

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING				FORM 3 AMENDED REPORT <input type="checkbox"/>			
<b>APPLICATION FOR PERMIT TO DRILL</b>				<b>1. WELL NAME and NUMBER</b> WR 4G-35-10-17			
<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> WILDCAT			
<b>4. TYPE OF WELL</b> Oil Well Coalbed Methane Well: NO				<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b> NAUTILUS (GR)			
<b>6. NAME OF OPERATOR</b> QEP ENERGY COMPANY				<b>7. OPERATOR PHONE</b> 303 308-3068			
<b>8. ADDRESS OF OPERATOR</b> 11002 East 17500 South, Vernal, Ut, 84078				<b>9. OPERATOR E-MAIL</b> debbie.stanberry@questar.com			
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> UTU78216		<b>11. MINERAL OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		<b>12. SURFACE OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>				<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>			
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>				<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"/>			
<b>20. LOCATION OF WELL</b>	<b>FOOTAGES</b>	<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>	
<b>LOCATION AT SURFACE</b>	614 FNL 428 FWL	NWNW	35	10.0 S	17.0 E	S	
<b>Top of Uppermost Producing Zone</b>	614 FNL 428 FWL	NWNW	35	10.0 S	17.0 E	S	
<b>At Total Depth</b>	614 FNL 428 FWL	NWNW	35	10.0 S	17.0 E	S	
<b>21. COUNTY</b> DUCHESNE		<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 428		<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 1280			
		<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 0		<b>26. PROPOSED DEPTH</b> MD: 4900 TVD: 4900			
<b>27. ELEVATION - GROUND LEVEL</b> 5774		<b>28. BOND NUMBER</b> ESB000024		<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> A36125 - 49-2153			
<b>ATTACHMENTS</b>							
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>							
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER				<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)				<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)				<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
<b>NAME</b> Jan Nelson		<b>TITLE</b> Permit Agent		<b>PHONE</b> 435 781-4331			
<b>SIGNATURE</b>		<b>DATE</b> 08/05/2010		<b>EMAIL</b> jan.nelson@questar.com			
<b>API NUMBER ASSIGNED</b> 43013504140000		<b>APPROVAL</b>  Permit Manager					

Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	9.625	0	450		
Pipe	Grade	Length	Weight			
	Grade J-55 ST&C	450	36.0			

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<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	8.75	7	0	4900		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade N-80 LT&C	4900	26.0			

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**WR 4G-35-10-17**  
**New Vertical Well**  
**Summarized Procedure**

1. MIRU air rig.
2. Drill 12 1/4" surface hole to 450'±.
3. Run 9 5/8", 36#, J-55, STC casing and cement to surface.
4. RD air rig, move off location.
5. MIRU drilling rig.
6. NU rig's 3,000 WP rated BOP. Test BOP's and surface casing.
7. PU straight hole BHA, drill out surface casing and 10' of new formation, run FIT.
8. Drill 8 3/4" hole to 4,900'.
9. TOOH, MIRU Loggers.
10. Log from surface casing to TD.
11. RDMO Loggers.
12. TIH, Circulate.
13. TOOH & LDDP.
14. PU and run 7", 26#, J-55, LTC casing to 4,900', cement casing.
15. ND BOP's.
16. RDMOL.

ONSHORE OIL & GAS ORDER NO. 1  
WR 4G-35-10-17

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1  
Approval of Operations on Onshore  
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. **Formation Tops**

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>
Uinta	Surface
Green River	1,100'
X-Marker	2,931'
Uteland Butte	4,491'
A Sand	4,545'
C Lime	4,666'
TD	4,900'

2. **Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones**

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil	A Sand	4,545'
Oil	C Lime	4,666'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central

ONSHORE OIL & GAS ORDER NO. 1  
WR 4G-35-10-17

DRILLING PROGRAM

Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

**3. Operator's Specification for Pressure Control Equipment:**

- A. A 3,000 psi double gate, 3,000 psi annular BOP (schematic included) from surface casing point to total depth.
- B. Functional test daily.
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to the approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

**4. Casing Design:**

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Wt.	Grade	Thread	Cond.	MW
17-1/2"	14"	sfc	40'	Steel	Cond.	None	Used	Air
12-1/4"	9-5/8"	sfc	450'	36.0	J-55	STC	New	Air
8 3/4"	7"	sfc	4,900'	26	N-80	LTC	New	8-9 ppg

Casing Strengths:				Collapse	Burst	Tensile (min)
9-5/8"	36.0 lb.	J-55	STC	2,020 psi	3,520 psi	394,000 lb.
7"	26 lb.	J-55	LTC	4,320 psi	4,980 psi	367,000 lb.

**MINIMUM DESIGN FACTORS:**

COLLAPSE: 1.10  
BURST: 1.10  
TENSION: 1.30

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## DRILLING PROGRAM

Area Fracture Gradient: 0.7 psi/foot  
Maximum anticipated mud weight: 9.5 ppg  
Maximum surface treating pressure: 2,500 psi  
Over pull margin (minimum): 100,000 lbs

### 5. Cementing Program

#### **14" Conductor:**

Cement to surface with construction cement.

#### **9-5/8" Surface Casing: sfc – 450' (MD)**

**Lead/Tail Slurry:** 0' – 450'. 160 sks (290 cu ft) Rockies LT cement + 0.25 lb/sk Kwik Seal + 0.125 lb/sk Poly-E-Flake. Slurry wt: 13.5 ppg, Slurry yield: 1.81 ft<sup>3</sup>/sk, Slurry volume: 12-1/4" hole + 100% excess.

#### **7" Production Casing: sfc – 4,900' (MD)**

**Lead Slurry:** 0' – 2,900'. 115 sks (436 cu ft) Halliburton Hi-Fill cement + 0.125 lb/sk Poly-E-Flake. Slurry wt: 11.0 ppg, Slurry yield: 3.84 ft<sup>3</sup>/sk, Slurry volume: 8-3/4" hole + 25% excess in open hole section.

**Tail Slurry:** 2,900' – 4,900'. 245 sks (300 cu ft) 50/50 Poz Premium + 0.6% Halad (R)-322 fluid loss + 2.0% Microbond M expander + 0.125 lb/sk Poly-E-Flake. Slurry wt: 14.35 ppg, Slurry yield: 1.24 ft<sup>3</sup>/sk, Slurry volume: 8-3/4" hole + 25% excess.

\*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface on the production string.

### 6. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
- F. Request for Variance

Drilling surface hole with air:

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a

ONSHORE OIL & GAS ORDER NO. 1  
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### DRILLING PROGRAM

truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 450 feet and high pressures are not expected.

1. **Properly lubricated and maintained rotating head** – A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
  2. **Blooiie line discharge 100 feet from wellbore and securely anchored** – the blooiie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.
  3. **Automatic igniter or continuous pilot light on blooiie line** – a diffuser will be used rather than an automatic pilot/igniter. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
  4. **Compressors located in the opposite direction from the blooiie line a minimum of 100 feet from the wellbore** – compressors located within 50 feet on the opposite side of the wellbore from the blooiie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
  5. **Kill Fluid to control well** – In lieu of having mud products on location to kill the well for an unanticipated kick, Questar will kill the well with water contained in a 400 bbl tank on site. The 400 bbl water tank will also be storage for surface casing cement water.
  6. **Deflector on the end of the blooiie line** – Questar will mount a deflector unit at the end of the blooiie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the deflector is mounted on the very end of the blooiie. A washed out deflector will be easily replaced.
  7. **Flare Pit** – there will be no need of a flare pit during the surface hole air drilling operation because the blooiie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface casing, a flare box will be installed and all flare lines will be routed to the flare box.
- G. All other operations and equipment for air/gas drilling shall meet specifications in Onshore Order #2, Section III Requirements, subsection E. Special Drilling Operations and Onshore Order #1.

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## DRILLING PROGRAM

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Production holes will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

### 7. Testing, logging and coring program

- A. Cores – none anticipated
- B. DST – none anticipated
- C. Logging – Mud logging – 450' to TD  
GR-SP-Induction, Neutron Density
- D. Formation and Completion Interval: Green River intervals, final determination of completion will be made by analysis of logs.  
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

### 8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 2,900 psi. Maximum anticipated bottom hole temperature is 135° F.

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DRILLING PROGRAM

3M BOP STACK

Rotating Head

Spacer Spool

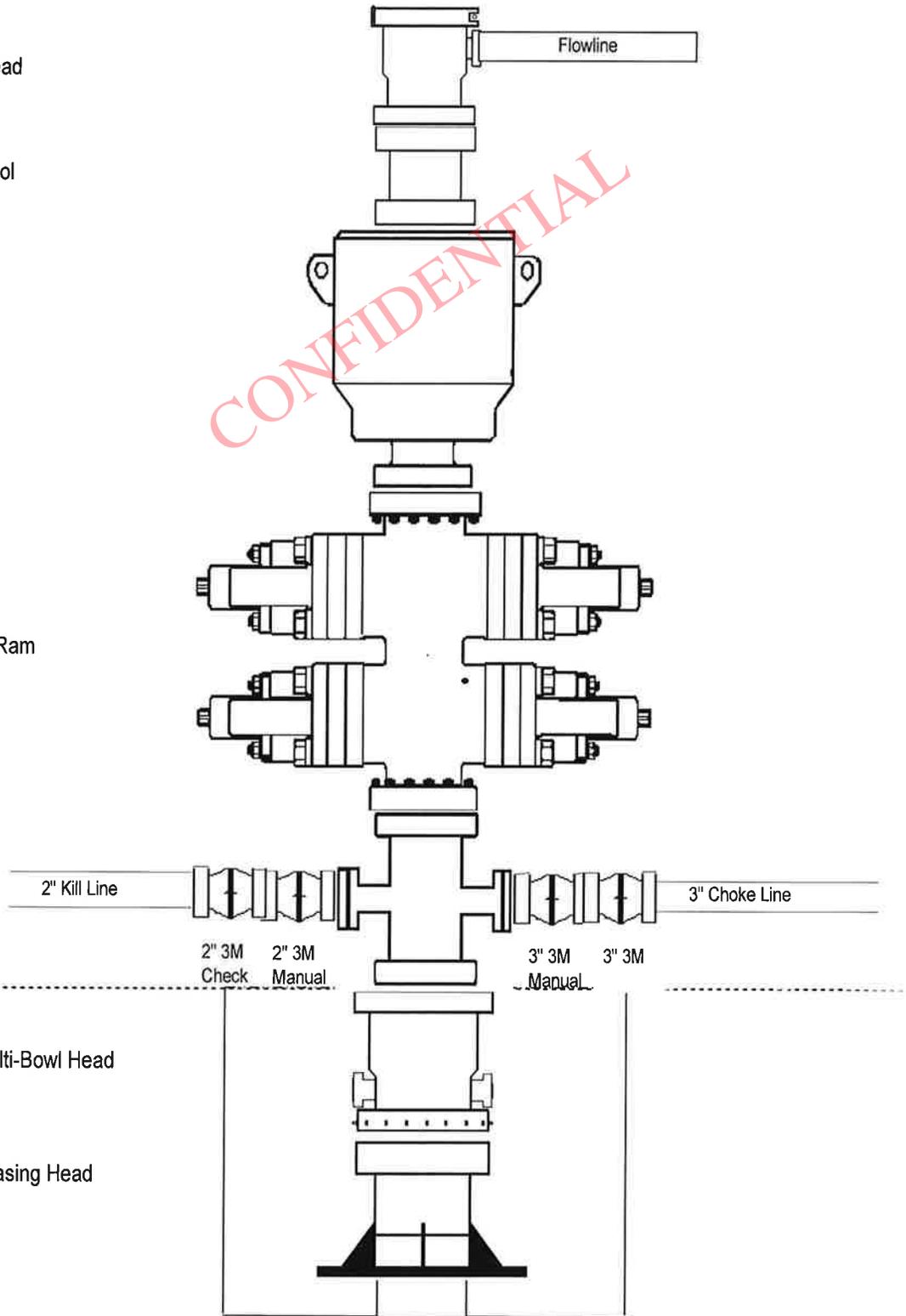
3M Annular

3M Double Ram

G.L.

3M x 3M Multi-Bowl Head

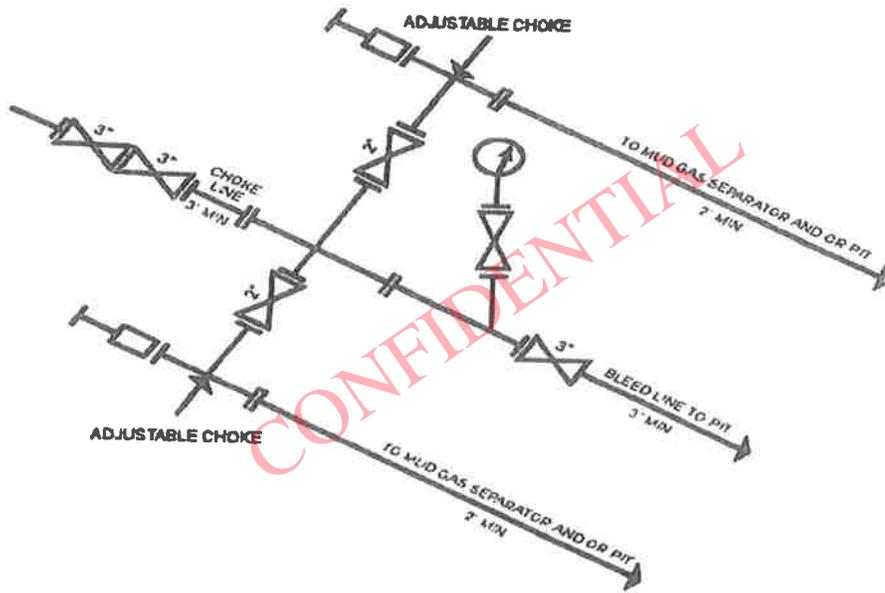
9 5/8" 3M Casing Head



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ONSHORE OIL & GAS ORDER NO. 1  
WR 4G-35-10-17

DRILLING PROGRAM



**3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY**  
[54 FR 39528, Sept. 27, 1989]

Modified 3-26-10 CJL

**WR 4G-35-10-17**

**API #**

**Proposed WBD**

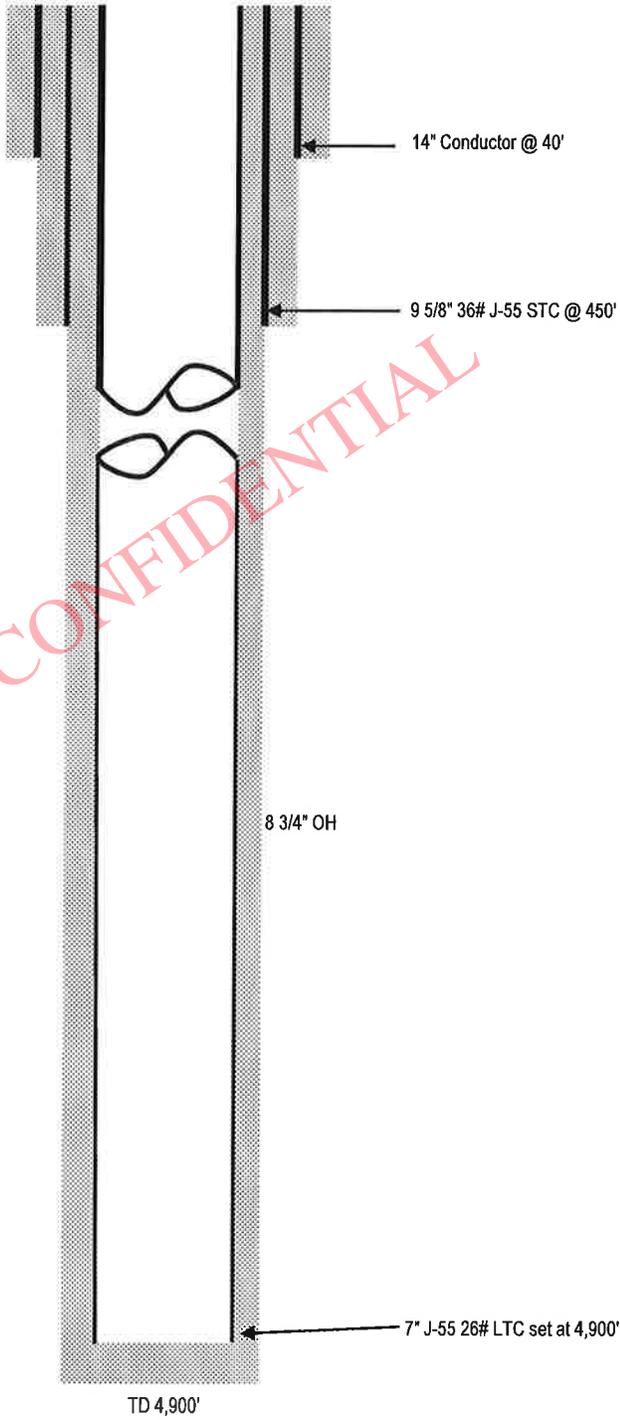
**Uinta Basin**

NWNW Sec. 35, T10S-R17E, Duchesne Co, UT

LOCATION: 614' FNL, 428' FWL

KB 5,788'

GL 5,774'



**QUESTAR EXPLR. & PROD.**

Well location, WR #4G-35-10-17, located as shown in the NW 1/4 NW 1/4 of Section 35, T10S, R17E, S.L.B.&M., Duchesne County, Utah.

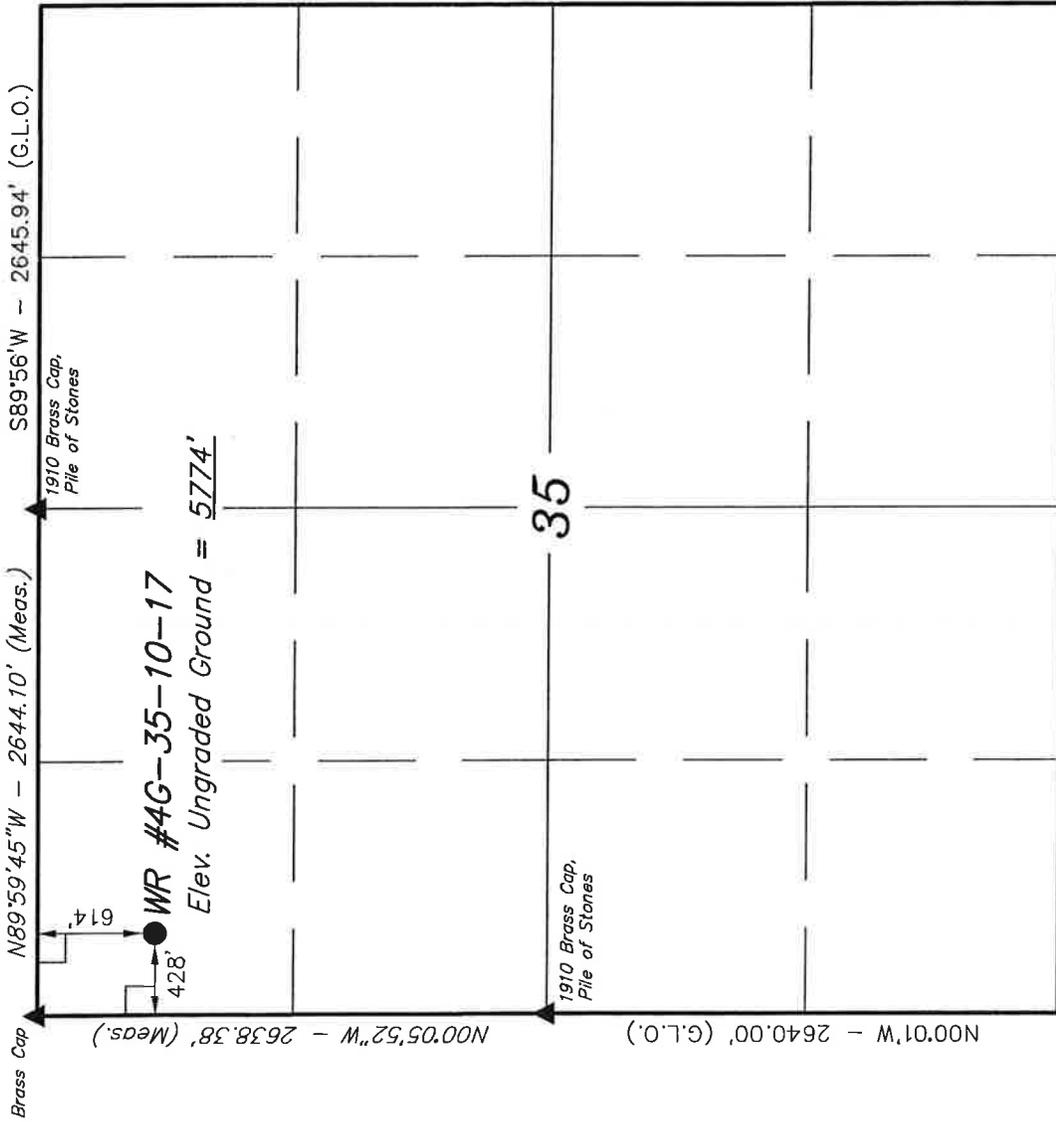
**BASIS OF ELEVATION**

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 14, T10S, R18E, S.L.B.&M. TAKEN FROM THE MOON BOTTOM 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 5129 FEET.

**BASIS OF BEARINGS**

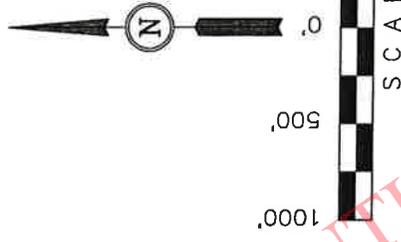
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

**T10S, R17E, S.L.B.&M.**



N00°01'W - 5280.00' (G.L.O.)

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**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT 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.

*Robert J. Hester*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161619  
 STATE OF UTAH

<b>UNTAH ENGINEERING &amp; LAND SURVEYING</b>	
85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017	
SCALE 1" = 1000'	DATE SURVEYED: 02-25-10
PARTY B.H. D.R. K.G.	DATE DRAWN: 03-02-10
WEATHER COLD	REFERENCES G.L.O. PLAT FILE
QUESTAR EXPLR. & PROD.	

# QUESTAR EXPLR. & PROD.

## WR #4G-35-10-17

LOCATED IN DUCHESNE COUNTY, UTAH  
SECTION 35, T10S, R17E, S.L.B.&M.

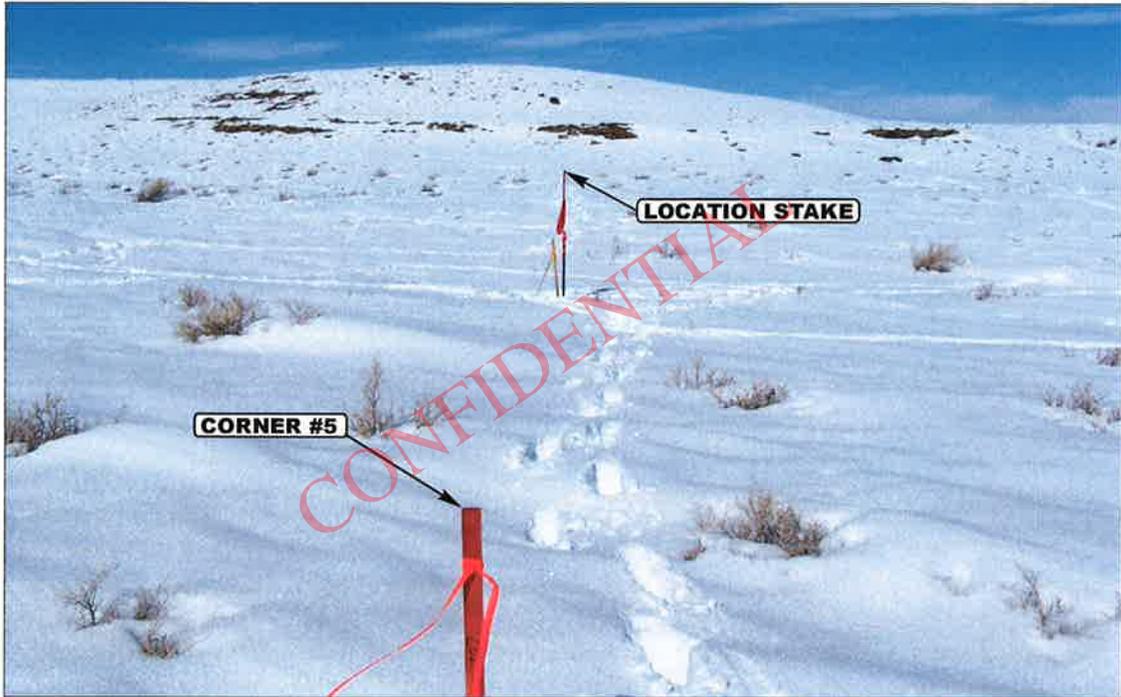


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS ROAD

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

**UELS**

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

LOCATION PHOTOS

03 03 10  
MONTH DAY YEAR

PHOTO

TAKEN BY: B.H.

DRAWN BY: Z.L.

REVISED: 00-00-00

# QUESTAR EXPLR. & PROD.

FIGURE #1

LOCATION LAYOUT FOR

WR #4G-35-10-17

SECTION 35, T10S, R17E, S.L.B.&M.

614' FNL 428' FWL



SCALE: 1" = 60'  
DATE: 03-02-10  
DRAWN BY: K.G.  
Revised: 06-21-10

Approx. Top of Cut Slope

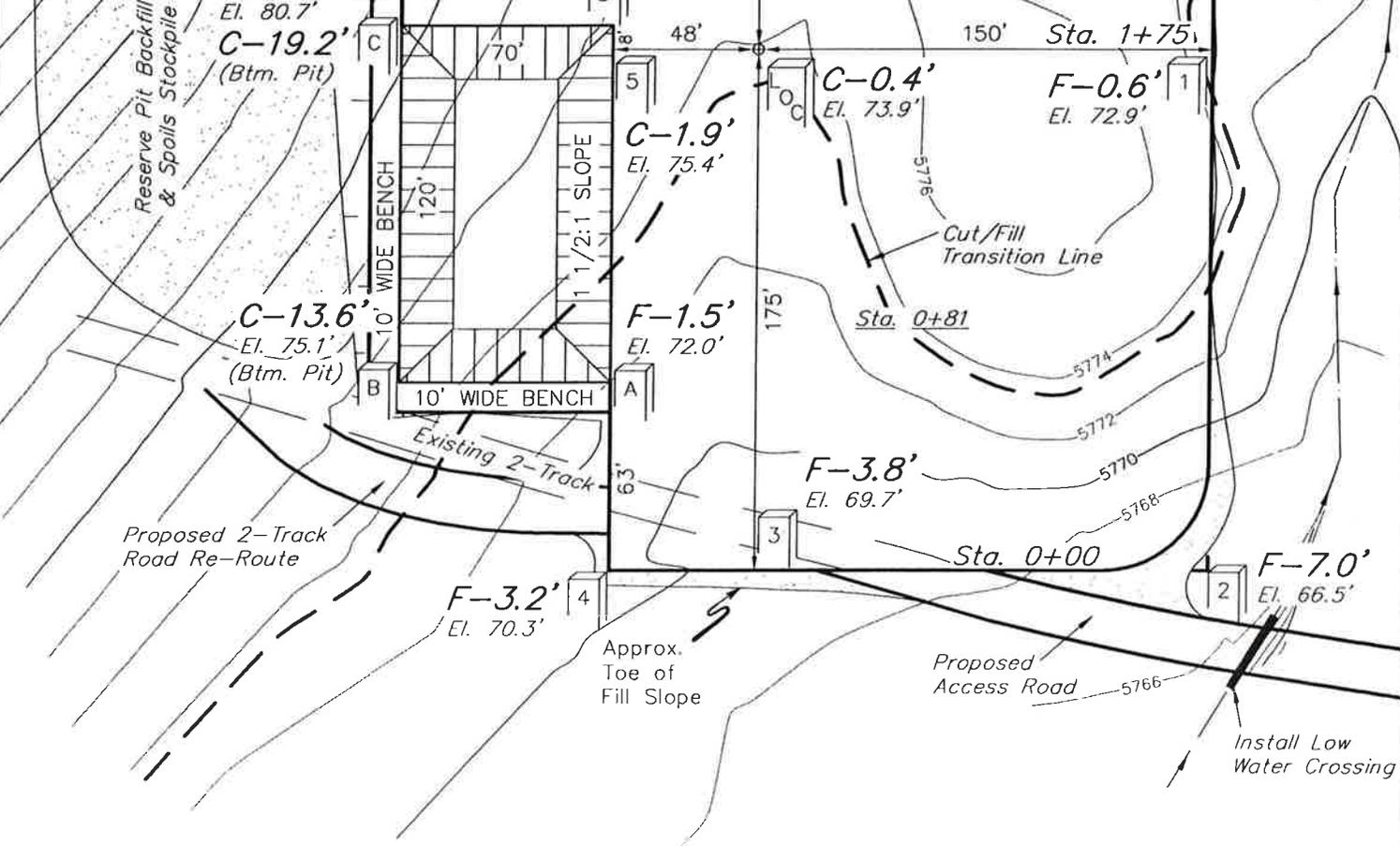
Topsoil Stockpile

5818-5816  
5812-5814  
5808-5806  
5810

RESERVE PITS (12' Deep)  
Total Pit Capacity W/2' of Freeboard = 8,770 Bbls.±  
Total Pit Volume = 2,410 Cu. Yds

Reserve Pit Backfill & Spoils Stockpile

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



Elev. Ungraded Ground At Loc. Stake = 5773.9'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5773.5'

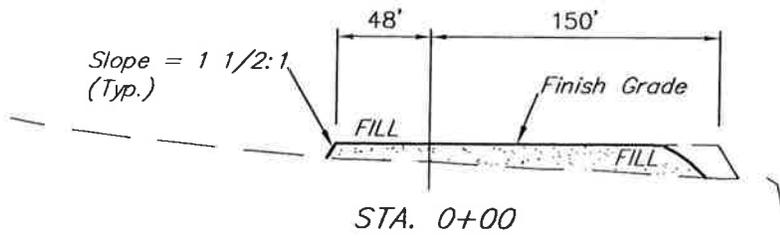
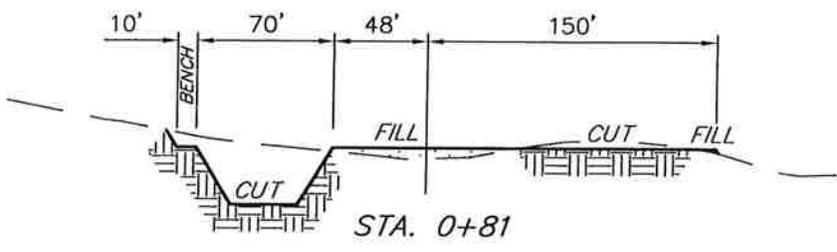
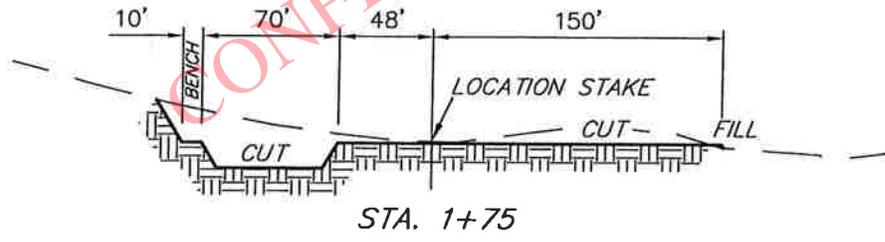
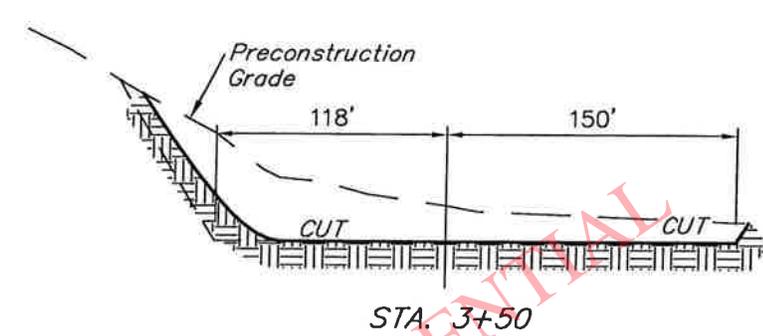
**QUESTAR EXPLR. & PROD.**

**FIGURE #2**

**TYPICAL CROSS SECTION FOR**  
**WR #4G-35-10-17**  
**SECTION 35, T10S, R17E, S.L.B.&M.**  
**614' FNL 428' FWL**

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

DATE: 03-02-10  
 DRAWN BY: K.G.  
 Revised: 06-21-10



**NOTE:**

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

**APPROXIMATE ACREAGES**

WELL SITE DISTURBANCE	= ± 3.096 ACRES
ACCESS ROAD DISTURBANCE	= ± 1.717 ACRES
<b>TOTAL</b>	<b>= ± 4.813 ACRES</b>

\* NOTE:  
 FILL QUANTITY INCLUDES 5% FOR COMPACTION

**APPROXIMATE YARDAGES**

(6") Topsoil Stripping	= 1,990 Cu. Yds.
Remaining Location	= 12,780 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 14,770 CU.YDS.</b>
<b>FILL</b>	<b>= 2,670 CU.YDS.</b>

EXCESS MATERIAL	= 12,100 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,200 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 8,900 Cu. Yds.

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

# QUESTAR EXPLR. & PROD.

## TYPICAL RIG LAYOUT FOR

WR #4G-35-10-17

SECTION 35, T10S, R17E, S.L.B.&M.

614' FNL 428' FWL

FIGURE #3



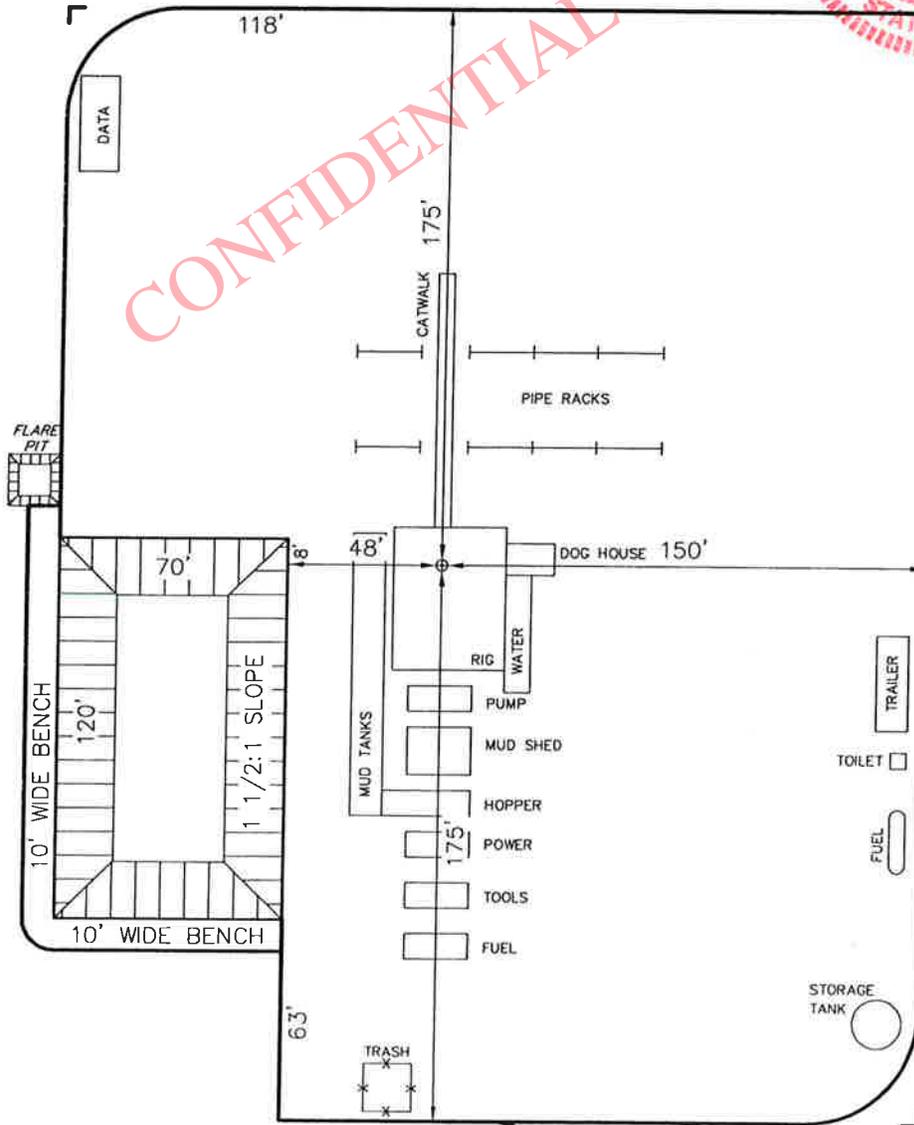
SCALE: 1" = 60'  
DATE: 03-02-10  
DRAWN BY: K.G.  
REVISED: 06-21-10



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

**RESERVE PITS**  
(12' Deep)  
Total Pit Capacity  
W/2' of Freeboard  
= 8,770 Bbls. ±  
Total Pit Volume  
= 2,410 Cu. Yds

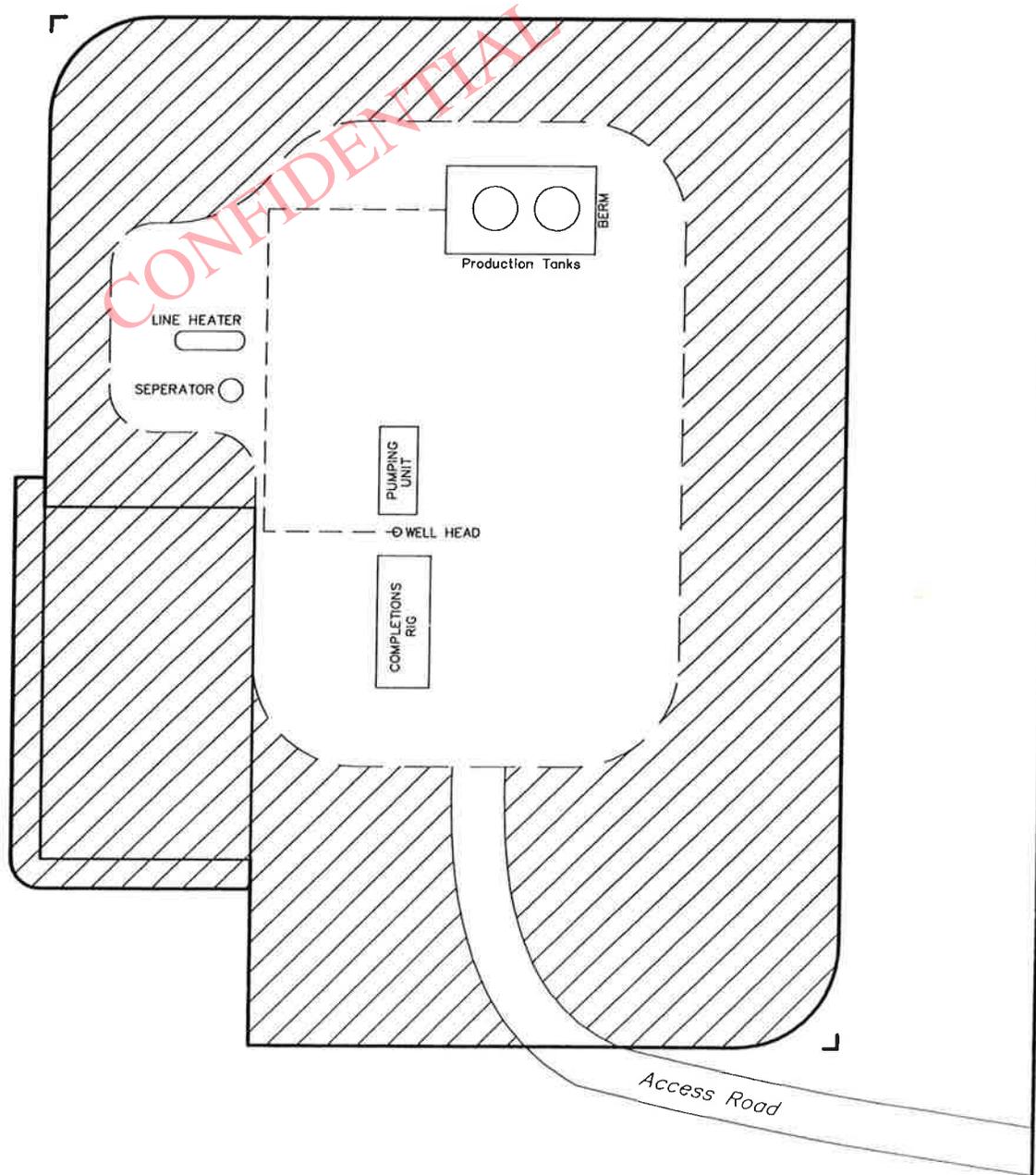


QUESTAR EXPLR. & PROD.  
INTERIM RECLAMATION PLAN FOR  
WR #4G-35-10-17  
SECTION 35, T10S, R17E, S.L.B.&M.  
614' FNL 428' FWL

FIGURE #4



SCALE: 1" = 60'  
DATE: 03-02-10  
DRAWN BY: K.G.  
REVISED: 06-21-10

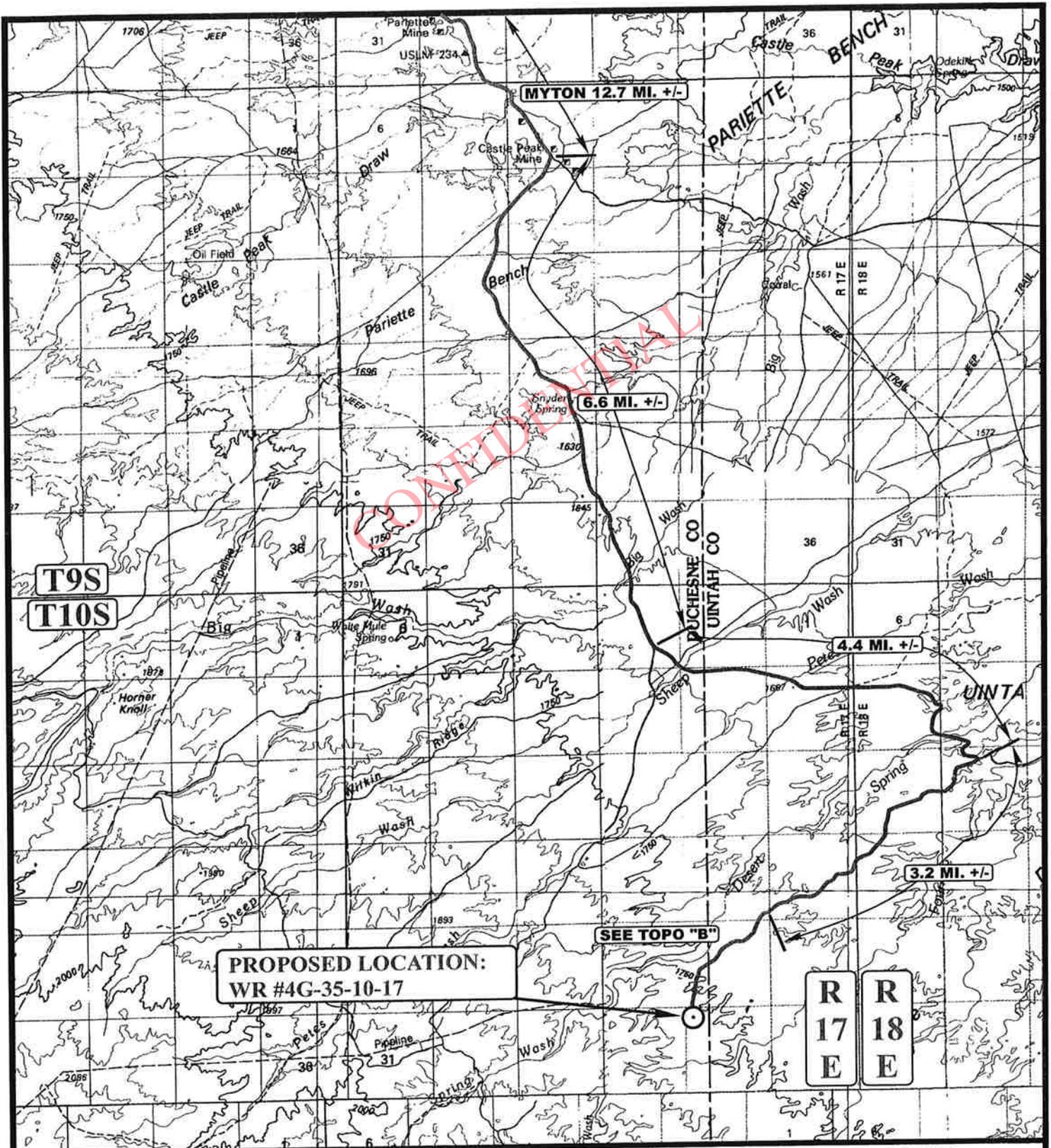


 INTERIM RECLAMATION

QUESTAR EXPLR. & PROD.  
WR #4G-35-10-17  
SECTION 35, T10S, R17E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM MYTON, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 3.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM MYTON, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 28.6 MILES.



**PROPOSED LOCATION:  
WR #4G-35-10-17**

SEE TOPO "B"

**LEGEND:**

○ PROPOSED LOCATION



**QUESTAR EXPLR. & PROD.**

WR #4G-35-10-17  
SECTION 35, T10S, R17E, S.L.B.&M.  
614' FNL 428' FWL



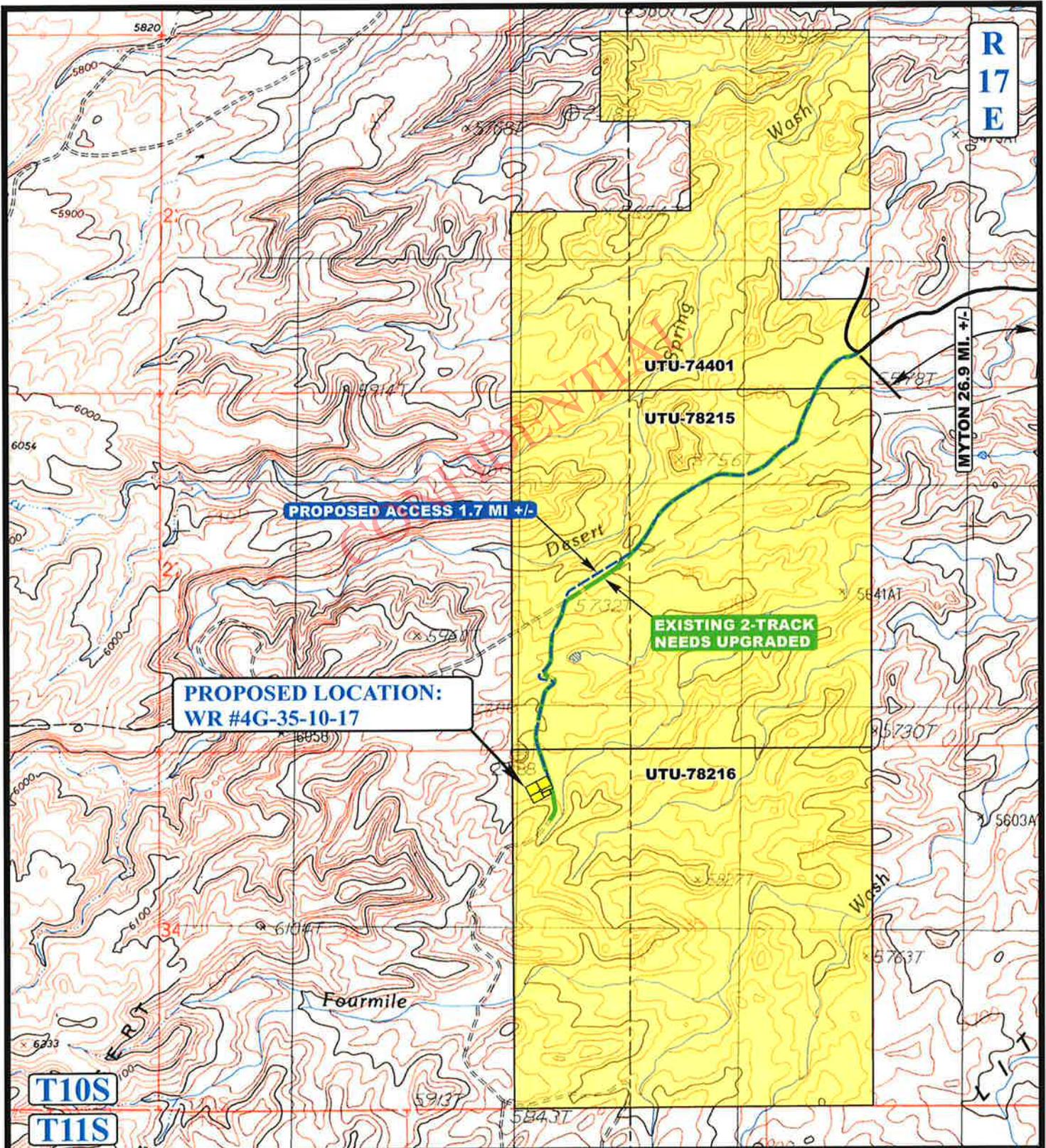
Utah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

03	03	10
MONTH	DAY	YEAR

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





**LEGEND:**

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

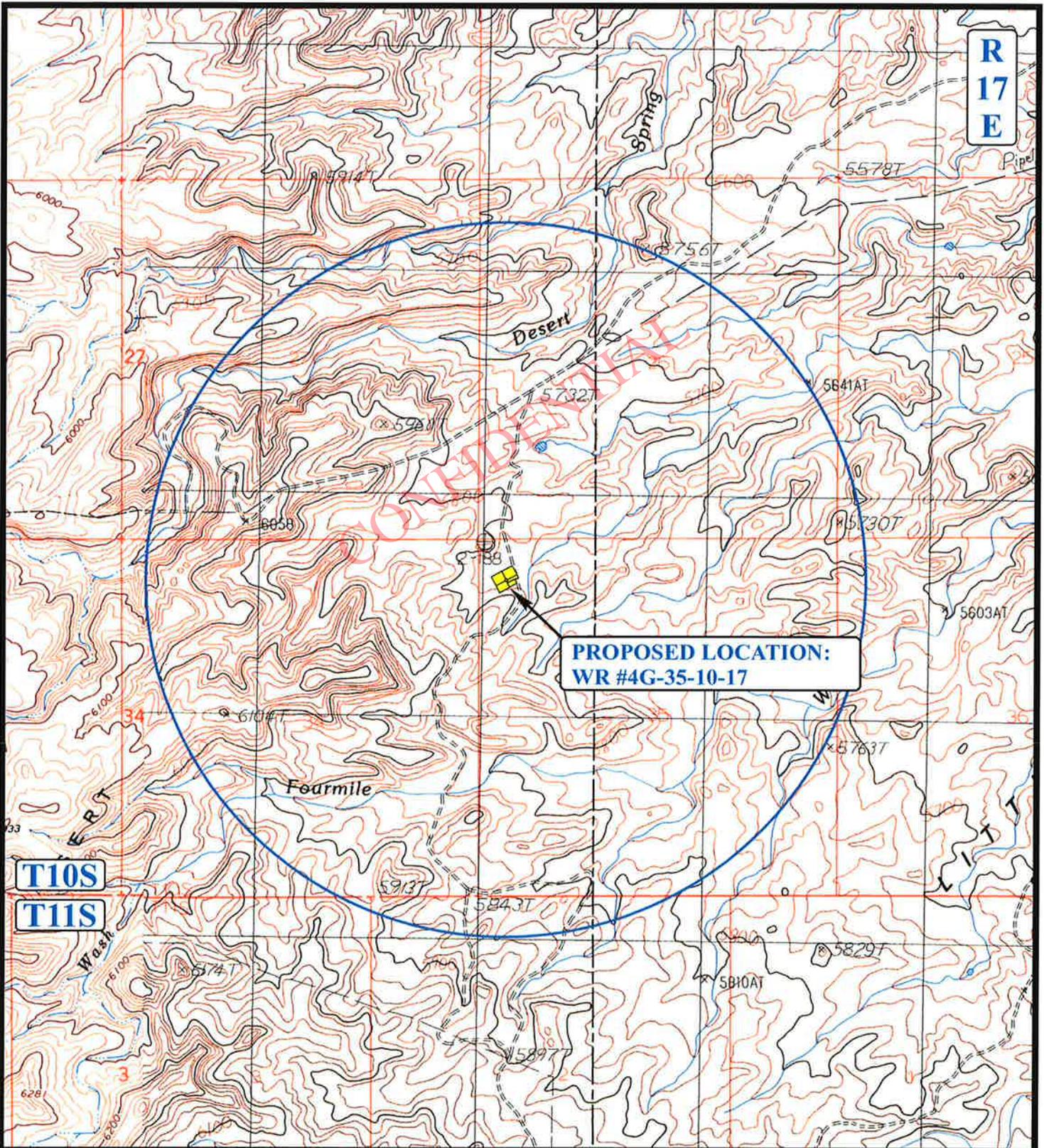


**QUESTAR EXPLR. & PROD.**

**WR #4G-35-10-17**  
**SECTION 35, T10S, R17E, S.L.B.&M.**  
**614' FNL 428' FWL**

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

**TOPOGRAPHIC MAP** 03 03 10  
 MONTH DAY YEAR  
 SCALE: 1" = 2000' DRAWN BY: Z.L. REV: J.H. 06-02-10 **B TOPO**



**PROPOSED LOCATION:  
WR #4G-35-10-17**

**LEGEND:**

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



**QUESTAR EXPLR. & PROD.**

**WR #4G-35-10-17  
SECTION 35, T10S, R17E, S.L.B.&M.  
614' FNL 428' FWL**



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

**TOPOGRAPHIC  
MAP**

**03 03 10**  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: Z.L. REV: J.H. 06-02-10



# QUESTAR EXPLR. & PROD.

REFERENCE MAP: AREA OF VEGETATION

**WR #4G-35-10-17**

LOCATED IN UINTAH COUNTY, UTAH

SECTION 35, T10S, R17E, S.L.B.&M.



### NOTE:

**BEGINNING OF REFERENCE AREA**

NAD 83 Z12 UTM NORTHING: 14517282.273

NAD 83 Z12 UTM EASTING: 1914405.152

(NAD 83) LATITUDE: 39.969920030

(NAD 83) LONGITUDE: -110.022085078

**END OF REFERENCE AREA**

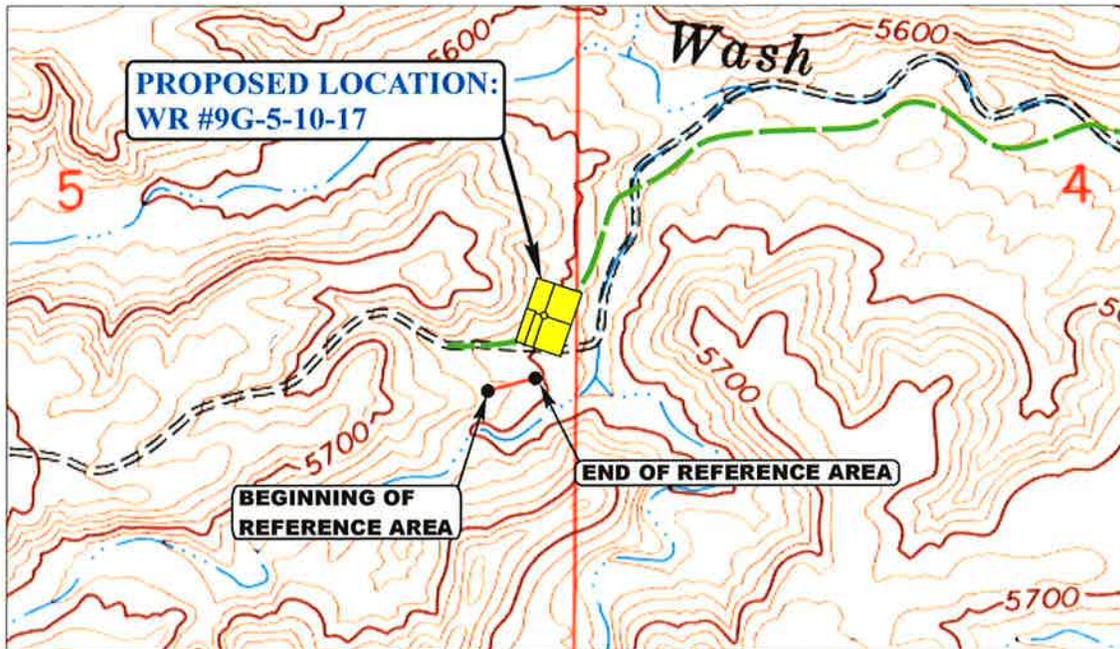
NAD 83 Z12 UTM NORTHING: 14517426.933

NAD 83 Z12 UTM EASTING: 1914542.859

(NAD 83) LATITUDE: 39.970313091

(NAD 83) LONGITUDE: -110.021587981

PHOTO: VIEW FROM BEGINNING OF REFERENCE AREA



- Since 1964 -

**E.L.S.**

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

435-789-1017

SCALE: 1" = 1000'

06 02 10  
MONTH DAY YEAR

REF.

TAKEN BY: D.R.

DRAWN BY: J.H.

REVISED: 00-00-00

**WR 4G-35-10-17  
NWNW, SECTION 35, T10S, R17E  
DUCHESNE COUNTY, UT  
LEASE # UTU-78216**

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

**1. Existing Roads:**

See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

The proposed well site is located approximately 28 miles south of Myton, Utah.  
-See attached TOPO Map "A".

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Existing 2-track road will be upgraded, maintained and repaired as necessary.

**2. Planned Access Roads:**

New access roads on BLM surface will be crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Any additional disturbance required due to intersections or sharp curves will be discussed at the on-site and approved by the BLM/VFO AO. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Surface disturbance and vehicular traffic will be limited to the approved location and access route or, as proposed by the Operator. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Access roads and surface disturbing activities will conform to standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and gas Exploration and Development, Fourth Edition 2006.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing and will be maintained according to original construction standards. The access road disturbed area will be kept free of trash during operations. All traffic will be confined to the approved road running surface. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause excess siltation or accumulation of debris in the drainage nor shall the drainage be blocked by the roadbed. If culverts are needed, the location and size of the culverts will be proposed during the on-site. The operator will clean and maintain approved culverts as needed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, the holes shall be filled in and detours around the holes avoided. When snow is removed from the road during the winter months, the snow should be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

Refer to Topo Map B for the location of the proposed access road.

**3. Location of Existing Wells Within a 1-Mile Radius:**

A map will be provided with the site-specific APD showing the location of existing wells within a one mile radius.

Please refer to Topo map C.

**4. Location of Existing and Proposed Facilities:**

The following guidelines will apply if the well is productive.

- A containment dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The specific APD will address additional capacity if such is needed due to environmental concerns. The use of topsoil for the construction of dikes will not be allowed.
- All loading lines will be placed inside the berm surrounding the tank batteries.
- All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a color approved by the BLM.
- It was determined on the onsite by the BLM VFO/AO that the facilities will be painted Covert Green.

**5. Location and Type of Water Supply:**

Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes.

**6. Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

## 7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 6 months after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

It was determined at the on-site inspection that a pit liner is necessary, the reserve pit will be lined with a synthetic reinforced liner, a minimum of 20 millimeters thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap will be disposed of in the pit.

Reserve pit leaks are considered an undesirable event and will be orally reported to the AO.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order # 7, all produced water will be contained in tanks on location and then hauled to Wonsits Valley water injection station located in the SWNW Section 12, T8S, R21E; or, the Red Wash disposal well located in the NESW, Section 28, T7S, R22E; or, the Red Wash Central Battery Disposal located in SWSE, Section 27, T7S, R23E, or third-party surface evaporative pits.

Produced water, oil, and other byproducts will not be applied to roads or well pads for control of dust or weeds. The dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site. The spills will be reported to the AO and other authorities as appropriate.

A chemical porta-toilet will be furnished with the drilling rig. The chemical porta-toilet wastes will be hauled to Ashley Valley Sewer and Water System for disposal.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location. All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig. All trash and waste material will be hauled to the Uintah County Landfill.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of wells. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within these areas. Specific APD's shall address any modifications from this policy.

**8. Ancillary Facilities:**

This will be an independent well location. Product will be contained in two 500 bbl tanks and then transported from location to delivery site.

A suitable muffler will be installed on pumping unit to help reduce noise control.

**9. Well Site Layout:**

A Location Layout Diagram describing drill pad cross-sections, cuts and fills, and locations of mud tanks, reserve pits, flare pit or flare box, pipe racks, trailer parking, spoil dirt stockpile(s), and the surface material stockpile(s) will be included with the site specific APD.

Please see the attached diagram rig orientation, parking areas, and access roads, as well as the location of the following:

- The reserve pit.
- The stockpiled topsoil (first six inches), will not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with the topsoil.
- The flare pit or flare box will be located downwind from the prevailing wind direction.
- Any drainage that crosses the well location will be diverted around the location by using ditches, water diversion drains or berms. If deemed necessary at the on-site, erosion drains may be installed to contain sediments that could be produced from access roads and well locations.

**10. Fencing Requirements:**

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

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

- 39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

- The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.
- Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.
- All wire shall be stretched using a stretching device before it is attached to corner posts.
- The reserve pit will be fenced on three (3) sides during drilling operations. The fourth side will be put in place when the rig moves off location. The pit will be fenced and maintained until it is backfilled. If drilling operations does not commence within 3 days, the fourth side of the fence will be installed.

#### **11. Reclamation Plan:**

- Reclamation will follow Questar Exploration and Production Company, Uinta Basin Division's Reclamation Plan, September 2009 (Questar's Reclamation Plan) and the BLM Green River District Reclamation Guidelines.
- All trash and debris will be removed from the disturbed area.
- The disturbed area will be backfilled with subsoil.
- Topsoil will be spread to an even, appropriate depth and disced if needed.
- Water courses and drainages will be restored.
- Erosion control devices will be installed where needed.
- Seeding will be done in the fall, prior to ground freeze up.
- Seed mix will be submitted to a BLM AO for approval prior to seeding.
- Monitoring and reporting will be conducted as stated in Questar's Reclamation Plan. A reference site has been established and is included in this ROW application.
- Weed control will be conducted as stated in Questar's Reclamation Plan.

It was determined and agreed upon that there is 6" inches of top soil.

#### **Dry Hole/Abandoned Location**

On lands administered by the BLM abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable,

these conditions may include the reestablishment of irrigation systems; reestablishment of appropriate soil conditions; and, the reestablishment of vegetation as specified.

All disturbed surfaces will be recontoured to approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment.

At final abandonment, the Operator will cap the casing with a metal plate a minimum of 0.25 inch thick. The cap will be welded in place and the well location and identity will be permanently inscribed on the cap. The cap will be constructed with a weep hole. The depth of the permanent cap will be determined at the time of final abandonment. Long-term reclamation will then be applied and will follow the reclamation process described in this plan. When reclamation is deemed successful by the Operator and the BLM, the Operator will request a bond release.

**12. Surface Ownership:**

The well pad and access road are located on lands owned by:  
Bureau of Land Management  
170 South 500 East  
Vernal, UT 84078

**13. Other Information:**

Drilling rigs and/or equipment used during drilling operations will not be stacked or stored on Federal lands or State administered lands after the conclusion of drilling operations or at any other time without authorization by the BLM Authorized Officer. If BLM authorization is obtained, such storage is only a temporary measure.

A Class III archeological survey was conducted by Montgomery Archaeology Consultants, **MOAC Report No. 10-019**. A copy of the report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance has been recommended for this project. If these surveys identify areas with a high probability of encountering potentially significant subsurface archaeological sites, QEP would provide a qualified archaeologist to monitor surface disturbance. If historic or archaeological materials are uncovered during construction, the Operator is to immediately stop work that might further disturb such materials and contact the Authorized Officer.

A paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted directly to the appropriate agencies by Stephen D. Sandau, **Report No. IPC 10-13**. The inspection for this project resulted in some signs of vertebrate fossils, therefore, we advise that a permitted paleontologist be present to monitor the beginning of the construction process. QEP will provide a qualified paleontologist to monitor surface disturbance.

A habitat assessment and inventory was surveyed for Uintah Basin Hookless Cactus on April 21, 2010 by Western Biota, Inc. The inspection for this project resulted in no suitable or potential habitat within the proposed WR 4G-35-10-17.



**QEP Energy Company**

11002 East 17500 South  
Vernal, UT 84078  
Tel: 435.781.4300  
Fax: 435.781.4329

August 4, 2010

Division of Oil, Gas & Mining  
1594 W. N. Temple Ste. #1210  
Salt Lake City, UT 84114-5801

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To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3 QEP Energy Company's application to drill the WR 4G-35-10-17 is an exception to this rule due to topography.

There is one other interested owner: Triple III Exploration Company has consented approval for this location involving the well site.

If you have any question please contact Jan Nelson @ (435) 781-4331 or Chad Matney @ (303)-308-3048.

Thank you,

A handwritten signature in blue ink that reads 'Jan Nelson'. The signature is written in a cursive, flowing style.

Jan Nelson  
Regulatory Affairs



Independence Plaza  
1050 17th Street, Suite 500  
Denver, CO 80265  
Tel: 303.672.6900  
Fax: 303.294.9632

**QEP Energy Company**

June 17, 2010

III Exploration Company  
Attn: Mr. Paul Powell  
960 Broadway, Ste. 500  
Boise, Idaho 83707

**RE: Request for agreement to exception locations  
Uintah and Duchesne Counties, Utah**

Mr. Powell:

Enclosed please find well plats for the following proposed wells:

- WR 16G-32-10-17 well, T10S-R17E-Sec. 32: SE/4, Duchesne County, UT
- WR 9G-5-10-17 well, T10S-R17E-Sec. 5: SE/4, Duchesne County, UT
- DS 9G-16-10-18 well, T10S-R18E-Sec. 16: SE/4, Uintah County, UT
- DS 13G-19-10-18 well, T10S-R18E-Sec. 19: SW/4, Uintah County, UT
- WR 4G-35-10-17 well, T10S-R17E-Sec. 35: NW/4, Duchesne County, UT
- DS 16G-20-10-18 well, T10S-R18E-Sec. 20: SE/4, Uintah County, UT

Because QEP Energy Company ("QEP") intends to drill these wells with surface locations outside of the allowable 400 foot "window", QEP hereby requests III Exploration Company and/or III Exploration II LP's ("III") consent to exception location pursuant to the Utah Administrative Code's, Rules 649-3-2 and 649-3-3.

Should III consent to these exception locations, please indicate III's consent and agreement by signing in the space below.

Should you have any questions, please contact me at 303-308-3048.

Sincerely,

**QEP ENERGY COMPANY**

A handwritten signature in blue ink, appearing to read 'Chad W. Matney'.

Chad W. Matney  
Senior Landman

Cc: Phil Shepardson, Denver Office

III hereby agrees and consents to the exception locations for each of the above listed wells.

A handwritten signature in blue ink, appearing to read 'Paul R. Powell'.

Name: **Paul R. Powell**  
Title: **Executive Vice President, COO**

**QUESTAR EXPLR. & PROD.**

Well location, WR #4G-35-10-17, located as shown in the NW 1/4 NW 1/4 of Section 35, T10S, R17E, S.L.B.&M., Duchesne County, Utah.

**BASIS OF ELEVATION**

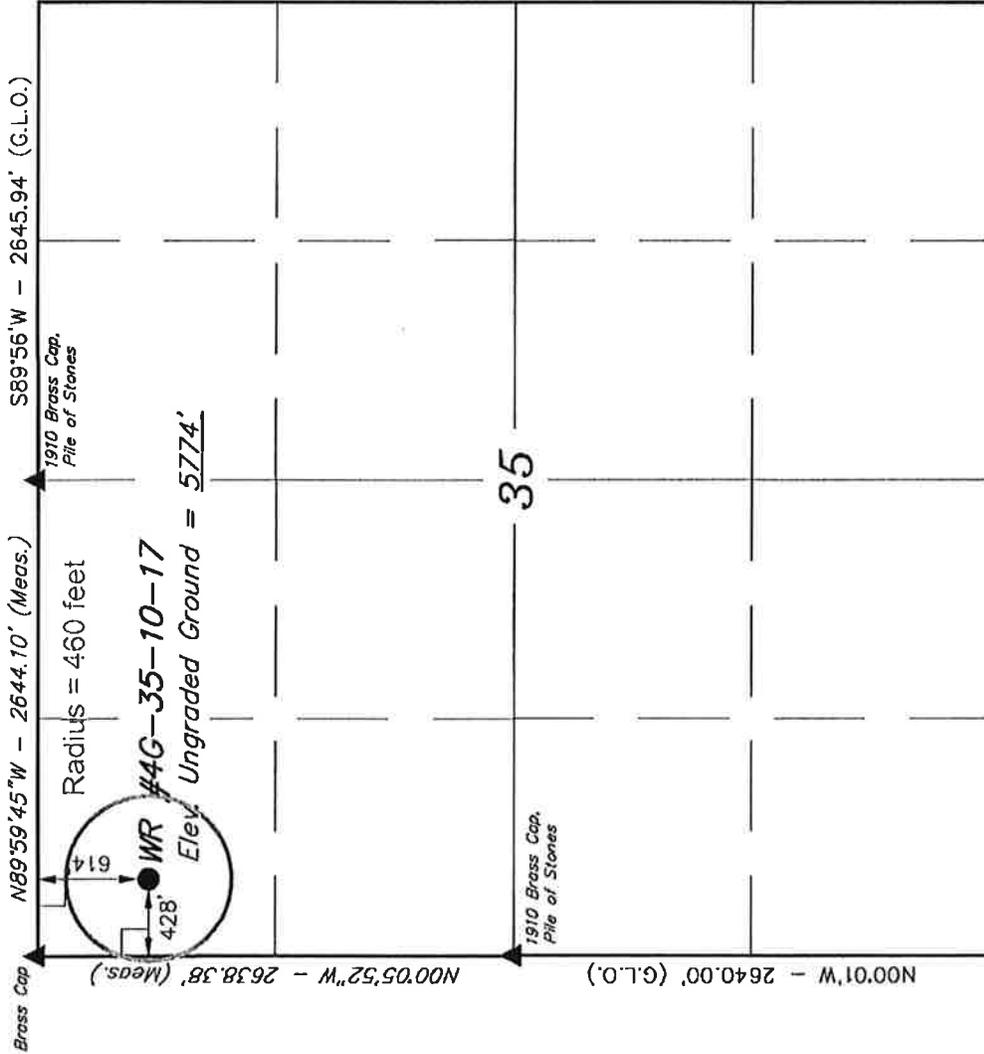
SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 14, T10S, R18E, S.L.B.&M. TAKEN FROM THE MOON BOTTOM QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5129 FEET.

**BASIS OF BEARINGS**

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

N00°01'W - 2644.10' (G.L.O.)

**T10S, R17E, S.L.B.&M.**



EAST - 5280.00' (G.L.O.)

**LEGEND:**

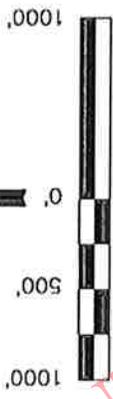
- ┌ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)  
 LATITUDE = 39°54'21.74" (39.906039)  
 LONGITUDE = 109°58'53.67" (109.981575)  
 (NAD 27)  
 LATITUDE = 39°54'21.87" (39.906075)  
 LONGITUDE = 109°58'51.14" (109.980872)

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SCALE



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE SPOTS PREPARED BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEFS



<b>UNTAH ENGINEERING &amp; LAND SURVEYING</b>	
85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017	
SCALE 1" = 1000'	DATE SURVEYED: 02-25-10
PARTY B.H. D.R. K.G.	REFERENCES G.L.O. PLAT
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.

**Lessee's or Operator's Representative & Certification:**

Jan Nelson  
Permit Agent  
QEP Energy Company  
11002 East 17500 South  
Vernal, UT 84078  
(435) 781-4331

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

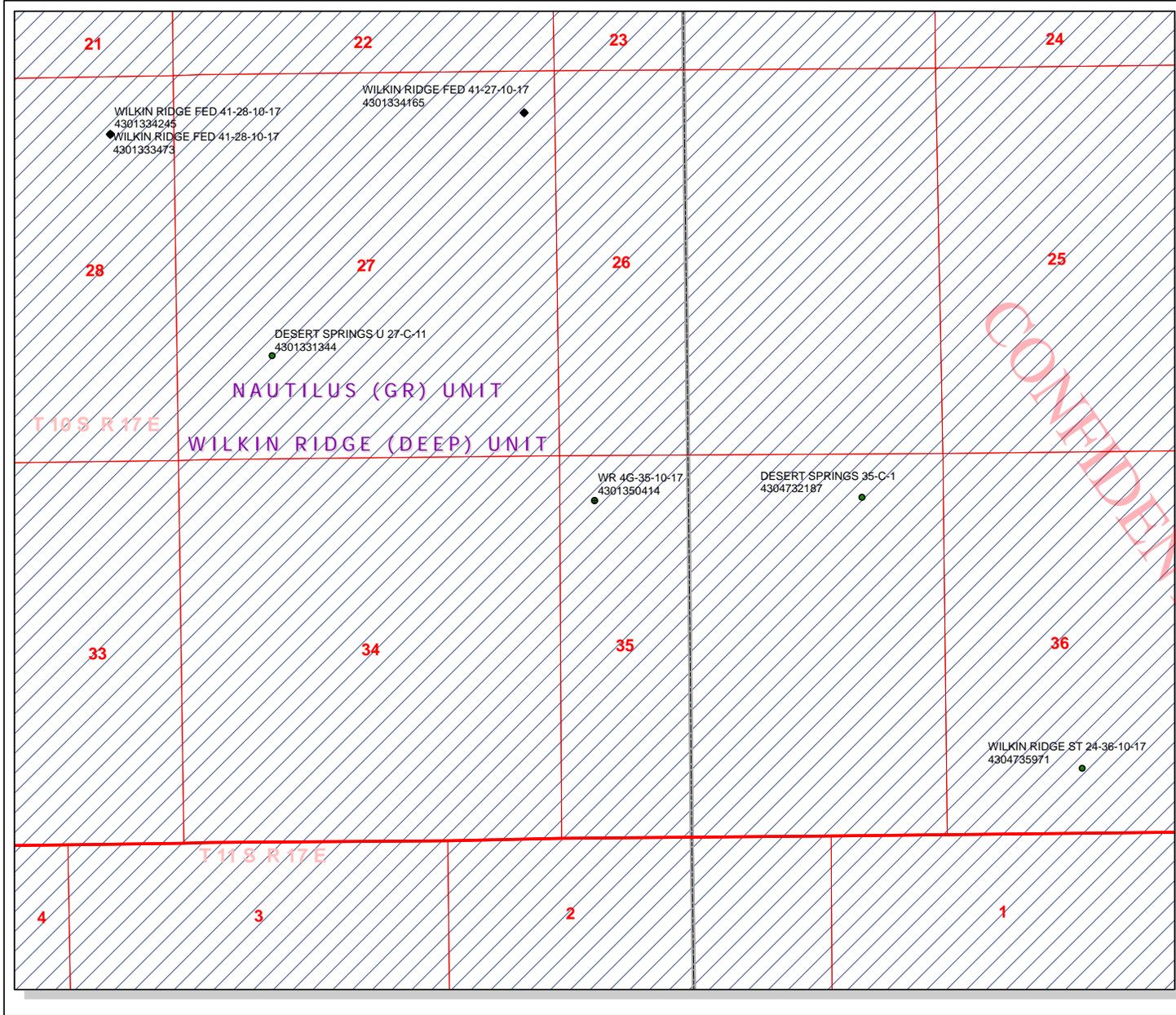
QEP Energy Company is considered to be the operator of the subject well. QEP Energy Company agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104.2 for lease activities is being provided by Bond No. ESB000024

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operations; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

  
\_\_\_\_\_  
Jan Nelson

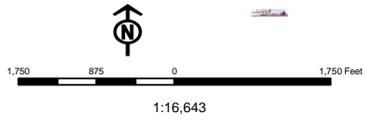
8/4/2010  
\_\_\_\_\_  
Date



**API Number: 4301350414**  
**Well Name: WR 4G-35-10-17**  
**Township 10.0 S Range 17.0 E Section 35**  
**Meridian: SLBM**  
**Operator: QEP ENERGY COMPANY**

Map Prepared:  
 Map Produced by Diana Mason

- |                             |                                    |
|-----------------------------|------------------------------------|
| <b>Units</b>                | <b>Wells Query</b>                 |
| <b>STATUS</b>               | <b>Status</b>                      |
| ACTIVE                      | <call other values>                |
| EXPLORATORY                 | APD - Approved Permit              |
| GAS STORAGE                 | DRL - Spudded (Drilling Commenced) |
| NF PP OIL                   | GIW - Gas Injection                |
| NF SECONDARY                | GS - Gas Storage                   |
| PI OIL                      | LA - Location Abandoned            |
| PP GAS                      | LDC - New Location                 |
| PP GEOTHERML                | OPS - Operation Suspended          |
| PP OIL                      | PA - Plugged Abandoned             |
| SECONDARY                   | PGW - Producing Gas Well           |
| TERMINATED                  | POW - Producing Oil Well           |
| <b>Fields</b>               | RET - Returned APD                 |
| Sections                    | SGW - Shut-in Gas Well             |
| Township                    | SOW - Shut-in Oil Well             |
| Bottom Hole Location - AGRC | TA - Temp. Abandoned               |
|                             | TW - Test Well                     |
|                             | WDW - Water Disposal               |
|                             | WIIW - Water Injection Well        |
|                             | WSW - Water Supply Well            |



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# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:  
3160  
(UT-922)

August 10, 2010

Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2010 Plan of Development Nautilus Unit,  
Duchesne and Uintah Counties, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2010 within the Nautilus Unit, Uintah County, Utah

API#	WELL NAME	LOCATION
------	-----------	----------

(Proposed PZ GREEN RIVER)

43-013-50414 WR 4G-35-10-17 Sec 35 T10S R17E 0614 FNL 0428 FWL

We recommend requesting the operator to rename the well the Nautilus 4G-35-10-17 so it will not be confused with operations in the Wilkin Ridge Unit.

This office has no objection to permitting the well at this time.

Michael L. Coulthard Digitally signed by Michael L. Coulthard  
DN: cn=Michael L. Coulthard, o=Bureau of Land Management, ou=Branch of Fluid Minerals, email=Michael\_Coulthard@blm.gov, c=US  
Date: 2010.08.10 09:53:15 -0600

bcc: File - Nautilus Unit  
Division of Oil Gas and Mining  
Central Files  
Agr. Sec. Chron  
Fluid Chron

MCoulthard:mc:8-10-10

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

---

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**APD RECEIVED:** 8/5/2010

**API NO. ASSIGNED:** 43013504140000

**WELL NAME:** WR 4G-35-10-17

**OPERATOR:** QEP ENERGY COMPANY (N3700)

**PHONE NUMBER:** 435 781-4331

**CONTACT:** Jan Nelson

**PROPOSED LOCATION:** NWNW 35 100S 170E

**Permit Tech Review:**

**SURFACE:** 0614 FNL 0428 FWL

**Engineering Review:**

**BOTTOM:** 0614 FNL 0428 FWL

**Geology Review:**

**COUNTY:** DUCHESNE

**LATITUDE:** 39.90601

**LONGITUDE:** -109.98094

**UTM SURF EASTINGS:** 587109.00

**NORTHINGS:** 4417613.00

**FIELD NAME:** WILDCAT

**LEASE TYPE:** 1 - Federal

**LEASE NUMBER:** UTU78216

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

**SURFACE OWNER:** 1 - Federal

**COALBED METHANE:** NO

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**RECEIVED AND/OR REVIEWED:**

- PLAT**
- Bond:** FEDERAL - ESB000024
- Potash**
- Oil Shale 190-5**
- Oil Shale 190-3**
- Oil Shale 190-13**
- Water Permit:** A36125 - 49-2153
- RDCC Review:**
- Fee Surface Agreement**
- Intent to Commingle**

**Commingling Approved**

**LOCATION AND SITING:**

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

**Comments:** Presite Completed

**Stipulations:** 1 - Exception Location - bhill  
4 - Federal Approval - dmason  
23 - Spacing - dmason



GARY R. HERBERT  
*Governor*

GREGORY S. 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*

### Permit To Drill

\*\*\*\*\*

**Well Name:** WR 4G-35-10-17  
**API Well Number:** 43013504140000  
**Lease Number:** UTU78216  
**Surface Owner:** FEDERAL  
**Approval Date:** 8/11/2010

**Issued to:**

QEP ENERGY COMPANY, 11002 East 17500 South, Vernal, Ut 84078

**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 R649-3-3. 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

**Exception Location:**

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

**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:**

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

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.

**Notification Requirements:**

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

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

**Approved By:**



Acting Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU78216	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
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.		<b>7. UNIT or CA AGREEMENT NAME:</b> NAUTILUS (GR)	
<b>1. TYPE OF WELL</b> Oil Well		<b>8. WELL NAME and NUMBER:</b> WR 4G-35-10-17	
<b>2. NAME OF OPERATOR:</b> QEP ENERGY COMPANY		<b>9. API NUMBER:</b> 43013504140000	
<b>3. ADDRESS OF OPERATOR:</b> 11002 East 17500 South , Vernal, Ut, 84078	<b>PHONE NUMBER:</b> 303 308-3068 Ext	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0614 FNL 0428 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 35 Township: 10.0S Range: 17.0E Meridian: S		<b>COUNTY:</b> DUCHESNE	
		<b>STATE:</b> UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 8/11/2012  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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"/> <b>APD EXTENSION</b> OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. QEP ENERGY COMPANY HEREBY REQUESTS A ONE YEAR EXTENSION FOR THE APD ON THE ABOVE CAPTIONED WELL.			
<p style="color: red; font-weight: bold; margin: 0;">Approved by the Utah Division of Oil, Gas and Mining</p> <p style="color: red; font-weight: bold; margin: 0;">Date: <u>08/09/2011</u></p> <p style="color: red; font-weight: bold; margin: 0;">By: <u></u></p>			
<b>NAME (PLEASE PRINT)</b> Valyn Davis	<b>PHONE NUMBER</b> 435 781-4369	<b>TITLE</b> Regulatory Affairs Analyst	
<b>SIGNATURE</b> N/A		<b>DATE</b> 8/9/2011	



**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 43013504140000**

**API:** 43013504140000

**Well Name:** WR 4G-35-10-17

**Location:** 0614 FNL 0428 FWL QTR NWNW SEC 35 TWNP 100S RNG 170E MER S

**Company Permit Issued to:** QEP ENERGY COMPANY

**Date Original Permit Issued:** 8/11/2010

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

**Signature:** Valyn Davis

**Date:** 8/9/2011

**Title:** Regulatory Affairs Analyst **Representing:** QEP ENERGY COMPANY

**RECEIVED**  
 UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT  
 AUG 05 2010

FORM APPROVED  
 OMB No. 1004-0136  
 Expires July 31, 2010

**APPLICATION FOR PERMIT TO DRILL OR REENTER**  
**BLM**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		<b>CONFIDENTIAL</b>	5. Lease Serial No. UTU78216
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name
2. Name of Operator QUESTAR E & P COMPANY		Contact: JAN NELSON E-Mail: jan.nelson@questar.com	
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435-781-4331 Fx: 435-781-4395	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNW 614FNL 428FWL At proposed prod. zone NWNW 614FNL 428FWL		7. If Unit or CA Agreement, Name and No. UTU87716X	
14. Distance in miles and direction from nearest town or post office* 28 MILES FROM MYTON, UT		8. Lease Name and Well No. WR 4G-35-10-17	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 428		9. API Well No. 43-013-50414	
16. No. of Acres in Lease 1280.00		10. Field and Pool, or Exploratory WILDCAT	
17. Spacing Unit dedicated to this well 40.00		11. Sec., T., R., M., or Blk. and Survey or Area Sec 35 T10S R17E Mer SLB	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		12. County or Parish DUCHESNE	
19. Proposed Depth 4900 MD 4900 TVD		13. State UT	
20. BLM/BIA Bond No. on file ESB000024		21. Elevations (Show whether DF, KB, RT, GL, etc.) 5774 GL	
22. Approximate date work will start 12/05/2010		23. Estimated duration 15 DAYS	

**24. Attachments**

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

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

25. Signature (Electronic Submission)		Name (Printed/Typed) JAN NELSON Ph: 435-781-4331		Date 08/05/2010
Title PERMIT AGENT				
Approved by (Signature) 		Name (Printed/Typed) Jerry Kenczka		Date FEB 17 2012
Title Assistant Field Manager Lands & Mineral Resources		Office VERNAL FIELD OFFICE		

Application approval does not warrant or certify 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.

**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.

Electronic Submission #90985 verified by the BLM Well Information System  
 For QUESTAR E & P COMPANY, sent to the Vernal  
 Committed to AFMSS for processing by ROBIN R. HANSEN on 08/10/2010 ()

**RECEIVED**

NOS 4/29/10

FEB 27 2012

AFMSS#10RRH0315AE

NOTICE OF APPROVAL

DIV. OF OIL, GAS & MINING



\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*



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:	QEP Energy, Inc.	Location:	NWNW, Sec. 35, T10S, R17E
Well No:	WR 4G-35-10-17	Lease No:	UTU-78216
API No:	43-013-50414	Agreement:	Nautilus Unit

**OFFICE NUMBER: (435) 781-4400**

**OFFICE FAX NUMBER: (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 to: <a href="mailto:blm_ut_vn_opreport@blm.gov">blm ut vn_opreport@blm.gov</a> .
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)**

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO<sub>x</sub> per horsepower-hour.
- 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.
- QEP Energy Company will drill two oil wells: DS 16G-20-10-18, in SE/SE of Section 20, Township 10 South, Range 18 East, Uintah County, Utah, and 4G-35-10-17, in NW/NW of Section 35, Township 10 South, Range 17 East, Duchesne County. The project area is located approximately 20 miles south of Myton, UT.
- The construction of the wells and access roads will result in approximately 14.53 acres of new surface disturbance. The well pads will result in approximately 6.51 acres of surface disturbance.
- The project will include the construction/installation of a wellhead and pumping unit, two storage tanks; spoil dirt stockpile(s), surface material stockpile(s), and a reserve pit at the well site.
- The drilling rig will be powered by a Tier II or better diesel engine.
- The reserve pit will be fenced on three sides prior to drilling activity and closed off on the fourth side after drilling is finished. The reserve pits for the wells will be lined with a 20 ml liner with felt.
- A dike will be constructed around those production facilities that contain fluids. The dikes will be constructed of compacted subsoil. They will be impervious, hold 10 percent more than the capacity of the largest tank, and be independent of the back cut.
- All permanent (meaning on site for six months or longer) structures will be painted Covert Green to match the surrounding landscape color unless otherwise authorized. This will include all facilities except those required to comply with Occupational Safety and Health Act (OSHA) regulations.
- If dry, the wells will be plugged and abandoned as per BLM and State of Utah requirements.
- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horse power must not emit more than 2 grams of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower-hour.
- All new and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 grams of NO<sub>x</sub> per horsepower-hour.

- The following would be used as standard operating procedures: Green completion or controlled VOC emissions methods with 90% efficiency for Oil or Gas Atmospheric Storage Tanks, VOC Venting controls or flaring, Glycol Dehydration and Amine Unites, Well Completion, Re-Completion, Venting, and Planned Blowdown Emissions.
- Approximately 11,648 feet of new access road will be constructed in order to access the proposed wells. The access roads will require a 30 foot width during construction, and will be maintained as an 18 foot width running surface. Construction of the proposed access roads will result in 8.02 acres of new surface disturbance. A BLM right-of-way (ROW) will be required for the WR 4G-35-10-17 because most of the access road is not on lease.
- No pipelines are proposed for this project.
- Prior to construction, an invasive plants/noxious weeds inventory will be completed for all areas where surface disturbance will occur. A completed Weed Inventory form documenting any occurrences of invasive plants or noxious weeds will be submitted to the BLM Authorized Officer before surface disturbance will occur.
- The operator will control noxious/invasive weeds along their roads, pipelines, well sites, or other applicable facilities by the application of herbicides or by mechanical removal until reclamation is considered to be successful by the authorized officer (AO) and the bond for the well is released. A list of noxious weeds will be obtained from the BLM or the appropriate county extension office. On BLM-administered land, the operator will submit a Pesticide Use Proposal and obtain approval prior to the application of herbicides, other pesticides, or possible hazardous chemicals.
- Immediately upon well completion, the location and surrounding area shall be cleared of all unused tubing, equipment, debris, materials, and trash. Any hydrocarbons in the pit will be removed in accordance with 43 CFR 3162.7-1.
- The reserve pit and the portion of the well not needed for production facilities/operations shall be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion, or as soon as environmental conditions allow. The stockpiled pit topsoil will then be spread over the pit area and broadcast-seeded/drill seeded (preferred method) with a seed mix submitted to the BLM Authorized Officer (AO) for approval prior to seeding. Seeding will be done in the fall prior to winter freezing of the soil. The seed mixture shall be worked into the topsoil with a drill seeder, bulldozer or other heavy equipment. If initial seeding is not successful, reseeding may be required.
- Once the well is plugged and facilities are removed and abandoned, the topsoil shall be stripped and stockpiled off of the location, and the well site, pipelines, and access roads will be returned to natural contours. The topsoil shall be respread, and the location seeded with the mixture submitted to the BLM AO. The seed mixture shall be worked into the topsoil with a drill seeder, bulldozer or other heavy equipment.
- Interim reclamation, final reclamation, and monitoring of reclaimed areas will be completed in accordance with the Questar Exploration and Production Company, Uinta Basin Division's Reclamation Plan, September 2009 on file with the Vernal Field Office of the BLM.
- Prior to any surface disturbance, vegetative monitoring locations and reference sites will be identified by QEP and approved by the BLM AO. Vegetation monitoring protocol will be developed by QEP and approved by the BLM AO prior to implementation of revegetation techniques and will be designed to monitor % basal vegetative cover.

- Revegetated areas will be inspected annually and monitored to document location and extent of areas with successful revegetation, and areas needing further reclamation (for a period of 5 years after construction completion). A reclamation report will be submitted to the AO by March 31 of each year.
- All vehicles and equipment shall be cleaned either through power-washing, or other approved method, if the vehicles or equipment were previously operated outside the Uinta Basin, to prevent weed seed introduction.
- A muffler will be used on the pump-jack upon completion in order to reduce noise levels.
- QEP has committed to have a permitted paleontologist be present to monitor the construction process for the entire access road for the DS 16G-20-10-18, and the portion of the access road which runs through Sec. 23, 24, and 26 of T. 10 S. R. 17 E.
- During operations, if any vertebrate paleontological resources are discovered, in accordance with section 6 Form 3100-11 and 43 CFR 3162.1, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The Authorized Officer of the BLM office shall be notified within 48 hours of the discovery, and a decision as to the preferred alternative/course of action would be rendered.
- Telemetry will be installed to remotely monitor and control production.
- Water or other approved suppressants would be used during construction activities to abate fugitive dust.
- Signs will be installed on the access roads advising speeds of 25 MPH during the drilling phase to decrease fugitive dust from truck traffic.
- Re-initiation of section 7 consultation with the USFWS will be sought immediately if any loss of plants or occupied habitat for Uinta Basin hookless cactus is anticipated as a result of project activities.
- The best method to avoid entrainment is to pump from an off-channel location – one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
  - do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
  - limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (April 1 to August 31); and
  - limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
- Screen all pump intakes with 3/32" mesh material.
- Approach velocities for intake structures will follow the National Marine Fisheries Service's document "Fish Screening Criteria for Anadromous Salmonids". For projects with an in-stream intake that operate in stream reaches where larval fish may be present, the approach velocity will not exceed 0.33 feet per second (ft/s).

- Report any fish impinged on the intake screen to the Service (801-975-3330) and the Utah Division of Wildlife Resources:
  - Northeastern Region  
152 East 100 North, Vernal, UT 84078
  - Phone: (435) 781-9453
- QEP will educate its contractors and employees about the relevant federal regulations intended to protect cultural resources. All vehicular traffic, personnel movement, construction and restoration activities shall be confined to areas cleared by the site inventory and to existing roads. In the event historic or archaeological resources are uncovered during construction, work will stop immediately and the appropriate BLM AO will be notified.

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

**SITE SPECIFIC DOWNHOLE COAs:**

- In regards to the production casing cementing program, additional cement needs to be pumped in order to reach the operator's stated excess factor of twenty five percent (25%). Additional cement volume which needs to be added is twenty five percent (25%).
- Production casing cement shall be brought up and into the surface.
- The operator's variance requests stated in Drilling Plan, Section 6, titled "Auxiliary Equipment" are approved.

**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 BLM\_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.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at [www.ONRR.gov](http://www.ONRR.gov).
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid,

and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU78216
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.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b> NAUTILUS (GR)
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> WR 4G-35-10-17	
<b>2. NAME OF OPERATOR:</b> QEP ENERGY COMPANY	<b>9. API NUMBER:</b> 43013504140000	
<b>3. ADDRESS OF OPERATOR:</b> 11002 East 17500 South , Vernal, Ut, 84078	<b>PHONE NUMBER:</b> 303 308-3068 Ext	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0614 FNL 0428 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 35 Township: 10.0S Range: 17.0E Meridian: S		<b>COUNTY:</b> DUCHESNE
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:  <input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 3/21/2012  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER <input type="checkbox"/> APD EXTENSION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
ON 03/21/2012- DRILLED 40' OF 20" CONDUCTOR HOLE. SET 40' OF 14" CONDUCTOR PIPE. CEMENTED WITH READY MIX.		
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 22, 2012</b>		
<b>NAME (PLEASE PRINT)</b> Valyn Davis	<b>PHONE NUMBER</b> 435 781-4369	<b>TITLE</b> Regulatory Affairs Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 3/21/2012	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
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		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Oil Well		<b>7. UNIT or CA AGREEMENT NAME:</b> NAUTILUS (GR)
<b>2. NAME OF OPERATOR:</b> QEP ENERGY COMPANY		<b>8. WELL NAME and NUMBER:</b> WR 4G-35-10-17
<b>3. ADDRESS OF OPERATOR:</b> 11002 East 17500 South , Vernal, Ut, 84078		<b>9. API NUMBER:</b> 43013504140000
<b>PHONE NUMBER:</b> 303 308-3068 Ext		<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
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		<b>STATE:</b> UTAH

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TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/30/2012	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="SET CASING"/>

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

QEP ENERGY COMPANY PERFORMED THE FOLLOWING ON 03/30/2012:  
-DRILLED 12 1/4" HOLE TO 467', -SET 9 5/8" J-55 ST&C, 36# CASING,  
-CEMENTED WITH 275 SACKS CLASS G CEMENT. QEP ENERGY COMPANY  
IS REQUESTING THAT THIS INFORMATION BE HELD "CONFIDENTIAL".

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
April 03, 2012**

<b>NAME (PLEASE PRINT)</b> Valyn Davis	<b>PHONE NUMBER</b> 435 781-4369	<b>TITLE</b> Regulatory Affairs Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 4/3/2012	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU78216
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<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/30/2012	<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
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	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="SET CASING"/>

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<b>NAME (PLEASE PRINT)</b> Valyn Davis	<b>PHONE NUMBER</b> 435 781-4369	<b>TITLE</b> Regulatory Affairs Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 4/3/2012	

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

FORM 6

**ENTITY ACTION FORM**

Operator: QEP ENERGY COMPANY Operator Account Number: N 3700  
 Address: 11002 EAST 17500 SOUTH  
 city VERNAL  
 state UT zip 84078 Phone Number: (435) 781-4369

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301350414	WR 4G-35-10-17		NWNW	35	10S	17E	DUCHESNE
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	18474	3/21/2012		3/30/2012		
Comments: <u>GRRV</u> <u>BHL: nwnw</u>							<b>CONFIDENTIAL</b>

**Well 2**

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

**Well 3**

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

**ACTION CODES:**

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

Valyn Davis

Name (Please Print)

Signature

Regulatory Affairs Analyst

Title

3/22/2012

Date

**RECEIVED**

**MAR 21 2012**

Div. of Oil, Gas & Mining

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: QEP ENERGY COMPANY

Well Name: WR 46-35-10-17

Api No. 43-013-50414 Lease Type: FEDERAL

Section 35 Township 10S Range 17E County DUCHESNE

Drilling Contractor PROPETRO RIG # 3

SPUDDED:

Date 03/30/2012

Time \_\_\_\_\_

How ROTARY

Drilling will commence \_\_\_\_\_

Reported by DAVID REID

Telephone # (435) 828-0396

Date: 03/30/2012 Signed: C RD

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU78216
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> NAUTILUS (GR)
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> WR 4G-35-10-17
<b>2. NAME OF OPERATOR:</b> QEP ENERGY COMPANY	<b>9. API NUMBER:</b> 43013504140000
<b>3. ADDRESS OF OPERATOR:</b> 11002 East 17500 South , Vernal, Ut, 84078	<b>PHONE NUMBER:</b> 303 308-3068 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0614 FNL 0428 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 35 Township: 10.0S Range: 17.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT  <b>COUNTY:</b> DUCHESNE  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>4/1/2012</b>  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> <b>CHANGE TO PREVIOUS PLANS</b> <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 type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

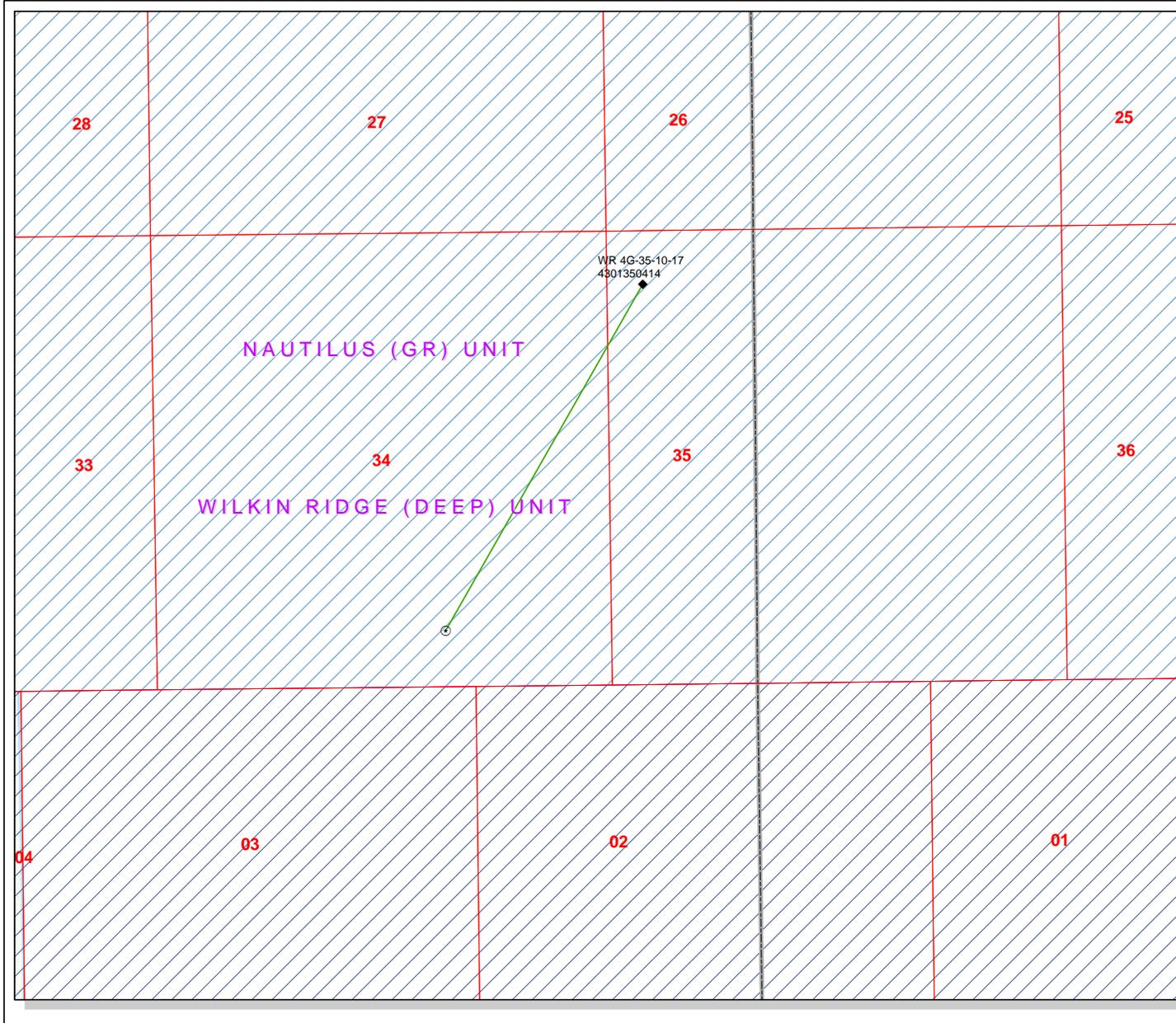
QEP Energy Co. requests approval of the attached contingency plan for drilling the WR 4G-35-10-17. QEP has an approved APD to drill a vertical well, however, if the zone of interest should be encountered, QEP would like to drill a horizontal leg while the drilling rig is on location. The horizontal section of the well bore will TD in the same lease as the vertical section of the well. Please see attached 8 pt drilling plan, horizontal plan, and engineering plat showing both the surface and bottom hole locations. **NO ADDITIONAL SURFACE DISTURBANCE IS REQUIRED FOR THIS ACTION.**

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

**Date:** April 09, 2012

**By:** 

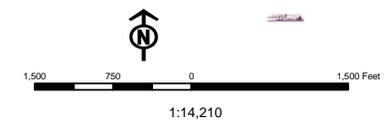
<b>NAME (PLEASE PRINT)</b> Jan Nelson	<b>PHONE NUMBER</b> 435 781-4331	<b>TITLE</b> Permit Agent
<b>SIGNATURE</b> N/A	<b>DATE</b> 3/13/2012	



**API Number: 4301350414**  
**Well Name: WR 4G-35-10-17**  
**Township T1.0 . Range R1.7 . Section 35**  
**Meridian: SLBM**  
 Operator: QEP ENERGY COMPANY

Map Prepared:  
 Map Produced by Diana Mason

Units STATUS	Wells Query Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERM	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
<b>Fields STATUS</b>	SGW - Shut-in Gas Well
Unknown	SOW - Shut-in Oil Well
ABANDONED	TA - Temp. Abandoned
ACTIVE	TW - Test Well
COMBINED	WDW - Water Disposal
INACTIVE	WIW - Water Injection Well
STORAGE	WSW - Water Supply Well
TERMINATED	





QEP Energy Company

## **QEP ENERGY (UT)**

**Wilkin Ridge**

**WR 4G-35-10-17**

**WR 4G-35-10-17**

**Lateral**

**Plan: Plan ver.0**

## **Standard Planning Report**

**24 February, 2012**





**QEP Resources, Inc.**  
Planning Report



<b>Database:</b>	EDMDB_QEP	<b>Local Co-ordinate Reference:</b>	Well WR 4G-35-10-17
<b>Company:</b>	QEP ENERGY (UT)	<b>TVD Reference:</b>	RKB @ 5787.50usft (EST. RKB)
<b>Project:</b>	Wilkin Ridge	<b>MD Reference:</b>	RKB @ 5787.50usft (EST. RKB)
<b>Site:</b>	WR 4G-35-10-17	<b>North Reference:</b>	True
<b>Well:</b>	WR 4G-35-10-17	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Lateral		
<b>Design:</b>	Plan ver.0		

<b>Project</b>	Wilkin Ridge, UT		
<b>Map System:</b>	US State Plane 1983	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	North American Datum 1983		
<b>Map Zone:</b>	Utah Central Zone		Using geodetic scale factor

<b>Site</b>	WR 4G-35-10-17				
<b>Site Position:</b>		<b>Northing:</b>	7,138,114.009 usft	<b>Latitude:</b>	39.906039
<b>From:</b>	Lat/Long	<b>Easting:</b>	2,066,342.461 usft	<b>Longitude:</b>	-109.981575
<b>Position Uncertainty:</b>	0.00 usft	<b>Slot Radius:</b>	13-3/16 "	<b>Grid Convergence:</b>	0.97 °

<b>Well</b>	WR 4G-35-10-17					
<b>Well Position</b>	+N/-S	-0.01 usft	<b>Northing:</b>	7,138,113.997 usft	<b>Latitude:</b>	39.906039
	+E/-W	0.00 usft	<b>Easting:</b>	2,066,342.461 usft	<b>Longitude:</b>	-109.981575
<b>Position Uncertainty</b>		0.00 usft	<b>Wellhead Elevation:</b>	5,773.50 usft	<b>Ground Level:</b>	5,773.50 usft

<b>Wellbore</b>	Lateral				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF2010	2/23/2012	11.17	65.68	52,136

<b>Design</b>	Plan ver.0			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PLAN	<b>Tie On Depth:</b>	4,050.00
<b>Vertical Section:</b>	<b>Depth From (TVD) (usft)</b>	<b>+N/-S (usft)</b>	<b>+E/-W (usft)</b>	<b>Direction (°)</b>
	0.00	0.00	0.00	210.22

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
4,050.00	0.00	0.00	4,050.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,191.54	0.00	0.00	4,191.54	0.00	0.00	0.00	0.00	0.00	0.00	
4,941.54	90.00	210.22	4,669.00	-412.58	-240.32	12.00	12.00	0.00	210.22	
9,103.56	90.00	210.22	4,669.00	-4,008.98	-2,335.14	0.00	0.00	0.00	0.00	WR 4G-35-10-17

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
4,050.00	0.00	0.00	4,050.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,191.54	0.00	0.00	4,191.54	0.00	0.00	0.00	0.00	0.00	0.00	
4,941.54	90.00	210.22	4,669.00	-412.58	-240.32	477.46	12.00	12.00	0.00	
9,103.56	90.00	210.22	4,669.00	-4,008.98	-2,335.14	4,639.49	0.00	0.00	0.00	



**QEP Resources, Inc.**  
 Planning Report



<b>Database:</b>	EDMDB_QEP	<b>Local Co-ordinate Reference:</b>	Well WR 4G-35-10-17
<b>Company:</b>	QEP ENERGY (UT)	<b>TVD Reference:</b>	RKB @ 5787.50usft (EST. RKB)
<b>Project:</b>	Wilkin Ridge	<b>MD Reference:</b>	RKB @ 5787.50usft (EST. RKB)
<b>Site:</b>	WR 4G-35-10-17	<b>North Reference:</b>	True
<b>Well:</b>	WR 4G-35-10-17	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Lateral		
<b>Design:</b>	Plan ver.0		

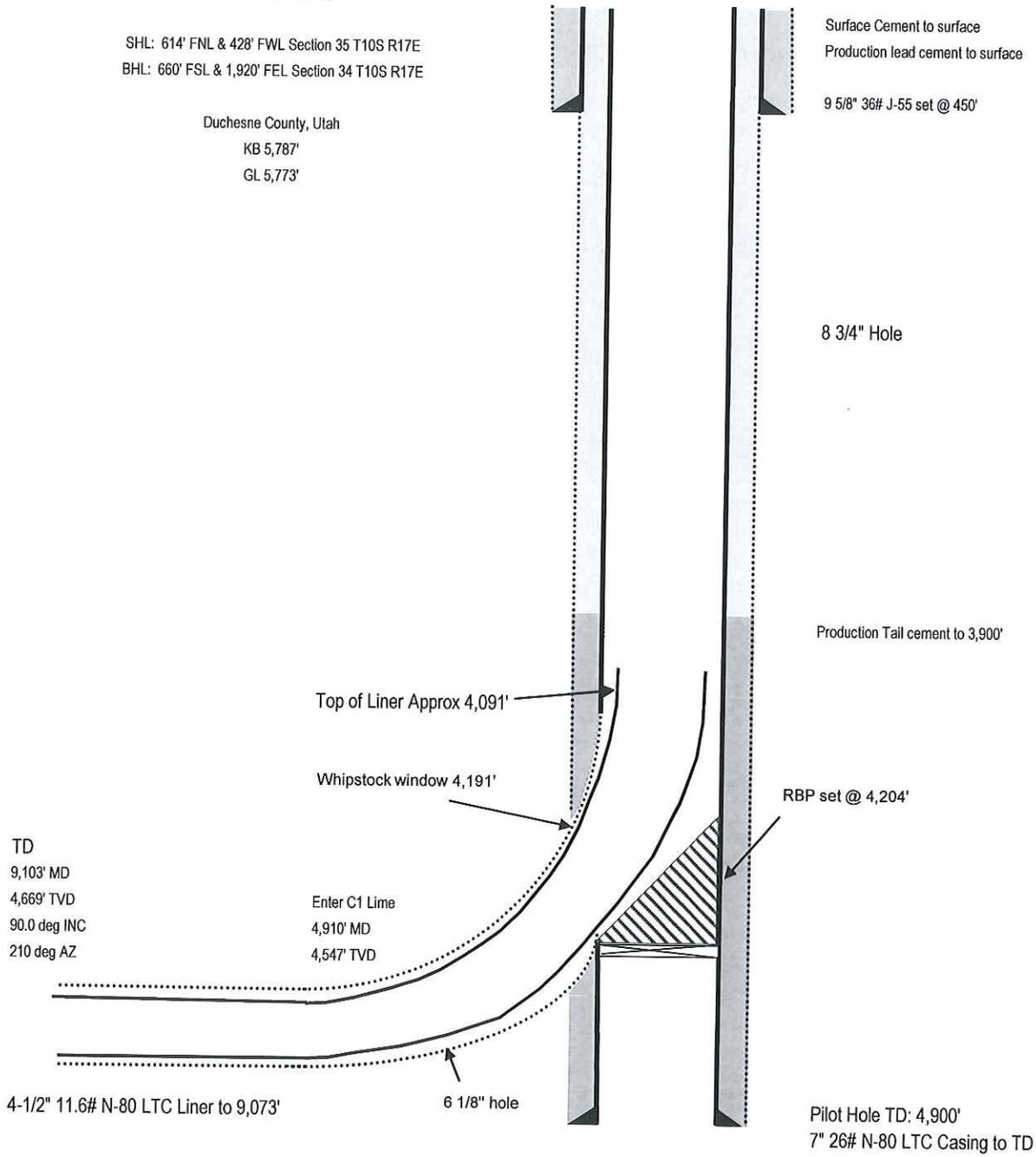
Design Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
- Shape									
WR 4G-35-10-17	0.00	0.00	4,669.00	-4,008.98	-2,335.14	7,134,066.360	2,064,075.935	39.895033	-109.989897
- plan hits target center									
- Point									

Formations						
Measured Depth	Vertical Depth	Name	Lithology	Dip	Dip Direction	
(usft)	(usft)			(°)	(°)	
1,100.00	1,100.00	Green River fm		0.00		
2,933.00	2,933.00	X marker		0.00		
4,517.81	4,493.00	Uteland Butte Member		0.00		
4,592.49	4,547.00	A Sand		0.00		
4,910.63	4,668.00	C Lime		0.00		

**Proposed**  
**WR 4G-35-10-17**

SHL: 614' FNL & 428' FWL Section 35 T10S R17E  
BHL: 660' FSL & 1,920' FEL Section 34 T10S R17E

Duchesne County, Utah  
KB 5,787'  
GL 5,773'



**QEP Energy Company**  
**WR 4G-35-10-17**  
**Summarized Drilling Procedure**

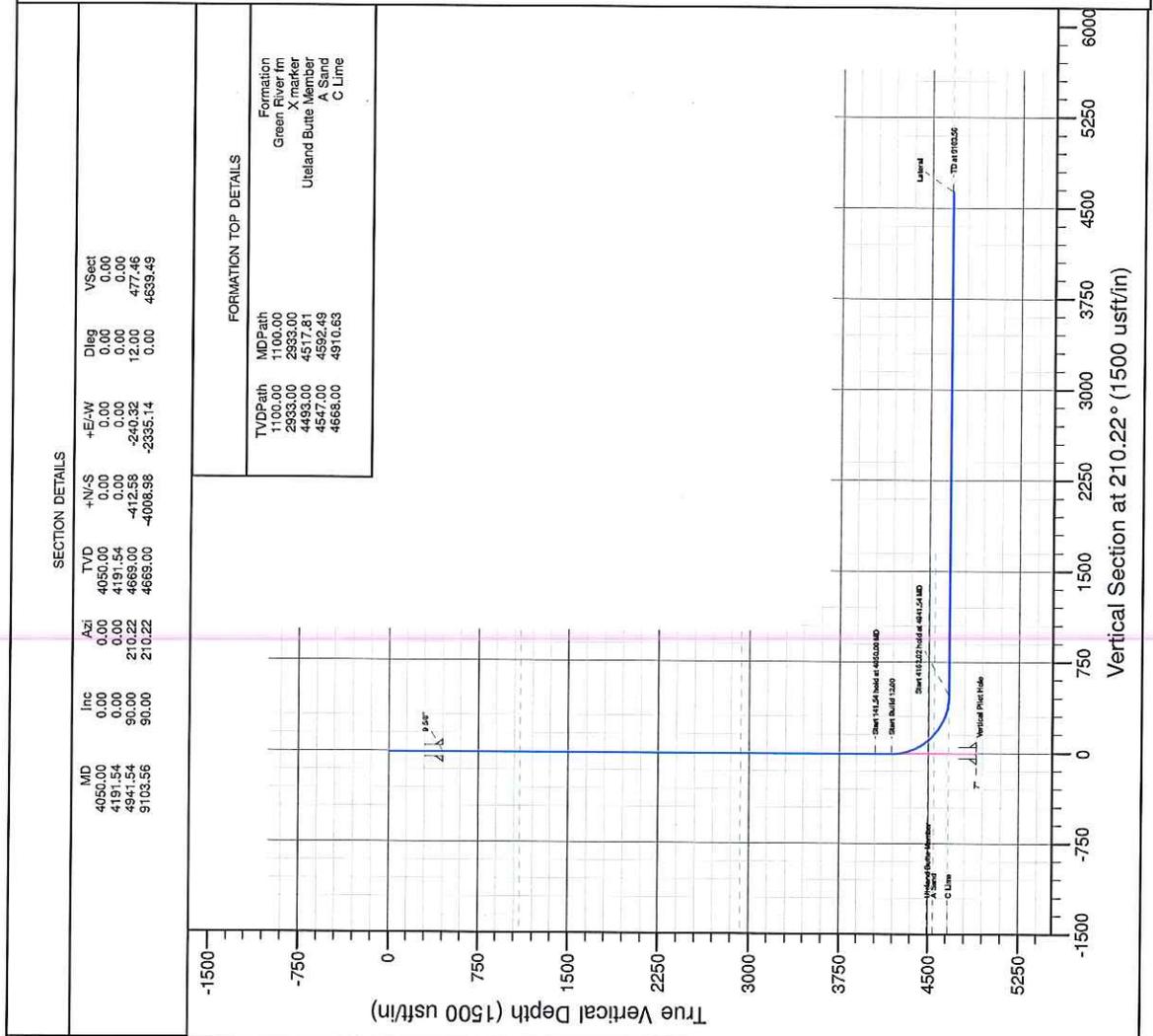
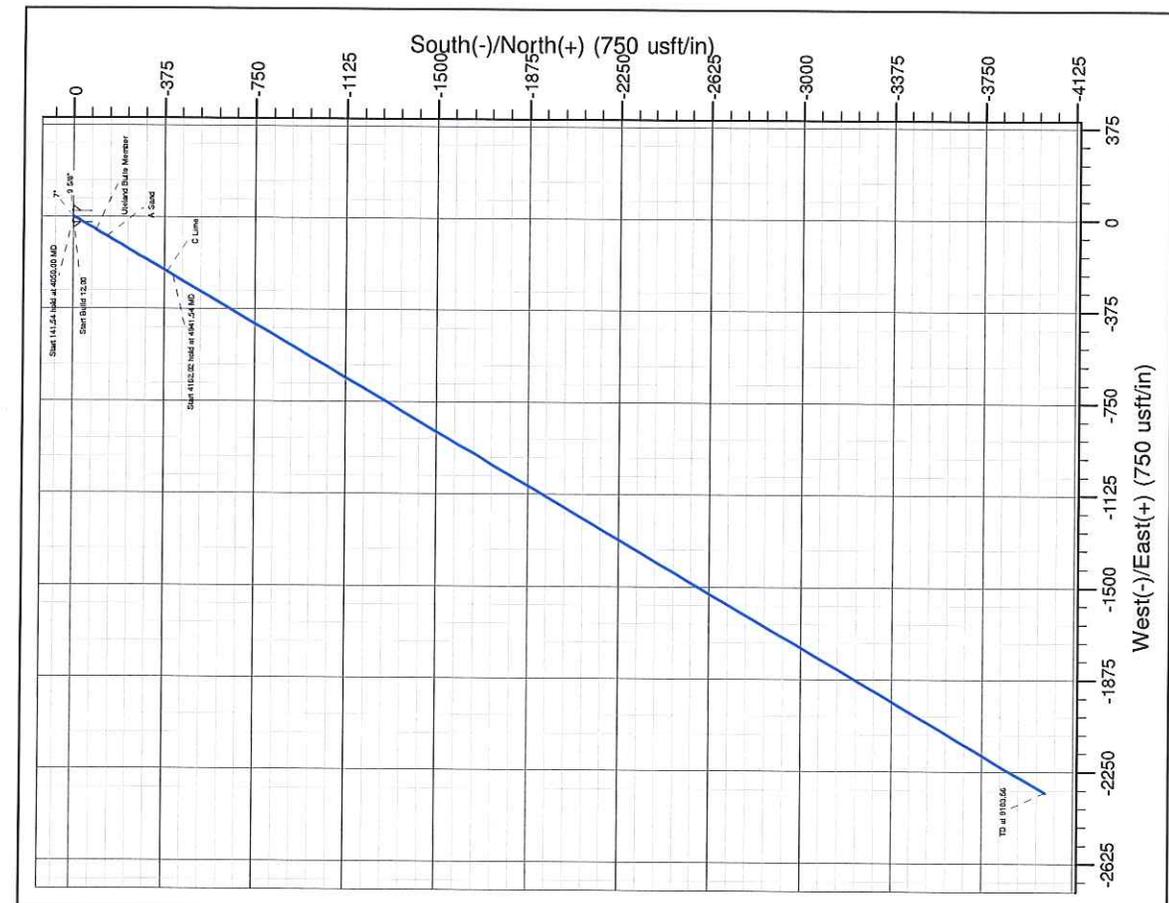
1. MIRU air rig.
2. Drill 12-1/4" hole to 450' on air.
3. Run and cement 9-5/8" 36# J-55 STC.
4. RDMO air rig.
5. MIRU drilling rig.
6. NU and test rig's 3M BOPE
7. Drill 8-3/4" hole with water based mud to 4,900'
8. Log with triple combo. Evaluate appropriate lateral production zone.
9. RIH with 7" 26# N-80 LTC casing and cement.
10. Set RBP at 4,204'.
11. Mill window and build 6-1/8" curve to land in the C1 Lime.
12. Cont drilling lateral to TD at 9,103' MD / 4,669' TVD / 90.0 deg INC / 210 deg AZ
13. RIH with 4-1/2" 11.6# N-80 LTC liner with packers and sleeves to 9,073'.
14. Set TOL at 4,091'.
15. Set RBP at +/- 4,000'.
16. RDMO drilling rig.
17. Release location to completions.

**Company Name: QEP ENERGY (UT)**

Project: Wilkin Ridge  
 Site: WR 4G-35-10-17  
 Well: WR 4G-35-10-17  
 Wellbore: Lateral  
 Design: Plan view

Aligns to True North  
 Magnetic North: 11.17°  
 Magnetic Field  
 Strength: 23.755 uT  
 Date: 2023/01/25  
 Model: GPRF2010

<p><b>WELL DETAILS: WR 4G-35-10-17</b> Lateral</p>		<p><b>REFERENCE INFORMATION</b></p>		<p><b>PROJECT DETAILS: Wilkin Ridge</b></p>	
<p>+N-S 0.00</p>	<p>+E-W 0.00</p>	<p>Ground Level: 5773.50</p> <p>Latitude 35.390039</p>	<p>Longitude -109.961575</p> <p>Slot</p>	<p>Co-ordinate (NE) Reference: Well WR 4G-35-10-17, True North                  Vertical (TVD) Reference: RKB @ 5787.50usft (EST, RKB)                  Section (VS) Reference: Slot - (0.00N, 0.00E)                  Measured Depth Reference: RKB @ 5787.50usft (EST, RKB)                  Calculation Method: Minimum Curvature</p>	<p>Geodetic System: US State Plane, 1983                  Datum: North American Datum 1983                  Ellipsoid: GRS 1980                  Zone: Utah Central Zone                  System Datum: Mean Sea Level</p>



**SECTION DETAILS**

MD	Inc	Azi	TVD	+N-S	+E-W	Dleg	VSect
4050.00	0.00	0.00	4050.00	0.00	0.00	0.00	0.00
4191.54	0.00	0.00	4191.54	0.00	0.00	0.00	0.00
4941.54	90.00	210.22	4669.00	-412.58	-240.32	1.00	471.16
9103.56	90.00	210.22	4668.00	-4008.98	-2335.14	0.00	4593.49

**FORMATION TOP DETAILS**

MDPath	Formation
4050.00	Green River fm
2933.00	X marker
4483.00	Uteland Butte Member
4547.00	A Sand
4668.00	C Line

QEP ENERGY COMPANY  
 WR 4G-35-10-17  
 SHL: 614' FNL & 428' FWL Section 35 T10S R17E  
 BHL: 660' FSL & 1,920' FEL Section 34 T10S R17E  
 Duchesne County, Utah

## DRILLING PROGRAM

### ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

#### 1. Formation Tops

The estimated top of important geologic markers are as follows:

<b>Formation</b>	<b>Depth, MD (ft)</b>	<b>Depth, TVD (ft)</b>
Uinta	Surface	Surface
Green River	1100	1100
X Marker	2933	2933
KOP	4191	4191
Uteland Butte Mbr	4517	4493
A Sand	4592	4547
C Lime	4910	4547
TD - Lateral	9103	4669
TD - Pilot Hole	-----	4900

#### 2. Anticipated Depths of Oil, Gas, Water, and Other Mineral Bearing Zones

The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth, MD</u>	<u>Depth, TVD</u>
Oil/Gas	Uteland Butte	4,517'	4,493'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right A36125 (which was filed on May 7, 1964) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to

## QEP ENERGY COMPANY

WR 4G-35-10-17

SHL: 614' FNL &amp; 428' FWL Section 35 T10S R17E

BHL: 660' FSL &amp; 1,920' FEL Section 34 T10S R17E

Duchesne County, Utah

the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at LaPoint Recycling and Storage in Section 12, T5S R19E of Uintah County, UT or Red Wash Disposal site; SESE, Section 28, T7S, R23E or West End Disposal Site; NESE, Section 28, T7S, R22E.

### 3. Operator's Specification for Pressure Control Equipment

- A. 3,000 psi double gate, 3,000 psi annular (schematic attached)
- B. Function test daily.
- C. All casing strings shall be pressure tested (0.22 psi/ft or 1,500 psi, whichever is greater) prior to milling the first window; test pressure shall not exceed the internal yield of the casing.
- D. Ram type preventers and associated equipment shall be tested to rated working pressure if isolated by a test plug or to 50% of the internal yield pressure of casing, whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil & Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

### 4. Casing Program

Hole Size	Casing Size	Top, MD	Bottom, MD	Weight, lb/ft	Grade	Thread	Condition	MW
20"	16"	sfc	40	Steel			New	N/A
12 1/4"	9 5/8"	sfc	450	36.0	J-55	STC	New	Air
8 3/4"	7"	sfc	4900	26.0	N-80	LTC	New	9.5
6 1/8"	4 1/2"	4091	9073	11.6	N-80	LTC	New	9.5

Casing Strengths						
Size (in)	Weight (ppf)	Grade	CXN	Collapse (psi)	Burst (psi)	Tensile (lbs)
9 5/8"	36	J-55	STC	2020	3520	394000
7"	26	N-80	LTC	5410	7240	519000
4 1/2"	11.6	N-80	LTC	6350	7780	212000

\*The lateral will be lined with a swell packer / frack port liner and left uncemented.

Please refer to the attached wellbore diagram and drilling procedure for further details.

QEP ENERGY COMPANY

WR 4G-35-10-17

SHL: 614' FNL & 428' FWL Section 35 T10S R17E

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Duchesne County, Utah

**MINIMUM DESIGN FACTORS\*:**

\*The casing listed meets or exceeds the following design factors.

COLLAPSE: 1.6

BURST: 1.6

TENSION: 1.8

Area Fracture Gradient: 0.7 psi/foot

Maximum anticipated mud weight: 9.5 ppg

Maximum surface treating pressure: 4,000 psi

**5. Auxilliary Equipment**

- A. Kelly Cock – Yes
- B. Float at the bit – No
- C. Monitoring equipment on the mud system – visually and/or PVT or Flow Show
- D. Fully opening safety valve on the rig floor – Yes
- E. Rotating Head – Yes

If drilling with air the following will be used:

- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').
- H. Compressor shall be tied directly to the blooie line through a manifold.
- I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

The surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

QEP ENERGY COMPANY

WR 4G-35-10-17

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Duchesne County, Utah

Laterals will be drilled with an inhibitive water-based mud system consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash, and polymers. No

chromates will be used. It is not intended to use oil in the mud, however, in the event it is used the concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow show will be used upon exit of surface casing to TD.

Gas detector will be used upon exit of surface casing to TD.

**6. Cementing Program**

**16" Conductor:**

Cement to surface with construction cement

**9-5/8" Surface Casing: 0' – 450' (MD)**

**Lead/Tail Slurry:** 0' – 450'. 170 sks (282 cu ft) Rockies LT cement. Slurry wt: 13.5 ppg, Slurry yield: 1.81 ft<sup>3</sup>/sk, Slurry volume: 12-1/4" hole + 100% excess.

**7" Production Casing: 0' – 4,900' (MD)**

**Lead Slurry:** 0' – 3,900'. 380 sks (1112 cu ft) Halliburton Light Cement. Slurry weight: 11.0 ppg, Slurry yield: 2.95 ft<sup>3</sup>/sk, Slurry volume: 8.75" hole + 100% excess in open hole.

**Tail Slurry:** 3,900' – 4,900'. 190 sks (272 cu ft) 50/50 Poz Premium. Slurry wt: 13.5 ppg, Slurry yield: 1.24 ft<sup>3</sup>/sk, Slurry volume: 8-3/4" hole + 75% excess.

**6-1/8" Lateral: 4,091' – 9,073'**

Uncemented liner with packers and sleeves.

**7. Testing, Logging, and Coring Program**

A. Cores – None Anticipated

B. DST – None Anticipated

C. Logging:

- i. Mud logging from 1,000' to TD
- ii. Triple combo from BSC to ICP deg INC
- iii. MWD-GR will be utilized during drilling operations to aid in landing the curve and maintaining the laterals within the desired zone.

D. Formation and completion interval: C1 Lime, final determination of completion will be made by analysis of logging data. Stimulation: stimulation will be designed for the particular area of interest encountered.

QEP ENERGY COMPANY

WR 4G-35-10-17

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Duchesne County, Utah

**8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards**

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered or is known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom-hole pressure equals approximately 2,421 psi. Maximum anticipated bottom hole temperature is approximately 140°F.

QEP ENERGY COMPANY

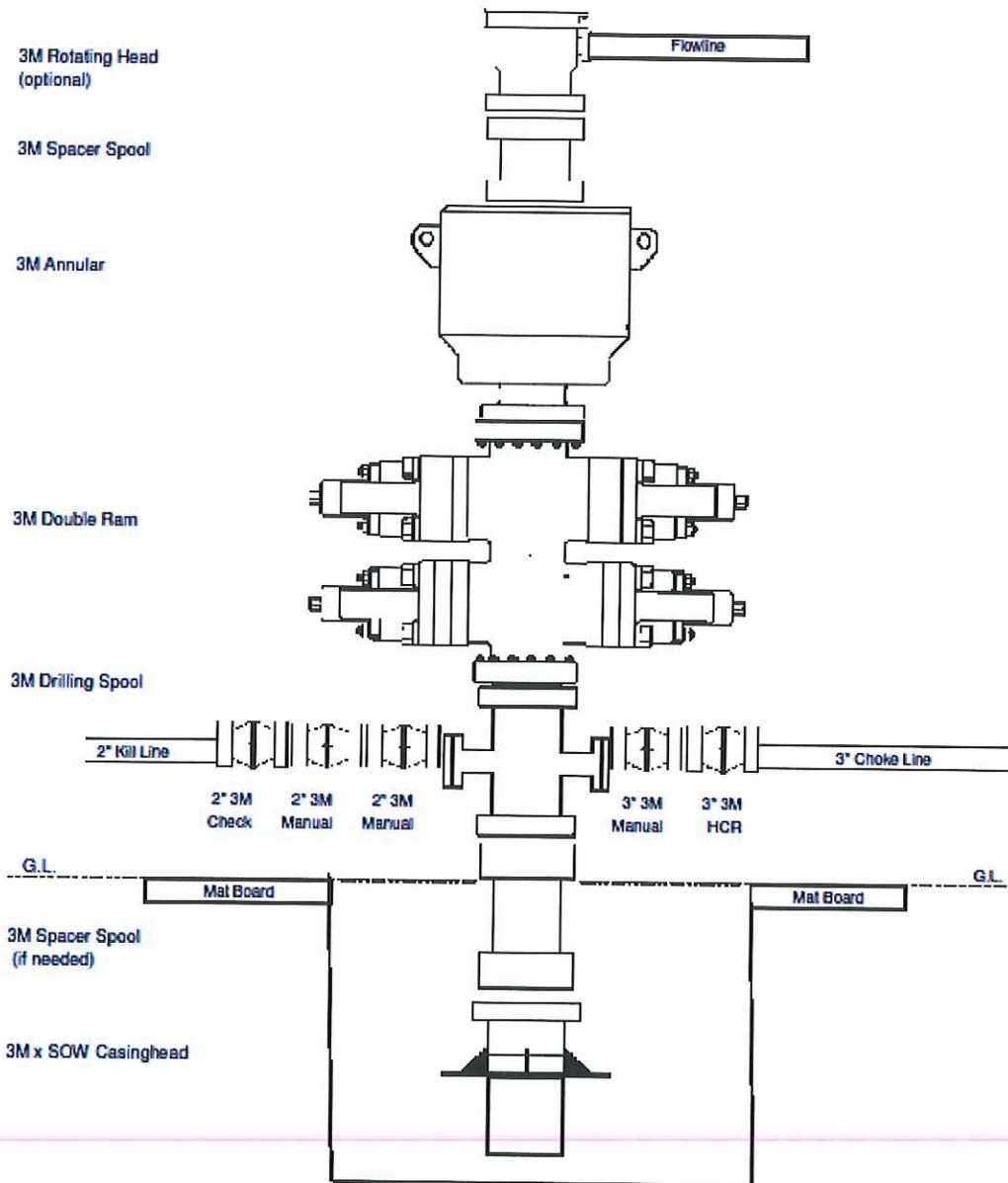
WR 4G-35-10-17

SHL: 614' FNL & 428' FWL Section 35 T10S R17E

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Duchesne County, Utah

**3M BOP x 3M Annular  
Minimum Requirements**



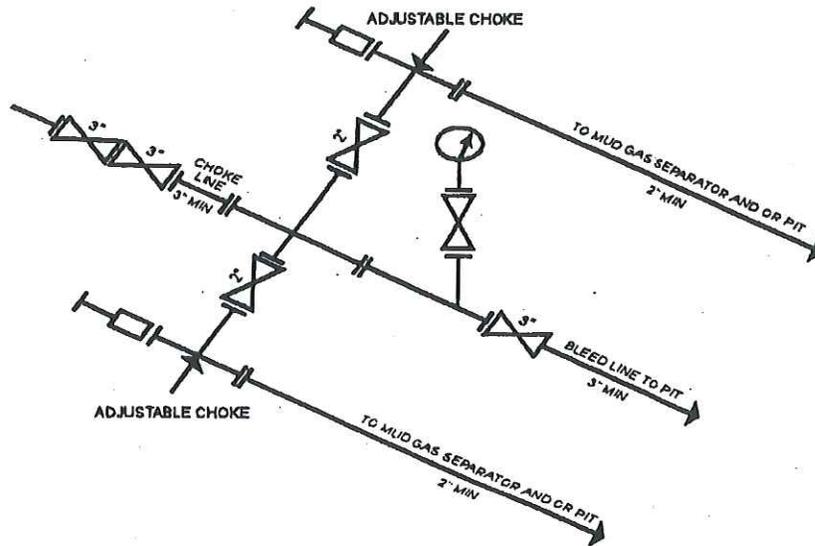
QEP ENERGY COMPANY

WR 4G-35-10-17

SHL: 614' FNL & 428' FWL Section 35 T10S R17E

BHL: 660' FSL & 1,920' FEL Section 34 T10S R17E

Duchesne County, Utah



3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY  
[54 FR 39528, Sept. 27, 1989]

**QEP ENERGY COMPANY**

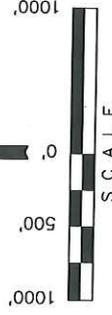
Well location, WR #4G-35-10-17, located as shown in the NW 1/4 NW 1/4 of Section 35, T10S, R17E, S.L.B.&M., Duchesne County, Utah.

**BASIS OF ELEVATION**

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 14, T10S, R18E, S.L.B.&M. TAKEN FROM THE MOON BOTTOM 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 5123 FEET.

**BASIS OF BEARINGS**

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



**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT 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.

REGISTERED LAND SURVEYOR  
STATE OF UTAH  
REGISTRATION NO. 61319  
DATE 02-17-12

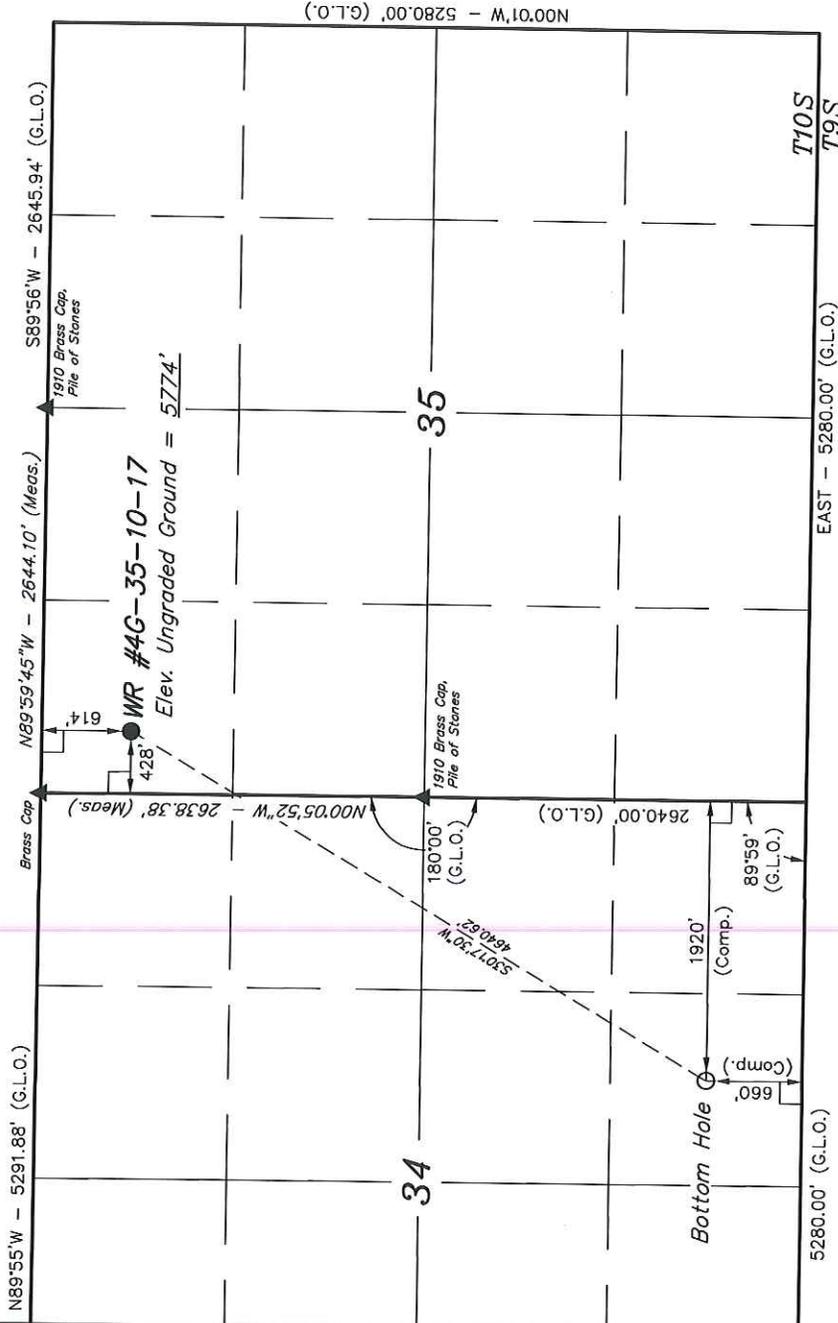
REVISED: 02-17-12 P.M.

**UINTAH ENGINEERING & LAND SURVEYING**

85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE	1" = 1000'	DATE SURVEYED:	02-25-10	DATE DRAWN:	03-02-10
PARTY	B.H. D.R. K.G.	REFERENCES	G.L.O. PLAT		
WEATHER	COLD	FILE	QEP ENERGY COMPANY		

**T10S, R17E, S.L.B.&M.**



**LEGEND:**

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

NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 39°53'42.12" (39.895033)	LATITUDE = 39°54'21.74" (39.906039)
LONGITUDE = 109°59'23.63" (109.989897)	LONGITUDE = 109°58'53.67" (109.981575)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 39°53'42.25" (39.895069)	LATITUDE = 39°54'21.87" (39.906075)
LONGITUDE = 109°59'21.09" (109.989192)	LONGITUDE = 109°58'51.14" (109.980872)

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU78216
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.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Oil Well		<b>7. UNIT or CA AGREEMENT NAME:</b> NAUTILUS (GR)
<b>2. NAME OF OPERATOR:</b> QEP ENERGY COMPANY		<b>8. WELL NAME and NUMBER:</b> WR 4G-35-10-17
<b>3. ADDRESS OF OPERATOR:</b> 11002 East 17500 South , Vernal, Ut, 84078		<b>9. API NUMBER:</b> 43013504140000
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0614 FNL 0428 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NWNW Section: 35 Township: 10.0S Range: 17.0E Meridian: S		<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
		<b>COUNTY:</b> DUCHESNE
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 5/11/2012	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b> THIS WELL COMMENCED PRODUCTION ON MAY 11, 2012 @ 2:00 p.m.		
<b>Accepted by the          Utah Division of          Oil, Gas and Mining          FOR RECORD ONLY          May 14, 2012</b>		
<b>NAME (PLEASE PRINT)</b>	<b>PHONE NUMBER</b>	<b>TITLE</b>
Jan Nelson	435 781-4331	Permit Agent
<b>SIGNATURE</b>	<b>DATE</b>	
N/A	5/14/2012	

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

AMENDED REPORT  FORM 8  
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**UTU78216**

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_  
 b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME  
**Nautilus (GR)**

8. WELL NAME and NUMBER:  
**WR 4G-35-10-17**

2. NAME OF OPERATOR:  
**QEP Energy Company**

9. API NUMBER:  
**43-013-50414**

3. ADDRESS OF OPERATOR:  
**1050 17th St. Suite 500 CITY Denver STATE CO ZIP 80265**

PHONE NUMBER:  
**(303) 672-6900**

10 FIELD AND POOL, OR WILDCAT  
**Wildcat**

4. LOCATION OF WELL (FOOTAGES)  
 AT SURFACE: **614 FSL 428 FEL**  
 AT TOP PRODUCING INTERVAL REPORTED BELOW: **614 FSL 428 FEL**  
 AT TOTAL DEPTH: **614 FSL 428 FEL**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**NWNW 35 10S 17E**

12. COUNTY **Duchesne** 13. STATE **UTAH**

14. DATE SPUDDED: **4/16/2012** 15. DATE T.D. REACHED: **4/20/2012** 16. DATE COMPLETED: **5/11/2012**  
 ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
**5789 RKB**

18. TOTAL DEPTH: MD **4,825** TVD **4,825** 19. PLUG BACK T.D.: MD **4,772** TVD **4,772** 20. IF MULTIPLE COMPLETIONS, HOW MANY? \*

21. DEPTH BRIDGE MD \_\_\_\_\_ PLUG SET: TVD \_\_\_\_\_

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**Quad Combo**

23. WAS WELL CORED? NO  YES  (Submit analysis)  
 WAS DST RUN? NO  YES  (Submit report)  
 DIRECTIONAL SURVEY? NO  YES  (Submit copy)

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
8.75	7 HCP	26	0	4,820		620	299	170	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.875	4,715							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Green River	4,620	4,688		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
4,620 - 4,625	.43	20	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
4,683 - 4,688	.43	20	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4524 to 4655	362 BBL 2% KCl, 136 BBL 15% KCl, 1150 BBL DeltaFrac 140, 85000 lb 20/40 Sand, 190 BBL Gel

29. ENCLOSED ATTACHMENTS:  
 ELECTRICAL/MECHANICAL LOGS  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  
 GEOLOGIC REPORT  
 CORE ANALYSIS  
 DST REPORT  
 DIRECTIONAL SURVEY  
 OTHER: Ops. Summary

30. WELL STATUS:  
**Oil Well**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 5/11/2012		TEST DATE: 5/14/2012		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 27	GAS - MCF: 0	WATER - BBL: 75	PROD. METHOD: Pumping
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 27	GAS - MCF: 0	WATER - BBL: 75	INTERVAL STATUS: POW

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Green River	4,086
				Uteland Butte MBR	4,506
				A Sand	4,620
				C Lime	4,682

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) Andrew Schmid

TITLE Engineering Technician

SIGNATURE 

DATE 6/4/2012

This report must be submitted within 30 days of

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

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

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

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

Phone: 801-538-5340

Fax: 801-359-3940

## Operations Summary Report

Well Name: WR 4G-35-10-17  
 Location: 35- 10-S 17-E 31  
 Rig Name: AZTEC

Spud Date: 3/22/2012  
 Rig Release: 4/21/2012  
 Rig Number: 950

Date	From - To	Hours	Code	Sub Code	Description of Operations
3/22/2012	09:00 - 15:00	6.00	LOC	2	MOVE IN AND DRILL AND SET 40' OF 14" CONDUCTOR PIPE, CEMENT SAME. DRILL AND SET MOUSE HOLE. RIG DOWN AND MOVE OUT
3/31/2012	06:00 - 07:00	1.00	LOC	4	MOVE IN AND RIG UP AIR RIG
	07:00 - 07:30	0.50	TRP	1	PICK UP BHA AND TAG BOTTOM @ 40'
	07:30 - 12:00	4.50	DRL	1	AIR DRILL F/40' T/478'
	12:00 - 13:00	1.00	TRP	3	LAY DOWN DRILL PIPE
	13:00 - 14:30	1.50	CSG	2	RUN 12 JOINTS OF 9 5/8", 36.0#, J-55 ST&C CASING TO 467'
	14:30 - 16:30	2.00	CMT	2	PUMP CEMENT 56.6 BBLS OF 15.8# CEMENT, DISPLACE WITH 32.5 BBLS OF WATER. PLUG BUMPED AND FLOATS HELD, 17 BBLS OF CEMENT BACK TO SURFACE. CEMENT DROPPED 2'-NO TOP JOB NEEDED
	16:30 - 18:30	2.00	LOC	4	RIG DOWN AND MOVE TO NEW LOCATION
	18:30 -				SENT ELECTRONIC NOTICE TO BLM @ 07:30 HRS ON 3/28/2012 AND CALLED ALAN WALKER BY PHONE @ 08:00 AND CAROL DANIALS @ 08:30 HRS ON 3/28/2012 IN REGARDS TO SETING SURFACE CASING
4/14/2012	06:00 - 06:00	24.00	LOC	4	PJSM, RIG DOWN ON OLD LOCATION DS 16G-20-10-18 AND MOVING TO NEW LOCATION WR 4G-35-10-17. MOVE AND SET UP HOUSES, RIG ALL OF THE RIG DOWN AND MOVE TO NEW LOCATION. RIG DOWN 100 % RIG UP 65% MOVED 80% TWO LOAD LEFT ON OLD LOCATION
4/15/2012	06:00 - 16:30	10.50	LOC	4	RIG UP FINISHED RIG UP DONE PRE SPUD INSPECTION
	16:30 - 02:00	9.50	BOP	1	NIPPLE UP BOPS
	02:00 - 06:00	4.00	BOP	2	TEST BOPS, MUD LINE, AND CASING. RIG ON DAYWORK @ 0200, 4/15/2012
4/16/2012	06:00 - 09:00	3.00	BOP	2	PRESSURE TEST BOPE
	09:00 - 09:30	0.50	OTH		INSTALL WEAR BUSHING
	09:30 - 11:30	2.00	TRP	1	PICK UP BHA, TAG CEMENT AT 396 FT
	11:30 - 12:00	0.50	OTH		INSTALL ROTATING HEAD ELEMENT
	12:00 - 14:30	2.50	DRL	4	DRILL SHOE TRACK AND 11 FT OF NEW HOLE TO 505
	14:30 - 15:00	0.50	EQT	2	FIT TO 10# EQUIVALENT MUD WEIGHT-HELD NO PRESSURE
	15:00 - 16:00	1.00	RIG	1	RIG SERVICE, BOP DRILL AND FUNCTION PIPE RAMS AND ANNULAR
	16:00 - 18:30	2.50	DRL	1	DRILLING FROM 505' TO 705' 200 FT AT 80 FPH, WOB 12K, RPM 130, 405 GPM
	18:30 - 19:00	0.50	SUR	1	RAN WIRE LINE SURVEY AT 670' 1.1 INC, AZM 93.05
	19:00 - 02:00	7.00	DRL	1	DRILLING FROM 705' TO 1204', 499 FT, 71 FPH WOB 18K RPM 130, 405 GPM
	02:00 - 02:30	0.50	SUR	1	RAN WIRE LINE SURVEY AT 1169' 1.0 INC, 164.3 AZM
	02:30 - 06:00	3.50	DRL	1	DRILLING FROM 1204' TO 1551. 347 FT @ 99 FPH
4/17/2012	06:00 - 08:30	2.50	DRL	1	DRILLING FROM 1551 TO 1741, 190 FT @ 76 FPH .17 RPG MOTOR, 405 GPM, 130 RPM, 18K ON BIT
	08:30 - 09:00	0.50	SUR	1	SURVEY @ 1706
	09:00 - 12:30	3.50	DRL	1	DRILLING FROM 1741 TO 1994. 253 FT @ 72.2 FPH
	12:30 - 13:00	0.50	RIG	1	RIG SERVICE
	13:00 - 16:30	3.50	DRL	1	DRILLING FROM 1994 TO 2248. 254 FT @ 72.5 FPH
	16:30 - 17:00	0.50	SUR	1	SURVEY @ 2213
	17:00 - 00:00	7.00	DRL	1	DRILLING FROM 2248 TO 2755', 507' @ 72.4 FPH
	00:00 - 00:30	0.50	SUR	1	SURVEY AT 2724', 1.0 INC, 215.0 AZM
	00:30 - 06:00	5.50	DRL	1	DRILLING FROM 2755' TO 3072', 317' AT 57.6 FPH
4/18/2012	06:00 - 09:30	3.50	DRL	1	DRILLING FROM 3072' TO 3262' 190 FT AT 54 FPH
	09:30 - 10:00	0.50	SUR	1	WIRE LINE SURVEY AT 3197'
	10:00 - 12:00	2.00	DRL	1	DRILLING FROM 3262' TO 3325' AT 63 FPH
	12:00 - 12:30	0.50	RIG	1	RIG SERVICE
	12:30 - 21:30	9.00	DRL	1	DRILLING FROM 3325' TO 3768', 443' AT 49 FPH
	21:30 - 22:00	0.50	SUR	1	WIRE LINE SURVEY AT 3703'
	22:00 - 06:00	8.00	DRL	1	DRILLING FROM 3768' TO 4110' 342' AT 42.75 FPH
4/19/2012	06:00 - 09:00	3.00	DRL	1	DRILLING F/4110 T/4212 102' 34'/HR
	09:00 - 10:00	1.00	RIG	1	WOB 22 RPM 115 GPM 410 RIG SERVICE

## Operations Summary Report

Well Name: WR 4G-35-10-17  
 Location: 35-10-S 17-E 31  
 Rig Name: AZTEC

Spud Date: 3/22/2012  
 Rig Release: 4/21/2012  
 Rig Number: 950

Date	From - To	Hours	Code	Sub Code	Description of Operations
4/19/2012	10:00 - 11:30	1.50	DRL	1	DRILLING F/4212 T/4275 63' 42'/HR WOB 22 RPM 115 GPM 410
	11:30 - 12:00	0.50	SUR	1	SURVEY @ 4192***1.4 DEG***199.4 AZ
	12:00 - 19:30	7.50			DRILLING F/4275 T/ 4581 306' 40.8'/HR WOB 22K RPM 115 GPM 410
	19:30 - 21:30	2.00	TRP	12	TROUBLE SHOOT MUD MOTOR
	21:30 - 00:30	3.00	TRP	12	TRIP OUT FOR MUD MOTOR STRAP PIPE ON TRIP SLM= 4574 FT BOARD= 4581 FT ( NO CORRECTION)
	00:30 - 01:30	1.00	TRP	12	LAY DOWN MOTOR UP NEW MOTOR & TAKE BEND OUT OF THE MOTOR
	01:30 - 02:00	0.50	RIG	1	RIG SERVICE
	02:00 - 05:00	3.00	TRP	2	TRIP IN THE HOLE
	05:00 - 06:00	1.00	DRL	1	DRILL FROM 4581 FT TO 4620 39' 39'/HR
	4/20/2012	06:00 - 10:30	4.50	DRL	1
10:30 - 12:00		1.50	CIRC	1	CIRCULATE AND CONDITION HOLE FOR LOGS, DROP SURVEY AND PUMP TRIP SLUG
12:00 - 15:00		3.00	TRP	2	TRIP OUT OF HOLE FOR LOGS
15:00 - 16:00		1.00	TRP	1	LAY DOWN MOTOR AND MONEL, RETRIEVE SURVEY
16:00 - 16:30		0.50	LOG	1	SURVEY @4768***2.2 DEG***179.5 AZ PJSM AND RIG UP HALCO LOGGERS
16:30 - 19:30		3.00	LOG	1	RUN TRIPPLE COMBO LOG RIG DOWN LOGGING TRUCK LOGGERS DEPTH 4834'
19:30 - 20:00		0.50	TRP	15	PULL WEAR BUSHING
20:00 - 23:30		3.50	TRP	15	RR BIT #1 BIT SUB AND TRIP IN THE HOLE TO CIRC FOR CASING
23:30 - 01:00		1.50	CIRC	1	CIRC & COND FOR CASING PJSM & RIG UP LAY DOWN MACHINE PUMP TRIP SLUG
4/21/2012		01:00 - 06:00	5.00	TRP	3
	06:00 - 08:00	2.00	BOP	1	CHANGE PIPE RAMS TO 7" AND RETEST
	08:00 - 10:00	2.00	CSG	1	PJSM AND RIG UP CASING CREW
	10:00 - 14:30	4.50	CSG	2	RUN 105 JOINT OF 7", P-110, 26.0#, LT&C CASING. LANDED AT 4820'
	14:30 - 15:30	1.00	CIRC	1	CIRCULATE AND CONDITON HOLE FOR CASING, RIG DOWN CASING CREW
	15:30 - 16:00	0.50	CMT	1	PJSM AND RIG UP HALCO CEMENTERS
	16:00 - 19:00	3.00	CMT	2	PUMP CEMENT- PRESSURE TEST LINES TO 5000 PSI. PUMP 20 BBLs SUPER FLUSH, LEAD 520SACKS OF EXTENDACEM, TAIL 100 SACKS OF ECONOCEM. DISPLACED WITH 183 BBLs OF 2% KCL WATER. PJSM & RIG DOWN CEMENT TRUCKS
	19:00 - 19:30	0.50	CMT	1	WASH OUT LINES AND RIG DOWN HALCO
	19:30 - 03:00	7.50	BOP	1	NIPPLE DOWN RIG UP WINCHES PICK UP BOP'S, SET SLIPS WITH 170 K CUT OFF CASING SET BOP'S DOWN RIG DOWN WINCHES CHANGE PIPE RAMS TO FLEX PACKER NIPPLE DOWN BOP'S & CLEAN MUD PITS RIG RELEASED @ 0300 04/21/2012
	03:00 - 06:00	3.00	LOC	4	RIG DOWN PREPARE FOR TRUCKS

## Operations Summary Report

Well Name: WR 4G-35-10-17  
 Location: 35-10-S 17-E 31  
 Rig Name: MARTINEZ WELL SERVICE

Spud Date: 3/22/2012  
 Rig Release:  
 Rig Number: 1

Date	From - To	Hours	Code	Sub Code	Description of Operations
5/4/2012	-				WAITING ON FRAC OF 2 ZONES ON 5/8/2012
5/8/2012	16:00 - 17:00	1.00			PERF.GR ZONE #1 4683-88'
	17:00 - 18:00	1.00			RU TO FRAC
	18:00 - 19:00	1.00			FRAC ZONE #1 AS PER DESIGNED WITH 40M# 20/40 AND 5M# OF 16/30
	19:00 - 20:00	1.00			SET A FRAC PLUG AT 4650' AND PERF.GR ZONE #2 4620-25'
	20:00 - 21:30	1.50			PREP. AND FRAC ZONE #2 (4620-25') AS PER DESIGN WITH 40M# 20/40 AND 5M# 16/30 SAND
	21:30 - 00:00	2.50			SI WELL AND RD HALLIBURTON TO LET WELL HEAL
	00:00 - 06:00	6.00			FLOW WEILL WITH INITIAL SICP=1800#. FLOW AT 6:00AM IS EST.AT 60 BBL.PER HOUR WITH AN EST.RECOVERY OF 530 BBL.WITH EST.LLR OF 1506 BBL..WELL DIED AT 7:30AM WITH A TOTAL EST.RECOVERY OF 575 BBL..EST. LLR IS 1461 BBL. SI WELL AND WILL REMAIN SI PENDING COMPLETION RIG
5/10/2012	05:00 - 07:00	2.00	TRAV	1	5/10/2012. CREW TRAVEL
	07:00 - 07:15	0.25	RIG	7	SAFETY MEETING. CHECK SICP=0
	07:15 - 09:30	2.25	WOT	4	WAIT ON TBG AND BHA TO GET
	09:30 - 13:15	3.75	TRP	5	TALLY & MAKE UP BHA. RIH W/ BIT & BIT SUB, TALLY & PICK UP 151 JNTS TAG KILL PLUG @4650'
	13:15 - 13:30	0.25	SEQ	1	RU SWIVEL & RIG PUMP
	13:30 - 14:30	1.00	DRL	5	DRILL PLUG OUT IN 15 MIN. RIH TAG UP ON FILL TOP @4700' CLEAN OUT TO 4772'
	14:30 - 15:30	1.00	CIRC	1	ROLL HOLE CLEAN
	15:30 - 17:00	1.50	SEQ	1	RD SWIVEL. POOH WITH 152 JNTS. LD BHA
	17:00 - 19:00	2.00	TRP	5	MAKE UP BHA, 2 7/8" BULL PLUG & COLLER, 1 JNTS, DESANDER & GAS ANCOR, 4' PUP JNT, 1 JNT, S-NIPPLE, 1 JNT, 7" TAC, 149 JNTS OF 2 7/8" TBG. EOT @ 4698'
5/11/2012	19:00 - 21:00	2.00	TRAV	1	CREW TRAVEL
	05:00 - 07:00	2.00	TRAV	1	5/11/2012. CREW TRAVEL
	07:00 - 07:15	0.25	RIG	7	SAFETY MEETING. CHECK SICP=0
	07:15 - 08:30	1.25	BOP	1	RD FLOOR, ND BOPS, SET TAC 15K IN TEN. NU WELL HEAD RU FLOW LINE. X-O TO ROD EQUIPMENT
	08:30 - 11:30	3.00	TRP	7	PRIME ROD PUMP. RIH W/ PUMP, 14- 1" PLAIN RODS, 93- 3/4" PLAIN RODS, 76- 7/8" PLAIN RODS, 2' X 7/8" PONY, 1 1/2" X 26' POLISH ROD
	11:30 - 12:30	1.00	SEQ	2	RU PUMPING UNIT ADJUST TAG 16" OFF. TEST PUMP 4 STROKE TO 1000 PSI. GOOD TEST,
	12:30 - 14:00	1.50	LOC	4	RIG DOWN. RACK OUT EQUIPMENT. CLEAN UP LOCATION. TRUN OVER TO PRODUCTION
	14:00 - 15:00	1.00	LOC	3	ROAD RIG TO THE DS 9G-16-10-18. 10 MILES. SPOT IN GET READY TO RIG UP SHUT DOWN DO TO HIGH WINDS. CLEAN UP SWIFN
	15:00 - 17:00	2.00	TRAV	1	CREW TRAVEL

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9  5. LEASE DESIGNATION AND SERIAL NUMBER: UTU78216
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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: NAUTILUS (GR)
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: WR 4G-35-10-17
2. NAME OF OPERATOR: QEP ENERGY COMPANY	9. API NUMBER: 43013504140000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078	PHONE NUMBER: 303 308-3068 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0614 FNL 0428 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 35 Township: 10.0S Range: 17.0E Meridian: S	9. FIELD and POOL or WILDCAT: WILDCAT  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"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 7/31/2012  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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 checked="" 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 type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>

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

QEP ENERGY COMPANY REQUESTS AUTHORIZATION TO FLARE GAS BEYOND THE 30 DAY LIMIT ESTABLISHED IN NTL-4A. THE WELL IS LOCATED APPROXIMATELY 6 MILES FROM THE NEAREST GAS GATHERING SYSTEM, THE THREE RIVERS PIPELINE. THE WELL STARTED PRODUCING MAY 11, 2012. QEP ENERGY COMPANY IS CURRENTLY WORKING TO PERMIT A GAS GATHERING SYSTEM FOR THIS FIELD AND WILL BE SUBMITTING R-O-W PERMITS IN THE NEAR FUTURE. IT IS ESTIMATED THAT THE R-O-W WILL TAKE APPROXIMATELY 18 MONTHS TO PERMIT AND WITH CONSTRUCTION TIME INCLUDED, QEP ENERGY COMPANY REQUESTS APPROVAL TO FLARE GAS ON THIS WELL FOR A MINIMUM OF TWO YEARS, WITH A REVIEW OF THE AREA AND ADJACENT WELLS IN THE LATER PART OF 2013.

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

Date: August 08, 2012

By: *Derek Quist*

NAME (PLEASE PRINT) Valyn Davis	PHONE NUMBER 435 781-4369	TITLE Regulatory Affairs Analyst
SIGNATURE N/A		DATE 7/31/2012

**Sundry Number: 28192 API Well Number: 43013504140000**



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

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43013504140000**

**Well is producing gas under the amount allowed to be flared without approval by rule R649-3-20. Flaring above 1800 mcf/month not allowed without further approval.**

**RECEIVED: Jul. 31, 2012**



# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101

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

IN REPLY REFER TO:  
3160 – UTU87716X  
(UT922000)

OCT 23 2013

QEP Energy Company  
Independence Plaza  
1050 17<sup>th</sup> Street, Suite 500  
Denver, Colorado 80265  
Attn: Raul R. Chavez

RECEIVED  
OCT 28 2013  
DIVISION OF OIL, GAS & MINING

Re: Non-Paying Well Determination  
WR 4G-35-10-17 Well, Nautilus Unit  
Duchesne County, Utah

Dear Mr. Chavez:

Pursuant to your request of September 26, 2013, it has been determined by this office that under existing conditions the following well is not capable of producing unitized substances in paying quantities as defined in Section 9 of the unit agreement:

API Number	Well Name	Location	Comp. Date	Lease
4301350414	WR-4G-35-10-17	NWNW 35 10.0 S 17.0 E SLB&M	05/11/2012	UTU78216

All past and future production from this well shall be handled and reported on a lease basis. If you have any questions, please contact Mickey Coulthard of this office at (801) 539-4042.

Sincerely,

*Bethy J. Hammond*

for Roger L. Bankert  
Chief, Branch of Minerals

bcc: FOM Vernal (UTG01)  
ONRR  
SITLA  
Division of Oil, Gas and Mining  
Nautilus Unit File  
UT920 – Reading File  
UT950 - Central Files  
Agr. Sec. Chron.  
Tickler (December 2013)

MCoulthard:mc:10-22-13