

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>						<b>1. WELL NAME and NUMBER</b> Alderson 12-23-4-1W				
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						<b>3. FIELD OR WILDCAT</b> UNDESIGNATED				
<b>4. TYPE OF WELL</b> Oil Well Coalbed Methane Well: NO						<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>				
<b>6. NAME OF OPERATOR</b> NEWFIELD PRODUCTION COMPANY						<b>7. OPERATOR PHONE</b> 435 646-4825				
<b>8. ADDRESS OF OPERATOR</b> Rt 3 Box 3630 ,Myton,UT,84052						<b>9. OPERATOR E-MAIL</b> mcrozier@newfield.com				
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee</b>			<b>11. MINERAL OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>			<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>				
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b> Preston and Hilary Young						<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>				
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b> PO Box 362,Myton,UT84052						<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>				
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>			<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
<b>20. LOCATION OF WELL</b>		<b>FOOTAGES</b>		<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>		
LOCATION AT SURFACE		2370 FSL 1028 FWL		NWSW	23	4.0 S	1.0 W	U		
Top of Uppermost Producing Zone		2370 FSL 1028 FWL		NWSW	23	4.0 S	1.0 W	U		
At Total Depth		2370 FSL 1028 FWL		NWSW	23	4.0 S	1.0 W	U		
<b>21. COUNTY</b> DUCHESNE			<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 270			<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 40				
			<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 193			<b>26. PROPOSED DEPTH</b> MD: 7100 TVD: 7100				
<b>27. ELEVATION - GROUND LEVEL</b> 5081			<b>28. BOND NUMBER</b> B001834			<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> 437478				
<b>Hole, Casing, and Cement Information</b>										
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Length</b>	<b>Weight</b>	<b>Grade&amp;Thread</b>	<b>Max Mud Wt.</b>	<b>Cement</b>	<b>Sacks</b>	<b>Yield</b>	<b>Weight</b>
SURF	12.25	8.625	0-50	24.0	J-55 ST&C	8.3	Class G	229	1.17	15.8
PROD	7.875	5.5	0-100	15.5	J-55 LT&C	8.3	Premium Lite High Strength	352	3.26	11.0
							50/50 Poz	363	1.24	14.3
<b>ATTACHMENTS</b>										
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORCANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
<b>NAME</b> Mandie Crozier			<b>TITLE</b> Regulatory Tech			<b>PHONE</b> 435 646-4825				
<b>SIGNATURE</b>			<b>DATE</b> 07/20/2011			<b>EMAIL</b> mcrozier@newfield.com				
<b>API NUMBER ASSIGNED</b> 43013508900000						<b>APPROVAL</b>				

Returned Unapproved

NEWFIELD PRODUCTION COMPANY  
ALDERSON 12-23-4-1W  
NW/SW SECTION 23, T4S, R1W  
DUCHESNE COUNTY, UTAH

TEN POINT DRILLING PROGRAM

1. **GEOLOGIC SURFACE FORMATION:**

Uinta formation of Upper Eocene Age

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

Uinta                    0' – 1,995'  
Green River            1,995'  
Wasatch                6,825'  
**Proposed TD**            7,100'

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

Green River Formation (Oil)            1,995' – 6,825'

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

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

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

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

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

4. **PROPOSED CASING PROGRAM**

a. **Casing Design: Alderson 12-23-4-1W**

Size	Interval		Weight	Grade	Coupling	Design Factors		
	Top	Bottom				Burst	Collapse	Tension
Surface casing 8-5/8"	0'	500'	24.0	J-55	STC	2,950 10.52	1,370 8.61	244,000 20.33
Prod casing 5-1/2"	0'	7,100'	15.5	J-55	LTC	4,810 2.13	4,040 1.79	217,000 1.97

Assumptions:

- 1) Surface casing max anticipated surface press (MASP) = Frac gradient – gas gradient
- 2) Prod casing MASP (production mode) = Pore pressure – gas gradient
- 3) All collapse calculations assume fully evacuated casing w/ gas gradient
- 4) All tension calculations assume air weight

Frac gradient at surface casing shoe = 13.0 ppg  
 Pore pressure at surface casing shoe = 8.33 ppg  
 Pore pressure at prod casing shoe = 8.33 ppg  
 Gas gradient = 0.115 psi/ft

All casing shall be new or, if used, inspected and tested. Used casing shall meet or exceed API standards for new casing.

All casing strings shall have a minimum of one (one) centralizer on each of the bottom three (3) joints.

b. **Cementing Design: Alderson 12-23-4-1W**

Job	Well	Description	Sacks	OH Excess*	Weight (ppg)	Yield (ft <sup>3</sup> /sk)
			ft <sup>3</sup>			
Surface casing	500'	Class G w/ 2% CaCl	229 268	30%	15.8	1.17
Prod casing Lead	5,100'	Prem Lite II w/ 10% gel + 3% KCl	352 1149	30%	11.0	3.26
Prod casing Tail	2,000'	50/50 Poz w/ 2% gel + 3% KCl	363 451	30%	14.3	1.24

- \*Actual volume pumped will be 15% over the caliper log
- Compressive strength of lead cement: 1800 psi @ 24 hours, 2250 psi @ 72 hours
  - Compressive strength of tail cement: 2500 psi @ 24 hours

Hole Sizes: A 12-1/4" hole will be drilled for the 8-5/8" surface casing. A 7-7/8" hole will be drilled for the 5-1/2" production casing.

The 8-5/8" surface casing shall in all cases be cemented back to surface. In the event that during the primary surface cementing operation the cement does not circulate to surface, or if the cement level should fall back more than 8 feet from surface, then a remedial surface cementing operation shall be performed to insure adequate isolation and stabilization of the surface casing.

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

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

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

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

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

From surface to ±500 feet will be drilled with an air/mist system. The air rig is equipped with a 6 ½" blooie line that is straight run and securely anchored. The blooie line is used with a discharge less than 100 ft from the wellbore in order to minimize the well pad size. The blooie line is not equipped with an automatic igniter or continuous pilot light and the compressor is located less than 100 ft from the well bore due to the low possibility of combustion with the air dust mixture. The trailer mounted compressor (capacity of 2000 CFM) has a safety shut-off valve which is located 15 feet from the air rig. A truck with 70 bbls of water is on stand by to be used as kill fluid, if necessary. From about ±500 feet to TD, a fresh water system will be utilized. Clay inhibition and hole stability will be achieved with a KCl substitute additive. This additive will be identified in the APD and reviewed to determine if the reserve pit shall be lined. This fresh water system will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated mud weight is 8.4 lbs/gal. If necessary to control formation fluids or pressure, the system will be weighted with the addition of bentonite gel, and if pressure conditions warrant, with barite

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

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

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

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

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

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

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

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

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

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

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

It is anticipated that the drilling operations will commence the fourth quarter of 2011, and take approximately seven (7) days from spud to rig release.

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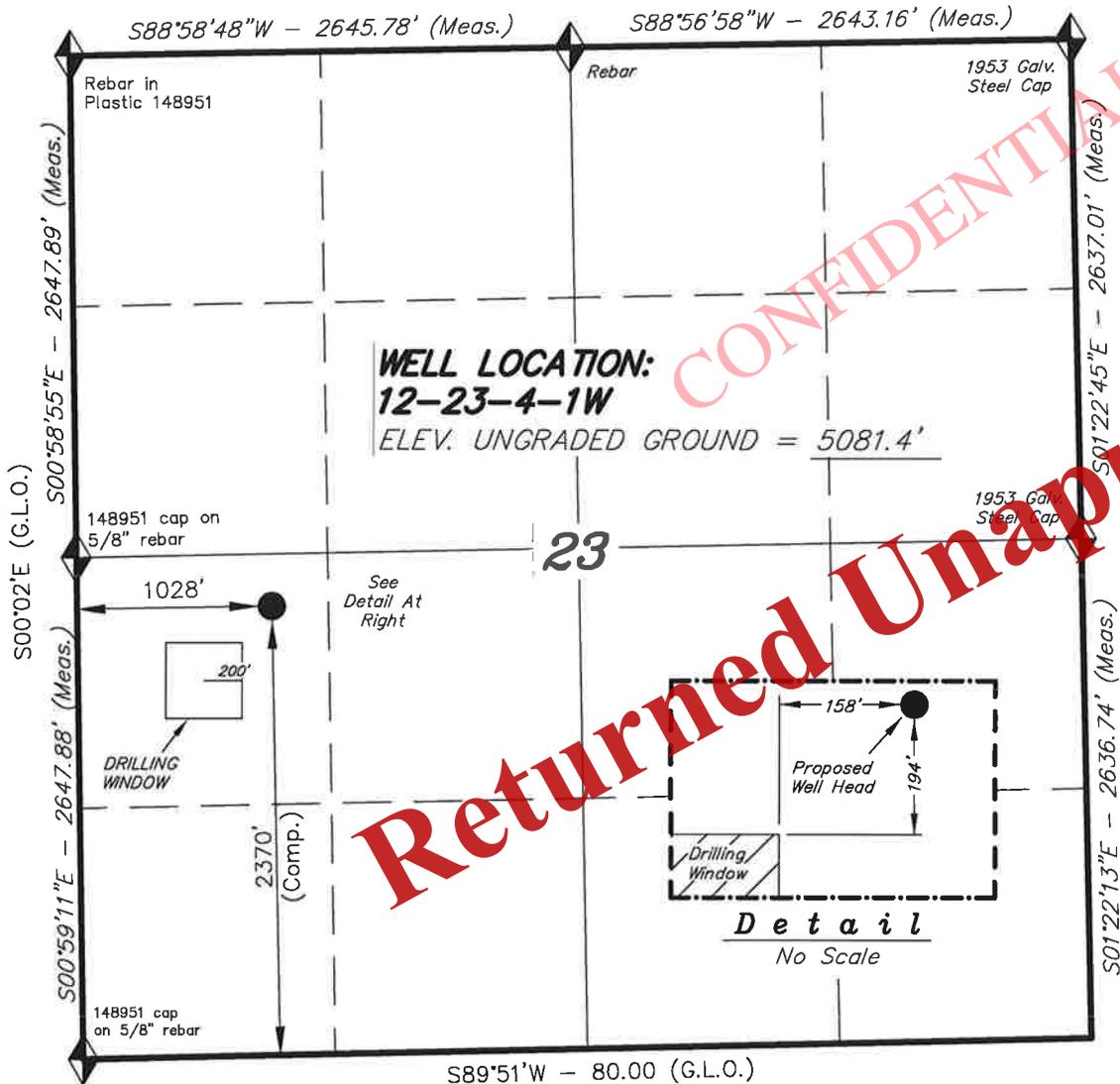
**Returned Unapproved**

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

S89°59'W - 79.97 (G.L.O.)

## NEWFIELD EXPLORATION COMPANY

WELL LOCATION, 12-23-4-1W, LOCATED AS SHOWN IN THE NW 1/4 SW 1/4 OF SECTION 23, T4S, R1W, U.S.B.&M. DUCHESNE COUNTY, UTAH.

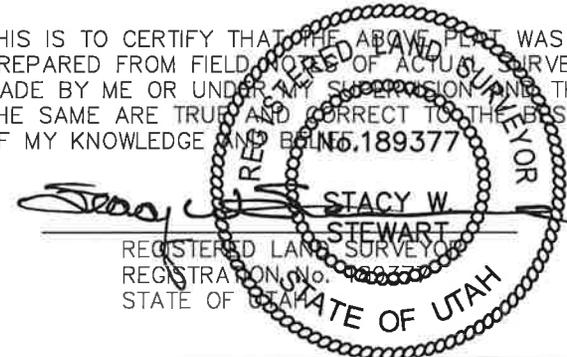


**NOTES:**

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.
3. The Proposed Well head bears S76°08'33"E 1063.66' from the West 1/4 Corner of Section.



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.



◆ = SECTION CORNERS LOCATED

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

**12-23-4-1W**  
 (Surface Location) NAD 83  
 LATITUDE = 40° 07' 11.00"  
 LONGITUDE = 109° 58' 09.91"

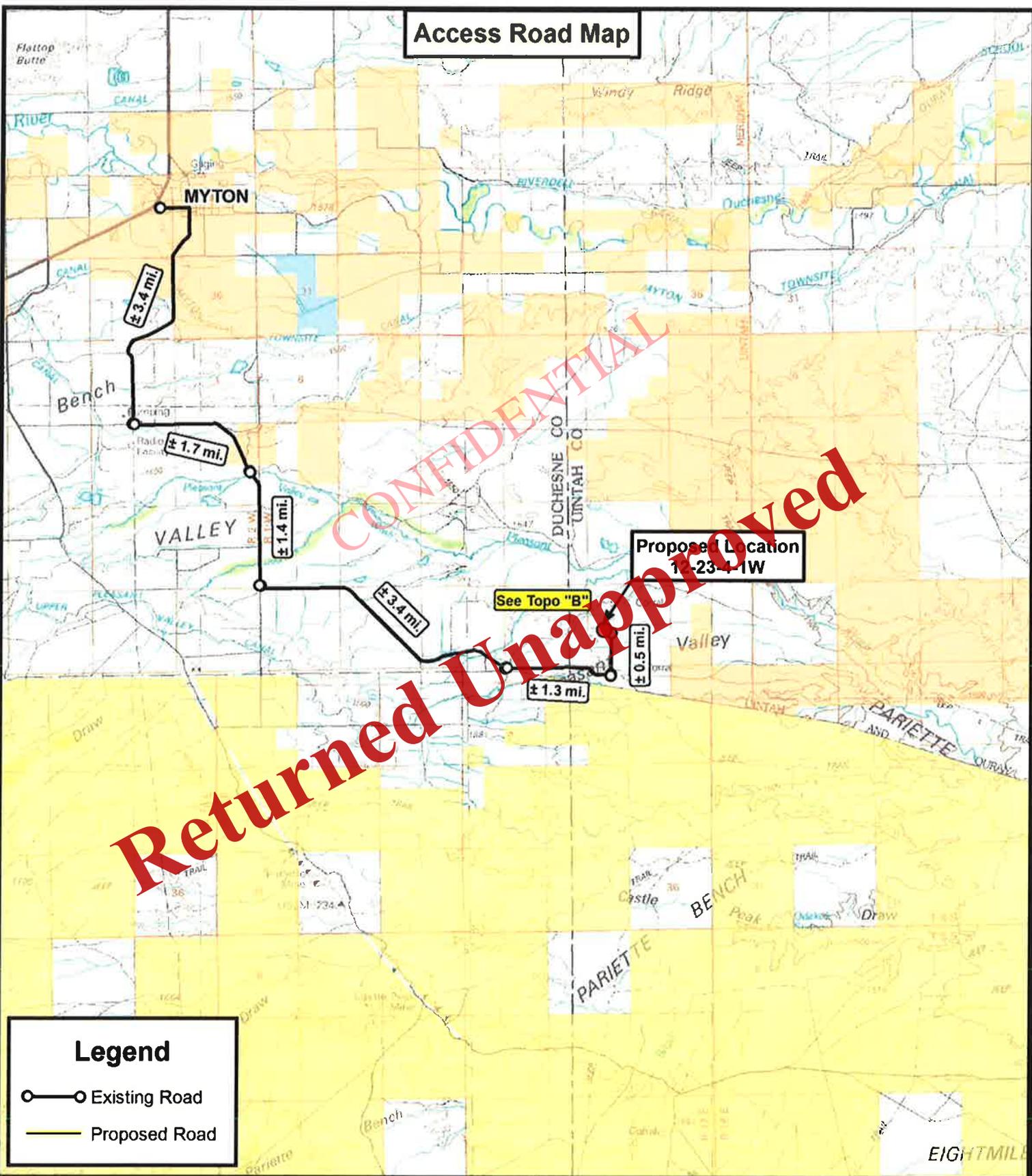
### TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078  
 (435) 781-2501

DATE SURVEYED: 12-10-10	SURVEYED BY: D.G.
DATE DRAWN: 12-20-10	DRAWN BY: M.W.
REVISED:	SCALE: 1" = 1000'

# Access Road Map

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**Legend**

- Existing Road
- Proposed Road

**Tri State**  
**Land Surveying, Inc.**  
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

P: (435) 781-2501  
 F: (435) 781-2518



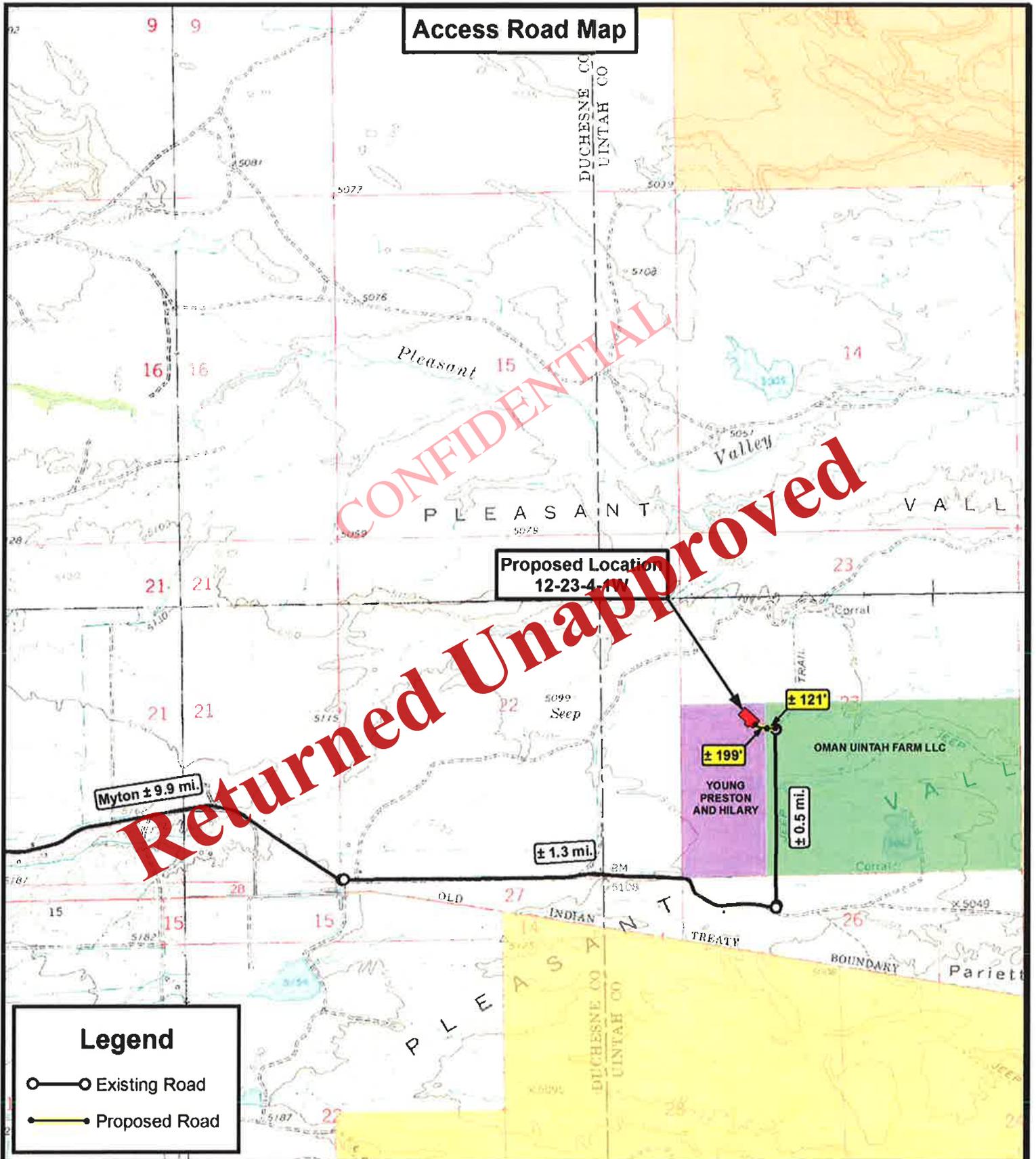
**NEWFIELD EXPLORATION COMPANY**

**12-23-4-1W**  
**SEC. 23, T4S, R1W, U.S.B.&M.**  
**Uintah County, UT.**

DRAWN BY:	C.H.M.
DATE:	01-03-2011
SCALE:	1:100,000

<b>TOPOGRAPHIC MAP</b>	SHEET <span style="font-size: 1.5em; color: red;">A</span>
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# Access Road Map



## Legend

- Existing Road
- Proposed Road



**Tri State  
Land Surveying, Inc.**

180 NORTH VERNAL AVE. VERNAL, UTAH 84078

P: (435) 781-2501  
F: (435) 781-2518



## NEWFIELD EXPLORATION COMPANY

12-23-4-1W  
SEC. 23, T4S, R1W, U.S.B.&M.  
Uintah County, UT.

DRAWN BY:	C.H.M.
DATE:	01-03-2011
SCALE:	1" = 2,000'

**TOPOGRAPHIC MAP**

SHEET  
**B**

# Proposed Pipeline Map

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**Proposed Location  
12-23-4-1W**

Tie in at Proposed  
Waterline

Tie in at Proposed  
Gas Pipeline

Tie in at Proposed  
Flowline

± 213'

± 225'

± 165'

± 168'

## Legend

- Existing Road
- Proposed Waterline
- Proposed Gas Pipeline
- Proposed Flowline



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F: (435) 781-2518



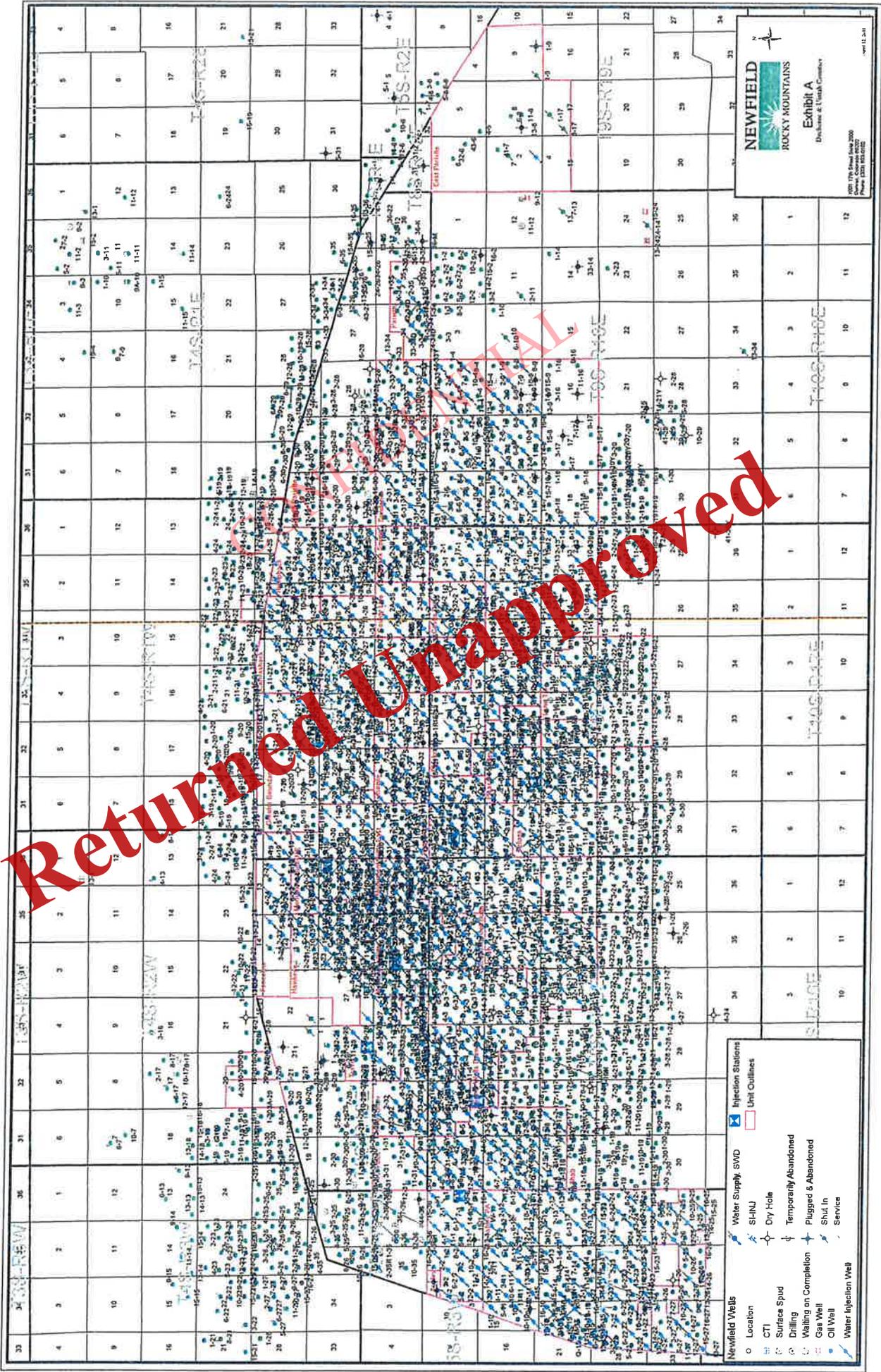
## NEWFIELD EXPLORATION COMPANY

**12-23-4-1W  
SEC. 23, T4S, R1W, U.S.B.&M.  
Uintah County, UT.**

DRAWN BY:	C.H.M.
DATE:	01-03-2011
SCALE:	1" = 2,000'

**TOPOGRAPHIC MAP**

SHEET  
**C**



**Exhibit "B" Map**

**Proposed Location  
12-23-4-1W**

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**Legend**

-  1 Mile Radius
-  Proposed Location

**Tri State**  
**Land Surveying, Inc.**  
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

P: (435) 781-2501  
F: (435) 781-2518



**NEWFIELD EXPLORATION COMPANY**

**12-23-4-1W**  
**SEC. 23, T4S, R1W, U.S.B.&M.**  
**Uintah County, UT.**

DRAWN BY: C.H.M.  
DATE: 01-03-2011  
SCALE: 1" = 2,000'

**TOPOGRAPHIC MAP**

SHEET  
**D**

**AFFIDAVIT OF EASEMENT, RIGHT-OF-WAY AND  
SURFACE USE AGREEMENT**

Roxann Eveland personally appeared before me, being duly sworn, deposes and with respect to State of Utah R649-3-34.7 says:

1. My name is Roxann Eveland. I am a Landman for Newfield Production Company, whose address is 1001 17<sup>th</sup> Street, Suite 2000, Denver, CO 80202 ("Newfield").
2. Newfield is the Operator of the proposed Alderson 12-23-4-1 well to be located in the NWSW of Section 23, Township 4 South, Range 1 West, Uintah County, Utah (the "Drillsite Location"). The surface owner of the Drillsite Location is Preston and Hilary Young, whose address is PO Box 362, Myton, UT 84052 ("Surface Owner").
3. Newfield and the Surface Owner have agreed upon an Easement, Right-of-Way and Surface Use Agreement dated July 17, 2011 covering the Drillsite Location and access to the Drillsite Location.

FURTHER AFFIANT SAYETH NOT.

Roxann Eveland

Returned Unapproved

ACKNOWLEDGEMENT

STATE OF COLORADO           §  
  §  
COUNTY OF DENVER         §

Before me, a Notary Public, in and for the State, on this 19th day of July, 2011, personally appeared Roxann Eveland, to me known to be the identical person who executed the foregoing instrument, and acknowledged to me that she executed the same as her own free and voluntary act and deed for the uses and purposes therein set forth.

Alan D. Wild  
NOTARY PUBLIC

My Commission Expires



NEWFIELD PRODUCTION COMPANY  
ALDERSON 12-23-4-1W  
NW/SW SECTION 23, T4S, R1W  
DUCHESNE COUNTY, UTAH

THIRTEEN POINT SURFACE PROGRAM

1. EXISTING ROADS

See attached **Topographic Map “A”**

To reach Newfield Production Company well location site Alderson 12-23-4-1W located in the NW¼ SW¼ Section 23, T4S, R1W, S.L.B. & M., Duchesne County, Utah:

Proceed in a southerly direction out of Myton, Utah approximately 3.4 miles to it's junction with and existing road to the east; proceed in a easterly direction approximately 1.7 miles to it's junction with an existing road to the south; proceed in a southerly direction approximately 1.4 miles to it's junction with an existing road to the east; proceed in a southeasterly direction approximately 4.7 miles to it's junction with an existing road to the north; proceed in a northerly direction approximately 0.5 miles to it's junction with the beginning of the proposed access road; proceed along the proposed access road approximately 320' to the proposed well location.

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

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

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

2. PLANNED ACCESS ROAD

Approximately 320' of access road is proposed. See attached **Topographic Map “B”**.

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

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

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

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

3. **LOCATION OF EXISTING WELLS**

Refer to **EXHIBIT B**.

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

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

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

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

Tank batteries will be built to State specifications.

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

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

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

Johnson Water District  
Water Right : 43-10136

Maurice Harvey Pond  
Water Right: 47-1358

Neil Moon Pond  
Water Right: 47-11787

Newfield Collector Well  
Water Right: 47-1817 (A30414DVA, contracted with the Duchesne County Conservancy District).

There will be no water well drilled at this site

6. **SOURCE OF CONSTRUCTION MATERIALS**

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

A mineral material application is not required for this location.

7. **METHODS FOR HANDLING WASTE DISPOSAL**

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

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

A portable toilet will be provided for human waste.

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

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

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

8. **ANCILLARY FACILITIES:**

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

9. **WELL SITE LAYOUT:**

See attached Location Layout Sheet.

**Fencing Requirements**

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

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

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

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

a) **Producing Location**

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

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

b) **Dry Hole Abandoned Location**

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

11. **SURFACE OWNERSHIP: Preston and Hilary Young.**

See attached Affidavit of Easement, Right of Way, and Surface Use Agreement.

12. **OTHER ADDITIONAL INFORMATION:**

Newfield Production Company requests 320' of planned access road to be granted. **Refer to Topographic Map "B"**. Newfield Production Company requests 376' of surface gas line to be granted. Newfield Production Company requests 355' of buried water line to be granted.

It is proposed that the disturbed area will be 60' wide to allow for construction of the proposed access road, a 10" or smaller gas gathering line, a 3" poly fuel gas line, a buried 3" steel water injection line and a buried 3" poly water return line. The planned access road will consist of a 18' permanent running surface (9' either side of the centerline) crowned and ditched in order to handle any run-off from any precipitation events that are prevalent to this area. The maximum grade will be less than 8%. There will be no culverts required along this access road. There will be turnouts as needed along this road to allow for increases in potential traffic issues. There are no fences encountered along this proposed road. There will be no new gates or cattle guards required. All construction material for this access road will be borrowed material accumulated during construction of the access road.

Both the proposed surface gas and buried water lines will tie in to the existing pipeline infrastructure. **Refer to Topographic Map "C."** The proposed water pipelines will be buried in a 4-5' deep trench constructed with a trencher or backhoe for the length of the proposal. The equipment will run on the surface and not be flat bladed to minimize surface impacts to precious topsoil in these High Desert environments. If possible, all proposed surface gas pipelines will be installed on the same side of the road as existing gas lines. The construction phase of the planned access road, proposed gas lines and proposed water lines will last approximately (5) days.

In the event that the proposed well is converted to a water injection well, a Sundry Notice form will be applied for through the State of Utah DOGM.

**Surface Flow Line**

Newfield requests 396' of surface flow line be granted. The Surface Flow Line will consist of up to a 14" bundled pipe consisting of 2-2" poly glycol lines and 1-3" production line. For all new wells, Newfield. Refer to Topographic Map "C" for the proposed location of the proposed flow line. Flow lines will be tan and will be constructed using the following procedures:

**Clearing and Grading:** No clearing or grading of the ROW will be required. The centerline of the proposed route will be staked prior to installation. Flow lines shall be placed as close to existing roads as possible without interfering with normal road travel or road maintenance activities. Due to the proximity of existing facilities, no temporary use or construction/storage areas are anticipated. If necessary, temporary use or construction/storage areas will be identified on a topographic map included in the approved permit.

**Installation:** The proposed flow lines will be installed 4-6" above the ground. For portions along existing two-track and primary access roads, lengths of pipe will be strung out in the borrow ditch, welded together, and rolled or dragged into place with heavy equipment. For pipelines that are installed cross-country (not along existing or proposed roads), travel along the lines will be infrequent and for maintenance needs only. No installation activities will be performed during periods when the soil is too wet to adequately support installation equipment. If such equipment creates ruts in excess of three (3) inches deep, the soil will be deemed too wet to adequately support the equipment.

**Termination and Final Reclamation:** After abandonment of the associated production facilities, the flow lines will be cut and removed, and any incidental surface disturbance reclaimed. Reclamation procedures will follow those outlined in the Castle Peak and Eight Mile Flat Reclamation and Weed Management Plan.

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

#### **Additional Surface Stipulations**

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

#### **Hazardous Material Declaration**

Newfield Production Company guarantees that during the drilling and completion of the Alderson 12-23-4-1W, Newfield will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986. Newfield also guarantees that during the drilling and completion of the Alderson 12-23-4-1W Newfield will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

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

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

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

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

Representative

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

Certification

Please be advised that Newfield Production Company is considered to be the operator of well #12-23-4-1W, NW/SW Section 23, T4S, R1W, Duchesne County, Utah and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Bond #B001834.

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

7/20/11  
Date

\_\_\_\_\_  
Mandie Crozier  
Regulatory Analyst  
Newfield Production Company

**CONFIDENTIAL**  
**Returned Unapproved**

# 2-M SYSTEM

Blowout Prevention Equipment Systems

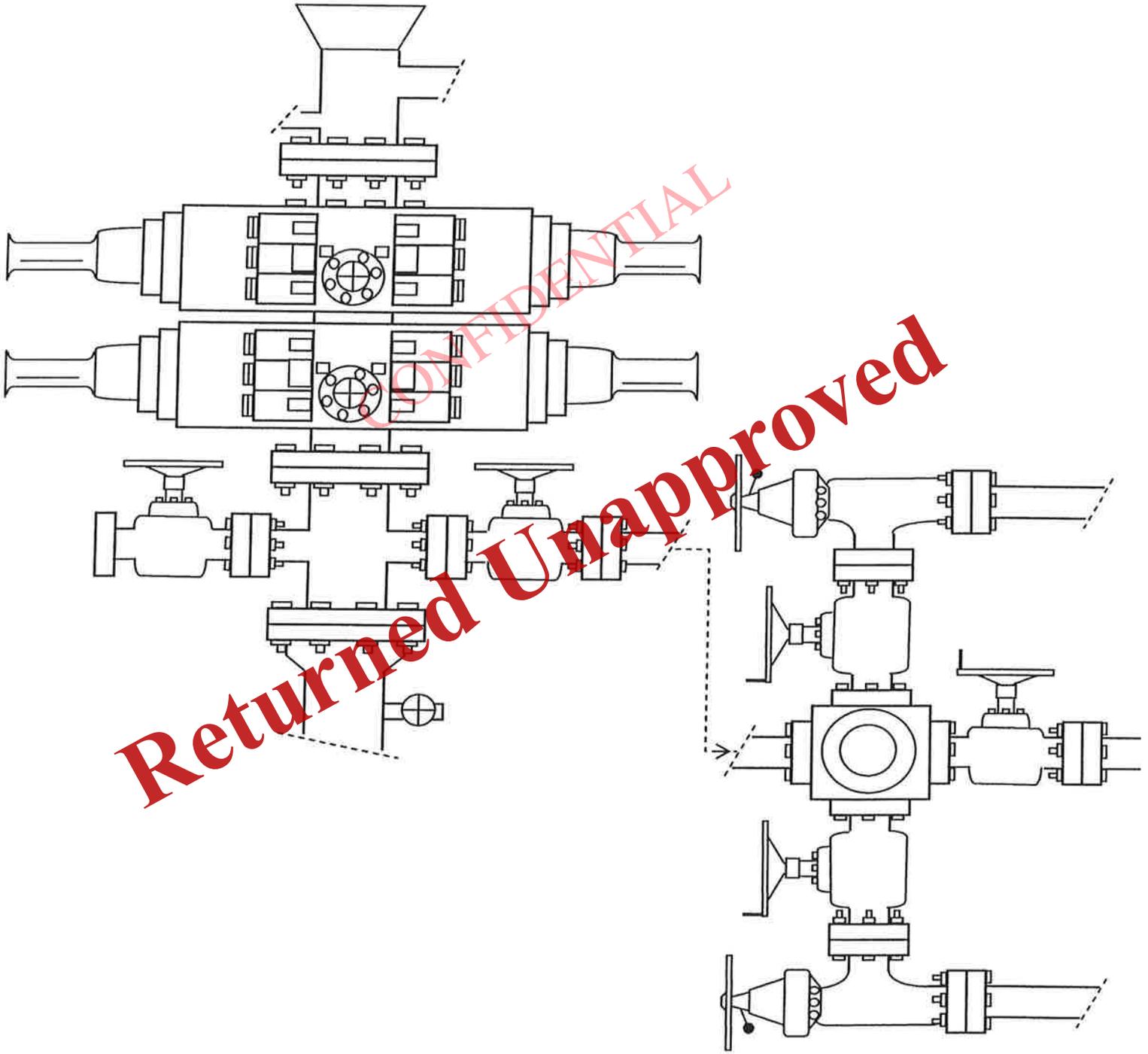


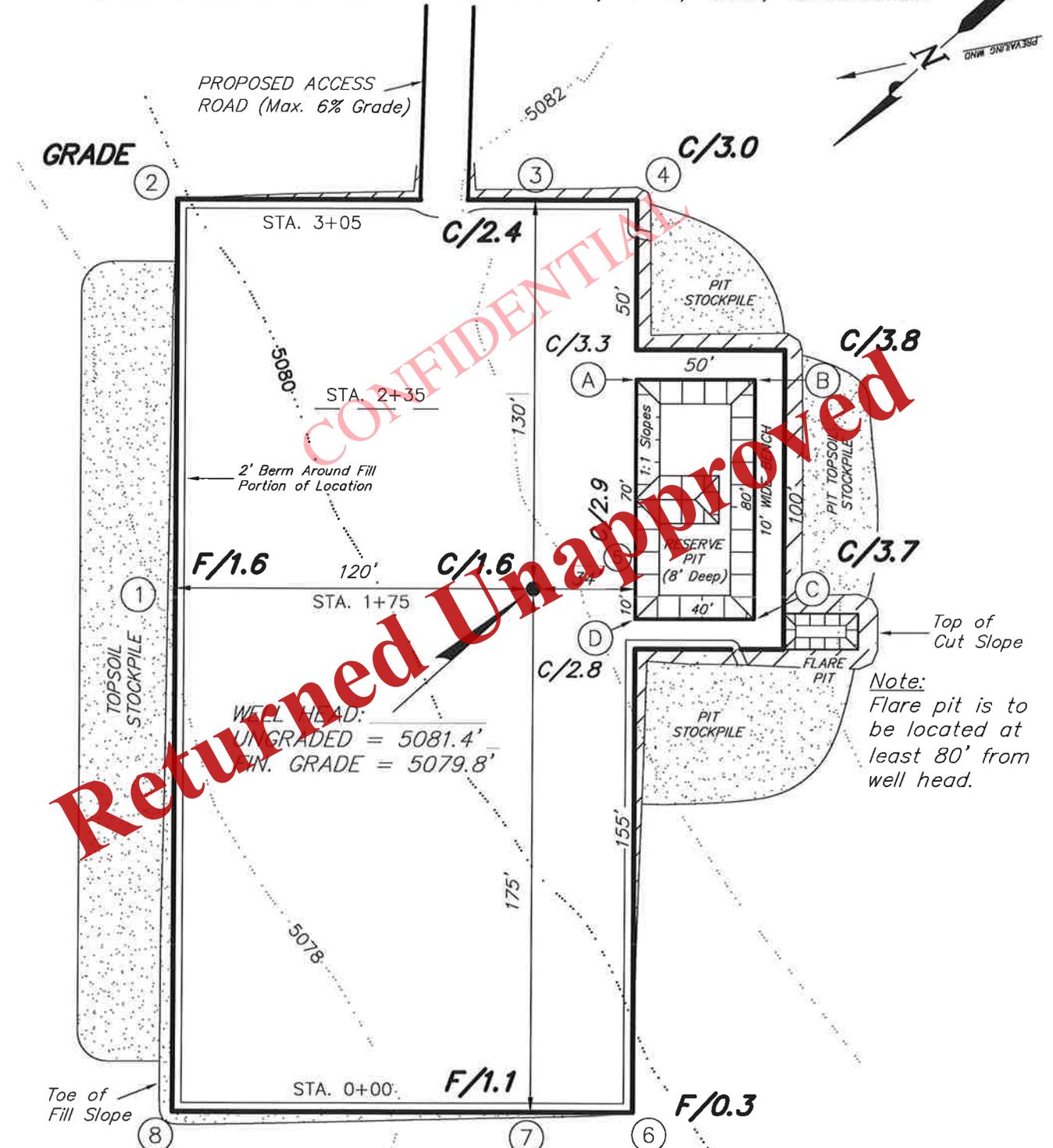
EXHIBIT C

# NEWFIELD EXPLORATION COMPANY

## LOCATION LAYOUT

12-23-4-1W

Pad Location: NWSW Section 23, T4S, R1W, U.S.B.&M.



CONFIDENTIAL  
Returned Unapproved

**Note:**  
Flare pit is to be located at least 80' from well head.

REFERENCE POINTS	
225' NORTHWEST	5078.4'
275' NORTHWEST	5078.7'
170' NORTHEAST	5076.8'
220' NORTHEAST	5075.5'

SURVEYED BY: D.G.	DATE SURVEYED: 12-10-10
DRAWN BY: M.W.	DATE DRAWN: 12-20-10
SCALE: 1" = 50'	REVISED:

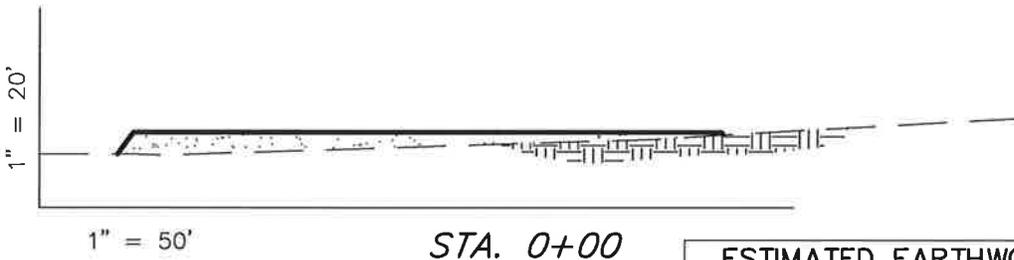
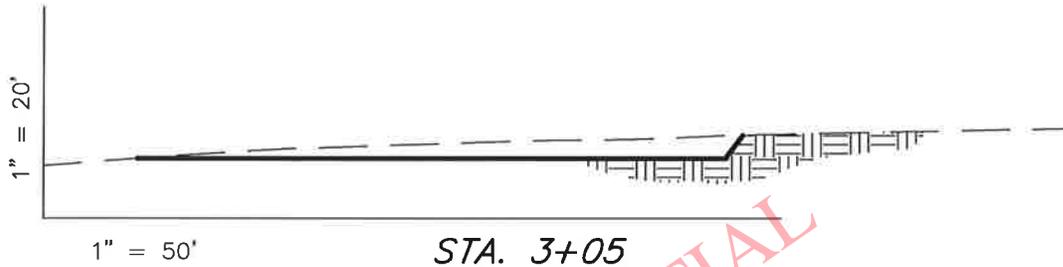
**Tri State** (435) 781-2501  
 Land Surveying, Inc.  
 180 NORTH VERNAL AVE. VERNAL, UTAH 84078

# NEWFIELD EXPLORATION COMPANY

## CROSS SECTIONS

12-23-4-1W

Pad Location: NWSW Section 23, T4S, R1W, U.S.B.&M.



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

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

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	1,580	1,580	Topsil is not included in Pad Cut	0
PIT	640	0		640
TOTALS	2,220	1,580	1,040	640

SURVEYED BY: D.G.	DATE SURVEYED: 12-10-10
DRAWN BY: M.W.	DATE DRAWN: 12-20-10
SCALE: 1" = 50'	REVISED:

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

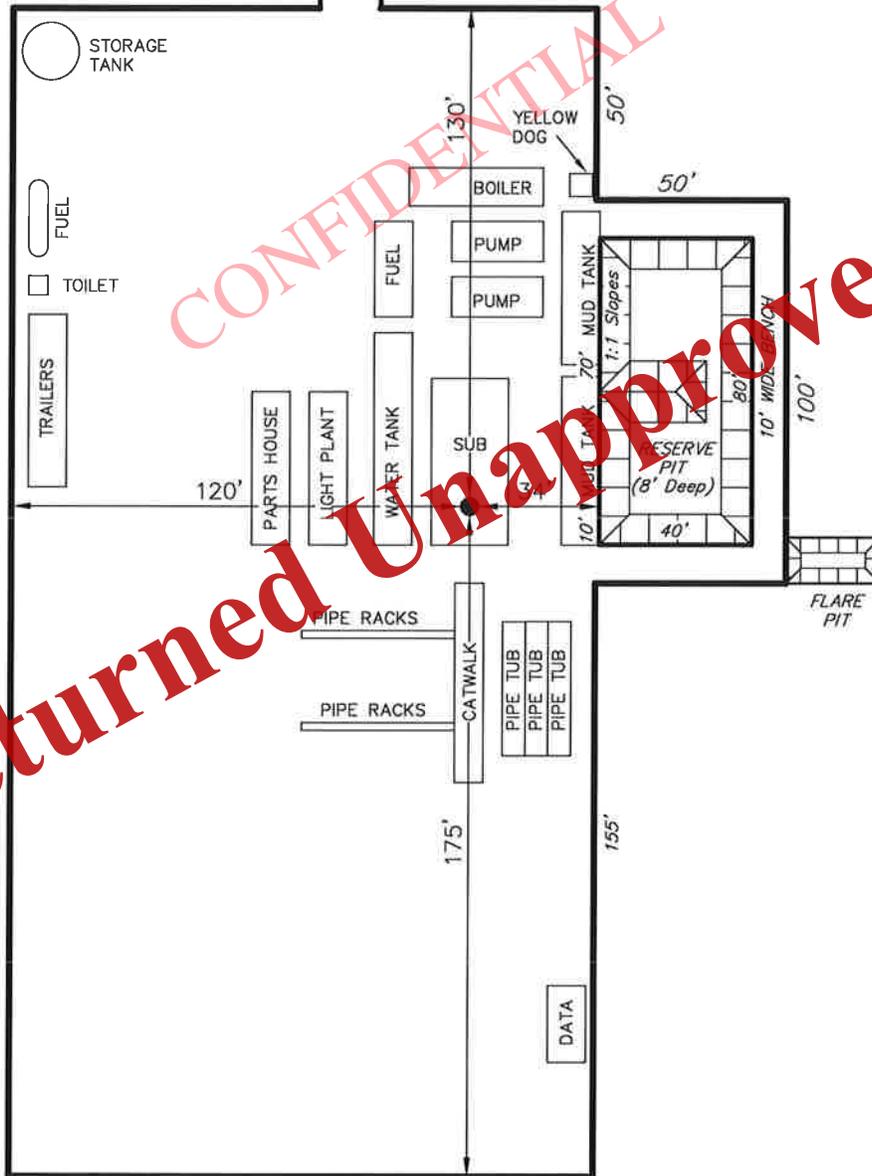
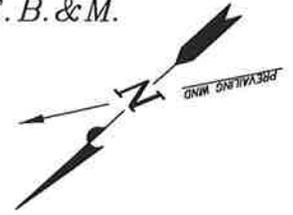
# NEWFIELD EXPLORATION COMPANY

## TYPICAL RIG LAYOUT

12-23-4-1W

Pad Location: NWSW Section 23, T4S, R1W, U.S.B.&M.

PROPOSED ACCESS ROAD (Max. 6% Grade)



SURVEYED BY: D.G.	DATE SURVEYED: 12-10-10
DRAWN BY: M.W.	DATE DRAWN: 12-20-10
SCALE: 1" = 50'	REVISED:

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

# NEWFIELD



Route #3 Box 3630  
Myton, Utah 84052  
(435) 646-4825, FAX: (435) 646-3031

July 20, 2011

State of Utah  
Division of Oil, Gas & Mining  
Attn: Diana Mason  
1594 West North Temple - Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill  
Alderson, 12-23-4-1W

Dear Diana,

The above mentioned location is an **Exception Location**. Our Land Department will send you the required exception location letter. If you have any questions, feel free to give either Tim Eaton or myself a call.

Sincerely,

A handwritten signature in blue ink that reads "Mandie Crozier".

Mandie Crozier  
Regulatory Specialist

CONFIDENTIAL  
Returned Unapproved



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*

July 27, 2011

NEWFIELD PRODUCTION  
COMPANY  
Rt 3 Box 3630  
Myton, UT 84052

Re: Application for Permit to Drill - UINTAH County, Utah

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the Alderson 12-23-4-1W well, API 43013508900000 that was submitted July 20, 2011 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

Should you have any questions regarding this matter, please call me at (801) 538-5312.

Sincerely,

Diana Mason  
Environmental Scientist

Enclosure

cc: Bureau of Land Management, Vernal, Utah