

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL

| | | |
|---|--|--|
| 2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> | | 1. WELL NAME and NUMBER Hualapai 5-12B3 |
| 4. TYPE OF WELL Oil Well Coalbed Methane Well: NO | | 3. FIELD OR WILDCAT BLUEBELL |
| 6. NAME OF OPERATOR EP ENERGY E&P COMPANY, L.P. | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME |
| 8. ADDRESS OF OPERATOR 1001 Louisiana, Houston, TX, 77002 | | 7. OPERATOR PHONE 713 997-5038 |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Fee | | 9. OPERATOR E-MAIL maria.gomez@epenergy.com |
| 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') Hualapai Investments Corporation | | 14. SURFACE OWNER PHONE (if box 12 = 'fee') 520-979-1323 |
| 15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 6430 Stockton Hill Road, Kingman, AZ 86409 | | 16. SURFACE OWNER E-MAIL (if box 12 = 'fee') |
| 17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') | | 18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/> |
| | | 19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/> |

| 20. LOCATION OF WELL | FOOTAGES | QTR-QTR | SECTION | TOWNSHIP | RANGE | MERIDIAN |
|---------------------------------|-------------------|---------|---------|----------|-------|----------|
| LOCATION AT SURFACE | 1010 FNL 2395 FWL | NENW | 12 | 2.0 S | 3.0 W | U |
| Top of Uppermost Producing Zone | 1010 FNL 2395 FWL | NENW | 12 | 2.0 S | 3.0 W | U |
| At Total Depth | 1010 FNL 2395 FWL | NENW | 12 | 2.0 S | 3.0 W | U |

| | | |
|---|---|---|
| 21. COUNTY DUCHESNE | 22. DISTANCE TO NEAREST LEASE LINE (Feet) 1010 | 23. NUMBER OF ACRES IN DRILLING UNIT 640 |
| | 25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completion) 1200 | 26. PROPOSED DEPTH MD: 13800 TVD: 13800 |
| 27. ELEVATION - GROUND LEVEL 5784 | 28. BOND NUMBER 400JU0708 | 29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Upper Country Water |

| Hole, Casing, and Cement Information | | | | | | | | | | |
|--------------------------------------|-----------|-------------|---------------|--------|-----------------|-------------|---------|-------|-------|--------|
| String | Hole Size | Casing Size | Length | Weight | Grade & Thread | Max Mud Wt. | Cement | Sacks | Yield | Weight |
| Cond | 20 | 13.375 | 0 - 800 | 54.5 | J-55 LT&C | 8.4 | Class G | 1292 | 1.15 | 15.8 |
| Surf | 12.25 | 9.625 | 0 - 5750 | 40.0 | N-80 LT&C | 9.5 | Unknown | 873 | 3.17 | 11.0 |
| | | | | | | | Unknown | 195 | 1.3 | 14.3 |
| I1 | 8.75 | 7 | 0 - 10600 | 29.0 | P-110 LT&C | 11.9 | Unknown | 310 | 2.31 | 12.0 |
| | | | | | | | Unknown | 91 | 1.91 | 12.5 |
| L1 | 6.125 | 5 | 10400 - 13800 | 18.0 | HCP-110 VAM FJL | 14.2 | Unknown | 275 | 1.47 | 14.2 |

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

| | |
|---|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE) | <input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER |
| <input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED) | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP |

| | | |
|---|---|---------------------------------------|
| NAME Maria S. Gomez | TITLE Principal Regulatory Analyst | PHONE 713 997-5038 |
| SIGNATURE | DATE 05/14/2013 | EMAIL maria.gomez@epenergy.com |
| API NUMBER ASSIGNED 43013521780000 | | APPROVAL |

Received: May 16, 2013

Hualapai 5-12 B3
Sec. 12, T2S, R3W
DUCHESNE COUNTY, UT

EP ENERGY E&P COMPANY, L.P.

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers

| <u>Formation</u> | <u>Depth</u> |
|---------------------|--------------|
| Green River (GRRV) | 5,641' TVD |
| Green River (GRTN1) | 6,771' TVD |
| Mahogany Bench | 7,681' TVD |
| L. Green River | 9,081' TVD |
| Wasatch | 10,541' TVD |
| T.D. (Permit) | 13,800' TVD |

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

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|---------------------|------------------|
| | Green River (GRRV) | 5,641' MD / TVD |
| | Green River (GRTN1) | 6,771' MD / TVD |
| | Mahogany Bench | 7,681' MD / TVD |
| Oil | L. Green River | 9,081' MD / TVD |
| Oil | Wasatch | 10,541' MD / TVD |

3. Pressure Control Equipment: (Schematic Attached)

A 4.5" by 20.0" rotating head on structural pipe from surface to 600' MD/TVD. A 4.5" by 13-3/8" Smith Rotating Head from 600' MD/TVD to 5,750' MD/TVD on Conductor. A 5M BOP stack, 5M kill lines and choke manifold used from 5,750' MD/TVD to 10,600' MD/TVD. A 10M BOE w/ rotating head, 5M annular, blind rams & mud cross from 10,600' MD/TVD to TD (13,800' MD/TVD).

The BOPE and related equipment will meet the requirements of the 5M and 10M system.

OPERATORS MINIMUM SPECIFICATIONS FOR BOPE:

The surface casing will be equipped with a flanged casing head of 5M psi working pressure. An 11" 5M x 11" 10M spool, 11" x 10M psi BOP and 5M psi annular will be nipped up on the surface casing and tested to 250 psi low test / 3,000 psi high test for 10 minutes each prior to drilling out. The surface casing will be tested to 1,000 psi. for 30 mins. Intermediate casing will be tested to the greater of 1,500 psi or 0.22 psi/ft. The choke manifold equipment, upper Kelly

cock and floor safety valves will be tested to 5M psi. The annular preventer will be tested to 250 psi low test / 4,000 psi high test. The 10M BOP will be installed with 3-½" pipe rams, blind rams, mud cross and rotating head from intermediate shoe to TD. The BOPE will be hydraulically operated.

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

Statement on Accumulator System and Location of Hydraulic Controls:

Precision Rig # 404 is expected to be used to drill the proposed well. Operations will commence after approval of this application. Manual and/or hydraulic controls will be in compliance with 5M and 10M psi systems.

Auxiliary Equipment:

- A) Pason Gas Monitoring 600' – TD
- B) Mud logger with gas monitor – 5,750' to TD (13,800' MD/TVD)
- C) Choke manifold with one manual and one hydraulic operated choke
- D) Full opening floor valve with drill pipe thread
- E) Upper and lower Kelly cock
- F) Shaker, de-sander and centrifuge

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Wellbore Diagram.

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

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

Cement design calculations for intermediate and production hole will be based on minimum 10% excess over gauge hole volumes. Actual volumes pumped will be a minimum of 10% excess over caliper volume to designed tops of cement for any section logged. A minimum of 50% excess over gauge volume will be pumped on surface casing.

5. **Drilling Fluids Program:**

Proposed Mud Program:

| Interval | Type | Mud Weight |
|--------------|------|-------------|
| Surface | WBM | 8.4 – 9.5 |
| Intermediate | WBM | 9.3 – 11.9 |
| Production | WBM | 11.9 – 14.2 |

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

Visual mud monitoring equipment will be utilized.

6. **Evaluation Program:**

Logs:

Mud Log: 5,750' MD/TVD – TD (13,800' MD/TVD)

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

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 13,800' TVD equals approximately 10,190 psi. This is calculated based on a 0.7384 psi/ft gradient (14.2 ppg mud density at TD).

Maximum anticipated surface pressure equals approximately 7,154 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft).

Maximum anticipated surface pressure based on frac gradient at 7" casing shoe is 0.8 psi/ft at 10,600' TVD = 8,480 psi

BOPE and casing design will be based on the lesser of the two MASPs which is 7,154 psi.

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

DRILLING PROGRAM

| CASING PROGRAM | SIZE | INTERVAL | | WT. | GR. | CPLG. | BURST | COLLAPSE | TENSION |
|------------------|---------|----------|-------|-------|---------|-------|--------|----------|---------|
| CONDUCTOR | 13 3/8" | 0 | 600 | 54.5 | J-55 | LTC | 2,730 | 1,140 | 1,399 |
| SURFACE | 9-5/8" | 0 | 5750 | 40.00 | N-80 | LTC | 3,090 | 5,750 | 820 |
| INTERMEDIATE | 7" | 0 | 10600 | 29.00 | P-110 | LTC | 11,220 | 8,530 | 797 |
| PRODUCTION LINER | 5" | 10400 | 13800 | 18.00 | HCP-110 | STL | 13,940 | 15,360 | 580 |

| CEMENT PROGRAM | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS | WEIGHT | YIELD |
|------------------|------|-------------|---|-------|--------|----------|-------|
| CONDUCTOR | | 600 | Class G + 3% CACL2 | 1292 | 100% | 15.8 ppg | 1.15 |
| SURFACE | Lead | 5,250 | EXTENDACEM (TM) SYSTEM: 5 lbm/sk Silicalite Compacted + 0.25 lbm/sk Kwik Seal + 0.125 lbm/sk Poly-E-Flake + 2% Bentonite | 873 | 75% | 11.0 ppg | 3.17 |
| | Tail | 500 | HALCEM (TM) SYSTEM: 3 lbm/sk Silicalite Compacted + 1% Salt + 0.3% Econolite + 0.25 lbm/sk Poly-E-Flake + 0.25 lbm/sk Kwik Seal + 0.5% HR-5 | 195 | 50% | 14.3 ppg | 3.0 |
| INTERMEDIATE | Lead | 4,350 | EXTENDACEM (TM) SYSTEM: 4% Bentonite + 0.4% Econolite + 0.2% Halad(R)-322 + 3 lbm/sk Silicalite Compacted + 1.2% HR-5 + 0.125 lbm/sk Poly-E-Flake | 310 | 10% | 13.0 ppg | 2.31 |
| | Tail | 1,000 | EXPANDACEM (TM) SYSTEM: 0.2% Econolite + 0.3% Versaset + 0.9% HR-5 + 0.3% Super CBL + 0.2% Halad(R)-322 + 0.125 lbm/sk Poly-E-Flake | 171 | 10% | 12.5 ppg | 1.91 |
| PRODUCTION LINER | | 3,400 | EXTENDACEM (TM) SYSTEM: 0.3% Super CBL + 0.1% Versaset + 0.3% Halad(R)-322 + 0.5% SCR-100 + 0.125 lbm/sk Poly-E-Flake + 3 lbm/sk Silicalite Compacted + 20% SSA-1 | 275 | 25% | 14.20 | 1.47 |

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

PROJECT ENGINEER(S): Brad MacAfee 713-997-6383

MANAGER: Tommy Gaydos

EL PASO E&P COMPANY, L.P.
HUALAPAI 5-12B3
SECTION 12, T2S, R3W, U.S.B.&M.
DUCHESNE COUNTY, UTAH

FROM THE INTERSECTION OF 4000 NORTH AND 12000 WEST IN BLUEBELL UTAH PROCEED EASTERLY 3.40 MILES ON A PAVED COUNTY ROAD TO AN INTERSECTION;

BEAR RIGHT AND CONTINUE SOUTHERLY ON A PAVED COUNTY ROAD 0.48 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD;

TURN LEFT AND FOLLOW FLAGS EASTERLY AND NORTHERLY 0.07 MILES TO THE PROPOSED LOCATION;

TOTAL DISTANCE FROM THE INTERSECTION OF 4000 NORTH AND 12000 WEST IN BLUEBELL, UTAH IS APPROXIMATELY 3.95 MILES.

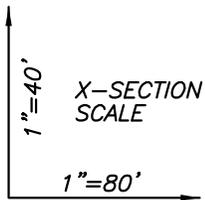
CONFIDENTIAL
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EP ENERGY E & P COMPANY, L.P.

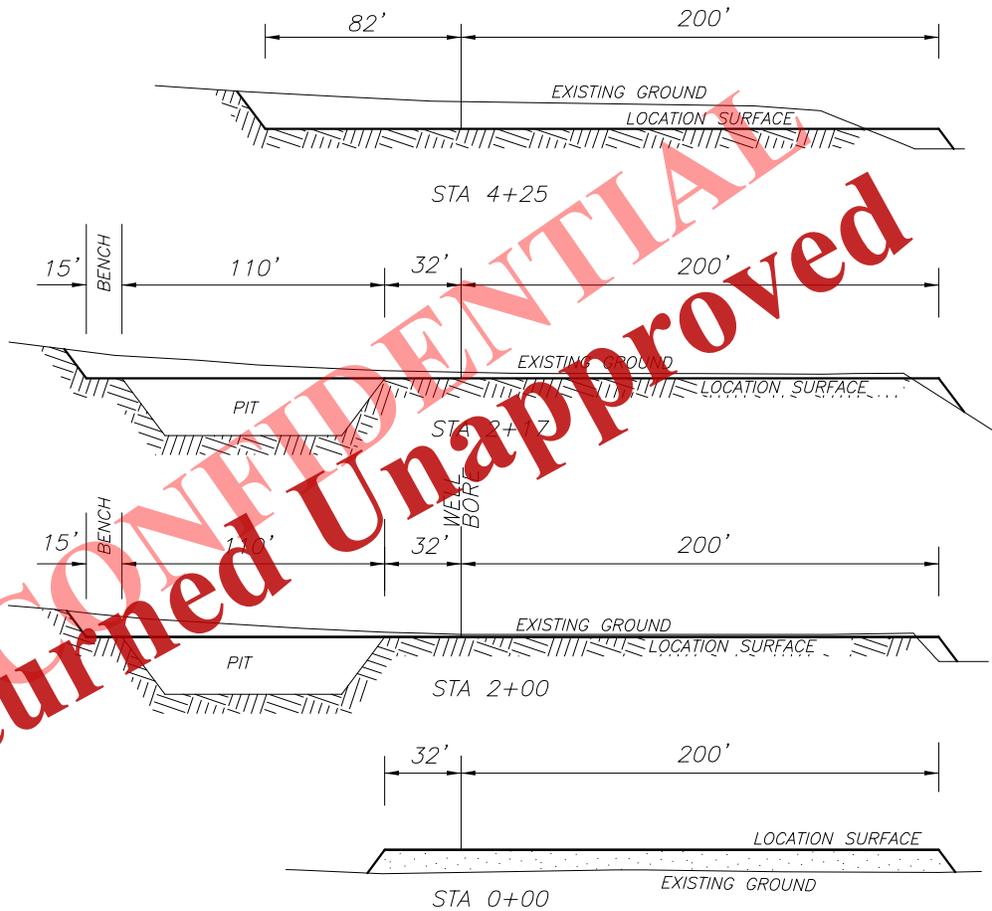
FIGURE #2

LOCATION LAYOUT FOR
HUALAPAI 5-12B3

SECTION 12, T2S, R3W, U.S.B.&M.
1010' FNL, 2395' FWL



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



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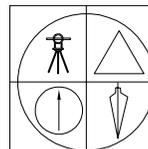
APPROXIMATE QUANTITIES

TOTAL CUT (INCLUDING PIT) = 13,126 CU. YDS.

PIT CUT = 4572 CU. YDS.
TOPSOIL STRIPPING: (6") = 2567 CU. YDS.
REMAINING LOCATION CUT = 5987 CU. YDS

TOTAL FILL = 4318 CU. YDS.

LOCATION SURFACE GRAVEL=1374 CU. YDS. (4" DEEP)
ACCESS ROAD GRAVEL=95 CU. YDS.



JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS

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

8 OCT 2012

01-128-319

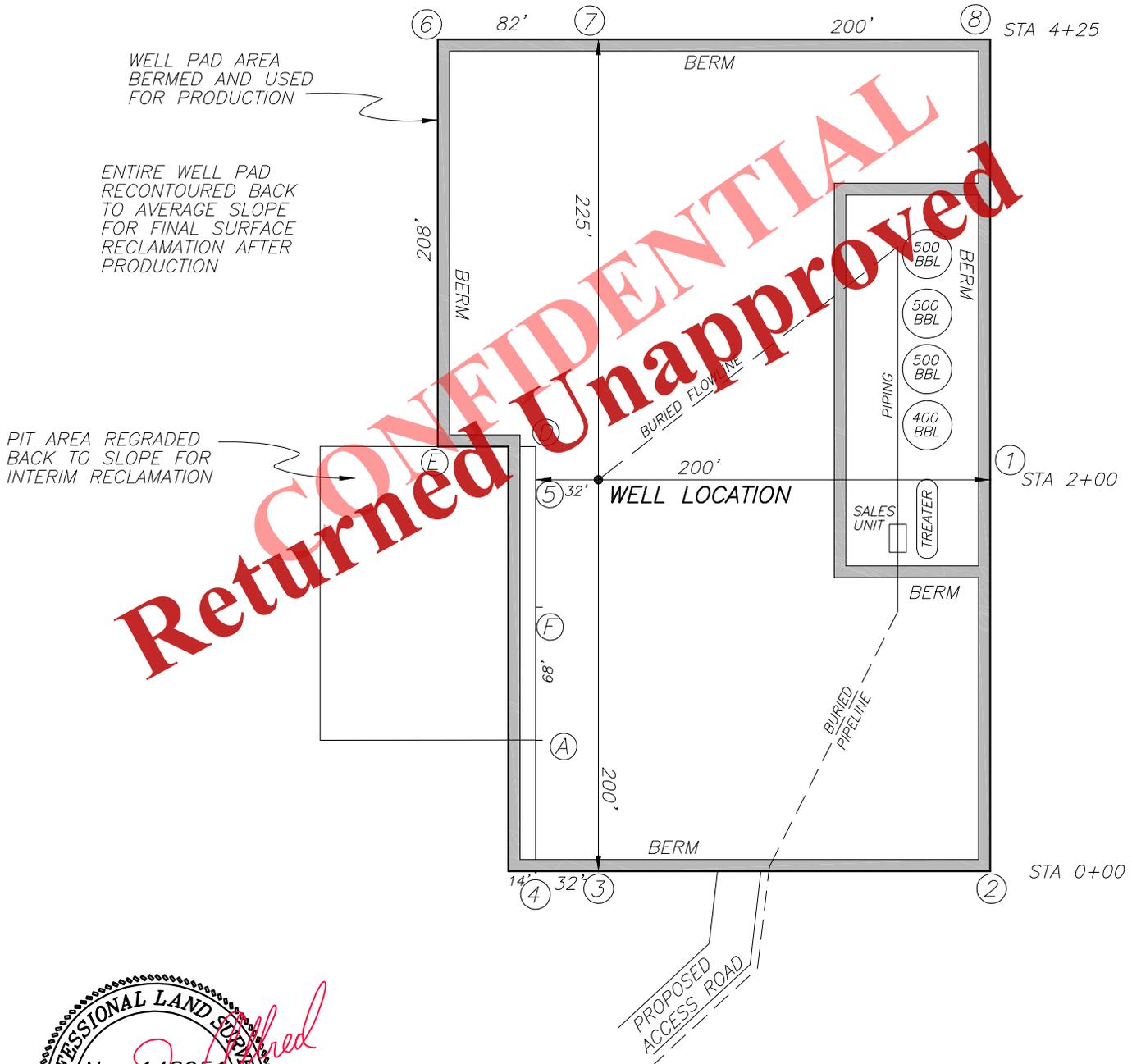
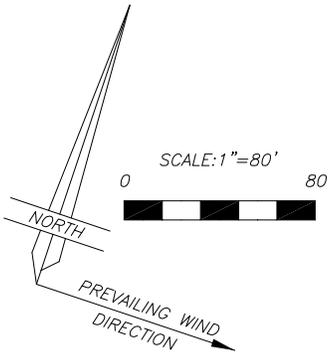
Received: May 14, 2013

EP ENERGY E & P COMPANY, L.P.

FIGURE #3

LOCATION LAYOUT FOR
HUALAPAI 5-12B3

SECTION 12, T2S, R3W, U.S.B.&M.
1010' FNL, 2395' FWL



WELL PAD AREA
BERMED AND USED
FOR PRODUCTION

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

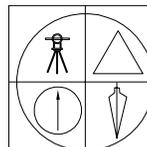
PIT AREA REGRADED
BACK TO SLOPE FOR
INTERIM RECLAMATION

Returned Unapproved



8 OCT 2012

01-128-319



JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS

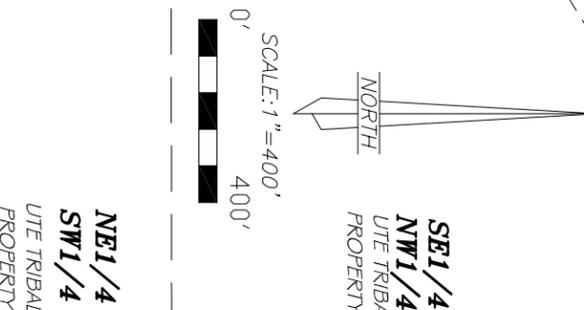
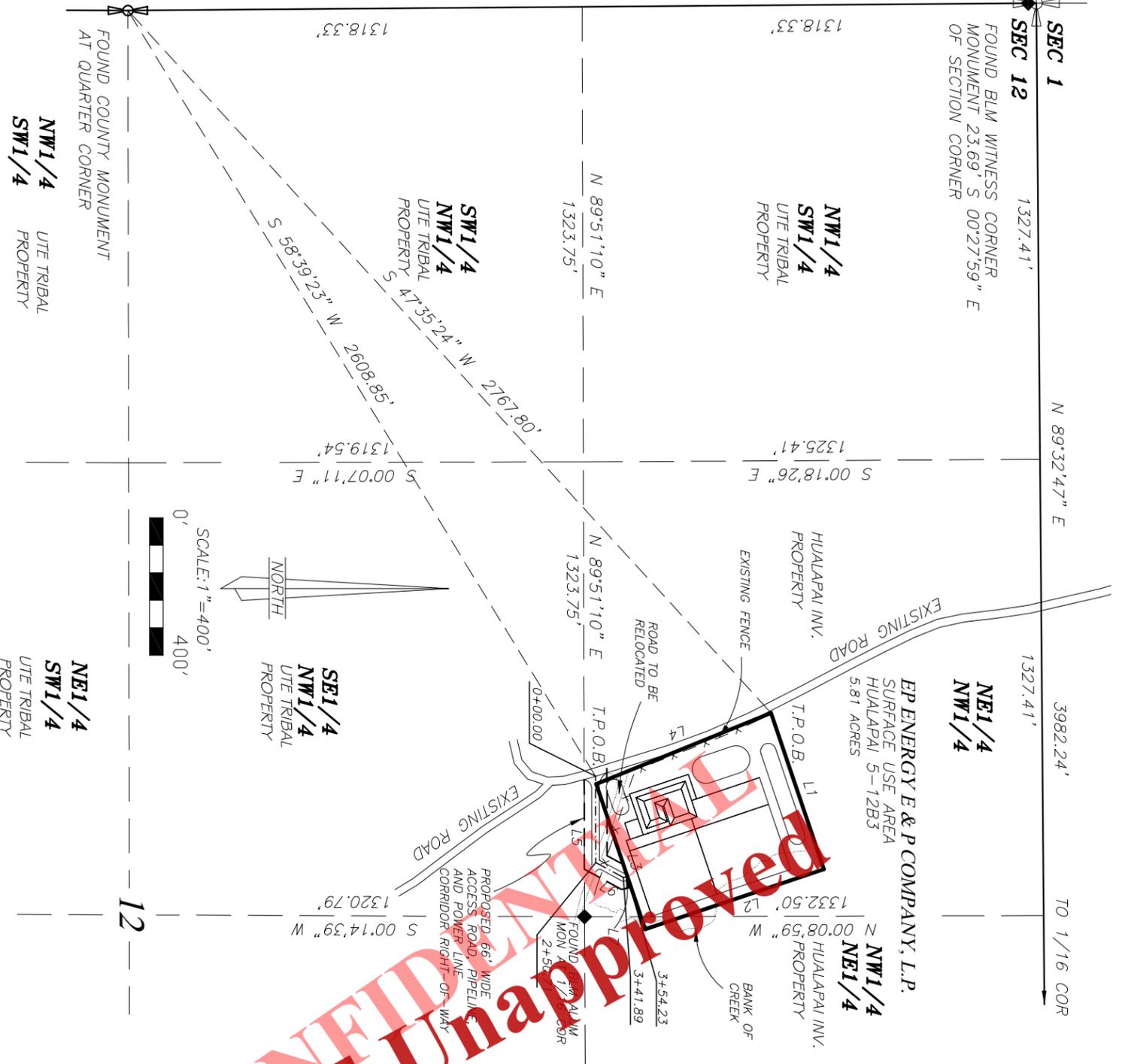
1235 NORTH 700 EAST--P.O. BOX 975
DUCHESNE, UTAH 84021
(435) 738-5352

Received: May 14, 2013

SEC 1
 FOUND BLM WITNESS CORNER
 MONUMENT 23.69' S 00°27'59" E
 OF SECTION CORNER

SEC 12
 FOUND BLM WITNESS CORNER
 MONUMENT 23.69' S 00°27'59" E
 OF SECTION CORNER

| LINE | BEARING | DISTANCE |
|------|---------------|----------|
| L1 | N 71°23'44" E | 480.00' |
| L2 | S 18°36'16" E | 547.00' |
| L3 | S 71°23'44" W | 445.84' |
| L4 | N 22°10'42" W | 548.07' |
| L5 | N 89°51'10" E | 250.71' |
| L6 | N 28°32'14" E | 91.17' |
| L7 | N 11°53'39" W | 12.34' |



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LOCATION USE AREA, PIPELINE, AND POWER LINE
 CORRIDOR RIGHT-OF-WAY SURVEY FOR
EP ENERGY E&P COMPANY, L.P.
 HUALAPAI 5-12B3
 NE1/4NW1/4, NW1/4NE1/4, OF SECTION 12
 TOWNSHIP 2 SOUTH, RANGE 3 WEST, U.S.B.&M.
 DUCHESSNE COUNTY, UTAH

AREA USE BOUNDARY DESCRIPTION
 Commencing at the SW Corner of the NW1/4 of Section 12, Township 2 South, Range 3 West of the Uintah Special Base and Meridian;
 Thence North 47°35'24" East 2767.80 feet to the TRUE POINT OF BEGINNING;
 Thence North 71°23'44" East 480.00 feet;
 Thence South 18°36'16" East 547.00 feet;
 Thence South 71°23'44" West 445.84 feet;
 Thence North 22°10'42" West 548.07 feet to the TRUE POINT OF BEGINNING, containing 5.81 acres.

ACCESS ROAD, PIPELINE, AND POWER LINE RIGHT-OF-WAY DESCRIPTION
 A 66 feet wide access road, pipeline, and power line right-of-way over portions of Section 12, Township 2 South, Range 3 of the Uintah Special Base and Meridian, the centerline of which being described as follows:
 Commencing at the SW Corner of the SW1/4 of the NW1/4 of said Section 12:
 Thence North 58°39'23" East 2608.85 feet to the TRUE POINT OF BEGINNING;
 Thence North 89°51'10" East 250.71 feet parallel with the South line of the NE1/4 of said NW1/4;
 Thence North 28°32'14" East 91.17 feet;
 Thence North 11°53'39" West 12.34 feet to the South side of the EP Energy L&P Company Hualapai 5-12B3 well location use boundary. Said right-of-way being 354.23 feet in length, with the sidelines being shortened or elongated to intersect said use boundary and existing road line.

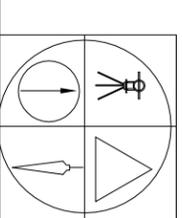
SURVEYOR'S CERTIFICATE

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



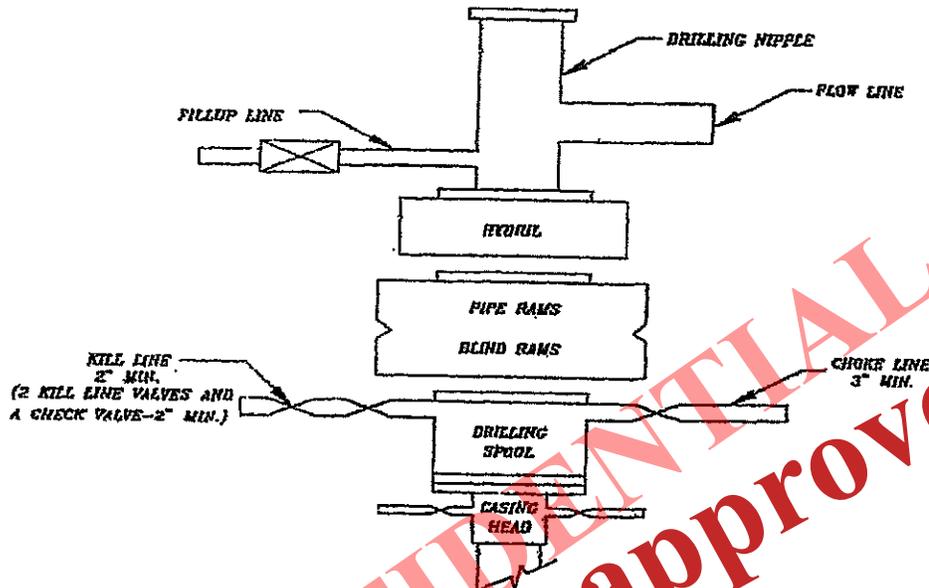
Jerry D. Alfred, Professional Land Surveyor,
 Certificate 148951 (Utah)

THIS SURVEY WAS PERFORMED USING GLOBAL POSITIONING SYSTEM PROCEDURES AND EQUIPMENT
 THE BASIS OF BEARINGS IS GEODETIC NORTH DERIVED FROM G.P.S. OBSERVATIONS AT A CONTROL POINT (¼ CORNER) LOCATED AT LAT. 40°23'18.204"N AND LONG. 110°10'15.865"W USING THE UTAH STATE G.P.S. VIRTUAL REFERENCE STATION CONTROL NETWORK MAINTAINED AND OPERATED BY THE AUTOMATED GEOGRAPHIC REFERENCE CENTER

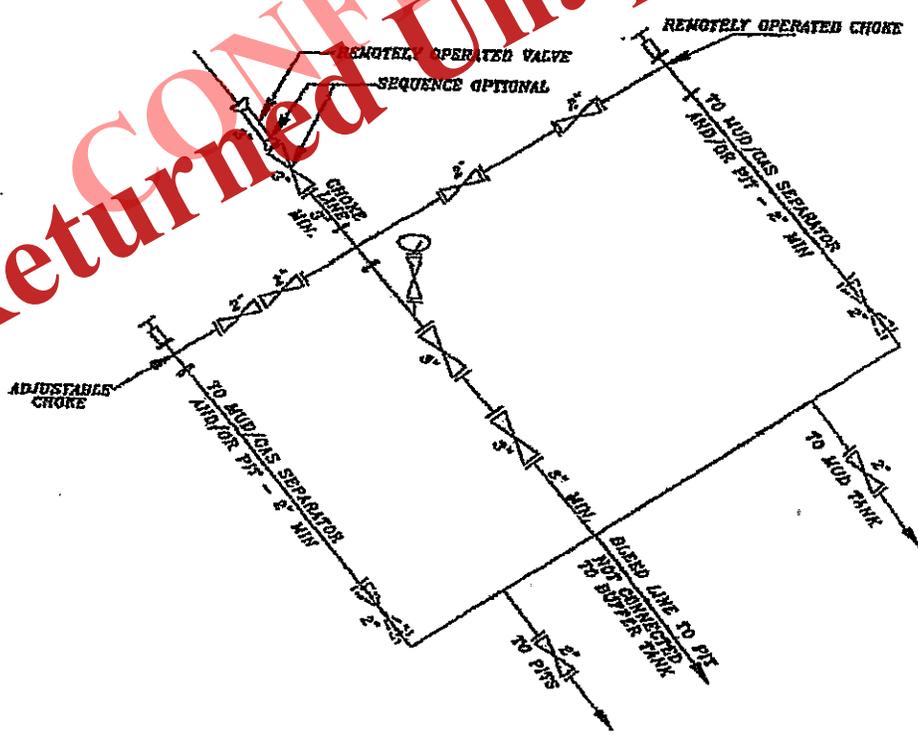


JERRY D. ALFRED AND ASSOCIATES
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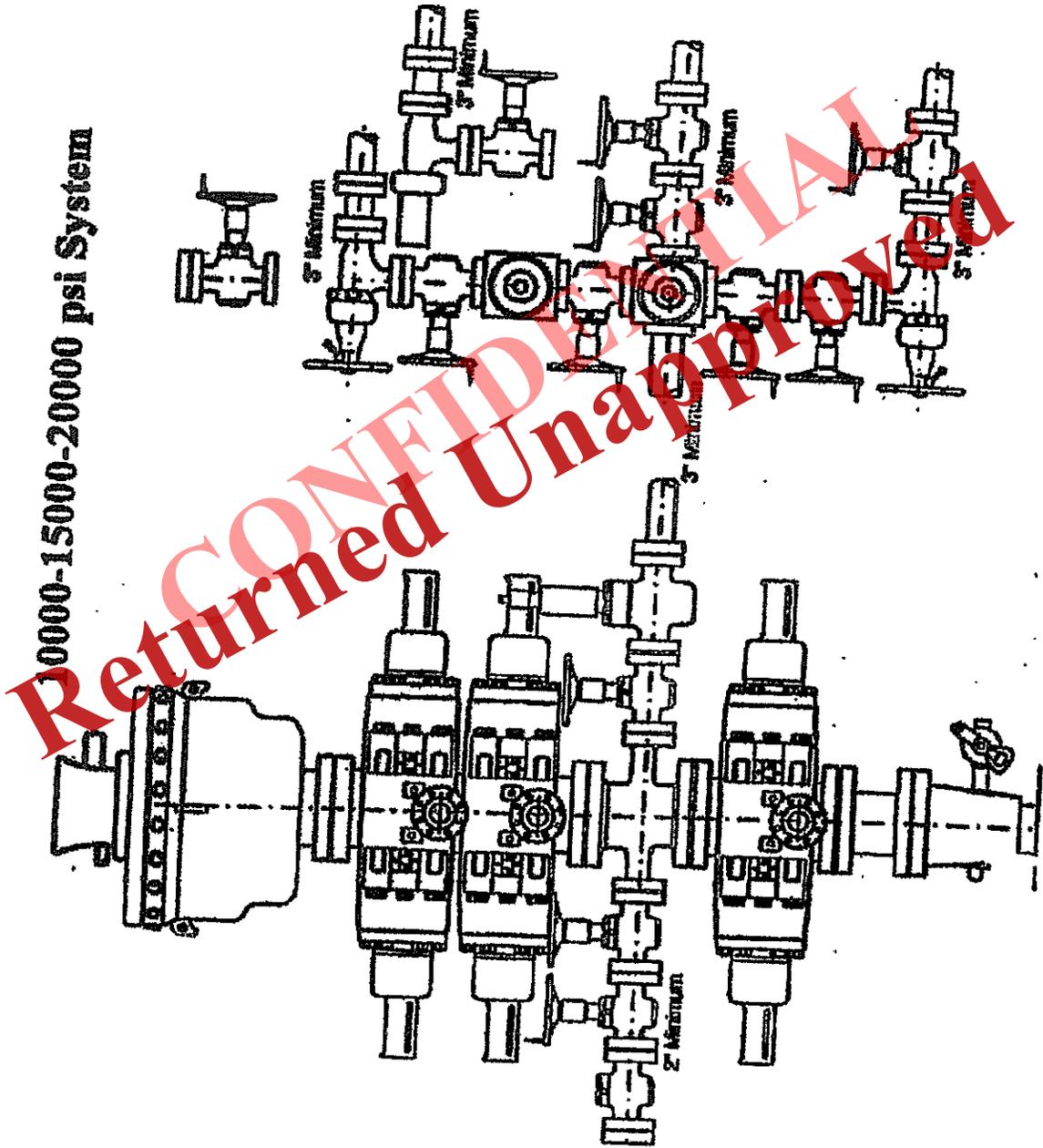
5M BOP STACK and CHOKE MANIFOLD SYSTEM



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10000-15000-20000 psi System

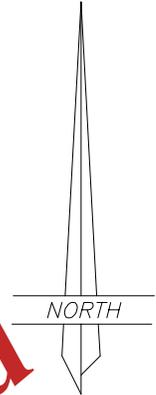
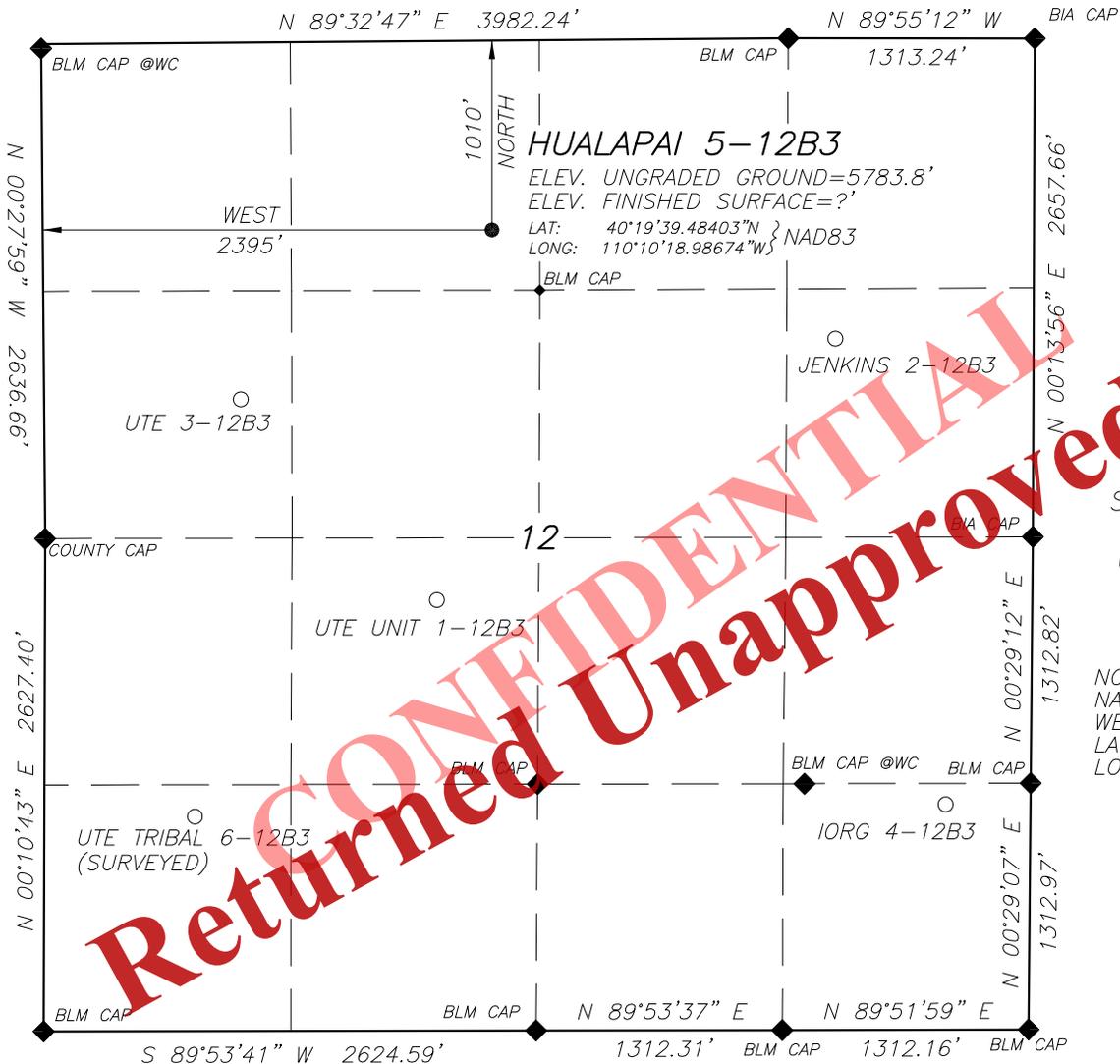


EP ENERGY E & P COMPANY, L.P.

WELL LOCATION

HUALAPAI 5-12B3

LOCATED IN THE NE¼ OF THE NW¼ OF SECTION 12, T2S, R3W, U.S.B.&M. DUCHESNE COUNTY, UTAH



SCALE: 1" = 1000'



NOTE:
NAD27 VALUES FOR WELL POSITION:
LAT: 40.32767844° N
LONG: 110.17123066° W

SURVEYOR'S CERTIFICATE

LEGEND AND NOTES

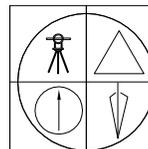
- ◆ CORNER MONUMENTS FOUND AND USED BY THIS SURVEY
- THE GENERAL LAND OFFICE (G.L.O.) PLAT WAS USED FOR REFERENCE AND CALCULATIONS AS WAS THE U.S.G.S. MAP
- THIS SURVEY WAS PERFORMED USING GLOBAL POSITIONING SYSTEM PROCEDURES AND EQUIPMENT
- THE BASIS OF BEARINGS IS GEODETIC NORTH DERIVED FROM G.P.S. OBSERVATIONS AT A CONTROL POINT (¼ CORNER) LOCATED AT LAT. 40°23'18.204"N AND LONG. 110°10'15.865"W USING THE UTAH STATE G.P.S. VIRTUAL REFERENCE STATION CONTROL NETWORK MAINTAINED AND OPERATED BY THE AUTOMATED GEOGRAPHIC REFERENCE CENTER

BASIS OF ELEVATIONS: NAVD 88 DATUM USING THE UTAH REFERENCE NETWORK CONTROL SYSTEM

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



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

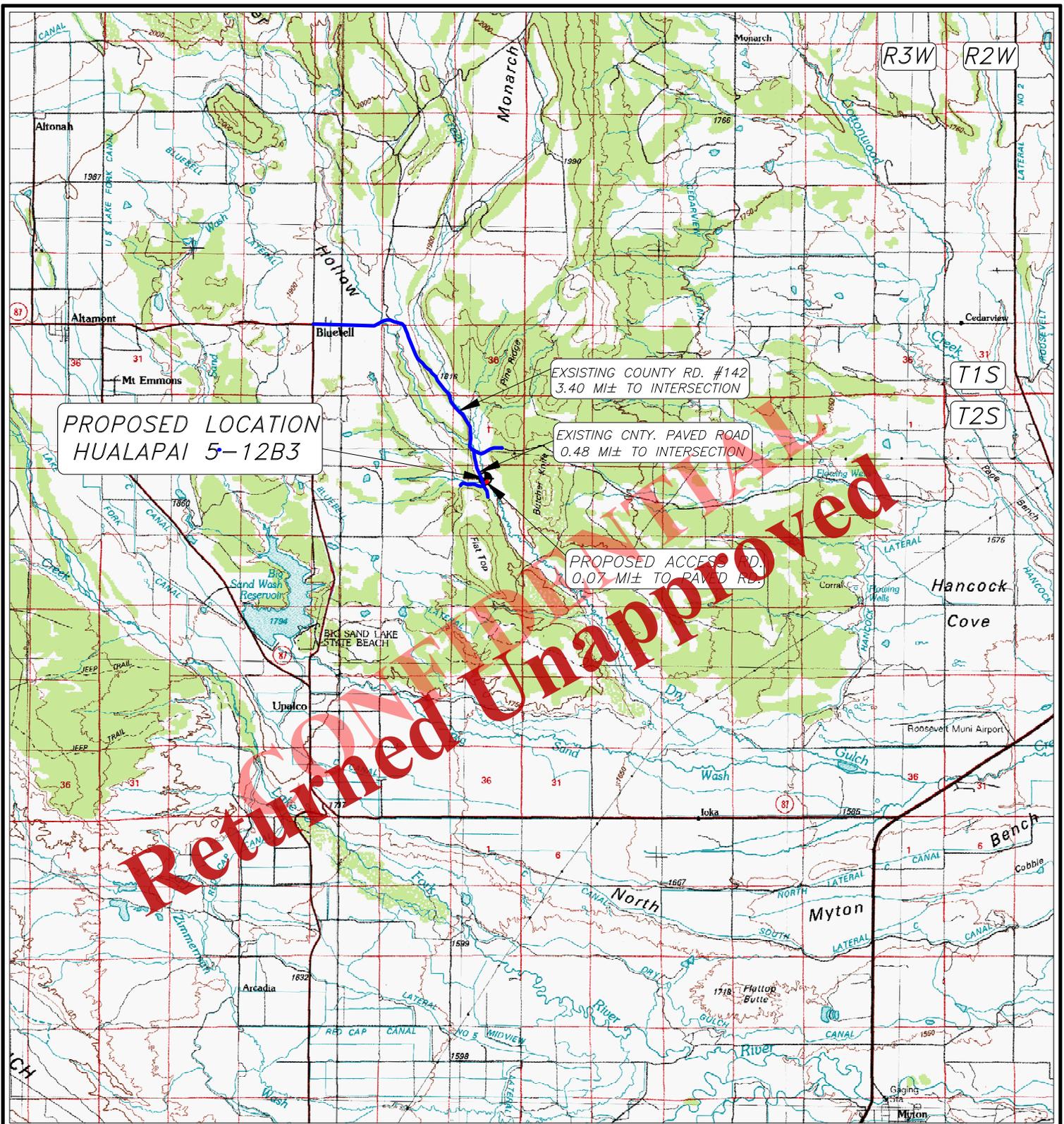


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Received: May 14, 2013



PROPOSED LOCATION
HUALAPAI 5-12B3

EXISTING COUNTY RD. #142
3.40 MI± TO INTERSECTION

EXISTING CNTY. PAVED ROAD
0.48 MI± TO INTERSECTION

PROPOSED ACCESS RD.
0.07 MI± TO PAVED RD.

Returned Unapproved

LEGEND:

 PROPOSED WELL LOCATION

01-128-319

JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS

1235 NORTH 700 EAST--P.O. BOX 975
DUCHEсне, UTAH 84021
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EP ENERGY E & P COMPANY, L.P.

HUALAPAI 5-12B3

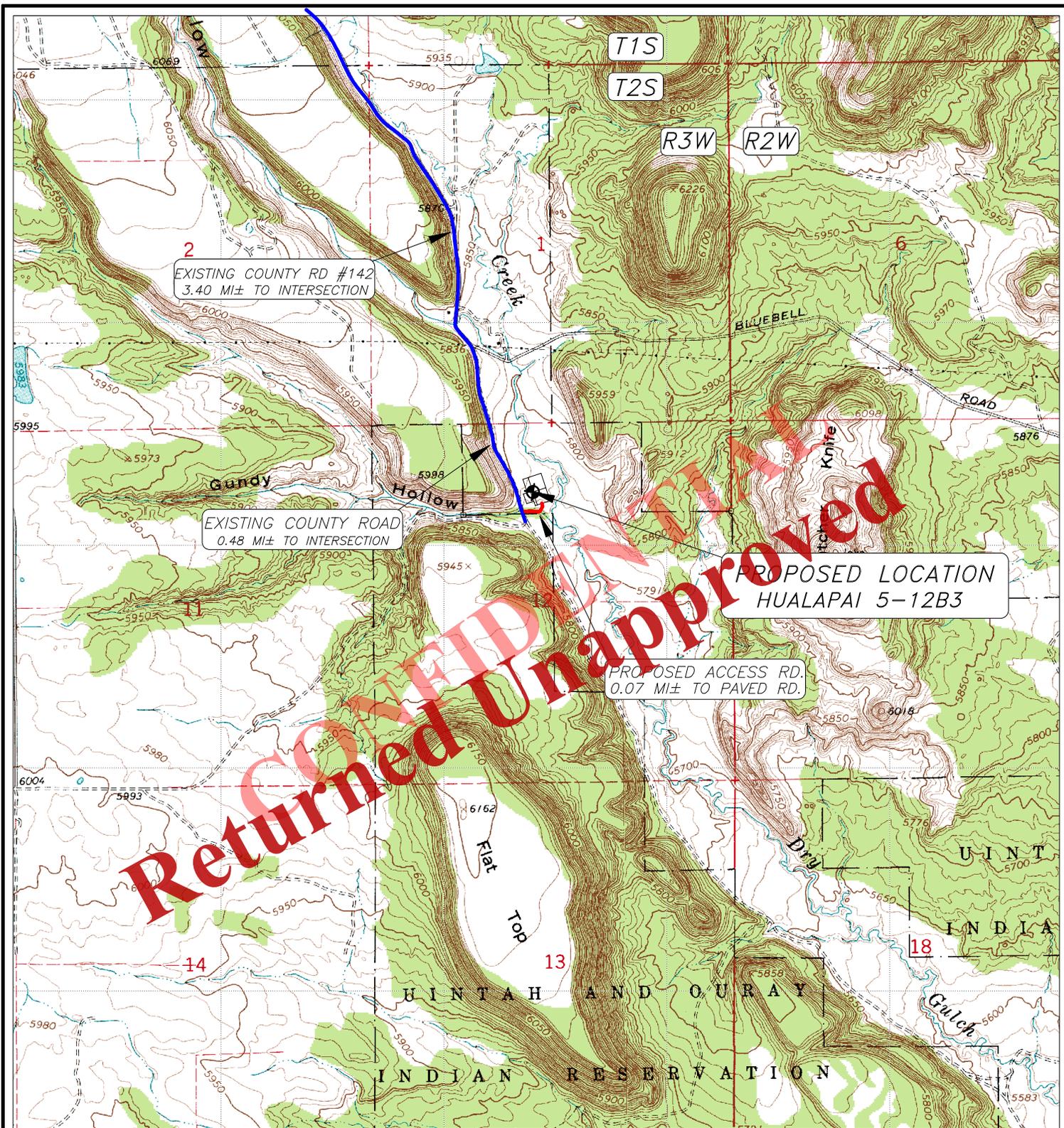
SECTION 12, T2S, R3W, U.S.B.&M.

1010' FNL 2395' FWL

TOPOGRAPHIC MAP "A"

SCALE; 1"=10,000'
11 OCT 2012

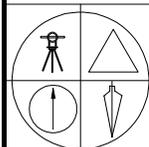
Received: May 14, 2013



LEGEND:

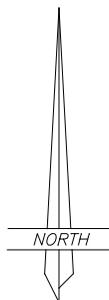
-  PROPOSED WELL LOCATION
-  PROPOSED ACCESS ROAD
-  EXISTING GRAVEL ROAD
-  EXISTING PAVED ROAD

01-128-319



JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS

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



EP ENERGY E & P COMPANY, L.P.

HUALAPAI 5-12B3

SECTION 12, T2S, R3W, U.S.B.&M.

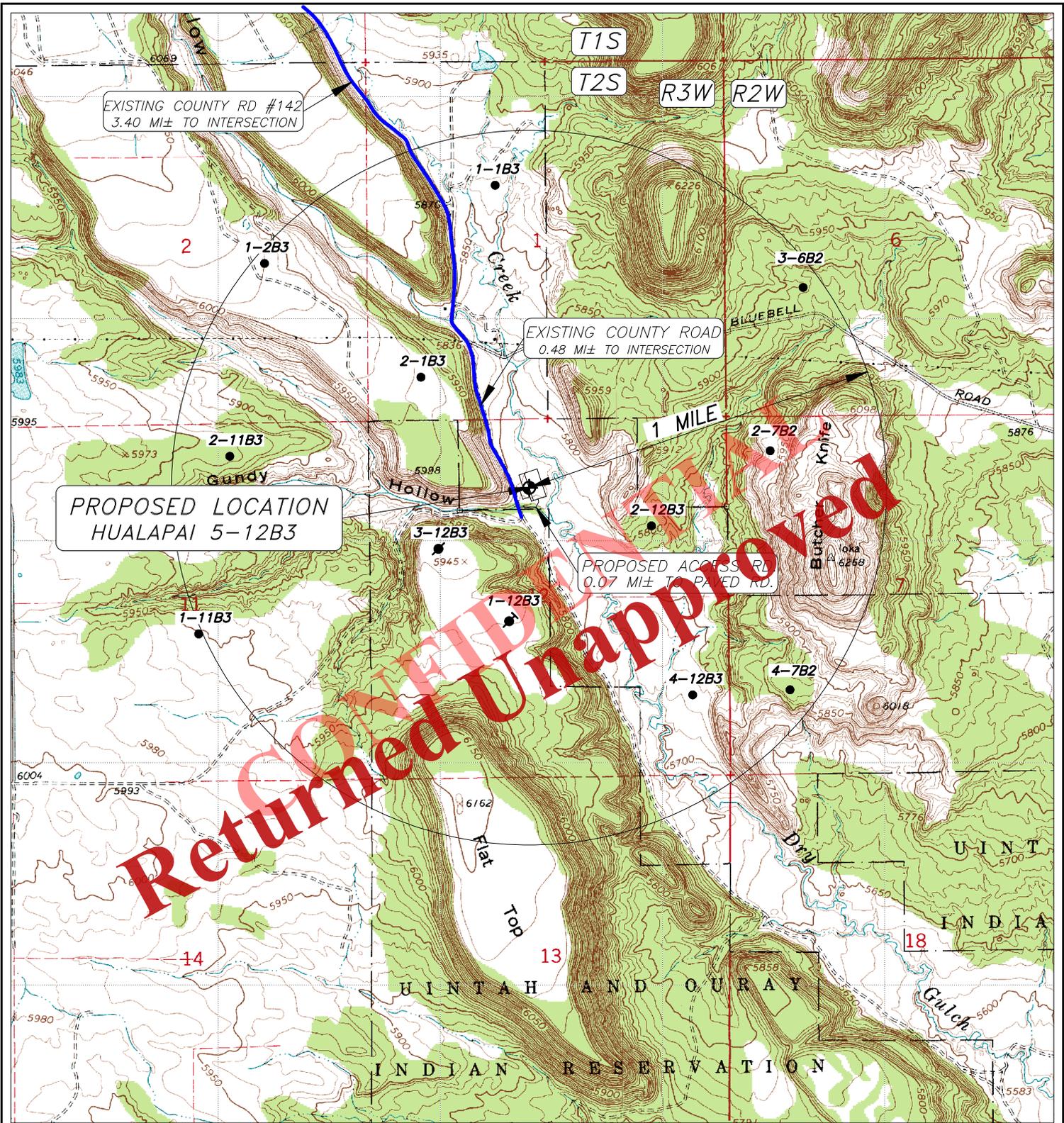
1010' FNL 2395' FWL

TOPOGRAPHIC MAP "B"

SCALE; 1"=2000'

11 OCT 2012

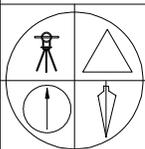
Received: May 14, 2013



LEGEND:

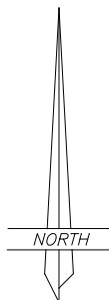
- PROPOSED WELL LOCATION
- OTHER WELLS AS LOCATED FROM SUPPLIED MAP

01-128-319



JERRY D. ALLRED & ASSOCIATES
SURVEYING CONSULTANTS

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



EP ENERGY E & P COMPANY, L.P.

HUALAPAI 5-12B3
SECTION 12, T2S, R3W, U.S.B.&M.
1010' FNL 2395' FWL

TOPOGRAPHIC MAP "C"

SCALE; 1"=2000'
11 OCT 2012

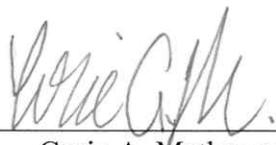
Received: May 14, 2013

AFFIDAVIT OF DAMAGE SETTLEMENT AND RELEASE

Corie A. Mathews personally appeared before me, and, being duly sworn, deposes and says:

1. My name is Corie A. Mathews. I am a Landman for EP Energy E&P Company, L.P., whose address is 1001 Louisiana Street, Houston, Texas 77002 ("EP Energy").
2. EP Energy is the operator of the proposed Hualapai 5-12B3 well ("the Well") to be located in the NE/4 of the NW/4 of Section 12, Township 2 South, Range 3 West, USM, Duchesne County, Utah (the "Drillsite Location"). The surface owner of the Drillsite location is Hualapai Investments Corporation, whose address is 6430 Stockton Hill Road, Kingman, Arizona, 86409 and whose telephone number is 520-979-1323 (the "Surface Owner").
3. EP Energy and the Surface Owner have entered into a Damage Settlement and Release Agreement dated December 18, 2012 to cover any and all injuries or damages of every character and description sustained by the Surface Owners or Surface Owner's property as a result of operations associated with the drilling, completion and production of the Well.

FURTHER AFFIANT SAYETH NOT.



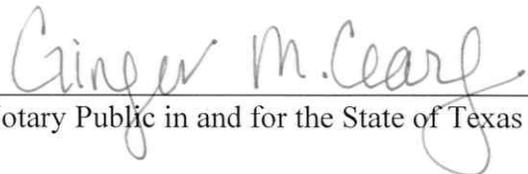
 Corie A. Mathews

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 04th day of January, 2013 by Corie A. Mathews as a Landman for EP ENERGY E&P COMPANY, L.P., a Delaware limited partnership, on behalf of said partnership and acknowledged to me that he executed the same as his own free and voluntary act and deed for the uses and purposes therein set forth.





 Notary Public in and for the State of Texas

CONFIDENTIAL
 Returned Unapproved

EP Energy E&P Company, L.P.

Related Surface Information

1. Current Surface Use:

- Livestock Grazing and Oil and Gas Production.

2. Proposed Surface Disturbance:

- The road will be crown and ditch. Water wings will be constructed on the access road as needed.
- The topsoil will be windrowed and re-spread in the borrow area.
- New road to be constructed will be approximately .07 miles in length and 66 feet wide.
- All equipment and vehicles will be confined to the access road, pad and area specified in the APD.

3. Location Of Existing Wells:

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

4. Location And Type Of Drilling Water Supply:

- Drilling water: Upper Country Water

5. Existing/Proposed Facilities For Productive Well:

- There are no existing facilities that will be utilized for this well.
- A pipeline corridor .07 miles will parallel the proposed access road. The corridor will contain one 4 inch gas line and one 2 inch gas line and one 2 inch Salt Water disposal line. Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area; backsloping and contouring all cut and fill slopes. These areas will be reseeded. Refer to plans for reclamation of surface for details.
- Upgrade and maintain access roads and drainage control structures (e.g., culverts, drainage dips, ditching, etc.) as necessary to prevent soil erosion and accommodate safe, year-round traffic.

6. Construction Materials:

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

7. Methods For Handling Waste Disposal:

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

8. Ancillary Facilities:

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

9. Surface Reclamation Plans:

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

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

10. Surface Ownership:

Hualapai Investments Corporation
6430 Stockton Hill Road
Kingman, Arizona 86409
520-979-1323

Other Information:

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

Operator and Contact Persons:

Construction and Reclamation:

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

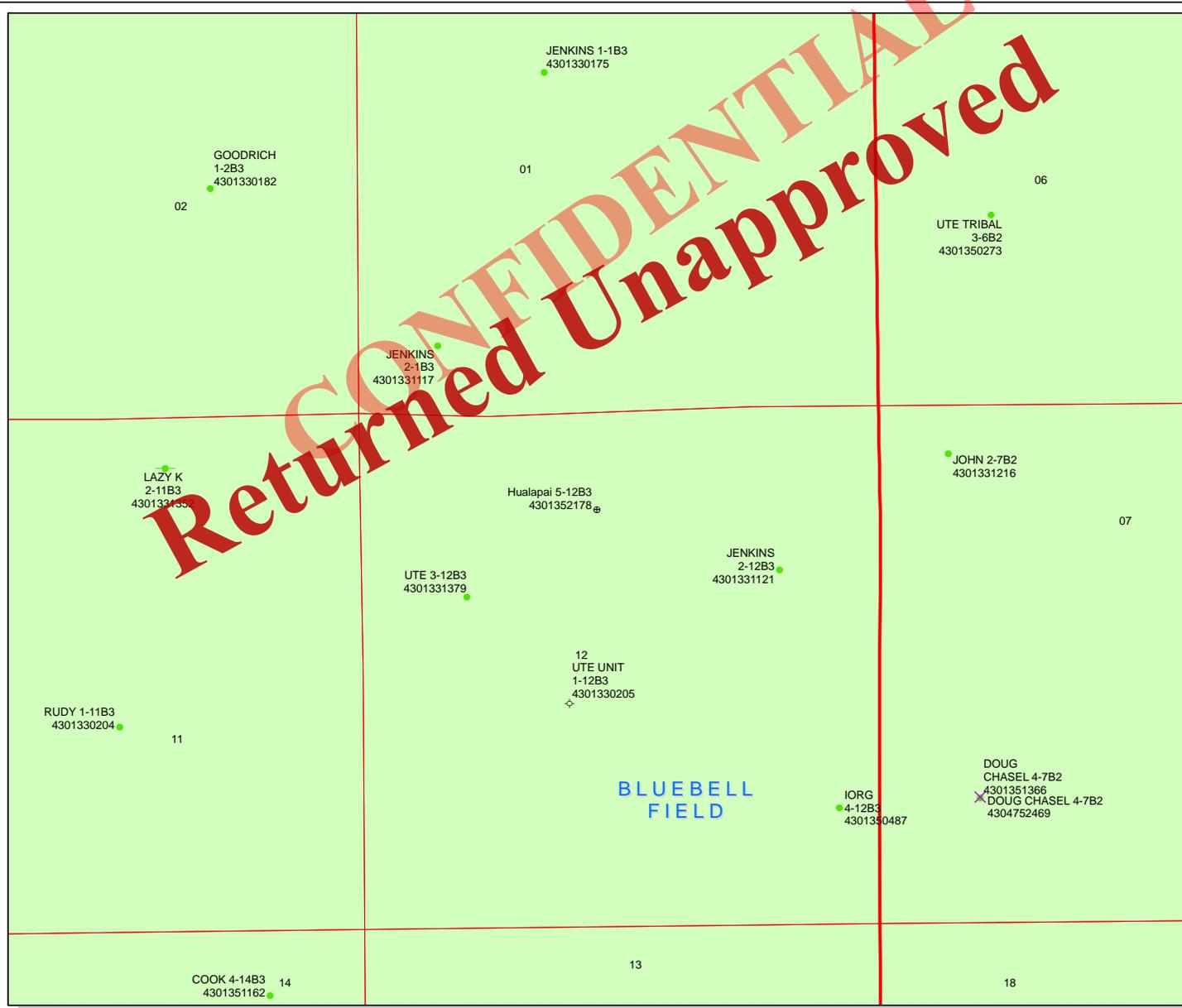
Regarding This APD

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

Drilling

EP Energy E&P Company, L.P.
Brad MacAfee – Drilling Engineer
1001 Louisiana, Rm 2660D
Houston, Texas 77002
713-997-6383 – office
281-813-0902 – Cell

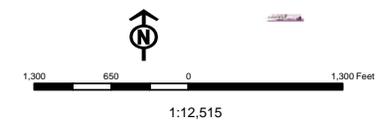
CONFIDENTIAL
 Returned Unapproved



API Number: 4301352178
Well Name: Hualapai 5-12B3
Township T02.0S Range R03.0W Section 12
Meridian: UBM
 Operator: EP ENERGY E&P COMPANY, L.P.

Map Prepared:
 Map Produced by Diana Mason

- Units**
- ACTIVE
 - EXPLORATORY
 - GAS STORAGE
 - NF PP OIL
 - NF SECONDARY
 - PI OIL
 - PP GAS
 - PP GEOTHERMAL
 - PP OIL
 - SECONDARY
 - TERMINATED
- Fields**
- Unknown
 - ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - STORAGE
 - TERMINATED





GARY R. HERBERT
Governor

SPENCER J. COX
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

December 04, 2014

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

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

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the Hualapai 5-12B3 well, API 43013521780000 that was submitted May 14, 2013 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

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

Sincerely,

Diana Mason
Environmental Scientist

Enclosure

cc: Bureau of Land Management, Vernal, Utah



