

**NEWFIELD**



September 15, 2006

State of Utah  
Division of Oil, Gas & Mining  
Attn: Diana Whitney  
1594 West North Temple - Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Applications for Permit to Drill

<b>Federal 9-24-9-16</b>	<b>Federal 13-24-9-16</b>
<b>Federal 10-24-9-16</b>	<b>Federal 14-24-9-16</b>
<b>Federal 11-24-9-16</b>	<b>Federal 15-24-9-16</b>
<b>Federal 12A-24-9-16</b>	<b>Federal 16-24-9-16</b>

Dear Diana:

Enclosed find APD's on the above referenced wells. The proposed 13-24-9-16 and 14-24-9-16 are Exception Locations. Our Land Department will send you the required Exception Location Letters. If you have any questions, feel free to give either Brad Meham or myself a call.

Sincerely,

Mandie Crozier  
Regulatory Specialist

mc  
enclosures

**RECEIVED**  
**SEP 20 2006**  
**DIV. OF OIL, GAS & MINING**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

5. Lease Serial No.  
UTU-74392

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

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

8. Lease Name and Well No.  
Federal 16-24-9-16

9. API Well No.  
43-0133345

1a. Type of Work:  DRILL  REENTER

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator  
Newfield Production Company

3a. Address  
Route #3 Box 3630, Myton UT 84052

3b. Phone No. (include area code)  
(435) 646-3721

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*  
At surface SE/SE 579' FSL 466' FEL 580290X 40.010727  
At proposed prod. zone 4429162Y -110.059275

14. Distance in miles and direction from nearest town or post office\*  
Approximatley 17.9 miles south of Myton, Utah

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 466' f/lse, NA f/unit

16. No. of Acres in lease  
2080.00

17. Spacing Unit dedicated to this well  
40 Acres

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. NA

19. Proposed Depth  
5765'

20. BLM/BIA Bond No. on file  
UTB000192

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
5607' GL

22. Approximate date work will start\*  
1st Quarter 2007

23. Estimated duration  
Approximately seven (7) days from spud to rig release.

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.
- 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).
- 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) Mandie Crozier	Date 9/15/06
Title Regulatory Specialist		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL ENVIRONMENTAL MANAGER	Date 09-21-06
Title	Office	

Application approval does not warrant or certify the 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 reverse)

**RECEIVED**  
**SEP 20 2006**

Federal Approval of this  
Action is Necessary

DIV. OF OIL, GAS & MINING



NEWFIELD PRODUCTION COMPANY  
FEDERAL #16-24-9-16  
SE/SE SECTION 24, T9S, R16E  
DUCHESNE COUNTY, UTAH

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Uinta	0' – 2075'
Green River	2075'
Wasatch	5765'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Green River Formation 2075' – 5765' - Oil

4. PROPOSED CASING PROGRAM

Please refer to the Monument Butte Field Standard Operation Procedure (SOP).

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Please refer to the Monument Butte Field SOP. See Exhibit "C".

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

Please refer to the Monument Butte Field SOP.

7. AUXILIARY SAFETY EQUIPMENT TO BE USED:

Please refer to the Monument Butte Field SOP.

8. TESTING, LOGGING AND CORING PROGRAMS:

Please refer to the Monument Butte Field SOP.

9. ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:

The anticipated maximum bottom hole pressure is 1800 psi. It is not anticipated that abnormal temperatures will be encountered.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

Please refer to the Monument Butte Field SOP.

**NEWFIELD PRODUCTION COMPANY  
FEDERAL #16-24-9-16  
SE/SE SECTION 24, T9S, R16E  
DUCHESNE COUNTY, UTAH**

**ONSHORE ORDER NO. 1**

**MULTI-POINT SURFACE USE & OPERATIONS PLAN**

**1. EXISTING ROADS**

See attached Topographic Map "A"

To reach Newfield Production Company well location site Federal #16-24-9-16 located in the SE 1/4 SE 1/4 Section 24, T9S, R16E, Duchesne County, Utah:

Proceed southwesterly out of Myton, Utah along Highway 40 - 1.6 miles  $\pm$  to the junction of this highway and UT State Hwy 53; proceed southeasterly along Hwy 53 - 11.7 miles  $\pm$  to it's junction with an existing road to the southwest; proceed southwesterly - 3.8 miles  $\pm$  to it's junction with an existing two track road to the northeast - proceed northeasterly - 250'  $\pm$  to it's junction with the beginning of the proposed access road; proceed southwesterly along the proposed access road - 4,020'  $\pm$  to the proposed well location.

**2. PLANNED ACCESS ROAD**

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

**3. LOCATION OF EXISTING WELLS**

Refer to Exhibit "B".

**4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

All permanent surface equipment will be painted Carlsbad Canyon.  
Please refer to the Monument Butte Field Standard Operating Procedure (SOP).

**5. LOCATION AND TYPE OF WATER SUPPLY**

Please refer to the Monument Butte Field SOP. See Exhibit "A".

**6. SOURCE OF CONSTRUCTION MATERIALS**

Please refer to the Monument Butte Field SOP.

**7. METHODS FOR HANDLING WASTE DISPOSAL**

Please refer to the Monument Butte Field SOP.

**8. ANCILLARY FACILITIES**

Please refer to the Monument Butte Field SOP.

9. WELL SITE LAYOUT

See attached Location Layout Diagram.

10. PLANS FOR RESTORATION OF SURFACE

Please refer to the Monument Butte Field SOP.

11. SURFACE OWNERSHIP - Bureau Of Land Management (Proposed location and access roads leading to).

12. OTHER ADDITIONAL INFORMATION

The Archaeological Resource Survey and Paleontological Resource Survey for this area are attached. MOAC Report #05-270, 9/7/05. Paleontological Resource Survey prepared by, Wade E. Miller, 9/28/05. See attached report cover pages, Exhibit "D".

Newfield Production Company requests 3,670' ROW be granted in Lease UTU-77369 and 350' of disturbed area be granted in Lease UTU-74392 to allow for construction of the planned access road. Refer to Topographic Map "B". For the planned access road a width of 60' will be needed for construction purposes with a permanent width of 30' and a running surface of 18'. The construction phase of the planned access road will last approximately (5) days. The planned access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%. There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road. There are no fences encountered along this proposed road. There will be no new gates or cattle guards required. All construction material for this access road will be borrowed material accumulated during construction of the access road.

Newfield Production Company requests a 8,730' ROW in Lease UTU-77369 and 350' of disturbed area be granted in Lease UTU-74392 to allow for construction of the proposed gas lines. It is proposed that the ROW and disturbed area will be 50' wide to allow for construction of a buried 6" gas gathering line, and a buried 3" poly fuel gas line, with a permanent width of 30' upon completion of the proposed gas lines. The construction phase of the proposed gas lines will last approximately (5) days. Both lines will tie in to the existing pipeline infrastructure. Refer to Topographic Map "C." For a ROW plan of development, please refer to the Monument Butte Field SOP.

**Water Disposal**

Immediately upon first production, all produced water will be confined to a steel storage tank. If the production water meets quality guidelines, it is transported to the Ashley, Monument Butte, Jonah, and Beluga water injection facilities by company or contract trucks. Subsequently, the produced water is injected into approved Class II wells to enhance Newfield's secondary recovery project.

Water not meeting quality criteria, is disposed at Newfield's Pariette #4 disposal well (Sec. 7, T9S R19E) or at State of Utah approved surface disposal facilities.

**Threatened, Endangered, And Other Sensitive Species**

**Ferruginous Hawk:** Due to this proposed well location's proximity (less than 0.5 mile) to an existing inactive ferruginous hawk nest site, no new construction or surface disturbing activities will be allowed between March 1 and July 31. If the nest remains inactive on May 30<sup>th</sup> (based on

a pre-construction survey by a qualified biologist), the operator may construct and drill the location after that date. If the nest site becomes active prior to May 30, no new construction or surface disturbing activities will be allowed within 0.5 mile of the nest until the nest becomes inactive for two full breeding seasons. In the event that this well becomes a producing well, it must be equipped with a multi-cylinder engine or hospital muffler to reduce noise levels.

**Golden Eagle:** Due to this proposed well access roads proximity (less than 0.5 mile) to an existing inactive golden eagle nest site, no new construction or surface disturbing activities will be allowed between March 1 and May 15. If the nest remains inactive on May 15th (based on a pre-construction survey by a qualified biologist), the operator may construct and drill the location between May 15 and March 1 of the following year. If the nest site becomes active prior to May 15, no new construction or surface disturbing activities will be allowed within 0.5 mile of the nest until the nest becomes inactive for two full breeding seasons. In the event that this well becomes a producing well, it must be equipped with a multi-cylinder engine or hospital muffler to reduce noise levels.

**Burrowing Owl:** Due to the proximity of the location to active prairie dog towns, there is the potential to encounter nesting burrowing owls between April 1 and August 15. If new construction or surface disturbing activities are scheduled between April 1 and August 15, pre-construction surveys will be conducted to detect the presence of nesting burrowing owls within 0.5 mile of any new construction or surface disturbing activity (see Vernal BLM Field Office Protocol). No new construction or surface disturbing activities will be allowed between April 1 and August 15 within a 0.5 mile radius of any active burrowing owl nest.

**Reserve Pit Liner**

A 12 mil liner with felt is required. Please refer to the Monument Butte Field SOP.

**Location and Reserve Pit Reclamation**

Please refer to the Monument Butte Field SOP.

The following seed mixture will be used on the topsoil stockpile, to the recontoured surface of the reserve pit, and for final reclamation: (All poundages are in pure live seed)

Western Wheatgrass	<i>Pascopyrum Smithii</i>	6 lbs/acre
Galletta Grass	<i>Hilaria Jamesii</i>	6 lbs/acre

**Details of the On-Site Inspection**

The proposed Federal #16-24-9-16 was on-sited on 3/22/06. The following were present; Shon Mckinnon (Newfield Production), Nate West (Bureau of Land Management), and Brandon McDonald (Bureau of Landmanagement). Weather conditions were clear and ground cover was 100% open.

13. **LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION**

Representative

Name: Shon Mckinnon  
Address: Route #3 Box 3630  
Myton, UT 84052  
Telephone: (435) 646-3721

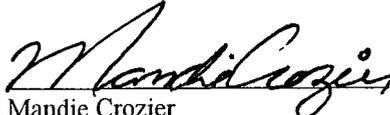
Certification

Please be advised that NEWFIELD PRODUCTION COMPANY is considered to be the operator of well #16-24-9-16 SE/SE Section 24, Township 9S, Range 16E: Lease UTU-74392 Duchesne County, Utah: and is responsible under the terms and conditions of the lease for the

operations conducted upon the leased lands. Bond coverage is provided by US Specialty Insurance #B001832.

I hereby certify that the proposed drillsite and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Newfield Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

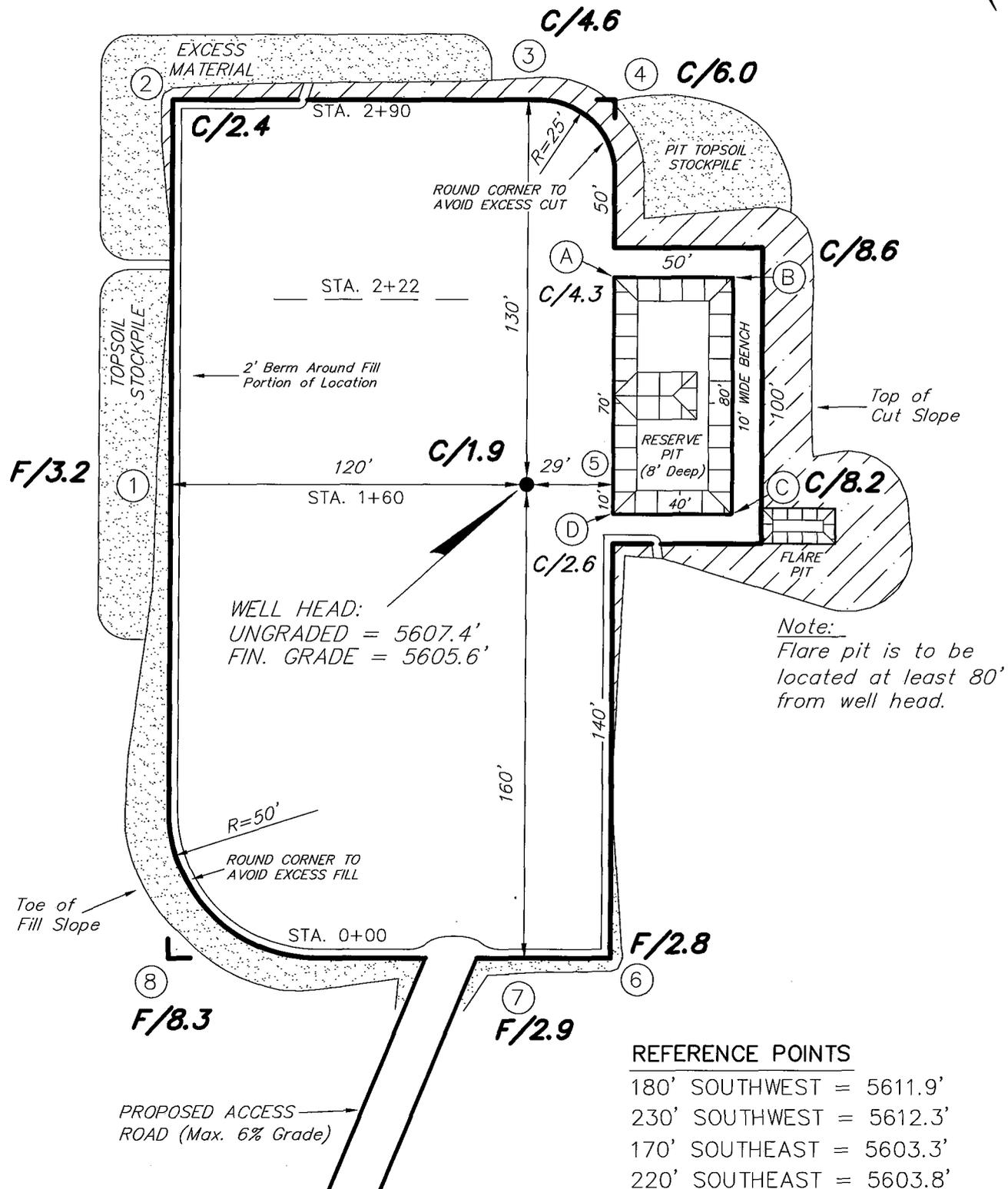
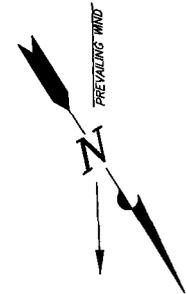
\_\_\_\_\_  
9/15/06  
Date

  
Mandie Crozier  
Regulatory Specialist  
Newfield Production Company

# NEWFIELD PRODUCTION COMPANY

## CASTLE PEAK 16-24-9-16

Section 24, T9S, R16E, S.L.B.&M.



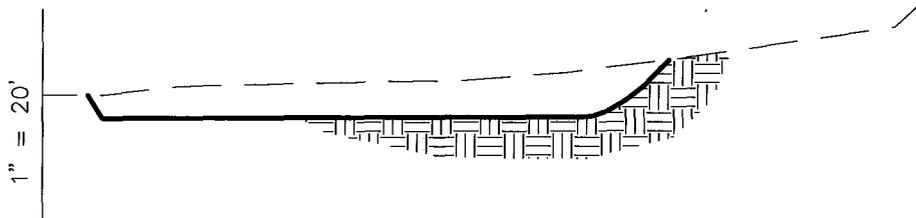
SURVEYED BY: D.P.	SCALE: 1" = 50'
DRAWN BY: F.T.M.	DATE: 06-27-06

**Tri State** (435) 781-2501  
 Land Surveying, Inc.  
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

# NEWFIELD PRODUCTION COMPANY

## CROSS SECTIONS

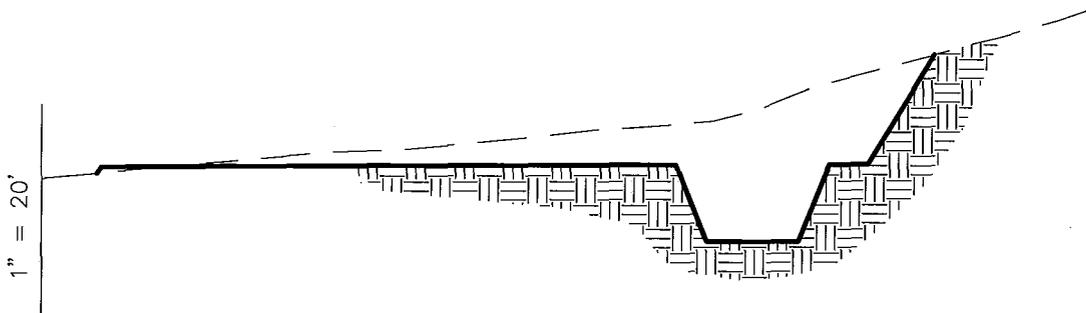
### CASTLE PEAK 16-24-9-16



1" = 20'

1" = 50'

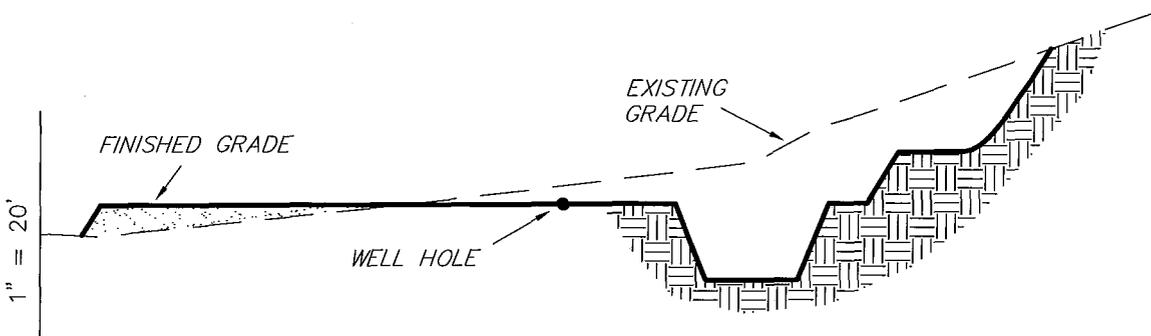
STA. 2+90



1" = 20'

1" = 50'

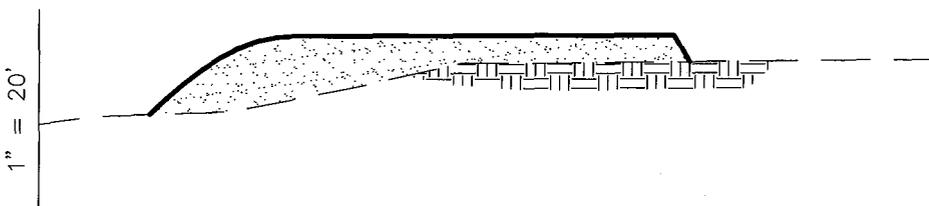
STA. 2+22



1" = 20'

1" = 50'

STA. 1+60



1" = 20'

1" = 50'

STA. 0+00

NOTE:  
UNLESS OTHERWISE NOTED  
ALL CUT/FILL SLOPES ARE  
AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES  
(No Shrink or swell adjustments have been used)  
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	3,270	3,270	Topsoil is not included in Pad Cut	0
PIT	640	0		640
TOTALS	3,910	3,270	1,060	640

SURVEYED BY: D.P.

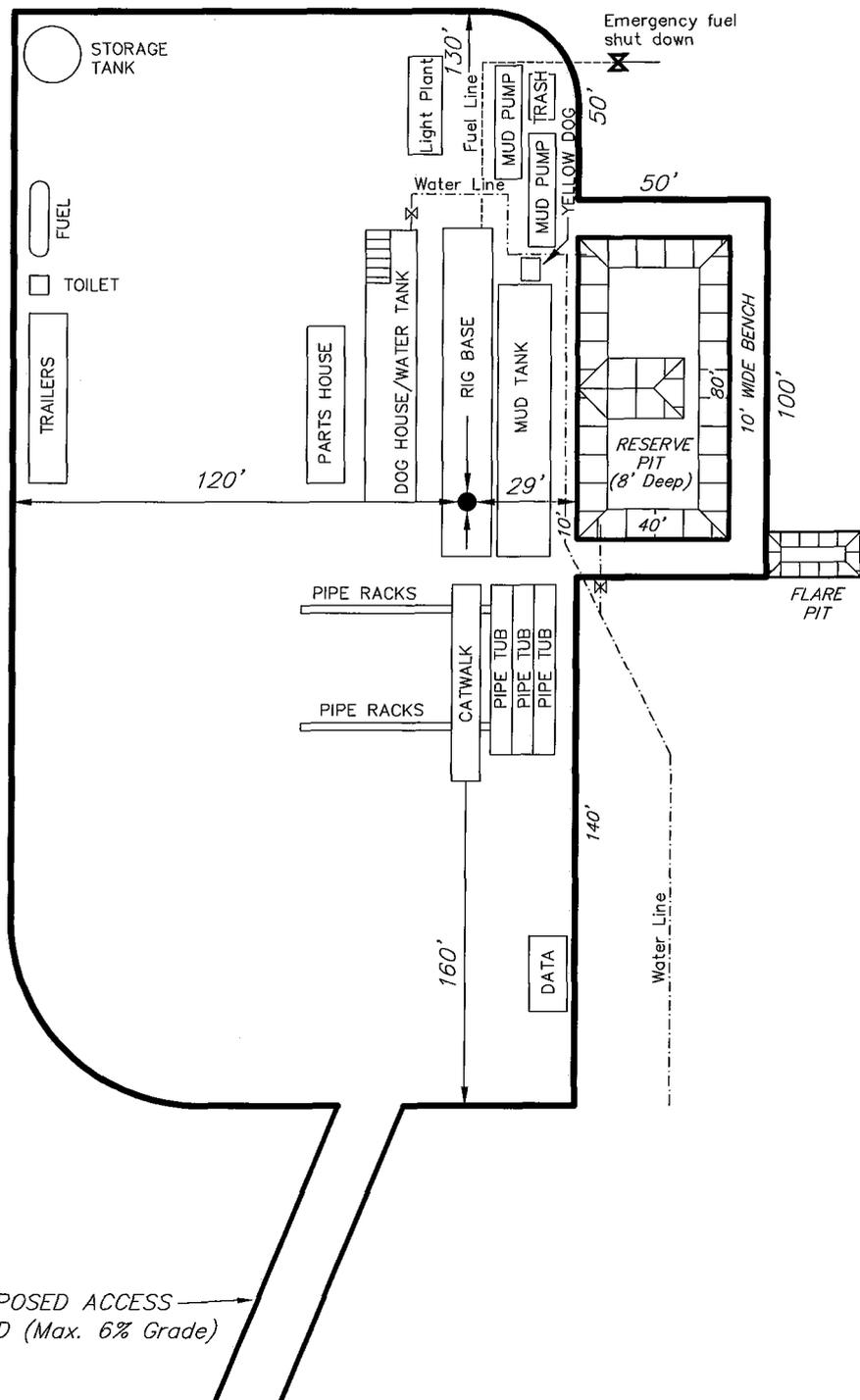
SCALE: 1" = 50'

DRAWN BY: F.T.M.

DATE: 06-27-06

**Tri State** (435) 781-2501  
Land Surveying, Inc.  
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

**NEWFIELD PRODUCTION COMPANY**  
**TYPICAL RIG LAYOUT**  
**CASTLE PEAK 16-24-9-16**



PROPOSED ACCESS ROAD (Max. 6% Grade)

SURVEYED BY: D.P.	SCALE: 1" = 50'	<b>Tri State</b> Land Surveying, Inc. 180 NORTH VERNAL AVE. VERNAL, UTAH 84078 (435) 781-2501
DRAWN BY: F.T.M.	DATE: 06-27-06	

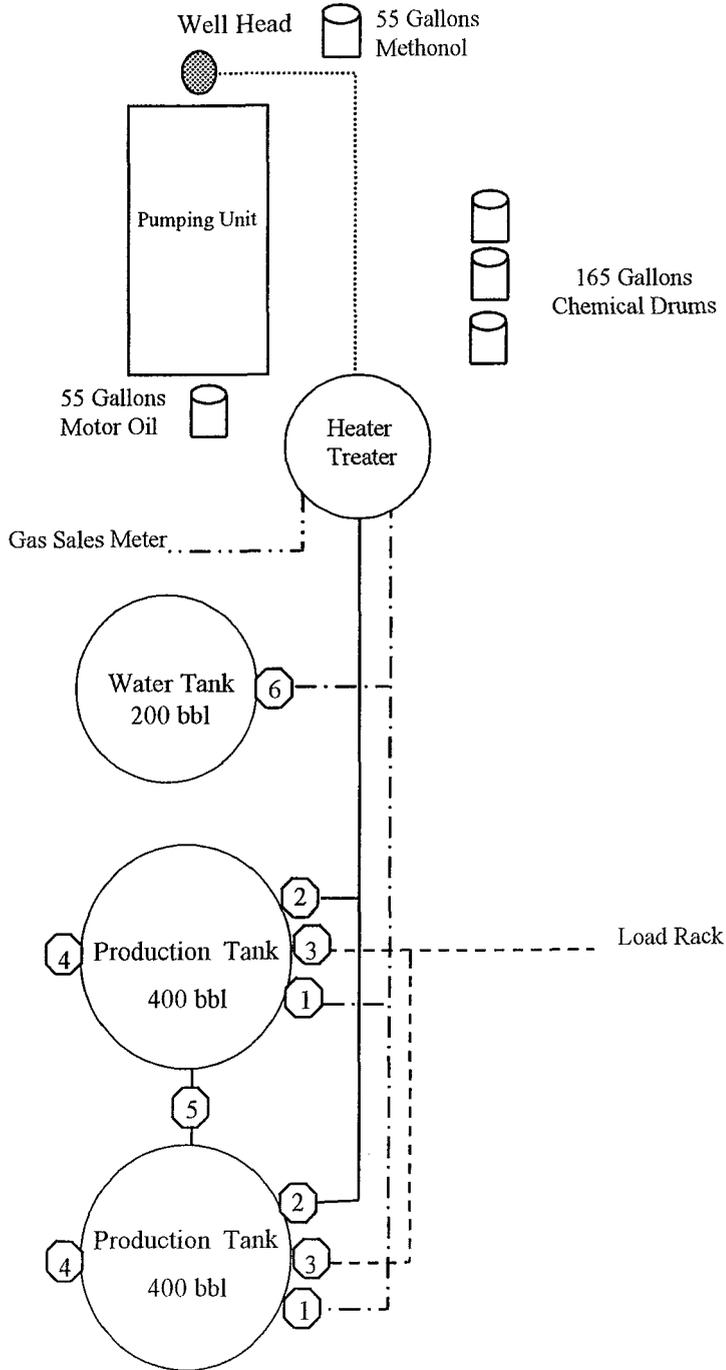
# Newfield Production Company Proposed Site Facility Diagram

Federal 16-24-9-16

SE/SE Sec. 24, T9S, R16E

Duchesne County, Utah

UTU-74392



### Legend

<b>Emulsion Line</b>	.....
<b>Load Rack</b>	-----
<b>Water Line</b>	-.-.-.-.
<b>Gas Sales</b>	.....
<b>Oil Line</b>	_____

### Production Phase:

- 1) Valves 1, 3, and 4 sealed closed
- 2) Valves 2, 5, and 6 sealed open

### Sales Phase:

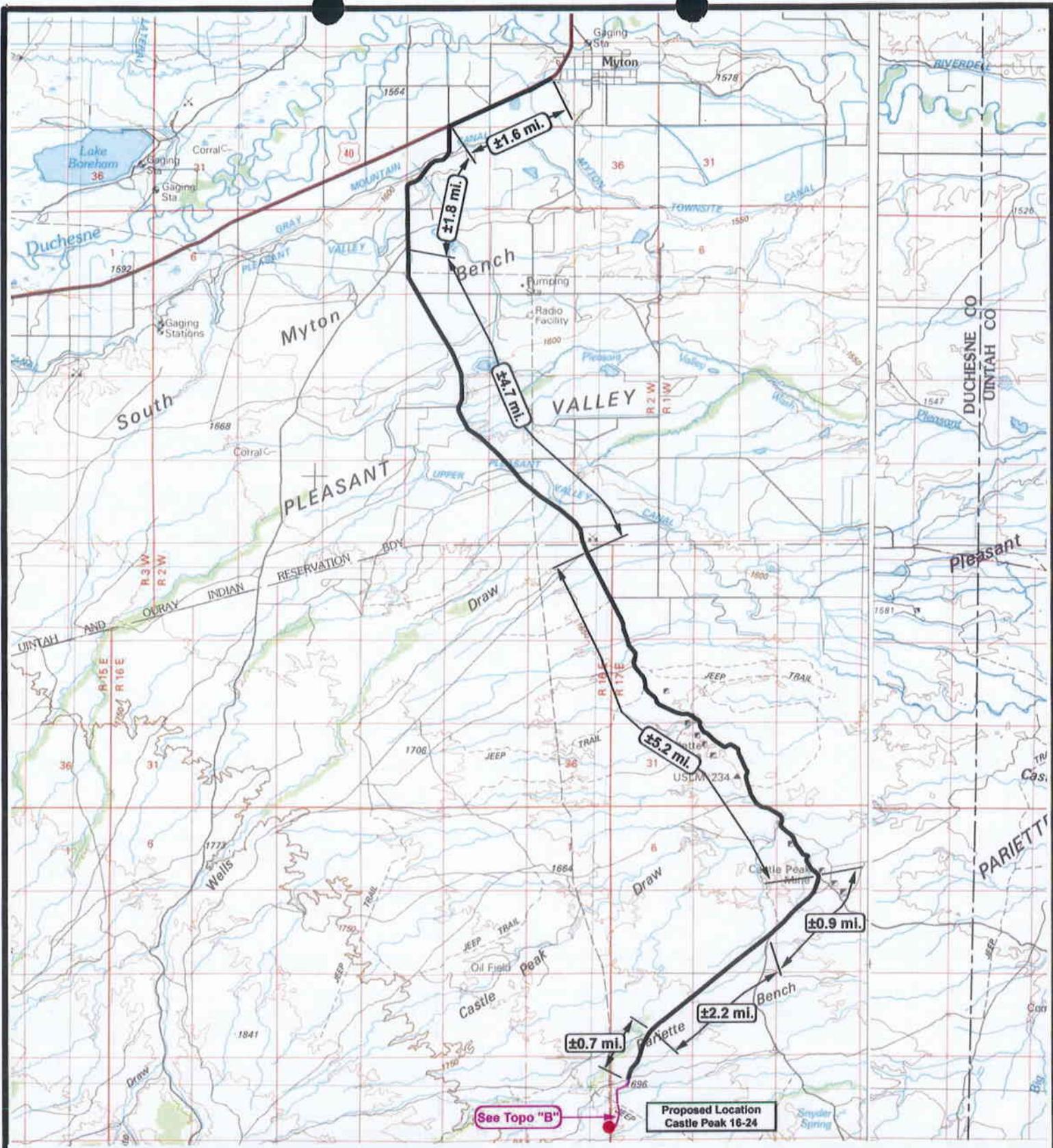
- 1) Valves 1, 2, 4, 5, and 6 sealed closed
- 2) Valve 3 open

### Draining Phase:

- 1) Valves 1 and 6 open

Diked Section





**NEWFIELD**  
Exploration Company

**Castle Peak 16-24-9-16**  
**SEC. 24, T9S, R16E, S.L.B.&M.**



**Tri-State**  
Land Surveying Inc.  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

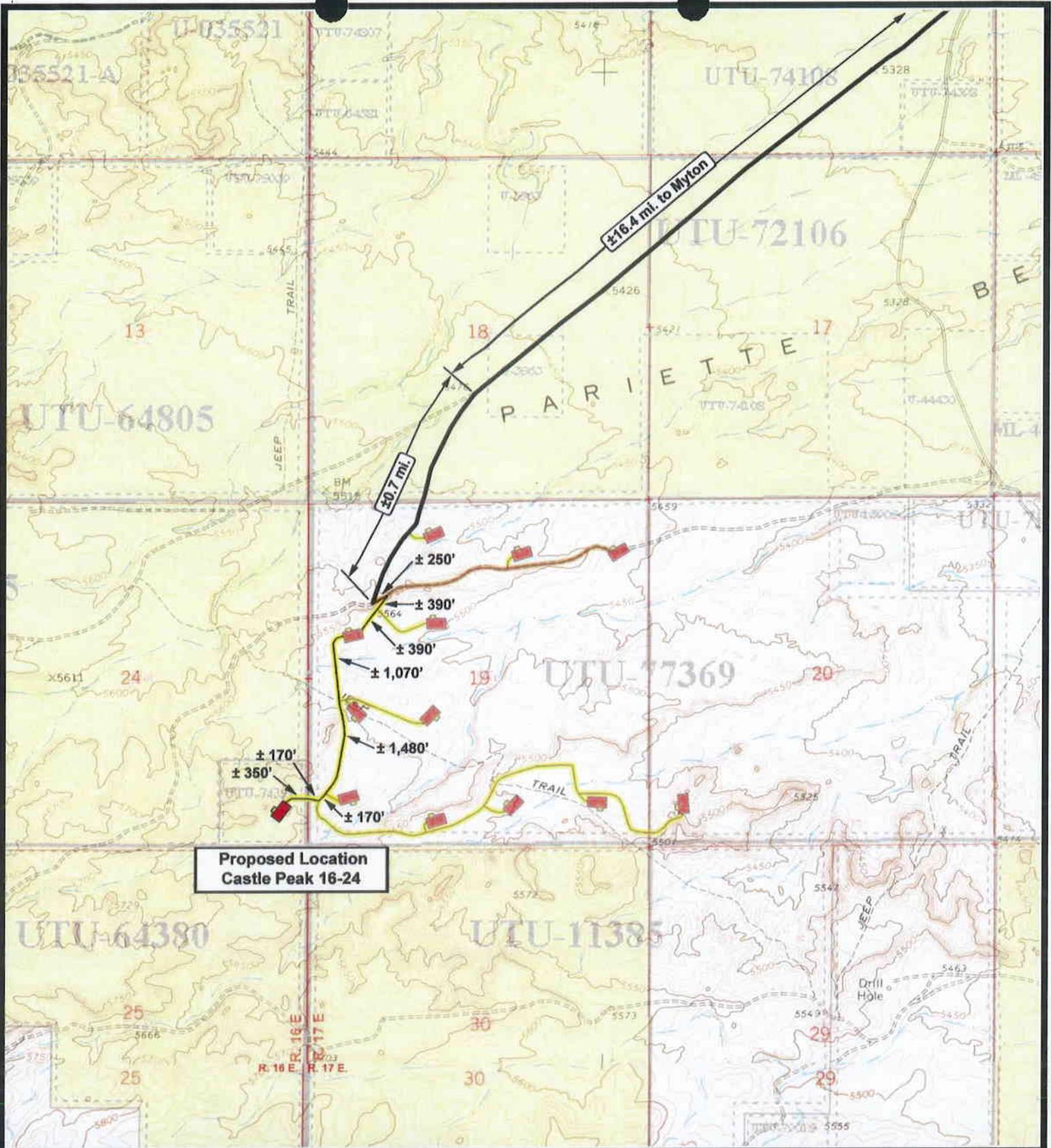
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DRAWN BY: mw  
DATE: 06-30-2006

**Legend**

- Existing Road
- Proposed Access

**TOPOGRAPHIC MAP**

**"A"**



**Proposed Location  
Castle Peak 16-24**

**NEWFIELD**  
Exploration Company

**Castle Peak 16-24-9-16  
SEC. 24, T9S, R16E, S.L.B.&M.**



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Land Surveying Inc.*  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

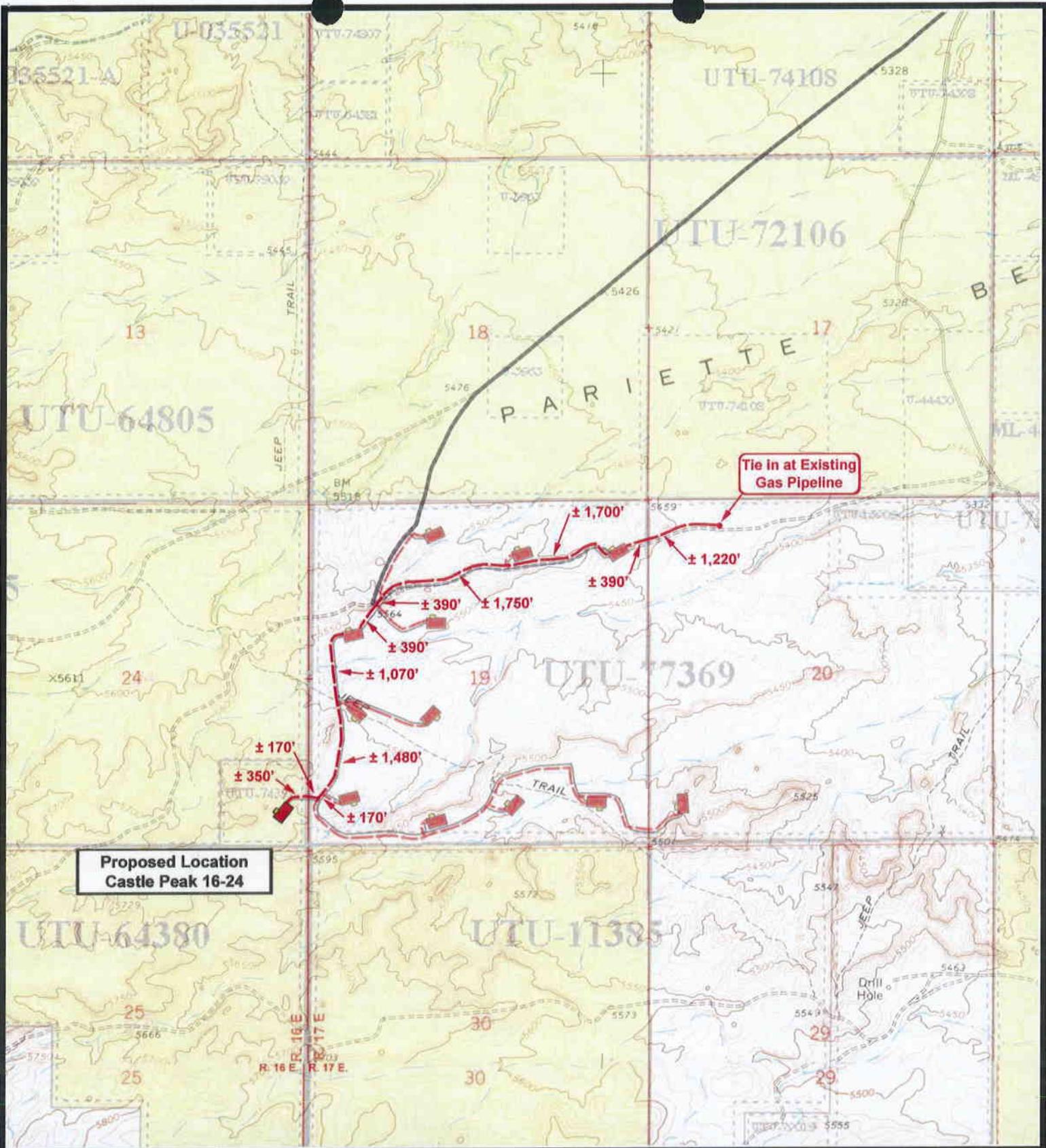
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DRAWN BY: mw  
DATE: 06-30-2006

**Legend**

- Existing Road
- Proposed Access
- Existing Two-Track

TOPOGRAPHIC MAP

**"B"**



**NEWFIELD**  
Exploration Company

**Castle Peak 16-24-9-16**  
**SEC. 24, T9S, R16E, S.L.B.&M.**



**Tri-State**  
*Land Surveying Inc.*  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

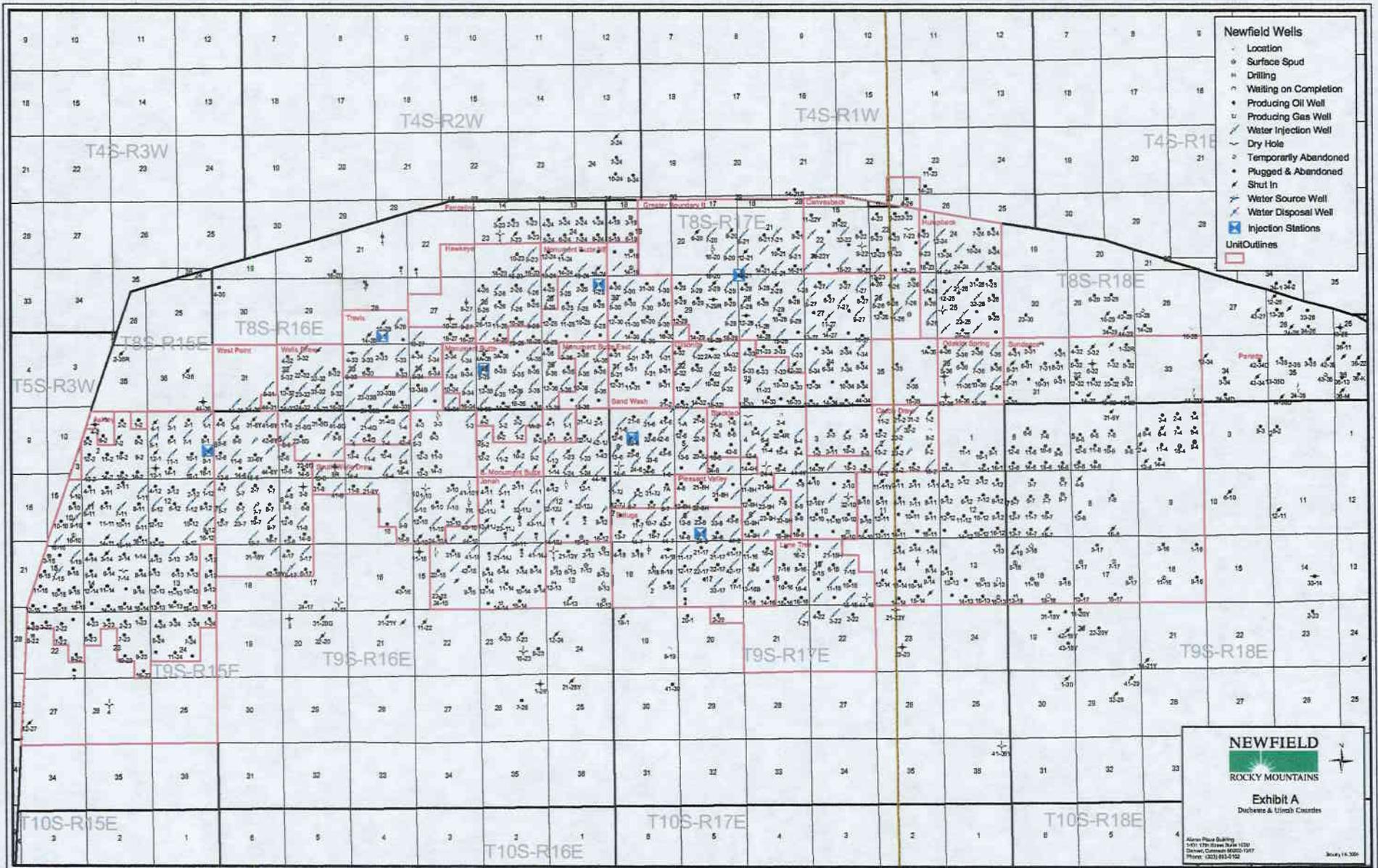
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**DATE:** 06-30-2006

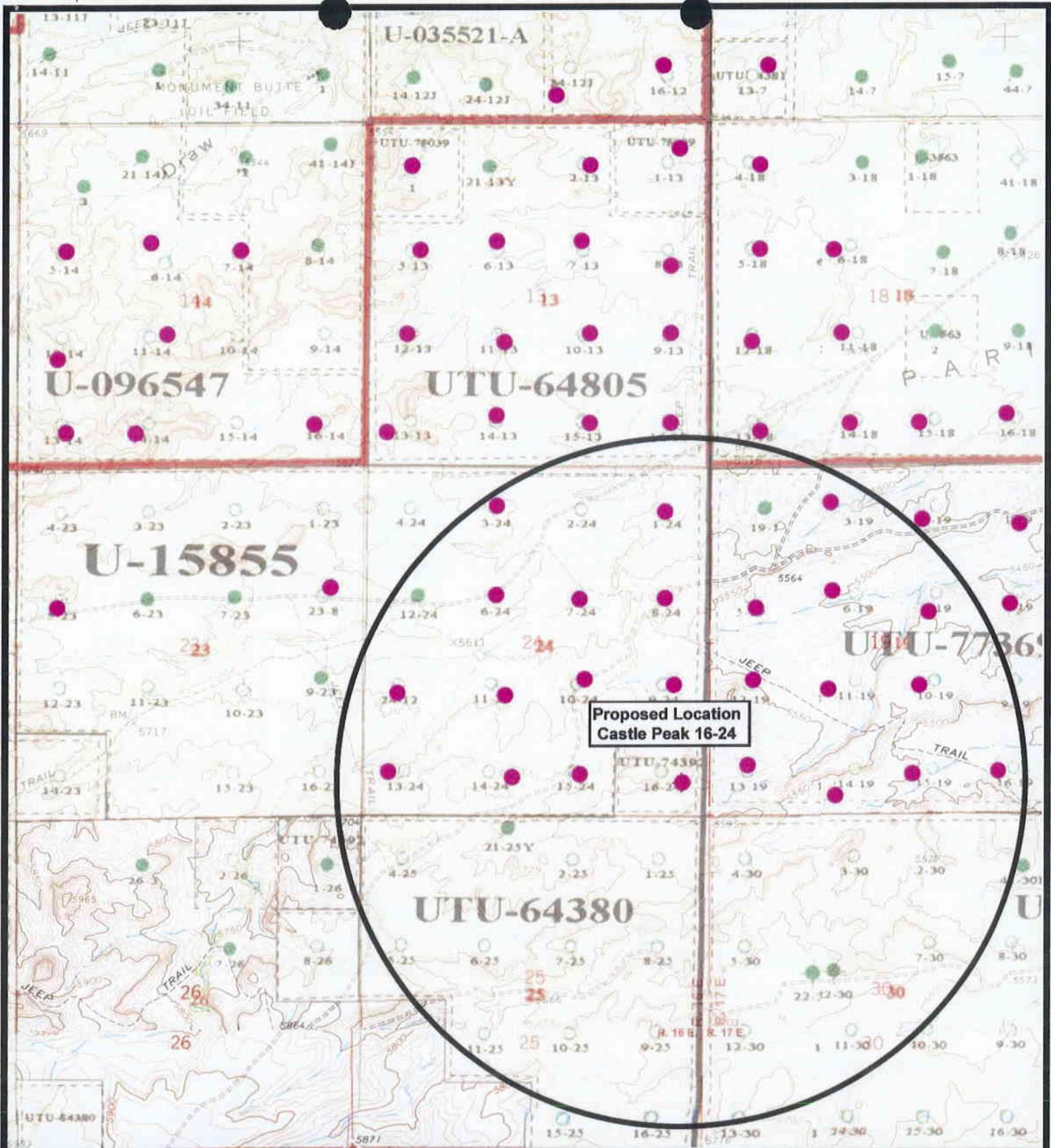
**Legend**

- Roads
- Proposed Gas Line

**TOPOGRAPHIC MAP**

**"C"**





Proposed Location  
Castle Peak 16-24



**NEWFIELD**  
Exploration Company



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Land Surveying Inc.  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'  
DRAWN BY: mw  
DATE: 06-30-2006

**Legend**

- Location
- One-Mile Radius

**Castle Peak 16-24-9-16**  
**SEC. 24, T9S, R16E, S.L.B.&M.**

**Exhibit "B"**

# 2-M SYSTEM

Blowout Prevention Equipment Systems

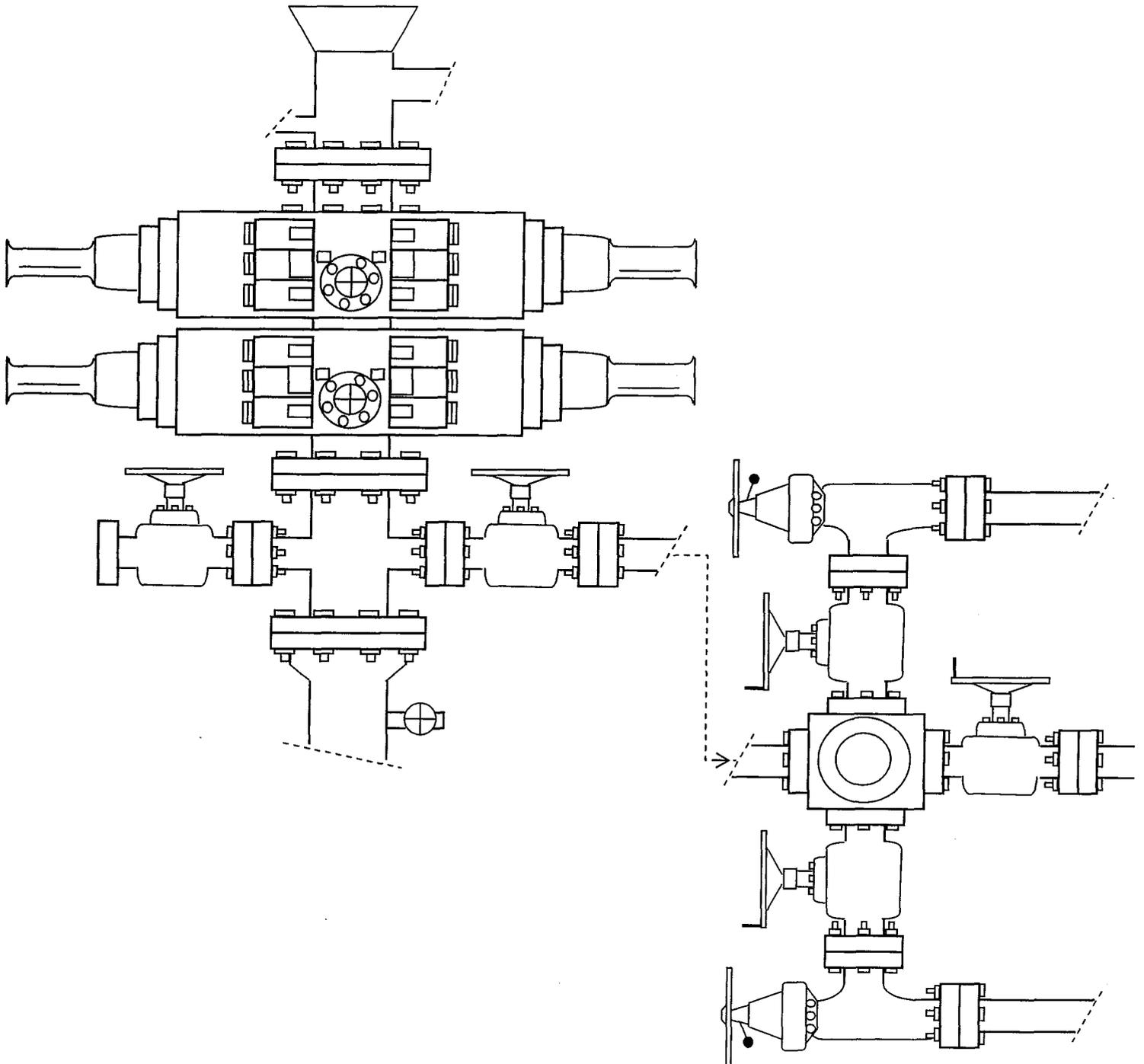


EXHIBIT C

Exhibit "D"

1 of 2

CULTURAL RESOURCE INVENTORY OF  
NEWFIELD EXPLORATION'S BLOCK PARCEL  
IN TOWNSHIP 9S, RANGE 16E, SECTION 23 and 24,  
DUCHESNE COUNTY, UTAH

By:

Andre' Jendresen  
and  
Keith Montgomery

Prepared For:

Bureau of Land Management Vernal Field Office

Prepared Under Contract With:

Newfield Exploration Company  
Rt. 3 Box 3630  
Myton, UT 84052

Submitted By:

Keith R. Montgomery  
Montgomery Archaeological Consultants, Inc.  
P.O. Box 147  
Moab, Utah 84532

MOAC Report No. 05-270

September 7, 2005

United States Department of Interior (FLPMA)  
Permit No. 05-UT-60122

State of Utah Antiquities Project (Survey)  
Permit No. U-05-MQ-0831b

**NEWFIELD PRODUCTION COMPANY**

**PALEONTOLOGICAL FIELD SURVEY OF PROPOSED  
PRODUCTION DEVELOPMENT AREAS,  
DUCHESNE COUNTY, UTAH**

SW 1/4, SE 1/4, and SW 1/4, Section 9 [9,11,12,13 & 14-9-9-16]; Entire Section 22 (excluding NE 1/4, NE 1/4 & NW 1/4, NW 1/4) [2,3,5 through 16-9-9-16]; Entire Section 23 (excluding SE 1/4, NW 1/4, SW 1/4, NE 1/4, NE 1/4 & NW 1/4, SE 1/4) [1 through 5, 8,11 through 16-9-9-16]; Entire Section 24 (excluding SW 1/4, NW 1/4) [1 through 4, 6 through 16-9-9-16] all in Township 9 South, Range 16 East

**REPORT OF SURVEY**

Prepared for:

**Newfield Production Company**

Prepared by:

Wade E. Miller  
Consulting Paleontologist  
September 28, 2005

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/20/2006

API NO. ASSIGNED: 43-013-33345

WELL NAME: FEDERAL 16-24-9-16  
 OPERATOR: NEWFIELD PRODUCTION ( N2695 )  
 CONTACT: MANDIE CROZIER

PHONE NUMBER: 435-646-3721

PROPOSED LOCATION:

SESE 24 090S 160E  
 SURFACE: 0579 FSL 0466 FEL  
 BOTTOM: 0579 FSL 0466 FEL  
 COUNTY: DUCHESNE  
 LATITUDE: 40.01073 LONGITUDE: -110.0593  
 UTM SURF EASTINGS: 580290 NORTHINGS: 4429162  
 FIELD NAME: MONUMENT BUTTE ( 105 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-74392  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: GRRV  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UTB000192 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

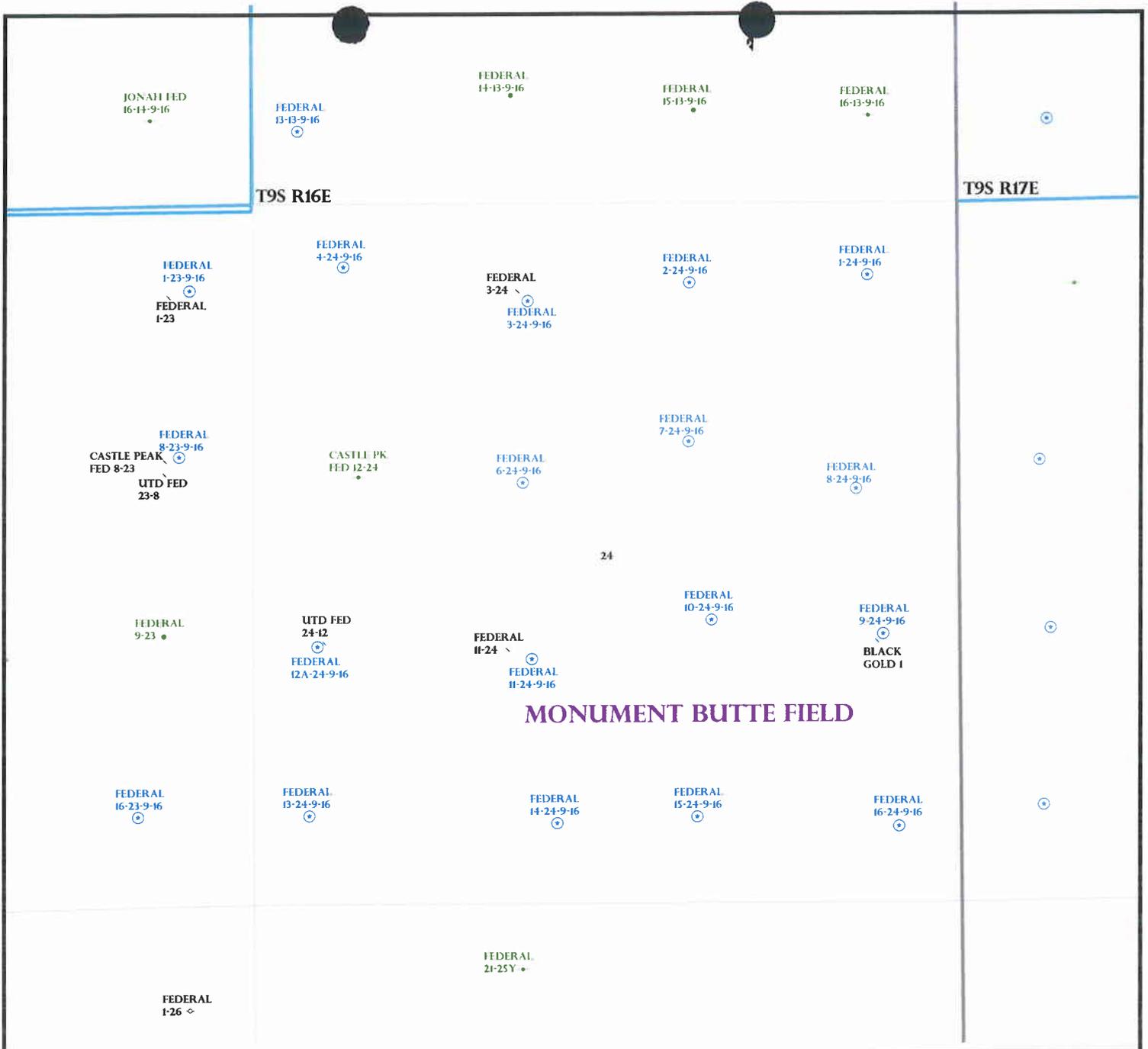
- R649-2-3.
- Unit: \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS:

See Separate file

STIPULATIONS:

1- Federal Approval  
2- Spacing Strip



OPERATOR: NEWFIELD PROD CO (N2695)

SEC: 24 T.9S R.16E

FIELD: MONUMENT BUTTE (105)

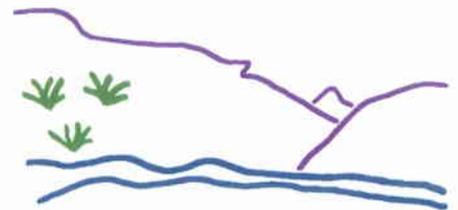
COUNTY: DUCHESNE

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: 21-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

Newfield Production Company  
Rt. #3, Box 3630  
Myton, UT 84052

Re: Federal 16-24-9-16 Well, 579' FSL, 466' FEL, SE SE, Sec. 24, T. 9 South,  
R. 16 East, 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 43-013-33345.

Sincerely,

*for* Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: Newfield Production Company  
Well Name & Number Federal 16-24-9-16  
API Number: 43-013-33345  
Lease: UTU-74392

Location: SE SE                      Sec. 24                      T. 9 South                      R. 16 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

RECEIVED

SEP 20 2006

BLM VERNAL, UTAH

Form 3160-3  
(September 2001)

FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

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. UTU-15855
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Newfield Production Company		7. If Unit or CA Agreement, Name and No. N/A
3a. Address Route #3 Box 3630, Myton UT 84052	3b. Phone No. (include area code) (435) 646-3721	8. Lease Name and Well No. Federal 15-24-9-16
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SW/SE 660' FSL 1980' FEL At proposed prod. zone		9. API Well No. 43-013-33345
14. Distance in miles and direction from nearest town or post office* Approximately 17.7 miles southwest of Myton, Utah		10. Field and Pool, or Exploratory Monument Butte
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 660' f/lease, NA' f/unit	16. No. of Acres in lease 1200.00	11. Sec., T., R., M., or Blk. and Survey or Area SW/SE Sec. 24, T9S R16E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 1058'	17. Spacing Unit dedicated to this well 40 Acres	12. County or Parish Duchesne
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5692' GL	19. Proposed Depth 5835'	13. State UT
22. Approximate date work will start* 1st Quarter 2007		20. BLM/BIA Bond No. on file UTB000192
23. Estimated duration Approximately seven (7) days from spud to rig release		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) Mandie Crozier	Date 9/15/06
Title Regulatory Specialist		
Approved by (Signature) 	Name (Printed/Typed) Tracy Kenner	Date 5-9-2007
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the 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 reverse)

CONDITIONS OF APPROVAL ATTACHED  
RECEIVED

NOTICE OF APPROVAL

MAY 16 2007

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

DIV. OF OIL, GAS & MINING

07PPO0670A



**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:** Newfield Production Company  
**Well No:** Federal 15-24-9-16  
**API No:** 43-013-33345

**Location:** SESE, Sec 24, T9S, R16E  
**Lease No:** UTU-74392  
**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	435-828-7368
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	

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 two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, 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)**

### **General Surface COAs**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

### **Specific Surface COAs**

- Adhere to Executive Order 5327 of April 15, 1930, stipulations for lands in oil shale withdrawal.
- Lands in this lease have been identified as containing Ferruginous Hawk and Golden Eagle habitats. Modifications to the Surface Use Plan of Operations will be required in order to protect the Ferruginous Hawk and Golden Eagle I habitats from surface disturbing activities in accordance with Section 6 of the lease terms, Endangered Species Act, and 43 CFR 3101.1-2.
- Timing Limitations (for construction and drilling) – **March 1 through July 15** – in order to protect Ferruginous Hawk nesting season, and – **February 1 through July 15** – to protect Golden Eagle habitat.
- This well is being approved in accordance with Washington Instruction Memorandum 2005-247 and Section 390 (Category 3) of the Energy Policy Act which establishes statutory categorical exclusions (CX) under the National Environmental Policy Act (NEPA). Category 3 states that an oil or gas well can be drilled within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved within five (5) years prior to the date of spudding the well. This well is covered under the *Final Environmental Impact Statement and Record of Decision Castle Peak and Eightmile Flat Oil and Gas Exploration Project Newfield Rocky Mountains Inc.*, signed August 24, 2005. If the well has not been spudded by August 24, 2010, a new environmental document will have to be prepared prior to the approval of the APD.
- All applicable local, state, and/or federal laws, regulations, and/or statutes will be complied with.
- Right of way (ROW) will be required for:
  - 1020 feet by 50 feet width in Lease UTU-77369 for water lines
- All traffic related to this action will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment.

If such equipment creates ruts in excess of three inches deep, the soil shall be deemed too wet to adequately support construction equipment.

- The access road will be crowned and ditched. Flat-bladed roads are not allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. will be needed to control the erosion.
- Low-water crossings will be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Pipelines will be buried at all major drainage crossings.
- Prevent fill and stock piles from entering drainages.
- The reserve pit will be lined with a 12 ml or greater liner and felt prior to spudding.
- The liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.
- When the reserve pit contains fluids or toxic substances, the operator must ensure animals do not ingest or become entrapped in pit fluids.
- If paleontologic or cultural materials are uncovered during construction, the operator shall immediately stop work that might further disturb or move such materials and contact the Authorized Officer (AO) within 48 hours. A determination will be made by the AO as to necessary mitigation for the discovered paleontologic/cultural material.
- If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- The following seed mix (PLS formula) will be used for interim reclamation:

Western Wheatgrass	<i>Pascopyrum smithii</i>	6 lbs/acre
Galleta Grass	<i>Hilaria jamesii</i>	6 lbs/acre

  - Rates are set for drill seeding; double the rate if broadcasting.
  - Reseeding may be required if initial seeding is not successful.
- The operator will be responsible for treatment and control of invasive and noxious weeds.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural topology, topsoil shall be respread, and the entire location shall be seeded with a seed mix recommended by the AO (preferably of native origin). Seed application will follow all guidelines in the interim seed mix bullet statement above. If reclamation seeding shall take place using the broadcast method, the seed at a minimum will be walked into the soil with a dozer immediately after the seeding is completed.

- The authorized officer may prohibit surface disturbing activities during severe winter conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- The authorized officer may prohibit surface disturbing activities during wet or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- All well facilities not regulated by OSHA will be painted Carlsbad Canyon.
- All boulders with a length or diameter greater than 3 feet, that are found showing at the surface, will be stockpiled for use during final reclamation.
- Notify the Authorized Officer 48 hours prior to surface disturbing activities

## **DOWNHOLE CONDITIONS OF APPROVAL**

### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

- Production casing cement shall be brought up and into the surface.

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

### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- 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 operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to 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.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- 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.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all 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.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## **OPERATING REQUIREMENT REMINDERS:**

- 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.
- 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.
- 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 the BLM Vernal Field Office.
- 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, shall 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.
- 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.

- 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.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal 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. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- 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.
- 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 and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- 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.
- 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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry a different reservoir.  
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.

UTU-74392

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

FEDERAL 16-24-9-16

9. API Well No.

43-013-33345

10. Field and Pool, or Exploratory Area

MONUMENT BUTTE

11. County or Parish, State

DUCHESNE COUNTY, UT.

*SUBMIT IN TRIPLICATE*

1. Type of Well

Oil Well     Gas Well     Other

**RECEIVED**  
OCT 09 2007  
DIV. OF OIL, GAS & MINING

2. Name of Operator

NEWFIELD PRODUCTION COMPANY

3. Address and Telephone No.

Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)

579 FSL 466 FEL SE/SE Section 24, T9S R16E

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent  
 Subsequent Report  
 Final Abandonment Notice

Abandonment  
 Recompletion  
 Plugging Back  
 Casing Repair  
 Altering Casing  
 Other Permit Extension

Change of Plans  
 New Construction  
 Non-Routine Fracturing  
 Water Shut-Off  
 Conversion to Injection  
 Dispose Water

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

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

Newfield Production Company requests to extend the Permit to Drill this well for one year. The original approval date was 9/21/06 (expiration 9/21/07).

This APD has not been approved yet by the BLM.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 10-10-07  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 10-11-07  
Initials: RM

14. I hereby certify that the foregoing is true and correct

Signed

[Signature]  
Mandie Crozier

Title

Regulatory Specialist

Date

10/4/2007

CC: UTAH DOGM

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

CC: Utah DOGM



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

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

**API:** 43-013-33345  
**Well Name:** Federal 16-24-9-16  
**Location:** SE/SE Section 24,T9S R16E  
**Company Permit Issued to:** Newfield Production Company  
**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

  
Signature

10/4/2007  
Date

Title: Regulatory Specialist

Representing: Newfield Production Company

RECEIVED

SEP 20 2006

BLM VERNAL, UTAH

FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

Form 3160-3  
(September 2001)

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. UTU-74392
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Newfield Production Company		7. If Unit or CA Agreement. Name and No. N/A
3a. Address Route #3 Box 3630, Myton UT 84052	3b. Phone No. (include area code) (435) 646-3721	8. Lease Name and Well No. Federal 16-24-9-16
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SE/SE 579' FSL 466' FEL At proposed prod. zone		9. API Well No. 43-013-33345
14. Distance in miles and direction from nearest town or post office* Approximatley 17.9 miles south of Myton, Utah		10. Field and Pool, or Exploratory Monument Butte
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 466' f/lse, NA f/unit	16. No. of Acres in lease 2080.00	11. Sec., T., R., M., or Blk. and Survey or Area SE/SE Sec. 24, T9S R16E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. NA	19. Proposed Depth 5765'	12. County or Parish Duchesne
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5607' GL	22. Approximate date work will start* 1st Quarter 2007	13. State UT
17. Spacing Unit dedicated to this well 40 Acres		
20. BLM/BIA Bond No. on file UTB000192		
23. Estimated duration Approximately seven (7) days from spud to rig release.		

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 <i>Mandi Crozier</i>	Name (Printed/Typed) Mandi Crozier	Date 9/15/06
Title Regulatory Specialist		
Approved by (Signature) <i>Joey Kewala</i>	Name (Printed/Typed) Joey Kewala	Date 10-29-2007
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the 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 reverse

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED RECEIVED

NOV 02 2007

DIV. OF OIL, GAS & MINING

07PP 0676A



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: Newfield Production Company  
Well No: Federal 16-24-9-16  
API No: 43-013-33345

Location: SESE, Sec 24, T9S, R16E  
Lease No: UTU-74392  
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	(435) 828-7368
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	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck MacDonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Jannice Cutler	(435) 781-3400	(435) 828-3544
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**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 two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, 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)**

### **General Surface COAs**

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

### **Specific Surface COAs**

- Adhere to Executive Order 5327 of April 15, 1930, stipulations for lands in oil shale withdrawal.
- Lands in this lease have been identified as containing Golden Eagle and Burrowing Owl habitat. Modifications to the Surface Use Plan of Operations will be required in order to protect Golden Eagle and Burrowing Owl habitat from surface disturbing activities in accordance with Section 6 of the lease term, Endangered Species Act, and 43 CFR 3101.1-2.
- Timing Limitations (for construction and drilling) – **February 1 through July 15** – in order to protect Golden Eagle nesting season, and – **April 1 through August 15** – to protect Burrowing Owl habitat.
- This well is being approved in accordance with Washington Instruction Memorandum 2005-247 and Section 390 (Category 3) of the Energy Policy Act which establishes statutory categorical exclusions (CX) under the National Environmental Policy Act (NEPA). Category 3 states that an oil or gas well can be drilled within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved within five (5) years prior to the date of spudding the well. This well is covered under the *Final Environmental Impact Statement and Record of Decision Castle Peak and Eightmile Flat Oil and Gas Exploration Project Newfield Rocky Mountains Inc.*, signed August 24, 2005. If the well has not been spudded by August 24, 2010, a new environmental document will have to be prepared prior to the approval of the APD.
- All applicable local, state, and/or federal laws, regulations, and/or statutes will be complied with.
- Right of way (ROW) will be required for:
  - 3670 feet by 30 feet width in Lease UTU-77369 for access roads
  - 8730 feet by 50 feet width in Lease UTU-77369 for gas pipelines
- All traffic related to this action will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such

equipment creates ruts in excess of three inches deep, the soil shall be deemed too wet to adequately support construction equipment.

- The access road will be crowned and ditched. Flat-bladed roads are not allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. will be needed to control the erosion.
- Low-water crossings will be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Pipelines will be buried at all major drainage crossings.
- Prevent fill and stock piles from entering drainages.
- The reserve pit will be lined with a 12 ml or greater liner and felt prior to spudding.
- The liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.
- When the reserve pit contains fluids or toxic substances, the operator must ensure animals do not ingest or become entrapped in pit fluids.
- If paleontologic or cultural materials are uncovered during construction, the operator shall immediately stop work that might further disturb or move such materials and contact the Authorized Officer (AO) within 48 hours. A determination will be made by the AO as to necessary mitigation for the discovered paleontologic/cultural material.
- If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- The following seed mix (PLS formula) will be used for interim reclamation:

Western Wheatgrass ( <i>Pascopyrum smithii</i> )	6 lbs/acre
Galleta Grass ( <i>Hilaria jamesii</i> )	6 lbs/acre

  - Rates are set for drill seeding; double the rate if broadcasting.
  - Reseeding may be required if initial seeding is not successful.
- The operator will be responsible for treatment and control of invasive and noxious weeds.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural topology, topsoil shall be respread, and the entire location shall be seeded with a seed mix recommended by the AO (preferably of native origin). Seed application will follow all guidelines in the interim seed mix bullet statement above. If reclamation seeding should take place using the broadcast method, the seed at a minimum will be walked into the soil with a dozer immediately after the seeding is completed.

- The authorized officer may prohibit surface disturbing activities during severe winter conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- The authorized officer may prohibit surface disturbing activities during wet or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- All well facilities not regulated by OSHA will be painted Olive Black.
- All boulders with a length or diameter greater than 3 feet, that are found showing at the surface, will be stockpiled for use during final reclamation.
- Notify the Authorized Officer 48 hours prior to surface disturbing activities.

## **DOWNHOLE CONDITIONS OF APPROVAL**

### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

- Production casing cement shall be brought up and into the surface.

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

### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- 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 operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to 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.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- 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.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all 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.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## **OPERATING REQUIREMENT REMINDERS:**

- 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.
- 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.
- 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 the BLM Vernal Field Office.
- 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, shall 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.
- 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.

- 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.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal 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. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- 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.
- 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 and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- 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.
- 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.

# DIVISION OF OIL, GAS AND MINING

## **SPUDDING INFORMATION**

Name of Company: NEWFIELD PRODUCTION COMPANY

Well Name: FEDERAL 16-24-9-16

Api No: 43-013-33345 Lease Type: FEDERAL

Section 24 Township 09S Range 16E County DUCHESNE

Drilling Contractor NDSI RIG # NS#1

## **SPUDDED:**

Date 03/10/08

Time 5:30 PM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by BRANDON HALL

Telephone # (435) 828-6110

Date 03/11/08 Signed CHD

STATE OF UTAH  
 DIVISION OF OIL, GAS AND MINING  
 ENTITY ACTION FORM - FORM 6

OPERATOR: NEWFIELD PRODUCTION COMPANY  
 ADDRESS: RT. 3 BOX 9630  
MYTON, UT 84052

OPERATOR ACCT. NO. N2695

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
<del>B</del> A	99999	14844	4304734940	FEDERAL 8-1-9-17	NESE	1	9	17	UINTAH	3/3/2008	3/17/08
WELL 1 COMMENTS: <i>GRRV</i> <i>SENE</i>											
A	99999	16741	4301333345	FEDERAL 16-24-9-16	NWSE	16	9	16	DUCHESNE	3/10/2008	3/17/08
<i>GRRV</i> <i>SESE 24</i>											
<del>B</del> A	99999	12275	4301333785	CASTLE DRAW STATE Q-2-9-17	SWSW	2	9	17	DUCHESNE	3/8/2008	3/17/08
<i>GRRV</i> <i>BHL = SWSW</i>											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES: (See instructions on back of form)  
 A - new entity for new well (single well only)  
 B - well to existing entity (group or individual well)  
 C - from one existing entity to another existing entity  
 D - well from one existing entity to a new entity  
 E - that (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

RECEIVED  
 MAR 12 2008  
 DIV. OF OIL, GAS & MINING

*Tammi Lee*  
 Signature

Tammi Lee

Production Clerk

03/12/08

Date

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

5. LEASE DESIGNATION AND SERIAL NUMBER:  
 UTU-74392

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER

8. WELL NAME and NUMBER:  
 FEDERAL 16-24-9-16

2. NAME OF OPERATOR:  
 NEWFIELD PRODUCTION COMPANY

9. API NUMBER:  
 4301333345

3. ADDRESS OF OPERATOR: Route 3 Box 3630 CITY Myton STATE UT ZIP 84052 PHONE NUMBER 435.646.3721

10. FIELD AND POOL, OR WILDCAT:  
 MONUMENT BUTTE

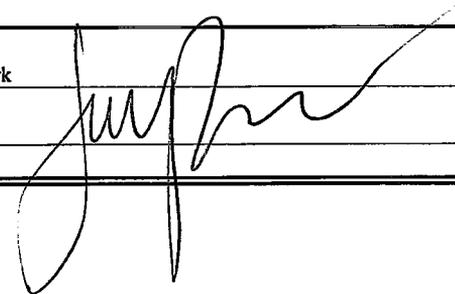
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 579 FSL 466 FEL COUNTY: DUCHESNE

OTR/OTR. SECTION. TOWNSHIP. RANGE. MERIDIAN: SESE, 24, T9S, R16E STATE: UT

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will _____	<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"/> TEMPORARITLY 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 FLAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of Work Completion: 05/13/2008	<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/STOP)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: - Weekly Status Report
	<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.  
 The above subject well was completed on 04/23/08, attached is a daily completion status report.

NAME (PLEASE PRINT) Jentri Park TITLE Production Clerk  
 SIGNATURE  DATE 05/13/2008

(This space for State use only)

**RECEIVED**  
**MAY 15 2008**  
 DIV. OF OIL, GAS & MINING

## Daily Activity Report

Format For Sundry  
**FEDERAL 16-24-9-16**  
 2/1/2008 To 6/30/2008

**4/8/2008 Day: 1**

**Completion**

Rigless on 4/7/2008 - Install 5M frac head. NU 6" 5M Cameron BOP. RU H/O truck & pressure test casing, blind rams, frac head & casing valves to 4500 psi. RU Perforators LLC WLT w/ mast & run CBL under pressure. WLTD @ 5592' & cement top @ 320'. Perforate stage #1. CP1 sds @ 5191- 5200' w/ 3 1/8" slick guns (19 gram, .49" HE, 120°, 21.92" pen, EXP-3319-331 Titan) w/ 4 spf for total of 36 shots. 134 BWTR. SIFN.

**4/16/2008 Day: 2**

**Completion**

Rigless on 4/15/2008 - RU BJ Services "Ram Head" frac flange. RU BJ & frac CP1, stage #1 sds down casing w/ 29,682#'s of 20/40 sand in 400 bbls of Lightning 17 frac fluid. Open well w/ 0 psi on casing. Perfs broke down @ 2706 psi. Pump 30 gals of Techna Hib chemical. Treated @ ave pressure of 2195 @ ave rate of 23.3 bpm w/ 6.5 ppg of sand. Spot 12 bbls of 15% HCL acid in flush for next stage. ISIP was 2600. 534 bbls EWTR. Leave pressure on well. RU Perforators LLC. WLT, crane & lubricator. RIH w/ Weatherford 5-1/2" (6K) composite flow through frac plug & 10' perf gun. Set plug @ 4895'. Perforate A1 sds @ 4777-87' w/ 3-1/8" Slick Guns (19 gram, .49" HE, 120°) w/ 4 spf for total of 40 shots. RU BJ & frac stage #2 w/ 54,889#'s of 20/40 sand in 492 bbls of Lightning 17 frac fluid. Open well w/ 1485 psi on casing. Perfs broke down @ 2925 psi. Pump 30 gals of Techna Hib chemical. Treated @ ave pressure of 1930 @ ave rate of 23.4 bpm w/ 8 ppg of sand. Spot 12 bbls of 15% HCL acid in flush for next stage. ISIP was 2058. 1026 bbls EWTR. Leave pressure on well. RU WLT. RIH w/ frac plug & 24' perf gun. Set plug @ 4628'. Perforate C sds @ 4506-30' w/ 4 spf for total of 96 shots. RU BJ & frac stage #3 w/ 109,721#'s of 20/40 sand in 801 bbls of Lightning 17 frac fluid. Open well w/ 1480 psi on casing. Perfs broke down @ 2419 psi. Pump 30 gals of Techna Hib chemical. Treated @ ave pressure of 1930 @ ave rate of 23.1 bpm w/ 8 ppg of sand. Spot 12 bbls of 15% HCL acid in flush for next stage. ISIP was 1810. 1827 bbls EWTR. Leave pressure on well. RU WLT. RIH w/ frac plug & 17' perf gun. Set plug @ 4440'. Perforate D1 sds @ 4342-59' w/ 4 spf for total of 68 shots. RU BJ & frac stage #4 w/ 56,918#'s of 20/40 sand in 516 bbls of Lightning 17 frac fluid. Open well w/ 1618 psi on casing. Perfs broke down @ 3338 psi. Pump 30 gals of Techna Hib chemical. Treated @ ave pressure of 1990 @ ave rate of 23.4 bpm w/ 8 ppg of sand. Spot 12 bbls of 15% HCL acid in flush for next stage. ISIP was 2108. 2353 bbls EWTR. RD BJ & WLT. Flow well back. Well flowed for hours & died w/ bbls rec'd. SIFN.

**4/19/2008 Day: 3**

**Completion**

Leed #712 on 4/18/2008 - MIRUSU. Open well w/ 0 psi on casing. RD Cameron BOP's & 5K frac head. Insal 3K production tbg head & Scharfer BOP's. RU 4-3/4" Chomp bit & bit sub. Tally, pick up & TIH w/ new 2-7/8", J-55, 6.5# tbg to tag sand @ 3150'. SIFN.

**4/22/2008 Day: 4**

**Completion**

Leed #712 on 4/21/2008 - Open well w/ 0 psi on casing. Continue pick up tbg & TIH to tag plug sand @ 4415'. RU swivel, pump & tanks. C/O to plug @ 4440'. Drig out plug #1. TIH w/ tbg to tag sand @ 4536'. C/O to plug @ 4628'. Drig out plug #2. TIH

w/ tbg to tag sand @ 4850'. C/O to plug @ 4895'. Drlg out plug #3. TIH w/ tbg to tag sand @ 5470'. C/O to PBTD @ 5628'. LD 2 jts tbg. RU swab. IFL was surface. Made 5 runs & rec'd 75 bbls fluid. FFL was 1500. SIFN.

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**4/23/2008 Day: 5**

**Completion**

Leed #712 on 4/22/2008 - Open well w/ 0 psi on casing. RU swab. IFL was 500'. Made 8 runs & rec'd 120 bbls fluid. FFL was 1500'. RD swab equipment. TIH w/ tbg to tag PBTD @ 5628'. Circulate well clean. TOOH w/ tbg. LD bit & bit sub. TIH w/ NC, 2 jts tbg, SN, 1 jt tbg, TA (new CDI w/ 45,000# shear), 164 jts tbg. RD BOP's. Set TA @ 5161' w/ 14,000#'s tension w/ SN @ 5195', & EOT @ 5259'. Flush tbg w/ 60 bbls water. Pick up & prime pump. TIH w/ 2-1/2" x 1-1/2" x 12' x 16' new RHAC CDI pump w/ "SL, 6- 1-1/2" weight rod, 20- 3/4" guided rods (4 per), 80- 3/4" plain rods. SIFN.

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**4/24/2008 Day: 6**

**Completion**

Leed #712 on 4/23/2008 - Open well w/ 0 psi on casing. Continue pick up & TIH w/ rods, 97- 3/4" guided, 4',4',6',8' x 3/4" pony rod, 1-1/2" x 26' polished rod. Space pump. Test tbg & pump to 800 psi. RDMOSU. Leave unit down due to surface equipment.

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**Pertinent Files: Go to File List**

(See other instructions on reverse side)

OMB NO. 1004-0137

Expires: February 28, 1995

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

UTU-74392

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

Federal

8. FARM OR LEASE NAME, WELL NO.

Federal 16-24-9-16

9. WELL NO.

43-013-33345

10. FIELD AND POOL OR WILDCAT

Monument Butte

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 24, T9S, R16E

12. COUNTY OR PARISH

Duchesne

13. STATE

UT

1a. TYPE OF WORK

OIL WELL [X] GAS WELL [ ] DRY [ ] Other [ ]

1b. TYPE OF WELL

NEW WELL [X] WORK OVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF RESVR. [ ] Other [ ]

2. NAME OF OPERATOR

Newfield Exploration Company

3. ADDRESS AND TELEPHONE NO.

1401 17th St. Suite 1000 Denver, CO 80202

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)\*

At Surface 579' FSL & 466' FEL (SE/SE) Sec. 24, T9S, R16E

At top prod. Interval reported below

At total depth

14. API NO. 43-013-33345 DATE ISSUED 09/21/07

15. DATE SPUDDED

03/10/08

16. DATE T.D. REACHED

03/26/08

17. DATE COMPL. (Ready to prod.)

04/23/08

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\*

5607' GL

19. ELEV. CASINGHEAD

5619' KB

20. TOTAL DEPTH, MD & TVD

5690'

21. PLUG BACK T.D., MD & TVD

5628'

22. IF MULTIPLE COMPL., HOW MANY\*

23. INTERVALS DRILLED BY

----->

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)\*

Green River 4342'-5200'

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Dual Induction Guard, SP, Compensated Density, Compensated Neutron, GR, Caliper, Cement Bond Log

27. WAS WELL CORED

No

23. CASING RECORD (Report all strings set in well)

Table with 6 columns: CASING SIZE/GRADE, WEIGHT, LB./FT., DEPTH SET (MD), HOLE SIZE, TOP OF CEMENT, CEMENTING RECORD, AMOUNT PULLED. Rows include 8-5/8" - J-55, 5-1/2" - J-55.

29. LINER RECORD

Table with 5 columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT\*, SCREEN (MD).

30. TUBING RECORD

Table with 3 columns: SIZE, DEPTH SET (MD), PACKER SET (MD). Values: 2-7/8", EOT @ 5259', TA @ 5161'.

31. PERFORATION RECORD (Interval, size and number)

Table with 4 columns: INTERVAL, SIZE, SPF/NUMBER. Rows include (CP1) 5191'-5200', (A1) 4777'-4787', (C) 4506'-4530', (D1) 4342'-4359'.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

Table with 2 columns: DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED. Rows include Frac w/ 29,682# 20/40 sand in 400 bbls fluid, etc.

33.\* PRODUCTION

Table with 8 columns: DATE FIRST PRODUCTION, PRODUCTION METHOD, WELL STATUS, DATE OF TEST, HOURS TESTED, CHOKER SIZE, PROD.N. FOR TEST PERIOD, OIL--BBL., GAS--MCF., WATER--BBL., GAS-OIL RATIO, FLOW. TUBING PRESS., CASING PRESSURE, CALCULATED 24-HOUR RATE, OIL--BBL., GAS--MCF., WATER--BBL., OIL GRAVITY-API (CORR.).

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold & Used for Fuel

JUN 19 2008

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

DIV. OF OIL, GAS & MINING

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Jentri Park

TITLE

Production Tech

DATE

6/13/2008

\*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	38. GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
			Well Name Federal 16-24-9-16	Garden Gulch Mkr	3349'	
				Garden Gulch 1	3558'	
				Garden Gulch 2	3668'	
				Point 3 Mkr	3905'	
				X Mkr	4174'	
				Y-Mkr	4207'	
				Douglas Creek Mkr	4325'	
				BiCarbonate Mkr	4560'	
				B Limestone Mkr	4662'	
				Castle Peak	5174'	
				Basal Carbonate	5601'	
			Total Depth (LOGGERS)	5691'		

# NEWFIELD



Well Name: Federal 16-24-9-16  
 LOCATION: S24, T9S, R16E  
 COUNTY/STATE: Duchesne  
 API: 43-013-33345

Spud Date: 3-10-08  
 TD: 5690'  
 CSG: 3-27-08  
 POP:

DATE	HRS	Oil (bbls)	Water (bbls)	Recovered Water (bbls)	Gas (mcf)	Casing Pressure (psi)	SPM	Comments
4/23/2008				1878				Waiting on final report
4/24/2008	17	0	73	1805	0	35	5	
4/25/2008	24	0	98	1707	0	35	5	
4/26/2008	24	0	120	1587	0	35	5	
4/27/2008	24	0	92	1495	0	35	5	
4/28/2008	24	7	75	1420	0	45	5	
4/29/2008	24	10	31	1389	0	35	5	
4/30/2008	24	34	40	1349	3	50	5	
5/1/2008	24	48	27	1322	3	66	5	
5/2/2008	24	58	33	1289	7	70	5	
5/3/2008	24	56	30	1259	5	75	5	
5/4/2008	24	50	36	1223	7	75	5	65 bbls from T1 to Disposal
5/5/2008	24	56	25	1198	7	75	5	
5/6/2008	24	61	50	1148	7	75	5	
5/7/2008	24	58	20	1128	77	75	5	
5/8/2008	24	51	30	1098	7	75	5	
5/9/2008	24	6	1	1097	0	20	5 1/2	
5/10/2008	24	3	17	1080	12	55	5 1/2	
5/11/2008	24	60	30	1050	12	55	5 1/2	64 bbls water from T2 to T3
5/12/2008	24	55	29	1021	9	55	5 1/2	
5/13/2008	24	51	3	1018	10	55	5 1/2	
5/14/2008	24	61	40	978	10	50	5 1/2	
5/15/2008	24	43	30	948	10	55	5 1/2	
5/16/2008	12	30	20	928	6	50	5	Bad radiator
5/17/2008	0	0	0	928	0	45	0	Down - radiator
5/18/2008	24	63	0	928	5	85	5	
5/19/2008	24	40	35	893	4	80	5	
5/20/2008				893				
5/21/2008				893				
5/22/2008				893				
5/23/2008				893				
5/24/2008				893				
		<b>901</b>	<b>985</b>		<b>201</b>			