

CONFIDENTIAL

Form 3160-3
(August 1999)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: DRILL REENTER

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

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2. Name of Operator: QEP - UINTA BASIN INC
Contact: RALEEN SEARLE
E-Mail: raleen.searle@questar.com

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

3b. Phone No. (include area code)
Ph: 435.781.4309
Fx: 435.781.4329

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

At surface: SWNE 2674FNL 2408FEL 4445755Y 40.15359

At proposed prod. zone: 632560Y - 109.44362

14. Distance in miles and direction from nearest town or post office*
34 +/- MILES SOUTH EAST FROM VERNAL, UT

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
2408' +/-

16. No. of Acres in Lease
907.82

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

19. Proposed Depth
11825 MD

21. Elevations (Show whether DF, KB, RT, GL, etc.)
5196 KB

22. Approximate date work will start

5. Lease Serial No.
U-205108

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
OU GB 7MU-4-8-22

9. API Well No.
43-047-35459

10. Field and Pool, or Exploratory
WHITE RIVER

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 4 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

24. Attachments

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

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

25. Signature (Electronic Submission) *Raleen Searle* for Name (Printed/Typed) JOHN BUSCH Ph: 435.781.4341 Date 01/29/2004

Title FIELD SUPERVISOR

Approved by (Signature) *[Signature]* Name (Printed/Typed) BRADLEY G. HILL Date 02-11-04

Title ENVIRONMENTAL SCIENTIST III

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 #27355 verified by the BLM Well Information System
For QEP - UINTA BASIN INC, sent to the Vernal

RECEIVED

FEB 11 2004

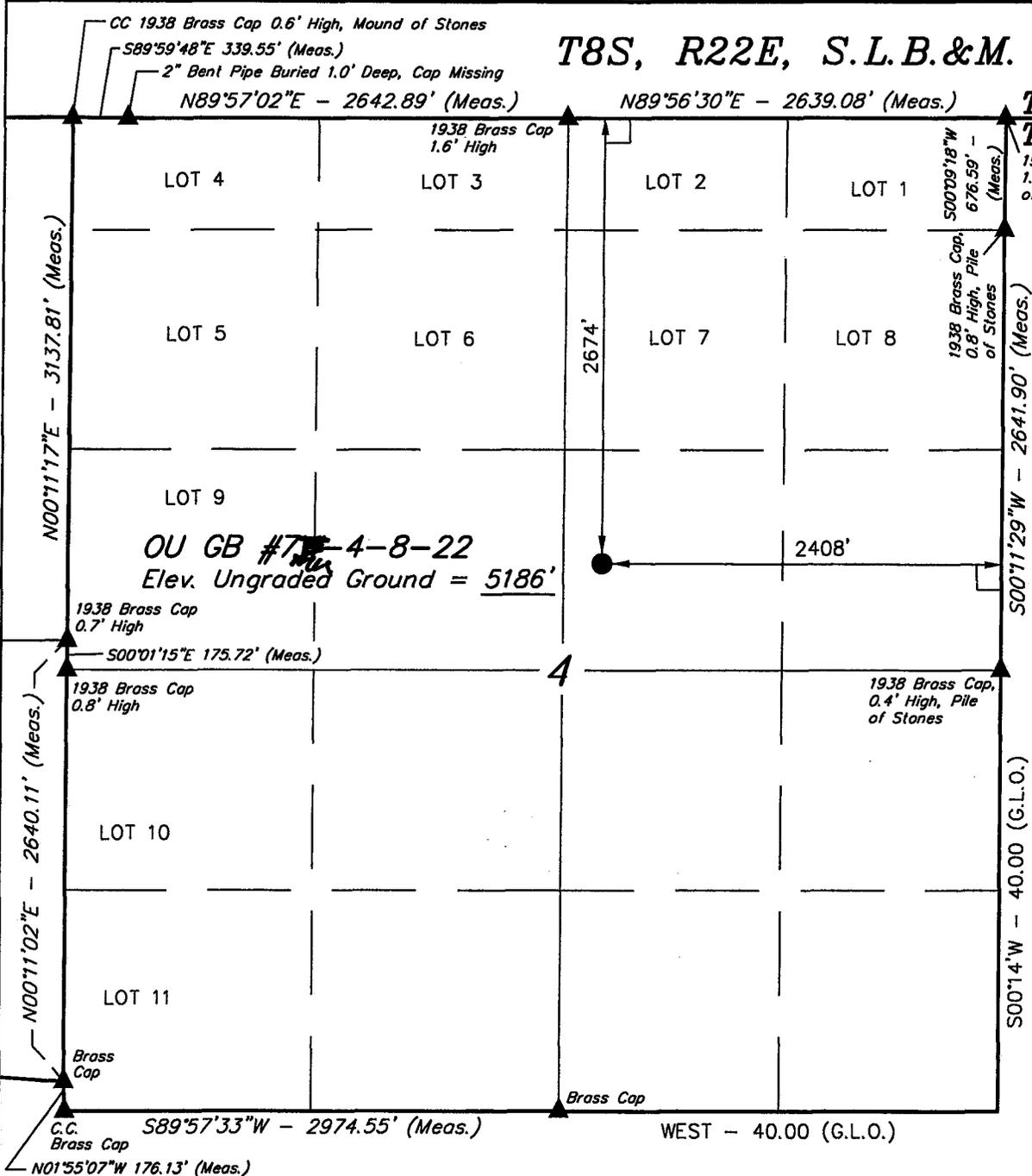
DIV. OF OIL, GAS & MINING

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

SHENANDOAH ENERGY, INC.

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

Well location, OU GB #7~~5~~⁴-4-8-22, located as shown in the SW 1/4 NE 1/4 of Section 4, T8S T8S, R22E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, 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

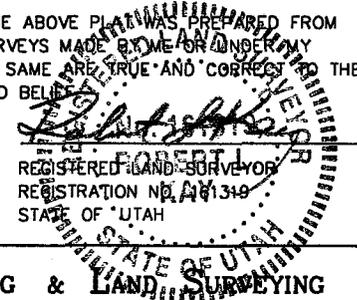
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

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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.



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

LEGEND:

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

(NAD 83)
 LATITUDE = 40°09'12.25" (40.153403)
 LONGITUDE = 109°26'39.04" (109.444178)

SCALE 1" = 1000'	DATE SURVEYED: 1-3-03	DATE DRAWN: 1-6-03
PARTY D.K. G.O. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE SHENANDOAH ENERGY, INC.	

Additional Operator Remarks:

QEP Uinta Basin, Inc. proposes to drill a well to 11825' 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

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

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

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	2879'	
Wasatch	6424'	
Mesa Verde	10,325'	
TD	11,825'	

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	11,825'

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

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	11,825'	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
- F. If drilling with air the following will be used:
 The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.

DRILLING PROGRAM

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-
- 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.

DRILLING PROGRAM

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7. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type & 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-1215sx* 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 10400' ($\pm 300'$ 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 4730.0 psi. Maximum anticipated bottom hole temperature is 140° F.

QEP UINTA BASIN, INC.
OU GB 7MU-4-8-22
2674' FNL, 2408' FEL
SWNE, SECTION 4, T8S, R22E
UINTAH COUNTY, UTAH
LEASE U-205108

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ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was completed on January 21, 2004 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.

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 #6

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

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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.

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 Raleen Seale
John Busch
Red Wash Operations Representative

January 29, 2004
Date

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SHENANDOAH ENERGY, INC.

OU GB #7~~W~~^N-4-8-22

LOCATED IN UINTAH COUNTY, UTAH
SECTION 4, T8S, R22E, S.L.B.&M.

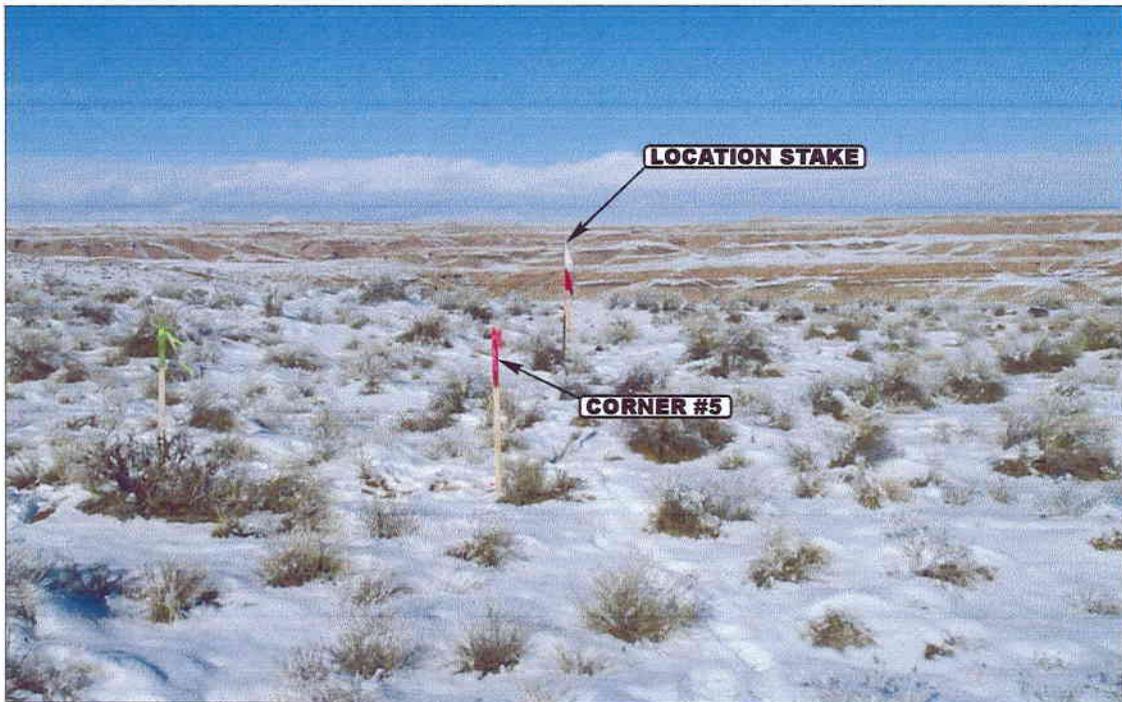


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



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

LOCATION PHOTOS

01 07 03
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: P.M.

REVISED: 00-00-00

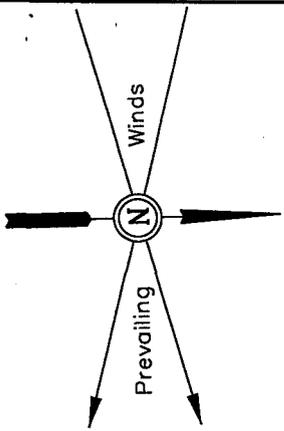
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SHENANDOAH ENERGY, INC.

FIGURE #1

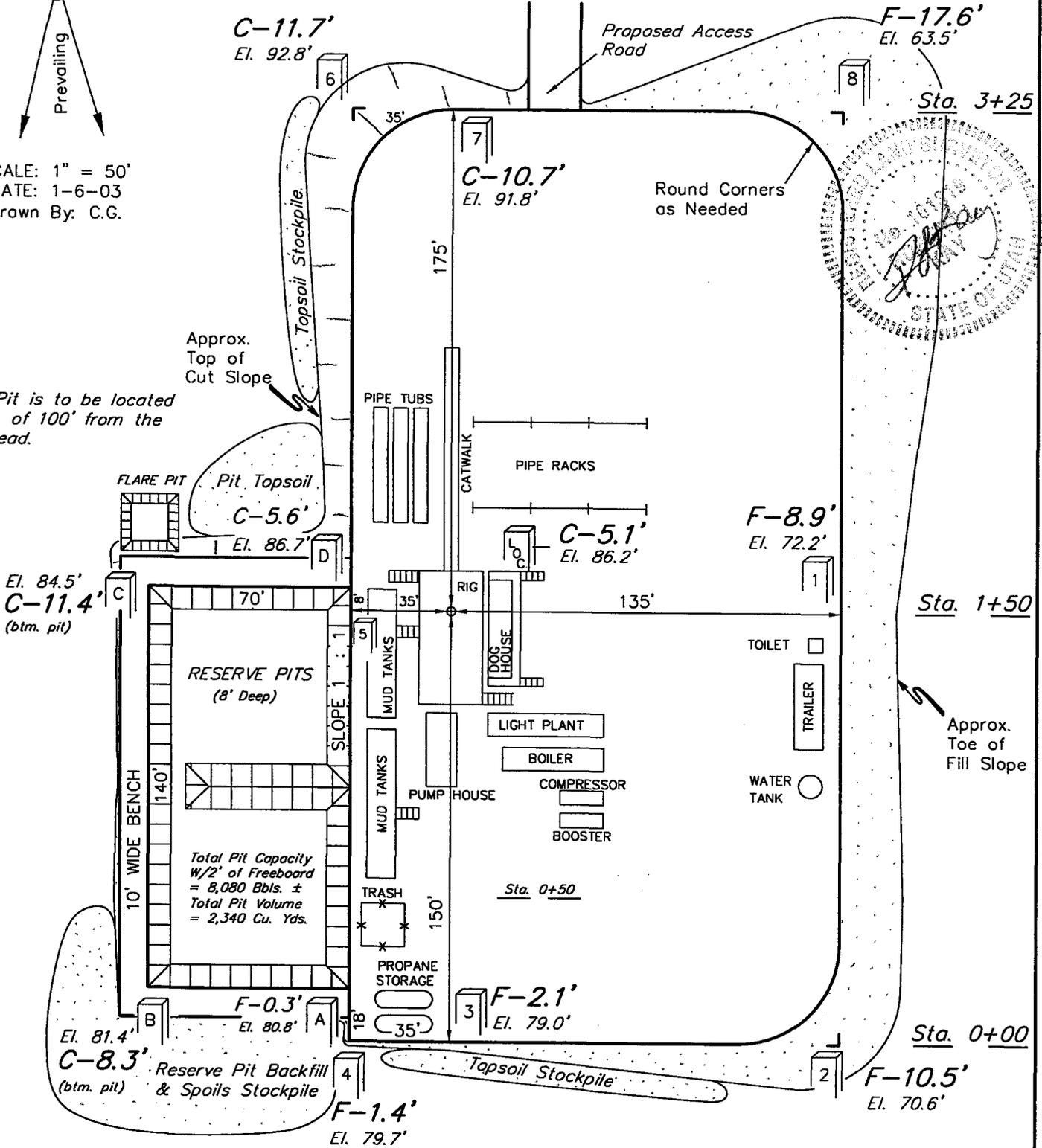
LOCATION LAYOUT FOR

OU GB #7~~11~~4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
2674' FNL 2408' FEL



SCALE: 1" = 50'
DATE: 1-6-03
Drawn By: C.G.

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



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5186.2'
FINISHED GRADE ELEV. AT LOC. STAKE = 5181.1'

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FIGURE #2

TYPICAL CROSS SECTIONS FOR

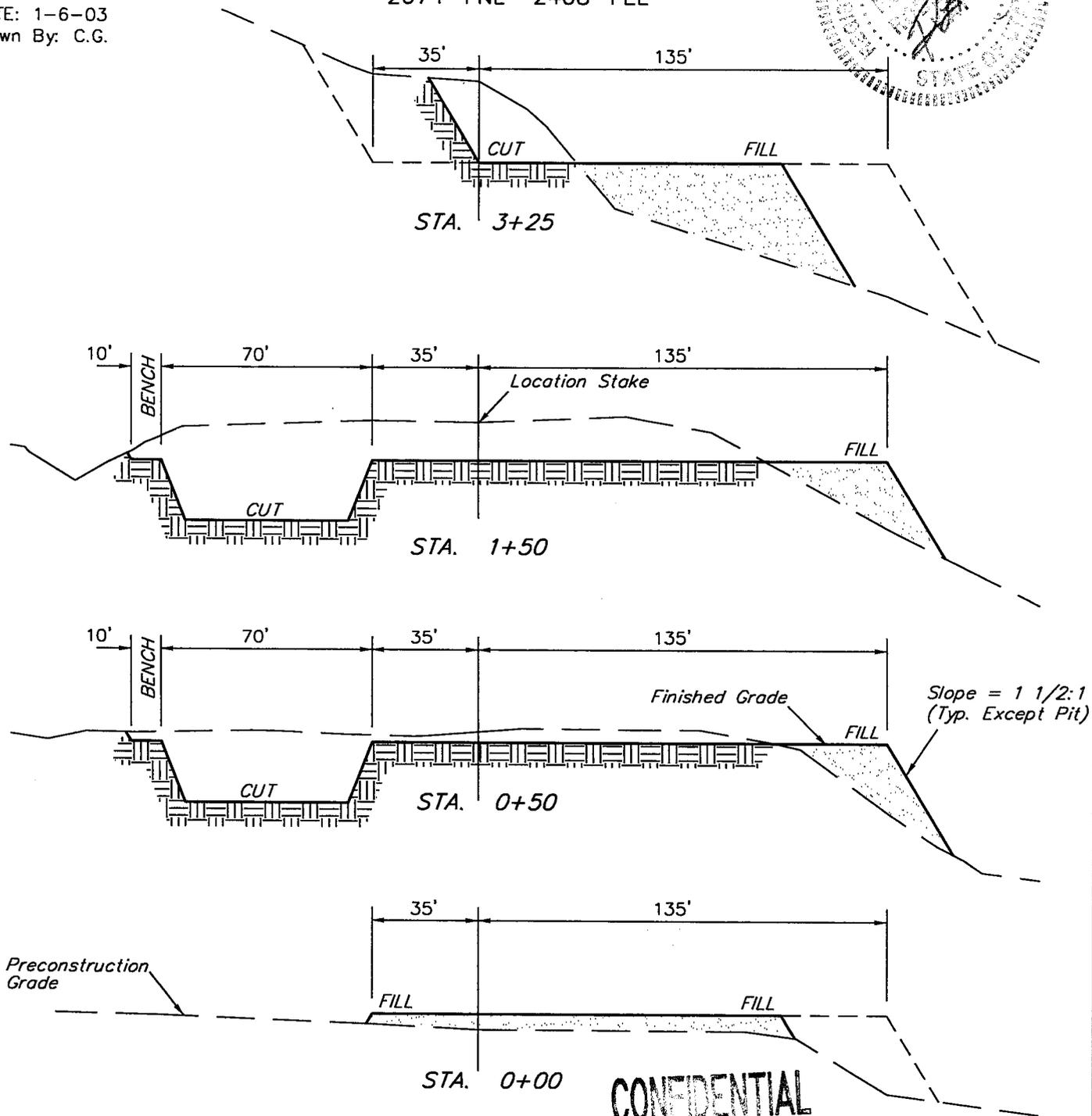
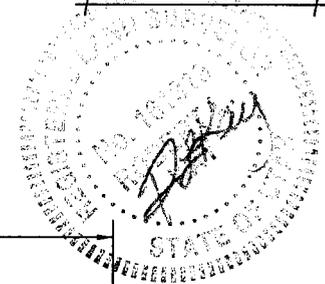
OU GB #7^{MA}-4-8-22

SECTION 4, T8S, R22E, S.L.B.&M.

2674' FNL 2408' FEL

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

DATE: 1-6-03
Drawn By: C.G.

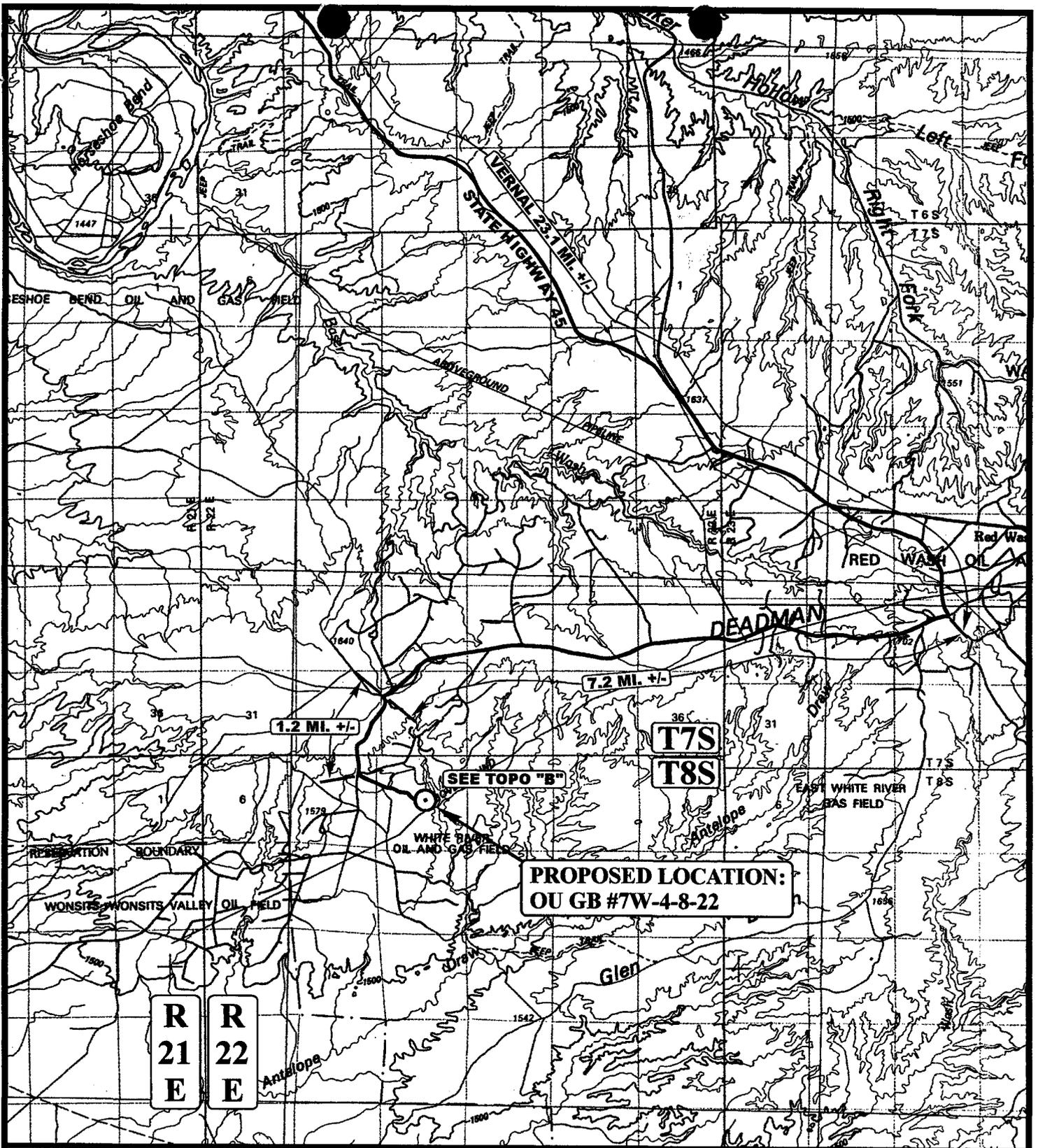


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APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,260 Cu. Yds.
Remaining Location	= 9,540 Cu. Yds.
TOTAL CUT	= 10,800 CU.YDS.
FILL	= 7,950 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,430 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,430 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**PROPOSED LOCATION:
OU GB #7W-4-8-22**

**R
21
E** **R
22
E**

**T7S
T8S**

LEGEND:

⊙ PROPOSED LOCATION

SHENANDOAH ENERGY, INC.

**OU GB #7W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
2674' FNL 2408' FEL**



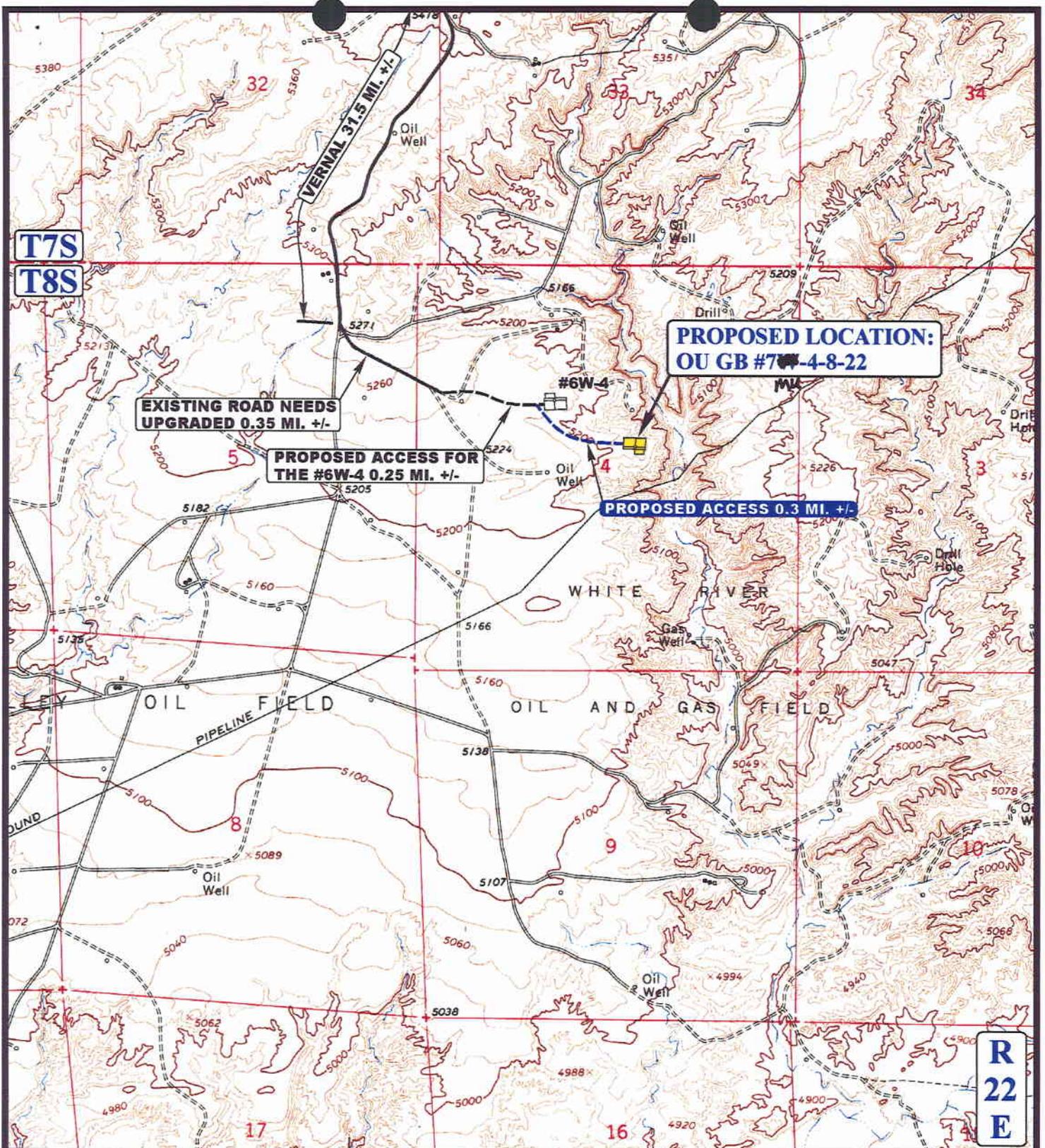
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP **01 | 07 | 03**
MONTH DAY YEAR
SCALE: 1:100,000 **DRAWN BY: P.M.** **REVISED: 00-00-00**



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LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD



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

SHENANDOAH ENERGY, INC.

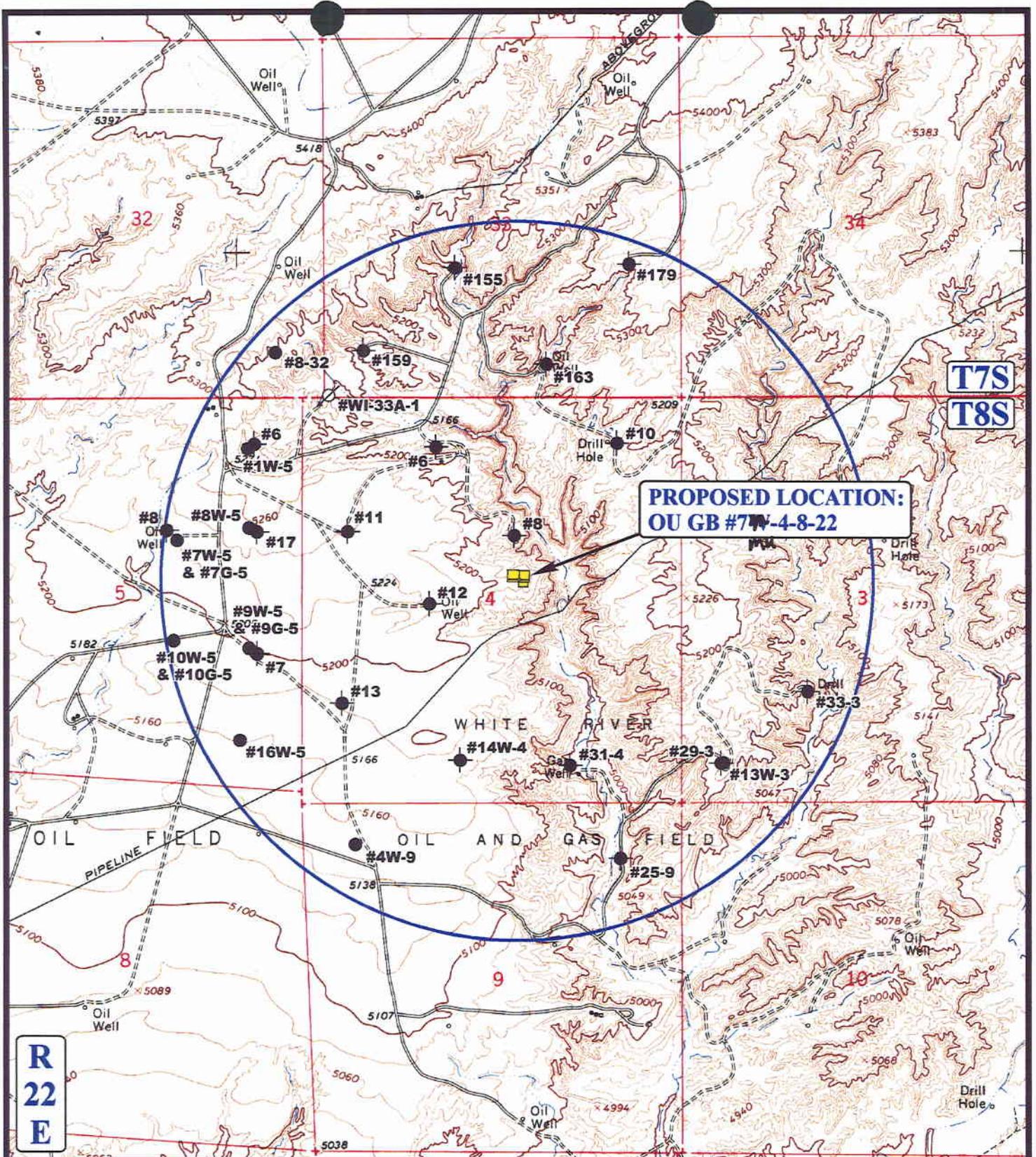
OU GB #7W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
2674' FNL 2408' FEL

TOPOGRAPHIC MAP 01 07 03
MONTH DAY YEAR

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

B
 TOPO

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**PROPOSED LOCATION:
OU GB #7W-4-8-22**

**R
22
E**

LEGEND:

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

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

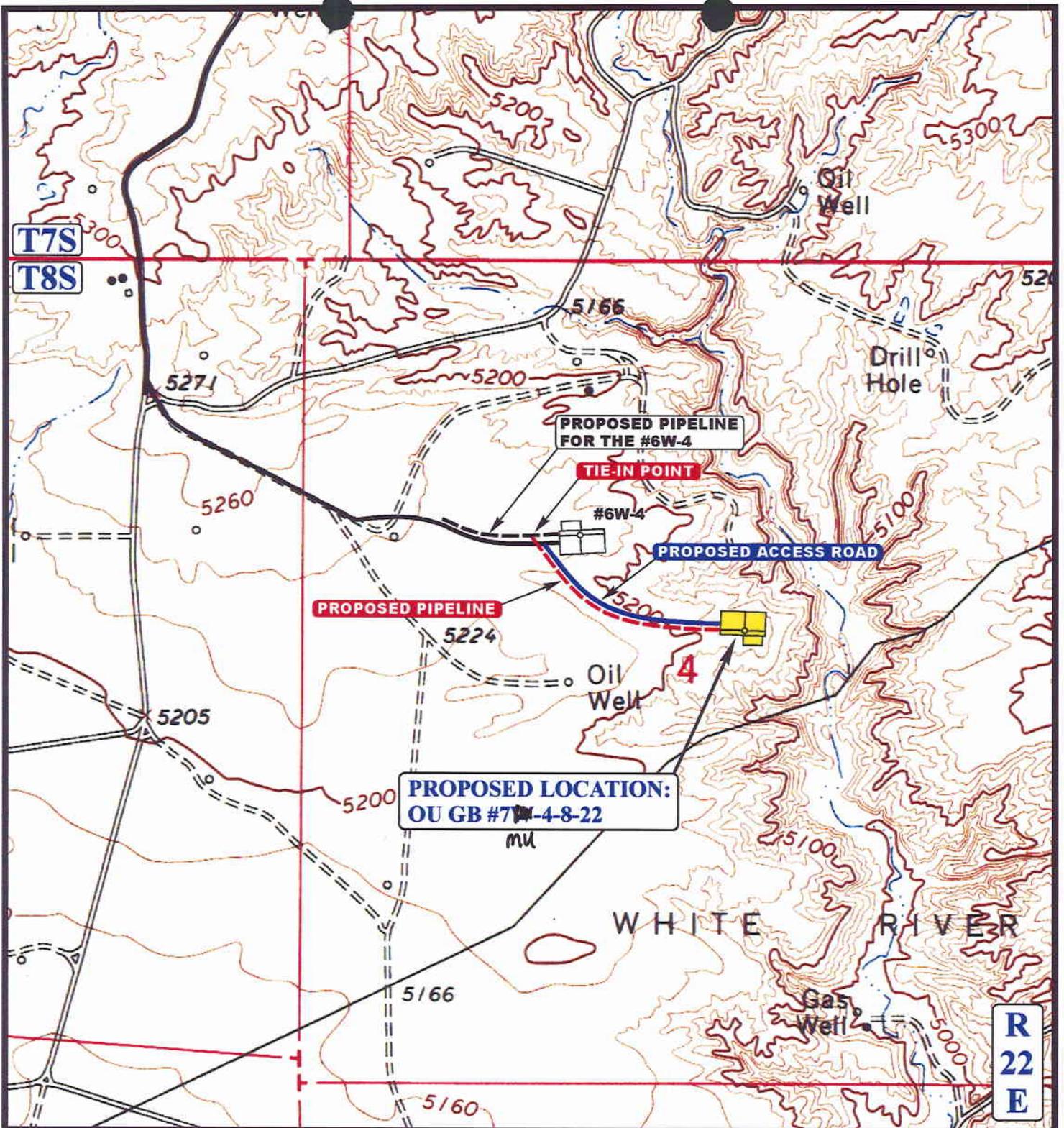
SHENANDOAH ENERGY, INC.

OU GB #7W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
2674' FNL 2408' FEL

TOPOGRAPHIC MAP
 01 07 03
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



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APPROXIMATE TOTAL PIPELINE DISTANCE = 1,700' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE

SHENANDOAH ENERGY, INC.

OU GB #7W-4-8-22
SECTION 4, T8S, R22E, S.L.B.&M.
2674' FNL 2408' FEL



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

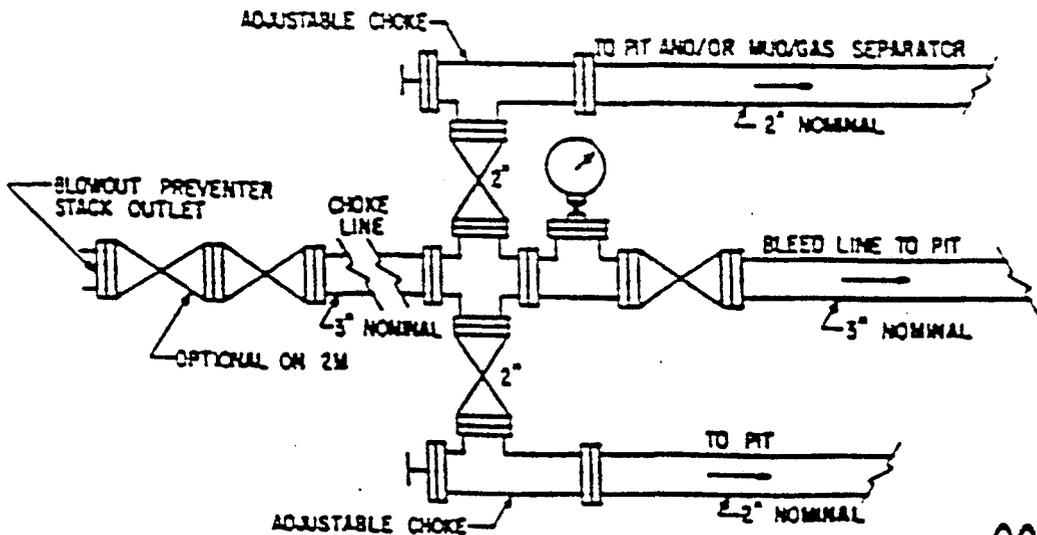
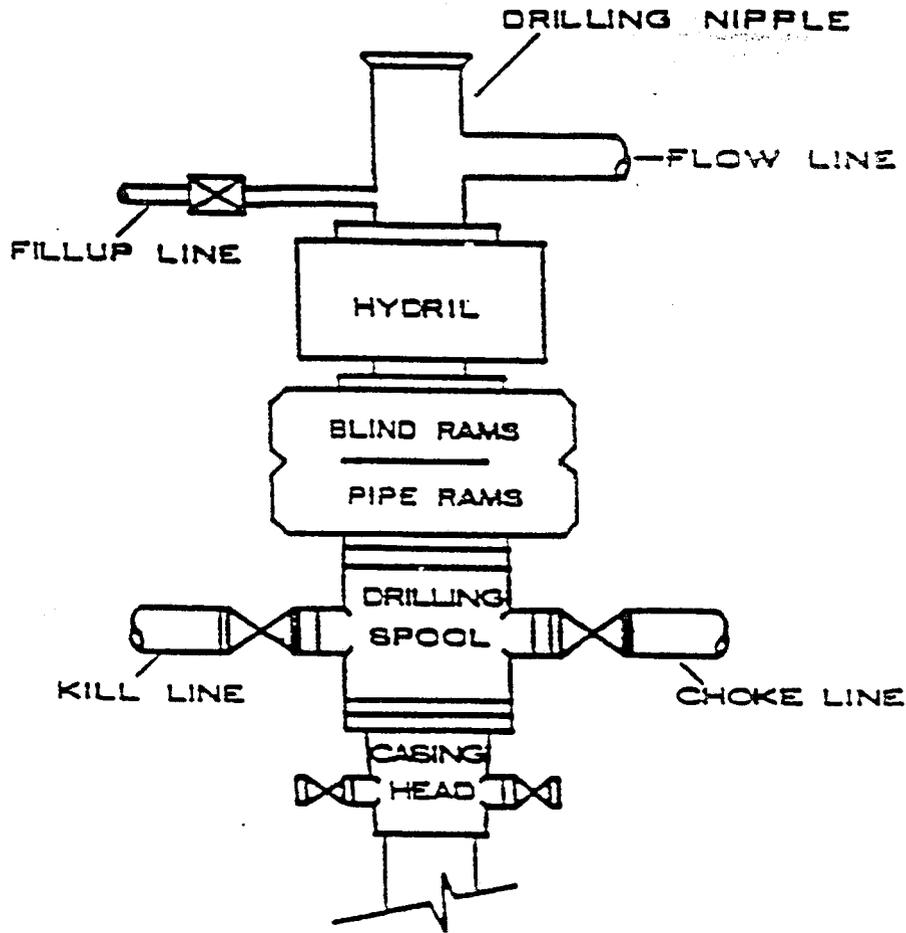
TOPOGRAPHIC MAP 01 07 03
MONTH DAY YEAR

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

D
 TOPO

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SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK



005

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/02/2004

API NO. ASSIGNED: 43-047-35459

WELL NAME: OU GB 7MU-4-8-22

OPERATOR: QEP UINTA BASIN, INC. (N2460)

CONTACT: RALEEN SEARLE

PHONE NUMBER: 435-781-4309

PROPOSED LOCATION:

SWNE 04 080S 220E
SURFACE: 2674 FNL 2408 FEL
BOTTOM: 2674 FNL 2408 FEL
UINTAH
WHITE RIVER (705)

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-205108

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

LATITUDE: 40.15359

LONGITUDE: 109.44362

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. 49-2153)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

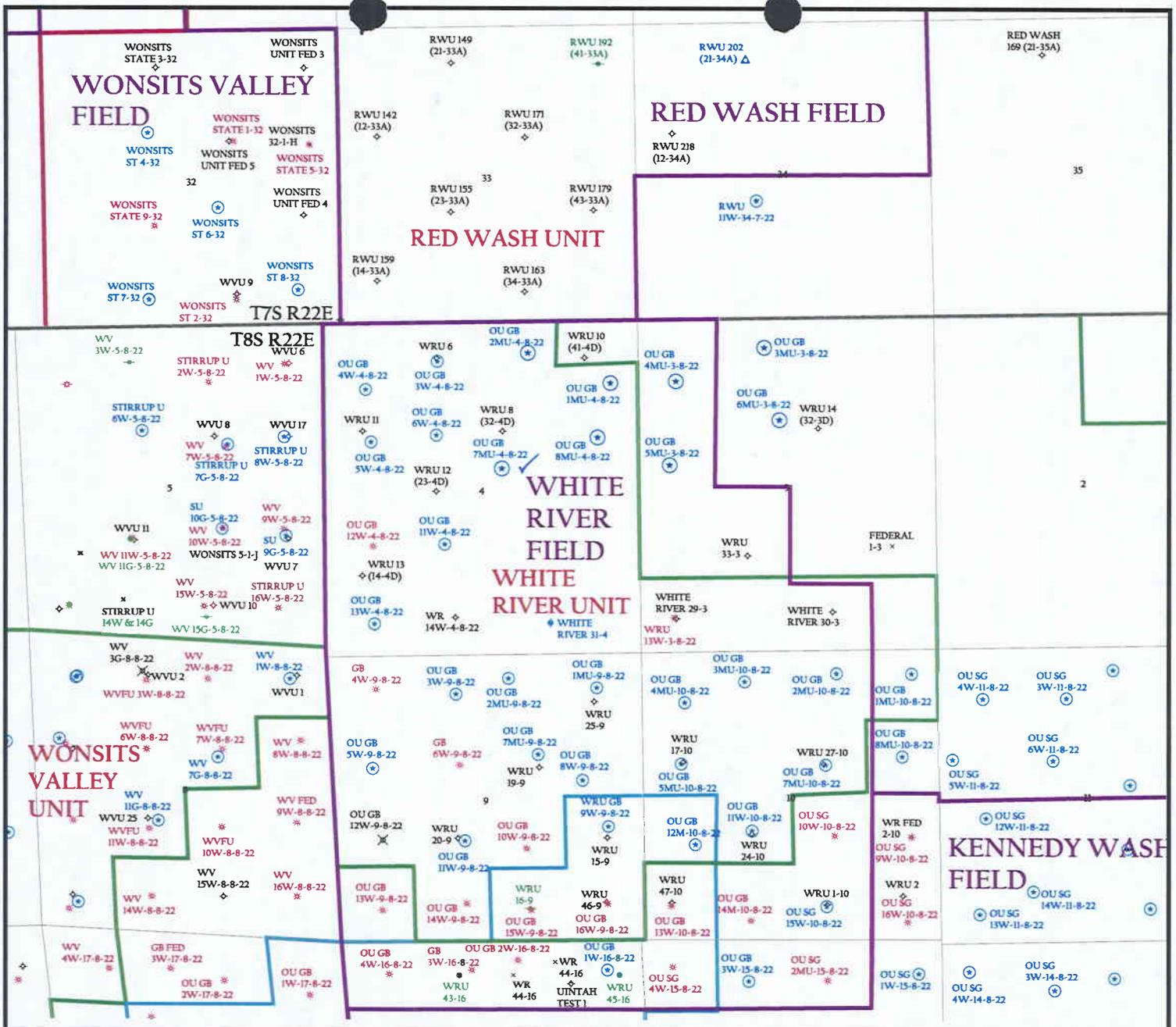
LOCATION AND SITING:

- ___ R649-2-3.
- Unit WHITE RIVER
- ___ 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

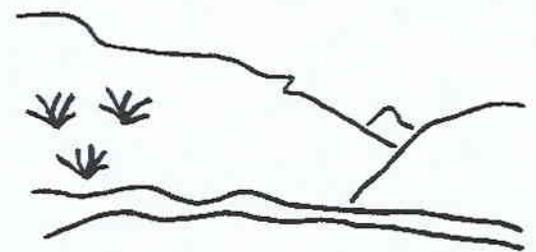
COMMENTS: _____

STIPULATIONS: 1-Federal Approval

2-Spacing 577



OPERATOR: QEP UINTA BASIN INC (N2460)
 SEC. 4 T.8S, R.22E
 FIELD: WHITE RIVER (705)
 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: 9-FEBRUARY-2004

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

February 10, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2004 Plan of Development White River Unit,
· Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2004 within the White River Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
(Proposed PZ MesaVerde)		
43-047-35459	OU GB 7MU-4-8-22	Sec 4 T08S R22E 2674 FNL 2408 FEL
43-047-35460	OU GB 8MU-4-8-22	Sec 4 T08S R22E 2114 FNL 0702 FEL
43-047-35461	OU GB 2MU-4-8-22	Sec 4 T08S R22E 0600 FNL 1942 FEL
43-047-35462	OU GB 1MU-4-8-22	Sec 4 T08S R22E 1139 FNL 0469 FEL

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

/s/ Michael L. Coulthard

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

MCoulthard:mc:2-10-04



QEP Uinta Basin, Inc.

11002 East 17500 South

Vernal, UT 84078

Tel 435 781 4300 • Fax 435 781 4329

February 9, 2004

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

To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3 QEP Uinta Basin, Inc. OUGB 7MU-4-8-22 is an exception to this rule due to topography.

There are no additional lease owners with 460' of the proposed location. If you have any question please contact Jan Nelson @ (435) 781-4331.

Thank you,

A handwritten signature in black ink that reads "Jan Nelson". The signature is written in a cursive, flowing style.

Jan Nelson

RECEIVED

FEB 11 2004

DIV. OF OIL, GAS & MINING



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

February 11, 2004

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

Re: Over and Under Glen Bench 7MU-4-8-22 Well, 2674' FNL, 2408' FEL,
SW NE, Sec. 4, T. 8 South, R. 22 East, Uinah 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 43-047-35459.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

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

Operator: QEP-Uinta Basin, Inc.
Well Name & Number Over and Under Glen Bench 7MU-4-8-22
API Number: 43-047-35459
Lease: U-205108

Location: SW NE Sec. 4 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.

007

Form 3160-3
(August 1999)

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		CONFIDENTIAL		5. Lease Serial No. UTU02510A
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: rsearle@westportresourcescorp.com		7. If Unit or CA Agreement, Name and No. UTU63021X
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435.781.7044 Fx: 435.781.7094		8. Lease Name and Well No. OU GB 7MU-4-8-22
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNE 2674FNL 2408FEL At proposed prod. zone				9. API Well No. 43-047-35459-00-X1
14. Distance in miles and direction from nearest town or post office* 34 +/- MILES SOUTH EAST FROM VERNAL, UT				10. Field and Pool, or Exploratory WHITE RIVER
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2408' +/-		16. No. of Acres in Lease 907.83		11. Sec., T., R., M., or Blk. and Survey or Area Sec 4 T8S R22E Mer SLB SME: BLM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1500' +/-		19. Proposed Depth 11825 MD		12. County or Parish UINTAH
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5196 KB		22. Approximate date work will start		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

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) JOHN BUSCH Ph: 435.781.4341	Date 01/29/2004
Title FIELD SUPERVISOR		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) HOWARD B CLEAVINGER II	Date 05/21/2004
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 #27355 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 01/30/2004 (04LW0668AE)**

** BLM REVISED **

Additional Operator Remarks:

QEP Uinta Basin, Inc. proposes to drill a well to 11825' 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 #27355

	Operator Submitted	BLM Revised (AFMSS)
Lease:	U-205108	UTU02510A
Agreement:		UTU63021X
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 SOUTH 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 SOUTH VERNAL, UT 84078 Ph: 435.781.7044 Fx: 435.781.7094 E-Mail: rsearle@westportresourcescorp.com
Tech Contact:	JOHN BUSCH FIELD SUPERVISOR 11002 E. 17500 S. VERNAL, UT 84078	JOHN BUSCH FIELD SUPERVISOR 11002 EAST 17500 SOUTH VERNAL, UT 84078
Well Name: Number:	OU GB 7MU-4-8-22	OU GB 7MU-4-8-22
Location: State: County: S/T/R: Surf Loc:	UT UINTAH Sec 4 T8S R22E Mer SLB SENE 2674FNL 2408FEL	UT UINTAH Sec 4 T8S R22E Mer SLB SWNE 2674FNL 2408FEL
Field/Pool:	WHITE RIVER	WHITE RIVER
Bond:	ESB000024	ESB000024

COAs Page 1 of 3
Well No.: OU GB 7MU-4-8-22

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: QEP-Uintah Basin Inc.

Well Name & Number: OU GB 7MU-4-8-22

API Number: 43-047-35459

Lease Number: U-02510-A

Location: SWNE Sec. 4 T. 8S R. 22E

Agreement: White River Unit

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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.

Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil & Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **5M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

COAs Page 2 of 3_
Well No.: OU GB 7MU-4-8-22

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 $\pm 3090'$.

Coring, Logging and Testing Program

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

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

Other Information

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

Ed Forsman (435) 828-7874

Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

COAs Page 3 of 3_
Well No.: OU GB 7MU-4-8-22

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

Paleontological monitoring will be required on all this location.

The proposed road is within ½ mile of an active Ferruginous Hawk nest. There will be no construction on the access road between March 1 and July 15.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

008

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

UTU-02510⁸

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 SWNE 2674' FNL 2408' FEL SECTION 4, T8S, R22E

CONFIDENTIAL

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

7. If Unit or CA, Agreement Designation
WHITE RIVER

8. Well Name and No.
OU GB 7MU-4-8-22

9. API Well No.
43-047-35459

10. Field and Pool, or Exploratory Area
WHITE RIVER

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"/> 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 GB 7MU-4-8-22.

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 15 2004

DIV OF OIL & GAS

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

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

API: 43-047-35459
Well Name: OU GB 7MU-4-8-22
Location: SWNE 2674' FNL 2408' FEL SEC. 4,T8S,R22E
Company Permit Issued to: QEP UINTA BASIN INC.
Date Original Permit Issued: 2/11/2004

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 15 2004
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

009

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

SUBMIT IN TRIPLICATE

RECEIVED
DEC 14 2004
By _____

1. Type of Well
Oil Gas
Well Well Other

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

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SWNE 2674' FNL 2408' FEL SECTION 4, T8S, R22E

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

7. If Unit or CA, Agreement Designation
WHITE RIVER

8. Well Name and No.
OU GB 7MU-4-8-22

9. API Well No.
43-047-35459

10. Field and Pool, or Exploratory Area
WHITE RIVER

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"/> 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 GB 7MU-4-8-22.

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

CONDITIONS OF APPROVAL ATTACHE

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

(This space for Federal or State Office use)
Approved by: Michael Lee Title Petroleum Engineer Date JAN 06 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: 43-047-35459
Well Name: OU GB 7MU-4-8-22
Location: SWNE 2674' FNL 2408' FEL SEC. 4,T8S,R22E
Company Permit Issued to: QEP UINTA BASIN INC.
Date Original Permit Issued: 5/21/2004

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 GB 07MU-04-8-22

Location: SWNE Sec. 04, T08S, R22E

Lease: UTU-02510A

Conditions of Approval

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

1. The extension will expire 05/21/06.
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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU-025108

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

WHITE RIVER

8. WELL NAME and NUMBER:

OU GB 7MU-4-8-22

9. API NUMBER:

4304735459

10. FIELD AND POOL, OR WILDCAT:

WHITE RIVER

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:

QEP UINTA BASIN, INC

CONFIDENTIAL

3. ADDRESS OF OPERATOR:

11002 E. 17500 S.

CITY VERNAL

STATE UT

ZIP 84078

PHONE NUMBER:

(435) 781-4331

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2674 FNL 2408 FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 4 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"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input 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 GB 7MU-4-8-22.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 01-12-06
By: *[Signature]*

COPY SENT TO OPERATOR
Date: 1-24-06
Initials: *[Signature]*

NAME (PLEASE PRINT) Jan Nelson

TITLE Regulatory Affairs

SIGNATURE *[Signature]*

DATE 1/12/2006

(This space for state use only)

RECEIVED

JAN 17 2006

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

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

API: 35459
43-047-025108
Well Name: OU GB 7MU-4-8-22
Location: 2674 FNL 2408 FEL SWNE SEC. 4 T8S R22E
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 2/11/2004

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

Title: REGULATORY AFFAIRS

1/12/2006

Date

Representing: QEP UINTA BASIN, INC.

RECEIVED

JAN 17 2006

DIV. OF OIL, GAS & MINING



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 24, 2007

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

Re: APD Rescinded –OUGB 7MU-4-8-22 Sec. 4 T. 8 R. 22E
Uintah County, Utah API No. 43-047-35459

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 February 11, 2004. On December 16, 2004 and January 19, 2006, the Division granted a one-year APD extension. On January 23, 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 23, 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 1, 2007

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

43-047-35454

Re: Notification of Expiration
Well No. OUGB 7MU-4-8-22
SWNE, Sec. 4, T8S, R22E
Uintah County, Utah
Lease No. UTU-205108

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on May 21, 2004. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until May 21, 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