
Jerry D. Olds, P.E.
State Engineer

JDO:kkh

Utah!
Where Ideas Connect

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

FORM 3

AMENDED REPORT
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: UTU-80696	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" 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: WHH Fed 22-26	
3. ADDRESS OF OPERATOR: 950 17th St., Suite 2600 CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (720) 956-3702	10. FIELD AND POOL, OR WILDCAT: West Hell's Hole	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2092' FNL, 1846' FWL AT PROPOSED PRODUCING ZONE: Same				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 26 10S 25E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 53.05 miles from Vernal, Utah				12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 4700' diagonally southeast		16. NUMBER OF ACRES IN LEASE: 831.43		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1233'		19. PROPOSED DEPTH: 4,300		20. BOND DESCRIPTION: RLB 0004733	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5737' GR		22. APPROXIMATE DATE WORK WILL START: 1/1/2004		23. ESTIMATED DURATION: 7-15 days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
8-3/4"	7" J-55,STC 20#	440	Prem Type V, 117 sx 1.18 cfp/sx wt. 15.6 ppg
**8-3/4"	7" J-55, STC 20#	880	Premium Lite, 75 sx 2.65 cfp/sx wt. 12 ppg
			Premium +, 75 sx 1.03 cfp/sx wt. 15.6 ppg
			**Contingent deeper on hole conditions
6-1/4"	4-1/2" J-55, LTC 10.5#	4,300	Premium Lite, 226 sx 2.65 cfp/sx wt. 12 ppg
			Premium +, 75 sx 1.03 cfp/sx wt. 15.6

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 checked="" 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/Permitting Analyst
SIGNATURE Judith A. Walter DATE 11/19/2003

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35356

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 11-28-03
By: [Signature]

RECEIVED

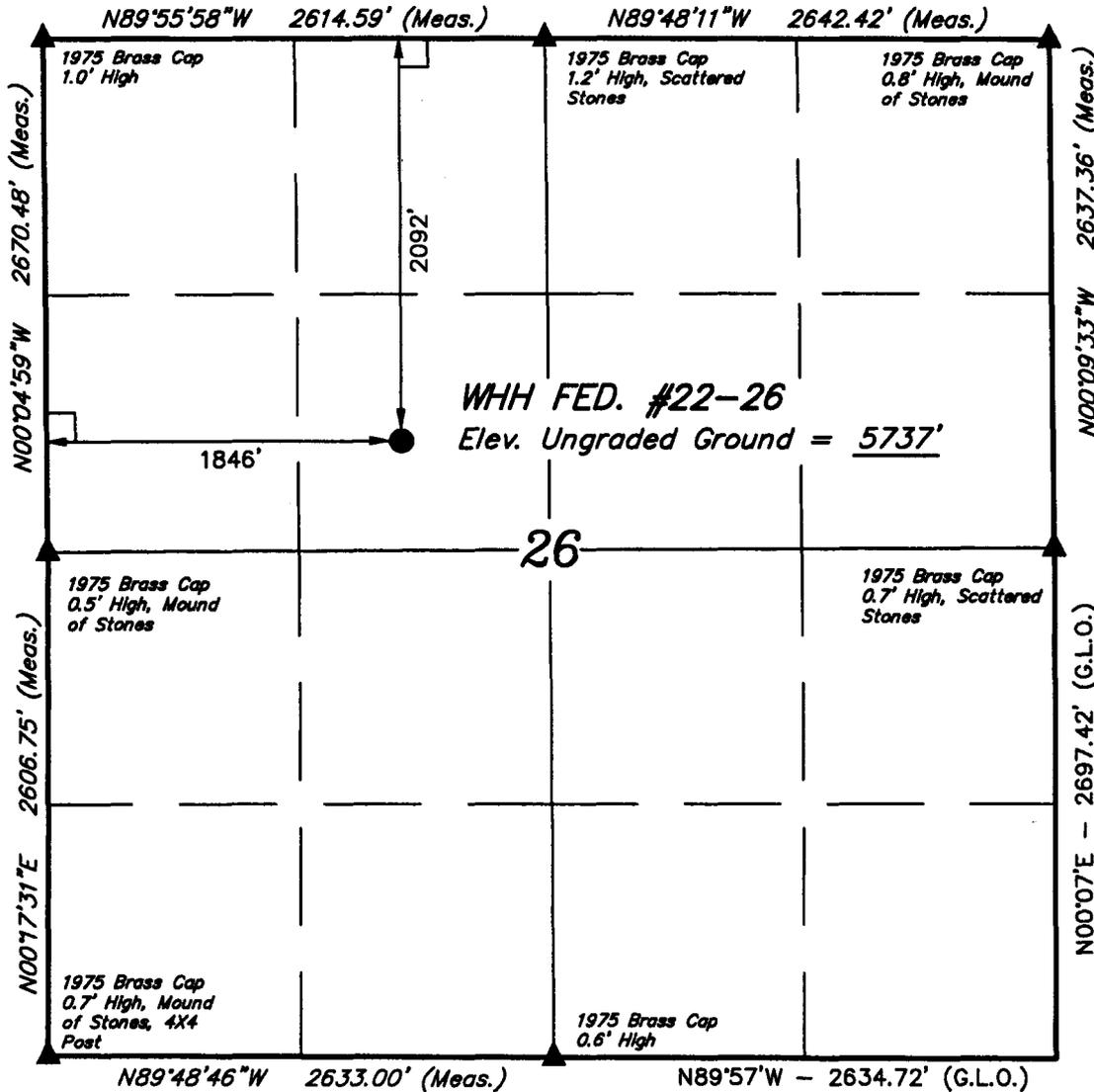
NOV 21 2003

DIV. OF OIL, GAS & MINING

T10S, R25E, S.L.B.&M.

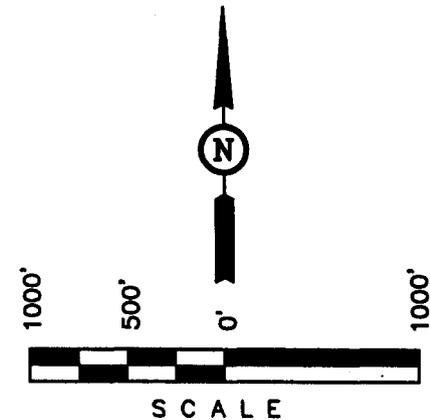
EnCana OIL & GAS (USA) INC.

Well location, WHH FED. #22-26, located as shown in the SE 1/4 NW 1/4 of Section 26, T10S, R25E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHEAST CORNER OF SECTION 36, T10S, R25E, S.L.B.&M. TAKEN FROM THE WEAVER RIDGE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6040 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.

No. 161319
 REGISTERED LAND SURVEYOR
 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 = 39°55'17.08" (39.921411)
 LONGITUDE = 109°04'16.74" (109.071317)

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-16-03	DATE DRAWN: 10-17-03
PARTY D.A. R.D. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE EnCana OIL & GAS (USA) INC.	

**ATTACHMENT TO FORM 3160-3
TEN POINT DRILLING PLAN
WEST HELLS HOLE FEDERAL 22-26**

1. **OPERATOR:** EnCana Oil & Gas (USA) Inc
WELL NAME: West Hells Hole Federal 22-26
LOCATION (SL): SE/4-NW/4, Sec 26, T10S, R25E
 2092' FNL & 1846' FWL
~~Rio Blanco County, CO~~
 Uintah County, UT

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

Formation	MD
LOWER SEGO	2340
LLOYD	2563
MANCOS A *	2833
MANCOS SILT	3719
MANCOS B*	3945
MANCOS BENTONITE	4151
MANCOS SHALE	4193
TD	4300

NOTE: Based on elevation of 5737' GL / 5744' 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:

Formation	MD
LOWER SEGO	2340
LLOYD	2563
MANCOS A *	2833
MANCOS SILT	3719
MANCOS B*	3945
MANCOS SHALE	4193
TD	4300

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

- a. Minimum working pressure on rams and BOPE will be 2,000 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 (optional) 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 2" minimum and contain two choke line valves (2" minimum).
- l. The choke and manifold shall contain two adjustable chokes.

**ATTACHMENT TO FORM 3160-3
TEN POINT DRILLING PLAN
WEST HELLS HOLE FEDERAL 22-26**

- 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.
- p. Upper kelly cock valve (with handle) shall be available at all times.
- q. A non-lubricated stripping head will be utilized to drill into the producing formation.

Note: Special Drilling Operations

- r. Properly lubricated and maintained rotating head for normal drilling operations
- s. A non-lubricated stripping head will be utilized to drill into the producing formation.
- t. Spark arresters on engines or water cooled exhaust*
- u. Blooie line discharge 100 feet from well bore and securely anchored
- v. Straight run on blooie line unless otherwise approved
- w. Deduster equipment*
- x. All cuttings and circulating medium shall be directed into a reserve or blooie pit*
- y. Float valve above bit*
- z. Automatic igniter or continuous pilot light on the blooie line*
- aa. Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore
- bb. 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

Proposed BOP and Choke Manifold arrangements are attached.

5. PROPOSED CASING AND CEMENTING PROGRAM (Measured Depths)

DEPTH (MD)	HOLE SIZE	SIZE	WEIGHT	CSG	GRADE/ THREAD	CEMENT VOLUME
0-20'+/-	11"	9-5/8"	Linepipe	Conductor	Preset	Drive
0-440' or	8-3/4"	7"	20 ppf	Surface	J-55, STC	117 sxs Premium Type V w/ 2% CaCl2 + ¼ lbs/sx flocele, 15.6ppg / 1.18 Cu ft/sx
0-880'* Contingent on Hole Conditions	8-3/4"	7"	20 ppf	Surface	J-55, STC	75 sxs Premium Lite (12 ppg / 2.65 cfpsx) 75 sxs Premium + (15.6 ppg / 1.03 cfpsx)
0-4300	6-1/4"	4-1/2"	10.5 ppf	Production	J-55, LTC	226 sxs Premium Lite (12 ppg / 2.65 cfpsx) 75 sxs Premium + (15.6 ppg / 1.03 cfpsx)

Cementing Volume Design Assumptions:

Surface Casing

1. Designed to surface assuming gauge hole plus 110% excess.
2. *Contingent deeper setting depth dependent on hole sloughing encountered while drilling. Deeper surface casing setting to facilitate later running of production casing with hole sloughing.

Production Casing

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

) ATTACHMENT TO FORM 3160-3)
TEN POINT DRILLING PLAN
WEST HELLS HOLE FEDERAL 22-26

6. DIRECTIONAL DRILLING PROGRAM

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

7. PROPOSED DRILLING FLUIDS PROGRAM

DEPTH	MUD TYPE	DENSITY lbs/gal	VISCOSITY (sec/qt)	FLUID LOSS (cc)
0' – 440'	air	n/a	n/a	n/a
440' – TD'	air mist (KCl, polymer, and soap)	n/a	n/a	n/a

8. TESTING, CORING AND LOGGING

- a. Drill Stem Testing – none anticipated
- b. Coring – none anticipated.
- c. Mud Logging – none anticipated
- d. Logging Program:

Open Hole

Array Induction SP/ GR
 FDC-CNL-GR-PE

Logging Interval

(Optional) TD to Surface casing.
 (Optional) TD to Surface casing

Cased Hole**

CBL/CCL/GR/VDL

TD to top-of-cement (** CBL optional if cement to surface during primary cementing)

9. ABNORMAL PRESSURES OR TEMPERATURES; POTENTIAL HAZARDS

None anticipated. There are no known abnormal pressures, temperatures, or potential hazards in the area.

Anticipated maximum bottom hole pressure is less than 500 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 ± 7 days.

EnCana OIL & GAS (USA) INC.

WHH FED #22-26

LOCATED IN UINTAH COUNTY, UTAH
SECTION 26, T10S, R25E, S.L.B.&M.

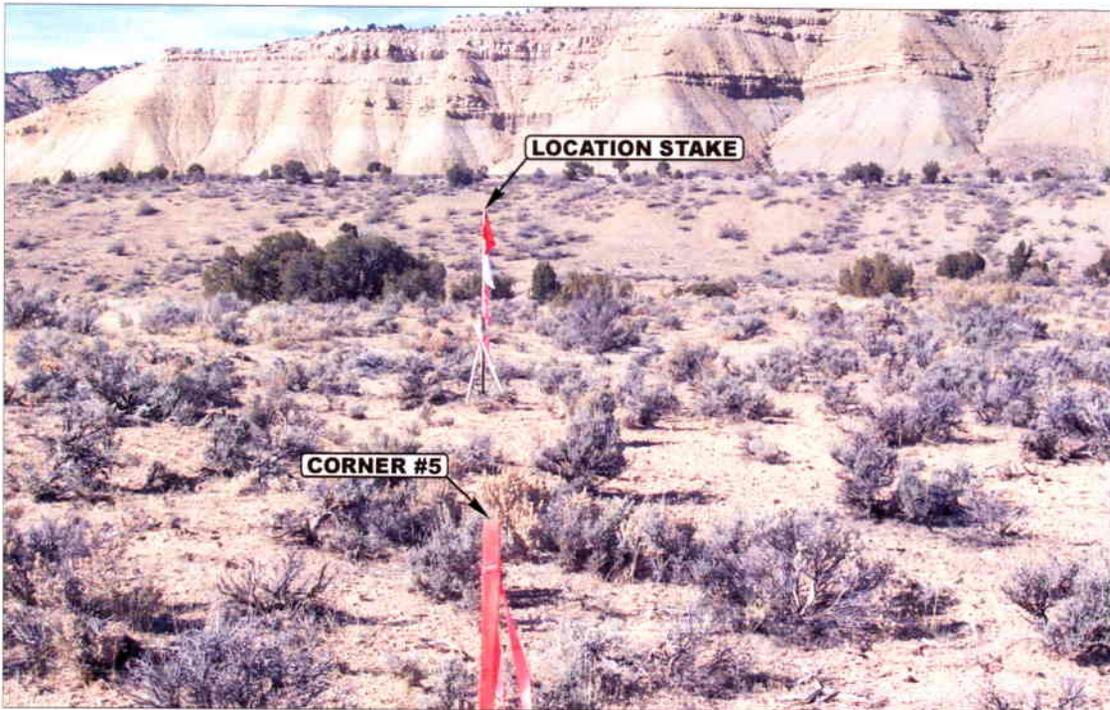


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



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

LOCATION PHOTOS

10 28 03
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

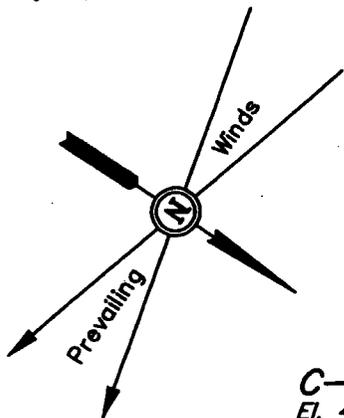
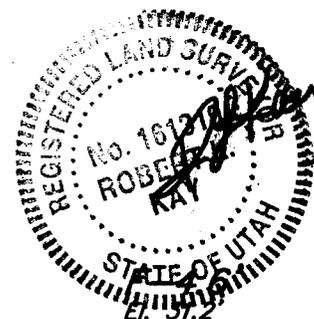
DRAWN BY: P.M.

REVISED: 00-00-00

EnCana OIL & GAS (USA) INC.

LOCATION LAYOUT FOR

WHH FED. #22-26
SECTION 26, T10S, R25E, S.L.B.&M.
2092' FNL 1846' FWL



SCALE: 1" = 50'
DATE: 10-17-03
Drawn By: D.R.B.

Sta. 2+75

Total Pit Capacity
W/2' of Freeboard
= 1,010 Ebls.±
Total Pit Volume
= 320 Cu. Yds

C-6.9'
El. 42.7'

C-2.1'
El. 37.9'

Approx.
Top of
Cut Slope

Approx.
Toe of
Fill Slope

El. 42.0'
C-14.2'
(btm. pit)

FLARE PIT

Round Corners
as Needed

El. 40.6'

C-4.8'

125'

20'

70'

50'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

10'

El. 39.7'

C-3.9'

El. 41.2'

C-13.4'

(btm. pit)

El. 39.9'

C-4.1'

C-0.9'
El. 36.7'

Sta. 1+50

F-5.9'
El. 29.9'

Sta. 0+50

Sta. 0+00

C-9.3'
El. 45.1'

C-1.9'
El. 37.7'

F-5.6'
El. 30.2'

Proposed Access
Road

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5736.7'
FINISHED GRADE ELEV. AT LOC. STAKE = 5735.8'

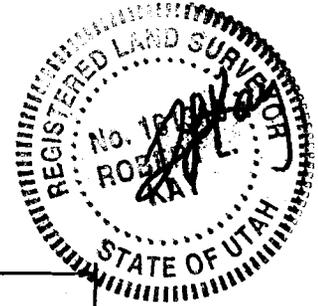
FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 788-1017

EnCana OIL & GAS (USA) INC.

TYPICAL CROSS SECTIONS FOR

WHH FED. #22-26
SECTION 26, T10S, R25E, S.L.B.&M.
2092' FNL 1846' FWL



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

DATE: 10-17-03
Drawn By: D.R.B.

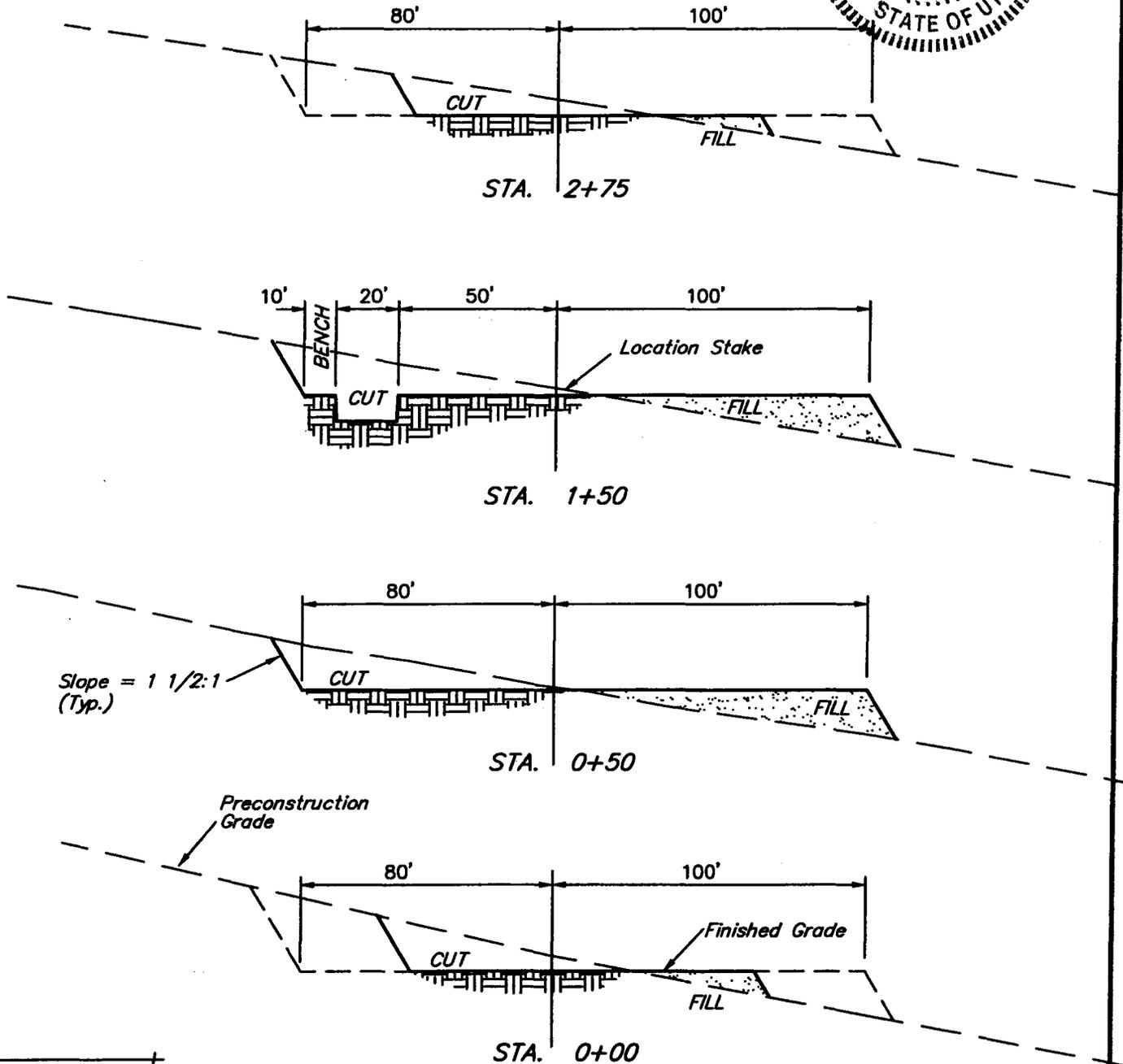
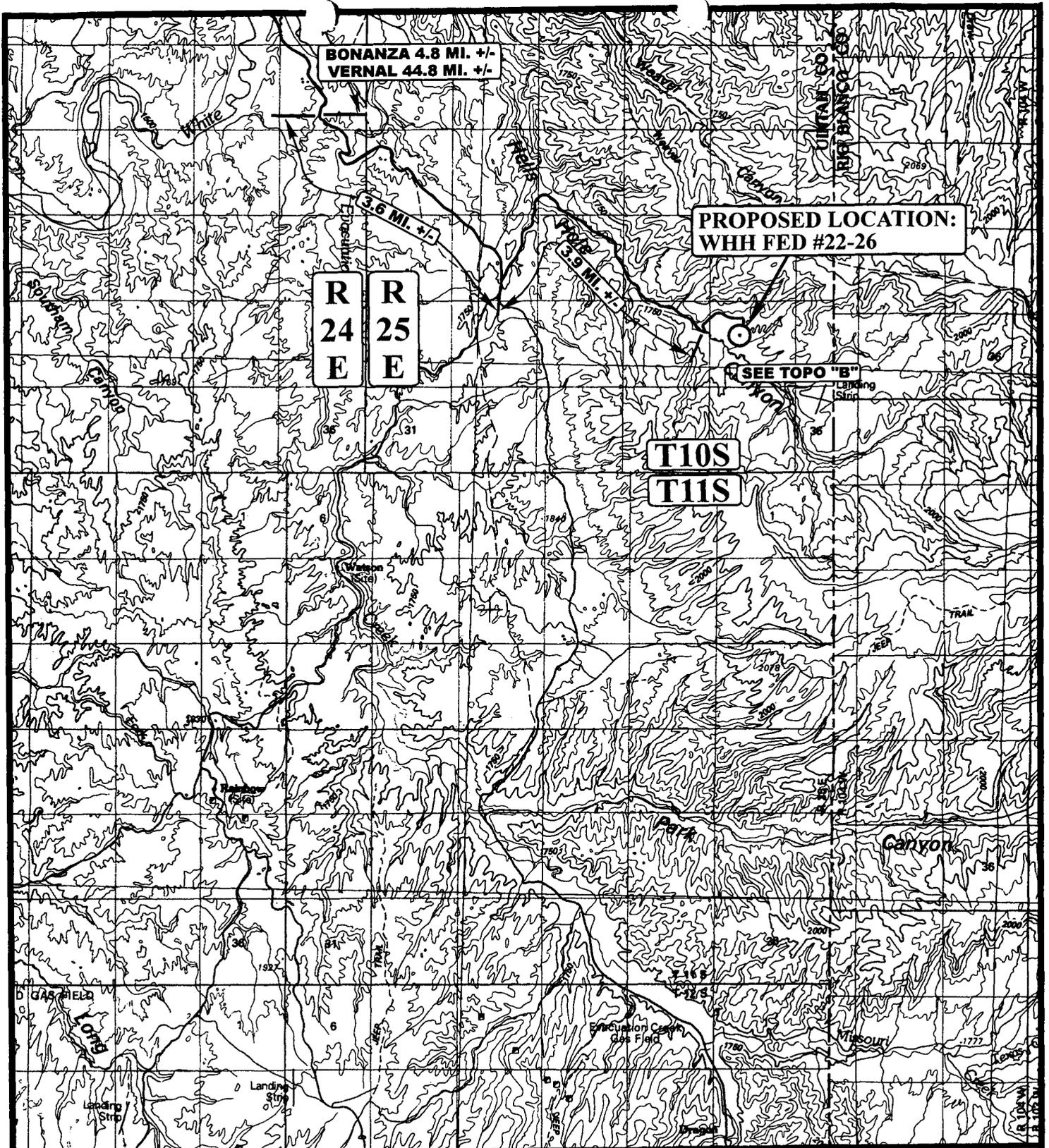


FIGURE #2

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	920 Cu. Yds.
Remaining Location	=	3,570 Cu. Yds.
TOTAL CUT	=	4,490 CU.YDS.
FILL	=	3,240 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,080 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,080 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.



LEGEND:

⊙ EXISTING LOCATION



EnCana OIL & GAS (USA) INC.

WHH FED #22-26
SECTION 26, T10S, R25E, S.L.B.&M.
2092' FNL 1846' FWL

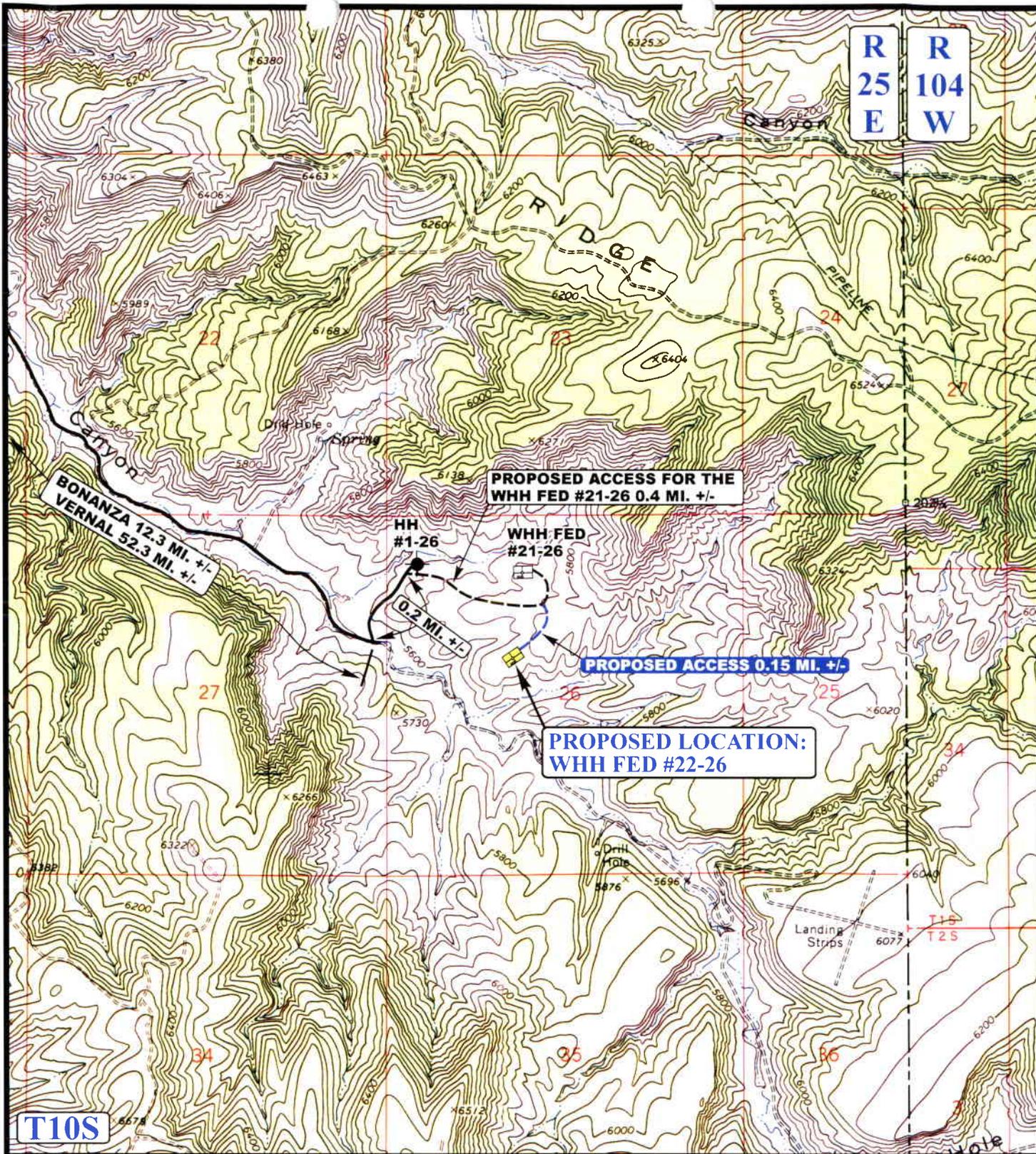


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 10 28 03
MAP MONTH DAY YEAR

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





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



EnCana OIL & GAS (USA) INC.

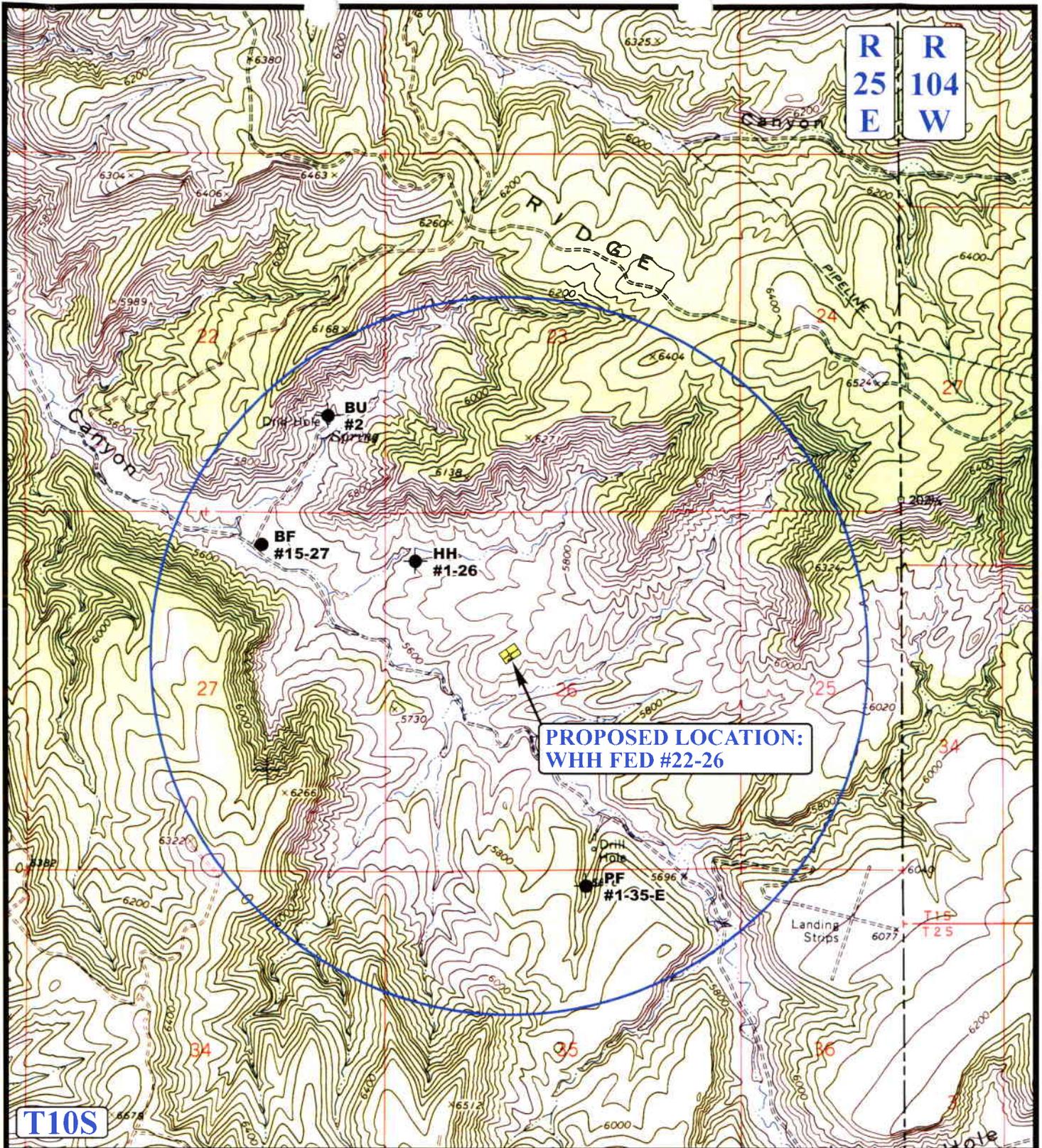
WHH FED #22-26
SECTION 26, T10S, R25E, S.L.B.&M.
2092' FNL 1846' FWL



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

TOPOGRAPHIC **10 28 03**
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





**PROPOSED LOCATION:
WHH FED #22-26**

LEGEND:

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

EnCana OIL & GAS (USA) INC.

**WHH FED #22-26
SECTION 26, T10S, R25E, S.L.B.&M.
2092' FNL 1846' FWL**

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



TOPOGRAPHIC MAP 10 28 03
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/21/2003

API NO. ASSIGNED: 43-047-35356

WELL NAME: WHH FED 22-26
OPERATOR: ENCANA OIL & GAS INC (N2175)
CONTACT: JUDITH WALTER

PHONE NUMBER: 720-956-3702

PROPOSED LOCATION:
SENW 26 100S 250E
SURFACE: 2092 FNL 1846 FWL
BOTTOM: 2092 FNL 1846 FWL
UINTAH
HELL'S HOLE (616)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-80696
SURFACE OWNER: 1 - Federal

LATITUDE: 39.92112

PROPOSED FORMATION: MNCS

LONGITUDE: 109.07071

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: _____)

Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit _____

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

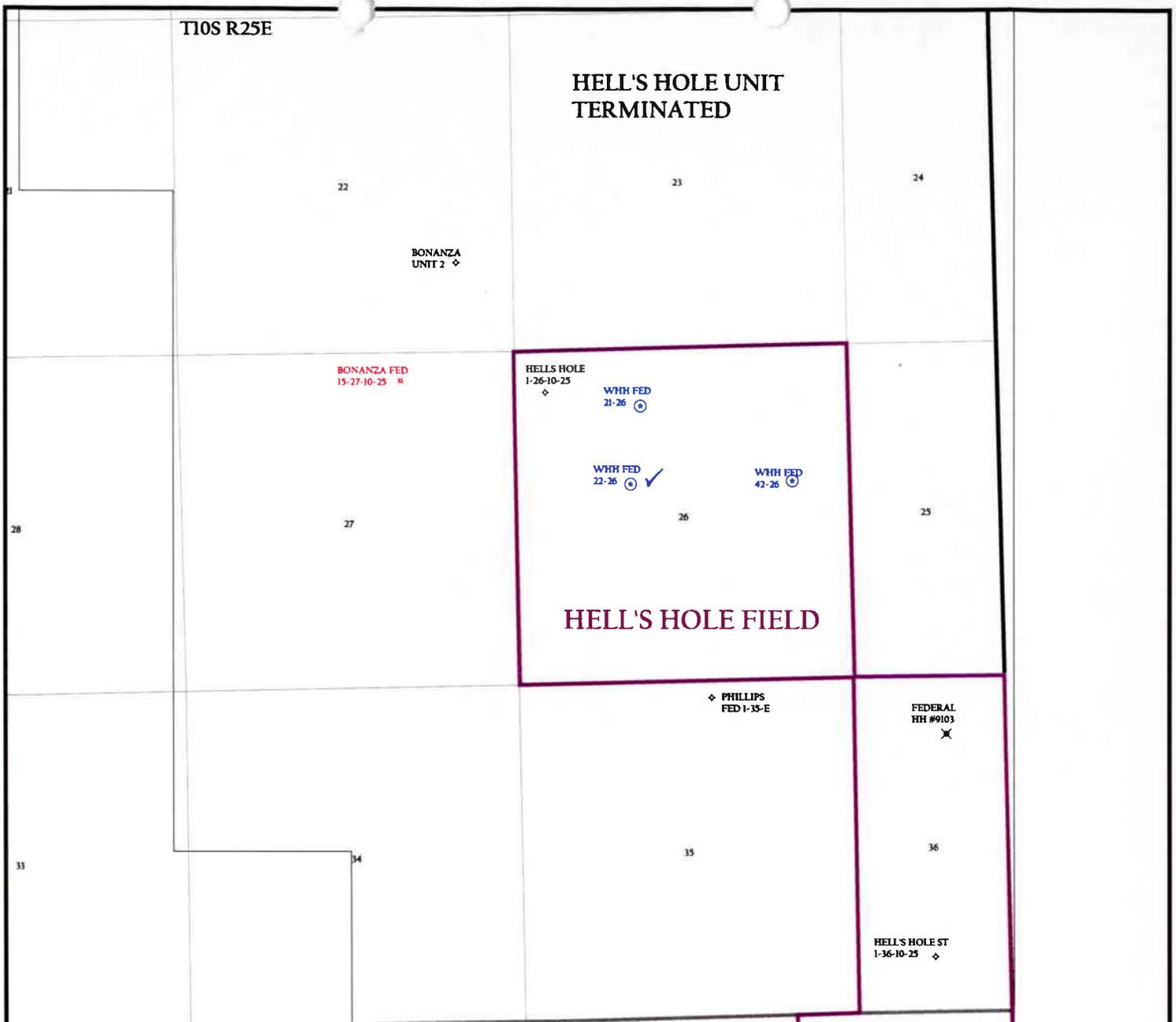
___ R649-3-3. Exception

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

___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal approval
2- Spacing Strip



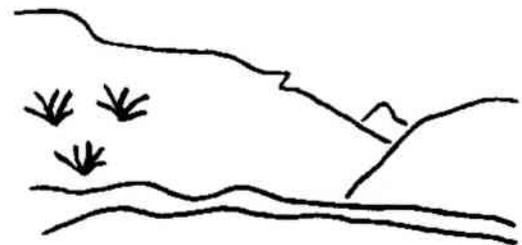
OPERATOR: ENCANA O&G INC (N2175)

SEC. 26 T.10S, R.25E

FIELD: HELL'S HOLE (616)

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 WHITNEY
DATE: 25-NOVEMBER-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

November 28, 2003

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

Re: West Hell's Hole Federal 22-26 Well, 2092' FNL, 1846' FWL, SE NW, Sec. 26,
T. 10 South, R. 25 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 43-047-35356.

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 West Hell's Hole Federal 22-26
API Number: 43-047-35356
Lease: UTU-80696

Location: SE NW **Sec.** 26 **T.** 10 South **R.** 25 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 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 17TH Street
Suite 2600
Denver CO 80202Re: APD Rescinded – WHH Fed 22-26, Sec. 26, T. 10S, R. 25E –
Uintah County, Utah API No. 43-047-35356

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 November 28 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