

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.  
UTU73687

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
OU SG 1MU-14-8-22

9. API Well No.  
43-047-35424-00-X1

10. Field and Pool, or Exploratory  
KENNEDY WASH

11. Sec., T., R., M., or Blk. and Survey or Area  
Sec 14 T8S R22E Mer SLB  
SME: BLM

12. County or Parish  
UINTAH

13. State  
UT

17. Spacing Unit dedicated to this well  
40.00

20. BLM/BIA Bond No. on file  
ESB000024

23. Estimated duration  
10 DAYS

1a. Type of Work:  DRILL  REENTER

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

CONFIDENTIAL

2. Name of Operator  
QEP UINTA BASIN INC

Contact: RALEEN SEARLE  
E-Mail: rsearle@westportresourcescorp.com

3a. Address  
11002 EAST 17500 SOUTH  
VERNAL, UT 84078

3b. Phone No. (include area code)  
Ph: 435.781.7044  
Fx: 435.781.7094

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)

At surface NENE 461FNL 492FEL

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office\*  
32 +/- MILES SOUT WEST FROM VERNAL, UT

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
461' +/-

16. No. of Acres in Lease

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.  
1500' +/-

19. Proposed Depth  
9100 MD

21. Elevations (Show whether DF, KB, RT, GL, etc.)  
5159 KB

22. Approximate date work will start

24. Attachments

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

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

25. Signature (Electronic Submission) Name (Printed/Typed) RALEEN SEARLE Date 12/25/2003

Title PREPARER

Approved by (Signature) (Electronic Submission) Name (Printed/Typed) ED FORSMAN Date 04/23/2004

Title AFM FOR MINERAL RESOURCES Office Vernal

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

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

Additional Operator Remarks (see next page)

Electronic Submission #25418 verified by the BLM Well Information System  
For QEP UINTA BASIN INC, sent to the Vernal  
Committed to AFMSS for processing by LESLIE WALKER on 01/06/2004 (04LW0205AE)

**Additional Operator Remarks:**

QEP Uinta Basin, Inc. proposes to drill a well to 9100' to test the Mesa Verde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See attached 8-Point drilling program.

See Onshore Order No. 1 Attached

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

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

**Revisions to Operator-Submitted EC Data for APD #26418**

	<b>Operator Submitted</b>	<b>BLM Revised (AFMSS)</b>
Lease:	U-73687	UTU73687
Agreement:		
Operator:	QEP - UINTA BASIN INC 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435.781.4309 Fx: 435.781.4323	QEP UINTA BASIN INC 11002 EAST 17500 SCUTH VERNAL, UT 84078 Ph: 435.781.4300
Admin Contact:	RALEEN SEARLE REGULATORY AFFAIRS ANALYST 11002 EAST 17500 SOUTH VERNAL, UT 84078 Ph: 435.781.4309 Fx: 435.781.4329  E-Mail: raleen.searle@questar.com	RALEEN SEARLE PREPARER 11002 EAST 17500 SCUTH VERNAL, UT 84078 Ph: 435.781.7044 Fx: 435.781.7094  E-Mail: rsearle@westportresourcescorp.com
Tech Contact:		
Well Name: Number:	OU SG 1MU-14-8-22	OU SG 1MU-14-8-22
Location: State: County: S/T/R: Surf Loc:	UT UINTAH Sec 14 T8S R22E Mer SLB NENE 461FNL 492FEL	UT UINTAH Sec 14 T8S R22E Mer SLB NENE 461FNL 492FEL
Field/Pool:	KENNEDY WASH	KENNEDY WASH
Bond:	ESB000024	ESB000024

COAs Page 1 of 2\_\_  
Well No.: OU SG 1W-14-8-22

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: QEP Uintah Basin Inc.

Well Name & Number: OU SG 1W-14-8-22

API Number: 43-047-35424

Lease Number: U-73687

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

Agreement: N/A

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

**CONDITIONS OF APPROVAL FOR NOTICE TO DRILL**

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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

Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend 200' above the top of the Green River formation which has been identified at  $\pm 2780'$ .

Coring, Logging and Testing Program

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

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

Other Information

COAs Page 2 of 2  
Well No.: OU SG 1W-14-8-22

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

Ed Forsman           (435) 828-7874

Petroleum Engineer

Kirk Fleetwood      (435) 828-7875  
Petroleum Engineer

BLM FAX Machine       (435) 781-4410

**SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)**

A Right-of-Way will be required for the portion of the access road that is off-lease.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		<b>CONFIDENTIAL</b>		5. Lease Serial No. U-73687
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone				6. If Indian, Allottee or Tribe Name
2. Name of Operator QEP - UINTA BASIN INC		Contact: RALEEN SEARLE E-Mail: raleen.searle@questar.com		7. If Unit or CA Agreement, Name and No.
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329		8. Lease Name and Well No. OU SG 1MU-14-8-22
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENE 461FNL 492FEL At proposed prod. zone		4443063 Y 40.12873 636419 X - 109.39890		9. API Well No. 43-047-35434
14. Distance in miles and direction from nearest town or post office* 32 +/- MILES SOUT WEST FROM VERNAL, UT		17. Spacing Unit dedicated to this well 40.00		10. Field and Pool, or Exploratory KENNEDY WASH
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 461' +/-		16. No. of Acres in Lease 1595.00		11. Sec., T., R., M., or Blk. and Survey or Area Sec 14 T8S R22E Mer SLB
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1500' +/-		19. Proposed Depth 9100 MD		12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5159 KB		22. Approximate date work will start		13. State UT
		23. Estimated duration 10 DAYS		

24. Attachments

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

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

25. Signature (Electronic Submission) <i>Raleen Searle</i>	Name (Printed/Typed) RALEEN SEARLE	Date 12/25/2003
Title REGULATORY AFFAIRS ANALYST		
Approved by (Signature) <i>Bradley Hill</i>	Name (Printed/Typed) BRADLEY G. HILL	Date 01-08-04
Title ENVIRONMENTAL SCIENTIST III		

**Federal Approval of this Action is Necessary**

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

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

Additional Operator Remarks (see next page)

Electronic Submission #26418 verified by the BLM Well Information System  
For QEP - UINTA BASIN INC, sent to the Vernal

RECEIVED

JAN 05 2004

CONFIDENTIAL, GAS & MINING

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

# QUESTAR EXPLORATION & PRODUCTION

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

OU SG #1W-14-8-22

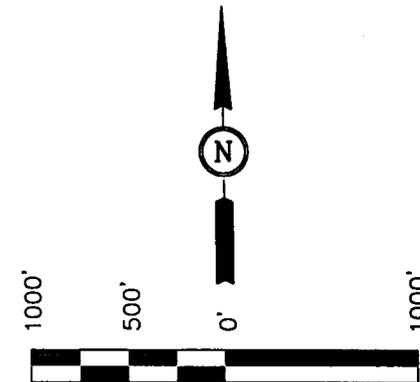
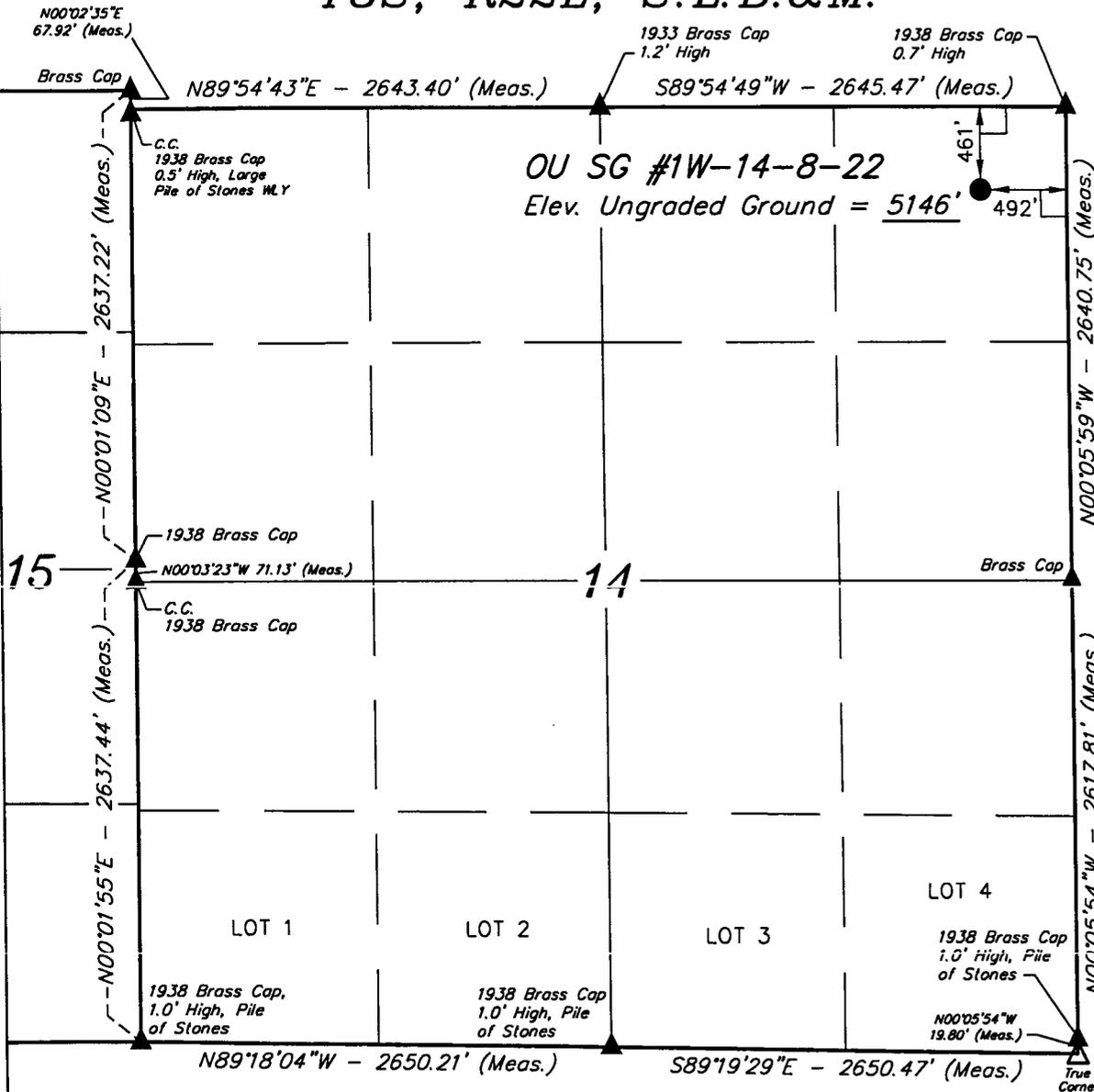
Elev. Ungraded Ground = 5146'

## BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

## BASIS OF BEARINGS

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



SCALE

## 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 J. Cox*

REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

REVISED: 11-20-03 D.COX

## LEGEND:

- └─┘ = 90° SYMBOL
  - = PROPOSED WELL HEAD.
  - ▲ = SECTION CORNERS LOCATED.
  - △ = SECTION CORNERS RE-ESTABLISHED. (Not Set On Ground)
- (NAD 83)
- LATITUDE = 40°07'43.15" (40.128653)  
LONGITUDE = 109°23'58.48" (109.399578)

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

SCALE 1" = 1000'	DATE SURVEYED: 03-20-03	DATE DRAWN: 03-25-03
PARTY D.A. J.A. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE QUESTAR EXPLORATION & PRODUCTION	

**Additional Operator Remarks:**

QEP Uinta Basin, Inc. proposes to drill a well to 9100' to test the Mesa Verde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See attached 8-Point drilling program.

See Onshore Order No. 1 Attached

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

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

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DRILLING PROGRAM

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

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

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	2564'	
Wasatch	6004'	
Mesa Verde	8499'	
TD	9100'	

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

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Mesa Verde	9100'

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

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

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ONSHORE OIL & GAS ORDER NO. 1

QEP Uinta Basin, Inc.

OU SG 1MU-14-8-22

DRILLING PROGRAM

be obtained from Wonsits Valley water right #36125 or where possible a fresh water line (poly pipe) will be laid in the access road to each location to supply fresh water for drilling purposes.

3. Operator's Specification for Pressure Control Equipment:

- A. 3,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.2 psi/foot or 2500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

4. Casing Program

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg Size</u>	<u>Type</u>	<u>Weight</u>
Surface	1200'	12 - 1/4"	9-5/8"	J-55	36lb/ft (new) LT&C
Production	9100'	7 - 7/8"	4 - 1/2"	P-110	13.5lb/ft (new)LT&C

\*High Collapse P-110

5. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes  
If drilling with air the following will be used:
- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.

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DRILLING PROGRAM

- 
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').
  - H. Compressor shall be tied directly to the blooie line through a manifold.
  - I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.
6. Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

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

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

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

6. Testing, logging and coring program

- A. Cores – none anticipated
- B. DST – none anticipated

Logging – Mud logging – 4500 to TD  
GR-SP-Induction  
Neutron Density  
MRI

- C. Formation and Completion Interval: Mancos interval, final determination of completion will be made by analysis of logs.  
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

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DRILLING PROGRAM

7. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type &amp; Additives</u>
Surface	685 sx	Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Fill to surface with 160 cf (685 sx) calculated. Tail plug used. Allowed to set under pressure

Production	Lead-946sx* Tail-452sx*	Lead/Tail oilfield type cement circulated in place . Tail slurry: Class "G" + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Fill to 7800' ( $\pm 300'$ above top of Wasatch).
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Cement Characteristics:

Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Fill to surface. Tail plug used. Allowed to set under pressure.

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

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3640.0 psi. Maximum anticipated bottom hole temperature is 140° F.

**QEP UINTA BASIN, INC.  
OU SG 1MU-14-8-22  
461' FNL, 492' FEL  
NENE, SECTION 14, T8S, R22E  
UINTAH COUNTY, UTAH  
LEASE UTU-73687  
ONSHORE ORDER NO. 1**

**MULTI – POINT SURFACE USE & OPERATIONS PLAN**

An onsite inspection was completed on December 9, 2003 with weather conditions cool. The following individuals were in attendance:

Paul Buhler - Bureau of Land Management  
Dixie Sadlier - Bureau of Land Management  
Raleen Searle - QEP Uinta Basin, Inc.  
Jan Nelson - QEP Uinta Basin, Inc.

**1. Existing Roads:**

The proposed well site is approximately 33 miles South East of Vernal, Utah.

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

Improvements will be made to the existing two-track (access roads).

**2. Planned Access Roads:**

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

The portion of the access road that travels off lease will be approximately 1200' in length in section 13, and New access roads on BLM surface will be 30' in width crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the road bed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

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

Please refer to Topo Map C.

**4. Location of Existing & Proposed Facilities:**

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

A containment dike will be constructed completely around those production facilities which contains fluids (I.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The use of topsoil of the construction of dikes will not be allowed. All loading lines will be placed inside the berm surrounding tank battery. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad unless the BLM/VFO AO determines that another color shall be used. Surface pipeline will be 3" zaplocked steel surface line. Pipeline will be zaplocked on location and then pulled into place using a rubber tired tractor.

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5. **Location and Type of Water Supply:**

Fresh water for drilling purposes will be obtained from Wonsits Valley Water Right #36125, or Red Wash Right #49-2153.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized. Any gravel will be obtained from a commercial source. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit. Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility with 120 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order #7, all produced water will be contained in tanks on location and then hauled to Wonsits Valley location in SWNW section 12, T8S, R21E; or Red Wash Disposal Well located in NESW, Section 28, T7S, R22E; or, Red Wash Central Battery Disposal located in SWSE, Section 27, T7S, R23E. Pit reclamation for lined pit will be ruptured when emptied to allow the remaining liquid to be adequately mixed and to promote additional drying of the pit area.

8. **Ancillary Facilities:**

None anticipated.

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

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

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

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

10. **Plans for Reclamation of the Surface:**

Topsoil will be stripped and salvaged to provide for sufficient quantities to be respread to a depth of at least 4 to 6 inches over the disturbed areas to be reclaimed. Topsoil shall be stockpiled separately from subsoil materials. Topsoil salvaged from the reserve pit shall be stockpiled separately near the reserve pit. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production. Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The reserve pit will be reclaimed within 120 days from the date of well completion, weather permitting.

Seed Mix #1

Fourwing Saltbush	3lbs/acre
Indian Rice Grass	3lbs/acre
Needle & Thread	3lbs/acre
Crested Wheatgrass	1lbs/acre

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**11. Surface Ownership:**

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

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

**12. Other Information**

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

No construction or drilling will commence during the Burrowing Owl season from April 15 thru August 15th unless determined by a wildlife biologist that it is inactive.

No construction or drilling will commence during the Antelope season, unless determined by a wildlife biologist that it is inactive.

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**Lessee's or Operator's Representative:**

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

**Certification:**

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

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

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

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

*for: [Signature]*  
\_\_\_\_\_  
John Busch  
Red Wash Operations Representative

December 25, 2003  
\_\_\_\_\_  
Date

# QUESTAR EXPLR. & PROD.

OU SG #1<sup>my</sup>W-14-8-22

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

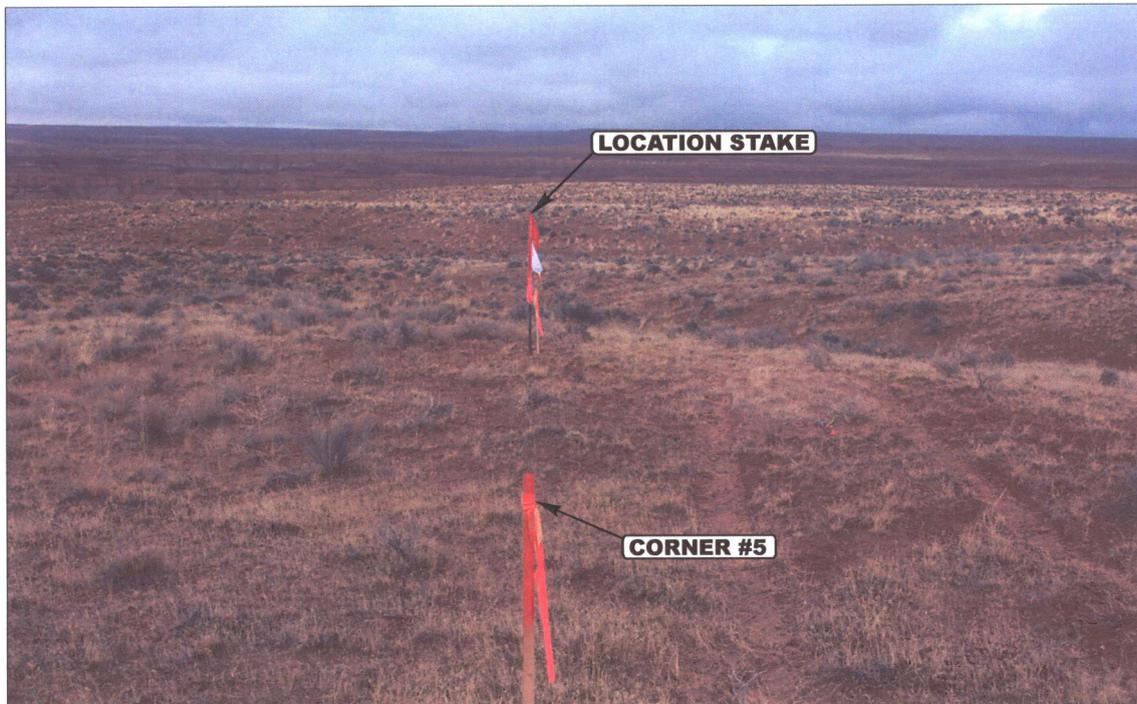


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS

03 26 03  
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: P.M.

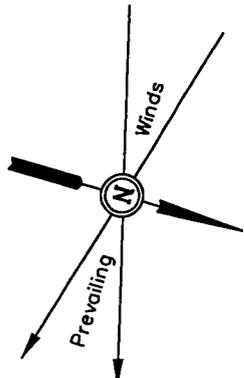
REVISED: 12-02-03

# QUESTAR EXPLORATION & PRODUCTION

FIGURE #1

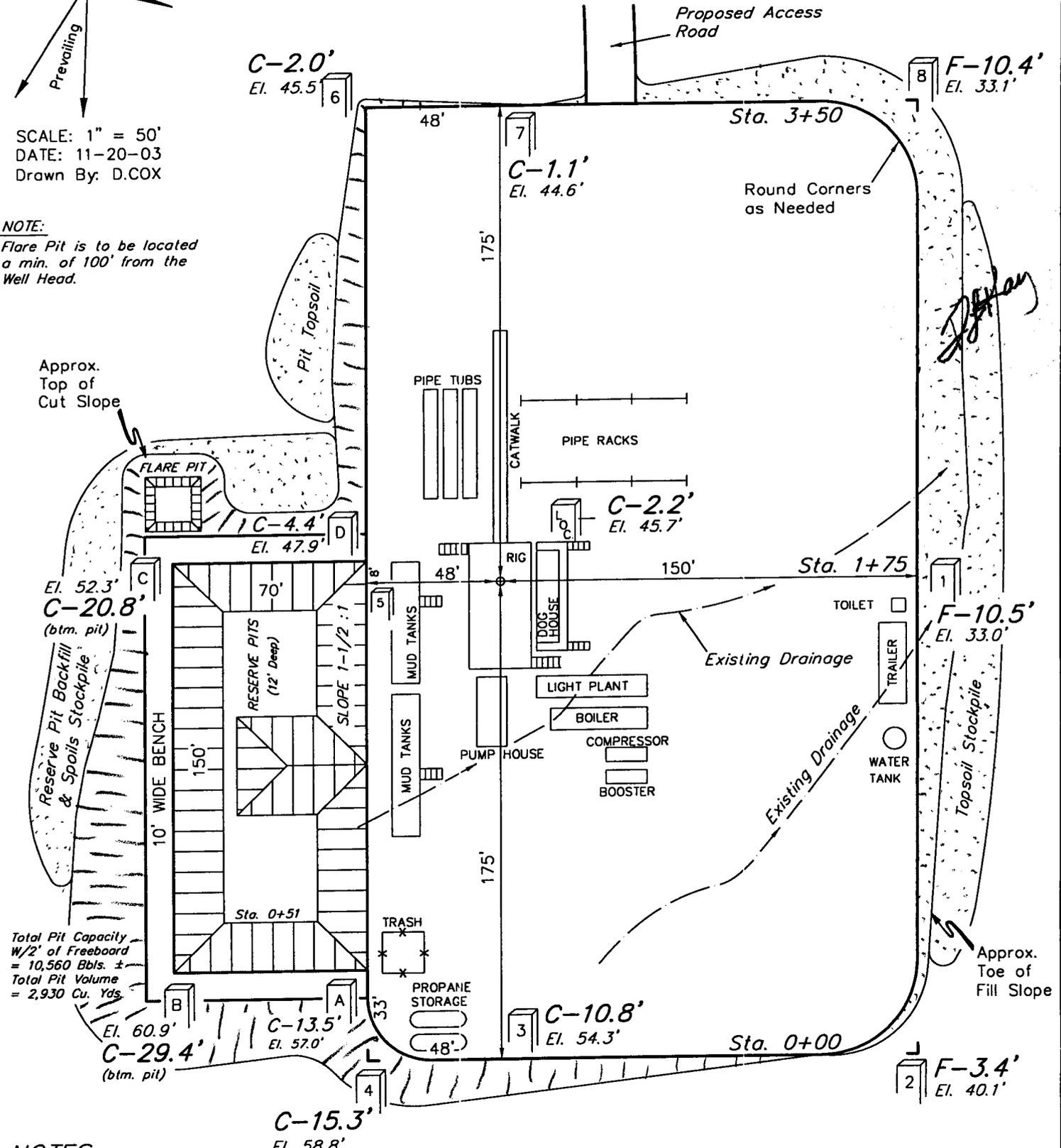
## LOCATION LAYOUT FOR

OU SG #14-8-22  
SECTION 14, T8S, R22E, S.L.B.&M.  
461' FNL 492' FEL



SCALE: 1" = 50'  
DATE: 11-20-03  
Drawn By: D.COX

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



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5145.7'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5143.5'

# QUESTAR EXPLORATION & PRODUCTION

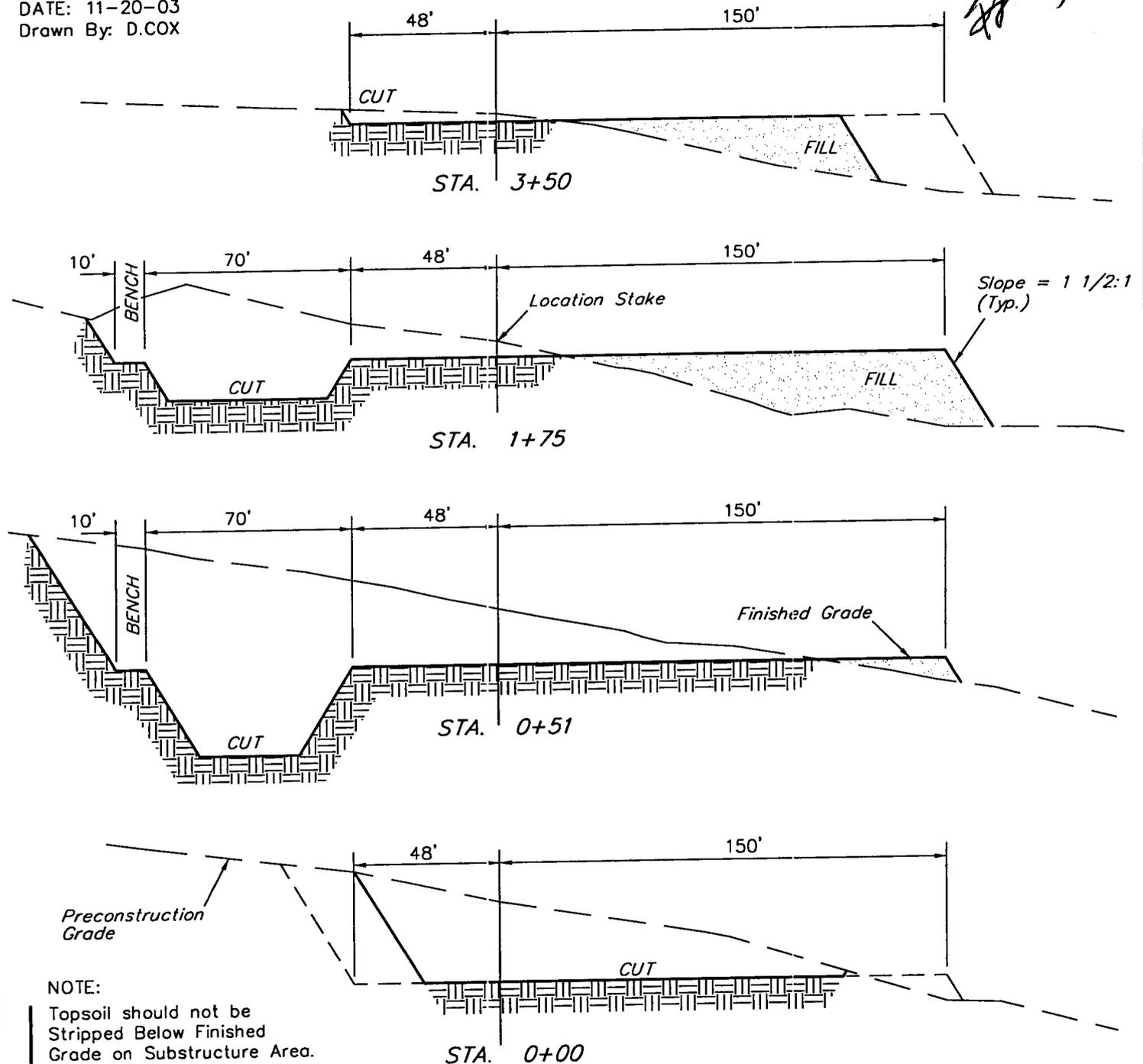
FIGURE #2

## TYPICAL CROSS SECTIONS FOR

OU SG #14-14-8-22  
SECTION 14, T8S, R22E, S.L.B.&M.  
461' FNL 492' FEL

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

DATE: 11-20-03  
Drawn By: D.COX

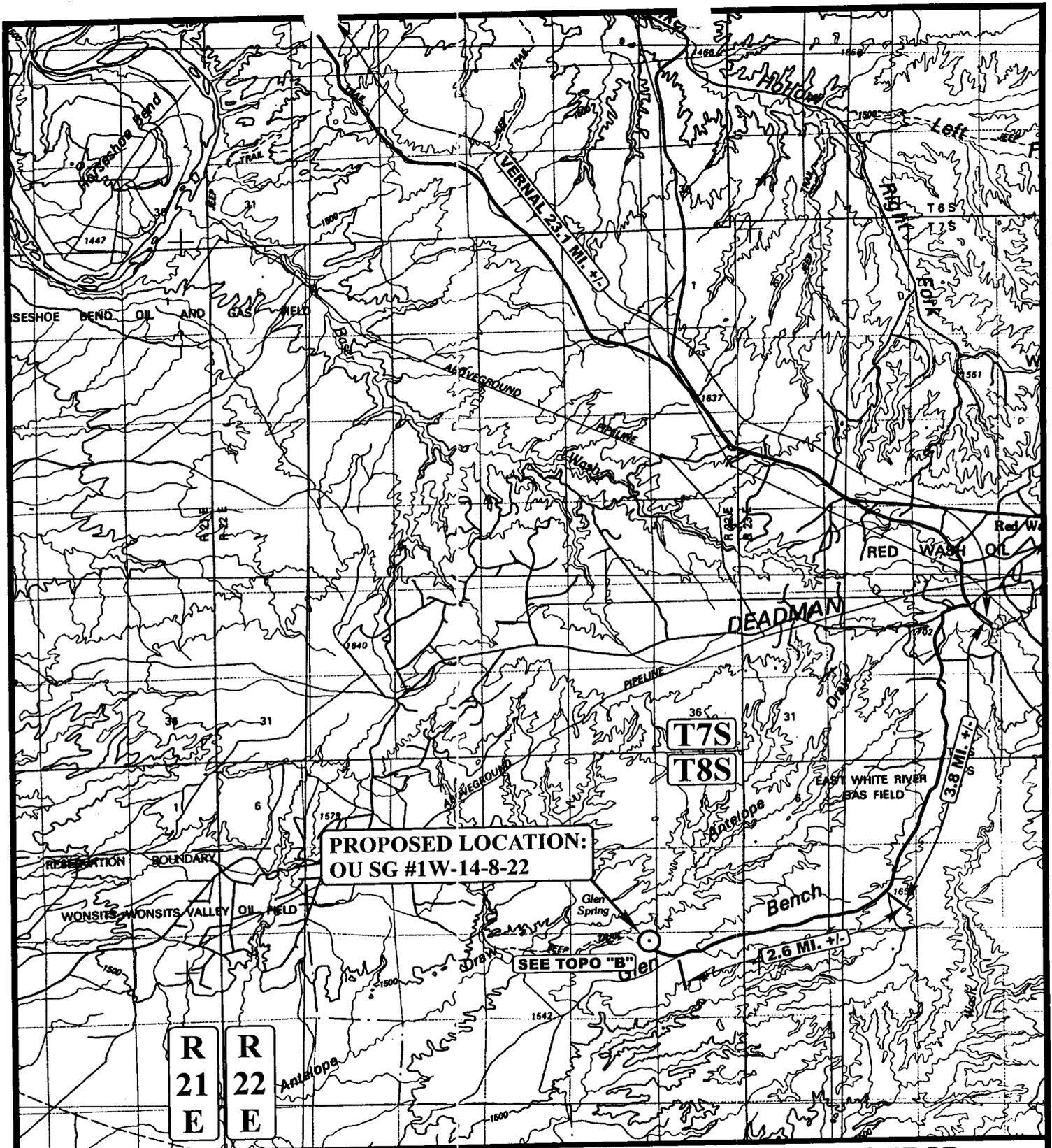


NOTE:  
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

### APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,540 Cu. Yds.
Remaining Location	= 15,340 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 16,880 CU.YDS.</b>
<b>FILL</b>	<b>= 8,410 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 8,030 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,000 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 5,030 Cu. Yds.



**LEGEND:**

○ PROPOSED LOCATION

**QUESTAR EXPLR. & PROD.**

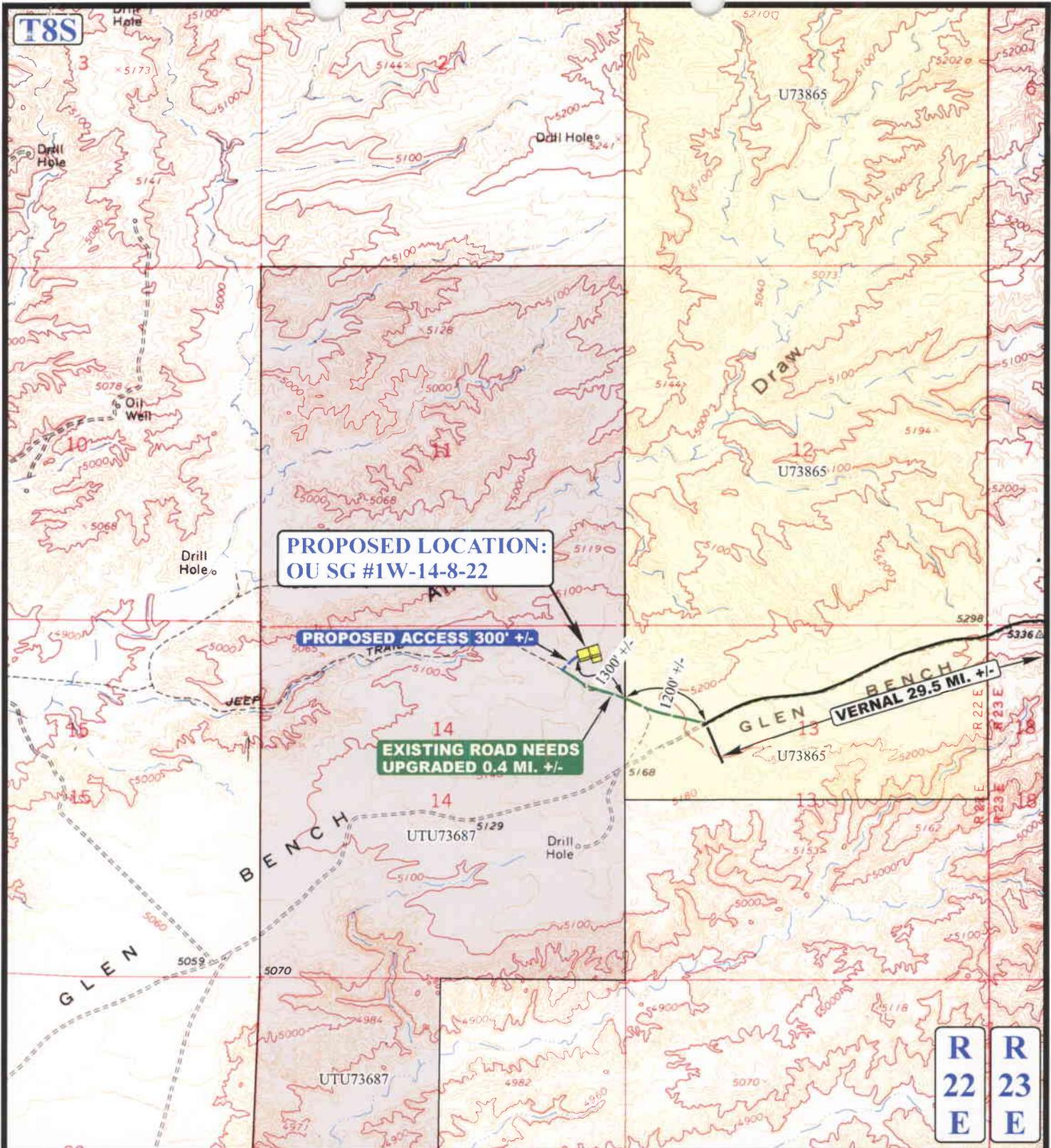
OU SG #1W-14-8-22  
 SECTION 14, T8S, R22E, S.L.B.&M.  
 461' FNL 492' FEL

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



**TOPOGRAPHIC** 03 26 03  
 MAP MONTH DAY YEAR  
 SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 12-02-03





**PROPOSED LOCATION:  
OU SG #1W-14-8-22**

**PROPOSED ACCESS 300' +/-**

**EXISTING ROAD NEEDS UPGRADED 0.4 MI. +/-**

**GLEN BENCH VERNAL 29.5 MI. +/-**

**LEGEND:**

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING ROAD NEEDS UPGRADED



**QUESTAR EXPLR. & PROD.**

**OU SG #1W-14-8-22**  
**SECTION 14, T8S, R22E, S.L.B.&M.**  
**461' FNL 492' FEL**

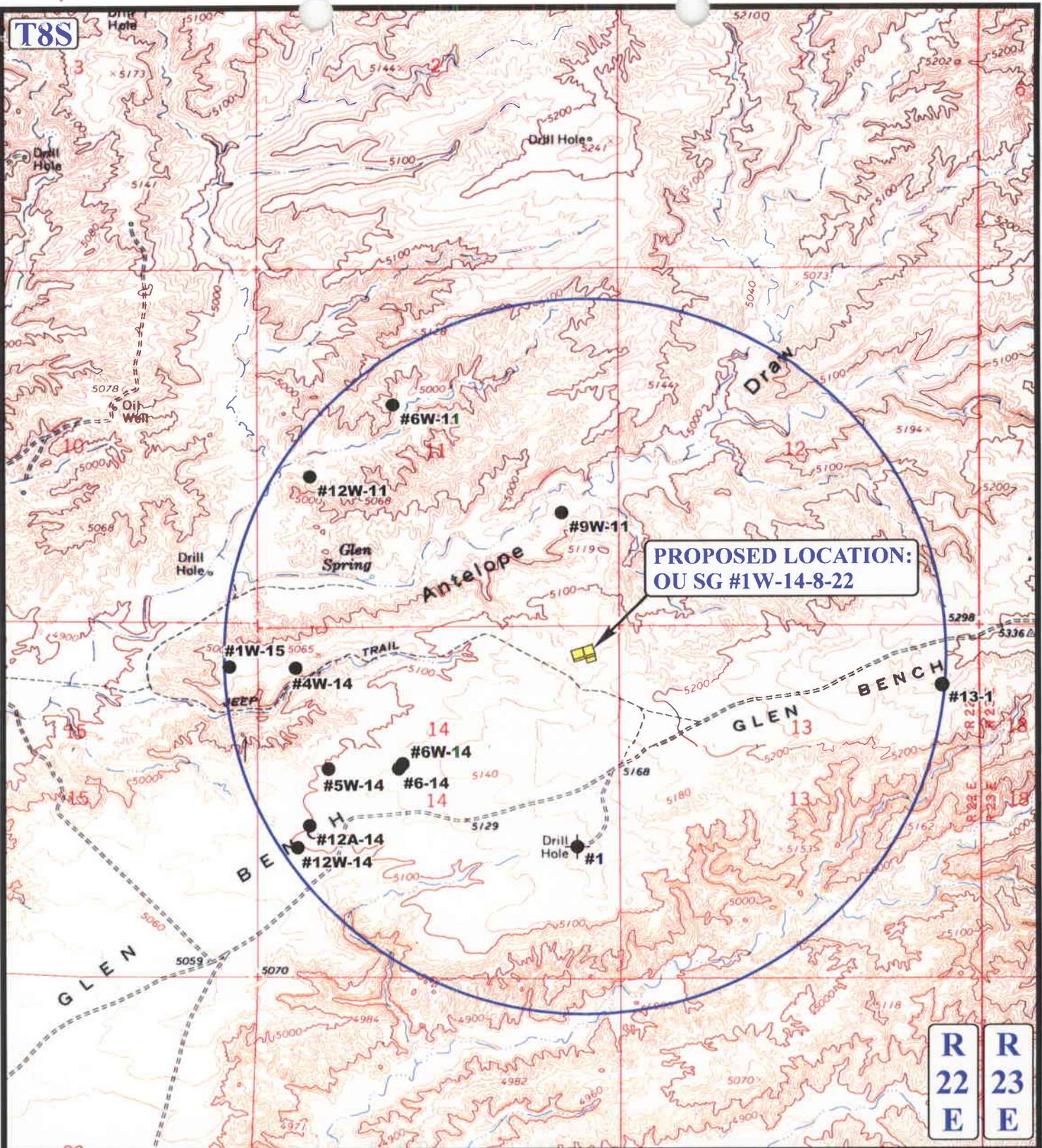


**Uintah Engineering & Land Surveying**  
**85 South 200 East Vernal, Utah 84078**  
**(435) 789-1017 \* FAX (435) 789-1813**

**TOPOGRAPHIC MAP**  
**03 26 03**  
MONTH DAY YEAR  
**SCALE: 1" = 2000'** **DRAWN BY: P.M.** **REVISED: 12-02-03**



T8S



**PROPOSED LOCATION:  
OU SG #1W-14-8-22**

**R R  
22 23  
E E**

**LEGEND:**

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

**QUESTAR EXPLR. & PROD.**

**OU SG #1W-14-8-22  
SECTION 14, T8S, R22E, S.L.B.&M.  
461' FNL 492' FEL**



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

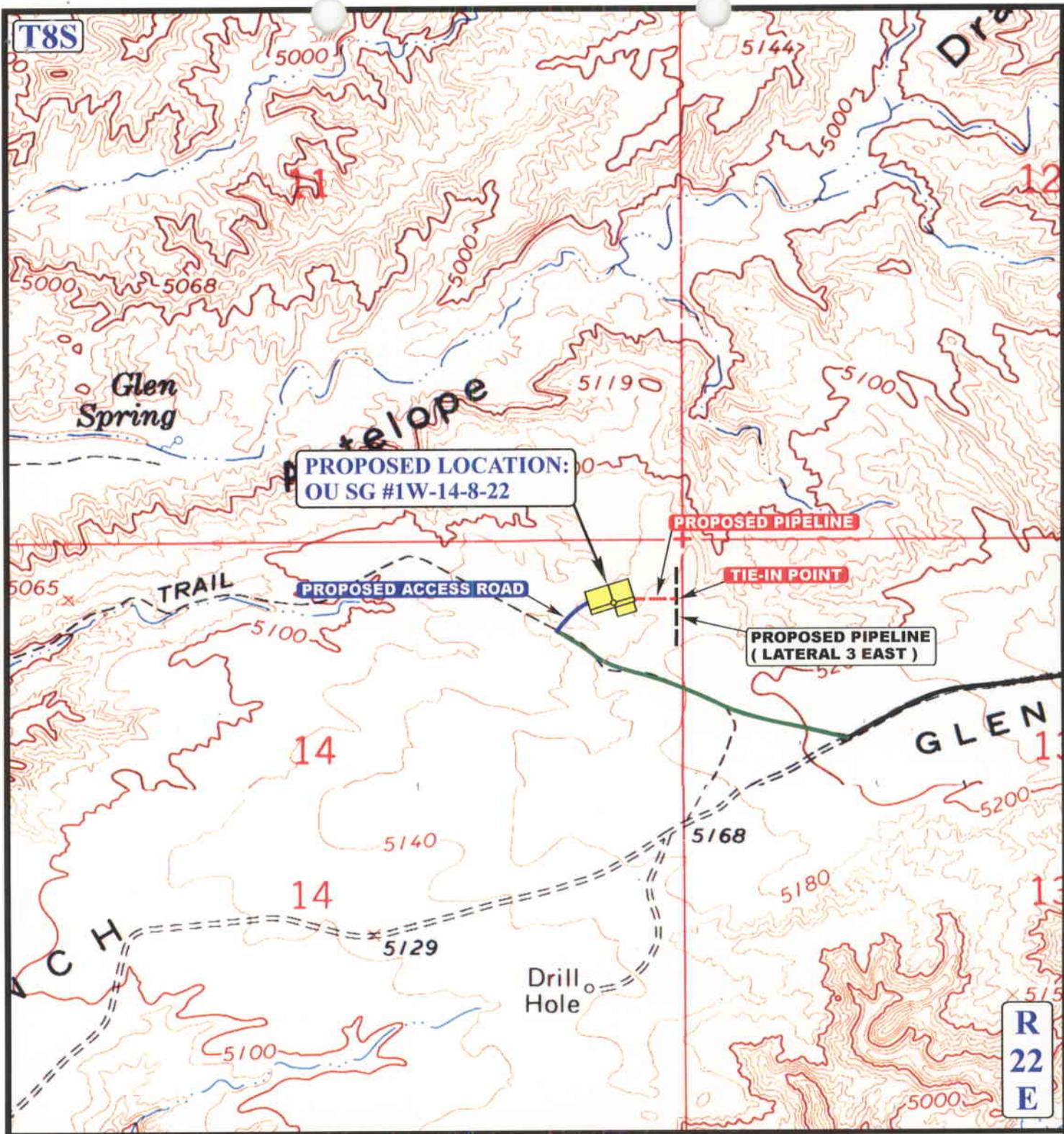


**TOPOGRAPHIC  
MAP**

**03 26 03**  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 12-02-03





**APPROXIMATE TOTAL PIPELINE DISTANCE = 300' +/-**

**LEGEND:**

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

**QUESTAR EXPLR. & PROD.**

**OU SG #1W-14-8-22**  
**SECTION 14, T8S, R22E, S.L.B.&M.**  
**461' FNL 492' FEL**



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

**TOPOGRAPHIC**  
**MAP**

<b>03</b>	<b>26</b>	<b>03</b>
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 12-02-03



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/05/2004

API NO. ASSIGNED: 43-047-35424

WELL NAME: OU SG 1MU-14-8-22

OPERATOR: QEP UINTA BASIN, INC. ( N2460 )

CONTACT: RALEEN SEARLE

PHONE NUMBER: 435-781-4309

PROPOSED LOCATION:

NENE 14 080S 220E  
SURFACE: 0461 FNL 0492 FEL  
BOTTOM: 0461 FNL 0492 FEL  
UINTAH  
KENNEDY WASH ( 618 )

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-73687

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

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

LATITUDE: 40.12873

LONGITUDE: 109.39890

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. ESB000024 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 36125 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

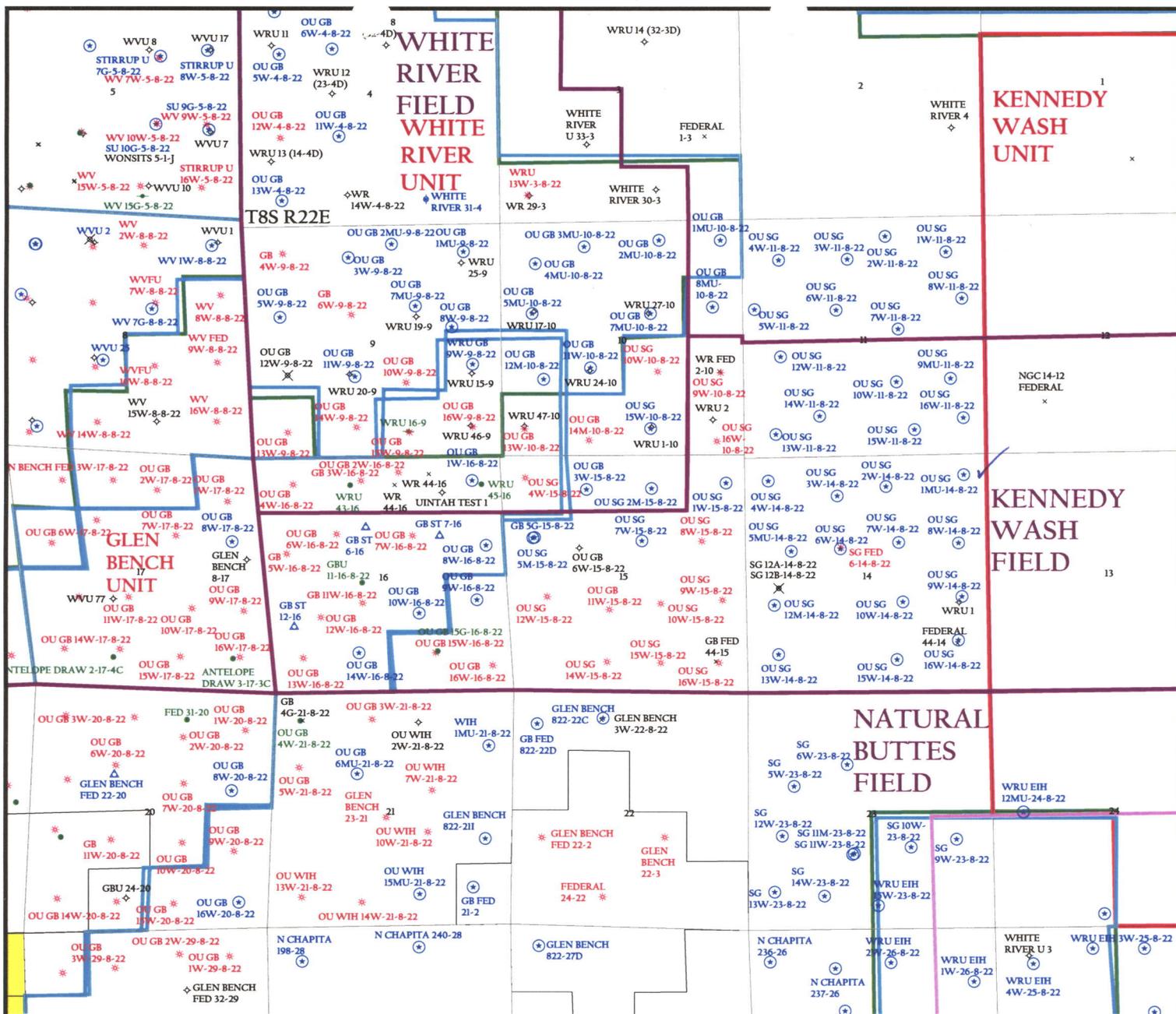
LOCATION AND SITING:

- 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

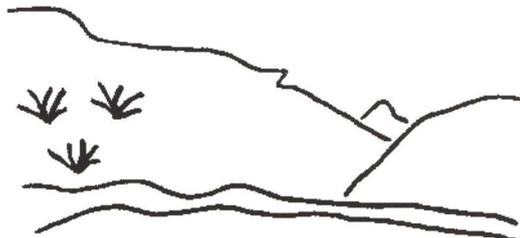
COMMENTS:

STIPULATIONS:

1- Federal Approval  
2- Spacing Strip



OPERATOR: QEP UINTA BASIN INC (N2460)  
 SEC. 14 T.8S, R.22E  
 FIELD: KENNEDY WASH (618)  
 COUNTY: UINTAH  
 SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

- |                       |                    |                     |
|-----------------------|--------------------|---------------------|
| <b>Wells</b>          | <b>Unit Status</b> | <b>Field Status</b> |
| • GAS INJECTION       | □ EXPLORATORY      | □ ABANDONED         |
| • GAS STORAGE         | □ GAS STORAGE      | □ ACTIVE            |
| • LOCATION ABANDONED  | □ NF PP OIL        | □ COMBINED          |
| • NEW LOCATION        | □ NF SECONDARY     | □ INACTIVE          |
| • PLUGGED & ABANDONED | □ PENDING          | □ PROPOSED          |
| • PRODUCING GAS       | □ PI OIL           | □ STORAGE           |
| • PRODUCING OIL       | □ PP GAS           | □ TERMINATED        |
| • SHUT-IN GAS         | □ PP GEOTHERML     |                     |
| • SHUT-IN OIL         | □ PP OIL           |                     |
| • TEMP. ABANDONED     | □ SECONDARY        |                     |
| • TEST WELL           | □ TERMINATED       |                     |
| • WATER INJECTION     |                    |                     |
| • WATER SUPPLY        |                    |                     |
| • WATER DISPOSAL      |                    |                     |



PREPARED BY: DIANA WHITNEY  
 DATE: 6-JANUARY-2004



**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 8, 2004

QEP – Uinta Basin Inc.  
 11002 East 17500 South  
 Vernal, UT 84078

Re: Over and Under Sage Grouse 1MU-14-8-22 Well, 461' FNL, 492' FEL, NE NE, Sec. 14, T. 8 South, R. 22 East, Uintah County, Utah

Gentlemen:

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

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 43-047-35424.

Sincerely,

John R. Baza  
 Associate Director

pab  
 Enclosures

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

Operator: QEP – Uinta Basin Inc.  
Well Name & Number Over and Under Sage Grouse 1MU-14-8-22  
API Number: 43-047-35424  
Lease: U-73687

Location: NE NE Sec. 14 T. 8 South R. 22 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**  
SEP 21 2004  
By \_\_\_\_\_

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

006

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		<b>CONFIDENTIAL</b>		5. Lease Serial No. UTU-73687
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone				6. If Indian, Allottee or Tribe Name
2. Name of Operator QEP UINTA BASIN, INC.		Contact: JOHN BUSCH E-Mail: john.busch@questar.com		7. If Unit or CA Agreement, Name and No.
3a. Address 11002 E. 17500 S. VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323		8. Lease Name and Well No. OU SG 14MU-14-8-22
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <i>lot 2</i> SESW 1111FSL 2175FWL 40.11859 N Lat, 109.40897 W Lon At proposed prod. zone				9. API Well No. <i>43-047-35424</i>
14. Distance in miles and direction from nearest town or post office* 30 +/- MILES SOUTHEAST OF VERNAL, UT				10. Field and Pool, or Exploratory KENNEDY WASH
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1111' +/-		16. No. of Acres in Lease 1595.00		11. Sec., T., R., M., or Blk. and Survey or Area Sec 14 T8S R22E Mer SLB
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 875' +/-		19. Proposed Depth 9000 MD		12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5093 GL		22. Approximate date work will start		13. State UT
		23. Estimated duration 10 DAYS		

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) JOHN BUSCH	Date 09/20/2004
Title OPERATIONS		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date <i>11/10/2004</i>
Title Assistant Field Manager Mineral Resources		
Office		

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

**NOTICE OF APPROVAL**

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

Additional Operator Remarks (see next page)

Electronic Submission #36372 verified by the BLM Well Information System  
For QEP UINTA BASIN, INC., sent to the Vernal  
Committed to AFMSS for processing by LESLIE WALKER on 09/21/2004 ()

**RECEIVED**

**NOV 22 2004**

**CONDITIONS OF APPROVAL ATTACHED** DIV. OF OIL, GAS & MINING

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

04LW5058AE

NO NOS

Postcard 9/21/04

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: QEP Uintah Basin Inc.

Well Name & Number: OUSG 14MU-14-8-22

API Number: 43-047-35950

Lease Number: U-73687

Location: SESW (Lot 2), Sec. 14 T.8S R. 22E

Agreement: N/A

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

**CONDITIONS OF APPROVAL**

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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

Casing Program and Auxiliary Equipment

None

Coring, Logging and Testing Program

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

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

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

Ed Forsman (435) 828-7874  
Petroleum Engineer

Kirk Fleetwood (435) 828-7875  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

006

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir

Use "APPLICATION FOR PERMIT—" for such proposals

UTU-73687

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

OU SG 1MU-14-8-22

9. API Well No.

43-047-35424

10. Field and Pool, or Exploratory Area

KENNEDY WASH

11. County or Parish, State

UINTAH, UTAH

SUBMIT IN TRIPLICATE

1. Type of Well

Oil  Well Gas  Well  Well  Other

CONFIDENTIAL

2. Name of Operator

QEP UINTA BASIN, INC.

Contact: Jan Nelson

Email: Jan.Nelson@questar.com

3. Address and Telephone No

11002 E. 17500 S. VERNAL, UT 84078-8526

(435) 781-4331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NENE 461' FNL 492' FEL SECTION 14, T8S, R22E

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

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

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

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

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the APD for the OU SG 1MU-14-8-22.

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 12-16-04  
By: *[Signature]*

COPY SENT TO OPERATOR  
Date: 12-17-04  
Initials: *[Signature]*

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

(This space for Federal or State office use)  
Approved by: \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any \_\_\_\_\_

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

\*See instruction on Reverse Side

RECEIVED

DEC 14 2004

DIV. OF OIL, GAS & MINING

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

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

**API:** 43-047-35424  
**Well Name:** OU SG 1MU-14-8-22  
**Location:** NENE 461' FNL 492' FEL SEC. 14,T8S,R22E  
**Company Permit Issued to:** QEP UINTA BASIN INC.  
**Date Original Permit Issued:** 1/8/2004

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

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

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

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

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

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

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

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

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

Jan Nelson  
Signature

12/10/2004  
Date

Title: Regulatory Affairs Analyst

Representing: QEP UINTA BASIN INC.

RECEIVED  
DEC 14 2004

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

007

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

UTU-73687

SUBMIT IN TRIPLICATE

RECEIVED  
DEC 14 2004

1. Type of Well  
Oil Gas  
 Well  Well  Other

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

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

2. Name of Operator  
QEP UINTA BASIN, INC.

Contact: Jan Nelson  
Email: Jan.Nelson@questar.com

8. Well Name and No.  
OU SG 1MU-14-8-22

3. Address and Telephone No  
11002 E. 17500 S. VERNAL, UT 84078-8526

(435) 781-4331

9. API Well No.  
43-047-35424

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NENE 461'FNL 492'FEL SECTION 14, T8S, R22E

10. Field and Pool, or Exploratory Area  
KENNEDY WASH

11. County or Parish, State  
UINTAH, UTAH

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

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

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

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

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the APD for the OU SG 1MU-14-8-22.

RECEIVED  
JAN 19 2005  
DIV. OF OIL, GAS & MINING

CONDITIONS

ATTACHED

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

(This space for Federal or State office use)  
Approved by: Michael Lee Title Petroleum Engineer Date JAN 6 2005

Conditions of approval, if any

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

\*See instruction on Reverse Side

UDOGM



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

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

**API:** 43-047-35424  
**Well Name:** OU SG 1MU-14-8-22  
**Location:** NENE 461' FNL 492' FEL SEC. 14,T8S,R22E  
**Company Permit Issued to:** QEP UINTA BASIN INC.  
**Date Original Permit Issued:** 4/23/2004

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

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

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

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

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

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

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

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

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

Jan Nelson  
Signature

12/10/2004  
Date

Title: Regulatory Affairs Analyst

Representing: QEP UINTA BASIN INC.

QEP Uinta Basin Inc.  
APD Extension

Well: OU SG 01MU 14-8-22

Location: NENE Sec. 14, T08S, R22E

Lease: UTU-73687

**Conditions of Approval**

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

1. The extension will expire 04/23/06
2. No other extensions beyond that period will be granted or allowed.

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

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

5. LEASE DESIGNATION AND SERIAL NUMBER:  
UTU-73687

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

7. UNIT OR CA AGREEMENT NAME:  
N/A

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
OU SG 1MU-14-8-22

2. NAME OF OPERATOR:  
QEP UINTA BASIN, INC

9. API NUMBER:  
4304735424

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

PHONE NUMBER:  
(435) 781-4331

10. FIELD AND POOL, OR WILDCAT:  
KENNEDY WASH

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 461 FNL 492 FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 14 8S 22E

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD EXTENSION</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the OU SG 1MU-14-8-22.

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 02-02-06  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 02-07-06  
Initials: [Signature]

NAME (PLEASE PRINT) Jan Nelson TITLE Regulatory Affairs  
SIGNATURE [Signature] DATE 1/31/2006

(This space for State use only)

RECEIVED  
FEB 01 2006



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

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

**API:** 43-047-35424  
**Well Name:** OU SG 1MU-14-8-22  
**Location:** 461 FNL 492 FEL, NENE, SEC. 14, T8S, R22E  
**Company Permit Issued to:** QEP UINTA BASIN, INC.  
**Date Original Permit Issued:** 1/8/2004

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

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

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

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

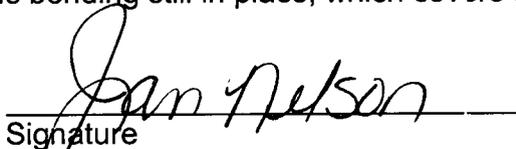
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

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

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

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

  
 Signature

1/31/2006  
 Date

Title: REGULATORY AFFAIRS

Representing: QEP UINTA BASIN, INC.

**RECEIVED  
FEB 01 2006**



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

January 29, 2007

Laura Bills  
QEP Uinta Basin Inc.  
1571 East 1700 South  
Vernal, Utah 84078

Re: APD Rescinded –OU SG 1MU-14-8-22 Sec. 14 T. 8 R. 22E  
Uintah County, Utah API No. 43-047-35424

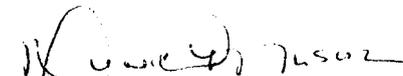
Dear Ms. Bills:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 8, 2004. On December 16, 2004 and February 2, 2006, the Division granted a one-year APD extension. On January 29, 2007, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 29, 2007.

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

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

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

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

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



IN REPLY REFER TO:

3160

UT08300

February 2, 2007

Jan Nelson  
QEP-Uinta Basin, Inc.  
1571 East 1700 South  
Vernal, UT 84078

43-647-354134

Re: Notification of Expiration  
Well No. OUSG 1MU-14-8-22  
NENE, Sec. 14, T8S, R22E  
Uintah County, Utah  
Lease No. UTU-73687

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on April 19, 2004. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until April 19, 2006. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

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

Sincerely,

/s/Sandra Sather

Sandra Sather  
Land Law Examiner

cc: UDOGM

bcc: Well file U-924  
Reading file  
ES

RECEIVED

FEB 07 2007

DIV. OF OIL, GAS & MINING