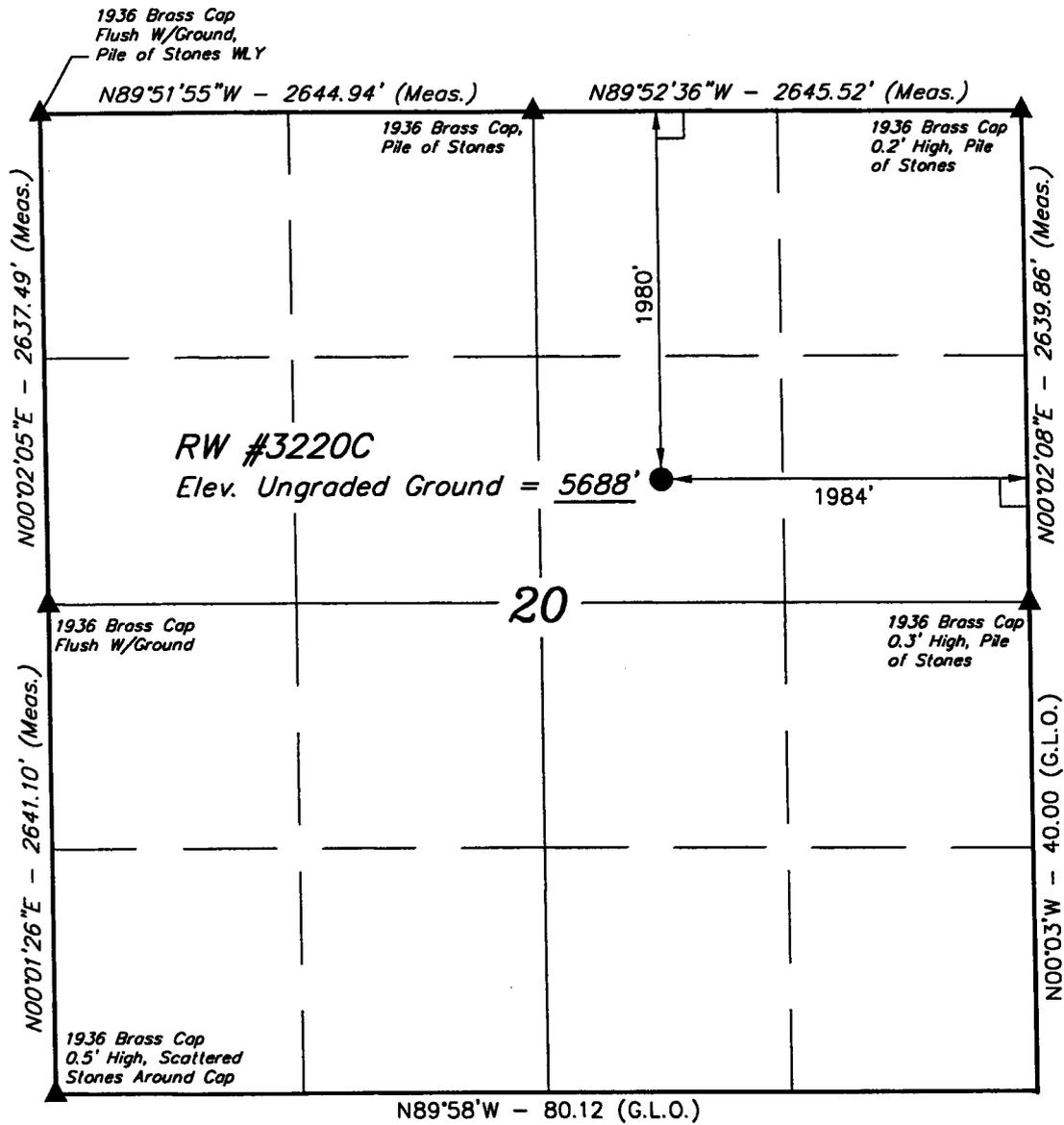


T7S, R24E, S.L.B.&M.



QUESTAR EXPLORATION & PRODUCTION

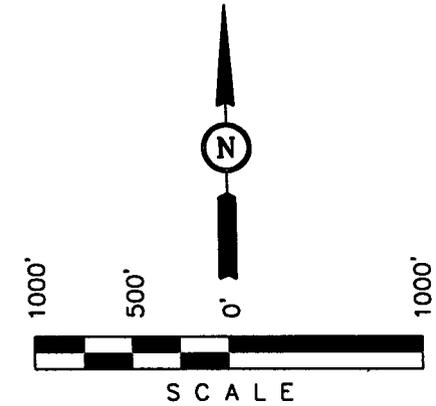
Well location, RW #3220C, located as shown in the SW 1/4 NE 1/4 of Section 20, T7S, R24E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (38 EAM) LOCATED IN THE SW 1/4 SW 1/4 OF SECTION 32, T7S, R25E, S.L.B.&M. TAKEN FROM THE DINOSAUR NW QUADRANGLE, UTAH, UTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5643 FEET.

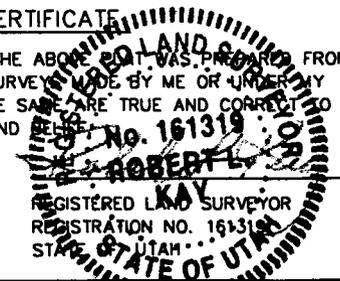
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



CONFIDENTIAL

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = 40°11'48.60" (40.196833)
 LONGITUDE = 109°14'09.04" (109.235844)

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 07-08-03	DATE DRAWN: 07-22-03
PARTY D.A. R.D. D.COX	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE QUESTAR EXPLORATION & PRODUCTION	

Additional Operator Remarks

QEP, Uinta Basin Inc. proposes to drill a well to 5650' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements

Please see QEP, Uinta Basin, Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 and 24 East.

See Onshore Order No. 1 attached

Please be advised that QEP, Uinta Basin, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. ESB000024. The principal is QEP, Uinta Basin, Inc. via surety as consent as provided for the 43 CFR 3104.2.

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ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>
Uinta	Surface
Green River	2695
Mahogany Ledge	3435
TD	5650

2. Anticipated Depths of Oil, Gas, Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Oil/Gas	Green River	5650

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 2260.0 psi.

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**QEP, UINTA BASIN INC.
RED WASH 32-20C
1980' FNL, 1984' FEL
SWNE, SECTION 20, T7S, R24E
UINTAH COUNTY, UTAH
LEASE # UTU-02149**

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the RW 32-20C on September 9, 2003 at approximately 11:00 AM. Weather conditions were sunny at the time of the onsite. In attendance at the inspection were the following individuals:

Paul Buehler	Bureau of Land Management
Dixie Sadleir	Bureau of Land Management
Jan Nelson	QEP/SEI

1. Existing Roads:

The proposed well site is approximately 4 miles East of Redwash, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

There will be no improvements made to existing access roads.

2. Planned Access Roads:

Please see QEP Uinta Basin Inc. Standard Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1 – Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see QEP Uinta Basin, Inc. Standard Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

Refer to Topo Map D for the location of the proposed pipeline.

5. Location and Type of Water Supply:

Please see QEP Uinta Basin, Inc. Standard Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

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6. Source of Construction Materials:

Please see QEP Uinta Basin, Inc. Standard Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

7. Methods of Handling Waste Materials:

Please see QEP Uinta Basin, Inc. Standard Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

8. Ancillary Facilities:

Please see QEP Uinta Basin, Inc. Standard Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. Plans for Reclamation of the Surface:

Please see QEP Uinta Basin, Inc. Standard Operating Practices for Green River Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Township 07 and 08 South, Ranges 21 to 24 East.

Seed mix #4 as follows;

Needle & Thread	2lbs/acre
Western Wheatgrass	1lbs/acre
Globe Mallow	1lbs/acre
Indian Rice grass	2lbs/acre
Shadscale	3lbs/acre
Crested Wheat Grass	1lbs/acre

11. Surface Ownership:

The well pad and access road are located on lands owned by:

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

12. Other Information

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

No drilling or construction will take place during the Antelope season May 10 thru June 20th.

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Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
QEP Uinta Basin, Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

QEP Uinta Basin, Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QEP Uinta Basin, Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

John Busch

John Busch

Red Wash Operations Representative

16-Sep-03

Date

CONFIDENTIAL

QUESTAR EXPLR. & PROD.

RW #3220C

LOCATED IN UTAH COUNTY, UTAH
SECTION 20, T7S, R24E, S.L.B.&M.

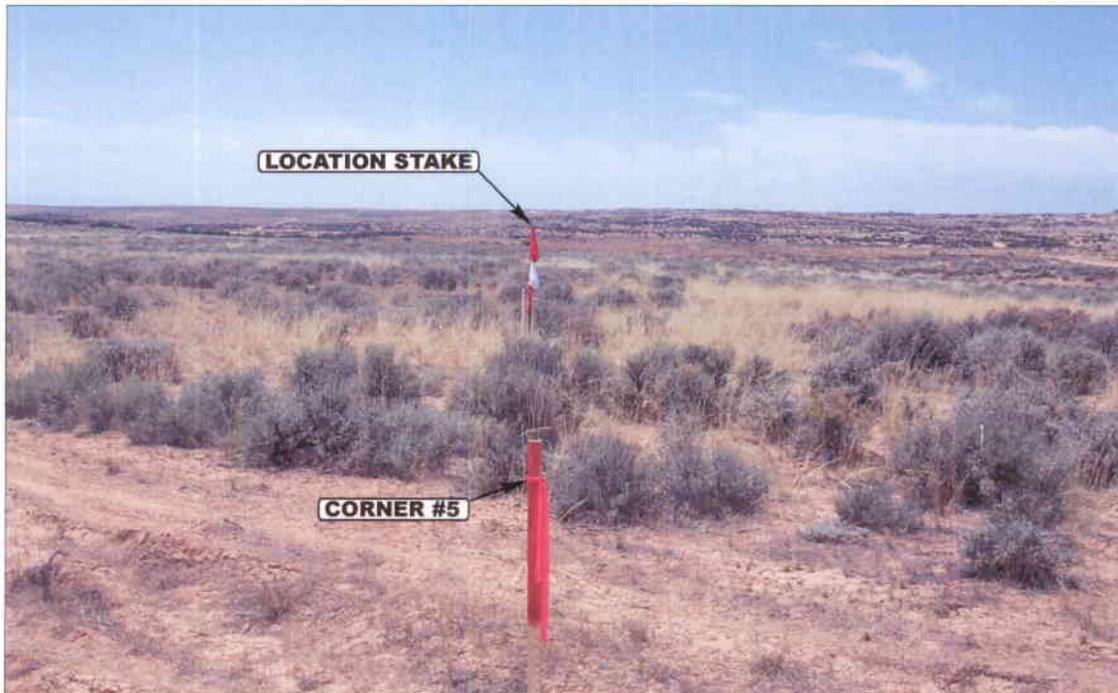


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS			07	10	03	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: D.A.	DRAWN BY: P.M.	REVISED: 00-00-00				

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QUESTAR EXPLORATION & PRODUCTION

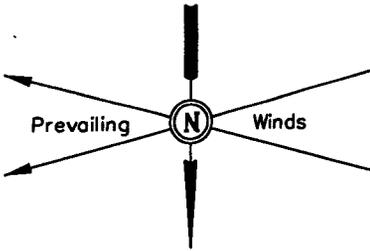
FIGURE #1

LOCATION LAYOUT FOR

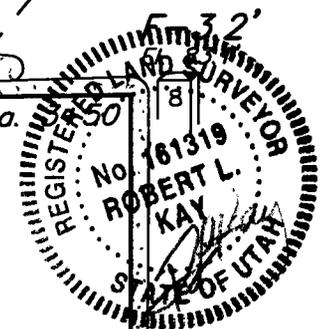
RW #3220C

SECTION 20, T7S, R24E, S.L.B.&M.

1980' FNL 1984' FEL



SCALE: 1" = 50'
DATE: 07-24-03
Drawn By: D.COX

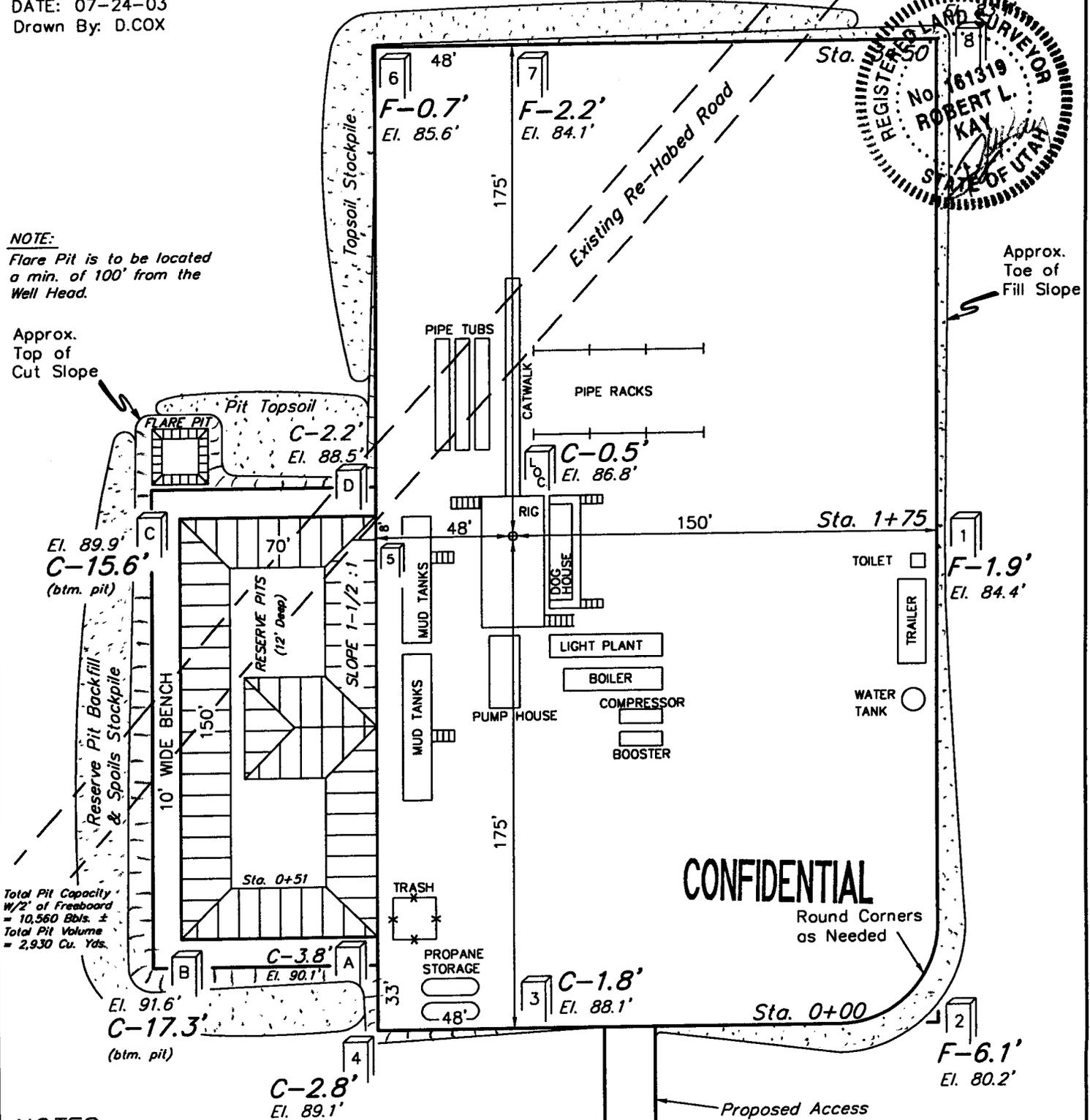


NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Top of Cut Slope

Approx. Toe of Fill Slope



Total Pit Capacity
W/2' of Freeboard
= 10,560 Bbls. ±
Total Pit Volume
= 2,930 Cu. Yds.

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Round Corners as Needed

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5687.7'
FINISHED GRADE ELEV. AT LOC. STAKE = 5686.3'

Proposed Access Road

QUESTAR EXPLORATION & PRODUCTION

FIGURE #2

TYPICAL CROSS SECTIONS FOR

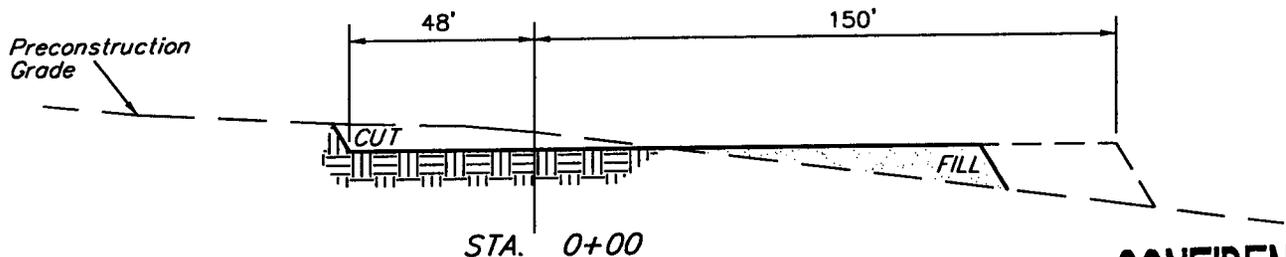
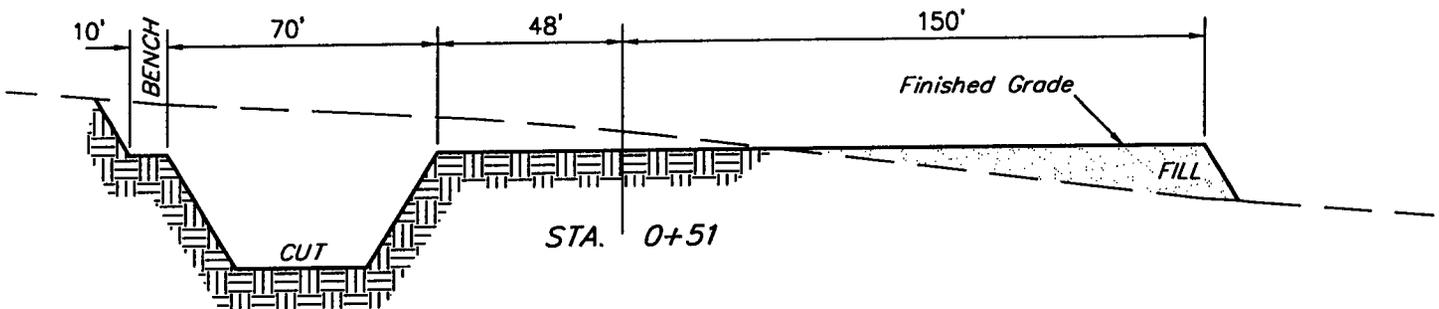
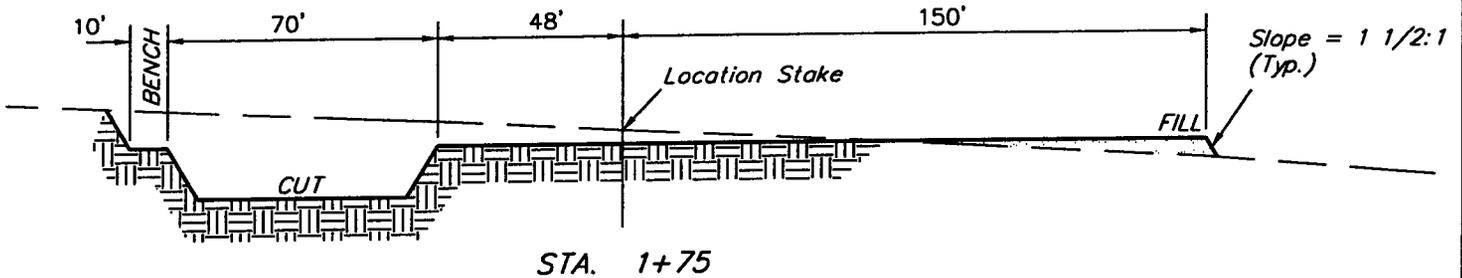
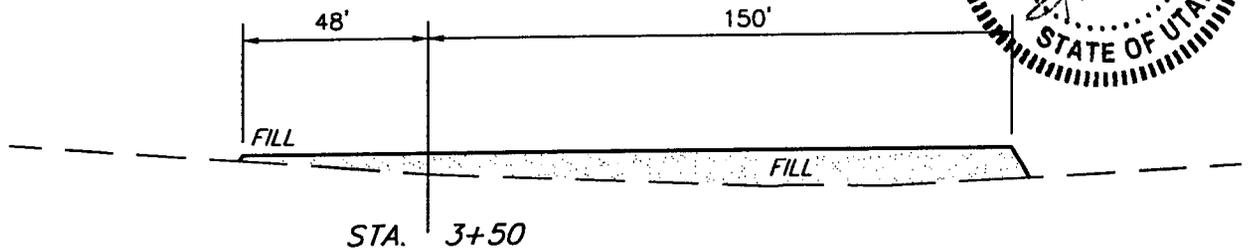
RW #3220C

SECTION 20, T7S, R24E, S.L.B.&M.

1980' FNL 1984' FEL

1" = 20'
X-Section Scale
1" = 50'

DATE: 07-24-03
Drawn By: D.COX



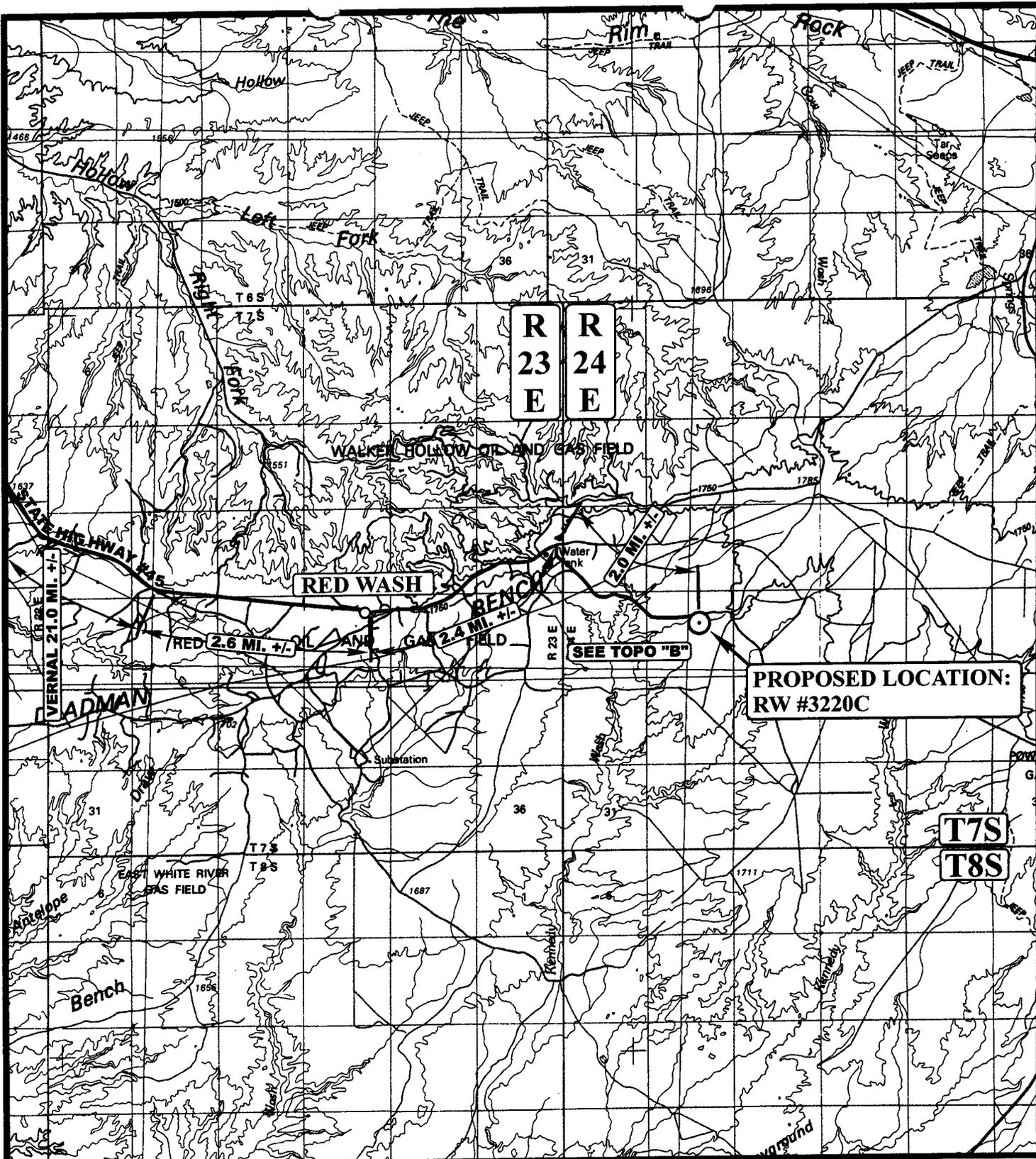
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APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,540 Cu. Yds.
Remaining Location	=	5,730 Cu. Yds.
TOTAL CUT	=	7,270 CU.YDS.
FILL	=	4,060 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	3,000 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,000 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



QUESTAR EXPLR. & PROD.

RW #3220C
SECTION 20, T7S, R24E, S.L.B.&M.
1980' FNL 1984' FEL

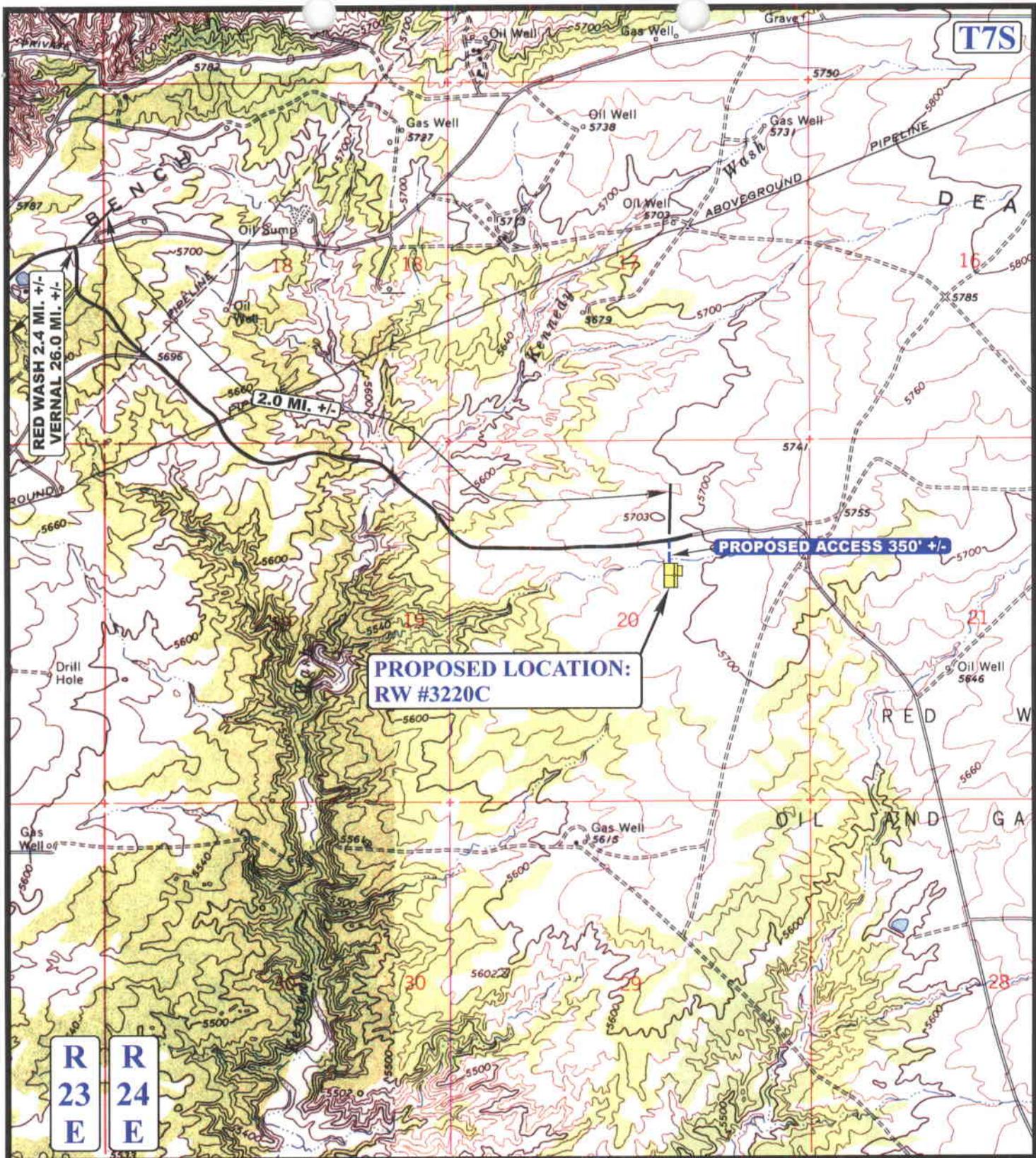


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC	07	10	03
MAP	MONTH	DAY	YEAR
SCALE: 1:100,000	DRAWN BY: P.M.		REVISED: 00-00-00



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LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



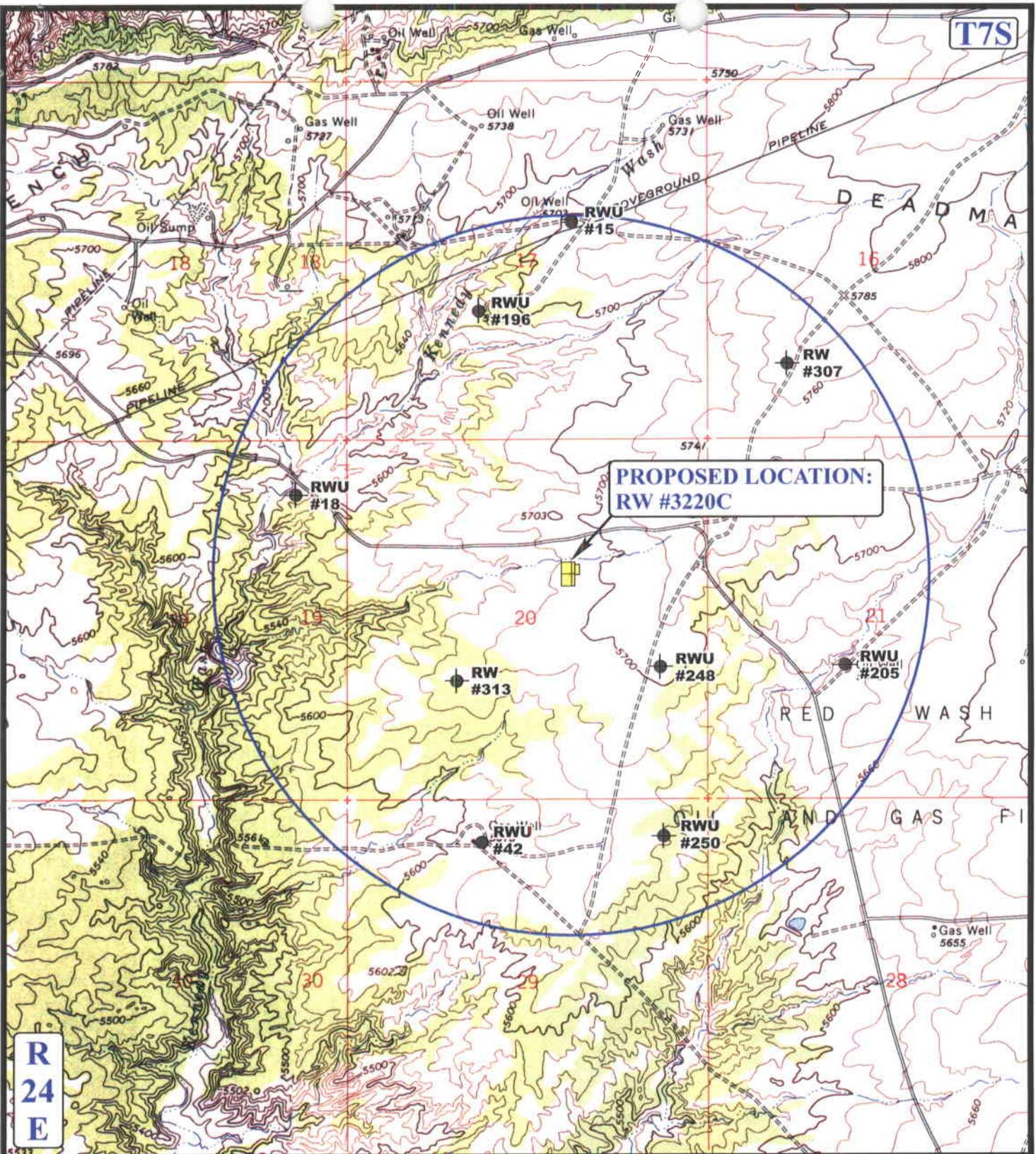
QUESTAR EXPLR. & PROD.

RW #3220C
SECTION 20, T7S, R24E, S.L.B.&M.
1980' FNL 1984' FEL

UEIS Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 07 10 03
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00 **B TOPO**

CONFIDENTIAL



**R
24
E**

T7S

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- ⬮ SHUT IN WELLS
- ⊗ WATER WELLS
- ⬮ ABANDONED WELLS
- ⬮ TEMPORARILY ABANDONED

QUESTAR EXPLR. & PROD.

RW #3220C
SECTION 20, T7S, R24E, S.L.B.&M.
1980' FNL 1984' FEL

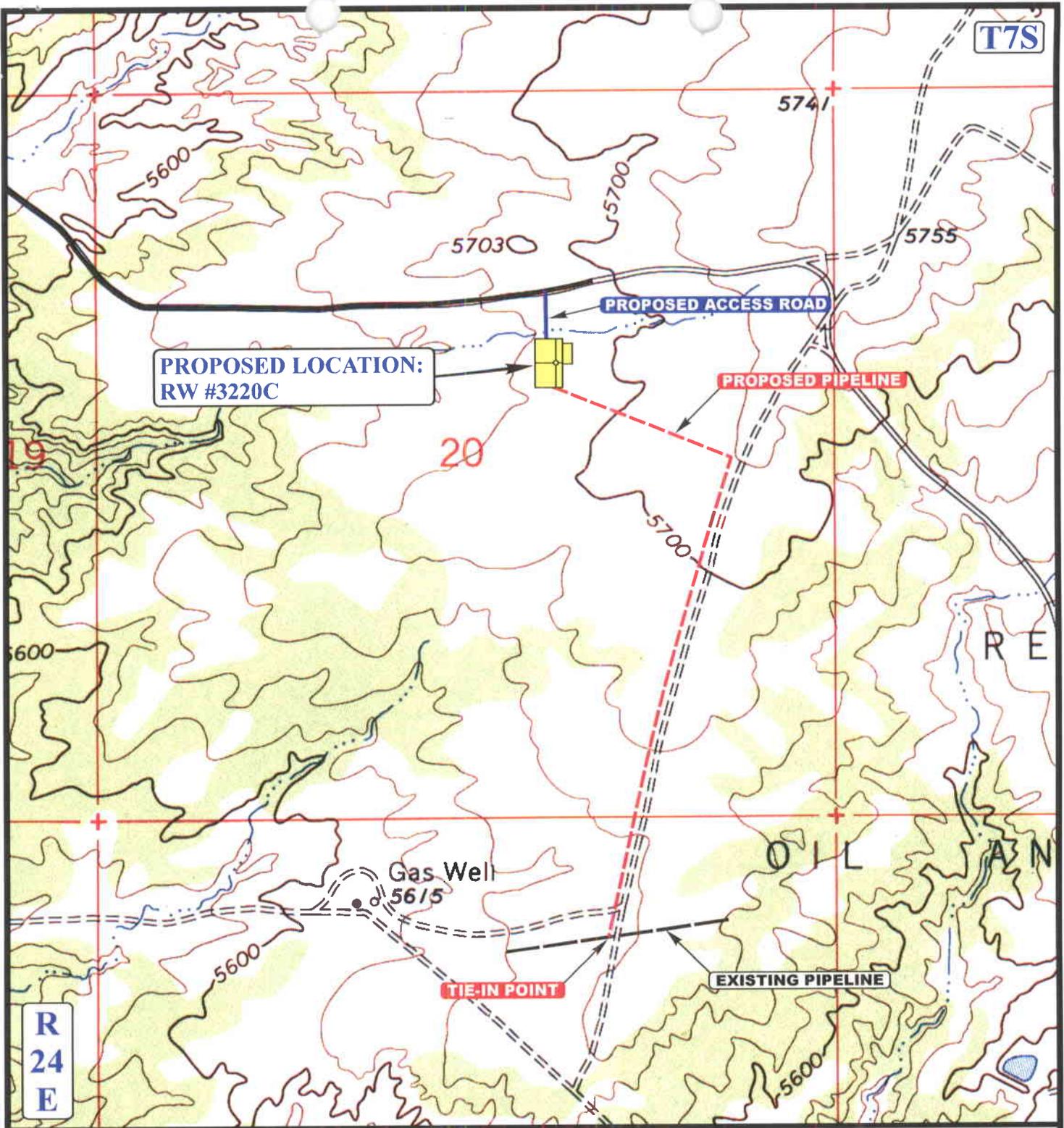


Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP **07 10 03**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



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APPROXIMATE TOTAL PIPELINE DISTANCE = 5,000' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- - - - - EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



QUESTAR EXPLR. & PROD.

**RW #3220C
SECTION 20, T7S, R24E, S.L.B.&M.
1980' FNL 1984' FEL**



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

07 10 03
MONTH DAY YEAR



SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00

CONFIDENTIAL

004

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/22/2003

API NO. ASSIGNED: 43-047-35245

WELL NAME: RW 32-20C

OPERATOR: QEP UINTA BASIN, INC. (N2460)

CONTACT: RALEEN SEARLE

PHONE NUMBER: 435-781-4309

PROPOSED LOCATION:

SWNE 20 070S 240E
SURFACE: 1980 FNL 1984 FEL
BOTTOM: 1980 FNL 1984 FEL
UINTAH
RED WASH (665)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-02149

SURFACE OWNER: 1 - Federal

LATITUDE: 40.19698

PROPOSED FORMATION: GRRV

LONGITUDE: 109.23514

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB00024)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 43-8496)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit RED WASH
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 187-07
Eff Date: 9-18-2001
Siting: Suspends General Siting
- R649-3-11. Directional Drill

COMMENTS: Sep, Separate file

STIPULATIONS: 1-Federal Approval

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
 Utah State Office
 P.O. Box 45155
 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
 3160
 (UT-922)

September 26, 2003

Memorandum

To: Assistant District Manager Minerals, Vernal District
 From: Michael Coulthard, Petroleum Engineer
 Subject: 2003 Plan of Development Red Wash Unit,
 Uintah County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2003 within the Red Wash Unit, Uintah County, Utah.

Api Number	Well	Location
------------	------	----------

(Proposed PZ Green River)

43-047-35239	RW 12-20C Sec 20 T07S R24E 2024 FNL 0707 FWL	
43-047-35244	RW 34-19C Sec 19 T07S R24E 0601 FSL 1604 FEL	
43-047-35245	RW 32-20C Sec 20 T07S R24E 1980 FNL 1984 FEL	

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Red Wash Unit
 Division of Oil Gas and Mining
 Agr. Sec. Chron
 Fluid Chron

MCoulthard:mc:9-26-3



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

September 29, 2003

QEP Uinta Basin, Inc.
11002 E. 17500 S.
Vernal, UT 84078

Re: Red Wash 32-20C Well, 1980' FNL, 1984' FEL, SW NE, Sec. 20, T. 7 South, R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

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. The API identification number assigned to this well is 43-047-35245.

Sincerely,


for John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: QEP Uinta Basin, Inc.
Well Name & Number Red Wash 32-20C
API Number: 43-047-35245
Lease: UTU-02149

Location: SW NE Sec. 20 T. 7 South R. 24 East

Conditions of Approval

1. 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.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO. 1040-0136
Expires: February 28, 1995

006

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK
 DRILL DEEPEN

TYPE OF WELL
 SINGLE ZONE MULTIPLE ZONE

OIL WELL GAS WELL OTHER

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-02149

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

7. UNIT AGREEMENT NAME
 RED WASH

8. FARM OR LEASE NAME, WELL NO.
 RW 32-20C

2. NAME OF OPERATOR
 QEP, Uinta Basin Division

Contact: Raleen Searle
 E-Mail: raleen.searle@questar.com

9. API WELL NO.
 43-047-35245

3. ADDRESS
 11002 E. 17500 S. Vernal, Ut 84078

Telephone number
 Phone 435-781-4309 Fax 435-781-4323

10. FIELD AND POOL, OR WILDCAT
 RED WASH

4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*)
 At Surface SWNE, 1980' FNL, 1984' FEL
 At proposed production zone

11. SEC., T, R, M, OR BLK & SURVEY OR AREA
 SWNE, SECTION 20, T7S, R24E

14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE*
 4 +/- miles East of Redwash, Utah

12. COUNTY OR PARISH UINTAH
 13. STATE UT

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (also to nearest drig, unit line if any)
 1980' +/-

16. NO. OF ACRES IN LEASE
 1280

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft
 2000' +/-

19. PROPOSED DEPTH
 5650'

20. BLM/BIA Bond No. on file
 ESB00024

21. ELEVATIONS (Show whether DF, RT, GR, ect.)
 5700' KB

22. DATE WORK WILL START
 ASAP

23. Estimated duration
 10 DAYS

24. Attachments

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

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan
- 3. A surface Use Plan (if location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 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 authorized officer.

SIGNED John Busch Name (Printed) JOHN BUSCH

16-Sep-03

TITLE OPERATIONS SUPERVISOR

RECEIVED

DEC 31 2003

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify the applicant holds any 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:
 APPROVED BY [Signature] TITLE acting Assistant Field Manager Mineral Resources

DIV. OF OIL, GAS & MINING
 DATE 12/15/03

*See Instructions On Reverse Side

Title 18 U.S.C Section 1001, makes 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

DDGMA
 NOTICE OF APPROVAL

CONFIDENTIAL
 CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy Inc.

Well Name & Number: RW 32-20C

API Number: 43-047-35245

Lease Number: UTU - 02149

Location: SWNE Sec. 20 TWN: 07S RNG: 24E

Agreement: RED WASH UNIT

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application 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.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Casing Program and Auxiliary Equipment

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at $\pm 2,735$ ft.

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator: QEP, Uinta Basin, Inc

API Number: 43-047-35245

Well Name & Number: RW 32-20C

Lease number: UTU-02149

Location: SW NE Sec, 20, T.7S. R. 24E.

Surface Ownership: BLM

Date NOS Received: 9/8/03

Date APD Received: 9/18/03

Conditions for Approval are in the APD
Top soil needs to be piled between Stake 2 & 8

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

007

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-02149

SUNDRY NOTICES AND REPORTS ON WELLS

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

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.

7. UNIT or CA AGREEMENT NAME:
RED WASH

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
RW 32-20C

2. NAME OF OPERATOR:
QEP UINTA BASIN, INC.

9. API NUMBER:
4304735245

3. ADDRESS OF OPERATOR:
11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:
(435) 781-4341

10. FIELD AND POOL, OR WILDCAT:
RED WASH

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1980' FNL 1984' FEL COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 20 7S 24E STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (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 type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 type="checkbox"/> OTHER: <u>APD EXTENSION</u>
	<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.
QEP Uinta Basin, Inc. hereby requests a 1 year extension on the APD for the RW 32-20C.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 08-30-04
By: [Signature]

COPY SENT TO OPERATOR
Date: 9-1-04
Initials: CND

NAME (PLEASE PRINT) John Busch TITLE Operations
SIGNATURE [Signature] DATE 8/24/2004

(This space for State use only)

RECEIVED
AUG 27 2004
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-35245
Well Name: RW 32-20C
Location: 1980' FNL 1984' FEL SWNE SEC 20 T7S R24E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 9/29/2003

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No

John Burch
Signature

8/24/2004
Date

Title: OPERATIONS

Representing: QEP UINTA BASIN, INC.

RECEIVED
AUG 27 2004
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

008

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

UTU-02149

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
RED WASH UINT

8. Well Name and No.
RW 32-20C

9. API Well No.
43-047-35245

10. Field and Pool, or Exploratory Area
RED WASH

11. County or Parish, State
UINTAH, UTAH

1. Type of Well
Oil Gas
Well Well Other

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DEC 13 2004
By Contact: Jan Nelson
Email: Jan.Nelson@questar.com

2. Name of Operator
QEP UINTA BASIN, INC.

3. Address and Telephone No
11002 E. 17500 S. VERNAL, UT 84078-8526 (435) 781-4331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SWNE 1980' FNL 1984' FEL SECTION 20, T7S, R24E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing	
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off	
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection	
	<input checked="" type="checkbox"/> Other <u>APD Extension</u>	<input type="checkbox"/> Dispose Water	

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the APD for the RW 32-20C

RECEIVED
JAN 31 2005
DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct.
Signed Jan Nelson Title Regulatory Affairs Analyst Date 12-10-04

(This space for Federal or State agency use)
Approved by: Michael Lee Title Petroleum Engineer Date JAN 14 2005

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes 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.

*See instruction on Reverse Side

UDOGM

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-35245
Well Name: RW 32-20C
Location: SWNE 1980' FNL 1984' FEL SEC. 20, T7S, R24E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 12/15/2003

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

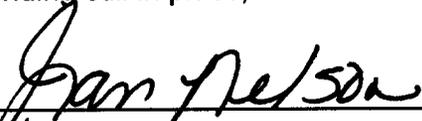
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No



Signature

12/13/2004

Date

Title: REGULATORY AFFAIRS ANALYST

Representing: QEP UINTA BASIN, INC.

QEP Uinta Basin Inc.
APD Extension

Well: RW 32- 20C

Location: SWNE Sec. 20, T07S, R24E

Lease: UTU-02149

Conditions of Approval

An extension for the referenced APD is granted with the following condition(s):

1. The extension will expire 12/14/05
2. No other extensions beyond that period will be granted or allowed.

If you have any other questions concerning this matter, please contact Michael Lee at (435) 781-4432.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 15, 2005

Jan Nelson
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: APD Rescinded –Red Wash 32-20C Sec. 20, T. 7S, R. 24E
Uintah County, Utah API No. 43-047-35245

Dear Ms. Nelson:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 29, 2003. On August 30, 2004 the Division granted a one-year APD extension. On September 15, 2005, you requested that the division rescind the state approved APD.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 15, 2005.

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 Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal