

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING						FORM 3 AMENDED REPORT <input type="checkbox"/>
APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER WR 9G-5-10-17
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT EIGHT MILE FLAT
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME
6. NAME OF OPERATOR QEP ENERGY COMPANY						7. OPERATOR PHONE 303 308-3068
8. ADDRESS OF OPERATOR 11002 East 17500 South, Vernal, Ut, 84078						9. OPERATOR E-MAIL debbie.stanberry@questar.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU75081			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>
20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	1947 FSL 163 FEL	NESE	5	10.0 S	17.0 E	S
Top of Uppermost Producing Zone	1947 FSL 163 FEL	NESE	5	10.0 S	17.0 E	S
At Total Depth	1947 FSL 163 FEL	NESE	5	10.0 S	17.0 E	S
21. COUNTY DUCHESNE			22. DISTANCE TO NEAREST LEASE LINE (Feet) 163		23. NUMBER OF ACRES IN DRILLING UNIT 2184	
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 0		26. PROPOSED DEPTH MD: 5500 TVD: 5500	
27. ELEVATION - GROUND LEVEL 5604			28. BOND NUMBER ESB000024		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE A36125-49-2153	
ATTACHMENTS						
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES						
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER			<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input type="checkbox"/> 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			
NAME Jan Nelson		TITLE Permit Agent		PHONE 435 781-4331		
SIGNATURE		DATE 08/16/2010		EMAIL jan.nelson@questar.com		
API NUMBER ASSIGNED 43013504170000		APPROVAL  Permit Manager				

Proposed Hole, Casing, and Cement

String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	12.25	9.625	0	480		
Pipe	Grade	Length	Weight			
	Grade J-55 ST&C	480	36.0			

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Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	8.75	7	0	5500		
Pipe	Grade	Length	Weight			
	Grade N-80 LT&C	5500	26.0			

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QUESTAR EXPLORATION AND PRODUCTION

WR 9G-5-10-17

New Dual Vertical

Summarized Procedure

1. MIRU air rig.
2. Drill 12 ¼" surface hole to 480', run 9 5/8", 36#, J-55, STC, cement to surface.
3. RD air rig, move off location.
4. MIRU drilling rig.
5. NU rig's 3,000 WP rated BOP. Test BOP's and surface casing.
6. PU BHA, drill out surface casing and 10' of new formation, run FIT.
7. Drill 8 ¾" hole to 5,500'.
8. TOOH, Log Triple Combo.
9. Wiper trip. POOH. LDDP
10. Run 7", 26#, N-80, LTC casing to TD
11. Cement casing
12. RDMO drilling rig.

ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY
WR 9G-5-10-17

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 & 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:

<u>Formation</u>	<u>Depth, TVD</u>
Green River	1,000'
Uteland Butte A Sand	5,178'
Uteland Butte C Lime	5,312'
TD	5,500'

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 as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth, TVD</u>
Oil/Gas	Uteland Butte A Sand	5,128' – 5,178'
Oil/Gas	Uteland Butte C Lime	5,211' – 5,312'

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

ONSHORE OIL & GAS ORDER NO. 1
 QEP ENERGY COMPANY
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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 drilling the plug after cementing; 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
17 1/2"	14"	sfc	40'	Steel	Cond.	None	Used	Air
12 1/4"	9 5/8"	sfc	480'	36.0	J-55	STC	New	Air
8 3/4"	7"	sfc	5,500'	26.0	N-80	LTC	New	8-9 ppg

Casing Strengths:				Collapse	Burst	Tensile (minimum)
9 5/8"	36.0 lb.	J-55	STC	2,020 psi	3,520 psi	394,000 lb.
7"	26.0 lb.	N-80	LTC	5,410 psi	7,240 psi	519,000 lb.

Please refer to the attached wellbore diagram for further details.

5. Cementing Program

20" Conductor:

Cement to surface with construction cement.

9-5/8" Surface Casing: sfc – 480' (MD)

Lead/Tail Slurry: 0' – 480'. 170 sks (310 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 ft³/sk, Slurry volume: 12-1/4" hole + 100% excess.

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QEP ENERGY COMPANY
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7" Intermediate Casing: sfc – 5,500' (MD)

Lead/Tail Slurry: sfc – 5,524'. 670 sks (830 cu ft) 50/50 Poz Premium + 0.6% Halad (R)-322 fluid loss + 2.0% Microbond M expander + 5% salt + 0.125 lb/sk Poly-E-Flake. Slurry wt: 14.35 ppg, Slurry yield: 1.24 ft³/sk, Slurry volume: 8-3/4" hole + 40% excess.

6. 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

Drilling the 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 truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is less than 500 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. **Bloolie line discharge 100 feet from wellbore and securely anchored** – the bloolie 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 bloolie 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 bloolie line a minimum of 100 feet from the wellbore** – compressors located within 50 feet on the opposite side of the wellbore from the bloolie 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, the operator will kill the well with water

ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY
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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 blooie line** – Questar will mount a deflector unit at the end of the blooie 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 blooie. 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 blooie 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.

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 10.0 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.

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

- a. Cores – None Anticipated
- b. DST – None Anticipated
- c. Logging:
 - i. Mud logging to TD
 - ii. Triple Combo from TD to BSC
- d. Formation and completion interval: G1 Lime interval, final determination of completion will be made by analysis of mud logging data. Stimulation: stimulation will be designed for the particular area of interest encountered.

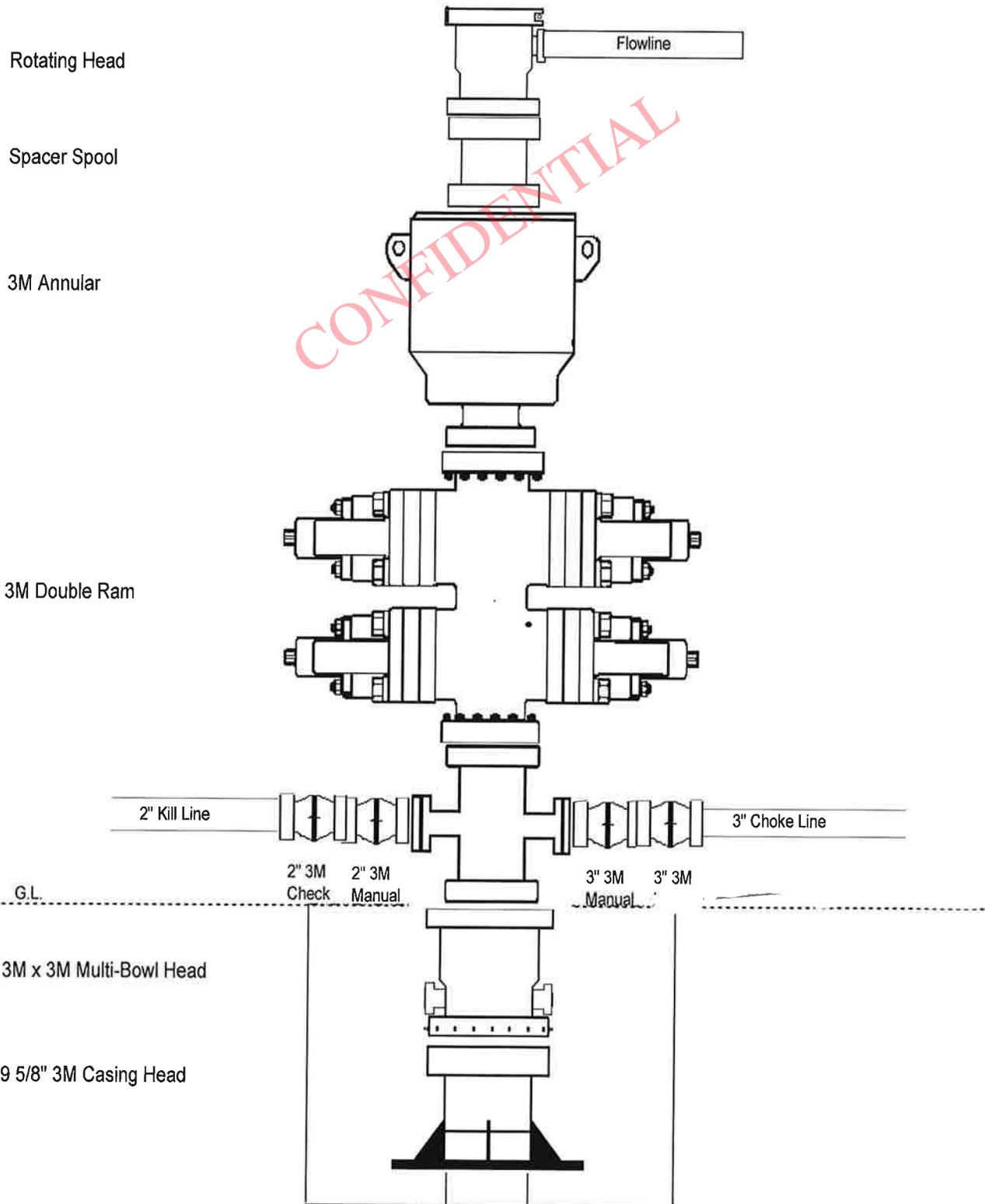
8. **Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards**

No abnormal temperatures or pressures are anticipated. No H₂S 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 3,500 psi. Maximum anticipated bottom hole temperature is approximately 150°F.

ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY

DRILLING PROGRAM

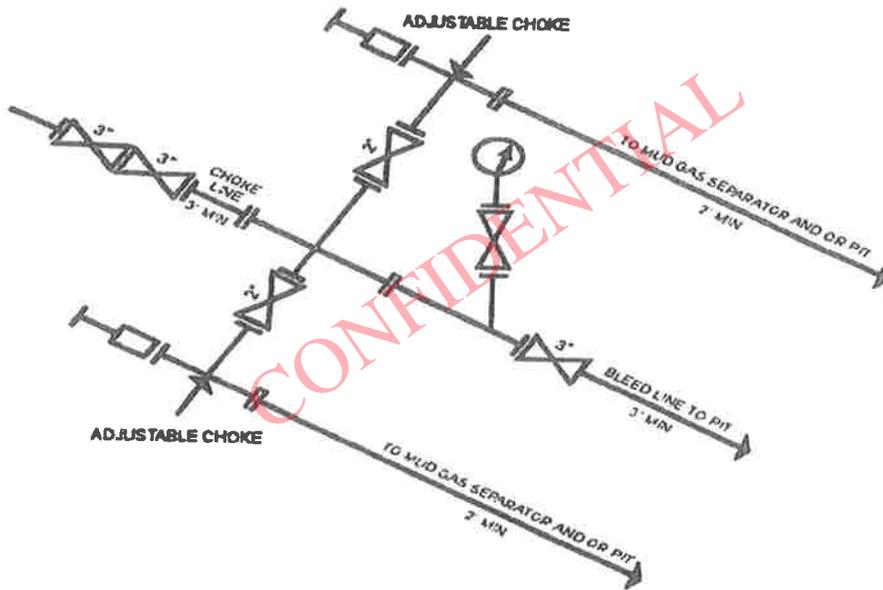
3M BOP STACK



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ONSHORE OIL & GAS ORDER NO. 1
QEP ENERGY COMPANY

DRILLING PROGRAM



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

WR 9G-5-10-17

Updated 8-12-2010 MPG

API # 43-013-xxxxxx

Proposed WBD

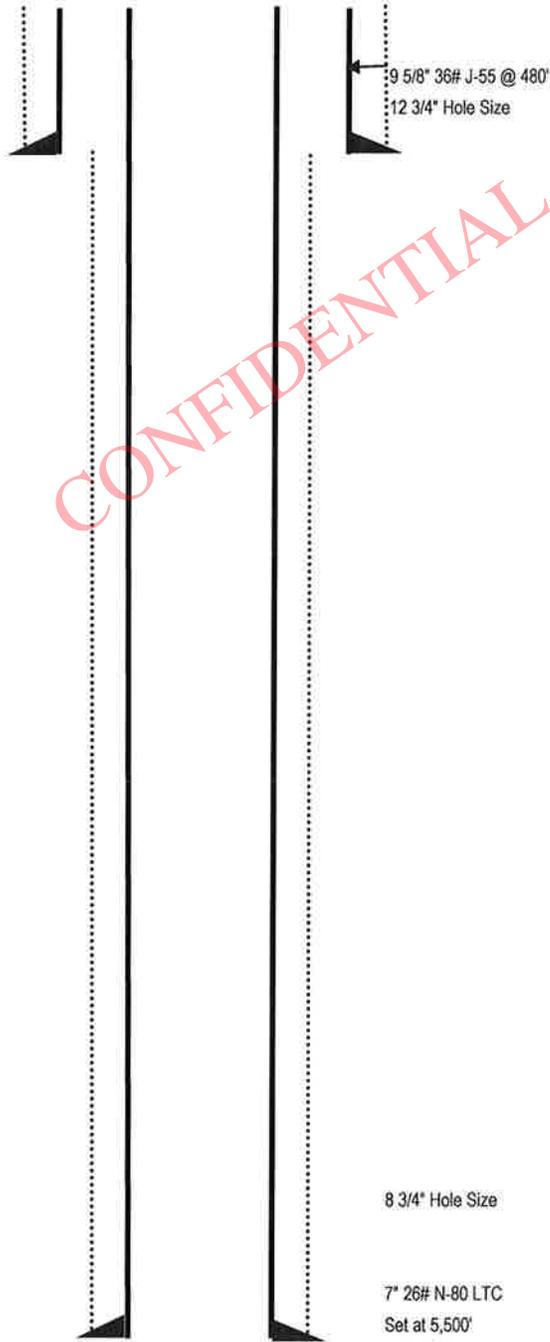
Uinta Basin

Sec 5-T10S-R17E, Duchesne County, UT

KB 5,618'

GL 5,604'

NOTE: NOT TO SCALE



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

QUESTAR EXPLR. & PROD.

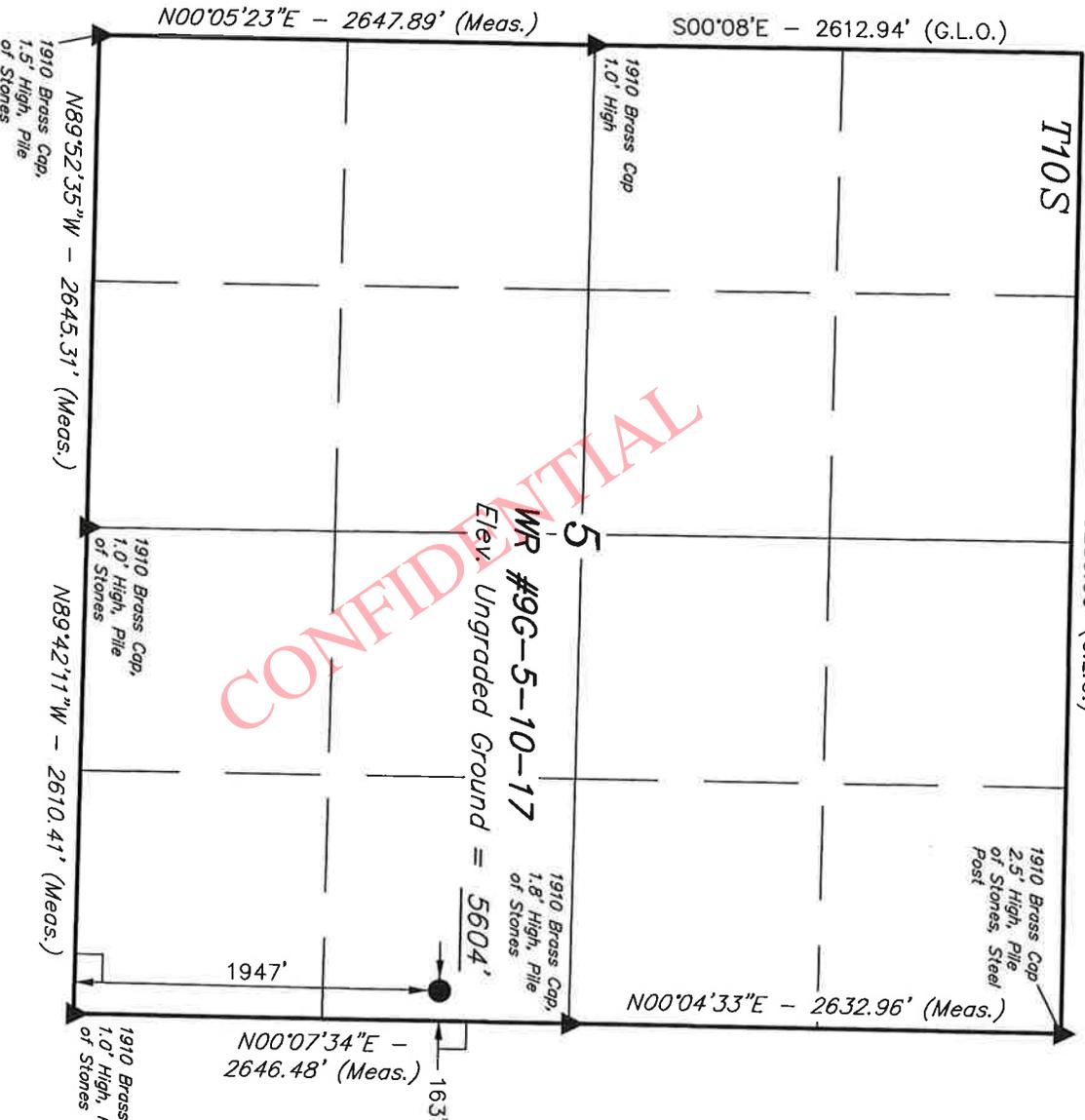
Well location, WR #9G-5-10-17, located as shown in the NE 1/4 SE 1/4 of Section 5, T10S, R17E, S.L.B.&M., Duchesne County, Utah

BASIS OF ELEVATION

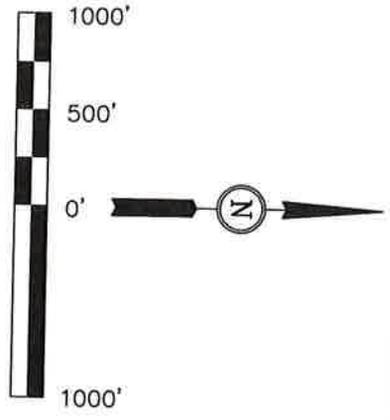
SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 14, T10S, R18E, S.L.B.&M., TAKEN FROM THE MOON BOTTOM QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5129 FEET.

BASIS OF BEARINGS

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



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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.

REGISTERED LAND SURVEYOR
 STATE OF UTAH
 REGISTRATION NO. 161319
 No. 161319

REVISED: 08-10-10

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

NAD 83 (SURFACE LOCATION)		SCALE	1" = 1000'	DATE SURVEYED:	02-23-10	DATE DRAWN:	03-03-10
LATITUDE	= 39°58'15.65" (39.971014)	PARTY	B.H. K.A. P.M.	REFERENCES	G.L.O. PLAT	FILE	QUESTAR EXPLR. & PROD.
LONGITUDE	= 110°01'17.48" (110.021522)	WEATHER	COLD				
NAD 27 (SURFACE LOCATION)							
LATITUDE	= 39°58'15.78" (39.971050)						
LONGITUDE	= 110°01'14.94" (110.020817)						

LEGEND:

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

QUESTAR EXPLR. & PROD.

WR #9G-5-10-17

LOCATED IN DUCHESNE COUNTY, UTAH
SECTION 5, T10S, R17E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

UELS

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LOCATION PHOTOS

03 05 10
MONTH DAY YEAR

PHOTO

TAKEN BY: B.H.

DRAWN BY: Z.L.

REVISED: 00-00-00

QUESTAR EXPLR. & PROD.

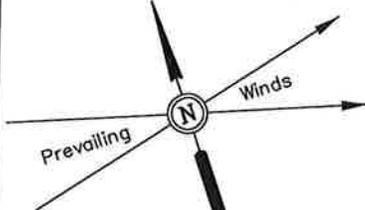
LOCATION LAYOUT FOR

WR #9G-5-10-17

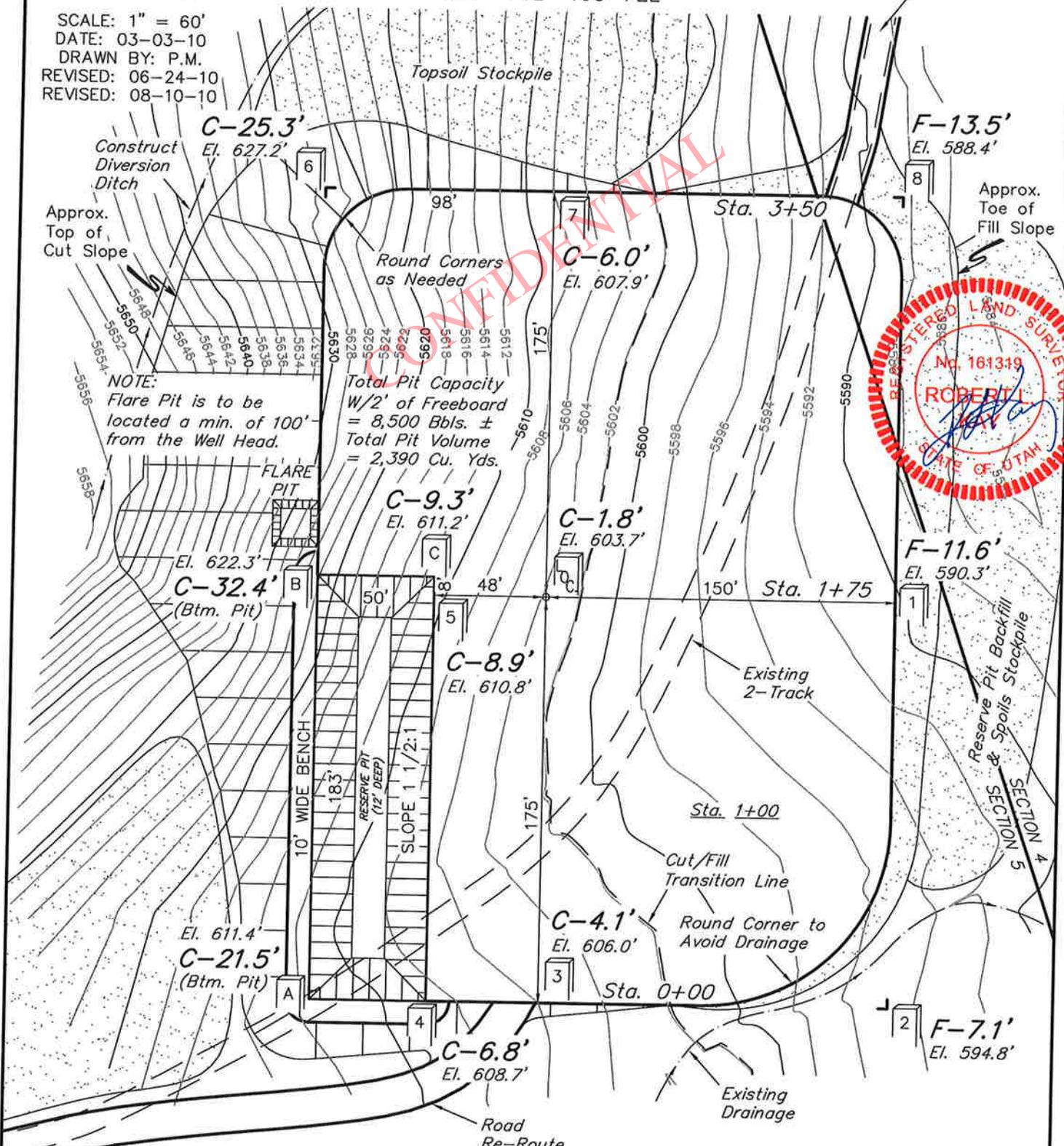
SECTION 5, T10S, R17E, S.L.B.&M.

1947' FSL 163' FEL

FIGURE #1

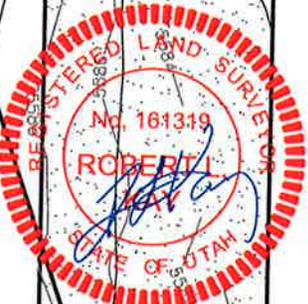


SCALE: 1" = 60'
 DATE: 03-03-10
 DRAWN BY: P.M.
 REVISED: 06-24-10
 REVISED: 08-10-10



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

Total Pit Capacity
 W/2' of Freeboard
 = 8,500 Bbbs. ±
 Total Pit Volume
 = 2,390 Cu. Yds.



Elev. Ungraded Ground At Loc. Stake = 5603.7'
 FINISHED GRADE ELEV. AT LOC. STAKE = 5601.9'

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QUESTAR EXPLR. & PROD.

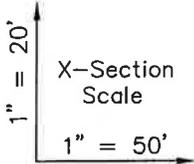
FIGURE #2

TYPICAL CROSS SECTION FOR

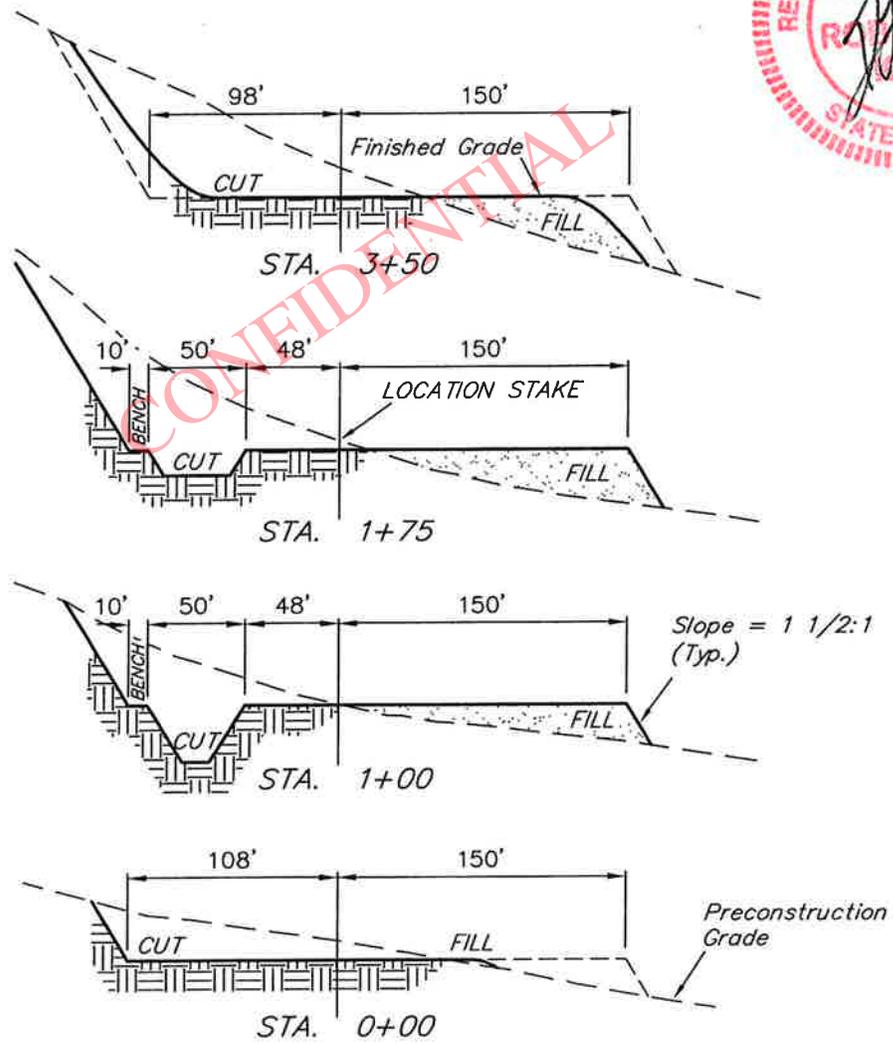
WR #9G-5-10-17

SECTION 5, T10S, R17E, S.L.B.&M.

1947' FSL 163' FEL



DATE: 03-03-10
DRAWN BY: P.M.
REVISED: 06-24-10



APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 3.748 ACRES

ACCESS ROAD DISTURBANCE = ± 6.070 ACRES

TOTAL = ± 9.818 ACRES

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

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

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 2,350 Cu. Yds.
Remaining Location	= 25,240 Cu. Yds.
TOTAL CUT	= 27,590 CU.YDS.
FILL	= 12,430 CU.YDS.

EXCESS MATERIAL	= 15,160 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,550 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 11,610 Cu. Yds.

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QUESTAR EXPLR. & PROD.

TYPICAL RIG LAYOUT FOR

WR #9G-5-10-17

SECTION 5, T10S, R17E, S.L.B.&M.

1947' FSL 163' FEL

FIGURE #3

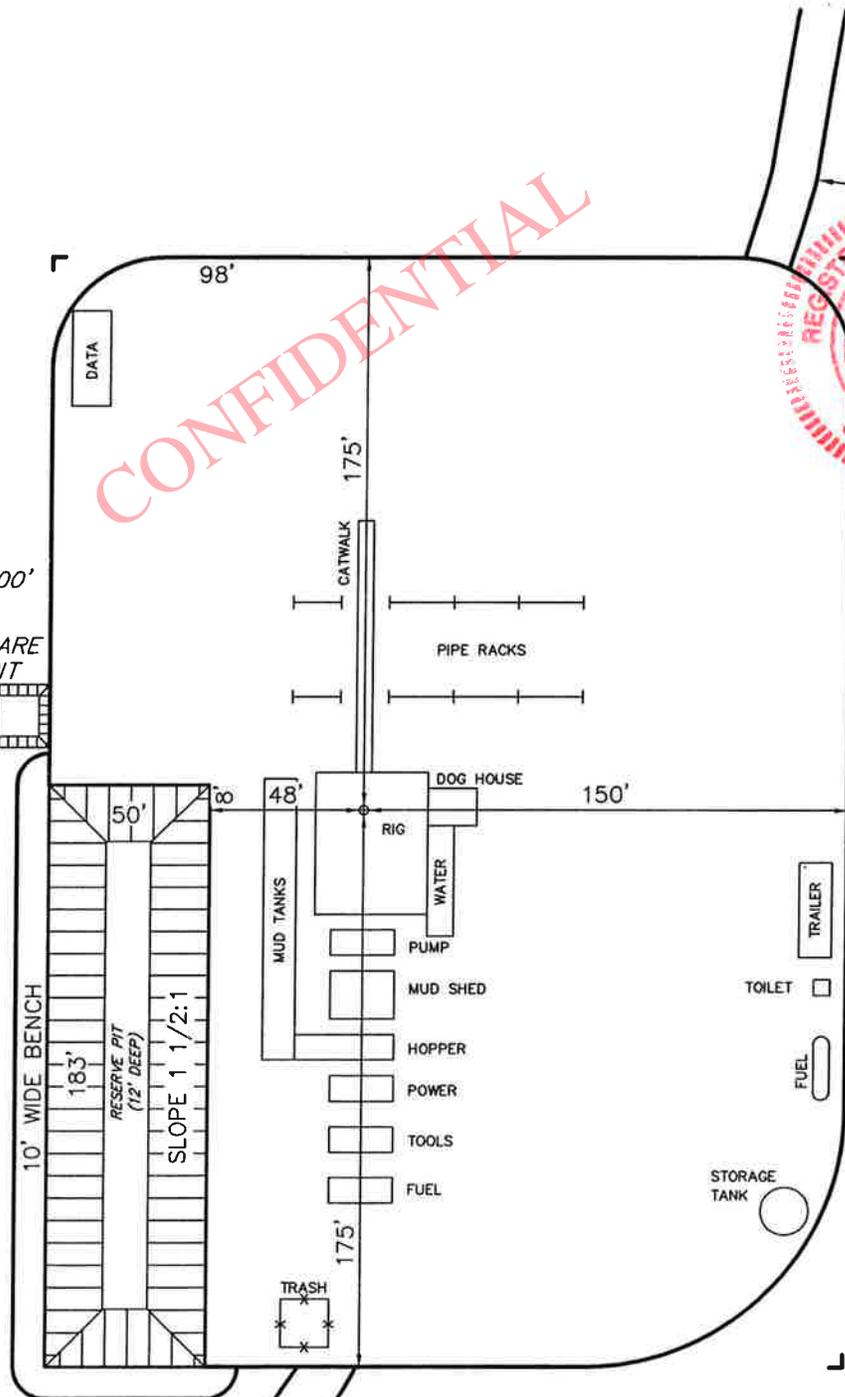


SCALE: 1" = 60'
DATE: 03-03-10
DRAWN BY: P.M.
REVISED: 06-24-10

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



Proposed Access

Road Re-Route

QUESTAR EXPLR. & PROD.

INTERIM RECLAMATION PLAN FOR

WR #9G-5-10-17

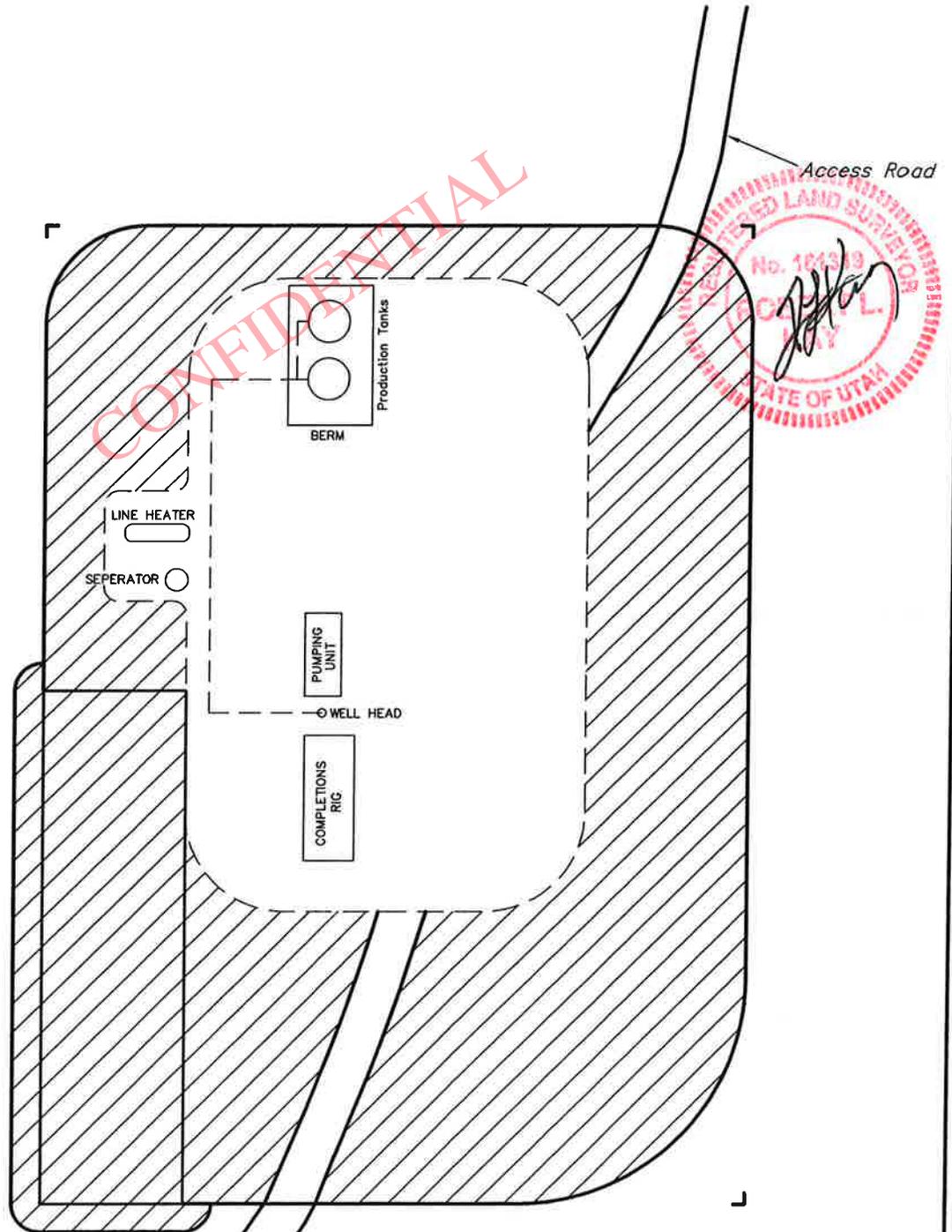
SECTION 5, T10S, R17E, S.L.B.&M.

1947' FSL 163' FEL

FIGURE #4



SCALE: 1" = 60'
DATE: 03-03-10
DRAWN BY: P.M.
REVISED: 06-24-10

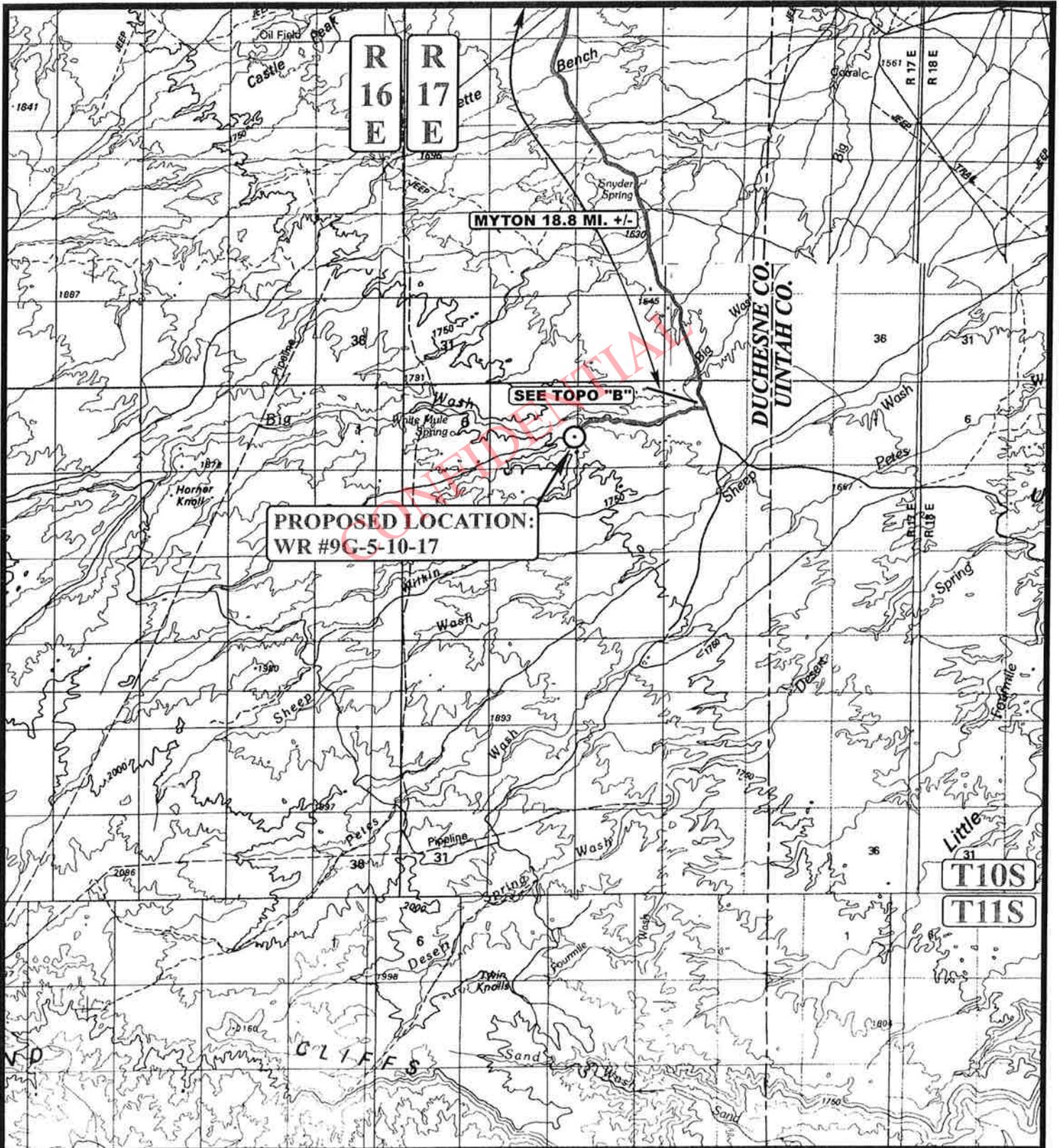


 INTERIM RECLAMATION

QUESTAR EXPLR. & PROD.
WR #9G-5-10-17
SECTION 5, 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 LEFT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.1 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 20.5 MILES.



LEGEND:

○ PROPOSED LOCATION

QUESTAR EXPLR. & PROD.

WR #9G-5-10-17
SECTION 5, T10S, R17E, S1B&M
1947' FSL 163' FEL



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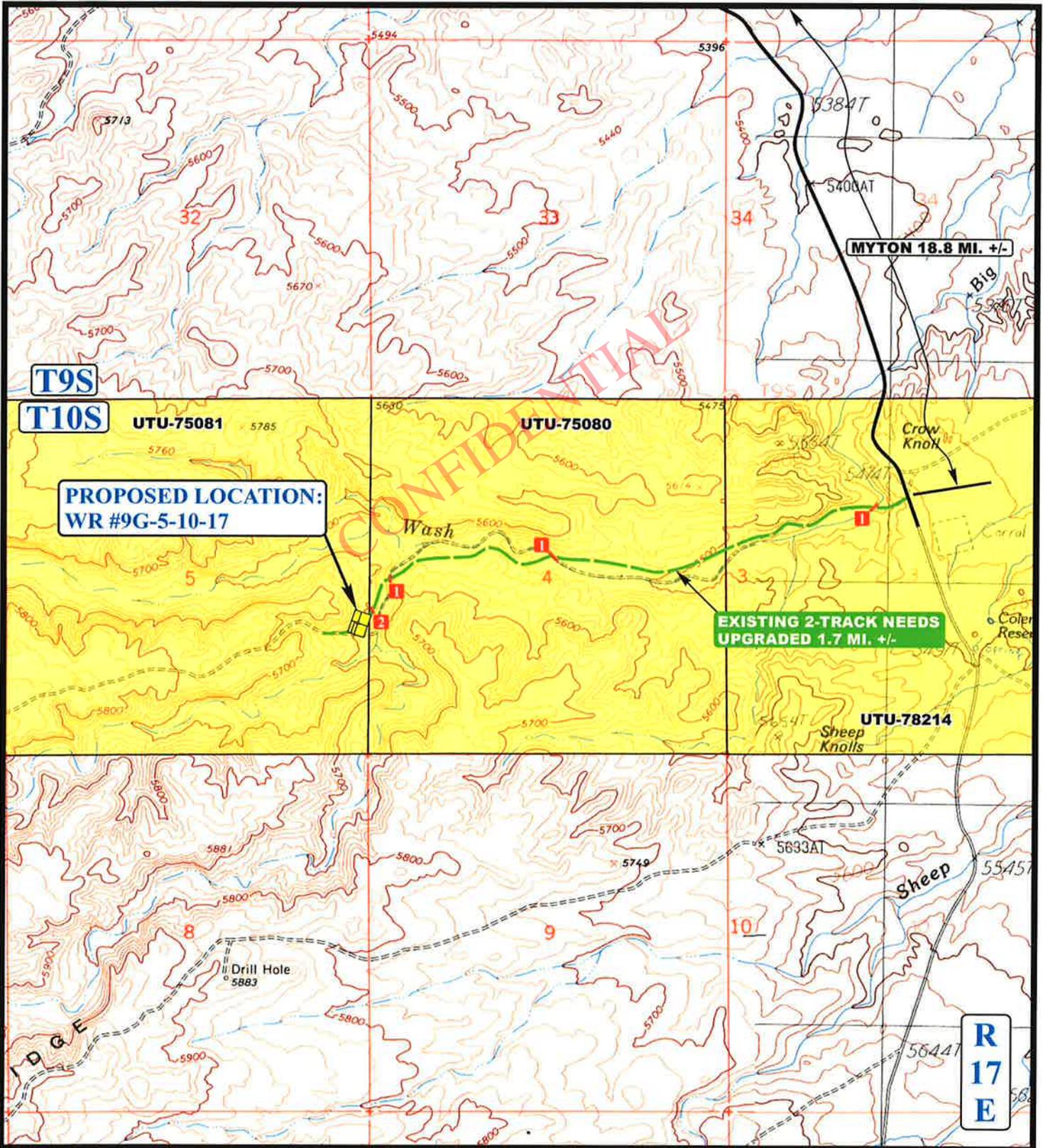
SCALE: 1:100,000

DRAWN BY: Z.L.

MONTH DAY YEAR

REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- - - EXISTING 2-TRACK
- 1 LOW WATER CROSSING 2 18" CMP REQUIRED

QUESTAR EXPLR. & PROD.

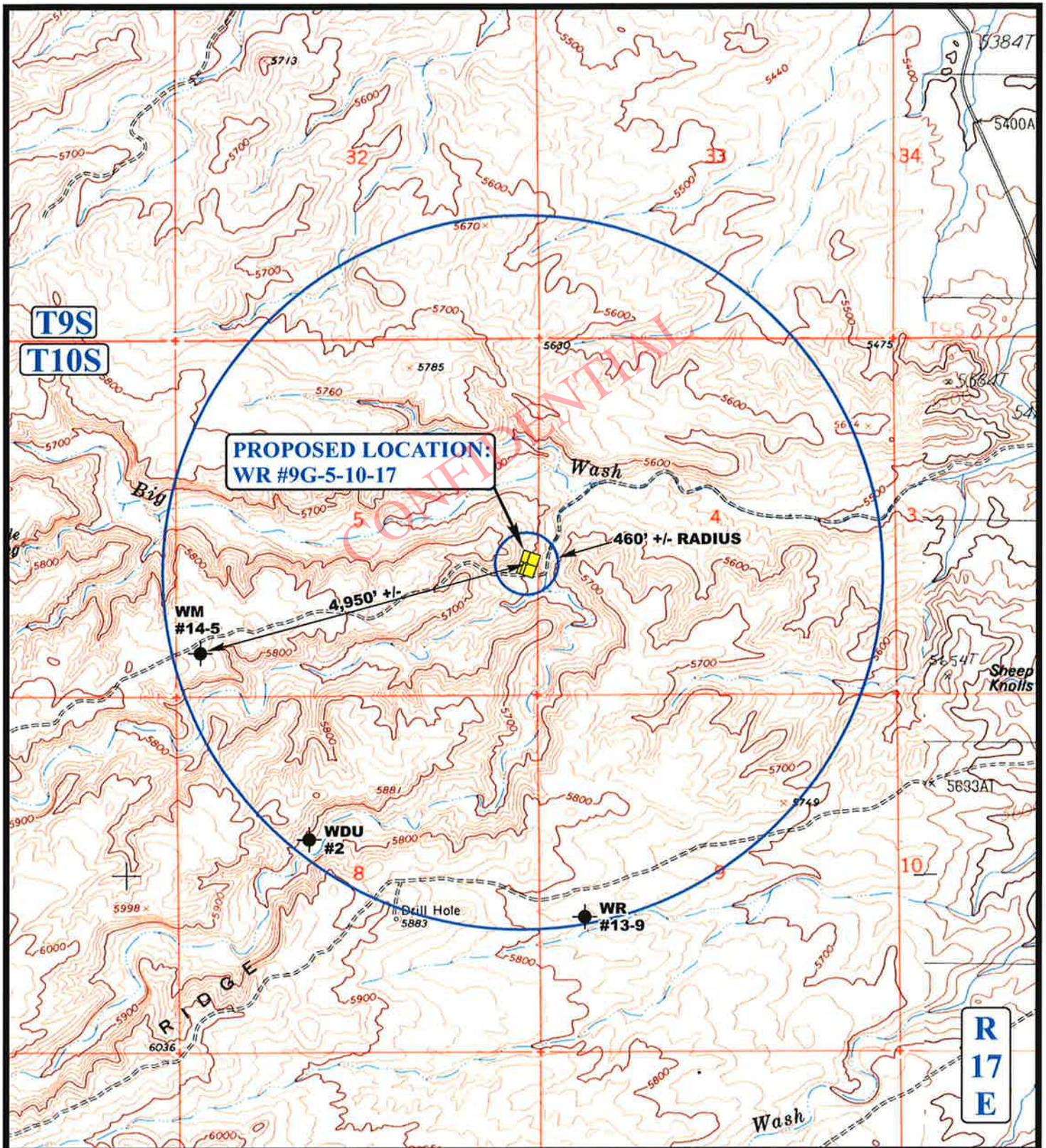
WR #9G-5-10-17
SECTION 5, T10S, R17E, S.L.B.&M.
1947' FSL 163' FEL

UEIS Uintah Engineering & Land Surveying
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TOPOGRAPHIC MAP 03 05 10
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: Z.L. REV: J.H. 06-02-10

B
TOPO



LEGEND:

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

QUESTAR EXPLR. & PROD.

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TOPOGRAPHIC
MAP

03 05 10
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00



QUESTAR EXPLR. & PROD.

REFERENCE MAP: AREA OF VEGETATION

WR #9G-5-10-17

LOCATED IN UINTAH COUNTY, UTAH

SECTION 5, 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

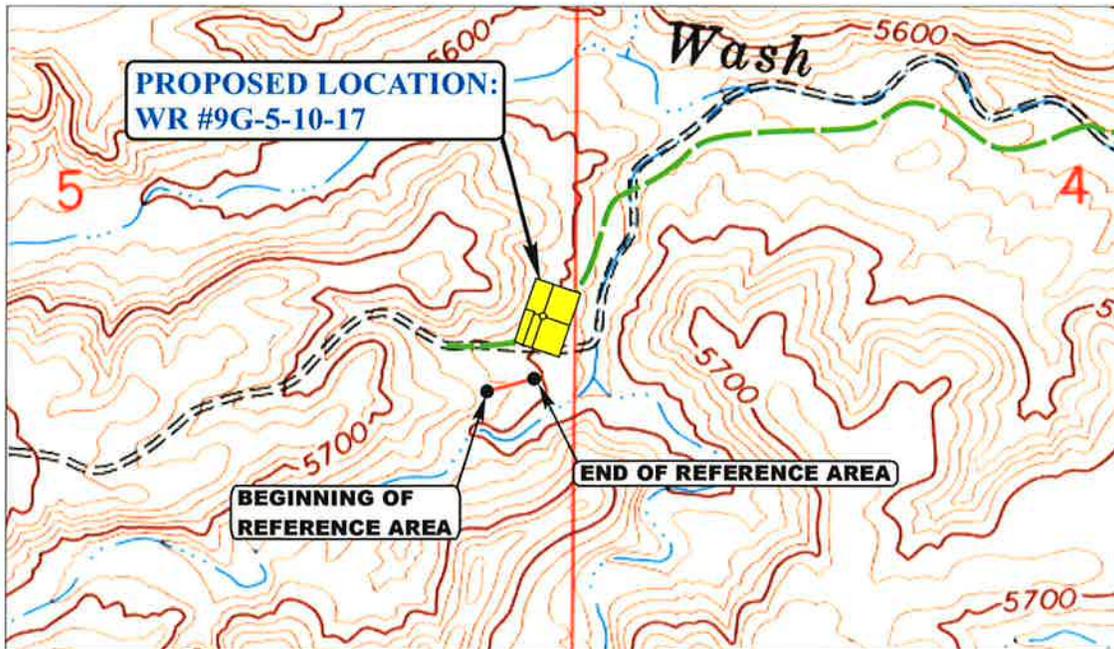
NAD 83 Z12 UTM NORTHING: 14517426.933

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 -

UELS 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

Additional Operator Remarks

QEP Energy Company proposes to drill a vertical oil well to a total depth of 5,500' MD to test the Uteland Butte Member of the Green River Formation. If productive, casing will be run and the well completed. If, dry the will well be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Oil & Gas Order No. 1

Please be advised that QEP Energy Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP Energy Company via surety as consent as provided for the 43 CFR 3104.2.

CONFIDENTIAL

**WR 9G-5-10-17
NESE, SECTION 5, T10S, R17E
DUCHESENE COUNTY, UT
LEASE # UTU-75081**

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 21 miles southwesterly 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 road will be upgraded, maintained and repaired as necessary. A Right-of-Way will be required for the part of the road that travels off lease. The access road will be approximately 8.976' in length, 30 feet in width. (1) 18" culvert and (3) low water crossings will be constructed.

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 foot 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.

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. 10-018**. 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, the operator 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 fossils through Section 3, T10S, and R17E; therefore, it's recommend that a permitted paleontologist be present to monitor the construction process of the portion of the proposed access road. No other restriction should be placed on the remainder of the project. If any vertebrate fossils are found during construction within the project, the Operator is to immediately stop work and contact the Authorized Office. The operator will provide a qualified paleontologist to monitor surface disturbance.

Per the onsite meeting on May 18, 2010, the following items were requested/discussed.

- 6" topsoil
- Rounding corner two as much as possible to avoid drainage.
- There is a Golden Eagle Stipulation from January 1st to August 31st. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.
- There is a Ferruginous Hawk Stipulation from March 1st to August 1st. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.



QEP Energy Company

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

August 16, 2010

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

CONFIDENTIAL

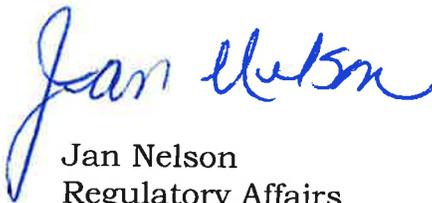
To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3 QEP Energy Company's application to drill the WR 9G-5-10-17 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".

Jan Nelson
Regulatory Affairs



QEP Energy Company

June 17, 2010

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

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


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.


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

Lessee's or Operator's Representative & Certification:

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

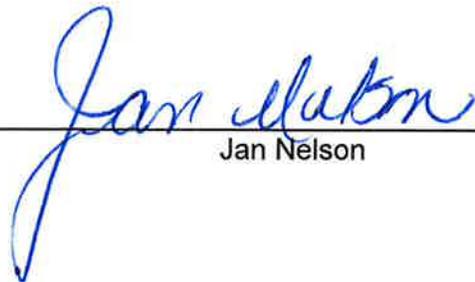
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

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

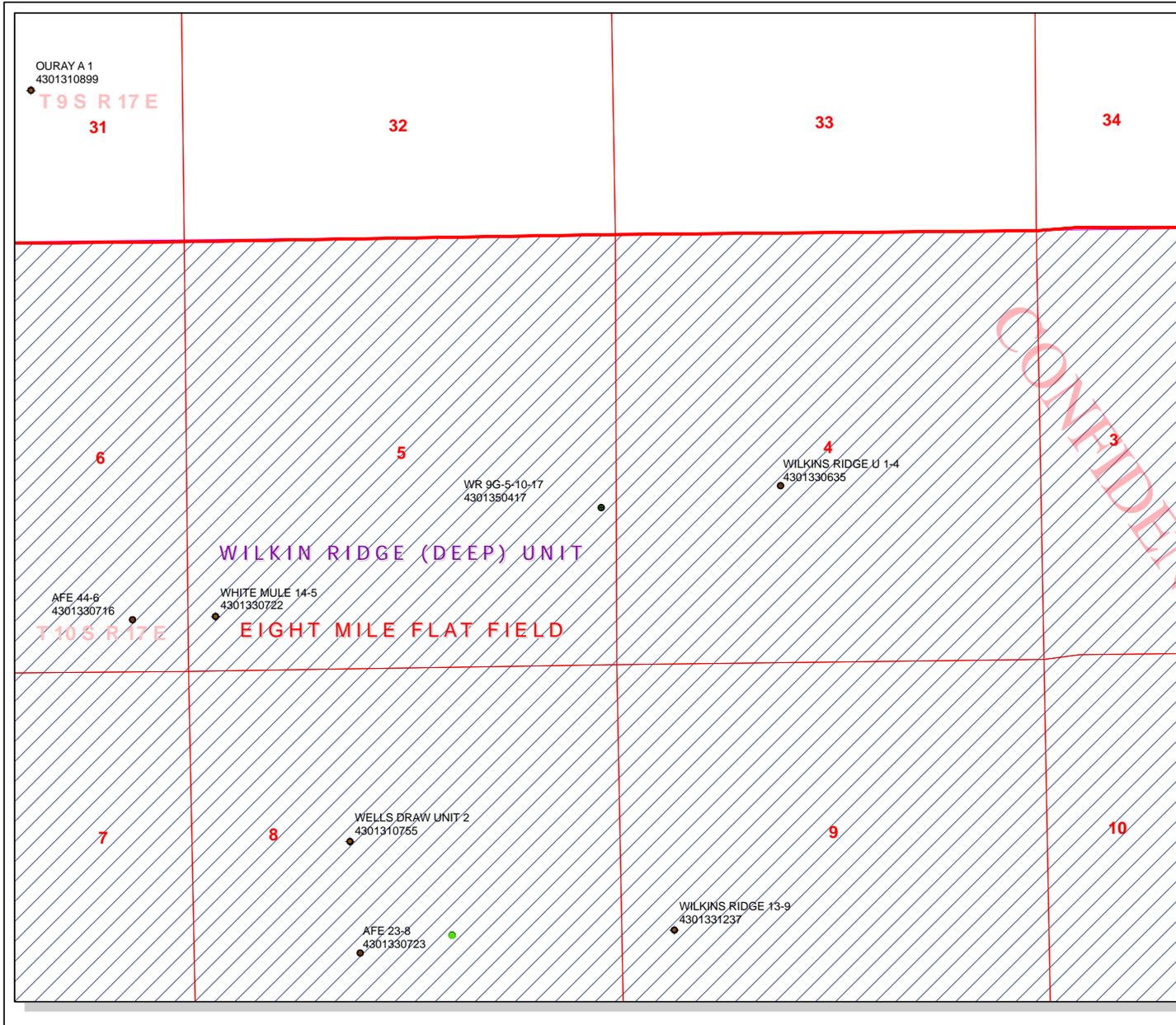
I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operations; that the statements made in this plan 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

8/16/2010

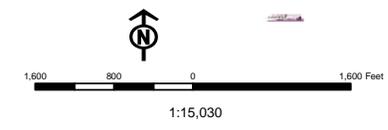
Date



API Number: 4301350417
Well Name: WR 9G-5-10-17
Township 10.0 S Range 17.0 E Section 05
Meridian: SLBM
Operator: QEP ENERGY COMPANY

Map Prepared:
 Map Produced by Diana Mason

- | | |
|-------------------------------|--------------------------------------|
| Units | Wells Query |
| STATUS | ✕ <all other values> |
| 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 GEOTHERML | ⊙ PA - Plugged Abandoned |
| PP OIL | ⊙ PGW - Producing Gas Well |
| SECONDARY | ⊙ POW - Producing Oil Well |
| TERMINATED | ⊙ RET - Returned APD |
| Fields | ⊙ SGW - Shut-in Gas Well |
| Sections | ⊙ SOW - Shut-in Oil Well |
| Township | ⊙ TA - Temp. Abandoned |
| ⊙ Bottom Hole Location - AGRC | ⊙ TW - Test Well |
| | ⊙ WDW - Water Disposal |
| | ⊙ WW - Water Injection Well |
| | ⊙ WSW - Water Supply Well |



CONFIDENTIAL

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 8/16/2010

API NO. ASSIGNED: 43013504170000

WELL NAME: WR 9G-5-10-17

OPERATOR: QEP ENERGY COMPANY (N3700)

PHONE NUMBER: 435 781-4331

CONTACT: Jan Nelson

PROPOSED LOCATION: NESE 05 100S 170E

Permit Tech Review:

SURFACE: 1947 FSL 0163 FEL

Engineering Review:

BOTTOM: 1947 FSL 0163 FEL

Geology Review:

COUNTY: DUCHESNE

LATITUDE: 39.97101

LONGITUDE: -110.02089

UTM SURF EASTINGS: 583615.00

NORTHINGS: 4424788.00

FIELD NAME: EIGHT MILE FLAT

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU75081

PROPOSED PRODUCING FORMATION(S): GREEN RIVER

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

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:**
 - 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: 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 9G-5-10-17
API Well Number: 43013504170000
Lease Number: UTU75081
Surface Owner: FEDERAL
Approval Date: 8/23/2010

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

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

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 23 2010

BLM

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	
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		8. Lease Name and Well No. WR 9G-5-10-17	
2. Name of Operator QEP ENERGY COMPANY		9. API Well No. 43 013 50417	
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		10. Field and Pool, or Exploratory WILKIN RIDGE FIELD	
3b. Phone No. (include area code) Ph: 435-781-4331 Fx: 435-781-4395		11. Sec., T., R., M., or Blk. and Survey or Area Sec 5 T10S R17E Mer SLB	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NESE 1947FSL 163FEL 39.97101 N Lat, 110.02152 W Lon At proposed prod. zone NESE 1947FSL 163FEL 39.97101 N Lat, 110.02152 W Lon		12. County or Parish DUCHESNE	
14. Distance in miles and direction from nearest town or post office* 21 MILES SOUTHWESTERLY OF MYTON, UT		13. State UT	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 163		17. Spacing Unit dedicated to this well 40.00	
16. No. of Acres in Lease 2184.00		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 0	
19. Proposed Depth 5500 MD 5500 TVD		20. BLM/BIA Bond No. on file ESB000024	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5604 GL		22. Approximate date work will start 12/31/2010	
		23. Estimated duration 7 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:

- | | |
|--|--|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|--|--|

25. Signature (Electronic Submission)	Name (Printed/Typed) JAN NELSON Ph: 435-781-4331	Date 08/19/2010
--	---	--------------------

Title
PERMIT AGENT

Approved by (Signature) 	Name (Printed/Typed) Jerry Kenczka	Date FEB 14 2011
-----------------------------	--	----------------------------

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 #91436 verified by the BLM Well Information System
For QEP ENERGY COMPANY, sent to the Vernal
Committed to AFMSS for processing by ROBIN R. HANSEN on 08/23/2010 ()

RECEIVED

FEB 17 2011

UDOGM

NOTICE OF APPROVAL

DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4401



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	QEP Energy Company	Location:	NESE, Sec. 35, T10S, R17E
Well No:	WR 9G-5-10-17	Lease No:	UTU-75081
API No:	43-013-50417	Agreement:	N/A

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: ut_vn_opreport@blm.gov .
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_x 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_x 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.

SITE SPECIFIC COAs:

- 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.
- All disturbance areas shall be monitored for noxious weeds annually, for a minimum of three growing seasons following completion of project or until desirable vegetation is established.
- Reclamation will be completed in accordance with the Questar Exploration and Production Company, Uintah Basin Division's Reclamation Plan on file with the Vernal Field Office of the BLM.
- A permitted paleontologist be present to monitor the construction process for the portion of the access road which runs through Sec 3, T10S R17E.
- If paleontologic resources are uncovered during construction activities, the operator shall immediately suspend all operations that will further disturb such resources, and immediately notify the Authorized Officer (AO). The AO will arrange for a determination of significance and, if necessary, recommend a recovery or avoidance plan.
- Ferruginous hawk habitat – No surface construction or drilling activities shall occur from March March 1 to August 1. The operator may request in writing an exception to this COA. The exception shall be requested one month prior to the anticipated construction. A ferruginous hawk survey will be conducted by a BLM biologist or a qualified biologist contracted by the operator.

- No surface construction or drilling activities shall occur from January 1 to August 31. A golden eagle nest is located within 0.5 miles of the location. An exception to this COA may be requested in writing by the operator about 1 month prior to the desired activity. A survey then will be conducted by a BLM biologist or a qualified biologist contracted by the operator.
- Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil re-spread over the surface; and, the surface re-vegetated. The surface of approved staging areas where construction activities did not occur may require disking or ripping and reseeding.

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

SITE SPECIFIC DOWNHOLE COAs:

- The Production casing will be cemented to 200' above the Surface shoe.

Variances Granted:

Air Drilling:

- Approved - Diverter System in place of a rotating head
- Approved - Blooie line discharge located 50 to 70 feet from wellhead
- Approved - Use a diffuser rather than an automatic ignitor
- Approved - Compressor located within 50 feet on opposite side of the wellbore from blooie line
- Approved - Kill fluid is water
- Approved - Mount a deflector unit at the end of the blooie line
- Approved - No flare pit

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

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or work-over 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.
- 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, work-over, 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 work-over equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU75081
SUNDRY NOTICES AND REPORTS ON WELLS		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well		8. WELL NAME and NUMBER: WR 9G-5-10-17
2. NAME OF OPERATOR: QEP ENERGY COMPANY		9. API NUMBER: 43013504170000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078	PHONE NUMBER: 303 308-3068 Ext	9. FIELD and POOL or WILDCAT: EIGHT MILE FLAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1947 FSL 0163 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 05 Township: 10.0S Range: 17.0E Meridian: S		COUNTY: DUCHESNE
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/23/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> 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 checked="" type="checkbox"/> APD EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER OTHER: <input style="width: 50px;" 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>08/22/2011</u></p> <p style="color: red; font-weight: bold; margin: 0;">By: <u></u></p>		
NAME (PLEASE PRINT) Valyn Davis	PHONE NUMBER 435 781-4369	TITLE Regulatory Affairs Analyst
SIGNATURE N/A	DATE 8/22/2011	



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 43013504170000

API: 43013504170000

Well Name: WR 9G-5-10-17

Location: 1947 FSL 0163 FEL QTR NESE SEC 05 TWNP 100S RNG 170E MER S

Company Permit Issued to: QEP ENERGY COMPANY

Date Original Permit Issued: 8/23/2010

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: 8/22/2011

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU75081
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Oil Well		7. UNIT or CA AGREEMENT NAME: SCYLLA (GR)
2. NAME OF OPERATOR: QEP ENERGY COMPANY		8. WELL NAME and NUMBER: WR 9G-5-10-17
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078		9. API NUMBER: 43013504170000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1947 FSL 0163 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 05 Township: 10.0S Range: 17.0E Meridian: S		9. FIELD and POOL or WILDCAT: EIGHT MILE FLAT
		COUNTY: DUCHESNE
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 5/30/2012 <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <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 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 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.		
ON 05/30/2012- DRILLED 40' OF 20" CONDUCTOR HOLE. SET 40' OF 14" CONDUCTOR PIPE. CEMENTED WITH READY MIX.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY May 31, 2012		
NAME (PLEASE PRINT) Valyn Davis	PHONE NUMBER 435 781-4369	TITLE Regulatory Affairs Analyst
SIGNATURE N/A	DATE 5/31/2012	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU75081
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11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/15/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input checked="" 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 type="checkbox"/> APD EXTENSION OTHER: <input style="width: 50px;" type="text"/>

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

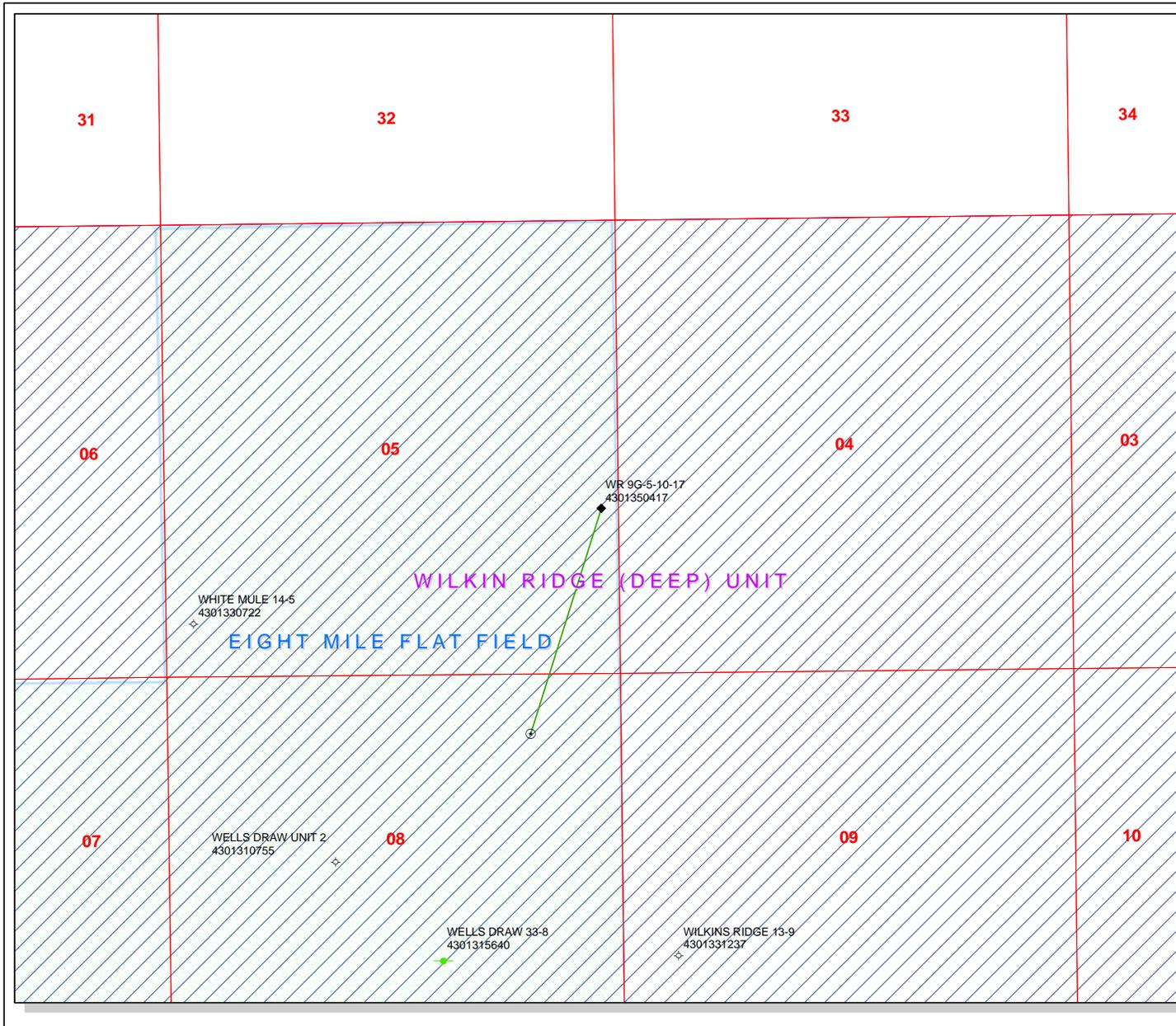
QEP Energy Co. requests approval of the attached contingency plan for drilling the WR 9G-5-10-17. QEP has an approved APD to drill a vertical well, however, if the zone of interest should be encountered, QEP would like to drill a horizontal leg while the drilling rig is on location. The horizontal section 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: June 05, 2012

By: 

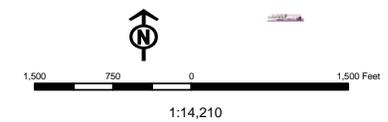
NAME (PLEASE PRINT) Jan Nelson	PHONE NUMBER 435 781-4331	TITLE Permit Agent
SIGNATURE N/A	DATE 3/13/2012	



API Number: 4301350417
Well Name: WR 9G-5-10-17
 Township T1.0 . Range R1.7 . Section 05
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 GEOTHERML | PA - Plugged Abandoned |
| PP OIL | PGW - Producing Gas Well |
| SECONDARY | POW - Producing Oil Well |
| TERMINATED | RET - Returned APD |
| | SGW - Shut-in Gas Well |
| | SOW - Shut-in Oil Well |
| | TA - Temp. Abandoned |
| | TW - Test Well |
| | WDW - Water Disposal |
| | WW - Water Injection Well |
| | WSW - Water Supply Well |





QEP Energy Company

QEP ENERGY (UT)

Wilkin Ridge

WR 9G-5-10-17

WR 9G-5-10-17

Lateral

Plan: Plan ver.0

Standard Planning Report

23 February, 2012





QEP Resources, Inc.
Planning Report



Database:	EDMDB_QEP	Local Co-ordinate Reference:	Site WR 9G-5-10-17
Company:	QEP ENERGY (UT)	TVD Reference:	RKB @ 5617.90usft (EST. RKB)
Project:	Wilkin Ridge	MD Reference:	RKB @ 5617.90usft (EST. RKB)
Site:	WR 9G-5-10-17	North Reference:	True
Well:	WR 9G-5-10-17	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral		
Design:	Plan ver.0		

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

Site	WR 9G-5-10-17				
Site Position:		Northing:	7,161,589.936 usft	Latitude:	39.971014
From:	Lat/Long	Easting:	2,054,746.912 usft	Longitude:	-110.021522
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.95 °

Well	WR 9G-5-10-17					
Well Position	+N/-S	0.00 usft	Northing:	7,161,589.932 usft	Latitude:	39.971014
	+E/-W	0.00 usft	Easting:	2,054,746.912 usft	Longitude:	-110.021522
Position Uncertainty		0.00 usft	Wellhead Elevation:	5,601.90 usft	Ground Level:	5,601.90 usft

Wellbore	Lateral				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	2/23/2012	11.20	65.73	52,167

Design	Plan ver.0			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	4,700.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	197.83

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
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,834.54	0.00	0.00	4,834.54	0.00	0.00	0.00	0.00	0.00	0.00	
5,584.54	90.00	197.83	5,312.00	-454.54	-146.19	12.00	12.00	0.00	197.83	
7,840.95	90.00	197.83	5,312.00	-2,602.59	-837.04	0.00	0.00	0.00	0.00	WR 9G-5-10-17

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)	
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,834.54	0.00	0.00	4,834.54	0.00	0.00	0.00	0.00	0.00	0.00	
5,584.54	90.00	197.83	5,312.00	-454.54	-146.19	477.46	12.00	12.00	0.00	
7,840.95	90.00	197.83	5,312.00	-2,602.59	-837.04	2,733.88	0.00	0.00	0.00	



QEP Resources, Inc.
Planning Report



Database:	EDMDB_QEP	Local Co-ordinate Reference:	Site WR 9G-5-10-17
Company:	QEP ENERGY (UT)	TVD Reference:	RKB @ 5617.90usft (EST. RKB)
Project:	Wilkin Ridge	MD Reference:	RKB @ 5617.90usft (EST. RKB)
Site:	WR 9G-5-10-17	North Reference:	True
Well:	WR 9G-5-10-17	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral		
Design:	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 9G-5-10-17	0.00	0.00	5,312.00	-2,602.59	-837.04	7,158,974.121	2,053,953.085	39.963870	-110.024509
- plan hits target center									
- Point									

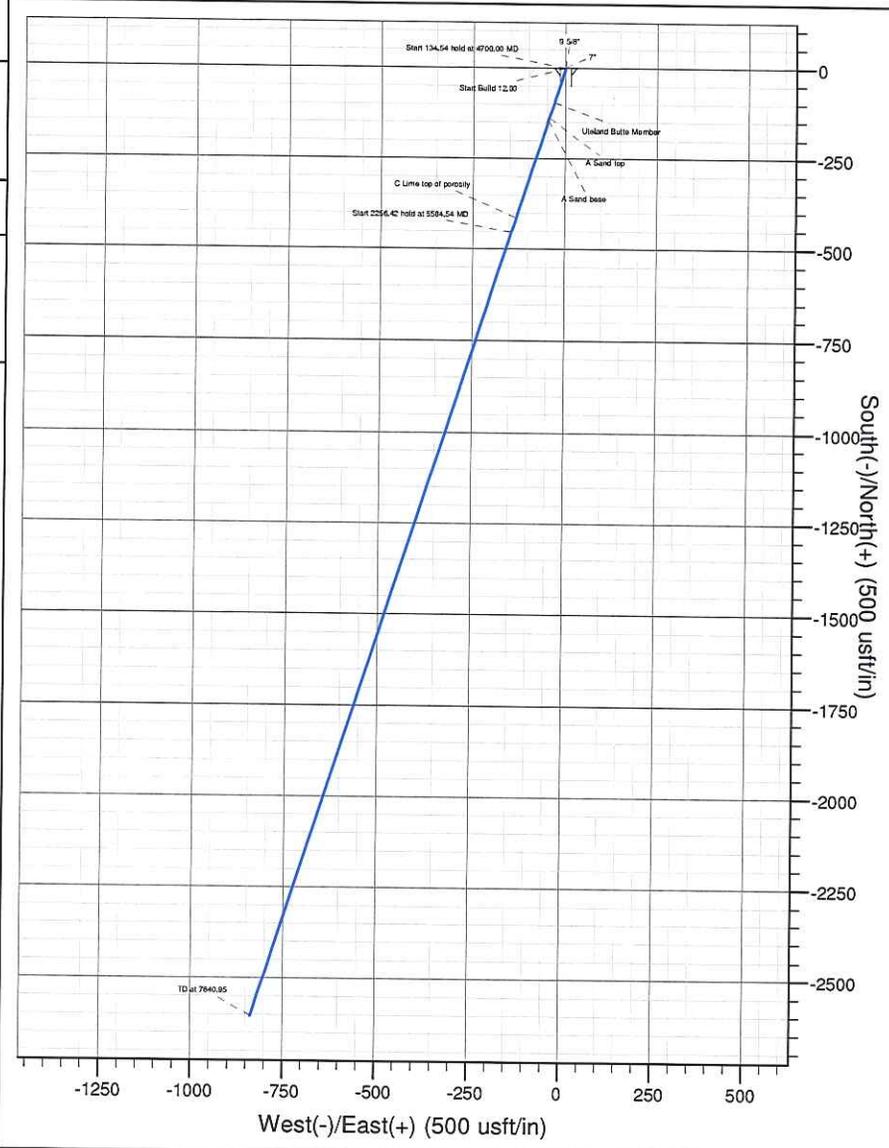
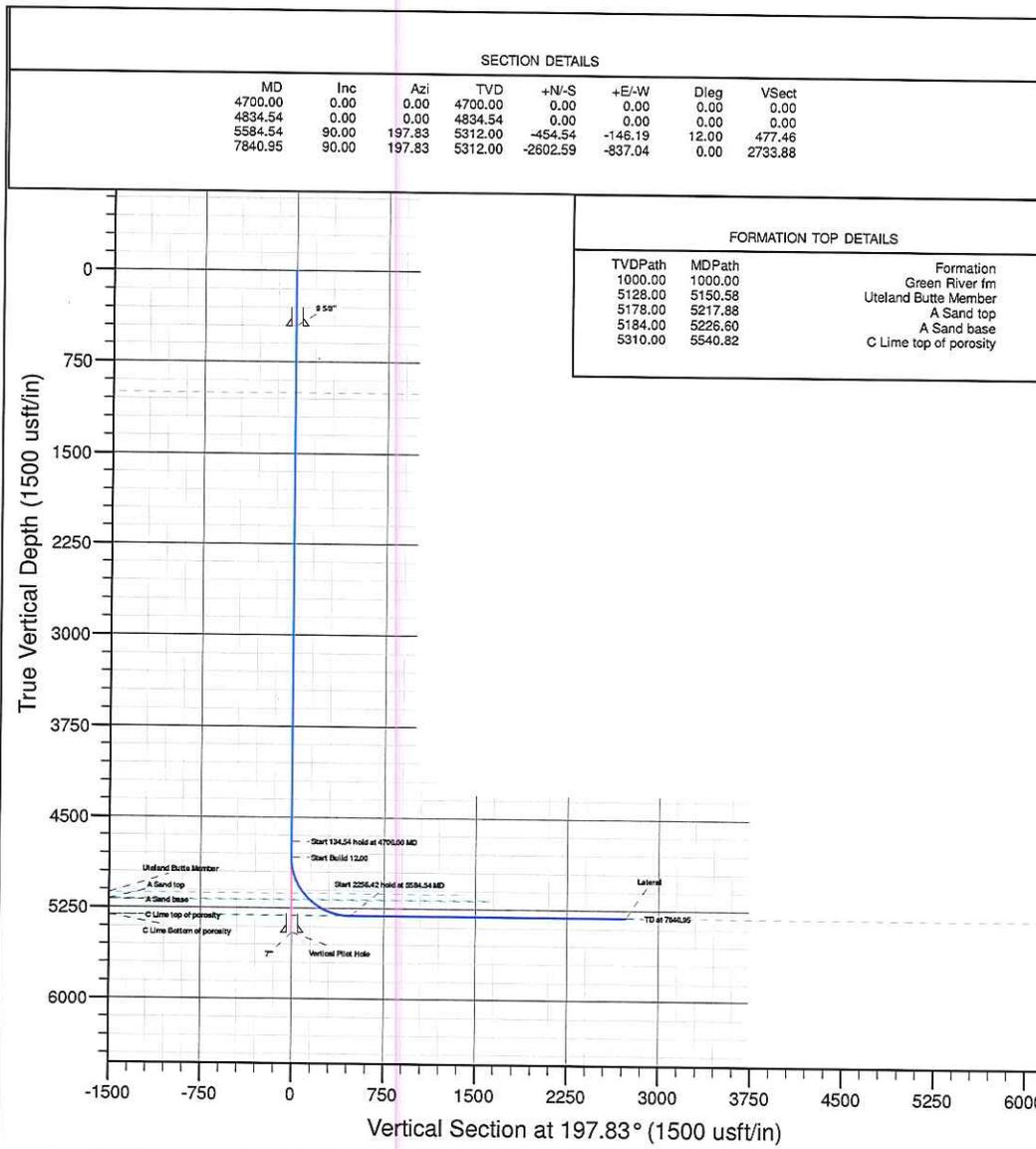
Formations						
Measured Depth	Vertical Depth	Name	Lithology	Dip	Dip Direction	
(usft)	(usft)			(°)	(°)	
1,000.00	1,000.00	Green River fm		0.00		
5,150.58	5,128.00	Uteland Butte Member		0.00		
5,217.88	5,178.00	A Sand top		0.00		
5,226.60	5,184.00	A Sand base		0.00		
5,540.82	5,310.00	C Lime top of porosity		0.00		



Company Name: QEP ENERGY (UT)

	Azimuths to True North Magnetic North: 11.20°	Project: Wilkin Ridge Site: WR 9G-5-10-17 Well: WR 9G-5-10-17 Wellbore: Lateral Design: Plan ver.0
	Magnetic Field Strength: 52166.7nT	
	Dip Angle: 35.73°	
	Date: 2/23/2012 Model: IGRF2010	

WELL DETAILS: WR 9G-5-10-17 Lateral								REFERENCE INFORMATION		PROJECT DETAILS: Wilkin Ridge	
Ground Level: 5601.90								Co-ordinate (N/E) Reference: Site WR 9G-5-10-17, True North		Geodetic System: US State Plane 1983	
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot	Vertical (TVD) Reference: RKB @ 5617.90usft (EST. RKB)		Datum: North American Datum 1983		
0.00	0.00	7161589.932	2054746.912	39.971014	-110.021522		Section (VS) Reference: Slot - (0.00N, 0.00E)		Ellipsoid: GRS 1980		
							Measured Depth Reference: RKB @ 5617.90usft (EST. RKB)		Zone: Utah Central Zone		
							Calculation Method: Minimum Curvature		System Datum: Mean Sea Level		

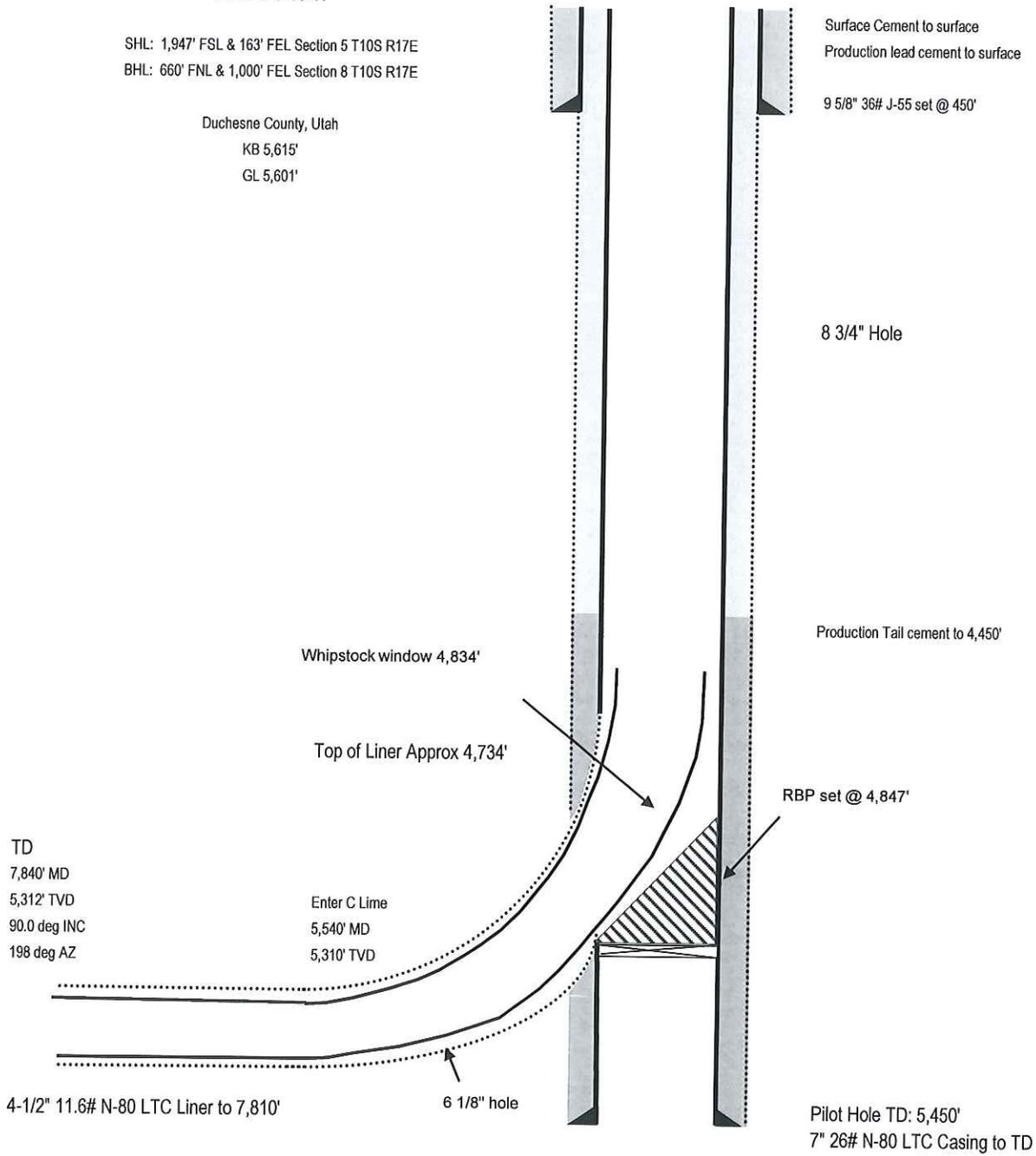


Sundry Number : 23886 API Well Number : 43013504170000

Proposed
WR 9G-5-10-17

SHL: 1,947' FSL & 163' FEL Section 5 T10S R17E
BHL: 660' FNL & 1,000' FEL Section 8 T10S R17E

Duchesne County, Utah
KB 5,615'
GL 5,601'



QEP Energy Company
WR 9G-5-10-17
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 5,450'
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 4,847'.
11. Mill window and build 6-1/8" curve to land in the C1 Lime.
12. Cont drilling lateral to TD at 7,840' MD / 5,312' TVD / 90.0 deg INC / 198 deg AZ
13. RIH with 4-1/2" 11.6# N-80 LTC liner with packers and sleeves to 7,810'.
14. Set TOL at 4,734'.
15. Set RBP at +/- 4,000'.
16. RDMO drilling rig.
17. Release location to completions.

QEP ENERGY COMPANY

WR 9G-5-10-17

SHL: 1,947' FSL & 163' FEL Section 5 T10S R17E

BHL: 660' FNL & 1,000' FEL Section 8 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:

Formation	Depth, MD (ft)	Depth, TVD (ft)
Uinta	Surface	Surface
Green River	1000	1000
KOP	4834	4834
Uteland Butte Mbr	5150	5128
A Sand Top	5217	5178
A Sand Base	5226	5184
C Lime	5540	5310
TD - Lateral	7840	5312
TD - Pilot Hole	-----	5450

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	5,150'	5,128'

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 9G-5-10-17

SHL: 1,947' FSL & 163' FEL Section 5 T10S R17E

BHL: 660' FNL & 1,000' FEL Section 8 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 ¼"	9 5/8"	sfc	450	36.0	J-55	STC	New	Air
8 ¾"	7"	sfc	5450	26.0	N-80	LTC	New	9.5
6 1/8"	4 ½"	4734	7810	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 ½"	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 9G-5-10-17

SHL: 1,947' FSL & 163' FEL Section 5 T10S R17E

BHL: 660' FNL & 1,000' FEL Section 8 T10S R17E

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. Auxiliary 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 9G-5-10-17

SHL: 1,947' FSL & 163' FEL Section 5 T10S R17E

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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 ft³/sk, Slurry volume: 12-1/4" hole + 100% excess.

7" Production Casing: 0' – 5,450' (MD)

Lead Slurry: 0' – 4,450'. 440 sks (1278 cu ft) Halliburton Light Cement. Slurry weight: 11.0 ppg, Slurry yield: 2.95 ft³/sk, Slurry volume: 8.75" hole + 100% excess in open hole.

Tail Slurry: 4,450' – 5,450'. 190 sks (272 cu ft) 50/50 Poz Premium. Slurry wt: 13.5 ppg, Slurry yield: 1.24 ft³/sk, Slurry volume: 8-3/4" hole + 75% excess.

6-1/8" Lateral: 4,834' – 7,840'

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 9G-5-10-17

SHL: 1,947' FSL & 163' FEL Section 5 T10S R17E

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Duchesne County, Utah

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H₂S 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 2,692 psi. Maximum anticipated bottom hole temperature is approximately 140°F.

QEP ENERGY COMPANY

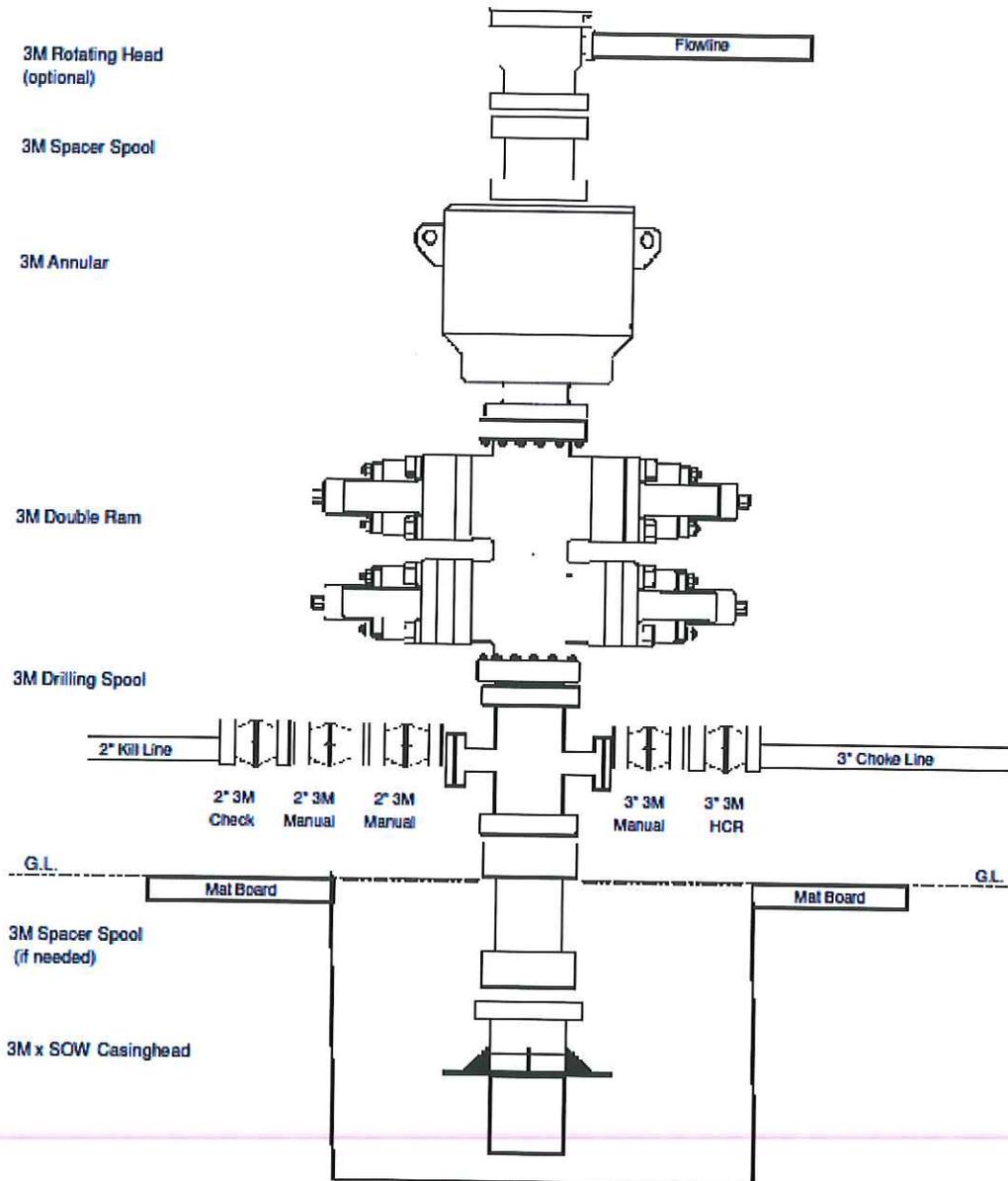
WR 9G-5-10-17

SHL: 1,947' FSL & 163' FEL Section 5 T10S R17E

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Duchesne County, Utah

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



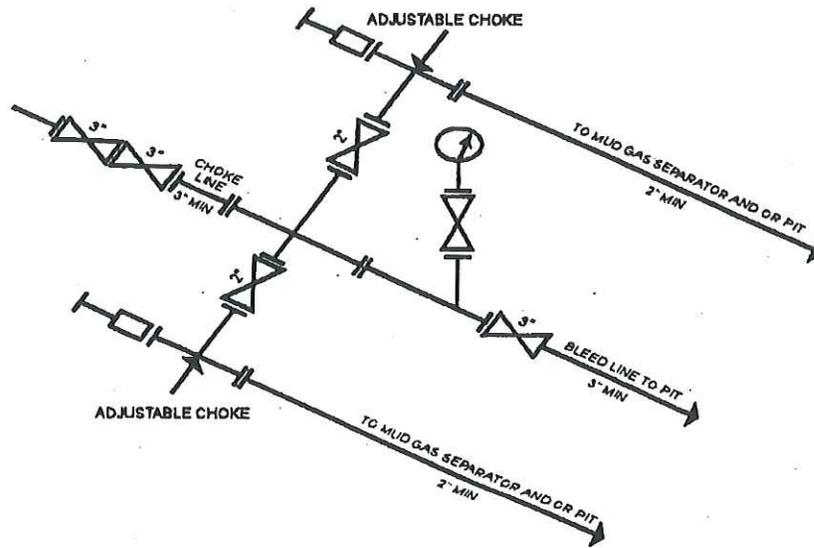
QEP ENERGY COMPANY

WR 9G-5-10-17

SHL: 1,947' FSL & 163' FEL Section 5 T10S R17E

BHL: 660' FNL & 1,000' FEL Section 8 T10S R17E

Duchesne County, Utah



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

Sundry Number: 23886 API Well Number: 43013504170000

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

N89°56'E - 5280.00' (G.L.O.)

QUESTAR EXPLR. & PROD.

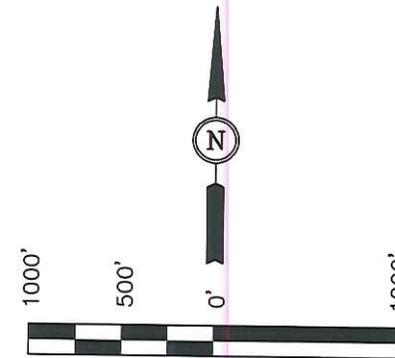
Well location, WR #9G-5-10-17, located as shown in the NE 1/4 SE 1/4 of Section 5, T10S, R17E, S.L.B.&M., Duchesne County, Utah

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.



SCALE CERTIFICATE

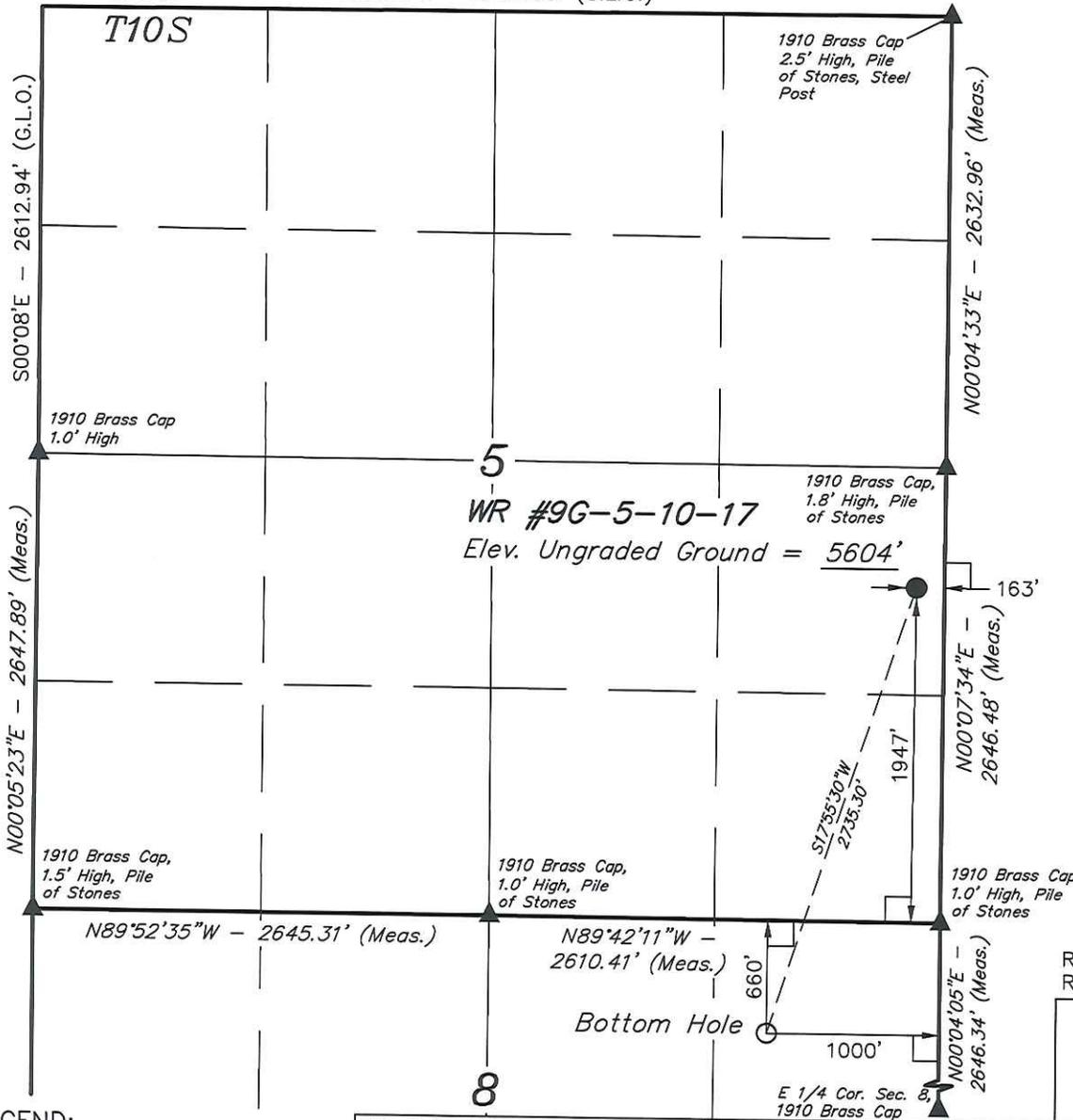
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REVISED: 02-17-12
REVISED: 08-10-10

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017



LEGEND:

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

NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 39°57'49.93" (39.963869)	LATITUDE = 39°58'15.65" (39.971014)
LONGITUDE = 110°01'28.23" (110.024508)	LONGITUDE = 110°01'17.48" (110.021522)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 39°57'50.06" (39.963906)	LATITUDE = 39°58'15.78" (39.971050)
LONGITUDE = 110°01'25.69" (110.023803)	LONGITUDE = 110°01'14.94" (110.020817)

SCALE 1" = 1000'	DATE SURVEYED: 02-23-10	DATE DRAWN: 03-03-10
PARTY B.H. K.A. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.	

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company; QEP ENERGY COMPANY

Well Name: WR 9G-5-10-17

Api No: 43-013-50417 Lease Type FEDERAL

Section 05 Township 10S Range 17E County DUCHESNE

Drilling Contractor PROPETRO RIG #

SPUDDED:

Date 05/30/2012

Time

How DRY

**Drilling will
Commence:**

Reported by DAVID REID

Telephone # (435) 828-0396

Date 05/30/2012 Signed CHD

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
4301350417	WR 9G-5-10-17		NESE	5	10S	17E	DUCHESNE
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	18554	5/30/2012		5/30/2012		
Comments: <u>GRRV</u> <u>BHL: nease</u>							

CONFIDENTIAL

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

5/31/2012

Date

RECEIVED

MAY 31 2012

(5/2000)

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5.LEASE DESIGNATION AND SERIAL NUMBER: UTU75081
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7.UNIT or CA AGREEMENT NAME: SCYLLA (GR)
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: WR 9G-5-10-17
2. NAME OF OPERATOR: QEP ENERGY COMPANY	9. API NUMBER: 43013504170000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078	PHONE NUMBER: 303 308-3068 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1947 FSL 0163 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 05 Township: 10.0S Range: 17.0E Meridian: S	9. FIELD and POOL or WILDCAT: EIGHT MILE FLAT COUNTY: DUCHESNE STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 7/29/2012	<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 checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

THIS WELL COMMENCED PRODUCTION ON JULY 29, 2012 @ 9:00 p.m.

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

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU75081
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: SCYLLA (GR)
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: WR 9G-5-10-17
2. NAME OF OPERATOR: QEP ENERGY COMPANY	9. API NUMBER: 43013504170000
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Vernal, Ut, 84078	PHONE NUMBER: 303 308-3068 Ext
9. FIELD and POOL or WILDCAT: EIGHT MILE FLAT	4. LOCATION OF WELL FOOTAGES AT SURFACE: 1947 FSL 0163 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESE Section: 05 Township: 10.0S Range: 17.0E Meridian: S
COUNTY: DUCHESNE	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 7/30/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input 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 07/30/12, and the initial production for the well was approximately 193 BBLS Oil, 106 BBLS Water, and the first metered gas was 07/30/12, 92 MCFD. The well is currently making approximately 75 Oil, 19 BBLS Water, 46 MCFD. 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 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: December 20, 2012

By: *Derek Quist*

NAME (PLEASE PRINT) Jan Nelson	PHONE NUMBER 435 781-4331	TITLE Permit Agent
SIGNATURE N/A	DATE 12/4/2012	



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 43013504170000

Per R649-3-20 flaring up to 1800 mcf/month of gas from an oil well is allowed without approval. If the operator wishes to flare beyond that allowance, the operator should come before the Board of Oil, Gas and Mining to request flaring approval beyond what is allowed for administrative approval in R649-3-20. This well appears to be under that 1800 mcf/month threshold, so approval would not be necessary.

4301350417



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:
3180 (UTU88573X)
UT922000

April 1, 2013

Mr. Raul Chavez
QEP Energy Company
1050 17th Street, Suite 500
Denver, Colorado 80265

RECEIVED
JUL 29 2013
Div. of Oil, Gas & Mining

Re: Initial Green River Participating Area "A"
Scylla Unit
Duchesne County, Utah

Dear Mr. Chavez:

The Initial Green River Participating Area "A", Scylla Unit, UTU88573A, is hereby approved effective as of July 29, 2012, pursuant to Section 11 of the Scylla Unit Agreement, Duchesne County, Utah.

The Initial Green River Participating Area "A" contains 280.00 acres and is based on the completion of Unit Well No. WR 9G5-10-17, API No. 43-013-50417, located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5, Township 10 South, Range 17 East, SLB&M, Unit Tract No. 3, Lease No. UTU75081, as a well capable of producing unitized substances in paying quantities.

For production and accounting reporting purposes, all submissions pertaining to the Initial Green River Participating Area "A" shall refer to UTU88573A.

Copies of the approved request are being distributed to the appropriate regulatory agencies, and one copy is returned herewith. Please advise all interested parties of the approval of the Initial Green River Participating Area "A", Scylla Unit, and its effective date.

If you have any questions, please contact Judy Nordstrom at (801) 539-4108.

Sincerely,

Becky J. Hammond

For Roger L. Bankert
Chief, Branch of Minerals

Enclosure

cc: ONRR w/Exhibit "B" (Attn: Nancy McCarty)
BLM FOM - Vernal w/enclosure

bcc: Unit file – Scylla Unit w/enclosure
Fluids – Mickey
Fluids - Becky
Fluids - Judy
Agr. Sec. Chron.
Reading File
Central Files

JNordstrom:3/28/2013