

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER MCU I-16A							
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 GREATER ANETH							
4. TYPE OF WELL Water Injection Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME MCELMO CREEK							
6. NAME OF OPERATOR RESOLUTE NATURAL RESOURCES						7. OPERATOR PHONE 303 534-4600							
8. ADDRESS OF OPERATOR 1675 Boradway Ste 1950, Denver, CO, 80202						9. OPERATOR E-MAIL pflynn@resoluteenergy.com							
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) 14-20-603-4039			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>							
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')							
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')							
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') Navajo Nation			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		804 FSL 602 FEL		SESE		1		41.0 S		24.0 E		S	
Top of Uppermost Producing Zone		804 FSL 602 FEL		SESE		1		41.0 S		24.0 E		S	
At Total Depth		804 FSL 602 FEL		SESE		1		41.0 S		24.0 E		S	
21. COUNTY SAN JUAN			22. DISTANCE TO NEAREST LEASE LINE (Feet) 602			23. NUMBER OF ACRES IN DRILLING UNIT 400							
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 103			26. PROPOSED DEPTH MD: 5710 TVD: 5710							
27. ELEVATION - GROUND LEVEL 4683			28. BOND NUMBER B001252			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 09-1428; A60998 or 06.0015-06.0020							
Hole, Casing, and Cement Information													
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement			Sacks	Yield	Weight	
Cond	20	16	4683 - 4603	65.0	H-40 ST&C	9.0	Possolan-Lime			200	1.18	15.8	
Surf	12.25	9.625	4683 - 3263	36.0	J-55 ST&C	9.0	Halliburton Light , Type Unknown Class G			400	1.97	12.3	
										100	1.15	15.8	
Prod	8.75	7	4683 - -677	26.0	J-55 LT&C	10.0	Halliburton Light , Type Unknown			260	1.95	12.3	
							Halliburton Light , Type Unknown			100	1.15	15.8	
Open	6.125	0	0 - 0	0.0	No Pipe Used	10.0	No Used			0	0.0	0.0	
ATTACHMENTS													
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES													
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER						<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN							
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)						<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER							
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)						<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP							
NAME Brian Wood				TITLE Consultant				PHONE 505 466-8120					
SIGNATURE				DATE 02/20/2014				EMAIL brian@permitswest.com					
API NUMBER ASSIGNED 43037500650000				APPROVAL  Permit Manager									

Form 3160-3
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

5. Lease Serial No.
14-20-603-4039

6. If Indian, Allottee or Tribe Name
NAVAJO NATION

7. If Unit or CA Agreement, Name and No.
McELMO CREEK UNIT

8. Lease Name and Well No.
McELMO CREEK UNIT I-16A

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator RESOLUTE ANETH, LLC 9. API Well No.
43-037-

3a. Address 1675 BROADWAY, SUITE 1950 DENVER, CO 80202 3b. Phone No. (include area code)
303 573-4886 10. Field and Pool, or Exploratory
GREATER ANETH

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface 804' FSL & 602' FEL
At proposed prod. zone SAME 11. Sec., T. R. M. or Blk. and Survey or Area
SESE 1-41S-24E

14. Distance in miles and direction from nearest town or post office*
3 AIR MILES NW OF ANETH, UT 12. County or Parish
SAN JUAN 13. State
UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 602' 16. No. of acres in lease
400 17. Spacing Unit dedicated to this well
SESE

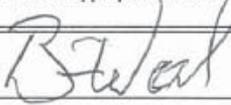
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 103' (P&A I-16) 19. Proposed Depth
5,710' 20. BLM/BIA Bond No. on file
B001252

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4,683' UNGRADED 22. Approximate date work will start*
06/01/2014 23. Estimated duration
1 MONTH

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|---|---|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the BLM. |
|---|---|

25. Signature  Name (Printed/Typed)
BRIAN WOOD (PHONE: 505 466-8120) Date
01/19/2014

Title CONSULTANT (FAX: 505 466-9682)

Approved by (Signature) Name (Printed/Typed) Date

Title Office

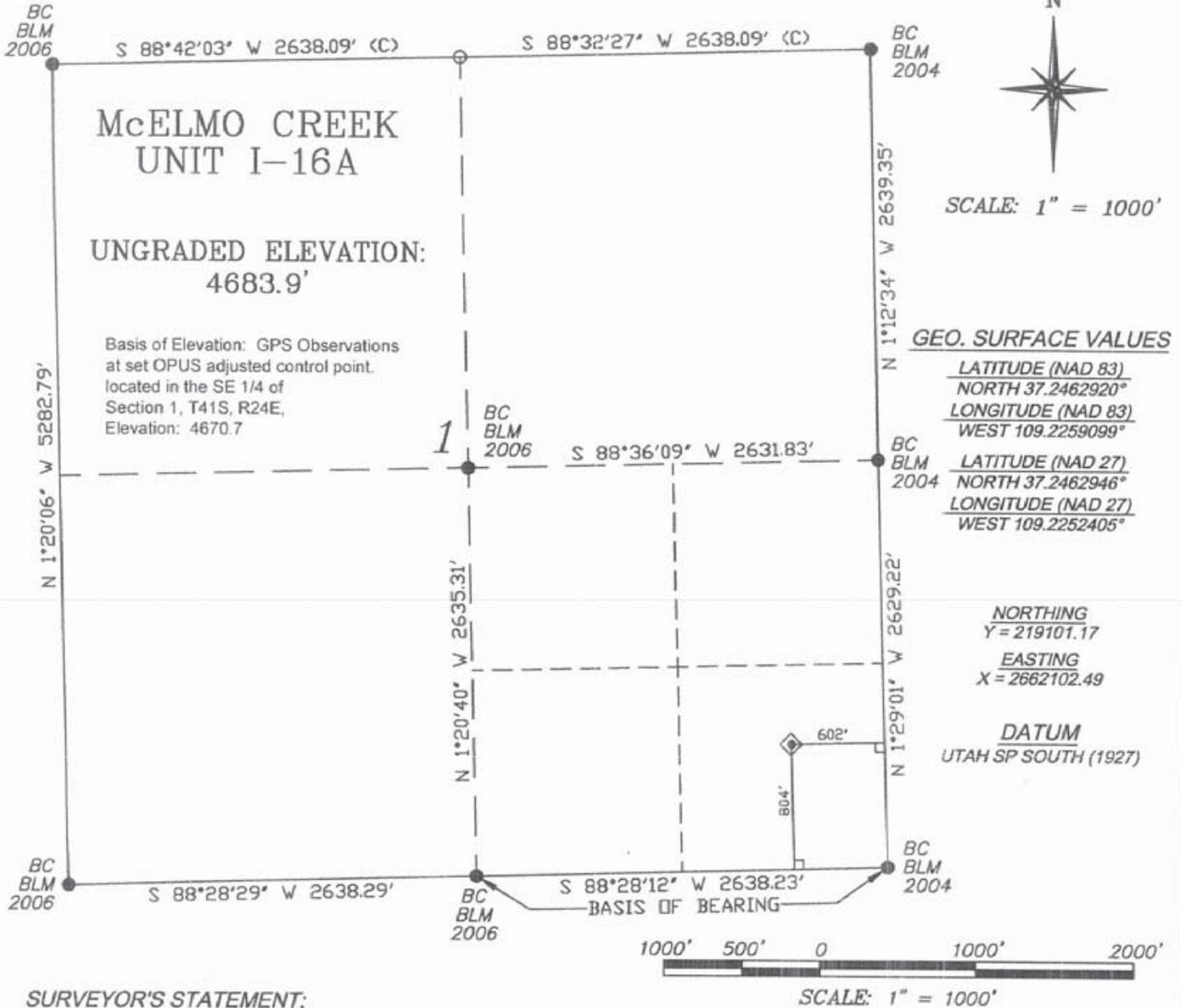
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

T. 41 S., R. 24 E., S.L.M.



SURVEYOR'S STATEMENT:

I, John A. Vukonich, of Farmington, New Mexico, hereby state: This plat was made from notes taken during an actual survey under my direct supervision on JUNE 28, 2013, and it correctly shows the location of McELMO CREEK UNIT I-16A.

NOTES

- ◆ PROPOSED WELL LOCATION
- FOUND MONUMENT
- CALCULATED POSITION
- L DENOTES 90° TIE
- (C) CALCULATED

[Signature] 7-18-2013
 UTAH PLS No. 7219139-2201 DATE
 johnv@ufsnm.com

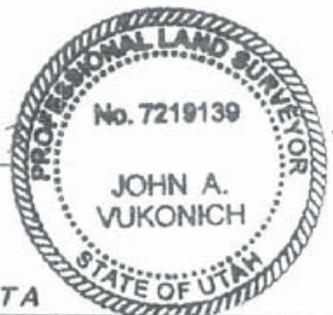


EXHIBIT A

<p>UNITED FIELD SERVICES INC.</p>	<p>PLAT OF PROPOSED WELL LOCATION FOR RESOLUTE NATURAL RESOURCES COMPANY</p>		
	<p>SCALE: 1" = 1000'</p> <p>JOB No. 10511</p> <p>DATE: 07/10/13</p>	<p>804' F/SL & 602' F/EL, SECTION 1, T. 41 S, R. 24 E, SALT LAKE MERIDIAN SAN JUAN COUNTY, UTAH</p>	
<p>P.O. BOX 3651 FARMINGTON, N.M. (505) 334-0408</p>			

Resolute

MCU I-16A 9-Pt Summary Drilling Plan

Surface Location:

**SESE Section 1 – T41S – R24E
804' FSL & 602' FWL
San Juan, Utah**

Bottom Hole Location:

Same

This application for permit to drill is filed under the NOS process as stated in Onshore Order No. 1 and supporting Bureau of Land Management documents.

SURFACE PAD ELEVATION: 4,683.9 ft (GL)

SURFACE FORMATION: Morrison - Fresh water possible

I. ESTIMATED FORMATION TOPS & II. ESTIMATED DEPTHS OF WATER, OIL, & GAS BEARING FORMATIONS:

Formation	Top (GL, TVD, ft)	Water, oil, gas and/or other mineral-bearing formations
Morrison	Surface	Possible Fresh Water
Navajo	719 TVD	Possible Fresh Water
Chinle	1,419 TVD	Possible Fresh Water
De Chelley	2,585 TVD	Possible Water, Oil, Gas
Organ Rock	2,739 TVD	Possible Water, Oil, Gas
Hatch	5,303 TVD	Possible Water, Oil, Gas
Upper Ismay	5,330 TVD	Possible Water, Oil, Gas
Lower Ismay	5,405 TVD	Possible Water, Oil, Gas
Gothic	5,473 TVD	Possible Water, Oil, Gas
Gothic LSW	5,480 TVD	Possible Water, Oil, Gas
Desert Creek	5,651 TVD	Possible Water, Oil, Gas
Chimney Rock	5,675 TVD	Possible Water, Oil, Gas

TOTAL DEPTH 5,710 TVD

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and protected.

III. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

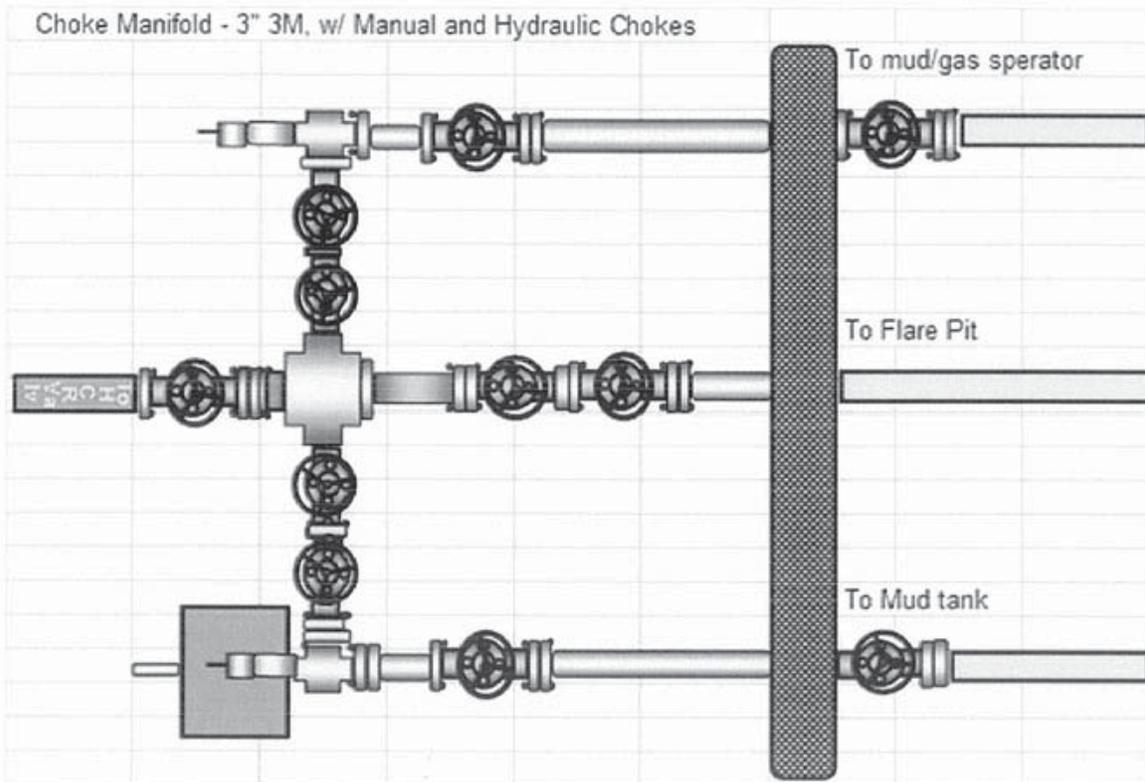
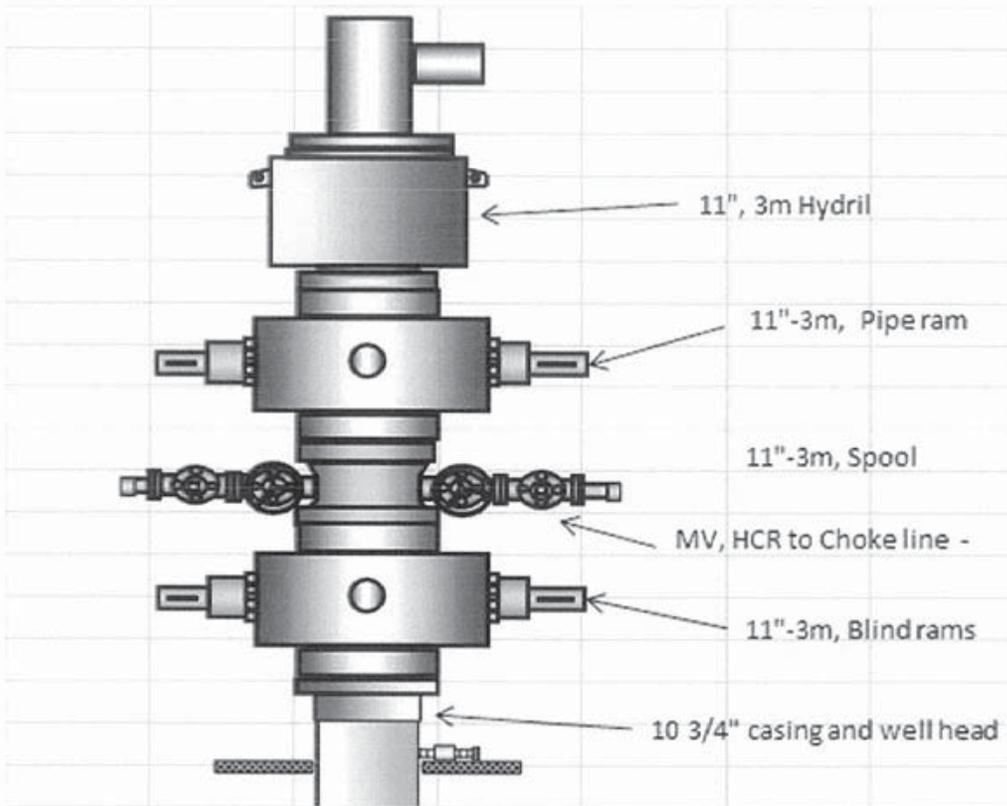
3,000 psi System. See Attached blowout prevention diagram.

BOPE and choke manifold will be installed and pressure tested before drilling out of surface casing (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating condition. BOPE will be pressure tested at least once every 30 days. Ram type preventers and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly if a test plug is used. If a plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or 70% of the minimum internal yield of the casing, whichever is less. Annular type preventer will be pressure tested to 50% of it's working pressure. All casing strings will be pressure tested to 0.22 psi/ft or 1,500 psi, whichever is greater, not to exceed 70% of the internal yield. The choke manifold and accumulator will meet or exceed Onshore Order No. 2 standards. The BOP equipment will be tested after any repairs to the equipment. Pipe ram, blind rams and annular preventer will be activated on each trip and weekly BOP drills will be conducted with each crew. All tests, maintenance, and BOP drills will be documented on rig "four sheets".

BOPE and Manifold Equipment will include:

- Rotating head
- 3M annular preventer
- (1) Hydraulic pipe rams
- (1) One Hydraulic blind ram
- Drilling spool with 2 side outlets or blowout preventer with 2 side outlets (choke side 3" diameter and kill side 2" diameter)
- 3" diameter choke line
- 2" kill line with check valve
- HCR choke line valve
- 3" manual and hydraulic choke line valves
- (3) Three chokes, one remotely controlled
- Pressure gauge on manifold
- Upper and lower Kelly cock with handles
- Safety valves and subs to fit all connections in use
- Inside BOP with handle
- Sized accumulator for 5M BOP system
- Fill up line above the upper most preventer
- Gas detection equipment
- Remote control panels for BOP and choke on rig floor
- PVT system
- Stroke counter
- Flow sensor
- Wear ring

A manual locking device (i.e. hand wheels) or automatic locking devices shall be installed on the BOP stack. Remote controls capable of both opening and closing all preventers shall be readily accessible to the driller.



IV. CASING PROGRAM & V. CEMENTING PROGRAM

Depth	Hole Diameter	Casing Diameter	Casing Weight, Grade, Condition	◆ Safety Factor (S _{fB} , S _{fC} , S _{fT})	Cement
Conductor Pipe 0' – 80' TVD	20"	16"	65 ppf H-40 (drift: 15.06") Properties: Collapse: 670 psi Burst: 1,640 psi Body Yield: 736,000 lbs		Ready Mix Cement Back to Surface
Surface Casing 0' – 1,420' TVD	12-1/4"	9-5/8"	36 ppf J-55 STC R3 New (drift: 8.765") Properties: Collapse: 2,020 psi Burst: 3,520 psi Jt. Strength: 639,000 lbs Body Yield: 564,000 lbs	S _{fC} – 2.8 S _{fB} – 2.2 S _{fT} – 11.0	(Cement back to Surface)* Lead: ~ 400 sx Halliburton Light Premium yield: 1.97 ft ³ /sx wt: 12.3-ppg Tail: ~100 sx Premium Class G Cement yield: 1.15 ft ³ /sx wt: 15.8-ppg
Production Casing 0' – 5,360' TVD	8-3/4"	7.0"	26 ppf J-55 LTC R3 New (drift: 6.151") Properties Collapse: 4,320 psi Burst: 4,980 psi Jt. Strength: 490,000 lbs Body Yield: 415,000 lbs	S _{fC} – 1.6 S _{fB} – 1.78 S _{fT} – 3.0	(Cement back to Surface)* First Stage Lead: ~ 260 sx Halliburton Light Class G Premium yield: 1.95 ft ³ /sx mix fluid: 10.04 gal/sx wt: 12.3-ppg Second Stage Tail: ~ 100 sx Halliburton Light Premium Class G yield: 1.15 ft ³ /sx mix fluid: 4.96 gal/sx wt: 15.80 ppg DV Tool @ 6,500' TVD
OH Section 5,360' – 5,710'	6-1/8"				

- ◆ S_{fC} minimum design collapse safety factor = 1.125
S_{fB} minimum design burst safety factor = 1.0

Sfr minimum design tension (joint) safety factor = 1.8

- * Cement volume calculated with 80% excess for the lead and tail cement. Tail cement volume calculated to cover 500 ft of open-hole. Lead cement will be brought back to surface. There will be 200 sxs of Premium Class G Cement on location for top-out job if needed due to fall-back.
 - ** Cement volume calculated with 25% excess for the lead and tail cement. Tail cement volume is calculated to cover up to 5,500'. Lead cement will be brought back to surface. Actual cement volume will be calculated at 15% excess. Open-hole logs **will** be run in this well. The open-hole caliper log **will** be available for reference. Actual cement volumes will be compared to the cement volumes pumped in off-set wells.
- Surface Casing
 - ~ 5 (12-1/4" x 9-5/8") centralizers will be run on the surface casing as listed.
 - 4 - on the middle of the shoe joint with a limit clamp, 1 on 2nd joint, 1 on 3rd joint, 1 on 4th joint.
 - 1 - approximately 60' down from surface.

Note: field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth

The actual number and placement of centralizers will be determined from actual hole deviation and conditions. Centralizers will be run for maximum practical standoff.

- Production Casing
 - ~ 40 (8-3/4" x 7-0") centralizers will be run on the production casing as listed.
 - 1 - on the shoe track
 - 1 - every third joint up to 5,360'
 - 1 - approximately 60' down from surface.

The actual number and placement of centralizers will be determined from actual hole deviation and conditions. Centralizers will be run for maximum practical standoff.

SURFACE CASING DESIGN

Parameters

Proposed Total Depth of Next String (TVD)	5,360	ft TVD
Proposed Depth of Surface	1,420	ft TVD
Maximum Mud Weight at TD	10	ppg
Estimated Pressure Gradient	0.52	psi/ft
Maximum Mud Weight at Surface Casing Point	9	ppg

Bottom Hole Pressure:
 $0.52 \text{ psi/ft} \text{ at } 5,360 \text{ ft TVD} = 2,787 \text{ psi}$

Hydrostatic Head of Gas/Oil/Mud:
 $0.22 \text{ psi/ft} \text{ at } 5,360 \text{ ft TVD} = 1,179 \text{ psi}$

Maximum Surface Design Pressure

(Bottom Hole Pressure) - (Hydrostatic Head of Gas/Oil Cut Mud)
 $2787.20 \text{ psi} - 1179.20 \text{ psi} = 1,608 \text{ psi}$

Proposed Casing Properties

Size in	Wt lb/ft	Tens lbs	Burst psi	Collps psi
9-5/8"	36.0	564,000	3,520	2,020

Design Safety Factors

Tension:	1.8
Burst:	1
Collapse:	1.125

Tension
 $\text{Wt lb/ft} \times \text{proposed depth of surface} = 51,120 \text{ lbs}$

Burst
 $\text{BHP} - 0.22 \text{ psi/ft} \times (\text{total depth}) = 1,608 \text{ psi}$

Collapse
 $\text{Surface Cement Wt } 14.05 \text{ ppg}$
 $(\text{cement Wt ppg} \times 0.052 - 0.22 \text{ psi/ft}) \times (\text{surface casing depth}) = 725 \text{ psi}$

Actual Safety Factors

Tension
 $\text{max tension lbs} / \text{actual tension lbs} = 11.0 \text{ SF}$

Burst
 $\text{max burst psi} / \text{actual burst psi} = 2.2 \text{ SF}$

Collapse
 $\text{max collapse psi} / \text{actual collapse psi} = 2.8 \text{ SF}$

VI. MUD PROGRAM

A produced water, low solids non dispersed mud will be utilized. Mud will be fresh water during the surface interval.

0' - 1,420'

Freshwater Based Mud

MW: 8.3 ppg to 9.0 ppg
 Viscosity: 25 to 30 sec/qt
 API WL: No Control
 pH: 7.0 to 8.5

1,420' - 5,710'TVD

Produced LSND Water Based Mud

MW: 8.8 ppg to 10.0 ppg
 Viscosity: 38 to 42 sec/qt
 Yield Point: 10 to 12

Sufficient mud materials to maintain mud properties, control lost circulation and to contain a "kick" will be available on location.

VII. LOGGING, CORING TESTING PROGRAM

- A. **Logs:** Triple-combo log from TD to surface.
- B. **Coring:** No coring planned
- C. **Testing:** No testing planned.
- D. **Mud Logger:** Surface casing to TD. Services: ROP, lithology, porosity and cut description, total gas and C1-4.

VIII. BOTTOM HOLE PRESSURE AND ABNORMAL CONDITIONS

- Pressures:** No overpressure is expected to exist in this well
 Bottom hole pressure at TVD ~ 2800 psi.
- Temperature:** No abnormal temperatures are anticipated. Bottom hole temperature is anticipated to be at ~ 146 deg F.
- Lost Circulation:** Medium lost circulation may be encountered in the Desert Creek Formations. Adequate bridging material will kept on site.
- H2S:** Hydrogen sulfide (H2S) in excess of 100 ppm is anticipated in the Desert Creek zone. Potential for exposure to H2S near areas of fluid breakout (i.e. flow line, shaker, floor connections, etc.) will be minimized by having an overbalanced mud system. In addition, H2S scavengers will be placed in the mud to prevent corrosion when H2S is noted.

IX. OTHER INFORMATION

- A. Anticipated starting date will be upon approval. The drilling and completion operations should be completed within 60 days after spudding the well.
- B. This well will be a vertical well

COMPLETION INFORMATION

The location pad will be of sufficient size to accommodate all completion equipment activities and equipment. A sundry notice on the completions operation will be provided after evaluation of the well.

ANTICIPATED STARTING DATE AND NOTIFICATION OF OPERATIONS**Anticipated Starting Dates:**

Anticipated Commencement Date
Drilling Days -
Completion Days -

December 2013
Approximately 30 days
Approximately 30 days

Operator's Representative:

Resolute Energy
1675 Broadway, Suite 1950
Denver, CO 80202
Office: 303-573-4886

Contact Title

Drilling Engineer

Contact Name

Jeremy Ray
Phone: 720-876-5512
Cell: 303-263-7872

Notification of Operations:

Farmington Field Office
Bureau of Land Management
1235 La Plata Highway – Suite A
Farmington, New Mexico 87401
505-564-7600

Contact Title

Petroleum Engineer

Contact Name

Stephen Mason
Office: 505-564-7742

The spud date will be orally and electronically reported to the Authorized Officer **TWENTY-FOUR (24) HOURS PRIOR TO SPUDDING**, unless otherwise required in the site specific conditions of approval.

Resolute Aneth, LLC
McElmo Creek Unit I-16A
804' FSL & 602' FEL
Sec. 1, T. 41 S., R. 24 E.
San Juan County, Utah

PAGE 1

This well is on the same pad as the McElmo Creek Unit I-16. That injection well was drilled in 1958. It was plugged and abandoned in 2000 after it failed a mechanical integrity test. The I-16A is 103' west of the I-16.

Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See MAPS 1 - 3)

From the Aneth Post Office/gas station/convenience store...
Go Northwest 3.5 miles on paved U-162
Then turn right and go Northeast 1.15 mile on a dirt road
Then turn right and go Southeast 400' on a dirt road onto the I-16 pad
The proposed I-16A overlaps the I-16

Roads will be maintained to a standard at least equal to their present condition.

2. ROAD TO BE UPGRADED OR BUILT

No new road is needed. The proposed pad overlaps an existing road and pad. The last 400' of road will be upgraded to BLM standards (crown, ditch, and surface as needed). The road will not be widened or realigned.

3. EXISTING WELLS (See MAP 2)

There are 3 water wells, 4 plugged wells, 24 water or carbon dioxide injection wells, and 29 oil wells within a 1-mile radius. There are no existing gas wells within a mile.

Resolute Aneth, LLC
McElmo Creek Unit I-16A
804' FSL & 602' FEL
Sec. 1, T. 41 S., R. 24 E.
San Juan County, Utah

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4. PROPOSED PRODUCTION FACILITIES (See MAP 3)

Surface equipment will include a wellhead that will be painted a flat Carlsbad tan. The well will tie into the existing pipeline and power line that crosses the pad.

5. WATER SUPPLY

Water will be trucked from Montezuma Well Service's already permitted existing water well in NWNE 36-40s-23e (09-1428; A60998) or Resolute's existing water wells in 31-40s-24e (Navajo Department of Water Resources Water Use Permit Numbers 06.0015 - 06.0020) for fresh water.

6. CONSTRUCTION MATERIALS & METHODS (See MAPS 3 & 4)

Blue Stakes of Utah Utility Notification Center, Inc. will be called (1-800-622-4111) at least 2 business days before construction starts. Notice can also be given on line via <http://www.bluestakes.org/HTML/DoItYourself.htm>

Exercise caution near Resolute's overhead power line on the north side of the pad. Topsoil will be piled west of the pad. A diversion ditch will be cut south and east of the pad. A culvert will be installed where the ditch crosses the entrance. No reserve pit will be used. A closed loop mud system with steel tanks will be used instead. Pad will be surfaced with rock purchased from a gravel pit west of Montezuma Creek.

7. WASTE DISPOSAL

Drill fluids will be reclaimed at Resolute's mud plant located 1.5 miles northwest of Aneth. Fluids unsuitable for reclamation will be hauled to the Envirotech Land Farm near Farmington, NM. Drill cuttings will be solidified and hauled to Contract Environmental Services Hovenweep site.

Resolute Aneth, LLC
McElmo Creek Unit I-16A
804' FSL & 602' FEL
Sec. 1, T. 41 S., R. 24 E.
San Juan County, Utah

PAGE 3

Human waste will be disposed of in chemical toilets, which will be hauled to a state approved dump station. All trash will be placed in a portable trash cage and hauled to the county landfill. No trash will be buried or burned.

8. ANCILLARY FACILITIES

There will be no airstrip or camp. Camper trailers will be on location for the company man, tool pusher, and mud loggers.

9. WELL SITE LAYOUT

See MAPS 3 and 4 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION & VEGETATION

After the well is completed, a circular berm with a 100' radius (guy line pattern) will be created from location dirt. All other areas not to be used in production will be interim reclaimed by spreading stockpiled topsoil and seeding as stated below. When the well is plugged, the remaining topsoil will be redistributed and seeded. The location will be returned to a natural shape. The gravel will be gathered and hauled to useful location and road sites in the Aneth Unit Field. Seed mix will consist of sand dropseed, Indian ricegrass, needle and thread grass, four wing saltbush, shadscale, and cliff rose.

Noxious weeds will be controlled in accordance with Navajo Nation EPA requirements. Call Glenna Lee at (928) 871-6447 for a list of approved herbicides and applicators.

Resolute Aneth, LLC
McElmo Creek Unit I-16A
804' FSL & 602' FEL
Sec. 1, T. 41 S., R. 24 E.
San Juan County, Utah

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11. SURFACE OWNER

All construction will be on Navajo Tribal trust surface and on lease. Tribal Project Review Office address is P. O. Box 9000, Window Rock AZ 86515. Their phone number is (928) 871-6447. Land use will be:

250' x 250' well site = 1.43 acres

12. OTHER INFORMATION

Bertha Spencer (BIA) and Charles Black (Permits West) attended the December 9, 2013 on site inspection.

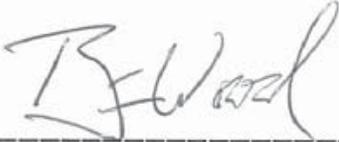
The nearest (\approx 10 minute drive) health care is the Montezuma Creek Clinic. Its phone number is (435) 651-3291. The nearest hospital is a half-hour drive to Blanding at 802 South 200 West. Hospital phone number is (435) 678-3993. Or dial 1-800-332-1911 from anywhere in the county.

13. REPRESENTATION & CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U. S. C. 1001 for the filing of false statements. Executed this 20th day of January, 2014.

Resolute Aneth, LLC
McElmo Creek Unit I-16A
804' FSL & 602' FEL
Sec. 1, T. 41 S., R. 24 E.
San Juan County, Utah

PAGE 5



Brian Wood, Consultant
Permits West, Inc.
37 Verano Loop, Santa Fe, NM 87508
(505) 466-8120 FAX: (505) 466-9682

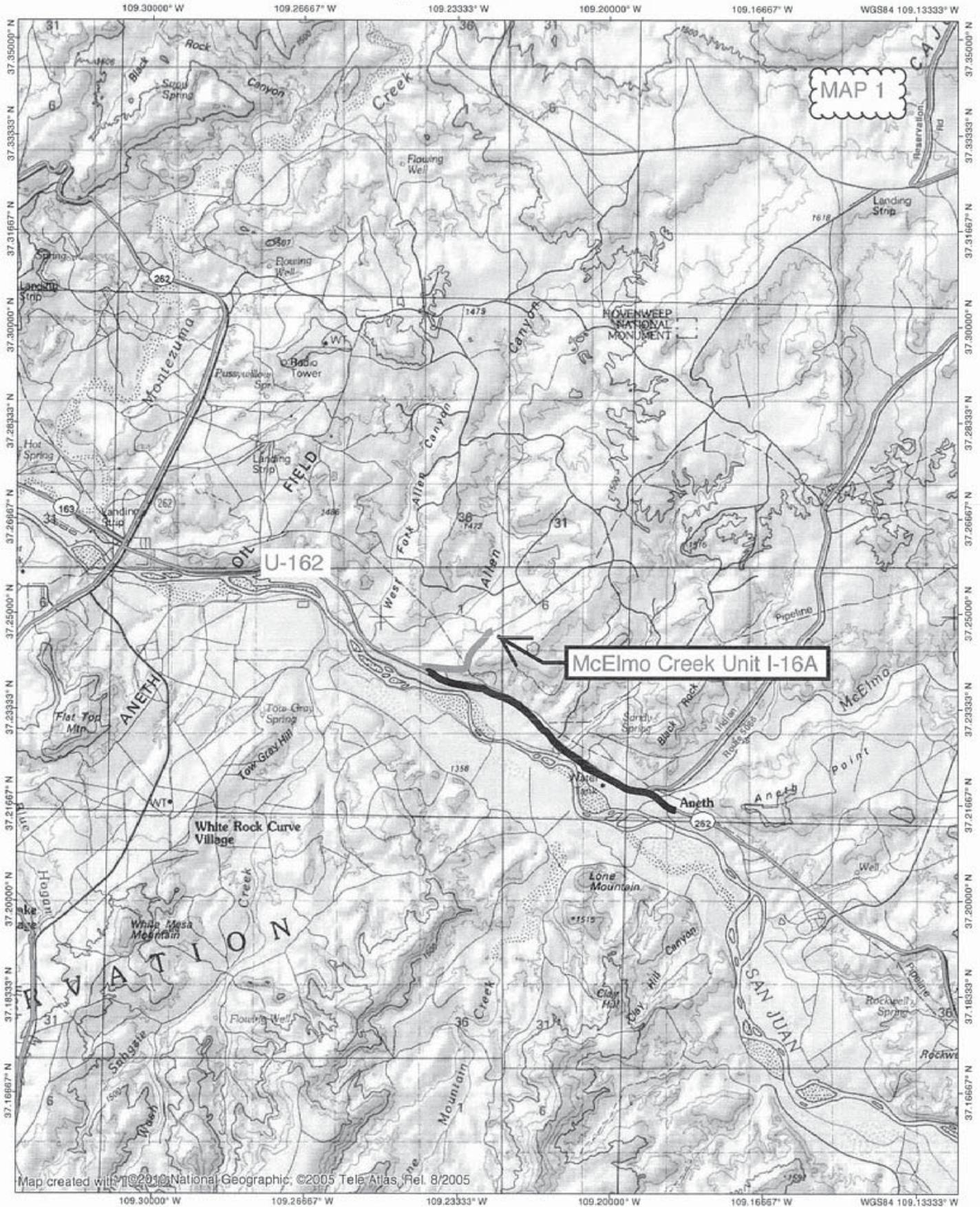
Cellular: (505) 699-2276

The field representatives will be:

Dwight Mallory
Resolute Aneth, LLC
1675 Broadway, Suite 1950
Denver, CO 80202
(303) 573-4886, Extension 1165

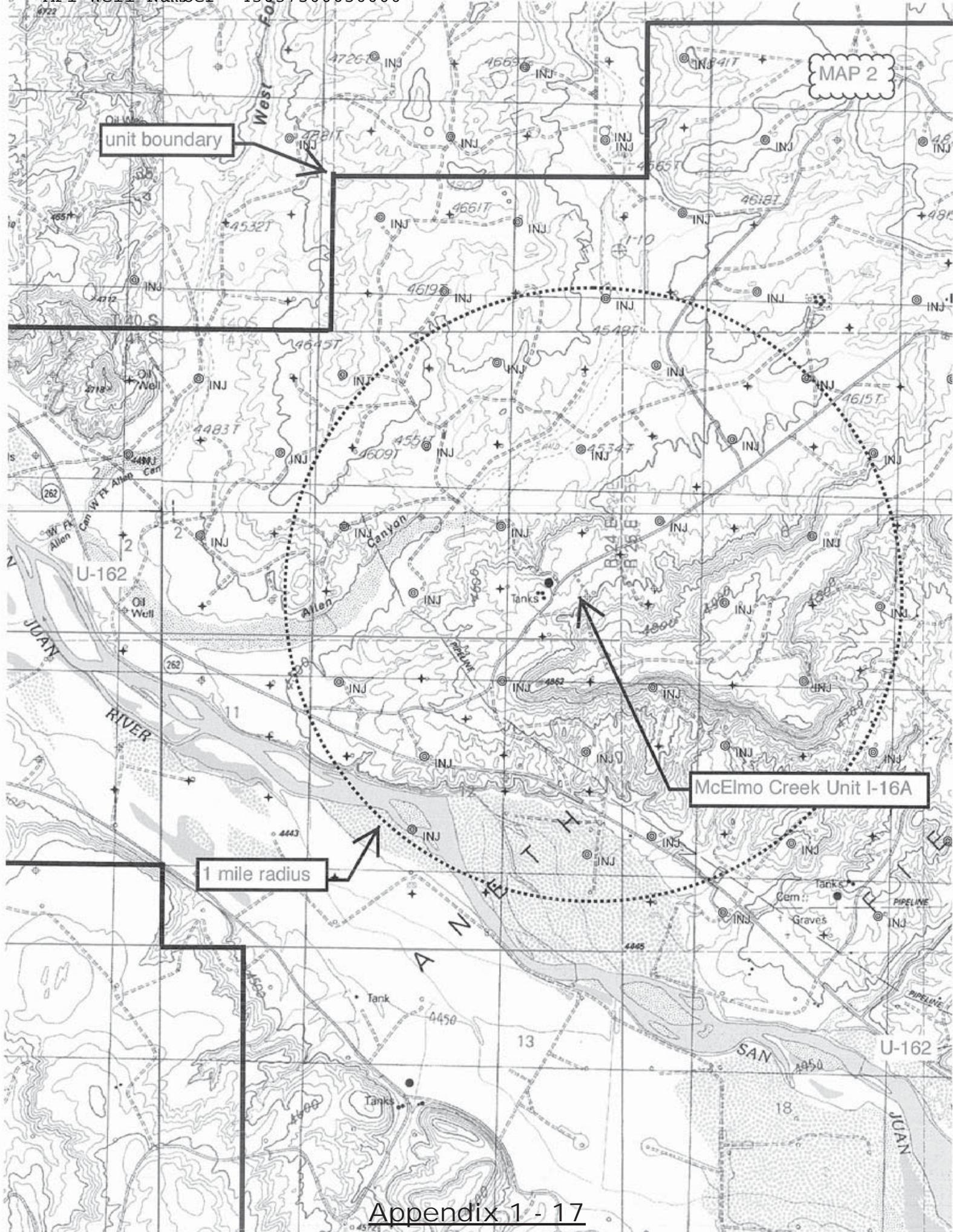
Donnie Trimble
Resolute Aneth, LLC
P. O. Drawer G
Cortez, CO 81321
(970) 371-6753

TOPO! map printed on 01/20/14 from "Untitled.tpo"



Map created with ©2010 National Geographic; ©2005 Tele Atlas, Rel. 8/2005





unit boundary

MAP 2

McElmo Creek Unit I-16A

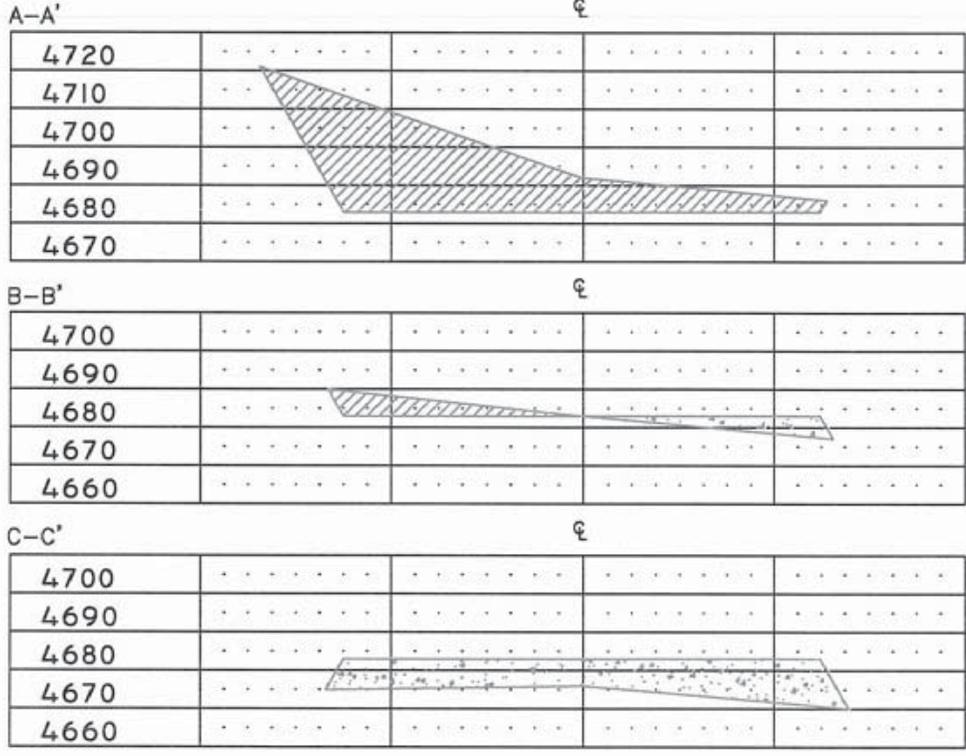
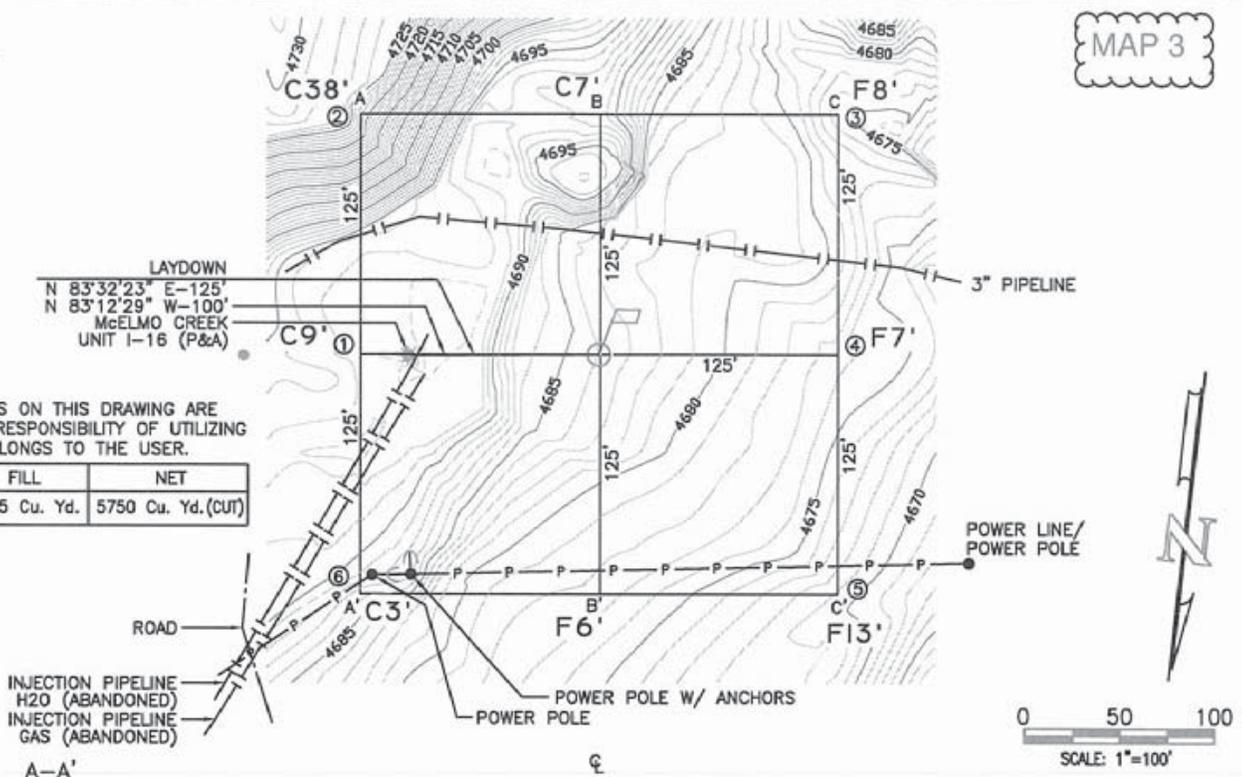
1 mile radius

**BEFORE DIGGING
CALL FOR UTILITY
LINE LOCATION!**

MAP 3

NOTE:
THE EARTH QUANTITIES ON THIS DRAWING ARE
ESTIMATED AND THE RESPONSIBILITY OF UTILIZING
THIS INFORMATION BELONGS TO THE USER.

CUT	FILL	NET
13,585 Cu. Yd.	7,835 Cu. Yd.	5750 Cu. Yd.(CUT)



CROSS SECTIONS
HORIZONTAL: 1"=100'
VERTICAL: 1"=50'

EXHIBIT 1A

LEASE: McELMO CREEK UNIT I-16A

FOOTAGES: 804' FSL, 602' FEL

SEC. 1 TWN. 41 S RNG. 24 E S.L.M.

LATITUDE: N 37.2462920° LONGITUDE: W 109.2259099°

ELEVATION: 4683

RESOLUTE
NATURAL RESOURCES

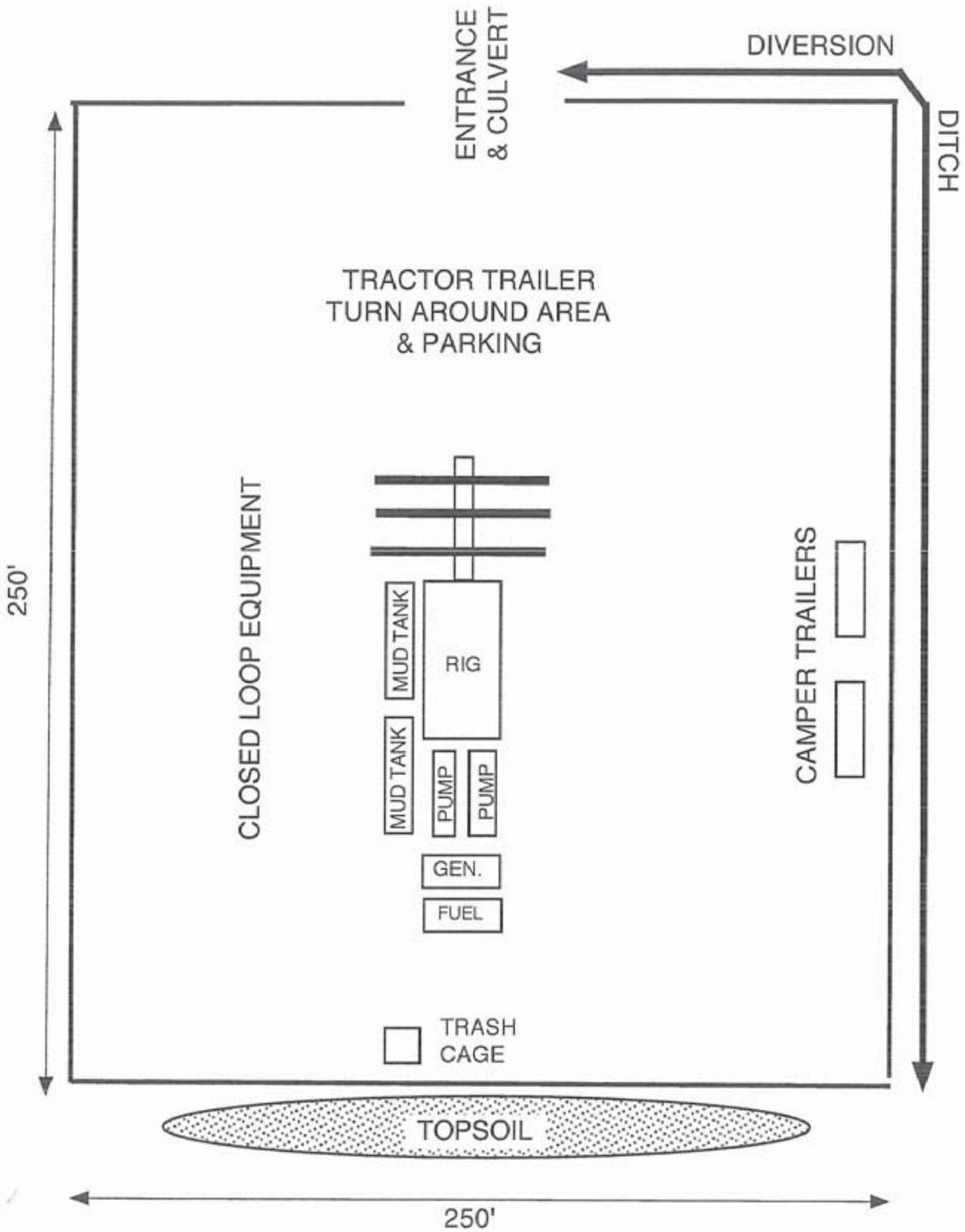
SURVEYED: 06/28/13	REV. DATE:	APP. BY J.A.V.
DRAWN BY: H.S.	DATE DRAWN: 07/10/13	FILE NAME: 10511C01

UNITED
FIELD SERVICES INC.

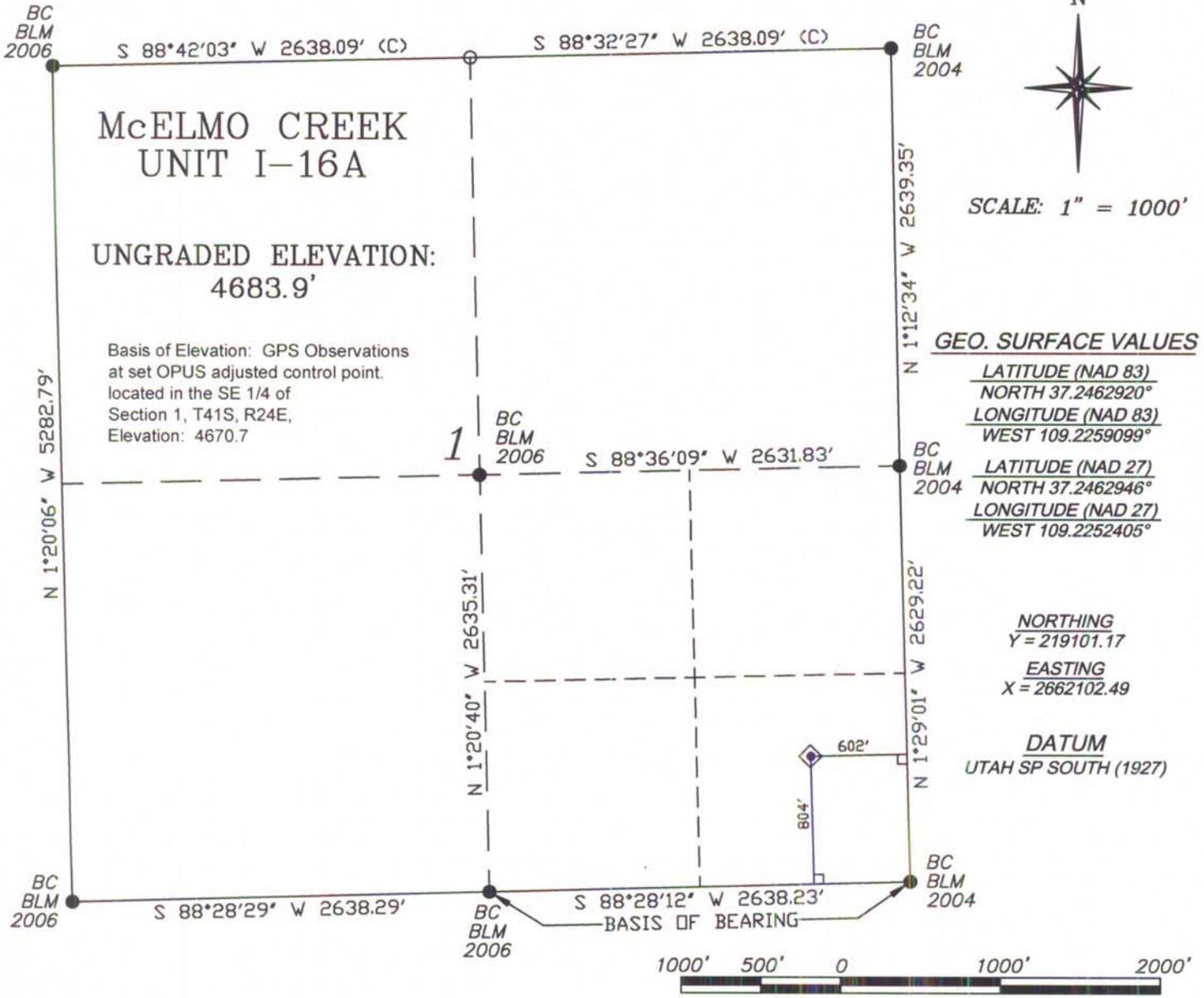
P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505) 334-0408

Resolute's
McElmo Creek Unit I-16A

NORTH ← 1" = 50'



T. 41 S., R. 24 E., S.L.M.



GEO. SURFACE VALUES

LATITUDE (NAD 83)
 NORTH 37.2462920°
LONGITUDE (NAD 83)
 WEST 109.2259099°
LATITUDE (NAD 27)
 NORTH 37.2462946°
LONGITUDE (NAD 27)
 WEST 109.2252405°

NORTHING
 Y = 219101.17
EASTING
 X = 2662102.49

DATUM
 UTAH SP SOUTH (1927)



SURVEYOR'S STATEMENT:

I, John A. Vukonich, of Farmington, New Mexico, hereby state: This plat was made from notes taken during an actual survey under my direct supervision on JUNE 28, 2013, and it correctly shows the location of McELMO CREEK UNIT I-16A.

NOTES

- ◆ PROPOSED WELL LOCATION
- FOUND MONUMENT
- CALCULATED POSITION
- L DENOTES 90° TIE
- (C) CALCULATED

[Signature] 7-18-2013
 UTAH PLS No. 7219139-2201 DATE
 johnv@ufsnm.com

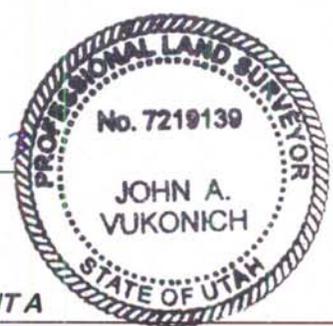
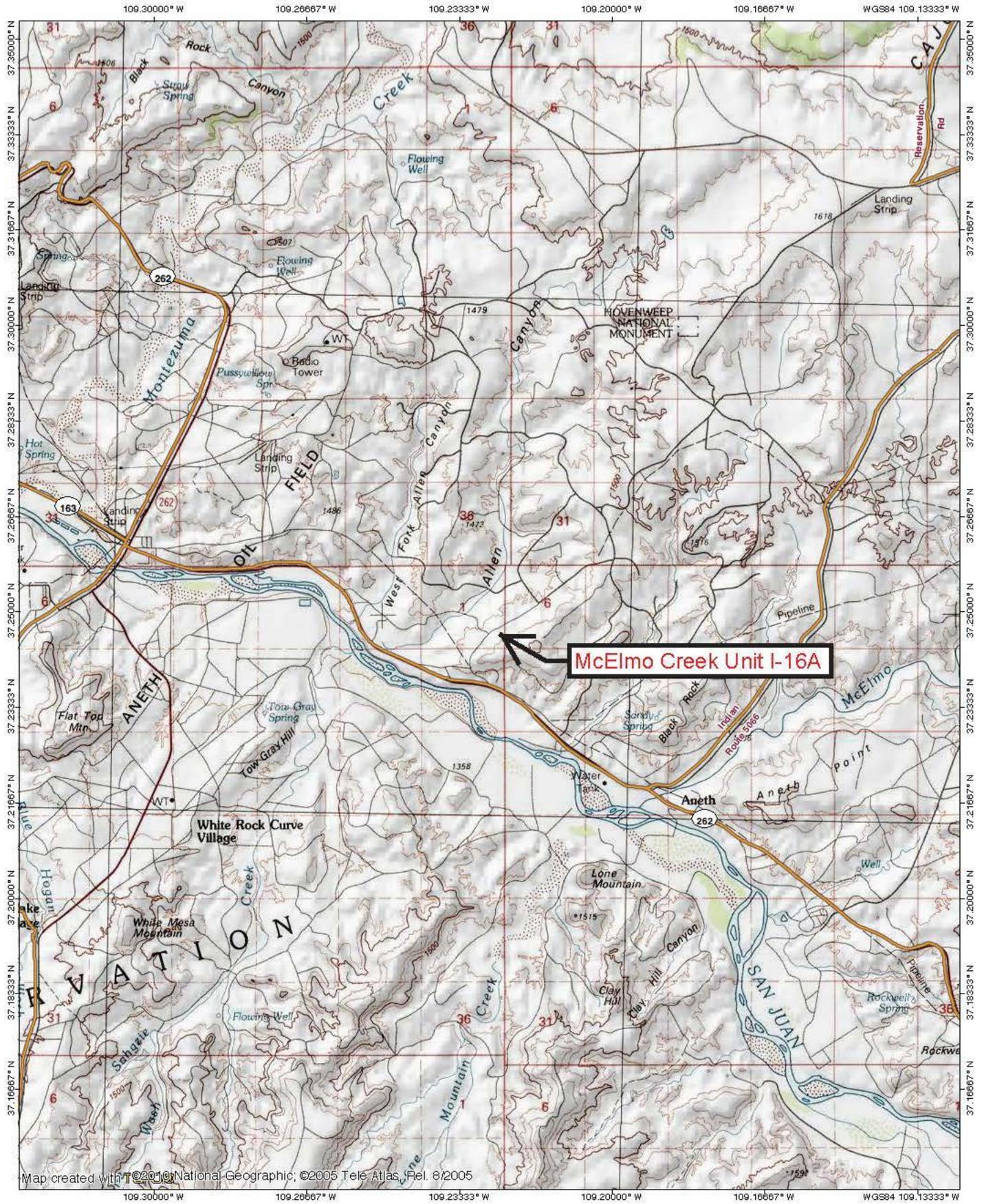


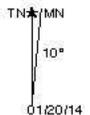
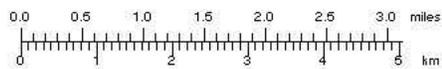
EXHIBIT A

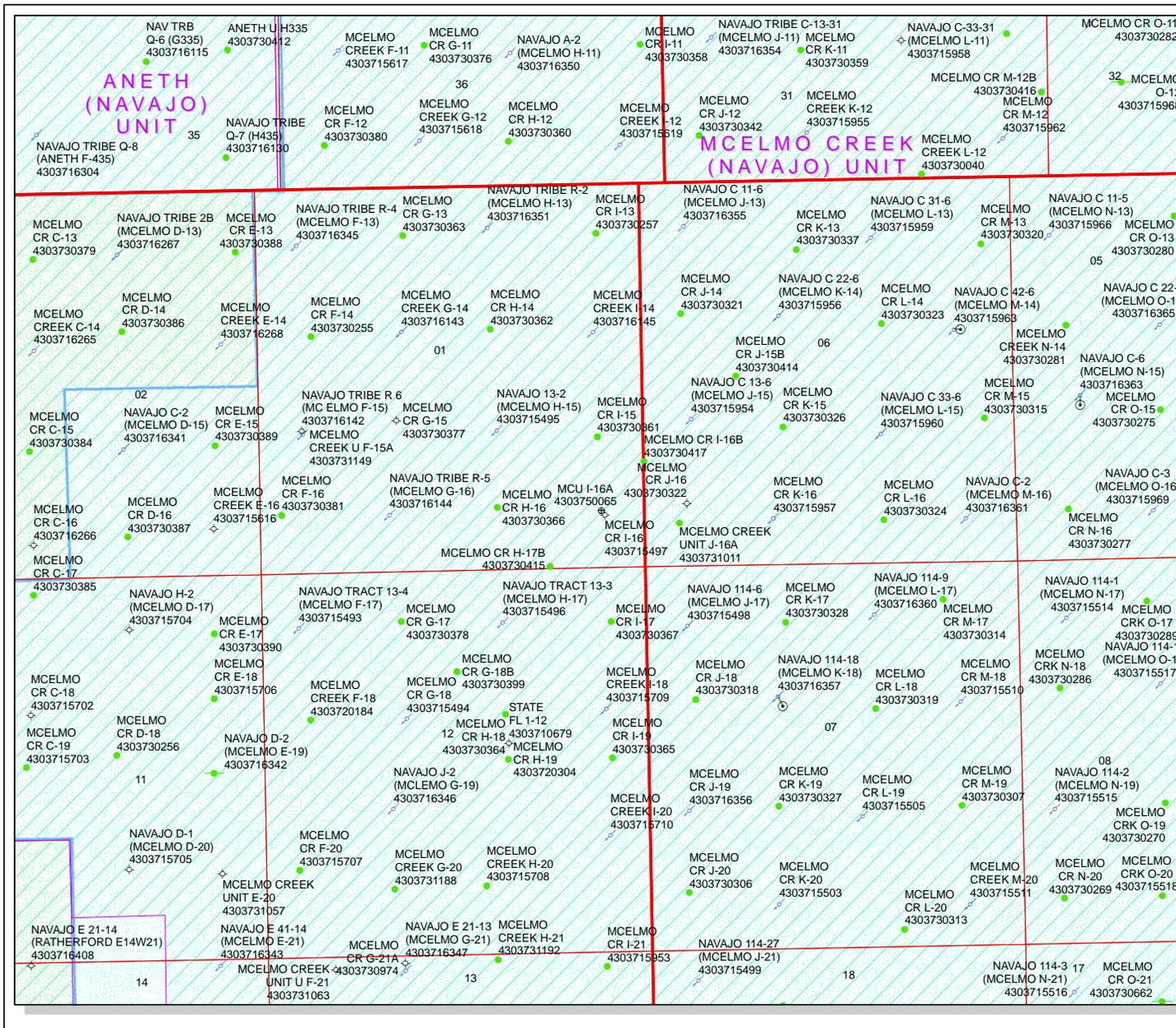
<p>UNITED FIELD SERVICES INC.</p>	<p>SCALE: 1" = 1000'</p>	<p>PLAT OF PROPOSED WELL LOCATION FOR RESOLUTE NATURAL RESOURCES COMPANY</p> <p>804' F/SL & 602' F/EL, SECTION 1, T. 41 S, R. 24 E, SALT LAKE MERIDIAN SAN JUAN COUNTY, UTAH</p>
	<p>JOB No. 10511</p>	
	<p>DATE: 07/10/13</p>	
<p>P.O. BOX 3651 FARMINGTON, N.M. (505) 334-0408</p>		<p>BY: H.S. DWG.#: 10511W01</p>

TOPOL map printed on 01/20/14 from "Untitled.tpo"



Map created with ©2011 National Geographic, ©2005 Tele Atlas, Rel. 6/2005





API Number: 4303750065

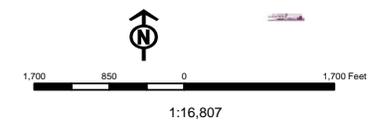
Well Name: MCU I-16A

Township: T41.0S Range: R24.0E Section: 01 Meridian: S

Operator: RESOLUTE NATURAL RESOURCES

Map Prepared: 2/20/2014
Map Produced by Diana Mason

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



WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 2/20/2014

API NO. ASSIGNED: 43037500650000

WELL NAME: MCU I-16A

OPERATOR: RESOLUTE NATURAL RESOURCES (N2700)

PHONE NUMBER: 505 466-8120

CONTACT: Brian Wood

PROPOSED LOCATION: SESE 01 410S 240E

Permit Tech Review:

SURFACE: 0804 FSL 0602 FEL

Engineering Review:

BOTTOM: 0804 FSL 0602 FEL

Geology Review:

COUNTY: SAN JUAN

LATITUDE: 37.24625

LONGITUDE: -109.22587

UTM SURF EASTINGS: 657351.00

NORTHINGS: 4123665.00

FIELD NAME: GREATER ANETH

LEASE TYPE: 2 - Indian

LEASE NUMBER: 14-20-603-4039

PROPOSED PRODUCING FORMATION(S): DESERT CREEK

SURFACE OWNER: 2 - Indian

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: INDIAN - B001252
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 09-1428; A60998 or 06.0015-06.0020
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

LOCATION AND SITING:

- R649-2-3.
- Unit: MCELMO CREEK
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: Cause 152-09
- Effective Date: 8/27/2003
- Siting: Suspends General Siting
- R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 4 - Federal Approval - dmason



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. HAZA
Division Director

Permit To Drill

Well Name: MCU I-16A
API Well Number: 43037500650000
Lease Number: 14-20-603-4039
Surface Owner: INDIAN
Approval Date: 2/20/2014

Issued to:

RESOLUTE NATURAL RESOURCES, 1675 Broadway Ste 1950, Denver, CO 80202

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 152-09. The expected producing formation or pool is the DESERT CREEK 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:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

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 at 801-538-5284

(please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at <http://oilgas.ogm.utah.gov>

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



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

April 23, 2015

Resolute Natural Resources
1700 Lincoln St. Ste. 2800
Denver, CO 80203

Re: APD Rescinded – MCU 1-16A, Sec. 1, T. 41S, R. 24E,
San Juan County, Utah API No. 43-037-50065

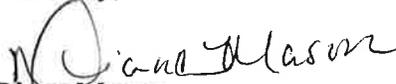
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 20, 2014. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective April 23, 2015.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Monticello

