

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*

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

001

5. LEASE DESIGNATION AND SERIAL NO.

UTU-73687

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

N/A

8. FARM OR LEASE NAME, WELL NO.

OU SG 16W-14-8-22

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK

DRILL

DEEPEN

TYPE OF WELL

OIL WELL

GAS WELL

OTHER

SINGLE ZONE

MULTIPLE ZONE

2. NAME OF OPERATOR

QEP Uinta Basin, Inc.

Contact: John Busch

E-Mail: john.busch@questar.com

3. ADDRESS

11002 E. 17500 S. Vernal, Ut 84078

Telephone number

Phone 435-781-4341 Fax 435-781-4323

4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*)

At Surface 1129' FSL, 709' FEL LOT 4, SESE, SECTION 14, T8S, R22E

At proposed production zone

10. FIELD AND POOL, OR WILDCAT

KENNEDY WASH

11. SEC., T, R, M, OR BLK & SURVEY OR AREA

SESE, SECTION 14, T8S, R22E

14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE*

30 +/- miles Southwest of Vernal, 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)

709'+/-

16. NO. OF ACRES IN LEASE

1595

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

1000' +/-

19. PROPOSED DEPTH

7850'

20. BLM/BIA Bond No. on file

ESB000024

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

5133' 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:

- | | |
|--|--|
| <p>1. Well plat certified by a registered surveyor.</p> <p>2. A Drilling Plan</p> <p>3. A surface Use Plan (if location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).</p> <p align="center">4441942 Y 40.11864
636383 X -109.39956</p> | <p>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</p> <p>5. Operator certification.</p> <p>6. Such other site specific information and/or plans as may be required by the authorized officer.</p> |
|--|--|

SIGNED John Busch

Name (Printed) JOHN BUSCH

27-Oct-03

TITLE OPERATIONS SUPERVISOR

(This space for Federal or State office use)

PERMIT NO. 43-047-35327

APPROVAL DATE _____

RECEIVED
OCT 29 2003

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:

DIV. OF OIL, GAS & MINING

APPROVED BY Bradley G. Hill

TITLE BRADLEY G. HILL
ENVIRONMENTAL SCIENTIST III

DATE 10-27-04

*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

**Federal Approval of this
Action is Necessary**

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T8S, R22E, S.L.B.&M.

QUESTAR EXPLORATION & PRODUCTION

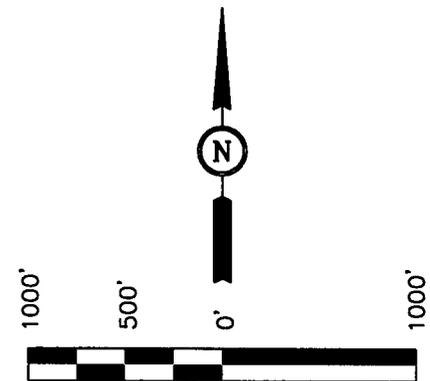
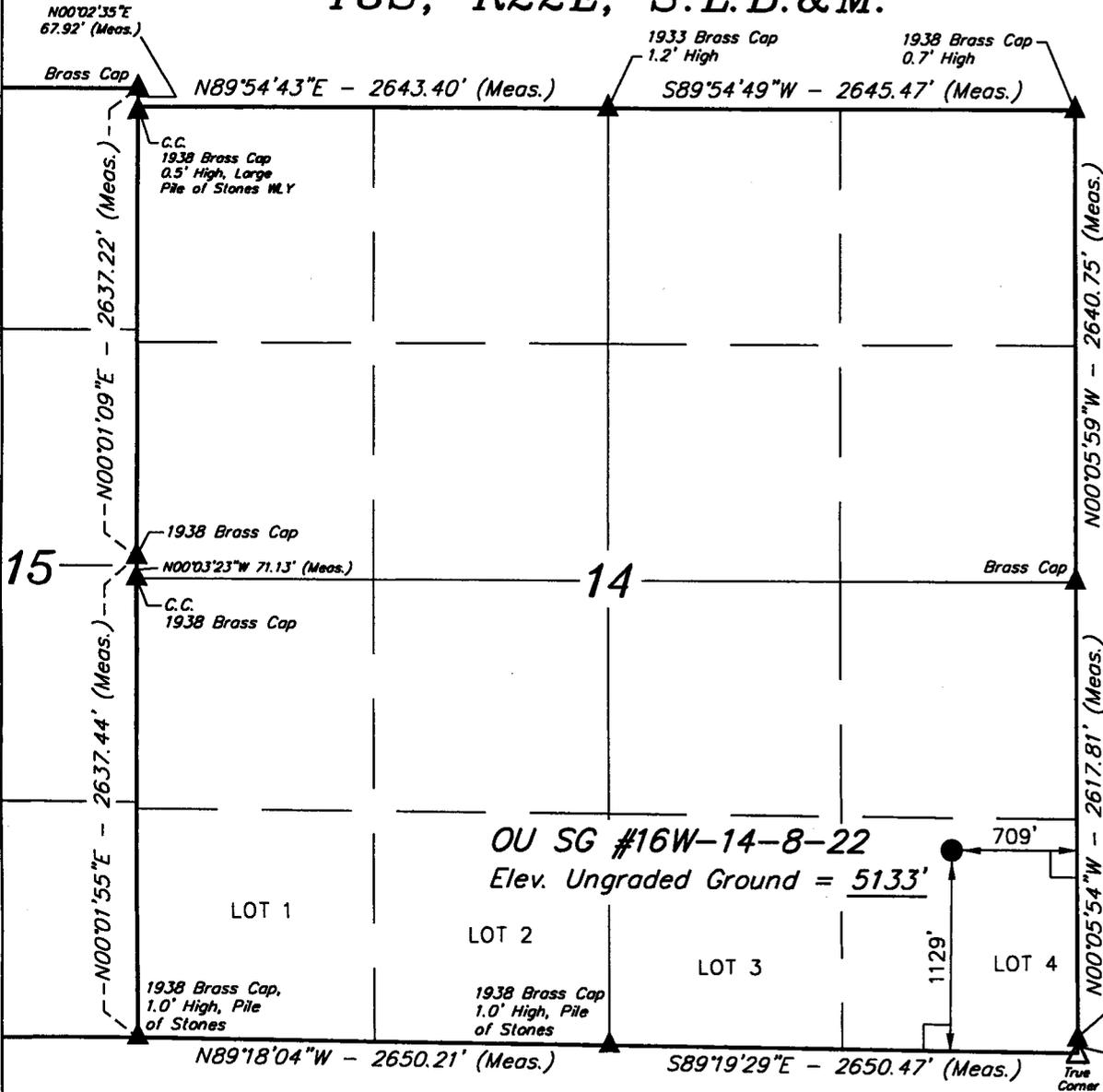
Well location, OU SG #16W-14-8-22, located as shown in the SE 1/4 SE 1/4 of Section 14, T8S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, 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 4697 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 SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert H. Gray

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set On Ground)

(NAD 83)
 LATITUDE = 40°07'06.80" (40.118556)
 LONGITUDE = 109°24'01.24" (109.400344)

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

SCALE 1" = 1000'	DATE SURVEYED: 03-20-03	DATE DRAWN: 03-21-03
PARTY D.A. J.A. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLORATION & PRODUCTION	

Additional Operator Remarks

QEP, Uinta Basin Inc. proposes to drill a well to 7850" to test the Wasatch. 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. (Shenandoah Energy Inc.) Standard Operating Practices for Wasatch 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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QEP Uinta Basin, Inc.
OU SG 16W-14-8-22

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	2459
Mahogany Ledge	3374
Wasatch	5844
TD (Wasatch)	7850

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	Wasatch	7850'

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 3140.0 psi.

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QEP UINTA BASIN, INC.
OU SG 16W-14-8-22
1129' FSL, 709' FEL LOT 4
SESE, SECTION 14, T8S, R22E
UINTAH COUNTY, UTAH
LEASE # UTU-73687

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the OU SG 16W-14-8-22 on October 21, 2003 at approximately 3:10 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
Raleen Searle	QEP/SEI

1. Existing Roads:

The proposed well site is approximately 30 miles Southwest of Vernal, 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 Wasatch 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 Wasatch 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 Wasatch 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 Wasatch 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 Wasatch 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 Wasatch 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 Wasatch 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 as follows;

Gardner saltbush	A triplex gardneri	4lbs/acre
Shadescale	A triplex confretifolia	4lbs/acre
Crested wheat		4lbs/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.

Due to critical soil no construction or drilling will commence during the wet soils.

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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

27-Oct-03

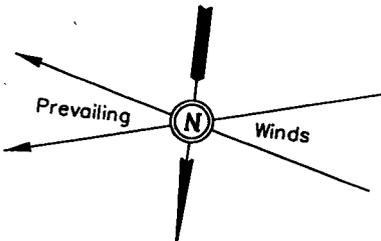
Date

CONFIDENTIAL

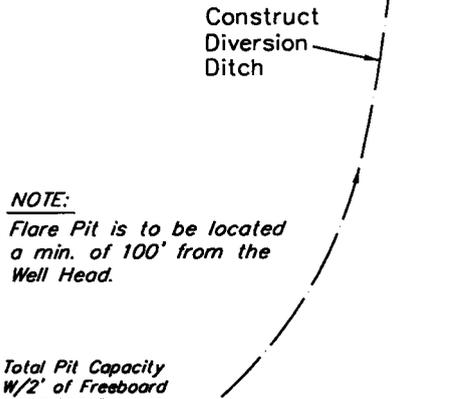
QUESTAR EXPLORATION & PRODUCTION

FIGURE #1

LOCATION LAYOUT FOR
 OU SG #16W-14-8-22
 SECTION 14, T8S, R22E, S.L.B.&M.
 1129' FSL 709' FEL

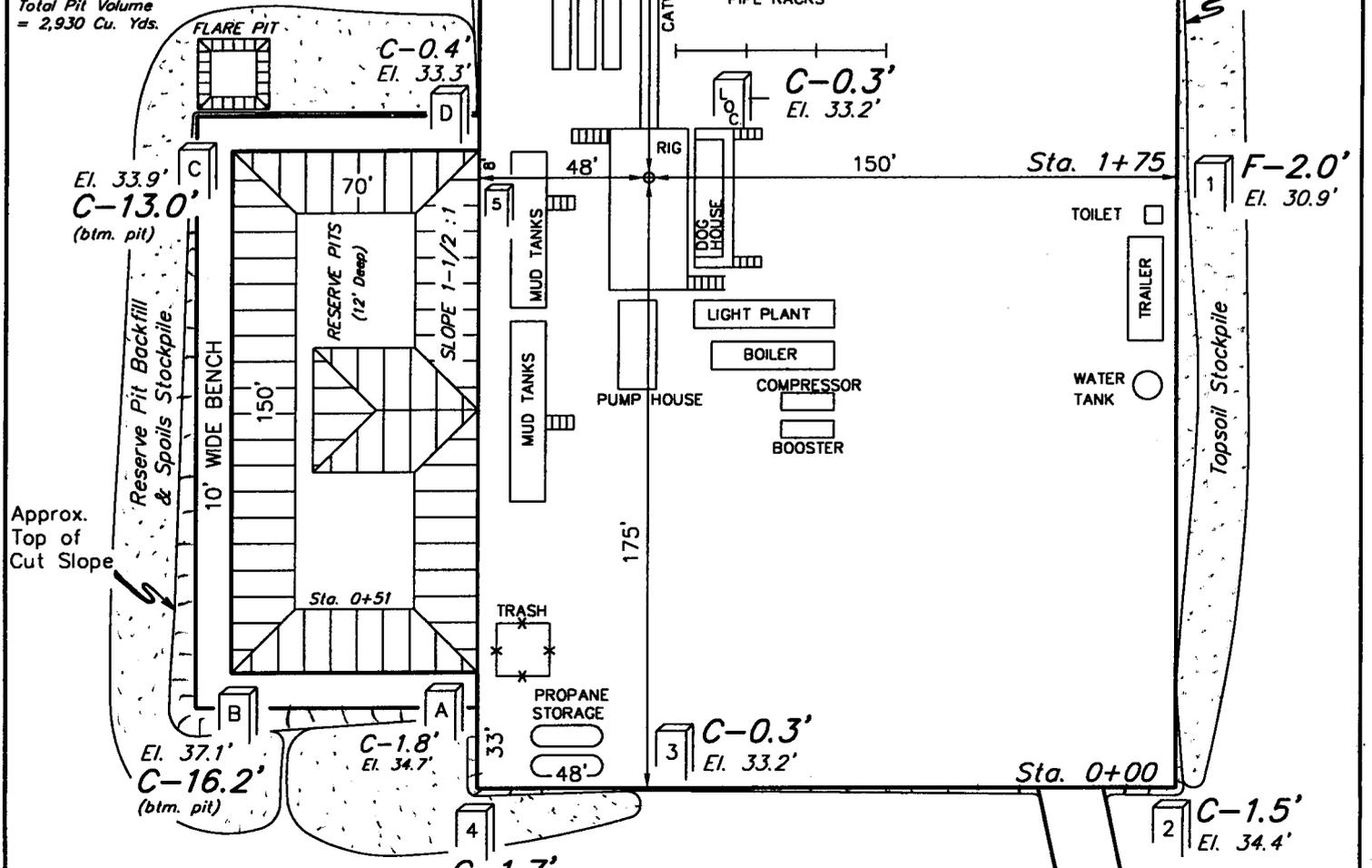


SCALE: 1" = 50'
 DATE: 03-24-03
 Drawn By: D.COX



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

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



NOTES:
 Elev. Ungraded Ground At Loc. Stake = 5133.2'
 FINISHED GRADE ELEV. AT LOC. STAKE = 5132.9'

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

QUESTAR EXPLORATION & PRODUCTION

FIGURE #2

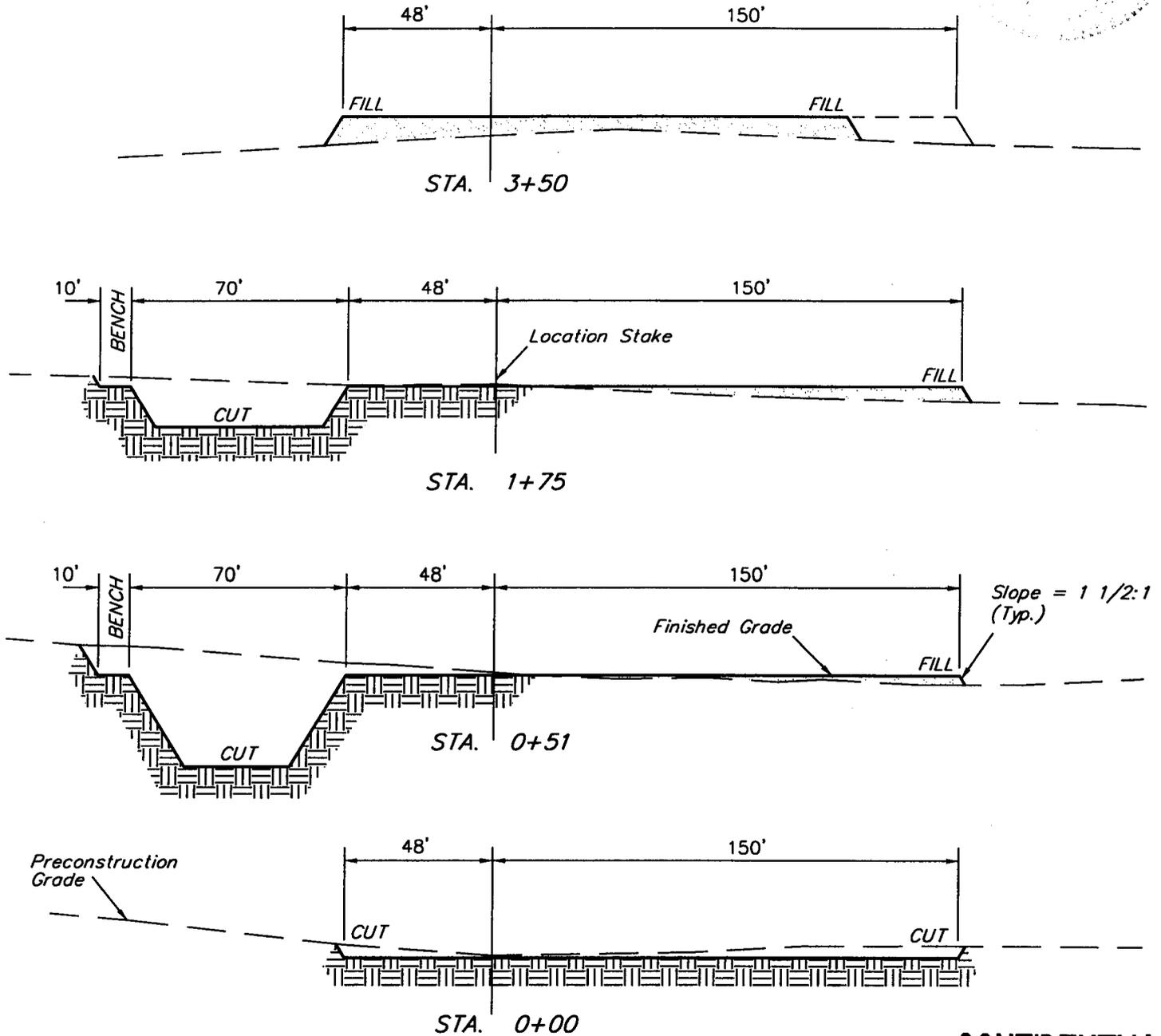
TYPICAL CROSS SECTIONS FOR

OU SG #16W-14-8-22
SECTION 14, T8S, R22E, S.L.B.&M.
1129' FSL 709' FEL

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

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

[Handwritten Signature]



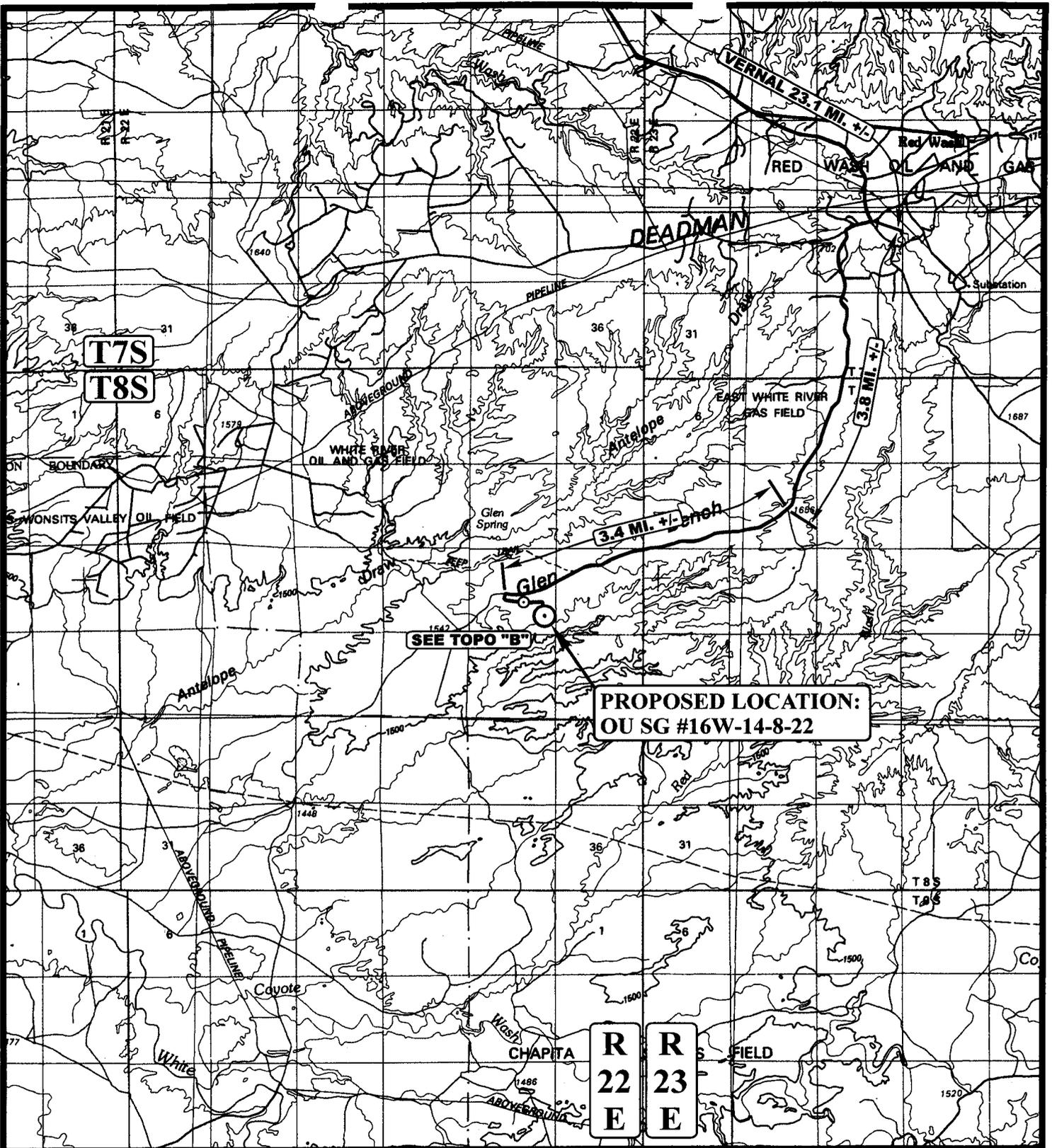
CONFIDENTIAL

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,540 Cu. Yds.
Remaining Location	= 4,090 Cu. Yds.
TOTAL CUT	= 5,630 CU.YDS.
FILL	= 2,500 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.

OU SG #16W-14-8-22
SECTION 14, T8S, R22E, S.L.B.&M.
1129' FSL 709' FEL

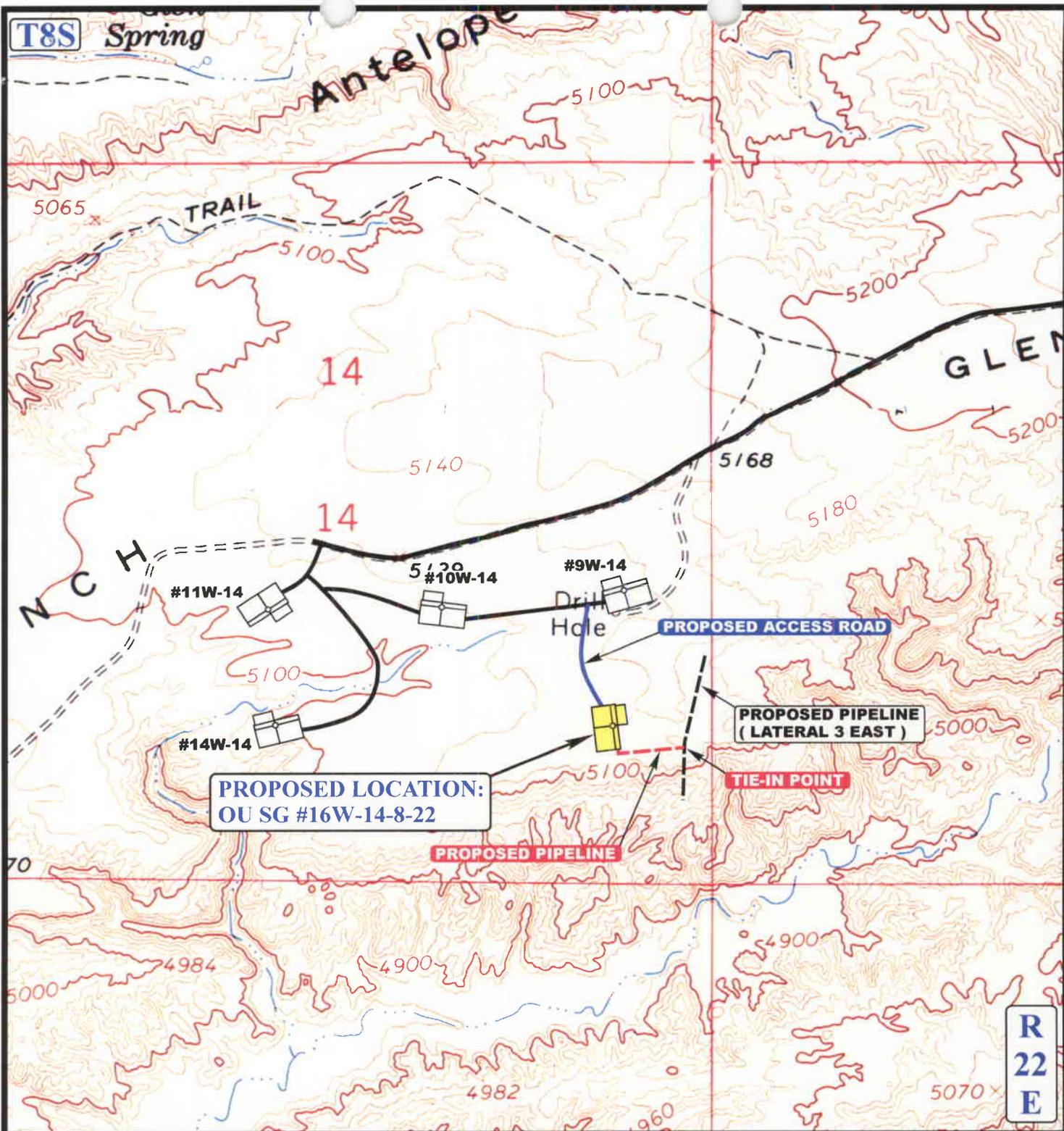


Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP
03 25 03
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00



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APPROXIMATE TOTAL PIPELINE DISTANCE = 500' +/-

LEGEND:

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

QUESTAR EXPLR. & PROD.

OU SG #16W-14-8-22
 SECTION 14, T8S, R22E, S.L.B.&M.
 1129' FSL 709' FEL



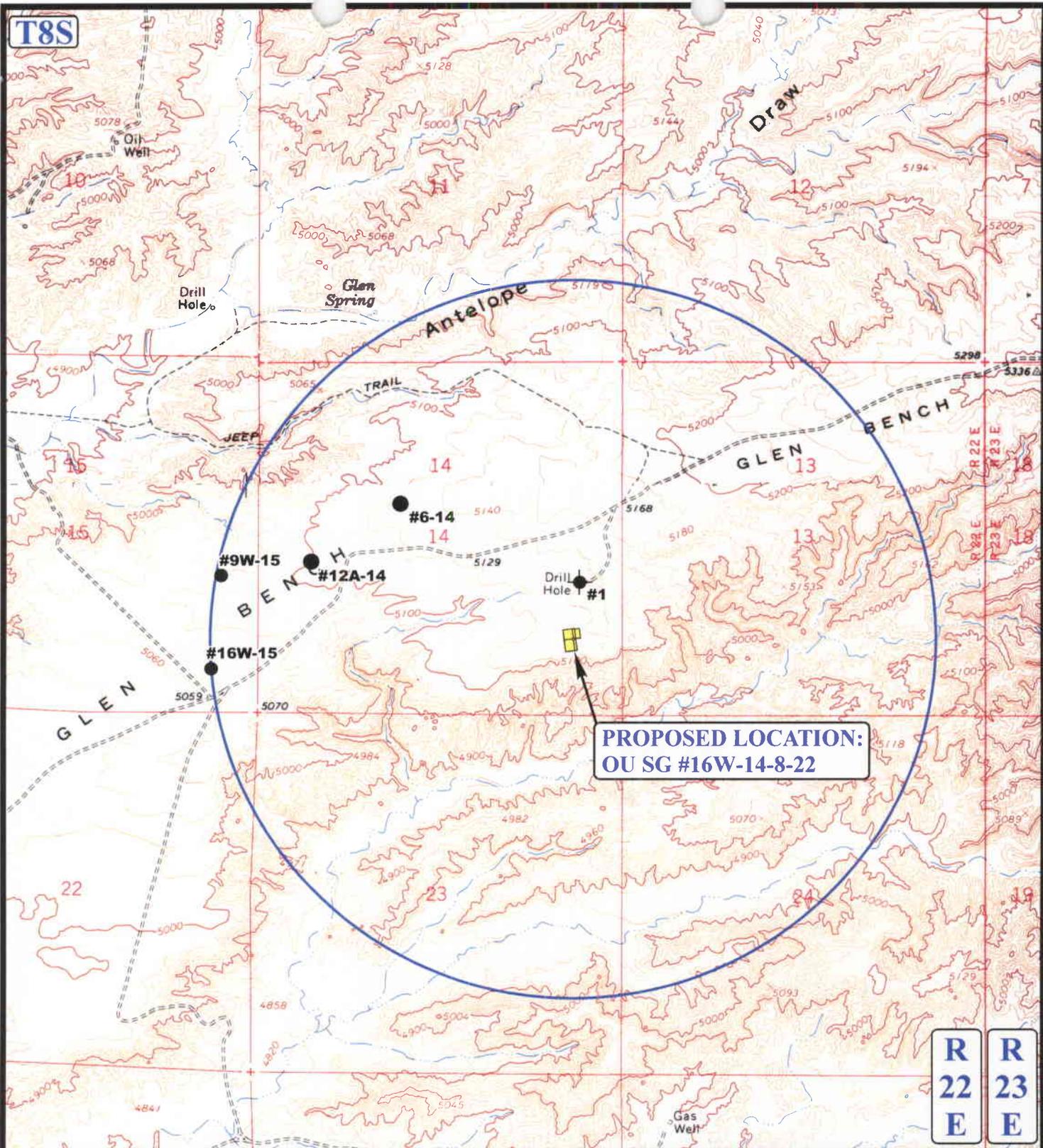
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 03 25 03
MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



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T8S



**PROPOSED LOCATION:
OU SG #16W-14-8-22**

**R R
22 23
E E**

LEGEND:

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



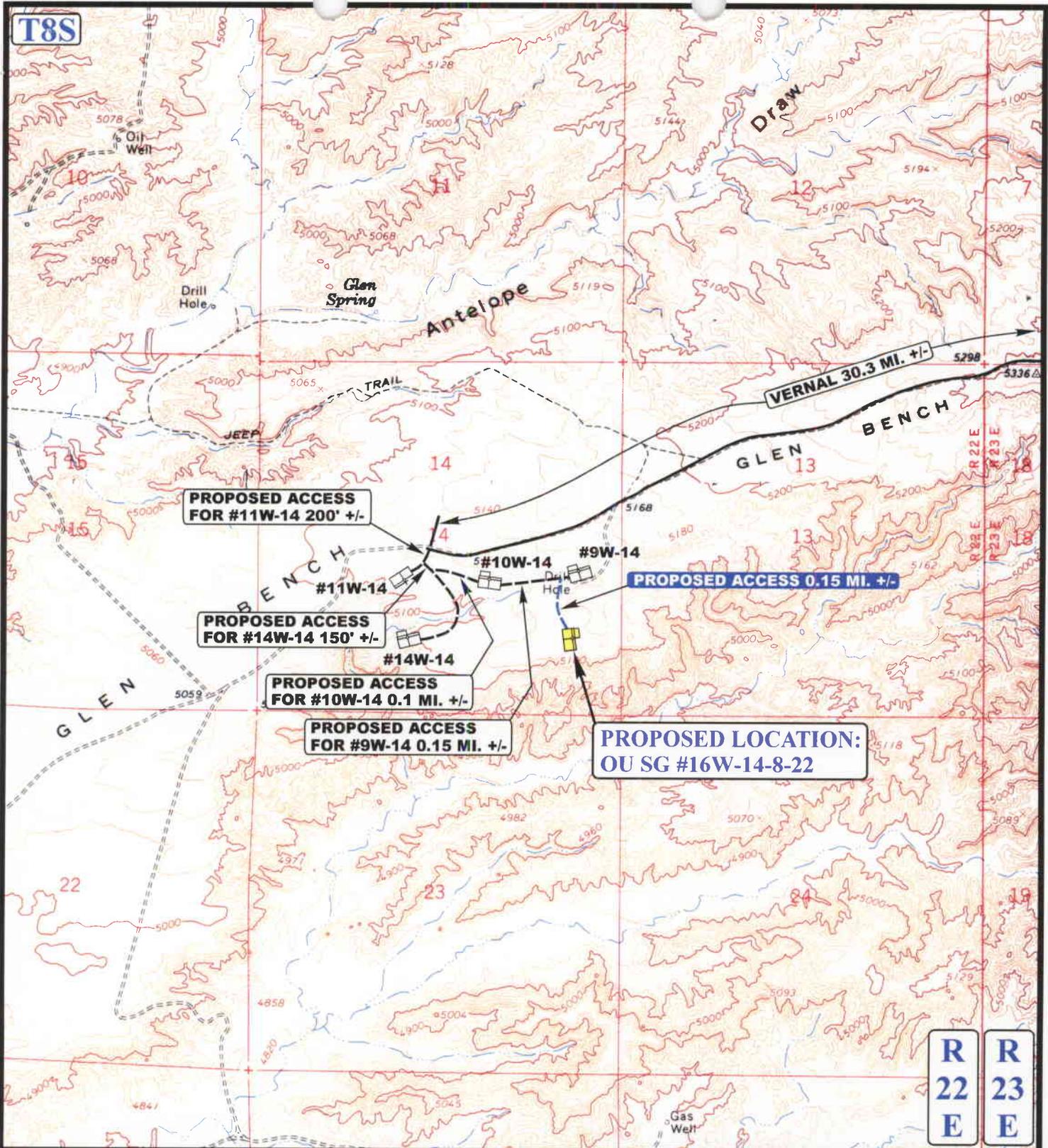
QUESTAR EXPLR. & PROD.

**OU SG #16W-14-8-22
SECTION 14, T8S, R22E, S.L.B.&M.
1129' FSL 709' FEL**

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

TOPOGRAPHIC 03 25 03
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00 **C TOPO**

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LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD



QUESTAR EXPLR. & PROD.

OU SG #16W-14-8-22
 SECTION 14, T8S, R22E, S.L.B.&M.
 1129' FSL 709' FEL



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

TOPOGRAPHIC MAP

03 25 03
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

B
 TOPO

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QUESTAR EXPLR. & PROD.

OU SG #16W-14-8-22

LOCATED IN UINTAH COUNTY, UTAH
SECTION 14, T8S, R22E, S.L.B.&M.

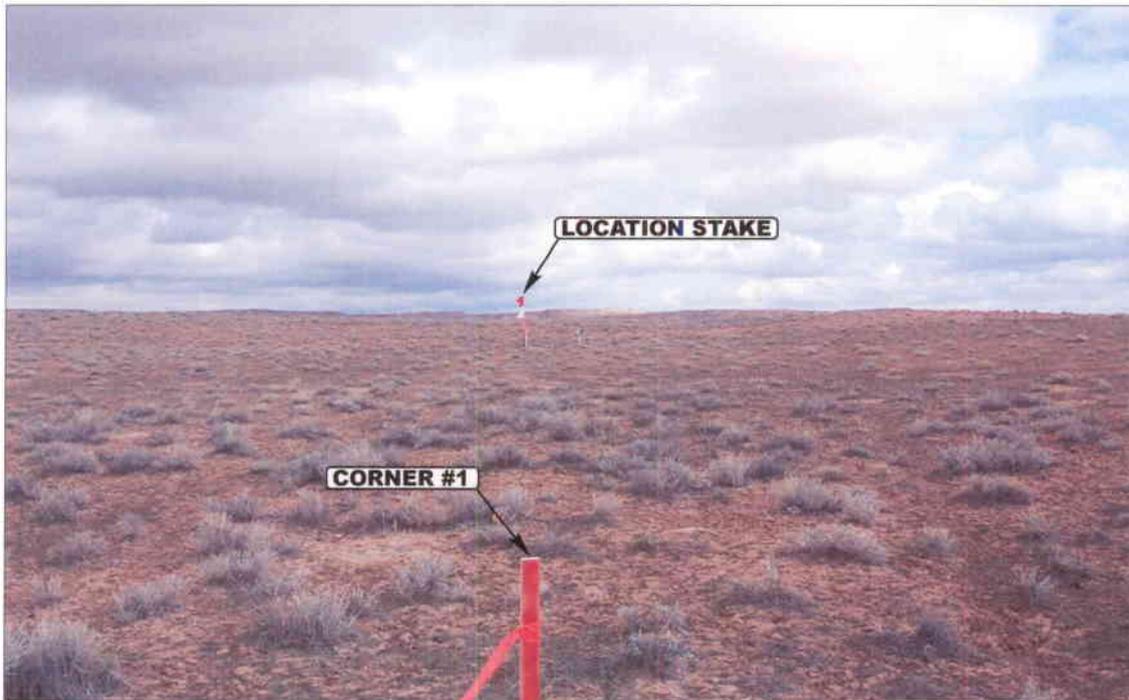


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



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

LOCATION PHOTOS			03	25	03	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: D.A.	DRAWN BY: P.M.	REVISED: 00-00-00				

CONFIDENTIAL

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

005

APD RECEIVED: 10/29/2003

API NO. ASSIGNED: 43-047-35327

WELL NAME: OU SG 16W-14-8-22

OPERATOR: QEP UINTA BASIN, INC. (N2460)

CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

SESE 14 080S 220E
SURFACE: 1129 FSL 0709 FEL
BOTTOM: 1129 FSL 0709 FEL
UINTAH
KENNEDY WASH (618)

Table with 3 columns: Tech Review, Initials, Date. Rows include Engineering, Geology, Surface.

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73687

SURFACE OWNER: 1 - Federal

LATITUDE: 40.11864

PROPOSED FORMATION: WSTC

LONGITUDE: 109.39956

RECEIVED AND/OR REVIEWED:

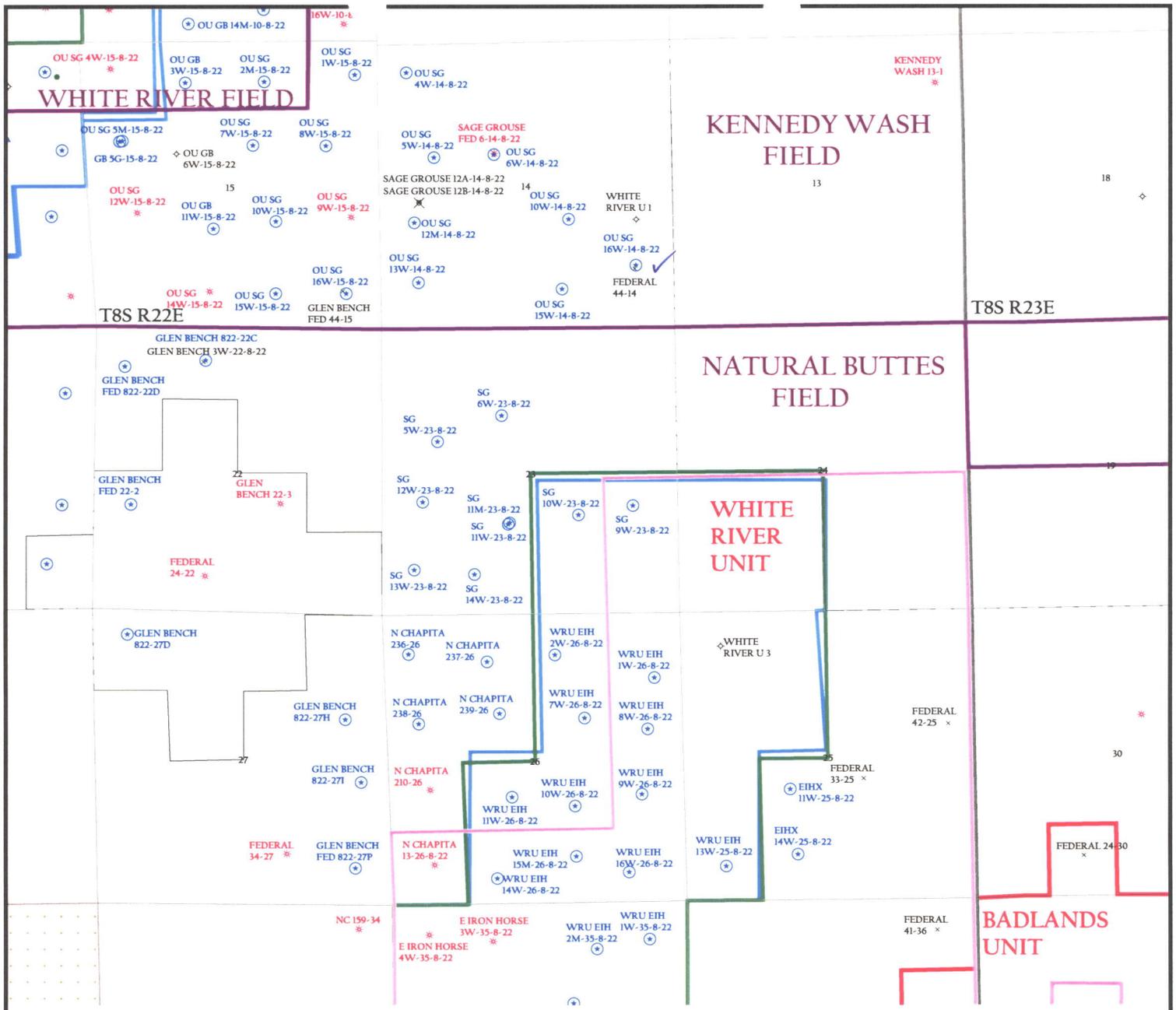
- Plat
Bond: Fed[1] Ind[] Sta[] Fee[]
Potash (Y/N)
Oil Shale 190-5 (B) or 190-3 or 190-13
Water Permit
RDCC Review (Y/N)
Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.
Unit
R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
R649-3-3. Exception
Drilling Unit
Board Cause No:
Eff Date:
Siting:
R649-3-11. Directional Drill

COMMENTS: Sep, Separate file

STIPULATIONS: 1- Federal approved
2- Spacing strip



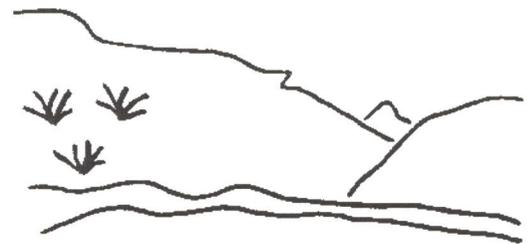
OPERATOR: QEP UINTA BASIN (N2460)

SEC. 14 T.8S, R.22E

FIELD: KENNEDY WASH (618)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

- Wells**
- GAS INJECTION
 - GAS STORAGE
 - LOCATION ABANDONED
 - NEW LOCATION
 - PLUGGED & ABANDONED
 - PRODUCING GAS
 - PRODUCING OIL
 - SHUT-IN GAS
 - SHUT-IN OIL
 - TEMP. ABANDONED
 - TEST WELL
 - WATER INJECTION
 - WATER SUPPLY
 - WATER DISPOSAL

- Unit Status**
- EXPLORATORY
 - GAS STORAGE
 - NF PP OIL
 - NF SECONDARY
 - PENDING
 - PI OIL
 - PP GAS
 - PP GEOTHERML
 - PP OIL
 - SECONDARY
 - TERMINATED

- Field Status**
- ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - PROPOSED
 - STORAGE
 - TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 30-OCTOBER-2003

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SUBMIT IN TRIPLICATE
OCT 28 2003
BLM VERNAL, UTAH

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

007

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU-73687
TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR QEP Uinta Basin, Inc.		7. UNIT AGREEMENT NAME N/A
Contact: John Busch E-Mail: john.busch@questar.com		8. FARM OR LEASE NAME, WELL NO. OU SG 16W-14-8-22
3. ADDRESS 11002 E. 17500 S. Vernal, Ut 84078		9. API WELL NO. 43-047-35327
Telephone number Phone 435-781-4341 Fax 435-781-4323		10. FIELD AND POOL, OR WILDCAT KENNEDY WASH
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14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE* 30 +/- miles Southwest of Vernal, Utah		12. COUNTY OR PARISH UINTAH
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (also to nearest drig, unit line if any) 709' +/-		13. STATE UT
16. NO. OF ACRES IN LEASE 1595		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 1000' +/-		20. BLM/BIA Bond No. on file ESB000024
19. PROPOSED DEPTH 7850'		23. Estimated duration 10 DAYS
21. ELEVATIONS (Show whether DF, RT, GR, ect.) 5133' KB		22. DATE WORK WILL START ASAP

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- Well plat certified by a registered surveyor.
- A Drilling Plan
- A surface Use Plan (if location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

SIGNED John Busch Name (Printed) JOHN BUSCH RECEIVED 27-Oct-03

TITLE OPERATIONS SUPERVISOR

OCT 05 2004

(This space for Federal or State office use)

DIV. OF OIL, GAS & MINING

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 Thomas B. Clary TITLE Assistant Field Manager Mineral Resources

DATE 09/29/2004

*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 reports, or any false, fictitious or fraudulent information in any matter within its jurisdiction

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

DDGM

CONFIDENTIAL

PUPSESSA

10/09/03

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: QEP Uintah Basin Inc.

Well Name & Number: OU SG 16W-14-8-22

API Number: 43-047-35327

Lease Number: U-73687

Location: Lot 1 Sec. 14 T.8S R. 22E

Agreement: N/A

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

CONDITIONS OF APPROVAL

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.

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.

Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend 200' above the top of the Green River formation which has been identified at $\pm 2700'$.

Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

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

Other Information

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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

Company/Operator: OEP, Uinta Basin, Inc

API Number 43-047-35327

Well Name & Number 16W-14-8-22

Lease number: U-73687

Location: SESE Sec. 14 T.8S. R. 22E.

Surface Ownership: BLM

Date NOS Received: 10/903

Date APD Received: 10/28/03

Conditions for Approval are in the APD

October 20, 2004

Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

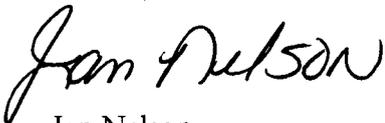
To Whom It May Concern:

QEP Uinta Basin, Inc. Well # OU SG 16W-14-8-22 is an exception location due to topography.

In reference to the State Oil and Gas Conservation rule R649-3-3, QEP Uinta Basin, Inc.'s partner, III Exploration has been notified per the provision in our agreement, no written consent is necessary. QEP Uinta Basin, Inc. will be the operator on this well.

If you have any questions please contact Jan Nelson @ 435-781-4331.

Thank you,



Jan Nelson
Regulatory Affairs

RECEIVED

OCT 27 2004

DIV. OF OIL, GAS & MINING



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

October 27, 2004

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

Re: OU SG 16W-14-8-22 Well, 1129' FSL, 709' FEL, SE SE, Sec. 14, T. 8 South,
R. 22 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-047-35327.

Sincerely,

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 OU SG 16W-14-8-22

API Number: 43-047-35327

Lease: UTU-73687

Location: SE SE Sec. 14 T. 8 South R. 22 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.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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-73687

SUBMIT IN TRIPLICATE

RECEIVED
JUN 13 2005
By

1. Type of Well
Oil Well Gas Well Well Other

2. Name of Operator **QEP UINTA BASIN, INC.** Contact: **Jan Nelson**
Email: **Jan.Nelson@questar.com**

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)
SESE 1129' FSL 709' FEL SECTION 14, T8S, R22E

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

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
OUSG 16W-14-8-22

9. API Well No.
43-047-35327

10. Field and Pool, or Exploratory Area
KENNEDY WASH

11. County or Parish, State
UINTAH, UTAH

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.)

14. 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 OUSG 16W-14-8-22

RECEIVED
SEP 09 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 06/09/2005

(This space for Federal or State Office use)
Approved by: Mark Baker Title Petroleum Engineer Date SEP 08 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





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

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

API: 43-047-35327
Well Name: OU SG 16W-14-8-22
Location: SESE 1129' FSL 709' FEL SEC. 14, T8S, R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 9/24/2004

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

Jan Nelson
 Signature

6/13/2005
 Date

Title: Regulatory Affairs Analyst

Representing: QEP UINTA BASIN, INC.

CONDITIONS OF APPROVAL

QEP Uinta Basin Inc.

Notice of Intent APD Extension

Lease: UTU-73687
Well: OUSG 16W-14-8-22
Location: SESE Sec 14-T8S-R22E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 09/24/06
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73687
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
		7. UNIT or CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	CONFIDENTIAL	8. WELL NAME and NUMBER: OU SG 16W-14-8-22
2. NAME OF OPERATOR: QEP UINTA BASIN, INC		9. API NUMBER: 4304735327
3. ADDRESS OF OPERATOR: 11002 E. 17500S. CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-4331	10. FIELD AND POOL, OR WILDCAT: KENNEDY WASH
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1129' FSL 709' FEL, LOT 4,		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 14 8S 22E		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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <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 OU SG 16W-14-8-22

**Approved by the
Utah Division of
Oil, Gas and Mining**
 Date: 11-09-05
 By: [Signature]

COPY SENT TO OPERATOR
 Date: 11-15-05
 Initials: CFD

NAME (PLEASE PRINT) <u>Jan Nelson</u>	TITLE <u>Regulatory Affairs</u>
SIGNATURE <u>[Signature]</u>	DATE <u>11/4/2005</u>

(This space for State use only)

**RECEIVED
NOV 07 2005**



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

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

API: 4304735327
Well Name: OU SG 16W-14-8-22
Location: 1129 FSL 709 FEL LOT 4 SESE SEC.14 T8S R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 10/27/2004

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

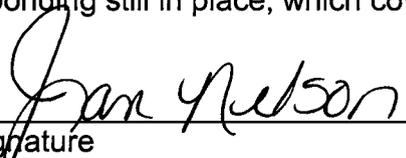
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

11/4/2005

 Date

Title: REGULATORY AFFAIRS

Representing: QEP UINTA BASIN, INC

RECEIVED
NOV 07 2005
 DIV. OF OIL, GAS & MINING

DRILLING PROGRAM

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:

<u>Formation</u>	<u>Depth, TVD</u>
Uinta	Surface
Green River	2,930'
Mahogany	3,530'
Wasatch	5,890'
Mesaverde	8,330'
Sego	10,927'
TD	11,075'

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:

<u>Substance</u>	<u>Formation</u>	<u>Depth, TVD</u>
Gas	Wasatch	5,890'
Gas	Mesaverde	8,330'

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 flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes.

DRILLING PROGRAM

All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

3. Operator's Specification for Pressure Control Equipment:

- A. 5,000 psi W.P. Double Gate BOP, 5,000 psi annular (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.22 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 5M system and individual components shall be operable as designed.

4. Casing Program

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Wt.	Grade	Thread	Cond.
20"	14"	sfc	40'	Steel	Cond.	None	Used
12-1/4"	9-5/8"	sfc	700'	36.0	J-55	STC	New
6-1/8"	4-1/2"	sfc	11,075'	11.6	P-110	LTC	New

Casing Strengths:				Collapse	Burst	Tensile (minimum)
9-5/8"	36.0 lb.	J-55	STC	2,020 psi	3,520 psi	394,000 lb.
4-1/2"	11.6 lb.	P-110	LTC	7,580 psi	10,690 psi	279,000 lb.

DRILLING PROGRAM

5. **Auxiliary Equipment**

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
- F. If drilling with air the following will be used:
- G. The blooie line shall be at least 6” in diameter and extend at least 100’ from the well bore into the reserve/blooie pit.
- H. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500’).
- I. Compressor shall be tied directly to the blooie line through a manifold.
- J. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 10.4 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

DRILLING PROGRAM

6. **Testing, logging and coring program**

- A. Cores – none anticipated
- B. DST – none anticipated
- C. Logging – Mud Logging – 1500' to TD
GR-SP-Induction
Neutron Density
- D. Formation and Completion Interval: Green River/Wasatch/Mesaverde interval, final determination of completion will be made by analysis of logs.
Stimulation: Stimulation will be designed for the particular area of interest as encountered.

7. **Cementing Program**

14" Conductor:

Cement to surface with construction cement.

9-5/8" Surface Casing: sfc - 700' (MD)

Lead/Tail Slurry: 0' – 700'. 375 sks (440 cu ft) Premium AG cement + 2% CaCl₂ + 0.25 lb/sk celloflake. Slurry wt: 15.8 ppg, Slurry yield: 1.17 ft³/sk, Slurry volume: 12-1/4" hole + 100% excess.

4-1/2" Production Casing: sfc - 11,075' (MD)

Lead Slurry: 0' - 5,400'. 405 sks (1555 cu ft) Halliburton Hi-Fill cement + 16% Bentonite + 0.75% Econolite + 3% salt + 0.8% HR-7 retarder. Slurry wt: 11.0 ppg, Slurry yield: 3.84 ft³/sk, Slurry volume: 6-1/8" hole + 25% excess in open hole section.

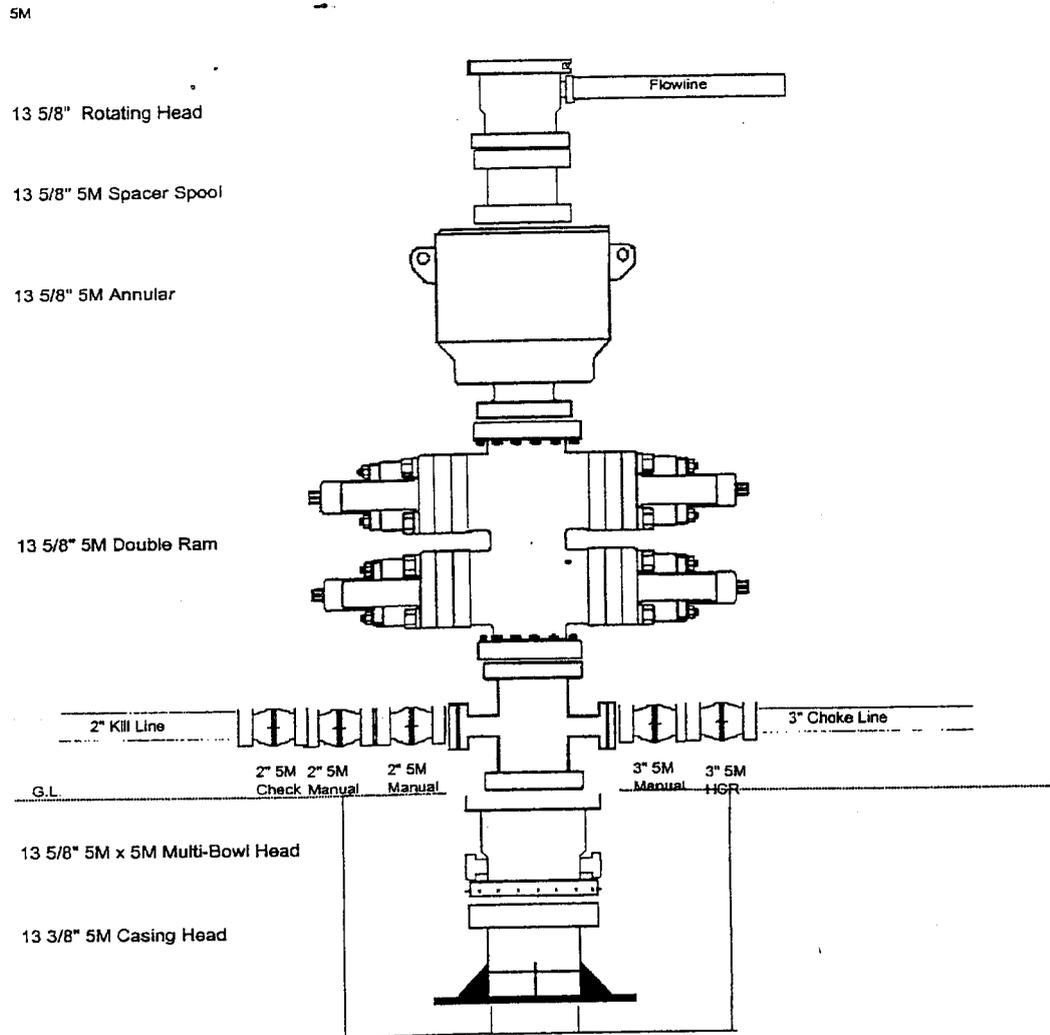
Tail Slurry: 5,400' – 11,075'. 860 sks (1065 cu ft) of 50/50 Poz Premium AG + 2.0% Bentonite + 0.6% Halad (R)-322 fluid loss + 2.0% Microbond M expander + 5% salt + 0.2% HR-5 retarder + 0.25 lb/sk Flocele. Slurry wt: 14.35 ppg, Slurry yield: 1.24 ft³/sk, Slurry volume: 6-1/8" hole + 25% excess.

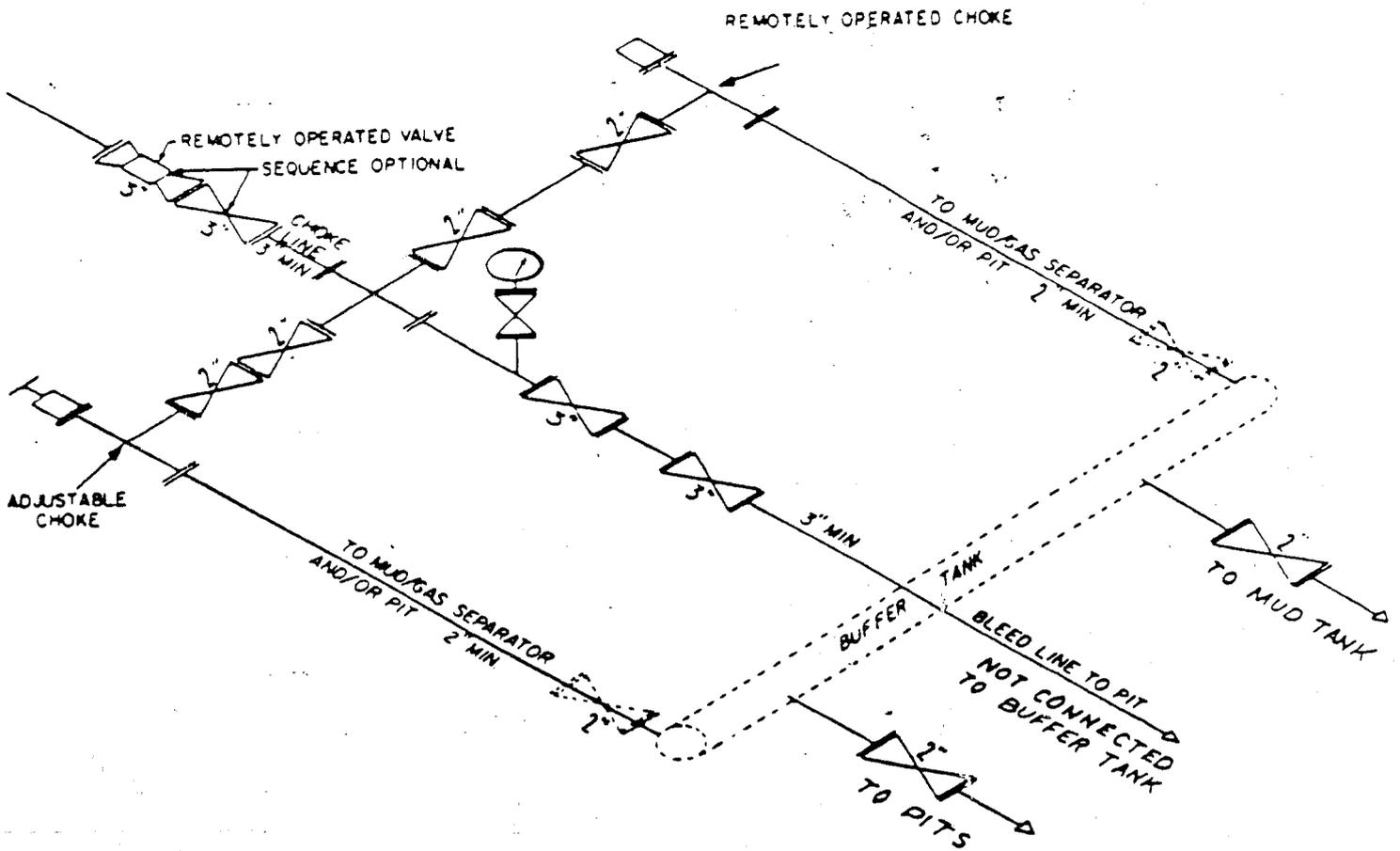
*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

8. **Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards**

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 5,990 psi. Maximum anticipated bottom hole temperature is 210° F.

EXHIBIT B
SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK





② 5M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION OF CHOKES MAY VARY

From: "Laura Bills" <laura.bills@questar.com>
To: <dianawhitney@utah.gov>
Date: 11/13/2006 12:11:27 PM
Subject: Expiring APD's

Hi Diana,

I am replying to your E-mail to Jan regarding the Expiring APD's

Here is a list of what we are doing with the recent ones that are going to expire soon. Any Questions let me know.

Thank You,

Laura Bills

Regulatory Assistant

QEP Uinta Basin, Inc.

(435) 781-4301 office

(435) 781-4329 fax

Can You Please Rescind this APD?

4304735327 SG 16ML-14-8-22 11/9/2006

The Following is a list of Extensions I completed and mailed to you on Friday November 10, 2006

4304736038	COY 10ML-14-8-24	11/9/2006
4304737301	WWT 2ML-25-8-24	11/14/2006
4304737302	WWT 1ML-25-8-24	11/14/2006
4304737303	HK 15ML-19-8-25	11/14/2006
4304737304	WT 13ML-19-8-25	11/14/2006
4304737305	HK 3ML-29-8-25	11/14/2006
4304737306	RWS 2ML-5-9-24	11/14/2006
4304737307	RWS 8ML-5-9-24	11/14/2006
4304737310	RWS 14ML-5-9-24	11/14/2006
4304737311	RWS 16ML-5-9-24	11/14/2006

4304737312	RWS 12ML-6-9-24	11/14/2006
4304737330	HK 5ML-29-8-25	11/17/2006
4304737331	HK 2ML-30-8-25	11/17/2006
4304737332	HK 5ML-30-8-25	11/17/2006
4304737333	HK 10ML-30-8-25	11/17/2006
4304737334	HK 14ML-30-8-25	11/17/2006
4304737335	RWS 16ML-6-9-24	11/17/2006



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

November 15, 2006

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

Re: APD Rescinded –OU SG 16W-14-8-22 Sec. 14 T. 8S R. 22E
Uintah County, Utah API No. 43-047-35327

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 October 27, 2004. On November 9, 2005 the Division granted a one-year APD extension. On November 13, 2006, 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 November 13, 2006.

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, Vernal



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:

3160

UT08300

December 1, 2006

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

43-047-35327

Re: Notification of Expiration
Well No. OU SG 16W-14-8-22
NWSW, Sec. 14, T8S, R22E
Uintah County, Utah
Lease No. UTU-73687

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on September 24, 2004. An extension of the original APD was requested. The request was reviewed and the extension approved until September 24, 2006. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

/s/Sandra Sather

Sandra Sather
Land Law Examiner

cc: UDOGM

bcc: Well file U-922
Reading file U-924
ES

RECEIVED

DEC 21 2006

DIV. OF OIL, GAS & MINING