

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

FORM 3

AMENDED REPORT

<b>APPLICATION FOR PERMIT TO DRILL</b>						1. WELL NAME and NUMBER Hand 7-8D-5-4							
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT UNDESIGNATED							
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME							
6. NAME OF OPERATOR APPALOOSA OPERATING COMPANY LLC						7. OPERATOR PHONE 832 419-0889							
8. ADDRESS OF OPERATOR 1776 Woodstead Ct., Suite 121, The Woodlands, TX, 77380						9. OPERATOR E-MAIL BPosey@AppaloosaEnergy.com							
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>							
13. NAME OF SURFACE OWNER (if box 12 = 'fee') James Hand						14. SURFACE OWNER PHONE (if box 12 = 'fee') 435-776-5731							
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 961 Whitney Rd., Walla Walla, WA 99362						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 type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>							
20. LOCATION OF WELL		FOOTAGES		QTR-QTR		SECTION		TOWNSHIP		RANGE		MERIDIAN	
LOCATION AT SURFACE		2314 FNL 2158 FEL		SWNE		8		5.0 S		4.0 W		U	
Top of Uppermost Producing Zone		2139 FNL 2068 FEL		SWNE		8		5.0 S		4.0 W		U	
At Total Depth		1980 FNL 1980 FEL		SWNE		8		5.0 S		4.0 W		U	
21. COUNTY DUCHESTER			22. DISTANCE TO NEAREST LEASE LINE (Feet) 327			23. NUMBER OF ACRES IN DRILLING UNIT 40							
27. ELEVATION - GROUND LEVEL 6172			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 3311			26. PROPOSED DEPTH MD: 6512 TVD: 6500							
28. BOND NUMBER CD 0279605749			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 49-2204										
<b>Hole, Casing, and Cement Information</b>													
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight			
SURF	12.25	8.625	0 - 650	24.0	J-55 ST&C	8.6	Class G	310	1.15	15.8			
PROD	7.875	5.5	0 - 6500	15.5	J-55 LT&C	8.9	Hi Lift "G"	180	3.82	11.0			
							50/50 Poz	475	1.26	14.2			
<b>ATTACHMENTS</b>													
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>													
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER						<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN							
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)						<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER							
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)						<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP							
NAME Shirl Ames				TITLE Document Control Specialist				PHONE 307 675-6400					
SIGNATURE				DATE 08/27/2012				EMAIL Shirl.Ames@woodgroup.com					
API NUMBER ASSIGNED 43013517010000				APPROVAL   Permit Manager									

## APPALOOSA OPERATING COMPANY, LLC

Hand 7-8D-5-4

Surface Location: SW ¼, NE ¼, 2314' FNL 2158" FEL, Section 8, T5S, R4W, U.S.B. &amp;M.

Bottom Hole Location: SW1/4, NE1/4, 1980' FNL 1980' FEL, Section 8, T5S, R4W, U.S.B.&amp;M

Duchesne County, UT

ONSHORE ORDER NO.1

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

FORMATION	Depth @ SHL(TVD)	Depth @ BHL(MD)
Uinta Fm	On Surface	On Surface
Green River Fm		1870'
Mahogany		2570'
*Garden Gulch Mbr		3620'
*Douglas Creek Mbr		4410'
*Castle Peak Mbr		5310'
*Uteland Butte Mbr.		5740'
Wasatch		6192'
TD		6500'

**\*PROSPECTIVE PAY**

Appaloosa is locating the well at the proposed surface location and directionally drilling to the proposed bottom hole location. By drilling directionally, Appaloosa Operating Company will improve field development efficiency by potentially combining multiple surface hole locations together. This will significantly reduce total surface disturbance plus combine the use of access roads and existing pipelines. Furthermore, Appaloosa hereby certifies that it is the sole working interest owner with 460 feet of the entire directional well bore.

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

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

Appaloosa Operating Company, LLC  
Appaloosa 7-8D-5-4

Drilling Program  
Duchesne County, Utah

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

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

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

#### 4 Proposed Casing and Cementing Program

The proposed Casing Program will be as follows:

Purpose	Depth	Hole Size	Casing Size	Type	Connection	Weight
Surface 650'	12.25"	8.625"	J-55	ST&C	24#	
Production	6500'	7.875"	5.5"	J-55	LT&C	15.5#

Surface	Fill	Type and Amount
---------	------	-----------------

0'-650' 650' Approximately 310 sks Class "G" (Type III) cement + additives or a similar slurry with a minimum weight of 15.8 ppg and approximate yield of 1.15 cf/sk, minimum 24 hr compressive strength = 500 psi (Cement will be circulated to surface and topped off, if necessary.)

Production	Type and Amount
------------	-----------------

0' - 3500' Approximately 180 sks HiFill Lead Cement + additives or similar slurry with a minimum weight of 11.0 ppg and approximate yield of 3.82 cf/sk

3500' – 6500' Approximately 475 sks 50/50 Poz Tail Cement + additives or a similar slurry with a minimum weight of 14.2 ppg and approximate yield of 1.26 cf/sk

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

#### 5 Drilling Fluids Program

Interval	Weight	Viscosity	Fluid Loss	Remarks
0'-650'	8.3-8.6	27-40	NC	Spud Mud
650' – TD	8.6-8.9	27-40	NC	KCL Water

Appaloosa Operating Company, LLC  
Appaloosa 7-8D-5-4

Drilling Program  
Duchesne County, Utah

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

**6 Evaluation Program**

Logging Program: HRI-GR-SP with SDL-DSN-PE: surface casing to TD.  
Preserve samples from all show intervals.

Sampling: 10' dry cut samples: Douglas Creek to TD. Preserve samples from all show intervals.

Surveys: As deemed necessary

Mud Logger: As deemed necessary

Drill Stem Tests: As deemed necessary

Cores: As deemed necessary

**7 Abnormal Conditions**

No abnormal temperatures or pressures or other hazards are anticipated.

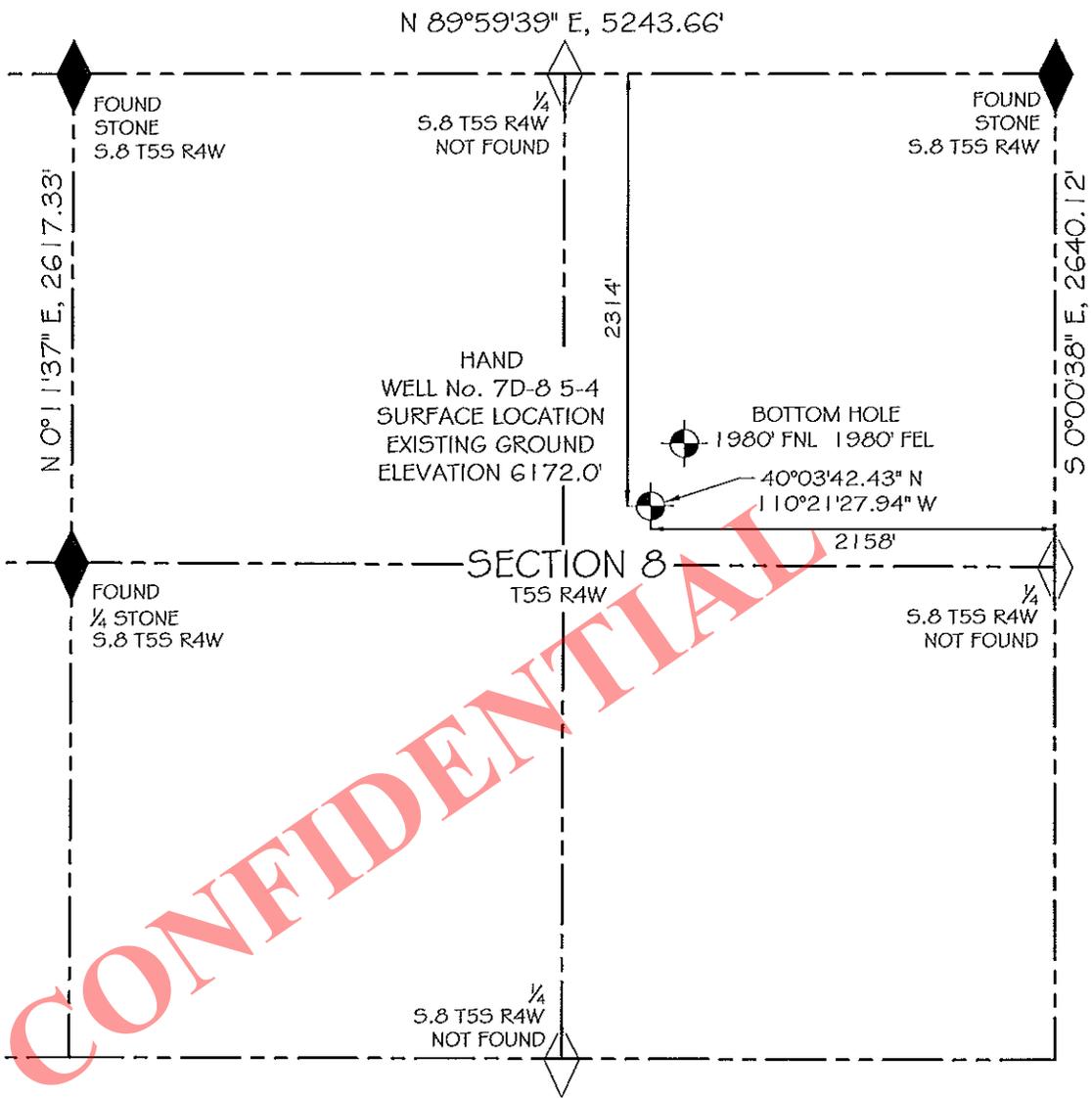
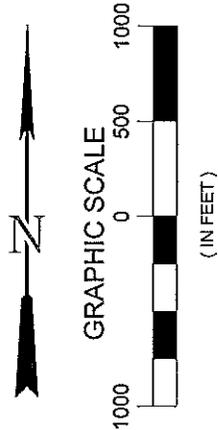
**8 Anticipated Starting Dates and Notification of Operations**

Drilling Activity:

Anticipated Commencement Date: Upon approval of the APD.

Drilling Days: Approximately 9 days.

Completion Days: Approximately 7 days



CONFIDENTIAL

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

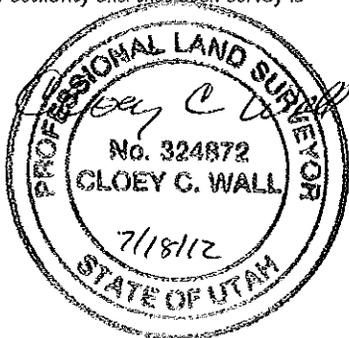
**BASIS OF ELEVATION**  
 NAVD 88 using Geoid 09

**SURVEY NOTE**  
 The E 1/4 corner of S.8 T5S, R4W USB#M was not found - used GLO distance and bearing.  
 The N 1/4 corner of S.8 T5S, R4W USB#M was not found - used distance and bearing between found NE and NW corners of S.8 T5S, R4W USB#M.

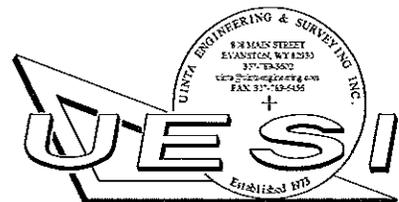
**CERTIFICATE OF SURVEYOR**

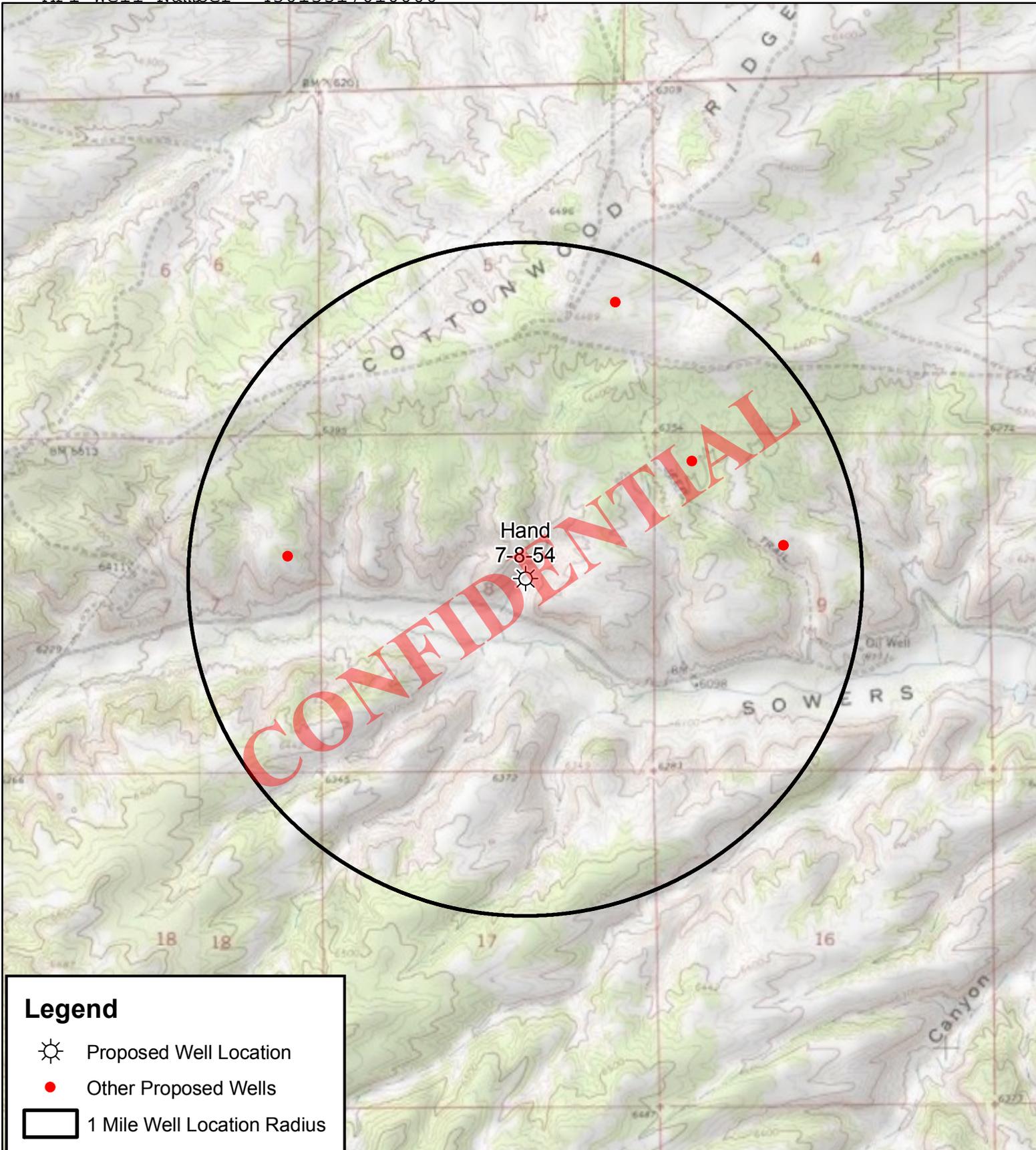
STATE of WYOMING )  
 COUNTY of Uinta ) ss

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



Map to ACCOMPANY  
 APPLICATION FOR PERMIT to DRILL  
 HAND WELL No. 7D-8 5-4  
 2314' FSL, 2158' FWL  
 SECTION 8, T5S, R4W, USB#M  
 DUCHESNE COUNTY, UT





**CONFIDENTIAL**

Hand  
7-8-54



**Legend**



Proposed Well Location



Other Proposed Wells



1 Mile Well Location Radius

PREPARED FOR:



CREATED BY:



APPALOOSA ENERGY

Hand 7-8-54

SEC. 8, T5S, R4W

Duchesene County, UT

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

EXHIBIT B MAP

TOPOGRAPHIC MAP

SHEET  
**D**

# Well Planning Proposal FOR

**Appaloosa Operating Co. LLC  
Hand 7-8D-5-4  
Duchesne Co., UT**

Well File: Design #1 (8/17/12)

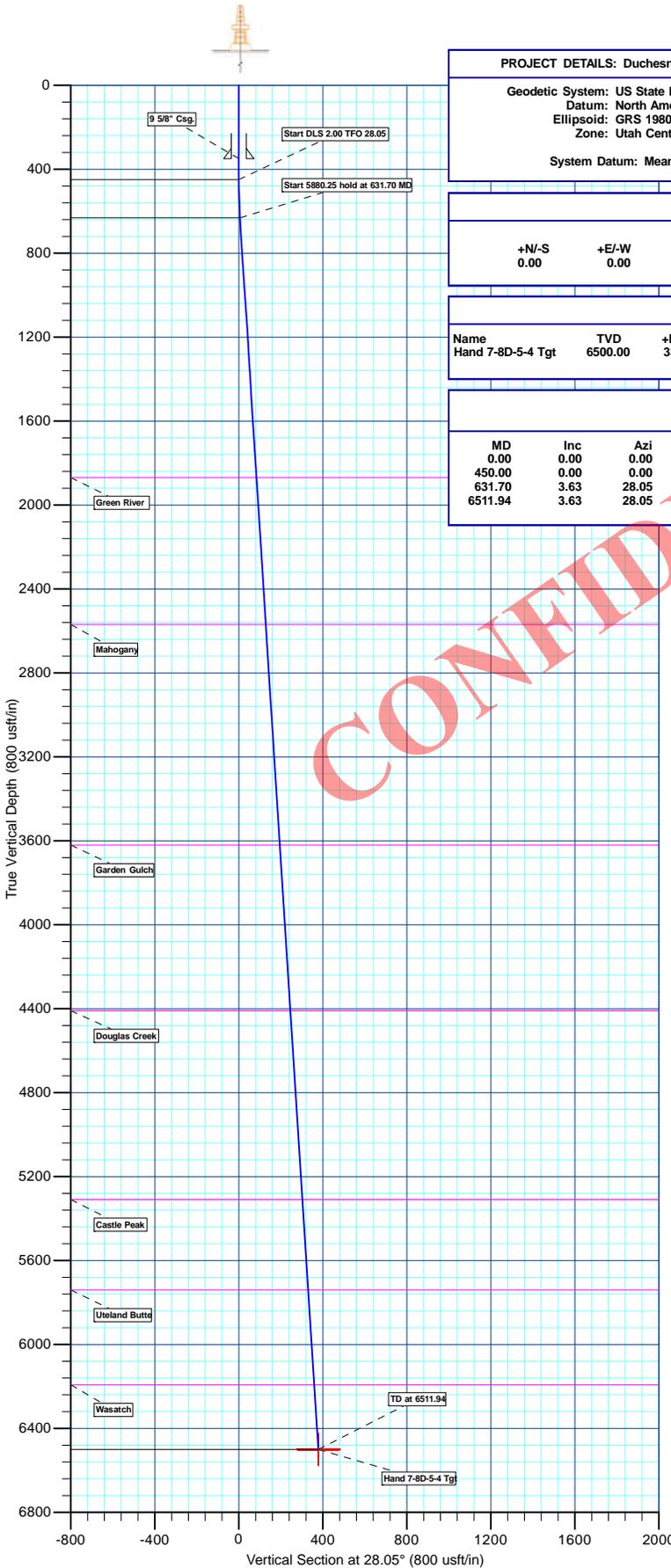
Presented By:

\_\_\_\_\_  
Pat Rasmussen  
Regional Manager

\_\_\_\_\_  
Bret Wolford  
Well Planner



Appaloosa Operating Co. LLC  
 Project: Duchesne Co., UT (NAD83)  
 Site: Sec.8-T5S-R4W  
 Well: Hand 7-8D-5-4  
 Wellbore: Wellbore #1  
 Design: Design #1  
 Latitude: 40° 3' 42.430 N  
 Longitude: 110° 21' 27.940 W  
 Ground Level: 6172.00  
 WELL @ 6172.00usft



**PROJECT DETAILS: Duchesne Co., UT (NAD83)**

Geodetic System: US State Plane 1983  
 Datum: North American Datum 1983  
 Ellipsoid: GRS 1980  
 Zone: Utah Central Zone  
 System Datum: Mean Sea Level

**REFERENCE INFORMATION**

Co-ordinate (N/E) Reference: Well Hand 7-8D-5-4, True North  
 Vertical (TVD) Reference: WELL @ 6172.00usft  
 Section (VS) Reference: Slot - (0.00N, 0.00E)  
 Measured Depth Reference: WELL @ 6172.00usft  
 Calculation Method: Minimum Curvature

**WELL DETAILS: Hand 7-8D-5-4**

+N/-S	+E/-W	Ground Level:	6172.00	Slot
0.00	0.00	Northing	1960102.600	
		Easting	40° 3' 42.430 N	
		Latitude	110° 21' 27.940 W	

**WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)**

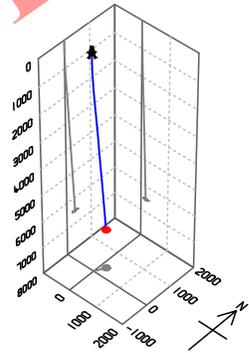
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
Hand 7-8D-5-4 Tgt	6500.00	334.02	177.94	7193607.019	1960276.260	40° 3' 45.731 N	110° 21' 25.651 W	Circle (Radius: 100.00)

**SECTION DETAILS**

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
450.00	0.00	0.00	450.00	0.00	0.00	0.00	0.00	0.00	Start DLS 2.00 TFO 28.05
631.70	3.63	28.05	631.58	5.08	2.71	2.00	28.05	5.76	Start 5880.25 hold at 631.70 MD
6511.94	3.63	28.05	6500.00	334.02	177.94	0.00	0.00	378.46	TD at 6511.94

**FORMATION TOP DETAILS**

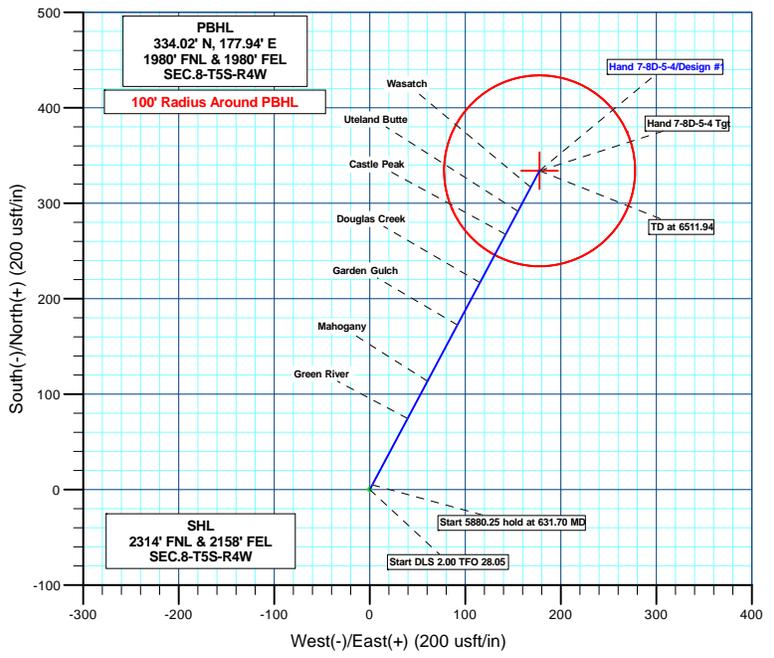
TVDPath	MDPath	Formation
1870.00	1872.62	Green River
2570.00	2574.03	Mahogany
3620.00	3626.14	Garden Gulch
4410.00	4417.73	Douglas Creek
5310.00	5319.55	Castle Peak
5740.00	5750.41	Uteland Butte
6192.00	6203.32	Wasatch



**Compass Rose**

Azimuths to True North  
 Magnetic North: 11.28°

Magnetic Field  
 Strength: 52116.7snT  
 Dip Angle: 65.72°  
 Date: 2012/08/17  
 Model: IGRF2010



**Plan: Design #1 (Hand 7-8D-5-4/Wellbore #1)**  
 Created By: Bret Wolford Date: 10:15, August 17 2012

# Appaloosa Operating Co. LLC

Duchesne Co., UT (NAD83)

Sec.8-T5S-R4W

Hand 7-8D-5-4

Wellbore #1

Plan: Design #1

## Standard Planning Report

17 August, 2012



Sharewell Energy Services  
Planning Report



<b>Database:</b>	EDM 5000.1 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Hand 7-8D-5-4
<b>Company:</b>	Appaloosa Operating Co. LLC	<b>TVD Reference:</b>	WELL @ 6172.00usft
<b>Project:</b>	Duchesne Co., UT (NAD83)	<b>MD Reference:</b>	WELL @ 6172.00usft
<b>Site:</b>	Sec.8-T5S-R4W	<b>North Reference:</b>	True
<b>Well:</b>	Hand 7-8D-5-4	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Design #1		

<b>Project</b>	Duchesne Co., UT (NAD83)		
<b>Map System:</b>	US State Plane 1983	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	North American Datum 1983		
<b>Map Zone:</b>	Utah Central Zone		

<b>Site</b>	Sec.8-T5S-R4W				
<b>Site Position:</b>		<b>Northing:</b>	7,193,270.759 usft	<b>Latitude:</b>	40° 3' 42.430 N
<b>From:</b>	Lat/Long	<b>Easting:</b>	1,960,102.600 usft	<b>Longitude:</b>	110° 21' 27.940 W
<b>Position Uncertainty:</b>	0.00 usft	<b>Slot Radius:</b>	13-3/16"	<b>Grid Convergence:</b>	0.73 °

<b>Well</b>	Hand 7-8D-5-4					
<b>Well Position</b>	<b>+N/-S</b>	0.00 usft	<b>Northing:</b>	7,193,270.754 usft	<b>Latitude:</b>	40° 3' 42.430 N
	<b>+E/-W</b>	0.00 usft	<b>Easting:</b>	1,960,102.600 usft	<b>Longitude:</b>	110° 21' 27.940 W
<b>Position Uncertainty</b>		0.00 usft	<b>Wellhead Elevation:</b>	usft	<b>Ground Level:</b>	6,172.00 usft

<b>Wellbore</b>	Wellbore #1				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF2010	08/17/12	11.28	65.72	52,117

<b>Design</b>	Design #1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PLAN	<b>Tie On Depth:</b>	0.00
<b>Vertical Section:</b>	<b>Depth From (TVD) (usft)</b>	<b>+N/-S (usft)</b>	<b>+E/-W (usft)</b>	<b>Direction (°)</b>
	6,500.00	0.00	0.00	28.05

<b>Plan Sections</b>										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
450.00	0.00	0.00	450.00	0.00	0.00	0.00	0.00	0.00	0.00	
631.70	3.63	28.05	631.58	5.08	2.71	2.00	2.00	15.44	28.05	
6,511.94	3.63	28.05	6,500.00	334.02	177.94	0.00	0.00	0.00	0.00	Hand 7-8D-5-4 Tgt

**Sharewell Energy Services**  
Planning Report



<b>Database:</b>	EDM 5000.1 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Hand 7-8D-5-4
<b>Company:</b>	Appaloosa Operating Co. LLC	<b>TVD Reference:</b>	WELL @ 6172.00usft
<b>Project:</b>	Duchesne Co., UT (NAD83)	<b>MD Reference:</b>	WELL @ 6172.00usft
<b>Site:</b>	Sec.8-T5S-R4W	<b>North Reference:</b>	True
<b>Well:</b>	Hand 7-8D-5-4	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Design #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>9 5/8" Csg.</b>										
350.00	0.00	0.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Start DLS 2.00 TFO 28.05</b>										
450.00	0.00	0.00	450.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	1.00	28.05	500.00	0.39	0.21	0.44	2.00	2.00	0.00	0.00
600.00	3.00	28.05	599.93	3.47	1.85	3.93	2.00	2.00	0.00	0.00
<b>Start 5880.25 hold at 631.70 MD</b>										
631.70	3.63	28.05	631.58	5.08	2.71	5.76	2.00	2.00	0.00	0.00
700.00	3.63	28.05	699.74	8.90	4.74	10.09	0.00	0.00	0.00	0.00
800.00	3.63	28.05	799.54	14.50	7.72	16.43	0.00	0.00	0.00	0.00
900.00	3.63	28.05	899.34	20.09	10.70	22.77	0.00	0.00	0.00	0.00
1,000.00	3.63	28.05	999.14	25.69	13.68	29.10	0.00	0.00	0.00	0.00
1,100.00	3.63	28.05	1,098.94	31.28	16.66	35.44	0.00	0.00	0.00	0.00
1,200.00	3.63	28.05	1,198.74	36.87	19.64	41.78	0.00	0.00	0.00	0.00
1,300.00	3.63	28.05	1,298.53	42.47	22.62	48.12	0.00	0.00	0.00	0.00
1,400.00	3.63	28.05	1,398.33	48.06	25.60	54.46	0.00	0.00	0.00	0.00
1,500.00	3.63	28.05	1,498.13	53.66	28.58	60.79	0.00	0.00	0.00	0.00
1,600.00	3.63	28.05	1,597.93	59.25	31.56	67.13	0.00	0.00	0.00	0.00
1,700.00	3.63	28.05	1,697.73	64.84	34.54	73.47	0.00	0.00	0.00	0.00
1,800.00	3.63	28.05	1,797.53	70.44	37.52	79.81	0.00	0.00	0.00	0.00
<b>Green River</b>										
1,872.62	3.63	28.05	1,870.00	74.50	39.69	84.41	0.00	0.00	0.00	0.00
1,900.00	3.63	28.05	1,897.33	76.03	40.50	86.15	0.00	0.00	0.00	0.00
2,000.00	3.63	28.05	1,997.13	81.63	43.48	92.49	0.00	0.00	0.00	0.00
2,100.00	3.63	28.05	2,096.93	87.22	46.46	98.82	0.00	0.00	0.00	0.00
2,200.00	3.63	28.05	2,196.72	92.81	49.44	105.16	0.00	0.00	0.00	0.00
2,300.00	3.63	28.05	2,296.52	98.41	52.42	111.50	0.00	0.00	0.00	0.00
2,400.00	3.63	28.05	2,396.32	104.00	55.40	117.84	0.00	0.00	0.00	0.00
2,500.00	3.63	28.05	2,496.12	109.60	58.38	124.18	0.00	0.00	0.00	0.00
<b>Mahogany</b>										
2,574.03	3.63	28.05	2,570.00	113.74	60.59	128.87	0.00	0.00	0.00	0.00
2,600.00	3.63	28.05	2,595.92	115.19	61.36	130.51	0.00	0.00	0.00	0.00
2,700.00	3.63	28.05	2,695.72	120.78	64.34	136.85	0.00	0.00	0.00	0.00
2,800.00	3.63	28.05	2,795.52	126.38	67.32	143.19	0.00	0.00	0.00	0.00
2,900.00	3.63	28.05	2,895.32	131.97	70.30	149.53	0.00	0.00	0.00	0.00
3,000.00	3.63	28.05	2,995.12	137.56	73.28	155.87	0.00	0.00	0.00	0.00
3,100.00	3.63	28.05	3,094.92	143.16	76.26	162.21	0.00	0.00	0.00	0.00
3,200.00	3.63	28.05	3,194.71	148.75	79.24	168.54	0.00	0.00	0.00	0.00
3,300.00	3.63	28.05	3,294.51	154.35	82.22	174.88	0.00	0.00	0.00	0.00
3,400.00	3.63	28.05	3,394.31	159.94	85.20	181.22	0.00	0.00	0.00	0.00
3,500.00	3.63	28.05	3,494.11	165.53	88.18	187.56	0.00	0.00	0.00	0.00
3,600.00	3.63	28.05	3,593.91	171.13	91.16	193.90	0.00	0.00	0.00	0.00
<b>Garden Gulch</b>										
3,626.14	3.63	28.05	3,620.00	172.59	91.94	195.55	0.00	0.00	0.00	0.00
3,700.00	3.63	28.05	3,693.71	176.72	94.14	200.23	0.00	0.00	0.00	0.00
3,800.00	3.63	28.05	3,793.51	182.32	97.12	206.57	0.00	0.00	0.00	0.00
3,900.00	3.63	28.05	3,893.31	187.91	100.10	212.91	0.00	0.00	0.00	0.00
4,000.00	3.63	28.05	3,993.11	193.50	103.08	219.25	0.00	0.00	0.00	0.00



<b>Database:</b>	EDM 5000.1 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Hand 7-8D-5-4
<b>Company:</b>	Appaloosa Operating Co. LLC	<b>TVD Reference:</b>	WELL @ 6172.00usft
<b>Project:</b>	Duchesne Co., UT (NAD83)	<b>MD Reference:</b>	WELL @ 6172.00usft
<b>Site:</b>	Sec.8-T5S-R4W	<b>North Reference:</b>	True
<b>Well:</b>	Hand 7-8D-5-4	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Design #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
4,100.00	3.63	28.05	4,092.90	199.10	106.06	225.59	0.00	0.00	0.00	
4,200.00	3.63	28.05	4,192.70	204.69	109.04	231.93	0.00	0.00	0.00	
4,300.00	3.63	28.05	4,292.50	210.29	112.02	238.26	0.00	0.00	0.00	
4,400.00	3.63	28.05	4,392.30	215.88	115.00	244.60	0.00	0.00	0.00	
<b>Douglas Creek</b>										
4,417.73	3.63	28.05	4,410.00	216.87	115.53	245.73	0.00	0.00	0.00	
4,500.00	3.63	28.05	4,492.10	221.47	117.98	250.94	0.00	0.00	0.00	
4,600.00	3.63	28.05	4,591.90	227.07	120.96	257.28	0.00	0.00	0.00	
4,700.00	3.63	28.05	4,691.70	232.66	123.94	263.62	0.00	0.00	0.00	
4,800.00	3.63	28.05	4,791.50	238.26	126.92	269.95	0.00	0.00	0.00	
4,900.00	3.63	28.05	4,891.30	243.85	129.90	276.29	0.00	0.00	0.00	
5,000.00	3.63	28.05	4,991.10	249.44	132.88	282.63	0.00	0.00	0.00	
5,100.00	3.63	28.05	5,090.89	255.04	135.86	288.97	0.00	0.00	0.00	
5,200.00	3.63	28.05	5,190.69	260.63	138.84	295.31	0.00	0.00	0.00	
5,300.00	3.63	28.05	5,290.49	266.22	141.82	301.64	0.00	0.00	0.00	
<b>Castle Peak</b>										
5,319.55	3.63	28.05	5,310.00	267.32	142.41	302.88	0.00	0.00	0.00	
5,400.00	3.63	28.05	5,390.29	271.82	144.80	307.98	0.00	0.00	0.00	
5,500.00	3.63	28.05	5,490.09	277.41	147.78	314.32	0.00	0.00	0.00	
5,600.00	3.63	28.05	5,589.89	283.01	150.76	320.66	0.00	0.00	0.00	
5,700.00	3.63	28.05	5,689.69	288.60	153.74	327.00	0.00	0.00	0.00	
<b>Uteland Butte</b>										
5,750.41	3.63	28.05	5,740.00	291.42	155.25	330.19	0.00	0.00	0.00	
5,800.00	3.63	28.05	5,789.49	294.19	156.72	333.34	0.00	0.00	0.00	
5,900.00	3.63	28.05	5,889.29	299.79	159.70	339.67	0.00	0.00	0.00	
6,000.00	3.63	28.05	5,989.08	305.38	162.68	346.01	0.00	0.00	0.00	
6,100.00	3.63	28.05	6,088.88	310.98	165.66	352.35	0.00	0.00	0.00	
6,200.00	3.63	28.05	6,188.68	316.57	168.64	358.69	0.00	0.00	0.00	
<b>Wasatch</b>										
6,203.32	3.63	28.05	6,192.00	316.76	168.74	358.90	0.00	0.00	0.00	
6,300.00	3.63	28.05	6,288.48	322.16	171.62	365.03	0.00	0.00	0.00	
6,400.00	3.63	28.05	6,388.28	327.76	174.60	371.36	0.00	0.00	0.00	
6,500.00	3.63	28.05	6,488.08	333.35	177.58	377.70	0.00	0.00	0.00	
<b>TD at 6511.94 - Hand 7-8D-5-4 Tgt</b>										
6,511.94	3.63	28.05	6,500.00	334.02	177.94	378.46	0.00	0.00	0.00	

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
Hand 7-8D-5-4 Tgt	0.00	0.00	6,500.00	334.02	177.94	7,193,607.019	1,960,276.260	40° 3' 45.731 N	110° 21' 25.651 W	
- hit/miss target										
- Shape										
- plan hits target center										
- Circle (radius 100.00)										

Casing Points					
Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")	
350.00	350.00	9 5/8" Csg.	9-5/8	12-1/4	

**Sharewell Energy Services**  
Planning Report



<b>Database:</b>	EDM 5000.1 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Hand 7-8D-5-4
<b>Company:</b>	Appaloosa Operating Co. LLC	<b>TVD Reference:</b>	WELL @ 6172.00usft
<b>Project:</b>	Duchesne Co., UT (NAD83)	<b>MD Reference:</b>	WELL @ 6172.00usft
<b>Site:</b>	Sec.8-T5S-R4W	<b>North Reference:</b>	True
<b>Well:</b>	Hand 7-8D-5-4	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Design #1		

**Formations**

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,872.62	1,870.00	Green River		0.00	
2,574.03	2,570.00	Mahogany		0.00	
3,626.14	3,620.00	Garden Gulch		0.00	
4,417.73	4,410.00	Douglas Creek		0.00	
5,319.55	5,310.00	Castle Peak		0.00	
5,750.41	5,740.00	Uteland Butte		0.00	
6,203.32	6,192.00	Wasatch		0.00	

**Plan Annotations**

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
450.00	450.00	0.00	0.00	Start DLS 2.00 TFO 28.05
631.70	631.58	5.08	2.71	Start 5880.25 hold at 631.70 MD
6,511.94	6,500.00	334.02	177.94	TD at 6511.94

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## **SURFACE USE & OPERATIONS PLAN**

Hand 7-8D-5-4

APPALOOSA OPERATING COMPANY

Cottonwood Ridge Project Area  
Duchesne County, Utah

Contractors shall be provided with an approved copy of the Surface Use and Operations Plan prior to initiating construction on Utah Division of Wildlife Resources (DWR) surface.

The referenced project is located on DWR fee surface. This plan is intended to outline surface use and operations only on DWR lands, with similar plans being submitted to the remaining owners as required.

Site specific conditions of approval shall be outlined within the DWR surface use grants and site specific Application for Permit to Drill (APD) approvals.

### Existing Roads:

Existing roads have been utilized wherever practical use of these roads has been outlined within the submitted maps and plats and will be further described in the site specific right-of-way (ROW) application and APD.

Improvements to existing access roads shall be noted in the site specific APD's and in accordance with DWR specifications.

Existing roads shall be maintained and kept in good repair during drilling, completion, and producing operations associated with this project.

### Planned Access Roads:

Planned access roads shall be outlined within the submitted maps and plats for the Project as well as be further described in the site specific ROW application and APD. Access roads shall be constructed according to the surface owners' specifications. These specifications shall become part of the approval package for the approved Project.

Surface disturbance and vehicular traffic shall be limited to the approved access route. Any additional area's needed shall be approved in advance.

Access roads and surface disturbing activities shall conform to standards outlined in the BLM and Forest Service publication, (Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition – Revised 2007).

New access roads shall be crowned (2 to 3%), ditched, and constructed using a running surface of eighteen (18) feet with a maximum disturbed width of thirty-two (32) feet. Graveling or capping roadbed shall be performed as necessary to ensure a well-constructed and safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow.

Disturbed width may be wider than thirty-two (32) feet to accommodate larger equipment where cuts and fills are required for road construction, as well as intersections where sharp curves occur and/or as proposed by the operator requires approval from the DWR.

Appropriate water control structures shall be installed to control erosion.

When requested by the DWR "DEAD END ROAD" signs shall be installed and maintained at a designated location.

Unless specified in the site specific APD, the following specifications shall apply:

- i. Maximum grade of ten-percent (10%) shall be maintained throughout the Project.
- ii. Turnouts are not allowed.
- iii. Major cuts and fills, or bridges are prohibited. Culverts and related drainage structures shall be installed on an as-needed basis.
- iv. Access road shall be centerline flagged prior to construction.
- v. Gates, cattle guards, fence cuts, and/or modifications to existing range facilities shall be installed on an as-needed basis.
- vi. Surfacing materials shall be obtained from a state approved gravel source and utilized as necessary to ensure an all-weather road.
- vii. Road surface and shoulders shall be kept in a safe, and usable condition and shall be maintained in accordance with original construction standards.
- viii. Drainage ditches and culverts shall be kept clear and free-flowing and shall be maintained according to the original construction standards.
- ix. Access road ROW shall be kept free of trash during operations.
- x. Traffic shall be confined to the approved running surface. Road drainage crossings shall be typical dry creek drainage crossing type.
- xi. Crossings shall be designed to prevent siltation or accumulation of debris in the drainage crossing, and drainages kept clear of blockages near the roadbed.
- xii. Erosion of drainage ditches caused by runoff water shall be prevented by diverting water off at frequent intervals using cutouts.
- xiii. Should mud holes develop, holes shall be filled, in addition to detours around the holes avoided.
- xiv. Following snow removal from the road during winter months, snow shall be pushed outside borrow ditches and turnouts kept clear to ensure snowmelt is channeled away from the road.

Location of Existing Wells within a One (1) Mile Radius:

A map shall be provided illustrating site specific APD's, including locations of existing wells within a one (1) mile radius.

Location of Tank Batteries, Production Facilities, and Production Gathering and Service Lines:

The following guidelines shall apply if the well is productive:

- i. Permanent (on site for six (6) months or longer) structures constructed or installed shall be painted a flat, non-reflective, olive black color. All facilities shall be painted within six (6) months of installation. Facilities which are required to comply with the Occupational Safety and Health Act (OSHA) shall be excluded.
- ii. A containment dike shall be constructed surrounding production facilities which contain fluids (i.e., production tanks and/or produced water tanks). A dike shall be constructed of compacted subsoil, be impervious, hold one hundred-fifty percent (150%) capacity of the largest tank, and be independent of the back cut. The site specific APD shall address additional capacity if needed, due to environmental concerns. Use of topsoil for constructing dikes shall not be allowed.
- iii. Description of the proposed pipeline and map illustrating the proposed route shall be submitted, including site specific ROW application and APD.
- iv. Site security guidelines identified within Federal Regulation 43 CFR 3126.7, shall be adhered to. Off-lease storage, off-lease measurement, and/or commingling on-lease or off-lease production shall have prior written approval using "Form -BLM/VFO".
- v. Gas meter runs shall be located approximately one hundred (100) feet from the wellhead. Where necessary, the gas line shall be buried, or anchored beginning at wellhead to the meter. Where necessary, meter runs shall be housed and/or fenced.

Location and Type of Water Supply

Location and type of water supply shall be submitted along with site specific APD.

Water for the drilling and completion will be pumped or trucked from ONE OF THE FOLLOWING:

- Duchesne City Culinary Dock located in Sec. 1, T4S, R5W,
- East Duchesne Water, Arcadia Feedlot, Sec.28, T3S, R3W
- Myton (Moon) Pit, SE/NE Sec.27, T3S, R2W,

Source of Construction Materials:

All construction materials for this Project shall be local material accumulated during construction of the location site, access roads or pipelines.

Additional gravel or pit lining material shall be obtained from a private source.

Use of materials under BLM jurisdiction shall conform to guidelines outlined in 43 CFR 3610.2-3.

Methods of Handling Waste Materials:

Drill cuttings shall be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, shall be contained in the reserve pit. Upon termination of drilling and completion operations, liquid contents contained in the reserve pit shall be used at the subsequent drill site, or shall be removed and disposed of at an approved waste disposal facility within one hundred-eighty (180) days after drilling has been terminated. Immediately upon well completion, any hydrocarbons in the pit shall

be removed in accordance with guidelines outlined in 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit shall be constructed on location and shall not be located within natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit shall be constructed to prevent leakage, breakage and/or discharge of liquids.

If determined at the onsite that a pit liner is necessary, the reserve pit shall be lined using a synthetic reinforced liner, a minimum of twelve (12) millimeters thick, including sufficient bedding to cover any rocks. The liner shall overlap pit walls and be covered with dirt and/or rocks to hold it in place. Trash or scrap that could puncture the liner shall not be disposed of in the pit.

Reserve pit leaks are considered unacceptable and undesirable and upon occurrence, shall be orally reported to the DWR.

Following first production, produced wastewater shall be trucked to one of the following approved waste water disposal sites: R.N. Industries, Inc. Sec. 4, T2S, R2W, Bluebell; MC & MC Disposal Sec. 12, T6S, R19E, Vernal; LaPoint Recycle & Storage Sec. 12, T5S, R19E, LaPoint or Water Disposal Inc. Sec. 32, T1S, R1W, Roosevelt; used in operations of the field or, confined to the approved pit or storage tank for a period not to exceed ninety (90) days.

Production fluids shall be contained using leak-proof tanks. Production fluids shall be disposed of at approved disposal sites. Produced water, oil, and other byproducts shall not be applied to roads or well pads for control of dust or weeds.

Indiscriminate dumping of produced fluids on roads, well sites, or other areas is prohibited.

Spills of oil, gas, salt water, and/or other noxious fluids, shall be immediately cleaned-up and removed to an approved disposal site.

A chemical portable toilet shall be furnished to accompany the drilling rig.

Garbage, trash, and other waste materials shall be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash shall not be burned on location.

Debris and other waste materials, not contained in the trash cage, shall be cleaned-up and removed from location immediately subsequent to removal of the drilling rig.

Open pits shall be fenced during operations. Fencing shall be maintained until such time as pits are backfilled.

#### Ancillary Facilities:

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

#### Wellsite Layout:

A location layout diagram describing drill pad cross-sections, cuts and fills, locations of mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s) shall be included along with site specific ROW application and APD.

The diagram shall describe rig orientation, parking areas, access roads, as well as location of the following:

Reserve pit.

Stockpiled topsoil shall not be used for facility berms. All brush removed from the well pad during construction shall be stockpiled with topsoil.

Flare pit, shall be located downwind from prevailing wind direction.

Access road.

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

Thirty-nine (39) inch net wire shall be used with a minimum of one (1) strand of wire on top of the net wire. Barbed wire is not necessary if pipe or a similar type of reinforcement rod is attached to the top of the entire fence.

Net wire shall be no more than two (2) inches above ground level. Barbed wire shall be three (3) inches over the net wire. Total height of the fence shall be at a minimum of forty-two (42) inches.

Corner posts shall be cemented and/or braced in such a manner to ensure the fence remains tight at all times.

Standard steel, wood, or pipe posts shall be used between corner braces. Distance between any two (2) posts shall be no greater than sixteen (16) feet.

Wire shall be stretched using a stretching device prior to being attached to corner posts.

Reserve pit fencing shall be on two (2) sides during drilling operations and on the third and fourth sides when the rig moves off location. Pits shall be fenced and maintained until cleanup.

Plans for Restoration of Surface:

Immediately upon well completion, location and surrounding areas shall be cleared of all unused pipe, materials, trash, and debris not required for production.

All disturbed areas shall be re-contoured to approximate natural contours.

Any drainage rerouted during construction activities shall be restored to original line of flow or as near as possible.

Prior to backfilling reserve pit, the fence surrounding the reserve pit shall be removed. The pit liner shall be cut off at water or mud line and disposed of at an approved landfill site. The liner shall also be torn and perforated after the pit dries and prior to backfilling the reserve pit.

Prior to dirt work associated with reserve pit restoration, the reserve pit shall be as dry as possible. All debris within the pit shall be removed. Other waste and spoil materials shall be disposed of immediately upon completion of operations. The reserve pit shall be reclaimed within one hundred eighty (180) days from the date of well completion, weather permitting. Once reclamation activities have begun, activities shall be completed within thirty (30) days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit shall be allowed in order to prevent seasonal rainfall and runoff from seeping into soil used to cover the reserve pit. Diversion ditches and water bars shall be used to divert runoff as needed.

Prior to construction of the location, the top twelve (12) inches of soil material shall be stripped and stockpiled. Placement of topsoil shall be noted on the location plat attached to the site specific ROW application and APD. Topsoil shall be stockpiled separately from subsoil materials. Topsoil salvaged from reserve pit shall be stockpiled separately near the reserve pit. After drilling and completion activities have been completed, unused portions of the location (area outside of the deadmen) shall be re-contoured and topsoil spread over the area.

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Topsoil to be stored for more than one (1) year shall be windrowed, where possible, to a depth of three (3) to four (4) feet at a specified location near the margin of the site.

Broadcast seed using a prescribed seed mixture immediately after windrowing. DWR shall be contacted for the required seed mixture. Seed shall be drilled on contour to an appropriate depth.

The stockpile shall then be "walked" using a dozer to cover the seed.

Following completed restoration activities, location site, together with new access road cuts and shoulders shall be reseeded. Prior to reseeded, all disturbed areas, including the existing access road shall be scarified and left with a rough surface.

When broadcast seeded, the amount of seed mixture per acre shall be doubled, and a harrow or similar implement shall be dragged over seeded areas to ensure coverage of seeds.

At final abandonment, casing shall be cut-off at the base of the cellar, or three (3) feet below final restored ground level, whichever is deeper, as well as cap casing, using a metal plate with a minimum of 0.25 inches thick. The cap shall be welded in place. Well location and identity shall be permanently inscribed on the cap. The cap shall be constructed using a weep hole.

Surface Ownership:

The ownership of the access roads shall be specified in the site specific ROW application and APD. The ownership of the well pad shall be specified in the site specific ROW application and APD.

Other Information:

Operations shall be conducted in such a manner to ensure compliance is made with applicable laws, regulations, Onshore Oil and Gas Orders, approved Plan of Operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of its subcontractors. A copy of these conditions shall be furnished to the field representative to ensure compliance.

Operator shall control noxious weeds along access road use authorizations, pipeline route authorizations, well sites or other applicable facilities. A list of noxious weeds may be obtained from the DWR, BLM or the appropriate County Extension Office. On DWR administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides or other pesticides or possibly hazardous chemicals.

Drilling rigs and/or equipment used during drilling operations on location shall not be stacked or stored on DWR administered lands after the conclusion of drilling operations or at any other time without authorization by the DWR.

A class III archaeological survey has been conducted with reports submitted to the DWR. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The operator is responsible for informing all persons in the area who are associated with the Project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the

existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that could further disturb such materials and contact the DWR.

Operator's Representatives:

Scott Straessler – Optimization Manager, Wood Group PSN  
2615 Aviation Drive  
Sheridan, WY 82801  
Ph. 307.675.6400 – Cell. 307.461.1132

Rick Hendricks - Project Manager. Wood Group PSN  
2615 Aviation Drive  
Sheridan, WY 82801  
Ph. 307.675.6400 – Cell 307.752.3701

Doug Masters Project Supervisor, Wood Group PSN  
2615 Aviation Drive  
Sheridan, WY 82801  
Ph. 307.675.6400 – Cell 752-2160

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2615 Aviation Drive, Sheridan Wyoming 82801. Tel: 307-675-6400 Fax: 307-675-6401  
[www.woodgroup.com](http://www.woodgroup.com)

August 27, 2012

Ms. Diana Mason  
State of Utah  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

**RE: Directional Drilling R649-3-11**  
**Hand7-8D-5-4                      2,314' FNL, 2,158 FEL (Surface)**  
**1,980' FNL, 1,980' FEL (Bottomhole)**

Dear Ms. Mason:

Pursuant to the filing of the Hand 7-8D-5-4 Application for Permit to Drill regarding the above referenced well on July 25, 2012, Appaloosa is hereby submitting this letter in accordance with the Oil & Gas Conservation Rule R649-3-11 pertaining to Location and Siting of Wells.

- Hand 7-8D-5-4 is located within the proposed project area.
- Appaloosa is permitting this well as a directional well in order to minimize surface disturbance. Locating the well at the surface location and directionally drilling from this location, Appaloosa will be able to utilize the existing road and pipelines in the area.
- Appaloosa hereby certifies that it is the sole working interest owner within four-hundred sixty (460) feet of the entire directional well bore.

Therefore, based on the above stated information, Appaloosa requests the permit to be granted pursuant to R649-3-11.

Respectfully Submitted,

A handwritten signature in black ink that reads 'Shirl Ames'.

Shirl Ames, Document Control Specialist  
Wood Group PSN  
**Agent**

**STATEMENT OF OIL AND GAS OPERATIONS**

**Surface Owner Information:**

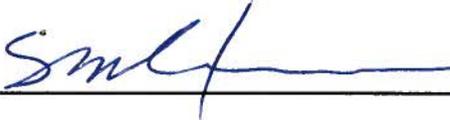
Surface Owner's Name:	<u>James E. Hand</u>	Surface Owner's Address:	<u>961 Whitney Rd Walla Walla, WA 99362</u>
Surface Owner's Phone Number:	<u>435-776-5731</u>		

**CERTIFICATION STATEMENT:**

Appaloosa Operating, LLC. hereby certifies that it is the oil and gas operator of the tract of land described as  
Operator  
SW NE 8 5S 4W, the surface which is owned as indicated above, and that application  
Location  
 is made for a permit to construct the Hand 7-8D-5-4 on the above described land.  
Name/ Number

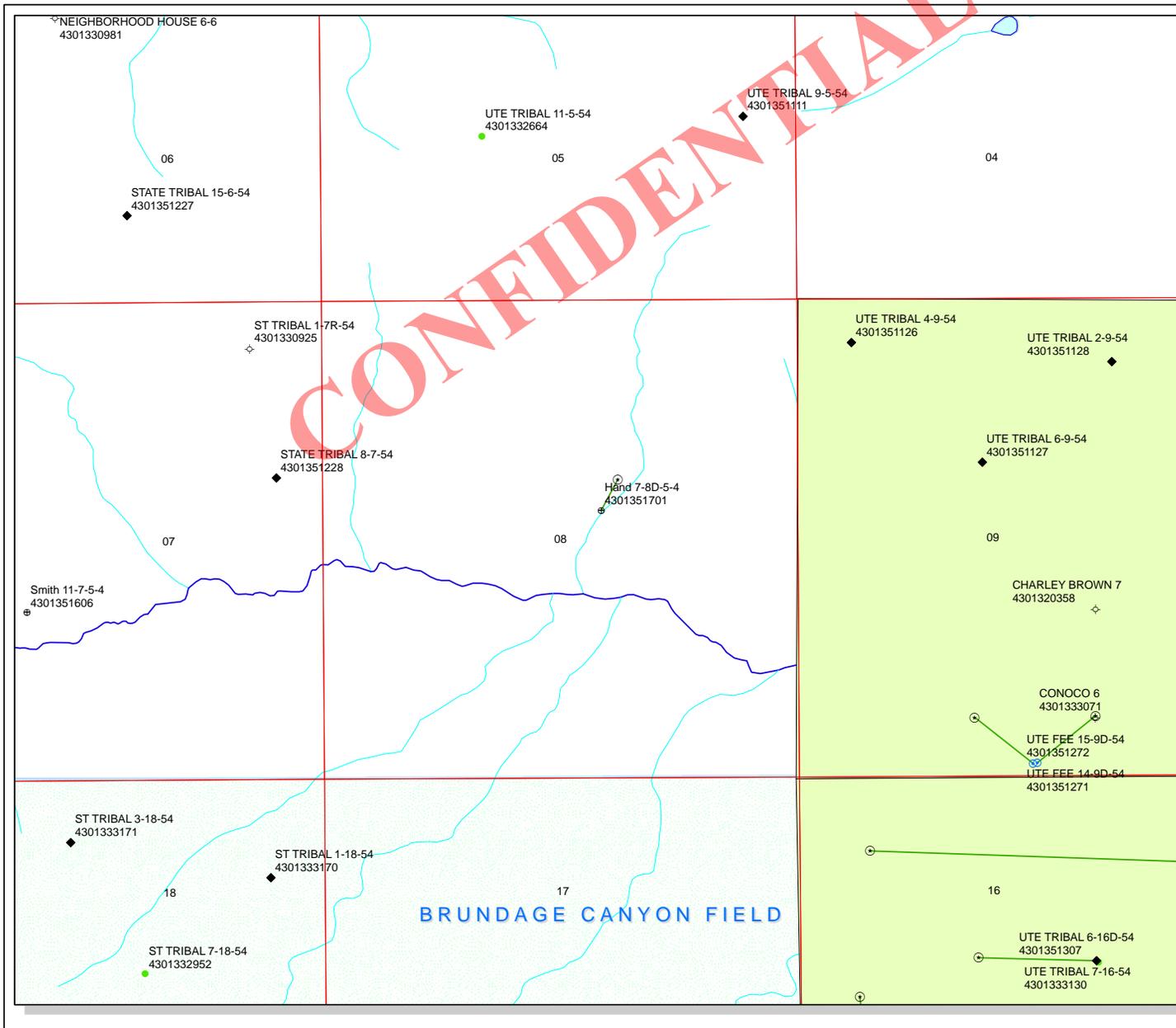
The applicant hereby certifies that they have obtained an executed surface agreement providing for compensation to the surface owner for damages to the land and improvements.

Signed this 11th day of September, 2012.

By: 

Name (printed): Scott Straessler

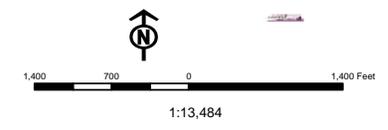
Title: Agent for Appaloosa



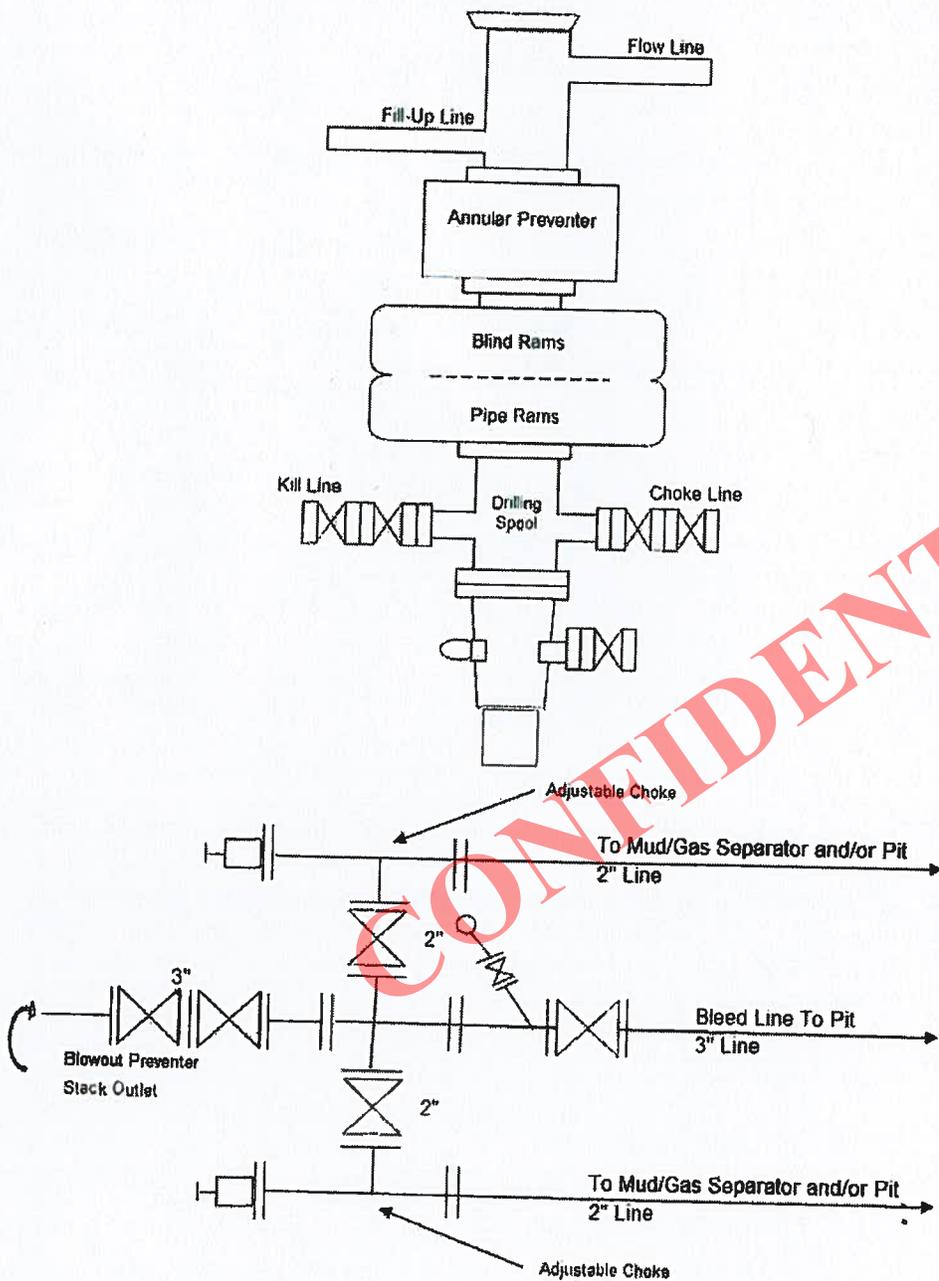
**API Number: 4301351701**  
**Well Name: Hand 7-8D-5-4**  
**Township T05.0S Range R04.0W Section 08**  
**Meridian: UBM**  
 Operator: APPALOOSA OPERATING COMPANY LLC

Map Prepared:  
 Map Produced by Diana Mason

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



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



**CONFIDENTIAL**

Well Name	APPALOOSA OPERATING COMPANY LLC Hand 7-8D-5-4 430135170			
String	SURF	PROD		
Casing Size(")	8.625	5.500		
Setting Depth (TVD)	650	6500		
Previous Shoe Setting Depth (TVD)	0	650		
Max Mud Weight (ppg)	8.6	8.9		
BOPE Proposed (psi)	0	2000		
Casing Internal Yield (psi)	2950	4810		
Operators Max Anticipated Pressure (psi)	2000	5.9		

Calculations	<b>SURF String</b>	<b>8.625</b>	"	
Max BHP (psi)	.052*Setting Depth*MW=	291		
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	213	NO	spud mud
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	148	NO	OK
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	148	NO	OK
Required Casing/BOPE Test Pressure=		650	psi	
*Max Pressure Allowed @ Previous Casing Shoe=		0	psi *Assumes 1psi/ft frac gradient	

Calculations	<b>PROD String</b>	<b>5.500</b>	"	
Max BHP (psi)	.052*Setting Depth*MW=	3008		
			<b>BOPE Adequate For Drilling And Setting Casing at Depth?</b>	
MASP (Gas) (psi)	Max BHP-(0.12*Setting Depth)=	2228	NO	
MASP (Gas/Mud) (psi)	Max BHP-(0.22*Setting Depth)=	1578	YES	OK
			<b>*Can Full Expected Pressure Be Held At Previous Shoe?</b>	
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth)=	1721	NO	Reasonable
Required Casing/BOPE Test Pressure=		2000	psi	
*Max Pressure Allowed @ Previous Casing Shoe=		650	psi *Assumes 1psi/ft frac gradient	

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

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

# 43013517010000 Hand 7-8D-5-4

## Casing Schematic

Surface

8-5/8"  
MW 8.6  
Frac 19.3

TOC @  
164.

Surface  
650. MD  
650. TVD

*Uinta*  
to 0' @ 8% w/o  
\* St. P ✓

1500' ± BMSW  
TOC @ 1540.  
to 0' @ 3% w/o, tail 3413'  
1870' Green River  
\* St. P ✓

2570' Mahogany

3620' Garden Gulch mbr.

4192' tail

4410' Douglas Creek mbr.

5310' Castle Peak mbr.

5740' Uteland Butte mbr.

6192' Wasatch

5-1/2"  
MW 8.9

Production  
6500. MD  
6488. TVD

SHL 2314' FNL 2158' FEL  
survey 334' N 178' E  
BHL 1980' FNL 1980' FEL ✓

✓ Strip cuts.

**CONFIDENTIAL**

Well name:	<b>43013517010000 Hand 7-8D-5-4</b>		
Operator:	<b>APPALOOSA OPERATING COMPANY LLC</b>		
String type:	Surface	Project ID:	43-013-51701
Location:	DUCHESNE COUNTY		

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 74 °F  
 Bottom hole temperature: 83 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 100 ft

Cement top: 164 ft

**Burst**

Max anticipated surface pressure: 572 psi  
 Internal gradient: 0.120 psi/ft  
 Calculated BHP 650 psi

No backup mud specified.

**Tension:**

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

Tension is based on air weight.  
 Neutral point: 566 ft

Completion type is subs

**Directional Info - Build & Hold**

Kick-off point 450 ft  
 Departure at shoe: 7 ft  
 Maximum dogleg: 2 °/100ft  
 Inclination at shoe: 3.63 °

**Re subsequent strings:**

Next setting depth: 6,488 ft  
 Next mud weight: 8.900 ppg  
 Next setting BHP: 3,000 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 650 ft  
 Injection pressure: 650 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	650	8.625	24.00	J-55	ST&C	650	650	7.972	3346
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	290	1370	4.719	650	2950	4.54	15.6	244	15.64 J

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

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

Date: October 22, 2012  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 650 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Well name:	<b>43013517010000 Hand 7-8D-5-4</b>		
Operator:	<b>APPALOOSA OPERATING COMPANY LLC</b>		
String type:	Production	Project ID:	43-013-51701
Location:	DUCHESNE COUNTY		

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 74 °F  
 Bottom hole temperature: 165 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 100 ft

Cement top: 1,540 ft

**Burst**

Max anticipated surface pressure: 1,572 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: 1.80 (J)  
 Buttress: 1.60 (J)  
 Premium: 1.50 (J)  
 Body yield: 1.60 (B)

Tension is based on air weight.  
 Neutral point: 5,625 ft

Completion type is subs

**Directional Info - Build & Hold**

Kick-off point 450 ft  
 Departure at shoe: 378 ft  
 Maximum dogleg: 2 °/100ft  
 Inclination at shoe: 3.63 °

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	6500	5.5	15.50	J-55	LT&C	6488	6500	4.825	22951
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	3000	4040	1.347	3000	4810	1.60	100.6	217	2.16 J

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

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

Date: October 22, 2012  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 6488 ft, a mud weight of 8.9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** APPALOOSA OPERATING COMPANY LLC  
**Well Name** Hand 7-8D-5-4  
**API Number** 43013517010000      **APD No** 6386    **Field/Unit** UNDESIGNATED  
**Location: 1/4,1/4SWNE Sec 8 Tw 5.0S Rng 4.0W 2314 FNL 2158 FEL**  
**GPS Coord (UTM) 554768 4434815**      **Surface Owner** James Hand

### Participants

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

### Regional/Local Setting & Topography

The proposed action is within a WMA operated by Utah DWR 6 miles South of the City of Duchesne in Sowers Canyon. The area is sparsely developed and described as a high desert plain with P/J, greasewood and abundant bunch grasses. The topography is mostly eroded hills and gullies with slopes much greater than 6%. The soils are rather silty overlain by a great deal of angular clastic shales. The pad is to be built alongside, and on one edge, into the foothills in a small drainage bowl shaped feature with a drainage that needs diversion. Plans show a diversion but, will further be diverted into the road borrow ditch to bottom of location. Indian Ricegrass and greasewood are the Dominant species.

### Surface Use Plan

**Current Surface Use**  
Wildlfe Habitat

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

**Waste Management Plan Adequate?**      Y

### Environmental Parameters

**Affected Floodplains and/or Wetlands** N

#### **Flora / Fauna**

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

Dominant vegetation;

Blue Gama, Greasewood and Pinion pine surround the proposed site.

Wildlife;

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

#### **Soil Type and Characteristics**

silty sands with clastic shales

**Erosion Issues Y**

highly erodible soils

**Sedimentation Issues Y**

Soils are highly erodible and present a threat under heavy precipitation events

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

diverted to the east and to the road cut

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

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

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

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

<b>Distance to Groundwater (feet)</b>	75 to 100	10
<b>Distance to Surface Water (feet)</b>		20
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	>1320	0
<b>Native Soil Type</b>	Mod permeability	10
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	10 to 20	5

**Affected Populations**

**Presence Nearby Utility Conduits** Not Present      0

**Final Score**      50      1 Sensitivity Level

**Characteristics / Requirements**

If used;

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

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

**Closed Loop Mud Required? N**    **Liner Required? Y**    **Liner Thickness 16**    **Pit Underlayment Required? N**

**Other Observations / Comments**

Chris Jensen

8/29/2012

**Evaluator**

**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
6386	43013517010000	LOCKED	OW	P	No
<b>Operator</b>	APPALOOSA OPERATING COMPANY LLC		<b>Surface Owner-APD</b>	James Hand	
<b>Well Name</b>	Hand 7-8D-5-4		<b>Unit</b>		
<b>Field</b>	UNDESIGNATED		<b>Type of Work</b>	DRILL	
<b>Location</b>	SWNE 8 5S 4W U 2314 FNL 2158 FEL GPS Coord (UTM) 554766E 4434818N				

### Geologic Statement of Basis

Appaloosa proposes to set 350' of surface casing at this location. The base of the moderately saline water is estimated to be at 1,500 feet in this area. This location lies on the transition between the Uinta Formation and the Green River Formation and is located on valley fill alluvium. The Uinta Formation is not expected to produce prolific aquifers. Water may be found in alluvium deposited in valley floors. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River Formation. A search of Division of Water Rights records indicates 4 water wells within a 10,000 foot radius of the center of Section 8. Depths range from 100 to 400 feet with listed uses as irrigation, stock watering and domestic. All wells are well over a mile from the proposed location. Production casing cement should be brought up to or above the base of the moderately saline ground water.

Brad Hill  
APD Evaluator

9/12/2012  
Date / Time

### Surface Statement of Basis

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

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

Chris Jensen  
Onsite Evaluator

8/29/2012  
Date / Time

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

<b>Category</b>	<b>Condition</b>
	Steep cut and fill slopes and topsoils pile to be protected from erosion and sediment transport by appropriate use of BMP's
	A closed loop mud circulation system is planned for this location.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.

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## WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/27/2012

API NO. ASSIGNED: 43013517010000

WELL NAME: Hand 7-8D-5-4

OPERATOR: APPALOOSA OPERATING COMPANY LLC (N3845)

PHONE NUMBER: 307 675-6400

CONTACT: Shirl Ames

PROPOSED LOCATION: SWNE 08 050S 040W

Permit Tech Review: 

SURFACE: 2314 FNL 2158 FEL

Engineering Review: 

BOTTOM: 1980 FNL 1980 FEL

Geology Review: 

COUNTY: DUCHESNE

LATITUDE: 40.06184

LONGITUDE: -110.35783

UTM SURF EASTINGS: 554766.00

NORTHINGS: 4434818.00

FIELD NAME: UNDESIGNATED

LEASE TYPE: 4 - Fee

LEASE NUMBER: Fee

PROPOSED PRODUCING FORMATION(S): GREEN RIVER

SURFACE OWNER: 4 - Fee

COALBED METHANE: NO

## RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: STATE - CD 0279605749
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 49-2204
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

## LOCATION AND SITING:

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

Comments: Presite Completed

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



GARY R. HERBERT  
*Governor*

GREGORY S. BELL  
*Lieutenant Governor*

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

## Permit To Drill

\*\*\*\*\*

**Well Name:** Hand 7-8D-5-4  
**API Well Number:** 43013517010000  
**Lease Number:** Fee  
**Surface Owner:** FEE (PRIVATE)  
**Approval Date:** 10/29/2012

### Issued to:

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

### Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-11. The expected producing formation or pool is the GREEN RIVER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

### Duration:

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

### General:

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

### Conditions of Approval:

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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

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

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

Surface casing shall be cemented to the surface.

**Additional Approvals:**

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

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

**Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

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

**Contact Information:**

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

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

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation

- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

**Approved By:**

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

For John Rogers  
Associate Director, Oil & Gas



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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Appaloosa Operating Company</b>		8. WELL NAME and NUMBER: <b>Hand 7-8D-5-4</b>
3. ADDRESS OF OPERATOR: <b>1776 Woodstead Ct.</b> CITY <b>The Woodlands</b> STATE <b>TX</b> ZIP _____		9. API NUMBER: <b>4301351701</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2314 FNL 2158 FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Brundage Canyon</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 8 5 S 4W U</b>		COUNTY: <b>Duchesne</b>
		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>11/8/2012</b>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Dry Spud</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Upon completing the surface casing operations on the Hand 7-8D-5-4 well, no water was found.

NAME (PLEASE PRINT) <b>Shirl Ames</b>	TITLE <b>Document Control Specialist</b>
SIGNATURE	DATE <b>11/9/2012</b>

(This space for State use only)

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

RECEIVED

NOV 07 2012

FORM 6

ENTITY ACTION FORM

DIV. OF OIL, GAS & MINING

Operator: Apixalosa Operating Company LLC Operator Account Number: N 3845  
 Address: 1776 Woodstead Ct. Suite 121  
city The Woodlands, TX  
state TX zip 77380 Phone Number: 832-419-0889

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301351701	Hand 7-8D-5-4		SWNE	8	5S	4W	Duchesne
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	New	18810	11/5/2012		11/15/2012		
Comments: GRRV BHL: SWNE SPUD BY LEON ROSS CONSTRUCTION							<b>CONFIDENTIAL</b>

Well 2

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

Well 3

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

ACTION CODES:

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

SHIRL AMES  
 Name (Please Print)  
Shirley Ames  
 Signature  
Document Control Specialist  
 Title  
 Date 11/7/12

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Fee
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Oil Well		<b>8. WELL NAME and NUMBER:</b> Hand 7-8D-5-4
<b>2. NAME OF OPERATOR:</b> APPALOOSA OPERATING COMPANY LLC		<b>9. API NUMBER:</b> 43013517010000
<b>3. ADDRESS OF OPERATOR:</b> 1776 Woodstead Ct., Suite 121, The Woodlands, TX, 77380	<b>PHONE NUMBER:</b> 832 419-0889 Ext	<b>9. FIELD and POOL or WILDCAT:</b> UNDESIGNATED
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2314 FNL 2158 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 08 Township: 05.0S Range: 04.0W Meridian: U		<b>COUNTY:</b> DUCHESNE
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 11/30/2012  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text" value="Monthly Status Report"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>11/5/2012 Well spud Leon Ross Construction at 12:00 P.M</p> <p>11/08/2012 8 5/8 Surface casing set at 680' cement to surface with 360sk 14.8 lb/gl 11/18/2012-11/23/2012 Directionally drill 642' to 6,745 MD 11/25/2012 Run open hole logs to 6,740 MD 11/26/2012 Run image log from 6,745' to 4,775', Run 5 1/2 production casing set at 6,712', cement with 168 bbl of lead 11 lb/gl, and 136 bbl of tail 122 lb/gl to surface 11/27/2012 Bullhead annula with 42 bbl cement 14.8 lb/gal 11/28/2012 Release rig waiting on completion Depth of well on 11/30/2012 is 6,745'</p>		
<p><b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY December 06, 2012</b></p>		
<b>NAME (PLEASE PRINT)</b> Shirl Ames	<b>PHONE NUMBER</b> 307 675-6400	<b>TITLE</b> Document Control Specialist
<b>SIGNATURE</b> N/A		<b>DATE</b> 12/5/2012

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Appaloosa Operating Company</b>		8. WELL NAME and NUMBER: <b>HAND 7-8D-5-4</b>
3. ADDRESS OF OPERATOR: <b>1776 WOODSTEAD CT #121 CITY The Woodlands STATE TX ZIP 77380</b>		9. API NUMBER: <b>43-013-51701</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2314 FNL &amp; 2158 FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>UNDESIGNATED</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SUNE 8 5S 4 W</b>		COUNTY: <b>Duchesne</b>
		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <b>Monthly Status Report</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

11/5/2012 Well Spud by Leon Ross Construction @ 12.00  
 11/8/2012 8 5/8" surface casing set @ 680'; cement to surface w 360 sk 14.8 lb/gal  
 11/18/2012 - 11/23 Directionally Drill 4 1/2" to 6645 MD  
 11/25/2012 - Run Open hole logs to 6740 MD  
 11/26/2012 - Run Image Log on 6745'-4775'  
 Run 5 1/2" Production casing set @ 6712'  
 Cement w/ 168 bbl of lead 11 lb/gal; and 136 bbl tail 12.2 lb/gal. to  
 Surface  
 11/27/2012 - Bullhead annulus w 42 bbl 14.8 lb/gal.  
 11/28/2012 Release Rig. Waiting on Completion

Depth of Well on 11/30/2012 is 6745'

NAME (PLEASE PRINT) _____	TITLE _____
SIGNATURE _____	DATE _____

(This space for State use only)

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
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	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: Hand 7-8D-5-4
2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC	9. API NUMBER: 43013517010000
3. ADDRESS OF OPERATOR: 1776 Woodstead Ct., Suite 121 , The Woodlands, TX, 77380	PHONE NUMBER: 832 419-0889 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2314 FNL 2158 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 08 Township: 05.0S Range: 04.0W Meridian: U	9. FIELD and POOL or WILDCAT: UNDESIGNATED
	COUNTY: DUCHESNE
	STATE: UTAH

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TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 1/6/2013	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Chronological report

**Accepted by the  
 Utah Division of  
 Oil, Gas and Mining  
 FOR RECORD ONLY  
 January 07, 2013**

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

Hand 7-8D-5-4

12-27-12

Weatherford finished installation of pumping unit at noon today. When Weatherford was checking the brake it did not hold and the unit moved back 3", they will come back when Basic is done and reset. Basic started MOB in, Rig will MOB in between 10-11 am Friday. Inter-mountain will be delivering 207 joints 2-7/8" tubing Friday at noon. Basic will be RU and drill out five plugs Friday afternoon.

12-28-12

The Basic rig arrived on location at 9 am and RU. At 11:20 am opened valve on well head and had flow, Flowed to tank. 2:05 pm flow stop but came back at 2:30 pm. Nipple up BOP, Hooked up hard lines for circulating tank. Waited on tubing, Called at 1:00 pm to find out where the driver was. Talked to the driver still 2 hours out, At 4:30 called Dave at inter mountain, He call dispatch could not locate driver. Went to look for driver he slid off the road 3 miles from location, Two blades where pulling him out no one hurt or damage. Tubing showed up on location at 7:00 pm off load tubing SDFN at 8:00 pm; Will be drilling out plugs in the morning.

12-29-12

Held safety meeting, Start up and warm up, Check flow, flowing 1 gal/per min. Change out stud bolts on BOP, Strap first row of tubing; TIH with 4 3/4" rock bit on 2 7/8" tubing; Shut down, Basic's mud frozen, Thawed out mud pump; TIH to 3638'; Strap bottom row of tubing; TIH tag fill on top of first plug @3909'; RU power swivel; Drill from 3909' to 3930', Returns were clear fluid and a trace of oil; Cover BOP with tarp, RU maxi-heater and run to BOP for overnight, Drain up and SDFN, AM temp minus 8, PM temp Minus 4.

12-30-12

Safety meeting, Start up and warm up, Replace butterfly valve on mud tank; Drill from 3930' thru 3990' Drill thru plug #1, TIH to 4800' drill out plug #2, TIH to 5110' drill plug #3, TIH to 5785' drill out plug #4, TIH to 6050' drill out plug #5; Well taking fluid, circulate while waiting on 80 bbls 2% KCL. 12:30-1:30, TIH tag fill @ 6608' (fifty feet of fill); plugged bit tagging fill, Tried to clear bit could not, TOH after tripping six stands bit cleared, TIH to 6608'; Drill fill from 6608' to 6653'; Circulate bottom clean; TOH 47 stands just above top perf; Shut in well, Drain up, Cover BOP with tarp, Run tube from maxi-heater to BOP, SDFN, AM temp minus 4, PM temp plus 4.

12-31-12

Safety meeting, Start up warm up, Casing pressure 900 psi; Thaw out choke, Hard lines running from well head to mud pump, Open valve on well head release pressure, TIH 15 stands of 2 7/8" tubing, Start to circulate Pop Off valve is leaking, Take apart Pop Off valve, driller had put in cotter pins instead of proper pins, Seal in valve is bad; TOH 15 stands, Set above top prefs; Shut in well, Drain up, cover BOP with tarp run maxi-heater hose to well head, SDFN.

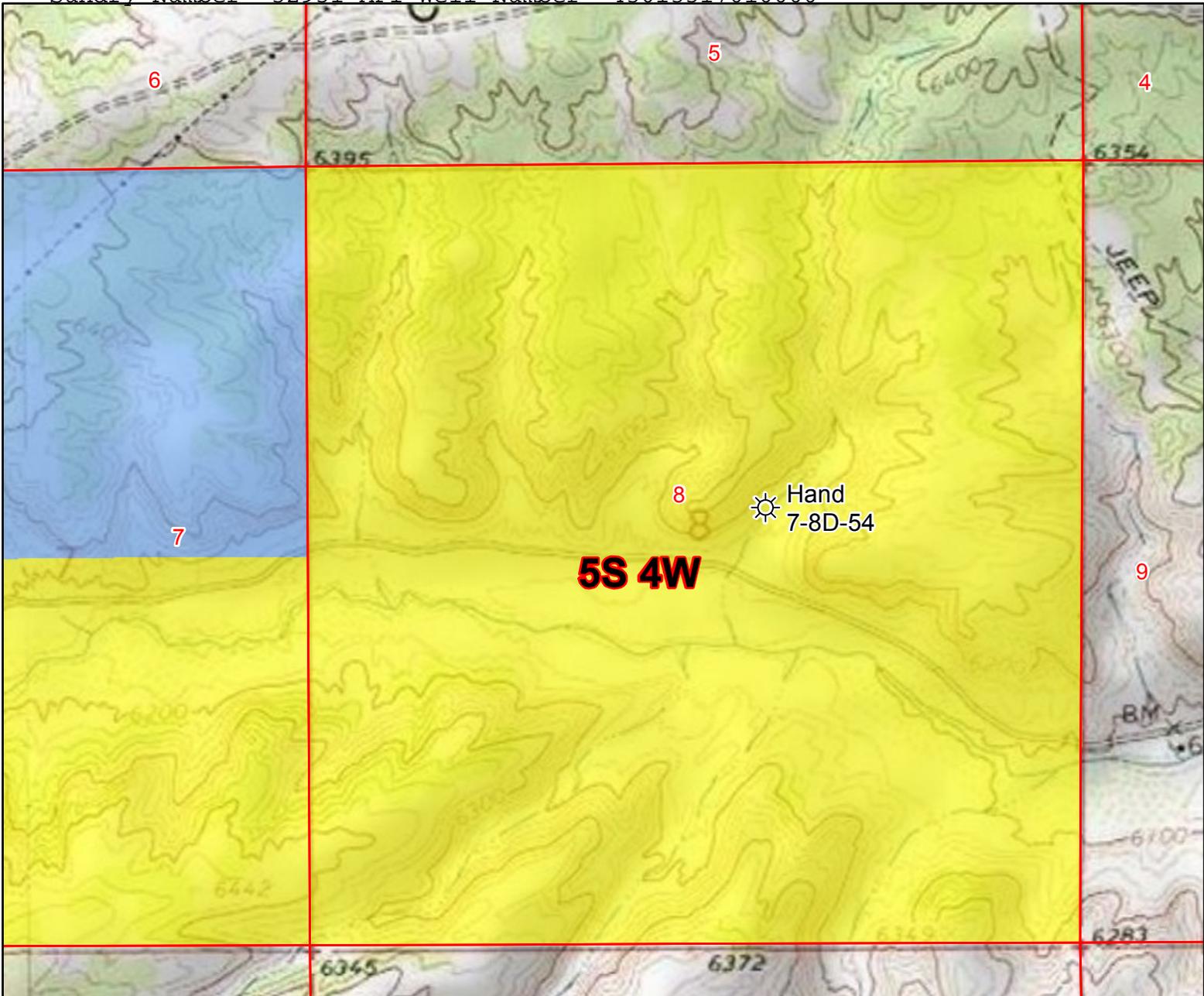
<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: Hand 7-8D-5-4
2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC	9. API NUMBER: 43013517010000
3. ADDRESS OF OPERATOR: 1776 Woodstead Ct., Suite 121 , The Woodlands, TX, 77380	PHONE NUMBER: 832 419-0889 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2314 FNL 2158 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 08 Township: 05.0S Range: 04.0W Meridian: U	9. FIELD and POOL or WILDCAT: UNDESIGNATED
	COUNTY: DUCHESNE
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 12/22/2012	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> 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"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> <b>COMMINGLE PRODUCING FORMATIONS</b>	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 Appaloosa intends to commingle production from both the Green River, and Wasatch Formations in this well.

<b>NAME (PLEASE PRINT)</b> Scott Straessler	<b>PHONE NUMBER</b> 307 675-6400	<b>TITLE</b> Optimization Manager
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/7/2012	



**Legend**

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

Copyright: © 2010 National Geographic Society

PREPARED FOR:



CREATED BY:



**APPALOOSA ENERGY**  
 Hand 7-8D-54  
 SEC. 8, T5S, R5W  
 Duchesne County, UT



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

**MINERAL LEASE MAP**

SHEET  
**A**



1776 Woodstead Ct, Suite 121  
The Woodlands, TX 77380

December 5, 2012

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

Attn: Dennis Gustafson

Re: Notice to Commingle Production  
Hand 7-8D-5-4 and Smith 11-7-5-4  
Cottonwood Canyon Area  
Duchesne County, Utah

Gentlemen,

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Brad Posey", is written over a white background.

Brad Posey  
Managing Director

W/Enclosures

**AFFIDAVIT OF NOTICE**

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

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

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

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

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

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

Attn: Dennis Gustafson

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

Appaloosa Operating Company, LLC

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

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
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		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>1. TYPE OF WELL</b> Oil Well		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>2. NAME OF OPERATOR:</b> APPALOOSA OPERATING COMPANY LLC		<b>8. WELL NAME and NUMBER:</b> Hand 7-8D-5-4
<b>3. ADDRESS OF OPERATOR:</b> 1776 Woodstead Ct., Suite 121 , The Woodlands, TX, 77380		<b>9. API NUMBER:</b> 43013517010000
<b>PHONE NUMBER:</b> 832 419-0889 Ext		<b>9. FIELD and POOL or WILDCAT:</b> UNDESIGNATED
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2314 FNL 2158 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 08 Township: 05.0S Range: 04.0W Meridian: U		<b>COUNTY:</b> DUCHESNE
		<b>STATE:</b> UTAH

11.

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TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 1/9/2013	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
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	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>

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

Appaloosa would like to report date of first production 1/9/2013.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY  
January 14, 2013**

<b>NAME (PLEASE PRINT)</b> Shirl Ames	<b>PHONE NUMBER</b> 307 675-6400	<b>TITLE</b> Document Control Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/14/2013	

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

MEMORANDUM REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] DRY [ ] OTHER [ ]
b. TYPE OF WORK: NEW WELL [X] HORIZ. LATS. [ ] DEEP-EN [ ] RE-ENTRY [ ] DIFF. RESVR. [ ] OTHER [ ]

2. NAME OF OPERATOR: Appaloosa Operating Company LLC

3. ADDRESS OF OPERATOR: 1776 Woodstead ct, S-121 CITY The Woodlands STATE TX ZIP 77380
PHONE NUMBER: (832) 419-0889

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 2314' FNL & 2158' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 2314' FNL & 2158' FEL
AT TOTAL DEPTH: 1978 FNL & 2021 FEL BHL by DOGM HSM

5. LEASE DESIGNATION AND SERIAL NUMBER: Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: N/A

8. WELL NAME and NUMBER: Hand 7-8D-5-4

9. API NUMBER: 4301351701

10. FIELD AND POOL, OR WILDCAT: Undesignated

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 8 5S 4W U

12. COUNTY: Duchesne 13. STATE: UTAH

14. DATE SPUNNED: 11/5/2012 15. DATE T.D. REACHED: 1/25/2013 16. DATE COMPLETED: 1/31/2013
ABANDONED [ ] READY TO PRODUCE [X]

18. TOTAL DEPTH: MD 6,745 TVD 6723 19. PLUG BACK T.D.: MD 6,653 TVD 6631
20. IF MULTIPLE COMPLETIONS, HOW MANY? \* Wasatch/Green F 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Dual Induction, Compensated Density, Compensated Neutron Gamma ray & Cement Bond log, Gamma Ray CCL
23. WAS WELL CORED? NO [X] YES [ ] (Submit analysis)
WAS DST RUN? NO [X] YES [ ] (Submit report)
DIRECTIONAL SURVEY? NO [ ] YES [X] (Submit copy)

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

Table with columns: 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. Includes rows for 20", 12.25", and 7.875 inch holes.

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MAR 01 2013

25. TUBING RECORD DIV. OF OIL, GAS & MINING

Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Row: 2.875, 6,467.

26. PRODUCING INTERVALS 27. PERFORATION RECORD

Table with columns: FORMATION NAME, TOP (MD), BOTTOM (MD), TOP (TVD), BOTTOM (TVD), INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS. Rows for Garden Gulch, Douglas Creek, Lower Douglas Cr, and Castle Peak.

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

Table with columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL. Rows for 6207-6377, 5838-5999, and 5439-5720.

29. ENCLOSED ATTACHMENTS: 30. WELL STATUS:

29. ENCLOSED ATTACHMENTS: [ ] ELECTRICAL/MECHANICAL LOGS [ ] GEOLOGIC REPORT [ ] DST REPORT [X] DIRECTIONAL SURVEY [ ] SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION [ ] CORE ANALYSIS [X] OTHER: Additional info
30. WELL STATUS: Pro

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 1/31/2013		TEST DATE: 1/31/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 80	GAS - MCF: 68	WATER - BBL: 77	PROD. METHOD: Pump
CHOKE SIZE: 30/64	TBG. PRESS. 40	CSG. PRESS. 80	API GRAVITY	BTU - GAS	GAS/OIL RATIO 1	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 1/31/2013		TEST DATE: 1/31/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 80	GAS - MCF: 68	WATER - BBL: 77	PROD. METHOD: Pump
CHOKE SIZE: 30/64	TBG. PRESS. 40	CSG. PRESS. 80	API GRAVITY	BTU - GAS	GAS/OIL RATIO 1	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED: 1/31/2013		TEST DATE: 1/31/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 80	GAS - MCF: 68	WATER - BBL: 77	PROD. METHOD: Pump
CHOKE SIZE: 30/64	TBG. PRESS. 40	CSG. PRESS. 80	API GRAVITY	BTU - GAS	GAS/OIL RATIO 1	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED: 1/31/2013		TEST DATE: 1/31/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 80	GAS - MCF: 68	WATER - BBL: 77	PROD. METHOD: Pump
CHOKE SIZE: 30/64	TBG. PRESS. 40	CSG. PRESS. 80	API GRAVITY	BTU - GAS	GAS/OIL RATIO 1	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

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

Flaired

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)
Garden Gulch	3,611	4,432	Organic Shale & Some Dolomite	Garden Gulch	3,611
Douglas Creek	4,432	5,387	Organic Shale & Some Dolomite	Douglas Creek	4,432
Castle Peak	5,387	5,838	Organic Shale & Some Dolomite	Castle Peak	5,387
Uteland Butte	5,838	6,207	Organic Shale & Some Dolomite	Uteland Butte	5,838
Wasatch	6,207	6,377	Organic Shale & Some Dolomite	Wasatch	6,207

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) Stephanie Masters  
 SIGNATURE 

TITLE \_\_\_\_\_  
 DATE 2/18/2013

This report must be submitted within 30 days of

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

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

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

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

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



**Additional Information Hand 7-8D-5-4**

**26. Additional Producing Intervals**

<b>Formation</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>	<b>Top (TVD)</b>	<b>Bottom (TVD)</b>
Uteland Butte	5838	5999	5838	5999
Wasatch	6207	6377	6207	6377

**27. Additional Perforation Records**

<b>Interval</b>	<b>Hole size</b>	<b>No. Holes</b>	<b>Status</b>
5838 - 5999	0.36	86	Open
6207 - 6377	0.36	92	Open

**28. Additional Fracture treatment**

4859 - 5081	29600 gal of fluid & 34880# of 20/40 sand. Max rate 71.2 bpm, Avg rate 70.5 bpm, Max Psi 3132 psi, Avg psi 2647
4464 - 4777	31786 gal of fluid & 35060# of 20/40 sand. Max rate 71.1 bpm, Avg rate 70.5 bpm, Max Psi 3098 psi, Avg psi 2287
3611 - 3929	23113 gal of fluid & 37292 # of 20/40 sand. Max rate 70.8 bpm, Avg rate 58.6 bpm, Max Psi 3395 psi, Avg psi 2621

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**Job Number:** TVDS0205  
**Company:** Wood Group  
**Lease/Well:** HAND 7-8D-5-4  
**Location:**  
**Rig Name:** Capstar 328  
**State/Country:** UTAH/ Duchesne  
**Country:** USA  
**API Number:** 43-013-51701

**Elevation (To MSL):** 6172.01 ft  
**RKB:** 0.00 ft  
**Projection System:** US State Plane 1983  
**Projection Group:** Utah Central Zone  
**Projection Datum:** GRS80  
**Magnetic Declination:** 11.23  
**Grid Convergence:** 0.73165 E  
**Date:** Thursday, November 22, 2012

Calculated by HawkEye Software  
 Minimum Curvature Method  
 Vertical Section Plane 28.05°

Northing (US ft): 7193270.75 Easting (US ft): 1960102.60  
 Latitude: 40°03'42.4299" N Longitude: -110°21'27.9400" W

Well Location: 2334.02 FNL, 2139.73 FEL, Section 8, T5S, R4W, Meridian 30, Duchesne County, UT  
 Direction Reference: True North

Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS °/100Ft	Build Rate °/100Ft	Walk Rate °/100Ft	Tool Face Deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.00
680.00	0.00	0.00	680.00	0.00	0.00	0.00	0.00	0.00	0.00	-146.90
718.00	0.80	213.10	718.00	-0.22	-0.14	-0.26	2.11	2.11	-386.58	-154.02
<b>37' OF SLIDE 763' TO 800' 30 MTF</b>										
808.00	1.80	70.30	807.99	-0.27	0.84	0.16	2.76	1.11	-158.67	-32.01
<b>30' OF SLIDE 854' TO 884' 30 MTF</b>										
900.00	4.30	51.10	899.85	2.38	4.89	4.40	2.90	2.72	-20.87	-55.60
<b>20' OF SLIDE 944' TO 964' 360 MTF</b>										
990.00	5.30	37.50	989.54	7.80	10.04	11.61	1.68	1.11	-15.11	38.98
<b>20 OF SLIDE 1035' TO 1055' 30 MTF</b>										
1080.00	5.80	41.40	1079.11	14.51	15.58	20.13	0.70	0.56	4.33	-54.96
<b>25' OF SLIDE 1125' TO 1150' 30L GTF</b>										
1171.00	6.90	29.90	1169.56	22.70	21.35	30.07	1.84	1.21	-12.64	-26.77
<b>20' OF SLIDE 1216' TO 1236' HS GTF</b>										
1262.00	7.80	26.60	1259.81	32.96	26.84	41.71	1.09	0.99	-3.63	-165.83
1353.00	6.90	24.70	1350.06	43.44	31.89	53.34	1.02	-0.99	-2.09	-13.49
<b>20' OF SLIDE 1398' TO 1418' HS GTF</b>										
1444.00	7.50	23.60	1440.34	53.85	36.55	64.71	0.68	0.66	-1.21	-65.54
<b>10' OF SLIDE 1489' TO 1499' HS GTF</b>										
1534.00	7.70	20.50	1529.55	64.88	41.01	76.55	0.51	0.22	-3.44	-148.70
<b>10' OF SLIDE 1579' TO 1589' 30R GTF</b>										
1625.00	7.10	17.50	1619.80	75.96	44.84	88.12	0.78	-0.66	-3.30	118.44
<b>15' OF SLIDE 1670' TO 1685' 60R GTF</b>										
1716.00	6.80	22.60	1710.13	86.29	48.60	99.01	0.75	-0.33	5.60	81.96
<b>15' OF SLIDE 1761' TO 1776' 45R GTF</b>										
1806.00	6.90	27.20	1799.49	96.02	53.12	109.72	0.62	0.11	5.11	103.59
<b>15' OF SLIDE 1851' TO 1866' 20R GTF</b>										
1897.00	6.80	31.30	1889.84	105.49	58.42	120.57	0.55	-0.11	4.51	-27.50
<b>20' OF SLIDE 1942' TO 1962' 10L GTF</b>										
1988.00	7.40	28.90	1980.14	115.22	64.05	131.80	0.74	0.66	-2.64	-75.82
<b>20' OF SLIDE 2033' TO 2053' HS GTF</b>										
2078.00	7.60	23.80	2069.37	125.74	69.25	143.53	0.77	0.22	-5.67	127.45
<b>20' OF SLIDE 2123' TO 2143' 20R GTF</b>										
2169.00	7.30	27.00	2159.60	136.40	74.30	155.32	0.56	-0.33	3.52	-64.13
<b>25' OF SLIDE 2214' TO 2239' 10R GTF</b>										
2260.00	7.50	24.00	2249.84	146.97	79.34	167.02	0.48	0.22	-3.30	14.88
<b>25' OF SLIDE 2305' TO 2330' 15R GTF</b>										
2350.00	8.20	25.30	2339.00	158.14	84.48	179.29	0.80	0.78	1.44	-171.17
2622.00	6.30	22.60	2608.81	189.46	98.50	213.53	0.71	-0.70	-0.99	6.08
<b>20' OF SLIDE 2667' TO 2687' 10R GTF</b>										
2713.00	6.90	23.13	2699.21	199.10	102.57	223.94	0.66	0.66	0.58	149.92
<b>20' OF SLIDE 2758' TO 2778' 60R GTF</b>										
2804.00	6.50	25.20	2789.59	208.78	106.91	234.53	0.51	-0.44	2.27	-169.48
2849.00	6.10	24.50	2834.32	213.26	108.98	239.46	0.91	-0.89	-1.56	39.55

Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS %/100Ft	Build Rate %/100Ft	Walk Rate %/100Ft	Tool Face Deg
<b>20' OF SLIDE 2894' TO 2914' 30R GTF</b>										
2940.00	7.10	30.90	2924.71	222.49	113.88	249.91	1.36	1.10	7.03	-16.40
<b>10' OF SLIDE 2985' TO 2995' 10R GTF</b>										
3030.00	7.50	30.00	3013.99	232.35	119.67	261.33	0.46	0.44	-1.00	-90.59
3121.00	7.50	28.80	3104.21	242.70	125.50	273.21	0.17	0.00	-1.32	-158.01
3257.00	6.60	25.60	3239.18	257.52	133.16	289.89	0.72	-0.66	-2.35	-134.69
3302.00	6.50	24.70	3283.88	262.17	135.34	295.02	0.32	-0.22	-2.00	127.16
<b>15' OF SLIDE 3347' TO 3362' 50R GTF</b>										
3393.00	6.40	25.90	3374.31	271.41	139.70	305.23	0.18	-0.11	1.32	-178.82
3484.00	5.90	25.80	3464.78	280.19	143.96	314.97	0.55	-0.55	-0.11	-165.39
3574.00	5.30	24.10	3554.35	288.14	147.67	323.74	0.69	-0.67	-1.89	-160.60
3665.00	4.70	21.50	3645.01	295.45	150.75	331.63	0.70	-0.66	-2.86	-146.56
<b>10' OF SLIDE 3710' TO 3720' 50R GTF</b>										
3755.00	4.50	19.80	3734.72	302.20	153.30	338.79	0.27	-0.22	-1.89	57.09
<b>15' OF SLIDE 3800' TO 3815' 30R MTF</b>										
3846.00	4.70	23.40	3825.42	308.98	155.99	346.04	0.39	0.22	3.96	-145.06
3937.00	4.10	17.30	3916.16	315.51	158.43	352.95	0.84	-0.66	-6.70	176.61
<b>10' OF SLIDE 3982' TO 3992' 30 R MTF (ratty )</b>										
4027.00	3.40	18.00	4005.96	321.12	160.22	358.74	0.78	-0.78	0.78	-149.96
4163.00	2.80	10.60	4141.76	328.22	162.07	365.88	0.53	-0.44	-5.44	-166.33
4299.00	1.80	2.70	4277.65	333.62	162.78	370.98	0.77	-0.74	-5.81	-176.01
4390.00	1.20	0.70	4368.62	336.00	162.86	373.12	0.66	-0.66	-2.20	-156.96
4481.00	0.70	341.60	4459.61	337.48	162.70	374.35	0.64	-0.55	-20.99	-31.78
4572.00	0.90	334.00	4550.60	338.65	162.21	375.15	0.25	0.22	-8.35	-160.78
<b>10' OF SLIDE 4617' TO 4627' 90R MTF</b>										
4900.00	0.30	254.20	4878.58	340.73	160.26	376.07	0.27	-0.18	-24.33	-56.70
4935.00	0.50	227.60	4913.58	340.60	160.05	375.86	0.77	0.57	-76.00	0.00
5070.00	0.90	227.60	5048.57	339.49	158.84	374.31	0.30	0.30	0.00	12.81
5115.00	1.00	228.90	5093.57	339.00	158.28	373.61	0.23	0.22	2.89	72.53
<b>10' OF SLIDE 5160' TO 5170' 30R MTF</b>										
5206.00	1.10	241.30	5184.55	338.05	156.91	372.13	0.27	0.11	13.63	-173.64
<b>15' OF SLIDE 5251' TO 5266' 90R MTF</b>										
5297.00	0.80	238.90	5275.54	337.31	155.60	370.86	0.33	-0.33	-2.64	-61.00
<b>20' OF SLIDE 5342' TO 5362' 90R MTF</b>										
5387.00	1.00	222.30	5365.53	336.40	154.54	369.56	0.36	0.22	-18.44	180.00
5433.00	0.90	222.30	5411.52	335.84	154.03	368.82	0.22	-0.22	0.00	126.74
<b>20' OF SLIDE 5478' TO 5498' 90R MTF</b>										
5523.00	0.80	233.40	5501.51	334.94	153.04	367.56	0.21	-0.11	12.33	113.80
<b>20' OF SLIDE 5568' TO 5588' 90R MTF</b>										
5614.00	0.80	281.00	5592.50	334.68	151.91	366.80	0.71	0.00	52.31	-98.20
<b>3' OF SLIDE 5659' TO 5662' 90R MTF</b>										
5704.00	0.80	264.60	5682.50	334.74	150.67	366.27	0.25	0.00	-18.22	-71.41
5840.00	1.00	242.50	5818.48	334.11	148.67	364.77	0.29	0.15	-16.25	93.90
<b>10' OF SLIDE 5885' TO 5905' 90R MTF ( ratty TF )</b>										
5930.00	1.00	250.30	5908.47	333.48	147.24	363.54	0.15	0.00	8.67	-100.50
<b>15' OF SLIDE 5975' TO 5990' 45R MTF</b>										
6021.00	1.00	229.30	5999.45	332.69	145.89	362.22	0.40	0.00	-23.08	127.75
<b>15' OF SLIDE 6066' TO 6081' 45R MTF</b>										
6111.00	0.80	258.30	6089.44	332.05	144.67	361.08	0.55	-0.22	32.22	-2.33
<b>15' OF SLIDE 6156' TO 6171' 45R MTF</b>										
6202.00	1.40	257.30	6180.42	331.68	142.97	359.95	0.66	0.66	-1.10	130.18
<b>15' OF SLIDE 6247' TO 6262' 45R MTF</b>										
6293.00	1.10	311.00	6271.40	332.01	141.22	359.42	1.28	-0.33	59.01	0.00
<b>STRAIGHT LINE PROJECTION TO BIT</b>										
6575.00	1.10	311.00	6553.35	335.56	137.14	360.63	0.00	0.00	0.00	0.00

**CONFIDENTIAL**

**GEODETTIC INFORMATION**

**Latitude:** 40°03'42.4299" N  
**Dec. Latitude:** 40.06178609  
**Longitude:** -110°21'27.9400" W  
**Dec. Longitude:** -110.35776111  
**Geodetic Group:** US State Plane 1983

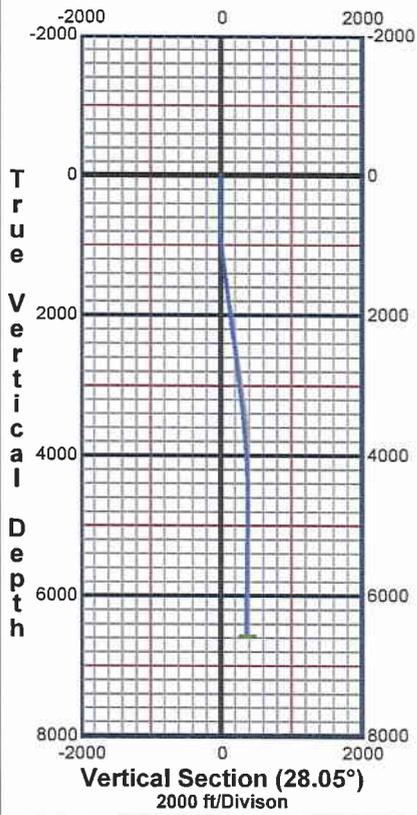
**Geodetic Zone:** Utah Central Zone  
**Geodetic Datum:** NAD83  
**Easting:** 1960102.60  
**Northing:** 7193270.75  
**Convergence:** 0.73

**CONFIDENTIAL**

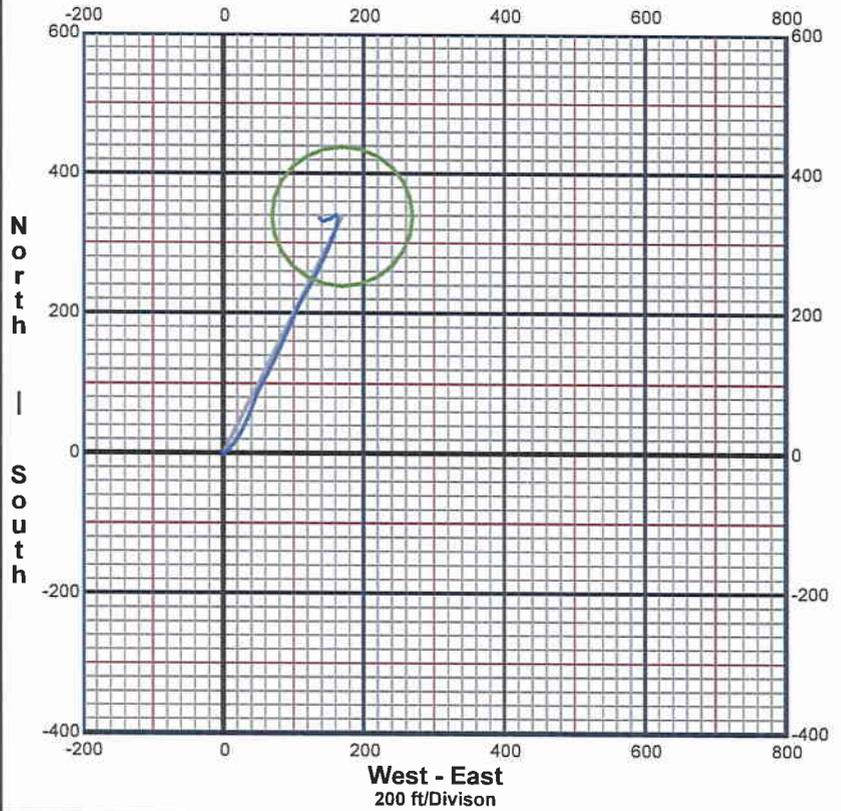
Job ID : TVDS0205  
Company : Wood Group  
Location :  
API JOB # : 43-013-51701  
Rig Name : Capstar 328  
State/Province : UTAH  
County/Parish : Duchesne  
Country : USA

RKB : 0 ft  
Elevation (To MSL) : 6172.01 ft  
Field :  
Township : 5 - South  
Range : 4 - West  
SECTION : 8

**Vertical Section Plot**



**Horizontal Plot**



**CONFIDENTIAL**

# Calculated by HawkEye Software

**Job Number:** TVDS0205  
**Company:** Wood Group  
**Lease/Well:** HAND 7-8D-5-4  
**Location:**  
**Rig Name:** Capstar 328  
**State/County:** UTAH/ Duchesene  
**Country:** USA  
**API Number:** 43-013-51701

**Elevation (To MSL):** 6172.01 ft  
**RKB:** 0.00 ft  
**Projection System:** US State Plane 1983  
**Projection Group:** Utah Central Zone  
**Projection Datum:** GRS80  
**Magnetic Declination:** 11.23  
**Grid Convergence:** 0.73165 E  
**Date:** Thursday, November 22, 2012

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Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS %/100F	Build Rate %/100Ft	Walk Rate %/100Ft	Tool Face Deg
.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	90.00
680.00	.00	.00	680.00	.00	.00	.00	.00	.00	.00	-146.90
718.00	.80	213.10	718.00	-.22	-.14	-.26	2.11	2.11	-386.58	-154.02
<b>37' OF SLIDE 763' to 800' 30 MTF</b>										
808.00	1.80	70.30	807.99	-.27	.84	.16	2.76	1.11	-158.67	-32.01
<b>30' OF SLIDE 854' TO 884' 30 MTF</b>										
900.00	4.30	51.10	899.85	2.38	4.89	4.40	2.90	2.72	-20.87	-55.60
<b>20' OF SLIDE 944' TO 964' 360 MTF</b>										
990.00	5.30	37.50	989.54	7.80	10.04	11.61	1.68	1.11	-15.11	38.98
<b>20 OF SLIDE 1035' TO 1055' 30 MTF</b>										
1080.00	5.80	41.40	1079.11	14.51	15.58	20.13	.70	.56	4.33	-54.96
<b>25' OF SLIDE 1125' TO 1150' 30L GTF</b>										
1171.00	6.90	29.90	1169.56	22.70	21.35	30.07	1.84	1.21	-12.64	-26.77
<b>20' OF SLIDE 1216' TO 1236' HS GTF</b>										
1262.00	7.80	26.60	1259.81	32.96	26.84	41.71	1.09	.99	-3.63	-165.83
1353.00	6.90	24.70	1350.06	43.44	31.89	53.34	1.02	-.99	-2.09	-13.49
<b>20' OF SLIDE 1398' TO 1418' HS GTF</b>										
1444.00	7.50	23.60	1440.34	53.85	36.55	64.71	.68	.66	-1.21	-65.54
<b>10' OF SLIDE 1489' TO 1499' HS GTF</b>										
1534.00	7.70	20.50	1529.55	64.88	41.01	76.55	.51	.22	-3.44	-148.70
<b>10' OF SLIDE 1579' TO 1589' 30R GTF</b>										
1625.00	7.10	17.50	1619.80	75.96	44.84	88.12	.78	-.66	-3.30	118.44
<b>15' OF SLIDE 1670' TO 1685' 60R GTF</b>										
1716.00	6.80	22.60	1710.13	86.29	48.60	99.01	.75	-.33	5.60	81.96
<b>15' OF SLIDE 1761' TO 1776' 45R GTF</b>										
1806.00	6.90	27.20	1799.49	96.02	53.12	109.72	.62	.11	5.11	103.59
<b>15' OF SLIDE 1851' TO 1866' 20R GTF</b>										
1897.00	6.80	31.30	1889.84	105.49	58.42	120.57	.55	-.11	4.51	-27.50
<b>20' OF SLIDE 1942' TO 1962' 10L GTF</b>										
1988.00	7.40	28.90	1980.14	115.22	64.05	131.80	.74	.66	-2.64	-75.82
<b>20' OF SLIDE 2033' TO 2053' HS GTF</b>										
2078.00	7.60	23.80	2069.37	125.74	69.25	143.53	.77	.22	-5.67	127.45
<b>20' OF SLIDE 2123' TO 2143' 20R GTF</b>										
2169.00	7.30	27.00	2159.60	136.40	74.30	155.32	.56	-.33	3.52	-64.13
<b>25' OF SLIDE 2214' TO 2239' 10R GTF</b>										
2260.00	7.50	24.00	2249.84	146.97	79.34	167.02	.48	.22	-3.30	14.88
<b>25' OF SLIDE 2305' TO 2330' 15R GTF</b>										

Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS %/100F	Build Rate %/100Ft	Walk Rate %/100Ft	Tool Face Deg
2350.00	8.20	25.30	2339.00	158.14	84.48	179.29	.80	.78	1.44	-171.17
2622.00	6.30	22.60	2608.81	189.46	98.50	213.53	.71	-.70	-.99	6.08
<b>20' OF SLIDE 2667' TO 2687' 10R GTF</b>										
2713.00	6.90	23.13	2699.21	199.10	102.57	223.94	.66	.66	.58	149.92
<b>20' OF SLIDE 2758' TO 2778' 60R GTF</b>										
2804.00	6.50	25.20	2789.59	208.78	106.91	234.53	.51	-.44	2.27	-169.48
2849.00	6.10	24.50	2834.32	213.26	108.98	239.46	.91	-.89	-1.56	39.55
<b>20' OF SLIDE 2894' TO 2914' 30R GTF</b>										
2940.00	7.10	30.90	2924.71	222.49	113.88	249.91	1.36	1.10	7.03	-16.40
<b>10' OF SLIDE 2985' TO 2995' 10R GTF</b>										
3030.00	7.50	30.00	3013.99	232.35	119.67	261.33	.46	.44	-1.00	-90.59
3121.00	7.50	28.80	3104.21	242.70	125.50	273.21	.17	.00	-1.32	-158.01
3257.00	6.60	25.60	3239.18	257.52	133.16	289.89	.72	-.66	-2.35	-134.69
3302.00	6.50	24.70	3283.88	262.17	135.34	295.02	.32	-.22	-2.00	127.16
<b>15' OF SLIDE 3347' TO 3362' 50R GTF</b>										
3393.00	6.40	25.90	3374.31	271.41	139.70	305.23	.18	-.11	1.32	-178.82
3484.00	5.90	25.80	3464.78	280.19	143.96	314.97	.55	-.55	-.11	-165.39
3574.00	5.30	24.10	3554.35	288.14	147.67	323.74	.69	-.67	-1.89	-160.60
3665.00	4.70	21.50	3645.01	295.45	150.75	331.63	.70	-.66	-2.86	-146.56
<b>10' OF SLIDE 3710' TO 3720' 50R GTF</b>										
3755.00	4.50	19.80	3734.72	302.20	153.30	338.79	.27	-.22	-1.89	57.09
<b>15' OF SLIDE 3800' TO 3815' 30R MTF</b>										
3846.00	4.70	23.40	3825.42	308.98	155.99	346.04	.39	.22	3.96	-145.06
3937.00	4.10	17.30	3916.16	315.51	158.43	352.95	.84	-.66	-6.70	176.61
<b>10' OF SLIDE 3982' TO 3992' 30 R MTF (ratty )</b>										
4027.00	3.40	18.00	4005.96	321.12	160.22	358.74	.78	-.78	.78	-149.96
4163.00	2.80	10.60	4141.76	328.22	162.07	365.88	.53	-.44	-5.44	-166.33
4299.00	1.80	2.70	4277.65	333.62	162.78	370.98	.77	-.74	-5.81	-176.01
4390.00	1.20	.70	4368.62	336.00	162.86	373.12	.66	-.66	-2.20	-156.96
4481.00	.70	341.60	4459.61	337.48	162.70	374.35	.64	-.55	-20.99	-31.78
4572.00	.90	334.00	4550.60	338.65	162.21	375.15	.25	.22	-8.35	-160.78
<b>10' OF SLIDE 4617' TO 4627' 90R MTF</b>										
4900.00	.30	254.20	4878.58	340.73	160.26	376.07	.27	-.18	-24.33	-56.70
4935.00	.50	227.60	4913.58	340.60	160.05	375.86	.77	.57	-76.00	.00
5070.00	.90	227.60	5048.57	339.49	158.84	374.31	.30	.30	.00	12.81
5115.00	1.00	228.90	5093.57	339.00	158.28	373.61	.23	.22	2.89	72.53
<b>10' OF SLIDE 5160' TO 5170' 30R MTF</b>										
5206.00	1.10	241.30	5184.55	338.05	156.91	372.13	.27	.11	13.63	-173.64
<b>15' OF SLIDE 5251' TO 5266' 90R MTF</b>										
5297.00	.80	238.90	5275.54	337.31	155.60	370.86	.33	-.33	-2.64	-61.00
<b>20' OF SLIDE 5342' TO 5362' 90R MTF</b>										
5387.00	1.00	222.30	5365.53	336.40	154.54	369.56	.36	.22	-18.44	180.00
5433.00	.90	222.30	5411.52	335.84	154.03	368.82	.22	-.22	.00	126.74
<b>20' OF SLIDE 5478' TO 5498' 90R MTF</b>										
5523.00	.80	233.40	5501.51	334.94	153.04	367.56	.21	-.11	12.33	113.80
<b>20' OF SLIDE 5568' TO 5588' 90R MTF</b>										
5614.00	.80	281.00	5592.50	334.68	151.91	366.80	.71	.00	52.31	-98.20
<b>3' OF SLIDE 5659' TO 5662' 90R MTF</b>										
5704.00	.80	264.60	5682.50	334.74	150.67	366.27	.25	.00	-18.22	-71.41
5840.00	1.00	242.50	5818.48	334.11	148.67	364.77	.29	.15	-16.25	93.90
<b>10' OF SLIDE 5885' TO 5905' 90R MTF ( ratty TF )</b>										
5930.00	1.00	250.30	5908.47	333.48	147.24	363.54	.15	.00	8.67	-100.50
<b>15' OF SLIDE 5975' TO 5990' 45R MTF</b>										
6021.00	1.00	229.30	5999.45	332.69	145.89	362.22	.40	.00	-23.08	127.75
<b>15' OF SLIDE 6066' TO 6081' 45R MTF</b>										

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Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS %/100F	Build Rate %/100Ft	Walk Rate %/100Ft	Tool Face Deg
6111.00	.80	258.30	6089.44	332.05	144.67	361.08	.55	-.22	32.22	-2.33
<b>15' OF SLIDE 6156' TO 6171' 45R MTF</b>										
6202.00	1.40	257.30	6180.42	331.68	142.97	359.95	.66	.66	-1.10	130.18
<b>15' OF SLIDE 6247' TO 6262' 45R MTF</b>										
6293.00	1.10	311.00	6271.40	332.01	141.22	359.42	1.28	-.33	59.01	.00
<b>STRAIGHT LINE PROJECTION TO BIT</b>										
6575.00	1.10	311.00	6553.35	335.56	137.14	360.63	.00	.00	.00	.00

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<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>	5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: Hand 7-8D-5-4
2. NAME OF OPERATOR: APPALOOSA OPERATING COMPANY LLC	9. API NUMBER: 43013517010000
3. ADDRESS OF OPERATOR: 1776 Woodstead Ct., Suite 121 , The Woodlands, TX, 77380	PHONE NUMBER: 832 419-0889 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2314 FNL 2158 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 08 Township: 05.0S Range: 04.0W Meridian: U	9. FIELD and POOL or WILDCAT: BRUNDAGE CANYON
	COUNTY: DUCHESNE
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 1/31/2013	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input checked="" type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Appaloosa Operating Company, LLC is requesting a re-determination for the Hand 7-8D-5-4 well in order to designate this well as a Wildcat. Attached, please find the completion report.

**REQUEST DENIED**  
**Utah Division of**  
**Oil, Gas and Mining**

Date: July 03, 2013

By: *Derek Quist*

NAME (PLEASE PRINT) Shirli Ames	PHONE NUMBER 307 675-6400	TITLE Document Control Specialist
SIGNATURE N/A	DATE 6/5/2013	



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

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43013517010000**

**Insufficient information provided to evaluate request. Please see requirements of R649-3-35.**

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
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 _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR: Appaloosa Operating Company LLC		7. UNIT or CA AGREEMENT NAME N/A
3. ADDRESS OF OPERATOR: 1776Woodstead ct,S-121CITY The Woodlands STATE TX ZIP 77380		8. WELL NAME and NUMBER: Hand 7-8D-5-4
PHONE NUMBER: (832) 419-0889		9. API NUMBER: 4301351701
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2314' FNL & 2158' FEL  AT TOP PRODUCING INTERVAL REPORTED BELOW: 2314' FNL & 2158' FEL  AT TOTAL DEPTH: 2314' FNL & 2158' FEL		10 FIELD AND POOL, OR WILDCAT Undesignated
		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 8 5S 4W U
		12. COUNTY Duchesne
		13. STATE UTAH

14. DATE SPUDDED: 11/5/2012	15. DATE T.D. REACHED: 1/25/2013	16. DATE COMPLETED: 1/31/2013	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 6172'
18. TOTAL DEPTH: MD 6,745 TVD 6,745	19. PLUG BACK T.D.: MD 6,653 TVD 6,653	20. IF MULTIPLE COMPLETIONS, HOW MANY? * Wasatch/Green F		21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  Dual Induction, Compensated Density, Compensated Neutron Gamma ray & Cement Bond log, Gamma Ray CCL	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
20"	14.75		0	45					
12.25"	8.625 J-55	24	0	680		G 360		0	
7.875	5.5 J-55	15.5	0	6,712		Lead 168		0	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.875	6,467							

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) Garden Gulch	3,611	3,929	3,611	3,929	3,611 3,929	.36	40	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) Douglas Creek	4,464	4,777	4,464	4,777	4,464 4,777	.36	62	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C) Lower Douglas Crn	4,859	5,081	4,859	5,081	4,859 5,081	.36	44	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(D) Castle Peak	5,439	5,720	5,439	5,720	5,439 5,720	.36	48	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6207-6377	81881 gal of fluid & 100070# of 20/40 sand. Max rate 70bpm avg rate 68, Max psi 3370, Avg Psi 3207
5838-5999	48820 gal of fluid & 74220# of 20/40 sand. Max rate 72bpm avg rate 69, Max psi 3089 Avg psi 3008
5439-5720	56289 gal of fluid & 80060# of 20/40 sand. Max rate 72bpm avg rate 63, Max psi 4044 Avg psi 3000

29. ENCLOSED ATTACHMENTS:  <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> DST REPORT <input checked="" type="checkbox"/> OTHER: Additional info	30. WELL STATUS:  Pro
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31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 1/31/2013		TEST DATE: 1/31/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 80	GAS - MCF: 68	WATER - BBL: 77	PROD. METHOD: Pump
CHOKE SIZE: 30/64	TBG. PRESS. 40	CSG. PRESS. 80	API GRAVITY	BTU - GAS	GAS/OIL RATIO 1	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED: 1/31/2013		TEST DATE: 1/31/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 80	GAS - MCF: 68	WATER - BBL: 77	PROD. METHOD: Pump
CHOKE SIZE: 30/64	TBG. PRESS. 40	CSG. PRESS. 80	API GRAVITY	BTU - GAS	GAS/OIL RATIO 1	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED: 1/31/2013		TEST DATE: 1/31/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 80	GAS - MCF: 68	WATER - BBL: 77	PROD. METHOD: Pump
CHOKE SIZE: 30/64	TBG. PRESS. 40	CSG. PRESS. 80	API GRAVITY	BTU - GAS	GAS/OIL RATIO 1	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED: 1/31/2013		TEST DATE: 1/31/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL: 80	GAS - MCF: 68	WATER - BBL: 77	PROD. METHOD: Pump
CHOKE SIZE: 30/64	TBG. PRESS. 40	CSG. PRESS. 80	API GRAVITY	BTU - GAS	GAS/OIL RATIO 1	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	

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

Flaired

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)
Garden Gulch	3,611	4,432	Organic Shale & Some Dolomite	Garden Gulch	3,611
Douglas Creek	4,432	5,387	Organic Shale & Some Dolomite	Douglas Creek	4,432
Castle Peak	5,387	5,838	Organic Shale & Some Dolomite	Castle Peak	5,387
Uteland Butte	5,838	6,207	Organic Shale & Some Dolomite	Uteland Butte	5,838
Wasatch	6,207	6,377	Organic Shale & Some Dolomite	Wasatch	6,207

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) Stephanie Masters TITLE \_\_\_\_\_  
 SIGNATURE *Stephanie Masters* DATE 2/18/2013

This report must be submitted within 30 days of

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

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

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

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

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

**Additional Information Hand 7-8D-5-4****26. Additional Producing Intervals**

Formation	Top (MD)	Bottom (MD)	Top (TVD)	Bottom (TVD)
Uteland Butte	5838	5999	5838	5999
Wasatch	6207	6377	6207	6377

**27. Additional Perforation Records**

Interval	Hole size	No. Holes	Status
5838 - 5999	0.36	86	Open
6207 - 6377	0.36	92	Open

**28. Additional Fracture treatment**

4859 - 5081	29600 gal of fluid & 34880# of 20/40 sand. Max rate 71.2 bpm, Avg rate 70.5 bpm, Max Psi 3132 psi, Avg psi 2647
4464 - 4777	31786 gal of fluid & 35060# of 20/40 sand. Max rate 71.1 bpm, Avg rate 70.5 bpm, Max Psi 3098 psi, Avg psi 2287
3611 - 3929	23113 gal of fluid & 37292 # of 20/40 sand. Max rate 70.8 bpm, Avg rate 58.6 bpm, Max Psi 3395 psi, Avg psi 2621

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Additional Information (Page 2 of 2)

20. Additional Fracturing Information

Fracturing Interval	Top (MD)	Bottom (MD)	Top (TD)	Bottom (TD)
10000-10010	9995	9995	9995	9995
10010-10020	9995	9995	9995	9995

21. Fracturing Parameters

Interval	Flow Rate	Pressure	Temperature	Other
10000-10010	100	100	100	Open
10010-10020	100	100	100	Open

22. Additional Fracturing Information

Fracturing Interval	Fracturing Fluid Volume (GAL)	Fracturing Fluid Weight (LBS)	Fracturing Fluid Density (GAL/LBS)
10000-10010	10000	10000	10000
10010-10020	10000	10000	10000

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**Job Number:** TVDS0205  
**Company:** Wood Group  
**Lease/Well:** HAND 7-8D-5-4  
**Location:**  
**Rig Name:** Capstar 328  
**State/County:** UTAH/ Duchesne  
**Country:** USA  
**API Number:** 43-013-51701

**Elevation (To MSL):** 6172.01 ft  
**RKB:** 0.00 ft  
**Projection System:** US State Plane 1983  
**Projection Group:** Utah Central Zone  
**Projection Datum:** GRS80  
**Magnetic Declination:** 11.23  
**Grid Convergence:** 0.73165 E  
**Date:** Thursday, November 22, 2012

Calculated by HawkEye Software  
 Minimum Curvature Method  
 Vertical Section Plane 28.05°

Northing (US ft): 7193270.75 Easting (US ft): 1960102.60  
 Latitude: 40°03'42.4299" N Longitude: -110°21'27.9400" W

Well Location: 2334.02 FNL, 2139.73 FEL, Section 8, T5S, R4W, Meridian 30, Duchesne County, UT  
 Direction Reference: True North

Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS %/100Ft	Bulld Rate %/100Ft	Walk Rate %/100Ft	Tool Face Deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.00
680.00	0.00	0.00	680.00	0.00	0.00	0.00	0.00	0.00	0.00	-146.90
718.00	0.80	213.10	718.00	-0.22	-0.14	-0.26	2.11	2.11	-386.58	-154.02
<b>37' OF SLIDE 763' TO 800' 30 MTF</b>										
808.00	1.80	70.30	807.99	-0.27	0.84	0.16	2.76	1.11	-158.67	-32.01
<b>30' OF SLIDE 854' TO 884' 30 MTF</b>										
900.00	4.30	51.10	899.85	2.38	4.89	4.40	2.90	2.72	-20.87	-55.60
<b>20' OF SLIDE 944' TO 964' 360 MTF</b>										
990.00	5.30	37.50	989.54	7.80	10.04	11.61	1.68	1.11	-15.11	38.98
<b>20 OF SLIDE 1035' TO 1055' 30 MTF</b>										
1080.00	5.80	41.40	1079.11	14.51	15.58	20.13	0.70	0.56	4.33	-54.96
<b>25' OF SLIDE 1125' TO 1150' 30L GTF</b>										
1171.00	6.90	29.90	1169.56	22.70	21.35	30.07	1.84	1.21	-12.64	-26.77
<b>20' OF SLIDE 1216' TO 1236' HS GTF</b>										
1262.00	7.80	26.60	1259.81	32.96	26.84	41.71	1.09	0.99	-3.63	-165.83
1353.00	6.90	24.70	1350.06	43.44	31.89	53.34	1.02	-0.99	-2.09	-13.49
<b>20' OF SLIDE 1398' TO 1418' HS GTF</b>										
1444.00	7.50	23.60	1440.34	53.85	36.55	64.71	0.68	0.66	-1.21	-65.54
<b>10' OF SLIDE 1489' TO 1499' HS GTF</b>										
1534.00	7.70	20.50	1529.55	64.88	41.01	76.55	0.51	0.22	-3.44	-148.70
<b>10' OF SLIDE 1579' TO 1589' 30R GTF</b>										
1625.00	7.10	17.50	1619.80	75.96	44.84	88.12	0.78	-0.66	-3.30	118.44
<b>15' OF SLIDE 1670' TO 1685' 60R GTF</b>										
1716.00	6.80	22.60	1710.13	86.29	48.60	99.01	0.75	-0.33	5.60	81.96
<b>15' OF SLIDE 1761' TO 1776' 45R GTF</b>										
1806.00	6.90	27.20	1799.49	96.02	53.12	109.72	0.62	0.11	5.11	103.59
<b>15' OF SLIDE 1851' TO 1866' 20R GTF</b>										
1897.00	6.80	31.30	1889.84	105.49	58.42	120.57	0.55	-0.11	4.51	-27.50
<b>20' OF SLIDE 1942' TO 1962' 10L GTF</b>										
1988.00	7.40	28.90	1980.14	115.22	64.05	131.80	0.74	0.66	-2.64	-75.82
<b>20' OF SLIDE 2033' TO 2053' HS GTF</b>										
2078.00	7.60	23.80	2069.37	125.74	69.25	143.53	0.77	0.22	-5.67	127.45
<b>20' OF SLIDE 2123' TO 2143' 20R GTF</b>										
2169.00	7.30	27.00	2159.60	136.40	74.30	155.32	0.56	-0.33	3.52	-64.13
<b>25' OF SLIDE 2214' TO 2239' 10R GTF</b>										
2260.00	7.50	24.00	2249.84	146.97	79.34	167.02	0.48	0.22	-3.30	14.88
<b>25' OF SLIDE 2305' TO 2330' 15R GTF</b>										
2350.00	8.20	25.30	2339.00	158.14	84.48	179.29	0.80	0.78	1.44	-171.17
2622.00	6.30	22.60	2608.81	189.46	98.50	213.53	0.71	-0.70	-0.99	6.08
<b>20' OF SLIDE 2667' TO 2687' 10R GTF</b>										
2713.00	6.90	23.13	2699.21	199.10	102.57	223.94	0.66	0.66	0.58	149.92
<b>20' OF SLIDE 2758' TO 2778' 60R GTF</b>										
2804.00	6.50	25.20	2789.59	208.78	106.91	234.53	0.51	-0.44	2.27	-169.48
2849.00	6.10	24.50	2834.32	213.26	108.98	239.46	0.91	-0.89	-1.56	39.55



Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS %/100Ft	Build Rate %/100Ft	Walk Rate %/100Ft	Tool Face Deg
<b>20' OF SLIDE 2894' TO 2914' 30R GTF</b>										
2940.00	7.10	30.90	2924.71	222.49	113.88	249.91	1.36	1.10	7.03	-16.40
<b>10' OF SLIDE 2985' TO 2995' 10R GTF</b>										
3030.00	7.50	30.00	3013.99	232.35	119.67	261.33	0.46	0.44	-1.00	-90.59
3121.00	7.50	28.80	3104.21	242.70	125.50	273.21	0.17	0.00	-1.32	-158.01
3257.00	6.60	25.60	3239.18	257.52	133.16	289.89	0.72	-0.66	-2.35	-134.69
3302.00	6.50	24.70	3283.88	262.17	135.34	295.02	0.32	-0.22	-2.00	127.16
<b>15' OF SLIDE 3347' TO 3362' 50R GTF</b>										
3393.00	6.40	25.90	3374.31	271.41	139.70	305.23	0.18	-0.11	1.32	-178.82
3484.00	5.90	25.80	3464.78	280.19	143.96	314.97	0.55	-0.55	-0.11	-165.39
3574.00	5.30	24.10	3554.35	288.14	147.67	323.74	0.69	-0.67	-1.89	-160.60
3665.00	4.70	21.50	3645.01	295.45	150.75	331.63	0.70	-0.66	-2.86	-146.56
<b>10' OF SLIDE 3710' TO 3720' 50R GTF</b>										
3755.00	4.50	19.80	3734.72	302.20	153.30	338.79	0.27	-0.22	-1.89	57.09
<b>15' OF SLIDE 3800' TO 3815' 30R MTF</b>										
3846.00	4.70	23.40	3825.42	308.98	155.99	346.04	0.39	0.22	3.96	-145.06
3937.00	4.10	17.30	3916.16	315.51	158.43	352.95	0.84	-0.66	-6.70	176.61
<b>10' OF SLIDE 3982' TO 3992' 30 R MTF (ratty )</b>										
4027.00	3.40	18.00	4005.96	321.12	160.22	358.74	0.78	-0.78	0.78	-149.96
4163.00	2.80	10.60	4141.76	328.22	162.07	365.88	0.53	-0.44	-5.44	-166.33
4299.00	1.80	2.70	4277.65	333.62	162.78	370.98	0.77	-0.74	-5.81	-176.01
4390.00	1.20	0.70	4368.62	336.00	162.86	373.12	0.66	-0.66	-2.20	-156.96
4481.00	0.70	341.60	4459.61	337.48	162.70	374.35	0.64	-0.55	-20.99	-31.78
4572.00	0.90	334.00	4550.60	338.65	162.21	375.15	0.25	0.22	-8.35	-160.78
<b>10' OF SLIDE 4617' TO 4627' 90R MTF</b>										
4900.00	0.30	254.20	4878.58	340.73	160.26	376.07	0.27	-0.18	-24.33	-56.70
4935.00	0.50	227.60	4913.58	340.60	160.05	375.86	0.77	0.57	-76.00	0.00
5070.00	0.90	227.60	5048.57	339.49	158.84	374.31	0.30	0.30	0.00	12.81
5115.00	1.00	228.90	5093.57	339.00	158.28	373.61	0.23	0.22	2.89	72.53
<b>10' OF SLIDE 5160' TO 5170' 30R MTF</b>										
5206.00	1.10	241.30	5184.55	338.05	156.91	372.13	0.27	0.11	13.63	-173.64
<b>15' OF SLIDE 5251' TO 5266' 90R MTF</b>										
5297.00	0.80	238.90	5275.54	337.31	155.60	370.86	0.33	-0.33	-2.64	-61.00
<b>20' OF SLIDE 5342' TO 5362' 90R MTF</b>										
5387.00	1.00	222.30	5365.53	336.40	154.54	369.56	0.36	0.22	-18.44	180.00
5433.00	0.90	222.30	5411.52	335.84	154.03	368.82	0.22	-0.22	0.00	126.74
<b>20' OF SLIDE 5478' TO 5498' 90R MTF</b>										
5523.00	0.80	233.40	5501.51	334.94	153.04	367.56	0.21	-0.11	12.33	113.80
<b>20' OF SLIDE 5568' TO 5588' 90R MTF</b>										
5614.00	0.80	281.00	5592.50	334.68	151.91	366.80	0.71	0.00	52.31	-98.20
<b>3' OF SLIDE 5659' TO 5662' 90R MTF</b>										
5704.00	0.80	264.60	5682.50	334.74	150.67	366.27	0.25	0.00	-18.22	-71.41
5840.00	1.00	242.50	5818.48	334.11	148.67	364.77	0.29	0.15	-16.25	93.90
<b>10' OF SLIDE 5885' TO 5905' 90R MTF ( ratty TF )</b>										
5930.00	1.00	250.30	5908.47	333.48	147.24	363.54	0.15	0.00	8.67	-100.50
<b>15' OF SLIDE 5975' TO 5990' 45R MTF</b>										
6021.00	1.00	229.30	5999.45	332.69	145.89	362.22	0.40	0.00	-23.08	127.75
<b>15' OF SLIDE 6066' TO 6081' 45R MTF</b>										
6111.00	0.80	258.30	6089.44	332.05	144.67	361.08	0.55	-0.22	32.22	-2.33
<b>15' OF SLIDE 6156' TO 6171' 45R MTF</b>										
6202.00	1.40	257.30	6180.42	331.68	142.97	359.95	0.66	0.66	-1.10	130.18
<b>15' OF SLIDE 6247' TO 6262' 45R MTF</b>										
6293.00	1.10	311.00	6271.40	332.01	141.22	359.42	1.28	-0.33	59.01	0.00
<b>STRAIGHT LINE PROJECTION TO BIT</b>										
6575.00	1.10	311.00	6553.35	335.56	137.14	360.63	0.00	0.00	0.00	0.00

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**GEODETTIC INFORMATION**

**Latitude:** 40°03'42.4299" N  
**Dec. Latitude:** 40.06178609  
**Longitude:** -110°21'27.9400" W  
**Dec. Longitude:** -110.35776111  
**Geodetic Group:** US State Plane 1983

**Geodetic Zone:** Utah Central Zone  
**Geodetic Datum:** NAD83  
**Easting:** 1960102.60  
**Northing:** 7193270.75  
**Convergence:** 0.73

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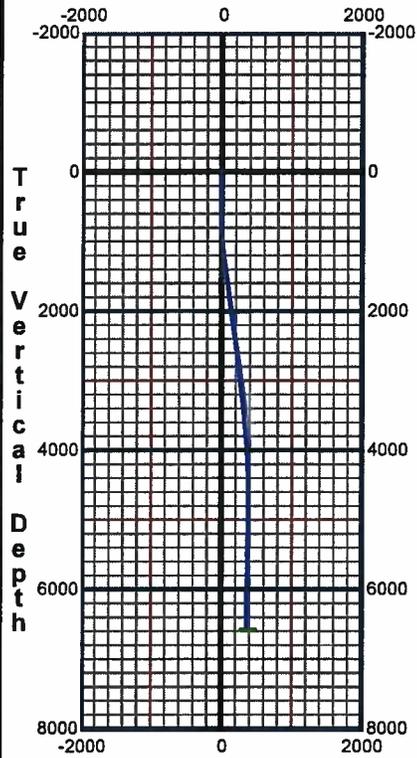
DATE	DESCRIPTION	AMOUNT	BALANCE
1950-01-01	OPENING BALANCE	100.00	100.00
1950-02-15	PAYROLL	50.00	50.00
1950-03-01	RENT	25.00	25.00
1950-04-10	UTILITIES	15.00	10.00
1950-05-01	INSURANCE	30.00	20.00
1950-06-15	SALES	100.00	120.00
1950-07-01	EXPENSES	40.00	80.00
1950-08-10	REVENUE	75.00	155.00
1950-09-01	EXPENSES	20.00	135.00
1950-10-15	SALES	60.00	195.00
1950-11-01	EXPENSES	10.00	185.00
1950-12-31	CLOSING BALANCE		185.00

AMOUNT

Job ID : TVDS0205  
Company : Wood Group  
Location :  
API JOB # : 43-013-51701  
Rig Name : Capstar 328  
State/Province : UTAH  
County/Parish : Duchesne  
Country : USA

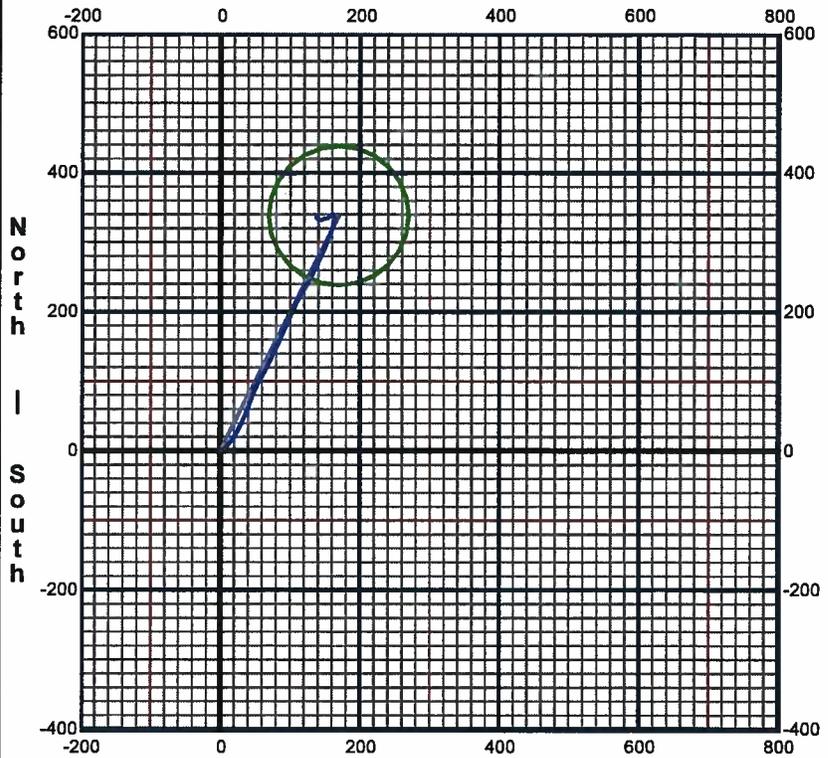
RKB : 0 ft  
Elevation (To MSL) : 6172.01 ft  
Field :  
Township : 5 - South  
Range : 4 - West  
SECTION : 8

**Vertical Section Plot**



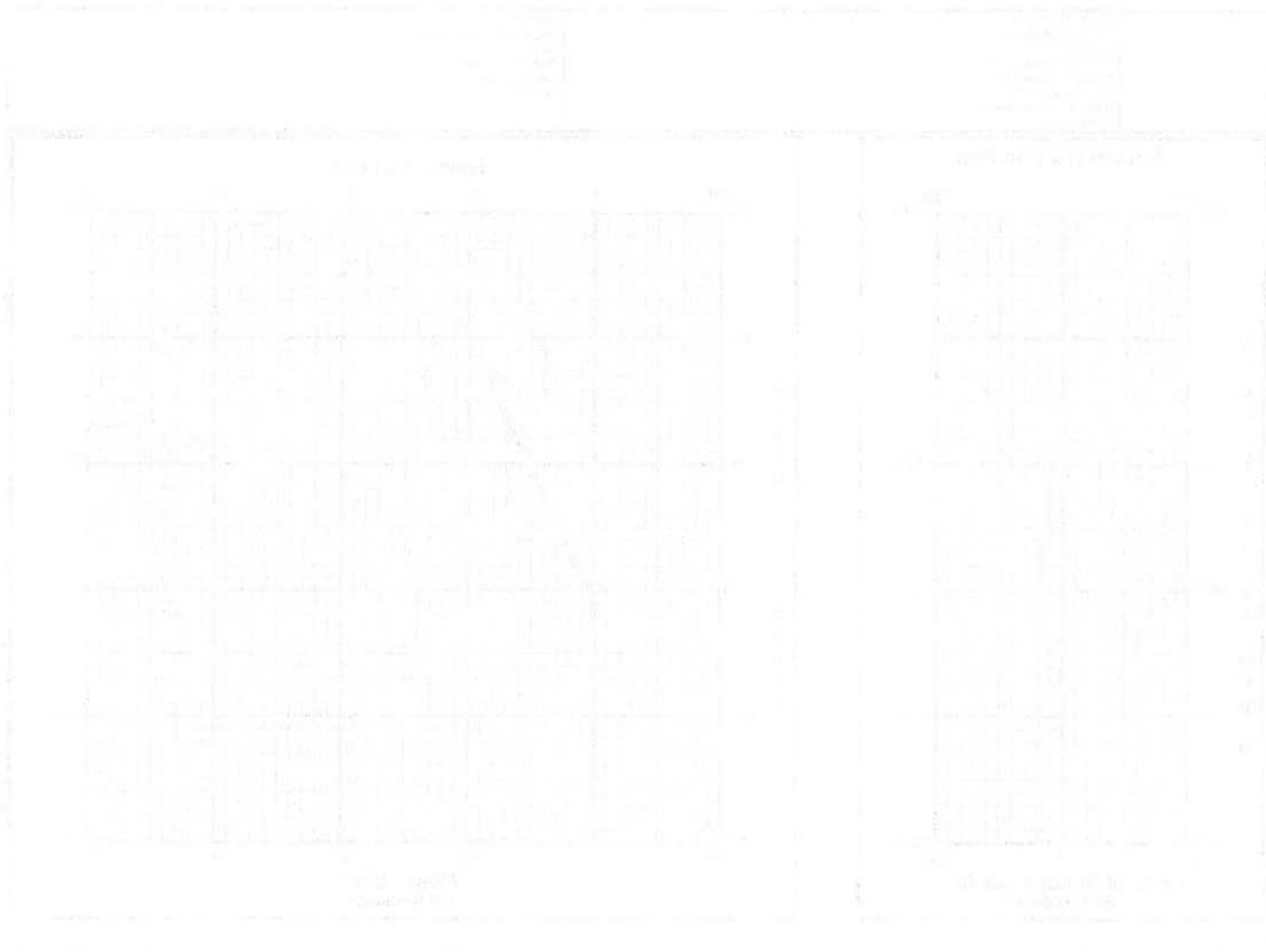
**Vertical Section (28.05°)**  
2000 ft/Divison

**Horizontal Plot**



**West - East**  
200 ft/Divison

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# Calculated by HawkEye Software

<b>Job Number: TVDS0205</b> <b>Company: Wood Group</b> <input type="checkbox"/> <b>Lease/Well: HAND 7-8D-5-4</b> <b>Location:</b> <b>Rig Name: Capstar 328</b> <b>State/County: UTAH/ Duchesene</b> <b>Country: USA</b> <b>API Number: 43-013-51701</b>	<b>Elevation (To MSL): 6172.01 ft</b> <b>RKB: 0.00 ft</b> <b>Projection System: US State Plane 1983</b> <b>Projection Group: Utah Central Zone</b> <b>Projection Datum: GRS80</b> <b>Magnetic Declination: 11.23</b> <b>Grid Convergence: 0.73165 E</b> <b>Date: Thursday, November 22, 2012</b>
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Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS %/100F	Build Rate %/100Ft	Walk Rate %/100Ft	Tool Face Deg
.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	90.00
680.00	.00	.00	680.00	.00	.00	.00	.00	.00	.00	-146.90
718.00	.80	213.10	718.00	-.22	-.14	-.26	2.11	2.11	-386.58	-154.02
<b>37' OF SLIDE 763' to 800' 30 MTF</b>										
808.00	1.80	70.30	807.99	-.27	.84	.16	2.76	1.11	-158.67	-32.01
<b>30' OF SLIDE 854' TO 884' 30 MTF</b>										
900.00	4.30	51.10	899.85	2.38	4.89	4.40	2.90	2.72	-20.87	-55.60
<b>20' OF SLIDE 944' TO 964' 360 MTF</b>										
990.00	5.30	37.50	989.54	7.80	10.04	11.61	1.68	1.11	-15.11	38.98
<b>20 OF SLIDE 1035' TO 1055' 30 MTF</b>										
1080.00	5.80	41.40	1079.11	14.51	15.58	20.13	.70	.56	4.33	-54.96
<b>25' OF SLIDE 1125' TO 1150' 30L GTF</b>										
1171.00	6.90	29.90	1169.56	22.70	21.35	30.07	1.84	1.21	-12.64	-26.77
<b>20' OF SLIDE 1216' TO 1236' HS GTF</b>										
1262.00	7.80	26.60	1259.81	32.96	26.84	41.71	1.09	.99	-3.63	-165.83
1353.00	6.90	24.70	1350.06	43.44	31.89	53.34	1.02	-.99	-2.09	-13.49
<b>20' OF SLIDE 1398' TO 1418' HS GTF</b>										
1444.00	7.50	23.60	1440.34	53.85	36.55	64.71	.68	.66	-1.21	-65.54
<b>10' OF SLIDE 1489' TO 1499' HS GTF</b>										
1534.00	7.70	20.50	1529.55	64.88	41.01	76.55	.51	.22	-3.44	-148.70
<b>10' OF SLIDE 1579' TO 1589' 30R GTF</b>										
1625.00	7.10	17.50	1619.80	75.96	44.84	88.12	.78	-.66	-3.30	118.44
<b>15' OF SLIDE 1670' TO 1685' 60R GTF</b>										
1716.00	6.80	22.60	1710.13	86.29	48.60	99.01	.75	-.33	5.60	81.96
<b>15' OF SLIDE 1761' TO 1776' 45R GTF</b>										
1806.00	6.90	27.20	1799.49	96.02	53.12	109.72	.62	.11	5.11	103.59
<b>15' OF SLIDE 1851' TO 1866' 20R GTF</b>										
1897.00	6.80	31.30	1889.84	105.49	58.42	120.57	.55	-.11	4.51	-27.50
<b>20' OF SLIDE 1942' TO 1962' 10L GTF</b>										
1988.00	7.40	28.90	1980.14	115.22	64.05	131.80	.74	.66	-2.64	-75.82
<b>20' OF SLIDE 2033' TO 2053' HS GTF</b>										
2078.00	7.60	23.80	2069.37	125.74	69.25	143.53	.77	.22	-5.67	127.45
<b>20' OF SLIDE 2123' TO 2143' 20R GTF</b>										
2169.00	7.30	27.00	2159.60	136.40	74.30	155.32	.56	-.33	3.52	-64.13
<b>25' OF SLIDE 2214' TO 2239' 10R GTF</b>										
2260.00	7.50	24.00	2249.84	146.97	79.34	167.02	.48	.22	-3.30	14.88
<b>25' OF SLIDE 2305' TO 2330' 15R GTF</b>										

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Well ID	Well Name	Well Type	Well Status	Well Depth (ft)	Well Diameter (in)	Well Completion	Well Production (bbl/d)	Well Pressure (psi)	Well Temperature (°F)	Well Corrosion (mils/yr)	Well Integ. (mils/yr)	Well Notes
1001	Well A	Oil	Active	1000	4.0	Open Hole	100	1000	100	0.1	0.2	Well A - Initial production
1002	Well B	Oil	Active	1200	4.0	Open Hole	120	1200	120	0.1	0.2	Well B - Initial production
1003	Well C	Oil	Active	1400	4.0	Open Hole	140	1400	140	0.1	0.2	Well C - Initial production
1004	Well D	Oil	Active	1600	4.0	Open Hole	160	1600	160	0.1	0.2	Well D - Initial production
1005	Well E	Oil	Active	1800	4.0	Open Hole	180	1800	180	0.1	0.2	Well E - Initial production
1006	Well F	Oil	Active	2000	4.0	Open Hole	200	2000	200	0.1	0.2	Well F - Initial production
1007	Well G	Oil	Active	2200	4.0	Open Hole	220	2200	220	0.1	0.2	Well G - Initial production
1008	Well H	Oil	Active	2400	4.0	Open Hole	240	2400	240	0.1	0.2	Well H - Initial production
1009	Well I	Oil	Active	2600	4.0	Open Hole	260	2600	260	0.1	0.2	Well I - Initial production
1010	Well J	Oil	Active	2800	4.0	Open Hole	280	2800	280	0.1	0.2	Well J - Initial production
1011	Well K	Oil	Active	3000	4.0	Open Hole	300	3000	300	0.1	0.2	Well K - Initial production
1012	Well L	Oil	Active	3200	4.0	Open Hole	320	3200	320	0.1	0.2	Well L - Initial production
1013	Well M	Oil	Active	3400	4.0	Open Hole	340	3400	340	0.1	0.2	Well M - Initial production
1014	Well N	Oil	Active	3600	4.0	Open Hole	360	3600	360	0.1	0.2	Well N - Initial production
1015	Well O	Oil	Active	3800	4.0	Open Hole	380	3800	380	0.1	0.2	Well O - Initial production
1016	Well P	Oil	Active	4000	4.0	Open Hole	400	4000	400	0.1	0.2	Well P - Initial production
1017	Well Q	Oil	Active	4200	4.0	Open Hole	420	4200	420	0.1	0.2	Well Q - Initial production
1018	Well R	Oil	Active	4400	4.0	Open Hole	440	4400	440	0.1	0.2	Well R - Initial production
1019	Well S	Oil	Active	4600	4.0	Open Hole	460	4600	460	0.1	0.2	Well S - Initial production
1020	Well T	Oil	Active	4800	4.0	Open Hole	480	4800	480	0.1	0.2	Well T - Initial production

Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS %/100F	Build Rate %/100Ft	Walk Rate %/100Ft	Tool Face Deg
2350.00	8.20	25.30	2339.00	158.14	84.48	179.29	.80	.78	1.44	-171.17
2622.00	6.30	22.60	2608.81	189.46	98.50	213.53	.71	-.70	-.99	6.08
<b>20' OF SLIDE 2667' TO 2687' 10R GTF</b>										
2713.00	6.90	23.13	2699.21	199.10	102.57	223.94	.66	.66	.58	149.92
<b>20' OF SLIDE 2758' TO 2778' 60R GTF</b>										
2804.00	6.50	25.20	2789.59	208.78	106.91	234.53	.51	-.44	2.27	-169.48
2849.00	6.10	24.50	2834.32	213.26	108.98	239.46	.91	-.89	-1.56	39.55
<b>20' OF SLIDE 2894' TO 2914' 30R GTF</b>										
2940.00	7.10	30.90	2924.71	222.49	113.88	249.91	1.36	1.10	7.03	-16.40
<b>10' OF SLIDE 2985' TO 2995' 10R GTF</b>										
3030.00	7.50	30.00	3013.99	232.35	119.67	261.33	.46	.44	-1.00	-90.59
3121.00	7.50	28.80	3104.21	242.70	125.50	273.21	.17	.00	-1.32	-158.01
3257.00	6.60	25.60	3239.18	257.52	133.16	289.89	.72	-.66	-2.35	-134.69
3302.00	6.50	24.70	3283.88	262.17	135.34	295.02	.32	-.22	-2.00	127.16
<b>15' OF SLIDE 3347' TO 3362' 50R GTF</b>										
3393.00	6.40	25.90	3374.31	271.41	139.70	305.23	.18	-.11	1.32	-178.82
3484.00	5.90	25.80	3464.78	280.19	143.96	314.97	.55	-.55	-.11	-165.39
3574.00	5.30	24.10	3554.35	288.14	147.67	323.74	.69	-.67	-1.89	-160.60
3665.00	4.70	21.50	3645.01	295.45	150.75	331.63	.70	-.66	-2.86	-146.56
<b>10' OF SLIDE 3710' TO 3720' 50R GTF</b>										
3755.00	4.50	19.80	3734.72	302.20	153.30	338.79	.27	-.22	-1.89	57.09
<b>15' OF SLIDE 3800' TO 3815' 30R MTF</b>										
3846.00	4.70	23.40	3825.42	308.98	155.99	346.04	.39	.22	3.96	-145.06
3937.00	4.10	17.30	3916.16	315.51	158.43	352.95	.84	-.66	-6.70	176.61
<b>10' OF SLIDE 3982' TO 3992' 30 R MTF (ratty )</b>										
4027.00	3.40	18.00	4005.96	321.12	160.22	358.74	.78	-.78	.78	-149.96
4163.00	2.80	10.60	4141.76	328.22	162.07	365.88	.53	-.44	-5.44	-166.33
4299.00	1.80	2.70	4277.65	333.62	162.78	370.98	.77	-.74	-5.81	-176.01
4390.00	1.20	.70	4368.62	336.00	162.86	373.12	.66	-.66	-2.20	-156.96
4481.00	.70	341.60	4459.61	337.48	162.70	374.35	.64	-.55	-20.99	-31.78
4572.00	.90	334.00	4550.60	338.65	162.21	375.15	.25	.22	-8.35	-160.78
<b>10' OF SLIDE 4617' TO 4627' 90R MTF</b>										
4900.00	.30	254.20	4878.58	340.73	160.26	376.07	.27	-.18	-24.33	-56.70
4935.00	.50	227.60	4913.58	340.60	160.05	375.86	.77	.57	-76.00	.00
5070.00	.90	227.60	5048.57	339.49	158.84	374.31	.30	.30	.00	12.81
5115.00	1.00	228.90	5093.57	339.00	158.28	373.61	.23	.22	2.89	72.53
<b>10' OF SLIDE 5160' TO 5170' 30R MTF</b>										
5206.00	1.10	241.30	5184.55	338.05	156.91	372.13	.27	.11	13.63	-173.64
<b>15' OF SLIDE 5251' TO 5266' 90R MTF</b>										
5297.00	.80	238.90	5275.54	337.31	155.60	370.86	.33	-.33	-2.64	-61.00
<b>20' OF SLIDE 5342' TO 5362' 90R MTF</b>										
5387.00	1.00	222.30	5365.53	336.40	154.54	369.56	.36	.22	-18.44	180.00
5433.00	.90	222.30	5411.52	335.84	154.03	368.82	.22	-.22	.00	126.74
<b>20' OF SLIDE 5478' TO 5498' 90R MTF</b>										
5523.00	.80	233.40	5501.51	334.94	153.04	367.56	.21	-.11	12.33	113.80
<b>20' OF SLIDE 5568' TO 5588' 90R MTF</b>										
5614.00	.80	281.00	5592.50	334.68	151.91	366.80	.71	.00	52.31	-98.20
<b>3' OF SLIDE 5659' TO 5662' 90R MTF</b>										
5704.00	.80	264.60	5682.50	334.74	150.67	366.27	.25	.00	-18.22	-71.41
5840.00	1.00	242.50	5818.48	334.11	148.67	364.77	.29	.15	-16.25	93.90
<b>10' OF SLIDE 5885' TO 5905' 90R MTF ( ratty TF )</b>										
5930.00	1.00	250.30	5908.47	333.48	147.24	363.54	.15	.00	8.67	-100.50
<b>15' OF SLIDE 5975' TO 5990' 45R MTF</b>										
6021.00	1.00	229.30	5999.45	332.69	145.89	362.22	.40	.00	-23.08	127.75
<b>15' OF SLIDE 6066' TO 6081' 45R MTF</b>										

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Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	NS (Ft)	EW (Ft)	VS (Ft)	DLS °/100F	Build Rate °/100Ft	Walk Rate °/100Ft	Tool Face Deg
6111.00	.80	258.30	6089.44	332.05	144.67	361.08	.55	-.22	32.22	-2.33
<b>15' OF SLIDE 6156' TO 6171' 45R MTF</b>										
6202.00	1.40	257.30	6180.42	331.68	142.97	359.95	.66	.66	-1.10	130.18
<b>15' OF SLIDE 6247' TO 6262' 45R MTF</b>										
6293.00	1.10	311.00	6271.40	332.01	141.22	359.42	1.28	-.33	59.01	.00
<b>STRAIGHT LINE PROJECTION TO BIT</b>										
6575.00	1.10	311.00	6553.35	335.56	137.14	360.63	.00	.00	.00	.00

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DATE	DESCRIPTION	AMOUNT	CHECK NO.	DEBIT	CREDIT	BALANCE
12/31/2018	OPENING BALANCE					100.00
01/15/2019	PAYROLL	50.00	1001	50.00		50.00
02/01/2019	RENT	25.00	1002	25.00		25.00
03/10/2019	UTILITIES	15.00	1003	15.00		10.00
04/01/2019	INSURANCE	30.00	1004	30.00		0.00
05/15/2019	SALES	100.00	1005		100.00	100.00
06/01/2019	RENT	25.00	1006	25.00		75.00
07/15/2019	PAYROLL	50.00	1007	50.00		25.00
08/01/2019	RENT	25.00	1008	25.00		0.00
09/15/2019	PAYROLL	50.00	1009	50.00		50.00
10/01/2019	RENT	25.00	1010	25.00		25.00
11/15/2019	PAYROLL	50.00	1011	50.00		0.00
12/31/2019	CLOSING BALANCE					0.00

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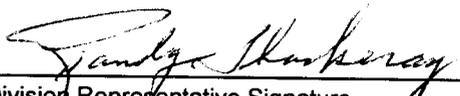
UTAH DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas & Mining  
Oil and Gas Program  
1594 West North Temple, Suite 1210, Box 145801  
Salt Lake City, UT 84114-5801  
(801) 538-5340 Phone  
(801) 359-3940 Fax

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

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

**Compliance Deadline: July 15, 2014**

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



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

Operator Representative (if presented in person)

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

1/2013

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

**TO THE FOLLOWING OPERATOR:**

Name: Appaloosa Operating Company, LLC  
Attention: Martin Shields  
Mailing Address: 1776 Woodstead CT, Suite 121  
The Woodlands, TX 77380

8 53 4W

Well or Site: (1) <u>WPS 5-1-5-5</u>	API#: <u>43-013-51583</u>
(2) <u>Appaloosa 7-2-5-5</u>	API#: <u>43-013-51584</u>
(3) <u>Appaloosa 9-12D-5-5</u>	API#: <u>43-013-51596</u>
(4) <u>Hand 7-8D-5-4</u>	API#: <u>43-013-51701</u> ←
(5) <u>Smith 11A-7-5-4</u>	API#: <u>43-013-52051</u>

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

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

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

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

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

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

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

Division Representative Signature: Randy M. Thackeray

Date: 9/10/14

Name and Title: Randy M Thackeray, Lead Auditor

Phone: 801-538-5316

cc: Compliance File  
Well File

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> Fee	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
		<b>7. UNIT or CA AGREEMENT NAME:</b>	
<b>1. TYPE OF WELL</b> Oil Well		<b>8. WELL NAME and NUMBER:</b> Hand 7-8D-5-4	
<b>2. NAME OF OPERATOR:</b> APPALOOSA OPERATING COMPANY LLC		<b>9. API NUMBER:</b> 43013517010000	
<b>3. ADDRESS OF OPERATOR:</b> 1776 Woodstead Ct., Suite 121 , The Woodlands, TX, 77380	<b>PHONE NUMBER:</b> 832 419-0889 Ext	<b>9. FIELD and POOL or WILDCAT:</b> BRUNDAGE CANYON	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2314 FNL 2158 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWNE Section: 08 Township: 05.0S Range: 04.0W Meridian: U		<b>COUNTY:</b> DUCHESNE	
		<b>STATE:</b> UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <b>1/31/2013</b>  <input type="checkbox"/> SPUD REPORT Date of Spud:  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
Form 7 attached			
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY July 27, 2015</b>			
<b>NAME (PLEASE PRINT)</b> Terrie Hoye	<b>PHONE NUMBER</b> 713 410-9479	<b>TITLE</b> Sr. Geotech	
<b>SIGNATURE</b> N/A		<b>DATE</b> 7/20/2015	

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

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

Well name and number: Hand 7-8D-5-4

API number: 4301351701

Well Location: QQ SWNE Section 8 Township 5S Range 4W County Duchesne

Well operator: Appaloosa Operating Company LLC

Address: PO Box 7280

city The Woodlands state TX zip 77387

Phone: (832) 419-0889

Drilling contractor: Leon Ross Construction

Address: 3000 W 1250 South

city Roosevelt state UT zip 84066

Phone: (435) 722-4469

Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
1,226			trona

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

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

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

NAME (PLEASE PRINT) Terrie Hoye

TITLE Sr. Geotech

SIGNATURE \_\_\_\_\_

DATE 7/20/2015