

FIML NATURAL RESOURCES, LLC

CONFIDENTIAL

December 5, 2005

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114-5801

Attn.: Ms. Diana Whitney

RE: Ute Tribal #7-25-56 SWNE Sec 25 T5S R6W
Ute Tribal #14-18-55 SESW Sec 18 T5S R5W
Ute Tribal #7-24-56 SWNE Sec 24 T5S R6W
Ute Tribal #5-35-56 SWNW Sec 35 T5S R6W
Ute Tribal #8-18-55 SENE 18 T5S R5W

Ute Tribal #5-25-56 SWNW Sec 25 T5S R6W
Ute Tribal #15-18-56 SWSE Sec 18 T5S R6W
Ute Tribal #14-24-56 Sec 24 T5S R6W
Ute Tribal #2-18-55 NWNE Sec 18 T5S R5W

Ute Tribal #3-25-56 NENW Sec 25 T5S R6W
Ute Tribal #11-25-56 NESW Sec 25 T5S R6W
Ute Tribal #3-35-56 NENW Sec 35 T5S R6W
Ute Tribal 4-18-55 NWNW Sec 18 T5S R5W

Dear Ms. Whitney:

Enclosed are an original and one copy of an application to drill concerning the referenced proposed well. This information was delivered to the Bureau of Land Management on November 22, 2005.

FIML (FNR) Natural Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or need additional information is required, please contact the undersigned at 303-893-5090.

Sincerely,



Cassandra Parks
Operations Assistant

/cp
Enclosures:

RECEIVED

DEC 07 2005

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. 14-20-H62-5057	
6. If Indian, Allottee or Tribe Name Ute Indian Tribe	
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No. Ute Tribal 2-18-55	
9. API Well No. 43013-32985	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, or Exploratory Undesignated
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone	11. Sec., T. R. M. or Blk. and Survey or Area Sec 18, T5S-R5W, U.S.B.&M.
2. Name of Operator FIML Natural Resources, LLC	12. County or Parish Duchesne
3a. Address 410 17th Street, 9th Floor, Denver, CO 80202	13. State Utah
3b. Phone No. (include area code) 303-893-5073	14. Distance in miles and direction from nearest town or post office* 35.4 miles southwest of Myton, Utah
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWNE 814' FNL 1,863' FEL 543771X 40.051582 At proposed prod. zone Same as above 4433398Y -110.480843	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 814'
16. No. of acres in lease 640	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,673'	19. Proposed Depth 6,283'
20. BLM/BIA Bond No. on file 8191-82-71	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,425' GL (Ungraded)
22. Approximate date work will start* 03/07/2005	23. Estimated duration Seven 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:

- | | |
|--|--|
| <ol 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). | <ol style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature	Name (Printed/Typed) Mark Bingham	Date 11/23/2005
Title Senior Vice President		
Approved by (Signature)	Name (Printed/Typed) BRADLEY G. HILL	Date 12-12-05
Title ENVIRONMENTAL SCIENTIST III		

Application approval 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.
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.

*(Instructions on page 2)

**Federal Approval of this
Action is Necessary**

RECEIVED

DEC 07 2005

DIV. OF OIL, GAS & MINING

T5S, R5W, U.S.B.&M.

UTE/FNR, LLC.

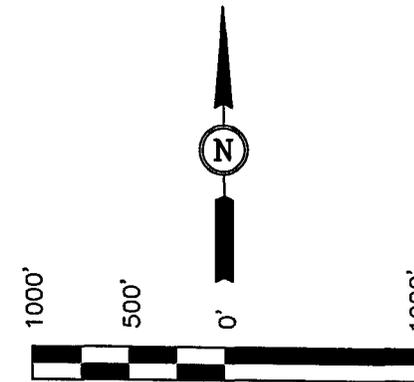
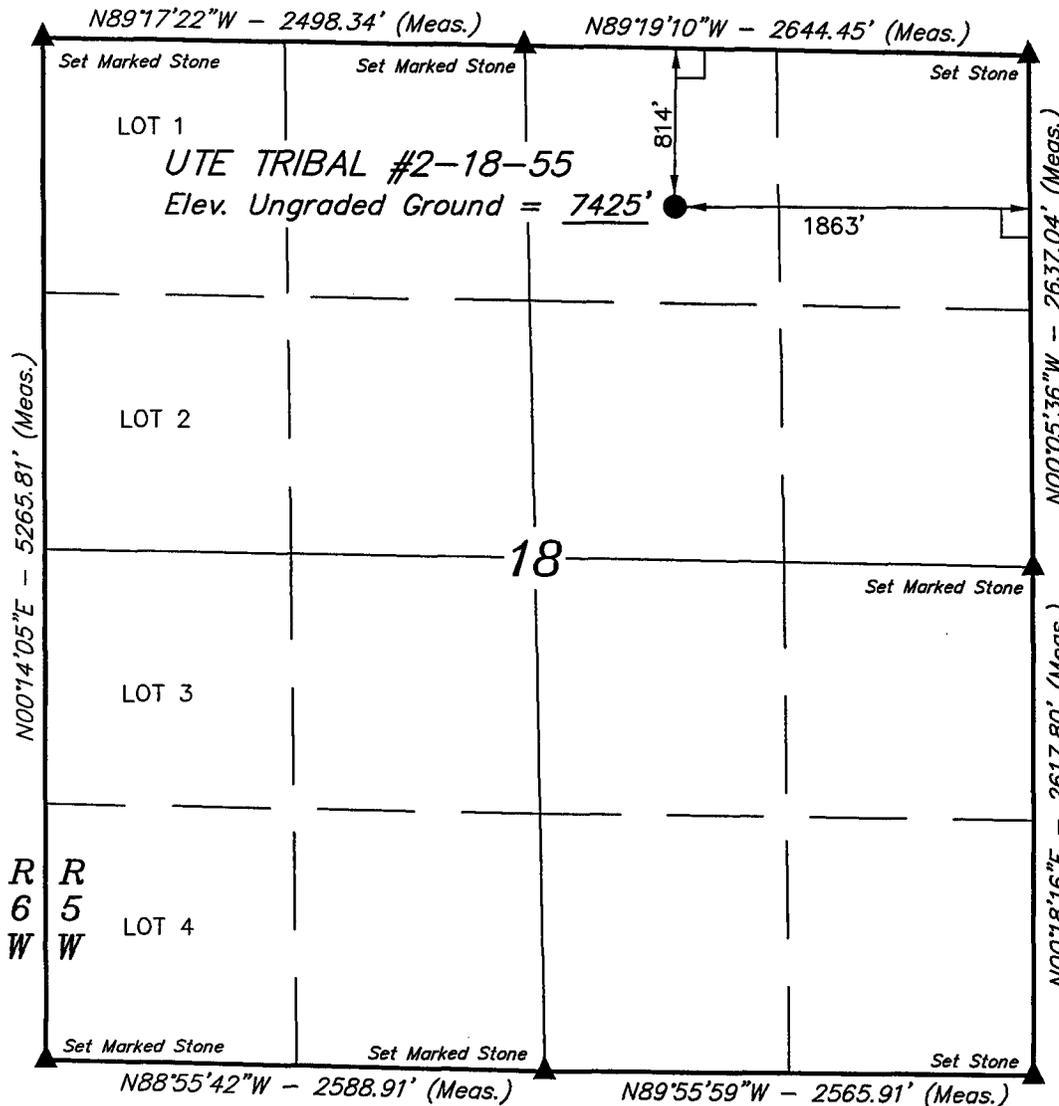
Well location, UTE TRIBAL #2-18-55, located as shown in the NW 1/4 NE 1/4 of Section-18, T5S, R5W, U.S.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

BENCH MARK (M67) LOCATED IN THE SW 1/4 OF SECTION 9, T5S, R4W, U.S.B.&M. TAKEN FROM THE DUCHESNE SE QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED ON CAP AS BEING 6097 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 J. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

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

(NAD 83)
 LATITUDE = 40°03'05.41" (40.051503)
 LONGITUDE = 110°29'14.02" (110.487228)
 (NAD 27)
 LATITUDE = 40°03'05.55" (40.051542)
 LONGITUDE = 110°29'11.46" (110.486517)

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

SCALE 1" = 1000'	DATE SURVEYED: 09-14-05	DATE DRAWN: 09-16-05
PARTY B.H. B.W. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE UTE/FNR, LLC.	

SELF CERTIFICATION STATEMENT

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that FIML Natural Resources, LLC is considered to be the operator of the following well.

Ute Tribal 2-18-55
NW/4 NE/4 814' FNL 1,863' FEL, Section 18 T-5S, R-5W U.S.B. & M.
Lease BIA: #14-20-H62-5057
Duchesne County, Utah

FIML Natural Resources, LLC is responsible under the terms of this lease for the operations conducted upon lease lands.



Rick L. Parks
Operations Manager
FIML Natural Resources, LLC
410 17th Street
Suite 900
Denver, Colorado 80202
(303) 893-5081

FIML NATURAL RESOURCES, LLC

**Ute Tribal 2-18-55
NWNE 814' FNL 1,863' FEL Sec 18, T-5S, R-5W, U.S.B. & M.
Duchesne County, Utah
BIA Lease Number 14-20-H62-5057**

DRILLING PROGRAM

1. Estimated Tops of Geological Markers:

Formation Depth

Uinta	surface
Green River	1,413' (top based on FIML Natural Resources, LLC Green River structure map dated September 26, 2005)
Mahogany Bench	2,624' (top based on FIML Natural Resources, LLC Mahogany Bench structure map dated September 26, 2005)
Garden Gulch	3,529' (top based on FIML Natural Resources, LLC Garden Gulch structure map dated September 26, 2005)
Douglas Creek	4,433' (top based on FIML Natural Resources, LLC Douglas Creek structure map dated September 26, 2005)
Castle Peak	5,374' top based on FIML Natural Resources, LLC Castle Peak structure map dated September 26, 2005)
Uteland Butte Ls.	5,733' (top based on FIML Natural Resources, LLC Uteland Butte structure map dated September 26, 2005)
Wasatch	5,933' (top based on FIML Natural Resources, LLC Wasatch structure map dated September 26, 2005)
Total Depth	6,283'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:

Substance Formation Depth

Oil/Gas	Douglas Creek	4,433' (top based on FIML Natural Resources, LLC Douglas Creek structure map dated September 26, 2005)
Oil/Gas	Castle Peak	5,374' (top based on FIML Natural Resources, LLC Castle Peak structure map dated September 26, 2005)
Oil/Gas	Uteland Butte	5,733' (top based on FIML Natural Resources, LLC Uteland Butte structure map dated September 26, 2005)
Oil/Gas	Wasatch	5,933' (top based on FIML Natural Resources, LLC Wasatch structure map dated September 26, 2005)
Other Mineral Zones		N/A

3. **Pressure Control Equipment:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

4. **Proposed Casing and Cementing Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

5. **Drilling Fluids Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

6. **Evaluation Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

7. **Abnormal Conditions:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

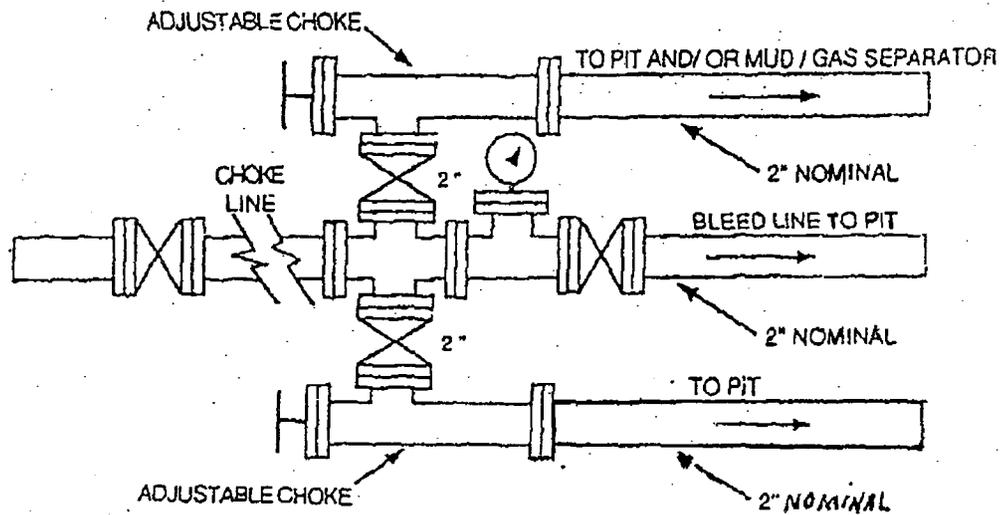
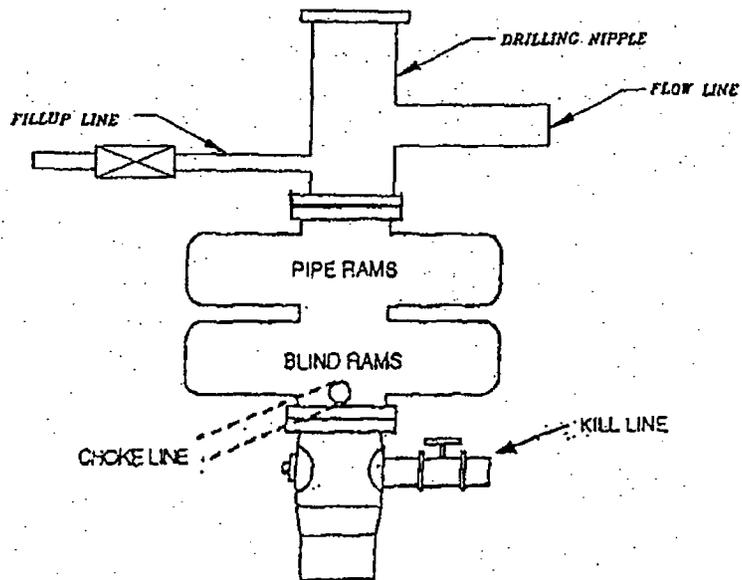
8. **Anticipated Starting Dates and Notification of Operations:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

9. **Other Information:**

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: Revised October 6, 2005).

2M SYSTEM
BLOWOUT PREVENTER FOR HIGH PRESSURE WELLS
900 SERIES MINIMUM
2000# psi W.P.
BOP 6" X 3000 PSI or 10" X 3000 PSI



FIML NATURAL RESOURCES, LLC

Ute Tribal 2-18-55

**NW NE 814' FNL 1,863' FEL, Sec 18, T-5S, R-5W, U.S.B. &M. Duchesne County, Utah
Lease Number 14-20-H62-5057**

Onshore Order No. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads

- A. Start in Myton, Utah. Proceed west on US Highway 40, 8.8 miles to the Antelope Creek/Sowers Canyon Road at the Bridgeland turnoff. Turn south and then west and proceed 15.6 miles on the Sowers Canyon Road. Turn north and proceed approximately 5.2 miles to the Coyote Ridge Road. Turn southwest and proceed approximately 4.9 miles to the Berry Petroleum 11-8-55 location. Continue southwest along the new Cottonwood road for approximately 0.8 miles. Continue southwest on the new Ute Tribal 2-18-55 access road to the Ute Tribal 2-18-55 location.
- B. The proposed well site is located approximately 35.3 miles southwest of Myton, Utah – See attached Topographic Map “A”.
- C. Refer to attached Topographic Map “A”.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. Planned Access Roads

See Topographic Map “B” for the location of the proposed access road.

3. Location of existing wells within a one mile radius of proposed well location

See Topographic Map “C” for the location of existing wells within a one-mile radius.

4. Location of Existing and /or Proposed Facilities

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

5. Location and Type of Water Supply

- A. Water supply will be from East Duchesne Water District, Arcadia, Utah. Section 28, T-3S, R-3W, Duchesne County, Utah. The water right number is 43-10152.
- B. Water will be hauled by Ute Tribal Water Service.
- C. No water well will be drilled on the lease.

6. Source of Construction Materials

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

7. Method of Handling Waste Materials

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

8. Ancillary Facilities

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

9. Well Site Layout

The attached Location Layout diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s) and top soil stockpile(s).

10. Plans for Restoration of the Surface

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

11. Surface Ownership

Access Road: Ute Indian Tribe
Location: Ute Indian Tribe

12. Other Information

Please refer to FIML Natural Resources, LLC Standard Operating Procedure (SOP Version: October 6, 2005).

13. Operator's Representative and Certification

Name: Rick L. Parks
Address: 410 17th Street
Suite 900
Denver, Colorado 80202
Phone No. 303-893-5081

Cellular No. 303-229-7689

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. FIML Natural Resources, LLC is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Certification:

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 that presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work associated with operations proposed herein will be performed by FIML Natural Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it was approved. This statement is subject to the provisions of 18 U.S. C. 1001 for the filing of a false statement.

11/23/05

Date



Rick L. Parks

Operations Manager

FIML Natural Resources, LLC

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 waste
- Radioactive tracer wastes
- Drums, insulation, and miscellaneous solids

UTE/ FNR, LLC.
UTE TRIBAL #2-18-55
LOCATED IN DUCHESNE COUNTY, UTAH
SECTION 18, T5S, R5W, U.S.B.&M.



PHOTO: VIEW OF LOCATION STAKE

CAMERA ANGLE: EASTERLY



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

09 14 05
MONTH DAY YEAR

PHOTO

TAKEN BY: B.H.

DRAWN BY: C.H.

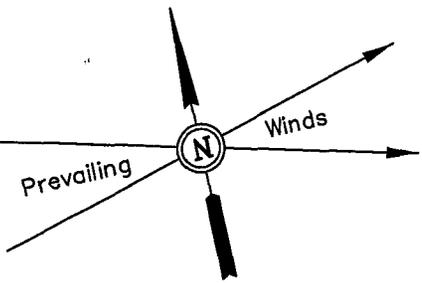
REVISED: 00-00-00

UTE/FNR, LLC.

LOCATION LAYOUT FOR

UTE TRIBAL #2-18-55
SECTION 18, T5S, R5W, U.S.B.&M.
814' FNL 1863' FEL

Proposed Access Road



SCALE: 1" = 50'
DATE: 09-16-05
DRAWN BY: D.R.B.

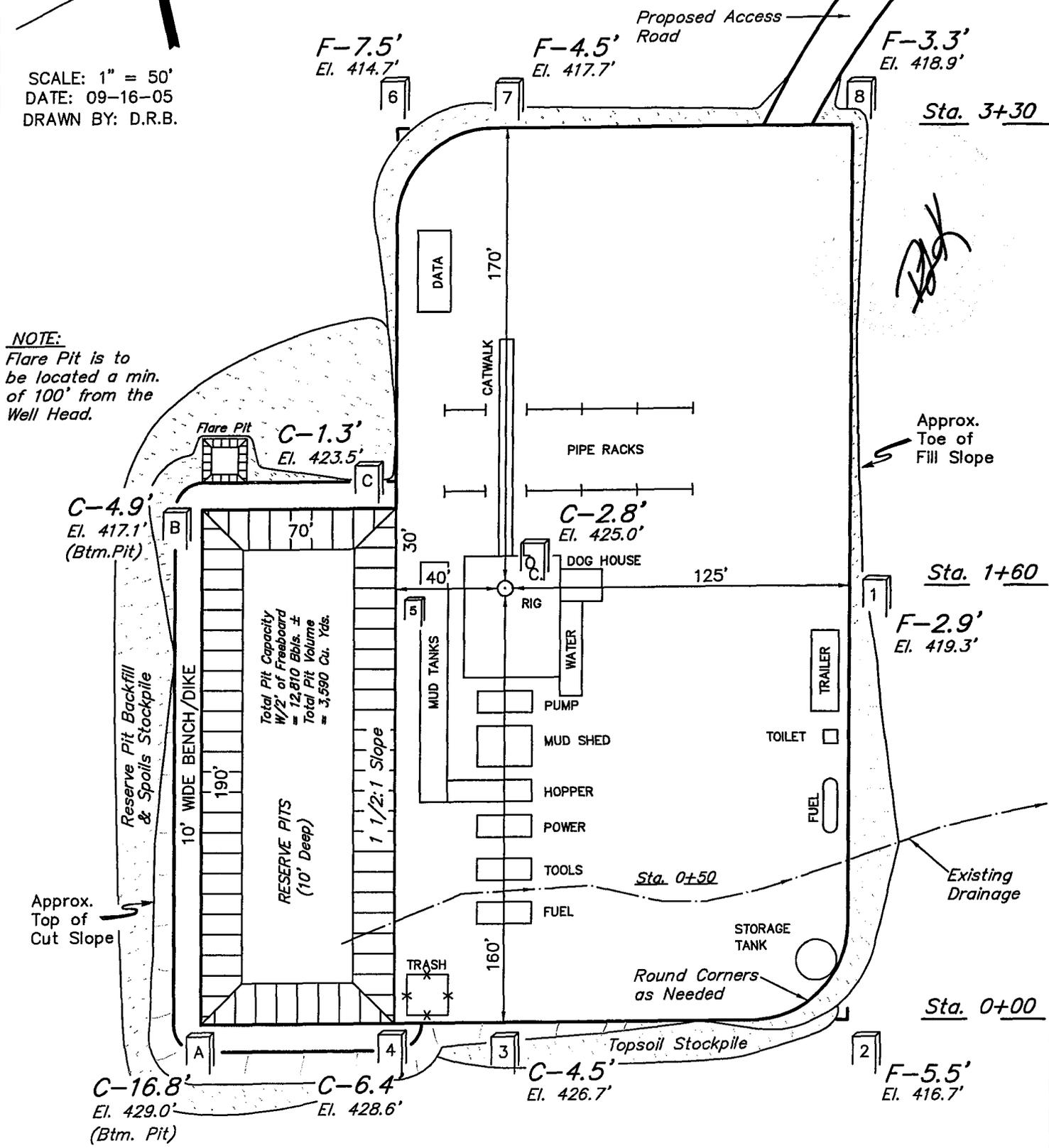
F-7.5'
El. 414.7'

F-4.5'
El. 417.7'

F-3.3'
El. 418.9'

Sta. 3+30

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



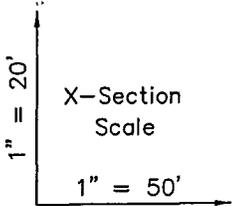
Elev. Ungraded Ground at Location Stake = 7425.0'
Elev. Graded Ground at Location Stake = 7422.2'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah, 84078 * (435) 789-1017

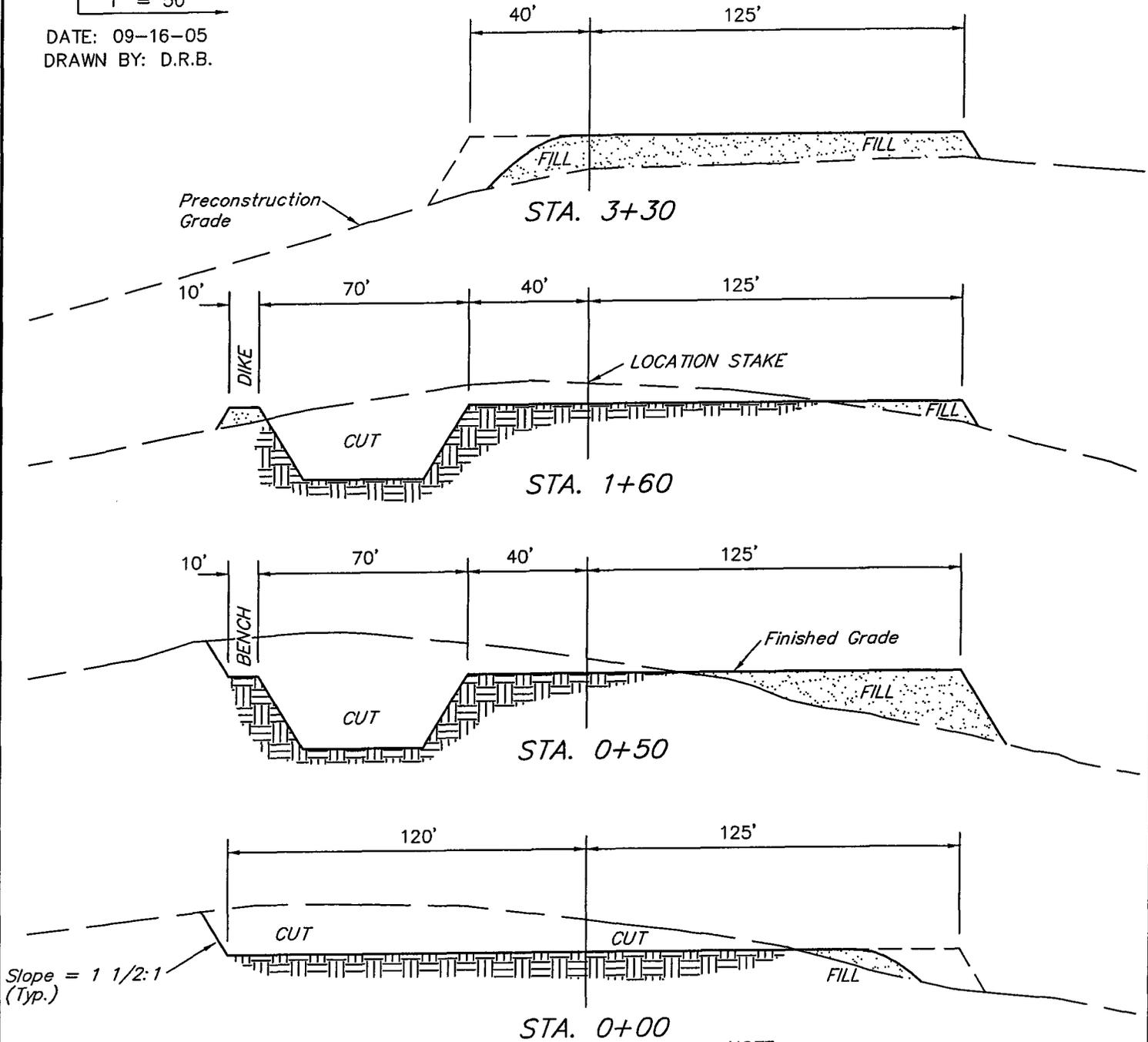
UTE/FNR, LLC.

TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #2-18-55
SECTION 18, T5S, R5W, U.S.B.&M.
814' FNL 1863' FEL



DATE: 09-16-05
DRAWN BY: D.R.B.



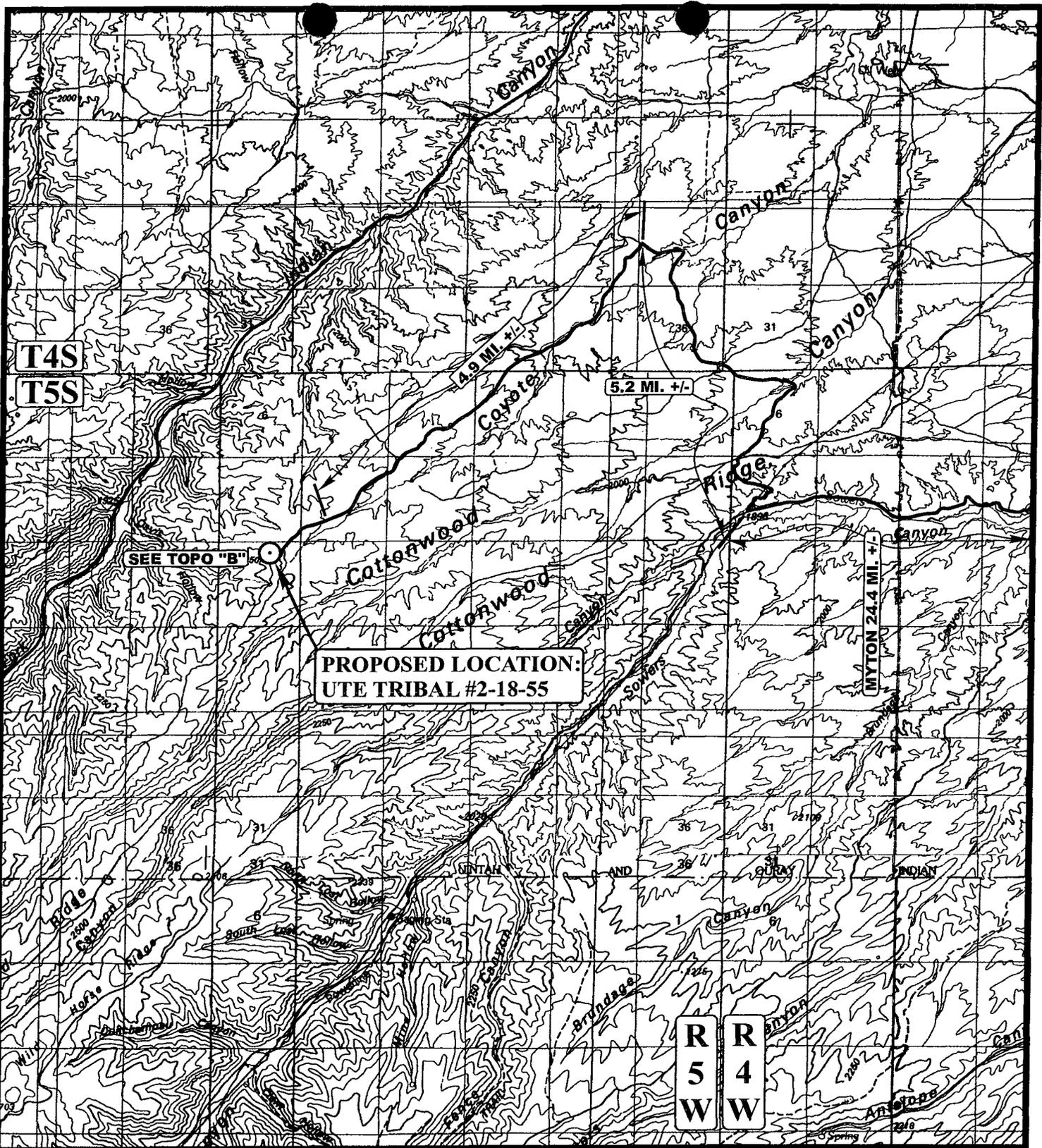
APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 3,060 Cu. Yds.
Remaining Location	= 6,590 Cu. Yds.
TOTAL CUT	= 9,650 CU.YDS.
FILL	= 4,790 CU.YDS.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

EXCESS MATERIAL	= 4,860 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,860 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

UTE/FNR, LLC.

**UTE TRIBAL #2-18-55
SECTION 18, T5S, R5W, U.S.B.&M.
814' FNL 1863' FEL**



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



**TOPOGRAPHIC
MAP**

09 14 05
MONTH DAY YEAR

SCALE: 1:100,000 | DRAWN BY: C.H. | REVISED: 10-26-05





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

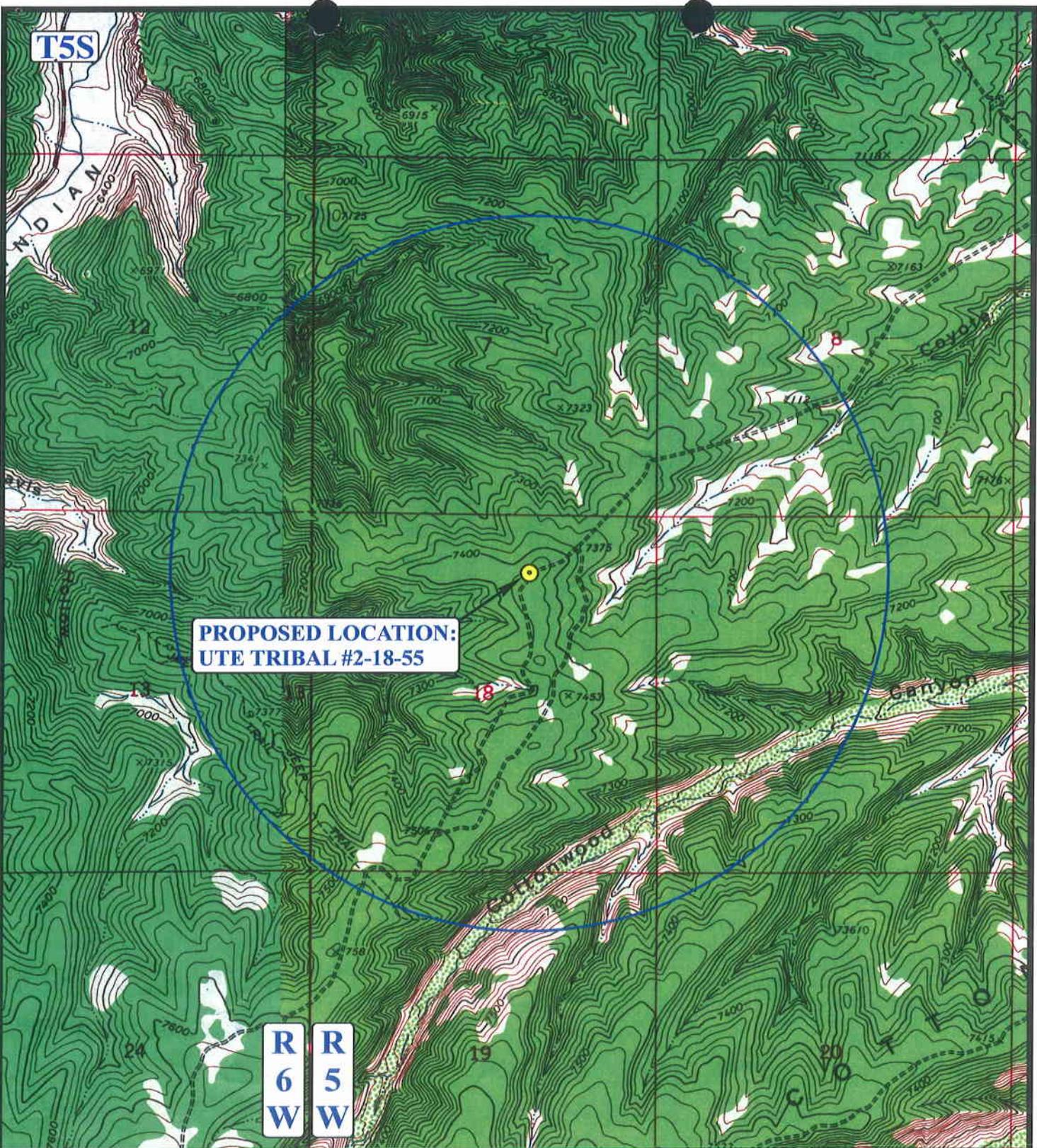


UEIS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
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UTE/FNR, LLC.
UTE TRIBAL #2-18-55
SECTION 18, T5S, R5W, U.S.B.&M.
814' FNL 1863' FEL

TOPOGRAPHIC MAP **09 14 05**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 10-26-05





**PROPOSED LOCATION:
UTE TRIBAL #2-18-55**

**R
6
W** **R
5
W**

LEGEND:

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



UTE/FNR, LLC.

**UTE TRIBAL #2-18-55
SECTION 18, T5S, R5W, U.S.B.&M.
814' FNL 1863' FEL**

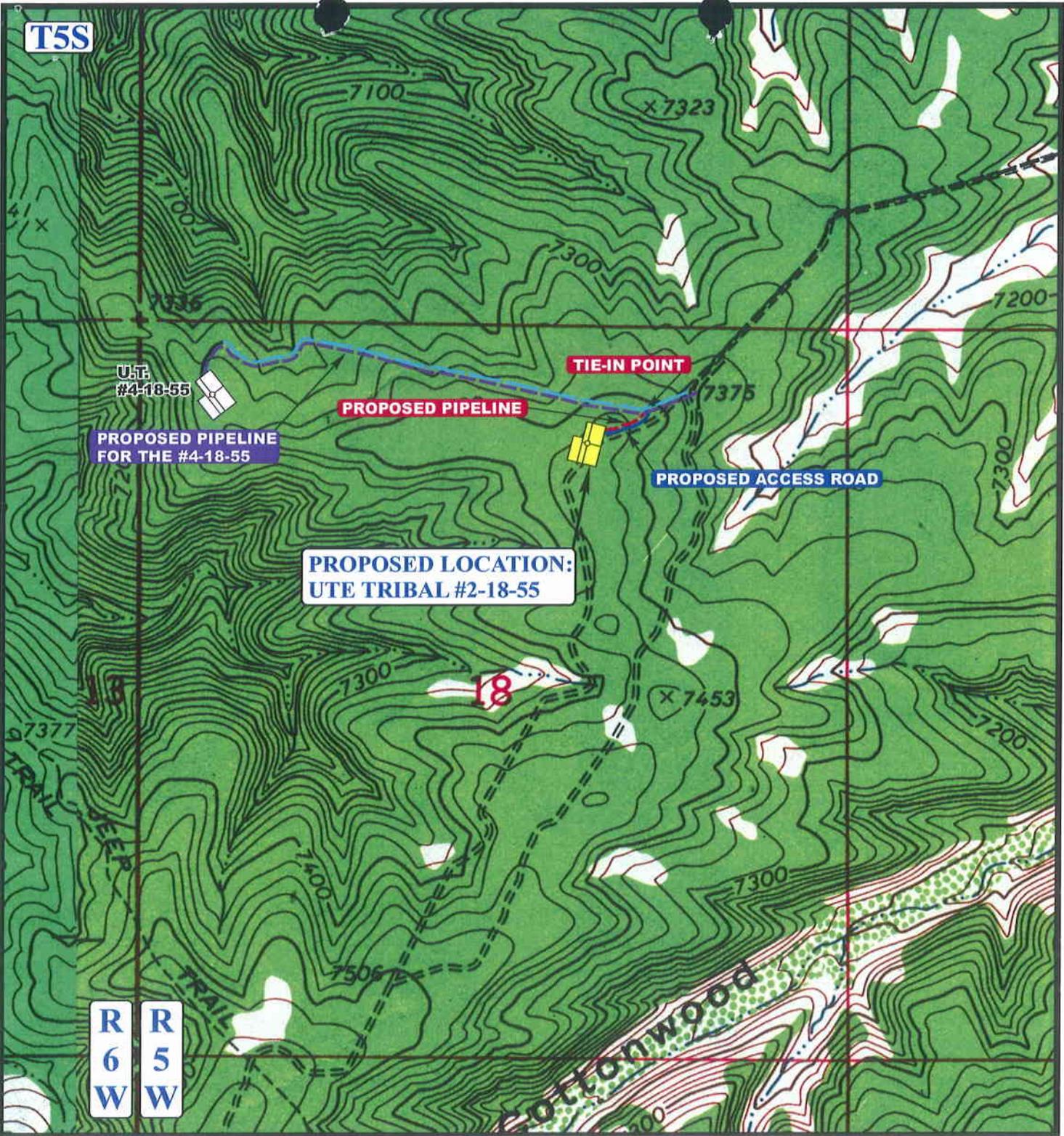


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **09 14 05**
MAP MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00



T5S



UTE #4-18-55

PROPOSED PIPELINE FOR THE #4-18-55

TIE-IN POINT

PROPOSED PIPELINE

PROPOSED ACCESS ROAD

PROPOSED LOCATION:
UTE TRIBAL #2-18-55

18

R6W R5W

APPROXIMATE TOTAL PIPELINE DISTANCE = 310' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)



UTE/FNR, LLC.
 UTE TRIBAL #2-18-55
 SECTION 18, T5S, R5W, U.S.B.&M.
 814' FNL 1863' FEL



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

TOPOGRAPHIC MAP 09 14 05
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.H. REVISED: 10-26-05

D
 TOPO

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 12/07/2005

API NO. ASSIGNED: 43-013-32985

WELL NAME: UTE TRIBAL 2-18-55
 OPERATOR: FIML NATURAL RESOURCES (N2530)
 CONTACT: MARK BINGHAM

PHONE NUMBER: 303-893-5073

PROPOSED LOCATION:

NWNE 18 050S 050W
 SURFACE: 0814 FNL 1863 FEL
 BOTTOM: 0814 FNL 1863 FEL
 DUCHESNE
 UNDESIGNATED (2)

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

LEASE TYPE: 2 - Indian
 LEASE NUMBER: 14-20-H62-5057
 SURFACE OWNER: 2 - Indian
 PROPOSED FORMATION: WSTC
 COALBED METHANE WELL? NO

LATITUDE: 40.05158
 LONGITUDE: -110.4868

RECEIVED AND/OR REVIEWED:

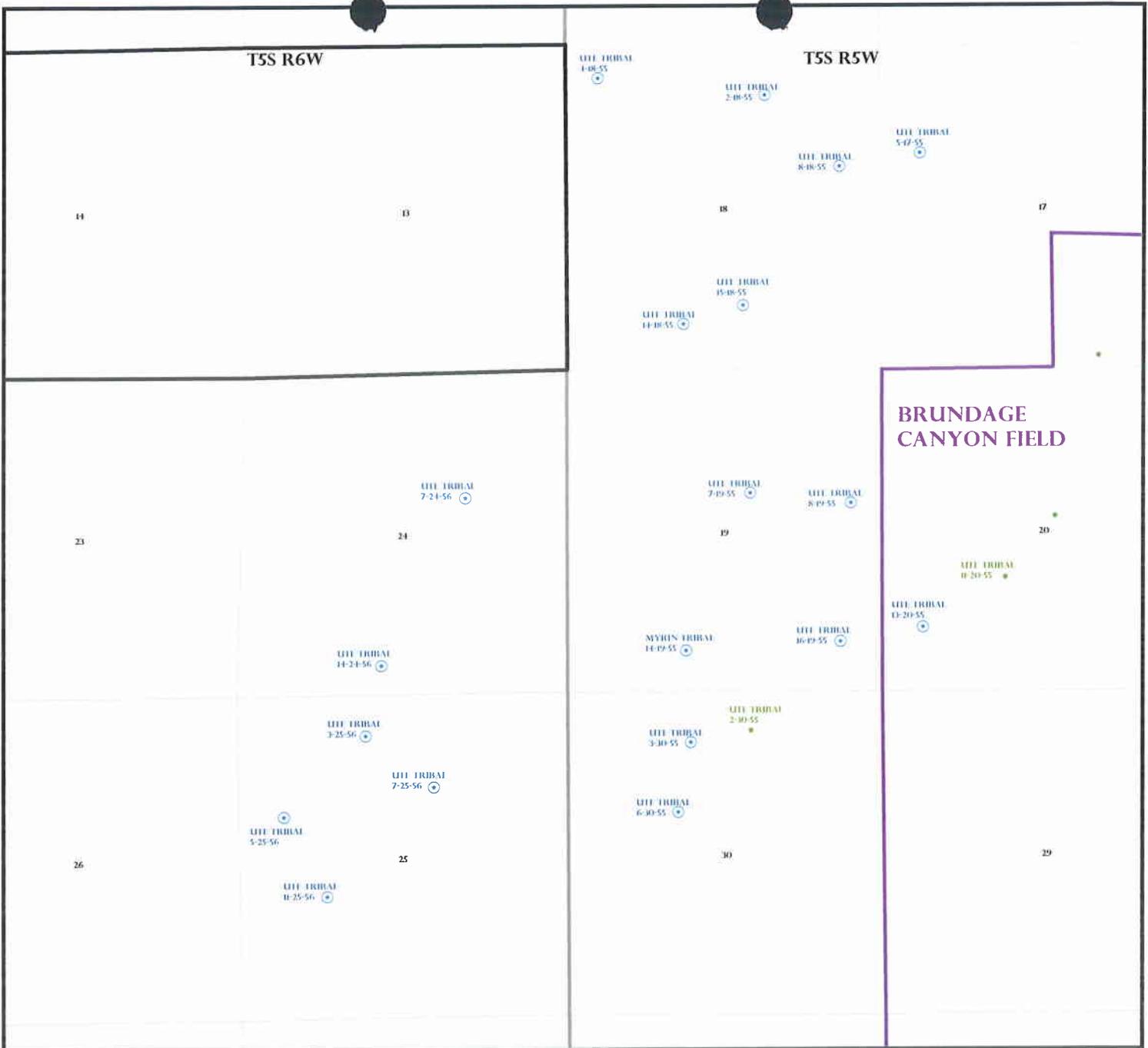
- Plat
- Bond: Fed[] Ind[2] Sta[] Fee[]
(No. 8191-82-71)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-10152)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

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: Sup, Separate file

STIPULATIONS: 1- Spacing Strip
2- FEDERAL APPROVAL



OPERATOR: FIML NAT RES LLC (N2530)

SEC: 18 T. 5S R. 5W

FIELD: UNDESIGNATED (002)

COUNTY: DUCHESNE

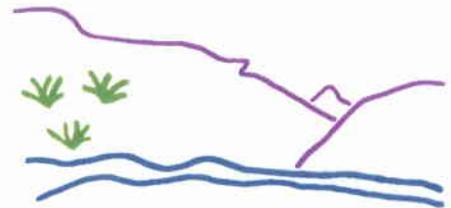
SPACING: R649-3-2 / GENERAL SITING

- Field Status**
- ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - PROPOSED
 - STORAGE
 - TERMINATED

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

Wells Status

- 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
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 12-DECEMBER-2005



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

December 12, 2005

FIML Natural Resources, LLC
410 17th Street, 9th Floor
Denver, CO 80202

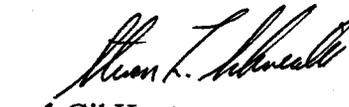
Re: Ute Tribal 2-18-55 Well, 814' FNL, 1863' FEL, NW NE, Sec. 18, T. 5 South,
R. 5 West, Duchesne County, Utah

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 43-013-32985.

Sincerely,


for Gil Hunt
Associate Director

pab
Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, District Office

Operator: FIML Natural Resources, LLC

Well Name & Number Ute Tribal 2-18-55

API Number: 43-013-32985

Lease: 14-20-H62-5057

Location: NW NE Sec. 18 T. 5 South R. 5 West

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.

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DEC 0 8 2005

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
BLM VERNAL, UTAH

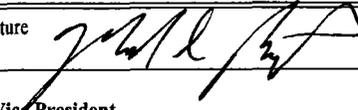
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 14-20-H62-5057
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input 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 Ute Indian Tribe
2. Name of Operator FIML Natural Resources, LLC		7. If Unit or CA Agreement, Name and No.
3a. Address 410 17th Street, 9th Floor, Denver, CO 80202		8. Lease Name and Well No. Ute Tribal 2-18-55
3b. Phone No. (include area code) 303-893-5073		9. API Well No. 43-013-32985
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWNE 814' FNL 1,863' FEL At proposed prod. zone Same as above		10. Field and Pool, or Exploratory Undesignated
14. Distance in miles and direction from nearest town or post office* 35.4 miles southwest of Myton, Utah		11. Sec., T, R. M. or Blk. and Survey or Area Sec 18, T5S-R5W, U.S.B.&M.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 814'	16. No. of acres in lease 640	12. County or Parish Duchesne
17. Spacing Unit dedicated to this well 40	13. State Utah	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,673'	19. Proposed Depth 6,283'	20. BLM/BIA Bond No. on file 8191-82-71
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,425' GL (Ungraded)	22. Approximate date work will start* 03/07/2005	23. Estimated duration Seven days

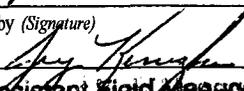
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Mark Bingham	Date 11/23/2005
---	---	---------------------------

Title
Senior Vice President

Approved by (Signature) 	Name (Printed/Typed) JERRY KENOZKA	Date 7-17-2006
---	--	--------------------------

Title Assistant Field Manager Mineral Resources	Office VERNAL FIELD OFFICE
---	--------------------------------------

Application approval 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.
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.

*(Instructions on page 2)

Accepted by the
Utah Division of
Oil, Gas and Mining
RECEIVED
FOR RECORD ONLY
JUL 26 2006



DIV. OF OIL, GAS & MINING

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: **FIML** Location: **NWNE, Sec 18, T5S, R5W**
Well No: **UTE TRIBAL 2-18-55** Lease No: **14-20-H62-5057**
API No: **43-013-32985** Agreement: **N/A**

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
After Hours Contact Number:	435-781-4513	Fax: 435-781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- Construction Activity - The Ute Tribe Energy & Minerals Dept. shall be notified in writing 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.
- Construction Completion - Upon completion of the pertinent APD and ROWs construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion.
- Spud Notice
(Notify Petroleum Engineer) - Twenty-Four (24) hours prior to spudding the well.
- Casing String & Cementing
(Notify Jamie Sparger SPT) - Twenty-Four (24) hours prior to running casing and cementing all casing strings.
- BOP & Related Equipment Tests
(Notify Jamie Sparger SPT) - Twenty-Four (24) hours prior to initiating pressure tests.
- First Production Notice
(Notify Petroleum Engineer) - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

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

Additional Stipulations:

Paint all tanks and equipment dark green.

Use existing two track for access, submit as-built plats.

General Conditions of Approval

- A 318.30' by 30' foot corridor right-of-way shall be approved. Upon completion of each pipeline in corridor, they shall be identified and filed with the Ute Tribe.
- A qualified Archaeologist accompanied by a Tribal Technician will monitor trenching construction of pipeline.
- The Ute Tribe Energy & Minerals Department is to be notified, in writing 48 hours prior to construction of pipeline.
- Construction Notice shall be given to the department on the Ute Tribe workdays, which are Monday through Thursday. The Company understands that they may be responsible for costs incurred by the Ute Tribe after hours.
- The Company shall inform contractors to maintain construction of pipelines within the approved ROW's.
- The Company shall assure the Ute Tribe that "ALL CONTRACTORS, INCLUDING SUB-CONTRACTORS, LEASING CONTRACTORS, AND ETC." have acquired a current and valid Ute Tribal Business License and have "Access Permits" prior to construction, and will have these permits in all vehicles at all times.
- You are hereby notified that working under the "umbrella" of a company does not allow you to be in the field, and can be subject to those fines of the Ute Tribe Severance Tax Ordinance.
- Any deviation of submitted APD's and ROW applications the Companies will notify the Ute Tribe and BIA in writing and will receive written authorization of any such change with appropriate authorization.
- The Company will implement "Safety and Emergency Plan." The Company's safety director will ensure its compliance.
- All Company employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations should be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the Ute Tribe Energy & Minerals Department should be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease.
- All mitigative stipulations contained in the Bureau of Indian Affairs Site Specific Environmental Assessment (EA) will be strictly adhered.
- Upon completion of Application for Corridor Right-Way, the company will notify the Ute Tribe Energy & Minerals Department, so that a Tribal Technician can verify Affidavit of Completion.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1. NONE.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
6. 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 BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior

approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.

7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM 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 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Wellologs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers 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 BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.

11. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 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 Onshore Oil & Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location (¼, Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
15. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day

period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
14-20-H62-5057

6. If Indian, Allottee or Tribe Name
Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Ute Tribal #2-18-55

9. API Well No.
43-013-32985

10. Field and Pool, or Exploratory Area
Undesignated

11. County or Parish, State
Duchesne

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
FIML Natural Resources, LLC

3a. Address
410 17th Street, Suite 900 Denver, CO 80202

3b. Phone No. (include area code)
303-893-5090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NWNE 814' FNL 1,863' FEL Sec 18 T-5S, R-5W

CONFIDENTIAL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

FIML Natural Resources, LLC would like to change the depth on the Ute Tribal 2-18-55 from 6,283' to 9500'.

The permit was approved by the State of Utah on 12/12/05 and the BLM on 7/7/2006. Attached are changes to the casing and cementing and BOP schematic.

COPY SENT TO OPERATOR
Date: 9-19-06
Initials: CHD

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 06-21-06
By: [Signature]

BIA Nationwide Oil & Gas Lease Bond No. 8191-82-71.
State of Utah, Division of Oil, Gas & Mining Surety Bond No. 8193-15-93

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Cassandra Parks

Title **Operations Assistant**

Signature

[Signature]

Date

7/28/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

Title

Date

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

Office

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

(Instructions on page 2)

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AUG 03 2006

DIV. OF OIL, GAS & MINING

FIML Natural Resources, LLC
410 17th Street, Suite 900
Denver, Colorado 80202

3. **Pressure Control Equipment:** (Schematic Attached)

FIML Natural Resources, LLC's minimum specifications for pressure control equipment are as follows:

The BOP and related equipment will meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3,000 psi system. Chart recorders will be used for all pressure tests.

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

All required BOP tests and/or drills will be recorded in the IADC report.

The anticipated bottom hole pressure will be less than 3,500 psi.

4. **Proposed Casing and Cementing Program for the Ute Tribal 2-18-55:**

The proposed Casing Program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Type</u>	<u>Conn</u>	<u>Weight (lb/ft)</u>
Surface	500'	12-1/4"	9-5/8"	J-55	ST & C	36.0
Production	TD	8-3/4"	5-1/2"	J-80	LT & C	17.0

The proposed casing and cementing program will be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement will receive approval prior to use. The casing setting depth will be calculated to position the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during drilling operations. Determination of casing setting depth will be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics.

All casing, except conductor casing, will be new.

The surface casing will be cemented back to the surface either during the primary cement job or by remedial cementing.

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AUG 03 2006

All waiting on cement times will be adequate to achieve a minimum of five hundred (500) psi compressive strength at the casing shoe prior to drilling out.

As a minimum, usable water zones below the surface casing will be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If Gilsonite is encountered while drilling, it will be isolated and/or protected via the cementing program.

Surface casing will have centralizers on the bottom three joints, with a minimum of one (1) centralizer per joint.

Top plugs will be used to reduce contamination of cement by the displacement fluid. A bottom plug or other acceptable technique, such as a pre-flush fluid, will be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

All casing strings below the conductor will be pressure tested to 0.22 psi per foot of casing string length or to 1,500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action will be taken.

The cementing program will be as follows:

<u>Surface</u>	<u>Cement Fill</u>	<u>Type and Amounts</u>
0'-500'	500'	Cement volume will consist of casing in hole volume plus 100% excess. Slurry composition will consist of Premium Cement with 2.0% CaCl ² and 0.25 lbs/sack Flocele. Wt: 15.8 ppg. Yield: 1.18 ft ³ /sk. MWR: 5.0 gps. Cement will be circulated to surface. If cement does not circulate, a remedial cement job will be performed.
<u>Production</u>		<u>Type and Amounts</u>
0'- +/-5,000'	+/-5,000'	Cement volume will be based upon casing in open hole caliper volume plus 25% excess. Filler cement slurry composition will consist of Halliburton CBM cement. Wt: 10.5 ppg. Yield: 4.29 ft ³ /sk. MWR: 27.97 gps. Filler cement will be used from 500' above any potential pay zone to surface.
+/-4,500'-T.D.	T.D. - +/-4,500'	Cement volume will be base upon casing in open hole caliper volume plus 25% excess. Production isolation cement will consist of Halliburton Light Premium Plus cement containing 3.0% KCL, 1.0% Econolite, 0.6% Halad-322 & 0.2% HR-5. Wt: 13.0 ppg. Yield:

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DIV. OF OIL, GAS & MINING

1.75 ft³/sk. MWR: 9.05 gps. Production filler cement will be used from TD to 500' above any potential pay zone.

Cement volumes will be calculated with excess to circulate cement to surface when cementing longstring casing.

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The BLM/VFO will be notified, with sufficient lead time, in order to have a BLM/VFO representative on location while running all casing strings and cementing.

After cementing the surface casing and prior to commencing any test, FIML Natural Resources, LLC will wait long enough for the cement to have at least a compressive strength of 500 psi at the shoe. WOC time will be recorded in the Driller's log.

The spud date will be shown on the first report that is submitted.

A Sundry Notice, Form 3160-5 will be filed with the BLM/VFO within 30 days after the work is completed. It will contain the following information:

The setting of each string showing the size, grade, weight of casing set, setting depth, amounts and types of cement used, whether the cement was circulated to surface or the top of cement behind casing, the depth of cementing tools used, casing testing methods and results, and the date the work was done.

The following auxiliary well equipment will be used:

A 2" choke manifold and pit level indicator.

An upper Kelly Cock will be kept in the drilling string at all times.

A float will be used in the bit at all times.

A stabbing valve will be available on the rig floor and will fit all rotary connections.

PVT and flow line sensor will be installed before drilling out from under surface casing. Monitoring equipment will be located on rig floor, tool pusher's living quarters and FIML well site supervisor living quarters.

5. Drilling Fluids Program:

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Description</u>
0'-500'	Air - 8.4	27 - 35	N/A	Air Mist
500'-5,000'	8.4 - 8.6	27 - 35	15 - 20 cc	KCL/Water
5,000-T.D.	8.6 - 9.0	35 - 40	10 - 12 cc	KCL/Gel/Water

There will be sufficient mud inventory on location during drilling operations to control any adverse conditions which may arise.

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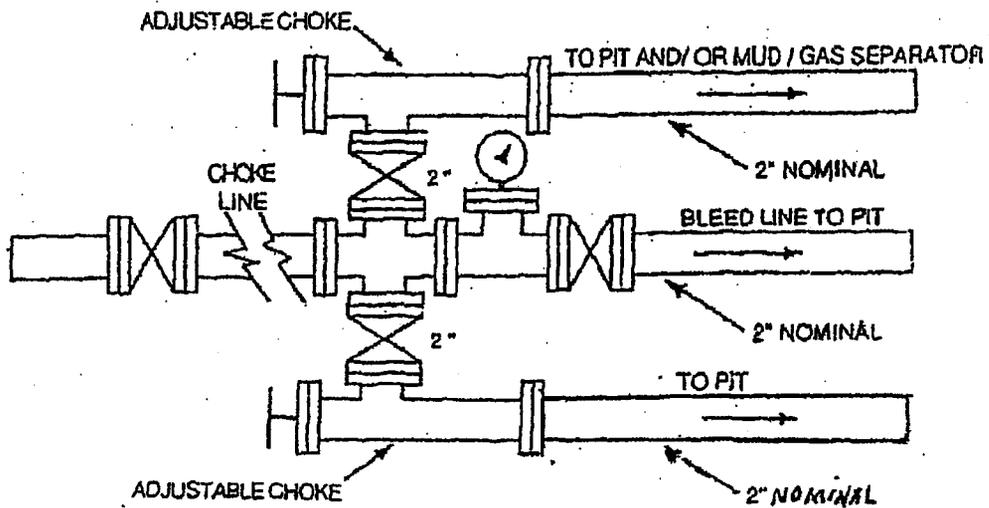
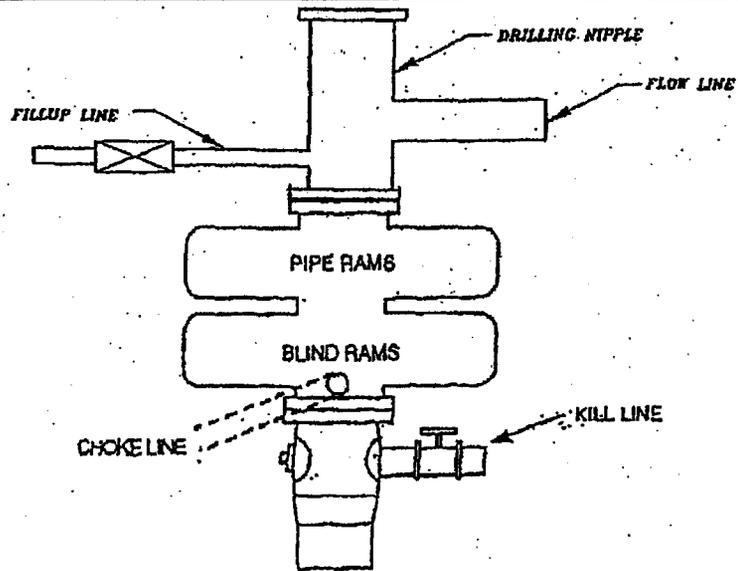
AUG 03 2006

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.

No chromate additives will be used in the mud system without prior BLM approval to ensure adequate protection of fresh water aquifers.

No chemicals subject to reporting under SARA Title III in any amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of in the annulus in association with the drilling, testing, or completing of any wells in the Brundage Canyon Field. Furthermore, no hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of any wells in the Brundage Canyon Field.

3M SYSTEM
BLOWOUT PREVENTER FOR HIGH PRESSURE
WELLS
3,000# PSI W.P.
BOP 11,000 X 3,000 PSI



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AUG 03 2006
DIV. OF OIL, GAS & MINING

FIML NATURAL RESOURCES, LLC

CONFIDENT

July 31, 2006

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114-5801

Attn.: Ms. Carol Daniels

RE: Ute Tribal #2-18-55
NWNE Sec 18 T-5S R-5W
Duchesne County, Utah

Dear Ms. Daniels:

Enclosed is the following information concerning the referenced well.

Sundry Notice – Change of Plans

If any questions arise or additional information is required, please contact me at 303-893-5090.

Sincerely,



Cassandra Parks
Operations Assistant

/cp
Enclosures:

410 17th Street, Suite 900 * Denver, CO 80202 * (303)893-5073 * Facsimile (303) 573-0386

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AUG 03 2006

DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
14-20-H62-5057

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Ute

7. UNIT or CA AGREEMENT NAME:

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:
Ute Tribal 2-18-55

2. NAME OF OPERATOR:
FIML Natural Resources, LLC

9. API NUMBER:
4301332985

3. ADDRESS OF OPERATOR:
410 17th Street Ste 900 CITY **Denver** STATE **CO** ZIP **80202**

PHONE NUMBER:
(303) 893-5090

10. FIELD AND POOL, OR WILDCAT:
Brundage Canyon

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **814' FNL & 1,863' FEL**

COUNTY: **Duchesne**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWNE 18 5S 5W**

STATE: **UTAH**

CONFIDENTIAL

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: 1/1/2006 <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> 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: Request for drilling permit extension
	<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.

FIML Natural Resources, LLC is requesting an extension to the drilling permit issued for the referenced well due to the delay in getting approval from the Bureau of Land Management. The Application for Permit to Drill Request for Permit Extension Validation form is attached.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: **11-16-06**
By: *[Signature]*

COPY SENT TO OPERATOR
Date: **11-17-06**
Initials: *[Initials]*

NAME (PLEASE PRINT) **Cassandra Parks**

TITLE **Operations Assistant**

SIGNATURE *[Signature]*

DATE **10/26/2006**

(This space for State use only)

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NOV 02 2006

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

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

API: 43-013-32985
Well Name: Ute Tribal 2-18-55
Location: NWNE Sec. 18 T-5S R-5W
Company Permit Issued to: FIML Natural Resources, LLC
Date Original Permit Issued: 12/12/2005

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

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

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

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

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

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

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

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

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


Signature

10/26/2006
Date

Title: Operations Assistant

Representing: FIML Natural Resources, LLC

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NOV 02 2006

DIV. OF OIL, GAS & MINING



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

September 26, 2007

43-013-32985

Rick L. Parks
FIML Natural Resources, LLC
410 17th Street, Suite 900
Denver, CO 80202

Re: Notification of Expiration
Well No. Ute Tribal 2-18-55
NWNE, Sec. 18, T5S, R5W
Duchesne County, Utah
Lease No. 14-20-H62-5057

Dear Mr. Parks:

The Application for Permit to Drill the above-referenced well was approved on July 17, 2006. Since that date, no known activity has transpired at the approved location. A Sundry Notice request for an APD extension was received, after the APD expired, on August 1, 2007. The Sundry Notice for the request for permit extension was denied on August 10, 2007. This Application for Permit to Drill was effective for a period of one year. In view of the foregoing, this office is notifying you 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,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM

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OCT 03 2007

DIV. OF OIL, GAS & MINING



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 15, 2007

Cassandra Parks
FIML Natural Resources, LLC
410 17th Street Ste 900
Denver, CO 80202

Re: APD Rescinded – Ute Tribal 2-18-55, Sec. 18, T. 5S, R. 5W
Duchesne County, Utah API No. 43-013-32985

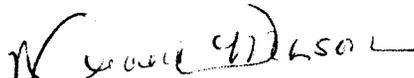
Dear Ms. Parks:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 12, 2005. On November 16, 2006, the Division granted a one-year APD extension. On October 15, 2007, 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 October 15, 2007.

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 Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal