

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

FORM 3

AMENDED REPORT
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: 47782	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: Not Applicable	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Not Applicable	
2. NAME OF OPERATOR: THE HOUSTON EXPLORATION COMPANY 1100 Louisiana, Suite 2000			9. WELL NAME and NUMBER: Southman Canyon #10D-36	
3. ADDRESS OF OPERATOR: CITY Houston STATE TX ZIP 77002		PHONE NUMBER: 713-830-6973	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1757' FSL, 1650' FEL (NW $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 36, T9S, R23E AT PROPOSED PRODUCING ZONE: Same as above 4427876Y 39.99087 647604X -109.27114			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, T9S, R23E, S.L.B.&M.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately thirty-four (34) miles southeast of Vernal, Utah			12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1650'	16. NUMBER OF ACRES IN LEASE: 640 acres +/-	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 Acres		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) +/- 2558.39'	19. PROPOSED DEPTH: 8300'	20. BOND DESCRIPTION: Statewide Blanket Bond		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5394' GR	22. APPROXIMATE DATE WORK WILL START: Januray 15, 2004	23. ESTIMATED DURATION: Thirty days		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12.250"	9.625" J-55 36.0#	0- 450'	225 sx Premium Plus cement
7.875"	5.500" N-80 17.0#	0-8300'	740 sx 50/50 Pozmix Premium cement

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DIV. OF OIL, GAS & MINING

25. **ATTACHMENTS**

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

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Robert M. Anderson TITLE Authorized Agent

SIGNATURE  DATE November 19, 2003

(This space for State use only)

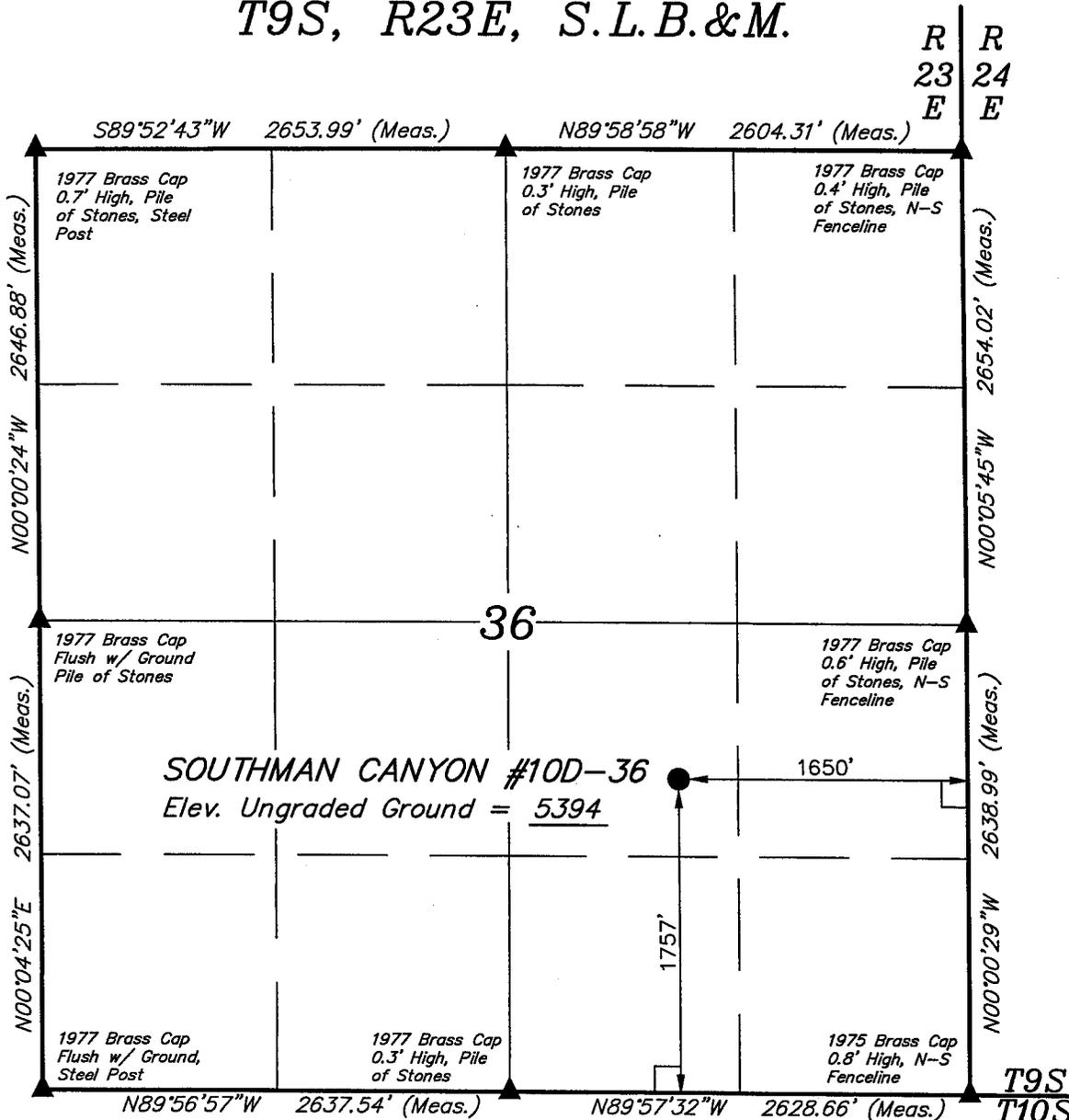
API NUMBER ASSIGNED: 43-047-353103

APPROVAL:

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-12-04
By: 

T9S, R23E, S.L.B.&M.

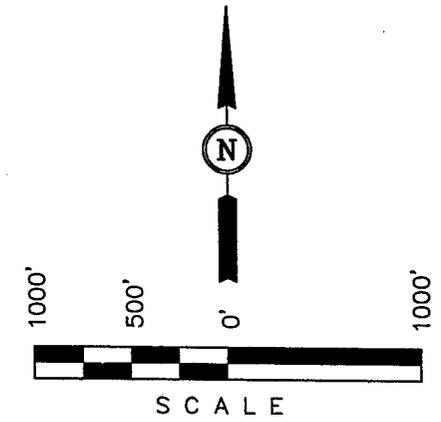


THE HOUSTON EXPLORATION COMPANY

Well location, SOUTHMAN CANYON #10D-36, located as shown in the NW 1/4 SE 1/4 of Section 36, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (54EAM) LOCATED IN THE NW 1/4 OF SECTION 14, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5031 FEET.



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 L. Hay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

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

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
 (AUTONOMOUS NAD 83)
 LATITUDE = 39°59'24.15" (39.990042)
 LONGITUDE = 109°16'18.88" (109.271911)

UINTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 10-10-03	DATE DRAWN: 10-13-03
PARTY D.K. P.J. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE THE HOUSTON EXPLORATION COMPANY	

THE HOUSTON EXPLORATION COMPANY
 State of Utah Lease #47782, Southman Canyon #10D-36
 SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 36, T9S, R23E
 Uintah County, Utah

DRILLING PROGNOSIS

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

Green River	Surface	Castlegate	7915'
Wasatch	3840'	Total Depth	8300'
Mesaverde	5420'		

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS

Wasatch	3840'	Gas - Possible
Mesaverde	5420'	Gas - Possible
Castlegate	7915'	Gas - Primary Objective

Any shallow water zones encountered will be adequately protected and reported. All potentially productive hydrocarbon zones will be cemented off.

3. PRESSURE CONTROL EQUIPMENT

A. Type: Eleven (11) Inch Double Gate Hydraulic BOP with Eleven (11) Inch Annular Preventer. The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Drilling spool with two (2) side outlets (choke side 3-inch minimum, kill side 2-inch minimum).
4. Kill line (2-inch minimum).
5. Two (2) kill line valves, one of which will be a check valve (2-inch minimum).
6. One 3-inch (minimum) choke line.
7. Two (2) choke line valves (3-inch minimum).
8. Two (2) adjustable chokes.
9. Pressure gauge on choke manifold.
10. Upper kelly cock valve with handle available.
11. Safety valve & subs to fit all drill strings in use.
12. Fill-up line above the uppermost preventer.

B. Pressure Rating: 3,000 psi

C. Testing Procedure:

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least 10 minutes or until the requirements of the test are met, whichever is longer.

3. PRESSURE CONTROL EQUIPMENT

C. Testing Procedure: Continued

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the IADC driller's log.

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Miscellaneous Information:

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with recommendations contained in API RP 53.

The choke manifold and BOP extension rods with hand wheels will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller. Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

4. THE PROPOSED CASING AND CEMENTING PROGRAM

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set
12.250"	9.625"	36.0#	J-55	ST&C	0 - 450'
7.875"	5.500"	17.0#	N-80	LT&C	0 - 8300'

B. Cementing Program:

Surface Casing - Set with approximately 225 sx Premium Plus cement + additives mixed at 15.6 ppg (yield = 1.20 ft³/sx). Cement will be circulated back to surface with 100% excess

4. THE PROPOSED CASING AND CEMENTING PROGRAM

B. Cementing Program: Continued

Production Casing - *Lead* with approximately 660 sx 50/50 Pozmix Premium cement + additives mixed at 14.3 ppg (yield = 1.47 ft³/sx), foamed to 11.0 ppg.

Tail with approximately 80 sx 50/50 Pozmix Premium cement + additives mixed at 14.3 ppg (yield = 1.47 ft³/sx).

The above cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole gauge and will be determined by running a caliper log on the drilled hole.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. MUD PROGRAM - Visual Monitoring

Interval	Mud Type	Weight	Viscosity	Fluid Loss
0 - 2000'	Fresh Water	-----	-----	-----
2000 - 8300'	LSND	9.0 - 9.7	28 - 32	< 12 cc's

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. EVALUATION PROGRAM

Logs : DIL-FDC-BHC - from 8300' to 450'
 CNL-SP-CAL-GR * - from 8300' to 450'

* Pull Gamma Ray Log Back to Surface

DST's : DST's will be run as warranted by logs and/or shows - none are scheduled at this time.

Cores : None anticipated.

The evaluation program may change at the discretion of the well site geologist.

7. ABNORMAL CONDITIONS

No abnormal temperatures or pressures are anticipated. No H₂S gas has been encountered in or known to exist from previous wells drilled to similar depths in the general area.

7. ABNORMAL CONDITIONS - Continued

Maximum anticipated bottom hole pressure equals approximately 4,150 psi (calculated at 0.50 psi/foot) and maximum anticipated surface pressure equals approximately 2,324 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. ANTICIPATED STARTING DATE

Anticipated Commencement Date : January 15, 2004
Drilling Days : Approximately 30 Days
Completion Days : Approximately 15 Days

9. OTHER INFORMATION

1. A comprehensive cultural resources inventory has been conducted on the proposed Southman Canyon #10D-36 well location and access road route. The subject inventory was conducted by John M. Scott/Metcalf Archaeological Consultants, Inc. (MAC) of Eagle, Colorado on October 28-30, 2003 and cultural clearance has been recommended for the subject proposal by Mr. Scott. A copy of the MAC report is appended hereto for your convenience.
2. Fresh water for use in drilling operations will be furnished by Dalbo, Inc. of Vernal, Utah under existing Water Right Number 49-2154, Temporary Application Number T74792, which has been amended to include an appropriation for use in drilling operations in Section 36, T9S, R23E. Drilling water will be diverted from Evacuation Wash and the White River at a point located approximately in the SE $\frac{1}{4}$ of Section 2, T10S, R23E as approved in the subject Application to Appropriate Water.

STATE OF UTAH -- DIVISION OF WATER RIGHTS -- DATA PRINTOUT for 49-2154(T74792)

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 11/21/2003 Page 1

WRNUM: 49-2154 APPLICATION/CLAIM NO.: T74792 CERT. NO.:

OWNERSHIP*****

NAME: Dalbo Inc. OWNER MISC:
ADDR: P. O. Box 1168
CITY: Vernal STATE: UT ZIP: 84078

LAND OWNED BY APPLICANT? No

DATES, ETC.*****

FILED: 02/20/2003 PRIORITY: 02/20/2003 PUB BEGAN: PUB ENDED: NEWSPAPER:
ProtestEnd: PROTESTED: [No] HEARNG HLD: SE ACTION: [] ActionDate: PROOF DUE:
EXTENSION: ELEC/PROOF: [] ELEC/PROOF: CERT/WUC: LAP, ETC: PROV LETTER:
RENOVATE: RECON REQ: TYPE: []

PD Book No. Map:

Type of Right: Temporary Application Source of Info: Application to Appropriate Status:

LOCATION OF WATER RIGHT*****

FLOW: 20.0 acre-feet SOURCE: Evacuation Wash and White River

COUNTY: Uintah COMMON DESCRIPTION: 3 miles south of Bonanza

POINTS OF DIVERSION -- SURFACE:

- (1) N 400 ft W 1850 ft from E4 cor, Sec 02, T 10S, R 24E, SLBM
Diverting Works: Pump into tank trucks Source: White River
(2) N 1700 ft W 10 ft from SE cor, Sec 02, T 12S, R 25E, SLBM
Diverting Works: Pump into tank trucks Source: Evacuation Wash

PLACE OF USE OF WATER RIGHT*****

Table with 4 columns: NORTH-WEST¼, NORTH-EAST¼, SOUTH-WEST¼, SOUTH-EAST¼. Rows show section details and presence markers (X).

USES OF WATER RIGHT*****

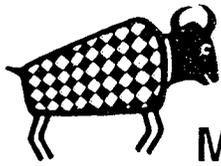
CLAIMS USED FOR PURPOSE DESCRIBED: 2154

Referenced To: Claims Groups: 1 Type of Reference -- Claims: Purpose: X Remarks:
###OIL EXPLORATION Drilling and completion of oil/gas wells in Park Canyon & Missouri Cr.
Period of Use - March 1, 2003 to February 29, 2004.

OTHER COMMENTS*****

Land is owned by Bureau of Land Management. Proper permits will be obtained.

*****END OF DATA*****



M A C

Metcalf Archaeological Consultants, Inc.

November 11, 2003

Mr Lloyd Bruce
The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, Texas 77002

Re: Archaeological inventory of five proposed well locations in Uintah County, Utah

Dear Mr Bruce,

Enclosed is a copy of our cultural resource inventory report for five of the proposed Southman Canyon Wells (2D-36, 4D-36, 6D-36, 10D-36, 12D-36) and their associated access roads . Fieldwork was done between November 28 and 30, 2003.

MAC recommends cultural resource clearance for all five locations. One site and one isolated find (IF) were located during this inventory. The isolate was discovered on the Southman 4D-36 access road and consisted of a single hole-in-cap can. This artifact is not eligible for the National Register and no further work is needed. The site was located on the Southman 12D-36 well pad inventory block and consisted of a single sheepherder's cairn. This site, 42UN3349, appears to meet no National Register Criteria and is recommended as not eligible for the National Register. The cairn is situated about 100' south of the proposed well's APE and will not be impacted. No further work is recommended.

All of the proposed wells are on State of Utah land while a portion of the access road is on Bureau of Land Management (BLM) property. Because the project is on both State and Federal land, we will be sending two copies of the report, one with original photographs and one with photocopies, to Blaine Phillips, BLM Vernal Field Office, one copy with original photographs to Kenneth Wintch, SITLA, and another copy, also with original photographs, to James Dykman, Deputy SHPO. Bob Anderson of Heitzman-Anderson will also receive a copy of the report.

Thank you for the opportunity to participate in this project. As always, please do not hesitate to contact our office if you have any questions or concerns about the enclosed report or about any aspect of our involvement in this project.

Sincerely,

John M. Scott
Senior Staff Archaeologist

cc Bob Anderson of Heitzman-Anderson
Blaine Phillips, BLM, Vernal FO.
James Dykman, Deputy SHPO
Kenneth Wintch, SITLA

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DIV. OF OIL, GAS & MINING

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mac@metcalfarchaeology.com

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P.O. Box 2154
Bismarck, ND 58502
macnodak@btigate.com

**The Houston Exploration Company:
Class III Cultural Resource Inventories for Five Southman Canyon Wells, and Access Roads
(2D-36, 4D-36, 6D-36, 10D-36, 12D-36)
in Uintah County, Utah**

by
John M. Scott
Metcalf Archaeological Consultants, Inc.
P.O. Box 899
Eagle, CO 81631

for
The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston Texas 77002

Utah Antiquities Permit U-03-MM
expires January 1, 2004
BLM Cultural Resource Use Permit 01UT54945
expires May 31, 2004

Project No. U-03-MM-0941bs

November, 2003

Abstract

Metcalf Archaeological Consultants, Inc. (MAC) conducted Class III cultural resource inventories for five of The Houston Exploration Company's proposed Southman Canyon wells in Uintah County, Utah. The report is titled: *The Houston Exploration Company: Class III Cultural Resource Inventories for Five Southman Canyon Wells, and Access Roads (2D-36, 4D-36, 6D-36, 10D-36, 12D-36) in Uintah County, Utah*. These five wells are all in the same section (section 36, T9S R23E) and include wells 2D-36 in the NE quarter, 4D-36 in the NW quarter, 6D-36 in the SW/NW quarter, 10D-36 in the SE quarter, and 12D-36 in the SW quarter. Section 36 is owned by the State of Utah. A single main access road is proposed to connect all the wells with small branch accesses extending off of it for shorter distances to the proposed wells. This main access starts in the NW/NE/NE/SW of section 1, T10S R23E and runs north to the above-mentioned wells in section 36. Section 1 is managed by the Bureau of Land Management (BLM) Vernal Field Office (FO). The project is entirely on the USGS 7.5' quadrangle, Asphalt Wash (1968 [Photorevised 1987]).

Survey area for each of the well pads consisted of a ten-acre square-block centered on the individual well's location-to-drill stakes. Each well will be drilled on prepared level, earthen pads approximately 2.5 acres in size. A 100' wide corridor was inventoried for all of the proposed access associated with these wells. The access roads when constructed will be about 50' wide. No pipeline corridors were staked for these wells.

Total acreage inventoried for this project amounted to nearly 83 acres. Inventory on BLM property amounted to 2900' of access or 6.7 acres. Inventory on State lands totaled 76.1 acres which includes 11356' or 26.1 acres of access and 50 acres of block inventory.

Inventory of the proposed Southman 2D-36, 6D-36, and 10D-36 well projects failed to reveal the presence of cultural resources. The inventory of the Southman 4D-36 discovered a single hole-in-cap can (IF-JMS1) which is not eligible for the National Register and no further work is needed. Inventory of the 12D-36 located a single sheepherder's cairn that was recorded as a site (42UN3349). This site, 42UN3349, appears to meet no National Register Criteria and is recommended as not eligible for the National Register. The cairn is situated about 100' south of the proposed well's APE and will not be impacted. No further work is recommended. Cultural resource clearance is recommended for all five of these proposed developments.

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Figure 2 Sketch map of 42UN3349 showing nearest portion (pit A) of proposed well pad to the cairn. 5

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Introduction

Metcalf Archaeological Consultants, Inc. (MAC) conducted Class III cultural resource inventories for five of The Houston Exploration Company's proposed Southman Canyon wells in Uintah County, Utah. These five wells are all in the same section (section 36, T9S R23E) and include wells 2D-36, 4D-36, 6D-36, 10D-36, and 12D-36 (Figure 1). Section 36 is owned by the State of Utah. A single main access road is proposed to connect all the wells with small branch accesses extending off of it for shorter distances to the proposed wells. This main access starts in the NW/NE/NE/SW of section 1, T10S R23E and runs north to the above-mentioned wells in section 36. Section 1 is managed by the Bureau of Land Management (BLM) Vernal Field Office (FO).

Survey area for each of the well pads consisted of a ten-acre square-block centered on the individual well's location-to-drill stakes. Each well will be drilled on prepared level, earthen pads approximately 2.5 acres in size. A 100' wide corridor was inventoried for all of the proposed access associated with these wells. The access roads when constructed will be about 50' wide. No pipeline corridors were staked for these wells.

Total acreage inventoried for this project amounted to nearly 83 acres. Inventory on BLM property amounted to 2900' of access or 6.7 acres. Inventory on State lands totaled 76.1 acres which includes 11356' or 26.1 acres of access and 50 acres of block inventory.

Fieldwork was conducted by John M. Scott between October 28 and 30, 2003 under the stipulations of Utah Antiquities Permit #U-03-MM (expires 1/1/04) and BLM Cultural Resource Use permit #01UT54945 (expires 5/31/04). All field notes, maps, and photographic negatives are on file at the MAC office in Eagle.

Project Setting

The proposed well locations are located in the southeastern portion of the Uinta Basin. More specifically they are on the north side of the White River between Bonanza on the northeast and the Southman Canyon Gas Fields on the south. This area is a plain that slopes down to the west-northwest, and is relatively rugged due to many rocky ridges, flat-topped hills/buttes, and moderately deep incised drainages. The region drains by a series of dendritic streams to the west and eventually into the White River. The individual well locations varied, but in general they were either on benches or in basin-like drainage areas. Table 1 contains information about each proposed well and access location.

Geologically the study area is dominated by the Tertiary (Eocene) age Uinta Formation, which includes sandstone, shale, siltstone and conglomerate (Hintze 1980; Stokes 1986:155). The area suffers substantial erosion and at most of the proposed well pad sites, there is very little soil development. In the lower and wider basin-like drainages, there is some deposition consisting of a mixture of aeolian and colluvial sands and silts. Even in these areas the sediment appears shallow and is often covered with shale slabs indicating very little potential for intact buried cultural deposits. Vegetation cover at the proposed well locations and along proposed access corridors ranged from about 10% to 25%. Visibility was very good to excellent in all areas inventoried. The general vegetation community is a semiarid shrubland with sagebrush, greasewood, saltbrush and a few mixed grasses. Sparse low cactus was also observed.

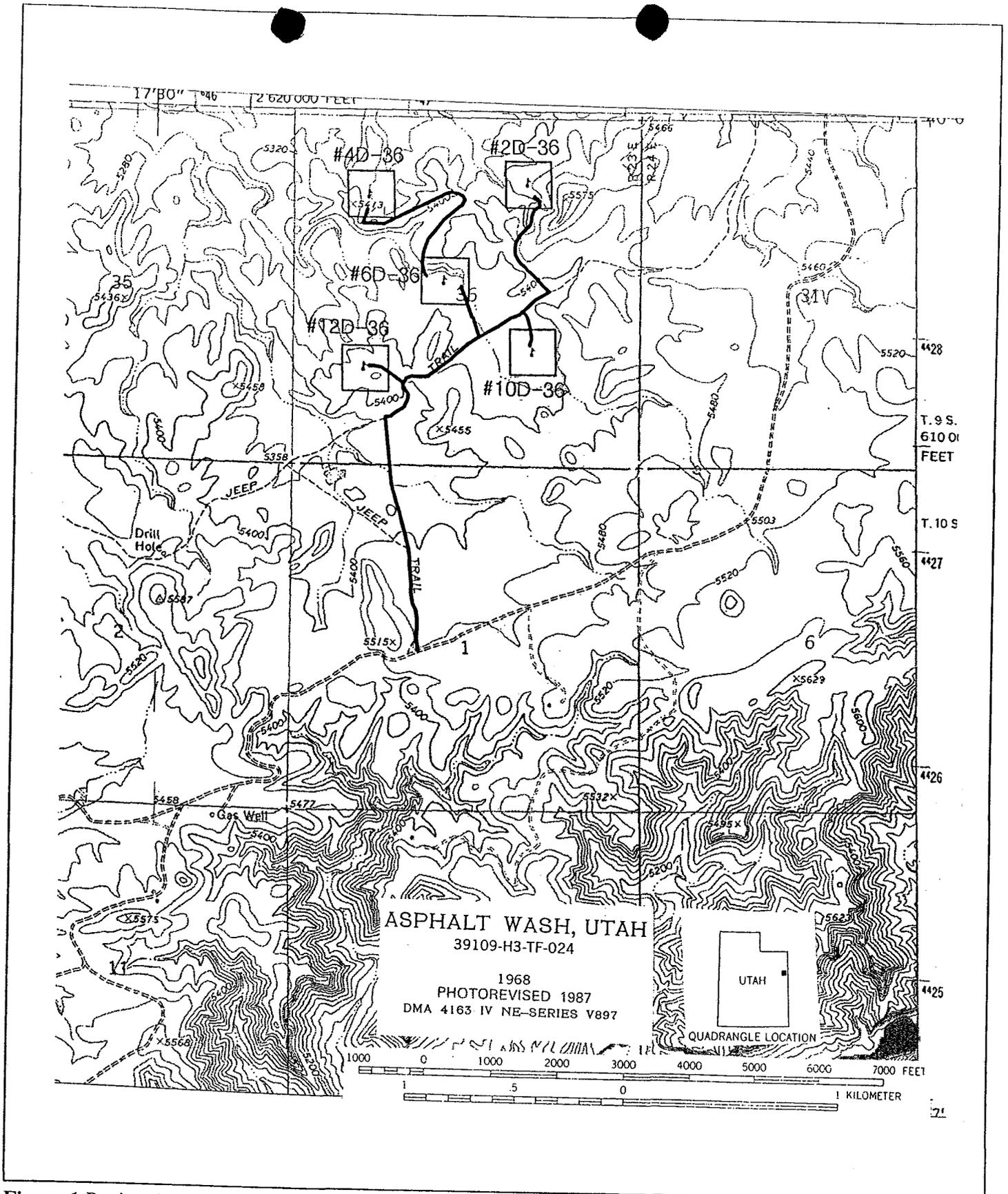


Figure 1 Project location depicted on a photocopied portion of USGS Asphalt Wash 1968 7.5' map (photorevised 1987)

Table 1 Summary of proposed well and access locations

Unit #	Center Stake Legals all are in sect 36 T9S R23E	Footages	Access length
Southman Canyon #2D-36	C/SE/NW/NE	960'FNL/1751'FEL	8976'
Southman Canyon #4D-36	S/SE/NW/NW	1163'FSL/1137'FWL	3169'
Southman Canyon #6D-36	S/SE/SE/NW	2466'FNL/2271'FWL	1056'
Southman Canyon #10D-36	N/SE/NW/SE	1757'FSL/1650'FEL	528'
Southman Canyon #12D-36	E/SE/NW/SW	1518'FSL/1069'FWL	528'

Cultural History and Files Search

A files search was conducted at the Utah Division of State History in Salt Lake City on October 23, 2003 for section 36, T9S R23E. An additional files search was conducted at the BLM Vernal FO on October 27, 2003 for the same section, and for section 1, T10S R23E. These searches revealed that only two projects had been conducted in the two sections. The most recent of these projects was an inventory conducted for a Veritas seismic line in 2002 (Montgomery 2002). That project encountered no sites in section 36 and one site (42UN3080) in section 1. That site is located nearly 1500' to the east-southeast of the current project's southern end and will not be affected. The second project was for a Utah Power and Light Company's 138KV power line (Billat and Hall 1983) conducted in 1983 that encountered no sites. Neither of these projects precluded any area from inventory during the current project.

The cultural history of the area has been covered by Spangler (1995), and the region immediately to the west in Colorado has been covered by Reed and Metcalf (1999). The reader is directed to these authors for an in-depth discussion of the region's cultural history.

Based on the files search information, MAC anticipated that very few sites would be encountered. These sites would be either short term prehistoric sites or sites associated with Gilsonite mining and exploration which is ongoing to the east and northeast of the project area.

Methods

The proposed well locations were studied by walking parallel pedestrian transects spaced no more than 15 m apart to cover north-south oriented 10 acre blocks centered on the staked drilling locations. Where proposed access routes fall outside these survey blocks, they were covered by walking one zigzag transect on each side of the proposed centerline, resulting in coverage of a 100' wide corridor. Special attention was given to areas affording a view of subsurface sediments (i.e., rodent back dirt piles, road cuts, ant hills, animal trails).

When cultural materials were discovered, transects were temporarily halted and the immediate area was more intensively investigated to determine the nature and extent of the resource(s). Isolated finds were recorded on MAC's isolated find forms. Sites, defined as more than 10 artifacts in association, or any cultural feature or structure (with or without artifacts), were documented on IMACS site forms, mapped, photographed, and plotted on the appropriate 7.5' USGS quadrangles.

Results and Recommendations

No cultural resources were discovered on three of the proposed Southman Canyon wells. These wells include 2D-36, 6D-36, and 10D-36. The inventory of the Southman 4D-36 access road resulted in the discovery of a single historic isolated find (JMS1) and inventory for the proposed Southman Canyon 12D-36 result in the discovery of a single historic site (42UN3349) on its 10-acre survey block. Site and isolate locations plotted on a photocopied portion of a USGS 7.5' map is found in Appendix A (agency copies only). Site and Isolated finds are included with this report (agency copies only) in Appendix B.

42UN3349: This site consists of a single cairn of stacked rock. The cairn is situated on a small knoll that can be easily seen from a distance of about 3 to 5 miles from the north and south. To the east and west, there are other buttes that limit the distance from which the cairn can be seen to under a mile. The cairn measures 5.75' in height, 2.5' across at its base, and 1.5' across at its top. It consists of approximately 45 stones somewhat carelessly stacked in about 12 courses. Each course of rock is set crosswise to the next and each course is slightly smaller than the one below. Two large elongated slabs are leaning upright against its north side. All the stones have been gathered from the immediate vicinity and consist of sandstone or limestone-shale blocks. The largest stone is about 1 m in length and the smallest is about 25 cm in length. Very little lichen is growing on the stones and there is very little soil deposition at its base. It is surmised that the cairn has been repaired. Evidence of this comes from the upright slabs that may have been placed there to hold the cairn upright and from the way the three upper courses of stones appear to have been stacked slightly differently than the lower ones. Also, the lopsidedness of the cairn suggests that it would probably collapse in strong wind if not regularly repaired. There is a sheepherder camp about 700' to the east that contains modern cans that date from the late 1950s. This, coupled with the possibility that the cairn has been kept in repair, lacks a soil build up at its base, and the stones are relatively lichen free, indicates that it is probably not 50 years old. There are many of these types of cairns in the region and this one has not been as carefully or uniquely constructed as has several of the others.

The site's setting has been impacted by the visible presence of the Bonanza power plant to the north-northeast, a two-track road to the immediate south, and a relatively heavily used oilfield road at .75 miles to the south. The presence of the plant and the often used road detracts from the setting's feeling of solitude and desolation that is associated with sheep herding in this region. The cairn does not display any unique attributes, was obviously not constructed by a master-crafter or individual important in history, and is a relatively poor example of this type of feature. These observations coupled with the fact that it is most likely not historical indicates that the site does not fit any criteria for listing on the National Register. The site is recommended to be not eligible for the National Register and no further work is needed. The site is approximately 100' south of the current project's APE and will not be impacted.

IF-JMS1: This isolate consists of a single hole-in-cap food can. The can was smashed flat and there was no way to be sure of how it had been opened. The artifact is located on a southeast facing bench with a small ridge to the north. The surface is mostly exposed limestone shale with very little deposition. The vegetation is very sparse

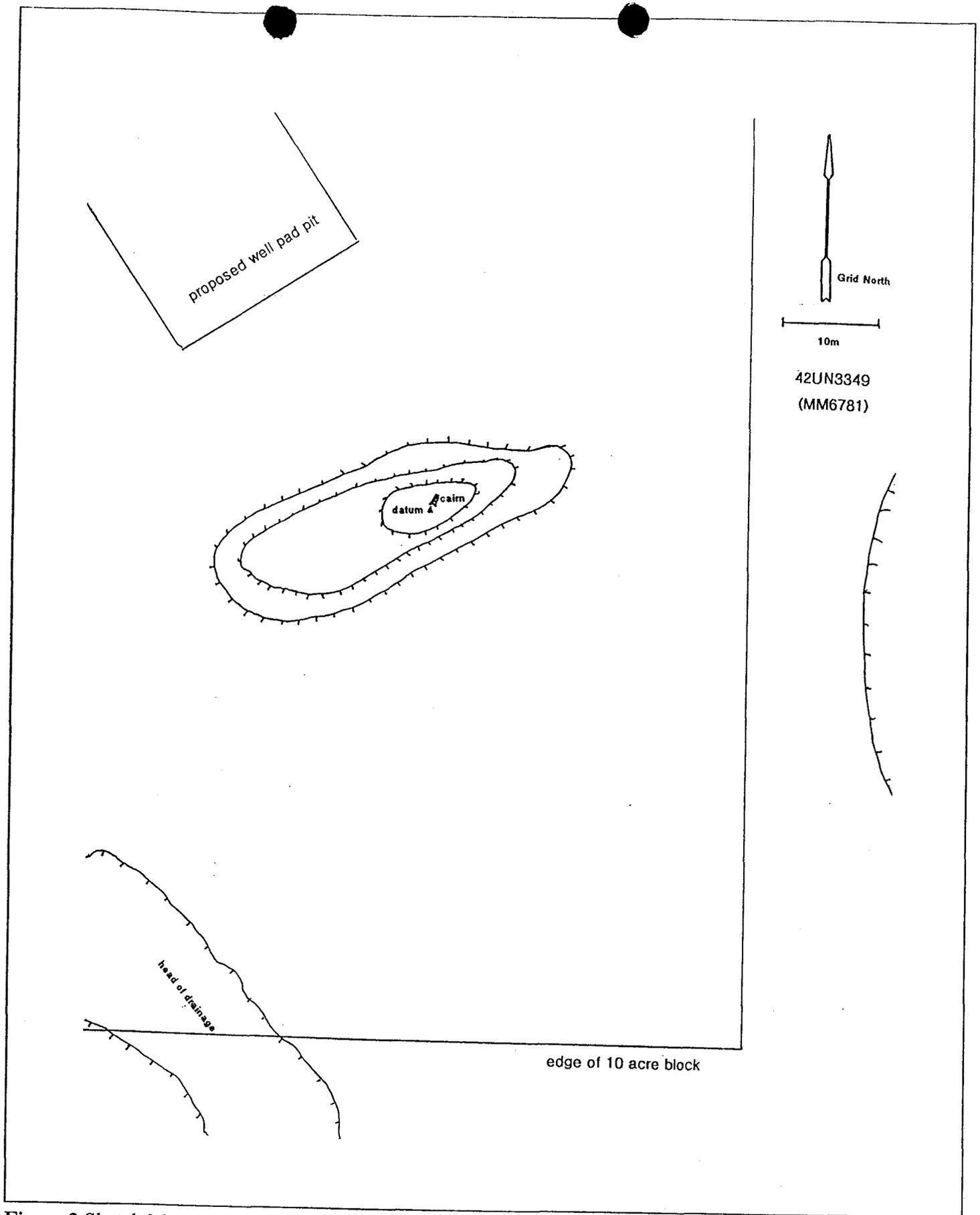


Figure 2 Sketch Map of 42UN3349 showing location of nearest portion of the proposed well pad (pit area).

with greasewood and sagebrush the dominate plants. This spot offers a good view of the basin-like drainage area below and to the south. Isolated finds are by definition not eligible for the National Register and no further work is recommended.

Summary

Inventory of the proposed Southman 2D-36, 6D-36, and 10D-36 well projects failed to reveal the presence of cultural resources. The inventory of the Southman 4D-36 discovered a single hole-in -cap can (IF-JMS1) which is not eligible for the National Register and no further work is needed. Inventory of the 12D-36 located a single sheepherder's cairn that was recorded as a site (42UN3349). This site, 42UN3349, appears to meet no National Register Criteria and is recommended as not eligible for the National Register. The cairn is situated about 100' south of the proposed well's APE and will not be impacted. No further work is recommended. Cultural resource clearance is recommended for all five of these proposed developments.

References Cited

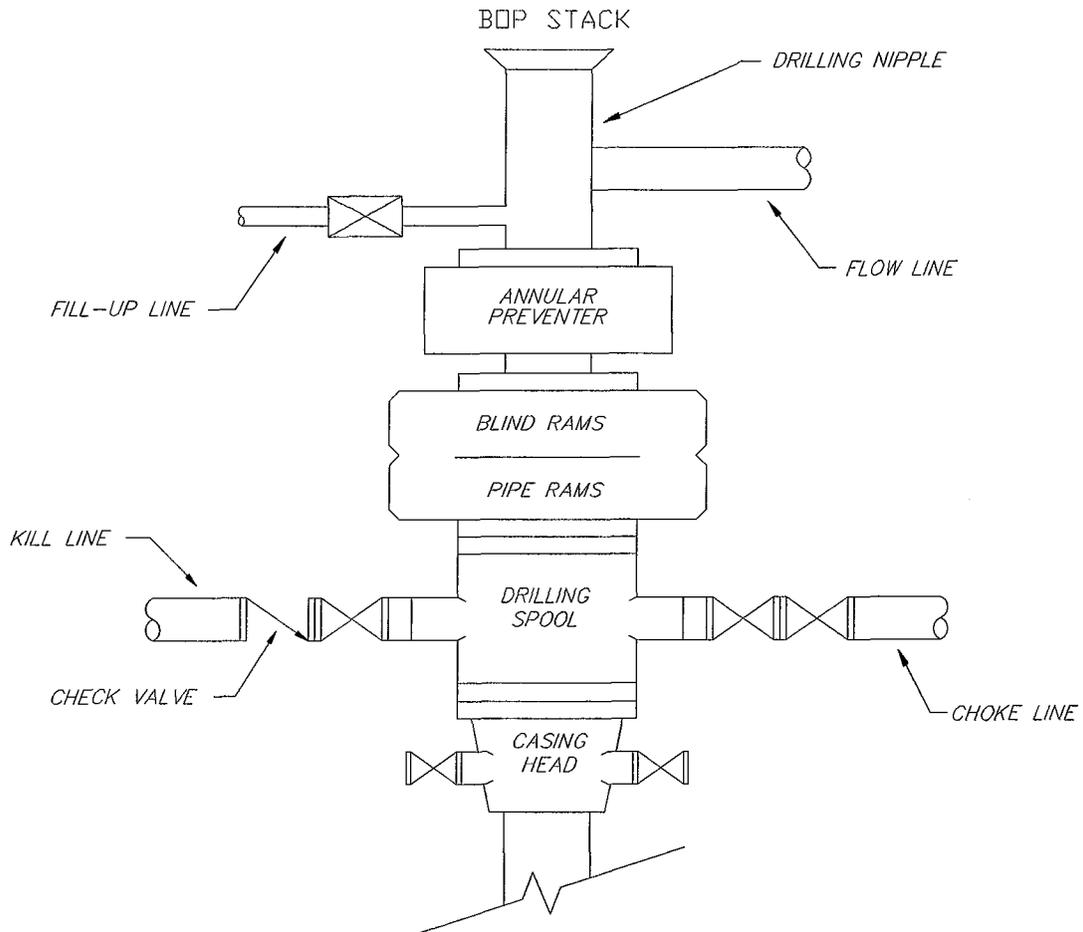
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Appendix A
Resource Location Map
(Agency Copies Only)

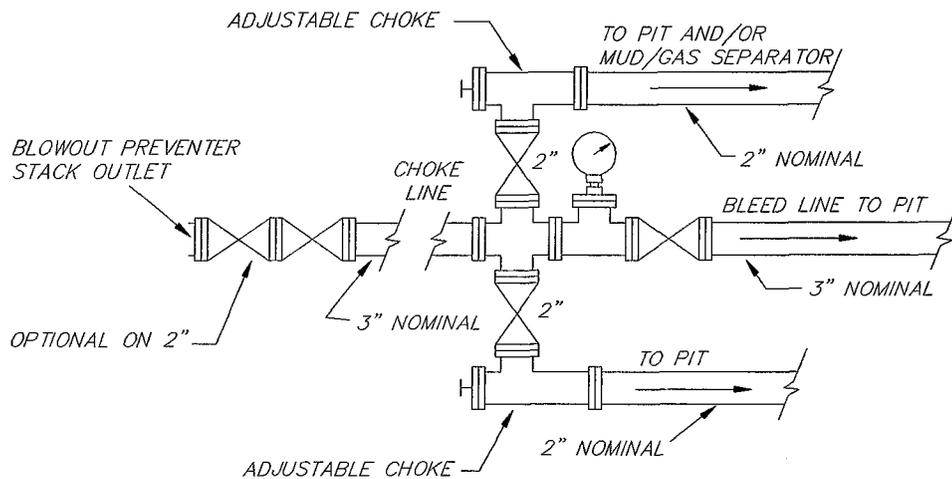
Appendix B
Site and Isolate Forms
(Agency Copies Only)

THE HOUSTON EXPLORATION COMPANY

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



THE HOUSTON EXPLORATION COMPANY
SOUTHMAN CANYON #10D-36
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 36, T9S, R23E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

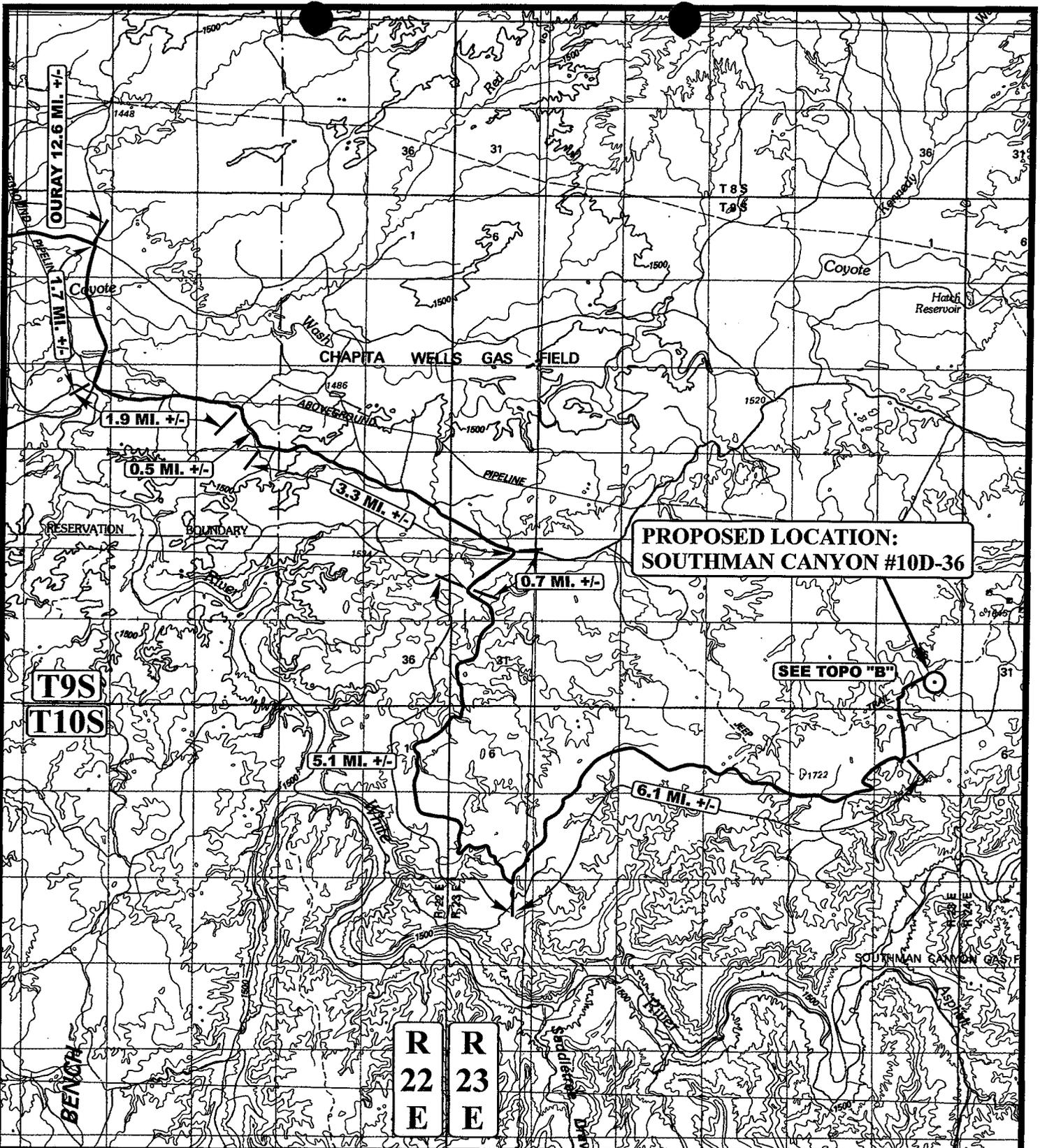
CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS			10	14	03	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: D.K.	DRAWN BY: P.M.	REVISED: 00-00-00				



LEGEND:

○ PROPOSED LOCATION



THE HOUSTON EXPLORATION COMPANY

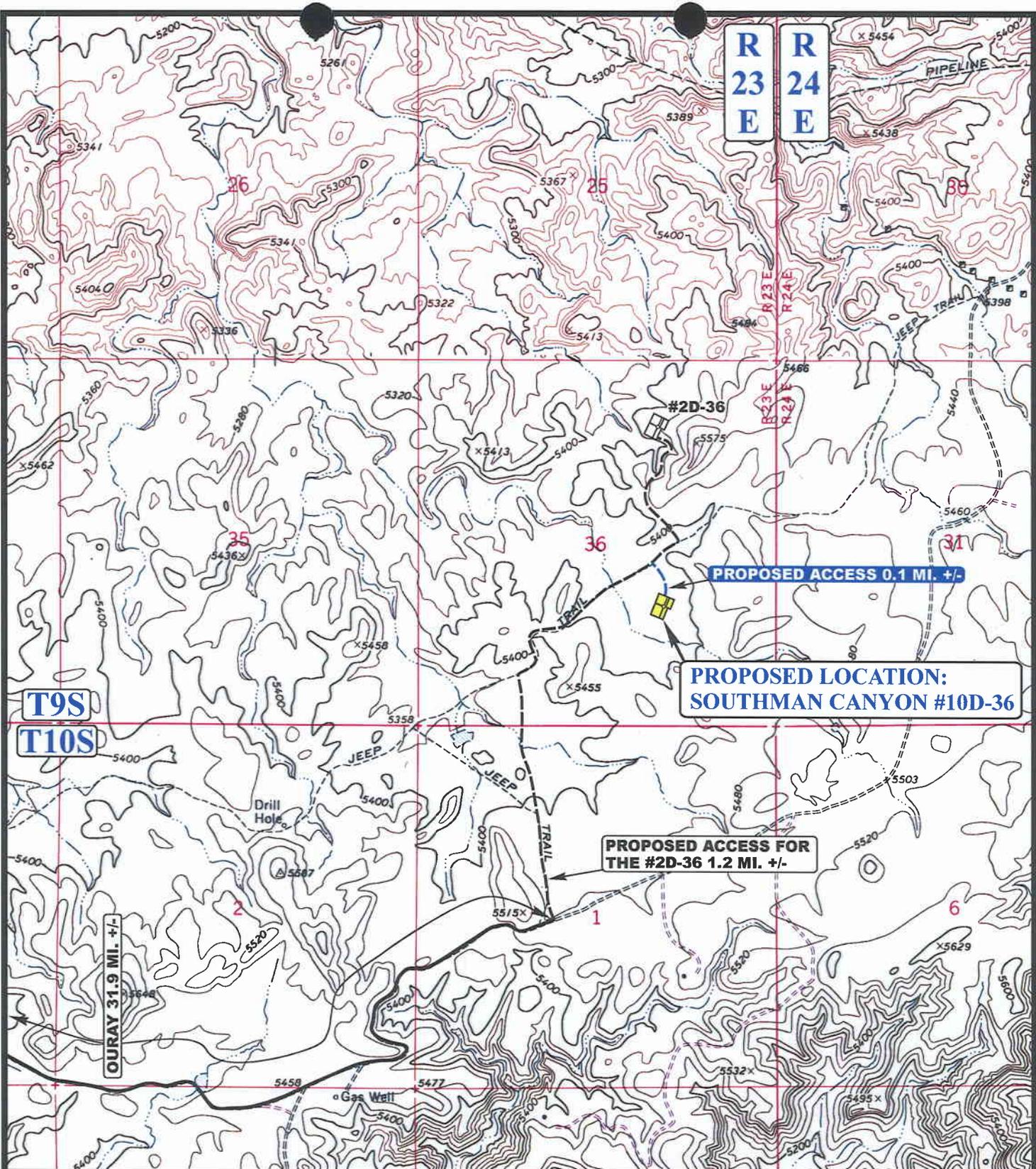
SOUTHMAN CANYON #10D-36
SECTION 36, T9S, R23E, S.L.B.&M.
1757' FSL 1650' FEL



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

TOPOGRAPHIC 10 14 03
MAP MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





R 23 E
R 24 E

T9S
T10S

**PROPOSED LOCATION:
SOUTHMAN CANYON #10D-36**

**PROPOSED ACCESS FOR
THE #2D-36 1.2 MI. +/-**

PROPOSED ACCESS 0.1 MI. +/-

OURAY 31.9 MI. +/-

LEGEND:

-  EXISTING ROAD
-  PROPOSED ACCESS ROAD

N

THE HOUSTON EXPLORATION COMPANY

SOUTHMAN CANYON #10D-36
SECTION 36, T9S, R23E, S.L.B.&M.
1757' FSL 1650' FEL



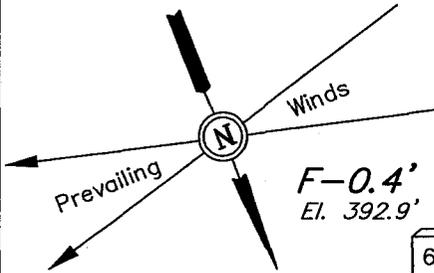
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP
10 14 03
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

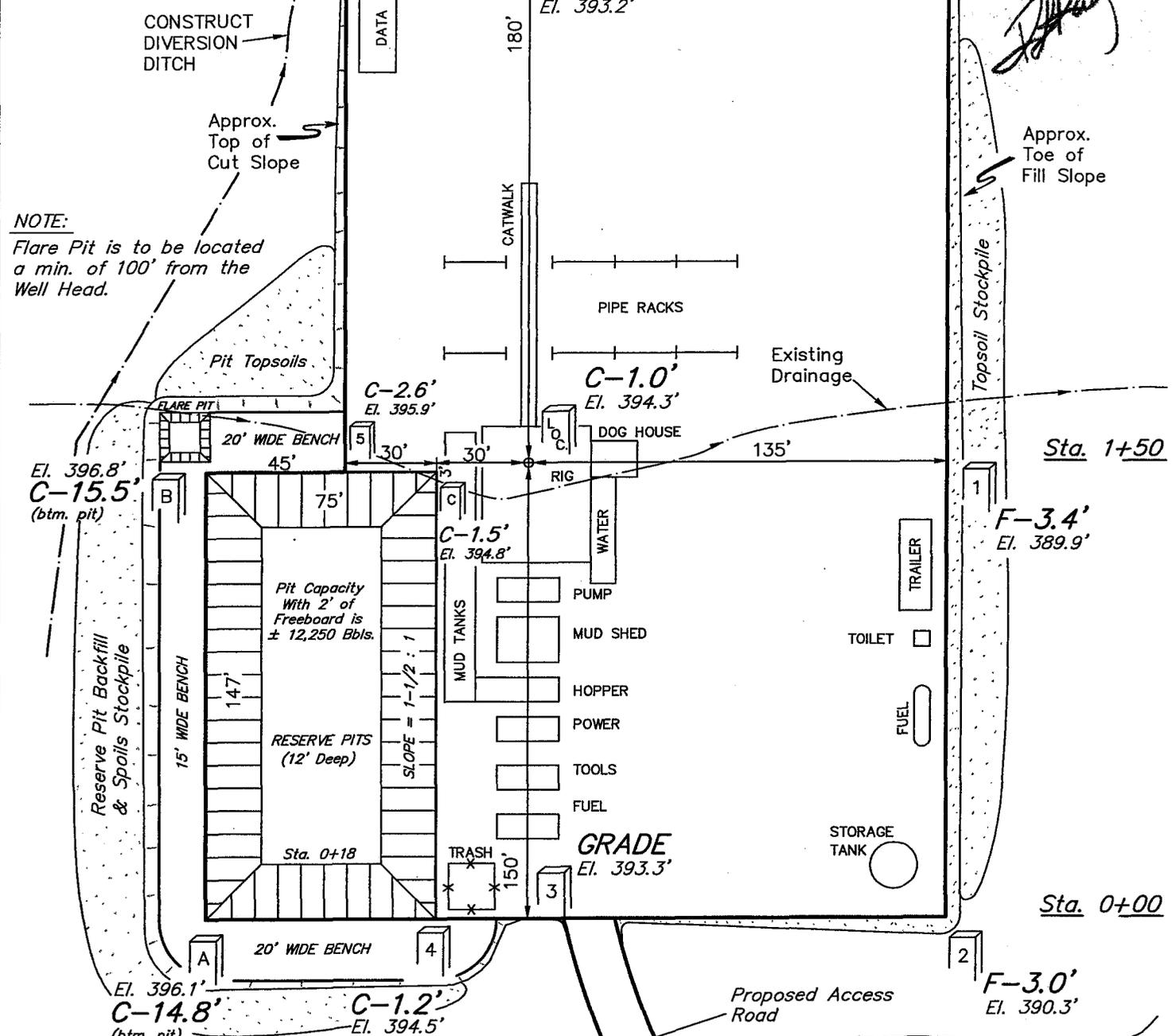


THE HOUSTON EXPLORATION COMPANY

LOCATION LAYOUT FOR
 SOUTHMAN CANYON #10D-36
 SECTION 36, T9S, R23E, S.L.B.&M.
 1757' FSL 1650' FEL



SCALE: 1" = 50'
 DATE: 10-13-03
 Drawn By: D.R.B.



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

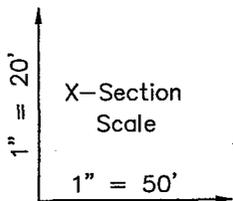
NOTES:

Elev. Ungraded Ground At Loc. Stake = 5394.3'
 FINISHED GRADE ELEV. AT LOC. STAKE = 5393.3'

FIGURE #1

THE HOUSTON EXPLORATION COMPANY

TYPICAL CROSS SECTIONS FOR SOUTHMAN CANYON #10D-36 SECTION 36, T9S, R23E, S.L.B.&M. 1757' FSL 1650' FEL



DATE: 10-13-03
Drawn By: D.R.B.

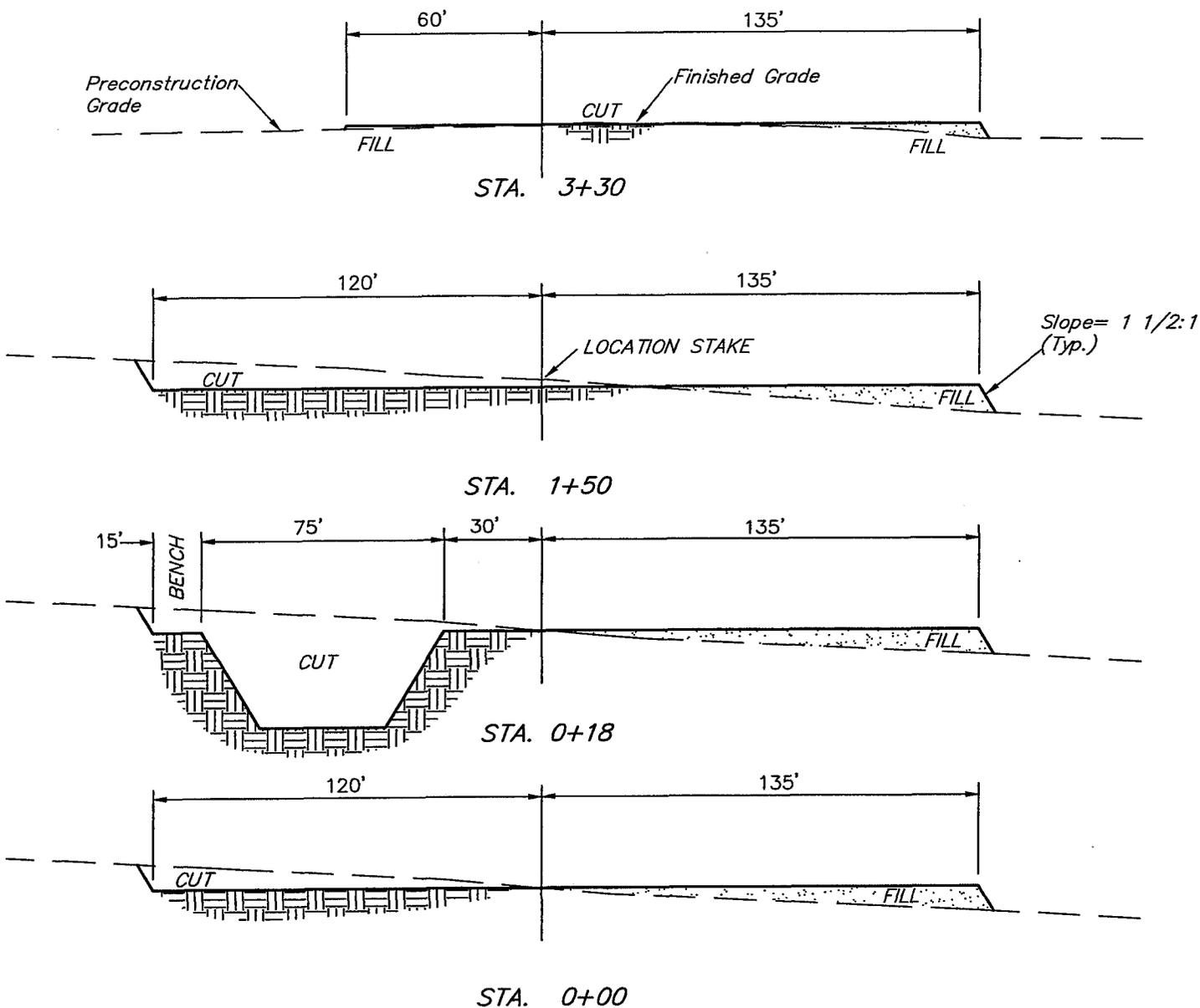


FIGURE #2

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,420 Cu. Yds.
Remaining Location	= 4,830 Cu. Yds.
TOTAL CUT	= 6,250 CU.YDS.
FILL	= 3,010 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,080 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,080 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/24/2003

API NO. ASSIGNED: 43-047-35363

WELL NAME: SOUTHMAN CYN 10D-36
OPERATOR: HOUSTON EXPLORATION CO, (N2525)
CONTACT: ROBERT ANDERSON

PHONE NUMBER: 713-830-6973

PROPOSED LOCATION:
NWSE 36 090S 230E
SURFACE: 1757 FSL 1650 FEL
BOTTOM: 1757 FSL 1650 FEL
UINTAH
NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	<i>DRD</i>	1/9/04
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: ML47782
SURFACE OWNER: 3 - State
PROPOSED FORMATION: CSLGT

LATITUDE: 39.99007
LONGITUDE: 109.27114

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 104155043)

Potash (Y/N)

Oil Shale 190-5 (B) or 190-3 or 190-13

Water Permit
(No. 49-2154)

RDCC Review (Y/N)
(Date: _____)

Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit _____

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

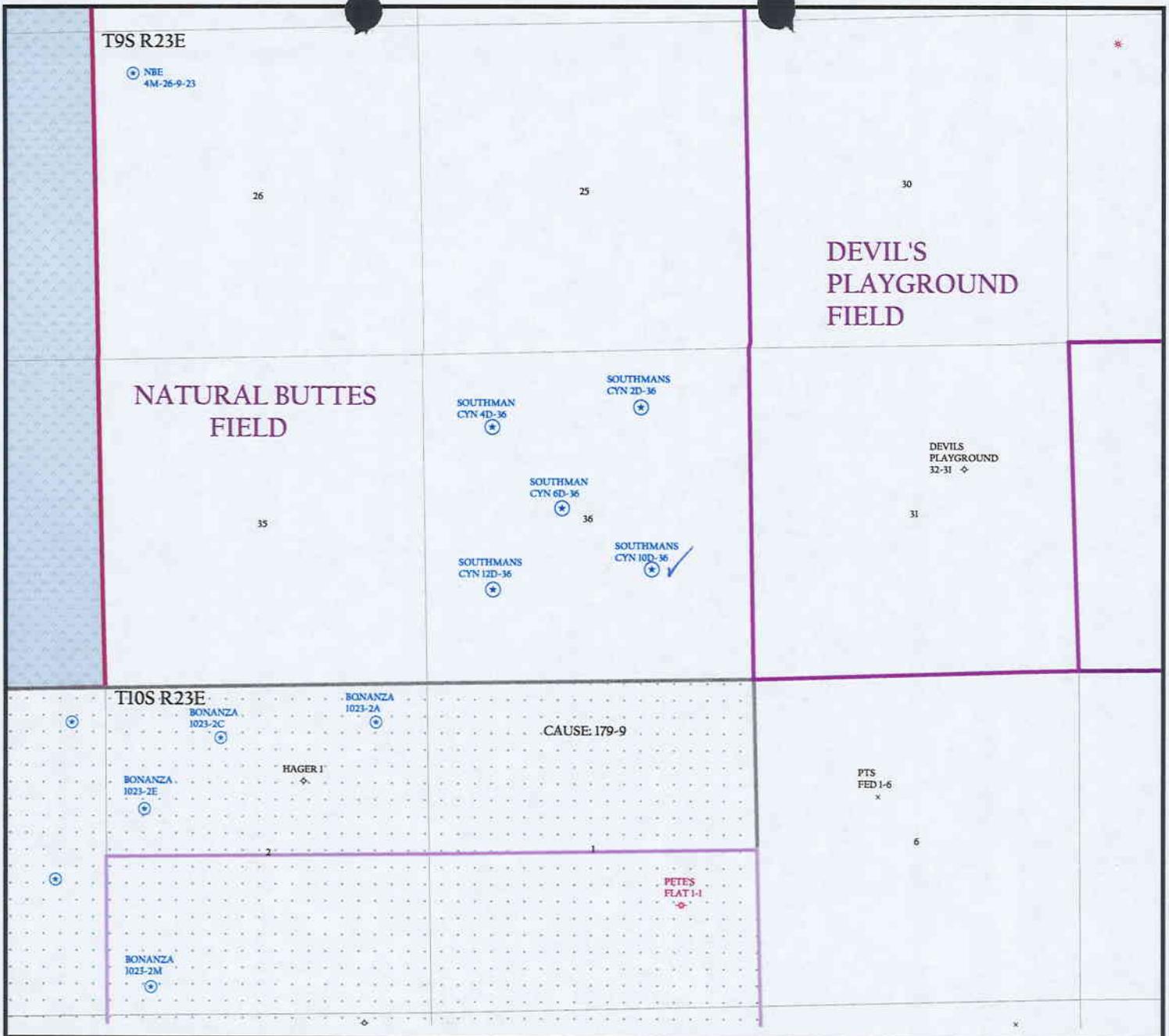
R649-3-3. Exception

___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____

___ R649-3-11. Directional Drill

COMMENTS: Needs Permit (12-18-03)

STIPULATIONS: 1- Spacing Slip
2- STATEMENT OF BASIS
3- Production casing (5 1/2") Cant should be brought above the Moderately Saline Groundwater @ ± 3200'



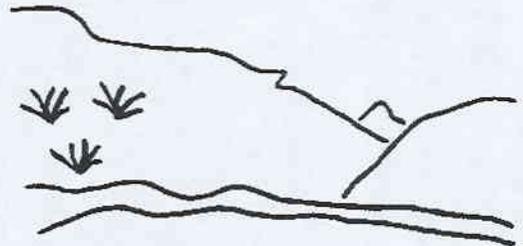
OPERATOR: HOUSTON EXPL CO (N2525)

SEC. 36 T.9S, R.23E

FIELD: NATURAL BUTTES (630)

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: 25-NOVEMBER-2003

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: SOUTHMAN CANYON 10D-36
API NUMBER: 43-047-35363
LEASE: ML-47782 **FIELD/UNIT:** WILDCAT
LOCATION: 1/4, 1/4 NW/SE **Sec:** 36 **TWP:** 9S **RNG:** 23E **FSL** 1757' **FEL** 1650'
LEGAL WELL SITING: 460 F **SEC. LINE;** 460 F **1/4, 1/4 LINE;** 920 F **ANOTHER**
WELL.GPS COORD (UTM): 647600E 4427876N **SURFACE OWNER:** STATE OF UTAH

PARTICIPANTS

DAVID W. HACKFORD (DOGM), ED BONNER (SITLA), ROBERT KAY (UELS), BOB ANSERSON, (HOUSTON).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS IN A RELATIVELY FLAT AND LEVEL AREA DRAINING SLIGHTLY TO THE NORTHWEST. THERE ARE LOW, ROCKY RIDGES 400' TO THE EAST AND WEST. THE WHITE RIVER IS THREE MILES TO THE WEST. OURAY, UTAH IS 34.4 MILES TO THE NORTHWEST, AND BONANZA, UTAH IS FIVE MILES TO THE NORTHEAST.

SURFACE USE PLAN

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 350' BY 240'. ACCESS ROAD WILL BE 0.1 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL BE SURVEYED AT A LATER DATE IF NEEDED.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: SAGE, GREASEWOOD, HORSEBRUSH, PRICKLY PEAR, SHADSCALE, CHEATGRASS: PRONGHORN, RODENTS, SONGBIRDS, RAPTORS, COYOTE, RABBITS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION.
SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION
SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: 147' BY 75' AND 12' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE
REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY METCALF
ARCHEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON
FILE.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A COLD, SUNNY DAY WITH
SCATTERED SNOW COVER.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

12/18/03, 11:45 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 10 (Level III Sensitivity)

Sensitivity Level I = 20 or more: total containment is required.
Sensitivity Level II = 15-19: lining is discretionary.
Sensitivity Level III = below 15: no specific lining is required.





From: Ed Bonner
To: Whitney, Diana
Date: 11/25/03 1:49PM
Subject: Re: The Houston Exploration Company

Lease is OK. Lease number is ML 47782. Bond No. 104155043 in the amount of \$80,000 with Travelers Casualty and Insurance Company of America as surety.

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: SOUTHMAN CANYON 10D-36
API NUMBER: 43-047-35363
LOCATION: 1/4,1/4 NW/SE Sec: 36 TWP: 9S RNG: 23E 1757' FSL 1650' FEL

Geology/Ground Water:

The Houston Ex. Co. proposes to set 450 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,400 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 12-31-03

Surface:

The predrill investigation of the surface was performed on 12/18/03. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 11/25/03. Mr. Bonner was present. He had no concerns regarding the construction of this location or the drilling of the well. The DWR did not have a representative present. This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area. A 20' wide bench will be constructed along the east side of the reserve pit, and a 15' wide bench will be constructed along the south side of the reserve pit. A shallow drainage crossing site will be re-routed around the east side of the location.

Reviewer: David W. Hackford **Date:** 12/19/2003

Conditions of Approval/Application for Permit to Drill:

None.

From: Ed Bonner
To: Whitney, Diana
Date: 12/10/03 3:05PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Westport Oil & Gas Company

Bonanza 1023-2A Two significant sites in original pipeline corridor/access road.
Montgomery surveyed and cleared an alternate pipeline corridor/access road
which must be used.

Bonanza 1023-2C
Bonanza 1023-2E
Bonanza 1023-2M

The Houston Exploration Company

Southman Canyon 2D-36
Southman Canyon 4D-36
Southman Canyon 6D-36
Southman Canyon 10D-36
Southman Canyon 12D-36

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil

Well name:

01-04 Houston South Canyon 10D-36Operator: **The Houston Exploration Company**String type: **Surface**

Project ID:

43-047-35363

Location: **Uintah County****Design parameters:****Collapse**Mud weight: 8.400 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 71 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 24 ft

BurstMax anticipated surface
pressure: 396 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 450 psi

No backup mud specified.

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

Tension is based on buoyed weight.

Neutral point: 394 ft

Non-directional string.

Re subsequent strings:Next setting depth: 8,300 ft
Next mud weight: 9.700 ppg
Next setting BHP: 4,182 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 450 ft
Injection pressure 450 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	450	9.625	36.00	J-55	ST&C	450	450	8.796	32
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	196	2020	10.287	450	3520	7.82	14	394	27.77 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 810-359-3940Date: January 5, 2004
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 450 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	01-04 Houston South Canyon 10D-36	
Operator:	The Houston Exploration Company	
String type:	Production	Project ID: 43-047-35363
Location:	Uintah County	

Design parameters:	Minimum design factors:	Environment:
Collapse	Collapse:	H2S considered? No
Mud weight: 9.700 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 181 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 1,500 ft
	Burst:	Cement top: 4,447 ft
	Design factor 1.00	
Burst		Non-directional string.
Max anticipated surface pressure: 3,186 psi	Tension:	
Internal gradient: 0.120 psi/ft	8 Round STC: 1.80 (J)	
Calculated BHP 4,182 psi	8 Round LTC: 1.80 (J)	
No backup mud specified.	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	
	Tension is based on buoyed weight.	
	Neutral point: 7,079 ft	

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8300 ✓	5.5 ✓	17.00 ✓	N-80 ✓	LT&C ✓	8300	8300	4.767	286

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4182	6290	1.504 ✓	4182	7740	1.85 ✓	120	348	2.89 J ✓

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 810-359-3940

Date: January 5, 2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 8300 ft, a mud weight of 9.7 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

01-04 Houston South Canyon 10D-36

Uinta Casing Schematic

Green River

Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
24.
Surface
450. MD

w/ 18% Washout
propose TO Surface

$(0.52)(9.7)(8300') = 4186$
Anticipated 4150

$(0.12)(8300) = 996$
 $(0.22)(8300) = 1826$

MASP = 3190

MASP = 2360 PSI

BOPE = 3000 proposed

Adequate

DWD 1/9/04

5-1/2"
MW 9.7

Production
8300. MD

3400 Mod. Saline

TOC Strip
above Mod Saline
± 3200'

3840 Wasatch

to 3200' w/ ± 78' WO

TOC @
4447.

5420 Mesaverde

w/ 15% Washout

7883 TOC Tail

7915 Castlegate

HEITZMAN DRILL-SITE SERVICES

DALE HEITZMAN (1925-2002)

ROBERT M. ANDERSON

January 6, 2004

STATE OF UTAH
Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Request for Location Exception

Southman Canyon #10D-36
1757' FSL, 1650' FEL (NW¼SE¼)
Section 36, T9S, R23E, S.L.B.&M.
Uintah County, Utah
State of Utah Lease #ML-47782

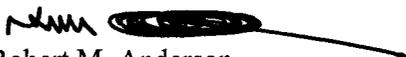
Gentlemen;

Pursuant to Rule R649-3-3 (Exception to Location and Siting of Wells) of the Utah Administrative Code (UAC), The Houston Exploration Company (THEC) hereby requests administrative approval for a location exception for the Southman Canyon #10D-36 well location. As indicated above, THEC proposes to drill the Southman Canyon #10D-36 from a surface hole location of 1757' FNL and 1650' FEL of Section 36 in Township 9 South, Range 23 East in Uintah County, Utah in order to test the productive potential of the Castlegate Formation at a total depth of 8300'.

Due to a combination of subsurface geologic considerations and surface topographic constraints, the proposed Southman Canyon #10D-36 could not be staked within 200 feet of the center of the selected forty-acre tract as required under UAC R649-3-2. THEC owns or controls all of the mineral acreage within a 460 foot radius of the proposed Southman Canyon #10D-36 and there are no producing wells within a 920 foot radius thereof.

Should you have any questions or require any additional information in this regard, please do not hesitate to give me a call at (307) 473-1268.

Sincerely,


Robert M. Anderson
Authorized Agent

RMA/ibm
Attachment

cc: Mr. Lloyd Bruce
The Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, Texas 77002



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

January 12, 2004

The Houston Exploration Company
 1100 Louisiana, Suite 2000
 Houston, TX 77002

Re: Southman Canyon 10D-36 Well, 1757' FSL, 1650' FEL, NW SE, Sec. 36, T. 9 South,
 R. 23 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 43-047-35363.

Sincerely,

John R. Baza
 Associate Director

pab
 Enclosures

cc: Uintah County Assessor
 SITLA

Page 2

Conditions of Approval API #43-047-35362

January 12, 2004

6. 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.

7. Production casing (5 1/2") cement shall be brought above the moderately saline groundwater ($\pm 3200'$).

DIVISION OF OIL, GAS AND MINING**SPUDDING INFORMATION**Name of Company: THE HOUSTON EXPLORATION COMPANYWell Name: SOUTHMAN CYN 10D-36Api No: 43-047-35363 Lease Type: STATESection 36 Township 09S Range 23E County UINTAHDrilling Contractor STUBBS & STUBBS RIG # 111**SPUDDED:**Date 03/01/04Time 10:00 AMHow ROTARY**Drilling will commence:** _____Reported by NIKKI STUBBSTelephone # 1-435-789-8874Date 03/10/2004 Signed CHD

006

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

FORM 6

ENTITY ACTION FORM

Operator: The Houston Exploration Company Operator Account Number: N 2525
Address: 1100 Louisiana, Suite 2000
City: Houston
state TX zip 77002 Phone Number: (713) 830-6880

Well 1

API Number	Well Name	QC	Sec	Twp	Rng	County
43-047-35363	Southman Canyon #10D-36	NWSE	36	9S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	14093	3/18/04	3/25/04		
Comments: <u>CSLGT</u>						

K

Well 2

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

Well 3

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

ACTION CODES:

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

Theresa Overturf

Name (Please Print)

Theresa Overturf

Signature

Engineering Technician

Date

3-23-04

RECEIVED

Title

MAR 25 2004

DIV. OF OIL, GAS & MINING

007

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

5 LEASE DESIGNATION AND SERIAL NUMBER:
ML 47782

6 IF INDIAN, ALLOTTEE OR TRIBE NAME:
NA

7 UNIT OR CO-AGREEMENT NAME:
NA

8 WELL NAME AND NUMBER:
Southman Canyon 10D-36

9 APE NUMBER:
43-047-35363

10 FIELD AND POOL, OR WILDCAT:
None

SUNDRY NOTICED AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significant deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMITS TO DRILL form for such proposals

1 TYPE OF WELL

OIL WELL GAS WELL OTHER _____

2 NAME OF OPERATOR: **The Houston Exploration Company** PHONE NUMBER: **713-830-6800**

3 ADDRESS OF OPERATOR: **1100 Louisiana, Suite 2000, Houston TX 77002-5215**

4 LOCATION OF WELL

FOOTAGE AT SURFACE:
1757' FSL, 1650' FEL

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SENW, Sec. 36, T9S, R23E

COUNTY: **Uintah**
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: <u>ASAP</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPORT CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIRS	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIRS
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUS AND ABANDON	<input type="checkbox"/> VENT OR FLAIR
	<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"/> COMINGLE PRODUCTION FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<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.

Operator proposes changing the casing design as follows,
 Drill 20" hole to 88', set at 87' 13 3/8", 48#, H-40, STC
 Drill 12 1/4", hole to 2,000'+/-. Set 2,000', 9 5/8", 36#, J-55, STC
 Drill 7 7/8" hole to 8,000' +/- Set 8,000', 5 1/2", 17#, N-80, LTC
 The 13 3/8" conductor will be cemented to the surface w/6 bag mix, ready mix.
 The 9 5/8" surface casing will be cemented to the surface as follows.
 1st lead 253sks, 11.0 ppg, 3.38 cf/sk, Primium Lite II, .05#/sk Static Free, .25#/sk Cello Flake, 5#/sk Kol Seal, .002 gps FP-6L 10% bwoc Bentonite, .5% bwoc Sodium Metasilicate, 3% bwow Potassium Chloride
 Tail 329 sks, 15.6 ppg, 1.2 cf/sk, Class G Cement, 2% bwoc Calcium Chloride, .25 #/sk Cello Flake
 The 5 1/2" production will be cemented back to 2,500' as follows.
 1st lead 206sks, 11.0 ppg, 3.38 cf/sk, Primium Lite II, .25#/sk Cello Flake, .05 #/sk Static Free, 5#/sk Kol Seal, 3% bwow Potassium Chloride, .005 gps FP-6L, 10% bwoc Bentonite, .5 bwoc Sodium Metasilicate
 Tail 391 sks, 14.3 ppg, 1.56 cf/sk, Class G Cement, .05% bwoc Static Free, bwow Sodium Chloride, .1% bwoc R-3, 2% bwoc Bentonite. If you require additional information please contact Bill Ryan (435-828-0968)

NAME (PLEASE PRINT) William A. Ryan TITLE Agent

SIGNATURE [Signature] DATE 2/18/2004

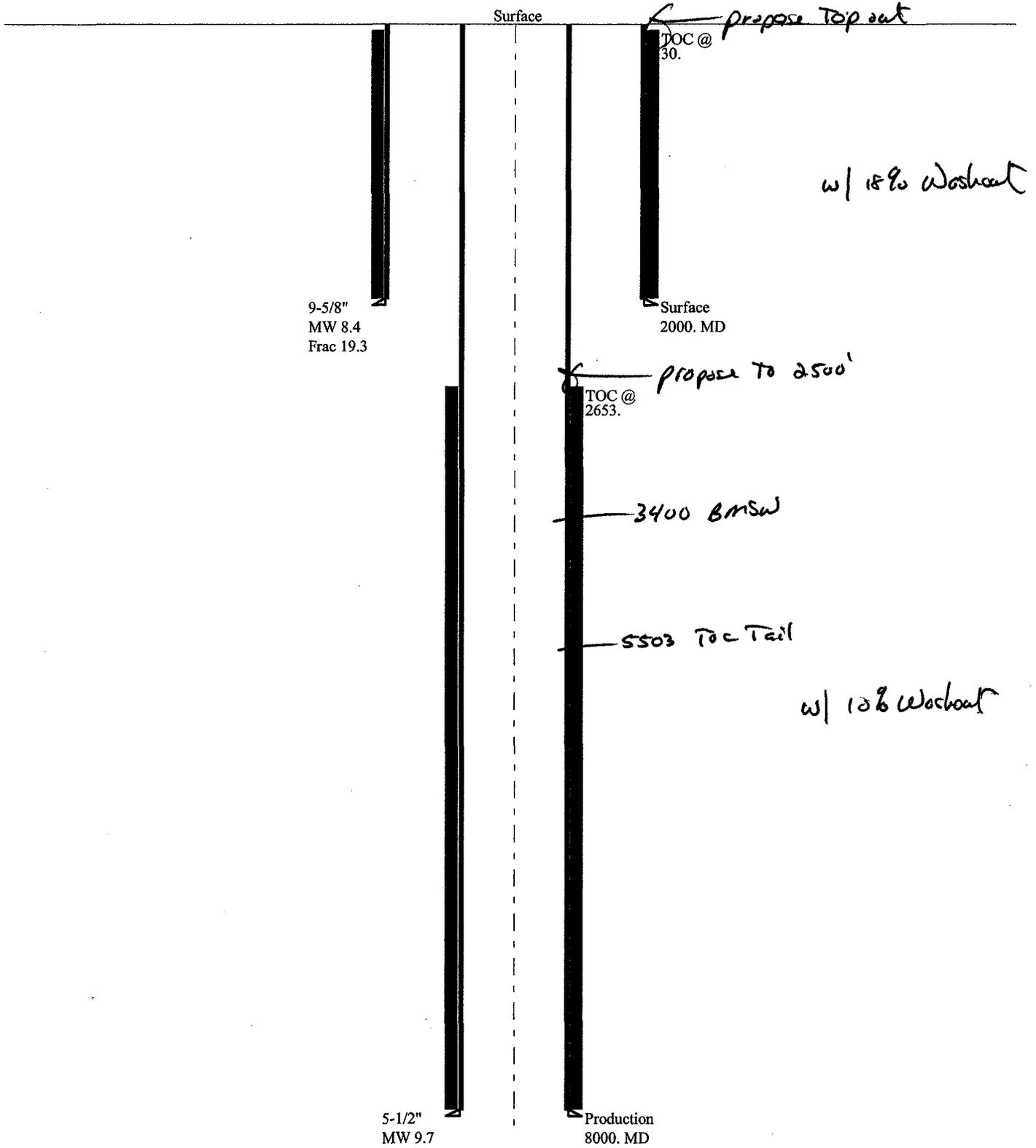
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING
 DATE: 05/19/04
[Signature]

RECEIVED
 MAY 18 2004
 DIV. OF OIL, GAS & MINING

4/29/04
 COPY SENT TO OPERATOR
 Date: 5-20-04
 Initials: CHD

01-04 Houston South Canyon 10D-36

Casing Schematic



Well name:	01-04 Houston South Canyon 10D-36	
Operator:	The Houston Exploration Company	
String type:	Surface	Project ID: 43-047-35363
Location:	Uintah County	

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 2,000 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
Neutral point: 1,751 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 30 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 8,000 ft
Next mud weight: 9.700 ppg
Next setting BHP: 4,031 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure: 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	36.00	J-55	ST&C	2000	2000	8.796	142.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	2020	2.315	2000	3520	1.76	63	394	6.25 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 810-359-3940

Date: May 19, 2004
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	01-04 Houston South Canyon 10D-36	
Operator:	The Houston Exploration Company	
String type:	Production	Project ID: 43-047-35363
Location:	Uintah County	

Design parameters:

Collapse
Mud weight: 9.700 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 3,071 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 4,031 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

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

Tension is based on buoyed weight.
Neutral point: 6,823 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 177 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 2,653 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8000 ✓	5.5 ✓	17.00 ✓	Mav-80 ✓	LT&C ✓	8000	8000	4.767	275.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4031	6290	1.560	4031	7740	1.92	116	273	2.35 B

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 810-359-3940

Date: May 19, 2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 8000 ft, a mud weight of 9.7 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

008

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 47782

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
NA

7. UNIT or CA AGREEMENT NAME:
NA

8. WELL NAME and NUMBER:
Southman Canyon 10D-36

9. API NUMBER:
4304735363

10. FIELD AND POOL, OR WILDCAT:
None

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
The Houston Exploration Company

3. ADDRESS OF OPERATOR:
1100 Louisiana, Ste 2000 CITY Houston STATE TX ZIP 77002

PHONE NUMBER:
(713) 830-6938

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1757' FSL, 1650' FEL COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 36 9S 23E STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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: Testing
	<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.

3/18/04-6/30/04 Drld to 1990'. Ran 9 5/8" csg, set @ 1977', cmtd. Drld 1990'-8123'. Log. Ran 5 1/2" csg, set @ 8105', cmtd. Perf 7550'-7557', 7643'-7655', 7754'-7762', 7836'-7839', & 7902'-7914'. Hooking up well & building tank. Perf 969'-7030'. Frac. Flow tst well on 20/64" ck, 3.1 MMCF, 20 BWPH, 22/64" ck 2.5 MMCF & 18/64" ck 1.4 MMCF, 7 BWPH.

RECEIVED
JUL 19 2004
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Theresa Overturf TITLE Engineering Technician

SIGNATURE *Theresa Overturf* DATE 7/14/2004

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009

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 47782

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
NA

7. UNIT or CA AGREEMENT NAME:
NA

8. WELL NAME and NUMBER:
Southman Canyon 10D-36

9. API NUMBER:
4304735363

10. FIELD AND POOL, OR WILDCAT:
None

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.

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
The Houston Exploration Company

3. ADDRESS OF OPERATOR:
1100 Louisiana, Suite 2000 CITY Houston STATE TX ZIP 77002

PHONE NUMBER:
(713) 830-6938

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1757' FSL, 1650' FEL COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 36 9S 23E STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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>Waiting On Pipeline</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.

7/1/04 - 7/31/04 Waiting On Pipeline

NAME (PLEASE PRINT) Theresa Overturf

TITLE Engineering Technician

SIGNATURE *Theresa Overturf*

DATE 8/5/2004

(This space for State use only)

RECEIVED
AUG 09 2004

DIV. OF OIL, GAS & MINING

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

FORM 9

010

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 47782

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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.

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Southman Canyon 10D-36

2. NAME OF OPERATOR:
The Houston Exploration Company

9. API NUMBER:
4304735363

3. ADDRESS OF OPERATOR:
1100 Louisiana, Suite 2000 CITY Houston STATE TX ZIP 77002

PHONE NUMBER:
(713) 830-6938

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1757' FSL, 1650' FEL COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 36 9S 23E STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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>Waiting on Pipeline</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.

8/1/04 - 8/31/04 Waiting on Pipeline

RECEIVED

SEP 07 2004

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Theresa Overturf

TITLE Engineering Technician

SIGNATURE Theresa Overturf

DATE 9/2/2004

(This space for State use only)

011

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 47782

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT OR CA AGREEMENT NAME

8. WELL NAME and NUMBER:
Southman Canyon 10D-36

2. NAME OF OPERATOR:
The Houston Exploration Company

9. API NUMBER:
4304735363

3. ADDRESS OF OPERATOR:
1100 Louisiana, Ste 2000 CITY Houston STATE TX ZIP 77002

PHONE NUMBER:
(713) 830-6800

10. FIELD AND POOL, OR WILDCAT

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1757' FSL & 1650' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

CONFIDENTIAL
PERIOD EXPIRED
ON 7-22-05

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SENW Sec.36, T9S, R23E

12. COUNTY: Uintah 13. STATE: UTAH

14. DATE SPUNDED: 3/31/04 15. DATE T.D. REACHED: 4/15/04 16. DATE COMPLETED: 6/22/04

17. ELEVATIONS (DF, RKB, RT, GL):
5393' GL

18. TOTAL DEPTH: MD 8123' TVD 19. PLUG BACK T.D.: MD 8105' TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? * 21. DEPTH BRIDGE PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
CEMENT LOG CAL/GR, AIL/CL/GR
Platform Express/T COMBO/GR, MUD LOG

23. WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	13 3/8"	48#	0'	90'				Surface	
12 1/4"	9 5/8"	36#	0'	1977'		329sx C10	93	Surface	
7 7/8"	5 1/2"	17#	0'	8105'		250sx PLSII+ 835sx C10	195	1980'	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	6904'	7014'						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Mesaverde	6969'	7914'		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
6969'-7030'		183	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
7179'-7193'		42	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
7210'-7220'		30	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
7550'-7557'		21	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC. SEE ADDITIONAL PERFS #32 ON REVERSE SIDE

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
7550'-7914'	200,000# 20/40 sand
7179'-7220'	42,000# 20/40 sand
6969'-7030'	145,400# 20/40 sand

29. ENCLOSED ATTACHMENTS:
 ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:
PCW
SGW

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE: 6/24/04		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 2585	WATER - BBL: 528	PROD. METHOD: Flow
CHOKE SIZE: 18/64	TBG. PRESS.	CSG. PRESS. 1500	API GRAVITY	BTU - GAS 1003	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 2585	WATER - BBL: 528	INTERVAL STATUS: PGW

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

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

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Uteland Butte	3966
				Wasatch	4070
				Mesaverde	5766
				Sego	7941
				Buck Tongue	8066

35. ADDITIONAL REMARKS (Include plugging procedure)

2600 Perforation Record Continued: 7643'-7655', 36 holes, open; 7754'-7762', 24 holes, open; 7836'-7839', 9 holes, open; 7902'-7914', 36 holes, open.

WAITING ON PIPELINE. PLEASE KEEP WELL INFORMATION CONFIDENTIAL

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Lloyd Bruce TITLE Senior Operations Engineer
 SIGNATURE *Lloyd Bruce* DATE 9/29/04

This report must be submitted within 30 days of

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

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

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

Send to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801
 Phone: 801-538-5340
 Fax: 801-359-3940

012

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

CONFIDENTIAL

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
MI 47782

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

SUNDRY NOTICES AND REPORTS ON WELLS

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.

8. WELL NAME and NUMBER:
Southman Canyon 10D-36

9. API NUMBER:
4304735363

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
The Houston Exploration Company

3. ADDRESS OF OPERATOR:
1100 Louisiana, Ste 2000 CITY Houston STATE TX ZIP 77002 PHONE NUMBER: (713) 830-6938

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1757' FSL, 1650' FEL COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 36 9S 23E STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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>Waiting on Pipeline</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.

9/1/04 - 9/30/04 Waiting on pipeline.

NAME (PLEASE PRINT) Theresa Overturf

TITLE Engineering Technician

SIGNATURE *Theresa Overturf*

DATE 9/4/2004

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OCT 06 2004

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

013

SUNDRY NOTICES AND REPORTS ON WELLS

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.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: MI 47782
2. NAME OF OPERATOR: The Houston Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1100 Louisiana, Ste 2000 CITY Houston STATE TX ZIP 77002		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1757 FSL, 1650 FEL		8. WELL NAME and NUMBER: Southman Canyon 10D-36
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 36 9S 23E		9. API NUMBER: 4304735363
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT:
STATE: UTAH		

CONFIDENTIAL

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" 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>Waiting on Pipeline</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.

10/1/04-10/31/04 Waiting on pipeline.

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NAME (PLEASE PRINT) Theresa Overturf	TITLE Engineering Technician
SIGNATURE <i>Theresa Overturf</i>	DATE 11/8/04

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-47782

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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:

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Southman Canyon 10D-36

2. NAME OF OPERATOR:
The Houston Exploration Company

CONFIDENTIAL

9. API NUMBER:
4304735363

3. ADDRESS OF OPERATOR:
1100 Louisiana Suite 2000 CITY **Houston** STATE **TX** ZIP **77002**

PHONE NUMBER:
(713) 830-6800

10. FIELD AND POOL, OR WILDCAT:
Natural Buttes

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1757' FSL & 1650' FEL**

COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSE 36 9S 23E**

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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<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.

Operator proposes to dewater the reserve pit on the subject well. Application for Permit to Drill approved trucking and disposal of the produced and drilling fluids. Operator proposes to evaporate, instead of trucking, water in the reserve pit to facilitate closing and reclamation of the reserve pit. Operator proposes to use a pumping system for evaporation.

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: **06-28-05**
By: *[Signature]*

COPIES SENT TO OPERATOR
Date: **6-29-05**
Initials: **CHD**

NAME (PLEASE PRINT) **William A Ryan** *[Signature]*

TITLE **Agent**

SIGNATURE _____

DATE **6/15/2005**

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: _____

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT or CA AGREEMENT NAME: _____

8. WELL NAME and NUMBER:
See Attached List

9. API NUMBER: _____

10. FIELD AND POOL, OR WILDCAT: _____

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
The Houston Exploration Company N2525

3. ADDRESS OF OPERATOR:
1100 Louisiana, Ste 2000 CITY Houston STATE TX ZIP 77002 PHONE NUMBER: (713) 830-6938

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **See Attached List** COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ 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: Effective 9/1/05	<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 checked="" type="checkbox"/> OPERATOR CHANGE 9/1/05	<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 type="checkbox"/> OTHER: _____
	<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.

Enduring Resources, LLC Operator #N 2750 Utah State Bond #RLB0008031
475 17th Street, Ste 1500
Denver, CO 80202

Contact : Frank Hutto 303-350-5102

Frank Hutto VP. OPS
Signature & Title
Date **9/19/05**

NAME (PLEASE PRINT) Joanne Hresko TITLE Vice President/General Manager Onshore
SIGNATURE *Joanne Hresko* DATE 9/2/2005

(This space for State use only) **APPROVED 9/29/2005**

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician (Instructions on Reverse Side)

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SEP 26 2005
DIV. OF OIL, GAS & MINING

TRANSFER OF OPERATOR

NATURAL BUTTES FIELD, UINTAH COUNTY, UTAH
 DRILLED WELLS, TO BE OPERATED BY ENDURING RESOURCES, LLC

API Well Number	Well Name	Well Status	Qtr/Qtr	Section	Township-Range	FNL/FSL	FEL/FWL	Latitude	Longitude
4304735550000	Bonanza #10D-18	SI	NWSE	18	9S-24E	1437 S	1800 E	40.03340	-109.25282
43047355510000	Bonanza #12D-12	Producing	NWSW	12	9S-23E	1556 S	867 W	40.04788	-109.28055
43047356930000	Bonanza #2D-27	Producing	NWNE	27	9S-24E	1064 N	1824 E	40.01123	-109.19600
43047359080000	Bonanza 10-11	Producing	NWSE	11	9S-23E	1991 S	1755 E	40.04866	-109.29035
43047356920000	Bonanza 10D-8	SI	NWSE	8	9S-24E	1510 S	1768 E	40.04789	-109.23383
43047355520000	Bonanza 1-11	Producing	NWNW	11	9S-23E	990 N	990 E	40.05431	-109.29891
43047359290000	Bonanza 12-20	Drig	NWSW	20	9S-25E	1998 S	825 W	40.01947	-109.13150
43047-359210000	Bonanza 12A-18	Producing	NWSW	18	9S-24E	2067 S	813 W	40.03430	-109.26242
43047359090000	Bonanza 14-12	Evaluating	SESW	12	9S-23E	505 S	2001 W	40.04455	-109.27693
43047359940000	Bonanza 4-18	WOPL	NWNW	18	9S-24E	706 N	682 W	40.04119	-109.26288
43047-356220000	Bonanza 4D-16	Producing	NWNW	16	9S-24E	1152 N	1209 W	40.04000	-109.22349
43047358600000	Bonanza 6-36	Producing	SENW	36	9S-24E	2217 N	2009 W	39.99336	-109.16393
43047359120000	Bonanza 6B-8	Producing	SENW	8	9S-24E	2017 N	1878 W	40.05213	-109.24004
43047359200000	Bonanza 8D-7	Producing	SENE	7	9S-24E	1992 N	477 E	40.05220	-109.24845
43047359050000	Buck Canyon 15-24	P&A	SWSE	24	12S-21E	700 S	2139 E	39.75386	-109.5134
43047348150000	Cartwright 2-35	TA	NWNE	35	9S-24E	858 N	2104 E	39.99733	-109.17882
43047332510000	East Bench 11-16	WOC	NESW	16	11S-22E	S S	1980 W	39.85889	-109.46172
43047347560000	Hoss 15	Producing	SWSE	20	9S-25E	1291 S	2088 E	40.01767	-109.12236
43047348140000	Little Joe 11-7	TA	NENE	7	9S-25E	710 N	644 E	40.05562	-109.13601
43047361500000	Rainbow 14-17	WOC	SESW	17	11S-24E	780 S	1726 W	39.85689	-109.25731
43047361840000	Rainbow 2-16	WOC	NWNE	16	11S-24E	837 N	2136 E	39.86708	-109.23348
43047353630000	Southman Canyon 10D-36	Producing	NWSE	36	9S-23E	1757 S	1650 E	39.98991	-109.27148
43047353640000	Southman Canyon 12D-36	Producing	NWSW	36	9S-23E	1518 S	1069 W	39.98977	-109.28040
43047357700000	Southman Canyon 14C-36	Producing	SESW	36	9S-23E	648 S	1717 W	39.98689	-109.27716
43047357720000	Southman Canyon 16C-36	Producing	SESE	36	9S-23E	542 S	736 E	39.98607	-109.26912
43047356910000	Southman Canyon 2D-30	Producing	NWNE	30	9S-24E	1171 N	1502 E	40.01111	-109.25269
43047353650000	Southman Canyon 2D-36	Producing	NWNE	36	9S-23E	960 N	1751 E	39.99711	-109.27228
43047353610000	Southman Canyon 4D-36	Producing	NWNW	36	9S-23E	1163 N	1137 W	39.99623	-109.28012
43047353620000	Southman Canyon 6D-36	Producing	SENW	36	9S-23E	2466 N	2271 W	39.99336	-109.27635
43047357710000	Southman Canyon 8C-36	Producing	SENE	36	9S-23E	2185 N	694 E	39.99358	-109.26783
43047355590000	Thurston Federal #12-1	Producing	SESW	12	12S-21E	692 S	1959 W	39.78280	-109.51768

TRANSFER OF OPERATOR BLM APPROVED WELLS #1

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
Asphalt Wash 15-7	SW/SW	7	11S	24E	UTU-73919	739' FSL & 629' FWL	43-047-36234
Bonanza 16-18	SE/SE	18	9S	24E	UTU-73457	861' FSL & 715' FEL	43-047-35992
Bonanza 4-11	NW/NW	11	9S	23E	UTU-74426	671' FNL & 729' FWL	43-047-35968
Bonanza 10D-12	NW/SE	12	9S	23E	UTU-74426	1,785' FSL & 1,855' FEL	43-047-35919
Bonanza 12-11	NW/SW	11	9S	23E	UTU-74426	1748' FSL & 420' FWL	43-047-35916
Bonanza 14-18	SE/SW	18	9S	24E	UTU-73457	472' FSL & 2,010' FWL	43-047-35993
Bonanza 14A-8	SE/SW	8	9S	24E	UTU-73457	907' FSL & 2,298' FWL	43-047-35952
Bonanza 16A-27	SE/SE	27	9S	24E	UTU-80571	862' FSL & 581' FEL	43-047-35923
Bonanza 2-21	NW/NE	21	8S	25E	UTU-73470	1,207' FNL & 1,541' FEL	43-047-35926
Bonanza 3-8	NW/NW	8	9S	24E	UTU-73457	573' FNL & 1,518' FWL	43-047-35966
Bonanza 6D-7	SE NW	7	9S	24E	UTU-73457	2,310' FNL & 2,310' FWL	43-047-35690
Bonanza 8-11	SE/NE	11	9S	23E	UTU-74426	2,163 FNL & 615' FEL	43-047-35907
Bonanza 8B-27	SE/NE	27	9S	24E	UTU-80571	1,830' FNL & 735' FEL	43-047-35923
Buck Camp 4-25	NW/NW	25	11S	22E	UTU-74424	804 FNL & 695 FWL	43-047-36276
Buck Camp 4-26	NW/NW	26	11S	22E	UTU-74974	660' FNL & 660' FWL	43-047-36274
Buck Canyon 1-24	NE/NE	24	12S	21E	UTU-73440	488' FNL & 833' FEL	43-047-35606
Buck Canyon 15-24	SW/SE	24	12S	24E	UTU-73440	700' FSL & 2,139' FEL	43-047-35995
Buck Canyon 7-24	SW/NE	24	12S	21E	UTU-73440	2,041' FNL & 2,171' FEL	43-047-35904
Buck Canyon 9-24	NE/SE	24	12S	21E	UTU-73440	1784' FSL & 855' FEL	43-047-35903
Rainbow 1-17	NE/NE	17	11S	24E	UTU-73920	795' FNL & 586' FEL	43-047-36151
Southman Canyon #14-30	SE/SW	30	9S	24E	UTU-80571	740' FSL & 1,737' FWL	43-047-35914
Southman Canyon #4C-30	NW/NW	30	9S	24E	UTU-80571	676' FNL & 568' FWL	43-047-35913
Southman Canyon 12-30	NW/SW	30	9S	24E	UTU-80571	1,912' FSL & 513' FWL	43-047-36104
Southman Canyon 8-30	SE/NE	30	9S	24E	UTU-80571	1,875' FNL & 818' FEL	43-047-35994
Southman Canyon 9-30	NE/SE	30	9S	24E	UTU-80571	2,089' FSL & 831' FEL	43-047-36019

* 43047-35906
• 43047-35953

TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

#3

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number	FIELD	Well Type
Asphalt Wash 11-16-11-24	NESW	16	11S	24E	ML-73921	2000 FSL & 1900 FWL	43-047-37088	Undesignated	Gas
Asphalt Wash 12-16-11-24	NWSW	16	11S	24E	ML-47080	2060 FSL & 839 FWL	43-047-36873	Undesignated	Gas
Asphalt Wash 14-16-11-24	SESW	16	11S	24E	ML-47080	537 FSL & 2140 FWL	43-047-36876	Undesignated	Gas
Asphalt Wash 3-16-11-24	NENW	16	11S	24E	ML-47080	825 FNL & 2116 FWL	43-047-36886	Undesignated	Gas
Asphalt Wash 4-16-11-24	NWNW	16	11S	24E	ML-47080	521 FNL & 766 FWL	43-047-36885	Undesignated	Gas
Asphalt Wash 5-16-11-24	SWNW	16	11S	24E	ML-47080	1880 FNL & 630 FWL	43-047-37089	Undesignated	Gas
Asphalt Wash 7-16-11-24	SWNE	16	11S	24E	ML-47080	1781 FNL & 1676 FEL	43-047-36874	Undesignated	Gas
Asphalt Wash 8-16-11-24	SENE	16	11S	24E	ML-47080	1905 FNL & 642 FEL	43-047-36875	Undesignated	Gas
Bonanza 14-20	SESW	20	9S	25E	ML-45558	838' FSL & 1,922' FWL	43-047-35930	Chapita Wells	Gas
Bonanza 4-20	NWNW	20	9S	25E	ML-45558	933' FNL & 583 FWL	43-047-35924	Chapita Wells	Gas
Bonanza 4-29	NWNW	29	9S	25E	ML-45559	600' FNL & 596' FWL	43-047-36010	Chapita Wells	Gas
Bonanza 4-36	NWNW	36	9S	24E	ML-46527	258' FNL & 862' FWL	43-047-35861	Natural Buttes	Gas
Bonanza 6-20	SENW	20	9S	25E	ML-45558	2,178' FNL & 1,839' FWL	43-047-35928	Chapita Wells	Gas
Buck Canyon 9-16-12-21	NESE	16	12S	21E	ML-47085	1980' FSL & 660' FEL	43-047-37091	Buck Canyon	Gas
Buck Canyon 11-16-12-21	NESW	16	12S	21W	ML-47085	NA	43-047-37119	Undesignated	Gas
Buck Canyon 13-16-21-21	SWSW	16	21S	21W	ML-47085	NA	43-047-37118	Undesignated	Gas
Buck Canyon 15-16-12-21	SWSE	16	12S	21W	ML-47085	NA	43-047-37120	Buck Canyon	Gas
East Bench 1-16	NENE	16	11S	22E	ML-46911	660' FNL & 660' FEL	43-047-36126	Undesignated	Gas
East Bench 15-16	SWSE	16	11S	22E	ML-46911	545' FSL & 1,848' FEL	43-047-36128	Undesignated	Gas
East Bench 3-16	NENW	16	11S	22E	ML-46911	832' FNL & 1,978' FWL	43-047-36125	Undesignated	Gas
East Bench 7-16	SWNE	16	11S	22E	ML-46911	1,909' FNL & 1,643' FEL	43-047-36127	Undesignated	Gas
East Bench 12-16-11-22	NWSW	16	11S	22E	ML-46911	1862 FSL & 838 FEL	43-047-37128	Undesignated	Gas
East Bench 13-16-11-22	SWSW	16	11S	22E	ML-46911	880 FSL & 750 FWL	43-047-37130	Undesignated	Gas
East Bench 14-16-11-22	SESW	16	11S	22E	ML-46911	848 FSL & 1930 FWL	43-047-37122	Undesignated	Gas
East Bench 16-16-11-22	SESE	16	11S	22E	ML-46911	663 FSL & 1055 FEL	43-047-37121	Undesignated	Gas
East Bench 2-16-11-22	NWNE	16	11S	22E	ML-46911	705 FNL & 2077 FEL	43-047-37125	Undesignated	Gas
East Bench 4-16-11-22	NWNW	16	11S	22E	ML-46911	760 FNL & 860 FWL	43-047-37126	Undesignated	Gas
East Bench 5-16-11-22	SWNW	16	11S	22E	ML-46911	1980 FNL & 758 FWL	43-047-37129	Undesignated	Gas
East Bench 6-16-11-22	SENW	16	11S	22E	ML-46911	1887 FNL & 2138 FWL	43-047-37124	Undesignated	Gas
East Bench 8-16-11-22	SENE	16	11S	22E	ML-46911	1880 FNL & 780 FEL	43-047-37127	Undesignated	Gas
East Bench 9-16-11-22	NESE	16	11S	22E	ML-46911	2035 FSL & 1422 FEL	43-047-37123	Undesignated	Gas
Gusher 6-2	SENW	2	6S	19E	ML-49144	1550 FNL & 1025 FWL	43-047-36963	Moffit Canal	Oil
Hanging Rock 1-32	NENE	32	11S	23E	ML-47079	542' FNL & 690' FEL	43-047-36309	Undesignated	Gas
Little Pack Mountain 1-16	NWNW	16	12S	20E	ML-47082	609 FNL & 688 FEL	43-047-36981	Wildcat	Gas
Little Pack Mountain 7-32	SWNE	32	12S	20E	ML-47083	1792 FNL & 1797 FEL	43-047-36980	Wildcat	Gas
Rock House 12-36-10-23	NWSW	36	10S	23E	ML-47907	1844 FSL & 755 FWL	43-047-36534	Natural Buttes	Gas
Rock House 13-32-10-23	SWSW	32	10S	23E	ML-47063	564 FSL & 471 FWL	43-047-36411	Natural Buttes	Gas
Rock House 1-36-10-22	NENE	36	10S	22E	ML-47061	620 FNL & 850 FEL	43-047-36408	Natural Buttes	Gas
Rock House 3-36-10-22	NENW	36	10S	22E	ML-47061	934 FNL & 1783 FWL	43-047-36407	Natural Buttes	Gas
Rock House 4-32-10-23	SWNW	32	10S	23E	ML-47063	1406 FNL & 562 FWL	43-047-36412	Natural Buttes	Gas
Rock House 7-36-10-22	SWNE	36	10S	22E	ML-47061	2209 FNL & 2445 FEL	43-047-36409	Natural Buttes	Gas
Rock House 9-32-10-23	NESE	32	10S	23E	ML-47063	2008 FSL & 1642 FEL	43-047-36337	Natural Buttes	Gas
Rockhouse #13-36	SWSW	36	10S	22E	ML-46907	486 FSL & 844' FWL	43-047-35902	Natural Buttes	Gas
Rockhouse 16-2	SESE	2	11S	23E	ML-47078	909' FSL & 748' FEL	43-047-36152	Rockhouse	Gas
Seep Springs 10-13-12-24	NWSE	13	12S	24E	ML-49275	1950 FSL & 1802 FEL	43-047-36634	Undesignated	Gas
Seep Springs 1-13-12-24	NENE	13	12S	24E	ML-49275	753 FNL & 487 FEL	43-047-36628	Undesignated	Gas
Seep Springs 15-11-12-24	SWSE	11	12S	24E	ML-49274	829 FSL & 2178 FEL	43-047-36626	Undesignated	Gas
Seep Springs 15-13-12-24	SWSE	13	12S	24E	ML-49275	622 FSL & 1806 FEL	43-047-36630	Undesignated	Gas
Seep Springs 16-11-12-24	SESE	11	12S	24E	ML-49274	659 FSL & 466 FEL	43-047-36625	Undesignated	Gas
Seep Springs 16-13-12-24	SESE	13	12S	24E	ML-49275	686 FSL & 640 FEL	43-047-36629	Undesignated	Gas
Seep Springs 2-13-12-24	NWNE	13	12S	24E	ML-49275	465 FNL & 1807 FEL	43-047-36627	Undesignated	Gas
Seep Springs 7-13-12-24	SWNE	13	12S	24E	ML-49275	FNL & FEL	43-047-36631	Undesignated	Gas
Seep Springs 8-13-12-24	SENE	13	12S	24E	ML-49275	1969 FNL & 642 FEL	43-047-36632	Undesignated	Gas
Seep Springs 9-13-12-24	NESE	13	12S	24E	ML-49275	663 FSL & 1960 FEL	43-047-36633	Undesignated	Gas
Southman Canyon 11-36-9-23	NESW	36	9S	23E	ML-47782	1965 FSL & 1953 FWL	43-047-36535	Natural Buttes	Gas
Southman Canyon 13-36-9-23	SWSW	36	9S	23E	ML-47782	467 FSL & 823 FWL	43-047-36532	Natural Buttes	Gas

TRANSFER OF OPERATOR STATE OF UTAH APPROVED AND PENDING

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number	FIELD	Well Type
Southman Canyon 1-36-9-23	NENE	36	9S	23E	ML-47782	681 FNL & 496 FEL	43-047-36537	Natural Buttes	Gas
Southman Canyon 15-36-9-23	SWSE	36	9S	23E	ML-47782	529 FSL & 1784 FEL	43-047-36529	Natural Buttes	Gas
Southman Canyon 3-36-9-23	NENW	36	9S	23E	ML-47782	464 FNL & 1815 FWL	43-047-36530	Natural Buttes	Gas
Southman Canyon 5-36-9-23	SWNW	36	9S	23E	ML-47782	2028 FNL & 499 FWL	43-047-36531	Natural Buttes	Gas
Southman Canyon 7-36-9-23	SENE	36	9S	23E	ML-47782	2184 FNL & 1994 FEL	43-047-36536	Natural Buttes	Gas
Southman Canyon 9-36-9-23	NESE	36	9S	23E	ML-47782	1978 FNL & 657 FEL	43-047-36533	Natural Buttes	Gas

TRANSFER OF OPERATOR BLM PENDING WELLS

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
Asphalt Wash 13-6	SW/SW	6	11S	24E	UTU-73919	400' FSL & 550' FWL	
Asphalt Wash 10-9-11-24	NW SE	9	11S	24E	UTU-73920	1846 FSL & 1942 FEL	43-047-37071
Asphalt Wash 11-9-11-24	NE SW	9	11S	24E	UTU-73920	1799 FSL & 1782 FWL	43-047-37073
Asphalt Wash 12-6-11-24	NW SW	6	11S	24E	UTU-73919	1844 FSL & 683 FWL	43-047-37066
Asphalt Wash 14-6-11-24	SE SW	6	11S	24E	UTU-73919	704 FSL & 2123 FWL	43-047-37067
Asphalt Wash 14-9-11-24	SE SW	9	11S	24E	UTU-73920	460 FSL & 2115 FWL	43-047-37076
Asphalt Wash 15-9-11-24	SW SE	9	11S	24E	UTU-73920	804 FSL & 1990 FEL	43-047-37074
Asphalt Wash 16-9-11-24	SE SE	9	11S	24E	UTU-73920	826 FSL & 472 FEL	43-047-37075
Asphalt Wash 2-6-11-24	NW NE	6	11S	24E	UTU-73919	735 FNL & 1590 FEL	43-047-37061
Asphalt Wash 2-7-11-24	NW NE	7	11S	24E	UTU-73919	621 FNL & 2462 FEL	43-047-37068
Asphalt Wash 2-9-11-24	NW NE	9	11S	24E	UTU-73920	829 FNL & 1774 FEL	43-047-37070
Asphalt Wash 3-6-11-24	NE NW	6	11S	24E	UTU-73919	792 FNL & 1925 FWL	43-047-37062
Asphalt Wash 4-6-11-24	NW NW	6	11S	24E	UTU-73919	820 FNL & 1007 FWL	43-047-37063
Asphalt Wash 5-6-11-24	SW NW	6	11S	24E	UTU-73919	1738 FNL & 716 FWL	43-047-37064
Asphalt Wash 6-7-11-24	SE NW	7	11S	24E	UTU-73919	2013 FNL & 2241 FWL	43-047-37069
Asphalt Wash 7-6-11-24	SW NE	6	11S	24E	UTU-73919	1616 FNL & 1615 FEL	43-047-37065
Asphalt Wash 7-9-11-24	SE NE	9	11S	24E	UTU-73920	1883 FNL & 1854 FEL	43-047-37072
Asphalt Wash 1-7-11-24	NE NE	7	11S	24E	UTU-73919	426 FNL & 270 FEL	43-047-37084
Asphalt Wash 4-7-11-24	NW NW	7	11S	24E	UTU-73919	856 FNL & 860 FWL	43-047-37085
Asphalt Wash 7-7-11-24	SW NE	7	11S	24E	UTU-73919	1909 FNL & 1893 FEL	43-047-37087
Asphalt Wash 8-7-11-24	SE NE	7	11S	24E	UTU-73919	1998 FNL & 683 FEL	43-047-37086
Bonanza 4-7	NW/NW	7	9S	24E	UTU-73457	809' FNL & 670' FWL	43-047-36017
Bonanza 8-17	SW/NE	17	9S	24E	UTU-73457	1865' FNL & 584' FEL	43-047-36041
Bonanza 11-11-9-23	NE SW	11	9S	23E	UTU-74426	2036 FSL & 2043 FWL	43-047-36649
Bonanza 11-12-9-23	NE SW	12	9S	23E	UTU-74426	1799 FSL & 1948 FWL	43-047-36655
Bonanza 11-18-9-24	NE SW	18	9S	24E	UTU-73457	1785 FSL & 2133 FWL	43-047-36637
Bonanza 12-23-9-24	NW/SW	23	9S	24E	UTU-81311	1882 FSL & 699 FWL	43-047-36640
Bonanza 12-35	NW/SW	35	9S	24E	UTU 73459	1374' FSL & 858' FWL	43-047-36020
Bonanza 13-11-9-23	SW SW	11	9S	23E	UTU-74426	463 FSL & 773 FWL	43-047-36650
Bonanza 13-12-9-23	SW SW	12	9S	23E	UTU-74426	661 FSL & 656 FWL	43-047-36528
Bonanza 13-18-9-24	SW SW	18	9S	24E	UTU-73457	767 FSL & 583 FWL	43-047-36638
Bonanza 14-11-9-23	SE SW	11	9S	23E	UTU-74426	756 FSL & 1859 FWL	43-047-36651
Bonanza 14-23-9-24	SE/SW	23	9S	24E	UTU-81311	560 FSL & 1878 FWL	43-047-36641
Bonanza 15-11-9-23	SW SE	11	9S	23E	UTU-74426	660 FSL & 1980 FEL	43-047-36652
Bonanza 15-12-9-23	SW SE	12	9S	23E	UTU-74426	607 FSL & 1920 FEL	43-047-36656
Bonanza 15-18-9-24	SW SE	18	9S	24E'	UTU-73457	463 FSL & 2162 FEL	43-047-36639
Bonanza 16-12-9-23	SE SE	12	9S	23E	UTU-74426	855 FSL & 536 FEL	43-047-36657
Bonanza 16-8	SE/SE	8	9S	24E	UTU-73457	588' FSL & 524' FEL	43-047-36101
Bonanza 2-11-9-23	NW NE	11	9S	23E	UTU 74426	664 FNL & 1925 FEL	43-047-36643
Bonanza 2-12-9-23	NW NE	12	9S	23E	UTU-74426	743 FNL & 1962 FEL	43-047-36527
Bonanza 3-11-9-23	NE NW	11	9S	23E	UTU 74426	499 FNL & 1898 FWL	43-047-36644
Bonanza 3-12-9-23	NE NW	12	9S	23E	UTU-74426	734 FNL & 1866 FWL	43-047-36524
Bonanza 4-35	NW/NW	35	9S	24E	UTU 73459	789' FNL & 807' FWL	43-047-35925
Bonanza 5-11-9-23	SW NW	11	9S	23E	UTU 74426	1794 FNL & 609 FWL	43-047-36645

TRANSFER OF OPERATOR BLM PENDING WELLS

PREVIOUS OPERATOR: Houston Exploration Company

NEW OPERATOR: Enduring Resources, LLC

EFFECTIVE DATE: September 1st, 2005

Well Name	Q/Q	Sec	T	R	Lease Number	Footages f/ Sec Lines - SL	API Number
Bonanza 5-12-9-23	SW NW	12	9S	23E	UTU-74426	1996 FNL & 558 FWL	43-047-36526
Bonanza 5-18-9-24	SW NW	18	9S	24E	UTU-73457	2147 FNL & 662 FWL	43-047-36635
Bonanza 5-22	SW/NW	22	8S	25E	UTU-73470	1,932' FNL & 415' FWL	43-047-35918
Bonanza 5-24-9-24	SW/NW	24	9S	24E	UTU-73458	2167 FNL & 714 FWL	43-047-36642
Bonanza 6-11-9-23	SE NW	11	9S	23E	UTU-74426	2069 FNL & 1801 FWL	43-047-36646
Bonanza 6-12-9-23	SE NW	12	9S	23E	UTU-74426	2114 FNL & 1871 FWL	43-047-36525
Bonanza 7-11-9-23	SW NE	11	9S	23E	UTU-74426	2060 FNL & 2134 FEL	43-047-36647
Bonanza 7-12-9-23	SW NE	12	9S	23E	UTU-74426	2065 FNL & 2159 FEL	43-047-36653
Bonanza 8-35	SENE	35	9S	24E	UTU-73459	1987' FNL & 909' FEL	43-047-36105
Bonanza 9-11-9-23	NE SE	11	9S	23E	UTU-74426	2008 FSL & 553 FEL	43-047-36648
Bonanza 9-12-9-23	NE SE	12	9S	23E	UTU-74426	1980 FSL & 660 FEL	43-047-36654
Bonanza 9-18-9-24	NE SE	18	9S	24E	UTU-73457	2009 FSL & 852 FEL	43-047-36636
Bonanza 9-22	NE/SE	22	9S	24E	UTU-75118	1,969' FSL & 495' FEL	43-047-36102
East Bench 9-20	NE/SE	20	11S	22E	UTU-73905	2,170' FSL & 472' FEL	43-047-36275
Rock House 12-30-10-23	NE SW	30	10S	23E	UTU-76281	2320 FSL & 1980 FWL	43-047-36548
Rock House 12-31-10-23	NW SW	31	10S	23E	UTU-76281	1900 FSL & 460 FWL	43-047-36552
Rock House 13-30-10-23	SW SW	30	10S	23E	UTU-76281	553 FSL & 573 FWL	43-047-36549
Rock House 14-31-10-23	SE SW	31	10S	23E	UTU-76281	860 FSL & 1890 FWL	43-047-36553
Rock House 3-31-10-23	NE NW	31	10S	23E	UTU-76281	854 FNL & 1940 FWL	43-047-36551
Rock House 5-30-10-23	SW NW	30	10S	23E	UTU-76281	1858 FNL & 703 FWL	43-047-36547
Rock House 5-31-10-23	SW NW	31	10S	23E	UTU-76281	2055 FNL & 2097 FWL	43-047-36550
Rock House 6-31-10-23	SE NW	31	10S	23E	UTU-76281	2059 FNL & 2111 FWL	43-047-36554
Rockhouse #12-30	NW/SW	30	10S	23E	UTU-80571	1,980' FSL & 660' FWL	43-047-36016 X
Rockhouse 13C-31	SW/SW	31	10S	23E	UTU-76281	135' FSL & 365' FWL	43-047-35911
Rockhouse 4D-30	NW NW	30	10S	23E	UTU-76281	1,116 FNL & 1,135' FWL	43-047-35882
Rockhouse 4D-31	NW NW	31	10S	23E	UTU-76281	990' FNL & 990' FWL	43-047-35807
Southman Canyon 12-3-11-24	NW/SW	3	11S	24E	UTU-73918	1,950' FSL & 514' FWL	43-047-36272
Southman Canyon 12-30-10-24	NW/SW	30	10S	24E	UTU-65371	2,118' FSL & 502' FWL	43-047-36238
Southman Canyon 13-30	SW/SW	30	9S	24E	UTU-80571	765' FSL & 303' FWL	43-047-36018
Southman Canyon 16-31-10-24	SE/SE	31	10S	24E	UTU-65371	621' FSL & 575' FEL	43-047-36270
Southman Canyon 4-30-10-24	NW/NW	30	10S	24E	UTU 65371	649' FNL & 607' FWL	43-047-36237
Southman Canyon 5-19-10-24	SW/NW	19	10S	24E	UTU-65371	1,978' FNL & 855' FWL	43-047-36236
Southman Canyon 6-30	SE/NW	30	9S	24E	UTU-80571	2,015' FNL & 2,581' FWL	43-047-36103

*X Duplicate API -
Different well name*

OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:		9/1/2005
FROM: (Old Operator): N2525-The Houston Exploration Company 1100 Louisiana, Suite 2000 Houston, TX 77002 Phone: 1-(713) 830-6938	TO: (New Operator): N2750-Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202 Phone: 1-(303) 350-5102	

CA No.

Unit:

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
SOUTHMAN CYN 10D-36	36	090S	230E	4304735363	14093	State	GW	P	
SOUTHMAN CYN 12D-36	36	090S	230E	4304735364	14063	State	GW	P	
SOUTHMAN CYN 2D-36	36	090S	230E	4304735365	14079	State	GW	S	
SOUTHMAN CYN 14C-36	36	090S	230E	4304735770	14320	State	GW	P	C
SOUTHMAN CYN 8C-36	36	090S	230E	4304735771	14292	State	GW	P	C
SOUTHMAN CYN 16C-36	36	090S	230E	4304735772	14265	State	GW	P	C
SOUTHMAN CYN 15-36-9-23	36	090S	230E	4304736529		State	GW	APD	C
SOUTHMAN CYN 3-36-9-23	36	090S	230E	4304736530		State	GW	APD	C
BONANZA 4D-16	16	090S	240E	4304735622	14319	State	GW	P	C
ROCK HOUSE 13-36	36	100S	220E	4304735902		State	GW	APD	
ROCK HOUSE 3-36-10-22	36	100S	220E	4304736407		State	GW	NEW	C
ROCK HOUSE 1-36-10-22	36	100S	220E	4304736408		State	GW	APD	C
ROCK HOUSE 7-36-10-22	36	100S	220E	4304736409		State	GW	NEW	C
ROCK HOUSE 13-32-10-23	32	100S	230E	4304736411		State	GW	APD	C
ROCK HOUSE 4-32-10-23	32	100S	230E	4304736412		State	GW	APD	C
EAST BENCH 3-16	16	110S	220E	4304736125		State	GW	NEW	
EAST BENCH 1-16	16	110S	220E	4304736126		State	GW	NEW	
EAST BENCH 7-16	16	110S	220E	4304736127		State	GW	NEW	
EAST BENCH 15-16	16	110S	220E	4304736128		State	GW	NEW	
ROCK HOUSE 16-2	02	110S	230E	4304736152		State	GW	APD	
HANGING ROCK 1-32	32	110S	230E	4304736309		State	GW	APD	
RAINBOW 2-16	16	110S	240E	4304736184	14657	State	GW	DRL	C

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/26/2005
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/26/2005
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 9/29/2005
- Is the new operator registered in the State of Utah: YES Business Number: 5771233-0161
- If **NO**, the operator was contacted on:
- a. (R649-9-2)Waste Management Plan has been received on: Requested 9/29/05
- b. Inspections of LA PA state/fee well sites complete on: n/a



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

September 4, 2014

CERTIFIED MAIL NO.: 7011 2970 0001 8828 1610

43 047 35363

Southman Lyn 9-23-33-36

36 95 23E

Mr. John Conley
Enduring Resources, LLC
511 16TH Street STE 700
Denver, CO 80202

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Conley:

As of April 2014, Enduring Resources, LLC (Enduring) has twenty (20) State Lease Wells and six (6) Fee Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Four (4) wells in 2013 and seven (7) wells in 2014 were added to Enduring's SI/TA list.

Several of these wells (attachment A) have previously been issued notices of non-compliance and have remained in non-compliance. The Division has worked with Enduring to reduce the immense amount of wells that were in non-compliance. In 2010 Enduring provided the Division with a list of wells to be plugged (attachment A), and the Division recognizes that Enduring most recently plugged a number of wells in 2012. However in 2013 only two wells were plugged while four (4) additional wells were added, while nothing has been done in 2014 on any of the wells. Enduring never submitted plugging procedures for the remaining wells listed to be plugged and therefore has not followed through with these plans to bring these wells or any other wells into compliance.

Enduring shall immediately submit plans and timeframes for each well stating which wells will be plugged, placed back on production, or requesting SI/TA extension with proof of wellbore integrity and good cause for such request. All wells need an individual sundry filed and are required to meet the SI/TA rules as listed below.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

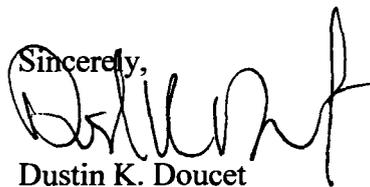
1. Reasons for SI/TA of the well (R649-3-36-1.1)
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js

cc: Compliance File
Well File

LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive	Prior Notice	Proposed PA
1	AGENCY DRAW 12-21-31-36	43-047-36424	ML 47086	7 years 10 months	1 ST NOTICE	12/31/2014
2	ASPHALT WASH 11-24-42-16	43-047-36875	ML 47080	7 years 11 months	1 ST NOTICE	12/31/2014
3	ARCHY BENCH 11-24-24-32	43-047-36819	ML 49762	7 years 1 month	1 ST NOTICE	12/31/2012
4	SOUTHAM CYN 10-25-11-6	43-047-36933	FEE	7 years	1 ST NOTICE	12/31/2012
5	N HORSESHOE 3-13-6-21	43-047-37391	ML 49317	5 years 6 months	2 ND NOTICE	Extension valid to 9/1/2014
6	BUCK CAMP 12-22-21-2	43-047-37656	ML 47087	6 years 8 months	1 ST NOTICE	12/31/2014
7	DWR 12-23-13-21	43-047-33344	FEE	6 years		12/31/2014
8	DWR 12-23-31-21	43-047-33484	FEE	5 years 4 months	1 ST NOTICE	12/31/2013
9	ARCHY BENCH 12-23-42-16	43-047-36802	ML 48957	6 years 1 month		12/31/2014
10	ARCHY BENCH 11-24-12-32	43-047-36822	ML 49762	5 years 5 months		12/31/2013
11	ROCK HOUSE 10-22-33-36	43-047-37789	ML 49959	5 years 5 months		12/31/2014
12	HANGING ROCK 11-23-24-36	43-047-38278	ML 50085	5 years 3 months		5/18/2012
13	N WALKER HOLLOW 2-32-6-23	43-047-37399	ML 47777	4 years 7 months	1 ST NOTICE	
14	BUCK CAMP 12-22-31-2	43-047-36273	ML-47087	3 years 6 months		
15	SOUTHAM CYN 9-24-13-36	43-047-38910	FEE	3 years 9 months		
16	DWR 12-23-12-28	43-047-33343	FEE	2 years 6 months		
17	BONANZA 9-24-11-16	43-047-35622	ML-46526	2 years 6 months		
18	ROCK HOUSE 10-22-32-36	43-047-36409	ML-47061	2 years 5 months		
19	BUCK CYN 12-21-43-16	43-047-37091	ML-47085	2 years 6 months		
20	BUCK CAMP 11-22-11-36	43-047-36277	ML-47077	2 years 1 month		
21	HANGING ROCK 11-23-42-36	43-047-38280	ML-50085	2 years 2 months		
22	HANGING ROCK 11-23-43-36	43-047-38282	ML-50085	1 years 5 months		
23	ROCK HOUSE 10-22-21-36	43-047-36407	ML-47061	2 years 2 months		
24	ROCK HOUSE 10-23-21-30	43-047-37832	FEE	2 years 3 months		
25	SOUTHMAN CYN 9-23-21-36	43-047-36530	ML-47782	2 years		
→ 26	SOUTHMAN CYN 9-23-33-36	43-047-35363	ML-47782	1 year 9 months		