

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

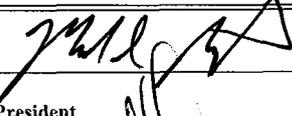
APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. 14-20-H62-5062	
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 10-12-56	
9. API Well No. 43013-33335	
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 12, T5S-R6W, U.S.B.&M.
2. Name of Operator FIML Natural Resources, LLC	12. County or Parish Duchesne
3a. Address 410 17th Street, Suite 900, 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* 36.9 miles southwest of Myton, Utah
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface NWSE 2,035' FSL 1,741' FEL 542247X 40.659483 At proposed prod. zone Same as above 4434267Y -110.504653	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,741'
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. 807'	19. Proposed Depth 6,105'
20. BLM/BIA Bond No. on file 8191-82-71	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,054' GL (Ungraded)
22. Approximate date work will start* 05/28/2007	23. Estimated duration Seven days

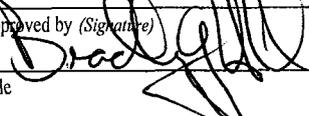
24. Attachments

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 D. Bingham	Date 09/15/2006
---	--	---------------------------

Title Senior Vice President		
---------------------------------------	--	--

Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 09-21-06
---	--	-------------------------

Title ENVIRONMENTAL MANAGER		
---------------------------------------	--	--

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

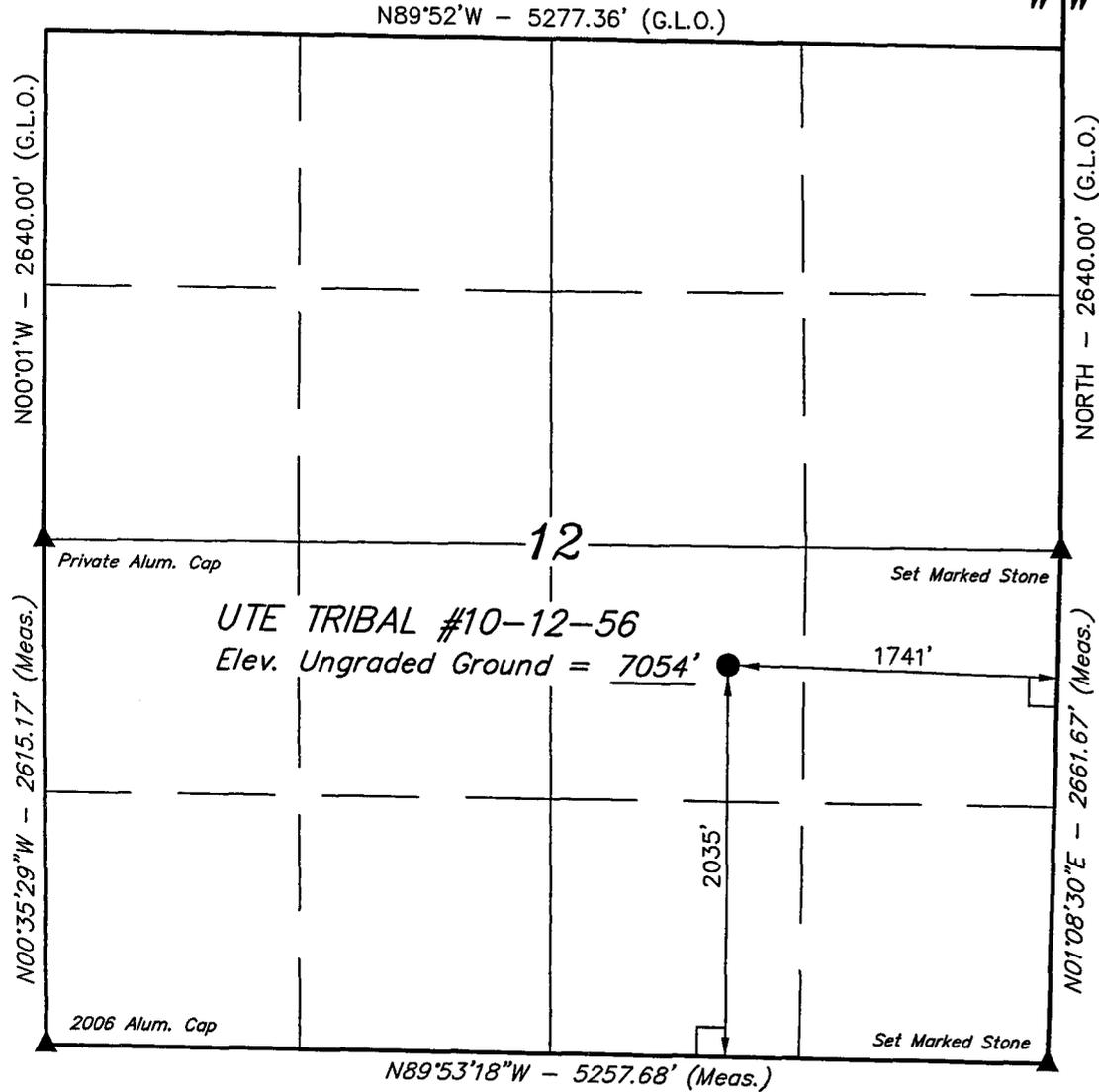
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SEP 18 2006

DIV. OF OIL, GAS & MINING

T5S, R6W, U.S.B.&M.

R
6
W



UTE/FNR, LLC.

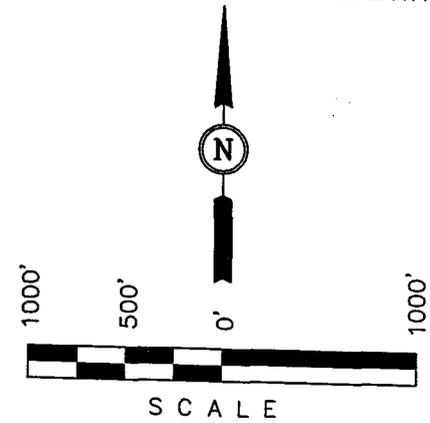
Well location, UTE TRIBAL #10-12-56, located as shown in the NW 1/4 SE 1/4 of Section 12, T5S, R6W, U.S.B.&M. Duchesne County, Utah.

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.

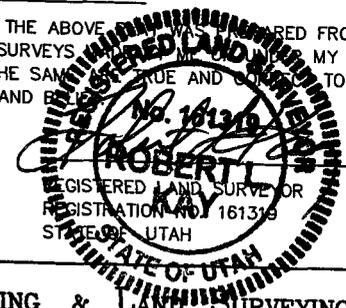
BASIS OF BEARINGS

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



CERTIFICATE

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



LEGEND:

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

(NAD 83)
 LATITUDE = 40°03'33.90" (40.059417)
 LONGITUDE = 110°30'18.12" (108.505033)
 (NAD 27)
 LATITUDE = 40°03'34.04" (40.059456)
 LONGITUDE = 110°30'15.56" (108.504322)

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 08-01-06	DATE DRAWN: 08-02-06
PARTY J.R. A.A. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE UTE/FNR, LLC.	

FIML NATURAL RESOURCES, LLC

September 15, 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. Diana Whitney

RE: Exception Letter for the Ute Tribal #10-12-56
Duchesne County, Utah

Dear Ms. Whitney:

FIML Natural Resources, LLC has no objection to the proposed Ute Tribal #10-12-56 well being drilled 2035' FSL & 1,741' FEL of Section 12 T-5S R-6W. The original "legal" drillsite location was moved due to severe topographic conditions. Moreover, the Ute Tribal representatives would not allow the drillsite to be placed at the legal location due to the severe topographic constraints.

FIML Natural Resources, LLC is the only owner within a 460 foot radius of the proposed well location.

The signature below is our written waiver of objection to UT Administrative Code R649-3-3.

Signature: 
Name: Mark D. Bingham
Title: Senior Vice President
Date: September 15, 2006

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

RECEIVED
SEP 18 2006
DIV. OF OIL, GAS & MINING

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 10-12-56
NW/4 SE/4 2,035' FSL 1,741' FEL, Section 12 T-5S, R-6W U.S.B. & M.
Lease BIA: #14-20-H62-5062
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 10-12-56
NWSE 2,035' FSL 1,741' FEL Sec 12, T-5S, R-6W, U.S.B. & M.
Duchesne County, Utah
BIA Lease Number 14-20-H62-5062**

DRILLING PROGRAM

1. Estimated Tops of Geological Markers:

Formation Depth

Uinta	surface
Green River	1,220' (top based on FIML Natural Resources, LLC Green River structure map dated September 26, 2005)
Mahogany Bench	2,416' (top based on FIML Natural Resources, LLC Mahogany Bench structure map dated September 26, 2005)
Garden Gulch	3,329' (top based on FIML Natural Resources, LLC Garden Gulch structure map dated September 26, 2005)
Douglas Creek	4,222' (top based on FIML Natural Resources, LLC Douglas Creek structure map dated September 26, 2005)
Castle Peak	5,175' (top based on FIML Natural Resources, LLC Castle Peak structure map dated September 26, 2005)
Uteland Butte Ls.	5,533' (top based on FIML Natural Resources, LLC Uteland Butte structure map dated September 26, 2005)
Wasatch	5,755' (top based on FIML Natural Resources, LLC Wasatch structure map dated September 26, 2005)
Total Depth	6,105'

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

Substance Formation Depth

Oil/Gas	Douglas Creek	4,222' (top based on FIML Natural Resources, LLC Douglas Creek structure map dated September 26, 2005)
Oil/Gas	Castle Peak	5,175' (top based on FIML Natural Resources, LLC Castle Peak structure map dated September 26, 2005)
Oil/Gas	Uteland Butte	5,533' (top based on FIML Natural Resources, LLC Uteland Butte structure map dated September 26, 2005)
Oil/Gas	Wasatch	5,755' (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).

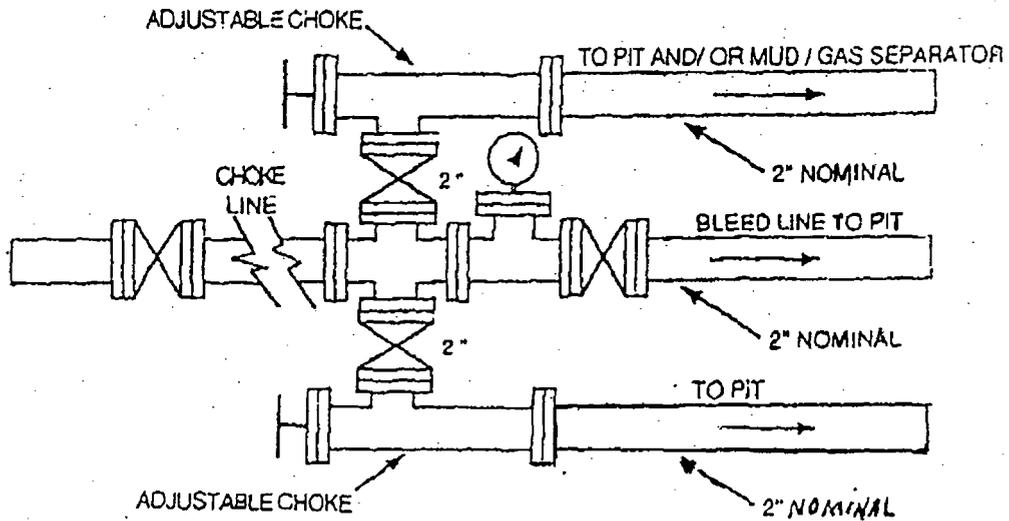
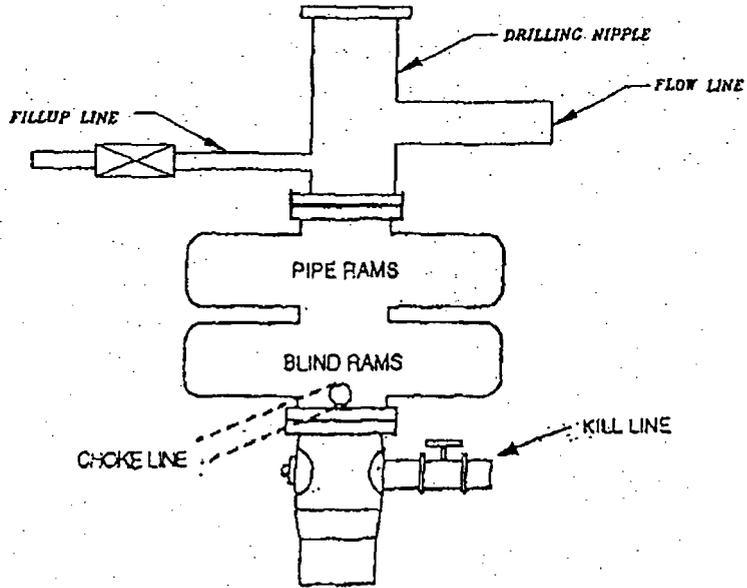
8. Anticipated Starting Dates and Notification of Operations:

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 10-12-56
NWSE 2,035' FSL 1,741' FEL, Sec 12, T-5S, R-6W, U.S.B. &M. Duchesne County, Utah
Lease Number 14-20-H62-5062

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 13.4 miles on the Sowers Canyon Road. Turn right and go northeast and then northwest for approximately 5.5 miles. Turn left and go in a southwesterly direction on the new West Brundage Road and proceed approximately 5.7 miles. Turn right and go in a westerly direction on the new access road for approximately 1.2 miles. Turn right and proceed in a northerly direction approximately 0.4 miles along the new access road to the Ute Tribal 10-12-56 location.
- B. The proposed well site is located approximately 36.9 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.

9/12/06

Date



Rick L. Parks
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 #10-12-56
 LOCATED IN DUCHESNE COUNTY, UTAH
 SECTION 12, T5S, R6W, U.S.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

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

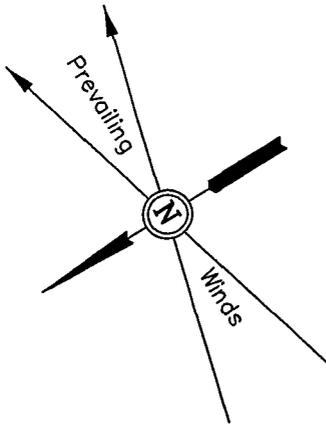
TOPOGRAPHIC	08	04	06
MAP	MONTH	DAY	YEAR
TAKEN BY: J.R.	DRAWN BY: C.P.		REV: 08-17-06 B.C.

PHOTO

UTE/FNR, LLC.

LOCATION LAYOUT FOR

UTE TRIBAL #10-12-56
SECTION 12, T5S, R6W, U.S.B.&M.
2035' FSL 1741' FEL



SCALE: 1" = 50'
DATE: 08-03-06
DRAWN BY: D.R.B.

Proposed Access Road

C-19.4'
El. 70.1'

C-18.6'
El. 69.3'

C-20.1'
El. 70.8'

Sta. 3+30



Round Corners
as Needed

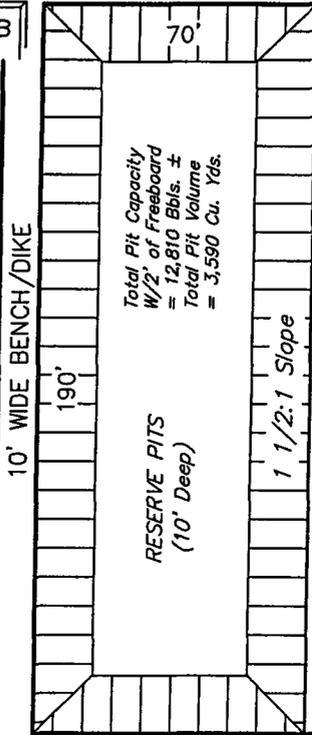
NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Top of Cut Slope

Reserve Pit Backfill & Spoils Stockpile

Flare Pit C-4.8'
El. 55.5'

C-10.0'
El. 50.7'
(Btm. Pit)



DATA

CATWALK

PIPE RACKS

C-3.2'
El. 53.9'

DOG HOUSE

Sta. 1+60

F-6.9'
El. 43.8'

Approx. Toe of Fill Slope

C-2.5'
El. 53.2'

MUD TANKS

RIG

WATER

PUMP

MUD SHED

HOPPER

POWER

TOOLS

FUEL

120'

TRAILER

TOILET

FUEL

Sta. 0+50

STORAGE TANK

Sta. 0+00

C-10.9'
El. 51.6'
(Btm. Pit)

Reserve Pit Backfill & Spoils Stockpile

F-1.3'
El. 49.4'

F-6.4'
El. 44.3' T.S.

F-14.5'
El. 36.2'

Elev. Ungraded Ground at Location Stake = 7053.9'
Elev. Graded Ground at Location Stake = 7050.7'

UTE/FNR, LLC.

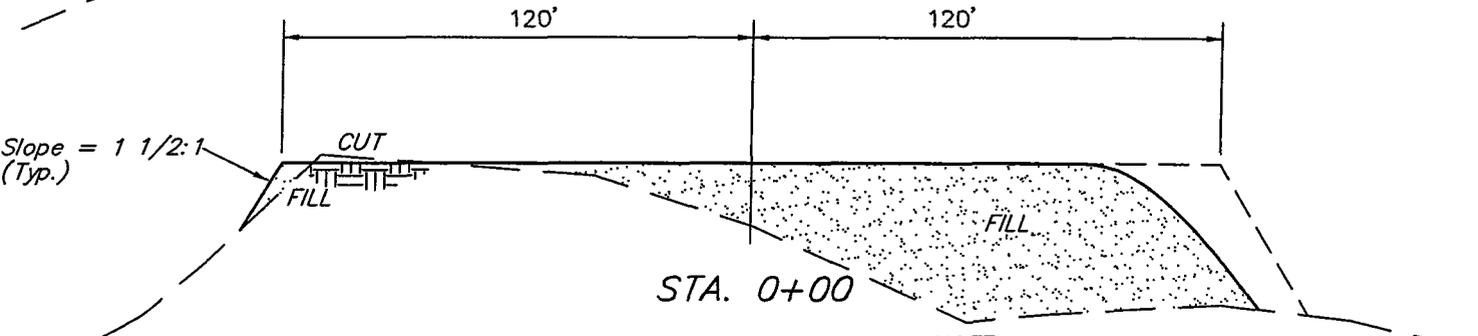
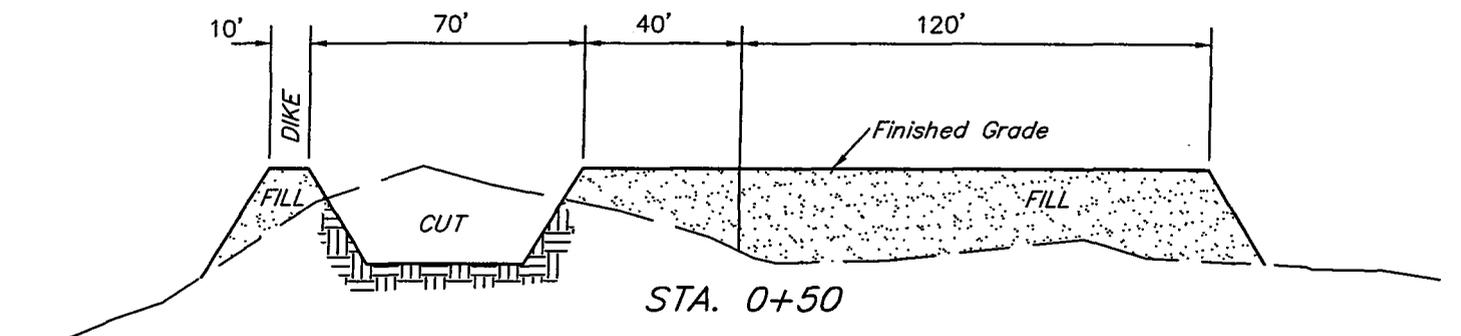
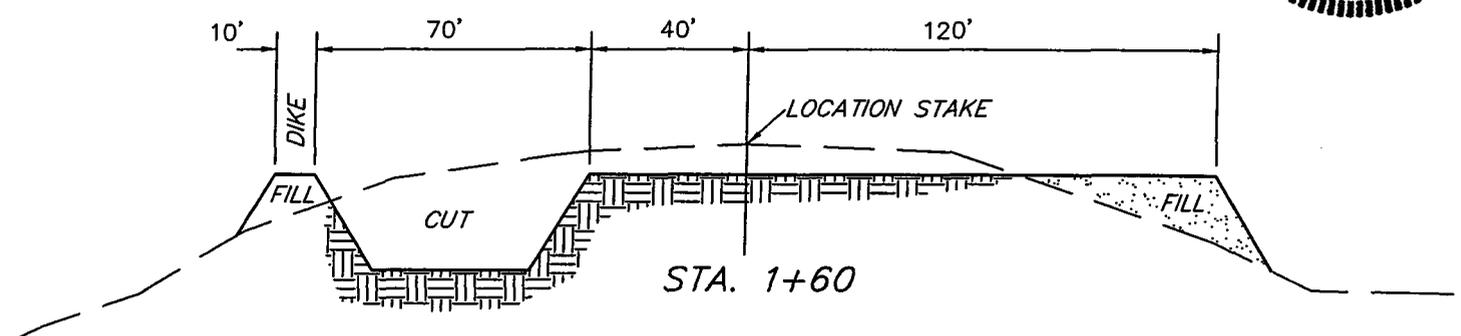
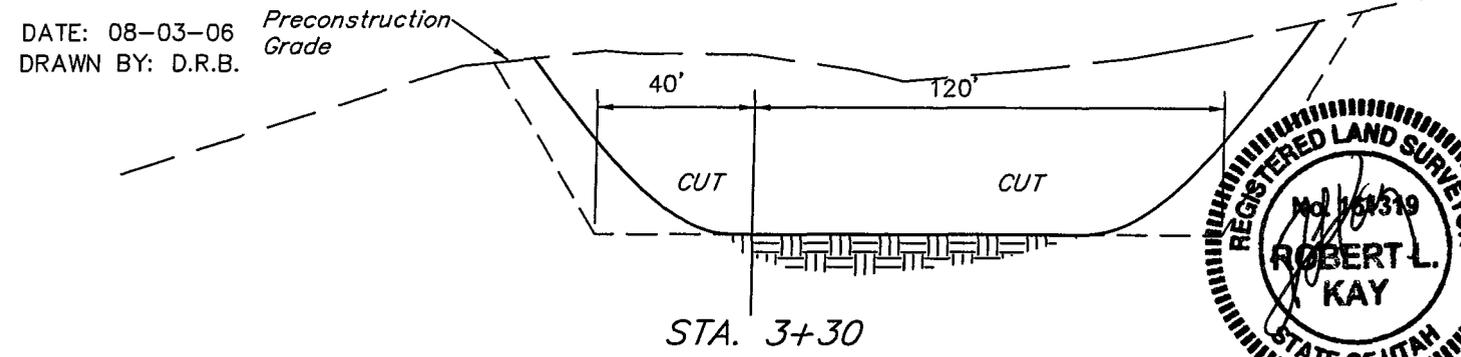
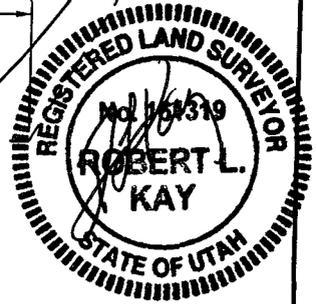
TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #10-12-56
SECTION 12, T5S, R6W, U.S.B.&M.
2035' FSL 1741' FEL

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

DATE: 08-03-06
DRAWN BY: D.R.B.

Preconstruction Grade



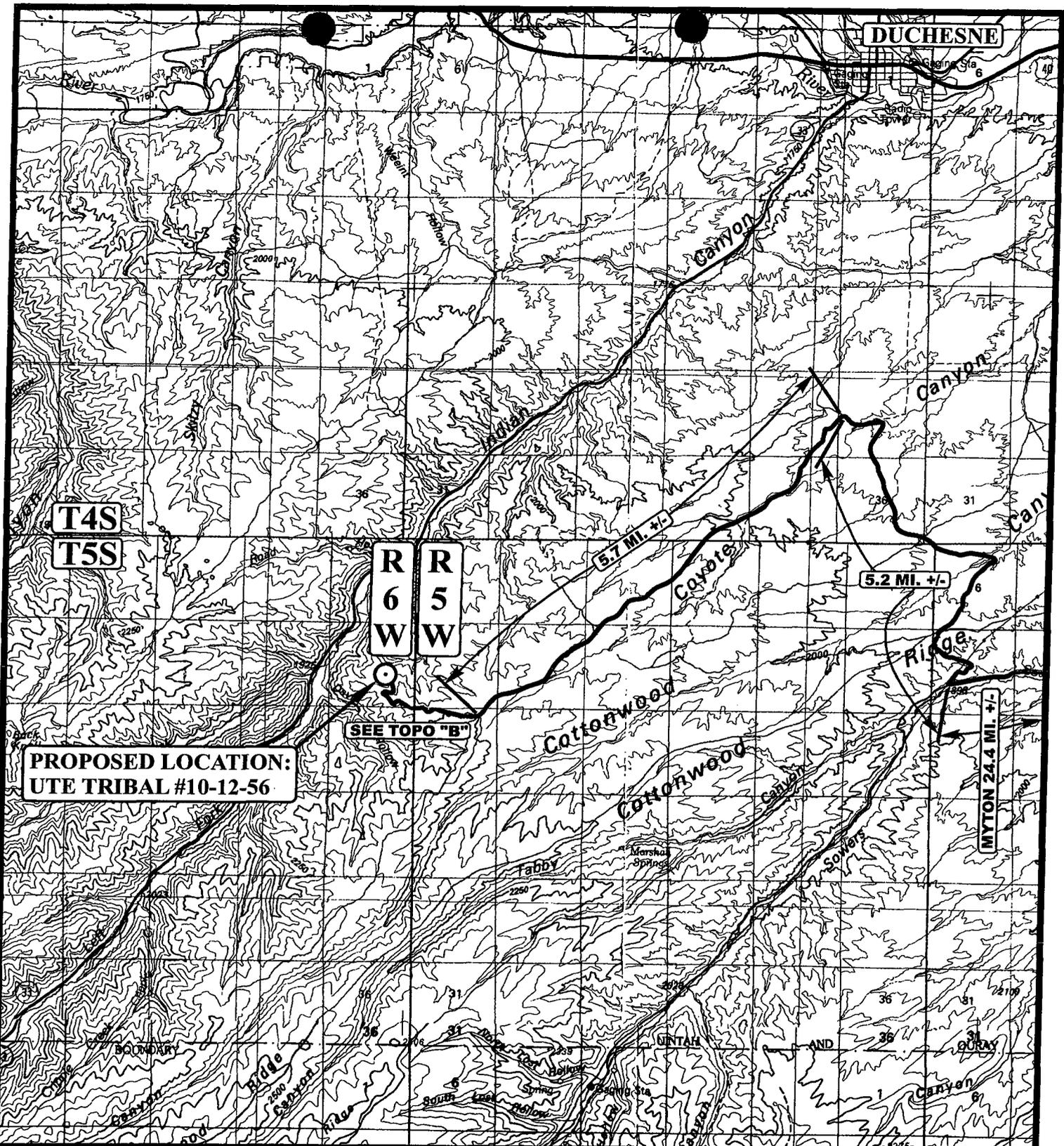
APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 3,510 Cu. Yds.
Remaining Location	= 11,550 Cu. Yds.
TOTAL CUT	= 15,060 CU.YDS.
FILL	= 9,750 CU.YDS.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

EXCESS MATERIAL	= 5,310 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 5,310 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 0 Cu. Yds.

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



**PROPOSED LOCATION:
UTE TRIBAL #10-12-56**

SEE TOPO "B"

LEGEND:

○ PROPOSED LOCATION



UTE/FNR, LLC.

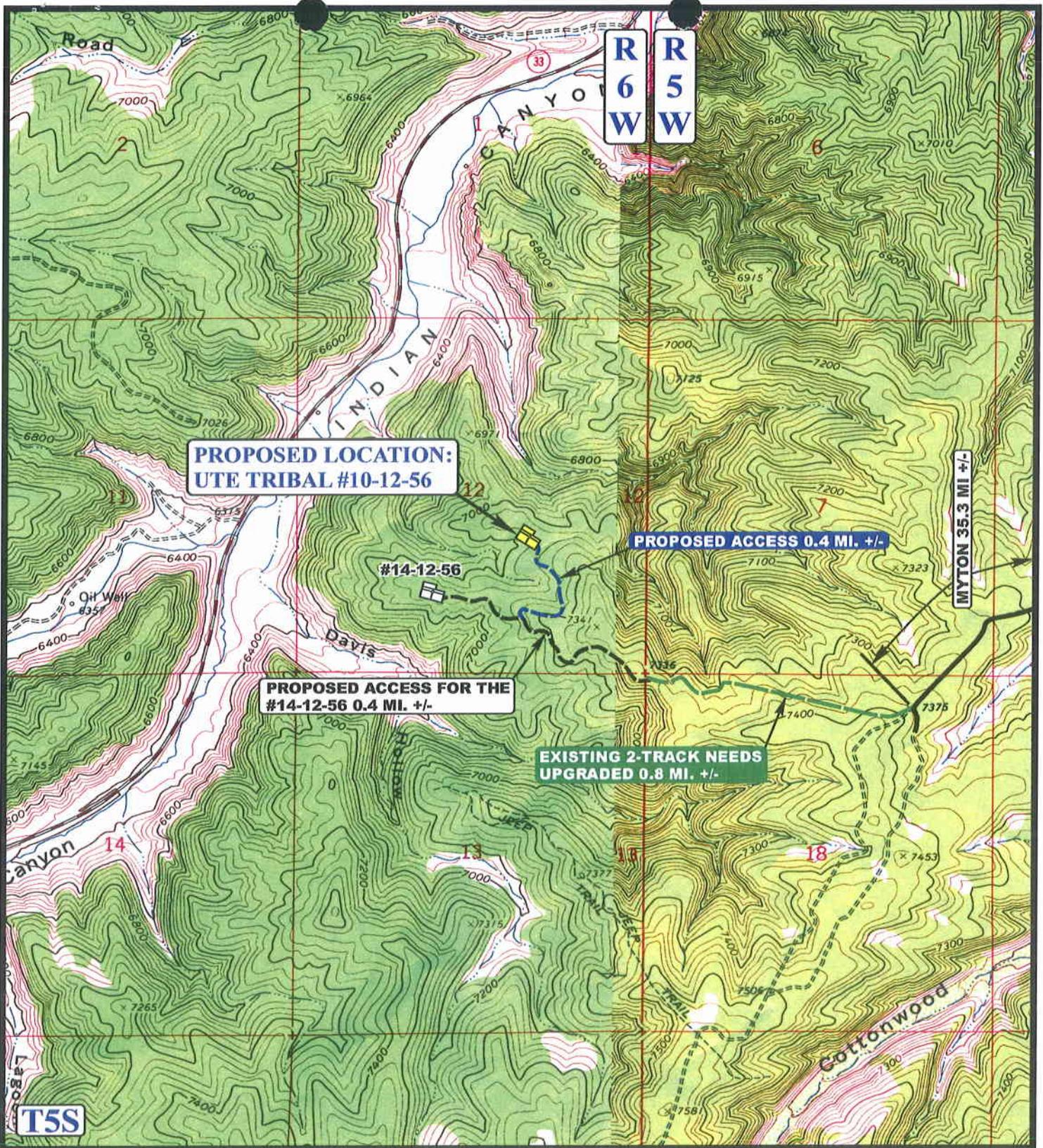
**UTE TRIBAL #10-12-56
SECTION 12, T5S, R6W, U.S.B.&M.
2035' FSL 1741' FEL**



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

TOPOGRAPHIC MAP 08 | 04 | 06
MONTH | DAY | YEAR
SCALE: 1:100,000 DRAWN BY: C.P. REV: 08-16-06 B.C.





LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD
-  EXISTING 2-TRACK NEEDS UPGRADED

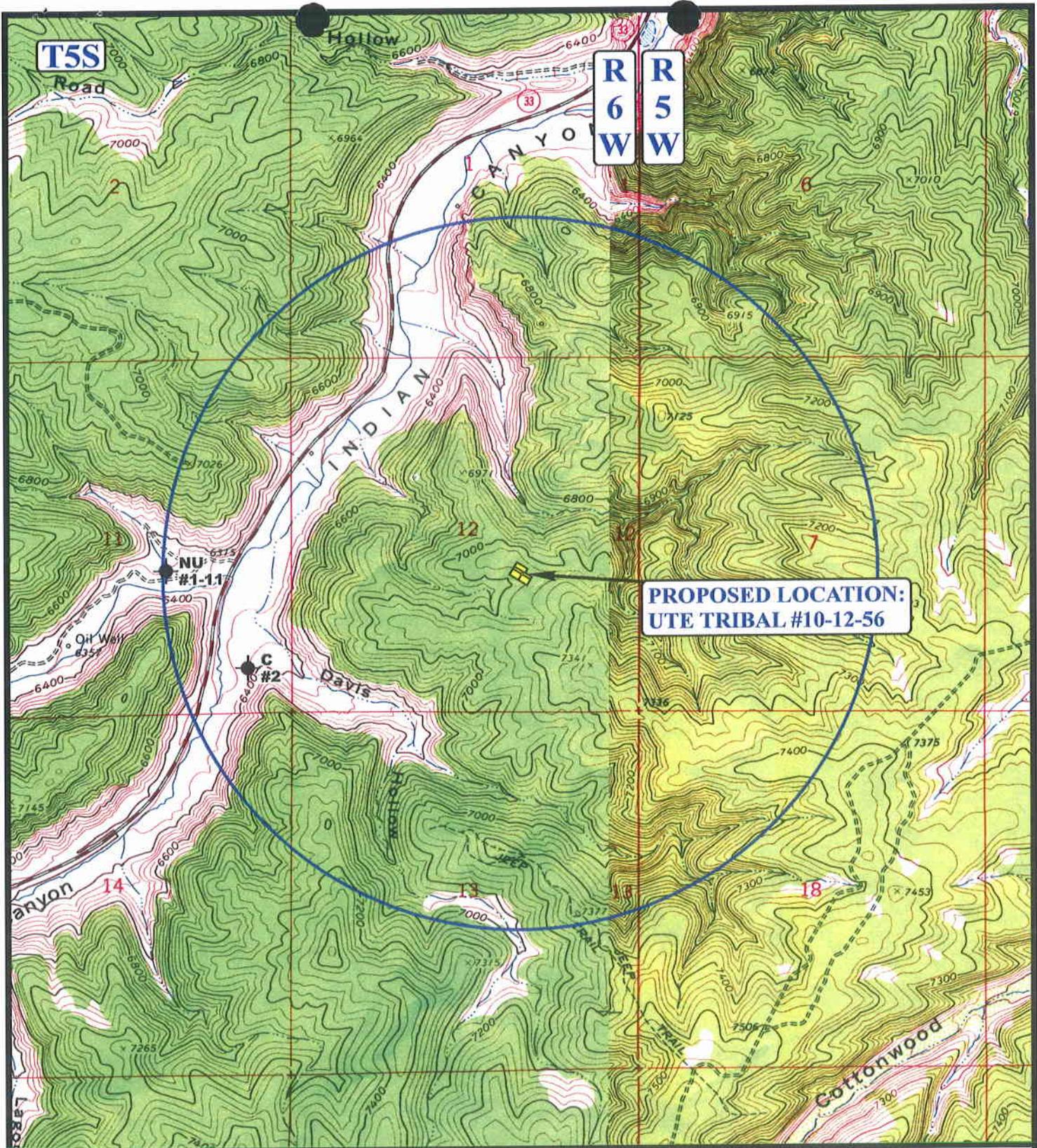


UTE/FNR, LLC.

**UTE TRIBAL #10-12-56
SECTION 12, T5S, R6W, U.S.B.&M.
2035' FSL 1741' FEL**

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

TOPOGRAPHIC MAP	08	04	06	B TOPO
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: C.P.		REV: 08-16-06 B.C.	



LEGEND:

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



UTE/FNR, LLC.

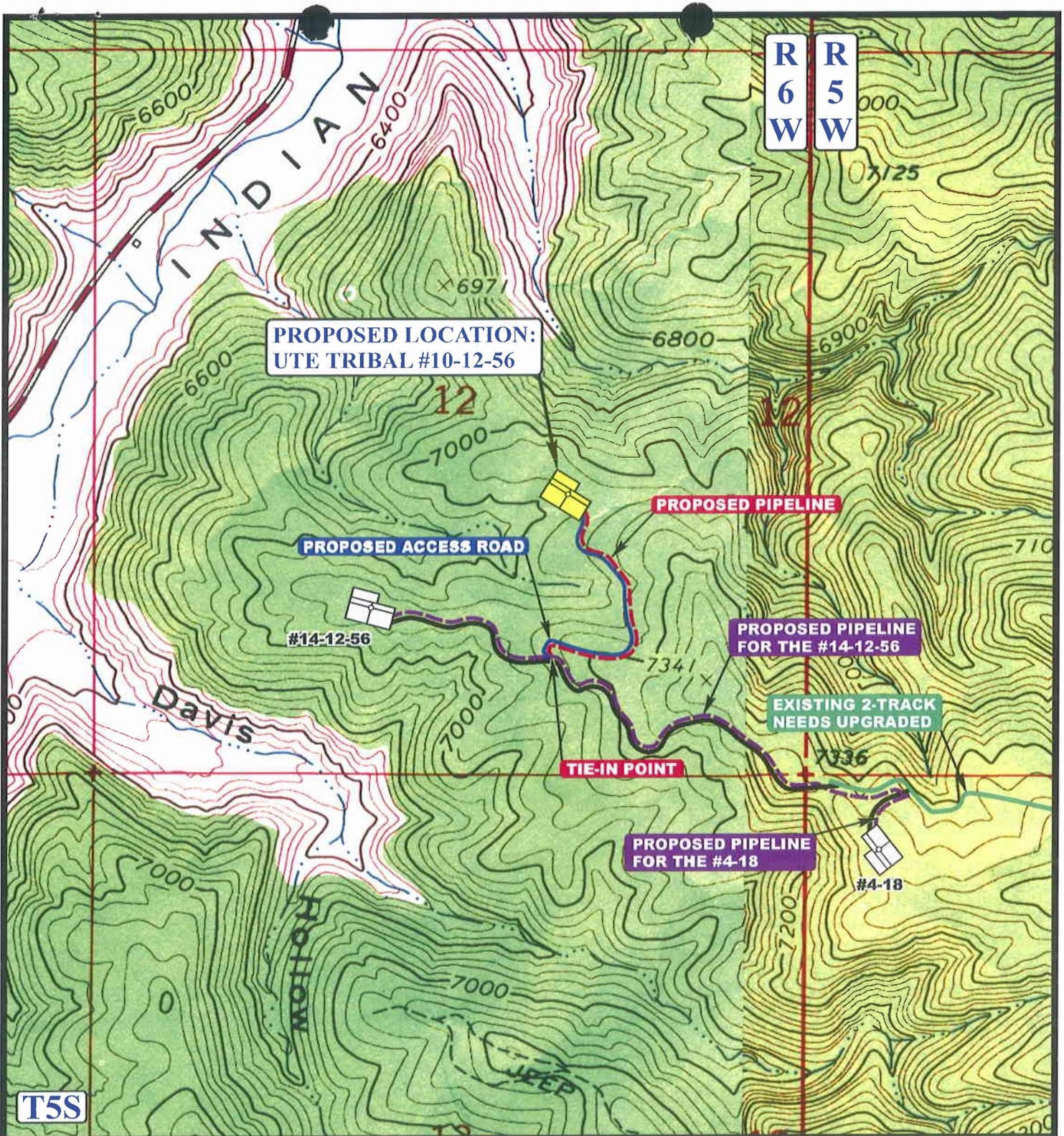
UTE TRIBAL #10-12-56
SECTION 12, T5S, R6W, U.S.B.&M.
2035' FSL 1741' FEL



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

TOPOGRAPHIC MAP **08 04 06**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: C.P. REV: 08-24-06 B.C.





APPROXIMATE TOTAL PIPELINE DISTANCE = 2,050' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED
- - - PROPOSED PIPELINE
- - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



UTE/FNR, LLC.

**UTE TRIBAL #10-12-56
SECTION 12, T5S, R6W, U.S.B.&M.
2035' FSL 1741' FEL**



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

**TOPOGRAPHIC
MAP**

08 04 06
MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: C.P.

REV: 08-16-06 B.C.



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/18/2006

API NO. ASSIGNED: 43-013-33335

WELL NAME: UTE TRIBAL 10-12-56
 OPERATOR: FIML NATURAL RESOURCES (N2530)
 CONTACT: MARK BINGHAM

PHONE NUMBER: 303-893-5073

PROPOSED LOCATION:

NWSE 12 050S 060W
 SURFACE: 2035 FSL 1741 FEL
 BOTTOM: 2035 FSL 1741 FEL
 COUNTY: DUCHESNE
 LATITUDE: 40.05948 LONGITUDE: -110.5047
 UTM SURF EASTINGS: 542247 NORTHINGS: 4434267
 FIELD NAME: WILDCAT (1)

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

LEASE TYPE: 2 - Indian
 LEASE NUMBER: 14-20-H62-5062
 SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: WSTC
 COALBED METHANE WELL? NO

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:

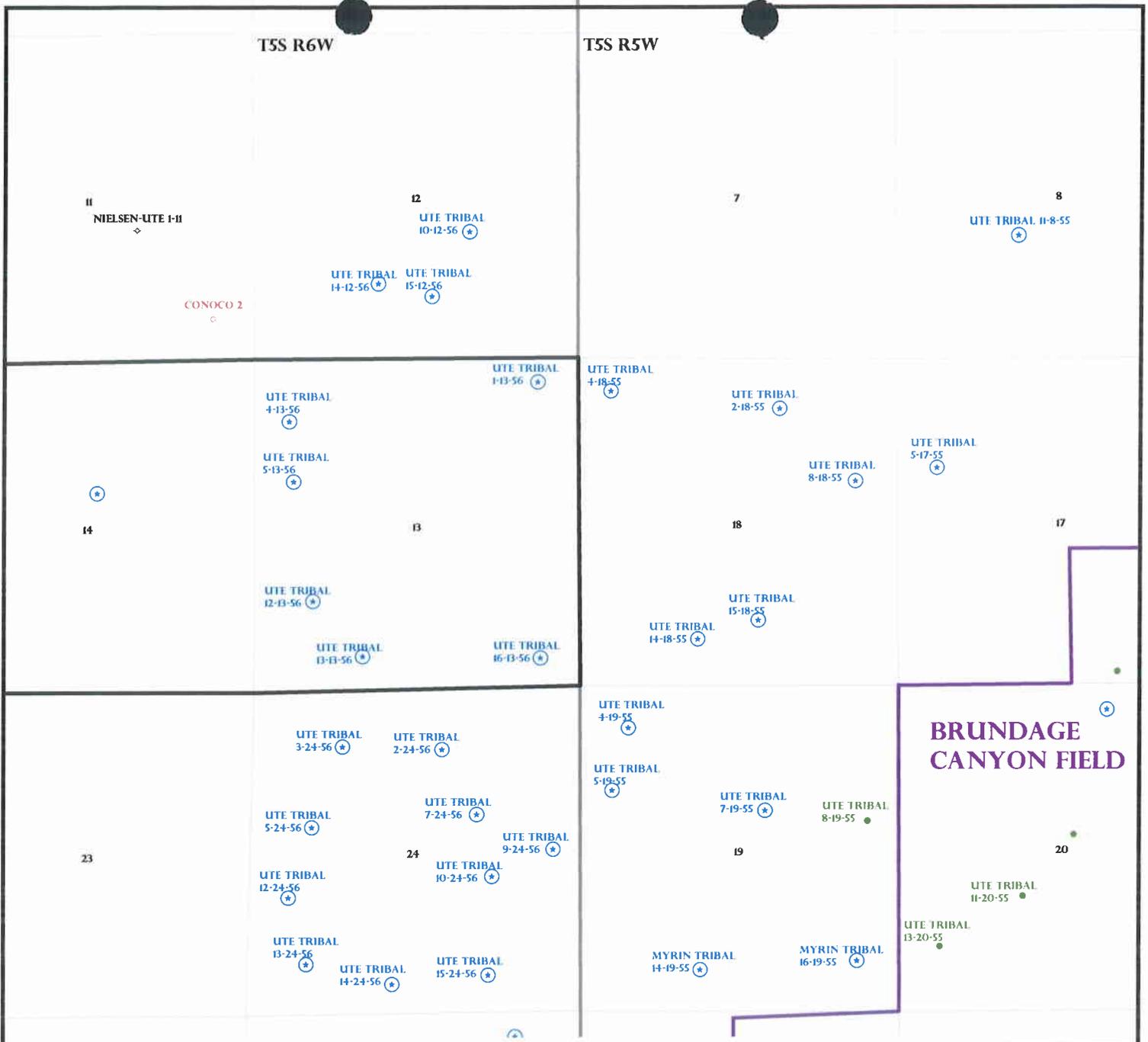
- R649-2-3.
- Unit: _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

(See Separate file)

STIPULATIONS:

- 1- Federal Approval
- 2- Spacing Strip



OPERATOR: FIML NAT RES LLC (N2530)

SEC: 12,13 T.5S R. 6W

FIELD: WILDCAT (001)

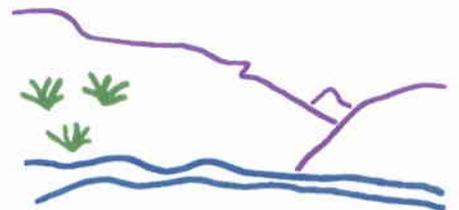
COUNTY: DUCHESNE

SPACING: R649-3-3 / EXCEPTION LOCATION

- 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: 20-SEPTEMBER-2006



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

September 21, 2006

FIML Natural Resources, LLC
410 17th St., Ste. 900
Denver, CO 80202

Re: Ute Tribal 10-12-56 Well, 2035' FSL, 1741' FEL, NW SE, Sec. 12, T. 5 South,
R. 6 West, Duchesne County, Utah

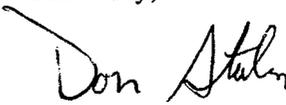
Gentlemen:

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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-33335.

Sincerely,


for Gil Hunt
Associate Director

pab
Enclosures

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

Operator: FIML Natural Resources, LLC
Well Name & Number Ute Tribal 10-12-56
API Number: 43-013-33335
Lease: 14-20-H62-5062

Location: NW SE Sec. 12 T. 5 South R. 6 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

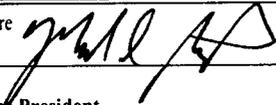
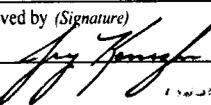
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 14-20-H62-5062
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, Suite 900, Denver, CO 80202		8. Lease Name and Well No. Ute Tribal 10-12-56
3b. Phone No. (include area code) 303-893-5073		9. API Well No. 431013-33335
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWSE 2,035' FSL 1,741' 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* 36.9 miles southwest of Myton, Utah		11. Sec., T. R. M. or Blk. and Survey or Area Sec 12, T5S-R6W, U.S.B.&M.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,741'	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. 807'	19. Proposed Depth 6,105'	20. BLM/BIA Bond No. on file 8191-82-71
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7.054' GL (Ungraded)	22. Approximate date work will start* 05/28/2007	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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Mark D. Bingham	Date 09/15/2006
Title Senior Vice President		
Approved by (Signature) 	Name (Printed/Typed) Terry Kowala	Date 1-28-2007
Title Assistant Field Manager Lands & Mineral Resources		

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)

**CONDITIONS OF APPROVAL ATTACHED
RECEIVED**

NOTICE OF APPROVAL

RECEIVED

SEP 20 2006

FEB 02 2007

BLM VERNAL, UTAH

DEPT. 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**



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	FIML Natural Resources LLC	Location:	NWSE, Sec. 12, T5S, R6W
Well No:	Ute Tribal 10-12-56	Lease No:	14-20-H62-5062
API No:	43-013-33335	Agreement:	N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	435-781-4490	435-828-4470
Petroleum Engineer:	Michael Lee	435-781-4432	435-828-7875
Petroleum Engineer:	James Ashley	435-781-4470	435-828-7874
Petroleum Engineer:	Ryan Angus	435-781-4430	
Supervisory Petroleum Technician:	Jamie Sparger	435-781-4502	435-828-3913
NRS/Enviro Scientist:	Paul Buhler	435-781-4475	435-828-4029
NRS/Enviro Scientist:	Karl Wright	435-781-4484	
NRS/Enviro Scientist:	Holly Villa	435-781-4404	
NRS/Enviro Scientist:	Melissa Hawk	435-781-4476	435-828-7381
NRS/Enviro Scientist:	Chuck MacDonald	435-781-4441	
NRS/Enviro Scientist:	Jannice Cutler	435-781-3400	
NRS/Enviro Scientist:	Michael Cutler	435-781-3401	
NRS/Enviro Scientist:	Anna Figueroa	435-781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	435-781-3402	
NRS/Enviro Scientist:	Darren Williams	435-781-4447	
NRS/Enviro Scientist:	Nathan Packer	435-781-3405	
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

Location Construction (Notify NRS/Enviro Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify NRS/Enviro Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supervisory Petroleum Technician)	-	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)**

- Put 3 culverts in road to location.

General Conditions of Approval

- A 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 ROWs.
- 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 APDs 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 APDs and/or ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations shall be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel shall 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 shall be notified shall 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.

General Surface COA

Operator shall notify any active Gilsonite mining operation within 2 miles of the location 48 hours prior to any blasting during construction for this well.

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

- Production casing cement shall be brought up and into the surface.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- 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.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall 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 shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall 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.
- **Cement baskets shall not be run on surface casing.**

- The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).
- All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- The lessee/operator must report encounters of all non oil & gas mineral resources (such as gilsonite, tar sands, oil shale, etc.) to Peter Sokolosky or another geologist of the Vernal Field Office in writing within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- All shows of fresh water and minerals shall be reported and protected. A sample shall be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall 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 shall be obtained and notification given before resumption of operations.
- Chronologic drilling progress reports shall 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 shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall 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, shall 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 shall 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.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall 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, shall 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) shall be submitted only when requested by the BLM, Vernal Field Office.

- A cement bond log (CBL) will be run from the production casing shoe to the surface casing shoe and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall 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.
- Oil and gas meters shall 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 shall 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.
- 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.
- 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:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - 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).
 - 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.
 - Unit agreement and / or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A shall 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.
- 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.
- 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.

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

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-5062
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tribe
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: FIML Natural Resources, LLC		8. WELL NAME and NUMBER: Ute Tribal 10-12-56
3. ADDRESS OF OPERATOR: 410 17th Street Ste. 900 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4301333335
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,035' FSL 1,741' FEL		10. FIELD AND POOL, OR WILDCAT: Undesignated
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 12 5S 6W		COUNTY: Duchesne
		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: 1/1/2008	<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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<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: <u>Permit Extension</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.

FIML Natural Resources, LLC is requesting a permit extension for the Ute Tribal 10-12-56. Further evaluation of the area is needed before drilling this well. The Request for Permit Extension Validation Form is attached.

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

Date: 09-20-07
By: [Signature]

NAME (PLEASE PRINT) <u>Cassandra Parks</u>	TITLE <u>Operations Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/13/2007</u>

(This space for State use only)

9-20-07
RM

RECEIVED
SEP 19 2007
DIV. OF OIL, GAS & MINING

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

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

API: 43-013-33335
Well Name: Ute Tribal 10-12-56
Location: SESW Sec 12 T-5S R-6W
Company Permit Issued to: FIML Natural Resources, LLC
Date Original Permit Issued: 9/21/2007

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

9/13/2007
Date

Title: Operations Assistant

Representing: FIML Natural Resources, LLC

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SEP 19 2007
DIV. OF OIL, GAS & MINING

FIML NATURAL RESOURCES, LLC

September 13, 2007

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 Mason

RE: Source of Drilling Water

Dear Ms. Mason:

FIML Natural Resources, LLC water for drilling operations will now be hauled by Betts Trucking. It will come from Duchesne City, Utah. The water right number is 43-3651.

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

Sincerely,



Cassandra Parks
Operations Assistant

/cp

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DIV. OF OIL, GAS & MINING

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

FORM 9

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-5062
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tribe
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: FIML Natural Resources, LLC		8. WELL NAME and NUMBER: Ute Tribal 10-12-56
3. ADDRESS OF OPERATOR: 410 17th Street Ste. 900 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4301333335
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,035' FSL 1,741' FEL		10. FIELD AND POOL, OR WILDCAT: Undesignated
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 12 5S 6W		COUNTY: Duchesne
		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"/> 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: <u>Permit Extension</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.

FIML Natural Resources, LLC is requesting a permit extension for the Ute Tribal 10-12-56. Further evaluation of the area is needed before drilling this well. The Request for Permit Extension Validation Form is attached.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-16-08
By: [Signature]

NAME (PLEASE PRINT) <u>Elaine Winick</u>	TITLE <u>Drilling Technician</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/12/2008</u>

(This space for State use only)

COPY SENT TO OPERATOR

Date: 9.17.2008

Initials: KS

(See Instructions on Reverse Side)

(5/2000)

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SEP 15 2008
DIV. OF OIL, GAS & MINING

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

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

API: 43-013-33335
Well Name: Ute Tribal 10-12-56
Location: ^{10 32} ~~SE~~ SW Sec 12 T-5S R-6W
Company Permit Issued to: FIML Natural Resources, LLC
Date Original Permit Issued: 9/21/2006

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

Elaine Minich
Signature

9/12/2008
Date

Title: Drilling Technician

Representing: FIML Natural Resources, LLC

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SEP 15 2008
DIV. OF OIL, GAS & MINING

United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/ut/st/en/fo/vernal.html>

IN REPLY REFER TO:
3160
UTG011

July 31, 2009

43-013-33335

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

Re: Notice of Expiration
Well No. Ute Tribal 10-12-56
NWSE, Sec. 12, T5S, R6W
Duchesne County, Utah
Lease No. 14-20-H62-5062

Dear Ms. Parks:

The Application for Permit to Drill for the above-referenced well was approved on January 28, 2007. No extension of the original APD was requested. 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 in the future, 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.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM
BIA
Ute Tribe

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AUG 20 2009

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

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2. NAME OF OPERATOR: FIML Natural Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Tribe
3. ADDRESS OF OPERATOR: 410 17th Street Ste. 900 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,035' FSL 1,741' FEL		8. WELL NAME and NUMBER: Ute Tribal 10-12-56
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 12 5S 6W		9. API NUMBER: 4301333335
COUNTY: Duchesne		10. FIELD AND POOL, OR WILDCAT: Undesignated
STATE: UTAH		

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

Date: 09-17-09
By: [Signature]

COPY SENT TO OPERATOR
Date: 9-21-2009
Initials: KS

NAME (PLEASE PRINT) <u>Elaine Winick</u>	TITLE <u>Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/11/2009</u>

(This space for State use only)

**RECEIVED
SEP 15 2009**



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

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

API: 43-013-33335
Well Name: Ute Tribal 10-12-56
Location: NE 1/4 Sec 12 T-5S R-6W
Company Permit Issued to: FIML Natural Resources, LLC
Date Original Permit Issued: 9/21/2006

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

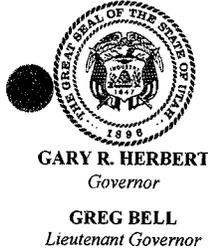
Elaine Minich
Signature

9/11/2009
Date

Title: Regulatory Specialist

Representing: FIML Natural Resources, LLC

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SEP 15 2009
DIV. OF OIL, GAS & MINING



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 6, 2010

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

Re: APD Rescinded – Ute Tribal 10-12-56, Sec. 12, T.5S, R.6W,
Duchesne County, Utah API No. 43-013-33335

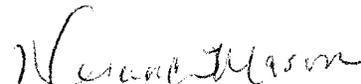
Dear Ms. Kuhn:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 21, 2006. On September 20, 2007, September 16, 2008 and September 17, 2009 the Division granted a one-year APD extension. On September 30, 2010, 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 September 30, 2010.

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

