

QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

April 4, 2007

State of Utah
Division of Oil Gas & Mining
1594 W North Temple
Salt Lake City, Utah 84114-5801

Gentlemen:

Please find enclosed the APD for the JW FEDERAL 2-27 well located in Section 25, Township 9 South Range 17 West, Uintah County, Utah. I have been informed by Sagebrush Archeological Consultants that they have submitted to your office their report for the above named well. Survey for gas delivery pipeline has been done.

Should there be any questions concerning this Application please call me at Quinex Energy's Office 801-292-2300.

Sincerely,

DeForrest Smouse
DeForrest Smouse
President

RECEIVED

APR 09 2007

DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: UTU- 80566	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>	7. IF INDIAN, ALLOTTEE OR TRIBE NAME: FEDERAL		
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>	8. UNIT or CA AGREEMENT NAME: FEDERAL		
2. NAME OF OPERATOR: QUINEX ENERGY CORPORATION	9. WELL NAME and NUMBER: JW FEDERAL 2-27		
3. ADDRESS OF OPERATOR: 465 S. 200 W. CITY BOUNTIFUL STATE UT ZIP 84010	PHONE NUMBER: (801) 292-3800	10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 656' FNL, 705' FEL, SECTION 27, T 9 S, R 17 E AT PROPOSED PRODUCING ZONE: 656' FNL, 705' FEL, SECTION 27, T 9 S, R 17 E	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 27 9S 17E		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 16 miles south of Myton, Utah	12. COUNTY: DUCHESNE	13. STATE: UTAH	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 656' south of Section 27 north line	16. NUMBER OF ACRES IN LEASE: 1800	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1300' from JSW FEDERAL 2-26	19. PROPOSED DEPTH: 5,600	20. BOND DESCRIPTION: Wells Fargo letter of credit <i>Ut 0000107</i>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): GR - 5282'	22. APPROXIMATE DATE WORK WILL START: 7/1/2007	23. ESTIMATED DURATION: 30 days	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	8 5/8" J55 24#	800	Clkass G	900 sks	15.5# 1.195
7 5/8"	5 1/2" P110 15.5#	5,600	Lite	400 sks	14.2# 1.461
			Class G	300 sks	15.5# 1.195

25. **ATTACHMENTS**

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

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

NAME (PLEASE PRINT) DeForrest Smouse TITLE President Quinex Energy
SIGNATURE *DeForrest Smouse* DATE 4/4/2007

(This space for State use only)

API NUMBER ASSIGNED 43-013-33618

(11/2001)

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

APPROVAL:

Date: 04-11-07
By: *[Signature]*

**Federal Approval of this
Action is Necessary**

RECEIVED
APR 09 2007
DIV. OF OIL, GAS & MINING

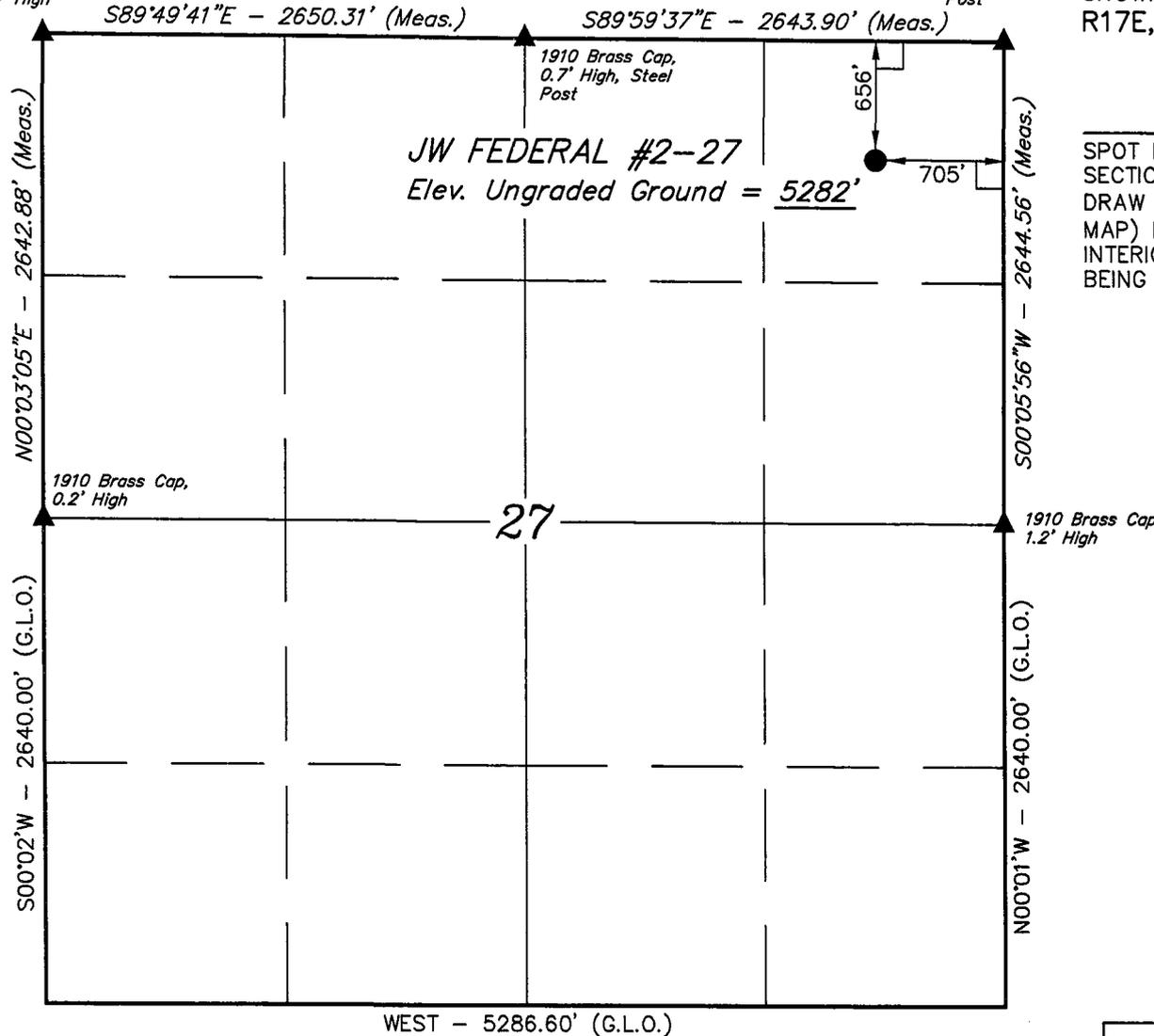
T9S, R17E, S.L.B.&M.

QUINEX ENERGY CORP.

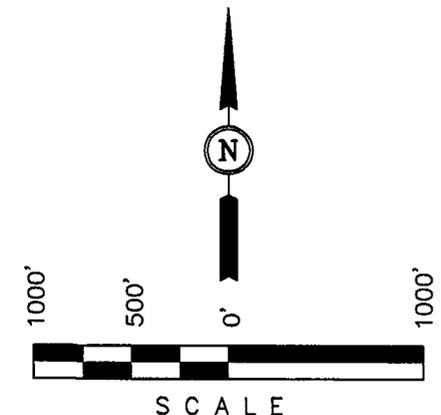
1910 Brass Cap,
1.4' High

1910 Brass Cap,
1.5' High, Steel
Post

Well location, JW FEDERAL #2-27, located as shown in the NE 1/4 NE 1/4 of Section 27, T9S, R17E, S.L.B.&M., Duchesne County, Utah.

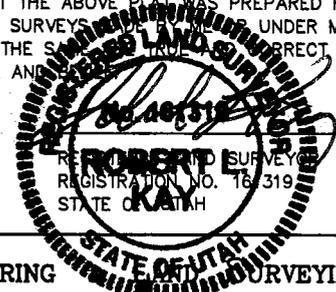


BASIS OF ELEVATION
 SPOT ELEVATION LOCATED AT THE NORTHWEST CORNER OF SECTION 23, T9S, R17E, S.L.B.&M. TAKEN FROM THE PARIETTE DRAW SW, QUADRANGLE, UTAH, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5198 FEET.



CERTIFICATE

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



BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)
 LATITUDE = 40°00'26.62" (40.007394)
 LONGITUDE = 109°59'08.95" (109.985819)
 (AUTONOMOUS NAD 27)
 LATITUDE = 40°00'26.75" (40.007431)
 LONGITUDE = 109°59'06.41" (109.985114)

LEGEND:

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

UINTAH ENGINEERING & SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 11-28-06	DATE DRAWN: 11-29-06
PARTY G.O. B.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUINEX ENERGY CORP.	

EIGHT POINT PLAN

QUINEX ENERGY CORPORATION
JW FEDERAL 2-27
NE14, NE1/4, SECTION 27 T 9 S, R 17 E
DUCHESNE COUNTY, UTAH

1 & 2 ESTIMATED TOPS ANTICIPATED OIL, GAS AND WATER ZONES

<u>FORMATION</u>	<u>DEPTH</u>	<u>ZONE TYPE</u>	<u>MAX. PRESSURE</u>
Uinta Formation	Surface	Fresh Water	
Green River Formation	1,350'	Oil & Gas	1100 psi
Garden Gulch Member	3,120'	Oil & Gas	1600 psi
Douglas Creek Member	4,210'	Oil & Gas	1800 psi
Black Shale Member	4,850'	Oil & Gas	1800 psi
TD - 5,400'			

3. PRESSURER CONTROL EQUIPMENT
BOP Schematic Diagram attached

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COLLAPSE</u>	<u>BURST</u>	<u>CEMENT</u>
12 1/2"	0-800'	800'	8 5/8"	24#	J 55	P & C	2890 #	4410 #	920 sks
7 5/8"	800-5400'	5400'	5 1/2"	15.5#	P 110	P & C	7460#	7460#	400 sks
								lite & 300 sks	Class G

5. MUD PROGRAM:

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>
0-5,400'	Watergel	8.5#

Lost circulation zones are not anticipated.
Sufficient mud inventory will be maintained on location during drilling operations to handle any adverse conditions that may arise.

6. VARIANCE REQUESTS:

The JW Federal 2-27 well is designated as a Green River Formation test.

7. EVALUATION PROGRAM

LOGS: SCHLUMBERGER WIRELINE

DIL-SFL Surface casing to 5,400'

CNL-FDC Surface casing to 5,400'

Additional logs as needed to evaluate formation from 3,800' - TD

Cores None

DST's None

8. **ABNORMAL CONDITIONS**

None anticipated

9. **STANDARD REQUIRED EQUIPMENT**

A. **Choke Manifold**

No chemicals subject to reporting under SARA III in an amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually with the drilling of this well, Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold quantities, will be used, produced, stored, transported or disposed of in association with the drilling of this well.

(Attachment: BOP Diagram)



DeForrest Smouse PhD
President - Quinex Energy

THIRTEEN POINT PLAN

JW. Federal 2-27

GENERAL Requirements for working on BLM lands.

1. Cultural resources are not expected to be disrupted, see attached report from Sagebrush Consultants, L.L.C.
2. The area is grassland with minor sagebrush and other desert vegetations.

1. EXISTING ROADS - See Location Map.

A. Wellsite (NE1/4,NE 1/4) Section 27, T9S, R17E.

B. Travel 1 ½ mile east of Myton, Utah and south (left) on Pleasant Valley paved and graded road 11.2 miles to the old Castle Peak mine-site then southwest (right) on graded road 3.7 miles to abandoned Snyder Springs Ranch site. Turn (east) left on graded road 1.2 miles on graded road then 360' north to wellsite.

C. Roads: The route is over paved US 40 to turnout about 1.5 miles west of Myton. The road to Castle Springs is paved. All other roads are graded, many with fair gravel topping.

D Other existing roads as marked on Topo Map.

D. Existing roads will be maintained by the county. The new road to the JW Fed 2-27 wellsite will be built to meet BLM specifications, and be maintained as required, for all weather use, by the operator. (See Survey Plat).

2. General:

- (1) The Vernal BLM District will be notified 48 hours prior to commencing work on BLM lands.
- (2) The dirt contractor will be furnished a copy of this Surface Use Plan, along with any additional BLM stipulations, prior to the work.
- (3) Trees: There are no trees on access road to, or on location.
- (4) All artifacts found on federal land shall be left in place and the BLM promptly notified. Archeological survey indicated none found.
- (5) The topsoil removed for reserve pits will be stockpiled on the west side of the location.

(6) The reserve pit will be lined with native clay and water-proofed.

B. **Planned Access Roads: 360 feet of access new road to location will be built. The Subject road will be improved or built to BLM specifications (from 6, p.26) Surface Operating Standards for Oil and Gas Development” as follows:**

(1) **Width: 170’ at crown:
Total disturbed width 270’.**

(2) **Maximum grades: 1.5% maximum.**

(3) **Turnouts: See Survey Map.**

(4) **Drainage: Borrow Pit on the east side.**

(5) **Culverts:
a. 18” galvanized steel if needed.**

(6) **Surface Material: The roads will be covered with 6 inches of Road-base and 2 inches of 1 ½ gravel topping as required for traction and erosion control.**

(7) **Gates/ Cattle Guards: No fences will be crossed from country road to location of the Jan S Fed 1-25. The location is in unfenced land with minor sagebrush & native grasses.**

3. **Location of Existing Wells: See Topographic Map.**

(1) **Water wells: None**

(2) **Abandoned Oil Wells: None**

(3) **Temporarily Abandoned wells: None**

(4) **Disposal Wells: None**

(5) **Drilling Wells: Producing Wells: 2**

Quinex Energy Co. – J D C FED 4-23 – SW ¼ SW ¼ Section 23, T 9 S, R 17 E; Quinex Energy Co. – DS FED 3-23 NE ¼ SW ¼, Section 23, T 9 S, R 17 E, 1/4, Section 23, T 9 S, R 17 E, Quinex LFW 2-23, SW,NW, Section 23, T9S, R17E. All Green River Production

(6) **Shut in wells: None**

(7) **Injection Wells: None**

(8) **Monitoring Wells: None**

(7) **Location of Existing, and/or Proposed Facilities: - See wellsite Plat.**

A: Within 1-mile radius of location, existing facilities owned and operated by lessee/operator.

- (1) Tank Batteries: Same as 6 above**
- (2) Production Facilities: Same as above.**
- (3) Oil Gathering Lines: None as of yet. Gas line will be as indicated on survey plat.**
- (4) Gas Gathering Lines: Newfield Oil and Gas.**
- (5) Injection Lines: None**
- (6) Disposal Lines: None**

B: New Facilities Contemplated:

- (1) Oil Well Pad: A gas line tie-in to Newfield Oil & Gas Gathering and Electric tie-in to Moon Lake Electric may be needed and will be executed with Moon Lake prior to needs. Survey & Archeology completed. Enclosed archeology report.**
- (2) Well Pad Dimensions Refer to Rig Layout Plat.**
- (3) Construction Methods: Tanks are to be welded. Battery grade will be less than 3' above well pad grade. All equipment will be painted medium sand brown.**
- (4) Protective Measures: There will be no open permanent vessels.**
- (5) No storage of fluids in open pits. Storage tanks will be diked to provide emergency containment of a potential tank failure**

C. Location and Type of Water Storage.

- a. Approximately ten acre-feet of water will be required to drill and complete the well. Water is to hauled from the Babcock Draw by Tu and Frum Trucking, Inc. – Dave Murray. Proper water rights: See attached Temporary Application – Water Right # 43-1721, will be obtained from a State Engineer prior to spudding.**
- b. Transportation: Water will be trucked by Tu and Frum Inc. to the well. Oil will be trucked to refineries by MC Oil, West Bountiful, Utah.**

3. Water Well: None proposed.

6. Source of Construction Materials:

- A. Source: Materials from cuts will be used in fills. No additional requirements are anticipated.**
- B. Ownership: The access road and location are on BLM land.**
- C. Outside Materials: Road base will be obtained from commercial gravel pits in the Roosevelt, Utah area.**
- D. Access: Only the road to the location from the graded road will be required, (See plat above).**

7. Methods of Handling Waste Disposal

Disposal will be handled as follows:

- (1) Cuttings: Drill cuttings are to be buried in the reserve pit.**
- (2) Drilling Fluids: Drilling fluids are to be removed to a commercial disposal pit within 90 days from completion.**
- (3) Produced fluids: Produced oil will be sold to an authorized oil buyer. Produced water will be hauled to an authorized disposal site.**
- (4) Sewage: Chemical toilets will be provided for the drilling crew.**
- (4) Trash and garbage: Trash will be accumulated in a wire mesh receptacle and hauled to a sanitary road fill.**
- (5) Post Drilling Cleanup: After drilling operations cease, the access road And the location will be cleaned up and graded. The reserve pit will be covered and reseeded to BLM specifications within 90 days.**

8. Ancillary Facilities

No camp facilities are planned or required.

9: Wellsite Layout: see attached Wellsite Plat.

- (1) Cross Sections: Provided with Plat.**
- (2) Equipment Layout: Provided with Plat.**

(3) Rig Orientation: Provided with Plat.

(4) Pits: All pits are to be sealed.

10: Plans for restoration of Surface.

Upon completion of drilling operations, the location is to be restored as follows:

- (1) Initial Cleanup: Location and surrounding area are to be cleaned of all debris resulting from the drilling operations. All trash is to be hauled to a local sanitary landfill.**
- (2) Vernal BLM will be notified 48 hours prior to any surface restoration requiring earth moving equipment, upon completion of the work.**
- (3) Topography: Within 90 days of completion (weather permitting) the well, the reserve pit is to be dried, filled and re-contoured to original shape. All spoil material is to be buried a minimum of five (5) feet depth. All trash will be removed prior to burial. All disturbed areas, not required for continued operations, are to be re-contoured to original shape.**
- (4) Stockpiled topsoil will be evenly distributed back over reclaimed areas.**
- (5) Re-vegetation: Reclaimed areas will be scarified and seeded by broadcasting or drilling, per BLM recommendations.**
- (6) Unused areas will be blocked from vehicular access.**
- (7) Any oil on pits will be removed to a commercial disposal when rig is released.**
- (8) Timetable: Reserve pit will be reclaimed within 90 days of completion date. Other areas will be reclaimed within 6 months of discontinued use.**

11. Other Information

A. Ownership and Right-of-ways:

Both the surface and minerals are owned by the Federal Government. Right-of-ways for road, location, gas gathering lines, and power lines will be requested from the BLM.

B. General Description of Area.

- (1) Topography:** Low angle slopes, semi-arid with sagebrush and desert vegetation. No irrigation.
- (2) Surface Use Activity:** The area is used for cattle grazing.
- (3) Water, Dwellings, Archeology:** Water will be trucked to location on existing roads. There are no dwellings within ½ mile. No archeological sited on wellsite or access road. An archeological survey is completed and submitted with APD.

12. Production Operations

- A. Notification:** A first production report will be sent to the BLM within 5 days of first production to establish site security and APD compliance.
- B. Site Security:** Site security plan will be submitted within thirty (30) days of completion.
- C. Water Production:** NTL-2B will be submitted within sixty (60) of completion. It is anticipated that the water produced will be hauled to a pit located in LaPoint, Utah, Section 8, T 1 S, R 1 E.
- D. Weed Control:** The road and location will be professionally sprayed annually, using EPA approved chemicals, to control noxious weeds.
- E. The tank battery is to be built along the east side of the location. All permanent structures will be painted with an approved earth-tone color within six months of installation. OSHA required markings are expected.**

13. lessee's or Operator's Representative

**Quinex Energy Corporation
DeForrest Smouse
465 South 200 West
Bountiful, Utah 84010
Phone: (801) 292-3800 or 292-2554**

Certification

I hereby certify that I, or persons under my direct supervision, have Inspected the proposed drill site and access route: that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct: and the work associated will be

performed by Quinex Energy Corporation and its contractors in conformity with this plan and terms and conditions under which it is approved.

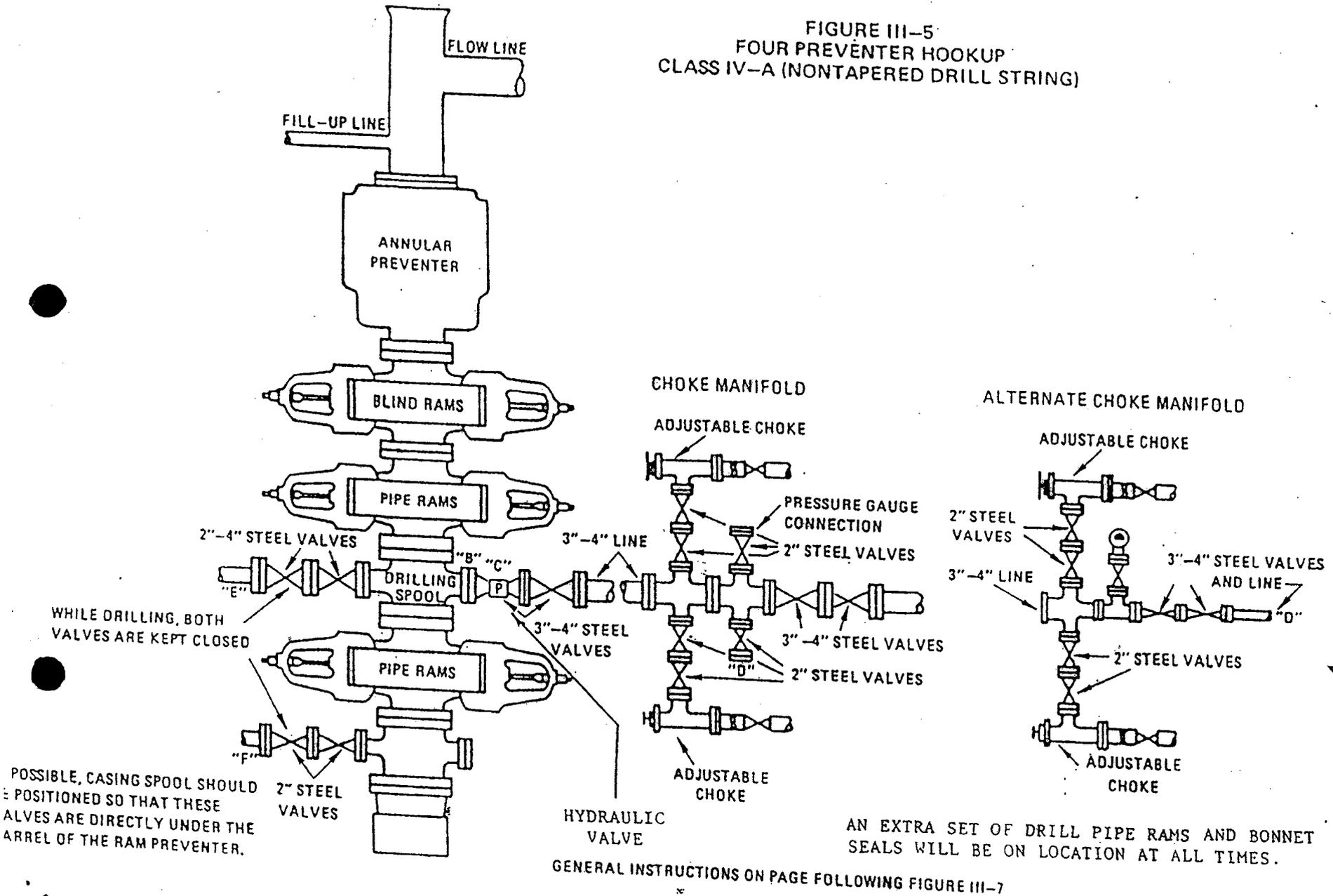
Date: 9/4/2007


DeForrest Smouse
Quinex Energy Corporation

SELF- CERTIFICATION STATEMENT

Please be advised that **QUINEX ENERGY CORPORATION** is considered to be the operator of the JAN S FED 1-25 well located in the NW ¼, NW 1/4, Section 25, Township 9 South, Range 17 East, lease **UTU-80566** Uintah County, Utah; and is responsible for the operations conducted upon the leased lands. Bond coverage is a Wells Fargo Bank NA; Irrevocable Document of Credit NZS499876 in the amount of \$10,000.00.

FIGURE III-5
 FOUR PREVENTER HOOKUP
 CLASS IV-A (NONTAPERED DRILL STRING)



III-13

APPLICATION FOR TEMPORARY CHANGE OF WATER

RECEIVED

JUN 24 2005

WATER RIGHTS
VERNAL

STATE OF UTAH

Rec. by Bmu

Fee Paid \$75.00 at 4619.

Receipt # RS-02835

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

CHANGE APPLICATION NUMBER: t 30370
(c3083BWHITE)

WATER RIGHT NUMBER: 43-1721

This Change Application proposes to change the PLACE OF USE and NATURE OF USE.

1. OWNERSHIP INFORMATION.

A. NAME: Kenneth V. & Barbara U. Richens
ADDRESS: Rt. 3 Box 3613
Myton UT 84052
REMARKS: tenants in common

INTEREST: 100%

B. PRIORITY OF CHANGE: June 24, 2005

FILING DATE: June 24, 2005

C. EVIDENCED BY:
43-1721(A10906)

* DESCRIPTION OF CURRENT WATER RIGHT: *

2. SOURCE INFORMATION.

A. QUANTITY OF WATER: 1.12 cfs

B. SOURCE: Babcock Draw

COUNTY: Duchesne

C. POINT(S) OF DIVERSION.

POINT OF DIVERSION -- SURFACE:

(1) N 180 feet E 1.487 feet from W $\frac{1}{4}$ corner, Section 34, T 3S, R 2W, USBM
DIVERT WORKS: concrete diversion box

3. WATER USE INFORMATION.

The Water Right represented by this change application is SUPPLEMENTAL to other Water Rights.

IRRIGATION: from Mar 1 to Nov 1.

IRRIGATING: 68.3000 acres.

STOCKWATERING: from Jan 1 to Dec 31.

EQUIVALENT LIVESTOCK UNITS: 42.

4. PLACE OF USE. (Which includes all or part of the following legal subdivisions:)

BASE TOWN	RANG	SEC	NORTH-WEST 1/4				NORTH-EAST 1/4				SOUTH-WEST 1/4				SOUTH-EAST 1/4						
			NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE			
US	3S	2W	34					***	X	X			***				***				

THE FOLLOWING CHANGES ARE PROPOSED:

5. SOURCE INFORMATION.

A. QUANTITY OF WATER: 10.0 acre-feet

B. SOURCE: Babcock Draw

COUNTY: Duchesne

C. POINT(S) OF DIVERSION. Same as HERETOFORE.

D. COMMON DESCRIPTION: 2 miles south of Myton

6. WATER USE INFORMATION. Changed as Follows:

OIL EXPLORATION from Jan 1 to Dec 31.

drilling and completion of oil/gas wells in South Myton area.

7. PLACE OF USE. Changed as Follows:

(Which includes all or part of the following legal subdivisions:)

BASE TOWN	RANG	SEC	NORTH-WEST 1/4				NORTH-EAST 1/4				SOUTH-WEST 1/4				SOUTH-EAST 1/4			
			NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
US	1N	1E	Entire TOWNSHIP															
US	1N	1W	Entire TOWNSHIP															
US	1N	2W	Entire TOWNSHIP															
US	1N	3W	Entire TOWNSHIP															
US	1S	1E	Entire TOWNSHIP															
US	1S	1W	Entire TOWNSHIP															
US	1S	2W	Entire TOWNSHIP															
US	2S	1E	Entire TOWNSHIP															
US	2S	1W	Entire TOWNSHIP															
US	2S	2W	Entire TOWNSHIP															
US	2S	3W	Entire TOWNSHIP															
US	3S	1E	Entire TOWNSHIP															
US	3S	1W	Entire TOWNSHIP															
US	3S	2W	Entire TOWNSHIP															
US	3S	3W	Entire TOWNSHIP															
US	4S	1E	Entire TOWNSHIP															

US	4S	1W	Entire TOWNSHIP
US	4S	2W	Entire TOWNSHIP
US	4S	3W	Entire TOWNSHIP
US	4S	4W	Entire TOWNSHIP
US	4S	5W	Entire TOWNSHIP
US	4S	6W	Entire TOWNSHIP
US	5S	3W	Entire TOWNSHIP
US	5S	4W	Entire TOWNSHIP
US	5S	5W	Entire TOWNSHIP
US	6S	3W	Entire TOWNSHIP
US	6S	4W	Entire TOWNSHIP
US	7S	4W	Entire TOWNSHIP
US	7S	5W	Entire TOWNSHIP

8. EXPLANATORY.

Applicant will retire 2.50 acres of irrigation to compensate for the 10.00 acre feet to be used for oil exploration.

9. SIGNATURE OF APPLICANT(S).

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application, through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

Kenneth V. Richens *Barbara U. Richens*

 Kenneth V. & Barbara U. Richens

U.S. Dept. of the Interior
Bureau of Land Management
Utah State Office



**Summary Report of Cultural
Resources Inspection**

State Proj. No: U-06-SJ-1765b

-
1. Report Title: A Cultural Resource Inventory of Four Proposed Wells, Helen Federal #1-26, JSW Federal #2-26, Joelyn Feaderal #1-27, JW Federal #2-27, and their Associated Access Roads and Pipelines, Duchesne County, Utah
 2. Report Date: 3/20/2007
 3. Date(s) of Survey: 3/14/2007
 4. Development Company: Quinex Energy Corporation
 5. Responsible Institution: Sagebrush Consultants, L.L.C.
 6. Responsible Individuals
 Principal Investigator: Michael R. Polk
 Field Supervisor: Sandy C. Pagano
 Report Author(s): Sandy C. Pagano
 7. BLM Field Office: Vernal Field Office
 8. County(ies): Duchesne
 9. Fieldwork Location:
 USGS Map: 7.5' Quadrangle Pariette Draw SW, Utah (1964) and Crow Knoll, Utah (1985)
 Twn: 9S. Range: 17E. Sections: 23, 26 and 27.

-
10. Record Search:
 Location of Records Searched: 1) Division of State History, Utah State Historic Preservation Office
 2)
 Date of Record Search: 1) December 15 and 21, 2006 2)

11. Description of Examination Procedures: The proposed well pad and access and pipeline corridor were walked in parallel transects spaced no more than 15 m (50 ft) apart. The well pad measures 10 ac. The access road and pipeline corridor measured 60 m (200 ft) in width.

12. Area Surveyed:		BLM	OTHER FED	STATE	PRIVATE
Linear Miles	Intensive:				
	Recon/Intuitive:				
Acreage	Intensive:	73.71			
	Recon/Intuitive:				

13. Sites Recorded:

		BLM	OTHER FED	STATE	PRIVATE
		# Smithsonian Site Numbers			
Revisits (no IMACS form)	NR Eligible				
	Not Eligible				
Revisits (updated IMACS)	NR Eligible				
	Not Eligible				
New Recordings (IMACS)	NR Eligible				
	Not Eligible				

Total Number of Archaeological Sites: 0

Historic Structures (USHS Form): 0

Total National Register Eligible Sites: 0

14. Description of Findings: No cultural resource sites or isolates were identified as a result of this inventory.

15. Collection Yes No

(If Yes) Curation Facility:

Accession Number(s):

16. Conclusion/Recommendations: Cultural resource clearance is recommended.

QUINEX ENERGY CORP.

JW FEDERAL #2-27

LOCATED IN DUCHESNE COUNTY, UTAH
SECTION 27, T9S, R17E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



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

- Since 1964 -

LOCATION PHOTOS

11 30 06
MONTH DAY YEAR

PHOTO

TAKEN BY: G.O. | DRAWN BY: L.K. | REVISED: 00-00-00

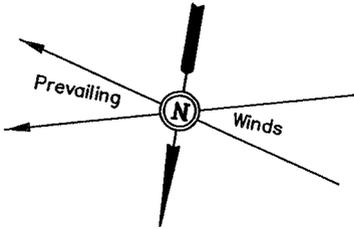
QUINEX ENERGY CORP.

LOCATION LAYOUT FOR

JW FEDERAL #2-27
SECTION 27, T9S, R17E, S.L.B.&M.

656' FNL 705' FEL

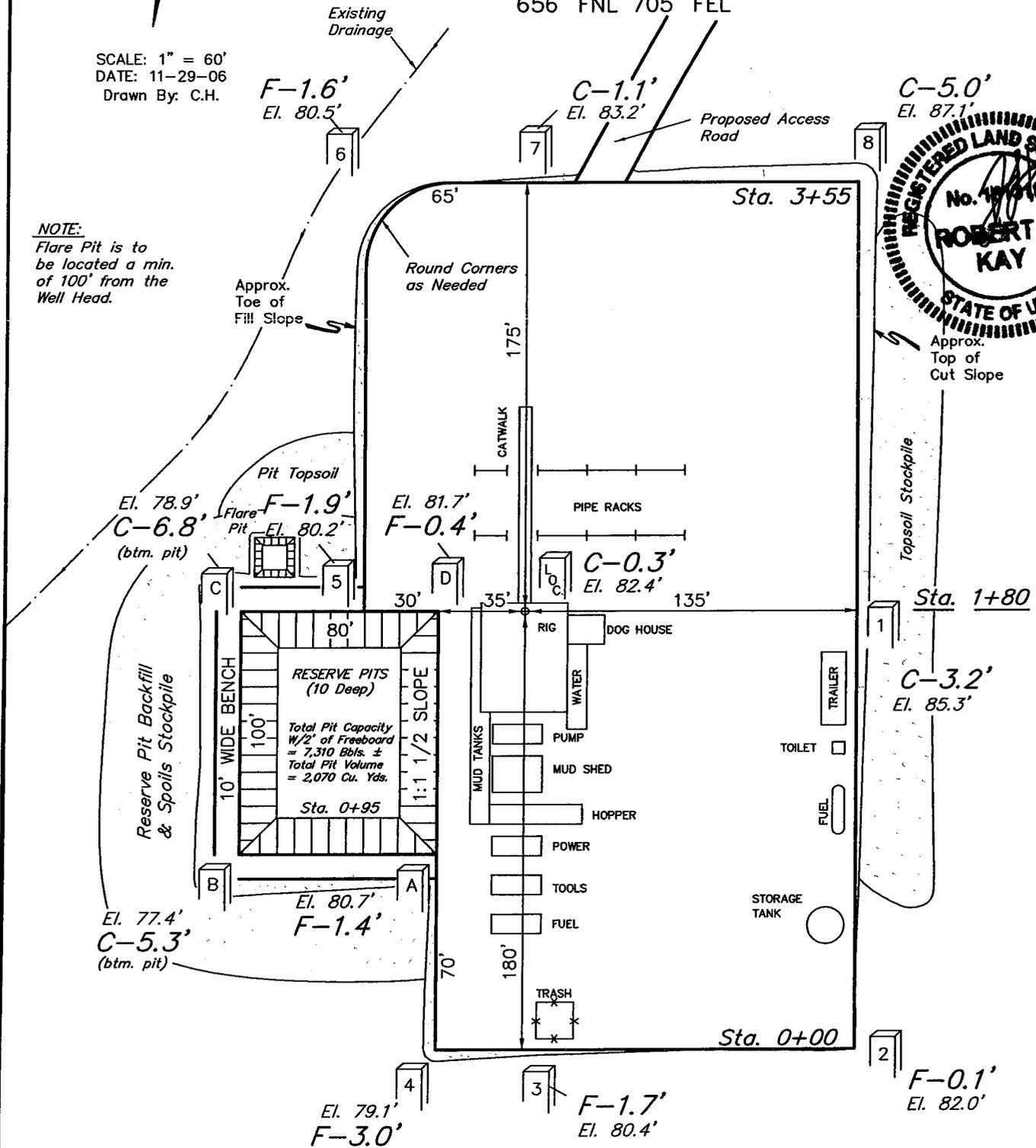
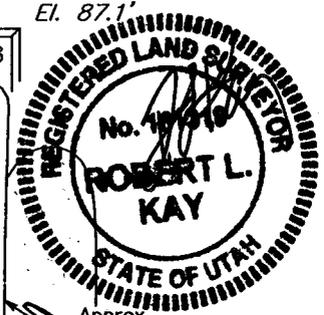
FIGURE #1



SCALE: 1" = 60'
DATE: 11-29-06
Drawn By: C.H.

NOTE:

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



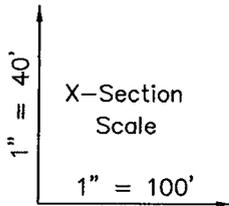
Elev. Ungraded Ground at Location Stake = 5282.4'
Elev. Graded Ground at Location Stake = 5282.1'

QUINEX ENERGY CORP.

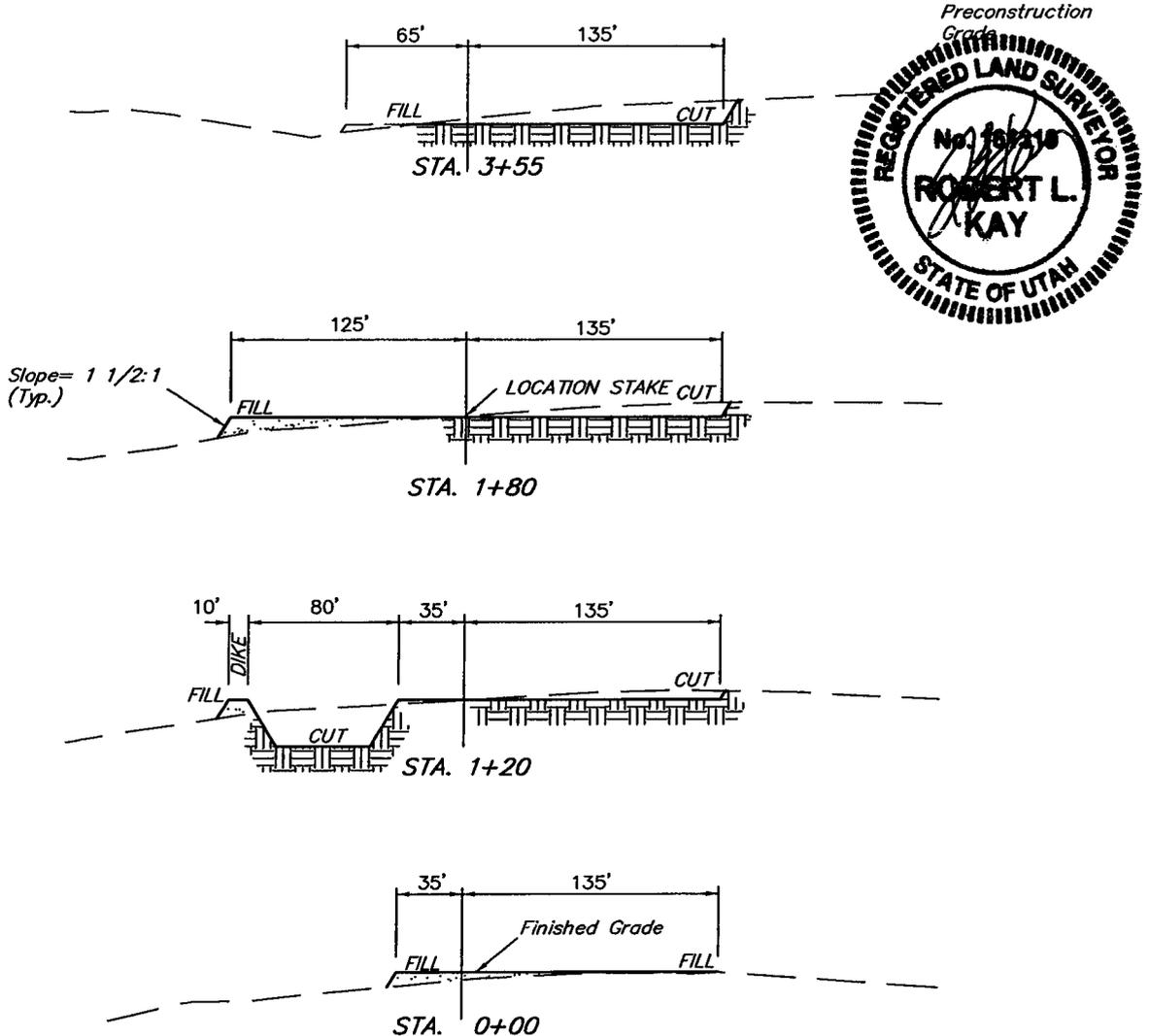
TYPICAL CROSS SECTIONS FOR

JW FEDERAL #2-27
SECTION 27, T9S, R17E, S.L.B.&M.
656' FNL 705' FEL

FIGURE #2



DATE: 11-29-06
Drawn By: C.H.



NOTE:

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

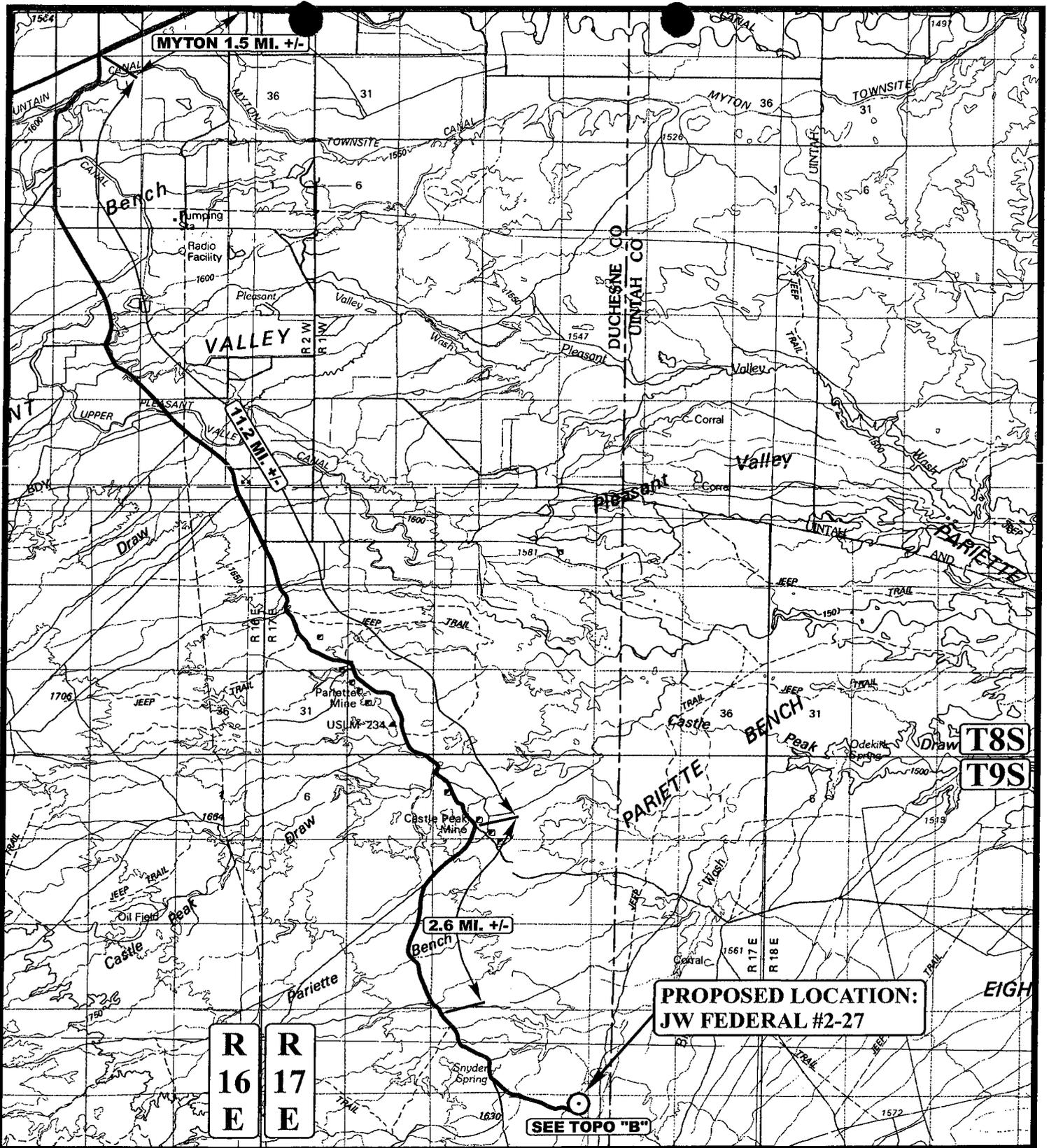
* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,540 Cu. Yds.
Remaining Location	=	3,820 Cu. Yds.
TOTAL CUT	=	5,360 CU.YDS.
FILL	=	1,870 CU.YDS.

EXCESS MATERIAL	=	3,490 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,580 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	910 Cu. Yds.

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



LEGEND:

○ PROPOSED LOCATION

QUINEX ENERGY CORP.

JW FEDERAL #2-27
 SECTION 27, T9S, R17E, S.L.B.&M.
 656' FNL 705' FEL



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

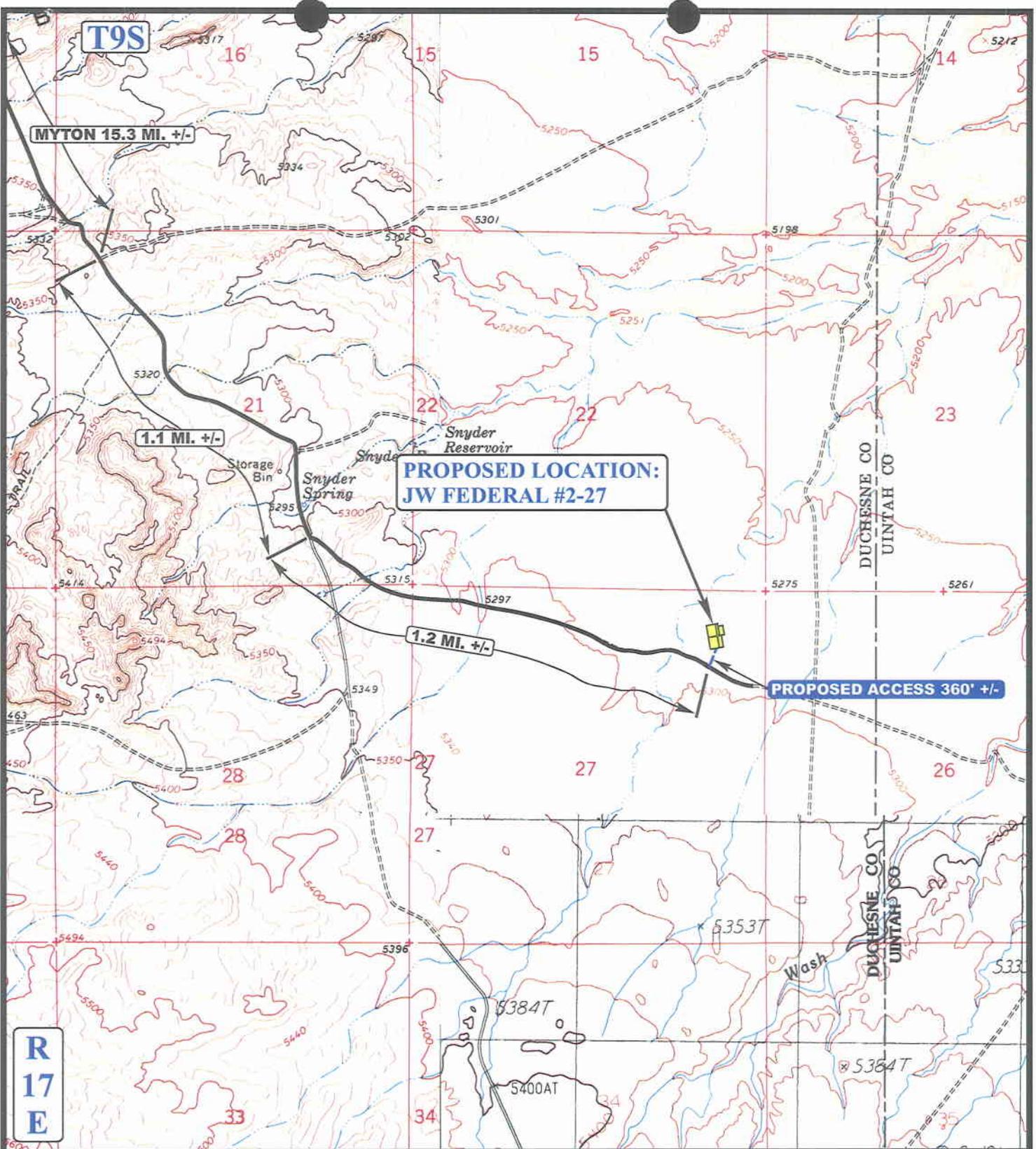


TOPOGRAPHIC
 MAP

11 30 06
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00





LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

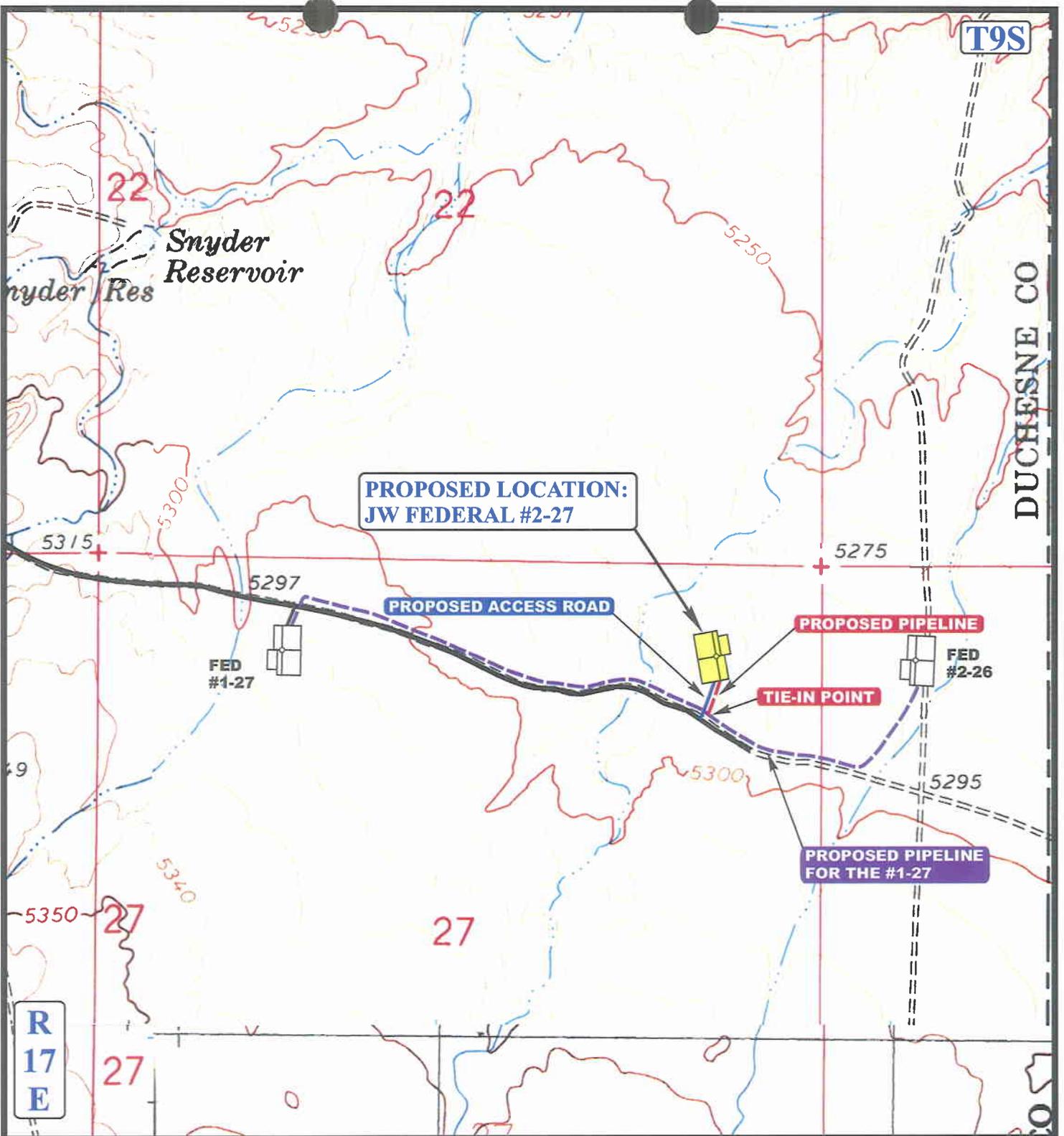
QUINEX ENERGY CORP.

JW FEDERAL #2-27
SECTION 27, T9S, R17E, S.L.B.&M.
656' FNL 705' FEL

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



TOPOGRAPHIC MAP **11 30 06**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00 **B TOPO**



APPROXIMATE TOTAL PIPELINE DISTANCE = 320' +/-

LEGEND:

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

QUINEX ENERGY CORP.

JW FEDERAL #2-27
SECTION 27, T9S, R17E, S.L.B.&M.
656' FNL 705' FEL



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

TOPOGRAPHIC
MAP

11 30 06
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/11/2007

API NO. ASSIGNED: 43-013-33618

WELL NAME: JW FED 2-27
 OPERATOR: QUINEX ENERGY CORP (N9995)
 CONTACT: DEFORREST SMOUSE

PHONE NUMBER: 801-292-3800

PROPOSED LOCATION:

NENE 27 090S 170E
 SURFACE: 0656 FNL 0705 FEL
 BOTTOM: 0656 FNL 0705 FEL
 COUNTY: DUCHESNE
 LATITUDE: 40.00741 LONGITUDE: -109.9852
 UTM SURF EASTINGS: 586617 NORTHINGS: 4428863
 FIELD NAME: UNDESIGNATED (2)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-80566
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: DGCRK
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000107)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-1721)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

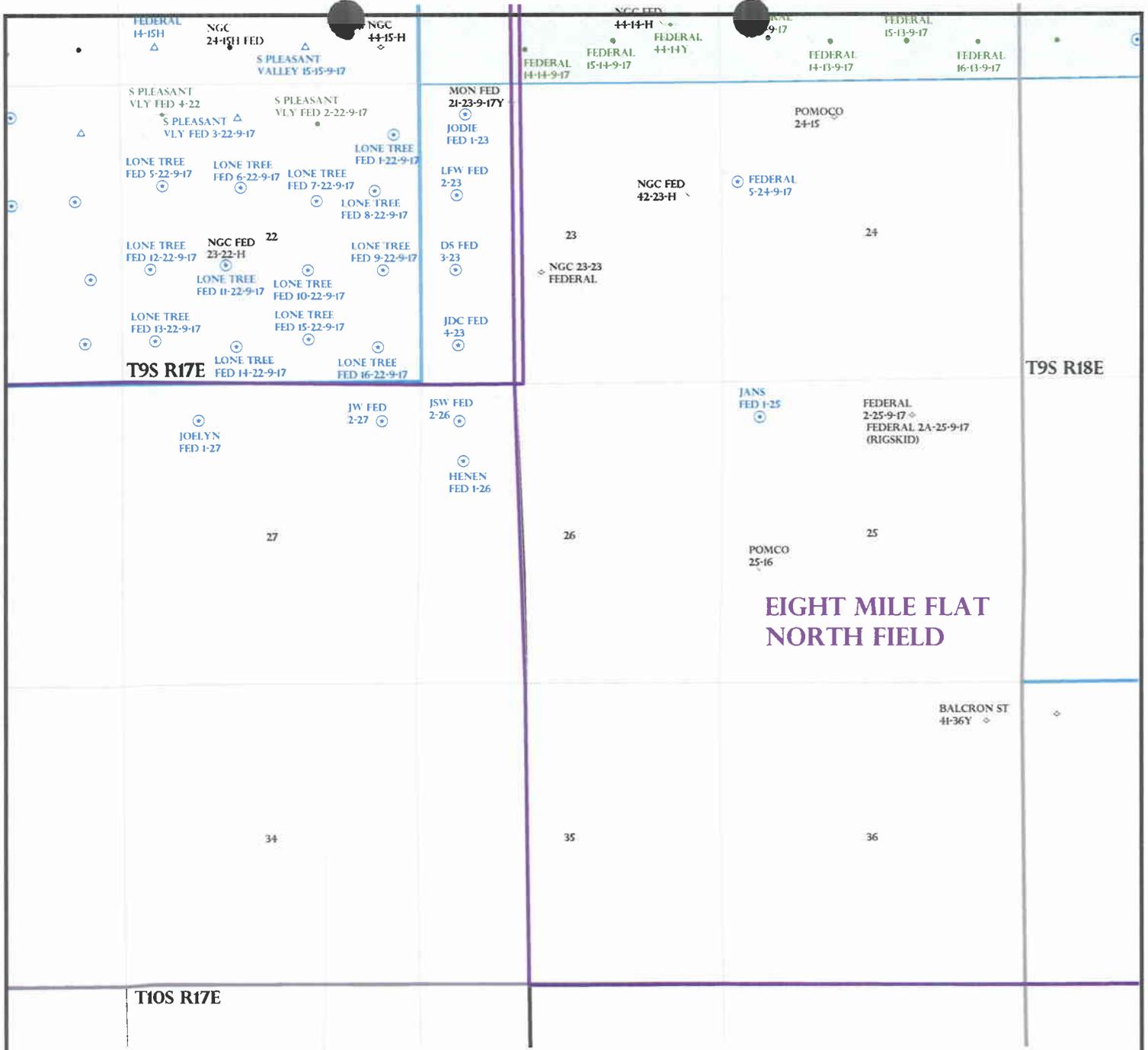
LOCATION AND SITING:

- _____ 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: _____

STIPULATIONS: _____

*1- Lead Drilling
2- Spacing Str*



OPERATOR: QUINEX ENERGY CORP (N9995)

SEC: 26,27 T.9S R. 17E

FIELD: UNDESIGNATED (002)

COUNTY: *Duchesne*

SPACING: R649-3-2 / GENERAL SITING

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

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

Wells Status

- ~ GAS INJECTION
- X GAS STORAGE
- X LOCATION ABANDONED
- O NEW LOCATION
- X PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- X TEMP. ABANDONED
- O TEST WELL
- △ WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



PREPARED BY: DIANA MASON
DATE: 10-APRIL-2007



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

April 11, 2007

Quinex Energy Corporation
465 S 200 W
Bountiful, UT 84010

Re: JW Federal 2-27 Well, 656' FNL, 705' FEL, NE NE, Sec. 27, T. 9 South,
R. 17 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 43-013-33618.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Quinex Energy Corporation

Well Name & Number JW Federal 2-27

API Number: 43-013-33618

Lease: UTU-80566

Location: NE NE Sec. 27 T. 9 South R. 17 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 with 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 Dustin Doucet at (801) 538-5281 office
(801) 733-0983 home

3. Reporting Requirements

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

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

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: FEDERAL
		7. UNIT or CA AGREEMENT NAME: FEDERAL
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: JW FEDERAL 2-27	
2. NAME OF OPERATOR: QUINEX ENERGY CORPORATION		9. API NUMBER: 43-013-33610
3. ADDRESS OF OPERATOR: 465 SOUTH 200 WEST BOUNTIFUL UT 84010	PHONE NUMBER: (801) 292-3800	10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED
4. LOCATION OF WELL FOOTAGES AT SURFACE: 656' FNL 705' FEL SECTION 26, T 9 S, R 17 E		COUNTY: DUCHESNE
QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 26 9S 17E		STATE: UTAH

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

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

QUINEX ENERGY PLANS TO CHANGE BOTTOM CASING FROM P110 TO N80. PALEONTOLOGIST HAS BEEN REQUESTED TO DO SURVEY FOR FOSSILS AND SUBMIT REPORT DIRECTLY TO BLM IN VERNAL, UTAH

COPY SENT TO OPERATOR
Date: 7-11-07
Initials: RM

RECEIVED
JUN 18 2007
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>DEFORREST SMOUSE</u>	TITLE <u>PRESIDENT</u>
SIGNATURE <u><i>De Forrest Smouse</i></u>	DATE <u>6/12/2007</u>

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

(5/2000) Date: 7/19/07 (See instructions on Reverse Side)
By: *De Forrest Smouse*

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:
FEDERAL UTU - -80566

6. If Indian, Allottee or Tribe Name:
FEDERAL

7. Unit Agreement Name:
FEDERAL

8. Well Name and Number:
JW FEDERAL 2-27

9. AP Well Number:
43, 013, 33618

10. Field and Pool, or Wildcat:
UNDESIGNATED

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN for such Proposals.

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:
QUINEX ENERGY CORPORATION

3. Address and Telephone Number:
465 South 200 West, Suite 300, Bountiful, Utah 84010

4. Location of Well: **660' FNL, 660" FEL SECTION 27, T 9 S, R 18 E**
Footages: **NE11/4,, NE1/4, SECTION 27, T 9 S, R 17 E**
QQ, Sec., T., R., M.:

County: **DUCHESNE**
State: **Utah**

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input checked="" type="checkbox"/> Other <u>CHANGE DEPTH OF SURFACE CASING</u>	<input type="checkbox"/> Abandon * <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Other <u>E</u>
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input checked="" type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off
Approximate date work will start _____	Date of work completion _____
	Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

QUINEX ENERGY PLANS TO CHANG THE DEPTH OF 8 5/8" SURFACE CASING TO 350', RATHER THAN 800'.

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

13. Name & Signature: DeForrest Smouse, PhD Title: President, Quinex Energy Date: 6/27/2007

(This space for State use only)

RECEIVED
JUL 06 2007
DIV. OF OIL, GAS & MINING

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 QUINEX ENERGY CORPORATION

3. ADDRESS OF OPERATOR
 465 SOUTH 200 WEST, SUITE 300, BOUNTIFUL, UTAH 84010

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 656' FNL, 705' FEL, SECTION 27, T9S, R17E

 At proposed prod. zone 656' FNL, 705' FEL, SECTION 27, T9S, R17E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 16 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):
 656' South of Section 27 north line

16. NO. OF ACRES IN LEASE
 1800

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.
 1300' from JSW Federal #2-26

19. PROPOSED DEPTH
 5,600

20. ROTARY OR CABLE TOOLS
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 GR-5282'

22. APPROX. DATE WORK WILL START*
 1 JULY 2007

5. LEASE DESIGNATION AND SERIAL NO.
 FEDERAL / UTU-80566

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 FEDERAL

7. UNIT AGREEMENT NAME
 FEDERAL

8. FARM OR LEASE NAME
 JW FEDERAL #2-27

9. WELL NO.
 #2-27

10. FIELD AND POOL, OR WILDCAT
 UNDESIGNATED

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 NENE SECTION 27, T9S, R17E

12. COUNTY OR PARISH
 DUCHESNE

13. STATE
 UTAH

43.013, 33618

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	J55 24#	800'	Class G 900 sks 15.5# 1.195
7 5/8"	5 1/2"	N80 15.5#	5,600'	Lite 400 sks 14.2# 1.461
				Class G 300 sks 15.5# 1.195

Quinex Energy Corporation plans on drilling two (2) wells in Section 27. Both wells will be drilled through the Green River Formation. Gas delivery will be through pipe line to Newfield's closest gas line. Survey has been made for the gas delivery system.

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

WDO GM

2007 JUN 21 PM 2:00
BUREAU OF LAND MANAGEMENT

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Re. [Signature]* TITLE PRESIDENT DATE 4/42007

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 Assistant Field Manager
 APPROVED BY *[Signature]* TITLE Land & Mineral Resources DATE 10-25-2007
 CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED
 07JM0725A *See Instructions On Reverse Side Posted 5/18/07



**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: Quinex Energy Corporation
Well No: JW Federal 2-27
API No: 43-013- 33618

Location: NENE , Sec. 27, T9S, R17E
Lease No: UTU- 80566
Agreement: Undesignated

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 Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental 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 Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	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)**

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.

Site Specific Conditions of Approval:

- **Within 90** calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee will submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the Best Management Practice of the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, reseeding the area using appropriate reclamation methods.
- **Surface Disturbing Activities Notification:** Notify the Authorized Officer (AO) 48 hours prior to surface disturbing activities.
- **Time Limitations:** (Only during construction & drilling)
Lands in this lease have been identified as habitat for Sage Grouse, Ferruginous Hawk, Mountain Plover, Northern Harrier, and Burrowing Owl. Therefore, modifications to the Surface Use Plan of Operations will be required in order to protect this wildlife habitat from surface disturbing activities (see table below)

TIME RESTRICTION REASON

March 1-June 30.....	Sage Grouse lek/nesting habitat
April 1- Aug. 15.....	Burrowing Owl habitat
May 15- June 15.....	Mountain Plover nesting habitat

- **Special Status Plants:** 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.
- **Paleontology:** 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.
- **Access Road:**
 - Access roads should meet BLM standard, and if possible, limit construction to gentle slopes in order to avoid need for special construction designs.
 - The maximum disturbed width for access roads is 30 feet, and the roads shall be crowned, ditched, and constructed with a running surface of 18 feet.

- Access roads should be winding, and kept off the ridge. Install culverts, low water crossings, water bars, turn outs, etc. as necessary, in order to provide good drainage, control soil erosion, and also for safety reasons.

- **Pipelines:** The buried pipeline exception request has been reviewed, and it has been determined that the pipeline route has bedrock exposed at the surface. The exception is granted for surface, steel and poly, 2-6" pipelines. The pipelines will be laid parallel to the access roads or other existing roads and will safely tie into other existing flowlines.
 - **Note:** Pipelines will be buried at all major road and drainage crossings.

- **Wet Soil - Caution:** 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 in a straight line travel path, the soil shall be deemed too wet to adequately support construction equipment.

- **Topsoil:** Four to six inches of topsoil shall be stripped from the location and stored for later use during reclamation.

- **Soil Erosion – Caution:** Lands where the proposed oil wells are located have been identified as vulnerable to moderate erosion. If additional erosion occurs during the life of this project, more culverts, diversion channels, berms, wing ditches, low water crossings, etc. will need to be installed/constructed in order to control erosion.
 - Due to slope on the eastern side of location, build a higher berm, reinforced with gravel/stone on this side.

- **Reserve Pit:** The reserve pit will be constructed in such a way that it will not leak, break or allow discharge of fluids in it. Line the pit with a 14 ml or greater liner and felt. When the drilling operations have been completed, the oily, dark colored surface layer mainly composed of hydrocarbons should be removed (43 CFR 3162.7-1). And weather permitting; the reserve pit should be backfilled, and reclaimed within 90 days.

- **Fencing:** Any pits, and open tanks should be fenced in order to exclude livestock and other wildlife from the area, obviously preventing them from getting hurt and drinking water or fluids which could be toxic, either immediately, or development of long term cumulative adverse health impacts. The reserve pit will initially be fenced on 3 sides during drilling operations, but once drilling has ceased, and the rig has been removed, the fourth side should be fenced too. The fences will be maintained until the pit has been reclaimed.

- **Drainages:**
Keep drainages clear.
 - Ditches, culverts and all installments will be properly constructed in order to avoid sedimentation of drainage ways and other water resources.
 - Prevent fill and stock piles from entering drainages.

- **Paint Color:** All well facilities not regulated by OSHA will be painted Carlsbad Canyon.

- **General Maintenance:**

The operator will be responsible for treatment and control of invasive and noxious weeds.

- Prior to any treatment on BLM administered lands, a Pesticide Use Proposal will be submitted to the Vernal Field Office for approval.

All boulders found on the surface will be stockpiled for use during final reclamation.

The operator shall keep the site well maintained and up-to-date.

- **Interim Reclamation:**

Maximize interim reclamation. Within the pad, reseed all areas not needed for production; only leave room for vehicle access.

- During interim reclamation of the surface, the following seed mixture will be used (PLS formula).
 - Indian Ricegrass (*Oryzopsis hymenoides*) 6 lbs/acre
 - Galleta Grass (*Hilaria jamesii*) 6 lbs/acre
 - Rates are set for drill seeding; double the rate if broadcasting.
 - Reseeding may be required if initial seeding is not successful.
 - **If no germination after two attempts, contact BLM authorized officer.**

- **Final Reclamation:**

See APD

Once the location is plugged and abandoned, it shall be recontoured to natural topography, topsoil shall be re-spread, and the entire location shall be seeded with a seed mixture recommended by the A.O. **Seed application will follow all guidelines recommended for seedbed preparation, planting, watering, and seedling care after germination.**

DOWNHOLE COAs:

SITE SPECIFIC DOWNHOLE COAs:

- At a minimum visual mud monitoring shall be utilized.
- A surface casing shoe integrity test shall be performed.
- Production casing cement shall be at a minimum 200 feet inside the surface casing. A CBL shall be run from TD to top of cement and a field copy shall be sent to this field office.

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.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 80566
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: FEDERAL
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: FEDERAL
2. NAME OF OPERATOR: QUINEX ENERGY CORPORATION		8. WELL NAME and NUMBER: JW FEDERAL 2-27
3. ADDRESS OF OPERATOR: 465 SOUTH 200 WEST CITY BOUNTIFUL STATE UT ZIP 84010	PHONE NUMBER: (801) 292-3800	9. API NUMBER: 013-33618
4. LOCATION OF WELL FOOTAGES AT SURFACE: 656' FNL, 705' FEL, Section 27, T 9 S, R 1 E.		10. FIELD AND POOL, OR WILDCAT: South Monument Butte
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 27 9 S 17 1/4 S		COUNTY: DUCHESNE
		STATE: UTAH

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 start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<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.

QUINEX ENERGY CORPORATION REQUEST AN EXTENSION ON THE DRILLING PERMIT FOR THE JW FEDERAL 2-27 OF 1 YEAR.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 05-05-08
By: [Signature]

COPY SENT TO OPERATOR
Date: 5.6.2008
Initials: VS

NAME (PLEASE PRINT) <u>DeForrest Smouse PhD</u>	TITLE <u>President Quinex Energy Corp.</u>
SIGNATURE <u>[Signature]</u>	DATE <u>5/2/2008</u>

(This space for State use only)

RECEIVED
MAY 05 2008
DIV. OF OIL, GAS & MINING

RESET

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

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

API: 43-013-33618
Well Name: JW FEDERAL 2-27
Location: NE,NE, Section 27, T 9 S, R 17 E
Company Permit Issued to: QUINEX ENERGY CORPORATION
Date Original Permit Issued: 4/11/2007

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

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

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

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

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

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

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

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

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


Signature

5/2/2008
Date

Title: President

Representing: QUINEX ENERGY CORPORATION

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MAY 05 2008
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN for such Proposals.

1. Type of Well: OIL <input type="checkbox"/> GAS <input type="checkbox"/> OTHER:		5. Lease Designation and Serial Number: JSW FEDERAL 2-27
2. Name of Operator: QUINEX ENERGY CORPORATION		6. If Indian, Allottee or Tribe Name: FEDERAL
3. Address and Telephone Number: 465 South 200 West, Suite 300, Bountiful, Utah 84010		7. Unit Agreement Name: FEDERAL
4. Location of Well: 660' FNL, 660' FEL SECTION 27, T 9 S, R 17 E Footages: NW 1/4, NW 1/4 SECTION 27, T 9 S, R 17 E QQ, Sec., T., R., M.: 654 fml 705 fel		8. Well Name and Number: JW FEDERAL 2-27
		9. AP Well Number: 4301333618
		10. Field and Pool, or Wildcat: BLUEBELL
		County: DUCHESNE
		State: Utah

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input checked="" type="checkbox"/> Other <u>Change depth of surface casing</u>	<input type="checkbox"/> Abandon * <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>Spud JW Federal 2-27</u>
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input checked="" type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off
Approximate date work will start _____	Date of work completion _____
	Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Quinex Energy will set the depth of 8 5/8" surface casing at 350'
Quinex Energy spudded the JW Federal 2-27 on September 25, 2008.

13. Name & Signature: DeForrest Smouse, PhD  Title: President, Quinex Energy Date: 6/26/2007

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SEP 29 2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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

5. Lease Serial No.
UTU-80566

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Quinex Energy Corporation

3a. Address
465 South 200 West Bountiful Utah, 84010

3b. Phone No. (include area code)
801-292-3800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NENE, SEC. 27, T9S, R17E, 656' FNL 705' FEL

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

8. Well Name and No.
JW FEDERAL 2-27

9. API Well No.
43-013-33618

10. Field and Pool or Exploratory Area
MONUMENT BUTTE

11. Country or Parish, State
DUCHESNE

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

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

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

Quinex Energy started construction of this wellsite on September 25, 2008, and set 514' of 8 5/8 403 J55 surface casing on September 26 2008 to a depth of 514' KB. Casing was cemented to surface. Frontier Drilling will begin moving to this location and be rotary drilling by Tuesday September 30 or Wednesday October 1, 2008.

ALSO SEE THE ATTACHED CORRECTED 8 POINT DRILLING PLAN.

COPY SENT TO OPERATOR

Date: 10.14.2008

Initials: KS

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

Title Geologist

Signature K Michael Hebertson Date 10/02/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Signature] Title Pet. Eng. Date 10/7/08

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

Office DOG M Federal Approval Of This Action Is Necessary

RECEIVED

OCT 06 2008

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.

EIGHT POINT PLAN

QUINEX ENERGY CORPORATION

JW FEDERAL 2-27

NE1/4, NE1/4, SECTION 27, 657' FNL, 705' FEL, T 9 S, R 17 E
DUCHESNE COUNTY, UTAH

1 & 2 ESTIMATED TOPS ANTICIPATED OIL, GAS AND WATER ZONES:

<u>FORMATION</u>	<u>DEPTH</u>	<u>ZONE TYPE</u>	<u>MAX. PRESSURE</u>
Uinta Formation	Surface	Fresh Water	
Green River Formation	1,080'	Oil & Gas	500 psi
Castle Peak Member	4,200'	Oil & Gas	1,850 psi
Douglas Creek Member	4,790'	Oil & Gas	2,150 psi
Black Shale Member	4,880'	Oil & Gas	2,150 psi
Wasatch Formation	5,900'	Oil & Gas	2,500 psi
TD -	7,000'	Oil & Gas	3,300 psi

3. PRESSURER CONTROL EQUIPMENT:

BOP Schematic Diagram attached and will be modified for the rig prior to drilling, by Sundry Notice

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COLLAPSE</u>	<u>BURST</u>	<u>CEMENT</u>
12 1/4"	0-514'	500'	8 5/8"	40#	J 55	LT&C	1370 #	2950 #	300 sks 15.8 lbs/gal 1.15 CU FT/sk Class G to Surface
7 5/8"	0-7000'	7000'	5 1/2"	17#	J 55	LT&C	4040#	4810#	600 sks 50/+50 POS 14.52 lbs/gal 1.31 CU FT/sk, & 500 sks 15.8 lbs/gal 1.15 CU FT/sk Class G with .25 lb cello flake/sk LCM

5. MUD PROGRAM:

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>
0-5500'	Native Mud with Gel as needed	Not greater than 8.5 lb/gal
5500 - 7,000'	Water Gel with 2% KCl	Not to exceed 9.0 lb/gal

Lost circulation zones are not anticipated.

Sufficient mud inventory will be maintained on location during drilling operations to handle any adverse conditions that may arise.

A pit volume monitor will be employed at all times, and a flow monitor, no hot wire or gas detection.

6. VARIANCE REQUESTS:

The JW Federal 2-27 well is designated as a Wasatch & Green River Formations test.

7. **EVALUATION PROGRAM**

LOGS:

DIL-SFL: Surface casing to 7,000'

CNL-FDC: Surface casing to 7,000'

Cores: None

DST's: None

Mud Log: No mud log will be run however samples will be taken every 10' from 3,800' to TD.

Other: Additional logs as needed to evaluate formation from 3,800' – TD

8. **ABNORMAL CONDITIONS**

None anticipated

9. **STANDARD REQUIRED EQUIPMENT**

Choke Manifold: Diagram will be supplied by Sundry Notice for the rig contracted to drill the hole.

No chemicals subject to reporting under SARA III in an amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually with the drilling of this well, Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold quantities, will be used, produced, stored, transported or disposed of in association with the drilling of this well.

(Attachment: BOP Diagram) BOP will be rated to 5,000 psi. BOP will be tested daily as required by Statute. A certified test will be performed each time the BOPE is removed, repaired, or changed.

QUINEX ENERGY CORP
JW Federal 2-27 DRILLING REPORT

9/26/2008 0700-0900 Rig down small rig. Move in big rig to drill surface hole. 0900-2000 Drill surface to 530'. Shut down for night.

9/27/2008 0800-1000 Trip out of hole with drill string. 1000-1130 Run 12 joints of 8 5/8" surface casing to 514'. 1130-1230 Rig down Ross & rig up Pro Petro to pump cement. 1230-1300 Pump 375 sks cement. Had good returns and cement above surface. 1330-1430 Rig down Pro Petro. Install pit liner. Shut down for night.

9/28/2008 0700-1600 Dig cellar & install cellar ring. Weld on casing head. Fix mouse hole pipe, it had fallen in hole, added 6' to get it to ground level. Put final grade on location. Fill reserve pit from 9/27 to 9/29.

10/01/2008 1100-1800 Moved in 9 loads, Pump Tanks, Light Plant, Mud House & 2 load of Pipe.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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

5. Lease Serial No. **UTU-80566**
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Quinex Energy Corporation

3a. Address
465 South 200 West Bountiful Utah, 84010

3b. Phone No. (include area code)
801-292-3800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NENE, SEC. 27, T9S, R17E, 656' FNL 705' FEL

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

8. Well Name and No.
JW FEDERAL 2-27

9. API Well No.
43-013-33618

10. Field and Pool or Exploratory Area
MONUMENT BUTTE

11. Country or Parish, State
DUCHESNE

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

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

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

Quinex Energy Plans on running casing on the JW Federal 2-27 tomorrow starting very early in the morning.

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

Title **President Quinex Energy Corp.**

Signature *DeForrest Smouse*

Date **10/09/2008**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

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

(Instructions on page 2)

RECEIVED

OCT 14 2008

DIV. OF OIL, GAS & MINING

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

FORM 6

ENTITY ACTION FORM

Operator: Quinex Energy Corporation Operator Account Number: N 9995
 Address: 465 South 200 West
city Bountiful
state Ut zip 84010 Phone Number: (801) 292-3800

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
013-33618	JW Federal 2-27		NENE	27	9S	17E	DUCHESNE
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>A</i>	<i>99999</i>	<i>17159</i>	9/25/2008			<i>10/28/08</i>	
Comments: NEW WELL <i>WSTC</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

K. Michael Hebertson

Name (Please Print)

Signature
Geologist

9/30/2008

Title

Date

RECEIVED

OCT 23 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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

5. Lease Serial No.
UTU-80566

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

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

8. Well Name and No.
JW FEDERAL 2-27

2. Name of Operator
Quinex Energy Corporation

9. API Well No: 43-013-33618

3a. Address
465 South 200 West Bountiful Utah, 84010

3b. Phone No. (include area code)
801-292-3800

10. Field and Pool or Exploratory Area
MONUMENT BUTTE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NENE, SEC. 27, T9S, R17E, 656' FNL 705' FEL

11. Country or Parish, State
DUCHESNE

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

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

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

Quinex Energy is waiting for completion of the JW Federal 2-27.

RECEIVED
DEC 11 2008
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
DeForrest Smouse PhD Title President Quinex Energy Corp

Signature *DeForrest Smouse* Date 12/08/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: JW FED 2-27
2. NAME OF OPERATOR: QUINEX ENERGY CORP	9. API NUMBER: 43013336180000
3. ADDRESS OF OPERATOR: 465 South 200 West , Bountiful, UT, 84010	PHONE NUMBER: 801 292-3800 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0656 FNL 0705 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 27 Township: 09.0S Range: 17.0E Meridian: S	9. FIELD and POOL or WILDCAT: UNDESIGNATED COUNTY: DUCHESNE STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/1/2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input checked="" type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: _____

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

Tank Battery construction for this well is set to begin the week of June 1, 2009, and the well will be acid stimulated the week of June 10, 2009. A well site security diagram for this well will be submitted after construction is complete.

Accepted by the Utah Division of Oil, Gas and Mining

Date: June 01, 2009

By: *[Signature]*

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE President
SIGNATURE N/A	DATE 6/1/2009	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: JW FED 2-27
2. NAME OF OPERATOR: QUINEX ENERGY CORP	9. API NUMBER: 43013336180000
3. ADDRESS OF OPERATOR: 465 South 200 West , Bountiful, UT, 84010	PHONE NUMBER: 801 292-3800 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0656 FNL 0705 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 27 Township: 09.0S Range: 17.0E Meridian: S	9. FIELD and POOL or WILDCAT: UNDESIGNATED COUNTY: DUCHESNE STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/19/2009	<input checked="" type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: Perforate GRRV

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

The proposal to complete the Green River formation in this well is attached

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

Date: June 18, 2009

By: *Derek DeWitt*

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 6/15/2009	

MEMORANDUM

TO: All Interested Parties
FROM: Quinex Energy
DATE: 26 May 2009
RE: Bid to perforate the JW Federal 2-27

Quinex Energy Corporation is currently taking bids for the perforating of the JW Federal 2-27 well, located in Section 27, Township 9 South, Range 17 East, Duchesne County, Utah.

Bond Log from 7,180' to the bottom of the Surface casing @ 514'

Perforations will be 2 shots per foot at 120 degree phasing as follows:

5,450 to 5,472'	44 Shots	22 feet net
5,428 to 5,432'	8 Shots	4 feet net
5,200 to 5,208'	16 Shots	8 feet net
5,028 to 5,032'	8 Shots	4 feet net
4,946 to 4,950'	12 Shots	6 feet net
4,642 to 4,647'	10 Shots	5 feet net
4,212 to 4,218'	12 Shots	6 feet net
Total	110 Shots	55 feet net

This bid is needed by Friday May 29th 2009, and the job may be awarded as soon as Tuesday June 2nd 2009.

Bids are to be submitted to Mike Hebertson via email at the following email address: mike@quinexenergy.com. You may also call for further information at 801-292-3800 during regular business hours, Monday through Friday.

You will find attached a section of the openhole logs to aid you in your proposal.

Your bid should include the any pricing adjustment to the Jans Federal that was bid on a month ago. Should you have other suggestions about the perforations and feel that changes should be made I am as always open to discuss this with you.

Sincerely,
Mike Hebertson

RECEIVED June 15, 2009

MEMORANDUM

TO: All Interested Parties
FROM: Quinex Energy
DATE: 26 May 2009
RE: Bid to acidize the JW Federal 2-27

Quinex Energy Corporation is currently taking bids for the perforating of the JW Federal 2-27 well, located in Section 27, Township 9 South, Range 17 East, Duchesne County, Utah.

The zones that are open will be shot at 2 shots per foot at 120 degree phasing as follows:

Stage #1		
5,450 to 5,472'	44 Shots	22 feet net
5,428 to 5,432'	8 Shots	4 feet net
5,200 to 5,208'	16 Shots	8 feet net
5,028 to 5,032'	8 Shots	4 feet net
4,946 to 4,950'	12 Shots	6 feet net
4,642 to 4,647'	10 Shots	5 feet net
4,212 to 4,218'	12 Shots	6 feet net
Total	110 Shots	55 feet net

The well will be completed down 5 ½ J 55 casing. Perforations have been selected at 2 shots per foot at 120 degree phasing. The bid will include sufficient bioballs to cover the perforations plus 40% excess. Acid should be figured at about 50 gallons per perforation.

This bid is needed by Friday May 22nd 2009, and the job may be awarded as soon as Tuesday May 26th 2009.

Bids are to be submitted to Mike Hebertson via email at the following email address: mike@quinexenergy.com. You may also call for further information at 801-292-3800 during regular business hours, Monday through Friday.

You will find attached a section of the openhole logs with the zones and perforations marked.

Your bid should include the any pricing adjustment to the Jans Federal that was bid on a month ago. Should you have other suggestions about the perforations and feel that changes should be made I am as always open to discuss this with you.

Sincerely,
Mike Hebertson

**Federal Approval of this
Action is Necessary**

API Well No: 43013336180000

<p>STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING</p>	<p>FORM 9</p>
<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>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.</p>	<p>5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566</p>
	<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</p>
	<p>7. UNIT or CA AGREEMENT NAME:</p>
<p>1. TYPE OF WELL Oil Well</p>	<p>8. WELL NAME and NUMBER: JW FED 2-27</p>
<p>2. NAME OF OPERATOR: QUINEX ENERGY CORP</p>	<p>9. API NUMBER: 43013336180000</p>
<p>3. ADDRESS OF OPERATOR: 465 South 200 West , Bountiful, UT, 84010</p>	<p>PHONE NUMBER: 801 292-3800 Ext</p>
<p>4. LOCATION OF WELL FOOTAGES AT SURFACE: 0656 FNL 0705 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 27 Township: 09.0S Range: 17.0E Meridian: S</p>	<p>9. FIELD and POOL or WILDCAT: UNDESIGNATED</p>
	<p>COUNTY: DUCHESNE</p>
	<p>STATE: UTAH</p>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<p><input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/29/2009</p> <p><input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:</p> <p><input type="checkbox"/> SPUD REPORT Date of Spud:</p> <p><input type="checkbox"/> DRILLING REPORT Report Date:</p>	<p><input type="checkbox"/> ACIDIZE</p> <p><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</p> <p><input type="checkbox"/> CHANGE WELL STATUS</p> <p><input type="checkbox"/> DEEPEN</p> <p><input type="checkbox"/> OPERATOR CHANGE</p> <p><input type="checkbox"/> PRODUCTION START OR RESUME</p> <p><input type="checkbox"/> REPERFORATE CURRENT FORMATION</p> <p><input type="checkbox"/> TUBING REPAIR</p> <p><input type="checkbox"/> WATER SHUTOFF</p> <p><input type="checkbox"/> WILDCAT WELL DETERMINATION</p>	<p><input type="checkbox"/> ALTER CASING</p> <p><input type="checkbox"/> CHANGE TUBING</p> <p><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</p> <p><input type="checkbox"/> FRACTURE TREAT</p> <p><input type="checkbox"/> PLUG AND ABANDON</p> <p><input type="checkbox"/> RECLAMATION OF WELL SITE</p> <p><input type="checkbox"/> SIDETRACK TO REPAIR WELL</p> <p><input checked="" type="checkbox"/> VENT OR FLARE</p> <p><input type="checkbox"/> SI TA STATUS EXTENSION</p> <p><input type="checkbox"/> OTHER</p>	<p><input type="checkbox"/> CASING REPAIR</p> <p><input type="checkbox"/> CHANGE WELL NAME</p> <p><input type="checkbox"/> CONVERT WELL TYPE</p> <p><input type="checkbox"/> NEW CONSTRUCTION</p> <p><input type="checkbox"/> PLUG BACK</p> <p><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</p> <p><input type="checkbox"/> TEMPORARY ABANDON</p> <p><input type="checkbox"/> WATER DISPOSAL</p> <p><input type="checkbox"/> APD EXTENSION</p> <p>OTHER: _____</p>

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

Request approval for Venting or Flaring of Gas under R649-3-20 sub-parts 1 & 3. See the attached

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

Date: June 29, 2009

By: *Derek DeWitt*

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A		DATE 6/24/2009

RECEIVED June 24, 2009



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43013336180000

In accordance with R649-3-19, approval for flaring through July 5, 2009 is allowed to conduct the stabilized production test. The rates and volumes were not supplied with this request so extended flaring beyond the time allowed for the stabilized production test cannot be approved at this time. If flaring beyond July 5, 2009 is desired, a request should be submitted at that time and include the reason, current rates, expected volumes to be flared and length of time.

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

Date: June 29, 2009
By: Dark Wolf

R649-3-20. Gas Flaring or Venting.

1. Produced gas from an oil well, also known as associated gas or casinghead gas, may be flared or vented only in the following amounts:

1.1. Up to 1,800 MCF of oil well gas may be vented or flared from an individual well on a monthly basis at any time without approval.

1.2. During the period of time allowed for conducting the stabilized production test or other approved test as required by R649-3-19, the operator may vent or flare all produced oil well gas as needed for conducting the test.

1.2.1. The operator shall not vent or flare gas that is not necessary for conducting the test or beyond the time allowed for conducting the test.

1.3. During the first calendar month immediately following the time allowed for conducting the initial stabilized production test as required by R649-3-19.1, the operator may vent or flare up to 3,000 MCF of oil well gas without approval.

1.4. Unavoidable or short-term oil well gas venting or flaring may occur without approval in accordance with R649-3-20.4, 4.1, 4.2, and 4.3.

3. If an operator desires to produce a well for the purpose of testing and evaluation beyond the time allowed by R649-3-19 and vent or flare gas in excess of the aforementioned limits of gas venting or flaring, the operator shall make written request for administrative action by the division to allow gas venting or flaring during such testing and evaluation.

3.1. The operator shall provide any information pertinent to a determination of whether marketing or otherwise conserving the produced gas is economically feasible.

3.2. Upon such request and based on the justification information presented, the division may authorize gas venting or flaring at unrestricted rates for up to 30 days of testing or no more than 50 MMCF of gas vented or flared, whichever is less.

Quinex Energy is hereby notifying the State of Utah and BLM of a need to Vent or Flair gas from the well cited below:

43-013-33618	JW FED 2-27	17159	Duchesne	NENE	27	9S-17E	656	FNL	705	FEL	POW	Fed	UTU-80566
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During the week of June 29 through July 5 2009, Quinex will conduct a stabilized production test to establish the daily production rate of gas and oil from this well. It is presumed from all indications that the well will produce more than the sales line is capable of transporting and that can be used on lease as beneficial production for the operation of lease equipment.

From early indications the well could sustain significant formation damage if the production is shut-in for extended periods of time without allowing the well to produce back the stimulation fluids used in the completion procedures.

It has also been made known to Quinex by the Pipeline that the transportation system in the area is over capacity and that they may need 60 to 90 days to add compression to the sales line in order to process the amount of gas now being produced by their own wells and the new wells coning on line.

Therefore Quinex respectfully request approval to flair gas in excess of the 30 day allowable of 1,800 MCF per month during the test period, and to exceed the 30 days or 50 MMCF total for a period of 60 days beginning the second week of July 2009 if necessary.

Authority to grant this request is extended to the Division of Oil, Gas & Mining under rules:

R649-3-20-1.1 to 1.3, and R649-3-20-3 to 3.2.

Sincerely,
K. M. Hebertson

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: JW FED 2-27
2. NAME OF OPERATOR: QUINEX ENERGY CORP	9. API NUMBER: 43013336180000
3. ADDRESS OF OPERATOR: 465 South 200 West , Bountiful, UT, 84010	PHONE NUMBER: 801 292-3800 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0656 FNL 0705 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 27 Township: 09.0S Range: 17.0E Meridian: S	9. FIELD and POOL or WILDCAT: UNDESIGNATED COUNTY: DUCHESNE STATE: UTAH

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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="Completion Report"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 7/1/2009			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 See the attached well completion report and completion detail. Date of First Production 1 July 2009

Accepted by the
 Utah Division of
 Oil, Gas and Mining
FOR RECORD ONLY
 September 14, 2009

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 9/11/2009	

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

AMENDED REPORT FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:

9. API NUMBER:

10 FIELD AND POOL, OR WILDCAT

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

12. COUNTY

13. STATE

UTAH

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER _____

2. NAME OF OPERATOR:

3. ADDRESS OF OPERATOR: CITY _____ STATE _____ ZIP _____ PHONE NUMBER: _____

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE:

AT TOP PRODUCING INTERVAL REPORTED BELOW:

AT TOTAL DEPTH:

14. DATE SPUDDED: _____ 15. DATE T.D. REACHED: _____ 16. DATE COMPLETED: _____ ABANDONED READY TO PRODUCE 17. ELEVATIONS (DF, RKB, RT, GL): _____

18. TOTAL DEPTH: MD _____ TVD _____ 19. PLUG BACK T.D.: MD _____ TVD _____ 20. IF MULTIPLE COMPLETIONS, HOW MANY? * _____ 21. DEPTH BRIDGE PLUG SET: MD _____ TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) _____ 23. WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

- ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) _____ TITLE _____

SIGNATURE _____ DATE _____

This report must be submitted within 30 days of

- completing or plugging a new well
- reentering a previously plugged and abandoned well
- drilling horizontal laterals from an existing well bore
- significantly deepening an existing well bore below the previous bottom-hole depth
- recompleting to a different producing formation
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

COMPLETION DETAIL JW FEDERAL 2-27

Quinex Energy completed the JW Federal 2-27 well, located in Section 27, Township 9 South, Range 17 East, Duchesne County, Utah as follows:

The zones that are open were shot at 2 shots per foot at 120 degree phasing as follows:

Stage #1		
5,450 to 5,472'	44 Shots	22 feet net
5,428 to 5,432'	8 Shots	4 feet net
5,200 to 5,208'	16 Shots	8 feet net
5,028 to 5,032'	8 Shots	4 feet net
4,946 to 4,950'	12 Shots	6 feet net
4,642 to 4,647'	10 Shots	5 feet net
4,212 to 4,218'	12 Shots	6 feet net
Total	110 Shots	55 feet net

The well was completed down 5 ½ J 55 casing and acid was pumped at 10 BBLs/Min @ 2,700 lbs maximum pressure. Bioballs were pumped as diverters to cover the perforations plus 40% excess. Acid was figured at about 60 gallons per perforation or 7,000 gallons.

The well flowed back approximately 50% of the spent acid and load water, and the remaining fluid was swabbed back over 2 days.

The well was placed on pump and began production on July 1, 2009, at 1:00 PM.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective

12/1/2009

FROM: (Old Operator): N9995-Quinex Energy Corporation 465 South 200 West, Suite 300 Bountiful, UT 84010 Phone: 1 (801) 292-3800	TO: (New Operator): N2695-Newfield Production Company 1001 17th St, Suite 2000 Denver, CO 80202 Phone: 1 (303) 893-0102
--	---

WELL NAME	CA No.		Unit:		GREATER MONUMENT BUTTE (GRRV)*			
	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
JODIE FED 1-23	23	090S	170E	4301332786	15771	Federal	OW	S
DS FED 3-23	23	090S	170E	4301332787	15772	Federal	OW	P
LFW FED 2-23	23	090S	170E	4301332788	16533	Federal	OW	P
JDC FED 4-23	23	090S	170E	4301332789	16244	Federal	OW	P
JSW FED 2-26	26	090S	170E	4301333617	16514	Federal	OW	P
JW FED 2-27	27	090S	170E	4301333618	17159	Federal	OW	P
JANS FED 1-25	25	090S	170E	4304739195	17160	Federal	OW	P
JOELYN FED 1-27 *	27	090S	170E	4301334072		Federal	GW	APD
HELEN FED 1-26 *	26	090S	170E	4301334073		Federal	GW	APD

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on 12/17/2009
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 12/17/2009
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 11/9/2007
- a. Is the new operator registered in the State of Utah: yes Business Number: 755627-0143
- b. If **NO**, the operator was contacted on:
- a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete or n/a
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA n/a
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 12/19/2009
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/19/2009
- Bond information entered in RBDMS on: 12/19/2009
- Fee/State wells attached to bond in RBDMS on: 12/19/2009
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: requested

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: WYB000493
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number B001834

COMMENTS: At this point, 5 of these wells will be within the Greater Monument Butte (GRRV) Unit, *except for 43-013-34072 and 43-013-34073.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Helen Fed 1-26	
2. NAME OF OPERATOR: Newfield Production Company <i>N 2695</i>	9. API NUMBER: 4301334073	
3. ADDRESS OF OPERATOR: 1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 893-0102	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1980 FNL 721 FWL		COUNTY: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 26 9S 17E S		STATE: UTAH

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

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

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

Change of Operator to Newfield Production Company from Quinex Energy Corporation pursuant to the inclusion into the Greater Monument Butte Unit and approval of the unit by the BLM. Effective as of 1 DECEMBER, 2009.
(Bond #WYB000493)

Quinex Energy Corporation *N 9995*

K. M. Hebertson

Date: 17 DECEMBER 2009

Printed Name: K. M. HEBERTSON

Title: PRESIDENT

465 South 200 West, Suite 300
Bountiful, UT 84010 (801) 292-3800

NAME (PLEASE PRINT) Kelly Donohoue TITLE Newfield Production Company, Land Lead

SIGNATURE *Kelly Donohoue* DATE 12/16/09

(This space for State use only)

APPROVED 12/19/2009

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000) (See Instructions on Reverse Side)

RECEIVED
DEC 17 2009
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
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		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Jodie Fed 1-23	
2. NAME OF OPERATOR: Newfield Production Company N2695	9. API NUMBER: 4301332786	
3. ADDRESS OF OPERATOR: 1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 893-0102	10. FIELD AND POOL, OR WILDCAT: Undesignated
4. LOCATION OF WELL FOOTAGES AT SURFACE: 563 FNL 832 FWL		COUNTY: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 23 9S 17E S		STATE: UTAH

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

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

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

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(Bond #WYB000493)

Quinex Energy Corporation N9995
K. M. Hebertson

Date: 17 DECEMBER 2009

Printed Name: K. M. HERBERTSON

Title: PRESIDENT

465 South 200 West, Suite 300
Bountiful, UT 84010 (801) 292-3800

NAME (PLEASE PRINT) Kelly Donohoue

TITLE Newfield Production Company, Land Lead

SIGNATURE Kelly & Donohoue

DATE 12/16/09

(This space for State use only)

APPROVED 12/19/2009

RECEIVED

DEC 17 2009

(5/2000)

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

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

FORM 9

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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
2. NAME OF OPERATOR: Newfield Production Company <i>N2695</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1986 FSL 632 FWL		8. WELL NAME and NUMBER: DS Fed 3-23
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 23 9S 17E S		9. API NUMBER: 4301332787
COUNTY: Duchesne		10. FIELD AND POOL, OR WILDCAT: Undesignated
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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(Bond #WYB000493)

Quinex Energy Corporation *N 9995*
K. Hebertson
Printed Name: K. M. HEBERTSON
Title: PRESIDENT
465 South 200 West, Suite 300
Bountiful, UT 84010 (801) 292-3800

Date: 17 December

NAME (PLEASE PRINT) <u>Kelly Donohue</u>	TITLE <u>Newfield Production Company, Land Lead</u>
SIGNATURE <u>Kelly Donohue</u>	DATE <u>12/16/09</u>

(This space for State use only)

APPROVED 12/19/2009

(5/2000) Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

DEC 17 2009

DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU-80566

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:

LFW Fed 2-23

2. NAME OF OPERATOR:
Newfield Production Company *N2695*

9. API NUMBER:

4301332788

3. ADDRESS OF OPERATOR:
1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 893-0102

10. FIELD AND POOL, OR WILDCAT:

Undesignated

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1980 FNL 661 FWL COUNTY: Duchesne

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 23 9S 17E S STATE: UTAH

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

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

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

Change of Operator to Newfield Production Company from Quinex Energy Corporation pursuant to the inclusion into the Greater Monument Butte Unit and approval of the unit by the BLM. Effective as of 1 DECEMBER, 2009.
(Bond #WYB000493)

Quinex Energy Corporation *N 9995*
K. M. Hebertson

Date: 17 DECEMBER 2009

Printed Name: K. M. HEBERTSON

Title: PRESIDENT

465 South 200 West, Suite 300
Bountiful, UT 84010 (801) 292-3800

NAME (PLEASE PRINT) Kelly Donohoue

TITLE Newfield Production Company, Land Lead

SIGNATURE *Kelly & Donohoue*

DATE 12/16/09

(This space for State use only)

APPROVED 12/19/2009

(5/2000) *Earlene Russell*
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

DEC 17 2009

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: JDC Fed 4-23	
2. NAME OF OPERATOR: Newfield Production Company <i>N2695</i>	9. API NUMBER: 4301332789	
3. ADDRESS OF OPERATOR: 1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 893-0102	10. FIELD AND POOL, OR WILDCAT: Undesignated
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660 FSL 661 FWL		COUNTY: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 23 9S 17E S		STATE: UTAH

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

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

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

Change of Operator to Newfield Production Company from Quinex Energy Corporation pursuant to the inclusion into the Greater Monument Butte Unit and approval of the unit by the BLM. Effective as of 1 December, 2009.
(Bond #WYB000493)

Quinex Energy Corporation *N9995*
K.M. Hebertson
Printed Name: K.M. HEBERTSON
Title: PRESIDENT
465 South 200 West, Suite 300
Bountiful, UT 84010 (801) 292-3800

Date: 17 December 2009

NAME (PLEASE PRINT) <u>Kelly Donohue</u>	TITLE <u>Newfield Production Company, Land Lead</u>
SIGNATURE <i>Kelly Donohue</i>	DATE <u>12/16/09</u>

(This space for State use only)

APPROVED 12/19/2009

(5/2000) *Earlene Russell*
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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DEC 17 2009

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: JSW Fed 2-26	
2. NAME OF OPERATOR: Newfield Production Company N2695	9. API NUMBER: 4301333617	
3. ADDRESS OF OPERATOR: 1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 893-0102	10. FIELD AND POOL, OR WILDCAT: Undesignated
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660 FNL 660 FWL		COUNTY: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 26 9S 17E S		STATE: UTAH

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

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

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

Change of Operator to Newfield Production Company from Quinex Energy Corporation pursuant to the inclusion into the Greater Monument Butte Unit and approval of the unit by the BLM. Effective as of 1 DECEMBER, 2009.
(Bond #WYB000493)

Quinex Energy Corporation N 9995
K.M. Hebertson

Date: 17 DECEMBER

Printed Name: K.M. HEBERTSON

Title: PRESIDENT
465 South 200 West, Suite 300
Bountiful, UT 84010 (801) 292-3800

NAME (PLEASE PRINT) Kelly Donohue

TITLE Newfield Production Company, Land Lead

SIGNATURE Kelly Donohue

DATE 12/16/09

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APPROVED 12/19/2009

(5/2000) Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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DEC 17 2009

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: Newfield Production Company <i>N2695</i>		8. WELL NAME and NUMBER: JW Federal 2-27
3. ADDRESS OF OPERATOR: 1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 893-0102	9. API NUMBER: 4301333618
4. LOCATION OF WELL FOOTAGES AT SURFACE: 656 FNL 705 FEL		10. FIELD AND POOL, OR WILDCAT: Undesignated
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 27 9S 17E S		COUNTY: Duchesne
		STATE: UTAH

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

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

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

Change of Operator to Newfield Production Company from Quinex Energy Corporation pursuant to the inclusion into the Greater Monument Butte Unit and approval of the unit by the BLM. Effective as of 1 DECEMBER, 2009.
(Bond #WYB000493)

Quinex Energy Corporation *N 9995*

K. M. Hebertson

Date: 17- DECEMBER 2009

Printed Name: K. M. HERBERTSON

Title: PRESIDENT

465 South 200 West, Suite 300
Bountiful, UT 84010 (801) 292-3800

NAME (PLEASE PRINT) Kelly Donohoue TITLE Newfield Production Company, Land Lead

SIGNATURE *Kelly Donohoue* DATE 12/16/09

(This space for State use only)

APPROVED 12/19/2009
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
DEC 17 2009
DIV. OF OIL, GAS & MINING

(5/2000)

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Joelyn Fed 1-27	
2. NAME OF OPERATOR: Newfield Production Company N2695	9. API NUMBER: 4301334072	
3. ADDRESS OF OPERATOR: 1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 893-0102	10. FIELD AND POOL, OR WILDCAT: Undesignated
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660 FNL 1980 FWL		COUNTY: Duchesne
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 27 9S 17E S		STATE: UTAH

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

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

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Change of Operator to Newfield Production Company from Quinex Energy Corporation pursuant to the inclusion into the Greater Monument Butte Unit and approval of the unit by the BLM. Effective as of 1 DECEMBER, 2009.
(Bond #WYB000493)

Quinex Energy Corporation **N9995**
K.M. Hebertson
Printed Name: K.M. HEBERTSON
Title: PRESIDENT
465 South 200 West, Suite 300
Bountiful, UT 84010 (801) 292-3800

Date: 17 DECEMBER 2009

NAME (PLEASE PRINT) Kelly Donohue TITLE Newfield Production Company, Land Lead
SIGNATURE Kelly Donohue DATE 12/16/09

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APPROVED 12/19/2009

(5/2000) Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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DEC 17 2009

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
			7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Jans Federal 1-25		
2. NAME OF OPERATOR: Newfield Production Company <i>N 2695</i>	9. API NUMBER: 4304739195		
3. ADDRESS OF OPERATOR: 1001 17th St. Suite 2000 CITY Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 893-0102	10. FIELD AND POOL, OR WILDCAT: Undesignated	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660 FNL 660 FWL COUNTY: Uintah			
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 25 9S 17E S STATE: UTAH			

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

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

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

Change of Operator to Newfield Production Company from Quinex Energy Corporation pursuant to the inclusion into the Greater Monument Butte Unit and approval of the unit by the BLM. Effective as of 1 DECEMBER, 2009.
(Bond #WYB000493)

Quinex Energy Corporation *N 9995*
K. M. Hebertson
Printed Name: K. M. HEBERTSON
Title: President
465 South 200 West, Suite 300
Bountiful, UT 84010 (801) 292-3800

Date: 17 DECEMBER 2009

NAME (PLEASE PRINT) <u>Kelly Donohoue</u>	TITLE <u>Newfield Production Company, Land Lead</u>
SIGNATURE <i>Kelly G Donohoue</i>	DATE <u>12/16/09</u>

(This space for State use only)

APPROVED 12/19/2009
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
DEC 17 2009
DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-80566
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: GMBU (GRRV)
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: JW FED 2-27
2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY	9. API NUMBER: 43013336180000
3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84052	PHONE NUMBER: 435 646-4825 Ext
9. FIELD and POOL or WILDCAT: MONUMENT BUTTE	4. LOCATION OF WELL FOOTAGES AT SURFACE: 0656 FNL 0705 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 27 Township: 09.0S Range: 17.0E Meridian: S
COUNTY: DUCHESNE	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/8/2014	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Newfield proposes to perforate and fracture stimulate the following: GB-4 3642-3673, GB-6 3736-3744, AND D-1 4154-4166 with in the current production formation (Green River).

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

Date: January 08, 2014

By: *Derek Quist*

NAME (PLEASE PRINT) Mandie Crozier	PHONE NUMBER 435 646-4825	TITLE Regulatory Tech
SIGNATURE N/A	DATE 1/8/2014	