

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>						<b>1. WELL NAME and NUMBER</b> Merkley 1-32C4								
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						<b>3. FIELD OR WILDCAT</b> ALTAMONT								
<b>4. TYPE OF WELL</b> Oil Well Coalbed Methane Well: NO						<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>								
<b>6. NAME OF OPERATOR</b> EP ENERGY E&P COMPANY, L.P.						<b>7. OPERATOR PHONE</b> 713 997-5038								
<b>8. ADDRESS OF OPERATOR</b> 1001 Louisiana, Houston, TX, 77002						<b>9. OPERATOR E-MAIL</b> maria.gomez@epenergy.com								
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> Fee			<b>11. MINERAL OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>			<b>12. SURFACE OWNERSHIP</b> FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>								
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b> Steven R Merkley (SUC Trustee)						<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b> 801-299-8415								
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b> 1030 S Orchard Drive, Bountiful, UT 84010						<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>								
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>			<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			<b>19. SLANT</b> VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>								
<b>20. LOCATION OF WELL</b>		<b>FOOTAGES</b>		<b>QTR-QTR</b>		<b>SECTION</b>		<b>TOWNSHIP</b>		<b>RANGE</b>		<b>MERIDIAN</b>		
LOCATION AT SURFACE		660 FNL 799 FEL		NENE		32		3.0 S		4.0 W		U		
Top of Uppermost Producing Zone		660 FNL 799 FEL		NENE		32		3.0 S		4.0 W		U		
At Total Depth		660 FNL 799 FEL		NENE		32		3.0 S		4.0 W		U		
<b>21. COUNTY</b> DUCHESNE			<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 660			<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 640								
			<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 4000			<b>26. PROPOSED DEPTH</b> MD: 10500 TVD: 10500								
<b>27. ELEVATION - GROUND LEVEL</b> 5471			<b>28. BOND NUMBER</b> 400JU0708			<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> Duchesne City/East Duchesne Water District								
<b>Hole, Casing, and Cement Information</b>														
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement		Sacks	Yield	Weight			
COND	20	13.375	0 - 800	0.0	J-55 LT&C	0.0	Class G		1000	1.15	15.8			
SURF	12.25	9.625	0 - 3000	40.0	N-80 LT&C	0.0	35/65 Poz		387	3.16	11.0			
							Premium Lite High Strength		191	1.33	14.2			
I1	8.75	7	0 - 7600	29.0	P-110 LT&C	10.5	Premium Lite High Strength		292	2.31	12.0			
							Premium Lite High Strength		91	1.91	12.5			
L1	6.125	4.5	7400 - 10500	13.5	P-110 LT&C	12.0	50/50 Poz		229	1.61	12.3			
<b>ATTACHMENTS</b>														
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES														
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER						<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN								
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)						<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER								
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)						<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP								
<b>NAME</b> Maria S. Gomez				<b>TITLE</b> Principal Regulatory Analyst				<b>PHONE</b> 713 997-5038						
<b>SIGNATURE</b>				<b>DATE</b> 08/22/2012				<b>EMAIL</b> maria.gomez@epenergy.com						
<b>API NUMBER ASSIGNED</b> 43013516530000				<b>APPROVAL</b>   Permit Manager										

**Merkley 1-32C4  
Sec. 32, T3S, 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)	2,988'
Green River (GRTN1)	3,788'
Mahogany Bench	4,588'
L. Green River	5,838'
Wasatch	7,688'
T.D. (Permit)	10,500'

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River (GRRV)	2,988'
	Green River (GRTN1)	3,788'
	Mahogany Bench	4,588'
Oil	L. Green River	5,838'
Oil	Wasatch	7,688'

**3. Pressure Control Equipment: (Schematic Attached)**

A 4.5" by 20.0" rotating head on structural pipe from surface to 800'. A 4.5" by 13 3/8" Smith Rotating Head from 800' to 3,000' on Conductor. A 5M BOP stack, 5M kill lines and choke manifold used from 3,000' to 7,600'. A 10M BOE w/rotating head, 5M annular, blind rams & mud cross from 7,600' 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 ½" 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 # 404 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 3,000' – TD.
- B) Mud logger with gas monitor – 3,000' 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	Air	8.4 – 9.0
Intermediate	WBM	9.5 – 10.5
Production	WBM	10.5 – 12.0

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: 3,000' - 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 10,500' TD equals approximately 6,552 psi. This is calculated based on a 0.624 psi/foot gradient (12.0 ppg mud density at TD).

Maximum anticipated surface pressure equals approximately 4,242 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 7,600' = 6,080 psi

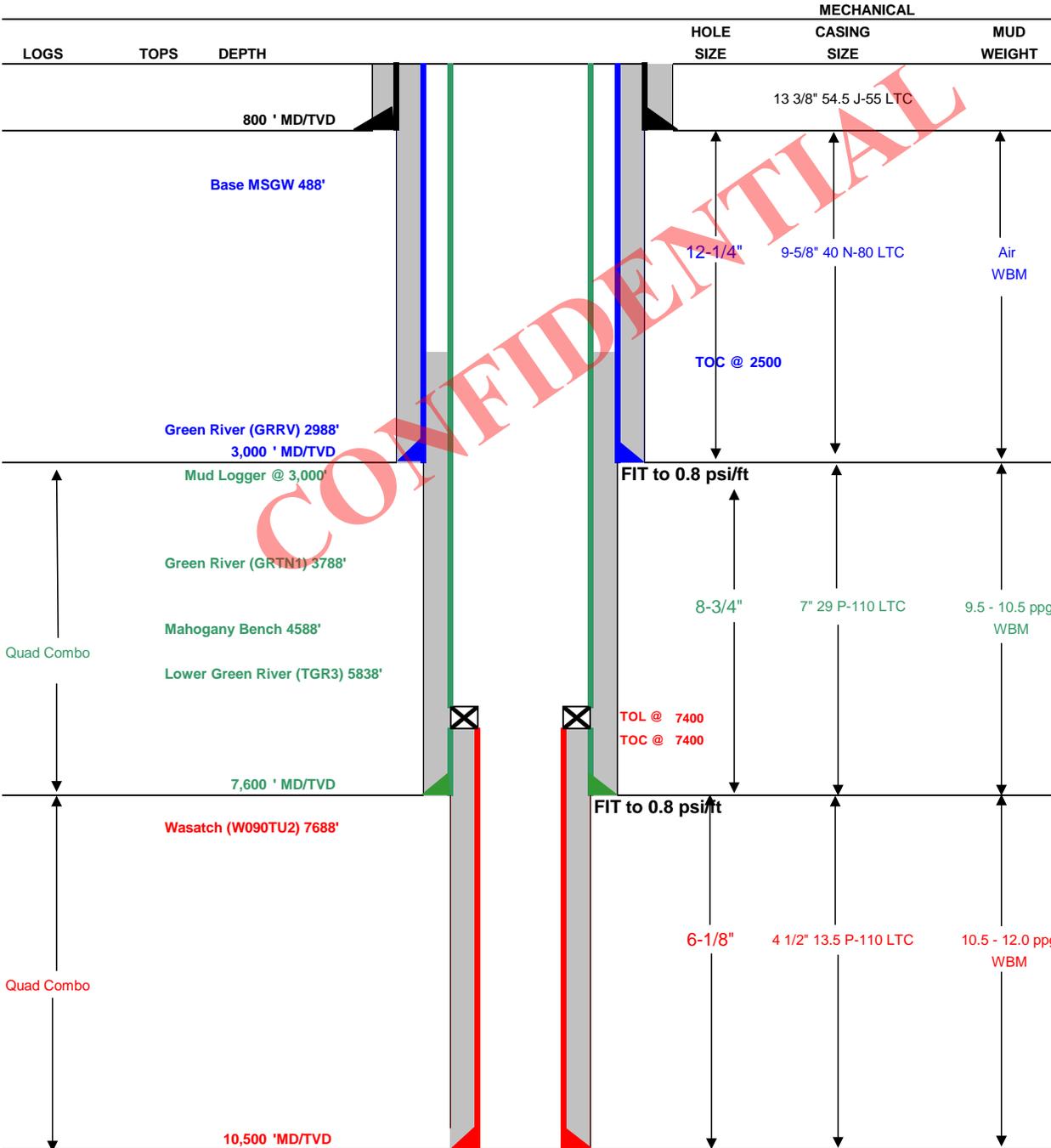
BOPE and casing design will be based on the lesser of the two MASPs which is 4,242 psi.

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



Drilling Schematic

<b>Company Name:</b> EP ENERGY	<b>Date:</b> August 20, 2012
<b>Well Name:</b> Merkley 1-32C4	<b>TD:</b> 10,500
<b>Field, County, State:</b> Altamont Duchesne, Utah	<b>AFE #:</b>
<b>Surface Location:</b> Sec 32 T3S R4W 660' FNL 799' FEL	<b>BHL:</b> Straight Hole
<b>Objective Zone(s):</b> Green River, Wasatch	<b>Elevation:</b> 5471
<b>Rig:</b> Precision 404	<b>Spud (est.):</b>
<b>BOPE Info:</b> 5.0 x 13 3/8 rotating head from 800' to 3,000' 11 5M BOP stack and 5M kill lines and choke manifold used from 3,000' to 7,600' 11 10M BOE w/rotating head, 5M annular, 3.5 rams, blind rams & mud cross from 7,600' to TD	



**DRILLING PROGRAM**

CASING PROGRAM	SIZE	INTERVAL		WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	13 3/8"	0	800	54.5	J-55	LTC	2,730	1,140	1,399
SURFACE	9-5/8"	0	3000	40.00	N-80	LTC	3,090	5,750	820
INTERMEDIATE	7"	0	7600	29.00	P-110	LTC	11,220	8,530	797
PRODUCTION LINER	4 1/2"	7400	10500	13.50	P-110	LTC	12,410	10,680	338

CEMENT PROGRAM		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
CONDUCTOR		800	Class G + 3% CACL2	1000	100%	15.8 ppg	1.15
SURFACE	Lead	2,500	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	387	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	1.33
INTERMEDIATE	Lead	4,100	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	292	10%	12.0 ppg	2.31
	Tail	1,000	Halco-Light-Premium+0.2% Econolite+0.3% Versaset+0.2% Halad322+0.8% HR-5+ 0.3% SuperCBL+ 0.125 lb/sk Poly-E-Flake	91	10%	12.5 ppg	1.91
PRODUCTION LINER		3,100	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	229	25%	12.30	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.  
Merkley 1-32C4  
SECTION 32, T3S, R4W, U.S.B.&M.

PROCEED EAST ON PAVED STATE HIGHWAY 40 FROM THE INTERSECTION OF HIGHWAY 87 WITH U.S. HIGHWAY 40 IN DUCHESNE, UTAH APPROXIMATELY 0.38 MILES TO AN INTERSECTION;

TURN LEFT AND TRAVEL EASTERLY AND THEN NORTHEASTERLY 2.73 MILES ON EXISTING COUNTY ROAD TO THE BEGINNING OF THE ACCESS ROAD;

TURN LEFT ONTO THE ACCESS ROAD AND TRAVEL NORTH, WEST, AND SOUTH 0.40 MILES TO THE PROPOSED WELL LOCATION;

TOTAL DISTANCE FROM DUCHESNE, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 3.51 MILES.

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# EL PASO E&P COMPANY, L.P.

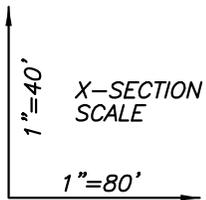
FIGURE #2

LOCATION LAYOUT FOR

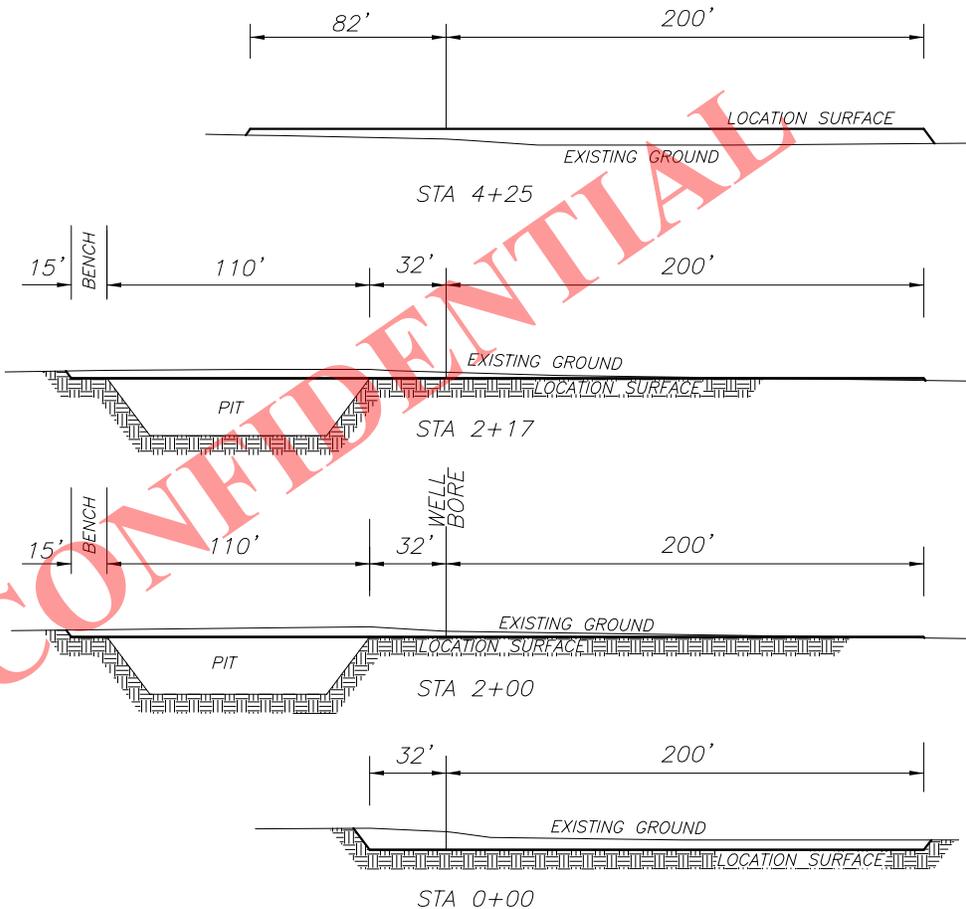
MERKLEY 1-32C4

SECTION 32, T3S, R4W, U.S.B.&M.

660' FNL, 799' FEL



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



APPROXIMATE QUANTITIES

TOTAL CUT (INCLUDING PIT) = 11,326 CU. YDS.

PIT CUT = 4572 CU. YDS.

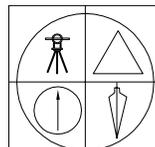
TOPSOIL STRIPPING: (6") = 2555 CU. YDS.

REMAINING LOCATION CUT = 4199 CU. YDS

TOTAL FILL = 3486 CU. YDS.

LOCATION SURFACE GRAVEL=1374 CU. YDS. (4" DEEP)

ACCESS ROAD GRAVEL=548 CU. YDS.



JERRY D. ALLRED & ASSOCIATES  
SURVEYING CONSULTANTS

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

25 MAY 2012

01-128-299

RECEIVED: August 22, 2012

# EL PASO E&P COMPANY, L.P.

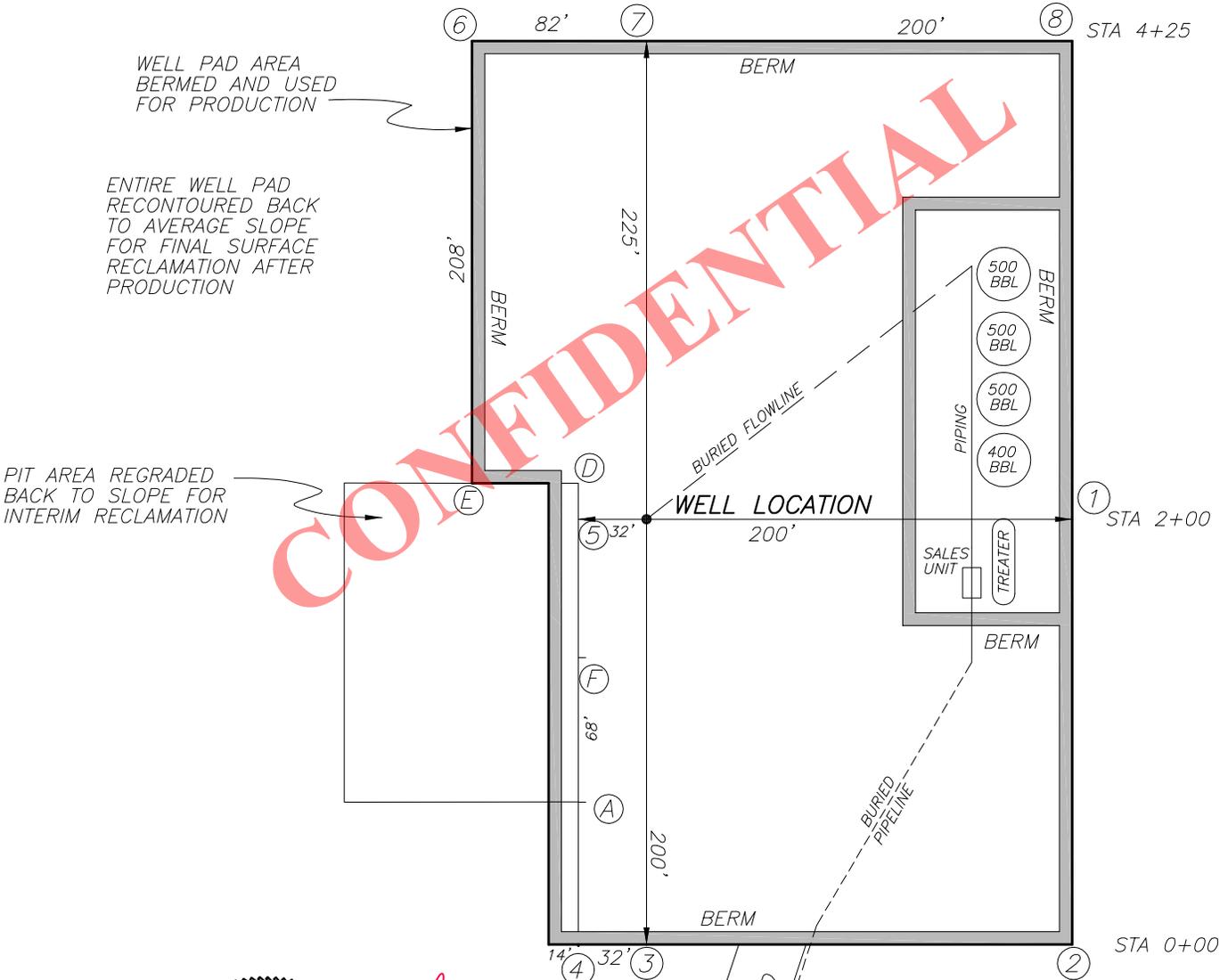
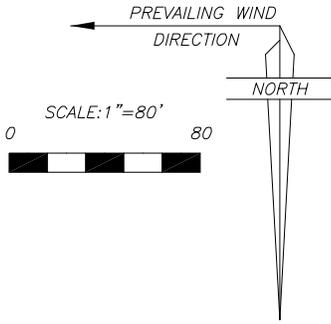
## LOCATION LAYOUT FOR

### MERKLEY 1-32C4

#### SECTION 32, T3S, R4W, U.S.B.&M.

#### 660' FNL, 799' FEL

FIGURE #3



WELL PAD AREA BERMED AND USED FOR PRODUCTION

ENTIRE WELL PAD RECONTOURED BACK TO AVERAGE SLOPE FOR FINAL SURFACE RECLAMATION AFTER PRODUCTION

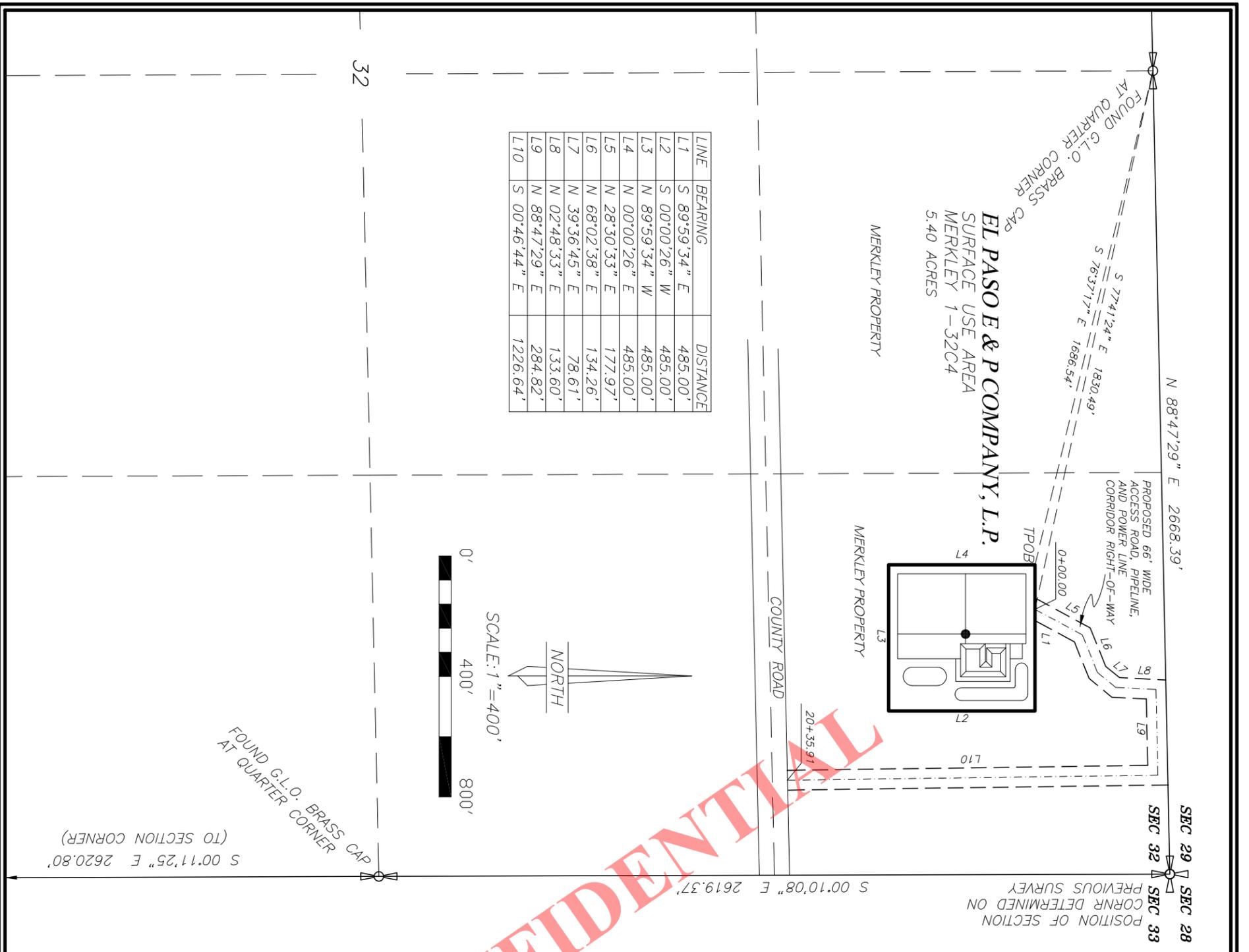
PIT AREA REGRADED BACK TO SLOPE FOR INTERIM RECLAMATION

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LOCATION USE AREA AND ACCESS ROAD, POWER LINE, AND PIPELINE  
CORRIDOR RIGHT-OF-WAY SURVEY FOR  
**EL PASO E&P COMPANY, L.P.**  
MERKLEY 1-32C4  
SECTION 32, T3S, R4W, U.S.B.&M.  
DUCHESSNE COUNTY, UTAH

**USE AREA BOUNDARY DESCRIPTION**

Commencing at the North Quarter Corner of Section 32, Township 3 South, Range 4 West of the Uintah Special Base and Meridian:  
Thence South 76°37'17" East 1686.54 feet to the TRUE POINT OF BEGINNING;  
Thence South 89°59'34" East 485.00 feet;  
Thence South 00°00'26" West 485.00 feet;  
Thence North 89°59'34" West 485.00 feet;  
Thence North 00°00'26" East 485.00 feet to the TRUE POINT OF BEGINNING. Containing 5.40 acres.

**ACCESS ROAD, PIPELINE, AND POWER LINE CORRIDOR RIGHT-OF-WAY DESCRIPTION**

A 66 feet wide, access road, pipeline, and power line corridor right-of-way over portions of Section 32, Township 3 South, Range 4 West of the Uintah Special Base and Meridian, the centerline of which is further described as follows:  
Commencing at the North Quarter Corner of said Section 32;  
Thence South 77°41'24" East 1830.49 feet to the TRUE POINT OF BEGINNING, said point being on the North line of the El Paso E&P Co. Merkley 1-32C4 well location surface use area boundary;  
Thence North 28°30'33" East 177.97 feet;  
Thence North 68°02'38" East 134.26 feet;  
Thence North 39°36'45" East 78.61 feet;  
Thence North 02°48'33" East 133.60 feet;  
Thence North 88°47'29" East 284.82 feet;  
Thence South 00°46'44" East 1226.64 feet to the North line of a county road. Said right-of-way being 2035.91 feet in length with the sidelines being shortened or elongated to intersect said use area boundary and said road right-of-way line.

**SURVEYOR'S CERTIFICATE**

This is to certify that this plat was prepared from the field notes and electronic data collector files of an actual survey made by me, or under my personal supervision, of the use area and access road, power line, and pipeline corridor right-of-way shown hereon, and that the monuments indicated were found or set during said survey, and that this plat accurately represents said survey to the best of my knowledge.

Jerry D. Allred, Professional Land Surveyor,  
Certificate 148951 (Utah)



THIS SURVEY WAS PERFORMED USING GLOBAL POSITIONING SYSTEM PROCEDURES AND EQUIPMENT

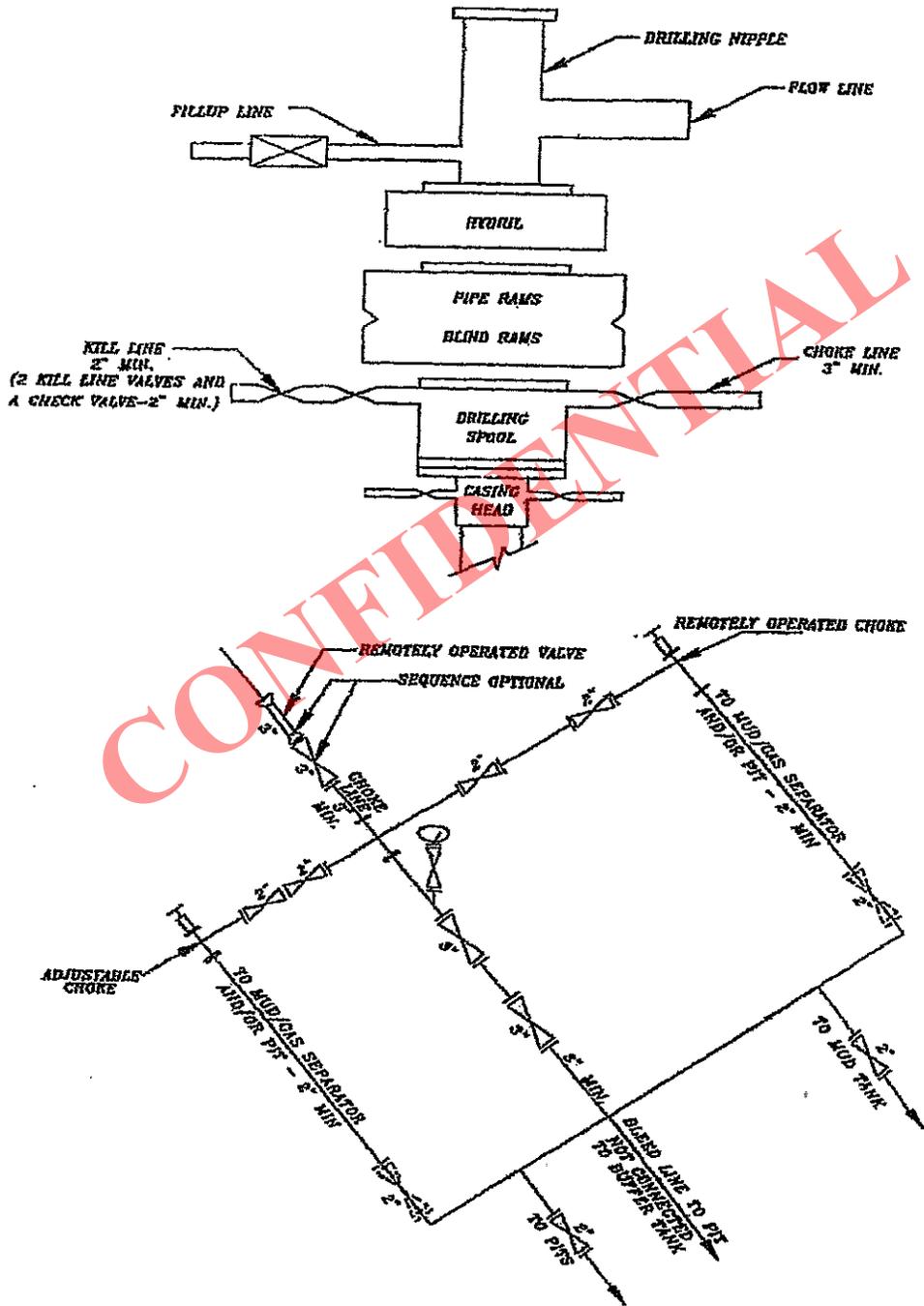
THE BASIS OF BEARINGS IS GEODETIC NORTH DERIVED FROM G.P.S. OBSERVATIONS AT THE SECTION CORNER LOCATED AT LAT. 40°15'22.90258"N AND LONG. 110°23'21.19760"W USING THE UTAH STATE G.P.S. VIRTUAL REFERENCE STATION CONTROL NETWORK MAINTAINED AND OPERATED BY THE AUTOMATED GEOGRAPHIC REFERENCE CENTER

25 MAY 2012 01-128-299

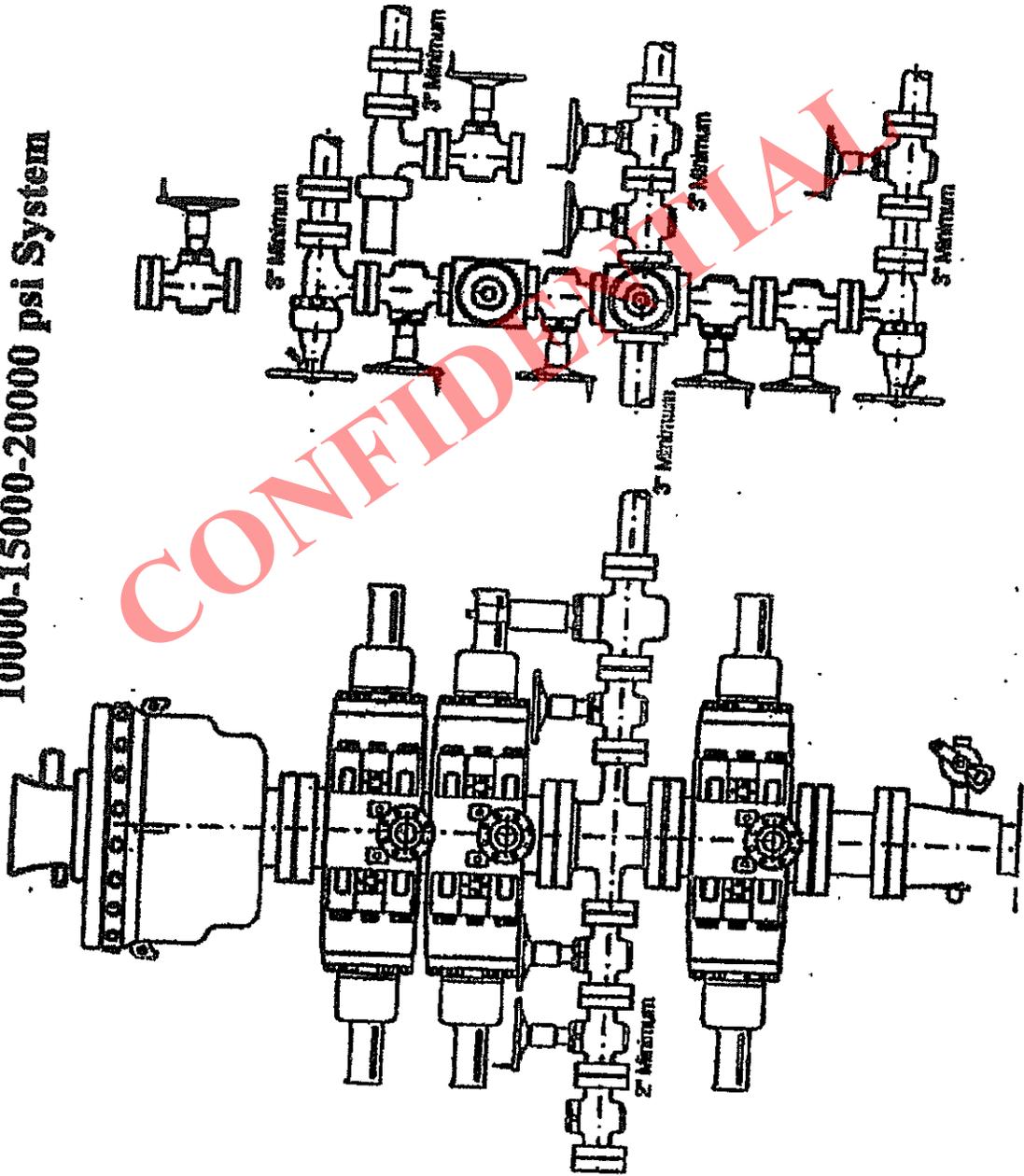
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# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



10000-15000-20000 psi System

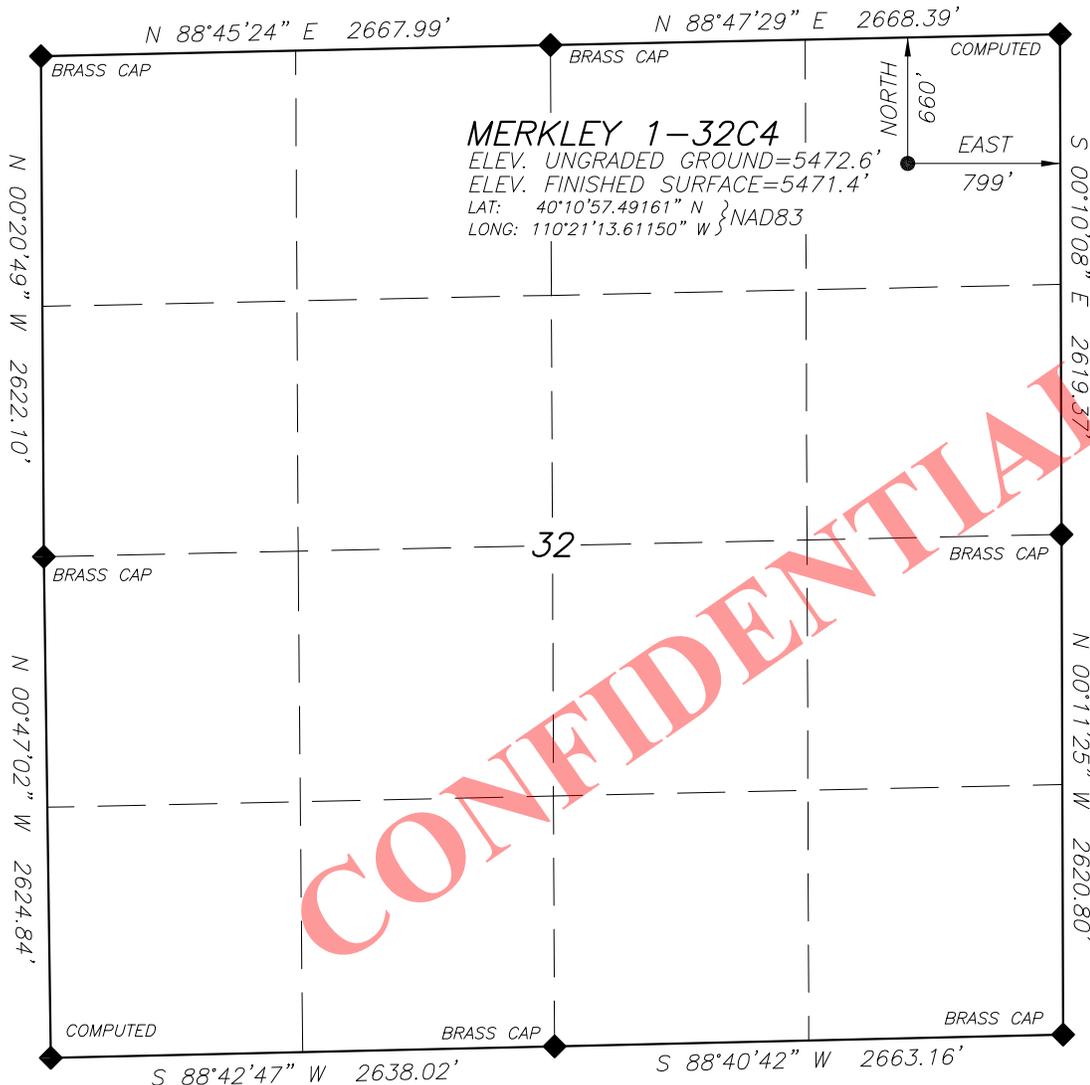


# EL PASO E&P COMPANY, L.P.

## WELL LOCATION

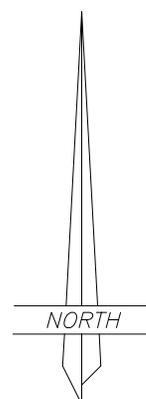
### MERKLEY 1-32C4

LOCATED IN THE NE¼ OF THE NE¼ OF SECTION 32, T3S, R4W, U.S.B.&M. DUCHESNE COUNTY, UTAH



**MERKLEY 1-32C4**  
 ELEV. UNGRADED GROUND=5472.6'  
 ELEV. FINISHED SURFACE=5471.4'  
 LAT: 40°10'57.49161" N } NAD83  
 LONG: 110°21'13.61150" W }

CONFIDENTIAL



SCALE: 1" = 1000'



NOTE:  
 NAD27 VALUES FOR WELL POSITION:  
 LAT: 40.18267864° N  
 LONG: 110.35307046° W

#### 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.

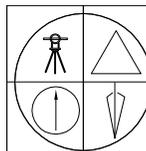
#### LEGEND AND NOTES

- ◆ 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 BEARINGS IS GEODETIC NORTH DERIVED FROM G.P.S. OBSERVATIONS AT THE SECTION CORNER LOCATED AT LAT. 40°15'22.90258" N AND LONG. 110°23'21.19760" W 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



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

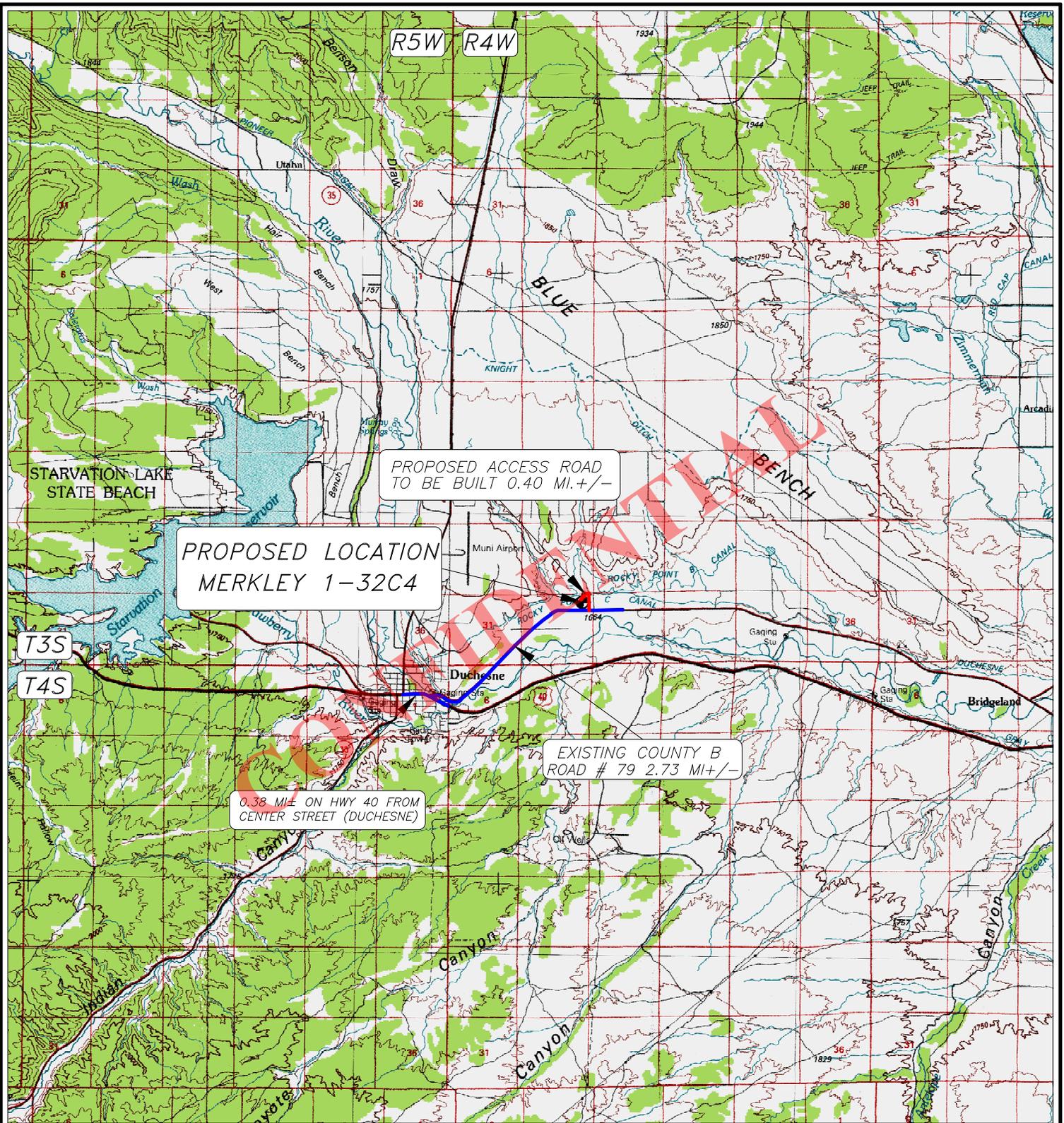


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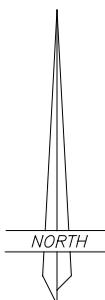
**LEGEND:**

◆ PROPOSED WELL LOCATION

01-128-299

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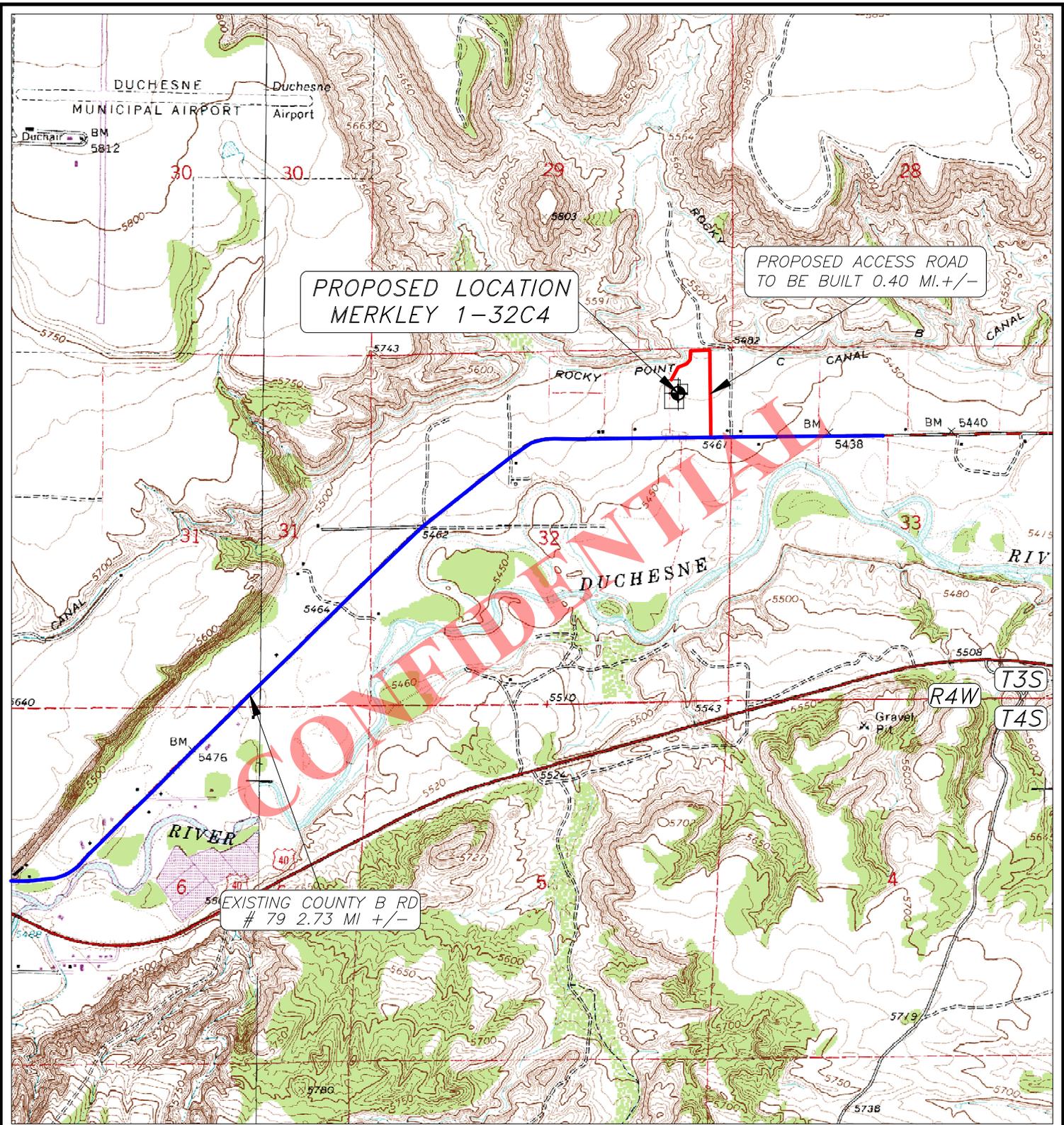


**EL PASO E & P COMPANY, L.P.**

MERKLEY 1-32C4  
SECTION 32, T3S, R4W, U.S.B.&M.  
660' FNL 799' FEL

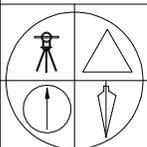
**TOPOGRAPHIC MAP "A"**

SCALE; 1"=10,000'  
25 MAY 2012



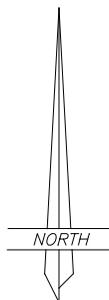
**LEGEND:**

-  PROPOSED WELL LOCATION
  -  PROPOSED ACCESS ROAD
  -  EXISTING GRAVEL ROAD
  -  EXISTING PAVED ROAD
- 01-128-299



**JERRY D. ALLRED & ASSOCIATES**  
SURVEYING CONSULTANTS

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

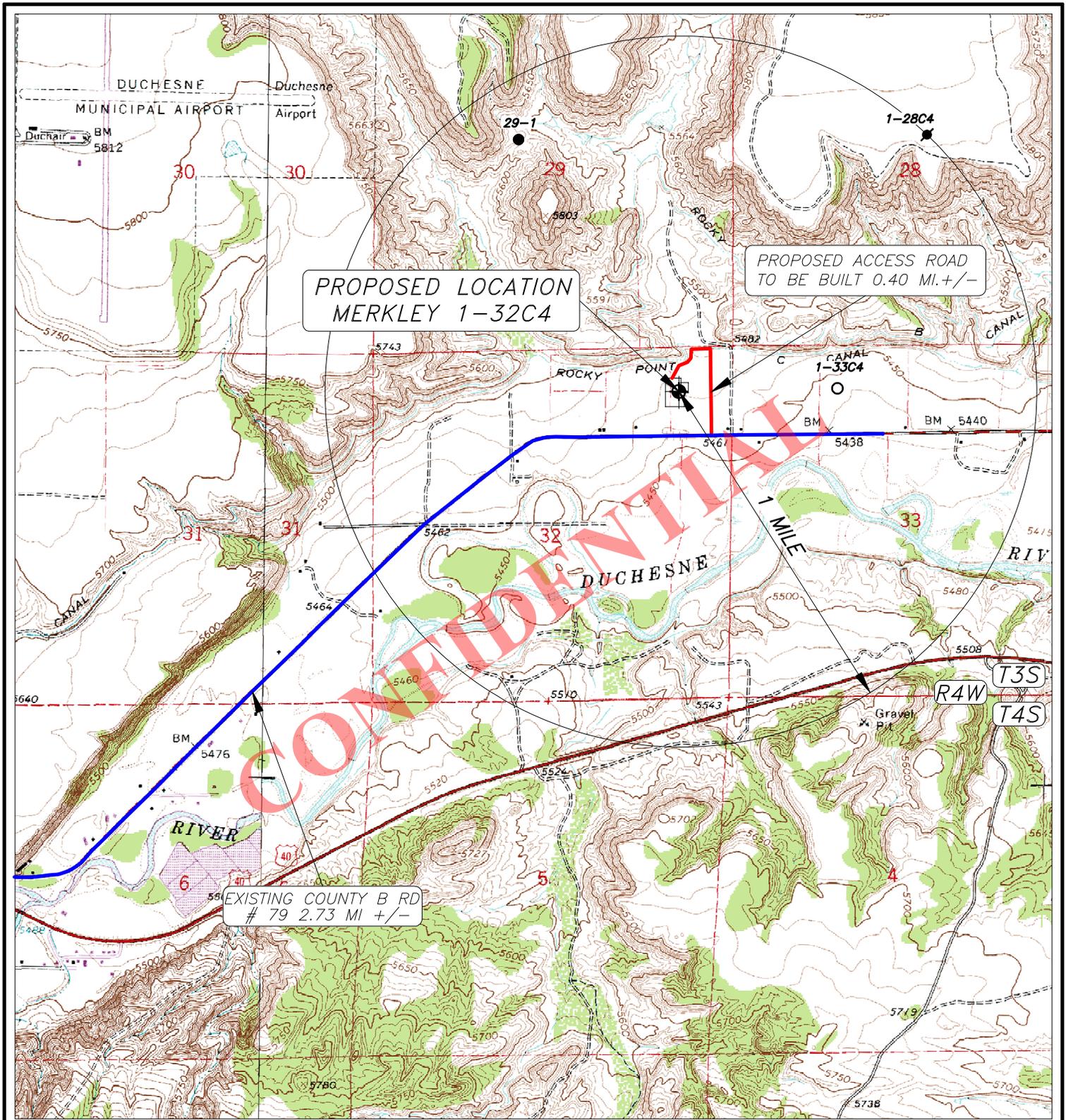


**EL PASO E & P COMPANY, L.P.**

MERKLEY 1-32C4  
SECTION 32, T3S, R4W, U.S.B.&M.  
660' FNL 799' FEL

**TOPOGRAPHIC MAP "B"**

SCALE: 1"=2000'  
25 MAY 2012



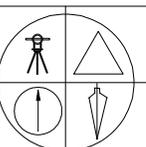
PROPOSED LOCATION  
MERKLEY 1-32C4

PROPOSED ACCESS ROAD  
TO BE BUILT 0.40 MI. +/-

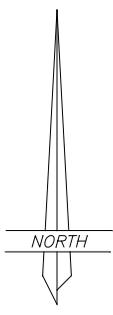
EXISTING COUNTY B RD  
# 79 2.73 MI +/-

**LEGEND:**

- PROPOSED WELL LOCATION
  - OTHER WELLS AS LOCATED FROM SUPPLIED MAP
- 01-128-299



**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.**

MERKLEY 1-32C4  
SECTION 32, T3S, R4W, U.S.B.&M.  
660' FNL 799' FEL

**TOPOGRAPHIC MAP "C"**

SCALE: 1"=2000'  
25 MAY 2012

**AFFIDAVIT OF SURFACE DAMAGE AGREEMENT**

Michael J. Walcher personally appeared before me, and, being duly sworn, deposes and says:

1. My name is Michael J. Walcher. I am a Sr. Staff Landman for EP Energy E&P Company, L.P., whose address is 1001 Louisiana St., Houston, Texas 77002 (“EP Energy”).
2. EP Energy is the operator of the proposed Merkley 1-32C4 well (the “Well”) to be located in the NE/4 NE/4 of Section 32, Township 3 South, Range 4 West, USM, Duchesne County, Utah, on a tract of land known as Duchesne County (Tax Roll) Parcel No. 00-0008-3183, Serial #3183, Duchesne County, Utah (the “Drillsite Location”). The surface owner of the Drillsite Location is Steven R. Merkley, whose address is 1030 Orchard Drive, Bountiful, Utah 84010 (the “Surface Owner”). The Surface Owner’s telephone number is (801) 299-8415.
3. EP Energy and the Surface Owner have entered into a Damage Settlement and Release Agreement dated September 28, 2012 to cover any and all injuries or damages of every character and description sustained by the Surface Owner or Surface Owner’s property as a result of operations associated with the drilling of the Well.

FURTHER AFFIANT SAYETH NOT.

  
 \_\_\_\_\_  
 Michael J. Walcher

**CONFIDENTIAL**

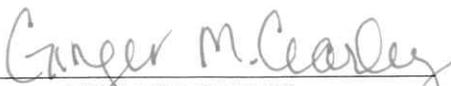
**ACKNOWLEDGMENT**

STATE OF TEXAS                   §  
   §  
 CITY AND COUNTY OF HARRIS   §

Before me, a Notary Public, in and for this state, on this 9th day of October, 2012, personally appeared Michael J. Walcher, to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his own free and voluntary act and deed for the uses and purposes therein set forth.

My Commission Expires:

*Aug 2, 2014*

  
 \_\_\_\_\_  
 NOTARY PUBLIC



**EP Energy 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 .40 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/East Duchesne Water District

**5. Existing/Proposed Facilities For Productive Well:**

- There are no existing facilities that will be utilized for this well.
- A pipeline corridor .40 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 ½ 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 15<sup>th</sup>, and prior to ground frost, or seed will be planted after the frost has left and before May 15<sup>th</sup>. 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:**

Steve R. Merkley (SUC Trustee)  
1030 S. Orchard Drive  
Bountiful, Utah 84010  
801-299-8415

**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:**

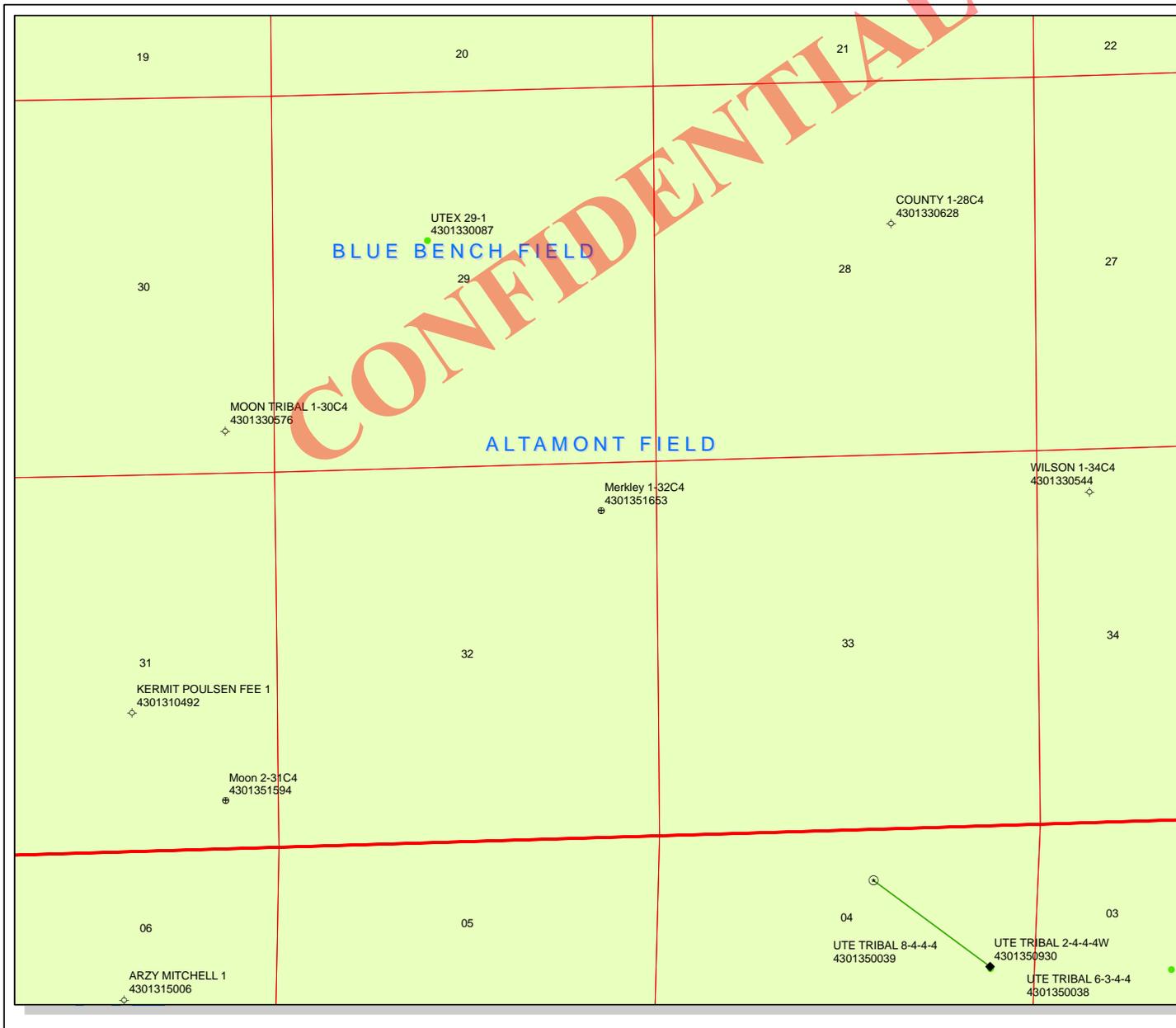
EP Energy E&P Company, L.P.  
Wayne Garner  
PO Box 410  
Altamont, Utah 84001  
435-454-3394 – Office  
435-823-1490 – Cell

**Regarding This APD**

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

**Drilling**

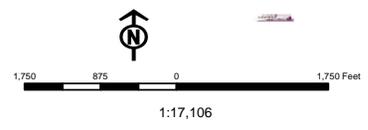
EP Energy E&P Company, L.P.  
Joe Cawthorn – Drilling Engineer  
1001 Louisiana, Rm 2523B  
Houston, Texas 77002  
713-997-5929 – office  
832-465-2882 – Cell



**API Number: 4301351653**  
**Well Name: Merklely 1-32C4**  
**Township T03.0S Range R04.0W Section 32**  
**Meridian: UBM**  
 Operator: EP ENERGY E&P COMPANY, L.P.

Map Prepared:  
 Map Produced by Diana Mason

Units STATUS	Wells Query 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
ABANDONED	TA - Temp. Abandoned
ACTIVE	TW - Test Well
COMBINED	WDW - Water Disposal
INACTIVE	WW - Water Injection Well
STORAGE	WSW - Water Supply Well
TERMINATED	Bottom Hole Location - Oil/Gas/Dib



Well Name	EP ENERGY E&P COMPANY, L.P. Merkle 1-32C4 43013516530000			
String	COND	SURF	I1	L1
Casing Size(")	13.375	9.625	7.000	4.500
Setting Depth (TVD)	800	3000	7600	10500
Previous Shoe Setting Depth (TVD)	0	800	3000	7600
Max Mud Weight (ppg)	8.4	9.0	10.5	12.0
BOPE Proposed (psi)	1000	1000	5000	10000
Casing Internal Yield (psi)	2730	5750	11220	12410
Operators Max Anticipated Pressure (psi)	6552			12.0

Calculations	COND String	13.375	"
Max BHP (psi)	.052*Setting Depth*MW=	349	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	253	YES <input type="checkbox"/> rotating head, air drill
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	173	YES <input type="checkbox"/> OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	173	NO <input type="checkbox"/> OK
Required Casing/BOPE Test Pressure=		800	psi
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient

Calculations	SURF String	9.625	"
Max BHP (psi)	.052*Setting Depth*MW=	1404	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	1044	NO <input type="checkbox"/> rotating head + 5M annular
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	744	YES <input type="checkbox"/> OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	920	NO <input type="checkbox"/> OK
Required Casing/BOPE Test Pressure=		3000	psi
*Max Pressure Allowed @ Previous Casing Shoe=		800	psi *Assumes 1psi/ft frac gradient

Calculations	I1 String	7.000	"
Max BHP (psi)	.052*Setting Depth*MW=	4150	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	3238	YES <input type="checkbox"/>
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	2478	YES <input type="checkbox"/> OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	3138	NO <input type="checkbox"/> OK
Required Casing/BOPE Test Pressure=		7600	psi
*Max Pressure Allowed @ Previous Casing Shoe=		3000	psi *Assumes 1psi/ft frac gradient

Calculations	L1 String	4.500	"
Max BHP (psi)	.052*Setting Depth*MW=	6552	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	5292	YES <input type="checkbox"/>
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	4242	YES <input type="checkbox"/> OK
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	5914	YES <input type="checkbox"/>
Required Casing/BOPE Test Pressure=		8687	psi
*Max Pressure Allowed @ Previous Casing Shoe=		7600	psi *Assumes 1psi/ft frac gradient



Well name:	<b>43013516530000 Merkley 1-32C4</b>		
Operator:	<b>EP ENERGY E&amp;P COMPANY, L.P.</b>		
String type:	Conductor	Project ID:	43-013-51653
Location:	DUCHESNE COUNTY		

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
 Internal fluid density: 1.500 ppg

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Environment:**

H2S considered? No  
 Surface temperature: 74 °F  
 Bottom hole temperature: 85 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,000 ft

**Burst:**

Design factor 1.00

Cement top: 242 ft

**Burst**

Max anticipated surface pressure: 253 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 349 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)

**Non-directional string.**

Tension is based on air weight.  
 Neutral point: 701 ft

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	800	13.375	54.50	J-55	ST&C	800	800	12.49	9926
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	287	1130	3.941	349	2730	7.82	43.6	514	11.79 J

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

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

Date: November 8, 2012  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 800 ft, a mud weight of 8.4 ppg. An internal gradient of .078 psi/ft was used for collapse from TD to TD. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>43013516530000 Merkley 1-32C4</b>	
Operator:	<b>EP ENERGY E&amp;P COMPANY, L.P.</b>	
String type:	Surface	Project ID: 43-013-51653
Location:	DUCHESNE COUNTY	

**Design parameters:**

**Collapse**

Mud weight: 8.400 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: 116 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 100 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 2,340 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 3,000 psi

No backup mud specified.

**Tension:**

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

Tension is based on buoyed weight.  
Neutral point: 2,625 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 7,600 ft  
Next mud weight: 10.500 ppg  
Next setting BHP: 4,145 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 3,000 ft  
Injection pressure: 3,000 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	3000	9.625	40.00	N-80	LT&C	3000	3000	8.75	38174
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	1309	3090	2.360	3000	5750	1.92	105	737	7.02 J

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

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

Date: October 25, 2012  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 3000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>43013516530000 Merkley 1-32C4</b>		
Operator:	<b>EP ENERGY E&amp;P COMPANY, L.P.</b>		
String type:	Intermediate	Project ID:	43-013-51653
Location:	DUCHESNE COUNTY		

**Design parameters:**

**Collapse**

Mud weight: 10.500 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: 180 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,000 ft

Cement top: 4,293 ft

**Burst**

Max anticipated surface pressure: 4,235 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 5,907 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: 6,392 ft

**Non-directional string.**

**Re subsequent strings:**

Next setting depth: 10,500 ft  
Next mud weight: 12.000 ppg  
Next setting BHP: 6,545 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 7,600 ft  
Injection pressure: 7,600 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	7600	7	29.00	P-110	LT&C	7600	7600	6.059	85824
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	4145	8530	2.058	5907	11220	1.90	220.4	797	3.62 J

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

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

Date: October 25, 2012  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 7600 ft, a mud weight of 10.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>43013516530000 Merkley 1-32C4</b>	
Operator:	<b>EP ENERGY E&amp;P COMPANY, L.P.</b>	
String type:	Production Liner	Project ID: 43-013-51653
Location:	DUCHESNE COUNTY	

**Design parameters:**

**Collapse**

Mud weight: 12.000 ppg  
Internal fluid density: 1.500 ppg

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 74 °F  
Bottom hole temperature: 221 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,000 ft

Cement top: 7,979 ft

**Burst**

Max anticipated surface pressure: 4,235 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 6,545 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: 9,951 ft

Liner top: 7,400 ft

**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	3100	4.5	13.50	P-110	LT&C	10500	10500	3.795	17371
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	5727	10680	1.865	6545	12410	1.90	41.8	338	8.08 J

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

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

Date: October 25, 2012  
Salt Lake City, Utah

**Remarks:**

For this liner string, the top is rounded to the nearest 100 ft. Collapse is based on a vertical depth of 10500 ft, a mud weight of 12 ppg. An Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*



**Soil Type and Characteristics**

Brown to tan, fine grained sandy loam with some clays present

**Erosion Issues Y**

Storm waters from south facing canyons do drain water across the surface to the west of this well pad.

**Sedimentation Issues Y**

Potential sediment from the north

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

Location and tanks

**Erosion Sedimentation Control Required? Y**

Location bermed and diversion ditch if necessary along the western side of location

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

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

<b>Distance to Groundwater (feet)</b>		20
<b>Distance to Surface Water (feet)</b>	>1000	0
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	>1320	0
<b>Native Soil Type</b>	High permeability	20
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	10 to 20	5
<b>Affected Populations</b>		
<b>Presence Nearby Utility Conduits</b>	Unknown	10
<b>Final Score</b>		60

1 Sensitivity Level

**Characteristics / Requirements**

No reserve pit is being proposed. Currently drilling program is a closed loop system using steel mud tanks provided by drilling contractors.

All E&P materials, including drill cuttings, shall be contained in steel tanks or an approved pit containing a synthetic liner until it can be demonstrated such materials meet DOGM stands for abandonment. E&P materials, such as drilling cuttings, shall conform to the following DOGM standards prior to abandonment: Electrical Conductivity

**Closed Loop Mud Required? Y**    **Liner Required?**    **Liner Thickness**    **Pit Underlayment Required?**

**Other Observations / Comments**

Steve Merkley, landowner/mineral owner, Lee Moon leases pasture for alfalfa and grazing, is prime hay field with sprinkler system in place. Talked about changing access road and bringing it in from the south which will have less disturbance to field. Operator does not have a landowner agreement as yet but are still working on it with surface and mineral owner. Merkley stated he needed to talk to Lee Moon before signing a landowner agreement. Wayne Garner claims this well cannot be south of the highway because Lee Moon owns the minerals there and stated in the minerals lease that they would not drill in his hay field.

Dennis Ingram  
**Evaluator**

10/2/2012  
**Date / Time**

**CONFIDENTIAL**

**Application for Permit to Drill  
Statement of Basis  
Utah Division of Oil, Gas and Mining**

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
6678	43013516530000	LOCKED	OW	P	No
<b>Operator</b>	EP ENERGY E&P COMPANY, L.P.		<b>Surface Owner-APD</b>	Steven R Merkley (SUC Trustee)	
<b>Well Name</b>	Merkley 1-32C4	<b>Unit</b>			
<b>Field</b>	ALTAMONT	<b>Type of Work</b>		DRILL	
<b>Location</b>	NENE 32 3S 4W U 660 FNL (UTM) 555022E 4448229N	799 FEL GPS Coord			

**Geologic Statement of Basis**

El Paso proposes to set 80 feet of conductor and 3,000 feet of surface casing both of which will be cemented to surface. The surface and intermediate holes will be drilled utilizing fresh water mud. The estimated depth to the base of moderately saline ground water is 800 feet. A search of Division of Water Rights records indicates that there are 20 water wells within a 10,000 foot radius of the center of Section 32. These wells probably produce water from alluvium associated with the Duchesne River and the Duchesne River Formation. Depths of the wells fall in the range of 30-370 feet. The wells are listed as being used for irrigation, stock watering, municipal and domestic. The proposed drilling, casing and cement program should adequately protect the highly used Duchesne River aquifer.

Brad Hill  
APD Evaluator

10/22/2012  
Date / Time

**Surface Statement of Basis**

A presite visit was scheduled and performed on October 2, 2012 to take input and address issues regarding the construction and drilling of this well. Steve Merkley was shown as the landowner of record and present for the presite meeting. The surface of the access road and proposed well pad is on crop lands with standing alfalfa--a sprinkler system is in place. Lee Moon leases the surface area for growing cattle feed and grazing. The operator and landowner have not come to an agreement at the time of this visit, although Mr. Merkley is working with the operator to reach one.

E&P Energy proposed changing the access road to limit the amount of disturbance to this field. The surface drops a few feet at the wellhead staking then levels out as it continues to the west, other than that the surface appears flat but slopes to the south with the greatest cut being 4.6' along the northern length of the pad and 3.1' of fill on the southwest corner. The location and access road will need fenced to keep cattle off the lease. This well needs a closed loop mud system, the operator cannot bury these cuttings but needs to dry them and take them to the Duchesne county dump because of underlying ground water. Topsoil shall be stored along the southeastern side of lease and be seeded to keep the soil active and productive until this well is plugged and abandon. This well is staked in residential farmland and the operator shall make attempts to limit night time activity and noise levels to reduce landowner complaints.

Dennis Ingram  
Onsite Evaluator

10/2/2012  
Date / Time

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

<b>Category</b>	<b>Condition</b>
Pits	A closed loop mud circulation system is required for this location.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	Cutting from wellbore shall not be buried because of ground water, but rather dried and hauled to the Duchesne county land fill.

**CONFIDENTIAL**

## WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 8/22/2012

**API NO. ASSIGNED:** 43013516530000

**WELL NAME:** Merkley 1-32C4

**OPERATOR:** EP ENERGY E&P COMPANY, L.P. (N3850)

**PHONE NUMBER:** 713 997-5038

**CONTACT:** Maria S. Gomez

**PROPOSED LOCATION:** NENE 32 030S 040W

**Permit Tech Review:**

**SURFACE:** 0660 FNL 0799 FEL

**Engineering Review:**

**BOTTOM:** 0660 FNL 0799 FEL

**Geology Review:**

**COUNTY:** DUCHESNE

**LATITUDE:** 40.18264

**LONGITUDE:** -110.35369

**UTM SURF EASTINGS:** 555022.00

**NORTHINGS:** 4448229.00

**FIELD NAME:** ALTAMONT

**LEASE TYPE:** 4 - Fee

**LEASE NUMBER:** Fee

**PROPOSED PRODUCING FORMATION(S):** GREEN RIVER-WASATCH

**SURFACE OWNER:** 4 - Fee

**COALBED METHANE:** NO

**RECEIVED AND/OR REVIEWED:**

- PLAT
  - Bond: STATE - 400JU0708
  - Potash
  - Oil Shale 190-5
  - Oil Shale 190-3
  - Oil Shale 190-13
  - Water Permit: Duchesne City/East Duchesne Water District
  - 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:** Cause 139-90
- Effective Date:** 5/9/2012
- Siting:** (4) Producing Grrv-Wstc Wells in Sec Drl Unit
- R649-3-11. Directional Drill

**Comments:** Presite Completed

**Stipulations:** 5 - Statement of Basis - bhll  
8 - Cement to Surface -- 2 strings - hmacdonald  
13 - Cement Volume Formation (3a) - 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:** Merkley 1-32C4  
**API Well Number:** 43013516530000  
**Lease Number:** Fee  
**Surface Owner:** FEE (PRIVATE)  
**Approval Date:** 1/8/2013

### Issued to:

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

### 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 Cause 139-90. The expected producing formation or pool is the GREEN RIVER-WASATCH 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:

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

Cement volume for the 7" intermediate string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 2500' MD in order to adequately isolate the Green River formation.

Cement volumes for the 13 3/8" and 9 5/8" casing strings shall be determined from actual hole diameters in order to place cement from the pipe setting depths back 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:

**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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
1. TYPE OF WELL Oil Well	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: EP ENERGY E&P COMPANY, L.P.	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1001 Louisiana , Houston, TX, 77002	8. WELL NAME and NUMBER: Merkley 1-32C4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0660 FNL 0799 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 32 Township: 03.0S Range: 04.0W Meridian: U	9. API NUMBER: 43013516530000
PHONE NUMBER: 713 997-5038 Ext	9. FIELD and POOL or WILDCAT: ALTAMONT
	COUNTY: DUCHESNE
	STATE: UTAH

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

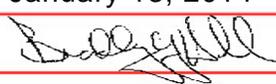
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 1/11/2014	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<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 checked="" 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.

EP plans to spud well soon. It is on the schedule to be on production by approximately mid April 2014.

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

**Date:** January 13, 2014

**By:** 

<b>NAME (PLEASE PRINT)</b> Maria S. Gomez	<b>PHONE NUMBER</b> 713 997-5038	<b>TITLE</b> Principal Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/9/2014	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43013516530000**

API: 43013516530000

Well Name: Merkley 1-32C4

Location: 0660 FNL 0799 FEL QTR NENE SEC 32 TWNP 030S RNG 040W MER U

Company Permit Issued to: EP ENERGY E&P COMPANY, L.P.

Date Original Permit Issued: 1/8/2013

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
- Has the approved source of water for drilling changed?  Yes  No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
- Is bonding still in place, which covers this proposed well?  Yes  No

Signature: Maria S. Gomez

Date: 1/9/2014

Title: Principal Regulatory Analyst Representing: EP ENERGY E&P COMPANY, L.P.

EP ENERGY / SPUD NOTIFICATION

EP ENERGY  
MERKLEY 1-32C4  
API # 43013516530000  
ALTAMONT FIELD  
DUCHESNE COUNTY

CONFIDENTIAL

(01/20/2014) SPUDDED WELL @ 8:00 AM. LEON ROSS DRILLING BUCKET RIG SET & CMT 40' OF 20"  
CONDUCTOR.

660 FNL 799 FEL  
NENE 32 3S 4W

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

AMENDED REPORT  FORM 8  
(highlight changes)

<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>		5. LEASE DESIGNATION AND SERIAL NUMBER:
1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
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 _____		7. UNIT or CA AGREEMENT NAME
2. NAME OF OPERATOR: EP Energy E&P Company, L.P.		8. WELL NAME and NUMBER: Merkley 1-32C4
3. ADDRESS OF OPERATOR: 1001 Louisiana CITY Houston STATE TX ZIP 77002		9. API NUMBER: 4301351653
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 660 FNL & 799 FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: 841.12 FNL & 922.07 FEL AT TOTAL DEPTH: 1004.56 FNL & 936.34 FEL		10 FIELD AND POOL, OR WILDCAT Altamont
14. DATE SPUNNED: 1/16/2014		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 3S 4W U
15. DATE T.D. REACHED: 2/16/2014		12. COUNTY Duchesne
16. DATE COMPLETED: 3/21/2014 ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>		13. STATE UTAH
17. ELEVATIONS (DF, RKB, RT, GL): 5471		
18. TOTAL DEPTH: MD 10,350 TVD 10,340	19. PLUG BACK T.D.: MD TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Sonic, Gamma Ray, Resistivity & Neutron Density		21. DEPTH BRIDGE MD PLUG SET: TVD
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 type="checkbox"/> YES <input checked="" 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
17.5	13.375 J55	54.5	0	637		G 675	776	0	
12.25	9.625 N80	40	0	1,513		G 340	704	0	
8.75	7" P110	29	0	7,779		Stand 485	1,238	1000	
6.125	4.5 P110	13.5	7,547	10,350		Stand 180	265	7547	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.875	7,659	7,648						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Wasatch	7,768	10,248	7,764	10,238	9,956 10,248	.43	69	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)					9,630 9,907	.43	69	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)					9,336 9,608	.43	69	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D)					9,066 9,306	.43	69	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC. See attached for further information on #27 & #28.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
9956-10248	5000 gals 15% HCL acid, 3000# 100 mesh, 140360# 20/40 TLC
9630-9907	5000 gals 15% HCL acid, 3000# 100 mesh, 140040# 20/40 TLC
9336-9608	5000 gals 15% HCL acid, 3000# 100 mesh, 140340# 20/40 TLC

29. ENCLOSED ATTACHMENTS: All logs are submitted to UDOGM by vendor.

<input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS	<input type="checkbox"/> GEOLOGIC REPORT	<input type="checkbox"/> DST REPORT	<input type="checkbox"/> DIRECTIONAL SURVEY
<input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION	<input type="checkbox"/> CORE ANALYSIS	<input type="checkbox"/> OTHER: _____	

30. WELL STATUS:  
**Prod**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 3/23/2014		TEST DATE: 4/7/2014		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL – BBL: 515	GAS – MCF: 354	WATER – BBL: 312	PROD. METHOD: Flowing
CHOKE SIZE: 16	TBG. PRESS. 1,156	CSG. PRESS. 0	API GRAVITY 44.00	BTU – GAS 1,400	GAS/OIL RATIO 1	24 HR PRODUCTION RATES: →	OIL – BBL: 515	GAS – MCF: 354	WATER – BBL: 312	INTERVAL STATUS: Producing

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.)

Sold

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)
				Upper Green River	3,092
				Middle Green River	4,635
				Lower Green River	5,905
				Wasatch	7,768

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) Maria S. Gomez TITLE Principal Regulatory Analyst  
 SIGNATURE Maria S. Gomez DATE 4/20/2014

This report must be submitted within 30 days of

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

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

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

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340  
 1594 West North Temple, Suite 1210  
 Box 145801 Fax: 801-359-3940  
 Salt Lake City, Utah 84114-5801

**Attachment to Well Completion Report****Form 8 Dated April 20, 2014****Well Name: Merkley 1-32C4****Items #27 and #28 Continued****27. Perforation Record**

<b>Interval (Top/Bottom – MD)</b>	<b>Size</b>	<b>No. of Holes</b>	<b>Perf. Status</b>
<b>8761'-9032'</b>	<b>.43</b>	<b>69</b>	<b>Open</b>
<b>8466'-8740'</b>	<b>.43</b>	<b>69</b>	<b>Open</b>
<b>8207'-8438'</b>	<b>.43</b>	<b>69</b>	<b>Open</b>
<b>7980'-8187'</b>	<b>.43</b>	<b>69</b>	<b>Open</b>

**28. Acid, Fracture, Treatment, Cement Squeeze, Etc.**

<b>Depth Interval</b>	<b>Amount and Type of Material</b>
<b>9066'-9306'</b>	<b>5000 gal acid, 3000# 100 mesh, 159940# 20/40 TLC</b>
<b>8761'-9032'</b>	<b>5000 gal acid, 3000# 100 mesh, 159120# 20/40 TLC</b>
<b>8466'-8740'</b>	<b>5000 gal acid, 3000# 100 mesh, 150720# 20/40 Premium</b>
<b>8207'-8438'</b>	<b>5000 gal acid, 3000# 100 mesh, 148990# 20/40 Premium</b>
<b>7980'-8187'</b>	<b>5000 gal acid, 3000# 100 mesh, 150570# 20/40 Premium</b>



Company: EP Energy  
 Well: Merkley 1-32C4  
 Location: Duchesne, UT  
 Rig: Precision 406

Job Number:  
 Mag Decl.:  
 Dir Driller:  
 MWD Eng:

Calculation Method  
 Proposed Azimuth  
 Depth Reference  
 Tie Into:

Minimum Curvature  
 0.00  
 KB  
 Gyro/MWD



Survey Number	Survey Depth (ft)	Inclination (deg)	Azimuth (deg)	Course Length (ft)	True Vertical Depth (ft)	Vertical Section (ft)	Coordinates		Closure		Dogleg Severity (d/100')	Build Rate (d/100')	Walk Rate (d/100')			
							N/S (ft)	E/W (ft)	Distance (ft)	Direction Azimuth						
36	3571.00	2.02	214.09	96.00	3569.62	-77.90	S	77.90	S	31.96	W	84.20	202.31	0.50	0.46	-6.67
37	3667.00	2.49	213.15	96.00	3665.54	-81.05	S	81.05	S	34.05	W	87.91	202.79	0.49	0.49	-0.98
38	3763.00	2.79	204.52	96.00	3761.44	-84.92	S	84.92	S	36.16	W	92.30	203.07	0.52	0.31	-8.99
39	3860.00	1.88	254.34	97.00	3858.37	-87.50	S	87.50	S	38.67	W	95.66	203.85	2.20	-0.94	51.36
40	3956.00	1.75	252.89	96.00	3954.32	-88.35	S	88.35	S	41.59	W	97.65	205.21	0.14	-0.14	-1.51
41	4053.00	1.59	226.83	97.00	4051.28	-89.71	S	89.71	S	43.99	W	99.91	206.12	0.79	-0.16	-26.87
42	4149.00	1.93	205.28	96.00	4147.24	-92.08	S	92.08	S	45.65	W	102.78	206.37	0.77	0.35	-22.45
43	4245.00	2.41	202.44	96.00	4243.17	-95.41	S	95.41	S	47.11	W	106.41	206.28	0.51	0.50	-2.96
44	4342.00	0.95	240.85	97.00	4340.13	-97.69	S	97.69	S	48.59	W	109.10	206.45	1.82	-1.51	39.60
45	4439.00	1.37	245.51	97.00	4437.11	-98.56	S	98.56	S	50.35	W	110.67	207.06	0.44	0.43	4.80
46	4535.00	1.54	213.88	96.00	4533.08	-100.10	S	100.10	S	52.11	W	112.86	207.50	0.84	0.18	-32.95
47	4631.00	1.96	207.48	96.00	4629.03	-102.63	S	102.63	S	53.59	W	115.78	207.57	0.48	0.44	-6.67
48	4728.00	2.23	207.50	97.00	4725.97	-105.78	S	105.78	S	55.22	W	119.33	207.57	0.28	0.28	0.02
49	4824.00	2.57	203.33	96.00	4821.88	-109.41	S	109.41	S	56.94	W	123.34	207.49	0.40	0.35	-4.34
50	4920.00	2.82	199.59	96.00	4917.78	-113.61	S	113.61	S	58.58	W	127.83	207.28	0.32	0.26	-3.90
51	5016.00	2.24	237.08	96.00	5013.69	-116.86	S	116.86	S	60.95	W	131.80	207.55	1.79	-0.60	39.05
52	5112.00	2.05	255.12	96.00	5109.62	-118.32	S	118.32	S	64.19	W	134.61	208.48	0.73	-0.20	18.79
53	5207.00	2.13	246.09	95.00	5204.56	-119.47	S	119.47	S	67.44	W	137.19	209.45	0.36	0.08	-9.51
54	5303.00	2.20	240.15	96.00	5300.49	-121.11	S	121.11	S	70.67	W	140.22	210.26	0.24	0.07	-6.19
55	5398.00	2.35	227.59	95.00	5395.42	-123.33	S	123.33	S	73.69	W	143.67	210.86	0.55	0.16	-13.22
56	5494.00	2.40	224.21	96.00	5491.33	-126.10	S	126.10	S	76.54	W	147.51	211.26	0.15	0.05	-3.52
57	5590.00	2.75	218.71	96.00	5587.24	-129.34	S	129.34	S	79.39	W	151.76	211.54	0.45	0.36	-5.73
58	5686.00	2.64	231.07	96.00	5683.13	-132.52	S	132.52	S	82.55	W	156.13	211.92	0.61	-0.11	12.88
59	5782.00	2.19	277.57	96.00	5779.05	-133.67	S	133.67	S	86.09	W	158.99	212.78	2.03	-0.47	48.44
60	5877.00	1.56	295.45	95.00	5874.00	-132.88	S	132.88	S	89.05	W	159.96	213.83	0.90	-0.66	18.82
61	6068.00	1.76	238.18	191.00	6064.94	-133.30	S	133.30	S	93.89	W	163.05	215.16	0.84	0.10	-29.98
62	6163.00	2.18	209.97	95.00	6159.88	-135.64	S	135.64	S	96.03	W	166.19	215.30	1.10	0.44	-29.69
63	6259.00	2.43	198.34	96.00	6255.80	-139.15	S	139.15	S	97.59	W	169.96	215.04	0.55	0.26	-12.11
64	6354.00	2.57	197.51	95.00	6350.71	-143.10	S	143.10	S	98.86	W	173.92	214.64	0.15	0.15	-0.87
65	6449.00	3.15	197.85	95.00	6445.60	-147.61	S	147.61	S	100.30	W	178.46	214.20	0.61	0.61	0.36
66	6546.00	2.09	210.13	97.00	6542.49	-151.68	S	151.68	S	102.01	W	182.79	213.92	1.23	-1.09	12.66
67	6642.00	2.16	198.54	96.00	6638.43	-154.91	S	154.91	S	103.46	W	186.28	213.74	0.45	0.07	-12.07
68	6737.00	2.45	196.30	95.00	6733.35	-158.55	S	158.55	S	104.60	W	189.95	213.41	0.32	0.31	-2.36
69	6832.00	2.61	197.73	95.00	6828.26	-162.56	S	162.56	S	105.83	W	193.98	213.06	0.18	0.17	1.51
70	6928.00	3.11	198.83	96.00	6924.14	-167.11	S	167.11	S	107.34	W	198.61	212.71	0.52	0.52	1.15
71	7023.00	2.10	228.80	95.00	7019.04	-170.70	S	170.70	S	109.48	W	202.79	212.67	1.75	-1.06	31.55
72	7119.00	2.14	232.67	96.00	7114.98	-172.94	S	172.94	S	112.23	W	206.16	212.98	0.15	0.04	4.03

