

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

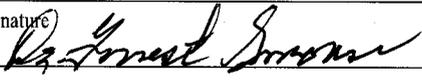
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-80566
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator QUINEX ENERGY CORPORATION		7. If Unit or CA Agreement, Name and No.
3a. Address 465 SOUTH 200 WEST, BOUNTIFUL, UTAH 84010		8. Lease Name and Well No. HELEN FEDERAL 1-26
3b. Phone No. (include area code) 801-292-3800		9. API Well No. 43-013-34073
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1980 FNL 721 FWL, SEC. 26 T9S R17E, DUCHESNE COUNTY, UTAH At proposed prod. zone SAME AS ABOVE UTM E 587051.45, N 4428450.50 NAD 27		10. Field and Pool, or Exploratory WILDCAT
14. Distance in miles and direction from nearest town or post office* 15.3 MILES SOUTH, SOUTHEAST OF MYTON UTAH		11. Sec., T. R. M. or Blk. and Survey or Area SEC. 26, TWP 9, RNG 17 E, SLM SWNW
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 721' TO SECTION LINE 1514' FROM LONE TREE UNIT	16. No. of acres in lease 1800	17. Spacing Unit dedicated to this well 40 ACRES
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 705' FROM JSW 2-26 43-013-33617	19. Proposed Depth 7,000'	20. BLM/BIA Bond No. on file KEMPER BOND #3SE 589025-00
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,299 Ungraded GL	22. Approximate date work will start* 10/01/2008	23. Estimated duration 20 DAYS DRILL, 20 DAYS COMP

24. Attachments

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

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) DeForrest Smouse	Date 03/30/2007
Title President		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 09-09-08
Title Office	ENVIRONMENTAL MANAGER	

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

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

(Continued on page 2)

*(Instructions on page 2)

**Federal Approval of this
Action is Necessary**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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6. If Indian, Allottee or Tribe Name
7. If Unit or CA Agreement, Name and No.
8. Lease Name and Well No. HELEN FEDERAL 1-26
9. API Well No. 43-013- 34073
10. Field and Pool, or Exploratory WILDCAT
11. Sec., T. R. M. or Blk. and Survey or Area SEC. 26, TWP 9, RNG 17 E, SLM SWNW
12. County or Parish DUCHESNE
13. State UT

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	
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17. Spacing Unit dedicated to this well 40 ACRES	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 705' FROM JSW 2-26 43-013-33617
19. Proposed Depth 7,000'	20. BLM/BIA Bond No. on file KEMPER BOND #3SE 589025-00
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25. Signature	Name (Printed/Typed) DeForrest Smouse	Date 03/30/2007
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Title

Approved by (Signature)	Name (Printed/Typed) DeForrest Smouse	Date 03/30/2007
-------------------------	---	---------------------------

Title President	Office SAME AS ABOVE
---------------------------	--------------------------------

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

1910 Brass Cap,
1.5' High, Steel
Post

S89°58'57"E - 2643.64' (Meas.)

S89°57'25"E - 2646.78' (Meas.)

Brass Cap,
1.0' High, Steel
Post

1910 Brass Cap,
1.1' High, Steel
Post

N00°05'56"E - 2644.56' (Meas.)

1980'

HELEN FEDERAL #1-26
Elev. Ungraded Ground = 5299'

721'

26

1910 Brass Cap,
1.2' High

DUCHESNE CO.
UINTAH CO.

1910 Brass Cap,
1.2' High, Steel
Post

N00°01'W - 2640.00' (G.L.O.)

S00°04'46"W - 2638.57' (Meas.)

N00°01'W - 2640.00' (G.L.O.)

S89°57'W - 5281.32' (G.L.O.)

BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)
LATITUDE = 40°00'13.53" (40.003758)
LONGITUDE = 109°58'50.67" (109.980742)
(AUTONOMOUS NAD 27)
LATITUDE = 40°00'13.66" (40.003794)
LONGITUDE = 109°58'48.14" (109.980039)

LEGEND:

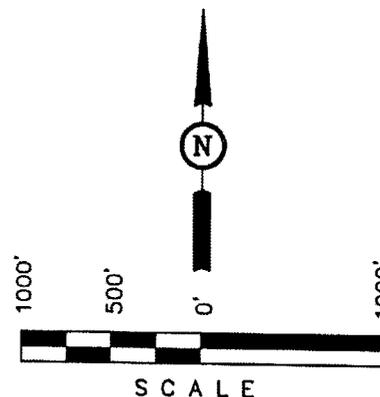
- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

QUINEX ENERGY CORP.

Well location, HELEN FEDERAL #1-26, located as shown in the SW 1/4 NW 1/4 of Section 26, T9S, R17E, S.L.B.&M., Duchesne County, Utah.

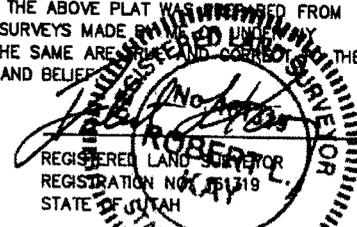
BASIS OF ELEVATION

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 MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Revised: 08-15-08 K.G.

UINTAH ENGINEERING & LAND 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
HELEN FEDERAL 1-26
SW,NW, SECTION 26 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	1100 psi
Castle Peak Member	4200'	Oil & Gas	1600 psi
Douglas Creek Member	4790'	Oil & Gas	1800 psi
Black Shale Member	4880'	Oil & Gas	1800 psi
Wasatch Formation	5800'	Oil & Gas	2000 psi
TD – 7,000'			

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"	0-800'	350'	8 5/8"	24#	J 55	LT&C	1370 #	2950 #	300 sks
7 5/8"	0-7000'	7000'	5 1/2"	15.5#	J 55	LT&C	4040#	4810#	600 sks
									lite & 500 sks Class G

5. MUD PROGRAM:

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>
0-7,000'	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 Helen Federal 1-26 well is designated as a Green River & Wasatch Formations tests. No variances are requested

7. EVALUATION PROGRAM

LOGS: SCHLUMBERGER WIRELINE
DIL-SFL Surface casing to 7,000'
CNL-FDC Surface casing to 7,000'

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: 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 3000 psi. BOP will be tested daily.

**DeForrest Smouse PhD
President - Quinex Energy**

THIRTEEN POINT PLAN**HELEN FEDERAL 1-26**

1980' FNL, 721' FWL, Section 26, T 9 S, R 17 E
SWNW Section 26, T 9 S, R 17 E
Duchesne County, Utah

GENERAL Requirements for working on BLM lands.

- A. Cultural resources are not expected to be disrupted, see the attached report
- B. The area is grassland with minor sagebrush and other desert vegetations.

1. EXISTING ROADS - See Location Map.

- A. Wellsite access road is 150 feet long off of a oil field access road built by Newfield at 1980' FNL, 721' FWL, SW ¼, NW ¼ Section 26, T9S, R17E.
- B. Travel 1 ½ mile west of Myton, Utah then 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; then 3.7 miles to abandoned Snyder Springs Ranch site. Turn left on graded road 1.5 miles and then South 0.1 miles on graded access road 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.
- E. Existing roads will be maintained by the county. The new road to the Helen Fed 1-26 wellsite will be built to meet BLM specifications, and be maintained as required, for all weather use, by the operator. (See Engineer Survey Plat).

2. Planned Access Roads:

- A. Less than 0.1 miles of existing two track need to be upgraded from the existing oilfield road to location. The existing oilfield road was constructed by Newfield.
- B. 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: 17' at crown and total disturbed width 27'.
 - 2. Maximum grades: 1.5% maximum.
 - 3. Turnouts: none.
 - 4. Drainage: Ditch and crown as needed to maintain road.
 - 5. Culverts: none
 - 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: None**3. Location of Existing Wells: See Topographic Map.**

1. Wells within one mile radius: 9 POW, 1 PA, 3 APD's
2. Water wells: None
3. Abandoned Oil Wells: 1
4. Temporarily Abandoned wells: None
5. Disposal Wells: None
6. Drilling Wells: Producing Wells: 9 See the attached map
7. Shut in wells: None
8. Monitoring Wells: None

4. Location of Existing, and/or Proposed Facilities: - See wellsite Plat.

1. Tank Batteries: Owned by Quinex
2. Production Facilities: Owned by Quinex.
3. Oil Gathering Lines: None.
4. Gas Gathering Lines: Newfield Oil and Gas as needed for gas production.
5. Injection Lines: None
6. Disposal Lines: None

New Facilities Contemplated:

1. Oil Well Pad: 355' X 185'. A gas line tie-in to Newfield Oil & Gas Gathering and electric tie-in to
2. 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. Proper oil and gas handling equipment will be installed to produce the well.
3. Protective Measures: There will be no open permanent vessels. The battery will be bermed with sufficient berm to contain the total contents of the largest tank.
4. No storage of fluids in open pits

5. Location and Type of Water Storage.

1. Approximately 1 acre-foot of water will be required to drill and complete the well. Water is to hauled from 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.
2. Transportation: Water will be trucked by Tu and Frum Inc. Oil will be trucked to refineries by MC Oil, West Bountiful Utah.
3. Water Well: None proposed.

6. Source of Construction Materials:

1. **Source:** Materials from cuts will be stored at the site as indicated on the location plat. No additional requirements are anticipated.
2. **Ownership:** The access road and location are on BLM land.
3. **Outside Materials:** Road base will be obtained from commercial gravel pits in the Roosevelt, Utah area.
4. **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, and the liner will be folded in and buried 3 feet deep.
2. **Drilling Fluids:** Drilling fluids are to be evaporated or removed to a commercial disposal pit.
3. **Produced fluids:** Produced oil will be sold to an authorized oil buyer.
4. **Produced water** will be hauled to an authorized disposal site.
5. **Sewage:** Chemical toilets will be maintained onsite until the well is completed.
6. **Trash and garbage:** Trash will be accumulated in a wire mesh receptacle and hauled to a sanitary road fill as needed.
7. **Chemical:** All chemicals brought onto the wellsite will RCRA exempt and will have Material safety data sheets or proper handling instructions.
8. **Post Drilling Cleanup:** After drilling operations cease, the access road and location will be cleaned and graded. The reserve pit will be covered and reseeded to BLM specifications within 1 year of completion.

8. Ancillary Facilities

No ancillary facilities are planned or required.

9: Wellsite Layout:

1. **Wellsite Plat** See figure #1.
2. **Cross Sections** See figure#2
3. **Equipment Layout:** See figure #1.
4. **Rig Orientation:** See figure #1.
5. **Pits:** See figure #1.
6. **Cut and Fill:** See figure #1.
7. **Spoil and Topsoil:** See figure #1.

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.
2. All trash is to be hauled to a local sanitary landfill.
3. Vernal BLM will be notified 48 hours prior to any surface restoration requiring earth moving equipment.
4. Within 1 year of completion (weather permitting) the well, the reserve pit is to be dried, filled and re-contoured to original grade. All drill cuttings will be buried to a minimum of three (3) feet depth.
5. Stockpiled topsoil will be evenly distributed back over reclaimed areas.
6. **Re-vegetation:** Reclaimed areas will be scarified and seeded by broadcasting or drilling, per BLM recommendations.
7. Unused areas will be blocked from vehicular access.
8. Any oil on pits will be removed to a commercial disposal when rig is released.
9. Reserve pit will be reclaimed within 1 year of the completion date, and the location will be re-contoured to original shape.

11. Surface Ownership:

1. **Ownership and Right-of-ways is: BLM**
Both the surface and minerals are owned by the Federal Government. Rights-of-way for road, location, gas gathering lines, and power lines are surveyed in and applied for as part of this filing.

12. General Information

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

Notification: A first production report will be sent to the BLM within 5 days of first production to establish site security and APD compliance.

 - a. **Site Security:** Site security plan will be submitted within thirty (30) days of completion.
 - b. **Water Production:** 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
 - c. **Weed Control:** The road and location will be professionally sprayed

- annually using EPA approved chemicals, to control noxious weeds.
- d. 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:

**DeForrest Smouse
 Quinex Energy Corporation**

SELF- CERTIFICATION STATEMENT

Please be advised that QUINEX ENERGY CORPORATION is considered to be the operator of the HELEN FED 1-26 well located in the SW ¼, NW 1/4, Section 26, 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 by Diversified Insurance Brokers #3SE 589025-00 EFFECTIVE 6-2-2008.

PALEONTOLOGY EVALUATION SHEET

PROJECT: Quinex Energy - Well - Helen Fed. 1-26

LOCATION: Approximately 20 miles south of Roosevelt, Utah, 1980' FNL 721' FWL Section 26, T 9 S, R 17 E, Duchesne County, Utah.

OWNERSHIP: PRIV[] STATE[] BLM[] USFS[] NPS[] IND[] MIL[] OTHER[]

DATE: August 21, 2008

GEOLOGY/TOPOGRAPHY: Area is on Eight Miles Flat and it is a flat area. There were no exposures of the Uinta Formation. The ground cover is silty sand with some small rock fragments.

PALEONTOLOGY SURVEY: YES [] NO Survey [] PARTIAL Survey []

Followed road to the location and walked around and through to confirm no rock exposures were present.

SURVEY RESULTS: Invertebrate [] Plant [] Vertebrate [] Trace [] No Fossils Found []

PALEONTOLOGY SENSITIVITY: HIGH [] MEDIUM [] LOW [] (PROJECT SPECIFIC)

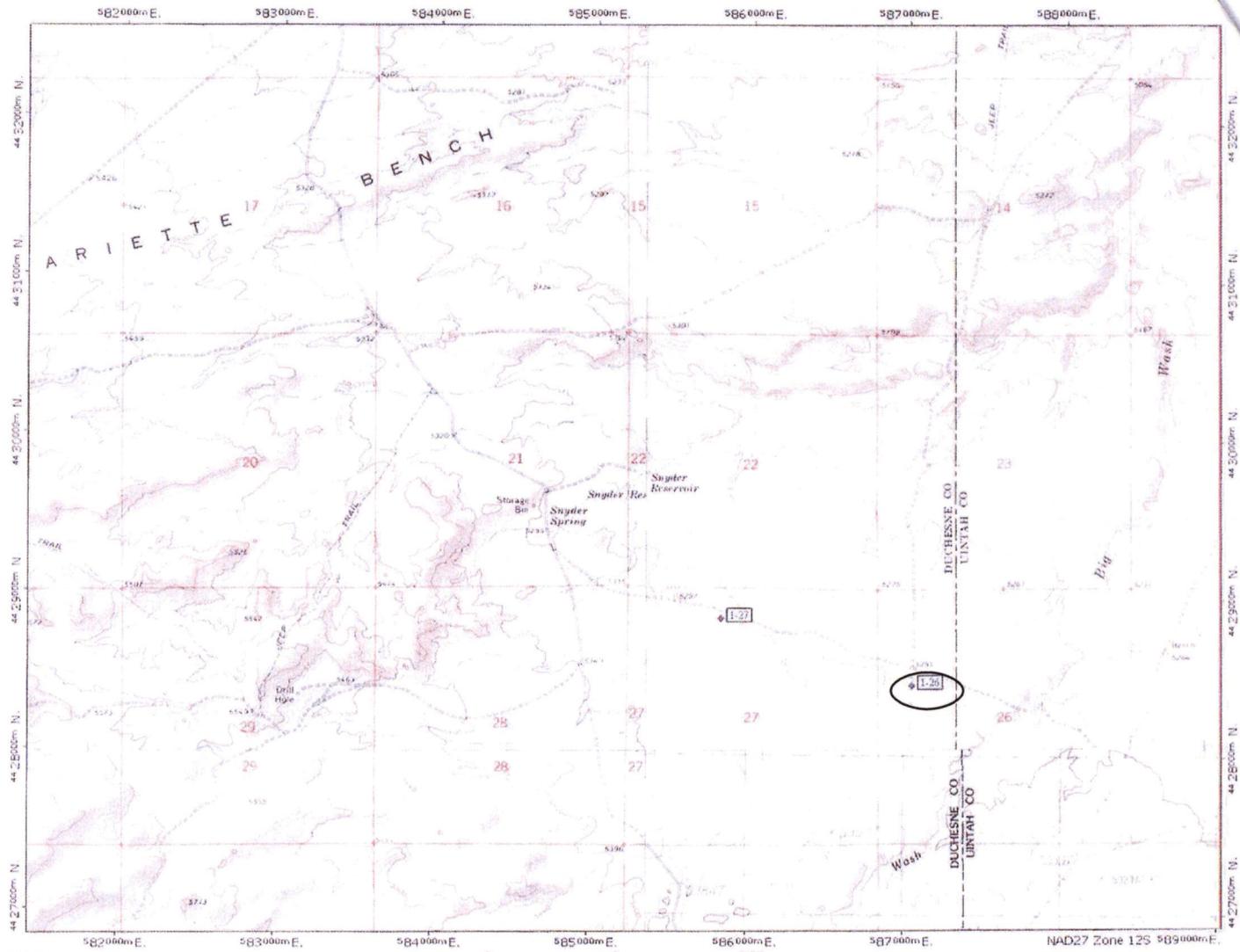
MITIGATION RECOMMENDATIONS: NONE [] OTHER [] (SEE BELOW)

No recommendations are being made.

Not sure the depth of the Uinta Formation, but if it is reached, there is a chance of encountering vertebrate fossils when working in the Uinta Formation. If significant vertebrate fossils (mammals, reptiles, well preserved fish, etc.) are encountered during construction, work should stop in that area and a paleontologist contacted to evaluate the material discovered.

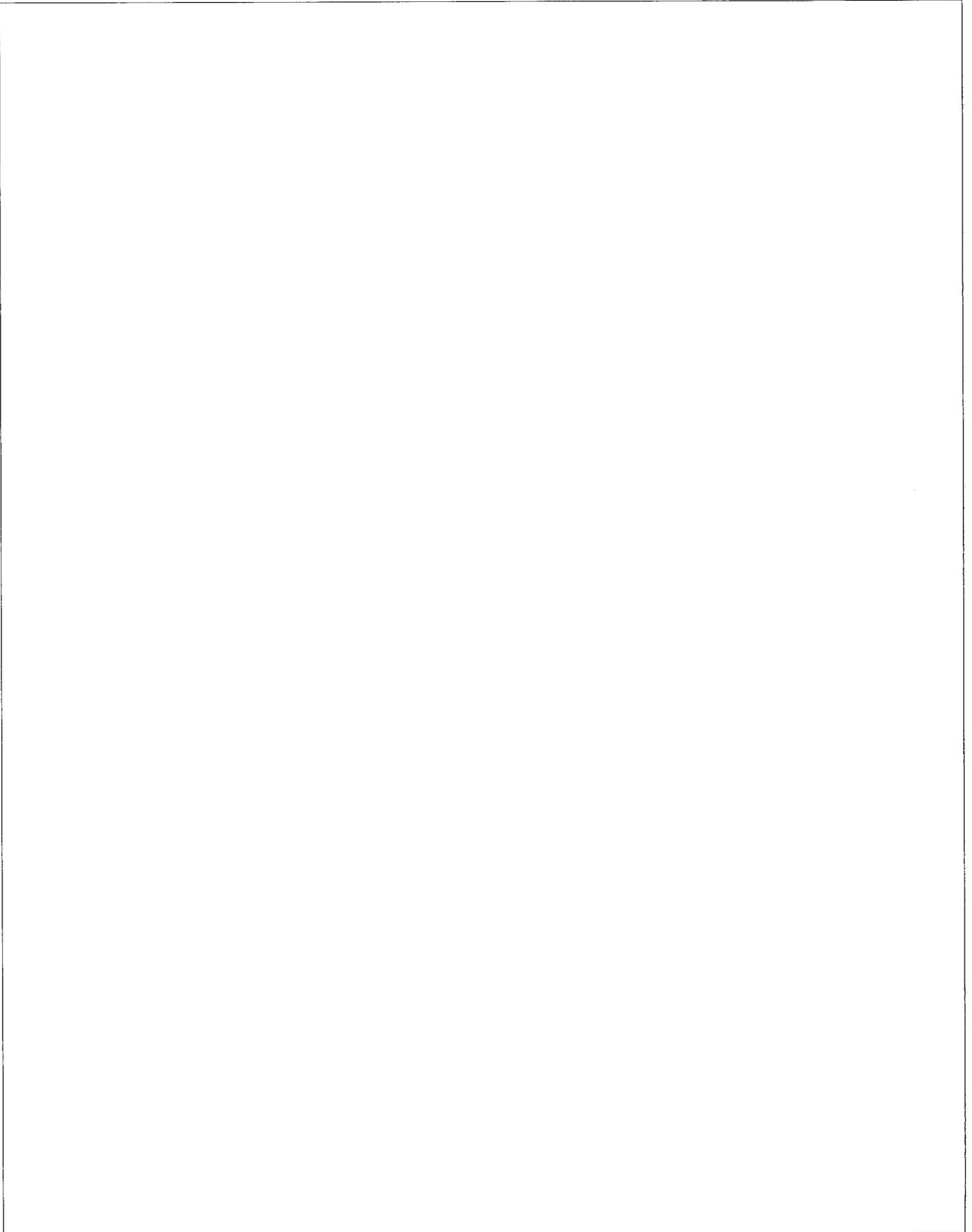
EVALUATION BY PALEONTOLOGIST: Alden H. Hamblin

A.H. Hamblin Paleontological Consulting, 3793 N. Minersville Highway, Cedar City, Utah 84720 (435) 867-8355
Utah State Paleontological Permit # 07-355, BLM paleontological Resources Permit # UT-S-05-02.
Utah Professional Geologist License – 5223011-2250.



TN MN
12'

0 1000 FEET 0 100 1000 METERS
Map created with TOPO! ©2003 National Geographic (www.nationalgeographic.com/topo)



July 2, 2007

**Bureau of Land Management
Vernal District
170 South 500 East
Vernal, Utah 84078**

Gentlemen:

Enclosed are copies of the paleontology report on Quinex Energy's proposed Wells located in Township 9 South, Range 17 East. I had asked that the paleontologist hand deliver copies of the reports BLM Vernal District Office.

I feel sure that the report was delivered, but should there have some problem getting the reports to you am sending you an additional copy.

The paleontology survey reports are for the following wells.

JanS Federal1-25	-	Section 25, T 9 S, R 17 E
Helen Federal 1-26	-	Section 26, T 9 S, R 17 E
JSW Federal. 2-26	-	Section 26, T 9 S, R 17 E
Joeylyn Federal 1-27	-	Section 27, T 9 S, R 17 E
JW Federal 2-27	-	Section 27, T 9 S, R 17 E

Sincerely,

**DeForrest Smouse, PhD
President**

**CULTURAL RESOURCE INVENTORY
OF TALON RESOURCES' PROPOSED WELL LOCATIONS
HELEN FEDERAL #1-26 AND JOELYN FEDERAL #1-27
(T9S, R17E, SECTIONS 26 AND 27)
DUCHESNE COUNTY, UTAH**

CULTURAL RESOURCE INVENTORY
OF TALON RESOURCES' PROPOSED WELL LOCATIONS
HELEN FEDERAL #1-26 AND JOELYN FEDERAL #1-27
(T9S, R17E, SECTIONS 26 AND 27)
DUCHESNE COUNTY, UTAH

By:

Patricia Stavish

Prepared For:
Bureau of Land Management
Vernal Field Office

Prepared Under Contract With:
Talon Resources, Inc.
P.O. Box 1230
Huntington, Utah 84528

Prepared By:

Montgomery Archaeological Consultants, Inc.
P.O. Box 219
Moab, Utah 84532

MOAC Report No. 08-224

August 28, 2008

United States Department of Interior (FLPMA)
Permit No. 08-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-08-MQ-0745b

INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants, Inc. (MOAC) in August 2008 for Talon Resources' proposed Helen Federal #1-26 and Joelyn Federal #1-27 well locations. The project area is located west of Snyder Reservoir, west of Pariette Bench, Duchesne County, Utah. The inventory was implemented at the request of Mr. Allen Childs, Talon Resources, Huntington, Utah. A total of 20 acres was inventoried on public lands administered by the Bureau of Land Management, Vernal Field Office.

The objective of the inventory was to locate, document and evaluate any cultural resources within the project area. This project was carried out in compliance with Federal and State legislation including the Antiquities Act of 1906, the National Historic Preservation Act (NHPA) of 1966 (as amended), the National Environmental and Historic Preservation Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, and the American Indian Religious Freedom Act of 1978.

The fieldwork was conducted on August 21, 2008 by Chris Roberts (Field Supervisor), under the auspices of U.S.D.I. (FLPMA) Permit No. 08-UT-60122 and State of Utah Antiquities Project (Survey) U-08-MQ-0745b issued to MOAC, Moab, Utah.

A file search for previous cultural resource inventories and archaeological sites was conducted by Keith Montgomery at the BLM, Vernal Field Office, on July 24, 2008. This consultation indicated that several cultural resource inventories have been conducted in the vicinity; however, no previous archaeological sites are located in the current project area. In 1998, Archeological-Environmental Research Corporation (AERC) conducted a survey of 3,919 acres in Uintah and Duchesne Counties for Inland Resources' proposed well pads, access roads and pipeline corridors. This investigation resulted in the documentation of 28 new prehistoric sites (Hauck 1998). In 2001, Montgomery Archaeological Consultants (MOAC) surveyed 400 acres in the Wells Draw and Pariette Bench localities for Inland Resources. This inventory resulted in the documentation of one lithic scatter (42Dc1356) (Montgomery 2001). In 2003, MOAC conducted another Inland survey that resulted in the documentation of 22 new historic and prehistoric sites, a re-visit to three previously recorded sites, and an addendum to one previously recorded site (Simon and Montgomery 2003). The next year MOAC conducted two more surveys for Inland Resources. The first inventory resulted in the documentation of eight new prehistoric and historic sites, and the location of four previously recorded sites (Elkins and Montgomery 2004). The second inventory resulted in the finding of no cultural resources (Wakefield and Montgomery 2004). In 2005, MOAC conducted an inventory of a block parcel of 2087 acres just north of the current inventory area (Simon 2005). This inventory resulted in the location of fourteen historic and prehistoric sites. In summary, although numerous sites have been documented in the proximity, none occur within the current project area.

DESCRIPTION OF PROJECT AREA

The project area is located west of Snyder Reservoir, west of Pariette Bench, Duchesne County, Utah. The legal description is Township 9 South, Range 17 East, Sections 26 and 27 (Figure 1 and Table 1).

Table 1. Talon Resources' Proposed Well Locations.

Well Designation	Legal Location	Access/Pipeline	Cultural Resources
Helen Federal #1-26	T9S, R17E, SW/NW of Sec. 26	Within 10 Acre	None
Joelyn Federal #1-27	T9S, R17E, NE/NW of Sec. 27	Within 10 Acre	None

Environmental Overview

The project area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. The area is characterized by steep-sided narrow ridges and benches dissected by intermittent drainages. Outcrops of the Uinta formation are characterized by a dense dendritic drainage pattern and topographic relief. This Eocene-age formation occurs as fluvial deposited interbedded sandstone and mudstone and is well-known for its fossil vertebrate turtles, crocodilians, fish, and mammals. Named water sources nearby include Snyder Spring and Snyder Reservoir to the southwest. Elevation of the project area averages 5300 ft a.s.l. The project area lies within the Upper Sonoran life zone, dominated by a shadscale community along with rabbitbrush, horsebrush, and prickly pear cactus. Modern disturbances to the landscape include well locations, access roads, pipelines, stock grazing, and vandalism

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At the proposed well locations, a 10 acre square was defined, centered on the well pad center stake. The well locations were examined for cultural resources by the archaeologists walking parallel transects spaced no more than 10 m (33 ft) apart. Ground visibility was considered good. A total of 20 acres was inventoried on public land administered by the Bureau of Land Management, Vernal Field Office.

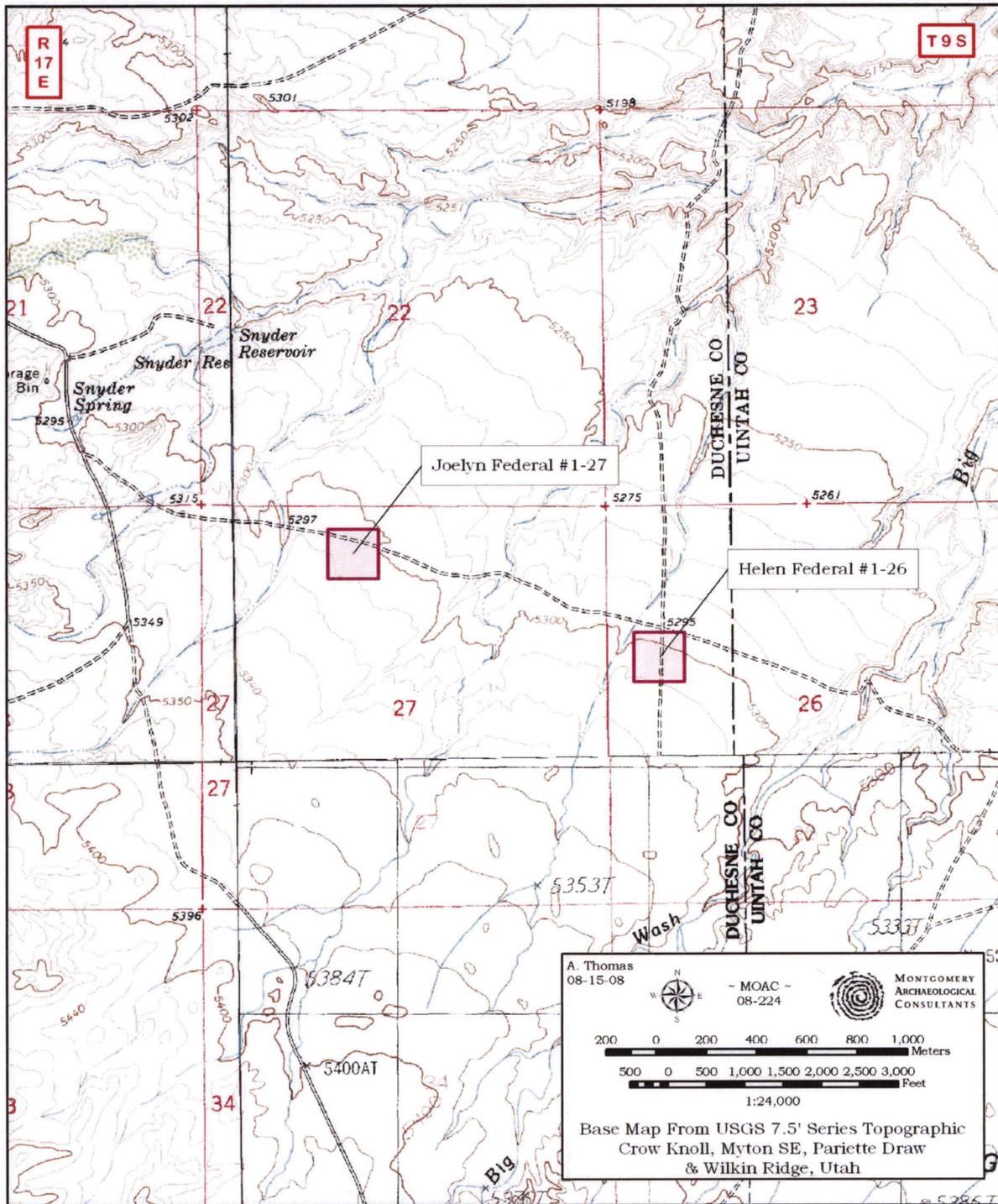


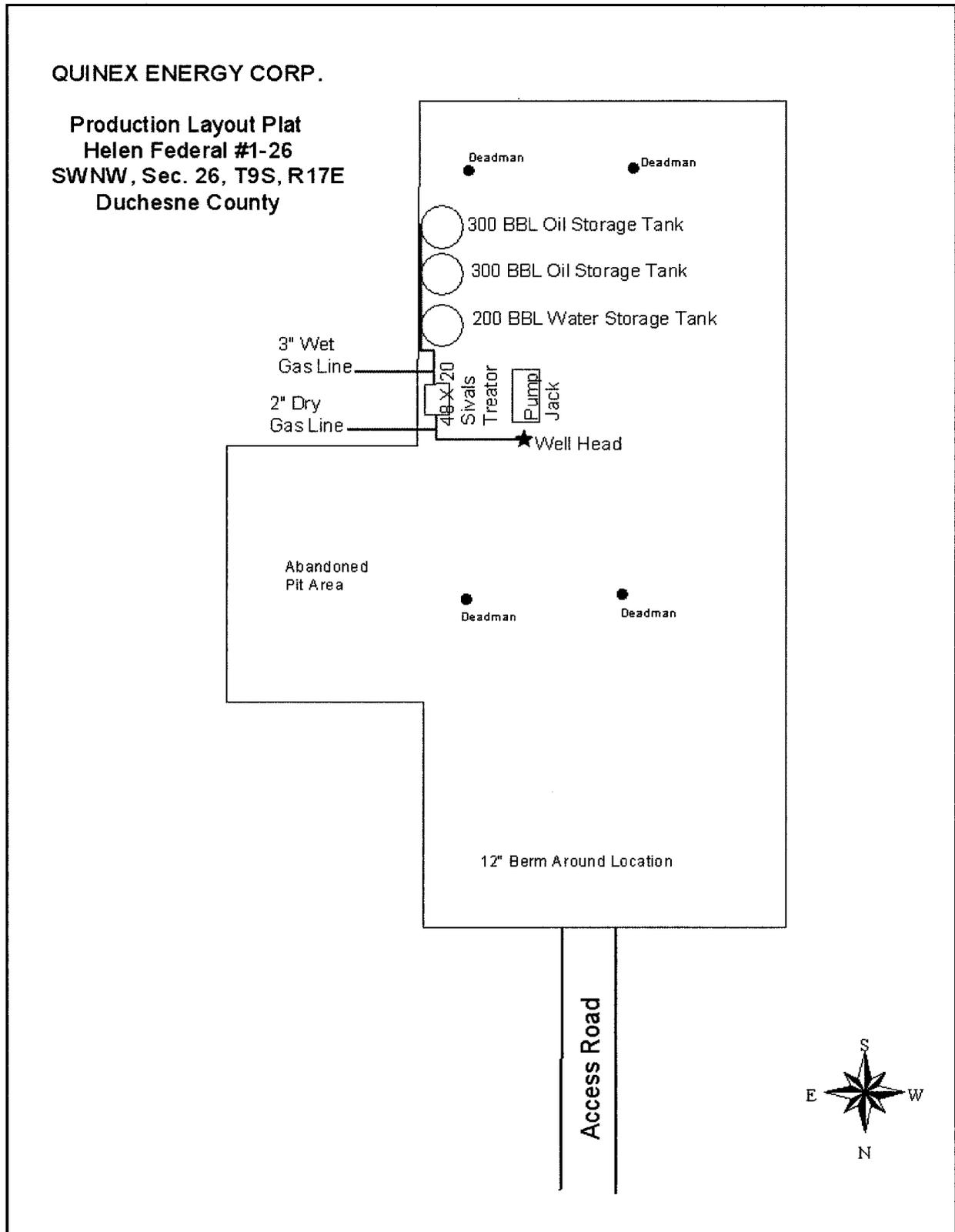
Figure 1. Inventory Area of Talon Resources' Proposed Well Locations, Duchesne County, Utah.

RESULTS AND RECOMMENDATIONS

The inventory of Talon Resources' proposed Helen Federal #1-26 and Joelyn Federal #1-27 well locations resulted in the location of no cultural resources. Based on this finding, a recommendation of "no adverse impact" is proposed for the undertaking pursuant to Section 106, CFR 800.

REFERENCES CITED

- Elkins, M. and K. Montgomery
2004 Cultural Resource Inventory of Inland Resources' Six Block Parcels (T8S, R17E, Sec. 20, 33, 34; T9S, R16E, S. 15; T9S, R17E, S. 17, 20; and T9S, R18E, S. 7) Duchesne and Uintah Counties, Utah. Montgomery Archaeological Consultants, Moab, Utah. Report No. U-04-MQ-0436b,p.
- Hauck, F.R
1998 Cultural Resource Evaluation of Various Large Tracts in the Wells Draw to Pariette Bench Locality in Duchesne and Uintah Counties, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Report No. U-98-AF-0164b,s, available at the BLM Vernal Field Office, Vernal Utah.
- Montgomery, K.R.
2001 Cultural Resource Inventories of 400 Acres in the Wells Draw and Pariette Bench Localities for Inland Production Company Duchesne County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Report No. U-01-MQ-0010b,s.
- Simon, K.
2005 Cultural Resource Inventory of Newfield Exploration's Block Parcel in T9S, R17E, Sec. 19, 20, 21 & 22 Duchesne County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Report No. U-05-MQ-0516b.
- Simon, K. and K. Montgomery
2003 Cultural Resource Inventory of Inland Productions' Parcel in T 9 S, R17 E, Sec. 13, 14, 15, 23 & 24 and T 9 S, R 18 E, Sec. 18 &19, Duchesne and Uintah Counties, Utah, Montgomery Archaeological Consultants, Moab, Utah. Report No. U-03-MQ-0750b.
- Stokes, W. L.
1986 *Geology of Utah*. Utah Museum of Natural History, University of Utah, Salt Lake City.
- Wakefield A. and K. Montgomery
2004 Cultural Resource Inventory of Inland Resources' Four 40 Acre Parcels Near Pariette Bench (T 9S, R 17E, Sec. 20; T 9S, R 16E, Sec. 13; T 8S, R 17E, Sec. 23 and 25), Uintah and Duchesne Counties, Utah. Montgomery Archaeological Consultants, Moab, Utah. Report No. U-04-MQ-0782b.



QUINEX ENERGY CORP.

HELEN FEDERAL #1-26

LOCATED IN DUCHESNE COUNTY, UTAH

SECTION 26, T9S, R17E, S.L.B.&M.

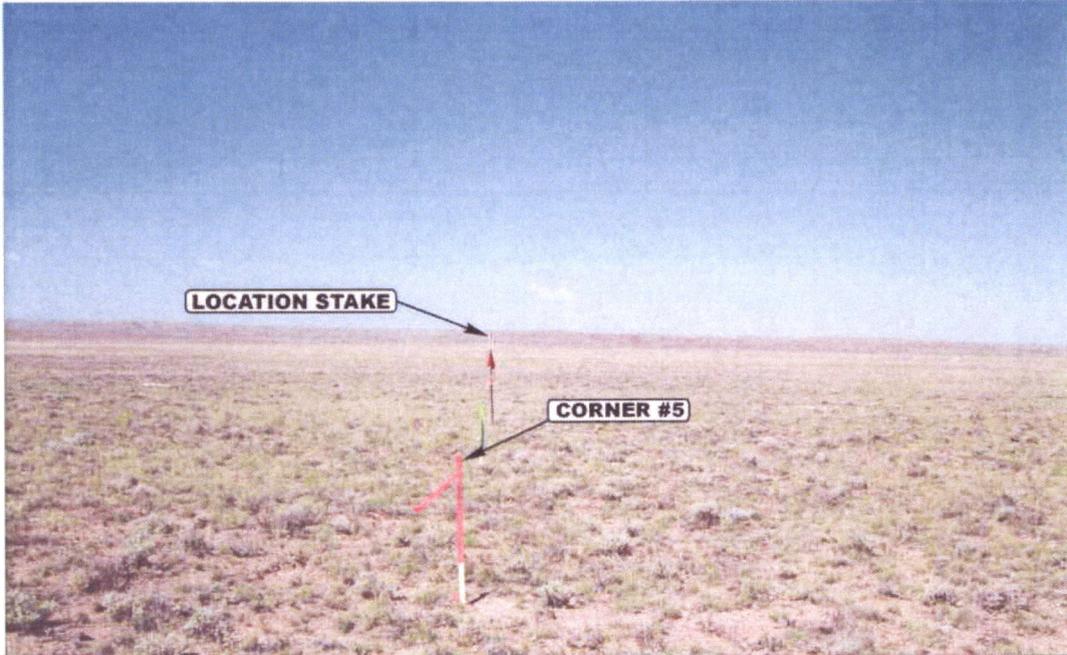


PHOTO: VIEW OF LOCATION STAKE FROM CORNER #5

CAMERA ANGLE: WESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



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

LOCATION PHOTOS

11 29 06
MONTH DAY YEAR

PHOTO

TAKEN BY: G.O.

DRAWN BY: A.A.

REV: 08-25-08 S.L.

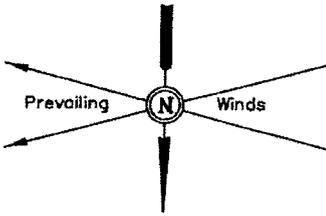
QUINEX ENERGY CORP.

LOCATION LAYOUT FOR

HELEN FEDERAL #1-26
SECTION 26, T9S, R17E, S.L.B.&M.

1980' FNL 721' FWL

FIGURE #1

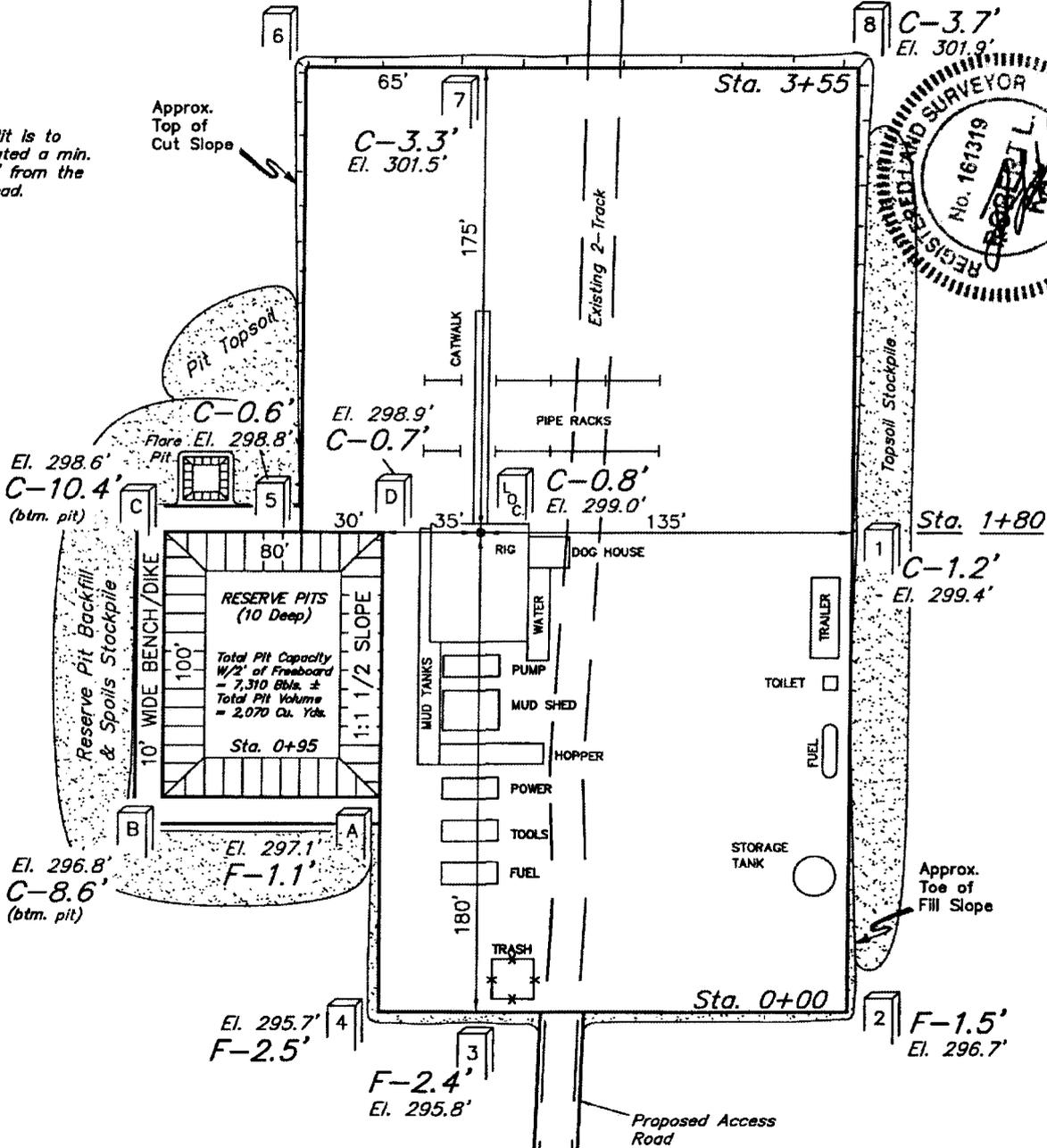
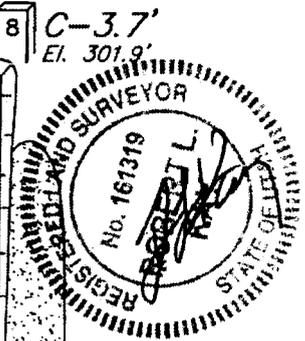


SCALE: 1" = 60'
DATE: 08-15-08
Drawn By: K.G.

C-2.7'
El. 300.9'

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

Approx. Top of Cut Slope



Elev. Ungraded Ground at Location Stake = 5299.0'
Elev. Graded Ground at Location Stake = 5298.2'

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85 So. 200 East • Vernal, Utah 84078 • (436) 789-1077

QUINEX ENERGY CORP.

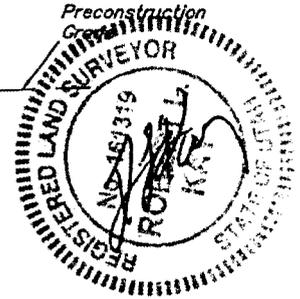
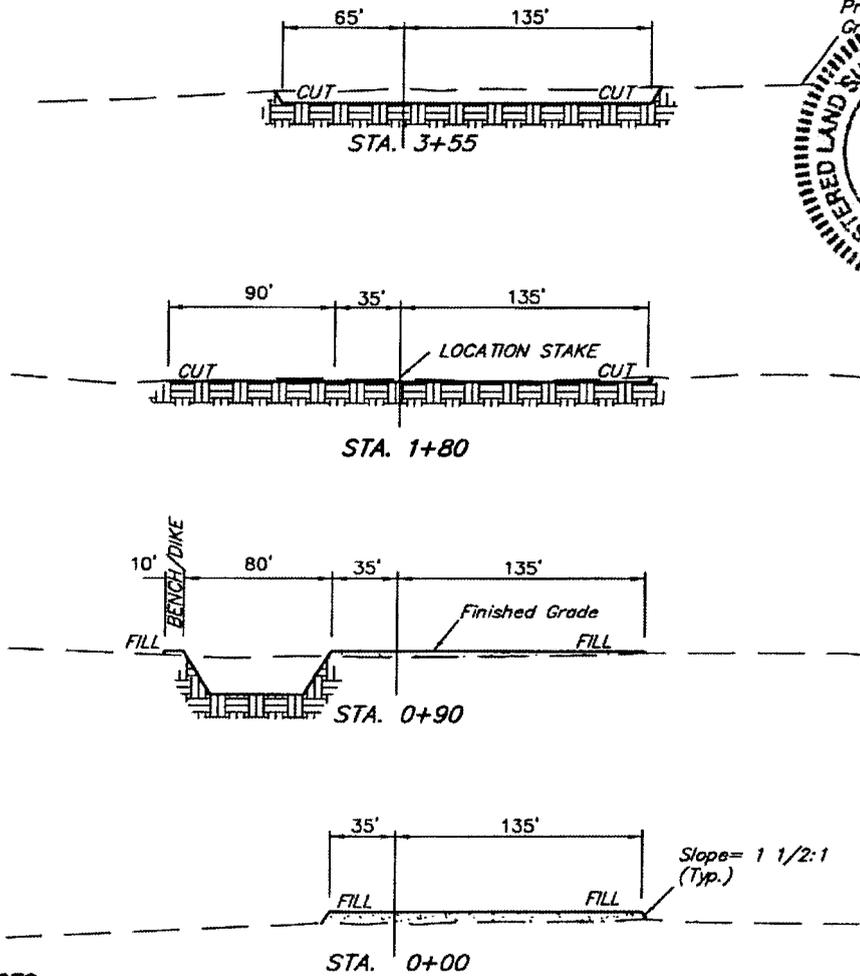
FIGURE #2

TYPICAL CROSS SECTIONS FOR

**HELEN FEDERAL #1-26
SECTION 26, T9S, R17E, S.L.B.&M.
1980' FNL 721' FWL**

1" = 40'
X-Section
Scale
1" = 100'

DATE: 08-15-08
Drawn By: K.G.



APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ±2.206 ACRES
ACCESS ROAD DISTURBANCE = ±0.364 ACRES
PIPELINE DISTURBANCE = ±0.479 ACRES
TOTAL = ±3.049 ACRES

NOTE:

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

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,500 Cu. Yds.
Remaining Location = 3,250 Cu. Yds.
TOTAL CUT = 4,750 CU.YDS.
FILL = 2,210 CU.YDS.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

EXCESS MATERIAL = 2,540 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 2,540 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

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



LEGEND:

⊙ PROPOSED LOCATION



QUINEX ENERGY CORP.

HELEN FEDERAL #1-26
SECTION 26, T9S, R17E, S.L.B.&M.
1980' FNL 721' FWL



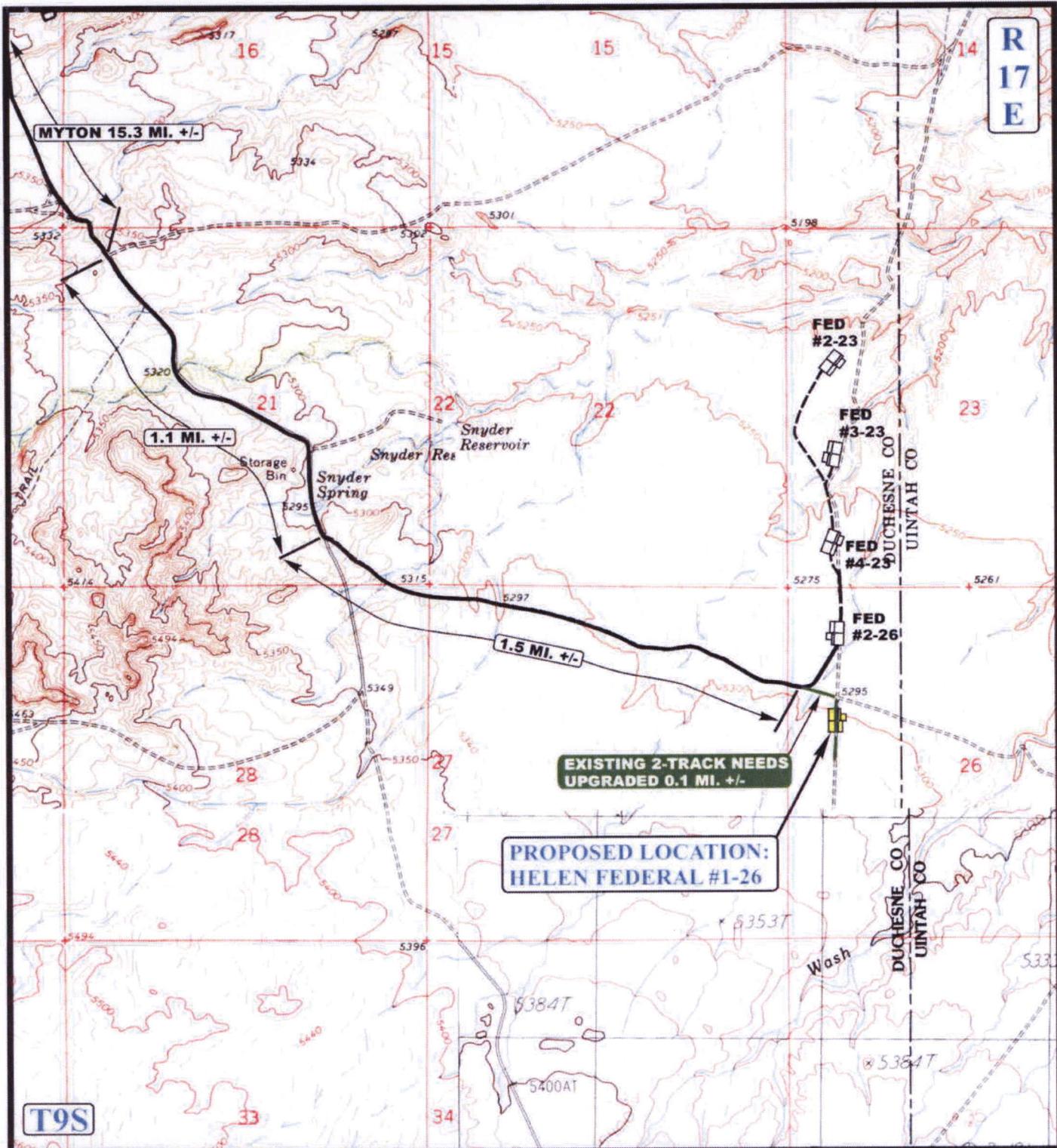
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

11 29 06
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: A.A. REV: 08-25-08 S.L.





R
17
E

MYTON 15.3 MI. +/-

1.1 MI. +/-

1.5 MI. +/-

EXISTING 2-TRACK NEEDS
UPGRADED 0.1 MI. +/-

PROPOSED LOCATION:
HELEN FEDERAL #1-26

T9S

LEGEND:

- EXISTING ROAD
- EXISTING 2-TRACK NEEDS UPGRADED

QUINEX ENERGY CORP.

HELEN FEDERAL #1-26
SECTION 26, T9S, R17E, S.L.B.&M.
1980' FNL 721' FWL

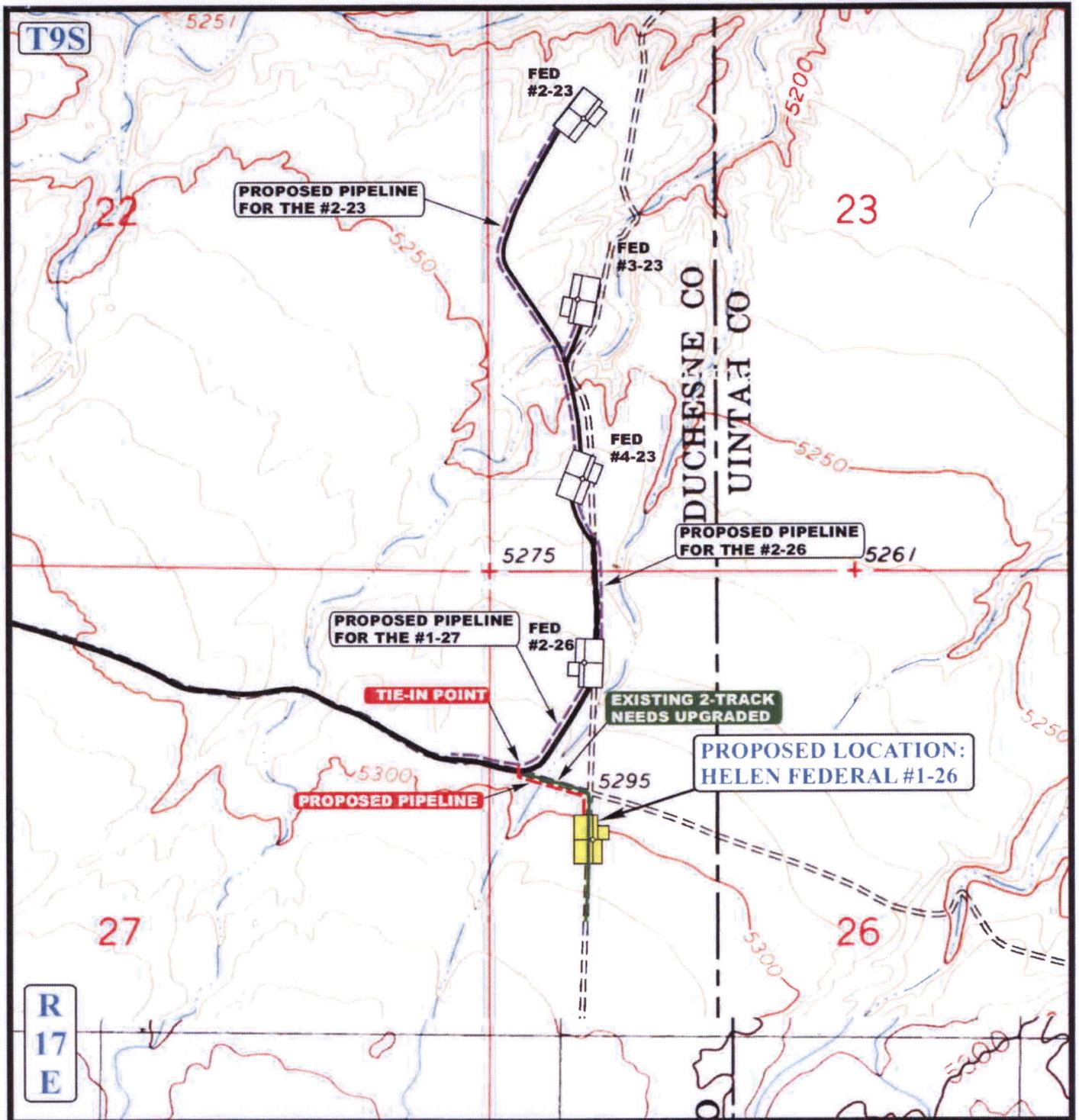


Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP 11 29 06
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: A.A. REV: 08-25-08 S.L.





APPROXIMATE TOTAL PIPELINE DISTANCE = 696' +/-

LEGEND:

-  EXISTING 2-TRACK NEEDS UPGRADED
-  EXISTING PIPELINE
-  PROPOSED PIPELINE



QUINEX ENERGY CORP.

HELEN FEDERAL #1-26
 SECTION 26, T9S, R17E, S.L.B.&M.
 1980' FNL 721' FWL



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

TOPOGRAPHIC 11 29 06
MAP MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: A.A. REV: 08-25-08 S.L.



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/03/2008

API NO. ASSIGNED: 43-013-34073

WELL NAME: HELEN FED 1-26
 OPERATOR: QUINEX ENERGY CORP (N9995)
 CONTACT: DEFORREST SMOUSE

PHONE NUMBER: 801-292-3800

PROPOSED LOCATION:

SWNW 26 090S 170E
 SURFACE: 1980 FNL 0721 FWL
 BOTTOM: 1980 FNL 0721 FWL
 COUNTY: DUCHESNE
 LATITUDE: 40.00374 LONGITUDE: -109.9801
 UTM SURF EASTINGS: 587056 NORTHINGS: 4428461
 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: WSTC
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 3SE 589025-00)
- 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: _____

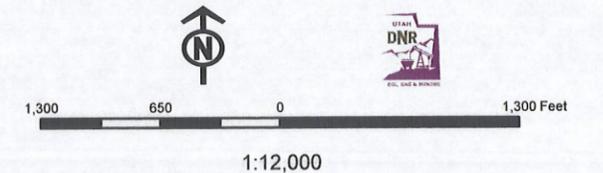
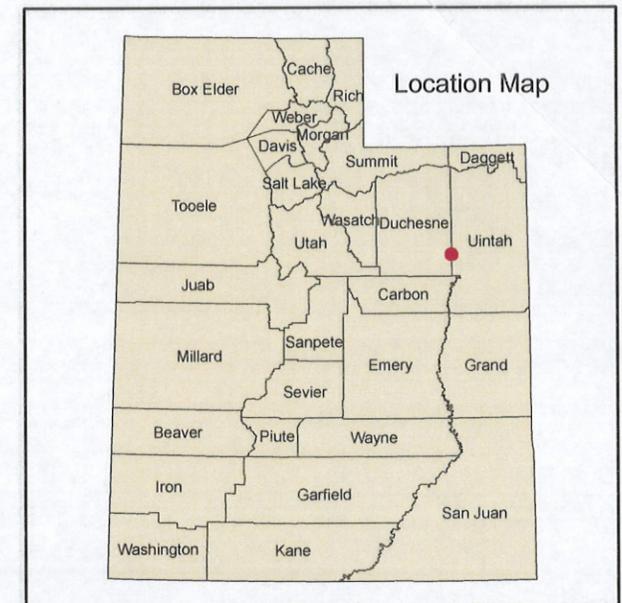
STIPULATIONS: _____

1-Sean Approval
2-Spacing Strip

API Number: 4301334073
Well Name: HELEN FED 1-26
Township 09.0 S Range 17.0 E Section 26
Meridian: SLBM
Operator: QUINEX ENERGY CORP

Map Prepared:
 Map Produced by Diana Mason

Units	Wells Query Events
STATUS	✕ <all other values>
ACTIVE	GIS_STAT_TYPE
EXPLORATORY	<Null>
GAS STORAGE	APD
NF PP OIL	DRL
NF SECONDARY	GI
PI OIL	GS
PP GAS	LA
PP GEOTHERML	NEW
PP OIL	OPS
SECONDARY	PA
TERMINATED	PGW
Fields	POW
STATUS	RET
ACTIVE	SGW
COMBINED	SOW
Sections	TA
Township	TW
	WD
	WI
	WS
	Bottom Hole Location





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 9, 2008

Quinex Energy Corporation
465 S 200 W
Bountiful, UT 84010

Re: Helen Federal 1-26 Well, 1980' FNL, 721' FWL, SW NW, Sec. 26, 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 43-013-34073.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

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

Operator: Quinex Energy Corporation
Well Name & Number Helen Federal 1-26
API Number: 43-013-34073
Lease: UTU-80566

Location: SW NW Sec. 26 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 within 24 hours of spudding the well.

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

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

- Contact 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.

RECEIVED

April 9, 2007
SEP 04 2008

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-80566
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator QUINEX ENERGY CORPORATION		7. If Unit or CA Agreement, Name and No.
3a. Address 465 SOUTH 200 WEST, BOUNTIFUL, UTAH 84010		8. Lease Name and Well No. HELEN FEDERAL 1-26
3b. Phone No. (include area code) 801-292-3800		9. API Well No. 43-013- 34073
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1980 FNL 721 FWL, SEC. 26 T9S R17E, DUCHESNE COUNTY, UTAH SWNW At proposed prod. zone SAME AS ABOVE UTM E 587051.45, N 4428450.50 NAD 27		10. Field and Pool, or Exploratory WILDCAT
14. Distance in miles and direction from nearest town or post office* 15.3 MILES SOUTH, SOUTHEAST OF MYTON UTAH		11. Sec., T. R. M. or Blk and Survey or Area SEC. 26, TWP 9, RNG 17 E, SLM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 721' TO SECTION LINE 1514' FROM LONE TREE UNIT	16. No. of acres in lease 1800	17. Spacing Unit dedicated to this well 40 ACRES
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 705' FROM JSW 2-26 43-013-33617	19. Proposed Depth 7,000'	20. BLM/BIA Bond No. on file BLM Bond No. KEMPER BOND #3SE 589025-00 UTB000107
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,299 Ungraded GL	22. Approximate date work will start* 10/01/2008	23. Estimated duration 20 DAYS DRILL, 20 DAYS COMP

24. Attachments

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

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

25. Signature <i>DeForrest Smouse</i>	Name (Printed/Typed) DeForrest Smouse	Date 03/30/2007
---------------------------------------	--	--------------------

Approved by (Signature) <i>Jerry Kavelo</i>	Name (Printed/Typed) DeForrest Smouse <i>Jerry Kavelo</i>	Date NOV 20 2008 03/30/2007
Title Assistant Field Manager Lands & Mineral Resources	Office SAME AS ABOVE VERNAL FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to these rights in the proposed lease, which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached **CONDITIONS OF APPROVAL ATTACHED**

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

(Continued on page 2)

*(Instructions on page 2)

RECEIVED

DEC 01 2008

NOTICE OF APPROVAL

DIV. OF OIL, GAS & MINING

UDOGM

NO NOS

07PP2073A



**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: Helen Federal 1-26
API No: 43-013-34073

Location: SWNW, Sec. 26, T9S, R17E
Lease No: UTU-80566
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
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:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	

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)**

- 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.

Conditions of Approval: Some of these Conditions may also be found in the APD or SOP.

1. **Surface Disturbing Activities Notification:** Notify the Authorized Officer (AO) 48 hours prior to surface disturbing activities.
2. **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- Aug. 15.....	Burrowing Owl habitat
-----------------------	-----------------------

3. **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.
4. **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.
5. **Access Road:**
 - Access roads shall 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 shall 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.
6. **Surface Pipelines:** Restrictions for placement of surface pipelines:-
 - a): Surface pipelines will be placed 5-10 feet outside of the borrow area.
 - b): Surface pipelines will be placed in such a way that they will not wander into the borrow area.
 - c): Pipelines will be buried at all major road and drainage crossings.

7. **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.
8. **Topsoil:** Four to six inches of topsoil shall be stripped from the location and stored for later use during reclamation.
9. **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.
10. **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 shall be removed (43 CFR 3162.7-1). And weather permitting; the reserve pit shall be backfilled, and reclaimed within 90 days.
11. **Fencing:** Any pits, and open tanks shall be fenced in order to exclude livestock and other wildlife from the area, obviously preventing injury and drinking fluids which could be toxic. 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 will also be fenced. The fences will be maintained until the pit has been reclaimed.
12. **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.
13. **Paint Color:** All well facilities not regulated by OSHA will be painted Covert Green.
14. **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.
15. **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 (<i>Oryzopsis hymenoides</i>)	6 lbs/acre
Galleta Grass (<i>Hilaria jamesii</i>)	6 lbs/acre

- Rates are set for drill seeding; double the rate if broadcasting.
- Reseeding may be required if initial seeding is not successful.
- **If no germination, contact BLM authorized officer.**

16. Final Reclamation:

- See APD
- Once the location is plugged and abandoned, it shall be re-contoured 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.**
- Any off road tracks within 100 feet of an existing road or trail will be reclaimed.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- A casing shoe integrity test shall be performed on the surface casing shoe.
- A minimum of 3M BOPE shall be installed and tested in accordance with Onshore Order #2.
- The production cement top shall be at a minimum of 200' above the surface casing shoe.
- The Gamma ray log shall be run from TD to surface.

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- 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.
- While actively drilling, 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 ($\frac{1}{4}$, 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 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 Gas Well	8. WELL NAME and NUMBER: HELEN FED 1-26
2. NAME OF OPERATOR: QUINEX ENERGY CORP	9. API NUMBER: 43013340730000
3. ADDRESS OF OPERATOR: 465 South 200 West , Bountiful, UT, 84010	PHONE NUMBER: 801 292-3800 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1980 FNL 0721 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 26 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: 6/1/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<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 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 checked="" type="checkbox"/> APD EXTENSION OTHER: _____

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

Pending inclusion into the Greater Monument Butte Unit the well will be drilled in the spring of 2010.

Approved by the Utah Division of Oil, Gas and Mining

Date: September 14, 2009

By:

NAME (PLEASE PRINT) K. Michael Hebertson	PHONE NUMBER 801 292-3800	TITLE Geologist
SIGNATURE N/A	DATE 9/10/2009	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43013340730000

API: 43013340730000

Well Name: HELEN FED 1-26

Location: 1980 FNL 0721 FWL QTR SWNW SEC 26 TWNP 090S RNG 170E MER S

Company Permit Issued to: QUINEX ENERGY CORP

Date Original Permit Issued: 9/9/2008

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?
• Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?
• Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?
• Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?
• Has the approved source of water for drilling changed?
• 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?
• Is bonding still in place, which covers this proposed well?

Approved by the Utah Division of Oil, Gas and Mining

Signature: K. Michael Hebertson

Date: 9/10/2009

Title: Geologist

Representing: QUINEX ENERGY CORP

Date: September 14, 2009

By: [Signature]

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 Gas Well	8. WELL NAME and NUMBER: HELEN FED 1-26
2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY	9. API NUMBER: 43013340730000
3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84052	PHONE NUMBER: 435 646-4825 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1980 FNL 0721 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 26 Township: 09.0S Range: 17.0E Meridian: S	9. FIELD and POOL or WILDCAT: MONUMENT BUTTE 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: 9/9/2011	<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 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 checked="" 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 extend the Application for Permit to Drill this well for one year.

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: October 11, 2010
 By:

NAME (PLEASE PRINT) Mandie Crozier	PHONE NUMBER 435 646-4825	TITLE Regulatory Tech
SIGNATURE N/A	DATE 10/8/2010	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43013340730000

API: 43013340730000

Well Name: HELEN FED 1-26

Location: 1980 FNL 0721 FWL QTR SWNW SEC 26 TWNP 090S RNG 170E MER S

Company Permit Issued to: NEWFIELD PRODUCTION COMPANY

Date Original Permit Issued: 9/9/2008

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 rightof- 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

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

Signature: Mandie Crozier

Date: 10/8/2010

Title: Regulatory Tech **Representing:** NEWFIELD PRODUCTION COMPANY

Date: October 11, 2010

By: 



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



SEP 12 2011

IN REPLY REFER TO:
3160 (UTG011)

Mandie Crozier
Newfield Production Company
Route 3, Box 3630
Myton, UT 84052

43 013 34073

Re: Notice of Expiration
Well No. Helen Federal 1-26
SWNW, Sec. 26, T9S, R17E
Duchesne County, Utah
Lease No. UTU-80566
Greater Monument Butte (GR) Unit

Dear Ms. Crozier:

The Application for Permit to Drill (APD) for the above-referenced well was approved on November 20, 2008. No extension of the original APD was requested. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding APD processing, please contact Cindy Severson at (435) 781-4455.

Sincerely,

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

RECEIVED

OCT 07 2011

DIV. OF OIL, GAS & MINING

cc: UDOGM



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 15, 2011

Mandie Crozier
Newfield Production Co
Route 3 Box 3630
Myton, UT 84052

43 OIB 34073
Helen Federal 1-26
9S 17E 26

Re: APDs Rescinded for Newfield Production Company
Uintah County & Duchesne County

Dear Ms. Crozier:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective September 23, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal
Bureau of Land Management, Price



43-013-34072	JOELYN FED 1-27
→ 43-013-34073	HELEN FED 1-26
43-007-31327	DUGOUT CREEK FED 41-30
43-007-31057	DUGOUT CREEK FED 31-4
43-007-31058	DUGOUT CREEK FED 43-33
43-007-31059	DUGOUT CREEK FED 41-33
43-007-31060	DUGOUT CREEK FED 44-28