

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER Smith 11-7-5-4					
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 BRUNDAGE CANYON					
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') 15947 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		1864 FSL 1842 FWL		NESW		5.0 S	4.0 W	U			
Top of Uppermost Producing Zone		1864 FSL 1842 FWL		NESW	7	5.0 S	4.0 W	U			
At Total Depth		1864 FSL 1842 FWL		NESW	7	5.0 S	4.0 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) 3894			26. PROPOSED DEPTH MD: 6350 TVD: 6350					
27. ELEVATION - GROUND LEVEL 6219			28. BOND NUMBER 0279605699			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 492204					
Hole, Casing, and Cement Information											
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight	
SURF	12.25	8.625	0 - 640	24.0	J-55 ST&C	8.6	Class G	300	1.15	15.8	
PROD	7.875	5.5	0 - 6350	15.5	J-55 LT&C	8.9	Hi Lift "G"	180	3.82	11.0	
							50/50 Poz	507	1.26	14.2	
ATTACHMENTS											
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES											
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER						<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)						<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)						<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Shiril Ames				TITLE Document Control Specialist				PHONE 307 675-6400			
SIGNATURE				DATE 07/18/2012				EMAIL Shiril.Ames@woodgroup.com			
API NUMBER ASSIGNED 43013516060000				APPROVAL  Permit Manager							

APPALOOSA OPERATING COMPANY, LLC

Smith 11-7 5-4

Surface Location: NE ¼, SW ¼, 1864' FSL 1842' FWL, Section 7, T5S, R4W, U.S.B. &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	1785'
Mahogany	2470'
* Garden Gulch Mbr	3510'
*Douglas Creek Mbr	4300'
*Castle Peak Mbr	5200'
*Uteland Butte Mbr.	5655'
Wasatch	6055'
TD	6350'

* 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
Smith 11-7 5-4

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	640'	12.25"	8.625"	J-55	ST&C	24#
Production	6350'	7.875"	5.5"	J-55	LT&C	15.5#

Surface	Fill	Type and Amount
0'-640'	640'	Approximately 300 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' - 6350'	Approximately 452 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'-640'	8.3-8.6	27-40	NC	Spud Mud
640' - 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
Smith 11-7 5-4

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

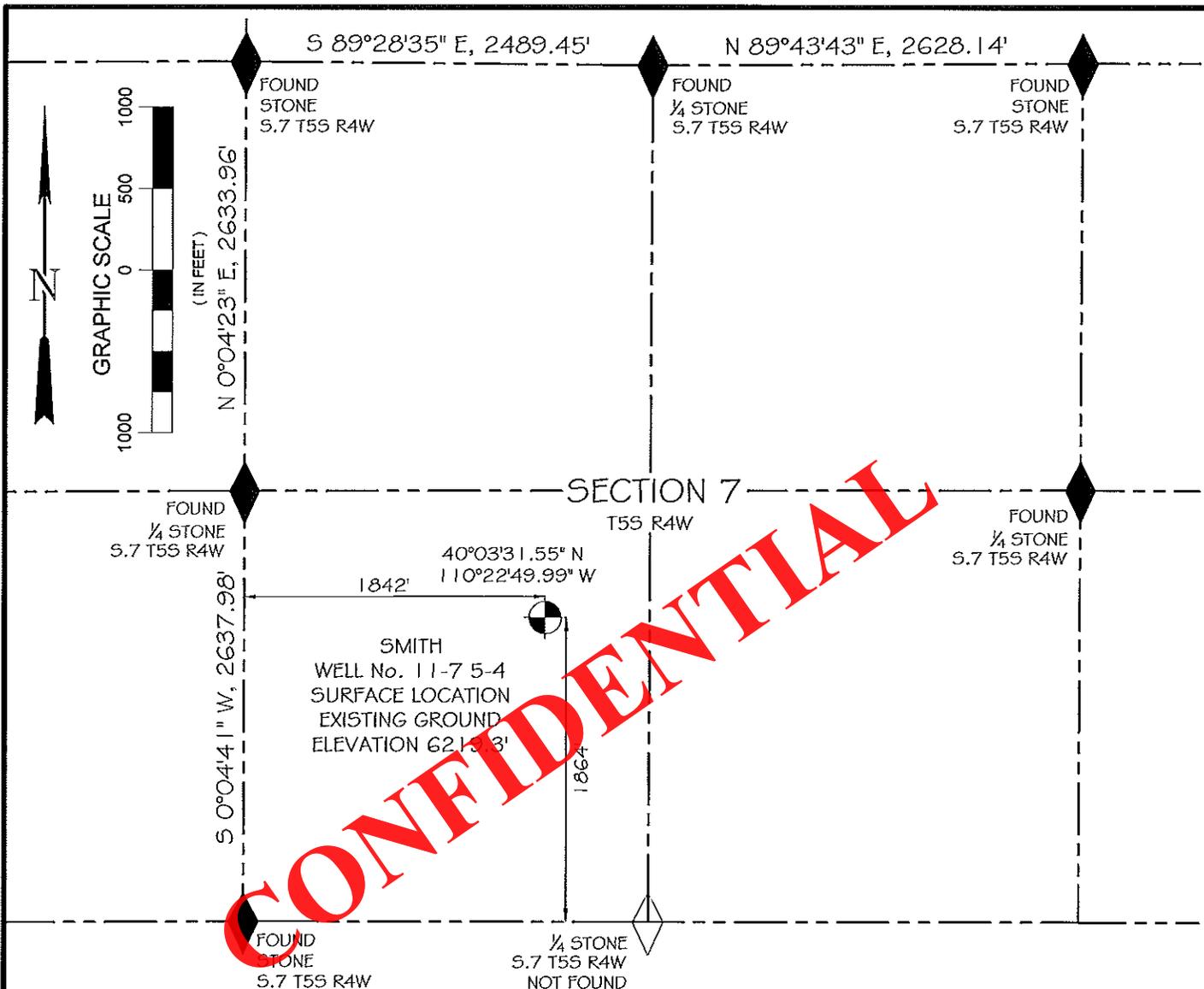
No abnormal temperatures or pressures or other hazards are anticipated.

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

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

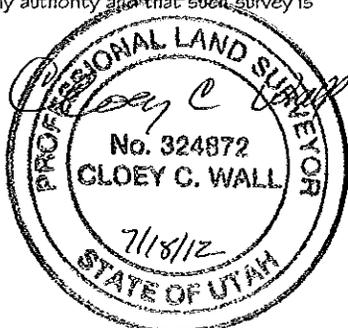
SURVEY NOTE
 The S ¼ corner of S.7 T5S, R4W USB&M was not found - used GLO distance and bearing.

BASIS OF ELEVATION
 NAVD 88 using Geoid 09

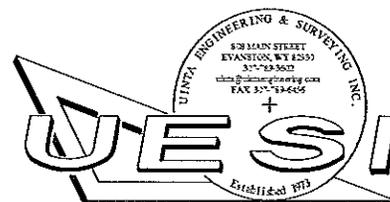
CERTIFICATE OF SURVEYOR

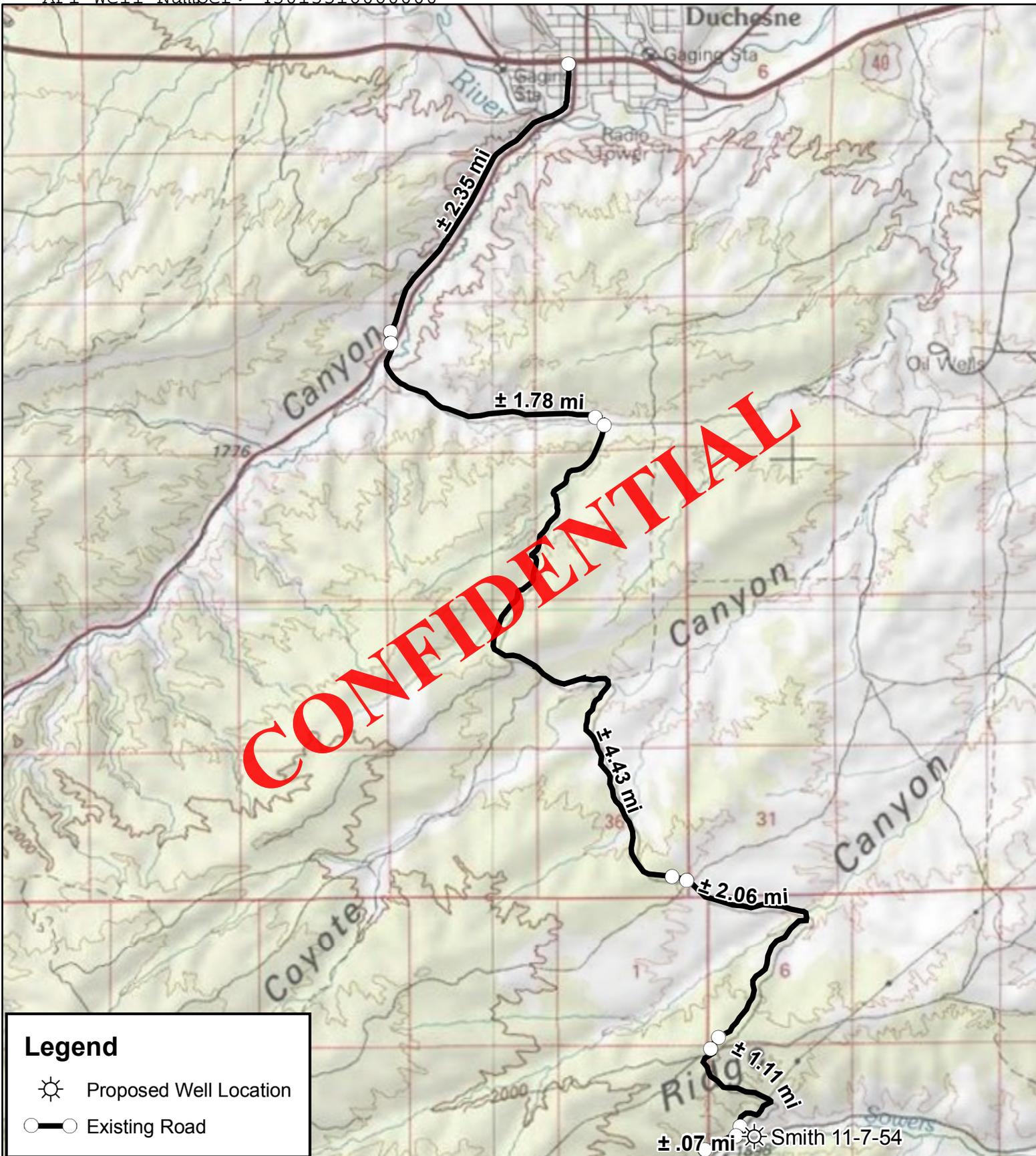
STATE of WYOMING)
 COUNTY of Uinta) ss

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 PERMIT to DRILL
 SMITH WELL No. 11-7 5-4
 1864' FSL, 1842' FWL
 SECTION 7, T5S, R4W, USB&M
 DUCHESNE COUNTY, UT





Legend

- Proposed Well Location
- Existing Road

PREPARED FOR:



CREATED BY:



APPALOOSA ENERGY

Smith 11-7-55
SEC. 7, T5S, R5W
Duchesene County, UT

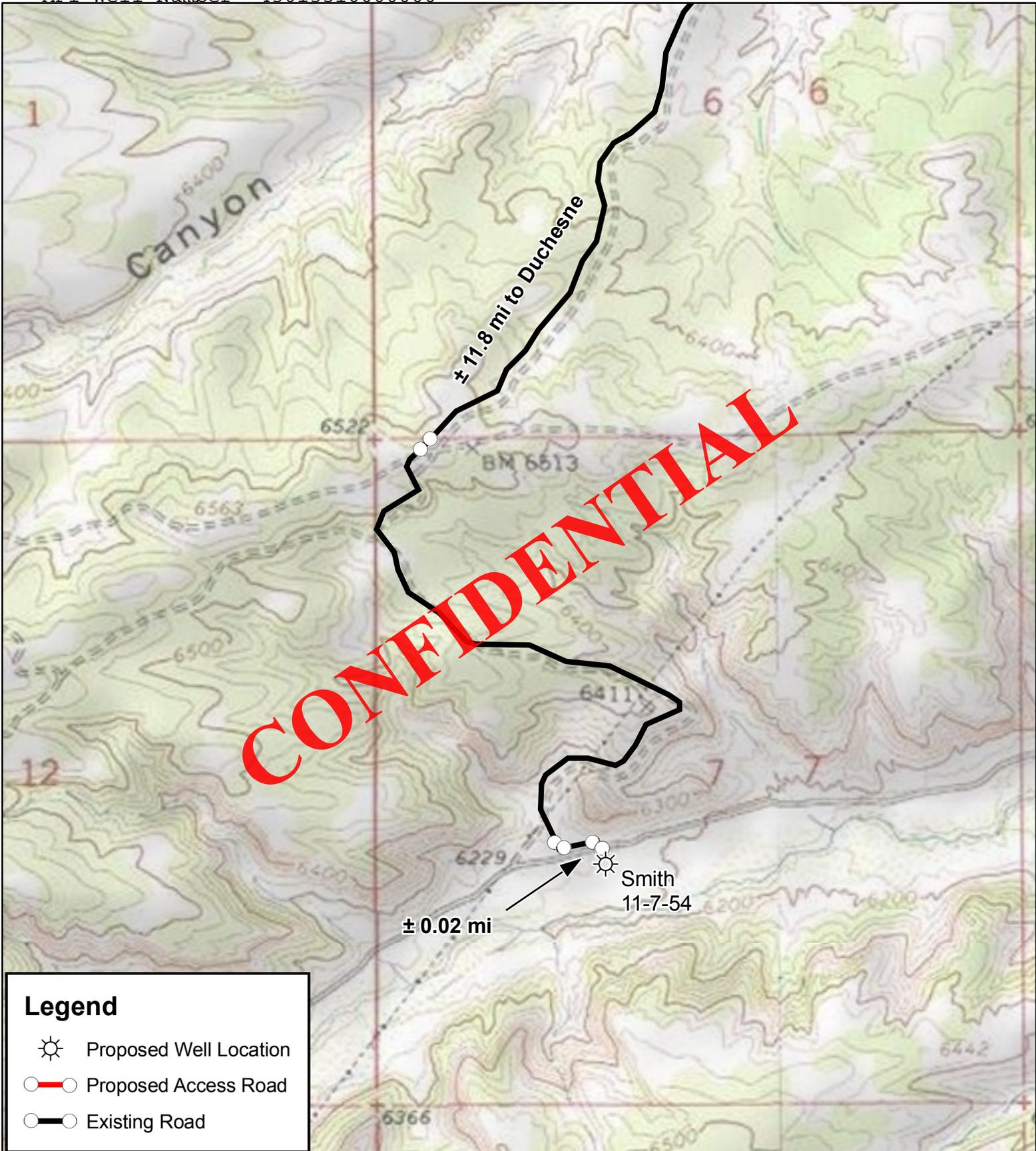
DRAWN BY: MANNY RODRIGUEZ
DATE: 7/12/2012
SCALE: 1 inch = 4,500 feet

ACCESS ROAD MAP

TOPOGRAPHIC MAP

SHEET
A

RECEIVED: July 18, 2012



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Legend

-  Proposed Well Location
-  Proposed Access Road
-  Existing Road

PREPARED FOR:



CREATED BY:



APPALOOSA ENERGY

Smith 11-7-55
SEC. 7, T5S, R5W
Duchesene County, UT

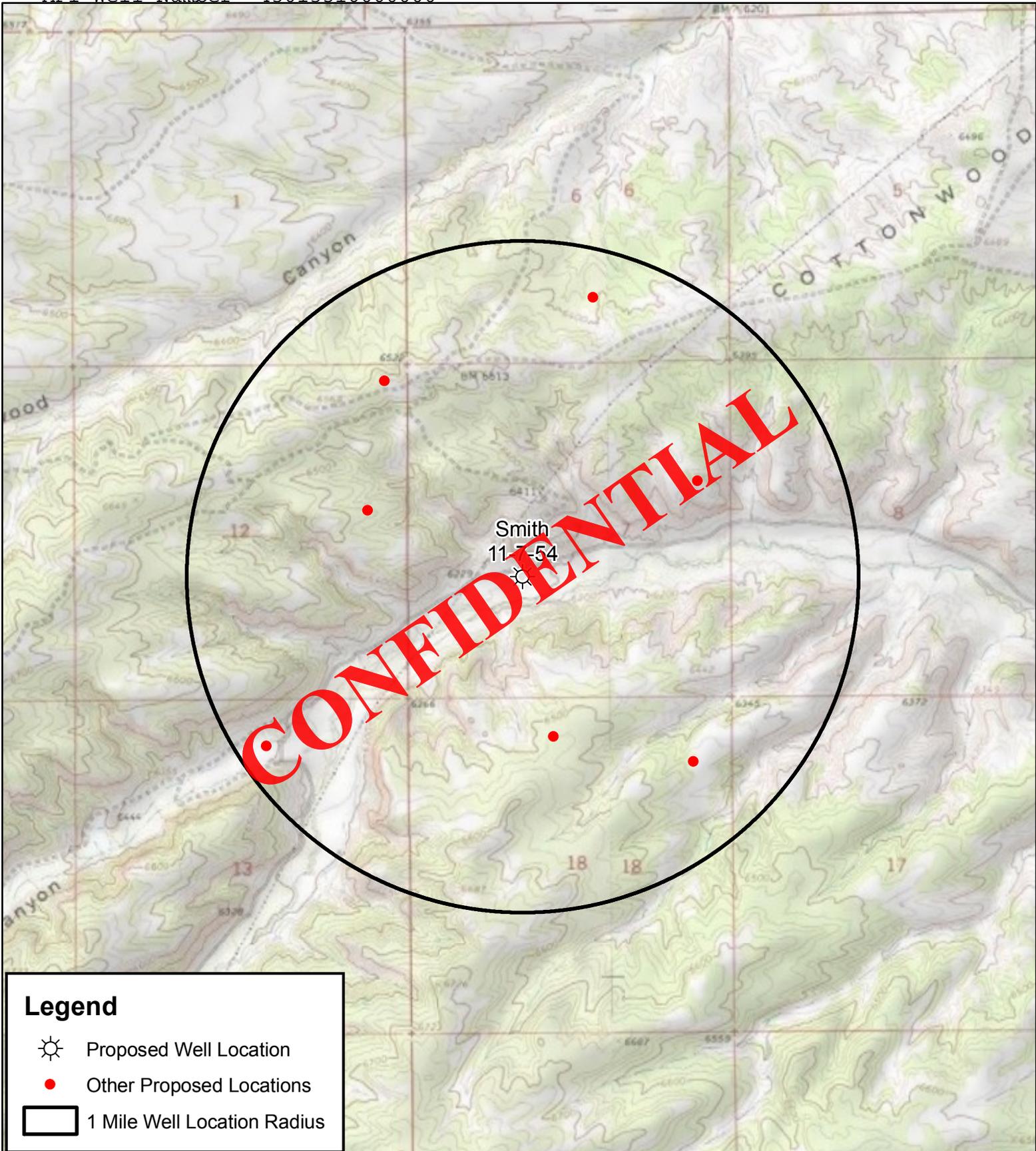
DRAWN BY: MANNY RODRIGUEZ
DATE: 7/12/2012
SCALE: 1 inch = 1,000 feet

ACCESS ROAD MAP

TOPOGRAPHIC MAP

SHEET
B

RECEIVED: July 18, 2012



Legend

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

PREPARED FOR:



CREATED BY:



APPALOOSA ENERGY

Smith 11-7-55
 SEC. 7, T5S, R5W
 Duchesene County, UT

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

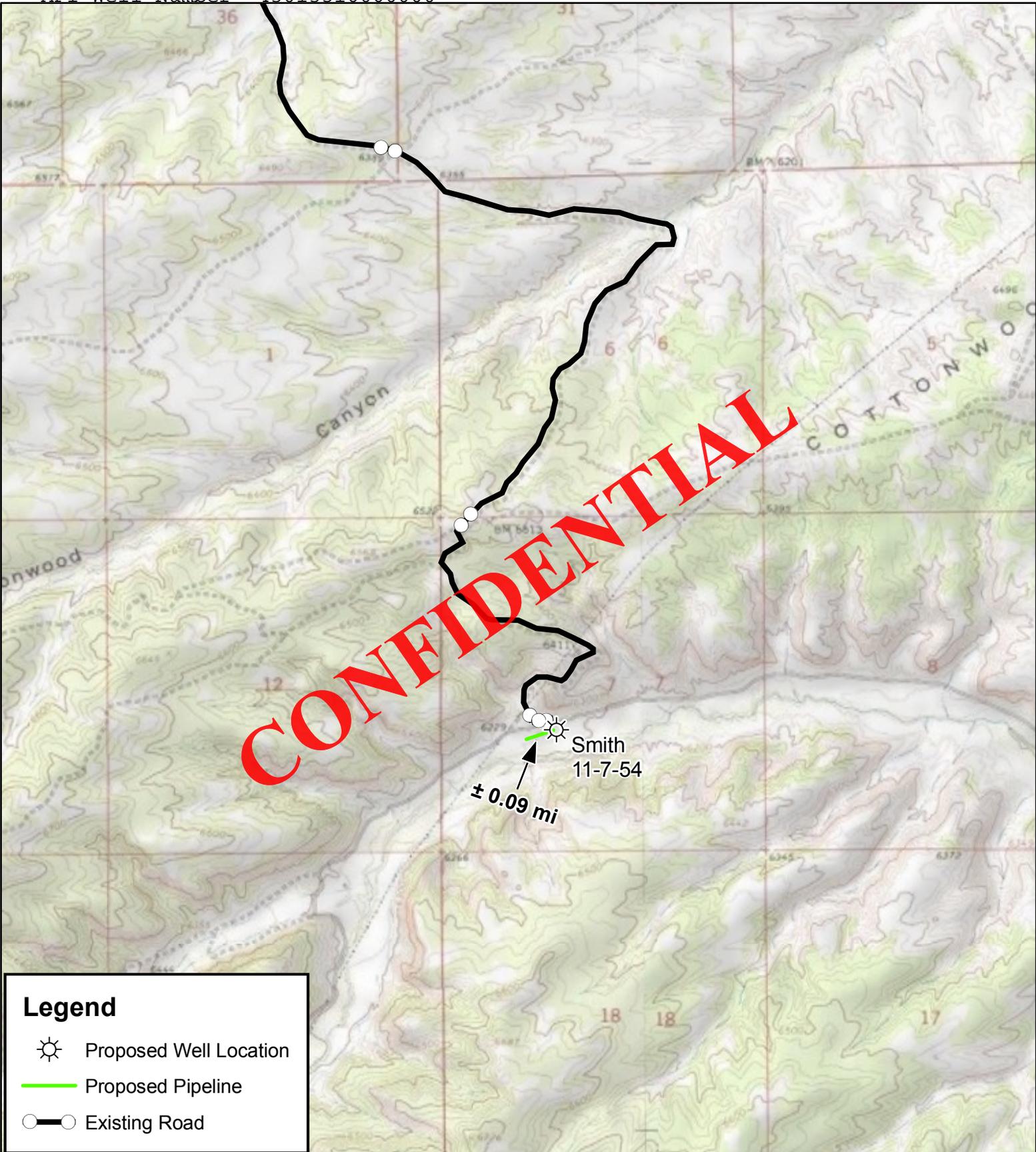
EXHIBIT B MAP

TOPOGRAPHIC MAP

SHEET
D

RECEIVED: July 18, 2012

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Legend

-  Proposed Well Location
-  Proposed Pipeline
-  Existing Road

PREPARED FOR:



CREATED BY:



APPALOOSA ENERGY

Smith 11-7-55
SEC. 7, T5S, R5W
Duchesene County, UT



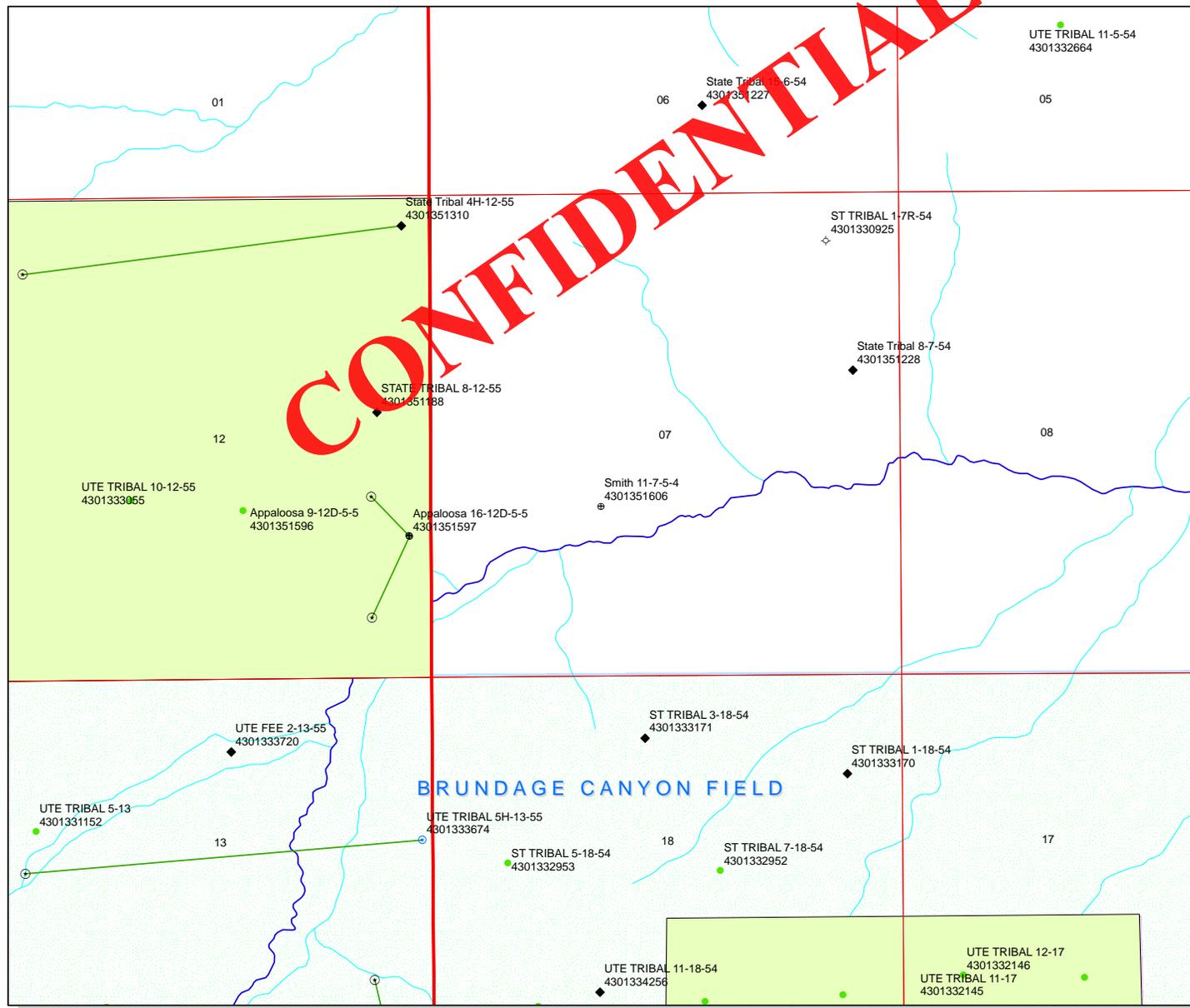
DRAWN BY: MANNY RODRIGUEZ
DATE: 7/12/2012
SCALE: 1 inch = 2,000 feet

PROPOSED PIPELINE MAP

TOPOGRAPHIC MAP

SHEET **C**

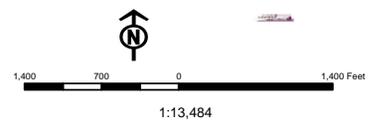
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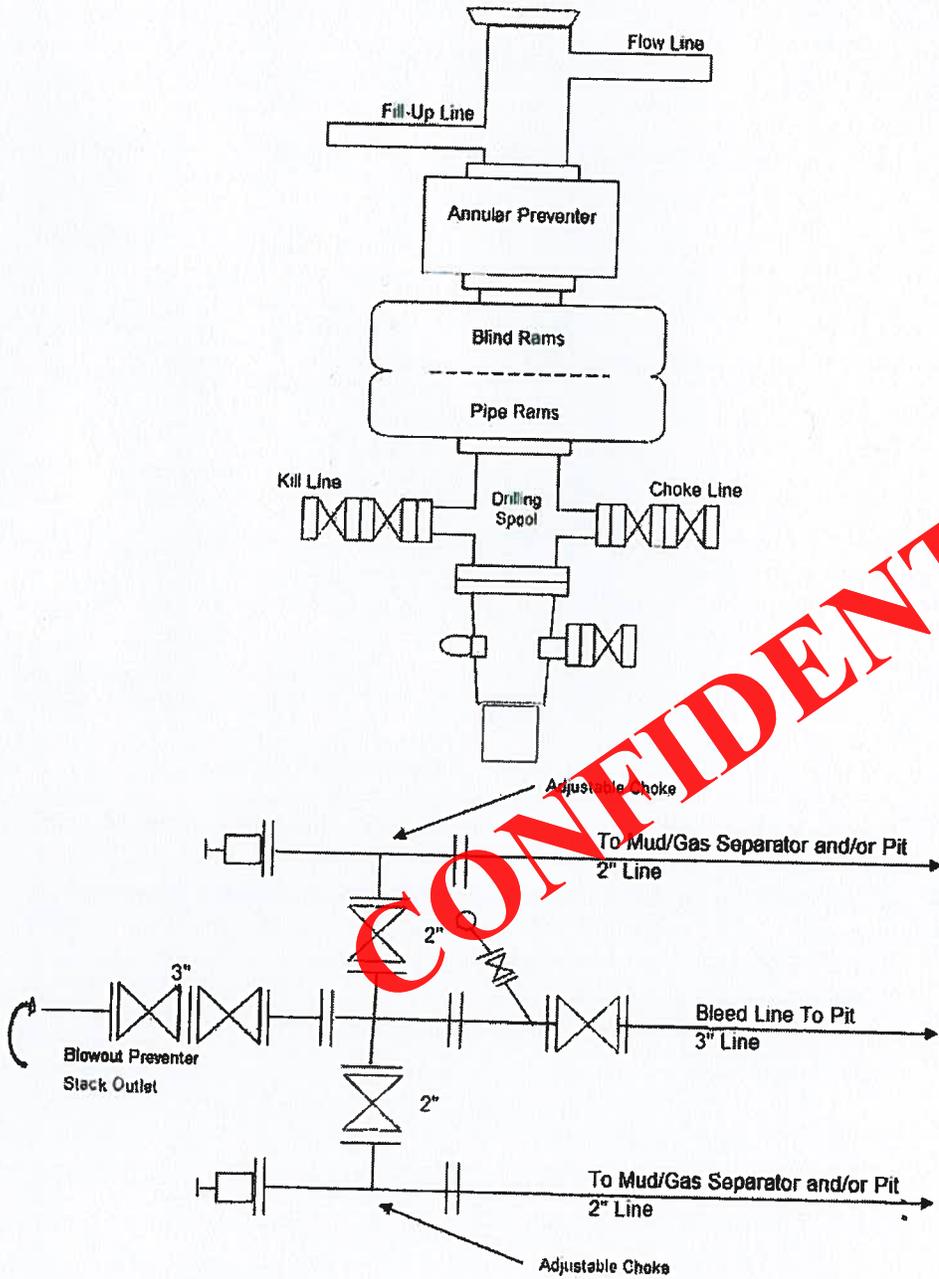
API Number: 4301351606
Well Name: Smith 11-7-5-4
Township T05.0S Range R04.0W Section 07
Meridian: UBM
 Operator: APPALOOSA OPERATING COMPANY LLC

Map Prepared:
 Map Produced by Diana Mason

Units	Wells Query
STATUS	STATUS
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LOC - New Location
PI 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
STATUS	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/Br
STORAGE	
TERMINATED	



SCHEMATIC DIAGRAM OF 2,000 PSI BOP STACK



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Well Name	APPALOOSA OPERATING COMPANY LLC Smith 11-7-5-4 430135160			
String	SURF	PROD		
Casing Size(")	8.625	5.500		
Setting Depth (TVD)	635	6350		
Previous Shoe Setting Depth (TVD)	0	635		
Max Mud Weight (ppg)	8.6	8.5		
BOPE Proposed (psi)	0	2000		
Casing Internal Yield (psi)	2950	4810		
Operators Max Anticipated Pressure (psi)	2000	6.1		

Calculations	SURF String	8.625	"
Max BHP (psi)	.052*Setting Depth*MW=	284	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	208	NO <input type="checkbox"/> spud mud
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	144	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)=	144	NO <input type="checkbox"/>
Required Casing/BOPE Test Pressure=		635	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient

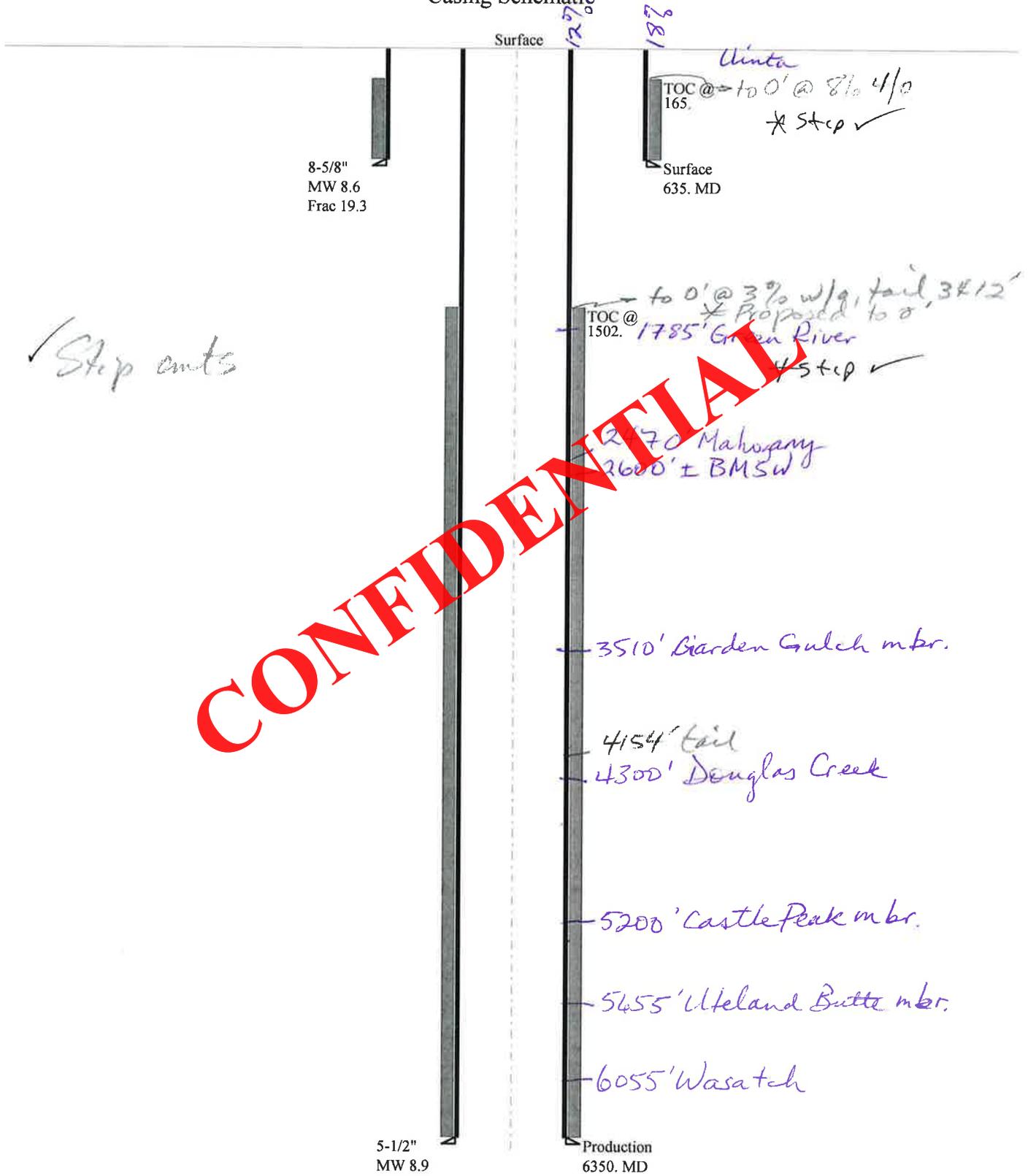
Calculations	PROD String	5.500	"
Max BHP (psi)	.052*Setting Depth*MW=	287	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	2045	NO <input type="checkbox"/>
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	1410	YES <input type="checkbox"/> OK <input type="checkbox"/>
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	1550	NO <input type="checkbox"/> Reasonable <input type="checkbox"/>
Required Casing/BOPE Test Pressure=		2000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		635	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

43013516060000 Smith 11-7-5-4

Casing Schematic



Well name:	43013516060000 Smith 11-7-5-4		
Operator:	APPALOOSA OPERATING COMPANY LLC		
String type:	Surface	Project ID:	43-013-51606
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: 83 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 100 ft

Cement top: 165 ft

Burst

Max anticipated surface pressure: 559 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 635 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
 Neutral point 553 ft

Completion type is subs
Non-directional string.

Re subsequent strings:

Next setting depth: 6,350 ft
 Next mud weight: 8.900 ppg
 Next setting BHP: 2,936 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 635 ft
 Injection pressure: 635 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	635	8.625	24.00	J-55	ST&C	635	635	7.972	3269
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	284	1370	4.829	635	2950	4.65	15.2	244	16.01 J

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

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

Date: October 1, 2012
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 635 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:	43013516060000 Smith 11-7-5-4	
Operator:	APPALOOSA OPERATING COMPANY LLC	
String type:	Production	Project ID: 43-013-51606
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: 163 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 100 ft
Cement top: 1,502 ft

Burst

Max anticipated surface pressure: 1,539 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 2,936 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
Neutral point: 5,495 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	6350	5.5	15.50	J-55	LT&C	6350	6350	4.825	22422
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	2936	4040	1.376	2936	4810	1.64	98.4	217	2.20 J

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

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

Date: September 26, 2012
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 6350 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 Smith 11-7-5-4
API Number 43013516060000 **APD No** 6383 **Field/Unit** BRUNDAGE CANYON
Location: 1/4,1/4 NESW **Sec** 7 **Tw** 5.0S **Rng** 4.0W 1864 FSL 1842 FWL
GPS Coord (UTM) 552836 4434468 **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%. Locally, the soils are rather silty overlain by a great deal of angularlastic shales. The pad is to be built alongside a deep erosional wash in lowlands (possible floodplain) below benches. The site is Heavily vegetated by thick, tall stands of greasewood with very little else finding a foothold.

Surface Use Plan

Current Surface Use
Wildlfe Habitat

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

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetlands Y
next to a deeply incised wash

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;

Greasewood and little else has been able to compete

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 within a possible floodplain

Erosion Issues Y

highly erodible soils

Sedimentation Issues Y**Site Stability Issues N****Drainage Diversion Required? N****Berm Required? Y****Erosion Sedimentation Control Required? N**

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

Reserve Pit**Site-Specific Factors****Site Ranking**

Distance to Groundwater (feet)	25 to 75	15
Distance to Surface Water (feet)		20
Dist. Nearest Municipal Well (ft)	5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)		0
Affected Populations		
Presence Nearby Utility Conduits	Not Present	0
	Final Score	50 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

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
6383	43013516060000	LOCKED	OW	S	No
Operator	APPALOOSA OPERATING COMPANY LLC		Surface Owner-APD	Utah Division of Wildlife Resources	
Well Name	Smith 11-7-5-4		Unit		
Field	BRUNDAGE CANYON		Type of Work	DRILL	
Location	NESW 7 5S 4W U 1864 FSL 1842 FWL GPS Coord (UTM) 552838E 4434474N				

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 2,600 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 7. 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, created by cut and fill, from erosion, sedimentation and stability issues on all sides of pad .

Chris Jensen
Onsite Evaluator

8/29/2012
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
	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.

CONFIDENTIAL

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 7/18/2012

API NO. ASSIGNED: 43013516060000

WELL NAME: Smith 11-7-5-4

OPERATOR: APPALOOSA OPERATING COMPANY LLC (N3845)

PHONE NUMBER: 307 675-6400

CONTACT: Shirl Ames

PROPOSED LOCATION: NESW 07 050S 040W

Permit Tech Review:

SURFACE: 1864 FSL 1842 FWL

Engineering Review:

BOTTOM: 1864 FSL 1842 FWL

Geology Review:

COUNTY: DUCHESNE

LATITUDE: 40.05886

LONGITUDE: -110.38047

UTM SURF EASTINGS: 552838.00

NORTHINGS: 4434474.00

FIELD NAME: BRUNDAGE CANYON

LEASE TYPE: 4 - Fee

LEASE NUMBER: fee

PROPOSED PRODUCING FORMATION(S): UTELAND BUTTE

SURFACE OWNER: 3 - State

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: STATE - 0279605699
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 492204
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

LOCATION AND SITING:

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

Comments: Presite Completed

Stipulations: 5 - Statement of Basis - bhill
 12 - Cement Volume (3) - ddoucet
 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: Smith 11-7-5-4
API Well Number: 43013516060000
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 UTELAND BUTTE 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:

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 "J. Rogers", written in a cursive style.

For John Rogers
Associate Director, Oil & Gas

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: 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: Smith 11-7-5-4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1922 FSL 1879 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 07 Township: 05.0S Range: 04.0W Meridian: U	9. API NUMBER: 43013516060000
5. ADDRESS OF OPERATOR: 1776 Woodstead Ct., Suite 121, The Woodlands, TX, 77380	9. FIELD and POOL or WILDCAT: UNDESIGNATED
6. PHONE NUMBER: 832 419-0889 Ext	COUNTY: DUCHESNE
7. STATE: UTAH	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: 11/27/2012	<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 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="Move Surface Hole Location"/>

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

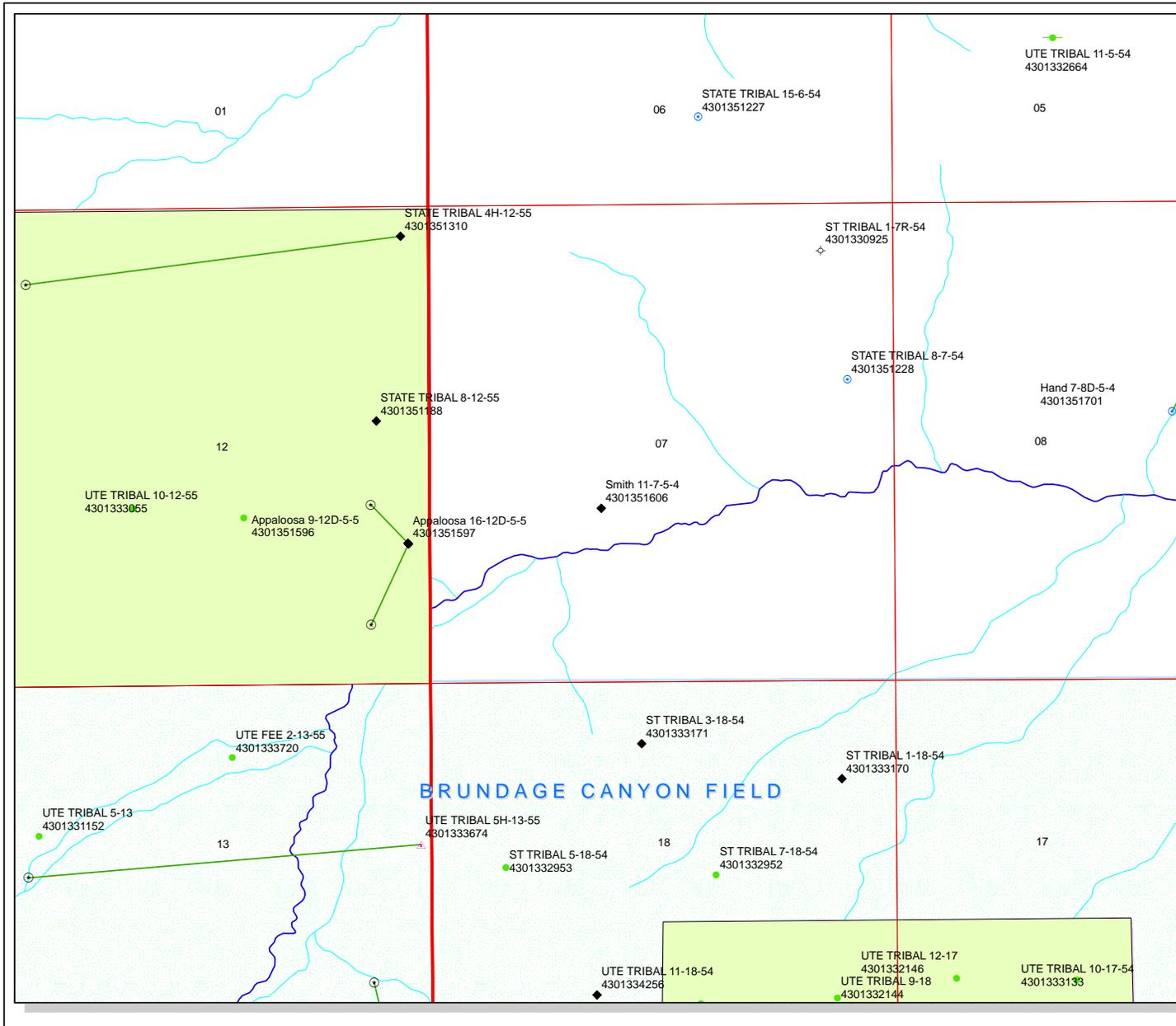
Surface hole location needs to be moved approximately fifty (50) feet to accomodate safe construction and avoid a previously unknown natural gas pipeline.

Approved by the Utah Division of Oil, Gas and Mining

Date: November 29, 2012

By: *D. K. Duff*

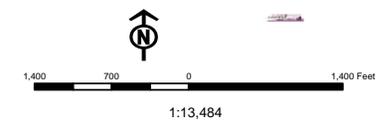
NAME (PLEASE PRINT) Shirli Ames	PHONE NUMBER 307 675-6400	TITLE Document Control Specialist
SIGNATURE N/A	DATE 11/26/2012	



API Number: 4301351606
Well Name: Smith 11-7-5-4
Township T05.0S Range R04.0W Section 07
Meridian: UBM
 Operator: APPALOOSA OPERATING COMPANY LLC

Map Prepared:
 Map Produced by Diana Mason

- | | |
|---------------|------------------------------------|
| Units | Wells Query |
| STATUS | STATUS |
| ACTIVE | APD - Approved Permit |
| EXPLORATORY | DRL - 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 GEOTHERML | PGW - Producing Gas Well |
| PP OIL | POW - Producing Oil Well |
| SECONDARY | SGW - Shut-in Gas Well |
| TERMINATED | SOW - Shut-in Oil Well |
| STATUS | 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&GasDls |
| STORAGE | |
| TERMINATED | |



INSTRUCTIONS

This form shall be submitted by the operator to show the intention and/or completion of the following:

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
 - minor deepening of an existing well bore,
 - plugging back a well,
 - recompleting to a different producing formation within an existing well bore (intent only),
 - re-perforating the current producing formation,
 - drilling a sidetrack to repair a well,
 - reporting monthly the status of each drilling well.

This form is not to be used for proposals to

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

Use Form 3, Application for Permit to Drill (APD) for such proposals.

NOTICE OF INTENT - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

SUBSEQUENT REPORT - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

WELL ABANDONMENT - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

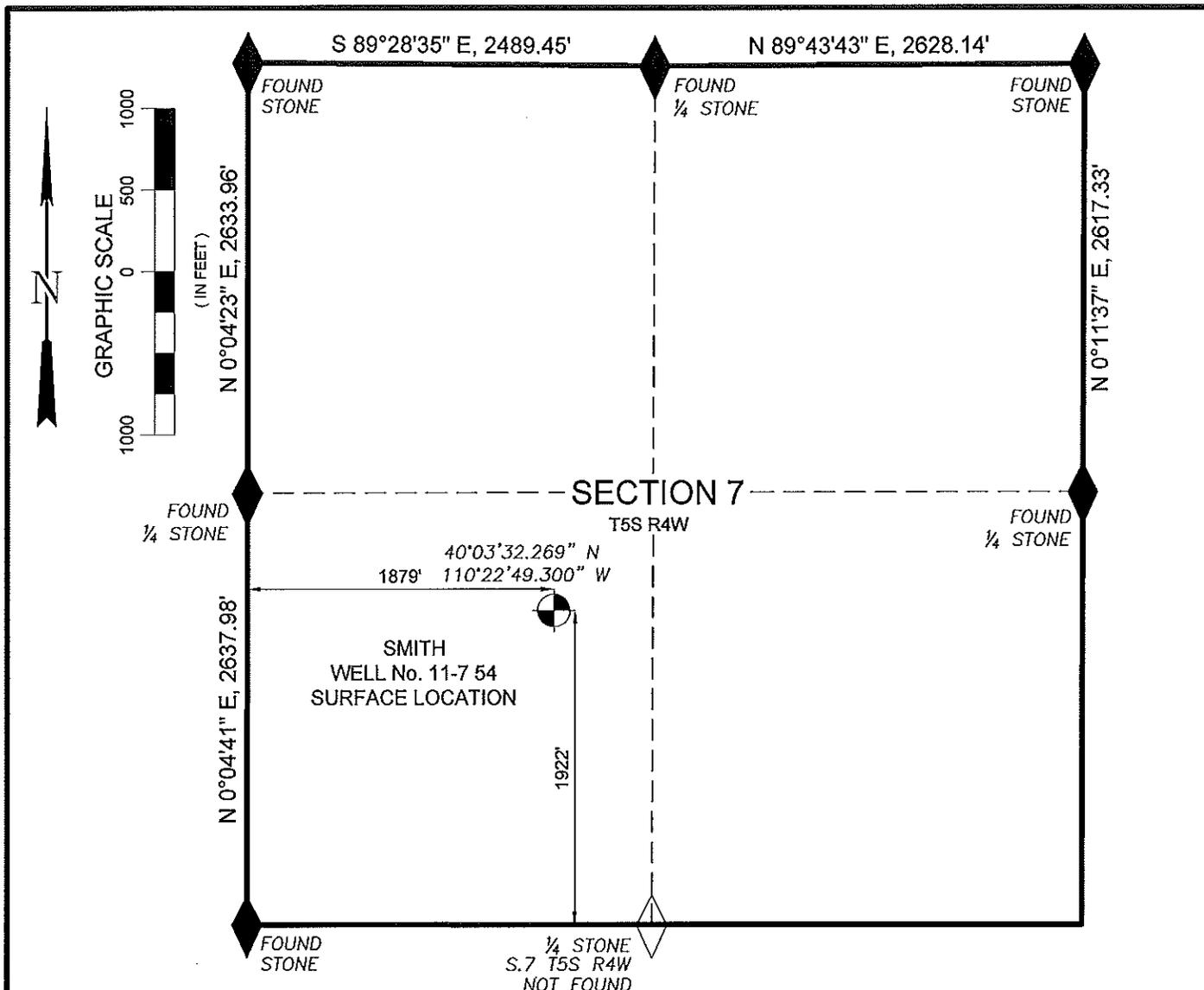
- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and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

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



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

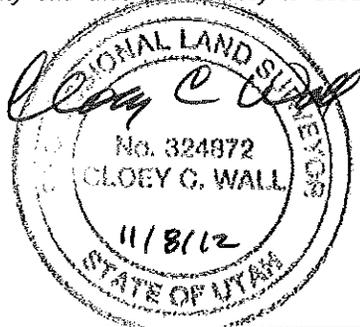
SURVEY NOTE

The S ¼ corner of S.7 T5S, R4W USB&M was not found – used GLO distance and bearing.

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 PERMIT to DRILL
 SMITH WELL No. 11-7 54
 1879' FWL, 1922' FSL
 SECTION 7, T5S, R4W, USB&M
 DUCHESNE COUNTY, UT



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: fee
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: Smith 11-7-5-4
2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC	9. API NUMBER: 43013516060000
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: 1922 FSL 1879 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 07 Township: 05.0S Range: 04.0W Meridian: U	9. FIELD and POOL or WILDCAT: UNDESIGNATED COUNTY: DUCHESNE STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input 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 checked="" type="checkbox"/> SPUD REPORT Date of Spud: 12/7/2012	<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 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 Operating LLC spud the referenced well on 12/7/2012. Set 37' of 20" conductor pipe and cemented with 6 yds of sand grout.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 December 10, 2012

NAME (PLEASE PRINT) Scott Straessler	PHONE NUMBER 307 675-6400	TITLE Optimization Manager
SIGNATURE N/A	DATE 12/10/2012	

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

FORM 6

ENTITY ACTION FORM

Operator: Appaloosa Operating LLC Operator Account Number: N 3845
 Address: 1776 Woodstead Ct
city The Woodlands
state TX zip 773810 Phone Number: (832) 419-0889

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301351606	Smith 11-7-5-4		NESW	7	5S	4W	Duchesne
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	new	100839	12/7/2012			12/10/2012	
Comments:							CONFIDENTIAL
GRRV							

Well 2

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

Well 3

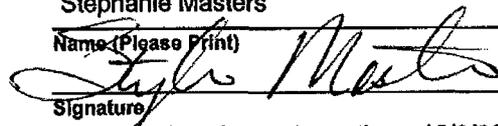
API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

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

RECEIVED

DEC 10 2012

Stephanie Masters
 Name (Please Print)

 Signature
 Agent for Appaloosa Operating 12/9/2012
 Title Date

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: fee
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Oil Well		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC		8. WELL NAME and NUMBER: Smith 11-7-5-4
3. ADDRESS OF OPERATOR: 1776 Woodstead Ct., Suite 121 , The Woodlands, TX, 77380		9. API NUMBER: 43013516060000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1922 FSL 1879 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 07 Township: 05.0S Range: 04.0W Meridian: U		9. FIELD and POOL or WILDCAT: UNDESIGNATED
		COUNTY: DUCHESNE
		STATE: UTAH

11.

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input 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 type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 1/6/2013	<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 type="checkbox"/> OTHER	OTHER: <input type="text"/>

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

Chronological report

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
January 10, 2013**

NAME (PLEASE PRINT) Shirl Ames	PHONE NUMBER 307 675-6400	TITLE Document Control Specialist
SIGNATURE N/A	DATE 1/6/2013	

Smith 11-7-5-4

12-7-2012

Rig up Bucket rig and drill 37' 24" hole Formation Started get muddy and set 37' 20" pipe and cement with 6 yards sand grout rig down bucket rig; with 6 yards sand grout and Rig down bucket rig; Rig up air rig and drove 14 3/4 pipe from 37' to 76" SDFN.

12-8-2012

Drill out 14 3/4 conductor to 76' and drill to 85' hit water at 10 gal/min and drove 14 3/4 to 91'; down to top of Shale and cement with 4 yards sand grout and rig down and move off; Install cellar ring and clean up location.

12-9-2012

Rig down; Move rig and set in loads; Rig up; Weld conductor and instill Rotating head flange Nipple up rotating head and rig up pipe arm; Weld conductor and instill Rotating head flange Nipple up rotating head and rig up pipe arm; Strap BHA and unload 8 5/8 casing and strap casing; Pick up 12 1/4 bit and trip in and tag at 91'; Drill 12 1/4 hole from 91' to 124'.

12-10-2012

Drill from 123' to 184'; Deviation survey; Drill from 184' to 245'; Service rig; Drill from 245' to 275'; Deviation survey; Drill from 275' to 282'; Drill from 282' to 365'; Deviation survey; Drill from 365' to 426'; Deviation survey; Drill from 426' to 440'.

12-11-0212

Drill from 440' to 488'; Service rig; Drill from 488' to 511'; Drill from 511' to 560'.

12-12-2012

Drill from 560' to 568'; Circulate and bring mud wt up 15.8 lbs/gal; Check for flow 2 to 3 gal per min; Circulate and bring mud wt up in bill tank 85 bbl to 17 lbs/gal; Check for flow no flow and fill trip tank with 17 lbs/gal mud; Trip out; Rig up to run 8 5/8 24# ST&C 8RD; Run 15 joints of 8 5/8; 24# ST&C 8RD casing and srt at 559', Install rotating rubber; Circulate surface casing and rig up Halliburton.

12-13-2012

Flow check no flow, Rig up Halliburton test line to 3000 PSI mix and pump 310 sk 15.8 lbs/gal cement; Yield 1.17 Mix water 5.02 Drop plug and displaced with 34.3 bbl water and got 20 bbl cement to pit; Wait on cement well flowing 2-3 gal per min; Rig up Pioneer and run Temp log; Wait on Pack off tool to perforate; Mix 80 bbl 17# mud; Perforate at 370' 4 s/p/f and pump 80 bbl 17# mud around at 2 bbl min; Rig down wire line and rig up Halliburton and mix 80 bbl 17# mud; Pump 17# with Halliburton at 2 bbl/min and got 16.4# mud back; Mix 80 bbl 17# mud.

12-14-2012

Mix 17# mud; Rig up Halliburton and pump 17# mud at 3 to 4 bbl min and kill well; Safety meet and test lines to 3000 PSI mix and pump 250 sx 17.5# 1.02 yield 3.58 water; Class G with Add 23.5% salt 100# Bag .3% Halad® -344 50 LB .2% CFR-3 Deformer 50# LB SK; .5% D-AIR 3000 Drop plug and displaced with 20 bbl 15# mud; WOC Open well check for flow at 09:00 AM.

12-15-2012

WOC; Check for flow from casing and conductor pipe all is good; Cut off conductor and casing. Weld on well head. Weld plate around surface pipe to conductor pipe; Nipple up BOP'S; Rig up tester, Test BOP, Light plant went out at 1:30, back up at 2:00, Annular leaking oil; Pull off flow line, Rotating head, top plate of annular to XO bag, Replace XO bag.

12-16-2012

Replace annular bag; Test BOP; Break off 12 1/4" bit, Make up 7 7/8" bit. TIH tag cement @ 260'; Drill out cement and plug; TIH to float @515'; Service rig; Flow check, Flow @ 5 gal/min; Build kill pill to 17#; Pump slug, TOOH; Wait on loggers; RU wire line log to run temperature log, Run log; RD loggers; TIH to 515'; Circulate 17# mud to surface. Flow check, Well flowing 1 gal/min; Circulate, build volumes and raise mud WT to 18.2, pump 18.2 to surface; Check for flow, flowing 2 bbls per hour; Looking for a cast iron bridge plug.

12-17-2012

Circulate, Wait on wire line; Pump slug and lay down DP; Rig up wire line set cast iron bridge plug. Set at 320', Dump bail cement 10'; Nipple down and clean mud tanks.

12-18-12

Rig release @ 06:00 AM on 12/18/12 by Heavy.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
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	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: Smith 11-7-5-4
2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC	9. API NUMBER: 43013516060000
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: 1922 FSL 1879 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 07 Township: 05.0S Range: 04.0W Meridian: U	9. FIELD and POOL or WILDCAT: UNDESIGNATED
	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: 12/22/2012	<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
	<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 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.

NAME (PLEASE PRINT) Shirl Ames	PHONE NUMBER 307 675-6400	TITLE Document Control Specialist
SIGNATURE N/A	DATE 12/17/2012	



1776 Woodstead Ct, Suite 121
The Woodlands, TX 77380

December 5, 2012

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

Attn: Dennis Gustafson

Re: Notice to Commingle Production
Hand 7-8D-5-4 and Smith 11-7-5-4
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, appearing to read "Brad Posey", written in a cursive 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:

Hand 7-8D-5-4
Smith 11-7-5-4

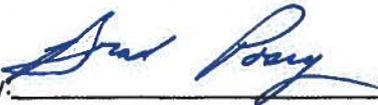
This Affidavit is made in accordance with Utah's Oil, Gas and Mining regulation R649-3-22. As operator, Appaloosa Operating Company LLC has provided notices to the owner(s) of all contiguous oil and gas leases or drilling units overlying the pool for the aforementioned wells to the parties listed below:

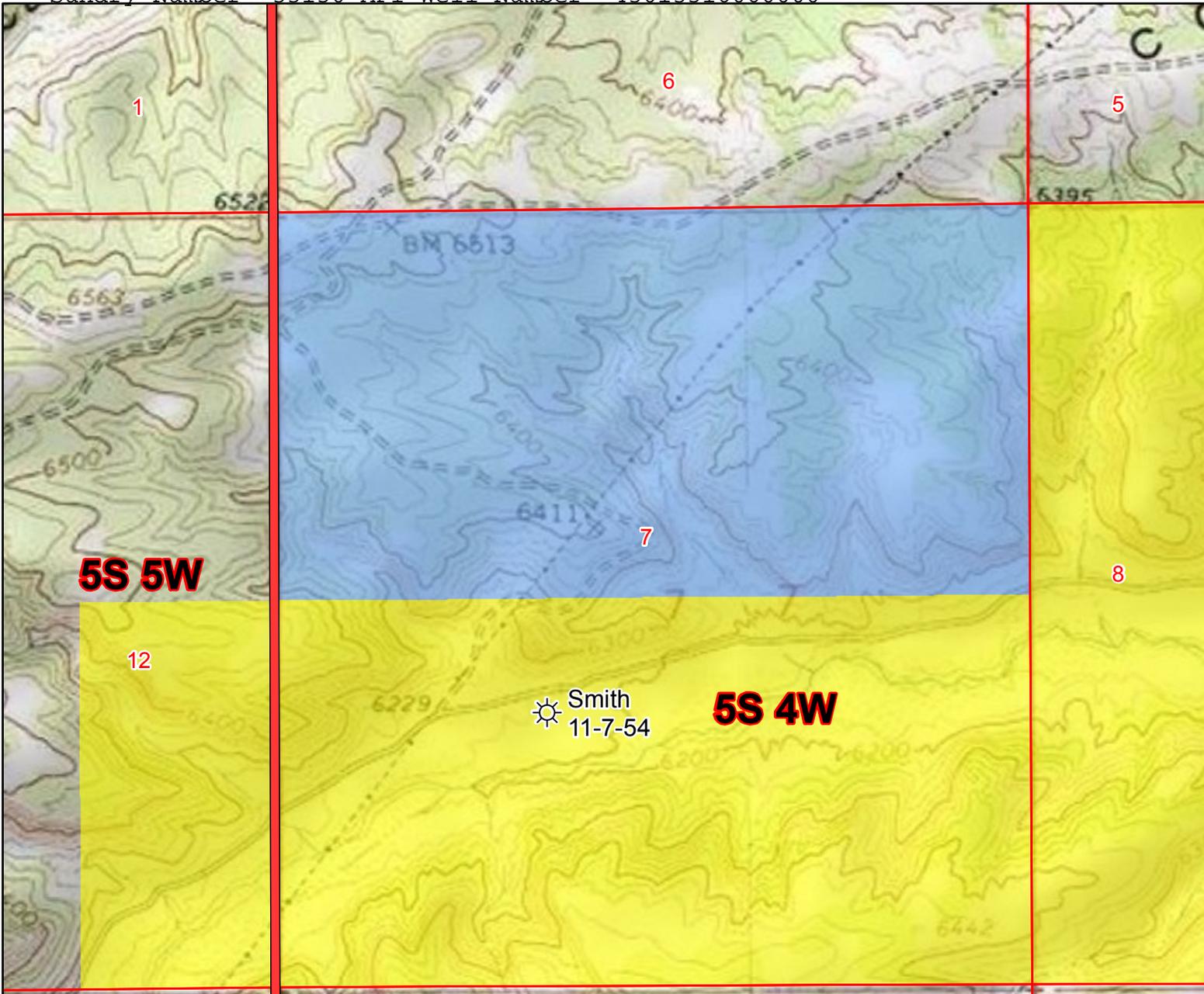
Berry Petroleum Company
1999 Broadway, Suite 3700
Denver, CO 802202

Attn: Dennis Gustafson

This instrument is executed this 5th day of December, 2012.

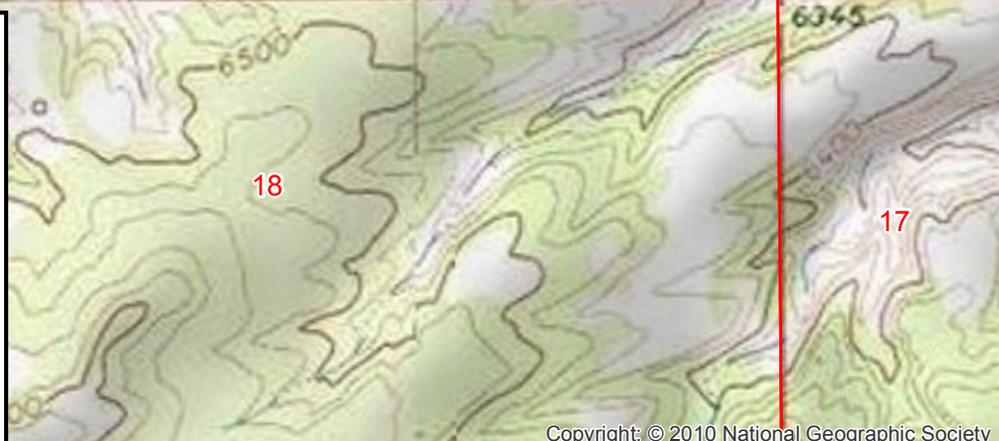
Appaloosa Operating Company, LLC

By: 



Legend

-  Proposed Well Location
-  Township/Range
-  Section
-  Berry Petroleum Mineral Lease
-  Appaloosa Mineral Lease
- NGS USA Topographic Maps



Copyright: © 2010 National Geographic Society

PREPARED FOR:



CREATED BY:



APPALOOSA ENERGY
 Smith 11-7-55
 SEC. 7, T5S, R5W
 Duchesene County, UT



DRAWN BY: MANNY RODRIGUEZ
 DATE: 12/21/2012
 SCALE: 1 inch = 1,000 feet

MINERAL LEASE MAP

SHEET
A

RECEIVED: Dec. 17, 2012

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: fee
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2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC	9. API NUMBER: 43013516060000
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4. LOCATION OF WELL FOOTAGES AT SURFACE: 1922 FSL 1879 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 07 Township: 05.0S Range: 04.0W Meridian: U	9. FIELD and POOL or WILDCAT: UNDESIGNATED
	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: 1/15/2013	<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 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 checked="" 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
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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 request to plug and abandon referenced well. The procedure will be as follows. TIH Tag top of retainer at +/- 323' Circulate fresh water to prepare hole. Set CIBP at 300' Pump 15.8# class G cement to surface. Rig down Cut and cap 3' below surface. Backfill

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

Date: January 31, 2013

By: 

NAME (PLEASE PRINT) Shirl Ames	PHONE NUMBER 307 675-6400	TITLE Document Control Specialist
SIGNATURE N/A	DATE 1/15/2013	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43013516060000

Verbal approval given 1/14/2013 @ 10 a.m.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
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3. ADDRESS OF OPERATOR: 1776 Woodstead Ct., Suite 121 , The Woodlands, TX, 77380	8. WELL NAME and NUMBER: Smith 11-7-5-4
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STATE: UTAH	STATE: UTAH

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<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 2/6/2013	<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
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Chronological report

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

FOR RECORD ONLY

February 13, 2013

NAME (PLEASE PRINT) Shirl Ames	PHONE NUMBER 307 675-6400	TITLE Document Control Specialist
SIGNATURE N/A	DATE 2/6/2013	

Smith 11-7-5-4

1-11-13

Rig up; Nipple up BOP; Rig up front of rig and get DC and drill on racks and SLM BHA.

1-12-13

Pick up bit and trip in; pick up rot, Rubber; Trip in tag cement at 312'; Drill cement and CIBP and trip in to bottom at 515'; Circulate hole clean; Trip out; Rig up and run CBL with temp. to bottom, Rig up Halliburton and press up to run CBL Temp. Log; Pick up cement retainer trip into 323' and set retainer; Wait on cement ; Rig up and pump 120 sk lead 14.8 ppg yield 1.28 water 5.66 20 sk 14.8 yield 1.32 water 6.32 and displaced 4 bbl and .06 bbl/min and 1140 PSI Pulled out and pump 21 bbl water to clean out casing; Trip out; WOC.

1-13-13

WOC; Wait on orders at 2:00 AM started trip in and well was flowing 1.5 gal/min.

1-14-13

WOO; Trip in tag at 322' There a hole between 323' and 300' after drilling CIBP at 320'; Circulate; Trip out; Fill hole and wait on Pioneer; Set CIBP @ 300'; WO Halliburton; Rig up Halliburton Safety meeting prime up pump, pump 15 bbl water a head mix and pump 8 bbl; 15.8 lbs/gal class G cement 39 sk yield 1.15sk water 5gal/sk pull out 90' trip out 120' mix and pump; 46 sk 15.8 class G cement 1.15 sk yield 5 gal/sk pulled out 135' mix and pump 20 sk 15.8 class G; Cement at 4 sk yield 1.15 yield 5 gal water displace with 1 bbl water rig down Halliburton and rig done; Rig down Halliburton; Nipple down BOP'S Cleaned mud tanks at 20 below zero.

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

11.

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<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: 1/14/2013	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
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	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
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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 plugged and abandoned referenced well on 1/14/2013. TIH T/515'; Run CBL; TIH and set cement retainer at 323'; Pump 140 sks Class G cement; TOH; WOC; TIH tag cmt @ 322'; Set CIBP @ 300'; Cement to surface with 105 sks Class G cement; Cut casing off 4' below surface weld on plate cover and contour to prepare to slide rig 30'. Appaloosa is preparing a new APD for a second well on this location.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
March 11, 2013**

NAME (PLEASE PRINT) Shirl Ames	PHONE NUMBER 307 675-6400	TITLE Document Control Specialist
SIGNATURE N/A	DATE 2/5/2013	

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

CONFIDENTIAL

WELL COMPLETION REPORT FORM 8
 (1 page) (1 page)
 LEASE IDENTIFICATION AND SERIAL NUMBER:
 1234

WELL COMPLETION OR RECOMPLETION REPORT AND LOG						6. IF INDIAN, ALLOTTEE OR TRUST NAME N/A			
1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____						7. UNIT or CA AGREEMENT NAME N/A			
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____						8. WELL NAME and NUMBER: Smith 11-7-5-4			
2. NAME OF OPERATOR: Appaloosa Operating Company LLC						9. API NUMBER: 4301351606			
3. ADDRESS OF OPERATOR: 1776 Woodsteadct su121 CITY The Woodlands STATE TX ZIP 77380				PHONE NUMBER: (832) 419-0889		10. FIELD AND POOL, OR WILDCAT Wildcat			
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1922' FSL & 1879' FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH: 1922' FSL & 1879' FWL						11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 7 5S 4W U			
						12. COUNTY Duchesne	13. STATE UTAH		
14. DATE SPUNDED: 12/7/2012		15. DATE T.D. REACHED: 12/12/2012		16. DATE COMPLETED: 1/14/2013		17. ELEVATIONS (DF, RKB, RT, GL): 6219			
18. TOTAL DEPTH: MD 568 TVD 568		19. PLUG BACK T.D.: MD TVD		20. IF MULTIPLE COMPLETIONS, HOW MANY? * P & A		21. DEPTH BRIDGE MD PLUG SET: TVD			
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) N/A						23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (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
24"	20		0	37		6		0	
20"	14.75		0	91		8		0	
12.25"	8.675 J-55	24	0	559		Class 4 310		0	
25. TUBING RECORD									
SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	
26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.									
DEPTH INTERVAL		AMOUNT AND TYPE OF MATERIAL							
29. ENCLOSED ATTACHMENTS:								30. WELL STATUS:	
<input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS		<input type="checkbox"/> GEOLOGIC REPORT		<input type="checkbox"/> DST REPORT		<input type="checkbox"/> DIRECTIONAL SURVEY		P & A	
<input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION		<input type="checkbox"/> CORE ANALYSIS		<input type="checkbox"/> OTHER: _____					

RECEIVED

MAR 11 2013

31. INITIAL PRODUCTION

INTERVAL A (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 B (As shown in Item #26)

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

INTERVAL C (As shown in Item #26)

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

INTERVAL D (As shown in Item #26)

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

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

33. SUMMARY OF POROUS ZONES (include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

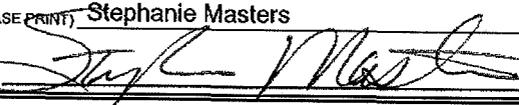
35. ADDITIONAL REMARKS (include plugging procedure)

This well has been Plugged and Abandon

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

NAME (PLEASE PRINT) Stephanie Masters

TITLE _____

SIGNATURE 

DATE 3/11/2013

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- 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

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

FORM 7

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: Smith 11-7-5-4

API number: 4301351606

Well Location: QQ NESW Section 7 Township 5S Range 4W County Duchesne

Well operator: Appaloosa Operating Company LLC

Address: 1776 Woodstead Ct suite 121
The Woodlands state TX zip _____

Phone: (832) 419-0889

Drilling contractor: Capstar 328

Address: 1910 N. Loop Ave
Casper state WY zip 82601

Phone: (307) 235-8609

Water encountered (attach additional pages as needed):

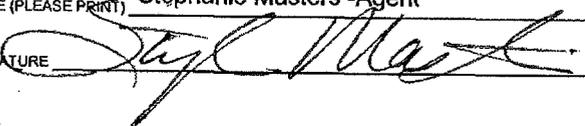
DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
350	370	1,714	Trona

Formation tops: (Top to Bottom)

1 <u>Uinta</u>	2 _____	3 _____
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) Stephanie Masters -Agent TITLE _____
 SIGNATURE  DATE 3/11/2013

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: fee
1. TYPE OF 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: Smith 11-7-5-4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1922 FSL 1879 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 07 Township: 05.0S Range: 04.0W Meridian: U	9. API NUMBER: 43013516060000
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: BRUNDAGE CANYON	COUNTY: DUCHESNE
STATE: UTAH	

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 1/14/2013	<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 with water analysis to replace previously submitted data

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY
 July 27, 2015**

NAME (PLEASE PRINT) Terrie Hoye	PHONE NUMBER 713 410-9479	TITLE Sr. Geotech
SIGNATURE N/A	DATE 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: Smith 11-7-5-4API number: 4301351606Well Location: QQ NESW Section 7 Township 5S Range 4W County DuchesneWell operator: Appaloosa Operating Company LLCAddress: PO Box 7280city The Woodlands state TX zip 77387Phone: (832) 419-0889Drilling contractor: CapstarAddress: 1910 N. Loop Ave.city Casper state WY zip 82601Phone: (307) 235-8609

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
350	370		trona

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 HoyeTITLE Sr. Geotech

SIGNATURE _____

DATE 7/20/2015

HALLIBURTON

VERNAL DISTRICT LABORATORY WATER ANALYSIS REPORT

Company: Wood Group
 Well Name/No.: Smith 11-7-5-4
 Water Type: Flow Back

Project No.: W276
 Date Tested: 12/15/2012

	Units	Result
Specific Gravity	~	1.090
pH	~	11.26
Chloride (Cl)	mg/L	58240.00
Calcium (Ca)	mg/L	0.00
Magnesium (Mg)	mg/L	0.00
Iron (Fe)	mg/L	0.00
Potassium (K)	mg/L	700.00
Bicarbonate (HCO ₃)	mg/L	16592.00
Carbonate (CO ₃)	mg/L	51840.00
Hydroxides (OH)*	mg/L	30.9349146
Sulfate (SO ₄)	mg/L	520.00
Sodium (Na)*	mg/L	82905.52
Total Dissolved Solids (TDS)*	mg/L	210797.52
Resistivity	Ω*m	0.120
Temperature	°F	66

*Sodium & TDS are calculated

Test Comments

This report is the property of Halliburton services and neither it nor any part thereof nor copy thereof may be published or disclosed without first securing the express written approval of laboratory management. It may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Services.

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