

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 Sundance West 4-22B4
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 ALTAMONT
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO		5. UNIT or COMMUNITIZATION AGREEMENT NAME
6. NAME OF OPERATOR EP ENERGY E&P COMPANY, L.P.		7. OPERATOR PHONE 713 997-5038
8. ADDRESS OF OPERATOR 1001 Louisiana, Houston, TX, 77002		9. OPERATOR E-MAIL maria.gomez@epenergy.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 type="checkbox"/> FEE <input checked="" type="checkbox"/>
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Mr. & Mrs. Hargrave, as joint tenants		14. SURFACE OWNER PHONE (if box 12 = 'fee') 425-827-4931
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 429 14th Avenue West, ,		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	988 FNL 2398 FWL	NENW	22	2.0 S	4.0 W	U
Top of Uppermost Producing Zone	988 FNL 2398 FWL	NENW	22	2.0 S	4.0 W	U
At Total Depth	988 FNL 2398 FWL	NENW	22	2.0 S	4.0 W	U

21. COUNTY DUCHESNE	22. DISTANCE TO NEAREST LEASE LINE (Feet) 988	23. NUMBER OF ACRES IN DRILLING UNIT 640
25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completion) 1500	26. PROPOSED DEPTH MD: 13800 TVD: 13800	
27. ELEVATION - GROUND LEVEL 6274	28. BOND NUMBER 400JU0708	29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Duchesne City/Water Right 43-8362

Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Cond	20	13.375	0 - 1000	54.5	J-55 LT&C	8.8	Class G	1241	1.15	15.8
Surf	12.25	9.625	0 - 4500	40.0	N-80 LT&C	9.5	35/65 Poz	653	3.16	11.0
							Premium Lite High Strength	191	1.33	14.2
I1	8.75	7.000	0 - 10711	29.0	P-110 LT&C	10.9	Premium Lite High Strength	400	2.31	12.0
							Premium Lite High Strength	91	1.91	12.5
L1	6.125	4.5	10511 - 13800	13.5	P-110 LT&C	14.0	50/50 Poz	243	1.61	15.4

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 checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP

NAME Maria S. Gomez	TITLE Principle Regulatory Analyst	PHONE 713 997-5038
SIGNATURE	DATE 08/02/2012	EMAIL maria.gomez@epenergy.com
API NUMBER ASSIGNED 43013516180000		APPROVAL

**Sundance West 4-22B4
Sec. 22, T2S, R4W
DUCHESNE COUNTY, UT**

EP ENERGY E&P COMPANY, L.P.

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth</u>
Green River (GRRV)	4,591'
Green River (GRTN1)	6,641'
Mahogany Bench	7,691'
L. Green River	8,991'
Wasatch	10,611'
T.D. (Permit)	13,800'

2. Estimated Depths of Anticipated Water, Oil, Gas or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River (GRRV)	4,591'
	Green River (GRTN1)	6,641'
	Mahogany Bench	7,691'
Oil	L. Green River	8,991'
Oil	Wasatch	10,611'

3. Pressure Control Equipment: (Schematic Attached)

A 4.5" by 20.0" rotating head on structural pipe from surface to 1,000'. A 4.5" by 13 3/8" Smith Rotating Head and 5M Annular from 1,000' to 4,600' on Conductor. A 5M BOP stack, 5M kill lines and choke manifold used from 4,600' to 10,711'. A 10M BOE w/rotating head, 5M annular, blind rams & mud cross from 10,711' to TD. The BOPE and related equipment will meet the requirements of the 5M and 10M system.

OPERATORS MINIMUM SPECIFICATIONS FOR BOPE:

The surface casing will be equipped with a flanged casing head of 5M psi working pressure. An 11" 5M x 11" 10M spool, 11" x 10M psi BOP and 5M psi Annular will be nipped up on the surface casing and tested to 250 psi low test / 3,000 psi high test for 10 minutes each prior to drilling out. The surface casing will be tested to 1,000 psi. for 30 mins. Intermediate casing will be tested to the greater of 1500 psi or 0.22 psi/ft. The choke manifold equipment, upper Kelly cock, floor safety valves will be tested to 5M psi. The annular preventer will be tested to 250 psi low test and 4,000 psi high test. The 10M BOP will be installed

with 3 1/2" pipe rams, blind rams, mud cross and rotating head from intermediate shoe to TD. The BOPE will be hydraulically operated.

In addition, the BOP equipment will be tested after running intermediate casing, after any repairs to the equipment and at least once every 30 days. Pipe and blind rams will be activated on each trip, annular preventer will be activated weekly and weekly BOP drills will be held with each crew.

Statement on Accumulator System and Location of Hydraulic Controls:

Precision Rig # 406 is expected to be used to drill the proposed well. Operations will commence after approval of this application. Manual and/or hydraulic controls will be in compliance with 5M and 10M psi systems.

Auxiliary Equipment:

- A) Pason monitoring systems with gas monitor 1,000' – TD.
- B) Mud logger with gas monitor – 4,600' to TD
- C) Choke manifold with one manual and one hydraulic operated choke
- D) Full opening floor valve with drill pipe thread
- E) Upper and lower Kelly cock
- F) Shaker, de-sander and de-silter, and centrifuge

4. **Proposed Casing & Cementing Program**

Please refer to the attached Wellbore Diagram.

All casing will meet or exceed the following design safety factors:

- Burst = 1.00
- Collapse = 1.125
- Tension = 1.2 (including 100k# overpull)

Cement design calculations will be based on: 25% excess over gauge hole in the liner section, 10% excess over gauge hole in the intermediate section, and 75% excess on the lead and 50% excess on the tail over gauge hole volume for the surface hole. Actual volumes pumped will be a minimum of the volumes stated above, however, actual hole size will be based on caliper logs in the liner and intermediate sections. Gauge hole will be used for the surface section.

5. **Drilling Fluids Program:**

Proposed Mud Program:

Interval	Type	Mud Weight
Surface	WBM	8.8 – 9.5
Intermediate	WBM	9.5 – 10.9
Production	WBM	10.9 – 14.0

Anticipated mud weights are based on actual offset well bottom-hole pressure data. Mud weights utilized may be somewhat higher to allow for trip margin and to provide hole stability for running logs and casing.

Visual mud monitoring equipment will be utilized.

6. **Evaluation Program:**

Logs:

Mud Log: 4,600' - TD.

Open Hole Logs: Gamma Ray, Neutron-Density, Resistivity, Sonic, from base of surface casing to TD.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 13,800' TD equals approximately 10,046 psi. This is calculated based on a 0.728 psi/foot gradient (14.0 ppg mud density at TD).

Maximum anticipated surface pressure equals approximately 7,010 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft).

Maximum anticipated surface pressure based on frac gradient at 7" casing shoe is 0.8 psi/ft at 10,711' = 8,569 psi

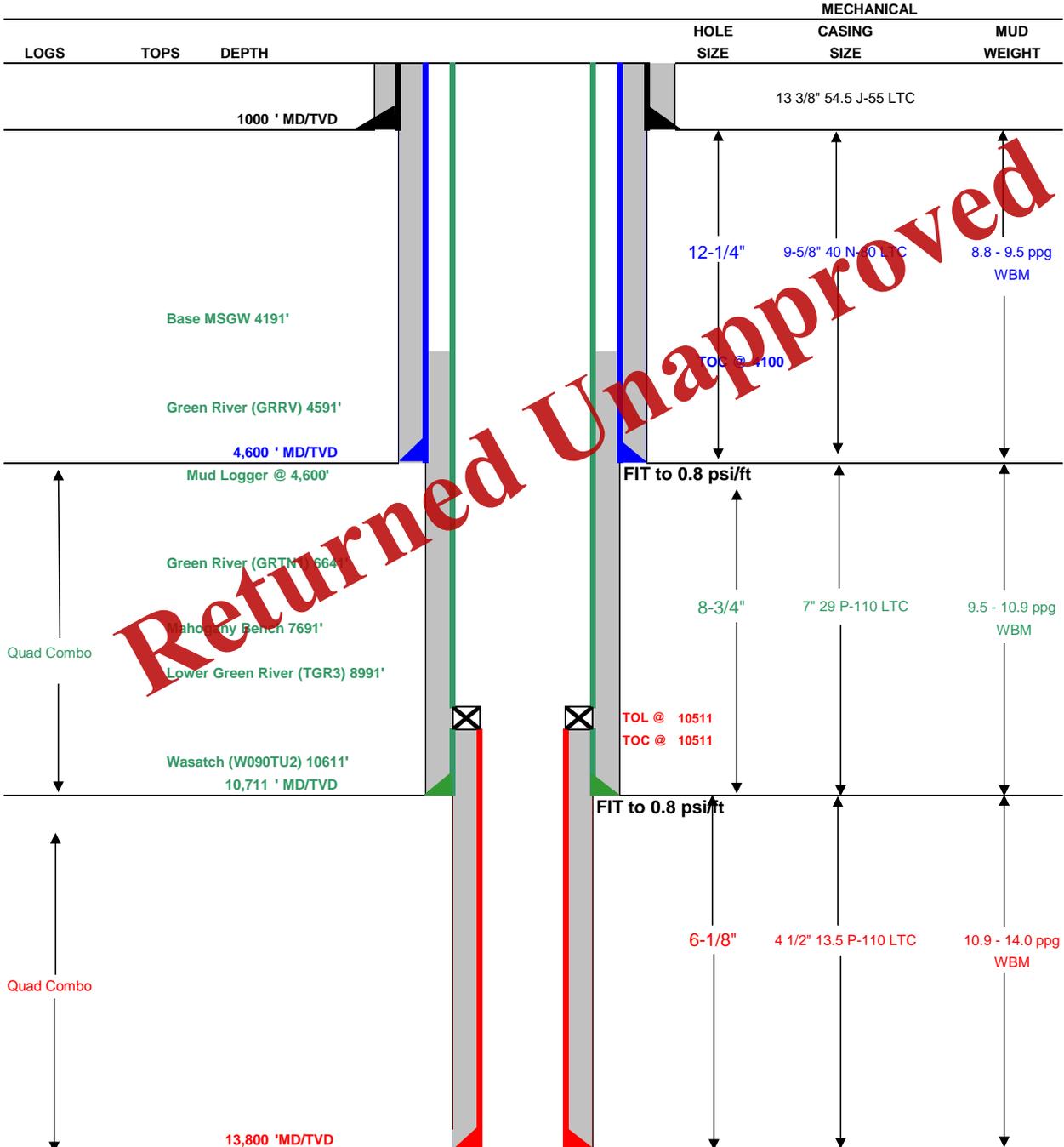
BOPE and casing design will be based on the lesser of the two MASPs which is 7,010 psi.

8. **OPERATOR REQUESTS THAT THE PROPOSED WELL BE PLACED ON CONFIDENTIAL STATUS.**

Returned Unapproved

Drilling Schematic

Company Name: EP ENERGY E&P COMPANY, L.P.	Date: June 28, 2012
Well Name: Sundance West 4-22B4	TD: 13,800
Field, County, State: Altamont-Bluebell Duchesne, UT	AFE #:
Surface Location: Sec 22 T2S R4W 988' FNL 2398' FWL	BHL: Straight Hole
Objective Zone(s): Lower Green River, Wasatch	Elevation: 6,274'
Rig: Precision 406	Spud (est.):
BOPE Info: 5.0 x 13 3/8 rotating head and 5M Annular from 1,000' to 4,600' 11 5M BOP stack and 5M kill lines and choke manifold used from 4,600' to 10,711' 11 10M BOE w/rotating head, 5M annular, 3.5 rams, blind rams & mud cross from 10,711' to TD	



DRILLING PROGRAM

CASING PROGRAM	SIZE	INTERVAL		WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	13 3/8"	0	1000	54.5	J-55	LTC	2,730	1,140	1,399
SURFACE	9-5/8"	0	4600	40.00	N-80	LTC	3,090	5,750	820
INTERMEDIATE	7"	0	10711	29.00	P-110	LTC	11,220	8,530	797
PRODUCTION LINER	4 1/2"	10511	13800	13.50	P-110	LTC	12,410	10,680	338

CEMENT PROGRAM		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
CONDUCTOR		1000	Class G + 3% CACL2	1241	100%	15.8 ppg	1.15
SURFACE	Lead	4,100	Boral Craig POZ 35%, Mountain G 65%, Bentonite Wyoming 8%, Silicate 5 lbm/sk, Pol-E Flake 0.125 lbm/sk, Kwik Seal 0.25 lb/sk	653	75%	11.0 ppg	3.16
	Tail	500	Halco-light premium+3 lb/sk Silicate+0.3% Econolite+1% Salt+0.25 lbm/sk Kol-Seal+0.24 lb/sk Kwik Seal+ HR-5	191	50%	14.2 ppg	3.33
INTERMEDIATE	Lead	5,611	Hallco-Light-Premium+4% Bentonite+0.4% Econolite+0.2% Halad322+3 lb/sk Silicalite Compacted+0.8% HR-5+ 0.125 lb/sk Poly-E-Flake	400	10%	13.0 ppg	2.31
	Tail	1,000	Halco-Light-Premium+0.2% Econolite+0.3% Versaset+0.2% Halad322+0.8% HF-5+ 0.3% SuperCBL+ 0.125 lb/sk Poly-E-Flake	243	10%	12.5 ppg	1.91
PRODUCTION LINER		3,289	Halco- 50/50 Poz Premium Cement+20% SSA-1+0.3% Super CBL+ 0.3% Halad-344+0.3% Halad-413+ 0.2% SCR-100+ 0.125 lb/sk Poly-E-Flake + 3 lb/sk Silicat	243	25%	15.40	1.61

FLOAT EQUIPMENT & CENTRALIZERS	
CONDUCTOR	PDC drillable guide shoe, 1 joint, PDC drillable float collar. Thread lock all float equipment. Install bow spring centralizers on the bottom 3 joints of casing.
SURFACE	PDC drillable guide shoe, 1 joint casing, PDC drillable float collar & Stage collar. Thread lock all float equipment. Install bow spring centralizers on the bottom 3 joints of casing & every 3rd joint thereafter.
INTERMEDIATE	PDC drillable 10M,P-110 float shoe, 1 joint, PDC drillable 10M, P-110 float collar. Thread lock all float equipment. Maker joint at 8,000'.
LINER	Float shoe, 1 joint, float collar. Thread lock all FE. Maker joints every 1000'.

PROJECT ENGINEER(S): Joe Cawthorn 713-997-5929

MANAGER: Tommy Gaydos

EL PASO E&P COMPANY, L.P.
SUNDANCE WEST 4-22B4
SECTION 22, T2S, R4W, U.S.B.&M.

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND STATE HIGHWAY 87 IN DUCHESNE, UTAH PROCEED NORTH 9.59 MILES TO AN INTERSECTION WITH A GRAVEL ROAD;

TURN RIGHT ON GRAVEL ROAD AND TRAVEL EASTERLY 2.28 MILES TO AN INTERSECTION;

TURN LEFT ON GRAVEL ROAD AND TRAVEL NORTH 0.48 MILES TO AN INTERSECTION;

TURN RIGHT ON DIRT ROAD AND TRAVEL EASTERLY 0.48 MILES;

TURN LEFT ON DIRT SUBDIVISION ROAD AND TRAVEL NORTH 0.26 MILES TO THE ACCESS ROAD;

TURN RIGHT AND FOLLOW FLAGS EASTERLY 0.04 MILES TO THE WELL LOCATION;

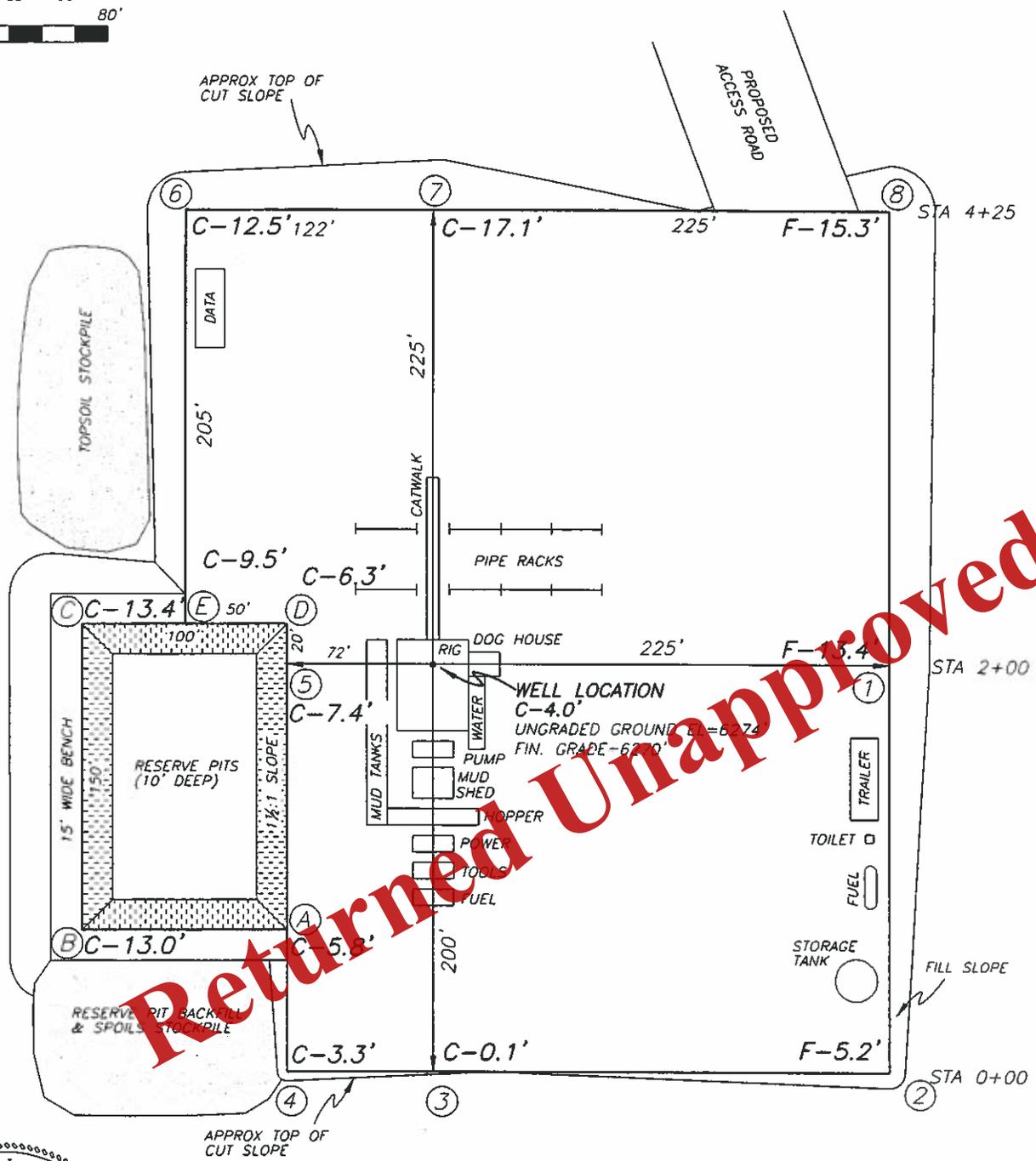
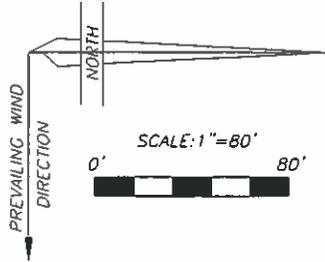
TOTAL DISTANCE FROM DUCHESNE, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 13.13 MILES.

Returned Unapproved

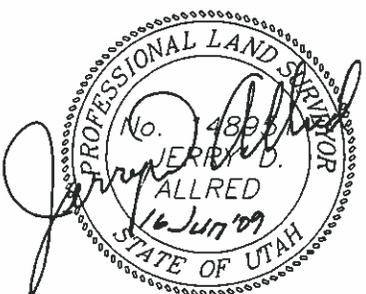
EL PASO E & P COMPANY, L.P.

FIGURE #1

LOCATION LAYOUT FOR
SUNDANCE WEST 4-22B4
SECTION 22, T2S, R4W, U.S.B.&M.
988' FNL, 2398' FWL



Returned Unapproved

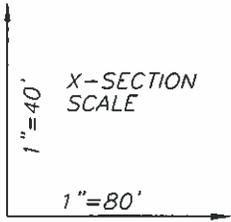


JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS
1235 NORTH 700 EAST--P.O. BOX 975
DUCHESNE, UTAH 84021
(435) 738-5352

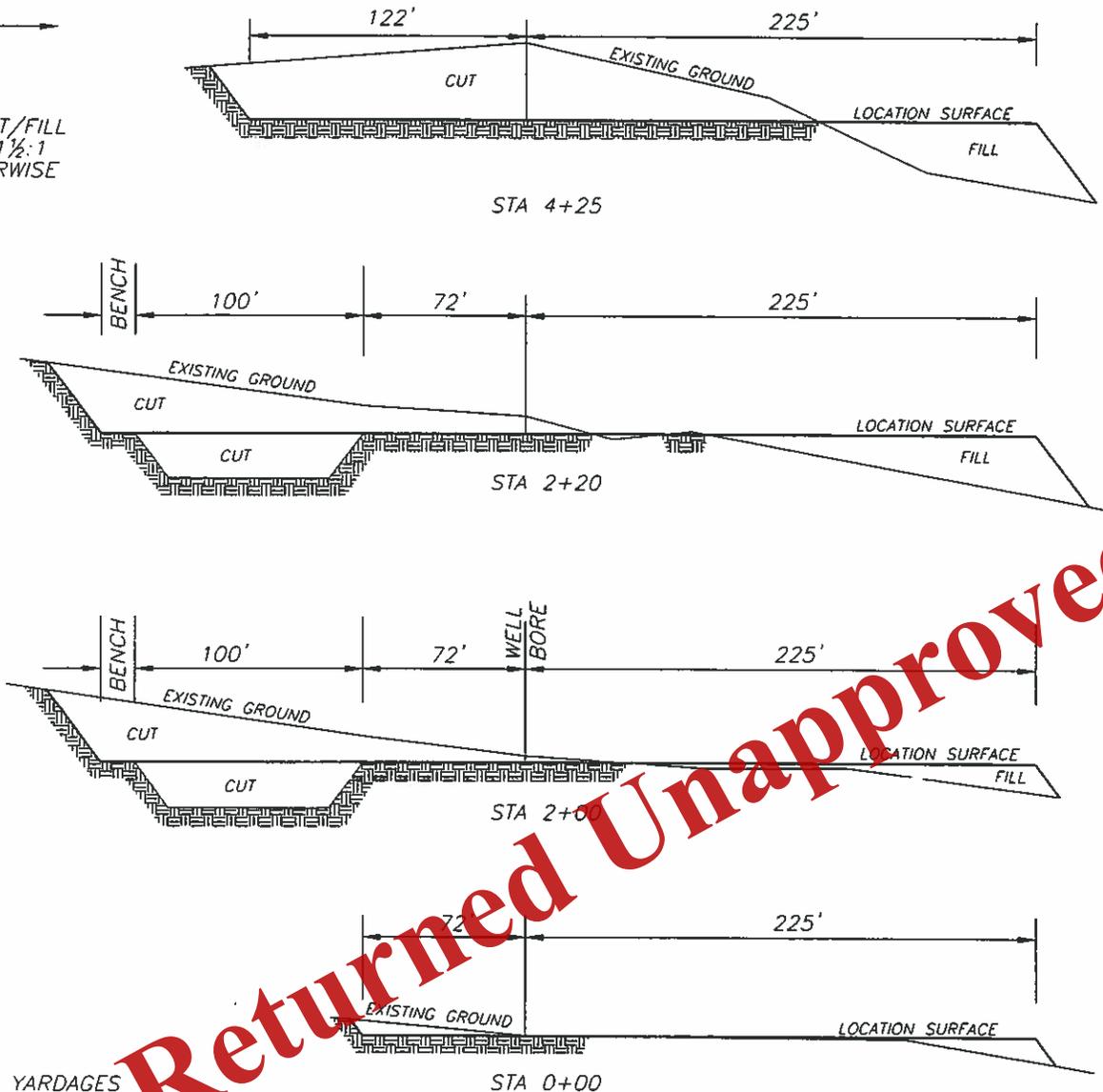
EL PASO E & P COMPANY, L.P.

FIGURE #2

LOCATION LAYOUT FOR
SUNDANCE WEST 4-22B4
SECTION 22, T2S, R4W, U.S.B.&M.
988' FNL, 2398' FWL



NOTE: ALL CUT/FILL SLOPES ARE 1½:1 UNLESS OTHERWISE NOTED



APPROXIMATE YARDAGES

TOTAL CUT (INCLUDING PIT) = 33,049 CU. YDS.

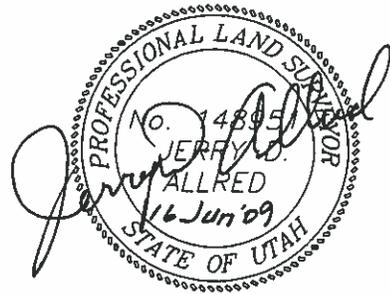
PIT CUT = 4250 CU. YDS.

TOPSOIL STRIPPING: (6") = 3320 CU. YDS.

REMAINING LOCATION CUT = 25,479 CU. YDS.

TOTAL FILL = 14,412 CU. YDS.

Returned Unapproved

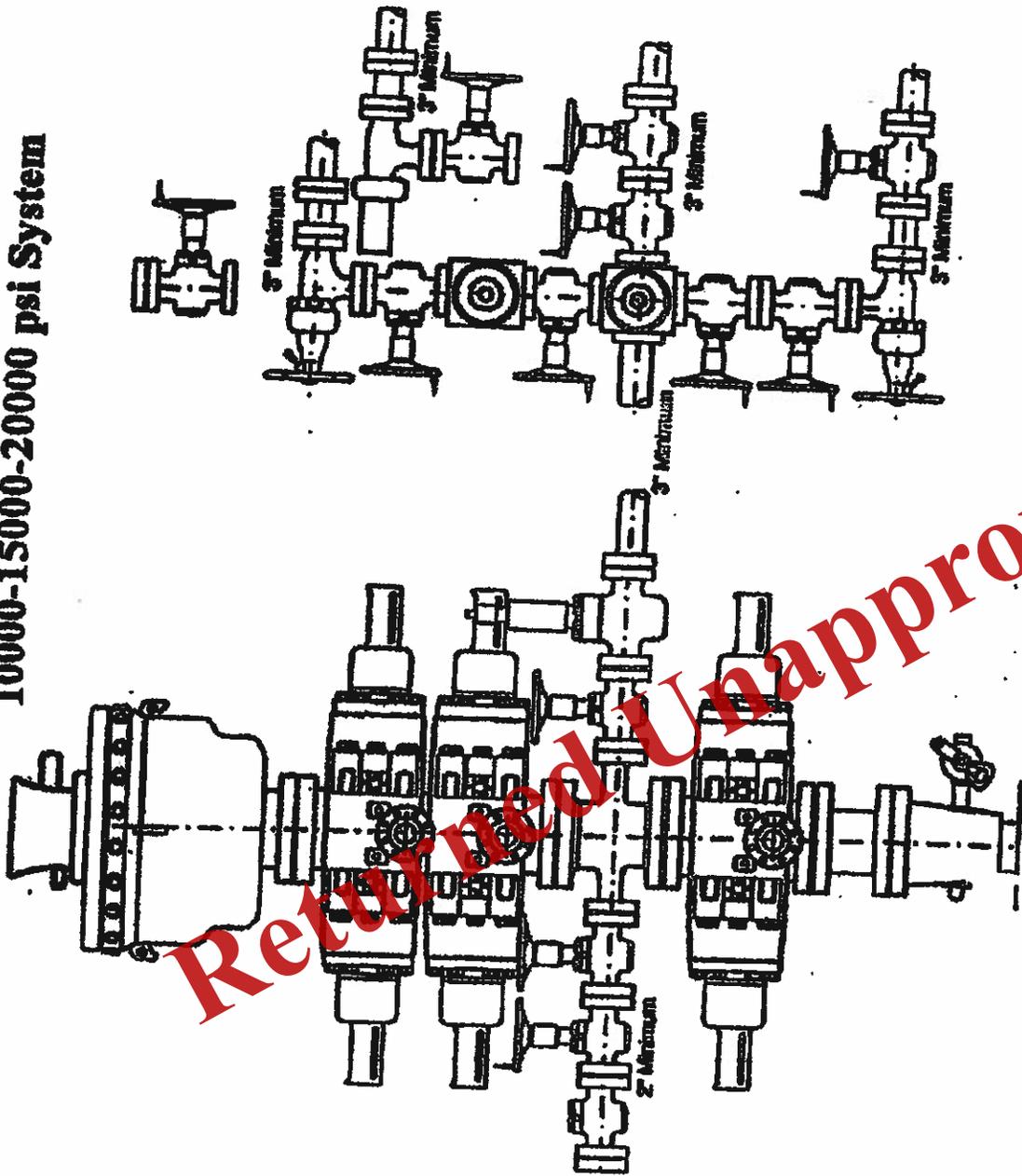


JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS
1235 NORTH 700 EAST--P.O. BOX 975
DUCHESNE, UTAH 84021
(435) 738-5352

16 JUN 2009 01-128-078

Received: August 02, 2012

10000-15000-20000 psi System

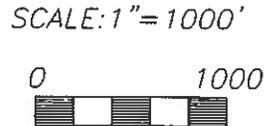
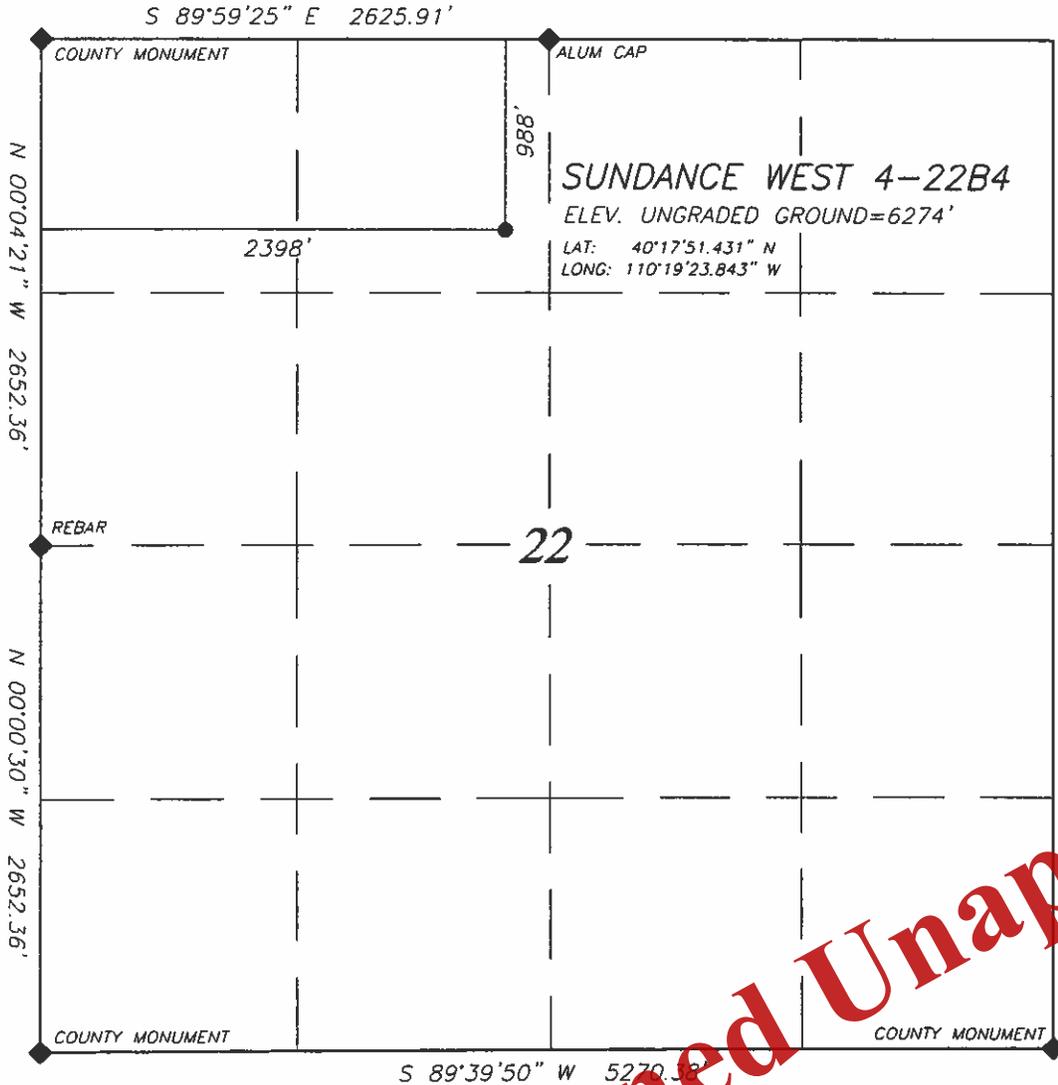


EL PASO E & P COMPANY, L.P.

WELL LOCATION

SUNDANCE WEST 4-22B4

LOCATED IN THE SE¼ OF THE NW¼ OF SECTION 22, T2S, R4W, U.S.B.&M. DUCHESNE COUNTY, UTAH



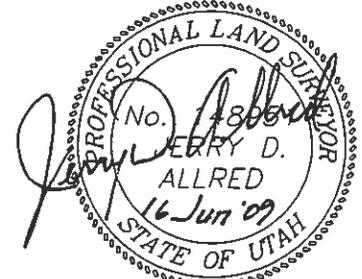
Returned Unapproved

LEGEND AND NOTES

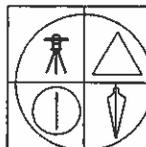
- ◆ CORNER MONUMENTS FOUND AND USED BY THIS SURVEY
- THE GENERAL LAND OFFICE (G.L.O.) PLAT WAS USED FOR REFERENCE AND CALCULATIONS AS WAS THE U.S.G.S. MAP
- THIS SURVEY WAS PERFORMED USING GLOBAL POSITIONING SYSTEM PROCEDURES AND EQUIPMENT
- THE BASIS OF GRID BEARINGS IS GEODETIC NORTH DERIVED FROM G.P.S. OBSERVATIONS AT THE NW CORNER OF SECTION 22 USING THE UTAH STATE G.P.S. VIRTUAL REFERENCE STATION CONTROL NETWORK MAINTAINED AND OPERATED BY THE AUTOMATED GEOGRAPHIC REFERENCE CENTER
- BASIS OF ELEVATIONS: NAVD 88 DATUM USING THE UTAH REFERENCE NETWORK CONTROL SYSTEM

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM THE FIELD NOTES AND ELECTRONIC DATA COLLECTOR FILES OF AN ACTUAL SURVEY PERFORMED BY ME, OR UNDER MY PERSONAL SUPERVISION, DURING WHICH THE SHOWN MONUMENTS WERE FOUND OR REESTABLISHED.



JERRY D. ALLRED, REGISTERED LAND SURVEYOR, CERTIFICATE NO. 148951 (UTAH)

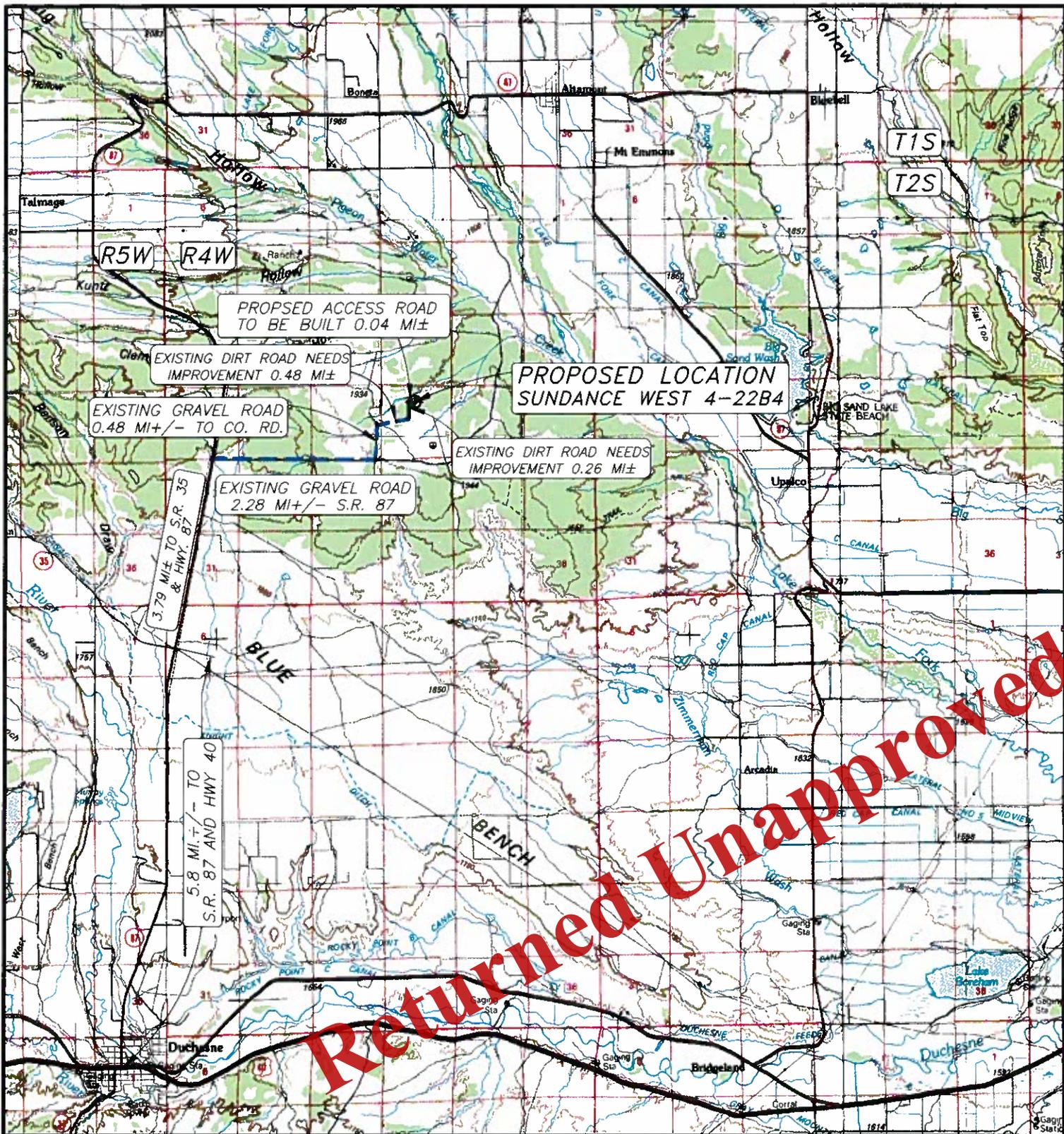


JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS

1235 NORTH 700 EAST--P.O. BOX 975
DUCHESNE, UTAH 84021
(435) 738-5352

15 JUN 2009 01-128-078

Received: August 02, 2012



Returned Unapproved

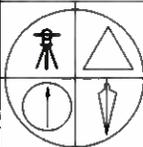
LEGEND:

 PROPOSED WELL LOCATION

01-128-078

JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS

1235 NORTH 700 EAST--P.O. BOX 975
DUCHEсне, UTAH 84021
(435) 738-5352



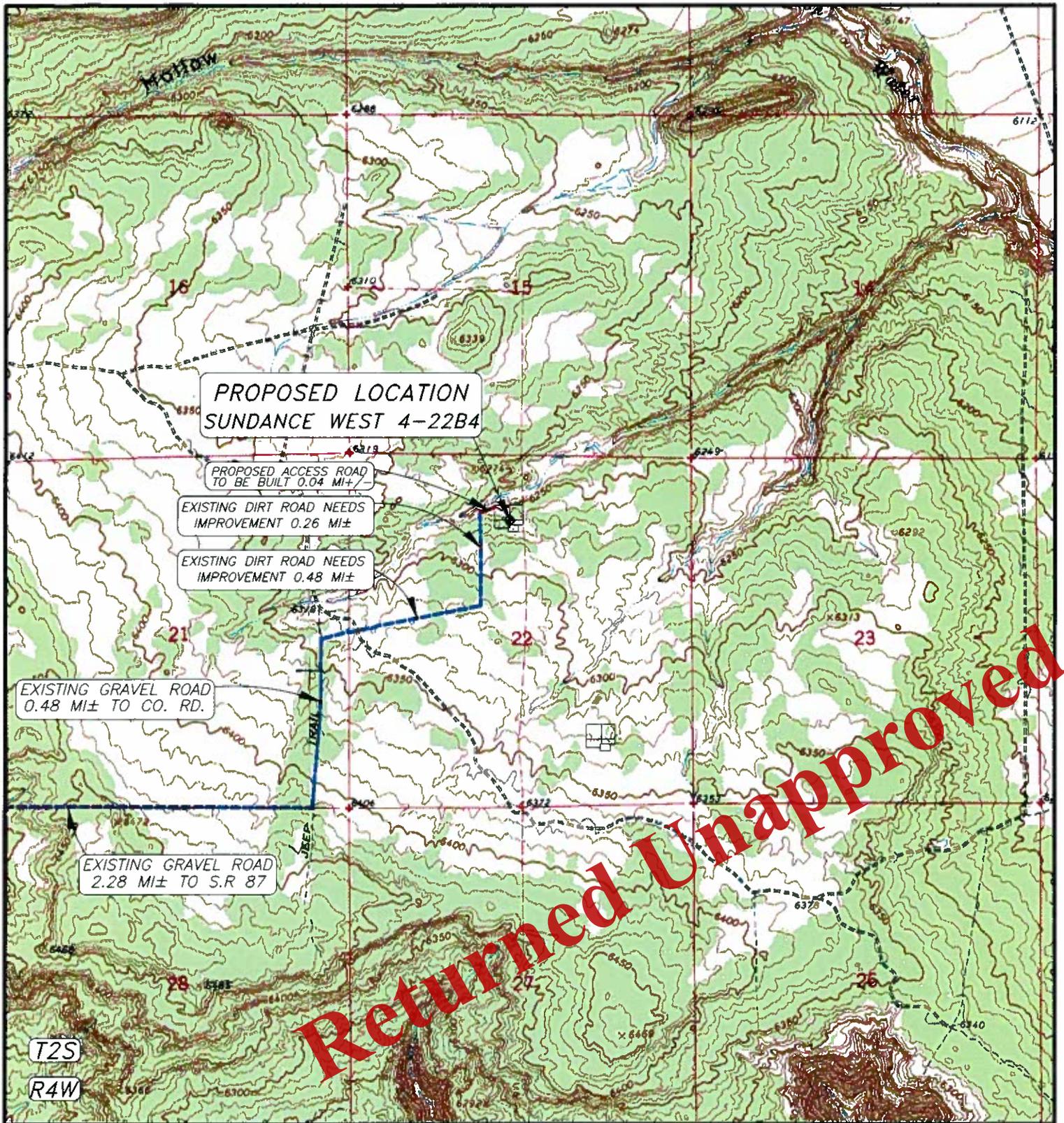
EL PASO E & P COMPANY, L.P.

SUNDANCE WEST 4-22B4
SECTION 22, T2S, R4W, U.S.B.&M.
988' FNL 2398' FWL

TOPOGRAPHIC MAP "A"

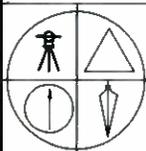
SCALE; 1"=10,000'
16 JUN 2009

Received: August 02, 2012



LEGEND:

- ◆ PROPOSED WELL LOCATION
 - PROPOSED ACCESS ROAD
 - EXISTING GRAVEL ROAD
 - EXISTING PAVED ROAD
- 01-128-078



JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS

1235 NORTH 700 EAST--P.O. BOX 975
DUCHESNE, UTAH 84021
(435) 738-5352



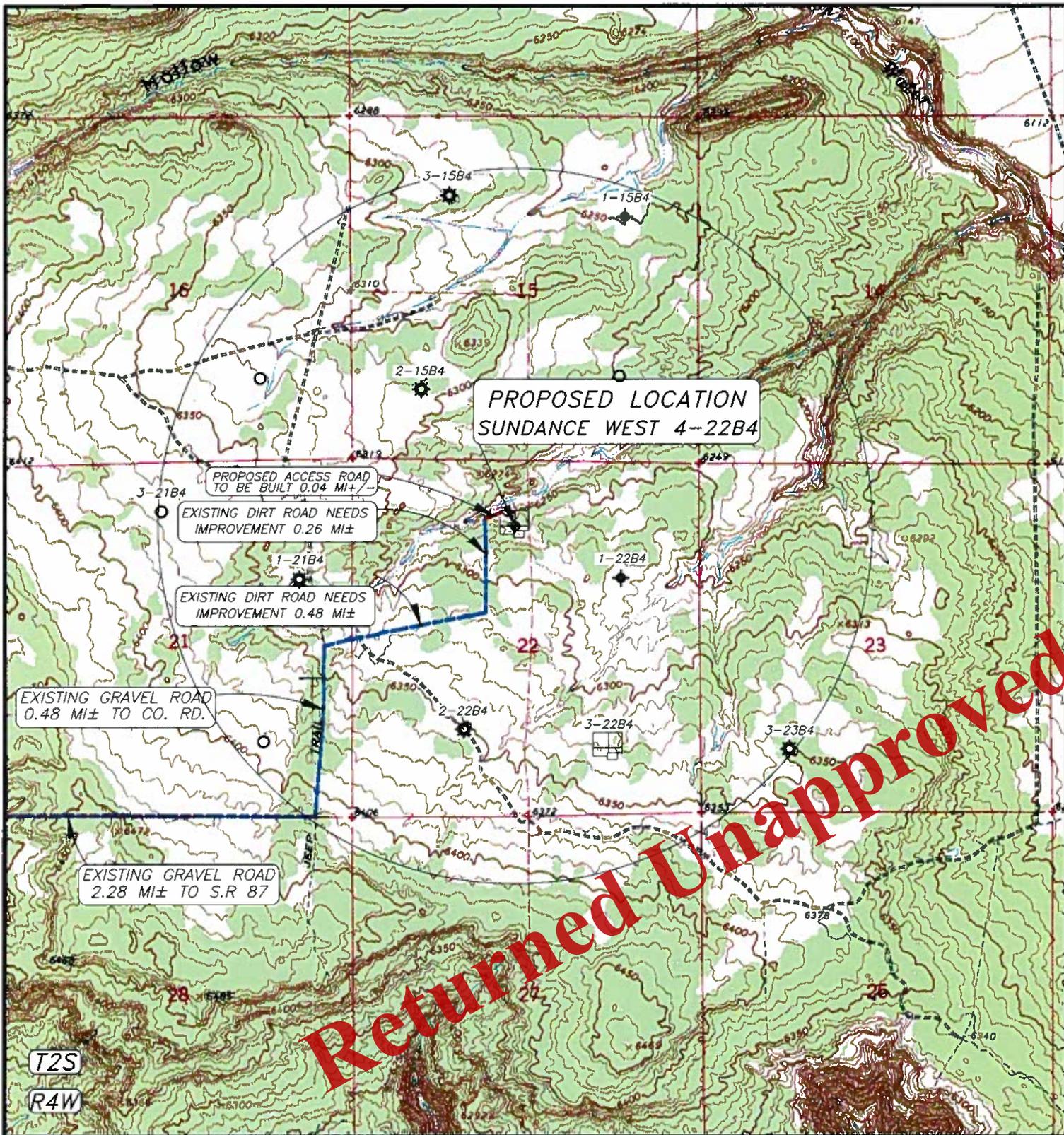
EL PASO E & P COMPANY, L.P.

SUNDANCE WEST 4-22B4
SECTION 22, T2S, R4W, U.S.B.&M.
988' FNL 2398' FWL

TOPOGRAPHIC MAP "B"

SCALE; 1"=2000'
16 JUN 2009

Received: August 02, 2012

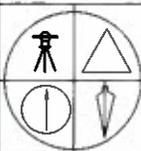


LEGEND:

⊕ PROPOSED WELL LOCATION

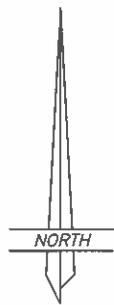
2-25C6
 ● ○ ⊕ ⊕ ⊕ ⊕ ⊕
 OTHER WELLS AS LOCATED FROM SUPPLIED MAP

01-128-078



JERRY D. ALLRED & ASSOCIATES
 SURVEYING CONSULTANTS

1235 NORTH 700 EAST--P.O. BOX 975
 DUCHESNE, UTAH 84021
 (435) 738-5352



EL PASO E & P COMPANY, L.P.

SUNDANCE WEST 4-22B4
 SECTION 22, T2S, R4W, U.S.B.&M.
 988' FNL 2398' FWL

TOPOGRAPHIC MAP "C"

SCALE; 1"=2000'
 16 JUN 2009

AFFIDAVIT OF FACTS

STATE OF UTAH §

COUNTY OF DUCHESNE §

**Re: Surface Damage Release and Right-of-Way
Wellsite, Road and Pipeline
EP Energy, Operator
Sundance West 4-22B4 Oil & Gas Well
T2S, R4W Sec. 22: NE/4NW/4 - 988' FNL & 2398' FWL
Sundance West Subdivision Lots 24A and 24B
Duchesne County, Utah**

WHEREAS, the undersigned, Heather Ivie (affiant), who's mailing address is P.O. Box 3, Duchesne, UT 84021, being first duly sworn on oath, depose and say:

1. I am over the age of 21 and am an Independent Oil and Gas Landman, on contract to **Transcontinent Oil Company** as agent for **EP Energy, 1001 Louisiana Street, Houston, Texas 77002** ("EP Energy").
2. EP Energy owns operating rights on the fee minerals and is proposing an oil and gas well named the **Sundance West 4-22B4** (the "Well"), to be located on a parcel of real property located at **T2S, R4W Sec. 22: NE/4NW/4 - 988' FNL & 2398' FWL, Sundance West Subdivision Lots 24A and 24B, Duchesne County, Utah** ("Property").
3. While the minerals under the Property are owned by a number of individual fee mineral owners, the surface estate is owned by:
 - a) **Duchesne County (Tax Roll) Parcel No. 00-0017-9071, Serial # SWS-C-0024B, Sundance West Subdivision Lot 24B-2.475 acres, being 50% of the location-
J. Davis Hargrave and Ruth W. Hargrave, as joint tenants
423 1st Avenue West,
Kirkland, WA 98033 ("Mr. & Mrs. Hargrave")
Phone: (425) 827-4931**
 - b) **Duchesne County (Tax Roll) Parcel No. 00-0017-9063, Serial # SWS-C-0024A Sundance West Subdivision Lot 24A-2.575 acres, being 50% of the location-
Michael Scott Arnold and Debra A. Arnold, husband and wife, as joint tenants
10312 Zinnia Way
Sandy, UT 84094 ("Mr. & Mrs. Arnold")
Phone: 801-571-2211**
4. The first correspondence attempt for this issue with Mr. & Mrs. Hargrave was on January 22, 2009, in the form of a telephone call. A message was left on the answering service. An additional call was made January 23, 2009.
5. January 29, 2009, Mr. Hargrave called to discuss the proposed wellsite. He asserted that their land was worth more than is being offered, but agreed to allow access to the property for surveying. Mr. Hargrave was advised about the existing mineral interest rights of El Paso E&P Company, L.P (now known as EP Energy) on the Lands.
6. February 9, 2009, a survey notification letter and a copy of the Duchesne County tax plat with the proposed wellsite marked were mailed to Mr. & Mrs. Hargrave.
7. February 11, 2009, Mr. Hargrave called to confirm that the letter was received and to express their extreme opposition to the proposed well.
8. May 14, 2009, upon additional review and consideration of the topography of the Property by El Paso E&P Company, L.P. (now known as EP Energy) it was determined

that the location for the wellsite should be divided equally between the Mr. & Mrs. Hargrave property and the Mr. & Mrs. Arnold property. Mr. & Mrs. Arnold were called. A message was left. Right-of-Way Agreement and Surface Damage and Settlement Release Agreement documents for the Property were mailed by US Postal Service Priority Mail to Mr. & Mrs. Hargrave and Mr. & Mrs. Arnold.

9. May 17, 2009, Mr. Arnold called to authorize access to their property for the survey and indicated that he was aware of El Paso's (now known as EP Energy) mineral rights on said Lands.
10. May 19, 2009, in a telephone call, Mr. Arnold spoke with John Whiteside (Landman) about compensation options for the use of the Arnold's lot for a portion of the wellsite.
11. In a written reply dated, June 8, 2009, Mr. & Mrs. Hargrave returned all of the documents unsigned accompanied by a letter rejecting the offer. See Exhibit "A" attached hereto and made a part hereof.
12. On May 17, 2012, Heather Ivie (Landman) attempted to contact Mr. & Mrs. Hargrave. A message was left on their answering machine.
13. On May 17, 2012, Heather Ivie (Landman) contacted Mr. Arnold in an attempt to negotiate an agreement between Mr. & Mrs. Arnold and EP Energy for the wellsite.
14. On June 12, 2012, Heather Ivie (Landman) attempted to contact Mr. & Mrs. Hargrave & Mr. & Mrs. Arnold by telephone.
15. On June 12, 2012, Heather Ivie (Landman) sent Surface Damage and Settlement Release Agreement and Right-of-Way Agreement documents to Mr. & Mrs. Hargrave and Mr. & Mrs. Arnold by US Postal Service Priority Mail with delivery confirmation.
16. As of this date, June 12, 2012, El Paso has not been able to acquire a signed Surface Damage and Release Agreement or Right-of-Way Agreements from Mr. & Mrs. Hargrave or Mr. & Mrs. Arnold.

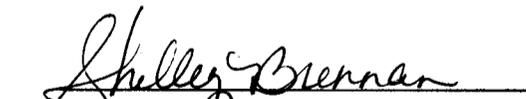
NOW THEREFORE, the undersigned affiant Heather Ivie, of lawful age, being first duly sworn, depose and say that the above facts are true and correct to the best of his knowledge, further Affiant saith not. Signed this 12th day of June, 2012,

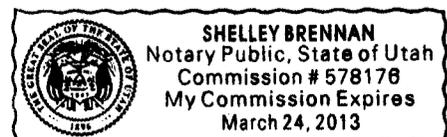

By: Heather Ivie, Affiant

STATE OF UTAH §

COUNTY OF DUCHESNE §

On the 12th day of June A.D., 2012 personally appeared before me Heather Ivie, Affiant signer of the above instrument, who duly acknowledged to me that she executed the same. WITNESS my hand and official seal.


Notary Public



J. Davis Hargrave
429 14th Ave W
Kirkland WA 98033

EXHIBIT "A"

June 8, 2009

John Whiteside
Independent Landman
Land Professionals, Inc
Petroleum Land Services
PO Box 790093
Vernal UT 84079

RE: Well Site, Road & Pipeline Right-of-Way
El Paso E&P Company LP ("El Paso")
Sundance 4-22B Oil and Gas Well
T2S-B4W Sec. 22 990 FNL & 230 FEL

Dear Mr. Whiteside,

My wife and I have reviewed the information and offer you sent on May 14th, 2009, and have determined that it is not in our best interest.

We purchased the property as an investment and possible building site for our own use. We were friends with the developer and were among first group to buy property in this section. This afforded us the luxury of having first choice of the most desirable lots. I am an architect and recognize the feature that makes this lot special.

To sell off a center portion for a well site leaving and unusable L-shaped site, as you propose, makes no sense at all given the size of your offer.

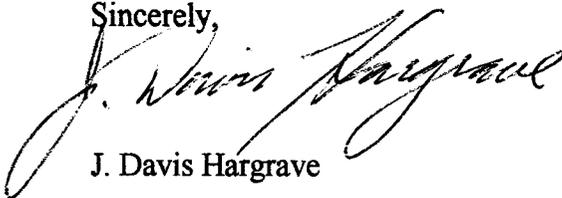
We would be interested in working with you. However, as a businessman, I do not see any merit in investing and holding a desirable property for a dozen years without making a return on our investment.

You are the second landman to contact us about this property. The former wrote that they had decided to relocate the well to a different site.

Splitting a 5 acre well site between two properties really seems odd as these are 5 acre lots.

If you are seriously interested in this site I would consider selling, but only the entire 5 acre parcel and for not less than \$50,000.

Sincerely,



J. Davis Hargrave

J. Davis Hargrave

Received: August 02, 2012

EL PASO E&P COMPANY, L.P.

Related Surface Information

1. Current Surface Use:

- Livestock Grazing and Oil and Gas Production.

2. Proposed Surface Disturbance:

- The road will be crown and ditch. Water wings will be constructed on the access road as needed.
- The topsoil will be windrowed and re-spread in the borrow area.
- New road to be constructed will be approximately .04 miles in length and 66 feet wide.
- All equipment and vehicles will be confined to the access road, pad and area specified in the APD.

3. Location Of Existing Wells:

- Existing oil, gas wells within one (1) mile radius of proposed well are provided in EXHIBIT C.

4. Location And Type Of Drilling Water Supply:

- Drilling water: Duchesne City Water/Water Right 43-8362

5. Existing/Proposed Facilities For Productive Well:

- There are no existing facilities that will be utilized for this well.
- A pipeline corridor .04 miles will parallel the proposed access road. The corridor will contain one 4 inch gas line and one 2 inch gas line and one 2 inch Salt Water disposal line. Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area; backsloping and contouring all cut and fill slopes. These areas will be reseeded. Refer to plans for reclamation of surface for details.
- Upgrade and maintain access roads and drainage control structures (e.g., culverts, drainage dips, ditching, etc.) as necessary to prevent soil erosion and accommodate safe, year-round traffic.

6. Construction Materials:

- Native soil from road and location will be used for construction materials along with gravel and/or scoria road base material. In the event that conditions should necessitate graveling of all or part of the access road and location, surfacing materials will be purchased from commercial suppliers in the marketing area.

7. Methods For Handling Waste Disposal:

- The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of 1/2 the total depth below the original ground surface on the lowest point with the pit. The pit will be lined with a 20-mil polyethylene to prevent leakage of fluids. The liner will be rolled into place and secured at the ends, i.e. buried on top of the pit berms. Prior to use, the reserve pit will be fenced on three sides; the fourth side will be fenced at the time the rig is removed. Drilling fluids, cuttings and produced water will be contained in the reserve pit (trash will be placed in the trash cage). Fluids in the reserve pit will be allowed to evaporate prior to pit burial.
- Garbage and other trash will be contained in the portable trash cage and hauled off the location to an authorized disposal site. Any trash on the pad will be cleaned up prior to the rig moving off location and hauled to an authorized disposal site.
- Sewage will be handled in Portable Toilets.
- Produced water will be placed in the reserve pit for a period not to exceed ninety days after initial production. Any hydrocarbons produced during completion work will be contained in test tanks and removed from the location at a later date.
- Water from the reserve pit may be used for drilling of additional wells. The water will be trucked along access roads as approved in pertinent APD's

8. Ancillary Facilities:

- There will be no ancillary facilities associated with this project.

9. Surface Reclamation Plans:

Backfilling of the pits will be done when dry. In the event of a dry hole, the location will be re-contoured, the topsoil will be distributed evenly over the entire location, and the seedbed prepared.

- Seed will be planted after September 15th, and prior to ground frost, or seed will be planted after the frost has left and before May 15th. Slopes to steep for machinery will be hand broadcast and raked with twice the specified amount of seed.
 1. The construction program and design are on the attached cut, fill and cross sectional diagrams.
 2. Prior to construction, all topsoil will be removed from the entire site and stockpiled. Topsoil for this site is the first 6 inches of soil materials.
 3. After the location has been reshaped and after redistributing the topsoil, the operator will rip and scarify the drilling platform and access road on the contour, to a depth of at least 12 inches.
- Rehabilitation will begin upon the completion of the drilling. Complete rehabilitation will depend on weather conditions and the amount of time required to dry the reserve pit.
 1. All rehabilitation work including seeding will be completed as soon as weather and the reserve pit conditions are appropriate.
 2. Landowner will be contacted for rehabilitation requirements.

10. Surface Ownership:

Duchesne County (Tax Roll) Parcel No. 00-0017-9071, Serial# SWS-C-0024B, Sundance West Subdivision Lot 24B
J. Davis Hargrave and Ruth W. Hargrave, as joint tenants
429 14th Avenue West
Kirkland, WA 98033
425-827-4931

Duchesne County (Tax Roll) Parcel No. 00-0017-9063, Serial# SWS-C-0024A, Sundance West Subdivision Lot 24A
Michael Scott Arnold and Debra A. Arnold Husband and wife, as joint tenants
10312 Zinnia Way
Sandy, UT 84094
801-571-2211

Other Information:

- The surface soil consists of clay, and silt.
- Flora – vegetation consists of the following: Sagebrush, Juniper and prairie grasses.
- Fauna – antelope, deer, coyotes, raptors, small mammals, and domestic grazing animals.
- Current surface uses – Livestock grazing and mineral exploration and production.

• **Operator and Contact Persons:**

Construction and Reclamation:

El Paso E & P Company
Wayne Garner
PO Box 410
Altamont, Utah 84001
435-454-3394 – Office
435-823-1490 – Cell

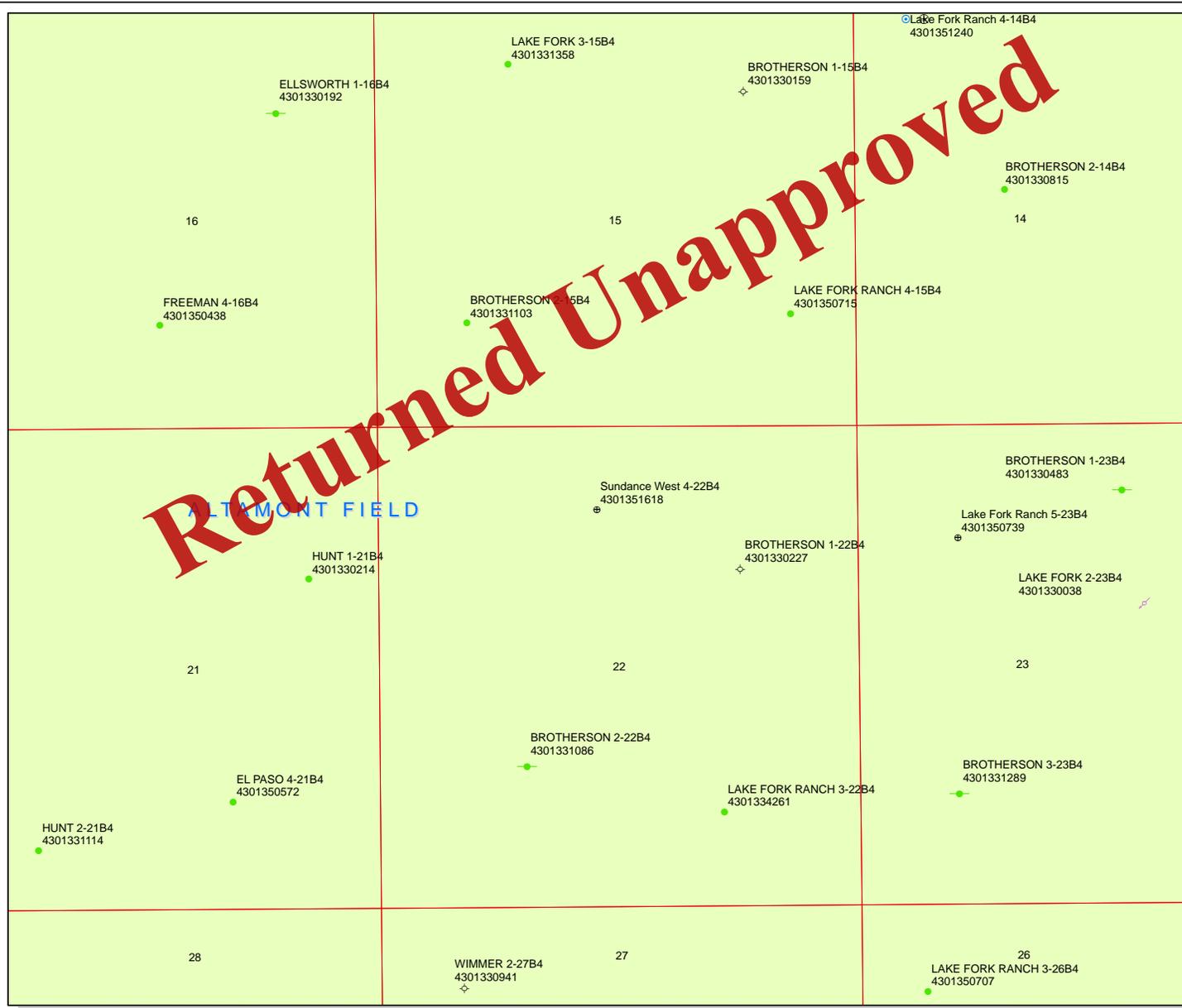
Regarding This APD

El Paso E & P Company
Maria S. Gomez
1001 Louisiana, Rm 2730D
Houston, Texas 77002
713-997-5038 – Office

Drilling

El Paso E & P Company
Joe Cawthorn – Drilling Engineer
1001 Louisiana, Rm 2523B
Houston, Texas 77002
713-997-5929 – office
832-465-2882 – Cell

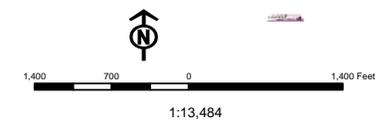
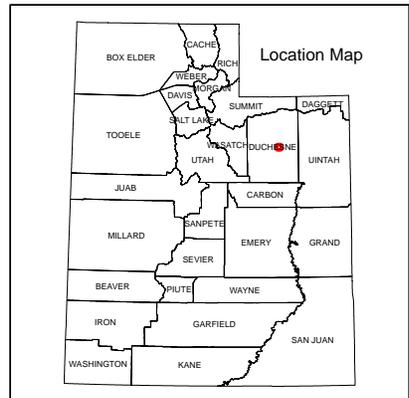
Returned Unapproved



API Number: 4301351618
Well Name: Sundance West 4-22B4
Township T02.0S Range R04.0W Section 22
Meridian: UBM
 Operator: EP ENERGY E&P COMPANY, L.P.

Map Prepared:
 Map Produced by Diana Mason

- | | |
|---------------|-------------------------------------|
| Units | Wells Query |
| STATUS | STATUS |
| 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 GEOTHERML | PGW - Producing Gas Well |
| PP OIL | POW - Producing Oil Well |
| SECONDARY | SGW - Shut-in Gas Well |
| TERMINATED | SOW - Shut-in Oil Well |
| Fields | 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/Dls |
| STORAGE | |
| TERMINATED | |





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

April 26, 2013

EP ENERGY E&P COMPANY, L.P.
1001 Louisiana
Houston, TX 77002

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

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the Sundance West 4-22B4 well, API 43013516180000 that was submitted August 02, 2012 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

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

Sincerely,

Diana Mason
Environmental Scientist

Enclosure

cc: Bureau of Land Management, Vernal, Utah



RE: Surface agreements

Gomez, Maria S <Maria.Gomez@epenergy.com>
To: Diana Mason <dianawhitney@utah.gov>

Fri, Apr 26, 2013 at 11:53 AM

Diana:

Please see below in red my notes for AOF's. Some of the APD's need to be cancelled as noted below and some we will keep. Please let me know if I need to contact someone else.

Have a wonderful weekend.

Thanks,

Maria S. Gomez



Principal Regulatory Analyst

maria.gomez@epenergy.com

713-997-5038 Office

832-683-0361 Cell

From: Diana Mason [mailto:dianawhitney@utah.gov]
Sent: Wednesday, March 06, 2013 2:23 PM
To: Gomez, Maria S
Subject: Surface agreements

Hi Maria,

Did EP Energy ever get signed surface agreements for the following APDs?

Thomas 1-33C4

Continuing on process - keep

Epley 1-15C4

Became SUA and already approved

Hamaker 3-30A1E

Please cancel APD

Cook 3-12B4

Continuing on process - keep

Allred Trust 2-31A1E

Continuing on process - keep

Hamaker 3-25A1

Please cancel APD

Cabinland 4-9B3

Please cancel APD

Sundance West 4-22B4

Please cancel APD

Thank you,

Diana