

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>		<b>1. WELL NAME and NUMBER</b> Hancock 1-20-4-1
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>		<b>3. FIELD OR WILDCAT</b> MONUMENT BUTTE
<b>4. TYPE OF WELL</b> Oil Well      Coalbed Methane Well: NO		<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>
<b>6. NAME OF OPERATOR</b> NEWFIELD PRODUCTION COMPANY		<b>7. OPERATOR PHONE</b> 435 646-4825
<b>8. ADDRESS OF OPERATOR</b> Rt 3 Box 3630 , Myton, UT, 84052		<b>9. OPERATOR E-MAIL</b> mcrozier@newfield.com
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee</b>	<b>11. MINERAL OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b> Henderson Ranches LLC		<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b> Route 3 Box 3671, ,		<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>	<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>	<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
<b>LOCATION AT SURFACE</b>	471 FNL 666 FEL	NENE	20	4.0 S	1.0 W	U
<b>Top of Uppermost Producing Zone</b>	471 FNL 666 FEL	NENE	20	4.0 S	1.0 W	U
<b>At Total Depth</b>	471 FNL 666 FEL	NENE	20	4.0 S	1.0 W	U

<b>21. COUNTY</b> DUCHESNE	<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 471	<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 40
	<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 0	<b>26. PROPOSED DEPTH</b> MD: 6935 TVD: 6935
<b>27. ELEVATION - GROUND LEVEL</b> 5133	<b>28. BOND NUMBER</b> B001834	<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> 43-7478

**ATTACHMENTS**

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

<input checked="" type="checkbox"/> <b>WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER</b>	<input checked="" type="checkbox"/> <b>COMPLETE DRILLING PLAN</b>
<input checked="" type="checkbox"/> <b>AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)</b>	<input type="checkbox"/> <b>FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER</b>
<input type="checkbox"/> <b>DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)</b>	<input checked="" type="checkbox"/> <b>TOPOGRAPHICAL MAP</b>

<b>NAME</b> Mandie Crozier	<b>TITLE</b> Regulatory Tech	<b>PHONE</b> 435 646-4825
<b>SIGNATURE</b>	<b>DATE</b> 05/01/2009	<b>EMAIL</b> mcrozier@newfield.com
<b>API NUMBER ASSIGNED</b> 43013500200000	<b>APPROVAL</b>   Permit Manager	

<b>Proposed Hole, Casing, and Cement</b>						
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Prod	7.875	5.5	0	6935		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade J-55 LT&C	6935	15.5			

<b>Proposed Hole, Casing, and Cement</b>						
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Surf	12.25	8.625	0	500		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade J-55 ST&C	500	24.0			

NEWFIELD PRODUCTION COMPANY  
HANCOCK 1-20-4-1  
NE/NE SECTION 20, T4S, R1W  
DUSCHESNE COUNTY, UTAH

THIRTEEN POINT SURFACE PROGRAM

1. **EXISTING ROADS**

See attached **Topographic Map "A"**

To reach Newfield Production Company well location site Hancock 1-20-4-1 located in the NE¼ NE¼ Section 20, T4S, R1W, S.L.B. & M., Duchesne County, Utah:

Proceed in a southerly direction out of Myton, approximately 3.0 miles to it's junction with an existing road to the east; proceed in a southeasterly direction approximately 3.2 miles to it's junction with an existing road to the east; proceed in a easterly direction approximately 1.3 miles to it's junction with the beginning of the proposed access road; proceed along the proposed access road approximately 2,440' to the proposed well location.

The highways mentioned in the foregoing paragraph are bituminous surfaced roads to the point where Highway 216 exists to the South, thereafter the roads are constructed with existing materials and gravel. The highways are maintained by Utah State road crews. All other roads are maintained by County crews.

The aforementioned dirt oil field service roads and other roads in the vicinity are constructed out of existing native materials that are prevalent to the existing area they are located in and range from clays to a sandy-clay shale material.

The roads for access during the drilling, completion and production phase will be maintained at the standards required by the State of Utah, or other controlling agencies. This maintenance will consist of some minor grader work for smoothing road surfaces and for snow removal.

2. **PLANNED ACCESS ROAD**

Approximately 2,440' of access road is proposed. See attached **Topographic Map "B"**.

The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%.

There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road.

There are no fences encountered along this proposed road. There will be no new gates or cattle guards required.

All construction material for this access road will be borrowed material accumulated during construction of the access road.

3. **LOCATION OF EXISTING WELLS**

Refer to **EXHIBIT B**.

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

There are no existing facilities that will be used by this well.

It is anticipated that this well will be a producing oil well.

Upon construction of a tank battery, the well pad will be surrounded by a dike of sufficient capacity to contain at minimum 110% of the largest tank volume within the facility battery.

Tank batteries will be built to State specifications.

All permanent (on site for six (6) months or longer) structures, constructed or installed (including pumping units), will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation.

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

Newfield Production will transport water by truck for drilling purposes from the following water sources:

Johnson Water District  
Water Right: 43-7478

Neil Moon Pond  
Water Right: 43-11787

Maurice Harvey Pond  
Water Right: 47-1358

Newfield Collector Well  
Water Right: 41-3530 (A30414DV, contracted with the Duchesne County Conservancy District).

There will be no water well drilled at this site

6. **SOURCE OF CONSTRUCTION MATERIALS**

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road.

A mineral material application is not required for this location.

7. **METHODS FOR HANDLING WASTE DISPOSAL**

A small reserve pit (90' x 40' x 8' deep, or less) will be constructed from native soil and clay materials. The reserve pit will receive the processed drill cutting (wet sand, shale & rock) removed from the wellbore. Any drilling fluids, which do accumulate in the pit as a result of shale-shaker carryover, cleaning of the sand trap, etc., will be promptly reclaimed. All drilling fluids will be fresh water based, typically containing Total Dissolved Solids of less than 3000 PPM. No potassium chloride, chromates, trash, debris, nor any other substance deemed hazardous

will be placed in this pit. A 16 mil liner with felt will be required. Newfield requests approval that a flare pit be constructed and utilized on this location.

A portable toilet will be provided for human waste.

A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.

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

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

8. **ANCILLARY FACILITIES:**

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. **WELL SITE LAYOUT:**

See attached Location Layout Sheet.

**Fencing Requirements**

All pits will be fenced according to the following minimum standards:

- a) A 39-inch net wire shall be used with at least one strand of barbed wire on top of the net.
- b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.
- c) Corner posts shall be centered and/or braced in such a manner to keep tight at all times
- d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.
- e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three (3) sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **PLANS FOR RESTORATION OF SURFACE:**

a) **Producing Location**

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, material, trash and junk not required for production.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximated natural contours. Weather permitting, the reserve pit will be reclaimed within one hundred twenty (120) days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed.

b) **Dry Hole Abandoned Location**

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the State of Utah will attach the appropriate surface rehabilitation conditions of approval.

11. **SURFACE OWNERSHIP:** Henderson Ranches LLC  
See attached Easement ROW and Surface Use Agreement.

12. **OTHER ADDITIONAL INFORMATION:**

- a) Newfield Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Newfield is to immediately stop work that might further disturb such materials and contact the Authorized Officer.
- b) Newfield Production will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. On State administered land it is required that a Pesticide Use Proposal shall be submitted and given approval prior to the application of herbicides or other possible hazardous chemicals.
- c) Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

**Additional Surface Stipulations**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations, Onshore Oil and Gas Orders, the approved plan of operations and any applicable Notice to Lessees. A copy of these conditions will be furnished to the field representative to ensure compliance.

**Hazardous Material Declaration**

Newfield Production Company guarantees that during the drilling and completion of the Hancock 1-20-4-1, Newfield will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986. Newfield also guarantees that during the drilling and completion of the Hancock 1-20-4-1 Newfield will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

A complete copy of the approved APD, if applicable, shall be on location during the construction of the location and drilling activities.

Newfield Production Company or a contractor employed by Newfield Production shall contact the State office at (801) 722-3417, 48 hours prior to construction activities.

The State office shall be notified upon site completion prior to moving on the drilling rig.

13. **LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:**

Representative

Name: Dave Allred  
Address: Newfield Production Company  
Route 3, Box 3630  
Myton, UT 84052  
Telephone: (435) 646-3721

Certification

Please be advised that Newfield Production Company is considered to be the operator of well #1-20-4-1, NE/NE Section 20, T4S, R1W, Duchesne County, Utah and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Bond #B001834.

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

\_\_\_\_\_  
Date 4/28/09

  
Mandie Crozier  
Regulatory Specialist  
Newfield Production Company

NEWFIELD PRODUCTION COMPANY  
HANCOCK 1-20-4-1  
NE/NE SECTION 20, T4S, R1W  
DUSCHESNE COUNTY, UTAH

TEN POINT DRILLING PROGRAM

1. **GEOLOGIC SURFACE FORMATION:**

Uinta formation of Upper Eocene Age

2. **ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:**

Uinta	0 – 1,995'
Green River	1,995'
Wasatch	6,935'

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

Green River Formation (Oil) 1,995' – 6,935'

Fresh water may be encountered in the Uinta Formation, but would not be expected below about 350'. All water shows and water bearing geologic units shall be reported to the geologic and engineering staff of the Vernal Office prior to running the next string of casing or before plugging orders are requested. All water shows must be reported within one (1) business day after being encountered.

All usable (<10,000 PPM TDS) water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. This information shall be reported to the Vernal Office.

Detected water flows shall be sampled, analyzed, and reported to the geologic & engineering staff of the Vernal Office. The office may request additional water samples for further analysis. Usage of the State of Utah form *Report of Water Encountered* is acceptable, but not required.

The following information is requested for water shows and samples where applicable:

Location & Sample Interval	Date Sampled
Flow Rate	Temperature
Hardness	pH
Water Classification (State of Utah)	Dissolved Calcium (Ca) (mg/l)
Dissolved Iron (Fe) (ug/l)	Dissolved Sodium (Na) (mg/l)
Dissolved Magnesium (Mg) (mg/l)	Dissolved Carbonate (CO <sub>3</sub> ) (mg/l)
Dissolved Bicarbonate (NaHCO <sub>3</sub> ) (mg/l)	Dissolved Chloride (Cl) (mg/l)
Dissolved Sulfate (SO <sub>4</sub> ) (mg/l)	Dissolved Total Solids (TDS) (mg/l)

4. **PROPOSED CASING PROGRAM:**

Surface Casing: 8-5/8" J-55 24# w/ST&C collars; set at 500' (New)  
Production Casing: 5-1/2" J-55, 15.5# w/LT&C collars; set at TD (New or used, inspected).

5. **MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:**

The operator's minimum specifications for pressure control equipment are as follows:

An 8" Double Ram Hydraulic unit with a closing unit will be utilized. Function test of BOP's will be check daily.

Refer to **Exhibit C** for a diagram of BOP equipment that will be used on this well.

6. **TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:**

From surface to ±350 feet will be drilled with an air/mist system. From about 350 feet to TD, a fresh water system will be utilized. Clay inhibition and hole stability will be achieved with a KCl substitute additive. This additive will be identified in the APD and reviewed to determine if the reserve pit shall be lined. This fresh water system will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated mud weight is 8.4 lbs/gal. If necessary to control formation fluids or pressure, the system will be weighted with the addition of bentonite gel, and if pressure conditions warrant, with barite.

No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh aquifers.

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

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

Newfield Production will **visually** monitor pit levels and flow from the well during drilling operations.

7. **AUXILIARY SAFETY EQUIPMENT TO BE USED:**

Auxiliary safety equipment will be a Kelly Cock, bit float, and a TIW valve with drill pipe threads.

8. **TESTING, LOGGING AND CORING PROGRAMS:**

The logging program will consist of a Dual Induction, Gamma Ray and Caliper log from TD to base of surface casing @ 500' +/-, and a Compensated Neutron-Formation Density Log from TD to 3500' +/- . A cement bond log will be run from PBTB to cement top. No drill stem testing or coring is planned for this well.

9. **ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:**

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered or is known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure will approximately equal total depth in feet multiplied by a 0.433 psi/foot gradient.

10. **ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:**

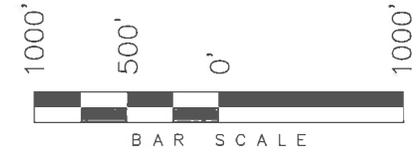
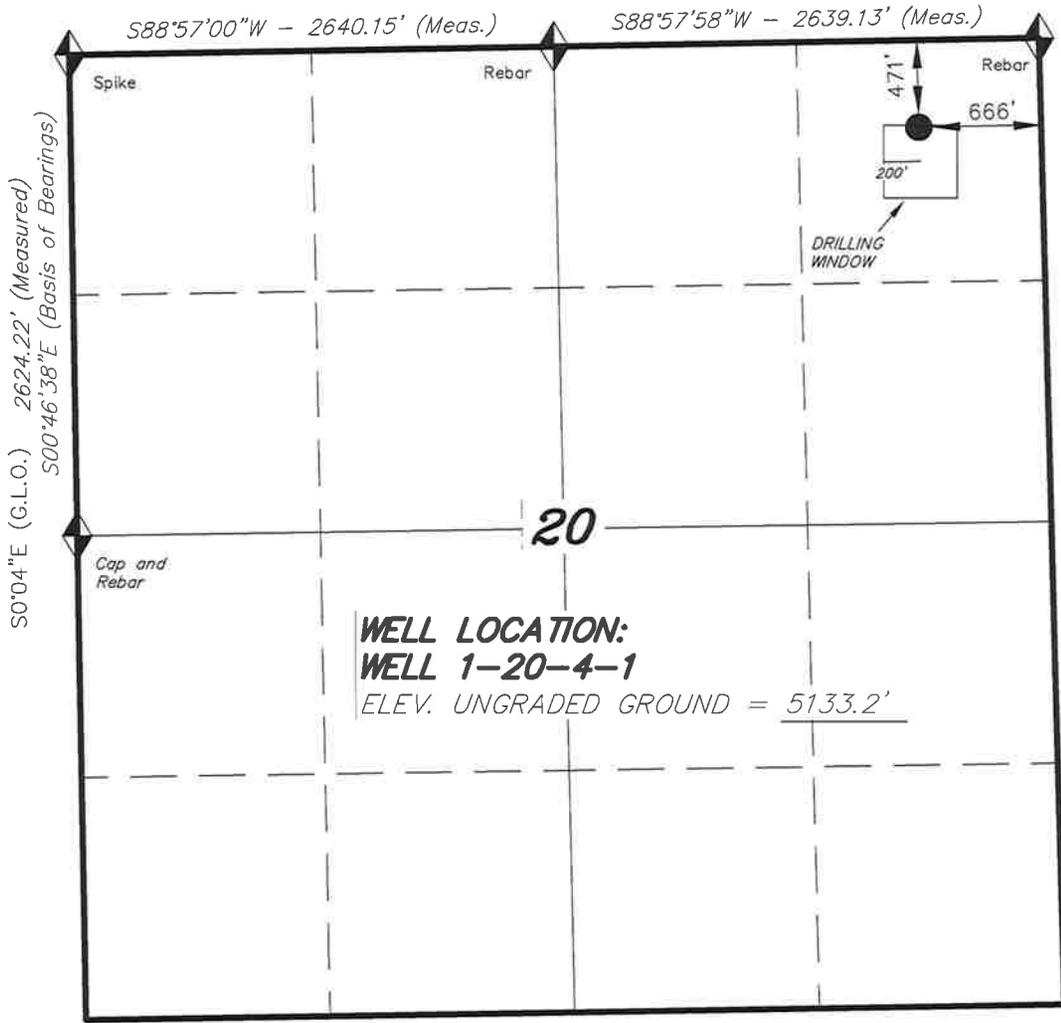
It is anticipated that the drilling operations will commence the second quarter of 2009, and take approximately seven (7) days from spud to rig release.

# T4S, R1W, U.S.B.&M.

N89°57'W 79.90 (G.L.O.)

## NEWFIELD PRODUCTION COMPANY

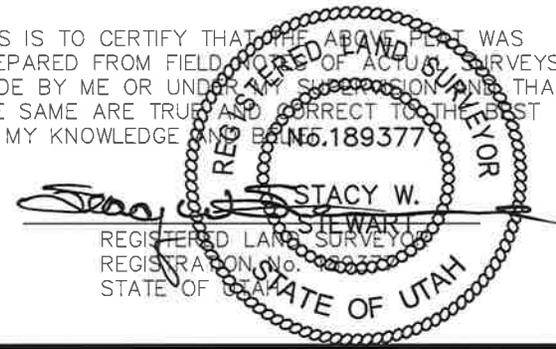
WELL LOCATION, WELL 1-20-4-1,  
 LOCATED AS SHOWN IN THE NE 1/4 NE  
 1/4 OF SECTION 20, T4S, R1W,  
 S.L.B.&M. DUCHESNE COUNTY, UTAH.



**Note:**  
 1. The Proposed Well head bears  
 S53°36'02\"W 813.41' from the  
 Northeast Corner of Section 20.

**WELL LOCATION:**  
**WELL 1-20-4-1**  
 ELEV. UNGRADED GROUND = 5133.2'

THIS IS TO CERTIFY THAT THE ABOVE PLAN WAS  
 PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS  
 MADE BY ME OR UNDER MY SUPERVISION AND THAT  
 THE SAME ARE TRUE AND CORRECT TO THE BEST  
 OF MY KNOWLEDGE AND BELIEF. No. 189377



◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; Elevations are base on  
 LOCATION: an N.G.S. OPUS Correction.  
 LAT. 40°04'09.56\" LONG. 110°00'43.28\"  
 (Tristate Aluminum Cap) Elev. 5281.57'

**WELL 1-20-4-1**  
 (Surface Location) NAD 83  
 LATITUDE = 40° 07' 35.37\"  
 LONGITUDE = 110° 00' 47.77\"

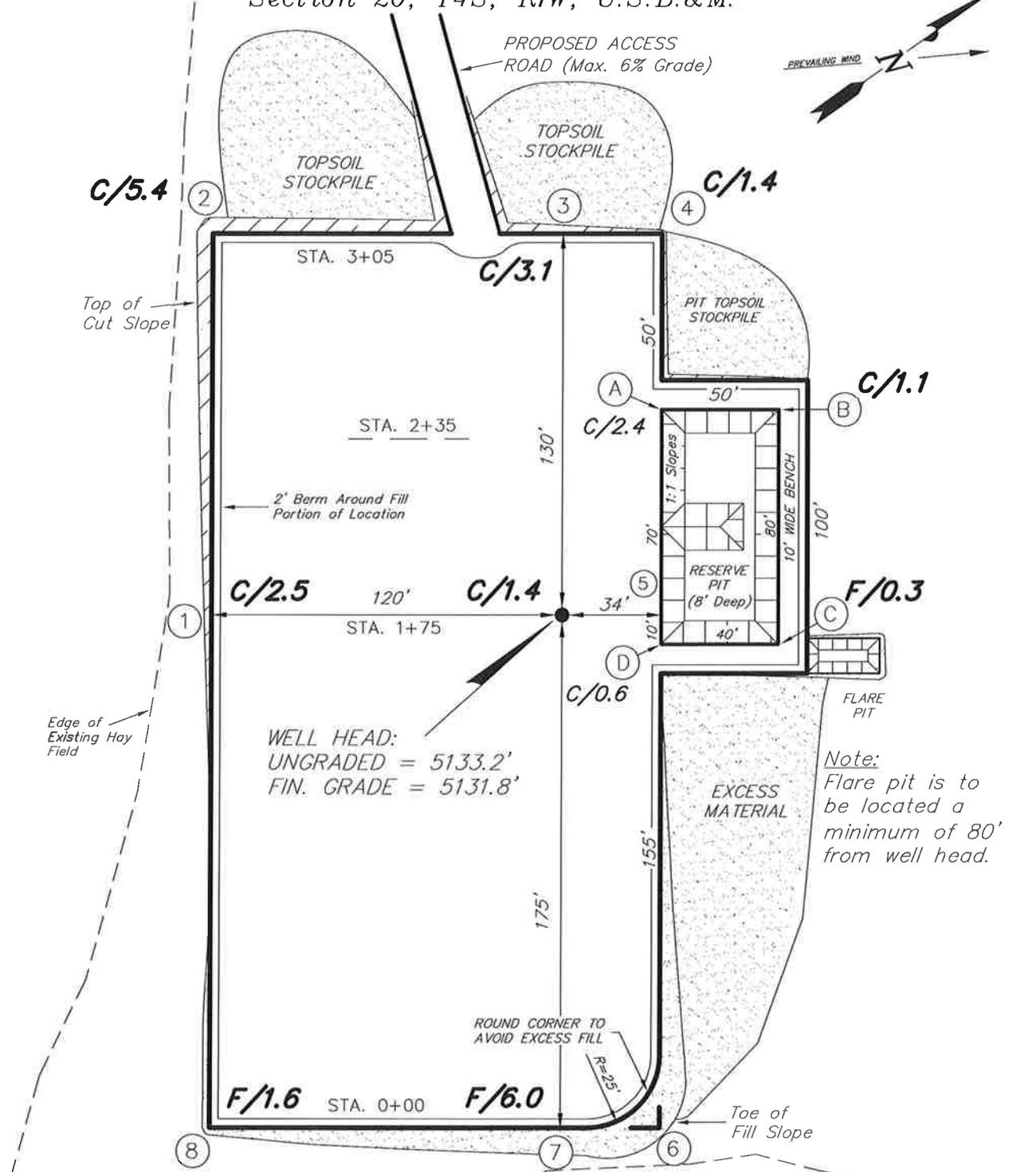
**TRI STATE LAND SURVEYING & CONSULTING**  
 180 NORTH VERNAL AVE. - VERNAL, UTAH 84078  
 (435) 781-2501

DATE SURVEYED: 04-09-09	SURVEYED BY: T.H.
DATE DRAWN: 04-10-09	DRAWN BY: F.T.M.
REVISED:	SCALE: 1" = 1000'

# NEWFIELD PRODUCTION COMPANY

## WELL 1-20-4-1

Section 20, T4S, R1W, U.S.B.&M.



WELL HEAD:  
UNGRADED = 5133.2'  
FIN. GRADE = 5131.8'

Note:  
Flare pit is to be located a minimum of 80' from well head.

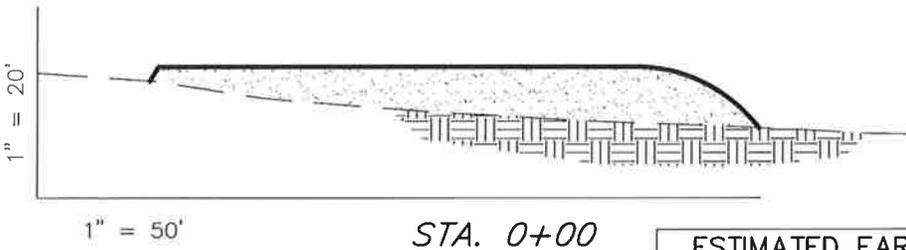
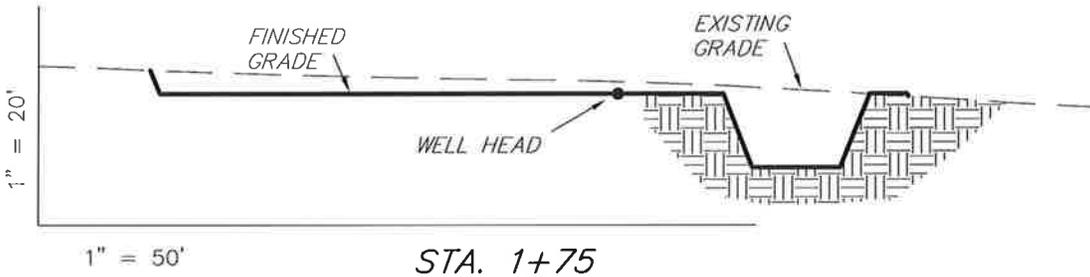
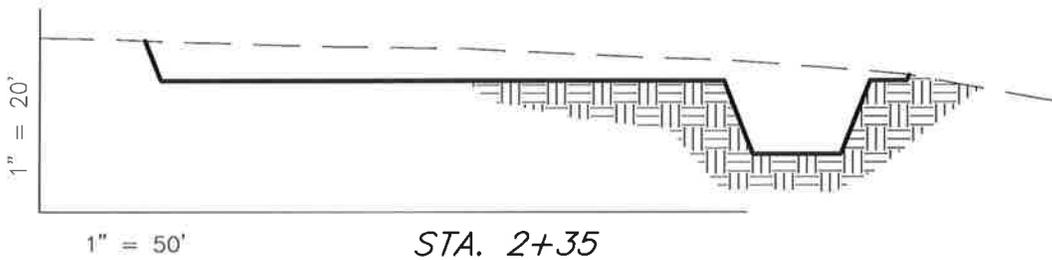
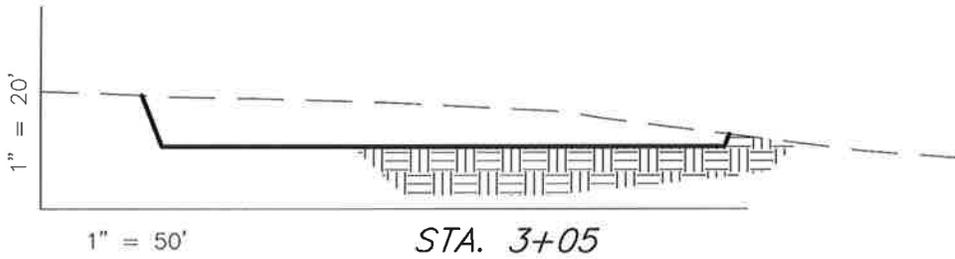
### REFERENCE POINTS

- 215' SOUTHEAST = 5125.3'
- 170' SOUTHWEST = 5135.0'
- 220' SOUTHWEST = 5135.5'

SURVEYED BY: T.H.	DATE SURVEYED: 04-09-09	<p>Tri State Land Surveying, Inc. (435) 781-2501 180 NORTH VERNAL AVE. VERNAL, UTAH 84078</p>
DRAWN BY: F.T.M.	DATE DRAWN: 04-10-09	
SCALE: 1" = 50'	REVISED: F.T.M. 04-22-09	

# NEWFIELD PRODUCTION COMPANY

## CROSS SECTIONS WELL 1-20-4-1



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

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	2,320	2,310	Topsoil is not included in Pad Cut	10
PIT	640	0		640
<b>TOTALS</b>	<b>2,960</b>	<b>2,310</b>	<b>1,040</b>	<b>650</b>

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

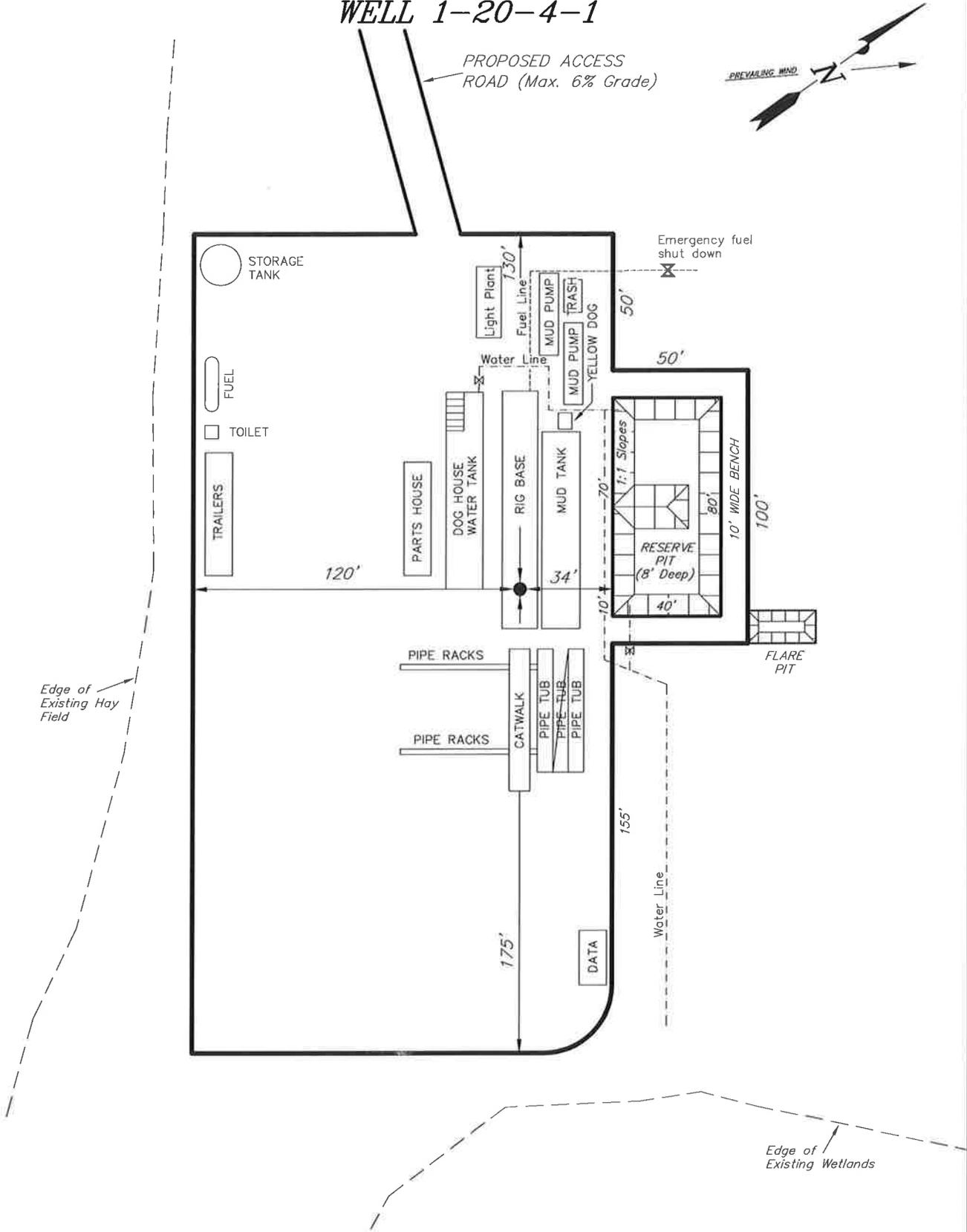
SURVEYED BY: T.H.	DATE SURVEYED: 04-09-09
DRAWN BY: F.T.M.	DATE DRAWN: 04-10-09
SCALE: 1" = 50'	REVISED: F.T.M. 04-23-09

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

# NEWFIELD PRODUCTION COMPANY

## TYPICAL RIG LAYOUT

### WELL 1-20-4-1

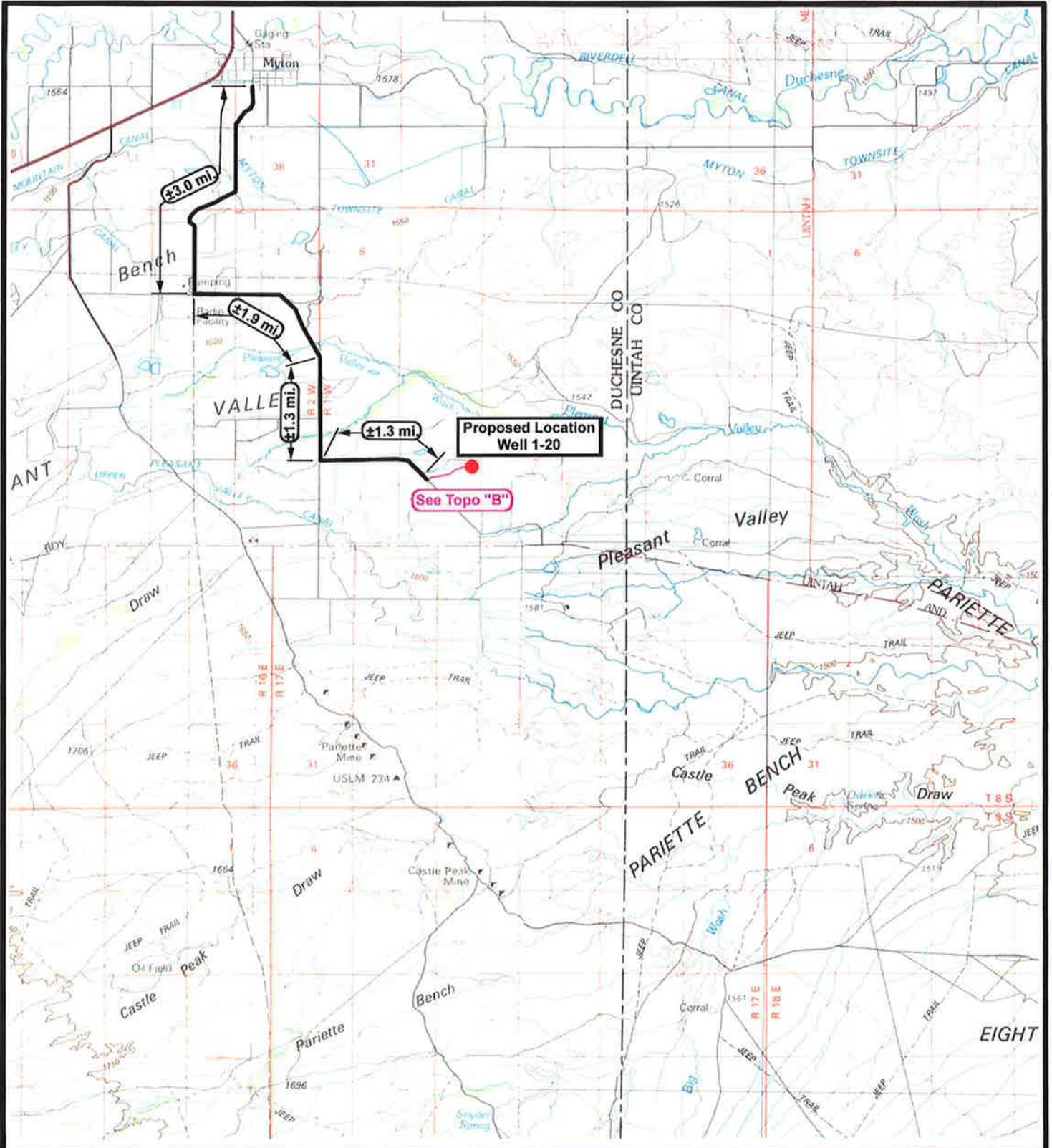


SURVEYED BY: T.H.	DATE SURVEYED: 04-09-09
DRAWN BY: F.T.M.	DATE DRAWN: 04-10-09
SCALE: 1" = 50'	REVISED: F.T.M. 04-23-09

(435) 781-2501

**Tri State**  
Land Surveying, Inc.

180 NORTH VERNAL AVE. VERNAL, UTAH 84078



**NEWFIELD**  
Exploration Company

**Well 1-20-4-1**  
**SEC. 20, T4S, R1W, U.S.B.&M.**



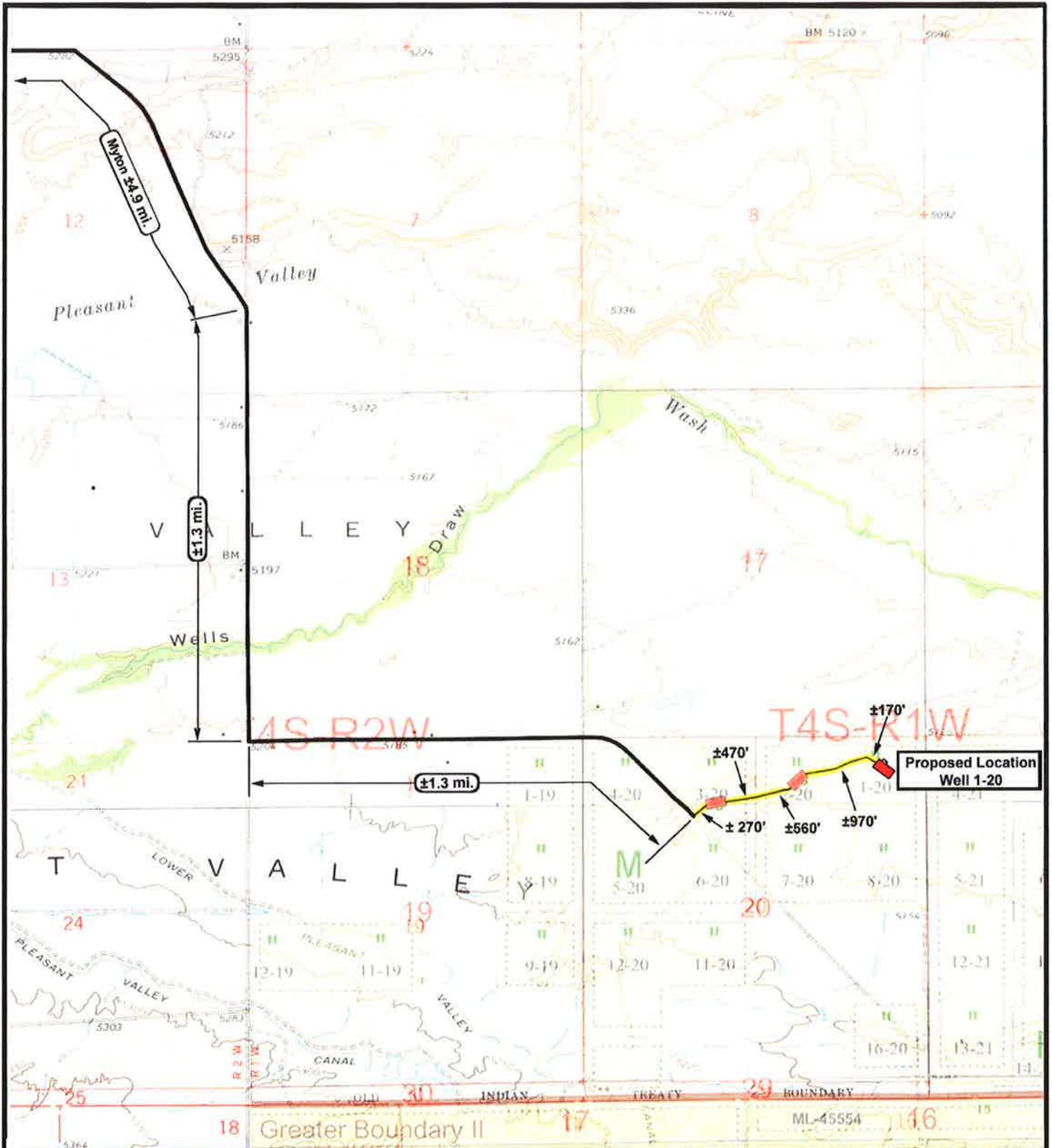
**Tri-State**  
Land Surveying Inc.  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

**SCALE: 1:100,000**  
**DRAWN BY: JAS**  
**DATE: 04-23-2009**

**Legend**

- Existing Road
- Proposed Access

**TOPOGRAPHIC MAP**  
**"A"**



Proposed Location Well 1-20

**NEWFIELD**  
Exploration Company

**Well 1-20-4-1**  
**SEC. 20, T4S, R1W, U.S.B.&M.**



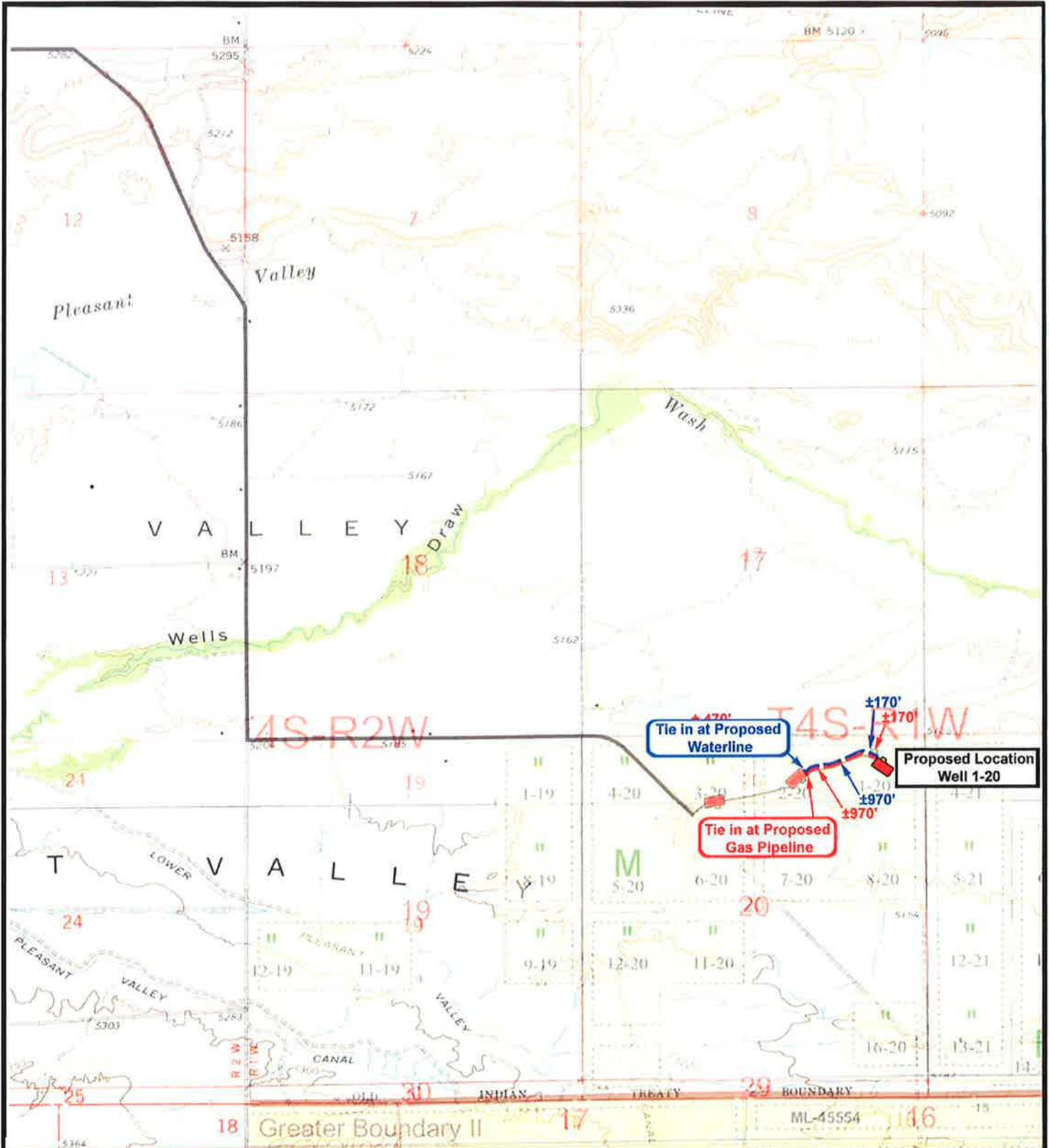
*Tri-State*  
Land Surveying Inc.  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'  
DRAWN BY: JAS  
DATE: 04-23-2009

**Legend**

- Existing Road
- Proposed Access

TOPOGRAPHIC MAP  
**"B"**



**NEWFIELD**  
Exploration Company

**Well 1-20-4-1**  
**SEC. 20, T4S, R1W, U.S.B.&M.**



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

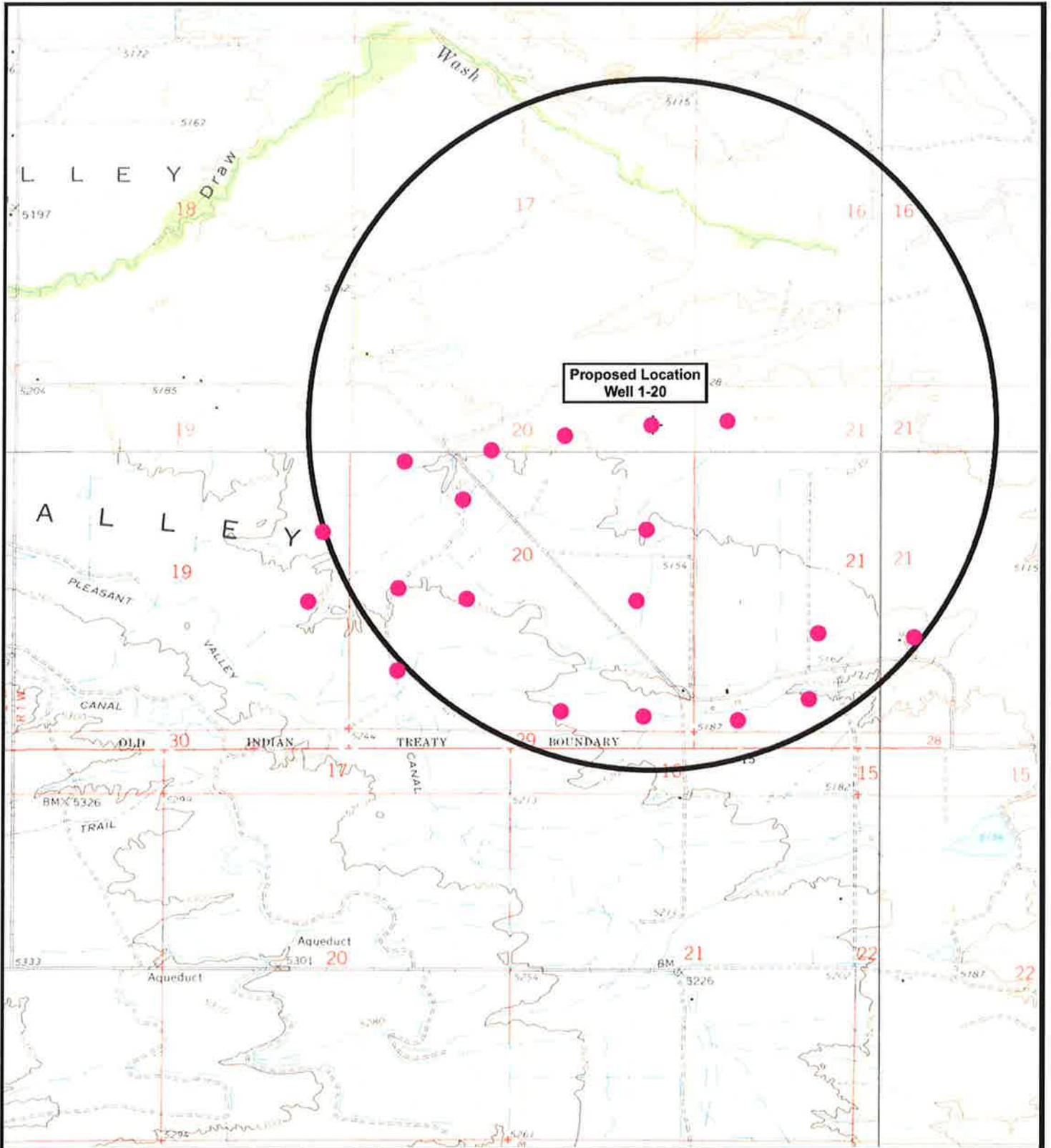
**SCALE: 1" = 2,000'**  
**DRAWN BY: JAS**  
**DATE: 04-23-2009**

**Legend**

- Roads
- Proposed Gas Line
- Proposed Water Line

**TOPOGRAPHIC MAP**  
**"C"**





**Proposed Location  
Well 1-20**



**NEWFIELD**  
Exploration Company

**Well 1-20-4-1**  
**SEC. 20, T4S, R1W, U.S.B.&M.**




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

**SCALE: 1" = 2,000'**  
**DRAWN BY: JAS**  
**DATE: 04-23-2009**

**Legend**

- Location
- One-Mile Radius

**Exhibit "B"**

EASEMENT AND RIGHT-OF-WAY

KNOW ALL MEN BY THESE PRESENTS: That Henderson Ranches, LLC, whose address is Route 3, Box 3671, UT 84052, hereinafter called "Grantor", whether one or more, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey unto Inland Production Company, with an address of 475 - 17th Street, Suite 1500, Denver, CO 80202, hereinafter called "Grantee", an easement and right-of-way to locate, operate, inspect, alter, maintain, repair, in whole or in part, an access road, including the right to remove any obstacles such as trees, brush, etc., and right-of-way on, over and through, with ingress and egress to and from the following described land in Duchesne County, State of Utah, to-wit:

Township 4 South., Range 1 West, U.S.M.  
Section 20: N2, SE4SW4, SE4

Containing 520.00 acres, more or less

and the right of unimpaired access at all times to Grantee, its contractors and sub-contractors, over and across the above-described land to the easement granted herein. The easement and right-of-way granted herein shall be a width of thirty feet (30'). Grantee has the right to use an additional thirty feet (30') of land as temporary work space as Grantee determines necessary to the exercise of the rights granted herein.

TO HAVE AND TO HOLD said easement and right-of-way from said Grantor, unto Grantee until one (1) year following the abandonment of all roads installed hereunder. Grantor will warrant and forever defend all and singular said premises unto the Grantee against every person whomsoever lawfully claiming in same or any part thereof.

Grantee is given the right to assign this easement, or any part thereof. Or interest therein, and the same may be divided among two or more owners, as to any right or rights created hereunder, so that each assignee or owner shall have the full rights and privileges herein granted, to be owned or enjoyed either in common or severally.

Grantee shall have all other rights and benefits necessary or convenient for the full enjoyment or use of the rights herein granted.

Grantee hereby agrees to pay Grantor the sum of Five Dollars (\$5.00) per rod as an annual rental for the full consideration for the rights herein described. The actual length of the easement and right-of-way herein granted shall be calculated by Grantee, subject to Grantor's consent. The first year rental shall maintain this agreement for one (1) year from this date, likewise any subsequent payments shall maintain this agreement for a one year period and shall be payable on or before the anniversary date of this agreement.

Grantee hereby agrees that if the above lands are fenced, that Grantee will install cattle guards and a metal gate upon the premises.

Grantor shall have the right to use and enjoy the above-described premises, subject to the rights herein granted. Grantor shall not interfere with or impair nor permit others to interfere with or impair in any way the exercise of the rights therein granted to Grantee, and Grantor shall not build, construct, or permit to be built or constructed, any structure or obstruction, or impound water or other substance, or change the grade on or over said roads. This Grant is a covenant running with the land and shall be binding upon the parties hereto, their heirs, devisees, representatives, successors and assigns; and the rights, privileges and authorities herein granted shall be assignable together or separately and in whole or in part.

This instrument covers the entire agreement between the parties, and no representation of statements, verbal or written, have been made modifying, adding to, or changing the terms of this Grant.

W.H. M.H. Payment for first year will be paid in advance of construction of access road. Henderson Ranches, LLC's complete mailing address is Rte 3, Box 3671, Myton, UT 84052 W.H. M.H.

Henderson Ranches, LLC  
Easement and Right-of-Way/Page 2

WITNESS the signatures of Grantor and Grantee this 17th day of December, 1997.

**GRANTOR:**

**HENDERSON RANCHES, LLC**

Wayne Henderson  
Moreen Henderson

By: Wayne Henderson and Moreen Henderson, General Partners  
Title:

**GRANTEE:**

**INLAND PRODUCTION COMPANY**

Chris A. Potter  
Chris A. Potter, Attorney-in-Fact

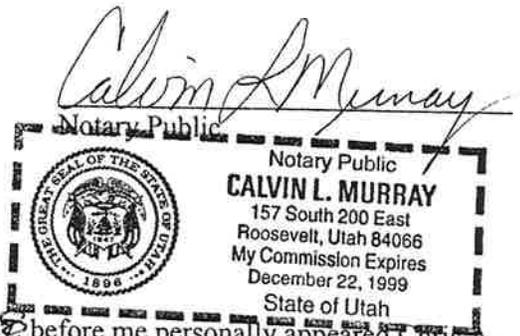
**ACKNOWLEDGMENTS**

STATE OF UTAH }  
COUNTY OF DUCHESNE }

On this 17th day of December, 1997, before me personally appeared Wayne Henderson and Moreen Henderson as General Partners of Henderson Ranches, LLC who executed the foregoing instrument, and who acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

My Commission Expires: 12/22/99



STATE OF COLORAD }  
COUNTY OF DENVER }

On this 7th day of January, 1998, before me personally appeared Chris A. Potter, known to me to be Attorney-in-Fact for Inland Production Company, and that he executed the foregoing instrument, and who acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

API Number: 4301350020

Well Name: Hancock 1-20-4-1

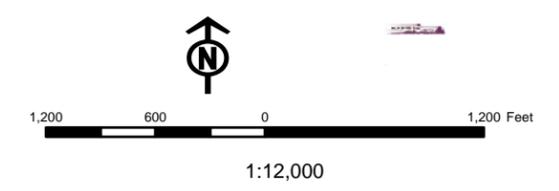
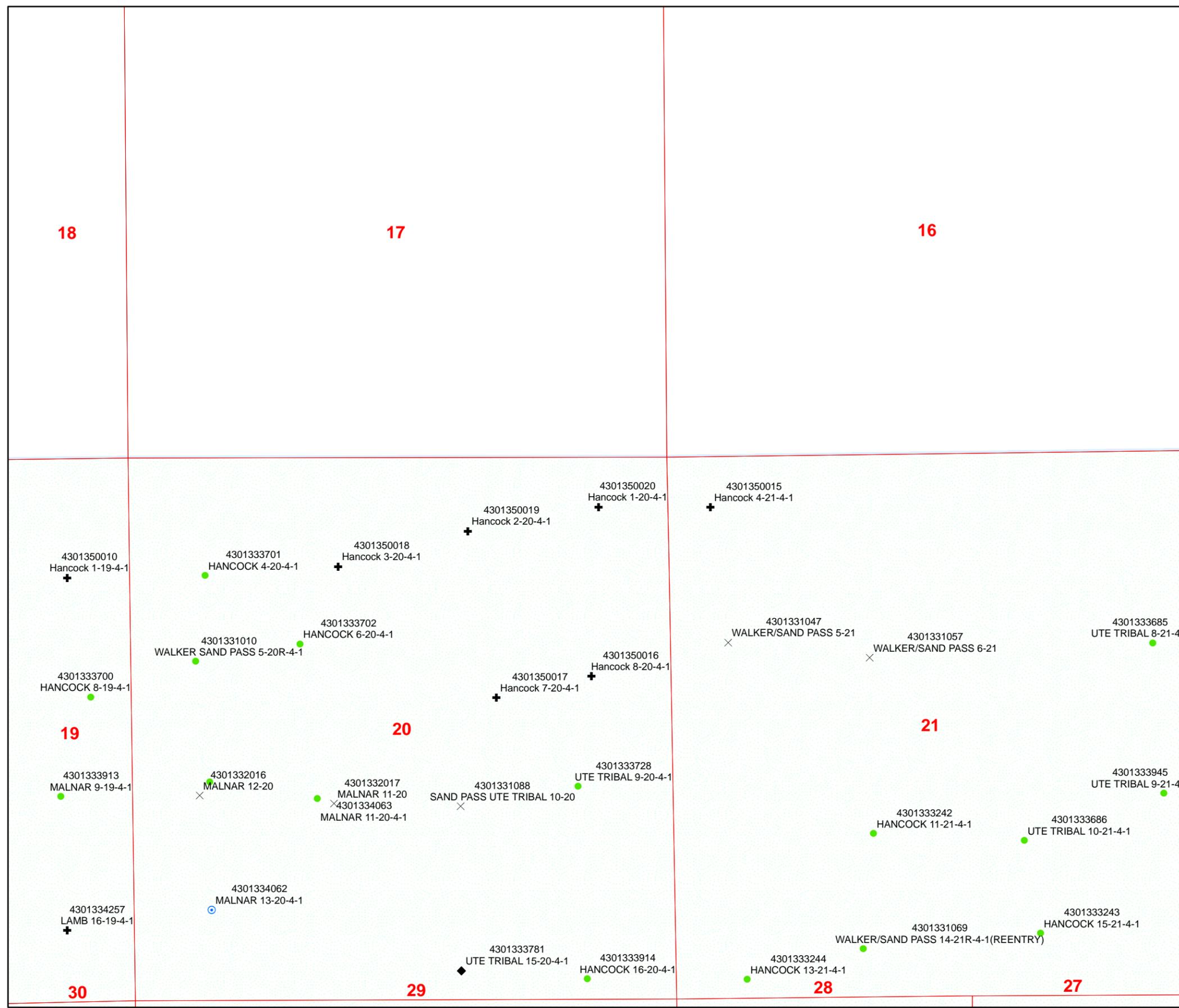
Township 04.0 S Range 01.0 W Section 20

Meridian: UBM

Operator: NEWFIELD PRODUCTION COMPANY

Map Prepared:  
Map Produced by Diana Mason

<b>Units</b>	<b>Wells Query Events</b>
<b>STATUS</b>	✕ <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
<b>Fields</b>	● POW
<b>STATUS</b>	⊙ RET
ACTIVE	⊙ SGW
COMBINED	● SOW
Sections	✂ TA
	○ TW
	✂ WD
	✂ WI
	● WS



**BOPE REVIEW      NEWFIELD PRODUCTION COMPANY      Hancock 1-20-4-1      43013500200000**

<b>Well Name</b>	NEWFIELD PRODUCTION COMPANY Hancock 1-20-4-1 43013500200000		
<b>String</b>	Surf	Prod	
<b>Casing Size(")</b>	8.625	5.500	
<b>Setting Depth (TVD)</b>	500	6935	
<b>Previous Shoe Setting Depth (TVD)</b>	0	500	
<b>Max Mud Weight (ppg)</b>	8.4	8.4	
<b>BOPE Proposed (psi)</b>	0	3000	
<b>Casing Internal Yield (psi)</b>	2950	4810	
<b>Operators Max Anticipated Pressure (psi)</b>	3003	8.3	

<b>Calculations</b>	<b>Surf String</b>	<b>8.625</b>	<b>"</b>
<b>Max BPH (psi)</b>	$.052 * \text{Setting Depth} * \text{MW} =$	218	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
<b>MASP (Gas) (psi)</b>	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	158	NO
<b>MASP (Gas/Mud) (psi)</b>	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	108	NO
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
<b>Pressure At Previous Shoe</b>	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	108	NO      OK
<b>Required Casing/BOPE Test Pressure=</b>		500	psi
<b>*Max Pressure Allowed @ Previous Casing Shoe=</b>		0	psi      *Assumes 1psi/ft frac gradient

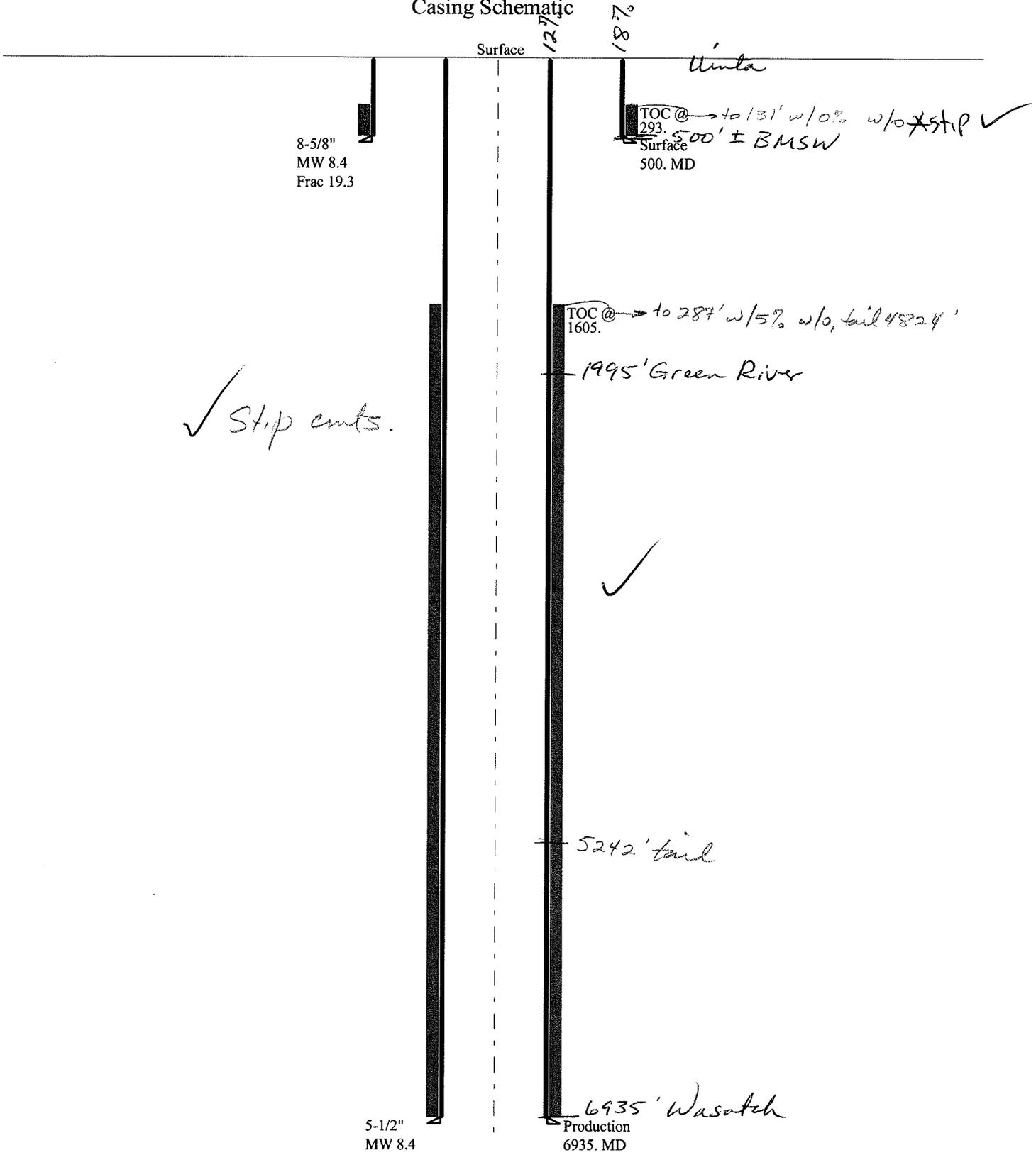
<b>Calculations</b>	<b>Prod String</b>	<b>5.500</b>	<b>"</b>
<b>Max BPH (psi)</b>	$.052 * \text{Setting Depth} * \text{MW} =$	3029	
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
<b>MASP (Gas) (psi)</b>	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$	2197	YES
<b>MASP (Gas/Mud) (psi)</b>	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$	1503	YES      OK
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
<b>Pressure At Previous Shoe</b>	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$	1613	NO      Reasonable for area
<b>Required Casing/BOPE Test Pressure=</b>		3000	psi
<b>*Max Pressure Allowed @ Previous Casing Shoe=</b>		500	psi      *Assumes 1psi/ft frac gradient

<b>Calculations</b>	<b>String</b>		<b>"</b>
<b>Max BPH (psi)</b>	$.052 * \text{Setting Depth} * \text{MW} =$		
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
<b>MASP (Gas) (psi)</b>	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$		NO
<b>MASP (Gas/Mud) (psi)</b>	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$		NO
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
<b>Pressure At Previous Shoe</b>	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$		NO
<b>Required Casing/BOPE Test Pressure=</b>			psi
<b>*Max Pressure Allowed @ Previous Casing Shoe=</b>			psi      *Assumes 1psi/ft frac gradient

<b>Calculations</b>	<b>String</b>		<b>"</b>
<b>Max BPH (psi)</b>	$.052 * \text{Setting Depth} * \text{MW} =$		
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>
<b>MASP (Gas) (psi)</b>	$\text{Max BHP} - (0.12 * \text{Setting Depth}) =$		NO
<b>MASP (Gas/Mud) (psi)</b>	$\text{Max BHP} - (0.22 * \text{Setting Depth}) =$		NO
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>
<b>Pressure At Previous Shoe</b>	$\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$		NO
<b>Required Casing/BOPE Test Pressure=</b>			psi
<b>*Max Pressure Allowed @ Previous Casing Shoe=</b>			psi      *Assumes 1psi/ft frac gradient

# 43013500200000 Hancock 1-20-4-1

## Casing Schematic



✓ Stip cmts.

Well name:	<b>4301350020000 Hancock 1-20-4-1</b>		
Operator:	<b>NEWFIELD PRODUCTION COMPANY</b>		
String type:	Surface	Project ID:	43-013-50020
Location:	DUCHESNE COUNTY		

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 440 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP: 500 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.70 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.50 (B)

Tension is based on air weight.  
 Neutral point: 437 ft

**Environment:**

H2S considered? No  
 Surface temperature: 74 °F  
 Bottom hole temperature: 81 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 100 ft

Cement top: 293 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 6,935 ft  
 Next mud weight: 8.400 ppg  
 Next setting BHP: 3,026 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 500 ft  
 Injection pressure: 500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	500	8.625	24.00	J-55	ST&C	500	500	7.972	2573
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	218	1370	6.280	500	2950	5.90	12	244	20.34 J

Prepared by: Helen Sadik-Macdonald  
 Div of Oil, Gas & Mining

Phone: 801 538-5357  
 FAX: 801-359-3940

Date: June 2, 2009  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 500 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>43013500200000 Hancock 1-20-4-1</b>		
Operator:	<b>NEWFIELD PRODUCTION COMPANY</b>		
String type:	Production	Project ID:	43-013-50020
Location:	DUCHESNE COUNTY		

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 1,500 psi  
 Internal gradient: 0.220 psi/ft  
 Calculated BHP 3,026 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.80 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.60 (B)

Tension is based on air weight.  
 Neutral point: 6,054 ft

**Environment:**

H2S considered? No  
 Surface temperature: 74 °F  
 Bottom hole temperature: 171 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 100 ft

Cement top: 1,605 ft

**Non-directional string.**

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	6935	5.5	15.50	J-55	LT&C	6935	6935	4.825	24487
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	3026	4040	1.335	3026	4810	1.59	107.5	217	2.02 J

Prepared by: Helen Sadik-Macdonald  
 Div of Oil, Gas & Mining

Phone: 801 538-5357  
 FAX: 801-359-3940

Date: June 2, 2009  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 6935 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

<b>Operator</b>	NEWFIELD PRODUCTION COMPANY				
<b>Well Name</b>	Hancock 1-20-4-1				
<b>API Number</b>	43013500200000	<b>APD No</b>	1473	<b>Field/Unit</b>	MONUMENT BUTTE
<b>Location: 1/4,1/4</b>	NENE	<b>Sec</b>	20	<b>Tw</b>	4.0S
		<b>Rng</b>	1.0W	471	FNL 666 FEL
<b>GPS Coord (UTM)</b>	584136 4442059	<b>Surface Owner</b>	Henderson Ranches LLC		

**Participants**

Floyd Bartlett and Mark Rehinbolt (DOGM), Tim Eaton, Brian Foote and Jeff Henderson (Newfield Production Co.), Wayne Henderson, Lance Henderson and Tommie Henderson (Land Owners).

**Regional/Local Setting & Topography**

The proposed location is approximately 7.6 road miles southwest of Myton, UT in a sub-drainage of Pleasant Valley Wash which drains into the Pariette Draw drainage of Duchesne County. Both of these draws contain perennial streams somewhat consisting of irrigation runoff and seepage. Pariette Draw runs into the Green River approximately 6 miles downstream from Ouray, Utah and about 12 miles downstream from the location. Broad flats in Pleasant Valley frequently used for agriculture characterize the area. Flats are intersected by drainages with gentle to moderate side slopes. Access is by State and County and existing oil field development roads. Eighteen hundred feet of additional new construction across Henderson's private land will be required to reach the location.

The proposed Hancock 9-20-4-1 oil well pad is on gentle terrain bordering the edge of a wheel-line sprinkler irrigated field. It has been located as far north in the normal drilling window as possible to miss this field. It is also bordered on the southeast by a riparian area dominated by wetland sedges on the edges and cat-tails in the middle. To reduce the fill deposited in this area the pad will be rounded between corners 8 and 6. Also the top-soil stock pile will be moved along the edge of the field to the north west to avoid the cattails. Another option would be to make the stockpile higher so as not to cover as much surface. An additional gentle swale exists to the north of the site, precluding moving the pad in that direction.

The selected location with modifications should be suitable and stable for constructing the pad, drilling and operating the proposed well. A more suitable location exists but is within the irrigated agricultural lands to the south.

Henderson Ranches owns the surface of the location and surrounding area. A surface use agreement has been signed. Wayne Henderson and his two sons, Lance and Tommie attended the pre-site visit. They were agreeable to these modifications. The minerals are also FEE but owned by another party and under lease to Newfield Production Company.

**Surface Use Plan**

**Current Surface Use**

Grazing  
Agricultural

<b>New Road Miles</b>	<b>Well Pad</b>	<b>Src Const Material</b>	<b>Surface Formation</b>
0.3	<b>Width</b> 204 <b>Length</b> 305	Onsite	UNTA

**Ancillary Facilities** N

**Waste Management Plan Adequate?**

**Environmental Parameters**

**Affected Floodplains and/or Wetlands** N

**Flora / Fauna**

Most of the site is within and old agricultural field. Plants present include smooth brome, poverty weed, tamaraks, Russian olive and annuals.

Cattle, deer, prairie dogs, small mammals and birds.

**Soil Type and Characteristics**

Deep sandy loam.

**Erosion Issues** N

**Sedimentation Issues** N

**Site Stability Issues** N

**Drainage Diversion Required?** N

**Berm Required?** Y

**Erosion Sedimentation Control Required?** N

**Paleo Survey Run?** N **Paleo Potential Observed?** N **Cultural Survey Run?** N **Cultural Resources?**

**Reserve Pit**

**Site-Specific Factors**

**Site Ranking**

<b>Distance to Groundwater (feet)</b>		20
<b>Distance to Surface Water (feet)</b>	100 to 200	15
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	300 to 1320	10
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>		0
<b>Affected Populations</b>		
<b>Presence Nearby Utility Conduits</b>	Not Present	0
	<b>Final Score</b>	60

1 Sensitivity Level

**Characteristics / Requirements**

The reserve pit will be 40' x 70' x 8' deep located in an area of cut on the northwest side of the location. A pit liner is required. Newfield commonly uses a 16-mil liner.

**Closed Loop Mud Required?** N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** Y

**Other Observations / Comments**

Floyd Bartlett  
**Evaluator**

4/21/2009  
**Date / Time**

# Application for Permit to Drill Statement of Basis

6/17/2009

**Utah Division of Oil, Gas and Mining**

Page 1

<b>APD No</b>	<b>API WellNo</b>	<b>Status</b>	<b>Well Type</b>	<b>Surf Owner</b>	<b>CBM</b>
1473	43013500200000	LOCKED	OW	P	No
<b>Operator</b>	NEWFIELD PRODUCTION COMPANY		<b>Surface Owner-APD</b>	Henderson Ranches LLC	
<b>Well Name</b>	Hancock 1-20-4-1		<b>Unit</b>		
<b>Field</b>	MONUMENT BUTTE		<b>Type of Work</b>	DRILL	
<b>Location</b>	NENE 20 4S 1W U 471 FNL 666 FEL GPS Coord (UTM) 584130E 4442048N				

**Geologic Statement of Basis**

Newfield proposes to set 290' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 500'. A search of Division of Water Rights records shows 12 water wells within a 10,000 foot radius of the center of Section 20. All wells are privately owned. Depth is listed for only 1 well and is shown as 24 feet in depth. Water use is listed as irrigation, stock watering, and domestic use. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Surface casing should be extended to cover the estimated base of the moderately saline ground water.

Brad Hill  
**APD Evaluator**

4/12/2009  
**Date / Time**

**Surface Statement of Basis**

The proposed location is approximately 7.6 road miles southwest of Myton, UT in a sub-drainage of Pleasant Valley Wash which drains into the Pariette Draw drainage of Duchesne County. Both of these draws contain perennial streams somewhat consisting of irrigation runoff and seepage. Pariette Draw runs into the Green River approximately 6 miles downstream from Ouray, Utah and about 12 miles downstream from the location. Broad flats in Pleasant Valley frequently used for agriculture characterize the area. Flats are intersected by drainages with gentle to moderate side slopes. Access is by State and County and existing oil field development roads. Eighteen hundred feet of additional new construction across Henderson's private land will be required to reach the location.

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# Application for Permit to Drill Statement of Basis

6/17/2009

Utah Division of Oil, Gas and Mining

Page 2

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Floyd Bartlett  
Onsite Evaluator

4/21/2009  
Date / Time

**Conditions of Approval / Application for Permit to Drill**

<b>Category</b>	<b>Condition</b>
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

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**APD RECEIVED:** 5/1/2009

**API NO. ASSIGNED:** 43013500200000

**WELL NAME:** Hancock 1-20-4-1

**OPERATOR:** NEWFIELD PRODUCTION COMPANY (N2695)

**PHONE NUMBER:** 435 646-4825

**CONTACT:** Mandie Crozier

**PROPOSED LOCATION:** NENE 20 040S 010W

**Permit Tech Review:**

**SURFACE:** 0471 FNL 0666 FEL

**Engineering Review:**

**BOTTOM:** 0471 FNL 0666 FEL

**Geology Review:**

**COUNTY:** DUCHESNE

**LATITUDE:** 40.12644

**LONGITUDE:** -110.01261

**UTM SURF EASTINGS:** 584130.00

**NORTHINGS:** 4442048.00

**FIELD NAME:** MONUMENT BUTTE

**LEASE TYPE:** 4 - Fee

**LEASE NUMBER:** Fee

**PROPOSED PRODUCING FORMATION(S):** GREEN RIVER

**SURFACE OWNER:** 4 - Fee

**COALBED METHANE:** NO

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**RECEIVED AND/OR REVIEWED:**

- PLAT**
- Bond:** STATE/FEE - B001834
- Potash**
- Oil Shale 190-5**
- Oil Shale 190-3**
- Oil Shale 190-13**
- Water Permit:** 43-7478
- RDCC Review:**
- Fee Surface Agreement**
- Intent to Commingle**

**Commingling Approved**

**LOCATION AND SITING:**

- R649-2-3.**
  - Unit:**
  - R649-3-2. General**
  - R649-3-3. Exception**
  - Drilling Unit**
  - Board Cause No:** R649-3-2
  - Effective Date:**
  - Siting:**
  - R649-3-11. Directional Drill**
- 

**Comments:** Presite Completed

**Stipulations:** 5 - Statement of Basis - bhll  
23 - Spacing - dmason  
25 - Surface Casing - ddoucet



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*

## Permit To Drill

\*\*\*\*\*

**Well Name:** Hancock 1-20-4-1  
**API Well Number:** 43013500200000  
**Lease Number:** Fee  
**Surface Owner:** FEE (PRIVATE)  
**Approval Date:** 6/18/2009

**Issued to:**

NEWFIELD PRODUCTION COMPANY , Rt 3 Box 3630 , Myton, UT 84052

**Authority:**

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the GREEN RIVER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

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

**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.

**Conditions of Approval:**

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

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.

Surface casing shall be cemented to the surface.

**Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing - contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to spudding the well - contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program - contact

Dustin Doucet

- Prior to commencing operations to plug and abandon the well - contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well - contact Dustin Doucet
- Any changes to the approved drilling plan - contact Dustin Doucet

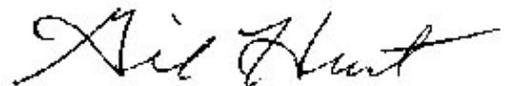
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office  
(801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office  
(801) 733-0983 home

**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.

**Approved By:**



Gil Hunt  
Associate Director, Oil & Gas

*Spud*  
BLM - Vernal Field Office - Notification Form

Operator Newfield Exploration Rig Name/# \_\_\_\_\_ Ross# \_\_\_\_\_  
29 \_\_\_\_\_ Submitted By Jim Smith \_\_\_\_\_ Phone \_\_\_\_\_  
Number 823-2072  
Well Name/Number Hancock 1-20-4-1W  
Qtr/Qtr \_ Section 20 Township 4S Range 1 W  
Lease Serial Number FEE  
API Number 43-013-50020

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 8/22/09  
9:00 \_\_\_\_\_ AM  PM

Casing – Please report time casing run starts, not cementing times.

- Surface Casing
- Intermediate Casing
- Production Casing
- Liner
- Other

Date/Time 8/22/09 \_\_\_\_\_ 4:00 \_\_\_\_\_ AM  PM

BOPE

- Initial BOPE test at surface casing point
- BOPE test at intermediate casing point
- 30 day BOPE test
- Other

Date/Time \_\_\_\_\_ AM  PM

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

5. LEASE DESIGNATION AND SERIAL NUMBER:  
FEE

**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:  
HANCOCK 1-20-4-1

2. NAME OF OPERATOR:  
NEWFIELD PRODUCTION COMPANY

9. API NUMBER:  
4301350020

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

10. FIELD AND POOL, OR WILDCAT:  
MONUMENT BUTTE

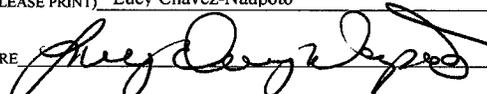
4. LOCATION OF WELL: FOOTAGES AT SURFACE: COUNTY: DUCHESNE

OTR/OTR. SECTION. TOWNSHIP. RANGE. MERIDIAN: NENE, 20, T4S, R1W STATE: UT

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
_____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" 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"/> TEMPORARITLY ABANDON
09/21/2009	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLAIR
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/STOP)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: - Weekly Status Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
The above subject well was completed on 09-21-09, attached is a daily completion status report.

NAME (PLEASE PRINT) Lucy Chavez-Naupoto TITLE Production Tech  
SIGNATURE  DATE 10/05/2009

(This space for State use only)

**RECEIVED**  
**OCT 07 2009**  
**DIV. OF OIL, GAS & MINING**

**Daily Activity Report**

Format For Sundry

**HANCOCK 1-20-4-1****7/1/2009 To 11/30/2009****9/10/2009 Day: 1****Completion**

Rigless on 9/10/2009 - Run CBL & shoot first stage. - Install 5M frac head. NU 6" 5M Cameron BOP. RU H/O truck & pressure test casing, blind rams, frac head & casing valves to 4500 psi. RU Perforators LLC WLT w/ mast & run CBL under pressure. WLTD @ 6778' cement top @ 0'. Perforate stage #1. CP4 sds @ 6580-82', CP3 sds @ 6550-55' & CP1 sds @ 6459-63' w/ 3 1/8" slick guns (19 gram, .49" EH, 120°, 21.92" pen, EXP-3319-331 Titan) w/ 3 spf for total of 33 shots. 157 BWTR. SWIFN.

**Daily Cost:** \$0**Cumulative Cost:** \$12,972**9/14/2009 Day: 2****Completion**

Rigless on 9/14/2009 - frac 4 stages & flowback. - Stage #2, A1 sands. RU BJ Services. 1470 psi on well. Frac A1 sds w/ 15,459#'s of 20/40 sand in 128 bbls of Lightning 17 fluid. Broke @ 2943 psi. Pumped 780 gals of fresh wtr mixed with 30 gals of Techni-Hib 767W. Treated w/ ave pressure of 1953 psi @ ave rate of 25.4 BPM. Pumped 504 gals of 15% HCL in flush for Stage #3. ISDP 1857 psi. Leave pressure on well. RU Perforators WLT, crane & lubricator. RIH w/ Weatherford 5-1/2" 5K composite flow through frac plug, 2- 5' perf guns. Set plug @ 5190'. Perforate GB6 sds @ 5112-17' & GB4 sds @ 5075-80' w/ 3 1/8" ported guns ( 11 gram, .36" HE, 120°, 16.82" pen) w/ 3 spf for total of 30 shots. 847 BWTR. - Stage #4, GG sands. RU BJ Services. 1680 psi on well. Frac GG sds w/ 12,876#'s of 20/40 sand in 120 bbls of Lightning 17 fluid. Broke @ 1556 psi. Pumped 780 gals of fresh wtr mixed with 30 gals of Techni-Hib 767W. Treated w/ ave pressure of 1974 psi @ ave rate of 16.4 BPM. RD WLT & frac crew. Open well for immediate flowback @ 3 BPM. Flowed for 6 hours & died. Recovered 864 bbls. 657 BWTR - Stage #3, GB6 & GB4 sands. RU BJ Services. 1680 psi on well. Frac GB4 & GB6 sds w/ 30,450#'s of 20/40 sand in 248 bbls of Lightning 17 fluid. Broke @ 1787 psi. Pumped 780 gals of fresh wtr mixed with 30 gals of Techni-Hib 767W. Treated w/ ave pressure of 2576 psi @ ave rate of 34.7 BPM. Pumped 504 gals of 15% HCL in flush for Stage #4. ISDP 2562 psi. Leave pressure on well. RU Perforators WLT, crane & lubricator. RIH w/ Weatherford 5-1/2" 5K composite flow through frac plug, 4' perf gun. Set plug @ 4875'. Perforate GG sds @ 4800-04' w/ 3 1/8" ported guns ( 11 gram, .36" HE, 120°, 16.82" pen) w/ 3 spf for total of 12 shots. 1253 BWTR. - Stage #1, CP1, CP3 & CP4 sands. RU BJ Services. 30 psi on well. Frac CP4, CP3 & CP1 sds w/ 20,011#'s of 20/40 sand in 375 bbls of Lightning 17 fluid. Broke @ 2856 psi. Pumped 780 gals of fresh wtr mixed with 30 gals of Techni-Hib 767W. Treated w/ ave pressure of 2692 psi @ ave rate of 42.8 BPM. Pumped 504 gals of 15% HCL in flush for Stage #2. ISDP 1748 psi. Leave pressure on well. RU Perforators WLT, crane & lubricator. RIH w/ Weatherford 5-1/2" 5K composite flow through frac plug, 9',3' perf guns. Set plug @ 6205'. Perforate A1 sds @ 6124-33' & 6097-6100' w/ 3 1/8" ported guns ( 11 gram, .36" HE, 120°, 16.82" pen) w/ 3 spf for total of 36 shots. 532 BWTR.

**Daily Cost:** \$0**Cumulative Cost:** \$68,516**9/16/2009 Day: 3****Completion**

WWS #3 on 9/16/2009 - MIRU WWS #5. Set kill plug & PU tbq. - MIRU WWS #3. Check pressure on well, 750 psi. Flow well for 1 hour & gain 75 bbls w/ 35% oil. Shut well in for 30 min & pressure gained to 500 psi. Wait for wireline truck. RU WLT. RIH w/ 6K solid composite

plug & set @ 4710'. Bleed pressure off well. ND frac BOPs & wellhead. NU production wellhead & BOPs. Well began to flow. Pump 20 BW down csg. TIH w/ used 4 3/4" chomp bit & 147- jts 2 7/8" 6.5# 8rd EUE J-55 tbg. Circulate well clean. RU drill equipment. SWIFN.

**Daily Cost:** \$0

**Cumulative Cost:** \$77,887

**9/17/2009 Day: 4**

**Completion**

WWS #3 on 9/17/2009 - Drill out plugs & swab for clean up. - Check pressure on well, 500 psi csg. Bleed down well & pump 25 BW down tbg. Cont PU tbg & tag plug @ 4710'. Drill out plug in 15 min. Cont PU tbg & tag plug @ 5190'. Drill out plug in 22 min. RD power swivel. Cont PU tbg & tag plug @ 6205'. RU power swivel. Drill out plug in 19 min. RD power swivel. PU tbg & tag fill @ 6190'. RU power swivel. Clean out to plug @ 6205'. Drill out plug in 17 min. RD power swivel. Cont PU tbg & tag fill @ 6700'. RU power swivel. Clean out to PBSD @ 6842'. Circulate well clean. RD power swivel. LD 3- jts tbg. RU swab equipment. Made 13 runs w/ SFL @ surface & EFL @ 1000'. Recovered 150 bbls ending w/ no show of gas, trace of oil & good show of gas. SDFN. 407 BWTR.

**Daily Cost:** \$0

**Cumulative Cost:** \$139,259

**9/18/2009 Day: 5**

**Completion**

WWS #3 on 9/18/2009 - Kill well, round trip tbg & start PU rods. - Check pressure on well, 1400 psi csg & 500 psi tbg. Bleed down well & pump 30 BW down tbg. PU & TIH w/ tbg to PBSD @ 6842'. LD extra tbg. Well began to flow, wait on brine water. Pump 170 bbls 10# brine water. TOOH w/ tbg & LD 4 3/4" chomp bit. PU & TIH w/ production tbg as follows: 2 7/8" NC, 2- jts 2 7/8" tbg, SN, 2- jts 2 7/8" tbg, 5 1/2" TA, 205- jts 2 7/8" J-55 6.5# 8rd EUE tbg. Set TA @ 6525' w/ 19,000#s tension. RD BOPs. RU rig floor. NU wellhead. X-over for rods. Flush tbg w/ 60 bbls 10# brine. PU & prime new Central Hydraulic 2 1/2" X 1 1/2" X 16' X 20' RHAC rod pump. PU & TIH w/ 6- 1 1/2" weight rods & 20- 3/4" guided rods. SWIFN. 437 BWTR.

**Daily Cost:** \$0

**Cumulative Cost:** \$147,345

**9/21/2009 Day: 6**

**Completion**

WWS #3 on 9/21/2009 - Finish PU rods & RU pumping unit. - Check pressure on well, 0 psi. Rods were stacking out, pump 40 BW down tbg. Continue PU & TIH w/ rods as follows: Central Hydraulic 2 1/2" X 1 1/2" X 16' X 20' RHAC rod pump, 6- 1 1/2" weight rods, 20- 3/4" guided rods, 137- 3/4" plain rods, 100- 7/8" guided rods, 1-2' X 7/8" pony rod, 1 1/2" X 26' polished rod. RU pumping unit. W/ tbg full, stroke test pump w/ unit to 800 psi. RDMOSU. PWOP @ 12:30 PM w/ 122" SL & 5 SPM. 437 BWTR. **Finalized**

**Daily Cost:** \$0

**Cumulative Cost:** \$161,206

**Pertinent Files: Go to File List**