

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>						1. WELL NAME and NUMBER WPS 5-1-5-5								
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 WILDCAT								
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME								
6. NAME OF OPERATOR APPALOOSA OPERATING COMPANY LLC						7. OPERATOR PHONE 832 419-0889								
8. ADDRESS OF OPERATOR 1776 Woodstead Ct., Suite 121, The Woodlands, TX, 77380						9. OPERATOR E-MAIL BPosey@AppaloosaEnergy.com								
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>								
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Utah Division of Wildlife Resources						14. SURFACE OWNER PHONE (if box 12 = 'fee')								
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 1594 West North Temple, Suite 2110, Salt Lake City, UT 84114						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		1977 FNL 680 FWL		SWNW				5.0 S		5.0 W		U		
Top of Uppermost Producing Zone		1977 FNL 680 FWL		SWNW		1		5.0 S		5.0 W		U		
At Total Depth		1977 FNL 680 FWL		SWNW		1		5.0 S		5.0 W		U		
21. COUNTY DUCHESTER			22. DISTANCE TO NEAREST LEASE LINE (Feet) 000			23. NUMBER OF ACRES IN DRILLING UNIT 40								
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For, Drilling, or Completed) 6691			26. PROPOSED DEPTH MD: 6650 TVD: 6650								
27. ELEVATION - GROUND LEVEL 6390			28. BOND NUMBER 0279605707			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 492204								
<b>Hole, Casing, and Cement Information</b>														
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight				
SURF	12.25	8.625	0 - 680	24.0	J-55 ST&C	8.6	Class G	325	1.15	15.8				
PROD	7.875	5.5	0 - 6650	15.5	J-55 LT&C	8.9	Hi Lift "G"	180	3.82	11.0				
							50/50 Poz	507	1.26	14.2				
<b>ATTACHMENTS</b>														
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 Shirl Ames				TITLE Document Control Specialist				PHONE 307 675-6400						
SIGNATURE				DATE 07/18/2012				EMAIL Shirl.Ames@woodgroup.com						
API NUMBER ASSIGNED 43013515830000				APPROVAL   Permit Manager										

## APPALOOSA OPERATING COMPANY, LLC

WPS 5-1 5-5

Surface Location: SW ¼, NW ¼, 1,977' FNL 680' FWL, Section 1, T5S, R5W, U.S.B. &amp;M.

Duchesne County, UT

ONSHORE ORDER NO.1

DRILLING PROGRAM**1,2 Estimated Tops of Geological Markers and Formations Expected to Contain Water, Oil and Gas, and Other Minerals.****FORMATION****Measured Depth**

Uinta Fm	On Surface
Green River Fm	2060'
Mahogany	2740'
* Garden Gulch Mbr	3790'
*Douglas Creek Mbr	4530'
*Castle Peak Mbr	5490'
*Uteland Butte Mbr.	5935'
Wasatch	6360'
TD	6650'

\* PROSPECTIVE PAY

**3 Pressure Control Equipment (Schematic attached)**

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc. A 2M system will be utilized. The attached diagram depicts the use of an annular in conjunction with double rams. However, an annular, double rams, or both may be used depending on the drilling rig contracted. Chart recorders will be used for all pressure tests.

Test Charts with individual test results identified, shall be maintained on location while drilling and shall be made available to a representative upon request.

All required BOP tests and/or drills shall be recorded in the IADC report.

The anticipated bottom hole pressure will be less than 2,000 psi.

Appaloosa Operating Company, LLC  
WPS 5-1-5-5

Drilling Program  
Duchesne County, Utah

#### 4 Proposed Casing and Cementing Program

The proposed Casing Program will be as follows:

Purpose	Depth	Hole Size	Casing Size	Type	Connection	Weight
Surface	680'	12.25"	8.625"	J-55	ST&C	24#
Production	6650'	7.875"	5.5"	J-55	LT&C	15.5#

Surface	Fill	Type and Amount
0'-680'	680'	Approximately 325 sks Class "G" (Type III) cement + additives or a similar slurry with a minimum weight of 15.8 ppg and approximate yield of 3.15 cf/sk, minimum 24 hr compressive strength = 500 psi (Cement will be circulated to surface and topped off, if necessary.)
Production	Type and Amount	
0' - 3500'	Approximately 180 sks HiFill Lead Cement + additives or a similar slurry with a minimum weight of 11.0 ppg and approximate yield of 3.82 cf/sk	
3500' - 6650'	Approximately 507 sks 50/50 Poz tail Cement + additives or a similar slurry with a minimum weight of 14.2 ppg and approximate yield of 1.26 cf/sk	

For production casing, actual cement volumes will be determined from the caliper log plus a minimum of 15% excess.

#### 5 Drilling Fluids Program

Interval	Weight	Viscosity	Fluid Loss	Remarks
0'-680'	8.3-8.6	27-40	NC	Spud Mud
680' - TD	8.6-8.9	27-40	NC	KCL Water

Appaloosa Operating Company, LLC will use either a Manual or Electronic drilling fluid monitoring system on all well sites.

#### 6 Evaluation Program

Appaloosa Operating Company, LLC  
WPS 5-1-5-5

Drilling Program  
Duchesne County, Utah

Logging Program:	HRI-GR-SP with SDL-DSN-PE: surface casing to TD. Preserve samples from all show intervals.
Sampling:	10' dry cut samples: Garden Gulch to TD. Preserve samples from all show intervals.
Surveys:	As deemed necessary
Mud Logger:	As deemed necessary
Drill Stem Tests:	As deemed necessary
Cores:	As deemed necessary

**7 Abnormal Conditions**

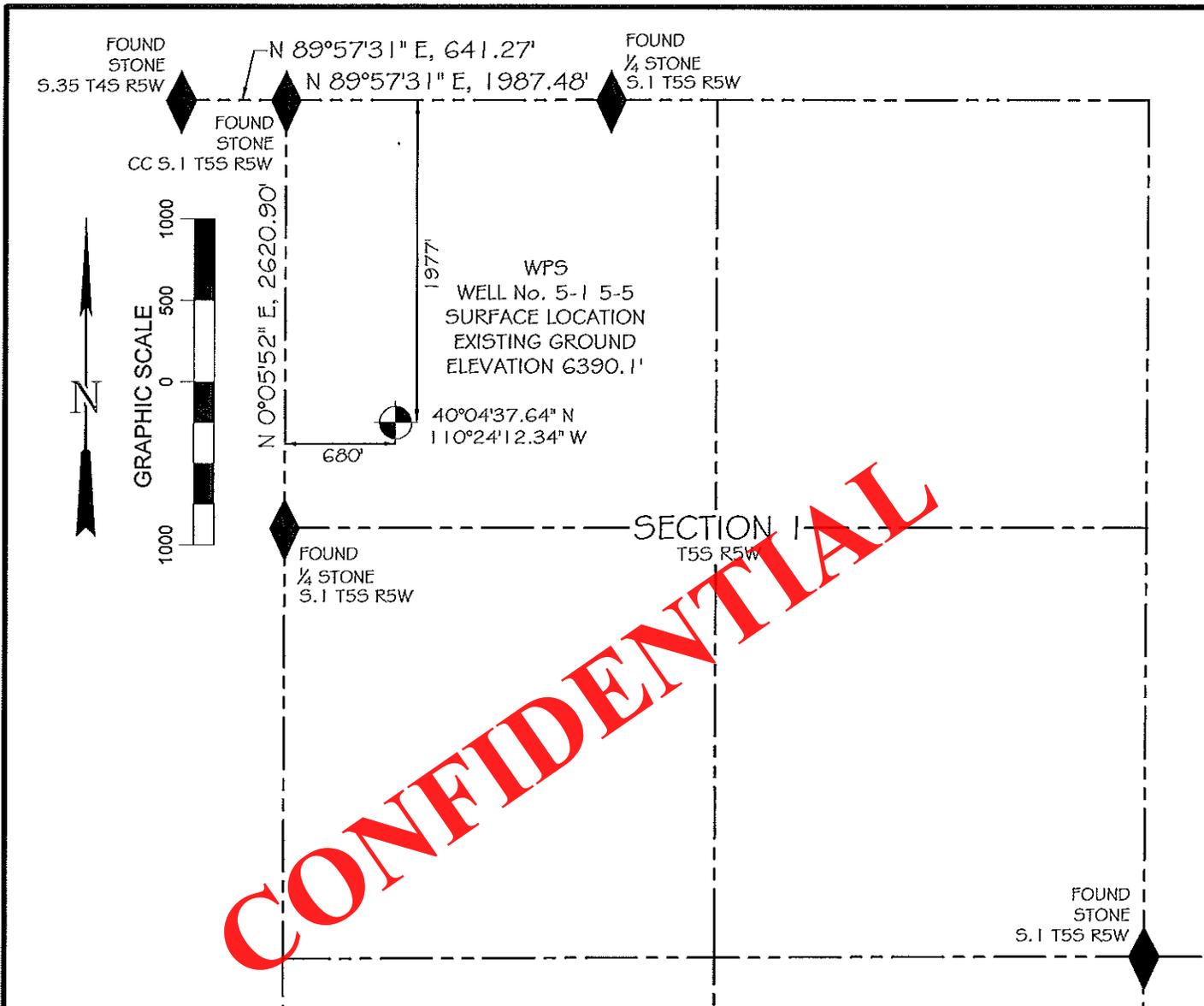
No abnormal temperatures or pressures or other hazards are anticipated.

**8 Anticipated Starting Dates and Notification of Operations**

Drilling Activity:

Anticipated Commencement Date:	Upon approval of the APD.
Drilling Days:	Approximately 7 days.
Completion Days:	Approximately 6 days

**CONFIDENTIAL**



BASIS OF BEARING

Geodetic North at CP WOOD  
 40°04'04.86465" N, 110°23'05.75067" W (NAD 83)

BASIS OF ELEVATION

NAVD 88 using Geoid 09

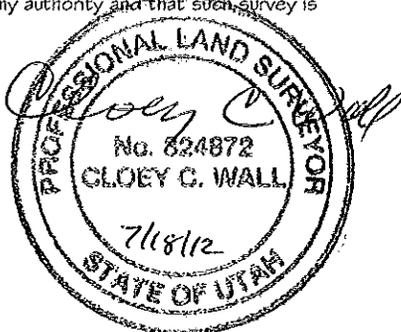
SURVEY NOTE

The Northwest Closing Corner of S. 1 T5S, R5W USB#M is a found stone that lands in the true position of the NW corner of Section 1.

**CERTIFICATE OF SURVEYOR**

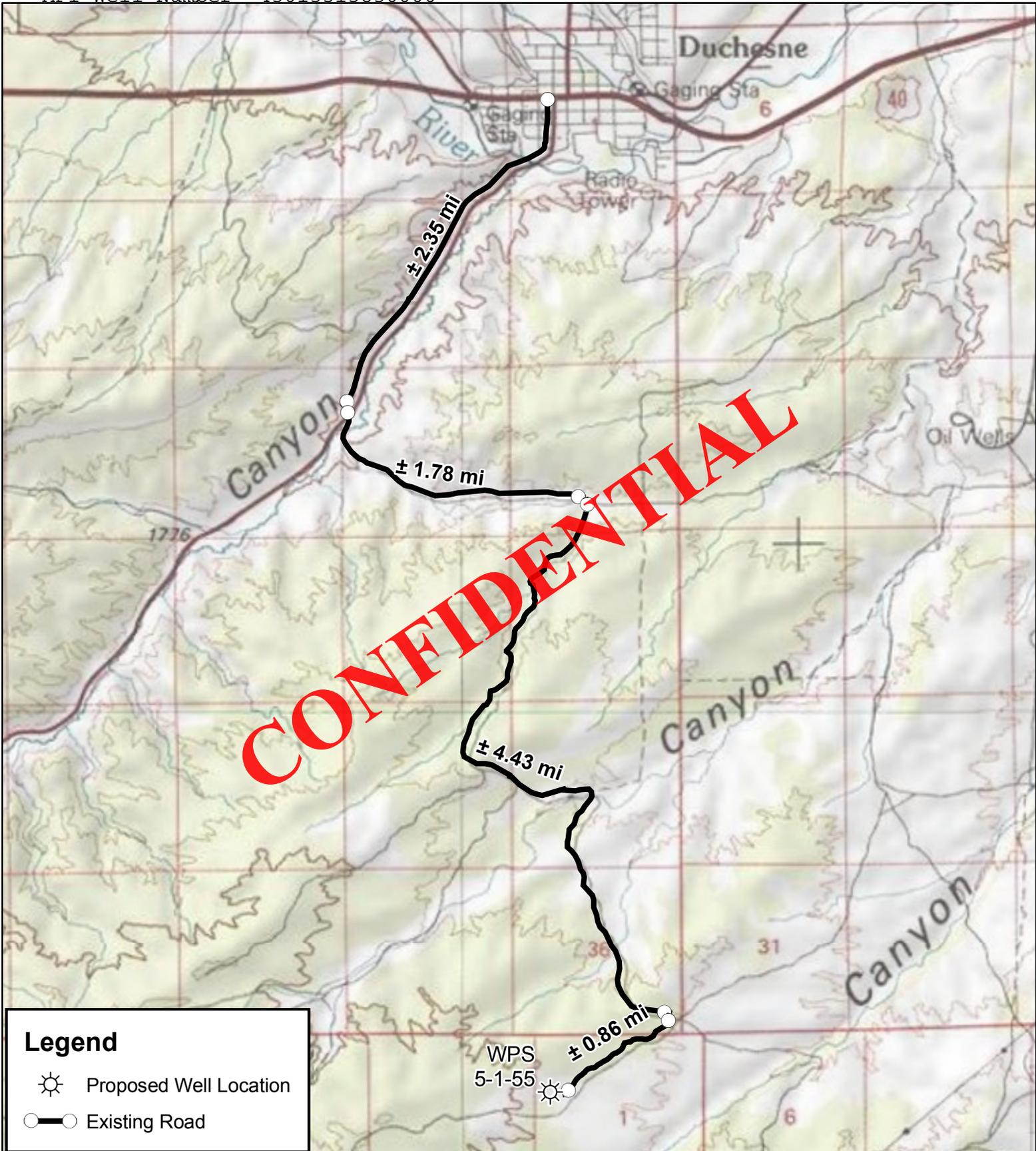
STATE of WYOMING )  
 COUNTY of UINTA ) ss

I, Cloey C. Wall, of Uinta Engineering and Surveying, Inc. hereby state that I am by occupation a Professional Land Surveyor employed by the Wood Group PSN to make the survey of the well described and shown on this plat; that the survey of said works was made under my supervision and under my authority and that such survey is accurately represented hereon.



Map to ACCOMPANY  
 APPLICATION FOR for PERMIT to DRILL  
 WPS WELL No. 5-1 5-5  
 1977' FNL, 680' FWL  
 SECTION 1, T5S, R5W, USB#M  
 DUCHESNE COUNTY, UT





PREPARED FOR:



CREATED BY:



APPALOOSA ENERGY

WPS 5-1-55  
 SEC. 1, T5S, R5W  
 Duchesne County, UT

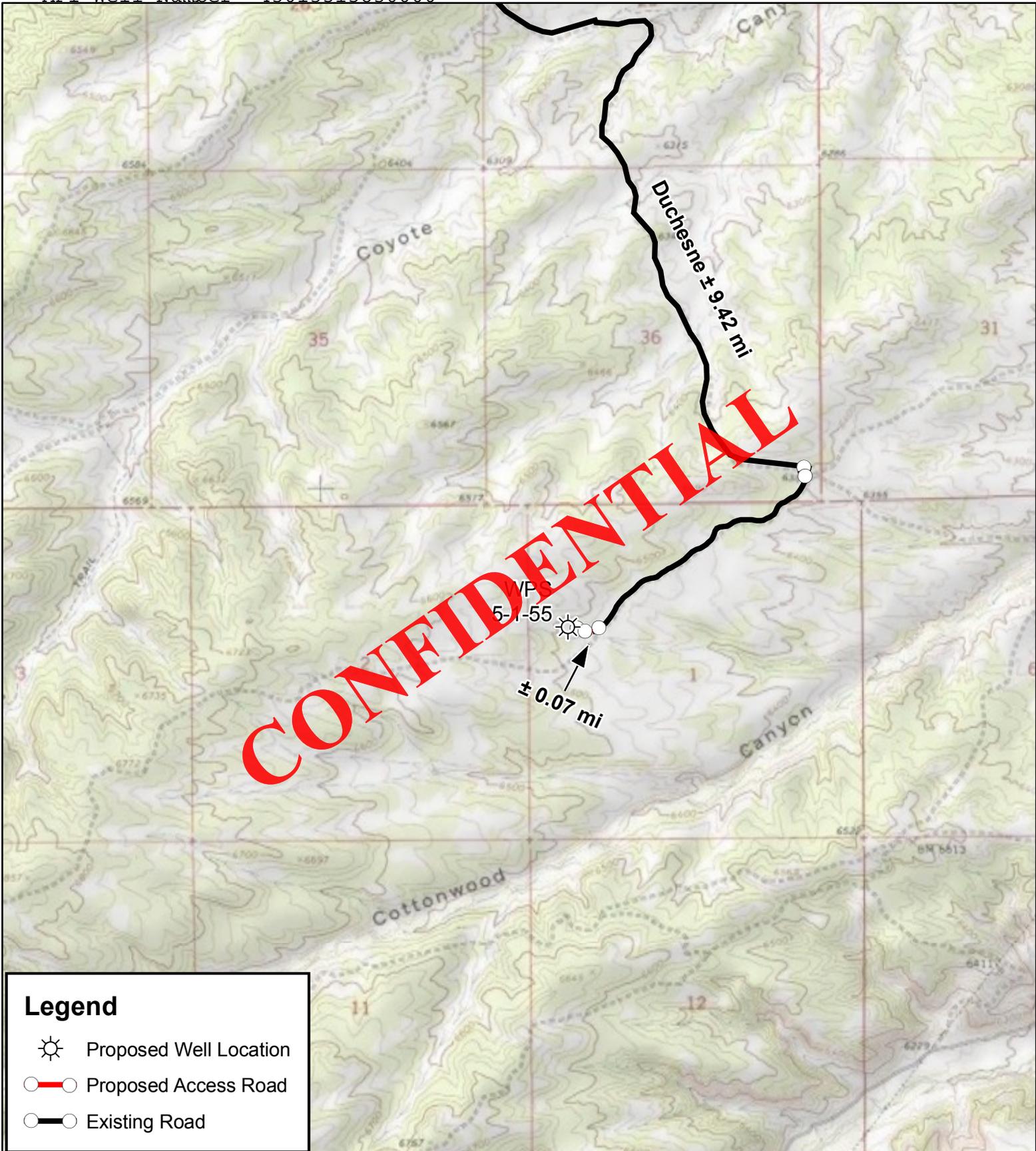
DRAWN BY: MANNY RODRIGUEZ  
 DATE: 7/12/2012  
 SCALE: 1 inch = 4,000 feet

ACCESS ROAD MAP

TOPOGRAPHIC MAP

SHEET A

RECEIVED: July 18, 2012



**Legend**

- Proposed Well Location
- Proposed Access Road
- Existing Road

PREPARED FOR:



CREATED BY:



**APPALOOSA ENERGY**  
 WPS 5-1-55  
 SEC. 1, T5S, R5W  
 Duchesene County, UT

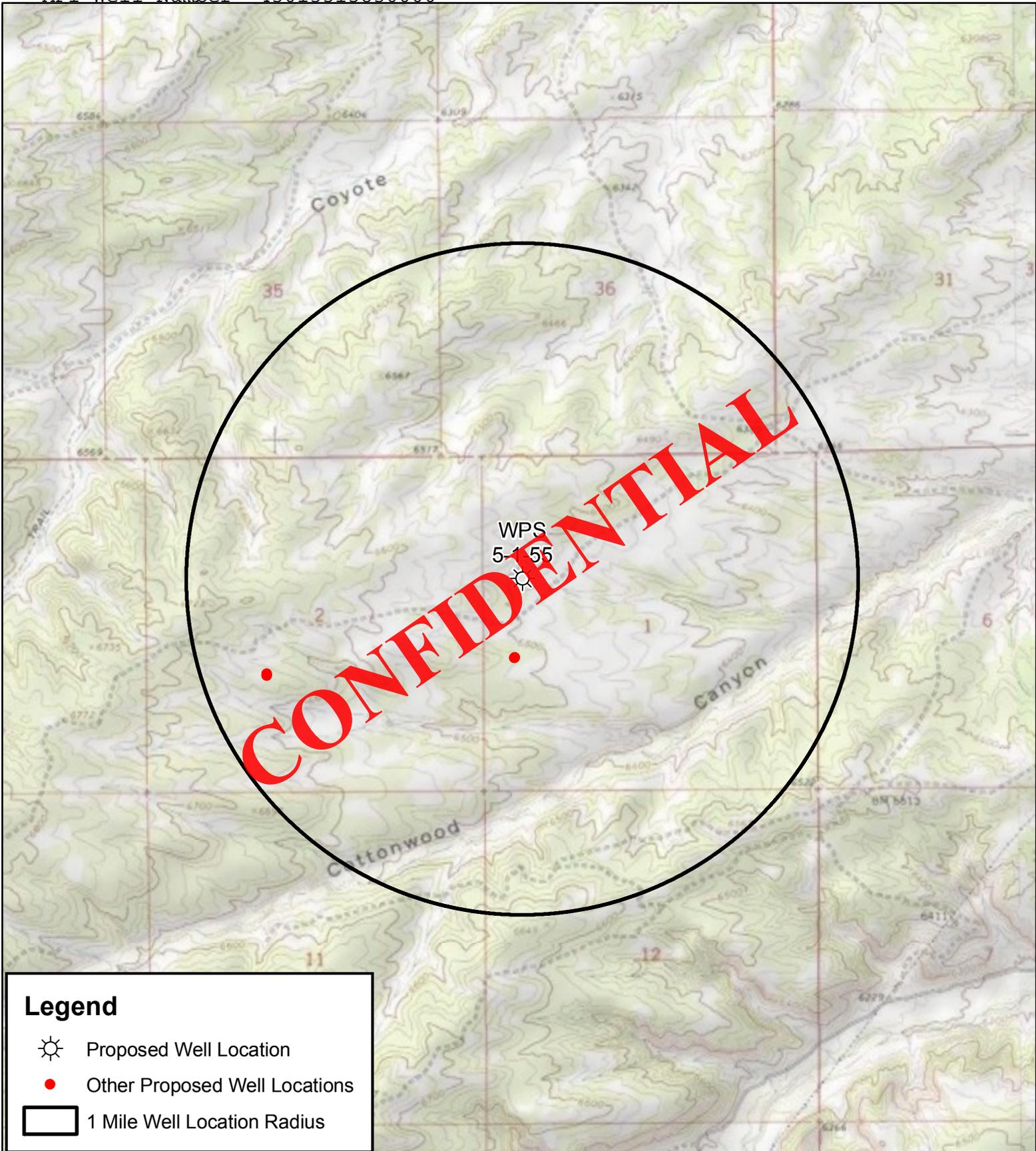
DRAWN BY: MANNY RODRIGUEZ  
 DATE: 7/12/2012  
 SCALE: 1 inch = 2,000 feet

ACCESS ROAD MAP

TOPOGRAPHIC MAP

SHEET **B**

RECEIVED: July 18, 2012



**Legend**

-  Proposed Well Location
-  Other Proposed Well Locations
-  1 Mile Well Location Radius

PREPARED FOR:



CREATED BY:



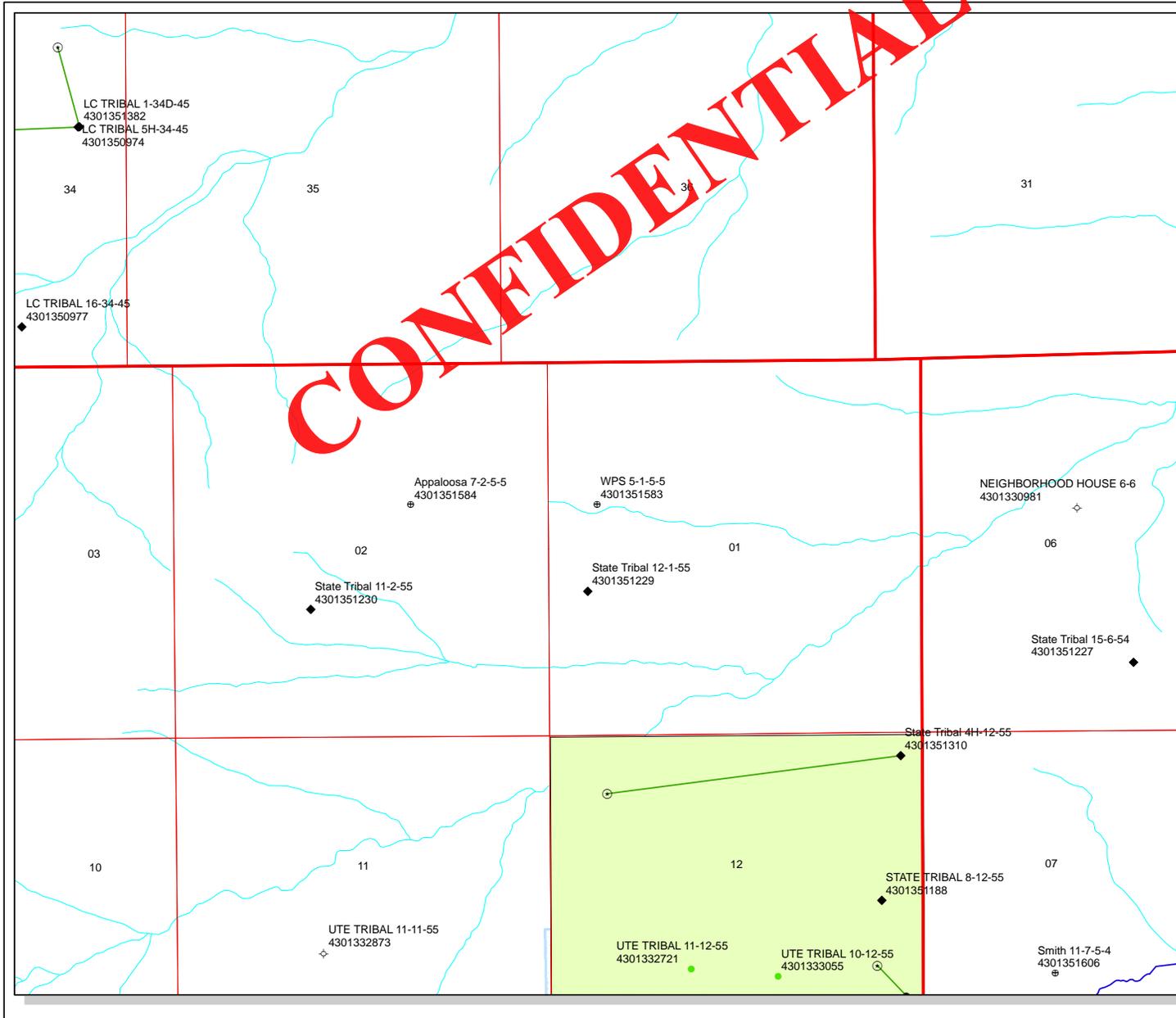
 **APPALOOSA ENERGY**  
 WPS 5-1-55  
 SEC. 1, T5S, R5W  
 Duchesene County, UT

DRAWN BY: MANNY RODRIGUEZ  
 DATE: 7/12/2012  
 SCALE: 1 inch = 2,000 feet

**EXHIBIT B MAP**

**TOPOGRAPHIC MAP** SHEET **D**

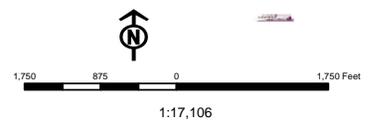
CONFIDENTIAL



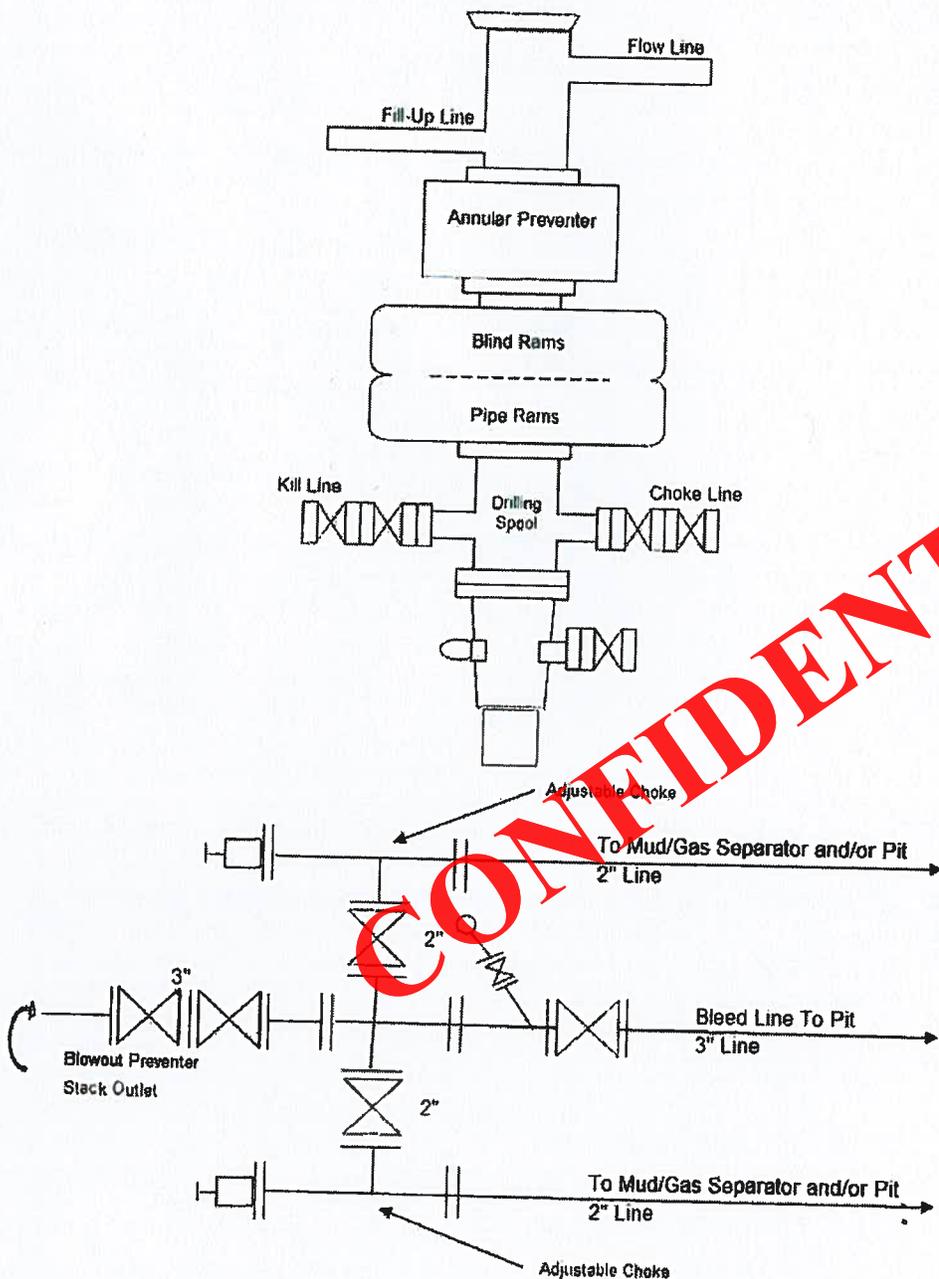
**API Number: 4301351583**  
**Well Name: WPS 5-1-5-5**  
**Township T05.0S Range R05.0W Section 01**  
**Meridian: UBM**  
 Operator: APPALOOSA OPERATING COMPANY LLC

Map Prepared:  
 Map Produced by Diana Mason

- |               |                                     |
|---------------|-------------------------------------|
| <b>Units</b>  | <b>Wells Query</b>                  |
| <b>STATUS</b> | <b>STATUS</b>                       |
| ACTIVE        | APD - Approved Permit               |
| EXPLORATORY   | DRIL - Spudded (Drilling Commenced) |
| GAS STORAGE   | GIW - Gas Injection                 |
| NF PP OIL     | GS - Gas Storage                    |
| NF SECONDARY  | LOC - New Location                  |
| P1 OIL        | OPS - Operation Suspended           |
| PP GAS        | PA - Plugged Abandoned              |
| PP GEOTHERM.  | PGW - Producing Gas Well            |
| PP OIL        | POW - Producing Oil Well            |
| SECONDARY     | SGW - Shut-in Gas Well              |
| TERMINATED    | SOW - Shut-in Oil Well              |
| <b>Fields</b> | TA - Temp. Abandoned                |
| Unknown       | TW - Test Well                      |
| ABANDONED     | WDW - Water Disposal                |
| ACTIVE        | WW - Water Injection Well           |
| COMBINED      | WSW - Water Supply Well             |
| INACTIVE      | Bottom Hole Location - Oil/Gas/Oils |
| STORAGE       |                                     |
| TERMINATED    |                                     |



### SCHEMATIC DIAGRAM OF 2,000 PSI BOP STACK



Well Name	APPALOOSA OPERATING COMPANY LLC WPS 5-1-5-5 43013515830000			
String	SURF	PROD		
Casing Size(")	8.625	5.500		
Setting Depth (TVD)	680	6650		
Previous Shoe Setting Depth (TVD)	0	680		
Max Mud Weight (ppg)	8.6	8.9		
BOPE Proposed (psi)	0	2000		
Casing Internal Yield (psi)	2950	4810		
Operators Max Anticipated Pressure (psi)	2000	5.8		

Calculations	SURF String	8.625	"
Max BHP (psi)	.052*Setting Depth*MW=	304	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	222	NO <input type="checkbox"/> spud mud
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	154	NO <input type="checkbox"/> OK <input type="checkbox"/>
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	154	NO <input type="checkbox"/>
Required Casing/BOPE Test Pressure=		680	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient

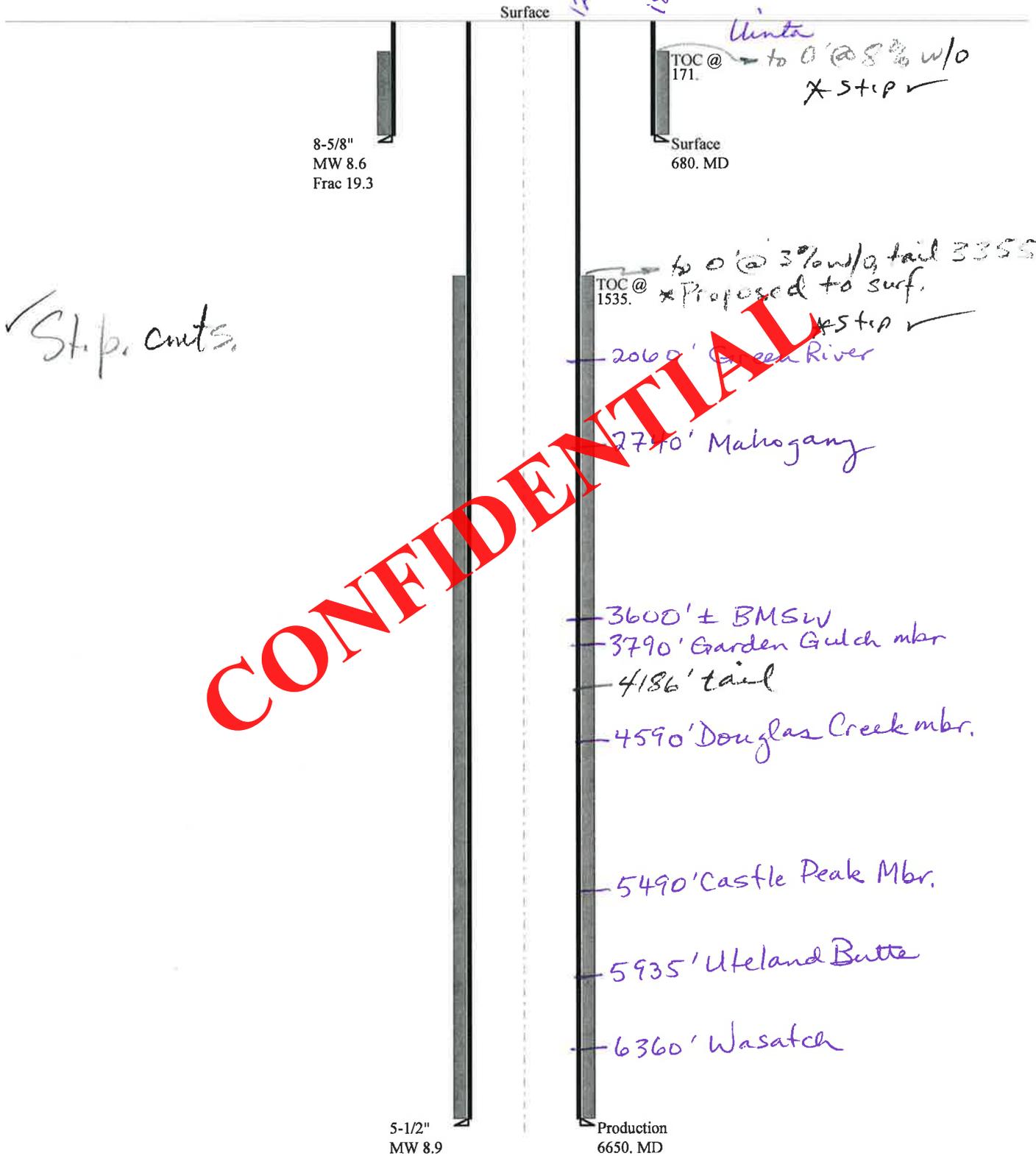
Calculations	PROD String	5.500	"
Max BHP (psi)	.052*Setting Depth*MW=	308	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	2280	NO <input type="checkbox"/>
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	1615	YES <input type="checkbox"/> OK <input type="checkbox"/>
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	1765	NO <input type="checkbox"/> Reasonable <input type="checkbox"/>
Required Casing/BOPE Test Pressure=		2000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		680	psi *Assumes 1psi/ft frac gradient

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

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

# 43013515830000 WPS 5-1-5-5

## Casing Schematic



Well name:	<b>43013515830000 WPS 5-1-5-5</b>		
Operator:	<b>APPALOOSA OPERATING COMPANY LLC</b>		
String type:	Surface	Project ID:	43-013-51583
Location:	DUCHESNE COUNTY		

**Design parameters:**

**Collapse**

Mud weight: 8.600 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 74 °F  
 Bottom hole temperature: 84 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 100 ft

Cement top: 171 ft

**Burst**

Max anticipated surface pressure: 598 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 680 psi

No backup mud specified.

**Tension:**

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

Tension is based on air weight.  
 Neutral point 592 ft

Completion type is subs  
 Non-directional string.

**Re subsequent strings:**

Next setting depth: 6,650 ft  
 Next mud weight: 8.900 ppg  
 Next setting BHP: 3,075 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 680 ft  
 Injection pressure: 680 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	680	8.625	24.00	J-55	ST&C	680	680	7.972	3501
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	304	1370	4.510	680	2950	4.34	16.3	244	14.95 J

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

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

Date: October 2, 2012  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 680 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>43013515830000 WPS 5-1-5-5</b>		
Operator:	<b>APPALOOSA OPERATING COMPANY LLC</b>		
String type:	Production	Project ID:	43-013-51583
Location:	DUCHESNE COUNTY		

**Design parameters:**

**Collapse**

Mud weight: 8.900 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 74 °F  
 Bottom hole temperature: 167 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 100 ft

Cement top: 1,535 ft

**Burst**

Max anticipated surface pressure: 1,612 psi  
 Internal gradient: 0.220 psi/ft  
 Calculated BHP 3,075 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
 8 Round LTC: 1.80 (J)  
 Buttress: 1.50 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.00 (B)

Tension is based on air weight.  
 Neutral point 5,755 ft

Completion type is subs  
 Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	6650	5.5	15.50	J-55	LT&C	6650	6650	4.825	23481
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	3075	4040	1.314	3075	4810	1.56	103.1	217	2.11 J

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

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

Date: October 2, 2012  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 6650 ft, a mud weight of 8.9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** APPALOOSA OPERATING COMPANY LLC  
**Well Name** WPS 5-1-5-5  
**API Number** 43013515830000      **APD No** 6382    **Field/Unit** WILDCAT  
**Location:** 1/4,1/4 SWNW    **Sec** 1    **Tw** 5.0S    **Rng** 5.0W    1977 FNL 680 FWL  
**GPS Coord (UTM)** 550820 4436438      **Surface Owner** Utah Division of Wildlife Resources

### Participants

Brad Posey, John Whiteside - Appaloosa Operating; Ricky Hendricks, Scott Straessler, Preston Anesi - Wood Group; Alex Hansen, Ben Williams - DWR

### Regional/Local Setting & Topography

The proposed action is within a WMA operated by Utah DWR 6 miles south of the City of Duchesne between Cottonwood and Coyote Canyons. The area is sparsely developed and described as a high desert plain with P/J, greasewood and abundant bunch grasses. The topography is mostly eroded hills and gullies with slopes much greater than 6%. The soils are rather silty overlain by a great deal of angular clastic shales. The pad is to be built below a small hill on the south slope within a patch of pinyon trees in an area with little vegetation. There is an abundance of vegetation surrounding the pad that is critical habitat for wintering big game species. There exists a good sized drainage that runs through the pad. Operators' consulting engineer will submit plans for the diversion of the drainage to the east of and down gradient of the pad to sheet flow in adjacent grasslands before construction activities begin

### Surface Use Plan

**Current Surface Use**  
Deer Winter Range

New Road Miles	Well Pad	Src Const Material	Surface Formation
	Width 200    Length 400	Onsite	UNTA

**Ancillary Facilities** N

**Waste Management Plan Adequate?**      Y

### Environmental Parameters

**Affected Floodplains and/or Wetlands** N

### **Flora / Fauna**

High desert shrubland ecosystem. Identified or expected vegetation consists of black sagebrush, shadscale, Atriplex spp., mustard spp, rabbit brush, horsebrush, broom snakeweed, Opuntia spp and spring annuals.

Dominant vegetation;

Blue gama, opuntia and Pinyon pine surround the proposed site.

Wildlife;

Adjacent habitat contains forbs that may be suitable browse for deer, antelope, prairie dogs or rabbits, though none were observed. Location supports habitat for wildlife. DWR determined ecosystem is critical habitat for wintering deer and elk.

**Soil Type and Characteristics**

silty sands with clastic shale alluvium.

**Erosion Issues Y**

This location is on a steep slope on foothill with existing erosion present

**Sedimentation Issues Y****Site Stability Issues N****Drainage Diversion Required? Y**

drainages to be diverted to the east and converted to sheet flow down gradient of pad

**Berm Required? Y****Erosion Sedimentation Control Required? Y**

Methods (BMP's) on most sides needed to protect very steep slopes

**Paleo Survey Run? Y    Paleo Potential Observed? N    Cultural Survey Run? Y    Cultural Resources? N****Reserve Pit****Site-Specific Factors****Site Ranking**

<b>Distance to Groundwater (feet)</b>	100 to 200	5
<b>Distance to Surface Water (feet)</b>		20
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	>1320	0
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	10 to 20	5

**Affected Populations****Presence Nearby Utility Conduits** Not Present 0**Final Score** 45 1 Sensitivity Level**Characteristics / Requirements**

If used;

Pit to be dug to a depth of 8'. Because a spill or leak will have a direct path to surface water below from existing gully, pit underlayment is to be used to protect the liner from potential puncture. Pit should be fenced to prevent entry by deer, other wildlife and domestic animals. Pit to be closed within one year after drilling activities are complete.

Operator plans to use a closed loop system with a small cuttings pit.

**Closed Loop Mud Required? N    Liner Required? Y    Liner Thickness 16    Pit Underlayment Required? N****Other Observations / Comments**

Chris Jensen  
Evaluator

8/29/2012  
Date / Time

**CONFIDENTIAL**

# Application for Permit to Drill Statement of Basis

## Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
6382	43013515830000	LOCKED	OW	S	No
<b>Operator</b>	APPALOOSA OPERATING COMPANY LLC		<b>Surface Owner-APD</b>	Utah Division of Wildlife Resources	
<b>Well Name</b>	WPS 5-1-5-5		<b>Unit</b>		
<b>Field</b>	WILDCAT		<b>Type of Work</b>	DRILL	
<b>Location</b>	SWNW 1 5S 5W U 1977 FNL (UTM) 550873E 4436487N		680 FWL	GPS Coord	

### Geologic Statement of Basis

Appaloosa proposes to set 350' of surface casing at this location. The base of the moderately saline water is estimated to be at 3,600 feet in this area. This location lies on the transition between the Uinta Formation and the Green River Formation and is located on valley fill alluvium. The Uinta Formation is not expected to produce prolific aquifers. Water may be found in alluvium deposited in valley floors. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River Formation. A search of Division of Water Rights records indicates 3 water wells within a 10,000 foot radius of the center of Section 1. Depths range from 100 to 305 feet with listed uses as irrigation, stock watering and domestic. Production casing cement should be brought up to or above the base of the moderately saline ground water.

Brad Hill  
APD Evaluator

9/11/2012  
Date / Time

### Surface Statement of Basis

Operator has a surface agreement in place with DWR. I was made aware that some concessions were made. DWR has asked for a winter closure. Location is proposed in the best possible position within the spacing window. Access road enters the pad from the East.

The soil type and topography at present do combine to pose a threat to erosion or sediment/ pollution transport in these regional climate conditions. Construction standards of the Operator appear to be adequate for the proposed purpose. I recognize no special flora or animal species or cultural resources on site that the proposed action may harm though, this is excellent habitat for large game species. The location was surveyed previously for cultural and paleontological resources and an ESA consultation was initiated as the operator saw fit. DWR Representatives were invited and were in attendance for the pre-site inspection. DWR has asked ( written into the Surface use agreement) that no drilling or construction activities occur during the period of December 1, through April 15 as this is critical wintering habitat for large game species. The location should be bermed to prevent spills from leaving the confines of the pad. If used, fencing around a reserve pit will be necessary once the well is drilled to prevent wildlife and livestock from entering. A synthetic liner of 16 mils (minimum) should be utilized in the reserve pit. Operator has plans for a closed loop system with a small pit for drill cuttings in place of a reserve pit. Measures (BMP's) shall be taken to protect steep slopes from erosion, sedimentation and stability issues on all sides ,particularly the North, of pad as well as the top soil pile as it sits atop a ridge and can easily be washed away and lost.

Chris Jensen  
Onsite Evaluator

8/29/2012  
Date / Time

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

<b>Category</b>	<b>Condition</b>
	Steep cut and fill slopes and topsoils pile to be protected from erosion and sediment transport by appropriate use of BMP's
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

**CONFIDENTIAL**

## WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 7/18/2012

API NO. ASSIGNED: 43013515830000

WELL NAME: WPS 5-1-5-5

OPERATOR: APPALOOSA OPERATING COMPANY LLC (N3845)

PHONE NUMBER: 307 675-6400

CONTACT: Shirl Ames

PROPOSED LOCATION: SWNW 01 050S 050W

Permit Tech Review: 

SURFACE: 1977 FNL 0680 FWL

Engineering Review: 

BOTTOM: 1977 FNL 0680 FWL

Geology Review: 

COUNTY: DUCHESNE

LATITUDE: 40.07712

LONGITUDE: -110.40334

UTM SURF EASTINGS: 550873.00

NORTHINGS: 4436487.00

FIELD NAME: WILDCAT

LEASE TYPE: 4 - Fee

LEASE NUMBER: Fee

PROPOSED PRODUCING FORMATION(S): GREEN RIVER

SURFACE OWNER: 3 - State

COALBED METHANE: NO

## RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: STATE - 0279605707
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 492204
- RDCC Review: 2012-10-09 00:00:00.0
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

## LOCATION AND SITING:

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

Comments: Presite Completed

Stipulations: 5 - Statement of Basis - bhill  
 12 - Cement Volume (3) - ddoucet  
 21 - RDCC - dmason  
 23 - Spacing - dmason  
 25 - Surface Casing - hmacdonald



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:** WPS 5-1-5-5  
**API Well Number:** 43013515830000  
**Lease Number:** Fee  
**Surface Owner:** STATE  
**Approval Date:** 10/9/2012

### Issued to:

APPALOOSA OPERATING COMPANY LLC, 1776 Woodstead Ct., Suite 121, The Woodlands, TX 77380

### Authority:

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

### Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

### General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

### Conditions of Approval:

The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. The operator will be required to comply with any applicable recommendations resulting from this review. (See attached)

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing

a Request for Agency Action with the Board.

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

Cement volume for the 5 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to surface as indicated in the submitted drilling plan.

Surface casing shall be cemented to the surface.

**Additional Approvals:**

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

- Any changes to the approved drilling plan - contact Dustin Doucet
- Significant plug back of the well - contact Dustin Doucet
- Plug and abandonment of the well - contact Dustin Doucet

**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  
OR  
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website  
at <http://oilgas.ogm.utah.gov>
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing - contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program  
- contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well - contact Dan Jarvis

**Contact Information:**

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

- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office  
801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office  
801-231-8956 - after office hours

**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:**

A handwritten signature in black ink, appearing to read "John Rogers", written in a cursive style.

For John Rogers  
Associate Director, Oil & Gas

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: WPS 5-1-5-5
2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC	9. API NUMBER: 43013515830000
3. ADDRESS OF OPERATOR: 1776 Woodstead Ct., Suite 121, The Woodlands, TX, 77380	PHONE NUMBER: 832 419-0889 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1977 FNL 0680 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 01 Township: 05.0S Range: 05.0W Meridian: U	9. FIELD and POOL or WILDCAT: WILDCAT
	COUNTY: DUCHESNE
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <b>4/15/2013</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
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	<input type="checkbox"/> 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.

Appaloosa intends to commingle production from both the Green River and Wasatch formations in this well.

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

**Date:** February 26, 2013

**By:** *D. K. Duff*

NAME (PLEASE PRINT) Shirl Ames	PHONE NUMBER 307 675-6400	TITLE Document Control Specialist
SIGNATURE N/A	DATE 2/4/2013	



1776 Woodstead Ct, Suite 121  
The Woodlands, TX 77380

January 30, 2013

Berry Petroleum Company  
1999 Broadway, Ste. 3700  
Denver, CO 802202

Attn: Dennis Gustafson

Re: Notice to Commingle Production  
Appaloosa 9-12D-5-5, Appaloosa 16-12D-5-5, Appaloosa 7-2-5-5, WPS 5-1-5-5 and  
Smith 11A-7-5-4  
Cottonwood Canyon Area  
Duchesne County, Utah

Gentlemen,

Appaloosa Operating Company LLC ("Appaloosa") is submitting an Application to Commingle from the Wasatch and Green River formations in the referenced wells. In accordance with Utah Administration Rule R649-3-22 relative to completion into two or more pools, Appaloosa is hereby providing written notice to Berry Petroleum Company of the submission. Please see enclosed copies of the Application to Commingle for each of the referenced wells.

Feel free to contact Brad Posey at 832-418-0889 with any questions.

Sincerely,

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

Brad Posey  
Managing Director

W/Enclosures

**AFFIDAVIT OF NOTICE**

I, **Brad Posey**, the affiant herein, being of lawful age and duly sworn upon his oath deposes and states as follows:

Brad Posey is a Managing Director of **Appaloosa Operating Company, LLC**, a Delaware Corporation, with headquarters located at 1776 Woodstead Court, Suite 121, The Woodlands, TX 77380, and is duly authorized to make this affidavit on behalf of said corporation.

Appaloosa Operating Company, LLC has submitted notices to commingle production from the Wasatch and Green River formations in the following wells lying within the Lease boundaries of the:

**Appaloosa 9-12D-5-5**  
**Appaloosa 16-12D-5-5**  
**WPS 5-1-5-5**  
**Appaloosa 7-2-5-5**  
**Smith 11A-7-5-4**

This Affidavit is made in accordance with Utah's Oil, Gas and Mining regulation R649-3-22. As operator, Appaloosa Operating Company LLC has provided notices to the owner(s) of all contiguous oil and gas leases or drilling units overlying the pool for the aforementioned wells to the parties listed below:

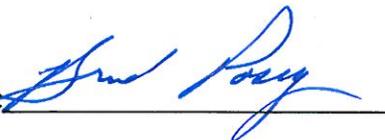
Ute Energy Upstream Holding, L.L.C.  
P.O. Box 789  
7074 East 900 South  
Fort Duchesne, Utah 84026

Berry Petroleum Company  
1999 Broadway, Suite 3700  
Denver, CO 802202

Attn: Dennis Gustafson

This instrument is executed this 30th day of January, 2013.

Appaloosa Operating Company, LLC

By:  \_\_\_\_\_



1776 Woodstead Ct, Suite 121  
The Woodlands, TX 77380

January 30, 2013

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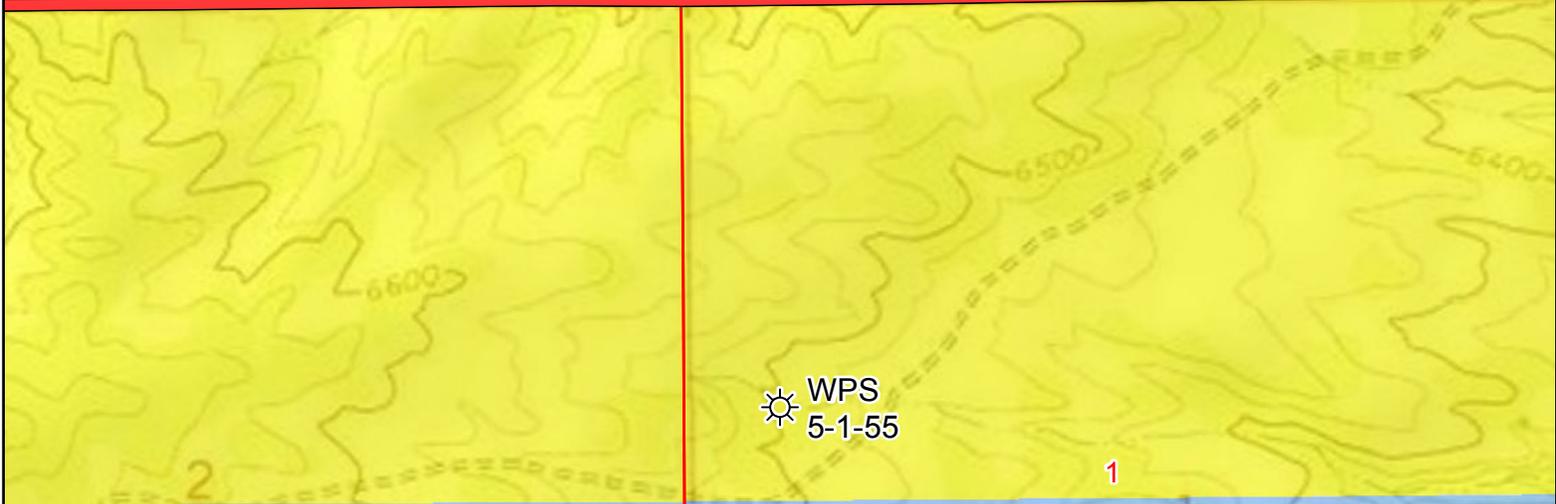
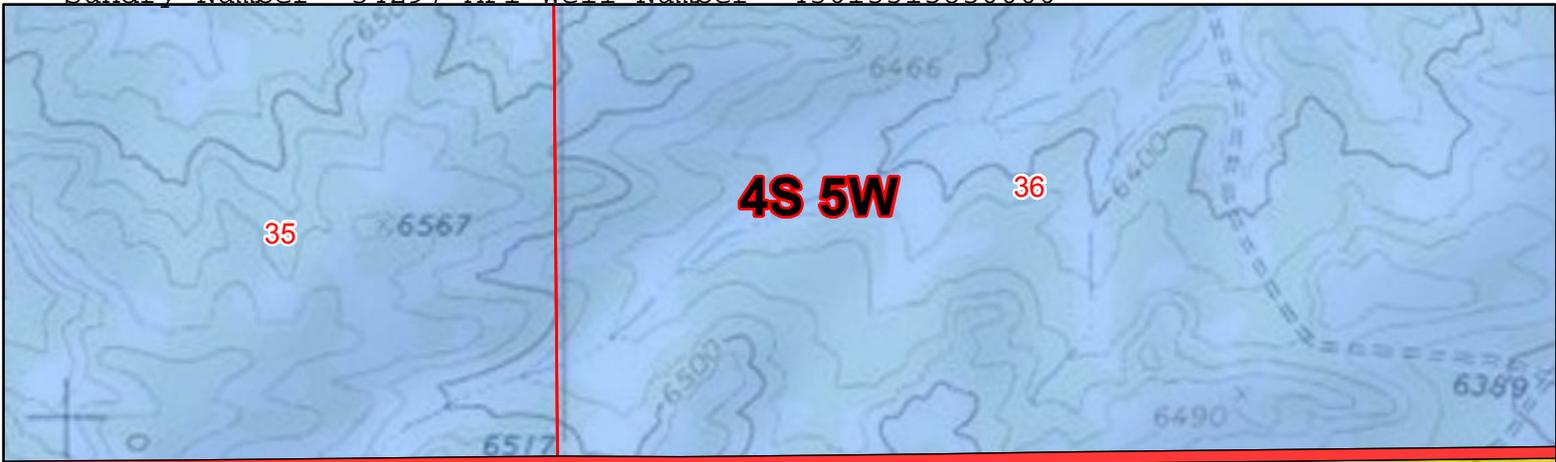
Berry Petroleum Company  
1999 Broadway, Suite 3700  
Denver, CO 802202

Attn: Dennis Gustafson

This instrument is executed this 30th day of January, 2013.

Appaloosa Operating Company, LLC

By:  \_\_\_\_\_



**Legend**

-  Proposed Well Location
-  Township Range
-  Section
-  Other Operator Leasehold
-  Appaloosa Mineral Lease

Copyright: © 2010 National Geographic Society

PREPARED FOR:



CREATED BY:



**APPALOOSA ENERGY**

WPS 5-1-55  
 SEC. 1, T5S, R5W  
 Duchesne County, UT



DRAWN BY: MANNY RODRIGUEZ  
 DATE: 02/01/2013  
 SCALE: 1 inch = 1,000 feet

**MINERAL LEASE MAP**

SHEET  
**A**

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Fee
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Oil Well		<b>8. WELL NAME and NUMBER:</b> WPS 5-1-5-5
<b>2. NAME OF OPERATOR:</b> APPALOOSA OPERATING COMPANY LLC		<b>9. API NUMBER:</b> 43013515830000
<b>3. ADDRESS OF OPERATOR:</b> 1776 Woodstead Ct., Suite 121 , The Woodlands, TX, 77380	<b>PHONE NUMBER:</b> 832 419-0889 Ext	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1977 FNL 0680 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNW Section: 01 Township: 05.0S Range: 05.0W Meridian: U		<b>COUNTY:</b> DUCHESNE
		<b>STATE:</b> UTAH

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5/6/13 Ft 120' Move In Leon Ross Drilling Drill 120' Rig Broke Down Repair Top Head Drive Shut Down For Night Repair Top Head Drive Shut Down For Night Rig Broke Down Repair Same 5/7/13 Ft. 570', T.D at report 690', Rig Is Repaired Drill F/ 120' T/ 690' Run 8 5/8 Surface Casing & Cement To Surface Bump Plug @ 22.19 Pm, Cement To Surface Watch For 2 Hrs, Cement Ok No Top Job, 05/08/2013 Ft. 690', Drill Rat & Mouse Hole Release Rig, Guide Shoe, Band & Centralizer @ Middle Of Shoe Joint Float Collar Centralizer @ First Collar Above Float Collar Then One Every Other Joint Surface 10 Centralizers Total 20 Bbls, Gel Water Ahead Of Cement 360-Sacks 15.8# Yield 1.17 5.02 Gal, Water To /Sack 40 Bbls, Water To Displace Good Returns 20 bbls, gel water & 15 bbls, Cement Back Leave Set 2 Hrs Cement Did Not Move Release Halliburton

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
May 09, 2013**

<b>NAME (PLEASE PRINT)</b> Shirl Ames	<b>PHONE NUMBER</b> 307 675-6400	<b>TITLE</b> Document Control Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/9/2013	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
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	COUNTY: DUCHESNE
	STATE: UTAH

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	<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.

05/06/13 spud well @ 10:00 a.m., move in leon ross drilling drill 120' rig broke down, repair top head drive shut down for night. repair rig. 05/07/13 drill f/120'T/690'Leon Russ Drilling Run 8 5/8 Surface casing & cement to surface, Ft 570', bump plug @22:19p.m. cement to surface, wait 2 hrs. cement ok no top job 05/08/13, ft 690', drill Rat & Mouse Hole release rig. Equipment, guide shoe, band & centralizer @ middle of shoe joint float collar centralizer @ first collar above float collar, then 1 every other joint surface, 10 centralizers total. , cement-20 Bbls, gel water ahead of cement 360 sks 15.8# yield 1.17 5.02 gal water to/sack 40bbls water to displace, good returns 20 bbls gel water & 15bbls cement back leave set 2hrs cement did not move release Halliburton

<b>NAME (PLEASE PRINT)</b> Shirly Ames	<b>PHONE NUMBER</b> 307 675-6400	<b>TITLE</b> Document Control Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/9/2013	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
1. TYPE OF WELL Oil Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1776 Woodstead Ct., Suite 121, The Woodlands, TX, 77380	8. WELL NAME and NUMBER: WPS 5-1-5-5
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1977 FNL 0680 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNW Section: 01 Township: 05.0S Range: 05.0W Meridian: U	9. API NUMBER: 43013515830000
3. ADDRESS OF OPERATOR: 1776 Woodstead Ct., Suite 121, The Woodlands, TX, 77380	PHONE NUMBER: 832 419-0889 Ext
9. FIELD and POOL or WILDCAT: WILDCAT	COUNTY: DUCHESNE
STATE: UTAH	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: 5/8/2013	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="Dry Spud"/>

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

Upon completing the surface casing operations on the WPS 5-1-5-5 well, no water was found.

**Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
 FOR RECORD ONLY  
 May 22, 2013**

<b>NAME (PLEASE PRINT)</b> Shirly Ames	<b>PHONE NUMBER</b> 307 675-6400	<b>TITLE</b> Document Control Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/9/2013	

**CONFIDENTIAL**

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

no directional survey included

AMENDED REPORT   
(highlight changes)

FORM 8

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

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

2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC

3. ADDRESS OF OPERATOR: 1776 Woodstead Ct, S-16 CITY The Woodlands STATE TX ZIP 77380 PHONE NUMBER: (832) 419-0889

4. LOCATION OF WELL (FOOTAGES): AT SURFACE: 1977 FNL 680 FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: 1977 FNL 680 FWL AT TOTAL DEPTH: 1977 FNL 680 FWL

5. LEASE DESIGNATION AND SERIAL NUMBER: \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CA AGREEMENT NAME: \_\_\_\_\_

8. WELL NAME and NUMBER: WPS 5-1-5-5

9. API NUMBER: 4301351583

10. FIELD AND POOL, OR WILDCAT: WILDCAT

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 1 5S 5W U

12. COUNTY: DUCHESNE 13. STATE: UTAH

14. DATE SPUDDED: 5/6/2013 15. DATE T.D. REACHED: 5/18/2013 16. DATE COMPLETED: 7/26/2013 ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): 6390' GL, 6407' KB

18. TOTAL DEPTH MD 6,824 TVD \_\_\_\_\_ 19. PLUG BACK T.D.: MD \_\_\_\_\_ TVD \_\_\_\_\_ 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* \_\_\_\_\_ 21. DEPTH BRIDGE MD \_\_\_\_\_ PLUG SET: TVD \_\_\_\_\_

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each):  
Compensated Density - Compensated Neutron - Gamma Ray  
Dual Guard Log - Gamma Ray CBL - GR CCL

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

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12.25"	8.625 J-55	24	0	679		G 360		surf	
7.875	5.5 J-55	15.5	0	6,796		Econoc 260		950	
						Expan 1,005			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.875	6,653							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Garden Gulch	4,039	4,365	4,039	4,365	4,039 4,365	.36	132	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Douglas Creek	4,676	4,843	4,676	4,843	4,676 4,843	.36	96	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C) Lwr Douglas Cree	5,037	5,329	5,037	5,329	5,037 5,329	.36	195	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D) Castle Peak	5,659	5,941	5,659	5,941	5,659 5,941	.36	201	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

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

WAS WELL HYDRAULICALLY FRACTURED? YES  NO  IF YES -- DATE FRACTURED: 6/26/2013

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4039-6707	Frac w/ 503,040# of 20/40 white sand + 11,360 bbls. 3% KCl in 7 stages

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

30. WELL STATUS: Prod

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 7/26/2013		TEST DATE: 7/26/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 228	GAS – MCF:	WATER – BBL: 330	PROD. METHOD: Pump
CHOKE SIZE:	TBG. PRESS. 50	CSG. PRESS. 100	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:	

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

Flared

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Green River	2,062
				Mahoqany	2,754
				Garden Gulch	3,568
				Douglas Creek	4,622
				Castle Peak	5,541
				Uteland Butte	5,963
				Wasatch	6,368

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) TERRIE HOYE TITLE SR. GEOTECH  
 SIGNATURE TERRIE HOYE DATE 8/18/2013

This report must be submitted within 30 days of

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

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

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

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

Phone: 801-538-5340  
 Fax: 801-359-3940

**CONFIDENTIAL**

## Additional Information for WPS 5-1-5-5

**26. Additional Producing Intervals**

Formation	Top (MD)	Bottom (MD)	Top (TVD)	Bottom (TVD)
Uteland Butte	6028	6272	6028	6272
Wasatch	6373	6575	6373	6575
Wasatch	6653	6707	6653	6707

**27. Additional Perforation Records**

Interval	Hole Size	No. Holes	Status
6028 - 6272	0.36	282	Open
6373 - 6575	0.36	201	Open
6653 - 6707	0.36	45	Open



UTAH DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas & Mining  
Oil and Gas Program  
1594 West North Temple, Suite 1210, Box 145801  
Salt Lake City, UT 84114-5801  
(801) 538-5340 Phone  
(801) 359-3940 Fax

- **The Board may authorize recovery of fines of \$5,000 per day for violation of any rule, or order and up to \$10,000.00 per day for willful violations U.C.A 40-6-11, part 4**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator.

**Compliance Deadline: July 15, 2014**

Date of Service Mailing: June 18, 2014 Certified Mail No.: 7003 2260 0003 2358 7356

  
\_\_\_\_\_  
Division Representative Signature  
Name and Title: Randy Thackeray, Lead Auditor  
Phone: (801) 538-5316

\_\_\_\_\_  
Operator Representative (if presented in person)

cc: Compliance File  
Well File  
Mike Johnson, Board of Oil, Gas and Mining  
Ruland Gill, Board Chair  
Steve Alder, DOGM  
Jennifer Casady, Utah Tax Commission

1/2013

**SATISFACTORY CLOSURE OF VIOLATION  
STATE OF UTAH  
OIL AND GAS CONSERVATION ACT**

**TO THE FOLLOWING OPERATOR:**

Name: Appaloosa Operating Company, LLC

Attention: Martin Shields

1 5S 5W

Mailing Address: 1776 Woodstead CT, Suite 121  
The Woodlands, TX 77380

Well or Site: (1) WPS 5-1-5-5  
(2) Appaloosa 7-2-5-5  
(3) Appaloosa 9-12D-5-5  
(4) Hand 7-8D-5-4  
(5) Smith 11A-7-5-4

API#: 43-013-51583 ←  
API#: 43-013-51584  
API#: 43-013-51596  
API#: 43-013-51701  
API#: 43-013-52051

THIS DOCUMENT BRINGS CLOSURE TO A NOTICE OF VIOLATION SENT TO THE ABOVE OPERATOR AND DATED: June 18, 2014

The Utah Division of Oil, Gas and Mining hereby acknowledges that the alleged violation of the act, rules or permit conditions as described below (as pertaining to the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended), has been satisfactorily resolved in a manner acceptable to the division.

**Description of Violation(s): Rule R649--3-20, Gas Flaring or Venting** – According to Rule R649-3-20, produced gas from an oil well can only be flared up to 3000 Mcf in the first calendar month of production and 1800 Mcf per month thereafter without approval. If an operator desires to produce a well for the purpose of testing and evaluation beyond the time allowed by R649-3-19 and vent or flare gas in excess of the aforementioned limits of gas venting or flaring, the operator shall make written request for administrative action by the Division to allow gas venting or flaring during such testing and evaluation

Appaloosa Operating Company LLC (Appaloosa) has reported no transported gas volumes, a flat 1800 Mcf flared volume per month, and the balance of gas produced reported as gas used on site volumes on the above referenced wells. Gas volumes used on site are not metered or determined from manufacturer's equipment usage estimates. Inspection reports submitted by the Division field inspector indicate more gas is being flared than the amount being reported on the above referenced wells. Review of gas production and disposition reported volumes indicates wide variance of used on site volumes while days produced is rather consistent. This would indicate incorrect reporting of actual flared volumes and the need to seek Board approval to flare in excess of the rules.

**The following action was taken by the operator:** Appaloosa has taken the following actions to be complaint with the immediate action requested by the Division in the Notice of Violation:

1. Appaloosa has alleviated noncompliance by restricting production to flare gas within the allowable limit until such time pipelines can be connected to the Newfield gathering system.
2. Appaloosa has provided a more accurate measurement of gas used on site by the use of manufacturers' estimated equipment gas usage to more accurately reflect gas used on site.
3. Appaloosa has amended monthly production/disposition reports to more accurately state production/disposition volumes, volumes used on site, and flare volumes.

No further action will be taken by the Division concerning this matter. **MATTER CLOSED:** September 5, 2014

Division Representative Signature: Randy M. Thackeray

Date: 9/10/14

Name and Title: Randy M Thackeray, Lead Auditor

Phone: 801-538-5316

cc: Compliance File  
Well File

Ruland Gill, Chairman, Board of Oil, Gas and Mining  
Mike Johnson, Board of Oil, Gas and Mining Counsel  
Steve Alder, DOGM Counsel  
Jennifer Casady, Utah Tax Commission  
Jim Allen, Appaloosa Counsel

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Fee
	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
	<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Oil Well	<b>8. WELL NAME and NUMBER:</b> WPS 5-1-5-5
<b>2. NAME OF OPERATOR:</b> APPALOOSA OPERATING COMPANY LLC	<b>9. API NUMBER:</b> 43013515830000
<b>3. ADDRESS OF OPERATOR:</b> 1776 Woodstead Ct., Suite 121 , The Woodlands, TX, 77380	<b>PHONE NUMBER:</b> 832 419-0889 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1977 FNL 0680 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNW Section: 01 Township: 05.0S Range: 05.0W Meridian: U	<b>9. FIELD and POOL or WILDCAT:</b> BRUNDAGE CANYON  <b>COUNTY:</b> DUCHESNE  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input 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: 7/26/2013	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Form 7 attached

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 July 20, 2015

<b>NAME (PLEASE PRINT)</b> Terrie Hoye	<b>PHONE NUMBER</b> 713 410-9479	<b>TITLE</b> Sr. Geotech
<b>SIGNATURE</b> N/A	<b>DATE</b> 7/20/2015	

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

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: WPS 5-1-5-5

API number: 4301351583

Well Location: QQSWNW Section 1 Township 5S Range 5W County Duchesne

Well operator: Appaloosa Operating Company LLC

Address: PO Box 7280

city The Woodlands state TX zip 77387

Phone: (832) 419-0889

Drilling contractor: Leon Ross Construction

Address: 3000 W 1250 South

city Roosevelt state UT zip 84066

Phone: (435) 722-4469

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
		No water encountered	

Formation tops:            1 \_\_\_\_\_            2 \_\_\_\_\_            3 \_\_\_\_\_  
 (Top to Bottom)            4 \_\_\_\_\_            5 \_\_\_\_\_            6 \_\_\_\_\_  
                                      7 \_\_\_\_\_            8 \_\_\_\_\_            9 \_\_\_\_\_  
                                      10 \_\_\_\_\_            11 \_\_\_\_\_            12 \_\_\_\_\_

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) Terrie Hoye

TITLE Sr. Geotech

SIGNATURE \_\_\_\_\_

DATE 7/20/2015